DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
~~Defense Minerals Exploration Administration~~
OFFICE OF MINERALS EXPLORATION

OFFICIAL DOCKET FILE

Idm-E NO. 2153

~~DMEA~~ NO. 6228

Application
- [ ] Denied
- [ ] Withdrawn

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

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

Folder No. 1:

Left Side

- [ ] Royalty Audits
- [ ] Certification of Discovery
- [ ] Closing Letter
- [ ] Cost Audits
- [ ] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [X] Contract Amendments
- [x] Contract with all exhibits and annexes 6-26-62
- [X] Owner's Consent to Lien and Subordination Agreement
- [X] Application and attachments
  Amended application 5/23/62
  (Maps in pocket folder #2)

Right Side

- [ ] Project summary (final)
- [ ] Work Completed analysis (final)
- All other material filed in chronological order including the following reports if checked:
- [ ] Field Team Semi-Annual Report for Certified Project
- [X] Final Field Team Report (Tab)
- [ ] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [X] Operator's monthly reports and all attachments
- [X] On-site Exam Report (Tab) 6-8-62
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No._____: Reports
- [ ] Analysis of Semi-Annual Inspection Reports
- [ ] Project Summary (Interim) by DMEA Engineers

Right Side

- [ ] Field Team Semi-Annual Report for Certified Project
- [ ] Field Team Interim Reports
- [ ] Operator's Monthly Reports with transmittal, narrative and maps.

Folders No. 2 : Maps (Use pocket folder or envelope)

Folders No._____: Settlement Sheets

Folders No. ✓ : Drill Logs in Books

Folders No._____: Royalty material

17963

Government's Copy

EXPLORATION CONTRACT
HENRY CLAY MINES, INC.
OME-6228

AMENDMENT NO. 2

It is agreed this 28th day of May, 1963, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter referred to as the "Government," and Henry Clay Mines, Inc., hereinafter referred to as the "Operator," that Contract 2153 (OME-6228), dated June 26, 1962, as amended, is further amended, effective May 7, 1963, as follows:

1. Under Amendment No. 1, the period for completion of the work, as provided in Article 1 of the contract, was extended from 8 to 12 months. Such period for completion of the work is now further extended to 18 months from the contract date, or until December 26, 1963. ← Pseudo certification 3(d) became effective. [illegible]

2. Under Article 6(b)(2) of the contract, the royalty period on production is extended from ten (10) to eleven (11) years from the date of the contract.

3. It is the essence of this amendment that the work be completed on or before December 26, 1963, and if not so completed in the manner required by the contract, the following provisions shall thereupon become effective:

(a) The contract and all obligations of the parties thereunder, except as hereinafter provided, shall be and are hereby terminated as follows:

(i) Effective December 26, 1963, if the work has not been completed by such date.

(b) The Government will contribute only to allowable costs incurred prior to the relevant date set forth in 3(a) above.

(c) The Operator shall promptly perform all winding-up and settlement actions provided for in the contract, including the rendering of the final report and final account.

(d) The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, (for example, if the Operator either transfers or fails to retain its interest in the land) shall pay to the Government the royalty on production provided for in the contract in the same manner and amount for the same period, and subject to the same conditions provided for in the contract, as amended herein, as if certification of possible production had been made, such certification being hereby waived by the Operator. In

addition, all rights of the Government provided for in the contract with respect to a certification of possible production, percentage royalty and liens to secure payment thereof, reports (including preservation of Operator's records), accounts, audits, and the right to recover any overpayments are hereby preserved.

(e) The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of the contract, except as otherwise provided in this Amendment No. 2.

4. This amendment shall not be construed to increase the fixed unit cost of any item of work, the estimated total cost of the project, or the aggregate total amount which the Government may be required to contribute.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By George Turnick
Director, Office of Minerals Exploration

Long
App'd. Sol. Off.
Heisner
Talbot
Selfridge
Johnson

HENRY CLAY MINES, INC.

By [illegible]
Title Vice President & General Manager

Government's Copy

EXPLORATION CONTRACT
HENRY CLAY MINES, INC.
OME-6228

AMENDMENT NO. 1

It is agreed this 21st day of December, 1962, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter referred to as the "Government," and Henry Clay Mines, Inc., hereinafter referred to as the "Operator," that Contract 2153 (OME-6228), dated June 26, 1962, is amended, effective June 26, 1962, as follows:

1. Under Article I of the contract the words and figures "8 months" are revised and amended to read "12 months".

2. This amendment shall not be construed to increase the fixed unit cost of any item of work, the estimated total cost of the project, or the aggregate total amount which the Government may be required to contribute.

3. The provisions of Article 14 of the contract are deleted and the following is substituted in lieu thereof as Article 10, Nondiscrimination:

"Article 10, Nondiscrimination. The provisions relating to Nondiscrimination are attached hereto as Exhibit C and by reference are made a part of this contract."

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
ACTING Director, Office of Minerals Exploration

McPhillamey
Asst. Col. Off.
Reviewed
Talbert
Selfridge

HENRY CLAY MINES, INC.

By R A Henson

Title PRESIDENT

EXHIBIT C

The provisions governing performance of work under Government contracts, as set out in Section 301 of the Executive Order 10925, dated March 6, 1961 (a copy of which is attached hereto as Exhibit D and by reference hereby incorporated and made a part of this Contract), shall be applicable to this Contract.

In compliance with the Rules and Regulations (41 CFR, Section 60-1.3(a)) issued under Executive Order 10925 of March 6, 1961, the Operator is hereby bound and agrees to include in each subcontract which it shall make with a subcontractor or supplier paragraphs (1) through (7) of Section 301 of said Executive Order, unless exempted pursuant to the rules, regulations, and relevant orders of the President's Committee on Equal Employment Opportunity.

The Operator shall require each of its subcontractors (first tier) to include in every subcontract with each of its subcontractors (second tier) the following clause: The (here identify the second-tier subcontractor by name) shall incorporate by reference in each subcontract or purchase order with a subcontractor or supplier paragraphs (1) through (6) of Section 301 of Executive Order 10925 of March 6, 1961, unless exempted pursuant to the rules, regulations, and relevant orders of the President's Committee on Equal Employment Opportunity.

EXHIBIT D

NONDISCRIMINATION IN EMPLOYMENT

(Section 301, Executive Order 10925, March 6, 1961, 26 FR 1977)

"In connection with the performance of work under this contract, the contractor agrees as follows:

"(1) The contractor will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

"(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin.

"(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the said labor union or workers' representative of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

"(4) The contractor will comply with all provisions of Executive Order No. 10925 of March 6, 1961, and of the rules, regulations, and relevant orders of the President's Committee on Equal Employment Opportunity created thereby.

"(5) The contractor will furnish all information and reports required by Executive Order No. 10925 of March 6, 1961, and by the rules, regulations, and orders of the said Committee, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Committee for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

"(6) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be cancelled in whole or in part and the contractor may be declared ineligible for further government contracts in accordance with procedures authorized in Executive Order No. 10925 of March 6, 1961, and such other sanctions may be imposed and remedies invoked as provided in the said Executive order or by rule, regulation, or order of the President's Committee on Equal Employment Opportunity, or as otherwise provided by law.

"(7) The contractor will include the provisions of the foregoing paragraphs (1) through (6) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the President's Committee on Equal Employment Opportunity issued pursuant to section 303 of Executive Order No. 10925 of March 6, 1961, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: *Provided, however,* That in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States."

MME Form 51
Feb. 1959

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Government's Copy

July 2 1962
O.M.E.

EXPLORATION CONTRACT
(Short Form)

Docket No.	Commodity	Contract No.	County	State
OME-6228	Copper, Gold, and Silver	14-23-090-2153	Hidalgo	New Mexico

It is agreed JUN 26 1962 (Date) between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and

Henry Clay Mines Incorporated (No Stockholder's Liability), a New Mexico corporation,

whose mailing address is Room 300, 185 Bay Street, Toronto 1, Ontario, Canada, hereinafter called the "Operator," as follows:

ARTICLE I. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before July 2nd, 1962 (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 8 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the work is $ 30,570.00 The Government will contribute 50 percent of the total fixed unit costs of the work performed, not in excess of $ 15,285.00 in accordance with the provisions of Articles 4 and 5.

(c) Interest computation.--Simple interest computed annually at the rate of 6 percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

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

ARTICLE 2. Operator's rights in land.--(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's right of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances:

Interest of Atwood Mine Incorporated (No Stockholder's Liability), Mortgagee.

(b) 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 Lien Agreement of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached as follows:

Lien or Subordination Agreement, dated October 14, 1961, of Atwood Mine Incorporated (No Stockholder's Liability).

(c) The Operator shall preserve and maintain his right, title, or 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. 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 royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. Performance of the work.--(a) Operator's responsibility.--The work shall be performed diligently, efficiently, in a workmanlike manner in accordance with good mining standards, and in compliance with State laws governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work as specified in Article 1(a).

(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 production operations during the period that royalty is payable to the Government. The Operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 4. Contribution by the Government.--The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5(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 and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. To the extent that amounts in excess of fixed unit costs or in excess of the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such amounts for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. 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 all pertinent books, documents, papers, and records of the Operator.

(b) Monthly reports.--The Operator shall provide the Government with five copies of monthly reports in three sections as follows:

(1) Operator's Monthly Voucher claiming costs for work performed;

(2) Operator's Progress Report showing the number of units of the various types of work performed; 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 monthly report). 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 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 the Government determines that 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 preparation or completion of same 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 6. Repayment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

(b) Royalty on production.--The Operator, whether or not the producer (for example, if the Operator either transfers or does not retain his interest in the land), shall pay to the Government a royalty on all minerals and metals mined or produced from the land as follows:

(1) irrespective of any certification of possible production--from the date of the contract until the lapse of the time within which the Government may issue such certification or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first; or

(2) if the Government issues a certification of possible production--for a period of ten years from the date of the contract or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first.

(c) Payment of royalty.--(1) The Government's royalty shall be five percent of the [redacted] gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrate, 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 (such as treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight payable 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. No costs of the Operator are deductible in arriving at the "gross proceeds" as that term is here used.

The term "treatment processes" means those processes (such as milling, concentrating, smelting, refining, or equivalent, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(2) 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.

(d) Unsold production.--If any production (ore, concentrate, 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, concentrate, 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 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) Lien for payment.--To secure the payment of royalty (see Article 6(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

(f) 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 Government, and this estimate shall be final and binding upon the Operator.

(g) No obligation to produce.--Nothing in this contract shall be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

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

ARTICLE 7. Termination of the Government's Obligations.--(a) If the Government determines that operations at any time have failed to achieve anticipated results and further work is not justified, the Government may give the Operator written notice thereof, and thereupon:

(1) the Government shall be free of all obligation to pay on account of units of work not then performed; and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

(b) If the Government determines that the Operator is 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:

(1) the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

The Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

(d) The determinations of the Government are subject to appeal under Article 11.

ARTICLE 8. Notices to be given by the Government may be delivered to the Operator or may be sent by certified 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 9. 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.

See Article 14

~~ARTICLE 10. Nondiscrimination.--In connection with the performance of work under this contract, the Operator agrees not to discriminate against any employee or applicant for employment because of race, religion, color, or national origin. The aforesaid provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Operator agrees to post hereafter in conspicuous places, available for employees and applicants for employment, notices to be provided by the Government setting forth the provisions of the nondiscrimination clause.~~

~~The Operator further agrees to insert the foregoing provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.~~

ARTICLE 11. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, Office of Minerals Exploration, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, Office of Minerals Exploration, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, Office of Minerals Exploration, a written appeal addressed to the Secretary. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

The term "Director, Office of Minerals Exploration," as used herein includes his duly authorized representative.

ARTICLE 12. Eight-Hour Law of 1912--Overtime compensation.--This contract, to the extent that it is of a character specified in the Eight-Hour Law of 1912, as amended (40 U. S. Code 324—326) and is not covered by the Walsh-Healey Public Contracts Act (41 U. S. Code 35—45), is subject to the following provisions and exceptions of said Eight-Hour Law of 1912, as amended, and to all other provisions and exceptions of said Law:

No laborer or mechanic doing any part of the work contemplated by this contract, in the employ of the Operator or any independent contractor contracting for any part of said work contemplated, shall be required or permitted to work more than eight hours in any one calendar day upon such work, except upon the condition that compensation is paid to such laborer or mechanic in accordance with the provisions of this clause. The wages of every laborer and mechanic employed by the Operator or any independent contractor engaged in the performance of this contract shall be computed on a basic day rate of eight hours per day; and work in excess of eight hours per day is permitted only upon the condition that every such laborer and mechanic shall be compensated for all hours worked in excess of eight hours per day at not less than one and one-half times the basic rate of pay. For each violation of the requirements of this clause a penalty of five dollars shall be imposed for each laborer or mechanic for every calendar day in which such employee is required or permitted to labor more than eight hours upon said work without receiving compensation computed in accordance with this clause, and all penalties thus imposed shall be withheld for the use and benefit of the Government.

ARTICLE 13. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U. S. C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U. S. C. 874) are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions.

ARTICLE 14. Changes and added provisions.--The provisions governing performance of work under Government contracts, as set out in Section 301 of Executive Order 10925, dated March 6, 1961 (a copy of which is attached hereto as Exhibit B and by reference hereby incorporated and made a part of this contract), shall be applicable to this contract, and shall be included in all contracts executed by the Operator for the performance of work contemplated by this contract, and for that purpose the term "contract" shall be deemed to refer to this instrument and to contracts awarded by the Operator and the term "contractor" shall be deemed to refer to the Operator and to contractors awarded contracts by the Operator.

Letter 6/26/62
McPhillamy 6-26
Asst. Sec. Off.
Brown
Talbot
Selfridge
Johnson

Executed in quintuplicate the day and year first above written.

HENRY CLAY MINES INC. (N.S.L.)
(Operator)

By R.C.C. Henson

Title

THE UNITED STATES OF AMERICA

By George Turnbull
Director, Office of Minerals Exploration

I, Harry M. Hurst, certify that I am the
(Name)

Assistant secretary of the corporation named as Operator herein; that

R.C.C. Henson, who signed this contract on behalf of the Operator, was then
(Name)

President of said corporation; that said contract was duly signed for
(Title)

and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

Harry M. Hurst

[CORPORATE SEAL]

INT.-DUP. SEC., WASH., D.C. 52375

EXPLORATION CONTRACT
HENRY CLAY MINES INCORPORATED
(NO STOCKHOLDER'S LIABILITY)
OME-6228

ANNEX I

The land referred to in Article 2 of the contract comprises five patented mining claims with all rights pertaining thereto in Sec. 7, T. 23 S., R. 18 W., N.M.P.M., and in Sec. 12, T. 23 S., R. 19 W., N.M.P.M., Virginia mining district, Hidalgo County, New Mexico, Said patented claims are owned by the Operator but are subject to a mortgage lien to Atwood Mine Incorporated (No Stockholder's Liability), for $35,000.00, dated December 22, 1959, and recorded in Book 17 Mortgages, pages 59-60 official records of said county. The Operator states that the annual installment payments on this mortgage are up to date. A Lien or Subordination Agreement executed by the holder of the mortgage is attached hereto.

The five patented mining claims referred to are as follows:

Name	Mineral Survey No.	Patent Records	
		Book	Page
Henry Clay	70	A	170
Southern	1768	1	236-241
Bessie	1483	A	178
Atwood	68	A	168
Florence	1484	A	176

The claims are shown in blue on the attached Figure 1 entitled "Henry Clay Mines Incorporated, Map Showing Company's Mining Claims in the Lordsburg Mining District."

MME Form 52
June, 1961

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

FOR GOVERNMENT USE ONLY
Operator
Docket No. OME –
Contract No. 14-23-090 – 2153
Contract Date JUN 26 1962

LIEN OR SUBORDINATION AGREEMENT 1/

To the United States of America:

That certain land in the County of Hidalgo, State of New Mexico, described ~~as follows~~: 2/ in mortgage dated December 22, 1959 and recorded in Book 17 Mortgages, pages 59-60 official records of said county.

hereinafter called the "land", is the subject of a proposed exploration contract, hereinafter called the "Contract", between the United States of America, hereinafter called the "Government" and Henry Clay Mines Incorporated (No Stockholders' Liability), a New Mexico corporation 3/ hereinafter called the "Operator". In consideration for and as an inducement to the Government executing the Contract, the undersigned:

1. (a) Being the owner of an interest in the land, hereby grants to the Government a lien upon all of his right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of the royalty on production provided for by the Contract, and agrees if the Operator's interest should be surrendered or terminated at any time prior to the expiration of the rights of the United States under said Contract to pay royalty to the Government according to the terms of said Contract; or

(b) Being the holder of a claim, lien, or encumbrance against the land, hereby subordinates his claim, lien, or encumbrance in or against the land and in any production therefrom to the rights of the Government under the Contract with respect to royalty on production and liens to secure same. 4/

2. 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.

3. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none". Do not leave blank.)

None

1/ Production from the land is not required, and in the absence of production there is no obligation to pay royalty to the Government.

2/ 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 must be inserted above. If the space provided is insufficient, use an Annex and refer to the Annex in the space.

3/ Insert name exactly as it appears in the Application MME Form 40.

4/ Subparagraph 1(a) does not apply to the holder of a claim, lien, or encumbrance.

4. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflic with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of t undersigned's right, title, claim, or interest in or against the land or any production therefrom, furnishing the Government with two true copies of such notice; and

5. Consents to all amendments (including an agreement of termination) and assignments of the Contract without notice thereof, and undertakes and agrees that this agreement shall extend and apply thereto.

6. Added provisions ____ None ____ (State "None" or "See Annex No.____".)

Dated this 14th day of October, 1961.

ATWOOD MINE INCORPORATED (No Stockholders' Liability) _____ (Street)

Earl Strong (Seal) Vanadium, New Mexico (City & State)

Earl Strong, Vice President

APPLICANT SHOULD NOT SIGN

_____ (Street)
_____ (Seal) _____ (City & State)

_____ (Street)
_____ (Seal) _____ (City & State)

_____ (Street)
_____ (Seal) _____ (City & State)

_____ (Street)
_____ (Seal) _____ (City & State)

_____ (Street)
_____ (Seal) _____ (City & State)

I, Gerald L. Moseley (Name), certify that I am the Secretary (Title—Secretary, etc.) of the corporation named herein; that Earl Strong (Name), who signed this agreement was then Vice President (Title—Pres., Vice-Pres., 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.

Gerald L. Moseley (Corporate Seal)

Gerald L. Moseley

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

95181

EXPLORATION CONTRACT
HENRY CLAY MINES INCORPORATED
(NO STOCKHOLDER'S LIABILITY)
OME-6228

EXHIBIT A

The purpose of the project is to explore the Henry Clay Mine for ores of copper, gold, and silver by extending existing crosscuts on the 800 level workings on the Emerald vein of the mine and by diamond core drilling from the 800 level in order to intersect the Emerald vein at distances of approximately 300 feet vertically below the 800 level.

General Conditions

The Operator shall provide all technical and supervisory services necessary to complete the project in a satisfactory manner.

Description of the Work

On the 800 level workings on the Emerald vein the two existing crosscuts known as the "East" and the "West" crosscuts shall be extended approximately 225 feet each, as shown on the attached Figure 2 entitled "Amended Proposal, Proposed Exploration for Henry Clay Mine." The crosscuts shall be of a minimum size of 6 by 8 feet in the clear of timber and shall be timbered as necessary, using standard drift sets of 8- by 8-inch timber, or equivalent round timber. The Government will contribute to the cost of not to exceed 450 linear feet of crosscutting and to not to exceed 100 linear feet of timbering.

At the end of each crosscut a diamond drill station shall be excavated; thereafter two diamond drill holes shall be fanned out from each station as indicated on Figure 2, being inclined downward so as to intersect the Emerald vein at approximate distances of 300 feet below the 800 level. It is estimated that each of the four holes will require an approximate length of 500 feet. The Government will not contribute to the costs of more than a total combined footage of 2,000 feet for the four holes nor will it contribute to the costs of more than 2,000 cubic feet of rock excavation for the two diamond drill stations.

Diamond drilling shall be done with standard AX coring bits (1 1/8-inch core diameter) or larger. However, when necessary to complete a hole, EX size bits may be used.

Cores from the diamond drilling shall be properly boxed, marked, and stored for inspection by the Government. With prior Government approval the Operator may later dispose of such cores. Significantly mineralized cores shall be split and sampled and the sample assayed for copper, gold, or silver as may appear desirable. The remaining split shall be reserved for the Government, properly identified as to location.

Facilities shall be provided for the sampling of diamond drill sludges and such sludges shall be retained when drilling in significantly mineralized areas. Whenever the core recovery is found to have been less than 60 percent, the corresponding retained sludges shall be sampled by quartering as necessary and the sample assayed as indicated above, in addition to the sampling and assaying of such core segments as may have been recovered. The remainder of the sampled sludges shall be retained for the Government.

All holes shall be logged geologically, and copies of the logs of completed holes, together with maps showing hole locations and sections, shall be furnished with the monthly report to the Government.

No drill hole sample shall represent a space interval of more than five feet of hole.

The Government will contribute to the cost of not to exceed 100 assay determinations.

Estimated Costs of the Project

Fixed Unit Costs

450 feet of crosscutting @ $36.00/ft.	$16,200.00
Rock excavation for diamond drill stations, 2,000 cubic feet @ $0.70/cu. ft.	1,400.00

Timbering, 100 linear feet @ $9.00/ft.	$ 900.00
Diamond drilling, AX, 2,000 feet @ $4.00/ft. (includes reaming and casing and cementing and redrilling)	8,000.00
EX drilling $3.80/ft.	
Services for diamond drilling, including power, compressed air, water supply, hoisting, accounting depreciation, et cetera, 2,000 feet @ $0.92/ft.	1,840.00
Technical services, 6 months @ $300.00/mo.	1,800.00
Wooden core boxes, 80 @ $4.00/each	320.00
Assaying, 100 determinations @ $1.10/each	110.00
Total Estimated Cost of the Project	$30,570.00
Government Participation @ 50%	$15,285.00

Presidential Documents

Title 3—THE PRESIDENT

Executive Order 10925

ESTABLISHING THE PRESIDENT'S COMMITTEE ON EQUAL EMPLOYMENT OPPORTUNITY

WHEREAS discrimination because of race, creed, color, or national origin is contrary to the Constitutional principles and policies of the United States; and

WHEREAS it is the plain and positive obligation of the United States Government to promote and ensure equal opportunity for all qualified persons, without regard to race, creed, color, or national origin, employed or seeking employment with the Federal Government and on government contracts; and

WHEREAS it is the policy of the executive branch of the Government to encourage by positive measures equal opportunity for all qualified persons within the Government; and

WHEREAS it is in the general interest and welfare of the United States to promote its economy, security, and national defense through the most efficient and effective utilization of all available manpower; and

WHEREAS a review and analysis of existing Executive orders, practices, and government agency procedures relating to government employment and compliance with existing non-discrimination contract provisions reveal an urgent need for expansion and strengthening of efforts to promote full equality of employment opportunity; and

WHEREAS a single governmental committee should be charged with responsibility for accomplishing these objectives:

NOW, THEREFORE, by virtue of the authority vested in me as President of the United States by the Constitution and statutes of the United States, it is ordered as follows:

PART I—ESTABLISHMENT OF THE PRESIDENT'S COMMITTEE ON EQUAL EMPLOYMENT OPPORTUNITY

SECTION 101. There is hereby established the President's Committee on Equal Employment Opportunity.

SEC. 102. The Committee shall be composed as follows:

(a) The Vice President of the United States, who is hereby designated Chairman of the Committee and who shall preside at meetings of the Committee.

(b) The Secretary of Labor, who is hereby designated Vice Chairman of the Committee and who shall act as Chairman in the absence of the Chairman. The Vice Chairman shall have general supervision and direction of the work of the Committee and of the execution and implementation of the policies and purposes of this order.

(c) The Chairman of the Atomic Energy Commission, the Secretary of Commerce, the Attorney General, the Secretary of Defense, the Secretaries of the Army, Navy and Air Force, the Administrator of General Services, the Chairman of the Civil Service Commission, and the Administrator of the National Aeronautics and Space Administration. Each such member may designate an alternate to represent him in his absence.

(d) Such other members as the President may from time to time appoint.

(e) An Executive Vice Chairman, designated by the President, who shall be *ex officio* a member of the Committee. The Executive Vice Chairman shall assist the Chairman, the Vice Chairman and the Committee. Between meetings of the Committee he shall be primarily responsible for carrying out the functions of the Committee and may act for the Committee pursuant to its rules, delegations, and other directives. Final action in individual cases or classes of cases may be taken and final orders may be entered on behalf of the Committee by the Executive Vice Chairman when the Committee so authorizes.

SEC. 103. The Committee shall meet upon the call of the Chairman and at such other times as may be provided by its rules and regulations. It shall (a) consider and adopt rules and regulations to govern its proceedings; (b) provide generally for the procedures and policies to implement this order; (c) consider reports as to progress under this order; (d) consider and act, where necessary or appropriate, upon matters which may be presented to it by any of its members; and (e) make such reports to the President as he may require or the Committee shall deem appropriate. Such reports shall be made at least once annually and shall include specific references to the actions taken and results achieved by each department and agency. The Chairman may appoint sub-committees to make special studies on a continuing basis.

PART II—NONDISCRIMINATION IN GOVERNMENT EMPLOYMENT

SECTION 201. The President's Committee on Equal Employment Opportunity established by this order is directed immediately to scrutinize and study employment practices of the Government of the United States, and to consider and recommend additional affirmative steps which should be taken by executive departments and agencies to realize more fully the national policy of nondiscrimination within the executive branch of the Government.

SEC. 202. All executive departments and agencies are directed to initiate forthwith studies of current government employment practices within their responsibility. The studies shall be in such form as the Committee may prescribe and shall include statistics on current employment patterns, a review of current procedures, and the recommendation of positive measures for the elimination of any discrimination, direct or indirect, which now exists. Reports and recommendations shall be submitted to the Executive Vice Chairman of the Committee no later than sixty days from the effective date of this order, and the Committee, after considering such reports and recommedations, shall report to the President on the current situation and recommend positive measures to accomplish the objectives of this order.

SEC. 203. The policy expressed in Executive Order No. 10590 of January 18, 1955 (20 F.R. 409), with respect to the exclusion and prohibition of discrimination against any employee or applicant for employment in the Federal Government because of race, color, religion, or national origin is hereby reaffirmed.

SEC. 204. The President's Committee on Government Employment Policy, established by Executive Order No. 10590 of January 18, 1955 (20 F.R. 409), as amended by Executive Order No. 10722 of August 5, 1957 (22 F.R. 6287), is hereby abolished, and the powers, functions, and duties of that Committee are hereby transferred to, and henceforth shall be vested in, and exercised by, the President's Committee on Equal Employment Opportunity in addition to the powers conferred by this order.

PART III—OBLIGATIONS OF GOVERNMENT CONTRACTORS AND SUBCONTRACTORS

SUBPART A—CONTRACTORS' AGREEMENTS

SECTION 301. Except in contracts exempted in accordance with section 303 of this order, all government contracting agencies shall include in every government contract hereafter entered into the following provisions:

"In connection with the performance of work under this contract, the contractor agrees as follows:

"(1) The contractor will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

"(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor,

state that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin.

"(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the said labor union or workers' representative of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

"(4) The contractor will comply with all provisions of Executive Order No. 10925 of March 6, 1961, and of the rules, regulations, and relevant orders of the President's Committee on Equal Employment Opportunity created thereby.

"(5) The contractor will furnish all information and reports required by Executive Order No. 10925 of March 6, 1961, and by the rules, regulations, and orders of the said Committee, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Committee for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

"(6) In the event of the contractor's non-compliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be cancelled in whole or in part and the contractor may be declared ineligible for further government contracts in accordance with procedures authorized in Executive Order No. 10925 of March 6, 1961, and such other sanctions may be imposed and remedies invoked as provided in the said Executive order or by rule, regulation, or order of the President's Committee on Equal Employment Opportunity, or as otherwise provided by law.

"(7) The contractor will include the provisions of the foregoing paragraphs (1) through (6) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the President's Committee on Equal Employment Opportunity issued pursuant to section 303 of Executive Order No. 10925 of March 6, 1961, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions, including sanctions for non-compliance: *Provided, however,* that in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States."

SEC. 302. (a) Each contractor having a contract containing the provisions prescribed in section 301 shall file, and shall cause each of its subcontractors to file, Compliance Reports with the contracting agency, which will be subject to review by the Committee upon its request. Compliance Reports shall be filed within such times and shall contain such information as to the practices, policies, programs, and employment statistics of the contractor and each subcontractor, and shall be in such form, as the Committee may prescribe.

(b) Bidders or prospective contractors or subcontractors may be required to state whether they have participated in any previous contract subject to the provisions of this order, and in that event to submit, on behalf of themselves and their proposed subcontractors, Compliance Reports prior to or as an initial part of their bid or negotiation of a contract.

(c) Whenever the contractor or subcontractor has a collective bargaining agreement or other contract or understanding with a labor union or other representative of workers, the Compliance Report shall include such information as to the labor union's or other representative's practices and policies affecting compliance as the Committee may prescribe: *Provided,* that to the extent such information is within the exclusive possession of a labor union or other workers' representative and the labor union or representative shall refuse to furnish such information to the contractor, the contractor shall so certify to the contracting agency as part of its Compliance Report and shall set forth what efforts he has made to obtain such information.

(d) The Committee may direct that any bidder or prospective contractor or subcontractor shall submit, as part of his Compliance Report, a statement in writing, signed by an authorized officer or agent of any labor union or other workers' representative with which the bidder or prospective contractor deals, together with supporting information, to the effect that the said labor union's or representative's practices and policies do not discriminate on the grounds of race, color, creed, or national origin, and that the labor union or representative either will affirmatively cooperate, within the limits of his legal and contractual authority, in the implementation of the policy and provisions of this order or that it consents and agrees that recruitment, employment, and the terms and conditions of employment under the proposed contract shall be in accordance with the purposes and provisions of the order. In the event that the union or representative shall refuse to execute such a statement, the Compliance Report shall so certify and set forth what efforts have been made to secure such a statement.

SEC. 303. The Committee may, when it deems that special circumstances in the national interest so require, exempt a contracting agency from the requirement of including the provisions of section 301 of this order in any specific contract, subcontract, or purchase order. The Committee may, by rule or regulation, also exempt certain classes of contracts, subcontracts, or purchase orders (a) where work is to be or has been performed outside the United States and no recruitment of workers within the limits of the United States is involved; (b) for standard commercial supplies or raw materials; or (c) involving less than specified amounts of money or specified numbers of workers.

SUBPART B—LABOR UNIONS AND REPRESENTATIVES OF WORKERS

SEC. 304. The Committee shall use its best efforts, directly and through contracting agencies, contractors, state and local officials and public and private agencies, and all other available instrumentalities, to cause any labor union, recruiting agency or other representative of workers who is or may be engaged in work under government contracts to cooperate with, and to comply in the implementation of, the purposes of this order.

SEC. 305. The Committee may, to effectuate the purposes of section 304 of this order, hold hearings, public or private, with respect to the practices and policies of any such labor organization. It shall from time to time submit special reports to the President concerning discriminatory practices and policies of any such labor organization, and may recommend remedial action if, in its judgment, such action is necessary or appropriate. It may also notify any Federal, state, or local agency of its conclusions and recommendations with respect to any such labor organization which in its judgment has failed to cooperate with the Committee, contracting agencies, contractors, or subcontractors in carrying out the purposes of this order.

SUBPART C—POWERS AND DUTIES OF THE PRESIDENT'S COMMITTEE ON EQUAL EMPLOYMENT OPPORTUNITY AND OF CONTRACTING AGENCIES

SEC. 306. The Committee shall adopt such rules and regulations and issue such orders as it deems necessary and appropriate to achieve the purposes of this order, including the purposes of Part II hereof relating to discrimination in government employment.

SEC. 307. Each contracting agency shall be primarily responsible for obtaining compliance with the rules, regulations, and orders of the Committee with respect to contracts entered into by such agency or its contractors, or affecting its own employment practices. All contracting agencies shall comply with the Committee's rules in discharging their primary responsibility for securing compliance with the provisions of contracts and otherwise with the terms of this Executive order and of the rules, regulations, and orders of the Committee pursuant hereto. They are directed to cooperate with the Committee, and to furnish the Committee such information and assistance as it may require in the performance of its functions under this order. They are further directed to appoint or designate, from among the agency's personnel, compliance officers. It shall be the duty of such officers to seek compliance with the objectives of this order by conference, conciliation, mediation, or persuasion.

SEC. 308. The Committee is authorized to delegate to any officer, agency, or employee in the executive branch of the

Government any function of the Committee under this order, except the authority to promulgate rules and regulations of a general nature.

SEC. 309. (a) The Committee may itself investigate the employment practices of any government contractor or subcontractor, or initiate such investigation by the appropriate contracting agency or through the Secretary of Labor, to determine whether or not the contractual provisions specified in section 301 of this order have been violated. Such investigation shall be conducted in accordance with the procedures established by the Commitee, and the investigating agency shall report to the Committee any action taken or recommended.

(b) The Committee may receive and cause to be investigated complaints by employees or prospective employees of a government contractor or subcontractor which allege discrimination contrary to the contractual provisions specified in section 301 of this Order. The appropriate contracting agency or the Secretary of Labor, as the case may be, shall report to the Committee what action has been taken or is recommended with regard to such complaints.

SEC. 310. (a) The Committee, or any agency or officer of the United States designated by rule, regulation, or order of the Committee, may hold such hearings, public or private, as the Committee may deem advisable for compliance, enforcement, or educational purposes.

(b) The Committee may hold, or cause to be held, hearings in accordance with subsection (a) of this section prior to imposing, ordering, or recommending the imposition of penalties and sanctions under this order, except that no order for debarment of any contractor from further government contracts shall be made without a hearing.

SEC. 311. The Committee shall encourage the furtherance of an educational program by employer, labor, civic, educational, religious, and other nongovernmental groups in order to eliminate or reduce the basic causes of discrimination in employment on the ground of race, creed, color, or national origin.

SUBPART D—SANCTIONS AND PENALTIES

SEC. 312. In accordance with such rules, regulations or orders as the Committee may issue or adopt, the Committee or the appropriate contracting agency may:

(a) Publish, or cause to be published, the names of contractors or unions which it has concluded have complied or have failed to comply with the provisions of this order or of the rules, regulations, and orders of the Committee.

(b) Recommend to the Department of Justice that, in cases where there is substantial or material violation or the threat of substantial or material violation of the contractual provisions set forth in section 301 of this order, appropriate proceedings be brought to enforce those provisions, including the enjoining, within the limitations of applicable law, of organizations, individuals or groups who prevent directly or indirectly, or seek to prevent directly or indirectly, compliance with the aforesaid provisions.

(c) Recommend to the Department of Justice that criminal proceedings be brought for the furnishing of false information to any contracting agency or to the Committee as the case may be.

(d) Terminate, or cause to be terminated, any contract, or any portion or portions thereof, for failure of the contractor or subcontractor to comply with the nondiscrimination provisions of the contract. Contracts may be terminated absolutely or continuance of contracts may be conditioned upon a program for future compliance approved by the contracting agency.

(e) Provide that any contracting agency shall refrain from entering into further contracts, or extensions or other modifications of existing contracts, with any non-complying contractor, until such contractor has satisfied the Committee that he has established and will carry out personnel and employment policies in compliance with the provisions of this order.

(f) Under rules and regulations prescribed by the committee, each contracting agency shall make reasonable efforts within a reasonable time limitation to secure compliance with the contract provisions of this order by methods of conference, conciliation, mediation, and persuasion before proceedings shall be instituted under paragraph (b) of this section, or before a contract shall be terminated in whole or in part under paragraph (d) of this section for failure of a contractor or subcontractor to comply with the contract provisions of this order.

SEC. 313. Any contracting agency taking any action authorized by this section, whether on its own motion, or as directed by the Committee, or under the Committee's rules and regulations, shall promptly notify the Committee of such action or reasons for not acting. Where the Committee itself makes a determination under this section, it shall promptly notify the appropriate contracting agency of the action recommended. The agency shall take such action and shall report the results thereof to the Committee within such time as the Committee shall provide.

SEC. 314. If the Committee shall so direct, contracting agencies shall not enter into contracts with any bidder or prospective contractor unless the bidder or prospective contractor has satisfactorily complied with the provisions of this order or submits a program for compliance acceptable to the Committee or, if the Committee so authorizes, to the contracting agency.

SEC. 315. Whenever a contracting agency terminates a contract, or whenever a contractor has been debarred from further government contracts, because of noncompliance with the contractor provisions with regard to nondiscrimination, the Committee, or the contracting agency involved, shall promptly notify the Comptroller General of the United States.

SUBPART E—CERTIFICATES OF MERIT

SEC. 316. The Committee may provide for issuance of a United States Government Certificate of Merit to employers or employee organizations which are or may hereafter be engaged in work under government contracts, if the Committee is satisfied that the personnel and employment practices of the employer, or that the personnel, training, apprenticeship, membership, grievance and representation, upgrading and other practices and policies of the employee organization, conform to the purposes and provisions of this order.

SEC. 317. Any Certificate of Merit may at any time be suspended or revoked by the Committee if the holder thereof, in the judgment of the Committee, has failed to comply with the provisions of this order.

SEC. 318. The Committee may provide for the exemption of any employer or employee organization from any requirement for furnishing information as to compliance if such employer or employee organization has been awarded a Certificate of Merit which has not been suspended or revoked.

PART IV—MISCELLANEOUS

SECTION 401. Each contracting agency (except the Department of Justice) shall defray such necessary expenses of the Committee as may be authorized by law, including section 214 of the Act of May 3, 1945, 59 Stat. 134 (31 U.S.C. 691): *Provided*, that no agency shall supply more than fifty per cent of the funds necessary to carry out the purposes of this order. The Department of Labor shall provide necessary space and facilities for the Committee. In the case of the Department of Justice, the contribution shall be limited to furnishing legal services.

SEC. 402. This order shall become effective thirty days after its execution. The General Services Administration shall take appropriate action to revise the standard Government contract forms to accord with the provisions of this order and of the rules and regulations of the Committee.

SEC. 403. Executive Order No. 10479 of August 13, 1953 (18 F.R. 4899), together with Executive Orders Nos. 10482 of August 15, 1953 (18 F.R. 4944), and 10733 of October 10, 1957 (22 F.R. 8135), amending that order, and Executive Order No. 10557 of September 3, 1954 (19 F.R. 5655), are hereby revoked, and the Government Contract Committee established by Executive Order No. 10479 is abolished. All records and property of or in the custody of the said Committee are hereby transferred to the President's Committee on Equal Employment Opportunity, which shall wind up the outstanding affairs of the Government Contract Committee.

JOHN F. KENNEDY

THE WHITE HOUSE,
March 6, 1961.

[F.R. Doc. 61-2093; Filed, Mar. 7, 1961; 10:06 a.m.] 90048

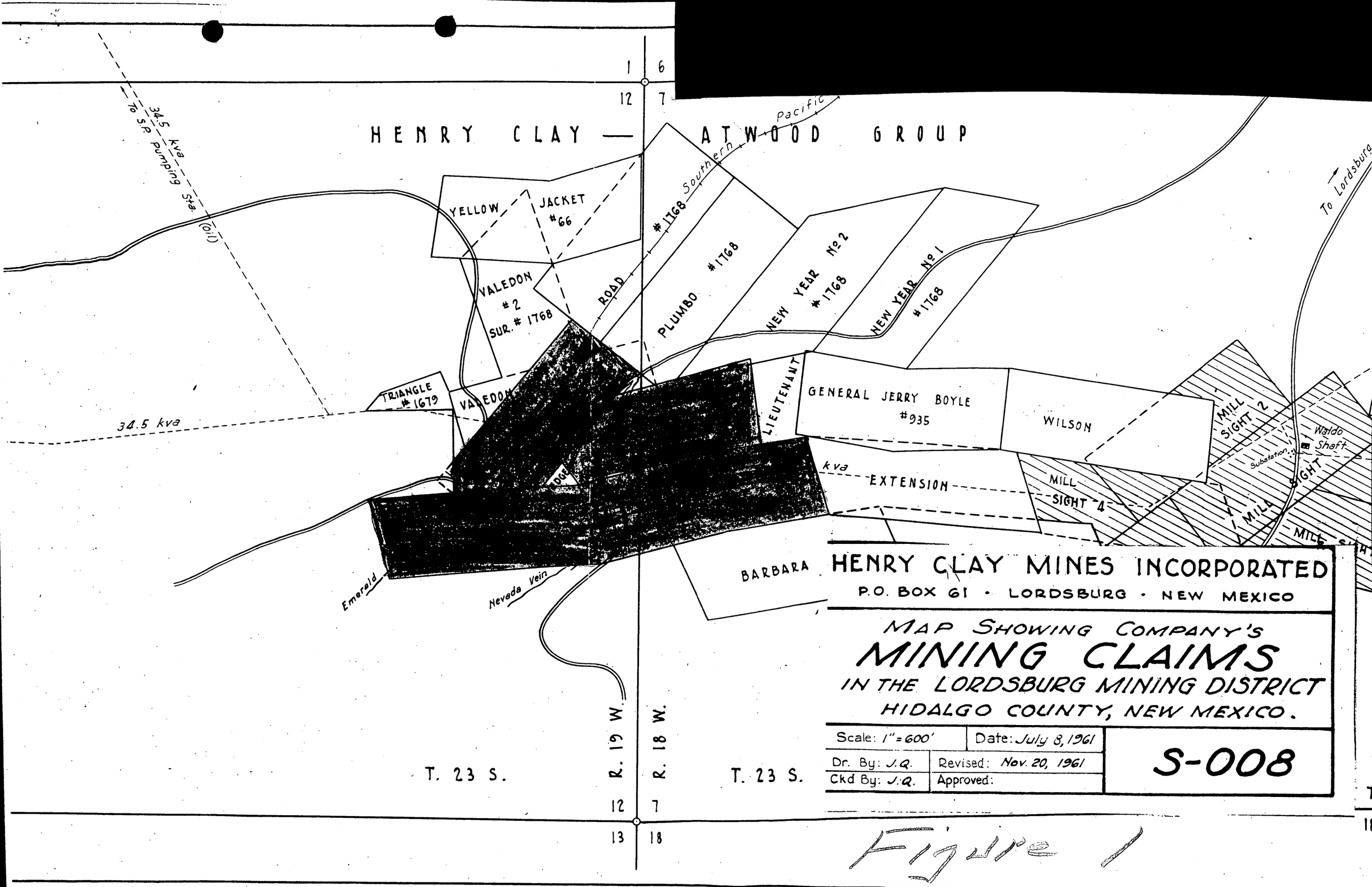
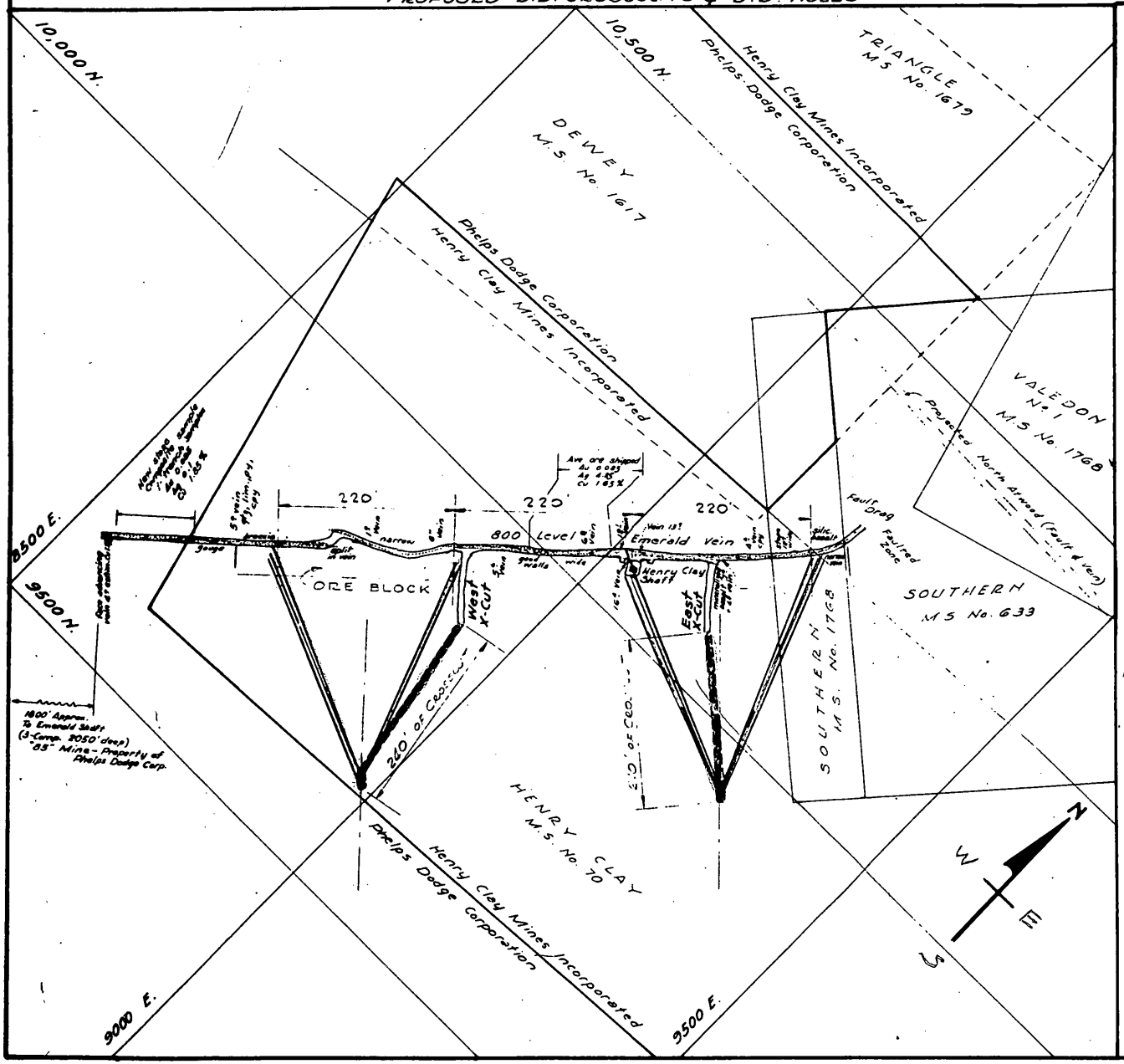

HENRY CLAY — ATWOOD GROUP
34.5 kva
To S.P. Pumping Sta. (Oil)
YELLOW JACKET #66
VALEDON #2 SUR. # 1768
ROAD #1768
Southern Pacific
PLUMBO #1768
NEW YEAR No 2 #1768
NEW YEAR No 1 #1768
To Lordsburg
TRIANGLE #1679
VALEDON
LIEUTENANT
GENERAL JERRY BOYLE #935
WILSON
MILL SIGHT 2
Waldo Shaft
Substation
MILL SIGHT
MILL SIGHT 4
kva EXTENSION
BARBARA
Emerald
Nevada Vein
T. 23 S.
R. 19 W.
R. 18 W.
T. 23 S.
HENRY CLAY MINES INCORPORATED
P.O. BOX 61 · LORDSBURG · NEW MEXICO
MAP SHOWING COMPANY'S
MINING CLAIMS
IN THE LORDSBURG MINING DISTRICT
HIDALGO COUNTY, NEW MEXICO.
Scale: 1" = 600'
Date: July 8, 1961
Dr. By: J.Q.
Revised: Nov. 20, 1961
Ckd By: J.Q.
Approved:
S-008

Figure 1

PLAN OF
800 LEVEL – HENRY CLAY MINE
SHOWING
PROPOSED D.D. CROSSCUTS & D.D. HOLES



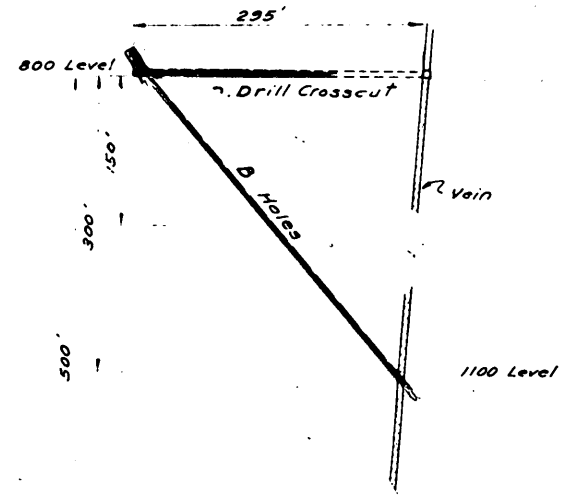


Figure 2

CROSS-SECTION
OF
EMERALD VEIN SHOWING
D. DRILL CROSSCUT & D.D. HOLES

AMENDED PROPOSAL

PROPOSED EXPLORATION
FOR
HENRY CLAY MINE

HIDALGO COUNTY —— NEW MEXICO

Scale:– 1 in. = 100 ft. May 1962

PROPOSED EXPLORATION SHOWN THUS:

HENRY CLAY MINES INCORPORATED
P.O. BOX 61, LORDSBURG, NEW MEXICO

SECOND MORTGAGE
(Statutory Form)

WERNER LAKE NICKEL MINES LIMITED, a Company incorporated under the laws of the Province of Ontario, Canada, for consideration paid, grants to ATWOOD MINE INCORPORATED (No Stockholders' Liability), a New Mexico corporation, the following described real estate in Hidalgo County, New Mexico, to-wit:

PATENTED CLAIMS

Name	M.S. NO.	Patent Records Book	Page
Atwood	68	A	168
Henry Clay	70	A	170
Yellow Jacket	66	A	173
Florence	1484	A	176
Bessie	1483	A	178
Southern, Road, Plumbo, New Year No. 1, New Year No. 2, Valedon No. 1 and Valedon No. 2	1768	1	236-241
General Jerry Boyle	935	A	70
Triangle	1679	A	336

UNPATENTED CLAIMS

Name	Mining Location Records Book	Page
Wilson	2	538
Extension	2	526
Saddle Horse	3	41-42
Barbara	3	34
Lieutenant	2	42
Wedge	2	581

with mortgage covenants.

This mortgage secures the performance of the attached promissory note and is upon the statutory mortgage condition for the breach of which it is subject to foreclosure as provided by law.

This is a second mortgage subject to first mortgage of even date herewith, given to secure a note in the principal amount of $70,000.00, payable to Murray Mining Corporation Limited (No Personal Liability), a Company incorporated under the Laws of the Province of Quebec, Canada.

IN WITNESS WHEREOF the undersigned has caused these presents to be executed by its duly authorized officers and its corporate seal affixed this 22nd day of December, 1959.

