MME Form 9
Rev. Mar. 59

UNITED STATES
DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

OFFICIAL DOCKET FILE

Contract No. 14-23- 2192 Docket No. MME-6327

Application
- [ ] Denied
- [ ] Withdrawn

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

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

Folder No. 1:

Left Side

- [ ] Royalty Audits
- [x] ~~Certification of Discovery~~ Royalty Agreement Art.2(d),Am. #2
- [x] Closing Letter
- [x] Cost Audits June 1966
- [ ] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [x] Contract Amendments
- [x] 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 Semiannual Report for Certified Project
- [ ] Final Field Team Report (Tab)
- [ ] Operator's Final Report (Tab)
- [x] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [x] On-site Exam. Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

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

Right Side

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

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

Folders No._____: Settlement Sheets

Folders No._____: Drill Logs

Folders No._____: Royalty Material

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
6/27	Johnson	110
6/28/66	Kirkham	120
	Long	140
Appd.		
7/6	Kilsgaard	
7/6	Jewett	

Mr. George W. Craig, Partner
Western States Iron Company
5148 Angus Drive
Los Angeles, California

JUL 6 1966

Re: OME-6327 (Iron Ore)
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona
Contract 2192

Mail returned

Dear Mr. Craig:

Enclosed is a copy of a self-explanatory letter of today to the Operator under the subject contract. This relates to the Lien or Subordination Agreement signed for you on June 11, 1964, by R. J. Allison as attorney-in-fact under the Office of Minerals Exploration program.

The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of the letter to the Operator. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreement, and to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

FROM SOLICITOR
JUL 1 1966
FOR SIGNATURE

Enclosure

cc: Director's Reading File
Division File
Economic Geology File
Budget and Finance
Mr. Long
OME Docket
OME Reading File
OME Region III
Mr. Johnson
130 (2)

FEJohnson/bih (6/22/66)
Retyped MMerrithew (6/24/66)

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
6/27	Johnson	110
6/28/66	Kuhlmann	120
	Long	140
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7/5	Kilgard	
7/6	Lewis	

Mr. R. J. Allison, Partner
Western States Iron Company
1416 East Thomas Road
Phoenix, Arizona 85014

Re: OME-6327 (Iron Ore)
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona
Contract 2192

Dear Mr. Allison:

Enclosed is a copy of a self-explanatory letter of today to the Operator under the subject contract. This relates to the Lien or Subordination Agreement signed by you on June 11, 1964, under the Office of Minerals Exploration program.

The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of the letter to the Operator. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreement signed by you, and to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom.

Sincerely yours,

FRANK E. JOHNSON

FROM SOLICITOR
JUL 1 1966
FOR SIGNATURE

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosure Identical letter to: Rex Ricks, Boise City, Okla.

cc: Director's Reading File
Division File
Economic Geology File
Mr. Long
Budget and Finance
OME Docket
OME Region III
OME Reading File
Mr. Johnson
130 (2)

FEJohnson/bib 6/22/66
Retyped: MMerrithew (6/24/66)

MME Form 7
(2/63)

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	Long	140
Appd. Sol. Office		130
7/5	Kilsgaard	
7/6	Levete	

JUL 6 1966

Mr. and Mrs. Homer Haught
Box 58
Young, Arizona

Re: OME-6327 (Iron Ore)
Archean Exploration Corporation
Karen and Lady Bug Claims
Gila County, Arizona
Contract 2192

Dear Mr. and Mrs. Haught:

Enclosed is a copy of a self-explanatory letter to the Operator under the subject contract. This relates to the Lien or Subordination Agreement signed by you on March 13, 1964, under the Office of Minerals Exploration program.

The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of the letter to the Operator. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreement signed by you, and to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

FROM SOLICITOR
JUL 1 1966
FOR SIGNATURE

Enclosure

Identical letter sent to:
Mr. and Mrs. Alfred Haught, ~~Rt. 1, Box 116, Globe, Ariz.~~ Young, Ariz
Mr. and Mrs. Harvey McKee, Rt. 1, Box 116, Globe, Ariz.
Mr. and Mrs. Ben Armer, 258 South Southerland, Globe, Ariz.

cc: Director's Reading File
Division File
Economic Geology File
Mr. Long
Budget and Finance

OME Docket
OME Region III
OME Reading File
Mr. Johnson
130 (2)

FEJohnson/bih 6/22/66)
Retyped: MMerrithew (6/24/

Docket Copy

United States
Department of the Interior

GEOLOGICAL SURVEY

OFFICE OF THE CHIEF AUDITOR

GEOLOGIC DIVISION

OFFICE OF MINERALS EXPLORATION

WASHINGTON, D.C.

Report of Review - Contract 2192
Docket No. OME-6327 (Iron Ore)
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona

Report Issued: June 1966

United States
Department of the Interior

GEOLOGICAL SURVEY

OFFICE OF THE CHIEF AUDITOR

GEOLOGIC DIVISION

OFFICE OF MINERALS EXPLORATION

WASHINGTON, D.C.

Report of Review - Contract 2192
Docket No. OME-6327 (Iron Ore)
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona

Report Issued: June 1966

Auditor-in-Charge: Clarence E. Fisher

Report Approved: William T. McClelland, Chief Auditor

Audit Performed During Period: March 28 to 30, 1966

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

OFFICE OF THE DIRECTOR

June 7, 1966

Memorandum

To: Director

From: Chief Auditor

Subject: Internal Audit of Contract 2192
Docket No. OME-6327 (Iron Ore)
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona

We have made a cost review of Contract 2192, examining the contract and accounting records and files of the Office of Minerals Exploration and the Branch of Budget and Finance. Also, we examined the Contract Operator's reimbursement vouchers for the months of August to October 1964 and payments made for the Government's 50 percent participation in exploration costs.

We find that the Operator's claimed costs of $14,752.96 and the payment of $7,376.48 as the Government's participation therein are in conformity with the contract and are satisfactorily documented.

William T. McClelland

William T. McClelland

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REPORT OF REVIEW - CONTRACT 2192
DOCKET NO. OME-6327 (IRON ORE)
ARCHEAN EXPLORATION CORPORATION
XEROX AND LADY BUG CLAIMS
GILA COUNTY, ARIZONA

INTRODUCTION

On February 24, 1966, the Chief, Office of Minerals Exploration (OME), Geologic Division, requested a report of review in lieu of a final audit of Contract 2192. The audit was authorized by the Chief Auditor on March 28, 1966, under Audit Assignment No. 60. A review of the OME contract files and an examination of the Bureau's disbursement records in the Branch of Budget and Finance, Administrative Division were made at Washington, D.C., on March 28 to 30, 1966.

The purpose of this project was to explore, by bulldozing access roads and drill sites, and core drilling from the surface, for deposits of iron ore occurring mainly as hematite in the Pre-Cambrian Mescal limestone near or along its contact with the overlying Cambrian Chediski sandstone on 136 unpatented lode mining claims as more fully described in Annex I to the contract.

Only a small portion of the exploration work contemplated by the contract was actually completed. Amendment No. 2 to the contract authorized a suspension of the work for a period beginning January 12, 1965, ending not later than May 12, 1965. The work was not resumed by the latter date. Accordingly, under terms of Amendment No. 2, the contract was terminated as of January 12, 1965. The amendment provided that the Government

would contribute only to allowable costs incurred prior to the termination date and that the Contract Operator would submit the final report as required by the contract. Also, the Contract Operator assumed liability for the payment of royalty to the Government the same as if certification of possible production were made, such certification being waived.

SCOPE OF THE AUDIT

Our examination of OME Contract No. 2192 included a review of the official accounting records and contract files and a detailed examination of the Contract Operator's vouchers previously paid. All of the claimed costs were compared to the amounts allowed by the contract, and a determination was made as to the reasonableness and propriety of these costs.

The principal objective of our examination was to ascertain whether or not the Contract Operator had complied with the provisions of the contract, and to determine the effectiveness of contract administration and supervision by OME as well as the degree of compliance with the laws, policy determinations, and administrative regulations and procedures governing the Geological Survey and its predecessor mineral exploration agencies. The report presents our findings and conclusions, together with our recommendations and other suggested action where applicable.

AUDIT FINDINGS

This exploration contract provided for diamond drilling in 19 holes not to exceed 10,850 feet, together with the necessary rehabilitation of an estimated 15,050 feet of existing roads and the construction of an estimated 18,900 feet of access roads to drill sites. The total estimated cost of the work was $94,050, including the Government's 50% contribution of $47,025. The only exploration work accomplished was performed between August and October 1964, during which time 4,600 feet of existing roads were repaired, 9,505 feet of new access roads were graded, 10 drill sites were prepared and 1566.4 feet of drilling was accomplished in four diamond drill holes. The costs claimed and accepted for Government participation were found to be as follows:

Item	Amount
Independent Contracts	
132 hours bulldozing roads and drill sites @ $20/hour	$ 2,640.00
Hauling dozer to and from project	300.00
1,566.4 feet BXWL core drilling @ $5.95	9,320.08
Hauling water @ 50¢ per foot of drilling	783.20
156 cardboard core boxes @ 80¢ each	124.80
Fixed Unit Costs (Incidental Allowances)	
132 hours bulldozing @ $3.70/hour	488.40
1,566.4 feet BXWL core drilling @ 70¢/foot	1,096.48
Total claimed and accepted costs	$14,752.96
Government Participation 50% basis	$7,376.48

In a memorandum dated February 18, 1966, the Field Officer, Region III, has summarized the results of the drilling program and has found them not to have been really successful. He stated that ore reserves are "indicated" on the claims which are in an area favorable for the extension of ore bodies from the nearby Colorado Fuel and Iron property. As the Contract Operator was apparently suffering from internal corporate difficulties, which resulted in the termination of the contract rather than its completion, the Field Officer recommended that the final report be waived and the project be closed.

We find that the proposed action is in conformity with OME practice in those cases where the Contract Operator has not completed the exploration work and where there is no adequate basis for a certification of possible production.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
6/27	Johnson	120
6/28/66	Kirkham	120
	Long	140
Appd.	Sol. Office	120 m
7/5	Kilgard	
7/6	Lunetto	

Mr. Anthony F. Scalone, Partner
Western States Iron Company
Hearne, Texas

Re: OME-6327 (Iron Ore)
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona
Contract 2192

Dear Mr. Scalone:

Enclosed is a copy of a self-explanatory letter of today to the Operator under the subject contract. This relates to the Lien or Subordination Agreement signed for you by Rex Ricks as attorney-in-fact on June 11, 1964, under the Office of Minerals Exploration program.

The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of the letter to the Operator. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreement, and to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

FROM SOLICITOR
JUL 1 1966
FOR SIGNATURE

Enclosure

cc: Director's Reading File
Division File
Economic Geology File
Budget and Finance
Mr. Long
OME Docket
OME Reading File
OME Region III
Mr. Johnson
130 (2)

FEJohnson/bib (6/22/66)
Retyped: MMerrithew (6/24/66)

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
6/27	[illegible]	110
6/28/66	[illegible]	120
	[illegible]	140
[illegible]	[illegible]	120M
7/5	Kilsgaard	
7/6	[illegible]	
7/6	[illegible]	220

7/6/66

Archean Exploration Corporation
1416 E. Thomas Road
Room 117
Phoenix, Arizona 85014

Re: GME-6327 (Iron Ore)
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona
Contract 2192

Gentlemen:

Pursuant to Article 7 of the subject contract, as amended, and Article 2.(d) of Amendment No. 2 thereto, royalties shall be paid to the Government as provided in the contract on all production from the land described in the contract from June 29, 1964, to June 29, 1969, or until the amount contributed by the Government is fully repaid with interest, at the rate of 6½ percent per annum, whichever occurs first. The payment of royalties is secured by a lien upon the land and upon any production therefrom.

$7,376.48

Royalty payments should be made in favor of the U. S. Geological Survey, and should be mailed or delivered to the Field Officer, Region III, Office of Minerals Exploration, U. S. Geological Survey, Building 25, Federal Center, Denver, Colorado 80225. Each payment should be accompanied by two copies of settlement sheets or other suitable sales evidence showing the name of the purchaser, the quantity and grade of the production sold, the price per unit, and the gross proceeds and allowable deductions therefrom. The purchaser should be notified of the Government's royalty on production and directed to pay the royalty, computed as provided in the contract, directly to the Government.

The Field Officer should be promptly notified upon commencement of any production, and upon any extended cessation thereof. Production unsold or unused six months after extraction from the ground should be reported promptly to the Field Officer.

FROM SOLICITOR

JUL 1 1966

FOR SIGNATURE

23263

Attention is specifically invited to the provisions of Article 2(c) of the contract referring to the preservation of the Government's royalty rights. Two true copies of any instrument transferring, surrendering, or encumbering any of said rights shall be furnished the Field Officer.

Dated this 6th day of July, 1966.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Mr. and Mrs. Homer Haught
Mr, and Mrs. Harvey McKee
Mr. and Mrs. Alfred Haught
Mr. and Mrs. Ben Armer
Mr. R. J. Allison, Partner, Western States Iron Co.
Mr. Anthony F. Scalone " " " " "
Mail returned Mr. George W. Craig " " " " "
Mr. Rex Ricks " " " " "
Division File
Director's Reading File
Economic Geology File
OME Docket
OME Reading File
OME Region III
Branch of Budget and Finance
Mr. Long
Mr. Johnson
130(2)

FEJohnson/bih (6/22/66)
Rewritten: FEJohnson/mm (6/24/66)

Government's Copy

EXPLORATION CONTRACT
ARCHEAN EXPLORATION CORPORATION
OME-6327

AMENDMENT NO. 2

It is agreed this 24th day of February, 1965, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter referred to as the "Government" and Archean Exploration Corporation, hereinafter referred to as the "Operator" that Exploration Contract No. 2192 (OME-6327), dated June 29, 1964, as amended, is further amended as follows:

1. (a) Work under the contract shall be suspended during the period beginning January 12, 1965, and ending not later than May 12, 1965.

(b) No costs incurred by the Operator during the suspension shall be allowable for contribution by the Government.

(c) The Government will not contribute to any cost of rehabilitation or repair which in its opinion would not have occurred if there had been no suspension of the work.

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

2. It is the essence of this amendment that the work be resumed before the termination of the period herein fixed for suspension; and if not so resumed in the manner required by the contract, the following provisions shall thereupon become effective:

(a) The contract and all obligations of the parties thereunder, except as hereinafter otherwise provided, shall be and are hereby terminated as of January 12, 1965.

(b) The Government will contribute only to those allowable costs which are incurred prior to the relevant date set forth in 2(a) above.

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

(d) The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer (for example, if the Operator either transfers or fails to retain its interest in the land), shall pay to the Government the royalty provided for in the contract in the same manner and amount, for the same period, and subject to the same provisions as provided for in the contract as amended herein as if a certification of possible production had been made, such certification being hereby waived by the Operator. In addition, all rights of the Government provided for in the contract with respect to a certification of possible production, percentage royalty and liens to secure payment thereof, reports (including preservation of Operator's records), accounts, audits, and the right to recover any overpayments are hereby preserved.

(e) The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of the contract, except as provided for in this Amendment No. 2.

This amendment shall not be construed to increase the estimated total cost of the contract, the aggregate amount which the Government may be required to contribute, the amount of any item designated as maximum, or the fixed unit cost of any item of work.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Acting Director, Office of Minerals Exploration

ARCHEAN EXPLORATION CORPORATION

By _____

Title Secretary

Government's Copy

EXPLORATION CONTRACT
ARCHEAN EXPLORATION CORPORATION
OME-6327

AMENDMENT NO. 1

It is agreed this 23rd day of November, 1964, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and Archean Exploration Corporation, hereinafter called the "Operator," that Exploration Contract No. 2192 (OME-6327) is amended effective November 6, 1964, as follows:

In Exhibit A under General Provisions, not withstanding the specification in the last sentence of paragraph 11 that "no hole shall be drilled closer than 1,000 feet to any other exploration hole drilled under this contract" the Operator may drill one hole to offset diamond drill hole No. 1 at a lesser distance than stipulated.

This amendment shall not be construed to increase the estimated total cost of the contract, the aggregate amount which the Government may be required to contribute, the amount of any item designated as maximum, or the fixed unit cost of any item of work.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By George Turnbull
Acting Director, Office of Minerals Exploration

Long
App'd. Leg. Off.
Murphy
Fisher
Selfridge
Johnson

ARCHEAN EXPLORATION CORPORATION

By Guy Ellison

Title Pres.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code

November 16, 1964

Memorandum

To: The File

From: F. M. Murphy, Mining Engineer
Division of Exploration Operations

Subject: OME-6327 (Iron Ore)
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona
Contract 2192

Justification for Amendment No. 1

In a letter dated November 6, 1964, the Operator requested that it be allowed to drill a hole to obtain information regarding an area in which some thrust faulting occurred. The Operator's letter contains an excellent justification for this request.

F M Murphy

FMMurphy/mm
cc: Director's ReadingFile

23-63

Government's Copy

MME Form 50
June 1963

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

EXPLORATION CONTRACT
(Long Form)

Docket No.	Commodity	Contract No.	County	State
OME -6327	Iron Ore	14-23-090- 2192	Gila	Arizona

It is agreed JUN 2 9 1964 (Date), between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and

Archean Exploration Corporation, a Nevada Corporation

whose mailing address is ~~2048 North 16th Street~~ 1416 E. Thomas Road, Phoenix, Arizona, hereinafter called the "Operator," as follows:

ARTICLE 1. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before AUG 1 1964 (Date), and, subject to the provisions of Article 9 and Exhibit A, shall either have completed the work within 18 months from the date of the contract or shall have incurred allowable costs (see Article 6) in a sum not less than the total cost set forth in Exhibit A.

(b) The total allowable cost of the work set forth in Exhibit A is $94,050.00. The Government will contribute 50 percent of the allowable costs as they are incurred, in a total sum not in excess of $47,025.00 in accordance with the provisions of Articles 3, 4, 5, and 6. "Costs incurred" means costs that have been paid or have become due and payable, or that the Government determines have become obligations.

(c) Interest computation.--Simple interest at the rate of 6 - ¼ percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

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

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

See Annex I

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

See Annex I

(c) The Operator shall preserve and maintain his right, title, or interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 7 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

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

(b) Independent contracts.--To the extent that the allowable costs are estimated in Exhibit A with express reference to performance by independent contractors on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations), the work may be so performed (see Article 6(a), Category (1)). Any such independent contract shall refer to some specific and identifiable part of the work, and shall be subject to all of the pertinent terms and conditions of this exploration contract; but the Government shall not be considered a party thereto, and its rights under this contract, including the right to terminate its contributions, shall not be affected thereby. Regardless of the provisions of any such independent contract, the Government will participate in payments to the independent contractor only as to work performed in accordance with the provisions of this exploration contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable.

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

ARTICLE 4. Contribution by the Government.-- The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5(b), but all payments by the Government are provisional only, subject to audit. Until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. Reports, accounts, audits.--(a) Operator's records.--The Operator shall keep suitable records and accounts of the work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator. If work under this contract is carried on in conjunction with any other operations, or if labor, supervision, services, materials, supplies, equipment, facilities, or other requirements for carrying on the work are also used in connection with other operations, the costs shall be segregated and accounted for on a basis and by methods and accounts that are satisfactory to and approved by the Government.

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

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

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

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

(Forms for reporting under (1) and (2) above will be provided by the Government; however, the original of the Operator's Monthly Voucher shall be supported by documentary evidence, such as certified copies or transcripts of payrolls and invoices, for all costs claimed under Article 6 (a) (1).)

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

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

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

ARTICLE 6. Costs.--(a) Allowable costs.--The allowable costs of the work to which the Government will contribute are limited to:

(1) the necessary, reasonable, and direct actual costs that are estimated in Exhibit A by categories as specified in this article; and

(2) fixed costs for units of work to be performed (per foot, per hour, etc.) agreed upon in lieu of actual costs and set forth in Exhibit A.

The Government will not contribute to costs under any category or subcategory omitted from the estimate of costs in Exhibit A. Any excess over any estimate which is indicated as the maximum of any category, subcategory, or item, either as to requirement or related cost; any excess over a fixed unit cost; and any excess over the total allowable cost of the work are not allowable. The Operator shall incur such excesses for his own account without contribution by the Government, but the Operator is not obligated to incur more than his agreed percentage of the total allowable cost of the work.

Any category or subcategory or element thereof not designated as a maximum in this article or in Exhibit A may be exceeded, provided that the total allowable cost of the work, which is a maximum, is not exceeded.

CATEGORY (1)--INDEPENDENT CONTRACTS.--(See Article 3(b)). The total of this category and the average unit cost estimated for each type of work to be performed under an independent contract are maximums.

CATEGORY (2)--PERSONAL SERVICES.

Subcategory (a)--Supervision and Technical Services--All elements of this subcategory (number of supervisors, technicians, outside consultants, periods of employment, rates of pay, and total) are maximums.

Subcategory (b)--Labor.

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

CATEGORY (4)--OPERATING EQUIPMENT.

