Governme[illegible]'s Copy

MF-200A
(Revised June 1954)

Docket No. DMEA -3654

Commodity Tungsten

Contract No. Idm-E 847

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

JUL 25 1955

It is agreed this ..... day of ....., 195..., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Wilford Rees, Dudley Rees, and Sarah Rees, partners, d/b/a Rees Mining Company, whose mailing address is 908 Kearns Building Salt Lake City, Utah, hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Exhibit "A," Annex I, and 3 maps.

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

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

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] Owner of [5] the entire intrest in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of ☒ [6] location notices, [7] recorded in Book see Annepage I, official records of said County; and

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

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

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

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

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of tungsten. The work to be performed is described in Exhibit "A." The Operator on or before September 15, 1955 shall commence the work, and on or before June 30, 1956 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

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

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

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $38,760.00 The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $29,070.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

REES MINING COMPANY
(Operator)

By .....

.....

THE UNITED STATES OF AMERICA

By O P Mittendorf
Administrator, Defense
Minerals Exploration
Administration

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

.....

[CORPORATE SEAL]

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

EXPLORATION PROJECT CONTRACT
REES MINING COMPANY
DOCKET NO. DMEA-3654

ANNEX I

The land referred to in Article 2 of the contract form consists of the claims outlined in green on the attached map, Figure 2, except as excluded below. The claims are recorded in White Pine County, Recorder's Office, Ely, Nevada, as follows:

Name	Book No.	Page No.
Antelope No. 7	172	203
" " 8	"	204
" " 10	"	148
" " 13	"	151

EXCLUDED LAND

Excluded from the land referred to in Article 2 is any ore body or portion thereof lying above the track level in the Antelope No. 8 drift (Figure 3) as that drift exists on the date of this Contract. Any ore body or portion thereof lying above said track level beyond a vertical plane at the face of the Antelope No. 8 drift as it exists on the date of this Contract is not excluded from the land under the Contract.

EXPLORATION PROJECT CONTRACT
REES MINING COMPANY
DOCKET NO. DMEA-3654

EXHIBIT "A"

Description of the Work

A "Location Map," Figure 1, shows the location of the property in White Pine County, Nevada.

A "Sketch Map," Figure 2, shows the relative position of the claims, outlined in green.

A "Geologic Map," Figure 3, shows the contours and present workings, and approximately shows the proposed diamond drilling, crosscutting, and drifting.

These maps are attached to and made a part of the contract.

The work is divided into two stages. The Operator shall perform Stage I and shall perform so much of the work under Stage II as is approved in writing in advance by the Government. The location, inclination, direction, and extent of all work are subject to the approval of the Government.

STAGE I

1. Bulldoze a road from tunnel dump to drill site (Figure 3), and clear drill site.

2. From the drill site prepared under item 1 above, drill six diamond drill holes (Figure 3), approximately as follows:

No.	Bearing	Dip	Depth
1	S. 6° E.	-12°	160 feet
2	S. 36° E.	-20°	140 feet
3	S. 60° E.	-10°	200 feet
4	South	-35°	170 feet
5	S. 30° E.	-40°	150 feet
6	S. 65° E.	-25°	200 feet

3. From the face of the present Antelope No. 8 drift

(Figure 3), drill two diamond drill holes approximately as follows:

7	N. 80° E.	-10°	350 feet
8	N. 77° E.	0	330 feet

The total drilling under this Stage I shall not exceed 1,700 feet.

All drill holes shall be cored, and the cores saved and properly stored in core boxes, except that holes 3, 4, 5, and 6 may be plug drilled while outside any mineralized zone indicated by holes 1 and 2. Drill cores in the mineralized zone or zones shall be split and assayed for WO_3.

All drilling shall be AX size minimum.

STAGE II

1. From a point 100 feet lower than Antelope No. 8 drift, drive a crosscut approximately 200 feet (Figure 3) to intersect the vein or veins indicated in diamond drill holes 1 and 4, then drift 100 feet easterly on the better mineralized vein.

2. Extend Antelope No. 8 drift approximately 300 feet (Figure 3) to intersect a vein or veins indicated by drill holes 7 and 8.

All workings shall be timbered as necessary.

All drifts and crosscuts shall be at least 4 feet by 6½ feet in the clear, and mineralized areas shall be sampled and assayed for WO_3 as warranted.

ESTIMATED COST OF THE PROJECT

FIXED UNIT COSTS

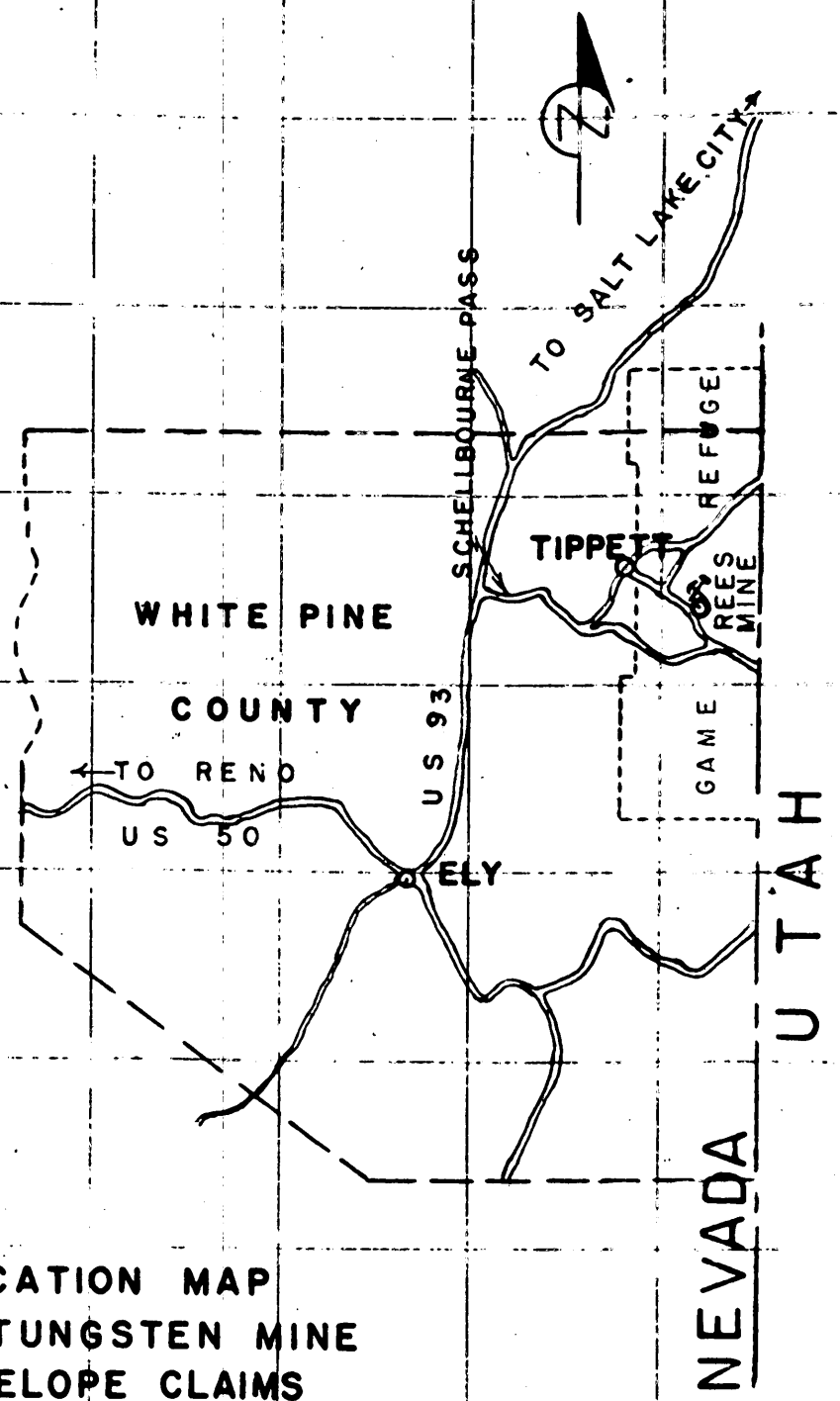
(The unit costs include all costs whatsoever necessary to complete the work.)

STAGE I

Bulldozing road and drill site, 25 hours @ $14.00/hr.	$ 350.00	
Transportation of bulldozer to and from point of operation	100.00	$ 450.00
1,700 feet of diamond drilling @ $7.00/ft.	11,900.00	
Sampling and assaying for WO_3; 22 samples @ $5.00 each sample	110.00	$12,010.00
Estimated total cost of Stage I		$12,460.00

STAGE II

Crosscutting and drifting 750 feet @ $34.00/ft.	$25,500.00	
Timbering, 100 feet @ $7.00/ft.	700.00	
Sampling and assaying for WO_3, 20 samples @ $5.00 each sample	100.00	
Estimated total cost of Stage II		$26,300.00
Estimated total cost of project		$38,760.00
Government participation @ 75%		$29,070.00



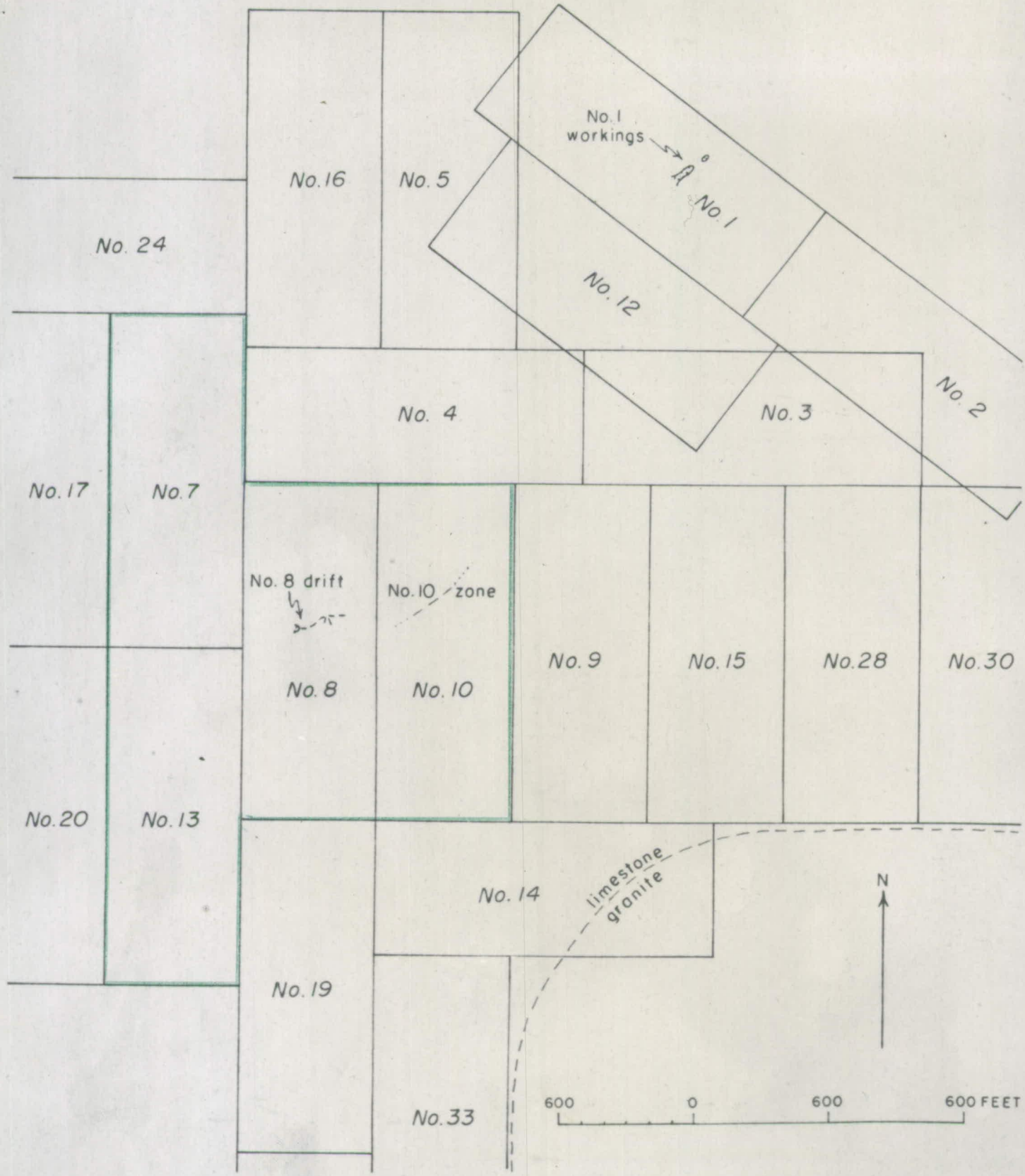
LOCATION MAP
REES TUNGSTEN MINE
ANTELOPE CLAIMS
WHITE PINE COUNTY, NEVADA
DOCKET No. DMEA 3654

SCALE 1" = APPROX. 25 MILES

Figure 1

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA 3654
(TUNGSTEN)

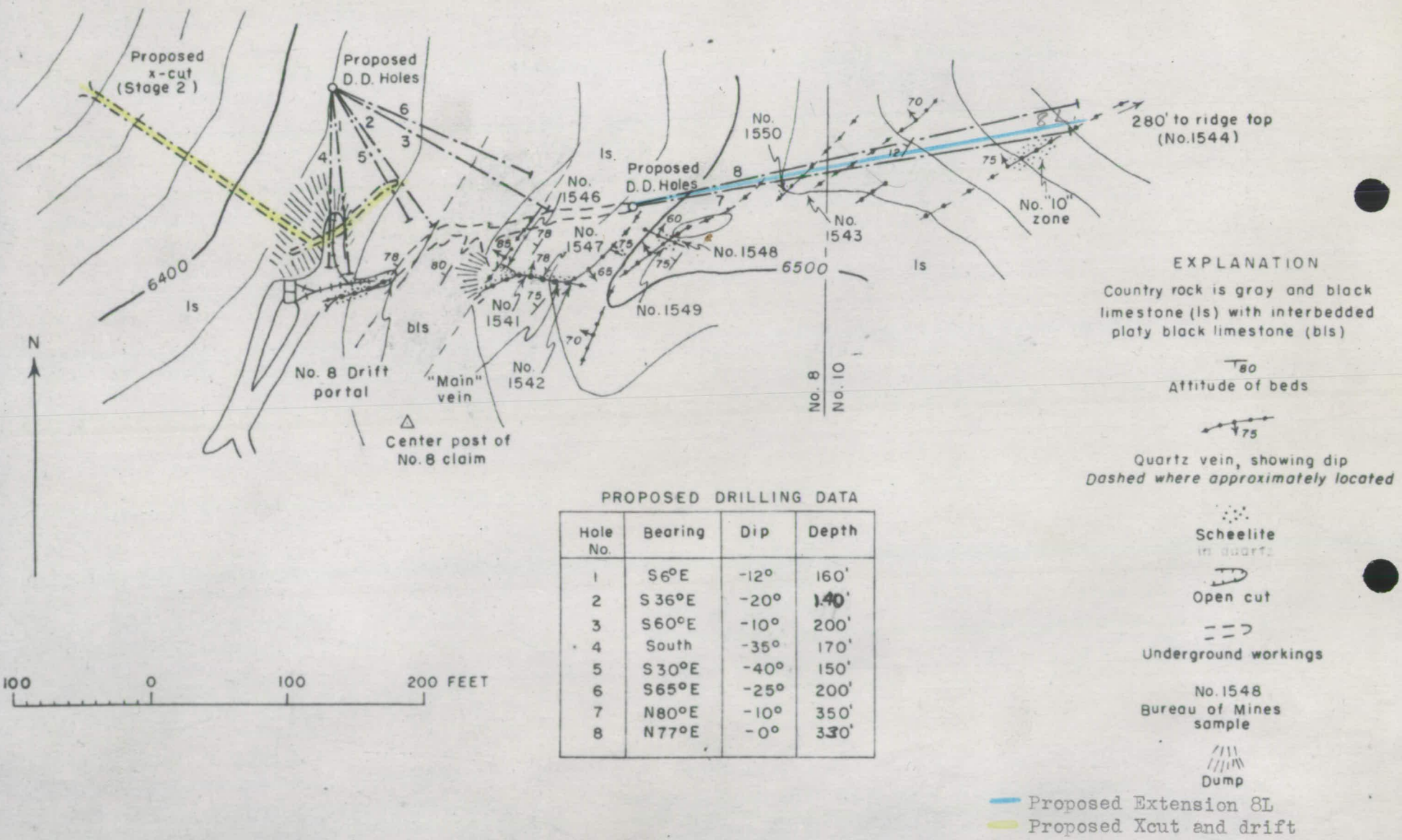


SKETCH MAP OF ANTELOPE CLAIMS
WHITE PINE COUNTY, NEVADA

Figure 2

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA 3654
(TUNGSTEN)



PROPOSED DRILLING DATA

Hole No.	Bearing	Dip	Depth
1	S6°E	-12°	160'
2	S 36°E	-20°	140'
3	S60°E	-10°	200'
4	South	-35°	170'
5	S30°E	-40°	150'
6	S65°E	-25°	200'
7	N80°E	-10°	350'
8	N77°E	-0°	330'

GEOLOGIC SKETCH MAP OF PART OF ANTELOPE CLAIMS
WHITE PINE COUNTY, NEVADA

Figure 3

DOCKET
Surname:
Martin
Gehon
Kilgaard
Selfridge

400

OCT 17 1955

Mr. George C. Morris
908 Kearns Building
Salt Lake City, Utah

Re: Docket No. DMEA 3654 - Tungsten
Rees Mining Company
Antelope Claims
White Pine County, Nevada

Dear Mr. Morris:

Reference is made to your letter of August 29, 1955, to Mr. Ricker and his reply to you of September 2, regarding the captioned application.

Mr. Ricker has returned to us all copies of the proposed contract and on the basis of the cited correspondence we shall consider your application withdrawn. Our action is taken without prejudice to the property. In the event that at some future date you wish to resume work at the project, please submit a new application in quadruplicate. It will be necessary only to fill in new information on the forms and to refer to the subject docket.

Sincerely yours,

Frank E. Johnson

Acting Administrator

cc: Docket
FT, Reg. 2
Code 400
Oper. Comm.
T. Kiilsgaard, USGS
R. W. Holliday, USBM
Adm. Read. File

WSMartin/ls
10/14/55

P.C.S.

DMEA Docket

RECEIVED
SEP 3 - 1955

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

1605 Evans Avenue
Reno, Nevada

Copy retained 400

September 28, 1955

WSY

Memorandum

To: Operating Committee, DMEA, Interior Building, Washington 25, D.C.

