DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE Idm-E NO._____ DMEA NO. 5011

Application
- [ ] Denied
- [x] Withdrawn

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

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

Folder No. 1:

Left Side

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

Right Side

- [ ] Project summary (final)
- [ ] Work Completed analysis (final)

All other material filed in chronological order including the following reports if checked:

- [ ] Field Team Semi-Annual Report for Certified Project
- [ ] Final Field Team Report (Tab)
- [ ] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [ ] On-site Exam Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No._____: Reports
- [ ] Analysis of Semi-Annual Inspection Reports
- [ ] Project Summary (Interim) by DMEA Engineers

Right Side

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

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

Folders No._____: Settlement Sheets

Folders No._____: Drill Logs

Folders No._____: Royalty material

Form MF-103
Revised Oct. 1957

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1035.3
Approval expires June 30, 1958

RECEIVED MAY 8 1958 DMEA

APPLICATION FOR AID IN AN EXPLORATION PROJECT

PURSUANT TO DMEA ORDER I, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

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

Inspiration Consolidated Copper Company
25 Broadway
New York 4, N. Y.

APPLICANT NOT TO USE THIS BLOCK

Docket Number: DMEA-504
Date Received: May 8, 1958
Government Participation %: 50 %
Region: III
Division Code: 500

BUSINESS ORGANIZATION (Check one)

- Individual [ ]
- Corporation [x]
- Partnership [ ]
- Other (Specify) [ ]

State in which firm is organized: Maine

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

Name	Address	Title
P.D.I.Honeyman	25 Broadway, N.Y., 4, N.Y.	President
H.M.Jacob	" "	Exec. Vice President
E.F.Wendt	" "	Secretary-Treasurer
C.G.Stunz	Inspiration, Arizona	Asst. Secretary-Asst. Treasurer

Mineral(s) for which you wish to explore: Copper

Estimated Cost of Project: $Stage 1-$64,457.25 Stage 2-$257,820.00

LOCATION OF PROPERTY

Name	County	State
Saddle Mountain Claims	Pinal	Arizona
Two Queens Mine	"	"

GENERAL INSTRUCTIONS

Before filling out this application, please read DMEA Order-I, Revised, "Government Aid in Defense Exploration Projects." To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit four copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 1, existing mine workings and geology in item 2, and the proposed exploration project in item 4. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 2(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals*, of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest DMEA Field Office.*

CERTIFICATION

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

May 6, 1958
Dated

P.D. Honeyman
BY *(Signature)*

President
Title

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

INFORMATION REQUIRED WITH THIS APPLICATION

1. *Applicant's Property Rights:*

(a) State the legal description (section, township, and range; metes and bounds; patent number of claims) of the land upon which you wish to explore and all land adjacent to the proposed project area which you own or control. Describe any part of the project land or workings which should not be subject to Government lien for royalty payments. If the land consists of unpatented claims, state the book and page number for each recorded location notice, including amended locations, and the place where recorded (courthouse, recorder's office, county, and state).

(b) State all the names by which you know the property.

(c) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise. If you are not the owner, submit with this application one exact copy of the lease, contract, or other document (with address of owner) under which you control the property.

(d) Describe all liens, mortgages, or other encumbrances on the property.

2. *Physical Description:*

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

(b) State your interest, if any, in operations stated in 2*(a)*.

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

(d) Describe known ore reserves on the property giving quantities and grades and sampling methods used, supporting your statement with copies of assay certificates and assay maps if available.

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

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

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

3. *Accessibility of Project:*

(a) To aid DMEA representatives who may be required to examine the property, state the name and address of the person who will meet the DMEA representative; give directions for reaching the property; and describe accessibility of the property including the mine workings.

(b) Name the shipping and supply points and places where employees reside and state the distances between them and the property.

4. *The Exploration Project:*

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

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

(c) In the event that an exploration contract with DMEA is executed, how soon will the work start and how many months will be required to complete it? State your anticipated average daily or monthly rate of progress for each type of work.

5. *Experience:*

State your operating experience and background with relation to your ability to carry out this exploration project, and also that of the person or persons who will supervise the operations.

6. *Estimate of Costs:*

Furnish detailed estimates of the costs *for each item of the work proposed in 4(a)* under the headings listed below with a total for each heading and the estimated total cost of the project. Costs for any work to be performed by an independent contractor should be shown separately under category *(a)* below. Costs for any work that is not to be performed by an independent contractor should be given in detail under categories *(b)* through *(g)*.

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

(b) Personal services. For necessary supervision, engineering and geological services, and labor, include an itemized schedule of numbers, classes, rates of wages, salaries or fees, and periods of employment. State whether these technicians and employees are available.

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

(d) Operating equipment. List items of operating equipment to be used giving specifications and indicating how each item is to be acquired – i.e., rented, purchased, or provided by the applicant. If it is rented or purchased, state the estimated rental or purchase price. If it is to be furnished by the applicant, give its present fair market value.

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

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

(g) Miscellaneous. For the operating equipment listed in 6*(d)*, describe the type and estimate the cost of repairs and maintenance expected during project operations. Do not repeat initial repairs listed in 6*(e)*. Show also the costs of analytical work, accounting, workmen's compensation and employees' liability insurance, payroll taxes, and other required costs that do not fall within the previous categories.

Note – 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)* State whether you are prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation stated in Sec. 7 of DMEA Order–I, Revised.

(b) Explain to what extent you propose to furnish your share of the costs by providing money, by use of equipment owned by you, or otherwise.

* * * * *

INT.-DUP. SEC., WASH., D.C. 25960

DMEA
RECEIVED MAY 8 1958
DATE

INSPIRATION CONSOLIDATED COPPER COMPANY
INSPIRATION, ARIZONA

INTRODUCTION

The following information is submitted by the Inspiration Consolidated Copper Company to accompany an application for aid in an exploration project under DMEA Order 1. The decision to attempt to explore this area is the result of the findings in the successful development of the Christmas Mine area (Banner Mining District, Gila County, Arizona) by this Company. Our work at the Christmas Mine, which followed exploratory drilling by the Bureau of Mines, has resulted in the development of slightly over 20,000,000 tons of ore averaging 1.83% copper.

When the Christmas Mine was first taken over by Inspiration, an air-borne magnetometer survey was made of the entire area. Some negative and positive anomalies led us to examination of certain properties in the nearby Saddle Mountain area, which properties are the subject of this application.

The presence of quartz-mica diorite dikes associated with some mineralization was similar to conditions at Christmas and it was decided to reconnoiter the area for the possibility of the presence of limestones at depth which would present the possibility of replacement deposits similar to those at the Christmas Mine.

Field examination has disclosed limestone within a few miles in nearly all directions from this area and where found the Naco or upper limestone formations are in contact with the later flows and sediments.

We believe that the limestones underly this area and that there is sufficient mineralization exposed at the surface to justify the expectancy of limestone replacement deposits similar to those at Christmas where the mineralized zones cut favorable limestone beds in depth.

INFORMATION

TO ACCOMPANY APPLICATION FOR AID IN AN EXPLORATION PROJECT, DMEA ORDER 1

1. Applicant's Property Rights:

(a) The Saddle Mountain group of claims lies in Sections 34 and 35, T4S, R16E, Sections 2 and 3, T5S, R16E, G&SRM. There are 15 claims patented under the following survey numbers, 2179, 2180, 2181, and 2182 in the group.

The Two Queens Mine consists of 7 claims and one millsite patented under survey No. 2471 A&B. They are situated in Sections 3, 9, and 10, T5S, R16E, G&SRM.

Both groups are in the Saddle Mountain Mining District, Pinal County, Arizona.

(b) The property is known by the names Saddle Mountain Group and the Two Queens Mine.

(c) The Inspiration Consolidated Copper Company has a five-year lease on both properties with an option to purchase.

(d) There are no liens, mortgages, or other encumbrances on the property.

2. Physical Description

(a) Descriptions of the Saddle Mountain Group and the Two Queens Mine by C. P. Ross, U.S.G.S. Bulletin 771, Ore Deposits of the Saddle Mountain and Banner Mining Districts, Arizona, are submitted. These are the only published data on these properties and very little work has been done on either property since this report. The 400-foot drift on the Two Queens Mine is still open but was not sampled. Other workings are mostly caved. There are no production facilities in useable condition on the property at this time.

(b) Inspiration has no interest in past operations.

(c) There is no current production. The only information on past production available is contained in the descriptions by Ross which are submitted.

(d) Inspiration is not interested in any reserves of gold-silver ore which may remain on the properties.

(e) The description of the property and present workings by Ross is submitted. General geologic reconnaissance in the area has indicated that the surface formations are underlain by the Paleozoic limestones as in the Christmas area. It is believed that there are enough surface indications of mineralization to justify deep drilling at or near the center of the area to see if the limestones can be encountered near the mineralized dikes and veins so that limestone replacement deposits similar to those found at Christmas might be developed.

(f) The reasons for expecting to find ore are that mineralization exists in the volcanic formations that are believed to overlay the Paleozoic limestones duplicating the conditions found in the Christmas area. Since there are no limestone outcrops in this area sampling and production of gold-silver ores merely indicates the focus of mineralization.

(g) General maps of the area are submitted. Copies of U.S.G.S. Bulletin 771 should be consulted.