ATTEST:

Secretary

WERNER LAKE NICKEL MINES LIMITED

By

President

EXHIBIT "B"

$35,000.00 Toronto, Canada December 28, 1959

FOR VALUE RECEIVED on or before June 28, 1963, we promise to pay to the order of ATWOOD MINE INCORPORATED the sum of THIRTY-FIVE THOUSAND DOLLARS ($35,000.00), lawful money of the United States at The American National Bank of Silver City, New Mexico, with interest on the respective unpaid balances.

This note shall be payable in seven (7) semi-annual installments of $5,000.00 each, payable on June 28 and December 28 of 1960, 1961 and 1962, respectively, with a final payment of $5,000.00 on June 28, 1963. In addition to said payments on principal, interest on the respective unpaid balances shall be paid at the time of making said principal payments.

If this note or any installment thereon, either of the principal or interest, is not paid when due and is placed in the hands of an attorney for collection, or in the event judicial proceedings are instituted to enforce the collection thereof, we agree to pay an additional ten per cent (10%) of the amount of principal and interest unpaid as attorney's fees.

The makers hereof reserve the right to make additional payments to reduce the amount of principal due on this note, but not to relieve maker of the obligation to make periodic payments as hereinabove provided.

WERNER LAKE NICKEL MINES LIMITED

By _____
President

CANADA
PROVINCE OF ONTARIO

The above and foregoing instrument was acknowledged before me this 22nd day of December, 1959, by R. C. C. Henson the President of Werner Lake Nickel Mines Limited, a Company incorporated under the laws of the Province of Ontario, with head office in the City of Toronto, as the act of such corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

A Notary Public in and for the
Province of Ontario

My Commission does not expire.

EXECUTIVE OFFICES:
SUITE 300, 185 BAY STREET
TORONTO 1, ONTARIO
PHONE EM. 3-5911

MINE OFFICE:
POST OFFICE BOX 61
308 SOUTH PYRAMID ST.
LORDSBURG, NEW MEXICO
PHONE 542-9471

HENRY CLAY MINES INCORPORATED

Executive Offices.
June 11th, 1962.

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 13 1962

DATE	INITIALS	CODE
6/13	Received	500

Mr.George Fumich Jr.,
Office of Mineral Exploration,
U.S.Department of the Interior,
Washington 25, D.C.

Re: OME-6228 (~~Copper~~)
Henry Clay ~~Mines Inc. (N.S.L.)~~
Henry Clay, et al., Claims
Hidalgo County, New Mexico

Dear Mr.Fumich:

I have your letter of June 1st in regard to this application.

Your regulations, Section 301.4, provide that the operator must have and preserve the right to possession of the land for a term at least sufficient to complete the exploration work. As owner of the property Henry Clay Mines Inc. will of course retain its ownership for the desired period.

The Brannan & Fuller agreement mentioned under Item III(b) is not a lease and option nor does it give exclusive possession to Brannan & Fuller. Under the agreement Brannan & Fuller have the right to extract ores encountered above the 800 foot level. The contemplated exploration for which the loan is being sought is to determine whether or not ore bodies exist below the 800 foot level horizon, and the operating agreement with Brannan & Fuller will in no way impede the exploration program or the right of Henry Clay Mines Inc. to develop and extract any ores proven by the exploration work.

The operating agreement further provides that the same is subject to cancellation by the owner upon 61 days notice without cause and at the owner's election. However Brannan & Fuller will give us immediate termination of their contract if this would assist us in obtaining the OME loan.

We therefor believe that the facts involved in this case are such as to be in harmony with your regulations. Complete copies of the agreements with Brannan & Fuller are attach for purposes of reference. Perhaps it might be in order to secure a subordination agreement from Brannan & Fuller. Another alternative would be for Henry Clay Mines Inc. to

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PHONE 542-9471

HENRY CLAY MINES INCORPORATED

Mr.George Fumich Jr., (continued)

either terminate the agreement or secure a cancellation thereof from Brannan & Fuller. We would prefer to allow Brannan & Fuller to complete their contract which, as we view it, will in no way affect the right of Henry Clay Mines Inc. to carry out its exploration contract with the Office of Mineral Exploration.

In view of the facts presented above, we would appreciate your reconsidering your decision and either approve the application or advise what steps you would consider necessary to enable us to meet your requirements.

Yours very truly,

HENRY CLAY MINES INC.

R.C.C. Henson

R.C.C.Henson,
President.

RCCH/h.

AGREEMENT made in duplicate this 26th day of November, A.D. 1957.

B E T W E E N:

OME- 6228 (Copper)
Henry Clay Mines Inc.,
Henry Clay et. al.,Claims
Hidalgo County, New Mexico

Certified True Copy
Henry Clay Mines Inc.

H.M.Hurst
Assistant Secretary.

WERNER LAKE NICKEL MINES LIMITED, a Company with head office at Suite 309, 200 Bay Street, in the City of Toronto, in the Province of Ontario, Canada,

hereinafter called the "Company"

OF THE FIRST PART

- and -

BRAMHAM AND FULLER, Mining Contractors, P.O. Box 266, of the City of Silver City, in the State of New Mexico, one of the United States of America,

hereinafter called the "Contractor"

OF THE SECOND PART

WITNESSETH that in consideration of the covenants and agreements herein contained and subject to the terms and conditions hereof, the Parties hereto agree as follows:

1. The "Contractor" hereby covenants and agrees with the "Company" as follows:

(1) To take over the operation of The Henry Clay Mine, Atwood Mine, and other properties of the "Company" in the Virginia Mining District, Hidalgo County, New Mexico, as of December 1st, 1957 or as soon thereafter as possible.

(2) To make himself fully familiar with the terms of Agreement dated August 22, 1955 between Atwood Mine Incorporated and Charles L. Hershman, Agreement dated September 22, 1955 between Charles L. Hershman and the "Company" and others effecting transfer to the "Company" of the Augustine lease, and all modifications and amendments thereof including that dated July 1, 1956 and to comply with all the terms of the "Company's" lease and purchase agreement arising under the aforementioned Agreements with respect to the number of manshifts performed, mining, shipping, marketing and

to make all the royalty payments on all ores marketed.

(3) To carry on all work according to good mining practice, obey all laws, State and National, regarding underground mining and surface plant operation. Among other things this means that when a stope is left, the muck level in the stope will not average more than 7 feet from the average stope back elevation unless:

(a) The stope is completely mined out to the level above, or-

(b) The ore pinched out before the level above is reached, in which case an assay plan of the stope back is to be provided to the "Company", with assays being shown at 10 feet intervals along the back, at not later than 30 days after the completion of such stope work.

(4) To promptly pay all wages, payroll taxes, power bills, material and supply bills and to keep property free of all liens or other encumbrances.

(5) To maintain all machinery and other equipment in good operating condition.

(6) To supply "Company" with two copies of all liquidation sheets and also one to Mr. J. Turner at Silver City, New Mexico.

(7) To make all reports required by both the state and federal government and supply "Company" with two copies of each report.

(8) To pay all severance and other production taxes on ores marketed.

(9) To carry Workmen's Compensation Insurance in full compliance with the laws of the state of New Mexico, and to carry public liability insurance in the amount of $100,000.00 together

with paying the cost of insurance on the "Company's" machinery and equipment at its present assessed amount.

(10) To take every reasonable precaution to protect the "Company's" property, but will not be responsible for losses due to an act of God, War, Riot, Fire, the public enemy, or anything else beyond his reasonable control.

(11) Upon receipt of each liquidation for ores shipped, the "Contractor" will promptly pay the "Company" one dollar per ton shipped on all ores having a net smelter or mill value up to and including $15.00 per ton. On ore having a net mill or smelter value in excess of $15.00 per ton the "Contractor" will pay the "Company" an additional 29% of the excess over $15.00.

(12) The rate of ore shipment is not to exceed an average rate of 1,250 tons in any single period of one month, but this may be taken as an average over any three month period so as not to bind the "Contractor" too closely to this monthly maximum in any single month.

2. The "Company" hereby covenants and agrees with the "Contractor" as follows:

(1) To sell its present inventory of materials, tools and supplies on hand to the "Contractor" at inventoried value and as "Contractor" requires them. Such materials, tools and supplies consumed by the "Contractor" to be paid for by the 10th of each month for items used in the preceding month. The "Contractor" at his option may purchase all

inventory items at any time.

(2) To lease to the "Contractor" for one dollar per year and other consideration, all company-owned machinery buildings, tools, machines, power system and other items such as track, pipe lines, etc. The "Contractor" to keep the above repaired and in good condition except for normal depreciation and to pay all insurance on the present mine, plant, etc.

(3) To allow "Contractor" to mine and ship any commercial ore existing in either or both of the following areas:

(a) In the Henry Clay shaft area, that part of the "Emerald" vein above the 600' level and between the Phelps Dodge line being a point having a latitude of: 8,764 N and a departure of: 8,617 E, thence north-eastward 100' beyond the shaft crosscut, which is a point having a latitude of 10,179 N and a departure of 9,098 E. This area is shown on the accompanying longitudinal projection of the "Henry Clay Shaft Area", marked "Plan No. 1".

(b) That part of the "South Atwood" vein above the Atwood 625' level and between the following points: 9,910 N, 9,940 E eastward to 9,890 N, 10,208 E, having a length measured along the vein of approximately 270 feet. This is shown on the accompanying plan entitled: "625 level, Atwood Mine, marked - Plan No. 2".

(4) To do assessment work on all claims except that

which is automatically done on the "Henry Clay-Atwood" group by mining operations in accordance with this agreement.

3. The Parties hereto mutually agree one with the other as follows:

(1) That the duration of this agreement shall be December 31st, 1959, except as otherwise provided in the following clauses.

(2) That the "Contracter" may surrender his rights to operate the "Company's" property at any time thirty one days after mailing, by registered letter to the "Company's" Toronto Office, notice of his intention of so doing.

(3) That the "Company" may terminate this agreement in event "Contracter" fails to comply with agreement, provided however, that "Contracter" has thirty days to correct his failure after receipt of written notice from "Company" of "Contractor's" non-compliance.

(4) That the "Company" may terminate this agreement for any reason by giving "Contractor" written notice at least sixty one days before his intention to do so. In this case the "Company" is to reimburse the "Contracter" for all available broken ore left in stopes which is in excess of broken ore in stopes when "Contracter" takes over the mine. Reimbursement is to be on the basis of "Contracter's" average breaking costs during the last three month breaking period.

THIS AGREEMENT shall enure to the Benefit of

and be binding upon the parties hereto, their heirs, executors, administrators, successors and assigns respectively.

IN WITNESS WHEREOF the Company has hereunto affixed its Corporate Seal attested by the hands of its proper officers duly authorised in that behalf and the Contractor has hereunto set his hand and seal as of the day and year first above written.

SIGNED, SEALED and DELIVERED in the presence of	WERNER LAKE NICKEL MINES LIMITED
	By_____
Brannan	_____
Fuller	_____
	_____

HENRY CLAY MINES INCORPORATED

Henry Clay Mine

Executive Offices:
Suite 309 --- 200 Bay St.
Toronto, Ontario

Post Office Box 61
308 South Pyramid St.
Lordsburg, New Mexico
Phone, 542 - 9471

May 23, 1962

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 29 1962

DATE	INITIALS	CODE
5/29	Brewer	500

Office of Minerals Exploration
Department of the Interior
Washington 25, D. C.

SUBJECT: REQUEST FOR AMENDMENT OF OME APPLICATION

RE: OME-6228 (Copper)
Henry Clay Mines Inc. (N.S.L.)
(Henry Clay, etal, Claims)
Hidalgo County, New Mexico

1. Request for amendment of application for above captioned OME application is herewith presented.

2. This request follows your Agency's review of submitted formal OME application and the field investigation performed at the property, May 1, 1962, by OME Region III examining engineer, Mr. T. M. Romslo.

3. Data for amendment of application accompanies this request for amendment. Some revisions are made in originally presented material and some new additional information is given.

4. We have endeavored to prepare our amended proposal to meet the requirements your examining engineer has carefully outlined to us here.

Respectfully submitted,

J. H. Quay, P. E.
Henry Clay Mines Incorporated

JHQ:b
Encl. 5
(Amended proposal with Exhibits "A" through "J".)
cc:
Mr. Hugh M. Connors, Acting Field Officer
Region III, OME
Mr. R. C. C. Henson
Mr. Murray Watts
file

(Maps filed in Pocket Folder No. 2)

A M E N D E D P R O P O S A L

OME-6228 (Copper)
Henry Clay Mines, Inc. (N.S.L.)
(Henry Clay, etal, Claims)
Hidalgo County, New Mexico

I. Financial Eligibility.
This has been covered in original application.

II. Rights in Land. See also Section VIII - Claims covered by this Application.

(a) 1. Sole ownership of land and mineral rights have been submitted and are designated on Drawing No. S-008, MINING CLAIMS (Exhibit "A").

2. Copy of Mortgage (second) in the amount of $35,000.00 granted to Atwood Mine Incorporated is included. (Exhibit "B"). Payments of annual installments of this mortgage are up to date.

A mentioned first mortgage granted to Murray Mining Corporation, in amount of $70,000.00 has been paid in full. Financial statement previously submitted will show the above payments.

III. Physical Description.

(a) Description has been previously submitted of all mining and exploration operations. A more recent map "Plan and Longitudinal Projection, HENRY CLAY MINES INCORPORATED PROPERTY" is included (Exhibit "C").

(b) The property is leased to Brannan & Fuller, an operating Company, paying a royalty on production to the owners, Henry Clay Mines Incorporated.

(c) Production records and allied papers have been forwarded with original application.

(d) Ore reserves, the most recent figures, are shown on "Plan and Longitudinal Projection, HENRY CLAY MINES INCORPORATED PROPERTY". (Exhibit "C").

(e) Geologic features have been fully explained in original application.

(f) Reasons for expecting to find ore by proposed exploration are as follows:

1. Those set forth in Geologic Report on the Atwood and Henry Clay Mines by J. W. Reinhart, February 12, 1956.

2. Indications of existing diamond drill holes below 800 level, for example U 16, at 975 level.

3. History of district with adjoining property disclosing good ore near shaft bottom, equivalent to the Henry Clay 1800 level; and active mining at the Henry Clay 1500 level. See Vertical Projection of Eighty-five Mine (Exhibit "D").

A M E N D E D P R O P O S A L

OME-6228 (Copper)
Henry Clay Mines, Inc. (N.S.L.)
(Henry Clay, etal, Claims)
Hidalgo County, New Mexico

(g) Geologic reports have been submitted with original application.

IV. Accessibility of Property.

Claim Map (Exhibit "A") shows location, roads and railpoint. Property is three and one half miles southwest of Lordsburg, New Mexico.

V. Exploration Work.

(a) 1. Details of proposed exploration are given on map "Amended Proposal, PROPOSED EXPLORATION FOR HENRY CLAY MINE", (Exhibit "E").

2. A summary of footage for diamond core drilling and for cross cutting is given on map Exhibit "E".

3. Boundaries of property and location of exploration work are given on map Exhibit "E".

4. Upon execution of OME contract, exploration work would begin immediately. Anticipated average monthly progress would be as follows:

East X-Cut	
X-Cutting and D. D. Station	2.59 months
Diamond Drilling	3.34 months
Total Time	5.93 months

West X-Cut	
X-Cutting and D. D. Station	2.93 months
Diamond Drilling	2.85 months
Total Time	5.78 months

Restricting of daily crosscut footage of 4 feet per day is dictated by simultaneous mining operation, restricting disposal of broken rock.

It is possible to develop the West X-Cut while drilling is performed in the East X-Cut. Total time using one diamond drill (two shifts per day) would be:

Proposed Exploration

East X-Cut, complete	5.93 months
West X-Cut	
(Concurrent with East X-Cut 2.93 mos.)	
Diamond Drilling after East X-Cut	2.85 months
Total Time	8.78 months

A detailed estimate of time required for each item of exploration is given on the page following.

A M E N D E D P R O P O S A L

OME-6228 (Copper)
Henry Clay Mines, Inc. (N.S.L.)
(Henry Clay, etal, Claims)
Hidalgo County, New Mexico

V. Exploration Work (Continued)

(a) 4. (cont'd)

Detailed Estimate of Time Required for Exploration

East X-Cut (Start immediately after OME approval)	
*210 ft. X-Cutting @ 100 ft./month	2.10 months
1-D. D. Station---slabbing	.25 months
Drill #1 Move-in and set-up	.20 months
2840 ft. of Drill Hole @ 40 ft/day	2.84 months
Unpredictable delays - 10%	.54 months
Total Time East X-Cut	5.93 months
West X-Cut (Start after completing East X-Cut D. D. Station)	
To complete East X-Cut D. D. Station	2.35 months
*240 ft. X-Cutting @ 100 ft/month	2.40 months
1-D. D. Station---slabbing	.25 months
Drill #2 move-in & set-up	.10 months
2490 ft of Drill Hole @ 40 ft/day	2.49 months
Unpredictable delays - 10%	.52 months
Total Time to Completion Using 2 Diamond Drills	8.11 months
Using 1 Diamond Drill:	
To complete East X-Cut	5.93 months
Drill #1 move-in & Set-up	.10 months
2490 ft of Drill Hole @ 40 ft/day	2.49 months
Unpredictable delays - 10%	.26 months
Total Time to Completion Using 1 Diamond Drill	8.78 months

* - X-Cutting advance per shift is regulated by existing mining operation, which limits use of hoisting equipment and bins. Rock excavated must be hoisted to surface and truck hauled to dump.

A M E N D E D P R O P O S A L

OME-6228 (Copper)
Henry Clay Mines, Inc. (N.S.L.)
(Henry Clay, etal, Claims)
Hidalgo County, New Mexico

VI. Experience.

This has been submitted. It is proposed that a highly capable graduate mining engineer, with at least 10 years mining experience in responsible charge, be placed in charge of the proposed exploration, to make reports, and to carry on the necessary engineering.

VII. Estimate of Costs.

Independent contracts where applicable are proposed. Quotations have been received as follows:

1. Crosscutting (Exhibit "F") and Slabbing.
This has been submitted by Brannan & Fuller, operator (lessee) of the Henry Clay Mine. No bids from other contractors were requested for these items because this part of the exploration work must be coordinated with the concurrent mining operation, carried on by Brannan & Fuller.

Figures are:

Crosscutting, per foot (See Exhibit "F" for breakdown)	$36.00
Slabbing, per cubic foot (This quotation was given in a letter dated May 13, 1962, to Mr. R.C.C.Henson, President Henry Clay Mines Incorporated.)	$ 0.70

2. Mine Services
Diamond drill mine service, including caging of men and supplies, and furnishing air and water to drills.

Figure is:

Mine Service, per foot D. D. Hole (This quotation was given in letter which quoted Slabbing, see above.)	$ 0.37

3. Diamond Drilling

Figures are:

Boyles Bros. Drilling Co. (Exhibit "G")	
0 - 500 feet	$ 4.62 per foot
500 -1000 feet	5.06 per foot
Collar Pipe	5.06 per foot
Cementing	7.20 per hour
G. S. Thatcher (Exhibit "H")	
0- 750 feet	$ 4.00 per foot

A M E N D E D P R O P O S A L

OME-6228 (Copper)
Henry Clay Mines, Inc. (N.S.L.)
(Henry Clay, etal, Claims)
Hidalgo County, New Mexico

VII. Estimate of Costs (Continued)

4. Complete Detailed Estimate

A detailed, itemized estimate covering all items is prepared and included as Exhibit "I".

Total Estimated Cost of Exploration is: $ 49,569.14

VIII. Claims Covered by this Application - See also Section II and "Exhibit "A"

Claims covered by this Application and Amended Proposal, Proposed Exploration, Henry Clay Mine, are as follows:

Henry Clay	M.S. #70
Southern	M.S. #1768
Bessie	M.S. #1483
Atwood	M.S. #68
Florence	M.S. #1484

IX. LIST OF EXHIBITS

		Copies
Exhibit "A"	Dwg. No. S-008, Mining Claims	2
Exhibit "B"	Copy of Mortgage (Atwood Mines Inc.)	1
Exhibit "C"	Plans & Long. Projection Henry Clay Mines Incorporated Property	1
Exhibit "D"	Vertical Projection, 85 Mine	1
Exhibit "E"	Amended Proposal PROPOSED EXPLORATION FOR HENRY CLAY MINE	2
Exhibit "F"	X-Cutting Quotation Brannan & Fuller	1
Exhibit "G"	Diamond Drilling Quotation Boyles Bros. Drilling Co.	1
Exhibit "H"	Diamond Drilling Quotation G. S. Thatcher	1
Exhibit "I"	Complete Detailed Estimate	1
Exhibit "J"	Feasibility Appraisal	1

BRANNAN & FULLER
MINING AND CONTRACTING
BOX 266
SILVER CITY, NEW MEXICO

May 21, 1962

Mr. Jack Quay
Henry Clay Mining Corp.
Lordsburg, N. Mex.

Dear Jack:

Following is a break down on our bid for driving the diamond drill cross cuts for you from the 800 ft level of the Henry Clay Mine. The size of the crosscuts are to be 6' x 8'.

If you need any further information from us please advise.

Water and air	$ 2.00	per ft.
Explosives	3.25	" "
Bits and steel	2.50	" "
Track	2.00	" "
Pipe	1.00	" "
Equipment depreciation	.25	" "
Waste disposal from heading to surface dumps	3.00	" "
Direct labor costs	18.50	" "
Supervision	1.50	" "
Miscellaneous and contingences	2.00	" "
Timber when required	10.00	" "
	$46.00	

Timber will not be a factor as little or no timber will be required. Cost of cross cut will for all practical purposes be $36.00 per ft.

Yours very truly,

Marvin Fuller

Marvin Fuller

MF:jf

EXHIBIT "F"

Diamond Core Drilling
Mining
Quarries
Shaft Sinking
Tunnel Driving
Grouting
Foundation Testing
Mine Plant Design
and Fabrication

BOYLES BROS.
DRILLING COMPANY

CONTRACTORS-ENGINEERS-GEOLOGISTS
General Offices

1321 South Main Street Phone HUnter 7-7595

BRANCH OFFICES
Phoenix
Reno
Spokane
Sacramento

June 29, 1961

Mr. Jack H. Quay, Project Engineer
Werner Lake Nickel Mines Limited
P. O. Box 61
Lordsburg, New Mexico

Dear Mr. Quay:-

For your proposed drilling at the Henry Clay Mine near Lordsburg, New Mexico, we submit the following proposal. This proposal is for Proposal 11, Alternate A. It is my opinion that when a company is trying to find an ore body everything depends on the core recovery. By using our own equipment with the latest design of core barrels we can give you a much better job than with obsolete equipment. Also we plan to drill the holes BX and only go to AX when it is necessary to finish a hole. This will increase the core recovery over EX size as stated in your letter of June 21st.

1. Drilling	AX or BXWL	NX or Collar Pipe
0 to 500 ft	4.20	
500 to 1000 ft	4.60	4.60

2. Cementing, if necessary, including cementing of collar pipe, 6.60 per hour plus cost of cement or cement substitutes including drilling mud. Cost of cement is 8.50 per bag for calseal, 6.50 per bag for lumnite, and portland cement at the local price.

3. Air & water to be furnished to drill site at no cost to us. Drill stations to be of sufficient size to accomodate ten foot pulls.

If these prices are satisfactory to you we have a regular contract that we write up, otherwise a letter of acceptance will be all that is necessary in lieu of a formal contract. Thanks for asking for our prices.

Sincerely yours,

J. E. Roberts
District Manager

Per telephone conversation of May 10, 1962, to 944-1731, Boyles Brothers, Phoenix, Arizona, Mr. J. E. Roberts advised:
"Add 10% to above June 29, 1961 quotation."

Certified Correct

J. H. Quay, P.E.

EXHIBIT "G"

May 10, 1962

G. S. THATCHER

DIAMOND CORE DRILLING

351 W. Pa. Drive

Tucson, Arizona

May 17, 1962.

Henry Clay Mines Inc.,
Box 61, Lordsburg, New Mexico.

ATTENTION: Mr. Jack Quay.

Dear Mr. Quay:

Concerning the proposed 4000 to 6000 ft. of core drilling underground at the Henry Clay Mine:

I can furnish all necessary equipment and labor for this work for $4.00 per ft. No holes deeper than 750 ft. All holes AX size or larger. This price includes any necessary reaming, casing or cementing.

The Company to furnish access to and from the mine, necessary compressed air and drill water to drill sites. Also excavate adequate drill stations.

Yours truly,

G. S. Thatcher

G. S. Thatcher

GST:LS

EXHIBIT "H"

COMPLETE DETAILED ESTIMATE

I. EQUIPMENT

Additional Equipment:
To be purchased by Henry Clay Mines Incorporated & furnished for use to mining contractor, Brannan & Fuller

Air Compressor (Used)		$ 3,210.00	
Price F.O.B.Denver	$ 2,450.00		
Freight & Install.	250.00		
75 H.P.Elect.Motor (Used)	310.00		
Shed-Frame Const.	200.00		
Jackhammer & Air Leg Complete (New)		1,050.00	
600 feet 16# Rail @ $200/T		320.00	
6 - Mine Cars (Used) Rocker side dump @ $250.00 each		1,500.00	
TOTAL			$ 6,080.00

Equipment on Hand:
To be furnished contractor by Henry Clay Mines Incorporated
Use estimated at 25%

Hoist - Ottumwa	$ 4,000.00	
Electric Locomotive (Complete)	2,400.00	
TOTAL	$ 6,400.00	
25% x $6,400.00		$ 1,600.00
TOTAL EQUIPMENT CHARGE (Five Years)		$ 7,680.00

EQUIPMENT CHARGE:
8.78 months x $7680 x 1/60 — $ 1,123.84

II. CONTRACT WORK

Crosscutting:	
450 ft. @ $36 per lineal foot	$ 16,200.00
Diamond Drill Stations (Slabbing):	
2 x 2880 cf @ .70¢ pcf	4,032.00
(Sketch of Drill Sta. Cut-Out attached)	
Timbering (Labor & Timber):	
10% x X-Cutting (45 lin.ft.) @ $10/ft.	450.00
Mine Services:	
(Includes caging, air & water)	
5330 ft. D.D.Hole @ .37¢ per ft.	1,972.10
Diamond Drilling (AX or Larger)	
5330 ft. @ $4.00 per ft.	21,320.00
(This includes all necessary reaming, casing or cementing - Exhibit "H")	

CONTRACT WORK CHARGE — $ 43,974.10

EXHIBIT "I"

C O M P L E T E D E T A I L E D E S T I M A T E

III. ASSAYS

For gold, silver and copper

$$\text{No. holes} \times \text{core length} \times \frac{1}{\text{avg. section}} = \text{No. core samples}$$

$$11 \times 15 \times 1/4 = 42$$

Total number core samples	42
Equivalent number sludge samples	42
Total number samples	84
Total No. Determinations (3x84)	252

TOTAL CHARGE
252 x $1.10 per Determination - $ 277.20

IV. ENGINEERING & SUPERVISION

1 Engineer @ $750.00 per month
40% x 8.78 months $ 2,634.00

V. ACCOUNTING & CONSULTING

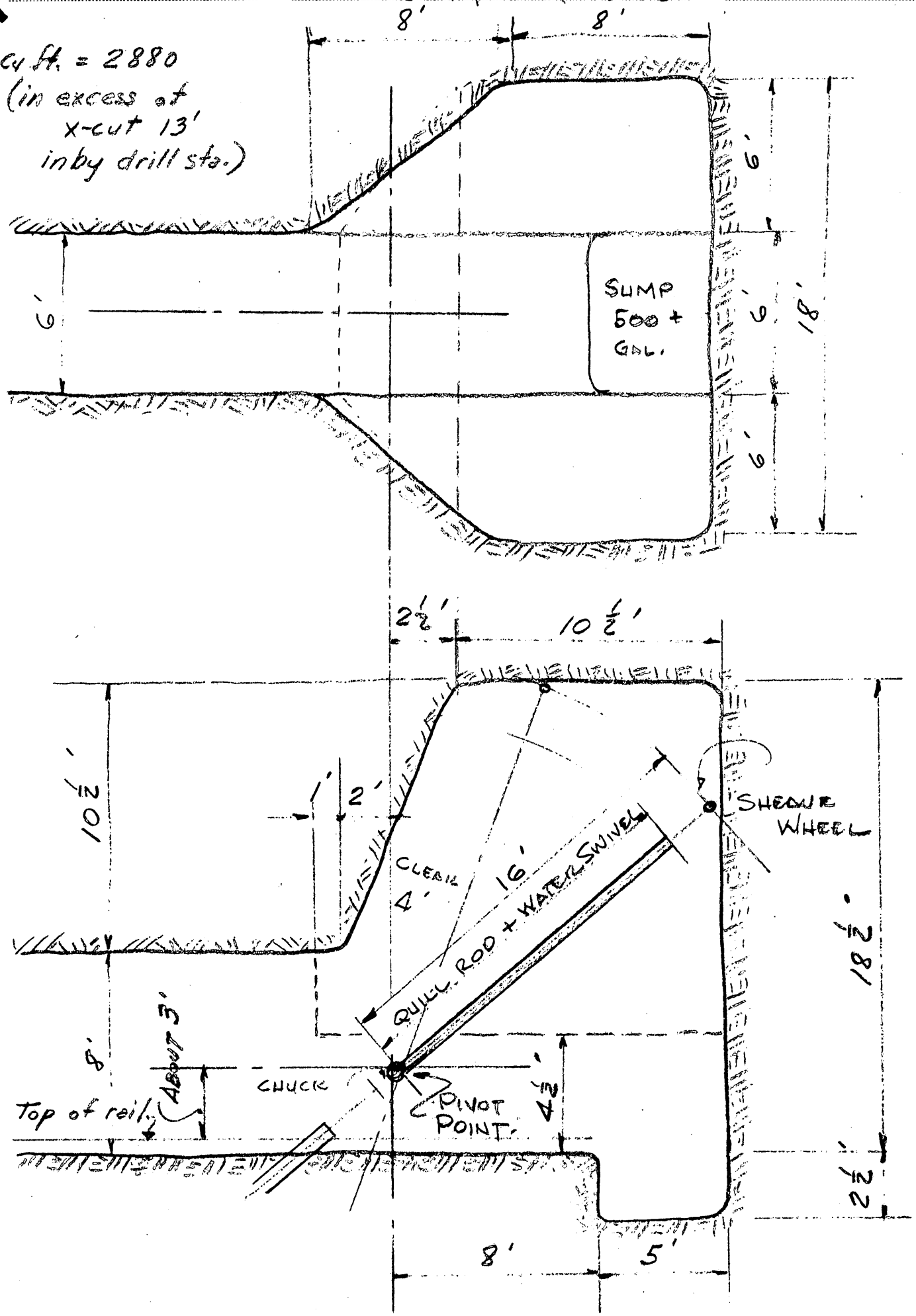
Accounting (payrolls, accounts, reports)		
18 periods @ $20.00	$ 360.00	
Consulting Geologist		
1½ days per month @ $100.00	$ 1,200.00	$ 1,560.00

GRAND TOTAL OF ESTIMATE ..... $ 49,569.14

Sketch attached:
Diamond Drill Station Cut-Out

BY J.Q. DATE 10-25-61 SUBJECT DRILL STA. CUT-OUT, BOYLES BROS #2 DRILL FOR HENRY CLAY MINE SHEET NO. 1 OF 1

CHKD. BY DATE JOB NO.



F E A S I B I L I T Y A P P R A I S A L

I. SUBJECT

Proposal for exploration of Emerald Vein, Henry Clay Mine, Hidalgo County, New Mexico.

OME Application reference:
OME-6228 (Copper)
Henry Clay Mines Inc.(N.S.L.)
(Henry Clay, etal, Claims)
Hidalgo County, New Mexico

II. HISTORY

The Henry Clay Mine is a property located on a vein-type deposit of copper-gold-silver. It operated to a minor extent before 1900. In the 1920's the mine was operated and developed to the 400 Level. Later some work was done on the 600 Level.

In 1956 the parent company of Henry Clay Mines Incorporated (a New Mexico Corporation), known as Werner Lake Nickel Mines Limited, acquired the property and began exploration and development. Mining was carried out in the Henry Clay Mine and in the Atwood Mine, a mining property adjoining to the East.

III. PRODUCTION

Smelter settlement sheets reveal the following production, dry short tons, from the Henry Clay and the Atwood Mines:

1956-57	3,434.6 Tons	
1958	17,278.7 "	
1959	20,175.6 "	
1960	17,458.5 "	
1961	49,339.7 "	
To April 30/62	7,903.2 "	(Incomplete)

For the period shown, just under 100,000 tons has been produced from the Henry Clay Mine.

IV. VEINS

1. At the Henry Clay Mine
   Major vein is the Emerald Vein, from which has come nearly all the production at the Henry Clay Mine. The Minor vein is the South Atwood, presently producing from one stope. Two veins in this mine which have not yet produced ore are the Middle vein and the North Atwood vein.
2. At the Atwood Mine
   Major vein is the South Atwood vein. Minor vein is the North Atwood. The Middle vein has produced some ore.

EXHIBIT "J"

V. ORE RESERVES

1. Limits--Henry Clay Mine
   For the Henry Clay Mine, limits for Emerald vein reserve ore are, on the West, the West end line of the Henry Clay Mine Claim, and on the East, the North Atwood vein-fault.
   There is possibility, however, of crossing the North Atwood fault zone and picking up the Emerald vein to the North and East less than 200 feet distant.

2. Above 800 Level--Henry Clay Mine
   As shown on Map Exhibit "C" there is a reserve of indicated ore of 25,000 tons on the South Atwood vein above the 600 Level.
   In this same area, U.S.B.M. Diamond Drill Hole No. 3 indicates ore of commercial grade in what appears to be the Middle vein.

3. Below 800 Level--Henry Clay Mine
   Favorable ground for developing an ore reserve of considerable size appears to lie on the Emerald vein below the 800 Level.
   Underground D. D. Hole No. U16 shows the vein at the 965 level to be 7 feet wide, gold 0.01 oz., silver 1.5 oz., and copper 3.5%.

VI. ECONOMICS

1. Mining Costs
   Mr. Fuller of Brannan & Fuller, operators of the Henry Clay Mine, advises their mining costs vary from $5.00 to $5.50 per ton.

2. Smelter Charges
   As reflected by smelter settlement sheets, no smelter charge is made, and some freight allowance in favor of shipper is made for lower-grade shipments.

3. Market
   The ore being mined and shipped from the Henry Clay Mine to the El Paso Smelter of American Smelting & Refining Company is a very desirable fluxing agent. The operators hold a favorable contract with the smelter for 5000 tons per month, which, it is understood, could be increased because of the demand for this desirable fluxing ore and the need for silica flux in smelter operations.

VII. CONCLUSIONS

It is reasonable to predict the proposed exploration program would establish a reserve of between 100,000 and 200,000 tons of marketable silica flux ore.
A $50,000 exploration program does not seem unreasonable according to the following:

F E A S I B I L I T Y A P P R A I S A L

VII. CONCLUSIONS (Cont'd)

Assumed Established Ore Reserve of 150,000 tons

Development Costs:	
Exploration @ 0.3333 per ton	$ 50,000.00
Mine Development	
500 ft. 9x6 Shaft @ $225/ft.	112,500.00
3 Ore Pockets & Stations @ $2,200.	6,600.00
Shaft Retimbering (Repair)	
400 Ft. @ $60/ft.	24,000.00
Total, Exploration, Devel., Shaft Repair	$ 193,100.00

Smelter Returns — Per Ton of Ore:
Assay (Assumed) Au 0.01, Ag. 1.3, Cu 1.9%

Metal	Less	Pay Content	Price	Amount
Gold 0.01 oz.	-	-	-	-
Silver 1.3 oz.	0.5 oz.	0.80	.90	0.72
Copper 38#	5#	33#	.31	10.23
Total Ore Credit				$10.95
Less:				
Smelter Charge		-		
Switching		0.25		
Freight		1.99		2.24
Due Shipper, Per Ton				$ 8.71

Gross Return to Operator Per Ton:	
Smelter Return, Per Ton	$ 8.71
Less:	
Mining Costs Per Ton	5.75
Profit Before Royalty & Development, Per Ton	2.96
Development Costs Per Ton	1.29
NET PROFIT PER TON	$ 1.67

Note: No division of profit or royalty is shown on these figures.

Because of the combination of values of gold, silver, and copper and the smelter premium for this fluxing ore, the proposed exploration program appears feasible.

THE AMERICAN NATIONAL BANK

SILVER CITY, NEW MEXICO

FRANK LIGHT, PRESIDENT

OFFICIAL FILE COPY
O. M. E
RECEIVED MAR 27 1962
DATE
3/27 Received 500

March 17, 1962

Docket Number OME-6228

Henry Clay Mines Inc.,
Room 300,
185 Bay Street,
Toronto 1, Ontario,
Canada.

Mr. R. C. C. Henson, President
Henry Clay Mines, Inc.
Suite 300
185 Bay Street
Toronto, Ontario, Canada

Dear Sir:

We have carefully considered your application dated November 23, 1961, as that of a valued customer for a loan of $50,000.00 as therein described. We regret that we are unwilling to make the loan because as a matter of policy we make no loans for mineral exploration, but from our not inconsiderable knowledge of your operation we hope that you can obtain it elsewhere.

Very truly yours,

Frank Light

FL:mb

Certified True Copy.

H.M. Hurst

H.M. Hurst
Assistant Secretary.

3/28/62
2 cc to Region III
(Re: our memorandum March 26, 1962)

OFFICIAL FILE COPY
O. M. E
RECEIVED MAR 27 1962
3/27 Received 500

THE FIRST NATIONAL BANK OF LORDSBURG

LORDSBURG, NEW MEXICO

N. M. MORRISON
PRESIDENT

March 16, 1962

Docket Number OME-6228

Henry Clay Mines Inc.,
Room 300,
185 Bay Street,
Toronto 1, Ontario,
Canada

Mr. R. C. C. Henson
185 Bay Street
Toronto 1, Canada

Dear Mr. Henson:

Thank you for your nice letter of offer and your telephone conversation yesterday.

As much as we would like to help you, your request is beyond a commercial banks limit of that nature and we would not be permitted to make that type of loan by the department of banking.

The next time you are in Lordsburg, we would appreciate the pleasure of your visit and would like for you to open an account with us, we will try to useful to you in many ways that can make your venture a success and a credit to this community.

Sincerely yours,

N. M. Morrison
President

Certified True Copy.

H. M. Hurst
H.M.Hurst
Assistant Secretary.

3/28/62
2 cc to Region III
(Re: our memorandum March 26, 1962)

EMPIRE ~~6-3235~~
3-5911

WERNER LAKE NICKEL MINES LIMITED

EXECUTIVE OFFICES:
~~SUITE 31K-280 BAY STREET~~ Suite 300, 185 Bay Street,
TORONTO, ONTARIO

Henry Clay Mines Inc.
Room 300,
185 Bay Street,
Toronto 1, Ont.

Docket Number OME-6228

March 19th, 1962

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAR 22 1962

DATE		
	Griswold	500

United States Department of the Interior,
Office of Mineral Exploration,
Department of the Interior Building,
Washington 25, D.C.

Dear Sirs;

The Board of Directors of Werner Lke nickel Mines Limited have requested me to advise you that in connection with Henry Clay Mines Inc. application for an exploratory diamond drlling loan of $ 50,000.00, we are unable to advance the full amount of financing required for the campaign. The $ 50,000.00 we have committed to match the O.M.E. loan is as much as we are prepared to spend at the present time.

Yours very truly,

WERNER LAKE NICKEL MINES LIMITED.

H.M.Hurst
Assistant Secretary.

Docket Number OME-6228

Certified True Copy.

H.M.Hurst
Assistant Secretary

Henry Clay Mines Inc.,
Room 300,
185 Bay Street,
Toronto 1, Ontario.
Canada.

March 11th, 1962.

The First National Bank,
Lordsburg, New Mexico,
U.S.A.

Att: Mr.H.Morrison

Dear Sirs,

As of November 1st, 1961 Henry Clay Mines Inc., wholly owned subsidiary of Werner Lake Nickel Mines Limited, took over Werner Lake's complete interest in New Mexico at cost. I enclose herewith audited balance sheet of Henry Clay Mines Inc. at December 31st, 1961.

Based on the Rimbert report and the experience of the Banner and the "85" we anticipated a zone of impoverishment for about 100 feet plus around the 700 foot level. We were delightedly surprised when the 700 carried the best grade of the mine to date, but we have encountered this zone at approximately the 750 foot level. We therefor wish to undertake an exploration program that will involve a diamond drilling program of approximately $ 100,000.00 and Henry Clay Mines Inc. hereby makes an application for assistance from your bank up to $ 50,000.00 on terms that will allow the loan to be repaid out of production. Any claims and advances from Werner Lake Nickel Mines Limited would be subordinated to your loan. If you could give this your careful consideration we would appreciate hearing from you at your earliest convenience.

Thanking you, we are,

Yours truly,

S. Robt Henson

R.C.C.Henson,
President,
Henry Clay Mines Inc.

JOY MANUFACTURING COMPANY

800 WOODLAND AVENUE

MICHIGAN CITY, INDIANA

July 10, 1961

OFFICIAL FILE COPY
O. M. E
RECEIVED MAR 16 1962
DATE
EXECUTIVE OFFICES
HENRY W. OLIVER BUILDING
PITTSBURGH 22, PA.

3/16 Brierwold 500

Docket Number OME/6228

Henry Clay Mines Inc.,
Room 300,
185 Bay Street,
Toronto 1, Ontario,
Canada.

6228

Werner Lake Nickel Mines, Ltd.
308 S. Pyramid St.
Lordsburg, New Mexico

Attention: Mr. Jack H. Quay
Engineer-in-Charge

Gentlemen:

This will acknowledge receipt of your letters dated June 21st and July 5th addressed to Mr. Arthur Eklund, Manager of our operations at Tucson, and with regard to proposed underground drilling at the Henry Clay and Atwood Mines near Lordsburg, New Mexico.

We understand that Mr. Eklund had an opportunity of discussing this proposed work with you at Lordsburg and, based on his report, we set forth below terms and conditions under which we are prepared to undertake this work for you.

<u>Minimum - 5,000 feet drilling</u>

	BXM	AXM
From 0 to 400 feet	@ $5.45 ft.	$5.20 ft.
From 400 to 800 feet	@ $5.95 ft.	$5.70 ft.

Reaming for Casing: - BX @ $3.00 ft.
- AX @ $2.75 ft.

Casing lost or ordered in place: - BX @ $2.16 ft.
- AX @ $1.80 ft.

Cementing	@ $12.00 per hr.
Delays or Standby	@ $10.00 per hr.
Drilling Mud Used Up	@ $3.00 per bag

Owner to furnish ample air and water at drill.

Owner to furnish 28 feet of headroom in line of drill hole for handling of drill rods in 20 foot sections and 10 feet of width around drill.

Certified True Copy.
H.M.Hurst
H.M.Hurst, Asistant Secretary.

Owner to furnish facilities for movement of drilling equipment in and out of mine and between holes.

Owner to furnish core boxes.

You will observe from the above that we have not quoted prices on drilling with EX fittings, as the core recovery would not be satisfactory. We could not use drilling mud to insure core recovery, as the fittings are too small for circulating mud.

It is our recommendation that the holes be started with EX fittings so that drilling mud can be used to insure a high percentage of core recovery, and the holes can then be reduced to AX as and when necessary to avoid any possible reaming.

Since the drill rods and fittings you now have with your Joy 22 air drill are only of the EX size, we could not use same and we therefore would prefer to furnish our own drill and larger fittings for this proposed drilling, and the above prices and conditions are based accordingly.

In such holes where water under heavy pressures may be encountered, we suggest that the holes be drilled for a distance of 10 feet to accommodate a length of 3" standard pipe which should be cemented in the hole, and a shutoff valve installed on the pipe. We will drill the hole to accommodate the pipe at a price of $8.50 per foot and cement the pipe at $12.00 per hour; you to furnish the pipe and the shutoff valve.

We will conduct the drilling operations on the basis of two 8-hour shifts per day and not less than six days per week.

We are in a position to start the proposed drilling within 15 days after acceptance of this proposition and notice to proceed with the drilling.

We appreciate the opportunity of quoting on your requirements, and hope that we may have the pleasure of being of service to you in connection with this particular drilling project.

Yours very truly,

JOY MANUFACTURING COMPANY

W. J. Pilarski, Manager
Contract Drill Division

WJP/ot

Docket Number OME-6228

Henry Clay Mines Inc.,
Room 300,
185 Bay Street,
Toronto 1, Ontario,
Canada.

851 W. Pennsylvania Drive,
Tucson, Arizona
June, 30, 1961.

Telephone: 294-7540.

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAR 16 1962

Werner Lake Nickel Mines Ltd.,
Post Office Box 61,
Lordsburg, New Mexico.

Attention: Mr. Jack H. Quay.

Dear Mr. Quay:

I am sorry I didn't get to see you when I was in Lordsburg yesterday. Brennon said you were in Silver City.

I had just returned from a job I have in Northern Arizona and thought it best to run over and see you.

I would prefer to do this work with my own equipment and furnish necessary mud and cement and cement hole and drill cement on my own time. Since there will undoubtedly be some cementing, I don't believe it advisable to try to work three shifts.

I have done the drilling at the Banner Mine near there for the past twenty years. Have also done some underground drilling at the Atwood. Believe I understand the drilling conditions of proposed work.

I should have equipment and one crew available some time in July. With a little notice, I should be able to get another crew.

I can drill holes to depth of 500 ft. for $3.80 per ft. From 500 to 750 ft. depth for $4.20 per ft.

If you like I could go to Lordsburg again, or you could mail me a bid form.

Appreciate an early reply.

Yours truly,

G. S. Thatcher

Certified True Copy.

H.M. Hurst,
Assistant Secretary.

GST:LS

Docket Number OME-6228.

Henry Clay Mines Inc.,
Room 300
185 Bay Street,
Toronto 1, Ontario, Canada.

DIAMOND CORE DRILLING
MINING
QUARRIES
SHAFT SINKING
TUNNEL DRIVING
GROUTING
FOUNDATION TESTING
MINE PLANT DESIGN AND FABRICATION

Boyles Bros. DRILLING COMPANY

CONTRACTORS-ENGINEERS-GEOLOGISTS
General Offices
1321 South Main Street Phone HUnter 7-7595
SALT LAKE CITY 15, UTAH

BRANCH OFFICES
PHOENIX
RENO
SPOKANE
DENVER
SACRAMENTO

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 26 1962

Reply to:
1016 East Minnesota
Phoenix, Arizona

June 29, 1961

Mr. Jack H. Quay, Project Engineer
Werner Lake Nickel Mines Limited
P.O.Box 61
Lordsburg, New Mexico

Dear Mr. Quay :-

For your proposed drilling at the Henry Clay Mine near Lordsburg, New Mexico, we submit the following proposal. This proposal is for Proposal 11, Alternate A. It is my opinion that when a company is trying to find an ore body everything depends on the core recovery. By using our own equipment with the latest design of core barrels we can give you a much better job than with obsolete equipment. Also we plan to drill the holes NX and only go to AX when it is necessary to finish a hole. This will increase the core recovery over EX size as stated in your letter of June 21st.

1. Drilling	AX or EXWL	NX or Collar Pipe
0 to 500 ft	4.20	4.60
500 to 1000 ft	4.60	

2. Cementing, if necessary, including cementing of collar pipe, 6.60 per hour plus cost of cement or cement substitutes including drilling mud. Cost of cement is 8.50 per bag for calseal, 7.50 per bag for lumnite and portland cement at the local price.

3. Air & water to be furnished to drill site at no cost to us. Drill stations to be of sufficient size to accomodate ten foot pulls.

If these prices are satisfactory to you we have a regular contract that we write up, otherwise a letter of acceptance will be all that is necessary in lieu of a formal contract. Thanks for asking for our prices.

Sincerely Yours

J.E.Roberts
District Manager

MME Form 40
Dec. 1958

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Budget Bureau No. 42-R1368
Approval Expires Dec. 31, 1963

MAR 8 1962

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

Pursuant to Public Law 85-701 (72 Stat. 700; 30 U.S.C. 641)

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

HENRY CLAY MINES INC. (N.S.L.)
Room 300,
185 Bay Street,
Toronto 1, Ontario,
Canada.

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: 6228

DATE RECEIVED: 3-8-62

REGION: III

DIVISION CODE:

BUSINESS ORGANIZATION *(Check one)*

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

STATE IN WHICH FIRM IS ORGANIZED: New Mexico

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
R.C.C.Henson	17 Chestnut Park Rd. Toronto, Ontario, Canada	President
Marvin A.Fuller	Lordsburg, New Mexico	Vice-president
George E.Kennedy	22 Bessborough Dr. Toronto, Ontario, Canada	Secretary-Treas.
Geo.D.Clarke	314-200 Bay Street, Toronto, Ontario, Canada	Director
L.M.Bull	48 Maple Ave., Oakville, Ontario, Canada	Director

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

ESTIMATED COST OF PROJECT: $100,000.00

PROPERTY NAME	LOCATION COUNTY	STATE
Henry Clay Mines Inc.	Hidalgo	New Mexico

GENERAL INSTRUCTIONS

Before filling out this application, please read the *OME Regulations for Obtaining Federal Assistance in Financing Explorations for Mineral Reserves* (30 CFR Chap. III). To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit four copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 2, existing mine workings and geology in item 3, and the proposed exploration work in item 5. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 3(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals*, of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Office of Minerals Exploration, Department of the Interior, Washington 25, D. C., or with the nearest OME Field Office.*

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief, and that he would not ordinarily undertake the proposed exploration under current conditions and circumstances at his sole expense.

February 1962
DATED

R.C.C.Henson
BY *(Signature)*

R.C.C.Henson
President.
TITLE

A wilfully false statement or certification to any Department or Agency of the United States Government is a criminal offense. U. S. Code, Title 18, Sec. 1001.

INFORMATION REQUIRED WITH THIS APPLICATION

1. Financial Eligibility:

(a) Submit evidence of efforts made within 90 days preceding the filing of this application to obtain credit from your bank of account and at least one other banking institution or other private source of credit. Such evidence shall include true copies of correspondence which show: (1) date of loan request, (2) amount and terms requested, (3) proposed use of loan funds, and (4) the replies from credit sources. If the loan was offered under terms which you consider unreasonable, state why you consider them so.

(b) List names and addresses of affiliated, parent, or controlling companies or organizations and state extent and nature of their interest.

(c) State how you propose to furnish your share of the cost of the exploration work.

2. Applicant's Rights in Land:

(a) State your interest in the land and mineral rights, whether owner, lessee, purchaser under contract, or other. If you are not the owner, submit one true copy of the lease, contract, or other document (with address of owner) under which you control the property. Describe all liens, mortgages, or other encumbrances on the land and state book and page number and official place where recorded.

