DMA Form 1

DEFENSE MINERALS ADMINISTRATION
Control Slip

CONTROLLED DOCUMENT

DMA Docket No. 1308-Tungsten

DO NOT DETACH THIS SLIP

Action on this document is recorded and controlled in Reports and Records Branch. Any movement of this document between divisions or offices of DMA or movement outside DMA must be reported to the Reports and Records Branch. Actions taken that affect status of the case must also be reported.

This document has been recorded as

_____

Any action taken to change the type of request for assistance must be promptly reported to the Reports and Records Branch. Use DMA Form 2 for submitting these reports.

Routing Slip

To: Admin Mgmt Div Date Jul 18 1951

To: _____ Date _____

To: _____ Date _____

To: _____ Date _____

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To: _____ Date _____

DO NOT DETACH

CONTROLLED DOCUMENT

INT.-DUP. SEC., WASH., D.C. 98868

FILE COPY
SURNAME:

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

September 12, 1951

Mr. A. E. Baker, President
~~Q. B. Q. Company, Inc.~~
3832 East 26th Street
Los Angeles 23, California

Re: Old Abe Mine
DMA-1308

My dear Mr. Baker:

Reference is made to your request of September 7, 1951 and accordingly we are returning the following:

1 map
Assay Sheets 10

It will be necessary for the forms to remain in this office because once an application is received and assigned a Defense Minerals Administration number, they become the property of the government and cannot be returned.

Sincerely yours,

R. E. ADAMS

Robert E. Adams
Administrative Officer
Reports and Records

879-12

Enclosures

aec
cc: Mr. Holderer

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 9-10-51

REFERRED TO:

Rec'd by Mr. Holdeer
SEP 10 1951

1. ~~Code 5 to~~
2. Mr. Adams
3.
4.

FOR:

..... Action	..... Recommendation
..... Approval	..... Record of .....
..... Comment	..... Referring to .....
..... Conference	..... Reply for signature of .....
..... Consideration	..... Rewriting
..... Filing	..... Signature
..... Instructions	..... Suggestions
..... Investigation	✓ Your information
..... Initials	
..... Mailing	
..... Previous correspondence	

REMARKS: .....

Check (X) before the items needing attention.

Adams
Initials of sender.
A. E. C.

GPO 16—63815-1

TELEPHONES
AN 2-4178
AN 2-4167

PERMIT NO.
B E 4719
R H C C 19-12493
H C C 19-12494
C C 19-41513

ART BAKER TRANSPORTATION

3832 EAST 26TH STREET
LOS ANGELES 23, CALIFORNIA

Sept. 7, 1951

U. S. Department of the Interior,
Defense Minerals Administration,
Washington, 25, D. C.

Att: MR. TOM LYON, Supply Division

Dear Sir:

Re: DMA-1308-X Tungsten

We have your letter of July 16th regarding our application for exploration loan.

In as much as you have turned down this application will your please return by Airmail all papers sent to you on this matter.

Respectfully yours,

Q. B. Q. CO., Inc.

By A. E. Baker

A. E. Baker, Pres.

PS: I am asking that you please return the above mentioned papers to the above Los Angeles address as I have business here for the next few days and have need of some of the documents attached to this application.

AEB

DEFENSE MINERALS
ADMINISTRATION
WASHINGTON, D.C.
SEP 10 10 32 AM '51

DMA Form 2

DEFENSE MINERALS ADMINISTRATION
Status Change Notice

DMA Docket No. 1308

To: Reports and Records Branch

From: Tungsten Branch - DMA

Date: July 16, 1951

The following action has been taken this date on the above Controlled Document.

Forwarded to Adm. Mgmt. Div. thru Mr. Lyon for signature

Type of request changed to:

Denied ☑ Withdrawn ☐

Approved in amount of $

Other action, specify:

Index of File

DMA-1308-X — Tungsten
White Oaks, New Mexico

1. 1 copy Application on Form MF-103

2. 1 copy Application on Form MF-103 with attached copies of Lease and Option, and Assignment of Lease and Option.

3. 1 copy Air Mail Letter May 11, 1951, Western Machinery Co. to Art Baker Transportation, Los Angeles re. cost of Diesel engine.

4. 1 Photostat of Map of Mining Claims, White Oaks Mining District, New Mexico.

5. 1 copy, List of Mill Equipment for sale.

6. Miscellaneous assay reports.

July 16, 1951

Memorandum

To: Administrative Management Division

From: Tungsten Branch

Subject: [illegible] -- Tungsten
[illegible] Co., Inc.
White Oaks, New Mexico

The applicant requested a loan of $100,000 (Government share $75,000) for exploration. No plan of exploration is given. There is no geological report and no map included.

Information available indicates the veins are too small to warrant a project of the scale requested and there is no mill available for treatment of any ore produced.

The request is denied.

Attachment

George A. Holderer
Chief, Tungsten Branch

Approved:

Director, Supply Division

FWHansonJavj

cc:File
Adm. Reading File
Reports & Records Unit
Field Team IV
Mr. Holderer

Held for approval of Secy. Jessen 7/18/51.

Denied

July 5, 1951

Index of File to Exec. Secy.

DMA-1308 X Tungsten
White Oaks, New Mexico

1. 1 Copy Application on Form MJ-103
2. 1 " " " " " with attached copies of Lease and Option, and Assignment of Lease and Option
3. 1 Copy Air Mail Letter May 11, 1951, Western Machinery Co. to Art Baker Transportation, Los Angeles re cost of Diesel engine
4. 1 Photostat of Map of Mining Claims, White Oaks Mining District, New Mexico
5. 1 Copy, List of Mill Equipment for sale.
6. Miscellaneous assay reports.

DMA 1308 X
Tungsten
July 6, 1951

Memo from report by
Paul C. Bateman

White Oaks, N.M.

At White Oaks, wolframite occurs in narrow qtz. veins too small for other than small scale hand-type operations. Careful sampling of old dumps left from gold mining operations, may indicate enough content of WO_3 to warrant milling. Recommends no other work than sampling on the part of U.S.G.S. or B.M.

Exposures in the mines do not indicate sufficient wolframite anywhere to permit mining tungsten alone. Should the mining of gold be revived, tungsten might be produced as a residue.

Note on file says "forwarded to Lennon 7/3/"

Prepare rejection

7/7/57 Lennon & DMR re this.

He will prepare memo.

M7.103 Review 1308-V

5. Applicant is lessee
7. Copy of lease, and assignment of lease attached
8. Balance sheet attached
9. Expects to apply $60,000 expended in part as his share of expl. cost, but also prepared to put up 2.5% if required.
13. Claim adequate water supply will generate power with Diesel electric plant.
15. No mill within shipping distance.
18. No statement on ore reserve
(a) No description of ore or mineral deposit.
(b) No maps. [Assay sheets attached)
(c) No est. of tonnage of ore reserves.
20. Does not describe type of deposit to be explored.

21. No description of work proposed
22. No geol. report or maps in file.
23. Time schedule is inadequately described.

July 16, 1951

Mr. A. E. Baker, President
G. B. . Co, Inc.
White Oaks, New Mexico

In reply please refer to:
DMA-1706-1 — Tungsten

Dear Mr. Baker

Your application for an exploration loan in total amount of $100,000 has been carefully examined.

At White Oaks, tungsten in the form of Wolframite occurs in narrow quartz veins too small for any but very small scale operations. Careful sampling of old dumps left from gold-mining operations might indicate enough content of WO_3 to justify milling, but there is no mill within shipping distance.

Exposures of mineralization in the mines do not indicate sufficient wolframite anywhere to encourage mining for tungsten alone. In case of a revival of gold-mining, tungsten might be produced as a by-product.

Your application contains no plan of exploration, no geological report and no map.

For the above reasons, the application is denied.

Very truly yours,

Tom Lyon
Director, Supply Division

FWHuhsom:evj

cc:File
Adm. Reading File
Reports & Records Unit
Field Team IV
Mr. Holderer

July 16, 1951

Mr. A. R. Baker, President
C. B. C. Co. Inc.
White Oaks, New Mexico

In reply please refer to:
DMA-1908-1 — Tungsten

Dear Mr. Baker

Your application for an exploration loan in total amount of $100,000 has been carefully examined.

At White Oaks, tungsten in the form of wolframite occurs in narrow quartz veins too small for any but very small scale operations. Careful sampling of old dumps left from gold-mining operations might indicate enough content of WO3 to justify milling, but there is no mill within shipping distance.

Exposures of mineralization in the mines do not indicate sufficient wolframite anywhere to encourage mining for tungsten alone. In case of a revival of gold-mining, tungsten might be produced as a by-product.

Your application contains no plan of exploration, no geological report and no map.

For the above reasons, the application is denied.

Very truly yours,

Tom Lyon

Tom Lyon
Director, Supply Division

FWHanson:awj

cc:File
Adm. Reading File
Reports & Records Unit
Field Team IV
Mr. Holderer

July 16, 1958

Memorandum

To: Administrative Management Division

From: Tungsten Branch

Subject: [illegible]-1305 - Tungsten
C. B. G. Co., Inc.
White Oaks, New Mexico

The applicant requested a loan of $100,000 (Government share $75,000) for exploration. No plan of exploration is given. There is no geological report nor no map included.

Information available indicates the veins are too small to warrant a project of the scale requested and there is no mill available for treatment of any ore produced.

The request is denied.

George E. Holderer
Chief, Tungsten Branch

Attachment

Approved:

Tom Lyon

Director, Agrly Division

FWHansonlawj

cc: File
Adm. Reading File
Reports & Records Unit
Field Team IV
Mr. Holderer

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

Q.E.C.