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

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

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

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

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

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

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

CATEGORY (7)--MISCELLANEOUS.--Includes requirements and costs that do not fall within any of the first six categories, such as repairs other than initial and maintenance of operating equipment, analytical work, prints and other reproductions, accounting, Operator's share of payroll taxes, liability insurance covering employment, travel, and communications.

(b) Nonallowable costs.--In addition to the limitations imposed by paragraph (a) of this Article 6 the Government will not contribute to the following costs:

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

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

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

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

(c) Reductions in costs.--The Operator shall account for and give the Government credit for any incidental benefits, credits, or money received in the ordinary course of business in prosecuting the work (as by salvage or sale of materials or equipment, furnishing of room or board, furnishing of power or services to third persons, rebates or discounts on purchases, etc.), in the same ratio in which the Government contributes to costs; and such amounts shall be treated as a reduction in costs incurred so that they are available for use within the limit of the original total cost. The provision does not apply to receipts from production which are subject to the Government's royalty under the provisions of Article 7.

ARTICLE 7. Repayment by Operator.--(a) Certification.-- If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

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

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

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

See Article 16

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

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

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

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

(e) Lien for payment.--To secure the payment of royalty (see Article 7(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

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

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

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

ARTICLE 8. Interests in purchased property.--(a) Title and ownership.--All costs under this contract shall be incurred by the Operator in the Operator's own name and for the Operator's own account; but any property acquired to the cost of which the Government contributes shall belong to the Operator and the Government jointly in proportion to their respective contributions although title thereto shall be taken in the name of the Operator.

(b) Preservation of property.--Until the final disposal of any property in which the Government has an interest, the Operator shall preserve and protect same for the best interest of the Government, and any reasonable and necessary cost thereof will be treated as an allowable cost of the exploration. After the completion of the work, termination of the Government's obligation to contribute, or when such property is not being used for the work, the Operator shall not use it elsewhere without the written consent of the Government and without paying a reasonable rental to be fixed by the Government for its proportionate interest.

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

(d) Default of the Operator re disposal.--If within 90 days after the completion of the work, termination of the Government's obligation to contribute to costs, or after the property is no longer needed for the work, the Operator has failed to sell or otherwise liquidate or dispose of any property in which the Government has an interest, the Government, at any time prior to final settlement under the contract, may:

(1) in writing extend the time within which the Operator must dispose of or liquidate the property;

(2) by written notice to the Operator, place upon such property what it determines to be a fair valuation thereof, not in excess of the cost less 1.66 percent per month from the date such property was purchased under this contract to the termination of said 90-day period; and such property shall thereupon be considered and accounted for as having been purchased by the Operator at the valuation so fixed by the Government; and

(3) enter and take possession of such property wherever it may be found, and remove and dispose of it for the joint account of the parties.

ARTICLE 9. Termination of the Government's obligations.--(a) If the Government determines that operations at any time have failed to achieve anticipated results and further work is not justified, the Government may give the Operator written notice thereof, and thereupon:

(1) the Government shall be free of all obligation to contribute to costs not then incurred other than such as may be allowable under the provisions of the contract as necessary and incidental to final accounting and reporting; and

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

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

(1) the Government shall be relieved of all obligation to contribute to costs not incurred when the notice was given, other than such as may be allowable by the provisions of the contract as necessary and incidental to final accounting and reporting; and

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

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

(c) The giving of any notice by the Government under the provisions of this Article 9 shall not affect the Government's rights as provided for in the contract with respect to royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

(d) The determinations of the Government are subject to appeal under Article 13.

ARTICLE 10. Notices to be given by the Government may be delivered to the Operator, or may be sent by certified mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 11. Officials not to benefit.--No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 12. Nondiscrimination in Employment. The provisions respecting nondiscrimination in employment which are required by section 301 of Executive Order 10925, dated March 6, 1961 as amended and supplemented are attached hereto as Exhibit B and are hereby incorporated in and made a part of this contract.

ARTICLE 13. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, Office of Minerals Exploration, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, Office of Minerals Exploration, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, Office of Minerals Exploration, a written appeal addressed to the Secretary of the Interior. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

The term "Director, Office of Minerals Exploration," as used herein includes his duly authorized representative.

ARTICLE 14. Work Hours Act of 1962 - Overtime Compensation.--This contract, to the extent that it is of a character specified in the Work Hours Act of 1962 (Public Law 87-581, 76 Stat. 357-360) and is not covered by the Walsh-Healey Public Contracts Act (41 U.S.C. 35-45), is subject to the following provisions and to all other provisions and exceptions of said Work Hours Act of 1962.

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

(b) Violations; liability for unpaid wages; liquidated damages.--In the event of any violation of the clause set forth in subparagraph (a) of this paragraph, the Operator and any subcontractor responsible therefor shall be liable to any affected employee for his unpaid wages. In addition, such Operator and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for

liquidated damages. Such liquidated damages shall be computed, with respect to each individual laborer or mechanic employed in violation of the clause set forth in subparagraph (a) of this paragraph, in the sum of $10 for each calendar day on which such employee was required or permitted to work in excess of eight hours or in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in subparagraph (a) of this paragraph.

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

ARTICLE 15. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U. S. C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U. S. C. 874) are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions.

ARTICLE 16. Changes and added provisions.--

In Article 7(b)(2) of the contract, substitute the period "twenty five years" for the period "ten years".

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

ARCHEAN EXPLORATION CORPORATION
(Operator)

By R. Jay Allison Pres.

ACTING By Frank E. Johnson

Title PRESIDENT

Long
Asst. Sol. Off.
Murphy
Greiner
Selbridge
Talbot

I, ALEX A. COTTE., certify that I am the

secretary of the corporation named as Operator herein; that

R. JAY ALLISON., who signed this contract on behalf of the Operator, was then
(Name)

PRESIDENT of said corporation; that said contract was duly signed for
(Title)

and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

Alex A. Cotte

[CORPORATE SEAL]

EXPLORATION CONTRACT
ARCHEAN EXPLORATION CORPORATION
OME-6327

ANNEX I

The land referred to in Article 2 of the contract consists of 136 unpatented lode mining claims, including all rights pertaining thereto, in secs. 2, 3, 4, 5, 8, 9, 10, 11, 16, and 17, T. 9 N., R. 15 E., and secs. 33 and 34, T. 10 N., R. 15 E., Gentry Mountain mining district, Gila County, Arizona.

The claims are recorded in the office of the Gila County Recorder at Globe, Arizona, as follows:

Xerox claims Nos. 1 through 86 inclusive, in Docket No. 143, pages 163 through 248 inclusive.

Xerox claims Nos. 87 through 115 inclusive (excluding No. 88), in Docket No. 143, pages 553 through 561 inclusive.

Xerox claims Nos. 116 through 119 inclusive, Docket No. 148, pages 605 through 608 inclusive.

Lady Bug Nos. 1 through 11 inclusive, Docket No. 47, pages 357 through 366 inclusive.

Lady Bug Nos. 12 through 17 inclusive, Docket No. 76, pages 257 through 262 inclusive.

Lady Bug No. 18, Docket No. 149, page 76.

The Operator has rights of possession of the Xerox claims Nos. 1 through 115 inclusive, under the terms of a Quitclaim Mining Deed, dated November 5, 1962, executed by F. Matthews and G. C. Ridland, to the Archean Corporation, a wholly-owned subsidiary incorporated in Arizona. Xerox claims Nos. 116 through 119 inclusive were located by the Operator.

In a Mining Lease, dated August 11, 1958, the owners of the Lady Bug claims, Homer Haught and Betty J. Haught, his wife; Alfred Haught and Susie Mae Haught, his wife; Harvey McKee and Marelene McKee, his wife, Ben Armer and Helen Armer, his wife, granted rights to the Lady Bug Nos. 1 through 17 claims and such other claims as might be

located in, among, or in the vicinity of the Lady Bug claims to Western States Iron Co., a partnership. In accordance with the lease Lady Bug No. 18 was located by the Operator. This lease was recorded in the Gila County Records on August 21, 1958, in Docket No. 91, page 538.

In an Agreement of Assignment, dated October 30, 1962, Western States Iron Co., assigned the lease to the Archean Corporation. The assignment was recorded in the Gila County Records on November 2, 1962, in Docket No. 143, page 567.

A Lien or Subordination Agreement, dated March 13, 1964, executed by the individual owners of the Lady Bug claims Nos. 1 to 17, inclusive, is attached hereto and made part hereof.

A Lien or Subordination Agreement, dated March 19, 1964, executed by R. J. Allison and Rex Ricks for Western States Iron Co., a partnership, is attached hereto and made part hereof. Power of Attorney for the signers to act for the partnership is attached hereto.

The outer boundary of the claim groups is shown in green on Fig. 3, entitled "Property Map, Archean Exploration Corporation . . .," This map shows the original claim locations.

SPECIAL AGREEMENT CONCERNING LAND

In the event the Operator or any subsidiary thereof (whether wholly-owned or otherwise) at any time during the period expiring twenty-five years from the date of this contract acquires any interest, title, or equity (exclusive of agreements granting rights to explore, purchase, or acquire leases) in or with respect to any land, including minerals therein, situated within 1,500 feet of the land described in this contract, and the right to make such acquisition postdates this contract, it is agreed that such land shall thereupon become subject to the provisions of this contract, and the parties hereto shall promptly execute amendments to this contract listing such land as land included in this contract.

MME Form 52
June, 1961

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

FOR GOVERNMENT USE ONLY	
Operator	
Docket No. OME –	
Contract No. 14-23-090 –	2192
Contract Date	JUN 29 1964

LIEN OR SUBORDINATION AGREEMENT 1/

To the United States of America:

That certain land in the County of Gila, State of Arizona,

described ~~as follows~~ 2/ in a lease dated August 11, 1958, between Homer Haught, et al, and Western States Iron Company and recorded in Docket 91, Page 538, official records of said County,

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

Archean Exploration Corporation 3/

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

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

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

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

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

None

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

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

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

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

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

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

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

Dated this 13th day of March, 19 64.

Betty J. Haught		Box 58, Young, Ariz. (Street) (City & State)
Homer Haught	(Seal)	Young, Ariz.
Harvey McKee		Rt 1 - Box 116 Globe Ariz. (Street) (City & State)
Merelene McKee	(Seal)	
Alfred E. Haught		Box Young Arizona (Street) (City & State)
Susie Mae Haught	(Seal)	
Ben Romero		258 S. Sutherland (Street) (City & State)
Helen Romero	(Seal)	Globe, Ariz.
		(Street) (City & State)
	(Seal)	
		(Street) (City & State)
	(Seal)	

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

_____ (Corporate Seal)

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

95181

MME Form 52
June, 1961

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

FOR GOVERNMENT USE ONLY	
Operator	
Docket No. OME –	
Contract No. 14-23-090 –	2192
Contract Date	JUN 29 1964

LIEN OR SUBORDINATION AGREEMENT 1/

To the United States of America:

That certain land in the County of **Gila**, State of **Arizona**,

described ~~XXXXXXXXXX~~ 2/ **in an assignment of lease dated November 2, 1962, and recorded in Docket 143, Page 567-569, official records of said County,**

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

Archean Exploration Corporation 3/

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

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

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

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

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

None

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

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

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

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

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

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

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

Dated this 11 day of June, 1964.

Western States Iron Co.	(Seal)	_____ (Street) _____ (City & State)
R. J. Allison	(Seal)	1416 E. Thomas (Street) Phoenix Ariz. (City & State)
R. J. Allison (Partner)		
_____	(Seal)	_____ (Street) _____ (City & State)
Anthony F. Scadone (Partner)		
Anthony F. Scadone By Rex Ricks Attorney in Fact	(Seal)	Heaene Texas (Street) _____ (City & State)
George W. Craig (Partner)		
George W. Craig by R. J. Allison Attorney in Fact	(Seal)	5148 Angus Dr. (Street) Los Angeles Calif. (City & State)
Rex Ricks (Partner)		
Rex Ricks	(Seal)	_____ (Street) Boise City Okla. (City & State)

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

_____
(Corporate Seal)

INT.-DUP. SEC., WASH., D.C.
951.81

THE STATE OF TEXAS ⊘
⊘ KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF ROBERTSON ⊘

THAT I, ANTHONY F. SCALONE, of the County of Robertson, State of Texas, have made, constituted and appointed, and by these presents do make, constitute and appoint REX RICKS of GILA County, Arizona, my true and lawful attorney for me, and in my name, place and stead to execute, acknowledge and deliver to the United States of America a subordination agreement subordinating my interest and/or lien in and to the Western States Iron Company to the O.M.E. loan to be made by the United States of America to the Archean Corporation, an Arizona Corporation, and I agree and represent to those dealing with my said attorney-in-fact that this power is given for such limited purpose and for no other purpose; and, I further agree and represent that this power of attorney may be voluntarily revoked alone by revocation entered of record in the office of the County Clerk of Robertson County, Texas.

IN WITNESS WHEREOF I have hereunto set my hand this 10th day of June, A.D. 1964.

WITNESSES:
Janis Thurcatt
M. L. Smith

Anthony F. Scalone
ANTHONY F. SCALONE

THE STATE OF TEXAS ⊘
⊘
COUNTY OF ROBERTSON ⊘

BEFORE ME, the undersigned authority, a Notary Public in and for Robertson County, Texas, on this day personally appeared ANTHONY F. SCALONE, known to me to be the person whose name is affixed to the annexed or foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 12th day of June, A.D. 1964.

(Betty Stovall) Betty Stovall
Notary Public in and for
Robertson County, Texas.

5148 Argus Dr LA. Calif.
June 7 /64

OME
DEPARTMENT OF THE INTERIOR
JUN 17 1964
REGION III
DENVER, COLORADO

Dear Sir;

I hereby authorize Mr. Al. Allison to sign in my behalf a subordination agreement for an O M & Loan.

Sincerely

Geo. W Lesaig
Western States Inv Co.

Subscribed and sworn to before me this 7th day of June, 19 64

Samuel Steinberg Notary Public
For the County of Los Angeles and State of Calif.

SAMUEL STEINBERG - NOTARY PUBLIC
For the County of Los Angeles, and State of California
My Commission Expires April 4, 1965
1121 SO. ADAMS ST., GLENDALE 5

EXPLORATION CONTRACT
ARCHEAN EXPLORATION CORPORATION
OME-6327

EXHIBIT A

The purpose of this project is to explore by preparing access roads and drill sites, and core drilling from the surface for deposits of iron ore occurring mainly as hematite in the Pre-Cambrian Mescal limestone near or along its contact with the overlying Cambrian Chediski sandstone.

General Provisions

All holes shall be drilled vertically and cased through the overburden. Below the overburden the holes shall be completed not less than BX wireline core size (core diameter not less than 1-1/8"). The depths of the holes are estimated to range from 200 to 650 feet.

Significantly mineralized core shall be split and one split assayed for iron. The other split shall be stored in proper sequence with the unsampled core. No sample shall represent a hole length of greater than 10 feet.

Facilities shall be provided for recovering diamond drill sludge and such sludges shall be retained when drilling in significantly mineralized ground. Whenever the core recovery is found to be less than 60 percent, the corresponding retained sludge and such core segments as may have been recovered shall be assayed separately and the results combined according to standard practice to form a representative sample. A split of such samples shall be assayed as indicated above.

In addition to the assays for iron, under each stage, five selected representative composite samples of ore-bearing drill core or sludge shall also be assayed for manganese phosphorous, sulphur, and titanium dioxide.

The core from diamond drilling shall be stored in boxes identified as to hole number with markers in the core sections to indicate the depths represented. Splits of the sludge and core segment samples shall be stored in suitable containers properly identified as to source and location.

The stored core and sludge samples shall be made available for Government inspection and possible use. With prior Government approval, the Operator may dispose of the stored core and samples.

True copies of all sample assay certificates shall be submitted with the Operator's monthly report, which shall also include maps or sketches showing the work completed during the reporting period. The maps shall show the access roads to the drilling area, the general rock formations, and structures traversed by the drill holes; also, the location and values of the samples.

The Government will not contribute to the cost of a hole which does not traverse the ore horizon or reach 650 feet in depth, whichever is the lesser excepting in holes where the Government agrees that because of structural reasons the drilling may be stopped. No hole shall be drilled within 200 feet of the exterior boundaries of the claim groups described in Annex I of this contract.

The Operator shall provide such supervisory, labor and technical services as may be required to complete the work in a satisfactory manner.

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

In the event the results of prior drilling indicate that some of the drill hole locations shown on Fig. 3 should be changed to better explore the area, then with Government approval, subsequently confirmed in writing, such changes in drill hole locations, including access roads, may be made. However, no hole shall be closer than 1,000 feet to any other exploration hole drilled under this contract.

In each stage the Operator shall plan and direct the work on the roads and drill sites and perform any necessary drilling and blasting required. An independent contractor shall bulldoze all the roads and level the drill sites using a D8-36A Caterpillar tractor with a Tilt dozer or an equivalent machine of any other make. The overburden and core drilling shall be performed by an independent contractor.

The work shall be divided into two stages. The Operator shall complete all the Stage I work and as much of Stage II work as is approved and confirmed in writing by the Government. The approximate locations of the access roads are shown in blue on Fig. 3. The road locations shown may be changed and adapted to local topographic conditions.

Description of the Work

Stage I

The work under Stage I shall consist of the rehabilitation of an estimated 10,000 feet of existing roads, construction of an estimated 14,000 feet of access roads to drill sites, leveling a maximum of 10 drill sites, and drilling an estimated aggregate of 5,250 feet in a maximum of 10 holes in two fences. The holes shall be drilled at the approximate locations numbered 1 to 10 and shown in red on Fig. 3, but need not necessarily be drilled in the numerical order shown.

Stage II

The work under Stage II shall consist of the rehabilitation of an estimated 5,050 feet of existing roads, construction of an estimated 4,900 feet of access roads to drill sites, leveling a maximum of 9 drill sites, and drilling an estimated aggregate of 5,600 feet in a maximum of 9 holes. The 9 holes shall be drilled at the approximate locations shown in brown on Fig. 3 or at new locations mutually agreed upon by the Operator and the Government.

Estimated Costs of the Work

Stage I

Actual Costs

Category (1) Independent Contracts

176 hours bulldozing roads and drill sites @ $22.50/hr.	$3,960.00
370 miles of hauling dozer to and from project area @ $1.50/mile	555.00
Drilling	
Mobilization and demobilization of personnel and drilling equipment 2 drill rigs @ $325.00/rig	650.00
5,250 feet of overburden and core drilling	32,352.20
Overburden drilling including the setting of casing @ $3.95/ft.	

Core drilling		
0 to 500 foot depths 1/		
NX wireline @ $6.25/ft.		
BX wireline @ $5.95/ft. 1/		
500 to 1,000 foot depths 1/		
BX wireline @ $6.25/ft.		
Hauling water when required 5,250 feet @ $0.50 per foot of drilling completed	$2,625.00	
220 feet of cementing and drilling out @ $2.65/ft.	583.00	
Cementing materials for drilling	100.00	
450 cardboard core boxes @ $0.80/each	360.00	$41,185.20
Category (3) Operating Materials & Supplies		
None except		
Percussion drill bits	50.00	
Explosives, fuse, detonators	200.00	$ 250.00
Category (4) Operating Equipment		
Subcategory (2) Rental		
125 C.F.M. compressor with air hose and fittings, jack hammer and drill steel, ½ month @ $308.20/month	154.10	
Core splitter, 4.2 months @ $10.00/month	42.00	
Core and sample room, 4.2 months @ $20.00/month	84.00	$ 280.10

Category (7) Miscellaneous

None except

105 sample containers and shipping costs @ $0.50/sample	$ 52.50	
100 samples assayed for iron @ $4.00/sample	400.00	
5 composite samples assayed for phosphorus, sulphur, manganese, and titanium oxide @ $30.00/sample	150.00	$ 602.50
Total Estimated Actual Costs Stage I		$42,317.80

Fixed Unit Costs

Road Work

Incidental allowance based on the hours worked by the independent road contractor, 176 hours @ $3.70/hr. 2/	$ 651.20	

Diamond Drilling

Incidental allowance for each foot of drilling completed, 5,250 feet @ $0.70/ft. 2/	3,675.00	
Total Estimated Fixed Unit Costs Stage I		$ 4,326.20
Total Estimated Costs Stage I		$46,644.00

Stage II

Actual Costs

Category (1) Independent Contracts

104 hours bulldozing roads and drill sites @ $22.50/hr.	$2,340.00
370 miles of hauling dozer to and from project area @ $1.50/mile	555.00

Drilling

Mobilization and demobilization of personnel and drilling equipment, 2 drill rigs @ $325.00/rig	$ 650.00	
5,600 feet of overburden and core drilling	34,497.60	
Overburden drilling including the setting of casing @ $3.95/ft.		
Core drilling		
0 to 500 foot depths		
NX wireline @ $6.25/ft. 1/		
BX wireline @ $5.95/ft. 1/		
500 to 1,000 foot depths		
BX wireline @ $6.25/ft. 1/		
Hauling water when required 5,600 feet @ $0.50 per foot of drilling completed	$ 2,800.00	
240 feet of cementing and drilling out @ $2.65/ft.	636.00	
Cementing materials for drilling	120.00	
450 cardboard core boxes @ $0.80/each	360.00	$41,958.60

Category (3) Operating Materials & Supplies

None except		
Percussion drill bits	$ 50.00	
Explosives, fuse, detonators	200.00	$ 250.00

Category (4) Operating Equipment

Subcategory (a) Rental

125 C.F.M. compressor with air hose and fittings, jack hammer and drill steel, ½ month @ $308.20/month	$ 154.10	
Core splitter, 4.5 months @ $10.00/month	45.00	
Core and sample room, 4.5 months @ $20.00/month	90.00	$ 289.10

Category (7) Miscellaneous

None except

105 sample containers and shipping costs @ $0.50/sample	$ 52.50	
100 samples assayed for iron @ $4.00/sample	400.00	
5 composite samples assayed for phosphorus, sulphur, manganese, and titanium oxide @ $30.00/sample	150.00	$ 602.50
Total Estimated Actual Costs Stage II		$43,100.20

Fixed Unit Costs

Road Work

Incidental allowance based on the hours worked by the independent road contractor, 104 hours @ $3.70/hr. 2/	$ 384.80	

Diamond drilling

Incidental allowance for each foot of drilling completed, 5,600 feet @ $0.70/ft. 2/	$ 3,920.00	
Total Estimated Fixed Unit Costs Stage II		$ 4,304.80
Total Estimated Costs Stage II		$47,405.00

SUMMARY

Total Estimated Costs Stage I	$46,644.00
Total Estimated Costs Stage II	$47,405.00
Total Estimated Costs of the Work (rounded)	$94,050.00
Government Participation @ 50%	$47,025.00

1/ Core drilling prices include reaming and casing when required.

