DMA Form 1

DEFENSE MINERALS ADMINISTRATION
Control Slip

CONTROLLED DOCUMENT

DMA Docket No. 1465 X

DO NOT DETACH THIS SLIP

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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:	300	Date	8-22
To:	~~210~~	Date	
To:	Reports + Records	Date	8-23
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208 MINES INC.(HSL) ADITIONAL SUPLEMENT SHEETS
FORM MP-100

dma-1465X

I-(a) Owners expect to produce: A-Asbestos,-B-Fluorspar,-C-Iron-,-D, Tungsten.(See "Values" pages 7 and 8,Mining Engineer,s report already submitted);however all of these mineral deposits need futher development.
I-(b) For potential byproducts see "Values",pages 7 and 8, also see "History", pages 11 and 12 Mining Engineers report already submitted.
Note: As per Engineer,s report Gold and Silver are the main byproduc uts to be expected; however Tungsten could be an expected byproduct, especially in the Asbestos deposit. The "Old Abe" mine mentioned in Engineer,s report, is reported to be producing high grade Tungsten ore at present,and also it is reported that a mill for handling this ore is is under consideration.(Mr.K.A.Baker,President of"Q-B-Q" Inc,White Oaks,New Mexico, the present operators of the Old Abe,has just verifid the above,or rather stated that his Company is making every effort to get a mill installed.)
2- Old names of property:"Las cinco Reinas Mine","House-Kadau Mine", "The John House Mine". For remainder of this question see Engineer,s report,except-:"Cross-cut tunnel---" pages 7, Engineer,s report,this tunnel,or cross-cut is now approximately 95 feet in length, approximately 85 feet of which is in a fiber bearing ore.The hanging wall has been encountered but so far the foot wall has not been found.

3- See Mining Engineer,s report.

4- (a) Not in operation.
(b) We prefer to either lease to responsible parties, or contract the operation.
5- See previous report.
6- (a)John H.House,the writer, has some actual mining experience in Lignite mines(in 1916 and 1917), and has several years experience in active prospecting and handling assessment work, and has managed most of development work on the property of Asbestos Mines,Inc.Greater part of life spent as an employ of various Railroads in Telegraph, Telephone and Signal construction and maintainance.Last position held before retirement with Souther Pacific Ry.Signal Maintainer,Rio Grande Division,El Paso,Texas. Last position from March 18, 1930 to September 6,1946, date of retirement. Last position required applicant to handle pay checks, and other importang matters, requiring applicant to be bonded.
Mrs.H.A.Kadau,Vice President:Life time of operation and managment of Cafes and Hotels.Considered as having sound business judgment.
Mrs Pansy M.House, Sec-Treas. Managing(as owner) small apartment house.Has some business education(Typing,short hand and accounting, and has sound business judgment.
6-(b) Continued: It is the intention of the present managment of Asbestos Mines Inc. to secure the services of either a qualified ~~Mining~~ Mining Engineer,with practical mining experience, or the services of an experienced parcital miner who has a good record of sucessful mine operation and managment. The writer has contacted in regards to above, Mr.Lloyd B.Johnson, 6327 Alameda Ave.(c/o De Witt A Kearick) El Paso,Texas. Mr.Johnson is a graduate Mining Engineer-of Texas School of Mines, is a member in good standing of A.I.M.E., and also has a good record of approximately 9 years experience in the milling and conentration of minerals. Mr.Johnson has made a tentative

John H. House

dma-1465X

6-(b) Continued:
examination of property and was faverably impressed.No definate offer was made Mr.Johnson.

7 To I8 inclusive: See report already submitted and Mining Engineer,s report, already submitted.

NOTE: See Mining Engineer,s report, pages 6 and 7, under "DEVELOPMENT"

The Fluorspar deposit mentioned in this, and previous report, is located in the development listed as being on the northeast-southwest vein system, and is exposed in two places, viz, On surface benching in vein approximately three feet wide(just the apex,or top of vein seems to have been encountered), and in a vein or dyke, approximately ten feet wide, encountered at the extreme debth,or end of the cross-cut tunnel mentioned in lines one and two, page 7.

Respectfully submitted

ASBESTOS MINES, INC.(NSL)

By, John W. House
John W.House,President.

May 3I, I95I

FILE COPY
SURNAME:

RWASKEY:mp
8/22/51
cc: DMA Field Personnel, Region IV (2)
210
Mr. Lyon
Mr. Barr
DMA Files

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

370

AUG 2 4 1951

Working Barr

G. E. C.

Asbestos Mines, Inc.
1131 Valencia Street
Los Angeles 15, California

Ref: DMA-1465X
Asbestos, etc.

Gentlemen:

Your application for aid for an exploration project on asbestos and other minerals, deposits located in Lincoln County, New Mexico, and docketed as DMA-1465X, has been reviewed by this office.

Projects approved by Defense Minerals Administration must, in its judgment, show definite promise of yielding material of acceptable grade, physical character and specifications, in quantities that will significantly improve the mineral supply position for National Defense.

A very careful study of your proposal revealed the following:

1. Asbestos samples submitted were determined to be anthophyllite which does not qualify as strategic material.

2. A sound geologic basis for expecting to find significant quantities of strategic materials in the deposits and hence justify the proposed exploration has not been presented.

Under these circumstances, your application for exploration aid to the extent of 90% of $10,000 to $150,000, is denied. Should additional information become available, we would be glad to have you resubmit your proposal for consideration.

Unless we receive a request within thirty days, we will consider the case closed.

Sincerely yours,

Tom Lyon
Tom Lyon, Director
Supply Division

J. F. 8/24

Attachments

AUG 2 4 1951

370

Memorandum

To: Reports and Records Unit, DMA

From: Chief, Industrial Minerals Branch, DMA

Subject: DMA-1465K, Asbestos Mines, Inc.
Reese and Adam Mining Property, Lincoln Co., N.M.
Commodities: Asbestos and other minerals
Amount of loan: $10,000 to $150,000

Denial recommended because:

1. Samples submitted were examined and found not to be of strategic grade.

2. No sound geologic basis presented to justify proposal.

Attached:

1. Form DM-103 in triplicate with add'l information.
2. Mining Report on property dated 10, 1949.
3. Additional information for form DM-100
4. Map - 2 copies
5. Letter from applicant dated July 7, 1951 with additional information and Assay Report.
6. Memo to Mr. Barr from Iron Ore Branch
7. Report from Region VIII, dated July 30, 1951.

SIGNED

James A. Barr, Sr.

Approved:

Director, Supply Division

WASH:Ymp
8/22/51
cc: Field Team, Region IV (2)
210
Mr. Barr Mr. Lyon, DMA Files

RWASKEY:mp
8/22/51
cc: DMA Field Team, Region IV (2)
210
Mr. Lyon
Mr. Barr
DMA Files

AUG 24 1951

370

Asbestos Mines, Inc.
1131 Valencia Street
Los Angeles 15, California

Re: DMA-1465X
Asbestos, etc.

Gentlemen:

Your application for aid for an exploration project on asbestos and other minerals, deposits located in Lincoln County, New Mexico, and docketed as DMA-1465X, has been reviewed by this office.

Projects approved by Defense Minerals Administration must, in its judgment, show definite promise of yielding material of acceptable grade, physical character and specifications, in quantities that will significantly improve the mineral supply position for National Defense.

A very careful study of your proposal revealed the following:

1. Asbestos samples submitted were determined to be anthophyllite which does not qualify as strategic material.

2. A sound geologic basis for expecting to find significant quantities of strategic materials in the deposits and hence justify the proposed exploration has not been presented.

Under these circumstances, your application for exploration aid to the extent of 90% of $10,000 to $150,000, is denied. Should additional information become available, we would be glad to have you resubmit your proposal for consideration.

Unless we receive a request within thirty days, we will consider the case closed.

Sincerely yours,

Tom Lyon

Tom Lyon, Director
Supply Division

Attachments

FILE COPY
SURNAME:

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

AUG 24 1951

Wesley

370

Memorandum

To: Reports and Records Unit, DMA

From: Chief, Industrial Minerals Branch, DMA

Subject: DMA-1465X, Asbestos Mines, Inc.
House and Kadan Mining Property, Lincoln Co., N.M.
Commodities: Asbestos and other minerals
Amount of loan: $10,000 to $150,000

Denial recommended because:

1. Samples submitted were examined and found not to be of strategic grade.

2. No sound geologic basis presented to justify proposal.

Attached:

1. Form MF-103 in triplicate with add'l information.
2. Mining Report on property dated 10, 1946.
3. Additional information for form MF-100
4. Map - 2 copies
5. Letter from applicant dated July 7, 1951 with additional information and Assay Report.
6. Memo to Mr. Barr from from Ore Branch
7. Report from Region VIII, dated July 30, 1951.

SIGNED
James A. Barr, Jr. J.F. 8/24

Approved:

Tom Lyon

Director, Supply Division

MASSEY:mp
8/22/51
cc: Field Team, Region IV (2)
210
Mr. Barr Mr. Lyon, DMA Files

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

AUG 24 1951

370

A. E. C.

Memorandum

To: Reports and Records Unit, DMA

From: Chief, Industrial Minerals Branch, DMA

Subject: DMA-1465X, Asbestos Mines, Inc.
House and Kadau Mining Property, Lincoln Co., N.M.
Commodities: Asbestos and other minerals
Amount of loan: $10,000 to $150,000

Denial recommended because:

1. Samples submitted were examined and found not to be of strategic grade.

2. No sound geologic basis presented to justify proposal.

Attached:

1. Form MF-103 in triplicate with add'l information.
2. Mining Report on property dated 10, 1949.
3. Additional information for form MF-100
4. Map - 2 copies
5. Letter from applicant dated July 7, 1951 with additional information and Assay Report.
6. Memo to Mr. Barr from Iron Ore Branch
7. Report from Region VIII, dated July 30, 1951.

James A. Barr

James A. Barr, Sr.

Approved:

Tom Lyon

Director, Supply Division

Reports & Records Branch

360

FILE COPY
SURNAME:

Pesonen

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

Asbestos Mines, Inc

August 7, 1951

A. E. C.

Memorandum

To: James A. Barr, Chief, Industrial Minerals Branch

From: Paul E. Pesonen, Acting Chief, Iron Ores Branch

Subject: DMA-1465X - Exploration loan - House and Kadan property, Lincoln County, New Mexico, including iron ore.

The subject application has been reviewed for the iron ore portion of the application by the Iron Ores Branch.

Insufficient information to judge the merits of the iron ore occurrences has been submitted by the applicant.

Providing the applicant is interested in an iron ore exploration project, he will have to submit more detailed information regarding the occurrence and potentials of the iron ore deposits on his property.

Paul E. Pesonen, Acting Chief
Iron Ores Branch

Attachments.

PEPesonen:md

Copy to: Adm. reading file
Reports & Records Branch
Mr. Lyon
Mr. Pesonen
Docket

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

August 7, 1951

Memorandum

To: James A. Barr, Chief, Industrial Minerals Branch

From: Paul E. Pesonen, Acting Chief, Iron Ores Branch

Subject: DMA-1465X - Exploration loan - House and Kadau property, Lincoln County, New Mexico, including iron ore.

The subject application has been reviewed for the iron ore portion of the application by the Iron Ores Branch.

Insufficient information to judge the merits of the iron ore occurrences has been submitted by the applicant.

Providing the applicant is interested in an iron ore exploration project, he will have to submit more detailed information regarding the occurrence and potentials of the iron ore deposits on his property.

Paul E. Pesonen

Paul E. Pesonen, Acting Chief
Iron Ores Branch

Attachments.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
COLLEGE PARK, MARYLAND

July 30, 1951

1465-7

Memorandum

To: H. W. Davis, Ferrous Metals and Alloys Branch
Washington Office, Bureau of Mines

From: P. M. Ambrose

Subject: Identification of a sample submitted by Mr. John W. House.