July 16, 1951

Memorandum

To: Administrative Management Division

From: Tungsten Branch

Subject: DMA-1308 — Tungsten
Q. B. Q. Co., Inc.
White Oaks, New Mexico

The applicant requested a loan of $100,000 (Government share $75,000) for exploration. No plan of exploration is given. There is no geological report and no map included.

Information available indicates the veins are too small to warrant a project of the scale requested and there is no mill available for treatment of any ore produced.

The request is denied.

Geo B Holderer
George B. Holderer
Chief, Tungsten Branch

Attachment

Approved:

Tom Lyon
Director, Supply Division

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

July 16, 1951

Memorandum

To: Administrative Officer of Division

From: Production Branch

Subject: [illegible] -- Exploration
[illegible] Co., Inc.
[illegible], New Mexico

The applicant requested a loan of [illegible] Government share [illegible] for exploration. No loan of exploration is given. There is no geological report [illegible] no map included.

Information available indicates the veins are too small to warrant development of the mining operation and there is no milling facility for treatment of any ore produced.

The request is denied.

Attachment

[illegible]
Chief, Production Branch

Approved:

Tom Lyon

Director, Defense Minerals Division

FWHanson:ayj

cc: File
Adm. Reading File
Reports & Records Unit
Field Team IV
Mr. Holderer

7/16
[illegible]

FILE COPY
SURNAME:

Holden
Hanson/H.

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

July 16, 1951

Memorandum

To: Administrative Management Division

From: Tungsten Branch

Subject: [illegible]-1[illegible] -- Tungsten
[illegible] Co., Inc.
White [illegible], New Mexico

The applicant requested a loan of $100,000 (Government share $75,000) for exploration. No plan of exploration is given. There is no geological report and no map included.

Information available indicates the veins are too small to warrant a project of the scale requested and there is no mill available for treatment of any ore produced.

The request is denied.

George F. Holderer
Chief, Tungsten Branch

Attachment

Approved:

Tom Lyon

Director, Defense Mobilization

FWHanson:awj

cc:File
Adm. Reading File
Reports & Records Unit
Field Team IV
Mr. Holderer

7/16

FILE COPY
SURNAME:

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

Holderer
Hanson
Lemon

July 16, 1951

Mr. A. E. Baker, President
G. B. C. Co. Inc.
White Oaks, New Mexico

In reply please refer to:
DMA-1308-X — Tungsten

Dear Mr. Baker

Your application for an exploration loan in total amount of $100,000 has been carefully examined.

At White Oaks, tungsten in the form of wolframite occurs in narrow quartz veins too small for any but very small scale operations. Careful sampling of old dumps left from gold-mining operations might indicate enough content of WO3 to justify milling, but there is no mill within shipping distance.

Exposures of mineralization in the mines do not indicate sufficient wolframite anywhere to encourage mining for tungsten alone. In case of a revival of gold-mining, tungsten might be produced as a by-product.

Your application contains no plan of exploration, no geological report and no map.

For the above reasons, the application is denied.

Very truly yours,

Tom Lyon

Tom Lyon
Director, Supply Division

FWHanson:awj

cc:File
Adm. Reading File
Reports & Records Unit
Field Team IV
Mr. Holderer

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

July 16, 1951

Mr. A. E. Baker, President
[illegible] Co. Inc.
White [illegible], New Mexico

In reply please refer to
DMA-1[illegible] — Tungsten

Dear Mr. Baker

Your application for an exploration loan in total amount of $100,000 has been carefully analyzed.

At [illegible] site [illegible], tungsten in the form of wolframite occurs in narrow quartz veins too small for any but very small scale operations. Careful sampling of old dumps left from [illegible] mining operations might indicate enough content of [illegible] to justify milling, but there is no mill within shipping distance.

Exposures of mineralization in the mines do not indicate sufficient wolframite anywhere to encourage mining for tungsten alone. In case of a revival of gold-mining, tungsten might be produced as a by-product.

Your application contains no plan of exploration, no geological report and no map.

For the above reasons, the application is denied.

Very truly yours,

Tom Lyon

Tom Lyon
Director, Loan Division

FWHanson:awj

cc:File
Adm. Reading File
Reports & Records Unit
Field Team IV
Mr. Holderer

Index of File

DMA-1308-X — Tungsten
White Oaks, New Mexico

1. 1 copy Application on Form MF-103

2. 1 copy Application on Form MF-103 with attached copies of Lease and Option, and Assignment of Lease and Option.

3. 1 copy Air Mail Letter May 11, 1951, Western Machinery Co. to Art Baker Transportation, Los Angeles re. cost of Diesel engine.

4. 1 Photostat of Map of Mining Claims, White Oaks Mining District, New Mexico.

5. 1 copy, List of Mill Equipment for sale.

6. Miscellaneous assay reports.

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. DMA 1308X

Date received 5-29-51

Participation

Q. B. Q. CO., INC.,
WHITE OAKS,
NEW MEXICO

Name and address of applicant

Date May 25, 1951

FILL IN THIS BLOCK

Date of application May 25, 1951

Estimated cost $100,000.00

Mineral or metal Metallic Ores

Percentage of Government participation 75%

Location of mine White Oaks, New Mexico
12 Miles N.E. of Carrizozo, New Mex.

Date of filing MF-100 None

DMA Docket Number, if available ~~None~~ 1308X

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.

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 to 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.

Q. B. Q. Co., Inc.,
(Name of company)

By [signature]
(Signature of authorized official)

May 25, 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.

*Same as footnote on page 1.

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

THE APPLICANT

1. A corporation
2. none

Officers

3. A. E. Baker, 3832 E. 26 St., Los Angeles, Calif. — Preident
   F. J. Queen, White Oaks, New Mexico. — 1st Vice-Pres.
   W. Murray Hendrix, White Oaks, New Mexico. — 2nd Vice-Pres.
   Mary M. Haden, 3832 E. 26 St., Los Angeles, Calif. — Sec & Treas.

Directors: A. E. Baker, F. J. Queen and Mary M. Haden

Five largest stockholders: A. E. Baker, F. J. Queen, Mary M. Haden, O. F. Scofield(San Francisco,) and W. M. Hendrix

4. (a) Q. B. Q. Co., Inc. formed for the purpose of mining the properties as described in attached lease.
   (b) A. E. Baker, pres., with years of experience in mining zinc, lead and gold, sole owner of Art Baker Transportation, located at 3832 E. 26 St., Los Angeles, Calif., operating heavy duty equipment between Los Angeles and San Francisco for past 11 years, will act as general advisor.

   F. J. Queen will be superintendent of all operations. He has had many years of mining experience and was born in the little town of White Oaks, New Mex. and grew up in the mines that we propose to operate. His father and uncle were respective mine superintendent and mill superintendent of the same property. Mr. Queen also has had experience as general contractor. Mining has been his life's work with the exception of time spent in the Service during World War II.

   W. M. Hendrix is an old timer in the locality of Globe and Mimmi. Ariz., having spent over 20 years as assayer and chemist in charge of cyanization, milling and flotation. He will act as mill supt.

   E. P. Iverson will be associated with us as master mechanic. Mr. Iverson has carried a master machinist card for over 12 years. He is experienced in water engineering and is an electrician.

5. We are the lessee.

6. not the owner.
7. Copy of lease attached, same in good standing.
8. Financial statement attached.
9. Applicant has already invested in this project over $60,000.00 which we have been told could be used as a credit to us representing our proportionate share of the monies now needed to complete and bring our operation up to production. However, if we are mistaken in the above we can and will produce our quota of 25% as mention in Section 9 of MO 5 pertaining to the mining of Tungsten.

10. (a) See lease attached.
(b) All covered in lease attached.
Both covered by lease.

11. Known as the White Oaks Mining District and The Old Abe Company.
All described in lease attached.

12. 12 miles N.E. of Carrizozo, Lincoln County, New Mexico, where the main line of Southern Pacific Railroad runs and would be the nearest shipping point. State of New Mexico maintains in fair and usable condition road to White Oaks.

13. We have drilled a well that has proven 60-gal. permminute at all times. Additional wells could be drilled if the need should arise. At present time we are receiving 5 to 7½ horsepower direct from the single phase line recently put through by R. E. A. We propose to manufacture our own power by using Diesel Electric Power Plant of sufficient size to handle all the power load needed.

14. Assay building, cyanide plant and expenditure for misc'l equipment as shown on balance sheet including expenditure for water well.

15. No mill within shipping distance with facilities to handle our Wolframite Tungsten, WO_3

16. (a) These mines were started back in the 1880s before anyone knew the value of black tungsten or even what it was. We have thousands of tons of dumps that carry tungsten all the way through them. Numerous assays show an average up to .25% and higher. We also have about 100,000 tons of mill tails that were ground by the old stamp mills that carry better than .10% of black tungsten.

Numerous shafts over this property were sunk to the depth of 1400 to 1500 ft. Many stopes, tunnels and cross-cuts were made in the early days and the tungsten from this mining was naturally put out in the dumps as the old timers were looking for free gold only. It seems that when the free gold came in the tungsten would go out to some extent, but not entirely as it is proven by the percentage of tungsten that is left in these tailing piles (not less than .10%).

We have opened one of the most promising shafts that had been caved in around the collar and retimbered it to the 650' level and have installed cage, hoist, air, etc. necessary for this operation. We also went in on the 500' level and sunk a winze through to the 570' and 55 feet of this was in tungsten that assays from 2.35% to as high as 5.05%. There on the 570' level we found that the old timers had left quite a bench of this high grade tungsten. In other words they had gone around it in their search for free gold. We are now continuing on from the 570' into the 600' and are still in tungsten at this writing. I might also say there is enough free gold scattered through the dumps and in the mines to more than pay all of the overhead expenses and the tungsten should be 100% clear profit.

