DMEA Form 9

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

DMEA NO. 4694

✓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(Withdrawn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
Certificate of Audit (Final)
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
Work completed analysis
All other material is filed in chronological order with correspondence including the following reports as checked:

Final Field Team Report (Tab)
Operator's Final Report
(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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

March 18, 1957

RECEIVED MAR 21 1957

DATE	INITIALS	CODE

Memorandum

To: Secretary to the Operating Committee, DMEA

From: DMEA Field Team, Region III

Subject: Application for DMEA Aid (Copper), Universal Copper Corp. (Troy or Alice mine), Pinal County, Arizona

Enclosed are the original and two copies of the subject Application, which is very incomplete. One copy of the Application is retained in our files.

Apparently, the Applicant proposes to rehabilitate the Troy or Alice mine at a total estimated cost of $10,000.00, but does not submit a work program or a breakdown of the estimated costs.

DMEA Field Team, Region III

By E. N. Harshman

E. N. Harshman
Acting Executive Officer

Enclosures

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DMEA
DEPARTMENT OF THE INTERIOR
MAR 18 1957
REGION II
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. 4694
Metal or Mineral Copper
Date Received 3-21-57
Estimated Cost $10,000
Participation (Government %)

RECEIVED MAR 21 1957 D.M.E.A.

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. UNIVERSAL COPPER CORP.
(JAMES E. GAYLOR, PRES.)
2603 E. 32 St.
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.

(*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 See Appendix attached.

(*b*) State any mine name by which the property is known. "Troy" or "Alice" (See Appendix)

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise 2-yr. option

(*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. My lawyer has -- Will submit if necessary.

(*e*) If you own the land, describe any liens or encumbrances on it Unpatented land - Assessment work done.

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice. See 3 (a) of Appendix.

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.

16—66551-1

DMEA loan was made to uncave this tunnel during War II to John Devine, Harry Wright and Harry Scott. Work not completed. Partners quarrelled and ran out of money.

5. *The exploration project.*—(*a*) State the mineral or minerals for which you wish to explore Copper. There is also gold, silver, + lead.

(*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. started June 1956 -- Could run one Week or several Months

(*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. Work done by experts.

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: $10,000

(*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)? Yes

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

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

Explain in detail on acompanying paper. Will continue paying all expenses as heretofore. Will submit receipts for reimbursement.

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 March 16, 1957

UNIVERSAL COPPER CORP.
(Applicant)

By James E. Gaylor
President

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

UNIVERSAL COPPER CORPORATION
2603 E. 3RD STREET
TUCSON, ARIZONA

JAMES E. GAYLOR, PRESIDENT
LEWIS E. STICKRADT,
VICE-PRESIDENT & CHIEF ENGINEER

PHONE 5-7113

Appendix to MF 103

3. (a)

Name of Claims:	Book	Page
Alice # 1	52	331
2	"	322
3	"	322
4	"	327
5	"	327
6	"	327
Alice Annex	"	328
Alto	"	328
Burro	"	329
Johnny Boy	"	329
Pratt Spring	"	329
Skyline	"	330
White Tail Deer	"	330

In Riverside Mining Dist., Pinal County, Arizona, All Claims contiguous

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RECEIVED MAR 21 1957

DATE	INITIALS	CODE

(b) Known as Troy or Alice Mine.

1900-1902	Troy Copper Co.
1902-1907	Troy Manhattan Copper Co.
1907-1916	Troy Consolidated Mining Co.
1916-1917	Troy Arizona Copper Co.

4. (a.) Since June 1956 have had timber-man and helper working constantly (8-hr. day) to uncave 2200-foot Pratt Tunnel which connects by tunnel + 4 working levels to Alice Shaft. Alice Shaft is 350 feet deep and caved in 80 feet from top -- no access to working levels or tunnels. Bottom of shaft in 1902 was in

50 feet of 4% sulfides. When Pratt Tunnel was driven (1902-1904) to get under high-grade ore body it passed thru a 30-foot and a 260-foot bed of brecciated quartzite containing 2 to 2½% copper. I have just passed thru one 50-foot fault that took 5 months to get thru -- boulders as large as automobiles. Labor, timber, + supplies have cost me our $8,000 to date. Have uncovered 900 feet of tunnel.

4 (B) Between 1900-1902 carbonate ores from 7% to 17% were taken from Alice Shaft. Records of tonnage not available.

5 (c) This property 5½ miles east of Ray. Ray folio at University of Ariz. gives good geology. This is in "Copper Triangle" with San Manuel on South, Christmas on East, Globe, Miami, + Superior on North, + Ray on West. Records going back 57 years are sparse. Weeks of researching Bur. of Mines + Univ. of Ariz. records was done before work was started. They will make a report to you, I'm sure, if requested.

