FIELD TEAM
COPY

MF-200A
(Revised June 1954)

Docket No. DMEA 3[illegible]

Commodity Tungsten

Contract No. Idm-E - 783

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT[1]
(Short Form)

It is agreed this 14th day of April, 195 5, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] L. C. Harris, whose mailing address is P. O. Box 1057, Roswell, New Mexico, hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Exhibit "A," Annex I, and .....

The Operator shall not transfer or assign this contract or any right thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of New Mexico, County of Hidalgo, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] See Annex I of [5] See Annex I in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] See Annex I, [7] recorded in Book --, page --, official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: None

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.), are attached, as follows: Consent to Lien from the owners.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 7, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 7(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Tungsten. The work to be performed is described in Exhibit "A." The Operator on or before July 1, 1955, shall commence the work, and on or before July 1, 1956 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after a certification of discovery or development to inspect production operations and underground workings. The operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $31,100.00. The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $23,650.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work

performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records or accounts.

ARTICLE 7. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after a sufficient final report and final account (see Article 6) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, within a period of ten years from the date of the contract, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); *except*, that charges of *the buyer* arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by *the buyer*, sampling and assaying to determine the value of the production sold, and freight paid by *the buyer* to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the crude ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

(d) *Unsold production.*—If any production (ore, concentrates, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time when it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

(For instance: the royalty on an amount of five dollars ($5.00) per ton would be one and one-half (1½) percent; on an amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this article.

(g) *Lien for payment.*—To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(h) *Notice to purchasers.*—The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

(i) *No obligation to produce.*—Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(j) *Government not obligated to buy.*—Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

ARTICLE 8. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 8 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 9. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 10. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

L. C. HARRIS
(Operator)

By

THE UNITED STATES OF AMERICA

By C. O. Mitchell
Administrator, Defense
Minerals Exploration
Administration

I, ..., certify that I am the ..... secretary of the corporation named as Operator herein; that ..... who signed this contract on behalf of the Operator, was then ..... of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70618-1

EXPLORATION PROJECT CONTRACT
L. C. HARRIS
DOCKET NO. DMEA-3701

ANNEX I

The land referred to in Article 2 of the Contract form is described as follows:

Four unpatented lode mining claims located in the Eureka Mining District, Hidalgo County, New Mexico, in Sec. 22, T. 29 S., R. 16 W., New Mexico Base Meridian. The location notices of the claims are on record at the Court House in Lordsburg, New Mexico, as follows:

Name of Claim	Book No.	Page No.
Eagle Point No. 1	2	593
Eagle Point No. 2	2	593
Eagle Point No. 4	2	594
Eagle Point No. 5	2	638

The owners of the property, J. H. Winslow, and C. L. Buskirk and wife, Gela Buskirk, in an agreement dated December 15, 1953, granted to L. C. Harris a lease of the mineral rights in the aforesaid claims, shown on the attached map "Figure 2," for a period of ten years, and granted an option to purchase the claims.

EXPLORATION PROJECT CONTRACT
L. C. HARRIS
DOCKET NO. DMEA-3701

EXHIBIT "A"

Description of the Work

Maps accompanying this exhibit are as follows:

Figure 1, Location Map, showing relative location of property.

Figure 2, Claim Map, Eagle Point Claims.

Figure 3, Proposed Exploration Eagle Point Tungsten Deposit.

The work consists of shallow shafts and diamond drilling (not less than AX size), in three successive stages, as follows:

Stage I

Make a topographic and geologic map of the mineralized area.

Sink four 30-foot shafts, approximately at points indicated in areas X, Y, and Z on Figure 3. These shafts will be approximately 3½ feet by 6 feet in rock section. These shafts shall be vertical or inclined, depending on the dips of the formation.

Crosscut and/or drift approximately 20 feet from the bottom of each shaft, or a total of 80 feet. This work shall be dependent on the indicated mineralization and shall not be less than 3½ feet by 6 feet in size.

Stage II

If, in the opinion of the Government, the results of Stage I warrant further work, so much of the work set forth under this Stage II shall be performed as is approved in advance by the Government.

Drill twelve diamond drill holes, approximately at points and on courses indicated on Figure 3 and dipping about minus 50 degrees, to cut the tactite zone at a depth of about 90 feet. These holes shall be approximately 120 feet in length, with a total length not exceeding 1,440 feet.

Stage III

If, in the opinion of the Government, the results of Stage II warrant further work, so much of the work set forth under Stage III shall be performed as is approved in advance by the Government.

Drill an additional 1,560 feet of diamond drill holes, at points approved by the Government, to intersect the tactite zone.

All work in mineralized zones shall be sampled and assayed for WO_3.

Fixed Unit Costs

Stage I

Topographic and geologic mapping 1/	$ 400.00	
Shaft sinking, 120 feet at $60.00/ft.	7,200.00	
Drifting and/or crosscutting, 80 feet at $35.00/ft.	2,800.00	
Sampling and assaying, 40 samples at $5.00/each	200.00	
Estimated total cost of Stage I		$10,600.00

Stage II

Diamond drilling, 1,440 feet at $7.00/ft.	10,080.00	
Sampling and assaying, 24 samples at $5.00/each	120.00	
Estimated total cost of Stage II		10,200.00

Stage III

Diamond drilling, 1,560 feet at $7.00/ft.	10,920.00	
Sampling and assaying, 16 samples at $5.00/each	80.00	
Estimated total cost of Stage III		11,000.00
Estimated total cost of project		$31,800.00
Government participation at 75 percent		$23,850.00

1/ The completed work constitutes the unit.

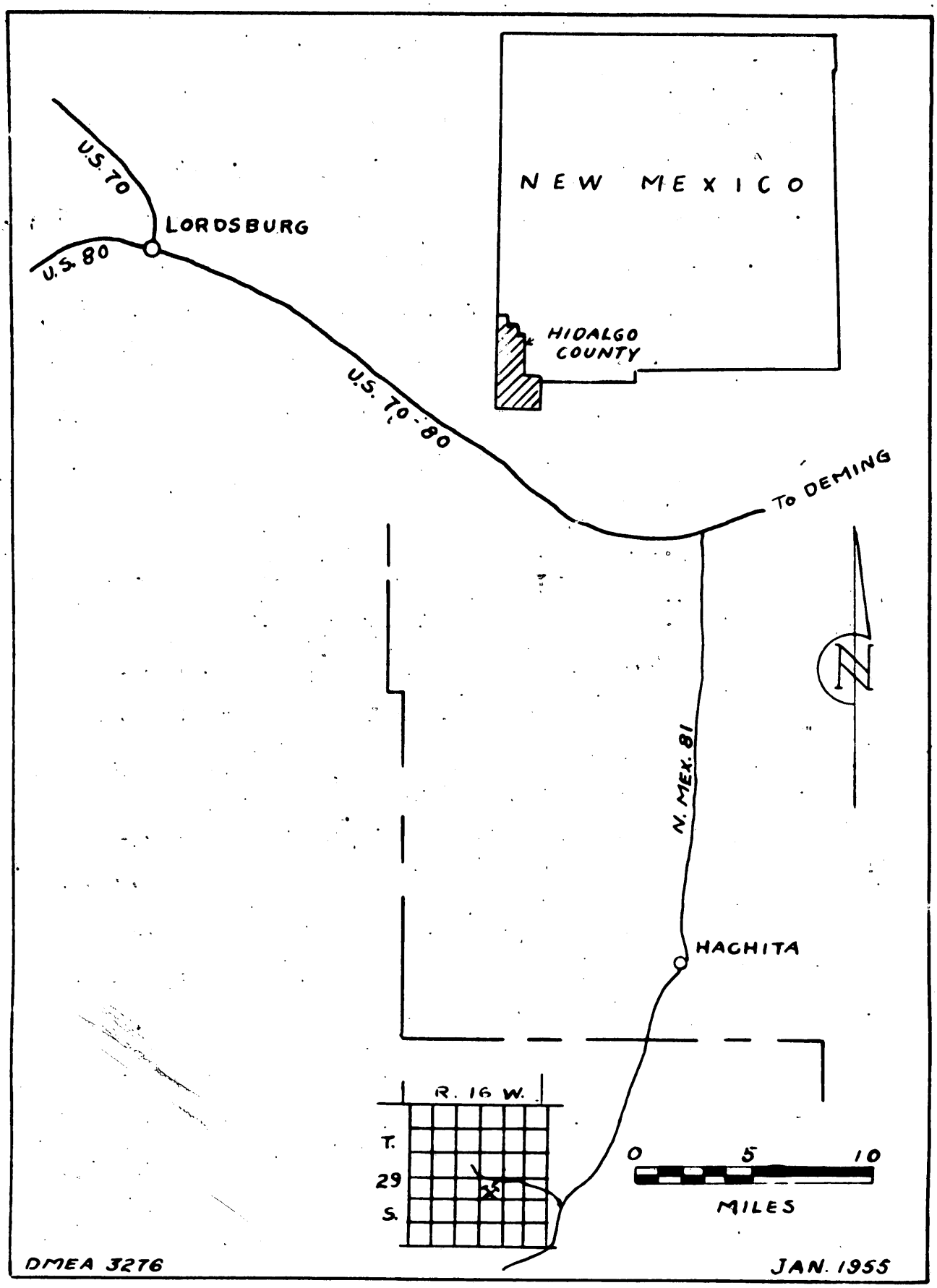

FIGURE 1 - LOCATION MAP

EAGLE POINT CLAIMS
HIDALGO COUNTY, N. MEX.

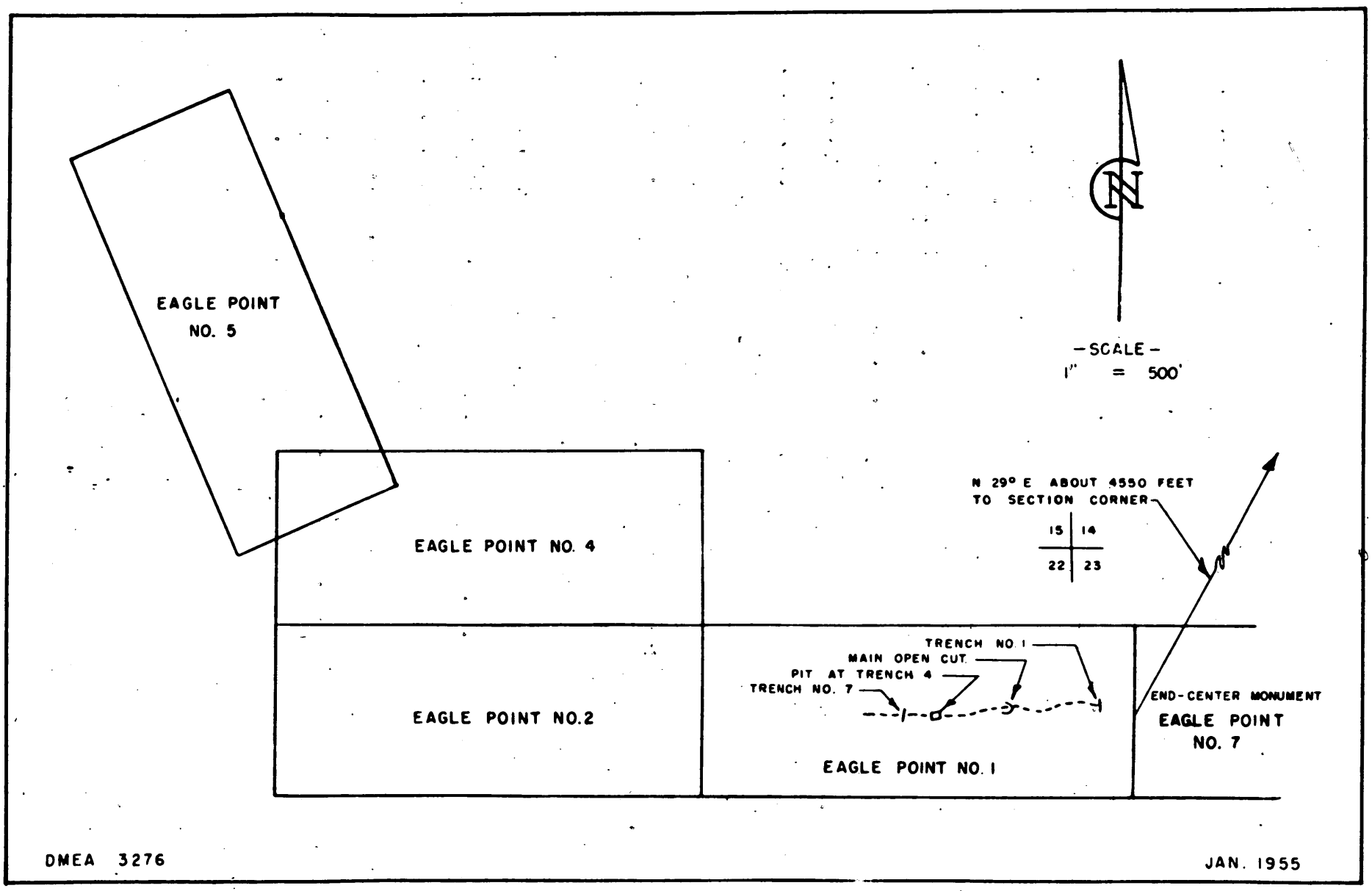

FIGURE 2 CLAIM MAP, EAGLE POINT CLAIMS, HIDALGO COUNTY, N. MEXICO

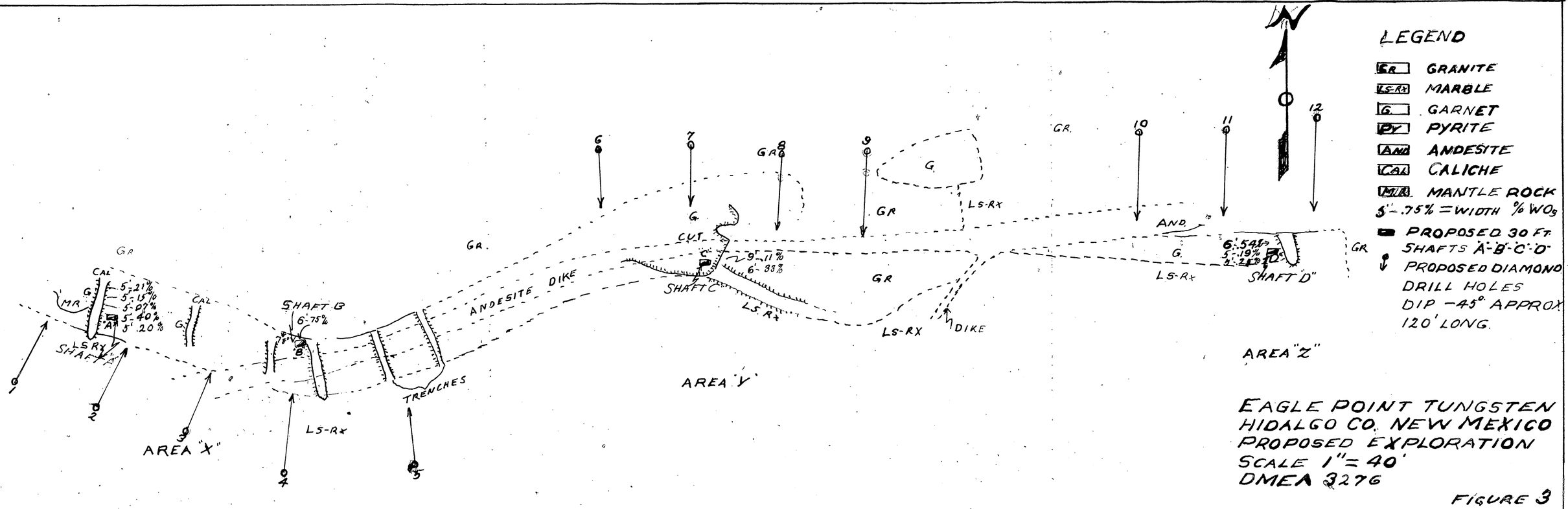
LEGEND
GR GRANITE
LS-RX MARBLE
G GARNET
PY PYRITE
AND ANDESITE
CAL CALICHE
MR MANTLE ROCK
5'-.75% = WIDTH % WO3
PROPOSED 30 FT. SHAFTS A-B-C-D
PROPOSED DIAMOND DRILL HOLES DIP -45° APPROX 120' LONG.
N
AREA "X"
AREA "Y"
AREA "Z"
SHAFT "A"
SHAFT B
6'-75%
SHAFT C
SHAFT "D"
ANDESITE DIKE
TRENCHES
CUT
DIKE
LS-RX
GR
G
CAL
MR
AND
5'-21%
5'-15%
5'-07%
5'-40%
5'-20%
9'-11%
6'-33%
6'-54%
5'-19%
4'-28%
EAGLE POINT TUNGSTEN
HIDALGO CO. NEW MEXICO
PROPOSED EXPLORATION
SCALE 1" = 40'
DMEA 3276

FIGURE 3

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator L. C. Harris
Docket No. DMEA- 3701
Contract No. Idm-E 783
Contract Date April 14, 1955

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of Hidalgo, State of New Mexico, described as follows:1/

CLAIM NAME	BOOK	PAGE
Eagle Point #1	2	593
Eagle Point #2	2	593
Eagle Point #4	2	594
Eagle Point #5	2	638

Official records in the office of the County Clerk of Hidalgo County, New Mexico.

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of a percentage royalty on production as may be provided for by the contract;2/ and represents and undertakes that there are no claims, liens, or encumbrances upon the undersigned's right, title, or interest in the land prior to that hereby granted to the Government other than the following:3/

None

3. Undertakes and agrees neither to commit any act nor assert any claim in conflict with the provisions of this Consent to Lien; and to give advance notice of the Government's rights under this Consent to Lien to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, or interest in the land; and

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

3/ Write "none" if that is the case. Do not leave lines blank.

4. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Consent to Lien shall extend and apply thereto.

5. Added provision: _____

Dated this 19th day of April, 1955

J. H. Winslow [Seal]

Geo. Buskirk [Seal]

Gela Buskirk [Seal]

I, _____ certify that I am the _____ (Secretary, etc.) of the corporation named herein; that _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____

[Corporate Seal]

Division Copy

MF-200A
(Revised June 1954)

Docket No. DMEA 3701

Commodity Tungsten

Contract No. Idm-E 783

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT[1]
(Short Form)

It is agreed this 14th day of April, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] L. C. Harris

whose mailing address is P. O. Box 6657, Roswell, New Mexico,

hereinafter called the "Operator," as follows:

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(1) The Operator is the [4] See Annex I of [5] See Annex I in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] See Annex I, [7] recorded in Book , page , official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: None

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.), are attached, as follows: Consent to Lien from the owners.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
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[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

16—70618-1

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 7, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 7(b)(1).

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(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after a certification of discovery or development to inspect production operations and underground workings. The operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $31,800.00. The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $23,850.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work

performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records or accounts.

ARTICLE 7. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after a sufficient final report and final account (see Article 6) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, within a period of ten years from the date of the contract, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); *except,* that charges of *the buyer* arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by *the buyer,* sampling and assaying to determine the value of the production sold, and freight paid by *the buyer* to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the crude ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

(d) *Unsold production.*—If any production (ore, concentrates, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time when it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

(For instance: the royalty on an amount of five dollars ($5.00) per ton would be one and one-half (1½) percent; on an amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this article.

(g) *Lien for payment.*—To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(h) *Notice to purchasers.*—The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

(i) *No obligation to produce.*—Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(j) *Government not obligated to buy.*—Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

ARTICLE 8. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 8 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 9. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 10. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

[redacted]

(Operator)

[redacted]

THE UNITED STATES OF AMERICA

By [redacted]

[redacted]

Putty
Hoffland
Chapman
Martin
Selfridge

I, ..., certify that I am the ..... secretary of the corporation named as Operator herein; that ..... who signed this contract on behalf of the Operator, was then ..... of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70618-1

EXPLORATION PROJECT CONTRACT
L. C. HARRIS
DOCKET NO. DMEA-3701

ANNEX I

The land referred to in Article 2 of the Contract form is described as follows:

Four unpatented lode mining claims located in the Eureka Mining District, Hidalgo County, New Mexico, in Sec. 22, T. 29 S., R. 16 W., New Mexico Base Meridian. The location notices of the claims are on record at the Court House in Lordsburg, New Mexico, as follows:

Name of Claim	Book No.	Page No.
Eagle Point No. 1	2	593
Eagle Point No. 2	2	593
Eagle Point No. 4	2	594
Eagle Point No. 5	2	638

The owners of the property, J. H. Winslow, and C. L. Buskirk and wife, Gela Buskirk, in an agreement dated December 15, 1953, granted to L. C. Harris a lease of the mineral rights in the aforesaid claims, shown on the attached map "Figure 2," for a period of ten years, and granted an option to purchase the claims.

EXPLORATION PROJECT CONTRACT
L. C. HARRIS
DOCKET NO. DMEA-3701

EXHIBIT "A"

Description of the Work

Maps accompanying this exhibit are as follows:

Figure 1, Location Map, showing relative location of property.

Figure 2, Claim Map, Eagle Point Claims.

Figure 3, Proposed Exploration Eagle Point Tungsten Deposit.

The work consists of shallow shafts and diamond drilling (not less than AX size), in three successive stages, as follows:

Stage I

Make a topographic and geologic map of the mineralized area.

Sink four 30-foot shafts, approximately at points indicated in areas X, Y, and Z on Figure 3. These shafts will be approximately 3½ feet by 6 feet in rock section. These shafts shall be vertical or inclined, depending on the dips of the formation.

Crosscut and/or drift approximately 20 feet from the bottom of each shaft, or a total of 80 feet. This work shall be dependent on the indicated mineralization and shall not be less than 3½ feet by 6 feet in size.

Stage II

If, in the opinion of the Government, the results of Stage I warrant further work, so much of the work set forth under this Stage II shall be performed as is approved in advance by the Government.

Drill twelve diamond drill holes, approximately at points and on courses indicated on Figure 3 and dipping about 50 degrees, to cut the tactite zone at a depth of about 90 feet. These holes shall be approximately 120 feet in length, with a total length not exceeding 1,440 feet.

Stage III

If, in the opinion of the Government, the results of Stage II warrant further work, so much of the work set forth under Stage III shall be performed as is approved in advance by the Government.

Drill an additional 1,560 feet of diamond drill holes, at points approved by the Government, to intersect the tactite zone.

All work in mineralized zones shall be sampled and assayed for WO_3.

Fixed Unit Costs

Stage I

Topographic and geologic mapping 1/	$ 400.00	
Shaft sinking, 120 feet at $60.00/ft.	7,200.00	
Drifting and/or crosscutting, 80 feet at $35.00/ft.	2,800.00	
Sampling and assaying, 40 samples at $5.00/each	200.00	
Estimated total cost of Stage I		$10,600.00

Stage II

Diamond drilling, 1,440 feet at $7.00/ft.	10,080.00	
Sampling and assaying, 24 samples at $5.00/each	120.00	
Estimated total cost of Stage II		10,200.00

Stage III

Diamond drilling, 1,560 feet at $7.00/ft.	10,920.00	
Sampling and assaying, 16 samples at $5.00/each	80.00	
Estimated total cost of Stage III		11,000.00
Estimated total cost of project		$31,800.00
Government participation at 75 percent		$23,850.00

1/ The completed work constitutes the unit.

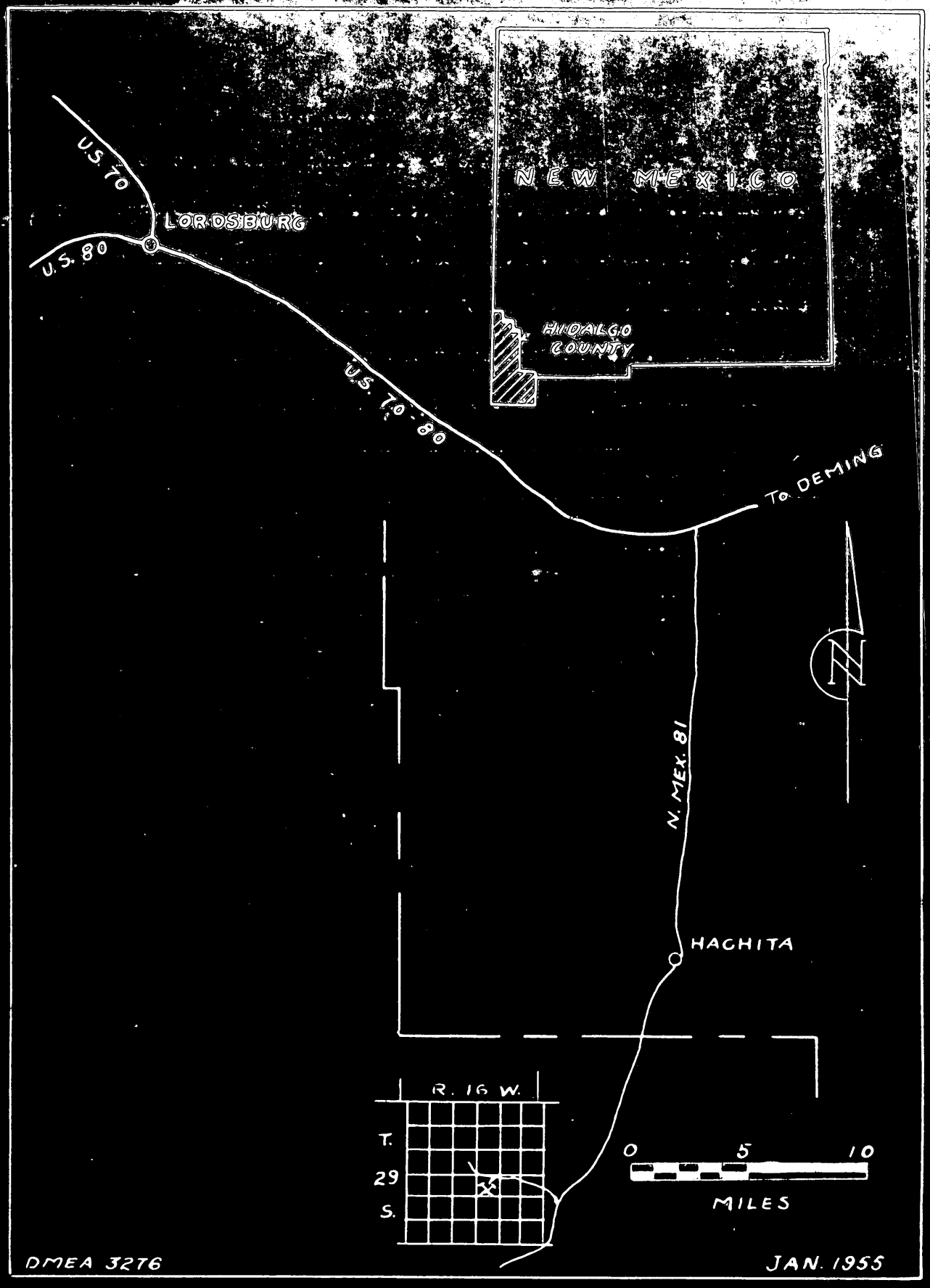


FIGURE 1 - LOCATION MAP

EAGLE POINT CLAIMS
HIDALGO COUNTY, N. MEX.

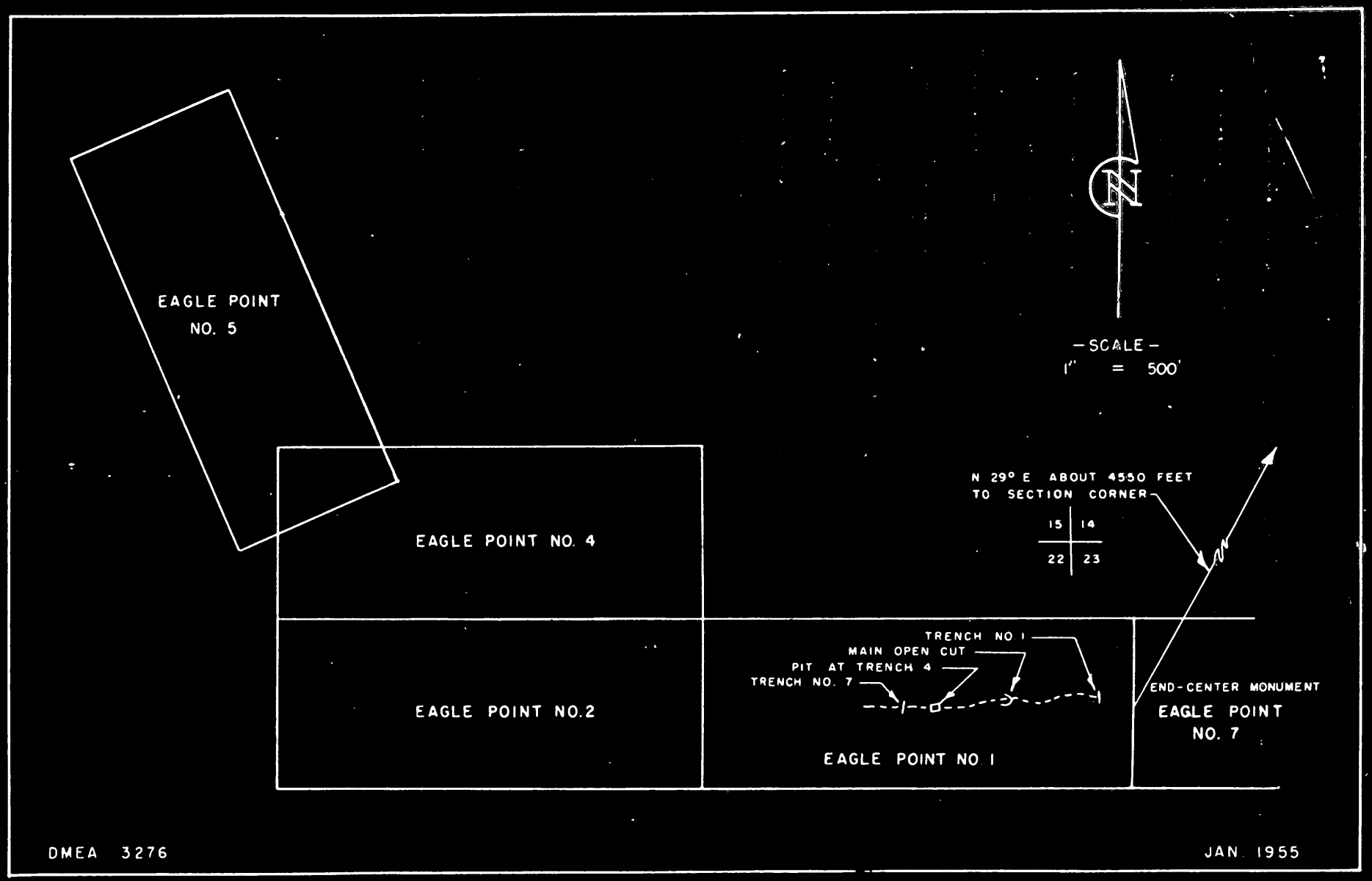
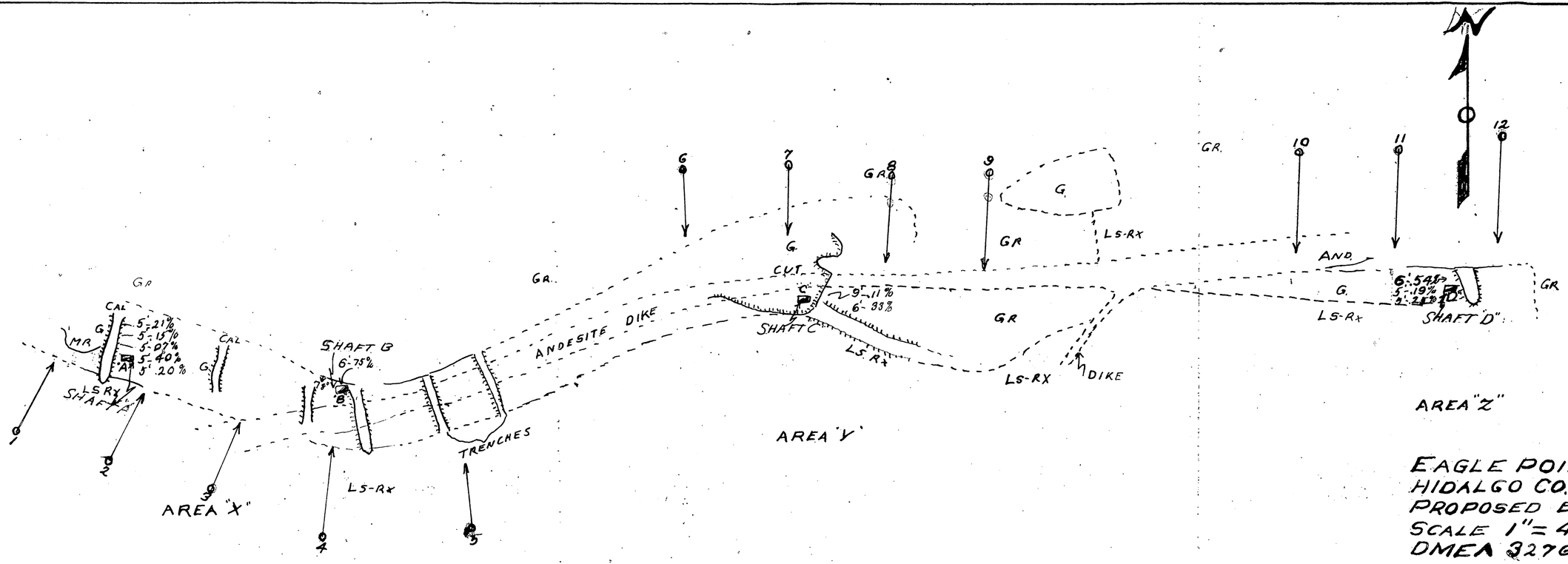


FIGURE 2 CLAIM MAP, EAGLE POINT CLAIMS, HIDALGO COUNTY, N. MEXICO



LEGEND

- GR — GRANITE
- LS-RX — MARBLE
- G. — GARNET
- PY — PYRITE
- AND — ANDESITE
- CAL — CALICHE
- MTR — MANTLE ROCK
- 5'-.75% = WIDTH % WO_3
- PROPOSED 30 FT. SHAFTS A-B-C-D
- PROPOSED DIAMOND DRILL HOLES DIP -45° APPROX 120' LONG.

