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

224 New Customhouse
Denver 2, Colorado

May 9, 1952

Memorandum

To: Secretary to the Operating Committee, Defense Minerals Exploration Administration

From: Executive Officer, Field Team, Region IV

Subject: DMEA Docket 2443 - W. L. Clayton's Silver Reef Nos. 1 & 3, Lead-Zinc Claims, Casa Grande Mining District, Pinal County, Arizona

Enclosed is a copy of Mr. W. L. Clayton's letter, dated May 1, 1952, requesting Region IV Office to cancel his application for government assistance under docket DMEA-2443.

W. H. King

W. H. King, for
J. H. East, Jr.

Enclosure

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 12 1952

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W. H. King
W. H. King, for
J. H. East, Jr.

Enclosure

JFS:fvo

cc: Storms
Koschmann
Subject
Shron

C O P Y

May 1, 1952
P. O. Box 361
Stanfield, Ariz.

COPY

United States
Department of the Interior
Bureau of Mines
Mining Division
Region IV

Dear Sir:

I have decided to not spend any more money on the Silver Reef Mine and wish to cancel my application for a Government Loan.

Sincerely yours,

s/ W. L. Clayton

COPY

DMGA-2443

CARDS
RECEIVED
FEB 6 1952
BUREAU OF MINES
DENVER, COLORADO

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No. 1

DMEA-2443

W. L. Clayton
P. O. Box 361 Casa Grande, Arizona January 31, 1952

Mr. J. H. East, Jr.,
Regional Director
U. S. Bureau of Mines
Region 4
224 New Customhouse
Denver 2, Colorado

Dear Sir:

I am enclosing herewith an original and three copies of my application for aid for an explorotory project pursuant to Mineral Order 5, under Defense Production Act of 1950.

In the preparation of this application I have had the advice and guidance of Mr. Roger I. C. Manning, Director of Mineral Resources of the State of Arizona and Mr. I. M. Clausen, President of the Greenhorn Mining Company. The Greenhorn Mining Company is the owner of the property which I have under lease.

Your prompt consideration of this application will be greatly appreciated.

Very truly yours,

W L Clayton
W. L. Clayton

P. S. If you wish to send an examining engineer to the mine he can contact me through my brother Raymond Clayton at 3709 Casa Grande telephone exchange as I do not have a telephone.

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

No. 2
Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. DMEA-2443

Date received 3-24-52

Participation

W. L. Clayton
P. O. Box 361
Stanfield, Arizona

Name and address of applicant

Date January 31, 1952

FILL IN THIS BLOCK

Date of application January 31, 1952

Estimated cost $7800.00

Mineral or metal Lead and zinc

Percentage of Government participation ~~50%~~

Location of mine 12.5 miles southwest of Casa Grande on the north slope of the Silver Reef Mountains

Date of filing MF-100 Not filed

DMA Docket Number, if available ~~X~~
~~Serial No. M.S. 1147 issued May 10, 1951~~
~~to Greenhorn Mining Company, Lessor.~~

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

Department of the Interior
Defense Minerals Administration
Received
MAR 24 1952

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation? Individual
*2. If a partnership, state names and addresses of partners. X
*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders. X
*4. Describe the mining and general business experience of (a) the applicant, and (b) the person or persons who will manage the project. See attached statement
*5. Are you the owner or the lessee of the property? Lessee
6. If owner, state what claims, liens, or encumbrances, if any, are against the property. X
7. If lessee, attach a copy of the lease and state if it is in good standing. See lease and plat of claims inclosed.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract. See letter of Greenhorn Mining Company (No. 4) attached.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement. See statement inclosed.
9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)? (a) $5000.00. (b) yes.

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property. See attached statement

(*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area. See plat attached to lease.