Item 2
(a) (e) (g)

SADDLE MOUNTAIN GROUP

According to C. P. Ross, Bulletin 771, Ore Deposits of the Saddle Mountain and Banner Mining Districts, Arizona:

Property: The Saddle Mountain Group comprises 15 patented claims and (one unpatented claim) developed by a number of short tunnels, shafts, and pits. Workings are reported to aggregate 3,450 feet. (Weed, W. H. Mines Handbook, Vol. 15, p. 275, 1922). These workings are scattered over the property, with no more than a few hundred feet at one place, and a considerable part of them are now inaccessible. (1922)

Character of the deposits: The country rock at the property consists principally of Cretaceous andesite and andesitic breccia cut by a long dike of quartz mica diorite and smaller masses of the same rock, offshoots of another large dike farther south. The long dike has an exposed length of over three-quarters of a mile, extending somewhat beyond the borders of the group, and a maximum width of outcrop of over 30 feet. The average strike is N. 50° E., and the dip is variable but steep. Indistinct stratification in the andesite on the south slope of Deer Creek indicates that it lies nearly horizontal. A line of exposures which may be part of a single vein extend northeastward from the streamway in Little Gold Gulch through the saddle east of mineral monument No. 2180 down to Deer Creek just upstream from bench mark 2215. The vein in most places appears to be on the northwest side of the long quartz-mica diorite dike and roughly parallel to it, but in the saddle the dike itself is mineralized. The vein ranges in width from 2-1/2 to 5 feet, and the wall rock is mineralized for several feet beyond these limits. The average strike is N. 50° E. The dip ranges from 60° to 90° and is toward the northwest in some places and the southeast in others.

About 3,000 feet east of the saddle, at an altitude of 2,700 feet on the south slope of Deer Creek Valley, another vein is exposed in a 90-foot tunnel and open cuts. This vein is called the Big Rock vein, from the claim in which the principal workings are situated. It is 2 or 3 feet wide, strikes nearly east, and dips 70° - 85° S. The wall rock shows some alterations but little mineralization.

The two veins are of similar type. They have fairly well defined walls in places with slickensides. Thin layers of gouge are present on parts of the walls. The unoxidized parts of the veins are made up of quartz, barite, calcite, galena, sphalerite, pyrite, chalcopyrite, and altered andesite or, in places, quartz-mica diorite. In many places banding is the dominant feature of the vein structure,

but elsewhere the vein is a heterogenous mixture of fragments composed of vein minerals and altered country rock. The wall rock in most exposures is mineralized for a few inches to several feet beyond the vein. The alteration consists in the development of chlorite, sericite, carbonate, quartz, and pyrite. Most of the pyrite noted is disseminated in small crystals in the wall rock. There are small patches of more massive pyrite in the veins in places, principally near the walls. Oxidation in these deposits is irregular and appear to extend only to shallow depths. The oxidized minerals are limonite and kindred iron oxides, anglesite, cerusite, gypsum, and small amounts of chrysocolla. Nearly all the oxidized material contains residual galena and sphalerite, but little pyrite remains in it. Gypsum occurs as flakes on tunnel walls, in small masses in the vein matter, and also as distinct veinlets an eighth of an inch or less in width. In some specimens there are numerous veinlets of gypsum approximately parallel to one another and to the banding of the original vein matter.

There are workings on both sides of Little Gold Gulch at short distances above the streamway. On the west side is a shaft on a vein in bleached and fractured gray andesite on slips that strike about N. 80° E. and dip 75° N. On the east side of the gulch is a 75-foot tunnel in similar rock. Various slips of widely variable strike and dip are exposed in it, with narrow seams of pulverulent white gypsum on them.

Much of the rock on the east side of Little Gold Gulch north of the large dike of quartz-mica diorite that crosses it is nearly black, massive basalt. This is thought to belong to the Cretaceous flows, but its relations to other rocks are not clear, and it may be of intrusive origin. In Little Gold Gulch this rock contains rather sparsely disseminated pyrite, and in the upper part of the gulch above the 2,500 foot contour there are outcrops of similar rock reticulated with stringers of ribbon-banded quartz. On the upper slopes to the east the rock has a rusty color and is cut by a number of narrow shear zones containing some quartz and stained with limonite. There are a number of prospect pits here, and the shear zones are reported to contain gold. Several of the zones are offset by small faults. It is reported that one of them is cut by a small andesite dike similar in appearance to those which cut the ore in the Christmas Mine.

Item 2
(a) (e) (g)

TWO QUEENS MINE

According to C. P. Ross, Bulletin 771, Ore Deposits of the Saddle Mountain and Banner Mining Districts, Arizona:

Location: The Two Queens Mine is near the summit of the ridge on the north side of Ash Creek about three-quarters of a mile northeast of Old Mill. There is a road up to the mine from Ash Creek but it is now washed out in places. The dis-

tance from Finney, (which was) the nearest siding on the Arizona Eastern Railroad, (now Southern Pacific), up Ash Creek to the mine is somewhat over 3 miles.

Property: The property comprises about nine patented claims. (Seven claims and one mill site). From 1906 to 1908 it was operated by the Central Mining and Development Co., but since then it has been idle. Three small lots of ore averaging $36.53 to the ton are reported (Stevens, H. J., Copper Handbook, vol. 8, p. 504, 1908) to have been shipped to a smelter. The workings are said to comprise a shaft 260 feet deep with two 100-foot crosscuts off it, a tunnel 400 feet long with a 90-foot winze off it, and several shallower shafts.

Character of the deposits: The country rock comprises Cretaceous strata of both sedimentary and volcanic origin cut by small intrusive masses. Sandstone in part calcareous, conglomerate, and carbonaceous shale make up a large part of the Cretaceous strata. The rest consists of andesitic lava, flow breccia, and tuff. West and south of the mine are masses of gray hornblende porphyry which lie approximately parallel to the stratification of the sedimentary rocks and andesitic lava. These are probably intrusions. There is a dike of quartz-mica diorite at the principal shaft and another somewhat larger one a short distance to the north. The dump of the principal shaft shows andesite breccia, quartz-mica diorite, and a brown mineralized rock. Under the microscope the quartz-mica diorite is seen to be altered. It has a finer-grained groundmass than most of the rock of this type. The feldspars are sericitized, and the biotite chloritized and replaced by calcite. Pyrite, chlorite, and calcite are sparsely disseminated throughout. The alteration of the andesite breccia is similar to that in most of the Cretaceous lava in the Christmas area, except that there is more calcite than in most specimens examined. The brown rock is thoroughly altered. It now contains calcite, quartz, sericite, epidote, and slighly oxidized pyrite. Most of the rock is a fine mosaic of quartz with small amounts of the other minerals disseminated through it, but in places calcite is segregated into masses of good sized grains. The minerals have evidently resulted by metasomatic replacement of those of some previously formed rock during the process of ore deposition. Although the original minerals are completely destroyed, vestiges of what appears to have been a porphyritic texture can be discerned. From the appearance of this almost obliterated texture and the fact that incipient alteration of the same type has occurred in quartz-mica diorite found at the same place, it is thought that the brown rock was produced by the mineralization of quartz-mica diorite.

Gold ore is reported to have been found in pockets at the surface in the early days. The tunnel is said to have cut a mass of oxidized ore and the winze below it to have in the bottom sulphide ore carrying $16.00 in gold to the ton and 10 percent of copper.

General: The foregoing descriptions are of the conditions found at and near the surface. We believe that if the same mineralized zones can be found cutting the limestones at depth, there is a good possibility of finding commercial limestone replacement ore bodies similar to those at the Christmas Mine.

3. Accessibility of Project:

(a) E. F. Reed, Chief Geologist, Inspiration Consolidated Copper Company, Inspiration, Arizona, is available to direct any DMEA representatives.

The properties can be reached by unimproved road which leaves Arizona State Highway 77 about one mile south of Winkleman. It is about 8 miles from Winkleman to the center of the area covered by the two groups of claims.

(b) Winkleman is the nearest shipping and supply point. It would be advisable for workmen to live on the property in trailers.

4. The Exploration Project

(a) Stage one of the exploration project would be to drill at least two diamond drill holes from a location in Little Gold Gulch near the north boundary of the Side Show No. 2 patented claim. The first hole would be drilled due north at about 45° from the horizontal to a depth of about 3,000 feet. This hole would start at the north boundary of an ironstained area and encounter a quartz-mica diorite dike at about 1,000 feet, a vein zone around 1,800 feet and the Blue Bird vein zone about 2,700 feet. This last zone is not covered by the patented claims but since the ground has been withdrawn from location it cannot be acquired at this time.

A second hole drilled due south at about 45° from the horizontal would explore beneath a fairly strong iron stained zone. It would penetrate the south quartz monzonite dike at about 2,000 feet depth and would cross several vein zones.

These two holes should show whether or not the limestones lie within a mineable depth below the surface and if there was sufficient evidence of mineralization to justify further exploration.

Stage two of the exploratory program would follow disclosure of sufficient indications of mineralization in Stage one to justify further drilling. Without the results of the two holes in Stage one it is impossible to estimate accurately the number or depth of additional holes necessary to prove the presence of valuable mineral deposits if they exist, but it is believed that from ten to twenty thousand feet of drilling at about ten dollars a foot would probably be necessary.

(b) There is a road passable to 4-wheel drive vehicles to the proposed drill site. A few days with a bulldozer would put the road in condition to allow placement and service of a drill rig.

(c) If an exploration contract were signed with DMEA, the work could start at any time provided there were sufficient water in Ash Creek to support a drill-

ing program. The time necessary to complete the first Stage of the program would be about nine months. With two holes being drilled from one location it would be possible to drill in one while the other was being cemented. The use of wire line equipment might speed up drilling considerably so that the above estimate is probably ample.

5. Experience

We have sufficient experience in this type of operation and a well-trained staff.

6. Estimate of Costs

(a) The work would be done largely by independent contracts. In the Christmas area 20,000 feet of diamond drilling from the surface cost $9.06 per foot. Since these holes would be somewhat deeper, it is believed that a cost of $10.00 per foot should be expected.

(b) One geologist to supervise the work would be necessary for the duration of the drilling. One of the Company men would be assigned to this work. Present salaries are $500.00 per month for this type of work. Advisory work by our staff would amount to about $100.00 a month.