(b) State the legal description (section, township, and range; metes and bounds; patent number of claims) of the land upon which you wish to explore and all adjacent land which you own or control. Describe any part of the land or workings which should not be subject to Government royalty and liens. If the land consists of unpatented claims, state book and page number for each recorded location notice, including amended locations, and official place where recorded. State all the names by which you know the property.

(c) For all land or mineral rights encumbered or not owned, submit five copies of Lien and Subordination Agreements on MME Form 52. If the agreements cannot be obtained, state reasons and provide copies of letters of refusal.

3. Physical Description:

(a) Describe in detail and illustrate with maps or sketches all mining or exploration operations which you know have been or are being conducted upon the land. Include existing mine workings and all production facilities.

(b) State your interest, if any, in operations described in (a).

(c) State, if you know, the past and current production, supporting your statement with copies of settlement sheets, mine records, or published data if available.

(d) Describe known ore reserves, giving quantities and grades and sampling methods used. Support your statement with copies of assay certificates and assay maps if available.

(e) Describe by narrative and maps or sketches the geologic features of the property, including ore minerals, geologic formations if known, and type of deposit (vein, bedded, etc.).

(f) State your reasons for expecting to find ore, and if you have sampled the area you propose to explore, show where the samples were taken, describe sampling methods used, and provide copies of assay certificates.

(g) Send with your application at least *two* copies of all geologic or engineering reports, assay maps, or technologic information which you have, indicating whether you require their return.

4. Accessibility of Property:

(a) To aid the OME representative who may examine the property, state name and address of person who will meet him; give directions for reaching the property; and describe accessibility of property and of any mine workings.

(b) Name the shipping and supply points and state the distances to the property.

5. Exploration Work:

(a) Describe fully the proposed exploration work giving individual footages and sizes of openings *for each item of work.* Use narrative, maps, plans, and sections as necessary. Show location of the proposed work as related to geologic features such as veins, ore-bearing beds, contacts of rock formations, etc. Show also the relation of the proposed work to any existing mine workings and to *land boundaries* or to the closest identifiable corner.

(b) If an access road must be built, show the proposed location on the property map and state the length, type and construction methods proposed.

(c) If an OME contract is executed, state how soon thereafter work would be started and finished. State your anticipated average daily or monthly rate of progress for each type of work.

6. Experience:

State your operating experience and background to conduct this exploration work and also that of the person who will supervise the work.

7. Estimate of Costs:

Furnish detailed estimates of the necessary costs *for each item of the work proposed in 5(a)* under the headings listed below with a total for each heading and the estimated total cost of the work. Costs for any work to be performed by an independent contractor should be listed separately under category (a) below. Costs for any work that is not to be performed by an independent contractor should be listed under categories (b) through (g).

(a) Independent contracts. State the total cost of any proposed independent contract for all or any part of the work, and the number of units and the unit cost for each type of work, such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, or per cubic yard of material moved. Cost estimates should be supported by bids from three contractors if possible. (*Note*—If none of the work is to be contracted, write "none" after this item.)

(b) Personal services. The cost of supervision, engineering and geological services, outside consultants, and labor should be itemized by numbers and classes of employees; rates of wages, salaries or fees; and periods of employment. State whether these services are available.

(c) Operating materials and supplies. List items of material and supplies giving quantity and cost of each. Include under this heading power, water, and fuel, and units of equipment and tools costing less than $50 each.

(d) Operating equipment. List items of equipment and tools costing $50 or more per unit. Give specifications and indicate how each item is to be acquired—i.e., rented, purchased or provided by the applicant. If rented or purchased, state the estimated rental or purchase price. If furnished by the applicant, state condition and present fair market value.

(e) Initial rehabilitation and repairs. Describe the type and the cost of *initial* rehabilitation or repair of existing buildings, fixtures, installations (exclusive of mine workings), and movable operating equipment now owned by the applicant which will be used in the exploration work.

(f) New buildings, fixtures, installations. Describe each building, fixed improvement, and installation to be purchased, constructed, or installed for the exploration work, stating specifications and cost including labor, materials, and supervision.

(g) Miscellaneous. Describe the type and estimate the cost of repairs and maintenance of the operating equipment listed in 7(d). Do not repeat initial repairs listed in 7(e). Show also the costs of analytical work, accounting, workmen's compensation and employees' liability insurance, payroll taxes, and other required costs that do not fall within the previous categories. [*Note*—The Government will not contribute to costs incurred before the date of the contract, or to costs of or incident to: (1) acquiring, using, or possessing land and any existing improvements, facilities, buildings, installations, and appurtenances, or the depreciation and depletion thereof; (2) general overhead, corporate management, interest and taxes (other than payroll and sales taxes); (3) insurance (other than employees' liability insurance); and (4) damages to persons or property (other than authorized repair to or replacement of equipment or other property used in the work).]

INT.-DUP. SEC., WASH., D.C. 50399

Henry Clay Mines Inc.
Room 300,
185 Bay Street,
Toronto 1, Ontario.
Canada.

R.C.C. HENSON
185 BAY STREET
TORONTO 1

EMPIRE 3-5911

March 2nd, 1962.

Office of Mineral Exploration,
Department of the Interior,
Washington, D.C.,
U.S.A.

Dear Sirs;

Our purpose in purchasing the Henry Clay and Atwood mining group was because of the then indicated importance of supplying fluxing material to the smelters in the District. The smelter demand to-day is greater than it was at the time the properties were negotiated for.

This condition is expected to prevail as long as the present smelter methods are used.

We believe that at greater depth than 750' under the three compartment Atwood shaft and the 800' level of the Henry Clay substantial quantities of fluxing material of higher grade copper content will be developed.

This precedent has been established in the lower workings of both the Banner and the " 85 " mines.

Yours very truly,

R.C.C.Henson.
President,
Henry Clay Mines Inc.

RCCH/h

Henry Clay Mines Inc.
Room 300,
185 Bay Street,
Toronto 1, Ontario,
Canada.

Section 1. Financial Eligibility.

(a) Letter Henry Clay Mines Inc. to the American National Bank, Silver City, New Mexico. (Attached)

(1) Date of Loan request-November 23/61

(2) Amount requested- $ 50,000.00

Terms- as long as bank could allow so payments could be made from production.

(3) proposed use of loan funds-exploratory Diamond drilling campaign.

(4) Letter from American National Bank to Henry Clay Mines Inc., dated Dec.11/61 declining loan. (Attached)

(b) Henry Clay Mines Inc. is controlled by Werner Lake Nickel Mines Limited, Room 300, 185 Bay Street, Toronto 1, Ontario Canada who own 999,995 shares of 1,000,000 shares authorized.

(c) There is presently on deposit with the Royal Bank of Canada, King & Yonge Sts., Toronto, Ontarion, Canada at the credit of Werner Lake Nickel Mines Limited. On approval of loan of $ 50,000.00 hereby applied for by Henry Clay Mines Inc. Werner Lake Nickel Mines Limited will transfer $ 50,000.00 U.S.Funds to the credit of Henry Clay Mines Inc. in the American National Bank, Silver City, New Mexico.

Certified true copy
J.M. Hurst
Asst. Sec-Treas.

HENRY CLAY MINES INC.
Room 300,
185 Bay Street,
Toronto 1, Ontario,
Canada.

November 23rd, 1961.

Mr.Frank Light,
American National Bank,
Silver City, N.M.

Dear Mr.Light;

Referring to our conversations in the past for financial assistance, below is the current situation as regards our Companies.

As of the 1st of November 1961 Henry Clay Mines Inc., wholly owned subsidiary of Werner Lake Nickel Mines Limited, will take over Werner Lake's complete interest in New Mexico at cost. The balance sheet will therefor have the following items, with whatever adjustments the Auditors feel necessary:

Equipment	$ 65,000.00
Mining Claims	242,000.00
Exploration and Development	350,000.00

I will send a copy of this letter to Mr.Joseph B.Turner, Silver City who will deliver to you, as soon as possible, the actual audited balance sheet.

Based on the Rinehart report and the experience of the Banner and the "85" we anticipated a zone of impoverishment for about 100 feet plus around the 700 foot level. We were delightedly surprised when the 700 carried the best grade of the mine to date, but we have encountered this zone at approximately the 750 foot level. We therefor wish to undertake an exploration program that will involve a diamond drilling program of approximately $ 100,000.00 and Henry Clay Mines Inc. hereby makes an application for assistance from your bank up to $ 50,000.00. Any claims and advances of Werner Lake Nickel Mines Limited would be subordinated to your loan. If you could give this your careful consideration we would appreciate hearing from you at your earliest covenience.

Yours truly,

HENRY CLAY MINES INC.
(S) R.C.C.Henson

R.C.C.Henson
President

RCCH/h.
CC/Mr.Jos.B.Turner.

THE AMERICAN NATIONAL BANK

SILVER CITY, NEW MEXICO

FRANK LIGHT, PRESIDENT

December 11, 1961

Henry Clay Mines, Inc.
Suite 300
185 Bay Street
Toronto, Ontario, Canada

Dear Sirs:

We have carefully considered your application dated November 23, 1961, as that of a valued customer, for a loan of $50,000.00 as therein described. We regret that we are unwilling to make the loan, but from our not inconsiderable knowledge of the operation, hope that you can obtain it elsewhere.

Yours very truly,

S Frank Light

certified true copy.

FL:mb

Asst. Sec. Treas.

HENRY CLAY MINES INC.
Room 300,
185 Bay Street,
Toronto 1, Ontario,
Canada.

Section 2- Applicant's Rights in Land

(a) 14 patented mining claims and 19 unpatented mining claims Virginia Mining District, County of Hidalgo, New Mexico,U.S.A. patented claims owned in fee simple and unpatented claims owned absolutely by Henry Clay Mines Inc. (record attached)

Lease and option to purchase, Richins-Patten agreement dated March 1,1955, 6 unpatented mining claims Virginia Mining District, County of Hidalgo, New Mexico, U.S.A. It is not the intention of the Company to do any exploration on these claims and no subordination Agreement has been taken from Ether W.Richins and Arminta Richins. (record attached)

Mortgage $ 15,000.00- Atwood Mines Inc. Vanadium, New Mexico, U.S.A. Payment $ 5000.00 due June 28,1962. (record attached)

The Bessie patented claim and the Henry Clay patented claim, except the westerly 400 feet thereof, are subject to contract of June 9, 1952 between Ira L.Moseley and the Defense Minerals Exploration Administration,Department of the Interior (Idm-E345) which obligation terminates June 9,1962. The loan was originally $ 22,900.00 and as of November 1st, 1962 there was an unpaid balance of $17,473.27.

(b) Attached.

(c) Attached.

HENRY CLAY MINES INC.
Room 300,
185 Bay Street,
Toronto 1, Ontario,
Canada.

A. Patented mining claims owned in fee simple, Virginia Mining District, Hidalgo County, New Mexico:

Name	M. S. No.
Atwood	68
Henry Clay	70
Yellow Jacket	66
Florence	1484
Bessie	1483
Southern, Road, Plumbo, New Year No. 1, New Year No. 2, Valedon No. 1, and Valedon No. 2	1768
General Jerry Boyle	935
Triangle	1679

B. Unpatented lode mining claims owned absolutely, said claims being situate in the Virginia Mining District, Hidalgo County, New Mexico, the location notices whereof are of record in the office of the County Clerk of Hidalgo County, New Mexico in the book and at the pages of Mining Location Records as indicated:

		Mining Location Record	
(1)	Name	Book	Page
	Wilson	2	538
	Extension	2	526
	Saddle Horse	3	41-42
	Barbara	3	34
	Lieutenant	3	42
	Wedge	2	581
(2)	Judita No. 1	3	
	Judita No. 2	3	172
	Judita No. 3	3	to
	Judita No. 4	3	175
	Judita No. 5	3	

(3) The Anita Group consisting of the Number One, Number Two, Number Three, Number Four, Number Five, Number Six, Number Seven and Number Eight, the original location notices whereof are of record in the office of the County Clerk of Hidalgo County, New Mexico in Book E of Mining Locations at pages 457-462.

HENRY CLAY MINES INC.
Room 300,
185 Bay Street,
Toronto 1, Ontario,
Canada.

C. B (1) Said patented claims and six unpatented claims are subject to mortgage lien as follows:

(a) Mortgage of December 22, 1959 from Werner Lake Nickel Mines Limited to Atwood Mine Incorporated (N.S.L.), given to secure the payment of note of December 28, 1959 for $ 35,000.00 United States funds, said mortgage is of record in the office of the County Clerk of Hidalgo County, New Mexico in Book 17 of Mortgages at pages 59-60.

D. Purchaser under contract of the following named unpatented lode mining claims situate in Virginia Mining District, Hidalgo County, New Mexico, under Option Agreement of March 1, 1955 from Ether W.Richins and Arminta Richins, his wife, Ena Walter Mitchell and Charles R.Walter to L.A.Patten, Ted Brannan and Marvin A. Fuller, recorded in the office of the County Clerk of Hidalgo County, New Mexico in Book 4, pages 512-516. Said Agreement was assigned August 22,1955 to Charles L.Hershman (Book 4, pages 517-518); said Assignment was ratified January 10,1956 (Book 4-pages 519-520), and further assigned by Charles L.Hershman to Werner Lke Nickel Mines Limited December 6,1955 (Book 4, page 521), to wit:

Name	Mining Location Records Book	Page
Mill Sight	2	509-10
Mill Sight No. 1	2	568
Mill Sight No. 2	2	568
Mill Sight No. 3	2	587
Mill Sight No. 4	3	44
Mill Sight No. 5	3	81

ITEM 7 (b) Estimate of Costs-Personal Services

LIST OF WAGE RATES--ALL CATAGORIES

A. General:- (All full - or part-time underground workers except as noted).

Classification	Rate(hourly)
Deckman(lander)	$1.50
Electrician	2.25
Hoistman	1.75 (Surface)
Pipeman(Trackman)	1.75
Pumpman(Watchman)	1.15 (Surface)
Machine Runner	1.75
Mine Foreman	2.25
Mine Mechanic	2.50
Motorman	1.50
Shiftboss	2.25
Skiptender	1.75
Timberman	1.75
Timekeeper	1.75
Trammer	1.50
Truckdriver	1.50

B. Special:-

Accountant	$500 per month ?
Consulting Engineer	100-150 per day
Engineer Class I	650 per month
Engineer Class II	750 per month
Engineer's Helper Class I	60 per week
Engineer's Helper Class II	80 per week

Henry Clay Mines, Inc.,
Room 300,
185 Bay Street,
Toronto 1, Ontario,
Canada.

HENRY CLAY MINES, INC.

ESTIMATED DRIFTING AND CROSS-CUTTING COST PER UNIT FOOT

ASSUME - 6' x 8' IN CROSS-SECTION

	UNIT COST PER FOOT
Labour - Machine Runners Trammers	$15.00
Powder	4.00
Bits and Steel	2.50
Pipe and Track	2.60
Power	3.00
Hoisting (Labour)	2.50
Supervision and Miscellaneous	3.00
Disposal at Surface (Waste)	0.75
Mine Engineering	6.65
	$40.00

NOTE: Does not include plant insurance, depreciation, assaying, accounting.

For mining methods, transportation, ventilation, drainage, safety measures, prospecting and exploration methods, sampling procedures, etc., see U. B. M. Report L. C. 7502, May 1949.

ITEM E

AMERICAN SMELTING AND REFINING COMPANY
P. O. BOX 1111
EL PASO, TEXAS

SOUTHWESTERN DEPARTMENT
BEN D. ROBERTS, MANAGER
ROBERT M. McGEORGE, ASSISTANT MANAGER

EL PASO SMELTING WORKS
T. J. WOODSIDE, SUPERINTENDENT
B. H. MASON, ACCOUNTING MANAGER
R. E. REDMAN, SUPPLY AGENT

November 17, 1961

Mr. Jack Quay
Werner Lake Nickel Mines Limited
P. O. Box 61
Lordsburg, New Mexico

Dear Sir:

Enclosed are four copies of a statement detailing ore receipts from the Atwood and Henry Clay Mines from 1927 to 1954. Also enclosed are four photocopies of a statement prepared by this Office in 1942 listing receipts from 1922 through 1926.

Our ore-receipts' records are kept according to shipper and in searching our old files it is often difficult to identify receipts as coming from a specific mine. It is not certain, therefore, that the two statements are complete. I feel certain, however, that the tonnage listed represents most if not all of the receipts at this Plant from this property for the years tabulated.

I trust the information provided will serve your purposes.

Yours very truly,

B. H. Mason

B. H. MASON

AL:fbd
Encs.

AMERICAN SMELTING AND REFINING COMPANY
EL PASO SMELTING WORKS
STATEMENT OF ORE RECEIPTS FROM THE ATWOOD AND HENRY CLAY MINES
FROM 1927 THROUGH 1954

YEAR	SHIPPER	ORE DRY TONS	METAL CONTENTS GOLD-OZS.	SILVER-OZS.	COPPER-LBS.
1954	Ira L. Moseley	8885	193.6	11946	107919
1953	" " "	19043	836.7	37647	502314
1952	" " "	8824	574.6	29054	271373
1951	" " "	9358	377.6	47186	304654
1951	Moseley & McIntosh	348	13.8	1128	11102
1950	" " "	9272	388.9	33216	327731
1949	C. H. McIntosh	25080	1246.7	103021	814391
1948	" " "	7930	432.0	37700	300421
1947	" " "	18795	1115.9	90185	828991
1946	" " "	12366	871.0	64548	585025
1945	" " "	10503	737.8	59608	478530
1944	" " "	6410	640.9	57811	354897
1943	" " "	830	128.5	9794	58107
1931	Alamo Copper Co.	8968	869.9	28967	371275
1930	" " "	3578	376.2	10587	124387
1929	Morningstar & Augustine	55	5.1	381	1985
1928	" " "	39	4.3	296	2371
1927	" " "	27	1.6	97	859

El Paso, Texas

November 17, 1961 chp

COPPER ORE

SHIPMENTS FROM MORRINGSTAR & AUGUSTINE
TO EL PASO SMELTING WORKS

DATE	TONS	Au	Ag	Pb	Cu	Ins	SiO2	Fe	CaO	Zn	S	Al2O3
1922 Aug.	33	.09	8.5	-	2.27	81.5	80.8	5.2	.5	1.0	.8	1.6
Oct.	62	.11	10.3	4.0	4.08	76.9	71.2	3.7	.3	.7	.3	3.2
Nov.	173	.11	8.5	3.1	3.27	81.8	76.2	3.1	.2	.9	.3	2.5
Dec.	141	.11	7.6	2.39	2.48	83.8	78.4	3.0	-	.3	.0	2.8
1923 Jan.	24	.11	3.5	-	1.85	90.7	86.6	2.8	.2	.6	.1	2.2
Feb.	35	.08	7.9	2.5	3.36	81.6	78.2	3.0	.3	1.2	.2	2.5
March	44	.143	2.61	3.0	1.30	74.2	71.2	4.7	1.3	2.8	3.6	2.8
April	101	.12	5.6	1.9	2.58	82.3	79.3	3.8	.3	1.0	1.2	2.1
June	119	.13	7.1	1.5	3.00	81.3	76.5	4.3	-	2.3	.5	3.0
July	41	.13	7.2	1.8	2.55	83.9	79.0	3.5	-	1.4	.5	2.5
Oct.	46	.1	8.1	1.9	3.67	81.3	75.7	4.5	.6	.7	.5	2.2
Nov.	81	.18	10.5	2.2	3.76	79.8	75.1	5.2	.3	.8	.4	2.2
Dec.	121	.16	9.5	1.8	3.50	82.0	77.7	4.0	.4	.9	.3	1.4
1924 Jan.	226	.16	8.4	1.5	2.71	84.1	77.5	3.7	.3	.8	.4	2.1
Feb.	139	.15	8.0	2.3	2.80	82.4	76.0	4.1	.3	.8	.5	3.6
March	130	.14	9.0	1.7	2.65	84.1	78.0	4.0	.4	1.0	.3	4.1
April	184	.14	8.0	1.1	3.19	82.9	76.2	3.8	.2	.6	.2	5.7
June	46	.13	7.2	1.0	2.45	85.4	78.6	3.6	.1	.5	.2	.5
July	44	.15	7.6	1.4	2.25	85.8	80.2	3.4	.2	.9	.3	.6
1925 May	35	.14	10.7	5.2	3.29	79.2	75.6	4.0	.1	.2	.3	4.4
July	102	.18	3.5	.4	2.23	73.9	70.8	6.7	2.1	2.3	5.4	2.0
August	38	.14	3.3	1.3	2.32	75.0	73.4	6.0	2.1	2.5	4.4	2.7
1926 Sept.	45	.09	5.9	.6	2.19	87.4	80.0	2.9	.5	.4	.3	2.2
Nov.	90	.06	3.6	.92	1.42	88.4	83.3	3.8	0.2	1.4	0.4	3.0
Dec.	29	.05	5.0	1.7	1.95	87.0	79.8	3.1	0.2	1.3	1.9	1.4

ITEM G

February 1, 1962

INVENTORY LIST
WERNER LAKE NICKEL MINES, LTD.
HENRY CLAY - ATWOOD MINES
LORDSBURG, NEW MEXICO

	ITEM	Purchase Price		Replacement Cost-Estim.	
1	55 Ft. Timber headframe w/ skip dump plates				
1	75 ton wooden ore bin with chute for truck haulage				
1	54 in. sheave for 3/4 in. rope				
1	1½ ton ore skip				
1	28 in. flat belt-driven timber saw, with Westinghouse 15HP motor, Serial # 13336.				
1	18' x 46' hoist & compressor house, woodframe, sheet iron, concrete floor.				
1	Worthington compressor, size 16x9½x12, Serial #136510. Westinghouse 125 HP motor, Serial #4905338 D. C. Generator, Type SK. 125V Serial #4920004. Westinghouse control panel, 125 HP - Class 4-250 Serial #SO-50E535				
1	Complete set holding coils for Worthington Compressor Control Panel				
1	High pressure discharge Valve Assy - Worthington Compressor				
1	Single-drum Ottumwa hoist, 75 HP, Serial #4141 G. E. Hoist motor, 150 HP, Serial #684899. Resistor grids for above hoist motor. Gen. Electric controller, Serial # 431935. Westinghouse Safety switch, 200 Amp. Square D, fusible 50 HP switch. G. E. Magnetic switch, 300 Amp. Serial # D1282902503. 4- G. E. Capacitors, Serial #01941 Westinghouse safety switch, 400 Amp. - Westinghouse motor, 5 HP, Serial #6831, 42In. x 10 Ft. Air receiver.				
1	Fansteel battery charger, Serial #S91085, complete with charging rack and 45 mine lamps.				
1	2800 Gal. Water Tank.				
1	1200 Gal. Domestic water tank.				
1	14 in. dia. x 16in. face belt-driven hoist with slaughter electric motor #4873746 with 2 banks resistor grids.				
1	I. R. air bit grinder, Serial #127164				
1	Air trigger, Serial #12471				
1	Electric drill, ½", Black & Decker, Serial #3220941				
15	16 Cu. Ft. Swivel end dump mine cars - Roller bearing				
2	Rocker side dump mine cars				
14	Crouse Hinds - AF15-25 Pull signal bottles				
2	Crouse Hinds signal switches				
3	Eimco-12-B Mucking Machines				
1	(New) IR 48 Stoper - 3/4" Hex Chuck #729859				
1	IR 48 Stoper - 3/4" Hex Chuck #706450				
1	Thor Stoper				
1	IR 48 Stoper #710493				
1	IR 48 Stoper #710502				
1	IR 38-B Jackhammer #734199 complete w/ air leg				
1	IR 38-B Jackhammer #734226 w/sinking handle				
1	IR Lubricator				
1	IR 38-B Jackhammer #729229				
2	IR 38 Air legs				
1	Boyles Bros. B. B. U. Jr., Diamond Drill, Swivel Head, Rod puller, Column Bar.				
1	60 Gal. Water Heater - 2000 Watt Heating element - Thermostat				

1 IR Motor Pump, Model A, Type 2 MRV-25, #08475097, w/25 hp G. E. motor #UD671188
1 Cutler Hammer Motor Control Switch
1 Westinghouse Safety Switch, 200 AMP
1 #22 Sullivan - Column mounted Diamond Drill - Engine # DE-113 Swivel Head class A-2 SF - Swivel Head Shop No. 03875 complete with double column bar - rod puller - lowering iron - pipe tongs grease gun - water swivel - pulling plug - parmalee knife dog - lubricator - wommer safety clamp - hoisting bail - ½" x 90' preformed hoisting rope, Young Seattle 8", #8700 Ball Bearing Sheave, assorted fishing tools, couplings, etc.
1 DDPiston pump, 250# pressure, Gardner Denver Serial No. 61183
1 Byron Jackson 2" cent. pump #121541
1 Joy Tugger Hoist - Model EW-111 MJ-2, Serial # 28148
1 M Motor, Class PA-5, Motor # 7796 - 5 HP. Rope Speed 70 ft./min. 2000 lb. pull, 80 lbs. air pressure.
1 Joy 22 Diamond drill feed screw, New.
1 Joy 22 diamond drill feed nut, New.
1 Joy 22 diamond drill shifting collar, new.
1 Joy 22 diamond drill valve connecting rod, new.
1 Joy 22 diamond drill piston connecting rod, new.
1 20 H.P. Motor - no serial number
1 Ingersoll Rand motor pump. Serial # 01495050 - Model A Type "MRV - 50 3510 R.P.M.
Motor - Westinghouse - Serial #1-5N3246 - Style 5N3246 50 HP, 3510 R.P.M.
1 Westinghouse safety switch, 50 HP. 200 AMP.
1 General Electric Magnetic Control Switch, 25 HP.
1 Floatless Liquid Level Control - Complete.
250' 3 wire, aluminum - rubber coated - 50 HP. wire
1 Ingersoll Rand Motor Pump. Pump Serial No. 08456605
Model A MRV - 2 - 50 3510 RPM.
Motor - Westinghouse Serial # 2-504640. Style 1261016 3510 RPM - 50 HP.
1 Foot Valve, check valve - suction chamber on pump
1 Floatless Liquid Level Control, complete.
1 2 Pole, 110 volt, light cut-out box
1 Safety Switch, 30 HP, 100 AMP.
1 Type N, Westinghouse line starter
1 110 Volt - 2 Pole, cut-out switch.
Henry Clay Office
1 12' x 12' Wood frame - sheet iron outside. Plaster board inside - board floor
1 Flat Top Desk
2 3-Drawer letter size filing cabinets
1 Shop and change room building - 60'x 15'wood frame - sheet iron - concrete floor. Shop - 28' x 15'. Change Room 32' x 15'.
2 Float Switches - complete.
1 Floatless Liquid Level Control
1 3" Check Valve.
1 Cutler Hammer Safety Switch
1 Cutler Hammer Motor Control
1 Ottumwa double drum hoist - 5300 Lb. Rope Pull - 300'/Min. Serial Number 4074.
1 Westinghouse controller, Style # 447914A
1 Westinghouse Hoist motor, 50 HP, 870 RPM. Serial # 4816392.
1 Set Resistor grids for above motor.
1 Hoist Building, 20' x 16', wood frame, sheet iron & celotex.

2	3/4" Hoisting ropes, approx. 900' each
2	48" Sheaves, for 3/4" Rope.
1	Westinghouse safety switch, 400 AMP.
1	AC Motor Control Switch
1	6' x 7½' Steel water tank
1	35' x 35', wood frame, sheet iron (½ sheeting missing) no doors, or windows, concrete floor.
1	17' x 31½' Frame sheet iron change room - concrete floor.
1	12' x 16' Frame Sheet Iron Office, concrete floor
1	16' x 24' wood frame, sheet iron building, concrete floor
1	8' x 12' wood frame, sheet iron building, earth floor
1	32' x 40' wood frame, sheet iron blacksmith shop - concrete and earth floor.
1	42' x 52' two story - steel frame and sheet iron compressor bldg.
1	4' x 6' air receiver
1	G. E. Induction motor - 100 HP - Serial # 2243422
1	Westinghouse Safety Switch - 200 AMP. Style 1197586 B
1	Westinghouse Auto. Starter - 60-100 HP. Style 75A998
1	Westinghouse Oil Well Motor 40 HP. Serial # 4756512
1	Worthington Monoblock Pump and Motor 1/3 HP. Serial # Rc10116
1	4' x 8' Penna. Boiler Works Air Receiver
1	20 Cell Battery Charger, complete w/ 50 HP US Motor, 1800 RPM Serial # 259067. DC Generator, Serial # 32657, Thomas Elec. Co. and Complete Charge Control Panel
1	25 Cell Battery Charger, Serial # 17610, 76 AMP Generator, 7½ HP motor, Motor Generator Corp.
1	20 Cell Goodman Battery Locomotive # 4718 w/ 2 batteries
1	Greensburg, Penna. battery locomative #2113 w/ 2 batteries
2	3 Phase, 50 AMP, Cut-out Switches
1	Westinghouse Line-Starter, Type M
1	Cutler Hammer, AC Automotive Starter, 3 Pole, Size 3 NCMA
3	2300/440 Volt Transformers
1	2300/220 Volt Transformers
	3 wire Power Line from Henry Clay Shaft to Atwood Shaft
	355 Ft. EX Diamond Drill Rod - 5' lengths
	1110 Ft. EX Diamond Drill Rod - 10' lengths
	930 Ft. AX Diamond Drill Rod - 10' lengths
	10 Ft. AX Diamond Drill Rod - 5' lengths
	6 Ft. AX Diamond Drill Rod - 2' lengths
	1 Ft. AX Diamond Drill Rod - 1' length
2	6' EX Core Barrels
2	5' EX Core Barrels
1	5' AX Core Barrel
1	10' AX Core Barrel
1	10' EX Core Barrel
1	3" Air Line - collar to 600 Ft. - Henry Clay Shaft
1	3" Pump Line - collar to 600 ft.- Henry Clay Shaft
1	1" Water Line - collar to 600 Ft. - Henry Clay Shaft
6	Wire-rubbered covered 110-Volt Cable - collar to 600 Ft. Henry Clay Shaft
3	Wire- Lead-covered 440 Volt Cable - Collar to 600 Ft. Henry Clay Shaft
1	3" Air Line 750 - 500 Atwood Shaft
1	4" Air Line 500 - Adit Atwood Shaft
1	3" Pump line 750-625 Atwood Shaft
1	4" Pump Line 625-500 Atwood Shaft
1	6" Pump Line 500- Adit Atwood Shaft
1	3 Wire, 100 AMP. Ribber covered Power Cable - 750-625 - Atwood Shaft

2	3 Wire, 10 gauge BX, Power Cable 625-500 Atwood Shaft			
1	6 Wire, 12 gauge, 110 Volt, Power Cable 750-500 Atwood Shaft			
1	2" Air Line - Atwood 500 Station to Henry Clay 400 Station			
1	1" Water Line Atwood 500 Station to Henry Clay 400 Station			
1	Roll, Approx. 150' 8 gauge, 3 wire, BX			
	250 Ft. 1½", 100 Lb. Pressure, Plastic Pipe			
	550 Ft. 1", 100 Lb. Pressure, Plastic Pipe			
2	Mine Stretchers - Basket Type			
1	Water Closet			
1	Rail Bender			
1	Gemco Rail Punch			
1	Rubber tired Wheel Barrow			
1	Overhead Trolley for 4" I Beam			
1	10" Parker Bench Vise			
1	#106 Anvil			
1	1 Ton Yale Chain Hoist			
2	Hack Saw Frames			
1	Timber Truck - Ball Bearing			
1	Timber Truck - Roller Bearing			
1	2 Ton Hercules Chain Block			
2	Anvils			
2	Mine Cages			
2	"Vangards" - 2½ gal. Steel Foam Fire-Extinguishers			
1	Square D Limit Switch			
1	3/4" Steel Chute Gate w/6" x 3' Hydraulic Cylinder and Frame			
1	Office Chair			
1	Typewriter, Underwood - Office Type			
1	Two Drawer Steel File Cabinet and File Holders			
1	Five (5) Drawer Map Case			
1	Five (5) Shelf Steel Bookcase			
1	36" x 60" Lietz Drafting Table			
1	36" x 80" Drafting Table (Shop Built)			
2	Std. Oak Chairs			
1	Oak Stool			
1	Vemco Drafter			
1	Plastic 18" Straight Edge			
1	Rocket Electric Eraser			
1	Lufkin Chrom-Clad 100' Steel Tape (No Reel)			
1	Rapidograph Set			
1	3/16" Lettering Guide			
1	Record Book			
1	Draftman's Brush			
70	(Approximately) Tracings of Drawings			
100	" Prints, Maps, etc.			
75	" D. D. H. Records			
	Assorted Notebookds, Records, and files.			
1	Steel Storage Cabinet			
1	Wardrobe Cabinet			
1	Photocopy Machine			
1	Roto-lite Printer			
1	Tape			
2	Miners Clothes Baskets			
1	Book of Tables (Calculator)			
1	Marchant Calculator - Model ACT 10M - Serial # 189787			
1	# B51V6 - Tip-Safe Electric Heater - 1320 Watts 110/120 Volt			

INVENTORY LIST

LIST D. D. BITS - Of LORDSBURG OFFICE February, 1962

BIT NO.	SIZE	DIAMOND WT.	CONDITION
85AV1935L	AX-Casing Shoe		Used-Usable
85AV9202L	EX-Core		For Salvage
F-3525-1	EX- S. W. Core		" "
85AV7625L	EX-Core		" "
85AV7621L	Ex-Core		" "
F-3526-3	EX - S. W. Core		" "
3892-6	EX Shell		" "
F-4860-1	EX-Core		" "
F-4860-2	EX-Core		" "
F-4860-3	EX-Core		" "
85AV8445	EX-Core		" "
85AV5890L	AX-Core		" "
85AE3820L	AX-Casing Shoe		" "
95V5575L	AX-Core		" "
85AV9150L	EX-Casing Shoe		" "
85AV8448L	EX-D. T. Shell		" "
85AV7626L	EX.-D. T. Shell		" "
F-3527-1	AX S. W. Core		" "
85AV5891L	AX D. T. Shell		" "
1 Un-numbered	EX-D. T. Shell		" "
85AV9205L	EX-Core	5.19	New
F-3892-5	EX-Core	4.86	New
F-3892-1	EX-Core	5.22	New
85AV7845	EX-Core	4.97	New
F-3892-2	EX-Core	4.61	New
F-3892-3	EX-Core	4.84	New
F-3526-2	EX-S. W. Core	4.89	New
85AV9024L	EX-Core	5.20	New
85AV6677L	EX-D. T. Shell	3.00	New
85AV8449L	EX-D. T. Shell	3.00	New

Miscellaneous:

2 - EX Bullnose T. C. Bits	New
1 - EX Core Bit, Sawtooth, T.C.	Used
Core Spring (Lifter)	Used
Ring Gauge - EX- (1 7/16" I.D.)	

MURRAY EDMUND WATTS

RESIDENCE	55 Bayview Ridge, Willowdale, Ontario.
OFFICE	Suite 309, 200 Bay Street, Toronto 1
TYPE OF BUSINESS	Consulting Mining Engineer
EDUCATION	Graduate of Queens University, B.Sc. Mineralogy and Geology, 1935 Graduate of Haileybury School of Mines -1928.
MARITAL STATUS	Married with 6 children.
PLACE OF BIRTH AND YEAR	Cobalt, Ontario, October 26th, 1909.

HISTORY AND EXPERIENCE

Year	Company	Occupation
1926-27	Canadian Tonopah Co. (Subsidiary American Co.)	Prospecting & Asst. Engineer - Rouyn, Red Lake Area.
1928-33	Cyril Knight Prospecting Co. Ltd., Cobalt, Ontario.	Prospecting - Harricanaw River Northwest Quebec. Red Lake Area, Chibougamau Misstassini Lake in Northwest Quebec.
1931-33		In Cape Smith - Wakeham Bay Area - Ungava
1933	Lake Shore Gold Mines	Underground Mining - Kirkland Lake.
1933-36	Prospectors Airways Ltd.	Prospecting - Sturgeon River and Northwest Ontario. Chibougamau and Northwest Quebec
1937-39	Self & Cobalt Products	Engineering - amalgamated old Cobalt producers. Cobalt Consolidated - now Agnico Silver Mines - biggest producer in Cobalt.
1940-45	Canadian Malartic Gold Mines, Malartic, Quebec.	Mine Superintendent Low cost gold producer.
1946	Chamberlain Management Corporation, Noranda, Quebec. (Vice President)	Management & Consulting Engineers -Properties in Noranda Area chiefly but some in Yukon, Ontario and Manitoba, including Donalda, Eldona Base Metals Mining Corp., Ashley Gold Mines.

.....continued.....

Year	Company	Occupation
1947	P. Harrison Contracting Company Limited, Noranda, Quebec.	Chief Engineer & Eastern Manager, including Steep Rock Iron Mines Contract, Buchans Mine Contract in Newfoundland, and Glace Bay job for Dominion Coal & Steel.
1948-56	Little Long Lac Gold Mines Limited and Associated Companies, 309-200 Bay Street, Toronto, Ontario.	General Manager, Hard Rock Gold Mines, Little Long Lac Gold Mines Ltd., Bevcourt (Bevcon) Gold Mines, Powell Rouyn Gold Mines, McKenzie Red Lake Gold Mines Ltd., LeMoyne Explorations Ltd., for Ungava Explorations.
1957	Managing Director (Assembly Mines Ltd.)	LeMoyne Explorations Ltd., LeMoyne Ungava Mines, Raglan Nickel Mines Limited, Murray Mining Corp. Ltd., Ungava Engineering Consultant to - Falconbridge Nickel Mines, Kennco Exploration Ltd., (Kennecot Copper Corp.) Comingo (L. Timmins), Werner Lake Nickel Mines Limited.
1958	Managing Director (Assembly Mines Ltd.)	Murray Mining Corporation Ltd. (Management) Werner Lake Nickel Mines Ltd.
1959	Managing Director (Assembly Mines Ltd.)	Murray Mining Corporation Ltd. Werner Lake Nickel Mines Ltd.
1960	Managing Director (Assembly Mines Ltd.)	Murray Mining Corporation Ltd. Werner Lake Nickel Mines Ltd.
1961	Managing Director (Assembly Mines Ltd.)	Murray Mining Corporation Ltd., Raglan Nickel Mines Limited British Ungava Explorations Ltd. Werner Lake Nickel Mines Ltd.

ITEM I

BACKGROUND & OPERATING EXPERIENCE

The undersigned, a graduate mining engineer(Michigan College of Mining & Technology), and a registered professional engineer in the states of New Mexico and Texas, has had seventeen years diversified engineering experience, with over twelve years mining engineering experience.

Supervisory experience includes fifteen years in responsible charge; five years as an officer in the engineer branch of the U. S. Army; five years on construction and design; five years in a supervisory capacity relative to mining operations.

Mining experience includes four years with Bethlehem Collieries Corporation, with the Mining Engineering Department, at Johnstwon, Pennsylvania; half of this experience includes mine ventilation surveys with altimeters, and includes responsible charge of a mine ventilation survey of the Rosedale Mine, 5000 TPD, all field work, office work and calculations, including map preparation and recommendation report.

Following military service, worked as miner on contract, Inland Steel Company's Sherwood Mine, Iron River Michigan, and later, as engineer in charge of installation of the underground belt conveyor system. This employment covered one year, resigned and left for Union Pacific Coal Company, Rock Springs, Wyoming.

At Union Pacific, worked as mining engineer, in responsible charge of surface and underground facilities design, and in the performance of monthly mine inspection of Rock Springs No. 8 Mine. Qualifications for preforming this inspection work included holding fireboss and mine foreman certificates, State of Wyoming, which the undersigned has held since 1949. Following four years with Union Pacific, resigned and accepted a position with American Smelting & Refining Company, in The Mexican Mining Department, at El Paso, Texas, performing mine plant designs for mining operations in Mexico.

Field engineering performed later as engineer-in-charge includes 150 miles of 30-inch high pressure gas line installation, 20,000 feet of 100-foot widening of a heavy bomber airport construction project, at Briggs Field, Texas; property survey and retracement survey, subdivison layout, streets, pipelines, and curb and gutter layout.

Mining operations as engineer-in-charge includes approximately one year's work with Millite Mining Corporation, opening up several small prospects, carrying out examination and exploration; a small manganese operation was carried out under direction of the undersigned, several hundred tons of manganese ore were mined and shipped to blenders, on the Government maganese buying program.

Milling experience includes mill design at AS&R, to a limited degree, mill test work, on a laboratory scale at New Mexico Institute of Mining & Technology, and the State Bureau of Mines, at Socorro, New Mexico; one summer's work with the Farm Chemical Resources Research Corporation (Kerr-McGee, Phillips, & National Farmers Union) on pilot plant work, and recently, two and one-half year's work with Kennecott Copper Corporation, at the Hurley Reduction Plant, on design, estimates, flowsheets, etc.

Present assignment now of six months, is engineer-in-charge for Lordsburg Project for Henry Clay Mines Incorporated.

December 15, 1961

J. H. Quay

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 28

January 18, 1972

OFFICIAL COPY
O. M. E.
RECEIVED
JAN 24 1972

INITIALS	CODE
Cac	120
gla	120
JHR	120
	220

Memorandum

To: Chief, Office of Minerals Exploration

From: Assistant Chief, Office of Minerals Exploration

Subject: OME-6228 (Copper-Gold-Silver)
Henry Clay Mines, Inc.
Henry Clay Claims
Hidalgo County, New Mexico
Contract 2153

Transmitted herewith is the final field report on the above-stated OME exploration project.

William L. Emerick

William L. Emerick,
Assistant Chief
Office of Minerals Exploration

Enclosure

FINAL FIELD REPORT - OME EXPLORATION PROJECT

By W. L. Emerick

January 19, 1972

1. OME-6228 (Copper-Gold-Silver)
Henry Clay Mines, Inc.
Henry Clay Claims
Hidalgo County, New Mexico
Contract 2153

Operator: Henry Clay Mines Incorporated
Room 300, 185 Bay Street
Toronto 1, Ontario, Canada

Property: Consisted of five (5) patented lode mining claims, including all rights pertaining thereto, in Sec. 7, T. 23 S., R. 18 W., and in Sec. 12, T. 23 S., R. 19 W., N.M.P.M., Virginia mining district, Hidalgo County, New Mexico. A map showing the area of the five claims was attached to the contract.

Ownership: The Operator was in possession of the claims by right of ownership but the claims were subject to a mortgage lien, dated December 22, 1959, to Atwood Mine Incorporated, for $35,000.00.

2. Purpose of Project: The purpose of the project was to explore for ores of copper, gold, and silver occurring in a vein by extending existing crosscuts on the 800-level of the mine and by core drilling from the 800-level to intersect the vein at distances of approximately 300 feet vertically below the level.

3. Contract: Dated June 26, 1962, for a term of 8 months, later extended by amendments to 18 months.
Original contract amount $30,570.00
Government participation - 50 percent, $15,285.00

Amendments - No. 1 - December 21, 1962, to extend the time for completion of the work from 8 to 12 months, and to delete the provisions of Article 14 of the contract and substitute in lieu thereof Article 10, Nondiscrimination.

No. 2 - May 28, 1963, to extend the time for completion of the work from 12 to 18 months, to extend the maximum period for royalty payments from 10 to 11 years, and to stipulate the provisions of the contract that become effective if work is not resumed on or before termination of the period fixed for suspension.

4. Project Work: Started July 2, 1962. Terminated December 26, 1963.

FINAL FIELD REPORT

Cost Items	Authorized Units	Authorized Rate	Authorized Amount	Completed Units	Completed Amount
Crosscutting	450 feet	$36.00/foot	$16,200.00	244 feet	$8,784.00
Rock excavation for diamond drill stations	2,000 cubic ft.	$0.70/cu. ft.	$1,400.00	-----	-----
Timbering	100 linear ft.	$9.00/ft.	$900.00	5 lin. ft.	$45.00
Diamond drilling, includes reaming, casing, cementing, and redrilling	2,000 feet	$4.00/ft.	$8,000.00	-----	-----
Services for diamond drilling, including power, compressed air, water supply, hoisting, accounting, depreciation, etc.	2,000 feet	$0.92/ft.	$1,840.00	-----	-----
Technical services	6 months	$300.00/mo.	$1,800.00	4 months	$1,200.00
Wooden core boxes	80 boxes	$4.00/each	$320.00	-----	-----
Assaying for copper, gold, silver	100 deter.	$1.10/deter.	$110.00		
Total Costs			$30,570.00		$10,029.00
Government participation at 50 percent			$15,285.00		$5,014.50
Paid to Operator					$5,014.50

The Government retained no equity in any of the materials used.

Effectiveness of the Work - The target areas of the project were not completely or adequately explored.

Efficiency of Operation - Progress on the project was very slow mainly because of an ore-production schedule from other parts of the mine that did not allow any time for hoisting waste rock from project crosscuts. Only a little better than half of the crosscutting provided for in the contract was completed and none of the diamond core drilling.

5. Reports:

Operator's Final Report - A Final Report was not received from the Operator.

Cost Review - There is no evidence that a cost review was requested or that a Report of Review was issued.

Final Audit - There is no evidence that a final audit was requested. The final voucher was certified on August 19, 1963.

Royalty Review - There was an undetermined amount of production sold from the project area but no royalty was ever paid to the Government. A Royalty Review was not requested.

6. Project Results:

Discoveries - The project work was incomplete and ineffective and did not result in the discovery of any new minable copper, gold, and silver ore bodies.

Certification - There was no Certificate of Possible Production issued because no ore was discovered by the OME work. However, under the provisions of Article 3 of Amendment No. 2, a pseudocertification became effective when the Operator failed to complete the work by December 26, 1963.

Production - There was no production as a result of the OME work.

Royalties - During the period of the exploration work an undetermined amount of production and sale of ores resulted from areas of the mine to which the Government retained royalty rights under the contract. The Operator evaded submitting copies of settlement sheets to the Government and made no royalty payments. The matter of the delinquent royalties was referred to the Claims Division, General Accounting Office on November 19, 1964. It was reported on December 8, 1964 that the Operator was taking bankruptcy. By September 30, 1966 the principal and accrued interest on the account amounted to $6,015.24. The account was eventually written off as a loss.

7. Geologic Summary

- The ore deposits occur in a quartz-filled vein cutting basalt of Cretaceous age. The vein strikes about N. 45° E., and dips 80° SE. to vertical. Ore minerals are chalcopyrite, galena, zinc blende, and pyrite. An old smelter statement indicates that production from the Henry Clay mine for the period 1943 through 1954 totalled about 138,000 tons of copper-gold-silver ore. For the period 1956 through April 1962 about 115,000 tons of ore was produced from the Henry Clay and adjoining Atwood mine and it is stated that of this amount about 75% came from the Henry Clay mine.

m 7

OFFICIAL FILE COPY

Date	Surname	Code
1/26/70		120
		220

JAN 26 1970

Memorandum

To: Field Officer, Region III

From: Chief, Office of Minerals Exploration

Subject: OME-6228 (Copper-Gold-Silver)
Henry Clay Mines, Inc.
Henry Clay Claims
Hidalgo County, New Mexico
Contract 2153

Thank you for your memorandum of December 31, 1969, concerning the subject property.

GAO dismissed the case on July 14, 1966, without collection. A copy of that agency's memorandum, dated November 10, 1966, inadvertently was not forwarded to your office, and a copy is enclosed herewith. According to Mr. Robert W. Long, Assistant Solicitor, Oil and Gas and Minerals Exploration of the Department, the books are permanently closed.

Harold Kirkemo (gla)

Harold Kirkemo

Enclosure

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
Mr. Kirkemo
130

GLAult/a 1-26-70

1/6/70

Kirk:

Since Mr. Johnson reviewed this contract, I have not followed up - except to close on expiration date, June 26, 1973. See my note in the docket.

I see someone sent a copy of GAO letter 11/10/66 to Miss Gabor, but none was sent to R-III.

gla

GAO dismissed the case 7/14/66 without collection. Booker permanently closed according to Mr. Long 1/23/70.

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 200

December 31, 1969

OFFICIAL COPY
O. M. E.
JAN 6 1970
gla 130
120
220

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6228 (Copper-Gold-Silver)
Henry Clay Mines, Inc.
Henry Clay Claims
Hidalgo County, New Mexico
Contract 2153

The Mining Record, published in Denver, Colorado Wednesday, December 24, 1969 contains an article on page 1, concerning the subject property pertaining to the fact that the Federal Resources Corporation has obtained a long-term operating lease on the Henry Clay Mine. The article also states that the lease includes an extension of the Emerald Vein, which is now producing good grades of copper, gold and silver on Federal's adjacent holdings, the Bonnie Mine and the 85 mine.

There is considerable correspondence between the Office of Minerals Exploration and the Claims Division, U. S. General Accounting Office (Re: DW-Z-2278472-12) concerning the indebtedness of Henry Clay Mines, Inc., Operator, under the subject contract. The last correspondence I have in my file concerning the subject contract is a memorandum of October 11, 1966 from Frank E. Johnson to the Claims Division, U. S. General Accounting Office. Perhaps this reported transaction between Henry Clay Mines, Inc. and Federal Resources Corporation should be investigated.

J. William Hasler
mc

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

CLAIMS DIVISION

IN REPLY PLEASE QUOTE
DWZ-2278472-WMB-12

NOV 1 0 1966

U.S. Department of the Interior
Office of Minerals Exploration
Geological Sumey
Washington, D.C. 20240

Re: OME (Copper-Gold-Silver)
Henry Clay Mines, Inc.
Henry Clay, et al, Claims
Hidalgo County, New Mexico
Contract 2153

Gentlemen:

We acknowledge receipt of your letter of October 11, 1966 relating to captioned case.

Case was dismissed on motion of United States July 14, 1966, and closed without collection.

Very truly yours,

Chief, Debt Section

By William McMundell

Copy to Miss Gabor 11/16/66

Copy to R-III 1/26/69

OFFICIAL COPY
O. M. E.
RECEIVED
NOV 16 1966
INITIALS | COM.

Form 7
(63)

OFFICIAL FILE COPY

Date	Surname	Code
10/11		110
10/11/66	Kirkham	120
		220

OCT 11 1966

Claims Division
U. S. General Accounting Office
Washington, D. C. 20548

Re: DW-Z-2278472-12

OME-6228 (Copper-Gold-Silver)
Henry Clay Mines, Inc.
Henry Clay, et al., Claims
Hidalgo County, New Mexico
Contract 2153

Gentlemen:

Reference is made to your letter of October 28, 1965, and our reply of November 17, 1965, concerning the indebtedness of Henry Clay Mines, Inc., Operator, under the subject contract.