*11. State the present and former names of the property, if any. Silver Reef Mine (old), Greenhorn Mining Co. (new

*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads. See attached statement

*13. State source and quantity of water available for operations and its sufficiency at all seasons. See attached statement
State amount of power to be used, rate per hour or other cost, and source. See attached statement

*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work. See attached statement

15. State in detail how the ore could be shipped and how and where milled. See attached statement

*16. History: a, b, & c - See attached statement

(*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.

(*b*) State briefly the known history and production of adjoining and neighboring properties.

(*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

*17. Production: Not in production

(*a*) If mine is in production, furnish the following information:

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining				
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.) Not known

(*a*) Describe the ore or mineral deposits briefly.

(*b*) Submit available maps and assay data.

(*c*) Give estimated tonnage and grade of each class of ore reserves.

19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted? Lead, Zinc & Silica

21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it. See attached statement

NOTE.—The Government will not participate in a project that will require more than 2 years to complete.

22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data. Not available

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows: See statement attached

(*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.

(*b*) Supervisors, by numbers and positions, with salaries of each.

(*c*) Cost of necessary repairs to existing facilities, structures, and buildings.

(*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.

(*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.

(*f*) Cost of rental for equipment which the operator proposes to rent.

(*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.

(*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.

(*i*) Cost of power, water, utilities, and any other items not provided for above.

24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent. See statement attached

CERTIFICATION

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

X X X	BY W L Clayton
(Name of company)	(Signature of authorized official)
January 31, 1952	Lessee
(Date)	(Title)

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

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

ANSWERS TO QUESTIONS, FORM
MF - 103

Question No. 4.

My mining experience up to the time of obtaining this lease was that of a prospector. During the spring, summer and early fall of the years 1949, 1950 and 1951 I devoted practically all of my time prospecting in Oregon, California and Arizona. I made a few discoveries but none of sufficient importance to justify extensive development.

My business experience was that of a farmer until the conclusion of the year 1948. I was raised on a farm and after reaching maturity I became a partner with my father and brother in farming an extensive acreage of cotton. This partnership was dissolved at the end of the year 1947 and in the year 1948 I personally farmed a section of land (640 acres) in cotton.

In 1949 I became interested in mining and as stated heretofore devoted part of the year to prospecting. The remainder of the year I conducted a labor contracting business which has proved successful.

While I am actively engaged in directing the work which is now being done on this property I am doing so with the advice and guidance of competent engineers and have in my employ competent miners.

Question No. 7.

The owners of the property have assured me that they are willing to subordinate their interest in the property to the interest of the Government under the contract. I am enclosing herewith a copy of a letter signed by I. M. Clausen, President and majority stockholder of the Greenhorn Mining Company to this effect.

Question No. 8.

	Assets	Liability
One 1947 - 1½ ton Ford dump truck	$1500.00	$280.00
One Studebaker 1949 flat rack, 2 ton	1500.00	
One 1948 Willys jeep	700.00	
One 1950 Chivrolet sedan	1500.00	
Cash in bank	1000.00	
* Oregon 5 acre home site with house	2000.00	
	$8200.00	$280.00

The transportation listed above is used by me in my business as a labor contractor. From the surplus monies obtained through this means I have been conducting my prospecting activities and propose to now use the surplus in paying for a portion of the explorotory work that I propose to do.

*The Oregon property listed as an asset has been sold, the money is in escrow, and I will receive approximately the above listed amount in a very short time. This money I propose to use in my mining operations.

Question No. 10.

(a) The description of the real property involved in the exploration project is set forth in the lease attached hereto and is also shown on a plat which is a part of the lease. The approximate location of the point at which the present and proposed work is to be done is shown by a red cross on the plat. There is no operating property on the ground covered by this lease other than my own.

(b) I believe I have answered this question in the foregoing paragraph.

Question No. 12.

The property of the Greenhorn Mining Company (of which my lease is a part) is located approximately 12½ miles southwest of the town of Casa Grande, Arizona, which is the shipping point and is served by the main line of the Southern Pacific Railroad. A good loading ramp suitable for dump truck operation is available and is being used by me.