2/ Includes all costs for supervision, labor, and transportation provided by the Operator and is in lieu of these separate cost items which would otherwise be allowable under Categories (2), (4), and (7) of the contract.

EXHIBIT B

NONDISCRIMINATION IN EMPLOYMENT

(Section 301, Executive Order 10925, March 6, 1961, as amended)

'During the performance of this contract, the contractor agrees as follows:

'(1) The contractor will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, or national origin. Such action shall include, but not be limited, to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this non-discrimination clause.

'(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin.

'(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer, advising the said labor union or workers' representative of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

'(4) The contractor will comply with all provisions of Executive Order No. 10925 of March 6, 1961, as amended, and of the rules, regulations, and relevant orders of the President's Committee on Equal Employment Opportunity created thereby.

'(5) The contractor will furnish all information and reports required by Executive Order No. 10925 of March 6, 1961, as amended, and by the rules, regulations, and orders of the said Committee, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Committee for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

'(6) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be cancelled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 10925 of March 6, 1961, as amended, and such other sanctions may be imposed and remedies invoked as provided in the said Executive Order or by rule, regulation, or order of the President's Committee on Equal Employment Opportunity, or as otherwise provided by law.

'(7) The contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the President's Committee on Equal Employment Opportunity issued pursuant to section 303 of Executive Order No. 10925 of March 6, 1961, as amended, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, that in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.'"

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Building 20 - Federal Center
Denver 25, Colorado

October 14, 1963

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: APPLICATION FOR OME AID (Iron Ore)
Archean Exploration Corporation
(Frog Pond Iron Deposit)
Gila County, Arizona

Attached is the original of the subject application in the amount of $128,133.36.

One copy of the application is being retained in our file.

Hugh M. Connors

Attachments

OFFICIAL FILE COPY
O. M. E
RECEIVED OCT 1963
DATE

MME Form 40
July 1962

OFFICIAL FILE COPY
O. M. E
RECEIVED OCT 16 1963

DATE	IN	

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Budget Bureau No. 42-R1368
Approval expires Dec. 31, 1963

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

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

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

ARCHEAN EXPLORATION CORPORATION
~~2043 North 16th Street~~
Phoenix, Arizona

1416 E. Thomas Road

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: 6327

DATE RECEIVED: 10-16-63

REGION: III

DIVISION CODE: 500

BUSINESS ORGANIZATION (*Check one*)

INDIVIDUAL	
CORPORATION	X
PARTNERSHIP	
OTHER (*Specify*)	

STATE IN WHICH FIRM IS ORGANIZED: Nevada

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
R. J. Allison	Phoenix, Arizona	Pres. & Tres.
Rex Ricks	Phoenix, Arizona	V. Pres.
Frank Matthews	Odessa, Texas	V. Pres.
J. E. Roberts	Scottsdale, Arizona	V. Pres.
Byron Townsend	Young, Arizona	Sec'y.

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE: iron ore

ESTIMATED COST OF PROJECT: $ 128,133.36

PROPERTY NAME	LOCATION COUNTY	STATE
Frog Pond Iron Deposit	Gila	Arizona

GENERAL INSTRUCTIONS

Before filling out this application, please read the *OME Regulations for Obtaining Federal Assistance in Financing Explorations for Mineral Reserves* (30 CFR Chap. III). To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit two copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 2, existing mine workings and geology in item 3, and the proposed exploration work in item 5. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 3(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals*, of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Office of Minerals Exploration, Department of the Interior, Washington 25, D. C., or with the nearest OME Field Office.*

CERTIFICATION

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

October 12, 1963
DATED

R. J. Allison
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. Financial Eligibility:

(a) Submit evidence of efforts made within 90 days preceding the filing of this application to obtain credit from your bank of account and at least one other banking institution or other private source of credit. Such evidence shall include true copies of correspondence which show: (1) date of loan request, (2) amount and terms requested, (3) proposed use of loan funds, and (4) the replies from credit sources. If the loan was offered under terms which you consider unreasonable, state why you consider them so.

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

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

2. Applicant's Rights in Land:

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

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

(c) For all land or mineral rights encumbered or not owned, submit five copies of Lien and Subordination Agreements on MME Form 52. If the agreements cannot be obtained, state reasons and provide copies of letters of refusal.

3. Physical Description:

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

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

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

(d) Describe known ore reserves, giving quantities and grades and sampling methods used. Support 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 have, indicating whether you require their return.

4. Accessibility of Property:

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

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

5. Exploration Work:

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

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

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

6. Experience:

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

7. Estimate of Costs:

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

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

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

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

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

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

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

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

INT.-DUP. SEC., WASH., D.C.11879

ARCHEAN EXPLORATION CORPORATION
2043 North Sixteenth Street
Phoenix, Arizona

December 3, 1963

OME
DEPARTMENT OF THE INTERIOR
DEC 16 1963
REGION III
DENVER, COLORADO

ref. 63#7
2

Mr. Marty Romslo
Office of Minerals Exploration
U. S. Dept. of Interior
Building 20
Denver Federal Center
Denver 25, Colorado

Dear Marty:

Enclosed are the copies of bids for dozer and compressor to be used in conjunction with our OME application, also a quotation on sample bags. The bids on the dozer and compressor are based on approximately 280 hours.

The maps will be finished in a few days and will be forwarded to your office.

I hope my delay has not inconvenienced you too much but due to a death in my family and a trip to Central America, this was the best I could do.

Yours truly,

Al Allison

OFFICIAL FILE COPY
O. M. E
RECEIVED DEC 20 1963
DATE | | CODE
12/26 Murphy 5.00

RJA:mm
Enclosures

Lefrange

46A - 25.00 HR. + Plus 0.60 Day Sub. & PERDIEM

125 Compressor 200.00 month

Hammer & 50' x 3/4" air hose - 45.00 month

2.00 Loaded mile 46A.

7.50 per hour haul compressor and misc. w/ flatbeds

APPROX - 280 HOURS

OME
DEPARTMENT OF THE INTERIOR
DEC 16 1963
REGION III
DENVER, COLORADO

FISHER CONTRACTING CO
PHOENIX AR #2.

LOVE EQUIPMENT RENTALS, INC.

Road Building & Earth Moving Equipment

203 WEST ST. CHARLES
PHOENIX 41, ARIZONA

PHONE 276-5058

November 12, 1963

OME
DEPARTMENT OF THE INTERIOR
DEC 16 1963
REGION III
DENVER, COLORADO

Archean Exploration Company
2043 No. 16th Street
Phoenix, Arizona 85006

ATTENTION: Rex Ricks

Gentlemen:

In response to your request, we are submitting the following prices on Equipment Rental on MAINTAINED & OPERATED BASIS:

CATERPILLAR D8-36A with Tilt Dozer - Per Hour	$ 25.00
INTERNATIONAL TD25 with Tilt Dozer - Per Hour	$ 25.00
Haul to Job & Return: $1.50 per loaded mile	
#125 Air Compressor 100' Hose & Fittings 1 Jack Hammer 1 ea 2', 4', 6', 8' Drill Steel	
For this group - per month - bare	$ 308.20

These prices are based on approximately 280 hours use.

LOVE EQUIPMENT RENTALS, INC.

Pierre H. Haumont

Pierre H. Haumont
General Manager

OME
DEPARTMENT OF THE INTERIOR
DEC 16 1963
REGION III
DENVER COLORADO

ARCHEAN EXPLORATION CORPORATION
2043 North 16th Street
Phoenix, Arizona 85006

December 12, 1963

United States
Department of the Interior
Office of Minerals Exploration
Building 20 - Federal Center
Denver 25, Colorado

Re: OME-6327 (Iron Ore)
Archean Exploration Corporation
Xerox Claims
Gila County, Arizona

Dear Mr. Romslo:

I have contacted Mr. Allison regarding the maps and other information he was sending for the OME loan application for Archean Exploration Corporation.

He mailed them some time ago. They were damaged in the Postoffice when a heavy metal box fell on the map case. Part of the maps were damaged.

They were returned to Mr. Allison. He expects to have new maps completed in the next two or three days.

We regret this delay and will send the papers as soon as possible.

Yours sincerely,

Rex Ricks

Rex Ricks - Vice-President

OFFICIAL FILE COPY
O. M. E.
RECEIVED DEC 30 1963

DATE		
	Mr. Murphy	5.00

RR:mvj

Alfred Jones

I C. (Continued)

Should this application be favorable to the OME and should sufficient funds for the applicants share of the project not been raised through the stock offering, the officers of the corporation shall make available the balance of the funds required before executing the OME contract.

R G Allison

ARCHEAN EXPLORATION CORPORATION
2043 North 16th Street
Phoenix, Arizona

October 12, 1963

United States Department of The Interior
Office of Minerals Exploration
Washington, D. C.

Gentlemen:

We submit herewith the following information in conjunction with our application for financial assistance in minerals exploration.

I. FINANCIAL ELIGIBILITY

A. The corporation has endeavored to obtain a loan to finance the cost of this project from numerous sources including banking institutions and private individuals without avail. (See exhibit 1-A)

B. Affiliated or Parent Companies. None.

C. How applicant proposes to furnish his share of exploration costs. The Corporation is authorized by the Securities and Exchange Commission to offer to the public 500,000 shares of Common Stock at $0.25 per share. (See exhibit 1-C Offering Circular)

II. APPLICANT'S RIGHTS IN LAND

A. The Corporation is the owner of 155 unpatented lode mining claims known as the XEROX GROUP, which was acquired from the original owners in exchange for stock in the Corporation. (See exhibit 2-A Quit Claim Deed)

B. The XEROX GROUP of claims are recorded in the Gila County, Arizona, Recorder's Office as follows:
1. Claims 1 thru 86 Docket #143, pages 163 thru 248 inclusive.
2. Claims 87 thru 115 Docket #143, pages 533 thru 561 inclusive.

The legal description is described as follows: Township 9 North, Range 15 East, Sections 8-9-

10-5-4-3-33-34 Gentry Mountain Mining District, Gila County, Arizona.

Adjacent to the XEROX GROUP of claims, the Corporation holds a lease on 17 lode mining claims which are located on the southwest prong of Lost Tank Mesa and known as the Lady Bug Claims.

The legal description of the LADY BUG GROUP is as follows: Township 9 North, Range 15 East, Sections 8-9-16-17 Gentry Mountain Mining District, Gila County, Arizona.

The XEROX and LADY BUG CLAIMS are known collectively as the FROG POND IRON DEPOSIT.

The exploration assistance which the applicant is seeking will be conducted solely upon the XEROX GROUP of claims, and therefore the adjacent group of LADY BUG claims should not be subject to any government royalty or leins.

C. Encumbered land on minerals rights: None.

III. PHYSICAL DESCRIPTION

A. The XEROX CLAIMS have had no exploration or mining history.

B. Not applicable.

C. Not applicable.

D. Not applicable.

E. The XEROX CLAIMS are joined on the south by the LADY BUG CLAIMS and on the east by the Fort Apache Indian Reservation which is now under lease to Colorado Fuel and Iron since 1958. See map marked Exhibit 3-E-1 and geological report on LADY BUG CLAIMS marked 3-E-2. You will note on map 3-E-1 the outcrops on the northwest side of XEROX GROUP. The deposit drilled by C. F. & I. on the East, (see drill holes marked on map, exhibit 3-E-1) which has a tonnage of 175 million tons of 45 to 65% Fe., at an average thickness of 17'-4". The deposit drilled by C. F.& I. and the LADY BUG CLAIMS are both located in the upper strata of the Mescal limestone, and are sedementary. (See geological report marked exhibit 3-E-3)

F. Our reasons for expecting to find ore:

We expect to prove the continuity of the same sedementary deposit found on the C.F.& I. lease and those on the LADY BUG CLAIMS, underlies the XEROX CLAIMS. The outcrops showing on the northwest side is further evidence of the flat bedded deposit existing under the XEROX CLAIMS. A map marked 3-F-1 of existing geology is submitted as further proof. Also described in exhibit 3-E-3.

G. The geological reports and maps submitted with this application do not need to be returned.

IV. ACCESSIBILITY OF PROPERTY

A. The property is located 131 miles from Phoenix, Arizona and is reached on route 87 from Phoenix to Payson, Arizona, thence in a northeasterly direction on Highway 277, 34 miles to State Route 288 (a gravel road), thence south 11 miles to the XEROX CLAIMS. State Route 288 crosses the claims.

Mr. R. J. Allison
President, Archean Exploration Corporation
2043 North 16th Street
Phoenix, Arizona

Telephone: Al 8-0463 or
Ye 7-0123

The above named person will be available to meet and show the claims to the O.M.E. representative that may examine the property.

B. The closest shipping and supply point is located 38 miles from the claims and is reached by traveling north on State Route 288 11 miles to Highway 277, thence, northeast, 27 miles to the Apache Railroad. A pulp mill is located at this point and it is 18 miles west of Snowflake, Arizona.

At this time, two independent railroad surveys have been completed to the Colorado Fuel and Iron lease, which adjoins the XEROX CLAIMS on the east boundary. This survey ends 3 miles from the east boundary of the XEROX CLAIMS.

V. EXPLORATION WORK

A. The proposed exploration work will consist of approximately 10,850' of core hole (BX wireline core) and approximately 18,900' of pioneer road, and approximately 15,050' of jeep road to be made usable, and 21 drillsites.

See map marked exhibit 5-A for locations of proposed road work and drillsites.

B. No access road is needed as State Route 288 crosses the XEROX CLAIMS.

C. Should an O.M.E. contract be executed, work will be commenced within 60 days of the execution of the contract and will be completed within twelve months of the starting date. The average core hole drilling is anticipated to be approximately 1000 feet per month.

VI. EXPERIENCE

Mr. Allison, President of Archean Exploration Corporation, is a graduate engineer from Duke University and has had many years experience in mining, drilling, and exploration work, which includes Barite, Asbestos, Uranium, Gold, Silver, Lead and Zinc. In 1956 and 1957 he supervised the D.M.E.A. loan for the BIG 6 EXPLORATION CORPORATION for Uranium in Gila County, Arizona.

VII. ESTIMATE OF COSTS

A. Drilling Contract

Feet to drill	Cost per foot	Total
10,850 feet	Est. $7.10	$77,035.00

(3 bids attached---see exhibit 7A-1-2-3)

* Dozer Contract--Roads and Drillsites

18,900 feet Pioneer road	176hrs.
15,050 " road repair (Jeep roads)	52"
21 drillsites	52"
TOTAL-------	280 hrs.

280 hrs. @ $22.50 per hr.----------	6,300.00
Hauling dozer to and from jobsite	512.00
TOTAL COST--	$6,812.00

* Quotations made by Hagen Construction Company, Globe, Ariz. and Isbell Construction Company, Phoenix, Arizona.

B. Personal Services

I.	Supervisor & assistant (I2 MO.)	I6,800.00
2.	Geoligical Services (5 days per. mo.) (I2 Mo.)	I0,000.00
3.	Survey crew (I5 days @ I50.00 Day)	2,250.00
4.	Other	
	a. Jackhammer operator and powder man, 30 days or 240 hrs. @ 2.75 per. hr.	825.00
	b. 2 helpers 30 days or 480 hrs. @ 2.00 per. hr.	960.00
	TOTAL PERSONAL SERVICES	$30,835.00

C. Operating Material and Supplies

I.	I500# dynamite @ 30.45 cwt.	$ 456.75
2.	500 caps @ 3.40 cwt.	I7.00
3.	I,000' fuse @ I5.85 per. M'	I5.85
4.	1 pr. cap and fuse pliers@ 1.80 pr.	1.80
5.	1 10' loading stick @ .40¢ per ft.	4.00
6.	1 box hot wires @ 2.35	2.35
7.	2 2' jackhammer steels @ 18.50	37.00
8.	2 4' " " " " 19.50	39.00
9.	2 6' " " " " 20.85	41.70
10.	2 miner's shovels @ 6.65	13.30
11.	2 miner's picks @ 5.50	11.00
12.	Arizona Sales Tax, 3% on above	19.19
	TOTAL MATERIAL AND SUPPLIES	$658.94

D. Operating Equipment

1.	1 1958 A-120 International 4x4 pickup furnished by applicant	1000.00
2.	1 160 Cu. Ft. Air compressor W/ 1 sinker hammer and 100' of 1" hose and oiler. 240 hrs. or 6 wks. @ $235.00 per mo.	302.50
	3% sales tax on rental	9.08
	TOTAL OPERATING EQUIPMENT	$1311.58

E. Initial Rehabilitation. None.

F. New Buildings, Fixtures and Installations. None.

G. Miscellaneous

1.	Maintenance & repairs--pickup	350.00
2.	Gasoline and oil	1600.00
3.	Hauling air compressor to and from jobsite	100.00
4.	Accounting	6000.00
5.	Travel	1500.00
6.	Payroll taxes	693.16
7.	Workman's Compensation & Liab. Ins.	487.68
8.	Contingencies and Miscellaneous (Telephone, office supplies,etc.)	750.00
	TOTAL MISCELLANEOUS	$11,480.84

SUMMARY OF ESTIMATED COSTS

Drilling Contract----------	$ 77,035.00
Dozer Contract (roads and drillsites)--	6,812.00
Personal Services----------	30,835.00 ?
Operating Materials and Supplies-------	658.94
Operating Equipment----------	1,311.58 ?
Miscellaneous----------	11,480.84
TOTAL ESTIMATED COSTS----------	$ 128,133.36
FOOTAGE TO BE DRILLED	10,850 Ft.
UNIT COST PER FOOT OF DRILLING	$11.81

O.M.E. 6327

Mining Lease

THIS LEASE made and entered into this.....day of....., 19....., by and between Homer Haught and Betty J. Haught, his wife; Alfred Haught and Susie Mae Haught, his wife; Harvey McKee and Marelene McKee, his wife; Ben Arzner and Helen Arzner, his wife;

owner of certain mining properties hereinafter described, and hereinafter referred to as "Lessor", and XXXXXXXXXXXXXXXX WESTERN STATES IRON CO.

hereinafter referred to as "Lessee"; WITNESSETH:

Lessor, for and in consideration of the payment of the rents and royalties and the performance of the covenants, terms, and conditions set forth by the Lessee to be paid, kept and performed, does by these presents grant and lease to said Lessee all of those certain mining properties belonging to Lessor situated in Gila County, State of Arizona, to-wit:

Lady Bug Claims No. 1 through No. 11 inclusive, as recorded in Docket 47, pages 357 to 366 inclusive; (Recorded January 17, 1956)
Lady Bug Claims No. 12 through No. 17 inclusive, as recorded in Docket 70, pages 357 to 362 inclusive; (Recorded July 5, 1957)

All located 14-1/2 miles northeast from Young toward Heber between Nail Ranch and Frog Pond Creek, Serrianchee Mining District.

(Lessor agrees to stake and file mining claims upon all land located between, among, and in the vicinity of the above described mining claims, within thirty (30) days from the date of this agreement, as directed by lessee, and this mining lease shall apply to all of said newly staked claims in all respects as though fully described herein. Lessor further agrees to so file and stake such additional claims as to leave no vacant land between the above described claims in order to present lessor with a solid block of contiguous mining claims.)

1. TITLE OF LESSOR. Lessor warrants and represents that he is the sole and exclusive owner of said mining properties free and clear of any right or claim of any other person whatsoever, and that each and all of said claims and rights of Lessor as owner of each and all of said mining properties are now valid and subsisting.

