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DEFENSE MINERALS ADMINISTRATION
Control Slip

CONTROLLED DOCUMENT

DMA Docket No. 4221

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Cys to USGS, USBM & REG III

This document has been recorded as

EXPLORAT O.

Any action taken to change the type of request for assistance must be promptly reported to the Reports and Records Branch. Use DMA Form 2 for submitting these reports.

Routing Slip

To:	Base Metals Div.	Date	3-20-56
To:	Oper. Committee	Date	3/29/56
To:	F.E. Johnson	Date	3-30-56
To:	[illegible]	Date	3-30-56
To:	~~Op.~~ Base Metals	Date	4/2/56
To:	[illegible]	Date	7/25/56
To:	Oper Com.	Date	8-6-56
To:	F.E. Johnson	Date	8-6-56
To:	[illegible]	Date	8-8-56
To:	Base Metals	Date	8/9/56
To:	Op. Comm.	Date	10/25/56
To:	Admin.	Date	10-26-56
To:	130	Date	3-29-57
To:	110	Date	3-29-57
To:		Date	

DO NOT DETACH

CONTROLLED DOCUMENT

DMEA Form 9

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

DMEA NO. 4221

Application (Denied
(Withdrawn
(After disposition, delete items not applicable)

Contract (Terminated - not Certified
(Cancelled
(Terminated - Certified
(Royalty Agreement

This is the official contract file containing all official records of the project. The records contained in the files are checked and are arranged in this order:

Left Side

Interim Royalty Audits
Reports of Royalty Review
Certification of Discovery - 10.3.58.
Certificate of Audit (Final) - 10.20.58
Interim Audit(s)
Report of Review
✓ Termination Notice or Agreement
Recision Notice
Assignment of Contract
✓ Contract Amendments (latest on top)
✓ Contract with all exhibits and annexes
✓ Owner's Consent to Lien
Subordination Agreement
✓ Leases and assignments of leases
✓ Application and attachments
(3) ✓ Envelope for maps

Right Side

✓ Project summary - 1-23-59
✓ Work completed analysis
All other material is filed in chronological order with correspondence including the following reports as checked:

✓ Final Field Team Report (Tab) - 8-29-58
✓ Operator's Final Report - 10-1-58.
(2R) ✓ Interim Reports
(2R) ✓ Operator's monthly reports and all attachments (latest on top)
✓ On-site Exam Report(s) (Tab)
(4) Settlement Sheets

When the volume of records is expected to warrant additional folders, or when convenience of reference warrants separate folders for certain records, they should be set up in this order:

Left Side

Folder No. 2: (In chron. order)
Interim Summary Reports by W. O. Engineers

Right Side

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

Folder No. 3: Maps (Use pocket folder or envelope. Fold maps with title block out and show reference to related document or correspondence.)

Folder No. 4: Settlement Sheets

Folder No. 5: Drill Logs

9775

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-K1027, Docket DMEA-4221 (copper), dated October 23, 1956, with

Lewisohn Copper Corporation
P. O. Box 2728
Tucson, Arizona

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Peach and Elgin Mines located in Pima County, Arizona, during the period June 18, 1959, through October 7, 1962.

A certification of discovery or development was issued on October 3, 1958, and, in accordance with Article 8 and Amendment No. 2 of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 11 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated October 20, 1958, indicated accepted costs under the exploration contract amounting to $53,354.30 with the Government's contribution on a 50 percent basis being $26,677.15.

The status of the project, the scope of review, and the reasons therefor are stated on page 2.

This review established no sales subject to the Government's royalty subsequent to the period covered by a prior Report of Royalty Review, which also found no sales subject to the Government's royalty through June 17, 1959. Accordingly, as of October 7, 1962, the royalty account of this project was found to be:

Total Royalty Payable	$ -0-
Total Royalty Paid	-0-
Balance of Royalty Due	$ -0-

E. D. Talbert

E. D. Talbert, OME Auditor

November 2, 1962

STATUS OF PROJECT, SCOPE OF REVIEW AND REASONS THEREFOR

This contract provides that the Operator, as principal if the producer or as surety if not the producer, shall pay to the Government a percentage royalty on all minerals produced from the land thereunder. The land consists of three unpatented claims (Flat Top, Round Top, and Duzy) owned by the Operator and six patented claims (Mohawk, Newman, Peach, South End, Monitor, and Gap) held by the Operator through the assignment of a lease with option to purchase, all located in secs. 14, 15, 22, and 23, T. 18 S., R. 15 E., Helvetia Mining District. In consideration of the contract a Consent to Lien and Subordination Agreement was executed on August 1, 1956, by Frederick Lewisohn (owner of an undivided 10% interest), Southern Arizona Bank & Trust Company as administrator of the estate of Leonard Lewisohn (owner of an undivided 62½% interest), and the several testamentary trustees of Sam A. Lewisohn (owner of an undivided 27½% interest).

Exploration work under the contract was discontinued on April 4, 1957, due to a lack of sufficient finances, and formally terminated effective May 1, 1957, by a June 16, 1958, agreement. There was no production during the exploration period. Subsequent examinations and inquiries by OME regional representatives indicated that the property remained inactive through May 20, 1960.

The claims under this contract (and also those under contract Idm-E615, docket DMEA-2843, with Richard E. Chilson, the Operator's president, as an individual) were included in a Contract of Sale and Purchase executed on April 1, 1961, between the Operator and Banner Mining Company, P. O. Box 5605, Tucson, Arizona. A May 1, 1961, Supplement to Escrow Agreement, relating to the Contract of Sale and Purchase, recognizes the Government's "lien against production" from the claims under this contract (and also contract Idm-E615).

Inquiries on October 6, 1962, and examination of the property on October 7, 1962, by an OME regional representative found that the property had been inactive since termination of the exploration contract work, except for exploratory drilling by the Banner Mining Company.

This review was made in lieu of an on-site audit of the Operator's accounts and records for the following reasons:

This review was made in lieu of an on-site audit of the Operator's accounts and records for the following reasons:

(1) The files indicate that no production has occurred on the property since the date of the contract;

(2) The property has been inactive, except for exploratory drilling, since April 1957; and

(3) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible royalty which might be disclosed.

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Executive Officer, OME Field Team, Region III, Denver, Colorado pertaining to Contract IMA-K1067, Docket No. IMEX 4221, dated October 23, 1956, with

Levisohn Copper Corporation
[illegible] Central Avenue
Tucson, Arizona

for the purpose of determining the amount of royalties due the U. S. Government on the sales of Copper, from property referred to as Peach and Elgin Properties, located in Pima County, Arizona, during the period October 23, 1956 to June 17, 1959

A Certification of Discovery or Development was issued on October 3, 1958, and accordingly royalty is payable on all the production from the land described in Article 2 of the contract for a maximum period of 14 years from the date of the contract. A Report of Review in lieu of Final Cost Audit dated October 20, 1958, indicated accepted costs under the exploration contract amounting to $53,354.30, with the Government's contribution on a 50 percent basis being $26,677.15.

No royalty has been paid to the Government to date in connection with this contract.

This review was made in lieu of an on-site audit of the Operator's accounts and records for the following reasons:

(a) According to the Field Team's Semi-Annual Report of certified project for the period July 1, 1958 to December 31, 1958, operations ceased about May 1, 1957; no ore has been shipped since October 23, 1956, (The date of the exploration contract), no operations or ore shipments are anticipated in 1959.

(b) The administrative costs to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible royalty which might be disclosed.

June 17, 1959

Donald T. Finch
Donald T. Finch
OME Auditor

JUN 22 1959
O.M.E.

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/23	a	220
		500
		225

JUN 23 1959

Memorandum

To: Mr. Donald T. Finch, OME Auditor

From: E. D. Talbert, Acting Chief (Signed) E. D. Talbert
Contract Administration and Audit Division

Subject: Docket No. DMEA-4221 (Copper)
Lewisohn Copper Corporation
Contract No. Idm-E1027

Your Report of Royalty Review is acceptable for regional distribution after changing the "10" at the end of the third line of the second paragraph to "11". This correction has been made in the Washington copies.

EDTalbert/ama
June 22, 1959

Copy to: Docket
Director's Reading File
Code 800

43683

corps.

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

RECEIVED
OCT 24 1958
O.M.E.

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Lewisohn Copper Corporation
P.O. Box 2723
Tucson, Arizona

pertaining to Exploration Project Contract No. Idm-E1027, RMEA No. 4221, including Amendments Nos. 1 and 2, and Termination Agreement dated June 16, 1958, for the months of November, 1956 to April, 1957, inclusive, covering a project for the exploration of copper on property known as Peach and Elgin Properties located in Pima County, Arizona.

My review included an examination of the Monthly Reports (Form MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, verification of work performed by reference to Field Team reports and correspondence, and a determination of the reasonableness and propriety of the costs.

This review was made in lieu of a final audit of the Operator's accounts and records for the reasons given on the attachment to this report.

The review disclosed the following facts in regard to the amount paid or to be paid the contractor:

Total cost as billed by Contractor		$53,578.60
Exceptions: (Schedule attached)		
Prior to this review	$224.30	
Herewith	0.00	224.30
Total Accepted Cost		$53,354.30

The contract calls for a 50 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Twenty-six thousand, six hundred seventy-seven and 15/100ths Dollars is valid and proper, provided that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

Amount payable to Operator	$26,677.15
Amount reimbursed	25,927.16
Balance due Operator	$ 749.99

Donald T. Finch
Donald T. Finch,
OME Auditor

October 20, 1958

REASONS FOR REPORT OF REVIEW IN LIEU OF FINAL AUDIT

CONTRACT NO. Idm-E1027 DOCKET NO. DMEA 4221

LEWISOHN COPPER CORPORATION

(a) The Monthly Reports were supported by documentary proof of that portion ($42,893.25) of the costs which covered work performed at unit rates under independent contract (per summary attached)

(b) The balance ($10,461.05) of the costs incurred were under a contract provision for payment by the Government on the basis of fixed unit costs of work actually performed.

(c) The administrative cost to the Government of an on-site audit would be excessive in relation to the estimated amount of possible disallowances thereunder.

SCHEDULE OF EXCEPTIONS

CONTRACT NO. Idm-E1027 DOCKET NO. IMRA 4321

LEWISOHN COPPER CORPORATION

Under Stage I: -

668	Chemical assays at $1.60 reported by Operator	$ 1,068.80
600	" " " " allowed by Contract	960.00
68	" " " " Disallowed	$ 108.80

Under Stage II: -

Operator reported 1,015 feet churn drilling	$10,265.50
Contract allows 1,015 ft. churn drilling @ $10.00/ft.	10,150.00
Excess Cost Disallowed	$ 115.50

SUMMARY

Assays disallowed	$108.80
Churn drilling disallowed	115.50
Total Disallowed	$224.30

SUMMARY OF DOCUMENTED COSTS

CONTRACT NO. Idm-81027 DOCKET NO. ESBA 4221

LEWISOHN COPPER CORPORATION

Independent Contracts

Stage 1	3,460 feet of churn drilling @ $9.46337 per ft.		$32,743.25
Stage 2	1,015 " " " " " $10.00 " "		10,150.00
	4,475 " " " " " $9.585 " "		$42,893.25

Docket

Selfridge
Johnson

CERTIFICATION BY THE UNITED STATES OF AMERICA OF A DISCOVERY OR DEVELOPMENT UNDER AN EXPLORATION PROJECT CONTRACT

To: Richard E. Chilson, President
Lewisohn Copper Corporation
1070 North Warren Avenue
Tucson, Arizona

Pursuant to the provisions of Exploration Project Contract No. Idm-E1027, dated October 23, 1956, Docket No. DMEA-4221, hereinafter called the "contract", between Lewisohn Copper Corporation, a Delaware corporation, and the United States of America, hereinafter called the "Government"; to establish and fix the Government's percentage royalty on production and its lien therefor and on the land described in the contract, the Government considers and therefore certifies that discovery or development from which production may be made has resulted from the exploration work.

The nature of said discovery or development is described broadly or indicated as follows:

Churn drilling has proved the existence of low-grade oxide-sulphide copper ore occurring as contact metamorphic deposits predominantly in limestones, generally underlain by quartzite, near the contacts with granite and quartz monzonite.

Date: OCT 3 1958

THE UNITED STATES OF AMERICA

By C. O. Mitteudorf
ACTING Director, Office of Minerals Exploration

WRGriswold/izm/gla
(9/23/58) 9-30-58
cc: Docket
Mr. C. A. Fredell, DR.TDS.DMS
Mr. Frank Lamb, USBM
Mr. Kiilsgaard, USGS
Director's Reading File
Operating Committee
Contract Adm. & Audit Div.
Finance Office
Mr. Johnson
Mr. Griswold
OME Field Team, Region III(2)

Frederick Lewisohn
Eustace Seligman
Alfred Adolph Rossin
John G. Greenburgh
David M. Heyman

FILE COPY
DMEA
CODE

Government's copy

App'd. Sol. Off.

TERMINATION AGREEMENT

It is agreed this 16th day of June, 1958, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government", and Lewisohn Copper Corporation, hereinafter called the "Operator", parties to that certain Exploration Project Contract No. Idm-E1027, Docket No. DMEA-4221, dated October 23, 1956, hereinafter called the "Contract", that:

1. Effective May 1, 1957, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government will contribute only to the allowable costs incurred prior to said effective date.

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

4. All rights of the Government respecting certification of discovery or development, percentage royalty and liens to secure payment thereof, reports (including preservation of Operator's records), accounts audits, and the right to recover any overpayment, are hereby preserved.

5. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract, except as otherwise provided in this Termination Agreement.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Administrator, Defense Minerals Exploration Administration

LEWISOHN COPPER CORPORATION

By _____

Title President

116

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DMEA
RECEIVED JUN 24 1957
DATE | INITIALS | CODE

EXPLORATION PROJECT CONTRACT

LEWISOHN COPPER CORPORATION

DOCKET NO. DMEA 4221

CONTRACT NO. Idm-E1027

AMENDMENT NO. 2

It is agreed this 12th day of June, 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Lewisohn Copper Corporation, hereinafter called the "Operator," parties to that certain Exploration Project Contract No. Idm-E1027, Docket No. DMEA 4221, dated October 23, 1956, hereinafter called the "Contract," that:

1. The date fixed in Article 3 on or before which the work shall be completed is extended from April 1, 1957 to August 1, 1957.

2. The maximum period for payment of royalty and lien for payment thereof, provided for in the contract, is increased to eleven (11) years from the date of the contract.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, the fixed unit cost of any item of work, nor any item of allowable cost which is expressly designated "maximum."

Executed in sextuplicate the day and year first above written.

LEWISOHN COPPER CORPORATION

By Richard E. Chilson
Richard E. Chilson
President

UNITED STATES OF AMERICA

By W. H. King
Executive Officer, DMEA
Field Team, Region III

(SEAL)

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DMEA
RECEIVED JAN 25 1957

DATE	INITIALS	CODE

EXPLORATION PROJECT CONTRACT
LEWISOHN COPPER CORPORATION
DOCKET NO. DMEA 4221
CONTRACT NO. Idm-E1027

AMENDMENT NO. 1

It is agreed this 14th day of January, 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Lewisohn Copper Corporation, hereinafter called the "Operator," parties to that certain Exploration Project Contract No. Idm-E1027, Docket No. DMEA 4221, dated October 23, 1956, hereinafter called the "Contract," that:

> Whereas, the bottom of the ore zone has been found to be deeper than originally estimated; and
>
> Whereas, insufficient footage is provided in the Contract to enable drilling twelve holes under each of Stages I and II to the deeper horizon;
>
> Therefore, only such holes will be drilled as are possible within the footage of 3,600 feet provided in the Contract for each of Stages I and II. If a hole cannot be completed within the balance of footage remaining under each of the stages, the hole will not be started.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, the fixed unit cost of any item of work, nor any item of allowable cost which is expressly designated "maximum."

Executed in sextuplicate the day and year first above written.

LEWISOHN COPPER CORPORATION

By Richard E. Chilson
Richard E. Chilson
President

(Seal)

UNITED STATES OF AMERICA

By W. M. Weaver
Executive Officer, DMEA
Field Team, Region III

Docket Copy

RECEIVED
OCT 22 1956

MF-200
(Revised June 1954)

Docket No. DMEA 4221

Commodity Copper

Contract No. Idm-E 102

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXPLORATION PROJECT CONTRACT[1]

It is agreed this OCT 23 1956 day of ....., 195...., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Lewisohn Copper Corporation, a Delaware corporation, whose mailing address is 128 North Church Avenue Tucson, Arizona, hereinafter called the "Operator," as follows:

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

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

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

(b) The Operator represents and undertakes that:

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

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

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title

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

of the land (lessor, seller, optionor, etc.), are attached, as follows: Consents to Lien of Lessors

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 8, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 8(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Copper. The work to be performed is described in Exhibit "A." The Operator on or before November 15, 1956 shall commence the work, and on or before April 1, 1957 (unless the Operator's obligation to prosecute the work is terminated—see Article 10) shall either have completed the work ~~[illegible]~~ ~~allowable costs (see Article 6) in an amount not less than the estimated total allowable costs for the work Exhibit "A"~~ except as otherwise provided in Exhibit "A" with respect to stages of work. (See Article 13)

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

(b) *Independent contracts.*—To the extent that the allowable costs are estimated in Exhibit "A" with express reference to performance by independent contractors on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations), the work may be so performed; but if the reference in Exhibit "A" to any such independent contract requires the Government's approval thereof, payments under such contract will not be allowable costs unless the Government gives its written approval of the contract. Any such independent contract shall refer to some specific and identifiable part of the work, and shall be subject to all of the pertinent terms and conditions of this exploration contract; but the Government shall not be considered a party thereto, and its rights under this contract, including the right to terminate its contributions, shall not be affected thereby. Regardless of the provisions of any such independent contract and regardless of the Government's approval thereof, the Government will participate in payments to the independent contractor only on account of work performed in accordance with the provisions of this exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable.

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

ARTICLE 5. *Contribution by the Government.*—The estimated total allowable cost of the project, set forth in Exhibit "A," is the sum of $88,780.00. The Government shall contribute 50 percent of the allowable costs as they are incurred in a total sum not in excess of $44,390.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last

voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work or not in excess of the amount of the Government's contribution to the cost of property which is or may become subject to disposal as provided in Article 9(c), whichever is greater. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 7(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. "Costs incurred" mean costs that have been paid or have become due and payable, or that in the opinion of the Government have become an obligation. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Estimated costs.*—(a) *Categories of costs.*—The allowable costs of the work to which the Government shall contribute are limited to those that are direct, reasonable, necessary, and that are estimated in Exhibit "A" by categories as specified in this article. If any category or subcategory is omitted from the estimate of costs, or if the word "none" is annexed to the listing thereof, costs under such category or subcategory are not allowable. Any excess over any estimate which is indicated as the maximum of any category, subcategory, or item, either as to requirement or related cost, and any excess over the estimated total allowable cost of the work, shall not be allowable. Any excess over the estimate of any category, subcategory, or item, either as to requirement or related cost, not indicated as a maximum shall be allowable within the limit of the estimated total allowable cost of the work. To the extent that excesses over maximums other than the estimated total allowable cost of the work may be necessary for the performance of the work, the Operator shall incur such excesses for his own account without contribution by the Government; [redacted]. **See Article 13.**

To the extent specified in this article or in Exhibit "A" the following categories, subcategories, and elements thereof are maximums; but if not so specified either here or in Exhibit "A" they are not maximums, and may be exceeded within the limit of the estimated total allowable cost of the work:

CATEGORY (1)—INDEPENDENT CONTRACTS.—Work to be performed under independent contracts (see Article 4(b)). The estimated total amount of this category and the estimated cost of each unit of work for performance under an independent contract are maximums.

CATEGORY (2)—PERSONAL SERVICES.

Subcategory (a)—Supervision.—All elements of this subcategory (number of supervisors, periods of employment, rates of pay, and total) are maximums.

Subcategory (b)—Technical services.—All elements of this subcategory (number of technicians, periods of employment, rates of pay, and total) are maximums.

Subcategory (c)—Labor.

CATEGORY (3)—OPERATING MATERIALS AND SUPPLIES.—Includes such items as drill bits and steel, explosives, fuel, pipe, power, small tools costing less than $50 each, timber, track.

CATEGORY (4)—OPERATING EQUIPMENT.

Subcategory (a)—Rental.—The number of each object to be rented [6 mine cars, 1 truck], the rate of rental [$100 per month, $5 per hour], and the total of this subcategory are maximums.

Subcategory (b)—Purchases.—The estimated total of this subcategory is a maximum.

Subcategory (c)—Depreciation.—All elements of this subcategory (time periods, rate of depreciation, and subcategory total) are maximums.

CATEGORY (5)—INITIAL REHABILITATION AND REPAIRS.—Estimates under this category include all requirements and related costs, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The estimated total of this category is a maximum.

Subcategory (a)—Initial rehabilitation and repairs of existing buildings, fixtures, and installations (exclusive of mine workings).—The estimated total of this subcategory is a maximum.

Subcategory (b)—Initial rehabilitation and repairs of operating equipment.—The estimated total of this subcategory is a maximum.

CATEGORY (6)—NEW BUILDINGS, FIXTURES, AND INSTALLATIONS (EXCLUSIVE OF MINE WORKINGS).—Estimates under this category include all requirements and related costs, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The estimated total of this category is a maximum.

CATEGORY (7)—MISCELLANEOUS.—Repairs and maintenance (other than initial) of operating equipment, analytical work, prints and other reproductions, accounting, Operator's share of payroll taxes, liability insurance covering employment, travel, communications, and any other items of requirement or cost that do not fall within any of the first 6 categories.

THE ESTIMATED TOTAL ALLOWABLE COST of the work is a maximum.

(b) *Nonallowable costs.*—The following costs are not allowable for contribution by the Government:

(1) *Costs of the land,* such as rental, depreciation, depletion, or other cost of acquiring, owning, or holding possession;

(2) *Indirect costs,* such as general overhead, corporate management, interest, taxes (other than payroll and sales taxes), insurance (other than liability insurance covering employment), damages to persons, damages to property (other than necessary repairs or replacements of equipment or other property used in the work);

(3) *Previous work* performed or costs incurred before the date of this contract; and

(4) *Deferred payments.*—Any costs incurred by the Operator under any rental-purchase agreement, installment-purchase agreement, or any agreement for the purchase of goods under the provisions of which payment of the full purchase price is deferred more than 90 days from the delivery of the goods; unless the purchase agreement is approved by the Government in writing.

(c) *Reductions in costs.*—The Operator shall account for and give the Government credit for any incidental benefits, credits, or money received in the ordinary course of business in prosecuting the work (as by salvage or sale of materials or equipment, furnishing of room or board, furnishing of power or services to third persons, rebates or discounts on purchases, etc.), in the same ratio in which the Government contributes to costs; and such amounts shall be treated as a reduction in costs incurred so that they are available for use within the limit of the original estimated total cost. This provision does not apply to receipts from production which are subject to the Government's percentage royalty under the provisions of Article 9. See Article 13.

ARTICLE 7. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the 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. If the Government elects to audit said records and accounts relating to the exploration work by certified public accountant, it may do so as a cost of the work to which the Operator shall contribute. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government. If work under this contract is carried on in conjunction with any other operations, or if labor, supervision, services, materials, supplies, equipment, facilities, or other requirements for carrying on the work are also used in connection with other operations, the costs shall be segregated and accounted for on a basis and by methods and accounts that are satisfactory to and approved by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing detailed costs incurred during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and costs incurred for each type of work; and (3) a Narrative Report of the work performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

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

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

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

ARTICLE 8. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after a sufficient final report and final account (see Article 7) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

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

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

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

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

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½)

percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

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

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

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

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

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

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

ARTICLE 9. *Interests in purchased property.*—(a) *Title and ownership.*—All costs under this contract shall be incurred by the Operator in the Operator's own name and for the Operator's own account; but any property acquired to the cost of which the Government contributes shall belong to the Operator and the Government jointly in proportion to their respective contributions, although title thereto shall be taken in the name of the Operator.

(b) *Preservation of property.*—Until the final disposal of any property in which the Government has an interest the Operator shall preserve and protect same for the best interest of the Government, any reasonable and necessary costs thereof to be treated as an allowable cost of the project. After the completion of the work or termination of the Government's obligation to contribute, or when such property is not in use for or needed for the work, the Operator shall neither use it without the written consent of the Government nor without paying a reasonable rental to be fixed by the Government for its interest.

(c) *Disposal of property.*—Upon the completion of the work or termination of the Government's obligation to contribute to costs, or when the property is no longer needed for the work, the Operator shall promptly dispose of salable or salvageable property in which the Government has an interest for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator or the Government at a price at least as high as could be obtained from others, unless the Government in writing waives its interest in any such property. Without advance approval of the sales price by the Government the Operator shall not sell at any price any item of property the cost of which was more than $500, and shall not sell at less than 25 percent of the purchase price any item of property which cost $500 or less. The Government, in lieu of approving the sales price for any such item, may itself purchase the item at the best price which the Operator is able to obtain or himself cares to give. Property remaining upon any termination of the work shall be considered in groups or categories (such as drill steel, or explosives, or pipe, or rails), and if the original cost of the remaining unexpended portion of any such group or category is less than $50, the Government waives its interest therein. If necessary to accomplish the disposal of any item the Operator shall dismantle and sever it from the land, the cost thereof to be treated as a cost of the project.

(d) *Default of the Operator re disposal.*—If within 90 days after the completion of the work or termination of the Government's obligation to contribute to costs, or after the property is no longer needed for the work, or after such further time as the Government may in writing allow, the Operator has failed to sell or otherwise liquidate or dispose of any property in which the Government has an interest, the Government, at any time prior to final settlement under the contract, may pursue one of the following two courses: (1) the Government, by written notice to the Operator, may place upon such property what in its opinion is a fair valuation thereof, not in excess of the cost less 1.66 percent per month from the

date such property was purchased under this contract to the termination of said 90-day period; and such property shall thereupon be considered and accounted for as having been purchased by the Operator at the valuation so fixed by the Government; or (2) the Government may enter and take possession of such property wherever it may be found, and remove and dispose of it for the joint account of the parties.

ARTICLE 10. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon: (1) the Government shall be free of all obligation to contribute to costs not then incurred other than such as may be allowable under the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon: (1) the Government shall be relieved of all obligation to contribute to costs not incurred when the notice was given, other than such as may be allowable by the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 10 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 11. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 12. *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 13. *Changes and added provisions.*—

(a) That part of the last sentence of Article 3 beginning with the word "either" is deleted and replaced by the words "have completed the work except as otherwise provided in Exhibit 'A' with respect to stages of work."

(b) Categories (2) through (7) of Article 6(a) are deleted.

(c) In addition to the costs of work estimated in Exhibit "A" by categories of actual costs, the costs of work requirements specified in Exhibit "A" as "Fixed Unit Costs" are allowable costs of the project. The Government will contribute to the fixed unit costs as work units are performed. A "Fixed Unit Cost" is an agreed price for each unit of work to be performed regardless of costs incurred by the Operator. Costs set forth in Exhibit "A" include all allowable costs of the work to be performed under the contract.

(d) That part of the last sentence in the first paragraph of Article 6(a) commencing after the semicolon is deleted.

(e) In the last sentence of Article 6(c) the words "Article 8" are substituted for the words "Article 9."

(f) Notwithstanding any other provision of the contract, the allowable unit cost per foot of drilling is the average unit cost per foot completed on the basis of the actual unit costs of drilling incurred by the Operator, the average cost not to exceed the estimated unit cost set forth in the contract.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. O. Mitteudorf

Administrator, Defense Minerals Exploration Administration

LEWISOHN COPPER CORPORATION
(Operator)

By Richard E. Chilson

Title President

I, Boyd M. Morse, certify that I am the secretary of the corporation named as Operator herein; that Richard E. Chilson, who signed this contract on behalf of the Operator, was then President 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.

Boyd M. Morse

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70617-1

EXPLORATION PROJECT CONTRACT
LEWISOHN COPPER CORPORATION
DOCKET NO. [illegible]-4281

RECEIVED
OCT 3 2 1956

ANNEX I

The land referred to in Article 2 consists of 3 unpatented claims owned by the Operator, and 6 patented claims leased by the Operator with Option to purchase, from Frederick Lewisohn, The Southern Arizona Bank and Trust Company, Administrator of the Estate of Leonard Lewisohn, and David M. Hayman, John G. Greenburgh, Eustace Seligman, and Alfred Adolph Rossin, Trustees of the Estate of Sam A. Lewisohn, pursuant to an agreement dated October 11, 1955, running to Richard E. Chilson and assigned by him to Operator October 18, 1955 with consent of lessors. The claims are in the Helvetia Mining District and patents for them are recorded in the Office of the County Recorder, Pima County, Arizona, in Book No. 82, Deeds of Mines at pages 383, et seq., pages 392, et seq., and pages 397, et seq.

The patented claims are as follows:

Mohawk	Lot No. 1300
Newman	Lot No. 1304
Peach	Lot No. 1305
South End	Lot No. 1305
Monitor	Lot No. 1305
Gap	Lot No. 1305

The 3 unpatented claims, owned by the Operator, and Notices of Location of same being recorded in the Office of the County Recorder, Pima County, Arizona, are as follows:

Flat Top	Book 913	Page 600
Round Top	Book 914	Page 1
Busy	Book 932	Page 831

All of the claims listed above are shown on the attached map entitled, "Lewisohn Copper Corp., Base Map, Feb. 1956."

MF-205
(Combines and supercedes MF-201 and MF-203)
June 1956

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator Lewisohn Copper Corporation
Docket No. DMEA- 4221
Contract No. Idm-E 1027
Contract Date OCT 23 1956

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

RECEIVED
OCT 17 1956

To the United States of America:

Referring to that certain land in the County of Pima, State of Arizona, described as follows: 2/ 6 patented mining claims, Mohawk, Newman, Peach, South End, Monitor, Gap, patents for which are recorded in the Office of the County Recorder, Pima County, in Book No. 22, Deeds of Mines at pages 383, et seq., pages 392, et seq., and pages 397, et seq.

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

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

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom, to secure the payment to the Government of a percentage royalty on production as may be provided for by the Contract;

3. Subordinates the undersigned's right, title, claim, or interest 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. 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 lines blank.)

None

1/ Mining or 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 cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

5. 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 copies of such notice; and

6. 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.

7. Added provision: None (State "None" or "See Annex No.____")

Dated this 1st day of August, 1956

Frederick Lewisohn [Seal] New York, New York [Address]
Frederick Lewisohn

Eustace Seligman [Seal] New York, New York [Address]

[Seal] New York, New York [Address]

[Seal] New York, New York [Address]

Alfred A. Rossi [Seal] New York, New York [Address]

Trustees u/Art. 7th of the Will of Sam A. Lewisohn, deceased

______________________ [Seal] ______________________ [Address]

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

XXXXXXXX XXXXXXXXX XXXXX

[Corporate Seal]

SOUTHERN ARIZONA BANK & TRUST CO.

James M Sawtelle
Vice-President

____
Secretary

I, James Stuart Douglas, certify that I am the Secretary of the corporation named herein; that James M Sawtelle who signed this agreement was then Vice-President 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.

James Stuart Douglas

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OCT 2 1956

EXPLORATION PROJECT CONTRACT
LEWISOHN COPPER CORPORATION
DOCKET NO. DMEA-4221

EXHIBIT "A"

Description of the Work

The purpose of the project is to explore for ores of copper by churn drilling. The work is divided into two stages, with not more than twelve holes aggregating a length of 3,600 feet to be drilled in each stage. It is expected that each hole will reach an approximate depth of 300 feet.

The locations of the twelve holes comprising Stage I are approximately shown on the attached map entitled "Figure 5." However, in the event that the Operator previously may have drilled any of such designated holes at its own expense, the Government may indicate other hole locations as applicable to Stage I.

Under Stage II, only such drilling shall be done as is approved in advance by the Government with respect to number of holes, locations, and depths.

// All holes shall be drilled to a minimum diameter of six inches, except where otherwise authorized by the Government.

Holes shall be reamed and cased or cemented and redrilled as necessary.

Representative samples shall be taken in mineralized zones, utilizing hole intervals of not less than five feet nor more than 10 feet. All samples shall be chemically analyzed for total copper. Certified copies of all assay certificates and complete log records of all holes shall be submitted with the Operator's monthly reports. A duplicate of each sample taken shall be retained and made available for disposition by the Government.

The project shall be supervised by a competent engineer-geologist who shall devote full time to the project work.

Only the costs of completed drill holes are allowable costs of the project.

//

Estimated Costs of Project

Stage I

Actual Costs

Category (1) Independent Contracts

Churn drilling, 3,600 feet @ $10.00/ft. (The unit cost includes all costs for reaming, casing, lost casing, moving, delays and all costs and charges pertaining to the drilling work.)	$36,000.00	
Categories (2) through (7)	None	

Fixed Unit Costs (See Article 13)

Incidental allowance 1/ for each foot of drilling completed, 3,600 feet @ $2.03/ft.	7,308.00	
600 Samples to be chemically assayed for total copper @ $1.60 per sample	960.00	
60 Samples to be check assayed for total copper @ $2.00 per sample	120.00	
Estimated Cost of Stage I		$44,388.00

Stage II

Actual Costs

Category (1) Independent Contracts

Churn drilling, 3,600 feet @ $10.00/ft. (The unit cost includes all costs for reaming, casing, lost casing, moving, delays and all costs and charges pertaining to the drilling work.)	$36,000.00	
Categories (2) through (7)	None	

Fixed Unit Costs (See Article 13)

Incidental allowance 1/ for each foot of drilling completed, 3,600 feet @ $2.03/ft.	7,308.00	
600 Samples to be chemically assayed for total copper @ $1.60 per sample	960.00	

60 Samples to be check assayed for total copper @ $2.00 per sample	120.00	
Estimated Cost of Stage II		$44,388.00
Estimated Cost of Project (rounded)		$88,780.00
Government Participation @ 50%		$44,390.00

1/ Includes all costs that might otherwise have been allowable costs under Categories (2) through (7) of Article 6(a), except assaying.

(Securities Act Release No. 3677)

SECURITIES AND EXCHANGE COMMISSION
Washington, D. C.
August 13, 1956

Docket

In the Matter of LEWISOHN COPPER CORP. 128 North Church Street Tucson 1, Arizona File No. 24SF-2164 File No. 2-12409 (Securities Act of 1933 - Regulation A Section 8(d))	MEMORANDUM OPINION AND ORDER

An application and motion has been filed by Lewisohn Copper Corp. ("registrant") requesting: (1) leave to withdraw a registration statement and amendments thereto filed by registrant with respect to a public offering of 100,000 shares of its common stock, 10¢ par value, which registration statement is the subject of a proceeding (File No. 2-12409) instituted by us under Section 8(d) of the Securities Act of 1933 as amended (the "Act") by order dated August 6, 1956 to determine whether we should issue a stop order suspending the effectiveness of such registration statement; (2) vacation of an order entered by us on August 6, 1956 directing an investigation into certain matters relating to the offering and sale of registrant's stock; (3) stay of our orders of August 6, 1956 pending disposition of the above requests; and (4) such other relief as may appear appropriate.

Pursuant to an exemption from the registration requirements of the Act based upon a notification filed on September 22, 1955 under Regulation A with respect to a public offering of 200,000 shares of its common stock at $1.50 per share, registrant effected sales of such stock. By order dated June 15, 1956, we temporarily suspended the exemption (File 24SF-2164) on the ground that we had reasonable cause to believe, among other things, that the offering circular and other sales material contained materially false and misleading statements and omissions. Such statements and omissions related to the method of selling registrant's stock whereby the stock would be offered to the public at higher than the offering prices by persons purchasing from the principal underwriter with a view to distribution, and as a result of which the

aggregate public offering price and proceeds received from the public exceeded the $300,000 limitation above which the exemption was unavailable, to the failure to use an offering circular and to file copies of sales material as required by Rules 219 and 221, and to the dissemination of misleading information. Registrant requested a hearing, and we issued a notice of and order for hearing on the question whether our order of temporary suspension should be vacated or an order should be entered permanently suspending the exemption. At registrant's request the hearings on this question were convened in New York City, and they are currently in progress there.

The registration statement which is the subject of the proceedings under Section 8(d) was filed on March 30, 1956, several amendments were thereafter filed, the last on August 1, 1956, and the registration statement has not become effective. Hearings are scheduled to be commenced on August 20, 1956, and the statement of matters to be considered includes the method of distribution and sale of the shares covered by the Regulation A exemption and the effect of such sales activities on the price of registrant's shares, the accuracy of statements made regarding registrant and its properties, the possible violation of the Act in connection with the offering of the securities and the sale of certain shares to its principal underwriter and the possible contingent liability of registrant resulting therefrom, and the adequacy and accuracy of various statements in the prospectus relating to registrant, its properties and its method of distribution of its shares.

Our order of investigation, issued pursuant to Sections 19(b) and 20(a) of the Act and Section 21 of the Securities Exchange Act of 1934, includes the grant of authority to our designated representatives to make inquiries and subpoena witnesses and records deemed relevant and material to the matters recited in such order dealing with registrant and its offering and sale of its shares. Pursuant to that order subpoenas have been served on registrant's president at Tucson, Arizona, calling for various records and documents relating to registrant and its activities and the sale of its securities.

In a supporting affidavit to the application and motion now before us, registrant's vice president, who is also its secretary and one of its counsel, stated that the registration statement is out of date and contains untrue statements of material facts and omits to state material facts required to be stated therein and registrant proposes to file a new registration statement containing all facts required before offering any securities to the public. He noted that the

exemption and stop order proceedings and the investigation are factually related, and stated he had suggested to counsel for the Division of Corporation Finance ("Division") that the registration statement be withdrawn or that the hearing thereon be consolidated with the hearings then in progress with respect to the suspension of the Regulation A exemption so that all of the issues raised in both proceedings could be submitted to us within a reasonable time. He protested against the necessity of simultaneously attending the hearings in New York and responding to the investigation in Tucson. He also asserted that the Division, by privately making to us the factually related charges and allegations on the basis of which we instituted the Section 8(d) and investigation proceedings, was seeking to prejudice our consideration of the public record being developed in the suspension proceedings.

At the request of counsel for registrant we heard oral argument on the application and motion. Counsel stated that registrant's principal objective is to secure the completion as soon as possible of the determination of all facts which must be established by the public record so that it can proceed to take such further steps to secure additional financing for its mining exploration and development activities as are then indicated. He also stated that he would be agreeable to a consolidation of the exemption and stop order proceedings if we are of the opinion that it would expedite such determination. In the course of the argument it developed that registrant's immediate concern with respect to the investigation relates to the fact that registrant's counsel who is in New York desires to be present at the delivery to our representatives of the documents called for by the subpoena served on registrant's president in Tucson. However, counsel for the Division agreed to having the documents in question delivered to our representatives in New York in registrant's counsel's presence, and it is accordingly anticipated that this problem will be satisfactorily resolved.

We do not consider that under the circumstances withdrawal of the registration statement at this time or a stay or vacation of our orders instituting the Section 8(d) proceedings or the investigation is appropriate. We think that the objective of development and determination of the necessary facts and the interests of investors can best be served by carrying to a conclusion the proceedings we have instituted. We also think that since admittedly common questions of fact are involved, consolidation of the proceedings relating to the suspension of the exemption with those under Section 8(d) would tend to achieve the most orderly and expeditious presentation.

We reject registrant's charge that the Division's recommendations concerning the institution of the Section 8(d) proceedings and the investigation were an improper attempt to prejudice our determination of the issues which will be before us when the public record is completed. It is well settled that an administrative body which has been given investigatory and prosecutory duties as well as quasi-judicial functions can and indeed is required to continue to exercise such duties, in which the assistance of its staff is normal, to the extent necessary to carry out the statutory objectives even though it has instituted formal proceedings on related matters which ultimately require quasi-judicial determination. When the record in the formal proceedings is received for decision, that decision will be based on the facts developed by that record and any information which was received in an investigation or prosecutory role will be excluded from consideration. We find no departure from established practice or any unfairness in the procedures followed in this case.

On the basis of the foregoing, IT IS ORDERED that registrant's request for leave to withdraw its registration statement be, and it hereby is, deferred until conclusion of the record in these consolidated proceedings and that the other specific relief requested in the application and motion filed by the registrant be, and it hereby is, denied.

IT IS FURTHER ORDERED that the proceedings to determine whether our order suspending the exemption pursuant to Regulation A should be vacated or made permanent (File No. 24SF-2164) be, and they hereby are, consolidated with the proceedings under Section 8(d) of the Act to determine whether the effectiveness of registrant's registration statement should be suspended (File No. 2-12409).

By the Commission (Chairman Armstrong and Commissioners Orrick and Hastings), Commissioners Patterson and Sargent not participating.

Orval L. DuBois
Secretary

CHURN DRILLING CONTRACT

THIS CONTRACT, made and entered into this ____ day of April, 1956, by and between LEWISOHN COPPER CORP., hereinafter called the "Owner," and O. C. ROBINSON, Drilling Contractor, hereinafter called the "Contractor,"

WITNESSETH:

That the parties hereto mutually agree as follows:

The Contractor shall perform cnurn drilling for the Owner upon the Owner's Mining Claims, situated in Pima County, Arizona, upon the following terms and conditions:

The Contractor shall select, hire, discharge, and pay the wages of all employees required in the work, and shall have and exercise exclusive supervision, direction and control over such employees and the details of the work. Direct control and management of all operations and personnel shall rest in the Contractor, who shall be responsible for Social Security and Unemployment Taxes, and Workmen's Compensation Insurance, and shall discharge all other responsibilities in connection with the employment of said personnel.

The Contractor shall drill at the location or locations designated by the Owner, and shall drill each hole to such size and such depth as the Owner shall require, in a good drilling manner.

The Contractor acknowledges and understands that the object of the work is to obtain samples which in the owner's judgment are adequate and representative of mineral-bearing formations passed through by the drill, and agrees to consult with the Owner's Field Representative before proceeding with any details of the work which may affect in any manner the taking of accurate, adequate and representative samples. Among such details, but not excluding any others not herein referred to, are changes in diameter of the hole, the setting of casing in the hole and the use of "drilling mud" in the hole.

The Contractor shall arrange for the bailing out of each hole at 5-foot intervals to enable the Owner to sample the hole, and such bailing shall continue until the Owner's sampler, or Field Representative, shall be satisfied that the hole is clean and that an accurate and adequate sample has been obtained. Any question arising under this provision, or any other provision of this contract shall be taken up between the Owner and the Contractor and not between the sampler and the drill runner.

The Contractor shall furnish all casing required for the work and shall use every reasonable effort to recover such casing from the hole. All casing shall be in good condition and suitable for the purpose for which it is used.

The Contractor shall haul all water required for drilling and sampling operations; however, the Owner will furnish this water at Helvetia.

The Owner shall designate the location for all drill holes hereunder, and shall provide a suitable road to each location, and shall make and level each location in a good drilling manner.

The Owner shall pay for all drilling and other work hereunder as follows:

FOR DRILLING

From 0 feet to 1,000 feet	$7.00 per foot

The Owner will pay the sum of $10.00 per hour for reaming, casing, and hole straightening, and will pay for casing lost in the hole, if such casing is at the Owner's direction. All expenses not mentioned herein shall be borne by the Contractor.

The Owner has the right to measure the hole at reasonable intervals during the work, in order to determine to his satisfaction the depth then attained.

Payment for the above described work will be made on or before the 10th day of the succeeding month for work performed during the preceeding month.

The Contractor agrees to carry Workman's Compensation Liability Insurance, and property damage insurance (including such insurance covering operation or transportation equipment) with limits of not less than Fifty Thousand Dollars ($50,000) for injuries or death to any one person, and not less than One Hundred Thousand Dollars ($100,000) for any one accident, and with a property damage limit of not less than Fifty Thousand Dollars ($50,000). Certificates of such insurance shall be delivered to Owner before Contractor shall start any work under this Contract.

This contract shall not be assigned without the written consent of the Owner.

IN WITNESS WHEREOF, the parties hereto have executed this contract in duplicate, as of the day and year first above written.

LEWISOHN COPPER CORP.

BY _____
President

ATTEST:

_____
Secretary

OWNER

_____
O. C. Robinson

CONTRACTOR

STATE OF ARIZONA)
COUNTY OF PIMA) ss

On this, the _____ day of April, 1956, before me personally appeared Richard E. Chilson and Boyd M. Morse, who acknowledged themselves to be the President and Secretary, respectively, of LEWISOHN COPPER CORP., a corporation, and acknowledged that they, as such President and Secretary being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by themselves as President and Secretary.

_____
Notary Public

My commission expires:

_____

STATE OF ARIZONA)
COUNTY OF PIMA) ss

On this, the _____ day of April, 1956, before me personally appeared O. C. ROBINSON, known to me to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purpose therein contained.