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-3654 - Tungsten
Rees Mining Company
Antelope Claims
White Pine County, Nevada
Contract No. Idm-E847

In response to your letter of September 22, 1955, I am attaching a copy of my letter of September 2, 1955 to Mr. George C. Morris. According to my records you should have a copy of this letter in your files. It was in reply to letter of August 29 from Mr. Morris requesting an extension of time. Two copies of Mr. Morris's letter are attached.

S. Ricker

Attach.

RECEIVED
SEP 30 1955

1605 Evans Avenue
Reno, Nevada

September 2, 1955

Mr. George C. Morris
908 Kearns Building
Salt Lake City, Utah

Re: Docket DMEA-3654 - Tungsten
Rees Mining Company
Antelope Claims
White Pine County, Nevada
Contract No. Idm-E847

Dear Mr. Morris:

Reference is made to your letter of August 29 relative to execution of subject contract.

We regret that Mr. Rees is under a doctor's care and that you will be unable to begin exploration work until early spring, around April 1, 1956. It is not our policy to allow unexecuted contracts outstand for such a long period of time and request that you return the original and all copies of the contract to this office. The contract will be placed in our inactive files without prejudice to the property.

We cannot make any commitments but do not believe there should be any difficulty in resubmitting the contract to you in substantially its present form. We will be pleased to hear from you at any time you wish to reopen negotiation towards execution of the contract.

Very truly yours,

S. Ricker
Executive Officer
DMEA Field Team, Region II

SRicker:gh
cc: Operating Committee, DMEA, Wash., D.C.
H. C. Miller
Finance Office, Reg. II
R. M. Smith

GEORGE C. MORRIS
ATTORNEY AT LAW
908 KEARNS BUILDING
SALT LAKE CITY, UTAH
PHONE 4-4033

RECEIVED
SEP 30 1955

9/6/55

August 29, 1955

Mr. S. Ricker
Executive Officer
DMEA Field Team, RegionII
1605 Evans Avenue
Reno, Nevada

Re: Docket No. DMEA-3654-Tungsten
Rees Mining Company
Antelope Claims
White Pine County, Nevada
Contract No. Idm-E847

Dear Mr. Ricker:

In reference to your letters of July 28th and August 25th pertaining to subject exploration contract, the contracts had not been executed and returned before now because Mr. Rees has been in the hospital.

If it is at all possible to receive an extention of time in which to execute this contract, we would greatly appreciate such consideration at this time. We request that Rees Mining Company be granted until April 1, 1956 in which to sign the contract and begin exploration work. This date would enable the company to make an early start next spring, and facilitate completion without intervening winter months.

Mr. Rees is under doctor's care for a heart condition which has necessitated a change of plans in supervision of exploration work.

Repsectfully yours,

George C. Morris

GCM/bg

DOCKET
Surname:
Martin
Selfridge
Robinson

400

SEP 22 1955

Mr. Spangler Ricker, Executive Officer
DMEA Field Team, Region II
1605 Evans Avenue
Reno, Nevada

Re: Docket No. DMEA 3654-Tungsten
Rees Mining Company
Antelope claims
White Pine County, Nevada
Contract No. Idm-E847

Dear Mr. Ricker:

Your letter of September 13, 1955, transmitted to us copies of a letter of September 8, 1955, addressed to you by Mr. George C. Morris, together with the original and five copies of the above-captioned, unexecuted contract.

Your September 13 letter also referred to a letter of September 2, 1955, which you had sent to Mr. Morris. It appears that we do not have a copy of this earlier letter in our files. Mr. Morris does not indicate in his letter of September 8 to you the reasons why Rees Mining Company did not sign the contract, but it is possible that these were discussed in an earlier letter to you to which your September 2 letter was a reply. Accordingly, we shall appreciate your sending us copies of such earlier correspondence.

If Rees Mining Company is experiencing difficulties which it is likely can be resolved within a reasonable time, we will permit the docket file to remain pending; but if it appears that the applicant's difficulties cannot be resolved for a considerable time, we will close the docket immediately. Please let us have your comments.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (GB)

Approved:

/s/ Robert W. Geehan (GB)
Member, Bureau of Mines

N. E. Nelson (GB)
Member, Geological Survey

cc: Docket
Code 400
Oper. Comm.
Adm. Reading File

cc: T. Killsgaard, USGS
R. Holliday, USBM
FT, Reg. 2
LScott/9/20/55

R M Ea

Docket

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

RECEIVED
SEP 16 1955

Copy retained 400

1605 Evans Avenue
Reno, Nevada

September 13, 1955

Memorandum

WSM

To: Operating Committee, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-3654 (Tungsten)
Rees Mining Company
Antelope Claims
White Pine County, Nevada
Contract No. Idm-E847

Reference is made to your copy of my letter of September 2, 1955 to Mr. George C. Morris.

Attached are two copies of letter dated September 8, 1955 from Mr. Morris and the original and five copies of subject contract which have not been executed by the operator and should probably be held in your inactive files.

S. Ricker

S. Ricker

Attach.

Docket

GEORGE C. MORRIS
ATTORNEY AT LAW
908 KEARNS BUILDING
SALT LAKE CITY, UTAH

RECEIVED
SEP 1 3 1955

September 8, 1955

REFER TO	NOTED	DATE
S. Ricker		
ANSWERED		

Mr. S. Ricker
Executive Officer
DMEA Field Team, Region II
1605 Evans Avenue
Reno, Nevada

Re: Docket DMEA-3654- Tungsten
Rees Mining Company
Antelope Claims
White Pine County, Nevada
Contract No. Idm-E847

Dear Mr. Ricker:

Thank you for your kind letter of September 2nd regarding the subject contract.

In accordance with your suggestion, I am returning herewith the original and all copies of the contract to your office, so you may retain them in your inactive files.

We certainly wish to thank you and your staff for the kind co-operation you have given us, and I regret that circumstances have made it necessary to suspend the file at this time. We shall contact you at a further date, as you suggested, when it may appear advisable to reopen negotiations towards executing the contract.

Respectfully yours,

George C. Morris

GCM/bg

Encl.

IN REPLY REFER TO:

Docket

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

RECEIVED
JUL 11 1955

July 8, 1955

Re: DMEA 3654
Rees Mining Co.
Antelope Claims
White Pine Co., Nev.
$38,796.00 - Tungsten

Memorandum

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

From: N. E. Nelson, U. S. Geological Survey

Subject: Review of Field Team report.

The 2-stage program of the Field Team for exploration of the named property appears adequate and well proportioned. The switch of interest from the No. 1 to No. 10 showing looks timely.

I concur with the recommendations of the Field Team.

N. E. Nelson

N. E. Nelson

Copy retained 400

DOCKET
Surname:
Chapman
Martin
Talbert
Nelson,
McFarlane
Martin
Fitzsimon

JUL 25 1955

Mr. Spangler Ricker, Executive Officer
DMEA Field Team, Region II
1605 Evans Avenue
Reno, Nevada

Re: Docket No. DMEA 3654 - Tungsten
Rees Mining Company
Antelope claims
White Pine County, Nevada

Dear Mr. Ricker:

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

If any part of the proposed contract does not have your approval or that of the applicant 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.

Sincerely yours,

W. S. Martin
ACTING Chairman, Operating Committee (2/B)

Enclosures

APPROVED:

/s/ Robert W. Geehan (2/B)
Member, Bureau of Mines

Thor H. Kiilsgaard (2/B)
Member, Geological Survey

cc: Docket
Adm. Read. File
Oper. Committee
Code 400
T. Kiilsgaard, USGS
R. Holliday, USBM
Field Team, Reg. II-Reno

TLChapman/ls
7/19/55

R.A.

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

JUL 15 1955

Memorandum

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

WSM

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-3654, Rees Mining Company

There is attached hereto in proper legal form for execution a contract covering the above identified project, subject to the attachment of the three maps referred to in Exhibit "A".

J. L. Hofflund
Acting Assistant Solicitor,
Defense Minerals

Rubin

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

JUL 15 1955

Memorandum

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

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-3654, Rees Mining Company

There is attached hereto in proper legal form for execution a contract covering the above identified project, subject to the attachment of the three maps referred to in Exhibit "A".

J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor,
Defense Minerals

HCRubin:gjb

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

DOCKET:
Chapman
Martin

INTERIOR DEPT.
JUL 8 - 1955
SOLICITOR

July 8, 1955

MEMORANDUM

To: Acting Assistant Solicitor
Defense Minerals

From: Iron and Ferro-Alloys Division, DMEA

Subject: Review and preparation of exploration project contract
Docket No. DMEA 3654 - Tungsten
Rees Mining Company
Antelope group of claims
White Pine County, Nevada

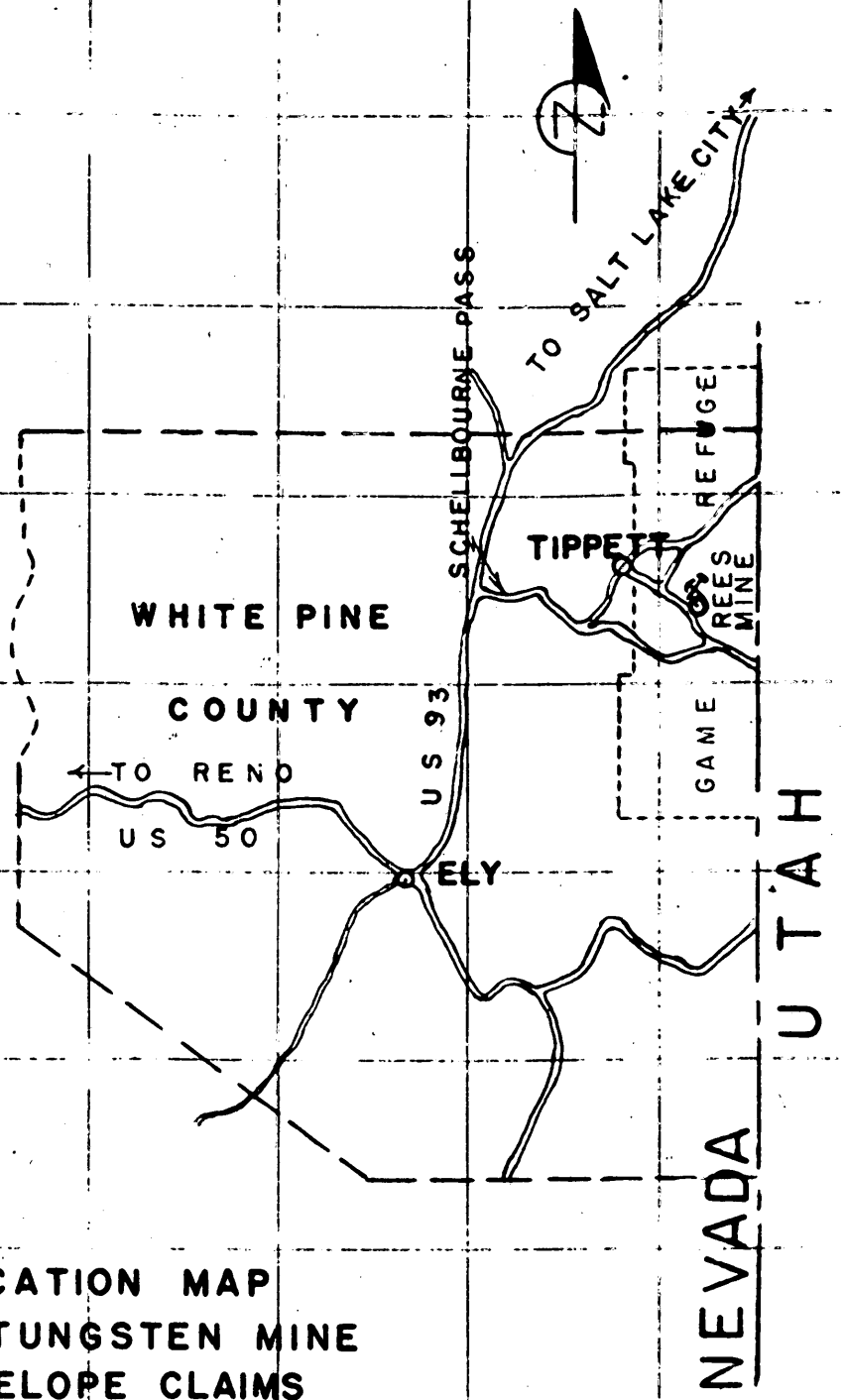
Transmitted herewith is a rough draft of a proposed contract for your use in preparing the final draft.

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

Attachment

cc: Docket
Code 400

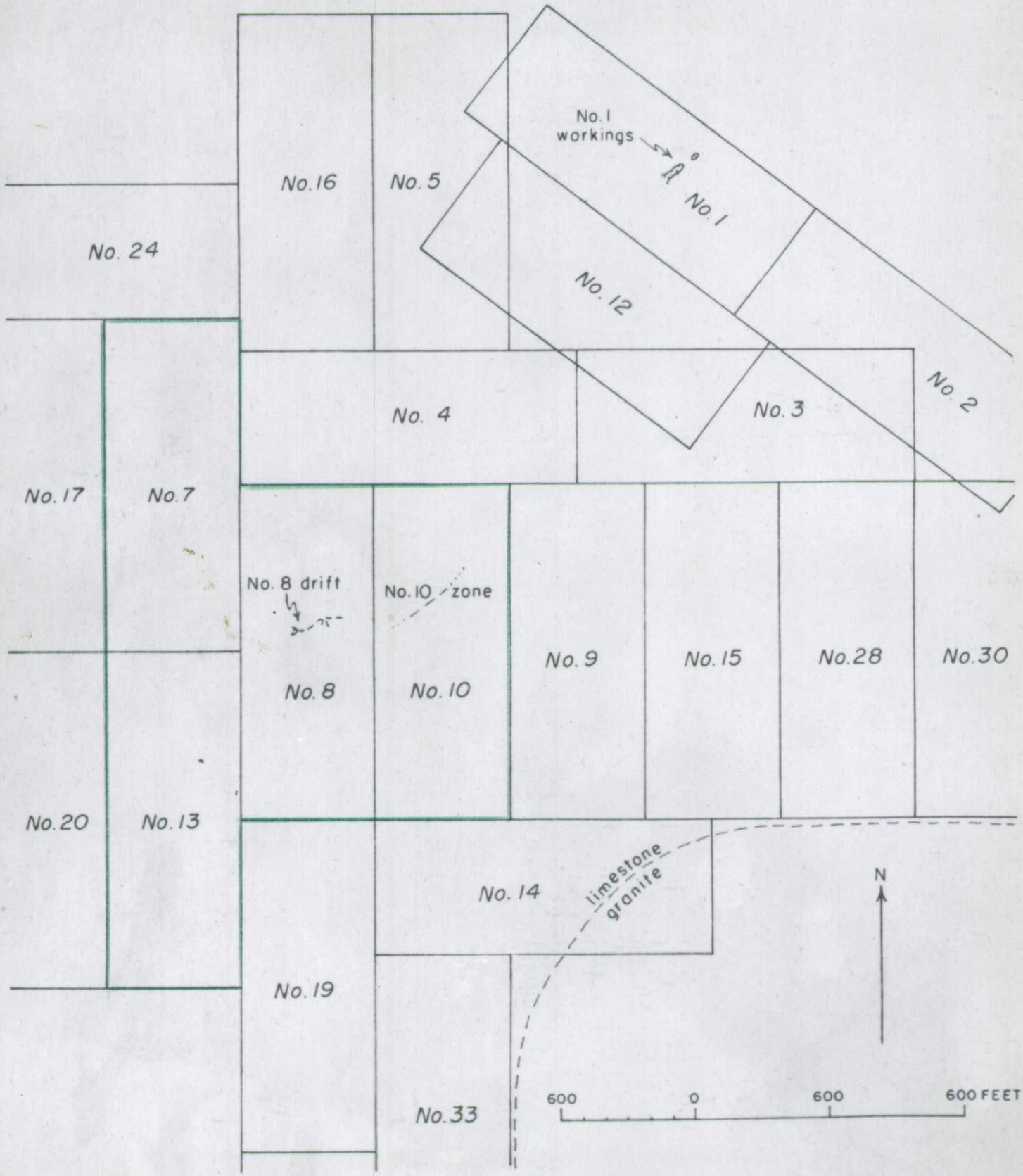
TLChapman/ls
7/8/55



LOCATION MAP
REES TUNGSTEN MINE
ANTELOPE CLAIMS
WHITE PINE COUNTY, NEVADA
DOCKET No. DMEA 3654

SCALE 1" = APPROX. 25 MILES

Figure 1

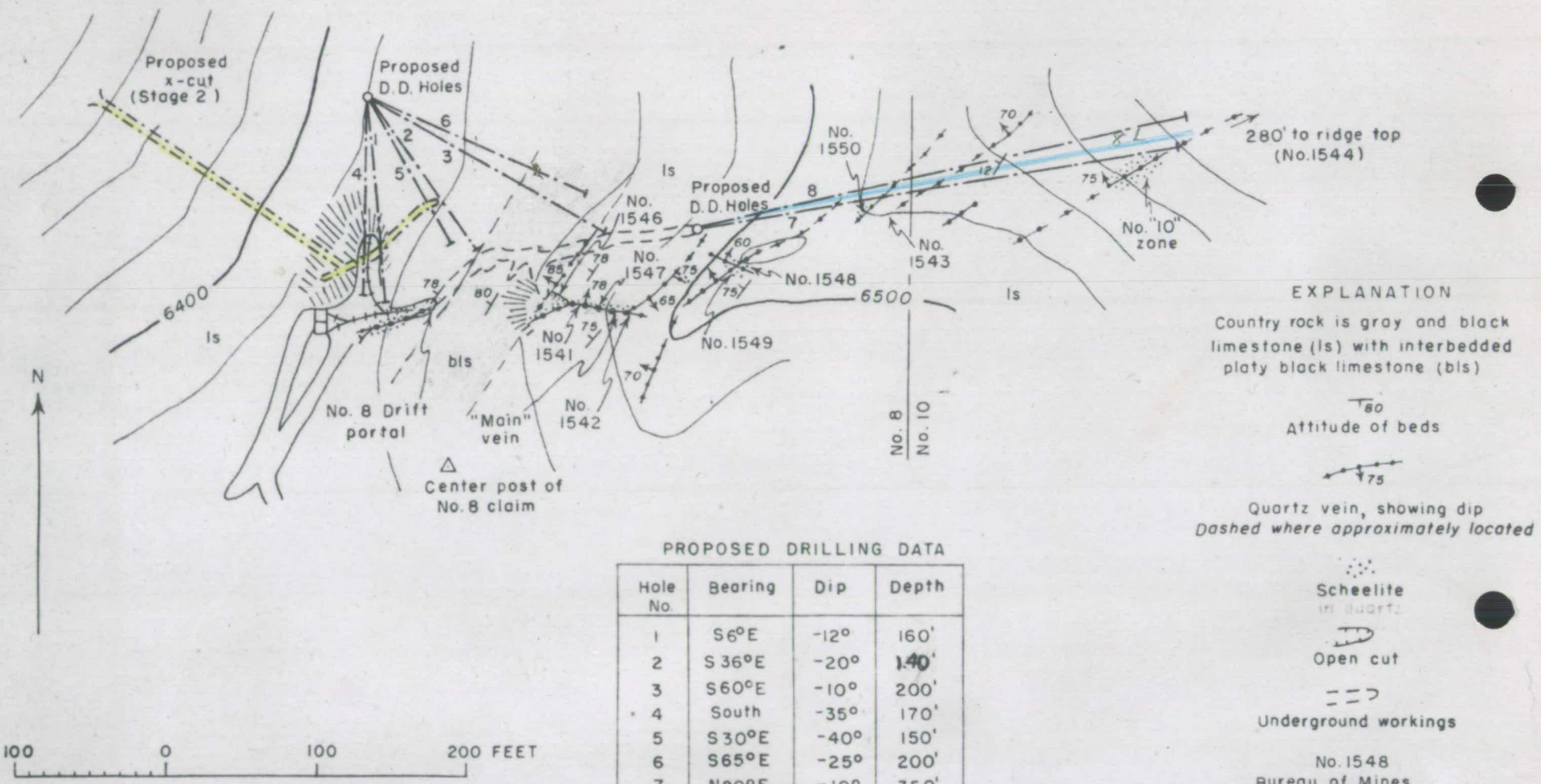


SKETCH MAP OF ANTELOPE CLAIMS
WHITE PINE COUNTY, NEVADA

Figure 2

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA 3654
(TUNGSTEN)