16. (a) continued
We know we have the tungsten as stated above and will be glad to prove it to any mining engineer that you would care to send out and look over this property. What we are asking for and need very badly is some financial help to buy the proper equipment and meet payroll until we are in production.
(b). No adjoining properties as our lease covers this entire district.
(c) Enclosure -

17. Not in production.

18. Property has not been operating for many years.

19. None

THE EXPLORATION

20. Wolfermite Tungsten WO_3

21. 60 to 90 days

22.. See enclosure

THE REQUIREMENTS AND COSTS

23. (a)
and (b) 120 man shifts @ $1.65 per hr. 8 hr.$13.20 (as per lease requirements) $1584.00

One	Superintendent	500.00
One	Master Mechanic	500.00
One	Assayer and Chemist	350.00
One	Mill superintendent	400.00
Six	Mill Men @ 1.50 per hr. 12.00 per day - 30 da.	2160.00
One	Hoist Man @ 1.65 13.20 x 24 days	316.80
Four	Top men, cat skinner, shaker screen etc.	1440.00
one	Time keeper and Bookkeeper	300.00
One	Auditor - part time	200.00
	Leagl advise, etc.	200.00
		$7950.80

(c) NONE

(d) Mill Building, Bunk House and Cook Shack. 10,000.00

THE REQUIREMENTS AND COSTS
continued

(e) and

23. (f) Two Caterpillar D-13000 W/75 KW Generator Sets 3 phase, 60 cycle 220/440 Volt. These can be bought outright for $13,750.00
OR on a rental for 6-mo. at $800.00 per mo. to apply on purchase price.

One D-4 Caterpillar Traxcavator Bulldozer and 5/8 yd Bucket for loading 5,250.00
OR $300.00 per mo. rental to apply on purchase price

One Ball Mill, Crusher, Flotation Cells, etc. We hope to find a complete mill used. Lots of used equipment can be bought for cash. We know equipment and how to buy at the right price. Probably a piece here and a piece there to fit our Flow Sheet 50,000.00

(g) One #105 Ingersall Rand Air Compressor
One 4 x 4 Dump Truck
One 1½-ton Chevrolet Flat Rack Dump Truck
One 3/4-ton Chevrolet Pick-Up
One Shaker Screen
One Trumble Screen
One Hammer Mill
One 200-amp. Portable P & H Welder
One Acetylene Cutting Torch and Gages
One Assay office set up complete and in use
Several Electric Motors up to 75 h.p.
One Denver Mechanical Pan complete
One Portable 20 h.p. Gas Driven Electric Power Plant
One Jaeger Hoist, Cage etc.
One Electric Saw 3 h.p.
Numerous other tools, such as drill press, grinders, electric drills, wrenches of all kinds, mechanic's hand tools, etc.
Estimate per month 1,000.00

(h) Misc'l items will arise from day to day that cannot be anticipated, such as Diesel Fuel, Tires, Oil, Gasoline, Gas & Acetylene, Welding Rods,
Estimate per month 1,000.00

(i) We have our own water well; power and utilities will be supplied by items listed in e and f

24. Ninety days to put in operation on paying basis.

RECAP
SUMMARY OF REQUIREMENTS AND COSTS

(a) and (b)	$7950.80 per month	3 months	$23,852.40
(c)	none		
(d)			10,000.00
(e) and (f)	Ball Mill, etc.		50,000.00
	Rental to apply on purchase price		
	Generator Set 3 months x $800.00		2,400.00
	Traxcavator 3 months x $300.00		900.00
(g)	3 months x $1,000.00		3,000.00
(h)	3 months x $1,000.00		3,000100
(i)	Included in (e) and (f)		
		Total	$93,152.40
		Reserve	6,847.60
			$100,000.00

FILE COPY
SURNAME:

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

June 5, 1951

Mr. A. E. Baker
President
Q. B. Q. Co., Inc.
White Oaks, New Mexico

Subject: DMA-1308X
Re: Exploration Loan
Old Abe Mine

My dear Mr. Baker:

Receipt is acknowledged of your application and attachments of May 29, 1951 for an exploration loan under the Defense Production Act of 1950.

The application was assigned Docket Number DMA-1308X and was referred to Mr. P. R. Bradley, Chief, Tungsten Branch on May 29, 1951.

In any future correspondence relating to your application, kindly refer to DMA-1308X.

Sincerely yours,

LANDON F. STROBEL js

Landon F. Strobel
Executive Secretary

LFSTROBEL:js
cc: Strobel-2
√Files
Bradley
Lyon

Form MF-103
(April 1951)

U. DEPARTMENT OF THE INTERI

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. DMA 1308X

Date received 5-29-51

Participation

Q. B. Q. CO., INC.,
WHITE OAKS,
NEW MEXICO

Name and address of applicant

Date May 25, 1951

FILL IN THIS BLOCK

Date of application May 25, 1951

Estimated cost $100,000.00

Mineral or metal Metallic Ores Lunaston

Percentage of Government participation 75%

Location of mine White Oaks, New Mexico
12 Miles N.E. of Carrizozo, New Mex.

Date of filing MF-100 None

DMA Docket Number, if available ~~None~~ 1308X

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.

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 to 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.

Q. B. Q. Co., Inc.,
(Name of company)

By [signature]
(Signature of authorized official)

May 25, 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.

*Same as footnote on page 1.

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

THE APPLICANT

1. A corporation
2. none
3. Officers

A. E. Baker,	3832 E. 26 St., Los Angeles, Calif.	Preident
F. J. Queen,	White Oaks, New Mexico.	1st Vice-Pres.
W. Murray Hendrix,	White Oaks, New Mexico.	2nd Vice-Pres.
Mary M. Haden,	3832 E. 26 St., Los Angeles, Calif.	Sec & Treas.

Directors: A. E. Baker, F. J. Queen and Mary M. Haden

Five largest stockholders: A. E. Baker, F. J. Queen, Mary M. Haden, O. F. Scofield(San Francisco,) and W. M. Hendrix

4. (a) Q. B. Q. Co., Inc. formed for the purpose of mining the properties as described in attached lease.
   (b) A. E. Baker, pres., with years of experience in mining zinc, lead and gold, sole owner of Art Baker Transportation, located at 3832 E. 26 St., Los Angeles, Calif., operating heavy duty equipment between Los Angeles and San Francisco for past 11 years, will act as general advisor.

   F. J. Queen will be superintendent of all operations. He has had many years of mining experience and was born in the little town of White Oaks, New Mex. and grew up in the mines that we propose to operate. His father and uncle were respective mine superintendent and mill superintendent of the same property. Mr. Queen also has had experience as general contractor. Mining has been his life's work with the exception of time spent in the Service during World War II.

   W. M. Hendrix is an old timer in the locality of Globe and Miami. Ariz., having spent over 20 years as assayer and chemist in charge of cyanization, milling and flotation. He will act as mill supt.

   E. P. Iverson will be associated with us as master mechanic. Mr. Iverson has carried a master machinist card for over 12 years. He is experienced in water engineering and is an electrician.

5. We are the lessee.

6. not the owner.
7. Copy of lease attached, same in good standing.
8. Financial statement attached.
9. Applicant has already invested in this project over $60,000.00 which we have been told could be used as a credit to us representing our proportionate share of the monies now needed to complete and bring our operation up to production. However, if we are mistaken in the above we can and will produce our quota of 25% as mention in Section 9 of MO 5 pertaining to the mining of Tungsten.

10. (a) See lease attached.
(b) All covered in lease attached.
Both covered by lease.

11. Known as the White Oaks Mining District and The Old Abe Company. All described in lease attached.

12. 12 miles N.E. of Carrizozo, Lincoln County, New Mexico, where the main line of Southern Pacific Railroad runs and would be the nearest shipping point. State of New Mexico maintains in fair and usable condition road to White Oaks.

13. We have drilled a well that has proven 60-gal. perminute at all times. Additional wells could be drilled if the need should arise. At present time we are receiving 5 to 7½ horsepower direct from the single phase line recently put through by R. E. A. We propose to manufacture our own power by using Diesel Electric Power Plant of sufficient size to handle all the power load needed.

14. Assay building, cyanide plant and expenditure for misc'l equipment as shown on balance sheet including expenditure for water well.

15. No mill within shipping distance with facilities to handle our Wolframite Tungsten, WO_3

16. (a) These mines were started back in the 1880s before anyone knew the value of black tungsten or even what it was. We have thousands of tons of dumps that carry tungsten all the way through them. Numerous assays show an average up to .25% and higher. We also have about 100,000 tons of mill tails that were ground by the old stamp mills that carry better than .10% of black tungsten.

Numerous shafts over this property were sunk to the depth of 1400 to 1500 ft. Many stopes, tunnels and cross-cuts were made in the early days and the tungsten from this mining was naturally put out in the dumps as the old timers were looking for free gold only. It seems that when the free gold came in the tungsten would go out to some extent, but not entirely as it is proven by the percentage of tungsten that is left in these tailing piles (not less than .10%).

We have opened one of the most promising shafts that had been caved in around the collar and retimbered it to the 650' level and have installed cage, hoist, air, etc. necessary for this operation. We also went in on the 500' level and sunk a winze through to the 570' and 55 feet of this was in tungsten that assays from 2.35% to as high as 5.05%. There on the 570' level we found that the old timers had left quite a bench of this high grade tungsten. In other words they had gone around it in their search for free gold. We are now continuing on from the 570' into the 600' and are still in tungsten at this writing. I might also say there is enough free gold scattered through the dumps and in the mines to more than pay all of the overhead expenses and the tungsten should be 100% clear profit.

