MME Form 9
Rev. Nov. 65

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey

OFFICIAL DOCKET FILE

Contract No. 2311 Docket No. 6884

Application
- [ ] Denied
- [ ] Withdrawn

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

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

Folder No. 1:

Left Side

- [ ] Royalty Audits
- [ ] Certification of Discovery
- [ ] Closing Letter
- [ ] Cost Audits
- [ ] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [x] Contract Amendments
- [x] Contract with all exhibits and annexes
- [x] Owner's Consent to Lien and Subordination Agreement
- [x] Application and Attachments

Right Side

- [ ] Project Summary (final)
- [ ] Work Completed Analysis (final)
- All other material filed in chronological order including the following reports if checked:
- [ ] Field Team Semiannual Report for Certified Project
- [ ] Final Field Team Report (Tab)
- [ ] Operator's Final Report (Tab)
- [x] Interim Field Team Reports
- [x] Operator's monthly reports and all attachments
- [x] On-site Exam. Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No._____: Reports
- [ ] Analysis of Semiannual Inspection Reports
- [ ] Project Summary (Interim) by MME Engineers

Right Side

- [ ] Field Team Semiannual Report for Certified Project
- [ ] Field Team Interim Reports
- [ ] Operator's Monthly Reports with Transmittal, Narrative, and Maps

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

Folders No._____: Settlement Sheets

Folders No._____: Drill Logs

Folders No._____: Royalty Material

72195-65

Government's copy

EXPLORATION CONTRACT
MARDON, INC.
OME-6884

AMENDMENT NO. 1

It is agreed this 21st day of November, 1973, between the United States of America, acting through the Department of the Interior, U.S. Geological Survey, hereinafter called the "Government", and Mardon, Inc., hereinafter called the "Operator", that Exploration Contract 2311 (OME-6884), dated August 3, 1973, is amended effective November 1, 1973, as follows:

1. (a) Work under the Contract may be suspended during the period beginning November 1, 1973, and ending no later than May 1, 1974.

(b) The Government shall not contribute to any costs incurred during the period of suspension.

(c) The Government shall not contribute to or be liable for any costs of rehabilitation or repair or any other costs which would not have occurred if there had been no suspension of work, or which may arise out of this suspension.

(d) The Operator, at its own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work.

2. The date fixed by Article 1(a) of the Contract for completion of the work is extended from six (6) months to twelve (12) months from the date of the Contract, or until August 3, 1974.

This amendment shall not be construed to increase the estimated total cost of the Contract, the aggregate amount which the Government may be required to contribute, the amount of any item designated as a maximum, nor the fixed unit cost of any item of work.

Except as herein amended, Exploration Contract 2311 (OME-6884), dated August 3, 1973, shall remain in full force and effect.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Harold Kirkemo
Chief, Office of Minerals Exploration
U.S. Geological Survey

MARDON, INC.

By Don Hargrove
Title Pres.

Ferguson 11/19/73

Appd. Sol. Office

Government Copy

MME Form 51
July 1965

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
U. S. Geological Survey

EXPLORATION CONTRACT
(Short Form)

Docket	Commodity	Contract No.	County	State
OME -6884	Gold-Silver	2311	Lander	Nevada

It is agreed AUG 3 1973 (Date), between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and

Mardon, Inc., a New Mexico corporation

whose mailing address is 4290 Jasper Lane, Reno, Nevada 89502, hereinafter called the "Operator," as follows:

ARTICLE I. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before AUG 31 1973 (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 6 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the work is $ 20,000.00. The Government will contribute 75 percent of the total fixed unit costs of the work performed, not in excess of $ 15,000.00 in accordance with the provisions of Articles 4 and 5.

(c) Interest computation.--Simple interest at the rate of 9 percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

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

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

See Annex I

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

See Annex I

(c) The Operator shall preserve and maintain his right, title, or interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

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

(b) Government may inspect.--The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract and production operations during the period that royalty is payable to the Government. The Operator shall provide the Government with all reasonable means of access for such inspections.

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

ARTICLE 5. Reports, accounts, audits.--(a) Operator's records.--The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator.

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

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

(2) Operator's Progress Report showing the number of units of the various types of work performed; and

(3) a narrative report of the work performed during the reporting period, including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground.

(Forms for reporting under (1) and (2) above will be provided by the Government.)

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

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

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

ARTICLE 6. Repayment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

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

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

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

(c) Payment of royalty.--(1) The Government's royalty shall be five percent of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrate, metal, or equivalent), at the point of delivery (the f.o.b. point); except, that charges of the buyer arising in the regular course of business and shown as deductions on the buyer's settlement sheets (such as treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight payable by the buyer to a carrier (not the Operator or producer)), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. No costs of the Operator or producer are deductible in arriving at the "gross proceeds" as that term is here used.

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

(2) The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be.

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

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

(f) Notice to purchasers.--The Operator or producer shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Government, and this estimate shall be final and binding upon the Operator or producer.

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

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

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

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

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

(b) If the Government determines that the Operator is in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon:

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

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

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

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

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

ARTICLE 8. Notices to be given by the Government may be delivered to the Operator or may be sent by certified mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. Officials not to benefit.--No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 10. Nondiscrimination in Employment.--The provisions respecting nondiscrimination in employment which are required by section 301 of Executive Order 10925, dated March 6, 1961, as amended and supplemented, are attached hereto as Exhibit B/and are hereby incorporated in and made a part of this contract.

-1

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

The term "Director, U. S. Geological Survey," as used herein includes his duly authorized representative.

ARTICLE 12. Work Hours Act of 1962 - Overtime Compensation.--This contract, to the extent that it is of a character specified in the Work Hours Act of 1962 (Public Law 87-581, 76 Stat. 357-360) and is not covered by the Walsh-Healey Public Contracts Act (41 U.S.C. 35-45), is subject to the following provisions and to all other provisions and exceptions of said Work Hours Act of 1962.

(a) Overtime requirements.--No Operator or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any laborer or mechanic to be employed on such work in excess of eight hours in any calendar day or in excess of forty hours in any workweek unless such laborer or mechanic receives compensation at a rate of not less than one and one-half times his basic rate of pay for all hours worked in excess of eight hours in any such calendar day or in excess of forty hours in any such workweek, as the case may be.

(b) Violations; liability for unpaid wages; liquidated damages.--In the event of any violation of the clause set forth in subparagraph (a) of this paragraph, the Operator and any subcontractor responsible therefor shall be liable to any affected employee for his unpaid wages. In addition, such Operator and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed, with respect to each individual laborer or mechanic employed in violation of the clause set forth in subparagraph (a) of this paragraph, in the sum of $10 for each calendar day on which such employee was required or permitted to work in excess of eight hours or in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in subparagraph (a) of this paragraph.

(c) Withholding for unpaid wages and liquidated damages.--The U. S. Geological Survey may withhold or cause to be withheld, from any moneys payable on account of work performed by the Operator or subcontractor, such sums as may administratively be determined to be necessary to satisfy any liabilities of such Operator or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (b) of this paragraph.

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

ARTICLE 14. Changes and added provisions.--

Executed in ~~quadruplicate~~ quadruplicate the day and year first above written.

MARDON, INC.
(Operator)

By Don Hargrove

Title Pres

THE UNITED STATES OF AMERICA

By [signature]

U. S. Geological Survey

For Assistant Director for Administration

15 August 1973

I, Maren E. Hargrove (Name), certify that I am the Secretary-Treasurer secretary of the corporation named as Operator herein; that Don Hargrove (Name), who signed this contract on behalf of the Operator, was then President (Title) 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.

Martin 7/12/73
Chapman 7/13/73
Appd. Sol. Office
Kirkemo 7/30/73

Maren E. Hargrove

CORPORATE SEAL

RECEIVED
MAR 15 1971
CENT.
MOON
LAKE
EDGEWATER

EXPLORATION CONTRACT
MARDON, INC.
OME-6884

ANNEX I

The land, including all rights thereto, referred to in Article 2 of the contract consists of six (6) unpatented mining claims in section 10, T. 20N., R. 40E., MDBM, New Pass Mining District, Lander County, Nevada. These claims are shown on Figure 1, entitled "Map showing Maren Lode Group of claims and proposed exploration, New Pass Mining District, Lander County, Nevada," which is attached and made part hereof.

The unpatented lode mining claims are identified in the official records of Lander County at ~~Fallon~~ AUSTIN, Nevada, as:

Name	Book	Page
Maren No. 1	112	89
Maren No. 2	112	90
Maren No. 3	112	91
Maren No. 4	112	92
Maren No. 5	112	93
Maren No. 6	112	94

The Operator is in possession of these claims by virtue of a Lease of Mining Claims between Don Hargrove, Keith Vermilyea, Dennis Stacey, and Jack Hargrove, Lessors and owners, and the Operator dated January 16, 1973.

A Lien and Subordination Agreements executed by the owners and dated January 16, 1973, is attached and made part hereof.

BOOK NO. 3 PAGE 547

MME Form 52
Jan. 1959

072796

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

FOR GOVERNMENT USE ONLY
Operator
Docket No. OME –
Contract No. 14-23-090 – 2311
Contract Date AUG 0

LIEN AND SUBORDINATION AGREEMENTS 1/

To the United States of America:

That certain land in the County of Lander, State of Nevada, described ~~as follows~~: 2/ in a lease dated 16 January 1973 and recorded in Book 113 Page ~~544~~ 544, Official records of said county.

hereinafter called the "land", is the subject of a proposed exploration contract, hereinafter called the "Contract", between the United States of America, hereinafter called the "Government" and

MARDON INC. 3/

hereinafter called the "Operator". In consideration for and as an inducement to the Government executing the Contract, the undersigned:

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

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

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

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

None

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

2/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease /or contract, deed, or other document/ dated_____, and recorded in Book____, Page____, official records of said county". If (b) is used, the book and page of recordation must be inserted above. If the space provided is insufficient, use an Annex and refer to the Annex in the space.

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

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

4. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land or any production therefrom, furnishing the Government with two true copies of such notice; and

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

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

Dated this 16th day of January, 1973.

Keith Kermilyea	(Seal)	P.O. Box # 2027. (Street) Reno, Nevada 89505 (City & State)	
Jack Hargrove	(Seal)	PO Box 2027 (Street) Reno Nevada 89505 (City & State)	
Don Hargrove	(Seal)	P.O Box 2027 (Street) Reno Nevada 89505 (City & State)	
John Dennis Stacey	(Seal)	P.O. Box 2027 (Street) Reno, Nevada 89505 (City & State)	
	(Seal)	(Street) (City & State)	
	(Seal)	(Street) (City & State)	

I, Marion S. Hargrove (Name), certify that I am the Secretary-Treasurer (Title—Secretary, etc.) of the corporation named herein; that Don Hargrove (Name), who signed this agreement was then President (Title—Pres., Vice-Pres., etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

IRMA ADAMS
Notary Public — State of Nevada
Washoe County
My Commission Expires April 28, 1975

Marion S. Hargrove
(Corporate Seal)

APPROVED

INT.-DUP. SEC., WASH., D.C. 21103

72796-548

BOOK NO. 113 PAGE 549

RECORDED AT REQUEST OF

Jack Hargrove

Jan. 29, 1973 AT 10:08 A.M.

BOOK 113 547

OF LAND

FEES PAID 5.00

FILE NO. 22796

COUNTY RECORDER

EXPLORATION CONTRACT
MARDON, INC.
OME-6884

EXHIBIT A

The purpose of the project is to explore by crosscutting and drifting for gold and silver-bearing ore shoots in or along the Maren quartz vein which cuts rocks in the Havallah sequence of Pennsylvanian and Permian age.

General Provisions

Drifts and crosscuts shall be not less than 5 by 7 feet in cross section and shall be timbered as necessary. Timber sets shall be not less than 8-by-8 inch timber or equivalent round timber.

Mine rails shall be not less than 16-pound size, air lines not less than 2-inch diameter, water lines not less than 1-inch diameter, and vent lines not less than 14-inch diameter.

All significantly mineralized areas traversed by the crosscut and drifts shall be sampled normal to the trends of the deposits at intervals not exceeding 5 feet. In addition, a representative bulk sample may be taken of each round broken.

Significantly mineralized samples, from whatever source, shall be split as necessary and one split assayed. The Operator shall store one split of each sample in a suitable container properly labeled as to source and location. Stored samples shall be made available for Government inspection and possible use, and may be disposed of only with prior Government approval.

All splits of samples assayed shall be analyzed for gold and silver.

True copies of assay certificates and maps or sketches showing the work completed; the location, width, and assay values of all samples assayed; and the geological formations and structures traversed by the workings shall be furnished monthly to the Government.

The Operator shall provide such equipment, materials, supervision, labor, and technical services as may be required to perform the work in a satisfactory manner.

The location, direction, and extent of each work item shall be subject to Government approval confirmed in writing.

The Operator shall perform all work in such a manner as to maintain in the vicinity of the project the quality of the environment which existed prior to start of the work. Materials such as waste rock, stockpiled ore, and water resulting from the project shall be accumulated or discharged in a safe manner so as not to degrade the quality of the adjacent land, air, and streams.

Description of the Work

The work shall consist of extending the crosscut in a westerly direction to the Maren vein from the end of the crosscut as it exists on the date the contract is signed by the Operator, and drifting on the Maren vein to determine the width, grade, and continuity of mineralized material. The total of crosscutting and drifting may approximate 500 feet.

The approximate location of the proposed work is shown on Figure 1.

Estimated Costs of the Work

Fixed Unit Costs 1/ 2/

Crosscutting and drifting 500 feet at $38.00/foot	$19,000.00	
Timbering crosscuts and drifts 80 feet at $10.00/foot	800.00	
Assaying for gold and silver 40 samples at $5.00/sample	200.00	
Total Estimated Cost of the Project		$20,000.00
Government Participation at 75 Percent		$15,000.00

1/ Includes all costs whatsoever such as labor, equipment, materials and supplies, supervision, payroll taxes and insurance, office expense, report preparation and other services.

2/ The Government retains no equity in any of the equipment or materials used.

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

OME-6884
(Gold-Silver)

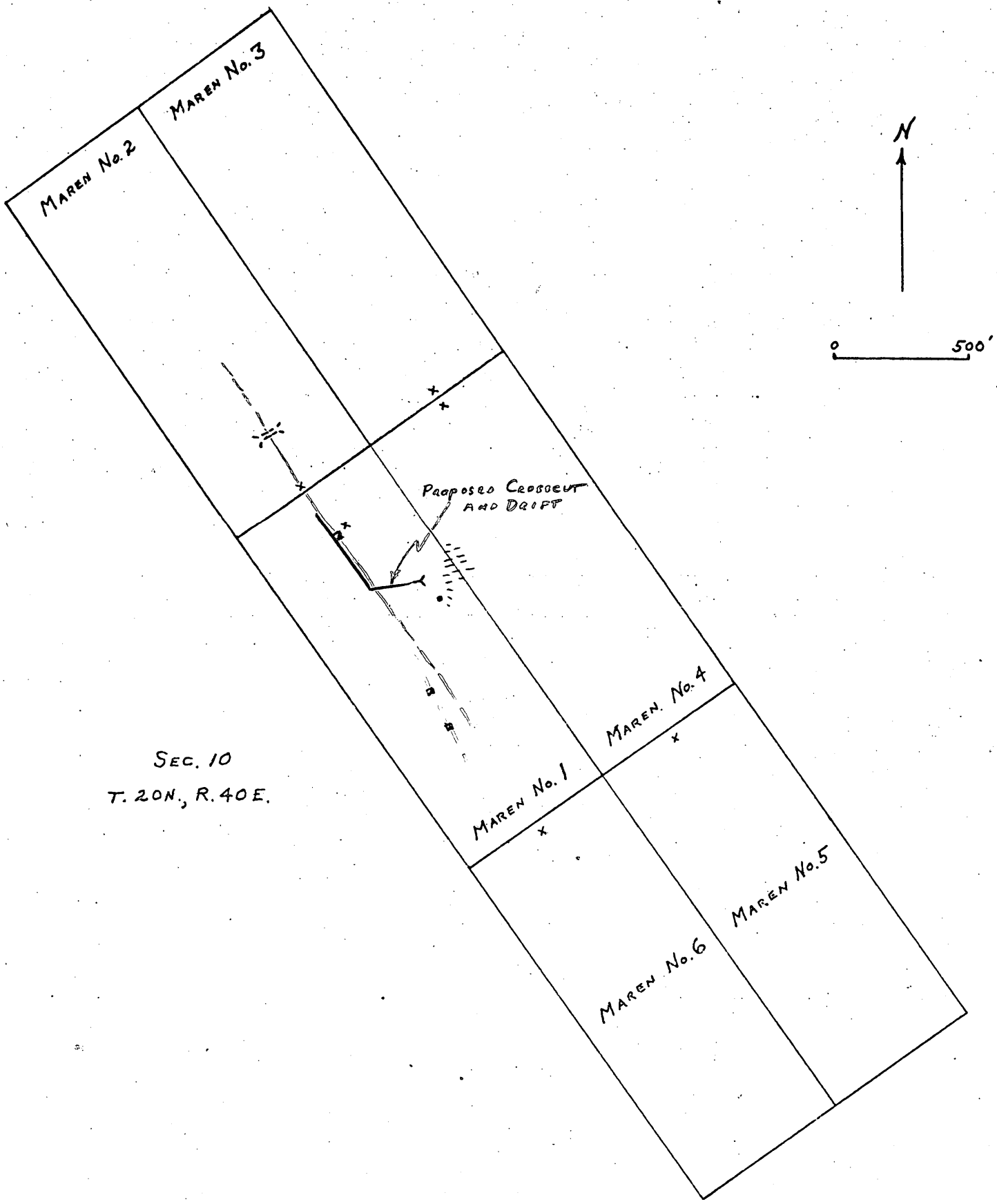


Figure 1.--Map showing Maren Lode Group of Claims and proposed exploration, New Pass Mining District, Lander County, Nevada.

EXHIBIT B-1

CERTIFICATION OF NONSEGREGATED FACILITIES

The undersigned hereby certifies that he does not maintain or provide for his employees any segregated facilities at any of his establishments, and that he does not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. He certifies further that he will not maintain or provide for his employees any segregated facilities at any of his establishments, and that he will not permit his employees to perform their services at any location under his control, where segregated facilities are maintained. He further agrees that a breach of this certification is a violation of the Equal Opportunity clause in OME Exploration contracts. As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, creed, color, or national origin, because of habit, local custom, or otherwise. He further agrees that (except where he has obtained identical certifications from proposed subcontractors for specific time periods) he will obtain identical certifications from proposed subcontractors prior to the award of subcontracts exceeding $10,000 which are not exempt from the provisions of the Equal Opportunity clause; that he will retain such certifications in his files; and that he will forward the following notice to such proposed subcontractors (except where the proposed subcontractors have submitted identical certifications for specific time periods):

NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENT FOR CERTIFICATIONS OF NONSEGREGATED FACILITIES

A Certification of Nonsegregated Facilities must be submitted prior to the award of a subcontract exceeding $10,000 which is not exempt from the provisions of the Equal Opportunity clause. The certification may be submitted either for each subcontract or for all subcontracts during a period (i.e., quarterly, semiannually, or annually).

NOTE: The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.

Don Clayson

Signature

Pres

Title

15 AUG 1973

Date

United States Department of the Interior

GEOLOGICAL SURVEY
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

August 23, 1973

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 27 1973

INITIALS	CODE
Cue	120
HK	120

Memorandum

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
Region II

Subject: OME-6884 (Gold-Silver)
Mardon, Inc.
Maren Lode Group
Lander County, Nevada
Contract 2311

Enclosed are the Government's copy and Branch of Financial Management's copy of the subject contract properly executed by the Operator. The remaining copies have been distributed as usual.

H. K. Stager

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

OFFICIAL
COPY
O. M. E.
RECEIVED
MAR 5 1973
INITIALS | CODE

March 1, 1973

Memorandum

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
Region II

Subject: New Application (Silver-Gold)
Mardon Inc.
Maren Group of Claims
Lander County, Nevada

Enclosed is one copy of a new application received in this office February 28, 1973. A duplicate copy, except for Lien and Subordination Agreements, is retained in our files.

The application is fairly complete, although answers to the following questions on the application form require additional information.

1(c). The applicant proposes to furnish its share of the costs partly by use of its own equipment and partly by use of supplies, all of which are included at full value. The value of each item is needed to compute allowable depreciation. A company financial statement is also needed.

7(b-g). Estimated costs appear to be realistic, but the values of individual items of equipment and supplies (applicant's category 13) are not specified, and no allowance is made for assaying and office expense.

If the applicant's answer to question 1(c) is satisfactory, the remaining additional information could be obtained during a field examination.

R. M. Smith
for H. K. Stager

Enclosures

MME Form 40
(Revised Nov. 71)

Form approved
Budget Bureau No. 42-R1368

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

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

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

MARDON INC.
Don Hargrove, President
4290 Jasper Lane
Reno, Nevada 89502

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: 6884

DATE RECEIVED: 3-5-73

REGION: II

DIVISION CODE:

BUSINESS ORGANIZATION *(Check one)*

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

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
DON HARGROVE	4290 Jasper Lane, Reno, Nevada	President
DENNIS STACEY	" " " " "	Vice President
MAREN S. HARGROVE	" " " "	Secy.-Treas.

STATE IN WHICH FIRM IS ORGANIZED: New Mexico

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE: Gold & Silver

ESTIMATED COST OF PROJECT: $20,000.00

PROPERTY NAME	LOCATION COUNTY	STATE
Maren Lode Group	Lander	Nevada

GENERAL INSTRUCTIONS

Before filling out this application, please read the *OME Regulations for Obtaining Federal Assistance in Financing Explorations for Mineral Reserves* (30 CFR Chap. II). To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit two copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 2, existing mine workings and geology in item 3, and the proposed exploration work in item 5. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 3(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals*, of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Department of the Interior, U.S. Geological Survey, Office of Minerals Exploration, Washington, D. C., 20242, or with the nearest OME Field Office.*

CERTIFICATION

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

16 January 1973
DATED

MARDON, INC. Don Hargrove
BY *(Signature)*

President
TITLE

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

INFORMATION REQUIRED WITH THIS APPLICATION

(submit on accompanying pages)

1. Financial Eligibility:

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

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

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

2. Applicant's Rights in Land:

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

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

(c) For all land or mineral rights encumbered or not owned, submit five copies of Lien and Subordination Agreements signed by owner on MME Form 52. If the agreements cannot be obtained, state reasons and whether you can furnish a performance bond.

3. Physical Description:

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

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

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

(d) Describe known ore reserves, giving quantities and grades.

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

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

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

4. Accessibility of Property:

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

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

5. Exploration Work:

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

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

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

6. Experience:

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

7. Estimate of Costs:

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

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

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

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

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

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

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

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

MARDON INC.
4290 Jasper Lane
Reno, Nevada 89502

16 January 1973

Office of Minerals Exploration
U.S. Geological Survey
345 Middlefield Road
Menlo Park, California 94025

Gentlemen:

Mardon Inc. will appreciate your consideration of an OME loan for exploration of the Maren group of six lode claims.

Enclosed please find the following:

1. Two copies of the map of the Maren group of 6 claims.
2. Two copies of the plan of Maren vein.
3. Two copies of the Section of Maren vein.
4. Two copies of the Lease to Mardon Inc.
5. Two copies of the certificate of location of each of the six Maren lode claims. (Maren #1 to Maren #6 inc.)
6. Two copies of a letter from Mardon Inc. to the First National Bank of Farmington, New Mexico and two copies of the reply.
7. Two copies of a letter from Mardon Inc. to the Citizens Bank of Farmington and two copies of the reply.
   I think you will find all of the above information self-explanatory.
8. Five copies of MME form 52 January 1959 duly executed.
9. Two copies of MME form 40 revised November 1971 executed.
10. Geology and minerology:
    The rock in the immediate area of the Maren group of claims is probably a greenstone. Several strong, persistent fractures with generally N35°± strikes and almost vertical dips cut the claims. These strikes and dips approximate the Gold Belt, the Superior and the Thomas W structures which lie some 4000 feet to 5000 feet± Westerly from the Maren group. Our structures are over 10 feet wide where we have uncovered them. We have found quartz, broken in places in the drag, but in place in a small vein in the face of the drift in the bottom of the shaft we sunk in 1938 (see map). The vein widened from 4" in the back of the drift to 8" in the bottom and assayed 8 oz. of Ag and some Au which I failed to record (1938).

    We uncovered about four feet of quartz in an open cut on the south end of Maren #2 claim that panned gold and assayed nearly $20.00 in combined metal (Au & Ag). This quartz was split by highly altered, iron stained gouge.

Just as a guess, without having had time to map the area it may be possible that the many parallel structures are the result of the fractures often found in the roof invaded at depth by a granite batholith. The alteration of the Maren structures is quite similar to the ones west of us.

Minerals however are quite different. I have never gotten As much silver, on the Gold Belt or Superior, as we have, nor have I seen as much galena. In 1937 I did note sparse malachite on either end of an orebody in the Superior, the Maren ore also shows a little malachite.

The gouge in the face of the drift, off the bottom of the shaft that we sunk in 1938, panned from $5.00 to $30.00, my log notes that the gold was round like fine bird shot.

One of the reasons we think we have a good prospect, aside from the ore we have found, is that the structure lines up with the ore that was mined about 3 miles SE in the low hills near the warm astesian springs on the flat. That ore is very similar in appearance to the ore we opened on the surface on Maren #2. The warm water itself isn't too bad an indication (or at least it wasn't at the Comstock-Keystone in Dixie Valley some 30± miles to the west) which I mined in 1938-42.

We picked up float on the Maren structure in 1937 that showed good gold values in rose quartz. The gold was visible to the naked eye.

In the late thirties Bill Peterson, (who was a partner with my brother and me when we sunk the shaft shown on the map) got off on a parallel structure SW of the shaft and did quite a bit of work. He sunk an incline shaft but I understand that he did not get ore in place. We had ore in place on the other structure and I stopped my financial support when he went down on the other structure. The work he did does not show on the plan of the Maren vein, the shafts are SW of our structure.

11. Proposed exploration work:

As shown on the enclosed plan, and section, we have about 145 feet to crosscut to cut the vein. We are now in about 35 feet. We then want to drift on the structure as far as possible. 500 feet will put us about 115 feet N of the bottom of the shaft. Unless the ore rakes flatly to the North we certainly should be in ore by then. I expect to be in ore before we get under the shaft.

12. Following is an estimate of crosscutting and or drifting costs (drifting may require some timber, but we expect the crosscut to stand quite well).

Est. Cost Per Foot--Based on 5 foot per shift advance (3 men)

Track	$ 1.00
Ties	.40
Vent Line	1.40
Explosives	1.40
Diesel (Fuel & Lub)	1.00
Compressor	1.00
Steel	1.00
Mucker	.50
Long Tom	.40
Timber	1.60
Emp. Comp. Ins	2.00
Pl & PD Ins	.50
Pickup Exp (Gen. Frt. etc)	2.00
Misc. (Repairs etc)	2.00
	$ 16.20
Labor $4.25 per hour & Fringes	23.80
Total	$ 40.00

13. We have the following equipment and supplies:
   1) 1972 Chevrolet 4 W Dr. Pickup.
   2) Two I-R J-38 Jacklegs. (Almost new).
   3) One Eimco 12B Mucking Machine (used).
   4) One G-D WBH 365 cu ft Compressor, Diesel driven (used).
   5) Two 30 cu ft Miners Foundry Cars. (Used).
   6) One Long Tom retractable Air Leg (new).
   7) 4.25 Tons of 20# rail and accessories (new).
   8) 500 feet of 12" vent pipe (new).
   9) Hoses, two pressure tanks, steel etc etc.
   10) 500 feet of 2" air line. 500 feet of 1" water line.
   11) Various hand tools.

   Total cost of above is in excess of $19,000.00.

   Mardon Inc. is willing to put up this equipment which is nearly four times our share of $20,000.00.

14 Mardon Inc. would not normally be able to undertake this much exploration work solely at its own expense. Any further information needed may be obtained, if we have it, by writing to the above address or calling 702-825-5916.

Thank you for your consideration.

Sincerely yours,

Don Hargrove

MARDON, INC.
Don Hargrove, President

DH/msh

2404 Western Avenue
Farmington, New Mexico
15 January 1973

The Citizens Bank
500 West Broadway
Farmington, New Mexico

Attention: Mr. Everett Kennedy, Vice President

Dear Mr. Kennedy:

Mardon Inc., a New Mexico Corporation, has obtained a lease on six mining claims in Lander County, Nevada. In 1938 my brother and I sunk a 50 foot deep shaft on the vein which is widening as it goes deeper. This ore assayed 8 ounces of silver and panned from $5.00 to $30.00 in gold per ton at the $35.00 price.

Further north, some 350 feet from the shaft we uncovered about four feet of quartz on the surface, this showing was split by about 18 inches of country rock. A selected sample assayed 8.09 ounces silver and 0.054 ounces gold. At present prices, (gold @ $65.00 per ounce and silver @ $2.00 per ounce) this ore assays $16.18 in silver and $3.51 in gold or a total of $19.69 per ton. I do not consider this to be commercial ore, as is where is. But I consider this to be a good prospect which is now under development, weather permitting.

Mardon would like to borrow $20,000.00 at a maximum of 8% to finish the crosscut to the vein and then drift on it. We will be 150 feet below the bottom of the old shaft and 250 feet below the surface exposure. We need to drive 500 feet at a cost of $40.00 per foot. We have the necessary equipment, including compressor, mucking machine, drills, etc.

Parallel veins some 4,000 feet west of us have been producing sporadically for over 100 years. Average ore grade about $25 to $30 per ton at $35.00 gold price.

As you may know my business is mining. My experience dates from 1928 in nearly all facets of mining including exploration, mine development, mine and mill operation (mucker to manager and everything in between) metallurgical test work, project engineer on mill design and construction, for myself and as an employee of several well known corporations.

We will give you a lien on our six mining claims for security if you so desire.