EAGLE POINT TUNGSTEN
HIDALGO CO. NEW MEXICO
PROPOSED EXPLORATION
SCALE 1" = 40'
DMEA 3276

FIGURE 3

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator [illegible]
Docket No. DMEA-[illegible]
Contract No. Idm-E [illegible]
Contract Date [illegible]

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of [illegible], State of [illegible], described as follows:1/

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

[illegible] in the office of the County Clerk of [illegible] County, [illegible],

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of a percentage royalty on production as may be provided for by the contract;2/ and represents and undertakes that there are no claims, liens, or encumbrances upon the undersigned's right, title, or interest in the land prior to that hereby granted to the Government other than the following:3/

[illegible]

3. Undertakes and agrees neither to commit any act nor assert any claim in conflict with the provisions of this Consent to Lien; and to give advance notice of the Government's rights under this Consent to Lien to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, or interest in the land; and

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

3/ Write "none" if that is the case. Do not leave lines blank.

4. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Consent to Lien shall extend and apply thereto.

5. Added provision: _____

Dated this 19th day of April, 1955

J. H. Winslow [Seal]

Ely Buskirk [Seal]

Gela Buskirk [Seal]

I, _____ certify that I am the _____ (Secretary, etc.) of the corporation named herein; that _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____

[Corporate Seal]

Government's Copy

MF-200A
(Revised June 1954)

Docket No. DMEA 3701

Commodity Tungsten

Contract No. Idm-E 783

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT[1]
(Short Form)

It is agreed this 14th day of April, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] L. C. Harris

whose mailing address is P. O. Box 6657, Roswell, New Mexico

hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Exhibit "A," Annex I, and

The Operator shall not transfer or assign this contract or any right thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of New Mexico, County of Hidalgo, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the[4] See Annex I of[5] See Annex I in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a[6] See Annex I,[7] recorded in Book --, page --, official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: None

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.), are attached, as follows: Consent to Lien from the owners.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 7, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 7(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Tungsten The work to be performed is described in Exhibit "A." The Operator on or before July 1, 1955, shall commence the work, and on or before July 1, 1956 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after a certification of discovery or development to inspect production operations and underground workings. The operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $31,800.00 The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $23,850.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work

performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records or accounts.

ARTICLE 7. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after a sufficient final report and final account (see Article 6) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, within a period of ten years from the date of the contract, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); *except,* that charges of *the buyer* arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by *the buyer,* sampling and assaying to determine the value of the production sold, and freight paid by *the buyer* to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the crude ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

(d) *Unsold production.*—If any production (ore, concentrates, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time when it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

(For instance: the royalty on an amount of five dollars ($5.00) per ton would be one and one-half (1½) percent; on an amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this article.

(g) *Lien for payment.*—To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(h) *Notice to purchasers.*—The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

(i) *No obligation to produce.*—Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(j) *Government not obligated to buy.*—Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

ARTICLE 8. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 8 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 9. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 10. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

L. C. HARRIS

(Operator)

By

THE UNITED STATES OF AMERICA

By

Administrator, Defense Minerals Exploration Administration

I, ..., certify that I am the ..... secretary of the corporation named as Operator herein; that ..... who signed this contract on behalf of the Operator, was then ..... of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70618-1

EXPLORATION PROJECT CONTRACT
L. C. HARRIS
DOCKET NO. DMEA-3701

ANNEX I

The land referred to in Article 2 of the Contract form is described as follows:

Four unpatented lode mining claims located in the Eureka Mining District, Hidalgo County, New Mexico, in Sec. 22, T. 29 S., R. 16 W., New Mexico Base Meridian. The location notices of the claims are on record at the Court House in Lordsburg, New Mexico, as follows:

Name of Claim	Book No.	Page No.
Eagle Point No. 1	2	593
Eagle Point No. 2	2	593
Eagle Point No. 4	2	594
Eagle Point No. 5	2	638

The owners of the property, J. H. Winslow, and C. L. Buskirk and wife, Gela Buskirk, in an agreement dated December 15, 1953, granted to L. C. Harris a lease of the mineral rights in the aforesaid claims, shown on the attached map "Figure 2," for a period of ten years, and granted an option to purchase the claims.

EXPLORATION PROJECT CONTRACT
L. C. HARRIS
DOCKET NO. DMEA-3701

EXHIBIT "A"

Description of the Work

Maps accompanying this exhibit are as follows:

Figure 1, Location Map, showing relative location of property.

Figure 2, Claim Map, Eagle Point Claims.

Figure 3, Proposed Exploration Eagle Point Tungsten Deposit.

The work consists of shallow shafts and diamond drilling (not less than AX size), in three successive stages, as follows:

Stage I

Make a topographic and geologic map of the mineralized area.

Sink four 30-foot shafts, approximately at points indicated in areas X, Y, and Z on Figure 3. These shafts will be approximately 3½ feet by 6 feet in rock section. These shafts shall be vertical or inclined, depending on the dips of the formation.

Crosscut and/or drift approximately 20 feet from the bottom of each shaft, or a total of 80 feet. This work shall be dependent on the indicated mineralization and shall not be less than 3½ feet by 6 feet in size.

Stage II

If, in the opinion of the Government, the results of Stage I warrant further work, so much of the work set forth under this Stage II shall be performed as is approved in advance by the Government.

Drill twelve diamond drill holes, approximately at points and on courses indicated on Figure 3 and dipping about minus 50 degrees, to cut the tactite zone at a depth of about 90 feet. These holes shall be approximately 120 feet in length, with a total length not exceeding 1,440 feet.

Stage III

If, in the opinion of the Government, the results of Stage II warrant further work, so much of the work set forth under Stage III shall be performed as is approved in advance by the Government.

Drill an additional 1,560 feet of diamond drill holes, at points approved by the Government, to intersect the tactite zone.

All work in mineralized zones shall be sampled and assayed for WO_3.

Fixed Unit Costs

Stage I

Topographic and geologic mapping 1/	$ 400.00	
Shaft sinking, 120 feet at $60.00/ft.	7,200.00	
Drifting and/or crosscutting, 80 feet at $35.00/ft.	2,800.00	
Sampling and assaying, 40 samples at $5.00/each	200.00	
Estimated total cost of Stage I		$10,600.00

Stage II

Diamond drilling, 1,440 feet at $7.00/ft.	10,080.00	
Sampling and assaying, 24 samples at $5.00/each	120.00	
Extimated total cost of Stage II		10,200.00

Stage III

Diamond drilling, 1,560 feet at $7.00/ft.	10,920.00	
Sampling and assaying, 16 samples at $5.00/each	80.00	
Estimated total cost of Stage III		11,000.00
Estimated total cost of project		$31,800.00
Government participation at 75 percent		$23,850.00

1/ The completed work constitutes the unit.

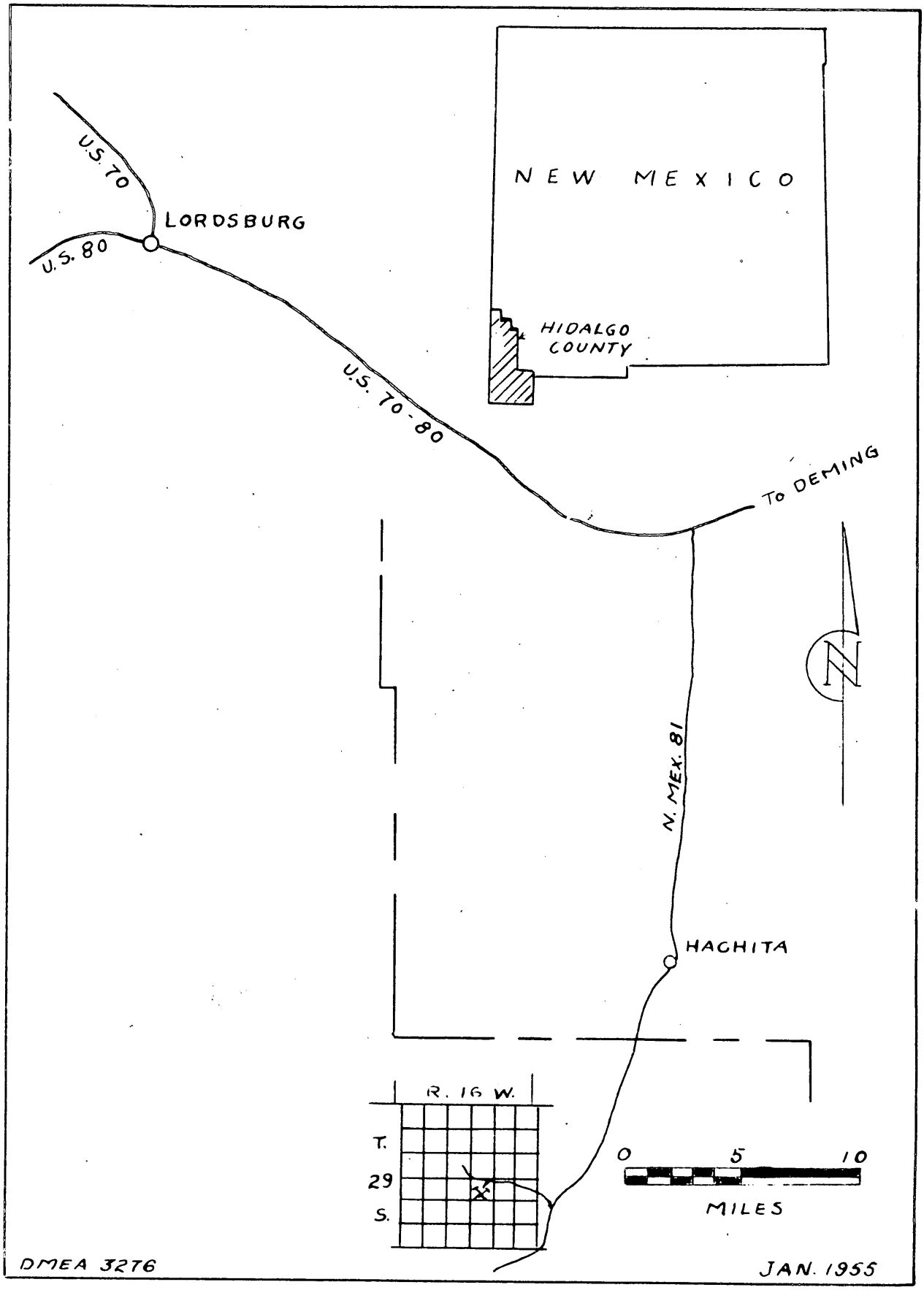


FIGURE 1 - LOCATION MAP

EAGLE POINT CLAIMS
HIDALGO COUNTY, N. MEX.

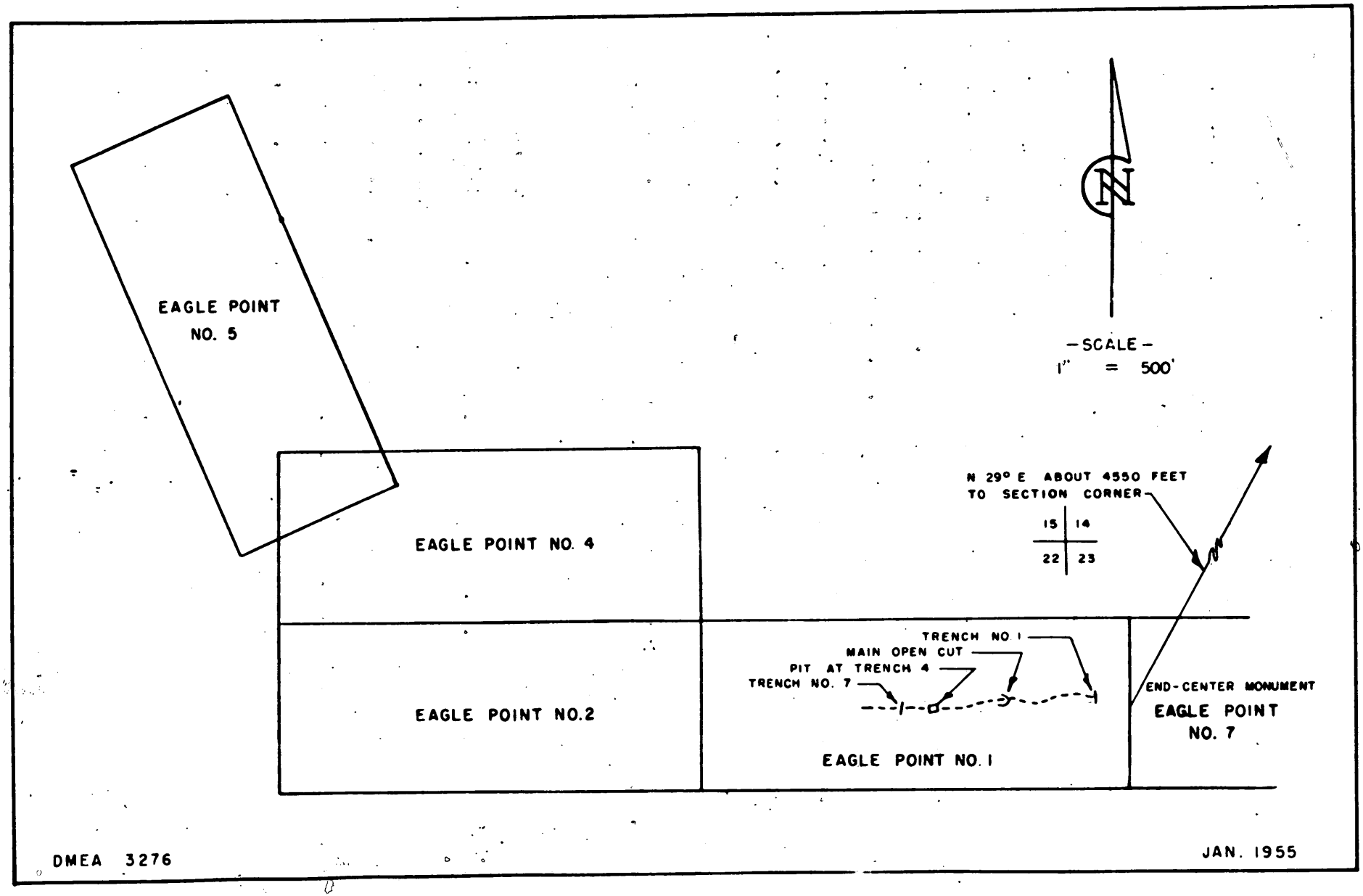
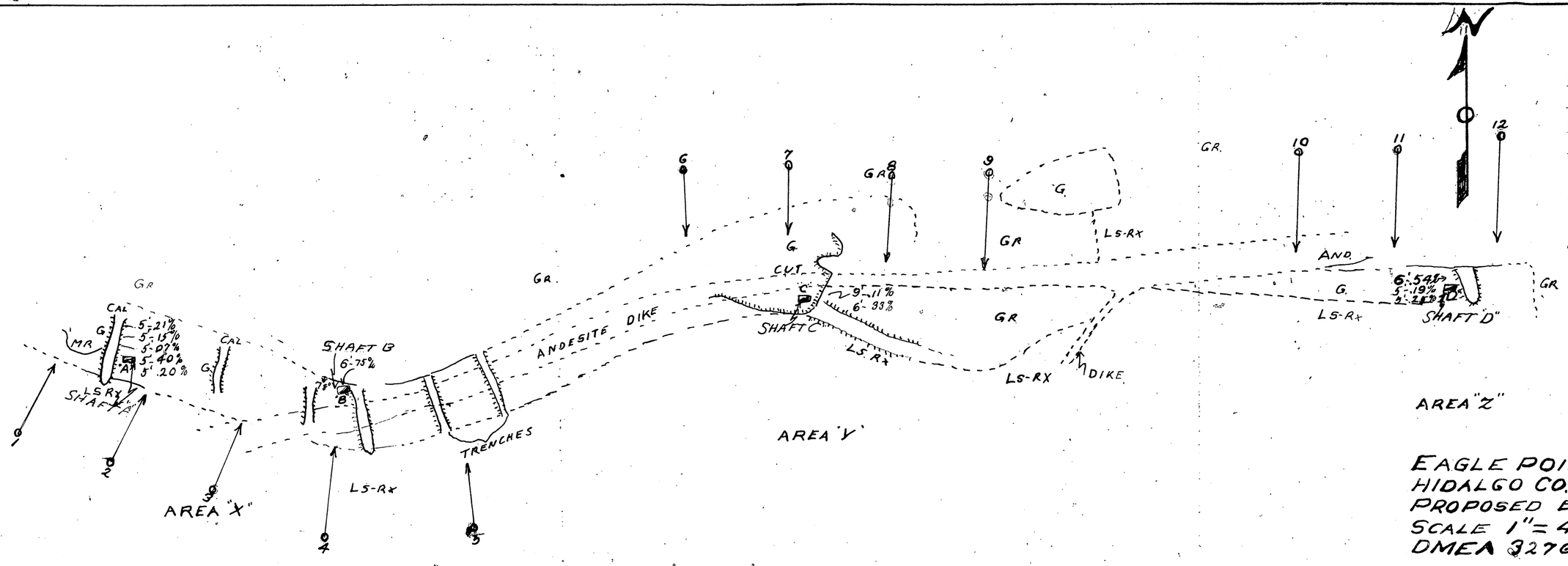


FIGURE 2 CLAIM MAP, EAGLE POINT CLAIMS, HIDALGO COUNTY, N. MEXICO



LEGEND

- GR — GRANITE
- LS-RX — MARBLE
- G. — GARNET
- PY — PYRITE
- AND — ANDESITE
- CAL — CALICHE
- MR — MANTLE ROCK
- 5'-.75% = WIDTH % WO_3
- PROPOSED 30 FT. SHAFTS A-B-C-D
- PROPOSED DIAMOND DRILL HOLES DIP -45° APPROX 120' LONG.

EAGLE POINT TUNGSTEN
HIDALGO CO. NEW MEXICO
PROPOSED EXPLORATION
SCALE 1" = 40'
DMEA 3276

FIGURE 3

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator L. C. Harris
Docket No. DMEA-3701
Contract No. Idm-E 783
Contract Date April 14, 1955

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of Hidalgo, State of New Mexico, described as follows:1/

CLAIM NAME	BOOK	PAGE
Eagle Point #1	2	593
Eagle Point #2	2	593
Eagle Point #4	2	594
Eagle Point #5	2	638

Official records in the office of the County Clerk of Hidalgo County, New Mexico., which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of a percentage royalty on production as may be provided for by the contract;2/ and represents and undertakes that there are no claims, liens, or encumbrances upon the undersigned's right, title, or interest in the land prior to that hereby granted to the Government other than the following:3/

None

3. Undertakes and agrees neither to commit any act nor assert any claim in conflict with the provisions of this Consent to Lien; and to give advance notice of the Government's rights under this Consent to Lien to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, or interest in the land; and

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

3/ Write "none" if that is the case. Do not leave lines blank.

4. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Consent to Lien shall extend and apply thereto.

5. Added provision: _____

Dated this 19th day of April, 1955

J. H. Winslow [Seal]

Ed. Buskirk [Seal]

Gela Buskirk [Seal]

I, _____ certify that I am the _____ (Secretary, etc.) of the corporation named herein; that _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____

[Corporate Seal]

FINANCE OFFICE COPY

MF-200A
(Revised June 1954)

Docket No. DMEA 3701

Commodity Tungsten

Contract No. Idm-E 783

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT[1]
(Short Form)

It is agreed this 14th day of April, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] L. C. Harris, whose mailing address is P. O. Box 6657, Roswell, New Mexico, hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Exhibit "A," Annex I, and .....

The Operator shall not transfer or assign this contract or any right thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of New Mexico, County of Hidalgo, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] See Annex I of [5] See Annex I in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] See Annex I, [7] ..... recorded in Book --, page --, official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: None

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.), are attached, as follows: Consent to Lien from the owners.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un,"

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 7, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 7(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Tungsten July 1, 1955. The work to be performed is described in Exhibit "A." The Operator on or before July 1, 1956 shall commence the work, and on or before ..... (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after a certification of discovery or development to inspect production operations and underground workings. The operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $31,800.00 The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $23,850.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work

performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records or accounts.

ARTICLE 7. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after a sufficient final report and final account (see Article 6) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, within a period of ten years from the date of the contract, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); *except,* that charges of *the buyer* arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by *the buyer,* sampling and assaying to determine the value of the production sold, and freight paid by *the buyer* to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the crude ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

(d) *Unsold production.*—If any production (ore, concentrates, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time when it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

(For instance: the royalty on an amount of five dollars ($5.00) per ton would be one and one-half (1½) percent; on an amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this article.

(g) *Lien for payment.*—To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(h) *Notice to purchasers.*—The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

(i) *No obligation to produce.*—Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(j) *Government not obligated to buy.*—Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

ARTICLE 8. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 8 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 9. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 10. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

L. C. HARRIS

(Operator)

By

THE UNITED STATES OF AMERICA

By [illegible]

Administrator, Defense Minerals Exploration Administration

I, ..., certify that I am the ..... secretary of the corporation named as Operator herein; that ..... who signed this contract on behalf of the Operator, was then ..... of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70618-1

EXPLORATION PROJECT CONTRACT
L. C. HARRIS
DOCKET NO. DMEA-3701

ANNEX I

The land referred to in Article 2 of the Contract form is described as follows:

Four unpatented lode mining claims located in the Eureka Mining District, Hidalgo County, New Mexico, in Sec. 22, T. 29 S., R. 16 W., New Mexico Base Meridian. The location notices of the claims are on record at the Court House in Lordsburg, New Mexico, as follows:

Name of Claim	Book No.	Page No.
Eagle Point No. 1	2	593
Eagle Point No. 2	2	593
Eagle Point No. 4	2	594
Eagle Point No. 5	2	638

The owners of the property, J. H. Winslow, and C. L. Buskirk and wife, Gela Buskirk, in an agreement dated December 15, 1953, granted to L. C. Harris a lease of the mineral rights in the aforesaid claims, shown on the attached map "Figure 2," for a period of ten years, and granted an option to purchase the claims.

EXPLORATION PROJECT CONTRACT
L. C. HARRIS
DOCKET NO. DMEA-3701

EXHIBIT "A"

Description of the Work

Maps accompanying this exhibit are as follows:

Figure 1, Location Map, showing relative location of property.

Figure 2, Claim Map, Eagle Point Claims.

Figure 3, Proposed Exploration Eagle Point Tungsten Deposit.

The work consists of shallow shafts and diamond drilling (not less than AX size), in three successive stages, as follows:

Stage I

Make a topographic and geologic map of the mineralized area.

Sink four 30-foot shafts, approximately at points indicated in areas X, Y, and Z on Figure 3. These shafts will be approximately 3½ feet by 6 feet in rock section. These shafts shall be vertical or inclined, depending on the dips of the formation.

Crosscut and/or drift approximately 20 feet from the bottom of each shaft, or a total of 80 feet. This work shall be dependent on the indicated mineralization and shall not be less than 3½ feet by 6 feet in size.

Stage II

If, in the opinion of the Government, the results of Stage I warrant further work, so much of the work set forth under this Stage II shall be performed as is approved in advance by the Government.

Drill twelve diamond drill holes, approximately at points and on courses indicated on Figure 3 and dipping about minus 50 degrees, to cut the tactite zone at a depth of about 90 feet. These holes shall be approximately 120 feet in length, with a total length not exceeding 1,440 feet.

Stage III

If, in the opinion of the Government, the results of Stage II warrant further work, so much of the work set forth under Stage III shall be performed as is approved in advance by the Government.

Drill an additional 1,560 feet of diamond drill holes, at points approved by the Government, to intersect the tactite zone.

All work in mineralized zones shall be sampled and assayed for WO_3.

Fixed Unit Costs

Stage I

Topographic and geologic mapping 1/	$ 400.00	
Shaft sinking, 120 feet at $60.00/ft.	7,200.00	
Drifting and/or crosscutting, 80 feet at $35.00/ft.	2,800.00	
Sampling and assaying, 40 samples at $5.00/each	200.00	
Estimated total cost of Stage I		$10,600.00

Stage II

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Sampling and assaying, 24 samples at $5.00/each	120.00	
Estimated total cost of Stage II		10,200.00

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Sampling and assaying, 16 samples at $5.00/each	80.00	
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Estimated total cost of project		$31,800.00
Government participation at 75 percent		$23,850.00

1/ The completed work constitutes the unit.

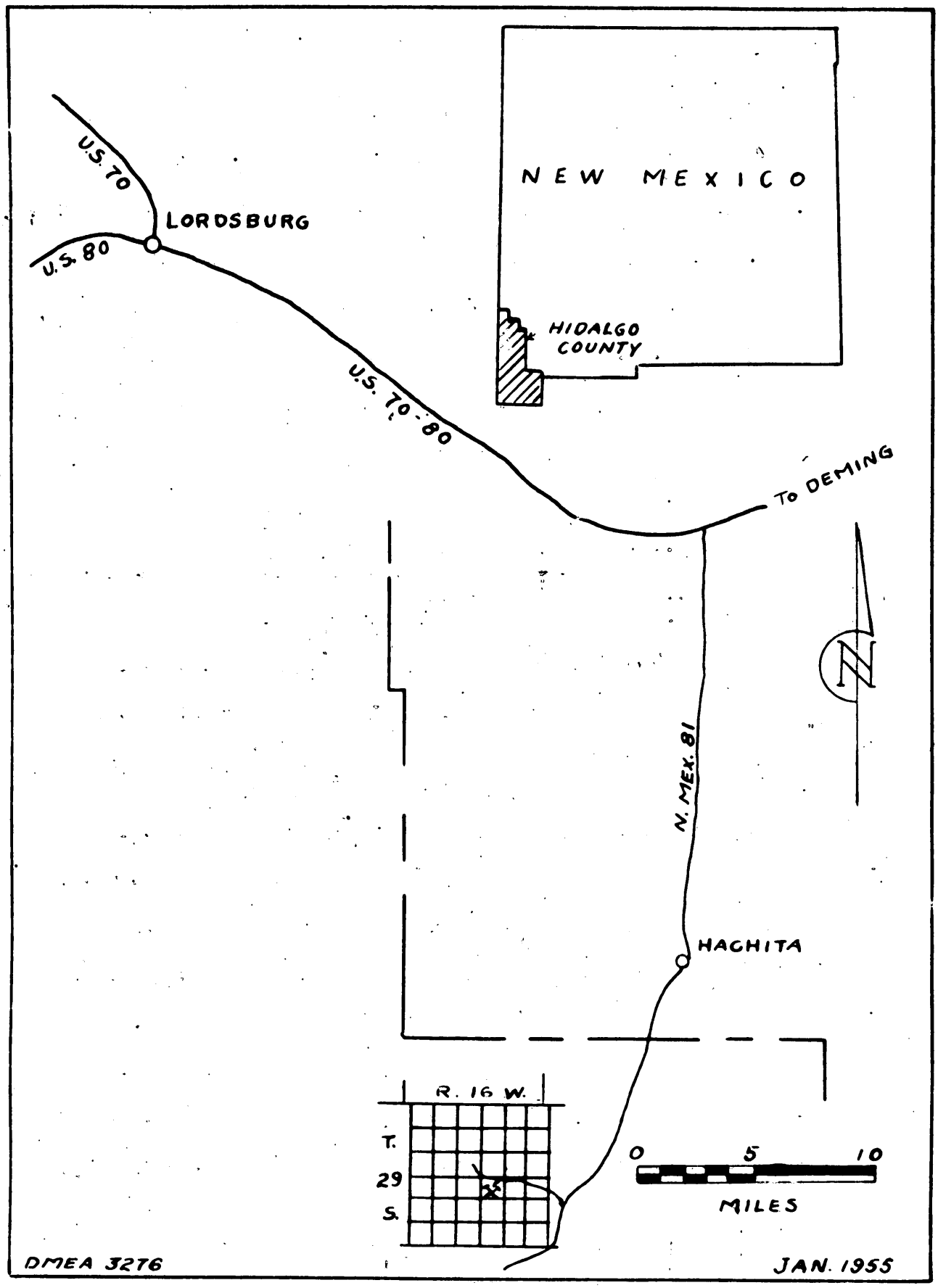


FIGURE 1 - LOCATION MAP

EAGLE POINT CLAIMS
HIDALGO COUNTY, N. MEX.