_____
Notary Public

My commission expires:

_____

Phone 3-7484 P. O. Box 93

O. C. ROBINSON
Drilling Contractor
"The Best in Modern Equipment"

1918 Jason Vista, Tucson Douglas, Arizona

Invoice

Churn drilling for the Lewisohn Copper Corp.

For the month of Apri,Ith.through the 30th. 1956

C.D. #1	400 ft. @ $7.00 per ft. ———	$2800.00
167 hrs.	Company time @ $10.00 per hr.	1670.00
C.D. #2	310 ft.@ $7.00 per ft. ———	2170.00
65½ hrs.	company time @ $10.00 per hr.——	655.00
	total	$7295.00

/s/ O. C. Robinson
O. C. Robinson

Pd. 5/7/56
#1296

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ASSIGNMENT OF LEASE

THIS AGREEMENT, made and entered into as of the 12th day of October, 1955, by and between RICHARD E. CHILSON of Tucson, Pima County, Arizona, party of the first part, hereinafter called the "Assignor," LEWISOHN COPPER CORP., a Delaware corporation with its principal place of business at 128 North Church Street, Tucson, Arizona, party of the second part, hereinafter called the "Assignee," and FREDERICK LEWISOHN (unmarried) of New York City, New York, THE SOUTHERN ARIZONA BANK AND TRUST COMPANY, an Arizona corporation qualified to transact and transacting business in Pima County, Arizona, as Administrator with the Will Annexed of the Estate of Leonard Lewisohn, Deceased, and DAVID M. HEYMAN, JOHN G. GREENBURGH, EUSTACE SELIGMAN and ALFRED ADOLPH ROSSIN, as Trustees under the authority conferred by Article "SEVENTH" as qualified by Article "EIGHTH" of the Last Will and Testament of Sam A. Lewisohn, Deceased, parties of the third part, hereinafter called the "Lessors,"

W I T N E S S E T H:

THAT WHEREAS, the Lessors, by a lease and option agreement dated as of October 11, 1955, granted to the Assignor herein a lease and option covering the following described patented lode mining claims situated in the Helvetia Mining District, Pima County, State of Arizona, to wit:

> The COCONINO, OREGON COPPER, CHICAGO, ERIE, CUSHING, MARION, FRANKLIN, OLD PUT CON, OLD PAP COPPER, CENTRAL, FALLS, AJAX CONSOLIDATED, CUBA, HILO CONSOLIDATED, YORK, DAYLIGHT, POTOMAC, DAN WEBSTER, PATRICK HENRY, LaFAYETTE and R. G. INGERSOLL patented mining claims, designated by the Surveyor General of Arizona as Lots Number 1297A and Number 1297B, and particularly described in the United States Patent therefor which is recorded in Book No. 22, Deeds of Mines, at page 401, et seq., reference to which is hereby made for a fuller description.
>
> Also, the WARD, ALTA COPPER, BROADTOP, EXILE, KING, MALACHITE, BONNIE BLUE, AMOLE, CUPRITE, ARCOLA and BLUE POINT patented mining claims, designated by the Surveyor General of Arizona as Lot Number 1308, and particularly described in the United States Patent therefor which is recorded in Book No. 22, Deeds of

Mines, at page 377, et seq., reference to which is hereby made for a fuller description.

Also, the MOHAWK SILVER and EMPIRE patented mining claims, designated by the Surveyor General of Arizona as Lot Number 1299, and particularly described in the United States Patent therefor which is recorded in Book No. 22, Deeds of Mines, at page 386, et seq., reference to which is hereby made for a fuller description.

Also, the BALTIMORE patented mining claim designated by the Surveyor General of Arizona as Lot Number 1312 and particularly described in the United States Patent therefor which is recorded in Book No. 22, Deeds of Mines, at page 389, et seq., reference to which is hereby made for a fuller description.

Also, the TREMONT patented mining claim, designated by the Surveyor General of Arizona as Lot Number 1302, and particularly described in the United States Patent therefor which is recorded in Book No. 22, Deeds of Mines, at page 390, et seq., reference to which is hereby made for a fuller description.

Also, the ALTAMONT patented mining claim, designated by the Surveyor General of Arizona as Lot Number 1301, and particularly described in the United States Patent therefor which is recorded in Book No. 22, Deeds of Mines, at page 394, et seq., reference to which is hereby made for a fuller description.

Also, the BLACK BESS patented mining claim, designated by the Surveyor General of Arizona as Lot Number 1303, and particularly described in the United States Patent therefor which is recorded in Book No. 22, Deeds of Mines, at page 396, et seq., reference to which is hereby made for a fuller description.

Also, the ANTELOPE patented mining claim, designated by the Surveyor General of Arizona as Lot Number 1311, and particularly described in the United States Patent therefor which is recorded in Book No. 22, Deeds of Mines, at page 399, et seq., reference to which is hereby made for a fuller description.

Also, the COCONINO, CHICAGO, OREGON, OLD PUT, AJAX CONSOLIDATED, OLD PAP and FRANKLIN patented mill sites, designated by the Surveyor General of Arizona as Lots Number 1297A and Number 1297B, and particularly described in the United States Patent therefor which is recorded in Book No. 22, Deeds of Mines, at page 401, et seq., reference to which is hereby made for a fuller description.

The above mentioned Deeds of Mines being a record in the office of the County Recorder of Pima County, State of Arizona,

subject to the terms and conditions set forth in said lease and option agreement which is incorporated herein by reference; and

WHEREAS, the Assignor herein desires to assign said lease and option agreement to the Assignee, and the Lessors are willing

to consent to the assignment of said lease and option agreement 62554
subject to the terms and conditions hereinafter set forth,

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions hereinafter set forth, the parties hereto agree as follows:

The said Richard E. Chilson, Assignor, for and in consideration of the sum of One Dollar ($1.00), and other good and valuable consideration to him in hand paid by the Assignee, the receipt whereof is hereby acknowledged, does hereby assign, transfer and set over unto the said LEWISOHN COPPER CORP., Assignee, that certain lease and option agreement dated as of October 11, 1955 and hereinabove particularly described.

TO HAVE AND TO HOLD the same unto the said Assignee from the date hereof for and during all the rest and remainder yet to come of the term mentioned in the said lease and option agreement, subject to the rents, covenants and conditions contained in said lease and option agreement.

The parties of the third part, Lessors aforesaid, hereby expressly consent to the assignment of said lease and option agreement subject to the payment of the royalties reserved by, and the performance and observance of the covenants, conditions and agreements contained therein.

In consideration for the above assignment and the written consent of the Lessors thereto, the undersigned Assignee, party of the second part herein, hereby assumes and agrees to make all payments and to perform all promises, covenants, conditions and agreements in said lease and option agreement dated as of October 11, 1955 by lessee in said lease and option agreement to be made, kept and performed from and after the date hereof, and the undersigned Assignor, party of the first part herein, agrees to make all payments and to perform and keep all promises, covenants, conditions and agreements of the said lease and option agreement dated as of October 11, 1955, by

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lessee in said lease and option agreement to be made, kept and performed up to the date hereof.

And it is agreed by and between Lessors and Assignee that the said lease and option agreement dated as of October 11, 1955 is hereby incorporated by reference thereto in this acceptance, and all of the terms thereof shall be included and understood herein in the same manner as they are expressed in the said lease and option agreement.

It is further agreed by and between the Lessors and Assignee that no further assignment or subletting of the premises described in said lease and option agreement, or any part thereof, will be made without the written consent of Lessors first had and obtained.

It is further agreed upon the consideration aforesaid that the taking by Lessors of any remedy against the lessee named in said lease and option agreement shall not preclude Lessors from the exercise of said remedy against Assignee, but Lessors may have the same remedy against Assignee, its successors and assigns, simultaneously with that against the lessee, and Lessors shall be limited only and at all events to one satisfaction for any debts or obligations which may accrue under or by virtue of said lease and option agreement dated as of October 11, 1955 or assignment thereof, or by virtue of any hold-over after termination thereof which may accrue by virtue of a breach of any covenant, promise or agreement contained therein.

IN WITNESS WHEREOF, the parties hereto have executed these presents as of the day and year first above written.

Richard E. Chilson

Assignor, Party of the First Part

LEWISOHN COPPER CORP.

By Richard E. Chilson
Its President

ATTEST:

Its Secretary

Assignee, Party of the Second Part

We hereby certify that this negative photostat was made by us from an original subject.

TUCSON BLUE PRINT CO.

By Carlos E. Leon

(Forming part of Assignment of Lease, Richard E. Chilson, Lewisohn Copper Corp., and Frederick Lewisohn et al)

FREDERICK LEWISOHN

THE SOUTHERN ARIZONA BANK AND TRUST COMPANY

By _____ Its VICE PRESIDENT

ATTEST:

_____ Its Assistant Secretary

As Administrator with the Will Annexed of the Estate of Leonard Lewisohn, Deceased.

DAVID M. HEYMAN

JOHN G. GREENBURGH

EUSTACE SELIGMAN

ALFRED ADOLPH ROSSIN

As Trustees under Article "SEVENTH" of the Last Will and Testament of Sam A. Lewisohn, Deceased.

Lessors, Parties of the Third Part

STATE OF ARIZONA }
County of Pima } SS.

On this, the 7th day of October, 1955, before me, Betty J. Gray, the undersigned officer, personally appeared RICHARD E. CHILSON, known to me to be the person whose name is subscribed to the 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.

Betty J. Gray
Notary Public

My commission expires: My comm. expires Mar. 8, 195

I hereby certify that this negative photos
was made by us from an original subject.
TUCSON BLUE PRINT CO.
By Carlos Leon

(Forming part of Assignment of Lease, Richard E. Chilson, Lewisohn Copper Corp., and Frederick Lewisohn et al)

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STATE OF ARIZONA }
County of PIMA } SS.

On this, the 7th day of October, 1955, before me, Betty J. Gray, the undersigned officer, personally appeared Richard E. Chilson and Boyd M. Moore, who acknowledged themselves to be the President and _____ Secretary, respectively, of LEWISOHN COPPER CORP., a corporation, and acknowledged that they as such President and _____ Secretary, respectively, 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.

Betty J. Gray
Notary Public

My commission expires: My comm. expires Mar. 8, 1957.

STATE OF }
County of } SS.

On this, the 17 day of October, 1955, before me, Marion Planitz, the undersigned officer, personally appeared FREDERICK LEWISOHN, known to me to be the person whose name is subscribed to the 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.

Marion Planitz
Notary Public

My commission expires:
MORTON PLANITZ
NOTARY PUBLIC, STATE OF NEW YORK
No. 03-3114300 Qual. in Bronx Co.
Certificate filed in N. Y. County
Commission Expires March 30, 1957

STATE OF ARIZONA, }
County of Pima. } SS.

On this, the 7 day of Oct, 1955, before me, John W. Pierce, the undersigned officer, personally appeared James M. Sutfille and J. Russell Adams, who acknowledged themselves to be the Vice Pres. and Asst. Secty, respectively of THE SOUTHERN ARIZONA BANK AND TRUST COMPANY, a corporation, Administrator with the Will Annexed of the Estate of Leonard Lewisohn, Deceased, and acknowledged that they executed the foregoing instrument in the capacity therein stated and for the purposes therein contained.

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

John W. Pierce
Notary Public
My commission expires: May 27, 1959

We hereby certify that this negative photostat
was made by us from an original subject
TUCSON BLUE PRINT CO.
By

(Forming part of Assignment of Lease
Richard E. Chilson, Lewisohn Copper
Corp., and Frederick Lewisohn et al)

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STATE OF New York
County of New York } SS.

On this, the 11th day of October, 1955, before me, [illegible], the undersigned officer, personally appeared DAVID W. HEYMAN of the State of New York, known to me to be one of the persons described in the foregoing instrument as Trustees under Article "SEVENTH" of the Last Will and Testament of Sam A. Lewisohn, Deceased, and acknowledged that he executed the same in the capacity therein stated and for the purposes therein contained.

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

Notary Public

My commission expires:

STATE OF New York
County of New York } SS.

On this, the 11th day of October, 1955, before me, [illegible], the undersigned officer, personally appeared JOHN G. GREENBURGH of the State of New York, known to me to be one of the persons described in the foregoing instrument as Trustees under Article "SEVENTH" of the Last Will and Testament of Sam A. Lewisohn, Deceased, and acknowledged that he executed the same in the capacity therein stated and for the purposes therein contained.

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

Notary Public

My commission expires:

Notary Public, State of New York
No. 24-9195700, Qualified in Kings County
Cert. Filed in New York County
Commission Expires March 30, 1956

STATE OF New York
County of New York } SS.

On this, the 10th day of October, 1955, before me, JOHN W. P. STORMONT, the undersigned officer, personally appeared EUSTACE SELIGMAN of the State of New York, known to me to be one of the persons described in the foregoing instrument as Trustees under Article "SEVENTH" of the Last Will and Testament of Sam A. Lewisohn, Deceased, and acknowledged that he executed the same in the capacity therein stated and for the purposes therein contained.

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

Notary Public

Notary Public, State of New York
No. 24-9195700
Qualified in Kings, Nassau, Richmond, Westchester Counties & City
Commission Expires March 30, 1957

My commission expires:

We hereby certify that this negative photostat was made by us from an original subject.

TUCSON BLUE PRINT CO.

By Carlos E. Leon

(Forming part of Assignment of Lease
Richard E. Chilson, Lewisohn Copper
Corp., and Frederick Lewisohn et al)

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62554

STATE OF)
) SS.
County of)

On this the 11 day of October, 1955, before me, Manuel Silva, the undersigned officer, personally appeared ALFRED ADOLPH ROSSIN of the State of New York, known to me to be one of the persons described in the foregoing instrument as Trustees under Article "SEVENTH" of the Last Will and Testament of Sam A. Lewisohn, Deceased, and acknowledged that he executed the same in the capacity therein stated and for the purposes therein contained.

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

Manuel Silva
Notary Public

My commission expires:

Fee 5.95 62554 Assignments
Indexed Compared Blotted
RR X AS
State of Arizona)
County of Pima) ss.
I hereby certify that the within instrument was filed for record at request of Morris & Malott 1955 Nov 10 AM 10:17 Book 910 Page 181 to 188 Inc.
Witness my hand and Official Seal day and year above written
Anna Sullinger County Recorder
/s/ John J. Johnson, Deputy

(Seal)

We hereby certify that this negative photostat
was made by us from an original subject.
TUCSON BLUE PRINT CO.
By Carlos E. Leon

BOOK 898 PAGE 455

11th R.E.C.

LEASE AND OPTION

THIS AGREEMENT, made and entered into as of the ~~8th~~ 11th day of ~~August~~ October, 1955, by and between FREDERICK LEWISOHN (unmarried) of New York City, New York, THE SOUTHERN ARIZONA BANK AND TRUST COMPANY, an Arizona corporation qualified to transact and transacting business in Pima County, Arizona, as Administrator with the Will Annexed of the Estate of Leonard Lewisohn, Deceased, and DAVID M. HEYMAN, JOHN G. GREENBURGH, EUSTACE SELIGMAN, and ALFRED ADOLPH ROSSIN, as Trustees under the authority conferred by Article "SEVENTH" as qualified by Article "EIGHTH" of the Last Will and Testament of Sam A. Lewisohn, Deceased, hereinafter called the "Lessors," parties of the first part, and RICHARD E. CHILSON of Tucson, Pima County, Arizona, hereinafter called the "Lessee," party of the second part,

W I T N E S S E T H :

That the said Frederick Lewisohn is the owner of an undivided ten per cent. (10%) interest; the said Estate of Leonard Lewisohn, Deceased, is the owner of an undivided sixty-two and one-half per cent. (62½%) interest; and the said testamentary Trustees of Sam A. Lewisohn, Deceased, are the owners of an undivided twenty-seven and one-half per cent. (27½%) interest in and to those certain patented lode mining claims hereinafter particularly described.

That the Lessee is desirous of obtaining from and has applied to the Lessors for a lease and option on the mining premises hereinafter described for the term, at the rental and royalty, and on the terms and conditions hereinafter set forth,

NOW, THEREFORE, THIS AGREEMENT FURTHER WITNESSETH:

I.

LEASE

That for and in consideration of the sum of Five Hundred Dollars ($500.00), the receipt whereof is hereby acknowledged, and the mutual covenants and conditions hereinafter set forth, the

Lessors have given and granted, and by these presents hereby do give and grant to the Lessee the exclusive right and privilege to mine and operate the mining property herein described, upon the following terms and conditions, to wit:

1. PROPERTY: Those certain patented lode mining claims situated in the Helvetia Mining District, Pima County, State of Arizona, more particularly described as follows, to wit:

> The GAP, MONITOR, SOUTH END and PEACH patented mining claims, designated by the Surveyor General of Arizona as Lot Number 1305, and particularly described in the United States Patent therefor which is recorded in Book No. 22, Deeds of Mines, at page 383, et seq., reference to which is hereby made for a fuller description.
>
> Also, the MOHAWK patented mining claim, designated by the Surveyor General of Arizona as Lot Number 1300, and particularly described in the United States Patent therefor which is recorded in Book No. 22, Deeds of Mines, at page 392, et seq., reference to which is hereby made for a fuller description.
>
> Also, the NEWMAN patented mining claim, designaged by the Surveyor General of Arizona as Lot Number 1304, and particularly described in the United States Patent therefor which is recorded in Book No. 22, Deeds of Mines, at page 397, et seq., reference to which is hereby made for a fuller description.
>
> The above mentioned Deeds of Mines being a record in the office of the County Recorder of Pima County, State of Arizona.

Subject, however, to a certain license to use water from the MOHAWK claim, granted to Buck Fletcher under date of March 21, 1952, unless and until the same is terminated by Lessors.

2. POSSESSION - OPERATION: The Lessee is entitled to take possession of said premises and to explore, sample and operate the same, and extract and ship ores therefrom, subject to the conditions herein set forth, from and after the effective date of this agreement.

(a) Mining: All work done upon said premises by the Lessee shall be done in a good and workmanlike manner and after the manner of good mining. All workings, where necessary or where directed by the State Mine Inspector or his deputy, shall be

timbered properly and substantially, and with the view of developing said property into a workable mine. All mine openings shall be kept clear of obstructions and in a condition so that they can be entered, except such openings as are now caved in and are not necessary for future operations of the Lessee. The laws of the State of Arizona and all requirements of the State Mine Inspector shall be complied with promptly.

(b) Minimum work: During the first year of the life of this agreement, commencing at the effective date hereof, Lessee shall expend for underground work or mining operations on said property for the development thereof as a mine, the sum of Six Thousand Dollars ($6,000.00). During the following year, Lessee shall expend the sum of Twenty Thousand Dollars ($20,000.00) on such property for such purposes. Commencing two years from the effective date of this agreement, the Lessee shall devote at least one hundred twenty (120) working shifts of eight (8) hours each during each calendar month, throughout the remaining life of this agreement, to underground work or mining operations on said property, except as hereinafter otherwise provided.

3. ROYALTY:

(a) Throughout the term of this agreement the Lessors reserve, and the Lessee agrees to pay, a royalty on all ores extracted from said mining property by the Lessee and shipped, smelted, or otherwise disposed of, as rental for the use and possession of said mining premises, as follows:

Concentrates

On ores milled, shipped, smelted or otherwise disposed of in the form of concentrates, ten per cent. (10%) of the net smelter returns or of the sale price (as hereinafter defined) received from said concentrates; subject, however, to the provisions hereinafter set forth with respect to concentrates milled from "sub-marginal ores."

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Direct Shipping Ores

On ores shipped, smelted or otherwise disposed of in any form other than in the form of concentrates, the following percentages of the net smelter returns or of the sale price (as hereinafter defined) received from said ores:

10% when the net smelter returns or sale price, (as hereinafter defined) are not in excess of $30.00 per ton,

12% when over $30.00 and not in excess of $35.00,

14% when over $35.00 and not in excess of $40.00,

16% when over $40.00 and not in excess of $45.00,

18% when over $45.00 and not in excess of $50.00,

20% when over $50.00 and not in excess of $55.00,

25% when over $55.00.

(b) "Net smelter returns" and "sale price" defined:

"Net smelter returns" within the meaning of this agreement shall be the correct returns as shown by the liquidation sheets furnished by the smelter treating such ores or concentrates, after such smelter shall have made its deduction for railway freight and switching charges, treatment, and usual smelting deductions, plus all additional payments, premiums or bonuses of whatever kind or character, and from whomsoever received or receivable, which the Lessee may receive or be entitled to receive by reason of the operation or maintenance of the mining claims or property, or the production, sale, distribution or other disposal of any of the ores, concentrates and metals therefrom.

"Sale price" within the meaning of this agreement shall be the selling price paid for such ores and concentrates f.o.b. mine plus all additional payments, premiums or bonuses of whatever kind or character and from whomsoever received or receivable which the Lessee may receive or be entitled to receive by reason of the operation or maintenance of the mining claims or property or the production, sale, distribution or other disposal of any of the ores, concentrates and metals therefrom.

In arriving at the net smelter returns or sale price, no deductions shall be made for hauling or any other charges, of whatsoever character, except as herein expressly provided.

The deduction and payment of royalties shall be governed by smelter values or sale price per dry ton of ores.

(c) Notwithstanding the provisions of paragraphs (a) and (b) hereof, it is stipulated and agreed that whenever the value of the metal content of ores other than copper extracted from said mining property by the lessee and shipped, smelted, sold or otherwise disposed of, shall not exceed $7.50 per ton, including premiums and bonuses as above defined, and the copper content of such ores shall be less than 1%, the lessee agrees to pay, and the lessors reserve and agree to accept, a flat royalty at the rate of 2½¢ per ton on such ores, hereinafter referred to as "sub-marginal ores." The royalty provision contained in this subparagraph (c) shall apply only to shipments of lots of non-concentrated "sub-marginal ores" and is provided to encourage the development of the property. Payments made by a smelting company, not in excess of $4.00 per ton, to subsidize the mining of said low grade ores, shall not be considered as "premiums or bonuses" hereunder.

In the event such "sub-marginal ores" are concentrated, the lessors agree to accept a flat royalty at the rate of 2½¢ per ton on such "sub-marginal ores" as mined and concentrated in lieu of the royalties respectively provided, subject to the provisions hereinafter set forth.

(d) [illegible] the lessee agrees to pay a minimum royalty of $[illegible] per [illegible], [illegible] (a) [illegible] the effective date of this agreement and payable [illegible] minimum rate of $[illegible] per quarter, with adjustments as [illegible]

(e) [illegible]

In the event that such ores or concentrates, other than those [illegible] from "[illegible] ores," shall be disposed of as a

smelter, the smelter treating said ores shall be instructed to remit to the Southern Arizona Bank and Trust Company, at Tucson, Arizona, the royalties hereinabove provided based on net smelter returns as above defined due from it on account of ores and concentrates smelted or purchased by said smelter, or the flat royalty of $1.00 per ton, as the case may be; and such remittance, accompanied by three liquidation sheets for each lot number of shipments, shall be made from week to week, or from month to month, but not more than forty (40) days apart, as may be agreed upon by the parties hereto and said smelter.

In the event said ores or concentrates, other than those mined from "Sub-marginal ores," shall be disposed of to a purchaser other than a smelter, said purchaser shall be instructed to remit to the Southern Arizona Bank and Trust Company at Tucson, Arizona, the royalties hereinabove provided based on the purchase price as above defined due on account of ores or concentrates purchased, or the flat rate of $1.00 per ton, as the case may be; and such remittance, accompanied by three liquidation sheets containing full and complete information regarding such sale and purchase, including the price, quantities of ores and concentrates concerned from, prices of ore or concentrates, lot number of shipments and any other information that the lessors may request relating to such sale or sales, shall be made from week to week or from month to month, but not more than forty (40) days apart, as may be agreed upon by the parties hereto and said purchaser as aforesaid.

The remittance of the "net smelter returns" or "sale price" may be paid direct to the order of the lessors.

All correspondence relating to the disposal of ores or concentrates after sale to a smelter shall be in writing and copies thereof and a complete report of all details relating thereto shall be furnished and submitted to the lessors. In the event that the lessors shall fail or be unable to enter into a contract or agree-

ment for the disposal of such ores or concentrates over any period of time, or for more than one shipment, he shall, prior to the execution of such proposed contract or agreements, submit the same to the Lessors for their approval If the Lessors, in their opinion, deem that they can secure a more advantageous contract or agreement, they shall, within fifteen (15) days after receipt from the Lessee of a copy of such proposed contract, so notify the Lessee, in which event the said proposed contract or agreement shall not be executed by the Lessee. In the event that the Lessors shall not, within such fifteen (15) days, so notify the Lessee, then the Lessee shall be free to enter into such proposed contract or agreement.

Said bank shall be instructed to hold one copy of said liquidation sheets, to deliver one copy to a representative of the Lessors to be named by said Lessors, and to deliver one copy to the Lessee.

(f) In the event that concentrates made from "sub-marginal ores" shall be disposed of to a smelter or a purchaser other than a smelter, said smelter or purchaser, as the case may be, shall make settlements as hereinabove provided at the rate of 25¢ per ton on the "sub-marginal ores" milled and concentrated, based on the affidavit of Lessee as to the tonnage and grade of the millheads processed to make such concentrates; provided, however, that Lessors shall not be bound by said affidavits and shall have full rights of inspection as hereinafter provided and be entitled to a full and complete accounting and payment.

(g) It is stipulated and agreed that the sum of Five Hundred Dollars ($500.00) paid on the execution of this agreement is a minimum advance royalty, and if and when the royalties hereunder received by Lessors, including the minimum royalties provided for in paragraph (d) hereof, shall amount to Five Hundred Dollars ($500.00), said sum shall be returned to the Lessee.

(h) Distribution of royalties: The bank shall be instructed to divide said royalties among the Lessors as follows:

Unto Frederick Lewisohn, ten per cent. (10%)

Unto The Southern Arizona Bank and Trust Company, as Administrator with the Will Annexed of the Estate of Leonard Lewisohn, Deceased, sixty-two and one-half per cent. (62½%)

Unto David M. Heyman, John G. Greenburgh, Eustace Seligman and Alfred Adolph Rossin, as Trustees under Article "SEVENTH" of the Last Will and Testament of Sam A. Lewisohn, Deceased, or their duly authorized representative, twenty-seven and one-half per cent. (27½%).

4. TAXES: The Lessee, at all times during the life of this agreement, shall pay promptly all taxes that have been or may be levied upon said mining claims, or any machinery, equipment or improvements placed thereon. The Lessee further agrees to furnish promptly to The Southern Arizona Bank and Trust Company, at Tucson, Arizona, as the representative of the Lessors, receipted tax bills showing the payment of all such taxes.

In the case of taxes for the calendar year in which this lease begins, and/or for the calendar year in which this lease ends, there shall be an apportionment between the parties, the Lessors to bear the proportion of such taxes applicable to that part of the calendar year not included in this lease, and the Lessee to bear the balance of said taxes; provided, however, that the Lessors shall in no event be responsible for any portion of any taxes on machinery, equipment, or improvements placed upon the mining claims hereinabove described by Lessee, unless such machinery, equipment or improvements shall be left upon the property and shall inure to the benefit of the Lessors. The Lessee further agrees to pay all so-called sales taxes now or hereafter levied by the State of Arizona or the United States of America on the ores and concentrates shipped from said property.

5. MACHINERY - REMOVAL: All machinery, equipment and personal property, together with all improvements (including houses and other structures and tracks in place underground) which may be placed on said mining property by and at the expense of the

Lessee, may be removed by him at any time within sixty (60) days after the termination of this agreement; provided, however, (a) that such right of removal shall not extend to replacements of property now in or on said mining property and owned by Lessors, or to head-frames, or to ladders, timbers or ties in place underground; (b) that no such property shall be removed at any time while the Lessee may be in default under any of the terms or provisions of this agreement, other than default in the performance of development work as required hereunder; and (c) the removal shall be effected in such manner as to avoid injury or damage to the mine and improvements that are to remain thereon. If not so removed by the Lessee, the Lessors may, at their option, retain the said machinery, equipment and personal property, together with all improvements including houses and other structures as aforesaid, as and for their own, free of any claim of any kind on the part of the Lessee, or may at their option remove all or any part of said machinery, equipment and personal property, together with all improvements, as aforesaid, at the cost and expense of the Lessee, in which event the Lessee agrees forthwith to pay to the Lessors the cost of such removal.

6. ORE REMOVAL: All ores mined and placed on the dumps of said property by the Lessee during the life of this agreement may be removed and shipped by the Lessee in the event of a termination of this contract, but such ores shall be removed within thirty (30) days after such termination and shall be subject to royalty payments as herein provided. In the event such ores are not removed within said period as herein provided, title thereto shall thereupon vest in the Lessors, free of any claim or charge of the Lessee.

7. NOTICE OF NON-LIABILITY: The Lessee shall not incur any debts or liens against said property or against any part thereof during the life of this agreement, and shall indemnify

and save harmless the Lessors and said property from any and all liens. The lessee further agrees to record and to post on the premises, prior to commencing any operations thereon under this lease, and keep posted at his own cost and expense, a notice as provided by law that the said lessee is responsible for all claims and demands in connection with the operation of said property, and that the lessors and said property are not liable for any liens or claims resulting from said operations. All miners, laborers and other persons who may labor or furnish labor or materials on or for said premises during the life of this agreement, and to whom any sum may be due from the lessee for labor or materials, shall be promptly paid by the lessee.

d. INDEMNITY FOR INJURIES: The lessee hereby assumes any and all liability or liabilities arising or to arise from accidents or injuries to his agents or employees or any other person in or about the premises while the same are in the possession of the lessee, and the lessee hereby agrees to indemnify the lessors against any liability or responsibility for or on account of any such injuries, it being understood that the hazard of all such liabilities or liability is taken into consideration by the parties hereto in fixing the consideration under this agreement.

e. INSURANCE: The lessee shall, at all times during the life of this agreement, carry workmen's liability insurance under the workmen's compensation law and under the compensation laws of the State of Arizona, satisfactory to the Industrial Commission of the State of Arizona.

The lessee shall also, at his own cost and expense, comply strictly with all the terms of the Arizona Workmen's Compensation Act and the Arizona Occupational Disease Liability Law.

The lessee must comply with all provisions of the Federal Social Security Act, and shall make all payments due or to become due under the Federal and State Social Security Acts, the Employment Compensation Act, tax laws, or any other laws now in effect

or that may hereafter be enacted affecting the employees of the Lessee, wages paid the employees of the Lessee, and the products removed from said premises.

The Lessee further agrees to furnish promptly to The Southern Arizona Bank and Trust Company at Tucson, Arizona, as the representative of the Lessors, receipted bills or other satisfactory proof showing that the payments for liability insurance and all payments required under the said Social Security, Unemployment Compensation and tax laws have been made as and when due, throughout the life of this agreement.

10. INSPECTION: The Lessors, through any duly authorized representative, shall have the right to enter upon said premises, or any part thereof, and to inspect the same at any time during the life of this agreement, at their risk, and shall have the right to inspect the records of the Lessee insofar as the same cover shipments of ores and concentrates, at any reasonable time but without unreasonable inconvenience to the Lessee.

11. The Lessee shall keep a full and complete record of all work carried on by the Lessee, and agrees to send monthly to the representative of the Lessors a verified report showing the distribution of the shifts of labor performed at the property, the daily tonnage and assay reports of all ores concentrated, and also to deliver to the representative of the Lessors, on demand, all logs, assay results of any drilling or other development work performed, and all maps, reports or blue-prints which may relate to said mining property, that may be made by or for the Lessee.

12. ASSIGNMENT: The Lessee shall not assign this agreement or any interest therein except with the written consent of the Lessors.

Upon such assignment and transfer, Lessee shall have no further rights or obligations under the same; provided, however, that Lessee shall not be discharged from any obligation in favor of Lessors that may have accrued under this agreement

prior to the approval of said assignment, unless the assignee shall assume the same and be financially responsible therefor.

13. TITLE: Notwithstanding any recitals or statements herein otherwise contained, it is expressly understood and agreed that the Lessors do not represent or guarantee that they have a good merchantable title to the mining claims hereinabove described, this agreement being merely a lease of such right, title and interest in said mining claims as the Lessors may have.

14. DEFAULT: In the event the Lessee shall make default in any of the terms or provisions hereinabove contained, then the Lessors may terminate this agreement upon thirty (30) days' notice to the Lessee of their intention to declare this agreement at an end. If the Lessee shall fail within said thirty (30) days to correct and make good any violations of the terms and provisions of this agreement on account of which such notice of default has been given, then and thereupon this agreement shall terminate. Notwithstanding the foregoing provisions with reference to default, it is stipulated and agreed that if the Lessee shall fail to pay royalties as and when hereinabove provided, or shall fail to re-cord and post and keep posted notices of non-liability as herein-above provided, or shall fail to secure proper liability insurance as hereinabove provided before commencing operations hereunder, and to maintain the same, the Lessors may terminate this agreement forthwith without notice.

15. WAIVER: To the extent hereinafter set forth, the Lessors shall waive the requirement in paragraph 2(b) that com-mencing two years from the effective date of this agreement, Lessee shall devote at least one hundred twenty (120) working shifts of eight (8) hours each during each calendar month to under-ground work or mining operations on said property, and the require-ment in paragraph 3(d) that commencing two years from the effective date of this agreement, Lessee shall pay a minimum royalty of $1,200.00 per annum, during any portion in excess of fifteen (15)

days and not to exceed six (6) months, while the price of electrolytic refined copper delivered to New England points, as quoted in the Engineering and Mining Journal, is less than 12¢ per pound, or while the Lessee shall be prevented from carrying on any work or performing any mining operations due to force majeure, provided that such waiver shall be only for such period as such cause exists, not to exceed six (6) months in any one (1) year, and such cause shall, so far as possible, be remedied with all reasonable dispatch. The minimum royalty of $1,200.00 per annum shall be reduced at the rate of $100.00 per month or $50.00 for each one-half month during said periods.

The term "force majeure" as employed in this agreement shall include Acts of God, fire, climatic conditions, shortage of water, strikes, failure of transportation facilities, rules, regulations or orders of the State, Federal, or other governmental bodies, litigation or unavoidable breakdowns, provided reasonable diligence in curing such breakdowns is exercised.

16. TERMINATION: The Lessee may cease operations and may terminate all further liability hereunder by thirty (30) days' written notice to the Lessors of his election to terminate said agreement.

In the event of a termination of said agreement, the Lessee shall forthwith deliver to the Lessors the peaceable possession of said premises, and shall be relieved of any further liability hereunder; but in the event of the termination of this agreement by either of said parties, the Lessee shall not be discharged from any obligation in favor of the Lessors that may theretofore have accrued under the terms hereof.

17. NOTICES: All notices provided for herein may be given in writing by personal delivery of said notice, or may be given by registered mail addressed to The Southern Arizona Bank and Trust Company, as the representative of the Lessors, at Tucson,

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Arizona, and to the Lessee at P. O. Box 2729, Tucson, Arizona, and said thirty (30) day period shall run from the date of mailing said notices or from the date of personal delivery thereof.

18. TERM: Unless sooner terminated as hereinabove provided, the life of this mining lease shall be ten (10) years from the effective date hereof.

II.

OPTION

19. OPTION: In consideration of the sum of One Dollar ($1.00) and other good and valuable consideration, the receipt whereof is hereby acknowledged, the Lessors have given and granted, and by these presents do give and grant unto the Lessee the exclusive right, privilege and option to purchase the mining property herein described upon the following terms and conditions, to wit:

20. PROPERTY: Those certain patented lode mining claims situated in the Helvetia Mining District, Pima County, State of Arizona, more particularly described in paragraph 1 of the preceding lease agreement.

21. PURCHASE PRICE: The purchase price for said mining property is the sum of Five Hundred Thousand Dollars ($500,000.00).

22. TERM OF OPTION: Said option shall be exercised on or before ten (10) years from the effective date of this agreement by written notice to The Southern Arizona Bank and Trust Company, as the representative of the Lessors, at the address and in the manner stated in paragraph 17 of the preceding lease agreement; provided, however, that in the event the preceding lease is terminated at any time prior to the stated term of this option, it is expressly understood and agreed that this option shall terminate also with like force and effect as if said option had never existed.

23. EXERCISE OF OPTION: If and when Lessee elects to exercise this option, he shall, on giving the notice provided in the

preceding paragraph, tender therewith the sum of Five Hundred Thousand Dollars ($500,000.00) less the total sum of all royalty payments theretofore made by Lessee to Lessors pursuant to the provisions of paragraph 3 of this lease and option. In such event, Lessors agree to credit said royalty payments as part of the purchase price. No credit of any kind will be given on the purchase price for said royalty payments except on the exercise of this option in the manner herein provided. The purchase price, if and when paid, shall be distributed to the Lessors by The Southern Arizona Bank and Trust Company in the same percentages as provided in paragraph 3(d) hereof for the distribution of royalties.

24. ESCROW DEED: If and when Lessors shall have received royalty payments hereunder aggregating the sum of One Hundred Thousand Dollars ($100,000.00), the Lessors shall execute and place in escrow in The Southern Arizona Bank and Trust Company of Tucson, Arizona, good and sufficient mining deeds conveying the interests of the Lessors in said mining property to the Lessee, together with instructions covering the delivery thereof upon payment of the purchase price by the Lessee as provided in Section 23 hereof. Said deeds shall convey all of the right, title and interest of the respective Lessors, but shall not impose upon said Lessors, or any of them, either individually or in their respective representative capacities, or upon the estate which they represent, any liability or responsibility for any cause except the acts of the respective grantors.

III.

MISCELLANEOUS

25. DEFINITION: Wherever used herein, the term "effective date of this agreement" shall mean the date of this agreement, subject to the approval and order of the Superior Court of the State of Arizona, in and for the County of Pima.

26. NATURE AND EXTENT OF CONTRACT: This is an option coupled with a lease granting the right to operate, and is not a sale. Time is of the essence hereof, and all the terms and provisions herein contained extend to and are binding upon the heirs and assigns of the respective parties hereto, except as hereinabove provided.

27. RELEASE: Upon the surrender or termination of this agreement as hereinabove provided, the Lessee shall execute and deliver to the Lessors a good and sufficient release of this agreement and of the lease and option hereinabove granted.

28. TERMINATION OF PRIOR LEASE: For the consideration aforesaid, it is stipulated and agreed that that certain lease agreement made and entered into as of the 29th day of June, 1953 by and between Frederick Lewisohn, The Southern Arizona Bank and Trust Company as Administrator with the Will Annexed of the Estate of Leonard Lewisohn, Deceased, and Eustace Seligman as Executor under the Last Will and Testament of Adolph Lewisohn, Deceased, Lessors, and Richard R. Chilson, Lessee, which lease was executed by The Southern Arizona Bank and Trust Company pursuant to the authorization and order of the Superior Court of the State of Arizona, in and for the County of Pima, dated the 29th day of June, 1953, is hereby terminated as of the effective date of this agreement, provided, however, that the Lessee hereunder shall and hereby does assume all obligations in favor of Lessors that may have accrued under said agreement of June 29, 1953 prior to the termination thereof, and Lessee hereunder shall and hereby does assume that this lease and option agreement all unfulfilled obligations existing due of the in connection with that certain Exploration Lease Agreement between the United States of America and the Lessee, hereinafter referred to as "Operation".

It is further understood and agreed that machinery, equipment and personal property, together with improvements which were placed on the premises by Lessee with the right of removal within

sixty (60) days after the termination of said lease agreement of June 29, 1953, may be left on the premises subject to the right of removal as provided for herein.

IN WITNESS WHEREOF, the parties hereto, being first duly authorized, (the said The Southern Arizona Bank and Trust Company, as Administrator aforesaid, having been authorized by an order of the Superior Court of the State of Arizona, in and for the County of Pima, dated the 7th day of September, 1955, and the said David H. Harman, John C. Greenleaf, Eustace Goldgrab and Alfred Adolph Nesbitt, of Tucson, acting pursuant to the authority conferred by Article "SEVENTH" of the last will and testament of Joe A. Levinson, deceased) have executed these presents as of the day and year first above written.

LESSEE:

[illegible]

LESSOR:

[illegible]

FAYNELLE LEVINSON

By [illegible]

THE SOUTHERN ARIZONA BANK AND TRUST COMPANY

By [illegible] Its VICE PRESIDENT

as Administrator with the Will annexed of the Estate of Leonard Levinson, Deceased.

[illegible]

[illegible]

[illegible]

[illegible]

As witnesses under Article "SEVENTH" of the last will and testament of Joe A. Levinson, deceased.

[illegible]

[illegible]

No.

ARCHIBALD R. WATSON, County Clerk and Clerk of the Supreme Court, New York County, a Court of Record having by law a seal, DO HEREBY CERTIFY that

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whose name is subscribed to the annexed affidavit, deposition, certificate of acknowledgment or proof, was at the time of taking the same a NOTARY PUBLIC in and for the State of New York, duly commissioned and sworn and qualified to act as such throughout the State of New York; that pursuant to law a commission, or a certificate of his official character, and his autograph signature, have been filed in my office; that as such Notary Public he was duly authorized by the laws of the State of New York to administer oaths and affirmations, to receive and certify the acknowledgment or proof of deeds, mortgages, powers of attorney and other written instruments for lands, tenements and hereditaments to be read in evidence or recorded in this State, to protest notes and to take and certify affidavits and depositions; and that I am well acquainted with the handwriting of such Notary Public, or have compared the signature on the annexed instrument with his autograph signature deposited in my office, and believe that the signature is genuine.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this 31 day of AUG 1955

FEE PAID 50¢

Archibald R. Watson

County Clerk and Clerk of the Supreme Court, New York County

56382

Form 1

No. 98227

ARCHIBALD R. WATSON, County Clerk and Clerk of the Supreme Court, New York County, a Court of Record having by law a seal, DO HEREBY CERTIFY that

Claire M. Cooper

[illegible] subscribed to the annexed affidavit, deposition, certificate of acknowledgment [illegible] the time of taking the same a NOTARY PUBLIC in and for the State of [illegible] commissioned and sworn and qualified to act as such throughout the State [illegible] pursuant to law a commission, or a certificate of his official character, [illegible] signature, have been filed in my office; that as such Notary Public he [illegible] authorized by the laws of the State of New York to administer oaths and affirmations, [illegible] the acknowledgment or proof of deeds, mortgages, powers of attorney and [illegible] instruments for lands, tenements and hereditaments to be read in evidence or [illegible] in this State, to protest notes and to take and certify affidavits and depositions; and [illegible] I am well acquainted with the handwriting of such Notary Public, or have compared the signature on the annexed instrument with his autograph signature deposited in my office, and believe that the signature is genuine.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this 31 day of AUG 1955

FEE PAID 50¢

Archibald R. Watson

County Clerk and Clerk of the Supreme Court, New York County

STATE OF NEW YORK)
: SS.:
COUNTY OF NEW YORK)

On this the 16th day of August, 1955, before me, Claire M. Cooper, the undersigned officer, personally appeared Eustace Seligman, of the State of New York, known to me to be one of the persons described in the foregoing instrument as a Trustee under Article "SEVENTH" of the Last Will and Testament of Sam A. Lewisohn, deceased, and acknowledged that he executed the same in the capacity therein stated and for the purposes therein contained.

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

CLAIRE M. COOPER
Notary Public, State of New York
No. [illegible]
New York County
Certificate filed in New York County
Commission Expires [illegible]

Claire M. Cooper
Notary Public

My Commission Expires

(Recording part of Lease and Option,
Frederick Levison, et al, to
Richard E. Chilson)

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STATE OF NEW YORK }
County of New York } ss.

On this the 15 day of [illegible] 1955, before me, the undersigned officer, personally appeared FREDERICK LEVISON, known to me to be the person whose name is subscribed to the 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.

Notary Public

MORTON FRANKEL
NOTARY PUBLIC, STATE OF NEW YORK
No. 03-2114300 Qual. in Bronx Co.
Certificate filed in N. Y. County
Commission Expires March 30, 1957

My commission expires:

STATE OF ARIZONA, } ss.
County of Pima }

BOOK 308 PAGE 473

On this the 1 day of [illegible] 1955, before me, the undersigned officer, personally appeared [illegible] and [illegible] who acknowledged themselves to be the [illegible] respectively, of THE [illegible] TRUST COMPANY, a corporation, Administrator [illegible] Amount of the Estate of Leonard Levison, [illegible], and acknowledged that they executed the foregoing instrument in the capacity therein stated and for the purposes therein contained.