PROPOSED DRILLING DATA

Hole No.	Bearing	Dip	Depth
1	S6°E	-12°	160'
2	S 36°E	-20°	140'
3	S60°E	-10°	200'
4	South	-35°	170'
5	S30°E	-40°	150'
6	S65°E	-25°	200'
7	N80°E	-10°	350'
8	N77°E	-0°	330'

GEOLOGIC SKETCH MAP OF PART OF ANTELOPE CLAIMS
WHITE PINE COUNTY, NEVADA

Figure 3

D 2 n Ea

Docket

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

RECEIVED
JUN 29 1955

AIR MAIL

1605 Evans Avenue
Reno, Nevada

June 27, 1955

Memorandum

WSM

To: Operating Committee, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-3654 - Tungsten
Rees Mining Company
Antelope Claims
White Pine County, Nevada

Copy retained 400

Reference is made to my letter of June 21 on above subject docket. Following is recording data on Antelope Claim No. 10 as referred to in my letter:

> Antelope Claim No. 10; Amended Notice of Location, recorded October 13, 1953, in Book 172, Page 148, Mining Locations Record, White Pine County Recorder's Office, Ely, Nevada.

S. Ricker

402

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

RECEIVED
JUN 23 1955

1605 Evans Avenue
Reno, Nevada

June 21, 1955

WGM

Memorandum

To: Operating Committee, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-3654 - Tungsten
Rees Mining Company
Antelope Claims
White Pine County, Nevada

In response to your letter of February 21, 1955, I am attaching four copies of a report on above subject property by G. G. Gentry, Bureau of Mines and E. H. Pampeyan, Geological Survey in which an exploration project is recommended at a total cost of $38,796.00.

Roscoe Smith and I concur in the recommendations.

We are requesting the applicant to supply data on the recording of Claim No. 10 as such information was not available at the time of the examination.

S. Ricker

Attach.

SRicker:gh
cc: R. M. Smith
File

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

RECEIVED
JUN 23 1955

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION II

APPLICATION REPORT

DMEA 3654 (Tungsten)
Rees Mining Company
Antelope Mining Claims, White Pine County, Nevada

by

G. G. Gentry
Mining Engineer
U. S. Bureau of Mines

Earl H. Pampeyan
Geologist
U. S. Geological Survey

June 14, 1955

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Introduction	1
Conclusions and Recommendations	1
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ILLUSTRATIONS

Figure 1. Index map

2. Geologic sketch map of part of Antelope Claims, White Pine Co., Nev.

3. No. 1 workings, Antelope Claims
No. 8 drift, Antelope Claims

4. Claim map

INTRODUCTION

Pursuant to an application for Government assistance, addressed to the Defense Minerals Exploration Administration and dated January 15, 1955, the Antelope mine claims were examined April 19 and 20, 1955 by Earl Pampeyan, Geological Survey and Glenn Gentry, Bureau of Mines accompanied by Mr. Wilford Rees, the applicant, who is also one of the owners of the property. On the night of April 19, a detailed inspection of the surface exposures was made with a mineralight.

CONCLUSIONS AND RECOMMENDATIONS

The geologic setting, vein exposures, both underground and on the surface, sampling, and grade of shipments indicate occurrences of small but high grade ore shoots. There is a good possibility that exploration would extend the ore on claim No. 8 in depth and discover new ore lenses on claim No. 10.

The applicant proposed to explore scheelite-bearing quartz veins on Antelope No. 1 and 8 claims with 400 feet of drifting, 600 feet of crosscutting and 100 feet of shaft sinking. He also proposes the expenditure of $15,000 for core drilling, raising and bulldozing on the two claims in conjunction with the above work, at a total cost of $71,616.00.

A moderate exploration program is justified to probe for further extensions of the scheelite-bearing quartz veins observed on the surface and adjacent to the portal of the adit.

The exploration program would consist of approximately 1,730 feet of diamond drilling, 550 feet of drifting, and 200 feet of crosscutting.

The total cost is estimated at approximately $38,796.00. Government participation at 75 percent would amount to $29,097.00.

It is recommended that the revised two-stage exploration program consisting of diamond drilling and underground work be approved for Antelope claims No. 8 and 10.

LOCATION, ACCESSIBILITY, LOCAL RESOURCES

The Rees tungsten mine is on the west slope of the Antelope Range in the northeastern portion of White Pine County, Nevada. The mine is reached by traveling northerly from Ely, Nevada via U.S. Highway No. 93 a distance of 38.1 miles, thence easterly via Schellbourne Pass and an unimproved road for a distance of 31.6 miles.

From U.S. Highway No. 93, an all weather road, the traveler follows an unimproved desert road for a distance of 31.6 miles. This portion of the road is mostly narrow and with steep grades over Schellbourne Pass. During the winter months, from October to April, this pass will be closed for indefinite periods as considerable snow and high winds are to be expected. Mining operations during the winter months should consider the difficulty of transportation and supplies and the operator should make arrangements to avoid unnecessary delays.

Ely, Nevada, located approximately 70 miles southwest of the mine, is the nearest reliable source of experienced mine labor. Nearly all items of mine supplies and equipment may also be obtained from merchants in the Ely area.

There is no transmitted electric power at the mine or in the area adjacent to the mine. Water for both domestic use and for

mining purposes can be obtained at the village of Tippett, Nevada, approximately 10 miles north of the mine, and hauled by tank truck as needed.

HISTORY AND PRODUCTION

Mr. Wilford Rees reports that the Rees tungsten mine was located during 1940 and that exploration and development work has been conducted intermittently since that time.

All of the production of scheelite ore has been obtained from the 160 foot adit and the two small stopes, located on the Antelope No. 8 claim. All of the crude ore shipped has been hand sorted at the mine under a mineralight in order to upgrade the shipments.

A partial list of the production has been obtained from Mr. Rees. However, the tonnage submitted does not substantiate the value of $100,000.00 claimed in the application.

At the time of the examination two men were employed at the mine in extending the adit in a northeasterly direction. Progress will probably vary from 2 feet to 2½ feet per day.

The applicant reports that tungsten ore having a gross value of $100,000.00 has been mined and shipped from the property. All of the ore shipped was sorted under a mineralight. Incomplete shipping records, partly attached to the application and in part secured from Mr. Rees at the mine, list the following shipments:

Date	Lot No.	Consigned to	Dry tons	% WO_3	Units WO_3	Gross Value	Net Settlement
2/28/55		Salt Lake Tungsten Co.	37.856	3.715	140.635	$ 8,860.00	$ 4,985.59
11/11/54	1333	U.S. Vanadium Co.	52.112	2.71	141.22		5,225.14
10/27/54		Salt Lake Tungsten Co.	4.195	7.47	31.337	1,974.23	1,253.48
9/24/54	1305	U. S. Vanadium Co.	42.672	1.70	72.53		2,683.61
8/10/54	1270	" " "	49.777	1.22	60.73		2,186.28
7/27/54	1236	" " "	52.280	3.08	161.02		5,957.74
6/14/54	1189	" " "	44.902	2.24	100.58		3,721.46
6/-/54		" " "	29.000				4,521.26
5/-/54		" " "	No tonnage record				4,574.70
3/15/54	2	Salt Lake Tungsten Co.	59.729	9.25	552.493	34,807.06	21,751.83
			286.694		1,260.545		$56,861.09

It is considered probable that Mr. Rees has additional shipping records at either his residence or his office in Smithfield, Utah.

PROPERTY AND OWNERSHIP

The Rees Mining Company, a partnership composed of Wilford Rees, Smithfield, Utah; Dudley Rees, Wales, Utah and Sarah Rees, 172 West North Temple, Salt Lake City, Utah, hold by right of location Antelope mining claims Nos. 4, 7, 8, 10, 13 and 19. These claims are unsurveyed and are reported to be recorded in the office of the County Recorder, White Pine County, Nevada at Ely, Nevada. Mr. Rees reports that all assessment work for the year 1955 has been done and that no debts have accrued against the property.

The application as submitted by Mr. Rees, states that Antelope claims Nos. 1, 2, 7, 8, 13 and 20 are recorded in Book 172, pages

138, 139, 203, 204, 151 and 210, White Pine County, Nevada, Ely, Nevada.

Mr. Wilford Rees, who states that he expects to supervise the exploration project, is principally engaged in the sheep business in and around Smithfield, Utah. He also reports ownership of a feed store in Smithfield, Utah.

While Mr. Rees has been quite successful in mining and producing a moderate tonnage of high grade scheelite ore, it is apparent that most of the actual work had been done by leasers. Future exploration should be supervised by an experienced miner in order to secure adequate footage at reasonable costs. Mr. Rees states that he has sufficient funds to pay for his share of the proposed exploration cost.

Claims No. 8, 10, 7, and 13 (fig. 4) will be included in the contract area. The block of mineralized ground lying above the existing No. 8 drift is to be excluded from the contract area.

DEVELOPMENT

Surface facilities include housing for four men, one air compressor, miscellaneous mining tools, ore bin and mine rail.

The principal mine development has been conducted on the Antelope claim and has consisted of approximately 160 feet of adit and crosscuts together with two small stopes which have each been extended approximately 30 feet above the adit. The mine workings are dry and only a minor amount of timber supports have been required. The broken rock is hand shoveled into a mine car and hand trammed to the dump.

GEOLOGY

Paleozoic limestone underlies most of the claims held by the applicant. The limestone has been intruded by granitic rock near the southeast edge of the claims (fig. 4) and is overlain by alluvium near the west edge of the property. Many northeast striking quartz veins, some of which contain scheelite, cut the limestone.

Most of the limestone is dark gray to black, fine-grained and in layers averaging one foot thick. Platy, coarse-grained black limestone and very thin-bedded, siliceous black and white laminated limestone are locally interbedded with the gray limestone. Bedding strikes N. 32°-55° E. and dips 72°-90° northwest. The limestone, where cut by quartz veins, is usually bleached for six inches to two feet away from the veins. The quartz veins are localized by fractures and faults which trend predominately northeast with probable small displacement. Some of the veins contain irregular lenses of fluorite, scheelite and silver-bearing copper minerals.

A small amount of tactite occurs along the intrusive contact between granite and limestone and a negligible amount of scheelite can be found in the tactite.

ORE DEPOSITS

Scheelite occurs in quartz veinlets which range from a knife edge to one foot in thickness. Locally the quartz veinlets form a branching network or vein up to five feet wide in brecciated limestone. Malachite, azurite, chalcocite, and fluorite occur sporadically along the veins.

The main vein is exposed on the surface for 120 feet where it is strongly mineralized for 70 feet (fig. 2), and averages two feet in thickness (fig. 3). On the surface the richest spots in the vein appear to be where two northeast-striking branch veins split from it. No scheelite was seen east of the eastern split and the main vein pinched to nothing a few feet east of this split (see fig. 2). The main vein could not be traced beyond the portal of the drift.

Three ore shoots were cut in the main vein by the No. 8 drift: (1) the Portal, (2) the No. 1 stope, and (3) the No. 2 stope. Stopes No. 1 and No. 2 are on downward continuations of the surface exposure. Each of these shoots contained ore averaging approximately two percent WO_3 which by hand sorting for shipment was upgraded to as much as nine percent WO_3. The ore shoots at and near the portal have been mined to the surface and the third shoot has been stoped up 30 feet from the track; these shoots appear to pitch steeply westward. High grade ore extends under the track at the portal and at the No. 1 stope, but it is doubtful how much mineralized rock lies beneath No. 2 stope.

The trench, pit and shaft on No. 1 claim (fig. 3) were made by the applicant in search of silver and copper. Small amounts of scheelite reported in the prospect pit at the northeast end of the vein did not show up in the assay.

On claim No. 10 a mineralized outcrop measuring 10 by 40 feet showed some scheelite under the lamp. This brecciated and bleached zone is on a fault which can be traced for more than 400 feet and is mineralized sporadically along its length. No work has been done on this outcrop but it appears to be a very favorable spot for prospecting. When lamping the outcrop its grade was estimated to be about 0.7 percent WO_3.

Other scheelite-bearing quartz veins on claim No. 8 north and east (No. 1546, 1550, fig. 2) of the main vein were sampled and some contained appreciable amounts of tungsten. One sample, No. 1550, assayed 3.40 percent WO_3.

Small amounts of scheelite occur in a tactite zone on claim No. 14. This zone has been prospected by leasers but no significant discoveries were made.

SAMPLING

The following samples were taken:

Sample No.	Width Ft.	% WO_3	Location
BM 1541	1.5	*0.01	Surface exposure.
BM 1542	5.8	1.80	Surface exposure - 39' N of 1541.
BM 1543	12.0	*0.01	Surface exposure - Limestone - some quartz stringers.
BM 1544	8.0	*0.01	Surface exposure - Top of hill - 750' NE of adit portal.
BM 1545	6.0	*0.01	NE face of open cut.
BM 1546	3.0	0.03	Hanging wall side of small open cut - 75' E of portal of adit.
BM 1547	2.0	0.72	Surface exposure - 50' E of 1546.
BM 1548	1.6	0.69	Surface exposure of quartz.
BM 1549	0.9	1.46	Surface exposure.
BM 1550	3.1	3.40	Quartz exposure - west end of ore exposure.
BM 1551	1.8	8.48	In adit - 16' E of portal. High grade streak in floor on hanging wall.
BM 1552	1.8	0.84	3' above floor of adit. SE corner at bottom of No. 1 raise.
BM 1553	2.0	1.50	SE corner at bottom of No. 1 raise and 3' below No. 1552.
BM 1554	1.1	0.83	East side of No. 1 raise and along N-S fissure - 20' above floor of adit.
BM 1555	2.6	0.24	West wall of No. 1 raise about 10' below No. 1554 (10'-12' above floor of adit).
BM 1556	1.8	0.26	Quartz on S wall of adit - at SE corner of south X-cut. 2' above floor of adit.
BM 1557	1.7	0.29	West end of stope at No. 2 raise 15' above floor of adit.
BM 1558	3.4	*0.01	East wall of stope at No. 2 raise 15' above floor of adit.

*Less than.

ORE RESERVES

Reserves of scheelite-bearing rock on Antelope claims No. 8 and 10 equal almost 3,600 tons averaging about two percent WO_3. This figure includes only the indicated and inferred reserves in ground which is as yet unexplored; in addition approximately 200 tons of measured ore lies above the No. 8 drift and is to be excluded from the proposed contract area and from royalty payments. Estimates of grade are based on ore already mined. For calculating reserves it is assumed that scheelite-bearing rock in place occupies 12 cubic feet per ton.

Indicated reserves below the portal of the drift, in a block 40 feet long, 15 feet down the dip and about 5 feet thick, equal 250 tons of ore. Indicated ore beneath the No. 1 stope, in a block 20 feet long, 30 feet along the dip and about 8 feet wide, equals 400 tons. Additional indicated reserves below the No. 2 stope, in a block 20 feet long, 30 feet deep and 5 feet wide, equal 167 tons of ore. The indicated ore is estimated to average about 2 percent WO_3.

Inferred ore 15 feet below the portal of the drift equals 500 tons in a block 40 feet long, 30 feet along the dip and 5 feet wide. A block of inferred ore, 20 feet long, 50 feet deep and 8 feet wide, which equals 670 tons lies 30 feet below the drift down dip from the No. 1 stope. Inferred reserves 30 feet below the drift under the No. 2 stope, in a block 20 feet long, 50 feet down the dip and 5 feet wide, equal 250 tons. These inferred reserves are estimated to contain about 2 percent WO_3. Inferred reserves in the No. 10 mineralized zone, in a block 40 feet long, 40 feet deep and 10 feet wide, equal 1,330 tons containing an estimated 0.7 percent WO_3.

Summary of total reserves:

Class and location	Tons	% WO_3	Units WO_3
Indicated - below portal of drift	250	2.0	500
" below No. 1 stope	400	2.0	800
" below No. 2 stope	167	2.0	334
Inferred - 15 feet below portal	500	2.0	1000
" 30 feet below No. 1 stope	670	2.0	1340
" 20 feet below No. 2 stope	250	2.0	500
" No. 10 mineralized zone	1330	0.7	931
Total	3567		5405

PROPOSED EXPLORATION

The applicant has proposed an indefinite exploration project, consisting of:

150 hrs. of bulldozer trenching at $18.67	$ 2,800.00
1400 ft. of drifts, raise and crosscuts at $38.44	53,816.00
Core drilling (location unknown)	15,000.00
	$71,616.00

and has itemized the amount of exploration and the locations as follows:

No. 1 claim:	200 feet of	tunnel
	300 " "	crosscutting
No. 8 claim:	500 " "	tunnel
	400 " "	crosscutting
	100 " "	shaft sinking
	1500 feet	

The applicant's program as proposed contains some development work as well as exploration work for silver on claim No. 1. Several alternate programs were discussed with the applicant and the following

work is recommended:

Stage I

A. Construct new road from end of present waste dump to site of diamond drill holes Nos. 1, 2, 3, 4, 5, 6.

24 hrs. of bulldozer work at $14.00 per hr. (Includes full maintenance and operator)	$ 336.00
Transportation of bulldozer	100.00
	$ 436.00

B. Diamond drill 6 holes (1030 ft.) to test the downward continuation of the Portal and No. 1 stope ore shoots 50 and 100 feet below the existing drift. (See fig. 2 for drill hole data.)