16. (a) continued
We know we have the tungsten as stated above and will be glad to prove it to any mining engineer that you would care to send out and look over this property. What we are asking for and need very badly is some financial help to buy the proper equipment and meet payroll until we are in production.
(b). No adjoining properties as our lease covers this entire district.
(c) Enclosure -

17. Not in production.

18. Property has not been operating for many years.

19. None

THE EXPLORATION

20. Wolfermite Tungsten WO_3

21. 60 to 90 days

22.. See enclosure

THE REQUIREMENTS AND COSTS

23. (a) and (b)

120 man shifts @ $1.65 per hr. 8 hr.$13.20 (as per lease requirements)		$1584.00
One	Superintendent	500.00
One	Master Mechanic	500.00
One	Assayer and Chemist	350.00
One	Mill superintendent	400.00
Six	Mill Men @ 1.50 per hr. 12.00 per day - 30 da.	2160.00
One	Hoist Man @ 1.65 13.20 x 24 days	316.80
Four	Top men, cat skinner, shaker screen etc.	1440.00
one	Time keeper and Bookkeeper	300.00
One	Auditor - part time	200.00
	Leagl advise, etc.	200.00
		$7950.80

(c) NONE

(d) Mill Building, Bunk House and Cook Shack. 10,000.00

THE REQUIREMENTS AND COSTS
continued

(e) and

23. (f) Two Caterpillar D-13000 W/75 KW Generator Sets 3 phase, 60 cycle 220/440 Volt. These can be bought outright for $13,750.00
OR on a rental for 6-mo. at $800.00 per mo. to apply on purchase price.

One D-4 Caterpillar Traxcavator Bulldozer and 5/8 yd Bucket for loading 5,250.00
OR $300.00 per mo. rental to apply on purchase price

One Ball Mill, Crusher, Flotation Cells, etc. We hope to find a complete mill used. Lots of used equipment can be bought for cash. We know equipment and how to buy at the right price. Probably a piece here and a piece there to fit our Flow Sheet 50,000.00

(g) One #105 Ingersall Rand Air Compressor
One 4 x 4 Dump Truck
One 1½-ton Chevrolet Flat Rack Dump Truck
One 3/4-ton Chevrolet Pick-Up
One Shaker Screen
One Trumble Screen
One Hammer Mill
One 200-amp. Portable P & H Welder
One Acetylene Cutting Torch and Gages
One Assay office set up complete and in use
Several Electric Motors up to 75 h.p.
One Denver Mechanical Pan complete
One Portable 20 h.p. Gas Driven Electric Power Plant
One Jaeger Hoist, Cage etc.
One Electric Saw 3 h.p.
Numerous other tools, such as drill press, grinders, electric drills, wrenches of all kinds, mechanic's hand tools, etc.
Estimate per month 1,000.00

(h) Misc'l items will arise from day to day that cannot be anticipated, such as Diesel Fuel, Tires, Oil, Gasoline, Gas & Acetylene, Welding Rods,
Estimate per month 1,000.00

(i) We have our own water well; power and utilities will be supplied by items listed in e and f

24. Ninety days to put in operation on paying basis.

RECAP
SUMMARY OF REQUIREMENTS AND COSTS

(a) and (b)	$7950.80 per month	3 months	$23,852.40
(c)	none		
(d)			10,000.00
(e) and (f)	Ball Mill, etc.		50,000.00
	Rental to apply on purchase price		
	Generator Set 3 months x $800.00		2,400.00
	Traxcavator 3 months x $300.00		900.00
(g)	3 months x $1,000.00		3,000.00
(h)	3 months x $1,000.00		3,000.00
(i)	Included in (e) and (f)		
		Total	$93,152.40
		Reserve	6,847.60
			$100,000.00

Q. B. Q. COMPANY, INCORPORATED
WHITE OAKS, NEW MEXICO

BALANCE SHEET

DECEMBER 31, 1950

ASSETS

Cash In Bank		$ 165.09	
Assay Building		482.00	
Cyanide Plant		8,273.35	
Deposits		100.00	
Equipment		17,540.88	
Lease & Option		60,000.00	
Old Abe Mine - Capital Improvements		10,874.32	
Water Well		1,380.50	
Deferred Charges		328.20	
Total Assets			$ 99,144.34

LIABILITIES

Accounts Payable		2,371.40	
Notes Payable			
A. E. Baker	$40,900.61		
Mary M. Haden	5,000.00		
Forrest J. Queen	789.96	46,690.57	
Payroll Taxes		142.30	49,204.27
Capital Stock Issued		70,600.00	
Surplus		(20,659.93)	49,940.07
Total Liabilities			$ 99,144.34

Prepared from the records of
Q. B. Q. Company, Incorporated Without Audit
Carl E. Jensen, Public Accountant

COPY OF LEASE AND OPTION

THIS AGREEMENT, Made this 24th day of February, 1949, by and between GRACE M. JONES and OLIVER SPETH, as Executors of the Last Willl and Testament of Andrew H. Hudspeth, Deceased, and as Trustees under said Will, and the Old Abe Company, parties of the first part, and DONALD J. QUEEN, FORREST J. QUEEN and A. E. BAKER, hereinafter jointly called parties of the second part, WITNESSETH:

WHEREAS, the parties of the first part are owners of certain mining property located in the County of Lincoln, State of New Mexico, described as follows, to-wit:

HOLDING OF ANDREW H. HUDSPETH ESTATE and TRUST:

Little Nell Lode,	Survey No. 158		20.66 Acres
Rita Lode	" No. 663		2.47 "
Lady Godiva Lode	" No. 683		16.68 "
Large Hopes Lode	" No. 481		9.32 "
Gold Field Lode	" No. 1423		1.36 "
Luckless Lode	" No. 1422		7.98 "
Collier Lode	" No. 792		6.32 "
Smuggler Lode	" N . 1352		12.80 "
Midnight & Black Night	" No. 1674		32.28 "
Jannibal Lode	" No. 647		10.41 "
Hannibal Lode #2	" No. 648		10.952 "
Brown Placer	Section 25/36 Twp. 6S, Rge. 11 E		40.00 "
Nuggett Placer	N.E. Section 36 Twp. 6S Rge. 11 E		20.00 "
All of Solitaire Lode	Survey No. 623-A		7.162 "
That part of Miner's Cabin lying W. of a line drawn from N. Cor. to a point on SW sideline 175 ft. from W. Cor.	Survey No. 557		.60 acres
Rip Van Winkle	" No. 934		3.53 "
Comstock	" No. 933 Twp. 6S Rge. 11 E		6.57 Acres
Miguel Otero	Survey No. 203 Twp. 6S Rge. 11 E		16.70 Acres
That part of Little Homestake, Survey No. 624 within outer boundaries of Comstock and Rip Van Winkle, Surveys Nos. 933 and 934			4.00 acres
Omega	Survey No. 444		12.059 "
Senate	" No. 178		
Badger Boy	" No. 214, Sec. 25 Twp. 6S, Rge. 11E		33.225 "
Christopher	" No. 156 Sec. 36 Twp. 6S, Rge. 11 E		20.66 Acres
Aviador	Survey No. 2057 Sec. 25 Twp. 6S, Rg. 11 E		5.162 "
	Total Acres		300.00 Acres

OLD ABE COMPANY HOLDINGS:
Owl Lode
Robert E. Lee Lode
White Oaks Lode
NW¼, Section 5, Twp. 7S, Rge. 13 E, N. M. P. M.

and are desirous of leasing said property to the parties of the second part and of giving and granting unto them an option to purchase of and from said parties of the first part the said mining property:

NOW, THEREFORE, the parties of the first part, for and in consideration of the sum of One Dollar, and other good and valuable considerations, to them in hand paid by the parties of the second part, the receipt whereof is hereby acknowledged, do hereby give, grant and demise unto the said parties of the second part, for the purpose of mining and the processing of dumps and for no other purpose, the above described property.

TO HAVE AND TO HOLD the property of the Andrew H. Hudspeth Trust and Estate for a term of three years from the date hereof, unless sooner forfeited or terminated through the voilation of any covenant hereinafter against the second parties reserved.

TO HAVE AND TOLHOLD the property of the Old Abe Company for a term of fifteen years from the date hereof,

In consideration of the lease and covenants herein contained, the parties do hereby covenant and agree severally and jointly as follows:

ROYALTY:

Tailings: The second parties, during the lease term, agree to pay first parties as royalty for the tailings and dumps unto the premises ten per cent (10%) of the gross proceeds from the sale of the processed tailings or the sale of each component part thereof, sales to be made at operating market prices and in accordance with existing laws and regulations. Gold shall be sold only to the United States or to established refineries in the United States. Sales of gold to any other agency or person shall constitute a breach of this agreement.

Coal: Royalty shall be paid at the rate of One Dollar per ton.

Tungsten: Royalty on ores and concentrates at the rate of fifteen per cent (15%) on net returns as defined as to gold below.

Radioactive Ores: Royalty at the rates and under the conditions prevailing at the nearest comparable mines.

Discovery Bonus: Such bonus to be divided 75% to second parties and 25% to first parties.

Other: Second parties, during the lease term, agree to pay first parties, as royalty for the gold and other ores shipped to smelter or other reduction works, the following:

Ores of net return to $15.00 per ton			10%
Ores of net return of $15.00 to $30.00	per	ton	15%
Ores of net return of $30.00 to $45.00	"	"	20%
Ores of net return of $45.00 to $60.00	"	"	25%
Ores of net return of $60.00 to $75.00	"	"	30%
Ores of net return of $75.00 and above	"	"	35%

"Net Return" shall mean the value and return by the smelter for all components from such ores after deducting from the gross value of such ores only the following: An amount equal to the rail transportation charges, the smelter charges and penalties. Sales of ores, metals or concentrates shall be made only to the United States or to established smelters; any other sales shall constitute a breach of this agreement.