The Government's contribution to the cost of the work performed under this contract amounted to $5,014.50. Simple interest at the rate of 6 percent per annum has accrued on this account in the amount of $1,000.74 through September 30, 1966, and continues to accrue until the account is liquidated. Thus, the total amount due the Government as of September 30, 1966, is $6,015.24.

We will appreciate being advised of the results concerning this case.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's reading file
Division file
EMK Economic Geology file
Chief, Budget add Finance/Rm 5408
OME file
OME reading file
OME Region III
120-M

FEJohnson/bih 10/11/66

23263

OFFICIAL FILE COPY

Date	Surname	Code
11/17	Johnson	110
"	Lebridge	120
		220

NOV 17 1965

Claims Division
United States General
Accounting Office
Washington, D. C. 20548

Re: DW-Z-2278472-12
OME-6228 (Copper-Gold-Silver)
Henry Clay Mines, Inc.
Henry Clay et al., Claims
Hidalgo County, New Mexico
Contract 2153

Gentlemen:

This is in reply to your letter of October 28, 1965, and enclosures, concerning the indebtedness of Henry Clay Mines, Inc. under the subject contract and requesting certified copies of the contract and supporting documents.

Certified copies and four uncertified copies of each of the nineteen pertinent documents forwarded with our letter to you of November 19, 1964, are enclosed. Also enclosed are certified copies of Operator's Monthly Voucher and Operator's Progress Report for July 1963, and four uncertified copies showing total exploration costs in the amount of $10,029.00 approved by the Government under the contract, of which 50 percent of $5,014.50 was paid by the Government to the Operator for its share of the costs. In addition, simple interest at the rate of 6 percent per annum has accrued on this delinquent account in the amount of $699.86 through September 30, 1965, and continues to accrue until the account is liquidated.

FEJohnson/bih 11/17/65
cc to: Director's reading file
Division file
Economic Geology file
OME file
OME reading file
OME audit file
OME Region III

Sincerely yours,

(signed) FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosures

23263

1-480

UNITED STATES OF AMERICA

DEPARTMENT OF THE INTERIOR
Geological Survey
Office of Minerals Exploration
Washington, D. C.

NOV 17 1965
_____, 19____

Pursuant to Title 28, Section 1733, United States Code, I hereby Certify that each annexed paper is a true copy of a document comprising part of the official records of the Office of Minerals Exploration, Geological Survey, Department of the Interior:

1 Contract 14-23-090-2153, including Annex I, a Lien or Subordination Agreement, and Amendments Nos. 1 and 2, but excluding Exhibit A and attachments pertaining to Section 301 of Executive Order 10925 which are not pertinent to the matter of the indebtedness;
2 October 23, 1962, letter to Operator;
3 November 5, 1962, letter from Operator;
4 November 20, 1962, letter to Operator;
5 October 8, 1963, letter to Operator;
6 October 11, 1963, letter from Operator;
7 November 12, 1963, letter from Operator;
8 December 2, 1963, letter to Operator;
9 January 6, 1964, letter to Operator;
10 April 28, 1964, letter from Operator;
11 May 22, 1964, letter from attorney for Diversified Mines, Inc.;
12 June 4, 1964, letter to attorney for Diversified Mines, Inc.;
13 June 4, 1964, letter to Operator;
14 July 22, 1964, letter to Operator;
15 August 4, 1964, letter from Operator;
16 September 14, 1964, letter to Operator;
17 October 26, 1964, letter from Operator;
18 October 28, 1964, letter to Operator;
19 October 29, 1964, letter to Operator; and
20 Operator's monthly voucher and monthly Progress Report from July 1963.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name, and caused the seal of the Department of the Interior to be affixed on the day and year first above written.

Frank E. Johnson
Chief, Office of Minerals Exploration

UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON 25, D. C.

CLAIMS DIVISION

IN REPLY PLEASE QUOTE

DW Z 2278472-12

OFFICIAL COPY
O. M. E.
RECEIVED
NOV 1 1965

INITIALS	CODE
	110
	120 m
	~~120~~

October 28, 1965

United States Department of the Interior
Office of Minerals Exploration
Washington, D. C. 20240

Re: OME-6228 (Copper-Gold-Silver)
Henry Clay Mines, Inc.
Henry Clay, et al., Claims
Hidalgo County, New Mexico
Contract 2153

Gentlemen:

Reference is made to your letter dated November 19, 1964, relative to the above-cited matter.

Due to the debtor's failure to respond to demands made upon it by this Office it became necessary to refer the matter to the United States Attorney at Albuquerque, New Mexico for the institution of collection proceedings.

Enclosed is a copy of letter from the United States Attorney and the Department of Justice. Since the termo-fax copies of the contract and supporting papers furnished by you are not legible they cannot be reproduced here, to comply with the request of the Department of Justice.

Accordingly, it is requested that legible certified copies of the contract and supporting documents be furnished for transmittal to the Department of Justice.

Very truly yours,

Chief, Debt Section

By: A. K. Hill

Enclosures

UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

CLAIMS DIVISION

IN REPLY PLEASE QUOTE

DW Z 2278472-12

October 28, 1965

United States Department of the Interior
Office of Minerals Exploration
Washington, D. C. 20240

Re: OME-6228 (Copper-Gold-Silver)
Henry Clay Mines, Inc.
Henry Clay, et al., Claims
Hidalgo County, New Mexico
Contract 2153

Gentlemen:

Reference is made to your letter dated November 19, 1964, relative to the above-cited matter.

Due to the debtor's failure to respond to demands made upon it by this Office it became necessary to refer the matter to the United States Attorney at Albuquerque, New Mexico for the institution of collection proceedings.

Enclosed is a copy of letter from the United States Attorney and the Department of Justice. Since the termo-fax copies of the contract and supporting papers furnished by you are not legible they cannot be reproduced here, to comply with the request of the Department of Justice.

Accordingly, it is requested that legible certified copies of the contract and supporting documents be furnished for transmittal to the Department of Justice.

Very truly yours,

Chief, Debt Section

By:

Enclosures

emk

JWD:MDA:mcg
77-49-247

OCT 13 1965

General Accounting Office
Washington, D. C. 20548

Attention: Claims Division

Re: Henry Clay Mines, Inc., Henry Clay in the amount of $5,014.50
(Your ref.: Z 2-278-472)

Dear Sirs:

Enclosed is a copy of a letter of September 27, 1965, to this office from the United States Attorney in Albuquerque, New Mexico.

Please provide the requested documentary materials in the form of one certified and four uncertified copies.

Yours very truly,

JOHN W. DOUGLAS
Assistant Attorney General
Civil Division

By:
Russell Chapin
Chief, General Claims Section

Enclosure

September 29, 1965

JWD:MDAndrews:mcg
77-49-247

Department of Justice
Washington, D. C. 20530

Attention: Russell Chapin, Chief
General Claims Section
Civil Division

Reference: Henry Clay Mines, Inc.
Henry Clay in the amount of
$5,014.50 - in Bankruptcy

Gentlemen:

We have made demand on the debtor corporation to no avail. We will require the contract upon which this claim is based and any notes given by the debtor to the United States. We would also like to have any material that will document the amount of the claim.

Thank you very much.

Yours very truly,
JOHN QUINN
United States Attorney

SCOTT McCARTY
Assistant U. S. Attorney

SMc:jse

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
	Selfridge	120
2/11	Murphy	120 m
"	Johnson	110
"	"	100
		120 m

February 11, 1965

Memorandum

To: The File

From: Chief, Division of Exploration Operations

Subject: OME-6228 (Copper-Gold-Silver)
Henry Clay Mines, Inc.
Henry Clay, et al., Claims
Hidalgo County, New Mexico
Contract 2153

As this case is somewhat different from those ordinarily referred to the General Accounting Office, the writer discussed the matter of the usual procedure relating to MME Form 63 with Mr. Long. He suggested that the GAO be contacted to see what could be learned from and suggested by them.

On February 11, 1965, the writer called GAO and was referred to Mr. Milwit on Code 129, Extension 4181. The OME procedure was explained to him. He called back later and stated that the case had been referred to the Attorney General. He suggested that any action on MME Form 63 be held in abeyance. On questioning, the writer was informed that OME would not be furnished with any results concerning the case unless OME should make a request in writing. The number of the case is Z-2278472. It is suggested that an inquiry be made late in this year.

George C. Selfridge

GCSelfridge/mm
cc: Director's Reading File
Mr. Selfridge

8623

Standard Form 63
Jan. 1952

U. S. GOVERNMENT

MEMORANDUM OF CALL

Date 2/11/65

Time 10:55 a.m.

TO— Mr. Selfridge

☒ YOU WERE CALLED BY— ☐ YOU WERE VISITED BY—

Mr. Milwit - GAO

TELEPHONE: Number or code 129 Extension 4181

☒ PLEASE CALL ☐ WAITING TO SEE YOU

☐ WILL CALL AGAIN ☐ WISHES AN APPOINTMENT

☐ RETURNING YOUR CALL

LEFT THIS MESSAGE:

Re: Henry Clay Mines

OME-6228

Z-2278472

Received by— gla

U. S. GOVERNMENT PRINTING OFFICE : 1957—O-412829

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
12/7	Fisher	800
12/7	Murphy	120M
	Lethridge	120
12/7	J Murphy	110
		100
12/8	cae	220
		120M

DEC 8 - 1964

Claims Division
General Accounting Office
Washington, D. C. 20548

Re: OME-6228 (Copper-Gold-Silver)
Henry Clay Mines, Inc.
Henry Clay, et al., Claims
Hidalgo County, New Mexico
Contract 2153

Gentlemen:

Reference is made to my letter to you dated November 19, 1964, pertaining to indebtedness of Henry Clay Mines Incorporated, Operator under the referenced contract.

The Acting Field Officer, OME Region III, Denver, Colorado, now advises he has been informed that the Operator is taking bankruptcy in New Mexico, that another operator is taking the mine, and that a certain percentage of profits is being set aside to pay claims.

This information is passed on to you for whatever action may be deemed to be appropriate.

Sincerely yours,

George Fumich, Jr.

Acting Director

CEFisher/ama 12-7-64

cc:
Docket
Director's Reading File
CA & A Division
Region III

23263

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Bldg. 20 - Denver Federal Center
Denver, Colo. 80225

OFFICIAL FILE COPY

December 4, 1964

RECEIVED

DATE		
		800
12/7	Murphy	120 m
		~~120~~

Memorandum

To: George C. Selfridge, Chief
Division of Exploration Operations
Washington, D. C. 20240

From: Acting Field Officer, OME, Region III

Subject: OME-6228 (Copper-Gold-Silver)
Contract 2153
Henry Clay Mine
Hidalgo County, New Mexico

I am informed that the subject Operator is taking bankruptcy in New Mexico. I also understand that another Operator is taking the mine and that a certain percentage of profits is being set aside to pay claims.

Can you arrange in Washington to have the Federal District Attorney represent us or is it out of our hands now that it was turned over to the Claims Division?

Hugh M. Connors

Hugh M. Connors

cc: 2153
Chron

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
11/13	Fisher	800
11/13	Murphy	120M
	Yellowhorse	120
11/16	Johnson	110
	Frank	100
	Long	140 ~~220~~
	App'd. Ad. Off.	220
		120M

NOV 19 1964

Claims Division
General Accounting Office
Washington, D. C. 20548

INTERIOR DEPT.
NOV 16 1964
SOLICITOR

Re: OME-6228 (Copper-Gold-~~Silver~~)
Henry Clay Mines, Inc.
Henry Clay, et al., Claims
Hidalgo County, New Mexico
Contract 2153

Gentlemen:

In accordance with the provisions of 4 GAO 5000 and Comptroller General's decision B-136448 there is referred to you the matter of delinquent royalty in the amount of $5,014.50, and accrued interest through September 30, 1964, amounting to $416.65, plus currently accruing simple interest at 6 percent per annum on the delinquence ($5,014.50) until paid, applicable to Office of Minerals Exploration Contract 14-23-090-2153. The facts pertinent to the determination of this debt and the collection efforts of this office follow.

On June 26, 1962, Henry Clay Mines Incorporated (No Stockholder's Liability), a New Mexico corporation whose mailing address is Room 300, 185 Bay Street, Toronto 1, Ontario, Canada, entered into exploration contract 14-23-090-2153 with the United States of America, acting through the Department of the Interior, Office of Minerals Exploration. This contract as amended provides in general that: (a) the contractor (hereinafter referred to as the Operator) shall conduct an exploration project for copper, gold, and silver; (b) the Government will pay to the Operator 50 percent of the allowable costs of the work performed; and (c) the Operator, as principal if the producer or as surety if not the producer, shall pay to the Government a 5 percent royalty on all minerals produced from the land from the date of the contract until the lapse of the time in which the Government may issue a certification of possible production (not later than six months after a sufficient final report and final accounting have been furnished) or until the amount contributed by the Government, with simple interest at 6 percent per annum, is fully repaid.

The Operator is a wholly-owned subsidiary of Werner Lake Nickel Mines Limited, Room 311, 200 Bay Street, Toronto, Ontario, Canada.

23263

The original contract provided for completion of the exploration work within 8 months from the date of the contract. Amendment No. 1 extended the period for completion to 12 months and Amendment No. 2 further extended the period until December 26, 1963. The Operator did not complete the work called for by the contract and it was considered as terminated on the latter date after the Government had contributed $5,014.50 as its 50 percent share of allowable costs for the minor portion of the work actually completed.

The land subject to the contract comprised five patented mining claims with all rights pertaining thereto as fully described in Annex I of the contract. The Operator was the owner of the claims subject to a mortgage lien to Atwood Mine Incorporated (No Stockholder Liability), a New Mexico corporation whose address is Vanadium, New Mexico.

During the time the contract was in effect the Operator engaged in production and sale of ores from the mine. An undetermined portion of such production and sale resulted from areas of the mine to which the Government retained royalty rights.

In a letter dated October 23, 1962, the Acting Field Officer, OME Region III, Denver, Colorado, advised R. S. Stronach, the manager of the Operator's mine, that royalty was payable to the Government on any and all shipments of ore from the land subordinated under the contract. By letter dated November 5, 1962, R. C. C. Henson, the Operator's president, advised the Acting Field Officer that the company was hoping to get its production from the mine up to 5,000 tons a month, and that as a consequence the OME would be of no help in financing the cost of the exploration as the amount of royalty payable to the Government would be greater than their monthly billings for allowable costs of the exploration work. Mr. Henson requested that the OME royalty payments be restricted to ore mined below the 800 level and preferably to ore in the designated area.

In a letter dated November 20, 1962, the Director of OME advised Mr. Henson that his request could not be complied with as such an amendment to the contract could be made only to correct a mutual mistake.

By letter dated October 8, 1963, the Acting Field Officer called the Operator's attention to the contract provision that all rights pertaining to the mining claims were subordinated to the Government's right to royalty and that under provisions of item (d) of

Amendment No. 2 the Operator was obligated to pay such royalty on production whether or not certification of possible production was made.

In a letter dated October 11, 1963, Mr. Stronach advised the Acting Field Officer the Operator had been under the impression that extra-lateral rights had not been included and in a further letter dated November 12, 1963, Mr. Stronach advised that if extra-lateral rights were included under the contract the Operator would be in the position of repaying an amount as royalties from current production every month equal to the Government's participation payments. He stated that he had been instructed to request the contract be cancelled and that he would start to gather up the necessary material and documents to fulfill the Operator's part of the contract.

By letter dated December 2, 1963, the Acting Field Officer advised the Operator that the best way to wind up the contract would be in accordance with the provisions of Amendment No. 2 and that such action would be held in abeyance until receipt of the material and documents concerned with royalty due. In a letter dated January 6, 1964, the Acting Field Officer advised the Operator that in order to wind up this contract the material and documents requested on December 2, 1963, and also the Operator's Final Report, were needed.

In a letter dated April 28, 1964, Mr. Stronach advised that he had completed the report and assembled the smelter returns necessary to finalize the contract; that they were being sent to Harry M. Hurst, Secretary-Treasurer of the company, in Toronto for processing; and any further correspondence should be with the latter as he, Mr. Stronach, was leaving the company.

By letter dated May 22, 1964, Mr. H. O. Robertson of the law firm of Robertson and Reynolds, Silver City, New Mexico, advised that firm were attorneys for Diversified Mines, Inc., who had taken a lease on the mining claims owned by the Operator. Request was made for a copy of any agreement in connection with this mine which the lessees would be expected to carry out together with information as to the balance due under such agreement. In a reply to this letter dated June 4, 1964, the Acting Director, OME, advised that he was not in position to furnish any copies of the contract or information pertaining thereto pending receipt of certain information from the Operator.

In another letter dated June 4, 1964, the Acting Director advised Mr. Hurst regarding the information that had been received about

Diversified Mines. Request was again made for copies of the smelter returns, the Operator's final report, and a check for the royalties due. A tracer on this letter was sent to Mr. Hurst on July 22, 1964. In a reply dated August 4, 1964, Mr. Hurst stated that copies of the smelter returns had now been received, and that the Operator's final report was being prepared and would be forwarded to reach OME by August 20, 1964, at the very latest.

By letter dated September 14, 1964, the Acting Director, OME, advised Mr. Hurst that unless copies of the smelter returns, the Operator's final report, and a check for royalties due were received by October 14, 1964, it would be necessary to take remedial action as provided by the terms of the contract.

In a letter dated October 28, 1964, to Mr. Hurst the Acting Director, OME, demanded immediate repayment of the entire amount of the Government's participation in the exploration costs, $5,014.50, plus simple interest at 6 percent from the dates the funds were made available. Copies of this letter were sent to Atwood Mines Incorporated, Werner Lake Nickel Mines, Ltd., and the attorney for Diversified Mines, Inc.

Subsequent to forwarding the letter referred to in the preceding paragraph, a letter from Mr. Hurst dated October 26, 1964, was received by the Acting Director, OME. This letter stated that all of the smelter reports had now been received, but that the Operator did not have any blank copies of the forms needed to complete the final report. Mr. Hurst also stated that he was no longer connected with the company. However, the letter was written on Henry Clay Mines Incorporated stationery and Mr. Hurst signed the letter beneath the company name, although he did not use any position title. Under date of October 29, 1964, the Acting Director, OME, advised Mr. Hurst that there was no prescribed form to be used for the Operator's final report and Article 5(c) of the contract pertaining to such final report was quoted to him.

Two copies of the following documents, as referred to in the preceding paragraphs, are enclosed:

(1) Contract 14-23-090-2153, including Annex I, a Lien or Subordination Agreement, and Amendments Nos. 1 and 2, but excluding Exhibit A and attachments pertaining to Section 301 of Executive Order 10925 which are not pertinent to the matter of the indebtedness;

(2) October 23, 1962, letter to Operator;
(3) November 5, 1962, letter from the Operator;
(4) November 20, 1962, letter to the Operator;
(5) October 8, 1963, letter to the Operator;
(6) October 11, 1963, letter from the Operator;
(7) November 12, 1963, letter from the Operator;
(8) December 2, 1963, letter to the Operator;
(9) January 6, 1964, letter to the Operator;
(10) April 28, 1964, letter from the Operator;
(11) May 22, 1964, letter from attorney for Diversified Mines, Inc.;
(12) June 4, 1964, letter to attorney for Diversified Mines, Inc.;
(13) June 4, 1964, letter to the Operator;
(14) July 22, 1964, letter to the Operator;
(15) August 4, 1964, letter from the Operator;
(16) September 14, 1964, letter to the Operator;
(17) October 28, 1964, letter to the Operator;
(18) October 26, 1964, letter from the Operator; and
(19) October 29, 1964, letter to the Operator.
(24)

Sincerely yours,

George Fumich, Jr.

(pt)

Acting Director

Enclosures

CEFisher/ama 11-12-64

cc:
Docket
Director's Reading File
CA & A Division
Region III

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
10/29	Fisher	800
10/29	Murphy	120M
"	Van Deahe	120
"	Johnson	110
"	[illegible]	100
10/29	[illegible]	220

Henry Clay Mines Incorporated
Suite 300, 185 Bay Street
Toronto 1, Ontario, Canada

OCT 29 1964

Attention: Mr. H. M. Hurst

Re: OME-6228 (Copper-Gold-Silver)
Henry Clay Mines, Inc.
Henry Clay, et al., Claims
Hidalgo County, New Mexico
Contract 2153

Gentlemen:

This will acknowledge receipt of your letter dated October 26, 1964, which crossed in the mail with our letter to you dated October 28, 1964.

There is no prescribed form to be used for the Operator's final report upon completion or termination of an exploration project contract. What is desired is a summarization of the work accomplished and a report thereon as provided by Article 5(c) of the contract which is quoted below for your ready reference:

> "(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 monthly report). 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."

Sincerely yours,

George Fumich, Jr.

Acting Director

CEFisher/ama 10-29-64

cc:
Docket
Director's Reading File
CA & A Division
Region III

23263

EXECUTIVE OFFICES:
SUITE 300, 185 BAY STREET
TORONTO 1, ONTARIO
PHONE EM. 3-5911

MINE OFFICE:
POST OFFICE BOX 61
308 SOUTH PYRAMID ST.
LORDSBURG, NEW MEXICO
PHONE 542-9471

HENRY CLAY MINES INCORPORATED

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 28 1964
DATE 10/28
INITIALS
CODE 800 120 m 120

October 26th, 1964.

United States Department of the Interior,
Office of Minerals Exploration,
Washington 25, D.C.

Att: Mr.George C.Selfridge
Acting Director

Dear Mr.Selfridge:

We now have all the smelter reports needed to complete our return but find that we do not have any blank copies of the Operator's final report. We would appreciate your sending us sufficient copies to complete the return and we will get the report away to you on receipt of them.

We apologize for the delay in sending these to you but as you are aware the writer is no longer connected with the Company, who are also very much in arrears for work already done.

Thanking you for your patience, we are,

Yours very truly,

HENRY CLAY MINES INC.

H.M.Hurst

HMH/hs. H.M.Hurst

Re: OME-6228 (Copper-Gold-Silver)
Henry Clay Mines Inc.,
Henry Clay,et al.,Claims
Hidalgo County, New Mexico
Contract 2153.

Form 7
(5/63)

OFFICIAL FILE COPY

Date	Surname	Code
10/26	Fisher	800
10/26	Murphy	120M
	Long	140
	App'g. Sol. Off.	120
10/28	Johnson	110
		100
10/28	Cal	220
		120 M

R

INTERIOR DEPT
OCT 27 1964
SOLICITOR

Mr. H. M. Hurst
Assistant Secretary-Treasurer
Henry Clay Mines Incorporated
Suite 300, 185 Bay Street
Toronto 1, Ontario, Canada

OCT 28 1964

Re: OMC-6225 (Copper-Gold-Silver)
Henry Clay Mines, Inc.
Henry Clay, et al., Claims
Hidalgo County, New Mexico
Contract 2153

Dear Mr. Hurst:

Reply has not been received to our letter to you dated September 14, 1964, wherein you were advised that, unless copies of the smelter returns, the Operator's final report, and a check for royalties due were received by October 14, 1964, it would be necessary for us to take remedial action.

In a letter dated November 17, 1963, your Mr. Stronach advised our Acting Field Officer, Denver, Colorado, that when the contract was entered into it was not anticipated that production at the current rate would be attained during the exploration period and that royalties from current production would result in payments to the Government equal to its monthly contributions to the exploration costs.

Inasmuch as the exploration work was never completed in the manner contemplated by the contract, and in view of the indications that the royalties due on production are equal to the amount of the Government's participation in such costs, demand is hereby made for the repayment of the entire amount of the Government's contribution, $5,014.50, plus simple interest at 6 percent from the dates the funds were made available.

A tabulation of the contributions to exploration costs and computation of interest due thereon through September 30, 1964, follows:

FROM SOLICITOR

OCT 27 1964

FOR SIGNATURE

RECEIVED
OCT 2[illegible] 1964
ASSOC. SOLICITOR
MINERAL RESOURCES

23263

Government Contributions			Interest		6%
Date	Amount	Accumulated	Period	Months	Interest
10-31-62	$ 824.00	$ 824.00	11/62-3/63	5	$ 20.60
3-20-63	662.50	1,486.50	4/63	1	7.43
4-24-63	1,212.00	2,698.50	5-6/63	2	26.99
6-24-63	870.00	3,568.50	7-8/63	2	35.69
8-22-63	1,446.00	5,014.50	9/63-9/64	13	325.94
Totals	$5,014.50			23	$416.65

Thus, the amount due to the Government at October 1, 1964, is $5,431.15 and is increasing at the rate of $25.07 per month (based on 6% per annum applied to $5,014.50).

Unless full payment of this claim is received by return mail it will be referred to the Comptroller General of the United States.

Sincerely yours,

George Fumich, Jr.

Acting Director

CEFisher/ama 10-22-64/10-26-64

cc:
Docket
Director's Reading File
CA & A Division
Region III
Atwood Mine Incorporated
Vanadium, New Mexico
Werner Lake Nickel Mines, Ltd.
Room 31[redacted]200 Bay Street
Toronto[redacted] Canada
Mr. Hub[redacted]bertson
Attorne[redacted]
P. O. [redacted]
Silver City, New Mexico 88061

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

October 26, 1964

Memorandum

To: Mr. Frank Johnson, OME

From: Assistant Solicitor, Oil and Gas and Minerals Exploration

Subject: OME-6228 (Copper-Gold-Silver)
Henry Clay Mines, Inc.
Henry Clay, et al., Claims
Hidalgo County, New Mexico
Contract 2153

Pursuant to our telephone conversation of this date, please have the third paragraph of the letter to Mr. H. M. Hurst rewritten as we discussed. Also suggest a copy of this letter be forwarded to Mr. H. O. Robertson, the attorney for Diversified Mines, Inc.

R. W. Long

Robert W. Long

MME Form 7
(2/63)

OFFICE FILE COPY

Date	Surname	Code
10/21	Fisher	800
10/21	Murphy	120M
		120
10/21	Johnson	140 110
		100
		220

INTERIOR DEPT.
OCT 23 1964
SOLICITOR

Mr. H. M. Hurst
Assistant Secretary-Treasurer
Henry Clay Mines Incorporated
Suite 300, 185 Bay Street
Toronto 1, Ontario, Canada

Re: OME-6228 (Copper-Gold-Silver)
Henry Clay Mines, Inc.
Henry Clay, et al., Claims
Hidalgo County, New Mexico
Contract 2153

Dear Mr. Hurst:

Reply has not been received to our letter to you dated September 14, 1964, wherein you were advised that, unless copies of the smelter returns, the Operator's final report, and a check for royalties due were received by October 14, 1964, it would be necessary for us to take remedial action.

In a letter dated November 12, 1963, your Mr. Stronach advised our Acting Field Officer, Denver, Colorado, that when the contract was entered into it was not anticipated that production at the current rate would be attained during the exploration period and that royalties from current production would result in payments to the Government equal to its monthly contributions to the exploration costs.

Inasmuch as the exploration work was never completed in the manner contemplated by the contract, and in view of the indications that the royalties due on production are ~~in excess of~~ the amount of the Government's participation in such costs, demand is hereby made for the repayment of the entire amount of the Government's contribution, $5,014.50, plus simple interest at 6 percent from the dates the funds were made available.

A tabulation of the contributions to exploration costs and computation of interest due thereon through September 30, 1964, follows:

RECEIVED
OCT 2 1964
ASSOC. SOLICITOR
MINERAL SECTION

FROM SOLICITOR

OCT 26 1964

FOR SIGNATURE

23263

OFFICIAL FILE COPY

Date	Surname	Code
10/26	Fisher	800
10/26	Murphy	120M
	Lodg	140
	Appt'd. Sol. Off.	120
10/28	Johnson	110
		100
		220

INTERIOR DEPT.
OCT 27 1964
SOLICITOR

OCT 28 1964

Mr. Hubert O. Robertson
Attorney at Law
P. O. Box 349
Silver City, New Mexico 88061

Re: OME-6228 (Copper-Gold-Silver)
Henry Clay Mines, Inc.
Henry Clay, et al., Claims
Hidalgo County, New Mexico
Contract 2153

Dear Mr. Robertson:

Reference is made to our letter dated June 4, 1964, in response to yours of May 22, 1964, wherein you advised that Diversified Mines, Inc., has taken a lease upon the mining claims owned by Henry Clay Mines Incorporated near Lordsburg, Hidalgo County, New Mexico.

The information we requested from Henry Clay Mines Incorporated has not yet been received. Attached for your information is a copy of our letter of this date to that company.

Sincerely yours,

George Fumich, Jr.
Acting Director

Enclosure

CEFisher/ama 10-26-64

cc:
Docket
Director's Reading File
CA & A Division
Region III

RECEIVED
OCT 27 1964
ASSOC. SOLICITOR
MINERAL RESOURCES

FROM SOLICITOR

OCT 27 1964

FOR SIGNATURE

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
9/14		110
	Selfridge	120
		800
		100
9/14	cae	220
		120M

SEP 14 1964

Mr. H. M. Hurst
Assistant Secretary-Treasurer
Henry Clay Mines Incorporated
Suite 300, 185 Bay Street
Toronto 1, Ontario, Canada

Re: OMX-6128 (Copper-Gold-Silver)
Henry Clay Mines, Inc.
Henry Clay, et al., Claims
Hidalgo County, New Mexico
Contract 2153

Dear Mr. Hurst:

Reference is made to your letter of August 4, 1964, advising that you had received copies of the smelter returns and were preparing the Operator's final report, hoping to have it in our hands by August 20.

The matters of the Operator's final report and reporting of sales and payment of royalties thereon to the Government under the provisions of the subject contract have been pending for some time. We are not in a position to postpone compliance with these requirements indefinitely. Therefore, unless copies of the smelter returns, the Operator's final report, and check for royalties due are received by October 14, 1964, it will be necessary for us to take remedial action as provided by the terms of the contract.

Sincerely yours,

George C. Selfridge (fh)
Acting Director

FEJohnson/bih/gla
9-14-64
cc to: Director's Reading File
Region III w/cy Operator's letter 8/4/64
Docket
Atwood Mine Incorporated, Vanadium, New Mexico
Mr. Johnson

23263

EXECUTIVE OFFICES:
SUITE 300, 185 BAY STREET
TORONTO 1, ONTARIO
PHONE EM. 3-5911

MINE OFFICE:
POST OFFICE BOX 61
308 SOUTH PYRAMID ST.
LORDSBURG, NEW MEXICO
PHONE 542-9471

HENRY CLAY MINES INCORPORATED

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 10 1964

DATE	INITIALS.	CODE
8/10	EW	800
		~~120 MA~~
		~~120~~
8/11	Murphy	120 M

August 4th, 1964.

Mr.George Fumich Jr.,
United States Department of the Interior,
Office of Mineral Exploration,
Washington 25, D.C.

Re: OME-6228 (Copper-Gold-Silver)
Henry Clay Mines Inc.
Henry Clay, et al,, Claims
Hidalgo County, New Mexico
Contract 2153

Dear Mr.Fumich:

We are in receipt of your letter of July 22nd, 1964.

We have now received the copies of the smelter returns and are preparing the Operator's final report. We hope to have the completed report in your hands by August 20th, 1964 at the very latest.

Trusting this will meet with your approval, we are,

Yours very truly,

HENRY CLAY MINES INC.

H.M.Hurst,
Assistant Secretary-Treasurer.

HMH/hs.

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
7/22	Murphy	120M
7/22	Talbot	800
	Selfridge	120
7/22	Johnson	110
7/22	[illegible]	100
7/22	[illegible]	220
		120M

JUL 22 1964

Mr. Harry M. Hurst
Secretary-Treasurer
Henry Clay Mines Incorporated
Suite 300, 185 Bay Street
Toronto, Ontario, Canada

Re: OME-6228 (Copper-Gold-Silver)
Henry Clay Mines, Inc.
Henry Clay, et al., Claims
Hidalgo County, New Mexico
Contract 2153

Dear Mr. Hurst:

Will you kindly advise this office the approximate date we may expect to receive the copies of the smelter returns, the Operator's final report on the subject project, and the corporation's check for royalties due, which were requested in our letter of June 4, 1964.

Sincerely yours,

George Yumich, Jr.

Acting Director

FMMurphy/mm
7/22/64
cc: Director's Reading File
Region III
Docket

436

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
	Long	
	App'd. Sol. Dit.	
	Brown	500
6/3	Talbert	800
	Selfridge	120
6/4	J. Hurst	110
		100
6/4	Coe	220
		500

JUN 4 1964

Mr. Harry M. Hurst, Secretary-Treasurer
Henry Clay Mines Incorporated
Suite 300 - 185 Bay Street
Toronto, Ontario Canada

Dear Mr. Hurst:

We have received a letter dated May 22, 1964 from H. O. Robertson, Esq., advising that he represents Diversified Mines, Inc., and that his client has taken a lease upon the mining claims owned by Henry Clay Mines Incorporated near Lordsburg, Hidalgo County, New Mexico. Mr. Robertson states that he understands that there is an OME loan on the property and that in connection with any obligations resulting therefrom he would appreciate a copy of the contract and full information as to the balance due under the contract.

We plan to acknowledge receipt of Mr. Robertson's letter. However, before furnishing him any copies of Contract 2153 (OME-6228), or other information, we would appreciate your reply to Mr. Hugh M. Connors' letter dated May 15, 1964. To elaborate, we would appreciate receiving from Henry Clay Mines Incorporated copies of the smelter returns, the operator's final report on the project and the corporation's check for royalties due.

In the event that a lease with Diversified Mines, Inc. has already been executed we trust that you have complied with the requirements of Article 2(c) of the contract.

Sincerely yours,

George Fumich, Jr.

Acting Director

RWLong/jfg:6/2/64

CC: OME files (Docket)
~~XXXXXXXXXXXXXXXXXXXXXXXXXX~~ Director's Reading File
Mr. Robert W. Long, Rm. 6554
Region III

43683

OFFICIAL FILE COPY

Date	Surname	Code
	Long	
	Appl. Sol. GM	
	Diamond	500
6/3	Talbert	800
	Selfridge	20
6/4	[illegible]	110
	[illegible]	100
6/4	[illegible]	220
		500

JUN 4 1964

Mr. Hubert O. Robertson
Attorney at Law
P. O. Box 349
Silver City, New Mexico 88061

Dear Mr. Robertson:

We have your letter dated May 22, 1964, wherein you advised that Diversified Mines, Inc. has taken a lease upon the mining claims owned by Henry Clay Mines Incorporated, near Lordsburg, Hidalgo County, New Mexico.

We are presently awaiting the receipt from Henry Clay Mines Incorporated of certain information on matters pertaining to OME Contract 2153 (OME-6228) which covers the claims. Pending receipt of this information we are not in a position to furnish any copies of the contract or information pertaining thereto.

We appreciate your position and will be in further contact with you at the earliest possible opportunity.

Sincerely yours,

George Fumich, Jr.

Acting Director

RWLong/jfg:6/2/64

CC: OME files (Docket)
~~XXXXXXXXXXXXXXXXXXXXXXXXXXXX~~ Director's Reading File
Mr. Robert W. Long, Rm. 6554
Region III

43683

DMEA FORM 6 REFERENCE SLIP

REV. 12-56 DEFENSE MINERALS EXPLORATION ADMINISTRATION

TO:	INITIALS	DATE
1. Associate Solicitor ~~6042~~	RWL	6.3
2. ~~W. R. Griswold~~ 4455		
3.		
4.		
5.		

FROM: W. R. Griswold

FOR: Check items for action desired

FROM SOLICITOR

____ Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

JUN 3 1964

REMARKS:

FOR SIGNATURE

Will you please prepare a reply.

June 3, 1964

Bill:

I've prepared 2 letters, one to H. O. Robertson & one to Horst of Hanna Corp. Guess. I hope you people agree.

R.W. Long

(2)

INTERIOR DEPT.

MAY 28 1964

SOLICITOR

INT.-DUP. SEC., WASH., D.C. M8278

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Bldg. 20 - Denver Federal Center
Denver, Colo. 80225

OFFICIAL FILE COPY
RECEIVED MAY 26 1964

DATE	INITIALS	CODE
		~~120~~
	Sherwood	500

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington, D. C. 20240

From: Acting Field Officer, OME, Region III

Subject: OME-6228 (Copper-Gold-Silver)
Contract 2153
Henry Clay Mine
Hidalgo County, New Mexico

Attached are a copy of a letter from H. O. Robertson and a copy of my reply.

In view of my letter to H. M. Hurst dated May 15, 1964 regarding royalty due, it appears to me that your office had better reply to Mr. Robertson since there are possible legal entanglements.

Hugh M. Connors
Hugh M. Connors

Enc.

cc: G. C. Selfridge
E. D. Talbert
2153
Chron

RECEIVED
JUN 1 1964
ASSOC. SOLICITOR
MINERAL RESOURCES

Opr. has been paid $5,014.50 as contribution to work through July 1963. No work since that month. An unknown amount of royalty, possibly the full amount of Sec. 8 contribution plus interest, is delinquently due.

Talbert 6/8/64

Contract automatically terminated 12/26/1963

Bldg. 20 - Denver Federal Center
Denver, Colo. 80225

May 25, 1964

Mr. Hubert O. Robertson
P. O. Box 349
Silver City, New Mexico

Re: OME-6228 (Copper-Gold-Silver)
Contract 2153
Henry Clay Mine
Hidalgo County, New Mexico

Dear Mr. Robertson:

Your letter of May 22, 1964 is being forwarded air mail to the OME Washington office for reply.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

cc: G. C. Selfridge
E. D. Talbert
2153
Chron

Ame

LAW OFFICES OF
HUBERT O. ROBERTSON
JOHN W. REYNOLDS
SILVER CITY, NEW MEXICO

P. O. BOX 349

TELEPHONE 53 8-3431

May 22, 1964

OME
DEPARTMENT OF THE INTERIOR
MAY 2 1964
REGION III
DENVER, COLORADO

United States Dept. of Interior
Office of Minerals Exploration
Building 20 - Federal Center
Denver 25, Colorado

Gentlemen:

We are attorneys for Diversified Mines, Inc., which corporation has now taken a lease upon the mining claims owned by Henry Clay Mines, Inc., near Lordsburg, Hidalgo County, New Mexico. We understand that there is an OME loan on this property and in order to carry out any obligations in connection therewith, we will appreciate your furnishing us a copy of any agreement in connection with this mine which Diversified Mines, Inc., as lessee, would be expected to carry out, also please furnish full information as to the balance due under such agreement. Your prompt attention to this matter will be greatly appreciated.

no proof received

Very truly yours,

ROBERTSON & REYNOLDS

BY: H O Robertson

HOR:er

Bldg. 20 - Denver Federal Center
Denver, Colo. 80225

OFFICIAL FILE COPY

May 15, 1964

Mr. Harry M. Hurst, Secretary-Treasurer
Henry Clay Mines Incorporated
Suite 300 - 185 Bay Street
Toronto, Ontario Canada

Re: OMK-6228 (Copper-Gold-Silver)
Contract 2153
Henry Clay Mine
Hidalgo County, New Mexico

Dear Mr. Hurst:

On April 28, 1964 Mr. Stronach advised me that he had completed the report and assembled the smelter returns necessary to compute the royalty due the Government on the captioned contract. He also stated that all of this information was being forwarded you.

Will you please advise the date we may expect your check for the royalty due, together with two copies of each settlement sheet involved?

Yours very truly,

Hugh M. Connors
Acting Field Officer, OMK
Region III

cc: G. C. Selfridge
E. D. Talbert
2153
Chron

February 11, 1964

Mr. R. S. Stronach, Jr.
Vice President & General Manager
Henry Clay Mines Incorporated
P. O. Box 61
Lordsburg, New Mexico

Re: OME 6228
Contract 2153

Dear Mr. Stronach:

Thank you for your letter of February 7, 1964.

We realize the amount of work involved in the duplication of settlement sheets and we shall appreciate your efforts in getting the job done as quickly as you can under the circumstances.

Yours very truly,

Hugh M. Connors
Acting Field Officer OME

Mr Selfridge

OFFICIAL
RECEIVED
DATE
2/14 800
2/17 500

HENRY CLAY MINES INCORPORATED

afmc
TMR

EXECUTIVE OFFICES:
SUITE 300 --- 185 BAY ST.
TORONTO, ONTARIO

POST OFFICE BOX 61
LORDSBURG, NEW MEXICO

PHONE 542 - 9001
PHONE 542 - 9471

February 7, 1964.

OME
DEPARTMENT OF THE INTERIOR
FEB 10 1964
REGION III
DENVER, COLORADO

Mr. Hugh M. Connors,
Acting Field Officer OME,
Region III,
Building 20, Federal Center,
Denver 25, Colorado.

Re: OME - 6228 (Copper-Gold-Silver)
Contract 2153
Henry Clay Mine Inc.,
(Henry Clay Mine)
Hidalgo County, New Mexico.

Dear Mr. Connors:-

Further to my letter of January 17, 1964 I have received copies of my settlements from Hayden smelter covering a very small portion of the ore in question. The main portion of the ore was shipped to El Paso and that smelter tells me that it will take them 2 - 3 months to dig out and photostat the smelter setllements as they cover a period from November 1962 to date. I have only photostats here and I will see if it is possible to reproduce them and if it is I shall procede to dig out my copies and get them reproduced.

I am sure that you will appreciate the fact that this is no small job and that we were not aware that we had to make this return on this ore till Mr. Romslo was here at the year end.

I have no staff to handle this work and I will have to do it myself. I shall endevour to get it done as quickly as I can under the circumstances.

Yours very truly,

R.S.Stronach

R.S.Stronach,Jr.
Vice-President & General Manager.

Mr Selfridge

HMC

HENRY CLAY MINES INCORPORATED

EXECUTIVE OFFICES:
SUITE 300 — 185 BAY ST.
TORONTO, ONTARIO

POST OFFICE BOX 61
LORDSBURG, NEW MEXICO

PHONE 542 - 9001
PHONE 542 - 9471

April 28, 1964.

OME
DEPARTMENT OF THE INTERIOR
APR 30 1964
REGION III
DENVER, COLORADO

Mr. Hugh M. Connors,
Acting Field Officer, OME,
Region III,
Building 20 - Federal Center,
Denver 25, Colorado.

Re:- OME-6228 (Copper-gold-silver)
Contract 2153
Henry Clay Mines Inc.,
(Henry Clay Mine)
Hidalgo County, New Mexico.

Dear Mr. Connors:-

I have completed the report and assembled the smelter returns necessary to finalize the above contract and I am forewarding all of the to Mr. Harry M. Hurst, Secretary-Treasurer of our company in Toronto for processing.

Any further corrospondance regarding this matter should be directed to Mr. Hurst as I am leaving the company very shortly.

Yours very truly,

R.S.Stronach, Jr.
General Manager.

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 1 1964

DATE	INITIALS	CODE
		500

Mr. George C. Selfridge
Mr. E. Dallas Talbert

HENRY CLAY MINES INCORPORATED

EXECUTIVE OFFICES:
SUITE 300 --- 185 BAY ST.
TORONTO, ONTARIO

POST OFFICE BOX 61
LORDSBURG, NEW MEXICO

PHONE 542 - 9001
PHONE 542 - 9471

OME
DEPARTMENT OF THE INT.
JAN 2 1964
REGION III
DENVER, COLORADO

January 17, 1964.

Mr. Hugh M. Connors,
Acting Field Officer OME,
Region III,
Building 20, Federal Center,
Denver 25, Colorado.

Re: OME - 6228 (Copper-Gold-Silver)
Contract 2153
Henry Clay Mines Inc.,
(Henry Clay Mine)
Hidalgo County, New Mexico.

Dear Mr. Connors:-

I have your letter of January 6. I have written to the smelter to obtain duplicate smelter settlements of the ore and I have not yet received them.

I shall endevour to get all the material together and submit it as soon as I can. The year end rush of returns etc has taken a lot of our time and we expect to get through them very shortly and will get the report out to you.

Yours very truly,

R.S.Stronach, Jr.
Vice-President & General Manager.

OFFICIAL FILE COPY
O. M. E
RECEIVED JAN 22 1964

DATE	INITIALS	CODE
1/22	mo	800
	Murphy	500

Mr Selfridge

Building 20 - Federal Center
Denver, Colorado 80225

OFFICIAL FILE COPY
O. M. E.
RECEIVED JAN. 9 1964

DATE	INITIALS	CODE
1/9	wdy	800
1/9	Murphy	500

January 6, 1964

Mr. R. S. Stromach, Jr.
Vice President & General Manager
Henry Clay Mines Incorporated
Post Office Box 61
Lordsburg, New Mexico

Re: OME-6828 (Copper-Gold-Silver)
Contract 2153
Henry Clay Mines Inc.
(Henry Clay Mine)
Hidalgo County, New Mexico

Dear Mr. Stromach:

This is to advise you that we would like to wind up the subject contract at an early date. To do this, we will need the material and documents requested in my letter dated December 2, 1963, and also the Operator's Final Report.

Please advise the approximate date we may expect to receive the required papers.

Sincerely yours,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

TMR/lm
cc Chief, Division of Field Operations, OME
Contract Corres. 2153
Chron

Building 20 - Federal Center
Denver, Colorado
80225

OFFICIAL FILE COPY
O. M. E
RECEIVED DEC 4 1963

DATE	December 2, 1963	
12/3		800
12/4	Murphy	502

Mr. R. S. Stromach, Jr.
Vice President & General Manager
Henry Clay Mines Incorporated
Post Office Box 61
Lordsburg, New Mexico

Re: OME-6228 (Copper-Gold-Silver)
Contract 2153
Henry Clay Mines Inc.
(Henry Clay Mine)
Hidalgo County, New Mexico

Dear Mr. Stromach:

Reference is made to your letter of November 12, 1963, requesting that the subject contract be cancelled.

It is apparent that the work will not be completed by December 26, 1963, as required under Amendment No. 2, therefore, it appears the best way to windup the subject contract would be in accordance with the provisions of Amendment No. 2. However, we will hold such action in obeyance until receipt of the material and documents concerned with royalty due.

Sincerely yours,

Original signed by

Hugh M. Connors

cc Chief, Division of Field Operations, OME
Contract Corres. 2153
Chron
TMR/lm

OFFICIAL FILE COPY

Date	Surname	Code
11/21	Murphy	500
11/21	[illegible]	500
11/21	Talbert	800
11/26	Johnson	130
11/22	[illegible]	130
11	[illegible]	100
11/27	[illegible]	220
		500

NOV 2 7 1963

Memorandum

To: Acting Field Officer Region III

From: Chief, Division of Field Operations

Subject: OME-6228 (Copper-Gold-Silver)
Henry Clay Mines, Inc.
Henry Clay, et al., Claims
Hidalgo County, New Mexico
Contract 2153

This is with reference to your memorandum of November 14, 1963, relating to the subject contract.

With regard to terminating the subject contract, we will hold such action in abeyance until receipt of the material and documents mentioned in Mr. R. S. Stronach's letter of November 12, 1963, to you.

It is apparent the Operator will not complete the work by December 26, 1963, as required under Amendment No. 2; therefore, it appears the best way to wind-up the subject contract would be in accordance with the provisions of Amendment No. 2, and you may so mention to the Operator.

George C. Selfridge (gla)

FMMurphy/mm
11/21/63
cc: Director's Reading File
Review Committee
Docket

43683

11/21/[illegible]

Mr. Murphy -

We should write Connors that we will hold action in abeyance until receipt of material being gathered and let the provisions of Amendment No. 2 become effective.

Notify Operator at that time.

FEJohnson

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado
80225

November 14, 1963

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 18 1963

DATE	INITIALS	
11/18		800
		~~120~~
11/20	Murphy	~~500~~
		~~140~~
		500

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C.

From: T. M. Romslo

Subject: OME-6228 (Copper-Gold-Silver)
Contract 2153
Henry Clay Mines Inc.
(Henry Clay Mine)
Hidalgo County, New Mexico

Attached is a letter from Mr. R. S. Stronach, Jr. to Mr. Connors, dated November 12, 1963.

I assume that the Operator is requesting termination, rather than cancellation, of the contract. Receipt of the request was anticipated on the basis of information given in my memorandum to Mr. Connors, dated November 12, 1963.

I recommend that the project be terminated. The effective date of termination could be August 1, 1963, since the last work was performed in July 1963.

T. M. Romslo

T. M. Romslo

Attachment

Why not hold in abeyance until Stronach submits the material he mentions, and then let the pseudo in Amendment No. 2 become effective?

J. M. Murphy

HENRY CLAY MINES INCORPORATED

EXECUTIVE OFFICES:
SUITE 300 --- 185 BAY ST.
TORONTO, ONTARIO

POST OFFICE BOX 61
LORDSBURG, NEW MEXICO

PHONE 542 - 9001
PHONE 542 - 9471

November 12, 1963,

OME
DEPARTMENT OF THE INTERIOR
NOV 14 1963
REGION III
DENVER, COLORADO

Mr. Hugh M. Connors,
Acting Field Officer, OME,
Region III,
Building 20 - Federal Center,
Denver 25, Colorado.

Re:- OME-6228 (Copper-Gold-Silver)
Contract 2153
Henry Clay Mines Inc.,
(Henry Clay Mine)
Hidalgo County, New Mexico.

Dear Mr. Connors:-

I regret that I have been so long in replying to your letter but our President, Mr. Henson, has been away from his office for some time and has only recently returned to it.

When the contract was applied for and granted in 1962 it was not anticipated that production at the current rate would be attained during the period of the active performance of the OME work.

We also were under the impression that only production from the subjugated claims and not from bodies governed by the apex law would be subject to OME royalty.

Under the latest interpetation of the contract that you and Mr. Romslo have drawn to our attention we would be in the position where, while we are performing work under the contract and receiving payments from the government, we would be repaying a like amount under royalties from current production every month.

As it does not seem to be in the best interest of either party to continue the contract I have been intructed to request that our OME Contract # 2153 be cancelled.

We shall start to gather up the necessary material and documents to fulfill our part of the contract and we shall make our submission hwen we have everything in order.

I would like to thank both you and Mr. Romslo for the great deal of assistance that you have given to us during our association and to express our appreciation for all your help.

Yours very truly,

R.S.Stronach,Jr.
Vice-President & General Manager.

TMR

HENRY CLAY MINES INCORPORATED

EXECUTIVE OFFICES:
SUITE 300 --- 185 BAY ST.
TORONTO, ONTARIO

POST OFFICE BOX 61
LORDSBURG, NEW MEXICO

PHONE 542 - 9001
PHONE 542 - 9471

October 11, 1963.

OME
DEPARTMENT OF THE INTERIOR
OCT 14 1963
REGION III
DENVER, COLORADO

Mr. Hugh M. Connors,
Acting Field Officer, O.M.E.,
Region III,
Office of Mineral Exploration,
Building 20, Federal Center,
Denver 25, Colorado.

Re: OME-6228(Copper-gold-silver)
Contract 2153
Henry Clay Mines Inc.
(Henry Clay Mine)
Hidalgo County, New Mexico.