Diamond drill 2 holes (700 ft.) from a station in the east face of No. 8 drift to test the No. 10 zone 60 and 125 feet below the outcrop. These holes will also test scheelite-bearing quartz veins lying between the drift and No. 10 zone.

1730 feet of diamond drilling at $7.00 per ft. (includes supervision, assaying, core boxes, hauling water)	$12,110.00
	$12,546.00

Stage II (To be contingent upon the results of Stage I)

A. Drive a crosscut for a distance of 200 feet, beginning at a point 250 feet northwest of the No. 8 drift portal and 100 feet lower than the drift, to intersect the mineralized structure proved in diamond drill holes Nos. 1-6.

200 feet at $35.00 per ft.	$ 7,000.00

Size of crosscut to be 5 ft. wide X 7 ft. high, in the clear and timbered where necessary.

Stage II - cont'd.

B. Drift along the vein from the end of the crosscut, for a distance of 100 feet.

100 feet at $35.00 per ft.	$ 3,500.00

Size of drift to be 5 ft. wide X 7 ft. high, in the clear and timbered where necessary.

C. Extend the No. 8 drift approximately 300 feet in an easterly direction to intersect the mineralized structures tested by diamond drill holes Nos. 7 and 8.

300 feet of drifting at $35.00 per ft.	$10,500.00

D. From No. 8 drift, extended, drift a total of 150 feet to determine the extent of the best mineralized areas.

150 feet of drifting at $35.00 per ft.	$ 5,250.00
Estimated cost of project	$38,796.00

Government participation at 75% = $29,097.00

Estimated time required to complete the project: 8 months.

EXPLORATION COSTS

Supervision and labor		Cost Per Ft.
1 Superintendent at $500.00 per month X 8 mos.	= $ 4,000.00	5.33
3 Miners at $20.00 each per day X 7 mos.	= 13,440.00	17.92
Insurance at 12½%	= 2,180.00	2.91
		26.16

Materials and supplies	
Blasting Powder, Fuse, detonators	2.90
Timber (50 ft. of drift at $7.00 per ft.)	0.47
Compressor supplies	2.00
Carbide and Carbide Lamps	0.04
Repairs	1.51
	6.92

	Cost Per ft.
Rental of Pickup Truck:	
1000 miles at $0.07 per mile = $70.00	0.09
Rental of Water Truck:	
1680 miles at $0.14 per mile = $235.20	0.31
	0.40

The operator will furnish all equipment:

	Valuation
1 - IR Co. No. 210, Air Compressor	$4,000.00
Mach. drills, drill steel and bits	800.00
Air and water hoses	200.00
1 - Water pressure tank	25.00
750 ft. of 2-in. BL pipe, installed, at $0.35/ft.	242.50
750 ft. of 1-in. BL pipe, installed, at $0.17/ft.	127.50
Valves and fittings	25.00
1500 feet of 16 lb. mine rail, with ties, splice bars, bolts and spikes	1,200.00
2 - Mine cars at $75.00/each	150.00
Miscellaneous tools	200.00
1 - Slusher, with scraper, cables, blocks	500.00
Ventilation: Blower and Ventube	1,000.00
	$8,470.00

$\frac{\$8,470}{60}$ = $141.16 per month X 7 mos. = $988.12 ÷ 750	1.32
Assaying: 30 samples for WO_3 analyses at $5.00 each = $150.00	0.20
	$35.00

Independent contracts: None

Equipment to be purchased: None

Equipment to be rented: None

Rehabilitation and repairs: None

New buildings, improvements, installations: None

DMEA Docket

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

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JUN 2 3 1955

1605 Evans Avenue
Reno, Nevada

June 21, 1955

WSM

Memorandum

To: Operating Committee, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-3654 - Tungsten
Rees Mining Company
Antelope Claims
White Pine County, Nevada

In response to your letter of February 21, 1955, I am attaching four copies of a report on above subject property by G. G. Gentry, Bureau of Mines and E. H. Pampeyan, Geological Survey in which an exploration project is recommended at a total cost of $38,796.00.

Roscoe Smith and I concur in the recommendations.

We are requesting the applicant to supply data on the recording of Claim No. 10 as such information was not available at the time of the examination.

S. Ricker

S. Ricker

Attach.

Reviewed by
DMEA OPERATING COMMITTEE
7-1-55
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

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JUN 23 1955

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION II

APPLICATION REPORT

DMEA 3654 (Tungsten)
Rees Mining Company
Antelope Mining Claims, White Pine County, Nevada

by

G. G. Gentry
Mining Engineer
U. S. Bureau of Mines

Earl H. Pampeyan
Geologist
U. S. Geological Survey

June 14, 1955

Reviewed by
DMEA OPERATING COMMITTEE
7-1-55
(date)

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2. Geologic sketch map of part of Antelope Claims, White Pine Co., Nev.

3. No. 1 workings, Antelope Claims
No. 8 drift, Antelope Claims

4. Claim map

INTRODUCTION

Pursuant to an application for Government assistance, addressed to the Defense Minerals Exploration Administration and dated January 15, 1955, the Antelope mine claims were examined April 19 and 20, 1955 by Earl Pampeyan, Geological Survey and Glenn Gentry, Bureau of Mines accompanied by Mr. Wilford Rees, the applicant, who is also one of the owners of the property. On the night of April 19, a detailed inspection of the surface exposures was made with a mineralight.

CONCLUSIONS AND RECOMMENDATIONS

The geologic setting, vein exposures, both underground and on the surface, sampling, and grade of shipments indicate occurrences of small but high grade ore shoots. There is a good possibility that exploration would extend the ore on claim No. 8 in depth and discover new ore lenses on claim No. 10.

The applicant proposed to explore scheelite-bearing quartz veins on Antelope No. 1 and 8 claims with 400 feet of drifting, 600 feet of crosscutting and 100 feet of shaft sinking. He also proposes the expenditure of $15,000 for core drilling, raising and bulldozing on the two claims in conjunction with the above work, at a total cost of $71,616.00.

A moderate exploration program is justified to probe for further extensions of the scheelite-bearing quartz veins observed on the surface and adjacent to the portal of the adit.

The exploration program would consist of approximately 1,730 feet of diamond drilling, 550 feet of drifting, and 200 feet of crosscutting.

The total cost is estimated at approximately $38,796.00. Government participation at 75 percent would amount to $29,097.00.

It is recommended that the revised two-stage exploration program consisting of diamond drilling and underground work be approved for Antelope claims No. 8 and 10.

LOCATION, ACCESSIBILITY, LOCAL RESOURCES

The Rees tungsten mine is on the west slope of the Antelope Range in the northeastern portion of White Pine County, Nevada. The mine is reached by traveling northerly from Ely, Nevada via U.S. Highway No. 93 a distance of 38.1 miles, thence easterly via Schellbourne Pass and an unimproved road for a distance of 31.6 miles.

From U.S. Highway No. 93, an all weather road, the traveler follows an unimproved desert road for a distance of 31.6 miles. This portion of the road is mostly narrow and with steep grades over Schellbourne Pass. During the winter months, from October to April, this pass will be closed for indefinite periods as considerable snow and high winds are to be expected. Mining operations during the winter months should consider the difficulty of transportation and supplies and the operator should make arrangements to avoid unnecessary delays.

Ely, Nevada, located approximately 70 miles southwest of the mine, is the nearest reliable source of experienced mine labor. Nearly all items of mine supplies and equipment may also be obtained from merchants in the Ely area.

There is no transmitted electric power at the mine or in the area adjacent to the mine. Water for both domestic use and for

mining purposes can be obtained at the village of Tippett, Nevada, approximately 10 miles north of the mine, and hauled by tank truck as needed.

HISTORY AND PRODUCTION

Mr. Wilford Rees reports that the Rees tungsten mine was located during 1940 and that exploration and development work has been conducted intermittently since that time.

All of the production of scheelite ore has been obtained from the 160 foot adit and the two small stopes, located on the Antelope No. 8 claim. All of the crude ore shipped has been hand sorted at the mine under a mineralight in order to upgrade the shipments.

A partial list of the production has been obtained from Mr. Rees. However, the tonnage submitted does not substantiate the value of $100,000.00 claimed in the application.

At the time of the examination two men were employed at the mine in extending the adit in a northeasterly direction. Progress will probably vary from 2 feet to 2½ feet per day.

The applicant reports that tungsten ore having a gross value of $100,000.00 has been mined and shipped from the property. All of the ore shipped was sorted under a mineralight. Incomplete shipping records, partly attached to the application and in part secured from Mr. Rees at the mine, list the following shipments:

Date	Lot No.	Consigned to	Dry tons	% WO_3	Units WO_3	Gross Value	Net Settlement
2/28/55		Salt Lake Tungsten Co.	37.856	3.715	140.635	$ 8,860.00	$ 4,985.59
11/11/54	1333	U.S. Vanadium Co.	52.112	2.71	141.22		5,225.14
10/27/54		Salt Lake Tungsten Co.	4.195	7.47	31.337	1,974.23	1,253.48
9/24/54	1305	U. S. Vanadium Co.	42.672	1.70	72.53		2,683.61
8/10/54	1270	" " "	49.777	1.22	60.73		2,186.28
7/27/54	1236	" " "	52.280	3.08	161.02		5,957.74
6/14/54	1189	" " "	44,902	2.24	100.58		3,721.46
6/-/54		" " "	29.000				4,521.26
5/-/54		" " "	No tonnage record				4,574.70
3/15/54	2	Salt Lake Tungsten Co.	59.729	9.25	552.493	34,807.06	21,751.83
			286.694		1,260.545		$56,861.09

It is considered probable that Mr. Rees has additional shipping records at either his residence or his office in Smithfield, Utah.

PROPERTY AND OWNERSHIP

The Rees Mining Company, a partnership composed of Wilford Rees, Smithfield, Utah; Dudley Rees, Wales, Utah and Sarah Rees, 172 West North Temple, Salt Lake City, Utah, hold by right of location Antelope mining claims Nos. 4, 7, 8, 10, 13 and 19. These claims are unsurveyed and are reported to be recorded in the office of the County Recorder, White Pine County, Nevada at Ely, Nevada. Mr. Rees reports that all assessment work for the year 1955 has been done and that no debts have accrued against the property.

The application as submitted by Mr. Rees, states that Antelope claims Nos. 1, 2, 7, 8, 13 and 20 are recorded in Book 172, pages

138, 139, 203, 204, 151 and 210, White Pine County, Nevada, Ely, Nevada.

Mr. Wilford Rees, who states that he expects to supervise the exploration project, is principally engaged in the sheep business in and around Smithfield, Utah. He also reports ownership of a feed store in Smithfield, Utah.

While Mr. Rees has been quite successful in mining and producing a moderate tonnage of high grade scheelite ore, it is apparent that most of the actual work had been done by leasers. Future exploration should be supervised by an experienced miner in order to secure adequate footage at reasonable costs. Mr. Rees states that he has sufficient funds to pay for his share of the proposed exploration cost.

Claims No. 8, 10, 7, and 13 (fig. 4) will be included in the contract area. The block of mineralized ground lying above the existing No. 8 drift is to be excluded from the contract area.

DEVELOPMENT

Surface facilities include housing for four men, one air compressor, miscellaneous mining tools, ore bin and mine rail.

The principal mine development has been conducted on the Antelope claim and has consisted of approximately 160 feet of adit and crosscuts together with two small stopes which have each been extended approximately 30 feet above the adit. The mine workings are dry and only a minor amount of timber supports have been required. The broken rock is hand shoveled into a mine car and hand trammed to the dump.

GEOLOGY

Paleozoic limestone underlies most of the claims held by the applicant. The limestone has been intruded by granitic rock near the southeast edge of the claims (fig. 4) and is overlain by alluvium near the west edge of the property. Many northeast striking quartz veins, some of which contain scheelite, cut the limestone.

Most of the limestone is dark gray to black, fine-grained and in layers averaging one foot thick. Platy, coarse-grained black limestone and very thin-bedded, siliceous black and white laminated limestone are locally interbedded with the gray limestone. Bedding strikes N. 32°-55° E. and dips 72°-90° northwest. The limestone, where cut by quartz veins, is usually bleached for six inches to two feet away from the veins. The quartz veins are localized by fractures and faults which trend predominately northeast with probable small displacement. Some of the veins contain irregular lenses of fluorite, scheelite and silver-bearing copper minerals.

A small amount of tactite occurs along the intrusive contact between granite and limestone and a negligible amount of scheelite can be found in the tactite.

ORE DEPOSITS

Scheelite occurs in quartz veinlets which range from a knife edge to one foot in thickness. Locally the quartz veinlets form a branching network or vein up to five feet wide in brecciated limestone. Malachite, azurite, chalcocite, and fluorite occur sporadically along the veins.

The main vein is exposed on the surface for 120 feet where it is strongly mineralized for 70 feet (fig. 2), and averages two feet in thickness (fig. 3). On the surface the richest spots in the vein appear to be where two northeast-striking branch veins split from it. No scheelite was seen east of the eastern split and the main vein pinched to nothing a few feet east of this split (see fig. 2). The main vein could not be traced beyond the portal of the drift.

Three ore shoots were cut in the main vein by the No. 8 drift: (1) the Portal, (2) the No. 1 stope, and (3) the No. 2 stope. Stopes No. 1 and No. 2 are on downward continuations of the surface exposure. Each of these shoots contained ore averaging approximately two percent WO_3 which by hand sorting for shipment was upgraded to as much as nine percent WO_3. The ore shoots at and near the portal have been mined to the surface and the third shoot has been stoped up 30 feet from the track; these shoots appear to pitch steeply westward. High grade ore extends under the track at the portal and at the No. 1 stope, but it is doubtful how much mineralized rock lies beneath No. 2 stope.

The trench, pit and shaft on No. 1 claim (fig. 3) were made by the applicant in search of silver and copper. Small amounts of scheelite reported in the prospect pit at the northeast end of the vein did not show up in the assay.

On claim No. 10 a mineralized outcrop measuring 10 by 40 feet showed some scheelite under the lamp. This brecciated and bleached zone is on a fault which can be traced for more than 400 feet and is mineralized sporadically along its length. No work has been done on this outcrop but it appears to be a very favorable spot for prospecting. When lamping the outcrop its grade was estimated to be about 0.7 percent WO_3.

Other scheelite-bearing quartz veins on claim No. 8 north and east (No. 1548, 1550, fig. 2) of the main vein were sampled and some contained appreciable amounts of tungsten. One sample, No. 1550, assayed 3.40 percent WO_3.

Small amounts of scheelite occur in a tactite zone on claim No. 14. This zone has been prospected by leasers but no significant discoveries were made.

SAMPLING

The following samples were taken:

Sample No.	Width Ft.	% WO_3	Location
BM 1541	1.5	*0.01	Surface exposure.
BM 1542	5.8	1.80	Surface exposure - 39' N of 1541.
BM 1543	12.0	*0.01	Surface exposure - Limestone - some quartz stringers.
BM 1544	8.0	*0.01	Surface exposure - Top of hill - 750' NE of adit portal.
BM 1545	6.0	*0.01	NE face of open cut.
BM 1546	3.0	0.03	Hanging wall side of small open cut - 75' E of portal of adit.
BM 1547	2.0	0.72	Surface exposure - 50' E of 1546.
BM 1548	1.6	0.69	Surface exposure of quartz.
BM 1549	0.9	1.46	Surface exposure.
BM 1550	3.1	3.40	Quartz exposure - west end of ore exposure.
BM 1551	1.8	8.48	In adit - 16' E of portal. High grade streak in floor on hanging wall.
BM 1552	1.8	0.84	3' above floor of adit. SE corner at bottom of No. 1 raise.
BM 1553	2.0	1.50	SE corner at bottom of No. 1 raise and 3' below No. 1552.
BM 1554	1.1	0.83	East side of No. 1 raise and along N-S fissure - 20' above floor of adit.
BM 1555	2.6	0.24	West wall of No. 1 raise about 10' below No. 1554 (10'-12' above floor of adit).
BM 1556	1.8	0.26	Quartz on S wall of adit - at SE corner of south X-cut. 2' above floor of adit.
BM 1557	1.7	0.29	West end of stope at No. 2 raise 15' above floor of adit.
BM 1558	3.4	*0.01	East wall of stope at No. 2 raise 15' above floor of adit.

*Less than.

ORE RESERVES

Reserves of scheelite-bearing rock on Antelope claims No. 8 and 10 equal almost 3,600 tons averaging about two percent WO_3. This figure includes only the indicated and inferred reserves in ground which is as yet unexplored; in addition approximately 200 tons of measured ore lies above the No. 8 drift and is to be excluded from the proposed contract area and from royalty payments. Estimates of grade are based on ore already mined. For calculating reserves it is assumed that scheelite-bearing rock in place occupies 12 cubic feet per ton.

Indicated reserves below the portal of the drift, in a block 40 feet long, 15 feet down the dip and about 5 feet thick, equal 250 tons of ore. Indicated ore beneath the No. 1 stope, in a block 20 feet long, 30 feet along the dip and about 8 feet wide, equals 400 tons. Additional indicated reserves below the No. 2 stope, in a block 20 feet long, 30 feet deep and 5 feet wide, equal 167 tons of ore. The indicated ore is estimated to average about 2 percent WO_3.

Inferred ore 15 feet below the portal of the drift equals 500 tons in a block 40 feet long, 30 feet along the dip and 5 feet wide. A block of inferred ore, 20 feet long, 50 feet deep and 8 feet wide, which equals 670 tons lies 30 feet below the drift down dip from the No. 1 stope. Inferred reserves 30 feet below the drift under the No. 2 stope, in a block 20 feet long, 50 feet down the dip and 5 feet wide, equal 250 tons. These inferred reserves are estimated to contain about 2 percent WO_3. Inferred reserves in the No. 10 mineralized zone, in a block 40 feet long, 40 feet deep and 10 feet wide, equal 1,330 tons containing an estimated 0.7 percent WO_3.