This is in reply to your memorandum of July 13, 1951 requesting the identification of a sample submitted by Mr. John W. House, 1131 Valencia St., Los Angeles 15, California.

The submittal is composed essentially of olivine and asbestiform actinolite with minor amounts of calcite and fluorite. Fluorite is not present in sufficient quantity to be of commercial value.

The asbestos fibers powder readily, are very weak, and short. Material similar to this submittal may find commercial use as a low grade asbestos if it can be produced in large quantity.

P. M. Ambrose

P. M. AMBROSE, Chief
Minerals Technology Division
Region VIII

FILE COPY
SURNAME:

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

July 9, 1951

Mr. John W. House, President
Asbestos Mines, Inc.
1131 Valencia Street
Los Angeles 15, California

Subject: DMA-1465X
Re: Exploration Loan -
The House and Kadau
Mining Property

My dear Mr. House:

Receipt is acknowledged of your application and attachments of June 28, 1951 for an exploration loan under the Defense Production Act of 1950.

The application was assigned Docket Number DMA-1465X and referred to Mr. James A. Barr, Chief, Industrial Minerals Branch on July 5, 1951.

In any future correspondence relating to your application, kindly refer to DMA-1465X.

Sincerely yours,

LANDON F. STROBEL

Landon F. Strobel
Executive Secretary

L. F. Strobel:jc
cc: Strobel
File
Barr
Lyon

Air Mail

II3I Valencia St.
Los Angeles I5, Calif.
July 7, I95I

Defense Minerals Administration
RECEIVED
JUL 9 - 1951
LANDON F. STROBEL
Executive Secretary

Mr. James A. Barr, Chief
Industrial Minerals Branch
Defense Minerals Administration
Washington 25, D.C.

Subject: DMA-I465X
Exploration Loan
House and Kadau
Mining Property:

Dear Mr. Barr:

Regarding your letter of June 22, I95I, asking for samples of Asbestos and Fluorspar ore; and also for a completion of Form MF-I03:

Form MF-I03 was completed and mailed June 28, I95I, with all questions answered as fully as it is possible for me to answer them. I have been unable to get quotations of prices on equipment, either rentals or purchase, that we may need, owing to the fact that we have no capital(see financial statement submitted June 28, I95I) with which to rent or purchase equipment.

Under seperate cover, by Air Mail, Parcel Post, I am sending you two small samples of Asbestos fiber and ore. Sample No.I is some of the longer fiber, partially cleaned, and sample No.2 is the shorter fiber just as it comes from the formation without any cleaning or concentration.

I regret very much that I am unable to send bigger and better samples of the Asbestos ore, but at present I am working (Special Police Officer) in order to keep the Corporation in a solvent condition, and it would necessitate me quitting my job in order for me to go to the mine for samples.

We have no samples of the Fluorspar ore on hand, but I am attaching Assayer,s report on a representative sample of same. As stated in my former letters and reports, thers is no spinning fiber available at the present stage of development, nor is the Fluorspar commercial ore at present stage of development.

The Iron Ore is the only really commercial ore showing at present, unless one would consider the Short Asbestos ore(see letter under Question No.I8, Form MF-I00 submitted May 24,I95I) or the statements contained in Engineer,s report.

We are putting forth every legitimate effort to secure the necessary capital to complete our preliminary development work, for in my honest opinion, the House-Kadau mining property is indeed a worthwhile propersition from an actual mining standpoint, and should be fully developed.

Sincerely yours,

ASBESTOS MINES INC.(NSL)

By, John W. House
John W, House, President.

ORE TESTING
SAMPLING
and
SUPERVISION OF
ORE SHIPMENTS

Phone
VAndike 9328

ED. EISENHAUER, Jr.

ASSAYER -- METALLURGIST -- CHEMIST

320-322 SOUTH SAN PEDRO STREET
LOS ANGELES 13, CALIF.

June 5/51

Asbestus Mines ,Inc
Los Angeles
Calif

Subject : Assay of Rock.

Calcium Fluoride(CaF_2) 10.06 %

Respectfully submitted

Ed.Eisenhauer,Jr

Assayer

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 146v-X

Date received 7-3-51

Participation

Mr. James A. Burr, Chief,
Industrial Minerals Branch,
Defense Minerals Administration
Washington 25, D.C.

Iron Mine Defense, Inc.
Asbestos Iron Inc.
Exploration Loan
Ho House and Ruidu
Mining Property

Name and address of applicant

Date June 16, 1951

FILL IN THIS BLOCK See attached sheets

Date of application May 24, 1951

Estimated cost From 10,000 to 150,000

Mineral or metal Asbestos, Tungsten, Iron & Fluorspar.

Percentage of Government participation

Location of mine Secs. 11, 20 & 24, T-6-S, R-11-E

N. M. P. M., Lincoln County, New Mexico.

Date of filing MF-100 June 6, 1951

DMA Docket Number, if available DMA-146X

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.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 3 1951
LANDON F. STROBEL
Executive Secretary

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 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)? See attached sheets.

*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. See attached sheets for (a) and (b).
    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

See attached sheets for answers 20 to24 Inc.

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.

Asbestos Iron Inc. (?)
(Name of company)

By John W. Young
(Signature of authorized official)

June 16, 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

[illegible]

Mr. [illegible] James [illegible], Chief
Industrial Minerals Branch,
Defense Minerals Administration
Washington 25, D.C.

Form-MF-103

For estimated cost, see answers to questions (a) to (f) inclusive in question [illegible].

[illegible]

Location of [illegible] Sections [illegible], [illegible] 14 [illegible] East-New Mexico Principal Meridian, in the [illegible], Lincoln County, New Mexico, about [illegible] miles south [illegible] of [illegible], the closest shipping point on the [illegible] Southern Pacific Railroad and Highway [illegible].

or

6- No claims, encumbrances or loans except the current [illegible] expenses, with sufficient cash on hand to cover same. There are no loans outstanding against the property. Of the Capital Stock there is issued and outstanding two thousand seventeen [illegible] shares, par value, one hundred ($100.00) dollars per share.

7- No leases outstanding.

8- Enclosed herewith.

[illegible]

10- (a) The real property consists of eight (8) unpatented lode mining claims located and recorded as follows: The Jo Ann Sparks, recorded in Book [illegible], page [illegible], Location Certificates, Lincoln County, New Mexico.
The [illegible] Lee, recorded in Book [illegible] at page 547, Location Certificates of Lincoln County, New Mexico
The [illegible], recorded in Book [illegible] at page 546, Location Certificates of Lincoln County, New Mexico
The [illegible], recorded in Book [illegible] at page 546, Location Certificates of Lincoln County, New Mexico
The Carolyn [illegible], recorded in Book [illegible] at page 207, Location Certificates of Lincoln County, New Mexico
The Lawrence [illegible], recorded in Book [illegible] at page [illegible], Locations Certificates of Lincoln County, New Mexico
The George [illegible], recorded in Book [illegible], at page [illegible], Location Certificates of Lincoln County, New Mexico
The [illegible] Lode Mining Claim, recorded in Books [illegible], at pages [illegible] and [illegible].
b [illegible]

[illegible]

[illegible]

[illegible]

John W. House

2I-Continued:
and near the north side boundry. This tunnel would extend from north to south across the Asbestos deposit.
Estimated time to complete: from 60 to 90 days.

Fluorspar and Iron: See Engineer,s report page 7.
The Fluorspar is in the old tunnel on the eastern part of the property on the Carolyn O. and Eulala Lee claims; and is also found on the surface on these claims. We propose to repair the old tunnel, and extend a drift,or tunnel to the right, or to the Southwest along the strike of the Fluorspar vein, and also mine the Iron ore found in this tunnel. The Iron ore found elsewhere on the property will be mined as encountered to the best advantage.

Tungsten: The Tungsten showings are widely scattered, and at present will be mainly a prospecting propersition.

22- See Engineer,s report already submitted. No geological maps are present available. Assay report with map already submitted. A map of the property is being sent under seporate cover.

23- (a) to (e) inclusive,except(c):

We propose, and intend to do the greater part of the development work by contract, thus avoiding the purchase of expensive equipment, expense of libility insurance etc. For example: We have a tentative offer to contract the new tunnel mentioned in item 2I, for a completed cost of $I2.50 per linear foot. (c) We also have an estimated contract cost of the repairs to old tunnel at fro $500.00 to $I,000.00 depending on the amount of timbering to be done.The $I,000.00 estimate would include 20 feet of ~~dr~~ new drift as mentioned in item ~~2~~ 2I under "Fluorspar".
(e) We own no equipment at present.
(f) We will likely need the use of bulldozers in stripping ore, and the current rental of a D-2 bulldover is $6.00 per hour with everytthing, including opperator furnished. A D-4 is $7.50 per hour. Cost of rentals on other equipment is not available at present.
(g) We own no equipment at present.
(h) Not available.
(i) For cost of water see Engineer,s report.
(i) Power: There is a R.E.A.line into Coyote but so far we have not been able to get a definite estimate of cost of power from same.

24- New tunnel on Asbestos deposit: 2 to 3 months.
Old tunnel on Fluorspar and Iron: 2 to 3 months.
Completetion of both old and new tunnels: from 6 to I2 months.
If Asbestos deposit proves to be of comercial value then it would be necessary to construct a mill, or processing plant, which would cost anywhere from $50,000.00 to $I00,000.00 depending on the capacity, and the time required to construct would be approximately from 3 to 6 months.
6- From first page: 9-From first page: We do not have any capital other than for current Corporation expenses.

Respectfully submitted

John W.House

John W. House

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible] Claims (Valte, [illegible] engineering survey)	[illegible]	
Development Costs	1,[illegible]	[illegible]
Total Assets		[illegible]
[illegible]		
Lincoln County Money,		
Officers State Bank of Vaughn, Carrizozo N. M.	171.00	171.00
Total Current Assets		[illegible]
Total Assets		[illegible]
Liabilities		
Capital Stock Issued		[illegible]
(Authorized 2000 shares (100.00)		
(Issued and outstanding-8,017 shares)		
Donated Surplus		[illegible]
Total Capital and Surplus		[illegible]

Pansy M. House

Pansy M. House

Secretary-Treasurer
Asbestos Mine Inc.

II3I Valencia St.
Los Angeles I5, Calif.
June 28, I95I.

Subject: DMA-I465X
Re: Exploration Lean
The House and Kadau
Mining Property

Mr.James A.Barr, Chief,
Industrial Minerals Branch
Defense Minerals Administration
Washington 25, D.C.

Dear Mr.Barr:

Herewith enclosed Form MF-I03 together with Suppliment copies, Financial statement and maps relative to DMA-I465X; Exploration Loan, The House and Kadau Mining Property.

We have been unavoidablly detained in submitting this datta, but sincerely hope that you find this in order.

Very truly yours,

ASBESTOS MINES INC.(NSL)

By, John W. House
John W.House,President.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 3 1951
LANDON F. STROBEL
Executive Secretary

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 1456X

Date received 7-3-51

Participation

To Mr. James A. Barr, Chief,
Industrial Minerals Branch,
Defense Minerals Administration
Washington 25, D.C.

From John W. House, President
Asbestos Mines Inc. (NSL)
Re: Exploration Loan
The House and Kadau
Mining Property

Name and address of applicant

Date June 16, 1951

FILL IN THIS BLOCK

See atttached sheets

Date of application May 24, 1951

Estimated cost From $10,000 to $150,000.

Mineral or metal Asbestos, Tungsten, Iron & Fluorspar.

Percentage of Government participation

Location of mine Secs. 11, 13 & 14, T-6-S-R-11-E

N.M.P.M., Lincoln County, New Mexico.

Date of filing MF-100 June 6, 1951

DMA Docket Number, if available DMA-1465X

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.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 3 1951
LANDON F. STROBEL
Executive Secretary

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)? See attached sheets.