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

Notary Public

My commission expires:
May 27, 1959

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JOE D. BROWN County Clerk and Ex-Officio Recorder in and for Missoula County, State of Montana, being the lawful custodian of the official record of Notaries Public, and the officer designated by the statutes of the State of Montana to make this certificate, do hereby certify that

Eva M. Taylor whose name is subscribed to the proof or acknowledgment of the annexed instrument in writing, was at the time of taking such proof or acknowledgment, a Notary Public in and for the State of Montana, residing at Missoula, Montana duly commissioned, sworn and acting as such and authorized to take proof and acknowledgments of the execution of instruments of writing, administer oaths or affirmations in said state; that her commission expires on the 3 day of January A. D. 19 58, as shown by the records of this office; that I am well acquainted with her hand writing and verily believe that the signature to the said proof or acknowledgment is genuine.

In Witness Whereof, I have hereunto set my hand and affixed my seal of office this 8th day of September A. D. 19 55.

JOE D. BROWN
County Clerk and Ex-Officio Recorder in and for Missoula County, State of Montana.

By June Gibson Deputy.

State of New York, } ss.:
County of New York, }

No. 98218

I, HIBALD R. WATSON, County Clerk and Clerk of the Supreme Court, New York County, a Court of Record having by law a seal, DO HEREBY CERTIFY that

Cecil Morrini Jr.

whose name is subscribed to the annexed affidavit, deposition, certificate of acknowledgment or proof, was at the time of taking the same a NOTARY PUBLIC in and for the State of New York, duly commissioned and sworn and qualified to act as such throughout the State of New York; that pursuant to law a commission, or a certificate of his official character, with his autograph signature, have been filed in my office; that as such Notary Public he was duly authorized by the laws of the State of New York to administer oaths and affirmations, to take and certify the acknowledgment or proof of deeds, mortgages, powers of attorney and other instruments for lands, tenements and hereditaments to be read in evidence or recorded in this State, to protest notes and to take and certify affidavits and depositions; and that I am well acquainted with the handwriting of such Notary Public, or have compared the signature on the annexed instrument with his autograph signature deposited in my office, and believe that the signature is genuine.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this 31 day of AUG. 1955

Hibald R. Watson
County Clerk and Clerk of the Supreme Court, New York County

FEE PAID $

(Forming part of Lease and Option,
Frederick Lewisohn, et al, to
Richard E. Chilson)

56382

STATE OF MONTANA)
: SS.:
COUNTY OF [illegible])

On this the 6th day of August, 1955, before me, [illegible] Taylor, the undersigned officer, personally appeared Alfred Adolph Rossin, of the State of New York, known to me to be one of the persons described in the foregoing instrument as a Trustee under Article "SEVENTH" of the Last Will and Testament of Sam A. Lewisohn, deceased, and acknowledged that he executed the same in the capacity therein stated and for the purposes therein contained.

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

Eva M. Taylor
Notary Public
My Commission expires:
[illegible]

STATE OF ~~ARIZONA~~ New York,
County of ~~PIMA~~ New York. } SS.

On this the 12 day of August, 1955, before me, [illegible], the undersigned officer, personally appeared RICHARD E. CHILSON, known to me to be the person whose name is subscribed to the 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.

[illegible]
Notary Public
My commission expires: [illegible] New York
Qualified [illegible] County
Commission Expires March 30, 1957

563382 (1) Book 895 Page 477

State of New York, County of New York, } ss:

No. 98219 Form 1

I, ARCHIBALD R. WATSON, County Clerk and Clerk of the Supreme Court, New York County, a Court of Record having by law a seal, DO HEREBY CERTIFY that

Morris Plumbley

whose name is subscribed to the annexed affidavit, deposition, certificate of acknowledgment or proof, was at the time of taking the same a NOTARY PUBLIC in and for the State of New York, duly commissioned and sworn and qualified to act as such throughout the State of New York; that pursuant to law a commission, or a certificate of his official character, and his autograph signature, have been filed in my office; that as such Notary Public he was duly authorized by the laws of the State of New York to administer oaths and affirmations, to take and certify the acknowledgment or proof of deeds, mortgages, powers of attorney and other written instruments for lands, tenements and hereditaments to be read in evidence or recorded in this State, to protest notes and to take and certify affidavits and depositions; and that I am well acquainted with the handwriting of such Notary Public, or have compared the signature on the annexed instrument with his autograph signature deposited in my office, and believe that the signature is genuine.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this 31 day of AUG 1955

Archibald R. Watson

County Clerk and Clerk of the Supreme Court, New York County

State of New York, County of New York, } ss:

No. 98220 Form 1

I, ARCHIBALD R. WATSON, County Clerk and Clerk of the Supreme Court, New York County, a Court of Record having by law a seal, DO HEREBY CERTIFY that

Arthur Proffit

whose name is subscribed to the annexed affidavit, deposition, certificate of acknowledgment or proof, was at the time of taking the same a NOTARY PUBLIC in and for the State of New York, duly commissioned and sworn and qualified to act as such throughout the State of New York; that pursuant to law a commission, or a certificate of his official character, and his autograph signature, have been filed in my office; that as such Notary Public he was duly authorized by the laws of the State of New York to administer oaths and affirmations, to take and certify the acknowledgment or proof of deeds, mortgages, powers of attorney and other written instruments for lands, tenements and hereditaments to be read in evidence or recorded in this State, to protest notes and to take and certify affidavits and depositions; and that I am well acquainted with the handwriting of such Notary Public, or have compared the signature on the annexed instrument with his autograph signature deposited in my office, and believe that the signature is genuine.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this 31 day of AUG 1955

Archibald R. Watson

County Clerk and Clerk of the Supreme Court, New York County

STATE OF NEW YORK)
: SS.:
COUNTY OF ~~WESTCHESTER~~ New York)

56382 9

On this the 9th day of August, 1955, before me, the undersigned officer, personally appeared David M. Heyman, of the State of New York, known to me to be one of the persons described in the foregoing instrument as a Trustee under Article "SEVENTH" of the Last Will and Testament of Sam A. Lewisohn, deceased, and acknowledged that he executed the same in the capacity therein stated and for the purposes therein contained.

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

Notary Public

My Commission Expires:

MORRIS BLUMBERG
Notary Public, State of New York
No. 30-0329400
Qualified in Nassau County
Certificate filed in New York County
Commission Expires March 30, 1956

STATE OF NEW YORK)
: SS.:
COUNTY OF NEW YORK)

On this the 19th day of August, 1955, before me, Arthur Proffitt, the undersigned officer, personally appeared John G. Greenbourgh, of the State of New York, known to me to be one of the persons described in the foregoing instrument as a Trustee under Article "SEVENTH" of the Last Will and Testament of Sam A. Lewisohn, deceased, and acknowledged that he executed the same in the capacity therein stated and for the purposes therein contained.

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

Notary Public

My Commission Expires:

ARTHUR PROFFITT
Notary Public, State of New York
No. [illegible], Qualified in Rockland County
Cert. Filed in New York County
Commission Expires March 30, 1956

State of [illegible] } ss.:
County of [illegible]
I hereby certify that the within instrument was filed for record at request of John W. Rast
1955 AUG 19 AM 10:53
A.D. 19__
Book 991
Page 155
Witness my hand and Official Seal
Annabelle [illegible] County Recorder
By [illegible] Deputy

INDEXED
COMPARED TO
COPIED
SENT

56382

RECEIVED
MAR 19 1956

Law Offices
of
ALFRED W. GREEN

RECEIVED
MAR 19 1956

30 BROAD STREET · NEW YORK 4, N.Y.
Hanover 2-4846

March 16, 1956

The Defense Materials Exploration Administration
United States Department of the Interior
Washington 25, D.C.

Re: Lewisohn Copper Corp.
Application for Aid in an Exploration Project
Pursuant to DMEA ORDER I, under the
Defense Production Act of 1950, as Amended

Gentlemen:

I enclose herewith an original and three copies of a DMEA application for the above-entitled company.

Will you kindly address all inquiries which emanate from Washington to this writer. With respect to local inquiries, I believe the President of the company, Mr. Richard E. Chilson, is in a better position to answer these.

Very truly yours,

Alfred W. Green

AWG:S
Enc.

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

RECEIVED
MAR 19 1956

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

Not to be filled in by applicant

Docket No. 4221
Metal or Mineral Copper
Date Received 3-19-56
Estimated Cost 251,631.64
Participation (Government %) 50

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: LEWISOHN COPPER CORP.
128 North Church Avenue
Tucson, Arizona

(*b*) If other than an individual, add to your name above whether a corporation, partnership, etc., and the name of the State in which incorporated or otherwise organized. **SEE ATTACHED PAGES FOR ANSWERS TO 1 thru 7, INCLUSIVE.**

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

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

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

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract

(*b*) State any mine name by which the property is known.

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise

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

(*e*) If you own the land, describe any liens or encumbrances on it

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

☐ Money ☐ Use of equipment owned by you ☐ Other

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated February 13, 1956.

LEWISOHN COPPER CORP.
(Applicant)

By Richard E. Chilson
Richard E. Chilson, President-Treasurer

Boyd M. Morse
Boyd M. Morse, Vice President-Secretary

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

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

RECEIVED
MAR 19 1956

1. Name of applicant.

(a) Lewisohn Copper Corp.
128 North Church Avenue
Tucson, Arizona

(b) Incorporated under the laws of the State of Delaware; qualified to do business in the State of Arizona.

(c) Richard E. Chilson, President and Treasurer
P. O. Box 2729
Tucson, Arizona

Boyd M. Morse, Vice President and Secretary
128 North Church Avenue
Tucson, Arizona

3. Applicant's property rights.

(a) Property to be explored under this contract consists of four (4) patented claims, the PEACH, SOUTH END, MONITOR, and the GAP, in the Helvetia Mining District, Pima County, Arizona, designated by the Surveyor General of Arizona as Lot No. 1305, and particularly described in the United States Patent therefor which is recorded in Book No. 22, Deeds of Mines, at page 383, et seq., reference to which is hereby made for fuller description.

Other property of the applicant which may benefit by this exploratory work includes two patented claims, described as follows:

The MOHAWK patented mining claim, designated by the Surveyor General of Arizona as Lot No. 1300, and particularly described in the United States Patent therefor which is recorded in Book No. 22, Deeds of Mines, at page 392, et seq., reference to which is hereby made for fuller description.

The NEWMAN patented mining claim, designated by the Surveyor General of Arizona as Lot No. 1304, and particularly described in the United States Patent therefor which is recorded in Book No. 22, at page 397, et seq., reference to which is hereby made for fuller description.

Lewisohn Copper Corp.
128 North Church Avenue
Tucson, Arizona

The above mentioned Deeds of Mines being a record in the Office of the County Recorder, Pima County, State of Arizona.

In addition to these patented claims are three (3) unpatented fractional claims, the FLAT TOP, recorded in Book 913, page 600, the ROUND TOP, recorded in Book 914, page 1, and the DUZY, recorded in Book 932, page 231. SEE PROPERTY MAP.

Other property held by the applicant in this vicinity consists of fifteen (15) unpatented claims in the granite area to the west, which were located to provide a millsite, waste dump room and mill tailings disposal. No production is anticipated from these claims.

(b) This property is generally known as the PEACH mine.

(c) The Lewisohn Copper Corp. is the assignee of a Lease and Option contract with the owners of the patented mining claims and is the locator of the unpatented claims.

(d) Copies of the Lease and Option Contract and the Assignment of this contract are submitted with this application.

(e) Not owned.

(f) Included above.

4. Physical description.

(a) A 200 foot shaft, inclined at 65 degrees, was sunk about 1900 A. D. along the footwall of the ore formation in the northwest sector of the Peach claim. This shaft producted some small tonnage of shipping ore at that time, as evidenced by the open stopes. A mass of sulfide ore containing 2. 1% copper is exposed in the bottom. This shaft is readily accessible for examination.

In 1947 an open cast shipping operation produced several thousand tons of 2% ore which was shipped for lime flux. This was from a location about six hundred feet southeast of the old shaft and was

Lewisohn Copper Corp.
128 North Church Avenue
Tucson, Arizona

called the "Peach Pit" mine. In 1951 an adit was driven from the back of this pit into the formation a distance of 165 feet and was all in a homogeneous ore formation containing about 1.75% copper. This adit is open and accessible for examination.

In 1952 an inclined shaft was sunk 75 feet deep, also on the footwall of this ore zone but on the South End claim about 1,500 feet southeast of this point. Three carloads of ore were shipped from this shaft and two more were shipped at this same time from a surface cut 500 feet further yet to the southeast. These shipments contained from 2.65% to 5.69% copper. The 75 foot shaft is half filled with debris. No mining is being done at the present.

(b) Of the production from the old 200 foot shaft on the Peach claim we have no record, except for ten (10) carloads which were shipped from the dump in 1948. Sixty (60) carloads of ore were shipped from the Peach Pit mine in 1948 and forty (40) carloads in 1951-1952. This ore contained between 2% and 3% copper and about 1/2 ounce of silver. Five (5) carloads were shipped from the South End claim in 1952, averaging about 4% copper. This has been the total production from the property.

(c) The mineralization of the deposit under examination occurs in a fractured metamorphic limestone 200 to 500 feet in thickness, lying on a quartzite contact 3,000 feet in length (north and south) with a dip to the east of 30 to 45 degrees. The underlying quartzite varies from 50 to 200 feet in thickness and it, in turn, makes a fault contact with a granite basement. Although the outcrop of the quartzite contains only traces of copper, evidence indicates that it may contain ore grade mineralization to the granite contact under the lime ore zone. A lime cap-rock of from 0 to perhaps 400 feet in thickness overlies about one-half of the lime ore zone. This cap-rock contains local ore grade mineralization [redacted] ons which it is thought might [redacted] the cost of removal of the cap-rock.

Our reasons for wishing to explore this deposit is that there appears to be a possibility of proving a commercial deposit of

Lewisohn Copper Corp.
128 North Church Avenue
Tucson, Arizona

copper ore on the order of fifty million tons at 1%. The indications are as follows:

1. Copper mineralization indicated over virtually all of the entire surface of the lime metamorphic ore zone on the surface where it outcrops below the lime cap-rock. This outcrop represents a rough cross section (on the west side of the deposit) of the suggested ore body.

2. A section along the footwall of this mineralized zone 2,000 feet in length and from 10 to 100 feet in width was stipped with a bulldozer in 1947 in a search for shipping ore. Besides the thousands of tons shipped from outcrops uncovered in this work, the entire area stripped averaged in excess of 1% copper between the higher grade outcrops, all within an average of three feet of the natural surface.

3. Numerous small pits, cuts and short adits scattered over the property strongly suggest the possibility of a general dissemination of copper mineralization throughout the several hundred feet of metamorphic formation between the quartzite footwall and the lime cap-rock.

Maps, sections, surveys and photographs attached. No formal reports have been made on this property.

(d) Property reached from Tucson, Arizona, by 17 miles of paved highway to Sahuarita, Arizona, thence 13 miles east on a good graded county road, with maximum grades of about 4 degrees.

Railroad and shipping point is at Sahuarita, Arizona, 13 miles west from the Peach property.

Lewisohn Copper Corp.
128 North Church Avenue
Tucson, Arizona

(e) Tucson, Arizona, 30 miles distant, provides a ready source of every need. An electric power line crosses the desert 5 miles west of the property. A water supply will have to be developed in the deep alluvial of the valley and pumped to the mine. Approximately 2,000 gallons per minute will be required.

5. The exploration project.

(a) Copper.

(b) The work proposed for this project consists of cutting the necessary drill roads and drilling about 40 locations upon the subject property in order to determine if a commercial copper ore exists in this property. Supplemental sheets include drill location map and cross-sections and photographs showing terrain conditions.

(c) The work will start within 24 hours and be completed within 18 months from the date of an exploration contract.

(d) Manager of operations for the applicant will be Richard E. Chilson whose performance and experience is well known to the Bureau of Mines and the U. S. Geological Survey in Arizona. He has, since 1945, ten years successful mine operating experience in this same Helvetia District. Geological Consultant will be Mr. Harrison Schmitt of Silver City, New Mexico, a well qualified and widely known senior geologist. Mr. Howard Hendricks, who has been Chief Metallurgist of Shattuck-Denn Corporation and Metallurgical Consultant for American Smelting & Refining Company, and who has assisted in design and operation of many major concentration plants, is a Director of the corporation and will assist in the direction of the work.

6. Estimate of costs.

(a) Diamond Core Drilling. After having made examinations of the conditions at the Peach property, two responsible drilling companies, Minerals Engineering Co., of Grand Junction, Colorado, and Metler Bros., of Tucson, Arizona, have submitted bids, in writing, for this exploratory work ranging from $5.00 to $8.50

Lewisohn Copper Corp.
128 North Church Avenue
Tucson Arizona

per foot. To this is added cementing, reaming and casing charges, standby charges and water supply, of varying amounts estimated to average $3.00 per foot. See bids attached, Exhibit 6-a.

Because of our experience with the softness and fractured nature of the Peach formation resulting in relatively poor core recovery and water and sludge losses, we have been considering an air cooled and exhausted dry drilling system, such as has been used extensively in the softer formation of the Colorado plateau uranium fields. For this type of drilling we have an offer from Mr. William G. Coffey, of Gallup, New Mexico, to drill the Peach at a contracted price of $2.75 to $3.75 for plug bit and $3.00 to $5.25 for cored holes "plus bits." This offer was revised after discussion of the "plus bits" clause to provide for a trial hole at $7.00 per foot flat rate. Although this type of drilling is relatively untried in copper exploration, our Metallurgical Consultant, Mr. Howard Hendricks, advised that several inherent benefits may be realized with this system to offset certain disadvantages.

(b) Supervision of labor and equipment on company account operations, such as road work, surveying, sampling and assistance to exploration drillers, will be performed by a job superintendant at $600.00 per month, who will be provided a pickup truck for general use, supply, etc. Other personnel on company account will be a surveyor and his assistant, whose duties will include care of cores and sludges, a bulldozer operator, and a miner or roustabout for drilling and blasting for locations and access roads. Our present wage rates for these men at $500.00 monthly for a surveyor, $400.00 for rodman, $2.25 per hour for the catskinner, and $1.75 for the driller. Basic engineering and geological work will be done in conjunction with U. S. Bureau of Mines engineers and geologists as customary by Richard E. Chilson, at no cost to the project. Mr. Harrison Schmitt, of Silver City, New Mexico, has been our consultant on the preliminary examinations of this property at a fee of $200.00 per day. It might be thought that perhaps $2,500.00 would cover such further professional guidance and interpretation as might fall within the scope of this purely exploratory work.

Lewisohn Copper Corp.
128 North Church Avenue
Tucson, Arizona

(c) Most of the cost of this project, other than contract work, will consist of building roads and preparing drill sites. The materials and supplies which will be used in construction of approximately 7,000 feet of roads and 40 drill sites will consist of air hose and steel, fuse, caps, powder for plasting and blades and ripper teeth for the bulldozer, along with gas and oil for a compressor and diesel and lube oil for the tractor. About 50 pieces of alloy intra-set, carbide tipped drill steel will be used at a cost of $17.70 each. Four 50-foot sections of air hose with couplings and a blow pipe for the jackhammer will be required. 12,000 feet of fuse at $11.75 a thousand, 2,000 blasting caps, and 5 tons of dynamite will be required if roughly one-third of the roads built have to be blasted, as appears likely. For the bulldozer, a pair of ripper teeth will be purchased at $150.00 and mounted at an additional cost of $25.00. These teeth will use special replaceable points which are on the market at about $5.00 each. About 50 such points will be used in the work, along with 2 bulldozer cutting blades and 6 corner blades, for a total estimated blade cost of $230.00. 2,500 gallons of diesel fuel at 19.6¢ and 100 gallons of lube oil at 88¢ a gallon will be used. Gasoline for the portable compressor will amount to 2,000 gallons at 26.1¢, plus 50 gallons motor oil and 50 gallons compressor oil. Other supplies will consist of core boxes, sludge sacks, notebooks, survey stakes, oil filters, water needles, air king gaskets, batteries, etc.

(d) Operating equipment for this project, exclusive of contractors' equipment, will include a tractor with bulldozer, compressor, jackhammer and supply truck. The jackhammer, a 58# Gardner-Denver dry backhead machine, can be purchased for $565.00. The supply truck, a 1951 Chevrolet 1/2 ton pickup, will be furnished at $25.00 a month plus $4.00 a day for gas, oil and tires. The applicant has a suitable bulldozer which can be used on the project at a charge of $416.00 per month. This allowance is figured on a 2-year life in this kind of service with a residual or salvage value of $4,569.00. The machine is a 1955 Model HD-9 Allis-Chalmer Tractor with 9B Hydraulic Dozer. Its cost was $14,569.00 in July, 1955. A 210 cfm compressor

can be rented for $290.00 a month, but it is considered a better deal to purchase such a machine for $3,000.00, which will have a residual value of at least $2,000.00 after six months.

(e) No repairs or rehabilitations of existing equipment or facilities contemplated.

(f) A minimum temporary office and storage building will be constructed for the purpose of caring for core boxes and samples from day to day. The total cost of this building is estimated at $1,200.00.

(g) Cost of maintenance covered under labor and supplies. Preliminary analytical work will cost about $5,000.00 for a 20,000 foot hole. Accounting $100.00 a month, $1,200.00 total. Workmens' Compensation at rate of 4.04% of company payroll and payroll taxes, 2% Social Security, 2% combined F. O. A. and State Unemployment Security Taxes. Total Tax, 8.04%.

Employer's general liability insurance is quoted at $74.00 for $180,000.00 drilling contracts, and $36.00 for $40,000.00 in company labor.

SEE PAGES 9 and 10, immediately following this page, for recapitulation of ESTIMATE OF COSTS.

Lewisohn Copper Corp.
128 North Church Avenue
Tucson, Arizona

6. Estimate of costs.

(a) Independent Contracts.

Drilling - 20,000 feet at $9.00		$180,000.00

(b) Labor, Supervision, Consultants.

1 Supervision	7,200.00	
1 Surveyor	6,000.00	
1 Assistant Surveyor	4,800.00	
2 Samplers	9,600.00	
1 Tractor Operation @2.25 hour	6,084.00	
1 Swamper	4,732.00	
1 Geological Consultant	2,500.00	40,916.00

(c) Supplies.

Drill steel	885.00	
Air hose	160.00	
Fittings & Blowpipe	20.00	
Fuse	141.00	
Blasting caps	45.00	
Powder	1,900.00	
Ripper teeth	175.00	
Ripper points	250.00	
Bulldozer blades	230.00	
Supply truck	1,200.00	
Diesel fuel	490.00	
Diesel lube	88.00	
Hydraulic oil	43.00	
Compressor gas	835.00	
Compressor oil	88.00	
Oil filters	60.00	
Core boxes	4,000.00	
Sludge sacks	250.00	
Survey supplies	150.00	
Miscellaneous	250.00	11,260.00

Lewisohn Copper Corp.
128 North Church Avenue
Tucson, Arizona

6. Estimate of costs.

(d) Equipment.		
Tractor	4,992.00	
Compressor	3,000.00	
Jackhammer	565.00	
Supply truck	300.00	8,857.00
(e) Repairs.	0.00	0.00
(f) Office and Storage House.	1,200.00	1,200.00
(g) Miscellaneous.		
1. Assaying	5,000.00	
2. Accounting	1,200.00	
3. Workmens' Compensation	1,552.00	
4. Payroll Taxes	1,536.64	
5. Employers' Liability Insurance		
a. On $40,000 labor	36.00	
b. On $180,000 contract	74.00	9,398.64
(h) Contingencies.	0.00	0.00
TOTAL ESTIMATE OF COSTS, - - - -		$251,631.64

7. (a) Yes.

(b) Money and equipment as outlined.

MINERALS ENGINEERING COMPANY
P. O. BOX 1951
GRAND JUNCTION, COLORADO

January 12, 1956

RECEIVED
MAR 19 1956

Lewis Mine Copper Corp.
124 N. 3rd Ave.
Tucson, Arizona

Attn: Richard Cole

Gentlemen:

Please accept following as quotation on diamond core drilling on property east of Kalamazoo, Arizona in Santa Rita Mountains surface drilling:

NX -
0'-500' @ $6.00

NX -		AX -	
0'-250'	@ $5.50	0'-250'	@ $5.00
250'-500'	@ 6.00	250'-500'	@ 5.50
500'-750'	@ 6.50	500'-750'	@ 6.00
750'-1000'	@ 7.00	750'-1000'	@ 6.50
1000'-1250'	@ 7.75	1000'-1250'	@ 7.25
1250'-1500'	@ 8.50	1250'-1500'	@ 8.00

Reaming holes if necessary due to cave or water loss:

0'-1000' @ $3.00 per foot
1000'-1500' @ 4.50 " "

Move charge of $100.00 on less than 3000 foot minimum contract.

Standby $12.00 per hour for cementing, digging locations, hole surveys, reams, etc.

An early reply would be greatly appreciated. Thanking you, we remain

Very truly yours,

MINERALS ENGINEERING COMPANY

by Sherman Asplund

Sherman Asplund

RECEIVED

MAR 19 1956

AGREEMENT

This AGREEMENT, which shall become effective as of the date of the commencement of drilling, between Frank C. Metler and E. R. Metler et al dba METLER BROTHERS DRILLING COMPANY, party of the first part, and LEWISOHN COPPER CORPORATION, party of the second part, WITNESSETH:

That party of the first part will diamond drill at the PEACH MINE, Helvetia District, Arizona, a hole or number of holes to be spotted by party of the second part and that party of the second part will pay for such drilling within 10 days after any billing.

That this drilling shall be done at the rate of $6.70 per foot for NX hole, $5.85 per foot for BX hole and $5.00 per foot for AX hole, subject to the following provisions:

1. That if the ground so requires, casing may be used and party of the second part agrees to pay party of the first part for any such casing left in a hole. The rate per foot for casing left in a hole will be the cost, delivered at the drill site, to METLER BROTHERS DRILLING COMPANY.

2. That if it shall become necessary to ream a hole for larger casing, party of the second part may elect to abandon the hole and pay for feet of such hole completed, or he may require such reaming to be done, in which case he shall pay for such reaming at the rate of $2.25 per foot.

3. That in the event cementing of a hole is required either for better core or sludge recovery or for any ground condition interfering with drilling progress, party of the first part shall properly cement and subsequently drill out said cement for which party of the second part agrees to pay $2.00 per foot of cement drilled.

4. That surveying of any hole, when done at the request of party of the second part, shall be paid for at the rate of $8.00 for each hour engaged in such surveying.

5. That party of the first part agrees to furnish a truck and water tank to haul water to the drilling operation. Party of the second part agrees to pay $200.00 per month for the rental of this truck.

6. That party of the first part shall at all times keep his operators covered by insurance in accordance with the laws of the State of Arizona.

C O P Y

It is further agreed that no minimum core recovery shall be required, but that party of the first part will cooperate in obtaining good cores and sludges in accordance with accepted diamond drilling practices.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals by their properly authorized officers.

LEWISOHN COPPER CORPORATION
/s/ Richard E. Chilson

METLER BROTHERS DRILLING COMPANY
/s/ Frank C. Metler

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

500

March 22, 1957

Memorandum for the Files

From: Chief, Base Metals Division

Subject: Phone Conversation about Docket No. DMEA-4221, Lewisohn Copper Corporation, Peach and Elgin Mines, Pima County, Arizona, Contract No. Idm-E1027 (Copper)

A phone conversation was had with Mr. Townsend, of the Region III office. We pointed out that the Ruth Blankenship lease required at least a fifty thousand dollar payment in about a year. Obviously, such a lease would be inadequate for the purpose of the proposed additional work. We advised Mr. Townsend that the Operator should obtain a two-year extension in order for us to consider his request for additional drilling.

WRG

W. R. Griswold

WRG/er 3/28/57

Copy to: Docket
Chron.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code

500

March 20, 1957

Memorandum

To: Associate Solicitor, Division of Mineral Resources

From: Chief, Base Metals Division

Subject: Preparation of An Amended Contract for Docket No. DMEA-4221, Lewisohn Copper Corporation, Peach and Elgin Mine, Pima County, Arizona, Contract No. Idm-E1027 (Copper)

Will you kindly prepare an Amended Contract along the lines of the attached draft.

Since we have no Owners' Consents to Lien, the Field Team must require such documentation from Catherine M. Forbes (Owner of Sunsette claim) and from Ruth B. Blankenship (owner of large group of claims) before presenting the contract for signature.

Necessary maps are attached.

W. R. Griswold

W. R. Griswold

WRG/er
Copy to: Docket
Chron.

8623

IN REPLY REFER TO:

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

GENERAL FILE COPY
DMEA
RECEIVED MAR 18 1957

DATE	INITIALS	CODE
3/18	C	220
3/18	uPG	500

March 15, 1957
Re: DMEA 4221 Idm E1027
Lewisohn Copper Corp.
Peach and Elgin Mines
Pima County, Ariz. - copper
Appl. Est. of cost $301,560
Rec'd " " " 167,085

Memorandum

To: W. R. Griswold, Defense Minerals Exploration Administration

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

Subject: Review of examiners' and Field Team Reports concerning an amendment

The applicant requested assistance in exploring by non-core drilling a property adjoining the Peach property.

The Peach property is the site of assisted work under Idm E1027 and a large part of the drilling probably has been done. No interim reports are at hand giving detailed information concerning the results and an analysis is not possible, but the examiners quote the preliminary estimate of the operator which shows "about 9,000,000 tons of potential ore in the Peach area and 3,000,000 tons in the Elgin area.....The estimated grade of the ore is 0.8 percent copper. In the Peach area it is 2/3 sulfide ore and 1/3 oxide ore, but in the Elgin area it apparently is nearly all sulfide ore; however, some oxide ore was mined from the Elgin opencut". The objective of on the order of 50,000,000 tons of 1% material given in the original application seems to be far from realized.

The examiners say "As yet it is not known whether the ore body can be mined profitably or not, but this can only be determined by additional exploration". Probably it has not been shown that the material carrying about .80% copper of which about 1/3 is 'oxide' copper, can be economically concentrated.

Consideration of the very few sections with which we have been provided indicates the distribution and location of the 0.80 + % material is so erratic it will be a problem to mine it economically. Perhaps the later holes have changed the picture for the better but such seems unlikely.

In view of the apparently unfavorable results of the work in the Peach mine area, I recommend that the request for an amendment be denied without prejudice, pending the receipt of definite date obtained by the work already done.

N. E. Nelson

N. E. Nelson

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

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 12 1957

DATE	INITIALS	CODE
3/12	C	220
3/12	URH	500
March 12, 1957		

Memorandum

To: W. R. Griswold, Defense Minerals Exploration Administration

From: Commodity Specialist, Branch of Base Metals

Subject: Review of memorandum report recommending additional exploration, Docket No. DMEA 4221 (copper), Lewisohn Copper Corp. Peach and Elgin Mines, Pima County, Arizona, Contract No. Idm-E 1027, $167,085.00 (total 255,865.00).

The field examiners recommend the approval of a modified additional exploration program to drill the Elgin mine area because favorable geological evidence indicates that substantial reserves of low-grade ore may be found. Their proposal consists of a two stage churn-drilling and sampling project. Stage III provides for fifteen 300 foot holes on 400 foot centers and Stage IV drilling will be based on the results of Stage I.

In the adjacent Peach mine area 38 completed drill holes provide the basis for the company's preliminary estimate of 9,000,000 tons of potential ore containing 0.8 percent copper. The examiners state that geological conditions seem to indicate that the Elgin mine is at least as favorable as the Peach area and in the aggregate a very large tonnage of low-grade ore might be present.

It is recommended that favorable consideration be given to the modified additional drilling program as proposed by the examiners.

A. D. McMahon

A. D. McMahon

Copy to: Division of Minerals
Branch of Base Metals (2)
Thor Kiilsgaard, U.S.G.S.
F. D. Lamb
Files

EXTRA COPY
DMEA
RECEIVED FEB 28 1957

DATE	INITIALS	CODE

AGREEMENT TO SELL

RECEIVED of Lewisohn Copper Corp., 150 North Church Avenue, Tucson, Arizona, a Delaware corporation, qualified and doing business in the State of Arizona, upon this 26th day of December, 1958, at Tucson, Arizona, the sum of One Thousand Dollars ($1,000.00) as earnest money and in part payment for the purchase of the following described mining property, located in the Helvetia Mining District, Pima County, Arizona:

Name of Claim		Book	Page
Sunsette	(Patented)		
Irish	(Unpatented)	287	259
Axe	(Unpatented)	287	258
Ruby	(Unpatented)	287	256

together with all other mining claims, patented or unpatented, owned or in which grantor has any interest, save and except those unpatented mining claims covered by that certain Lease and Option agreement dated June 25, 1954, to which reference is hereinafter made, which the undersigned has, this day, sold and agreed to convey to the said Lewisohn Copper Corp. for the sum of Three Thousand Dollars ($3,000.00) and for the further consideration as hereinafter set forth on the terms as follows:

1. One Thousand Dollars ($1,000.00) in hand paid as above mentioned.
2. Two Thousand Dollars ($2,000.00) to be placed in escrow with the Southern Arizona Bank and Trust Company, Tucson, Arizona, with instructions to be paid to the undersigned upon delivery by the undersigned of a good

and sufficient warranty deed accompanied by a title insurance policy insuring title in purchaser to said Sunsetto patented claim in the sum of Three Thousand Dollars ($3,000.00).

It is understood that said property is and was owned by seller and by the late son of the undersigned seller, Denver F. Forbes and/or Albert W. Forbes, deceased, whose estates will be probated in the Pima County Superior Court, Tucson, Arizona, that the seller is the sole heir and beneficiary of said estates, and that delivery of a good and sufficient deed is subject to the approval of the Probate Court. Seller agrees to proceed forthwith and to make every effort to obtain early approval of the Probate Court to the sale of the above mentioned property and of the additional property hereinafter mentioned, on the terms and conditions as herein contained.

Seller further agrees to sell and hereby grants an option to said Lewisohn Copper Corp. to buy all of seller's right, title and interest in and to those certain unpatented mining claims now under lease to James R. Wattingly and Ewald A. Haglund, under Lease and Option agreement bearing date of June 23, 1954, and recorded in the office of the Recorder of Pima County, Arizona, in Docket Book 729, at Pages 66-69, upon the following terms and conditions:

1. Commencing one (1) year from the date of this agreement, Lewisohn Copper Corp. will pay to seller the sum of Two Hundred Dollars ($200.00) per month, for twelve (12) months.

2. In addition to said Two Hundred Dollars ($200.00) per month for twelve (12) months, Lewisohn Copper Corp. agrees to pay annually, commencing with a date two (2) years from the date hereof,

the sum of Five Thousand Dollars ($5,000.00) and a like sum on the anniversary date thereof of each year until seller shall have received a total amount of Twenty-five Thousand Dollars ($25,000.00), that sum being the full consideration for said unpatented mining claims under said Lease and Option.

3. All of the foregoing sums shall be paid at Tucson Federal Savings & Loan Association, Tucson, Arizona, for the account of seller. Lewisohn Copper Corp. shall have the right to cancel and terminate this option upon notice thereof delivered to said savings and loan association, at any time, whereupon seller shall be restored to her full rights as lessor and owner of said property described in said Lease and Option of June 29, 1954, and all sums theretofore paid shall be the property of seller and retained by her as full liquidated damages for the cancellation of this agreement. Lewisohn Copper Corp. shall have no further obligations hereunder after cancellation of its option to purchase said leased mining claims.

Upon receipt of full payment of said Twenty-five Thousand Dollars ($25,000.00), seller expressly agrees to deliver to Lewisohn Copper Corp. an assignment of said lease and a good and sufficient deed to all property described therein.

It is understood and agreed that the purchase of said Sunsette, Irish, Axe and Ruby claims is a separate and distinct transaction from the latter portion of this agreement relating to the claims now under lease dated June 29, 1954, except for the matter of consideration, and that a default for cancellation of the option herein granted as to said latter property shall in no way affect the rights of Lewisohn Copper Corp. to acquire said Sunsette, Irish, Axe and Ruby claims as herein provided.

It is specifically agreed that there shall be reserved to grantor a right of way for ingress and egress over and across the aforementioned property as is reasonably required in connection with the mine known as the Tip Top.

The rights and obligations of this agreement shall be binding upon and inure to the heirs, representatives, successors, and assigns of the parties hereto.

Catherine Forbes

ACKNOWLEDGED:

LEWSOHN COPPER CORP.

By Richard E. Chilson, President

Roy M. Morse, Secretary

STATE OF ARIZONA)
) ss:
COUNTY OF PIMA)

Before me, Betty J. Gray, the undersigned Notary Public in and for said County and State, personally appeared CATHERINE M. NORDLE, a single woman, who acknowledged that she signed the within agreement to sell as her free act and deed and for the purposes therein contained.

Witness my hand and Notarial Seal this 28th day of December, 1951.

Betty J. Gray, Notary Public

(Seal)

My Commission Expires: March 8, 1957.

STATE OF ARIZONA)
) ss:
COUNTY OF PIMA)

Before me, Betty J. Gray, the undersigned Notary Public in and for said County and State, personally appeared RICHARD E. CHILSON and BOYD M. MORSE, President and Secretary, respectively, of LEWISOHN COPPER CORP., who acknowledged that they as such corporate officers executed the within Agreement to Sell for and in behalf of said Lewisohn Copper Corp. by affixing thereon the seal of said corporation.

Witness my hand and Notarial Seal this 28th day of December, 1951.

Betty J. Gray, Notary Public

(Seal)

My Commission Expires: March 8, 1957.

EXTRA COPY
DMEA
RECEIVED FEB 28 1957

DATE	INITIALS	CODE

AGREEMENT TO SELL

RECEIVED of Lewisohn Copper Corp., 12[illegible] North Church Avenue, Tucson, Arizona, a Delaware corporation, qualified and doing business in the State of Arizona, upon this 26th day of December, 1958, at Tucson, Arizona, the sum of One Thousand Dollars ($1,000.00) as earnest money and in part payment for the purchase of the following described mining property, located in the Helvetia Mining District, Pima County, Arizona:

Name of Claim		Book	Page
Sunsette	(Patented)		
Irish	(Unpatented)	287	259
Axe	(Unpatented)	287	258
Ruby	(Unpatented)	287	258

together with all other mining claims, patented or unpatented, owned or in which grantor has any interest, save and except those unpatented mining claims covered by that certain Lease and Option agreement dated June 28, 1954, to which reference is hereinafter made, which the undersigned has, this day, sold and agreed to convey to the said Lewisohn Copper Corp. for the sum of Three Thousand Dollars ($3,000.00) and for the further consideration as hereinafter set forth on the terms as follows:

1. One Thousand Dollars ($1,000.00) in hand paid as above mentioned.
2. Two Thousand Dollars ($2,000.00) to be placed in escrow with the Southern Arizona Bank and Trust Company, Tucson, Arizona, with instructions to be paid to the undersigned upon delivery by the undersigned of a good

and sufficient warranty deed accompanied by a title insurance policy insuring title in purchaser to said Sunsetto patented claim in the sum of Three Thousand Dollars ($3,000.00).

It is understood that said property is and was owned by seller and by the late son of the undersigned seller, Denver F. Forbes and/or Albert W. Forbes, deceased, whose estates will be probated in the Pima County Superior Court, Tucson, Arizona, that the seller is the sole heir and beneficiary of said estates, and that delivery of a good and sufficient deed is subject to the approval of the Probate Court. Seller agrees to proceed forthwith and to make every effort to obtain early approval of the Probate Court to the sale of the above mentioned property and of the additional property hereinafter mentioned, on the terms and conditions as herein contained.

Seller further agrees to sell and hereby grants an option to said Lewisohn Copper Corp. to buy all of seller's right, title and interest in and to those certain unpatented mining claims now under lease to James R. Mattingly and Ewald A. Haglund, under Lease and Option agreement bearing date of June 20, 1954, and recorded in the office of the Recorder of Pima County, Arizona, in Docket Book 729, at Pages 66-69, upon the following terms and conditions:

1. Commencing one (1) year from the date of this agreement, Lewisohn Copper Corp. will pay to seller the sum of Two Hundred Dollars ($200.00) per month, for twelve (12) months.

2. In addition to said Two Hundred Dollars ($200.00) per month for twelve (12) months, Lewisohn Copper Corp. agrees to pay annually, commencing with a date two (2) years from the date hereof,

the sum of Five Thousand Dollars ($5,000.00) and a like sum on the anniversary date thereof of each year until seller shall have received a total amount of Twenty-five Thousand Dollars ($25,000.00), that sum being the full consideration for said unpatented mining claims under said Lease and Option.

3. All of the foregoing sums shall be paid at Tucson Federal Savings & Loan Association, Tucson, Arizona, for the account of seller. Lewisohn Copper Corp. shall have the right to cancel and terminate this option upon notice thereof delivered to said savings and loan association, at any time, whereupon seller shall be restored to her full rights as lessor and owner of said property described in said Lease and Option of June 20, 1954, and all sums theretofore paid shall be the property of seller and retained by her as full liquidated damages for the cancellation of this agreement. Lewisohn Copper Corp. shall have no further obligations hereunder after cancellation of its option to purchase said leased mining claims.

Upon receipt of full payment of said Twenty-five Thousand Dollars ($25,000.00), seller expressly agrees to deliver to Lewisohn Copper Corp. an assignment of said lease and a good and sufficient deed to all property described therein.

It is understood and agreed that the purchase of said Sunsette, Irish, Axe and Ruby claims is a separate and distinct transaction from the latter portion of this agreement relating to the claims now under lease dated June 20, 1954, except for the matter of consideration, and that a default for cancellation of the option herein granted as to said latter property shall in no way affect the rights of Lewisohn Copper Corp. to acquire said Sunsette, Irish, Axe and Ruby claims as herein provided.

It is specifically agreed that there shall be reserved to grantor a right of way for ingress and egress over and across the aforementioned property as is reasonably required in connection with the mine known as the Tip Top.

The rights and obligations of this agreement shall be binding upon and inure to the heirs, representatives, successors, and assigns of the parties hereto.

Catherine Forbes

ACKNOWLEDGED:

LEWISOHN COPPER CORP.

By Richard E. Chilson, President

By W. Morse, Secretary

STATE OF ARIZONA)
) ss:
COUNTY OF PIMA)

Before me, Betty J. Gray, the undersigned Notary Public in and for said County and State, personally appeared CATHERINE M. FORBES, a single woman, who acknowledged that she signed the within Agreement to Sell as her free act and deed and for the purposes therein contained.

Witness my hand and Notarial Seal this 26th day of December, 1956.

Betty J. Gray, Notary Public

(Seal)

My Commission Expires: March 8, 1957.

STATE OF ARIZONA)
) ss:
COUNTY OF PIMA)

Before me, Betty J. Gray, the undersigned Notary Public in and for said County and State, personally appeared RICHARD E. CHILSON and BOYD M. MORSE, President and Secretary, respectively, of LEWISOHN COPPER CORP., who acknowledged that they as such corporate officers executed the within Agreement to Sell for and in behalf of said Lewisohn Copper Corp. by affixing thereon the seal of said corporation.

Witness my hand and Notarial Seal this 26th day of December, 1956.

Betty J. Gray, Notary Public

(Seal)

My Commission Expires: March 8, 1957.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
224 New Customhouse
Denver 2, Colorado

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 28 1957

DATE	INITIALS	CODE
2/1	C	220
		130
1/28	W.R.G.	500

February 26, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

From: Acting Executive Officer, DMEA Field Team, ~~Region III~~

Subject: Docket No. DMEA 4221 (Copper), Contract No. Idm-E1027, Lewisohn Copper Corporation (Peach and Elgin mines), Pima County, Arizona

In reference to your letter of January 24, 1957, enclosed is the following material pertaining to approval of additional work and funds under the subject contract:

1. The original and three copies of a joint memorandum report, dated February 20, 1957, from T. M. Romslo, Mining Engineer, Bureau of Mines, and J. N. Faick, Geologist, Geological Survey; and transmittal thereof, dated February 21, 1957, from W. L. Emerick.

2. Three photo copies of an Agreement to Sell pertaining to the Sunsette, Irish, Axe, and Ruby claims.

3. Nine extra copies of map, "Figure 2A," and nine extra copies of map, "Figure 5A."

The field examiners recommend, in which this office concurs, a modified drilling program, consisting of 13,500 feet of churn drilling in two stages, comprised of 15 primary holes on 400-foot intervals, with provisions for drilling 30 secondary holes contingent on results of the 15 primary holes; all at a total estimated cost of $255,865.00, with government participation at 50%, amounting to $127,932.50.

It will be appreciated if required form MF-205, Consent to Lien and Subordination Agreement, be prepared by your office and forwarded for signature by the parties concerned.

E. N. Harshman

E. N. Harshman

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
BOX 4097
TUCSON 5, ARIZONA

DMEA
DEPARTMENT OF THE INTERIOR
FEB 25 1957
REGION III
DENVER, COLORADO

MINERAL DEPOSITS
FEB 25 1957

GEOLOGICAL SURVEY
DENVER, COLORADO

February 21, 1957

Memorandum

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

From : W. L. Emerick

Subject : Docket DMEA-4221 (Copper), Contract No. Idm-E1027, Lewisohn Copper Corp., (Peach and Elgin Mines) Pima County, Ariz.