Gold Ores and other ores not specifically covered, milled or treated by mill or second parties.
Royalty at the rate of fifteen per cent (15%) of the net return from sale of product at smelter or the mint. "Net Return" as defined above.

Payment: All royalties shall be paid to first parties by deposit in the Lincoln County Agency Citizens State Bank of Vaughn, at Carrizozo, New Mexico, until notice of change is given second parties.
The said Bank is hereby authorized to give receipts for said payments.
All payments shall be made within thirty days after receipt of smelter returns by second parties, or within thirty days after sale ~~made~~ may otherwise be made.

CONDITION OF PREMISES:
No representations are made by first parties as to the condition of the premises, and second parties shall take them as they find them and at their risk. Second parties agree to indemnify and hold first parties harmless from any damages, claims, or suits which may arise from injuries to the employees, agents, visitors, or invitees of second parties or to their property.

PURPOSE:
That the premises are leased for mining and the processing of dumps and tailings and for no other purpose. No right to prospect or drill for oil or gas, not right therein, is granted by the lease terms of this writing.

RENEWAL:
At the expiration of the original term of three years on the Trust and Estate property, provided second parties are not then in default under the terms of this lease, the second parties are hereby granted an option to renew this lease upon the same terms, provided they mail written notice of their intention to do so to first parties more than 60 days prior to the expiration of the first term. No further options to renew the lease are given.

ASSIGNMENTS-SUBLEASES:
It is agreed that second parties may not sublet any portion of the demised premises nor assign this lease and/or option without prior written approval, of first parties; except that limited underground areas may be contracted by second parties to a miner or to several miners for periods not to exceed 45 days; second parties shall nevertheless be responsible under the terms of this lease.

STARTING TIME:
Second parties agree to commence operations within thirty days after the date of this agreement, and to proceed continuously thereafter, and to operate the premises and work in minerlike fashion in manner necessary and appropriate to good and economical mining, so as to take out the greatest amount of ore possible with due regard to the safety, development and preservation of the premises as a workable mine.

WORKING:
Within three months afrom the date of this Agreement, second parties shall commence underground work. This shall first consist of the rehabilitation of existing shafts, to be selected by second parties, on the premises to make the mines usable. Second parties shall, at the end of seven months from the date hereof, employ at least sixty man shifts underground per month each month. At the end of one year from the date of this Agreement, second parties shall employ at least ninety man shifts underground per month each month, and at the end of one and one-half years, 120 man shifts underground per month. No excess above this required number in any one month shall apply on subsequent months. The work "shift" is understood to mean the labor of one man for one day of at least eight hours.

If second parties shall fail to work the premises as above required, it may, at first parties's option, be taken as a violation of this lease.

METHODS:
To well and sufficiently timber with strong, well fitted and durable timbers, all the workings on the premises hereby leased at all points where proper, in accordance with good mining, and for ventilation, and to promptly repair or replace all timbering which may be rendered insufficient by any cause whatsoever; to keep the timbering of said workings at all times in good, safe and servicable condition, and to remove no timbering, pipe, rails, tract, etc. from any portion of said entire premises without the written consent of the Lessors, it's manager or any duly authorized agent.
To keep at all times all drifts, tunnels, shafts, winzes and other workings in said premises thoroughly drained and clear of loose rock and rubbish, and in an absolutely safe and secure condition, unless prevented by exgraordinary mining casualty, and to maintain at all times and leave the floors of all drifts, crosscuts and other workings in good, even, unobstructed condition; and to stow no waste underground nor fill any stopes, except as done in good practice shrinkage mining, without the written consent of the Lessors, their manager or any duly authorized agent. To do no underhand stoping, whether for the purpose of prospecting or taking out of ore, or for any other purpose whatsoever. To do no stoping or mining within 20 feet of any shaft or incline except with the written consent and under the direction of the Lessors, their manager or any duly authorized agent.

MACHINERY-BUILDINGS:
The parties of the second part shall have and are hereby given the right to erect and move upon the place upon the said mining property and premises, any and all machinery, tools, equipment and supplies of any and every kind and nature soever, like unto the above or otherwise, for the use in and about their mining work and development of the said mining property; it being understood that any buildings, improvements to buildings, repairs to buildings, or mine structures, or timbering, platforms and ramps made, erected or built by the parties of the second part shall remain on the said mining property for the benefit and use of the parties of the first part, free from any claim or liens of the parties of the

second part, or their heirs, executors, administrators or assigns, and that any and all machinery, equipment, or supplies, taken upon said mining property by the parties of the second part shall be and remain the property of the parties of the second part, their heirs, executors or assigns, and may be removed by said parties of the second part, their executors, administrators or assigns, at any time within 60 days from and after the termination of this Agreement, said removal, however, to be without any responsibility on the part of the parties of the first part.

RECORDS:
It is understood and agreed that the parties of the second part shall at all times keep at White Oaks or Carrizozo, New Mexico, full and accurate records of all ore extracted, removed and handled from the mining property hereunder, and shall keep true and accurate books of account concerning all of such ores, so that the returns therefrom, the value thereof, and the royalties which are to be thereon may at all times be easily ascertained, and the interest of the Estate or Trust separated from that of the Old Abe Company; and the said parties of the first part shall at all times have access to all of such books and records; and should the parties of the first part desire, they may and shall have the right to keep agents upon the said mining property and in the workings thereon or second parties' offices, to check the ore extracted and removed therefrom, and space shall be provided therefor.

INFORMATION:
Second parties shall furnish to first parties or their agents copies of each surgey, map and plan made of the workings by second parties or their agents; copies of all assays, smelter returns and similar reports; copies of all reports of engineers or geologists made to second parties pertaining to the premises. These items shall be so furnished within 35-days after receipt by second parties.

INSPECTIONS:
And the parties of the first part and their duly appointed agent or agents may and shall at all times have the right to enter in and upon the said premises, and any and all parts thereof, and any and all workings thereon, for the purpose of examining same during working hours, and for the purpose of examining any and all hoist appliances, windlasses, ropes, ladders, passages, entrances, exits, and means of ingress and egress, and for the taking of samples, to survey, and for any other purpose. Second parties agree to assist first parties or their agents in this connection and upon request, agree to furnish personnel to accompany them and to afford them the use of all their facilities.

TAXES:
The parties of the second part agree that they shall and will, during the continuance of this option and lease, pay all taxes except real property taxes which may be lawfully levied and assessed against the said property and premises and improvements thereon from and after the date hereof, and shall pay the same as and when due and payable and before the same shall become delinquent, and in case this option and lease shall be terminated for any reason during any calendar year, the taxes for that year shall be prorated and apdi by the second parties up to the date of the termination. This shall be deemed to include also severance, sales, occupation and any other levies.

WORKMEN'S COMPENSATION:
The parties of the second part shall be required to and shall at all times fully comply with the requirements and provisions of the Workmen's

Compensation Act of the State of New Mexico, which is now and shall thereafter be in forse and effect, and shall carry liability insurance, or otherwise in conformity with the provisions of said act, provide for the immediate payment to any and all workmen injured in their employ, or in the case of death of any such workman, to the persons appointed by the Court to receive the payment for the dependents of any such deceased workman, if any there be, of all compensation, benefits, and money which may be at any and all times coming and payable from such employer, and shall at their own cost and expense pay any and all premiums due on such insurance, and keep the said insurance at all times in full force and effect, and shall make payment of unemployment compensation and social security taxes.

LIENS:

The parties of the second part shall at all times during the continuance of this lease keep the said premises and every part thereof, any any and all improvements thereon, clear and free of and from any and all manner of encumbrances and other lawful demands by reason of any work, development, or improvements done thereon hereunder, or by reason of any injury to any person or property, or by reason of the death of any person incurred or suffered in or by reason of any such operations, and shall cause notice of the non-liability of the parties of the first part at all times when any work, development or improvement is being done on the said premises by the parties of the second part hereunder to be kept posted in conspicious places on the said premises, and at any and all places where any such work, development and improvement is being done, all in full conformity with the provisions of the statutes of the State of New Mexico, to prevent any and all rights to any claim of lien on the said premises and improvements, and any claim against the parties of the first part, by reason of any act or ommission on the part of the parties of the second part, or anyone acting under them.

WATER:

The second parties may develop and use existing waters on the premises, except that provision shall be made for stock water where it is presently used.

OPTION TO PURCHASE:

In addition to the lease herein set forth the first parties, upon consideration of said lease, do hereby grant to second parties the option to purchase the premises upon the following terms and condition: (except properties owned by the Old Abe Company upon which no option is given):

(a) The purchase price shall be the total sum of Two Hundred Thousand and no/100 ($200,000.00), less royalties paid.

(b) Second parties if they desire to exercise this option shall give notice thereof at least 90 days before the end of the lease term, and shall pay, in cash, the purchase price less the royalties paid. Payment to be made to the escrow agents.

(c) First parties upon request of second parties, any time after the second year of the term of the lease shall deposit in escrow at the Lincoln County Agency of Citizens State Bank of Vaughn, at Carrizozo, New Mexico, a mining deed conveying the optioned property, duly executed to first parties, as Executors and Trustees, covering the described premises. The grantee named in this conveyance shall be the second parties, or a corporation, partnership or individual they may designate. This conveyance shall be held by the escrow agent in accordance with this agreement, and parties hereto further agree to them execute adequate escrow instructions to said bank.