(c) Operating materials and supplies. Miscellaneous items would be included in the cost per foot for drilling. It would probably be advisable to put a small gasoline-driven water pump on Ash Creek and pump the water to the drill station. The pump would be furnished by the drill contractor and 4,500 feet of 1-1/2 inch pipe is quoted at $27.50 per hundred, or $1,237.50. A truck would be necessary to transport samples to Christmas for processing. One round trip daily would be about 40 miles, or $4.00 per day. Only a few test samples would be run in unmineralized areas, but at least 200 samples should be expected with sampling and assaying costs about $2.00 per sample, a total of $400.00.

(d) Operating equipment. Furnished by drill contractors.

(e) Initial rehabilitation and repairs. There are no buildings or equipment on the ground.

(f) New buildings. One temporary building would be needed to store core, equipment, and furnish shelter and a working place. A building of the type needed cost $1,500.00 at Christmas.

(g) Miscellaneous. Most of the miscellaneous costs would be covered by the contractor's cost per foot. 10% of the total is added for other unforeseen items.

Estimated total cost of project:

Stage 1

a.	Contract drilling	$50,000.00
b.	Supervising geologists	5,400.00
c.	Operating materials & supplies	1,997.50
d.	Operating equipment	-
e.		
f.	Temporary building	1,500.00
g.	Miscellaneous	5,559.75
	Total - Stage 1	$64,457.25

Stage 2

Total cost of Stage 1 is $12.891 per foot.

If an additional 20,000 feet of drilling were done, the total cost is estimated to be $257,820.00 for Stage 2.

7.

(a) We are prepared to furnish our share of the cost of the proposed project in accordance with the regulations on Government participation stated in Sec. 7 of DMEA Order -1, revised.

(b) Our share of cost would practically all be furnished in cash. All facilities at our operating plant at Inspiration, Arizona, and at our development project at Christmas, Arizona, would be made available as needed.

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 8 1958
RECORDS MANAGEMENT CODE

AGREEMENT

THIS AGREEMENT, made this 24th day of February, 1958, between AMANDA HERBELL, a widow, of Phoenix, Maricopa County, Arizona, First Party (hereinafter referred to as "Owner"), and INSPIRATION CONSOLIDATED COPPER COMPANY, a corporation organized under the laws of the State of Maine and qualified to do business in the State of Arizona, Second Party (hereinafter referred to as "Inspiration"),

WITNESSETH:

In consideration of the sum of Ten Dollars ($10.00) paid by Inspiration to Owner, the receipt whereof is hereby acknowledged, and the mutual covenants herein contained, the parties hereto mutually agree as follows:

1. Owner represents that she is the owner, in possession, and entitled to the possession of the following described real property:

> The following patented lode mining claims: Bull Frog, Stand By, May Flower, Oro Cachata, Gold Charm, Two Queens, and Mountain Side; the following patented mill site: Queen Mill Site; all in the Saddle Mountain Mining District, Pinal County, Arizona.

All of the foregoing are designated as United States Mineral Survey #2471 A and B and are more particularly described in United States Patent No. 163158, dated November 25, 1910, and recorded in the office of the United States Bureau of Land Management at Phoenix, Arizona, as Serial No. 07149, Book 7,

the original patent having been issued to the Central Mining and Development Company.

2. Owner does hereby give and grant unto Inspiration, its successors and assigns, the exclusive right, option and privilege to purchase the above-described patented lode mining claims and mill site. The period during which such option may be exercised shall extend from the date hereof to and including December 31, 1962.

3. For a period extending from the date hereof to and including December 31, 1962, Inspiration shall have the exclusive right and privilege to enter into, occupy and possess the above-described property and to exclude all other persons therefrom; to explore, develop, work and mine the same; to dispose of the ores and mineral products thereof; and to do and perform any and all types of work thereon or therein to the extent and in the manner that Inspiration in its sole discretion may deem advisable or proper.

4. The aggregate purchase price of said property shall be Seventy-five Thousand Dollars ($75,000.00), without interest thereon, payable as hereinafter provided.

5. During the life of this agreement, or until the purchase price is paid in full if that occurs first, Inspiration shall pay to Owner as royalties upon all ores and mineral products (if any) taken by Inspiration

from the above-described property and disposed of by it at any time during the life hereof, ten percent (10%) of the net smelter return from all such ores and mineral products.

The term "net smelter return" wherever used herein, is hereby defined as and shall be deemed to mean the proceeds of metals derived from direct smelting ores or concentrates paid for by the smelter, less the charges deducted therefrom in accordance with the applicable smelting, refining and marketing contract, including, but not limited to, shipping costs on direct smelting ore from mine to smelter and on concentrates from concentrator to smelter, sampling and assaying costs, smelting and penalty charges, freight to refinery, refining charges and marketing charges, provided, however, that the net smelter return under the applicable smelting, refining and marketing contract shall be not less favorable with respect to production from the above-described property than the net smelter return under the smelting, refining and marketing contract offered for such production by any other responsible custom smelter. In the event that Inspiration markets the refined metals produced hereunder, the term "net smelter return" shall be deemed to mean the sales proceeds of the refined metals produced from ores extracted from the above-described

property, less the charges or deductions enumerated or otherwise included in the above definition or their equivalent to the extent paid or incurred by Inspiration with respect to such ores or metals produced therefrom.

To the extent that Inspiration's obligation to pay percentage royalties as aforesaid shall exceed the amount of advance minimum royalties theretofore paid, if any, Inspiration agrees to make the above percentage royalty payments on or before the 15th day of the month next following the month of receipt by Inspiration of payment from the smelter for ores or concentrates purchased by the smelter, or the receipt by Inspiration of payment from the purchaser of the refined metal marketed by Inspiration, and to accompany such payments with a statement of the manner in which said payments are calculated, and a duplicate smelter settlement sheet together with other applicable data in the event refined metal is marketed by Inspiration.

6. On the tenth day of January, 1960 and on the tenth day of January in each year thereafter during the life of this agreement, or until the purchase price is paid in full if that occurs first, Inspiration shall pay to Owner as a minimum annual royalty the sum of One Thousand Two Hundred Dollars ($1,200.00), which sum shall be credited against all royalties which shall become

due and payable from Inspiration to Owner during the calendar year in which such payment is made, and no percentage royalty payments shall be made by Inspiration to Owner during such calendar year until percentage royalties due and payable to Owner in such calendar year shall exceed the amount of One Thousand Two Hundred Dollars ($1,200.00). All such annual payments, together with any and all other percentage royalty payments made hereunder, shall apply against and be credited to the total purchase price of Seventy-Five Thousand Dollars ($75,000.00).

7. If and when Inspiration elects to exercise its option hereunder to purchase the above-described property, the balance of the purchase price then due, if any, shall become immediately due and payable.

8. At any time after the execution of this agreement, upon demand by Inspiration, Owner shall immediately deposit in escrow with The Valley National Bank of Globe, Arizona, a good and sufficient mining deed conveying all of the above-described property to Inspiration, free and clear of material defects in title, liens, or encumbrances, with escrow instructions for the delivery thereof to Inspiration upon payment of the aggregate purchase price of Seventy-Five Thousand Dollars ($75,000.00) without interest on or before December 31, 1962. All

payments to Owner hereunder, whether of percentage royalty, minimum annual royalty, or balance of purchase price, shall be paid to The Valley National Bank at Globe, Arizona, as escrow holder, for the account of Owner to be applied against the purchase price as hereinabove provided.

9. Until termination of this agreement by expiration of its term, or until earlier termination hereof as hereinafter provided, Inspiration agrees:

a. To pay on behalf of Owner all taxes levied and assessed upon the above-described property and any improvements thereon, commencing with taxes for the calendar year 1958, and to make payment thereof as required by the statutes of Arizona so that no default in taxes upon such property shall occur.

Inspiration shall in any event be liable for the payment of taxes levied and assessed upon the above-described property and applicable to the calendar year 1958, and shall not be liable for the payment of such taxes levied and assessed for any calendar year subsequent to 1958 if this agreement is terminated on or before the first day of March of such calendar year.

b. To assume all responsibility and liability

for injury to property, or personal injury to or the death of any person upon or within the above-described property or any adjacent premises used as ingress or exit from the same, occasioned by the negligence or actionable fault of Inspiration, its agents or employees, and to indemnify and save Owner harmless from any and all claims or judgments arising out of such damage, injury or death. Inspiration agrees to procure adequate Public Liability insurance and Workmen's Compensation and Occupational Disease insurance. All work done by Inspiration hereunder shall be performed in a good, minerlike manner; and Inspiration agrees to comply with all applicable laws of the State of Arizona and of the United States of America. Inspiration shall promptly pay all obligations for labor or materials employed or used upon said property hereunder, and shall protect said property and the Owner from all claims and liens therefor, and shall indemnify the Owner against the same.

10. If Owner now has or at any time hereafter shall acquire any real property, whether in the form of patented or unpatented lode or placer mining claims or otherwise, which is contiguous to the outside boundaries of the patented lode mining claims and mill site covered by this agreement and hereinabove described, or if Owner

now has or hereafter shall acquire any real property contiguous to the outside boundary of any property which shall hereafter become subject to the terms of this agreement, all such real property, or any interest therein, acquired or owned by Owner shall be included in and made a part of the property covered by this agreement precisely as if expressly included in the description of the property covered hereby, and without further consideration than is payable pursuant to the express terms hereof, and Owner shall execute and deliver, or cause to be executed and delivered, such instruments as may be reasonably required in order to give effect to the provisions of this covenant, to the end that such property or interest therein shall upon exercise of the option granted hereby become the property of Inspiration.