Summary of total reserves:

Class and location	Tons	% WO_3	Units WO_3
Indicated - below portal of drift	250	2.0	500
" below No. 1 stope	400	2.0	800
" below No. 2 stope	167	2.0	334
Inferred - 15 feet below portal	500	2.0	1000
" 30 feet below No. 1 stope	670	2.0	1340
" 20 feet below No. 2 stope	250	2.0	500
" No. 10 mineralized zone	1330	0.7	931
Total	3567		5405

PROPOSED EXPLORATION

The applicant has proposed an indefinite exploration project, consisting of:

150 hrs. of bulldozer trenching at $18.67	$ 2,800.00
1400 ft. of drifts, raise and crosscuts at $38.44	53,816.00
Core drilling (location unknown)	15,000.00
	$71,616.00

and has itemized the amount of exploration and the locations as follows:

No. 1 claim:	200 feet of	tunnel
	300 " "	crosscutting
No. 8 claim:	500 " "	tunnel
	400 " "	crosscutting
	100 " "	shaft sinking
	1500 feet	

The applicant's program as proposed contains some development work as well as exploration work for silver on claim No. 1. Several alternate programs were discussed with the applicant and the following

work is recommended:

Stage I

A. Construct new road from end of present waste dump to site of diamond drill holes Nos. 1, 2, 3, 4, 5, 6.

24 hrs. of bulldozer work at $14.00 per hr. (Includes full maintenance and operator)	$ 336.00
Transportation of bulldozer	100.00
	$ 436.00

B. Diamond drill 6 holes (1030 ft.) to test the downward continuation of the Portal and No. 1 stope ore shoots 50 and 100 feet below the existing drift. (See fig. 2 for drill hole data.)

Diamond drill 2 holes (700 ft.) from a station in the east face of No. 8 drift to test the No. 10 zone 60 and 125 feet below the outcrop. These holes will also test scheelite-bearing quartz veins lying between the drift and No. 10 zone.

1730 feet of diamond drilling at $7.00 per ft. (Includes supervision, assaying, core boxes, hauling water)	$12,110.00
	$12,546.00

Stage II (To be contingent upon the results of Stage I)

A. Drive a crosscut for a distance of 200 feet, beginning at a point 250 feet northwest of the No. 8 drift portal and 100 feet lower than the drift, to intersect the mineralized structure proved in diamond drill holes Nos. 1-6.

200 feet at $35.00 per ft.	$ 7,000.00

Size of crosscut to be 5 ft. wide X 7 ft. high, in the clear and timbered where necessary.

Stage II - cont'd.

B. Drift along the vein from the end of the crosscut, for a distance of 100 feet.

100 feet at $35.00 per ft.	$ 3,500.00

Size of drift to be 5 ft. wide X 7 ft. high, in the clear and timbered where necessary.

C. Extend the No. 8 drift approximately 300 feet in an easterly direction to intersect the mineralized structures tested by diamond drill holes Nos. 7 and 8.

300 feet of drifting at $35.00 per ft.	$10,500.00

D. From No. 8 drift, extended, drift a total of 150 feet to determine the extent of the best mineralized areas.

150 feet of drifting at $35.00 per ft.	$ 5,250.00
Estimated cost of project	$38,796.00

Government participation at 75% = $29,097.00

Estimated time required to complete the project: 8 months.

EXPLORATION COSTS

Supervision and labor		Cost Per Ft.
1 Superintendent at $500.00 per month X 8 mos.	=$ 4,000.00	5.33
3 Miners at $20.00 each per day X 7 mos.	= 13,440.00	17.92
Insurance at 12½%	= 2,180.00	2.91
		26.16

Materials and supplies	
Blasting Powder, Fuse, detonators	2.90
Timber (50 ft. of drift at $7.00 per ft.)	0.47
Compressor supplies	2.00
Carbide and Carbide Lamps	0.04
Repairs	1.51
	6.92

	Cost Per ft.
Rental of Pickup Truck:	
1000 miles at $0.07 per mile = $70.00	0.09
Rental of Water Truck:	
1680 miles at $0.14 per mile = $235.20	0.31
	0.40

The operator will furnish all equipment:

	Valuation
1 - IR Co. No. 210, Air Compressor	$4,000.00
Mach. drills, drill steel and bits	800.00
Air and Water hoses	200.00
1 - Water pressure tank	25.00
750 ft. of 2-in. BL pipe, installed, at $0.35/ft.	242.50
750 ft. of 1-in. BL pipe, installed, at $0.17/ft.	127.50
Valves and fittings	25.00
1500 feet of 16 lb. mine rail, with ties, splice bars, bolts and spikes	1,200.00
2 - Mine cars at $75.00/each	150.00
Miscellaneous tools	200.00
1 - Slusher, with scraper, cables, blocks	500.00
Ventilation: Blower and Ventube	1,000.00
	$8,470.00

$\frac{\$8,470}{60}$ = $141.16 per month X 7 mos. = $988.12 ÷ 750 — 1.32

Assaying: 30 samples for WO_3 analyses at $5.00 each = $150.00 — 0.20

$35.00

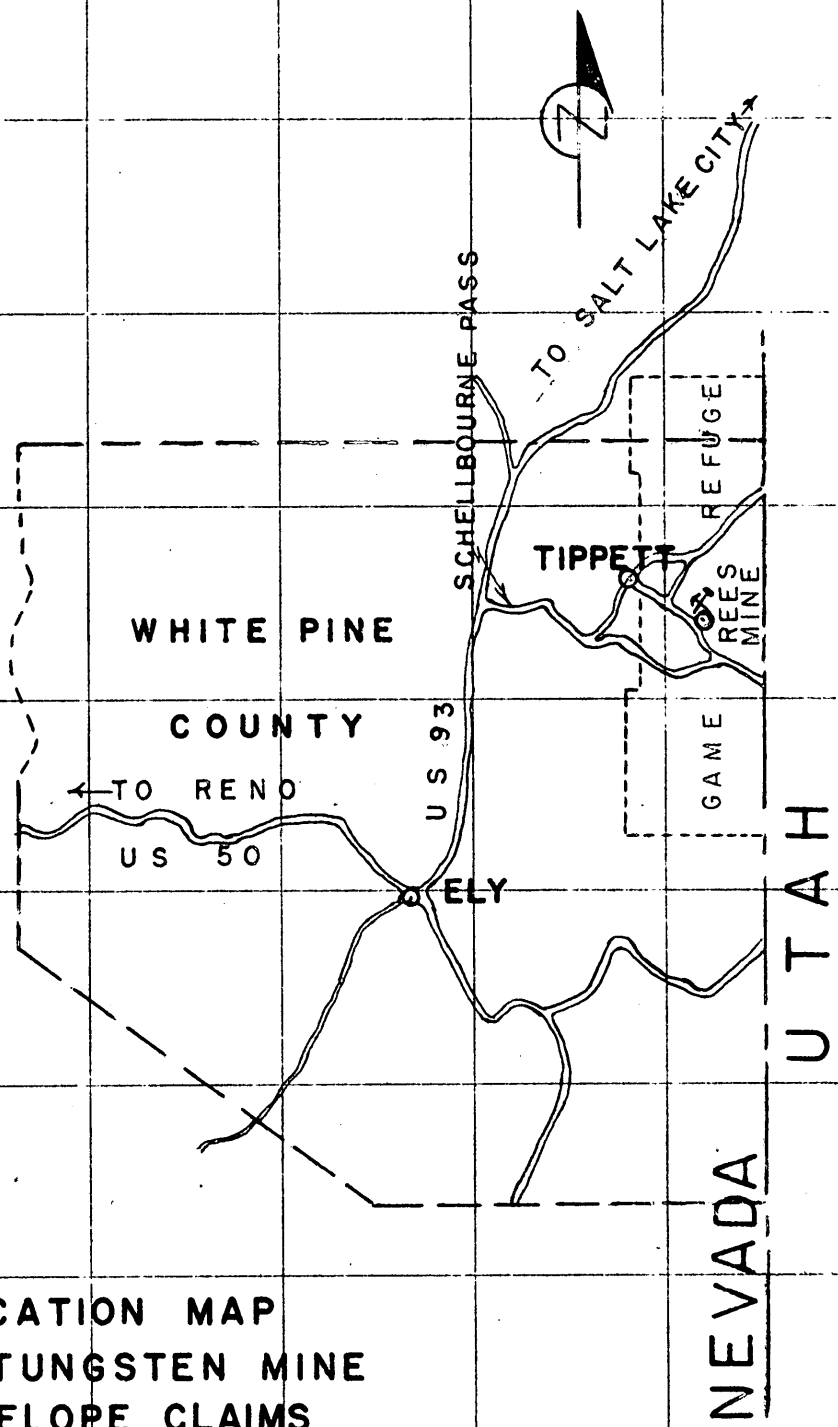
Independent contracts: None

Equipment to be purchased: None

Equipment to be rented: None

Rehabilitation and repairs: None

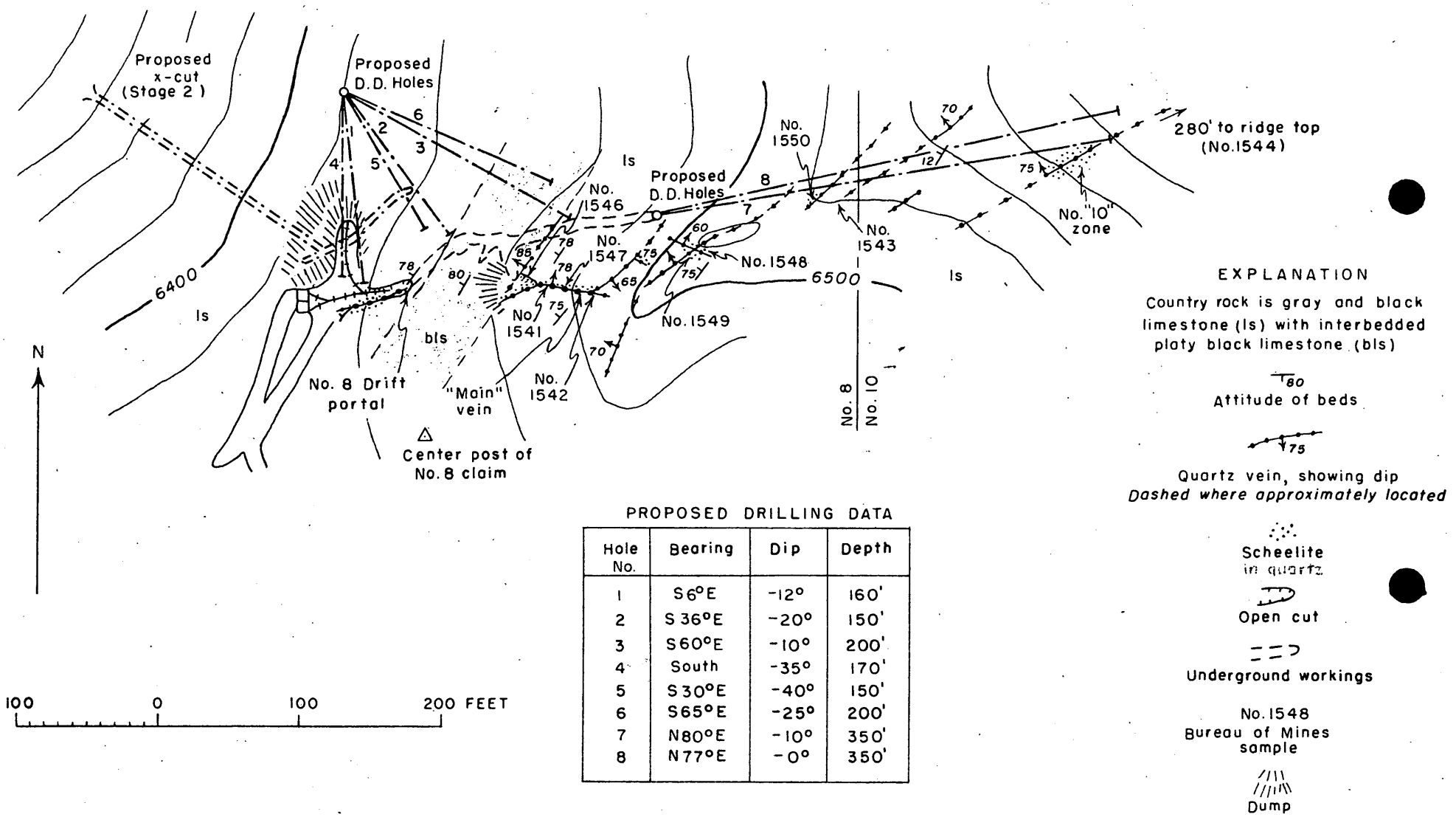
New buildings, improvements, installations: None



LOCATION MAP
REES TUNGSTEN MINE
ANTELOPE CLAIMS
WHITE PINE COUNTY, NEVADA
DOCKET No. DMEA 3654

SCALE 1" = APPROX. 25 MILES

Figure 1

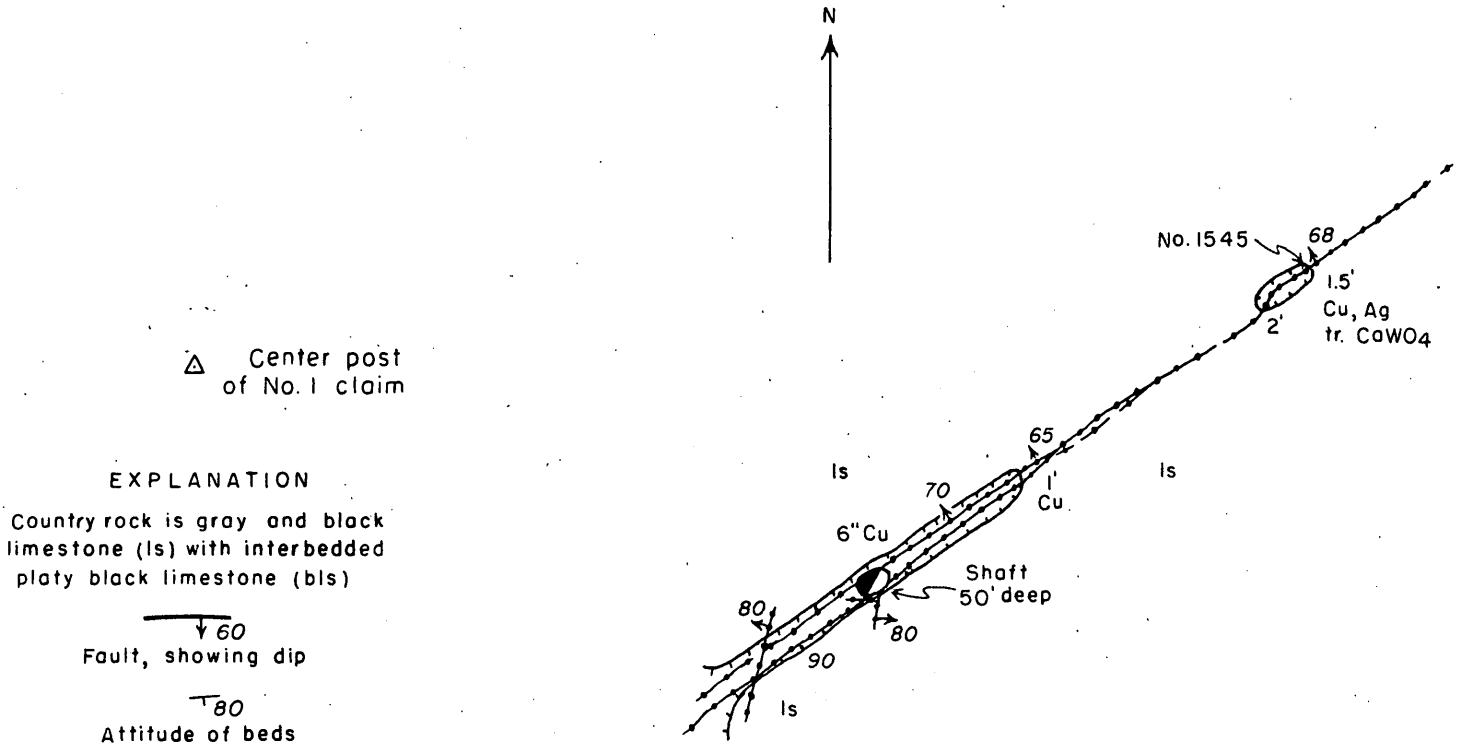


PROPOSED DRILLING DATA

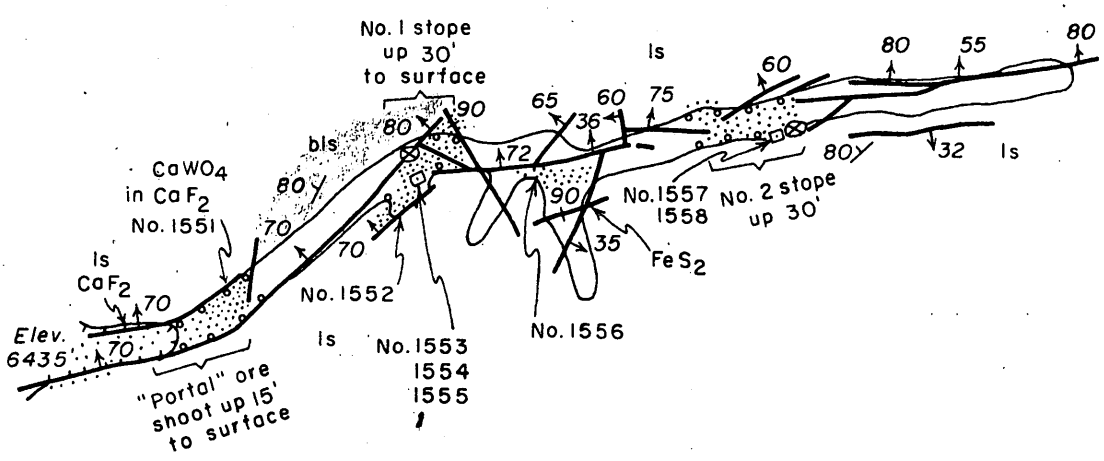
Hole No.	Bearing	Dip	Depth
1	S6°E	-12°	160'
2	S 36°E	-20°	150'
3	S60°E	-10°	200'
4	South	-35°	170'
5	S30°E	-40°	150'
6	S65°E	-25°	200'
7	N80°E	-10°	350'
8	N77°E	-0°	350'