Sincerely,

Don Hargrove

Mardon, Inc.
Don Hargrove, President

DH/msh

THE CITIZENS BANK

EVERETT B. KENNEDY
SENIOR VICE PRESIDENT

January 16, 1973

Mr. Don Hargrove, President
Mardon, Incorporated
2404 Western Avenue
Farmington, NM

Dear Don:

This is in reply to your loan request for $20,000 as outlined in your letter of January 15, 1973 addressed to this bank.

We have reviewed your request carefully and regret that we must decline an interest in this type loan on the basis of the security offered. We do not feel qualified to accept mining claims as collateral.

We appreciate every opportunity of service and trust that this decision will not be too upsetting to you.

Sincerely,

Everett B. Kennedy

EBK/dr

TELEPHONE (505) 325-8835 ☐ POST OFFICE BOX 1140 ☐ FARMINGTON, NEW MEXICO 87401

2404 Western Avenue
Farmington, New Mexico
15 January 1973

The First National Bank
Box 68
Farmington, New Mexico

Attention: Mr. K. O. Wilbanks, President

Dear Mr. Wilbanks:

Mardon Inc., A New Mexico Corporation, has obtained a lease on six mining claims in Lander County, Nevada. In 1938 my brother and I sunk a 50 foot deep shaft on the vein which is widening as it goes deeper. This ore assayed 8 ounces of silver and panned from $5.00 to $30.00 in gold per ton at the $35.00 price.

Further north, some 350 feet from the shaft we uncovered about four feet of quartz on the surface this showing was split by about 18 inches of country rock. A selected sample assayed 8.09 ounces silver and 0.054 ounces gold. At present prices, (gold @ $65.00 per ounce and silver @ $2.00 per ounce) this ore assays $16.18 in silver and $3.51 in gold or a total of $19.69 per ton. I do not consider this to be commercial ore, as is where is. But I consider this to be a good prospect which is now under development, weather permitting.

Mardon would like to borrow $20,000.00 at a maximum of 8% to finish the crosscut to the vein and then drift on it. We will be 150 feet below the bottom of the old shaft and 250 feet below the surface exposure. We need to drive 500 feet at a cost of $40.00 per foot. We have the necessary equipment, including compressor, mucking machine, drills, etc.

Parallel veins some 4,000 feet west of us have been producing sporadically for over 100 years. Average ore grade about $25 to $30 per ton at $35.00 gold price.

As you may know my business is mining. My experience dates from 1928 in nearly all facets of mining including exploration, mine development, mine and mill operation (mucker to manager and everything in between) metallurgical test work, project engineer on mill design and construction, for myself and as an employee of several well known corporations.

We will give you a lien on our six mining claims for security if you so desire.

Sincerely,

Don Hargrove

Mardon, Inc.
Don Hargrove, President

DH/msh

SERVING THE 4-CORNERS AREA SINCE 1902

THE FIRST NATIONAL BANK

POST OFFICE BOX 540 Farmington, NEW MEXICO 87401

K. O. WILBANKS
PRESIDENT

January 16, 1973

Mr. Don Hargrove,
President
Mardon, Inc.
Farmington, New Mexico

Dear Mr. Hargrove:

We are in receipt of your letter of January 15, 1973 in regard to a $20,000.00 loan secured by your mining claims in Lander County, Nevada.

I am sorry, but mining claims are unacceptable collateral to this bank and we must, therefore, decline this application for credit.

Yours very truly,

K. O. Wilbanks

K. O. Wilbanks
President

bp

BOOK NO. 112 PAGE 89

Certificate of Location of Lode Mining Claim

TO ALL WHOM IT MAY CONCERN:

The undersigned hereby certifies (certify) that he (she, they) has (have) located the Maren#1 Lode Mining Claim in Section _____, Township 20 N, Range 49 E in the New Pass Mining District, in Lander County, in the State of Nevada, on the 19 day of August, 1972.

The name(s) and post office address(es) of the locator(s) is (are) (please print):

(Name)	(Post Office Address)
Don Hargrove	4290 Jasper Ln. Reno, Nevada.
Keith Vermilyea	816 Wheeler Ave. Reno, Nevada
Dennis Stacey	4290 Jasper Ln. Reno, Nevada.
Jack Hargrove	4290 Jasper Ln. Reno, Nevada.

The claim is 1500 feet long and 600 feet wide, and 200 feet is claimed in a Northerly direction and 1300 feet in a Southerly direction from the location monument at which the Notice of Location is posted, lengthwise of the claim, together with 300 feet in width on each side of the center of the claim. The general course of the lode deposit and premises is from the North to the South.

The location and number of each corner of this claim is shown on the claim map that is filed herewith. On the ground, each corner of the claim is marked with its appropriate number by scribing the wood

(Describe method of marking, such as "scribing the wood")

The description of each corner is as follows (describe the corner(s), such as "4x4 wooden post"):

Corner No. 1 is a 4x4 wooden post

Corner No. 2 is a 4x4 wooden post

Corner No. 3 is a 4x4 wooden post

Corner No. 4 is a 4x4 wodden post

Corner No. 5 is a 4x4 wooden post

Corner No. 6 is a 4x4 wooden post

The monumentation and marking of the corners was completed by the 27 day of August, 1972.
(Must be within 20 days of posting notice of location)

The location work consisted of making a claim map as provided in NRS 517.040. Two copies of this claim map have been filed with the Lander County Recorder, and the $15.00 lode claim filing fee has been paid to the County Recorder.

Dated this Sept. 7 day of September, 1972.

Don Hargrove — Jack Hargrove

(Locator sign here)

Keith Vermilyea — Dennis Stacey

Note 1: Two copies of this certificate and two copies of the claim map must be filed, and the $15 filing fee must be paid, within 90 days after the date of posting Notice of Location.

Note 2: "Every person who willfully and knowingly makes a false material statement on the location certificate or on any map required by this chapter shall be guilty of a felony, and upon conviction thereof shall be imprisoned in the state prison for not less than 3 years nor more than 10 years." NRS 517.300, Subsection 2.

Note 3: The claim map of this claim is filed in the _____ County Recorder's Office as Document No. _____. (may be filled in by locator)

RECORDER'S STAMP
RECORDED AT REQUEST OF
Jack Hargrove
Sept. 11, 1972 AT 9:03 H M
BOOK 112 OFFICIAL RECORDS PAGE 89
OF LANDER COUNTY, NEVADA
FEES PAID 1.00
FILE NO. 72158
COUNTY RECORDER

CARLISLE FORM NO. 56 N

72158

BOOK NO. 112 PAGE 90

15

Certificate of Location of Lode Mining Claim

TO ALL WHOM IT MAY CONCERN:

The undersigned hereby certifies (certify) that he (she, they) has (have) located the Naren #2 Lode Mining Claim in Section _____, Township 20 N, Range 40 E in the New Pass Mining District, in Lander co. County, in the State of Nevada, on the 19 day of August, 19 72.

The name(s) and post office address(es) of the locator(s) is (are) (please print):

(Name)	(Post Office Address)
Don Hargrove	4290 Jasper Ln. Reno, Nevada.
Keith Vermilyea	816 Wheeler Ave. Reno, Nevada.
Dennis Stacey	4290 Jasper Ln. Reno, Nevada.
Jack Hargrove	4290 Jasper Ln. Reno, Nevada.

The claim is 1500 feet long and 600 feet wide, and 25 feet is claimed in a southerly direction and 1475 feet in a northerly direction from the location monument, at which the Notice of Location is posted, lengthwise of the claim, together with 300 feet in width on each side of the center of the claim. The general course of the lode deposit and premises is from the North to the South.

The location and number of each corner of this claim is shown on the claim map that is filed herewith. On the ground, each corner of the claim is marked with its appropriate number by Scribing the wood

(Describe method of marking, such as "scribing the wood")

The description of each corner is as follows (describe the corner(s), such as "4x4 wooden post"):

Corner No. 1 is a 4x4 wood post

Corner No. 2 is a 4x4 wood post

Corner No. 3 is a 4x4 wood post

Corner No. 4 is a 4x4 wood post

Corner No. 5 is a 4x4 wood post

Corner No. 6 is a 4x4 wood post

The monumentation and marking of the corners was completed by the 27 day of August, 19 72.
(Must be within 20 days of posting notice of location)

The location work consisted of making a claim map as provided in NRS 517.040. Two copies of this claim map have been filed with the Lander County Recorder, and the $15.00 lode claim filing fee has been paid to the County Recorder.

Dated this 7 day of September, 19 72.

Don Hargrove — Jack Hargrove

(Locator sign here)

Keith Vermilyea — Dennis Stacey

Note 1: Two copies of this certificate and two copies of the claim map must be filed, and the $15 filing fee must be paid, within 90 days after the date of posting Notice of Location.

Note 2: "Every person who willfully and knowingly makes a false material statement on the location certificate or on any map required by this chapter shall be guilty of a felony, and upon conviction thereof shall be imprisoned in the state prison for not less than 3 years nor more than 10 years." NRS 517.300, Subsection 2.

Note 3: The claim map of this claim is filed in the _____ County Recorder's Office as Document No. _____. (may be filled in by locator)

RECORDER'S STAMP

RECORDED AT REQUEST OF Jack Hargrove

Sept. 11, 19 72 AT 9:04 A M

BOOK 112 OFFICIAL RECORDS PAGE 90

OF LANDER COUNTY, NEVADA

FEES PAID 1.00

FILE NO. 72159

COUNTY RECORDER

72159 90

CARLISLE FORM NO. 56 N

Certificate of Location of Lode Mining Claim

TO ALL WHOM IT MAY CONCERN:

The undersigned hereby certifies (certify) that he (she, they) has (have) located the Maren# 3 Lode Mining Claim in Section _____, Township 20 N, Range 40 E in the New Pass Mining District, in Lander County, in the State of Nevada, on the 19 day of August, 19 72.

The name(s) and post office address(es) of the locator(s) is (are) (please print):

(Name)	(Post Office Address)
Don Margrove	4290 Jasper Ln. Reno, Nevada
Keith Vermilyea	816 Wheeler Ave. Reno, Nevada.
Jack Margrove	4290 Jasper Ln. Reno, Nevada.
Dennis Stacey	4290 Jasper Ln. Reno, Nevada.

The claim is 1500 feet long and 600 feet wide, and 25 feet is claimed in a southerly direction and 1475 feet in a northerly direction from the location monument, at which the Notice of Location is posted, lengthwise of the claim, together with 300 feet in width on each side of the center of the claim. The general course of the lode deposit and premises is from the North m to the South.

The location and number of each corner of this claim is shown on the claim map that is filed herewith. On the ground, each corner of the claim is marked with its appropriate number by scribing the wood

(Describe method of marking, such as "scribing the wood")

The description of each corner is as follows (describe the corner(s), such as "4x4 wooden post"):

Corner No. 1 is a 4x4 wood post

Corner No. 2 is a 4x4 wood post

Corner No. 3 is a 4x4 wood post

Corner No. 4 is a 4x4 wood post

Corner No. 5 is a 4x4 wood post

Corner No. 6 is a 4x4 wood post

The monumentation and marking of the corners was completed by the 27 day of August, 19 72.
(Must be within 20 days of posting notice of location)

The location work consisted of making a claim map as provided in NRS 517.040. Two copies of this claim map have been filed with the Lander County Recorder, and the $15.00 lode claim filing fee has been paid to the County Recorder.

Dated this 7 day of September 19 72.

Don Margrove — Jack Margrove
(Locator sign here)
Keith Vermilyea — Dennis Stacey

Note 1: Two copies of this certificate and two copies of the claim map must be filed, and the $15 filing fee must be paid, within 90 days after the date of posting Notice of Location.

Note 2: "Every person who willfully and knowingly makes a false material statement on the location certificate or on any map required by this chapter shall be guilty of a felony, and upon conviction thereof shall be imprisoned in the state prison for not less than 3 years nor more than 10 years." NRS 517.300, Subsection 2.

Note 3: The claim map of this claim is filed in the _____ County Recorder's Office as Document No. _____. (may be filled in by locator)

RECORDER'S STAMP
RECORDED AT REQUEST OF
Jack Margrove
Sept. 1, 1972 AT 9:05 AM
BOOK 112 OFFICIAL RECORDS PAGE 91
OF LANDER COUNTY, NEVADA
FEES PAID 1.00
FILE NO. 72160
COUNTY RECORDER

CARLISLE FORM NO. 56 N

72160 91

BOOK NO. 112 PAGE 92

Certificate of Location of Lode Mining Claim

TO ALL WHOM IT MAY CONCERN:

The undersigned hereby certifies (certify) that he (she, they) has (have) located the Maren #4 Lode Mining Claim in Section _____, Township 20 N., Range 40 E. in the New Pass Mining District, in Lander County, in the State of Nevada, on the 19 day of August, 1972.

The name(s) and post office address(es) of the locator(s) is (are) (please print):

(Name)	(Post Office Address)
Don Hargrove	4290 Jasper Ln. Reno, Nevada.
Jack Hargrove	4290 Jasper Ln. Reno, Nevada.
Dennis Stacey	4290 Jasper Ln. Reno, Nevada.
Keith Vermilyea	816 Wheeler Ave. Reno, Nevada,

The claim is 1500 feet long and 600 feet wide, and 25 feet is claimed in a northerly direction and 1475 feet in a southerly direction from the location monument, at which the Notice of Location is posted, lengthwise of the claim, together with 300 feet in width on each side of the center of the claim. The general course of the lode deposit and premises is from the north to the south.

The location and number of each corner of this claim is shown on the claim map that is filed herewith. On the ground, each corner of the claim is marked with its appropriate number by scribing the wood

(Describe method of marking, such as "scribing the wood")

The description of each corner is as follows (describe the corner(s), such as "4x4 wooden post"):

Corner No. 1 is a 4x4 wood post

Corner No. 2 is a 4x4 wood post

Corner No. 3 is a 4x4 wood post

Corner No. 4 is a 4x4 wood post

Corner No. 5 is a 4x4 wood post

Corner No. 6 is a 4x4 wood post

The monumentation and marking of the corners was completed by the 27 day of August, 1972.
(Must be within 20 days of posting notice of location)

The location work consisted of making a claim map as provided in NRS 517.040. Two copies of this claim map have been filed with the Lander County Recorder, and the $15.00 lode claim filing fee has been paid to the County Recorder.

Dated this 7 day of September 1972.

Don Hargrove — Jack Hargrove
(Locator sign here)
Keith Vermilyea — Dennis Stacey

Note 1: Two copies of this certificate and two copies of the claim map must be filed, and the $15 filing fee must be paid, within 90 days after the date of posting Notice of Location.

Note 2: "Every person who willfully and knowingly makes a false material statement on the location certificate or on any map required by this chapter shall be guilty of a felony, and upon conviction thereof shall be imprisoned in the state prison for not less than 3 years nor more than 10 years." NRS 517.300, Subsection 2.

Note 3: The claim map of this claim is filed in the _____ County Recorder's Office as Document No. _____. (may be filled in by locator)

CARLISLE FORM NO. 56 N

RECORDER'S STAMP
RECORDED AT REQUEST OF
Jack Hargrove
Sept. 11, 1972 AT 9:06A M
BOOK 112 OFFICIAL RECORDS PAGE 92
OF LANDER COUNTY, NEVADA
FEES PAID 1.00
FILE NO. 72161
COUNTY RECORDER

72161 92

Certificate of Location of Lode Mining Claim

TO ALL WHOM IT MAY CONCERN:

The undersigned hereby certifies (certify) that he (she, they) has (have) located the Maren # 5 Lode Mining Claim in Section _____, Township 20 N, Range 40 E in the New Pass Mining District, in Lander County, in the State of Nevada, on the 19 day of August, 19 72.

The name(s) and post office address(es) of the locator(s) is (are) (please print):

(Name)	(Post Office Address)
Don Hargrove	4290 Jasper Ln. Reno, Nevada.
Jack Hargrove	4290 Jasper Ln. Reno, Nevada.
Dennis Stacey	4290 Jasper Ln. Reno, Nevada.
Keith Vermilyea	816 Wheeler Ave. Reno, Nevada.

The claim is 1500 feet long and 600 feet wide, and 25 feet is claimed in a northerly direction and 1475 feet in a southerly direction from the location monument, at which the Notice of Location is posted, lengthwise of the claim, together with 300 feet in width on each side of the center of the claim. The general course of the lode deposit and premises is from the north to the south.

The location and number of each corner of this claim is shown on the claim map that is filed herewith. On the ground, each corner of the claim is marked with its appropriate number by scribing the wood

(Describe method of marking, such as "scribing the wood")

The description of each corner is as follows (describe the corner(s), such as "4x4 wooden post"):

Corner No. 1 is a 4x4 wood post

Corner No. 2 is a 4x4 wood post

Corner No. 3 is a 4x4 wood post

Corner No. 4 is a 4x4 wood post

Corner No. 5 is a 4x4 wood post

Corner No. 6 is a 4x4 wood post

The monumentation and marking of the corners was completed by the 27 day of August, 19 72.
(Must be within 20 days of posting notice of location)

The location work consisted of making a claim map as provided in NRS 517.040. Two copies of this claim map have been filed with the Lander County Recorder, and the $15.00 lode claim filing fee has been paid to the County Recorder.

Dated this 7 day of September, 19 72.

Don Hargrove — Jack Hargrove
(Locator sign here)
Keith Vermilyea — Dennis Stacey

Note 1: Two copies of this certificate and two copies of the claim map must be filed, and the $15 filing fee must be paid, within 90 days after the date of posting Notice of Location.

Note 2: "Every person who willfully and knowingly makes a false material statement on the location certificate or on any map required by this chapter shall be guilty of a felony, and upon conviction thereof shall be imprisoned in the state prison for not less than 3 years nor more than 10 years." NRS 517.300, Subsection 2.

Note 3: The claim map of this claim is filed in the _____ County Recorder's Office as Document No. _____. (may be filed in by locator)

RECORDER'S STAMP
RECORDED AT REQUEST OF
Jack Hargrove
Sept. 11, 19 72 AT 9:07 AM
BOOK 112 OFFICIAL RECORDS PAGE 93
OF LANDER COUNTY, NEVADA
FEES PAID 1.00
FILE NO. 72162
COUNTY RECORDER

CARLISLE FORM NO. 56 N

72162 - 93

BOOK NO. 112 PAGE 94

Certificate of Location of Lode Mining Claim

TO ALL WHOM IT MAY CONCERN:

The undersigned hereby certifies (certify) that he (she, they) has (have) located the Maren # 6 Lode Mining Claim in Section _____, Township 20 N, Range 40 E in the New Pass Mining District, in Lander County, in the State of Nevada, on the 19 day of August, 19 72.

The name(s) and post office address(es) of the locator(s) is (are) (please print):

(Name)	(Post Office Address)
Don Hargrove	4290 Jasper Ln. Reno, Nevada
Jack Hargrove	4290 Jasper Ln. Reno, Nevada.
Dennis Stacey	4290 Jasper Ln. Reno, Nevada.
Keith Vermilyea	816 Wheeler Ave. Reno, Nevada.

The claim is 1500 feet long and 600 feet wide, and 25 feet is claimed in a Northerly direction and 1475 feet in a Southerly direction from the location monument, at which the Notice of Location is posted, lengthwise of the claim, together with 300 feet in width on each side of the center of the claim. The general course of the lode deposit and premises is from the north n to the south.

The location and number of each corner of this claim is shown on the claim map that is filed herewith. On the ground, each corner of the claim is marked with its appropriate number by scribing the wood

(Describe method of marking, such as "scribing the wood")

The description of each corner is as follows (describe the corner(s), such as "4x4 wooden post"):

Corner No. 1 is a 4x4 wood post

Corner No. 2 is a 4x4 wood post

Corner No. 3 is a 4x4 wood post

Corner No. 4 is a 4x4 wood post

Corner No. 5 is a 4x4 wood post

Corner No. 6 is a 4x4 wood post

The monumentation and marking of the corners was completed by the 27 day of August, 19 72.
(Must be within 20 days of posting notice of location)

The location work consisted of making a claim map as provided in NRS 517.040. Two copies of this claim map have been filed with the Lander County Recorder, and the $15.00 lode claim filing fee has been paid to the County Recorder.

Dated this 7 day of September, 19 72.

Don Hargrove — Jack Hargrove
(Locator sign here)
Keith Vermilyea — Dennis Stacey

Note 1: Two copies of this certificate and two copies of the claim map must be filed, and the $15 filing fee must be paid, within 90 days after the date of posting Notice of Location.

Note 2: "Every person who willfully and knowingly makes a false material statement on the location certificate or on any map required by this chapter shall be guilty of a felony, and upon conviction thereof shall be imprisoned in the state prison for not less than 3 years nor more than 10 years." NRS 517.300, Subsection 2.

Note 3: The claim map of this claim is filed in the _____ County Recorder's Office as Document No. _____. (may be filled in by locator)

RECORDER'S STAMP

RECORDED AT REQUEST OF
Jack Hargrove
Sept. 11, 1972 AT 9:08A M
BOOK 112 OFFICIAL RECORDS PAGE 94
OF LANDER COUNTY, NEVADA
FEES PAID 1.00
FILE NO. 72163
COUNTY RECORDER

CARLISLE FORM NO. 56 N

72163-94

72795

BOOK NO. 113 PAGE 544

LEASE OF MINING CLAIMS

THIS INDENTURE made and entered into this 16th day of January, 1973, by and between DON HARGROVE, KEITH VERMILYEA, DENNIS STACEY and JACK HARGROVE, hereinafter referred to as LESSORS, joined pro forma herein by their respective spouses, and MARDON, INC., a New Mexico corporation with offices at 2404 Western Avenue, Farmington, New Mexico, hereinafter referred to as LESSEE.

WITNESSETH:

WHEREAS, Lessors are the owners of the following described Lode Mining Claims situated in Township 20 North, Range 40 East in the New Pass Mining District in Lander County, Nevada, as evidenced by Certificates of Location of Lode Mining Claims, to-wit:

a. Certificate dated September 7, 1972, filed for record on September 11, 1972, and recorded in Book 112 at Page 89 of the Lander County records, covering the Maren #1 claim.
b. Certificate dated September 7, 1972, filed for record on September 11, 1972, and recorded in Book 112 at Page 90 of the Lander County records, covering the Maren #2 claim.
c. Certificate dated September 7, 1972, filed for record on September 11, 1972, and recorded in Book 112 at Page 91 of the Lander County records covering the Maren #3 claim.
d. Certificate dated September 7, 1972, filed for record on September 11, 1972, and recorded in Book 112 at Page 92 of the Lander County records covering the Maren #4 claim.
e. Certificate dated September 7, 1972, filed for record on September 11, 1972, and recorded in Book 112 at Page 93 of the Lander County records covering the Maren #5 claim.
f. Certificate dated September 7, 1972, filed for record on September 11, 1972, and recorded in Book 112 at Page 94 of the Lander County records covering the Maren #6 claim, and

WHEREAS, Lessor is desirous of leasing and Lessee is desirous of acquiring a lease of the aforesaid mining claims upon certain terms and conditions,

NOW THEREFORE, for and in consideration of the sum of $10.00 and other valuable considerations, the receipt of which is hereby acknowledged by Lessors, Lessors have and do by these presents grant, demise, lease and let unto Lessee the above described 6 mining claims, subject to the following terms and conditions:

1. The term of this lease shall be for a period of five (5) years and as long thereafter as commercial production of ore is had.

2. Lessee agrees on or before June 1, 1973, to commence mining operations on the above 6 claims at a location of its choice; said operations shall consist of driving a crosscut approximately 175 feet to intersect the ore vein and thereafter drifting on the vein in an effort to explore the existing ore bodies. In this connection Lessee agrees, after commencement of operations, to continue same with due diligence and in a good and workmanlike manner.

3. If exploration produces ore bodies, Lessee agrees to mine the ore bodies, if, in the sole decision of Lessee, the ore bodies are of commercial value; at Lessee's sole discretion it may construct a mill.

4. Lessee agrees to pay Lessors, as their interest is now or hereafter stipulated, the following royalty on all ore ~~bodies~~ produced by Lessee from the above leased premises:

a. 10% of the net returns from the sale of mill production, less freight from mill to point of sale, on all ores having a milled recovery value of up to $50.00 a ton.
b. 15% of the net returns from the sale of mill production, less freight from mill to point of sale, on all ores having a milled recovery value of $50.00 a ton up to $75.00 a ton.
c. 20% of the net returns from the sale of mill production, less freight from mill to point of sale, on all ores having a milled recovery value of $75.00 a ton up to $100.00 per ton.
d. 25% of the net returns from the sale of mill production, less freight from mill to point of sale, on all ores having a milled recovery value of $100.00 a ton or more.

5. All royalty paid by Lessee shall be paid within 30 days following receipt of payment from the sale of all products produced hereunder; in this connection Lessee shall furnish Lessors, at the time of each royalty payment, a statement showing the kinds and amounts of products produced and sold, the sales price therefor, the name and address of the purchaser thereof and the freight charges pertaining to the sale from which the royalty payment is made.

6. Lessee agrees to hold Lessors free and harmless from any and all claims and demands of whatsoever nature arising out of Lessee's operations on the leased premises. Lessee agrees to carry adequate workman's compensation insurance on its employees, adequate public liability insurance, and further agrees to abide by all Federal, State, and local rules and regulations pertaining to its operations. In particular, Lessee agrees to carry out and record, as required, any and all assessment work on the leased claims.

7. Lessors agree that Lessee may, in the event it deems it necessary, procure a U. S. Department of the Interior, Office of Minerals Exploration loan in the amount of $20,000.00 for the purpose of carrying out mining activities hereunder, and in the event of said loan, Lessors agree to subordinate their rights hereunder to said loan agreement.

THIS AGREEMENT to be binding on the parties hereto, their heirs, successors and assigns.

IN WITNESS WHEREOF, we have hereunto set our hands and seals the date aforementioned.

BOOK NO. 113 PAGE 546

Dennis Stacey
Dennis Stacey

Don Hargrove
Don Hargrove

Maren S. Hargrove
Maren S. Hargrove

Keith Vermilyea
Keith Vermilyea

Aili Vermilyea
Aili Vermilyea

Jack Hargrove
Jack Hargrove

Ruth Hargrove
Ruth Hargrove

STATE OF New Mexico)
) ss.
COUNTY OF San Juan)

The foregoing instrument was acknowledged before me this 18th day of January, 1973, by DON HARGROVE and MAREN S. HARGROVE, husband and wife.

Dorie Warren
Notary Public

My commission expires:
5-4-75

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this 26 day of January, 1973, by KEITH VERMILYEA and AILI VERMILYEA, husband and wife Keith Vermilyea Aili Vermilyea.