In the event the Lessee is required to make any payment to any person or persons or to pay any reasonable legal fees in connection with perfection of title of Lessor to said mining claims, said sums shall be deducted from any amounts due Lessor under the terms of this agreement. If Lessor owns a less interest in the above described land or any part thereof than the entire and undivided fee simple estate, then the royalties and other consideration herein provided for shall be paid the Lessor only in the proportion which his interests bear to the whole and undivided fee of that portion of the leased premises from which the ore is extracted.

Lessor represents that he has not done or suffered anything whereby the said premises have been encumbered in any way whatsoever and that to the best of his knowledge the said mining properties are free and clear from any right or claim of any other person.

2. TERM. The term of this lease shall be for a period of five (5) years from the date hereof and for so long thereafter as any mining development, exploration or prospecting is conducted upon any of said mining properties.

3. ~~RENTS AND ROYALTIES.—As consideration for the granting of this lease to the Lessee, Lessee hereby agrees to pay to the Lessor in the manner as herein provided a royalty of.....percent (.....%) of the "net proceeds" received from the sale of mineral production of every kind and nature mined and shipped from the aforedescribed mining properties. "Net proceeds" as used herein is defined to be the gross amount received from all sources~~

from the sale of any ores mined from the aforesaid properties after deducting the actual cost of transp[illegible] the ore from the mining premises to the mill, plant, or dock of the mineral purchasers. In the event the ore is [illegible]ped to a mill for milling or smelting, then net proceeds shall mean net smelter returns of gross amounts received from the mill or smelter processor after deduction of costs of transportation from the mining premises to the mill or smelter. The said royalty payments shall be payable within fifteen (15) days after receipt by Lessee of the money from the sale of said ore.

4. PROOF OF LABOR. Lessor and Lessee shall be responsible for necessary annual assessment work, which necessary work shall be done by the Lessee not later than May 1 of each year; and should Lessee fail to do said assessment work within such time, Lessor may do said work at the expense of Lessee, and failure of Lessee to reimburse Lessor for the cost of said work within thirty (30) days after such work is performed shall constitute a default which may be declared in accordance with the terms of this instrument. The same shall be true as to recordation of proof of labor.

5. RECORDS. Lessee agrees to keep a full, true and accurate account showing the tonnage and all shipments and sales of all minerals, metals, and other production from the said mining properties and receipts therefrom in connection therewith, which books, records and accounts may be inspected by Lessor at any reasonable time.

6. MINING OPERATIONS. Lessee further agrees to perform all mining operations in a good and workmanlike manner, to properly and adequately timber where necessary all shafts, tunnels and all underground excavations for the safety of the workmen and the preservation of said premises as a mine in a manner commensurate with good and economical mining.

7. RESERVATION OF TITLE TO EQUIPMENT. It is agreed that the title to all mining machinery, equipment, fixtures and structures erected or placed upon said mining claims and premises by Lessee shall be reserved to said Lessee and remain the personal property of Lessee, subject to removal at his will and pleasure during the continuance of this Agreement and ninety (90) days thereafter, irrespective of the manner or method of attachment to said real property; provided, that such right of removal shall not extend to foundations or mined timbers in place, unless Lessor shall have given his written consent thereto. If Lessee is hampered by snowdrifts, washouts, inclement weather, or other climatic conditions from completing removal of said items within the specified time, then Lessor agrees to extend the time by a reasonable period if required by Lessee.

8. INSURANCE. Lessee hereby agrees to carry adequate workmen's compensation insurance for the protection of all workmen employed on said mining premises and claims or in the mining operations. Lessee further agrees at all times during the term of this lease to carry $100,000 of public liability insurance for injury to persons and $50,000 of property damage insurance for property damaged on the premises.

9. TERMINATION. Lessee may cancel or terminate this lease upon ten (10) days' notice in writing to that effect mailed to Lessor as provided under "Notice" at any time during the life of this lease. In the event of such termination, Lessee shall have the right to abandon his operation of the mining properties without the payment of any further sums, except rents and royalties required to be paid before expiration of said notice and without further penalty to the Lessee and sums of money paid to the Lessor prior to such termination shall be accepted by the Lessor and received by him in full and complete payment of all claims of every kind and nature which the Lessor may have against the Lessee.

10. DEFAULT. If Lessee fails, neglects or refuses to pay the rents and royalties each month as herein provided, or fails or neglects to perform the other terms, covenants, or conditions or any part thereof, as herein provided, and such default continues for thirty (30) days after notice to Lessee in writing to rectify such default, Lessor or his agents may re-enter and take possession of said mining claims and premises and may remove all persons found thereon and thereupon this agreement and lease shall be forthwith terminated and all payments of every kind theretofore made to Lessor shall be retained as rental for the use and occupation of said premises by Lessee, and thereupon within ninety (90) days Lessee shall remove his personal property and other property from said premises provided that any such notice of default sent by Lessor to Lessee must be signed by the Lessor or by the attorney for the Lessor.

11. ASSIGNMENT. This lease may be assigned in whole or in part by Lessee and upon such assignment the assignee shall be solely responsible to Lessor for such assignee's pro rata portion of any or all of the obligations or liabilities under this lease and agreement, and Lessee shall proportionately be relieved of any or all of said obligations or liabilities.

12. NOTICE. Any notice required to be given to Lessor hereunder shall be given to him by registered mail addressed to him at: c/o Betty J. Haught or Helen Armer, P. O. Box 58, Young, Arizona

or at such other address or addresses as he respectively may hereafter designate in writing from time to time.

Any notice required to be given to Lessee hereunder shall be given to him by registered mail addressed to him at c/o Western States Iron Company, P.O.Box 2258, Globe, Arizona

or at such other address or addresses as he may designate in writing from time to time.

13. COMPLIANCE WITH STATE LAWS. Lessee agrees that he will operate said mine in full compliance with all State mining laws.

14. CHANGES IN LEASE. None of the covenants, terms or conditions of this lease shall in any manner be altered, waived, changed, or abandoned, except by a written instrument signed by the parties hereto.

15. LIABILITY AND NON-RESPONSIBILITY. Lessee shall pay, as due, all valid claims for work done, services rendered, or material furnished to the leased premises and shall hold Lessor harmless from any liability arising out of any operations under the lease. Lessee shall defend all suits or claims arising out of such operations at his own expense. Lessee agrees to post notice of non-responsibility signs upon the property for the protection of the Lessor.

It is further understood a 10% royalty shall be paid on all other minerals mined and sold other than iron until an end price of $200,000.00 (two hundred thousand dollars) has been reached.

16. FORCE MAJEURE. In the event Lessee is prevented from performing this agreement by labor strikes, fires, floods, explosions, riots, any unusual mining casualties, acts of God, government restrictions of orders, suspension of buying by the government where no commercial market is available, severe weather conditions or other extraordinary events beyond his control, then the time of performance of this agreement by Lessee shall be suspended during the continuance of such acts which prevent performance.

17. TRANSFERABILITY. This agreement shall be binding upon and inure to the benefit of the heirs, administrators, executors, assigns and successors in interest of either Lessor or Lessee.

18. TAXES. Lessee shall pay all state and county tax assessments upon any and all structures and other improvements, machinery, equipment, tools, supplies, and personal property whatsoever placed upon the leased premises by the Lessee. Lessee shall also pay all state and county "net proceeds" or production taxes assessed against Lessee and other taxes assessed against Lessee on account of his operations hereunder. Lessor shall pay all state and county net proceeds or production taxes assessed against Lessor on account of his receipt of rents and royalties of whatever nature provided herein to be paid to Lessor by the Lessee.

19. CREDIT AGAINST FUTURE PRODUCTION. It is understood and agreed that any advance or minimum royalties paid to Lessor by Lessee may be credited by Lessee against future royalties payable to the Lessor based upon production and sale of ore.

20. INSPECTION OF PREMISES. Lessor or his agents may at all reasonable times and at Lessor's risk enter upon and into the leased premises for inspection and to conduct survey or sampling operations; provided, that such activities shall not unreasonably interfere with the operations of the Lessee.

21. NUMEROUS LESSORS. If at any time five parties or more are entitled to receive royalties under this lease, Lessee may withhold payment until all parties designate in writing a trustee to receive all royalty payments and to execute division and transfer orders for those entitled to royalties. The writing must be recordable, binding upon heirs and successors in title, and filed with the Lessee.

22. PARTIES. Whenever in this agreement the masculine gender is used, it shall include the feminine gender, and the singular shall include the plural.

23. Lessee is hereby granted the sole and exclusive right to possess and [illegible] e all ore and minerals located in or upon the above described mining property.

24. Rents and Royalties. As consideration for the granting of this lease [illegible] lessee, lessee hereby agrees to pay to the lessor in the manner as herein provided a [illegible] lty of ten cents (10¢) per ton on all iron mined, shipped and sold from the above de[illegible] d mining properties. 2,250 pounds shall constitute a ton. The said royalty pay[illegible] shall be payable within fifteen (15) days after receipt by lessee of the money from the sale of said ore. Royalties to be payable on iron ore mined, shipped and sold.

Lessee further agrees to pay to the lessor $150.00 as advance royalty upon execution of this lease instrument. Lessee further agrees to pay to lessor a minimum royalty of $150.00 per month, the said minimum royalty to be payable on the 15th day of each month in the event production during the prior month does not equal the amount of the minimum royalty.

Royalty checks shall be payable to: Betty J. Haught or Helen Armer, P. O. [illegible] 58, Young, Arizona.

25. Option to Purchase. As additional consideration for the execution of this [illegible] ase and for other good and valuable consideration, lessor does hereby give and grant to the lessee his heirs, executors, administrators, and assigns, the exclusive right and option to purchase the above described mining property for the agreed purchase price of Two Hundred Thousand Dollars ($200,000.00) cash. This option shall be and extend for the entire period during which this mineral lease agreement shall remain in effect. It is further agreed that in the event such option is exercised that lessee shall receive credit upon said purchase price for all payments heretofore made to the lessors by the lessee, whether in the form of advance royalties, minimum royalties, or production royalties. This option shall be exercised by tender by the lessee to the lessor of written notice to exercise the [illegible] tion, plus a tender of the remaining balance, over and above prior royalty payments, [illegible] agree $200,000.00 purchase price on or before the expiration of the mineral lease. [illegible] lessors agree in the event of the exercise of such option to convey said mining property to [illegible] lessee, or his assigns, by good and sufficient grant deed, free and clear from all [illegible] ns and encumbrances except the paramount title of the United States. In the event the lessors do not deliver to the lessee the said grant deed within fifteen (15) days after exercise of option by the lessee, lessee shall have the right to continue in possession of the property, to mine, produce, and sell ore from said property, without payment of any further royalties, until the said grant deed has been delivered to the lessee.

IN WITNESS WHEREOF, the parties hereto have executed this Mining Lease the day and year first hereinabove written.

LESSEE: Betty J. Haught, Eusie Mae Haught, Louise McKee, Helen Armer

LESSOR: Anthony F. Scalone, R. J. Allison, Geo. W. Craig

STATE OF
COUNTY OF Gila } ss.

On the 9 day of August, 1958, before me, a Notary Public, personally appeared A. F. Haught, Eusie Mae Haught Merlene Kee, known to me to be the persons whose names subscribed to the within instrument, and acknowledged that they executed the same.

W. R. Turner
Notary Public in and for said County and State

STATE OF Arizona
COUNTY OF Gila } ss.

On the 11th day of August, 1958, before me, a Notary Public, personally appeared Helen Armer, known to me to be the person whose name subscribed to the within instrument, and acknowledged that she executed the same.

My Comm. expires: 11-11-61

Louise C. Rothengatter
Notary Public in and for said County and State

STATE OF ARIZONA
COUNTY OF GILA } ss.

On August 20th, 1958, before me, a Notary Public, personally appeared ANTHONY F. SCALONE, GEORGE W. CRAIG and R. J. ALLISON known to me to be the partners respectively, of WESTERN STATES IRON COMPANY, the corporation that executed the within instrument, known to me to be the persons who executed the within instrument on behalf of the corporation therein named and acknowledged to me that such corporation executed the same.

Rose Marie Phillips
Notary Public in and for said County and State

My Commission Expires:
June 16, 1962

$4.00
1:55
C

R. J. Allison
Box 2058
Miami, Arizona

232881

STATE OF ARIZONA }
COUNTY OF GILA } ss

I, Joseph Kinsman, County Recorder in and for said Gila County, do hereby certify that the within instrument of writing was filed at the request of

R. J. Allison

on the 21st day of August, A. D., 1958 at 55 minutes past 1 o'clock P. M., and duly recorded in Book

Docket 91

at Page 538, Records of Gila County, Arizona.

Joseph Kinsman
County Recorder.

By _____
Deputy Recorder

INDEXED

COMPARED

PAGED

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O.M.E. 6327

DOCKET 143 PAGE 567

AGREEMENT OF ASSIGNMENT

This AGREEMENT made this 30th. day of October, 1962, between WESTERN STATES IRON CO., a partnership, hereinafter referred to as the assignor, and ARCHEAN CORPORATION, an Arizona corporation, hereafter referred to as the assignee;

WITNESSETH :

WHEREAS, the assignor is the lessee under a certain "Mining Lease" between it and Homer and Betty J. Haught, Alfred and Susie May Haught, Harvey and Marelene McKee, Ben and Helen Armer, lessors, which lease was recorded by the County Recorder of Gila County, Arizona, on August 21st., 1958, Docket 91, Page 538, and

Whereas, the assignor wishes to assign said lease to the assignee;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, it is agreed;

1. The assignor assigns and transfers all its right, title and interest in and under said lease, as amended, to the assignee.

2. The assignee hereby assumes all of the terms and conditions of the aforesaid lease, on the part of the lessee to be performed as of November 1, 1962 and agrees to indemnify, defend and save the assignor harmless against any claims made against the assignor by the lessor, or any other person, arising out of any act or omission by the assignee in connection with the use, maintenance or occupation of the demised premises by the assignee.

3. The assignee shall issue to the assignor twenty (20) per cent of the authorized capital stock of its' parent company, ARCHEAN EXPLORATION CORPORATION, a Nevada Corporation, of which corporation the assignee is a wholly-owned subsidiary and will remain so during the term of the aforesaid lease on any renewal or extension thereof.

4. The assignee shall stake for itself any and all open ground around and in the vicinity of the property described in said lease which is deemed favorable for the extension of the iron ore deposit believed to exist on said property and reasonably believed to be of commercial value, and such staking shall be done at the expense of assignee.

5. The assignee shall cause R. J. Allison, or a member of the assignor, to be seated on the Board of Directors of the parent corporation as well as on the Board of Directors of the assignee.

6. The assignee agrees to explore said property, and mining claims to be staked, by drilling and to put said claims in operation within eighteen months from date of this agreement.

7. The assignee shall herewith grant an option to the assignor to purchase 100,000 shares of the capital stock of the parent corporation, ARCHEAN EXPLORATION CORPORATION, said purchase, if made, to be made for investment purposes only, said option to expire at 5 P.M. Monday, November 12th., 1962, for the sum of ten thousand dollars ($10,000.00)

8. In the event of a default by the assignee in any of the terms and conditions of the lease, or in this assignment, then the assignor may notify assignee by written notice to cure such defaults, and if assignor fails to do so within 30 days, the assignor may, at its option, by notice in writing, terminate this assignment, and may reoccupy the demised premises.

9. Upon termination of this assignment, for any reason, assignee agrees to execute a quit-claim deed to the demised premises.

10. This agreement shall be construed under the laws of the State of Arizona, and shall be binding on the successors and assigns of the parties.

IN WITNESS WHEREOF, the parties hereto have signed, sealed and delivered this agreement on the day above first written.

WESTERN STATES IRON CO. a partnership

BY _____
R. J. Allison

_____
Anthony F. Scalone

_____
George W. Craig

_____
Rex Ricks

ARCHEAN CORPORATION

BY _____
Vice President

_____
Ass-Secretary

STATE OF ARIZONA) SS
COUNTY OF MARICOPA)

On the 30th. day of October, 1962, before me personally appeared R. J. Allison, Anth ony F. Scalone, George W. Craig and Rex Ricks, known to me to be the partnership, WESTERN STATES IRON CO., that did execute the within instrument; and before me did also appear B. J. Boris and G. C. Ridland who did depose and say they are officers of Archean Corporation, the company described in the within instrument, and that they did execute the same by order of the Board of Directors of said corporation.

My Commission Expires Sep.t 21, 1964

Grace K. Randall

Notary Public

STATE OF ARIZONA, County of Gila, ss:
I do hereby certify that the within instrument was filed and recorded at request of Dr. G. C. Ridland
Date Nov. 2, 1962 Time 10:50 A. M., Docket 143 Official Records Page 567
Records of Gila County, Arizona.

WITNESS my hand and official seal the day and year first above written.

259616

DORIS PARKIN, County Recorder
By Mary V. De Paoli Deputy

#3.25
10:50
C

259616

STATE OF ARIZONA }
COUNTY OF GILA } ss

I, Doris Parkin, County Recorder in and for said Gila County, do hereby certify that the within instrument of writing was filed at the request of Dr. G. C. Ridland on the 2nd day of November, A. D., 1962 at 50 minutes past 10 o'clock A. M., and duly recorded in Book Docket 143 at Page 567, Records of Gila County, Arizona.

DORIS PARKIN,
County Recorder

By Mary V. De Paoli
Deputy Recorder

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COMPARED

EXHIBIT - 2-A

DOCKET 144 PAGE 392

QUITCLAIM MINING DEED

THIS INDENTURE, made this fifth day of November, 1962, between F. Matthews of Odessa, Texas, and G. C. Ridland of Phoenix, Arizona, parties of the first part, and ARCHEAN CORPORATION, the party of the second part,

WITNESSETH: That the said parties of the first part, for and in consideration of the sum of one dollar ($1.00) and other good and valuable considerations, to the first parties in hand paid by the party of the second part, the receipt whereof is hereby acknowledged, have remised, released, and forever quitclaimed, and by these presents do remise, release and forever quitclaim unto the said party of the second part, and to its assigns or successors, all those certain lode mining claims, lying and being in the Gentry Mountain Mining District, in the County of Gila, State of Arizona, to wit:

NAME OF LODE MINING CLAIMS	ENTRY NO.	RECORDED: DOCKET NO.	PAGE NO.
Xerox No. 1 to Xerox No. 86 inclusive	259291 to 259376 inclusive	143 to 143	163 to 248 inclusive
and			
Xerox No. 87 to Xerox No. 115 inclusive (excluding Xerox No. 88)	259585 to 259613 inclusive	143 to 143	533 to 561 inclusive

TOGETHER with all and singular appurtenances thereunto belonging, or in anywise appertaining.

TO HAVE AND TO HOLD, all and singular the said premises, together with the appurtenances, unto the said party of the second part, and to its assigns or successors forever.

IN WITNESS WHEREOF, The said parties of the first part have hereunto set their hands and seals the day and year first above written.

F. Matthews (SEAL)
F. MATTHEWS

STATE OF ARIZONA) ss.
COUNTY OF MARICOPA)

G. C. Ridland (SEAL)
G. C. RIDLAND

The foregoing instrument was acknowledged before me this fifth day of November, 1962, by F. Matthews and G. C. Ridland.
My commission expires September 21, 1964.

Witness my hand and official seal.

Grace K. Randall
Notary Public

STATE OF ARIZONA, County of Gila, ss:
I do hereby certify that the within instrument was filed and recorded at request of G. C. Ridland
Date Nov. 26, 1962 Time 3:30 P. M., Docket 144 Official Records Page 392
Records of Gila County, Arizona.

WITNESS my hand and official seal the day and year first above written.

DORIS PARKIN, County Recorder

259977

By Mary V. De Paoli Deputy.

EXHIBIT 1-A

COPY

ARCHEAN EXPLORATION CORPORATION
2043 North 16th Street
Phoenix, Arizona

October 9, 1963

Guarantee Bank
3550 North Central Avenue
Phoenix, Arizona

Attention: Mr. John Mure

Gentlemen:

Archean Exploration Corporation is the owner of 155 lode mining claims located northeast of Young, Arizona and is leasing an additional 17 claims.

The Corporation is contemplating a drilling program to further explore the 115 mining claims owned by the Corporation which will cost approximately $130,000.00.

Archean Exploration is desirous of negotiating a 10 year loan in the amount of $65,000.00 in order to complete this program.

Repayment will be made at the minimun rate of $6,500.00 per year plus interest, and the Corporation will further enter into a 5% royalty contract with the bank, on all minerals shipped and sold, to be applied against this loan.

Will you please be so kind as to forward to us the necessary forms, in order that we may submit a formal loan application?

Yours truly,

R. J. Allison, Pres.

GUARANTY BANK

3550 NORTH CENTRAL AVENUE PHOENIX 12, ARIZONA

JOHN P. MURE
ASSISTANT VICE PRESIDENT

October 11, 1963

Mr. R. J. Allison
President
Archean Exploration Corporation
X Box 156
Young, Arizona

Dear Mr. Allison:

Regarding your corporation's $65,000.00 loan application to be repaid over a ten year term for your use in the Frog Pond Iron Exploration Program near Young, I must inform you that our bank is not in a position to handle loans of this type.

I appreciate your having thought of the Guaranty Bank with regards to this request and perhaps other situations will arise in which our bank can be of assistance.