4 (d) 2½ miles below Pratt Tunnel (drop of 1100 ft) is Gila River, Eastern Arizona R.R., and highway being paved. 16 miles to two Hayden Smelters (A.S.+R. + Kennecott).

4 (e) All available.

6. $150 per week payroll for timberman + helper. Some timber.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
5/1	Sniamel	500
		~~500~~
5/1	Selfridge	130
"	Johnson	110
"	Mittendorf	100
5/2	C	220
		225

Kiilsgaard
Lamb

MAY - 1 1957

Mr. James E. Gaylor, President
Universal Copper Corporation
2603 E 3rd Street
Tucson, Arizona

Re: Docket No. DMEA-4694 (Copper)
Universal Copper Corporation
Alice, et al. claims
Pima County, Arizona

Dear Mr. Gaylor:

We have your recent letter (received April 22) regarding your project of cleaning out the old caved Pratt tunnel.

The Defense Minerals Exploration Administration does not enter into contracts for work comprising only the rehabilitation of a caved tunnel. We have at times participated in a reasonable amount of such work when it was merely incidental to accomplishing the main exploration program.

We note your remarks about ore with good copper values cropping out on the surface above the tunnel; perhaps a program of diamond drilling from the surface might be advisable to test the continuity of these outcrops. In any event, you may be sure we would be glad to give most serious consideration to any program you might submit, assuming it should fall within the range of the regulations under which we must function.

Sincerely yours,

C. O. Mittendorf

Administrator

WRGriswold/er 4/40 &5/1/57)
Copy to: Docket
Admr R File
Op. Committee
Mr. McMahon, USBM
Mr. Kiilsgaard, USGS
Region III (2)
Chron.

8623

Mr. Selfridge -

Only one letter should be necessary. Send copy of incoming and of our reply to Harshman.

FEJohnson OK

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION 500
WASHINGTON 25, D. C.

Mr. E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse Bldg.
Denver 2, Colorado

Re: Docket No. DMEA-4694 (Copper)
Universal Copper Corporation
Alice, et al. claims
Pima County, Arizona

Dear Mr. Harshman:

We are enclosing copies of an undated letter (received April 22) from the cited Applicant, together with copies of our reply.

We feel sure that Mr. Storms has been misquoted; we have at no time engaged in projects which were purely of a rehabilitation nature. The reason is obvious; it is almost axiomatic that every caved old mine "has lots of good ore on the bottom level" especially if under a thousand feet or more of water.

Sincerely yours,

Chairman, Operating Committee

Enclosures

APPROVED:

Noted: Frank D Lamb
Member, Bureau of Mines

Noted Thor H Kiilsgaard
Member, Geological Survey

UNIVERSAL COPPER CORPORATION
2603 E. 3RD STREET
TUCSON, ARIZONA

JAMES E. GAYLOR, PRESIDENT
LEWIS E. STICKRADT,
VICE-PRESIDENT & CHIEF ENGINEER

PHONE 5-7113

OFFICIAL FILE COPY
DMEA
RECEIVED APR 22 1957

DATE	INITIALS	CODE
4/22	C	220
4/22	MRG	500

Dear Mr. Mittendorf, RE: Docket No. DMEA 4694
Copper

In your letter of April 9th you used the word "rehabilitating" the Pratt Tunnel. While I suppose the term is technically correct there is more to it than rehabilitating a tunnel. The prime job is the uncovering of 3 large ore bodies which have been caved in for 50 years.

Although I have ample proof (to satisfy myself at least) that a fabulous amount of ore is there, the Securities Division in Phoenix considered it "exploration" work and would not permit the sale of stock until the mine is uncovered. No old assay records were available.

Mr. Storms of the Bureau of Mines at University of Arizona here was surprised at your definition. He said you had given loans

for such work in the past. All the men in the Bure speak favorably of this property.

There is one outcropping of ore on surface above the tunnel that assayed 18.35% copper. Another outcropping assayed 8.25% copper. There are numerous porphry dikes and chimneys in this area -- the tunnel passes through a chimney. I am in 1200 feet now and the first ore body is at 1600 ft. Another $1000 should get me to this first ore body.

This, I'm sure, will be one of the biggest underground mines to open in Arizona, outside of San Manual, for many a decade.

To substantiate the exploratory ~~work~~ nature of this work, this mine caved in so many years ago that all the people who worked in it or knew about it 53 years ago are now dead. But my many weeks of research have firmly convinced me that millions of tons of good ore are still there -- very little was taken out in 1900 to 1902. My request for a loan can be reduced to $1,000 at this stage.

Sincerely yours,
James E. Gaylor

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
4/8		500
4/8	Selfridge	120
"	Johnson	110
"	Mittendorf	100
		218
4/9	C	220

APR 9 - 1957

Mr. James E. Gaylor, President
Universal Copper Corporation
2603 E 3rd Street
Tucson, Arizona

1 Kilsgaard
Lamb
225

Re: Docket No. DMEA-4694 (Copper)
Universal Copper Corporation
Alice, et al claims
Pima County, Arizona

Dear Mr. Gaylor:

We have reviewed your application for assistance in rehabilitating the Pratt tunnel on the cited property.