IRMA ADAMS
Notary Public - State of Nevada
Washoe County
My Commission Expires April 28, 1975

Notary Public

My commission expires:

STATE OF New Mexico)
) ss.
COUNTY OF San Juan)

The foregoing instrument was acknowledged before me this 18th day of January, 1973, by DENNIS STACEY a single man Dennis Stacey

Dorie Warren
Notary Public

My commission expires:
5-4-75

RECORDED AT REQUEST OF
Jack Hargrove
Jan. 29, 1973 AT 10:07 AM
BOOK 113 OFFICIAL RECORDS PAGE 544
OF LANDER COUNTY, NEVADA

FEES PAID 6.00

FILE NO. 72795

COUNTY RECORDER

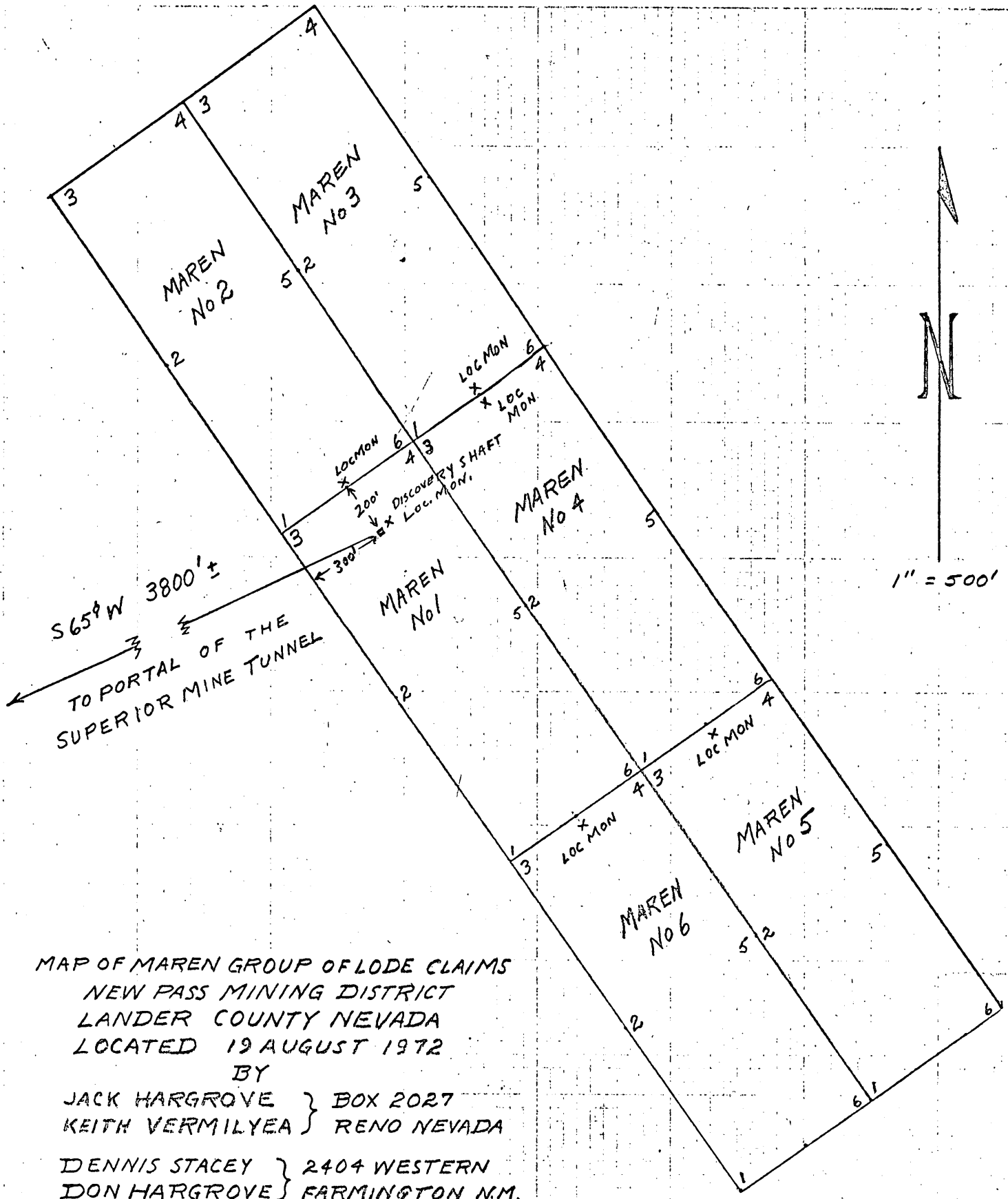
STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this 26 day of January, 1973, by JACK HARGROVE and RUTH HARGROVE, husband and wife Jack Hargrove Ruth Hargrove

IRMA ADAMS
Notary Public - State of Nevada
Washoe County
My Commission Expires April 28, 1975

Notary Public

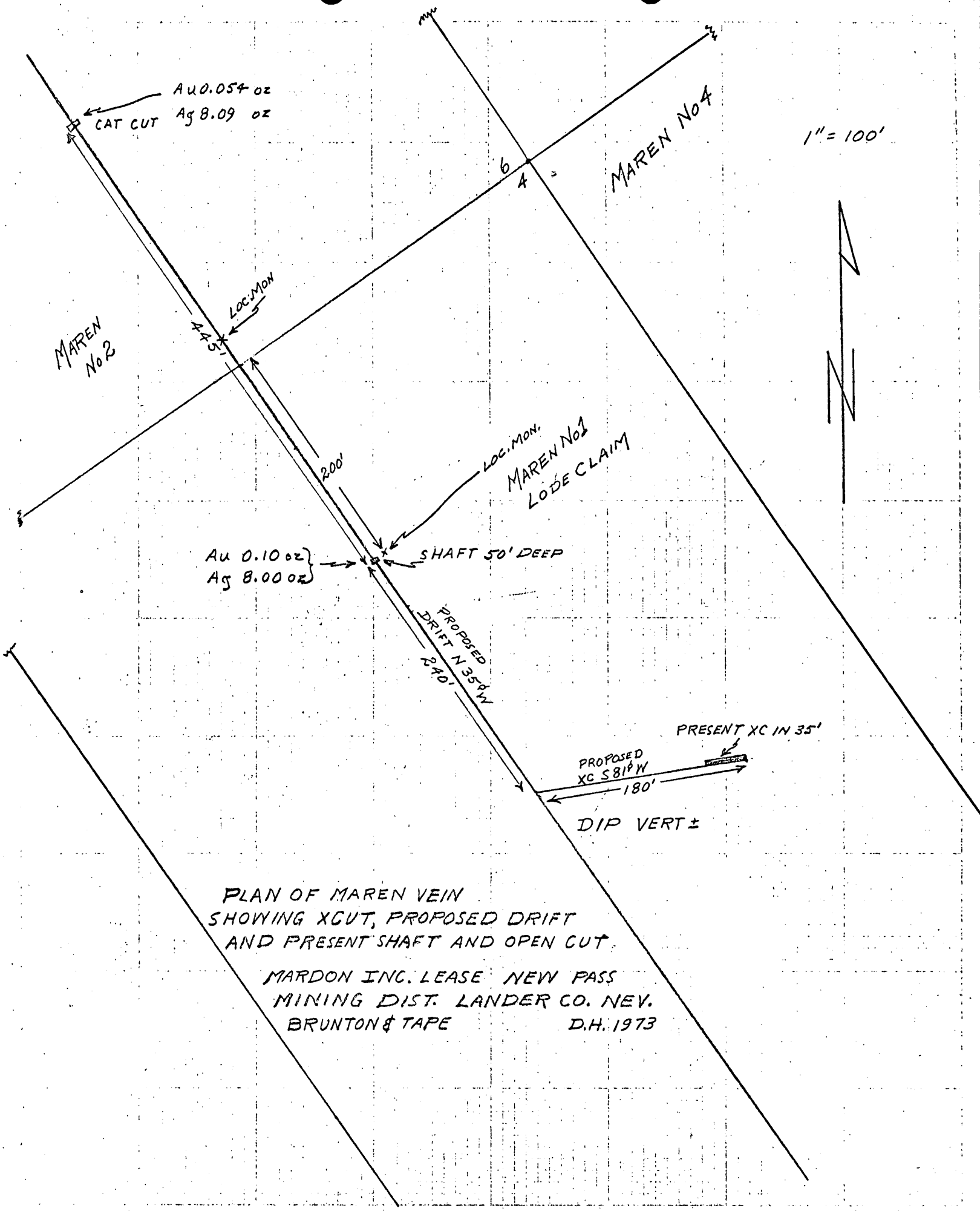
My commission expires:



MAP OF MAREN GROUP OF LODE CLAIMS
NEW PASS MINING DISTRICT
LANDER COUNTY NEVADA
LOCATED 19 AUGUST 1972
BY

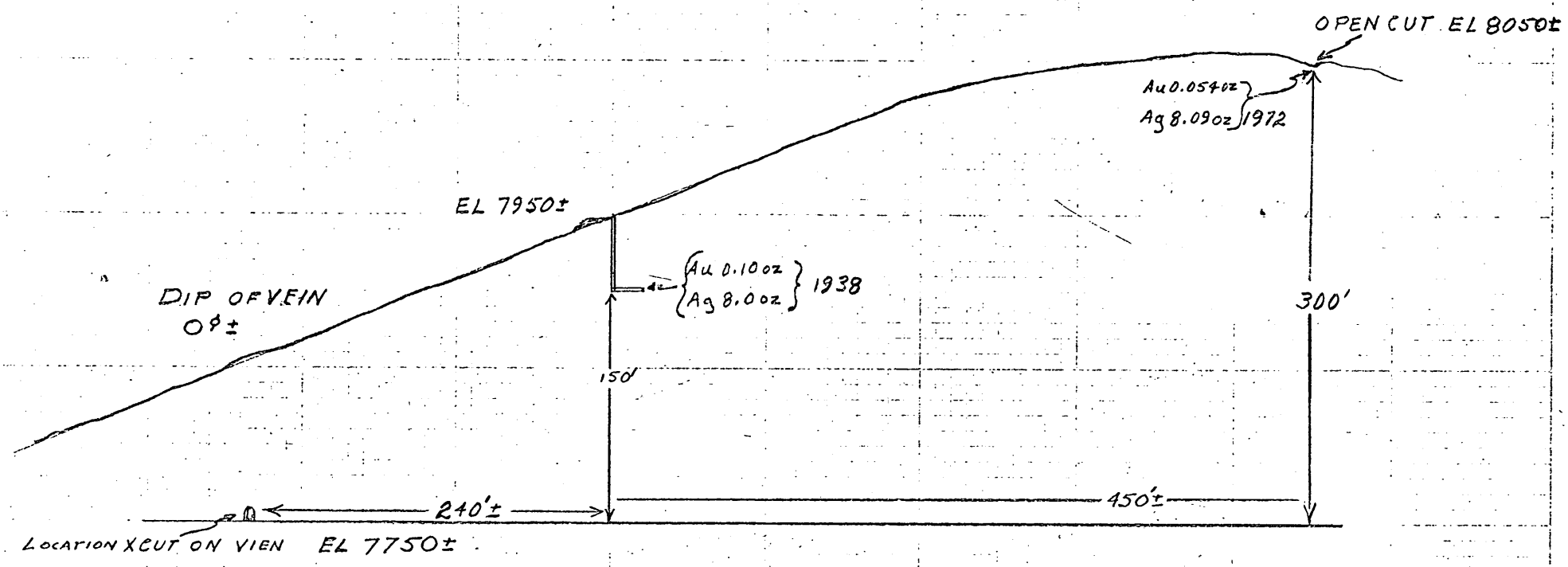
JACK HARGROVE } BOX 2027
KEITH VERMILYEA } RENO NEVADA

DENNIS STACEY } 2404 WESTERN
DON HARGROVE } FARMINGTON N.M.



PLAN OF MAREN VEIN
SHOWING XCUT, PROPOSED DRIFT
AND PRESENT SHAFT AND OPEN CUT

MARDON INC. LEASE NEW PASS
MINING DIST. LANDER CO. NEV.
BRUNTON & TAPE D.H. 1973



SECTION OF MAREN VEIN
LOOKING S 55° W
MARDON INC LEASE
NEW PASS MINING DIST.
LANDER CO. NEVADA
BRUNTON & TAPE D.H. 1973
1" = 100'

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

OFFICIAL COPY
O. M. E.
RECEIVED
JAN 30 1975
INITIALS | CODE
HK

January 27, 1975

MEMORANDUM

To: Chief, Office of Minerals Exploration
Reston, Virginia

From: Field Officer
Region II

Subject: OME-6884 (Gold-Silver)
Mardon, Inc.
Maren Lode Group
Lander County, Nevada
Contract 2311

Enclosed is a summary-type Final Field Report for the subject exploration project.

H. K. Stager

Enclosure

Final Field Report

FINAL FIELD REPORT - OME EXPLORATION PROJECT

By H. K. Stager, Field Officer, Region II

January 27, 1975

1. OME-6884 (Gold-Silver)
Mardon, Inc.
Maren Lode Group
Lander County, Nevada
Contract 2311

Operator: Mardon, Inc.
Don Hargrove, President
7239 E. Camino Vecino
Tucson, Arizona 85715

Property: Consists of six (6) unpatented lode mining claims in sec. 10, T. 20 N., R. 40 E., MDBM, New Pass mining district, Lander County, Nevada. These claims are shown on a map attached to the contract and are recorded at Austin, Nevada as follows:

Claim Name	Book	Page
Maren No. 1	112	89
Maren No. 2	112	90
Maren No. 3	112	91
Maren No. 4	112	92
Maren No. 5	112	93
Maren No. 6	112	94

Ownership: The Operator was in possession of the claims by virtue of a Lease of Mining Claims between Don Hargrove, Keith Vermilyea, Dennis Stacey, and Jack Hargrove, Lessors and Owners, and the Operator dated January 16, 1973. A Lien and Subordination Agreements executed by the owners and dated January 16, 1973 was attached to the contract.

2. Purpose of Project: The purpose of the project was to explore by crosscutting and drifting for gold- and silver-bearing ore shoots in or along the Maren quartz vein which cuts rocks in the Havallah sequence of Pennsylvanian and Permian age.

3. Contract: Dated August 3, 1973, for a term of 6 months.
Original contract amount - $20,000.00
Government participation (75%) - $15,000.00

Amendment No. 1, dated November 21, 1973 allowed a 6-month recess in the work during the winter and extended the time for completion to 12 months.

4. Project Work: Started August 15, 1973. Completed on August 3, 1974.

Cost Items	Authorized Units	Authorized Rate	Authorized Amount	Completed Units	Completed Amount
Crosscutting and drifting	500 ft	$38/ft	$19,000.00	510 ft	$19,375.00
Timbering	80 ft	$10/ft	800.00	46 ft	460.00
Assaying for gold and silver	40 samples	$5/sample	200.00	33 spls	165.00
Total estimated cost of project			$20,000.00		$20,000.00
Government participation at 75%			$15,000.00		$15,000.00
Paid to the Operator					$15,000.00

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

Effectiveness of the work: Because of complex faulting in the area of the primary target, the allowable footage for crosscutting and drifting was not sufficient to adequately explore the target. Additional work will be required.

Efficiency of the Operator: The work was done efficiently, but because of severe weather conditions and inadequate fuel supplies the work required a longer time to complete than was anticipated.

5. Reports:

Operator's Final Report: An acceptable Final Report was received on September 10, 1974.

Audits: Inasmuch as this was a short-form contract containing only three fixed unit cost items, an audit was not required or requested.

Final payment was made to the Operator on September 18, 1974.

Royalty Review: There was no ore mined or sold during the period of the contract and no royalty was due the Government. A Royalty Review was not requested.

6. Project results:

Discoveries: There were no significant discoveries of gold- or silver-bearing material. Assays for the 33 samples, obtained from material cut by the cross-cuts and drifts, indicated a trace to 0.08 ounce of gold and 0.1-1.6 ounces of silver per ton. No ore reserves were discovered as a result of the work. However, prospecting by the Operator on the surface along the strike of the Maren vein has exposed ore that assays as much as 148 ounces of silver per ton with about 0.30 ounce of gold. This exposure is about 400 feet north of the present face of the OME drift and is a favorable target for the additional exploration planned by the Operator for this coming season.

Certification: The OME work did not result in a discovery of minable ore and certification was not recommended. The Operator was notified on January 8, 1975 that the Government retains no claim or lien against the property.

Production: There was no ore mined or stockpiled during the period of the contract.

Royalties: There was no ore sold and no royalties were paid or due the Government.

7. Geologic Summary: The ore bodies that have been mined in the New Pass district consist of gold- and silver-bearing ore shoots in quartz veins along steeply dipping faults that cut a massive greenstone unit in the Havallah sequence of Pennsylvanian and Permian age. The ore minerals are free gold and argentiferous lead and copper sulfides, carbonates, and oxides. The ore shoots at the nearby New Pass Mine are from a few inches to as much as 10 feet thick, but where mined averaged about 3 feet. They are as much as 300 feet in length and have been mined downdip for as much as 500 feet. There has been no production from the Mardon property, but nearby mines have yielded about 35,000 tons of ore that averaged about 1 ounce of gold and 1 ounce of silver per ton.

FINAL FIELD REPORT - OME EXPLORATION PROJECT

By H. K. Stager, Field Officer, Region II

January 27, 1975

1. OME-6884 (Gold-Silver)
Mardon, Inc.
Maren Lode Group
Lander County, Nevada
Contract 2311

Operator: Mardon, Inc.
Don Hargrove, President
7239 E. Camino Vecino
Tucson, Arizona 85715

Property: Consists of six (6) unpatented lode mining claims in sec. 10, T. 20 N., R. 40 E., MDBM, New Pass mining district, Lander County, Nevada. These claims are shown on a map attached to the contract and are recorded at Austin, Nevada as follows:

Claim Name	Book	Page
Maren No. 1	112	89
Maren No. 2	112	90
Maren No. 3	112	91
Maren No. 4	112	92
Maren No. 5	112	93
Maren No. 6	112	94

Ownership: The Operator was in possession of the claims by virtue of a Lease of Mining Claims between Don Hargrove, Keith Vermilyea, Dennis Stacey, and Jack Hargrove, Lessors and Owners, and the Operator dated January 16, 1973. A Lien and Subordination Agreements executed by the owners and dated January 16, 1973 was attached to the contract.

2. Purpose of Project: The purpose of the project was to explore by crosscutting and drifting for gold- and silver-bearing ore shoots in or along the Maren quartz vein which cuts rocks in the Havallah sequence of Pennsylvanian and Permian age.

3. Contract: Dated August 3, 1973, for a term of 6 months.
Original contract amount - $20,000.00
Government participation (75%) - $15,000.00

Amendment No. 1, dated November 21, 1973 allowed a 6-month recess in the work during the winter and extended the time for completion to 12 months.

4. Project Work: Started August 15, 1973. Completed on August 3, 1974.

Cost Items	Authorized Units	Authorized Rate	Authorized Amount	Completed Units	Completed Amount
Crosscutting and drifting	500 ft	$38/ft	$19,000.00	510 ft	$19,375.00
Timbering	80 ft	$10/ft	800.00	46 ft	460.00
Assaying for gold and silver	40 samples	$5/sample	200.00	33 spls	165.00
Total estimated cost of project			$20,000.00		$20,000.00
Government participation at 75%			$15,000.00		$15,000.00
Paid to the Operator					$15,000.00

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

Effectiveness of the work: Because of complex faulting in the area of the primary target, the allowable footage for crosscutting and drifting was not sufficient to adequately explore the target. Additional work will be required.

Efficiency of the Operator: The work was done efficiently, but because of severe weather conditions and inadequate fuel supplies the work required a longer time to complete than was anticipated.

5. Reports:

Operator's Final Report: An acceptable Final Report was received on September 10, 1974.

Audits: Inasmuch as this was a short-form contract containing only three fixed unit cost items, an audit was not required or requested.

Final payment was made to the Operator on September 18, 1974.

Royalty Review: There was no ore mined or sold during the period of the contract and no royalty was due the Government. A Royalty Review was not requested.

6. Project results:

Discoveries: There were no significant discoveries of gold- or silver-bearing material. Assays for the 33 samples, obtained from material cut by the cross-cuts and drifts, indicated a trace to 0.08 ounce of gold and 0.1-1.6 ounces of silver per ton. No ore reserves were discovered as a result of the work. However, prospecting by the Operator on the surface along the strike of the Maren vein has exposed ore that assays as much as 148 ounces of silver per ton with about 0.30 ounce of gold. This exposure is about 400 feet north of the present face of the OME drift and is a favorable target for the additional exploration planned by the Operator for this coming season.

Certification: The OME work did not result in a discovery of minable ore and certification was not recommended. The Operator was notified on January 8, 1975 that the Government retains no claim or lien against the property.

Production: There was no ore mined or stockpiled during the period of the contract.

Royalties: There was no ore sold and no royalties were paid or due the Government.

7. Geologic Summary: The ore bodies that have been mined in the New Pass district consist of gold- and silver-bearing ore shoots in quartz veins along steeply dipping faults that cut a massive greenstone unit in the Havallah sequence of Pennsylvanian and Permian age. The ore minerals are free gold and argentiferous lead and copper sulfides, carbonates, and oxides. The ore shoots at the nearby New Pass Mine are from a few inches to as much as 10 feet thick, but where mined averaged about 3 feet. They are as much as 300 feet in length and have been mined downdip for as much as 500 feet. There has been no production from the Mardon property, but nearby mines have yielded about 35,000 tons of ore that averaged about 1 ounce of gold and 1 ounce of silver per ton.

HK

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

September 30, 1974

MEMORANDUM

To: Chief, Office of Minerals Exploration
Reston, Virginia

From: Field Officer
Region II

Subject: OME-6884 (Gold-Silver)
Mardon, Inc.
Maren Lode Group
Lander County, Nevada
Contract 2311

Interim Inspection

An interim inspection of the subject project was made by the Field Officer, accompanied by Mr. Don Hargrove, president of Mardon, Inc., on September 26, 1974.

Since the last inspection on August 28 (Report dated August 30, 1974), an additional 26 feet of drift and about 100 feet of crosscuts has been completed. Some additional timber has been installed and more will be required as much of the crosscut is in intensely fractured rock. All of this work has been at the Operator's expense.

The crosscuts, driven about 50 feet east and west from the drift, indicate that the weakly mineralized zone that has been followed by the drift is the principal fracture. Samples of the quartz veinlets exposed along the main drift yield assays of a trace to 0.01 ounce of gold and less than 2 ounces of silver per ton.

The Operator planned to close down the work on September 27 for the winter and resume the driving of the drift next spring, hopefully with OME assistance. An application for additional funds is being prepared and will be submitted later this year.

The weak mineralization found by the work completed to date does not justify certification.

H. K. Stager

Terminated
Aug. 3, 1974.

September 13, 1974

Mr. Don Margrove, President
Mardon, Inc.
Box 67
Austin, Nevada 89310

Re: OME-6384 (Gold-Silver)
Mardon, Inc.
Maren Lode Group
Lander County, Nevada
Contract 2311

Dear Mr. Margrove:

This is in reply to your letter of August 31, 1974, to Mr. H. K. Stager, Field Officer, OME Region II, requesting an amendment to the subject contract for additional work estimated to cost about $6,000, and to begin about May 1, 1975.

We understand that Mr. Stager has advised you about the state of OME contract funds, and that such funds as we may have this fiscal year will not be available until October 1, 1974. Also, we cannot amend this contract, but would consider a new contract for the proposed work. Therefore, we enclose a set of the application form, and suggest that you complete the front side in full, and furnish any new or additional information for the added work which is required to answer questions on the reverse side of the form (plan of work, feet, samples, costs, etc.). Refer to material furnished for the first contract as necessary.

Submittal of a new application should not be considered as assurance that a contract will be granted, but please be assured that it will be given careful consideration. We hope that your work at the property in the meantime is successful.

Sincerely yours,

Harold Kirkemo, Chief
Office of Minerals Exploration

Enclosures
cc: DRF MR Rdg. OME Rdg./OME Files/Mr. Kirkemo
Region II

HKirkemo/gpw

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

August 30, 1974

MEMORANDUM

To: Chief, Office of Minerals Exploration
Reston, Virginia

From: Field Officer
Region II

Subject: OME-6884 (Gold-Silver)
Mardon, Inc.
Maren Lode Group
Lander County, Nevada
Contract 2311

Interim Inspection

An interim inspection of the subject project was made by the Field Officer accompanied by Mr. Don Hargrove, president of Mardon, Inc., on August 28, 1974.

Since the last inspection on July 24, 1974 (Report dated July 30, 1974), about 80 feet of new drift and crosscut has been completed. The face of the drift is now about 75 feet past the downdip projection of the Hargrove-Peterson shaft and is still in a highly altered, sheared, and mineralized zone containing thin veinlets of quartz and calcite. There is some copper staining and car samples of the drift material assay as much as 1.6 ounces of silver and a trace of gold per ton but no minable ore has been found.

All of the work authorized by the contract was completed by August 3, when the time for completion of the work expired. The Operator has continued the drifting at his own expense, including some additional timbering and assaying. He will continue the work until forced to stop by the end of the season, expected to be about mid-October to early November.

The Operator was informed that his request, dated July 24, 1974, for an amendment to the contract authorizing additional drifting could not be granted because of the lack of funds available to the OME during the first quarter of fiscal year 1975. He wishes his request to remain in effect so that if and when any funds do become available, later in the year, OME will consider granting him authorization for additional work either by amendment or by a new contract. He plans to continue exploration work next spring if he can obtain financial assistance from the OME or other sources.

The Operator is preparing the final voucher and report for the completed work and will submit them during early September.

H. K. Stager

FORM 9-1648
MARCH 1968

HR 9/3/74

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OPERATOR'S MONTHLY VOUCHER

For Month of 1 to 3 August 1974

Docket No. OME- 6884
Contract 14-08-0001 2311
Contract Amount $ 20,000.00
Gov't. Participation % 75 $ 15,000.00

Operator's Name MARDON INC.
Address Box 67, Austin, Nevada 89310

COST ITEMS (FROM EXHIBIT A)	FOR OPERATOR'S USE: THIS MONTH UNITS	THIS MONTH COSTS	TO DATE UNITS	TO DATE COSTS	FOR GOVERNMENT USE ONLY: THIS MONTH UNITS	THIS MONTH COSTS	TO DATE UNITS	TO DATE COSTS
Crosscutting & Drifting	10	$ 375.00	510'	$ 19,375.00	10	$ 375.00	510'	$ 19,375.00
Timbering	0	0	46'	460.00	0	0	46'	460.00
Assays	0	0	33	165.00	0	0	33	165.00
TOTALS		$ 375.00		$ 20,000.00		$ 375.00		$ 20,000.00

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 3 August 1974 *Payee MARDON INC.

Per Don Hargrove Title President

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U. S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature [illegible] OME Field Officer Date 9-10-74

(63) 14X0804

Approved for: $ 281.25
(SUBJECT TO AUDIT)

Signature [illegible]

Date SEP 18 1974 Vou. No. 05309A

(SEE OTHER SIDE)

FOR OPERATOR'S USE	FOR GOVERNMENT USE
REMARKS	REMARKS

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of two parts.

FIRST, the Operator's Monthly Voucher on Form 9-1648 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and three copies of each of the two sections of this report to the OME regional Field Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as unemployment taxes, employee's liability insurance, and depreciation of Operator-owned equipment. The certification may be stated thus, "Certified True Copy", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Field Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Vouch

MARDON INC.
Box 69
Austin, Nevada 89310

31 August 1974

Mr. H. K. Stager, Field Officer
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

Re: OME-4884 (Gold-Silver)
Mardon Inc.
Maren Lode Group
Lander County, Nevada

Dear Mr. Stager:

Enclosed please find an original and 3 copies of our monthly report 1 thru 3 August, and an original and 3 copies Operator"s Final Report, assay certificates numbers 1232 consecutively thru 1238, and a map indicating the drift and geology.

Sincerely,

Don Hargrove

Don Hargrove
President
MARDON INC.

DH/msh

Inclosures

RECEIVED
SEP 10 1974
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

MARDON INC.
Box 67
Austin, Nevada 89310

31 August 1974

OPERATOR'S FINAL REPORT

1) GME No. 6884--Gold and Silver
Contract No. 2311
Mardon Inc.
Lessee of the Maxon Lode Group of mining claims. New Pass Mining District, Lander County, Nevada.

2) Summary of Project.

This GME project was started on 15 August 1973. We shut down on 28 October 1973 for the winter and started work again on 27 April 1974. The contract was completed on 3 August 1974.

We completed 510 feet of crosscut and drift. Cost.....$ 19,375.00
We had 46 feet of timbering. Cost..... 460.00
33 Assays. Cost..... 165.00

Tootal Cost.....$ 20,000.00

3) Geology & Mineralogy.
Production from New Pass Mining District has been almost entirely from quartz filled fissure veins in greenstone. There are two or three major and several minor structures that are more or less parallel in strike (about N 15° to 20° W) and dip quite steeply to both east and west. At least one of the major producers has had considerable post mineral faulting. Most of the veins have a low silver to gold ratio and nearly all ore in the district seems to be accompanied by minor amounts of copper and or galena.

The Maxon vein is the eastern-most structure that we know of in this immediate area. Strike is N 15°--20° W dip from 60° to 75° to E.

One selected sample from surface outcrop some 400 feet N of our heading assayed 148 oz. Ag and 0.30 oz. Au another sample assayed 17.5 oz. Ag and 0.23 oz. Au thus showing Ag--Au ratios of 60 to 1 to 450 to 1 which is very unusual for this area.

A great deal of this area south of us is covered by tuff, which may or may not overlie greenstone. Epithermal (meteoric water) deposition of calcite in rather abundant amounts leads us to believe that the greenstone may have underlain limestone which is now eroded.

Width of the area from West to East is nearly one mile. We know of mineralization N--S for at least 4 miles. Gold has been found from an elevation of 8500 feet down to 6700 feet.

The enclosed map will show the salient features of the work done on the Maren Group.

We have not developed any commercial ore as yet. (But we do have a beautiful view!!).

4) We have done well over 600 feet of crosscutting and drifting during the summers of 1973 and 1974. We had a few problems, such as the South end of our structure being faulted to the east some 80 feet which completely changed our angle of interception of the vein near the old shaft which we sunk in 1938. We are at present running a slusher crosscut to the west (S 86° W) from a point 186 feet on the drift to be certain that we are on the right structure. We are in 40' and still in faulted (but not altered) greenstone.

If the slusher crosscut of the entire zone proves that we are (as I believe) on the proper structure then we will drift thru the fault gouge and continue our drift on the hanging wall side where we will have better ground and, I believe, better chance for mineralization. (We have had car samples of up to 1.6 oz. Ag from 10 or more cars, which is certainly encouraging).

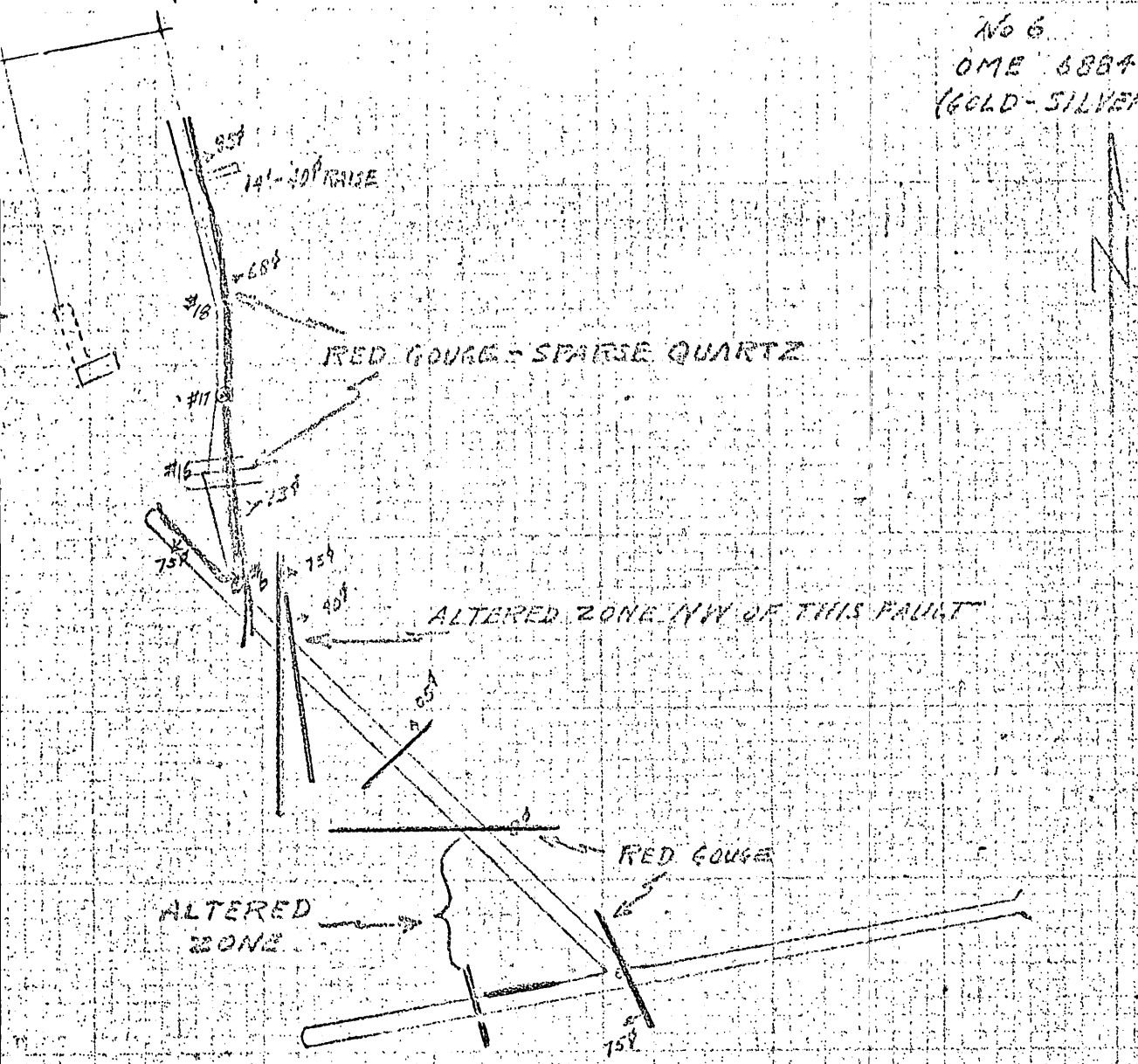
We intend to drift on up to the upper cat cut (which produced the high surface assay) next year, if the Lord be willing, and we expect to be in ore before we get there.