*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. **See attached sheets for (a) and (b)**

    (*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 **See attached sheets for answers**

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted? **20 to24 Inc.**

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.

Asbestos Mines Inc. (NSL)
(Name of company)

By John W. Howe
(Signature of authorized official)

June 16, 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

Form MF-163
(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 1465X

Date received 7-3-51

Participation

To Mr. James A. Barr, Chief,
Industrial Minerals Branch,
Defense Minerals Administration
Washington 25, D.C.

From John W. House, President
Asbestos Mines Inc. (NSL)
Re: Exploration Loan
The House and Kadau
Mining Property

Name and address of applicant

Date June 16, 1951

FILL IN THIS BLOCK

See atttached sheets

Date of application May 24, 1951

Estimated cost From $10,000 to $150,000.

Mineral or metal Asbestos, Tungsten, Iron & Fluorspar.

Percentage of Government participation

Location of mine Secs. 11, 13 & 14, T-6-S-R-11-E

N.M.P.M., Lincoln County, New Mexico.

Date of filing MF-100 June 6, 1951

DMA Docket Number, if available DMA-1465X

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.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 3 1951
LANDON F. STROBEL
Executive Secretary

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)? See attached sheets.

*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.

    See attached sheets for (a) and (b)

    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

See attached sheets for answers 20 to24 Inc.

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.

Asbestos Mines Inc. (NSL)
(Name of company)

By John W. Howe
(Signature of authorized official)

June 16, 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

ASBESTOS MINES IN (NSL) Re: DMA-1465X, EXPLORATION LOAN
To: Mr.James A.Barr, Chief THE HOUSE & KADAU MINING PROPERTY.
Industrial Minerals Branch, Form-MF-103
Defense Minerals Administration
Washington 25, D.C.

* For estimated cost, see answers to questions (a) to(i) inclusive in question 23, Requirements and Cost, Page 2.

* Minerals and metals: See Mining Engineer,s report already submitted. Asbestos, Tungsten, Iron and Fluorspar.

* Location of Mine: Sections II, I3 and I4 Township 6-South, Range-II-East-New Mexico Prime Meridian; in the White Oaks Mining District, Lincoln County, New Mexico, about 4½ miles South East of Coyote Siding, the closest shipping point on the El Paso-Kansas City branch of the Southern Pacific Railroad and Highway No54.

or

6- No claims, encumbrances or leins except the current Corporation expenses, with sufficient cash on hand to cover same. There are no leins outstanding against the property. Of the Capital Stock there is issued and outstanding two thousand seventeen(2017) shares, par value, one hundred ($100.00) dollars per share.

7- No leases outstanding.

8- Inclosed herewith.
9- See second page
10- (a) The real property consists of eight (8) unpatented Lode Mining Claims located and recorded as follows: The Jo Ann Sparks, recorded in Book A9, page 33, Location Certificates, Lincoln County, New Mexico.
The Eulala Lee, recorded in Book A9 at page 547, Location Certificates of Lincoln County, New Mexico
The Erma D. recorded in Book A9 at page 546, Location Certificates of Lincoln County, New Mexico
The Elta B. recorded in Book A9 at page 546, Location Certificates of Lincoln County, New Mexico
The Carolyn O. recorded in Book A10, at page 207, Location Certificates of Lincoln County, New Mexico
The Lawrence Wray, recorded in Book A-11 at page 90, Location Certificates of Lincoln County, New Mexico
The George Jay, recorded in Book A-11, at page 91, Location Certifercates of Lincoln County, New Mexico
The Millsite Lode Mining Claim, recorded in Book A-12, at pages 238 and 239.
(B)Note- (a) and (b) are identical.

19- Submitted with original application.

20- Asbestos, Tungsten, Fluorspar and Iron. All ores and minerals so far encountered is in veins or dikes.

21- See Engineer,s report already submitted, page 7 under "Proposed Development". The present managment proposes to begin a new tunnel on the Asbestos deposit approximately 200 feet north, and slightly to the east of the cross-cut tunnel mentioned on Page 7 of engineer,s report. This new tunnel would be about mid way of the George Jay claim

John W. Hence

[illegible] 1[illegible] (Rev) [illegible]-15058, [illegible]

Mr. James A. Burr, Chief
Industrial Minerals Branch,
Defense Minerals Administration
Washington 25, D.C.

Form-MP-103 [illegible]

4- For estimated cost, see answers to questions (a) to(i) inclusive in question 20, Requirements and Cost Cost, page 2.

[illegible] minerals and metals: [illegible] asbestos, tungsten, iron and fluorspar.

[illegible] Location of mine: Sections 11, 10 and 14 township 5-[illegible], [illegible] East-New Mexico Prime Meridian; in the [illegible] District, Lincoln County, New Mexico, about 4[illegible] miles south east of Coyote [illegible], the closest ship ing point on the [illegible] Southern Pacific Railroad and Highway [illegible].

or

6- No claims, encumbrances or liens except the current corporation expenses, with sufficient cash on hand to cover same. There are no liens outstanding against the property. Of the Capital Stock there is issued and outstanding two thousand seventeen (2017) shares, par value, one hundred ($100.00) dollars per share.

7- No leases outstanding.

8- Inclosed herewith.

[illegible]

9 10- (a) The total property consists of eight (8) unpatented Lode Mining Claims located and recorded as follows: The Jo Ann Sparks, recorded in Book [illegible], page [illegible], Location Certificates, Lincoln County, New Mexico.
The Lulala Lee, recorded in Book [illegible] at page 547, Location Certificates of Lincoln County, New Mexico
The Erma D. recorded in Book [illegible] at page 546, Location Certificates of Lincoln County, New Mexico
The Alta B. recorded in Book [illegible] at page 540, Location Certificates of Lincoln County, New Mexico
The Carolyn G. recorded in Book [illegible], at page 207, Location Certificates of Lincoln County, New Mexico
The Lawrence Gray, recorded in Book [illegible] at page [illegible], Location Certificates of Lincoln County, New Mexico
The George Jay, recorded in Book [illegible], at page [illegible], Location Certificates of Lincoln County, New Mexico
The Millsite Lode Mining Claim, recorded in Book [illegible], at pages [illegible] and [illegible].
(b) [illegible] (a) and (b) are identical.

[illegible]- [illegible] with original application.

[illegible]- Asbestos, tungsten, fluorspar and iron. All ores and minerals encountered is in veins or dikes.

[illegible]- [illegible] mine [illegible] already established, page 7 under [illegible] development. The present management proposes to begin a new tunnel on the asbestos deposit approximately [illegible] feet north, and slightly to the east of the cross-cut tunnel mentioned on page 7 of engineer's report. This new tunnel would be about mid way of the George Jay claim

John W. House

2I-Continued:
and near the north side boundry. This tunnel would extend from north to south across the Asbestos deposit.
Estimated time to complete: from 60 to 90 days.

Fluorspar and Iron: See Engineer,s report page 7.
The Fluorspar is in the old tunnel on the eastern part of the property on the Carolyn O. and Eulala Lee claims; and is also found on the surface on these claims. We propose to repair the old tunnel, and extend a drift,or tunnel to the right, or to the Southwest along the strike of the Fluorspar vein, and also mine the Iron ore found in this tunnel. The Iron ore found elsewhere on the property will be mined as encountered to the best advantage.

Tungsten: The Tungsten showings are widely scattered, and at present will be mainly a prospecting propersition.

22- See Engineer,s report already submitted. No geological maps are present available. Assay report with map already submitted. A map of the property is being sent under seperate cover.

23- (a) to (e) inclusive,except(c):

We propose, and intend to do the greater part of the development work by contract, thus avoiding the purchase of expensive equipment, expense of libility insurance etc. For example: We have a tentative offer to contract the new tunnel mentioned in item 2I, for a completed cost of $I2.50 per linear foot. (c) We also have an estimated contract cost of the repairs to old tunnel at fro $500.00 to $I,000.00 depending on the amount of timbering to be done.The $I,000.00 estimate would include 20 feet of ## new drift as mentioned in item ## 2I under "Fluorspar".
(~~d) We own no equipment at present~~.
(f) We will likely need the use of bulldozers in stripping ore, and the current rental of a D-2 bulldover is $6.00 per hour with everytthing, including opperator furnished. A D-4 is $7.50 per hour. Cost of rentals on other equipment is not available at present.
(g) We own no equipment at present.
(h) Not available.
(i) For cost of waber see Engineer,s report.
(i) Power: There is a R.E.A.line into Coyote but so far we have not been able to get a definite estimate of cost of power from same.

24- New tunnel on Asbestos deposit: 2 to 3 months.
Old tunnel on Fluorspar and Iron: 2 to 3 months.
Completetion of both old and new tunnels: from 6 to I2 months.
If Asbestos deposit proves to be of comercial value then it would be necessary to construct a mill, or processing plant, which would cost anywhere from $50,000.00 to $I00,000.00 depending on the capacity, and the time required to construct would be approximately from 3 to 6 months.
~~###From#####page~~: 9-From first page: We do not have any capital other than for current Corporation expenses.

Respectfully submitted

John W.House

John W. House

2I-Continued:
and near the north side boundry. This tunnel would extend from north to south across the Asbestos deposit.
Estimated time to complete: from 60 to 90 days.

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Respectfully submitted

John W.House

John W. House

21-Continued:
and near the north side boundry. This tunnel would extend from north to south across the Asbestos deposit.
Estimated time to complete: from 60 to 90 days.

Fluorspar and Iron: See Engineer,s report page 7.
The Fluorspar is in the old tunnel on the eastern part of the property on the Carolyn C. and Lulala Lee claims; and is also found on the surface on those claims. We propose to repair the old tunnel, and extend a drift,or tunnel to the right, or to the Southwest along the strike of the Fluorspar vein, and also mine the Iron ore found in this tunnel. The Iron ore found elsewhere on the property will be mined as encountered to the best advantage.

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22- See Engineer,s report already submitted. No geological maps are present available. Assay report with map already submitted. A map of the property is being sent under seperate cover.

23- (a) to (e) inclusive,except(c):

We propose, and intend to do the greater part of the development work by contract, thus avoiding the purchase of expensive equipment, expense of liblility insurance etc. For example: We have a tentative offer to contract the new tunnel mentioned in item 21, for a completed cost of $12.50 per linear foot. (c) We also have an estimated contract cost of the repairs to old tunnel at fro $500.00 to $1,000.00 depending on the amount of timbering to be done.The $1,000.00 estimate would include 20 foot of dr new drift as mentioned in item 21 under "Fluorspar".
(e) We own no equipment at present.
(f) We will likely need the use of bulldozers in strip ing ore, and the current rental of a D-2 bulldover is $8.00 per hour with everytthing, including operator furnished. A D-4 is $7.50 per hour. Cost of rentals on other equipment is not available at present.
(g) We own no equipment at present.
(h) Not available.
(i) For cost of water see Engineer,s report.
(j) Power: There is a R.E.A.line into Coyote but so far we have not been able to get a definite estimate of cost of power from same.

24- New tunnel on Asbestos deposit: 2 to 3 months.
Old tunnel on Fluorspar and Iron: 2 to 3 months.
Completotion of both old and new tunnels: from 6 to 12 months.
If Asbestos deposit proves to be of comercial value then it would be necessary to construct a mill, or processing plant, which would cost anywhere from $50,000.00 to $400,000.00 depending on the capacity, and the time required to construct would be approximately from 3 to 6 months.
6- From first page: 8-From first page: We do not have any capital other than for current Corporation expenses.