Time is the essence of this agreement, and should the parties of the second part fail to make or cause to be made the payment of the purchase price of the said mining property, as herein provided, or fail to make or cause to be made the payments of the royalties within the time hereinbefore specified, or should they fail in any particular to do, keep and perform each, and any and all of the terms and conditions hereof, and on them binding and by them hereunder to be done, kept and performed, then this agrement of option and lease may, and upon option of the parties of the first part shall be terminated and ended, and upon any such termination and forfeiture, any and all payments made on the said purchase price and the amount due as royalties shall be, become and remain the property of the parties of the first part, free and clear from any and all claims thereto by the parties of the second part, and shall be taken and considered as full payment and settlement of all rental for the said premises during the whole of the possession and use thereof by the parties of the second part hereunder, and in full liquidation of all damages for ores extracted and removed thereon under the terms thereof.

It is understood and agreed, however, that before any forfeiture can be had hereunder for any neglect, failure or breach by the parties of the second part hereunder, except any failure by the parties of the second part to pay the purchase price of the said premises, or the said royalties, in strict conformity herewith, the parties of the first part shall be required to give to the parties of the second part written notice of such intention to forfeit pointing out in such notice the grounds and reasons for claiming the rights hereunder to forfeit, and the said parties of the second part shall have the right at any time during the period of 30 days after the receipt of said notice to fully comply with the terms and conditions hereof, and to correct any such defetts, failures and breach, and if the said parties of the second part shall not, within such time, fully correct and cure any such defect and breach, then this agreement shall, at the first parties' option, stand cancelled and all rights hereunder forfeited, but if the parties of the second part shall fully comply with the terms hereof and correct any such defects, failure, neglect and breach within such time, then no forfeiture shall be had. Upon such forfeiture, first parties may thereupon re-enter the premises and take possession thereof. Second parties agree to immediately thereafter quit said premises and to deliver them up to first parties without further proceedings, and toexecute such releases and quitclaim as may be necessary.

It is further understood and agreed by the parties hereto that if any neglect neglect, failure or breach by the parties of the second part hereunder, except any failure by the parties of the second part to pay the purchase price of the said premises in strict conformity herewith, or to pay royalties, shall be caused by Acts of God, or by strikes, fires, floods, or any other cause or causes beyond the control of the parties of the second part, their heirs, executors, administrators or assigns, this agreement shall not be subject to cancellation by the parties of the first part until the parties of the second part shall have a reasonable length of time to comply with the terms hereof.

It is further understood and agreed that any notice or other instrument to be delivered to first parties shall be effective for all purposes hereunder, provided the same is mailed to them, by registered mail, addressed to Miss Grace Jones, Carrizozo, New Mexico; that notices to second parties may be delivered personally, or may be delivered by registered

mail, postage prepaid, and deposited in the United States Mails, addressed to them at such address as they may furnish to the parties of the fi first part from time to time, and should they fail to furnish such address, said notices may be directed to them at or car of R. E. Lemon, Carrizozo, New Mex.

Upon the termination of this agreement, by cancellation, orotherwise, all of the property, as specified in this agreement, shall be forthwith delivered over to the first parties, his agent,s or representatives, in as good condition and repair as when received, ordinary wear and tear, damage by elements or the use herein contemplated, excepted. In the event of such termination, first parties may, without further demand, immediately enter in and upon said premises and property and disposses all persons occupying the same, with or without process of law, and without being liable for any damage or account thereof.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands, in duplicate, the day and year in this agreement, first above written.

Signatures:
GRACE M. JONES
OLIVER SETH

COPY

ASSIGNMENT OF LEASE AND OPTION

WHEREAS, on the 24th day of February, 1949, Grace M. Jones and Oliver Seth, as Executors of the Last Will and Testament of Andrew H. Hudspeth, deceased, and as Trustees under said will, and The Old Abe Company, as parties of the first part, entered into a Lease and Option agreement with Donald J. Queen, Forrest J. Queen and A. E. Baker, jointly, as parties of the second part, covering mining properties located in the White Oaks area of Lincoln County, New Mex., belonging to the Estate of Andrew H. Hudspeth, deceased, and to the Old Abe Company, a corporation, and

WHEREAS, it was contemplated by the parties that said Lease and Option might be assigned to a copporation which was to be presently formed by Donald J. Queen, Forrest J. Queen and A. E. Baker, and

WHEREAS, said corporation was formed under the Laws of the State of New Mex. by said parties of the second part, under the name of Q. B. Q. COMPANY, INCORPORATED, a corporation, for the purpose of taking over and operating said mining properties under the terms and provisions of said Lease and Option,

NOW, THEREFORE, Donald J. Queen, Forrest J. Queen, and A. E. Baker hereby assign all of their right, title and interest in and to said Lease and Option to Q. B. Q. CO., Inc., a corporation, upon condition that two hundred (200) shares of the capital stock of the Q. B. Q. Co., Inc be issued to each of the incorporators, Donald J. Queen, Forrest J. Queen and A. E. Baker, and upon the further condition that the Q. B. Q. Co., Inc. agrees to abide by the terms and conditions of said Lease and Option.

The Q. B. Q. Co., Inc. hereby agrees to abide by all of the terms and conditions of said Lease and Option and agrees to faithfully pay the royalties and perform each and every covenant in said Lease required by the assignors herein as lessees under said Lease and Option to be performed by them.

Grace M. Jones and Oliver Seth, as Executors of the Last Will and Testament of Andrew H. Hudspeth, deceased, and as Trustees under said will, and The Old Abe Co. lessors and as parties of the first part, under the aforesaid Lease and Option, in consideration of the Q. B. Q. CO., Inc., a corporation, agreeing to abide by all of the terms and conditions of said Lease and Option and faithfully pay the royalties specified therein and perform each and every covenant in said Lease required by the lessees to be performed, hereby consent to the assignment of said Lease and Option to the Q. B. Q. CO., Inc. a corporation.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year first above written.

Signed by

D. J. Queen,
F. J. Queen
A. E. Baker

and Grace M. Jones
Oliver Seth
Owen H. Simpson

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. DMA 1308X

Date received 5-29-51

Participation

Q. B. Q. CO., INC.,
WHITE OAKS,
NEW MEXICO

Name and address of applicant

Date May 25, 1951

FILL IN THIS BLOCK

Date of application May 25, 1951

Estimated cost $100,000.00

Mineral or metal Metallic Ores Manganese

Percentage of Government participation 75%

Location of mine White Oaks, New Mexico
12 Miles N.E. of Carrizozo, New Mex.

Date of filing MF-100 None

DMA Docket Number, if available ~~None~~ 1308X

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.

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 to 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.

Q. B. Q. Co., Inc.,
(Name of company)

By A. A. Baker
(Signature of authorized official)

May 25, 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.

*Same as footnote on page 1.

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

THE APPLICANT

1. A corporation
2. none

Officers

3. A. E. Baker, 3832 E. 26 St., Los Angeles, Calif. — Preident
F. J. Queen, White Oaks, New Mexico. — 1st Vice-Pres.
W. Murray Hendrix, White Oaks, New Mexico. — 2nd Vice-Pres.
Mary M. Haden, 3832 E. 26 St., Los Angeles, Calif. — Sec & Treas.

Directors: A. E. Baker, F. J. Queen and Mary M. Haden

Five largest stockholders: A. E. Baker, F. J. Queen, Mary M. Haden, O. F. Scofield(San Francisco,) and W. M. Hendrix

4. (a) Q. B. Q. Co., Inc. formed for the purpose of mining the properties as described in attached lease.

(b) A. E. Baker, pres., with years of experience in mining zinc, lead and gold, sole owner of Art Baker Transportation, located at 3832 E. 26 St., Los Angeles, Calif., operating heavy duty equipment between Los Angeles and San Francisco for past 11 years, will act as general advisor.

F. J. Queen will be superintendent of all operations. He has had many years of mining experience and was born in the little town of White Oaks, New Mex. and grew up in the mines that we propose to operate. His father and uncle were respective mine superintendent and mill superintendent of the same property. Mr. Queen also has had experience as general contractor. Mining has been his life's work with the exception of time spent in the Service during World War II.

W. M. Hendrix is an old timer in the locality of Globe and Miami. Ariz., having spent over 20 years as assayer and chemist in charge of cyanization, milling and flotation. He will act as mill supt.

E. P. Iverson will be associated with us as master mechanic. Mr. Iverson has carried a master machinist card for over 12 years. He is experienced in water engineering and is an electrician.

5. We are the lessee.

6. not the owner.
7. Copy of lease attached, same in good standing.
8. Financial statement attached.
9. Applicant has already invested in this project over $60,000.00 which we have been told could be used as a credit to us representing our proportionate share of the monies now needed to complete and bring our operation up to production. However, if we are mistaken in the above we can and will produce our quota of 25% as mention in Section 9 of MO 5 pertaining to the mining of Tungsten.

10. (a) See lease attached.
(b) All covered in lease attached.
Both covered by lease.

11. Known as the White Oaks Mining District and The Old Abe Company.
All described in lease attached.

12. 12 miles N.E. of Carrizozo, Lincoln County, New Mexico, where the main line of Southern Pacific Railroad runs and would be the nearest shipping point. State of New Mexico maintains in fair and usable condition road to White Oaks.

13. We have drilled a well that has proven 60-gal. permminute at all times. Additional wells could be drilled if the need should arise. At present time we are receiving 5 to 7½ horsepower direct from the single phase line recently put through by R. E. A. We propose to manufacture our own power by using Diesel Electric Power Plant of sufficient size to handle all the power load needed.

14. Assay building, cyanide plant and expenditure for misc'l equipment as shown on balance sheet including expenditure for water well.