GEOLOGIC SKETCH MAP OF PART OF ANTELOPE CLAIMS
WHITE PINE COUNTY, NEVADA

Figure 2



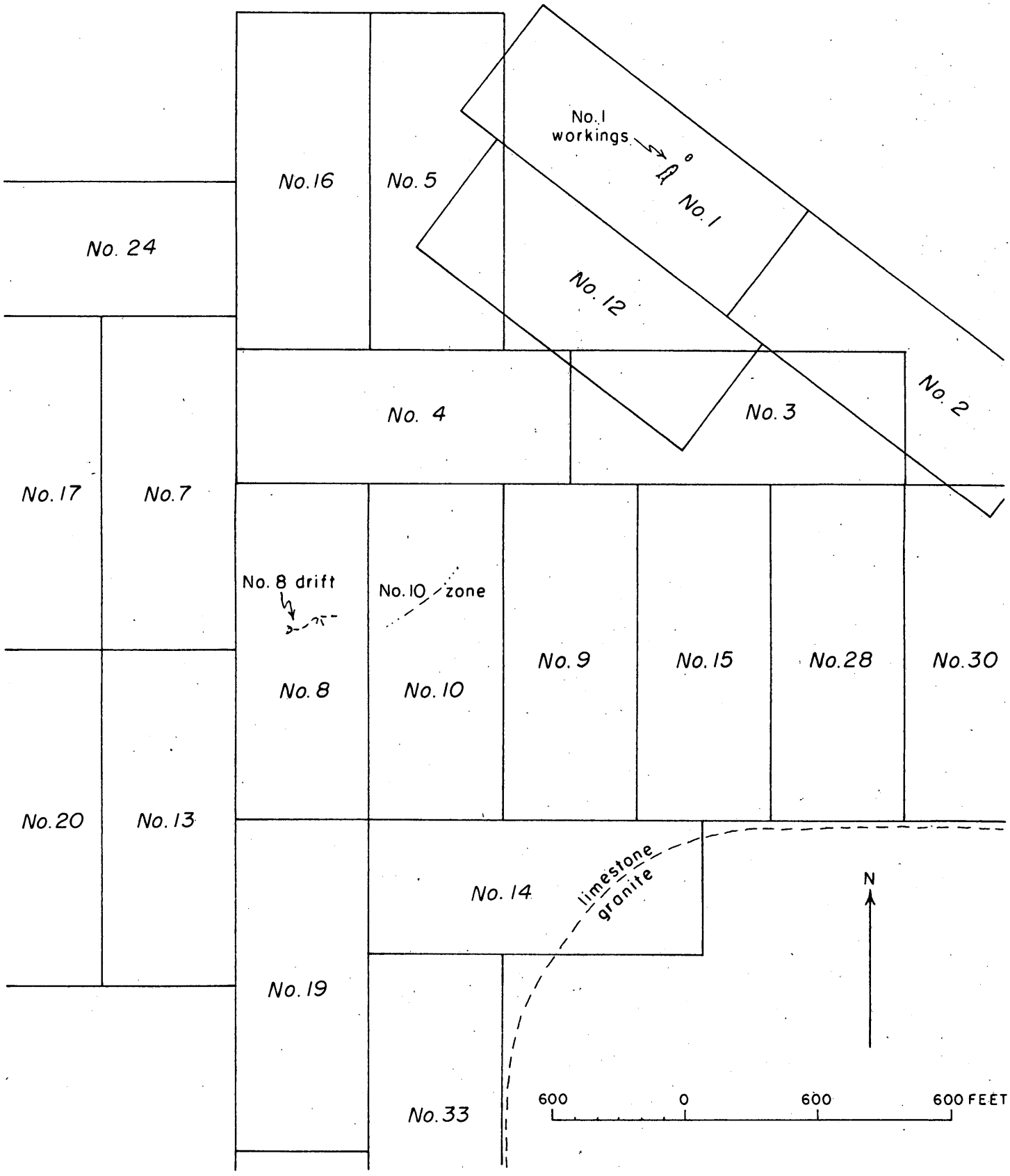
NO. 1 WORKINGS, ANTELOPE CLAIMS



NO. 8 DRIFT, ANTELOPE CLAIMS
WHITE PINE COUNTY, NEVADA

40 0 40 80 120 FEET

Figure 3



SKETCH MAP OF ANTELOPE CLAIMS
WHITE PINE COUNTY, NEVADA

Figure 4

400

DOCKET
Surname:
Chapman
Martin.
McInnis
J. Johnson

FEB 21 1955

Mr. Spangler Ricker, Executive Officer
DMEA Field Team, Region II
420 Custom House
555 Battery Street
San Francisco 11, California

Re: Docket No. DMEA 3654 - Tungsten
Rees Mining Company
Antelope claims
White Pine County, Nevada

Dear Mr. Ricker:

The above-referenced application for exploration assistance is being referred to your office for a field examination. The application is incomplete and it will be necessary for the Field Team to obtain from the applicant the necessary details for the preparation of a contract if one is to be recommended.

Two copies of a relevant memorandum dated February 14, 1955, by Thor H. Kiilsgaard, Geological Survey, are enclosed for your information.

Sincerely yours,

W. S. Martin
ACTING Chairman, Operating Committee

Enclosures

cc: Docket
FT, Reg. II
Code 400
Adm. Reading File
Operating Committee
W. McInnis, USBM
T. Kiilsgaard, USGS

APPROVED:

J. H. Hedges
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

TLChapman/ls
2/16/55

R.C.G.

400

DOCKET
surname:

Chapman
Martin
McInnis
Hedges
Kiilsgaard
Johnson

FEB 21 1955

Rees Mining Company
908 Kearns Building
Salt Lake City, Utah

Re: Docket No. DMEA 3654 - Tungsten
Antelope claims
White Pine County, Nevada

Gentlemen:

The above-docketed application for exploration assistance for tungsten has been reviewed by the Iron and Ferro-Alloys Division of the Defense Minerals Exploration Administration and referred to Mr. Spangler Ricker, Executive Officer, DMEA Field Team, Region II, 420 Custom House, 555 Battery Street, San Francisco 11, California, for a field examination of the property.

Any assistance that you can give the examining engineers will be appreciated.

Sincerely yours,

Frank E. Johnson

ACTING Administrator

cc: Docket
Adm. Read. File
Code 400
Oper. Comm.
FT, Reg. II-San Francisco
T. Kiilsgaard, USGS
W. McInnis, USBM

TLChapman/ls
2/16/55

R.C.R.

Docket

IN REPLY REFER TO:

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

Defense Minerals Administration
RECEIVED
FEB 15 1955

February 14, 1955

Copy retained 100

Re: DMEA Docket 3654
(tungsten)
Antelope claims
Rees Mining Company
White Pine County,
Nevada

WSM

Memorandum

To: Mr. W. S. Martin, Chief, Iron & Ferro Alloys Division, DMEA

From: Thor H. Kiilsgaard, U. S. Geological Survey

Subject: Review of application

The applicant controls the Antelope Nos. 1, 2, 7, 8, 13, and 20 unpatented mining claims, in White Pine County, Nevada. He reports that a strong tungsten showing on the No. 1 claim has been explored by a 100-foot cut and a 50-foot shaft, but that no appreciable ore has been shipped from this claim. The No. 8 claim has been explored by a 160-foot tunnel and stopes therefrom. Production from the No. 8 claim, during the preceeding 12 months, is reported at $100,000.00.

In section 5(a) of the application, the applicant proposes to explore the No. 1 claim by 200 feet of drifts and 300 feet of crosscuts. No. 8 claim is to be explored by a 300-foot tunnel, extending the present tunnel 200 feet, 400 feet of crosscuts, and 100 feet of shaft. In section 6, however, the applicant lists under costs of the project, $15,000 of core drilling, raising, and bulldozing; where this latter work will be done is not known.

No maps were submitted with the application nor was there any description of the geology of the deposit.

On the basis of the production record, the property has merit and probably warrants further exploration. In its present form the application is incomplete; however, rather than ask the applicant for further information, I recommend the application be referred to the field for an examination of the property, as this will be the quickest way of obtaining data needed to evaluate the applicant's proposal.

Among other items, field examiners should obtain the following from the applicant:

1. Map of property showing location of claims, location of present development, location of proposed work with respect to present development and claims. As the mine has been and may be still producing, there may be certain blocks or tracts of ground that should be excluded from royalty repayment.

2. A more exact description of the exploration to be done and where it is to be located, and a better breakdown of costs.

3. A check to see if applicant holds claims by right of location or if they have been purchased. If held by the latter, it may be necessary to obtain a Consent to Lien Agreement from the vendor.

C. L. Newcomb
for Thor H. Kiilsgaard

Rees Mining Company
908 Kearns Building
Salt Lake City, Utah

January 28, 1955
Subject: DMEA 3654
Re: Exploration Assistance
Antelope claims

Gentlemen:

The receipt of your application dated January 15, 1955 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA 3654 and referred to the Iron and Ferro-Alloys Division.

Kindly identify all future correspondence relating to your application by this docket number.

Sincerely yours,

Robert E. Adams, Chief
Operations Control and
Statistics Division

GEORGE C. MORRIS
ATTORNEY AT LAW
908 KEARNS BUILDING
SALT LAKE CITY, UTAH

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 27 1955

January 21, 1955

Defense Minerals Exploration Adm.
Dept. of the Interior
Washington 25, D. C.

Gentlemen:

Submitted herewith, in quadruplicate on behalf of the Rees Mining Company, is an application for aid in an exploration project.

Two estimates of cost have been computed; one on the basis of gross type of work, showing $75,000, and the other estimate based on footage, showing approximately $82,000. Please accept this application on either basis, which may meet with your approval.

If any other information is deemed necessary, we shall be happy to co-operate in every way possible to expedite your approval of this application.

Respectfully yours,

George C. Morris
On behalf of:
Rees Mining Company, a partnership

GCM/bg

Enclosure

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Form Approved.
Budget Bureau No. 42-R1035.2.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 27 1955

APPLICATION FOR AID IN AN EXPLORATION PROJECT, PURSUANT TO DMEA ORDER 1, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Not to be filled in by applicant

Docket No. 3654
Metal or Mineral Tungsten
Date Received 1-27-55
Estimated Cost $81,616
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: REES MINING COMPANY, 908 Kearns Bldg., Salt Lake City, Utah. Wilford Rees, Smithfield, Utah; Dudley Rees, Wales, Utah; Sarah Rees, 172 West North Temple, Salt Lake City, Utah.

(*b*) If other than an individual, add to your name above whether a corporation, partnership, etc., and the name of the State in which incorporated or otherwise organized.

(*c*) If a corporation, add to above statement, titles, names and addresses of officers.

(*d*) If a partnership, add to the above statement the names and addresses of all partners.

2. *General.*—Read DMEA Order 1, "Government Aid in Defense Exploration Projects," before completing this application. Submit this application and all accompanying papers in quadruplicate (four copies), with your name and address on each sheet of the application and on all accompanying papers. Where sufficient space is not provided on the form for all required information, state it on an accompanying paper, with a reference in each case to the instruction to which it refers by number. Comply with all applicable instructions; or, if not applicable, so state. File the application with Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest field executive officer thereof.

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract Mining claims designated as "Antelope" No.'s 1, 2, 7, 8, 13, 20, and respectively recorded in Book 172, pages 138, 139, 203, 204, 151, &210, White Pine County, Nevada.

(*b*) State any mine name by which the property is known. Antelope claims; REES MINING CO.

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise Owners of unpatented claims.

(*d*) If you are not the owner, submit with this application a copy of the lease, contract, or other document under which you control the property.

(*e*) If you own the land, describe any liens or encumbrances on it None

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice.

4. *Physical description.*—(*a*) Describe in detail any mining or exploration operations which have been or now are being conducted upon the land, including existing mine workings and production facilities. State your interest, if any, in such operations. Also describe accessibility of mine workings for examination purposes.

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades.

(*c*) Describe the geologic features of the property, including mineralization, type of deposit (vein, bedded, etc.), and your reasons for wishing to explore. Illustrate with maps or sketches. Send with your application (but not necessarily as a part of it) any geologic or engineering report, assay maps, or other technologic information you may have, indicating on each whether you require its return to you.

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points.

(*e*) State the availability of manpower, materials, supplies, equipment, water, and power.

5. *The exploration project.*—(*a*) State the mineral or minerals for which you wish to explore .....

.....

(*b*) Describe fully the proposed work, including a map or sketch of the property showing a plan (and cross sections if needed) of any present mine workings, and the location of the proposed exploration work as related to such features as contacts, veins, ore-bearing beds, etc.

(*c*) The work will start within ..... days and be completed within ..... months from the date of an exploration project contract.

(*d*) State the operating experience and background of the applicant with relation to the ability to carry out such exploration project, and also that of the person or persons who will supervise the operations.

6. *Estimate of costs.*—Furnish a detailed estimate of the costs of the proposed work (you will have to use a separate sheet), under the following headings. Add the totals under all headings to give the estimated total cost of the project:

(*a*) *Independent contracts.*—(Note.—If the applicant does not intend to let any of the work to contractors, write "none" after this item. To the extent that the work is to be contracted, do not repeat the cost of the contract-work in subsequent items.) State the cost of any proposed independent contracts for the performance of all or any part of the work, expressed in terms of units of work (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved, etc.).

(*b*) *Labor, supervision, consultants.*—Include an itemized schedule of numbers, classes and rates of wages, salaries or fees for necessary labor, supervision and engineering and geological consultants.

(*c*) *Operating materials and supplies.*—Furnish an itemized list, including items of equipment costing less than $50 each, and power, water and fuel.

(*d*) *Operating equipment.*—Furnish an itemized list of any operating equipment to be rented, purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or suggested use-allowance based on present value, as the case may be.

(*e*) *Rehabilitation and repairs.*—Furnish a detailed list showing the cost of any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and which will be devoted to the exploration project.

(*f*) *New buildings, improvements, installations.*—Furnish a detailed list showing the cost of any necessary buildings, fixed improvements, or installations to be purchased, installed or constructed for the benefit of the exploration project.

(*g*) *Miscellaneous.*—Furnish a detailed list showing the cost of repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance, and payroll taxes.

(*h*) *Contingencies.*—Give an estimate of any necessary allowances for contingencies not included in the costs stated above.

NOTE.—No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes), or any other indirect costs, or work performed or costs incurred before the date of the contract, should be included in the estimate of costs.

7. (*a*) Are you prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation (Sec. 7, DMEA No. 1)?

(*b*) How do you propose to furnish your share of the costs?

[X] Money [X] Use of equipment owned by you [ ] Other

Explain in detail on acompanying paper.

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief.

Dated January 15, 1955

REES MINING COMPANY
(Applicant)

By M B Rees

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

U. S. GOVERNMENT PRINTING OFFICE 16—66551-1

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 27 1955

4. (a) From our No. 1 claim we have a cut approximately 100 feet in length by about 6 feet wide and from 2 to 30 feet in depth and also a shaft 50 feet deep from which no appreciable ore has been shipped but has a strong showing of Tungston which we want to explore by drifting.

From No. 8 claim we have a tunnel 160 feet deep, 8 feet high and 6 feet wide and stopes from which we have grossed shipments of Shelite Tunston ore of one hundred thousand ($100,000.00) dollars in the preceeding twelve months. We have two bins and equipment on this claim. We have two men working at present. We own the property and the mine is accessable by truck or auto.

(b) We have shipped approximately one hundred thousand ($100,000) dollars worth of ore in the past twelve months. We can follow the vein, which is from two to eight feet in width, for 150 feet on the surface.

The lowest car shipped to The United States Vanadium Co., Bishop, California assayed at 1.22 percent and the highest car of 60 tons went to The Salt Lake Tungston Company, Salt Lake City, Utah averaged 9.25 per cent.

I am enclosing copies of a few of the settlement sheets.

(c) See exhibits A, B, C, D. (Tungsten Ore)

(d) We have to travel 30 miles of good dirt road to the state oiled highway. The mine is 200 miles from the Salt Lake Tungston Company, Salt Lake City, Utah and 400 miles to The United States Vanadium Co., Bishop, California. The main supply point for equipment is Ely, Nevada. We obtain groceries, supplies, and water from Tippitts Ranch which is 10 miles from the mine.

We have been paying $18.75 per ton for trucking our ore to The United States Vanadium Co., and $12.00 a ton to Salt Lake Tungston Co., Salt Lake City, Utah.

(e) There are plenty of man power, materials, supplies, and equipment available, but we have to haul water 10 miles from Tippetts Ranch. We use gasoline for power.

5. (a) Tungston WO 3

(b) We want to run a tunnel 300 feet long to cross cut vein approximately 140 feet deep. We want to extend the present tunnel 200 feet and make about eight cross cuts 50 feet long and sink a shaft 100 feet. All of the above is on our No. 8 claim.

On No. 1 claim we want to extend tunnel or drift 200 feet with approximately 300 feet of cross cut tunnels.

6. (a)

Drift on vein; crosscut; and ventilation raise: Total 1,400 feet;
5 day week, advance 3½ feet per day = 400 days. Wages: Miners

$2.00 per hour	$12.00/ft.
Insurance, social security tax, etc. - 12%	1.44 "
Powder, fuse, detonators	3.00 "
Timber	3.00 "
Compressor supplies	3.00 "
Steel and bits	2.00 "
Repairs	1.50 "
Engineering, accounting, Etc. - ($3,500)	2.50 "
Supervisor ($450 per mon.; 14 months.	4.57 "
Rental and repair of housing; $100 and repairs $600.00 ($1400/$2000 = $1.43)	1.43 "
*Rental as below	2.50 "
Total	$38.44

*The following equipment to be rented:

	Cost
Compressor #210 gas ($290/mo.)	$6,465.00
Drills: 1 Column drill, arm, etc.	600.00
1 Stoper type	300.00
Air, Water hoses	400.00
Water pressure tank	25.00
Mine rails, spikes, fish-plates, ties	450.00
Air lines - 500 feet 3/4"	250.00
Water line	175.00
Mine car (1)	150.00
Truck (pickup)	2,000.00
Tools	300.00
Slusher	1,000.00
Total	$12,115.00

Monthly rental = $12,115/48 = $250. Rental for 14 months = 14 x $250 = $3,500 = $2.50 per foot.