We want to express our sincere appreciation for all the kindness and assistance extended by CME personnel. Thank you so much.

Don Hargrove

Don Hargrove
President
MARDON INC.

No 6
OME 6884
(GOLD-SILVER)



PLAN OF XC AND DRIFT MAREN CLAIMS
MARDON INC LEASE
NEW PASS MINING DIST. SANDER CO NEV
31 JULY 1974 EAL

REVISED TO 3 AUG '74

Nevada Assay Office

675 LESTER AVE.

Reno, Nevada

May 7, 1974

FRANK W. JONES
Assayer-Chemist

Phone
329-4080

SAY CERTIFICATE FOR: Mardon Mining Co., Reno, Nev.

SAMPLE	GOLD OZ./TON	SILVER OZ./TON	%	%	%	%	%
#1202	0.30	148.0	- UPPER CAT CUT - SELECTED.				
1203	0.03	1.4	- - - .				
Au 150% 1202. Ag 5%	45%	740%					
Au actually 120% 5% Ag actually 5% - 590%							

Nevada Assay Office

675 LESTER AVENUE

Reno, Nevada

June 21, 1974

NK W. JONES
yer-Chemist

Phone
329-4080

Y CERTIFICATE FOR: Mardon , Inc., Reno, Nev.

SAMPLE	GOLD OZ./TON	SILVER OZ./TON	%	%	%	%	%
#1-1204	Tr	0.6					
2-1205	Tr	0.8					

Nevada Assay Office

675 LESTER AVENUE

Reno, Nevada

June 25, 1974

FRANK W. JONES
Assayer-Chemist

Phone
329-4080

ASSAY CERTIFICATE FOR: Mardon, Reno, Nev.

SAMPLE	GOLD OZ./TON	SILVER OZ./TON
1206	0.01	0.2
1207	Tr	0.2
1208	Tr	0.4
1209	0.01	1.6

Nevada Assay Office

675 LESTER AVENUE

Reno, Nevada

July 12, 1974

FRANK W. JONES
Assayer-Chemist

Phone
329-4080

SSAY CERTIFICATE FOR: Mardon, Inc., Reno, Nev.

SAMPLE	GOLD OZ./TON	SILVER OZ./TON
1210	Tr	0.1
11	Tr	0.2
12	Tr	0.1
13	0.01	0.1
14	Tr	0.1
15	Tr	0.1
16	0.01	0.1
17	Tr	0.1
18	Tr	0.1

Nevada Assay Office

675 LESTER AVENUE

Reno, Nevada

July 18, 1974

FRANK W. JONES
Assayer-Chemist

Phone
329-4080

ASSAY CERTIFICATE FOR: Mardon, Inc., Austin, Nev.

SAMPLE	GOLD OZ. TON	SILVER OZ. TON					
1219	Tr	0.3					
20	Tr	0.2					
21	Tr	0.3					
22	Tr	0.2					
23	Tr	0.2					
24	Tr	0.2					

Nevada Assay Office

675 LESTER AVENUE

Reno, Nevada

August 2, 1974

RANK W. JONES
ssayer-Chemist

Phone
329-4080

SAY CERTIFICATE FOR: Mardon, Reno, Nev.

SAMPLE	GOLD OZ./TON	SILVER OZ./TON	%	%	%	%	%
1225	Tr	0.1					
26	Tr	0.1					
27	Tr	0.1					
28	0.01	0.1					
29	0.04	0.5					
30	0.01	0.4					
31	Tr	0.4	8"-10" OF QUARTZ UPPER CUT ABOVE XC 175' W OF PORTAL				

Nevada Assay Office

675 LESTER AVE.

Reno, Nevada

October 10, 1973

FRANK W. JONES
Assayer-Chemist

Phone
329-4080

SAY CERTIFICATE FOR: Mardon, Inc., Austin, Nev.

SAMPLE	GOLD OZ./TON	SILVER OZ./TON	%	%	%	%	%
#16900	0.01	0.1					
#2 Face-10' from XC	0.01	0.4					
1084	0.01	0.1					
#1 6' Back Cut	0.01	0.1					

10-20-73
MH

FOR
GOLD & SILVER

TESTING

R. R. WEIDEMAN

Mining Laboratory
No. 9, 3160 Deer Run Road
(Off of Highway 50 East)
Carson City, Nevada 89701

FOR
MILLING PROCESSES

Telephone:
Lab: (702) 882-3170
Res: (702) 882-3807

Mailing Address
1801 Pyrenees
Carson City, Nevada 89701

August 8, 1974

REPORT OF FIRE ASSAY
RESULTS

ON SAMPLES SUBMITTED BY:

Mardon Inc.
P.O. Box 67
Austin, Nevada
On 8/7/74 by Jack Hargrove

SAMPLE MARKED:	OUNCES GOLD PER TON	OUNCES SILVER PER TON
No. 1232 4"-6" QTZ IN BACK 130' IN ON VEIN.	0.005	0.06
No. 1233 25 CAR GRAB 122' to 130' ON VEIN.	0.0075 48± TONS	0.07
No. 1234 BROWNISH-GREY QTZ. 138' IN ON VEIN.	Trace (Present but below 0.0025)	Trace (Present but below 0.01)

R. R. Weideman
R. R. Weideman - Assayer

Nevada Assay Office

675 LESTER AVENUE

Reno, Nevada

August 17, 1974

FRANK W. JONES
Assayer-Chemist

Phone
329-4080

ASSAY CERTIFICATE FOR: Mardon, Austin, Nev.

SAMPLE	GOLD OZ./TON	SILVER OZ./TON	
1235	Tr	0.5	- 2"-3" VEIN QTZ IN 144FT - LOOKS GOOD.
1236	Tr	0.1	ALTERED GREENSTONE 156' TO 160' FW OF VEIN.

Nevada Assay Office

675 LESTER AVE.

Reno, Nevada

August 25, 1974

FRANK W. JONES
Assayer-Chemist

Phone
329-4080

ASSAY CERTIFICATE FOR: Mardon, Austin, Nev.

O.	SAMPLE	GOLD OZ./TON	SILVER OZ./TON	
	1237	Tr	0.1	GRAB FROM 156' to 160' ON VEIN
	1238	Tr	1.6	GRAB FROM 10 CARS 166' TO 170' UNDER FAULT ON VEIN.

These assays are not on the OME contract — but I thought you would like to see them.

DG

MARDON INC.
Box 67
Austin, Nevada 89310

31 August 1974

Mr. H. K. Stager, Field Officer
Office of Minerals Wxploration
345 Middlefield Road
Menlo Park, California 94025

Re: OME-6884 (Gold-Silver)
Mardon Inc.
Maren Lode Group
Lander County, Nevada

Dear Mr. Stager:

We would very much appreciate an amendment to our original OME loan in the amount of six thousand dollars total.

At the present rates this would work out as follows:

Drift and crosscut @ $38.00 per foot x 150 feet=	$ 5700.00
Timber @ $10.00 per foot x 25 feet =	250.00
Assays @ $5.00 each x 10 =	50.00
TOTAL.....	$ 6000.00
Government participation @ 75% =.....	$ 4500.00

This additional footage would give us a good start on the drift to the cat cut where we got the 148.0 ounce silver, 0.30 ounce gold assay on the surface.

We would expect to be able to start about the first of Ma y 1975 and complete it by the end of July 1975 at the latest.

Sincerely yours,

Don Hargrove

Don Hargrove
President
MARDON INC.

DH/msh

RECEIVED
SEP 10 1974
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

MARDON INC.
Box 67
Austin, Nevada 89310

31 August 1974

Mr. H. K. Stager, Field Officer
Office of Minerals Wxploration
345 Middlefield Road
Menlo Park, California 94025

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Mardon Inc.
Maren Lode Group
Lander County, Nevada

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Sincerely yours,

Don Hargrove

Don Hargrove
President
MARDON INC.

DH/mah

MARDON INC.
Box 67
Austin, Nevada 89310

31 August 1974

Mr. H. K. Stager, Field Officer
Office of Minerals Wxploration
345 Middlefield Road
Menlo Park, California 94025

Re: OME-6884 (Gold-Silver)
Mardon Inc.
Maren Lode Group
Lander County, Nevada

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Don Hargrove

Don Hargrove
President
MARDON INC.

DH/mah

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

September 11, 1974

MEMORANDUM

To: Chief, Office of Minerals Exploration
Reston, Virginia

From: Field Officer
Region II

Subject: OME-6884 (Gold-Silver)
Mardon, Inc.
Maren Lode Group
Lander County, Nevada
Contract 2311

Enclosed are the final Operator's Monthly Voucher and Operator's Final Report for the subject contract. The report is adequate and I recommend that it be accepted. Inasmuch as this was a fixed-unit cost contract a final cost review is not required.

The Operator has again indicated, by letter dated August 31, 1974, his intention of continuing the exploration and requests additional financial assistance. I recommend that when OME funds are available an amendment, or a new contract, be prepared authorizing the additional work.

H. K. Stager

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

July 30, 1974

MEMORANDUM

To: Chief, Office of Minerals Exploration
Reston, Virginia

From: Field Officer
Region II

Subject: OME-6884 (Gold-Silver)
Mardon, Inc.
Maren Lode Group
Lander County, Nevada
Contract 2311

Interim Inspection

An interim inspection of the subject project was made by the Field Officer accompanied by Mr. Don Hargrove, president of Mardon, Inc., on July 24, 1974.

Since the last inspection on June 20 (Report dated June 28, 1974), about 100 feet of new drift has been completed. The face of the drift is now at a point downdip from the Hargrove-Peterson shaft and is in a highly altered, sheared, and mineralized zone containing thin veinlets of quartz and calcite. Some copper minerals appeared in the quartz veinlets in the face of the drift on the day of the inspection but the gold and silver content has not been determined.

Only about 50 feet of drifting remain to be completed under the contract. It now appears that the ore shoot exposed in the Hargrove-Peterson shaft may rake to the north and that the remaining footage will not be sufficient to adequately explore the target. The Operator has requested by the attached letter dated July 24, 1974, that the contract be amended to permit an additional 150 feet of drifting and/or crosscutting, 25 feet of timbering, and the assaying of 10 additional samples at an estimated total cost of $6,000.00. This work would require about two months of time to complete. If funds are available I recommend that an amendment be prepared to permit the additional work and extend the time for completion of the contract by three months, or until November 3, 1974.

H. K. Stager

Enclosure

MARDON INC.
BOX 67
Austin, Nevada 89310

24 July 1974

Mr. H. K. Stager, Field Officer
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

Re: OME-6884 (Gold-Silver)
Mardon Inc.
Maren Lode Group
Lander County, Nevada

Dear Mr. Stager:

We would very much appreciate an amendment to our original OME loan in the amount of six thousand dollars total.

At the present rates this would work out as follows:

Drift and crosscut @ $38.00 per foot x 150 feet =	$ 5700.00
Timber @ $10.00 per foot x 25 feet =	250.00
Assays @ $5.00 each x 10 =	50.00
TOTAL.....	$ 6000.00
Government participation @ 75% = ...	$ 4500.00

This additional footage would give us a good start on the drift to the cat cut where we got the 148.0 ounce silver, 0.30 ounce gold assay on the surface.

We would expect to be able to complete this additional work by mid-October of this year at the latest.

Sincerely yours,

Don Hargrove

Don Hargrove, President
Mardon Inc.

DH/msh

MARDON INC.
BOX 67
Austin, Nevada 89310

24 July 1974

Mr. H. K. Stager, Field Officer
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

Re: OME-6834 (Gold-Silver)
Mardon Inc.
Maren Lode Group
Lander County, Nevada

Dear Mr. Stager:

We would very much appreciate an amendment to our original OME loan in the amount of six thousand dollars total.

At the present rates this would work out as follows:

Drift and excavcut @ $38.00 per foot x 150 feet =	$ 5700.00
Timber @ $10.00 per foot x 25 feet =	250.00
Assays @ $5.00 each x 10 =	50.00
TOTAL.....	$ 6000.00
Government participation @ 75% = ...	$ 4500.00

This additional footage would give us a good start on the drift to the cut out where we got the 148.0 ounce silver, 0.30 ounce gold assay on the surface.

We would expect to be able to complete this additional work by mid-October of this year at the latest.

Sincerely yours,

Don Hargrove

Don Hargrove, President
Mardon Inc.

DH/mah

MARDON INC.
BOX 67
Austin, Nevada 89310

24 July 1974

Mr. H. K. Stager, Field Officer
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

Re: OME-6884 (Gold-Silver)
Mardon Inc.
Maren Lode Group
Lander County, Nevada

Dear Mr. Stager:

We would very much appreciate an amendment to our original OME loan in the amount of six thousand dollars total.

At the present rates this would work out as follows:

Drift and crosscut @ $38.00 per foot x 150 feet =	$ 5700.00
Timber @ $10.00 per foot x 25 feet =	250.00
Assays @ $5.00 each x 10 =	50.00
TOTAL.....	$ 6000.00
Government participation @ 75% = ...	$ 4500.00

This additional footage would give us a good start on the drift to the cat cut where we got the 148.0 ounce silver, 0.30 ounce gold assay on the surface.

We would expect to be able to complete this additional work by mid-October of this year at the latest.

Sincerely yours,

Don Hargrove

Don Hargrove, President
Mardon Inc.

DH/mah

MARDON INC.
BOX 67
Austin, Nevada 89310

24 July 1974

Mr. H. K. Stager, Field Officer
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

Re: OME-6884 (Gold-Silver)
Mardon Inc.
Maren Lode Group
Lander County, Nevada

Dear Mr. Stager:

We would very much appreciate an amendment to our original OME loan in the amount of six thousand dollars total.

At the present rates this would work out as follows:

Drift and crosscut @ $38.00 per foot x 150 feet =	$ 5700.00
Timber @ $10.00 per foot x 25 feet =	250.00
Assays @ $5.00 each x 10 =	50.00
TOTAL.....	$ 6000.00
Government participation @ 75% = ...	$ 4500.00

This additional footage would give us a good start on the drift to the cat cut where we got the 148.0 ounce silver, 0.30 ounce gold assay on the surface.

We would expect to be able to complete this additional work by mid-October of this year at the latest.

Sincerely yours,

Don Hargrove

Don Hargrove, President
Mardon Inc.

DH/mah

FORM 9-1648
MARCH 1968

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

HK 8/20/74

OPERATOR'S MONTHLY VOUCHER

For Month of July 1974

Docket No. OME- 6884
Contract 14-08-0001 2311
Contract Amount $20,000.00
Gov't. Participation % 75 $15,000.00

Operator's Name MARDON INC.
Address Box 67, Austin, Nevada 89310

FOR OPERATOR'S USE					FOR GOVERNMENT USE ONLY			
COST ITEMS (FROM EXHIBIT A)	THIS MONTH		TO DATE		THIS MONTH		TO DATE	
	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS
Crosscutting & drifting	88.5	$3363.00	500	$19,000.00	88.5'	$3,363.00	500'	$19,000.00
Timbering	15	150.00	46	460.00	15'	150.00	46'	460.00
Assays	23	115.00	37	185.00	23	115.00	33	* 165.00
TOTALS		$3628.00		$19645.00		$3,628.00		$19,625.00

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 2 August 1974 *Payee MARDON INC.

Per Don Hargrove Title President

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U. S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature HK Stager OME Field Officer Date 8-9-74

(63) 14X0804

Approved for: $272.00
(SUBJECT TO AUDIT)

Signature

Date 8/26/74 Vou. No. 05195A

(SEE OTHER SIDE)

FOR OPERATOR'S USE	FOR GOVERNMENT USE
REMARKS	REMARKS
	* OPERATOR DID NOT DEDUCT THE 4 ASSAYS DISALLOWED ON THE JUNE VOUCHER AND THIS TOTAL IS THEREFORE IN ERROR. HLH
	NOTE: $375.00 REMAINS UNDER THE CONTRACT – THIS CAN BE CLAIMED ON AUGUST VOUCHER FOR DRIFT COMPLETED BUT NOT YET CLAIMED. HLH

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of two parts.

FIRST, the Operator's Monthly Voucher on Form 9-1648 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and three copies of each of the two sections of this report to the OME regional Field Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as unemployment taxes, employee's liability insurance, and depreciation of Operator-owned equipment. The certification may be stated thus, "Certified True Copy", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Field Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MARDON INC.
Box 67
Austin, Nevada 89310

31 July 1974

Mr. N. K. Stager, Field Officer
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

Re: OME-6884 (Gold-Silver)
Mardon Inc.
Maren Lode Group
Lander County, Nevada

Dear Mr. Stager:

As of this date we are 138 feet in on the drift on the red streak, the fault and the siderite vein,. The last 22 feet the footwall portion of the fault has steepened from about 70° to almost 90°. The siderite is petering out and more quartz is showing. Nearly all the quartz is copper stained (green). We found one small specimen of turquoise. You will find a description of the assays on a separate sheet.

Yesterday we drilled an 8 feet hole to the east and got quartz cuttings in the last part of the hole. We are opening a small hole in the fault to see the extent of this structure. As you are aware it is a bit difficult to stay on the exact portion of the structure--even with all our turning.

I think we made good progress for the month, especiallly since we lost six working days.

I guess this completes our contract. Thank you so much for your kind help, we really appreciate it.

Sincerely yours,

Don Hargrove

Don Hargrove, President
MARDON INC.

DH/mak

MARDON INC.
Box 67
Austin, Nevada 89310

5 August 1974

Mr. H. K. Stager, Field Officer
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

Re: OME-6884 (Gold-Silver)
Mardon Inc..
Maren Lode Group
Lander County, Nevada

Dear Mr. Stager:

Following are a list of the samples taken, description and results:

No 1206 — 3' cut across red, altered, greenstone, in 230' in drift. Brown and red gouge. Au Oz 0.01 Ag Oz 0.20
18 June 1974

No 1207 — Car sample from 10 cars from drift 10'--14' in from N 45° W drift. Au Oz Tr Ag Oz 0.20
22 June 1974

No 1210 — Car sample 13 cars from drift 23'--27'. Red streak, sparse quartz. Au Oz Tr Ag Oz 0.1
25 June 1974

No 1211 — Cut across red streak at start of drift on red streak. Au Oz Tr Ag Oz 0.2
29 June 1974

No 1212 — Cut across 2' in upper right corner of drift. 48' in on drift. Tiny veinlets of calcite, heavy manganese, iron hematite, some quartz, very heavy. Placques of soft black material. Au Oz Tr Ag Oz 0.1
1 July 1974

No 1213 — Cut across red streak in E-W open fissure. 52' in on drift. Au Ox 0.01 Ag Oz 0.1
3 July 1974

No 1214 — 2' cut across siderite vein which appeared 4' high in face 56' in drift. same grey chert, hematite, limonite. Au Oz Tr Ag Oz 0.1
3 July 1974

OMB-6884 (Gold-Silver) Mardon Inc. Cont'd

Samples taken, description and results:

No 1215 — 3 pieces of rock from siderite vein 2' wide tight, hard grey quartz (chert?). Several spots of (ruby silver-No-soft hematite?). Au Oz Tr Ag Oz 0.1 6 July 1974

No 1216 — Rejects from No 1215. Mainly chert. Au Oz 0.01 Ag Oz 0.1 6 July 1974

No 1217 — Car sample from drift 65' to 69' on vein. 12 cars. Au Oz Tr Ag Oz 0.1 5 July 1974

No 1218 — Good looking quartz from right rib 79' in drift. Red streak. 3"+ wide. Au Oz Tr Ag Oz 0.1 6 July 1974

No 1219 — Car sample 13 cars (25T ±) from 73'--77' in drift. Carbonate vein is up to top of drift. 12" wide in back.. 30" wide at track level. Au Oz Tr Ag Oz 0.3 8 July 1974

No 1220 — 52" cut across face of drift 77' in. Carbonate (siderite) vein and quartz vein together. Au Oz Tr Ag Oz 0.2 8 July 1974

No 1221 — 30" cut across carbonate vein in face 73' in in drift. Au Oz Tr Ag Oz 0.3 8 July 1974

No 1222 — Car sample 15 cars 77' to 81' vein 17" wide in back 36" wide at track level. Au Oz Tr Ag Oz 0.2 9 July 1974

No 1223 — Car sample from drift 85 to 89 feet in on drift (14 cars) not much quartz. Some siderite and red gouge. Au Oz Tr Ag Oz 0.2 11 July 1974

No 1224 — 38" cut across vein and altered zone 89' in in drift. Siderite on FW and red gouge on HW. Au Oz Tr Ag Oz 0.2 11 July 1974

No 1225 — Few pieces of quartz on HW side of siderite vein 97 feet in drift. First quartz showing copper mineralization. Au Oz Tr Ag Oz 0.1 24 July 1974

OME-6884 (Gold-Silver) Mardon Inc. Cont'd

Samples taken, description and results:

No 1226 Rejects from No 1225. No cu mineral discernible with glass. Au Oz Tr Ag Oz 0.1

No 1227 Car sample from two rounds 97 feet to 101 and 101 to 105 feet. 25 cars (50 T ±). Au Oz Tr Ag Oz 0.1
24 July 1974

No 1228 Grab (car sample) from two rounds 89-97 feet in. 24 cars (about 48 T ±). Au Oz 0.01 Ag Oz 0.1
22 & 23 July 1974

No 1229 Car sample (grab) from 105--109' in drift. 13 cars (about 25 T). Au Oz 0.04 Ag Oz 0.5
25 July 1974

No 1230 Car Sample. 109-113 feet in. 12 cars (24 T ±). Very little quartz or siderite. Au Oz 0.01 Ag Oz 0.4
26 July 1974

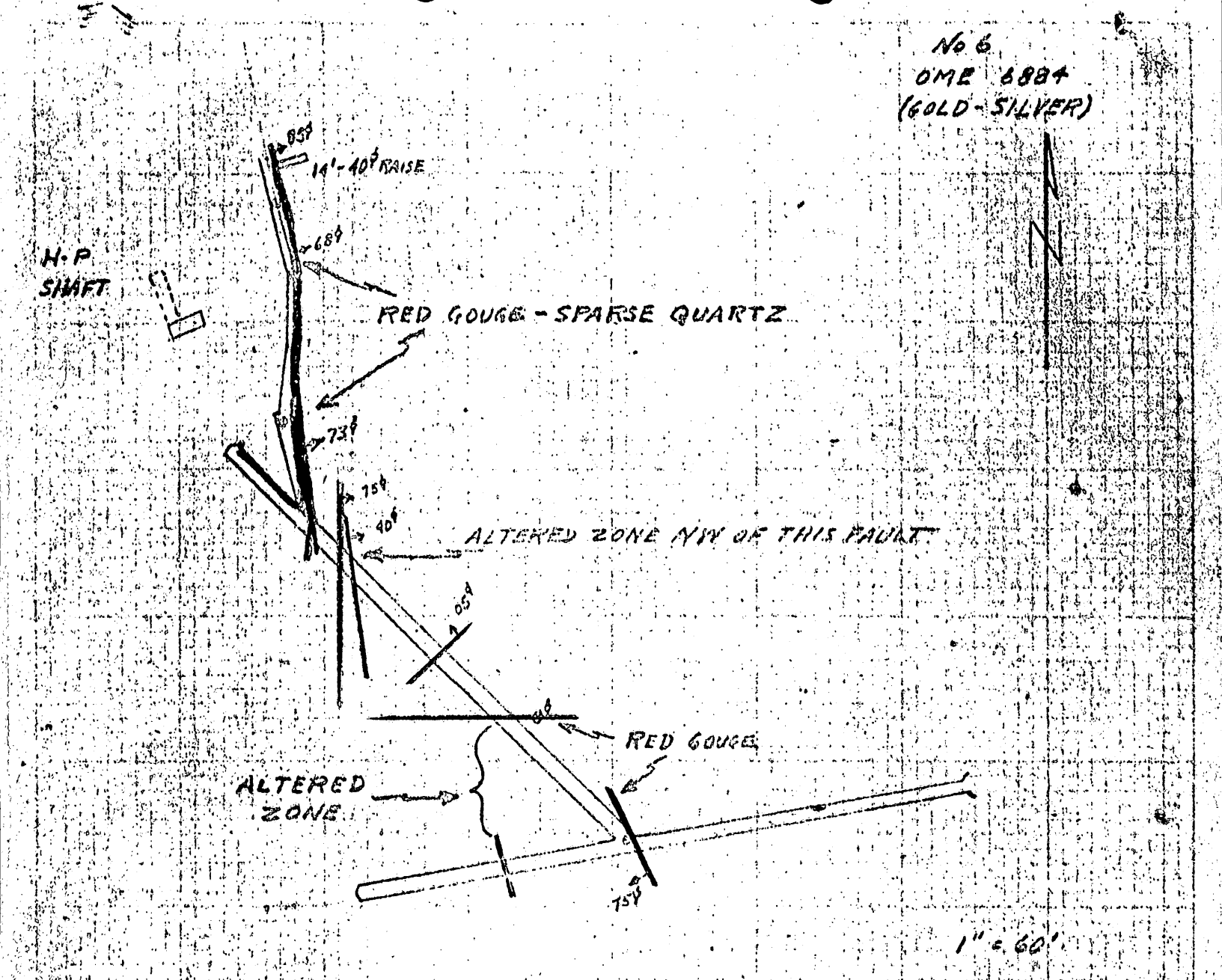
We finally got assay returns on these last samples on the second of August. The mineralization is increasing slightly.

Sincerely yours,

Don Hargrove

Don Hargrove, President
MARDON INC.

DH/mah



PLAN OF XC AND DRIFT MAREN CLAIMS
MAROON INC LEASE
NEW PASS MINING DIST. LANDER CO NEV.
31 JULY 1974
D.H.

648

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

HR 7/14/74

OPERATOR'S MONTHLY VOUCHER For Month of June 1974

Docket No. OME- 6884
Contract 14-08-0001 2311
Contract Amount $ 20,000.00
Gov't. Participation % 75 $ 15,000.00

Operator's Name MARDON INC.
Address Box 67, Austin, Nevada 89310

FOR OPERATOR'S USE					FOR GOVERNMENT USE ONLY			
COST ITEMS (FROM EXHIBIT A)	THIS MONTH		TO DATE		THIS MONTH		TO DATE	
	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS
Crosscutting & Drifting	110'	$ 4180.00	411.5	$ 15,637.00	110'	$ 4,180.00	411.5'	$ 15,637.00
Timbering	---	------	31	310.00	0	0	31'	310.00
Assays	6	30.00	14	70.00	2	10.00	10	50.00
TOTALS		$ 4210.00		$ 16,017.00		$ 4,190.00		$ 15,997.00

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 30 June 1974 *Payee MARDON INC.

Per Don Hargrove Title President

Don Hargrove

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U. S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature [illegible] OME Field Officer Date 7-9-74

(63) 14X0804

Approved for: $ 3142.50 (SUBJECT TO AUDIT)

Signature FAN

Date 7/18/74 Vou. No. 05072A

(SEE OTHER SIDE)

FOR OPERATOR'S USE	FOR GOVERNMENT USE
REMARKS	REMARKS
	1 ASSAYS DISALLOWED ($20.00) AS NARRATIVE REPORT ONLY GIVES 2 ASSAYS AND NO CERTIFICATE ATTACHED.

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of two parts.

FIRST, the Operator's Monthly Voucher on Form 9-1648 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and three copies of each of the two sections of this report to the OME regional Field Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as unemployment taxes, employee's liability insurance, and depreciation of Operator-owned equipment. The certification may be stated thus, "Certified True Copy", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Field Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MARDON INC.
Box 67
Austin, Nevada 89310

1 July 1974

Mr. H. K. Stager, Field Officer
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

Re: OME-6884 (Gold-Silver)
Mardon Inc.
Maren Lode Group
Lander County, Nevada

Dear Mr. Stager:

At the end of May we had advanced the "drift" to 168.5 feet from the crosscut. We entered the altered zone in late May and have been in it ever since. We drove ahead on a N 45° W heading for a total distance of 230.5 feet from the crosscut. June advance in this heading was 62 feet.

We did not completely crosscut the altered zone, altho we were in it ~~fr~~ over 80 feet. An 8 foot hole in the face N 45° W also bottomed in altered rock altho the area is becoming harder. The NE side of the "drift" shows considerable red rock, sparse quartz, some siderite and calcite. We cut the red streak in fairly heavy fault gouge trending N 05°E. We started drifting on it at 190 feet from the crosscut. We have driven this drift 48 feet and find that the red streak is changing direction to about due North. We've taken six samples and received two returns. No 1204 a 2 foot cut across the fault and red gouge assayed a trace of gold and 0.60 oz silver. No 1205, 8 inches of the red streak, sparse quartz no sign of copper or galena assayed a trace of gold and 0.80 oz silver.

2 ASSAY RESULTS

As per our discussion we intend to pursue this streak. The area looks very good and we expect to cut silicification as we proceed northward.