Enclosed is the original and 8 copies of a joint memorandum report on an amendment to the above contract.

As requested, 12 extra copies of the revised claim map (fig. 2A) and the revised proposed exploration map (fig. 5A) are included. Also enclosed are 1 copy each of geologic and assay logs of diamond drill holes 15, 17, and 19 and churn drill hole 46 for the Denver file.

Also enclosed is the Bureau of Mines copy of the application with all attachments submitted by the operator.

W. L. Emerick

W. L. Emerick

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 28 1957

DATE	INITIALS	CODE

CC W. M. Traver (Orig. & 8)
W. L. Emerick
DMEA-4221
DF

WLEmerick:frj

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 28 1957
DATE | INITIALS | CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
BOX 4097
TUCSON 5, ARIZONA

February ~~29, 1957~~

Memorandum

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

From : T. M. Romslo
J. N. Faick

Through: E. N. Harshman
W. R. Storms
W. L. Emerick

Subject : Docket No. DMEA-4221 (Copper), Contract No. Idm-E1027, Lewisohn Copper Corporation (Peach and Elgin Mines) Pima County, Arizona.

The joint engineering and geological report which follows constitutes a recommendation to approve with modification additional work under the above subject project, as was requested by the operator in his letter of Dec. 19, 1956. The purpose of the newly proposed work is to extend exploration from the Peach mine area, which is now being drilled, into the contiguous Elgin mine area that geological evidence indicates may contain substantial reserves of low-grade ore. A field examination of the area in which additional work is proposed was made by T. M. Romslo and J. N. Faick February 1, 1957, and both the proposed work and the work now being done was discussed in detail with R. E. Chilson, president, B. H. Martin, manager, and A. M. Heyman, resident geologist, for the company.

The geology of the Elgin area (see Fig. 5A) is somewhat similar to the geology of the Peach area in which a sequence of Permian quartzite and Permian and Pennsylvanian limestones rest upon granite and quartz monzonite. The sedimentary rocks are thought by the operators to be the upper plate of an overthrust fault. This interpretation is plausible but by no means certain as the existence of the fault has not been proved and the monzonite might be sill-like as is locally indicated by drilling near the Elgin mine, fig. 6.

The limestone and quartzites that crop out in the Peach mine area strike northerly and dip from 15 to 45 degrees east, but flatten appreciably to the east, and in the Elgin area are believed to be

CC W. M. Traver (Orig. & 8)
W. L. Emerick
DMEA-4221
DF

TMRomslo:JNFaick:frj

nearly horizontal. This overly simplified picture of the geology is somewhat complicated by several high angle faults, the nature of which has not been ascertained, but along which the throw probably does not exceed 150 feet.

The Permian limestone (Concha), which is the ore bearing formation, is strongly metamorphosed to skarn minerals such as garnet, and diopside and in many places contains disseminated copper minerals in sufficient amount to constitute low-grade ore. The granite and monzonite locally contains disseminated sulfides but not in sufficient amount to become ore. In the ore-bearing Concha limestone the ore minerals are chalcopyrite, bornite and possibly cupriferous pyrite. Associated with these are magnetite and pyrite. In places the sulfide minerals crop out at the surface, but in other places they are covered by soil and rock debris, and in other places are concealed by material that probably is leached capping.

On the Elgin claim, near the eastern end of the area in which exploration is proposed, the Elgin mine originally was developed by an adit a couple of hundred feet long, a shaft 190 feet deep and by about 500 feet of drifting. The Elgin deposit has been mined, principally by open-pit methods, as a source of flux ore and is said by the applicants to have yielded about 50,000 tons of ore containing about two percent copper. Production ceased when smelters no longer required the flux. Considerable hypogene and supergene copper mineralization can be seen in the walls of the Elgin opencut, and on a low ridge north and west of it considerable chalcopyrite is disseminated throughout a tactite mass a couple of hundred feet wide and possibly twice as long. The area near the Elgin opencut furnishes the best evidence of mineralization seen by the writer, but the mineralization is not known to be confined to this area, and the boundaries of the mineralized area are indefinite. Part of the area is covered by residual debris, but even in outcrop areas it is difficult to distinguish the ore zones because of the (1) scarcity of ore minerals, (2) the absence of distinctive gossan or leached capping, (3) the uncertainty of the relationships of the copper-bearing tactite to the barren quartz monzonite and granite. Geological conditions, as shown on the section fig. 6, indicate that a bed of mineralized limestone may dip eastward beneath a sill of monzonite or granite east of the Elgin mine. It seems that the only method to determine the distribution, thickness and grade of the potential ore zone in the Elgin area is by drilling, and for this reason we believe the area is worthy of exploration by churn drilling.

Justification of exploration of the Elgin area must be evaluated in part on the results of exploration of the adjacent Peach mine area where 38 drill holes have been completed and all holes showed low grade mineralization of potential ore grade with the exception of holes D11, D12, and D14. These three holes penetrated material of lower than average grade but the results are inconclusive because of poor core recoveries and poor samples. Diamond drilling has not proved to be a satisfactory means of exploration.

Preliminary estimates made by the company as of Feb. 18, 1957, but presently being revised, show about 9,000,000 tons of potential ore in the Peach area and 3,000,000 tons in the Elgin area. The estimate in the Peach area is based on 38 completed holes and in the Elgin area it is based on 3 diamond drill holes and mine workings. The estimated grade of the ore is 0.8 percent copper. In the Peach area it is 2/3 sulfide ore and 1/3 oxide ore, but in the Elgin area it apparently is nearly all sulfide ore, however, some oxide ore was mined from the Elgin opencut. These reserve estimates have not been verified by DMEA.

Geological conditions seem to indicate that the Elgin area is at least as favorable as the Peach area and that copper mineralization may extend almost without interruption across these two areas, and in the aggregate a very large tonnage of low-grade ore might be present. As yet it is not known whether the ore body can be mined profitably or not, but this can only be determined by additional exploration.

The properties of the current and proposed additional explorations are contiguous as shown on the attached revised claim map (fig. 2A). Property of the proposed additional exploration that the operator considered of interest to the project comprises a block of 8 lode mining claims. Six of the eight claims, namely the Boston, Telephone, Elgin, Dan, General and Hattie, are patented. These claims have been transferred to the operator by the owner, Ruth B. Blankenship, by a Lease and Option agreement of May 1, 1956. Copies of the agreement were attached to the application. One of the two other claims is the unpatented Waltham claim. The owners of the claim, Feliz Ruelas, P. R. Ruelas and Cleofe Ruelas, transferred it to the operator by a Mining Deed of August 2, 1956, a copy of which was a part of the application. The remaining claim is the patented Sunsette that is owned by Catherine Forbes and held by the operator by an Agreement to Sell dated December 26, 1956. Copies of this agreement, obtained by the writers, have been made a part of the application. In addition to these 8 claims, figure 2A shows the presently subordinated claims and claims which the writers believe could be benefited by the

proposed explorations. The operator's rights to all of the latter claims except the Mohawk also are covered by the Lease and Option agreement with Ruth B. Blankenship. The Mohawk claim is listed as one of the patented claims of Annex I to the existing contract.

The proposed additional exploration comprises the drilling of 21,000 feet in 60 churn drill holes having an estimated average depth of 350 feet. The operator's estimated costs of the additional exploration are as follows:

(a)	Independent contracts Churn drilling 21,000 ft. @ $10.00 per ft.	$210,000.00
(b)	Incidental allowance 21,000 ft. @ $4.00 per ft.	84,000.00
(c)	Assays, - for copper $\frac{21,000}{5}$ = 4,200@ 1.60 per sample	6,720.00
	10% check samples = 420 @ $1.60 per sample	840.00
Estimated total cost		$301,560.00

Locations of the 60 holes are shown on Plate 2 of the application. One of the holes, No. 32, (C46 on DMEA fig. 5A) had been churn drilled prior to our field investigations. Of the remaining 59 holes, 57 are in the area where metamorphosed limestone crops out or is overlain by thin alluvium. The other 2 holes are in an adjoining area of monzonite, possibly as a sill overlying altered limestone. During the investigations the operator and the writers agreed that initial drilling in the limestone area should be confined to 14 holes at approximately 400-foot intervals. They also agreed that the initial drilling should include one of the proposed holes in the monzonite area. The locations of the 15 proposed holes of the initial drilling are shown on figure 5A. The amount of additional exploration that may be warranted will be dependent upon the results of the initial drilling. Consequently we recommend the additional exploration be confined to only such drilling as is approved in advance by the Government with respect to number of holes, locations and estimated depths. For this drilling, we believe that provision should be made for 30 of the 44 requested holes. The 14 eliminated holes are fringe holes along the possible northern, eastern and southern extremities of the mineralized zone.

The average depth of the 45 holes is not expected to exceed 300 feet, 50 feet less than estimated by the operator.

Recommended actual and fixed unit costs are same as those of the existing contract. Actual costs are confined to the churn drilling by an independent contractor at a maximum of $10.00 per foot. These per foot costs for 1956 drilling were $8.63 for November and $9.00 for December, an average of $8.80. Fixed unit costs include an allowance of $2.03 per foot of drilling for all other costs except assaying and $1.60 per chemical assay for copper. The operator's request for incidental allowance was $4.00 per foot, reportedly the present actual costs. We pointed out that a material decrease in present incidental costs could be expected because road building expenses in the Elgin area would be much less than in the Peach area and that these costs could be further decreased by accelerating the advance in drilling. He agreed that substantial savings could be effected and that $2.03 for incidental costs was acceptable. The recommended fixed costs of chemical assays for copper are 2,600 samples at $1.60 per sample for a total of $4,160.00 plus 260 check samples at $2.00 each or $520.00. The 2,600 samples from the recommended 13,500 feet of holes are expectable on the basis of drilling during November and December 1956 when 96.23 percent of the total advance was sampled at the approved minimum interval of 5 feet.

Following is a summary of our recommended 2-stage project for the requested additional drilling. No changes in the work specifications are proposed.

Third Stage

Actual Costs

Category (1) Independent Contracts	
Churn drilling 15 holes for a maximum of 4,500 feet at a cost not to exceed $10.00 per ft.	$45,000.00
Categories (2) through (7) None	

Fixed Unit Costs

Incidental allowance for each foot of drilling completed, 4,500 feet at $2.03/ft.	$9,135.00
867 samples to be chemically assayed for total copper at $1.60 per sample	1,387.20
87 samples to be check assayed for total copper at $2.00 per sample	174.00
Estimated cost of Stage III	$55,696.20

Fourth Stage

Under Stage IV, only such drilling shall be done as is approved in advance by the Government with respect to number of holes, location, and depths.

Actual Costs

Category (1) Independent Contracts	
Churn drilling 30 holes for a maximum of 9,000 feet at a cost not to exceed $10.00 per foot	$90,000.00
Categories (2) through (7) None	

Fixed Unit Costs

Incidental allowance for each foot of drilling completed, 9,000 feet at $2.03/ft.	18,270.00
1,733 samples to be chemically assayed for total copper at $1.60 per sample	2,772.80
173 samples to be check assayed for total copper at $2.00 per sample	346.00
Estimated total cost of Stage IV	$111,388.80

Estimated Total Cost of Project

Stage 1 and 2 (rounded)	$88,780.00
Stage III	55,696.20
Stage IV	111,388.80
Total	$255,865.00
Government Participation @ 50%	$127,932.50

Completion of the 13,500 feet of drilling in 12 months is expectable on the basis of an average monthly advance of 1,127 feet during November and December.

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

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

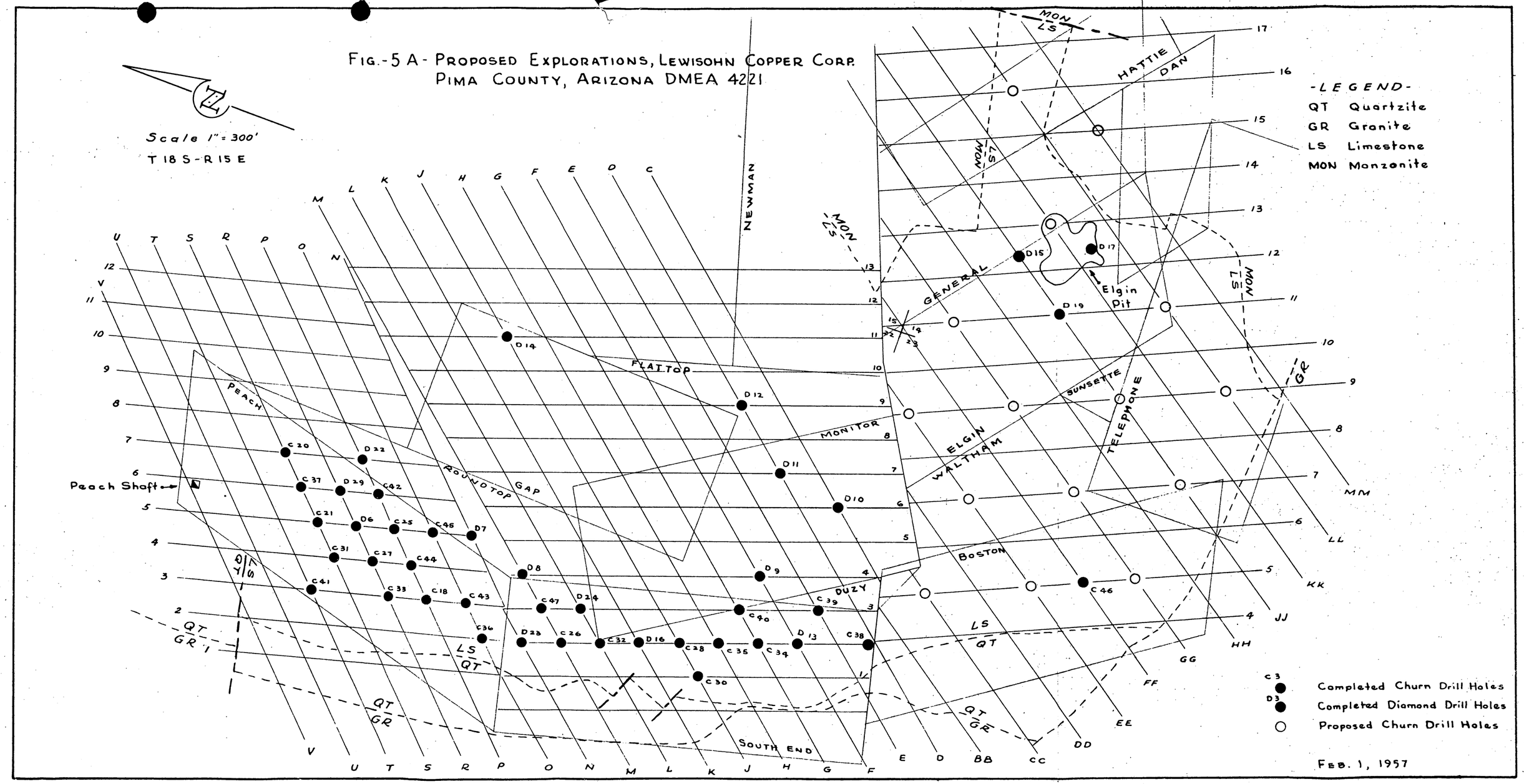
FIG.-5 A- PROPOSED EXPLORATIONS, LEWISOHN COPPER CORP.
PIMA COUNTY, ARIZONA DMEA 4221
Scale 1" = 300'
T 18 S - R 15 E
-LEGEND-
QT Quartzite
GR Granite
LS Limestone
MON Monzonite
Completed Churn Drill Holes
Completed Diamond Drill Holes
Proposed Churn Drill Holes
FEB. 1, 1957
Peach Shaft
Elgin Pit
NEWMAN
FLATTOP
PEACH
ROUNDTOP
GAP
MONITOR
GENERAL
HATTIE
DAN
ELGIN
WALTHAM
SUNSETTE
TELEPHONE
BOSTON
DUZY
SOUTH END
MON
LS
GR
QT
D14
D12
D11
D10
D9
D8
D7
D15
D17
D19
D22
D29
D6
D24
D23
D13
C20
C37
C42
C21
C25
C45
C31
C27
C44
C41
C33
C18
C43
C36
C47
C32
C26
C16
C28
C35
C34
C30
C40
C39
C38
C46

RECEIVED
FEB 28 1957
D.M.E.A.

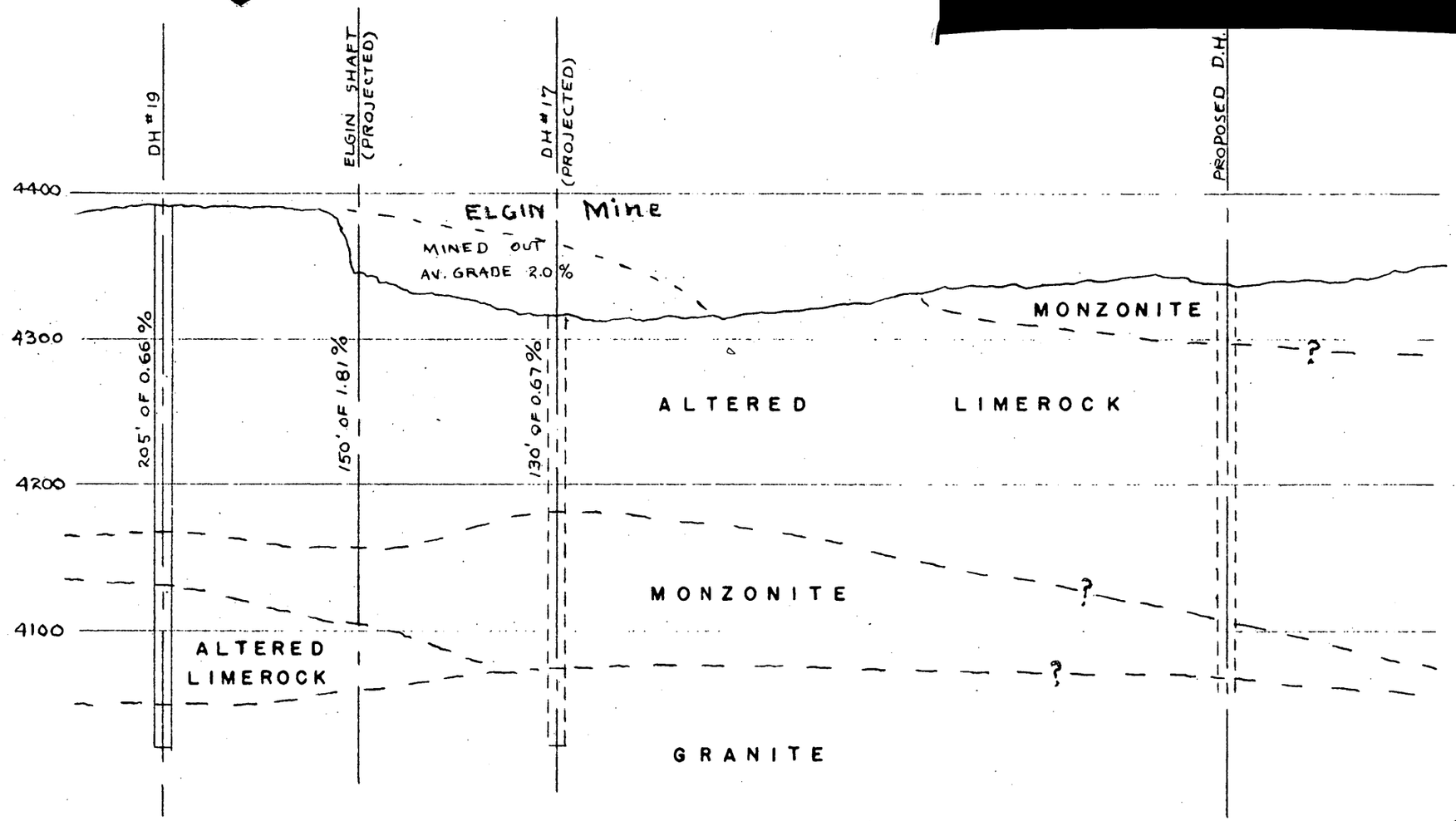

Fig 6

LEWISOHN COPPER CORPORATION

SECTION THROUGH D-19
AND PROPOSED DRILL HOLE
AT MM-15

SCALE: 1"=100'

RECEIVED
FEB 28 1957
D.M.E.A.

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 28 1957

DATE	INITIALS	CODE

AGREEMENT TO SELL

RECEIVED of Lewisohn Copper Corp., 128 North Church Avenue, Tucson, Arizona, a Delaware corporation, qualified and doing business in the State of Arizona, upon this 26th day of December, 1958, at Tucson, Arizona, the sum of One Thousand Dollars ($1,000.00) as earnest money and in part payment for the purchase of the following described mining property, located in the Helvetia Mining District, Pima County, Arizona:

Name of Claim		Book	Page
Sunsette	(Patented)		
Irish	(Unpatented)	237	259
Axe	(Unpatented)	237	258
Ruby	(Unpatented)	237	256

together with all other mining claims, patented or unpatented, owned or in which grantor has any interest, save and except those unpatented mining claims covered by that certain Lease and Option agreement dated June 29, 1954, to which reference is hereinafter made, which the undersigned has, this day, sold and agreed to convey to the said Lewisohn Copper Corp. for the sum of Three Thousand Dollars ($3,000.00) and for the further consideration as hereinafter set forth on the terms as follows:

1. One Thousand Dollars ($1,000.00) in hand paid as above mentioned.
2. Two Thousand Dollars ($2,000.00) to be placed in escrow with the Southern Arizona Bank and Trust Company, Tucson, Arizona, with instructions to be paid to the undersigned upon delivery by the undersigned of a good

and sufficient warranty deed accompanied by a title insurance policy insuring title in purchaser to said Sunsetts patented claim in the sum of Three Thousand Dollars ($3,000.00).

It is understood that said property is and was owned by seller and by the late son of the undersigned seller, Denver F. Forbes and/or Albert W. Forbes, deceased, whose estates will be probated in the Pima County Superior Court, Tucson, Arizona, that the seller is the sole heir and beneficiary of said estates, and that delivery of a good and sufficient deed is subject to the approval of the Probate Court. Seller agrees to proceed forthwith and to make every effort to obtain early approval of the Probate Court to the sale of the above mentioned property and of the additional property hereinafter mentioned, on the terms and conditions as herein contained.

Seller further agrees to sell and hereby grants an option to said Lewisohn Copper Corp. to buy all of seller's right, title and interest in and to those certain unpatented mining claims now under lease to James R. Mattingly and Ewald A. Hagiund, under Lease and Option agreement bearing date of June 29, 1954, and recorded in the office of the Recorder of Pima County, Arizona, in Docket Book 729, at Pages 66-69, upon the following terms and conditions:

1. Commencing one (1) year from the date of this agreement, Lewisohn Copper Corp. will pay to seller the sum of Two Hundred Dollars ($200.00) per month, for twelve (12) months.

2. In addition to said Two Hundred Dollars ($200.00) per month for twelve (12) months, Lewisohn Copper Corp. agrees to pay annually, commencing with a date two (2) years from the date hereof,

the sum of Five Thousand Dollars ($5,000.00) and a like sum on the anniversary date thereof of each year until seller shall have received a total amount of Twenty-five Thousand Dollars ($25,000.00), that sum being the full consideration for said unpatented mining claims under said Lease and Option.

3. All of the foregoing sums shall be paid at Tucson Federal Savings & Loan Association, Tucson, Arizona, for the account of seller. Lewisohn Copper Corp. shall have the right to cancel and terminate this option upon notice thereof delivered to said savings and loan association, at any time, whereupon seller shall be restored to her full rights as lessor and owner of said property described in said Lease and Option of June 29, 1954, and all sums theretofore paid shall be the property of seller and retained by her as full liquidated damages for the cancellation of this agreement. Lewisohn Copper Corp. shall have no further obligations hereunder after cancellation of its option to purchase said leased mining claims.

Upon receipt of full payment of said Twenty-five Thousand Dollars ($25,000.00), seller expressly agrees to deliver to Lewisohn Copper Corp. an assignment of said lease and a good and sufficient deed to all property described therein.

It is understood and agreed that the purchase of said Sunsette, Irish, Axe and Ruby claims is a separate and distinct transaction from the latter portion of this agreement relating to the claims now under lease dated June 29, 1954, except for the matter of consideration, and that a default for cancellation of the option herein granted as to said latter property shall in no way affect the rights of Lewisohn Copper Corp. to acquire said Sunsette, Irish, Axe and Ruby claims as herein provided.

It is specifically agreed that there shall be reserved to grantor a right of way for ingress and egress over and across the aforementioned property as is reasonably required in connection with the mine known as the Tip Top.

The rights and obligations of this agreement shall be binding upon and inure to the heirs, representatives, successors, and assigns of the parties hereto.

Catherine Forbes

ACKNOWLEDGED:

LEWISOHN COPPER CORP.

By Richard E. Ellison, President

Roy W. Morse, Secretary

STATE OF ARIZONA)
) ss:
COUNTY OF PIMA)

Before me, Betty J. Gray, the undersigned Notary Public in and for said County and State, personally appeared CATHERINE M. TOMBES, a single woman, who acknowledged that she signed the within Agreement to Sell as her free act and deed and for the purposes therein contained.

Witness my hand and Notarial Seal this 26th day of December, 1956.

Betty J. Gray, Notary Public

(Seal)

My Commission Expires: March 8, 1957.

STATE OF ARIZONA)
) ss:
COUNTY OF PIMA)

Before me, Betty J. Gray, the undersigned Notary Public in and for said County and State, personally appeared RICHARD E. CHILSON and BOYD M. MORSE, President and Secretary, respectively, of LEWISOHN COPPER CORP., who acknowledged that they as such corporate officers executed the within Agreement to Sell for and in behalf of said Lewisohn Copper Corp. by affixing thereon the seal of said corporation.

Witness my hand and Notarial Seal this 26th day of December, 1956.

Betty J. Gray, Notary Public

(Seal)

My Commission Expires: March 8, 1957.

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

February 5, 1957

Memorandum

To: Catherine Curtin, Statistics and Control Division

From: Hazel Berry, Operating Committee

Subject: Amendment to Contract

Attached is the following docket copy of an amendment to a contract which has been reviewed and approved by the commodity division and the Contract Administration and Audit Division. No clearance by Legal appears necessary.

Lewisohn Copper Corp., DMEA-4221, Idm-E1027, Amendment No. 1.

Attachment-1

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

224 New Customhouse
Denver 2, Colorado

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 25 1957

DATE	INITIALS	CODE
1-25	C	220
	esf	130
		225
January 22, 1957		

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4221 (Copper), Contract No. Idm-E1027, Lewisohn Copper Corporation, Pima County, Arizona

Enclosed are the original and two copies of Amendment No. 1 to Contract No. Idm-E1027, which has been executed to reduce the number of holes to be drilled under each of Stages I and II if sufficient footage is not provided to enable completion of the holes to their objectives.

Also enclosed are four copies of the Operator's letter of January 10, 1957, pertaining to the Amendment.

Copies of the Amendment have been distributed to the Operator, the Finance Office, Region III, and to others concerned.

W. M. Traver

W. M. Traver

Enclosures

LEWISOHN COPPER CORP.
138 NORTH CHURCH
TUCSON, ARIZONA

DMEA
DEPARTMENT OF THE INTERIOR
JAN 11 1957
REGION III
DENVER, COLORADO

January 10, 1957

Mr. W. M. Traver
Executive Officer, D.M.E.A.
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA 4221 (copper)
Contract No. Idm.-E 1027
Lewisohn Copper Corp.
Pima County, Arizona

Dear Mr. Traver:

This will acknowledge your letters of January 2nd and 3rd.

With reference to Stage I drilling, we concur that sufficient footage is available, within the 3600' provided to complete 10 holes of the 12 approved and that holes S-3 and O-4 should be eliminated at this time.

Very truly yours,

B. H. Martin

B. H. Martin, Manager

BHM:bjg
Air Mail

DATA COPY
DMEA
RECEIVED JAN 25 1957
DATE | INITIALS | CODE

DMEA Form 7
(12-56)

500

OFFICIAL FILE COPY

Date	Surname	Code
	Griswold	500
1/23	Selfridge	130
1/23	Johnson	110
23	Rutherford	100

1-24 cwt 220
Nelson
Payne
G. 225

JAN 24 1957

Mr. B. H. Martin, General Manager
Lewisohn Copper Corporation
128 North Church Avenue
Tucson, Arizona

Re: Docket No. DMEA-4221 (Copper)
Peach and Elgin ~~Properties~~ Mine
Pima County, Arizona
Contract No. Idm-21027

Dear Mr. Martin:

Your application for Government assistance to explore the cited property has been reviewed by the Base Metals Division of the Defense Minerals Exploration Administration and is being referred to:

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

If additional information concerning your application is needed, the Field Team will contact you at an early date.

Sincerely yours,

C. O. Mitchell (for)

Administrator

WRGriswold/bjl (1/18/57-1/23/57)

Copies to: Docket
Admr. R. File
Op. Committee
Base Metals
Mr. Pennington
Mr. Kiilsgaard
Region III (2)
Chron.

P.G.G.

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
1/18	Griswold	500
		130
		110
		100
		225

Mr. B. H. Martin, General Manager
Lewisohn Copper Corporation
128 North Church Avenue
Tucson, Arizona

Re: Docket No. DMEA-4221 (Copper)
Lewisohn Copper Corporation
Elgin Property
Pima County, Arizona
Contract No. Idm-E1027

Dear Mr. Martin:

Your application for Government assistance to explore the cited property has been reviewed by the Base Metals Division of the Defense Minerals Exploration Administration and is being referred to:

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

If additional information concerning your application is needed, the Field Team will contact you at an early date.

Sincerely yours,

Administrator

WRGriswold/er 1/18/57
Copy to: Docket
Admr R File
Op. Committee
Base Metals
Mr. Pennington, USBM
Mr. Kiilsgaard, USGS
Chron.
Region III (2)

8623

DMEA Form 7
(12-56)

500

OFFICIAL FILE COPY

Date	Surname	Code
	Griswold	500
1/23	Selfridge	130
1/23	Johnson	110
"	Chittenden	100

225

JAN 24 1957

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

Re: Docket No. DMEA-4221 (Copper)
Lewisohn Copper Corporation
Peach and Elgin ~~Properties~~
Pima County, Arizona
Contract No. Idm-21027

Dear Mr. Traver:

The cited application is being referred to your office for consideration, a field examination of the property if warranted, and recommendations. You are correct in your assumption that, if favorable action should be taken, it should be in the form of an amendment to the existing contract. We are enclosing three copies each of memoranda dated January 11, 1957, by A. D. McMahon, Bureau of Mines, and W. E. Nelson, Geological Survey, relating to the proposal.

The cost data submitted by the Operator should be carefully reviewed. We assuredly would not be inclined to increase the unit allowances given under the original contract. We note in the December 20, 1956, memorandum of T. M. Romslo that churn drilling costs are actually about $8.63 per foot at present.

In the Operator's application, referring to land to be included under the proposed new work, we note that the "Sunsette" claim is not included, though it lies in the center of the claim group. We also note the Operator's statement: "Other patented claims as described in the attached Lease and Option agreement are not considered to be of interest to this project." We question this statement. In a large project, such as proposed here, the Government should be well protected by adequate land holdings, especially if they are contiguous to the proposed work.

R.C.L.

8623

We would, of course, require proper Owners' Consents to Lien if favorable consideration is given to the application.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (HB)

Enclosures

APPROVED:

/s/ James Paone (HB)
Member, Bureau of Mines

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

WRGriswold/bjl (1/18/57 - 1/23/57)

Copy to: Docket
Admr. R. File
Op. Committee
Base Metals
Mr. Pennington
Mr. Kiilsgaard
Chron.

DMEA Form 7
(12-56).

OFFICIAL FILE COPY

500

Date	Surname	Code
1/18	Griswold	500
		130
		110
		100
		225

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

Re: Docket No. DMEA-4221 (Copper)
Lewisohn Copper Corporation
~~Elgin Property~~ Pima & Elgin Properties
Pima County, Arizona
Contract No. Idm-51027

Dear Mr. Traver:

The cited application is being referred to your office for consideration, a field examination of the property if warranted, and recommendations. You are correct in your assumption that, if favorable action should be taken, it should be in the form of an amendment to the existing contract. We are enclosing three copies each of memoranda dated January 11, 1957, by A. D. McMahon, Bureau of Mines, and N. E. Nelson, Geological Survey, relating to the proposal.

The cost data submitted by the Operator should be carefully reviewed. We assuredly would not be inclined to increase the unit allowances given under the original contract. We note in the December 20, 1956, memorandum of T. M. Romslo that churn drilling costs are actually about $8.63 per foot at present.

We would, of course, require proper Owners' Consents to Lien if favorable consideration is given to the application.

Sincerely yours,

Enclosures

APPROVED:

Member, Bureau of Mines

Member, Geological Survey

Chairman, Operating Committee
WRGriswold/er 1/18/57
Copy to: Docket
Admr R File
Op. Committee
Base Metals
Mr. Pennington, USBM
Mr. Kiilsgaard, USGS
Chron.

8623

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 16 1957

DATE	INITIALS	CODE
January 14, 1957		
1-16	CWS	220
1/16	[illegible]	800
		~~[illegible]~~
	1/31	225

224 New Customhouse
Denver 2, Colorado

Mr. B. H. Martin, Manager
Lewisohn Copper Corporation
128 North Church
Tucson, Arizona

Re: Docket No. DMEA 4221 (Copper)
Contract No. Idm-E1027
Lewisohn Copper Corporation
Pima County, Arizona

Dear Mr. Martin:

Enclosed are the original and five copies of proposed Amendment No. 1 to Contract No. Idm-E1027, which we have prepared to provide that less than twelve holes may be drilled under Stages I and II of the Contract because of deeper drilling than originally estimated for each of the holes that will be drilled.

If the Amendment is satisfactory, all copies are to be signed by the President, Lewisohn Copper Corporation, as indicated, the corporate seal affixed, and all copies promptly returned to this office.

Upon return of the properly signed copies of the Amendment, and after signature by the Executive Officer, DMEA Field Team, Region III, for the Government, an executed copy of the Amendment will be returned to you.

Very truly yours,

Original signed by
W. M. TRAVER

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

JWT:prl

cc: Chairman, Op. Comm. (2)
Harshman
Storms
Emerick
Townsend
Corres. file
Chron.

IN REPLY REFER TO:

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

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 14 1957

DATE	INITIALS	CODE
1-14	GW	220
	G.	225

January 11, 1957

Re: DMEA 4221 Idm-E1027
Lewisohn Copper Corp.
Elgin Mine Tract
Pima County, Arizona
$301,560.00 Copper

Memorandum

To: W. R. Griswold, Defense Minerals Exploration Administration

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

Subject: Review of application for an amendment

The applicant requests assistance in churn drilling a large area believed to contain the southeasterly extension of the Peach copper-bearing metamorphosed limestone zone.

A contract was awarded the applicant for drilling 2 smaller areas about November 1st, 1956 and the work may be in progress. No interim report is at hand and the status of the program is not known.

An open pit and 3 drill holes (churn) in the easterly end of the Elgin tract indicate the geologic conditions are generally similar to those holding in the Peach tract. The 3 drill holes, as plotted, Plate 2, show the following mineralization:

Hole No.	Depth Feet	Grade % Copper
D-15	112	0.91
D-17	130	0.67
D-19	205	0.66

Hole D-17 is in the pit and the bottom of the ore is at about the same elevation as the bottom of the ore in D-19. No split is made as for oxide and sulfide copper.

If holes D-15 and D-19 are considered in relationship to Sections A-B and C-D of Plate 3, geologic and grade conditions not in keeping with the shaft sections result. The encouraging sampling results depicted in the shaft sections are not confirmed by the drill holes.

Holes D-10 and D-13 as plotted in Section E-E' in the examiners report of DMEA 4221, suggest the copper mineralization is likely to be more spotty, vertically and laterally, than the drilling patterns imply.

Obviously, justification of this application depends largely on the results of the drilling on the Peach tract, therefore a review of the results obtained to date should be made and information concerning the concentration of the low-grade mixed ore should be included.

Referral of the application to the Field Team for appropriate action is recommended.

N. E. Nelson

N. E. Nelson

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

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 11 1957

DATE	INITIALS	CODE
		~~500~~
1/11	CW	225

January 11, 1957

Memorandum

To: W. R. Griswald, Defense Minerals Exploration Administration

From: Commodity Specialist, Branch of Base Metals

Subject: Docket No. DMEA 4221-(Copper), Lewisohn Copper Corporation, Elgin Property, Pima County, Arizona, Contract No. Idm-E 1027

The operator has applied for Government assistance for a churn drilling exploration program, at an estimated cost of $301,560.00, to test five patented and one unpatented mining claims lying south of the area subordinated by the subject contract.

The work proposed for this project consists of preparing necessary roads and drill sites for 60 churn drill holes, drilling said holes to an average depth of 350 feet on 200 foot centers, and assaying 4,620 samples.

The subject contract covered the drilling of 24 holes in two stages of 12 holes each, stage II drilling being dependent upon the results of stage I. Because of the proximity of the new area to be drilled, it would appear that the results of all previous drilling should be considered along with the Elgin shaft data to determine the potential of this new drilling program.

Referral to the Field Team is recommended.

A. D. McMahon

A. D. McMahon

Copy to: Division of Minerals
Branch of Base Metals (2)
Thor Kiilsgaard, U. S. G. S.
R. D. Lamb
F i l e s

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

224 New Customhouse
Denver 2, Colorado

January 8, 1957

Mr. Boyd M. Morse, Secretary
Lewisohn Copper Corporation
126 North Church Avenue
Tucson, Arizona

Attn: B. H. Martin, Manager

Re: Docket DMEA-4221 (Copper)
Contract Idm-E1027
Lewisohn Copper Corporation
(Peach mine)
Pima County, Arizona

Dear Mr. Morse:

Form MF-104, Operator's Monthly Report and Voucher for November, 1956 has been received in this office and is being processed for payment.

In preparing future accounting reports, we request that you comply with the following:

1. Include the Drill Contractor's rates per foot of drilling with the documentation of drilling costs.

2. On Form MF-104, Operator's Monthly Report and Voucher, enter all allowable costs under Item (1), as indicated on the attached "Sample" Form MF-104.

3. On Form MF-104A, Operator's Unit Cost and Progress Report, enter separately the costs and units for Stages I and II, as indicated on the attached "Sample" Form MF-104A.

If you have any question regarding the above, please feel free to contact this office.

Very truly yours,

Original signed by
W. M. TRAVER

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

JDC:jy
cc: Chm.Op.Comm. (2)
Harshman
Storms
Townsend
Corresp. E1027
Chron.
w/copy sample Forms MF-104 and MF-104A
Enclosures

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of ....., 195..... Docket No. DMEA 122 Contract No. 103-2107

Operator's Name Levitch Copper Corporation Minerals Copper

Address 123 W. Church, Tucson, Arizona

Contract Amount, $ 68,730.00 Government Participation: 90 % Amount, $ 44,320.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Building Incidental Allow.						
Exploration Assays						
Drifting Check Assays						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS						

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

Date ..... *Payee .....

Per ..... Title .....

*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.

NOTE.—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.

(Instructions on reverse)

SAMPLE

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$.....

Signature .....
(Authorized Certifying Officer)

Date ..... Vou. No. .....
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. ..... in accordance with the terms of the contract.

Signature ..... Title ..... Date .....

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature ..... Title ..... Date .....

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 872893

Form MF-194A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED JAN 11 1957 D.M.E.A.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of _____ 195____ Docket No. DMEA 4221 Contract No. Idm-21027

Operator's Name Lewisohn Copper Corporation Minerals Copper

Address 123 N. Church, Tucson, Arizona

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE STAGE I	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drilling	ft.						3600	10.00
Incidentals	ft.						3600	2.03
Assays	ea.						600	1.60
Check Assays	ea.						60	2.00
Winzes								
Drilling: Core				STAGE II				
drilling	ft.						3600	10.00
Incidentals	ft.						3600	2.03
Assays	ea.						600	1.60
Check Assays	ea.						60	2.00
Test Pits								
Roads and Trails								
								TOTAL COSTS AUTHORIZED BY CONTRACT
TOTAL DISTRIBUTED COSTS								
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								30,100.00

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

Date _____ Operator _____

Per _____ Title _____

NOTE.—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.

REMARKS:

(Instructions on reverse)

(For Government use only)

SAMPLE

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

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

224 New Customhouse
Denver 2, Colorado

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 7 1957

DATE	INITIALS	CODE
1-7	C	220

January 3, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4221 (Copper), Contract No. Idm-E1027, Lewisohn Copper Corporation, Pima County, Arizona

Enclosed are four copies of project work approval issued by the DMEA Field Team, Region III, pertaining to drilling under Stage II of the subject Contract.

Also enclosed are three copies of the Operator's request for the work approval, dated December 18, 1956, and four copies of a joint memorandum report, dated December 21, 1956, from T. M. Romslo, Mining Engineer, Bureau of Mines, and W. L. Emerick, Geologist, Geological Survey, pertaining to approval of the three Stage II drill holes.

In addition, enclosed are two copies of a letter from this office to the Operator, dated January 3, 1957, in reference to matters discussed in our letter of January 2, 1957, two copies of which were forwarded to you by separate mail.

Copies of the work approval have been distributed to the Operator, the Finance Office, Region III, and to others concerned.

W. M. Traver

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

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 7 1957

DATE	INITIALS	CODE
January 3, 1957		

224 New Customhouse
Denver 2, Colorado

Mr. B. H. Martin, Manager
Lewisohn Copper Corporation
128 North Church
Tucson, Arizona

Re: Docket No. DMEA 4221 (Copper)
Contract No. Idm-E1027
Lewisohn Copper Corporation
Pima County, Arizona

Dear Mr. Martin:

In reference to your request of December 18, 1956, and as advised in our letter of January 2, 1957, enclosed is DMEA Field Team, Region III, approval for the drilling of three holes under Stage II of the Contract.

It is understood that these three holes will not be drilled until all Stage I drilling has been completed.

With further reference to our letter of January 2, 1957, concerning Stage I drilling, DMEA field examiners advise that they estimate sufficient footage will be available within the 3600 feet provided for Stage I to complete ten holes, eliminating holes S-3 and O-4, instead of holes S-3 and possibly hole P-4, as noted in the fourth paragraph of our letter of January 2.

Please advise by return mail as to whether or not you concur that sufficient footage will be available within the 3600 feet provided for Stage I to complete the ten holes remaining of the twelve approved.

If you advise that you are in accord, we will prepare an amendment and forward it for execution, deleting holes S-3 and O-4 as previously approved.

Very truly yours,

Original signed by
W. M. TRAVER

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

JWT:prl
cc: Chairman, Op. Comm. (2)
Harshman
Storms
Emerick
Townsend
Corres. file
Chron.

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

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 7 1957

DATE	INITIALS	CODE

224 New Customhouse
Denver 2, Colorado

January 3, 1957

Mr. B. N. Martin, Manager
Lewisohn Copper Corporation
128 North Church
Tucson, Arizona

Re: Docket No. DMEA 4221 (Copper)
Contract No. Idm-E1027
Lewisohn Copper Corporation
Pima County, Arizona

Dear Mr. Martin:

In reference to your request of December 18, 1956, and consistent with provisions in the Contract, this constitutes the Government's approval for the drilling of three holes under Stage II of the Contract.

The three approved holes are to be at coordinate locations E4, H4, and K4, in reference to the map, "Fig. 5," attached to the Contract.

The holes are to be drilled in compliance with all provisions in the Contract pertaining thereto.

Nothing in this work approval shall be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, the fixed unit cost of any item of work, nor any item of cost expressly designated as "maximum."

Very truly yours,

DMEA Field Team, Region III

W. M. Traver
W. M. Traver

E. N. Harshman
E. N. Harshman

JWT:prl

cc: Chairman, Op. Comm. (4)
Finance Office, Reg. III
Amendment file, Reg. III
Harshman
Storms
Emerick
Townsend
Corres. file
Chron.

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 7 1957

DATE	INITIALS	CODE

DMEA
DEPARTMENT OF THE INTERIOR
DEC 28 1956
REGION III
DENVER, COLORADO

MINERAL DEPOSITS
DMEA
RECEIVED
DEC 26 1956

December 22, 1956

Memorandum

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

From : T. H. Kemble
W. L. Emerick

Through: L. A. Stewart for
W. E. Steere
E. N. Harshman

Subject : Project DMEA-4221 (Copper), Contract Ida-41022, Louisiana Copper Corp., (Peach Mine), Pima County, Ariz.

Reference is made to the attached letter to you by S. E. Martin, Manager of subject corporation. The letter, in acknowledgment, is accompanied by 6 copies of a map showing the locations of holes completed through November 1956 and one copy of separate geologic and assay logs of holes. As mentioned in the letter, one copy of each of the logs was retained by the Bureau office.