Cost of project estimated according to type of work:

Shaft		$ 9,750.00
Drift		49,000.00
Core drilling		15,000.00
Misc. maintenance and repairs		1,250.00
	Total	$75,000.00

Although the above per footage estimates have been based upon the same cost per foot for the shaft as for drift work, the following estimates have been made on an overall hourly and footage bases in order to simplify bookkeeping and payments as the work progresses:

150 hrs. of bulldozer trenching @$18.67 =		$ 2,800.00
1400 feet of drift, raise and crosscuts @$38.44		53,816.00
Core drilling subcontracted		15,000.00
Estimate based on footage -	Total	$81,616.00

REES MINING COMPANY

BY _____

THE SALT LAKE TUNGSTEN COMPANY

Concentrate Settlement Sheet

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 27 1955

Date March 15, 1954 Shippers Lot No. 2 S.L.T. Co. Lot No. 100

Shipper Wilford J. Rees

Shipped From Wendover, Utah Date March 9, 1954

Sampled By Utah Ore Sampling Co. Date March 5, 1954 Rep. No. 5624

Assayed By Union Assay Office Date March 8, 1954 Report No. 218

R. R. Car WP-5983 RG-73108 Gross lbs. 173,420 Tare lbs. 53,240 Wet Wt. lbs. 120,180

Assay 9.25 % Moisture .6 % Lbs. 722

Dry Weight Lbs. 119,458

Dry Tons 59.729 x Settlement Assay 9.25 % Tot. Cont. Units 552,493

SETTLEMENT

Contained Units 552,493 x $63.00 - $34,807.06 Gross Value

Less Deductions:

Losses	$6.30	$3,480.71
Sampling Charge		203.68
Refinery Charge	$16.70	9,226.63
Freight Charges	WP-5983 RG-73108	144.21
Advances		

Total Deductions $13,005.23

Net Settlement $21,751.83

W. J. Rees

Exhibit A.

SUBSTITUTE FOR VENDOR'S INVOICE
Vendor does not render invoice. Date Nov. 25, 1954

Bought from W. J. Rees

Street & No. Smithfield

Town & State Utah

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 27 1955

Sold to: UNITED STATES VANADIUM COMPANY

Transportation terms: Account of Seller

Tentative settlement on Purchased Ore Lot 1333, Loads 20 through 23, of crude Tungsten ore, received 11/11/54 through 11/13/54.

141.22 Units WO_3 contained in 104,224 dry pounds of crude Tungsten Ore @$37.00 per Unit WO_3 $5,225.14

Detail of Material included in this settlement:

Lot No.	Wet Weight	%H_2O	Dry Weight	% WO_3	Units WO_3
1333	104,870	0.62	104,224	2.71	141.22

Request for Umpire must be made within 30 days from the date of this settlement, or by December 26, 1954

SUBSTITUTE FOR VENDOR'S INVOICE
Vendor does not render invoice. Date Oct. 1, 1954

Bought from W. J. Rees

Street & No. Smithfield

Town & State Utah

Sold to: UNITED STATES VANADIUM COMPANY

Transportation terms; Account of Seller

Tentative settlement on Purchased Ore Lot 1305, Loads 16 through 19, of crude Tungsten Ore, received 9/24/54 through _____.

72.53 Units WO_3 contained in 85,324 dry pounds of crude Tungsten Ore @$37.00 per Unit WO_3 $2,683.61

Detail of Material included in this settlement:

Lot No.	Wet Weight	%H_2O	Dry Weight	% WO_3	Units WO_3
1305	85,650	0.38	85,324	1.70	72.53

Request for Umpire must be made within 30 days from the date of this settlement, or by November 1, 1954

W. J. Rees

Exhibit B.

SUBSTITUTE FOR VENDOR'S INVOICE
Vendor does not render invoice. Date Sept. 3, 1954

Bought from W. J. Rees

Street & No.

Town & State Smithfield, Utah

Sold to: UNITED STATES VANADIUM COMPANY

Transportation terms: Account of Seller

Tentative settlement on Purchased Ore Lot 1270, Loads 12 through 15, of crude Tungsten Ore, received 8-10-54 through 8-17-54.

60.73 Units WO_3 contained in 99554 dry pounds of crude Tungsten Ore @ $36.00 per Unit WO_3

$2,186.28

Detail of Material included in this settlement:

Lot No.	Wet Weight	% H_2O	Dry Weight	% WO_3	Units WO_3
1270	100050	0.50	99554	1.22	60.73

Request for Umpire must be made within 30 days from the date of this settlement, or by October 3, 1954

SUBSTITUTE FOR VENDOR'S INVOICE
Vendor does not render invoice. Date August 11, 1954

Bought from W. J. Rees

Street & No.

Town & State Smithfield, Utah

Sold to: UNITED STATES VANADIUM COMPANY

Transportation terms: Account of Seller

Tentative settlement on Purchased Ore Lot 1236, Loads 8 through 11, of crude Tungsten Ore, received 7/27/54 through 7/29/54.

161.02 Units WO_3 contained in 104,560 dry pounds of crude Tengsten Ore @$37.00 per Unit WO_3.

$5,957.74

Detail of Material included in this settlement:

Lot No.	Wet Weight	% H_2O	Dry Weight	% WO_3	Units WO_3
1236	105,040	0.46	104,560	3.08	161.02

Request for Umpire must be made within 30 days from the date of this settlement, or by September 11, 1954

W J Rees

Exhibit C1

SUBSTITUTE FOR VENDOR'S INVOICE
Vendor does not render invoice. Date June 26, 1954

Bought from W. J. Rees

Street & No.

Town & State Smithfield, Utah

Sold to: UNITED STATES VANADIUM COMPANY

Transportation terms: Account of seller.

Tentative settlement on Purchased Ore Lot_____, Loads___through___, of crude Tungsten Ore, received 6/14/54 through 6/16/54.

100.58 Units WO_3 contained in 89,803 dry pounds of crude Tungsten Ore @$37.00 per Unit WO_3

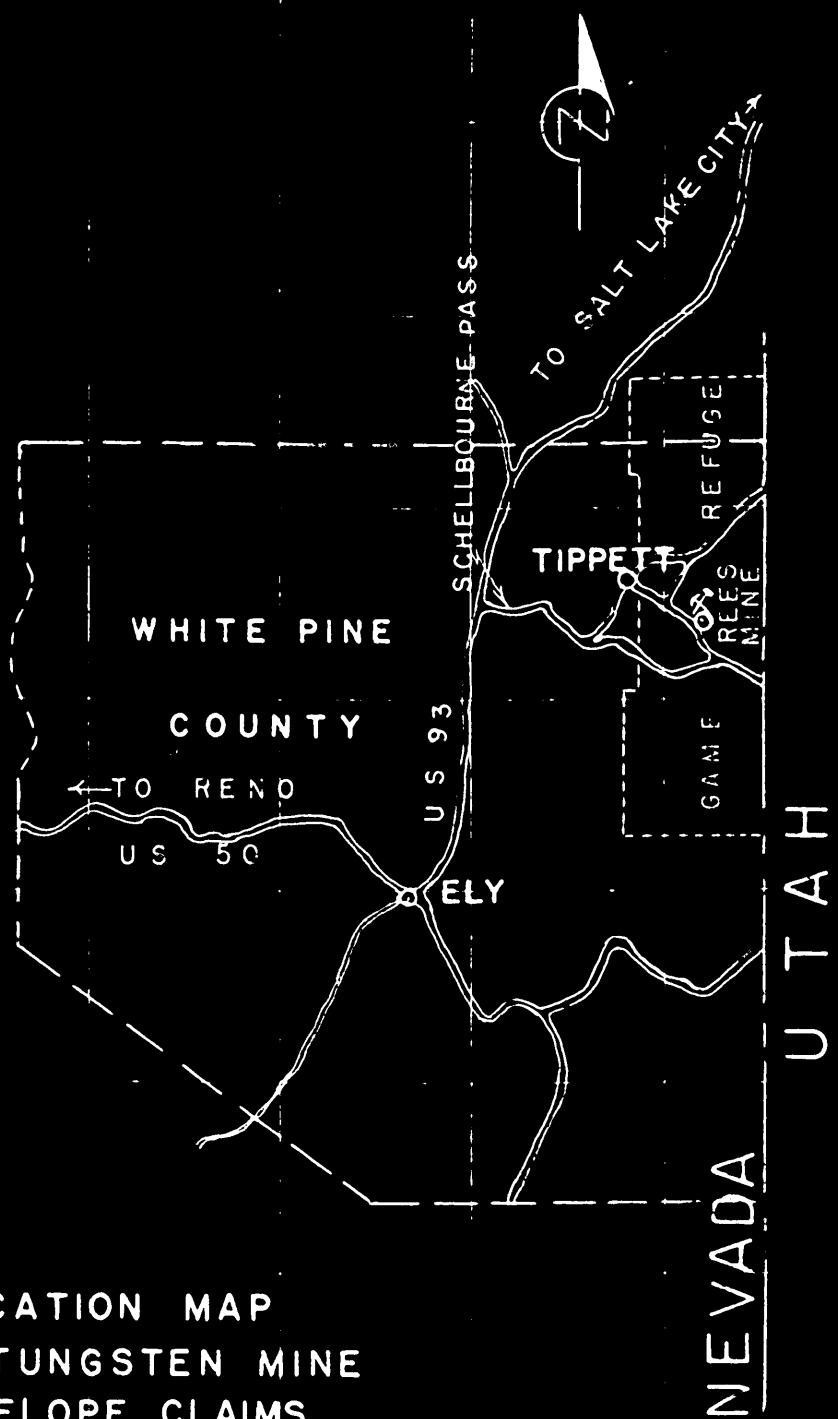
$3,721.46

Detail of Material included in this settlement:

Lot No.	Wet Weight	%H_2O	Dry Weight	%WO_3	Units WO_3
1189	90,100	0.33	89,803	2.24	100.58

Request for Umpire must be made within 30 days from the date of this settlement, or by July 26, 1954

Exhibit D.



LOCATION MAP
REES TUNGSTEN MINE
ANTELOPE CLAIMS
WHITE PINE COUNTY, NEVADA
DOCKET No. DMEA 3654

SCALE 1" = APPROX. 25 MILES

Figure 1

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

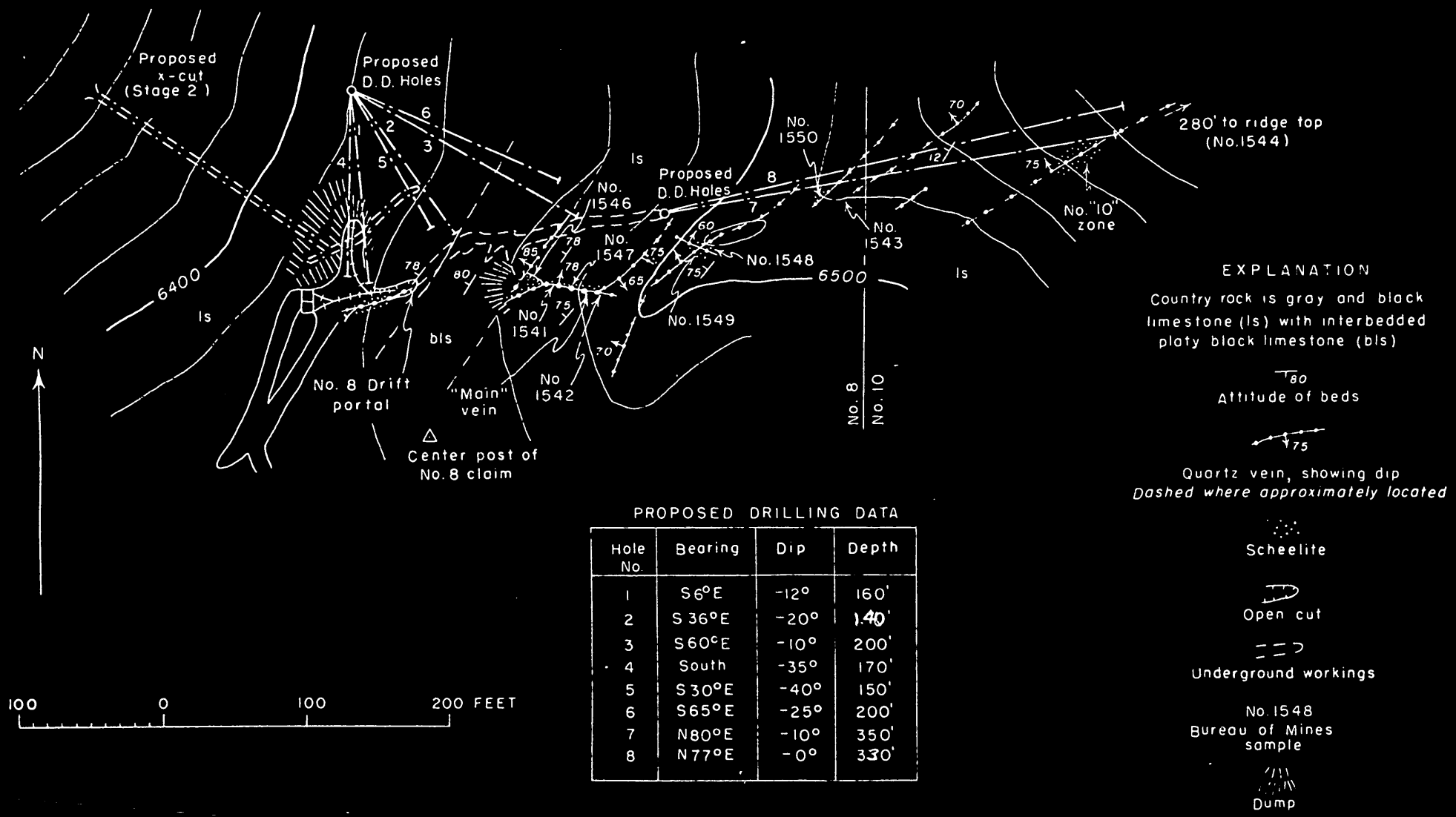
DMEA 3654
(TUNGSTEN)

SKETCH MAP OF ANTELOPE CLAIMS
WHITE PINE COUNTY, NEVADA

Figure 2

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA 3654
(TUNGSTEN)



PROPOSED DRILLING DATA

Hole No.	Bearing	Dip	Depth
1	S6°E	-12°	160'
2	S 36°E	-20°	140'
3	S60°E	-10°	200'
4	South	-35°	170'
5	S30°E	-40°	150'
6	S65°E	-25°	200'
7	N80°E	-10°	350'
8	N77°E	-0°	330'

GEOLOGIC SKETCH MAP OF PART OF ANTELOPE CLAIMS
WHITE PINE COUNTY, NEVADA

Figure 3

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA 3654
(TUNGSTEN)

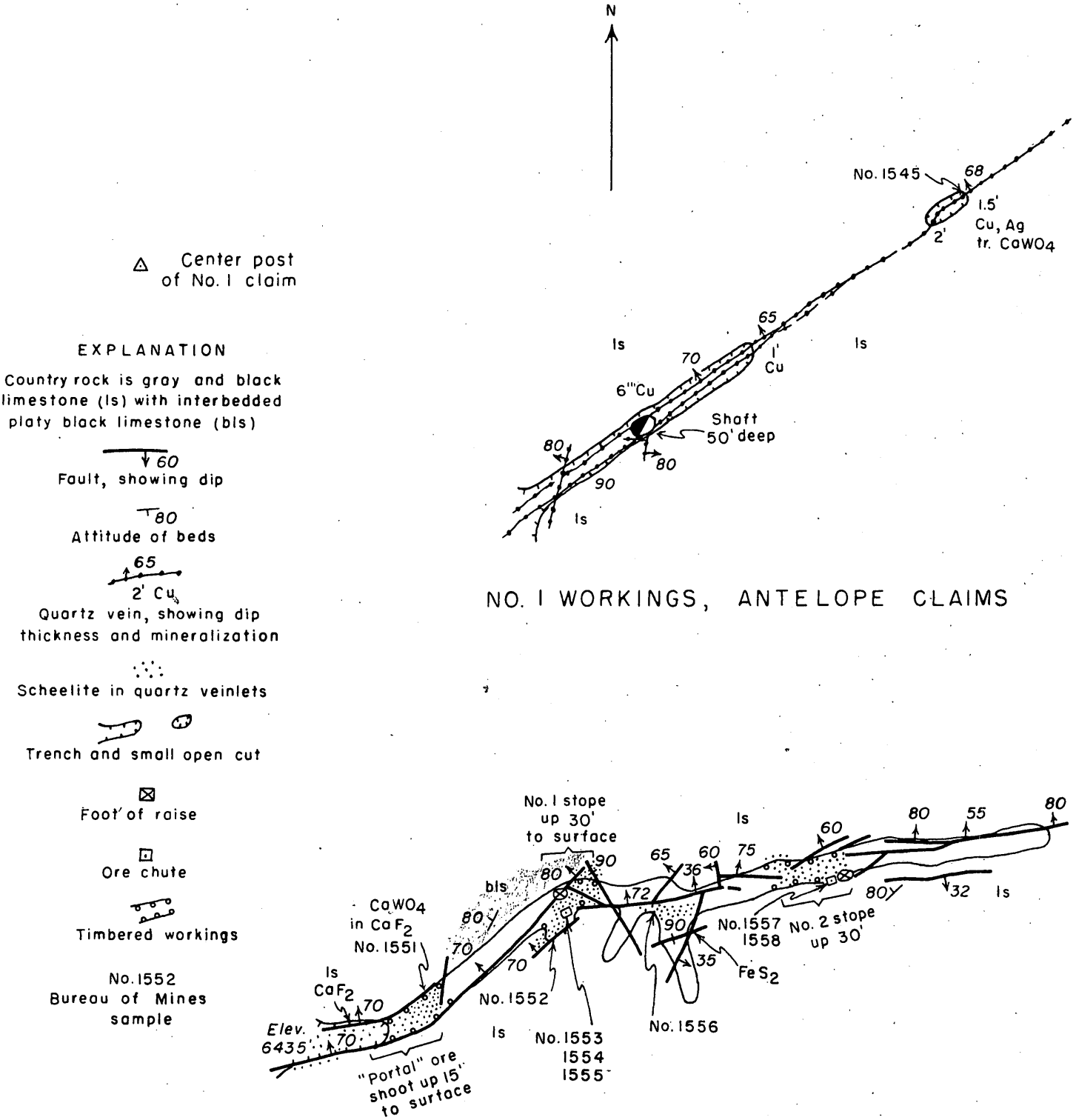


Figure 3

400

OCT 17 1955

Mr. George C. Morris
908 Kearns Building
Salt Lake City, Utah

Re: Docket No. DMEA 3654 - Tungsten
Rees Mining Company
Antelope Claims
White Pine County, Nevada

Dear Mr. Morris:

Reference is made to your letter of August 29, 1955, to Mr. Ricker and his reply to you of September 2, regarding the captioned application.

Mr. Ricker has returned to us all copies of the proposed contract and on the basis of the cited correspondence we shall consider your application withdrawn. Our action is taken without prejudice to the property. In the event that at some future date you wish to resume work at the project, please submit a new application in quadruplicate. It will be necessary only to fill in new information on the forms and to refer to the subject docket.