Access to the mine is over a paved highway for a distance of approximately 8 miles due south of Casa Grande, the road then turns in a southwesterly direction and is travelled a distance of approximately 4½ miles and is an excellent gravelled graded highway being the main road across the Papago Indian Reservation. The property which I am now working is located approximately ¼ of a mile south of this main highway and is approached over a gently sloping terrain. No hills, deep washes and etc., are encountered.

Question No. 13.

An inclined shaft approximately 200 feet in vertical depth is located near the west line of the claim shown on the plat as Silver Reef No. 3. In the bottom of this shaft is a winze which I understand is approximately 75 feet in depth.

The normal water level varies within a few feet of the collar of this winze.

It is my understanding that the former owners of this property, The Silver Reef Mining and Milling Company, obtained sufficient water from this winze for the operation of a 12 stamp mill, a cyanide plant and a camp.

At the present time, due to the small size of my operation, I have found it cheaper to haul water from the Indian Village of Chui-Chui approximately 3¼ miles north and east of the property.

During my explorotory operations I propose to and am now using gasoline driven equipment. However if a successful development is made an electric power line which could be tapped is within approximately 3½ miles of the property and a main feeder natural gas line is within 5½ miles of the property. It is my understanding that the following commercial electric power rates are now in effect.

MONTHLY RATE:

0.9¢ per Kwh first 225 Kwh per kw of billing demand.
0.7¢ per Kwh all additional Kwh.

MONTHLY MINIMUM CHARGE:

65¢ per kilowatt of billing demand, but not more than an amount sufficient to make the total charges for the 12 months ending with the current month equal to $7.80 per kilowatt of billing demand, but in no event less than $100.00.

Question No. 14.

There are no buildings, equipment or etc., on the property other than those which I have installed and am now using.

Question No. 15.

The ores at the present time will be shipped to the A. S. & R. Smelter at El Paso, Texas. On January 7, 1952 I made my first shipment of a car of approximately 32 tons of this ore to the smelter. The smelter assay showed as follows:

Lead	8.7%
Zinc	3.1%
Silver	3.9 ounces

Question No. 16.

(a) It is evident from the size and extent of some of the workings located on the property covered by my lease that a considerable quantity of

ore has been extracted from this property. I have not been able to find a statement of the amount of production. It is my further understanding that production ceased because of low metal prices.

(b) I understand that considerable ore was extracted from the two most easterly claims of the Greenhorn Mining Company during the years 1948 to 1951 inclusive. I am told that this was a low grade lead silver ore with a high silica content, very desirable for flux.

(c) I have no private reports of any kind. The recommendations for exploration and development which I have received from competent mining engineers were verbal.

Question No. 21.

I propose to sink a shaft 200 feet in depth on the vein. With the equipment I now have this work will be necessarily slow. When I obtain the loan I intend to exchange the equipment which I now have under rental for larger equipment and increase the size of my working force. It is difficult for me to estimate the length of time it will take to complete the work after receiving the loan because I am going to continue working with the facilities I now have and the depth which I will have obtained by the time I receive the loan money is of course speculative.

At the time of writing this application I have sunk the shaft to a depth of approximately 24 feet. I have installed a wooden tripod, completed the excavation and am now timbering for an ore bin and have built an access road to the bin. I have also built a wooden head frame and installed a concrete base for my hoist.

Question No. 23.

(a)

Number	Classification	Wage per day
2	Miners	$12.37 each
2	Muckers	11.42 "
1	Hoist man	12.37
1	Top man	11.42

(b) One supervisor at $15.00 per day.

(c) None

(d) Because of the good roads and short haul I propose to haul the labor from Casa Grande each day. The cost of doing so would be much cheaper than to build proper camp facilities.