Dear Mr. Connors:-

I thank you for your letter of October 8 setting forth the situation with regard to royalty due under our contract that Mr. Romslo discussed with me.

As you know we have been under the impression that extra-lateral rights were not included and this places an entirely new light on the whole contract.

I am getting in touch with my Board of Directors in Toronto immediatly and I shall write to you again as soon as I have had the opertunity of discussing this with them.

Yours very truly,

R.S.Stronach, Jr.
Vice-President & General Manager

OFFICIAL FILE COPY
O. M. E
RECEIVED OCT 16 1963

DATE	INITIALS	CODE
10/16		800
		120
		500

Selfridge

Building 20 - Federal Center
Denver 25, Colorado

DATE		
10/10	400	800
		120
	Received	500

October 8, 1963

Mr. R. E. Stronach
Vice President and General Manager
Henry Clay Mines Incorporated
Post Office Box 61
308 South Pyramid Street
Lordsburg, New Mexico

Re: OME-6228 (Copper-Gold-Silver)
Contract 2153
Henry Clay Mines Inc.
(Henry Clay Mine)
Hidalgo County, New Mexico

Dear Mr. Stronach:

This is to confirm the statement made to you on October 4, 1963, by Mr. Romslo, that royalty is due the Government on all ore produced from the South Atwood vein in the area easterly of the southerly prolongation of the Henry Clay's west end line.

Annex I states that:

> The land referred to in Article 2 of the contract consists of two (2) patented and six (6) unpatented mining claims, including all rights pertaining thereto, ...

The Government's right to royalty on ore produced from the area in question is covered by the clause, "all rights pertaining thereto," which, in this case means extra-lateral rights. The Government's royalty interest is covered by Item (4) of Amendment No. 2 that states:

> The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, (for example, if the Operator either transfers or fails to retain its interest in the land) shall pay to the Government the royalty on production provided for in the contract in the same manner and amount for the same period, and subject to the same conditions provided for in the contract, as amended herein, as if certification of possible production had been made, such certification being

hereby waived by the Operator. In addition, all rights of the Government provided for in the contract with respect to a certification of possible production, percentage royalty and liens to secure payment thereof, reports (including preservation of Operator's records), accounts, audits, and the right to recover any overpayments are hereby preserved.

An early payment of the royalty due to date will be appreciated. As usual, the Operator's check and the pertinent smelter settlement sheets are to be sent to this office.

Sincerely yours,

Original signed by

Hugh M. Connors
Acting Field Officer, CMR
Region III

cc Mr. R. C. C. Henson
Suite 309 -- 200 Bay Street
Toronto, Ontario, Canada

cc Chief, Division of Field Operations
Contract Corres. 2153
Chron
HMC/lm

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 11 1963
DATE | INITIALS | CODE
Griswold 500

October 9, 1963

Memorandum

To: Hugh N. Connors, Acting Field Officer, OME, Region III

From: T. M. Romslo

Subject: OME-6228 (Copper-Gold-Silver)
Contract 2153
Henry Clay Mines Inc.
(Henry Clay Mine)
Hidalgo County, New Mexico

I visited the subject project October 4, 1963, and obtained the following information concerning the status of the exploratory work from Mr. R. S. Stromach, the Operator's Vice President and General Manager. I also informed Mr. Stromach, that royalty is due on ore produced from the portion of the South Atwood vein that is covered by extra lateral rights.

Exploratory work -- No work authorized by the contract was performed during August and September 1963, and little or no additional work probably will be done before the non-extendable termination date of the project, December 26, 1963. This situation is the result of an ore-production schedule that does not allow any time for the hoisting of waste from the project's crosscuts.

Royalty matter -- After we had reviewed the sections of the contract concerned with the royalty matter in question, Mr. Stromach, suggested that an OME letter on the matter was in order. The letter to Mr. Stromach, with a copy to the Operator's Canadian office, was mailed October 8, 1963.

By the way, the royalty due is readily determinable. It will be based on smelter settlement sheets covering all production except that covered by royalty payments to the Phelps-Dodge Corp.

I told Mr. Stromach that, if no additional work under the contract is to be done, the OME should be so advised in a letter requesting that the contract be terminated for given reasons. He indicated that termination of the project would be requested in due course.

Original signed by
T. M. Romslo
T. M. Romslo

Mr Selfridge

CC Contract Corres. 2153
Chron
TMR/lm

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado
80225

September 17, 1963

OFFICIAL FILE COPY
O. M. E
RECEIVED SEP 19 1963

DATE	INITIALS	CODE
9/19		800
		~~720~~
	Griswold	500

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: OME-6228 (Copper)
Contract 2153
Henry Clay Mines, Inc. (N.S.L.)
(Henry Clay, et al., Claims)
Hidalgo County, New Mexico

This responds to Mr. Griswold's memorandum dated August 23, 1963, regarding extra-lateral rights on the subject contract. Mr. Romslo and I have reviewed the situation and the map of the Henry Clay Mines, Inc., copy of which was forwarded you with our letter of August 20, 1963. This map shows the plan of the 700 and 800 levels.

It appears to us that royalty should be paid the Government on all the ore produced from the South Atwood vein easterly and northeasterly from the extension of the west end line of the Henry Clay claim. The South Atwood vein apexes in DMEA land.

Mr. Romslo will visit this property the first week in October and at that time he will explain to the Operator why royalty is due on this ore and request the royalty due.

Hugh M. Connors

Hugh M. Connors

OFFICIAL FILE COPY
O. M. E.
RECEIVED SEP 9 1963
DATE INITIALS CODE
9/9 800
Griswold

OME
DEPARTMENT OF THE INTERIOR
SEP 3 1963
REGION III
DENVER, COLORADO

Campus Station
Socorro, New Mexico
August 29, 1963

Memorandum

To: Hugh M. Connors, Acting Field Officer, OME, Region III

From: T. M. Romslo, Mining Engineer

Subject: OME-6228 (Copper-Gold-Silver)
Contract 2153
Henry Clay Mines, Inc.
(Henry Clay, et al., Claims)
Hidalgo County, New Mexico

Reference is made to your memorandum of August 26, 1963 and Griswold's memorandum dated August 23, 1963, concerning the subject project's royalties.

All ore produced since June 9, 1963, came from the area southwest of the Henry Clay claim. Some of it came from the Atwood Vein and the South Atwood Vein westerly of the southernly prolongation of the west end line of the claim. This ore, as pointed out by Mr. Griswold, obviously cannot be considered as being subject to royalty payment. The remainder of the ore came from the South Atwood Vein in the area southerly from the claim's south side line. The South Atwood Vein as previously mentioned, crops out on the Henry Clay claim. It is my opinion, that we cannot claim royalty on this ore because it was produced from a zone adjoining on the south a vertical plane along the claim's southerly side line. If this opinion is incorrect, and we are entitled to royalty under the contract by extra-lateral rights, the Operator should be so informed. The Operator also should be told to start royalty payments on the extra-lateral ore, by paying royalty on such ore produced to date and to document the production covered by the payment.

If any additional information is needed to clarify this matter, let me know and I will try to furnish it.

TMR

T. M. Romslo

TMR:ff
cc: Royalty Corres. 2153
Chron

OFFICIAL FILE COPY

Building 20 - Federal Center
Denver 25, Colorado

8/30

August 26, 1963

Memorandum

To: T. M. Romslo
Socorro, New Mexico

From: Acting Field Officer, OME, Region III

Subject: OME-6228 (Copper-Gold-Silver)
Contract 2155
Henry Clay Mines, Inc.
(Henry Clay, et al., Claims)
Hidalgo County, New Mexico

Attached is a copy of a memorandum from W. R. Griswold dated August 23, 1963 regarding the subject contract.

Also enclosed are copies of our memoranda dated July 1 and August 20.

Will you please clarify.

Item (d) of Amendment No. 2 states as follows:

> The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, (for example, if the Operator either transfers or fails to retain its interest in the land) shall pay to the Government the royalty on production provided for in the contract in the same manner and amount for the same period, and subject to the same conditions provided for in the contract, as amended herein, as if certification of possible production had been made, such certification being hereby waived by the Operator. In addition, all rights of the Government provided for in the contract with respect to a certification of possible production, percentage royalty and liens to secure payment thereof, reports (including preservation of Operator's records), accounts, audits, and the right to recover any overpayments are hereby preserved.

High M. Connors

Attachments

cc Chief. Division of Field Operations

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
		~~500~~
8/23	Talbot	800
"	Ouleave	120
"	Johnson	110
	[illegible]	100
8/23	Cal	220
		500

AUG 2 3 1963

Memorandum

To: Acting Field Officer, Region III

From: Acting Chief, Division of Field Operations

Subject: OME-6228 (Copper-Gold-Silver)
Henry Clay Mines, Inc.
Henry Clay, et al., Claims
Hidalgo County, New Mexico
Contract 2153

We are still confused by your July 1 and August 20 memoranda covering project royalties. You speak of "company-owned but not subordinated ground," yet the Henry Clay claim, "with all rights pertaining thereto" (meaning extra-lateral rights) is part of the contract. All maps show the South Atwood vein outcropping on the Henry Clay claim. Obviously we cannot claim royalty on ores which lie westerly of the southerly prolongation of Henry Clay's west end line, but otherwise all such ores are under the contract.

Won't you please recheck on this.

Concerning the Government's future royalty interest, this is already covered; see item (d) of Amendment No. 2.

W. R. Griswold
mm

WRGriswold/mm
8/23/63
cc: Director's Reading File
Review Committee
Docket

8623

OME

DEPARTMENT OF THE INTERIOR

MME FORM 60
SEP 1 1959

AUG 16 1963
REGION III
DENVER, COLORADO

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

2 3 1963

Docket No. OME-6228 (Cu)
Contract No.
14-23-090-2153
Contract Amount $ 30570.00
Gov't. Participation % 50 $ 15285.00
Mineral(s) Copper, Gold, Silver

OPERATOR'S MONTHLY VOUCHER

For Month of July, 1963

Operator's Name Henry Clay Mines Inc.
Address P. O. Box 61, Lordsburg, New Mexico

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing						
Drifting						
Crosscutting	$ 2592.00	$6192.00	$8784.00			
Drilling						
(2) Personal Services:						
Supervision & Technical	300.00	$ 900.00	1200.00			
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber	0.0	45.00	45.00			
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	$2892.00	$ 7137.00	$10029.00	2,892.00	7,137.00	10,029.00

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Aug. 8, 1963 *Payee Henry Clay Mines Inc.

Per [signature] Title President

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 1,446.00

Signature [signature]
(Authorized Certifying Officer)

Date 8/22/63 Vou. No. 281-6

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2153

Signature T. M. Romolo Title Mining Engineer Date 8/19/63

Approved by OME Executive Officer or Alternate:

Signature Hugh M. Connors Title Acting Field Office Date 8/19/63

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

OME

DEPARTMENT OF THE INTERIOR

MME FORM 61
SEPT. 1959

AUG 16 1963

UNITED STATES
DEPARTMENT OF THE INTERIOR

REGION III — OFFICE OF MINERALS EXPLORATION
DENVER, COLORADO

OPERATOR'S PROGRESS REPORT

For Month of July, 1963 Docket No. OME-6228 (On)

Operator's Name HENRY CLAY MINES INCORPORATED Contract No. 14-23-090-2153

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting							
Crosscutting	Ft.	72	244	$ 8784.00			
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Technical Service	No.	1	4	1200.00			
Roads and Trails							
~~Stopping~~ Timbering	Ft.	0	5	45.00			
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE *(per MME Form 60)*				$10029.00			$10,029.00

REMARKS

(Continue on back)

REMARKS

(Continue on back)

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

Date Aug. 8, 1963 Operator Henry Clay Mines Inc.

Per [signature] Title President

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature [signature]

Title Mining Engineer
Government Representative

Date 8/19/63

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

INT.DUP.,D.C.59- 61577

HENRY CLAY MINES INCORPORATED

EXECUTIVE OFFICES:
ITE 300 — 185 BAY ST.
TORONTO, ONTARIO

POST OFFICE BOX 61
LORDSBURG, NEW MEXICO

PHONE 542 - 9001
PHONE 542 - 9471

Docket No. OME-6228(Copper)
Contract No. 14-23-090-2153

Operator's Narrative Report for Month of July, 1963

Operator's Name: HENRY CLAY MINES INCORPORATED

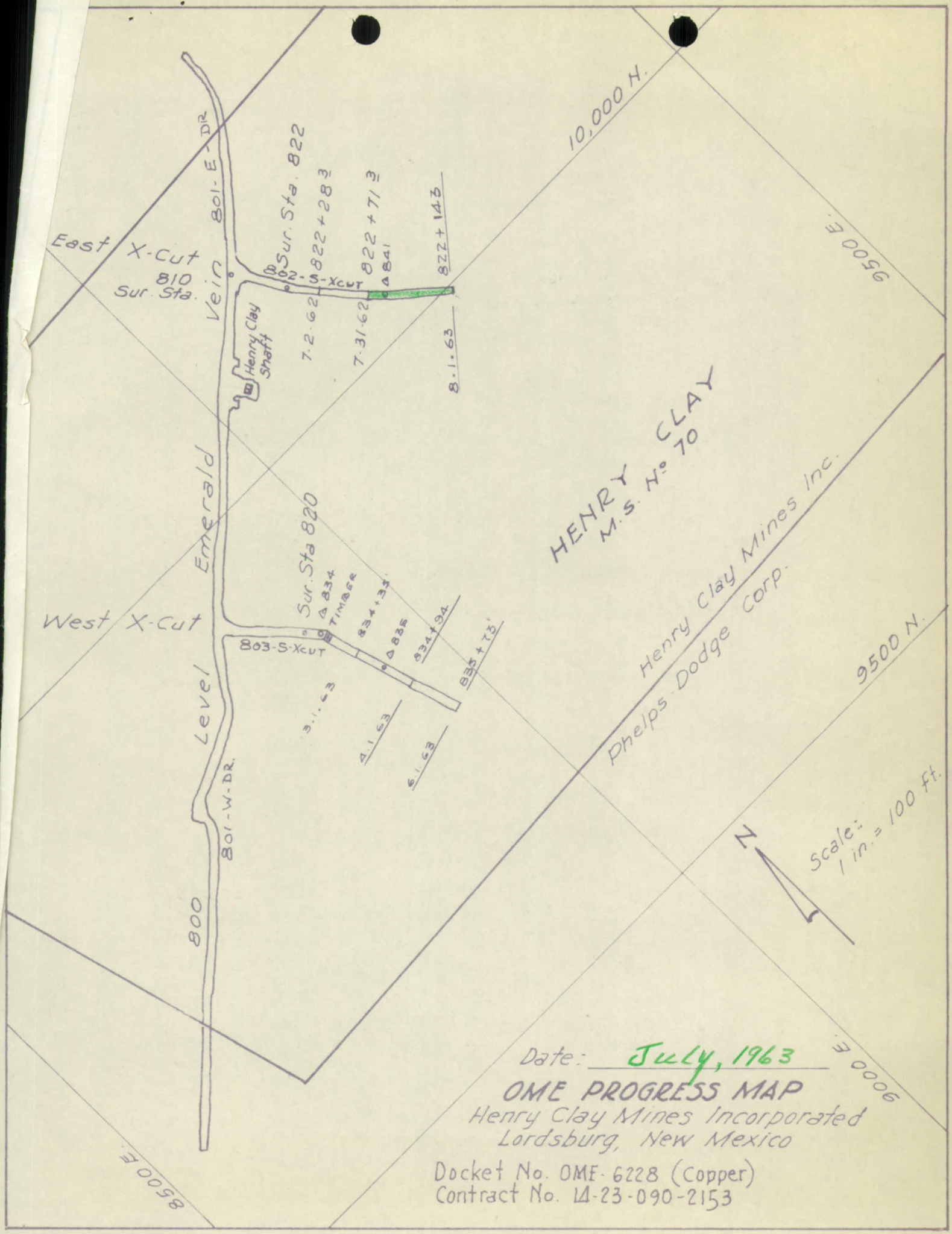
802 So. Crosscut was advanced 72 feet in waste during the month of July, 1963.

Advance was from Survey Sta. 822 plus 71 feet to 143 feet.

No advance was made on the 803 So. Crosscut during this period.

HENRY CLAY MINES INCORPORATED

R. C. C. Henson
President



Date: July, 1963

OME PROGRESS MAP

Henry Clay Mines Incorporated
Lordsburg, New Mexico

Docket No. OME-6228 (Copper)
Contract No. 14-23-090-2153

6228 Metals
Henry Clay
2153

OFFICIAL FILE COPY
O. M. E
RECEIVED JUN 20 1963

DATE	INITIALS	CODE
6/20	BK	180
		~~800~~
		~~500~~
6/20	RB	~~110~~
6/20	[illegible]	800
		500
		120

ANNUAL REPORT

FOR THE YEAR ENDING DECEMBER 31, 1962

WERNER LAKE
NICKEL MINES LIMITED

WERNER LAKE NICKEL MINES LIMITED

Incorporated under the laws of the Province of Ontario

CAPITALIZATION

Authorized .	7,500,000 shares
Issued . . .	4,951,672 shares
In Treasury .	2,548,328 shares

OFFICERS and DIRECTORS

President and Director
R. C. C. HENSON

Vice-President and Director
GEO. D. CLARKE

Secretary-Treasurer and Director
G. E. KENNEDY

Directors
DR. J. C. T. SIHLER
L. M. BULL
EVAN T. DONALDSON
C. I. HERSHMAN

Mine Manager — Henry Clay Mines Inc.
R. S. STRONACH JR.

CONSULTING ENGINEER

MURRAY WATTS

REGISTRAR and TRANSFER AGENTS

CANADA PERMANENT
TORONTO GENERAL TRUSTS CORPORATION
TORONTO

AUDITORS

PETTIT, HILL & BERTRAM
Chartered Accountants
TORONTO

Werner Lake Nickel Mines Limited

Director's Report

June 3rd, 1963

TO THE SHAREHOLDERS:

The Annual Report of the Company is presented herewith, including a financial statement for the fiscal year ending December 31, 1962.

All work in 1962 was concentrated on the property of our wholly owned subsidiary, Henry Clay Mines Inc., Lordsburg, New Mexico, U.S.A. and the adjoining leased property. Direct operation was assumed as of August 22, 1962 from the lessors. In October, Mr. Robert S. Stronach, B.Sc., P. Eng. was appointed Resident Mine Manager. Mr. Stronach brings a background of 25 years experience in mining to the Henry Clay operation, and his experience to date has confirmed his optimism of the long term possibilities of the mine—his report is attached.

Development has been concentrated on the South Atwood vein, where 300 feet of ore has been developed on the leased property, to the boundary of the Henry Clay. We have extended this drive into our property where an additional 200 feet has been in ore. On the upper levels, the South Atwood vein has been worked for a distance of 3,500 feet in all. Of the 3,000 feet still to drive, six scattered drill holes of varying depths have confirmed ore grade material and give us every expectation that additional ore will be developed.

Our present objectives are; (a) to develop 125,000 tons of proven ore above the 800 foot level; (b) to increase our shipping rate of 5,000 tons a month; (c) by diamond drilling, above and below the 800 foot level, to outline sufficient ore to justify a daily operation of 500 tons. In 1962 over $100,000 was advanced to Henry Clay to further this program.

Royalty due ?

In May 1963, we shipped 5,000 tons with an estimated net value to the mine, after all smelter and transportation charges, of $35,000. Approximately 80% of this ore came from our leased property and 20% from our own. Our present program will reverse these percentages.

At the end of June 1962, your Company entered into an Agreement with the office of Minerals Exploration of the United States Department of the Interior whereby this government agency will loan 50% of the cost of a limited diamond drilling program aimed at proving up reserves in a 400 foot downward extension below present working levels in the Emerald vein. Some 450 feet of cross-cutting will also be done in this phase of the development program. Acknowledgment of this assistance in the development of the Henry Clay is hereby given. Delay in carrying out this program has been due to our efforts to get the mine on a self-sustaining basis.

The Directors wish to express their thanks and appreciation to Mr. Stronach and his staff for their conscientious work during this difficult transition period.

On behalf of the Board,

R. C. C. HENSON, President.

Werner Lake Nickel Mines Limited

Resident Mine Manager's Report

Henry Clay Mines Incorporated

June 3, 1963

TO THE DIRECTORS
WERNER LAKE NICKEL MINES LTD.

Gentlemen:

I submit herewith my report on operations from August 22, 1962 to December 31, 1962, which covers the period after the termination of the leasing agreement with Brannan & Fuller.

The period under review should be treated as one of rehabilitation and re-activation rather than one of earnings from production as most of the time, effort and money was directed to the necessary repairs and the development of ore to achieve a sustained operation.

Since the end of 1962 the operation has progressed extremely well so that the mine is now producing at the rate of 1,100 tons of ore a week that grades $7.60 a ton after all smelter and transportation charges are paid. Ore reserves have grown steadily until there is now a 6 month ore supply on hand above the 800 foot level and the prospects for increasing this reserve are excellent.

PRODUCTION

Tons of ore shipped	4962 tons
Metal Content of ore shipped:	
Gold	104.3 Ounces
Silver	5,588.5 Ounces
Copper	105,860. Pounds
Gross Value of Ore shipped	$43,173.56
Net Value to Mine after deduction of all smelter and transportation charges	$23,280.12

The first car of ore was shipped out on October 30th and since that time ore has been shipped out regularly three times a week.

Of the 4,962 tons of ore shipped, 2,915 tons of ore were drawn from the stopes and 2,047 tons was development rock from the headings.

SHAFT REHABILITATION

When the Company resumed active control of the mine, the headframe needed repair and 125 feet of timber in the shaft had to be replaced. This work was commenced at once and it was not until October 28th that the shaft was reopened for the hoisting of men and ore. The capital outlay to cover this work was approximately $30,00.00.

MINING

A stope, 300 feet long, was started on the South Atwood Vein on the 700 foot level that supplied 2,915 tons of ore grading .029 Oz. Gold, .93 Oz. Silver and 1.32% Copper.

Royalty?

At the end of the year a stope had just been started on the Emerald Vein on the 800 foot level that supplied 118 tons of ore grading .094 Oz Gold, 1.56 Oz Silver and 1.00% Copper.

DEVELOPMENT

On the 799 foot level the South Atwood Vein was opened for a length of 326 feet, and although the last 111 feet of drifting did not show ore grade, the vein opened up within 6 feet of the back of the drift to make a good stope.

On the 800 foot level, a 177 foot crosscut was driven from the Emerald Vein south to intersect the South Atwood Vein. This crosscut just reached its objective at the year end and the South Atwood Vein showed a width of 13 feet with much samples averaging .020 Gold, 2.32 Oz. Silver and 1.83% Copper.

A drift on the Emerald Vein was advanced 106 feeet on the 800 foot level in good ore over vein width.

ORE RESERVES

On August 22nd there were no ore reserves as the lessors had completed the mining of all ore that had been opened and none of the headings were in ore. At the end of the year, the ore reserves were estimated at 18,250 tons and there were four headings in ore on both the South Atwood Vein and the Emerald Vein. A summary of ore reserves is as follows:

	Tons Ore In Place	Average Grade OZ. AU.	OZ. AG.	% CU.	Tons Broken Ore	Total Tons Extracted From Stopes
6th level to 7th level	4,900	.030	.89	1.31	3,200	2,915
7th level to 8th level	10,000	.040	1.26	1.30	150	118
TOTALS	14,900	.037	1.14	1.30	3,350	3,033

In addition to the above proven ore reserves, a limited 7 diamond drill program investigating the Emerald Vein below the 800 foot level has indicated 97,500 tons of ore grading .041 Oz. Gold, .98 Oz. Silver, and 1.62% Copper over a length of 450 feet and to a depth of 280 feet below this level.

where

On the partially developed 800 foot level, this vein has been mined for a distance of 1,050 feet to date, with at least a further 400 feet that should make ore.

GENERAL

The use of conventional blasting powder has been discontinued and all blasting is now being done with amonium nitrate. This change was only effected during April 1963, and it will have a decided bearing on the mining costs as it will reduce the powder costs by about 50%.

In conclusion, I would like to express my thanks and appreciation to my assistant, Mr. R. B. Keifer, Mr. J. M. Parsons, Mine Superintendent, and Mr. L. Harvell, Mine Foreman, for the loyal and efficient services rendered by them to the company.

Yours faithfully,

R. S. Stronach, Jr.

Vice-President & General Manager

Werner Lake Nic

(Incorporated under The Co

AND ITS WHOLLY-OWNED SUBSID

Consolidated

AS AT DECEM

Assets

CURRENT ASSETS			
Cash			$ 2,799.82
Due from smelter			9,398.40
Other accounts receivable			135.67
Deposits			386.68
Total current assets			12,720.57
MINING PROPERTIES AND RELATED EXPENDITURES			
Mining claims —			
16 patented claims in the Red Lake Mining Division, Ontario acquired for a consideration of 900,000 shares of capital stock valued at 10¢ per share		$ 90,000.00	
14 patented and 19 unpatented claims in the Virginia Mining District, County of Hidalgo, New Mexico, U.S.A. acquired for cash		204,278.29	
Lease and option to purchase 6 claims in the Virginia Mining District, County of Hidalgo, New Mexico, U.S.A.		Nil	
Mine buildings, machinery and equipment	$ 22,787.27		
Less — Accumulated depreciation	4,685.16	18,102.11	
Exploration, development and administrative expenses		546,422.15	
Inventory of supplies		9,672.90	868,475.45
INCORPORATION EXPENSE			2,151.70
			$883,347.72

Approved on behalf of the Board:

"R. C. C. HENSON"
Director

"G. E. KENNEDY"
Director

kel Mines Limited

porations Act of Ontario)

IARY, HENRY CLAY MINES INC.

Balance Sheet

IBER 31, 1962

Liabilities

CURRENT LIABILITIES

Bank loans — partly secured	$ 21,764.82
Accounts payable and accrued expenses	39,556.82
Loans payable	11,614.92
Mortgage payable due June 28, 1963	5,400.00
Total current liabilities	78,336.56

SHAREHOLDERS' EQUITY

Capital stock —
Authorized —
7,500,000 shares, par value $1.00 per share

Issued and fully paid — see Notes 1 and 2

	FOR MINING PROPERTIES	FOR CASH AND OTHER CONSIDERATIONS	TOTAL	
4,751,672 shares	$900,000.00	3,851,672.00	4,751,672.00	
Less — Discount	810,000.00	3,123,167.00	3,933,167.00	
	90,000.00	728,505.00	818,505.00	
Deficit —				
Balance January 1, 1962		12,993.84		
Engineering during the year on property not acquired		500.00	13,493.84	805,011.16
				$883,347.72

Note 1. During the year 400,000 shares of capital stock were issued for cash.

Note 2. Subsequent to December 31, 1962, 200,000 shares of capital stock were issued for a consideration of $30,000.00 and a further 800,000 shares have been optioned at various prices.

Werner Lake Nickel Mines Limited

AND ITS WHOLLY-OWNED SUBSIDIARY, HENRY CLAY MINES INC.

CONSOLIDATED STATEMENT OF EXPLORATION, DEVELOPMENT AND ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 1962

NEW MEXICO, U.S.A.

Expended during the year —		
Mine and mill labour		$ 86,039.73
Mine supplies and services		36,321.42
Depreciation		3,346.22
Engineering and geology		2,887.45
Insurance		2,464.88
Taxes		2,121.15
Administrative		19,201.72
		152,382.57
Less — Sale of ore and royalties received		32,045.30
		120,337.27
Add — Exchange conversion		4,990.63
Add — Balance, January 1, 1962 (including transfer from buildings and equipment during 1961 of $42,269.52) and less reversal of depletion charged to 1960 of $26,017.02		340,303.40
Total expenditures to December 31, 1962 in the United States of America		465,631.30

CANADA

Expended during the year —		
Engineering	$ 2,500.00	
Licenses and fees	$ 2,318.07	
Audit	500.00	
Transfer agent's fees	416.94	
Meetings and reports	346.58	
General	126.17	
	6,207.76	
Less — Interest earned	1,861.81	
	4,345.95	
Add — Balance, January 1, 1962	76,444.90	
Total expenditures to December 31, 1962 in Canada		80,790.85
TOTAL EXPLORATION, DEVELOPMENT AND ADMINISTRATIVE EXPENSES DECEMBER 31, 1962		$ 546,422.15

PETTIT, HILL AND BERTRAM

HOLLAND PETTIT, JR., F.C.A.
R. DOUGLAS HILL, C.A.
R. C. BERTRAM, B.COM., F.C.A.
T. D. WARDLAW, C.A.
DONALD D. HILL, C.A.
F. J. ROUTERY, C.A.
B. B. PHILIP, C.A.
J. G. KANE, C.A.

CHARTERED ACCOUNTANTS

48 YONGE STREET,
TORONTO 1

TELEPHONE
364 - 6261

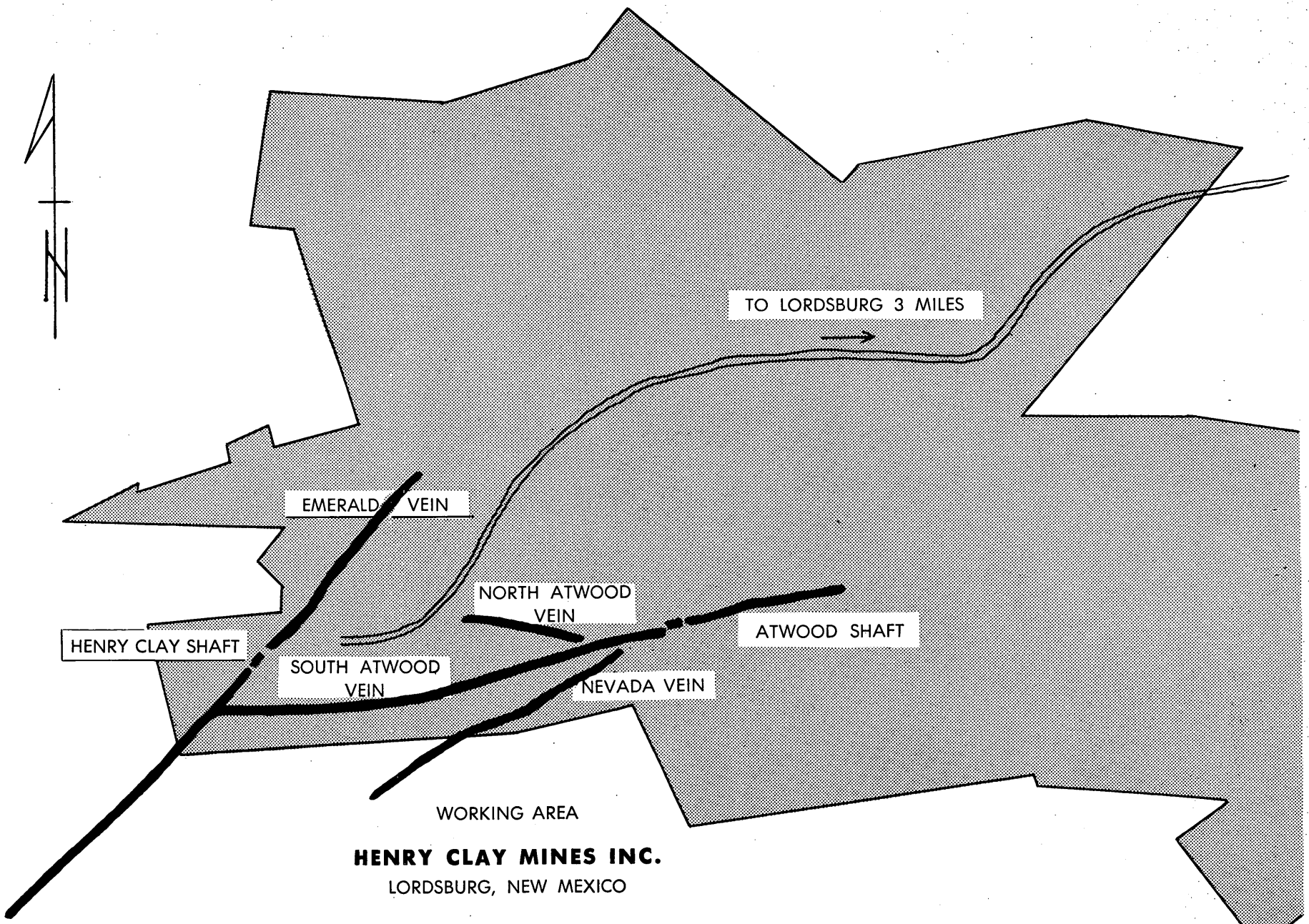
To the Shareholders
Werner Lake Nickel Mines Limited

We have examined the consolidated balance sheet of Werner Lake Nickel Mines Limited and its wholly-owned subsidiary, Henry Clay Mines Inc. as at December 31, 1962 and the consolidated statement of exploration, development and administrative expenses for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying consolidated balance sheet and consolidated statement of exploration, development and administrative expenses, when read in conjunction with the notes to the consolidated financial statements present fairly the financial position of the companies as at December 31, 1962 and the results of their operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

PETTIT, HILL AND BERTRAM

June 13, 1963.



HENRY CLAY MINES INC.

LORDSBURG, NEW MEXICO

Scale: 1 inch to 600 feet.

Re: OME-6228 (Co[redacted]53)
Connor's 8/20/63 memo

(1.) If Phelps-Dodge recognizes Operator's extra-lateral rights in the South Atwood vein, why are we not entitled to royalty on the production? I fail to see any difference between this and the Bunker Hill case, except there is no doubt that outcrop is the vein in this case.

(2.) Although the map submitted by Connors shows South Atwood vein workings completely off of Operator's property, other maps show it completely on Operator's property. Both the map on last page of Operator's Annual Report and the map with contract, show, not only the South Atwood vein, but also its western intersection with Emerald vein as being on Operator's (and contract) property.

(3) Is it possible that Connor's is confusing the land under this contract with that under OMEA-2426 (Moseley, E345), which excluded the westernmost 400' of the Henry Clay claim?

Closed Contract

Talbert
8/22/63

This should be cleared up.
I'd like to be advised.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E
RECEIVED AUG 22 1963

August 20, 1963

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: OME-6228 (Copper)
Contract 2153
Henry Clay Mines, Inc. (N.S.L.)
(Henry Clay, et al., Claims)
Hidalgo County, New Mexico

Reference is made to my memorandum dated July 1, 1963, concerning ore produced by the subject Operator since June 9, 1962.

During a progress inspection of the subject project on August 15, 1963, Mr. Romslo made a thorough check of the Operator's records of ore produced since June 9, 1962. As expected, he found that none of the ore came from OME ground. All of the ore came from claims owned by the Phelps-Dodge Corp. The 20 percent of "our ore" produced in May 1963 was produced from the South Atwood vein which crops out near the Henry Clay hoist house on the Henry Clay claim. Although this ore underlies P-D claims, P-D reportedly recognizes that the ore belongs by right of "apex" to the operator.

Enclosed is your copy of the Werner Lake Annual Report. Also enclosed is a plan map of the 700- and 800- levels in the area investigated. These drifts are presently being advanced eastward on low-grade copper ore containing about 80 percent silica. This ore and similar ore from development headings and stopes is now being shipped not only to P-D's El Paso smelter but to Kennecott's Hayden smelter.

The Operator believes that, within a few months, drifting and stoping on the South Atwood vein in the subordinated area will be in progress, and that royalty payments to the Government on this ore should start shortly thereafter.

Hugh M. Connors

Hugh M. Connors

Enclosures
TMR

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 22 1963

DATE	INITIALS	CODE
8/22	EW	800
8/22	[illegible]	100
	[illegible]	110
		300
		120

August 20, 1963

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: OME-6228 (Copper)
Contract 2153
Henry Clay Mines, Inc. (N.S.L.)
(Henry Clay, et al., Claims)
Hidalgo County, New Mexico

As you probably know, progress on this project has been very slow. It now appears unlikely that little, if any, of the exploration phase of the contract, the diamond drilling, can be done before the non-extendable termination date, December 26, 1963. In this event, only the crosscuts, which can be extended to the South Atwood vein to provide a shorter ore-haulage, would be completed (see map attached to my memorandum of August 20 concerning royalty matters). Incidently, neither the Operator nor Mr. Romslo could anticipate, when the Application was being processed, that ore might be transported through the crosscuts.

I suppose we need not be too concerned with whether or not the project is completed, because the Government's interest can be covered with a pseudo-certification.

"will be" by automatic termination
Talbert 8/22/63

Hugh M. Connors

Hugh M. Connors

TMR/

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E.
RECEIVED
DATE
7/5
Granted
July 1, 1963

800
120
500

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: OME-6228 (Copper-Gold-Silver)
Contract 2153
Henry Clay Mines, Inc.
(Henry Clay, et al., Claims)
Hidalgo County, New Mexico

This responds to your memorandum dated June 25, 1963, concerning ore produced by the subject Operator since June 9, 1962.

Mr. Romslo expects to next inspect this project and check into the entire matter of production records early in August. He expects to find that all ore produced since June 9, 1962, came from development headings and stopes in unsubordinated ground. Two development headings were driven on the 800 level to the west and south of the Henry Clay claim. One of the drifts followed the Emerald vein westward to its intersection with the South Atwood vein, and stopes were being worked on this section of the Emerald vein. From the intersection of the veins, the other drift was following the South Atwood vein. During May 1963 this drift may have accounted for the 20 percent "our own" ore. At that time the drift probably was in a block of company owned but not subordinated ground to the east of P-D's Playmate claim (see plan map of Application).

As requested, Werner Lake's Annual Report will be returned to you after Mr. Romslo's next inspection of the project. Mr. Romslo will be on annual leave until July 24, 1963.

Hugh M. Connors

Hugh M. Connors

* Intersection is in OME subordinated land. Is it possible that Connors thinks the OMEA-7476 exclusion apply to this OME contract? Talk to him

June 29, 1963.

OME
DEPARTMENT OF THE INTERIOR
JUL 1 1963
REGION III
DENVER, COLORADO

Mr. Hugh M. Connors,
Acting Field Officer, OME.,
Region III,
Building 20 - Federal Center,
Denver 25, Colorado.

Re: OME-6228 (Copper-Gold-Silver)
Contract 2153
Henry Clay Mines Inc.,
Henry Clay et al., Claims.
Hidalgo County, New Mexico.

Dear Mr. Connors:-

This is to infrom you that due equipment failures and various other small problems we were unable to advance the OME crosscuts during the month of June and therefore I would suggest that your inspection trip be postponed till the end of July.

Yours very truly,

R. S. Stronach, Jr.
Vice-President & general Manager.

OFFICIAL FILE COPY
O. M. E
RECEIVED JUL 5 1963

DATE	INITIALS	CODE
		120
7/8	MOT	~~800~~
	Grimwald	500

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
6/25	GCS	130
6/25	Talbert	800
"	Johnson	110
"	Fraly	100
6/25	Cole	220
		500

JUN 25 1963

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: GMB-6228 (Copper-Gold-Silver)
Henry Clay Mines, Inc.
Henry Clay, et al., Claims
Hidalgo County, New Mexico
Contract 2153

Enclosed is the Annual Report for the year ending December 31, 1962, of the Werner Lake Nickel Mines Limited.

To date we have received no royalty from the subject property as was intimated in our memorandum of May 17, 1963, to you. The previous contract (MMRA-2426) was terminated as of June 9, 1962. The new contract was executed June 26, 1962. Ore from the subordinated land could have been mined only between these dates without being subject to royalty. If no royalty is due, it would imply that Brannan & Fuller and the company have done neither stoping nor development work since June 26, 1962, on subordinated ground.

On the first page of the Annual Report you will note a reference to 5,000 tons of ore which was shipped in May 1963, of which 20 percent is designated as "our own." On page 2, 2,047 tons was development rock from headings. Page 3 also mentions stoped and development tonnages. It would seem that any work done on the South Atwood vein would have been on subordinated ground or extralateral rights thereto judging from the maps.

Will you please check into the entire matter on your next inspection trip. It is unfortunate that we did not receive the report sooner so that you could have done this on your June trip.

Please return the report when it has served its purpose.

George C. Selfridge (gla)

Enclosure
GCSelfridge/gla (6-25-63)
cc to: Director's Reading File
Docket
Mr. Selfridge

23263

Building 20 - Federal Center
Denver 25, Colorado

June 28, 1963

OFFICIAL FILE COPY
O. M. E
RECEIVED JUL 1 1963

DATE	INITIALS	CODE
7/1	cmd	800
	[illegible]	500

R. S. Stronach, Vice President and General Manager
Henry Clay Mines Incorporated
Post Office Box 61
308 South Pyramid Street
Lordsburg, New Mexico

Re: OME-6228 (Copper-Gold-Silver)
Contract 2153
Henry Clay Mines Inc.
(Henry Clay Mine)
Hidalgo County, New Mexico

Dear Mr. Stronach:

This is to inform you that I will be on a vacation during most of July, and that the Operator's Report for June 1963 should be forwarded to this office without awaiting our inspection of the project.

Sincerely yours,

Original signed by

T. M. Romslo
Mining Engineer

cc Chief, Division of Field Operations, OME
Contract Corres 2153
Chron
TMR/lm

MME FORM 60
SEPT. 1959

JUN 27 1963

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
DENVER, COLORADO

OME
DEPARTMENT OF THE INTERIOR

JUN 20 1963

REGION III

Docket No. OME 6228 (Cu)
Contract No. 14-23-090-2153
Contract Amount $30570.00
Gov't. Participation % 50 $ 15285.00
Mineral(s) Copper, Gold, Silver

OPERATOR'S MONTHLY VOUCHER

For Month of April & May, 1963

Operator's Name HENRY CLAY MINES INCORPORATED
Address P. O. BOX 61, LORDSBURG, NEW MEXICO

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing						
Drifting						
Crosscutting	1440.00	4752.00	6192.00			
Drilling						
(2) Personal Services:						
Supervision & Technical	300.00	600.00	900.00			
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber	0.0	45.00	45.00			
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	1740.00	5397.00	7137.00	1,740.00	5,397.00	7,137.00

I certify that the above bill is correct and just and that payment therefor has not been received.

Date JUN 17 1963 *Payee HENRY CLAY MINES INC.

Per [signature] Title President

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 870.00

Signature BHB
(Authorized Certifying Officer)

Date 6/24/63 Vou. No. 6728

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2153

Signature D. M. Romolo Title Mining Engineer Date 6/20/63

Approved by OME Executive Officer or Alternate:

Signature Hugh M. Enmons Title Acting Field Officer Date 6/20/63

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated, and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

RECEIVED
JUN 25 1963
OFFICE OF THE SECRETARY
FISCAL SECTION

MME FORM 61
SEPT. 1959

UNITED STATES DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OME...
DEPARTMENT OF THE INTERIOR
JUN 20 1963
REGION III
DENVER, COLORADO

OPERATOR'S PROGRESS REPORT

For Month of April & May, 1963 Docket No. GME-6228 (Cu)

Operator's Name HENRY CLAY MINES INCORPORATED Contract No. 14-23-090-2153

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting							
Crosscutting	Ft	40	172	6192.00			
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Technical Service	Mo.	1	3	900.00			
Roads and Trails							
XXXXXX Timbering	Ft.	0	5	45.00			
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE *(per MME Form 60)*				7137.00			7,137.00

REMARKS

(Continue on back)

REMARKS

(Continue on back)

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

Date JUN 17 1963 Operator HENRY CLAY MINES INC.

Per [signature] Title President

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature [signature]

Title Mining Engineer
Government Representative

Date 6/20/63

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

HENRY CLAY MINES INCORPORATED

EXECUTIVE OFFICES:
SUITE 300 — 185 BAY ST.
TORONTO, ONTARIO

POST OFFICE BOX 61
LORDSBURG, NEW MEXICO

PHONE 542 - 9001
PHONE 542 - 9471

OME
DEPARTMENT OF THE INTERIOR
JUN 20 1963
REGION III
DENVER, COLORADO

Docket No. OME-6228 (Copper)
Contract No. 14-23-090-2153

Operator's Narrative Report for Month of April & May, 1963

Operator's Name: HENRY CLAY MINES INCORPORATED

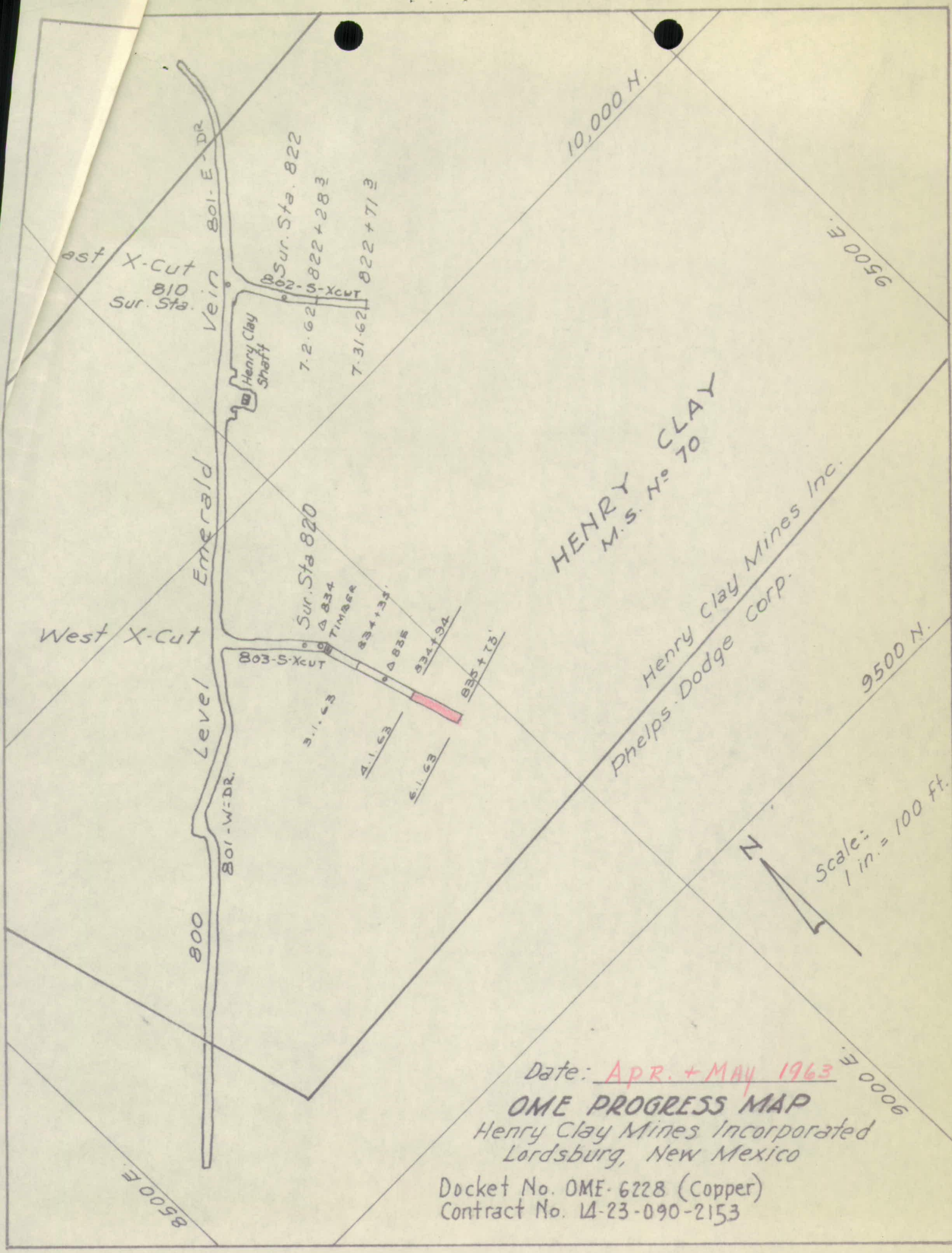
803 So. Crosscut was advanced 40 feet in waste during the months of April & May, 1963.

Advance was from Survey Sta. 834 plus 94 feet to 134 feet.

No advance was made on the 802 S Crosscut during this period.

HENRY CLAY MINES INCORPORATED

R. C. C. Henson
President



Date: APR. + MAY 1963

OME PROGRESS MAP

Henry Clay Mines Incorporated
Lordsburg, New Mexico

Docket No. OME-6228 (Copper)
Contract No. 14-23-090-2153

Mr. Furnich –
– Please second paragraph of my report Ralph
R.C.C. Henson

PARTNER
S. J. Brooks & Co.
MEMBERS
THE TORONTO STOCK EXCHANGE

PHONE EM. 3-5911
185 BAY STREET
TORONTO

MME FORM 6 REFERENCE SLIP
REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Mr. Selfridge		
2.		
3.		
4.		
5.		
FROM: Talbert 6/20		

Re: OME-6228

FOR: Check items for action desired

____ Action ____ Reply for signature of ____
____ Approval ____ Investigate ____ Surname
____ Comment ____ Recommendations ____ Signature
____ Conference ____ Rewrite ____ File
____ Instructions ✓ Your information

REMARKS: Annual Rpt. states Brannon & Fuller operated to 8/22/62; as of 12/31/62, ore had been mined from South Atwood & Emerald veins [both on contract property]; + May '67 sales were $35,000.

Brannon & Fuller paid no royalty after close of prior contract. Operator has paid no royalty to date. Rowsloe 5/21/63 memo states all production from adjoining land.

INT.-DUP. SEC.—WASH., D.C. ???? M56300-62

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado

June 10, 1963

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: OME-6228 (Copper-Gold-Silver)
Contract 2153
Henry Clay Mines Inc.
(Henry Clay Mine
Hidalgo County, New Mexico

Enclosed are the Government's, Audit's, and Fiscal Section's executed copies of Amendment No. 2 to the subject contract.

Hugh M. Connors

Hugh M. Connors

Enclosure
TMR/

OFFICIAL FILE COPY
O. M.
RECEIVED JUN 13 63
DATE INITIALS
500

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/5	Fisher	800
6/5	Talbot	800
	Durwell	500
	Selfridge	120
6/5	Johnson	110
	Young	100
6/5	Cal	220

JUN 5 1963

Riddell, Stead, Graham & Hutchison
Chartered Accountants
48 Yonge Street
Toronto 1, Canada

Re: OME-6228 (Copper-Gold-Silver)
Henry Clay Mines, Inc.
Henry Clay, et al., Claims
Hidalgo County, New Mexico
Contract 2153

Gentlemen:

With reference to your inquiry dated May 31, 1963, our records indicate that at the close of business on December 31, 1962, an amount of $824.00 had been paid to Henry Clay Mines, Inc., as the U. S. Government's contribution to costs incurred under the subject exploration contract.

The Government's contribution, together with interest at 6%, is repayable by a 5% royalty on all minerals production from the land under the contract for the periods set forth in Article 6(b) of the contract.

Sincerely yours,

George Funnich, Jr.