11. It is expressly understood and agreed that Inspiration may at any time prior to the exercise by it of the option granted by this agreement terminate this agreement, and thereupon Inspiration shall be free from any and all obligations hereunder or in any manner arising out of any term, covenant or condition hereof, excepting only those obligations which by the express provisions hereof have become fixed and unconditional, including, but

without limitation thereto:

a. Taxes upon the property covered by this agreement for the year 1958.

b. Percentage royalty payments calculated with respect to ores extracted from the above-described property prior to the termination of this agreement, or any annual payment becoming due and payable prior to the date upon which this agreement is terminated.

c. Inspiration's obligation to keep the above-described property free from any liens or encumbrances occasioned by any act or omission as hereinabove provided.

Termination of this agreement by Inspiration may be effected by written notice served upon Owner in the manner hereinafter provided not less than thirty (30) days prior to the termination date designated by Inspiration, which written notice shall set forth the intention of Inspiration to terminate this agreement, or by exercise of the option to purchase conferred upon Inspiration by the provisions hereof.

12. Inspiration may at any time during the life of this agreement install upon or remove from the above-described property any tools, machinery, equipment or facilities owned or furnished by it. It is expressly

understood and agreed that if by forfeiture or otherwise the rights of Inspiration hereunder are terminated, Inspiration may remove or cause to be removed any tools, machinery, equipment and supplies theretofore placed upon said property by it, together with any stored ores or concentrates located thereon, said removal to be at Inspiration's cost and expense. Inspiration, however, shall have no right to remove any installed underground timbers, shaft and tunnel supports, pipe and track, which shall remain upon the property and become the property of Owner. Inspiration shall have a period of one hundred and twenty (120) days following termination of its rights hereunder, whether by forfeiture or otherwise, within which to remove such property as it is permitted to remove by the terms hereof.

At the termination of this agreement, whether by forfeiture or otherwise, Inspiration agrees to promptly surrender possession of the above-described properties to Owner without demand or notice.

13. It is understood and agreed that upon termination of this agreement by forfeiture or otherwise, all money theretofore paid to Owner by Inspiration pursuant to the terms hereof, whether in the form of percentage

royalties, minimum annual payments, or otherwise, shall be kept and retained by Owner.

14. Inspiration shall keep up-to-date maps and drill logs showing any work performed on the above-described property, which maps and drill logs may be inspected by the Owner at any reasonable time, and copies of such maps and drill logs shall be furnished to Owner upon termination of this agreement by forfeiture or otherwise. Owner shall have the right to enter and inspect the premises at any reasonable time.

15. For the breach of any covenant or condition herein specified to be kept and performed by Inspiration, Owner may terminate this agreement by giving to Inspiration a written notice of her intention to terminate the same, which written notice shall set forth the breach of covenant or condition complained of, provided, however, that if Inspiration is thus in default as asserted in said notice, it may within sixty (60) days following the receipt of such notice, or such further time as is provided by law, avoid such termination and cure said default by performing the covenant or condition alleged to be breached. If such default has not been cured within said sixty (60) day period (or such additional time as is provided by law)

if it can reasonably be cured within said period, and if not within such time as may be reasonably required, termination shall thereupon be effected at the option of Owner and all Inspiration's rights hereunder shall be forfeited, except only the right of Inspiration to remove or cause to be removed any property or equipment and stored ores and concentrates owned by it, as is hereinabove in paragraph numbered 12 provided.

16. Any notice or other instrument in writing herein authorized to be given or delivered to Owner may be sent to Owner by registered or certified mail, postage prepaid, addressed to Owner, 99 West Windsor Avenue, Phoenix, Arizona, or to such other address as Owner may from time to time designate in writing, and any notice or instrument authorized to be given or delivered to Inspiration may be sent to Inspiration by registered or certified mail, postage prepaid, addressed to Inspiration at Inspiration, Arizona, or at such other address as Inspiration may designate from time to time in writing. Any such notice shall be deemed to have been served on the second day following the day the same is deposited postage prepaid in the United States Post Office.

17. This instrument is an option only, time being

of the essence hereof, and nothing done or paid hereunder shall convert the same into a contract to purchase.

18. The provisions hereof and all of the promises, covenants and agreements of any of the parties hereto shall be binding upon the parties, their heirs, executors, administrators, successors and assigns respectively.

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

(s) AMANDA HUBBELL
AMANDA HUBBELL

(SEAL)

INSPIRATION CONSOLIDATED COPPER COMPANY

ATTEST:

By (s) P. D. I. HONEYMAN
President

(s) C. G. STUNZ
Assistant Secretary

STATE OF ARIZONA)
) ss.
COUNTY OF Maricopa)

On this the 24 day of February, 1958, before me, Lora M. Clemmer, the undersigned officer, personally appeared AMANDA HUBBELL, known to me to be the person whose name is subscribed to the within instrument, and acknowledged that she executed the same for the purpose therein contained.

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

(Seal)

My commission expires: (s) LORA M. CLEMMER
Notary Public

Jan. 13, 1961

STATE OF ARIZONA)
) ss.
COUNTY OF GILA)

On this the 20th day of February, 1958, before me, Charles C. Williams, the undersigned officer, personally appeared F. D. I. HONEYMAN, who acknowledged himself to be the President of INSPIRATION CONSOLIDATED COPPER COMPANY, a corporation, and that he, as such President being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as President.

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

(Seal)

(s) Charles C. Williams
Notary Public

My commission expires:

February 22, 1959

DMEA
8 1956

AGREEMENT

THIS AGREEMENT, made this 26th day of March, 1958, between W. LEE ACTON and HOPE T. ACTON, his wife, of Buckeye, Maricopa County, Arizona, First Parties (hereinafter referred to as "Owners"), and INSPIRATION CONSOLIDATED COPPER COMPANY, a corporation organized under the laws of the State of Maine and qualified to do business in the State of Arizona, Second Party (hereinafter referred to as "Inspiration"),

WITNESSETH:

In consideration of the sum of Ten Dollars ($10.00) paid by Inspiration to Owners, the receipt whereof is hereby acknowledged, and the mutual covenants herein contained, the parties hereto mutually agree as follows:

1. Owners represent that they are the owners, in possession, and entitled to the possession of the following described real property:

> The following patented lode mining claims: Concord (designated as United States Mineral Survey No. 2179); West Ridge, Golden Chariot, Golden Gate, Trenton, Lapa, and Lola (designated as United States Mineral Survey No. 2180); Side Show No. 1, Side Show No. 2, Sleeper, Philadelphia, Buffalo, and Bridgeport (designated as United States Mineral Survey No. 2181); Big Rock and Pittsburg (designated as United States Mineral Survey No. 2182).

All of the foregoing are more particularly described in United States Patents therefor which are recorded in the office of the County Recorder of Pinal County, Arizona, as follows:

> Survey No. 2179, recorded in Book 3 of Mining Deeds at page 359; Survey No. 2180, recorded in Book 3 of Mining Deeds at page 355; Survey No. 2181, recorded in Book 3 of Mining Deeds at page 351; Survey No. 2182, recorded in Book 3 of Mining Deeds at page 361, all of which were recorded on February 21, 1920.

2. Owners do hereby give and grant unto Inspiration, its successors and assigns, the exclusive right, option and privilege to purchase the above-described patented lode mining claims. The period during which such option may be exercised shall extend from the date hereof to and including December 31, 1962.

3. For a period extending from the date hereof to and including December 31, 1962, Inspiration shall have the exclusive right and privilege to enter into, occupy and possess the above-described property and to exclude all other persons therefrom; to explore, develop, work and mine the same; to dispose of the ores and mineral products thereof; and to do and perform any and all types of work thereon or therein to the extent and in the manner that Inspiration in its sole discretion may deem advisable or proper.

4. The aggregate purchase price of said property

shall be Seventy-five Thousand Dollars ($75,000.00), without interest thereon, payable as hereinafter provided.

5. During the life of this agreement or until the purchase price is paid in full if that occurs first, Inspiration shall pay to Owners as royalties upon all ores and mineral products (if any) taken by Inspiration from the above-described property and disposed of by it at any time during the life hereof, ten percent (10%) of the net smelter return from all such ores and mineral products.

The term "net smelter return" wherever used herein, is hereby defined as and shall be deemed to mean the proceeds of metals derived from direct smelting ores or concentrates paid for by the smelter, less the charges deducted therefrom in accordance with the applicable smelting, refining and marketing contract, including, but not limited to, shipping costs on direct smelting ore from mine to smelter and on concentrates from concentrator to smelter, sampling and assaying costs, smelting and penalty charges, freight to refinery, refining charges and marketing charges, provided, however, that the net smelter return under the applicable smelting, refining and marketing contract shall be not less favorable with respect to production from the above-described property than the net smelter return under the smelting, refining and marketing contract offered for

such production by any other responsible custom smelter. In the event that Inspiration markets the refined metals produced hereunder, the term "net smelter return" shall be deemed to mean the sales proceeds of the refined metals produced from ores extracted from the above-described property, less the charges or deductions enumerated or otherwise included in the above definition or their equivalent to the extent paid or incurred by Inspiration with respect to such ores or metals produced therefrom.

To the extent that Inspiration's obligation to pay percentage royalties as aforesaid shall exceed the amount of advance minimum royalties theretofore paid, if any, Inspiration agrees to make the above percentage royalty payments on or before the 15th day of the month next following the month of receipt by Inspiration of payment from the smelter for ores or concentrates purchased by the smelter, or the receipt by Inspiration of payment from the purchaser of the refined metal marketed by Inspiration, and to accompany such payments with a statement of the manner in which said payments are calculated, and a duplicate smelter settlement sheet together with other applicable data in the event refined metal is marketed by Inspiration.

6. On the tenth day of January, 1960 and on the tenth day of January in each year thereafter during the

life of this agreement, or until the purchase price is paid in full if that occurs first, Inspiration shall pay to Owners as a minimum annual royalty the sum of One Thousand Two Hundred Dollars ($1,200.00), which sum shall be credited against all royalties which shall become due and payable from Inspiration to Owners during the calendar year in which such payment is made, and no percentage royalty payments shall be made by Inspiration to Owners during such calendar year until percentage royalties due and payable to Owners in such calendar year shall exceed the amount of One Thousand Two Hundred Dollars ($1,200.00). All such annual payments, together with any and all other percentage royalty payments made hereunder, shall apply against and be credited to the total purchase price of Seventy-Five Thousand Dollars ($75,000.00).