(e) I believe that additional work should be done on the property and further consideration given to the type of equipment that will be needed when I obtain the loan. The work I am now doing is being done with a compressor, hoist, hammer and etc. All of this equipment is rented and I have been assured that my rental will be applied on any equipment that I purchase at a future date. To date I have paid a total of $503.00 rental on this equipment.

(f) The following tabulation is the rental I am now paying on the equipment I am using:

Compressor	$103.00 monthly
Hoist	35.00 "
Air hammer, hose and drill steel	55.00 "

To date I have paid a total of $503.00 rental on this equipment. It is my intent as soon as I receive this loan to turn my present equipment in and secure equipment of larger size.

(g) The only equipment which the operator now owns and is used in the mining operation is the truck used in hauling men or material to and from the mine and a Willys jeep which I operate on the job for emergencies such as hauling water, securing repair parts and etc. I consider a fair rental for the truck, considering the use it is being put to, at $15.00 per day and that of the jeep at $7.50 per day. In this rental I am, of course, taking care of all operating and maintenance cost of these two vehicles.

(h) In answering this question I have taken such items as dynamite, bits, equipment rental (as listed above), timbering, truck transporataion and miscellaneous. This estimate is based, of course, on the expanded program which contemplate when I receive the loan. I find that these items total about $68.50 per day.

(i) The answer to this question is given under Question No. 13.

Question No. 24.

I believe the answer to this question has been outlined to the best of my ability in the answer to Question No. 21.

I. M. CLAUSEN
P. O. Box 6156 PHOENIX, ARIZONA

January 31, 1952

Mr. W. L. Clayton
P. O. Box 361
Stanfield, Arizona

Dear Mr. Clayton:

In response to your request as to what the attitude of the Greenhorn Mining Company would be toward your application for an explorotory loan from the Defense Minerals Administration of the U. S. Government I am writing this letter to advise you as follows:

1. Your lease is in good standing.

2. The company will gladly subordinate their interest in the property to the interest of the Government under the contract.

3. There are no leins or encumbrances against the property of the Greenhorn Mining Company. All assessment work, rentals and etc., are paid to date.

I believe your fears about the great length of time it will take to secure a loan are groundless. I am sure that most of the questions which you raised with me are the result of rumors and gossip which you have picked up from conversations with other would be applicants that have not taken the time to investigate.

I had a chat some time ago with Mr. Charlie Willis, Executive Secretary of the A. S. M. O. A., and he told me of a conference which he and Mr. Manning had had with Mr. East here in Phoenix. Mr. Willis told me that I could quote him to the effect that he was sure that any application inproper form which was found to be worthy would receive prompt consideration and would obtain their loan in a very short interval of time.

Very truly yours,

GREENHORN MINING COMPANY

I. M. Clausen

I. M. Clausen, President

IMC-fc

A G R E E M E N T

THIS AGREEMENT, Made and entered into this 3rd day of November 1951 between GREENHORN MINING COMPANY, an Arizona corporation, having its principal place of business in the City of Phoenix, State of Arizona, hereinafter termed the lessor, and W. L. Clayton of Stanfield, Arizona hereinafter termed lessee,

W I T N E S S E T H:

That whereas lessor is the owner of certain unpatented lode mining claims situate in the Casa Grande Mining District, Pinal County, Arizona and

Whereas lessee is desirous of leasing said claims,

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth to be kept and performed by the parties hereto, it is agreed as follows:

The lessor leases, lets and demises the following described property and premises to lessee for a period of THREE YEARS (3) from and after the date of the agreement herein.

That lessor hereby leases to lessee the following unpatented mining claims, all situate in the Casa Grande Mining District, Pinal County, Arizona, the name of the claims and the Book of Mines in which the location notices thereof are recorded in the office of the County Recorder of Pinal County, Arizona, as follows:

	Name of Claim	Book of Mines	Page No.
	Silver Reef No. 1	49	297
Northwest 850 feet of -	Silver Reef No. 3	49	299

A map or plat outlining the boundaries of the claims covered by this lease is attached hereto and made a part of this agreement.