Director

CEFisher/ama 6-5-63

cc:
Docket
Director's Reading File
CA & A Division
Acting Field Officer, Region III (w/cy of inc. ltr.)

43683

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 12 1963

INITIALS	CODE
6/14 [illegible]	800
[illegible]	500
June 4, 1963	

Building 20 - Federal Center
Denver 25, Colorado

R. S. Stromach, Vice President and General Manager
Henry Clay Mines Incorporated
Post Office Box 61
308 South Pyramid Street
Lordsburg, New Mexico

Re: OME-6228 (Copper-Gold-Silver)
Contract 2153
Henry Clay Mines Inc.
(Henry Clay Mine)
Hidalgo County, New Mexico

Dear Mr. Stromach:

Referring to your letter of May 7, 1963, enclosed are the original and four copies of proposed Amendment No. 2 to the subject contract, signed by George Punich, Jr. for the Government.

If this proposed amendment meets with your approval, please have an authorized representative of the Operator sign and return all copies to this office. If it does not meet with your approval, please return all copies to this office with your comments.

The Operator's copy of the executed amendment will be returned to either you or Mr. R. C. C. Hanson as desired.

Sincerely yours,

Original signed by
T. M. Romslo
T. M. Romslo
Acting Field Officer, OME
Region III

Enclosures
cc Mr. R. C. C. Hanson
Suite 309 -- 200 Bay St.
Toronto, Ontario, Canada

Chief, Division of Field Operations, OME
Contract Corres. 2153
Chron
TMR/lm

HALIFAX
QUEBEC
MONTREAL
OTTAWA
TORONTO
HAMILTON

RIDDELL, STEAD, GRAHAM & HUTCHISON
CHARTERED ACCOUNTANTS
48 YONGE STREET, TORONTO, ONT.

LONDON
WINNIPEG
REGINA
EDMONTON
VANCOUVER

Dear Sirs: Date May 31, 1963

As auditors of Henry Clay Mines Inc.

we note that at the close of business on December 31, 1962
there is a balance due to you of

$ 824 xx/100

Please verify this amount by signing below, and return this form in the enclosed envelope. If you do not agree with the balance shown, we would be grateful if you would advise us directly, stating where the difference arises.

Yours very truly,

RIDDELL, STEAD, GRAHAM & HUTCHISON.

The above amount is correctly stated.

.....
(Authorized Signature)

Office of Mineral Exploration
c/o Mr. George Frumich Jr.
Department of Interior
Washington 25, D.C.
U.S.A.

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
	Arnold	500
5/M	Talbut	800
	GCS	130
5/28	Johnson	1110
	Smith	100
5/28	Cal	220
		500

Memorandum

MAY 28 1963

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: GMR-6228 (Copper-Gold-Silver)
Henry Clay Mines, Inc.
Henry Clay, et al., Claims
Hidalgo County, New Mexico
Contract 2153

Enclosed are the original and four copies of a proposed Amendment No. 2 to the subject contract, signed by the Director for the Government. Also enclosed is an extra copy for field use.

If the proposed amendment is satisfactory to you and the Operator, all five copies should be signed by an authorized representative of the Operator. Thereafter, please distribute the copies in the usual manner.

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

George C. Selfridge (gla)

Enclosures

MMerrithew/mm
5/27/63
cc: Director's Reading File
Review Committee
Docket

43683

WRGriswold/mm
DRAFT 5/22/63

~~800~~
120
500

EXPLORATION CONTRACT
HENRY CLAY MINES, INC.
OME-6228

AMENDMENT NO. 2

It is agreed this _____ day of _____, 1963, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter referred to as the "Government," and Henry Clay Mines, Inc., hereinafter referred to as the "Operator," that Contract 2153 (OME-6228), dated June 26, 1962, as amended, is further amended, effective May 7, 1963, as follows:

1. Under Amendment No. 1, the period for completion of the work, as provided in Article 1 of the contract, was extended from 8 to 12 months. Such period for work completion is now further extended to 18 months from the contract date, or December 26, 1963.

2. Under Article 6(b)(2) of the contract, the royalty period on production is extended to eleven (11) years from the date of the contract.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Director, Office of Minerals Exploration

HENRY CLAY MINES, INC.

By _____

Title _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Building 20 - Denver Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E
RECEIVED MAY 27 1963

DATE	INITIAL	CODE
5/27	400	800
		~~120~~
	Heswold	500

May 21, 1963

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: OME-6228 (Copper-Gold-Silver)
Henry Clay Mines, Inc.
Henry Clay, et al., Claims
Hidalgo County, New Mexico
Contract 2153

This refers to your memorandum dated May 17, 1963, concerning possible production from the area subordinated by the subject contract.

All production under the subject contract to April 11, 1963, the date of my last inspection of the project, has come from the adjoining Phelps Dodge property. If the conditions are found otherwise when I next visit the project in June, you will be notified.

TMRomslo

T. M. Romslo

Building 20 - Federal Center
Denver 25, Colorado

May 9, 1963

FILE COPY
O. M. E
RECEIVED MAY 13 1963

DATE		CODE
5/14		800
	Granted	500

Mr. R. S. Stromach, Manager
Henry Clay Mines Incorporated
Post Office Box 61
308 South Pyramid Street
Lordsburg, New Mexico

Re: OME-6225 (Copper-Gold-Silver)
Contract 2153
Henry Clay Mines Inc.
(Henry Clay Mine)
Hidalgo County, New Mexico

Dear Mr. Stromach:

In view of the small amount of advance for April reported in your letter dated May 2, 1963, permission is granted to group into a single Operator's Report the April advance and the May advance. Accordingly, my next inspection of the project will be made early in June.

Your cooperation in this matter is appreciated very much. As you suggested, the information resulted in the elimination of an inspection trip and the attendant costs to the Government.

Sincerely yours,

Original signed by
T. M. Romslo
T. M. Romslo
Acting Field Officer, OME
Region III

cc Mr. R. C. C. Hansen
Suite 309 - 200 Bay St.
Toronto, Ontario, Canada
Chief, Division of Field Operations, OME
Contract Corres. 2153
Chron
TMR/lm

MAY 2, 1963.

OME
DEPARTMENT OF THE INTERIOR
MAY 6 1963
REGION III
DENVER, COLORADO

Mr. Hugh M. Connors,
Acting Field Officer, OME,
Region III,
Building 20 - Federal Center,
Denver 25, Colorado.

Re: OME - 6228 (Copper-gold-silver)
Contract 2153
Henry Clay Mines Inc.
Henry Clay, et al., Claims
Hidalgo County, New Mexico.

Dear Mr. Connors:-

In as much as we only have advanced 10 feet during April I would suggest that, with your permission, we group April and May advances together for reporting and that this will also save Mr. Romslo an inspection trip.

Yours very truly,

R.J. Strenash, Jr.
Vice-President & General Manager.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado

May 9, 1963

OFFICIAL FILE COPY
O. M. E
RECEIVED MAY 13 1963

DATE		
5/14		800
		500

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: OME-6228 (Copper-Gold-Silver)
Contract 2153
Henry Clay Mines Inc.
(Henry Clay Mine)
Hidalgo County, New Mexico

Attached is a copy of the Operator's letter dated May 7, 1963, requesting that the termination date of the subject contract be extended six months, and a copy of my reply.

T. M. Romslo

T. M. Romslo

Attachments

May 7, 1963

OME
DEPARTMENT OF THE INTERIOR
MAY 9 1963
REGION III
DENVER, COLORADO

Mr. Hugh M. Connors,
Acting Field Officer, OME.,
Region III,
Building 20 - Federal Center,
Denver 25, Colorado.

Re: OME-6228 (Copper-Gold-Silver)
Contract 2153
Henry Clay Mines Inc.,
Henry Clay, et al., (Claims)
Hidalgo County, New Mexico.

Dear Mr. Connors:-

I would like to request a six (6) month extension on the time to complete the work under our OME Contract. The present completion date is June 26, 1963 and I would like to ask that it be changed to December 26, 1963.

At the present time we have completed 99 feet in the West X-cut and 43 feet in the East X-cut for a total of 142 feet out of a total of 450 feet. This leaves 308 feet of x-cutting to be performed under the contract.

The delay has been due to the difficulty of handling waste from the 8th level while still maintaining ore production as there is only one pocket on the 8th level and one ore bin on surface and these must handle both ore and waste. In the past few months I have managed to get the mining into such a position that we should now be able to average 60 feet of x-cutting advance a month. This will permit me to complete the West x-cut in about 2½ months after which I will start the diamond drill there and will work on the East x-cut. This timing will give me about 1 month leeway taking into account the time necessary to do the diamond drilling etc.

I trust you will see your way clear to granting us this extension and I shall be more than pleased to furnish any additional information you may require.

Yours very truly,

R.S.Stronach, Jr.
Vice-President & General Manager.

Building 20 - Federal Center
Denver 25, Colorado

May 9, 1963

R. E. Strumsch, Manager
Henry Clay Mines Incorporated
Post Office Box 61
308 South Pyramid Street
Lordsburg, New Mexico

Re: OME-6828 (Copper-Gold-Silver)
Contract 2153
Henry Clay Mines Inc.
(Henry Clay Mine)
Hidalgo County, New Mexico

Dear Mr. Strumsch:

This will acknowledge receipt of your letter dated May 7, 1963, requesting that the termination date of the subject contract, June 26, 1963, be extended six months to December 26, 1963.

The request has been referred for a decision by our Washington office. Should the request be granted, I feel certain that, because copper was removed more than a year ago from the list of eligible mineral products, there will be little or no chance for an additional extension in the termination date of the contract.

Sincerely yours,

Original signed by
T. M. Romslo

T. M. Romslo
Acting Field Officer, OME
Region III

cc Mr. H. C. C. Benson
Suite 309 — 200 Bay St.
Toronto, Ontario, Canada

cc Chief, Division of Field Operations, OME
Contract Corres. Contract 2153
Chron
TMR/lm

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
5/17	Talbert	800
	Ahnuser	500
	Selfridge	130
5/17	Johnson	110
	Ferrell	100
5/17	Cole	220
		500

MAY 17 1963

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: OME-6228 (Copper-Gold-Silver)
Henry Clay Mines, Inc.
Henry Clay, et al., Claims
Hidalgo County, New Mexico
Contract 2153

The matter of royalty payable to the Government under the subject contract was covered by considerable correspondence during October and November 1962. The last correspondence on the matter was the Director's November 20 letter to the Operator.

Inasmuch as the Government has now contributed a total of $2,698.50 to the costs of exploration through March 1963, it appears that an accounting for production and payment of royalty are in order. It is suggested, therefore, that the Operator be reminded of its obligation to pay a 5% royalty on the gross proceeds from all ores broken on and after the June 26, 1962, date of the contract. This suggestion, of course, is contingent on there having in fact been production from the subordinated area.

EDTalbert/ama 5-17-63

Thomas B. Selfridge (gla)

cc:
Docket
Director's Reading File
CA & A Division
Review Committee

43683

Building 20 - Federal Center
Denver 25, Colorado

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RECEIVED
DATE
4/22 800
500

April 19, 1963

AIRMAIL

Memorandum

To: Fiscal Section, Division of Administrative Services
Office of the Secretary, Department of the Interior
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: OME-6228 (Copper-Gold-Silver)
Contract No. 2153
Henry Clay Mines, Inc.
(Henry Clay Mine)
Hidalgo County, New Mexico
Operator's Monthly Progress Report for March 1963

Enclosed are the original and two copies of MME Form 60, MME Form 61, Operator's Narrative Report, engineer's inspection report, and map covering the work performed during the month of March 1963.

We consider that the Operator has complied with the intent of the contract and the work for which payment is recommended is acceptable to the Government.

The work performed during March was on a fixed unit cost basis under the short form contract, therefore, documentation of the costs involved is not required.

Subject to your verification of the arithmetical accuracy of the report, it is recommended that the Operator be reimbursed $1,212.00 which is 50 percent of the amount shown on MME Form 60.

original signed by

Hugh M. Connors

Attachments

cc Chief, Division of Field Operations, OME
Vouchers - Contract No. 2153
Chron

HMC/lm

Building 20 - Federal Center
Denver 25, Colorado

April 19, 1963

Memorandum

To: Hugh M. Connors, Acting Field Officer, OME, Region III

From: T. M. Romalo, Mining Engineer

Subject: Docket OME-6228 (Copper-Gold-Silver)
Contract No. 2153
Henry Clay Mines, Inc.
(Henry Clay Mine)
Hidalgo County, New Mexico
Progress Report for March 1963

I inspected the subject project in the company of Mr. R. S. Stromach, Jr., Mine Manager, April 11, 1963. Progress for the reporting period in work authorized by the contract was found to be as recorded in the attached Operator's Report. It consisted of 59 feet of advance in the 805 South crosscut.

The crosscut penetrated a 3-inch wide fissure filled with mainly copper and iron sulfides.

The Operator continues to mine and ship ore. All production is from the 800 level of the 85 Mine that adjoins the Henry Clay Mine on the south and west.

OPERATOR'S REPORT

OME Form 60

Crosscutting -- The $2,124.00 is for the authorized 59 feet of advance at a fixed cost of $36.00 a foot.

Supervision and Technical Services -- The $300.00 is the allowable cost for one month at $300.00 a month.

Totals -- The total costs, which includes $2,424.00 for the report period, appear to be correct.

The Government's share of $2,424.00 at 50 percent is $1,212.00.

MMR Form 61

The form, containing total costs in agreement with those on MMR Form 60, has been properly completed.

Narrative Report

The narrative report with map is considered adequate.

Original signed by

T. M. Romalo

cc Chief, Division of Field Operations
Vouchers R153
Chron
TMR/lm

OME
DEPARTMENT OF THE IN[illegible]RIOR

MME FORM 60
SEPT. 1959

APR 19 1963
REGION III
DENVER, COLORADO

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. OMI-6228 (Cu)
Contract No. 14-23-090-2153
Contract Amount $ 30570.00
Gov't. Participation % 50 $15285.00
Mineral(s) Copper, Gold, Silver

OPERATOR'S MONTHLY VOUCHER

For Month of March, 1963

Operator's Name HENRY CLAY MINES INCORPORATED
Address P. O. BOX 61, LORDSBURG, NEW MEXICO

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing						
Drifting						
Crosscutting	$2124.00	$2628.00	$4752.00	2,124.00	2,628.00	4,752.00
Drilling						
(2) Personal Services:						
Supervision & Technical	300.00	300.00	600.00	300.00	300.00	600.00
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber	0	45.00	45.00	—	45.00	45.00
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	$2124.00	$2973.00	$5397.00	2,424.00	2,973.00	5,397.00

I certify that the above bill is correct and just and that payment therefor has not been received.

Date apl 16/63 *Payee HENRY CLAY MINES, INC.

Per [signature] Title President

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 1,919.00

Signature [signature]
(Authorized Certifying Officer)

Date 4/24/63 Vou. No. 5534

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2153

Signature [illegible] Title Mining Engineer Date 4/19/63

Approved by OME Executive Officer or Alternate:

Signature Hugh M. Connors Title Acting Field Officer Date 4-19-63

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

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PT. 1959

DEPARTMENT OF THE INTERIOR

APR 19 1963
REGION III
DENVER, COLORADO

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT

For Month of March, 1963 Docket No. OML-6228 (Cu)

Operator's Name HENRY CLAY MINES INCORPORATED Contract No. 14-23-090-2153

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting							
Crosscutting	Ft.	59	132	$4752.00			
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Technical Service	No.	1	2	600.00			
Roads and Trails							
~~Timbering~~	Ft.	0	5	45.00			
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE *(per MME Form 60)*				$5397.00			

REMARKS

(Continue on back)

REMARKS

(Continue on back)

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

Date Apl 16/63 Operator HENRY CLAY MINES INC.

Per [signature] Title President

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature [signature]

Title Mining Engineer
Government Representative

Date 4/19/63

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

HENRY CLAY MINES INCORPORATED

EXECUTIVE OFFICES:
300 — 185 BAY ST.
TORONTO, ONTARIO

POST OFFICE BOX 6
LORDSBURG, NEW MEXICO

PHONE 542 - 9001
PHONE 542 - 9471

OME
DEPARTMENT OF THE INTERIOR
APR 19 1963
REGION III
DENVER, COLORADO

Docket No. OME-6228 (Copper)
Contract No. 14-23-090-2153

Operator's Narrative Report for Month of March, 1963

Operator's Name: HENRY CLAY MINES INCORPORATED

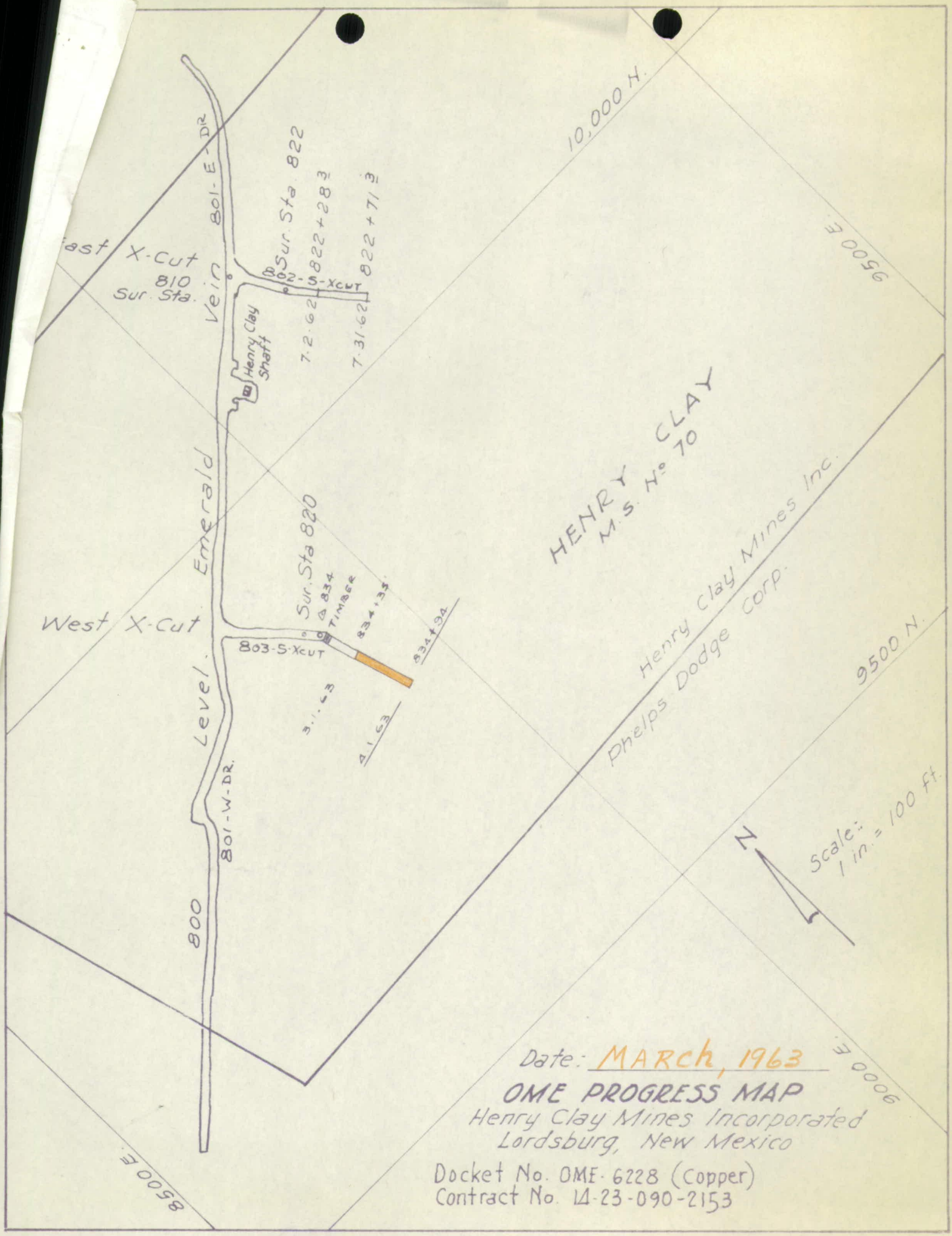
803 S Crosscut was advanced 59 feet in waste during the month of March, 1963.

Advance was from Survey Sta. 834 plus 35 feet to 94 feet.

No advance was made on the 802 S Crosscut during the month.

HENRY CLAY MINES INCORPORATED

R. C. C. Henson
President



Date: MARCH, 1963

OME PROGRESS MAP

Henry Clay Mines Incorporated
Lordsburg, New Mexico

Docket No. OME-6228 (Copper)
Contract No. 14-23-090-2153

3-6040

Griswold

OFFICIAL FILE COPY
O. M. E
RECEIVED MAR 29 1963

DATE		CODE
3/29		110
		500

Building 20 - Federal Center
Denver 25, Colorado

March 18, 1963

AIRMAIL

Memorandum

To: Fiscal Section, Division of Administrative Services
Office of the Secretary, Department of the Interior
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: OME-6226 (Copper-Gold-Silver)
Contract No. 2153
Henry Clay Mines, Inc.
(Henry Clay Mine)
Hidalgo County, New Mexico
Operator's Monthly Progress Report for January and February 1963

Enclosed are the original and two copies of MME Form 60, MME Form 61, Operator's Narrative Report, engineer's inspection report, and map covering the work performed during the months of January and February 1963.

We consider that the Operator has complied with the intent of the contract and the work for which payment is recommended is acceptable to the Government.

The work performed during January and February was on a fixed unit cost basis under the short form contract, therefore, documentation of the costs involved is not required.

Subject to your verification of the arithmetical accuracy of the report, it is recommended that the Operator be reimbursed $662.50 which is 50 percent of the amount shown on MME Form 60.

Original signed by

Hugh M. Connors

Attachments

Building 20 - Federal Center
Denver 25, Colorado

March 18, 1963

Memorandum

To: Hugh M. Connors, Acting Field Officer, OME, Region III

From: T. M. Romslo, Mining Engineer

Subject: Docket OME-6228 (Copper-Gold-Silver)
Contract No. 2153
Henry Clay Mines, Inc.
(Henry Clay Mine)
Hidalgo County, New Mexico
Progress Report for January and February 1963

I inspected the subject project in the company of Mr. R. S. Stronach, Jr., Mine Manager, March 7, 1963. Progress for the reporting period in work authorized by the contract was found to be as recorded in the attached Operator's Report. It consisted of 30 feet of advance and 5 feet of timbering in 803 South crosscut.

The Operator continues to mine and ship ore. All production is from the 800 level of the 85 Mine that adjoins the Henry Clay Mine on the south and west.

OPERATOR'S REPORT

MME Form 60

Crosscutting -- The $1080.00 is for the authorized 30 feet of advance at a fixed cost of $36.00 a foot.

Supervision and Technical Services -- The $200.00 is the allowable cost for 2/3 of a month at $300.00 a month.

Timbering -- The $45.00 is for the authorized 50 feet of advance at a fixed cost of $9.00 a foot.

Totals -- The total costs, which includes $1325.00 for the report period, appear to be correct.

The Government's share of $1325.00 at 50 percent is $662.50.

MME Form 61

The form, containing total costs in agreement with those on MME Form 60, has been properly completed.

Narrative Report

The narrative report with map is considered adequate.

Original signed by

T. M. Romalo

MME FORM 60
SEPT. 1959

OME
DEPARTMENT OF THE INTERI

MAR 18 1963
REGION III
DENVER, COLORADO

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. ~~OME-6223 (Cu)~~
Contract No.
14-23-090- 2153
Contract Amount $ 30570.00
Gov't. Participation % 50 $ 15285.00
Mineral(s) Copper, Gold, Silver

OPERATOR'S MONTHLY VOUCHER

For Month of Jan. & Feb., 1963

Operator's Name HENRY CLAY MINES INCORPORATED
Address P. O. BOX 61, LORDSBURG, NEW MEXICO

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing						
Drifting						
Crosscutting	$1080.00	$1548.00	$2628.00	1,080.00	1,548.00	2,628.00
Drilling						
(2) Personal Services:						
Supervision & Technical	200.00	100.00	300.00	200.00	100.00	300.00
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber	45.00	0	45.00	45.00	—	45.00
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	$1325.00	$1648.00	$2973.00	1,325.00	1,648.00	2,973.00

I certify that the above bill is correct and just and that payment therefor has not been received.

Date _____ *Payee Henry Clay Mines Inc.

Per [signature] Title President

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 662.50

Signature B+B
(Authorized Certifying Officer)

Date 3/20/63 Vou. No. _____

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2153

Signature T. M. Romolo Title Mining Engineer Date 3-18-63

Approved by OME Executive Officer or Alternate:

Signature Hugh M. Connor Title Acting Field Officer Date 3-18-63

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

OME
DEPARTMENT OF THE INTERIOR
MME FORM 61
SEPT. 1959

MAR 18 1963
REGION III
DENVER, COLORADO

UNITED STATES DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Months of Jan. & Feb., 1963 Docket No. OME-6228 (Cu)

Operator's Name HENRY CLAY MINES INCORPORATED Contract No. 14-23-090-2153

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting							
Crosscutting	Ft.	30	73	$2628.00			
Raising							
Shafts							
XXXXX Timbering	Ft.	5	5	45.00			
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Technical Service	Mo.	2/3	1	300.00			
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE (per MME Form 60)				$2973.00			

REMARKS

(Continue on back)

REMARKS

(Continue on back)

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

Date _____ Operator Henry Clay Mines Inc.

Per [signature] Title President

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature [signature]

Title Mining Engineer
Government Representative

Date _____

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

OME
DEPARTMENT OF THE INTERIOR
MAR 18 1963
REGION III
DENVER, COLORADO

HENRY CLAY MINES INCORPORATED

EXECUTIVE OFFICES:
SUITE 300 --- 185 BAY ST.
TORONTO, ONTARIO

POST OFFICE BOX 61
LORDSBURG, NEW MEXICO

PHONE 542 - 9001
PHONE 542 - 9471

Docket No. OME-6228 (Copper)
Contract No. 14-23-090-2153

Operator's Narrative Report for Months of January & February, 1963

Operator's Name: HENRY CLAY MINES INCORPORATED

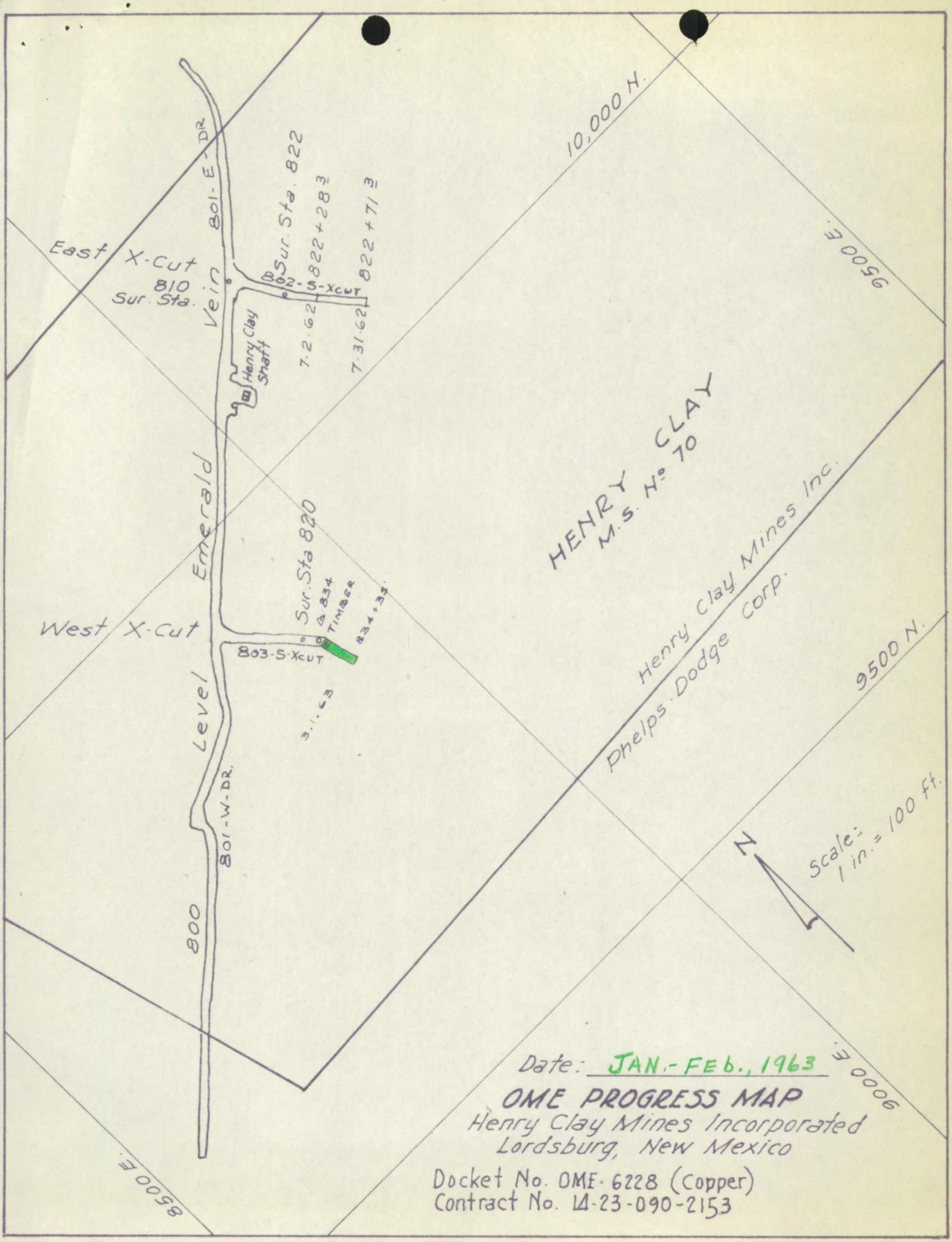
Drifting advance on 803 S Crosscut (previously designated 800 Level West Crosscut), for the months of January and February, 1963, was 30 feet. Advance was from Survey Station 834 plus five (5) feet to 35 feet.

Necessary timbering,(5) feet was installed from Survey Station 834 plus five (5) feet to ten (10) feet.

No advance was made on the 802 S Crosscut (previously designated 800 Level East Crosscut).

HENRY CLAY MINES INCORPORATED

R. C. C. Henson
President



Date: JAN.-FEb., 1963

OME PROGRESS MAP

Henry Clay Mines Incorporated
Lordsburg, New Mexico

Docket No. OME-6228 (Copper)
Contract No. 14-23-090-2153

Building 20 - Federal Center
Denver 25, Colorado

February 5, 1963

OFFICIAL FILE COPY
RECEIVED 8
2/8 800
500

R. S. Stronach, Manager
Henry Clay Mines Incorporated
Post Office Box 61
308 South Pyramid Street
Lordsburg, New Mexico

Re: OME-6228 (Copper-Gold-Silver)
Contract 2153
Henry Clay Mines Inc.
(Henry Clay Mine)
Hidalgo County, New Mexico

Dear Mr. Stronach:

Reference is made to your letter dated February 2, 1963 concerning work completed under the subject contract during January 1963.

This is to inform you that, because only four feet of advance was made in January, our next inspection of the project will be put off until early in March.

I suggest that no Operator's Report be submitted for January, and that the four feet of advance be included in the Operator's Report for January and February.

Sincerely yours,

Original signed by TMR
T. M. Romslo
for
Hugh M. Connors
Acting Field Officer, OME
Region III

TMR/lm
cc Chief, Division of Field Operations, OME
Contract Corres. 2153
Chron

February 2, 1963.

OME
DEPARTMENT OF THE INTERIOR
FEB 5 1963
REGION III
DENVER, COLORADO

Mr. Hugh M. Connors,
Acting Field Officer, OML, Region III,
United States Department of the Interior,
Building 20 - Federal Center,
Denver 25, Colorado.

Re: OME-6228, Contract 2153.

Dear Mr, Connors:-

An advance of 4 feet was made in the West X-cut and an operators report will be submitted.

As this work was performed on January 31 I was unable to inform your office before now. I anticipate that further work will be done during the coming month.

Yours very truly,

M.S.Stronach, Jr.
Mine Manager.

Building 20 - Federal Center
Denver 25, Colorado

February 1, 1963

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 4 1963

DATE		
2/4		8.00
		500

R. S. S. Stromach, Manager
Henry Clay Mines Incorporated
Post Office Box 61
308 South Pyramid Street
Lordsburg, New Mexico

Re: OME-6228 (Copper-Gold-Silver)
Contract 2153
Henry Clay Mines Inc.
(Henry Clay Mine)
Hidalgo County, New Mexico

Dear Mr. Stromach:

Please inform this office by return mail if an Operator's Report on work performed under the subject contract during January 1963 will be submitted.

Sincerely yours,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

cc Chief, Division of Field Operations, OME
Contract Corres. 2153
Chron
TMR/lm

Building 20 - Federal Center
Denver 25, Colorado

January 25, 1963

Memorandum

To: Fiscal Section, Division of Administrative Services
Office of the Secretary, Department of the Interior
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: OME-6228 (Copper-Gold-Silver)
Contract No. 2153
Henry Clay Mines, Inc.
(Henry Clay Mine)
Hidalgo County, New Mexico
Operator's Monthly Progress Report for December 1962

Enclosed are the original and two copies of MME Form 60, MME Form 61, and Operator's Narrative Report for December 1962 reporting no progress.

Original signed by

Hugh M. Connors

Attachments
HMC/lm
cc Chief, Division of Field Operations, OME
Vouchers - Contract 2153
Chron

OFFICIAL FILE COPY
O. M. E
RECEIVED JAN 28 1963
DATE | Initials | |
1/28 | [illegible] | 8.00
[illegible] | | 5.00

OME
DEPARTMENT OF THE INTERIOR
JAN 25 1963
REGION III
DENVER, COLORADO

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

ERATOR'S MONTHLY VOUCHER

For Month of December, 1962

Docket No. OME-6228 (Cu)
Contract No. 14-23-090-2153
Contract Amount $ 30570.00
Gov't. Participation % 50 $ 15285.00
Mineral(s) Copper, Gold, Silver

erator's Name HENRY CLAY MINES INCORPORATED
Address P. O. BOX 61, LORDSBURG, NEW MEXICO

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing						
Drifting						
Crosscutting	0	$1548.00	$1548.00			
Drilling						
(2) Personal Services:						
Supervision & Technical	0	100.00	100.00			
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	0	$1648.00	$1648.00			

I certify that the above bill is correct and just and that payment therefor has not been received.

Date _____ *Payee HENRY CLAY MINES INC.

Per [signature] Title President

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ —o—

Signature _____
(Authorized Certifying Officer)

Date _____ Vou. No. _____

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an explorati project in accordance with the terms of Contract No. _____

Signature _____ Title _____ Date _____

Approved by OME Executive Officer or Alternate:

Signature _____ Title _____ Date _____

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

INT.DUP.,D.C.59- 61579

OME
DEPARTMENT OF THE INTERIOR
JAN 25 1963
REGION III
DENVER, COLORADO

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

RATOR'S PROGRESS REPORT For Month of December, 1962 Docket No. OME-6228 (Cu)

rator's Name HENRY CLAY MINES INCORPORATED Contract No. 14-23-090-2153

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting							
Crosscutting	Ft.	0	43	$1548.00			
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Technical Service	No.	0	1/3	100.00			
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE *(per MME Form 60)*				$1648.00			

REMARKS

(Continue on back)

REMARKS

(Continue on back)

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

Date _____ Operator HENRY CLAY MINES INC.

Per [signature] Title PRESIDENT

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature _____

Title _____
Government Representative

Date _____

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

INT.DUP.,D.C.59- 61577

(9)

HENRY CLAY MINES INCORPORATED

Henry Clay Mine

Executive Offices:
~~Suite 309 — 200 Bay St.~~
Toronto, Ontario
Suite 300-185 Bay St.

Post Office Box 61
308 South Pyramid St.
Lordsburg, New Mexico

Phone, 542 - 9471

OME
DEPARTMENT OF THE INTERIOR
JAN 25 1963
REGION III
DENVER, COLORADO

Docket No. OME-6228 (Copper)
Contract No. 14-23-090-2153

Operator's Narrative Report for Month of December, 1962

Operator's Name: HENRY CLAY MINES INCORPORATED

No progress was made for the month of December, 1962

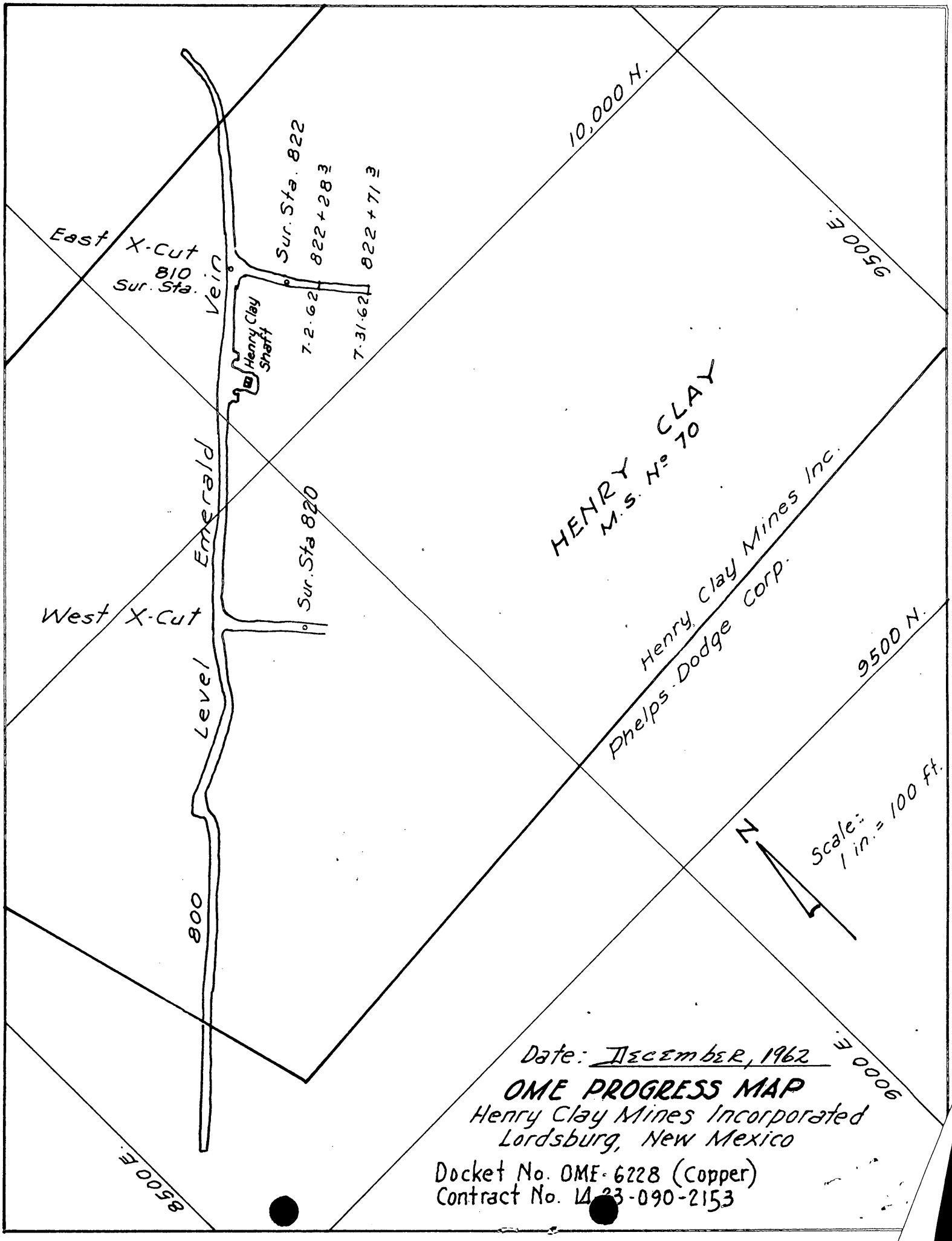
Face of 800 Level East Crosscut remains at Survey Station 822 plus 71.3 feet.

Necessary development work to build up depleted broken ore reserves prevented continuance of 800 Level crosscutting during the period herewith reported.

Work on crosscut advance is scheduled during month of January, 1963.

HENRY CLAY MINES INC.

R. C. C. Henson
President


10,000 N.
9500 E.
East X-Cut
810
Sur. Sta.
Vein
Sur. Sta. 822
822+28 3/4
822+71 3/4
7-2-62
7-31-62
Henry Clay Shaft
Emerald
Sur. Sta 820
West X-Cut
Level
800
HENRY CLAY
M.S. No 70
Henry Clay Mines Inc.
Phelps Dodge Corp.
9500 N.
Scale:
1 in. = 100 ft.
N
9000 E.
8500 E.
Date: December, 1962
OME PROGRESS MAP
Henry Clay Mines Incorporated
Lordsburg, New Mexico
Docket No. OME-6228 (Copper)
Contract No. LA 23-090-2153

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
	Grunwald	500
1/23	Talbot	800
	GCS	130
1/22	Johnson	110
1-22	Jones	100
1/23	Coe	220
		501

JAN 23 1963

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: OME-6228 (Copper-Gold-Silver)
Henry Clay Mines, Inc.
Henry Clay, et al., Claims'
Hidalgo County, New Mexico
Contract 2153

Enclosed for your files are Field Office copy and an extra copy of executed Amendment No. 1 on the subject contract.

George C. Selfridge (gla)

Enclosure

cc: Director's Reading File
Review Committee
Docket

43683

OFFICES:
AY STREET
1, ONTARIO
E EM. 3-5911

MINE OFFICE:
OFFICE BOX 61
PYRAMID ST.
. NEW MEXICO
PHONE 542-9471

HENRY CLAY MINES INCORPORATED

OFFICIAL FILE COPY
O. M. E
RECEIVED JAN 11 1963

DATE	INITIALS	CODE
	Received	Fdo

January 9th, 1963.

Mr.Frank E.Johnson,
Acting Director,
Office of Mineral Exploration,
United States Department of the Interior,
Washington 25, D.C.

Re: OME/6228 (Copper-Gold-Silver)
Henry Clay Mines, Inc.
Henry Clay, et al., Claims
Hidalgo County, New Mexico.
Contract 2153.

Dear Mr.Johnson:

Thank you very much for your letter of December 21st, 1962. I am attaching the copies of the extension duly signed. Although our efforts which are directed to getting our shipments to the smelter up to 5000 tons a month- which we expect to reach this month- may require us to ask you for a further extension of two to three months.

Developments at the mine have been most encouraging and this contract with you when completed will be of great assistance to us.

Yours sincerely,

HENRY CLAY MINES INC.

R.C.C.Henson
President

RCCH/h.

Building 20 - Federal Center
Denver 25, Colorado

December 26, 1962

Memorandum

To: Fiscal Section, Division of Administrative Services
Office of the Secretary, Department of the Interior
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: OME-6228 (Copper-Gold-Silver)
Contract No. 2153
Henry Clay Mines, Inc.
(Henry Clay Mine)
Hidalgo County, New Mexico
Operator's Monthly Progress Report for November 1962

Enclosed are the original and two copies of MME Form 60, MME Form 61, and Operator's narrative report for November 1962 reporting no progress.

Original signed by TMR
for
Hugh M. Connors

Attachments
TMR

3-60 & 61

OFFICIAL FILE COPY
O. M. E.
RECEIVED JAN 8 1963

DATE		
1-8		400
1-8		100
		500

OME 6243 - given to Mr Selfridge

HENRY CLAY MINES INCORPORATED

Henry Clay Mine

xecutive Offices:
[redacted]
Toronto, Ontario
te 300-185 Bay St.

Post Office Box 61
308 South Pyramid St.
Lordsburg, New Mexico

Phone, 542 - 9471

OME
DEPARTMENT OF THE INTERIOR
DEC 1 2 1962
REGION III
DENVER, COLORADO

Docket No. OME-6228 (Copper)
Contract No. 14-23-090-2153

Operator's Narrative Report for Month of November, 1962

Operator's Name: HENRY CLAY MINES INCORPORATED

No progress was made for the month of November, 1962.

Face of 800 Level East Crosscut remains at Survey Station 822 plus 71.3 feet.

Necessary development work to build up depleted broken ore reserves prevented continuance of 800 Level crosscutting during the period herewith reported.

HENRY CLAY MINES INC.

R.C.C. Henson
President

OME
DEPARTMENT OF THE INTE
DEC 14 1962
REGION III
DENVER, COLO.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. OME-6228 (Cu)
Contract No. 2153
14-23-090-30570.00
Contract Amount $ 50 15285.00
Gov't. Participation $
Mineral(s) Copper, Gold, Silver

TOR'S MONTHLY VOUCHER

For Month of November, 1962

r's Name HENRY CLAY MINES INCORPORATED
Address P. O. BOX 61, LORDSBURG, NEW MEXICO

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and Independent Contracts:						
Bulldozing						
Drifting	0	$1548.00	$1548.00			
Crosscutting						
Drilling						
(2) Personal Services:						
Supervision & Technical	0	100.00	100.00			
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	0	$1648.00	$1648.00			

I certify that the above bill is correct and just and that payment therefor has not been received.

Date _____ *Payee HENRY CLAY MINES INC.

Per [signature] Title President

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ -0-

Signature BHB
(Authorized Certifying Officer)

Date 1/2/63 Vou. No. _____

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an explorat project in accordance with the terms of Contract No. _____

Signature _____ Title _____ Date _____

Approved by OME Executive Officer or Alternate:

Signature _____ Title _____ Date _____

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

INT.DUP.,D.C.59- 61579

OME
EPARTMENT OF THE INTERIOR
M 61
59
DEC 14 1962
REGION III
DENVER, COLORADO

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

RATOR'S PROGRESS REPORT

For Month of November, 1962 Docket No. 0[illegible]-6226 (Cu)

rator's Name HENRY CLAY MINES INCORPORATED Contract No. 14-23-090-2153

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting							
Crosscutting	Ft.	0	43	$1548.00			
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Technical Service	No.	0	1/3	100.00			
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE *(per MME Form 60)*				$1648.00			

REMARKS

(Continue on back)

REMARKS

(Continue on back)

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

Date _____ Operator Henry Clay Mines Inc.

Per [signature] Title President

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature _____

Title _____
Government Representative

Date _____

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

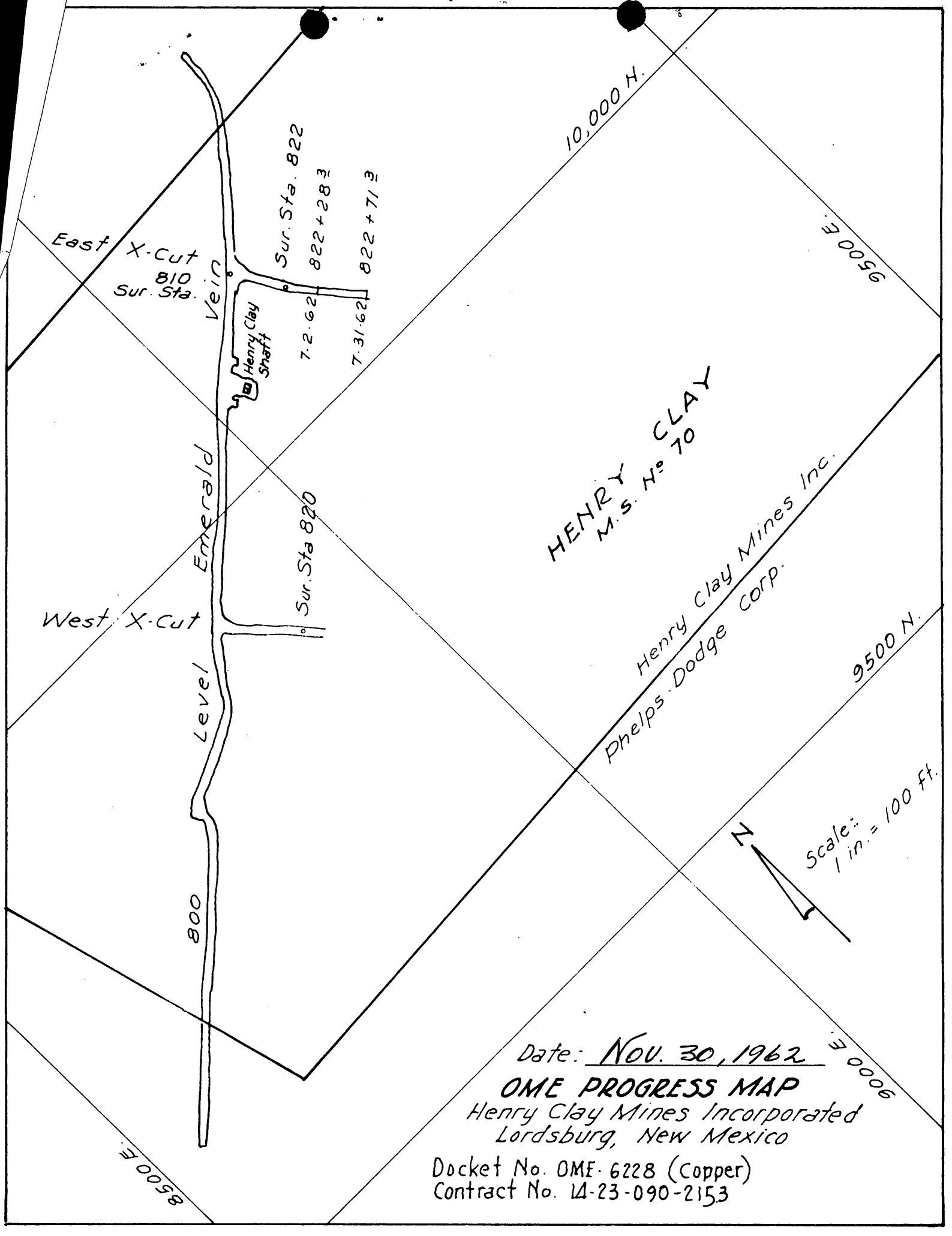
REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.


10,000 N.
9500 E.
East X-Cut
810
Sur. Sta.
Vein
Sur. Sta. 822
822+28 3
822+71 3
7-2-62
7-31-62
Henry Clay Shaft
Emerald
Sur. Sta 820
West X-Cut
Level
800
HENRY CLAY
M.S. No 70
Henry Clay Mines Inc.
Phelps Dodge Corp.
9500 N.
N
Scale: 1 in. = 100 ft.
9000 E.
8500 E.
Date: Nov. 30, 1962
OME PROGRESS MAP
Henry Clay Mines Incorporated
Lordsburg, New Mexico
Docket No. OME-6228 (Copper)
Contract No. 14-23-090-2153

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
12/20	Gruenel	500
12/21	Talbut	800
	Selfridge	130
		110
		100
12/26		220
		500

DEC 21 1962

Mr. R. C. C. Henson
President
Henry Clay Mines Incorporated
Suite 300, 185 Bay Street
Toronto 1, Ontario, Canada

Re: OME-6228 (Copper-Gold-Silver)
Henry Clay Mines, Inc.
Henry Clay, et al., Claims
Hidalgo County, New Mexico
Contract 2153

Dear Mr. Henson:

Referring to your letter of October 22, 1962, and our reply of November 5, enclosed are the original and four copies of proposed Amendment No. 1 to the subject contract, signed by the undersigned for the Government.