Very truly yours,

John P. Mure

Assistant Vice President

JPM:reb

Copy

ARCHEAN EXPLORATION CORPORATION
2043 N. 16th. Street
Phoenix Arizona

October 9, 1963

First National Bank of Arizona
3800 N. Central
Phoenix, Arizona

Attention Mr. Swanson

Gentlemen:

ARCHEAN EXPLORATION CORP. Is the owner of 115 lode mining claims located northeast of Young, Arizona and is leasing an additional 17 claims.

The Corporation is contemplating a drilling program to further explore the 115 mining claims owned by the Corporation which will cost approximatly $ 130,000.00.

Archean Exploration is desirous of negotiating a 10 year loan in the amount of $ 65,000.00 in order to complete this program.

Repayment will be made at the minimum rate of $ 6,500.00 per. year plus intrest, and the Corporation will further enter into a 5% royalty contract with the bank, on all minerals shipped and sold, to be applied against this loan.

Will you please be so kind as to forward to us the necessary forms, in order that we may submit a formal loan application?

YOURS TRULY,

R.J. Allison

R.J. ALLISON, PRES.

FIRST NATIONAL BANK 1st OF ARIZONA
ROSENZWEIG CENTER OFFICE: 3800 N. CENTRAL AVE., PHOENIX, ARIZONA
Since 1877

October 11, 1963

Archean Exploration Corporation
2043 North 16th Street
Phoenix, Arizona

Attention: Mr. R. J. Allison,
President

Dear Mr. Allison:

We regret that we will not be able to favorably consider your request for a ten year, $65,000.00 loan for the purpose of exploration as outlined in your letter of October 9, 1963.

Sincerely,

Graham A. Walker
Assistant Manager

GAW:cam

EXHIBIT - 1-C

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
REGIONAL OFFICE
ROOM 319 821 MARKET STREET
SAN FRANCISCO 3, CALIFORNIA 94103

July 18, 1963

Mr. R. Paul Sorenson
Law Offices of Edwin J. Dotson
323 Las Vegas Blvd. So.
Las Vegas, Nevada

re: Archean Exploration Corporation
File No. 24SF-3145

AUTHORIZATION
For Acceleration To Commence Offering

Dear Sir:

Receipt is acknowledged today of your letter of July 16, 1963 enclosing for filing under Regulation A four copies of Amendments To Form 1-A consisting of an amendment to the Offering Circular.

As you were advised by telephone today we have no further comments on the material filed.

AUTHORIZATION is granted to commence the offering forthwith upon receipt of this advice.

Please file seven copies of the definitive Offering Circular with this office and one with the New York Regional Office, 225 Broadway, New York 7, New York.

Bear in mind the filing requirements of Rules 256(e), 260 and 263. Any notice pursuant to Rule 263 should be filed in quadruplicate, signed by a duly authorized officer on behalf of the issuer.

By delegation of authority.

Yours very truly,

W. Stevens Tucker
Assistant Regional Administrator

RECEIVED
JUL 19 1963

OFFERING CIRCULAR

500,000 shares

ARCHEAN EXPLORATION CORPORATION
(A Nevada Corporation)

203 Bridger Avenue, Las Vegas, Nevada

Common Stock
Par value $0.01 per share

OFFERED AS A SPECULATION

THESE SECURITIES ARE OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION. THE COMMISSION DOES NOT PASS UPON THE MERITS OF ANY SECURITIES NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF ANY OFFERING CIRCULAR OR OTHER SELLING LITERATURE.

	Offering Price to Public	Underwriting Discounts or Commissions	Proceeds to Company
Total Offering	$125,000.00	$12,500.00 (1)	$112,500.00 (2)
Per Share	0.25 (3)	0.025	0.225

(1) The Corporation intends to solicit subscriptions to the stock offered hereby through its officers, directors and employees, who, in effecting sales of the stock, shall receive no commission. Each officer, director and employee of the Corporation, when offering these shares, may be deemed an Underwriter as defined by the Securities Act of 1933. The services of a professional Underwriter may be obtained at a later date and, in such event, this Offering Circular and other papers on file with the Securities and Exchange Commission will be duly amended.

(2) Based on the sale of the entire 500,000 shares, there will also be additional expenses incurred by the Corporation estimated to aggregate $6,250.00.

(3) The offering price of $.25 per share has been determined arbitrarily.

Note: The above totals are based on the assumption that the entire issue will be sold.

The date of this Offering Circular is July ~~17~~ 19, 1963

Archean Exploration Corporation is offering to the public 500,000 shares of its capital stock, par value $0.01 per share, at a price of $0.25 per share.

THE CORPORATION

Archean Exploration Corporation (hereinafter called the Company, or the Corporation, was incorporated under the laws of the State of Nevada on December 8, 1956, to engage in exploration, mining and related pursuits and has its office at 203 Bridger Avenue, Las Vegas, Nevada. The company remained inactive until only recently when it received an opportunity to acquire two groups of lode mining claims containing possible iron ore deposits, in Arizona. The corporation formed a wholly owned subsidiary corporation in Arizona called Archean Corporation to hold these properties rather than qualify the parent corporation to do business in Arizona. The corporate minutes provide that the two corporations shall be controlled by the same directors and officers and all assets of the subsidiary shall be 100 percent those of the parent corporation just as if they were directly owned by the parent corporation.

In this offering circular, the word Company or Corporation refers to both of these corporations.

The Company holds two contiguous properties in Arizona. While there are substantial iron deposits on one of these properties, there are no known commercially mineable ore bodies. The mining history dates back to about 1929, when a prior owner did a limited amount of underground exploratory work. The Company now plans to do exploratory work to ascertain whether the large tonnages of merchantable quality iron ore essential to any productive operation exist. If so, there would still remain the question of whether a market for the ore could be found. At present, there is no apparent domestic market since the steel producing companies have ample supplies of iron ore from captive or other mines. The only market for independent iron ore producers of this country now appears to lie in sales to Japanese buyers. There is no known shortage for these buyers and the outlook for future sales is dimmed by the discoveries of sources of large, high-grade iron ore deposits closer to Japan than the United States. If encouraging exploratory results are had, the Company may seek to interest a steel producer in purchasing or operating its property on a royalty basis.

MANAGEMENT AND CONTROL

The officers and directors of the Corporation are as follows:

Name	Address	Office
R. J. Allison***	1902 E. Van Buren St. Phoenix, Arizona	President and Treasurer
Frank Matthews***	511 North Dotxy St. Odessa, Texas	Vice President
Rex Ricks*	P. O. Box 353 Boise City, Oklahoma	Vice President
J. E. Roberts*	6419 East Cactus Road Scottsdale, Arizona	Vice President
Byron Townsend*	Box 25 Young, Arizona	Secretary

* These officers are also directors of the Corporation, and these four individuals make up the Board of Directors of the Corporation.

** These officers are the promoters of the Corporation.

Mr. R. J. Allison is a graduate of Duke University in mechanical engineering and after 4-1/2 years as a pilot with the Naval Air Corps, has been a contractor in heating and air conditioning with headquarters at Midland and Odessa, Texas. From 1955 to 1959 he was a co-owner and manager of mining operations producing uranium and asbestos in Arizona and New Mexico. In 1958, while engaged in the asbestos mining business in Arizona, he became acquainted with the iron deposits in Gila County and has devoted most of his time since 1958 to studying and acquiring property believed to contain such deposits.

Mr. Frank Matthews is a retired businessman in Odessa, Texas. He served two terms on the Odessa City Council and has been a member of the City Planning Board. His daughter is Mr. Allison's wife. Mr. Matthews was the sole owner and operator of various retail businesses in Odessa. His last business was a wholesale plumbing supply house. He has invested in, and has been closely associated with, the management of uranium and barite mining operations in New Mexico and Arizona.

Mr. Rex Ricks is a farmer near Boise City, Oklahoma.

Mr. J. E. Roberts is regional manager of Boyles Brothers Drilling Co. in Phoenix, Arizona.

Mr. Byron Townsend is a graduate of the University of Texas with a major in business. He played football for the Los Angeles Rams; he managed the Lone Star Mining Co. for about 2 1/2 years, and has been employed by the Corporation to act as Secretary.

Western States Iron Co., a partnership composed of R. J. Allison, Rex Ricks, George W. Craig and Anthony F. Scalone, received 500,000 shares for assigning a lease and option on the Lady Bug group of claims to the Corporation. R. J. Allison, P. H. Bennett and G. C. Ridland, owners of the Xerox Group of claims, received 1,081,000 shares, 831,000 shares to Allison, and 125,000 each to Bennett and Ridland for all their right, title interest in the claims. Stock has therefore been issued as follows for property:

R. J. Allison	831,000 shares
Western States Iron Co.	500,000 shares
P. H. Bennett	125,000 shares
G. C. Ridland	125,000 shares

Total issued for property 1,581,000 shares

In the event all the shares are sold, and there is no assurance that they will be, the officers, directors and promoters will own 1,581,000 shares, or 74.8% of those outstanding, received in exchange for interests in mining claims which were acquired at no cost, but on which claims the annual assessment work was completed until said claims were transferred to the corporation. Other present stockholders will own 30,800 shares, or 1.5% of those outstanding, for which they have paid $7,700.00. Purchasers of the shares being offered will own 500,000 shares, or 23.7% of those outstanding, for which they will have paid $125,000.00.

If and when the issue of 500,000 shares covered herein is fully issued, a total of 2,111,800 shares shall be outstanding, of which Mr. Allison will own 39.3% and Western States Iron Co. 23.7%. Mr. Allison, of course, has an indirect ownership of 1/4 of the Western States Iron Co. holdings, namely 125,000 shares.

REMUNERATION OF DIRECTORS AND OFFICERS

The Board of Directors has authorized a maximum annual salary of $9,600.00 for R. J. Allison, if he devotes full time directing the company's operations at the properties. An annual salary of not more than $7,200.00 has been authorized for Byron Townsend to act as secretary and take care of the bookkeeping and clerical duties for the corporation. No other remuneration has been

offered officers and directors. However, services necessarily and usefully rendered the Corporation by officers, directors and others, in connection with the program of work at the Company's properties, and outside the scope of their duties as such officers and directors, may be compensated at usual and customary rates such as would have to be paid others for similar services.

Further, the officers, directors, promoters and affiliates will be in complete control of issues through their ownership of a majority of voting shares and will be able to control its policies, including the amounts of their own compensation.

CAPITALIZATION

The Company has an authorized capitalization of 2,500,000 shares of common stock of the par value of 1¢ per share. When issued, the shares will be fully paid and non-assessable. The shares participate equally, share for share, in all dividends declared by the Board. A holder of each share outstanding is entitled to one vote, and the shares may not be voted cumulatively. The shares have no pre-emptive rights.

The number of shares issued total 1,611,000 and, when and if all of the shares offered hereunder are sold, the number of shares issued will be 2,111,800. The public, therefore, is offered a 23.7% interest for $125,000.00.

PROPERTY

Location

The property consists of 2 contiguous groups of claims located on the western half of Lost Tank Mesa, approximately 6 miles northeast of Young, Gila County, Arizona. Young is 80 miles northeast of Phoenix.

Access

The nearest railhead to the property is thirty-eight miles away. This is a railhead maintained and operated by the Atchison, Topeka & Santa Fe Railway Co. This railhead is eighteen miles west of Snowflake, Arizona, and the railroad is currently servicing a pulp mill and is sufficient to handle the shipping of iron ore. The thirty-eight miles in distance from the property to the railhead is made up of eleven miles on State Route 288, which is an unpaved road with a maximum grade of 6%. This is the distance from the Xerox group

to Highway 277. Highway 277 is a paved road, and the total distance between the intersection of State Route 288 and Highway 277, and the railhead is twenty-seven miles.

Although thirty-eight miles is the closest railroad connection that is now available, a railroad survey to the Colorado Fuel and Iron property has been completed. At the present time, the issuer has not been assured that the railroad spur will be constructed. Further, the Colorado Fuel and Iron property is not a producer of iron ore and the issuer has no firsthand knowledge as to the plans of Colorado Fuel and Iron regarding this property. If the proposed spur should be built, it would be operated by the railroad company or Colorado Fuel and Iron Corporation, and it is not known to the issuer whether the same would be available for the shipping of such iron ore as the issuer might produce.

Property

The first group of lode mining claims, owned outright by the Corporation, is the Xerox Group and consists of 115 lode claims covering approximately 2,000 acres west of the Fort Apache Indian Reservation. The second group of 17 lode mining claims, known as the Lady Bug Group, is located on the southwest side of the Xerox claims. This property is owned by Homer Haught and relatives, Harvey McKee and Ben Armer. It is leased to Western States Iron Co., pursuant to a lease dated August 9, 1958, which lease has been assigned to the Corporation on October 30, 1962. The following provision governs the term of this lease:

> "Term. The term of this lease shall be for a period of five (5) years from the date hereof and for so long thereafter as any mining development, exploration or prospecting is conducted upon any of the said mining properties."

In consideration for the lease, the lessee is to pay the lessor a royalty of at least $150. per month or 10 cents per ton on all iron ore mined, shipped and sold and 10% on the value of all other minerals mined, shipped and sold. The agreement further calls for an option on the part of the lessee to purchase the property as follows:

> "Option to Purchase. As an additional consideration for the execution of this lease and for other good and valuable consideration, lessor does hereby give and grant to the lessee, his heirs, executors, administrators and assigns, the exclusive right and option to purchase the above des-

cribed mining property for the agreed purchase price of Two Hundred Thousand Dollars ($200,000.00) cash. This option shall be and extend for the entire period during which this mineral lease agreement shall remain in effect. It is further agreed that in the event such option is exercised that lessee shall receive credit upon said purchase price for all payments heretofore made to the lessors by the lessee, whether in the form of advance royalties, minimum royalties or production royalties."

The agreement further states that the lessor warrants and represents that it is the sole owner, that the property is free and clear of encumbrances, and agrees to defend the right of possession of the lessee at lessors' sole expense.

The validity of unpatented mining claims depends upon such conditions as the proper posting, marking of boundaries and the performance of annual assessment work. The required annual assessment work for unpatented mining claims is a minimum cost of $100.00 per year for each claim, and the Company anticipates performing this annual assessment work in the form of drilling. At the present time, the assessment obligations have been satisfied to August 31, 1964, on all of the claims. The total required expenditure to validate all claims for the period September 1, 1964 to August 31, 1965, is $13,600.00 which sum must be spent before September 1, 1964.

History

The property has had little or no mining history. The 17 Lady Bug claims were originally staked years ago and surveyed in 1933 as U. S. Mineral Survey No. 4109 and application made for patent. Patent proceedings apparently were not completed and the claims lapsed.

In 1956 they were relocated by the present owners and in 1958, leased to Western States Iron Co. Western States Iron Co. assigned the lease to the Corporation in November, 1962.

Prior to 1958, only a meager outcrop or two of iron mineralization existed and none of them exposed by fresh work. Western States Iron Co., under the direction of R. J. Allison, ripped open the side of the mesa to expose fresh showings of hematite at 8 locations. The mesa on which the work was performed drops off to the west, exposing gently-dipping, interbedded hematite mineralization.

The Xerox claims were located in October, 1962, to cover the open ground on Lost Tank Mesa between the Lady Bug claims and the Fort Apache Indian Reservation. They were quit-claimed to the Corporation in November, 1962.

At the instigation of Mr. Allison, the Colorado Fuel and Iron Corporation in 1958 sent men into the area. Colorado Fuel and Iron Corporation examined the property now held by the issuer. Neither Colorado Fuel and Iron Corporation nor the issuer made any offers concerning sole or joint exploration of this property. The reasons for lack of an offer by Colorado Fuel and Iron Corporation are not known to the issuer. However, Colorado Fuel and Iron Corporation acquired a lease from the Apache Indians on ground along the western border of the Reservation, part of which covers the eastern half of Lost Tank Mesa. This major steel company has carried on active exploration campaign for iron ore since 1958.

Recently, Colorado Fuel and Iron Corporation has completed drilling many holes on the lease they acquired from the Apache Indians. Our Company does not know the outcome of this exploration by Colorado Fuel and Iron Corporation. However, on approximately May 10, 1963, Colorado Fuel and Iron Corporation asked various companies to bid on a haulage drift on their Apache Indian lease.

Topography

The Archean Exploration Corporation properties cover the western section of Lost Tank Ridge, a mesa with a gently rolling surface that extends for 5 miles in a general east-west direction. The elevation of the crest of the ridge is between 6660 and 6700 feet. The north side slopes gently at first, then gradually more steeply into Lost Tank Canyon which drains easterly into the Reservation. The south side is dissected by a number of V-shaped canyons draining in a southerly direction. Remnants of the old mesa surface, however, extend into the southerly extremities of the property, thus making accessible for drilling all parts of the property believed underlain by the iron-bearing formation. Total relief is about 2000 feet.

Geology and Iron Mineralization

Iron is concentrated in the form of hematite (iron oxide) in a 5- to 15-foot layer near the top of the Mescall chert, one of the relatively flat-lying sedimentary formations underlying Lost Tank Ridge. The Mescall formation outcrops along the southwestern rim

and just below the top of the mesa. It also outcrops 6 miles away on the Indian Reservation at the eastern end and base of the mesa, however, the iron bearing layer over the mescal formation is not known to be continuous in the six miles interval between the subject outcrops. Hence, the Mescall and other sedimentary formations have a gentle, regional dip to the east or northeast. The hematite layer is conformable with the bedding. It outcrops at or near the top of the mesa on the western side of the Lady Bug claims and gains with depth to the east. At the east side of the Xerox property, the Mescall is expected to be at its deepest, which is estimated to be 500 feet. Except for a small portion of the properties at the southeast end, all mining done to recover the hematite will have to be done by underground methods.

The iron formation is also exposed in the walls of Frog Pond Canyon, a gulch draining in a southwesterly direction on the east side of the Lady Bug claims. At one place on the east side, it is only 1,500 feet from a similar exposure on the west side, and the fact that it can be traced (except where hidden by overburden) around the rim of the mesa on the 17 Lady Bug claims, it's possible continuity on this portion of the property is such as to suggest the advisability of exploring the intervening ground on the Lady Bug and Xerox claims by drilling to determine continuity, thickness and mineral content. However, no body of commercial ore is known to exist on the property.

Very little surface sampling has been done to indicate average iron content or to determine if impurities are present in such quantities to make the material unsuitable as a commercial source of iron. On the other hand, the few samples that have been taken do suggest the advisability of further sampling by drilling to determine if it is chemically suitable and if it occurs in quantities of sufficient size to be of commercial interest.

MARKETING OF IRON

The issuer has not made a market survey for any iron production from the issuer's property. This is one of the reasons for the offering of this stock. However, it should be pointed out that even in the event of encouraging exploration results, the issuer would require a great deal of additional financing to carry on the necessary additional exploration and development preliminary to any mining.

METHOD OF SALE

The Company intends to solicit subscriptions to its stock offering through its officers, directors and employees, and commissions shall not be paid on sales made in this manner. The services of a professional Underwriter may be obtained at a later date and, in such event, this Offering Circular and Notification on file with the Securities and Exchange Commission will be duly amended.

LITIGATION

A quiet-title suit by the lessors of the Lady Bug claims was decided in favor of said lessors on April 18, 1963. This suit involves 7 of the 17 Lady Bug claims.

Per opinion of counsel, appeal of this decision is not probable. However, the defendants have 60 days after formal written judgment to file an appeal from said judgment.

There are no litigation or claims pending or contemplated by or against the Company as far as is known except for the above, and the above action does not involve the company; only the lessors of 7 of the Lady Bug Claims.

TITLES

The properties of the Corporation are entirely unpatented lode mining claims. The validity of these claims depends upon such conditions as the proper posting, marking of boundaries, and the performance of annual assessment work. Any opinion relating to the validity of any unpatented mining claims must be subject to the uncertainties which affect all such claims. In the case of the Xerox claims, drilling must be done to determine if minerals exist. In the case of the Lady Bug claims, title to 7 of the 17 claims was cleared by lessors subject to the possibility of appeal from the trial court's decision mentioned under section entitled "Litigation." The Company is of the opinion, however, that the remaining 10 claims still justify a program of exploration herein proposed for the properties as described.

APPLICATION OF PROCEEDS

The offering covers 500,000 shares of common stock at $0.25 per share for a total of $125,000.00. Underwriting discounts or commissions, if paid, will amount to $0.025 per share or $12,500.00, and the proceeds to the company will be $112,500.00. The Company also anticipates expenses of the issue in the amount not exceeding

$6,250.00 (for legal fees, advertising, transfer agent fees, taxes, etc.) so that the net proceeds to the Company, if the entire issue is sold, will aggregate approximately $106,250.00.

The foregoing expenses will be paid out of the first proceeds of the issue. Thereafter, the Company anticipates using the proceeds, as received, in the following order of priority:

1. To reimburse officers for funds advanced for organizational and legal costs.

   Estimated cost - $3,325.00

2. Accurate, instrument survey of the end and side lines of the Xerox claims for the purpose of amending, if necessary, the original locations of the Xerox claims, and to re-establish, if necessary, the side and corner posts of the claims, and to perform assessment work for the current year and any other essential work upon the Xerox and Lady Bug claims required by law to validate and maintain the claims in good standing

   Estimated cost - $35,000.00 *

3. To prepare and file with the U. S. Office of Minerals Exploration an application for aid in exploring the properties by drilling.