Respectfully submitted

John W.House

John W. House

Re: DMA-1465, EXPLORATION LOAN
THE HOUSE & KADAU MINING PROPERTY.
SUP. FORM*MF*103

ASBESTOS MINES INC.
NO STOCKHOLDERS LIABILITY
A NEW MEXICO CORPORATION
LAS CRUCES, NEW MEXICO
BALANCE SHEET
JUNE 27,1951

ASSETS

FIXED ASSETS:		
Mineral Claims(Valuper Enginering Survey)	$250,000.00	
Development Costs	1,528.00	
TOTAL FIXED ASSETS		$251,700.00
CURRENT ASSETS		
Lincoln County Agency,		
Citizens State Bankof Vaughn, Carrizozo N.M.	171.60	
Total Current Assets		171.60
Total Assets		$251,700.00

CAPITAL

Capital Stock Issued	$201,700.00
(Authorized 2500 shares @ $100.00	
(Issued and outstanding-2,017 shares)	
Donated Surplus	50,000.00
Total Capital and Surplus	$251,700.00

Pansy M. House

Pansy M. House

Secretary-Treasurer
Asbestos Mines Inc.

Re: DMA-1465, EXPLORATION LOAN
THE HOUSE & KADAU MINING PROPERTY.
SUP. FORM-MP-103

ASBESTOS MINES INC.
NO STOCKHOLDERS LIABILITY
A NEW MEXICO CORPORATION
LAS CRUCES, NEW MEXICO
BALANCE SHEET
JUNE 27,1951

ASSETS

FIXED ASSETS:		
Mineral Claims(Valteper Enginering Survey)	$250,000.00	
Development Costs	1,528.00	
TOTAL FIXED ASSETS		$251,700.00
CURRENT ASSETS		
Lincoln County Agency,		
Citizens State Bankof Vaughn, Carrizozo N. M.	171.60	
Total Current Assets		171.60
Total Assets		$251,700.00

CAPITAL

Capital Stock Issued	$201,700.00
(Authorized 2500 shares @ $100.00	
(Issued and outstanding-2,017 shares)	
Donated Surplus	50,000.00
Total Capital and Surplus	$251,700.00

Pansy M. House

Pansy M. House

Secretary-Treasurer
Asbestos Mines Inc.

Re: [illegible]-1465, [illegible]
[illegible] HOUSE & [illegible] MINING [illegible].
SUB. FORM-M.-103

ASBESTOS MINES INC.
[illegible]
[illegible]
[illegible]
[illegible] 27, 1951

ASSETS

FIXED ASSETS:		
Mineral Claims (Valtepor Engineering Survey)	$250,000.00	
Development Costs	1,528.00	
TOTAL FIXED ASSETS		$251,700.00
CURRENT ASSETS		
Lincoln County Agency,		
Citizens State Bank of Vaughn, Carrizozo N. M.	171.60	
Total Current Assets		171.60
Total Assets		$251,700.00

CAPITAL

Capital Stock Issued	$201,700.00
(Authorized 2500 shares @ $100.00	
(Issued and outstanding-2,017 shares)	
Donated Surplus	50,000.00
Total Capital and Surplus	$251,700.00

Nancy M. House

Nancy M. House

Secretary-Treasurer
Asbestos Mines Inc.

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 1465 X

Date received 7-3-51

Participation

To Mr. James A. Barr, Chief,
Industrial Minerals Branch,
Defense Minerals Administration
Washington 25, D.C.

From John W. Hosso, President
Asbestos Mines Inc. (DMA)
Re: Exploration Loan
The House and Kadau
Mining Property

Name and address of applicant

Date June 16, 1951

FILL IN THIS BLOCK

See attached sheets

Date of application May 24, 1951

Estimated cost From $10,000 to $150,000.

Mineral or metal Asbestos, Tungsten, Iron & Fluorspar.

Percentage of Government participation

Location of mine Secs. 11, 13 & 14, T-6-S-R-11-E

N.M.P.M., Lincoln County, New Mexico.

Date of filing MF-100 June 6, 1951

DMA Docket Number, if available DMA-1465X

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.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 3 1951
LANDON F. STROBEL
Executive Secretary

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.

Furnish current financial statement, showing assets and liabilities, and a profit and loss statement.

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)? See attached sheets.

*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. See attached sheets for (a) and (b)

(*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 See attached sheets for answers

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted? 20 to24 Inc.

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.

Asbestos Mines Inc. (NM)
(Name of company)

By John W. Kouse
(Signature of authorized official)

June 16, 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

ASBESTOS MINES INC. (NSL) Re: DMA-I465X, EXPLORATION LOAN
To: Mr. James A. Orr, Chief THE HOUSE & KADAU MINING PROPERTY.
Industrial Minerals Branch, Form-MF-I03
Defense Minerals Administration
Washington 25, D.C.

* For estimated cost, see answers to questions (a) to (i) inclusive in question 23, Requirements and Cost, Page 8.

* Minerals and metals: See Mining Engineer,s report already submitted. Asbestos, Tungsten, Iron and Fluorspar.

* Location of Mine: Sections II, I3 and I4 Township 6-South, Range II-East-New Mexico Prime Meridian; in the White Oaks Mining District, Lincoln County, New Mexico, about 4½ miles South East of Coyote Siding, the closest shipping point on the El Paso-Kansas City branch of the Southern Pacific Railroad and Highway No54.

or

6- No claims, encumbrances except the current Corporation expenses, with sufficient cash on hand to cover same. There are no leins outstanding against the property. Of the Capital Stock there is issued and outstanding two thousand seventeen(20I7) shares, par value, one hundred ($I00.00) dollars per share.

7- No leases outstanding.

8- Inclosed herewith.
9- See second page
I0- (a) The real property consists of eight (8) unpatented Lode Mining Claims located and recorded as follows: The Jo Ann Sparks, recorded in Book A9, page 33, Location Certificates, Lincoln County, New Mexico.
The Eulala Lee, recorded in Book A9 at page 547, Location Certificates of Lincoln County, New Mexico
The Erma D. recorded in Book A9 at page 546, Location Certificates of Lincoln County, New Mexico
The Elta B. recorded in Book A9 at page 546, Location Certificates of Lincoln County, New Mexico
The Carolyn O. recorded in Book AIO, at page 207, Location Certificates of Lincoln County, New Mexico
The Lawrence Wray, recorded in Book A-II at page 90, Location Certificates of Lincoln County, New Mexico
The George Jay, recorded in Book A-II, at page 9I, Location Certifercates of Lincoln County, New Mexico
The Millsite Lode Mining Claim, recorded in Book A-I2, at pages 238 and 239.
(B)Note- (a) and (b) are identical.

I9- Submitted with original application.

20- Asbestos, Tungsten, Fluorspar and Iron. All ores and minerals so far encountered is in veins or dikes.

2I- See Engineer,s report already submitted, page 7 under "Proposed Development". The present managment proposes to begin a new tunnel on the Asbestos deposit approximately 200 feet north, and slightly to the east of the cross-cut tunnel mentioned on Page 7 of engineer,s report. This new tunnel would be about mid way of the George Jay claim

John. H. Horne

6/5/51

Defense Minerals Administration

Review of Application for Exploration Assistance

Docket No. DMA-1465 X

Commodity Asbestos ??

Total Amount

Govt. Participation

1. Name and Address of Applicant Asbestos Mines Inc (NSL), John W. House, President
1131 Valencia St., Los Angeles 15, California

2. Location of Property 16 mi. northeast of Carrizozo, Lincoln County, New Mexico
(in White Oaks Min. Dist. 4 mi. E. of Coyote Siding, So. Pac. R.R.)

3. Mineral or metal Asbestos (this variety and quality not listed) Is it listed in Section 9 of MO-5?

If not, application will be rejected.

4. Geologic probability of discovery—based on data in application (question #16, 17, 18, 20 and 22)*

Mines or Survey reports, etc., do you rate chances:

a) ~~Good~~ – Poor chances for asbestos – indicated samples were not of spinning grade and hence not covered in MO-105. (addition 1/20/51)

b) Poor

c) None Deny on basis of an asbestos loan – not of proper quality.

d) Don't know—needs field examination Proposed work is of development nature anyway.

e) Is there an alternative and favorable project?
(If so, attach an explanation)

5. Is the applicant's right to the property clearly stated?
(question 5, 6, 7)*

6. If applicant is a lessee, is a copy of the lease attached?

Does the lease have sufficient time to run to cover a future productive period?

*question numbers are those of MF-103

6/5/51

Defense Minerals Administration

Review of Application for Exploration Assistance

Docket No. DMA. 1465 X

Commodity ~~Asbestos~~ ??

Total Amount

Govt. Participation

1. Name and Address of Applicant Asbestos Mines Inc (NSL), John W House, President
1131 Valencia St, Los Angeles 15, California

2. Location of Property 16 mi. northeast of Carrizozo, Lincoln County
New Mexico
(in White Oaks Min. Dist. 4 mi. E. of Coyote Siding, So. Pac. Ry)

3. Mineral or metal Asbestos (type, quality and quantity not listed) Is it listed in Section 9 of MO-5?

If not, application will be rejected.

4. Geologic probability of discovery—based on data in application (question #16, 17, 18, 20 and 22)*

Mines or Survey reports, etc., do you rate chances:

a) ~~Good~~ ~~Poor chances for selective - indicated samples~~

b) Poor were not of spinning grade and hence not covered in MO-105. Jos. Abel 12-15-51

c) None Deny on basis of an asbestos loss - not of spinning quality.

d) Don't know—needs field examination ~~Proposed work is of development nature only.~~

e) Is there an alternative and favorable project? (If so, attach an explanation)

5. Is the applicant's right to the property clearly stated? (question 5, 6, 7)*

6. If applicant is a lessee, is a copy of the lease attached?

Does the lease have sufficient time to run to cover a future productive period?

*question numbers are those of MF-103

June 22, 1951

Mr. John W. Louse, President
Asbestos Mines, Inc.
1131 Valencia Street
Los Angeles 15, California

Subject: DMA-1465X

Dear Mr. Louse:

Regarding your application for Aid for Exploration for Asbestos and Fluorspar on Louse and Kadau Mining Property, Lincoln County, New Mexico, docketed on DMA-1465X, it is necessary that additional information be supplied to enable processing subject application.

Application, as received, consisted of Form MF-103 dated May 24, 1951 and subsequent letter dated May 31, 1951. Please complete Form MF-103 and submit in quadruplicate; note particularly Questions 20 to 24 inclusive, Form MF-1031

Please submit samples of minerals occuring on property, particularly Fluorspar and Asbestos.

Sincerely yours,

James Barr

James A. Barr, Jr., Chief
Industrial Minerals Branch

Enclosures

RW:mas

cc: Mr. Strobel
Mr. Lyon
Mr. Barr
DMA Files

Mr. James A. Perry, Sr., Chief
Personnel Security Branch

Form No. 1

THIS FORM TO REMAIN IN THIS FILE JACKET AT ALL TIMES DMA-

CHARGED TO	RETUD	DATE	INITIALS	DMAS NOS.
Arundale				
Bannerman				
Farr				
Loyd, Admin				
Bacon				
Bowles, Dr.				
Bourret				
Caden				
Chandler				
Crim				
FIELD TEAM				
Guzzallus				
Harlan				
Josephson				
Kemp				
Lyon				
Macdonald				
McCann				
Marsh				
Moon				
Mittendorf				
Mosier				
Norton				
Parsons				
Strobel				
Van Alstine				
Waggerman				
Wesley				
Watts				
Weber				

REMARKS:

June 7, 1951

Mr. John W. House
President
Asbestos Mines, Inc.
1131 Valencia Street
Los Angeles 15, California

Subject: DMA-1465X
Re: Exploration Loan
The House and Kadau
Mining Property

My dear Mr. House:

Receipt is acknowledged of your application and attachments of May 24, 1951 for an exploration loan under the Defense Production Act of 1950.

The application was assigned Docket Number DMA-1465X and was referred to Mr. James A. Barr, Chief, Industrial Minerals Branch on June 6, 1951.

In any future correspondence relating to your application, kindly refer to DMA-1465X.