7. If and when Inspiration elects to exercise its option hereunder to purchase the above-described property, the balance of the purchase price then due, if any, shall become immediately due and payable.

8. At any time after the execution of this agreement, upon demand by Inspiration, Owners shall immediately deposit in escrow with The Valley National Bank of Globe, Arizona, a good and sufficient mining deed conveying all of the above-described property to Inspiration, free and clear of material defects in title, liens, or encumbrances,

with escrow instructions for the delivery thereof to Inspiration upon payment of the aggregate purchase price of Seventy-Five Thousand Dollars ($75,000.00) without interest on or before December 31, 1962. All payments to Owners hereunder, whether of percentage royalty, minimum annual royalty, or balance of purchase price, shall be paid to The Valley National Bank at Globe, Arizona, as escrow holder, for the account of Owners to be applied against the purchase price as hereinabove provided.

9. Until termination of this agreement by expiration of its term, or until earlier termination hereof as hereinafter provided, Inspiration agrees:

a. To pay on behalf of Owners all taxes levied and assessed upon the above-described property and any improvements thereon, commencing with taxes for the calendar year 1958, and to make payment thereof as required by the statutes of Arizona so that no default in taxes upon such property shall occur.

Inspiration shall in any event be liable for the payment of taxes levied and assessed upon the above-described property and applicable to the calendar year 1958, and shall not be liable for the payment of such taxes levied and assessed for any calendar year subsequent to 1958 if this agreement is terminated on or before the first day of March of such calendar year.

b. To assume all responsibility and liability for injury to property, or personal injury to or the death of any person upon or within the above-described property or any adjacent premises used as ingress or exit from the same, occasioned by the negligence or actionable fault of Inspiration, its agents or employees, and to indemnify and save Owners harmless from any and all claims or judgments arising out of such damage, injury or death. Inspiration agrees to procure adequate Public Liability insurance and Workmen's Compensation and Occupational Disease insurance. All work done by Inspiration hereunder shall be performed in a good, minerlike manner; and Inspiration agrees to comply with all applicable laws of the State of Arizona and of the United States of America. Inspiration shall promptly pay all obligations for labor or materials employed or used upon said property hereunder, and shall protect said property and the Owners from all claims and liens therefor, and shall indemnify the Owners against the same.

10. If Owners now have or at any time hereafter shall acquire any real property, whether in the form of patented or unpatented lode or placer mining claims or otherwise, which is contiguous to the outside boundaries of the patented lode mining claims covered by this agreement and hereinabove described, or if Owners now have or hereafter

shall acquire any real property contiguous to the outside boundary of any property which shall hereafter become subject to the terms of this agreement, all such real property, or any interest therein, acquired or owned by Owners shall be included in and made a part of the property covered by this agreement precisely as if expressly included in the description of the property covered hereby, and without further consideration than is payable pursuant to the express terms hereof, and Owners shall execute and deliver, or cause to be executed and delivered, such instruments as may be reasonably required in order to give effect to the provisions of this covenant, to the end that such property or interest therein shall upon exercise of the option granted hereby become the property of Inspiration.

11. It is expressly understood and agreed that Inspiration may at any time prior to the exercise by it of the option granted by this agreement terminate this agreement, and thereupon Inspiration shall be free from any and all obligations hereunder or in any manner arising out of any term, covenant or condition hereof, excepting only those obligations which by the express provisions hereof have become fixed and unconditional, including, but without limitation thereto:

a. Taxes upon the property covered by this

agreement for the year 1958.

b. Percentage royalty payments calculated with respect to ores extracted from the above-described property prior to the termination of this agreement, or any annual payment becoming due and payable prior to the date upon which this agreement is terminated.

c. Inspiration's obligation to keep the above-described property free from any liens or encumbrances occasioned by any act or omission as hereinabove provided.

Termination of this agreement by Inspiration may be effected by written notice served upon Owners in the manner hereinafter provided not less than thirty (30) days prior to the termination date designated by Inspiration, which written notice shall set forth the intention of Inspiration to terminate this agreement, or by exercise of the option to purchased conferred upon Inspiration by the provisions hereof.

12. Inspiration may at any time during the life of this agreement install upon or remove from the above-described property any tools, machinery, equipment or facilities owned or furnished by it. It is expressly understood and agreed that if by forfeiture or otherwise the rights of Inspiration hereunder are terminated, Inspiration may remove or cause to be removed any tools, machinery,

equipment and supplies theretofore placed upon said property by it, together with any stored ores or concentrates located thereon, said removal to be at Inspiration's cost and expense. Inspiration, however, shall have no right to remove any installed underground timbers, shaft and tunnel supports, pipe and track, which shall remain upon the property and become the property of Owners. Inspiration shall have a period of one hundred and twenty (120) days following termination of its rights hereunder, whether by forfeiture or otherwise, within which to remove such property as it is permitted to remove by the terms hereof.

At the termination of this agreement, whether by forfeiture or otherwise, Inspiration agrees to promptly surrender possession of the above-described properties to Owners without demand or notice.

13. It is understood and agreed that upon termination of this agreement by forfeiture or otherwise, all money theretofore paid to Owners by Inspiration pursuant to the terms hereof, whether in the form of percentage royalties, minimum annual payments, or otherwise, shall be kept and retained by Owners.

14. Inspiration shall keep up-to-date maps and drill logs showing any work performed on the above-described

property, which maps and drill logs may be inspected by the Owners at any reasonable time, and copies of such maps and drill logs shall be furnished to Owners upon termination of this agreement by forfeiture or otherwise. Owners shall have the right to enter and inspect the premises at any reasonable time.

15. For the breach of any covenant or condition herein specified to be kept and performed by Inspiration, Owners may terminate this agreement by giving to Inspiration a written notice of their intention to terminate the same, which written notice shall set forth the breach of covenant or condition complained of, provided, however, that if Inspiration is thus in default as asserted in said notice, it may within sixty (60) days following the receipt of such notice, or such further time as is provided by law, avoid such termination and cure said default by performing the covenant or condition alleged to be breached. If such default has not been cured within said sixty (60) day period (or such additional time as is provided by law) if it can reasonably be cured within said period, and if not within such time as may be reasonably required, termination shall thereupon be effected at the option of Owners and all Inspiration's rights hereunder shall be forfeited, except

only the right of Inspiration to remove or cause to be removed any property or equipment and stored ores and concentrates owned by it, as is hereinabove in paragraph numbered 12 provided.

16. Any notice or other instrument in writing herein authorized to be given or delivered to Owners may be sent to Owners by registered or certified mail, postage prepaid, addressed to W. Lee Acton, Route 1, Box 276, Buckeye, Arizona, or to such other address as Owners may from time to time designate in writing, and any notice or instrument authorized to be given or delivered to Inspiration may be sent to Inspiration by registered or certified mail, postage prepaid, addressed to Inspiration at Inspiration, Arizona, or at such other address as Inspiration may designate from time to time in writing. Any such notice shall be deemed to have been served on the second day following the day the same is deposited postage prepaid in the United States Post Office.

17. This instrument is an option only, time being of the essence hereof, and nothing done or paid hereunder shall convert the same into a contract to purchase.

18. The provisions hereof and all of the promises, covenants and agreements of any of the parties hereto shall

be binding upon the parties, their heirs, executors, administrators, successors and assigns respectively.

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

/s/ W. LEE ACTON

/s/ HOPE T. ACTON

INSPIRATION CONSOLIDATED COPPER COMPANY

ATTEST:

(SEAL)

By /s/ P. D. I. HONEYMAN
President

/s/ C. G. STUNZ
Assistant Secretary

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

On this the 26th day of March, 1958, before me, Arleen Prince, the undersigned officer, personally appeared W. LEE ACTON and HOPE T. ACTON, his wife, known to me to be the persons whose names are subscribed to the within instrument, and acknowledged that they executed the same for the purpose therein contained.

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

(SEAL)
My commission expires:

Sept. 16, 1959

/s/ Arleen Prince
Notary Public

STATE OF ARIZONA)
) ss.
COUNTY OF GILA)

On this the 13th day of March, 1958, before me, Charles C. Williams, the undersigned officer, personally appeared F. E. I. HONEYMAN, who acknowledged himself to be the President of INSPIRATION CONSOLIDATED COPPER COMPANY, a corporation, and that he, as such President being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as President.

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

/s/ Charles C. Williams
Notary Public

My commission expires:

February 22, 1959

(SEAL)

U. S. Government Messenger Envelope

Standard Form No. 65 (Rev. 1/46)

1. Use blocks consecutively, one a
2. Void previous block.
3. Write clearly.

NAME OR TITLE OF PERSON, DEPARTMENT, ADDRESS, AND ROOM		NAME OR TITLE OF PERSON, DEPARTMENT, ADDRESS, AND RO	
~~Mr. Hufford~~ ~~Room 7040~~	RUN / STOP		RUN / STOP
~~Mr. Hope~~ ~~Rm. 4595~~	RUN / STOP		RUN / STOP
~~1. 4512~~ 2. ~~Director~~ 3. ~~Mr. [illegible]~~	RUN / STOP		RUN / STOP
~~Mr. [illegible]~~	RUN / STOP		RUN / STOP
~~J. [illegible]~~	RUN / STOP		RUN / STOP
~~Wm. O. Dunlap~~ ~~Room 24[illegible]~~	RUN / STOP		RUN / STOP
~~Mr. [illegible]~~ ~~Rm. 5[illegible]~~	RUN / STOP		RUN / STOP
[redacted]	RUN / STOP		RUN / STOP
~~Mr. [illegible]~~ ~~Room [illegible]~~ ~~Extra~~	RUN / STOP		RUN / STOP
Mr. Hauk Room 4453 Int.	RUN / STOP		RUN / STOP

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2/17	Jeffrey	130
		~~110~~
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		~~370~~ 220
		225

2/17 Iversen (130
2/17 " Nelson (130

FEB 17 1959

Mr. P. D. I. Honeyman, President
Inspiration Consolidated Copper Company
25 Broadway
New York 4, New York

Re: Docket No. DMEA-5011 (Copper)
Inspiration Consolidated Copper Co.
Saddle Mountain Claims, et al.
Pinal County, Arizona

Dear Mr. Honeyman:

With reference to your letter of February 9, 1959, covering the cited project, we are considering your application as having been withdrawn and placing it in our inactive file.