I

Lessee shall be entitled to possession of the above described claims one (1) day after the execution of these presents and shall employ not less than thirty (30) eight-hour (8) man days of work for each calendar month on said premises

Failure on the part of the lessee to perform thirty (30) eight-hour (8) man days of work per month shall constitute a forfeiture of this lease.

II

That all work done on said leased premises shall be done in the manner necessary to good and economical mining, so as to take out the greatest amount of ore possible with due regard for the development and preservation of the same as a workable mine and to the special covenants herein contained.

III

The lessee agrees that he will well and sufficiently timber said mine and all workings therein at points where proper, in accordance with good mining practice and repair all old timbering wherever it may be necessary.

The lessee further agrees that in the event of default, abandonment or other termination of this agreement that he will leave in place and shall not remove from the property all gallows frames, bins, underground timbering, pipeing and other permanent improvements. These improvements shall remain and inure to the benefit of said property and become the property of the lessor.

IV

The lessee agrees he will allow said lessor or its authorized agent or agents to enter upon or into all parts of said mine for the purpose of inspection at any and all reasonable times.

V

That lessee agrees he will not assign this lease or any interest therein and that he will not sub-let said leased premises or any part thereof without the written consent of said lessor and that he will not allow any person not in privaty with the parties hereto to take possession of said premises or any part thereof under any pretense whatsoever.

VI

That lessee agrees he will occupy and hold all cross or parellel lodes, spurs or mineral deposits of any kind, which may be discovered by the lessee or any person under him in any manner, by working within or from the demised ground as the property of said lessor, he retaining the privilege of working the same

as parcel of demised premises.

VII

That lessee agrees he will keep at all times the drifts, shafts, tunnels and other workings thoroughly drained and clear of loose rock and rubbish unless prevented by extraordinary mine casualty.

VIII

The lessee agrees with the lessor that he will stock-pile on the property all ores mined until approximately a car load of ore has been accumulated and that the lessee will than ship ore to an established mill or smelter for sale. The lessee agrees that he will make no shipments of ore from the property in less than car load lots without the written consent of the lessor.

The lessee shall pay as rental on said premises a graduated scale of royalties of the net smelter returns on all ores shipped from said premises. The word "net" shall be defined to be the amount of monies paid by the smelter for the ore after deducting only all smelter treatment charges, penalties, and rail freight.

SCHEDULE OF ROYALTIES

Value of Ore	Percent
$25.00 or less	10
$25.00 to $40.00	15
$40.00 to $60.00	20
$60.00 to $80.00	25
All ores above $80.00	30

The lessee agrees that he will pay to the lessor royalties in accordance with the foregoing schedule in which is listed the percent of royalties to be paid on the different values of ores shipped.

Lessee shall instruct any smelter or mill to whom shipment of ore is made that duplicate settlement sheets on all shipments shall be furnished lessor. Lessee agrees to pay to lessor all royalties due as promptly as possible after date of receipt of settlement from the smelter, and in no event shall royalties accrued during a calendar month be paid later than the tenth day of the month next ensuing. All payments to be made to Greenhorn Mining Company, P. O. Box 6156, Phoenix, Arizona.

X

Lessee agrees to pay all social security, unemployment and old age pension contributions, as well as all withholding taxes, and shall carry Workmen's Compensation Insurance on each and all his employees, and shall pay such premiums due thereon without fail, so that at no time shall any of such indebtedness be a claim against the premises above set forth.

XI

It is further agreed by the parties hereto that before lessee shall begin operating said mines, "No Lein" notices, as provided by Section 62-210 of the Arizona Code Annotated, 1939, shall be conspicuously posted at the collar of all working shafts, tunnels and entrances to said mines and said premises, and at all boarding houses on said premises, and it is further agreed that lessee shall at all times during the life of this agreement preserve such notices in a legible condition.