Sincerely yours,

LANDON F. STROBEL

Landon F. Strobel
Executive Secretary

LFSTROBEL:js
cc: Strobel-2
Files
>Barr
Lyon

6/19/51

Mr. Strobels office says no MF 103 form was submitted.

No application for Exploration assistance, so no amount was requested

On typed sheet of answers to questions of MF100 - gives times at which production of various minerals could start (says "operation")

No program of exploration given

The engineers report attached is promotional & is only slightly related to an exploration program.

The DMA. resume' cannot be completed from the data submitted.

6/20/51 -

The Geol. Surv. recommends decline on the basis of asbestos - not strategic

For fluorspar - will have to go to field as no information given except mention of presence -

There is little chance of missing anything if decline without sending to field

FILE COPY
SURNAME:

Barr

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

June 22, 1951

Mr. John W. House, President
Asbestos Mines, Inc.
1131 Valencia Street
Los Angeles 15, California

Subject: DMA01465X

Dear Mr. House:

Regarding your Application for Aid for Exploration for Asbestos and Fluorspar on House and Kadau Mining Property, Lincoln County, New Mexico, docketed on DMA-1465X, it is necessary that additional information be supplied to enable processing subject application.

Application, as received, consisted of Form MF-100 dated May 24, 1951 and subsequent letter dated May 31, 1941. Please complete Form MF-103 and submit in quadruplicate; note particularly Questions 20 to 24 inclusive, Form MF-1031

Please submit samples of minerals occuring on property, particularly Fluorspar and Asbestos.

Sincerely yours,

James Barr

James A. Barr, Sr., Chief
Industrial Minerals Branch

Enclosures
RW:mas

cc: Mr. Strobel
Mr. Lyon
Mr. Barr
DMA Files

258

a.e.e.

June 22, 1951

Mr. John W. House, President
Asbestos Mines, Inc.
1131 Valencia Street
Los Angeles 15, California

Subject: DMA-1465X

Dear Mr. House:

Regarding your Application for Aid for Exploration for Asbestos and Fluorspar on House and Nadal Mining Property, Lincoln County, New Mexico, docketed on DMA-1465X, it is necessary that additional information be supplied to enable processing subject application.

Application, as received, consisted of Form MF-100 dated May 24, 1951 and subsequent letter dated May 31, 1941. Please complete Form MF-103 and submit in quadruplicate; note particularly Questions 20 to 24 inclusive, Form MF-1031

Please submit samples of minerals occurring on property, particularly Fluorspar and Asbestos.

Sincerely yours,

James Barr

JAB

James A. Barr, Jr., Chief
Industrial Minerals Branch

Enclosures

RW:mas

cc: Mr. Strobel
Mr. Lyon
Mr. Barr
DMA Files

FILE COPY
SURNAME:

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

June 7, 1951

Mr. John W. House
President
Asbestos Mines, Inc.
1131 Valencia Street
Los Angeles 15, California

Subject: DMA-1465X
Re: Exploration Loan
The House and Kadau
Mining Property

My dear Mr. House:

Receipt is acknowledged of your application and attachments of May 24, 1951 for an exploration loan under the Defense Production Act of 1950.

The application was assigned Docket Number DMA-1465X and was referred to Mr. James A. Barr, Chief, Industrial Minerals Branch on June 6, 1951.

In any future correspondence relating to your application, kindly refer to DMA-1465X.

Sincerely yours,

LANDON F. STROBEL

Landon F. Strobel
Executive Secretary

LFSTROBEL:js
cc: Strobel-2
>Files
Barr
Lyon

Form MF-100
(March 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Form approved.
Budget Bureau No. 42-R1026.

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

NOT TO BE FILLED IN BY APPLICANT

Docket No. Dma-1465 X

Date received 6/4/51

To: Mr.J.H.East
Regional Director
Defense Minerals Administration
224 New Customhouse
Denver 2, Colorado.

By: John W.House/President
ASBESTOS MINES INC.(NSL)
1131 Valencia St.
Los Angeles 15, California.

Name and address of applicant

Date May 24, 1951

INSTRUCTIONS

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

GENERAL TECHNICAL DATA

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

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

   Indicate whether mine is flooded or not. Describe any pumping problems. Give size or productive capacity.
3. For each operation listed above supply the following:
   - (*a*) Distance and direction from nearest town and shipping point.
   - (*b*) Mining district.
   - (*c*) Township, Section, Range.
   - (*d*) County, State.
4. (*a*) State whether or not property is now in operation, and if in operation, by whom operated.

   (*b*) Are you operating this property as:
   - ☐ Owner.
   - ☐ Lessee.
   - ☐ Contractor.
5. Number of years in production ____________

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

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

16—63792-1

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

Name and Address	Official Title (If officer is also director indicate by "D")	Total of Annual Salary, Commissions, Bonuses, Etc., Received From Applicant and Affiliates During Last Fiscal Year	Estimated Net Worth Outside of Interest in Applicant	Number of Shares Held in Applicant Corporation		Life Insurance Carried for Benefit of Applicant	
				Common	Preferred	Amount	Net Cash Surrender Value After Loans
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
John W.House,II3I Valencia St.Los Angeles	President "D"	See att. sheet	See att. sheet	IOI7	None	None	None
Mrs.H.A.Kadau,934 F.67,St.Inglewood Cal.	Vice Pres. (D)	none	See att. sheet	.868	None	None	dont know
Mrs.P.M.House,II3I Valencia St L.A.I5,Cal.	Sec-Tres. (D)	None	$2000.00 Pers.Prop.	30	None	burial policy	dont know
Three persons named above							
And the following above							
Chas.J.Hutchison 303 San Francisco St	El Paso, Texas.			50			
I.M.Lessin,I443½ Marcelina Ave. Torrance,Cal.				50			
Chas M.Wells,I506 W. IIth,Pl. Los Angeles	I5,Cal.			5			
	Total		x x x x x			x x x x x	x x x x x

If more lines are needed continue on separate sheet.

9. Capital Stock Issues:

For Corporate Applicants

Item	Authorized (a)	Outstanding (b)	Par Value (c)	Number of Shares Outstanding (d)	Dividend Rate Last Paid* (e)
Common stock 2500 shares	250,000. $	202,200. $	per share I00.00 $	2,022	none
Preferred stock	none $	none $	none $	none	none

*Indicate period covered.

10. Production:

Item	Kind of Product (a)	1948 Total (b)	1949 Total (c)	1950 Total (d)	Present Average Monthly (e)
1. Quantity of product mined or quarried (Short, long, metric tons; barrels; pounds; etc.)	see attached sheet and Mining Engineer,e report (attached also other data attached.				
2. Quantity of product processed (specify unit of measure and type of process)					
3. Quantity and grade of product sold or shipped (specify units of measure)					

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

12. Ore or Mineral Reserves:

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

Asbestos Mines Inc.

Asbestos Mines Inc.
1131 Valencia St.
Los Angeles 15, Calif.

Form SP-100

4 Dma-1465 X

Questions 1 to 3 inclusive: See attached Engineer,s report

4 (a) No

(b) Our desire and intention is to operate property by Lease or Contract

5- [illegible]

If capital is available we estimate dates operation on various minerals as follows:
Iron: (small deposit) 30 days.
Fluorspar: 30 to 60 days provided ore proves to be of commercial grades. Vein: Approximate width, 10 feet.
Asbestos: Unable to answer. Width of vein at present stage of development approx. 87 feet.

7 See Mining Engineer,s report.

8, Correction for John W. House, items (g) and (h) $4200.00 Railroad Group Policy, Mrs. P.M. House, Beneficiary.

8, Continued:
John W. House, 1131 Valencia St Los Angeles 15, Calif President. 1047 shares of common stock. Directors have authorized the payment of $75.00 per month with room rent gas, oil and minor car repairs when actually engaged in work or attending wholly to the affairs of the Corporation however only a total of less than $50.00 with only part of agreed expenses has been paid to date.
Complete list of stockholders:
Mrs H.A. Radau, 934 East 67, St. Inglewood, California, 868 shs
Chas. J. Hutchison, 303 San Francisco St. El Paso, Texas. 50 shares.
Irvin M. Lessin, 1443½ Marcelina Ave. Torrance, Calif. 50 shares
Mrs. P.M. House, 1131 Valencia St Los Angeles 15, Calif. 30 shares
Chas. M. Wells, 1506 W. 11th, Place Los Angeles 15, Calif. 5 shares.
Mrs. Elta Bethard, Wichita, Kansas. 2 shares.

10 to 16, Inclusive: See attached Engineer,s report.

17, Ore loading ramp at Coyote, N.M.

18, See attached letter from Emergency Procurement Service and letter from Colorado Fuel and Iron, also attached assay reports. Lack of sufficient capital is the main adverse condition. Favorable indications: a fair showing of Tungsten. (see attached assay report)

Respectfully submitted

ASBESTOS MINES INC. (NSL)

By, John W. House
John W. House, President.

May 24, 1951

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

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

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

TOTAL ORE OR MINERAL RESERVES

Ore or Mineral Reserve	Estimated Tons (a)	Metal or Mineral Content Per Ton (Grade) (b)	Gross Value Per Ton (c)	Recoverable Unit Value Per Ton (d)	Estimated Cost of Production Per Ton (e)
Measured (proved)					
Indicated (probable)					

(*c*) If placer:

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

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

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

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

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

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

13. Access Roads:

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

14. Water Supply:

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

15. Power:

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

16. Labor:

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

17. Equipment and Facilities:

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

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

CERTIFICATION

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

Asbestos Mines Inc.
(Name of company)

By John W. Hous
(Signature of authorized official)

May 24, 1951
(Date)

President
(Title)

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

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

Dma - 1465 X

REGIONAL DIRECTOR'S OFFICE
REGION IV
JUN 4 - 1951
BUREAU OF MINES
DENVER, COLORADO

Phone: DUnkirk, 4-I458
II3I Valencia St.
Los Angeles I5, California
May 3I, I95I

Re: My Letter and application for Exploration Assistance, of May 24, I95I:

Mr. J.H. East, Jr.
Regional Director
Defense Minerals Administration
224 New Customhouse Building
Denver 2, Colorado.

Dear Mr. East:

I wish to submit the attached aditional information in connection with my application of May 24, I95I, for Exploration Assistance loan, under the Defense Production Act.

I trust that this aditional information will be of help to your office.

Very truly yours,

ASBESTOS MINES INC. (NSL)

By, John W. House
John W. House, President.

#ASBESTOS# I[illegible] I. Valencia St. Los Angeles [illegible], Calif.

ASBESTOS MINES INC. (NSL) ADITIONAL SUPLIMENT SHEETS
FORM MF-100

Dma-1465X

I-(a) Owners expect to produce: A-Asbestos, *B-Fluorspar, -C-Iron-, -D, Tungsten. (See "Values" pages 7 and 8, Mining Engineer,s report already submitted); however all of these mineral deposits need futher development.
I-(b) For potential byproducts see "Values", pages 7 and 8, also see "History", pages II and I2 Mining Engineers report already submitted.
Note: As per Engineer,s report Gold and Silver are the main byproduc ucts to be expected; however Tungsten could be an expected byproduct, especially in the Asbestos deposit. The "Old Abe" mine mentioned in Engineer,s report, is reported to be producing high grade Tungsten ore at present, and also it is reported that a mill for handling this ore is is under consideration. (Mr. E.A. Baker, President of "Q-B-Q" Inc, White Oaks, New Mexico, the present operators of the Old Abe, has just verifid the above, or rather stated that his Company is making every effort to get a mill installed.)
2- Old names of property: "Los cinco Reinas Mine", "House-Kadau Mine", "The John House Mine". For remainder of this question see Engineer,s report, except-: "Cross-cut tunnel---" pages 7, Engineer,s report, this tunnel, or cross-cut is now approximately 95 feet in length, approximately 85 feet of which is in a fiber bearing ore. The hanging wall has been encountered but so far the foot wall has not been found.