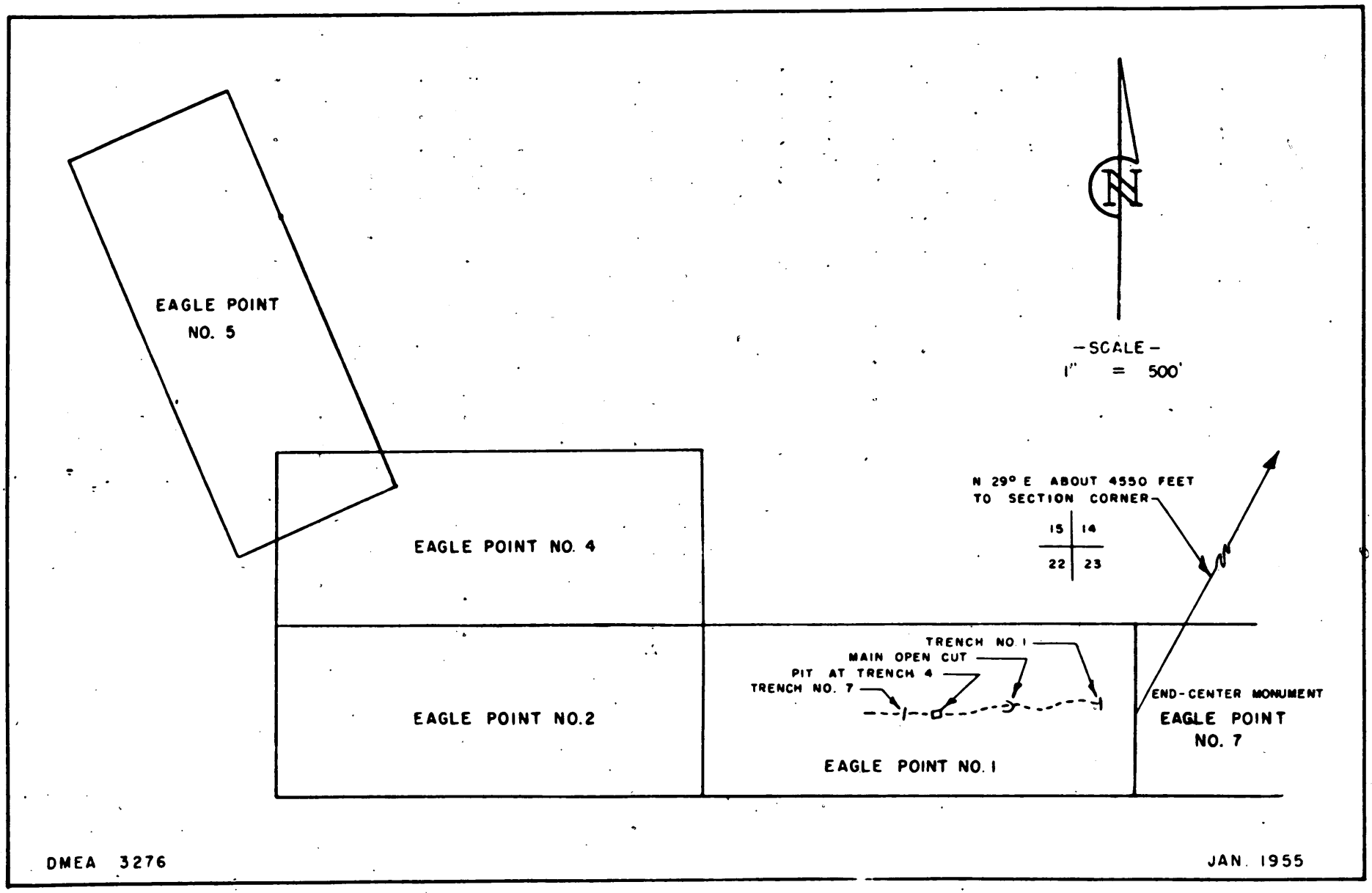
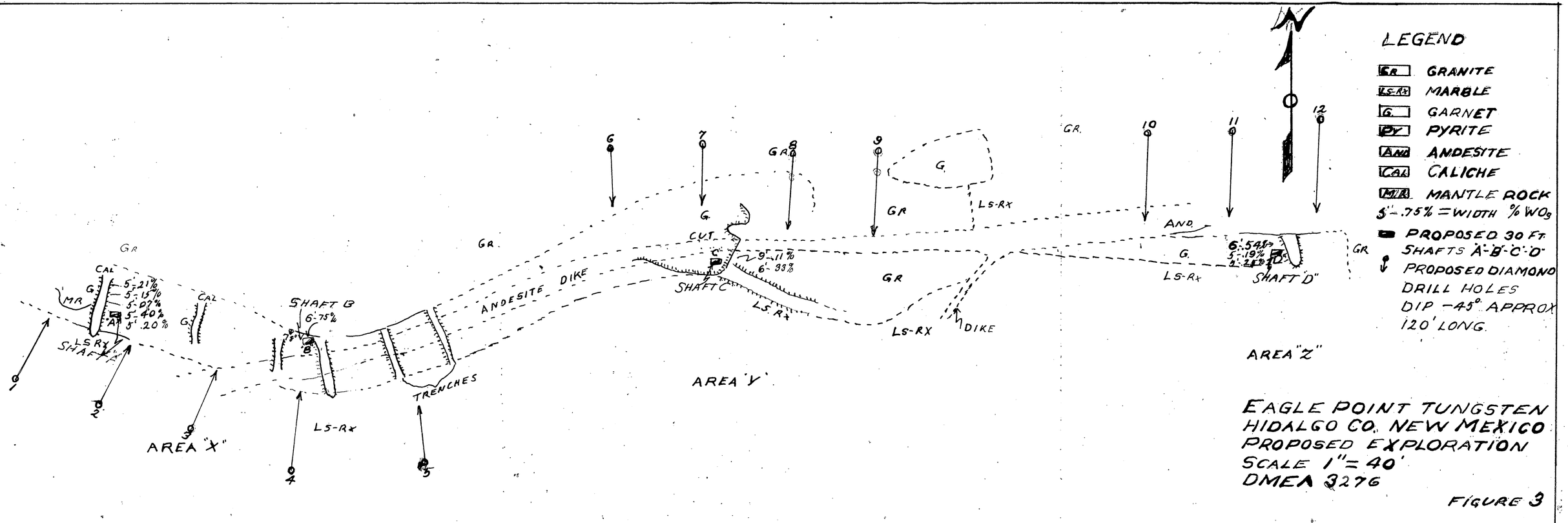


FIGURE 2 CLAIM MAP, EAGLE POINT CLAIMS, HIDALGO COUNTY, N. MEXICO



EAGLE POINT TUNGSTEN
HIDALGO CO. NEW MEXICO
PROPOSED EXPLORATION
SCALE 1" = 40'
DMEA 3276

FIGURE 3

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator L. G. Harris
Docket No. DMEA- 3701
Contract No. Idm-E 789
Contract Date April 14, 1955

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of Hidalgo, State of New Mexico, described as follows:1/

CLAIM NAME	BOOK	PAGE
Eagle Point #1	2	593
Eagle Point #2	2	595
Eagle Point #4	2	594
Eagle Point #5	2	638

Official records in the office of the County Clerk of Hidalgo County, New Mexico,

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of a percentage royalty on production as may be provided for by the contract;2/ and represents and undertakes that there are no claims, liens, or encumbrances upon the undersigned's right, title, or interest in the land prior to that hereby granted to the Government other than the following:3/

None

3. Undertakes and agrees neither to commit any act nor assert any claim in conflict with the provisions of this Consent to Lien; and to give advance notice of the Government's rights under this Consent to Lien to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, or interest in the land; and

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

3/ Write "none" if that is the case. Do not leave lines blank.

4. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Consent to Lien shall extend and apply thereto.

5. Added provision: _____

_____

_____

_____

_____

_____

_____

_____

Dated this 19th day of April, 1955

J. H. Weinstock [Seal]

H. J. Buskirk [Seal]

Gela Buskirk [Seal]

I, _____ certify that I am the _____ _____ (Secretary, etc.) of the corporation named herein; that _____ _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____

[Corporate Seal]

Operator's Copy

MF-200A
(Revised June 1954)

Docket No. DMEA 3701

Commodity Tungsten

Contract No. Idm-E - 783

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT[1]
(Short Form)

It is agreed this 14th day of April, 195-5, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] L. C. Harris

whose mailing address is P. O. Box 6657, Roswell, New Mexico

hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Exhibit "A," Annex I, and

The Operator shall not transfer or assign this contract or any right thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of New Mexico, County of Hidalgo, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] See Annex I of [5] See Annex I in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] See Annex I, [7] recorded in Book --, page --, official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: None

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.), are attached, as follows: Consent to Lien from the owners.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

16—70618-1

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 7, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 7(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Tungsten. The work to be performed is described in Exhibit "A." The Operator on or before July 1, 1955, shall commence the work, and on or before July 1, 1956 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after a certification of discovery or development to inspect production operations and underground workings. The operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $31,800.00. The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $23,850.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit; until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work

performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records or accounts.

ARTICLE 7. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after a sufficient final report and final account (see Article 6) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, within a period of ten years from the date of the contract, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); *except,* that charges of *the buyer* arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by *the buyer,* sampling and assaying to determine the value of the production sold, and freight paid by *the buyer* to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the crude ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

(d) *Unsold production.*—If any production (ore, concentrates, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time when it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

(For instance: the royalty on an amount of five dollars ($5.00) per ton would be one and one-half (1½) percent; on an amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this article.

(g) *Lien for payment.*—To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(h) *Notice to purchasers.*—The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

(i) *No obligation to produce.*—Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(j) *Government not obligated to buy.*—Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

ARTICLE 8. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 8 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 9. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 10. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

L. C. HARRIS

(Operator)

By

THE UNITED STATES OF AMERICA

By

Administrator, Defense Minerals Exploration Administration

I, ..., certify that I am the ..... secretary of the corporation named as Operator herein; that ..... who signed this contract on behalf of the Operator, was then ..... of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70618-1

EXPLORATION PROJECT CONTRACT
L. C. HARRIS
DOCKET NO. DMEA-3701

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Name of Claim	Book No.	Page No.
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L. C. HARRIS
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Crosscut and/or drift approximately 20 feet from the bottom of each shaft, or a total of 80 feet. This work shall be dependent on the indicated mineralization and shall not be less than 3½ feet by 6 feet in size.

Stage II

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Stage III

If, in the opinion of the Government, the results of Stage II warrant further work, so much of the work set forth under Stage III shall be performed as is approved in advance by the Government.

Drill an additional 1,560 feet of diamond drill holes, at points approved by the Government, to intersect the tactite zone.

All work in mineralized zones shall be sampled and assayed for WO_3.

Fixed Unit Costs

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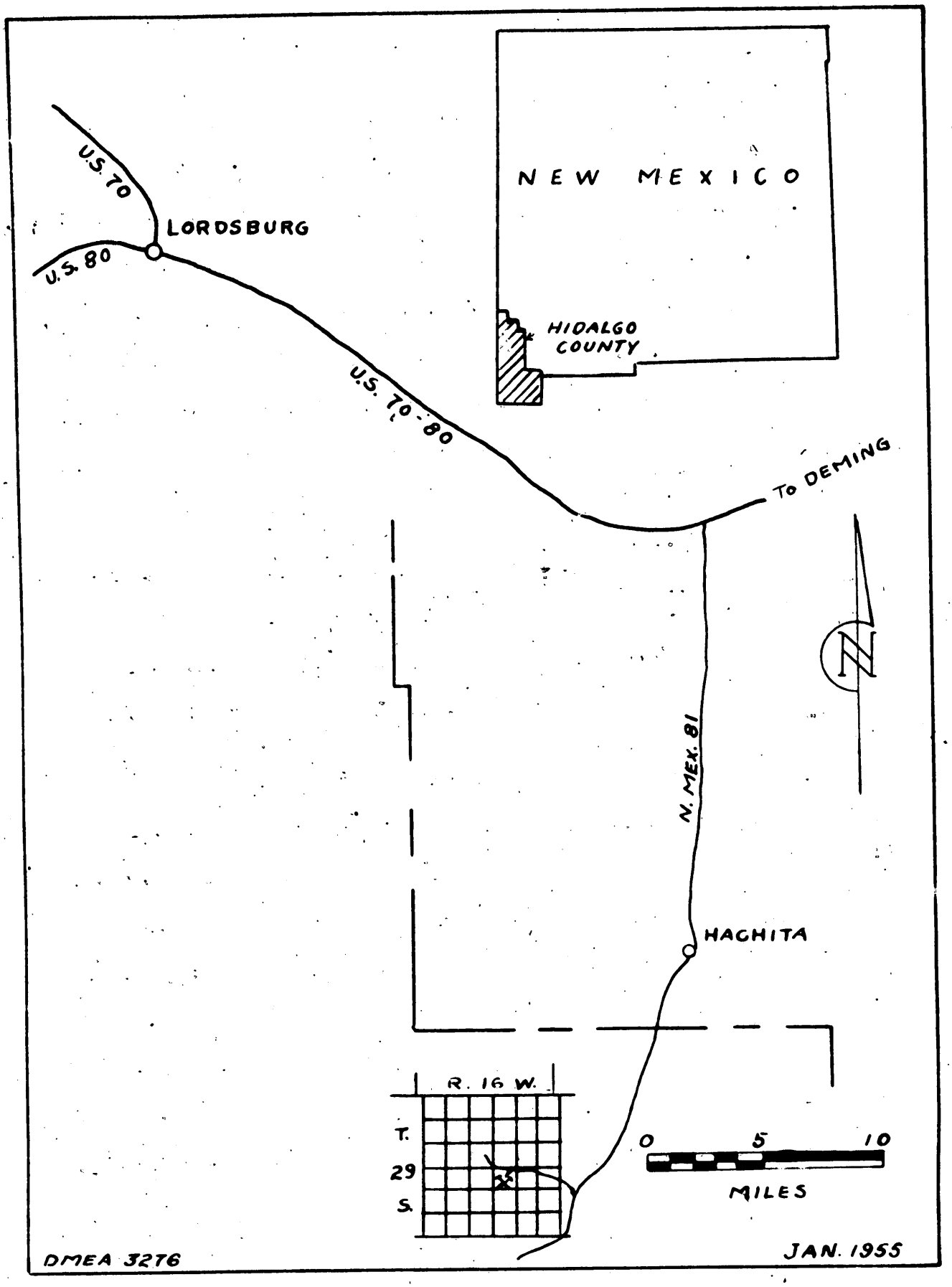


FIGURE 1 - LOCATION MAP

EAGLE POINT CLAIMS
HIDALGO COUNTY, N. MEX.

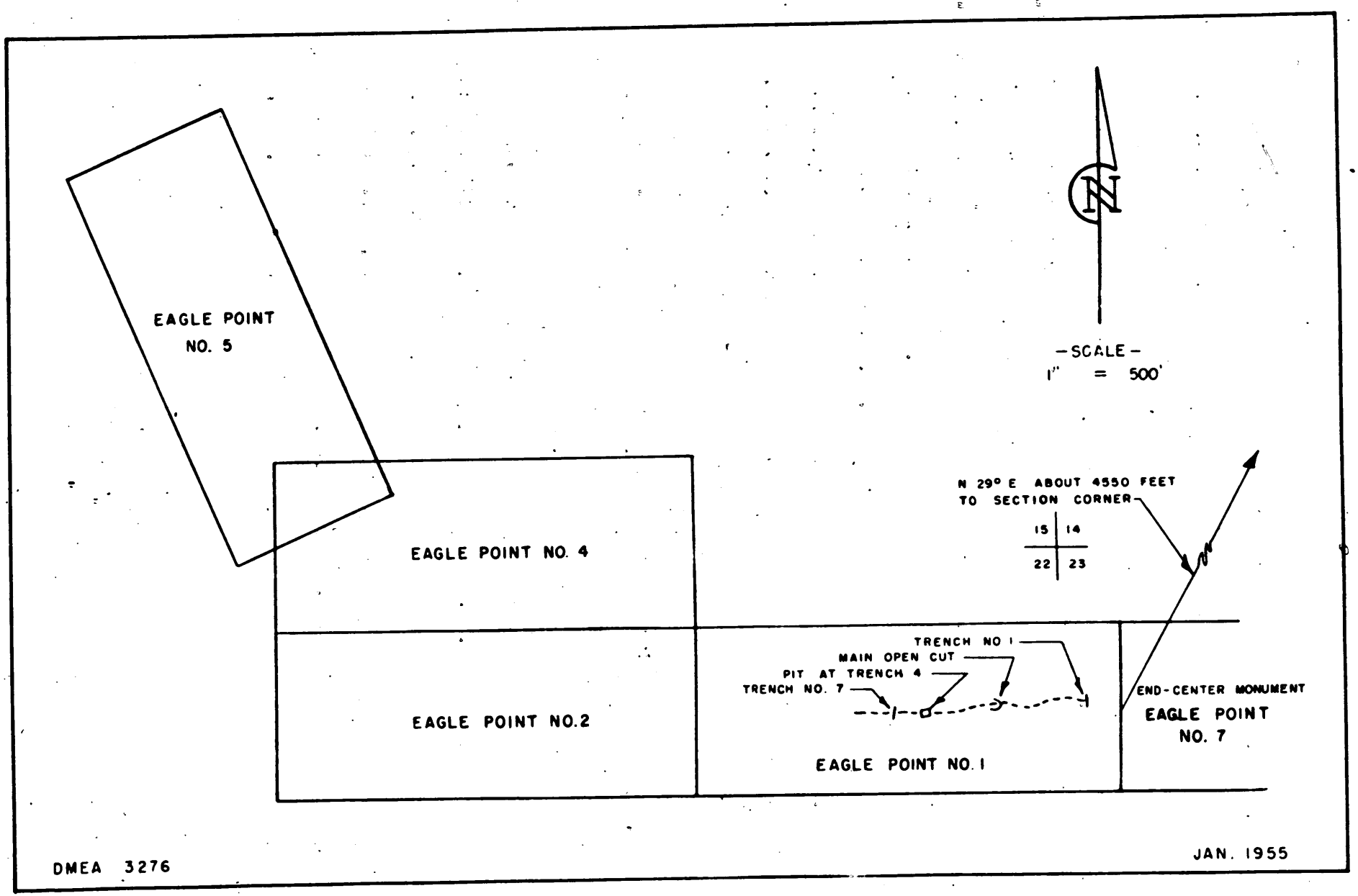
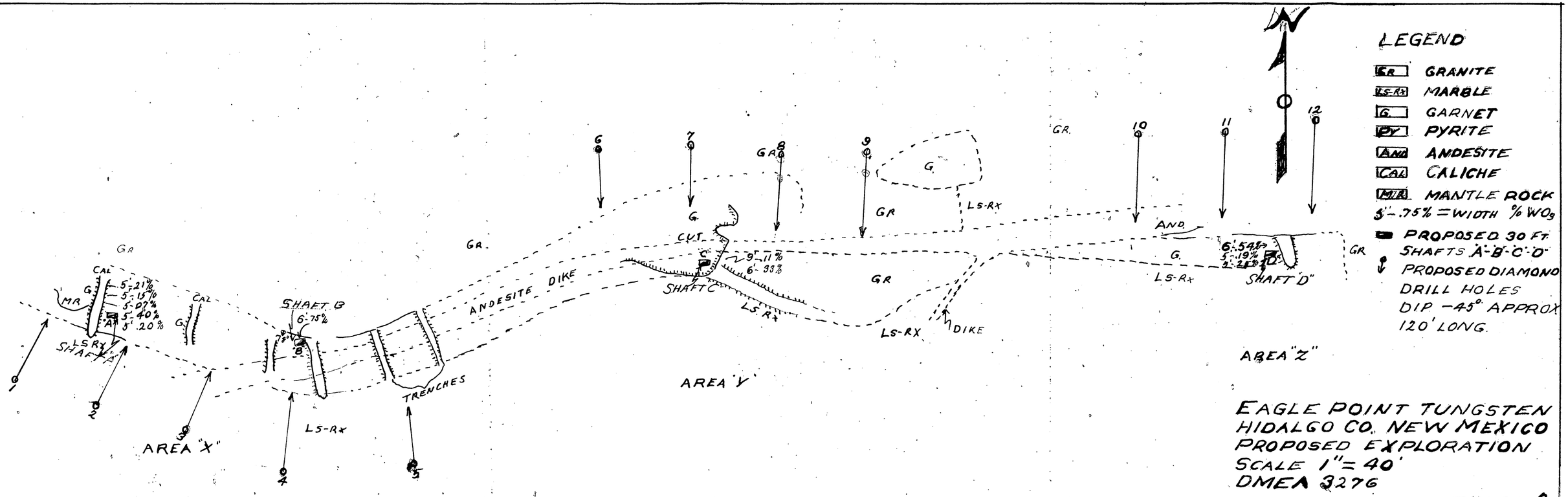


FIGURE 2 CLAIM MAP, EAGLE POINT CLAIMS, HIDALGO COUNTY, N. MEXICO



EAGLE POINT TUNGSTEN
HIDALGO CO. NEW MEXICO
PROPOSED EXPLORATION
SCALE 1" = 40'
DMEA 3276

FIGURE 3

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator L. C. Harris
Docket No. DMEA- 3701
Contract No. Idm-E 783
Contract Date April 14, 1955

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of Hidalgo, State of New Mexico, described as follows:1/

CLAIM NAME	BOOK	PAGE
Eagle Point #1	2	593
Eagle Point #2	2	593
Eagle Point #4	2	594
Eagle Point #5	2	638

Official records in the office of the County Clerk of Hidalgo County, New Mexico.

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of a percentage royalty on production as may be provided for by the contract;2/ and represents and undertakes that there are no claims, liens, or encumbrances upon the undersigned's right, title, or interest in the land prior to that hereby granted to the Government other than the following:3/

None

3. Undertakes and agrees neither to commit any act nor assert any claim in conflict with the provisions of this Consent to Lien; and to give advance notice of the Government's rights under this Consent to Lien to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, or interest in the land; and

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

3/ Write "none" if that is the case. Do not leave lines blank.

4. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Consent to Lien shall extend and apply thereto.

5. Added provision: _____

Dated this 19th day of April, 1955.

J. H. Winslow [Seal]

C. G. Buskirk [Seal]

Gela Buskirk [Seal]

I, _____ certify that I am the _____ (Secretary, etc.) of the corporation named herein; that _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____

[Corporate Seal]

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

September 2, 1955

MEMORANDUM

To: Mr. Robert E. Adams, Chief
Operation Control & Statistics Division

From: Iron and Ferro-Alloys Division

Subject: Removal of docket from active files
Docket No. DMEA 3701 - Tungsten
L. C. Harris
Eagle Point claims
Hidalgo County, New Mexico
Proposed Contract Idm-E783

The subject application should be removed from the active files. All copies of the proposed contract which the applicant returned to the Field Team have now been received in Washington.

The applicant advised in his letter of June 15, 1955, that a Mr. J. A. Johnson had taken over operation of the Eagle Point Tungsten Claims; no application has been received from Mr. Johnson.

Thos. L. Chapman

Thos. L. Chapman, Acting Chief
Iron and Ferro-Alloys Division

DOCKET
Surname: Chapman

gjB. 400

September 2, 1955

MEMORANDUM

To: Mr. Robert E. Adams, Chief
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Thos. L. Chapman, Acting Chief
Iron and Ferro-Alloys Division

CC: Docket
Code 400

ls 8/2/55

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

RECEIVED
AUG - 5 1955

224 New Customhouse
Denver 2, Colorado

August 2, 1955

Memorandum

WSM

To: Chairman of the Operating Committee

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-3701 (Tungsten), L. C. Harris, Eagle Point claims, Hidalgo County, New Mexico

In compliance with your teletype request of June 22, 1955, returned herewith are the Government's Copy, Division Copy, Field Team Copy, Docket Copy, Finance Office Copy, and Operator's Copy of the unsigned contract on the subject docket.

W. M. Traver

Enclosures

W. M. Traver

docket copy

MF-200A
(Revised June 1954)

Docket No. DMEA 3702

Commodity Tungsten

Contract No. Idm-E - 783

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT[1]
(Short Form)

It is agreed this 14th day of April, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] L. C. Harris, whose mailing address is P. O. Box 6657, Roswell, New Mexico, hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Exhibit "A," Annex I, and

The Operator shall not transfer or assign this contract or any right thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of New Mexico, County of Hidalgo, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] See Annex I of [5] See Annex I in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] See Annex I, [7] recorded in Book --, page --, official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: None

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.), are attached, as follows: Consent to Lien from the owners.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 7, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 7(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Tungsten. The work to be performed is described in Exhibit "A." The Operator on or before July 1, 1955, shall commence the work, and on or before July 1, 1956 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after a certification of discovery or development to inspect production operations and underground workings. The operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $31,800.00. The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $23,850.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work

performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records or accounts.

ARTICLE 7. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after a sufficient final report and final account (see Article 6) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, within a period of ten years from the date of the contract, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); *except,* that charges of *the buyer* arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by *the buyer,* sampling and assaying to determine the value of the production sold, and freight paid by *the buyer* to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the crude ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

(d) *Unsold production.*—If any production (ore, concentrates, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time when it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

(For instance: the royalty on an amount of five dollars ($5.00) per ton would be one and one-half (1½) percent; on an amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this article.

(g) *Lien for payment.*—To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(h) *Notice to purchasers.*—The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

(i) *No obligation to produce.*—Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(j) *Government not obligated to buy.*—Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

ARTICLE 8. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 8 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 9. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 10. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

L. C. HARRIS

(Operator)

By

THE UNITED STATES OF AMERICA

By

Administrator, Defense Minerals Exploration Administration

Robin
Hoffland
Chapman
Martin
Selfridge
Johnson
Chamberlain

I, ..., certify that I am the ..... secretary of the corporation named as Operator herein; that ..... who signed this contract on behalf of the Operator, was then ..... of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70618-1

EXPLORATION PROJECT CONTRACT
L. C. HARRIS
DOCKET NO. DMRA-3701

ANNEX I

The land referred to in Article 2 of the Contract form is described as follows:

Four unpatented lode mining claims located in the Eureka Mining District, Hidalgo County, New Mexico, in Sec. 22, T. 29 S., R. 16 W., New Mexico Base Meridian. The location notices of the claims are on record at the Court House in Lordsburg, New Mexico, as follows:

Name of Claim	Book No.	Page No.
Eagle Point No. 1	2	593
Eagle Point No. 2	2	593
Eagle Point No. 4	2	594
Eagle Point No. 5	2	638

The owners of the property, J. H. Winslow, and C. L. Buskirk and wife, Gela Buskirk, in an agreement dated December 15, 1953, granted to L. C. Harris a lease of the mineral rights in the aforesaid claims, shown on the attached map "Figure 2," for a period of ten years, and granted an option to purchase the claims.

EXPLORATION PROJECT CONTRACT
L. C. HARRIS
DOCKET NO. DMEA-3701

EXHIBIT "A"

Description of the Work

Maps accompanying this exhibit are as follows:

Figure 1, Location Map, showing relative location of property.

Figure 2, Claim Map, Eagle Point Claims.

Figure 3, Proposed Exploration Eagle Point Tungsten Deposit.

The work consists of shallow shafts and diamond drilling (not less than AX size), in three successive stages, as follows:

Stage I

Make a topographic and geologic map of the mineralized area.

Sink four 30-foot shafts, approximately at points indicated in areas X, Y, and Z on Figure 3. These shafts will be approximately 3½ feet by 6 feet in rock section. These shafts shall be vertical or inclined, depending on the dips of the formation.

Crosscut and/or drift approximately 20 feet from the bottom of each shaft, or a total of 80 feet. This work shall be dependent on the indicated mineralization and shall not be less than 3½ feet by 6 feet in size.

Stage II

If, in the opinion of the Government, the results of Stage I warrant further work, so much of the work set forth under this Stage II shall be performed as is approved in advance by the Government.

Drill twelve diamond drill holes, approximately at points and on courses indicated on Figure 3 and dipping about minus 50 degrees, to cut the tactite zone at a depth of about 90 feet. These holes shall be approximately 120 feet in length, with a total length not exceeding 1,440 feet.

Stage III

If, in the opinion of the Government, the results of Stage II warrant further work, so much of the work set forth under Stage III shall be performed as is approved in advance by the Government.

Drill an additional 1,560 feet of diamond drill holes, at points approved by the Government, to intersect the tactite zone.

All work in mineralized zones shall be sampled and assayed for WO_3.

Fixed Unit Costs

Stage I

Topographic and geologic mapping 1/	$ 400.00	
Shaft sinking, 120 feet at $60.00/ft.	7,200.00	
Drifting and/or crosscutting, 80 feet at $35.00/ft.	2,800.00	
Sampling and assaying, 40 samples at $5.00/each	200.00	
Estimated total cost of Stage I		$10,600.00

Stage II

Diamond drilling, 1,440 feet at $7.00/ft.	10,080.00	
Sampling and assaying, 24 samples at $5.00/each	120.00	
Estimated total cost of Stage II		10,200.00

Stage III

Diamond drilling, 1,560 feet at $7.00/ft.	10,920.00	
Sampling and assaying, 16 samples at $5.00/each	80.00	
Estimated total cost of Stage III		11,000.00
Estimated total cost of project		$31,800.00
Government participation at 75 percent		$23,850.00

1/ The completed work constitutes the unit.

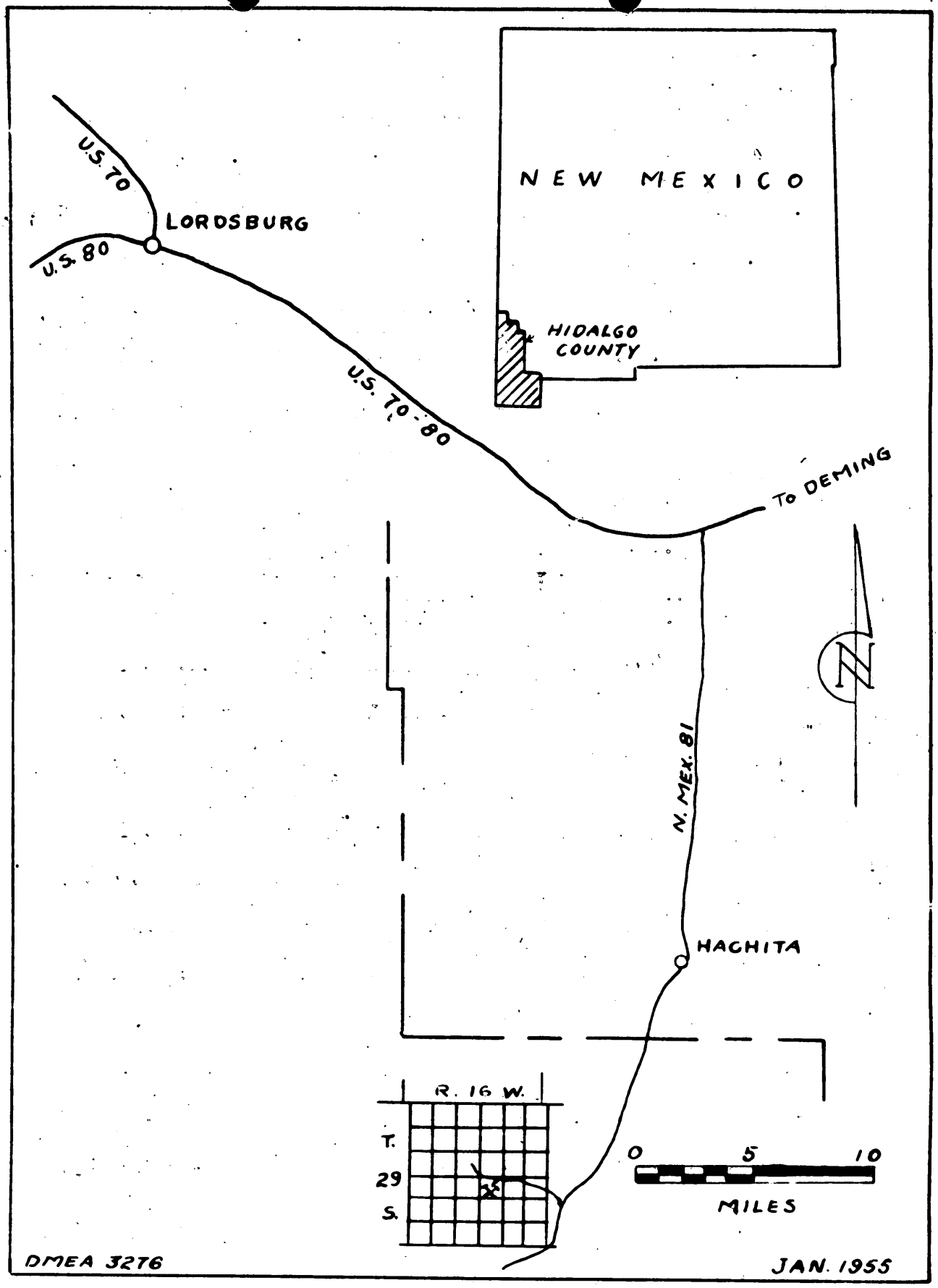


FIGURE 1 - LOCATION MAP

EAGLE POINT CLAIMS
HIDALGO COUNTY, N. MEX.