Mr. Martin requests approval for use of a portion of the Stage II drilling after completion of the 3,000 feet provided under Stage I. As requested the Stage II drilling would be used for:

1. Drilling of previously approved holes that may not be completed because the average depth per hole probably will exceed the estimated 300 feet.

2. Drilling of 3 proposed holes under Stage II. The 3 proposed holes are E4, E6, and E4.

The following rough estimate of the footage required for the above drilling was prepared by the writers from data submitted with the letter and from information furnished verbally by Mr. Martin. The number of holes to be drilled under Stage I probably will be reduced from 12 to 10 by eliminating hole E3 and possibly F4. Drilling of hole E3 does not appear to be necessary at this time because here the mineralized zone is cut off on the west by the quartzite footwall and has been tested on the other sides by drilled holes.

CC W. M. Traver (Orig. & 8)
thru E. N. Harshman
W. L. Emerick
DMEA-4221
WF

THKemble:WLEmerick:frj

Hole P4 also could be eliminated if favorable results are obtained from the 3 holes along coordinate 6. On this basis it appears that the additional footage required for Stage I would be confined to a few hundred feet for the completion of the 18th hole.

Drilling required for the 3 proposed holes is estimated at 1,200 to 1,500 feet on the basis of depths to granite or quartzite in nearby completed holes.

We believe approval of the requested drilling only after completion of Stage I is justified for the following reasons partially presented by Mr. Martin:

1. The 3,600 feet of Stage I drilling may be exhausted before 10 or 11 of the 18 approved holes of Stage I have been completed.

2. Drilling of the 3 proposed holes under Stage II will test for a width extension of the southern portion of the mineralized zone which in itself could contain significant reserves of potentially minable ore.

J3 The findings of the approved hole yet to be drilled in this area, P4, should not affect the advisability of drilling the 3 proposed holes. The reason for this being that in a deposit of this type the results of more than one hole are needed for evaluation purposes.

Original signed by
T. M. Romslo

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

W L Emerick

W. L. Emerick, Geologist
U. S. Geological Survey

LEWISOHN COPPER CORP.

128 NORTH CHURCH
TUCSON, ARIZONA

OFFICIAL FILE COPY
D M E A
RECEIVED JAN 7 1957

DATE	INITIALS	CODE

December 18, 1956

U. S. Bureau Of Mines
Southwest Experiment Station
DEC 19 1956
Tucson, Arizona

Mr. W. M. Traver
Executive Officer D.M.E.A.
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA 4221 (Copper)
Contract No. Idm-E 1027
Lewisohn Copper Corp.
Pima County, Arizona

Dear Mr. Traver:

Reference is made to your letter of November 2, 1956, to Boyd M. Morse of the Lewisohn Copper Corp.

Although Stage I of our churn drilling program is not yet completed, we would like to request approval for 3 holes to be drilled under Stage II, and that such a portion of this footage may be applied to complete the last hole under Stage I.

We do not propose to do any drilling under Stage II until Stage I is complete but yet wish to anticipate the end of Stage I in order to minimize the delay between stages for the following reasons:

1. A skilled staff, difficult of replacement, must be preserved as long as further drilling is contemplated. This means retaining them on the company payroll during any suspension of operations between stages.

2. Several hundreds of feet of difficult and time consuming road and location work must be completed before any of the proposed locations can be drilled. It is estimated that 3 months may be required to complete this road work. So that this may not further increase the delay between stages, it is

necessary to begin as soon as possible since every foot involves the drilling, blasting, and removal of hard rock.

3. A minimum delay between stages will reduce the chances of losing the services of a thoroughly competent drilling contractor and minimize the payment of stand-by time to this contractor.

Additional reasons for requesting approval of a portion of work under Stage II at this time are as follows:

1. Reasons for drilling the proposed 3 holes are already established by work completed, thus the remainder of the Stage I program will contribute nothing as far as these 3 are concerned.

2. Since we are limited to 3,600 feet of drill hole under Stage I, the probability is that the 3,600 foot mark will be attained before the last hole has reached its objective. Therefore, if a few feet of Stage II footage may now be applied, the hole can be completed with DMEA assistance.

Attached to this request is a 100 scale map showing in plan and isometric projection all surface holes drilled to date with or without DMEA assistance and the proposed 3 holes under Stage II. Two complete sets of assay logs and geologic logs are herewith supplied, one for the Tucson office and one for the Denver DMEA office.

A general evaluation of the holes completed to date adjacent to the area of the proposed 3 holes, reveals the presence of a mineralized zone extensive in length but with little or no proven width. By definition, an ore body implies width as well as length but a single or even a double row of holes develops little in this dimension. Therefore, for a portion of Stage II, we propose the following 3 holes: E4, H4 and K4.

Since DMEA holes 1, 2 and 3 (C-38, C-39 and C-40, refer to map) suggest a weakening of the mineralization to the southeast, it is believed expedient to drill E4 to confirm or deny this possibility. Inasmuch as many ore bodies exhibit alternating bands of varying

grades of ore, it is believed likely that C-38, C-39, C-40 and D-9 are in a lower grade band and that E-4 may pick up ore of a higher grade, thus adding width to the end of the mineralized zone.

Holes K-4 and H-4 are proposed on the basis of the excellent results from previous adjacent drilling and are expected to contribute to the width dimension in this area. Since this north-south mineralized zone is bounded on the west by the quartzite footwall, the only possible extension must be to the east.

It should be pointed out that the Stage I and II contracts specify 12 holes each of an average depth of 300 feet, and we are thus limited in each case to 3,600 feet of drilling. Since the actual average depth of each hole is running from 375 to 400 feet we will be limited to 9 to 10 holes instead of 12 in each stage.

Very truly yours,

LEWISOHN COPPER CORP.

B. H. Martin

B. H. Martin, Manager

BHM:bjg
Encls:

GEO. L. DICKINSON—PRESIDENT
GEO. G. DICKINSON—VICE-PRESIDENT
ROBERT L. DICKINSON—VICE-PRESIDENT

ASSAYERS — CHEMISTS — METALLURGISTS
UMPIRES

DICKINSON LABORATORIES, INC.

J. A. HANCOCK, PH. D.
CONSULTING CHEMIST

P. O. BOX 7006 • PHONE 2-9264
1300 WEST MAIN ST.
EL PASO, TEXAS

SUBSIDIARIES:
TEXAS TESTING LABORATORIES
CONSOLIDATED ORES
[illegible] TESTING
[illegible] LABORATORY
[illegible] WATER ANALYSES

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 7 1957

DATE	INITIALS	CODE
	LAB. NO.	10516

Nov. 10, 1956.

Lawsohn Copper Corp.,
128 N. Church,
Tucson, Ariz.

Attention: Mr. B. H. Martin, Manager.

Gentlemen:

Following are our assays on the 31 samples received by our office on Nov. 8th:

Sample No.	% Copper	% Non-Sulf. Copper	% Molybdenum	Oz. per ton Gold	Oz. per ton Silver
SP-14	0.82	0.27	0.00	00.00	0.90
SP-15	0.56	0.12	0.00	0.00	0.30
SP-16	0.58	0.22	Trace	0.00	0.40
1001	0.75				
1002	0.73				
1003	0.46				
1004	0.48				
1005	0.94				
1006	0.87				
1007	0.56				
1008	0.22				
1009	0.24				
1010	0.29				
1011	0.24				
1012	0.22				
1013	0.12				
1014	0.24				
1015	0.12				
1016	0.10				
1017	0.22				
1018	0.17				
1019	0.31				
1020	0.27				
1021	0.27				
1022	0.48				
1023	0.53				
1024	0.36				
1025	[illegible]				
1026	[illegible]				
1038	[illegible]				
1039	0.99				

Respectfully submitted

Dickinson Laboratories, Inc.,

Geo. L. Dickinson

LEHIGH'S REPRESENTATIVES AT
EL PASO SMELTING WORKS'
PUEBLO DOROB REFINERY
FOR
[illegible] AND SCRAP COPPER
[illegible] GRAVES
[illegible]
CONTRACTS AT
[illegible] POINTS

GEO. L. DICKINSON—PRESIDENT
GEO. P. DICKINSON—VICE-PRESIDENT
ROBERT L. DICKINSON—VICE-PRESIDENT

J. A. BANCOCK, PH. D.
CONSULTING CHEMIST

ASSAYERS — CHEMISTS — METALLURGISTS
UMPIRES

DICKINSON LABORATORIES, INC.

P. O. BOX 7506 • PHONE 2-9264
1390 WEST MAIN ST.
EL PASO, TEXAS

OFFICIAL FILE COPY
RECEIVED JAN 7 1957

DATE	INITIALS	CODE

Lab. No. 10593

Nov. 16, 1956.

Leonchis Copper Corp.,
126 N. Church,
Tucson, Ariz.

Mr. B. H. Martin, Manager.

Gentlemen:

Following are assays on 27 samples received at this office this morning's mail:

Sample No.	% Copper
1026	1.04
1027	0.82
1028	0.34
1029	0.39
1030	0.31
1031	0.54
1032	0.80
1033	0.92
1034	0.44
1035	0.31
1037	0.54
1040	1.02
1041	0.79
1042	0.99
1043	0.54
1044	0.34
1045	0.36
1046	0.44
1047	0.50
1048	0.44
1049	0.01
1050	0.27
1051	0.31
1052	0.24
1053	0.12
1054	0.22
1055	0.15

Respectfully submitted

Dickinson Laboratories, Inc.

Geo. L. Dickinson

Geo. L. Dickinson

AUTHORIZED REPRESENTATIVES AT
EL PASO SMELTING WORKS
PHELPS DODGE REFINERY
FOR
ORES AND SCRAP COPPER

REPRESENTATIVES
FOR
ORE SHIPPERS AT
MEXICAN BORDER POINTS

GEO. L. DICKINSON—PRESIDENT
GEO. C. DICKINSON—VICE-PRESIDENT
ROBERT L. DICKINSON—VICE-PRESIDENT

J. A. HANCOCK, PH. D.
CONSULTING CHEMIST

ASSAYERS — CHEMISTS — METALLURGISTS
UMPIRES

DICKINSON LABORATORIES, INC.

P. O. BOX 7906 • PHONE 2-8264
1300 WEST MAIN ST.
EL PASO, TEXAS

DIVISION FILE COPY
D M E A
RECEIVED JAN 7 1957

DATE	INITIALS	CODE

FILE NO. 10593

Nov. 16, 1956.

[illegible]
[illegible] LABORATORIES
[illegible]
[illegible]
[illegible]
[illegible]

Lexington Copper Corp.,
100 W. Church,
Tucson, Ariz.

Mr. B. H. Martin, Manager.

Gentlemen:

Following are our assays on 27 samples received at this office this morning [illegible]:

Sample No.	% Copper
1026	1.04
1027	0.82
1028	0.34
1029	0.39
1030	0.31
1031	0.54
1032	0.80
1033	0.92
1034	0.44
1035	0.31
1037	0.54
1040	1.02
1041	0.79
1042	0.99
1043	0.54
1044	0.34
1045	0.36
[illegible]	0.44
1047	0.50
[illegible]	0.44
[illegible]	0.61
1050	0.27
1051	0.31
1052	0.24
1053	0.12
1054	0.22
1055	0.15

Respectfully submitted

Dickinson Laboratories, Inc.

Geo. L. Dickinson

Geo. L. Dickinson

[illegible] REPRESENTATIVES AT
[illegible] SMELTING WORKS
PHELPS DODGE REFINERY
FOR
[illegible] ORES AND SCRAP COPPER

REPRESENTATIVES
FOR
[illegible] SAMPLERS AT
[illegible] SMELTERS

GEO. L. DICKINSON—PRESIDENT
GEO. G. DICKINSON—VICE-PRESIDENT
ROBERT F. DICKINSON—VICE-PRESIDENT

ASSAYERS — CHEMISTS — METALLURGISTS
UMPIRES

DICKINSON LABORATORIES, INC.

P. O. BOX 7096 • PHONE 2-9264
1306 WEST MAIN ST.
EL PASO, TEXAS

J. A. HANCOCK, PH. D.
CONSULTING CHEMIST

SUBSIDIARIES:
TEXAS TESTING LABORATORIES
WESTERN ORE
TEXAS SMELTING
TEXAS SERVICE LABORATORY
SOIL AND WATER ANALYSES

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LAB. NO.

Nov. 22, 1956.

10519

Lewisohn Copper Corp.,
128 North Church,
Tucson, Ariz.

Attention: Mr. B. H. Martin, Gen. Mgr.,

Gentlemen:

Following are our copper assays on 75 samples received by our office on Nov. 21:

Sample No.	% Copper	Sample No.	% Copper	Sample No.	% Copper
Broad top X-1	2.18	1084	0.34		
1056	0.46	1085	0.36	1113	0.12
1057	0.22	1086	0.29	1114	0.36
1058	0.17	1087	0.55	1115	0.31
1059	0.24	1088	0.61	1116	0.39
1060	0.34	1089	0.79	1117	0.48
1061	0.31	1090	0.39	1118	0.55
1062	0.34	1091	0.29	1119	0.82
1063	0.29	1092	0.27	1120	0.82
1064	0.31	1093	0.15	1121	0.41
1065	0.41	1094	0.27	1122	0.66
1066	0.34	1095	0.39	1123	0.59
1067	0.31	1096	0.22	1124	0.29
1068	0.58	1097	0.24	1125	0.24
1069	0.53	1098	0.22	1126	0.31
1070	0.53	1099	0.17	1127	0.27
1071	0.29	1100	0.19	1128	0.27
1072	0.17	1101	0.31	1129	0.15
1073	0.29	1102	0.50		
1074	0.39	1103	0.41		
1075	0.36	1104	0.29		
1076	0.17	1105	0.22		
1077	0.15	1106	0.22		
1078	0.41	1107	0.12		
1079	0.36	1108	0.41		
1080	0.31	1109	0.39		
1081	0.46	1110	0.59		
1082	0.54	1111	0.46		
1083	0.66	1112	0.22		

27

Respectfully submitted

Dickinson Laboratories, Inc.

Geo. L. Dickinson

Geo. L. Dickinson

BUYERS REPRESENTATIVES AT
EL PASO SMELTING WORKS
PHELPS DODGE REFINERY
FOR
SHEET AND SCRAP COPPER

REPRESENTATIVES
FOR
ORE SHIPPERS AT
MEXICAN BORDER POINTS

GEO. L. DICKINSON—PRESIDENT
GEO. G. DICKINSON—VICE-PRESIDENT
ROBERT L. DICKINSON—VICE-PRESIDENT

J. A. HANCOCK, PH. D.
CONSULTING CHEMIST

ASSAYERS — CHEMISTS — METALLURGISTS
UMPIRES

DICKINSON LABORATORIES, INC.

P. O. BOX 7006 • PHONE 2-9284
1300 WEST MAIN ST.
EL PASO, TEXAS

SUBSIDIARIES:
TEXAS TESTING LABORATORIES
COTTONSEED OILS
PHYSICAL TESTING
FARM SERVICE LABORATORY
SOIL AND WATER ANALYSES

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DICKINSON LABORATORIES

Nov. 28, 1956.

LAB. NO. 10661

Lewisohn Copper Corp.,
128 N. Church,
Tucson, Ariz.

Mr. R. H. Martin, Gen. Mgr.,

Gentlemen:

Following are our copper assays on 29 samples received by Parcels Post this morning:

Sample No.	% Copper
1130	0.36
1131	0.27
1132	0.19
1133	0.24
1134	0.22
1135	0.31
1136	0.10
1137	0.15
1138	0.22
1139	0.15
1140	0.19
1141	0.10
1142	0.36
1143	0.27
1144	[illegible]
1145	0.22
1146	0.24
1147	0.18
1148	0.46
1149	0.27
1150	0.24
1151	0.22
1152	0.24
1153	0.17
1154	0.10
1155	0.22
1156	0.27
1157	0.36
1158	0.36

Yours very truly

Dickinson Laboratories, Inc.,

Geo. L. Dickinson.

GEO. L. DICKINSON—PRESIDENT
GEO. G. DICKINSON—VICE-PRESIDENT
ROBERT L. DICKINSON—VICE-PRESIDENT

I. A. HANCOCK, PH. D.
CONSULTING CHEMIST

ASSAYERS — CHEMISTS — METALLURGISTS
UMPIRES

DICKINSON LABORATORIES, INC.

P. O. BOX 7066 • PHONE 2-9264
1300 WEST MAIN ST.
EL PASO, TEXAS

SUBSIDIARIES:
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COTTONSEED OILS
PHYSICAL TESTING
FARM SERVICE LABORATORY
SOIL AND WATER ANALYSES

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Dec. 1, 1956.

LAB. NO. 10669

Mr. B. E. Martin, Gen. Mgr.,
Lewisohn Copper Corp.,
128 Church,
Tucson, Ariz.
Gentlemen:

Following are our copper assays on 61 samples received by our office on Nov. 30th:

Sample No.	% Copper	Sample No.	% Copper
1159	0.10	1190	0.34
1160	0.36	1191	1.18
1161	0.54	1192	0.94
1162	0.31	1193	0.99
1163	0.31	1194	0.99
1164	0.22	1195	0.48
1165	0.46	1196	0.41
1166	0.36	1197	0.39
1167	0.29	1198	0.24
1168	0.59	1199	0.34
1169	0.36	1200	0.41
1170	0.27	1201	0.46
1171	0.19	1202	0.54
1172	0.31	1203	0.61
1173	0.50	1204	0.46
1174	0.36	1205	0.34
1175	0.34	1206	0.27
1176	0.29	1207	0.27
1177	0.22	1208	0.22
1178	0.36	1209	0.24
1179	0.31	1210	0.19
1180	0.34	1211	0.22
1181	0.80	1212	0.27
1182	0.39	1213	0.22
1183	0.27	1214	0.24
1184	0.27	1215	0.19
1185	0.19	1216	0.12
1186	0.12	1217	0.12
1187	0.17	1218	0.10
1188	0.12	1219	0.17
1189	0.10		

Yours very truly,

Dickinson Laboratories, Inc.,

Geo. L. Dickinson

Geo. L. Dickinson

SUPPLIERS REPRESENTATIVES AT
EL PASO SMELTING WORKS
PERTH AMBOY REFINERY
FOR
SMELTER GRADE COPPER

REPRESENTATIVES
FOR
ORE SHIPPERS AT
MEXICAN BORDER POINTS

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

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RECEIVED JAN 4 1957

DATE	INITIALS	CODE
1/4	JK	800
	January 2, 1957	225

224 New Customhouse
Denver 2, Colorado

Mr. B. H. Martin, Manager
Lewisohn Copper Corporation
128 North Church
Tucson, Arizona

Re: Docket No. DMEA 4221 (Copper)
Contract No. Idm-E1027
Lewisohn Copper Corporation
Pima County, Arizona

Dear Mr. Martin:

Reference is made to your letter of December 18, 1956, wherein you request approval of three holes to be drilled under Stage II of the Contract and transfer of sufficient drill footage and funds from Stage II to permit completion of the tenth hole under Stage I.

There is no provision in the Contract to transfer drill footage and funds from Stage II to Stage I; therefore, the matter will require an amendment to the Contract.

Preparation of an amendment of the nature involved is deemed not within the authority delegated to this office; therefore, the matter is being referred to the Washington Office, DMEA, for their consideration and appropriate action, on which you will be advised as soon as a decision has been reached.

The Contract provides that "only the costs of completed drill holes are allowable costs of the project." Therefore, no Stage I hole should be started unless there is sufficient footage available within that provided for Stage I to assure completion of the hole to its objective until the matter relative to transfer of footage from Stage II to Stage I is resolved. Until the matter is resolved, if it is a matter of omitting holes, it appears that holes S-3 and possibly P-4 should be eliminated.

The matter of the Government's action on your request for approval of three Stage II holes will be handled as another matter, on which you will be advised by a separate letter at an early date.

Very truly yours,

Original signed by
W. M. TREVER

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

JWT:prl

cc: Chairman, Op. Comm. (2)
Harshman
Storms
Emerick
Townsend
Corres. file
Chron.

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

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 2 1957

DATE	INITIALS	CODE
	C	

224 New Customhouse
Denver 2, Colorado

December 27, 1956

Memorandum

To: Secretary to the Operating Committee

From: DMEA Field Team, Region III

Subject: Docket DMEA 4221 (Copper) Idm-E1027 Lewisohn Copper Corporation (Elgin Property) Pima County, Arizona

Enclosed are three copies of the subject application in the amount of $301,560.00. Three copies of the application are being retained in our file.

The Elgin Property, which is the subject of this new application, adjoins the claims now subordinated to the Government under Docket 4221, Contract Idm-E1027. We presume that you will choose to include this application for DMEA aid on the Elgin Property by amendment to the old contract. Will you please advise.

DMEA Field Team, Region III

W. M. Traver

By W. M. Traver
Executive Officer

Enclosures

Dear Mr.

Enclosure
Air Mail
Registered

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

RECEIVED JAN 27 57
DMEA
DEPARTMENT OF THE INTERIOR
DEC 21 1956
REGION III
DENVER, COLORADO

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

Not to be filled in by applicant

Docket No. .....
Metal or Mineral .....
Date Received .....
Estimated Cost .....
Participation (Government %) .....

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name in the form in which you will wish to contract, and your mailing address: LEWISOHN COPPER CORP.
128 NORTH CHURCH AVENUE
TUCSON, ARIZONA

(*b*) If other than an individual, add to your name above whether a corporation, partnership, etc., and the name of the State in which incorporated or otherwise organized. SEE ATTACHED PAGES FOR ANSWERS TO 1 THRU 7, INCLUSIVE.

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

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

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

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract .....

(*b*) State any mine name by which the property is known.

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

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

(*e*) If you own the land, describe any liens or encumbrances on it .....

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

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

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

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

) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence

State the availability of manpower, materials, supplies, equipment, water, and power.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

☐ Money ☐ Use of equipment owned by you ☐ Other

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated December 18, 1956.

LEWISOHN COPPER CORP.
(Applicant)

By B. H. Martin
B. H. Martin, General Manager

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

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

Lewisohn Copper Corp.
128 North Church Avenue
Tucson, Arizona

1. Name of applicant.

(a) Lewisohn Copper Corp.
128 North Church Avenue
Tucson, Arizona

(b) Incorporated under the laws of the State of Delaware, qualified to do business in the State of Arizona.

(c) Richard E. Chilson, President and Treasurer
P. O. Box 2729
Tucson, Arizona

Boyd M. Morse, Vice President and Secretary
128 North Church Avenue
Tucson, Arizona

3. Applicant's property rights.

(a) Property to be explored under this contract consists of six (6) patented claims known as the Elgin, Telephone, General, Hattie, Dan, and Boston, in the Helvetia Mining District, Pima County, Arizona, and being the same mining claims listed in United States Mineral Certificate or Patent Number 32859-639, dated August 9, 1909, issued to Helvetia Copper Company. Other patented claims as described in the attached Lease and Option agreement are not considered to be of interest to this project.

Other property of the applicant to be explored under this contract consists of an unpatented mining claim known as the Waltham, the Location Notice of which is of record in the office of the County Recorder of Pima County, Arizona, in Book 66, Page 157, of Location Notices.

(b) This property is generally known as the ELGIN mine.

Lewisohn Copper Corp.
128 North Church Avenue
Tucson, Arizona

(c) The Lewisohn Copper Corp. is the assignee of a Lease and Option contract with the owners of the patented mining claims, and is the owner of the unpatented claims.

(d) Copies of the Lease and Option contracts for the patented claims and purchase contracts for the unpatented claims are submitted with this application.

(e) No liens or encumbrances.

(f) Included above.

4. Physical description.

(a) The Elgin area, located immediately east of the Peach hill, lies on rolling hills with a comparatively low relief of about 300 feet.

This area has been developed by the 187 foot Elgin shaft and the Elgin open pit, which is adjacent. Little, if any, of the underground workings are accessible, although the Elgin open pit breaks into the old drift at one point. Refer to Plate III for sections showing the underground workings and results of sampling.

The Elgin open pit, near the eastern limits of the favorable area, is approximately 50 feet in average depth by 15,000 square feet cross sectional area. This development shows ore grade sulfides over most of the exposure, all of which is readily accessible. The Elgin pit is partially within a 285 foot equilateral triangle, described by three diamond drill holes designated as D.D. Holes 15, 17 and 19. The assay logs and geologic sections of these three holes are shown on Plate II. Average depth to the basal granite in these holes was of the order of 270 feet.

Lewisohn Copper Corp.
128 North Church Avenue
Tucson, Arizona

In addition to the above, the area is dotted with numerous old, shallow, prospect shafts and drifts, mostly inaccessible but nearly all showing evidence of copper mineralization. No mining operations are, at present, being conducted at any of these facilities.

(b) The known production from the Elgin area was 50,000 tons of material averaging 2% copper from the Elgin pit by Richard E. Chilson during 1946-1948.

(c) The Elgin area lies adjacent to the Peach mine area in the western part of the Helvetia Mining District, Pima County, Arizona, which is described in the Schrader Report, U.S.G.S. Bulletin 582, 1915.

It is a heavily faulted region of intrusives and paleozoic and mesozoic sediments striking generally north and dipping easterly. The major structural feature of the district is a thrust fault which is broken in several places by high angle faults. Under the Peach mine area this thrust dips steeply eastward but tends to flatten on approaching the western limits of the Elgin area, as defined on Plate III. Other large thrusts are exposed in the district and, in addition to high angle block and tear faulting, there is evidence of rotation of some of the blocks as much as 70 degrees.

Intrusives of the region include a coarse grained granite (Peach granite in this report) of batholithic dimensions, quartz monzonite stocks, dikes of basalt and diabase, aplite dikes, and massive quartz veins. West of the area under discussion, the Peach granite is in contact with an older (Pre-Cambrian ?) granite.

Rocks of the Elgin area include the Horquilla formation of Pennsylvanian age, the Scherrer limestone, Scherrer quartzite, and Concha limestone, all of Permian age. These sediments are intruded by and in fault contact with the quartz monzonite. The

Lewisohn Copper Corp.
128 North Church Avenue
Tucson, Arizona

Peach granite underlies all these formations below the major thrust, the plane of which in the Elgin area is nearly horizontal. The Horquilla formation is a greenish, shaly, siltstone, partly altered to epidote and clay and exhibiting weak to moderate copper mineralization on the surface. The Scherrer limestone, exposed to the north of the favorable area, is bleached and marbilized and shows little garnet alteration or copper mineralization. Scherrer quartzite, both red and white, exposed to the north of the favorable area is also barren. The Concha limestone, which is the ore-bearing formation, is strongly metamorphosed to skarn minerals such as garnet, epidote and diopside in almost every exposure in the western part of the favorable area where it displays all the characteristics of favorable lime-silicate capping. Further east, this Concha appears less altered but is strongly garnetized below the surface and contains disseminated ore-grade sulfide mineralization from the surface to its lowest depths, as demonstrated by the diamond drill holes numbers 15, 17 and 19, the exposures in the Elgin pit and the Elgin shaft (See Plate III). The Peach granite intrudes this Permian group at a nearby locale and, hence, is considered to be probably Cretaceous in age. The quartz monzonite is intrusive into the granite but neither the granite nor the monzonite contain ore grade copper mineralization in the Elgin area.

Structurally, the Elgin area seems to be divergent from the tendencies of the district and from the adjoining Peach hill. The attitude of the beds in the area under consideration is fairly consistent, striking N 55-70° E and dipping southeast. A major fault between the Peach hill and the Elgin area appears to have dropped the Permian beds down to the elevation of the Horquilla and to have rotated one block about 70° with respect to the other. The major thrust probably occurred after this block faulting. Some smaller thrusts on the area appear to be related to the major thrust. Some high angle fault sets trending east-southeast and northeast are also in evidence. The quartz monzonite in-

trudes the Concha lime as dikes and sills, as well as lying in both high and low angle fault contact with this lime.

Mineralization in the eastern part of the area is principally chalcopyrite and bornite associated with magnetite. Although copper minerals are observed throughout the Concha (approximately 200 feet average depth according to diamond drill holes 15, 17 and 19) some horizons are more heavily mineralized than others. Depth of oxidation is not known, but was relatively shallow in the three existing holes. Indications are that overburden in the area will be negligible.

This deposit is definitely of the bedded type with the mineralization largely restricted to one bed, the Concha lime and perhaps, but not necessarily, to an area covered by favorable capping. This zone of favorable capping (as well as other indications) occupies a surface area of approximately 2,000,000 square feet and adjoins the Peach area on the west. Refer to Plates I and II.

Our reasons for wishing to explore this area are as follows:

1. There is indicated, in this area, a deposit of copper ore which requires delineation and sampling in order to determine its commercial possibilities.

2. Inasmuch as the Elgin area adjoins the Peach area (now drilling under DMEA contract Idm-E 1027), an indication of the commercial possibilities of the Elgin will be important to the accurate evaluation of the Peach. The possibility of the coalescence of the two areas into one continuous ore body is a consideration which cannot be neglected in determining the commercial possibilities of either or both as a whole. A logical question is why was the Elgin area not included with the Peach in the original application for DMEA assistance. The answer is that the

property was not under the control of the Lewisohn Copper Corp. at that time.

(d) Property reached from Tucson, Arizona, by 17 miles of paved highway to Sahuarita, Arizona, thence 13 miles east on a good graded county road, with maximum grades of about 4 degrees.

Railroad and shipping point is at Sahuarita, Arizona, 13 miles west from the Peach property.

(e) Tucson, Arizona, 30 miles distant, provides a ready source of every need. An electric power line crosses the desert 5 miles west of the property. A water supply will have to be developed in the deep alluvial of the valley and pumped to the mine. Approximately 2,000 gallons per minute will be required.

5. The exploration project.

(a) Copper.

(b) The work proposed for this project consists of preparing the necessary roads and drill locations for 60 churn drill holes and drilling said holes to an average depth of 350 feet or through the ore bearing formation and to the basal granite. These holes to be located at grid coordinates specified as follows (Refer to Plate II):

Lewisohn Copper Corp.
128 North Church Avenue
Tucson, Arizona

HOLE NO.	GRID LOCATION	HOLE NO.	GRID LOCATION
C1	LL-11	C-31	DD-5
C-2	KK-13	C-32	FF-5
C-3	LL-16	C-33	HH-5
C-4	FF-11	C-34	JJ-6
C-5	GG-11	C-35	HH-6
C-6	EE-9	C-36	GG-6
C-7	GG-9	C-37	EE-6
C-8	JJ-9	C-38	DD-6
C-9	LL-9	C-39	KK-7
C-10	JJ-7	C-40	LL-8
C-11	GG-5	C-41	KK-8
C-12	GG-7	C-42	JJ-8
C-13	EE-5	C-43	HH-8
C-14	CC-5	C-44	GG-8
C-15	DD-7	C-45	FF-8
C-16	EE-8	C-46	FF-9
C-17	EE-7	C-47	HH-9
C-18	FF-7	C-48	KK-9
C-19	GG-10	C-49	LL-10
C-20	HH-10	C-50	KK-10
C-21	JJ-10	C-51	FF-10
C-22	KK-11	C-52	MM-11
C-23	LL-12	C-53	MM-12
C-24	HH-12	C-54	GG-12
C-25	HH-11	C-55	JJ-13
C-26	MM-15	C-56	LL-13
C-27	KK-14	C-57	LL-14
C-28	HH-7	C-58	KK-15
C-29	FF-6	C-59	MM-17
C-30	HH-14	C-60	LL-15

The sequence of the above 60 holes is suggested with regard to first delineating and then sampling and determining continuity of the ore body.

Lewisohn Copper Corp.
128 North Church Avenue
Tucson, Arizona

In view of the proximity and contiguity of the Elgin with the Peach area, and for reasons outlined at the end of section 4(c), we hereby suggest that this project, if approved, be made a part of, and an amendment to, the current contract number Idm-E 1027 (Peach Mine). This is for purposes of maintaining the continuity of the drilling program, reduction in overhead, and simplicity of records, reports, etc.

(c) The work will start within 24 hours and be completed within 18 months from the date of an exploration contract.

(d) Manager ofoperations for the applicant will be Richard E. Chilson, whose performance and experience is well known to the Bureau of Mines and the U. S. Geological Survey in Arizona. He has, since 1945, ten years' successful mine operating experience in this same Helvetia District. Geological Consultant will be Dr. Harrison Schmitt of Silver City, New Mexico, a well qualified and widely known senior geologist. Mr. Howard Hendricks, who has been Chief Metallurgist of Shattuck-Denn Corporation and Metallurgical Consultant for American Smelting & Refining Company, and who has assisted in design and operation of many major concentration plants, is a director of the corporation and will assist in the direction of the work. Arthur M. Heyman, who will be in charge of geology, is a graduate geologist and has worked two years for the U. S. Geological Survey and a year for Lewisohn Copper Corp. Mr. B. H. Martin, a graduate Mining Engineer, with 18 years experience, will be in direct charge of the operation.

Lewisohn Copper Corp.
128 North Church Avenue
Tucson, Arizona

6. Estimate of costs.

(a) Independent contracts.

Churn drilling 60 x 350 = 21,000 feet @$10.00 per ft. = $210,000.00

(b) thru (h)

Incidental allowance 21,000 feet @$4.00 per ft. =	84,000.00
$\frac{21,000}{5}$ = 4,200 samples to be chemically assayed for copper @$1.60 per sample =	6,720.00
10% check samples = 420 samples to be chemically assayed for total copper @$2.00 per sample =	840.00
Estimated cost of project,.....	$301,560.00

The above unit costs are based on current drilling experience. It is believed that the drilling cost will be $10.00 per foot or less, but experience shows that the incidental expense is costing $4.00 per foot.

7. (a) Yes.

(b) Money and equipment.

Dkt. 1018 Page 564

STATE OF ARIZONA
COUNTY OF PIMA
Witness my hand and seal

Indexed	Paged
✓	

1018 Page 566

Fee: 2.25

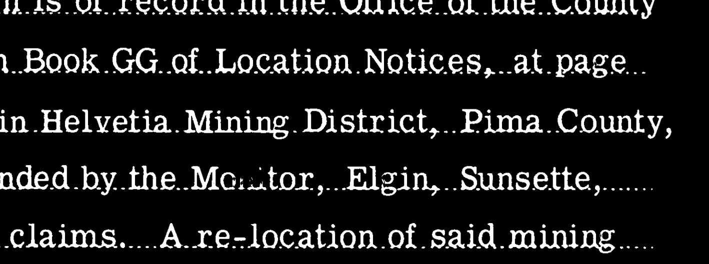
Mining Deed

THIS INDENTURE, Made the 2 day of August, in the year of our Lord One Thousand Nine Hundred and Fifty-six, between FELIZ RUELAS, P. R. RUELAS, and CLEOFE RUELAS,

the parties of the first part, and LEWISOHN COPPER CORP., a Delaware corporation, qualified and doing business in the State of Arizona,

the party of the second part,

WITNESSETH: That the said parties of the first part, for and in consideration of the sum of TEN and no/100 - DOLLARS, ~~lawful money of the United States of America~~, to them in hand paid by the said party of the second part, the receipt whereof is hereby acknowledged, have granted, bargained, sold, remised, released and forever quitclaimed, and by these presents do grant, bargain, sell, remise, release and forever quitclaim unto the said party of the second part, and to its heirs and assigns that certain unpatented mining claim, Location Notice of which is of record in the Office of the County Recorder of Pima County, Arizona, in Book GG of Location Notices, at page 157 thereof, said claim being located in Helvetia Mining District, Pima County, Arizona, and being all of the area bounded by the Monitor, Elgin, Sunsette, Telephone and Boston patented mining claims. A re-location of said mining claims by said Feliz Ruelas was made under Location Notice filed in the Office of the Pima County Recorder, State of Arizona, in Book ____ at page ____ and recorded on ____________, 1956, to which reference is hereby made only for further description of the said property, it being intended by the parties hereto that any and all right, title and interest to said mining claim which they now have or ever have had claim or right to of any nature whatsoever is being conveyed to second party hereby.



We hereby certify that this negative photostat was made by us from an original subject.

TUCSON BLUE PRINT CO.

By Lillian Larson

Together with all the dips, spurs, and angles, and also all the metals, ores, gold and silver-bearing quartz, rock and earth therein; and all the rights, privileges and franchises thereto incident, appendant and appurtenant, or therewith usually had and enjoyed; and also, all and singular the tenements, hereditaments and appurtenances thereto belonging, or otherwise appertaining, and the rents, issues and profits thereof, and also all the estate, right, title, interest, property, possession, claim and demand whatsoever, as well in law as in equity, of the said parties..... of the first part, of, in or to the said premises and every part and parcel thereto with the appurtenances.

We hereby certify that this negative photostat was made by us from an original subject.
TUCSON BLUE PRINT CO.
By William Duncan

TO HAVE AND TO HOLD, all and singular, the said premises, together with the appurtenances and privileges thereunto incident, unto the said party of the second part, its heirs and assigns forever:

Parties of the first part hereby covenant and warrant that between them they are the owners of said unpatented mining claim free and clear of any encumbrance of any nature or description and that said mining claim is a valid and existing mining location under applicable Arizona and United States statutes.

IN WITNESS WHEREOF, the said parties of the first part have hereunto set their hands the day and year first above written.

Feliz Ruelas
P. R. Ruelas
Cleofe Ruelas

STATE OF ARIZONA } ss.
County of PIMA

On this the 2nd day of August, 19 56 before me Beth H. Bowers, the undersigned Notary Public, personally appeared FELIZ RUELAS, P. R. RUELAS, AND ~~XXXXXXXXXXXX~~, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes therein contained.

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

Beth H. Bowers
Notary Public

My Commission Expires:
Oct. 15, 1958.

STATE OF ARIZONA } ss.
County of PIMA

On this the 3rd day of August, 19 56 before me CARLOS G. ROBLES, the undersigned Notary Public, personally appeared CLEOFE RUELAS, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes therein contained.

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

Carlos G. Robles
Notary Public

My Commission Expires:
MARCH 18, 1958.

We hereby certify that this negative photostat was made by us from an original subject.
TUCSON BLUEPRINT CO.
By William Duncan

RECEIVED
JAN 23 1957
L.M.E.A.

LEASE AND OPTION

THIS AGREEMENT, made this 1st day of May, 1956, between RUTH R. BLANKENSHIP, a single woman, hereinafter called "Lessor," of Tucson, Arizona, and LEWISOHN COPPER CORP., a Delaware corporation qualified to do business in the State of Arizona, hereinafter called the "Lessee,"

WITNESSETH:

1. That the Lessor, for and in consideration of the rents, covenants, and agreements herein expressed to be paid, kept and performed by the Lessee has leased and demised and by these presents does lease and demise unto the Lessee the following described premises situate, lying and being in the County of Pima and State of Arizona, to-wit:

> The Boston, Telephone, Elgin, Dan, General, Hattie, West End, Black Hawk, Chance, Telemeter, Backbone, Slide, Silver Spur, Recorder, Wedge, Old Dick, American, Light Weight, Heavy Weight, Buzzard, Flying Dutchman, Wisconsin, Water Wish, New Mexico, Grizzly, Leader, Exchange, Exchange No. 2, Copper World, Tally Ho, Copper Fend, Owasko, Black Horse, Brunswick, Little Dave, Isle Royale, Indian Club, Pilot, A. O. T., and Vulture, patented mining claims,
>
> Also, the Boston, Elgin, Recorder, American, Old Dick, Wedge, Dan, Telephone, and Heavy Weight patented mill sites, all as particularly described and being the same mining claims listed in United States Mineral Certificate or Patent #32858-#639 dated August 9, 1909, issued to Helvetia Copper Company.

TO HAVE AND TO HOLD same for the term of two (2) years from the date hereof.

2. During the term hereof Lessor reserves and Lessee agrees to pay, as rent, a sum equal to ten per cent (10%) of the net smelter returns on all ores shipped or smelted from said property, or a minimum rental of Five

Hundred Dollars ($500) per month, whichever sum is the larger, provided, however, that such payments shall be adjusted on an annual basis as of May 1st each year; that is, annually Lessee shall receive 10 per cent of net smelter returns, or Six Thousand Dollars ($6,000), whichever sum is the larger.

"Net smelter returns" as used herein shall mean the correct returns as furnished by the smelter treating such ores or concentrates, after the smelter shall have made its deduction for railway charges, treatment, and usual smelter deductions. No deduction shall be allowed for the cost of hauling ore or concentrates from the mine to the railroad point of shipment.

Lessor, in consideration of the aforesaid rents and other obligations of Lessee herein provided, hereby gives, grants and conveys to Lessee or its assigns the right and option to purchase all of the said property for a total price of Four Hundred Fifty Thousand Dollars ($450,000) payable as follows:

a. Seventy-five Thousand Dollars ($75,000) upon exercise of the option to purchase;

b. Not less than Fifty Thousand Dollars ($50,000) on the anniversary date thereof of the exercise of said option each year thereafter until the total purchase price of $450,000 is paid;

c. From the last payment due hereunder shall be deducted all sums paid as rent prior to the exercise of the option.

The balances remaining due from time to time shall bear no interest.

This option to purchase shall terminate and be void if not exercised on or before May 1, 1958. In the event Lessee shall exercise said option at such time Lessee is not in production with a mill or concentrator in the Helvetia Mining District, then the said initial payment of Seventy-five Thousand Dollars ($75,000) shall be reduced to the sum of Fifty Thousand Dollars ($50,000) with the balance of the purchase price to be payable in such event as set forth in paragraph 2b above.

Upon exercise of said option, Lessor shall deliver into an escrow to be established with appropriate escrow instructions from Lessor and Lessee a good and sufficient deed to said property together with a commitment from a reputable title insurance company to insure the title to the property in Lessee's name in the full amount of the purchase price, the policy to be delivered upon payment in full. Lessee shall keep proper records of all ores mined and removed from the property, and when 10 per cent of net smelter returns from such ores shall equal the annual payment Lessor shall have received as provided herein for the then current year Lessee shall commence paying to Lessor on a quarterly basis 10 per cent of net smelter returns for the balance of the year and until the next annual payment is made, as provided in paragraphs 2a, b, and c hereof.

Said escrow instructions shall provide that upon default in any payment due hereunder and upon failure for a period of ninety (90) days after notice of default if Lessee shall fail to remedy same then the rights of the Lessee under this Lease and Option shall immediately cease and terminate and payment theretofore made shall become the property of the Lessor as liquidated damages and this contract shall be null and void and of no further force and effect. The foregoing provision shall apply to any default by Lessee throughout the term of this Lease and Option.

The option above set forth, to be effective, must be exercised by written notice given to Lessor on or before May 1, 1958, in the manner hereinafter provided.

3. The Lessee shall have the right to work and explore all of the premises herein described, together with all mineral rights including extralateral rights lying within or belonging or appertaining thereto and to extract and remove therefrom, subject to payment of rent as aforesaid, all ores and

minerals which may be encountered therein.

4. So long as the Lessee is not in default of this agreement, Lessee hereby grants to the Lessor the right to exclusive possession for the purpose of mining and any other incidental use thereof of said property; provided, however, that the Lessor hereby reserves the right to all waters from the premises in excess of the Lessee's needs for mining, milling, smelting, and domestic operations, but without waste, so long as the use and removal thereof by Lessor shall not interfere with mining or exploration work.

5. It is understood and agreed that upon expiration of this lease, either by lapse of time, abandonment, or forfeiture, the Lessee will return peaceful possession of the leased premises to the Lessor; provided, however, that any machinery and equipment not of a fixed and permanent nature placed thereon by Lessee may be removed with reasonable diligence by the Lessee. Such right of removal shall not include any property replaced or rehabilitated which is now on the demised premises, nor headframes, ladders, timbers, ties, rail, and pipe in place underground.

6. The Lessee agrees to pay when due all real, mining and personal property taxes on said property; provided, however, that Lessee shall have the right to contest the validity or amount thereof in good faith.

7. Lessee shall have the right to terminate this agreement at any time by giving the Lessor notice of intent in writing to so terminate. Upon such termination becoming effective:

a. The Lessee shall peacefully surrender to Lessor the said premises, together with a final report of production and shipment;

b. The Lessee shall immediately pay all sums due to

Lessor hereunder and shall furnish copies of all pertinent geological data obtained and compiled by the Lessee in respect of said property;

c. Upon compliance with the foregoing, the Lessee shall have no further obligation under this agreement;

d. The Lessee shall, upon request of the Lessor, execute and deliver a Quitclaim Deed or other appropriate instrument as shall be required to restore absolute title to the property in the Lessor's name.

8. All mining operations on said property shall be done in a good, permanent and workmanlike manner and Lessor shall have throughout the term hereof the exclusive right of possession and the exclusive right to extract and remove ore therefrom, including the right to use the existing improvements now thereon and to add to and make other improvements thereon subject to the right of removal as herein provided, and in compliance with the applicable state and federal laws and regulations so that at all times the workings shall be in a safe and workable condition.