   Estimated total costs $2,000.00 *

4. To explore, by drilling the Xerox and Lady Bug claims, with government aid, if possible.

   Estimated costs $60,000.00 *

5. Working capital and funds for investigating the market for iron ores, disposing of any claims by outright sale, or lease, and various other miscellaneous purposes in connection with the exploration of the two properties and possible acquisition of additional lode claims in the same vicinity.

   Estimated Total Costs $5,925.00*

   Total Estimated Costs $106,250.00

* The annual anticipated salaries to be paid officers is $16,800.00. The amount of said salaries to be paid officers has been included in the above estimates.

Any funds remaining unspent from the above estimates may be used for other corporate purposes. The Company has no other property acquisitions under consideration at this time.

The Company and its Board of Directors reserve the right to change such application of proceeds.

If all the securities to be offered are not sold, no arrangements have been made for the return of funds to subscribers.

FUTURE REPORTS

The Company intends to furnish reports concerning the operation, progress and financial condition of the Company at such times as the Company feels the same may be warranted. At the present time, the issuer does not intend to furnish its stockholders, at least annually, with reports as to its business or with a balance sheet or profit and loss statement. As a result, purchasers of these securities may in the future have no effective means of learning the facts about the issuer or the status of their investment.

FINANCIAL STATEMENTS

The attached financial statements are a part of this Offering Circular.

ARCHEAN EXPLORATION CORPORATION

By R. J. Allison

President

ARCHEAN EXPLORATION CORPORATION
AND
ARCHEAN CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS (Note 3)

March 31, 1963

ASSETS

Current Assets

Cash in bank	$ 3,466.11
Advances against exploration and development costs	2,398.97
Exploration and development costs	5,167.42
Total current assets	$11,032.50

not current asset

Mining Claims

Xerox Group - This group consists of 115 lode mining claims sold to the corporation for 1,081,000 shares.

Lady Bug Group - This group consists of a lease of 17 lode mining claims assigned to the Corporation for 500,000 shares (See Note 1).

LIABILITIES

Current Liabilities

Payroll Taxes Payable	$ 7.50
Due to officers	3,325.00
Minimum royalty payments on the Lady Bug Claims (Note 1)	- - -
Total current liabilities	$ 3,332.50

3466
3332
134

Long-term Liabilities

Contingent liability - purchase of Lady Bug claims (See Note 1)

CAPITAL SHARES

Common stock, par value 1¢ per share (non-assessable)

Authorized		2,500,000
Issued for property	1,581,000	
Issued for cash	30,800	
Total shares issued (see Note 2)		1,611,800
Total shares unissued		888,200

NOTE 1. The Lady Bug Group lease is for a period of 5 years and for so long thereafter as any mining development exploration or prospecting is conducted upon the premises. This lease calls for a minimum royalty payment of $150.00 per month and further gives the Corporation the option to purchase said claims for $200,000.00. See page 6 of the offering circular for further description of said lease under heading entitled "Property."

NOTE 2. All shares issued for cash were sold for $.25 per share, $.24 per share being credited to the capital surplus account.

NOTE 3. Archean Corporation is issuer's wholly-owned subsidiary. See page 2 and following of the offering circular for a further discussion of this matter under heading entitled "Corporation."

ARCHEAN EXPLORATION CORPORATION
AND
ARCHEAN CORPORATION

March 31, 1963

CONSOLIDATED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

FOR THE PERIOD JANUARY 31, 1963 to MARCH 31, 1963

Receipts:			
Proceeds from the sale of:			
30,800 shares of stock @ 25¢ per share			$ 7,700.00
Loans from officers			3,325.00
Total Cash Receipts			$11,025.00
Disbursements:			
Advance against organizational & Property expense		$2,398.97	
Rental of equipment		1,715.46	
Printing, office supplies, misc.		42.27	
Licenses		40.40	
Transportation of equipment to property		512.00	
Payroll	$1,500.00		
FICA withheld	(54.38)		
Federal Withholding	(197.20)		
Arizona Withholding	(7.50)		
		1,240.92	
Safe Deposit box		9.80	
Travel, lodging & telephone		1,116.20	
Federal withholding deposit		305.95	
Repairs to equipment		92.02	
Secretarial Services		73.55	
Freight		11.35	7,558.89
Cash Balance - March 31, 1963			$ 3,466.11

ARCHEAN EXPLORATION CORPORATION

and its wholly owned subsidiary
Archean Corporation

FINANCIAL STATEMENTS

as at

September 30, 1963

HARALD LEUBA
HARLEN O WOLD

MEMBERS
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
ARIZONA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

LEUBA & WOLD
CERTIFIED PUBLIC ACCOUNTANTS
1445 EAST THOMAS ROAD
SUITE 207-9-11
PHOENIX 14, ARIZONA
TELEPHONE 264-2255

Board of Directors
Archean Exploration Corporation

Gentlemen:

We have made an examination of the books and records of the Archean Exploration Corporation and of its wholly owned subsidiary, Archean Corporation, as of September 30, 1963.

Inasmuch as this Corporation is still in the development period with respect to its assets, our examination consisted primarily of a cash audit. In addition, we verified by examination of paid bills and statements of the various parties, the expenditures made by the officers for the benefit of the Corporation. We also examined titles and leases acquired by the Corporation on its mining claims and leases amd confirmed the amount of capital stock issued directly with the escrow agent. We have not, however, made any physical inspection of the properties.

In our opinion, subject to the limitation of a cash audit, the attached Statement of Assets, Liabilities and Net Worth with Comments and the Statement of Source and Application of Funds, presents fairly the financial position of the Archean Exploration Corporation and its wholly owned subsidiary, Archean Corporation at September 30, 1963.

Respectfully submitted,

LEUBA & WOLD
Certified Public Accountants

H.O. Wold

October 10, 1963

Exhibit A

ARCHEAN EXPLORATION CORPORATION
(and its wholly owned subsidiary - Archean Corporation)
STATEMENT OF ASSETS, LIABILITIES & NET WORTH
as at September 30, 1963

ASSETS		
Current Assets		
Cash in Bank	$ 4.36	
Total Current Assets		$ 4.36
Fixed Assets - (stated at cost)		
Automotive	1,254.16	
House Trailer - Field	3,005.00	
Total Fixed Assets - Before Depreciation		4,259.16
Mining Claims and Leases (Comment #1)		
Xerox Claims	10,810.00	
Lady Bug Claims-Leases	5,000.00	
Total Mining Claims and Leases		15,810.00
Other Assets		
Deposit Funds	255.00	
Expense Advances	510.82	
Organization Expense Deferred	1,379.41	
Deferred Development and Exploration Costs (Comment #2)	37,735.06	
Total Other Assets		39,880.29
TOTAL ASSETS		$ 59,953.81
LIABILITIES AND NET WORTH		
Liabilities		
Due to Officers	32,143.81	
Total Liabilities		32,143.81
Net Worth		
Stated Capital (Comment #3)		
Authorized 2,500,000 Shares 1¢ Par Value, Non-Assessable Common Stock		
Issued and Outstanding 1,629,000 Shares	16,290.00	
Paid-in Surplus	11,520.00	
Total Net Worth		27,810.00
TOTAL LIABILITIES AND NET WORTH		$ 59,953.81

Footnote - The attached comments are an intrgal part of this report.

Exhibit B

ARCHEAN DEVELOPMENT CORPORATION
(and its wholly owned subsidiary - Archean Corporation)
STATEMENT OF SOURCE AND APPLICATION OF FUNDS
as of September 30, 1963

	CASH	OTHER	TOTAL
Source of Funds			
Sale of 30,800 Shares of Stock at 25¢	$ 7,700.00	$	
Stock Issued for Services			
17,200 Shares at 25¢		4,300.00	
Stock Issued for Mining Claims and Leases - 1,581,000 Shares at 1¢		15,810.00	
Cash Advances by Officers	32,143.81		
Total Funds Available	39,843.81	20,110.00	59,953.81
Application of Funds			
Automotive - Pickup	1,254.16		
House Trailer	3,005.00		
Deposit Funds - Industrial Commission	255.00		
Expense Advances	510.82		
Organization and Registration Costs	1,379.41		
Acquisition of Claims and Leases		15,810.00	
Deferred Preproduction Development and Exploration Expenses:			
Contract Labor	7,690.76		
Travel, Meals and Lodging	13,464.38		
Mining Supplies	2,764.49		
Equipment Rent and Maintenance	5,202.94		
Labor	2,559.00		
Payroll Taxes and Insurance	150.59		
Telephone and General Expense	975.17		
Insurance	127.73		
Legal	500.00		
Assessment Work and Surveying		2,200.00	
Other Services and Fees		2,100.00	
Total Funds Applied	39,839.45	20,110.00	59,949.45
Net Funds Available - September 30, 1963	$ 4.36	$ -0-	$ 4.36

Footnote - The attached comments are an intregal part of this report.

ARCHEAN EXPLORATION CORPORATION
(and its wholly owned subsidiary - Archean Corporation)

COMMENTS TO FINANCIAL STATEMENTS
as at September 30, 1963

Comment #1- Mining Claims and Leases

Mining claims and leases have been acquired by the Corporation in exchange for capital stock of the Corporation at the authorized basis of 1¢ per share. No valuation in excess of the par value of the stock has been put on these claims although additional shares of stock has been sold or issued for services at 25¢ per share.

The Xerox claims, which are owned outright by the Corporation, were acquired in exchange for 1,081,000 shares of stock and the Lady Bug claims, which are leased by the Corporation, were acquired in exchange for 500,000 shares of stock in the Corporation.

Comment #2 - Deferred Development and Exploration Costs

The Corporation has elected to capitalize all pre-production development and exploration expense. To the date of this report all the activities of the Corporation have been of this nature. The amount of $47,735.06 consists of $33,435.06 cash spent or advanced by officers and $4,300.00 represents the value of services rendered for which capital stock was issued at 25¢ per share.

Comment #3 - Stated Capital

The basis for the issuance of the 1,629,000 shares of common stock outstanding is summarized as follows:

	Basis Per Share	Capital Stock Shares	Capital Stock Amount	Paid-in Surplus
Cash	25¢	30,800	308.00	7,392.00
Services	25¢	17,200	172.00	4,128.00
Claims	1¢	1,581,000	15,810.00	-
Total		1,629,000	$16,290.00	$11,520.00

The escrow agent for the stock, Polis & Co., of Las Vegas, Nevada is holding inescrow 911,800 shares of the stock issued for mining claims and leases to the following persons or parties:

Western States Iron Co.	500,000 Shares
G. C. Ridland	25,000
R. J. Allison	305,000
P. H. Bennett	81,800
Total	911,800 Shares

Comment #4 - General

The Archean Exploration Corporation is a Nevada Corporation, incorporated 12-6-56 with an authorized capital stock of 2,500,000 shares of 1¢ par value, non-assessable common stock. The Archean Corporation, an Arizona Corporation, is a wholly owned subsidiary, formed to acquire properties for the parent Corporation in the State of Arizona.

These comments are an intragal part of the financial statements.

OFFICIAL FILE COPY
O. M. E.
RECEIVED
DATE

LEE HAMMONS, GEOLOGIST
6243 West Missouri Avenue Glendale, Arizona YE 7-6008

EXHIBIT - 3-E-2

October 2, 1963

Mr. R. J. Allison
Archean Exploration Corporation
2043 North 16th Street
Phoenix, Arizona

Dear Mr. Allison:

The following Preliminary Valuation Report contains the results of my brief examination of your Lady Bug group of mining claims located in Sections 8, 9, 16 and 17, Township 9 North, Range 15 East, Gila County, Arizona.

Iron ore reserves totalling approximately 15,416,666 long tons are indicated. They have a possible value of 7½ million dollars in the ground.

Thank you for the opportunity to do this work.

Very truly yours,

Lee Hammons

REGISTERED GEOLOGIST
CERTIFICATE NO. 2457
LEE HAMMONS
DEC. 01, 1963
ARIZONA U.S.A.

EXHibit # 3-E-2

LEE HAMMONS, GEOLOGIST
6243 West Missouri Avenue Glendale, Arizona YE 7-6000

A PRELIMINARY VALUATION REPORT

ON THE LADY BUG GROUP

The Lady Bug group consists of 17 unpatented lode mining claims located in Sections 8, 9, 16 and 17, Township 9 North, Range 15 East, Gila County, Arizona.

The claims cover most of an arm extending south from the large mass known as Lost Tank Ridge. The area is approximately bisected by the north-south line between Sections 8 and 9, and 16 and 17.

The iron ore is an essentially flat-lying body of hematite apparently replacing limestone and chert in the Naco formation. It is red to black in color and varies from soft and powdery to hard dense sometimes specular hematite. There are chert and jasper bands, especially in the upper portion.

The ore is overlain by the Troy quartzite formation. Overburden varies from zero to a few tens of feet. The property would require very little preparation to start a shallow open pit mine.

There can be little doubt that the ore is continuous under the ridge. It outcrops in the same stratigraphic horizon in all of the canyons in an area of many square miles. It does vary in grade, thickness, and impurities which adds a degree of uncertainty to undrilled properties in the area.

Preliminary investigations were made in 1959 and on September 29, 1963. Since these claims have not been drilled, these studies were limited to the numerous outcrops and prospect holes located around the periphery of the ridge. Ore thicknesses were measured by hand level, and the general character of the mineralization noted.

Since the purpose of this examination was to determine approximate ore reserves using approximate measurements of outcroppings, no samples were taken for assay. Many assay figures have been reported on this and nearby properties by the Colorado Fuel and Iron Company, The United States Geological Survey (Bulletin 821-c), Western States Iron Company and others. They average about 55% metallic iron with varying amounts of impurities.

LEE HAMMONS, GEOLOGIST
6243 West Missouri Avenue Glendale, Arizona YE 7-6008

Because of the unprecise methods that had to be relied upon, every effort was made to keep all figures on the very conservative side. Thickness measurements excluded much of the siliceous upper strata of the ore formation. Much of the outer area of the outcrops was omitted from calculations as being too thin as a result of erosion to mine economically.

It is estimated that the main area is roughly rectangular in shape and approximately 2500 feet wide by 4800 feet long and is underlain by an ore thickness averaging at least 10 feet. The southern end of the property is roughly a right triangle having base and height both equal to about 2500 feet, and underlain by an ore thickness of 6 feet.

These dimensions are equal to a volume of ore of 138,750,000 cubic feet. The U. S. G. S. arrived at a density of 9 cubic feet per long ton in their study of the nearby and similar deposit on the Fort Apache Indian Reservation. Using this figure, reserves of 15,416,666 long tons are indicated.

Obviously, to get proven ore reserve figures, it is necessary to carefully map, core drill, and assay a mining property. The Lady Bug group has sufficiently strong showings to warrant such a program.

In the absence of precise figures on reserves, costs and market prices, any dollar values assigned to this property would be speculative. It might, however, be worthwhile to consider that minable ore should be worth at least $.50 per ton in the ground. That would indicate a value for the Lady Bug group of some 7½ million dollars.

Respectfully submitted,

October 2, 1963

REGISTERED GEOLOGIST
CERTIFICATE EXPIRES
LEE HAMMONS
DEC. 31, 1963
ARIZONA U.S.A.

Lee Hammons

G. CARMAN RIDLAND
Geological Engineer

TELEPHONE: AMHERST 6-0321

822 FIRST NATIONAL BANK BUILDING
DENVER 2, COLORADO

EXHIBIT - 3-E-3

October 15, 1962

FROG POND IRON DEPOSIT

LOCATION

The 2,800 acre property containing the Frog Pond iron deposit is located approximately 6 miles northeast of Young, Arizona, and covers most of Sections 3, 4, 9 and 10, and around the common corner of Sections 8, 9, 16 and 17, T.9N., R.15E., Gila County, Arizona. Young is 80 miles northeast of Phoenix.

ACCESS

The property is reached by 10 miles of county gravel road northeast from Young. This same road continues for 35 miles in a northwesterly direction to connect with a paved road at Kohls Ranch. The paved road continues 20 miles southwesterly to Payson, where it joins Arizona State Route 87. Payson is 87 miles from Phoenix on Route 87. The total road distance from Phoenix to the property via Payson, therefore, is 140 miles. Another way of approach from Phoenix is east via U. S. Route 70 to Miami and north on State Route 288 to Young, a distance of 150 miles, then the additional 10 miles to the property for a total distance of 160 miles.

PROPERTY

The property consists of 3 separate lots, all contiguous, and covering a total area of approximately 2,877 acres. The first is a group of 17 lode claims named Lady Bug No. 1 to 17 inclusive, owned by Homer Haught and relatives, Harvey McKee, and Ben Armer, and leased to Archean Exploration Corporation. The lessee has the right to purchase the claims for $200,000. The second property is an agricultural patent known as the Frog Pond Patent, dated 1917, consisting of 35 acres owned by J. R. Vallee and optioned to Archean Exploration Corporation. The third is a group of 125 lode claims located by Archean Exploration Corporation. The property covers the western extension of Lost Tank Ridge and borders on the west, the Fort Apache Indian Reservation property leased by Colorado Fuel and Iron Corporation (hereinafter identified as C.F.&I.) from the Apache Indian Tribe.

HISTORY

The property has had little or no mining history. The 17 claims now known as the Lady Bugs were originally staked years ago and surveyed in 1933 as U. S. Mineral Survey No. 4109, and application made for patent. The patent was not obtained and the claims lapsed. In 1956 they were relocated by the

present owners and, in 1958, leased to Western States Iron Co. Recently, the lease was assigned to Archean Exploration Corporation.

Western States Iron Co. performed its annual assessment work requirements by opening up and exposing several showings by bulldozer. In 1962, 650 feet of wagon drilling was done. It is reported that each hole indicated iron oxide in thicknesses of from 6 to 15 feet.

C. F. & I. obtained a right to prospect on the Fort Apache Indian Reservation and leased 120,000 acres from the Tribe shortly thereafter. The lease covers the easterly section of Lost Tank Ridge. This major steel company has carried on an active development campaign since 1958, which is reported to have resulted in:

1. the expenditure of more than two million dollars in drilling and surface trenching, and

2. the development of 65 million tons of hematite iron ore reserves grading better than 45%, and averaging between 54 to 58%. The average thickness is 17 feet, 4 inches.

TOPOGRAPHY

The Archean Exploration Corporation property covers the western section of Lost Tank Ridge, a mesa with a gently rolling surface that extends for 5 miles in a general east-west direction. The elevation of the crest of the ridge is between 6600 and 6700 feet. The north side slopes gently at first, then gradually more steeply into Lost Tank Canyon which drains easterly into the Reservation. The south side is dissected by a number of V-shaped canyons draining in a southerly direction. Remnants of the old mesa surface, however, extend into the southerly extremities of the property, thus making accessible for drilling all parts of the property believed underlain by the iron-bearing formation. Total relief is about 2000 feet.

GENERAL GEOLOGY

GEOLOGICAL COLUMN

Troy	Quartzite - Chediski sandstone
Mescall	Limestone, banded chert, feruginous in places, merging downward into hematite iron ore
Dripping Spring	Quartzite
Diabase	Intruded into Dripping Spring and Mescall as sills

Lost Tank Ridge appears to be composed of nearly flat-lying sedimentary rocks with an occasional intrusion of diabase. The mesa is capped with Troy quartzite except at the southwest end where the chediski sandstone is at the top of the ridge and dipping gently northeasterly. These two formations are Cambrian in age. The Mescall and Dripping Spring are exposed on the rim and in the dissecting canyons and they are pre-Cambrian in age.

Regionally, the Mescall is a cherty, dolomitic limestone 200 to 300 feet thick. On Lost Tank Ridge, however, it is less than 100 feet thick and consists of chert, ferruginous chert, jasper and hematite. At the southwest end of the property (Lady Bug claims) it strikes northwest and dips gently northeast and is exposed on the ridge. It plunges 300 to 700 feet below the surface over on the Indian Reservation. At the northwest corner of the property it was observed striking northeasterly and dipping southeasterly. Diabase sills are found here and there in the Dripping Spring and Mescall.

Gentle folding and small block faulting was noted. Lost Tank Canyon, traversing east-west across the northern part of the property, is believed to be a major fault.

IRON DEPOSITS

The Mescall formation is well exposed on the slopes of the mesa on the Lady Bug claims. Here it is exposed on the west, south and east side and is estimated to be 100 feet thick. It is composed of laminated chert, shale and jasper. It grades down from the top into solid hematite. The good, heavy, fairly pure hematite averages 5 to 15 feet thick and the high silica hematite, or iron-rich chert, is 20 to 40 feet thick. The hematite is mostly of the specularite variety, very fine-grained, blue-black metallic in color, but, in places, soft, almost earthy, and dark-red to black. The specific gravity of a specimen may be necessary to detect low-grade ferruginous chert from high-grade iron rich material. There is no question in the writer's mind that a rich bed of hematite varying from 5 to 15 feet thick traverses this entire southwest prong of Lost Tank Mesa over an area of 100 acres. Assuming 100 acres, and an average thickness of 10 feet of almost pure hematite, the tonnage represented in this small section of the property is in excess of 4 million tons, most, if not all, of which is available to open pit mining methods.