The Defense Minerals Exploration Administration does not participate in projects which consist essentially of rehabilitation work. We regret to advise you, under these circumstances, that your application for Government assistance is denied, but without prejudice to your property.

If, at any time, your clean-up work is sufficiently advanced for you to plan a project truly exploratory in nature, and the workings are opened sufficiently to allow at least something in the nature of an examination by your Field Team, any revised application which you might care to make would be given full consideration.

You should include a map showing your claims, old workings (as much as possible), and the location of your proposed new work. You should also fully describe your proposed program, giving detailed costs.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

WRGriswold/er 4/4 & 8/57
Copy to: Docket
Admr R File
Op. Committee
Mr. McMahon, USBM
Mr. Kiilsgaard, USGS
Region III (2)
Chron.

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
4/4	Griswold	500
4/5	Selfridge	130
		110
		164
		255

Mr. James E. Gaylon, President
Universal Copper Corporation
2603 E 3rd Street
Tucson, Arizona

1 Kilgaard
Lamb

Re: Docket No. DMEA-4694 (Copper)
Universal Copper Corporation
Alice, et al claims
Pima County, Arizona

Dear Mr. Gaylor:

We have reviewed your application for assistance in rehabilitating the Pratt tunnel on the cited property. The Defense Minerals Exploration Administration does not participate in projects which consist essentially of rehabilitation work.

We regret to advise you, under these circumstances, that your application for Government assistance is denied, but ~~completely~~ without prejudice to your property.

1 paragraph

If, at any time, your clean-up work is sufficiently advanced for you to plan a project truly exploratory in nature, and the workings are opened sufficiently to allow at least something in the nature of an examination by our Field Team, any revised application which you might care to make would be given full consideration.

You should include a map showing your claims, old workings (as much as possible), and the location of your proposed new work. You should also fully describe your proposed program, giving detailed costs.

Sincerely yours,

Administrator

WRGriswold/er 4/4/57
Copy to: Docket
Admr R File
Op. Committee
Mr. McMahon, USBM
Mr. Kiilsgaard, USGS
Region III (2)
Chron.

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code

500

April 4, 1957

Memorandum

To: The Administrator

From: Chief, Base Metals Division

Subject: Justification for Denial of Application,
Docket No. DMEA-4694 (Copper)
Universal Copper Corporation
Alice, et al claims
Pima County, Arizona

The cited application deals with rehabilitating an old (1902) tunnel, 2200 feet in length. Both shaft and tunnel are caved and presumably no field examination would be possible.

It seems nothing else is possible except to deny it at this time.

W. R. Griswold

W. R. Griswold

WRG/er
Copy to: Docket
Chron.

8623

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

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 28 1957

DATE	INITIALS	CODE
3/29	C	220
3/29	WRG	500
March 28, 1957		

Memorandum

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

From: Commodity Specialist, Branch of Base Metals

Subject: Review of application, Docket No. DMEA 4694 (copper) Universal Copper Corp., Troy or Alice Mine, Pima County, Arizona. $10,000.00

The applicant seeks Government assistance in rehabilitating 2,200 feet of a tunnel to reach alleged mineralized zones and connect with the Alice shaft. Apparently 900 feet of this work has been completed.

Referral of the application to the Field Team is recommended.

A. D. McMahon

A. D. McMahon

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

IN REPLY REFER TO:

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 26 1957

DATE	INITIALS	CODE
3/26	C	220
3/26	WRG	500

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

March 26, 1957

Re: DMEA 4694
Universal Copper Corp.
Troy or Alice Mine
Pima County, Arizona
$10,000 - 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 assistance in 'uncaving' a long, 2200 feet, tunnel at the end of which, in the Alice shaft area, is a deposit of copper sulfide 50 feet wide. The tunnel is reported to have passed through two beds of 2 to 2½% copper ore.

The applicant has cleaned out 900 feet of the tunnel.

Referral of the application to the Field Team is recommended.

N. E. Nelson

N. E. Nelson

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
Washington 25, D. C.

March 23, 1957

Mr. James E. Gaylor,
Universal Copper Corporation
2603 E 3rd Street,
Tucson, Arizona

Subject: DMEA-4694
Re: Exploration Assistance

Dear Mr. Gaylor:

Your application for exploration assistance, dated March 16, 1957 submitted to our office at Denver, Colorado has been assigned Docket Number DMEA-4694 and referred to the Base Metals Division in the Washington office. Kindly identify all future correspondence relating to your application by this Docket Number.

Sincerely yours,

Allen S. Dakan, Chief
Operations Control and
Statistics Division

Copy to: Region III

3571