We now have a blower installed, (which we speeded up yesterday by some 800 RPM) which allows us to get back in the heading in less than an hour after blasting. Unless we meet some unforseen difficulty we anticipate completion of the OME contract on time.

You will note that we made a re-survey of the area, with a transit.

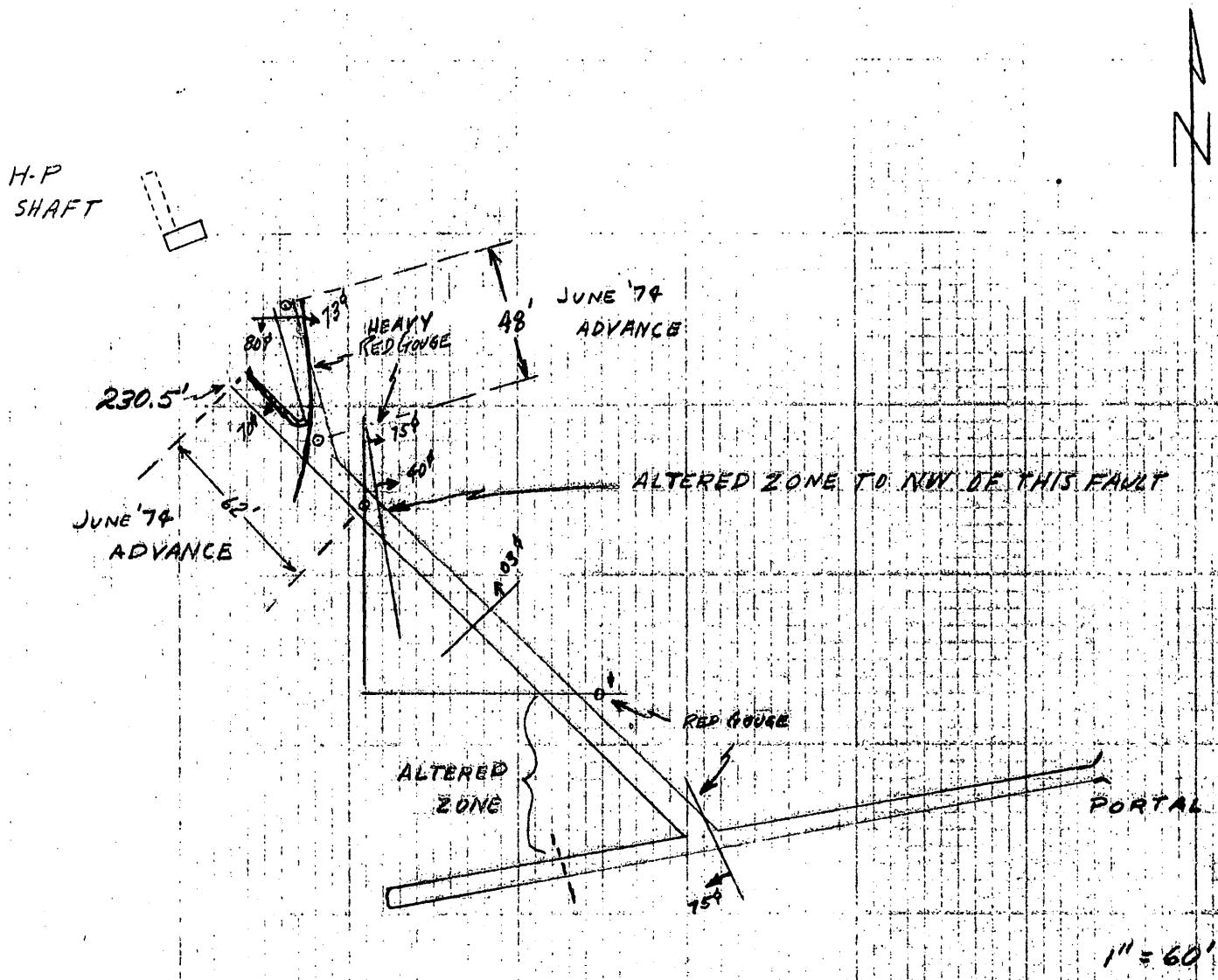
Sincerely yours,

Don Hargrove

Don Hargrove, President
MARDON INC.

DH/mah

No. 5
ONE 2804
(GOLD - SILVER)



PLAN OF XC & DRIFT, MAREN CLAIMS
MARDON INC LEASE
NEW PASS MINING DIST. LANDER Co. NEVADA
30 JUNE 1974 D. H.

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey
Branch of Budget and Finance
Washington, D. C. 20242

ADMINISTRATIVE SUSPENSION STATEMENT

Name and Address of Payee: MARDON, INC
r. Box 67
Austin, Nevada 89310

Amount Claimed:	Differences (Explained Below)	Amount Approved
$4,210.00	$20.00	$4,190.00 3,142.50(Govt Part. 75%
Bu. Voucher No.	**Payee's Invoice No.**	**Period**
	Docket#6884 Contract 2311	June, 1974

EXPLANATION

Four assays disallowed ($20.00), as narrative report only gives two assays and no certificate attached.

Any reclaim for items deducted must be included as a separate item on subsequent monthly voucher and supported by the original of this statement.

fan Branch of Budget and Finance

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

June 28, 1974

MEMORANDUM

To: Chief, Office of Minerals Exploration
Reston, Virginia

From: Field Officer
Region II

Subject: OME-6884 (Gold-Silver)
Mardon, Inc.
Maren Lode Group
Lander County, Nevada
Contract 2311

Interim Inspection

An interim inspection of the subject project was made by the Field Officer, accompanied by Mr. Don Hargrove, president of Mardon, Inc., on June 20, 1974.

Since the last inspection on May 15 (Report dated May 20, 1974), about 65 feet of new drift has been completed and four (4) sets of timber (20 feet) have been installed. The face of the drift is about 50 feet southeast of the Hargrove-Peterson shaft and is in a highly altered and mineralized zone containing thin veinlets of calcite and quartz with abundant iron and manganese oxides. Samples of the mineralized material have been taken and sent for assay. About 150 feet of drifting remains to be completed under the contract. At the present rate of progress the contract should be completed about mid-August.

The next inspection is planned for the last week of July.

H. K. Stager

June 17, 1974

Memorandum

To: Chief, Branch of Financial Management

From: Chief, Office of Minerals Exploration

Subject: OME-6884 (Gold-Silver)
Mardon, Inc.
Maren Lode Group
Lander County, Nevada
CContract No. 2311

The Operator under the subject contract resumed work by May 1, 1974, thereby meeting the provision in Amendment No. 1 for resumption of work. The $200.00 withheld from the Operator's voucher for October 1973 may now be paid. A copy of the Administrative Suspension Statement accompanies the first copy of the Operator's voucher for May 1974.

Harold Kirkemo

cc:
DRF
MR Rdg.
OME Rdg.
OME Files
Mr. Kirkemo

HKirkemo/gpw

FORM 9-1648
MARCH 1968

HK 6/14/74

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OPERATOR'S MONTHLY VOUCHER

For Month of May 1974

Docket No. OME- 6884
Contract 14-08-0001 2311
Contract Amount $20,000.00
Gov't. Participation 75% $15,000.00

Operator's Name MARDON INC.
Address Box 677 Austin, Nevada 89310

FOR OPERATOR'S USE					FOR GOVERNMENT USE ONLY			
COST ITEMS (FROM EXHIBIT A)	THIS MONTH		TO DATE		THIS MONTH		TO DATE	
	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS
Crosscutting & Drifting	72	$2736.00	301.5	$11,457.00	72'	$2,736.00	301.5'	$ 11,457.00
Timbering	15	150.00	31	310.00	15	150.00	31'	310.00
Assays	None	----	8	40.00	0	0	8	40.00
AMOUNT WITHHELD OCT. 1973		200.00				(+$200.00)*		
Total Due $2886x75% = $2164.50								
Withheld (1973) 200.00								
Total $2364.50								
TOTALS		3086.00		11,807.00		$2,886.00*		$ 11,807.00

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 31 May 1974 *Payee MARDON INC.

Per Don Hargrove Title President

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U. S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature [illegible] OME Field Officer 6-3-74 Date

2164.50 (63) 14X0804
20000 14X6875 (08)

Approved for: $236450
(SUBJECT TO AUDIT)

Signature FAN

Date 6/24/74 Vou. No. R4806A

(SEE OTHER SIDE)

FOR OPERATOR'S USE	FOR GOVERNMENT USE
REMARKS	REMARKS * $200.00 WITHHELD FROM OCT. '73 VOUCHER, PENDING RESUMPTION OF WORK, SHOULD NOT BE PAID.

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of two parts.

FIRST, the Operator's Monthly Voucher on Form 9-1648 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and three copies of each of the two sections of this report to the OME regional Field Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as unemployment taxes, employee's liability insurance, and depreciation of Operator-owned equipment. The certification may be stated thus, "Certified True Copy", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Field Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MARDON INC.
Box 67
Austin, Nevada 89310

31 May 1974

Mr. H. K. Stager, Field Officer
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

Re: OME-6884 (Gold-Silver)
Mardon Inc.
Maren Lode Group
Lander County, Nevada

Dear Mr. Stager:

We arrived at Newpass on 27 April 1974 amid some snow squalls. We spent the next several days getting cleaned up, changing oil in the diesel and compressor etc.

We finally were able to get two miners who took a contract to continue the "drift". We started at 96.5 feet N.W. of the rib of the main crosscut and almost immediately hit a flat fault normal to the drift. This fault persisted until we cut another segment of the altered zone. Where cut it has about N 10° W strike and about a 40° dip to the East.

The flat fault produced some blocky ground which required four sets (15ft) of drift sets. We are now in the oxidised fault zone. It drills, breaks and stands well and we are looking forward to some good progress. We are about 80 feet from the shaft.

We took one assay from the glassy quartz in the cat cut up on the saddle, North of the shaft. It was a selected sample and assayed Au Oz. 0.30 and Ag Oz. 148.0, we are looking forward to cutting it in the drift.

Enclosed please find three copies and the original of the Monthly Report, the same number of the Narrative Report, a sketch showing geology and the Original Administrative Suspension Statement in the amount of $200.00 which was withheld from our October 1973 payment.

Sincerely yours,

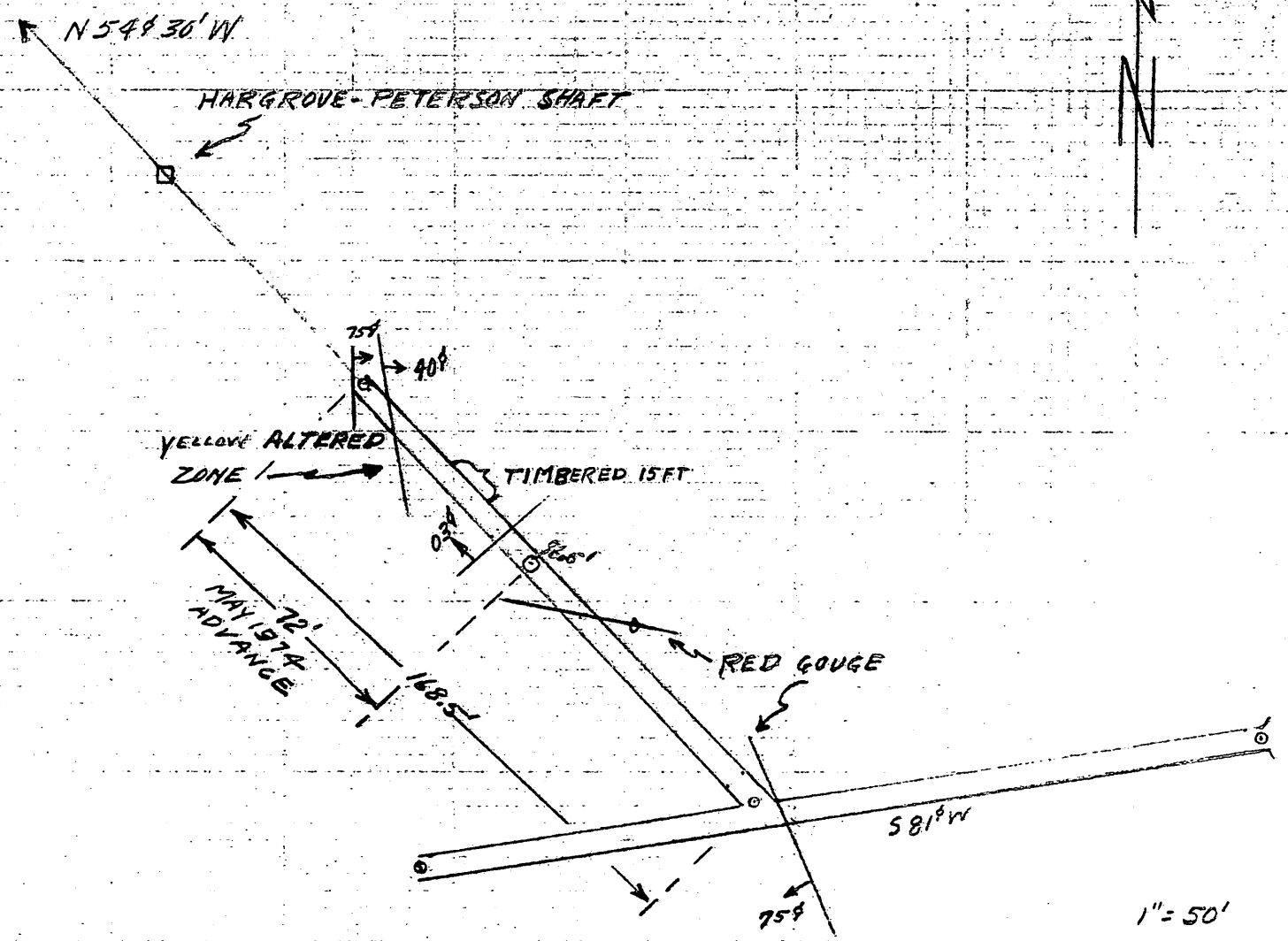
Don Hargrove

Don Hargrove, President
MARDON INC.

DH/mah

No. 4.

OME 688F
(GOLD - SILVER)



PLAN OF XC & DRIFT. MAREN CLAIMS, MARDON ENG. LEASE
NEW PASS MINING DIST. LANDER CO NEVADA

31 MAY 1974

D. H.

04670A

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey
Branch of Budget and Finance
Washington, D. C. 20242

ADMINISTRATIVE SUSPENSION STATEMENT

Name and Address of Payee:

Mardon Inc.
c/o Don Hargrove
7275 E. Camino Bacelar
Tucson, Arizona 85715

Amount Claimed:	Differences (Explained Below)	Amount Approved
$ 3,742.00	$ 200.00 Govt Part	$ 3,742.00 2,806.50 (Govt Part) 200.00 Withheld 2,606.50
Bu. Voucher No.	Payee's Invoice No.	Period
	Docket #6884 Contract #2311	October 1973

EXPLANATION

$200.00 withheld pending execution of amendment no. 1 and resumption of work next season.

Any reclaim for items deducted must be included as a separate item on subsequent monthly voucher and supported by the original of this statement.

bmf

Branch of Budget and Finance

Standard Form 1047
7 GAO 5000
1047-105

PUBLIC VOUCHER FOR REFUNDS

Voucher No. OME 2311

Schedule No.

U. S. Department of the Interior, Geological Survey
(Department or Establishment, Bureau or Office)

Location: Reston, Virginia 22092

Appropriation or Fund: 14X6875(08) Suspense, Geological Survey

PAID BY

To
Address
Mardon, Inc
Box 67
Austin, Nevada 89310

Withheld
~~XXXXXXXXXXXXXXX~~ from the above-named depositor on November 19, 1973

~~for~~ from voucher for October, 1973 pending resumption of work, May 1, 1974

has been applied as herein stated and the balance indicated is returned herewith:

Withheld Amount of ~~deposit~~	$ 200.00
Applied as explained in "Remarks" below	-0-
	-0-
Balance authorized to be refunded	$ 200.00

Remarks:

The operator has resumed work as required on Amendment No. 1

Ref: Memorandum from Chief, Office of Minerals Exploration 6/17/74.

(Sign original only)

Title

Refund by
Check No.
Cash, $ on (Signature of payee)
(Sign original only)
Other method, $,
(Describe)

U.S. GOVERNMENT PRINTING OFFICE : 1966 O—205-155—(80-F)

FORM 9-1648
MARCH 1968

NOTE: MAIL CHECK FOR OCTOBER TO:
c/o Don Hargrove
7275 E. Camino Bacela
Tucson, Arizona 85715

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OFFICIAL COPY
O. M. E.
RECEIVED
NOV 29 1973
INITIALS CODE
11/9/73

OPERATOR'S MONTHLY VOUCHER

For Month of October 1973

Docket No. OME- 6884
Contract 14-08-0001 2311
Contract Amount $ 20,000.00
Gov't. Participation % 75 $ 15,000.00

Operator's Name MARDON INC.
Address Box 67, Austin, Nevada 89310

FOR OPERATOR'S USE					FOR GOVERNMENT USE ONLY			
COST ITEMS (FROM EXHIBIT A)	THIS MONTH		TO DATE		THIS MONTH		TO DATE	
	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS
Crosscutting & Drifting	96.5	$ 3667.00	229.5	$ 8721.00	96.5'	$ 3,667.00	229.5'	$ 8,721.00
Timbering	6.0	60.00	16	160.00	6'	60.00	16'	160.00
Assays	3.0	15.00	8	40.00	3	15.00	8	40.00
TOTALS		$ 3742.00		$ 8921.00		$ 3,742.00		$ 8,921.00

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 26 October 1973 *Payee MARDON INC.,

Per Don Hargrove Title President

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U. S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature [illegible] OME Field Officer Date 11-6-73

2,806.50 (63) 14X0804
200.00 14X6875 (08)

Approved for: $2,606.50 NET TO PAYEE
(SUBJECT TO AUDIT)

Signature [illegible]

Date 19 NOV 1973 Vou. No. 04670A

(SEE OTHER SIDE)

FOR OPERATOR'S USE	FOR GOVERNMENT USE
REMARKS	REMARKS
	I withhold $200.00 pending resumption of work, Amendment No. 1 providing for a year until May 1, 1974 is in preparation. H. Kirkham 11/9/73

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of two parts.

FIRST, the Operator's Monthly Voucher on Form 9-1648 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and three copies of each of the two sections of this report to the OME regional Field Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

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MARDON INC,
Box 67
Austin, Nevada 89310

2 November 1973

Mr. H. K. Stager, Field Officer
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

Re: OME-6884 (Gold-Silver)
Mardon Inc.
Maren Lode Group
Lander County, Nevada

Dear Mr. Stager:

We turned off to the NW to try to follow the red streak as per our telephone discussion.

The enclosed sketch shows the result. It is, of course, impossible to make a lot of sharp bends and still make footage so we are headed for the old shaft. The red streak did swing around, but crossed our "drift" at a rather sharp angle. From the number of faults apparent in the "drift" it is quite obvious that the segment of the altered zone we penetrated is not in line with the majority of the structure.

We expect to get on the main structure near the shaft and think, from surface indication, that we can follow it from there on North.

The face of the "drift" is in lightly altered greenstone at the moment. I think the main altered zone is just west of the heading and that we will cut it again soon.

The assays are as follow:

#9577--Face of drift @ 70 feet. Red streak 2"-6" wide 1"-2" qtz. Au Oz 0.01 Ag Oz 0.10
#9578--Brown oxide 50' in. Au Oz 0.01 Ag Oz 0.10
#9579--Red streak 70 ft + very little quartz. Au Oz 0.01 Ag Oz 0.10

We have stored our equipment and supplies underground and have suspended work for the winter. Our winter address is 7275 East Camino Bacelar, Tucson, Arizona 85715. We would appreciate the check being sent here.

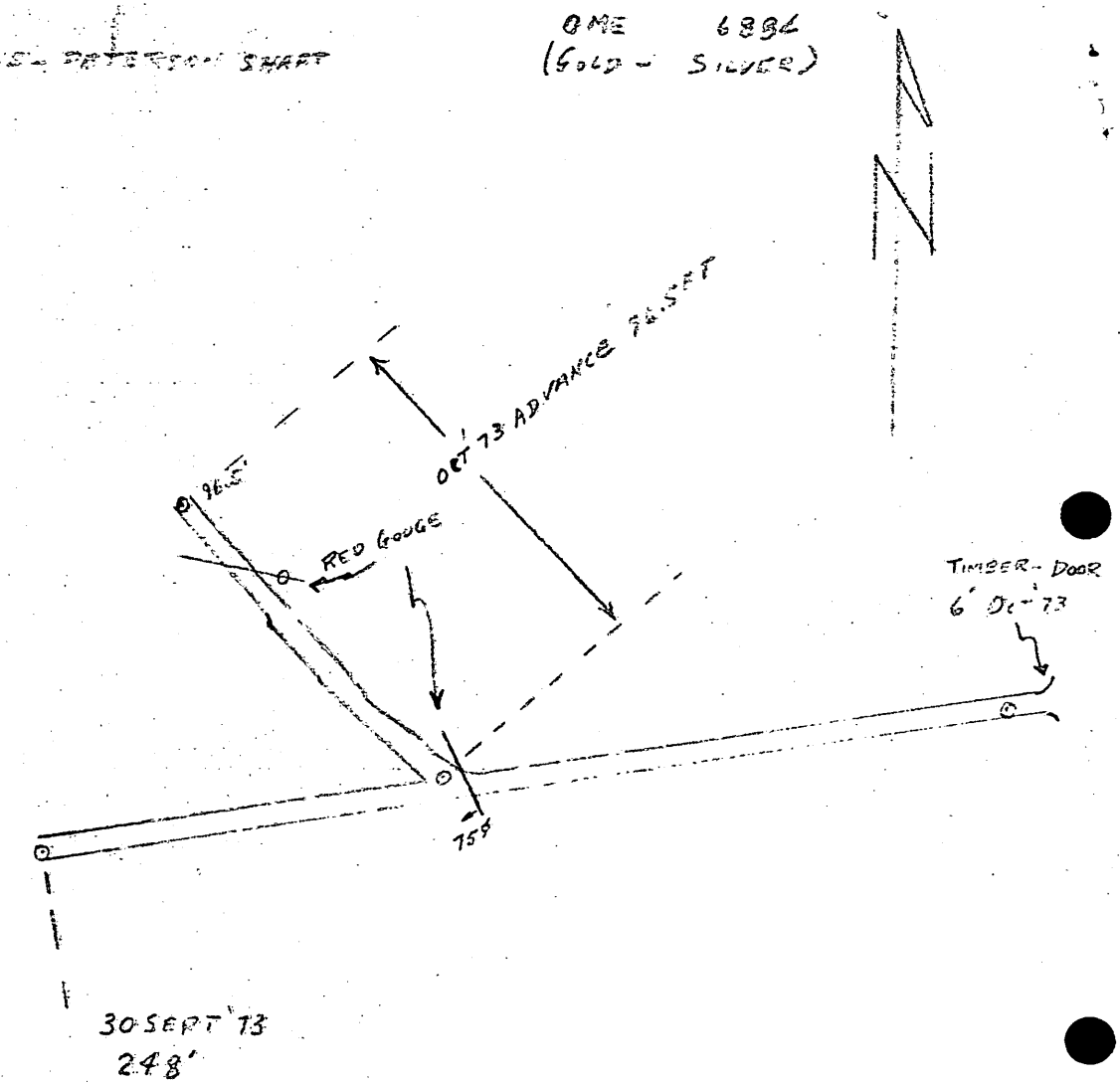
Sincerely yours,

Don Hargrove

Don Hargrove, President
MARDON INC.

DH/mch

No 3



PLAN OF XC & DRIFT, MAREN CLAIMS, MARDON INC LEASE
NEW PASS MINING DIST. LANDER CO. NEVADA
31 OCT '73 SCALE 1" = 50'
D.H.

4570A

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey
Branch of Budget and Finance
Washington, D. C. 20242

ADMINISTRATIVE SUSPENSION STATEMENT

Name and Address of Payee:

Mardon Inc.
c/o Don Hargrove
7275 E. Camino Bacelar
Tucson, Arizona 85715

Amount Claimed:	Differences (Explained Below)	Amount Approved
$ 3,742.00	$ 200.00 Govt Part	$ 3,742.00 2,806.50 (Govt Part) 200.00 Withheld 2,606.50
Bu. Voucher No.	Payee's Invoice No.	Period
	Docket #6884 Contract #2311	October 1973

EXPLANATION

$200.00 withheld pending execution of amendment no. 1 and resumption of work next season.

Any reclaim for items deducted must be included as a separate item on subsequent monthly voucher and supported by the original of this statement.

bmf

Branch of Budget and Finance

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

May 20, 1974

Memorandum

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
Region II

Subject: OME-6884 (Gold-Silver)
Mardon, Inc.
Maren Lode Group
Lander County, Nevada
Contract 2311

Interim Inspection

An interim inspection of the subject project was made by the Field Officer, accompanied by Mr. Don Hargrove, president of Mardon, Inc., on May 15, 1974.

Work on the project was recessed in late October 1973 and was resumed on April 27, 1974. Since work was resumed about 30 feet of new drift has been completed and the crew of three miners is now driving about 5 feet per shift. Ventilation line is being installed from the portal to near the working face and a new powder magazine has been built.

The project work was resumed before the end of the authorized recess period (May 1st), and the $200.00 withheld from the October 1973 voucher, pending resumption of work, can now be paid.

H. K. Stager

Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

April 2, 1974

Mr. Don Hargrove, President
Mardon, Inc.
7275 East Camino Bacelar
Tucson, Arizona 85715

Re: OME-6884 (Gold-Silver)
Mardon, Inc.
Maren Lode Group
Lander County, Nevada
Contract 2311

Dear Mr. Hargrove:

I plan an inspection trip to Nevada in late April and hope to visit your project at New Pass at that time.

Although the allowable recess period does not end until May 1, I urge you to resume work as soon as possible this month in order to assure completion of the work by August 3, 1974, as it is unlikely that an additional extension of time will be possible. My records indicate that 270 feet of crosscutting and drifting remain to be completed under the contract.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

cc: OME, Wash., D.C.
DRF
ACG RF
MP RF
Docket

HKStager:mkh

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

OFFICIAL COPY
O. M. E.
RECEIVED
DEC 11 1973

INITIALS	CODE
HK	HK

December 7, 1973

Memorandum

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
Region II

Subject: OME-6884 (Gold-Silver)
Mardon, Inc.
Maren Lode Group
Lander County, Nevada
Contract 2311

Enclosed are the Government's copy and Branch of Financial Management's copy of Amendment No. 1 to the subject contract properly executed by the Operator. The remaining copies have been distributed as usual.

H. K. Stager

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

DEC 5 1973
HR

November 30, 1973

Memorandum

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
Region II

Subject: OME-6884 (Gold-Silver)
Mardon, Inc.
Maren Lode Group
Lander County, Nevada
Contract 2311

Interim Inspection

While in the area of the subject project on November 28, 1973, an attempt was made to reach the OME adit, but the road from the New Pass Mine camp was buried under several feet of snow and was impassable.

The Operator recessed work on the project in late October and plans to resume work when the snow melts next spring. A total of 230 feet of crosscut and drift was completed during the period from August 15 to October 31. Most of the drift is in fractured material along the Maren vein but assays indicate only 0.01 to 0.08 ounce of gold and 0.1 to 0.7 ounce of silver per ton. Another 270 feet of drift on the vein remains to be completed when the work is resumed. About 150 feet of drift will be required to reach a point about 150 feet below the bottom of the Hargrove-Peterson shaft where ore is exposed.

Before recessing the project for the winter the Operator installed a secure door on the adit portal. The mining equipment, supplies, and machinery are stored in the adit and the door is locked. A key is available at the New Pass Mine for OME use, if we wish to enter or inspect the project during the recess period.

H. K. Stager

OFFICIAL
COPY
O. M. E.
RECEIVED
NOV 29 1973
INITIALS | CODE
HK

Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

November 26, 1973

Mr. Don Hargrove, President
Mardon, Inc.
7275 East Camino Bacelar
Tucson, Arizona 85715

Re: OME-6884 (Gold-Silver)
Mardon, Inc.
Maren Lode Group
Lander County, Nevada
Contract 2311

Dear Mr. Hargrove:

Enclosed are the original and three copies of proposed Amendment No. 1 (one page) to the subject contract, signed for the Government.

If the proposed amendment is satisfactory to you, all four copies should be signed by you and the Government's copy, Branch of Financial Management's copy, and Field Office's copy returned to this office. The Operator's copy should be retained for your files.

If any part of the proposed amendment does not have your approval, the original and all copies should be returned to this office together with the proposed changes for consideration.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

Enclosures

cc: OME, Wash., D.C.
DRF
ACG RF
MP RF
Docket

HKStager:mkh

FILE COPY

November 21, 1973

Memorandum

To: Field Officer, Region II

From: Chief, Office of Minerals Exploration

Subject: OME-6884 (Gold-Silver)
Mardon, Inc.
Maren Lode Group
Lander County, Nevada
Contract 2311

Enclosed are the original and three copies of proposed Amendment No. 1 (one page) to the subject contract, signed for the Government. An extra copy is enclosed for field use.

If the proposed amendment is satisfactory to you and the Operator, all four copies should be signed by an authorized representative of the Operator and distributed as usual.

Should any part of the proposed amendment not have your approval or that of the Operator, please return all copies to this office with the proposed changes.

Harold Kirkemo

Enclosures

cc:
DRF
MR Rdg.
OME Rdg.
OME Files
Mr. Kirkemo

HKirkemo/gpw

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code

November 9, 1973

Memorandum

To: The File

From: Chief, Office of Minerals Exploration

Subject: OME-6884 (Gold-Silver)
Mardon, Inc.
Maren Lode Group
Lander County, Nevada
Contract No. 2311

Justification for Amendment No. 1

The Operator in a letter dated November 2, 1973, to the Field Officer, OME, Region II, stated that work on the project had been suspended for the winter, and requested an extension of six months to the contract. The Field Officer recommended that the request be approved and I concur in the recommendation.