Sincerely yours,

Frank E. Johnson

Acting Director

WRGriswold/er 2/16/59
Copy to: Docket
Dir Read File
Op. Committee
Mr. McMahon, USBM
Mr. Kiilsgaard, USGS
Region III (2)
Chron.

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Date	Surname	Code
2/13	Selfridge	130
2/17	Johnson	~~130~~ 110
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		~~100~~
		~~342~~
		220

FEB 17 1959

Mr. J. W. Townsend
Executive Officer, OME
Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-5011 (Copper)
Inspiration Consolidated Copper Co.
Saddle Mountain Claims, et al.
Pinal County, Arizona

Dear Mr. Townsend:

This replies to your memorandum of February 10, 1959, concerning the furnishing of detailed balance sheets and profit and loss statements.

You will note in Section 301.6(a) of the regulations that the Secretary may require the filing of additional information, including financial statements, etc., as he deems necessary. The filing of financial statements will be necessary only in specific instances which will be determined by our office. Requests for the additional information will be based upon the information submitted by the applicants.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (24B)

APPROVED:

H. G. Iverson (24B)
Member, Bureau of Mines

N. E. Nelson (24B)
Member, Geological Survey

GCSelfridge/fw-2/13/59
cc: ~~Docket~~
Dir. Read.File
Mr. Kiilsgaard
Mr. McMahon (BM)
Operating Committee
Chron.

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Form 7
58)

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Date	Surname	Code
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		220
		225

February 16, 1959

Memorandum

To: Mr. Allen S. Dakan, Chief
Division of Operation Control & Statistics

From: Chief, Division of Base Metals

Subject: Withdrawal of Application
Docket No. DMEA-5011 (Copper)
Inspiration Consolidated Copper Company
Saddle Mountain Claims, et al.
Pinal County, Arizona

As requested by the Applicant in his letter of February 9, 1959, requesting that the application be withdrawn. We are withdrawing the application and requesting it be place in the inactive file.

W. P. Klugescheid for

W. R. Griswold

WRG/er
CC: Docket
Dir Read File
Chron.

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

224 New Customhouse
Denver 2, Colorado

February 10, 1959

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 13 1959

DATE	INITIALS	CODE
2/13	N.G.	225
2/13	WPB.	500

AIR MAIL

Memorandum

To: Chairman, Operating Committee, OME

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 5011 (Copper) Inspiration Consolidated Copper Company (Saddle Mountain Claims, et al.) Pinal County, Arizona

It is noted in the Acting Director's letter to the subject applicant, dated February 3, 1959, that as a requirement to qualify for Government assistance under the OME program, the applicant must furnish a detailed balance sheet and profit and loss statement, and that a similar financial statement be furnished by any partners or companies holding a substantial interest in the applicant's company.

We do not find such a requirement in the regulations or on application form MME-40. Therefore, we are wondering if the requirement was inadvertently omitted from the regulations and/or application form, or if such will only be necessary in specific instances which will be determined by your office.

Please advise in the matter for our guidance in contact with prospective applicants.

J. W. Townsend

J. W. Townsend

INSPIRATION CONSOLIDATED COPPER COMPANY

INSPIRATION, ARIZONA

Office of the President

February 9, 1959

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 12 1959

DATE	INITIALS	CODE
2-12	C	220
2-12	WRB	500

Mr. Frank E. Johnson, Acting Director
Office of Minerals Exploration
U. S. Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-5011 (Copper)
Inspiration Consolidated Copper Company
Saddle Mountain Claims, et al.
Pinal County, Arizona

Dear Mr. Johnson:

Thank you for your letter of February 3rd concerning the above-captioned subject. We would advise that at the present time under the revised regulations we are not interested in further consideration of our partly processed DMEA application as an OME project covering our Saddle Mountain property in Pinal County, Arizona.

Yours very truly,

P. D. I. Honeyman

P. D. I. Honeyman

PDIH:CW
cc: Mr. H. M. Jacob

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
2/3	Freeman	500
2/3	Selfridge	120
		110
		100
2/4	C	220
		500

FEB 3 1959

Mr. P. D. I. Honeyman, President
Inspiration Consolidated Copper Company
25 Broadway
New York 4, New York

Re: Docket No. DMEA-5011 (Copper)
Inspiration Consolidated Copper Co.
Saddle Mountain Claims, et al.
Pinal County, Arizona

Dear Mr. Honeyman:

Enclosed is a copy of the regulations for obtaining Federal assistance in financing mineral exploration under which the new Office of Minerals Exploration will operate.

If you wish that your partly processed DMEA application be considered under the OME regulations, please complete and return four of the copies of the attached application, MME Form 40.

There are several differences between the OME and DMEA programs. Therefore, your attention is called particularly to the criteria in the OME regulations used in passing upon applications, as well as to the certification on the OME application form, which when signed declares that you would not ordinarily undertake the proposed exploration under current conditions and circumstances at your sole expense, and to Item 1(a) - and 1(b) if applicable - which relates to information used to determine your financial eligibility under the new exploration program. In this respect you should furnish your latest detailed balance sheet and profit and loss statement. Similar financial statements should be furnished for other parties or companies holding any substantial interests in the company. Pertinent information that is included in your DMEA application need not be repeated in the OME application, but you should furnish any additional information required to support your OME application.

8623

Also enclosed are six copies of the Lien and Subordination Agreements, MME Form 52, referred to in Item 2(c) of the application. Early submittal of five completed copies of the form will save time in case you apply for exploration assistance under the OME program and a contract is granted.

If you do not wish to participate in the OME program, we shall appreciate being so informed.

Sincerely yours,

Frank E. Johnson (for)

Acting Director

Enclosures

WRGriswold/er/fw 2/3/59 & 1/15/59
CC: Docket
Dir Read File
Region III (2)
Chron.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
	Griswold	500
1/22	Selfridge	220
		~~110~~
		~~100~~
		220

Mr. P. D. I. Honeyman, President
Inspiration Consolidated Copper Company
25 Broadway
New York 4, New York

Re: Docket No. DMEA-5011 (Copper)
Inspiration Consolidated Copper Co.
Saddle Mountain Claims, et al.
Pinal County, Arizona

Dear Mr. Honeyman:

Enclosed is a copy of the regulations for obtaining Federal assistance in financing mineral exploration under which the new Office of Minerals Exploration will operate.

If you wish that your partly processed DMEA application be considered under the OME regulations, please complete and return four of the copies of the attached application, MME Form 40.

Insert A →

~~Your attention is called especially to the certification~~ which when signed declares that you would not ordinarily undertake the proposed exploration under current conditions and circumstances at your sole expense, and to Item 1(a) - and 1(b) if applicable - which relates to information used to determine your financial eligibility under the new exploration program. Information that is included in your DMEA application need not be repeated in the OME application, but you ~~can~~ should add ~~new~~ information ~~[illegible]~~ required to support your DMEA application.

Insert B

furnish any

Also enclosed are six copies ~~of the~~ Lien and Subordination Agreements, MME Form 52, referred to in Item 2(c) of the application. Early submittal of five completed copies of the form will save time in case you apply for exploration assistance under the OME program and a contract is granted.

If you do not wish to participate in the OME program, we shall appreciate being so informed.

Sincerely yours,

Frank E. Johnson

Acting Director

Enclosures
WRGriswold/fw-1/15/59
cc: Docket ~~Mr. McMahon, USBM~~ Region III (2)
Dir. Read. File ~~Mr. Kiilsgaard,~~ USGS Chron.

INSPIRATION CONSOLIDATED COPPER COMPANY

25 BROADWAY

NEW YORK 4, N.Y.

Office of the President

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 23 1958

DATE	INITIALS	[illegible]
9/24	C	220
		~~[illegible]~~
9/24	[illegible]	500
		225

September 22, 1958

Mr. C. O. Mittendorf, Acting Director
Office of Minerals Exploration
United States Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-5011 (Copper)

Dear Mr. Mittendorf:

Thank you for sending to me the proposed OME regulations.

I have read these regulations with interest. I note the changes made affecting the future setup, but at the moment I would have no comments to offer.

Yours very truly,

P. D. I. Honeyman

P. D. I. Honeyman

PDIH:em

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
9/19	Dalem	
"	[illegible]	[illegible]

SEP 19 1958

Inspiration Consolidated Copper Co.
25 Broadway
New York 4, New York

Re: Docket No. DMEA-5011 (Copper)

Dear Mr. Honeyman,

As you have an application for exploration aid pending in our office, perhaps you may wish to study the proposed OME regulations and comment on them before October 17 as provided in the first paragraph of the enclosed notice reprinted from the Federal Register of Sept. 17.

Some time after October 17 when the final regulations become effective, we will send you the new application form so you may furnish any additional information necessary to process your application for aid under the new program.