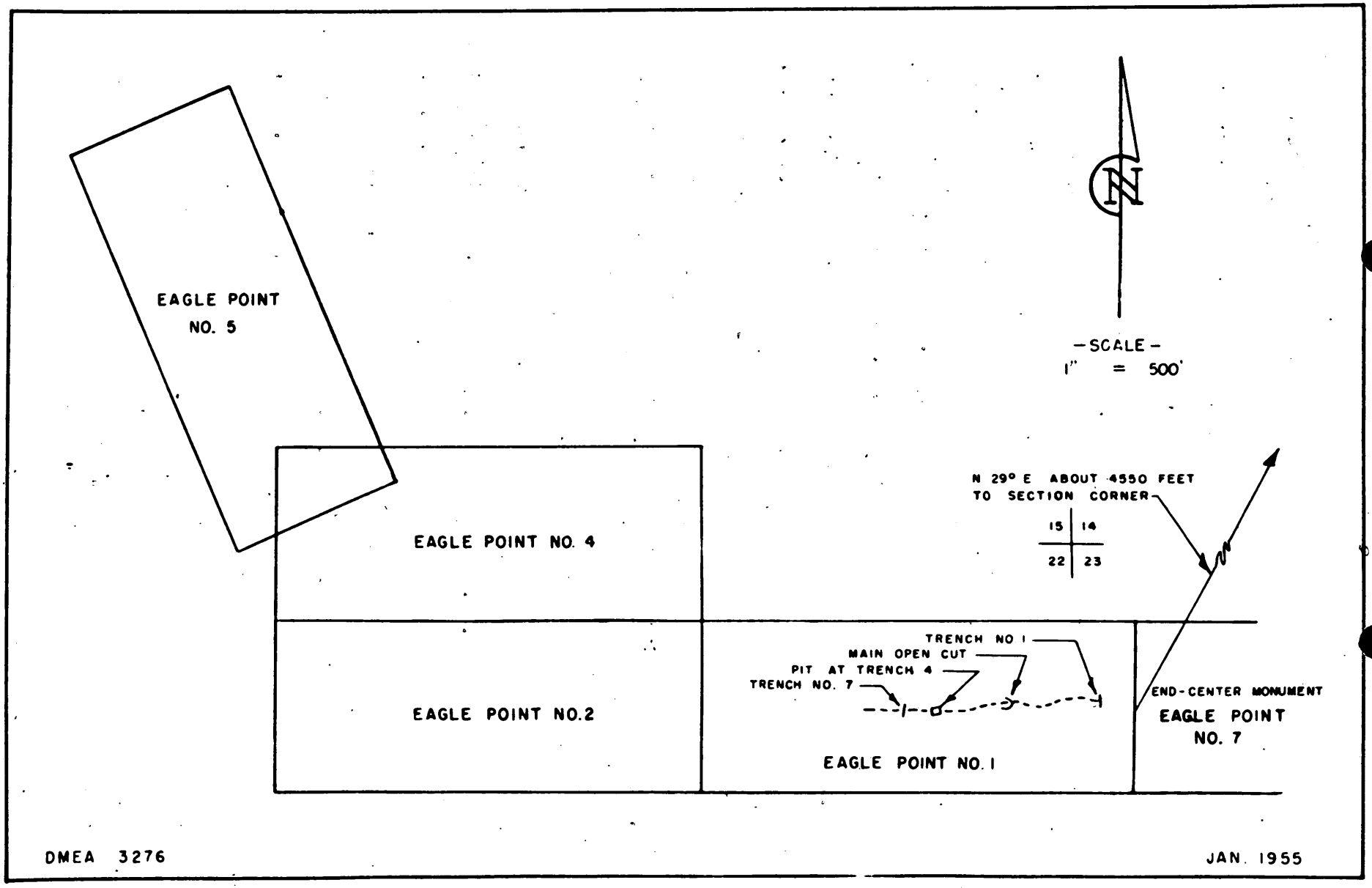
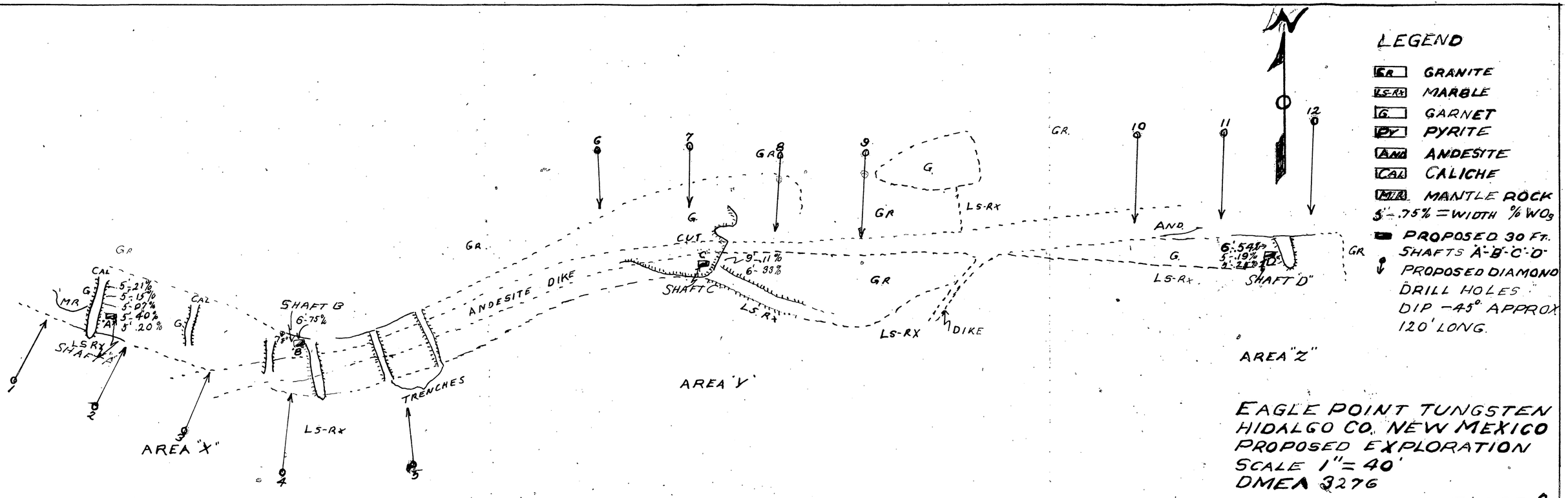


FIGURE 2 CLAIM MAP, EAGLE POINT CLAIMS, HIDALGO COUNTY, N. MEXICO



EAGLE POINT TUNGSTEN
HIDALGO CO. NEW MEXICO
PROPOSED EXPLORATION
SCALE 1" = 40'
DMEA 3276

FIGURE 3

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator [illegible]
Docket No. DMEA-[illegible]
Contract No. Idm-E [illegible]
Contract Date [illegible]

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of [illegible], State of [illegible], described as follows:1/

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

[illegible] in the office of the County Clerk of [illegible] County, [illegible],

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of a percentage royalty on production as may be provided for by the contract;2/ and represents and undertakes that there are no claims, liens, or encumbrances upon the undersigned's right, title, or interest in the land prior to that hereby granted to the Government other than the following:3/

[illegible]

3. Undertakes and agrees neither to commit any act nor assert any claim in conflict with the provisions of this Consent to Lien; and to give advance notice of the Government's rights under this Consent to Lien to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, or interest in the land; and

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

3/ Write "none" if that is the case. Do not leave lines blank.

4. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Consent to Lien shall extend and apply thereto.

5. Added provision: _____

Dated this 19th day of April, 1955

J. Neil Winslow [Seal]

C. G. Buckerk [Seal]

Gela Buckerk [Seal]

I, _____ certify that I am the _____ (Secretary, etc.) of the corporation named herein; that _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____

[Corporate Seal]

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

Docket

RECEIVED
AUG - 1 1955

224 New Customhouse
Denver 2, Colorado

July 26, 1955

Memorandum

To: W. R. Storms

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA-3701 (Tungsten), Contract Idm-E783, L. C. Harris (Eagle Point Tungsten claims), Hidalgo County, New Mexico

With reference to your letter of June 28, 1955 regarding the Field Team copy of the subject contract which Mr. J. A. Johnson of Tyler, Texas apparently has in his possession. We are holding the other five copies of the contract pending receipt of the one Mr. Johnson has.

Will you please again attempt to obtain it either through Mr. Harris or directly from Mr. Johnson.

W. M. Traver

W. M. Traver

WMT:sr

cc Subject
Harshman
Faick
Townsend
Sec. Op. Comm. (2)
Chron

DOCKET
Surname:
Martin
Kiilsgaard
Hedges
Selfridge
Fitzsimmons
Hollidy

JUN 22 1955

Interior Department
Defense Minerals Exploration
Administration
14X4401(01) Revolving Fund
Defense Production Act,
Interior (Allocated Working
Fund to the Office of the Sec'y)

T E L E T Y P E

Mr. W. M. Traver, Executive Officer
DMEA Field Team, Region III
224 New Customhouse
Denver 2, Colorado

Reurlet June 20, Docket DMEA 3701, L. C. Harris, Eagle Point tungsten claims, Hidalgo County, New Mexico.

If Harris has surrendered his lease interest in the property, please have him return all copies of proposed contract unsigned. If Johnson wishes to have DMEA contract, request him apply to us submitting evidence of his interest in the land. In that event, consents to lien will also be required.

George C. Selfridge
Chairman, Operating Committee (HB)

cc: Docket
Code 400
Oper. Committee
Adm. Read. File
Thor Kiilsgaard, USGS
Robt. Holliday, USBM
FT, Reg. 3 - confirmation

WSMartin/ls
6/22/55

R.C.L.

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

224 New Customhouse
Denver 2, Colorado

June 20, 1955

Docket

Copy Published 400

Memorandum

RECEIVED
JUN 22 1955

W/GM

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-3701, L. C. Harris' Eagle Point Tungsten claims, Hidalgo County, New Mexico - Proposed Exploration Contract Idm-E783

Enclosed are the original and two copies of a memorandum dated June 17, 1955 from Superintendent, Southwest Experiment Station and an attached letter from L. C. Harris dated June 15, 1955 relative to possible assignment of the Proposed Exploration Contract Idm-E783.

Please advise us as to how we should proceed in the matter.

W. M. Traver

W. M. Traver

Enclosures

1—045

SPECIAL

U. S. GOVERNMENT PRINTING OFFICE 6—2360

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

DMEA
Info Rec'd
JUN 20 1955

SOUTHWEST EXPERIMENT STATION
Box 4097
UNIVERSITY STATION

TUCSON, ARIZONA

BUREAU OF MINES
Denver, Colorado

June 17, 1955

RECEIVED
JUN 22 1955

Memorandum

To : W. M Traver, Executive Officer, DMEA Field Team Region III.

From : Superintendent, Southwest Experiment Station.

Subject : DMEA Contract Idm-E783, Docket DMEA-3701, L. C. Harris' Eagle Point Tungsten Claims, Hildalgo County, N. Mex.

Today we received a letter from Mr. L. C. Harris (copy attached) in answer to ours of June 3. As you will note, Mr. J. A. Johnson has taken over the claims and may wish to have the contract assigned to him.

If Mr. Johnson calls and is interested in having the contract transferred to him, should Harris sign it, then ask that it be transferred? If Johnson is not interested, we will ask Harris to return the original and all copies of the contract unsigned.

Walter R. Storms

Walter R. Storms

CC - W. M. Traver
J. N. Faick
DMEA-3701
DF

L. C. "Larry" Harris
P. O. Box 6657
Roswell, New Mexico

RECEIVED
JUN 22 1955

June 15, 1955

Telephone 3230

U. S. Dept. of the Interior,
Defense Minerals Exploration Adm.,
P. O. Box 4097,
Tucson 5, Arizona

RE: DMEA Contract Idm-E-783
Docket DMEA-3701
Eagle Point Tungsten Claims
Hidalgo, County, N.M.

Attn. Mr. Walter R. Storms:

Dear Mr. Storms;

Reference is made to your letter of June 3rd in connection with the contract for government assistance on the Eagle Point Tungsten Claims near Hachita, New Mexico.

Mr. J. A. Johnson has taken over the operation of these claims and in talking with Mr. Johnson today, he advises that he would probably like to take over the exploration contract from me if it is possible to do so from the governemnts point of view.

I have sent a copy of the contract to Mr. Johnson for study and have asked him to contact you relative to what he is doing and what he plans to do with the Eagle Point Tungsten Claims and you should hear from him in the next few days.

In the meantime, if it is satisfactory with you, I will hold the unsigned contract in my files, if not, kindly advise and I will return them to you.

Thanking you kindly for past courtesies in this matter, I remain

Yours very truly,

L. C. Harris

cc Mr. J. A. Johnson
200 E. Dobbs
Tyler, Texas

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

DMEA
Date Rec'd.
JUN 20 1955

BUREAU OF MINES
Denver, Colorado

SOUTHWEST EXPERIMENT STATION
Box 4097
UNIVERSITY STATION

TUCSON, ARIZONA

June 17, 1955

Memorandum

To : : W. M Traver, Executive Officer, DMEA Field Team Region III.

From : Superintendent, Southwest Experiment Station.

Subject : DMEA Contract Idm-E783, Docket DMEA-3701, L. C. Harris' Eagle Point Tungsten Claims, Hildalgo County, N. Mex.

Today we received a letter from Mr. L. C. Harris (copy attached) in answer to ours of June 3. As you will note, Mr. J. A. Johnson has taken over the claims and may wish to have the contract assigned to him.

If Mr. Johnson calls and is interested in having the contract transferred to him, should Harris sign it, then ask that it be transferred? If Johnson is not interested, we will ask Harris to return the original and all copies of the contract unsigned.

Walter R. Storms

Walter R. Storms

CC - W. M. Traver
J. N. Faick
DMEA-3701
DF

Docket

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

RECEIVED
JUN - 9 1955

224 New Customhouse
Denver 2, Colorado

June 6, 1955

WMT

Memorandum

To: Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-3701 (Tungsten), Contract Idm-E783, Eagle Point Tungsten Claims, Hidalgo County, N. M.

Enclosed for your information are two copies of a letter, dated June 3, 1955, from W. R. Storms to the applicant under the subject docket which indicates the status of the proposed contract.

W. M. Traver

W. M. Traver

Enclosures

Copy retained 400

L. C. "Larry" Harris
P. O. Box 6657
Roswell, New Mexico

RECEIVED
JUN 23 1955

June 15, 1955

Telephone 3230

U. S. Dept. of the Interior,
Defense Minerals Exploration Adm.,
P. O. Box 4097,
Tucson 5, Arizona

RE: DMEA Contract Idm-E-783
Docket DMEA-3701
Eagle Point Tungsten Claims
Hidalgo, County, N.M.

Attn. Mr. Walter R. Storms:

Dear Mr. Storms;

Reference is made to your letter of June 3rd in connection with the contract for government assistance on the Eagle Point Tungsten Claims near Hachita, New Mexico.

Mr. J. A. Johnson has taken over the operation of these claims and in talking with Mr. Johnson today, he advises that he would probably like to take over the exploration contract from me if it is possible to do so from the governemnts point of view.

I have sent a copy of the contract to Mr. Johnson for study and have asked him to contact you relative to what he is doing and what he plans to do with the Eagle Point Tungsten Claims and you should hear from him in the next few days.

In the meantime, if it is satisfactory with you, I will hold the unsigned contract in my files, if not, kindly advise and I will return them to you.

Thanking you kindly for past courtesies in this matter, I remain

Yours very truly,

L. C. Harris

cc Mr. J. A. Johnson
200 E. Dobbs
Tyler, Texas

RECEIVED
JUN - 9 1955
JUN 6 1955

Southwest Experiment Station
P. O. Box 4097
Tucson 5, Arizona

June 3, 1955

Air Mail

Mr. L. C. Harris
P. O. Box 6657
Roswell, N. Mex.

Re: DMEA Contract [illegible]
Docket DMEA-3701
Eagle Point Tungsten [illegible]
Hidalgo County, N. Mex.

My dear Mr. Harris:

On April 28, 1955, we sent you by registered mail, the original and four copies of DMEA Exploration Project Contract No. Idm-E783 for your signature. This contract provided for Government assistance in exploring the Eagle Point claims near Hachita, New Mexico.

Will you please return this contract (original and four copies) to me as soon as possible? If you do not care to sign it, please return it so it may be cancelled. We hear that the Eagle Point claims have been sold to a Mr. Johnson of Tucson, so possibly you do not care to go on with the exploration project.

Sincerely yours,

Walter R Storms

Walter R. Storms
Superintendent,
Southwest Experiment Station

Cc - W. M. Traver
J. N. Faick
DMEA-3710 (3276)
DF

WRS/wrs

DOCKET
Surname:
Chapman
Martin
Chamberlain
(noted) Newcomb
Holliday
Selfridge
Kjelman

APR 14 1955

Mr. W. M. Traver, Executive Officer
DMEA Field Team, Region III
224 New Custom House
Denver 2, Colorado

Re: Docket No. DMEA 3701-Tungsten
(Formerly DMEA 3276)
L. C. Harris
Eagle Point Claims
Hidalgo County, New Mexico

Dear Mr. Traver:

Enclosed are the original and five copies of the above-referenced exploration contract, signed by the Administrator for the Government, together with Annex I (1 page), Exhibit "A" (2 pages), and figures 1, 2, and 3.

If any part of this contract does not have either your approval or that of the Operator, and cannot be altered within your delegated authority, the original and all copies of the contract are to be returned to this office, together with the proposed changes for consideration.

It will be necessary to obtain, as requested in our letter of March 29, the Owner's Consent to Lien and attach it before execution of the contract.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

P.S. Based upon result of shaft work, it may be appropriate to amend contract for deeper drilling on completion of two or more shafts.

Enclosures

APPROVED:

J. H. Hedges (JHB)
Member, Bureau of Mines

Thor H. Kiilsgaard (JHB)
Member, Geological Survey

cc: Docket
Code 400
FT, Reg. 3 - Denver
Adm. Read. File
Oper. Comm.
Thor Kiilsgaard, USGS
Robt. Holliday, USBM

TLChapman/ls
3/28/55

R.C.G.

Government's Copy

MF-200A
(Revised June 1954)

Docket No. DMEA 3701

Commodity Tungsten

Contract No. Idm-E

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT[1]
(Short Form)

It is agreed this [illegible] day of [illegible], 195..., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] L. C. Harris

whose mailing address is P. O. Box 6657, Roswell, New Mexico

hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Exhibit "A," Annex I, and

The Operator shall not transfer or assign this contract or any right thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of New Mexico, County of Hidalgo, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] See Annex I of [5] See Annex I in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] See Annex I, [7] recorded in Book --, page --, official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: None

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.), are attached, as follows: Consent to Lien from the owners.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 7, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 7(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Tungsten. The work to be performed is described in Exhibit "A." The Operator on or before July 1, 1955, shall commence the work, and on or before July 1, 1956 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after a certification of discovery or development to inspect production operations and underground workings. The operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $31,800.00. The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $23,850.00 23,850: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work

Drill twelve diamond drill holes, approximately at points and on courses indicated on Figure 3 and dipping about minus 45 degrees, to cut the tactite zone at a depth of about 75 feet. These holes shall be approximately 120 feet in length, with a total length not exceeding 1,440 feet.

Stage III

If, in the opinion of the Government, the results of Stage II warrant further work, so much of the work set forth under Stage III shall be performed as is approved in advance by the Government.

Drill an additional 1,560 feet of diamond drill holes to intersect the mineralized zone at points approved by the Government.

Fixed Unit Costs

Stage I

Topographic and geologic mapping[1]	$ 400.00	
Shaft sinking, 120 feet at $60.00/ft.	7,200.00	
Drifting and/or crosscutting, 80 feet at $35.00/ft.	2,800.00	
Estimated total cost of Stage I		$10,400.00

Stage II

Diamond drilling 1,440 feet at $7.00/ft.	$10,080.00	
Estimated total cost of Stage II		10,080.00

Stage III

Diamond drilling, 1,560 feet at $7.00/ft.	$10,920.00	
Estimated total cost of Stage III		10,920.00
Estimated total cost of project		$31,400.00
Government participation at 75 percent		$23,550.00

1/ The completed work constitutes the unit.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON 25, D. C.

MAR 24 1955

Memorandum

To: The Administrator, DMEA
Attention: W. S. Martin

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-3701 (Tungsten), L. C. Harris, Eagle Point Claims, Hidalgo County, New Mexico

Pursuant to Mr. Martin's memorandum of March 14 we have prepared the attached contract, the execution of which is subject to the attachment of the Consent to Lien of the lessors and the maps, Figs. 2 and 4, referred to in Exhibit "A".

J. L. Hofflund
Acting Assistant Solicitor,
Defense Minerals

Attachment

Rubin

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON 25, D. C.

MAR 24 1955

Memorandum

To: The Administrator, DMEA
Attention: W. S. Martin

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-3701 (Tungsten), L. C. Harris, Eagle Point Claims, Hidalgo County, New Mexico

Pursuant to Mr. Martin's memorandum of March 14 we have prepared the attached contract, the execution of which is subject to the attachment of the Consent to Lien of the lessors and the maps, Figs. 2 and 4, referred to in Exhibit "A".

J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor,
Defense Minerals

Attachment

HCRubin:gjb
3/23/55

Copy to: DMEA Docket
Sol. Docket
W. S. Martin (2)
J. L. Hofflund
H. C. Rubin
Chron. File

400

DOCKET
Surname:
Martin
Selbridge
Johnson
Mattendez

MAR 29 1955

Mr. W. M. Traver, Executive Officer
DMEA Field Team, Region III
224 New Custom House
Denver 2, Colorado

Re: Docket No. DMEA 3701-Tungsten
(Formerly DMEA 3276)
L. C. Harris
Eagle Point Mine
Hidalgo County, New Mexico

Dear Mr. Traver:

This will acknowledge receipt of your reply of March 18, 1955, to our request of March 11, 1955, for Owner's Consent to Lien for the subject property.

We note your comment that we had not previously asked you for an Owner's Consent to Lien for this property. In this instance the application was submitted to us through your office under date of March 8, 1954. In those cases where the application is submitted through your office and you intend to recommend a project, you should request that the applicant supply an Owner's Consent to Lien.

We note also that you did not keep a copy of the lease when you transmitted the application to us. We are, therefore, attaching a copy of the lease for your files.

The above-mentioned lease omits mention of the Eagle Point No. 7 claim. Therefore, unless you report some reason to the contrary, we shall omit that claim from the proposed contract.

R.G.S.

Your suggestion that in the future one copy of all required Owner's Consent to Lien forms should be prepared in the Washington office is being carefully reviewed. To date it has not been favorably received. We suggest, therefore, that in this instance you proceed to obtain an Owner's Consent to Lien as requested. No special conditions are required.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Enclosure

Approved:

J. H. Hedges

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

cc: Docket
Adm. Read. File
Oper. Committee
Code 400
Robt. Holliday, USBM
Thor Kiilsgaard, USGS
Field Team, Reg. 3

WSMartin/ls
3/24/55

DOCKET
Surname:

Chapman
Martin
Selfridge

400

Save in docket file for summary rewritten 3/25
Change sentence in 2nd ¶ to "refer" it.

Mr. W. M. Traver, Executive Officer
DMEA Field Team, Region III
224 New Custom House
Denver 2, Colorado

Re: Docket DMEA 3701 - Tungsten
(Formerly DMEA 3276)
L. C. Harris
Eagle Point Mine
Hidalgo County, New Mexico

Dear Mr. Traver:

This will acknowledge receipt of your reply of March 18, 1955, to our request of March 11, 1955, for Owner's Consent to Lien for the subject property.

We note your comment that we had not previously asked you for Owner's Consent to Lien for this property. In this instance the application was submitted to us through your office under date of March 8, 1954. ~~Please consider this letter a standing instruction to send us an Owner's Consent to Lien with each application that is submitted to us through your office or to advise us if you are unable to obtain an Owner's Consent to Lien.~~

We note also that you did not keep a copy of the lease when you transmitted the application to us. We are, therefore, attaching a copy of the lease for your files.

The above-mentioned lease omits mention of Eagle Point No. 7 claim. Therefore, unless you report some reason to the contrary, we shall omit that claim from the proposed contract.

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

Docket

224 New Customhouse
Denver 2, Colorado

April 6, 1955

Mr. L. C. Harris
P. O. Box 6657
Roswell, New Mexico

Re: Docket No. DMEA 3701-Tungsten
(Formerly DMEA 3276)
Eagle Point Mine
Hidalgo County, New Mexico

Dear Mr. Harris:

Enclosed are seven copies of Form MF-203, Owner's Consent to Lien, on the Eagle Point Nos. 1, 2, 4 and 5 mining claims. Will you please have the owners sign all copies and return the original and five copies to this office.

Will you please advise the present status of the Eagle Point No. 7 Claim. We should like to know the ownership of the Eagle Point No. 7 Claim; and if this claim is leased, the name of the lessee, since it is noted that this claim is not included in your lease and option agreement dated December 15, 1953.

Yours very truly,

W. M. TRAVER,

W. M. Traver
Executive Officer, DMEA
Field Team, Region III

Encs.

HMC:bh

cc - Administrator, DMEA (2)
Subject
Chron.

Copy [illegible] 400

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 3/22/55

REFERRED TO:
1. ~~Miss Curtin~~
2. 400
3.
4.

FOR:

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

REMARKS: Catherine: I am retng. orig. of this memo & sending 3 cc to Selfridge & Division. Hazel

Check (X) before the items needing attention.

George C. Selfridge
Initials of sender.

GPO 16—63815-1

MF-500

UNITED STATES
DEPARTMENT OF the INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 3/21

REFERRED TO:
1. C. Darry
2.
3.
4.

FOR:

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

REMARKS: Hazel: Mr. Adams said to send this all to you, this is a pending case. C. Iron & ferro Div.

Check (X) before the items needing attention.

ROBERT E. ADAMS
Initials of sender.

GPO 16—63815-1

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

Docket
Chapman
MAR 21 1955

224 New Customhouse
Denver 2, Colorado

now 3701

March 18, 1955

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

WSM

Subject: DMEA Docket 3276 (Tungsten), L. C. Harris, Eagle Point Mine, Eureka Mining District, Hidalgo County, New Mexico

Reference is made to letter dated March 11, 1955 from Acting Chairman, Operating Committee requesting "Owner's Consent to Lien" forms for the subject docket (listed as Docket No. DMEA 3701 in your letter.)

An examination of our files reveals that your letter of March 11, 1955 was the first request we have received for MF-203 forms for this property. As is true in most cases our office files do not contain sufficient information to enable us to execute this Owner's Consent to Lien form with the accuracy required for contract purposes. Our copy of the application does not contain a copy of the operating lease; therefore, we do not know what added provisions should be included in form MF-203. Our records do indicate that minimum monthly royalty payments are required to prevent cancellation of lease but we are unable to verify this fact without obtaining a copy of the lease which is a part of the Washington office's copy of the application. Provisions for non-cancellation should be incorporated in forms MF-203 before they are forwarded for signature.

Page 4 of the engineering portion of the Report of Examination states that the property consists of five claims held under lease and option by L. C. Harris, while form MF-103 of the application lists only four claims.

Based on the above we believe the required forms should be prepared directly by Washington Office personnel incorporating appropriate legal considerations and additions. This office will forward them to the applicant for signature if you so desire.

We recommend that in the future one copy of all required Owner's Consent to Lien form be prepared in the Washington office

with all desired additions and changes and forwarded to us when a field examination is requested. If a contract is to be recommended we will then make additional copies and forward them for signature. Sufficient copies can then be transmitted to you with the report of examination.

W. M. Traver

W. M. Traver

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 3/22/55

REFERRED TO:
1. ~~Mr. Selfridge~~
2. Mr. Martin
3.
4.

FOR:

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

REMARKS: 2 Copies attached HB

Check (X) before the items needing attention.

George C. Selfridge
Initials of sender.

GPO 16—63815-1

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 18 1959

224 New Customhouse
Denver 2, Colorado

March 18, 1959

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 3276 (Tungsten), L. C. Harris, Eagle Point Mine, Eureka Mining District, Hidalgo County, New Mexico

Reference is made to letter dated March 11, 1959 from Acting Chairman, Operating Committee requesting Owner's Consent to Lien forms for the subject docket (listed as Docket No. DMEA 3761 in your letter.)

An examination of our files reveals that your letter of March 11, 1959 was the first request we have received for MF-203 forms for this property. As is true in most cases our office files do not contain sufficient information to enable us to execute this Owner's Consent to Lien form with the accuracy required for contract purposes. Our copy of the application does not contain a copy of the operating lease; therefore, we do not know what added provisions should be included in form MF-203. Our records do indicate that minimum monthly royalty payments are required to prevent cancellation of lease but we are unable to verify this fact without obtaining a copy of the lease which is a part of the Washington office's copy of the application. Provisions for non-cancellation should be incorporated in forms MF-203 before they are forwarded for signature.

Page 4 of the engineering portion of the Report of Examination states that the property consists of five claims held under lease and option by L. C. Harris, while form MF-103 of the application lists only four claims.

Based on the above we believe the required forms should be prepared directly by Washington Office personnel incorporating appropriate legal considerations and additions. This office will forward them to the applicant for signature if you so desire.

We recommend that in the future one copy of all required Owner's Consent to Lien form be prepared in the Washington office

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

224 New Customhouse
Denver 2, Colorado

March 18, 1955

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 3276 (Tungsten), L. C. Harris, Eagle Point Mine, Eureka Mining District, Hidalgo County, New Mexico

Reference is made to letter dated March 11, 1955 from Acting Chairman, Operating Committee requesting "Owner's Consent to Lien" forms for the subject docket (listed as Docket No. DMEA 3701 in your letter.)