The Contract was not approved and executed until August, 1973, and although the Operator diligently worked on the project, the remaining operating season was too short for the work to be completed this year. Because of adverse operating conditions during winter and early spring months in the project area, the prudent course is to suspend work until no later than the first of May. The Operator should be able to complete work on the Contract in the three months following May 1.

Harold Kirkemo

Harold Kirkemo

United States Department of the Interior

GEOLOGICAL SURVEY
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

November 6, 1973

OFFICIAL COPY
O. M. E.
RECEIVED
NOV 9 1973
INITIALS CODE
HR

Memorandum

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
Region II

Subject: OME-6884 (Gold-Silver)
Mardon, Inc.
Maren Lode Group
Lander County, Nevada
Contract 2311

Enclosed is a request from the Operator for an extension of time for completion of the work and a recess for the winter.

I recommend that an amendment to the contract be approved allowing a recess from November 1, 1973, to May 1, 1974, and an extension of time for completion of the work to 12 months from the date of the contract or August 3, 1974.

H. K. Stager

H. K. Stager

Enclosure

MARDON INC.
Box 67
Austin, Nevada 89310

2 November 1973

Mr. H. K. Stager, Field Officer
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

Re: OME-6884 (Gold -Silver)
Mardon Inc.
Maren Lode Group
Lander County, Nevada

Dear Mr. Stager:

We have suspended work for the winter at the Mardon Inc. Lease and would like to request an extension of time of six months on our contract. (Actually, it will probably be six months before we can get started again.)

Sincerely yours,

Don Hargrove

Don Hargrove, President
MARDON INC.

DH/msh

RECEIVED
NOV - 6 1973
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

MARDON INC.
Box 67
Austin, Nevada 89310

2 November 1973

Mr. N. K. Stager, Field Officer
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

Re: OME-6884 (Gold -Silver)
Mardon Inc.
Maren Lode Group
Lander County, Nevada

Dear Mr. Stager:

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Sincerely yours,

Don Hargrove

Don Hargrove, President
MARDON INC.

DH/mah

RECEIVED
NOV - 6 1973
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

MARDON INC.
Box 67
Austin, Nevada 89310

2 November 1973

Mr. H. K. Stager, Field Officer
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

Re: OME-6884 (Gold -Silver)
Mardon Inc.
Maren Lode Group
Lander County, Nevada

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Sincerely yours,

Don Hargrove

Don Hargrove, President
MARDON INC.

DH/mah

RECEIVED
NOV - 6 1973
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

FORM 9-1648
MARCH 1968

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OCT 12 1973
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HK

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

HK 10/10/73

OPERATOR'S MONTHLY VOUCHER

For Month of September 1973

Docket No. OME- 6884
Contract 14-08-0001 2311
Contract Amount $20,000.00
Gov't. Participation %75 $15,000.00

Operator's Name MARDON INC.
Address Box 67, Austin, Nevada 89310

FOR OPERATOR'S USE					FOR GOVERNMENT USE ONLY			
COST ITEMS (FROM EXHIBIT A)	THIS MONTH		TO DATE		THIS MONTH		TO DATE	
	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS
Crosscutting & Drifting	73'	$2774.00	133	$5054.00	73'	$2,774.00	133'	$5,054.00
Timbering	5'	50.00	10'	100.00	5'	50.00	10'	100.00
Assaying	3	15.00	5	25.00	3	15.00	5	25.00
TOTALS		$2839.00		$5179.00		$2,839.00		$5,179.00

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 1 October 1973 *Payee MARDON INC.

Per Don Hargrove Title President

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A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U. S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature [illegible] OME Field Officer Date 10-4-73

(63) 14X0804

Approved for: $2,129.25
(SUBJECT TO AUDIT)

Signature BMT

Date OCT 11 1973 Vou. No. 04514A

(SEE OTHER SIDE)

2-8 1 8 1 1

FOR OPERATOR'S USE	FOR GOVERNMENT USE
REMARKS	REMARKS

RECEIVED
U.S. GEOLOGICAL SURVEY
OCT 10 1 24 PM '73
BUDGET & FINANCE

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of two parts.

FIRST, the Operator's Monthly Voucher on Form 9-1648 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

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PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as unemployment taxes, employee's liability insurance, and depreciation of Operator-owned equipment. The certification may be stated thus, "Certified True Copy", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Field Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MARDON INC.
Box 67
Austin, Nevada 89310

1 October 1973

Mr. H. K. Stager, Field Officer
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

Re: OME-6884 (Gold-Silver)
Mardon Inc.
Maren Lode Group
Lander County, Nevada

Dear Mr. Stager:

We were down for 13 days with a broken valve spring on the diesel. We finally procured and installed two new heads (one was cracked) the engine now runs well.

Progress for the month of September was 73 feet. (From 175 to 248 feet).

The bleached zone containing the red gouge and weak mineralization, may be the streak we are after as we have crosscut almost 80 feet past the end of the bleached zone and have not cut another structure of interest.

As per our telephone conversation today we will start to drift on the gouge tomorrow.

The assays noted on the map were received by telephone from Mr. Frank Jones of Reno, we do not have a certificate as yet to mail to you. The first assay is of the rock you broke from the pile on the dump-I thought it would run better.

The second one, the gouge, contains ground up quartz. The third is the little quartz stringer near the fault. (Quartz is glassy).

Sincerely yours,

Don Hargrove

Don Hargrove, President
MARDON INC.

Inclosures
+ Assay Cert.

Nevada Assay Office

675 LESTER AVE.

Reno, Nevada

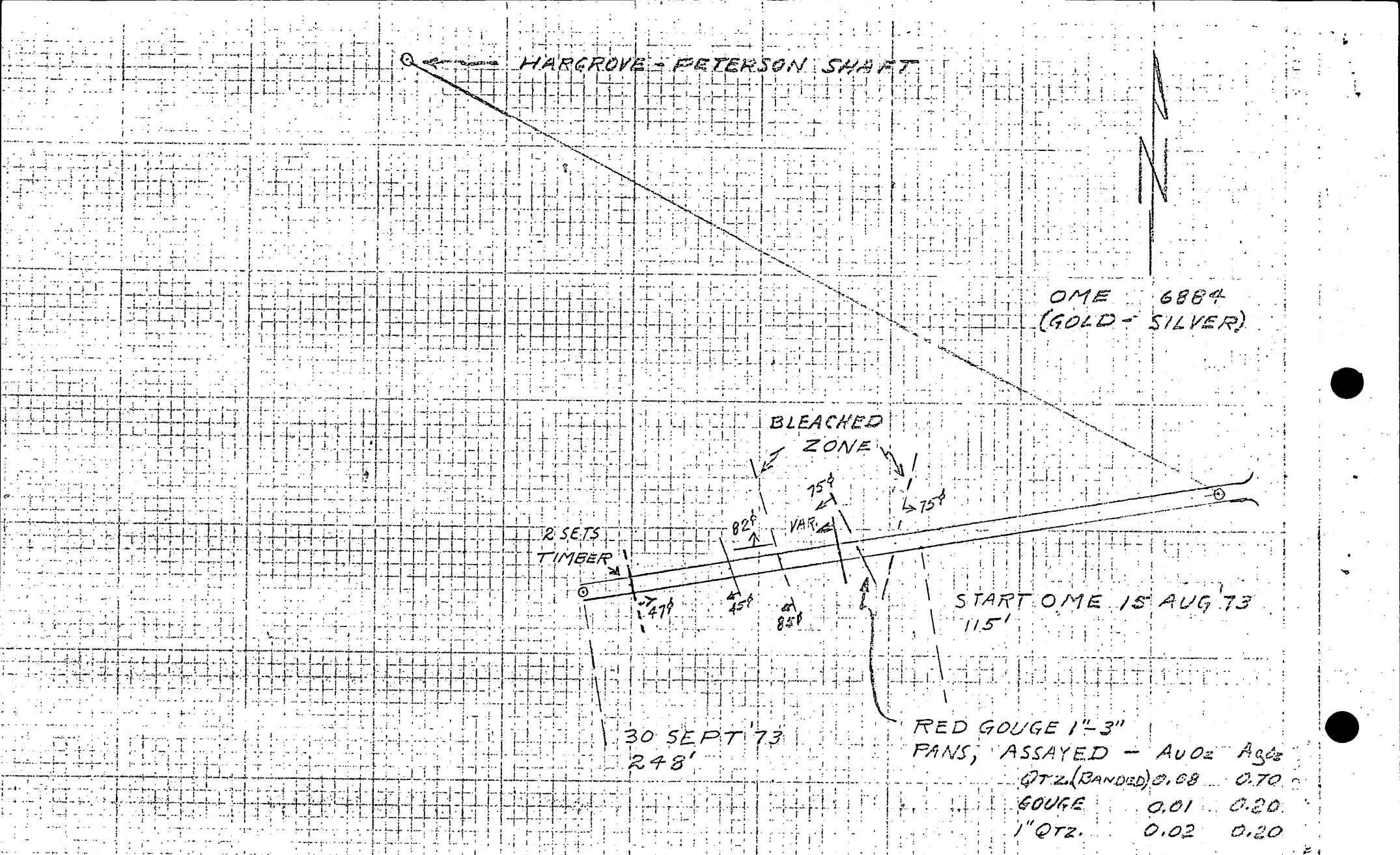
September 28, 1973

FRANK W. JONES
Assayer-Chemist

Phone
329-4080

ASSAY CERTIFICATE FOR: Mardon Mining Co., Austin, Nev.

No.	SAMPLE	GOLD OZ./TON	SILVER OZ./TON	%	%	%	%	%
	9574	0.08	0.7					
	9575	0.01	0.2					
	9576	0.02	0.2					



PLAN OF XC, MAREN CLAIMS, MARDON INC. LEASE.
NEWPASS MINING DIST. LANDER CO. NEVADA

30 SEPT '73

1" = 50'

D. H.

United States Department of the Interior

GEOLOGICAL SURVEY
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

September 24, 1973

Memorandum

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
Region II

Subject: OME-6884 (Gold-Silver)
Mardon, Inc.
Maren Lode Group
Lander County, Nevada
Contract 2311

Cac 120 m
HK ~~120~~

Interim Inspection

An interim inspection of the subject project was made by the Field Officer, accompanied by Mr. Don Hargrove, president of Mardon, Inc., on September 20, 1973.

Since the last inspection on August 15, 1973, the date the contract was signed, the crosscut has been driven 105 feet for a total length of 220 feet. A weakly mineralized fault zone was intersected from 145 feet to 160 feet, but samples assayed only 0.01 ounce of gold and 0.1 to 0.2 ounce of silver per ton. The target vein intersection was estimated at about 200 feet from the portal but had not been reached at the time of the inspection, although the face of the crosscut at 220 feet was in highly fractured and altered greenstone. The Operator anticipated intersection of the vein within the next few rounds.

Several weeks of work time were lost during early September by the breakdown of the compressor, but since repairs have been completed the crosscut has been advanced an average of 6 feet per day. The Operator plans to continue work until about November 1, 1973, and then request a recess until the spring of 1974.

Nondiscrimination notices and poster are displayed on the compressor and workshop building near the adit portal.

H. K. Stager

FORM 9-1648
MARCH 1968

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OK
Raw
9-10-73

OPERATOR'S MONTHLY VOUCHER

For Month of August 1973

Docket No. OME- 6884
Contract 14-08-000 2311
Contract Amount $ 20,000.00
Gov't. Participation % 75 $ 15,000.00

Operator's Name MARDON INC.
Address Box 67, Austin, Nevada 89310

FOR OPERATOR'S USE					FOR GOVERNMENT USE ONLY			
COST ITEMS (FROM EXHIBIT A)	THIS MONTH		TO DATE		THIS MONTH		TO DATE	
	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS
Crosscutting & Drifting	60'	$ 2280.00	60'	$2280.00	60'	$2,280.00	60'	$ 2,280.00
Timbering	5'	50.00	5'	50.00	5'	50.00	5'	50.00
Assaying	2	10.00	2	10.00	2	10.00	2	10.00
TOTALS		$2340.00		$2340.00		$ 2,340.00		$ 2,340.00

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 1 September 1973 Payee MARDON INC.

Don Hargrove

Per Don Hargrove Title President

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U. S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature H R Flager OME Field Officer Date 9-6-73

(63) 14X0804

Approved for: $ 1,755.00
(SUBJECT TO AUDIT)

Signature BJM

Date 18 SEP 1973 Vou. No. 04386A

(SEE OTHER SIDE)

FOR OPERATOR'S USE

REMARKS

26U84U

RECEIVED
U.S. GEOLOGICAL SURVEY
SEP 11 2 17 PM '73
BUDGET & FINANCE

FOR GOVERNMENT USE

REMARKS

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of two parts.

FIRST, the Operator's Monthly Voucher on Form 9-1648 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and three copies of each of the two sections of this report to the OME regional Field Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as unemployment taxes, employee's liability insurance, and depreciation of Operator-owned equipment. The certification may be stated thus, "Certified True Copy", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Field Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MARDON INC.
Box 67
Austin, Nevada 89310

1 September 1973

Mr. H. K. Stager, Field Officer
Office of Minerals Exploration
345 Middle field Road
Menlo Park, California 94025

Re: OME-6884 (Gold-Silver)
Mardon Inc.
Maren Lode Group
Lander County, Nevada

Dear Mr. Stager:

Progress on the crosscut since 15 August 1973 to date has been 60 feet. One more set of timber was installed on the west end of the timbered section on five foot center.

We cut about 25 feet of highly altered, soft, bleached greenstone which stood quite well. Then entered faulted, varigated ground which probably is the downward extension of the surface showing (first stringer). Very little silicification. Red gouge. Sample No. 9569 was cut across 1 to 2 feet of the best looking material. Sample 9570 is a grab from 17 cars.

Most of the faulting is almost normal to the crosscut. Dips vary from 80° to 30° to west. The whole area from about 75 feet in from the portal has had an active life. From about 145 to 160 feet there is a lot of fracturing, calcite stringers, heavy iron (Siderite?).

We expect to contact the mineralized fault soon.

Sample No. 9571 represents a piece of float at the bottom of the draw 1' x 1' x 2'. Shows Silver, Galena, Azurite, (sparce) pans gold.

Sample No. 9572 shows iron, dark minerals are banded, pans gold (10-15 fine colors). Float from the same area.

Sample No. 9573 is from the same rock as 9571 but represents the poorer portion of the sample.

I did not list the cost of the float assays on the voucher.

We have a dozer working on the draw that you and I discussed, we have a very wide fault exposed and now find a granodiorite dike on the east side of the structure.

Sincerely yours,

Don Hargrove

Don Hargrove, President
MARDON, INC.

Inclosures

Nevada Assay Office

675 LESTER AVE.

Reno, Nevada

August 31, 1973

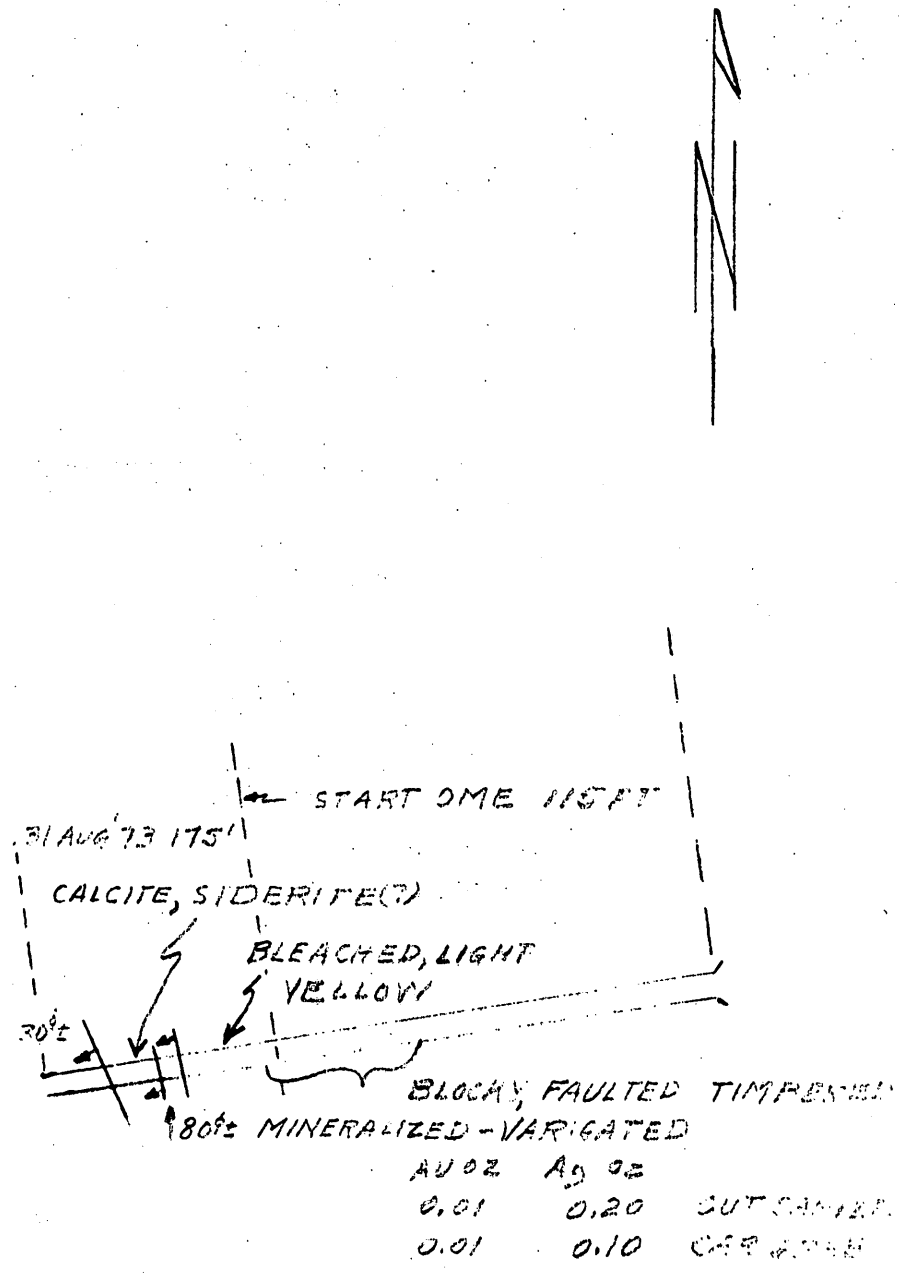
FRANK W. JONES
Assayer-Chemist

Phone
329-4080

ASSAY CERTIFICATE FOR: Mardon, Inc., Austin, Nev.

No.	SAMPLE	GOLD OZ./TON	SILVER OZ./TON	%	%	%	%	%
	9569	0.01	0.2					
	9570	0.01	0.1					
	9571	0.04	4.8					
	9572	0.12	5.5					
	9573	0.06	1.9					

OME 6844
(GOLD - SILVER)



AU OZ	AG OZ	
0.01	0.20	CUT SAMPLE
0.01	0.10	CHIP SAMPLE

PLAN OF XC, MATEN CLAIMS, MARDON INC. LEASE.
NEW PASS MINING DIST. LANDER CO. NEVADA
31 AUG 1973 SCALE 1" = 50'

DAL

United States Department of the Interior

GEOLOGICAL SURVEY
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

August 20, 1973

Memorandum

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
Region II

Subject: OME-6884 (Gold-Silver)
Mardon, Inc.
Maren Lode Group
Lander County, Nevada
Contract 2311

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 22 1973

INITIALS	CODE
Cac	120
HK	120

Interim Inspection

An interim inspection of the subject project was made by the Field Officer, accompanied by Mr. Don Hargrove, president of Mardon, Inc., on August 15, 1973.

The OME contract was signed by Mr. Hargrove at the time of the inspection and certified to by Mrs. Hargrove, as secretary-treasurer of Mardon, Inc. The corporate seal was not at the mine so the contract was left with the Hargroves until they can get the seal and properly emboss all copies, probably within a week.

The starting point for the contract was established at the face on August 15, 1973, and was measured to be 115 feet from a survey point on the first set of timber at the portal. The crosscut is timbered from 84 feet to 109 feet from the portal and some additional timber may be required from 109 feet to 115 feet. There is 12 feet of timber at the portal and it was agreed that another 10 to 12 feet should be timbered for protection from loose surface material.

Nondiscrimination notices and poster were furnished to the Operator for proper posting on the property. The Operator also signed the certification for non-segregation of facilities attached to the contract.

The Operator now has a post office box in Austin, Nevada, and the following address should be used for more rapid mail communication: Mr. Don Hargrove, Mardon, Inc., P.O. Box 67, Austin, Nevada 89310.

H. K. Stager

Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 15 1973
MINERALS CODE
Col 120
HK 120

Mr. Don Hargrove, President
Mardon, Inc.
4290 Jasper Lane
Reno, Nevada 89502

August 10, 1973

Re: OME-6884 (Gold-Silver)
Mardon, Inc.
Maren Lode Group
Lander County, Nevada

Dear Mr. Hargrove:

Enclosed are the original and three copies of a proposed contract to explore the Maren Lode Group property. The contract consists of MME Form 51 (five pages), Annex I (one page), Lien and Subordination Agreements (one page), Exhibit A (two pages), Exhibit B-1 (one page to be inserted after signature by you), and one map (Figure 1). All copies of the contract have been signed for the Government.

If the proposed contract is satisfactory to you, the four copies should be signed by you and the Government's copy, Branch of Financial Management's copy, and Field Office's copy returned to this office. The Operator's copy should be retained for your files. If you wish, you may hold our copies until next week, when I will visit the property, and give them to me at that time. Also, sign both copies of Exhibit B-1 and attach one to the Government's copy of the contract and the other to the Operator's copy.

Please note that the 9 percent interest accrues from the dates on which individual payments are made by the Government, and like the principal, is repayable from royalty on production.

If any part of the proposed contract does not have your approval, the original and all copies should be returned to this office together with the proposed changes for consideration.

I expect to visit the New Pass district about August 15 or 16 and will see you then.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

cc: OME, Wash., D.C.
DRF
ACG RF
MP RF
Docket

HKStager:mkh

Enclosures

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
7/30/73	Kirkemo	
7/30/73	Brobst	
8/1	Dunn	

AUG 3 1973

Memorandum

To: Field Officer, Region II

From: Chief, Office of Minerals Exploration

Subject: OME-6884 (Gold-Silver)
Mardon, Inc.
Maren Lode Group
Lander County, Nevada

Enclosed are the original and three copies of a proposed contract to explore the Maren Lode Group property. The contract consists of MME Form 51 (five pages), Annex I (one page), Lien and Subordination Agreements (one page), Exhibit A (two pages), Exhibit B-I (one page) to be inserted after signature by ~~Applicant)~~, and one map (Figure 1). All copies of the contract have been signed for the Government. You should insert the date for commencement of the work. An extra copy of the contract is enclosed for field use.

If the proposed contract is satisfactory to you and the Applicant, the four copies should be signed by Mr. Don Hargrove, President, Mardon, Inc., and distributed as usual. Mr. Hargrove should also sign both copies of Exhibit B/1 retain one for the Operator's copy of the contract, and return the other with the Governments' copy of the contract.

Please advise the Applicant that the 9 percent interest accrues from the dates on which individual payments are made by the Government, and like the principal, is repayable from royalty on production.

If any part of the proposed contract does not have your approval or that of the Applicant, the original and all copies should be returned to this office together with the proposed changes for consideration.

Harold Kirkemo

Harold Kirkemo

Enclosures

cc: Director's reading file
Mineral Resources
OME reading file
Mr. Kirkemo

HKirkemo/cac 7/30/73

Final mls.

MME Form 51
July 1965

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
U. S. Geological Survey

EXPLORATION CONTRACT
(Short Form)

Docket	Commodity	Contract No.	County	State
OME -6884	Gold-Silver		Lander	Nevada

It is agreed _____ (Date), between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and

Mardon, Inc., a New Mexico corporation

_____,

whose mailing address is 4290 Jasper Lane, Reno, Nevada 89502, hereinafter called the "Operator," as follows:

ARTICLE I. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before _____ (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 6 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the work is $ 20,000.00. The Government will contribute ~~50~~ 75 percent of the total fixed unit costs of the work performed, not in excess of $ 15,000.00 in accordance with the provisions of Articles 4 and 5.

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

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

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

See Annex I

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

See Annex I

(c) The Operator shall preserve and maintain his right, title, or interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

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

(b) Government may inspect.--The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract and production operations during the period that royalty is payable to the Government. The Operator shall provide the Government with all reasonable means of access for such inspections.

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

ARTICLE 5. Reports, accounts, audits.--(a) Operator's records.--The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator.

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

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

(2) Operator's Progress Report showing the number of units of the various types of work performed; and

(3) a narrative report of the work performed during the reporting period, including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground.

(Forms for reporting under (1) and (2) above will be provided by the Government.)

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

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

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

ARTICLE 6. Repayment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

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

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

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

(c) Payment of royalty.--(1) The Government's royalty shall be five percent of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrate, metal, or equivalent), at the point of delivery (the f.o.b. point); except, that charges of the buyer arising in the regular course of business and shown as deductions on the buyer's settlement sheets (such as treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight payable by the buyer to a carrier (not the Operator or producer)), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. No costs of the Operator or producer are deductible in arriving at the "gross proceeds" as that term is here used.

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

(2) The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be.

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

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

(f) Notice to purchasers.--The Operator or producer shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Government, and this estimate shall be final and binding upon the Operator or producer.

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

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

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

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

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

(b) If the Government determines that the Operator is in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon:

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

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

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

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

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

ARTICLE 8. Notices to be given by the Government may be delivered to the Operator or may be sent by certified mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. Officials not to benefit.--No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 10. Nondiscrimination in Employment.--The provisions respecting nondiscrimination in employment which are required by section 301 of Executive Order 10925, dated March 6, 1961, as amended and supplemented, are attached hereto as Exhibit B/ and are hereby incorporated in and made a part of this contract.

-1

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

The term "Director, U. S. Geological Survey," as used herein includes his duly authorized representative.

ARTICLE 12. Work Hours Act of 1962 - Overtime Compensation.--This contract, to the extent that it is of a character specified in the Work Hours Act of 1962 (Public Law 87-581, 76 Stat. 357-360) and is not covered by the Walsh-Healey Public Contracts Act (41 U.S.C. 35-45), is subject to the following provisions and to all other provisions and exceptions of said Work Hours Act of 1962.

(a) Overtime requirements.--No Operator or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any laborer or mechanic to be employed on such work in excess of eight hours in any calendar day or in excess of forty hours in any workweek unless such laborer or mechanic receives compensation at a rate of not less than one and one-half times his basic rate of pay for all hours worked in excess of eight hours in any such calendar day or in excess of forty hours in any such workweek, as the case may be.

(b) Violations; liability for unpaid wages; liquidated damages.--In the event of any violation of the clause set forth in subparagraph (a) of this paragraph, the Operator and any subcontractor responsible therefor shall be liable to any affected employee for his unpaid wages. In addition, such Operator and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed, with respect to each individual laborer or mechanic employed in violation of the clause set forth in subparagraph (a) of this paragraph, in the sum of $10 for each calendar day on which such employee was required or permitted to work in excess of eight hours or in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in subparagraph (a) of this paragraph.

(c) Withholding for unpaid wages and liquidated damages.--The U. S. Geological Survey may withhold or cause to be withheld, from any moneys payable on account of work performed by the Operator or subcontractor, such sums as may administratively be determined to be necessary to satisfy any liabilities of such Operator or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (b) of this paragraph.

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

ARTICLE 14. Changes and added provisions.--

_____

_____

_____

_____

Executed in quadruplicate the day and year first above written.

MARDON, INC.
(Operator)

By _____

Title _____

THE UNITED STATES OF AMERICA

By _____
U.S. Geological Survey

I, _____ (Name), certify that I am the _____ secretary of the corporation named as Operator herein; that _____ (Name), who signed this contract on behalf of the Operator, was then _____ (Title) 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]

EXPLORATION CONTRACT
MARDON, INC.
OME-6884

ANNEX I

The land, including all rights thereto, referred to in Article 2 of the contract consists of six (6) unpatented mining claims in section 10, T. 20N., R. 40E., MDBM, New Pass Mining District, Lander County, Nevada. These claims are shown on Figure 1, entitled "Map showing Maren Lode Group of claims and proposed exploration, New Pass Mining District, Lander County, Nevada," which is attached and made part hereof.

The unpatented lode mining claims are identified in the official records of Lander County at Fallon, Nevada, as:

Name	Book	Page
Maren No. 1	112	89
Maren No. 2	112	90
Maren No. 3	112	91
Maren No. 4	112	92
Maren No. 5	112	93
Maren No. 6	112	94

The Operator is in possession of these claims by virtue of a Lease of Mining Claims between Don Hargrove, Keith Vermilyea, Dennis Stacey, and Jack Hargrove, Lessors and owners, and the Operator dated January 16, 1973.

A Lien and Subordination Agreements executed by the owners and dated January 16, 1973, is attached and made part hereof.

EXPLORATION CONTRACT
MARDON, INC.
OME-6884

EXHIBIT A

The purpose of the project is to explore by crosscutting and drifting for gold and silver-bearing ore shoots in or along the Maren quartz vein which cuts rocks in the Havallah sequence of Pennsylvanian and Permian age.

General Provisions

Drifts and crosscuts shall be not less than 5 by 7 feet in cross section and shall be timbered as necessary. Timber sets shall be not less than 8-by-8 inch timber or equivalent round timber.

Mine rails shall be not less than 16-pound size, air lines not less than 2-inch diameter, water lines not less than 1-inch diameter, and vent lines not less than 14-inch diameter.

All significantly mineralized areas traversed by the crosscut and drifts shall be sampled normal to the trends of the deposits at intervals not exceeding 5 feet. In addition, a representative bulk sample may be taken of each round broken.

Significantly mineralized samples, from whatever source, shall be split as necessary and one split assayed. The Operator shall store one split of each sample in a suitable container properly labeled as to source and location. Stored samples shall be made available for Government inspection and possible use, and may be disposed of only with prior Government approval.