Sincerely yours,

C. D. Mittendorf

ACTING Director

WRGriswold:gjb
Sept. 19, 1958
Copy to: Docket
Dir. R. File
Field Team (2)

8623

Pending file

INSPIRATION CONSOLIDATED COPPER COMPANY

INSPIRATION, ARIZONA

Office of the President

July 18, 1958

DATE	INITIALS	COST
7/21	C	220
	WRX	500
		225

Mr. C. O. Mittendorf, Administrator
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-5011 (Copper)
Inspiration Consolidated Copper Co.
Saddle Mountain Claims, et al.
Pinal County, Arizona

Dear Mr. Mittendorf:

I wish to acknowledge receipt of your letter of July 14th concerning the above-captioned subject.

We are, of course, disappointed that you found it impossible to take action on our application at this time. However, I note that you intend to hold the application until Congress acts on pending legislation, and that you will then ask us if we wish you to further consider our application. Thank you for this consideration.

Yours very truly,

P. D. I. Honeyman

P. D. I. Honeyman

PDIH:CW

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
7/11	Manwell	500
7/14	Martin	130
7/14	Lamb	130
7/14	Dugan	130
"	Hyman	110
"	Mittendorf	100
7/15	C	225

JUL 14 1958

Mr. P. D. I. Honeyman, President
Inspiration Consolidated Copper
Company
25 Broadway
New York 4, New York

Re: Docket No. DMEA-5011 (Copper)
Inspiration Consolidated Copper Co.
Saddle Mountain Claims, et al.
Pinal County, Arizona

Dear Mr. Honeyman:

Early in June we sent you the Department of the Interior Information Service Release dated June 6, which announced that no new Defense Minerals Exploration Administration contracts could be executed after June 30th because of the ending of the present program for exploration assistance.

We regret to inform you that your application, identified above, could not be completely processed before June 30th because it was received too late.

However, we will be glad to hold your application until the Congress acts on pending legislation to contine exploration aid. If the aid is continued, we will then ask you to state whether you wish us to consider your application under regulations established for the new program.

Sincerely yours,

C. O. Mittendorf (for)

Administrator
WRGriswold 7/12/58
Copy to: Docket
Admr R File
Mr. McMahon, USBM
Oper Committee
Mr. Kiilsgaard, USGS
Region III (2)
Chron.

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado
June 18, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 20 1958

DATE	INITIALS	CODE
6 20	C	220
6 23	to RD	500

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Docket No. DMEA 5011 (Copper) Inspiration Consolidated Copper Company (Saddle Mountain Claims, et. al.) Pinal County, Arizona

This responds to the P. S. of your letter dated May 23, 1958, on the subject docket.

Enclosed are the original and one copy of a joint memorandum from W. L. Emerick and T. M. Romslo concerning their discussion of the application with Mr. E. F. Reed, Chief Geologist for the Applicant.

When the necessary data for completion of the application is received in this office, it will be forwarded you.

J. W. Townsend

DMEA
DEPARTMENT OF THE INTERIOR
JUN 17 1958
REGION III
DENVER, COLORADO

IN REPLY REFER TO:

HMC

JUN 16

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Box 4126 University Station
Tucson, Arizona

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 20 1958
DATE

June 12, 1958

Memorandum

To: E. N. Harshman, Acting Executive Officer, DMEA Field Team, Region III

Inc for E.N.H.

From: W. L. Emerick
T. M. Romslo

Subject: Docket No. DMEA-5011 (Copper) Inspiration Consolidated Copper Company (Saddle Mountain Claims, et al) Pinal County, Arizona

As suggested in J. W. Townsend's memorandum of June 2, 1958, we discussed with E. F. Reed, Chief Geologist of captioned company, the points brought out in the P.S. of the Chairman's letter dated May 23, 1958.

Mr. Reed, upon being acquainted with the Chairman's findings, said that the company will attempt to make the application eligible by doing the following work. At least one hole will be put down in the favorable area within the next 90 days. The company hopes that the data developed by the drilling will be favorable enough to justify an investigation of the property by the DMEA. Data necessary for completion of the application will consist of hole logs, regional and local geologic maps and possibly vertical sections.

It is our opinion, based upon a review of the data assembled by the applicant, that the area of proposed exploration contains geological points of similarity to the applicant's Christmas mine area several miles to the northwest, where they have found significant amounts of ore in the limestones. At the Christmas mine area, the ore-bearing limestones are overlain by andesitic flows in association with quartz mica diorite dikes. Whereas the limestones crop out at Christmas, the nearest croppings of limestone to the proposed exploration area are 3 to 4 miles to the northeast, southeast, and west. However, the regional dips of the limestone outcrops in the several distant localities are all toward the proposed exploration area so that apparently a basin-like structure is formed. This basin-like structure is probably complicated by faulting. Many mineralized veins, containing principally lead, copper, and silver, and quartz mica dikes, are exposed on the surface in the andesitic country rock of the proposed exploration area. The depth to the favorable ore-bearing limestones in the exploration area is unknown and cannot be predicated upon the surface geology.

At present exploration of the area in which the underlying geology and extent of mineralization is unknown is wholly a "long shot" or "wildcat" proposition, and will remain so until the applicant has obtained sufficient factual information by drilling to either propose a planned exploration project or abandon the area. Incidentally, the airborne magnetometer survey results obtained by the applicant, and referred to in the application, appears to be of little value as the anomolous areas reflect topography rather than geology.

It is our understanding that the incompleteness of the application resulted from a lack of sufficient time allotted to Mr. Reed in working it up.

We believe that action on the application should be withheld until supplementary information is submitted by the applicant, because the proposed exploration area contains elements of favorability for exploration.

T. M. Romslo
U. S. Bureau of Mines

W. L. Emerick
U. S. Geological Survey

cc: Acting Executive Officer (8)
E. N. Harshman
DMEA/TUC
W. L. Emerick

TMR:WLE:ms

DMEA
JUN 5 1958
6/5 C 220
6/5 copy 500

224 New Customhouse
Denver 2, Colorado
June 2, 1958

Memorandum

To: T. M. Romslo
W. L. Emerick

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

Subject: Docket No. DMEA 5011 (Copper) Inspiration Consolidated Copper Company (Saddle Mountain Claims, et al) Pinal County, Arizona

This has further reference to the last paragraph of our memorandum to you on the subject docket dated May 26, 1958.

We suggest that you contact the Applicant and discuss with him the points brought out in the P. S. of the Chairman's letter dated May 23, 1958, copy of which was forwarded you May 26, 1958.

The Chairman stated as follows:

"In the first place, the application, in its present form is completely ineligible, under our present DMEA standards. It is nothing more than reconnaissance (the search for a target). If the limestone was known to exist (at a practical depth) in the area in question, we could probably accept the application.

"The preparation of the application is inadequate and leaves much to be desired, but we doubt that even a more comprehensive application could justify a DMEA project. Probably the best solution would be for the Applicant to put down one hole for information on structure. In any case, will you kindly explain our position to this Company. We have talked to Mr. Elmer Lang, Vice President, American Brass Company, explaining the situation and he requested that you outline the problem to their field office.

"The Applicant refers to anomalies inducted by an airborne magnetometer survey. Possibly details of this work and maps showing their locations, as well as regional geology from the Applicant might indicate more positive targets than the information now available to us, as well as help in developing an acceptable exploration program."

Original signed by
J. W. TOWNSEND

J. W. Townsend

HMC:dp

cc: Wes. Op. Comm. 2
Hartshorn
Doctmt
Chron.

INSPIRATION CONSOLIDATED COPPER COMPANY

INSPIRATION, ARIZONA

Office of the President

May 28, 1958

DMEA
RECEIVED JUN 2 1958

DATE	INITIALS	CODE
6/2	C	220
6/3	~~CWP~~	500

Mr. C. O. Mittendorf, Administrator
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA - 5011 (Copper)
Inspiration Consolidated Copper Co.
Saddle Mountain Claims, et al.
Pinal County, Arizona

Dear Mr. Mittendorf:

I wish to acknowledge receipt of your letter of May 23rd concerning the above-captioned subject.

I note that the matter has been referred to Mr. E. N. Harshman of your Denver office. I trust that Mr. Harshman will see fit to send a field man down to look this property over, as I believe he will be readily convinced that this exploration project is a very legitimate one.

Thanking you for your consideration,

Yours very truly,

P. D. I. Honeyman

P. D. I. Honeyman

PDIH:CW
cc: Mr. H. M. Jacob
Mr. E. T. Lang

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 28 1958
DATE
5/28 C 220
5/28 5 500

224 New Customhouse
Denver 2, Colorado
May 26, 1958

Memorandum

To: W. L. Emerick w/enclosures Items 1-5 — below
DMEA/TUC w/enclosures Items 1-5 — below

From: Field Team, Region III

Subject: Docket No. DMEA 5011 (Copper) Inspiration Consolidated Copper Co. (Saddle Mountain Claims, et al.) Pinal County, Arizona

Enclosed is the following material relating to the subject docket:

1. Copy of the application for Government assistance in exploration work under the DMEA program.

2. Memorandum of Review of the application by A. D. Mahaffey, USGS.

3. Memorandum of Review of the application by W. F. Williams, USGS.

4. Letter of transmittal of the foregoing from the Chairman, Operating Committee, dated May 23, 1958.

5. Routing control sheet.

Your attention is directed to the last two paragraphs of the Chairman's letter and especially the P. S. attached thereto.

We suggest that scheduling of a field examination be deferred until the Applicant's field office is informed of the several points raised by the Chairman and the additional necessary information is received by us.

Original signed by
J. W. TOWNSEND
for E. N. Harshman

MHMcG:
cc: Mem. Op. Comm. R
Harshman w/enclosures 2-4
Docket
Chrono.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
5/14	[illegible]	500
5/14	[illegible]	130
5/23	[illegible]	110
5/23	[illegible]	100
5/26	[illegible]	220
		500

500

MAY 23 1958

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

Re: Docket No. DMEA-5011 (Copper)
Inspiration Consolidated Copper Co.
Saddle Mountain Claims, et al.
Pinal County, Arizona

Dear Mr. Harshman:

The cited application is being referred to your office for consideration, a field examination of the property if warranted, and recommendations. Copies of memoranda, dated May 12 and 13, 1958, by W. P. Williams, Geological Survey, and A. D. McMahon, Bureau of Mines, respectively, relating to the project, are enclosed for your information. Two copies of the application (minus the copy of the Option Agreement) are also enclosed for the use of the Field Team.