9. Lessee shall keep the premises free and clear of all costs, liens and encumbrances and shall indemnify and save harmless the Lessor from any of the same. Lessee shall at all times carry and maintain liability insurance protecting the Lessor from liability for injury to persons or property in connection with its operations and shall comply strictly with the terms of the Arizona Workmen's Compensation and Occupational Disease liability laws and shall keep posted all notices of non-liability posted by Lessor as provided by law.

10. The Lessor hereby covenants and warrants that she is the true, lawful and sole owner of said property free and clear of any encumbrances or liens other than current taxes.

11. Lessor hereby acknowledges receipt of One Thousand Dollars ($1,000) as the first two (2) months' rent hereunder in hand paid by Lessee.

12. The Lessor or her authorized representative shall have the right to enter upon said mining claims at all reasonable times for the purpose of inspection as well as to examine the books and records of Lessee pertaining to tonnage and assays of ores and concentrates produced or shipped or both from the leased property. Lessee shall furnish to Lessor a notarized statement monthly of production and shipments showing tonnage and assays for the previous calendar month, to be delivered to Lessor within ten (10) days after the end of each month.

13. Any and all notices provided for or required herein to be served upon the Lessor shall be deposited in the United States mail, postage prepaid, and addressed to her at 298 North Granada Avenue, Tucson, Arizona, or, in the event of a change of address or any assignment, to such address as may be requested in writing to the party giving such notice.

Any and all notices provided for or required herein to be served upon the Lessee shall be deposited in the United States mail, postage prepaid, and addressed to it at 128 North Church Avenue, Tucson, Arizona, or, in the event of a change of address or any assignment, to such address as may be requested in writing to the party giving such notice.

14. This agreement shall extend to, bind and be enforceable against the heirs, executors, administrators, and assigns of the parties hereto.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals this 18th day of June, 1956.

Ruth B. Blankenship
Ruth B. Blankenship

LEWISOHN COPPER CORP.

By Richard E. Chilson
President

ATTEST:

Secretary

We hereby certify that this negative photostat
was made by us from an original subject.
TUCSON BLUE PRINT CO.
By

STATE OF ARIZONA)
COUNTY OF PIMA) ss:

The foregoing Lease and Option was acknowledged before me this 18th day of June, 1956, by RUTH B. BLANKENSHIP.

Beth H. Bowers
Notary Public

my commission expires:

Oct 15, 1958.

STATE OF ARIZONA)
COUNTY OF PIMA) ss:

On this, the 18th day of June, 1956, before me personally appeared RICHARD E. CHILSON and BOYD M. MORSE, who acknowledged themselves to be the President and Secretary of Lewisohn Copper Corp., a Delaware corporation, and acknowledged that they, as such President and Secretary being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by themselves as President and Secretary.

Beth H. Bowers
Notary Public

My commission expires:

Oct 15, 1958.

We hereby certify that this negative photostat
was made by us from an original subject.
TUCSON BLUE PRINT CO.

By _____

RECEIVED
JAN 23 1957

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

224 New Customhouse
Denver 2, Colorado

November 21, 1956

RECEIVED NOV 26 1956 D.M.E.A.

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 4221 (Copper) Contract Idm-E1027, Lewisohn Copper Corporation (Peach Mine) Pima County, Arizona

Enclosed are four copies of project work approval issued by the DMEA Field Team, Region III consistent with provisions in the contract.

Also enclosed are two copies of the Operator's request of November 2, 1956 and four copies of a joint memorandum dated November 12, 1956 from T. M. Romslo, Mining Engineer, Bureau of Mines, and W. L. Emerick, Geologist, Geological Survey, pertaining to the work approval.

Copies of the work approval have been distributed to the Operator, Finance Office, Region III, and to others concerned.

W. M. Traver

W. M. Traver

Enclosures

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

224 New Customhouse
Denver 2, Colorado

November 19, 1956

Mr. Boyd M. Morse, Secretary
Lewisohn Copper Corporation
128 North Church Avenue
Tucson, Arizona

Re: Docket DMEA 4221 (Copper)
Contract Idm-51027
Lewisohn Copper Corporation
(Peach Mine)
Pima County, Arizona

Dear Mr. Morse:

Whereas a part of the holes shown on Figure 5 attached to the contract and originally planned for drilling under Stage I were drilled at the Operator's expense without contribution to the cost thereof by the Government; therefore, consistent with provisions in the contract additional holes are approved to be substituted for holes already drilled.

In reference to your request of November 2, 1956, and effective that date, this constitutes the Government's approval of 9 holes to be substituted for like number of holes that have already been drilled as mentioned above. The holes are located as follows, according to coordinate locations on the map, Figure 5, attached to the contract: 2-D, 3-E, 3-G, 3-O, 3-S, 3-T, 4-O, 4-P, 5-O.

The foregoing listed 9 drill holes, together with holes at coordinate location 3-J, 3-M and 6-P, will constitute the 12 holes to be drilled under Stage I of the contract.

This work approval shall not be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, the fixed unit cost of any item of work, nor any item of allowable cost which is expressly designated "maximum."

Very truly yours,

DMEA Field Team, Region III

W. M. Traver

W. M. Traver

E. N. Harshman

E. N. Harshman

JWT:jy

cc: Chm. Op. Comm. (4)
Finance Office, Reg. III
Amend. File, Reg. III
Harshman
Storms
Emerick
Townsend
Corresp.
Chron.

DMEA
DEPARTMENT OF THE INTERIOR

NOV 16 1956
REGION III
DENVER, COLORADO

Box 4126 University Station
Tucson, Arizona

November 15, 1956

MEMORANDUM

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

From: T. M. Romslo, U. S. Bureau of Mines
W. L. Emerick, U.S. Geological Survey

Through: W. R. Storms
E. N. Harshman

Subject: Docket DMEA 4221 (Copper), Contract No. Idm-21027, Lewisohn Copper Corp., (Peach Mine), Pima County, Arizona

Reference is made to W. M. Traver's letter of November 7, 1956 requesting recommendations on applicant's request for relocation of holes under Stage I of the above docket.

Of the original 12 holes proposed to be drilled under Stage I, applicant has already drilled 6 holes (6-S, 6-R, 4-S, 2-L, 1-J, 2-H) at his own expense, three other original holes (6-P, 3-M, 3-J) are included in applicant's presently proposed pattern of drilling, and 3 additional original holes (7-R, 1-K, 3-H) are not included in the applicant's proposed amended pattern of drilling.

In regard to the three Stage I holes (7-R, 1-K, 3-H) not included in the applicant's request for relocation of holes, Hole 1-K is in a location shown to be poor by applicant's drill Hole 1-J, 150 feet southeast, in Area 'A'. The line of holes on coordinate 1 in Area 'A' appear to be in ground too near the flat-dipping limestone-quartzite contact to be of value, either in depth or assay.

By omitting Holes 3-H and 7-R from his Stage I program and substituting others, applicant may not be justified but it appears that his presently proposed pattern of drilling is practical. Holes 3-H and 7-R could be drilled under Stage II, if warranted.

Inasmuch as applicant has already drilled six of the proposed Stage I holes at his own expense and includes three of the original holes in the present program, it is recommended that the nine holes located at the following coordinates:

2-D	3-O	4-O
3-E	3-S	4-P
3-G	3-T	5-O

be approved under Stage I. It is further recommended that approval of hole relocations be made retroactive to November 2, 1956.

Original signed by
T. M. Romslo

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

W L Emerick

W.L.Emerick, U.S.Geological Survey

TMR and WLE:ms

cc: Traver (8)
Harshman
King
Storms
Emerick

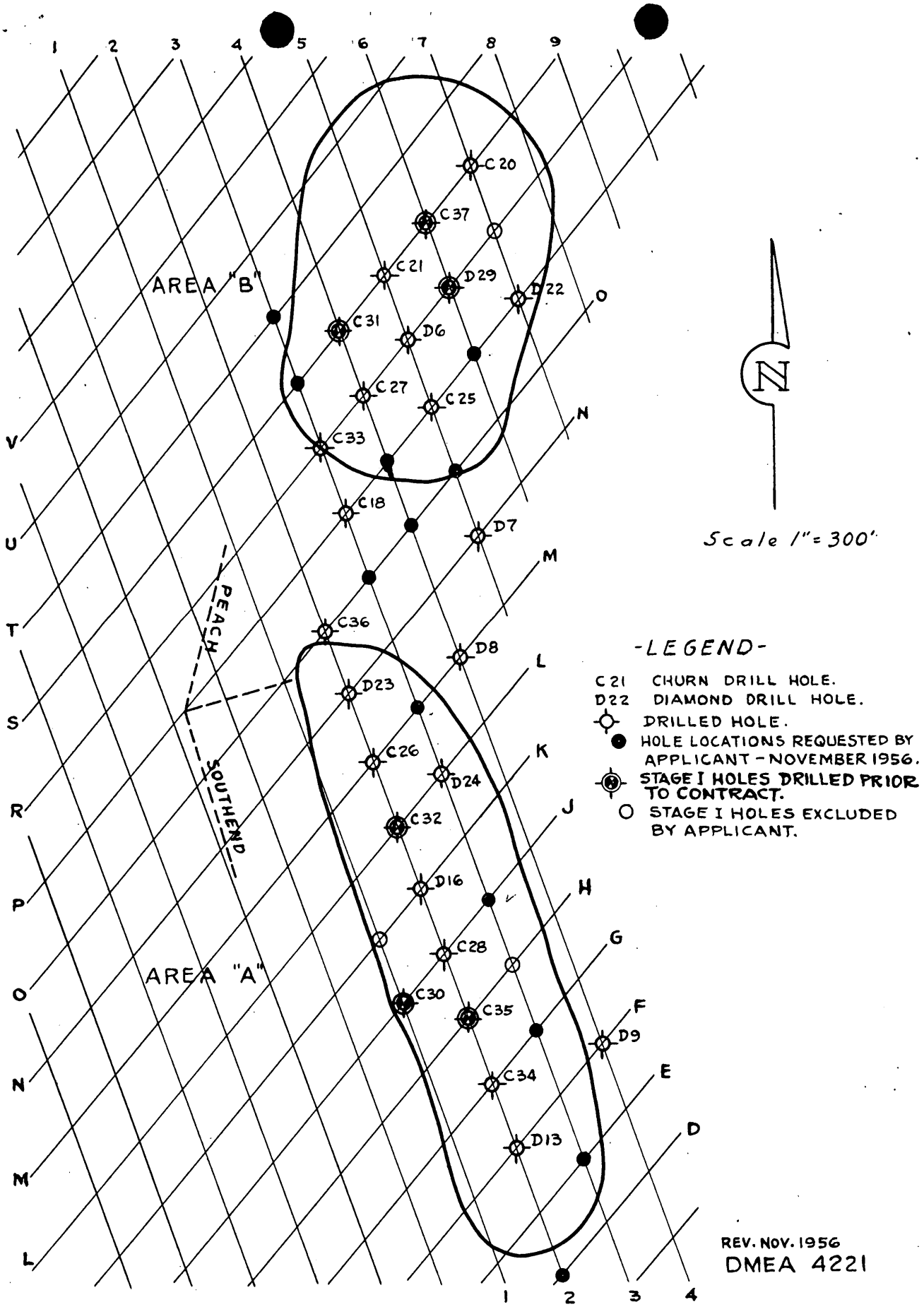


FIG.-5A. PROPOSED EXPLORATIONS - LEWISOHN COPPER CORP.
PIMA COUNTY, ARIZONA

[illegible] COPPER CO., [illegible]

[illegible]

[illegible]

November 2, 1966

[illegible]

Dear Mr. Fraser:

Pursuant to our telephone conversation of last week [illegible] paragraph of Exhibit [illegible] and Exploration [illegible] request is hereby made for the government to indicate certain other [illegible] locations to be drilled in stage one of the contract.

Enclosed herewith are four copies of "Figure 5" of the original contract, with the proposed holes indicated in green. As suggested by you, copies of this letter, along with copies of "Figure 5," are being sent directly to Mr. Stewart and Mr. Emerick at the University. I understand that those two gentlemen have specifically examined the locations of at least three of these new, proposed holes and perhaps more.

Drilling is commencing this date at location C38, which is one of the sites examined by Messrs. Stewart and Emerick last week.

The fully executed [illegible] October 23, 1966. We look forward [illegible] await your further instructions [illegible]

May I again thank you for all of your kind help and cooperation in processing this contract. We will [illegible] supply any [illegible] information relative to this program or for any other notes if [illegible].

Very truly yours,

[illegible]

[illegible] M. Morse, Secretary

[illegible]

LEWISOHN COPPER CORP.

128 NORTH CHURCH
TUCSON, ARIZONA

November 2, 1956

RECEIVED
NOV 5 1956
D.M.E.A.

Mr. C. O. Mittendorf, Administrator
U. S. Department of the Interior
Defense Minerals Exploration Administration
Washington 25, D. C.

Re: Docket DMEA 4221 (copper)
Lewisohn Copper Corp., Peach
Mine, Pima County, Arizona.

Dear Mr. Mittendorf:

I enclose herewith the original and a copy of a letter from Mr. James Stuart Douglas, Vice-President of the Southern Arizona Bank and Trust Company, certifying the capacity in which the bank signed the Consent to Lien dated August 1, 1956, executed in connection with the above-mentioned contract.

I note that the letter, while mentioning the date on which the bank signed, does not specify the date of the Consent. However, as the contract is identified specifically and as there is no other DMEA application pending from Lewisohn Copper Corp., I should think this would be sufficient. If this point needs clarification, I shall be happy to obtain same upon your request.

I thank you again for your kind cooperation in expediting the consummation of this agreement.

Very truly yours,

Boyd M. Morse

Boyd M. Morse, Secretary

BMM:bb
Enc. 2
Air Mail

COPY

SOUTHERN ARIZONA BANK & TRUST COMPANY

TUCSON, ARIZONA

RECEIVED NOV 5 1956

October 31, 1956

The United States of America
Department of the Interior
Defense Minerals Exploration Administration
Washington 25, D. C.

Re: Docket DMEA 4221 (copper)
Lewisohn Copper Corp., Peach
Mine, Pima County, Arizona.

Gentlemen:

On October 12, 1956, this bank executed and affixed its corporate seal to a document entitled Consent to Lien and Subordination Agreement, in connection with the above-described contract between the United States and Lewisohn Copper Corp.

This is to certify that when affixing the signature of the bank, through its officers, the Southern Arizona Bank and Trust Company was acting in its capacity as Administrator with the Will Annexed of the Estate of Leonard Lewisohn, deceased, which estate is one of the owners of the patented lode mining claims referred to in said contract.

Very truly yours,

James Stuart Douglas
Vice-President

JSD:lh

Original attached to Govt. Copy of contract.
Talbert
11/7/56

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

224 New Customhouse
Denver 2, Colorado

November 2, 1956

Mr. Boyd M. Morse
188 North Church Avenue
Tucson, Arizona

Re: Docket No. DMEA 4261 (Copper)
Contract No. DMe-21087
Lavinchee Copper Company
Pima County, Arizona

Dear Mr. Morse:

Reference is made to Exploration Project Contract No. DMe-21087, forwarded to you by the Administrator, DMEA, by letter of October 29, 1956.

For use in reporting on work performed under the contract, enclosed are six copies of form DF-104, "Operator's Monthly Report and Voucher," and six copies of form DF-104A, "Operator's Unit Cost and Progress Report." At the end of the first calendar month after work is commenced, and monthly thereafter, you are required to submit the original and four copies of each form to Mr. W. R. Sheene, U. S. Bureau of Mines, P. O. Box 4097, University Station, Tucson 5, Arizona. The extra copy is for your records.

Forms DF-104 and DF-104A are to be combined into five sets of one of each form; each set of the combined forms is to be accompanied by a map or sketch showing the location and extent of work performed, and a signed narrative report which describes the work performed, conditions encountered, and results of the work. The monthly accounting report will not be processed for reimbursement to you unless it is accompanied by a signed narrative report and other required or pertinent data. Additional copies of forms DF-104 and DF-104A will be forwarded to you each month on receipt of your report for the prior month.

The purpose of the churn drilling is to explore possible mineralized zones which are confined largely to altered or fractured limestone that rests on quartzite or granite.

In the matter of your claim for reimbursement of drilling costs, reimbursement to you under the terms of the contract will be on the basis of a hole or holes completed to the objective. Therefore, your monthly report should include only such holes that are completed to that extent.

The contract is prepared on form NF-200, and under its provisions and as outlined in Exhibit "A" of the contract, the allowable costs are a combination of actual costs with a maximum average unit cost established for work under "Category (1)" and fixed unit costs for performing the remaining items of work or services. Under the provisions of Exhibit "A", the work under "Category (1)" is to be performed by subcontract. The costs recorded under item "(1)" on form NF-104 for such work must be supported each month by a signed copy of the billing from the subcontractor; or, submit for our records a certified copy of the subcontract agreement. Amounts reported on the basis of the "Fixed Unit Costs" require no documentation, as they are otherwise verified.

In the event you desire to perform the work under "Category (1)" on company account instead of subcontracting it, as provided in the Contract, it will be necessary that you request and obtain an appropriate amendment to the Contract before reimbursement can be made to you for the Government's portion of the allowable incurred costs.

Your requests to this office for work approval, changes in the Contract, or any other communication pertaining to operations under the Contract, must be in writing, of which please supply the original and five copies, each copy complete with maps or other pertinent data. Each request for action by this office must pertain to one matter only, and such requests are not to be incorporated in your narrative report accompanying monthly progress report forms NF-104 and NF-104A.

The locations of holes to be drilled under Stage I are indicated on the map, "Figure 5," attached to the Contract. Should conditions encountered necessitate or make desirable a change in the location of any of the holes, approval of this office for the change must be obtained prior to performance of the drilling. Otherwise, the drilling may not be acceptable for reimbursement to you under the terms of the Contract.

Your attention is directed to the provision that Stage II work is contingent on the results obtained from Stage I, and performance of the work under Stage II is subject to the prior written approval of the Government.

When work under Stage I has been completed, you must request approval from this office for the work you propose to perform under the next stage. Your request for the work approval must be in sextuplicate, each copy complete with a map showing the location and extent of the work completed and the location of the additional work proposed. Also, your request must include an evaluation of the work completed and include assay returns and any other pertinent data which will be of value to the Government in appraising results of the work.

You should anticipate a suspension of operation between stages of work, to enable the Government geologist and engineer to evaluate the results of the work performed and make recommendations to this office relative to the additional work you propose.

To eliminate as much delay to operations as possible, if that is of serious consideration, you should expedite forwarding of the results of the work completed and your request for the Government's approval of the additional work you propose.

No oral statement of any person shall be construed to modify or change the terms of the Contract. Field representatives of the Government are not authorized to approve any changes in the work program or Contract provisions. Such approval can only be given by the Washington Office, DMEA, or by the DMEA Field Team, Region III.

It is a regulation that reimbursement for the cost of work accomplished prior to the date of the contract will not be allowed. It is a requirement and imperative that you notify this office in writing the date work actually commences under the contract, with a copy of your letter to Mr. Steam.

Very truly yours,

Original signed by
W. M. TRAVER

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

Enclosures

JWT:prl

cc: Chairman, Op. Comm. (3)
Finance Office, Region III
Amendment file, Region III
Barelman
Sterns
Emerick
Townsend
Corres. file
Chron.

CLASS OF SERVICE
This is a ... unless it ... acter is i... proper sy...

SENDER WAITING! WESTERN UNION Answer by WIRE SENDER WAITING! 6286(56)

WESTERN UNION

TELEGRAM

W. P. MARSHALL, PRESIDENT

1201

SYMBOLS
DL = Day Letter
NL = Night Letter
LT = International Letter Telegram

The filing time shown in the text of this telegram is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

RECEIVED NOV 1 1956 D.M.E.A.

1956 NOV 31 PM 7 23

LH264 L TSB117 NL PD=TUCSON ARIZ 31=

UNITED STATES DEPT OF INTERIOR ATTN MR MITTENDORF=

DEFENSE MINERALS EXPLORATION ADMINISTRATION=WASHDC=

RE: DOCKET DMEA 4221 (COPPER) DEVER OFFICE INFORMS US NO WORD ON CONTRACT RECEIVED PER OUR TELEPHONE CONVERSATION WITH YOU OF OCT 23RD. DRILL RIG IN PLACE AWAITING CONFIRMATION OF CONTRACT. KINDLY WIRE COLLECT STATAS THEREOF. THANK YOU=

BOYD M MORESE LEWISOHN COPPER CORP. 128 NORTH CHURCH TUCSON ARIZ

On Nov 1, 1956 the Admin. spoke to Mr Morse over the phone and advised him that the Contract was mailed Oct. 29. WRG.

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

File Copy
Surname

500

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

OCT 29 1956

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

Re: Docket No. DMEA-4221 (Copper)
Lewisohn Copper Corporation
Peach Mine
Pima County, Arizona

Dear Mr. Traver:

We are enclosing the Field Team and Finance copies of a contract covering the cited project, which have been signed by the Government. Extra copies of the contract appendages were sent you with our letter of August 9.

As requested in your letter of July 11, we are enclosing the "Assignment of Lease" copy.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Enclosures

APPROVED:

Frank D. Lamb
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

WRGriswold/er 10/24/56
Copy to: Docket
Admr R File
Op. Committee
Base Metals
Mr. Pennington, USBM
Mr. Kiilsgaard, USGS
Chron.

File Copy
Surname Selfridge

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

OCT 29 1956

Mr. Boyd M. Morse
128 North Church Avenue
Tucson, Arizona

Re: Docket No. DMEA-4221 (Copper)
Lewisohn Copper Corporation
Peach Mine
Pima County, Arizona

Dear Mr. Morse:

Referring to our telephone conversation on October 23, I am enclosing the Operator's copy of a contract covering the cited project, which has been executed by the Government. This is done with the understanding that you will provide us with a letter from the Southern Arizona Bank and Trust Company, stating that they executed the Consent to Lien, dated August 1, 1956, acting as Administrator with the Will Annexed of the estate of Leonard Lewisohn, Deceased.

Sincerely yours,

C. O. Mittendorf

Administrator
WRGriswold/er 10/25 & 26/56
Copy to: Docket
Admr R File
Op. Committee
Base Metals
Mr. Pennington, USBM
Mr. Kiilsgaard, USGS
Region III (2)
Chron.

Enclosures

P.G.S.

DEPARTMENT OF THE INTERIOR
Office of the Solicitor

Docket No. DMEA-4221

Date October 23, 1956

Referred to: The Administrator, DMEA

From: Associate Solicitor, Div. of Mineral Resources

For: Information and retention _____

Information and return _____

Necessary action ~~xxxxxxxxxx~~ X

Comment and return _____

Distribution in office or region _____

Remarks: The attached Owner's Consent to Lien is acceptable. To clarify the record, the letter from Southern Arizona Bank and Trust Company referred to in our telephone conversation this date should be obtained.

(Signature)

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

84986

File Copy
Surname

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

500

October 19, 1956

Memorandum

To: Associate Solicitor, Division of Mineral Resources

From: Chief, Base Metals Division

Subject: To check if the Owner's Consent to Lien are in Order for Docket No. DMEA-4221, Lewisohn Copper Corporation, Peach Mine, Pima County, Arizona, Copper.

I call your attention to the Owner's Consent to Lien submitted by Mr. Traver in his October 15, memorandum.

Will you please advise if it is in order.

W. R. Griswold

W. R. Griswold

WRG/er
Copy to: Docket
Base Metals
Chron.

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

RECEIVED
OCT 22 1956

224 New Customhouse
Denver 2, Colorado

October 19, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4221 (Copper), Lewisohn Copper Corporation (Peach mine), Pima County, Arizona

In conjunction with the matter discussed in our memorandum of October 15, 1956, we are enclosing the original and five copies of the proposed Exploration Project Contract on the subject docket, which have been signed by the President of Lewisohn Copper Corporation.

Also enclosed are three copies of the Applicant's letter of October 17, 1956, whereby they return the signed copies of the contract to this office and request that the established starting date of October 1, 1956 be extended to November 15, 1956.

W. M. Traver

W. M. Traver

Enclosures

LAW OFFICES
BOYD M. MORSE

LEONARD EVERETT
ASSOCIATE

128 NORTH CHURCH
TUCSON 1, ARIZONA
TELEPHONE 3-0868

RECEIVED
OCT 22 1956

DMEA
DEPARTMENT OF THE INTERIOR
OCT 19 1956
REGION III
DENVER, COLORADO

October 17, 1956

Mr. J. W. Townsend
Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA 4221 (Copper)
Lewisohn Copper Corp.
(Peach Mine)
Pima County, Arizona

Dear Mr. Townsend:

Enclosed herewith please find six copies of the above described DMEA contracts executed by Mr. Chilson and myself as officers of the corporation, in accordance with your instructions.

Site preparations for the proposed holes are underway and we are attempting to locate immediately available drill rigs. However, in view of the sometimes encountered delay in moving-in time, it is suggested that it might be appropriate to amend the commencing date to November 15th. We would certainly expect to commence this work before that time, but feel that this would be a safe date in any event.

Thank you again for your kind cooperation.

Very truly yours,

Boyd M. Morse

BMM:bjg
Encls. (6)
Air Mail

REGISTERED
(Return Receipt Requested)

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

RECEIVED OCT 17 1956

224 New Customhouse
Denver 2, Colorado

October 15, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4221 (Copper), Lewisohn Copper Corporation (Peach mine), Pima County, Arizona

Reference is made to your letter of August 9, 1956, whereby you forwarded the original and five copies of a proposed Exploration Project Contract and outlined certain prerequisites to forwarding the contract to the Applicant for signature.

The three sets of Consent to Lien that you forwarded were sent on to the Applicant for execution by our letter of August 14, 1956, and today we received one set of the Consent to Lien that had apparently been revised by the applicant to provide for all the signatures on the one set.

In conjunction with the matter, we are enclosing the following:

1. Three copies of a letter, dated October 12, 1956, from Boyd M. Morse.

2. The original and six copies of executed Consent to Lien form MF-205.

3. One copy only of the map referred to in the letter under item 1 above.

In your letter of August 9, 1956, you instructed us to ascertain the location of the Mohawk claim and show it on the map attached to the contract. However, it will not be possible to accomplish that, as the Mohawk claim apparently lies far outside the border of the base map attached to the contract.

Inasmuch as the contract has neither been numbered, dated, nor signed by the Government, we have forwarded the original and five copies on to the Applicant for appropriate signature, and upon return to this office all copies will be forwarded to you for signature by the Administrator, DMEA, for the Government.

In the meantime, please advise if the enclosed executed Consent to Lien is acceptable.

J. W. Townsend

J. W. Townsend

Enclosures

LAW OFFICES
BOYD M. MORSE
LEONARD EVERETT
ASSOCIATE

RECEIVED
OCT 17 1956

128 NORTH CHURCH
TUCSON 1, ARIZONA
TELEPHONE 3-0568

October 12, 1956

DMEA
DEPARTMENT OF THE INTERIOR
OCT 15 1956
REGION III
DENVER, COLORADO

Mr. W. M. Traver
Executive Officer, DMEA
U. S. Department of the Interior
224 New Customhouse
Denver 2, Colorado

Re: Docket DMEA 4221 (Copper)
Lewisohn Copper Corp. (Peach Mine) Pima County, Arizona

Dear Mr. Traver:

I enclose herewith seven copies, executed by all parties interested in the fee-ownership of the patent claims, subject to the above-mentioned exploration project, giving their consent to lien and sub-ordination agreement as requested by you. I presume that the enclosed are in order and that the contract will be submitted for execution forthwith.

In response to your inquiry in regard to the Mohawk claim and its relation to the other claims, I enclose herewith a map on which the Mohawk is indicated in red, along with the five other claims referred to in the contract. While it is not included in the contract, I might mention that the company has options on all the patented claims indicated on the enclosed map and has done some exploratory drilling on the Elgin (indicated in blue) which has shown favorable indications of an extension of the Peach ore zone.

With thanks for your kind cooperation and persistence,

Sincerely yours,

Boyd M. Morse

Boyd M. Morse

BMM:bb
Enc. 8
Air Mail

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

224 New Customhouse
Denver 2, Colorado

REGISTERED MAIL

October 15, 1956

Mr. Richard E. Chilson, President-Treasurer
Lewisohn Copper Corporation
128 North Church Avenue
Tucson, Arizona

Re: Docket No. DMEA 4221 (Copper)
Lewisohn Copper Corporation
(Peach mine)
Pima County, Arizona

Dear Mr. Chilson:

Enclosed are the Government's, Division, Docket, Operator's, Finance Office, and Field Team copies of a proposed Exploration Project Contract, which has been prepared pursuant to your application for Government assistance in exploration work under the Defense Minerals Exploration Administration program.

If the contract is satisfactory, all copies are to be signed by an authorized official of Lewisohn Copper Corporation, the signer's title inserted, the signer's signature attested to by the Secretary of the corporation, the corporate seal affixed, and all copies promptly returned to this office.

Upon return to this office of the properly signed copies of the contract, all copies will be forwarded to the Washington Office, DMEA, and if everything is in order the contract will be numbered, dated, and signed by the Administrator, DMEA, for the Government; after which the "Operator's Copy" will be returned to you, together with forms and instructions relative to reporting on the work performed under the contract.

Your attention is especially directed to three provisions in the contract:

1. It is fixed in Article 3 of the contract that work shall be commenced on or before October 1, 1956.

2. The contract requires completion of the exploration work by the date or within the period fixed therefor. Approval must be obtained for any appreciable work stoppage which may result in failure to complete the work by the date or within the time fixed.

3. Royalty is due the Government on all production from the land described in the contract, beginning on the date of the contract.

In regard to the date fixed for the start of the work under item 1 above, it will be necessary to amend the contract to extend that date because of the delay experienced in execution of the contract, which will be taken care of at a later date.

In the event the contract is not satisfactory to you, all copies are to be returned promptly to this office, together with your comments on or objections to the contract.

Very truly yours,

J. W. Townsend

J. W. Townsend
Acting Executive Officer
DMEA Field Team, Region III

Enclosures

JWT:prl

cc: Chairman, Op. Comm. (2)
Harahman
Storms
Emerick
Townsend
Docket
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION 500
WASHINGTON 25, D. C.

October 15, 1956

Memorandum for the Files

From: Chief, Base Metals Division

Subject: Phone conversation on Docket No. DMEA- 4221, Lewisohn Copper Corporation, Peach Mine, Pima County, Arizona, Copper.

The cited contract has been in the Field for some time, pending receipt of the various necessary Owners' Consent to Lien. In view of the long delay, we phoned Mr. Traver's office to advise the Applicant that the contract could be cleared via a Performance Bond, if the Owners' Consents to Lien were unobtainable. The contract was sent to the Field on August 9, 1956.

W. R. Griswold

W. R. Griswold

WRG/er
Copy to: Docket
Base Metals
Chron.

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

Unsolicited
Betty

RECEIVED
SEP 21 1956

224 New Customhouse
Denver 2, Colorado

CERTIFIED MAIL
AIR MAIL

September 18, 1956

Docket

Mr. Myron Isaacs
Attorney at Law
270 Park Avenue
New York, N. Y.

Re: Docket DMEA 4221 (Copper)
Lewisohn Copper Corporation
(Peach mine)
Pima County, Arizona

Dear Mr. Isaacs:

Please find enclosed a courtesy copy of the proposed Exploration Project Contract on the captioned application, for your use in obtaining Owner's Consent to Lien, as required by our letter of August 14, 1956.

The copy of the proposed contract is sent you at the telephone request today of Mr. Boyd Morse. It must be returned promptly when it has served your purpose.

Very truly yours,

W. M. TRAVER

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

Enclosure

cc: Mr. Richard E. Chilson
128 North Church Avenue
Tucson, Arizona

WMT:prl

cc: Chairman, Oper. Comm. (2)
Harshman
~~Shaw~~ Storms
Docket 4221
Chron.

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

RECEIVED
SEP 17 1956

224 New Customhouse
Denver 2, Colorado

CERTIFIED MAIL

September 14, 1956

Mr. Richard E. Chilson
President-Treasurer
Lewisohn Copper Corporation
128 North Church Avenue
Tucson, Arizona

Docket

Re: Docket DMEA 4221 (Copper)
Lewisohn Copper Corporation
(Peach mine)
Pima County, Arizona

Dear Mr. Chilson:

We have had no reply to our letter to you dated August 14, 1956. Will you please advise the date we may expect compliance with that letter.

In the event that we do not receive a reply from you within thirty days from the date of this letter, we will presume that you are no longer interested in the exploration project and we will return the proposed contract to the Washington Office, DMEA, for their final action.

Very truly yours,

W. M. TRAVER

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

WMT:prl

cc: Chairman, Op. Comm. (2)
Harshman
Storms
Townsend
Docket 4221
Chron.

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

Greenwald
Betty

AIR MAIL

August 14, 1956

224 New Customhouse
Denver 2, Colorado

RECEIVED
AUG 16 1956

Mr. Richard E. Chilson
President-Treasurer
Lewisohn Copper Corporation
128 North Church Avenue
Tucson, Arizona

Re: Docket DMEA 4221 (Copper) Lewisohn Copper Corporation (Peach Mine) Pima County, Arizona

Dear Mr. Chilson:

We are holding in this office a proposed DMEA contract for exploration work on the captioned property. There are certain conditions to be met before we are authorized to release the contract for your signature.

1. Enclosed are three sets of Consent to Lien forms, each set consisting of the original and six copies. You will note that the first set is to be signed by Frederick Lewisohn, the second set to be signed by an authorized official of The Southern Arizona Bank and Trust Company, and the third set to be signed by David M. Heyman, John G. Greenburgh, Eustace Seligman, and Alfred Adolph Rossin, as Trustees under Article "Seventh" of the Will of Sam A. Lewisohn, Deceased. Please obtain the signatures above the typed names on all copies of the enclosed Consent to Lien forms and return all signed copies to this office. In signing the papers, each individual should indicate his address on the line opposite his name.

2. The Mohawk patented mining claim cited in your application has been included in the contract. It will be necessary for us to know the exact location of the Mohawk claim in relation to the other claims in the contract. Will you please forward this office the ties of the Mohawk claim to other of your claims shown on the Base Map which accompanied your application. If it is easier for you, it

will be just as good, if not better, to forward this office another copy of the Base Map showing the true location of the Mohawk claim.

When we receive all of the above, we will forward the contract to you for signature.

Very truly yours,

W. M. TRAVER,

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

Enclosures

HMC:ab

cc: Chair. Op. Comm. (2)
Docket 4221
Harshman
Storms
Townsend
Chron.

File Copy
Surnamd

500

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

AUG - 9 1956

Mr. W. H. Traver
Executive Officer
DMEA Field Team, Region III
224 New Customhouse Bldg.

Re: Docket No. DMEA-4221 (Copper)
Lewisohn Copper Corp.
Peach Mine
Pima County, Arizona

Dear Mr. Traver:

Referring to your memorandum of July 11, we are enclosing the original and five copies of a contract for the cited project. Please note that the contract has not been signed by the Government.

There are certain conditions which should be met prior to presenting the contract for signature. No Owner's Consent to Lien was submitted to us, hence we are enclosing the necessary copies which must be properly executed prior to tendering the contract to the Applicant.

We note that in its application, this company cites the Mohawk patented mining claim, which has been included in the contract. However, this claim is not shown on the claim map attached to the contract, entitled "Lewisohn Copper Corp. Base Map". Will you please ascertain such claim location and have it properly shown on the map in question.

When the above requirements have been met, and if the contract terms meet with your approval, please present it to the Applicant for signature, and then return all copies to us to be signed by the Administrator. Two extra copies of Annex I, Exhibit "A", and the maps are enclosed for the use of the Field Team.

R.C.S.

If you do not approve of any of the contract terms, and any proposed change should lie beyond the range of your delegated authority, please return all copies with your recommendations.

Sincerely yours,

W. S. Martin

ACTING Chairman, Operating Committee (26)

Enclosures

APPROVED:

FRANK D. LAMB (26)
Member, Bureau of Mines

N. E. Nelson (26)
Member, Geological Survey

WRGriswold/er 8/3/56
Copy to: Docket
Admr R File
Op. Committee
Base Metals
Mr. Pennington, USBM
Mr. Aiilsgaard, USGS
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION 500
WASHINGTON 25, D. C.

August 3, 1956

Memorandum

To: The Administrator

From: Chief, Base Metals Division

Subject: Contract for Docket No. DMEA-4221, Lewisohn Copper Corp., Peach Mine, Pima County, Arizona (Copper)

Attached is a proposed contract covering the cited application.

The project appears to have merit, but a certain condition is present which might influence you in giving this contract. The ores (as presently known) show a mixture of copper sulphides and oxidized products. Normally this would not be too burdensome as they would probably respond to a treatment process involving a leach with sulphuric acid, possibly plus ferric sulfate. However, in this instance the gangue is limestone, which would, of course, prevent any acid leaching process. I know of no alternative process for such an ore type.

I am not able to give you any specific data as to the sulphide, oxide ratio, but the Field Team states:

> "Copper oxides predominate over sulphides to considerable depths."
>
> "Metallurgical tests on the mineralized material are not yet available."

W. R. Griswold

W. R. Griswold

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

AUG - 1 1956

Memorandum

To: The Administrator, DMEA
Attention: Chief, Base Metals Division

From: Associate Solicitor, Division of Mineral Resources

Subject: Docket No. DMEA-4221 (Copper)
Lewisohn Copper Corporation
Peach Mine, Pima County, Arizona

Pursuant to your memorandum dated July 25, 1956, we have prepared the attached Contract in satisfactory legal form for execution, subject to: (1) the attachment of the Consents to Lien referred to therein, the forms for which are attached; and (2) addition of the Mohawk Claim to the Base Map.

Robert P. Dwyer

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

RECEIVED
JUL 30 1956

224 New Customhouse
Denver 2, Colorado

July 27, 1956

Memorandum

To: Secretary to the Operating Committee
Attention: W. R. Griswold

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-4221 (Copper) Lewisohn Copper Corporation, (Peach mine) Pima County, Arizona

Under separate cover we are mailing you today nine revised copies of Figures 3 and 5 to accompany the joint Report of Examination on the subject docket transmitted by Field Team memorandum of July 11, 1956.

We discussed the proposed contract on this docket on the telephone and you are conversant with the present revised program of the examiners.

It seems that Figure 3 would be preferable for a contract. The field placed the coordinates on it but failed to show the location of their proposed 12 Stage I holes. These could very easily be added by your office and designated in the "Explanation." They have revised Figure 5 but failed to designate the 12 Stage I holes on it also. They are shown in red and numbered on the attached copy as given to you on the phone by coordinates.

W. M. Traver

W. M. Traver

Attachment

500

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

RECEIVED
JUL 27 1956

July 27, 1956

Memorandum for the Files

From: Chief, Base Metals Division

Subject: Docket No. DMEA-4221, Lewisohn Copper Corporation, Peach Mine, Pima County, Arizona (Copper)

On July 18, the undersigned phoned Mr. Traver stating that the Field Team report on this application did not outline the work under Stage I. Mr. Traver stated this information would be obtained and forwarded to us.

W. R. GRISWOLD

WRGriswold/bjl

Copy to: ~~Docket~~
Base Metals Div.
Chron.

File Copy
Surname

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION 500
WASHINGTON 25, D. C.

July 25, 1956

Memorandum

To: Associate Solicitor, Division of Mineral Resources

From: Chief, Base Metals Division

Subject: Preparation of Contract for Docket No. DMEA-4221, Lewisohn Copper Corporation, Peach Mine, Pima County, Arizona, Copper.

Will you kindly prepare a contract along the lines of the attached rough draft. Maps will be sent you shortly.

Since no Owner's Consent to Lien was submitted, will you please prepare the necessary copies to be sent to the Field Team. They will, of course, secure execution of the Owner's Consent to Lien prior to presenting the contract for signature.

W. R. Griswold

WRG/er

Copy to: Docket
Base Metals
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION 500
WASHINGTON 25, D. C.

July ~~27~~ 25, 1956

Memorandum for the File

From: Chief, Base Metals

Subject: Docket No. DMEA-4221, Lewisohn Copper Corporation, Peach Mine, Pima County, Arizona, Copper.

In estimating auxiliary costs for the churn drilling program the Field Team has recommended as follows:

Monthly

Superintendent 1/4 of 600	$ 125.00
Consulting Geologist, 1 day	150.00
Resident Geologist	600.00
2 Sample foreman @ $400/monthly	800.00
6 Field samplers @ $12.00 daily	1,800.00
2 Sample handlers @ $12.00 daily	650.00
1 truck driver 1/2 time @ $14.00 daily	175.00
	$4,300.00

The above listing seems overly heavy in view of the fact that only two drills will be on the ground, working three shifts each. It is expected that footage drilled will be 12 feet per drill shift, or 72 feet daily.

The assignment of an individual sampler to each drill on each shift seems elaborate. If a drill makes only 12 feet in a shift, and samples are taken every 5 feet, the sampler will only have to take a couple of samples during his eight hours. Nevertheless, we will allow this set-up; it's probably better to be overly elaborate rather than to take a chance on carelessness in the taking of samples.

However, we cannot see the need for any allowance for a superintendent, when a full time geologist is provided. Neither can we see the need for sample handlers. Each individual sampler, with so little to do, can also dry and prepare his own samples.

W R Griswold

Hence, our allocation for auxiliary service beomes:

Geologist	$ 600.00	monthly
Consulting Geologist	150.00	"
2 Sample foremen at $400.00 (will also serve as samplers, when necessary)	800.00	"
6 Field samplers, $12.00 per shift	1,800.00	"
1 Truck driver, half time at $14.00 per shift (others as shown in Field Team estimate)	175.00	"
Total	$3,525.00	

W. R. Griswold

W. R. Griswold

Copies to: Docket
Base Metals
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION 500
WASHINGTON 25, D. C.

July 24, 1956

Memorandum for the Files

From: Chief, Base Metals Division

Subject: Phone conversation about Docket No.DMEA-4221, Lewishohn Copper Corporation, Peach Property, Pima County, Arizona, Copper.

On this date, Mr. Traver, Executive Officer, Region III, phoned us regarding the cited application.

He stated that the first stage drilling, with reference to Fig. 5 of the application, should be at following locations:

AREA A	AREA B
M3	S4
L2	S6
K1	R6
J1	R7
J3	P6
H2	
H3	

He also said that hole H1 and all holes located between Areas A and B should be eliminated.

W. R. Griswold

W. R. Griswold

WRG/er

Copy to: Docket
Base Metals
Chron.

Chairman, Oper. Comm., D.M.E.A.

Orlando

RECEIVED
JUL 24 1956

DN 235 BUR MINES 7-23-56 4-35

CHAIRMAN, OPERATING COMMITTEE, DMEA
ATTN-- MR GRISWOLD

RE DMEA 4221, LEWISOHN COPPER CORP. WILL TELEPHONE YOU TOMORROW, 7-24-56, AT 1 PM YOUR TIME REGARDING STAGE 1 HOLES FOR PROPOSED CONTRACT.

W M TRAVER

Denver, Color.

JUL 24 8 18 AM '56
BUREAU OF MINES
MAIL ROOM
WASHINGTON D. C.

IN REPLY REFER TO:

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

July 17, 1956

RECEIVED
JUL 18 1956

Memorandum

To: W. R. Griswold, Defense Minerals Exploration Administration

From: W. P. Williams, U. S. Geological Survey

Subject: Review of field examination report, DMEA 4221, (copper), Lewisohn Copper Corporation, Peach mine, Pima County, Arizona.

The examining team concludes that geologic conditions on the subject property are favorable enough to warrant further exploration with DMEA participation. The examiners, accordingly, recommend approval of a DMEA contract which would provide for a total of 7,200 feet of churn drilling in two stages at a total estimated project cost of $92,160.

The estimated cost of churn drilling at $12.50 per foot seems high but appears to be the prevailing rate for the region. Under Basis for Estimated Costs in the field report an excess of supervision and labor is indicated. One full time geologist and one full-time sampler should certainly be able to perform the necessary duties on a project which will consist, in total, of not more than 24 holes, at an estimated rate of only 72 feet of hole per 24 hours.

A disquieting note is found on page 20 of the field report where is stated, "Metallurgical studies now in progress could show that expectable recoveries from the mixed sulfide and oxide copper bearing rock would be too low for present economic exploitation of the deposit." It may not be appropriate for DMEA to participate in exploring for material which cannot be considered an ore. Under those circumstances, perhaps the applicant should demonstrate that the sought material is amenable to treatment before a DMEA contract is approved.

I concur with the recommendations of the examining team, but with the reservations noted above.