3- See Mining Engineer,s report.

4- (a) Not in operation.
(b) We prefer to either lease to responsible parties, or contract the operation.
5- See previous report.
6- (a) John W. House, the writer, has some actual mining experience in Lignite mines (in I9I6 and I9I7), and has several years experience in active prospecting and handling assesment work, and has managed most of development work on the property of Asbestos Mines, Inc. Greater part of life spent as an employ of various Railroads in Telegraph, Telephone and Signal construction and maintainance. Last position held before retirement with Souther Pacific Ry. Signal Maintainer, Rio Grande Division, El Paso, Texas. Last position from March I8, I930 to September 6, I946, date of retirement. Last position required applicant to handle pay checks, and other importang matters, requiring applicant to be bonded.
Mrs. H.A. Kadau, Vice President: Life time of operation and managment of Cafes and Hotels. Considered as having sound business judgment.
Mrs Pansy M. House, Sec-Treas. Managing (as owner) small apartment house. Has some business education (Typing, short hand and accounting,) and has sound business judgment.
6-(b) Continued: It is the intention of the present managment of Asbestos Mines Inc. to secure the services of either a qualified Mining Engineer, with pracital mining experience, or the services of an experienced parcital miner who has a good record of sucessful mine operation and managment. The writer has contacted in regards to above, Mr. Lloyd S. Johnson, 6327 Alemeda Ave. (% De Witt & Rearick) El Paso, Texas. Mr. Johnson is a graduate Mining Engineer of Texas School of Mines, is a member in good standing of A.I.M.E., and also has a good record of approximately 9 years experience in the milling and conentration of minerals. Mr. Johnson has made a tentative

John W. House

6-(b) Continued:
examination of property and was favorably impressed. No definate offer was made Mr. Johnson.

7 To I8 inclusive: See report already submitted and Mining Engineer,s report, already submitted.

NOTE: See Mining Engineer,s report, pages 6 and 7, under "DEVELOPMENT "

The Fluorspar deposit mentioned in this, and previous report, is located in the development listed as being on the northeast-southwest vein system, and is exposed in two places, viz, On surface benching in vein approximately three feet wide(just the apex, or top of vein seems to have been encountered), and in a vein or dyke, approximately ten feet wide, encountered at the extreme debth, or end of the cross-cut tunnel mentioned in lines one and two, page 7.

Respectfully submitted

ASBESTOS MINES, INC. (NSL)

By, John W. House
John W. House, President.

May 3I, I95I

ASBESTOS 131 Valencia St. Los Angeles 15, Calif. 2

ASBESTOS MINES INC. (NSL) ADITIONAL SUPLIMENT SHEETS
FORM MF-100

Dma-1465 X

I-(a) Owners expect to produce: A-Asbestos, B-Fluorspar, -C-Iron-, -D, Tungsten. (See "Values" pages 7 and 8, Mining Engineer, s report already submitted); however all of these mineral deposits need futher development.
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5- See previous report.
6- (a) John W. House, the writer, has some actual mining experience in Lignite mines (in 1916 and 1917), and has several years experience in active prospecting and handling assessment work, and has managed most of development work on the property of Asbestos Mines, Inc. Greater part of life spent as an employ of various Railroads in Telegraph, Telephone and Signal construction and maintainance. Last position held before retirement with Souther Pacific Ry. Signal Maintainer, Rio Grande Division, El Paso, Texas. Last position from March 18, 1930 to September 6, 1946, date of retirement. Last position required applicant to handle pay checks, and other impertang matters, requiring applicant to be bonded.
Mrs. H.A. Kadau, Vice President: Life time of operation and managment of Cafes and Hotels. Considered as having sound business judgment.
Mrs Pansy M. House, Sec-Treas. Managing (as owner) small apartment house. Has some business education (Typing, short hand and accounting, and has sound business judgment.
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John W. House

6-(b) Continued:
examination of property and was favorably impressed.No definate offer was made Mr.Johnson.

7 To 18 inclusive: See report already submitted and Mining Engineer,s report, already submitted.

NOTE: See Mining Engineer,s report, pages 6 and 7, under "DEVELOPMENT."

The Fluorspar deposit mentioned in this, and previous report, is located in the development listed as being on the northeast-southwest vein system, and is exposed in two places, viz, On surface benching in vein approximately three feet wide(just the apex,or top of vein seems to have been encountered), and in a vein or dyke, approximately ten feet wide, encountered at the extreme debth,or end of the cross-cut tunnel mentioned in lines one and two, page 7.

Respectfully submitted

ASBESTOS MINES, INC.(NSL)

By, John W. House
John W.House,President.

May 31, 1951

3

Dma - 1465X

ASBESTOS

ASBESTOS MINES INC.(NSL) ADITIONAL SUPLEMENT SHEETS
FORM MP-100

1131 Valencia St. Los Angeles 15, Calif.

I-(a) Owners expect to produce: A-Asbestos, B-Fluorspar, -C-Iron-, -D, Tungsten.(See "Values" pages 7 and 8, Mining Engineer,s report already submitted);however all of these mineral deposits need futher development.

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Note: As per Engineer,s report Gold and Silver are the main byproducts to be expected; however Tungsten could be an expected byproduct, especially in the Asbestos deposit. The "Old Abe" mine mentioned in Engineer,s report, is reported to be producing high grade Tungsten ore at present, and also it is reported that a mill for handling this ore is under consideration.(Mr.E.A.Baker, President of "Q-B-Q" Inc, White Oaks, New Mexico, the present operators of the Old Abe, has just verifid the above, or rather stated that his Company is making every effort to get a mill installed.)

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3- See Mining Engineer,s report.

4- (a) Not in operation.
(b) We prefer to either lease to responsible parties, or contract the operation.

5- See previous report.

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John W. House

6-(b) Continued:
examination of property and was favorably impressed.No definate offer was made Mr.Johnson.

7 To 18 inclusive: See report already submitted and Mining Engineer,s report, already submitted.

NOTE: See Mining Engineer,s report, pages 6 and 7, under "DEVELOPMENT"

The Fluorspar deposit mentioned in this, and previous report, is located in the development listed as being on the northeast-southwest vein system, and is exposed in two places, viz, On surface benching in vein approximately three feet wide(just the apex,or top of vein seems to have been encountered), and in a vein or dyke, approximately ten feet wide, encountered at the extreme debth,or end of the cross-cut tunnel mentioned in lines one and two, page 7.

Respectfully submitted

ASBESTOS MINES INC.(NSL)

By, John W. House
John W.House,President.

May 31, 1951

Asbestos Mines Inc. (NSL)
1131 Valencia St.
Los Angeles 15, Calif.

Dma-146 5-X

MINING REPORT
ON THE
HOUSE AND KADAU MINING PROPERTY
LINCOLN COUNTY, NEW MEXICO.

FOREWORD.

As Mankind has progressed up through the ages from the primitive to his present state of evolvement, each Epoch or Milestone has been marked by some specific designation representative of the Era thus being ushered in, such as the Stone Age, The Iron Age, The Copper Age, The Mechanical Age, The Electrical Age, The Atomic Age Etc. While it is a long ory from the Stone Age to the Atomic Age, we are prone to look back and marvel at the ingenuity of primitive man, but pay scant attention to the natural elements at his command that made it possible for him to reach such a high state of development as the age in which we are now living.

It is also a noteworthy fact that these natural elements are all of the Mineral Kingdom, which can only be produced by the Mining Industry, and although a very large variety of minerals go to make up the sum total of our present day progress, there are eleven only, that are considered as making up more than seventy five percent of the whole. These are Gold, Silver, Copper, Lead, Zinc, Iron, Aluminum, Tin, Antimony, Mica and Asbestos.

How few of us ever stop to realize, that without our Minerals it would not be possible for us to enjoy the modern conveniences, which we consider so very essential to our wellfare and comfort, such as Electricity, Telephones, Telegraph, Radios, Automobiles, Trucks, Railroads, Steamships, Airplanes, Stoves, Cook-

ing Utensils and a thousand and one other things so essential to modern progress. It is also interesting to know that, were it not for our Minerals, both metallic and non-metallic, we would, like Alley Oop, still be using Stone Axes and other Stone Impliments even in this day and age.

Of the eleven special Minerals above mentioned, all but four of them, Tin, Antimony, Mica and Asbestos,can be produced in our own country in sufficient quantities to take care of our domestic requirements. While it is true that we do produce some of these four scarce Minerals in this country, our production is far below our requirements, and as a consequence we find it neccessary to draw on foreign production to meet our ever growing needs.

With the above picture in mind, one can readily understand the great importance of making new discoveries in our own country of such scarce essentials.

LOCATION.

The House and Kadau Mining Property, which is owned by Asbestos Mines, Inc., is situated about sixteen miles in a northeasterly direction from the town of Carrizozo, on the Southern Pacific Railroad, which is the nearest supply point. It can however be more specifically described as being located in the White Oaks Mining District in Lincoln County, New Mexico, about four miles east of Coyote Siding on the Southern Pacific, which is the nearest shipping point to the Mine. It is also connect-

ed with Coyote and Carrizozo by a good Auto and Truck road. It is also located in the same general area as the "Old Abe", North Homestake, South Homestake, Compromise, Little Nell, Little Mack, Lady Godiva, and other noted mines of early mining days, the combination of which have a reputed production running into several millions of dollars.

PROPERTY AND AREA.

The House and Kadau Mining Property consists of 8 Lode Mining Claims, each of which are 600 feet wide by 1500 feet long and comprise a total acreage of approximately 150 acres of surface ground. These Claims were located and recorded as the JoAnn Sparks, Eulala Lee, Erma D. Elta B. Carolyn O. George J. Lawrence Wray and Mill Site. (See attached Map of Claims).

These eight claims are all contiguous and cover the strike of the mineralized formation for approximately 6,000 feet in length in an easterly-westerly direction, and 3,000 feet in width, in a northerly-southerly direction.

FORMATION AND GEOLOGY.

The Rock Formations surrounding this Property, are all Igneous in character, and conform to the general rocks surrounding the entire White Oaks Mining District. This entire, region was at one time entirely covered by Cretaceous Sediments and Shales, which were at a later period broken through by large bodies of Monzonite. Most of this Monzonite has a very fine

Asbestos Mines Inc.(NSL)
II3I Valencia St.
Los Angeles I5,Calif.

grained structure which is almost too evenly grained to be classed as a true Porphyry. It is Porphyritic however and is easily identified by it's brownish gray color. Both Andesite and Rhyolite are also in evidence to the north and east of the property, which may have some bearing on a part at least of the mineralization involved.

VEINS OR LEDGES.

There are two definite vein systems that outcrop on this property, both of which are exceptionally well defined at all points noted, and apparently extend for long distances where they cut through the country rock. The first system of veins has a northeasterly - southwesterly trend and extends the full length of the Jo Ann Sparks, Eulala Lee, Erma-D. and the Elta B. claims. These veins were apparently caused by the intrusion of a series of fine grained, dark colored Dykes not yet identified, that cut the formations over a wide area. These Dykes weather to a greenish rusty color and could easily belong to the Minette Series.

The second system of veins extend in an easterly - Westerly direction, and are traceable for approximately fifteen hundred feet lengthwise of the George J. and Lawrence Wray claims. From the exceptional width of one of these veins, it is possible for it to scarp the mountain for a long distance. This could not be definitely determined however, because of the overburden covering this part of the property. Veins carrying high per-

centages of Magnetite and other minerals were also found in both systems of fissuring.

TOPOGRAPHY.

Lincoln County, New Mexico., forms a rectangular area in south central New Mexico, of approximately five thousand square miles of territory. The southern and central portion of the County is occupied by the White Range of Mountains which is a continuation of the Guadalupe Range of northern Texas. The White Mountains reach an extreme heighth of better than ten thousand feet, and they dip very abruptly on their western slope into the Sacramento Valley which covers most of the western part of the County.