The writer did not take samples, but was shown channel cuts that were made by a C. F. & I. geologist. The samples were assayed by C. F. & I. and reported as follows:

	No. 1	No. 2	No. 3
Iron	62.30	52.90	37.7
Manganese	0.05	0.06	0.30
Silica	5.01	21.40	25.80 - high
Alumina	3.10	2.30	3.10
Phosphorus	0.02	0.008	0.022
Sulphur	0.03	0.01	0.03
Titanium dioxide	1.05	1.05	5.84
Copper, lead, zinc	Nil	Nil	Nil
Thickness sampled	14 Ft.	6.5 Ft.	3.0 Ft.

The iron-rich Mescall is exposed in the canyon south of the Frog Pond Patent in Frog Pond Canyon. A bed of almost pure, fine-grained, metallic black hematite is estimated to be 15 feet thick. The C. F. & I. geologist cut 2 samples and reported the following assays:

	No. 1	No. 2
Iron	57.40	64.30
Manganese	0.07	0.02 ?
Silica	11.60	5.70 ?
Alumina	2.90	1.70 ?
Phosphorous	0.054	0.004
Sulphur	0.01	0.01 ?
Titanium dioxide	2.10	1.07 ?
Copper, lead, zinc	Nil	Nil
Thickness Sampled	12.0 Ft.	12.0 Ft.

Diabase was noted just above the iron, stratigraphically, on the south side of the creek.

An exposure of Mescall was observed by the writer in the vicinity of the northwest corner of the property 2 miles north of the Lady Bug showings.

The formation is exposed in a shallow canyon draining in a westerly direction. The beds are striking in a northeasterly direction and dipping more steeply to the southeast. A 30-foot thick bed of ferruginous chert contains relatively narrow bands of heavy hematite. This exposure is not as impressive as the others described, but is significant in demonstrating the possible continuity of the ferruginous character of the Mescall from the south to the north side of the property.

With the information that:

1. C. F. & I. has proven commercial ore up to the west side of their property, 2 miles east of the showings described herein, and

2. the showings at the northwest and southwest corners of the Archean Exploration property,

one can only conclude that there is a strong likelihood the Mescall formation underlies the entire Lost Tank Ridge. It is easy to segregate, on a topographic map, the area on the Archean Exploration Corporation property, the area underlain by the Mescall formation. This area is estimated to be approximately 1500 acres. In contrast, the area on the neighboring C. F. & I. property, which is known to contain the Mescall and commercial iron, is 850 acres. It is known and understood that the commercial band of ore

pinches and swells in thickness, and this same condition is to be expected on the Archean Exploration property. Only a drilling program will determine to what extent iron mineralization exists on the property and such a program is strongly recommended. The property has promise of containing a commercial iron deposit of huge proportions.

Reported:

G. C. Ridland

GCR/ag

EXHIBIT - 7-A-1

DIAMOND CORE DRILLING
DIAMOND DRILLING EQUIPMENT
GROUTING
FOUNDATION TESTING
MINING
QUARRYING
SHAFT SINKING
TUNNEL DRIVING
MINE PLANT DESIGN
AND FABRICATION

Boyles Bros. DRILLING COMPANY

CONTRACTORS - ENGINEERS - GEOLOGISTS
10801 North 21st Avenue
PHOENIX 21, ARIZONA
Phones: Office 944-1731
Home 947-0637

General Offices and Plant
1624 Pioneer Road P. O. Box 58
SALT LAKE CITY 10, UTAH
HUnter 7-7595

BRANCH OFFICES
PHOENIX
RENO
SPOKANE
DENVER
SACRAMENTO
ST. LOUIS

October 9, 1963

Mr. R. J. Allison, President
Archean Exploration Corporation
2043 North 16 Street
Phoenix, Arizona

Dear Mr. Allison:

For your core drilling northeast of Young, Arizona, adjoining the Fort Apache Indian Reservation, we submit the following prices:

1. Drilling

	BXWL	NXWL or Collar Pipe
0 to 500 ft	$6.90	$7.40
500 to 1000 ft	7.40	

2. Core Boxes can be furnished at $1.00 per box.

The above prices per foot include mobilization, cementing and the use of water truck for hauling water.

Thank you for asking for our prices.

Sincerely,

J. E. Roberts

J. E. Roberts
District Manager

Also applicant's Vice-President!

5000' @ 6.90 = $34,500
450' @ 7.40 = 1,650
Core boxes 450 @ = 450
$36,800
Contract (Longyear) $36,670

JER:sr

EXHIBIT 7-A-2

Albacore Exploration Co., Inc.

Mineral Exploration - Diamond Core and Well Drilling

P. O. BOX ~~1132~~ 519 CASA GRANDE, ARIZONA

Phone 836-7171

October 8, 1963

Mr. R. J. Allison, President
Archean Exploration Corporation
2043 North 16th Street
Phoenix, Arizona

Dear Mr. Allison:

Enclosed please find your copy and our proposal to meet these specifications for drilling.

As instructed we are including all costs in a cost per footage basis. The only exceptions will be a stand-by time provision and a payment schedule.

All costs - - - - - - - - - - - @ $10.55 per foot ✓
Stand-by time (time lost through no fault of contractor not including acts of God) - - - - - - - - - - - @ $10.00 per hour per rig

We have no preference as to a payment schedule, so this can be discussed at a later date.

Very truly yours,

ALBACORE EXPLORATION CO., INC.

By Norman Twenstrup
Norman Twenstrup

NT/bfs

Enc - ltr

EXHIBIT 7-A-3

Longyear

E. J. LONGYEAR COMPANY
General Offices, 76 South 8th St.
Minneapolis 2, Minnesota, U. S. A.
TELEPHONE: FEDERAL 9-7631 • CABLE LONGCO

308 East Pima Street
Phoenix, Arizona 85004
October 11, 1963

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 16 1963

DATE	INITIALS	CODE

Archean Exploration Corporation
2043 North 16th Street
Phoenix, Arizona

Attention Mr. R. J. Allison, President

SUBJECT: PROPOSAL COVERING EXPLORATORY DRILLING PROGRAM, VICINITY YOUNG, ARIZONA

Gentlemen:

1. In response to your recent request for drilling bids covering core drilling operations on your claims near Young, Arizona, we are pleased to submit our proposal below to cover the above subject work.

2. Our understanding of the project is as follows:

A) Minimum program approximately 11,000 feet to be drilled in twenty-one holes ranging from 200 to 650 feet in depth. BX wire line size core is desired.

B) Area to be drilled lies approximately eighteen miles Northeast of Young, Arizona, and borders the Fort Apache Indian Reservation. It also adjoins land held by the Colorado Fuel and Iron Corporation.

C) The formations to be drilled will consist of sandstone, quartzites, diabase and iron ore. Overburden thickness is negligible.

D) Owner will construct and maintain access roads suitable for standard drill and service trucks and will also prepare the drill sites.

E) Water for drilling purposes will require hauling by truck from a source provided by the owner. Distance from water is not expected to exceed three miles.

3. For this work, we propose to furnish initially, one Longyear drilling machine of suitable capacity and design, together with all required accessory equipment, including water truck and service truck. We would expect to operate the rig on a two shift per day, six day per week basis.

If desired, we would be agreeable to supplement the work with additional rigs and crews as required.

4. We will carry public liability insurance covering personal injury and property damage, and Workmen's Compensation Insurance, and also all-risk insurance on the drilling equipment protecting against loss by theft, fire, flood, landslides and other similar hazards.

We will also assume and pay any and all Old Age Benefit, Unemployment and Social Security taxes and contributions imposed by federal or state authorities.

Certificates showing the coverage referred to will be furnished upon request.

5. Based upon the conditions as outlined above and from experience gained from drilling in the same general area, we are pleased to quote as follows:

a) Mobilization and demobilization of personnel and drilling equipment.....$325.00 Lump Sum per rig

b) Overburden drilling, including the setting of casing to ledge.....$3.95 per foot

c) Diamond core drilling - Vertical holes -

	wireline sizes - prices per foot	
Depths	BX	NX
Ledge to 500 feet....	$5.95	$6.25
500 to 1,000 feet....	$6.25	--0--

NOTE: Above core drilling prices include reaming and casing when required.

d) Drilling cement, where applicable.....$2.65 per foot plus cost of cement consumed.

Kaufsack

e) Water hauling, when required.....$0.50 per foot drilled

f) Core boxes, cardboard type, capacity ten feet of core - 80¢/box

NX or BX size.....$0.08 per foot

g) Delays or standby time for your convenience or for which you are responsible.....$10.50 per hour

6. Cores will be turned over to your representative at the drill sites in containers as outlined above.

7. Statements will be prepared promptly after the end of the month for work performed during the month and payment will be due fifteen days after receipt of invoice.

8. In the event this proposal is acceptable, it is understood and agreed that financial arrangements acceptable to the Longyear Company will be made by you prior to the start of the work.

9. We appreciate the opportunity to submit this quotation to you and trust it is found acceptable.

If awarded the work, we are prepared to commence mobilizing the required equipment promptly.

Sincerely,

E. J. LONGYEAR COMPANY

J. R. Miller

Manager, Western Area
Contract Drilling Division

J.R.Miller:jar

ACCEPTED:

Company_____

By_____

Date_____

United States Department of the Interior
GEOLOGICAL SURVEY
BOX 25046 M.S. 939
DENVER FEDERAL CENTER
DENVER, COLORADO 80225

IN REPLY
REFER TO:

BRANCH OF CENTRAL MINERAL RESOURCES

May 1, 1985

Memorandum

To: Branch of Financial Reports

From: Chief, Office of Minerals Exploration

Subject: Recording of realized loss under OME contract

Write-off of realized loss on the contract listed below is hereby authorized:

Contract	Docket	Operator	Write-off
2192	6327	Archean Exploration Corp.	$15,596.90

J. William Hasler

J. William Hasler

JWH:js

cc: G. H. Allcott
H. A. Tourtelot
C. H. Thorman

Attachments

United States Department of the Interior

GEOLOGICAL SURVEY
BOX 25046 M.S. 939
DENVER FEDERAL CENTER
DENVER, COLORADO 80225

IN REPLY REFER TO:

BRANCH OF CENTRAL MINERAL RESOURCES

May 1, 1985

Mr. and Mrs. Homer Haught
P.O. Box 329
Payson, Arizona 85547

Re: OME 6327 (Iron Ore)
Archean Exploration Corp.
Xerox and Lady Bug Claims
Gila County, Arizona
Contract 2192

Dear Mr. and Mrs. Haught:

Under the terms of OME Contract 2192, as amended, and due to the fact that project work was not resumed before the end of the four-month-suspension period authorized by Amendment No. 2 of the contract, the contract therefore is terminated and the operator becomes liable for the payment of royalty as provided for in Article 7 of the subject contract as amended, and Article 2(d) of Amendment No. 2 as if a certification of possible production had been made.

However, because of the current problems such as poor status of the iron ore industry, lack of a market for your ore, and other extenuating circumstances, it seems inadvisable for the Government to retain its lien on the property and the royalty due from production that might occur between now and June 29, 1989.

Any mining you would do on the property would require a mini-plant to process the ore before shipping it to CF&I Corp. which is presently out of business and is not now nor will be purchasing iron ore for the next few years.

The Government, according to our records, retains no claims or lien against the subject property or any production therefrom, according to the contract. Therefore we are closing our books and records on this contract.

Sincerely yours,

J. William Hasler

J. William Hasler, Chief
Office of Minerals Exploration

JWHasler:js

copies to: G. H. Alcott
H. A. Tourtelot
C. H. Thorman
Branch of Financial Reports

ADDENDUM to Memorandum to
Mr. and Mrs. Homer Haught

May 1, 1985

During the process of trying to locate the parties and partners involved with the original exploration contract, we find not only is Archean Exploration Corporation defunct but the Western States Iron Company is no longer in existence. None of the signitors of the contract can be located except for the Haughts, present owners of the Lady Bug Claims.

Mr. Alfred Haught, Harvey McKee, and Ben Armer - all have passed away.

As a result of this situation, we are writing off this contract directed only to Mr. and Mrs. Homer Haught.

J. William Hasler

J. William Hasler

United States Department of the Interior

GEOLOGICAL SURVEY
BOX 25046 M.S. 939
DENVER FEDERAL CENTER
DENVER, COLORADO 80225

April 26, 1985

Re: OME 6327 (Iron Ore)
Archean Exploration Corp.
Xerox and Lady Bug Claims
Gila County, Arizona
Contract 2192

Mr. Homer Haught
P.O. Box 329
Payson, Arizona 85547

Dear Mr. Haught:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely,

J. William Hasler

J. William Hasler, Chief
Office of Minerals Exploration

Form MME 63
(May 1970)

REQUEST FOR INFORMATION ON CERTIFIED PROJECT OR PROJECT UNDER ROYALTY AGREEMENT

1. Since April 26, 1984, has there been a change in ownership, lease, or sublease? *If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before.* Yes ☐ No ☑

2. Since April 26, 1984, has there been any production from the land subject to the contract? Yes ☐ No ☑

A. If so and it was shipped, give quantity, value, and name and address of purchaser.

Purchaser (*name and address*)	Quantity	Value
NONE		

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity (*tons*)	Estimated Grade	Location
Ore	NO		
Concentrates			
Other			

3. Since April 26, 1984, has any production been transported through workings (*see* *of contract*)? Yes ☐ No ☑

If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name	Title
Homer Haught	PART OWNER
Address	**Date**
BOX 329 PAYSON AZ. 85547	4-30-85

United States Department of the Interior
GEOLOGICAL SURVEY
BOX 25046 M.S. 939
DENVER FEDERAL CENTER
DENVER, COLORADO 80225

IN REPLY REFER TO:

Branch of Central Mineral Resources

April 17, 1985

Memorandum

To: Branch of Financial Reports

From: Chief, Office of Minerals Exploration

Subject: OME 6327 (Iron Ore)
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona
Contract 2192

The Archean Exploration Corporation made application to the Office of Minerals Exploration to explore by core drilling, for deposits of Iron Ore occurring mainly as hematite near or along the contact of the Mescal limestone of Precambrian age with the overlying Chedski sandstone of Cambrian age, in the Gentry Mountain Mining District, Gila County, Arizona.

The property was examined and a contract was executed June 29, 1964 for $94,050, with Government participation of $47,025. The contract was amended twice. The target area was not adequately explored because only a small portion of the exploration work contemplated was completed. The partially completed work that was done did not result in the discovery of any Iron Ore.

Project work was not resumed before the end of the four-month-suspension period authorized by Amendment No. 2 of the contract. The contract therefore was terminated and the operator became liable for the payment of royalty as provided for in Article 7 of the subject contract as amended, and Article 2(d) of Amendment No. 2, as if a certification of possible production had been made.

A report by the Ferrous Metals Division of the U.S. Bureau of Mines on May 13, 1971 indicated that the last production report on this property was made in 1968. The report showed that 1,120 tons of hematite ore was produced from the Lady Bug Claim and stockpiled. No production reports were received from the operator in 1969 and 1970.

Unsuccessful and repeated attempts were made by the Office of Minerals Exploration to ascertain information regarding the property from Mr. Alex Cotte, Archean Exploration, between 1968 and 1979.

Eventually Mr. Homer Haught, the original owner, was contacted in 1982. There were no shipments of ore made to the Colorado Fuel and Iron Company. However, Mr. James Brooks, then District Geologist for CF&I informed us that Archean Exploration had made a sponge iron product from some of the ore but none of it was sold.

Archean Exploration obviously became non-existent. The Haughts in turn leased the property to Empire Energy Corporation of Salt Lake City, Utah, and they too allowed their lease to lapse. Recent conversation with Homer Haught on April 5, 1985 has disclosed the fact that they now own the Lady Bug Claims and are keeping up the yearly assessment. The Zerox Claims have reverted to the U.S. Forest Service and no assessment work has been done on them for several years.

A recent conversation with James Brooks, formerly with CF&I reveals that property adjacent to and on Indian Lands is not now being mined. CF&I is not buying iron ore. CF&I has also sold their coal-producing properties. They are essentially a defunct company.

The Haughts are not in any position to mine the ore now nor will be for some time to come. A mini-plant on the property would be required to process the ore.

Because of the current poor status of the iron ore industry and lack of a saleable product, it seems inadvisable for the Government to retain its lien on the property and the royalty rights due from production until June 29, 1989.

It is therefore recommended that the subject contract be written off and the Government realize its loss as follows:

Contract	Docket	Operator	Write-off	
2192	6327	Archean Exploration	Loan:	$ 7,376.48
			Interest:	8,220.42
			Total:	$15.596.90

J. W. Hasler

JWH:js

cc: G. H. Allcott
H. A. Tourtelot
C. H. Thorman

File

United States Department of the Interior

GEOLOGICAL SURVEY
BOX 25046 M.S. 939
DENVER FEDERAL CENTER
DENVER, COLORADO 80225

IN REPLY
REFER TO:

April 23, 1984

Mr. Homer Haught
P.O. Box 329
Payson, Arizona 85547

Re: OME 6327 (iron ore)
Archean Exploration Corp.
Xerox and Lady Bug Claims
Gila County, Arizona

Dear Mr. Haught:

It was good to talk with you last Friday, April 20, and interesting to learn that your lease with Empire Energy Corporation, Salt Lake City, Utah, has been canceled and you now have full ownership of the Xerox and Lady Bug Claims.

Enclosed are copies of our last correspondence with you in case you have misfiled them.

Would you please furnish this office with two true copies of the legal instrument showing that you are now the sole owner of the subject group of claims, and that the claims are valid.

Would you please answer the questions on Form MME-63, which is a request for information on certified project or project under royalty agreement and return it to:

J. William Hasler, Chief
Office of Minerals Exploration
U.S. Geological Survey
P.O. Box 25046 MS 939
Denver, Colorado 80225

We would appreciate knowing your plans for the future insofar as production is concerned.

Replied from Homer Haught
4/26/84

Sincerely yours,

J. William Hasler

J. William Hasler, Chief
Office of Minerals Exploration

JWH:js

copies to: A. T. Ovenshine C. H. Thorman H. A. Tourtelot

Recd
5/1/84
OME

United States Department of the Interior

GEOLOGICAL SURVEY
BOX 25046 M.S. 939
DENVER FEDERAL CENTER
DENVER, COLORADO 80225

April 23, 1984

Re: OME 6327 (iron ore)
Archean Exploration Corp.
Xerox and Lady Bug Claims
Gila County, Arizona

Mr. Homer Haught
P.O. Box 329
Payson, Arizona 85547

Dear Mr. Haught:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely,

J. William Hasler

J. William Hasler, Chief
Office of Minerals Exploration

js

Form MME 63
(May 1970)

REQUEST FOR INFORMATION ON CERTIFIED PROJECT OR PROJECT UNDER ROYALTY AGREEMENT

1. Since August 16, 1983, has there been a change in ownership, lease, or sublease? *If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before.* Yes ☐ No ☑

THE ZEBOX CLAIMS HAS REVERSED BACK TO US. FORBST - NO ASSEMENT HAS BEEN DONE FOR YEARS

2. Since August 16, 1983, has there been any production from the land subject to the contract? Yes ☐ No ☑

A. If so and it was shipped, give quantity, value, and name and address of purchaser.

Purchaser (*name and address*)	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity (*tons*)	Estimated Grade	Location
Ore	UNKNOWN	UNKNOWN	SNOWFLAKE AZ.
Concentrates			
Other			

3. Since August 16, 1983, has any production been transported through workings (*see of contract*)? Yes ☐ No ☑

If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name	Title
Homer Haught	
Address	Date
BOX 329 PAYSON AZ 85547	4-26-84

WE DO STILL OWNE THE LADY BUG CLAIMS AN THE WORK IS DONE AN RECORDED.

Form MME 63
(May 1970)

REQUEST FOR INFORMATION ON CERTIFIED PROJECT OR PROJECT UNDER ROYALTY AGREEMENT

1. Since August 16, 1983, has there been a change in ownership, lease, or sublease? *If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before.* Yes ☐ No ☑

THE ZEROX CLAIMS HAS REVERSED BACK TO THE U.S. FOREST — THERE HAS BEEN NO ASSEMENT WORK DONE ON THEM FOR YEARS

2. Since August 16, 1983, has there been any production from the land subject to the contract? Yes ☐ No ☐

A. If so and it was shipped, give quantity, value, and name and address of purchaser.

Purchaser (*name and address*)	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity (*tons*)	Estimated Grade	Location
Ore	UNKNOWN	UNKNOWN	SNOWFLAKE AZ.
Concentrates			
Other			

3. Since August 16, 1983, has any production been transported through workings (*see* *of contract*)? Yes ☐ No ☐

If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name	Title
Homer Haught	
Address	**Date**
BOX-329 PAYSON AZ. 85547	4-26-84

WE DO STILL HOLD THE LADYS BUG CLAIMS AN THE ASSEMENT WORK IS DONE AN RECORDED!