W. P. Williams

W. P. Williams

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

RECEIVED
JUL 18 1956

July 17, 1956

Memorandum

To: W. R. Griswold, Defense Minerals Exploration Administration

From: Commodity Industry Analyst, Branch of Base Metals

Subject: Review of Field Team Examination Report, Docket No. DMEA 4221 (copper), Lewisohm Copper Corp. (Peach Mine), Pima County, Arizona. $92,160.00

According to the examiners report, the area to be explored contains an inferred and indicated tonnage of about 11,000,000 tons of material averaging about 0.96 percent copper. Additional tonnages of mineralized area will probably result from future exploration of selected areas adjacent to the area under consideration.

The examiners have proposed a revised exploration program consisting of 24 churn drill holes totalling 7,200 feet and divided into two successive stages at an estimated total cost of $92,160.00. Stage I would consist of a maximum of 12 holes, and the work in Stage II would be approved by the Government, in advance, after reviewing the results of Stage I. It is stated that the drilling project could result in finding small high-grade deposits minable by underground methods and could indicate the presence of large low-grade deposits minable by open pit methods.

Although the proposed exploration is shown in Fig. 5, the exact location of drill holes planned for the Stage I are not given. I believe that the program could be more definite, in this respect, for each stage. Also, what results must be obtained in Stage I before Stage II is approved or denied?

Past production and the present drilling project have indicated the presence of extensive zones of copper mineralization. Undoubtedly, any additional exploration will add to indicated reserves.

In view of the promising objectives of the program, I agree with the recommendations of the Field Team that the application for assistance to conduct a two-stage exploration program estimated to cost $92,160.00 be approved, providing the reported investigations of the Lewisohm Copper Corporation by the Securities Exchange Commission are found favorable.

J. W. Pennington
Branch of Base Metals

Copy to: Division of Minerals
Branch of Base Metals (2)
Thor Kiilsgaard, U.S.G.S.
R. W. Geehan
F i l e s

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

ON SITE Report

224 New Customhouse
Denver 2, Colorado

July 11, 1956

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Field Team, Region III

Subject: Joint Report of Examination, Docket DMEA-4221 (Copper), Lewisohn Copper Corporation (Peach mine), Pima County, Arizona

Enclosed are the original and three copies of a joint engineering and geologic report on the subject property.

The field examiners recommend a two-stage exploration program at a total estimated cost of $92,160.00 providing the reported investigations of the Lewisohn Copper Corporation by the Securities Exchange Commission are found favorable. We concur in this recommendation.

Also enclosed is a copy of an Assignment of Lease which the Bureau of Mines at Tucson, Arizona has requested be returned.

Nine copies of Figure 5 are attached for possible use in the contract. A copy of a churn drilling contract is also enclosed.

DMEA Field Team, Region III

By W. M. Traver
Executive Officer

RECEIVED
JUL 13 1956

Enclosures

Reviewed by
DMEA OPERATING COMMITTEE
7-16-56
(date)

TRANSMITTED

MINERAL RESOURCES
RECEIVED
JUL 9 1956
GEOLOGICAL SURVEY
DENVER, COLORADO

JUL 11 1956

Box 4125 University Station
Tucson, Arizona

July 6, 1956

RECEIVED
JUL 13 1956

MEMORANDUM

To: Executive Officer DMEA Field Team, Region III

From: T. M. Romslo, Mining Engineer, U. S. Bureau of Mines and Leonid Bryner and W. L. Emerick, Geologists, U. S. Geological Survey

WLE

Through: W. L. Storms
E. N. Harshman

ENH

Subject: Docket DMEA-4221 (Copper), Lewisohn Copper Corporation (Peach Mine), Pima County, Arizona

Enclosed are the original and 8 copies of the field examination report on the above property. Also enclosed for information purposes are copies of the applicant's drilling contract and churn drill invoice for April, and one copy of the assignment of lease, return of which to the Bureau of Mines, Tucson, Arizona, is requested. Ten extra copies of the map of proposed explorations (Figure 5) are enclosed for use, if necessary, in contract purposes.

The original application for Government aid, which was sent to the U. S. Bureau of Mines, is enclosed.

W L Emerick

W. L. Emerick

WLEjms

cc: Harshman (3)
Storms
Emerick

UNITED STATES
DEPARTMENT OF THE INTERIOR
FRED A. SEATON, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

DMEA-4221 (Copper), Lewisohn Copper Corp., Peach mine

Helvetia Mining District

Pima County, Arizona

W. L. Emerick and Leonid Bryner, Geologists
U. S. Geological Survey

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

July 6, 1956

IMEA-4221 (COPPER), LEWISOHN COPPER CORP., PEACH MINE
HELVETIA MINING DISTRICT
PIMA COUNTY, ARIZONA

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Summary, Conclusions, and Recommendations

By W. L. Emerick[1] and T. M. Rosalo[2]

The Lewisohn Copper Corporation applied for governmental aid in exploration of the Peach mine area, Helvetia Mining District, Pima County, Arizona. Application for the governmental aid was received by the Defense Minerals Exploration Administration on March 19, 1956. The application proposed the building of access roads to drilling sites, the drilling of 40 diamond drill holes, and the construction of a temporary office and sample building. Total cost of the project was an estimated $251,631.64. A field examination of the property was carried out under docket DMEA-4221.

Activity on the applicant's property began about 1900, when the Helvetia Copper Company sunk the 200-foot inclined Peach shaft. The property was inactive to 1947, at which time an open pit was started about 600 feet southeast of the Peach shaft, and worked through 1948. The next period of operation was during 1951 and 1952 in the open pit. Other operations of this 1951-1952 period were the driving of a 165-foot adit from the south end of the open pit, and the sinking of a 75-foot shaft on the South End claim. The property was inactive from 1952 to 1955. During the latter part of 1955 the Lewisohn Copper Corporation obtained control of the property and started an exploratory drilling project that is still in progress.

1/ Geologist, U. S. Geological Survey.

2/ Mining Engineer, U. S. Bureau of Mines.

Total production from the Peach property is estimated at 8,000 to 10,000 tons of ore, containing about 3 percent copper.

Intense deformation of the rocks in the district resulted in high-angle normal faults, thrust faults, and folds. Overturned beds and reversal of fault attitudes by post-deformation are characteristic geologic features. Formations of the Peach mine area consist of Pennsylvanian limestone in fault contact with underlying Permian quartzite and limestone, which in turn are in fault contact with underlying Mesozoic granite. The formations and thrust faults separating them have steep to gentle easterly dips. Steep northeasterly to northwesterly trending faults are prominent at the north end of the area and somewhat less prominent in the south end.

Copper mineralization is of the contact-metamorphic type and appears to be strongest at the north end of the area, somewhat less so at the south end, and weakest in the interval between the north and south ends. A belt of chloritic alteration, kaolinization, and masses of garnet-tactite and copper oxides occur in the limestone immediately above the quartzite. Copper minerals consist of carbonates, silicates, sulphides, and possibly sulphates. The sulphides, in order of importance, are chalcopyrite, pyrite, possibly some chalcocite and bornite, and sparse molybdenite. Copper oxides predominate over sulphides to considerable depths.

Drilling shows the copper mineralization to be present throughout most of the penetrated limestone. The extent in depth of the ore deposits is limited by the granite, which in the Peach mine area lies at 400 to 600 feet below the surface.

The examining team estimates a total preliminary inferred and indicated tonnage of about 11,000,000 short tons of mineralized material in the upper higher grade zones of rock in the areas included for exploration under government aid. Grade of the mineralized material averages about 0.96 percent copper. Future exploration in areas adjacent to the present exploration project to the south, southeast, north, and northeast will probably provide increased tonnage of mineralized material. Metallurgical tests on the mineralized material are not yet available.

The revised exploratory program in which the applicant requests government aid is confined to the drilling of a maximum of 24 churn drill holes in the Peach mine area for an estimated total of 7,200 feet. The work is divided into two successive stages in which the operator shall complete a maximum of 12 holes under Stage I and perform as much of Stage II as the government, after reviewing the results of work under Stage I, approves in writing in advance. The estimated cost of each stage is $46,080.00.

It can be concluded that a significant zone of copper mineralization is indicated by outcrops, mine workings, and the results of the present exploratory drilling, and that exploration of the two areas included in the churn drilling project could result in (1) finding small high-grade deposits minable by underground methods, and (2) could indicate the presence of large low-grade deposits minable by open pit methods. It follows that government aid is recommended in the proposed exploration, provided reported investigations of the Lewisohn Copper Corporation by the Securities Exchange Commission are found favorable.

INTRODUCTION

On March 19, 1956, the Defense Minerals Exploration Administration received an application from the Lewisohn Copper Corporation for Governmental assistance on a proposed exploratory project at the Peach copper mine, Helvetia Mining District, Pima County, Arizona. The application was docketed as DMEA-4291, reviewed by the Operating Committee and forwarded to the Field Team, Region III for examination of the property.

The proposed project involved the building of access roads to drilling sites, the drilling of 40 diamond drill holes and the construction of a temporary office and sample building. Cost of the project was an estimated $251,631.64.

Field investigations for the DMEA began April 12, 1956 when Leonid Brymer, geologist, U. S. Geological Survey, visited the property. While awaiting assay data on diamond drill core, several other visits were made to log core, map surface geology, and to examine mine workings on the Peach property and the nearby Tip Top mine. T. M. Rennie, mining engineer, U. S. Bureau of Mines, joined in 2 of these examinations and J. H. Faick, geologist, U. S. Geological Survey, in one. The last visit to the property was made June 28, 1956, by W. L. Emerick and J. H. Faick, geologists, U. S. Geological Survey. Representatives of the Lewisohn Copper Corporation who were contacted during the investigations included: Richard E. Chilson, president; Harrison Schmitt, consultant; B. H. Martin, manager; and H. Toombs and A. Meyman, geologists.

LOCATION, TOPOGRAPHY AND PHYSICAL FEATURES

The Peach property is situated in secs. 14, 15, and 22, T. 18 S., R. 15 E., Helvetia Mining District, Pima County, Arizona (fig. 1). It may be reached from Tucson by traveling south 18 miles on U. S. Highway to Sahuarita, thence easterly 14 miles on a graded, all-weather road to a one-story adobe building that houses the applicant's field office, and sampling and storage quarters. The proposed project area is about one-half mile northwest of the camp via typical unimproved desert roads.

Sahuarita, the nearest railroad shipping point, is served by the Tucson-Nogales branch of the Southern Pacific Railroad.

The property is situated in the foothills at the northwest extremity of the north-south trending Santa Rita Mountain range. It is in a moderately rugged area at an average altitude of about 4,200 feet. Drainage is westerly to the Santa Cruz valley.

The climate is typical of southern Arizona's zones of intermediate altitude. Summers are hot and winters are mild. Precipitation of about 12 inches annually occurs mainly as heavy rainstorms during July to August, and as light rainfalls during January and February. The vegetation is sparse, consisting mainly of forage grasses and a variety of desert-type trees and shrubs.

There are no permanent streams in the district. Water is obtained from old mine workings and shallow wells.

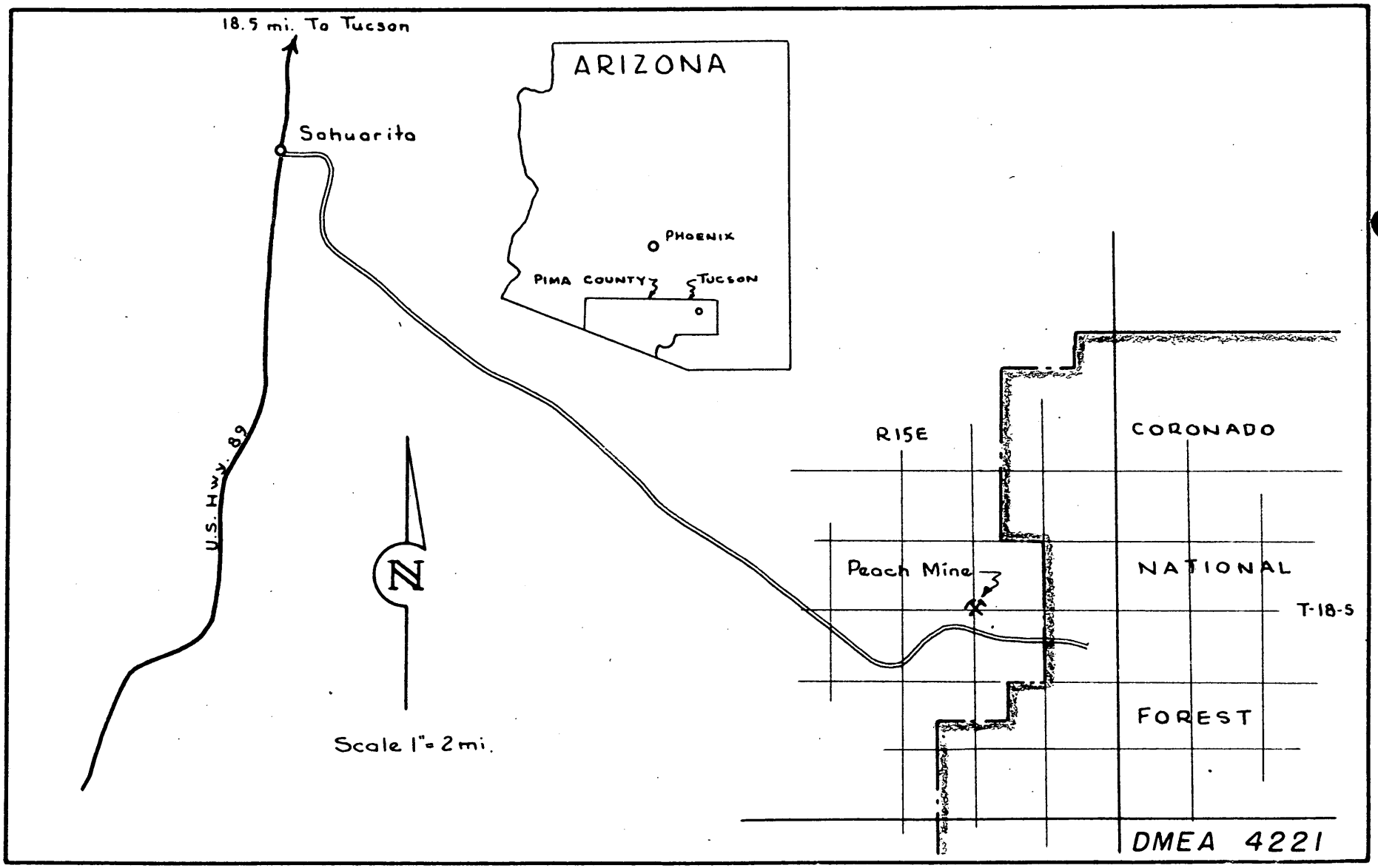


FIG.-1-LOCATION MAP, LEWISOHN COPPER CORP.

PIMA COUNTY, ARIZONA

HISTORY, PRODUCTION, AND GRADE

S. C. Creasey and George L. Quick say:[3] "Ore was probably discovered in the Helvetia district before the Civil War, but no records are available on the earliest discoveries. The old Frijole mine, reported to be the oldest in the district, was opened in 1880 and operated for several years. In the early eighties the ore from the district was treated at the Columbia smelter, located on the west side of the Santa Rita Mountains near the old Tiptop campsite. This smelter was succeeded in 1884 or 1885 by the Mohawk smelter, owned and operated by the Rosemont Mining and Smelting Co., which mined from workings near the Rosemont camp on the east slope of the Santa Rita Mountains.

In the early nineties the Helvetia Copper Co. of New Jersey acquired holdings near the town of Helvetia and operated until 1901. They are reported to have spent $800,000 on development work that included 5 or 6 miles of aerial tramway and a new smelter, and also to have produced about $400,000 worth of copper from ore that averaged 8 to 10 percent copper and contained a small amount of silver and gold."

Activity on the Peach property probably started about 1900 when the Helvetia Copper Co. sunk the 200-foot inclined Peach shaft. A small tonnage of ore probably was produced from the shaft at that

---

3/ Creasey, S. C., and Quick, G. L., Copper deposits of part of Helvetia Mining District, Pima Co., Arizona: Geological Survey Bulletin 1027-F, 1955, pp. 301-302.

time. As far as known, the property then was inactive to 1947, when several thousand tons of 2 percent copper ore was produced from an open pit about 600 feet southeast of the Peach shaft. During 1948, 10 railroad carloads of ore were shipped from the dump at the Peach shaft and 60 carloads were shipped from the open pit. The next period of operation was during 1951 and 1952, when 40 carloads of ore was produced from the open pit. Other operations of this period were the driving of a 165-foot adit from the south end of the open pit, the sinking of a 75-foot shaft on the South End claim for a production of 3 carloads of ore, and the mining of 2 carloads of ore from an open pit near the shaft. The grade of ore, as reported by the applicant, was 2 to 3 percent copper for ores from the Peach claim and about 4 percent copper for the ore from the South End claim.

The property was inactive from 1952 to 1955, when the American Exploration and Mining Company carried out geological investigations under a lease and option agreement with Richard E. Chilson. The company, upon completion of the investigations, did not renew the agreement. During the latter part of 1955 the Lewisohn Copper Corporation obtained control of the property and started an exploratory drilling project, still in progress, as later described under "Present Status" of the property.

Total production from the Peach property is estimated at 8,000 to 10,000 tons of ore containing near 3 percent copper.

EXTENT AND OWNERSHIP OF THE PROPERTY

The property of the proposed exploratory project comprises a group of 8 lode mining claims, of which 5 are patented (fig. 2). In addition to this property, the applicant reportedly controls a group of 15 unpatented claims and 1 patented claim. The 15 unpatented claims adjoin the group of 8 claims on the west and the patented claim is situated at about 1,500 feet to the southeast of the Newman claim.

The Lewisohn Copper Corporation reportedly owns the 18 unpatented claims by location. The 6 patented claims are owned by the Estate of Leonard Lewisohn, deceased. Richard E. Chilson held these claims under a lease agreement until October 12, 1955, when he assigned the lease to the Lewisohn Copper Corporation. A copy of the Assignment of Lease, obtained during the field investigations, has been made a part of the data included with the field copy of the application for aid.

Officers of the Lewisohn Copper Corp. include Richard E. Chilson, president, and Frederick Lewisohn, chairman, Board of Directors.

A few days prior to completion of this report, the examining team learned that the corporation had obtained control of the nearby Elgin property and had started negotiations for leasing the nearby Tiptop property.

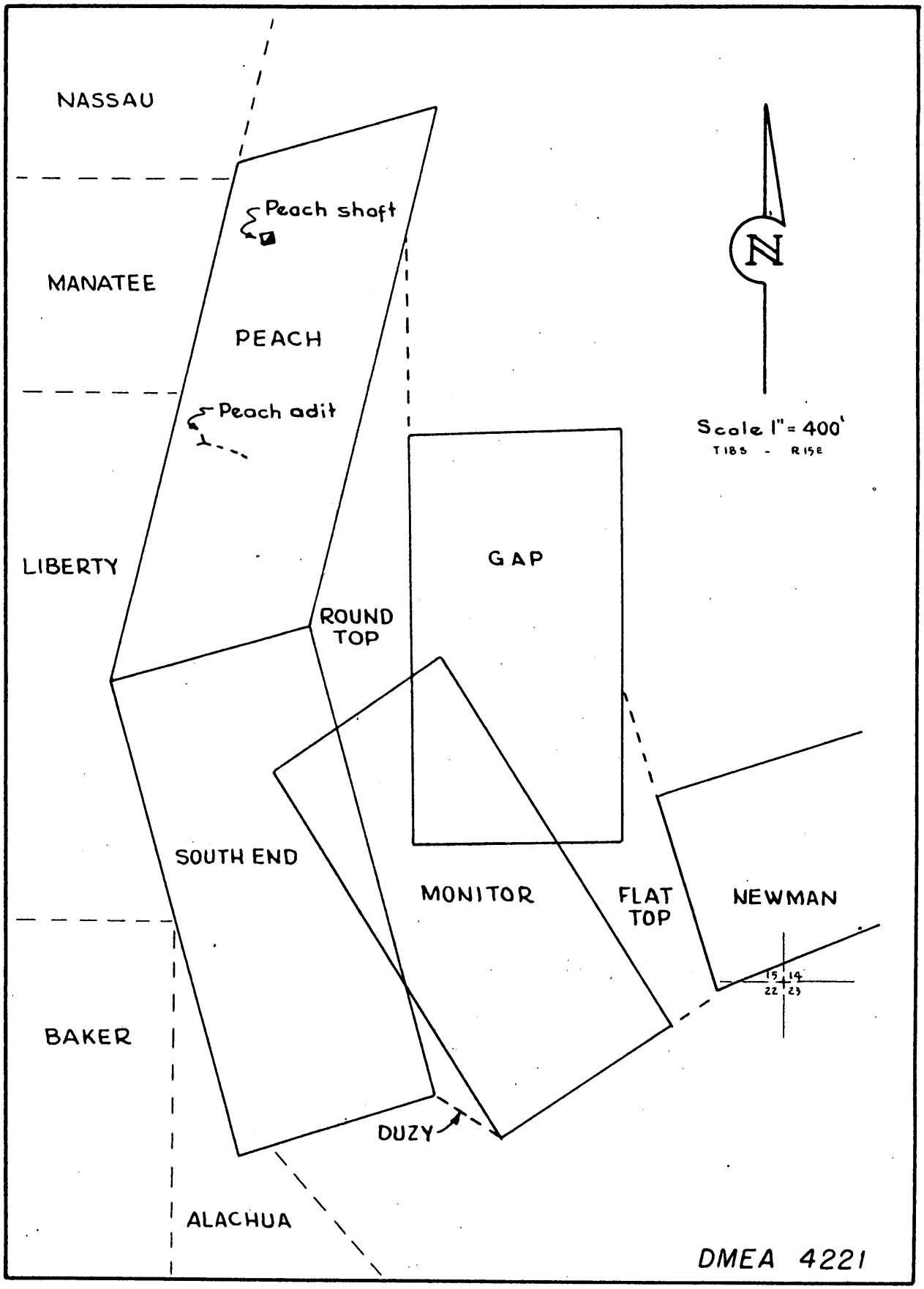


FIG. 2 CLAIM MAP, LEWISOHN COPPER CORP.
PIMA COUNTY, ARIZONA

PRESENT STATUS

The principal mine workings of the Peach property are: (1) the inaccessible 200-foot deep Peach shaft, (2) the accessible Peach adit, and (3) the open pit. Location of workings are shown on figure 3.

Activity is confined to the drilling project that was started in February 1956. To June 28, 1956, 18 holes had been diamond drilled for a total of 6,572 feet, and 6 holes had been churn drilled for a total of 2,507 feet. The diamond drilling has been done under contract with Metler (1 rig) and Minerals Engineering Company (2 rigs). O. C. Robinson, drilling contractor, has put down the churn drill holes with one rig. Drilling operations are carried out 1 shift daily for 6 days weekly. Average advance of hole per shift reportedly has been 20 feet for diamond drilling and about 12 feet for churn drilling.

All diamond drill core and sludges are delivered to the applicant's nearby sampling and storage quarters. An old building was renovated to form these quarters and an office which is nearing completion. Here cores are logged and split and sludge samples are dried over an open fire. Initial assaying was by E. A. Jacobs, Registered Assayer, Tucson, Arizona, and by H. R. Hendricks, the applicant's metallurgical consultant. Lately all samples have been assayed by the Dickerson Laboratory, El Paso, Texas. Ten percent of the samples are check assayed by Hawley and Hawley, Douglas, Arizona. A. Heyman, a graduate student of geology, University of Arizona, logs the drill holes and assembles the assay data.

Richard E. Chilson supervised all phases of the exploratory program to about May 15, 1956, when B. H. Martin, a mining engineer, was employed as manager of the project. During this period, preliminary investigations by the DMEA examining team showed that (1) some of the drill data was not acceptable, (2) much sample and assay data was not available because of incomplete and improperly maintained records, and (3) drilling and sampling procedures did not follow good engineering practices. Unacceptable data included assays of samples shipped from diamond drill core, and assays for sections of diamond drilled holes where core recovery was very poor and sludges had not been analyzed. Improper engineering practices included some diamond drilling in mineralized zones after complete loss of water circulation, assays based on negligible amounts of core and no sludge, grab sampling of sludges, and drying of sludges over an open fire.

On May 25, 1956, Mr. Martin and Harrison Schmitt told the examining team that they had found conditions to be substantially as above reported and that the following corrective measures had been instituted. Mr. H. Toombs, a geologist recommended by Mr. Schmitt, had been employed as field supervisor. Another churn drill rig was about to replace 2 diamond drills in an area where diamond drilling had proved unsatisfactory. To remedy sampling procedures, proper equipment for catching and drying sludges was being constructed. Both Martin and Schmitt agreed that we should hold up our report until they could furnish us with assay data on certain key holes. The data was made available a few days after June 22, when the examining team met with Mr. Toombs and discussed a revised exploratory program that might warrant Government participation.

Articles in Tucson newspapers of early June indicated that the Lewisohn Copper Corp. was being investigated by the Securities Exchange Commission in connection with possible irregularities in the sale of stock.

GEOLOGY

The sedimentary rocks in the Helvetia Mining District range from Cambrian to Cretaceous. The intrusive igneous rocks consist of granitic types having probable ages ranging from post-Paleozoic and pre-Cananchean to post-Cretaceous. Intense deformation in the district has resulted in high-angle normal faults, thrust faults and folds. Overturned beds, reversal of fault attitudes by post-fault deformation, and klippen are characteristic geologic features. The ore deposits are chiefly of the pyrometasomatic type. Although the ore deposits are largely structure-controlled, most of them are confined to the Pennsylvanian and Permian limestones.

The geology of the Peach mine area, that is, Tip Top Hill, is shown in figures 3 and 4. The hill consists mainly of the Pennsylvanian Naco (?) limestone in fault contact with the underlying quartzite of the Permian Scherrer (?) formation and Concha (?) limestone, which in turn are in fault contact with the underlying Mesozoic (?) granite. The presence of Concha limestone overlying the quartzite as shown in the applicant's geologic sections is a very tentative interpretation. Instead of Concha, this might be highly altered Naco. Quartz monzonite crops out immediately east of Tip Top Hill. The relationship of this quartz monzonite to the rocks in Tip Top Hill is not clear but it appears to overlap the granite and underlie the sediments, wedging out somewhere under the east edge of the hill.

The formations, as well as the thrust faults that separate them, have a steep to gentle easterly dip. An alternative, and equally valid interpretation of the structure, is that the contact between the limestone and the quartzite is a steep to vertical normal fault that offsets the easterly dipping thrust faults that underlie Tip Top Hill. Other important structures are steep northeasterly-to-northwesterly-trending faults that are especially prominent at the north end of the hill, somewhat less prominent at the south end, and are either absent or comparatively weak in the interval between the north and south ends. In a similar way copper mineralization appears to be strongest at the north end of the hill, somewhat less so at the south end, and weakest in the interval between the north and south ends. This relationship is expressed at the surface as a belt of chloritic alteration, kaolinization, masses of garnet-tactite and copper oxides in the limestone immediately above the quartzite. As indicated in figure 3, this belt is quite narrow opposite the center of Tip Top Hill but broadens somewhat to the south, and broadens to a still greater extent to the north.

Copper mineralization noted in drill core and at several workings in the hill consists mainly of oxides, including both carbonates, silicates and possibly sulphates. The main unoxidized copper mineral is chalcopyrite, though the abundance of pyrite, where the higher assays were obtained, suggests that the pyrite might be cupriferous. There also seems to be chalcocite and some bornite with the ore. Sparse molybdenite was noted in some of the core.

Copper oxides predominate over sulphides to considerable depths. Though there is no consistent depth at which the oxides cease to predominate, the scant data at hand indicates that this depth ranges between 200 and 300 feet below the surface.

Some idea of the form and dimensions of the copper deposits may be gained from the geologic sections in figure 4. These sections show that copper does not occur in well defined bodies, but is distributed throughout large masses of host rocks that are surrounded by zones of lower grade, definitely sub-marginal rock.

The higher grade zones range in thickness from a few feet up to about 150 feet, and are lenticular in shape. The lateral extent of these zones is uncertain. But in what appears to be the most heavily mineralized ground, that shown in section A-A', figure 4, the upper zone cut by holes 1-5, 6, and 20 has a northeasterly dimension of about 800 feet. The submarginal rock is much greater in extent vertically, but not much more extensive horizontally. Drilling has shown the lower grade material to be present throughout practically all of the penetrated limestone, that is, through intervals up to 400 feet thick, as shown in hole 8, section B-B', figure 4. The submarginal material, shown in section B-B', tapers away from the thickest part.

The higher grade zones occur in tactite or garnetized parts of the limestone either adjacent to or at some distance above its contact with the underlying quartzite or granite. In hole 9 the lower of two zones extends about 80 feet down into the quartzite. The tactite zones shown in the sections are greatly generalized

so that some features such as thin limestone intervals, abundant quartz veinlets, and fracturing are not shown. Such minor features may have helped localize the ore. Although copper mineralization in some places extends a short distance into the underlying granite, such mineralization commonly is of the submarginal type.

Schrader[4], in describing the Tip Top Mine (fig. 3), emphasizes the importance to ore control of the quartzite and of quartz veinlets which he believed had a damming effect on downward-moving ore solutions, and permitted these solutions to linger in the limestone immediately above the quartzite and the quartz veins, and to form ore deposits in these places. The writer believes that these same principles hold true for other deposits in Tip Top Hill. Although most of the ore zones cut by drilling were some distance above the quartzite, most of them are in parts of the tactite that display fairly abundant quartz veining. The reason for most of these bodies being partly in the tactite zones and partly in the adjacent limestone is not apparent, but possibly the difference in the competency of these two rocks, under the stresses which obviously affected the district, caused comparatively profuse fracturing in the tactite near its margins and thus produced the main channelways for the ore solutions.

The steep northeasterly and northwesterly faults apparently also influenced ore deposition, as the most heavily mineralized parts of Tip Top Hill are at the north and south ends of the hill where these faults are most prominent.

4/ Schrader, F. C., Mineral deposits of the Santa Rita and Patagonia Mountains Arizona: U. S. Geol. Survey Bull. 582, 1915, p. 122.

Most of the thrust faulting, as well as the steep, normal faulting, probably was pre-ore as the ore occurs along both of these types of faults, and in fact seems to have been localized mostly near such faults. However, there was minor post-ore movement along both types of faults as evidenced by offset sulphide-bearing veinlets in the Tiptop Mine and by offset gossan in the open cut immediately north of the Southern Cross shaft (fig. 3).

The extent in depth of the ore deposits is limited by the granite which underlies most, if not all, of Tip Top Hill. Under most of the hill the top of the granite is 400 to 600 feet below the surface (fig. 4).

ORE RESERVES

The reserves considered here are the relatively large low-grade blocks of ground that surround much smaller higher-grade bodies averaging several percent in copper, such as were mined in the Tiptop and Peach mines (Fig. 3). At present the applicant is exploring two blocks of ground, designated Areas A and B (Figs. 3 and 5), by diamond and churn drill. Preliminary reserve estimates included in this report are confined to the upper higher grade zones of rock and do not include additional tonnages of underlying lower grade rock.

Table 1 contains the applicant's drill hole data from which the preliminary ore reserves were calculated. The data were revised from earlier assay results submitted to the examining team, and they represent the most reliable data obtainable from the existing and apparently improved operating personnel. Thickness and grade figures

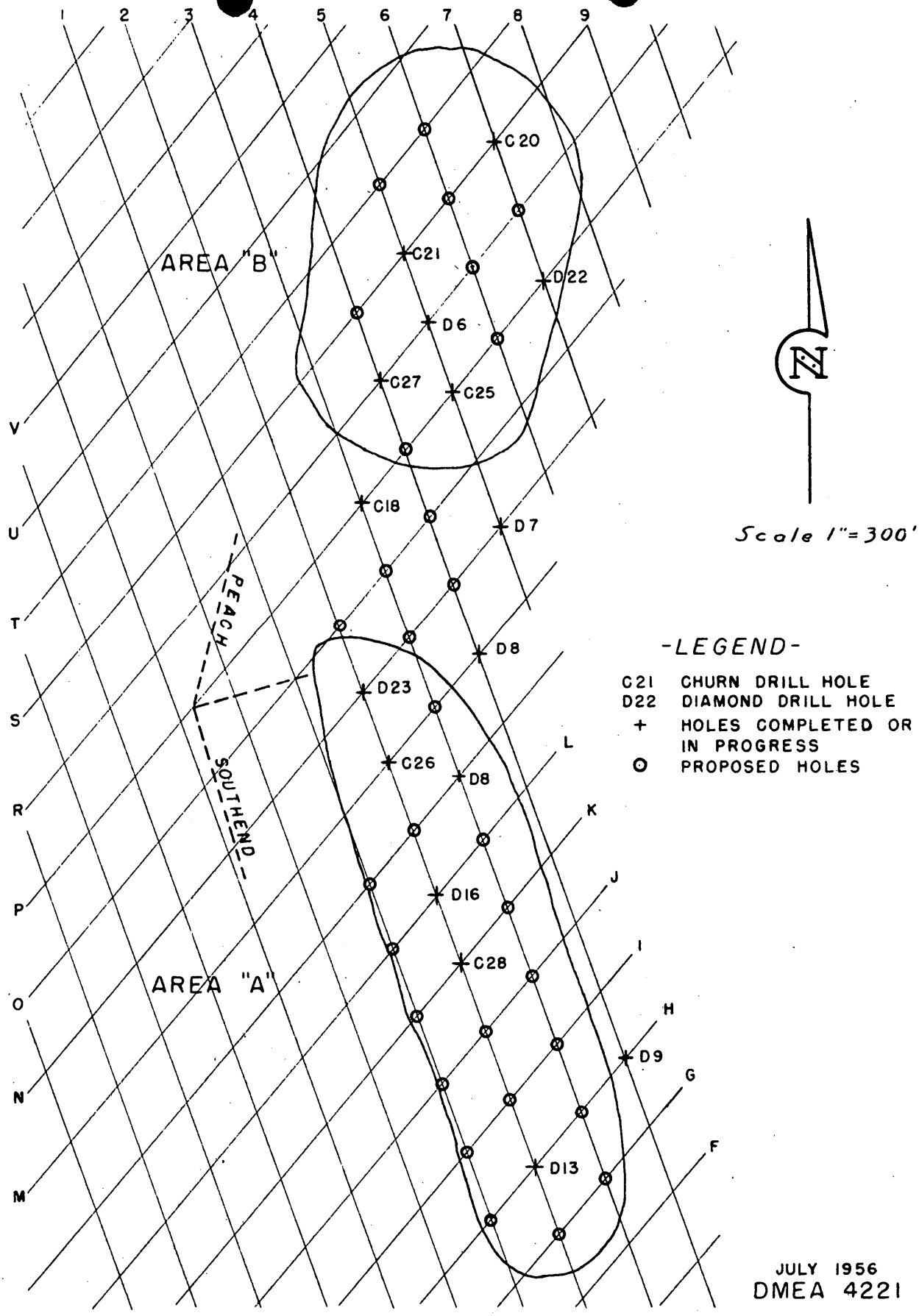


FIG.- 5 - PROPOSED EXPLORATIONS - LEWISOHN COPPER CORP.
PIMA COUNTY, ARIZONA

in Table 1 represent weighted averages as submitted to the examining team. A tonnage factor of 11 cubic feet per ton was used in computing the reserves.

Area A (figs. 3 and 5) covers approximately 511,363 square feet of ground in which 4 diamond drill and 2 churn drill holes (Table 1) have been completed at scattered locations. Applicant plans 17 additional holes in or adjoining this area. Based on the 4 diamond drill and 2 churn drill holes, indicated ore reserves of about 1,340,000 short tons averaging about 0.97 percent copper and about 111 feet in thickness are present. By projecting the grade and thickness figures to the whole of Area A, an estimated total tonnage of about 5,160,000 short tons of potential ore-bearing rock are shown for the area.

Area B (figs. 3 and 5) covers approximately 474,545 square feet of ground in which 2 diamond drill and 4 churn drill holes (Table 1) have been completed at scattered locations. Applicant plans 8 additional holes in or adjoining this area. Based on the 2 diamond drill and 4 churn drill holes, indicated ore reserves of about 2,600,000 short tons averaging about 0.96 percent copper and about 139 feet in thickness are present. By projecting the grade and thickness figures to the whole of Area B, an estimated total tonnage of about 6,000,000 short tons of potential ore-bearing rock are shown for the area.

Based on the scattered drill holes in Areas A and B, the total preliminary reserves for the upper higher grade zones of rock are estimated at approximately 11,000,000 short tons of rock averaging about 0.96 percent. Inasmuch as applicant is attempting to hold grade of ore to 1.00 percent, copper reserves of lower-grade material were not estimated.

Reserves probably will be increased by additional testing of the ground between Areas A and B, on the Elgin area adjacent on the south and southeast, and on the Tip Top area to the north and northeast. Present investigations do not include the Elgin and Tip Top areas but their potentialities appear to be similar to Areas A and B.

Applicant is making metallurgical tests on the mixed oxide and sulphide-bearing rock but no results are presently available.

TABLE I.

DRILL HOLE DATA, AREAS A AND B, LEWISOHN COPPER CORP.,

HELVETIA MINING DISTRICT, PIMA COUNTY, ARIZONA

AREA A (511,363 sq. ft.)

Hole Number	Total Depth (feet)	Elevation of Collar	Overburden Thickness (feet)	Ore Thickness (Wtd. Av.) (in feet)	Percent Copper (Wtd. Av.)
*DD13	333	4365	0	65	0.84
DD23	315	4428	0	75	1.17 approx.
DD24	585	4528	171	107	1.06
DD16	261	4442	0	154	0.92
*CD28	300 approx.	4440	0	130	0.83
CD26	490	4467	40	135	1.01
		Range	0'-171'		
		Av.	35'	Av. 111'	Av. 0.97

AREA B (474,545 sq. ft.)

DD6	396	4290	0	102	1.24
CD20	412	4297	55	50	0.84
CD21	370	4276	80	160	0.95
DD22	415	4452	86	84	0.86
CD27	390	4290	15	240	0.93
CD25	445	4410	10	200	0.94
		Range	0'-86'		
		Av.	41'	Av. 139'	Av. 0.96

*DD = Diamond Drill

*CD = Churn Drill

REVISED EXPLORATION PROJECT

General

The revised exploratory program in which the applicant requests Government aid is confined to the drilling of a maximum of 24 churn drill holes to an estimated average depth of 300 feet, an estimated total of 7,200 feet, to be drilled in or adjoining areas A and B, figs. 3 and 5. Participation was not requested in the costs of necessary access roads to drilling sites, drill site preparation, and the drilling of a few diamond drill holes where churn drilling may be found impractical. Elimination of this work, of indefinite amounts and locations, was expected to facilitate the setting up and administration of a contract and at the same time not materially increase the applicant's overall expenditures.

Description of the Work

The work shall consist of churn drilling a maximum of 24 holes for an estimated total of 7,200 feet in or adjoining areas A and B of attached map entitled Fig. 5, Proposed Explorations.

The work is divided into two successive stages. The operator shall complete a maximum of 12 holes under Stage I and perform as much of Stage II as the Government, after reviewing the results of the work under Stage I, approves in writing in advance.

Every effort shall be made to bottom the holes with a minimum diameter of 6 inches.

Representative samples shall be taken in the mineralized zones by saving a portion of the cuttings from hole intervals of not less than 5 feet nor more than 10 feet. All samples shall be

chemically analysed for total copper. Certified copies of all assay certificates and complete records of all holes shall be submitted with the Operator's monthly progress reports.

The project shall be supervised by a competent engineer-geologist who shall devote full time to the project work.

The location, direction, inclination, and extent of all project work in which the Government participates is subject to the approval of the Government.

ESTIMATED COST OF THE PROJECT

Stage I

3,600	feet of churn drilling @ $12.50/ft.	$45,000.00	
600	chemical assays @ $1.60/sample	960.00	
60	Chemical check assays @ $2.00/sample	120.00	
	Total		$46,080.00

Stage II

3,600	feet of churn drilling @ $12.50/ft.	$45,000.00	
600	chemical assays @ $1.60/sample	960.00	
60	chemical check assays @ $2.00/sample	120.00	
	Total		$46,080.00
	Estimated cost of the Project		$92,160.00
	Government Participation @ 50%		$46,080.00

Basis for Estimated Costs

Churn Drilling

Cost/ft.

Independent Contract (see appended copy of contract and invoice).

The $10.27 per foot for drilling 710 feet in 2 holes may reasonably be expected to drop with further experience to ---------- $10.00*

Other Costs

A total of 1,800 feet of advance per month is expected from 2 rigs operating 3 shifts daily for 6 days a week. This estimated advance per rig-shift is 12 feet.

Supervision

Superintendent, 1/4 of $600.00/mo.	$125.00	
Consulting Geologist, 1 day @ $150.00/day	150.00	
Resident Geologist @ $600.00/mo.	600.00	
	$875.00*	0.49

Labor

2 sample foremen @ $400.00/mo. each	$ 800.00	
6 Field samplers @ $12.00/shift	1,800.00	
2 Sample handlers @ $13.00/shift	650.00	
1 Truck driver, 1/2 time @ $14.00/shift	175.00	
	$3,425.00	1.90

Equipment		
Pickup truck, 1954 International 1/60 of $1800	$ 30.00	$ 0.02
Materials and supplies		
Fuel, grease, and repairs for truck	60.00	0.03
Miscellaneous		
Taxes and insurance 10 percent of $3,775	37.75	0.02
Total		$12.46

* Mr. Toomb reported an independent contract cost of about $12.00 per foot at Duval Sulphur Company's recently completed drilling project near Twin Buttes, Arizona.

Assays

Dickenson Laboratory reportedly charges $2.00 per assay less a quantity discount of 20 percent.

Hawley and Hawley reportedly charge $2.00 per assay.

CONCLUSIONS

The presence of an extensive zone of copper mineralization on the Peach property is indicated by outcrops, and by mine workings that have yielded several thousand tons of 3 percent copper ore, and by the results of the present drilling project. Available data indicates that mineralization is largely confined to altered and fractured limestones that rest on quartzite or granite.

Based on data from the scattered drill holes in Areas A and B, the total preliminary reserves for the upper higher grade zones of rock are estimated at approximately 11,000,000 short tons of rock averaging about 0.96 percent copper.

Exploration of the 2 areas by the proposed churn drilling project could result in: (1) finding small high-grade deposits that could be mined by underground methods, or (2) indicating the presence of large low-grade deposits that could be open-pit mined with a skip haulage system, such as that presently being installed at the nearby Pima mine.

Metallurgical studies now in progress could show that expectable recoveries from the mixed sulfide and oxide copper bearing rock would be too low for present economic exploitation of the deposit.

Churn drilling is the accepted method of exploring a deposit of this type.

Competent supervision of the proposed project is anticipated if carried out by existing personnel.

RECOMMENDATION

Approval is recommended for government participation in the proposed copper exploration project on the Peach property, provided reported investigations of the Lewisohn Copper Corporation by the Securities Exchange Commission are found favorable. Justification for recommending approval of the exploration project is based on the favorability of the mineralized rock and the potential large volume of reserves of low-grade copper ore probably exploitable at present or in the future. The proposed explorations comprise 3,500 feet of churn drilling in each of two stages at a total estimated cost of $92,160.00

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION 500
WASHINGTON 25, D. C.

RECEIVED
JUL 6 - 1956

July 5, 1956

Memorandum for the Files

From: Chief, Base Metals Division

Subject: Docket No. DMEA-4221, Lewishohn Copper Corporation, Peach Property, Pima County, Arizona, Copper.

On July 2, 1956, the undersigned phoned Mr. Traver, Executive Officer, Region III, in Denver regarding the status of the cited application. He advised that he expected to have the Field Team report and recommendations in the mail by July 9.

W. R. Griswold

WRG/er

Copy to: Docket
Base Metals
Chron.

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

RECEIVED
JUN - 1 1956

May 29, 1956

224 New Customhouse
Denver 2, Colorado

Docket Betty

Memorandum

To: Chairman, Operating Committee, DMEA

From: Field Team, Region III

Subject: DMEA Docket 4221 (Copper) Lewisohn Copper Corporation, (Peach Property), Pima County, Arizona

Enclosed are the original and one copy of a joint memorandum from the field examiners relative to the probable delay in the completion of the Report of Examination on the subject property.

DMEA Field Team, Region III

By J. W. Townsend
J. W. Townsend
Acting Executive Officer

Enclosures

IN REPLY REFER TO:

MINERAL DEPOSITS
DMEA
RECEIVED
MAY 28 1956
U. S.
GEOLOGICAL SURVEY
DENVER, COLORADO

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Box 4126 University Station
Tucson, Arizona

DMEA
Date Rec'd.
MAY 28 1956

BUREAU OF MINES
Denver, Colorado

May 25, 1956

RECEIVED
JUN - 1 1956

MEMORANDUM

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

From: T. M. Romslo
Leonid Bryner

Through: J. N. Faick
W. R. Storms
E. N. Harshman noted DMEA for E.N.H.