Carrizozo, the County Seat of Lincoln County, and Coyote, the nearest railroad shipping point, lie on the eastern edge of the Sacremento Valley, at an elevation in excess of 5000 feet above sea level. From Coyote to the mine, adistance of about four miles, the elevation increases to a maximum of approximately seven thousand feet at the mine workings, which are on the north slope of Lone Mountain.

TONNAGE AND OVERBURDEN.

While the entire property is more or less covered by an overburden that has eroded from the mountain peaks above,making it somewhat difficult to trace the veins except at intervals along their strike, t is overburden will neither be difficult

nor expensive to remove because it's thickness does not exceed more than six or eight feet at the most and in many places is not more than two or three feet thick. The steepness of the mountain side also makes it easy to remove with bulldozers and a considerable amount of this work has already been accomplished.

On the eastern end of the property which is covered by The Elta-B-, Erma-D-, Eulala-Lee, and Jo Ann Sparks Claims, several thousand tons of ore has been exposed and developed, by crosscuts, drifts and bulldozing, and toward the westward on the George-J- and Lawrence Wray claims (See Map of Claims attached), an almost unlimited tonnage of Asbestos Ore (Chrysotile) is being developed. A cross-cut tunnel was run in on this vein a distance of more than 65 feet, all in high grade Asbestos Ore, and neither the foot-wall nor the hanging wall has been encountered.

Some bulldozer stripping has been done over this Asbestos vein, thus showing it to be quite extensive in length as well as in width, and thus far it gives promise of developing into a very large Asbestos Producer.

DEVELOPMENT.

The present development work accomplished on the house and Kadau Mining Property consists of several hundred feet of drifts, cross-cuts and benching on the northeast - southwest vein system, all of which has exposed one or more veins ranging in width from three to sixteen feet and carrying good commercial ore. The ore in these workings has been developed to a depth of approximately three hundred feet below the surface

of the ground. The road from Coyote to the mine, terminates at the portal of the cross-cut tunnel.

On the east and west vein system, a cross-cut tunnel has been run on the big Asbestos Vein for a little more than 65 feet without encountering either wall of the vein. A branch road connecting these workings with the man road has recently been completed. This road extends along the strike of the vein for several hundred feet and has exposed some of the finest Chrysotile Ore yet found on the property.

PROPOSED DEVELOPMENT.

The first work proposed when mining operations once again gets underway, is the continuation of the present 65 foot cross-cut tunnel on the large Asbestos Vein, until the hanging wall of the vein is reached. In addition to this, an open trench should be cut through the overburden down the mountain side below the portal of the Cross-cut, to ascertain the extreme width an dip of this vein. After this information is once obtained, it will be a simple matter to plan further development for the most economical operation of this part of the property.

On the eastern part of the property , it is proposed to enlarge the present cross-cut tunnel so as to make the ore developed on this part of the property available for Milling and Shipping.

VALUES.

The Mineral Values thus far encountered in the House and

Kadau Mining Property, are Gold, Silver, Sheelite, Hubnerite, Fluorspar, Magnetite, Asbestos and Titanium. Both Tourmaline and Beryl crystals are also to be found. The Chrysotile Asbestos occurs in an altered Serpentine, carrying some Pyroxene in its makeup, and the Asbestos Fibers range from medium short to two or more inches in length, with high heat resisting qualities. The latest quotations on Asbestos Ores taken from the latest Engineering and Mining Journal, are as follows.

Crude No. -1- F.O.B cars,	$960.00 to	$1.050.00	per ton.
Crude NO. -2- F.O.B. cars,	$492.00 to	$ 550.00	per ton.
Spinning Fibers.	$232.00 to	$ 475.00	per ton.
Shingle Fibers.	$ 95.50 to	$ 141.00	per ton.
Paper stock.	$ 78.50 to	$ 88.00	per ton.
Waste.		$ 58.00	per ton.

From the above it is quite understandible the possible profits to be made from the mining of Asbestos Ores.

MINING.

The physical conditions surrounding the House and Kadau Mining Property, are extremely favorable in every way for economic Mining Operations. The veins thus far exposed are strong, wide and consistent, and give promise of going to great depth, because of their true fissure character. They can also be mined to considerable depth by tunnels and overhead stoping, which will eliminate the cost of shaft sinking and hoisting for some time to come. Also if continued development proves the Asbestos Vein to

Asbestos Mines Inc. (NSI)
7131 Valencia St.
Los Angeles 15, Calif.

widen from 65 feet to 100 feet or more, which is more than probable, it will be possible to quarry this part of the property, thus still further reducing the cost of production.

MILLING.

Where extra large Ore Bodies are encountered, like the Asbestos Vein on this property, there is hardly any limit to the amount of daily tonnage that can be produced for milling purposes. In fact ore production would be limited only by the Milling facilities available. It is also possible to mill all the ore from this property by gravity, which is the biggest factor in low cost milling.

All of the ore thus far developed, is amenable to the Flotation treatment, which is also another big factor in low cost production, which coupled with the fact that Mining and Milling operations can be carried on throughout the entire year, makes the House and Kadau Mine an exceptionally interesting proposition from every view point.

TRANSPORTATION.

The House and Kadau Mine is connected with the railroad at Coyote Siding about four miles to the westward, which is the nearest railroad shipping point. The haul from the mine to Coyote is down grade practically all of the way, and the terrain over which this road is built will be easy to maintain during all seasons of the year. There is also a loading ramp located at

Coyote for loading Ore and Concentrates from Trucks into the railroad cars. This loadind ramp is the property of the mine.

TIMBER AND WATER.

There is sufficient timber growing on this property for all present mining needs, and additional timber can be had in quantity in the surrounding mountains whenever needed. Water has been found in the low lying hills near the foot of Lone Mountain, on which this property is located, which should prove sufficient for all Mining and Milling needs. If additional water should ever be required, it can be had from the big Southern Pacific Pumping Station, located at Coyote.

CLIMATE.

The climatic conditions prevailing in this section of New Mexico, are ideal for Mining and Milling throughout most of the year. Some cold weather and snow however can be expected at intervals during the winter months, but not sufficiently severe to hamper either Mining or Milling operations.

TITLE.

The area embracing the eight Lode Mining Claims comprising the House and Kadau Mining Property, is located within the White Oaks Mining District of Lincoln County, New Mexico., and is owned under and by virtue of the United States Mining Location Laws. A complete record of Title, which has been found to

Asbestos Mines Inc.(NSL)
II3I Valencia St.
Los Angeles I5,Calif.

be OK, may be found at the County Court House in the Town of Carrizozo, the County Seat of Lincoln, County, New Mexico.

HISTORY.

In outlining the History of any of the early day Mining Camps, it is rather difficult to give real authentic details, as no written record was ever kept, which is very much to be regretted because of the many colorful characters that could be found wherever prospecting and mining was going on, and because of the romance existing in connection with every big discovery, particularly if rich Gold and Silver deposits entered into such discoveries. Although other Mineral Deposits were in evidence in many of the Mining Camps, such as Copper, Lead, Zinc, Etc., very little attention was paid to them, unless it was necessary to mine them in order to recover the Gold and Silver content contained therein.

As far as the writer was able to ascertain, small amounts of Placer Gold was taken out of this section of New Mexico as early as the late fifties and early sixties, by Mexican Prospectors, particularly from Baxter Gulch at the foot of Baxter Mountain, which is one of the landmarks of this district. This caused a great deal of prospecting to take place in quest of the origin of this Placer Gold. In the year 1879, Gold was finally discovered in place, in what subsequently became the North Homestake Mine. A little later, the Old Abe, South Homestake, Little Nell, Lady Godiva, Little Mack and many other claims were located, and a great deal of Mineral Wealth was produced from these workings during the years that followed. The deepest development occured in

the Old Abe Mine where a depth of fourteen or fifteen hundred feet was reached. Some exceedingly rich Gold Ore was at times uncovered in all of these mines, and particularly in the North Homestake, where $35,000.00 was reported to have been taken out in two days.

The Old Abe Mine, which is just over the ridge from the House and Kadau Property, is once again in operation, and it is predicted that it will once again become a big producer of mineral wealth. This same situation should also apply to the other old mi mines of the district, because of the increasing demand for certain of the baser metals which they contain, and when the House and Kadau Mine begins production, the White Oaks District will eventually become one of bright spots of Mineral Production in New Mexico.

RECAPITULATION.

FIRST. The White Oaks Mining District, lies in the heart of a highly mineralized district, which has been only superficially developed. The possibilities in future development are alost unlimited and give great promise of large Mineral Discoveries.

SECOND. Both the Geological and Mineralogical conditions surrounding the House and Kadau Mining Property, are extremely favorable for great depth of the Ore Bodies, which are exceptionally Wide, Strong and Consistent, especially the Asbestos Vein, which gives promise of developing into one of the biggest Chrysotile deposits in this country. The need also of the development of ore bodies of this character in our own country was neger greater.

THIRD. The physical conditions encountered on the House and Kadau Property, are also exceedingly favorable for gravity Mining and Milling of the ore, as well as for the diversity of the minerals found on the property.

FOURTH. There is an ample supply of good timber right on the property for all present mining needs, and the adjacent mountains can supply all the timber necessary for future requirements. A nearby water supply sufficient for all mining and milling requirements, is also available.

FIFTH. The climatic conditions are such that the House and Kadau Mine is accessible throughout the entire year, and Mining and Milling operations can be carried on uninterruptedly so far as weather conditions are concerned.

SIXTH. All of the ore developed on this property is amenable to the Flotation treatment, and can be mined and milled at a minimum of cost. Also because of the large size of the veins, an almost unlimited tonnage can be produced for milling purposes.

SEVENTH. Extremely rich ore has been encountered from time to time in other mines in this district, and there is every possibility that the same conditions will be encountered in the House and Kadau Mine when development work once gets under way. This of course does not include the big Asbestos deposit, which is a big mine within itself, judging by the high percentage of Chrysotile contained in the ore, which in reality makes this

Property extremely valuable without taking into consideration any of the other Minerals involved.

As a result of considerable time spent in my examination of the House and Kadau Mining Property, I take pleasure in recommending it as one of exceptional merit.

DATED

OCTOBER

1949.