15. No mill within shipping distance with facilities to handle our Wolframite Tungsten, WO_3

16. (a) These mines were started back in the 1880s before anyone knew the value of black tungsten or even what it was. We have thousands of tons of dumps that carry tungsten all the way through them. Numerous assays show an average up to .25% and higher. We also have about 100,000 tons of mill tails that were ground by the old stamp mills that carry better than .10% of black tungsten.

Numerous shafts over this property were sunk to the depth of 1400 to 1500 ft. Many stopes, tunnels and cross-cuts were made in the early days and the tungsten from this mining was naturally put out in the dumps as the old timers were looking for free gold only. It seems that when the free gold came in the tungsten would go out to some extent, but not entirely as it is proven by the percentage of tungsten that is left in these tailing piles (not less than .10%).

We have opened one of the most promising shafts that had been caved in around the collar and retimbered it to the 650' level and have installed cage, hoist, air, etc. necessary for this operation. We also went in on the 500' level and sunk a winze through to the 570' and 55 feet of this was in tungsten that assays from 2.35% to as high as 5.05%. There on the 570' level we found that the old timers had left quite a bench of this high grade tungsten. In other words they had gone around it in their search for free gold. We are now continuing on from the 570' into the 600' and are still in tungsten at this writing. I might also say there is enough free gold scattered through the dumps and in the mines to more than pay all of the overhead expenses and the tungsten should be 100% clear profit.

16. (a) continued
We know we have the tungsten as stated above and will be glad to prove it to any mining engineer that you would care to send out and look over this property. What we are asking for and need very badly is some financial help to buy the proper equipment and meet payroll until we are in production.
(b). No adjoining properties as our lease covers this entire district.
(c) Enclosure -

17. Not in production.

18. Property has not been operating for many years.

19. None

THE EXPLORATION

20. Wolformite Tungsten WO_3

21. 60 to 90 days

22.. See enclosure

THE REQUIREMENTS AND COSTS

23. (a)
and (b) 120 man shifts @ $1.65 per hr. 8 hr. $13.20 (as per lease requirements) $1584.00

One	Superintendent	500.00
One	Master Mechanic	500.00
One	Assayer and Chemist	350.00
One	Mill superintendent	400.00
Six	Mill Men @ 1.50 per hr. 12.00 per day - 30 da.	2160.00
One	Hoist Man @ 1.65 13.20 x 24 days	316.80
Four	Top men, cat skinner, shaker screen etc.	1440.00
one	Time keeper and Bookkeeper	300.00
One	Auditor - part time	200.00
	Leagl advise, etc.	200.00
		$7950.80

(c) NONE

(d) Mill Building, Bunk House and Cook Shack. 10,000.00

THE REQUIREMENTS AND COSTS
continued

(e) and

23. (f) Two Caterpillar D-13000 W/75 KW Generator Sets 3 phase, 60 cycle 220/440 Volt. These can be bought outright for $13,750.00
OR on a rental for 6-mo. at $800.00 per mo. to apply on purchase price.

One D-4 Caterpillar Traxcavator Bulldozer and 5/8 yd Bucket for loading 5,250.00
OR $300.00 per mo. rental to apply on purchase price

One Ball Mill, Crusher, Flotation Cells, etc. We hope to find a complete mill used. Lots of used equipment can be bought for cash. We know equipment and how to buy at the right price. Probably a piece here and a piece there to fit our Flow Sheet 50,000.00

(g) One #105 Ingersall Rand Air Compressor
One 4 x 4 Dump Truck
One 1½-ton Chevrolet Flat Rack Dump Truck
One 3/4-ton Chevrolet Pick-Up
One Shaker Screen
One Trumble Screen
One Hammer Mill
One 200-amp. Portable P & H Welder
One Acetylene Cutting Torch and Gages
One Assay office set up complete and in use
Several Electric Motors up to 75 h.p.
One Denver Mechanical Pan complete
One Portable 20 h.p. Gas Driven Electric Power Plant
One Jaeger Hoist, Cage etc.
One Electric Saw 3 h.p.
Numerous other tools, such as drill press, grinders, electric drills, wrenches of all kinds, mechanic's hand tools, etc.
Estimate per month 1,000.00

(h) Misc'l items will arise from day to day that cannot be anticipated, such as Diesel Fuel, Tires, Oil, Gasoline, Gas & Acetylene, Welding Rods,
Estimate per month 1,000.00

(i) We have our own water well; power and utilities will be supplied by items listed in e and f

24. Ninety days to put in operation on paying basis.

RECAP
SUMMARY OF REQUIREMENTS AND COSTS

(a) and (b)	$7950.60 per month	3 months	$23,852.40
(c)	none		
(d)			10,000.00
(e) and (f)	Ball Mill, etc.		50,000.00
	Rental to apply on purchase price		
	Generator Set 3 months x $800.00		2,400.00
	Trancavator 3 months x $300.00		900.00
(g)	3 months x $1,000.00		3,000.00
(h)	3 months x $1,000.00		3,000100
(i)	Included in (e) and (f)		
		Total	$93,152.40
		Reserve	6,847.60
			$100,000.00

AIR MAIL

WESTERN MACHINERY COMPANY

"Wemco Products"

OFFICES AND WAREHOUSES
SAN FRANCISCO, CALIFORNIA
LOS ANGELES, CALIFORNIA
SACRAMENTO, CALIFORNIA
SALT LAKE CITY, UTAH
SPOKANE, WASHINGTON
DENVER, COLORADO
WASHINGTON, D. C.
PHOENIX, ARIZONA
NEW YORK, N.Y.

TELEPHONE 3-4101
124 EAST BUCHANAN STREET
P. O. BOX 3465
PHOENIX, ARIZONA

CABLE ADDRESS
"WEMACHY"

May 11, 1951.

Art Baker Transportation
3832 E. 26th Street
Los Angeles 23, California

Attention: Mr. A. E. Baker

Gentlemen:

Please pardon delay in answering your letter of April 23rd, relative to the diesel engine which is located near here. The reason I haven't answered you before is that I could not get a definite commitment from the owner of this unit until yesterday. This is as follows:

1 - Chicago Pneumatic Tool Company 210 HP, 6 Cylinder, Vertical Diesel Engine; Serial #25113. Direct connected to 175 KW Westinghouse, 480 volt, 211 Amps. 80% P.F., 327 RPM Generator. With direct connected Exciter on the end of generator shaft. Complete with switchboard unit which apparently has all necessary instruments, and I believe includes a voltage regulator.
Price, as is and where is- - - - - - - - - - - - - - $8,000.00

This engine is at the Vulture Mine, seventeen (17) miles out of Wickenburg on a good highway and in an easy place to load. If you are further interested in this will be glad to hear from you.

Have you made arrangements for the purchase of your other mill equipment? If not, could you give us a list of same and possibly we might have some items that would be of interest to you?

Yours very truly,

WESTERN MACHINERY COMPANY

BY J. P. Keller, Branch Mgr.

JPK:hj

AIR MAIL

WESTERN MACHINERY COMPANY

"[illegible] Products"

Telephone [illegible]
[illegible] North Buchanan Street
P. O. Box [illegible]
PHOENIX, ARIZONA

May 11, 1951.

Art [illegible] Corporation
2322 E. 25th Street
Los Angeles 23, California

Attention: Mr. [illegible] Baker

Gentlemen:

Please pardon delay in answering your letter of April 23rd, relative to the diesel engine which is located near here. The reason I haven't answered you before is that I could not get a definite commitment from the owner of this unit until yesterday. This is as follows:

1 - Chicago Pneumatic Tool Company 210 HP, 6 Cylinder, Vertical Diesel Engine, Serial #59113. Direct connected to 175 KW Westinghouse, 440 volt, 3 phase, 60 C.P.S., 720 RPM Generator. With direct connected Exciter on the end of the rotor shaft. Complete with switchboard unit which apparently has all necessary instruments, and I believe includes a voltage regulator.
Price, as is and where is - - - - - - - - - - - - - $[illegible],000.00

This engine is at [illegible], Arizona, sixteen (16) miles out of [illegible] on a good highway and [illegible] easy place to load. If you are further interested in this will be glad to hear from you.

Have you made arrangements for the purchase of any other mill equipment? If not, could you give us a list of [illegible] some [illegible], possibly we might have some items that would be of interest to you.

Yours very truly,

WESTERN MACHINERY COMPANY

By [illegible]

[illegible]

[illegible]

O.B. Coode
Rec'd. May 15th, 1951
acb

MILL EQUIPMENT

Traylor Rod Mill, 3' x 10', Trunnions and bearings perfect condition. Full charge steel rods Pully on Counter Shaft, and special V Belt Pulley with V Belts for mill.

P. 30 International gasoline engine for mill, requires new carburetor. No Governor, and none required for mill purposes. Used only short time after being completely reconditioned. Rated about 60 h.p.

Denver Equipment Co., 8" x 12" Jig - practically new.

Denver Equipment Co., rubber lined 4 cell Flotation unit with launder, size 24" x 24", practically new.

Two wet reagent feeders for Flotation, practically new.

Simplex Classifier, 2' x 21', rake type, good condition.

So far as use is concerned all the above equipment is just about as good as new and is immediately available 22 Miles from Capitan, New Mexico.

Mill requires about ten liners which can be had at El Paso, Texas. The mill weighs 33,000 lbs. All gears are in perfect condition.

This equipment is for sale due to the fact that a 250 ton mill using different type recovery equipment has been installed. We used it until we discovered we had to use a bigger mill to get sufficient tonnage to make a profit on our low grade ore.