Subject: DMEA-4221 (Copper), Lewisohn Copper Corp. (Peach Property), Pima County, Arizona

It appears now that we may recommend exploration of part of the area proposed under the original application. In a discussion today with the applicant's representatives, Ben Martin, Manager, and Harrison Schmitt, Geologist, we pointed out the need of assay data from certain key holes that have been completed for some time. Martin says he will do all he can to make this data available to us before the end of May, and both agreed that it was reasonable that we hold up our report until this data is available. As the data probably will not be in our office until about June 1st, and as Romslo's time will be taken up by progress report work through the first half of June, it is possible that the examination report will not be submitted until the latter part of June.

Under the new management that has replaced Richard Chilson, the chaotic condition of drill data and other essential company information is being gradually remedied.

T. M. Romslo

Leonid Bryner

LB:ms
cc: Traver
Harshman
Storms
Faick

Mr. George Selfridge

Gossard

RECEIVED

MAY 17 1956

Docket

DN 235 BUR MINES 5-17-56 10-00

~~WOULD LIKE TO REPEAT IT JUST SENT 15 MINS AGO AA-- CORRECTION ALSO~~

CHAIRMAN, OPERATING COMMITTEE, DMEA

REURTT 5-16 DMEA 4221 LEWISOHN COPPER CORP. FIELD WAITING FOR ADDITIONAL ASSAYS FROM APPLICANT. REPORT AVAILABLE SHORTLY AFTER JUNE 1. DENIAL INDICATED.

W M TRAVER

Denver, Colo.

MAY 17 1 25 PM '56
BUREAU OF MINES
MAIL ROOM
WASHINGTON, D. C.

File Copy
Surname

Griswold
Selfridge
Robinson
Mitkendorf

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

T E L E T Y P E

W. R. Griswold/er Rm 4444, Ext. 366>

DMEA, Base Metals Division

14X4401(01) Revolving Fund
MAY 16 1956 Defense Production Act, Interior (allocated Working Fund to Office of Secy.)

Date:

To: Mr. W. H. Traver, Executive Officer, DMEA Field Team, Region III, Denver, Colorado

Re Docket DMEA-4271 Lewisohn Copper Corp. could you advise us as to probable date of transmittal of field report and recommendations.

George C. Selfridge

Chairman, Operating Committee (16)

WRGriswold/er 5/16/56

Copy to: Docket
Adm R File
Base Metals
Op. Committee
Mr. Kiilsgaard, USGS
Mr. Pennington, USBM
Chron

R.C.S.

DMEA
Date Rec'd.

APR 4 1956

RECEIVED
APR 6 - 1956

BUREAU OF MINES
Denver, Colorado

April 3, 1956

Memorandum

To: W. R. Storms

From: Superintendent, Denver Experiment Station, Reg. III

Subject: Docket DMEA 4221 (Copper), Lewisohn Copper Corporation (Peach Mine), Pima County, Arizona

Enclosed please find the subject application in the amount of $251,631.64.

A field examination and suitable report are required. The completed report should be forwarded directly to the Executive Officer with a copy of the memorandum of transmittal to this office.

John F. Shaw

Enclosure

cc: W. M. Traver (3)
E. N. Harshman
J. N. Faick
Sec. Op. Com (2)

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

RECEIVED
APR 5 - 1956

April 2, 1956

Answered
Betty

224 New Customhouse
Denver 2, Colorado

Docket

Memorandum

To: J. F. Shaw (2) (With brochure)
J. N. Faick

From: Field Team, Region III

Subject: Docket DMEA 4221 (Copper) Lewisohn Copper Corporation, (Peach Mine), Pima County, Arizona

Enclosed is the subject application in the amount of $251,631.64. A field examination and suitable report are requested.

It is noted that Richard E. Chilson, with whom you should be well acquainted, is the President and Treasurer of the applicant corporation. Of especial interest are a copy of a letter from the Chairman of the Operating Committee dated March 30, 1956 and attached memoranda of review of the application by J. W. Pennington and N. E. Nelson.

DMEA Field Team, Region III

W. M. TRAVER

By W. M. Traver
Executive Officer

Enclosures

HMC:ab

cc: Chair. Op. Comm. (2)
Harshman
Docket 4221
Chron.

File Copy
Surname

Luzwood
Selfridge
J.E. Rowan
Mitchenery

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

500

MAR 5 1956

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

Re: Docket No. DMEA-4221 (Copper)
Lewisohn Copper Corp.
Peach Mine
Pima County, Arizona

Dear Mr. Traver:

The cited application for exploration assistance is being referred to your office for consideration, a field examination of the property if warranted, and recommendation.

Copies of memoranda dated March 22 and 23, 1956, by J. W. Pennington, Bureau of Mines, and N. E. Nelson, Geological Survey, respectively, are enclosed for your information.

We would be skeptical as to the value of diamond drilling as applied to the cited property. The Applicant states:

> "Because of our experience with the softness and fractured nature of the Peach formation resulting in relatively poor core recovery and water and sludge losses, . . ."

Ordinarily, in dealing with large deposits of low-grade copper ores, churn drilling is the established procedure and would seem applicable in this instance. Quite possibly it would involve an added expense in access roads to the various drill hole locations, but this would be a logical and unavoidable expense.

We are likewise concerned with the handling of the project. Any work of this nature must be handled by an experienced and capable supervisor; otherwise results, at best, would be questionable and inconclusive. Careless or inexperienced supervision would inevitably

result in "self-salted" holes and erratic data. We note the Applicant states its field work will be under the charge of Richard E. Chilson "whose performance and experience is well known to the Bureau of Mines and the U. S. Geological Survey in Arizona." We call your attention to Docket No. DMEA-2243, Richard E. Chilson, last page of Operator's Final Report, dated March 11, 1955. We also call your attention to the Final Engineering Report on this project, by Walter R. Storms and William R. Hardwick, dated July 1954. On page 14, we note the statement:

> ". . . . local DMEA representatives always were having trouble with Chilson as he wanted to deviate from terms of the contract and do all the work as he thought best. No surveying was done and very few samples were taken."

We note the statement in the application: "Mr. Harrison Schmitt . . . . has been our consultant on the preliminary examinations of this property . . . . ." It would appear that, if such is the case, at least something in the nature of a preliminary report by Mr. Schmitt would have been made, and should be placed at our disposal.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (SLB)

Enclosures

APPROVED:

/s/ Robert W. Geehan
Entitled "re 5th par." (SLB)
Member, Bureau of Mines

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

WRGriswold/er 3/29/56
Copy to: Docket
Admr R File
Op. Committee
Base Metals
Mr. Pennington, USBM
Mr. Kiilsgaard, USGS
Chron.

File Copy
Surname

Griswold
Nelson
Gehan
Selfridge
Johnson

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

MAR 30 1956

Mr. Richard E. Chilson
President-Treasurer
Lewisohn Copper Corp.
128 North Church Avenue
Tucson, Arizona

Re: Docket No. DMEA-4221 (Copper)
Lewisohn Copper Corp.
Peach Mine
Pima County, Arizona

Dear Mr. Chilson:

Your application for Government assistance to explore the cited property has been reviewed by the Base Metals Division of the Defense Minerals Exploration Administration and has been referred to:

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

If the Field Team requires additional information concerning your application, they will contact you at an early date.

Sincerely yours,

C. O. Mittendorf (Act)

Administrator

WRGriswold/er 3/29/56
Copy to: Docket
Admr R File
Op. Committee
Base Metals
Mr. Pennington, USBM
Mr. Kiilsgaard, USGS
Region III (2)
Chron.

IN REPLY REFER TO:

RECEIVED MAR 23 1956

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

March 23, 1956

Re: DMEA 4221
Lewisohn Copper Corp.
Peach Mine
Pima County, Arizona
$251,631.64 - Copper

Memorandum

To: W. R. Griswold, Defense Minerals Exploration Administration

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

Subject: Review of application.

The applicant requests Government participation in an exploration project on four claims believed to be underlain by a thick layer of potential copper-bearing 'altered' limestone. The 'altered' limestone rests on a bed of quartzite which in turn rests on intrusive granite, the rock responsible for the metamorphism.

As inferred, the sedimentary rock-intrusive rock contact dips more or less uniformly to the east at 23°, the dip of a contact fault between the quartzite and the granite. The idealized sections indicate a rather uniform thickness, 100 to 150 feet, is inferred for the quartzite, an improbable condition. Some copper is found in the quartzite but the main deposit is in the metamorphic limestone. Approximately 6,000 tons of ore have been shipped from the Peach Pit and an open cut on the South End claim. Pits, etc., tend to confirm the existence of a long and wide contact zone capped by unaltered limestone.

The work proposed consists of:--

Drilling 20,000 feet at $9.00	$180,000.00
Labor, supervision, etc.	40,916.00
Supplies	11,260.00
Equipment	8,857.00
Office and storage	1,200.00
Miscellaneous	9,398.64
Total	$251,631.64

There is little reason for expecting to find the regular ore-bearing contact zone assumed and shown on the sections, but the general conception is not too unreasonable.

Referral to the Field Team for appropriate action is recommended.

N. E. Nelson

N. E. Nelson

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

RECEIVED
MAR 22 1956

March 22, 1956

Memorandum

To: W. R. Griswold, Defense Minerals Exploration Administration

From: J. W. Pennington, Branch of Base Metals

Subject: Review of application, Docket No. DMEA 4221 (copper), Lewisohn Copper Corp., Peach mine, Pima County, Arizona, $251,631.64

Objective of this exploration program is to prove the possibility of a large low-grade copper deposit. To accomplish this, it is proposed to explore the Peach mine by 20,000 feet of drilling at 40 locations at an estimated cost of $251,631.64.

According to the data submitted with the application, this area appears favorable for extensive copper mineralization. Also, the exploration program appears sound.

I believe that the property should be examined and the proposed program evaluated by the Field Team.

Referral of the application to the Field Team is recommended.

J. W. Pennington

Copy to: Division of Minerals
Branch of Base Metals (2)
Thor Kiilsgaard, U.S.G.S.
R. W. Geehan
F i l e s

Subject: DMEA-4221
Re: Peach Mine

Lewisohn Copper Corp.
128 Noeth Church Ave.,
Tucson, Ariaona

March 20, 1956

Gentlemen:

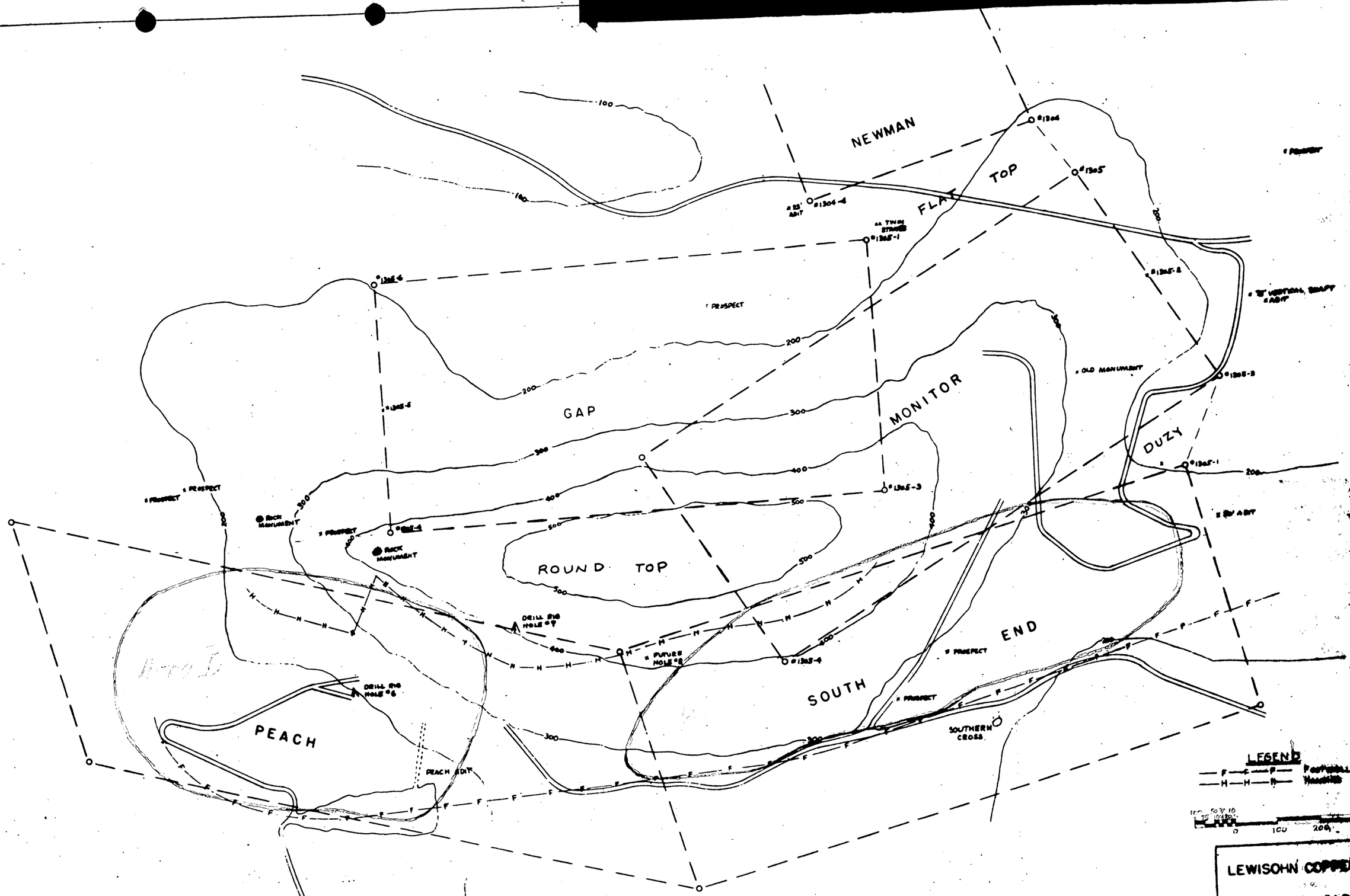
The receipt of your application dated February 13, 1956 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-4221 and referred to the Base Metals Division.

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

Sincerely yours,

Robert E. Adams, Chief
Operations Control and
Statistics Division


NEWMAN
FLAT TOP
GAP
MONITOR
DUZY
ROUND TOP
SOUTH END
PEACH
PROSPECT
OLD MONUMENT
ROCK MONUMENT
DRILL RIG HOLE #9
DRILL RIG HOLE #6
FUTURE HOLE #8
SOUTHERN CROSS
PEACH ADIT
LEGEND
LEWISOHN COPPER CO
BASE MAP
FEB. 1956

DMEA 4221

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OCT 2 2 1956

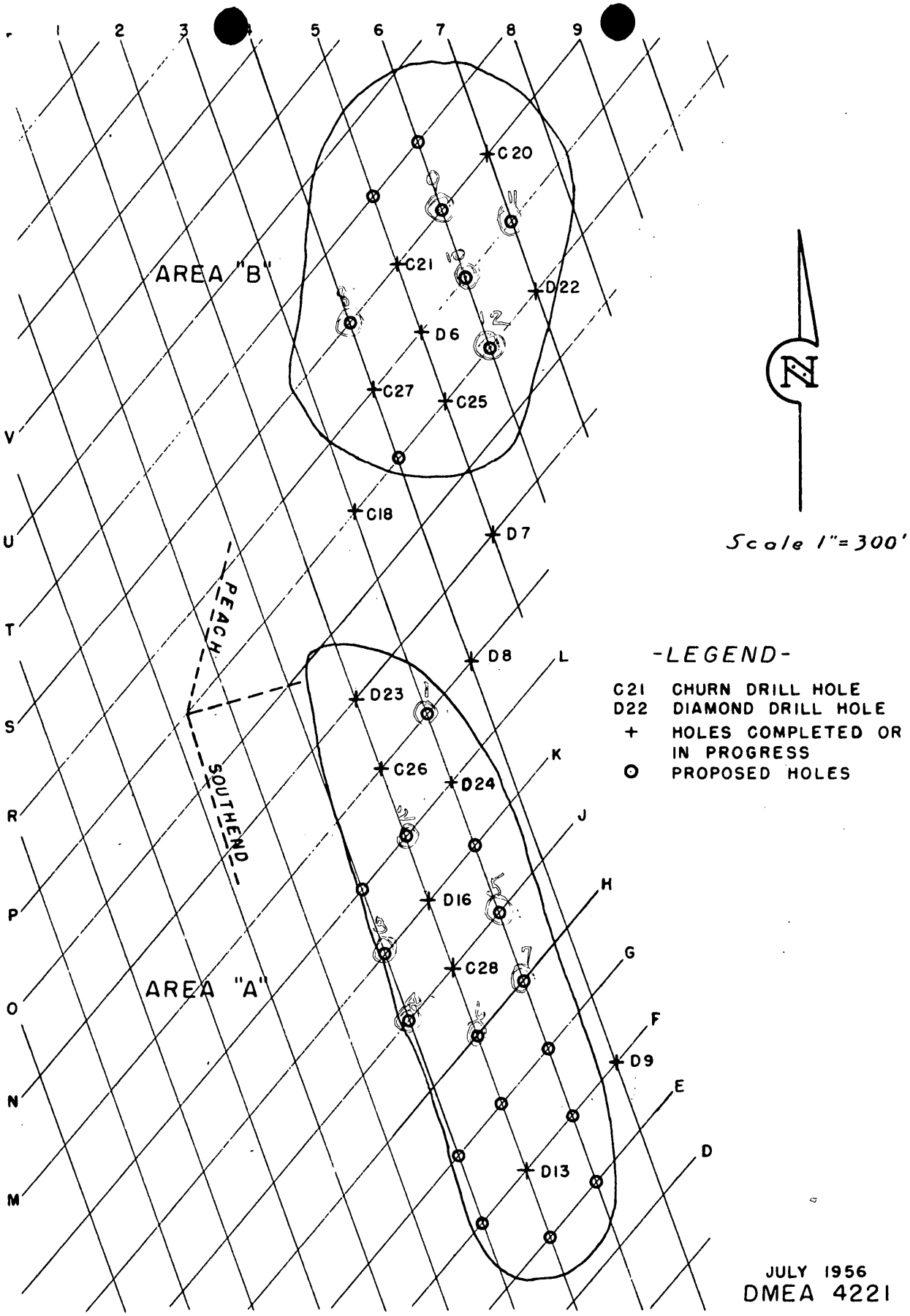

FIG.- 5 - PROPOSED EXPLORATIONS - LEWISOHN COPPER CORP.
PIMA COUNTY, ARIZONA

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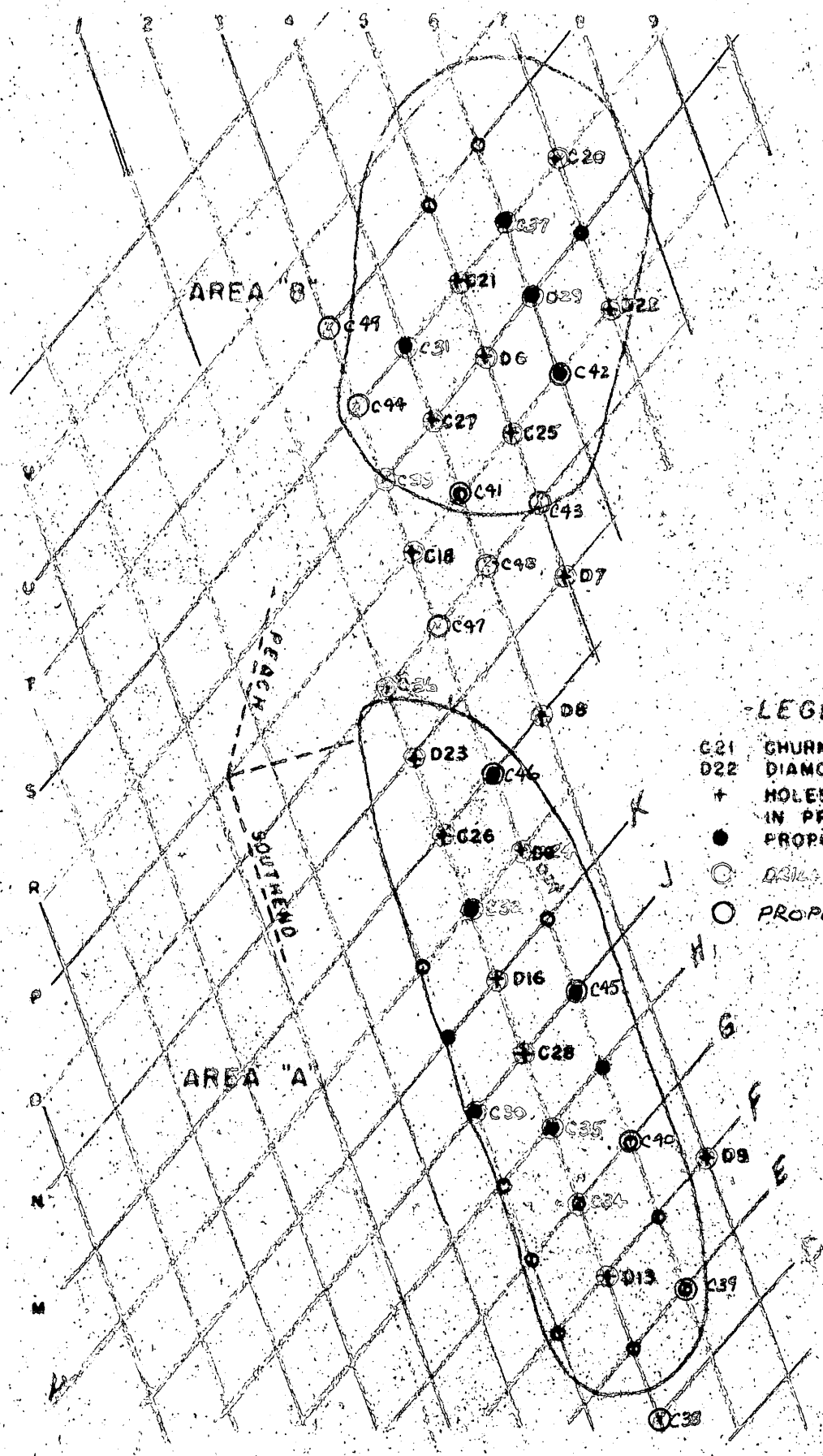
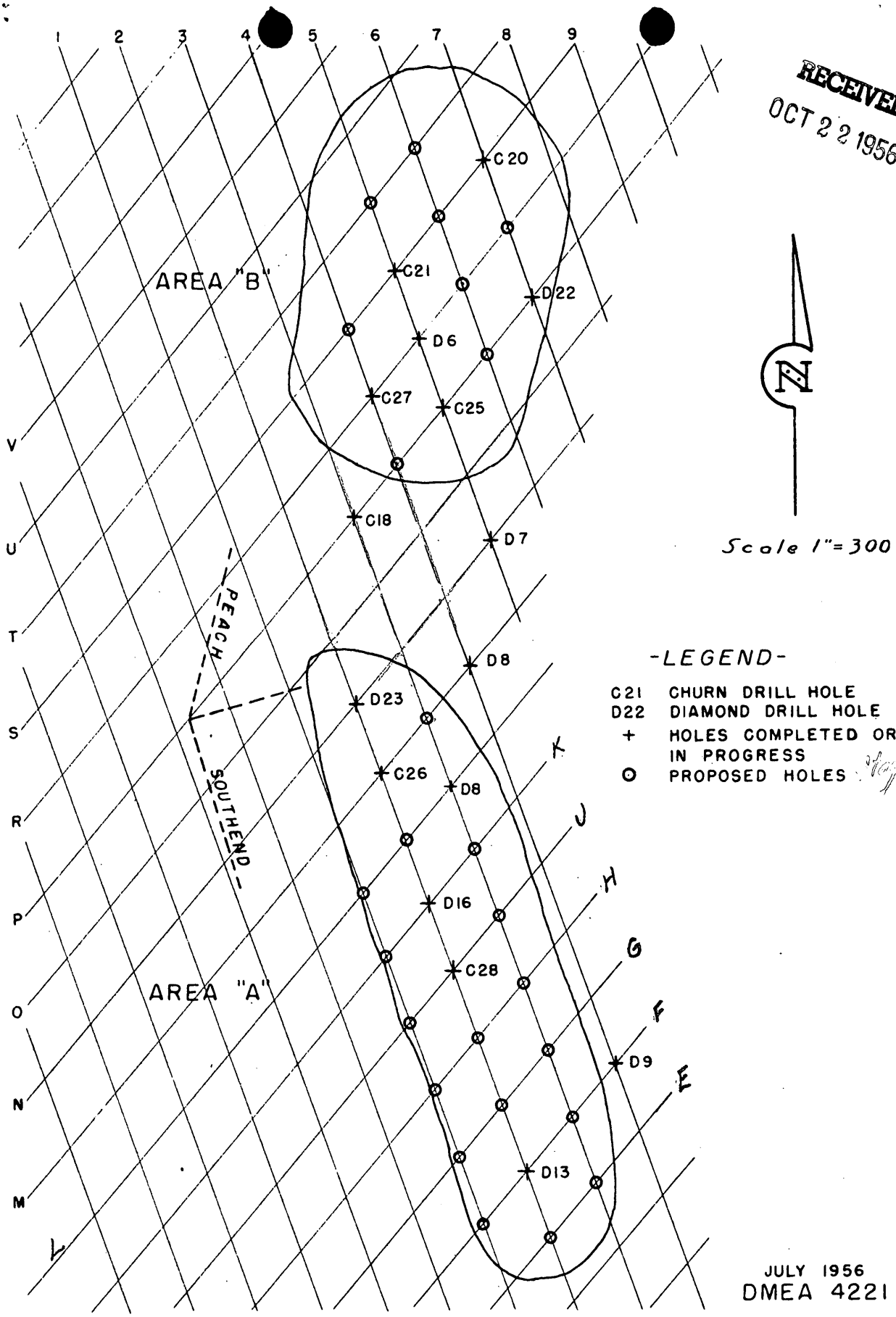


FIG. - 5 - PROPOSED EXPLORATIONS - LEWISOHN COPPER CORP.
PIMA COUNTY, ARIZONA



RECEIVED
OCT 22 1956

FIG.- 5 - PROPOSED EXPLORATIONS - LEWISOHN COPPER CORP.
PIMA COUNTY, ARIZONA

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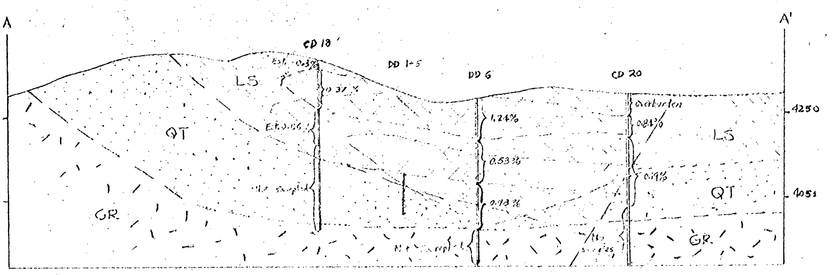
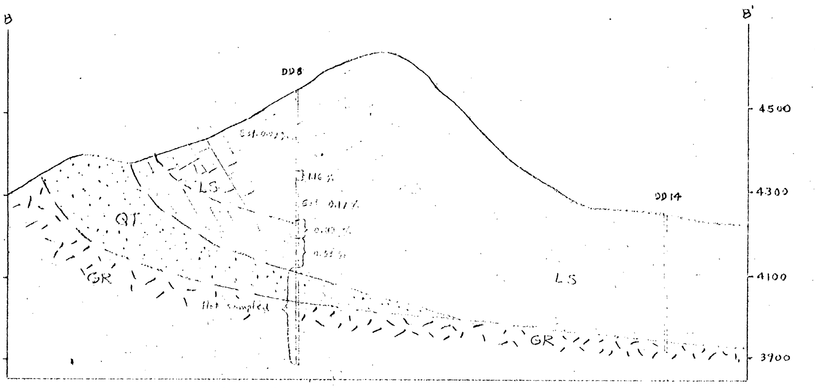
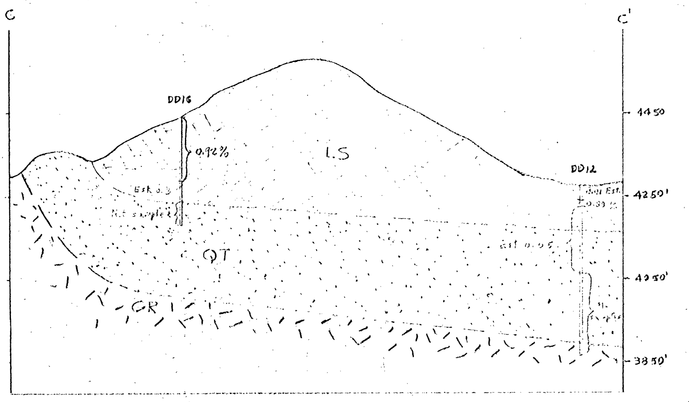
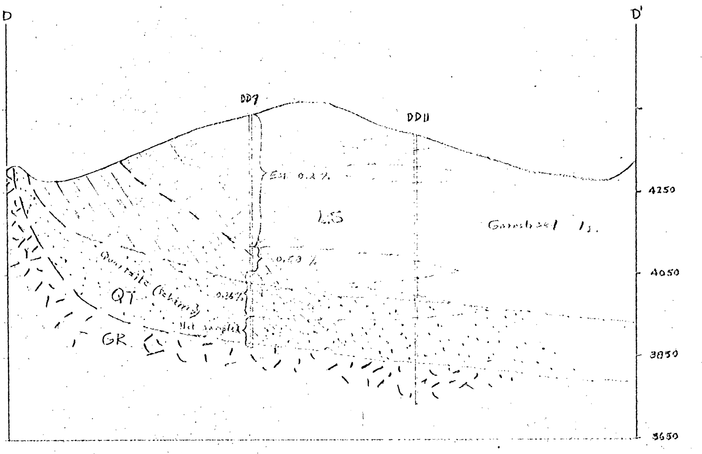
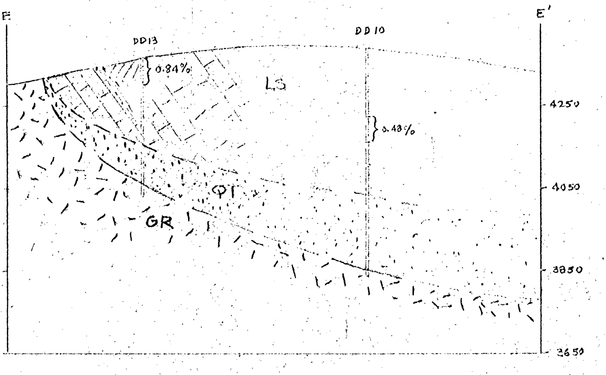
JUL 13 1956











HORIZONTAL AND VERTICAL SCALE
1" = 200'

GEOLOGY BY LEONID BRYNER AND A. HYMAN

FIGURE 4. — GEOLOGIC SECTIONS OF THE LEWISOHN COPPER CORP. PEACH MINE AREA, HELVETIA MINING DISTRICT, PIMA CO., ARIZONA

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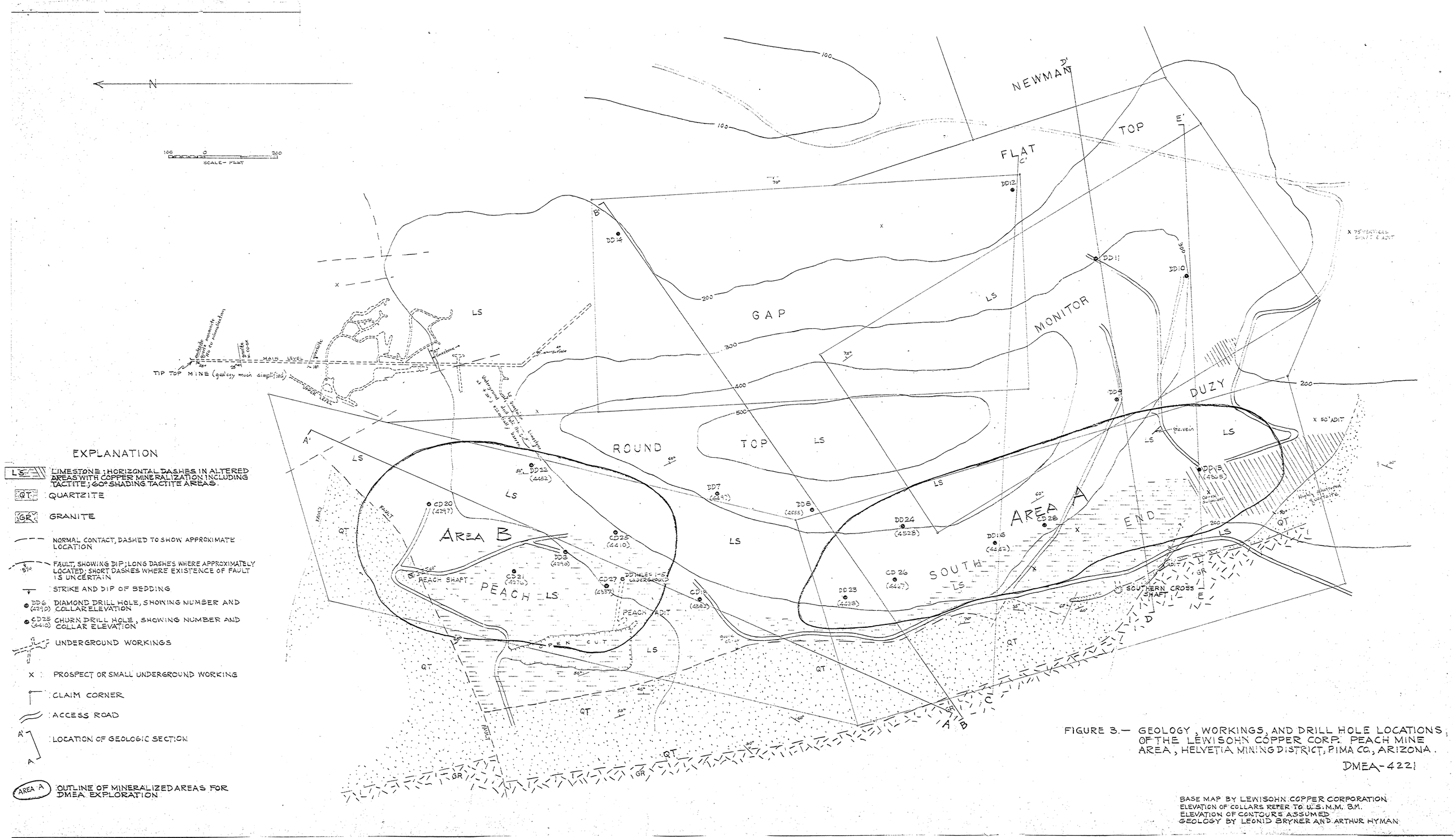

FIGURE 3.— GEOLOGY, WORKINGS, AND DRILL HOLE LOCATIONS OF THE LEWISOHN COPPER CORP. PEACH MINE AREA, HELVETIA MINING DISTRICT, PIMA CO., ARIZONA.

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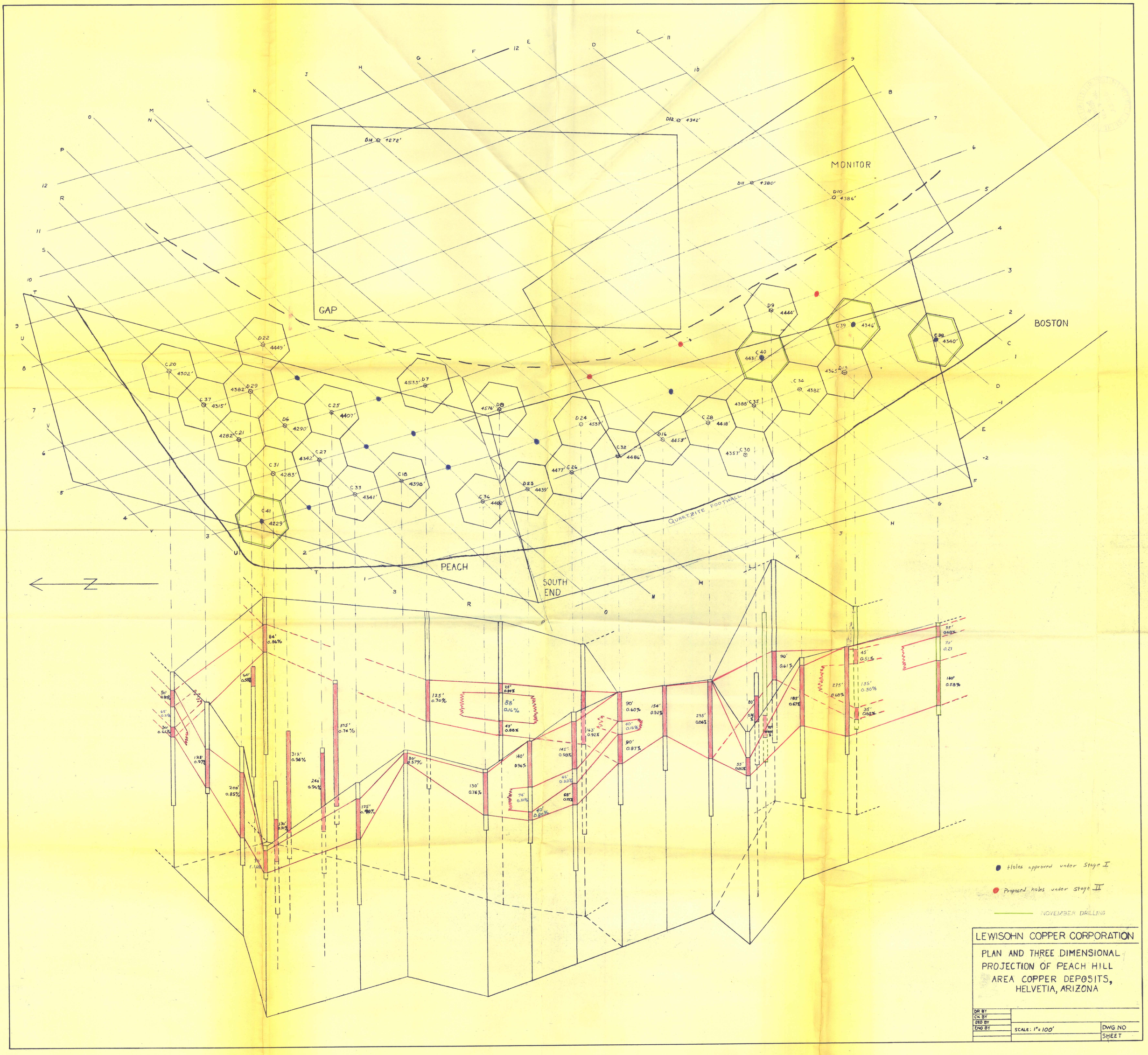
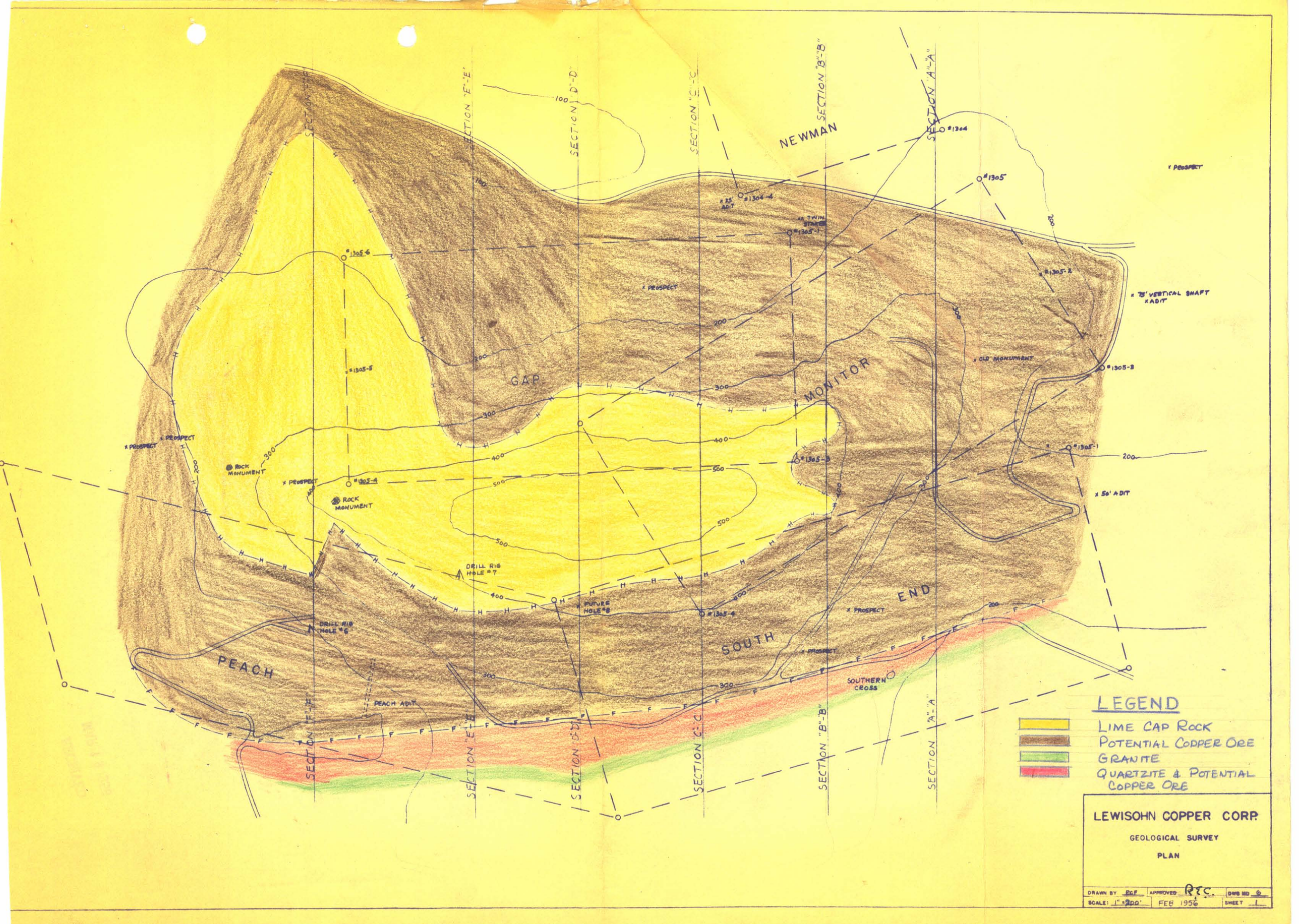
BASE MAP BY LEWISOHN COPPER CORPORATION
ELEVATION OF COLLARS REFER TO U.S.M.M. B.M.
ELEVATION OF CONTOURS ASSUMED
GEOLOGY BY LEONID BRYNER AND ARTHUR HYMAN


MONITOR
GAP
BOSTON
PEACH
SOUTH END
QUARTZITE FOOTWALL
N
Holes approved under Stage I
Proposed holes under stage II
NOVEMBER DRILLING
LEWISOHN COPPER CORPORATION
PLAN AND THREE DIMENSIONAL PROJECTION OF PEACH HILL AREA COPPER DEPOSITS, HELVETIA, ARIZONA
DR BY
CK BY
GEO BY
ENG BY
SCALE: 1" = 100'
DWG NO
SHEET


SECTION "F"-"F"
SECTION "E"-"E"
SECTION "D"-"D"
SECTION "C"-"C"
SECTION "B"-"B"
SECTION "A"-"A"
NEWMAN
GAP
MONITOR
SOUTH END
PEACH
#1304
#1305
#1304-4
#1305-1
#1305-2
#1305-3
#1305-4
#1305-5
#1305-6
x 25' ADIT
x TWIN STONES
x PROSPECT
x 75' VERTICAL SHAFT x ADIT
x OLD MONUMENT
x 50' ADIT
ROCK MONUMENT
DRILL RIG HOLE #7
DRILL RIG HOLE #6
FUTURE HOLE #8
PEACH ADIT
SOUTHERN CROSS
100
200
300
400
500
LEGEND
LIME CAP ROCK
POTENTIAL COPPER ORE
GRANITE
QUARTZITE & POTENTIAL COPPER ORE
LEWISOHN COPPER CORP.
GEOLOGICAL SURVEY
PLAN
DRAWN BY PCF
APPROVED RFC.
DWG NO 6
SCALE: 1" = 200'
FEB 1956
SHEET 1