All splits of samples assayed shall be analyzed for gold and silver.

True copies of assay certificates and maps or sketches showing the work completed; the location, width, and assay values of all samples assayed; and the geological formations and structures traversed by the workings shall be furnished monthly to the Government.

The Operators shall provide such equipment, materials, supervision, labor, and technical services as may be required to perform the work in a satisfactory manner.

The location, direction, and extent of each work item shall be subject to Government approval confirmed in writing.

The Operator shall perform all work in such a manner as to maintain in the vicinity of the project the quality of the environment which existed prior to start of the work. Materials such as waste rock, stockpiled ore, and water resulting from the project shall be accumulated or discharged in a safe manner so as not to degrade the quality of the adjacent land, air, and streams.

Description of the Work

The work shall consist of extending the existing crosscut in a westerly direction to the Maren vein from the end of the crosscut as it exists on the date the contract is signed by the Operator, and drifting on the Maren vein to determine the width, grade, and continuity of mineralized material. The total of crosscutting and drifting may approximate 500 feet.

The approximate location of the proposed work is shown on Figure 1.

Estimated Costs of the Work

Fixed Unit Costs 1/ 2/

Crosscutting and drifting 500 feet at $38.00/foot	$19,000.00	
Timbering crosscuts and drifts 80 feet at $10.00/foot	800.00	
Assaying for gold and silver 40 samples at $5.00/sample	200.00	
Total Estimated Cost of the Project		$20,000.00
Government Participation at 75 Percent		$15,000.00

1/ Includes all costs whatsoever such as labor, equipment, materials and supplies, supervision, payroll taxes and insurance, office expense, report preparation and other services.

2/ The Government retains no equity in any of the equipment or materials used.

MARTIN

Marlon Inc.

7/11/73

certification of Location #

Maren # 3 Dated Sept. 7 but recorded stamp shows Sept. 1

all others show Sept. 11.

Location notice

Denise Stacey Mrs. Hargraves son.

L & S.

John Denise Stacey.

L. & S. shows lease recordation.

113 page 544.

Financial statement.

certification of deposit. 20,000 on deposit

(equivalent of cash)

Promissory note of bank to pay to depositor on demand - 20,000.

Bond ltr. — claims are not acceptable but why does bank not agree to accept certificate of deposit.

certificate of deposit. — To whom payable? If not to Marlon does applicant have enough funds. use as collateral?

Written explanation

Stager — will construed ill if unwarrant explanation

MARDON INC.
Box 67
Austin, Nevada 89310

24 July 1973

OFFICIAL COPY
JUL 30 1973

Case 120 MW
120

Mr. Harold Kirkemo, Chief
Office of Minerals Exploration
United States Department of the Interior
Geological Survey
Washington, D.C, 20244

Re: OME-6884 (Gold-Silver)
Mardon Inc.
Maren Lode Group
Lander County, Nevada

Dear Mr. Kirkemo:

Thank you for your letter of 16 July 1973.

Enclosed please find two copies of a statement from the Lander County Nevada Recorder and Auditor, Mr. Ray P. Sillasen, which are self-explanatory.

Also we are enclosing two copies of a letter certifying that John Dennis Stacey and Dennis Stacey are one and the same person.

Regarding the copy we have of the Lein Subordination Agreement shows that it was recorded in Book 113 Page 544. The County Recorder is aware of this. Enclosed please find two copies of his statement.

Regarding Mardon Inc. financial statement. At the time we filed it with you Mardon Inc. did have two $10,000.00 C.D's in the bank in Farmington New Mexico. However since that time both have been removed. One was cashed in and has been supplying funds for our work this year. We also have some other committments for those funds, such as development work, (after the exploration stage has been completed) mill construction etc. If Mardon Inc. is unable to receive assistance from OME it will be financially impossible to carry this project to a successful conclusion. We just got into some blocky ground that requires timber, this, as you well know, slows progress and raises our cost. We have had to replace one of the air motors on the Mucker and purchase some expensive drill parts.

I have been out of the mining business for about 15 years and didn't fully appreciate the tremendous rise in mining costs. I realize now that we did not apply to you for enough money, if the bad ground continues for any appreciable length of time we will probably need $30,000.00 instead of the $20,000.00 we requested. Mardon Inc. has liquid assets as of the present time of less than one of the CD's. The other was used to purchase a discount note and will not be available for about a year.

Thank you for your consideration.

Sincerely yours,

Don Hargrove

MARDON INC.
Don Hargrove, President

DH/msh
3 incl.
cc Mr. Harold Stager

AUSTIN, NEVADA July 19 1973

Mr. Jack Hargrove

To RAY P. SILLASEN, RECORDER AND AUDITOR, LANDER COUNTY, NEVADA Dr.

This is to advise you that document no. 72160 should have read Recorded at the Request of Jack Hargrove September 11th, 1972, Official Records page 91, of Lander County, Nevada.

Fees Paid $1.00

File No. 72160 s/s Ray P. Sillasen
County Recorder

The above mentioned document was recorded as of September 1st, 1972 in error.

Ray P. Sillasen

RAY P. SILLASEN
Auditor-Recorder
Lander County, Nevada

SEAL
AFFIXED

HARDON, INC.
Box 67
Austin, Nevada 89310

TO WHOM IT MAY CONCERN:

This is to certyfy that John Dennis Stacey and Dennis Stacey are one and the same person.

Don Hargrove

Don Hargrove, President

Maren S. Hargrove

Maren S. Hargrove, Secretary, Treasurer

24 July 1973

QUITCLAIM OF MINING CLAIMS

THIS AGREEMENT made and entered into this 20th day of [illegible], 1972, by and between [illegible] HANCOCK, [illegible] and [illegible] HANCOCK, hereinafter referred to as [illegible], [illegible] by Chris [illegible] and NATHAN, INC., a New Mexico corporation with [illegible] Mexico, [illegible] to as Lessee.

WITNESSETH:

WHEREAS, Lessors are the owners of the following described mining claims situated in Township 20 North, Range [illegible] East, in the [illegible] Mining District, Lander County, Nevada, as evidenced by Certificates of Location of [illegible] Claims:

1. Certificate of Location [illegible] 1972, filed for record on September 11, 1972, and recorded in Book [illegible] Page 88 of the Lander County records covering the [illegible] claims.

2. [illegible] September 7, 1972, filed for record on September 11, 1972, and recorded in Book [illegible] Page 84 of the Lander County records covering the [illegible] claim.

3. Certificate dated September 7, 1972, filed for record on September 11, 1972, and recorded in Book [illegible] Page 86 of the Lander County records covering the [illegible] claim.

4. Certificate dated September 7, 1972, filed for record on September 11, 1972, and recorded in Book [illegible] Page 72 of the Lander County records covering the [illegible] claim.

5. Certificate dated September 7, 1972, filed for record on September 11, 1972, and recorded in Book [illegible] Page 82 of the Lander County records covering the [illegible] claim.

6. Certificate dated September 7, 1972, filed for record on September 11, 1972, and recorded in Book 112 at Page 85 of the Lander County records covering the [illegible] claim.

WHEREAS, Lessor is desirous of leasing said Lessee is desirous of obtaining a lease of the aforesaid mining claims, upon certain terms and conditions.

NOW, THEREFORE, for the consideration of the sum of $10.00 and other valuable considerations, the receipt of which is hereby acknowledged, Lessors hereby and do by these presents grant, bargain, lease and let unto Lessee the exclusive right to mining thereon, subject to the following terms and conditions:

1. The term of this lease shall be for a period of five (5) years and as long thereafter as commercial production is [illegible]

2. Lessee agrees on or before June 1, 1973, to commence mining operations on the above 6 claims at a location of his choice. Said operations shall consist of driving a crosscut approximately 175 feet to intersect the ore vein and thereafter drifting on the vein in an effort to explore the existing ore bodies. In this connection Lessee agrees, after commencement of operations, to continue same with due diligence and in a good and workmanlike manner.

3. If exploration discovers ore bodies, Lessee agrees to mine the ore bodies, if, in the sole decision of Lessee, the ore bodies are of commercial value at Lessee's sole discretion it may construct a mill.

4. Lessee agrees to pay Lessors, as their interest is now or hereafter stipulated, the following royalty on all ore bodies produced by Lessee from the above leased premises:

a. 10% of the net returns from the sale of mill production, less freight from mill to point of sale, on all ores having a mill recovery value of $ [illegible] or less.

b. 15% of the net returns from the sale of mill production, less freight from mill to point of sale, on all ores having a mill recovery value of $50.00 a ton up to $75.00 a ton.

c. 20% of the net returns from the sale of mill production, less freight from mill to point of sale, on all ores having a milled recovery value of $75.00 a ton up to $100.00 per ton.

d. 25% of the net returns from the sale of mill production, less freight from mill to point of sale, on all ores having a milled recovery value of $100.00 a ton or more.

5. All royalty paid by Lessee shall be paid within 30 days following receipt of payment from the sale of all products produced hereunder. In this connection Lessee shall furnish Lessors, at the time of each royalty payment, a statement showing the kinds and amount of products produced and sold, the sales price thereof, the name and address of the purchaser thereof, and the freight charges pertaining to the sale thereof which shall be fully accounted for.

6. Lessee agrees to hold Lessors free and harmless from any and all claims and demands of whatsoever nature arising out of Lessee's operations on the leased premises. Lessee agrees to carry adequate workmen's compensation insurance for its employees, adequate public liability insurance, and further agrees to abide by all Federal, State and local rules and regulations pertaining to its operations. In particular, Lessee agrees to carry out and record, as required, any and all assessment work on the leased claims.

7. Lessors agree that Lessee may, in the event it deems it necessary, procure a [illegible] Department of the Interior, Office of Minerals Exploration loan in the amount of $20,000.00 for the purpose of carrying on mining activities hereunder, and in the event of said loan, Lessors agree to subordinate their rights hereunder to said loan agreement.

THIS AGREEMENT to be binding on the parties hereto, their heirs, successors and assigns.

STATE OF NEVADA,
COUNTY OF LANDER. } **ss.**

I, Ray P. Sillasen, COUNTY RECORDER in and for the County of Lander, State of Nevada, do hereby CERTIFY that the foregoing and attached instrument is a full, true and correct copy of Document No. 72795

as the same appears of record in Book 113 of Official Page 544, Records of Lander County, Nevada.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, at my office 24th day of July A.D., 19 73.

Ray P. Sillasen
County Recorder in and for the
County of Lander, State of Nevada.

By _____
Deputy Recorder.

REESE RIVER REVEILLE

IN WITNESS WHEREOF, we have hereunto set our hands and seals the date aforementioned.

BOOK NO. 115 PAGE 544

Dennis Stacey

Karen S. Hargrove

Keith Vermilyea

Jill Vermilyea

Jack Hargrove

Ruth Hargrove

STATE OF _____ }
COUNTY OF _____ } ss.

The foregoing instrument was acknowledged before me this 24 day of January, 1973, by JACK HARGROVE and RUTH HARGROVE, husband and wife.

SEAL APPLIED

Notary Public

My commission expires:

STATE OF _____ }
COUNTY OF _____ } ss.

The foregoing instrument was acknowledged before me this 24 day of January, 1973, by KEITH VERMILYEA and JILL VERMILYEA, husband and wife.

Notary Public

My commission expires:

STATE OF _____ }
COUNTY OF _____ } ss.

The foregoing instrument was acknowledged before me this 24 day of January, 1973, by DENNIS STACEY and KAREN S. HARGROVE.

SEAL APPLIED

RECORDED AT REQUEST OF

Jack Hargrove

Jan 29 1973 AT 11:07 A.M.

BOOK 112 PAGE 544

OFFICIAL RECORDS

FEE PAID 6.00

FILING 72715

COUNTY RECORDER

My commission expires:

STATE OF _____ }
COUNTY OF _____ } ss.

The foregoing instrument was acknowledged before me this 24 day of January, 1973, by JACK HARGROVE and RUTH HARGROVE, husband and wife.

Notary Public
Maricopa County, Arizona
My Commission Expires April 28, 1973

My commission expires:

-3-

FILE COPY

July 16, 1973

Mr. Don Hargrove, President
Hardon, Inc.
4290 Jasper Lane
Reno, Nevada 89502

Re: OMK-6884 (Gold-Silver)
Hardon, Inc.
Haren Lode Group
Lander County, Nevada

Dear Mr. Hargrove:

During the course of review of the subject contract for legal form a question has arisen as to the eligibility of Hardon, Inc. to receive an OMK loan.

Section 2(f) of the Act of August 21, 1958, (P.L. 85-701; 30 U.S.C. § 642(f), the act which authorizes the OMK program, provides that no Federal funds may be made available unless the OMK applicant furnishes evidence that funds from commercial sources are unavailable on reasonable terms. We interpret this provision to bar the United States from entering into an OMK contract with any applicant if the information available indicates that an applicant has in his possession sufficient funds to undertake the proposed project at his own expense, or if based upon the applicant's fiscal status it would appear that funds from commercial sources are available to him.

In this connection it has been called to our attention that the financial statement of Hardon, Inc. dated March 15, 1973, which you submitted in response to our request of March 7, 1973, lists as an asset of Hardon, Inc. "Certificates of deposit in First National Bank Farmington, New Mexico $20,000." It is our understanding that a certificate of deposit is a written acknowledgement by a bank of a deposit with promise to pay to depositor, to his order, or to some other person, or to his order on demand, or within a specified period of time. It is, in other words, a promissory note and the equivalent of cash.

Should it be the case that Hardon, Inc. does have a cash fund in the amount of $20,000 which is available to it to finance the work proposed in its application for OMK assistance, or which could be utilized as collateral for a loan from commercial sources, it is our view that under the quoted statute OMK would be legally precluded from entering into a contract with the company.

Accordingly, we would appreciate a written statement from you explaining whether or not the $20,000 in certificates of deposits in the First National Bank of Farmington listed in the financial statement of March 15, 1973, is in fact a source of funds available to Mardon, Inc. to finance the proposed project work, or as collateral for a loan from commercial sources. Until such time as a statement is received we must decline to execute the proposed contract.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo, Chief
Office of Minerals Exploration

cc:
DRF
MR Rdg.
OMX Files
OMX Rdg.
Mr. Kirkemo
Region II

CMartin/HKirkemo/gpw

United States Department of the Interior

OFFICE OF THE SOLICITOR
WASHINGTON, D.C. 20240

IN REPLY REFER TO:

JUL 13 1973

Memorandum

To: Chief, Office of Minerals Exploration

From: Associate Solicitor, General Legal Services

Subject: Mardon, Inc.
OME-6884 (Gold-Silver)
Lander, Nevada

We have reviewed the proposed contract between Mardon, Inc. and the United States and have approved it as to legal form. However, we wish to call to your attention the question of whether the applicant is eligible to receive an OME loan.

As you know subparagraph (f) of section 2 of P.L. 85-701 (30 U.S.C. 642(f)) provides that no funds shall be made available under the statute unless the applicant furnishes evidence that funds from commercial sources are unavailable on reasonable terms. The Department's regulations in Title 30, Code of Federal Regulations, § 229.6(b) require an applicant to include in his application information as to the commercial sources to which applications were made, the amounts requested, and the reasons why loans were not obtained. Further, it has been a consistent policy not to make loans to applicants whenever the available information shows that the applicant has sufficient financial resources to undertake the project work at its own expense.

Mr. Don Hargrove, President of Mardon, Inc., has submitted to OME copies of two letters written by him, dated January 15, 1973, and addressed to The Citizens Bank, 500 West Broadway, Farmington, N.M., and The First National Bank, Box 68, Farmington, N. M. The text of each letter is identical and consists of a recitation of background information concerning the history of the prospecting efforts in the area of the six mining claims to be included in the proposed OME contract and a request for a loan of $20,000.00 "at a maximum of 8%". The concluding sentence reads "We will give you a lien on our six mining claims for security if you so desire."

In reply to these requests Mr. Hargrove has submitted copies of the responses of the two banks. The reply from the First National Bank on January 16, 1973, states that:

> "We are in receipt of your letter of January 15, 1973, in regard to a $20,000 loan secured by your mining claims in Lander County, Nevada.
>
> I am sorry, but mining claims are unacceptable collateral to this bank and we must, therefore, decline this application for credit."

A similarly worded response from The Citizen's Bank was submitted by Mr. Hargrove.

In response to your request of March 7, 1973, for a statement of the current financial status of Mardon, Inc., Mr. Hargrove submitted a statement dated March 15, 1973, indicating that Mardon, Inc. had assets of $51,693.00 and no liabilities. The assets listed are machinery and equipment, $1,346 cash in bank, a 31-foot Airstream Trailer and "Certificates of deposit in First National Bank Farmington, New Mexico $20,000.00".

No mention of the certificates of deposit is made in the letters to the banks. A certificate of deposit is defined as "a written acknowledgement by a bank of a deposit with promise to pay to depositor, to his order, or to some other person or to his order" Black's Law Dictionary Revised Fourth Edition. It has been said that the certificate is the equivalent of cash. (Corpus Juris Secundum, Banks and Banking, § 311).

While we recognize that there may be valid reasons why these certificates of deposits are not available to Mardon, Inc. to finance the proposed exploration work or as collateral for a commercial loan e.g. they may be payable to persons other than Mardon, Inc. or already pledged to some purpose, we think you should request a written explanation from Mr. Hargrove as to why this money could not be used for this purpose or offered as collateral for a loan from The First National Bank of Farmington. Until some satisfactory explanation is received we are of the opinion that there is a serious doubt as to the eligibility of Mardon, Inc. or that the evidence submitted by the applicant shows funds from commercial sources are unavailable on reasonable terms.

Your file is returned with this memorandum.

C. Brewster Chapman Jr.

C. Brewster Chapman, Jr.
Associate Solicitor
General Legal Services

Enclosure

United States Department of the Interior

GEOLOGICAL SURVEY
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

June 22, 1973

COPY
O. M. E.
RECEIVED
JUN 27 1973

INITIALS	CODE
Cac	120
	120

Memorandum

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
Region II

Subject: OME-6884 (Gold-Silver)
Mardon Inc.
Maren Lode Group
Lander County, Nevada

Enclosed is an Application Report on the subject property recommending that a contract be granted consisting of 500 feet of crosscutting and drifting, 80 feet of timbering, and 40 assays, at an estimated total cost of about $20,000.

Also enclosed are five extra copies of Figure 2 for your use if a contract is granted.

Of the two applications pending at the present time in Region II, I consider this project to be the most favorable for a significant discovery with early development and mining.

H. K. Stager

Enclosures

UNITED STATES

DEPARTMENT OF THE INTERIOR

ROGERS C. B. MORTON, SECRETARY

GEOLOGICAL SURVEY

OFFICE OF MINERALS EXPLORATION

REPORT OF EXAMINATION

REGION II

APPLICATION REPORT

OME-6884 (Gold-Silver)
Mardon Inc.
Maren Lode Group
Lander County, Nevada

By

H. K. Stager
Field Officer
OME, Region II

June 22, 1973

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ILLUSTRATIONS

Figure 1. Index map of Lander County, Nevada.

Figure 2. Map showing claims and proposed exploration, Maren Lode Group of Claims, Lander County, Nevada.

INTRODUCTION

Mardon Inc., 4290 Jasper Lane, Reno, Nevada 89502, applied to the Office of Minerals Exploration for Government assistance in an exploration project, Docket OME-6884, to explore for gold and silver on the Maren Lode Group of Claims, Lander County, Nevada. The Applicant infers the presence of minable gold- and silver-bearing ore shoots in a quartz vein that occurs along a fault cutting metavolcanic rocks on the property and wishes to explore for these ore shoots by driving a crosscut from an existing adit and drifting on the vein.

The application was received in the Field Office on February 28, 1973. A review and field examination was requested by the Office of Minerals Exploration and was made by H. K. Stager, Field Officer, on June 6, 1973, accompanied by Mr. Don Hargrove, president, and Mr. Dennis Stacey, vice president, representing the Applicant. The Applicant's maps, assays, and other data were examined and compared with surface and underground exposures on the property.

SUMMARY

The area of the New Pass district contains numerous gold- and silver-bearing quartz veins that occur along faults in greenstone. The results of the examination indicate that minable ore shoots may be discovered by the proposed exploration of the Maren vein. As a result of discussions with the Applicants, some revisions in the planned work and estimated costs were considered advisable. The revised program consists of 500 feet of crosscutting, drifting and/or raising, and the assaying of 40 samples for gold and silver. The work will require about 12 months to complete and the estimated costs are acceptable to the Applicant. The project site is accessible and facilities for accomplishing the work are available.

RECOMMENDATIONS

It is recommended that the Government enter into a contract with Mardon Inc. to provide 75 percent of the costs of the proposed program to explore the Maren vein. The program will require about 12 months to complete and the Government's share of the estimated total cost of $20,000 would be $15,000.

LOCATION, ACCESSIBILITY, AND LOCAL FACILITIES

The Maren Lode Group of Claims is in sec. 10, T. 20 N., R. 40 E., MDBM, New Pass mining district, Lander County, Nevada (Fig. 1), near the south end of the New Pass Range at an altitude of about 8,000 feet.

To reach the claims, that are about 25 miles northwest of Austin (the closest town), drive 23 miles northwest on U. S. Highway 50 to New Pass summit, turn right (north) on a graded dirt road and drive about 5 miles to the New Pass Mine mill and camp, turn right (northeast) on a poor dirt road and drive about 1 mile to the property. The road to the New Pass Mine camp is maintained by Lander County and is passable to ordinary passenger vehicles except in winter when it may be blocked by snow, or made impassable by mud, for brief periods. The drive from Austin usually requires about 1 hour.

Mail and telephone service, some supplies, and mine labor are available in Austin, but most supplies, equipment, and materials are obtained from Fallon, Nevada (90 miles), or from the Reno-Sparks area (150 miles). Mine dimension timber is available at a price of about $120 per M. Water is available on the property or from nearby wells. Assay service is available in Reno or Salt Lake City. The local wage scale for good miners is about $4.00 to $5.00 per hour.

PROPERTY

History and Production

Gold was discovered, and the New Pass district was organized, in 1864 or 1865 by a group of miners from Austin. A small 5-stamp amalgamation mill was moved to the district from Austin in 1868 and operated for several years, treating about 12,000 tons of ore. The district was then idle until about 1900 when renewed activity resulted in the establishment of a post office at the New Pass camp and this office remained in operation until about 1904. In 1917 the Nevada Austin Mines Company constructed a cyanide mill of about 100-tons-per-day capacity, but the company was unsuccessful and the mill was sold after treating about 5,500 tons of ore. Mining was again resumed about 1930 and continued intermittently on a small scale until about 1941. Except for a brief period from 1960 to 1964, the mines in the district have been inactive in recent years. Total production from the district is estimated to be about 35,000 tons of ore that averaged about 1 ounce of gold and 1 ounce of silver per ton. Most of this production came from the New Pass Mine (OME-6699). The Applicant started work on the Maren Lode Claims in 1937 and in 1938 sunk a shallow shaft on the quartz vein. There has been no production from the property.

Ownership

The property consists of six unpatented claims recorded at Austin, Nevada, as follows:

Claim Name	Book	Page
Maren No. 1	112	89
" No. 2	112	90
" No. 3	112	91
" No. 4	112	92
" No. 5	112	93
" No. 6	112	94

These claims, as shown on Figure 2, are owned by Don Hargrove, Keith Vermilyea, Dennis Stacey, and Jack Hargrove, and leased to Mardon Inc. A copy of the lease is attached to the application together with Lien and Subordination Agreements signed by the owners.

Financial Eligibility

The Applicant furnished copies of letters to two banks requesting loans for the proposed work and also copies of letters denying the loans. The Applicant proposes to furnish its share of the exploration costs by use of equipment and supplies and the balance in cash. Financial statements for Mardon Inc. and the principal officers were submitted by the Applicant.

Development

The property is developed by a vertical shaft about 50 feet deep, with a drift 20 feet long at the bottom, that is now partly caved and inaccessible; a shallow inclined shaft also caved; several other shallow pits and open cuts that are partly caved or filled with slope wash; a bulldozer trench on the ridge top that is open and accessible for study; and a crosscut adit about 40 feet long that was started last fall and is open and in good condition.

Surface facilities consist of a newly constructed compressor and storage building near the adit portal and a large house trailer presently parked at the New Pass Mine camp.

Mining equipment and supplies consist of a 365 cu. ft. (diesel powered) compressor, 2 side dump mine cars, an Eimco 12B mucking machine, 2 jackleg drills with drill steel, various small tools, and an ample supply of rail, air and water pipe, vent tubing, hoses, and mine timber.

GEOLOGY

Geologic Setting

The New Pass Range consists of chert and quartzite of the Ordovician Valmy Formation overlain by conglomerate of the Battle Formation. These rocks have been overthrust by rocks of the Pennsylvanian and Permian Havallah sequence which are depositionally overlain by Triassic rocks. Most of the range consists of shales, siltstones, cherts, and greenstones of the Havallah sequence, with some conglomerate and siltstone of Triassic age. These sedimentary rocks in general strike north and dip west in a west-dipping homocline. Volcanic rocks, chiefly ash-flow tuffs with some local units of tuffaceous sedimentary rocks, of Tertiary age overlie the sedimentary rocks in the northern, eastern, and southern parts of the district. Numerous faults have formed a series of gently east-dipping fault blocks. The gold and silver deposits occur in quartz veins along faults that cut the Havallah sequence rocks.

Ore Deposits

The gold- and silver-bearing deposits consist of free gold, with minor amounts of silver occurring with lead and copper sulfides, carbonates, and oxides, in quartz veins along steeply dipping faults that cut a massive greenstone unit. The veins strike north or northwest and are vertical or steeply dipping. The ore shoots at the nearby New Pass Mine are from less than a foot to as much as 10 feet thick, but where mined averaged about 3 feet. They were

as much as 300 feet in length, and have been mined down dip for as much as 500 feet. Most of the ore is oxidized, but some sulfide minerals are reported from the deeper levels of the mines. Gangue minerals, in addition to quartz, are iron oxides with some pyrite.

The Superior vein, at the New Pass Mine, is parallel to and about 3,000 feet west of the Maren vein. It has been mined for a strike length of about 1,000 feet and to a depth of 300 feet. The Maren vein occurs along a fault zone that strikes about N. 35° W. and dips vertically or steeply southwest. It has been exposed by several prospect shafts and pits along a strike length of about 800 feet and a vertical range of about 200 feet. Quartz, from a few inches to 4 feet thick containing sparse to abundant pyrite and galena with visible gold, is exposed in the shaft, pits, and bulldozer cut. Traces of copper staining on the outcrop indicate some copper sulfides are present.

Sampling

Assay data on the Maren vein are sparse and most of the exposures from which previous samples were taken are now inaccessible. The application contained all of the available assay data and the Applicant supplied some additional information from field notes taken during the period when the pits and prospect pits were being excavated. The only samples taken during the examination consisted of specimens of mineralized quartz vein material from the old dumps on the Maren No. 1 claim and from a recently excavated bulldozer trench on the Maren No. 2 claim.

A sample across about 1 foot of the vein material exposed at the bottom of the shaft in 1938 assayed 0.10 ounce gold and 8.0 ounces of silver per ton, but other samples panned by Mr. Hargrove contained an estimated 0.14 to 0.86 ounce of gold per ton. Free gold is visible in some of the quartz float scattered

over the surface along the strike of the Maren vein and in the vein quartz exposed in the bulldozer trench. A sample from the trench, across about 2 feet of vein, assayed 0.054 ounce gold and 8.09 ounces of silver per ton. The quartz also contains fine-grained galena and pyromorphite, abundant pyrite and limonite pseudomorphs of pyrite crystals, and traces of copper oxides that probably were derived from tetrahedrite or chalcopyrite.

Ore Reserves

The application did not contain an estimate of ore reserves. There are no measured reserves and only a few tons of indicated ore is exposed in surface workings. It is reasonable to infer however, based on a knowledge of other similar veins in the nearby New Pass Mine, that the Maren vein will probably be found to average about 2 feet wide along the known strike length of 800 feet and dip length of at least 200 feet. If half of this material is minable, inferred reserves total about 10,000 tons. The grade of this ore is difficult to estimate, but based on the surface exposures and the grade of the vein material reported from the drift at the bottom of the 50-foot prospect shaft, it is probably higher in silver and lower in gold than the nearby Superior vein. A grade of about 0.3 ounce of gold and 10 ounces of silver per ton is inferred. These reserves are the target of the proposed exploration.

EXPLORATION

Applicant's Proposal

The Applicant proposes to explore the Maren vein by driving a crosscut adit about 150 feet, to intersect the vein at a depth of about 200 feet below the outcrop, and then drift about 350 feet on the vein. This work is estimated to cost $20,000 and require about 5 months to complete.

The proposed exploration and cost estimates were discussed with the Applicant and some changes and modifications were suggested. Inasmuch as the Applicant, at his own expense, has started the crosscut adit and plans to continue work on it while awaiting a decision on the OME application, it was agreed that if a contract is approved the starting point for the authorized work will be the face of the crosscut on the date the contract is executed. It was also agreed that the costs of timbering and assaying should be considered as separate contract items and the fixed unit cost authorized per foot of crosscutting and drifting would be reduced accordingly.

Examiner's Proposal

The Applicant's proposal to drive a crosscut to the Maren vein, and to drift along the vein, is the most efficient and economical method of exploring the deposit, and I concur in the proposal.

The Applicant, Mr. Don Hargrove, is an experienced miner and operator with a good knowledge of mining and milling methods. He is well qualified to undertake and supervise the work.

Proposed Exploration Costs

The application contains some cost data and the Applicant supplied additional information at the time of the examination. Equipment on hand at the property, for use on the project, has a fair market value of about $17,000. This equipment can be depreciated at $283 per month or $2.83 per foot of advance based on a rate of 5 feet per day and 20 working days per month. Labor costs for three men, including insurance, will average about $5.00 per hour per man or $120 per day or $24.00 per foot. Materials and supplies, including

air, water, and ventilation lines, rail, ties, drill steel, explosives, fuel and lubricants, and miscellaneous items will cost about $11.00 per foot. Total costs per foot therefore will be about $38.00 per foot of advance.