If this proposed amendment meets with your approval, please sign all copies, retain the one marked for the Operator, and return the remaining copies to this office. If it does not meet with your approval, please return all copies to us with your comments.

Sincerely yours,

(Signed) FRANK E. JOHNSON

ACTING Director

Enclosures

GLAult/a
12-20-62
cc to: Director's Reading File
Review Committee
Docket

Region III (2) w/cy "Extra Copy for Field Office"

43683

5.60463

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E
RECEIVED NOV 28 1962

DATE	INITIALS	CODE
11/28	[illegible]	110
	Branner	500
11-28	[illegible]	
11/27	S/ Tolbert	800

November 21, 1962

Memorandum

To: Fiscal Section, Division of Administrative Services
Office of the Secretary, Department of the Interior
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: OME-6228 (Copper-Gold-Silver)
Contract No. 2153
Henry Clay Mines, Inc.
(Henry Clay Mine)
Hidalgo County, New Mexico
Operator's Monthly Progress Report for October 1962

Enclosed are the original and two copies of MME Form 60, MME Form 61, and Operator's narrative report for October 1962 reporting no progress.

Original signed by

Hugh M. Connors

Attachments
TMR

HENRY CLAY MINES INCORPORATED

Henry Clay Mine

Executive Offices:
~~Suite 300-200 Bay St.~~
Toronto, Ontario
Suite 300-185 Bay St.

Post Office Box 61
308 South Pyramid St.
Lordsburg, New Mexico

Phone, 542 - 9471

TMR
OME
DEPARTMENT OF THE INTERIOR
NOV 21 1962
REGION III
DENVER, COLORADO

Docket No. OME-6228 (Copper)
Contract No. 14-23-090-2153

Operator's Narrative Report for Month of October, 1962

Operator's Name: HENRY CLAY MINES INCORPORATED

No progress was made for the month of October, 1962

Face of 800 Level East Crosscut remains at Survey Station 822 plus 71.3 feet.

Necessary Headframe & Shaft Repairs prevented use of shaft for all underground work for the period herewith reported.

HENRY CLAY MINES INC.

R.C.C. Henson
President

OME

FORM 61
T. 1959

DEPARTMENT OF THE INTERIOR

NOV 21 1962

REGION III
DENVER, COLORADO

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT

For Month of October, 1962 Docket No. OME-6228 (Cu)

Operator's Name HENRY CLAY MINES INCORPORATED Contract No. 14-23-090-2153

OPERATION	UNITS	FOR OPERATOR'S USE			FOR GOVERNMENT USE		
		UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting							
Crosscutting	Ft.	0	43	$1548.00			
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Technical Service	Mo.	0	1/3	100.00			
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE *(per MME Form 60)*				$1648.00			

REMARKS

(Continue on back)

REMARKS

(Continue on back)

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

Date _____ Operator Henry Clay Mines Inc.

Per [signature] Title President

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature _____

Title _____
Government Representative

Date _____

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

FORM 60
T. 1959

OME
DEPARTMENT OF THE INTERIOR

NOV 21 1962
REGION III
DENVER, COLORADO

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S MONTHLY VOUCHER

For Month of October, 1962

Docket No. OME-6228 (Cu)
Contract No.
14-23-090-2153
Contract Amount $ 30570.00
Gov't. Participation % 50 $ 15285.00
Mineral(s) Copper, Gold, Silver

Operator's Name HENRY CLAY MINES INCORPORATED
Address P. O. BOX 61, LORDSBURG, NEW MEXICO

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing						
Drifting						
Crosscutting	0	$1548.00	$1548.00			
Drilling						
(2) Personal Services:						
Supervision & Technical	0	100.00	100.00			
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	0	$1648.00	$1648.00		1,648.00	1,648.00

I certify that the above bill is correct and just and that payment therefor has not been received.

Date _____ *Payee HENRY CLAY MINES INC.

Per [signature] Title President

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ -0-

Signature [signature]
(Authorized Certifying Officer)

Date 11/25/62 Vou. No. None

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. _____

Signature _____ Title _____ Date _____

Approved by OME Executive Officer or Alternate:

Signature _____ Title _____ Date _____

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

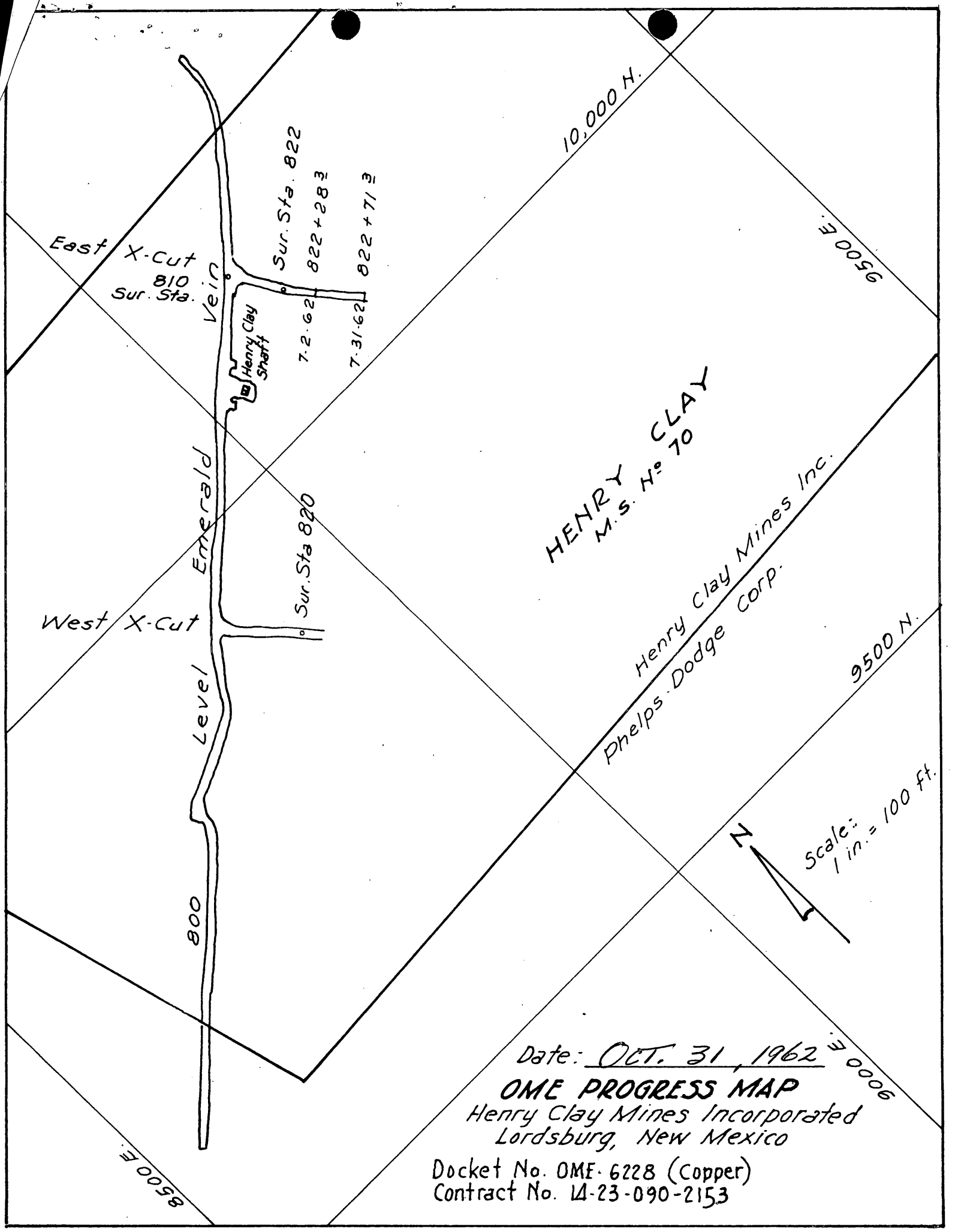
Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

INT.DUP.,D.C.59- 61579



Date: OCT. 31, 1962

OME PROGRESS MAP

Henry Clay Mines Incorporated
Lordsburg, New Mexico

Docket No. OME-6228 (Copper)
Contract No. 14-23-090-2153

DRAFT
11/15/62
WRGriswold/mm

EXPLORATION CONTRACT
HENRY CLAY MINES, INC.
OME-6228

AMENDMENT NO. 1

It is agreed this _____ day of _____, 1962, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter referred to as the "Government," and Henry Clay Mines, Inc., hereinafter referred to as the "Operator," that Contract 2153 (OME-6228), dated June 26, 1962, is amended, effective June 26, 1962, as follows:

1. Under Article I of the contract the completion date for the work is extended from eight months to twelve months from the date of the contract.

[redacted]

This amendment shall not be construed to increase the [illegible]d unit cost of any item of work, the estimated total cost of t[illegible]roject, or the aggregate total amount which the Government may be [illegible]uired to contribute.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Director, Office of Minerals Exploration

HENRY CLAY MINES, INC.

By _____

Title _____

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
	Griswold	500
11/20	Tallent	800
	Selbiedge	120
11/20	Johnson	110
11/20	Fumich	100
		220
		500

NOV 2 0 1962

Mr. R. C. C. Henson
President
Henry Clay Mines Incorporated
Suite 300, 185 Bay Street
Toronto 1, Ontario, Canada

Re: OME-6228 (Copper-Gold-Silver)
Henry Clay Mines, Inc.
Henry Clay Mt al., Claims
Hidalgo County, New Mexico
Contract 2153

Dear Mr. Henson:

We have your letter of November 5 addressed to Mr. Connors concerning a proposed restriction of royalty payments.

We regret that we cannot comply with this request as such an amendment can be made only to correct a mutual mistake. However, the situation is not as bad as you imagine; it would never happen that you were paying more royalty than the Government's exploration contribution. In the first place, no royalty at all would be due until the Government had actually paid out monies, and royalties could never be collected in excess of the current totals of such payments.

Sincerely yours,

George Fumich, Jr.

Director

cc: Director's reading File
CA&A Division
Region III (2)
Docket
WRGriswold/mm
11-19-62

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado

CENTRAL FILE COPY
NOV 28 1962

DATE		
11/13		800
		120
	Grunwald	500
	6228	

November 8, 1962

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: OME-6228 (Copper-Gold-Silver)
Contract 2153
Henry Clay Mines Inc.
(Henry Clay Mine)
Hidalgo County, New Mexico

Attached are the original and one copy of Mr. Henson's letter dated November 5, 1962 and a copy of my reply.

T M Romolo
for Hugh M. Connors

Attachments

Building 20 - Federal Center
Denver 25, Colorado

November 8, 1962

Mr. R. C. Benson
Suite 309 -- 200 Bay St.
Toronto, Ontario, Canada

Re: GMR-6228 (Copper-Gold-Silver)
Contract 2153
Henry Clay Mines Inc.
(Henry Clay Mine)
Hidalgo County, New Mexico

Dear Mr. Benson:

This is to acknowledge receipt of your letter dated November 5, 1962 concerning the extent of property subordinated by the subject contract, and to inform you that the letter has been forwarded to our Washington office for reply.

I can assure you that your proposal will be carefully considered.

Yours very truly,

Original signed by TMR

for

Hugh M. Connors
Acting Field Officer, OME
Region III

cc: R. H. S. Stronach, Manager
Henry Clay Mines Incorporated
Post Office Box 61
308 South Pyramid St.
Lordsburg, New Mexico

Chief, Division of Field Operations, OME
Contract Corres. 2153
Chron

TMR/lm

EXECUTIVE OFFICES:
SUITE 300, 185 BAY STREET
TORONTO 1, ONTARIO
PHONE EM. 3-5911

MINE OFFICE:
POST OFFICE BOX 61
308 SOUTH PYRAMID ST.
LORDSBURG, NEW MEXICO
PHONE 542-9471

HENRY CLAY MINES INCORPORATED

November 5th, 1962.

OME
DEPARTMENT OF THE INTERIOR
NOV 8 1962
REGION III
DENVER, COLORADO

Mr.Hugh M.Connors,
Acting Field Officer, OME,
Region III
Building 20-Federal Center,
Denver 25, Colorado.

Re: OME-6228 (Gold-Silver-Copper)
Contract 2153
Henry Clay Mines Inc.
(Henry Clay Mine)
Hidalgo County, New Mexico.

Dear Mr.Connors:

Thank you very much for sending me a copy of your letter of October 23rd to R.S.S.Stronach, manager of our mine at Lordsburg, New Mexico. We have re-read our contract and find that your interpretation is correct and that whereas we have been under the impression that the royalty payments would be on ore found by diamond drilling and subsequently exploited, that the contract payments call for a royalty on all ore shipped from the mine. As we are hoping to get production up to 5000 tons a month, the OME loan in consequence, because of the necessary delay in payments, would be of no help to us as the amount due you would be greater than our monthly billings to you. We can consequently understand why you would say you have never run into a situation like this in 10 years with DMEA. Our mutual work and effort would be of no avail.

Could we not restrict the OME payments to ore mined below the 800 level and preferably to ore in the designated area? Our belief is that we should make every effort to go to depth where we believe the profit potential of the mine exists. Our recent efforts on the 800 level and above have been aimed primarily at making enough money to sink to the 950 level. Any payments that have to be made on ore above the 800 level obviously jeopardizes our primary objective-sinking.

Your careful consideration of this proposal would be greatly appreciated by this Company.

Yours sincerely,

HENRY CLAY MINES INC.

R.C.C.Henson
President

RCCH/h

DRAFT
11/7/62
WRGriswold/mm

EXPLORATION CONTRACT
HENRY CLAY MINES, INC.
OME-6228

AMENDMENT NO. 1

It is agreed this _____ day of _____, 1962, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter referred to as the "Government," and Henry Clay Mines, Inc., hereinafter referred to as the "Operator," that Contract 2153 (OME-6228), dated June 26, 1962, is amended, effective June 26, 1962, as follows:

1. Under Article I of the contract the completion date for the work is extended from eight months from the date of the contract to twelve months ~~from the contract~~ date.

This amendment shall not be construed to increase the fixed unit cost of any item of work, the estimated total cost of the project, or the aggregate total amount which the Government may be required to contribute.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Director, Office of Minerals Exploration

HENRY CLAY MINES, INC.

By _____

Title _____

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
	Griswold	500
11/5	Talbot	800
11/5	Fellrodge	120
11	Johnson	110
	Tomsk	160
11/5	Carr	220
		500

NOV 5 1962

Mr. R. C. C. Henson
President
Henry Clay Mines Incorporated
Suite 300, 185 Bay Street
Toronto 1, Ontario, Canada

Re: OME-6228 (Copper-Gold-Silver)
Henry Clay Mines, Inc.
Henry Clay, et al., Claims
Hidalgo County, New Mexico
Contract 2153

Dear Mr. Henson:

With reference to your October 22 letter covering an extension of the completion period of the referenced contract, we shall prepare the necessary amendment. It will be forwarded to you for signature in due time.

?

Sincerely yours,

George Fumich, Jr.

Director

WRGRISWOLD/mm
11-5-62
cc: Director's reading file
Region III (2) w/2 copies Mr. Henson's
Docket letter 10/22/62.

43683

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E
NOV 5 1962

November 2, 1962

11/5 800
500

R. S. Stromsch, Manager
Henry Clay Mines Incorporated
Post Office Box 61
308 South Pyramid St.
Lordsburg, New Mexico

	6228	

Re: OME-6228 (Copper-Gold-Silver)
Contract 2153
Henry Clay Mines Inc.
(Henry Clay Mine)
Hidalgo County, New Mexico

Dear Mr. Stromsch:

This is in further response to your letter dated October 19, 1962 regarding the royalty problem concerned with the subject contract.

Our Washington office has ruled that ore broken prior to June 26, 1962, is not subject to royalty because, in effect, it would be considered as a pre-existing stockpile or dump.

Regarding an extension of the termination date of the subject contract, which you discussed with Mr. Romslo, I suggest that it be requested at an early date through this office. The request for extension, must give the estimated additional time needed to complete the project, and explain why the additional time is needed.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

cc R. C. Hanson
Suite 309 -- 200 Bay St.
Toronto, Ontario, Canada
Chief, Division of Field Operations, OME

TMR

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
	Griswold	500
10/30	Fabbri	800
	[illegible]	730
10/30	Johnson	110
10-30	Finch	100
10/30	coc	220
		500

OCT 30 1962

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: OME-6228 (Copper-Gold-Silver)
Henry Clay Mines, Inc.
Henry Clay, et al., Claims
Hidalgo County, New Mexico
Contract 2153

With reference to your October 23 memorandum, with attachments, covering the referenced contract, ore broken prior to June 26, 1962, is not subject to royalty. In effect, it would be considered as a pre-existing stockpile or dump.

George C. Selfridge (gfa)

cc: Director's reading
Review Committee
✓Docket
WRGriswold/mm
10-30-62

43683

Building 20 - Federal Center
Denver 25, Colorado

ORIGINAL FILE COPY
O. M. E.
RECEIVED OCT 29 1962

DATE	INITIALS	CODE
10/29	[illegible]	800
	Gradwell	500
	6328	

October 26, 1962

Memorandum

To: Fiscal Section, Division of Administrative Services
Office of the Secretary, Department of the Interior
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: OME-6228 (Copper-Gold-Silver)
Contract No. 2153
Henry Clay Mines, Inc.
(Henry Clay Mine)
Hidalgo County, New Mexico
Operator's Monthly Progress Report for September 1962

Enclosed are the original and two copies of MME Form 60, MME Form 61, and Operator's narrative report for September 1962 reporting no progress.

Original signed by TMR

for
Hugh M. Connors

Attachments
TMR/ lm
cc Chief, Division of Field Operations, OME
Vouchers - Contract 2153
Chron

MME FORM 60
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. [illegible]-[illegible](Copper)
Contract No. 14-23-090-[illegible]
Contract Amount $ [illegible]
Gov't. Participation % 50 $ [illegible]
Mineral(s) Copper, Gold, Silver

OPERATOR'S MONTHLY VOUCHER

For Month of September, 1962

Operator's Name [illegible]
Address P. O. Box [illegible], [illegible], New Mexico

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing						
Drifting						
Crosscutting	0	[illegible]	[illegible]			
Drilling						
(2) Personal Services:						
Supervision & Technical	0	100.00	100.00			
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	0	[illegible]	[illegible]			

I certify that the above bill is correct and just and that payment therefor has not been received.

Date OCT 22 1962 *Payee [illegible]

Per [illegible] Title [illegible]

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ _____

Signature _____
(Authorized Certifying Officer)

Date _____ Vou. No. _____

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. _____

Signature _____ Title _____ Date _____

Approved by OME Executive Officer or Alternate:

Signature _____ Title _____ Date _____

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

INT.DUP.,D.C.59- 61579

MME FORM 61
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of September, 1962 Docket No. OME-6228(Cu)

Operator's Name HENRY CLAY MINES INCORPORATED Contract No. 14-23-090-3159

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting							
Crosscutting	Ft.	0	43	$350.00			
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Technical Service	Ho.	0	1/3	100.00			
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE *(per MME Form 60)*				$450.00			

REMARKS

(Continue on back)

REMARKS

(Continue on back)

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

Date OCT 22 1962 Operator Henry Clay Mines Inc.

Per [signature] Title President

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature

Title
Government Representative

Date

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

HENRY CLAY MINES INCORPORATED

Henry Clay Mine

Executive Offices:
Suite 309 --- 200 Bay St.
Toronto, Ontario

Post Office Box 61
308 South Pyramid St.
Lordsburg, New Mexico

Phone, 542 - 9471

OME
DEPARTMENT OF THE INTERIOR
OCT 24 1962
REGION III
DENVER, COLORADO

OCT 22 1962

Docket No. [illegible]-0223 (Copper)
Contract No. [illegible]-[illegible]-[illegible]-2193

Operator's Narrative Report for Month of September, 1962

Operator's Name: HENRY CLAY MINES INCORPORATED

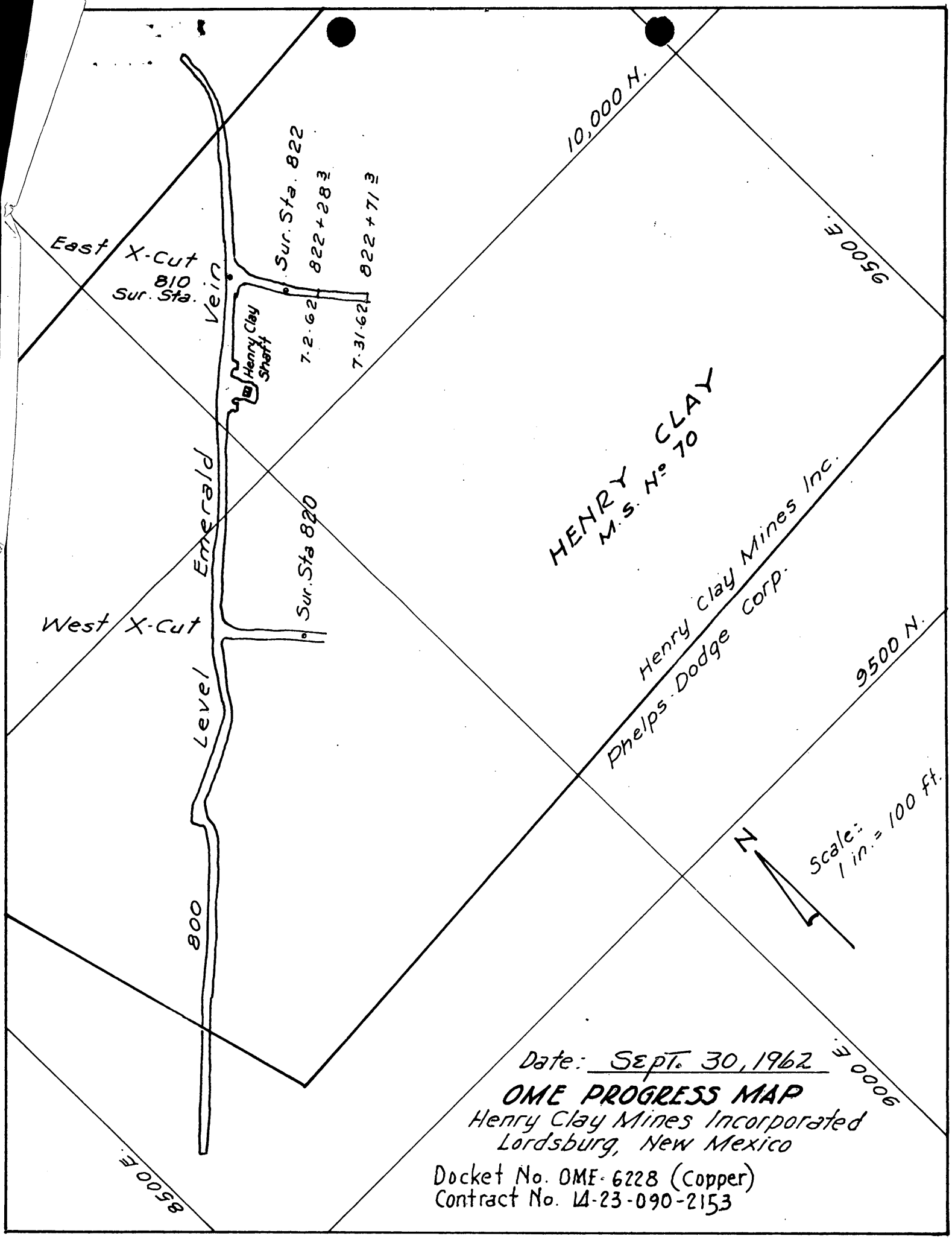
No progress was made for the month of September, 1962

Face of 500 Level East Crosscut remains at Survey Station 922 plus 72.3 feet.

Necessary Headframe & Shaft Repairs prevented use of shaft for all underground work for the period hereunto reported.

HENRY CLAY MINES Inc.

R.C.C. Hansen
President



Date: Sept. 30, 1962

OME PROGRESS MAP

Henry Clay Mines Incorporated
Lordsburg, New Mexico

Docket No. OME-6228 (Copper)
Contract No. 14-23-090-2153

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 29 1962

DATE	INITIALS	CODE
10/29	[illegible]	800
	[illegible]	500
	6228	

Building 20 - Federal Center
Denver 25, Colorado

October 26, 1962

Memorandum

To: Fiscal Section, Division of Administrative Services
Office of the Secretary, Department of the Interior
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: OME-6228 (Copper-Gold-Silver)
Contract No. 2153
Henry Clay Mines, Inc.
(Henry Clay Mine)
Hidalgo County, New Mexico
Operator's Monthly Progress Report for August 1962

Enclosed are the original and two copies of MME Form 60, MME Form 61, and Operator's narrative report for August 1962 reporting no progress.

Original signed by

T. M. Romalo

Attachments
TMR/lm
cc Chief, Division of Field Operations, OME
Vouchers - Contract 2153
Chron

MME FORM 60
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. [illegible]-6220(Copper)
Contract No. 14-23-090-2153

OPERATOR'S MONTHLY VOUCHER

For Month of August, 1962

Contract Amount $ 30570.00
Gov't. Participation % 50 $ 15285.00
Mineral(s) Copper, Gold, Silver

Operator's Name [illegible]
Address P. O. Box 61, Lordsburg, New Mexico

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing						
Drifting						
Crosscutting	0	2543.00	2543.00			
Drilling						
(2) Personal Services:						
Supervision & Technical	0	100.00	100.00			
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	0	2643.00	2643.00			

I certify that the above bill is correct and just and that payment therefor has not been received.

Date OCT 22 1962 *Payee [illegible]

Per [illegible] Title President

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ _____

Signature _____
(Authorized Certifying Officer)

Date _____ Vou. No. _____

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. _____

Signature _____ Title _____ Date _____

Approved by OME Executive Officer or Alternate:

Signature _____ Title _____ Date _____

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

INT.DUP.,D.C.59- 61579

MME FORM 61
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of August, 1962 Docket No. OR-6228(Cu)

Operator's Name HENRY CLAY MINES INCORPORATED Contract No. 14-23-090-2159

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting							
Crosscutting	Ft.	0	43	$1540.00			
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Technical Service	No.	0	1/3	100.00			
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE *(per MME Form 60)*				$1640.00			

REMARKS

(Continue on back)

REMARKS

(Continue on back)

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

OCT 22 1962

Date _____ Operator Henry Clay Mines Inc.

Per [signature] Title President

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature _____

Title _____
Government Representative

Date _____

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

HENRY CLAY MINES INCORPORATED

Henry Clay Mine

Executive Offices:
Suite 309 --- 200 Bay St.
Toronto, Ontario

Post Office Box 61
308 South Pyramid St.
Lordsburg, New Mexico

Phone, 542 - 9471

OME
ENT OF THE INTERIOR
OCT 24 1962
EGION III
DENVER, COLORADO

OCT 22 1962

Docket No. [illegible]-6228 (Copper)
Contract No. 14-23-090-2153

Operator's Narrative Report for Month of August, 1962

Operator's Name: HENRY CLAY MINES INCORPORATED

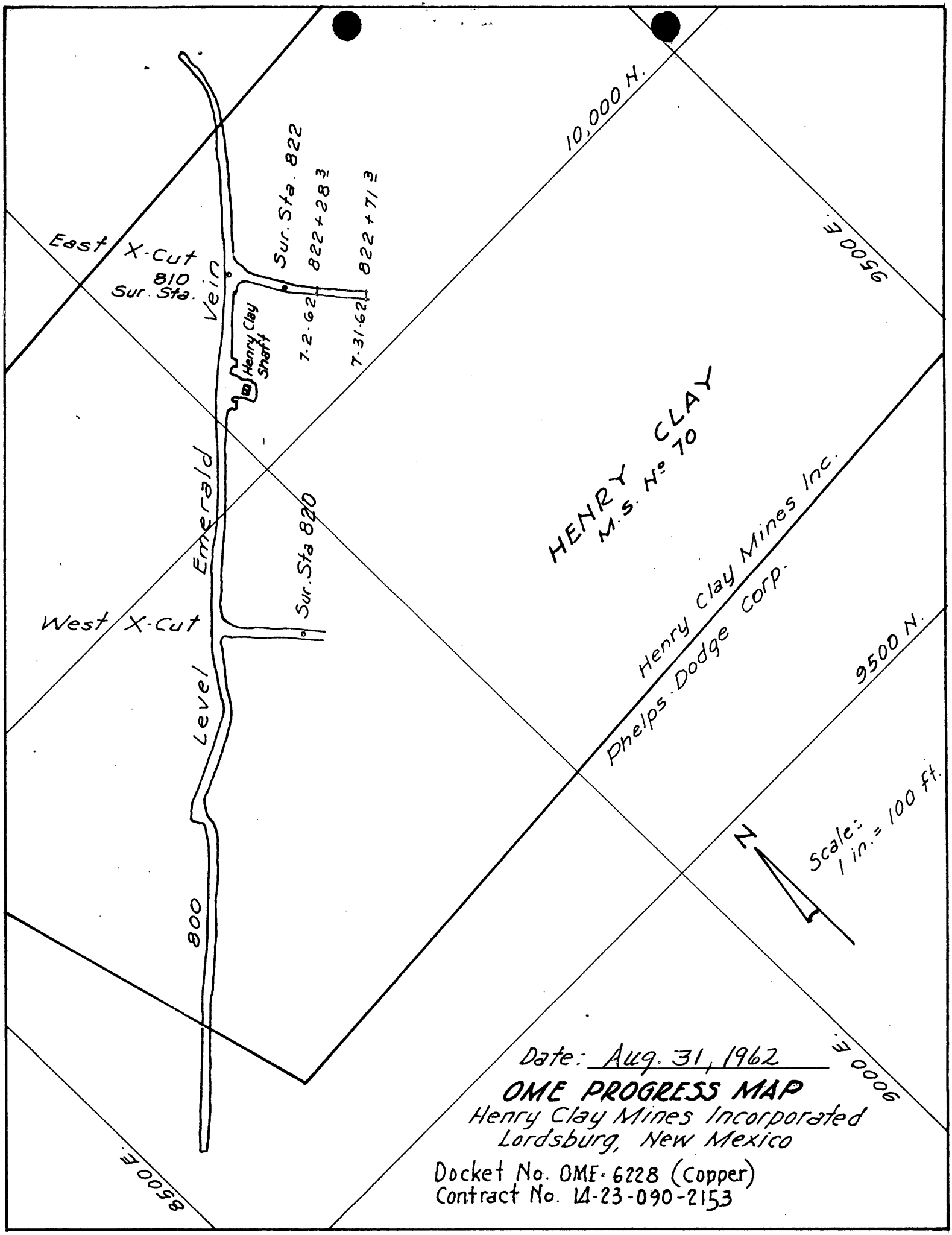
No progress was made for the month of August, 1962.

Face of 600 Level East Crosscut remains at Survey Station 622 plus 71.3 feet.

Hoisting of ore three shifts per day from the 600 Level prevented continuance of crosscutting for the period hereunto reported.

HENRY CLAY MINES INC.

R.C.C. Henson
President


10,000 N.
9500 E.
East X-Cut
810
Sur. Sta.
Sur. Sta. 822
822+28
822+71
Emerald Vein
Henry Clay Shaft
7-2-62
7-31-62
HENRY CLAY
M.S. No 70
Sur. Sta 820
West X-Cut
Level
800
Henry Clay Mines Inc.
Phelps-Dodge Corp.
9500 N.
Scale: 1 in. = 100 ft.
N
9000 E.
8500 E.
Date: Aug. 31, 1962
OME PROGRESS MAP
Henry Clay Mines Incorporated
Lordsburg, New Mexico
Docket No. OME-6228 (Copper)
Contract No. 14-23-090-2153

Building 20 - Federal Center
Denver 25, Colorado

COPY
O. M. E.
RECEIVED OCT 29 1962

DATE	INITIALS	CODE
10/29	[illegible]	8.00
	[illegible]	5.00
	6228	

October 26, 1962

AIRMAIL

Memorandum

To: Fiscal Section, Division of Administrative Services
Office of the Secretary, Department of the Interior
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: OME-6225 (Copper-Gold-Silver)
Contract No. 2153
Henry Clay Mines, Inc.
(Henry Clay Mine)
Hidalgo County, New Mexico
Operator's Monthly Progress Report for July 1962

Enclosed are the original and two copies of MMS Form 60, MMS Form 61, Operator's narrative report, engineer's inspection report, and map covering the work performed during the month of July 1962.

We consider that the Operator has complied with the intent of the contract and the work for which payment is recommended is acceptable to the Government.

The work performed during July was on a fixed unit cost basis under the short form contract, therefore, documentation of the costs involved is not required.

Subject to your verification of the arithmetical accuracy of the report, it is recommended that the Operator be reimbursed $224.00 which is 50 percent of the amount shown on MMS Form 60.

Original signed by

T. M. Romalo

Attachments
TMR/lm
cc Chief, Division of Field Operations, OME
Vouchers - Contract 2153
Chron

Building 20 - Federal Center
Denver 25, Colorado

October 25, 1962

Memorandum

To: Hugh M. Connors, Acting Field Officer, OME, Region III

From: T. M. Romslo, Mining Engineer

Subject: Docket OME-6228 (Copper-Gold-Silver)
Contract No. 2153
Henry Clay Mines, Inc.
(Henry Clay Mine)
Hidalgo County, New Mexico
Progress Report for July 1962

The subject project was inspected by me in the company of Jack Quay, engineer in charge, October 5, 1962. Progress for the reporting period in work authorized by the contract was found to consist of the 43 feet of crosscutting recorded in the attached Operator's Report.

Mr. Quay reported that hoisting of ore three shifts daily resulted in the recession of OME work from July 12 through August. Also, that subsequent operations have been confined to necessary repairs to the headframe and shaft. He believes the repairs can be completed and the OME work and mining operations can be renewed late in October.

Mr. Quay, also reported that the corporation had accepted his resignation, effective August 31, 1962, and that a Mr. Robert Stronach, a Canadian mining engineer, had been appointed manager of the Henry Clay mine. I later met Mr. Stronach, who had recently arrived in Lordsburg, and discussed with him and Mr. Quay, OME project and royalty procedures.

Regarding project procedures, I told Mr. Stronach that a request for an extension of the termination date of the contract should be submitted with an explanation as to why the extension is necessary.

From the discussion of royalty matters, I learned that an additional BMEA royalty payment is due, and that an OME royalty

payment also may be due. Mr. Stronach said that the additional DMEA royalty payment will be made shortly, and that he would write Mr. Connors for an interpretation of the OME royalty problem.

OPERATOR'S REPORT

MME Form 60

Crosscutting -	The $1,548.00 is for the authorized 43 feet of advance at a fixed cost of $36.00 a foot.
Supervision and Technical Services -	The $100.00 is the allowable technical services for 1/3 of a month at a fixed cost of $300.00 a month.
Totals -	The total cost, $1,648.00, appears to be correct.

The Government's share of the total cost, $1,648.00, at 50 percent is $824.00.

MME Form 61

The form, containing total costs in agreement with those on MME Form 60, has been properly completed.

Narrative Report

The narrative report with map is considered adequate.

Original signed by

T. M. Romslo

MME FORM 60
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. [illegible]-(220)(Copper)
Contract No.
14-23-090-2153
Contract Amount $ 30570.00
Gov't. Participation % 50 $ 15285.00
Mineral(s) Copper, Gold, Silver

OPERATOR'S MONTHLY VOUCHER

For Month of July, 1962

Operator's Name [illegible] GOLD MINES INCORPORATED
Address P. O. Box 01, [illegible], New Mexico

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing						
Drifting						
Crosscutting	150.00	0	150.00			
Drilling						
(2) Personal Services:						
Supervision & Technical	100.00	0	100.00			
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	[illegible]	0	[illegible]	1,648.00		1,648.00

I certify that the above bill is correct and just and that payment therefor has not been received.

Date OCT 22 1962 *Payee [illegible] GOLD MINES INC.

Per [illegible] Title President

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 824.00

Signature [illegible]
(Authorized Certifying Officer)

Date 10/31/62 Vou. No. 2286

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2153

Signature [illegible] Title Mining Engineer Date 10/25/62

Approved by OME Executive Officer or Alternate:

Signature _____ Title _____ Date _____

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of July, 1962 Docket No. OME-6228(Cu)

Operator's Name HENRY CLAY MINES INCORPORATED Contract No. 14-23-090- 2153

OPERATION	UNITS	FOR OPERATOR'S USE			FOR GOVERNMENT USE		
		UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting							
Crosscutting	Ft.	43	43	$1548.00			
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Technical Service	Mo.	1/3*	1/3*	$100.00*			
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE *(per MME Form 60)*				$1648.00			

REMARKS

* Prorated for 1/3 Mo.
7/2/62 to 7/12/62

(Continue on back)

REMARKS

* Prorated for 1/3 Mo.
7/2/62 to 7/12/62

(Continue on back)

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

Date OCT 22 1962 Operator Henry Clay Mines Inc.

Per [signature] Title President

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature [signature]

Title Mining Engineer
Government Representative

Date 10-25-62

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

HENRY CLAY MINES INCORPORATED

Henry Clay Mine

Executive Offices:
Suite 309 --- 200 Bay St.
Toronto, Ontario

Post Office Box 61
308 South Pyramid St.
Lordsburg, New Mexico

Phone, 542 - 9471

OME
DEPARTMENT OF THE INTERIOR
OCT 24 1962
REGION III
DENVER, COLORADO

OCT 22 1962

Docket No. [illegible]-6228 (Copper)
Contract No. 14-29-070-2153

Operator's Narrative Report for Month of July, 1962

Operator's Name: HENRY CLAY MINES INCORPORATED

The advance on the 600 Level East Crosscut was 43.0 feet for the month of July, 1962.

Advance started: July 2, 1962, at Survey Station 622 plus 28.3 feet.

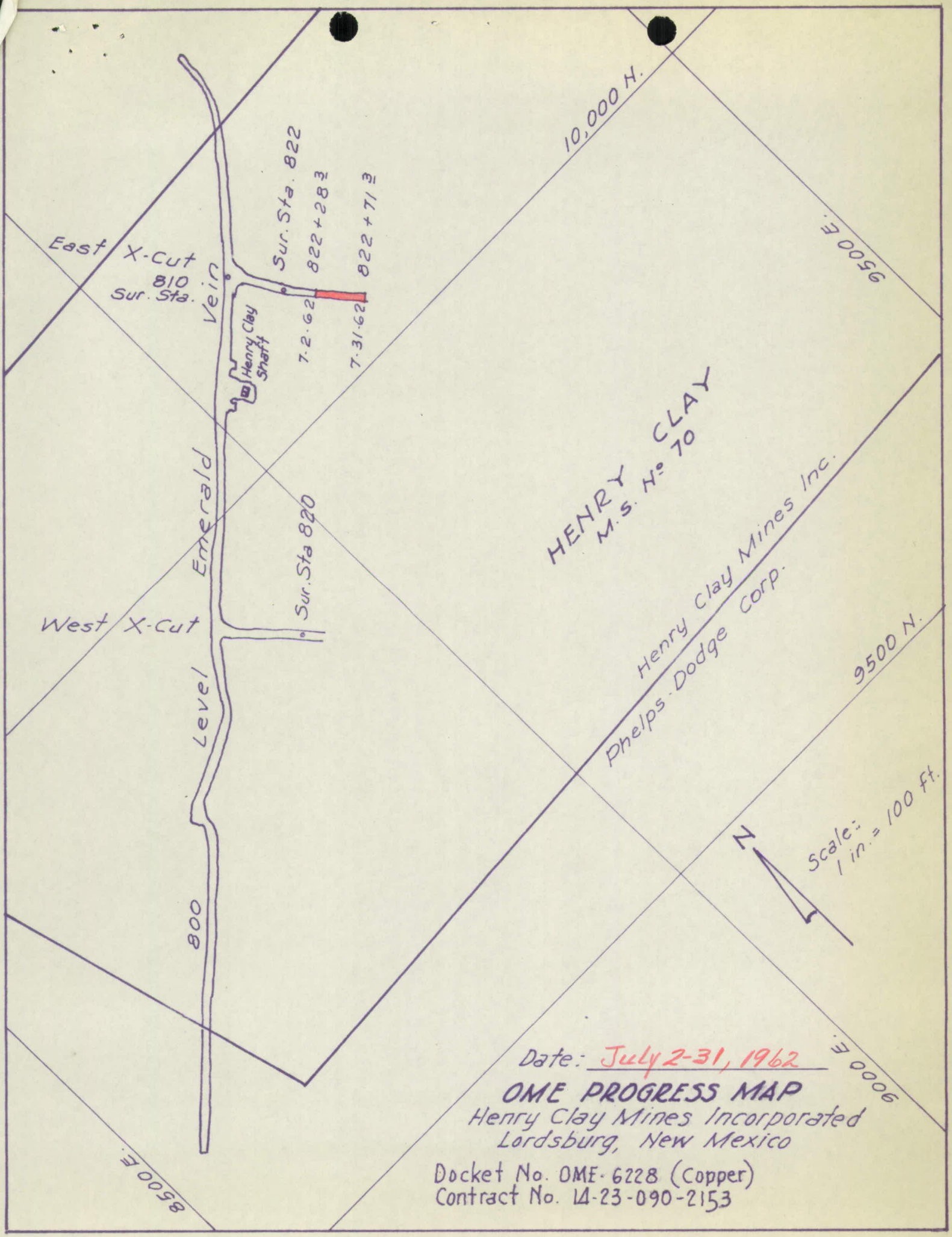
Advance stopped: July 12, 1962, at Survey Station 622 plus 71.3 feet.

On July 31, 1962: Advance remained at Survey Station 622 plus 71.3 feet.

Hoisting of ore three shifts per day from the 600 Level necessitated discontinuance of crosscutting advance after July 12, 1962.

HENRY CLAY MINES INC.

R.C.C. Henry
President



Date: July 2-31, 1962

OME PROGRESS MAP

Henry Clay Mines Incorporated
Lordsburg, New Mexico

Docket No. OME-6228 (Copper)
Contract No. 14-23-090-2153

Building 20 - Federal Center
Denver 25, Colorado

October 23, 1962

R. S. Stromach, Manager
Henry Clay Mines Incorporated
Post Office Box 61
308 South Pyramid St.
Lordsburg, New Mexico

Re: OME-6228 (Copper-Gold-Silver)
Contract 2153
Henry Clay Mines Inc.
(Henry Clay Mine)
Hidalgo County, New Mexico

Dear Mr. Stromach:

This responds to your letter of October 19, 1962 regarding royalty.

The No. 5 West Stope on the 800 level of the Henry Clay Mine was not in land subordinated under Contract Idm-2345. Therefore, if the ore had been sold from this stope prior to June 26, 1962, the date of OME Contract No. 2153, no royalty would be due. However, beginning June 26, 1962 this land was subordinated to the Government under OME Contract 2153 so any and all shipments of ore from the subordinated land would be subject to the payment of royalty to the Government.

This is the most unusual case I have seen in my ten years with DMEA and OME so I am asking our Washington Office if my interpretation of the royalty is correct and I will advise you of their decision.

Yours very truly,

Original signed by

High M. Connors
Acting Field Officer, OME
Region III

cc R. C. C. Hanson
Suite 309 -- 200 Bay St.
Toronto, Ontario, Canada
Chief, Division of Field Operations, OME
Royalty Corres 2153
Chron
HMC/lm

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 26 1962

DATE	INITIALS	CODE
10/26	405	800
		~~120~~
	Griswold	500

October 23, 1962

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: OME-6228 (Copper-Gold-Silver)
Contract 2153
Henry Clay Mines Inc.
(Henry Clay Mine)
Hidalgo County, New Mexico

Attached is the copy of a letter dated October 19, 1962 from Mr. R. S. Stronach, Manager of the subject property and a copy of my reply.

Will you please advise me if my interpretation of the royalty involved is correct.

Hugh M. Connors

Hugh M. Connors

Attachments

October 19, 1962

OME
DEPARTMENT OF THE INTERIOR
OCT 22 1962
REGION III
DENVER, COLORADO

Mr. Hugh M. Connors
Acting Field Officer, OME
Region III
Building 20--Federal Building
Denver 25, Colorado

Re: OME 6228 (Copper-Gold-Silver)
Contract 2153
Henry Clay Mines Inc.

Dear Mr. Connors:

I should like to have your ruling on the shipping of ore from subordinated ground under our OME Contract # 6228, dated July 2, 1962, that would be subject to OME royalty.

Since the contract came into force, no ore has been broken in the subordinated ground. There was, however, a very small tonnage of broken ore remaining in the # 5 West Stope on the 800 Level of the Henry Clay Mine.

During the period July 2nd to Aug. 4th, when this stope was drawn dry, 487 tons of ore was shipped to the smelter.

It is my understanding that the OME royalty applies only to ore broken during the period the contract is in force, and therefore, as this ore had been broken previous to the contractual date, and was only drawn to empty the stope, no royalty is due under the contract.

Yours very truly,

R. S. Stronach, Manager
Henry Clay Mines Inc.

cc: R. C. C. Henson

Files 10/19/62 (Grievers) ~~Murphy~~ ~~170~~ ~~120~~

6208 Henry Clay

Mr. Henson (?) of Canada called regarding the copper project in New Mexico. Said that Brennan, his operating man has spot on lung and needs operation. Their lease with lessee has terminated. They have spent 2 mos. repairing shaft and are behind on their project work which is scheduled for termination Feb 6, 63.

Wanted to know whether it was possible to get 90 day extension. Said that they were very hopeful of coming up with a good project based on their present work so far. Sounded very optimistic. I told him to write us a letter setting forth the facts and the reasons for an extension and we would then rule on the matter.

George Tunnich

EXECUTIVE OFFICES:
SUITE 300, 185 BAY STREET
TORONTO 1, ONTARIO
PHONE EM. 3-5911

MINE OFFICE:
POST OFFICE BOX 61
308 SOUTH PYRAMID ST.
LORDSBURG, NEW MEXICO
PHONE 542-9471

HENRY CLAY MINES INCORPORATED

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 24 1962

DATE	INITIALS	COPY
		940
10-24		100
10/25		800
	Griswold	500

October 22nd, 1962

Mr.George Fumich Jr.,
United States Department of the Interior,
Office of Mineral Exploration,
Washington 25, D.C.

Dear Mr.Fumich:

Re: OME-6228 (Copper-Gold-Silver)
Henry Clay Mines Inc.,
Henry Clay, et al., Claims
Hidalgo County, New Mexico
Contract 14-23-090-2153

Confirming my telephone conversation and since writing my letter of August 28th, 1962 repairs to the shaft have taken much longer than we anticipated and we are roughly 2 months behind in our production schedule.

We have taken over the operations at the property and have replaced J.H.Quay, a Junior Engineer, with Mr.R.S.Stronach an engineer with much wider experience. Mr. Stronach took over his duties as Mine Manager on October 1st. The lessors had, naturally before terminating their lease, mined all the main portions of ore above the 800' level and consequently to carry out our contract with OME by February 28th, 1963 would put Mr. Stronach under what we believe to be undue pressure

It would be our wish of course to have the diamond drilling completed as soon as possible.However Mr. Stronach is currently developing ore above the 800' level and restoring production to 5000 tons per month.

Under these circumstances would it be possible for you to extend the completion date of the contract to May 31st, 1963. Your cooperation in this matter would be of grat assistance to us in developing the mine and would be greatly appreciated.

Yours sincerely,

HENRY CLAY MINES INC.

Admit. [illegible]

R.C.C.Henson
President

RCCH/h.

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E.
RECEIVED SEP 24 1962

DATE	INITIALS	
9/24		800
"	Received	500

September 20, 1962

Mr. R. C. C. Henson
President
Henry Clay Mines Incorporated
Suite 300, 185 Bay Street
Toronto 1, Ontario, Canada

Re: OME-6228 (Copper-Gold-Silver)
Henry Clay Mines Inc.
Henry Clay, et al., Claims
Hidalgo County, New Mexico
Contract 2153

Dear Mr. Henson:

This is to acknowledge receipt of the referenced Operator's report for August 1962, and to inform you that Mr. Romalo plans to inspect the reported progress either Friday, October 5, or the following day.

The report lacks a progress map showing the monthly advance and the pertinent survey stations. It also contains a few errors. Mr. Romalo will expect to pick up five copies of the progress map, and have the necessary corrections made and initialled by Mr. Quay or Mr. Turner.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

cc J. H. Quay, Engineer-in-charge
Lordsburg Project
P. O. Box 61
308 South Pyramid Street
Lordsburg, New Mexico

Chief, Division of Field Operations, OME

TMR/

MME I
(10

OFFICIAL FILE COPY

Date	Surname	Code
8/31	Trowell	500
9/4	Selfridge	120
		110
9/4	Ferrell	100
9/4	eyr	220
		500

Mr. R. C. C. Henson
President
Henry Clay Mines Incorporated
Suite 300, 185 Bay Street
Toronto 1, Ontario, Canada

SEP 4 1962

Re: OME-6228 (Copper-Gold-Silver)
Henry Clay Mines Inc.
Henry Clay, et al., Claims
Hidalgo County, New Mexico
Contract 2153

Dear Mr. Henson:

It is indeed a pleasure to have your letter of August 28 and to learn that the general development of the subject property has been encouraging.

It is true that lead, zinc, and copper were dropped from the OME program as directed by the House and Senate conferees' report No. 2049, as of July 27, 1962. However, this does not affect OME contracts previously in force.

Sincerely yours,

Director

GLAult/a
8-31-62
cc to: Director's Reading File
Region III (2) w/cy incoming letter
Docket

43683

OFFICES:
AY STREET
1, ONTARIO
E EM. 3-5911

MINE OFFICE:
OFFICE BOX 61
TH PYRAMID ST.
RG, NEW MEXICO
PHONE 542-9471

HENRY CLAY MINES INCORPORATED

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 30 1962

DATE	INITIALS	CODE
8-30	SF	100
		120
8-31	Greenwald	500

August 28th, 1962.

Mr.George Fumich, Jr.,
Director,
Office of Mineral Exploration,
United States Department of the Interior,
Washington 25, D.C.

Dear Mr. Fumich:

Re: OME-6228 (Copper-Gold-Silver)
Henry Clay Mines Inc.
Henry Clay, et al., Claims
Hidalgo County, New Mexico

Contract 14-23-090-2153

We have been following the papers to see if copper was taken off the list of approved metals as at July 1st, 1962. It would be helpful to us to know if any decision was reached.