Sincerely yours,

Frank E. Johnson

Acting Administrator

cc: Docket
FT, Reg. 2
Code 400
Oper. Comm.
T. Killsgaard, USGS
R. W. Holliday, USBM
Adm. Read. File

WSMartin/ls
10/14/55

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

revised 10/14/55

Mr. Spangler Ricker, Executive Officer
DMEA Field Team, Region II
1605 Evans Avenue
Reno, Nevada

Re: Docket No. DMEA 3654 - Tungsten
Rees Mining Company
Antelope Claims
White Pine County, Nevada
Contract No. Idm-E847 (Unexecuted)

Dear Mr. Ricker:

This will acknowledge receipt of your letter of September 28, 1955, in reply to our recent request for copies of correspondence regarding the subject unexecuted contract.

We are noting in our records that the proposed contract has been withdrawn without prejudice. Your letter of September 2, 1955, sufficiently notified the applicant to this effect.

The copies of the proposed contract will be held here so that they will be available if the applicant re-applies early in the coming year.

Sincerely yours,

Chairman, Operating Committee

Approved:

Member, Bureau of Mines

Member, Geological Survey

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

400

RECEIVED
SEP 30 1955

1605 Evans Avenue
Reno, Nevada

September 28, 1955

Copy retained 400

Memorandum

To: Operating Committee, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-3654 - Tungsten
Rees Mining Company
Antelope Claims
White Pine County, Nevada
Contract No. Idm-E847

In response to your letter of September 22, 1955, I am attaching a copy of my letter of September 2, 1955 to Mr. George C. Morris. According to my records you should have a copy of this letter in your files. It was in reply to letter of August 29 from Mr. Morris requesting an extension of time. Two copies of Mr. Morris's letter are attached.

S. Ricker

Attach.

SRicker:gh
cc: R. M. Smith
File

GEORGE C. MORRIS
ATTORNEY AT LAW
908 KEARNS BUILDING
SALT LAKE CITY, UTAH
PHONE 4-4603

RECEIVED
SEP 30 1955

August 29, 1955

Mr. S. Ricker
Executive Officer
DMEA Field Team, RegionII
1605 Evans Avenue
Reno, Nevada

Re: Docket No. DMEA-3654-Tungsten
Rees Mining Company
Antelope Claims
White Pine County, Nevada
Contract No. Idm-E847

Dear Mr. Ricker:

In reference to your letters of July 28th and August 25th pertaining to subject exploration contract, the contracts had not been executed and returned before now because Mr. Rees has been in the hospital.

If it is at all possible to receive an extention of time in which to execute this contract, we would greatly appreciate such consideration at this time. We request that Rees Mining Company be granted until April 1, 1956 in which to sign the contract and begin exploration work. This date would enable the company to make an early start next spring, and facilitate completion without intervening winter months.

Mr. Rees is under doctor's care for a heart condition which has necessitated a change of plans in supervision of exploration work.

Repsectfully yours,

George C. Morris

GCM/bg

400

SEP 22 1955

Mr. Spangler Ricker, Executive Officer
DMEA Field Team, Region II
1605 Evans Avenue
Reno, Nevada

Re: Docket No. DMEA 3654-Tungsten
Rees Mining Company
Antelope claims
White Pine County, Nevada
Contract No. Idm-E847

Dear Mr. Ricker:

Your letter of September 13, 1955, transmitted to us copies of a letter of September 8, 1955, addressed to you by Mr. George C. Morris, together with the original and five copies of the above-captioned, unexecuted contract.

Your September 13 letter also referred to a letter of September 2, 1955, which you had sent to Mr. Morris. It appears that we do not have a copy of this earlier letter in our files. Mr. Morris does not indicate in his letter of September 8 to you the reasons why Rees Mining Company did not sign the contract, but it is possible that these were discussed in an earlier letter to you to which your September 2 letter was a reply. Accordingly, we shall appreciate your sending us copies of such earlier correspondence.

If Rees Mining Company is experiencing difficulties which it is likely can be resolved within a reasonable time, we will permit the docket file to remain pending; but if it appears that the applicant's difficulties cannot be resolved for a considerable time, we will close the docket immediately. Please let us have your comments.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

Approved:

/s/ Robert W. Geehan
Member, Bureau of Mines

N. E. Nelson
Member, Geological Survey

cc: Docket
Code 400
Oper. Comm.
Adm. Reading File
cc: T. Kilsgaard, USGS
R. Holliday, USBM
FT, Reg. 2
LScott/9/20/55

400

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

RECEIVED
SEP 16 1955

1605 Evans Avenue
Reno, Nevada

September 13, 1955

Memorandum

To: Operating Committee, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-3654 (Tungsten)
Rees Mining Company
Antelope Claims
White Pine County, Nevada
Contract No. Idm-E847

Reference is made to your copy of my letter of September 2, 1955 to Mr. George C. Morris.

Attached are two copies of letter dated September 8, 1955 from Mr. Morris and the original and five copies of subject contract which have not been executed by the operator and should probably be held in your inactive files.

S. Ricker

Attach.

SRicker:gh
cc: R. M. Smith
Finance Office, Reg. II
File

GEORGE C. MORRIS
ATTORNEY AT LAW
908 KEARNS BUILDING
SALT LAKE CITY, UTAH

RECEIVED
SEP 16 1955

September 8, 1955

REFER TO | NOTED | OK
S. Ricker JR
ANSWERED

Mr. S. Ricker
Executive Officer
DMEA Field Team, Region II
1605 Evans Avenue
Reno, Nevada

Re: Docket DMEA-3654- Tungsten
Rees Mining Company
Antelope Claims
White Pine County, Nevada
Contract No. Idm-E847

Dear Mr. Ricker:

Thank you for your kind letter of September 2nd regarding the subject contract.

In accordance with your suggestion, I am returning herewith the original and all copies of the contract to your office, so you may retain them in your inactive files.

We certainly wish to thank you and your staff for the kind co-operation you have given us, and I regret that circumstances have made it necessary to suspend the file at this time. We shall contact you at a further date, as you suggested, when it may appear advisable to reopen negotiations towards executing the contract.

Respectfully yours,

George C. Morris

GCM/bg

Encl.

JUL 25 1955

400

Mr. Spangler Ricker, Executive Officer
DMEA Field Team, Region II
1605 Evans Avenue
Reno, Nevada

Re: Docket No. DMEA 3654 - Tungsten
Rees Mining Company
Antelope claims
White Pine County, Nevada

Dear Mr. Ricker:

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

If any part of the proposed contract does not have your approval or that of the applicant 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.

Sincerely yours,

W. S. Martin
ACTING Chairman, Operating Committee

Enclosures

APPROVED:

/s/ Robert W. Geehan
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

cc: Docket
Adm. Read. File
Oper. Committee
Code 400
T. Kiilsgaard, USGS
R. Holliday, USBM
Field Team, Reg. II-Reno

TLChapman/ls
7/19/55

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

JUL 15 1955

Memorandum

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

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-3654, Rees Mining Company

There is attached hereto in proper legal form for execution a contract covering the above identified project, subject to the attachment of the three maps referred to in Exhibit "A".

J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor,
Defense Minerals

HCRubin:gjb

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

400

IN REPLY REFER TO:

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

RECEIVED
JUL 11 1955

July 8, 1955

Re: DMEA 3654
Rees Mining Co.
Antelope Claims
White Pine Co., Nev.
$38,796.00 - Tungsten

Memorandum

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

From: N. E. Nelson, U. S. Geological Survey

Subject: Review of Field Team report.

The 2-stage program of the Field Team for exploration of the named property appears adequate and well proportioned. The switch of interest from the No. 1 to No. 10 showing looks timely.

I concur with the recommendations of the Field Team.

N. E. Nelson

N. E. Nelson

NENelson:iml
G-7/8/55

cc: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
R. Holliday, 3513

Copy retained 400

400

July 8, 1955

MEMORANDUM

To: Acting Assistant Solicitor
Defense Minerals

From: Iron and Ferro-Alloys Division, DMEA

Subject: Review and preparation of exploration project contract
Docket No. DMEA 3654 - Tungsten
Rees Mining Company
Antelope group of claims
White Pine County, Nevada

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

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

Attachment

cc: Docket
Code 400

TLChapman/ls
7/8/55

MF-200A
(Revised June 1954)

Docket No. DMEA 3654

Commodity Tungsten

Contract No. Idm-E

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

It is agreed this ..... day of ....., 195...., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Rees Mining Company, a partnership, whose mailing address is 908 Kearns Building, Salt Lake City, Utah, hereinafter called the "Operator," as follows:

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

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

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

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] Owner of [5] all rights in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] x mining claim locations [7] recorded in Book ....., page ....., official records of said County; and

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

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

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

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

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of .....tungsten..... The work to be performed is described in Exhibit "A." The Operator on or before ..... shall commence the work, and on or before .....June 30, 1956..... (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

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

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

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $.....38,760.00..... The Government will contribute .....75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $29,070.00.....: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

.....
(Operator)

By .....

By .....

.....

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

.....

[CORPORATE SEAL]

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

EXPLORATION PROJECT CONTRACT
REES MINING COMPANY
DOCKET NO. DMEA-3654

ANNEX I

The applicant is the owner of the claims referred to in Article 2 of the contract and outlined in green on Figure 2, located and recorded in White Pine County, Recorder's Office, Ely, Nevada, as follows:

Name	Book No.	Page No.
Antelope No. 7	172	203
Antelope No. 8	172	204
Antelope No. 10	172	148
Antelope No. 13	172	151

Ore produced from the area above the level of track in the Antelope No. 8 drift (figure 3) shall be exempt from royalties under this contract if mined from stopes or extensions of stopes on any of the three ore shoots cut in the main vein.

EXPLORATION PROJECT CONTRACT
REES MINING COMPANY
DOCKET NO. DMEA-3654

EXHIBIT "A"

Description of the Work

Figure 1, shows the location of the property in White Pine County, Nevada.

Figure 2, shows the relative position of the claims outlined in green.

Figure 3, shows the contours, present workings, and proposed diamond drilling, crosscutting, and drifting.

The work is divided into two stages as follows:

Stage I

Bulldoze a road from tunnel dump to drill site (Figure 3), and clear drill site. Not to exceed 25 hours.

From the above drill site, drill six diamond drill holes (figure 3) approximately as follows:

No.	Bearing	Dip	Depth
1	S. 6° E.	--12°	160 feet
2	S. 36° E.	--20°	140 feet
3	S. 60° E.	--10°	200 feet
4	South	--35°	170 feet
5	S. 30° E.	--40°	150 feet
6	S. 65° E.	--25°	200 feet

From the face of the present Antelope No. 8 drift (figure 3) drill two diamond drill holes approximately as follows:

7	N. 80° E	--10°	350 feet
8	N. 77° E	o	330 feet

The total drilling is not to exceed 1,700 feet.

Drill holes 1 and 2 and 7 and 8 shall be cored, and the cores saved in core boxes for record. Holes 3, 4, 5, and 6 may be plug drilled while outside any mineralized

zone indicated by holes 1 and 2. Drill cores in the mineralized zone or zones shall be split and assayed for WO_3.

Stage II

If, in the opinion of the Government, based upon mineralization found by the diamond drill holes in Stage I and the results from sampling, further work is warranted and is approved by the Government in advance, all or any part of Stage II shall be performed.

From a point 100 feet lower than Antelope No. 8 drift, drive a crosscut approximately 200 feet (figure 3) to intersect the vein or veins indicated in diamond drill holes 1 and 4, then drift 100 feet easterly on the better mineralized vein.

Extend Antelope No. 8 drift approximately 300 feet (figure 3) to intersect a vein or veins indicated by drill holes 7 and 8.

All drifts and crosscuts shall be at least 4 feet X 6½ feet in the clear and mineralized areas as warranted shall be sampled and assayed for WO_3.

Estimated Cost of the Project

Fixed Unit Costs

Stage I

Bulldozing road and drill site, 25 hours at $14.00 per hour. (This is to include all operation and maintenance cost.)	$ 350.00	
Transportation of bulldozer to and from point of operation	100.00	
Total		$ 450.00
1,700 feet of diamond drilling at $7.00 per foot	11,900.00	
Sampling and assaying for WO_3; 22 samples at $5.00 each	110.00	
Total		12,010.00
Estimated total for Stage I		$12,460.00

Stage II

Crosscutting and drifting, 750 feet at $34.00 per foot	$25,500.00	
Timbering, 100 feet at $7.00 per foot	700.00	
Sampling and assaying for WO_3, 20 samples at $5.00 each	100.00	
Estimated total for Stage II		$26,300.00
Estimated total for project		$38,760.00
Government participation, 75%		$29,070.00

402

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

RECEIVED
JUN 29 1955

AIR MAIL

1605 Evans Avenue
Reno, Nevada

June 27, 1955

Memorandum

To: Operating Committee, DMEA, Interior Building, Washington 25, D.C.

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-3654 - Tungsten
Rees Mining Company
Antelope Claims
White Pine County, Nevada

Copy retained 402

Reference is made to my letter of June 21 on above subject docket. Following is recording data on Antelope Claim No. 10 as referred to in my letter:

> Antelope Claim No. 10; Amended Notice of Location, recorded October 13, 1953, in Book 172, Page 148, Mining Locations Record, White Pine County Recorder's Office, Ely, Nevada.

S. Ricker

SRicker:gh
cc: File
R. M. Smith

George C. Morris
908 Kearns Bldg.
Salt Lake City, Utah

400

COPY

MAR 4 - 1955

March 1, 1955

Mr. Spangler Ricker
Executive Officer
Defense Minerals Exploration Administration
420 Custom House
555 Battery Street
San Francisco 11, California

WSY

Re: Docket No. DMEA 3654 - Tungsten
Antelope Claims
White Pine County, Nevada
Rees Mining Company

Dear Mr. Ricker:

We have just received word from your DMEA Washington D. C. Office to the effect that our application for exploration assistance has been referred to you for examination of the property.

This letter is to offer our assistance in facilitating and expediting the actual inspection by your examining engineers. At the present time, unpredictable weather conditions make it rather undesirable to attempt a field trip to the property. May we suggest that when weather conditions are favorable, we wire or phone your office so that we may be able to meet your field team at Ely, Nevada, and from there personally direct them to the property.

If this suggestion meets with your approval, we believe that tentative plans for about March 14th will find weather conditions favorable and suitable for a field inspection.

Looking forward to your reply, I remain.

Respectfully yours,

REES MINING COMPANY

By George C. Morris
George C. Morris

GCM/bg

CC: DMEA
Washington, D.C.

FEB 21 1955

400

Rees Mining Company
908 Kearns Building
Salt Lake City, Utah

Re: Docket No. DMEA 3654 - Tungsten
Antelope claims
White Pine County, Nevada

Gentlemen:

The above-docketed application for exploration assistance for tungsten has been reviewed by the Iron and Ferro-Alloys Division of the Defense Minerals Exploration Administration and referred to Mr. Spangler Ricker, Executive Officer, DMEA Field Team, Region II, 420 Custom House, 555 Battery Street, San Francisco 11, California, for a field examination of the property.

Any assistance that you can give the examining engineers will be appreciated.

Sincerely yours,

Frank E. Johnson

ACTING Administrator

cc: Docket
Adm. Read. File
Code 400
Oper. Comm.
FT, Reg. II-San Francisco
T. Kiilsgaard, USGS
W. McInnis, USBM

TLChapman/ls
2/16/55

400

FEB 21 1955

Mr. Spangler Ricker, Executive Officer
DMEA Field Team, Region II
420 Custom House
555 Battery Street
San Francisco 11, California

Re: Docket No. DMEA 3654 - Tungsten
Rees Mining Company
Antelope claims
White Pine County, Nevada

Dear Mr. Ricker:

The above-referenced application for exploration assistance is being referred to your office for a field examination. The application is incomplete and it will be necessary for the Field Team to obtain from the applicant the necessary details for the preparation of a contract if one is to be recommended.

Two copies of a relevant memorandum dated February 14, 1955, by Thor H. Kiilsgaard, Geological Survey, are enclosed for your information.

Sincerely yours,

W. S. Martin
ACTING Chairman, Operating Committee

Enclosures

APPROVED:

J. H. Hedges
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

cc: Docket
FT, Reg. II
Code 400
Adm. Reading File
Operating Committee
W. McInnis, USBM
T. Kiilsgaard, USGS

TLChapman/ls
2/16/55

400

IN REPLY REFER TO:

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

February 14, 1955

Re: DMEA Docket 3654
(tungsten)
Antelope claims
Rees Mining Company
White Pine County,
Nevada

Memorandum

To: Mr. W. S. Martin, Chief, Iron & Ferro Alloys Division, DMEA

From: Thor N. Killsgaard, U. S. Geological Survey

Subject: Review of application

The applicant controls the Antelope Nos. 1, 2, 7, 8, 13, and 20 unpatented mining claims, in White Pine County, Nevada. He reports that a strong tungsten showing on the No. 1 claim has been explored by a 100-foot cut and a 50-foot shaft, but that no appreciable ore has been shipped from this claim. The No. 8 claim has been explored by a 160-foot tunnel and stopes therefrom. Production from the No. 8 claim, during the preceeding 12 months, is reported at $100,000.00.

In section 5(a) of the application, the applicant proposes to explore the No. 1 claim by 200 feet of drifts and 300 feet of crosscuts. No. 8 claim is to be explored by a 300-foot tunnel, extending the present tunnel 200 feet, 400 feet of crosscuts, and 100 feet of shaft. In section 6, however, the applicant lists under costs of the project, $15,000 of core drilling, raising, and bulldozing; where this latter work will be done is not known.

No maps were submitted with the application nor was there any description of the geology of the deposit.

On the basis of the production record, the property has merit and probably warrants further exploration. In its present form the application is incomplete; however, rather than ask the applicant for further information, I recommend the application be referred to the field for an examination of the property, as this will be the quickest way of obtaining data needed to evaluate the applicant's proposal.

Among other items, field examiners should obtain the following from the applicant:

1. Map of property showing location of claims, location of present development, location of proposed work with respect to present development and claims. As the mine has been and may be still producing, there may be certain blocks or tracts of ground that should be excluded from royalty repayment.

2. A more exact description of the exploration to be done and where it is to be located, and a better breakdown of costs.

3. A check to see if applicant holds claims by right of location or if they have been purchased. If held by the latter, it may be necessary to obtain a Consent to Lien Agreement from the vendor.

Thor N. Kiilsgaard

TNKiilsgaard:hlm
G-2/14/55

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