Some timber will be required, in addition to the portal sets now installed, and will cost about $10.00 per foot. Eighty feet of timbering should be sufficient.

Samples will be cut from 5 to 10 feet apart in the mineralized sections of the vein exposed by the proposed drift. Assays for gold and silver will cost about $5 per sample including handling and transportation.

Cost Estimate

Fixed Unit Costs:

Crosscutting and drifting 1)	
500 feet at $38.00/foot	$19,000.00
Timbering, crosscuts and drifts	
80 feet at $10.00/foot	800.00
Assaying--40 samples for gold and silver at	
$5.00/sample	200.00
Estimated total cost of project	$20,000.00
Government participation at 75 percent	$15,000.00

1) includes all costs whatsoever including

ENVIRONMENTAL STATEMENT

The purpose of the proposed project is to explore, by crosscutting and drifting from an existing adit, for concealed gold- and silver-bearing ore bodies in a quartz vein along a fault in metavolcanic rocks of late Paleozoic age. All of the work will be done at depths of from 25 to 250 feet beneath the land surface from existing mine workings. About 750 cubic yards of waste rock and ore will be brought to the surface for disposal and this material will

be placed on the existing mine dump, the mine access road, or transported to a nearby mill for processing. The impact of the proposed work on the environment will therefore be small.

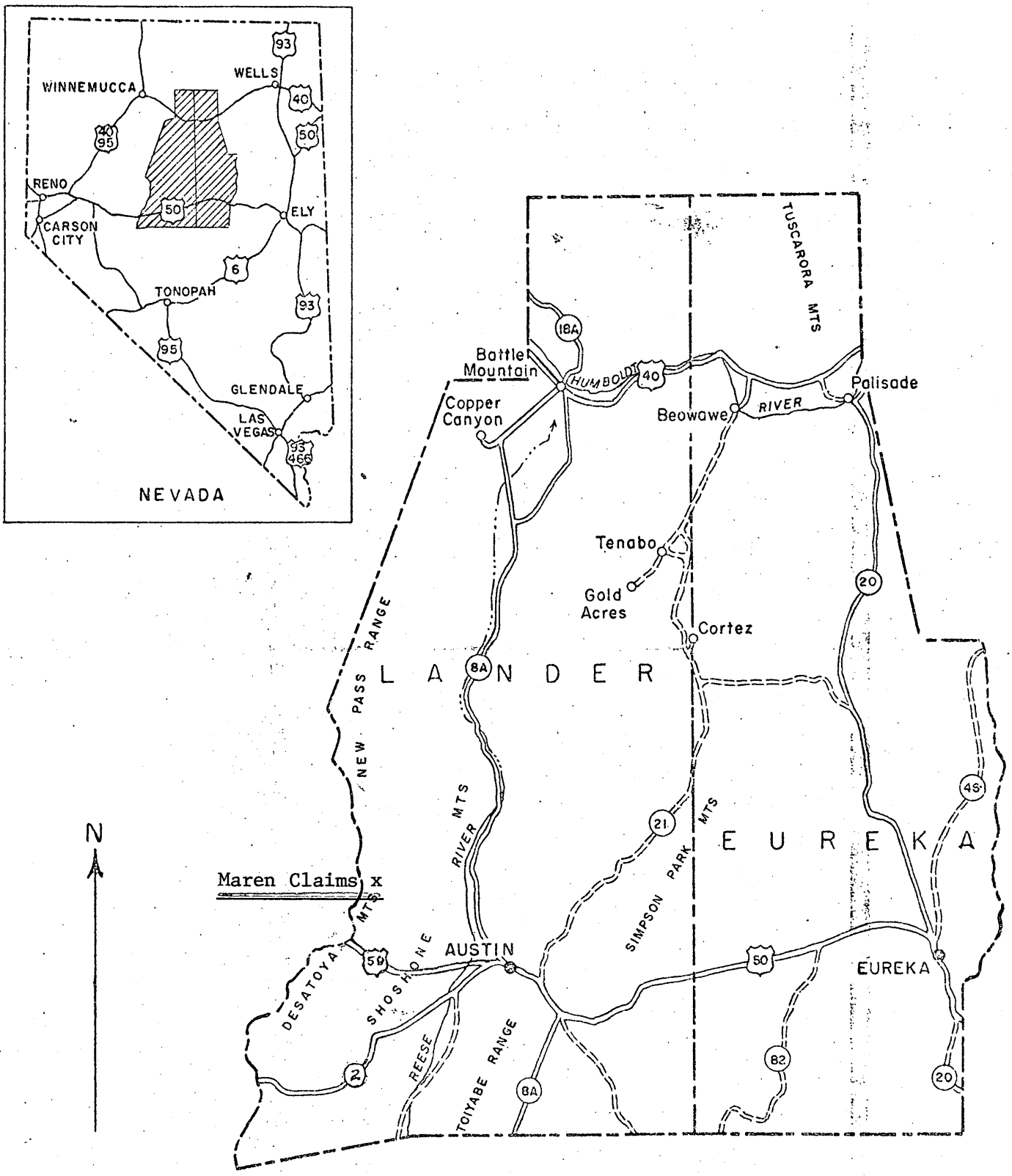

Figure 1. INDEX MAP OF LANDER AND EUREKA COUNTIES, NEVADA

0 20 40 60 Miles

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

OME-6884
(Gold-Silver)

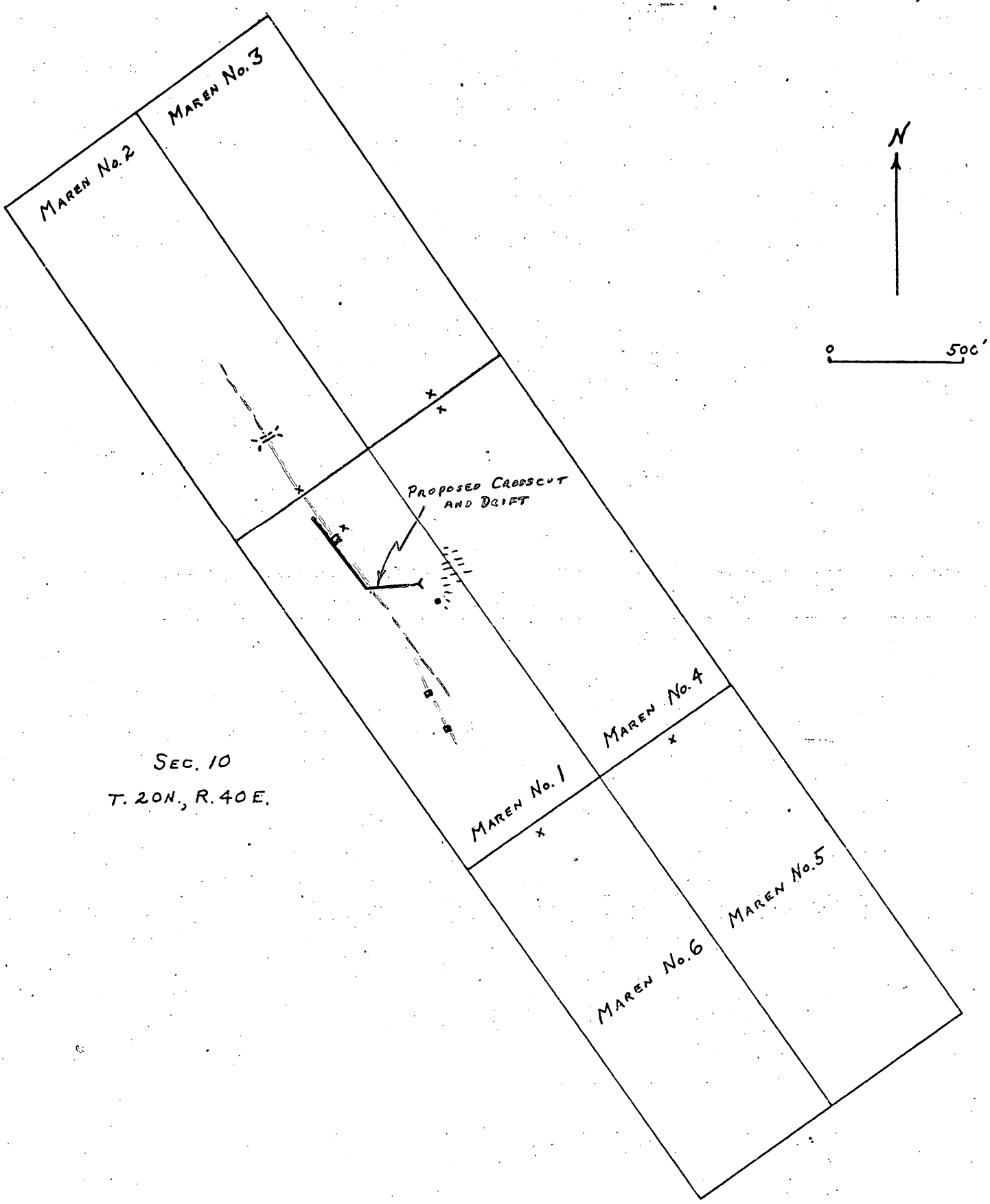

Figure 2.--Map showing Maren Lode Group of Claims and proposed exploration, New Pass Mining District, Lander County, Nevada.

MARDON INC.
2404 Western Avenue
Farmington, New Mexico 87401

2 May 1973

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 9 1973

INITIALS	CODE
Cac	120 m
HK	120

Mr. Harold K. Stager, Field Officer
Office of Minerals Exploration Region II
345 Middlefield Road
Menlo Park, California 94025

Re: ONE-6884 (Gold-Silver)
Mardon Inc.
Maren Lode Group
Lander County, Nevada

Dera Mr. Stager:

Thank you for your letter of 26 April 1973, confirming the date of your field examination of the Maren group.

I am sorry, but due to weather and our inability to get moved, we will not be able to get the work done on the outcrop in time for your examination on 15 May..

We want to get a compressor up there so that we can open it up enough so that you can cut samples, this is not possible as it is now..

We expect to leave Farmington on the sixth of this month and will not be able to be in Newpass until about the 20th. (We are moving to Tucson).

We will get up to the prospect as soon as possible and get it in shape to sample and then advise you so that you may examine at your convenience. Thank you for your help.

Sincerely yours,

Don Hargrove

Don Hargrove, President
MARDON, INC.

DH/msh

RECEIVED
MAY 4 1973
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

April 26, 1973

OFFICIAL COPY
O. M. E.
RECEIVED
APR 30 1973

INITIALS	CODE
Lac	120
HK	~~120~~

Mr. Don Hargrove, President
Mardon Inc.
4290 Jasper Lane
Reno, Nevada 89502

Re: OME-6884 (Gold-Silver)
Mardon Inc.
Maren Lode Group
Lander County, Nevada

Dear Mr. Hargrove:

This letter will confirm the arrangement for a field examination of the subject application that I made during a telephone conversation with Mr. Jack Hargrove in Reno on April 4.

I will be at the New Pass Mine Tuesday morning, May 15, for an interim inspection of that project, and could meet you there about noon. Hopefully the snow will be gone, and the road to your property passable, so that we can have a good look at the exposures along the Maren vein that afternoon.

I plan to stay at the Travelodge Motel in Fallon the nights of May 14 and 15. If there are any changes in my plans, I will call Jack Hargrove in Reno.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

cc: OME, Wash., D.C.
DRF
ACG RF
MP RF
Docket

HKStager:mkh

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code

April 26, 1973

Mr. Don Hargrove
President
Mardon Inc.
4290 Jasper Lane
Reno, Nevada 89502

Re: OME-6884 (Gold-Silver)
Mardon Inc.
Maren Lode Group
Lander County, Nevada

Dear Mr. Hargrove:

This is to belatedly acknowledge with thanks receipt of your letter of March 15, 1973, with enclosures.

Your replies to our questions are satisfactory. Exhibit A which we sent you was for information and filing only. No reply or submittal was necessary so we are returning the two copies of Standard Form 19-B which you had furnished. Your explanation of the inclusive term "mining activities" in Article 7 of your lease with the owners of the property is acceptable. No amendment to the lease would be necessary.

As we mentioned to you in our letter of March 7, 1973, Mr. H. K. Stager, OME Field Officer, Region II, will notify you if additional information is needed, or possibly to make arrangements to examine the property.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

Enclosures

cc: Director's reading file
Mineral Resources
OME reading file
Region II
H Kirkemo
HKirkemo/cac 4/26/73

MARDON INC.
4290 Jasper Lane
Reno, Nevada 89502

15 March 1973

United States Department of the Interior
Geological Survey
Office of Minerals Exploration
Washington, D. C. 20244

Re: OME-6884 (Gold & Silver)
Mardon Inc.
Maren Lode Group
Lander County, Nevada

Dear Mr. Kirkemo:

In reply to your letter dated 7 March 1973. Please find the following enclosures:

1) Exhibit A entitled "Notice to Prospective Federally Assisted Construction Contractors" (2 copies)
2) Statement of Current Financial Status of Mardon Inc. (2 copies) (We note the depreciation schedule).
3) Statement of Current Financial Status of the Officers of Mardon Inc. (2 copies).
4) Regarding your questions concerning the filing of Certificates of Location of the Maren Claims and the filing of maps of the Claims.
   a) The claim map submitted with our OME application, showing the Maren group of six claims, was recorded at the Lander Co. Courthouse. Fifteen dollars per claim was paid as the Lode Claim filing fee, as stated on the Certificate of Location just above the signatures of the locators. The Recording Fee of one dollar was also paid by the same check (a copy of which is enclosed) in the total amount of $96.00. 6x$15.00 = $90 for filing fee
      6 x 1.00 = $ 6 for recording
      Both the County Recorder and the County Treasurer were satisfied with the recordings and fees.

   b) The section number was omitted on the Certificates of Location of Lode Mining Claims because the area has not been surveyed into sections. The best we could do was township and range and then tie it to a locally well known reference point i.e., the portal of the Superior Tunnel.

5) Re: Article 7 of the lease from the owners of the Maren Group of six Claims to Mardon Inc. We all understand that OME funds are to be used only for exploration work. My Attorney and I discussed this point when he drew up the lease and I thought that you would consider exploration to be under the inclusive term "Mining Activities" which the Attorney thought to be necessary for the total concept of the lease. If you feel it necessary please return the copies of the lease to me and I will change, and initial the change, to "Exploration Work" rather than "Mining Activities".

I am taking the liberty of sending a copy of all of this information to Mr. H. K. Stager, OME, Field Officer, RegionII.

Thank you for your help.

Sincerely yours,

Don Hargrove

Don Hargrove, President
MARDON INC.

6 enclosures
1. 2 copies "Notice to Prospective Federally Assisted Construction Contractors"
2. 2 copies Mardon Inc. Financial Status
3. 2 Copies Officers of Mardon Inc. Financial Status

94-99
1212

JACK RUTH HARGROVE

9-6 1972 No. 48

PAY TO THE ORDER OF Lander County Treasurer $ 96.00

Ninety Six 00/100 DOLLARS

RENO MAIN OFFICE
VALLEY BANK OF NEVADA
RENO, NEVADA

Ruth Hargrove

⑆1212⑈0099⑆ 94 20 239⑈ ⑈0000009600⑈

PAY TO THE ORDER OF
NEVADA NATIONAL BANK OF COMMERCE
Austin Branch
RAY P. LASTER
Lander County Recorder-Auditor

Pay Any Bank, P. E. G.
1972
NEVADA NATIONAL BANK
AUSTIN BRANCH
NEVADA
94-30
AUSTIN

Pay to the order of
Lander Co.
Recorder
Ray Laster
Lander Co. Recor

15 March 1973

FINANCIAL STATEMENT AS OF THIS DATE

MARDON INC.
4290 Jasper Lane, Reno, Nevada 89502

ASSETS

Machinery, equipment adn supplies now in use on Maren Group Lease	$ 19,000.00 +
Certificates of deposit in First National Bank Farmington, New Mexico	20,000.00
Cash in bsnk	1,346.00
31 foot Airstream Trailer	11,347.00
	$ 51,693.00

LIABILITIES

None

Don Hargrove
Don Hargrove
President, MARDON INC.

Maren S. Hargrove
Maren S. Hargrove
Secretary Treasurer, MARDON INC.

15 March 1973

FINANCIAL STATEMENT OF DON AND MAREN S. HARGROVE

ASSETS

Warehouse, Tucson, Arizona	$ 300,000.00 +
Certificates of Deposit	20,000.00
Bonds	10,000.00
Equity in Home (Farmington, N. M.)	33,700.00
Equity in Home (Tucson, Arizona)	18,670.00
Hargrove Associates	5,400.00
Mardon Inc.	51,963.00
Equity San Juan Gravel Products Co.	243,565.00
Interest (San Juan Gravel Products Co.) 10 yrs.	70,000.00
Stocks	10,000.00
Equity Maren Group of Claims	?
TOTAL	$ 763,298.00

LIABILITIES

Home Farmington, New Mexico	$ 22,312.00
Home Tucson, Arizona	29,830.00
TOTAL	$ 52,142.00

Monthly income over $4,000.00

This is essentially correct, our CPA in Tucson has all details in order to prepare our tax reports.

Our son, Dennis Stacey, is Vice President of Mardon Inc. and is finishing his education at the University of New Mexico.

Don Hargrove

Don Hargrove
President, Mardon Inc.

Maren S. Hargrove

Maren S. Hargrove
Secretary Treasurer, Mardon Inc.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code

March 7, 1973

Memorandum

To: Field Officer, Region II

From: Chief, Office of Minerals Exploration

Subject: OME-6384 (Gold-Silver)
Marden Inc.
Maren Lode Group
Lander County, Nevada

The subject application is referred to you for further study, a field examination if warranted, and your recommendations.

The enclosed copy of our letter to the applicant, if answered in full, should furnish information on all items except those mentioned under 7 (b-g) in your memorandum to us of March 1, 1973.

Not much hard information is furnished regarding the grade and dimensions of the mineralized material. Much of what is offered was recollected from activities at the property 35 years ago, and assays of the few recent samples taken are not promising. Is it reasonable to expect that grade and tonnage will improve as greater depth is reached in the proposed workings?

Harold Kirkemo

Harold Kirkemo

cc: Director's reading file
Mineral Resources
OME reading file
Mr. Kirkemo
130
HKirkemo/cac 3-7-73

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code

March 7, 1973

Mr. Don Hargrove
President, Mardon Inc.
4290 Jasper Lane
Reno, Nevada 89502

Re: OME-6884 (Gold-Silver)
Mardon Inc.
Maren Lode Group
Lander County, Nevada

Dear Mr. Hargrove:

Your application for exploration assistance, dated January 16, 1973, has been assigned Docket No. 6884. Please identify all future correspondence relating to the application by this docket number.

We enclose for your information a copy of Exhibit A entitled "Notice to Prospective Federally Assisted Construction Contractors" which describes certain additional regulations and requirements not included in the application form. This should be filed with your copy of the application.

We note in your application that the total cost of equipment and supplies on hand is in excess of $19,000, and that "Mardon Inc. is willing to put up this equipment which is nearly four times our share of $20,000," the estimated total cost of the proposed project. On OME contracts, depreciation is allowed on equipment owned by the operator to the extent of 1/60th of its fair market value or its book value, which ever is less, for each month used on the project. Any depreciation you claim should be derived from this formula.

To assure us that adequate cash funds would be available in addition to the depreciation allowance for equipment to finance your share of the costs in the event of a contract, we would appreciate receiving a statement of the current financial status of the company and its officers.

The Certificate of Location of Lode Mining Claim indicates that two copies of a claim map must be filed with the County Recorder, and a lode claim filing fee of $15.00 be paid to the County Recorder. Was the claim map submitted with your OME application, which shows the Maren group of 6 claims, filed in lieu of an individual map for each claim? The Recorder's stamp indicates that the filing fee paid for each claim was $1.00. Does the smaller fee meet the legal filing requirements? If not, the filings may be invalid. Incidentally, in the description of the claim locations, the number of the section or sections is omitted.

In the Lease of Mining Claims submitted with the application, Article 7 refers to the Lessee possibly obtaining an OME loan " - - for the purpose of carrying out mining activities - - ". Mining activities are not eligible for assistance under the OME program. Presumably, the intent of the Article was to include exploration activities under the term "mining activities."

Submittal of the information herein requested should not be construed as a commitment by the Government that a contract will be offered.

Mr. H. K. Stager, OME Field Officer, Region II, will notify you if additional information concerning the application is needed, or possibly to make arrangements to examine the property.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

Enclosure

cc: Director's reading file
Mineral Resources
OME reading file
Region II
Mr. Kirkemo

HKirkemo/cac 3-7-73

MARDON INC.
Box 67
Austin, Nevada 89310

24 July 1973

Mr. Harold Kirkemo, Chief
Office of Minerals Exploration
United States Department of the Interior
Geological Survey
Washington, D.C, 20244

Re: OME-6884 (Gold-Silver)
Mardon Inc.
Maren Lode Group
Lander County, Nevada

Dear Mr. Kirkemo:

Thank you for your letter of 16 July 1973.

Enclosed please find two copies of a statement from the Lander County Nevada Recorder and Auditor, Mr. Ray P. Sillasen, which are self-explanatory.

Also we are enclosing two copies of a letter certifying that John Dennis Stacey and Dennis Stacey are one and the same person.

Regarding the copy we have of the Lein Subordination Agreement shows that it was recorded in Book 113 Page 544. The County Recorder is aware of this. Enclosed please find two copies of his statement.

Regarding Mardon Inc. financial statement. At the time we filed it with you Mardon Inc. did have two $10,000.00 C.D's in the bank in Farmington New Mexico. However since that time both have been removed. One was cashed in and has been supplying funds for our work this year. We also have some other committments for those funds, such as development work, (after the exploration stage has been completed) mill construction etc. If Mardon Inc. is unable to receive assistance from OME it will be financially impossible to carry this project to a successful conclusion. We just got into some blocky ground that requires timber, this, as you well know, slows progress and raises our cost. We have had to replace one of the air motors on the Mucker and purchase some expensive drill parts.

I have been out of the mining business for about 15 years and didn't fully appreciate the tremendous rise in mining costs. I realize now that we did not apply to you for enough money, if the bad ground continues for any appreciable length of time we will probably need $30,000.00 instead of the $20,000.00 we requested. Marbon Inc. has liquid assets as of the present time of less than one of the CD's. The other was used to purchase a discount note and will not be available for about a year.

Thank you for your consideration.

Sincerely yours,

Don Margrave

MARBON INC.
Don Margrove, President

DM/mal
3 incl.
cc Mr. Harold Stager

MARION, INC.
Box 67
Austin, Nevada 89310

TO WHOM IT MAY CONCERN:

This is to certify that John Dennis Stacey and Dennis Stacey are one and the same person.

Don Hargrove

Don Hargrove, President

Marion S. Hargrove

Marion S. Hargrove, Secretary, Treasurer

24 July 1973

LEASE OF MINING CLAIMS

THIS INDENTURE made and entered into this 16th day of September, 1974, by and between LON HARGROVE, which term shall include the heirs and assigns of said LESSOR, hereinafter referred to as LESSORS, joined herein by their respective spouses, and MARROW, INC., a New Mexico corporation with offices at 2424 Westside Avenue, Farmington, New Mexico, hereinafter referred to as LESSEE,

WITNESSETH:

WHEREAS, Lessors are the owners of the following described lode mining claims situated in Township 26 North, Range 40 East in the New Page Mining District in Lander County, Nevada, as evidenced by Certificates of Location of Lode Mining Claims, to-wit:

a. Certificate dated September 7, 1972, filed for record on September 11, 1972, and recorded in Book 112 at Page 83 of the Lander County records covering the Maren #1 claim;

b. Certificate dated September 7, 1972, filed for record on September 11, 1972, and recorded in Book 112 at Page 90 of the Lander County records covering the Maren #2 claim;

c. Certificate dated September 7, 1972, filed for record on September 11, 1972, and recorded in Book 112 at Page 91 of the Lander County records covering the Maren #3 claim;

d. Certificate dated September 7, 1972, filed for record on September 11, 1972, and recorded in Book 112 at Page 92 of the Lander County records covering the Maren #4 claim;

e. Certificate dated September 7, 1972, filed for record on September 11, 1972, and recorded in Book 112 at Page 93 of the Lander County records covering the Maren #5 claim;

f. Certificate dated September 7, 1972, filed for record on September 11, 1972, and recorded in Book 112 at Page 94 of the Lander County records covering the Maren #6 claim, and

WHEREAS, Lessor is desirous of leasing and Lessee is desirous of acquiring a lease of the aforesaid mining claims upon certain terms and conditions;

NOW THEREFORE, for and in consideration of the sum of $10.00 and other valuable considerations, the receipt of which is hereby acknowledged by Lessors, Lessors have and do by these presents grant, demise, lease and let unto Lessee the above described 6 mining claims, subject to the following terms and conditions:

1. The term of this lease shall be for a period of five (5) years and as long thereafter as commercial production of ores or bar

2. Lessee agrees on or before June 1, 1973, to commence mining operations on the above 3 claims at a location of its choice. Said operations shall consist of driving a tunnel approximately [illegible] feet to intersect the ore vein and thereafter drilling on the vein in an effort to explore the mineral ore bodies. In this connection Lessee agrees, after commencement of operations, to continue same with due diligence and in a good and workmanlike manner.

3. If Lessee has discovered ore bodies, Lessee agrees to mine the ore bodies, at the sole discretion of Lessee, the ore bodies are of commercial value, at Lessee's sole discretion, in any reasonable manner.

4. Lessee hereby agrees to pay Lessors, as their interest in said or hereunder stipulated, the following royalty on all crude ores produced by Lessee from the above leased premises:

a. [illegible] percent of all receipts from the sale of all production, less freight from mill to point of sale, on all ores having a mill recovery value of [illegible] to $75.00 a ton.

b. [illegible] percent of the net returns from the sale of all production, less freight from mill to point of sale, on all ores having a mill recovery value of $75.00 a ton to $175.00 a ton.

c. [illegible] percent of the net returns from the sale of all production, less freight from mill to point of sale, on all ores having a mill recovery value of $175.00 a ton to $300.00 per ton.

d. [illegible] percent of the net returns from the sale of all production, less freight from mill to point of sale, on all ores having a mill recovery value of $300.00 a ton or more.

5. All royalty payments by Lessee shall be made within 30 days following receipt of proceeds from the sale of all products produced hereunder. In this connection Lessee shall furnish Lessors, at the time of each royalty payment, a statement showing the kinds and amounts of products produced and sold, the mill recoveries, the name and address of the purchaser, thereof and the freight charges pertaining to the sale thereof upon which royalty payment is made.

6. Lessee agrees to hold Lessors free and harmless from any and all claims and demands of whatsoever nature arising out of Lessee's operations on the leased premises. Lessee agrees to carry adequate workmen's compensation insurance on its employees, adequate public liability insurance, and further agrees to abide by all Federal, State, and local rules and regulations pertaining to its operations. In particular, Lessee agrees to carry out and record, as required, any and all assessment work on the leased claims.

7. Lessors agree that Lessee may, in the event it deems it necessary, procure a Loan Department of the Interior, Office of Minerals Exploration Loan in the amount of $20,000.00 for the purpose of carrying out mining activities hereunder, and in the event of said loan, lessors agree to subordinate their rights hereunder to said loan agreement.

THIS AGREEMENT to be binding on the parties hereto, their heirs, successors and assigns.

STATE OF NEVADA,
COUNTY OF LANDER. } **ss.**

I, RAY P. SILLASEN, COUNTY RECORDER in and for the County of Lander, State of Nevada, do hereby CERTIFY that the foregoing and attached instrument is a full, true and correct copy of document No. 72795

as the same appears of record in Book 113 of Official Page 544, Records of Lander County, Nevada.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, at my office 24th day of July A.D., 1973.

Ray P. Sillasen
County Recorder in and for the
County of Lander, State of Nevada.

By _____
Deputy Recorder.

REESE RIVER REVEILLE

IN WITNESS WHEREOF, we have hereunto set our hands and seals the date aforementioned.

BOOK NO. 117 PAGE 1044

Don Hargrove

Keith Vermillion

Jack Hargrove

STATE OF

COUNTY OF

The foregoing instrument was acknowledged before me this day of 1973, by DON HARGROVE and KEITH VERMILLION, husband and wife.

Notary Public

My commission expires:

STATE OF

COUNTY OF

The foregoing instrument was acknowledged before me this 26 day of 1973, by KEITH VERMILLION and ALICE VERMILLION, husband and wife.

Notary Public

My commission expires:

STATE OF

COUNTY OF

The foregoing instrument was acknowledged before me this 26 day of 1973, by LEWIS SCALLY and [illegible]

RECORDED AT REQUEST OF

Jack Hargrove

Jan 26 '73 10:07 AM

Fee $6.00

File No. 72215

COUNTY RECORDER

STATE OF

COUNTY OF

The foregoing instrument was acknowledged before me this 22 day of January 1973 by JACK HARGROVE and RUTH HARGROVE, husband and wife.

Notary Public

Maricopa County, Arizona

My Commission Expires April 18, 1973

My commission expires:

AUSTIN, NEVADA July 19, 1973

Mr. Jack Hargrove

To RAY P. SILLASEN, RECORDER AND AUDITOR, LANDER COUNTY, NEVADA Dr.

This is to advise you that document no. 72160 should have read Recorded at the Request of Jack Hargrove September 11th, 1972, Official Records page 91, of Lander County, Nevada.

Fees Paid $1.00

File No. 72160 s/s Ray P. Sillasen
County Recorder

The above mentioned document was recorded as of September 1st, 1972 in error.

Ray P. Sillasen

RAY P. SILLASEN
Auditor-Recorder
Lander County, Nevada

I HEREBY CERTIFY THIS TO BE A TRUE AND CORRECT COPY OF THE ORIGINAL.

BY Ray P. Sillasen

SEAL AFFIXED