Respectfully submitted,

Chas. J. Hutchison

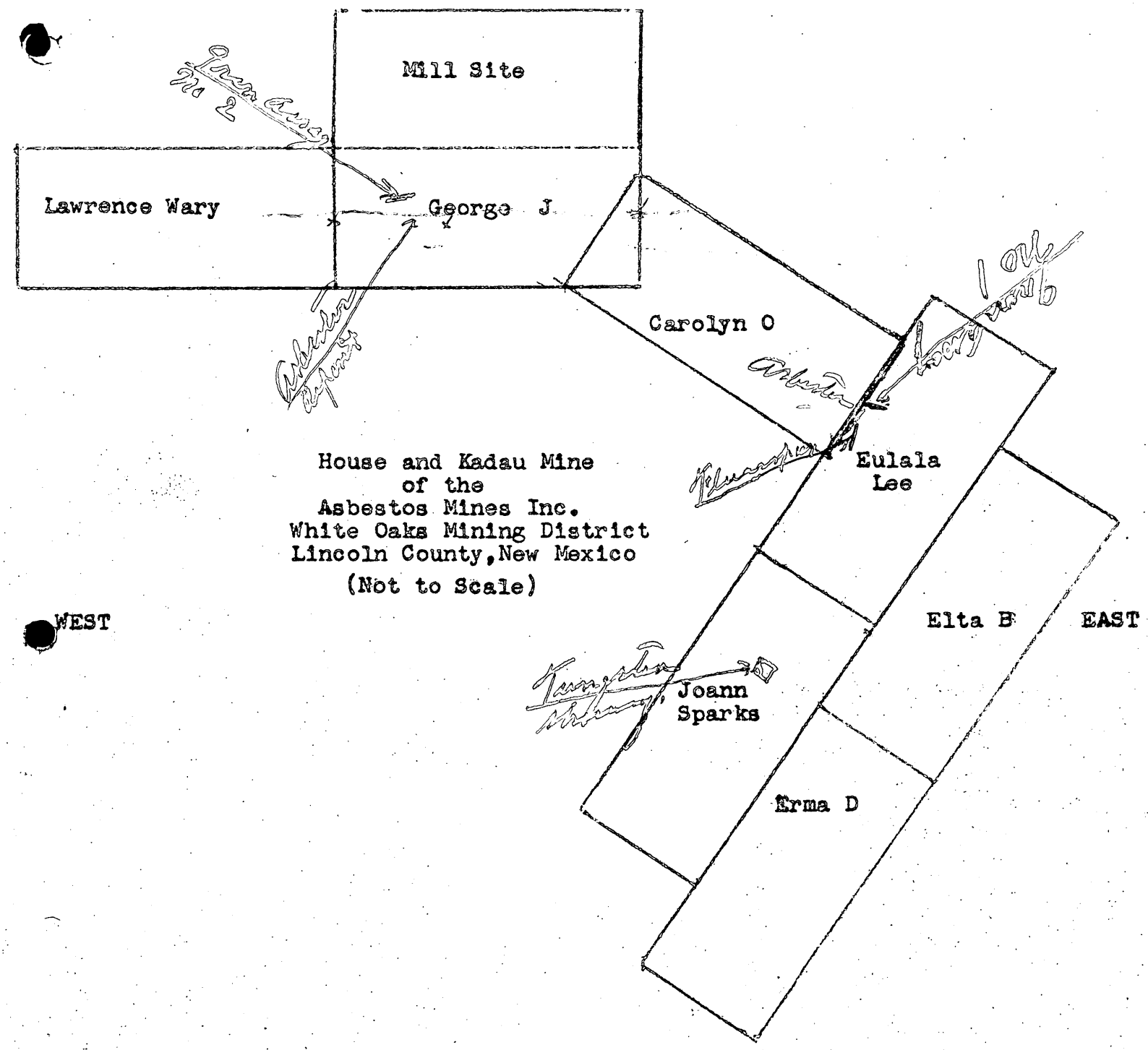
Chas. J. Hutchison

Mining Engineer.

Note: The original of this report is in the files of Asbestos Mines Inc.(NSL) II3i Valencia St. Los Angeles I5,California.

Asbestos Mines Inc. (NS
II3I Valencia St.
Los Angeles I5, Calif.

NORTH



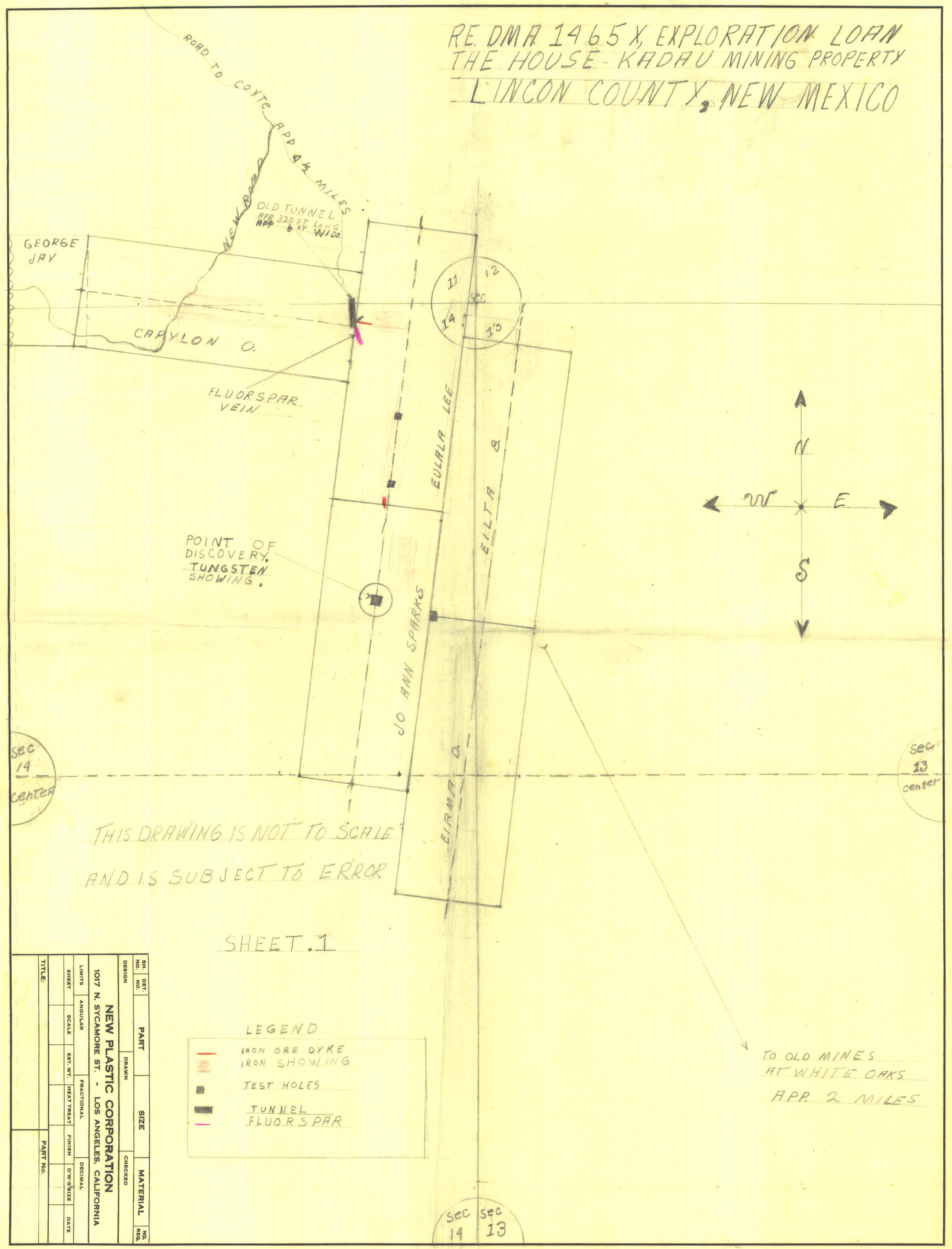
House and Kadau Mine
of the
Asbestos Mines Inc.
White Oaks Mining District
Lincoln County, New Mexico
(Not to Scale)

WEST

EAST

SOUTH

RE. DMA 1465 X, EXPLORATION LOAN
THE HOUSE - KADAU MINING PROPERTY
LINCON COUNTY, NEW MEXICO



SH. NO.	DET. NO.	PART	SIZE	MATERIAL	NO. REQ.
DESIGN		DRAWN		CHECKED	

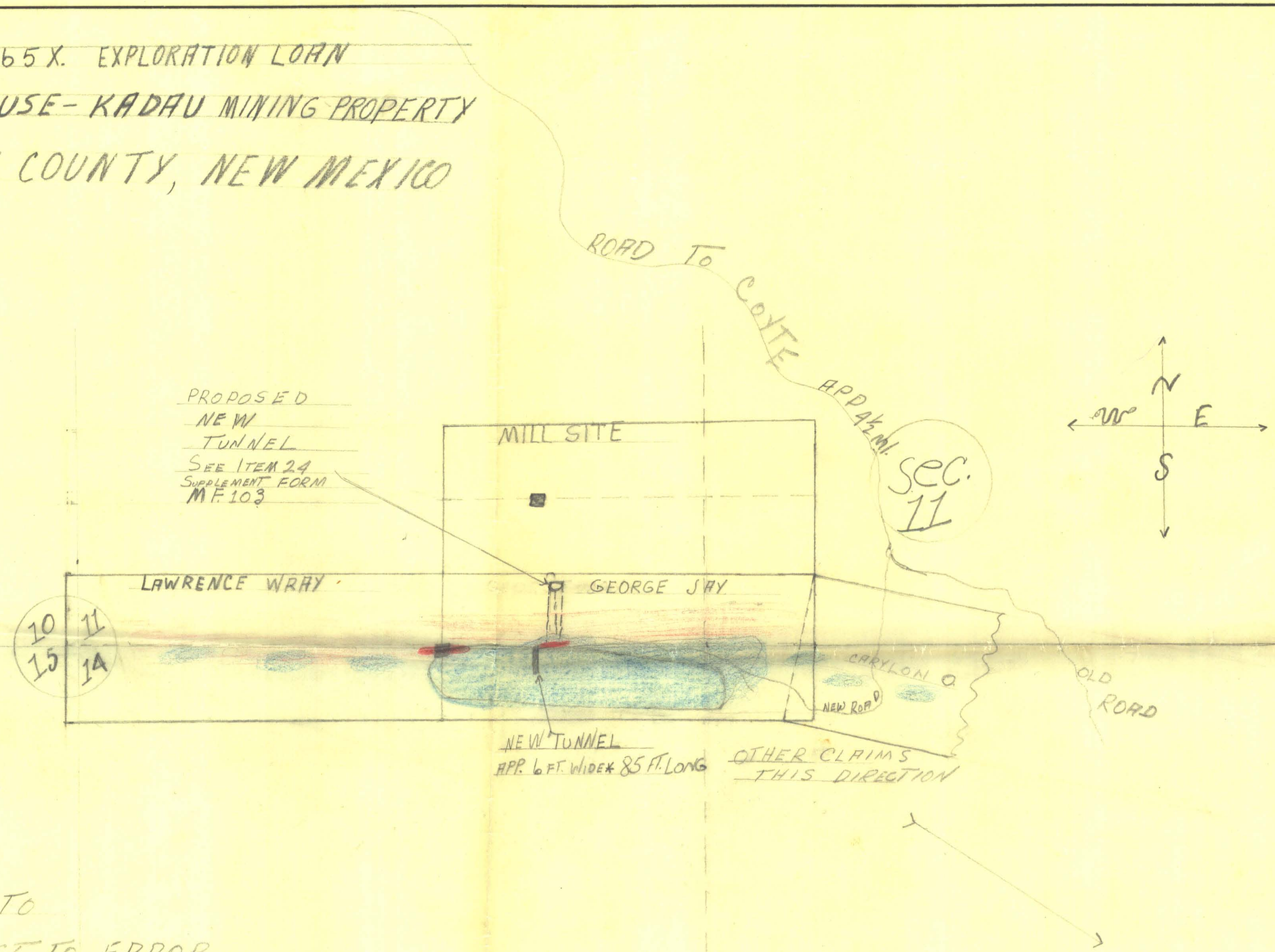
NEW PLASTIC CORPORATION
1017 N. SYCAMORE ST. - LOS ANGELES, CALIFORNIA

LIMITS	ANGULAR	FRACTIONAL	DECIMAL
SHEET	SCALE	EST. WT.	HEAT TREAT	FINISH	D'W'G SIZE	DATE
TITLE:		PART No.	

RE. DMA-1465X. EXPLORATION LOAN

THE HOUSE-KADAU MINING PROPERTY

LINCON COUNTY, NEW MEXICO



THIS DRAWING IS NOT TO SCALE AND IS SUBJECT TO ERROR

SHEET 2

LEGEND

- ASBESTOS
- IRON ORE DYKES
- IRON SHOWING
- TEST HOLES
- PROPOSED NEW TUNNEL

SEC 14

SH. NO.	DET. NO.	PART	SIZE	MATERIAL	NO. REQ.
DESIGN		DRAWN		CHECKED	

NEW PLASTIC CORPORATION
1017 N. SYCAMORE ST. - LOS ANGELES, CALIFORNIA

LIMITS	ANGULAR	FRACTIONAL	DECIMAL

SHEET	SCALE	EST. WT.	HEAT TREAT	FINISH	D'W'G SIZE	DATE

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