An examination of our files reveals that your letter of March 11, 1955 was the first request we have received for MF-203 forms for this property. As is true in most cases our office files do not contain sufficient information to enable us to execute this Owner's Consent to Lien form with the accuracy required for contract purposes. Our copy of the application does not contain a copy of the operating lease; therefore, we do not know what added provisions should be included in form MF-203. Our records do indicate that minimum monthly royalty payments are required to prevent cancellation of lease but we are unable to verify this fact without obtaining a copy of the lease which is a part of the Washington office's copy of the application. Provisions for non-cancellation should be incorporated in forms MF-203 before they are forwarded for signature.

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Based on the above we believe the required forms should be prepared directly by Washington Office personnel incorporating appropriate legal considerations and additions. This office will forward them to the applicant for signature if you so desire.

We recommend that in the future one copy of all required Owner's Consent to Lien form be prepared in the Washington office

with all desired additions and changes and forwarded to us when a field examination is requested. If a contract is to be recommended we will then make additional copies and forward them for signature. Sufficient copies can then be transmitted to you with the report of examination.

W. M. Traver

W. M. Traver

RDB:sr

cc Admin. Op. Comm. (2)
Storms
Faick
Connors
Townsend
Berk
Harshman
Subject
Chron

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RDB;sr

cc Admin. Op. Comm. (2)
Storms
Faick
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Berk
Harshman
Subject
Chron

Docket
Chapman
Martin

March 14, 1955

MEMORANDUM

To: Acting Assistant Solicitor, Defense Minerals

From: Iron and Ferro-Alloys Division, DMEA

Subject: Preparation of contract
Docket No. DMEA 3701 - Tungsten
L. C. Harris
Eagle Point Claims
Hidalgo County, New Mexico

Transmitted herewith is a rough draft of a proposed contract for your use in preparing the final form.

W. S. Martin, Chief
Iron and Ferro-Alloys Division

Attachment

cc: Docket
Adm. Read. File
Code 400

ls 3/14/55

DOCKET
Surname:
Chapman
Martin
Mathewson

MAR 11 1955

Mr. W. M. Traver, Executive Officer
DMEA Field Team, Region III
224 New Custom House
Denver 2, Colorado

Re: Docket No. DMEA 3701 - Tungsten
L. C. Harris
Eagle Point Mine
Hidalgo County, New Mexico

Dear Mr. Traver:

In reviewing the Field Team's reports on the subject property, we find no mention of "Owner's Consent to Lien." We would appreciate receiving such consent at your earliest convenience so that we may prepare a draft of a contract.

Sincerely yours,

W. S. Martin
ACTING Chairman, Operating Committee

Approved:

J. H. Hedges
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

cc: Docket
Code 400
FT, Reg. 3
Adm. Read. File
Oper. Committee
T. Kiilsgaard, USGS
R. Holliday, USBM

TLChapman/ls
3/10/55

Docket

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

March 9, 1955

3701

Memorandum

To: W. S. Martin, Defense Minerals Exploration Administration

From: R. W. Holliday, Commodity Industry Analyst

Subject: Appraisal of DMEA Docket 3276 (or 3701) Tungsten

The mineral deposit reportedly "is large enough and may contain sufficient tungsten to be of interest to the government". (Page 14 of the examiners report on Geology).

In an emergency or with the passage of time, economic conditions will change and the low grade of the material is likely to become less objectionable.

Despite the present relatively large supplies of tungsten, it should be borne in mind that exploration is a necessary and relatively inexpensive means of increasing the nation's reserves of tungsten ore.

I recommend that the exploration program proposed by the field examiners be approved.

R W Holliday

R. W. Holliday

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

March 9, 1955

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R. W. Holliday

DOCKET

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

March 7, 1955 MAR 8 - 1955

Re: DMEA-~~3276~~ #3701
L. C. Harris
(Eagle Point Claims)
Hidalgo Co., N. Mex.
$7,691.54 - Tungsten

Copy retained 100

WSM

Memorandum

To: W. S. Martin, Defense Minerals Exploration Administration

From: E. L. Newcomb, U. S. Geological Survey

Subject: Geologic appraisal of proposed exploration

The Field Team has recommended a two-stage drilling project be approved. The objective of this work will be to test the downdip extensions of mineralization in three areas along a limestone-igneous rock contact metamorphic zone.

The Eagle Point property was previously denied DMEA exploration assistance. However, more recent work by the operator showed that further consideration by DMEA was warranted.

Statements in the earlier Field Team report still are appropriate to our present consideration of the proposed diamond drilling. On page 10, paragraph 2, it is stated "exploration by diamond drilling would help to establish the location of the mineralized contact and would serve for testing and delineating the ore bodies. Diamond drilling does not appear to be justified because of the consistently low grade of ore and adverse economic conditions under which it would have to be exploited."

The new examination report has not presented new evidence which indicates that a significant discovery will be found by diamond drilling. Sampling by the applicant's geologist, H. Schmitt, has shown that ore grade mineralization is spotty and erratically distributed. Check sampling by the Field Team of areas with high grade sample assays failed to corroborate Schmitt's assay results. The extreme differences in the grades of these two sets of samples indicate the difficulty of determining representative ore grades for these deposits. However, they also serve to show the general nature of these low grade deposits. Under the circumstances, it is unlikely that conclusive evidence will be obtained by diamond drilling. The grade of the indicated reserves cannot be accurately determined by this method and at best there is very little chance that a significant ore body will be found.

I recommend the proposed drilling be denied.

E. L. Newcomb

E. L. Newcomb

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

MAR 8 - 1955

March 7, 1955

Re: DMEA-3876
L. C. Harris
(Eagle Point Claims)
Hidalgo Co., N. Mex.
$7,691.54 - Tungsten

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I recommend the proposed drilling be denied.

E. L. Newcomb

ELNewcomb:hlm
G-3/7/55

Copy to: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
R. W. Geehan, 3513, Interior Bldg.

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

March 7, 1955

MAR 8 - 1955

Re: DMEA-3276
L. C. Harris
(Eagle Point Claims)
Hidalgo Co., N. Mex.
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I recommend the proposed drilling be denied.

E. L. Newcomb

ELNewcomb:hlm
G-3/7/55

Copy to: Director's reading, 4212
Branch reading, 4212
ESRA (3)
Docket file
R. W. Geehan, 3513, Interior Bldg.

Docket

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

224 New Customhouse
Denver 2, Colorado

February 21, 1955

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Field Team, Region III

Subject: Report of Examination, DMEA Docket ~~3276~~ (Tungsten), L. C. Harris, Eagle Point claims, Hidalgo County, New Mexico

changed to 3701

WJM

Enclosed are the original and three copies of the report pertaining to the above application. A photostat of a signed copy of the lease and option agreement is also attached.

We recommend the exploration program proposed by the field examiners.

W. M. Traver

W. M. Traver

E. N. Harshman

E. N. Harshman

Reviewed by
DMEA OPERATING COMMITTEE

2-28-55
(date)

TRANSMITTED FEB 21 1955

DMEA FEB 7 1955

February 3, 1955

Memorandum

To : W. M. Traver, Executive Officer, DMEA Field Team, Region III

From : Superintendent, Southwest Experiment Station, Region III

Subject : Report on Docket DMEA-3276, Eagle Point Tungsten Claims, Eureka Mining District, Hidalgo County, N. Mex.

Enclosed are original and 8 copies of the section on Summary, Conclusions and Recommendations by J. N. Faick of the Geological Survey and T. M. Romslo of the Bureau of Mines, and the section on Engineering by Romslo for the above report. A separate section on Geology will be submitted by the Geological Survey.

Scattered scheelite mineralization occurs in tactite along a limestone-granite contact. Although the DMEA examiners do not believe that a substantial amount of commercial ore will be found by the proposed exploratory work, they do believe that a significant amount of low-grade material may be found which might be commercial at some future date. Therefore they have recommended a small amount of exploratory work, this work to be done in two stages. Stage II will depend entirely upon the results of Stage I. I concur with their recommendations although I do doubt the wisdom of core drilling a deposit with such scattered mineralization. However, if the small amount of drilling recommended under Stage I gives unfavorable results, then the contract may be terminated.

Brochure is enclosed.

Walter R. Storms

Walter R. Storms

CC W. M. Traver (8)
J. N. Faick
DMEA-3276
DF

Reviewed by
DMEA OPERATING COMMITTEE
2-28-55
(date)

WRStorms:frj

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

DMEA-3276, Eagle Point Tungsten Claims

Eureka Mining District

Hidalgo County, New Mexico

J. N. Faick, Geologist
U. S. Geological Survey

T. M. Romslo, Mining Engineer
U. S. Bureau of Mines

February 1955

Reviewed by
DMEA OPERATING COMMITTEE
2-28-55
(date)

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

By J. N. Faick[1] and T. M. Romslo[2]

The Eagle Point claims in Hidalgo County, N. Mex. were examined for the Defense Minerals Exploration Administration as part of its program authorized by the Defense Production Act of 1950, as amended. The purpose of the examination was to determine if explorations for tungsten ore, as proposed in an application for Governmental assistance by L. C. Harris of Roswell, N. Mex., were justified. The estimated cost of the explorations was $160,267.08, of which $28,411.50 was for diamond drilling and the remaining $131,855.58 was for shaft sinking, drifting, and raising.

The examination was carried out by the writers early in January 1955 under docket DMEA-3276. A previous examination of the property by the Geological Survey, under docket DMA-1476X, resulted in denial of requested assistance because conditions were found unfavorable for the presence of minable ore. The present application first was denied on the basis of the original findings. The decision to reconsider the application was made when it was learned that work performed after the original examination reportedly had disclosed evidence that might result in a more favorable opinion.

1/ Geologist, U. S. Geological Survey
2/ Mining Engineer, U. S. Bureau of Mines

The Eagle Point claims, situated about 45 airmiles southeast of Lordsburg, N. Mex., were located early in 1941 by the present owners, J. H. Winslow and C. L. Buskirk. They have been examined by both the U. S. Bureau of Mines and the U. S. Geological Survey. Production has been confined to 1,010.94 tons of 0.46 WO_3, most of which was mined and shipped to the Metal Reserve Company during 1943 and 1944. Cancellation of the purchase contract resulted in termination of mining activities. Since then, activities probably have been confined to the two DMEA examinations, and the applicant's exploratory work of 1954. These explorations consisted of 215 feet of trenching, geologic mapping, and sampling. At the present time the property is inactive.

Tungsten mineralization is present in tactite that occurs principally along a granite-limestone contact. The tactite in the zone of proposed exploratory work is intermittently exposed for a strike length of 700 feet by outcrops, several shallow trenches, an 8-foot discovery shaft, and a small open cut. A narrow, almost vertical andesite dike roughly parallels the contact, and crosses the tactite at places. Scheelite, the tungsten mineral, is widely distributed throughout the tactite as small grains and discontinuous veinlets. Its greatest concentration appears to be along or near fractured zones. Qualitative

tests by the U. S. Bureau of Mines show that the scheelite occurs in grains ranging in size from 65 to plus 200 mesh and that part of the scheelite is molybdenum bearing.

The ore reserves cannot be estimated with an acceptable degree of accuracy because the mineralized zones have not been adequately exposed and because acceptable samples are not readily obtainable from the present workings. The limited data do indicate that the mineralized zones may contain at least 70,000 tons of 0.4 percent WO_3, and 100,000 tons of 0.25 percent WO_3. On this basis, exploratory work would not be expected to indicate the presence of substantial reserves of presently economic ore. However, such work could conceivably indicate the presence of significant reserves of potentially economic ore. It is on this basis that exploration of the property is proposed.

The proposed explorations have been set up as a 2-stage diamond drilling project. The project provides for the drilling of 4,400 feet of holes of which a maximum of 1,300 feet would be drilled under stage 1. Stage 2 would be authorized only in event the results of initial drilling were favorable. The total cost of the project, including topographic and geological mapping, has been estimated at $31,900.00, or $7.25 per foot of hole drilled.

Governmental participation in exploration of the Eagle Point claims should be confined to the proposed diamond drilling project.

DMEA-3276, EAGLE POINT TUNGSTEN CLAIMS
EUREKA MINING DISTRICT
HIDALGO COUNTY, NEW MEXICO

Engineering Report

By T. M. Romslo
Mining Engineer
U. S. Bureau of Mines

February 1955

Reviewed by
DMEA OPERATING COMMITTEE
2-28-55
(date)

DMEA-3276, EAGLE POINT TUNSTEN CLAIMS
EUREKA MINING DISTRICT
HIDALGO COUNTY, NEW MEXICO

CONTENTS

Engineering report	Page
Introduction	1
Location and accessibility	2
Physical features and climate	2
History and production	3
Ownership and extent of property	4
Description of deposit	5
Ore reserves	6
Present status	7
Economic possibilities	7
Proposed explorations	8
Estimated cost of project	10
Conclusions	13
Recommendations	13
Appendix	14

ILLUSTRATIONS

Figure No.		Following page
1	Location map	2
2	Claim map	4
3	Geologic map	(See Geologic Report)
4	Proposed exploration	8

INTRODUCTION

The Eagle Point claims, Hidalgo County, N. Mex., were examined for the Defense Minerals Exploration Administration in connection with an application for Governmental aid as authorized by the Defense Production Act of 1950, as amended. The application, made by Dr. Harrison Schmitt, Mining Geologist for L. C. Harris of Roswell, N. Mex., was docketed as DMEA-3276. It requested assistance on a proposed exploratory project for tungsten ore at an estimated total cost of $160,267.08. Of this cost, $28,411.50 was for diamond drilling and the remaining $131,855.58 was for shaft sinking, drifting and raising.

The field investigations were made on January 5 and 6, 1955 by J. N. Faick, geologist, Geological Survey, and T. M. Romslo, mining engineer, Bureau of Mines. The examiners were accompanied during the first day by Dr. Harrison Schmitt.

A previous application for aid in exploring the Eagle Point claims, docket DMA-1476X, resulted in an examination of the property by the Geological Survey and denial of the requested assistance. The denial was based on findings that indicated conditions were unfavorable for the presence of significant amounts of minable ore. The present application first was denied for the above reason. Later it was decided to reconsider the application because work performed subsequent to the original examination reportedly had disclosed evidence that might result in a favorable opinion.

LOCATION AND ACCESSIBILITY

The Eagle Point claims are situated about 45 air-miles southeast of Lordsburg, N. Mex., in sec. 22, T. 29 S., R. 16 W., Eureka mining district, Hidalgo County, N. Mex. (figure 1). To reach the claims from Lordsburg, a distance of 63 miles by roads containing no excessive grades, start east on U. S. Highway 80 and then proceed according to directions of the following log:

Lordsburg	0.0	miles
Right turn into State Road 81	26.8	"
Village of Hachita	46.4	"
Right turn onto County-maintained dirt road	57.8	"
Left turn onto unimproved mine road	61.7	"
Main opencut at end of mine road	63.0	"

The nearest railroad shipping point is at Hachita, a station on the Southern Pacific railroad.

PHYSICAL FEATURES AND CLIMATE

The Eagle Point claims are at the foot of the southwestern slope of the Little Hatchet Mountains at an average altitude of about 4,700 feet. The major portion of the claims occupy an area of gently rolling hills. Drainage is southwesterly to Playas Valley.

Vegetation in the areas surrounding the range is confined to desert plants and native grasses. Scrub oak, cedar, and juniper grow locally in the mountains. There is no large timber.

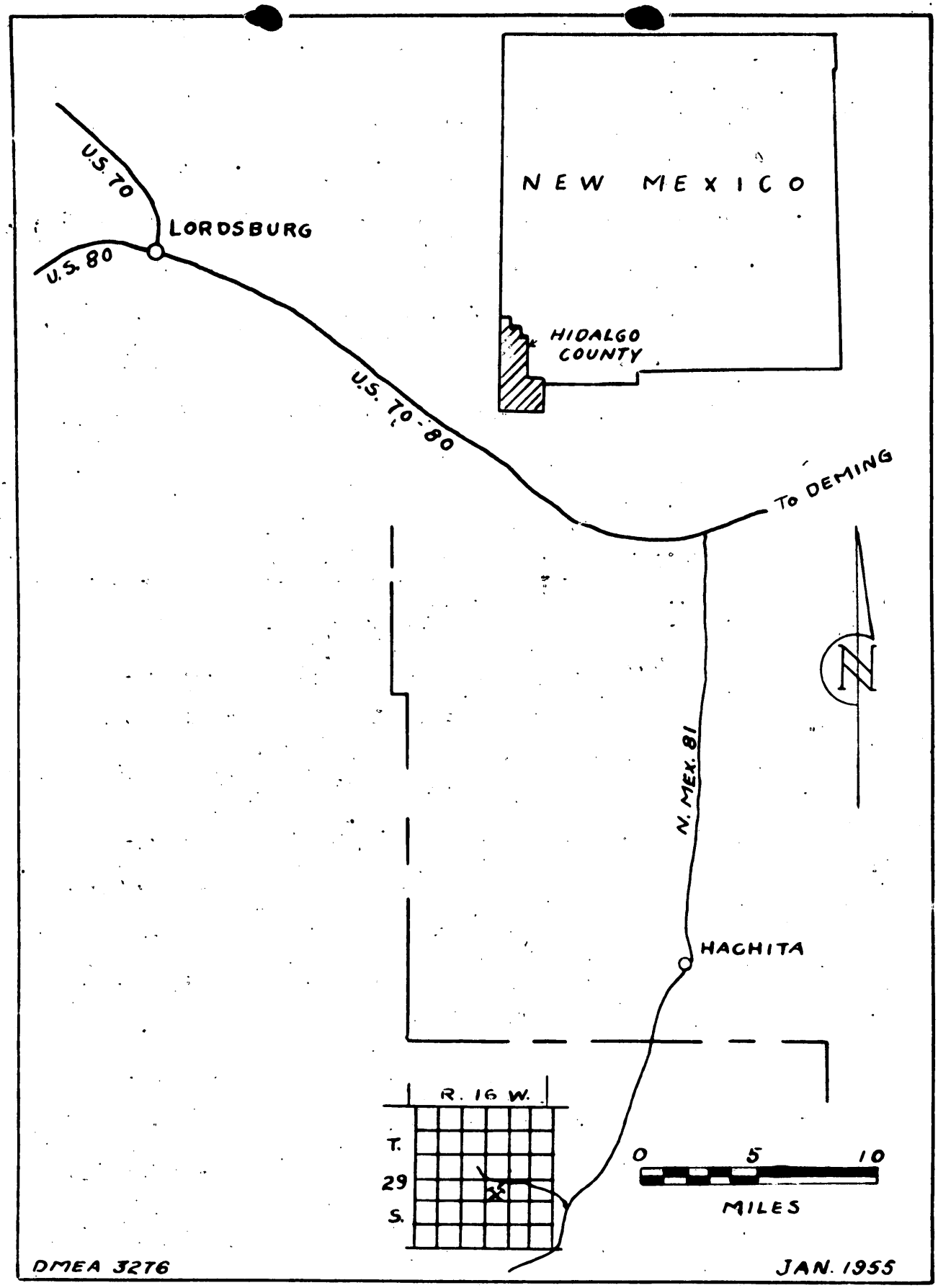

FIGURE 1 - LOCATION MAP

EAGLE POINT CLAIMS
HIDALGO COUNTY, N. MEX.

operations. A copy of a letter by one of the lessees shows that 1,010.94 tons of ore containing 0.46 percent WO_3 was mined and shipped before operations ceased in 1944 when the Metals Reserve Company cancelled the contract for purchase and stockpiling of the ore at Deming, N. Mex.

As far as known, there was no activity on the property from 1944 to 1951 when it first was investigated for the Defense Minerals Administration.

In December 1953, H. C. Harris, the present applicant for Governmental aid, obtained the property under a lease and option agreement. Prior to submission of the application, the lessee had further explored the property in accordance with a program recommended by Dr. Harrison Schmitt. The exploratory work comprised 215 feet of trenching, geologic mapping, and sampling.

OWNERSHIP AND EXTENT OF PROPERTY

The property, comprising 5 unpatented lode mining claims, Eagle Point 1, 2, 4, 5 and 7, is owned by J. H. Winslow, C. L. Buskirk and his wife, Gela Buskirk, all of Deming, Luna County, N. Mex. (figure 2). It is held under a lease and option agreement by the applicant, L. C. Harris, P. O. Box 6657, Roswell, N. Mex.

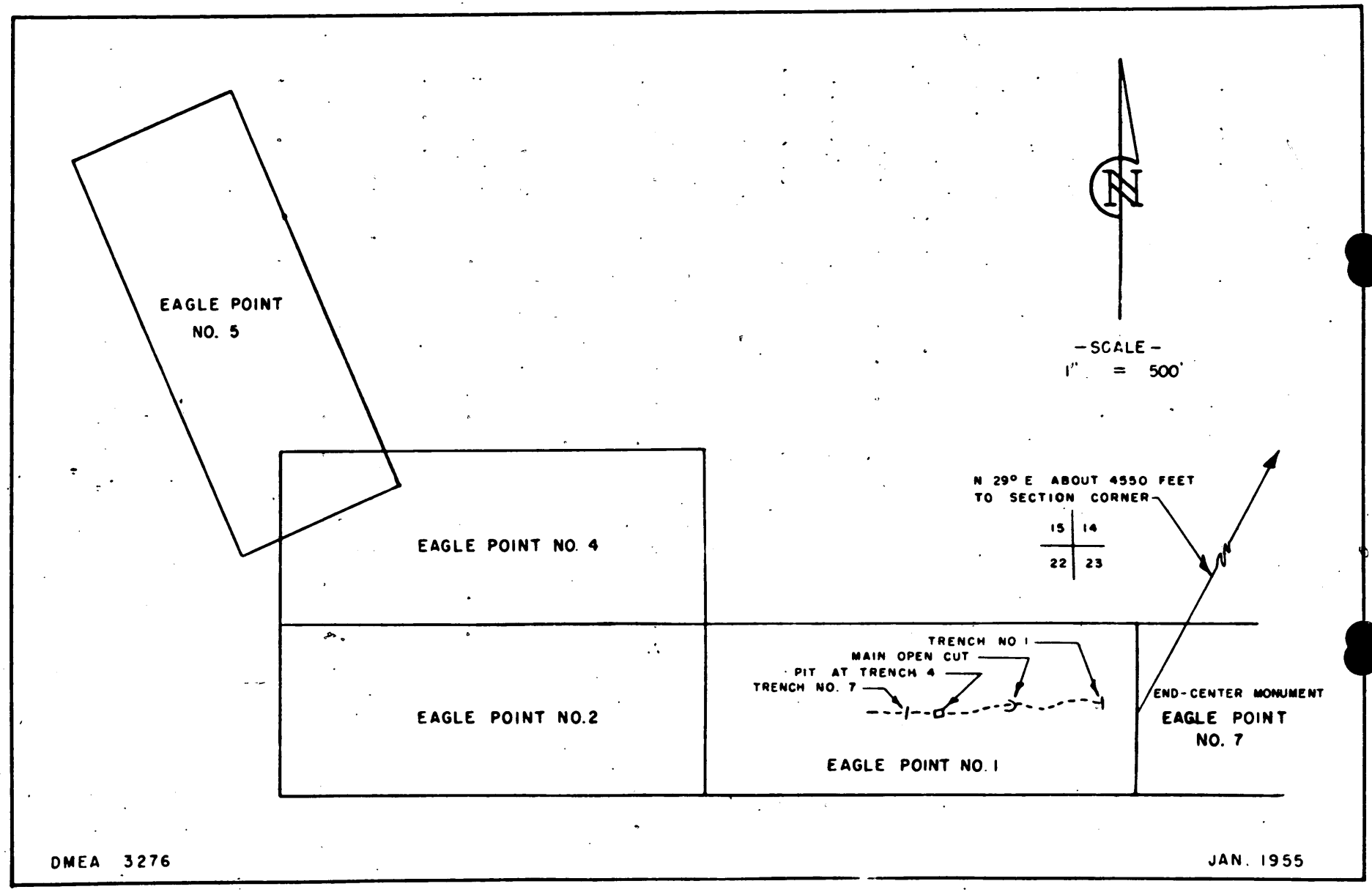

FIGURE 2 CLAIM MAP, EAGLE POINT CLAIMS, HIDALGO COUNTY, N. MEXICO

The lease and option agreement is for a period of 10 years from December 15, 1954. It involved an initial payment of $500.00 and minimum monthly royalty payments of $250.00 for the first 6 months and $500.00 thereafter. The payments, including earned royalty of 10 percent of the net mill or smelter returns on ore after deducting $2.00 per ton for mill or smelter charges or costs, are to be applied to the $200,000 purchase price.

DESCRIPTION OF DEPOSIT

Tungsten mineralization on the Eagle Point claims is confined to tactite that with a few minor exceptions occurs along a granite-limestone contact (figure 3). The tactite in the zone of proposed exploratory work is intermittently exposed for a strike length of about 700 feet by outcrops, several shallow trenches, an 8-foot discovery shaft, and a small open cut. A narrow, almost vertical andesite dike roughly parallels the east-west trending granite-limestone contact that dips steeply to the north at the discovery shaft. At places the dike crosses tactite.

Scheelite, the tungsten mineral, is widely distributed throughout the tactite as small grains and discontinuous veinlets. Its greatest concentration appears to be in fractured zones. Specimens of tactite from 3 samples were examined by LaMar Evans, petrographer, U. S. Bureau of Mines, Tucson, Ariz. His findings follow:

"Examination of the above samples shows that they are of the same mineralogical composition. They are composed predominantly of garnet, which was tentatively identified as grossularite ($Ca_3Al_2(Si\ O_4)_3$, and small amounts of calcite, quartz, epidote, hornblende, magnetite and scheelite.

"The Scheelite occurs as grains ranging in size from minus 65 to plus 200 mesh. Qualitative tests with the ultra-violet lamp and the spectroscope show that part of the scheelite is molybdenum-bearing.

"Based upon this cursory microscopic examination it appears that the only probable method of concentration will be fine-grinding the ore to pass about a 100-mesh screen followed by flotation of the small amount of scheelite. Tabling of such low-grade material is difficult due to the fine size of the scheelite and the large amount of relatively heavy garnet.

"Although flotation of the scheelite is suggested, laboratory testing would be required to determine if acceptable grade and recovery of tungsten concentrates can be obtained."

ORE RESERVES

The Eagle Point claims contain no measurable reserves of tungsten ore.

The reserves of tungsten-bearing rock have been tentatively estimated at about 70,000 tons containing 0.4 percent WO_3, and an additional 100,000 tons containing about 0.25 percent WO_3, all within a zone 500 feet long and 200 feet deep. The tonnage estimates are believed to be conservative, but the grade estimates are not considered reliable because the mineralized zones have not been adequately exposed and because of the difficulty of obtaining acceptable samples from the present workings.

Additional reserves may be present as extension of the mineralized zones along the strike and dip.

PRESENT STATUS

There are no buildings nor equipment of any kind on the inactive property.

ECONOMIC POSSIBILITIES

Dr. Harrison Schmitt, has estimated the economic possibilities of the deposit on the basis of the following assumptions:

(1) The deposit contains at least 70,000 tons of ore in a zone 7 feet wide, 500 feet long, and 200 feet deep;

(2) Run-of-mine ore from open stoping will average 0.50 percent WO_3;

(3) Mill recovery should amount to 60 percent.

On these bases, he has estimated that (1) the per ton mill return would be $18.50 with the price at $63.00 per unit, and (2) the total direct mining and milling costs should not exceed $12.00 to $13.00 per ton.

The writer has estimated costs of amortization and royalties, not included in Schmitt's direct costs, at approximately $5.35 a ton. These include an indicated owner's royalty of $1.65, $2.30 to amortize costs of proposed exploration and development, and $1.40 to amortize the writer's estimated cost of a milling plant. As taxes on production and interest on capital would probably be offset by salvage values, total costs a ton would then range from $17.35 to $18.35. It is my opinion, that these costs might be

somewhat higher because Schmitt's estimated direct mining labor cost of $3.00 is too low. Furthermore, the value of the ore probably would be substantially lower than the estimated $18.50 because the net returns from expectable low- and high-grade concentrates would be less than $63.00 per unit of WO_3.

PROPOSED EXPLORATIONS

The examining team proposes that exploratory work be confined to a 2-stage diamond drilling project. Under stage 1, the operator would be expected to make a geologic and topographic survey map of the pertinent area, and to do the minimum amount of drilling necessary for a reasonably accurate appraisal of the deposit. The survey work could be carried out either before or concurrent with the drilling. Work under stage 2 would be authorized only in event the results of the initial drilling were favorable. It would provide sufficient footage for a more detailed exploration of the mineralized zone.

A total of 4,400 feet of drilling to be completed in an estimated 7 months has been proposed for the project.

Stage I

Work under stage 1 would involve the topographic and geologic mapping and the following diamond drilling (figure 4):

1. Test areas A, B, and C by first drilling holes 1 to 8. The holes should be drilled along the indicated bearings and from sites that would allow 70- to 140-foot holes, averaging about 80 feet, to penetrate all tactite at an estimated average depth of about 30 feet below the surface.

2. Evaluate the results of above drilling. Assays should be checked by the DMEA by analysing duplicate pulps furnished by the operator. Test the most favorable of these areas by drilling 2 holed to intersect the tactite at an estimated average depth of about 120 feet below the previous holes. These holes, to be drilled on the bearings of the initial holes, should be at least 50 feet apart. In order to obtain good intersections, each hole probably will be 200 to 300 feet in length. Elevation of drill sites and the attitude of the deposit will show whether the holes can best be drilled from north or south of the limestone-granite contact.

A total of 1,300 feet of drilling should be allowed for Stage 1, as the average depths of holes may be somewhat greater than estimated.

Stage II

Exploratory work under this stage would provide for the drilling of additional shallow and deep holes of designs similar to those of stage 1. An estimated 20 shallow holes for a total of 1,600 feet would be drilled from the following sites:

1. Midway between previously drilled shallow holes;

2. At intervals of 25 feet along the strike to test for lateral extensions of mineralized tactite.

Six deep holes for a total estimated 1,500 feet should be provided for exploring the lower horizon of favorable zones. The total footage provided for stage 2 would be 3,100 feet, plus the unused portion of footage allowed in stage 1.

ESTIMATED COST OF PROJECT

A letter received from the applicant after the field investigations contained an alternate estimate of costs of diamond drilling. A contractor's bid on the drilling was attached to the letter. A copy of the letter and of the bid are appended to this report. The estimated costs follow:

*1,000 ft. of d.d. hole, AX bit size @ $5.25 per foot (2 shift basis)	$5,250.00
15 21.5-in. by 61.5-in. core boxes @ $5.50	82.50
Engineer or geologist for 1.5 months @ $600.00 per month	900.00
Expense for above @ $12.00 per day	540.00
Consultant, 6 days @ $100.00 per day	600.00
Mileage for consultant, 1,272 @ 7 cents per mi.	89.04
Assaying, 100 WO_3 @ $5.00	500.00
Total cost of 1,000 feet of holes	$7,961.54
Cost per foot	$7.96

*Minimum footage of contractor's bid.

The following are the writer's reasons for suggesting that some of the cost items are acceptable while others should be revised or eliminated.

Contract

The estimated average advance per shift, assuming a 6-day week, would be approximately 14.0 feet. This advance is reasonable under expectable conditions, ie, short holes in good coring ground that probably will require cementing to stop water loss at open fractures. On this basis, the bid of $5.25 per foot is reasonable, provided drilling will be carried out 2 shifts daily for 6 days a week and that every effort will be made to obtain core of at least AX size in the tactite where drill runs should not exceed 5 feet.