XII

A winze approximately fifty (50) feet in depth is located in the bottom of the main shaft on the Silver Reef No. 3 claim. The ground water level stands approximately at the collar of the winze. It is mutually agreed by the parties hereto that the lessor shall have the right to enter this shaft at any time during the life of this lease for the purpose of developing this water for use on any or all of the claims owned by the Greenhorn Mining Company.

XIII

That lessee shall deliver to said lessor the said premises with the appurtenances and all empliments in good order and condition, with all drifts, shafts, tunnels and other passages thoroughly clear of all loose rock and rubbish and drain the mine ready for immediate continued working (accident not arising from neglect alone excused) without demand for further notice on the said 2nd day of November, 1954, at noon, or at any time previous upon demand for forfeiture.

XIV

And finally, that upon violation of any covenant or covenants hereinbefore reserved, the term of this lease shall, at the option of said lessor, expire and

the same and said premises with the appurtenances shall become forfeit to said lessor, and said lessor or its agent may thereupon after demand in writing, enter upon said premises and dispossess all persons occupying same with or without force and with or without process of law; or at the option of said lessor, the said lessee and all persons found in occupation of said leased premises or any part thereof, may be proceeded against as guilty of unlawful detainer.

XV

The lessee is advised and aware of the fact that the property herein is held under lease by the lessor from The Papago Indian Reservation Authority, and therefore subject to special law, rules and regulations controlling the operation of a mine on the Reservation. Lessee agrees that he will comply with the law, rules and regulations governing such operations and that he will not hold the lessor nor claim against lessor as a result of any action taken by the Papago Indian Reservation Authority.

XVI

Lessee agrees that he will comply with all state and federal mining laws, that he will pay all state, county and other taxes as and when such become due.

XVII

Lessor further agrees with lessee that upon the termination of this lease and prior to accepting any offer to lease the mining claims covered by this lease it will first permit the lessee herein a right to submit a like offer to that submitted by any third party and in the event that lessee does not submit an offer equal to such offer from any third party within a period of fifteen days from the date of such offer lessor shall have the right to accept such other offer and lessee shall have no further right in and to said claims.

This agrement shall be binding upon the heirs, executors, assigns or successors of the parties hereto.

IN WITNESS WHEREOF THE GREENHORN MINING COMPANY has cause these presents to be executed by its proper officers and lessee, W. L. CLAYTON, has hereunto set his hand and seal the day and year first above written.

GREENHORN MINING COMPANY

By I. M. Clausen
President

A T T E S T:

L E S S O R

Robert Lowe
Secretary

W. L. Clayton
L E S S E E

STATE OF ARIZONA)
) SS.:
COUNTY OF MARICOPA)

On this the 3rd day of November, 1951, before me, Marie Lowe the undersigned notary public, personally appeared I. M. Clausen and Robert Lowe, who acknowledged themselves to be President and Secretary, respectively, of the GREENHORN MINING COMPANY, a corporation, and that as such officers, being authorized so to do, executed the foregoing instrument for the purpose therein contained by signing the name of the corporation by themselves as President and Secretary respectively.

In witness whereof I hereunto set my hand and official seal.

My commission expires:
9-10-1955

Marie Lowe
Notary Public

STATE OF ARIZONA)
) SS.:
COUNTY OF MARICOPA)

On this the 3rd day of November, 1951, before me, Marie Lowe the undersigned notary public, personally appeared W. L. Clayton known to me to be the person whose name is subscribed to within instrument and acknowledged that he executed the same for the purposes therein contained.