We are now co-ordinating diamond drilling plans with production and making repairs to the shaft that will cause some delay. You will be pleased to know that the general development of the property has been encouraging.

Looking forward to seeing you again and with increased confidence that our joint venture will be most fruitful, we are,

Yours very truly,

HENRY CLAY MINES INC.

Ralph Henson

R.C.C.Henson
President

RCCH/h.

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E
RECEIVED SEP 10 1962
DATE
9/10 800
500

August 27, 1962

Henry Clay Mines Incorporated
Mine Office
P. O. Box 61
Lordsburg, New Mexico

Re: OME-6228 (Copper-Gold-Silver)
Contract 2153
Henry Clay Mines Inc.
(Henry Clay, et al., Claims)
Hidalgo County, New Mexico

Gentlemen:

Enclosed is a supply of MME Form 60, "Operator's Monthly Voucher." Also enclosed is a supply of MME Form 61, "Operator's Progress Report." These are the forms you requested in your letter to the OME Washington Office on August 21, 1962.

Please read the instructions on the backs of MME Form 60 and MME Form 61. For your information, and in reply to many questions that have been asked, after completed Forms 60 and 61 are received in this office, an engineer will check progress on the project, after which, the report forms will be processed by this office for reimbursement to you under the provisions of the contract. If the report is in order, a check will be issued by the Treasury Department for the Government's portion of the approved costs.

Your contract was prepared as a Short Form Contract and provides that the work be performed on a "Fixed Unit Cost" basis and reimbursement will be made to you as the units of work are completed and reported at the end of each month.

Your requests to this office for work approval, changes in the contract, or any other communications pertaining to operations under the contract, must be in writing and submitted as an original with two carbon copies. Such requests are not to be incorporated in your Narrative Report accompanying the Monthly Progress Report.

Field representatives of the Government are not authorized to approve any changes in the work program or contract provisions. Such approval can only be given by the Washington Office, OME, or by the Acting Field Officer, Region III.

If you have any difficulty in completing the report forms, please feel free to call on this office for assistance.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

Enclosures

HMC/lm
cc Chief, Division of Field Operations, OME
Contract 2153
Chron

E Form 7
0-58)

OFFICIAL FILE COPY

Date	Surname	Code
8/24		500
	Orlume	800
	" "	130
8/24	Johnson	110
8/24	Farnell	100
		220
		500

AUG 2 4 1962

Memorandum

To: Acting Field Officer, Region III

From: Acting Chief, Division of Field Operations

Subject: OMK-6228 (Copper-Gold-Silver)
Henry Clay Mines Inc.
Henry Clay, et al., Claims
Hidalgo County, New Mexico
Contract 2153

We enclose two copies of a letter of August 21 from the referenced Operator. Please forward the customary forms and instructions.

W. R. Griswold (gla)

Enclosures

WRGriswold/gla
8-24-62
cc to: Director's Reading File
Review Committee
Docket

43683

XECUTIVE OFFICES:
300, 185 BAY STREET
ORONTO 1, ONTARIO
PHONE EM. 3-5911

MINE OFFICE:
POST OFFICE BOX 61
8 SOUTH PYRAMID ST.
OSBURG, NEW MEXICO
PHONE 542-9471

HENRY CLAY MINES INCORPORATED

OFFICIAL FILE COPY
O. M. E
RECEIVED AUG 24 1962
DATE INIT. CODE
8/24 800
Received 500

August 21st, 1962

Mr.George Fumich, Jr.,
Director,
Office of Minerals Exploration,
United States Department of the Interior,
Washington 25, D.C.

Dear Mr.Fumich:

Re: OME-6228 (Copper-Gold-Silver)
Henry Clay Mines Inc.
Henry Clay, et al., Claims
Hidalgo County, New Mexico

Contract 14-23-090-2153

We note that under Article 5 forms will be supplied by the government for reporting under Sections (1) and (2). At the end of July we had completed part of the cross-cutting but did not report as we had not received any of the forms mentioned. We would like to make our first report at the end of August and we would appreciate your supplying us with the forms before that time.

Thanking you, we are,

Yours very truly,

HENRY CLAY MINES INC.

H.M.Hurst

H.M.Hurst
Assistant Secretary-Treasurer.

HMH/hs.

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
7/10	Arnold	500
7/10	Talbot	800
7/10	GL	130
7/11	Johnson	110
7/10	Tomich	100
7/11	cac	220
		500

JUL 11 1962

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: OME-6228 (Copper-Gold-Silver)
Henry Clay Mines Inc.
Henry Clay, et al., Claims
Hidalgo County, New Mexico
Contract 2153

Enclosed is the Field Office's copy of the subject executed contract with two copies of a letter dated June 25, 1962, from the parent company. Also enclosed is an extra copy of the contract for your use.

As it is very likely that funds will not be appropriated for copper exploration in fiscal 1963, no publicity should be given to the recent copper contracts executed.

George C. Selfridge

(GCS)

Enclosures

GLAult/a 7-9-62
Rewritten: FEJohnson/gla 7-10-62
cc to: Director's Reading File
Review Committee
Docket

43683

WERNER LAKE NICKEL MINES LIMITED
SUITE 300, 185 BAY ST.
TORONTO 1, ONTARIO
EM. 3-5911

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 27 1962
DATE | INITIALS | CODE
500

June 25th, 1962.

Mr.Frank E.Johnson,
Acting Director,
Office of Mineral Exploration,
United States Department of the Interior,
Washington 25, D.C.

Dear Sirs:

Re; OME-6228 (Copper)
Henry Clay Mines Inc.
Henry Clay, et al., Claims
Hidalgo County, New Mexico

We acknowledge herewith your letter of June 22nd,1962 regarding the above application for assistance for an exploration campaign.

The total Estimated Cost of the Project amounts to $ 30,570.00 and the Directors of Werner Lake Nickel Mines Limited have directed me to inform you that they are not prepared to advance more than 50% of the total estimated cost of the project, a sum not to exceed $ 15,285.00.

Yours very truly,

WERNER LAKE NICKEL MINES LIMITED.

H.M.Hurst

H.M.Hurst,
Assistant Secretary-Treasurer.

HMH/hs.

Re: OMB-6228

(1) Ctr., 1st par., "as revised" not applicable in this case.

(2) Ctr., 1st par., Exh. B omitted

(3) Ctr., 1st par., Consent to Rev & Sub. Agreement not listed.

(4) Haven't we been requiring "postmark" before July 1?

(5) Ctr., last par., "the company" should be "that company"

Talbert
6/26/67

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
	Brownell	500
6/20	Talbot	300
6/26	Selfridge	120
"		
6/26	Johnson	110
6/26	Fumich	100
6/26	Cal	210
		225

JUN 2 6 1962

AIR MAIL

Henry Clay Mines, Inc. (N.S.L.)
Room 300, 185 Bay Street
Toronto 1, Ontario, Canada

Re: OMK-6228 (Copper-Gold-Silver)
Henry Clay Mines Inc.
Henry Clay, et al., Claims
Hidalgo County, New Mexico

Gentlemen:

Enclosed are the original and four copies of a proposed exploration contract, signed by the Director for the Government. The contract consists of Form MME-51 as revised, Annex I (one page), Exhibit A (three pages), and two maps. If the contract meets with your approval, please sign all copies, retain the "Operator's Copy" for your files and return the rest to us. Please note that the contract must be signed by you prior to July 1, and so mailed.

Under Article 1 of the contract please insert the date when you plan to start the work.

Please note that the 6 percent interest in Article 1 (c) of the contract accrues from the dates on which the individual payments are made by the Government and like the principal is repayable from royalty on production.

If the contract does not meet with your approval, all copies should be returned to us unsigned.

While we are now sending you the contract for signature, nevertheless we could make no payments under it until we had received the necessary letter from the Werner Lake Nickel Mines Ltd., which we outlined in our June 22 letter to the company.

Sincerely yours,

George Fumich, Jr.
Director

Enclosures

WRGriswold/hb (6/26/62)
cc to: Docket
Director's Reading File
Region III (2)
Code 500 (blue copy)
Rev-Com.

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/22	Schwegzer	220
		110
		225

AIR MAIL

JUN 22 1962

Werner Lake Nickel Mines Limited
Room 300, 185 Bay Street
Toronto 1, Ontario, Canada

Re: OME-6228 (Copper)
Henry Clay Mines Inc.
Henry Clay, et al., Claims
Hidalgo County, New Mexico

Gentlemen:

After careful consideration, we are prepared to offer Henry Clay Mines, Inc., an exploration contract comprising work and costs as follow :

Fixed Unit Costs

450 feet of crosscuting @ $36.00/ft.	$16,200.00
Rock excavation for diamond drill stations, 2,000 cubic feet @ $0.70/cu. ft.	1,400.00
Timbering, 100 linear feet @ $9.00/ft.	$ 900.00
Diamond drilling, AX, 2,000 feet @ $4.00/ft. (includes reaming and casing and cementing and redrilling) EX drilling $3.80/ft.	8,000.00
Services for diamond drilling, including power, compressed air, water supply, hoisting, accounting, depreciation, et cetera, 2,000 feet @ $0.92/ft.	1,840.00
Technical services, 6 months @ $310.00/mo.	1,800.00
Wooden core boxes, 80 @ $4.00/each	320.00
Assaying, 100 determinations @ $1.10/each	110.00
Total Estimated Cost of the Project	$30,570.00
Government Participation @ 50%	$15,285.00

provided that you will furnish us a letter stating that you are not prepared to advance more than half of the total estimated cost of the project.

43683

The work set forth allows for the two crosscuts as proposed and a 2-hole horizontal fan from each to intersect the Emerald vein at approximately 300 feet below the 800 level.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

GCSelfridge/hb (6/22/62)
cc to: Docket
Director's Reading File
Region III (2)
G. C. Selfridge

Mr. Jack Quay, Henry Clay Mines Inc.
P.O. Box 61
Lordsburg, New Mexico

DRAFT
WRGriswold/gla
6/20/62

MME Form 51
Feb. 1959

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Copy of draft for the docket

EXPLORATION CONTRACT
(Short Form)

Docket No.	Commodity	Contract No.	County	State
OME -6228	Copper, Gold, and Silver	14-23-090-	Hidalgo	New Mexico

It is agreed _____ (Date), between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and

Henry Clay Mines Inc. (N.S.L.) a New Mexico corporation

_____,

whose mailing address is Room 300, 185 Bay Street, Toronto 1, Ontario, Canada, hereinafter called the "Operator," as follows:

ARTICLE I. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before _____ (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 8 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the work is $ 30,570.00 The Government will contribute 50 percent of the total fixed unit costs of the work performed, not in excess of $ 15,285.00 in accordance with the provisions of Articles 4 and 5.

(c) Interest computation.--Simple interest computed annually at the rate of _____ percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

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

ARTICLE 2. Operator's rights in land.--(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's right of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances:

Interest of Lessor

(b) 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 Lien Agreement of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached as follows:

Lien or Subordination Agreement, dated October 14, 1961, of Atwood Mine Incorporated

(c) The Operator shall preserve and maintain his right, title, or 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. 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 royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. Performance of the work.--(a) Operator's responsibility.--The work shall be performed diligently, efficiently, in a workmanlike manner in accordance with good mining standards, and in compliance with State laws governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work as specified in Article 1(a).

(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 production operations during the period that royalty is payable to the Government. The Operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 4. Contribution by the Government.--The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5(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 and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. To the extent that amounts in excess of fixed unit costs or in excess of the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such amounts for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. 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 all pertinent books, documents, papers, and records of the Operator.

(b) Monthly reports.--The Operator shall provide the Government with five copies of monthly reports in three sections as follows:

(1) Operator's Monthly Voucher claiming costs for work performed;

(2) Operator's Progress Report showing the number of units of the various types of work performed; 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 monthly report). 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 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 the Government determines that 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 preparation or completion of same 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 6. Repayment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

(b) Royalty on production.--The Operator, whether or not the producer (for example, if the Operator either transfers or does not retain his interest in the land), shall pay to the Government a royalty on all minerals and metals mined or produced from the land as follows:

(1) irrespective of any certification of possible production--from the date of the contract until the lapse of the time within which the Government may issue such certification or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first; or

(2) if the Government issues a certification of possible production--for a period of ten years from the date of the contract or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first.

(c) Payment of royalty.--(1) The Government's royalty shall be five percent of the Operator's gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrate, 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 (such as treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight payable 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. No costs of the Operator are deductible in arriving at the "gross proceeds" as that term is here used.

The term "treatment processes" means those processes (such as milling, concentrating, smelting, refining, or equivalent, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(2) 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.

(d) Unsold production.--If any production (ore, concentrate, 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, concentrate, 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 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) Lien for payment.--To secure the payment of royalty (see Article 6(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

(f) 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 Government, and this estimate shall be final and binding upon the Operator.

(g) No obligation to produce.--Nothing in this contract shall be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

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

ARTICLE 7. Termination of the Government's Obligations.--(a) If the Government determines that operations at any time have failed to achieve anticipated results and further work is not justified, the Government may give the Operator written notice thereof, and thereupon:

(1) the Government shall be free of all obligation to pay on account of units of work not then performed; and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

(b) If the Government determines that the Operator is 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:

(1) the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

The Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

(d) The determinations of the Government are subject to appeal under Article 11.

ARTICLE 8. Notices to be given by the Government may be delivered to the Operator or may be sent by certified 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 9. 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.

See Article 14

~~ARTICLE 10. Nondiscrimination.--In connection with the performance of work under this contract, the Operator agrees not to discriminate against any employee or applicant for employment because of race, religion, color, or national origin. The aforesaid provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Operator agrees to post hereafter in conspicuous places, available for employees and applicants for employment, notices to be provided by the Government setting forth the provisions of the nondiscrimination clause.~~

~~The Operator further agrees to insert the foregoing provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.~~

ARTICLE 11. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, Office of Minerals Exploration, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, Office of Minerals Exploration, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, Office of Minerals Exploration, a written appeal addressed to the Secretary. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

The term "Director, Office of Minerals Exploration," as used herein includes his duly authorized representative.

ARTICLE 12. Eight-Hour Law of 1912--Overtime compensation.--This contract, to the extent that it is of a character specified in the Eight-Hour Law of 1912, as amended (40 U. S. Code 324—326) and is not covered by the Walsh-Healey Public Contracts Act (41 U. S. Code 35—45), is subject to the following provisions and exceptions of said Eight-Hour Law of 1912, as amended, and to all other provisions and exceptions of said Law:

No laborer or mechanic doing any part of the work contemplated by this contract, in the employ of the Operator or any independent contractor contracting for any part of said work contemplated, shall be required or permitted to work more than eight hours in any one calendar day upon such work, except upon the condition that compensation is paid to such laborer or mechanic in accordance with the provisions of this clause. The wages of every laborer and mechanic employed by the Operator or any independent contractor engaged in the performance of this contract shall be computed on a basic day rate of eight hours per day; and work in excess of eight hours per day is permitted only upon the condition that every such laborer and mechanic shall be compensated for all hours worked in excess of eight hours per day at not less than one and one-half times the basic rate of pay. For each violation of the requirements of this clause a penalty of five dollars shall be imposed for each laborer or mechanic for every calendar day in which such employee is required or permitted to labor more than eight hours upon said work without receiving compensation computed in accordance with this clause, and all penalties thus imposed shall be withheld for the use and benefit of the Government.

ARTICLE 13. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U. S. C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U. S. C. 874) are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions.

ARTICLE 14. Changes and added provisions.--

_____

_____

_____

_____

Executed in quintuplicate the day and year first above written.

HENRY CLAY MINES INC. (N.S.L.)
(Operator)

By_____

Title_____

THE UNITED STATES OF AMERICA

By_____

Director, Office of Minerals Exploration

I,_____, certify that I am the
(Name)

_____secretary of the corporation named as Operator herein; that

_____, who signed this contract on behalf of the Operator, was then
(Name)

_____of said corporation; that said contract was duly signed for
(Title)

and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

_____

[CORPORATE SEAL]

The provisions governing performance of work under Government contracts, as set out in Section 301 of Executive Order 10925, dated March 6, 1961 (a copy of which is attached hereto as Exhibit B and by reference hereby incorporated and made a part of this contract), shall be applicable to this contract, and shall be included in all contracts executed by the Operator for the performance of work contemplated by this contract, and for that purpose the term "contract" shall be deemed to refer to this instrument and to contracts awarded by the Operator and the term "contractor" shall be deemed to refer to the Operator and to contractors awarded contracts by the Operator.

INT.-DUP. SEC., WASH., D.C. 52375

DRAFT
6/20/62
WRGriswold/gla

EXPLORATION CONTRACT
HENRY CLAY MINES INC. (N.S.L.)
OME-6228

ANNEX I

The land referred to in Article 2 of the contract comprises five patented mining claims with all rights pertaining thereto in secs. 7 and 12, T. 23 S., Rs. 18 and 19 W., Virginia mining district, Hidalgo County, New Mexico. Said patented claims are owned by the Operator but are subject to a second mortgage lien for $35,000.00, dated December 22, 1959, and recorded in Book 17 Mortgages, pages 59-60 official records of said county. The Operator states that the annual installment payments on this mortgage are up to date. A Lien or Subordination Agreement executed by the holder of the mortgage is attached hereto.

The five patented mining claims referred to are as follows:

Name	Mineral Survey No.
Henry Clay	70
Southern	1768
Bessie	1483
Atwood	68
Florence	1484

The claims are shown in blue on the attached Figure 1 entitled "Henry Clay Mines Incorporated, Map Showing Company's Mining Claims in the Lordsburg Mining District."

DRAFT
6/20/62
WRGriswold/gla

EXPLORATION CONTRACT
HENRY CLAY MINES INC. (N.S.L.)

EXHIBIT A

The purpose of the project is to explore for ores of copper, gold, and silver by diamond core drilling from the 800 level of the Henry Clay mine in order to intersect the Emerald vein at distances of approximately 300 feet vertically below the 800 level.

General Conditions

The Government will not participate in the cost of any work done at a distance of less than 100 feet from any land not covered by the contract.

The Operator shall provide all technical and supervisory services necessary to complete the project in a satisfactory manner.

Description of the Work

On the 800 level workings on the Emerald vein the two existing crosscuts known as the "East" and the "West" crosscuts shall be extended approximately 225 feet each, as shown on the attached Figure 2 entitled "Amended Proposal, Proposed Exploration for Henry Clay Mine." The crosscuts shall be of a minimum size of 6 by 8 feet in the clear of timber and shall be timbered as necessary, using standard drift sets of 8 by 8-inch timber, or equivalent round timber. The Government will contribute to the cost of not to exceed 450 linear feet of crosscutting and to not to exceed 100 linear feet of timbering.

At the end of each crosscut a diamond drill station shall be excavated thereafter two diamond drill holes shall be fanned out from each station as indicated on Figure 2, being inclined downward so as to intersect the Emerald vein at approximate distances of 300 feet below the 800 level. It is estimated that each of the four holes will require an approximate length of 500 feet. The Government will not contribute to the costs of more than a total combined footage of 2,000 feet for the four holes nor will it contribute to the costs of more than 2,000 cubic feet of rock excavation for the two diamond drill stations.

Diamond drilling shall be done with standard AX coring bits (1-1/8-inch core diameter) or larger. However, when necessary to complete a hole, EX size bit may be used.

Core from the diamond drilling shall be properly boxed, marked, and stored for inspection by the Government. ~~Wth~~ With prior Government approval the Operator may later dispose of such core. Significantly mineralized core shall be split and sampled and the sample assayed for copper, gold, or silver as may appear desirable. The remaining split shall be reserved for the Government, properly identified as to location.

Facilities shall be provided for the sampling of diamond drill sludges and such sludges shall be retained when drilling in significantly mineralized areas. Whenever the core recovery is found to have been less than 60 percent, the corresponding retained sludges shall be sampled by quartering as necessary and the sample assayed as indicated above, in addition to the sampling and assaying of such core segments as may have been recovered. The remainder of the sampled sludge shall be retained for the Government.

All holes shall be logged geologically, and copies of the logs of completed holes, together with maps showing hole locations and sections, shall be furnished with the monthly report to the Government.

No drill hole sample shall represent a space interval of more than five feet of hole.

The Government will contribute to the cost of not to exceed 140 assay determinations.

Estimated Costs of the Project.

Fixed Unit Costs

450 feet of crosscutting @ $36.00/ft.	$16,200.00
Rock excavation for diamond drill stations, 2,000 cubic feet @ $0.70/cu.ft.	1,400.00
[illegible]	
[illegible]	
[illegible]	
[illegible]	
Timbering, 100 linear feet @ $9.00/ft.	$ 900.00
Diamond drilling, AX, 2,000 feet @ $4.00/ft. (includes reaming and casing and cementing and redrilling)	8, 000.00
EX drilling $3.80/ft.	
Services for diamond drilling, including power, compressed air, water supply, hoisting, accounting, depreciation, et cetera, 2,000 feet @ $0.92/ft.	1,840.00
Technical services, 6 months @ $310.00/mo.	1,800.00
Wooden core boxes, 80 @ $4.00/each	320.00
Assaying, 100 determinations @ $1.10/each	110.00
Total Estimated Cost of the Project	$30,570.00
Government Participation @ 50%	$15,285.00

Force abortion contract 8 months to complete

Annex I

The land referred to in Article 2 of the contract consists of five patented mining claims, with all rights pertaining thereto, in the Virginia mining district, of Hidalgo County, New Mexico, ~~and lying~~ in sections 7 and 12, of Twp. 23S., Ranges 18 and 19 W. Said patented claims are owned by the Operator but are subject to a second mortgage lien (and recorded in Book 17 Mortgages, pages 59-60 official records of said county) for $35,000.00 dated December 22, 1959. ~~It is stated by the Operator that the annual installment payments on this mortgage are up to date. A Lien or Subordination Agreement executed by the holder of the mortgage is attached hereto.~~

The five patented mining claims referred to are as follows;

Name	Mineral survey No.
Henry Clay	70
Southern	1768
Bessie	1483
Atwood	68
Florence	1484

The claims are shown in blue on the Attached Figure 1 entitled "Henry Clay Mines Incorporated, Map Showing Company's Mining Claims in the Lordsburg Mining District."

Exhibit A

The purpose of the project is to explore for ores of copper, gold, and silver by diamond core drilling from the 800 Level of the Henry Clay mine in order to intersect the Emerald vein at distances of approximately 300 feet below the 800 level.

General Conditions

The Government will not participate in the cost of any work done at a distance of less than 100 feet from any land not covered by the Contract.

The Operator shall provide all technical and supervisory services necessary to complete the project in a satisfactory manner.

Agreement with Brannan and Julius appears to be an equitable agreement and with a base of loss and gain.

Why not put all items, including clearing as a fixed and not basis.

450' x cut @ 36 (Including supervision, accounting, and depreciation allowance) 16,200

100' Lumber @ 9 900

2000' off expenditure @ 0.70 1,400

2000' 2" DD AX @ 4 8,000

(Reduce to 3.75 if EX)

2000' DD Fence (Barbed Wire, Posts, anchors & bracing) @ .47 940

80 Wooden boxes @ 4 320

140 arrows @ 1.10 514

28,424

*Romeo suggests 32 for 5'7" except supervision, accounting, & depreciation allowance which he feels figures about 35 per ft.

Description of the Work

On the 800 Level workings on the Emerald vein the two existing crosscuts known as the "East" and the "West" crosscuts shall be extended ~~to a total length of~~ approximately ~~300~~ 225 feet each, as shown on the attached Figure 2 entitled "Amended Proposal, Proposed Exploration for Henry Clay Mine". The crosscuts shall be of a minimum size of ~~5~~ 6 by 7 feet in the clear of timber and shall be timbered as necessary, using standard ~~8x8x8 inch~~ drift sets of 8 by 8 inch timber, or equivalent round timber. The Government will contribute to the cost of not to exceed 450 linear feet of crosscutting and to not to exceed 100 ~~feet of~~ linear feet of timbering.

At the end of each crosscut a diamond drill station shall be excavated; thereafter two diamond drill holes shall be fanned out from each station, as indicated on Figure 2, being inclined downward so as to intersect the Emerald vein at approximate distances of 300 feet below the 800 level. It is estimated that each of the four holes will require an approximate length of ~~300~~ 500 feet. The Government will not contribute to the costs of more than a total combined footage of 2000 feet for the four holes nor will it contribute to the costs of more than 2000 cubic feet of rock excavation for the two diamond drill stations.

Diamond drilling shall be done with standard AX coring bits (1 1/8 inch core diameter) or larger. However, when necessary to complete a hole, EX size bit may be used.

Core from the diamond drilling shall be properly boxed, marked, and stored for inspection by the Government. With prior Government approval the Operator may later dispose of such core. ~~When drilling in~~ Significantly mineralized ~~areas the~~ core shall be split and sampled, with ~~one~~ the other split reserved for the Government , properly identified as to location. The sample shall be assayed for copper, gold, ~~and~~ or silver as may appear desirable.

Facilities shall be provided for the sampling of diamond drill sludges and in significantly mineralized areas, when the core recovery is ~~less~~ found to be less than 60 percent, the sludges shall be split as necessary, one ~~fraction~~ split set aside for the Government, and ~~one fraction~~ the remainder assayed as indicated above, in addition to the assaying of such core segments as may have been recovered.

Core from the diamond drilling shall be properly boxed, marked, and stored for inspection by the Government. With prior Government approval the Operator may later dispose of such core. Significantly mineralized core shall be split and sampled and the sample assayed for copper, gold, or silver as may appear desirable. The remaining split shall be reserved for the Government, properly identified as to location.

Facilities shall be provided for the sampling of diamond drill sludges and such sludges shall be retained when drilling in significantly mineralized areas. Whenever the core recovery is found to have been less than 60 percent, the corresponding retained sludges shall be sampled by quartering as necessary and the sample assayed as indicated above, in addition to the sampling and assaying of such core regments as may have been recovered. An equivalent sludge sample shall be retained for the Government.

All holes shall be logged geologically, and copies of the logs of ~~completed holes, together with maps showing hole locations and sections,~~ shall be furnished with the monthly report to the government.

No drill hole sample shall represent a space interval of more than five feet of hole.

The Government will contribute to the cost of not to exceed 140 assay determinations.

Estimated Costs of the Project.

Expected Costs

~~Category (1) Independent contracts~~

1.	450 feet of crosscutting at $36 per ft.	$16,200.00
2.	Rock excavation for diamond drill stations 2000 cubic ft. at $0.70 per cu. ft.	1,400.00
3.	Timbering, 100 linear ft. at $9 per ft.	900.00
4.	Diamond drilling, AX, 2000 ft. at $4 per ft. (includes reaming and casing and cementing and redrilling)	8,000.00
	Mine services for diamond drilling, including compressed air, water supply, hoisting services, et cetera. $0.37 per ft at 2000 ft.	740.00
		$27,240.00

Category (2) Personal Services

(a) ~~Supervision~~ and Technical services

One engineer at $750 monthly, 40% of full time allowance equals $300 monthly times 6 months — 1,800.00

Category (3) Operating Materials and Supplies

80 wooden core boxes at $4 each — 320.00

Category (4) Operating Equipment

(c) Depreciation

Item	Value
Air compressor	$3,210.00
Jackhammer and airleg	1,050.00
6 mine cars	1,500.00
Hoist (25% use only) $4000	1,000.00
Loco. " " 2400	600.00
	7,360.00

Total monthly depreciation allowance $122.67

$122.67 times 6 months (rounded) — 736.00

Categories (5) and (6)

NONE

Category (7) Miscellaneous

Accounting	360.00	
Assaying, 140 determinations at $1.10 each	154.00	
		514.00

TOTAL ESTIMATED PROJECT COST — $30,610.00

Government participation 50% — 15 305.00

Ex drilling 3.80 per ft.

~~Exact unit costs~~

~~Exact from items the same~~

5. ~~Wire~~ Services for diamond drilling including power, compressed air, water supply, hoisting, accidents, depreciation, 52¢ per foot 2000 feet 1840.

6. Technical services
6 months at $310 monthly 1800.

7. Workmen's taxes
80 at $4 each 320.

8. Assaying
[illegible] 1100.

[illegible] 15,285.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E
RECEIVED JUN 9 1962

DATE	INITIALS	CODE
		130 (GB)
		500

June 8, 1962

Memorandum

To: Hugh M. Connors, Acting Field Officer, OME, Region III

From: T. M. Romslo, Mining Engineer

Subject: OME-6228 (Copper)
Henry Clay Mines, Inc. (N.S.L.)
(Henry Clay et al., claims)
Hidalgo County, New Mexico
REPORT OF INVESTIGATION

I concur
HMC

A field examination of the subject property was made by me in the company of Mr. J. H. Quay, the Applicant's mining engineer, May 1, 1962. The proposed project area was inspected, and the proposed exploratory work was thoroughly discussed.

The Applicant requested aid in a vaguely described exploratory project costing an estimated total $100,000.00. The exploration would be carried out from the lowest workings of the Henry Clay mine, the 800 level. Crosscuts would be driven, and diamond drilling would be done from the crosscuts to test for extension in depth of the Emerald vein.

During our discussions of the proposed exploration, I told Mr. Quay, that the proposal appeared to have some merit, and that further consideration of the application was dependent upon submission of a specific program. Also, that a more realistic program could involve considerable less work than originally proposed.

Two copies of an amended proposal was received by this office May 29, 1962, and one copy was reportedly mailed direct to the Washington office May 23, 1962.

The Henry Clay mine which adjoins the Atwood mine was explored with Governmental aid in 1953 by Ira L. Moseley, under Docket No. DMEA-2426, Contract Idm-E345. The history, and the geology of the property which includes the Henry Clay mine, and the project work performed are described in the DMEA Final Reports. Following completion of the project, Mr. Moseley continued stoping on the

ON-SITE EX. REPORT

500 level of the South Atwood vein, and had produced a total 14,198 tons of ore when the mine was shut down in February 1954. The shut down reportedly was caused by depletion of readily accessible ore. The mine remained idle to October 1955, when it was reactivated by the Werner Lake Nickel Mines, Limited. A new surface plant was installed at the Henry Clay mine, the Henry Clay shaft was retimbered to the 600 level, and considerable exploration and development work was done in the Atwood mine (Exhibits "C" and "D", Amended Proposal). Possibly 100,000 tons of ore in the South Atwood vein had been indicated and developed when operations ceased in May 1957. Production from the Emerald vein, in the Henry Clay mine, was started in 1956. After most of the ore above the 600 level had been mined, the shaft was deepened to the 800 level. The 800 level has since been developed and most of the ore above that level has been mined. On November 1, 1961, the property was acquired by the Henry Clay Mines, Inc., a wholly owned subsidary of the Werner Lake Nickel Mines, Inc. At the present time, operations in the Henry Clay mine are confined to the 200 level where a small stope is being worked. Brannan and Fuller, lessee, who have done all mining and development work since 1957, also are presently developing and mining ore on the 800 level of the adjoining Eighty Five mine. The Eighty Five mine is owned by the Phelps Dodge Corporation.

Exploration of the Emerald vein below the 800 level of the Henry Clay mine has a good chance of indicating significant reserves of low-grade copper ore. The vein, which has yielded in excess of 100,000 tons, is strong and well mineralized on the 800 level. Where cut by diamond drill hole No. U16 at a depth of 150 below the 800 level, the vein is 7 feet wide and assays 3.5 percent copper and 1.5 ounces silver a ton (Exhibit "E", Amended Proposal). In the Eighty Five mine the vein reportedly was strong and well mineralized at a depth of 1650 in the shaft and at the faces of drifts on the several levels that were being extended toward the Henry Clay mine.

Under the amended proposal, the Emerald vein would be tested by a total of 11 diamond drill holes. The vein would be cut at a depth of 150 feet by three holes, at a depth of 300 feet by four holes, and at a depth of 500 feet by the remaining four holes (Exhibit "E"). The proposed project would cost an estimated total $43,974.10. I suggest that a maximum of eight holes would provide sufficient data to determine if development of the mine in depth would be justified. The three holes along line "A" could be eliminated, the line of the four "B" holes could be at a depth of 250 feet, and the line of four "C" holes could remain as shown. The diamond drilling could be done in two stages. Stage I could include the crosscuts and the four "B" holes. Stage II, consisting of the four "C" holes, could then be carried out if warranted.

The Applicant proposed that all work be done by Independent Contractors. Brannon & Fuller, have offered to drive the crosscuts to a size of 6 by 8 feet for $36.00 a foot, and to install timber where necessary for $10.00 a foot. They also previously quoted a price of $0.70 a cubic foot for excavation of drilling stations. I suggest that 5 by 7 foot crosscuts are adequate and that they can be driven at a cost of about $32.00 a foot, and that the cost of 8-by 8-inch timbering should not exceed $7.50 a foot. No change in the price of excavating the drill stations appears to be in order. Bids from other contractors on the crosscuts and rock excavation that possibly can be obtained are expected to quote higher prices.

The lowest of the three submitted bids for diamond drilling is $4.00 a foot which includes any necessary reaming, casing and cementing. It was submitted by G. S. Thatcher, a driller with many years of experience in the Southwestern States. He is known to have done much drilling of excellent quality at the Banner Mining Co's properties in New Mexico and Arizona. The only additional cost of diamond drilling would be for air and water which the Applicant offers to furnish for $0.37 per foot of drilling. This proposed additional drilling cost is considered acceptable.

I recommend approval of the application provided; the Applicant has full possession of the property, and it is the OME policy to participate in a second exploratory project on the same property.

T M Romslo

T. M. Romslo

cc Chief, Division of Field Operations, OME

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/1	Griswold	500
6/1	Selfridge	120
"	Ouleade	110
6/1	Fuller	100
6/1	Cac	220
		500

AIRMAIL

JUN 1 1962

Mr. J. H. Quay, P. E.
Henry Clay Mines Incorporated
Post Office Box 61
308 South Pyramid Street
Lordsburg, New Mexico

Re: OME-6228 (Copper)
Henry Clay Mines Inc. (N.S.L.)
Henry Clay, et al., Claims
Hidalgo County, New Mexico

Dear Mr. Quay:

We have your May 23 letter enclosing five copies of an amended application for the referenced property.

We note that under Item II(a) Rights in Land, you state, "Sole ownership of land and mineral rights ...," but under Item III(b) you state, "The property is leased to Brannan & Fuller, an operating company, ...".

Under our regulations (copy enclosed) an applicant must be in full possession of the land pertaining to the proposed project. Inasmuch as in this particular case the land is now in the possession of Brannan & Fuller, under the terms of a lease, we could not consider a contract with the Henry Clay Mines covering property on which they presently do not have possession.

Sincerely yours,

George Fumich, Jr.

Director (RL)

see reply 6/11/62 + attachment left-hand side

Enclosure

WRGriswold/gla 5-31-62
Rewritten: WRGriswold/gla 6-1-62
cc to: Director's Reading File
Region III (2) w/2 cys amended application and attachments
Docket

43683

OME
DEPARTMENT OF THE INTERIOR
MAY 11 1962
REGION III
DENVER, COLORADO

May 5, 1962

AIRMAIL

Mr. Hugh H. Connors, Acting Field Officer, OME
Region III, Office of Minerals Exploration
United States Department of Interior
Building 20, Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E
RECEIVED MAY 14 1962
DATE
5/14 500

Re: OME-6228 (Copper)
Henry Clay Mines Inc. (H.S.L.)
(Henry Clay, etal, Claims)
Hidalgo County, New Mexico

FIELD INVESTIGATIONS BY MR. T. M. ROMSLO

Dear Mr. Connors:

On May 1, 1962, Mr. T. M. Romslo carried out his field investigations on the above property.

Mr. Romslo's review of the property and application were well received here, and his helpful suggestions have prompted us to prepare and submit an Amended Proposal for Exploration of the Emerald Vein by crosscutting and diamond-core drilling.

Our Amended Proposal is in preparation and will be prepared and dispatched to you by May 25, 1962.

Rec'd. 5/29/62
see left-hand file

Very truly yours,

H. H. Lucy

H. H. Lucy
Engineer-in-charge
Lordsburg Project

cc: Mr. R. C. Henson
Mr. Murray Watts
Mr. Charles Horsman
File

cc Chief, Division of Field Operations, OME

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 10 1962
DATE

May 7, 1962

5/11 Received 500

Memorandum

To: Hugh M. Connors, Acting Field Officer, OME, ~~Region III~~

From: T. M. Romslo, Mining Engineer

Subject: Application OME-6228 (Copper)
Henry Clay Mines, Inc. (N.S.L.)
(Henry Clay, et al., claims)
Hidalgo County, New Mexico
FIELD INVESTIGATIONS

Field investigations of the subject application were made by me in the company of the Applicant's representative, Mr. Jack Quay, engineer in charge, May 1, 1962. Also investigated was the status of royalty payments on ore produced from that part of the property explored under the Certified Project of Docket DMEA-2426, Contract Idm-345, Ira L. Moseley, Atwood Copper Mine. Findings concerned with contract Idm-E345 will be given in another memorandum.

closed

The field investigations included a review of recent production records and mine maps, and an inspection of underground workings. Mr. Quay and I also discussed the application which Mr. Selfridge had found deficient in certain respects. We mutually agreed that the proposed diamond drilling had been vaguely described, and that the estimated cost of engineering the crosscuts was exorbitant. Also, that the Applicant should furnish a more detailed plan with maps of proposed exploration.

Mr. Quay said he would write you requesting that further processing of the application be withheld until an amended proposal is submitted.

T. M. Romslo

Selfridge

OFFICE OF MINERALS EXPLORATION
BLDG. 20, FEDERAL CENTER
DENVER 25, COLORADO

GSA TELETYPE

APRIL 26, 1962 9:45 AM

OFFICIAL FILE COPY
O. M. E
RECEIVED APR 30 1962
DATE
4/30 Received 500

LORDSBURG, NEW MEXICO

TO: HUGH M. CONNORS

RE: OME-6228 (COPPER)
HENRY CLAY MINES INC. (N.S.L.)
(HENRY CLAY, ETAL CLAIMS)
HIDALGO COUNTY, NEW MEXICO

SCHEDULED FIELD INVESTIGATION FOR MAY 1 SATISFACTORY TO US

OUR AIRMAIL LETTER CONFIRMING THIS MAILED

JACK QUAY
HENRY CLAY MINES INC.
LORDSBURG, NEW MEXICO

HENRY CLAY MINES INCORPORATED
P. O. Box 61
Lordsburg, New Mexico

OME
DEPARTMENT OF THE INTERIOR
APR 27 1962
REGION III
DENVER, COLORADO

April 25, 1962

OFFICIAL FILE COPY
O. M. E
RECEIVED APR 30 1962
DATE
500

AIRMAIL

Mr. Hugh M. Connors, Acting Field Officer, OME
Region III, Office of Minerals Exploration
United States Department of Interior
Building 20, Federal Center
Denver 25, Colorado

Re: OME-6228 (Copper)
Henry Clay Mines Inc. (N.S.L.)
(Henry Clay, etal, Claims)
Hidalgo County, New Mexico

Dear Mr. Connors:

Thank you for your letter of April 23, advising that the field investigations of the referenced application are scheduled for May 1, 1962, and that Mr. T. M. Romslo, examining engineer, expects to arrive here Monday, April 30.

This arrangement is satisfactory to us here, and I will gladly assist Mr. Romslo in every way possible with his field investigations.

A reservation for a single room at the Hidalgo Hotel of Lordsburg has been made for Monday, April 30, for Mr. Romslo.

Very truly yours,

J. H. Quay

J. H. Quay

cc: Mr. H. C. C. Henson
Mr. Charles Hershman
Mr. Murray Watts
Mr. T. M. Romslo
file

Selfridge

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E
RECEIVED APR 25 1962

DATE		
4/25		

April 23, 1962

AIRMAIL

Mr. Jack Quay
Henry Clay Mines Inc.
P. O. Box 61
Lordsburg, New Mexico

Re: OME-6228 (Copper)
Henry Clay Mines Inc. (N.S.L.)
(Henry Clay, etal, Claims)
Hidalgo County, New Mexico

Dear Mr. Quay:

This is to inform you that the field investigations of the referenced application have been scheduled for May 1, 1962.

Mr. T. M. Romalo, examining engineer, expects to arrive in Lordsburg Monday afternoon, April 30, and discuss with you that evening, arrangements for the examination. If you will reserve a single room for him at the Hidalgo Hotel it will be appreciated.

Please advise this office by return mail if this arrangement is satisfactory to you.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

TMR/lm
cc Chief, Division of Field Operations, OME
OME 6228
Chron

AIRMAIL

cc: Mr. R. C. C. Hanson, President
Henry Clay Mines Inc. (N.S.L.)
Room 300, 185 Bay Street
Toronto 1, Ontario, Canada

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
4/5	[illegible]	500
4/6	Selbredge	120
"	Johnson	110
4-6	Fumich	100
4/6	coe	220
		500

APR 6 1962

Hon. Clinton P. Anderson
United States Senate
Washington 25, D. C.

Re: OME-6228 (Copper)
Henry Clay Mines Inc. (N.S.L.)
Henry Clay, et al., Claims
Hidalgo County, New Mexico

Dear Senator Anderson:

This is in response to your letter of March 30, 1962, relating to the application for financial assistance in exploring the subject property.

After a review by the Washington office, this application was forwarded to our Region III office on March 26 for a field examination. You may be assured that every effort will be made to expedite the processing of this application.

Your interest in the exploration program is appreciated.

Sincerely yours,

George Fumich, Jr.

Director

WRGriswold/gla
4-5-62
cc to: Director's Reading File
Region III (2) w/2 cys incoming letter
Docket

43683

CLINTON P. ANDERSON, N. MEX., CHAIRMAN
HENRY M. JACKSON, WASH.
ALAN BIBLE, NEV.
JOHN A. CARROLL, COLO.
FRANK CHURCH, IDAHO
ERNEST GRUENING, ALASKA
FRANK E. MOSS, UTAH
OREN E. LONG, HAWAII
QUENTIN N. BURDICK, N. DAK.
LEE METCALF, MONT.
J. J. HICKEY, WYO.
HENRY DWORSHAK, IDAHO
THOMAS H. KUCHEL, CALIF.
GORDON ALLOTT, COLO.
JACK MILLER, IOWA
MAURICE J. MURPHY, JR., N.H.
JAMES B. PEARSON, KANS.

JERRY T. VERKLER, CHIEF CLERK

United States Senate

COMMITTEE ON
INTERIOR AND INSULAR AFFAIRS

March 30, 1962

OFFICIAL FILE COPY
O. M. E
RECEIVED APR 3 1962
DATE
4/5 Discussed 500

MME

Mr. George Fumich Jr., Director
Office of Minerals Exploration
Department of Interior
Washington 25, D.C.

Dear Mr. Fumich:

I have been contacted concerning the application of Henry Clay Mines, Incorporated in Lordsburg, New Mexico, who has an application pending before your department for an exploratory loan.

I would appreciate being advised the status of the loan and when any action is taken I would like to have some word about it.

Sincerely yours,

Clinton P. Anderson

CPA:Wba

MME Form 7
(10-58)

APR 2 1962

OFFICIAL FILE COPY

Date	Surname	Code
4/2	Murphy	500
	On leave	500
4/2	Selbridge	120
"	Johnson	110
4/2	Turnick	100
4/3	Coe	220
		500

Hon. Dennis Chavez
United States Senate
4030 Federal Building
Albuquerque, New Mexico

Re: OME-6228 (Copper)
Henry Clay Mines Inc. (N.S.L.)
Henry Clay, et al., Claims
Hidalgo County, New Mexico

Dear Senator Chavez:

This is in response to your letter of March 26, 1962, relating to the application for financial assistance in exploring the subject property.

After a review by the Washington office, this application was forwarded to our Region III office on March 26 for a field examination. You may be assured that every effort will be made to expedite the processing of this application.

Your interest in the exploration program is appreciated.

Sincerely yours,

/s/

Director

Copy to Washington Office

FMMurphy/gla 4-2-62
Rewritten: FEJohnson/gla 4-2-62
cc to: Director's Reading File
Region III (2) w/2 cys incoming letter
Docket

43683

DENNIS CHAVEZ, N. MEX., CHA[illegible]
ROBERT S. KERR, OKLA.
PAT MC NAMARA, MICH.
JENNINGS RANDOLPH, W. VA.
STEPHEN M. YOUNG, OHIO
EDMUND S. MUSKIE, MAINE
ERNEST GRUENING, ALASKA
FRANK E. MOSS, UTAH
GREN E. LONG, HAWAII
BENJAMIN A. SMITH II, MASS.
LEE METCALF, MONT.
FRANCIS CASE, S. DAK.
JOHN SHERMAN COOPER, KY.
HUGH SCOTT, PA.
WINSTON L. PROUTY, VT.
HIRAM L. FONG, HAWAII
J. CALEB BOGGS, DEL.

LORENZO E. TAPIA, CHIEF CLERK

United States Senate

COMMITTEE ON PUBLIC WORKS

MME

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAR 30 1962

DATE	INITIALS	CODE
3/30	Greenwald	500

March 26, 1962

4030 Federal Building
Albuquerque, New Mexico

Mr. George Fumich, Jr., Director
Office of Minerals Exploration
Department of the Interior
Interior Building
Washington 25, D.C.

Dear Mr. Fumich:

I have been contacted in behalf of the Henry Clay Mines, Incorporated, of Lordsburg, New Mexico, concerning their application for an exploratory Diamond drilling loan of $50,000.00 which was recently submitted to your office.

Aside from the benefits to industry as a whole, the approval of this application would be a much-needed boost to the economy of the area.

I would greatly appreciate your expeditious handling of this application and advising me of your decision thereon.

Please reply at your convenience to my Albuquerque Office.

Sincerely,

Dennis Chavez

Dennis Chavez, U.S.S.

DC:cdg

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
3/23	Friend	500
3/23	Talbot	800
3/26	Schwarz	130
"	Johnson	110
3/26	Tomb	100
		220
		500

MAR 2 6 1962

Mr. R. C. C. Henson
President
Henry Clay Mines Inc. (N.S.L.)
Room 300, 185 Bay Street
Toronto 1, Ontario, Canada

Re: OME-6228 (Copper)
Henry Clay Mines Inc. (N.S.L.)
Henry Clay, et al., Claims
Hidalgo County, New Mexico

Dear Mr. Henson:

The application for assistance in exploring the subject property has been reviewed by the Division of Minerals of the Office of Minerals Exploration and referred to Mr. H. M. Connors, Acting Field Officer, Region III, Office of Minerals Exploration, Building 20, Denver Federal Center, Denver 25, Colorado.

The Regional Office will notify you in case additional information concerning the application is needed.

Sincerely yours,

George Fumich, Jr.

Director

P.S. We presume we shall soon receive a copy of the reply to the loan request letter to the Lordsburg bank.

see "Remarks" letters recd. 3/27/62 left-hand side

GLAult/a
3-23-62
cc to: Director's Reading File
Region III (2)
Docket

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
3/23	[illegible]	500
3/27	Talbut	800
3/26	[illegible]	130
"	Johnson	110
3/27	[illegible]	100
3/27	Cole	220
		500

MAR 2 6 19[illegible]

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: OME-6228 (Copper)
Henry Clay Mines Inc. (N.S.L.)
Henry Clay, et al., Claims
Hidalgo County, New Mexico

The subject application is referred to Region III for review, a field examination if deemed advisable, and recommendations.

We are enclosing an extra copy of the application and attachments, plus two copies each of the following material:

Report (blue folder) February 23, 1962, Henry Clay Mines, Inc.
Map, mining claims
Map, Proposed Exploration of the Emerald Vein, 800 level
Letter, March 11, 1962, to First National Bank, Lordsburg, N.M.
Werner Lake Nickel Mines Limited statement March 19, 1962
Drill bids: Joy Manufacturing Company
Boyles Bros. Drilling Company
G. S. Thatcher
(Note: Thatcher bid vague and indefinite)

We should have a copy of the Atwood mortgage; so far we don't even know what claims are included. Applicant merely states, ". . . said patented claims and six unpatented claims."

The proposed diamond drilling, as outlined on the map, is vague and not at all specific. We must have very much more detail.

The crosscutting cost item, of $6.65 per foot mine engineering, is hopelessly exorbitant.

We presume we shall soon receive a copy of the reply to the loan request letter to the Lordsburg bank. Please mention this to the Applicant.

George C. Selfridge

[illegible] Lark letters rec'd 3/27/62 left-hand side

Enclosures

WRGriswold/gla
3-23-62
cc to: Director's Reading File
Review Committee Docket

43683

R.C.C.HENSON
185 BAY STREET
TORONTO 1
EMPIRE 3-5911

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAR 19 1962

6228

100
500
~~230~~

March 15th, 1962.

Mr.George Fumich, Jr.,
Director, Office of Mineral Exploration,
Department of the Interior,Building,
Washington 25, D.C.,

Dear Mr.Fumich;

You and Mr.Johnston were most kind to me on my recent visit to Washington when I was presenting the application for an Office of Mineral Exploration loan from Henry Clay Mines Inc.

Your co-operation was most appreciated.

Yours very truly,

R.C.C.Henson
President
Henry Clay Mines Inc.

Mar 8, 62

1- Needs two letters from banks with reasons for refusal.

2- Needs statement from Werner etc corp-

3- Diamond drill bids.

Note: Says all of this will be sent in.

BJB

March 8, 1962

Mr. R. C. C. Henson
Henry Clay Mines Inc. (N.S.L.)
185 Bay Street
Toronto 1, Ontario, Canada

Subject: OME-6228

Dear Mr. Henson:

Your application for exploration assistance, dated February, 1962 submitted to our office at Washington, D. C. has been assigned Docket Number OME-6228.

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

Sincerely yours

Allen S. Dakan, Chief
Division of Administrative
Management

Copy to: Region III

Empire
35911

MR. FUMICH:

Mr. Hanson of Toronto, Canada, called you at 12 Noon.

You are to call Operator 35, Toronto - EMpire 3-5911.
Empire-6-2222 — Reached

Said he talked with you last Sept.
I don't have record of having received call from or placed a call to Mr. Hanson.

Perhaps Beulah did. Do you remember?
Any information you would like prior to returning call?

Hazel Berry
3/2/62

Returned call about 1 or 1:30 pm

Standard Form 63
Revised 1952

U. S. GOVERNMENT

MEMORANDUM OF CALL

Date	Time

TO—

☐ YOU WERE CALLED BY—

☐ YOU WERE VISITED BY—

TELEPHONE:	Number or code	Extension

☐ PLEASE CALL

☐ WILL CALL AGAIN

☐ RETURNING YOUR CALL

☐ WAITING TO SEE YOU

☐ WISHES AN APPOINTMENT

LEFT THIS MESSAGE:

Received by—

☆ U. S. GOVERNMENT PRINTING OFFICE : 1956—O-371666 16—65931-1