Supervision

Engineer or Geologist

The service of a mining engineer or geologist to oversee drilling activities, to keep records, and to assist the consulting engineer in survey work is considered advisable. A salary of $600.00 per month is not excessive in view of the expected short life of the project.

The service of Dr. Harrison Schmitt, as consulting engineer, also is considered necessary. He will be expected to supervise all field activities, write monthly and final reports, furnish necessary survey instruments, core splitter, and transportation of samples to an assayer. On this basis, the salary of $100.00 per day is not considered excessive.

Other supervisory costs, $900.00 expense for engineer or geologist and $89.04 for consultant's mileage, are not justified in view of the proposed salaries.

Other Costs

Assaying costs of $500.00 are considered reasonable. Probably more than one half of the 1,000 feet of drilling will be in mineralized tactite, all of which should be sampled. Sample intervals, recommended at not over 5 feet, would require at least 100 assays.

The 15 core boxes, costing $82.50, would provide for storage of 1,000 feet of core. As probably not over 75 percent of the core would be recovered or necessarily saved, the probable cost should be reduced to $62.00.

On the above basis, the estimated cost of drilling 1,000 feet of hole would be $7,312.00, or $7.31 per foot. This cost per foot is in close agreement with the applicant's original estimate of $7.17 after providing for the $0.75 increase in the drilling contract. The average of the 2 estimates would be approximately $7.25 a foot, a probable equitable cost for the proposed drilling. On the basis of $7.25 per foot, the proposed 4,400 feet of holes would cost $31,900.00. Of this, a maximum of $9,425.00 would be allowable for drilling 1,300 feet of holes under the first stage to determine if further explorations are justified.

CONCLUSIONS

The Eagle Point claims contain a relatively large tonnage of tungsten bearing rock, the grade of which cannot be estimated with a reasonable degree of accuracy due to inadequate exposures and the difficulty of obtaining acceptable samples from existing workings. On the basis of tentative reserve estimates, the chance of finding reserves of presently economic ore are believed to be unfavorable. However, these estimates do indicate that the deposit may contain significant tonnages of low-grade material of possible future economic interest.

RECOMMENDATIONS

Governmental participation in exploration of the Eagle Point tungsten claims is recommended for approval. The explorations should be confined to a 2-stage diamond drilling project costing an estimated total of $31,900.00. Participation in the second stage should be approved only in event favorable results are obtained from initial drilling at an estimated total cost of $9,425.00.

DMEA-3276, EAGLE POINT TUNGSTEN CLAIMS
EUREKA MINING DISTRICT
HIDALGO COUNTY, NEW MEXICO

APPENDIX

January 26, 1955

To: Rex Storms, Area Chief
U. S. Dept. of the Interior
Defense Minerals Exploration Adm.
University Station
Tucson, Arizona

From: L. C. Harris

Subject: Eagle Point Tungsten Claims, Docket No. DMEA 3276

Referring to my application for government participation on the Eagle Point property

I am herewith offering the following alternate estimate of costs for diamond drilling (preliminary exploration) of the property with not less than 1000 feet of hole and an estimated minimum of ten holes. Approximately five holes varying from 75 to 150 ft. deep would be drilled on the west side of the Eagle Point No. 1 claim in the vicinity of the shallow trenching done during 1954, approximately three holes 75-150 ft. deep would be drilled in the vicinity of the principal open cut on the same claim, and approximately two holes 75-150 ft. deep would be drilled near the east end of the claim in the vicinity of a trench across the contact in the area. All these holes are planned to cut the garnet zone at the contact of the granite and marble. The work would be supervised and the records kept by an engineer or geologist who would be present during the drilling time. The core and sludge would be stored on the

property at least until the work is completed and your agency gives a release.

A break down of costs for not less than 1000 feet of drilling during a period of two months follows. Two diamond drilling contractors visited the property and made independent bids on the work. A copy of the most favorable contract by the lowest bidder, a reliable firm, is attached.

1000 ft. of diamond drill hole AX bit size @ $5.25 * (2 shift basis)	$5250.00
15 21 1/2" x 61 1/2" core boyes @ $5.50	82.50
Engineer or geologist for 1 1/2 months @ $600	900.00
Expense for same @ $12 a day	540.00
Consultant, 6 days	600.00
Mileage for consultant, 1272 @ 7¢	89.04
Assaying, 100 WO_4 @ $5.00	500.00
	$7961.54

This would be at the rate of $7.96 per foot.

* Includes all drilling costs, water, casing moving, collaring, etc.

The contractor states that he would be willing to work on a two shift basis.

Presumably pending the completion of negotiations the work will start about June 1, 1955. The above estimates were made after consultation with Harrison Schmitt.

Yours very truly,

L. C. Harris

LCH:mm

CORE DRILLING AGREEMENT

1. THIS AGREEMENT made and entered into this _____ day of ____ _____19____, by and between L.C.Harris, P. O. Box 6657, Roswell, New Mexico, the party of the first part and MINES EXPLORATION & DEVELOPMENT CO., an Arizona Corporation of Tucson, Arizona, the party of the second part:

WITNESSETH:

2. In consideration of certain payments hereby agreed to be made by the said first party to the said second party, the said second party hereby agrees to drill, sink or prospect with a diamond core drill from the surface at the Eagle Point Claims, Little Hatchet Mountains, New Mexico, at sites to be selected by the said first party, subject to the conditions hereinafter mentioned.

3. The said second party agrees to use for the above described work one diamond core drill, and men skilled in operating same; to operate the drill one shift per day, or whenever practicable, and to furnish only such person as the said first party may designate, all core taken out of said prospect holes. Size of core is to be approximately 1 1/8 inches in diameter. The said first party shall provide suitable boxes if it desires to save the core, and if it also desires may have a man at the drill at all times to remove and take charge of said core. No information whatever regarding the records and results of this drilling shall be given to any other party without the written consent of the said first party.

4. The said first party hereby agrees to pay to the said second party the following prices for the herein described drilling:

For drilling from depths of 0- 500 feet.

Size	EX	$5.05	per	foot	drilled
"	AX	5.25	"	"	"
"	BX	5.40	"	"	"

The above prices include supplying the necessary water to the drill sites, cementing when necessary, and reaming and casing when necessary.

5. In accordance with this agreement the said first part hereby agrees to guarantee the said second party a minimum of 1000 feet of drilling, at the prices as herein provided in Clause 4.

The said second party shall have the option of withdrawing from this contract after a total of 1000 feet have been drilled under the terms of this agreement.

6. It is hereby agreed that should a cavity, or loose and caving ground be encountered at a depth which should prevent successful drilling, the party of the second part does not guarantee to drill said prospect holes to any specified depth, but will diligently drill or sink as seep as is practicable under the conditions, and the part of the first part shall pay for every foot actually sunk or drilled.

7. The party of the second part shall maintain such insurance as will protect him from claims under Workman's Compensation Acts and from any other claims for damage for personal injury, including death, whether such operations be by himself or by any other subcontractor or anyone directly or indirectly employed by either of them. Certificates of such insurance shall be filed with the party of the first part, if he so require, and shall be subject to his reasonable approval for adequacy of protection.

The party of the second part agrees to save and hold harmless the party of the first part from any claim for damages which may be made against the latter by reason of failure on the part of the party of the second part to carry the insurance required by the laws of the State of New Mexico.

8. The payments for the herein described work are to be made on the first day of each month for all invoices rendered for work done up to the 25th day of the previous month.

9. The party of the second part agrees to start the herein described work within _____ days from the date of notification of acceptance of this agreement.

It is expressly agreed that there are no promises, agreements or understandings outside of this contract, and that no agent or salesman has any authority to obligate Mines Exploration & Development Co., by any terms, stipulations or conditions not herein expressed. This contract may be altered only by the written consent of both parties hereto.

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

Submitted by _____ President

MINES EXPLORATION & DEVELOPMENT CO.

Accepted by

_____

_____

Approved by: _____

Mines Exploration & Development Co.

Dated _____

TRANSMITTED

FEB 21 1955

DMEA
Date Rec'd.
FEB 11 1955
BUREAU OF MINES
Denver, Colorado

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Defense Minerals Exploration Administration
Denver Federal Center
Denver 2, Colorado

February 11, 1955

Memorandum

To: Field Team, Region III

From: E. N. Harshman

Subject: DMEA Docket 3276 (tungsten), L. C. Harris, Eagle Point claims, Hidalgo County, New Mexico

Enclosed are the original and 8 copies of a geologic report by J. N. Faick, U. S. Geological Survey, covering the above subject property.

The property was examined by J. N. Faick on January 5 and 6, 1955, in company with T. M. Romslo, U. S. Bureau of Mines, and Harrison Schmitt representing the applicant.

Scheelite occurs in a tactite zone along a limestone-granite contact. The deposit has been exposed by 8 trenches and one open cut. About 1,000 tons of hand-sorted ore averaging 0.46 percent WO_3 have been shipped from the open cut.

Assuming the deposit continues to a depth of 200 feet, inferred ore reserves are tentatively estimated at 70,000 to 80,000 tons of tactite containing 0.40 percent WO_3.

Faick recommends a small exploration program of diamond drilling to determine continuity of the deposit at depth.

Although the deposit may be of marginal grade, it is believed to be of sufficient potential size to warrant some exploration. The exploration program proposed by the examining team appears justified.

E. N. Harshman

E. N. Harshman
Member, Field Team

Enclosures (9)

E N Harshman:arh

Reviewed by
DMEA OPERATING COMMITTEE
2-28-55
(date)

TRANSMITTED

FEB 21 1955

DMEA
DOB

Box 4126 University Station
Tucson, Arizona

Denver, Colorado

February 7, 1955

MEMORANDUM

TO: Mr. E. N. Harshman

FROM: J. N. Faick, Geologist

SUBJECT: Report of field examination of Eagle Point Tungsten Claims, DMEA 3276, Eureka Mining District, Hidalgo County, New Mexico

Enclosed are the original and 8 copies of a Geological Report on the above subject property. This report recommends Government participation in an exploration project consisting of diamond drilling which is to be done in 2 stages, the second stage depending upon the results of the first. The exploration is a necessary preliminary to determining grade of ore, feasibility of mining, and processing and other analyses that must be made before the deposit can be satisfactorily evaluated.

The brochure has been returned by Mr. Sterms.

John N. Faick
Geologist

JNF:ms
Enclosures

cc. Mr. Harshman (8)
Mr. Sterms

Reviewed by
DMEA OPERATING COMMITTEE
2-28-55
(date)

MINERAL D... S
DME
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FEB 11 1...
U. S.
GEOLOGICAL SURVEY
DENVER, COLORADO

EAGLE POINT CLAIMS

(TUNGSTEN)

HIDALGO COUNTY, NEW MEXICO

L. C. Harris Applicant

DMEA 3276

GEOLOGY

by John N. Faick
Geologist, U.S.Geological Survey

Reviewed by
DMEA OPERATING COMMITTEE
2-28-55
(date)

EAGLE POINT CLAIMS
(TUNGSTEN)
HIDALGO COUNTY, NEW MEXICO
L. C. Harris Applicant
DMEA 3276

CONTENTS

	Page
GEOLOGY	1
PRODUCTION, SAMPLES AND GRADE	3
ORE RESERVES	7
PROPOSED EXPLORATION	12
CONCLUSIONS AND RECOMMENDATIONS	14

ILLUSTRATIONS

Fig. 1 LOCATION MAP	See Engineering Report
Fig. 2 CLAIM MAP	" " "
Fig. 3 GEOLOGY OF THE EAGLE POINT TUNGSTEN DEPOSIT	Following Page 2
Fig. 4 PROPOSED EXPLORATION	See Engineering Report

TABLES

I	PRODUCTION FROM EAGLE POINT TUNGSTEN DEPOSIT	Page 4
II	ANALYSES OF SAMPLES CUT BY H. SCHMITT	" 6

GEOLOGY

The Eagle Point tungsten deposit is situated on the western slope of Granite Pass, about 17½ miles southwest of Hatchita, New Mexico. The area is underlain by limestone and by two distinctly different types of granitic igneous rocks. The limestone appears to be the southern extension of a large mass of clastic and calcareous sediments of Cretaceous age, which lies to the north of Granite Pass. The sediments have been intruded by granitic rocks of either Cretaceous or Tertiary age, and it is believed that the limestone at the Eagle Point prospect may be a roof pendent that is floored by the intrusive granites at relatively shallow but undetermined depths. These geologic units have been mapped _/ but there apparently is an error in the map. A preliminary compass-pace survey by this writer showing the position of the prospect with respect to topography, and stadia transit observations by Harrison Schmitt which relate the prospect to section corners indicate that the contact between limestone and granite upon which the Eagle Point prospect is situated actually lies about 1300 feet south of the position shown on the map.

At the Eagle Point tungsten prospect the normal limestone is light gray, thick-bedded to massive. It strikes nearly east-west and apparently dips steeply toward the south. Along an easterly trending contact zone, with granite in the north side and limestone on the south side, the limestone is bleached, recrystallized, and to a considerable extent replaced by garnet tactite as a result of intense

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_/ Plate I, U.S.Geol.Survey Prof. Paper 208.

metamorphism by the intruding granite. This tactite consists of dense, brownish, massive to crystalline garnet with which is associated small amounts of epidote, magnetite and scheelite. This tactite is irregular, more or less lenticular and apparently is not everywhere continuous, but is exposed in several isolated outcrops (see fig.3), that range in size from 10 or 20 feet in diameter to outcrops about 150 feet long and 30 feet wide. Most of these tactite masses are restricted to the actual contact zone; however, some were apparently surrounded by granite and others are nearly surrounded by limestone. An andesite (?) dike, about 10 feet wide, traverses obliquely across the contact zone (see fig. 3). This dike is probably post-ore in age as it cuts the tactite as well as the granite and limestone, but contains no scheelite.

Scheelite is the only mineral of economic importance and occurs as small grains and tiny veinlets widely distributed throughout the tactite. Most of the scheelite occurs in grains less than 1/16 inch in diameter, although it is occasionally found in larger grains and small veinlets. Most of the scheelite fluoresces bluish-white under the ultraviolet light but in a few places a yellowish tint was detected, suggesting that some molybdenum might be present in the scheelite.

During this examination T. M. Romslo, U. S. Bureau of Mines, collected 3 samples (11434-36) for analysis (see p. 7) and for microscopic examination. LaMar Evans, mineralogist, examined these

samples and reported as follows: "They are composed predominantly of garnet, which was tentatively identified as grossularite ($Ca_3Al_2[SiO_4]_3$) and small amounts of calcite, quartz, epidote, hornblende, magnetite and scheelite. The scheelite occurs as grains ranging in size from minus 65 to plus 200 mesh. Qualitative tests with the ultraviolet lamp and the spectroscope show that part of the scheelite is molybdenum bearing."

All of the tactite examined in the field with the aid of an ultraviolet light showed the presence of small amounts of scheelite. Those areas in which garnet is coarsely crystalline or granular appeared to contain considerably more scheelite than does the massive garnet. It was also noted that scheelite occurred in greater abundance in areas where the garnet tactite showed secondary brecciation.

PRODUCTION, SAMPLES AND GRADE

An attempt was made by lessees to operate the Eagle Point mine in 1943-1944, and through the efforts of Harrison Schmitt we have been able to secure what we believe is a reasonably reliable record of the production. This record was provided by one of the former lessees: W. A. Bohn, 4207 Woodleigh, Houston, Texas. Actual settlement sheets were in possession of Mr. Bohn's former partner and are not available at present. The record of shipments provided by Mr. Bohn is reproduced in detail in Table I.

TABLE I

PRODUCTION FROM EAGLE POINT TUNGSTEN DEPOSIT

Lot No.	Purchaser	Tons Dry Weight		Percent WO_3	Value	Remarks
D-20T	Metal Res.	49.	tons	0.61	$ 466.83	
	Alloy Metals	49.	"	0.305	148.84	Got a bad sample Protested
	" "	47.67	"	0.305	145.14	Protested
D-25T	Metal Res.	31.42	"	0.41	169.87	
D-27T	" "	97.21	"	0.52	744.67	
D-28T	" "	61.17	"	0.37	277.96	Protested
D-29T	" "	49.47	"	0.43	287.92	
D-30T	" "	50.39	"	0.50	365.37	
D-31T	" "	43.74	"	0.37	200.84	Protested
D-32T	" "	51.22	"	0.46	329.38	
D-33T	" "	52.21	"	0.53	418.77	
D-34T	" "	60.07	"	0.44	361.65	
D-35T	" "	53.85	"	0.48	368.34	
D-36T	" "	52.87	"	0.28	144.88	Got a bad sample Protested
D-37T	" "	51.65	"	0.54	485.30	
D-38T	" ")					
D-39T	" ")	210.+	"	0.52-		
D-40T	" ")			0.54	1,559.97	Shipped as of notice of cancellation of contract with M.R.C.
D-41T	" ")					
	Total	1,010.94	tons Ave.	0.46	$6,475.76	Total

This is hand sorted ore and actually represents about one-half of the material extracted during mining. The last 4 shipments, D-38 to D-41 inclusive, were shipped as of notice of cancellation of contract with Metals Reserve Corporation, and the record on these is not complete.

The 2 shipments delivered to Alloy Metals Company were refused by Metals Reserve, supposedly because of the low grade. All of these shipments, except those delivered to Alloy Metals Company, were delivered to the Deming Stockpile, but there apparently is no accurate record of the deliveries. In a letter dated January 13, 1955, Mr. W. F. Murray, Manager, informed this writer that there is no record of these shipments at Deming, but that he and Mr. V. W. Winters, Chief, Emergency Procurement Activities, estimated between 1100 and 1200 tons of ore in the stockpile. This checks fairly well with the 1,010 tons reported above, and the 1300 tons that Schmitt calculated had been shipped from the open cut. The Denver Office of the General Services Administration reports that the Metals Reserve purchased from this property 180 tons of ore assaying 0.36 percent of WO_3, but apparently this record is incomplete. The ore was purchased by Metals Reserve under contract number NSP-18.

At 6 localities along the main contact zone Harrison Schmitt cut 30 samples normal to the contact, and obtained 3 others from an area several hundred feet farther northwest. The location and analyses of most of these samples is given on Fig. 3 and Fig. 4 and analyses of all of the samples taken by Schmitt are shown in Table II.

TABLE II

ANALYSIS OF SAMPLES CUT BY H. SCHMITT

No. Original Sample	No. Check Sample	Location	Width Ft.	Percent WO_3 Original	Check
1a	32	Trench 1	3.6	0.12	0.08
1b	33	" 1	5.0	0.11	0.25
1c	34	" 1	5.0	0.05	0.19
35			6.0	0.54	
2		Main Open Cut	7.0	0.12	
3		" " "	9.0	0.11	
4	29	" " "	2.5	0.11	0.13
5	30	" " "	5.5	0.08	0.16
6	31	" " "	7.0	0.06	0.13
7			6.0	0.33	
8		Pit at Trench 4	6.0	0.75	
12		Trench 4	12.0	0.25	
13		" 4	5.0	0.21	
14		" 4	9.0	0.05	
15		Trench 5	5.0	0.25	
16		" 5	3.0	0.14	
17		Trench 6	5.0	0.11	
18		" 6	5.0	0.14	
19		Trench 7	5.0	0.21	
20		" 7	5.0	0.15	
21		" 7	5.0	0.07	
22		" 7	5.0	0.40	
23		" 7	5.0	0.20	
24		" 7	4.0	0.10	
25		Trench 9	5.0	0.30	
26		" 9	5.0	0.07	
27		" 9	5.0	0.35	

Arithmetical average of all of above samples is 0.19

In an effort to verify the above sampling, T. M. Romslo cut 3 samples at localities sampled by Schmitt, but it was impossible to duplicate the results. The analyses are given below as a basis for comparison.

U.S.B.M. No.	Schmitt's No.	U.S.B.M. Analysis	Schmitt's Analysis
11434	Opposite No. 22	0.03	0.40
11435	#8	0.27	.75
11436	#7	0.10	0.33

The above results of sampling show conclusively that the deposit is relatively low grade, that sampling is difficult and unsatisfactory, and that the results cannot be checked satisfactorily by resampling. Obviously a better means of testing the deposit is necessary. The above recorded and estimated production of 1,010.94 containing a weighted average of 0.46 percent WO_3 provides the most reliable estimate available, but there is very little ore as rich as this exposed at the surface at present.

ORE RESERVES

The mineralized contact zone has a strike length of about 1000 feet in an easterly direction; the west end of the contact apparently dips steeply south, and the east end apparently dips steeply north. Along this zone tungsten-bearing tactite crops out in three principal places (see fig. 3), each outcrop being separated from the other by relatively barren zones. These tactite

bodies, are very poorly exposed, and apparently are relatively small and very irregular in shape. These outcrops of mineralized tactite are designated on Fig. 3 as Area A, Area B, and Area C.

The western-most tactite body (Area A), if not the longest, is the most regular in shape and apparently contains the most tungsten. This tactite body extends from a few feet west of No. 7 trench (fig. 3) to a few feet east of Trench No. 4, a strike distance of about 150 feet. The tactite ranges from about 8 to 30 feet wide, but the east end of it is split into 2 units by an andesite dike which cuts the tactite. The numerical average of 14 samples cut by Schmitt in 4 trenches in the west tactite body contained an average of 0.22 percent WO_3 and the average of samples 8 and 12 indicate a grade of 0.47 percent WO_3 for a true width of 11 feet. Samples taken in trenches 5, 6 and 7 are not satisfactory because the trenches did not fully expose the contact zone. In trench No. 7, samples 22 and 23 indicate a 10-foot width of ore containing an average of 0.30 percent WO_3. It is assumed that the best ore found in trenches 4 and 7 is indicative of the ore that might be found by the early phases of exploration; therefore an ore body 150 feet long, 10 feet wide and containing 0.4 percent WO_3 is indicated. Allowing 10 cubic feet per ton, about 150 tons of ore per foot of depth is possible. However, if we assume a width of 30 feet, which is the maximum width of the tactite, and a length of 150 feet, then about 450 tons of mineralized tactite

per foot of depth containing about 0.22 percent WO_3 may be present in Area A.

Reserves of the Middle tactite orebody, Area B, cannot be estimated with reasonable accuracy because it is very irregular in shape, because the granite-limestone contact along which the tactite is localized is irregular and because the tactite is transected by an andesite dike which probably represents a fault, along which there may have been some displacement. The outcrop of the middle tactite body is sub-triangular and is about 50 feet wide on the west end and pinches to about 2 or 3 feet on the east end, and has a strike length of about 100 feet.

Six samples cut by Schmitt from the middle tactite body (fig. 3) are consistently low grade, the highest grade being 0.33 percent WO_3. The last mentioned sample is probably not very reliable because it was cut along a fracture zone near which scheelite apparently was localized. Inspection with the ultraviolet light revealed that there are some fair concentrations of scheelite in fractured tactite in the north wall of the open cut.

The open cut in this middle tactite body, Area B, undoubtedly was the source of the tungsten formerly shipped to the Metals Reserve stockpile and to Alloy Metals, and according to available records amounts to about 1,000 tons of ore containing 0.46 percent WO_3. This ore was obtained after removal of much waste by hand sorting. This ore was mined from a tactite zone along the south side of a granite

apophysis where it cuts into crystalline limestone. Schmitt estimated 2,000 tons had been mined, and our records show that about 1,000 tons containing 0.46 percent WO_3 were shipped; therefore, the ore as mined must have contained about 0.23 percent WO_3. A numerical average of 6 samples cut by Schmitt from this zone shows a WO_3 content of 0.135 percent, but this average is undoubtedly much too low because it represents only the material left after mining.

The reserves at the open cut, Area B, are tentatively estimated to be about 100 tons of ore containing about 0.25 percent WO_3 per foot of depth, in a block about 100 feet long and 10 feet wide. This estimate may be too conservative because the actual tactite outcrop is relatively large, and contains scheelite throughout, but data are insufficient to make a reliable estimate. About 150 feet northeast of the open cut is another outcrop of tungsten-bearing tactite for which reserves are not estimated, because of insufficient data.

The eastern outcrop, Area "C", of the mineralized tactite, is poorly exposed in an outcrop about 100 feet long, and has been cut by No.1 prospect trench, which reveals the tactite to be nearly 20 feet wide. Schmitt cut 4 samples and 3 check samples across 19.6 feet of this tactite zone, which showed a numerical average of 0.19 percent WO_3. The 6-foot wide zone of tactite adjacent to the granite contained 0.54 percent WO_3, but the weighted average of 5 samples (Nos. 1b, 33, 1c, 34 and 35), representing a tactite zone 16 feet wide, contained a weighted average of 0.29 percent tungsten.

If it is assumed that the tungsten is persistent along this tactite zone for a width of 16 feet and a strike length of 100 feet, then the reserves may be estimated at about 160 tons of ore per foot of depth, with the tungsten content of the ore being about 0.29 percent.

The above reserve estimates are summarized as follows:

Location	Width (feet)	Length (feet)	Estimated tons per foot of depth	Estimated grade in percent WO_3
West Outcrop	10	150	150	0.40
Middle Outcrop	10	100	100	0.23
East Outcrop	16	100	160	0.29
		Total	410	Average 0.3

These estimates of tonnage are believed to be conservative; however, the grade estimates are not very reliable because of the inherent difficulty of obtaining reliable samples from this type of a deposit, and because the zone is not adequately exposed. Schmitt tentatively estimated that 70,000 tons of ore containing about 0.5 percent WO_3 might be localized along the limestone-granite contact in a zone 7 feet wide, 500 feet long, and 200 feet deep. This agrees closely with a previous estimate by this writer, arrived at in a somewhat different manner in October 1951 (see DMEA 1476X), in which reserves were estimated to be about 82,000 tons containing 0.40 percent tungsten. In addition this writer estimated that an additional 100,000 tons of ore containing about 0.25 percent WO_3 might be present on the property.

At this time there is no reason to modify the 1951 estimate of reserves as they indicate the magnitude or potential of the deposit; however, I propose that we tentatively accept Schmitt's estimate of 70,000 tons of ore and this writer's estimated grade of 0.4 percent WO_3 as an expression of the reserves along the contact. An additional 100,000 tons of ore containing about 0.25 percent WO_3 might exist in the border zones of the tactite and along strike extensions of the areas for which reserves are estimated. These reserve estimates are for ore that might exist above depths of 200 feet but these reserves might be considerably increased if it can be shown that there are extensions of ore along both the strike and dip of the contact. All ore reserves estimated above are regarded as inferred.

The deposit is large enough to justify exploration, but there is some doubt that exploitation of the deposit will be economically feasible, because of its low grade and the natural difficulties that will be encountered in processing and marketing this ore.

PROPOSED EXPLORATION

During the field examination, in which the applicant was represented by Harrison Schmitt, it was decided that the original exploration proposals submitted with the application were subject to revision and that exploration should be done in stages, and that some of the proposed work was development and should be removed from the exploration program. It was decided that preliminary exploration should be restricted to diamond drilling and that this

should be done in 2 stages as is described in the engineering report. The first stage of exploration is a minimum program of drilling to provide basic data to determine if the deposit is of sufficient merit to justify the second stage. If the first stage yields encouraging results, then the second stage drilling would be worked out by the applicant with approval of the Government; however, if the first stage drilling yields undesirable results, then the project should be terminated.

The first stage drilling consists of not more than 10 holes, 8 of which are shown on fig. 4, representing a total of about 1300 feet of hole at a maximum cost of $9,425. The second stage of exploration provides for about 20 short holes having a total of 1600 feet, plus 6 deep holes totaling about 1500 feet, plus any unused drilling from Stage II. A grand total of 4400 feet of drilling is proposed in the 2 stages, at a total cost of $31,900.

The deposit previously was explored with a few short diamond drill holes in the vicinity of the open cut but there are no records of this drilling available. A small amount of core is reported to be strewn over the surface. It is reported that the deepest hole was drilled vertically downward from the floor of the open cut to a depth of 180 feet, and obtained tungsten-bearing tactite at this depth. It is doubtful if this drilling was done under competent direction without which it would contribute little or nothing to our present knowledge of the deposit.

CONCLUSIONS AND RECOMMENDATIONS

The Eagle Point tungsten prospect is large enough and may contain sufficient tungsten to be of interest to the government. The merits of the property are unproved because of the absence of adequate data, and our knowledge of it can be increased only through additional exploration. Government participation in a small exploration project on the Eagle Point claims is justified for the following reasons:

1. This is a relatively large low-grade deposit that may contain significant amounts of tungsten.

2. The available data are inadequate for a satisfactory appraisal of the deposit, and exploration is required in order to prove whether it contains ore in sufficient grade and quantity that it might be minable at some future time.

3. The immediate objective of the exploration proposed in Stage I is to try to prove the existence of an estimated 70,000 tons of ore containing about 0.4 percent WO_3 and 100,000 tons of ore containing about 0.25 percent WO_3, above a depth of 200 feet. If this is successful, and if exploitation of the deposit appears feasible, then Stage II should be undertaken in an effort to appreciably increase these reserves.

4. The property is controlled by an apparently prudent and responsible individual who will undoubtedly continue to provide competent management as in the past.

For the above reasons, it is recommended that Government participation in an exploration project be granted.

800

DOCKET
SURNAME

Rutledge
Martin
Geehan
Newcomb
Johnson
Whitteudorf

DEC 13 1954

Mr. W. H. King, Executive Officer
DMEA Field Team, Region IV
224 New Custom House
Denver 2, Colorado

Re: Docket No. DMEA 3276 - Tungsten
L. C. Harris
Eagle Point claims
Hidalgo County, New Mexico

Dear Mr. King:

Reference is made to the subject docket and your letter of December 2, 1954, enclosing a memorandum dated November 23 by J. H. Feick, Geological Survey.

You are hereby authorized and requested to reexamine the Eagle Point property. The resulting Field Team report should contain any available drilling data obtained from previous exploration of the deposit, as requested in our letter of November 1, 1954. Please also provide whatever information you can find on metallurgical testing of the ore.

Sincerely yours,

W. S. Martin

ACTING Chairman, Operating Committee (JHB)

APPROVED:

C. H. JOHNSON

Member, Bureau of Mines (JHB)

Thor H. Kiilsgaard

Member, Geological Survey (JHB)

FARutledge:fec
12-8-54
cc to: Docket
Code 480
Adm. Reading File
Operating Comm.
FT. REG. IV
R. W. Geehan, USBM
Thor H. Kiilsgaard, USGS

Docket

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

224 New Customhouse
Denver 2, Colorado

December 2, 1954

W309

Memorandum

To: Chairman, Operating Committee

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA 3276 (Tungsten), L.C. Harris, Eagle Point Claims, Hidalgo County, New Mexico

Enclosed are two copies of a memorandum prepared by J. N. Faick, Geologist, U.S. Geological Survey. The Field Team requested this information after receiving your letter dated November 1, 1954. It now appears that a field examination should be made and a formal report prepared.

We have in this office one copy of an application dated March 8, 1954, submitted by L. C. Harris; a photostat of a Lease and Option on the Eagle Point Claims; and a report by Harrison Schmidt, Geologist, dated March 1954.

Please advise us if we should proceed with the field examination.

W. H. King

W. H. King

Enclosure

OK to ask for exam., but say again we would like to know about old drilling if possible - Note that the figures PT reports for prod. sold to Deming Depot show lower tonnage & lower grade than applicant.