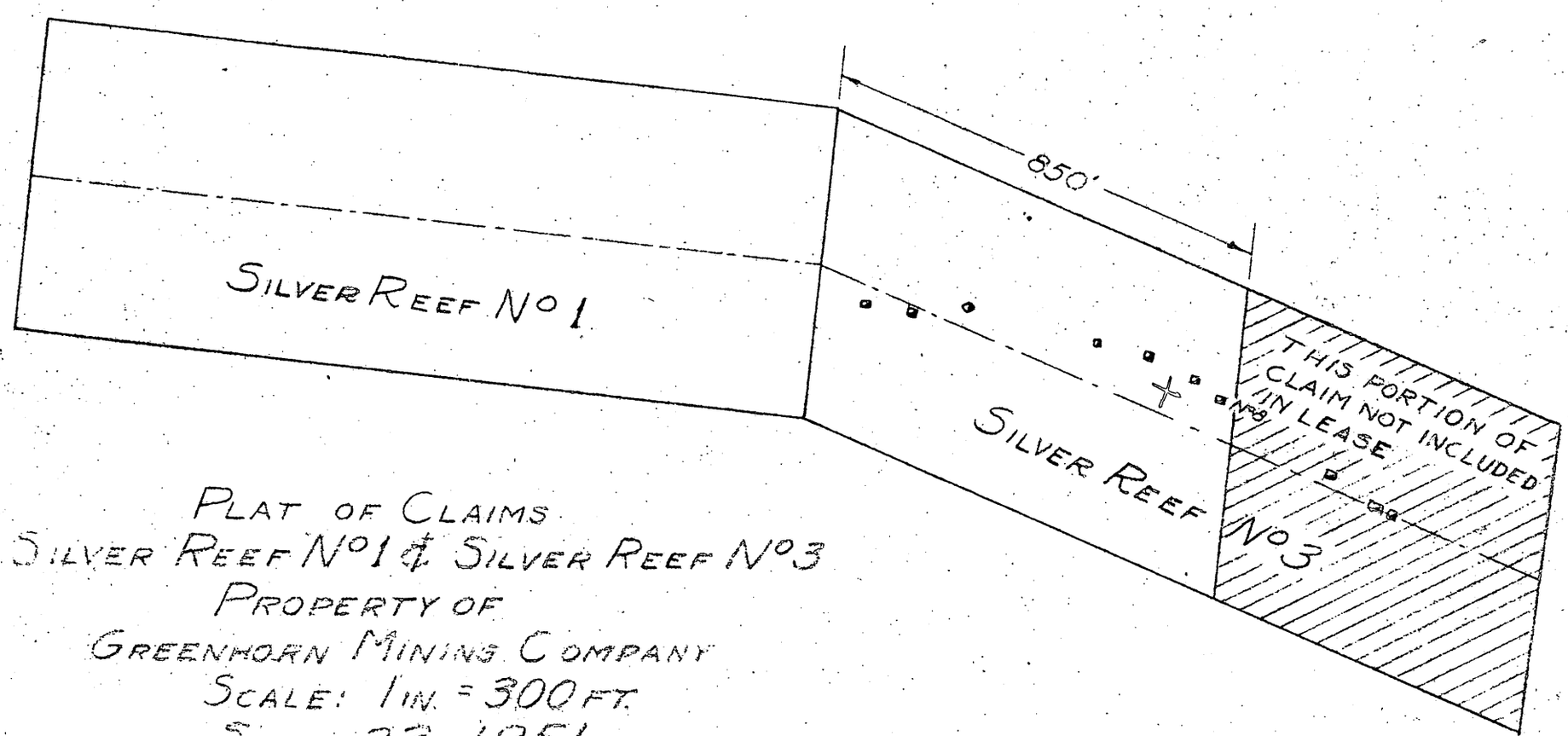
In witness whereof I hereunto set my hand and official seal.

My commission expires:
9-10-1955

Marie Lowe
Notary Public

No. 6

LOCATED IN SEC. 23 - T.8S., R.5E.
PINAL COUNTY, ARIZONA



PLAT OF CLAIMS
SILVER REEF No 1 & SILVER REEF No 3
PROPERTY OF
GREENHORN MINING COMPANY
SCALE: 1 IN. = 300 FT.
SEPT. 22, 1951