While we are making the field referral at this time yet, from a practical viewpoint, we cannot see how an application as large and as involved as this could possibly clear all of the necessary processing, in the time interval presently available. This was explained to the Applicant, but the company felt that, nevertheless, it was desirable to have the application on record.

However, you may be sure that we fully realize how much work is required in preparing a proper report on this application, and we have no desire to force you to neglect other matters which should properly have precedence. →

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GHB)

Enclosures
APPROVED:

Frank D. Lamb (GHB)
Member, Bureau of Mines

W. P. Williams (GHB)
Member, Geological Survey

WRGriswold/er 5/14/58
Copy to: Docket
Admr R File
Op. Committee
Mr. McMahon, USBM
Mr. Kiilsgaard, USGS
Chron.

P.S. is attached to this letter,

8623

P. S.

In the first place, the application, in its present form is completely ineligible, under our present DMEA standards. It is nothing more than reconnaissance (the search for a target). If the limestone was known to exist (at a practical depth) in the area in question, we could probably accept the application.

The preparation of the application is inadequate and leaves much to be desired, but we doubt that even a more comprehensive application could justify a DMEA project. Probably the best solution would be for the Applicant to put down one hole for information on structure. In any case, will you kindly explain our position to this Company. We have talked to Mr. Elmer Lang, Vice President of American Brass Company, explaining the situation and he requested that you outline the problem to their field office.

The Applicant refers to anomalies inducted by an air-borne magnetometer survey. Possibly details of this work and maps showing their locations, as well as regional geology from the Applicant might indicate more positive targets than the information now available to us, as well as help in developing an acceptable exploration program.

Mr. Selfridge -

We should have a meeting with Mitt and Griswold on this docket and decide whether to call in Lahge for conference regarding type of exploration project suitable for DMEA assistance, or to add P.S. to Field Team letter such as follows:

"Proposal appears to be of a prospecting nature seeking structural information on targets for further work. ~~However~~ The applicant refers to anomalies inducted by an air-borne magnetometer survey. Possibly details of this work and maps showing their locations, as well as regional geology from the applicant might indicate more positive targets than the information now available to us, as well as help in developing an acceptable exploration program"

FEJohnson

PS added to letter

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
5/14	[illegible]	500
5/14	[illegible]	130
5/14	[illegible]	130
5/14	[illegible]	130
5/23	[illegible]	110
"	[illegible]	100
		220
		500

MAY 23 1958

Mr. P. D. I. Honeyman
President
Inspiration Consolidated Copper Co.
25 Broadway
New York 4, New York

Re: Docket No. DMEA-5011 (Copper)
Inspiration Consolidated Copper Co.
Saddle Mountain Claims, et al.
Pinal County, Arizona

Dear Mr. Honeyman:

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

Mr. E. N. Harshman
Acting 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 get in touch with your local office at an early date.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

WRGriswold/er 5/14/58
Copy to: Docket
Admr R File
Op. Committee
Mr. McMahon, USBM
Mr. Kiilsgaard, USGS
Region III (2)
Chron.

8623

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

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 13 1958

DATE		
5/13	C	220
5/13	wpes.	500

May 13, 1958

Memorandum

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

From: Commodity Specialist, Branch of Base Metals

Subject: Review of Application, Docket No. DMEA 5011 (Copper) Inspiration Consolidated Copper Company, Saddle Mountain Claims and Two Queens Mine, Pinal County, Arizona $322,277.25

The Inspiration Consolidated Copper Company is applying for DMEA assistance in an extensive two stage drilling program consisting of 25,000 feet of diamond drilling costing an estimated $322,277.25. Two holes would make up the first stage, one 3,000 and the other 2,000 feet. The applicant believes these two holes will show the location of certain limestones and mineralization to justify further exploration.

Referral of the application to the Field Team for an examination of the property is recommended.

A. D. McMahon

A. D. McMahon

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

IN REPLY REFER TO:

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

May 12, 1958

Memorandum

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

From: W. P. Williams, U. S. Geological Survey

Subject: Review of application, DMEA 5011 (Copper) Inspiration Consolidated Copper Company, Saddle Mountain Claims and Two Queens Mine, Pinal County, Arizona

The applicant proposes to explore for copper ore deposits on two groups comprising 22 patented mining claims and one mill site. The property is located in the Saddle Mountain Mining District of Arizona. The applicant proposes a diamond drilling project consisting of 5,000 feet of drilling in Stage I. Stage II, contingent on Stage I, would consist of an additional 20,000 feet of drilling.

On Page 6 of the application, the applicant states, "These two holes should show whether or not the limestones lie within a mineable depth below the surface and if there was sufficient evidence of mineralization to justify further exploration." An attempt to establish the presence of an ore horizon might be construed as a prospecting venture.

No maps accompany the copy of the application reviewed. The applicant has not submitted assays of samples taken from the old workings which exist on the property. I recommend, however, that the application be referred to the Field Team for further processing.

The properties have been described by C. P. Ross, U.S.G.S. Bulletin 771, Ore Deposits of the Saddle Mountain and Banner Mining Districts, Arizona.

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 13 1958

DATE		
5/13	C	120
5/13	wpb	500

W. P. Williams

W. P. Williams

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

May 9, 1958

Inspiration Consolidated Copper
Company
25 Broadway
New York, 4 New York

Subject: DMEA-5011

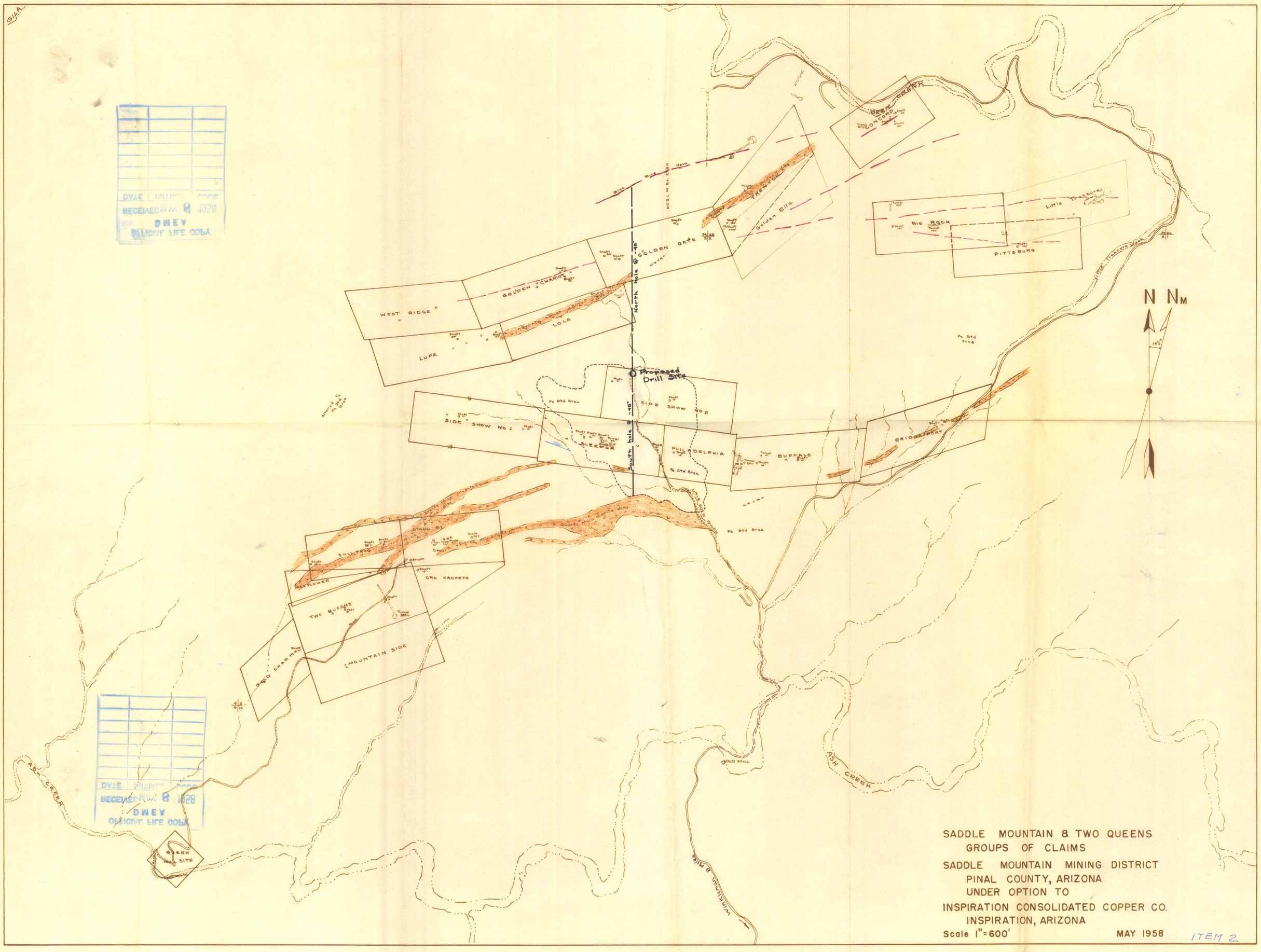
Gentlemen:

Your application for exploration assistance, dated May 6, 1958 submitted to our office at Washington, D. C. has been assigned Docket Number DMEA-5011 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, Director
Operations Control and
Statistics Division

Copy to: Region III



DATE | INITIAL | CODE
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