Box 4126 University Station
Tucson, Arizona

November 23, 1954
AIRMAIL

MEMORANDUM

To: A. H. Koschmann EMH. for AHK

From: J. H. Faick, Geologist, Tucson, Arizona

Subject: Docket No. DMEA 3276 (Tungsten) L. C. Harris, Eagle Point Claims, Hidalgo County, New Mexico

This is to acknowledge receipt of the Field Team's Memorandum dated November 5, 1954, in which it is requested that I visit the above subject claims to determine if sufficient additional information is available to warrant a DMEA application. After receiving the above memorandum I have reviewed all of the available data and have discussed the property with Harrison Schmitt, Consulting Geologist, who examined the property for the applicant. I have not found time to visit the Eagle Point claims, but after reviewing the data am convinced that we would be justified in making a regular examination of the prospect.

The Eagle Point tungsten property was the subject of an earlier application by B.B.& P. Mining Company, Docket No. DMA 1476X. I was in charge of the examination that was made at that time and was senior author of the report by J. H. Faick and J. A. MacKeller, Geologists, U.S.Geological Survey, which was submitted October 20, 1951, and which resulted in a denial of the requested assistance. Denial at that time was based upon the fact that the ore, which occurred in several disconnected bodies, was very low grade, expensive to mine, and isolated from production facilities. The project was not feasible at that time. I reported a production of 665 tons of ore containing 0.44 percent WO_3 which was sold to the Minerals Reserve Corporation Depot in Deming, New Mexico, but the ore was never processed. The ore reserves were estimated to be 82,000 tons containing about 0.40 percent WO_3, and about 100,000 tons containing about 0.25 percent WO_3 or less. I now believe these ore reserve estimates are on the optimistic side, but other factors have changed that make the deposit appear somewhat more favorable under present conditions.

Harrison Schmitt says several trenches were dug across the deposit since the original application but before the second application was submitted. He says these trenches exposed a mineralized zone about 5 feet thick, which in many places contains about 0.5 percent WO_3, and he believes the new trenches revealed enough tungsten ore to be of possible commercial value.

There is little doubt that considerable reserves of low-grade tungsten-bearing tactite are present on the property, and these might be proved by additional exploration. The principal problems involved appear to be that of determining the grade, methods of mining and processing the ore, marketing and feasibility of operations. These are not rightfully problems for a RMRA geologist; therefore I believe it is best that the application be sent to the field so that an engineer and a geologist may be assigned to examine the project in the usual manner.

In order that a suitable examination and report can be executed, would you please have the subject application forwarded either to Mr. Storms or me?

J. N. Faick

cc Koschmann (8)
Storms

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 10 1954

224 New Customhouse
Denver 2, Colorado

November 8, 1954

Memorandum

To: Chairman, Operating Committee

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA 3276 (Tungsten), L.C. Harris, Eagle Point Claims, Hidalgo County, New Mexico.

Reference is made to your letter dated November 5, 1954, requesting information regarding the Eagle Point claims.

The Field Team has requested the Survey Geologist stationed at Tucson to visit the property to determine if sufficient additional information can be obtained to warrant a DMEA application.

The Denver office of the General Services Administration states that the Metals Reserve purchased a small amount of tungsten from this property. They were given contract number NSP-18. According to their records they received 180 short tons of ore assaying .36 per cent WO_3.

John F. Shaw
for W. H. King

400 DOCKET SURNAME

Chapman
Martin
Geehan
Newcomb
Selfridge
Utterbeck

NOV 1 - 1954

Mr. W. H. King, Executive Officer
DMEA Field Team, Region IV
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA 3276 - Tungsten
L. C. Harris
Eagle Point Claims
Hidalgo County, New Mexico

Dear Mr. King:

On October 4, 1954, Mr. L. C. Harris called here to discuss our denial of the captioned application by letter of April 15, 1954.

As you will recall, no new field examination was made in this instance because we had in our file the report of John N. Faick and Jules A. MacKaller, sent to us with your letter of October 17, 1951, at which time the same property was the subject of an earlier application by B. B. & P. Mining Company, Docket No. DMA-1476X.

Mr. Harris was advised that a field examination could be arranged if at any time new work exposed new indications that would justify a more favorable opinion than is now warranted. It was made clear, however, that there would be no advantage in submitting a new application without such new evidence.

Please send us, if available from the General Services Administration, the sampling data on the settlement sheets for the lots delivered from the subject claims to the Deming Depot.

It will also be appreciated if you will send to us, so that we can in turn advise Mr. Harris, any available assays or other data for the diamond drilling mentioned on page 9 of the above-mentioned report.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

APPROVED:

J. H. Hedges (JHB)
Member, Bureau of Mines

Thor H. Kiilsgaard (JHB)
Member, Geological Survey

TLCHAPMAN:foc 10-28-54
cc to: Docket
Code 400
Adm. Reading File
Operating Comm.
FT. REG.IV
R. W. Geehan, USBM
Thor H. Kiilsgaard, USGS

R.C.S.

400

DOCKET
SURNAME

~~Hopkins~~
Martin
Gehan
Guild
Jarrabe
Hedges
Johnson

APR 15 1954

Mr. L. C. Harris
Oil Properties
P. O. Box 6657
Roswell, New Mexico

Re: Docket No. DMEA 3276 - Tungsten
Eagle Point Claims
Mishlan County, New Mexico

Dear Mr. Harris:

Your application for aid for an exploration project and other data available to us in Washington relating to the above named property have been reviewed.

Projects approved by the Defense Minerals Exploration Administration must, in its judgment, show definite promise of yielding materials of acceptable grade in quantities that will significantly improve the mineral supply position for the National Defense Program.

Careful study of all our information, although noting small amounts of tungsten mineralization on your property, indicates to us that the probability of disclosing minable ore reserves by your proposed program is not sufficiently promising to justify Government participation. We regret to advise, under the circumstances, that your application for exploration assistance is denied.

We wish to thank you for your interest in the Defense Minerals Exploration Administration program and for bringing your property to our attention.

JHopkins:foc
4-13-54
cc to: Docket
Code 400
Adm. Reading File
Oper. Comm.
FT. Reg.IV
R. W. Geehan, USBM
T. P. Thayer, USGS

Sincerely yours,

J. O. Mittendorf (for)

Administrator

R.G.G.

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

Memorandum

APR 15 1954

To: Administrator, DMEA

From: Iron and Ferro-Alloys Division, DMEA

Subject: Denial of application for exploration assistance in the amount of $160,267.00
Docket No. DMEA 3276 - Tungsten
Mr. L.C. Harris
Eagle Point Claims, Hidalgo County, New Mexico

The denial of the subject application by this Division is based on the following information:

1. The applicant requested exploration assistance in the amount of $160,267.00 to explore for tungsten on the Eagle Point Mining claims, Hidalgo County, New Mexico.

2. The applicant's property has previously been considered for tungsten exploration assistance under Docket No. DMEA-1476.

3. At that time the field team examiners' report and the Commodity Divisions of the Geological Survey and Bureau of Mines recommended that the property be denied Government assistance.

4. The Field Team report of October 16, 1951, stated that the inferred reserves were about 82,000 tons averaging 0.4 percent WO_3, and 100,000 tons averaging 0.25% WO_3.

5. In order to profitably mine this grade of ore there should be a mill on the property. However, the reserves were insufficient to justify the cost of a mill.

6. The known geology of the Eagle Point claims does not indicate that a substantial amount of minable ore will be found by the proposed work.

7. The new application contains no new information that would make exploration more attractive now than at the time of the field team examination in 1951.

8. The Field Team, when asked if another examination now would provide recommendations differing from the report of October 16, 1951, replied that, "there is no reason to change recommendation of October 16, 1951."

9. The Commodity Divisions of the Geological Survey and Bureau of Mines recommend that the application be denied.

W S Martin

W. S. Martin, Chief
Iron and Ferro-Alloys Division

Docket
Surname
Hopkins
Martin
Gechery
Guild
Johnson

APR 15 1954

Memorandum

To: Administrator, DMEA

From: Iron and Ferro-Alloys Division, DMEA

Subject: Denial of application for exploration assistance in the amount of $160,267.00
Docket No. DMEA 3276 - Tungsten
Mr. L.C. Harris
Eagle Point Claims, Hidalgo County, New Mexico

The denial of the subject application by this Division is based on the following information:

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2. The applicant's property has previously been considered for tungsten exploration assistance under Docket No. DMEA-1476.

3. At that time the field team examiners' report and the Commodity Divisions of the Geological Survey and Bureau of Mines recommended that the property be denied Government assistance.

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6. The known geology of the Eagle Point claims does not indicate that a substantial amount of minable ore will be found by the proposed work.

7. The new application contains no new information that would make exploration more attractive now than at the time of the field team examination in 1951.

8. The Field Team, when asked if another examination now would provide recommendations differing from the report of October 16, 1951, replied that, "there is no reason to change recommendation of October 16, 1951."

9. The Commodity Divisions of the Geological Survey and Bureau of Mines recommend that the application be denied.

W. S. Martin, Chief
Iron and Ferro-Alloys Division

JHopkins:foc
cc to: Docket
Code 400
Adm. Reading File
Oper. Comm.

C

G. C. Selfridge
4-8-54
6:10 P.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 9 1954

DN 235 BUREAU MINES 4-8-54 4-10 PM

G C SELFRIDGE, DMEA

REURTEL APRIL 7, U. S. GEOLOGICAL SURVEY OPINION ON DOCKET DMEA 2XX 3276, OR DMA 1476, EAGLE POINT CLAIMS, HIDALGO COUNTY, NEW MEXICO, IS-- "THERE IS NO REASON TO CHANGE RECOMMENDATION OF OCTOBER 16,1951".

W H KING

Denver, Colo.

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

APR 7 1954

To: W. H. Hay, DMEA EXECUTIVE OFFICE, REGION IV, DENVER, COLORADO

RE DOCKET NO. DMEA 3896 EAGLE POINT CLAIM HIDALGO COUNTY, NEW MEXICO.

HAVE YOU ANY REASON TO BELIEVE THAT ANOTHER FIELD EXAMINATION NOW WOULD PROVIDE DIFFERENT RECOMMENDATIONS FROM FIELD TEAM REPORT OF OCTOBER 22, 1951 THEN CALLED FOR 2495

Hopkins
Martin
Geehan
Newcomb
Selfridge
Johnson
Matthews

George C. Selfridge

G. C. SELFRIDGE (245)
CHAIRMAN, OPERATING COMMITTEE

CC to: Field Team, Region IV- CONFIRMATION
Docket
Code 1600
Adm. Reading File
Oper. Comm.
Audits Divn., Bur Mines
R. W. Geehan, USGM
T. P. THAYER, USGS

SENT
APR 7 1954
Clerical Service Section

R.C.B.

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

March 31, 1954

WSM

Memorandum

To: W. S. Martin, DMEA

From: E. L. Newcomb, USGS

Subject: Recommendation for denial
Docket DMEA-3276 (DMA-1476) TUNGSTEN
Eagle Point Claims
Hidalgo Co., New Mexico

The applicant requests assistance on a 2-stage project involving 4425 feet of diamond drilling, 210 feet of shaft sinking, 1000 feet of drifting and 230 feet of raising.

The applicant's property has previously been considered for tungsten exploration assistance. The field team examiners' report and the commodity reviewers recommended that the property be denied Government exploration assistance.

The field team report of October 17, 1951, stated that the inferred reserves were about 70,000 tons averaging 0.4 percent WO_3. In order to profitably mine this grade of ore there should be a mill on the property. However, a very large tonnage of ore would be required to justify the cost of a mill. The known geology of the Eagle Point claims does not indicate that a substantial amount of minable ore will be found by the proposed work.

There is no new information in this application which makes exploration more attractive now than at the time of the field team examination in 1951.

I recommend the application be denied.

E. L. Newcomb

E. L. Newcomb

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

March 31, 1954

Memorandum

To: W. S. Martin, DMEA

From: L. L. Newcomb, USGS

Subject: Recommendation for denial
Docket DMEA-3276 (DMA-1476) TUNGSTEN
Eagle Point Claims
Hidalgo Co., New Mexico

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There is no new information in this application which makes exploration more attractive now than at the time of the field team examination in 1951.

I recommend the application be denied.

L. L. Newcomb

(3) W.S. Martin

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

March 31, 1954

Memorandum

To: W. S. Martin, [illegible]

From: L. L. Newcomb, [illegible]

Subject: Recommendation for denial
Docket [illegible]-3276 ([illegible]-1476) [illegible]
Eagle Point Claims
Hidalgo Co., New Mexico

The applicant requests assistance on a 2-stage project involving 4425 feet of diamond drilling, 210 feet of shaft sinking, 1000 feet of drifting and 230 feet of raising.

The applicant's property has previously been considered for tungsten exploration assistance. The field team examiners' report and the commodity reviewers recommended that the property be denied Government exploration assistance.

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There is no new information in this application which makes exploration more attractive now than at the time of the field team examination in 1951.

I recommend the application be denied.

L. L. Newcomb

(3) W.S. Martin

See also DMEA 1476

200

DOCKET COPY

March 23, 1954

Memorandum

To: Mr. Martin, Iron & Ferro Alloys Division, DMEA

From: Mr. Adams, Operations Control & Statistics Division, DMEA

Subject: DMEA-3276, L. C. Harris, Roswell, New Mexico

On Monday, March 22, 1954, I received a long-distance telephone call from Mr. Harris Schmitt, Silver City, New Mexico, who identified himself as a consulting geologist for Lawrence Harris, applicant in docket DMEA-3276 for tungsten.

The only question he seemed to require an answer to was the length of time it might take for this application to be processed. I informed Mr. Schmitt that it could take from one to two months, depending on the completeness of information available, the results of the Field Team examination, if any, etc. He seemed to be satisfied with these answers and suggested that the field team examination probably would be handled by Mr. Storms of the Tucson office. His last remark was that he hoped the application could be processed as soon as possible.

ROBERT E. ADAMS

Robert E. Adams
Chief, Operations Control
and Statistics Division

REAdams/hb
Copy to: Mails and Records
Admr. R. File
Chron.

R.E.A. 3-25-54

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

March 12, 1954
Subject: DMEA-3276
Re: Exploration Assistance
Eagle Point

Mr. L. C. Harris
Oil Properties
P. O. Box 6657
Roswell, New Mexico

Dear Sir:

The receipt of your application dated March 8, 1954 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-3276 and referred to the Iron and Ferro Alloys Division.

Kindly refer to DMEA-3276 in any future correspondence relating to your application.

Sincerely yours,

ROBERT E. ADAMS
Robert E. Adams
Chief, Operation's Control
and Statistics Division

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

March 12, 1954

Memorandum

To: Executive Officer, DMEA Field Team, Region IV

From: Chief, Operation's Control and Statistics Division

Subject: Assignment of Docket Number

There is listed below the assigned docket number to an application recently received from Region IV.

DMEA - 3276 L. C. Harris

ROBERT E. ADAMS
Robert E. Adams,
Chief, Operation's Control
and Statistics Division

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

RECEIVED
MAR 12 1954

224 New Customhouse
Denver 2, Colorado

March 8, 1954.

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Field Team, Region IV

Subject: (Tungsten) - Application of L. C. Harris, Eagle Point Claims, Hidalgo County, New Mexico.

Enclosed are three copies of the subject application in the amount of $160,267.08. One copy of the application is being retained in this office.

W. H. King

E. N. Hasskman
for A. H. Koschmann

Enclosures

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Form Approved.
Budget Bureau No. 42-R1035.2.

APPLICATION FOR AID IN AN EXPLORATION PROJECT, PURSUANT TO DMEA ORDER 1, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

DEPARTMENT OF THE INTERIOR
Minerals Administration
RECEIVED
MAR 12 1954

Not to be filled in by applicant

Docket No. 3276
Metal or Mineral Tungsten
Date Received
Estimated Cost $160,267
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: L. G. Harris
Oil Properties
P. O. Box 6657
Roswell, New Mexico

(*b*) If other than an individual, add to your name above whether a corporation, partnership, etc., and the name of the State in which incorporated or otherwise organized.

(*c*) If a corporation, add to above statement, titles, names and addresses of officers.

(*d*) If a partnership, add to the above statement the names and addresses of all partners.

2. *General.*—Read DMEA Order 1, "Government Aid in Defense Exploration Projects," before completing this application. Submit this application and all accompanying papers in quadruplicate (four copies), with your name and address on each sheet of the application and on all accompanying papers. Where sufficient space is not provided on the form for all required information, state it on an accompanying paper, with a reference in each case to the instruction to which it refers by number. Comply with all applicable instructions; or, if not applicable, so state. File the application with Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest field executive officer thereof.

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract lease and option to purchase unpatented mining claims: Eagle Point Nos. 1, 2, 4 and 5. Recorded by County Clerk of Hidalgo County, New Mexico, Book 2, pages 593, 594 and 63a. Said claims being located in Sec. 22, Twp. 29 South, Range 18 West, N.M.P.M. in Hidalgo County, New Mexico.

(*b*) State any mine name by which the property is known. Eagle Point

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise lease with option to purchase

(*d*) If you are not the owner, submit with this application a copy of the lease, contract, or other document under which you control the property. (see attached copy of lease and option)

(*e*) If you own the land, describe any liens or encumbrances on it none

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice.

4. *Physical description.*—(*a*) Describe in detail any mining or exploration operations which have been or now are being conducted upon the land, including existing mine workings and production facilities. State your interest, if any, in such operations. Also describe accessibility of mine workings for examination purposes.

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades.

(*c*) Describe the geologic features of the property, including mineralization, type of deposit (vein, bedded, etc.), and your reasons for wishing to explore. Illustrate with maps or sketches. Send with your application (but not necessarily as a part of it) any geologic or engineering report, assay maps, or other technologic information you may have, indicating on each whether you require its return to you.

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points.

(*e*) State the availability of manpower, materials, supplies, equipment, water, and power.

5. *The exploration project.*—(*a*) State the mineral or minerals for which you wish to explore Tungsten

(*b*) Describe fully the proposed work, including a map or sketch of the property showing a plan (and cross sections if needed) of any present mine workings, and the location of the proposed exploration work as related to such features as contacts, veins, ore-bearing beds, etc.

(*c*) The work will start within 30 days and be completed within 9 months from the date of an exploration project contract.

(*d*) State the operating experience and background of the applicant with relation to the ability to carry out such exploration project, and also that of the person or persons who will supervise the operations.

6. *Estimate of costs.*—Furnish a detailed estimate of the costs of the proposed work (you will have to use a separate sheet), under the following headings. Add the totals under all headings to give the estimated total cost of the project:

(*a*) *Independent contracts.*—(Note.—If the applicant does not intend to let any of the work to contractors, write "none" after this item. To the extent that the work is to be contracted, do not repeat the cost of the contract-work in subsequent items.) State the cost of any proposed independent contracts for the performance of all or any part of the work, expressed in terms of units of work (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved, etc.).

(*b*) *Labor, supervision, consultants.*—Include an itemized schedule of numbers, classes and rates of wages, salaries or fees for necessary labor, supervision and engineering and geological consultants.

(*c*) *Operating materials and supplies.*—Furnish an itemized list, including items of equipment costing less than $50 each, and power, water and fuel.

(*d*) *Operating equipment.*—Furnish an itemized list of any operating equipment to be rented, purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or suggested use-allowance based on present value, as the case may be.

(*e*) *Rehabilitation and repairs.*—Furnish a detailed list showing the cost of any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and which will be devoted to the exploration project.

(*f*) *New buildings, improvements, installations.*—Furnish a detailed list showing the cost of any necessary buildings, fixed improvements, or installations to be purchased, installed or constructed for the benefit of the exploration project.

(*g*) *Miscellaneous.*—Furnish a detailed list showing the cost of repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance, and payroll taxes.

(*h*) *Contingencies.*—Give an estimate of any necessary allowances for contingencies not included in the costs stated above.

NOTE.—No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes), or any other indirect costs, or work performed or costs incurred before the date of the contract, should be included in the estimate of costs.

7. (*a*) Are you prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation (Sec. 7, DMEA No. 1)?

(*b*) How do you propose to furnish your share of the costs?

[X] Money [ ] Use of equipment owned by you [ ] Other

Explain in detail on acompanying paper.

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief.

Dated March 8, 1954

Harrison Schmitt
(Applicant)

By HARRISON SCHMITT
Mining Geologist
Cottage Sanatorium Road
Silver City, N. M.

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—66551-1

STATEMENT APPENDED TO MF - 103

4. Physical description

a. Operations to date are said to have been limited to the production of tungsten ore. This was sold to the U. S. Government and shipped to Deming, New Mexico. It is supposed to still be in stock pile at Deming. The ore was mined from a single open cut.

There are no production facilities now on the ground. Activity these past few months has been limited to the digging of trenches for sampling access. The new trenches total 215 lineal feet. There are a number of additional older trenches, prospect holes and bull-dozer cuts.

The property can be easily reached by car from Hachita, New Mexico, by 17 miles of improved and unimproved gravel road. It is located southwest of Hachita in the Little Hatchet Mountains.

b. Past production is said to have been 1100 tons of tungsten ore which assayed .63% WO_3. There is no current production.

c. Please see ~~appended~~ geological and engineering report by Harrison Schmitt pp 2 - 6.

d. Ditto pp 1 - 2

e. Ditto pp 1 - 2

5. b. Please see Harrison Schmitt's report pp 6 - 8 and appended map.

c. Project No. 1 should take about three months and Project No. 2 about six months.

d. Applicant is experienced in oil operations. Proposes to have Harrison Schmitt or other experienced person or persons direct exploration and lay out mining method, etc. In this area a number of experienced operators are available for mining and milling operations particularly now that the zinc mines are shut down.

6. Estimate of costs

Please see ~~appended~~ report pp 8 - 11

a. All work will be done by contract except that for Project No. 2 the operator will erect the head frame, build a hoist and compressor house and install

a hoist and compressor. All the balance of the work up to the point of mining will be done by contractors.

b. See ~~appended~~ report pp 8 - 11

c. Ditto

d. "

e. "

f. "

g. ——

h. Under Project No. 2 the item contingencies is taken at 10 per cent of the listed costs.

7. a. Yes

E A G L E P O I N T
Tungsten Mine

Harrison Schmitt
March - 1954

HARRISON SCHMITT
MINING GEOLOGIST
COTTAGE SANATORIUM ROAD
SILVER CITY, NEW MEXICO

March 3, 1954

To: Mr. L. C. Harris
P. O. Box 6657
Roswell, New Mexico

Subject: Eagle Point tungsten property near Hachita, New Mexico

Reference: Lasky, Samuel G., "Geology and ore deposits of the Little Hatchet Mountains", U. S. Geol. Sur. Prof. Paper 208, 1947

Appendix: Sketch map of geology and sample locations

The Eagle Point tungsten property is in Sect. 22 T29S, R16W. By good to poor gravel roads it is about 17 miles southwest from Hachita, New Mexico. Hachita is a small town on the southern branch of the main line of the Southern Pacific Railroad. The prospect is about one-half mile southwest of Granite Pass in the Little Hatchet Mountains (See maps by Lasky).

The property is readily accessible by road and the area of immediate interest is marked by a subdued, rolling topography. The mean annual rainfall is about 10 inches. Vegetation is sparce and typical of the semi-arid desert in southern New Mexico.

We have been informed that a "high line" a few miles to the west can supply enough power for a 100 ton a day (± 350 hp) mining and milling operation. As for a water supply Lasky (p 10) says

> "Though the water supply within the range itself is insignificant, water enough for any purpose connected with mining probably could be developed in the Hachita and Playas Valleys, as indicated by a test on one of the railroad wells near Hachita from which over 100 gallons a minute was pumped continuously during a test run of 42 hours. Pumping for 12 hours at 90 gallons a minute lowered the water level 12 feet. The well is 695 feet deep and cuts four water-bearing horizons."

A few miles to the south of Playas Valley water is being pumped for

irrigation. Apparently a well would be productive in Playas Valley about three miles distant. A pump and three miles of pipe line would be required. The difference in elevation is 320 feet. For a 100 ton mill about 500 tons of water would be needed daily or 82 GPM. The total needed then including camp requirements would be about 100 GPM.

The nearest housing is at Hachita. There are no buildings on the property. At this time there is idle experienced mining labor in southwestern New Mexico because of the recent shut-downs of the zinc properties in Grant County. Also more supervisory personel is available than in the recent past. Mining materials and supplies can be obtained at Lordsburg, Deming and Silver City.

The property consists of four unpatented claims which are of record in the office of the county clerk of Hidalgo County, New Mexico, to wit:

Name	Book	Page
Eagle Point # 1	2	593
" " # 2	2	593
" " # 4	2	594
" " # 5	2	638

The geologic setting is one of a mass of intrusive rock called by Lasky seriate porphyritic granite that is about 1 1/2 miles in diameter. The west and south boundaries are in contact with massive white marble of Cretaceous age. There are some impure beds. Immediately at the contact there is a zone of brown garnet, probably andradite that varies from a few feet to forty feet wide. There are minor amounts of other minerals in the zone including epidote, pyroxene (?), pyrite, quartz, calcite, sheelite and a few others not identified. Small amounts of sheelite are revealed by ultraviolet light scattered through all or most of the garnet which in general has an average assay of about 0.15% WO_3. A few samples assay up to 0.75% WO_3.

Some of the best concentrations of sheelite are associated with fissured and broken garnet. The sampling and tests by ultraviolet light suggest that the best

and most continuous concentration is in a zone of from five to 15 feet wide immediately adjacent to the granite. A few good assays, however, were obtained in the mass of the garnet away from the contact. These may represent bunches or lenses of ore. The prospecting and sampling have not been complete enough to give a clear picture. It is believed that because of the mantle rock covering including caliche the most satisfactory means of shallow exploration would be by means of diamond drill holes.

On the eastern end the garnet zone is 16 to 18 feet wide and is cut off by granite (see appended map). In general the garnet zone is in contact with granite on the north and on the south with marble and miscellaneous other minor beds. The south wall or foot-wall on the east end is marked by a 3 1/2 ft. streak of mineralized ground high in pyrite. Thirty seven feet west of the east end of the garnet zone is a trench (Trench No. 1) that exposes the full width of the tactite (garnet zone). Here the zone dips north and four samples were cut normal to the dip from the foot-wall marble to the hanging wall granite. The results are as follows:

Trench No. 1

Sample No.	True "vein" width, Ft.	% WO_3	Character
----	----	----	~~Marble~~ Marble
1a & 32 *	3.6	0.12 & 0.08	Marble and massive pyrite
1b & 33	5.0	0.11 & 0.25	Crumbly garnet
1c & 34	5.0	0.05 & 0.19	" "
35	6.0	0.54	Granite

* Samples 32-34 are recuts for checks on the first samples.

The garnet zone in this eastern section can be followed for about 110 feet along the strike.

The main open cut is 350 feet west of Trench No. 1. A one hundred eighty foot section of the contact between these workings is covered and obscure. It is partly occupied by an andesite (?) dike and by granite. The structure of the main open cut is irregular. The south wall is marble and the north wall is garnet and

granite. The total estimated volume that has been extracted from the cut is 2000 tons and the dump measures 670 tons. The balance 1330 tons may be compared with the 1100 tons said to have been shipped out. Six original samples and some recuts for checks were taken. Of these only the one taken in the bottom of the open cut exceeded 0.16% WO_3. The results are tabulated below:

Main Open Cut

Sample No.	Width, Ft.	% WO_3	Character
2	7	0.12	Garnet and sulphides at face of open stope
3	9	0.11	Garnet. North wall of cut
4 & 29 *	2 1/2	0.11 & 0.13	Garnet. North wall north of dike
5 & 30	5 1/2	0.08 & 0.16	Garnet. Adjacent to and north of 4
6 & 31	7	.06 & 0.13	Garnet. Adjacent and north of 5
7	6	0.33	Floor pillar. Bottom of main open cut

* No. 29-31 are recut checks of the first samples cut.

Two hundred feet west of the open cut is the next trench sampled (Trench No. 4). In between are two other trenches (Nos. 2 and 3) that were not thoroughly cleaned of the surface caliche that covers the garnet. A few projections of garnet through the caliche were tested with ultraviolet light and appear to be of a better grade than the average garnet. These trenches should be deepened and sampled.

Trench No. 4 is connected with a shallow prospect hole. At this place the foot-wall appears to be the north wall. Samples were taken from north to south and are tabulated below:

Trench No. 4

Sample No.	Width, Ft.	% WO_3	Character
----	----	----	Granite
8	6	0.75	Garnet in prospect hole
12	7	0.25	Garnet in trench
----	12	----	Andesite (?) dike
13	5	0.21	Garnet
14	9	0.05	Garnet, pyroxene (?)

The average of samples 8 and 12 is .46% WO_3 for a true width of about 11 feet.

Trench No. 5 is 25 ft. west of No. 4. Two samples were taken from north to south. The results are given below:

Trench No. 5

Sample No.	Width, Ft.	% WO_3	Character
----	----	----	Caliche
15	5	0.25	Garnet, pyroxene (?)
16	3	0.14	Garnet
----	----	----	Andesite (?) dike

The contact with the granite is covered with caliche and this interval should be better ore.

Trench No. 6

Trench No. 6 is 47 ft. west of No. 5. The following two samples were taken from north to south:

Sample No.	Width, Ft.	% WO_3	Character
----	----	----	Caliche
17	5	0.11	Garnet
18	5	0.14	Garnet
----	----	----	Caliche

The full width of the zone is not exposed. The immediate contact with the granite could not be sampled because of thick caliche.

Trench No. 7

Trench No. 7 is 56 ft. west of No. 6. Samples were taken from north to south.

Sample	Width, Ft.	% WO_3	Character
----	----	----	Caliche
19	5	0.21	Garnet and caliche
20	5	0.15	Garnet and gossan
21	5	0.07	Garnet
22	5	0.40	"
23	5	0.20	"
24	4	0.10	"
----	----	----	Marble

Again the part of the zone next to the granite was covered with caliche.

Trench No. 9

Trench No. 9 is about 400 ft. northwest from No. 7. It is the middle trench of three (8, 9 and 10) cut in a xenolith (?) or isolated block of garnet in the granite. This block may be about 100 ft. in diameter. The samples were taken from southwest to northeast.

Sample No.	Width, Ft.	% WO_3	Character
25	5	0.30	Garnet
26	5	0.07	Garnet and gossan
27	5	0.35	" " "

Three other xenoliths measuring 100 feet or more in diameter were sampled where they are well exposed. The assays vary from 0.10 to 0.20% WO_3.

Obviously the sample data are incomplete. The tranches should have been placed at more regular intervals and they should have been completed. The parts of the garnet contact zones yet to be uncovered are at critical places, that is, next to the granite and in the area of contact garnet between Trench No. 4 and the main open cut. The latter area covers a "jog" in the contact and could represent a faulted section. Such pre-mineralization faulting should be favorable for the location of an ore body.

On the whole the trenching was not very satisfactory as a means of exposing the mineralized zone. The near-surface ground is broken and covered and cemented by a blanket of caliche. In only a few cases could regular channel cuts be made. Sampling had to be done by picking out chunks of spoil at regular intervals along the trench. This material was not float, however.

The final and more complete sampling as well as much of the exploration can best be done by drilling shallow diamond drill holes. Preferably AX bits should be used. Deeper holes should be drilled in places that show the most promise. The preliminary sampling holes should not be more than 25 ft. apart along the strike and should normally be put down at angles of about 45 degrees. The preliminary location of holes for such proposed drilling campaign is shown on the appended map. It is understood that the results obtained from the first holes drilled will govern the placing of the last seven deeper holes. The first holes could be at 50 ft. intervals. The intermediate ones at 25 ft. could be drilled progressively as good values show up in the first holes.