DR. R. S. PERSHING, Owner,
LUBBOCK, Texas. P.O. Box 1657
Telephone 5361 and 8773

Price for above if taken immediately $15,000.00
Have several parties figuring on it and first come first served.
A Truck Operator at Capitan could be had to move the equipment if buyers didn't have own trucks.

June 5, 1951

Mr. A. E. Baker
President
Q. E. Q. Mfg. Inc.
White Oaks, New Mexico

Subject: DMA-1308X
Re: Exploration Loan
Old Abe Mine

My dear Mr. Baker:

Receipt is acknowledged of your application and attachments of May 29, 1951 for an exploration loan under the Defense Production Act of 1950.

The application was assigned Docket Number DMA-1308X and was referred to Mr. F. R. Bradley, Chief, Tungsten Branch on May 29, 1951.

In any future correspondence relating to your application, kindly refer to DMA-1308X.

Sincerely yours,

LANDON F. STROBEL

Landon F. Strobel
Executive Secretary

LFSTROBEL:js
cc: Strobel-2
Files
Bradley
Lyon

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. DMA 1308X

Date received 5-29-51

Participation

Q. B. Q. CO., INC.,
WHITE OAKS,
NEW MEXICO

Name and address of applicant

Date May 25, 1951

FILL IN THIS BLOCK

Date of application May 25, 1951

Estimated cost $100,000.00

Mineral or metal Metallic Ores

Percentage of Government participation 75%

Location of mine White Oaks, New Mexico
12 Miles N.E. of Carrizozo, New Mex.

Date of filing MF-100 None

DMA Docket Number, if available ~~None~~ 1308X

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.

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 to 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.

Q. B. Q. Co., Inc.,
(Name of company)

By [signature]
(Signature of authorized official)

May 25, 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.

*Same as footnote on page 1.

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

THE APPLICANT

1. A corporation
2. none
3. Officers

A. E. Baker,	3632 E. 26 St., Los Angeles, Calif.	President
F. J. Queen,	White Oaks, New Mexico.	1st Vice-Pres.
V. Murray Hendrix,	White Oaks, New Mexico.	2nd Vice-Pres.
Mary M. Haden,	3632 E. 26 St., Los Angeles, Calif.	Sec & Treas.

Directors: A. E. Baker, F. J. Queen and Mary M. Haden

Five largest stockholders: A. E. Baker, F. J. Queen, Mary M. Haden, O. F. Leofield (San Francisco,) and V. M. Hendrix

4. (a) U. D. C. Co., Inc. formed for the purpose of mining the properties as described in attached lease.

(b) A. E. Baker, pres., with years of experience in mining zinc, lead and gold, sole owner of Art Baker Transportation, located at 3632 E. 26 st., Los Angeles, Calif., operating heavy duty equipment between Los Angeles and San Francisco for past 11 years, will act as general advisor.

F. J. Queen will be superintendent of all operations. He has had many years of mining experience and was born in the little town of White Oaks, New Mex. and grew up in the mines that we propose to operate. His father and uncle were respective mine superintendent and mill superintendent of the same property. Mr. Queen also has had experience as general contractor. Mining has been his life's work with the exception of time spent in the service during World War II.

V. M. Hendrix is an old timer in the locality of Globe and Miami. Ariz., having spent over 20 years as assayer and chemist in charge of cyanination, milling and flotation. He will act as mill supt.

E. P. Iverson will be associated with us as master mechanic. Mr. Iverson has carried a master machinist card for over 12 years. He is experienced in water engineering and is an electrician.

5. We are the lessee.

6. not the owner.
7. Copy of lease attached, sare in good standing.
8. Financial statement attached.
9. Applicant has already invested in this project over $60,000.00 which we have been told could be used as a credit to us representing our proportionate share of the monies now needed to complete and bring our operation up to production. However, if we are mistaken in the above we can and will produce our quota of 25% as mention in Section 9 of No 5 pertaining to the mining of Tungsten.

10. (a) See lease attached.
(b) All covered in lease attached.
Both covered by lease.

11. Known as the White Oaks Mining District and The Old Abe Company. All described in lease attached.

12. 12 miles N.E. of Carrizozo, Lincoln County, New Mexico, where the main line of Southern Pacific Railroad runs and would be the nearest shipping point. State of New Mexico maintains in fair and usable condition road to White Oaks.

13. We have drilled a well that has proven 60-gal. per minute at all times. Additional wells could be drilled if the need should arise. At present time we are receiving 5 to 7½ horsepower direct from the single phase line recently put through by R. E. A. We propose to manufacture our own power by using Diesel Electric Power Plant of sufficient size to handle all the power load needed.

14. Assay building, cyanide plant and expenditure for misc'l equipment as shown on balance sheet including expenditure for water well.

15. No mill within shipping distance with facilities to handle our Wolframite Tungsten, WO_3

16. (a) These mines were started back in the 1880s before anyone knew the value of black tungsten or even what it was. We have thousands of tons of dumps that carry tungsten all the way through them. Numerous assays show an average up to .25% and higher. We also have about 100,000 tons of mill tails that were ground by the old stamp mills that carry better than .10% of black tungsten.

Numerous shafts over this property were sunk to the depth of 1400 to 1500 ft. Many stopes, tunnels and cross-cuts were made in the early days and the tungsten from this mining was naturally put out in the dumps as the old timers were looking for free gold only. It seems that when the free gold came in the tungsten would go out to some extent, but not entirely as it is proven by the percentage of tungsten that is left in these tailing piles (not less than .10%).

We have opened one of the most promising shafts that had been caved in around the collar and retimbered it to the 650' level and have installed cage, hoist, air, etc. necessary for this operation. We also went in on the 500' level and sunk a winze through to the 570' and 55 feet of this was in tungsten that assays from 2.35% to as high as 5.05%. There on the 570' level we found that the old timers had left quite a bench of this high grade tungsten. In other words they had gone around it in their search for free gold. We are now continuing on from the 570' into the 600' and are still in tungsten at this writing. I might also say there is enough free gold scattered through the dumps and in the mines to more than pay all of the overhead expenses and the tungsten should be 100% clear profit.

16. (a) continued
We know we have the tungsten as stated above and will be glad to prove it to any mining engineer that you would care to send out and look over this property. What we are asking for and need very badly is some financial help to buy the proper equipment and meet payroll until we are in production.
(b). No adjoining properties as our lease covers this entire district.
(c) Enclosure -

17. Not in production.

18. Property has not been operating for many years.

19. None

THE EXPLORATION

20. Wolfermite Tungsten WO_3

21. 60 to 90 days

22.. See enclosure

THE REQUIREMENTS AND COSTS

23. (a) and (b) 120 man shifts @ $1.65 per hr. 8 hr. $13.20 (as per lease requirements) $1584.00

One	Superintendent	500.00
One	Master Mechanic	500.00
One	Assayer and Chemist	350.00
One	Mill superintendent	400.00
Six	Mill Men @ 1.50 per hr. 12.00 per day - 30 da.	2160.00
One	Hoist Man @ 1.65 13.20 x 24 days	316.80
Four	Top men, cat skinner, shaker screen etc.	1440.00
one	Time keeper and Bookkeeper	300.00
One	Auditor - part time	200.00
	Leagl advise, etc.	200.00
		$7950.80

(c) NONE

(d) Mill Building, Bunk House and Cook Shack. 10,000.00

THE REQUIREMENTS AND COSTS
continued

(e) and

23. (f) Two Caterpillar D-13000 W/75 KW Generator Sets 3 phase, 60 cycle 220/440 Volt. These can be bought outright for $13,750.00
OR on a rental for 6-mo. at $600.00 per mo. to apply on purchase price.

One D-4 Caterpillar Traxcavator Bulldozer and 5/8 yd Bucket for loading 5,250.00
OR $300.00 per mo. rental to apply on purchase price

One Ball Mill, Crusher, Flotation Cells, etc. We hope to find a complete mill used. Lots of used equipment can be bought for cash. We know equipment and how to buy at the right price. Probably a piece here and a piece there to fit our Flow Sheet 50,000.00

(g) One #105 Ingersall Rand Air Compressor
One 4 x 4 Dump Truck
One 1½-ton Chevrolet Flat Rack Dump Truck
One 3/4-ton Chevrolet Pick-Up
One Shaker Screen
One Trumble Screen
One Hammer Mill
One 200-amp. Portable P & H Welder
One Acetylene Cutting Torch and Gages
One Assay office set up complete and in use
Several Electric Motors up to 75 h.p.
One Denver Mechanical Pan complete
One Portable 20 h.p. Gas Driven Electric Power Plant
One Jaeger Hoist, Cage etc.
One Electric Saw 3 h.p.
Numerous other tools, such as drill press, grinders, electric drills, wrenches of all kinds, mechanic's hand tools, etc.
Estimate per month 1,000.00

(h) Misc'l items will arise from day to day that cannot be anticipated, such as Diesel Fuel, Tires, Oil, Gasoline, Gas & Acetylene, Welding Rods,
Estimate per month 1,000.00

(i) We have our own water well; power and utilities will be supplied by items listed in e and f

24. Ninety days to put in operation on paying basis.

RECAP
SUMMARY OF REQUIREMENTS AND COSTS

(a) and (b)	$7950.00 per month	3 months	$23,852.40
(c)	none		
(d)			10,000.00
(e) and (f)	Ball Mill, etc.		50,000.00
	Rental to apply on purchase price		
	Generator Set 3 months x $800.00		2,400.00
	Traxcavator 3 months x $300.00		900.00
(g)	3 months x $1,000.00		3,000.00
(h)	3 months x $1,000.00		3,000100
(i)	Included in (e) and (f)		
		Total	$93,152.40
		Reserve	6,847.60
			$100,000.00