It is, of course, premature to try to estimate tonnages and grades from an engineering standpoint, but an indication of the geologic possibilities should help us judge the value of the prospect. At three places exposed and sampled adjacent to the granite contact we had the following results; at trench No. 1 a six foot

cut assayed .54% WO_3; at trench No. 4 a width of 11 ft. assayed .46% WO_3; and on the floor of the main open cut stope the only sample that could be cut next to the granite assayed 0.33% WO_3. In other words we may anticipate an ore averaging around .50% WO_3 with an average width of 7 ft. This can be compared with the grade of 0.63% WO_3 said to have been obtained from the 1100 tons said to have been mined from the main open cut.

The available data plotted on the attached map suggests 500 ft. of favorable contact. Assuming a seven foot ore width this would amount to 350 tons per vertical foot or 35,000 tons per vertical 100 ft. Say then, there is "room" for at least 70,000 tons down to 200 ft. and a possibility that this after dilution will assay .50% WO_3 for the width of 7 ft. adjacent to the granite. The walls should stand without timber except for occasional stulls which would be needed anyhow for platforms. These could be used later for rock fill pillars.

Until some appreciable ore is blocked out it may be premature to talk about concentration recovery, but in any case this should amount to 60% since the ore mineral is in crystals that vary from about 1/16 inch or smaller up to 1/2 inch in diameter. The gangue is largely clean andradite.

At $63.00 a unit of WO_3 the outcome would be about as follows:

63.00 (") X 0.50 (grade) = 31.50 ∴ $31.50 per ton
31.50 ($) X 0.60 (recovery) = 18.90 ∴ $18.90

This is the value of recoverable sheelite in ore per ton at the mill. The treatment and freight costs are unknown to me, but where the concentration ratio is so high would not amount to much per ton of raw ore. Let us say that the raw ore would return about $18.50 at the mill.

Considering the good ground, fair widths, shallow depth and presently slightly better labor efficiency in the Southwest it should be possible to mine five tons of ore per man shift when all the men employed at mining are used as a divisor.

This would amount to about $3.00 per ton for labor.

Mining costs at 100 tons per day

Labor	$ 3.00
Supplies and power	2.00
Overhead	2.00
Development (plus dead work)	1.00
	$ 8.00

Milling

Labor	$ 2.00
Supplies and power	2.00
	$ 4.00

The total direct costs not including amortization and royalties should not exceed $12.00 to $13.00

At 100 tons a day 70,000 tons of ore would last two years.

I think with the present outlook, that is, the presently fair showings along the main contact where exposed, the four year guaranteed*** $63.00 price per unit, and the prospect of a 75% subsidy on development that the prospect is worth of further development. In order to finally prove or disprove the value of the ground, about 4425 ft. of AX diamond drill hole will be needed. This will cost not over $4.50 a foot.* A building for office and living quarters will be needed and other expense is indicated.

PROJECT NO. I

Cost for preliminary exploration

45 75 ft. holes, AX core, total 3375 ft. @ $4.50 *	$15,187.50
7 150 ft. holes, AX core, total 1050 ft. @ $4.50	4,725.00
Engineering and geological services	
a. Geological and engineering consultant 20 days @ $100	2,000.00
b. Surveyor, 10 days @ $30	300.00
c. Expense for Geol. and Eng. services	500.00
Office, sleeping quarters and core shed	
3-room building 14' X 36' @ $6.00 ** per sq. ft.	3,024.00
Beds, stoves and Misc.	500.00
Sampling and assaying (± 200 samples)	1,000.00
35 core boxes @ $5.00	175.00
Contingencies	1,[illegible]00.00
	$28,411.50

* Offered bid by local contractor. Includes water hauling, cementing, casing, drilling platforms and living expense.

** Estimated by local builder.

*** Qualified if the 3,000,000 (?) lb. of WO_3 goal is reached before 1958.

Most of the drill holes would be started in solid rock. The granite, garnet and marble are all hard ground and the core recovery should be at least 85%. Most holes would be drilled at 45 degrees at right angles to the mineralized zone. They would average 75 ft. deep except the last seven which would be drilled to test deeper possibilities as these develop. These would average 150 ft. deep.

Should the results of the preliminary exploration by drilling prove satisfactory the next required step would be development by shafting, drifting and raising here called Project No. 2. In order to carry this out the following work is suggested:

1. A vertical shaft 210 ft. deep (3 compartments, 4.5' X 4.5' inside). This to start on or near the outcrop of the ore. The bottom would be a 10 ft. sump.

2. 1000 ft. of drifting on two levels; the 100 foot and the 200 foot.

3. 230 ft. of raises.

The estimated cost of this work is given below. The ground is strong and a minimum amount of timbering would be needed except in the shaft which would be timbered throughout but would not need to be lagged. Most of this preliminary work could best be done by contract with the contractor to furnish only drills, loaders and small tools. The operator would erect the head frame and set up the hoist and compressor.

PROJECT NO. 2

a. Equipment

Hoist (used) double drum, 700 ft. per min., electric, 150 hp	$ 9,500.00
Hoist - freight on (estimated)	500.00
Compressor (new) rated 570 (500 effective) cu. ft. per min., 100 hp motor	5,990.00
Compressor and hoist house 30(X 20' @ $6.00 per sq. ft.	3,600.00
Compressor - freight on (estimated)	300.00
Head frame (wood)	1,010.00
2 sheave wheels (48 in.) complete with shafts and boxes	400.00
700 ft. 7/8" hoisting cable @ 42¢ per ft.	294.00
Air receiver 10' X 3' (used)	250.00
2 cages (local fabrication)	800.00
Contingencies (10%)	2,264.00
	$24,908.00

b. Material for shaft and mine

Main shaft timber, preframed and treated, 15960 bf @ $100	$ 1,596.00
Lagging, wedges, drift timber, misc. (estimated) 5000 bf @ $80.00	400.00
1300 ft. 2" black pipe @ $37.44 per 100 ft.	486.72
1300 ft. 2 " " " $17.93 " " "	233.09
Guide timber 1050 bf @ $200.00	210.00
300 ft. 4" seamless pipe (air line in shaft) @ $120.60 per 100	361.80
300 ft. 3" seamless pipe (water line in shaft) @ $75 per 100	227.97
2400 ft. 20 lb. rail, 8 tons @ $185 per ton	1,480.00
200 pr. spliced bars @ $0.76	152.00
400 lbs. spikes @ $12.00 per 100	48.00
100 lbs. bolts @ $0.30 per lb.	30.00
Valves and other fittings (estimated)	500.00
10 1-ton end dump cars @ $240	2,400.00
Dump cars - freight on	200.00
Contingencies (10%)	832.00
	$ 9,157.58

c. Underground Development

Contract - A local contractor has offered to do the underground work at the following prices:

Shaft 210 ft. @ $175,00 per ft.		$36,750.00
Drifting 1000 ft. @ $35.00 per ft.		35,000.00
Raising 230 ft. @ $35.00 per ft.		8,050.00
Sub-total	$79,800.00	

Supervision (operator's account)

Manager-engineer, $800 per month for six months		$ 4,800.00
Consulting geologist (retainer) $500 per month for six months		3,000.00
Surveyor's helper (odd days)		1,000.00
Travel and other expense for geologist		300.00
Sub-total	$ 9,100.00	
Contingencies (may include purchase of pumping equipment)		8,890.00
Total		$97,790.00

Total Project No. 2: surface and underground equipment, underground development contract, and supervision	$131,855.58
Grand total Projects No. 1 and No. 2	$160,267.08

The underground development work should produce some ore. The tons of spoil per foot of development would amount to about 3 1/2. If on the basis of the diamond drilling the underground development work is justified and undertaken it is not too optimistic to expect that up to 2500 tons of ore would be produced by the contract-drifting and -raising. The equipment recommended for the development will be adequate for the mining also except that drilling machines, more mine cars, loaders and small miscellaneous equipment will need to be purchased.

The underground development work should take not over six months.

Harrison Schmitt

LEASE AND OPTION AGREEMENT: UNPATENTED MINING CLAIMS.

THIS AGREEMENT, Made this 15th day of December, 1953, by and between J. H. WINSLOW, a single man, C. L. BUSKIRK and GELA BUSKIRK, his wife, of Deming, Luna County, New Mexico, hereinafter for convenience designated as Lessors, parties of the first part, and L. C. HARRIS, address P.O.Box 6657, Roswell, New Mexico, hereinafter for convenience designated as Lessee, party of the second part,

WITNESSETH:

That said Lessors in consideration of the sum of Five Hundred Dollars ($500.00) to them in hand paid by the Lessee, the receipt whereof is hereby acknowledged, and in consideration of the mutual covenants and agreements hereinafter contained, do hereby demise and lease and agree to sell and convey unto said Lessee, upon the terms and conditions hereinafter set forth, all of those certain unpatented lode mining claims in the Eureka Mining District, Hidalgo County, New Mexico, described as follows, the location notices whereof are of record in the office of the County Clerk of Hidalgo County, New Mexico, to-wit:

Name	Book	Page
EAGLE POINT #1	2	593
EAGLE POINT #2	2	593
EAGLE POINT #4	2	594
EAGLE POINT #5	2	638

Together with all of the minerals and ores and the rights and privileges appurtenant thereto, and the rents, issues and profits thereof.

TO HAVE AND TO HOLD, unto said Lessee, the above described unpatented lode mining claims from December 15, 1953, for the

period of ten (10) years and so long thereafter as tungsten, or other mineral ores, are being produced from said property in commercial quantities, subject to the termination of this lease by purchase of the property or of abandonment and forfeiture as hereinafter provided.

1. Lessors warrant that they are the owners of all of said claims and that the same are valid and subsisting unpatented lode mining claims; that they have the right to lease and sell said claims; that the claims are free and clear of any valid former grants, sales or subsisting leases or option agreements, and Lessors guarantee to the Lessee quiet and peaceable possession of all of said property and will defend such possession against the claims of all persons whomsoever.

2. Said Lessors shall, from the date hereof and during the life of this agreement, have the right to possess all of said property and the right to explore, develop, mine and work the same, and to extract, ship, smelt, mill, or otherwise dispose of the metals, ores and minerals taken therefrom, and to construct thereon such workings as may be useful or convenient for the use of said property as a mine, and make all necessary use of the grounds for mining purposes. All work done in and on said property shall be done in good and workmanlike fashion with a view to the proper development of said property as a workable mine, and the same shall be timbered wherever necessary, and the Lessee at all times shall keep all drifts, shafts, tunnels and other workings made or reopened by him, well timbered and free from loose rock, waste and rubbish, and all work shall be done to comply with the mining laws of the State of New Mexico.

3. The purchase price for said claims shall be $200,000.00. The payment of $500.00 made for this lease and option and also all payments of minimum or earned royalty shall be credited upon the purchase price. At any time after six

(6) months of the term of this leas e and option, the Lessee shall have the privilege of requesting, and the Lessors agree to furnish an abstract of title brought up to date and permit the Lessee to have the same examined. Lessors agree that they will correct all defects which constitute serious objections to the title in the opinion of Lessee's attorney, and specifically will cause to be released of record all prior leases and option agreements affecting said claims within a reasonable time after written notice from Lessee's attorney of the nature of such defects. Lessors shall, also upon request by the Lessee, execute and place in escrow at the Mimbres Valley Bank of Deming, New Mexico, a mining deed, proper in form and executed by the Lessors, conveying said claims to the Lessee, with instructions for the bank to hold said deed until full payment of the purchase price and then deliver the same to the Lessee, or according to his order. Said instructions shall also provide for necessary revenue stamps to be affixed at Lessors' expense.

4. Lessee agrees to pay a minimum royalty during the term of this lease as follows: $250.00 on the 1st day of February, March, April, May and June, 1954, and thereafter $500.00 on the 1st day of each and every month. Lessee agrees to pay an earned royalty of ten per cent (10%) of the mill or smelter returns from all ore after deducting $2.00 per ton for smelter or milling costs or charges. Lessee agrees that all mill concentrates shall be made to equal or exceed the government minimum specifications. Lessee shall promptly furnish Lessors with a copy of settlement sheets as soon as possible after receipt thereof, and payment of earned royalty shall be made on or before the 10th day of the month following the settlement. Royalty payments shall be made made one-half to J. H. Winslow, and one-half to C. L. Buskirk and Gela Buskirk. In the event the earned royalty exceeds the minimum royalty in any month and the aggregate of minimum royalty previously paid exceeds the aggregate of earned royalty in

previous months, the amount of the excess of minimum royalty previously paid over previous earned royalty shall be credited against the excess of earned royalty over the minimum royalty for the particular month and the earned royalty payable in excess of minimum royalty reduced accordingly for that month. Payments shall be made and notices shall be directed to the parties at the addresses shown in the preamble hereto. Lessors shall have the privilege of electing to have their royalties paid in ore. Lessee agrees that the mine will be in production by July 1, 1954, and in the event of failure thereof this agreement shall be cancelled and terminated on said date without notice, and Lessee agrees to execute and deliver to Lessors his written release and surrender of this agreement.

5. Said Lessors, their agent or attorney, shall have the right to enter in and upon said premises and all the workings thereon at all times for the purpose of inspection and to sample the ore being mined by Lessee.

6. Lessee shall pay before the same become delinquent, any ad valorem taxes which may be assessed against said premises or the equipment and improvements thereon, commencing with the year 1954, and shall also pay all severance or production taxes, social security, employment security, or any other taxes that may be levied on account of the mining operations upon said premises.

7. Lessee shall comply with the provisions of the Workmen's Compensation Act of New Mexico, the Occupational Disease Act, the New Mexico Unemployment Compensation Act, the Federal Social Security Act, and all other legislation, Federal and State, applicable to the workings and operation of said premises, and shall make all payments, returns and reports required by such Acts, and shall at all times protect and save harmless said premises and the Lessors of and from any and all claims, actions, suits, liabilities for damage or

compensation for any matter or thing arising out of the work and operations conducted in or upon said premises.

8. Lessee shall promptly pay for all labor, services and materials done, performed and furnished to or for said premises or for the work done therein, and shall not allow any claim of lien for any such thing to be effectually made or asserted against said premises or the Lessors, and shall keep said premises at all times posted with notices against liens in accordance with the statutes of the State of New Mexico in that behalf.

9. Lessee shall have the right to acquire additional mining claims, but any additional claims acquired by Lessee within the distance of one mile from any part of the claims covered by this agreement, shall be acquired in the name and for the benefit of the Lessors, and shall be deemed to be a part of the property included herein.

10. Lessee shall be excused for failure to fulfill any obligation imposed upon him under this lease and option and such obligation shall be suspended when the failure shall result from an act of God, governmental order, rule or regulation, bank holiday, inability to obtain materials, supplies, equipment, power or labor, whatever the cause, enemy activity or sabotage, or when the price of ore mined from the leasehold shall be less than the cost of production.

11. Whenever it is necessary during the term of this lease and option that the annual assessment work be performed on said unpatented claims, Lessee agrees to do such work at his sole expense and to cause proof thereof to be filed in the office of the County Clerk of Hidalgo County, New Mexico, on or before May 1st of the year for which such work is required.

12. It is understood and agreed that if the Lessee shall be in default in the performance of any of the terms hereof,

the Lessors may serve written notice of default upon the Lessee by registered mail, stating that unless such default is corrected within thirty (30) days this agreement shall be cancelled. Upon service of such notice and the failure of Lessee to correct such default within 30 days after receipt of notice (unless the default is excused under the provisions of paragraph 10 hereinabove), this agreement shall be cancelled, and all rights of the Lessee to the possession of the property and to purchase the same shall be forfeited, and all sums of money previously paid hereunder shall be the property of the Lessors as liquidated damages and as rent. It is expressly understood that this agreement is an option, and Lessee shall not be subject to any liability for his failure to perform any of the conditions hereof, except that the agreement may be cancelled and all money paid may be forfeited for default as hereinabove provided. The Lessee agrees that in the event he should decide to cease mining operations on this property he will promptly furnish the Lessors with a written cancellation or release of this agreement. Cancellation of this agreement for default or voluntarily shall not relieve Lessee of liability for accrued and unpaid royalties. The failure of Lessors to cancel this agreement by reason of any default shall not be deemed a waiver of their right to do so for any subsequent default.

13. It is further understood and agreed that any equipment, machinery, tools and supplies placed upon said premises by said Lessee which are movable shall during the life hereof and ninety days thereafter, remain the property of the Lessee, and in the event of termination of this lease, Lessee may, within 90 days thereafter remove such property, but this privilege of removal upon termination shall not apply to any ladders, timbers, pipes, ties or rails in place beneath the surface of the ground, and provided, further, that Lessors

shall have a lien upon all of such property herein defined as removable and the same shall not be removed in any event until all payments of royalties have been made upon minerals mined and sold from said premises. Title to any equipment, machinery, tools, or supplies, which are not removed within 90 days as above provided shall vest in the Lessors.

14. The provisiones hereof shall be binding upon and inure to the benefit of the heirs, personal representatives, successors and assigns of the respective parties.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names the day and year first herein written.

J. H. Winslow

J. H. Winslow

C. L. Buskirk

C. L. Buskirk

Gela Buskirk

Gela Buskirk

Lessors

L. C. Harris

L. C. Harris,
Lessee

STATE OF NEW MEXICO)
) ss
COUNTY OF LUNA)

On this 15th day of December, 1953, before me personally appeared J. H. Winslow, a single man, C. L. Buskirk and Gela Buskirk, his wife, to me known to be the persons described in and who executed the above and foregoing instrument as Lessors, and acknowledged that they executed the same as their free act and deed.

WITNESS my hand and Notarial Seal the day and year in this certificate aforesaid.

Roberta McBee

Notary Public

My commission expires: 11/7/55

STATE OF NEW MEXICO)
) ss
COUNTY OF CHAVES)

On this 16 day of December, 1953, before me personally appeared L. C. Harris, to me known to be the person described in and who executed the above and foregoing instrument as Lessee, and acknowledged that he executed the same as his free act and deed.

WITNESS my hand and Notarial Seal the day and year in this certificate aforesaid.

Howard C. Reed
Notary Public

My commission expires:
Feb 14, 1954

LEASE AND OPTION AGREEMENT: UNPATENTED MINING CLAIMS.

THIS AGREEMENT, Made this 15th day of December, 1953, by and between J. H. WINSLOW, a single man, C. L. BUSKIRK and GELA BUSKIRK, his wife, of Deming, Luna County, New Mexico, hereinafter for convenience designated as Lessors, parties of the first part, and L. C. HARRIS, address P.O.Box 6657, Roswell, New Mexico, hereinafter for convenience designated as Lessee, party of the second part,

WITNESSETH:

That said Lessors in consideration of the sum of Five Hundred Dollars ($500.00) to them in hand paid by the Lessee, the receipt whereof is hereby acknowledged, and in consideration of the mutual covenants and agreements hereinafter contained, do hereby demise and lease and agree to sell and convey unto said Lessee, upon the terms and conditions hereinafter set forth, all of those certain unpatented lode mining claims in the Eureka Mining District, Hidalgo County, New Mexico, described as follows, the location notices whereof are of record in the office of the County Clerk of Hidalgo County, New Mexico, to-wit:

Name	Book	Page
EAGLE POINT #1	2	593
EAGLE POINT #2	2	593
EAGLE POINT #4	2	594
EAGLE POINT #5	2	638

Together with all of the minerals and ores and the rights and privileges appurtenant thereto, and the rents, issues and profits thereof.

TO HAVE AND TO HOLD, unto said Lessee, the above described unpatented lode mining claims from December 15, 1953, for the

period of ten (10) years and so long thereafter as tungsten, or other mineral ores, are being produced from said property in commercial quantities, subject to the termination of this lease by purchase of the property or of abandonment and forfeiture as hereinafter provided.

1. Lessors warrant that they are the owners of all of said claims and that the same are valid and subsisting unpatented lode mining claims; that they have the right to lease and sell said claims; that the claims are free and clear of any valid former grants, sales or subsisting leases or option agreements, and Lessors guarantee to the Lessee quiet and peaceable possession of all of said property and will defend such possession against the claims of all persons whomsoever.

2. Said Lessors shall, from the date hereof and during the life of this agreement, have the right to possess all of said property and the right to explore, develop, mine and work the same, and to extract, ship, smelt, mill, or otherwise dispose of the metals, ores and minerals taken therefrom, and to construct thereon such workings as may be useful or convenient for the use of said property as a mine, and make all necessary use of the grounds for mining purposes. All work done in and on said property shall be done in good and workmanlike fashion with a view to the proper development of said property as a workable mine, and the same shall be timbered wherever necessary, and the Lessee at all times shall keep all drifts, shafts, tunnels and other workings made or reopened by him, well timbered and free from loose rock, waste and rubbish, and all work shall be done to comply with the mining laws of the State of New Mexico.

3. The purchase price for said claims shall be $200,000.00. The payment of $500.00 made for this lease and option and also all payments of minimum or earned royalty shall be credited upon the purchase price. At any time after six

(6) months of the term of this leas e and option, the Lessee shall have the privilege of requesting, and the Lessors agree to furnish an abstract of title brought up to date and permit the Lessee to have the same examined. Lessors agree that they will correct all defects which constitute serious objections to the title in the opinion of Lessee's attorney, and specifically will cause to be released of record all prior leases and option agreements affecting said claims within a reasonable time after written notice from Lessee's attorney of the nature of such defects. Lessors shall, also upon request by the Lessee, execute and place in escrow at the Mimbres Valley Bank of Deming, New Mexico, a mining deed, proper in form and executed by the Lessors, conveying said claims to the Lessee, with instructions for the bank to hold said deed until full payment of the purchase price and then deliver the same to the Lessee, or according to his order. Said instructions shall also provide for necessary revenue stamps to be affixed at Lessors' expense.

4. Lessee agrees to pay a minimum royalty during the term of this lease as follows: $250.00 on the 1st day of February, March, April, May and June, 1954, and thereafter $500.00 on the 1st day of each and every month. Lessee agrees to pay an earned royalty of ten per cent (10%) of the mill or smelter returns from all ore after deducting $2.00 per ton for smelter or milling costs or charges. Lessee agrees that all mill concentrates shall be made to equal or exceed the government minimum specifications. Lessee shall promptly furnish Lessors with a copy of settlement sheets as soon as possible after receipt thereof, and payment of earned royalty shall be made on or before the 10th day of the month following the settlement. Royalty payments shall be made made one-half to J. H. Winslow, and one-half to C. L. Buskirk and Gela Buskirk. In the event the earned royalty exceeds the minimum royalty in any month and the aggregate of minimum royalty previously paid exceeds the aggregate of earned royalty in

previous months, the amount of the excess of minimum royalty previously paid over previous earned royalty shall be credited against the excess of earned royalty over the minimum royalty for the particular month and the earned royalty payable in excess of minimum royalty reduced accordingly for that month. Payments shall be made and notices shall be directed to the parties at the addresses shown in the preamble hereto. Lessors shall have the privilege of electing to have their royalties paid in ore. Lessee agrees that the mine will be in production by July 1, 1954, and in the event of failure thereof this agreement shall be cancelled and terminated on said date without notice, and Lessee agrees to execute and deliver to Lessors his written release and surrender of this agreement.

5. Said Lessors, their agent or attorney, shall have the right to enter in and upon said premises and all the workings thereon at all times for the purpose of inspection and to sample the ore being mined by Lessee.

6. Lessee shall pay before the same become delinquent, any ad valorem taxes which may be assessed against said premises or the equipment and improvements thereon, commencing with the year 1954, and shall also pay all severance or production taxes, social security, employment security, or any other taxes that may be levied on account of the mining operations upon said premises.

7. Lessee shall comply with the provisions of the Workmen's Compensation Act of New Mexico, the Occupational Disease Act, the New Mexico Unemployment Compensation Act, the Federal Social Security Act, and all other legislation, Federal and State, applicable to the workings and operation of said premises, and shall make all payments, returns and reports required by such Acts, and shall at all times protect and save harmless said premises and the Lessors of and from any and all claims, actions, suits, liabilities for damage or

compensation for any matter or thing arising out of the work and operations conducted in or upon said premises.

8. Lessee shall promptly pay for all labor, services and materials done, performed and furnished to or for said premises or for the work done therein, and shall not allow any claim of lien for any such thing to be effectually made or asserted against said premises or the Lessors, and shall keep said premises at all times posted with notices against liens in accordance with the statutes of the State of New Mexico in that behalf.

9. Lessee shall have the right to acquire additional mining claims, but any additional claims acquired by Lessee within the distance of one mile from any part of the claims covered by this agreement, shall be acquired in the name and for the benefit of the Lessors, and shall be deemed to be a part of the property included herein.

10. Lessee shall be excused for failure to fulfill any obligation imposed upon him under this lease and option and such obligation shall be suspended when the failure shall result from an act of God, governmental order, rule or regulation, bank holiday, inability to obtain materials, supplies, equipment, power or labor, whatever the cause, enemy activity or sabotage, or when the price of ore mined from the leasehold shall be less than the cost of production.

11. Whenever it is necessary during the term of this lease and option that the annual assessment work be performed on said unpatented claims, Lessee agrees to do such work at his sole expense and to cause proof thereof to be filed in the office of the County Clerk of Hidalgo County, New Mexico, on or before May 1st of the year for which such work is required.

12. It is understood and agreed that if the Lessee shall be in default in the performance of any of the terms hereof,

the Lessors may serve written notice of default upon the Lessee by registered mail, stating that unless such default is corrected within thirty (30) days this agreement shall be cancelled. Upon service of such notice and the failure of Lessee to correct such default within 30 days after receipt of notice (unless the default is excused under the provisions of paragraph 10 hereinabove), this agreement shall be cancelled, and all rights of the Lessee to the possession of the property and to purchase the same shall be forfeited, and all sums of money previously paid hereunder shall be the property of the Lessors as liquidated damages and as rent. It is expressly understood that this agreement is an option, and Lessee shall not be subject to any liability for his failure to perform any of the conditions hereof, except that the agreement may be cancelled and all money paid may be forfeited for default as hereinabove provided. The Lessee agrees that in the event he should decide to cease mining operations on this property he will promptly furnish the Lessors with a written cancellation or release of this agreement. Cancellation of this agreement for default or voluntarily shall not relieve Lessee of liability for accrued and unpaid royalties. The failure of Lessors to cancel this agreement by reason of any default shall not be deemed a waiver of their right to do so for any subsequent default.

13. It is further understood and agreed that any equipment, machinery, tools and supplies placed upon said premises by said Lessee which are movable shall during the life hereof and ninety days thereafter, remain the property of the Lessee, and in the event of termination of this lease, Lessee may, within 90 days thereafter remove such property, but this privilege of removal upon termination shall not apply to any ladders, timbers, pipes, ties or rails in place beneath the surface of the ground, and provided, further, that Lessors

shall have a lien upon all of such property herein defined as removable and the same shall not be removed in any event until all payments of royalties have been made upon minerals mined and sold from said premises. Title to any equipment, machinery, tools, or supplies, which are not removed within 90 days as above provided shall vest in the Lessors.

14. The provisiones hereof shall be binding upon and inure to the benefit of the heirs, personal representatives, successors and assigns of the respective parties.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names the day and year first herein written.

J. H. Winslow

J. H. Winslow

C. L. Buskirk

C. L. Buskirk

Gela Buskirk

Gela Buskirk

Lessors

L. C. Harris

L. C. Harris,
Lessee

STATE OF NEW MEXICO)
) ss
COUNTY OF LUNA)

On this 15th day of December, 1953, before me personally appeared J. H. Winslow, a single man, C. L. Buskirk and Gela Buskirk, his wife, to me known to be the persons described in and who executed the above and foregoing instrument as Lessors, and acknowledged that they executed the same as their free act and deed.

WITNESS my hand and Notarial Seal the day and year in this certificate aforesaid.

Roberta McBee

Notary Public

My commission expires: 11/7/55

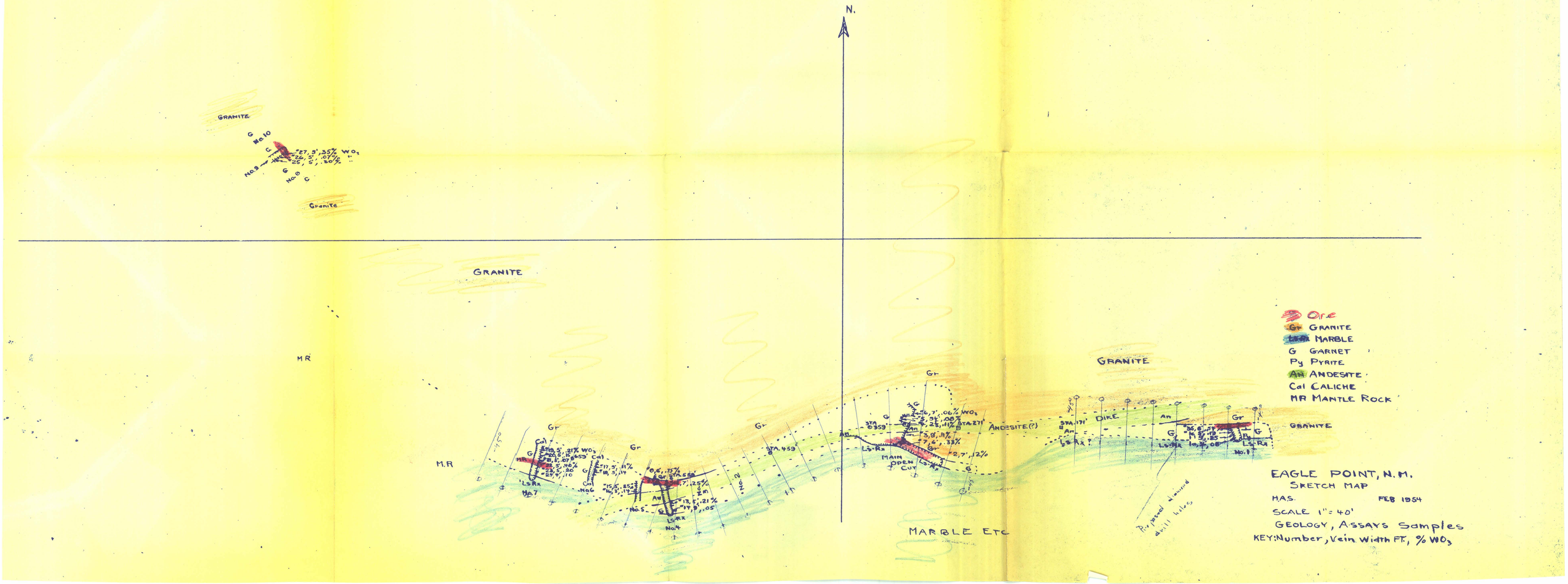
STATE OF NEW MEXICO)
) ss
COUNTY OF CHAVES)

On this 16 day of December, 1953, before me personally appeared L. C. Harris, to me known to be the person described in and who executed the above and foregoing instrument as Lessee, and acknowledged that he executed the same as his free act and deed.

WITNESS my hand and Notarial Seal the day and year in this certificate aforesaid.

Howard Reed
Notary Public

My commission expires:
October 14, 1954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MR MANTLE ROCK
EAGLE POINT, N.M.
SKETCH MAP
M.A.S. FEB 1954
SCALE 1" = 40'
GEOLOGY, ASSAYS Samples
KEY: Number, Vein Width FT, % WO3