United States Department of the Interior

GEOLOGICAL SURVEY
BOX 25046 M.S. 939
DENVER FEDERAL CENTER
DENVER, COLORADO 80225

IN REPLY
REFER TO:

August 16, 1983

Mr. Joe A. Haught
P.O. Box 101
Young, Arizona 85554

Re: OME 6327 (iron ore)
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona
Contract 2192

Dear Mr. Haught:

Your undated letter was received in this office on August 15th.

I am including copies of our most recent correspondence to bring you up to date, as well as a copy of the contract the Government had with Archean Exploration Corporation.

May I refer you to letter dated July 6, 1966, enclosed, concerning royalty obligations due from any production from the claims included under the contract.

Has there been any production or any ore sold since the cessation of the exploration work. If so, royalty payments are due the Government. Please note Article 5 (d) of the subject contract, as well as Article 7 (c), Article 16.

The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of the letter to the Operator. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreement, and to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom.

Mrs. Haught informed us that the Lady Bug claims are now legally yours and that the claims are valid; however, you referred to a current lease on the property with Empire Energy Corporation, Salt Lake City, Utah.

This office must be appraised of such a lease, and the lease agreement must include the Government's lien on the property and on any production therefrom until June 29, 1989.

As of July, 1983 the loan amount due is $7,376.46. This is the amount the Government actually spent. Interest due on that loan is $8,220.42 also as of July 1983. Please refer to Article 7 (c) of the contract.

Payment on the loan comes only from production of ore mineral, and it is repaid, as stipulated in Article 7 (c): (1) The Government's royalty shall be five percent of the gross proceeds from the production sold, etc.

We have tried repeatedly to contact Mr. Alex Cotté, Secretary of Archean Exploration Company but to no avail. We are unaware as to whether or not he rerecorded the Xerox claims required by Public Law 94-579 as shown in our request to him dated June 7, 1979.

Would the Empire Energy Corporation, Salt Lake City, now be in possession of the Xerox claims listed under Annex I of OME Contract 6327.

Any information you can find out about the ownership of the Xerox claims will be greatly appreciated. Thank you for your reply.

Sincerely yours,

J. William Hasler

J. William Hasler, Chief
Office of Minerals Exploration

Enclosure

cc: A. T. Ovenshine
C. H. Thorman

United States Department of the Interior
GEOLOGICAL SURVEY
BOX 25046 M.S. 939
DENVER FEDERAL CENTER
DENVER, COLORADO 80225

IN REPLY REFER TO

July 28, 1983

Mr. and Mrs. Homer Haught
P.O. Box 329
Payson, Arizona 85541

Re: OME 6327 (iron ore)
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona
Contract 2192

Dear Mr. and Mrs. Haught:

On May 9, 1983 we asked you to supply this office with two true copies of the legal instrument showing that you are now the sole owner or owners of the subject group of claims, and that the claims are valid; also that the lease from Archean Exploration Corporation, or any other company ownership has been returned to you.

As of this date we have not received the instruments requested nor have we had a reply from you. We would appreciate your reply as soon as possible. We are desirous of knowing what your future plans are.

Sincerely yours,

J. William Hasler

J. William Hasler, Chief
Office of Minerals Exploration

JWH:js

Enclosure

In answer to your letter addressed to Mr & Mrs Homer Haught my Uncle & Aunt: in Payson Ariz.

RECEIVED
AUG 15 1983

J. William Hasler;
Dear Sir;
Sorry to be so slow in response to your letters: In regard to our claims which are Lady Bug 1-12 and Daddy Bug 13-15 they have been leased to a company calling themselves the (Empire Energy Corporation) from Salt Lake City Utah.

I have made several attempts to contact these people as they are about 21 months in default of the contract between us and them but I do not recieve anything in return.

Today I am sending them a registered letter with a release in it: If I recieve no response I will have to take a different course of action in order to provide you with the papers you need.

I have kept the work done and recorded annually and as soon as I get a legal release from Empire I will mail you all the papers you have asked for.

I personally do not know the "Archean Exploration Corporation" and we do not own any Xerox Claims.

I would appreciate a letter from you explaining everything to me; as we are desirous to sell or lease our claims as soon as we get a legal release from Empire.

Sincerely Yours
Joe A. Haught
Box 101 Young Arizona
Zip 85554

United States Department of the Interior

GEOLOGICAL SURVEY
BOX 25046 M.S. 933
DENVER FEDERAL CENTER
DENVER, COLORADO 80225

MAY 9, 1983

Re: OME 6327
Archean Exploration Corp.

Mr. and Mrs. Homer Haught
P.O. Box 329
Payson, Arizona 85541

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely,

J. William Hasler

J. William Hasler, Chief
Office of Minerals Exploration

Form MME 63
(May 1970)

REQUEST FOR INFORMATION ON CERTIFIED PROJECT OR PROJECT UNDER ROYALTY AGREEMENT

1. Since November 16, 1982, has there been a change in ownership, lease, or sublease? *If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before.* Yes ☐ No ☐

2. Since November 16, 1982, has there been any production from the land subject to the contract? Yes ☐ No ☐

A. If so and it was shipped, give quantity, value, and name and address of purchaser.

Purchaser (*name and address*)	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity (*tons*)	Estimated Grade	Location
Ore			
Concentrates			
Other			

3. Since November 16, 1982, has any production been transported through workings (*see* *of contract*)? Yes ☐ No ☐

If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name	*Title*
Address	*Date*

United States Department of the Interior
GEOLOGICAL SURVEY
BOX 25046 M.S. 933
DENVER FEDERAL CENTER
DENVER, COLORADO 80225

IN REPLY REFER TO

November 16, 1982

Mr. and Mr. Homer Haught
P.O. Box 329
Payson, Arizona 85541

Re: OME 6327 (iron ore)
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona
Contract 2192

Dear Mr. and Mrs. Haught:

It was good to talk with Mrs. Haught Friday, November 12, and to learn that the leases for the Xerox and Lady Bug Claims, formerly leased to Archean Exploration Corporation, have expired and that the Claims are owned by you.

Mr. Haught informed me that the unpatented mining claims affected by the subject contract have been re-recorded pursuant to the procedures described in Section 314, Public Law 94-579, October 21, 1976, and that the required assessment has been done.

Repeated inquiries to Mr. Alex Cotté of Archean Exploration Corporation, have gone unanswered.

Would you please furnish this office with two true copies of the legal instrument showing that you are now the sole owner of the subject group of claims, and that the claims are valid; also that the lease from Archean Exploration Corporation, or any other company ownership has been returned to you. We need to be informed of the activities that have transpired and also to learn if there has been any production.

Mr. James Brooks, District Geologist, CF&I Iron and Steel Corporation, informed me that Archean Exploration had made a sponge iron product from some of the ore but that it was not sold.

I should like to plan an inspection tour of the Xerox and Lady Bug Claims in the near future. Would you please inform me the best time for this. We are required to make periodic inspections on properties that have royalty obligations, of which yours is one.

Sincerely yours,

J. William Hasler

J. William Hasler, Chief
Office of Minerals Exploration

JWH:js
cc: A. T. Ovenshine
C. H. Thorman

Payment on the loan comes only from production of ore mineral, and it is repaid, as stipulated in Article 7 (c): (1) The Government's royalty shall be five percent of the gross proceeds from the production sold, etc.

We have tried repeatedly to contact Mr. Alex Cotté, Secretary of Archean Exploration Company but to no avail. We are unaware as to whether or not he rerecorded the Xerox claims required by Public Law 94-579 as shown in our request to him dated June 7, 1979.

Would the Empire Energy Corporation, Salt Lake City, now be in possession of the Xerox claims listed under Annex I of OME Contract 6327.

Any information you can find out about the ownership of the Xerox claims will be greatly appreciated. Thank you for your reply.

Sincerely yours,

J. William Hasler

J. William Hasler, Chief
Office of Minerals Exploration

Enclosure

cc: A. T. Ovenshine
C. H. Thorman

United States Department of the Interior

GEOLOGICAL SURVEY
BOX 25046 M.S. 939
DENVER FEDERAL CENTER
DENVER, COLORADO 80225

IN REPLY
REFER TO:

August 16, 1983

Mr. Joe A. Haught
P.O. Box 101
Young, Arizona 85554

Re: OME 6327 (iron ore)
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona
Contract 2192

Dear Mr. Haught:

Your undated letter was received in this office on August 15th.

I am including copies of our most recent correspondence to bring you up to date, as well as a copy of the contract the Government had with Archean Exploration Corporation.

May I refer you to letter dated July 6, 1966, enclosed, concerning royalty obligations due from any production from the claims included under the contract.

Has there been any production or any ore sold since the cessation of the exploration work. If so, royalty payments are due the Government. Please note Article 5 (d) of the subject contract, as well as Article 7 (c), Article 16.

The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of the letter to the Operator. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreement, and to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom.

Mrs. Haught informed us that the Lady Bug claims are now legally yours and that the claims are valid; however, you referred to a current lease on the property with Empire Energy Corporation, Salt Lake City, Utah.

This office must be appraised of such a lease, and the lease agreement must include the Government's lien on the property and on any production therefrom until June 29, 1989.

As of July, 1983 the loan amount due is $7,376.46. This is the amount the Government actually spent. Interest due on that loan is $8,220.42 also as of July 1983. Please refer to Article 7 (c) of the contract.

Payment on the loan comes only from production of ore mineral, and it is repaid, as stipulated in Article 7 (c): (1) The Government's royalty shall be five percent of the gross proceeds from the production sold, etc.

We have tried repeatedly to contact Mr. Alex Cotté, Secretary of Archean Exploration Company but to no avail. We are unaware as to whether or not he rerecorded the Xerox claims required by Public Law 94-579 as shown in our request to him dated June 7, 1979.

Would the Empire Energy Corporation, Salt Lake City, now be in possession of the Xerox claims listed under Annex I of OME Contract 6327.

Any information you can find out about the ownership of the Xerox claims will be greatly appreciated. Thank you for your reply.

Sincerely yours,

J. William Hasler

J. William Hasler, Chief
Office of Minerals Exploration

Enclosure

cc: A. T. Ovenshine
C. H. Thorman

Joe A. Haught
Box 101
Young Arizona
85554

RECEIVED
AUG 15 1983

YOUNG
AUG 10 1983
USA 20c

ATTN. J. William Hasler
United States Department of Interior
Geological Survey
Box 25046 M.S. 939
Denver Federal Center
Denver Colorado 80225

RECEIVED
AUG 15 1983

In answer to your letter addressed to Mr & Mrs. Homer Haught my Uncle & Aunt: in Payson Ariz.

RECEIVED
AUG 15 1983

J. William Hasler;

Dear Sir;

Sorry to be so slow in response to your letters: In regard to our claims which are Lady Bug 1-12 and Daddy Bug 13-15 they have been leased to a company calling themselves the (Empire Energy Corporation) from Salt Lake City Utah.

I have made several attempts to contact these people as they are about 21 months in defaulT of the contract between us and them but I do not recieve anything in return.

Today I am sending them a registered letter with a release in it: If I recieve no response I will have to take a different course of action in order to provide you with the papers you need.

I have kept the work done and recorded annually and as soon as I get a legal release from Empire I will mail you all the papers you have asked for.

I personally do not know the "Archean Exploration Corporation" and we do not own any Xerox Claims.

I would appreciate a letter from you explaining everything to me; as we are desirous to sell or lease our claims as soon as we get a legal release from Empire.

Sincerely Yours
Joe A. Haught
Box 101 Young Arizona
Zip 85554

United States Department of the Interior
GEOLOGICAL SURVEY
BOX 25046 M.S. 933
DENVER FEDERAL CENTER
DENVER, COLORADO 80225

IN REPLY REFER TO

November 16, 1982

Mr. James R. Brooks
District Geologist
Colorado Fuel and Iron Corporation
Mining Department Box 316
Pueblo, Colorado 81002

Re: OME 6327 (iron ore)
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona
Contract 2192

Dear Mr. Brooks:

Thank you for your suggestions in tracing the Xerox and Lady Bug Claims in Gila County, Arizona.

Your recall of the project and the exploration work performed by Archean Exploration Corporation, as well as the people involved, is unique. My recall facilities are nothing to compare with yours.

I telephonedthe Haughts and talked with Mrs. Homer Haught Friday, November 12. The Haughts leased the property to other companies since Archean Exploration Corporation's lease long since expired. Some Texas outfit apparently shipped some ore and fleeced them out of a lot of money. She said that this Texas outfit was "slicker than Allison," another lessee.

The Xerox and Lady Bug Claims were more recently re-recorded by her and her husband and they have completed the required assessment work to hold the claims.

I have asked them to set a time for a field inspection of the property. Any production thereform is still under lien to the U.S. Government as a result of work performed under the subject contract. I will keep you informed of the situation.

Again thank you for your assistance. Mrs. Haught told me to say "hello" to you. She remembered you well.

Sincerely yours,

J. William Hasler

J. William Hasler, Chief
Office of Minerals Exploration

JWH:js
cc: A. T. Ovenshine C. H. Thorman

United States Department of the Interior

GEOLOGICAL SURVEY
RESTON, VIRGINIA 22092

June 7, 1979

Mr. Alex A. Cotte
Secretary
Archean Corporation
3409 Sentinel
Midland, Texas 79701

Re: OME-6327 (Iron Ore)
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona
Contract 2192

Dear Mr. Cotte:

On October 18,1977, we sent you a letter about rerecording unpatented mining claims by October 22, 1979, because of provisions in Public Law 94-579. A copy of the letter is enclosed. We asked you to advise us that you had rerecorded your claims by signing, dating, and returning a copy of the letter to this office. We have not received a reply from you on this matter.

Because of the opportunity for you to rerecord the claims in the next 4 months, the need to protect your interest in the claims, and the Government's interest as a consequence of its rights to royalty on production from these claims, we are sending this reminder to you.

Please take care of this matter at your earliest convenience, sign, date, and return the enclosed copy.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo, Chief
Office of Minerals Exploration

Enclosure

To SENDER

As Addr...
Unable to Forward

9-160
UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
RESTON, VA. 22092

OFFICIAL BUSINESS

953

POSTAGE AND FEES PAID
U.S. DEPARTMENT OF THE INTERIOR
INT 413

Archean Exploration Corporation
1415 E. Thomas Road
Room 117
Phoenix, Arizona 85014

United States Department of the Interior

GEOLOGICAL SURVEY
RESTON, VIRGINIA 22092

In Reply Refer To:
Mail Stop 953

October 25, 1978

Mr. Morgan McGilvray
12823 Normandy Lane
Los Altos Hills, California 94022

Re: OME-6727 (Gold-Silver)
W. S. McGilvray, Jr. and Morgan McGilvray
Telegraph Mines
San Bernardino County, California
Contract 2273

Dear Mr. McGilvray:

By the terms of OME Contract 2273 and the Certification of Possible Production dated September 17, 1969, all minerals mined or produced from October 17, 1968, to October 17, 1978, were subject to the Government's royalty as stated in said contract.

As the period during which production was subject to royalty has now expired, the Government according to its present records retains no claims or lien against the property subject to the contract or any production therefrom. We, therefore, are closing our books and records on this contract.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo, Chief
Office of Minerals Exploration

Identical letter sent to:
Mrs. Perry B. McGilvray
31 Sheckner Court
Menlo Park, California 94025

SAMPLE WRITE OFF

United States Department of the Interior

GEOLOGICAL SURVEY
RESTON, VIRGINIA 22092

In Reply Refer To:
Mail Stop 953

October 6, 1977

Archean Exploration Corporation
1416 E. Thomas Road
Room 117
Phoenix, Arizona 85014

Re: OME-6327 (Iron Ore)
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona
Contract 2192

Gentlemen:

Legislation enacted in October 1976 established new requirements concerning unpatented mining claims and affidavits of annual assessment work. Owners of unpatented claims must comply by October 22, 1979, with new procedures described in Section 314, Public Law 94-579, October 21, 1976, and in Federal Register--Title 43, Part IV of January 27, 1977. Copies of these documents are enclosed for your information. Simply stated, the new legislation requires that mining claims be rerecorded by October 22, 1979, and that certain information be filed with affidavits of assessment work.

We bring this matter to your attention for two reasons--to alert you to the need to rerecord in order to retain the claims, and to protect the Government's interest in the land and in royalty from possible production therefrom during the period of royalty obligation which continues beyond October 22, 1979.

We would appreciate being advised that you have rerecorded your claims. Accordingly, please return to us one copy of this letter dated and signed where applicable in the statement below.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo, Chief
Office of Minerals Exploration

Enclosures

"The unpatented mining claims described in the contract cited above were recorded on _____ in accordance with Section 314, P.L. 94-579."
(date)

Signature _____

Title _____

Date _____

Returned for verification 10/17/77

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 200

COPY
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May 20, 1971

Memorandum

To: Chief, Office of Minerals Exploration

From: Assistant Chief, Office of Minerals Exploration

Subject: OME-6327 (Iron Ore)
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona
Contract 2192

Enclosed is the Final Field Report on the subject contract.

William L. Emerick

William L. Emerick,
Assistant Chief,
Office of Minerals Exploration

Enclosure

FINAL FIELD REPORT

FINAL FIELD REPORT - OME EXPLORATION PROJECT

By W. L. Emerick

May 20, 1971

1. OME-6327 (Iron Ore)
   Archean Exploration Corporation
   Xerox and Lady Bug Claims
   Gila County, Arizona
   Contract 2192

   Operator: Archean Exploration Corporation
   1416 East Thomas Road
   Phoenix, Arizona 85014

   Property: Consists of 136 unpatented lode mining claims, including all rights pertaining thereto, in secs. 2, 3, 4, 5, 8, 9, 10, 11, 16, and 17, T. 9 N., R. 15 E., and secs. 33 and 34, T. 10 N., R. 15 E., Gentry Mountain mining district, Gila County, Arizona. A map showing the area of these claims was attached to the contract.

   Ownership: The Operator was in possession of 119 claims (Xerox) under the terms of a Quitclaim Mining Deed, dated November 5, 1962 from F. Matthews and G. C. Ridland, the owners, and of 17 claims (Ladybug) by an Agreement of Assignment, dated October 30, 1962, from Western States Iron Company, lessor, in possession of the claims under terms of a Mining Lease, dated August 11, 1958, from Homer Haught and Betty J. Haught, the owners.

2. Purpose of Project: The purpose of the project was to explore by core drilling from prepared surface sites for deposits of iron ore occurring mainly as hematite near or along the contact of the Mescal limestone of Precambrian age with the overlying Chediski sandstone of Cambrian age.

3. Contract: Dated June 29, 1964, for a term of 18 months.
   Original contract amount - $94,050.00
   Government participation - $47,025.00

   Amendments - No. 1 - November 23, 1964, to allow the Operator to drill one hole to offset diamond drill hole No. 1 at a lesser distance than the 1,000 feet stipulated in the contract.

   No. 2 - February 24, 1965, to suspend work on the contract for a period of four months and to stipulate provisions becoming effective if work was not resumed before termination of the four months period.

4. Project Work: Started August 3, 1964. Terminated January 12, 1965.

Stage I

Cost Items

Actual Costs	Authorized Units	Authorized Rate	Authorized Amount	Completed Units	Completed Amount
Mobilization and demobilization of bulldozer	370 miles	$1.50/mile	$555.00	200 miles	$300.00
Bulldozing access roads and drill sites	176 hours	$22.50/hour	$3,960.00	132 hours	$2,640.00
Mobilization and demobilization of personnel and drilling equipment	2 drill rigs	$325.00/rig	$650.00	-----	-----
Overburden and core drilling	5,250 feet	-----	$32,352.00	1,566.4	$9,320.08
Hauling water	5,250 feet	$0.50/foot	$2,625.00	1,566.4	$783.20
Cementing and redrilling	220 feet	$2.65/foot	$583.00	-----	-----
Cardboard core boxes	450 boxes	$0.80/each	$360.00	156 boxes	$124.80
Operating materials	-----	-----	$250.00	-----	-----
Rental of compressor	1/2 month	$308.20/month	$154.10	-----	-----
Rental of core splitter	4.2 months	$10.00/month	$42.00	-----	-----
Rental of core and sample room	4.2 months	$20.00/month	$84.00	-----	-----
Sample containers and shipping costs	105 samples	$0.50/sample	$52.50	-----	-----

Stage I - Continued

Actual Costs	Authorized Units	Authorized Rate	Authorized Amount	Completed Units	Completed Amount
Assaying for iron	100 samples	$4.00/sample	$400.00	-----	-----
Composite sample assays	5 samples	$30.00/sample	$150.00	-----	-----

Fixed Unit Costs	Authorized Units	Authorized Rate	Authorized Amount	Completed Units	Completed Amount
Incidental allowance, road work	176 hours	$3.70/hour	$651.20	132 hrs.	$488.40
Incidental drilling allowance	5,250 feet	$0.70/foot	$3,675.00	1,566.4 ft.	$1,096.48
Total Estimated Cost of Stage I			$46,644.00	-----	$14,752.96

Stage II

Actual Costs	Authorized Units	Authorized Rate	Authorized Amount	Completed Units	Completed Amount
Mobilization and demobilization of bulldozer	370 miles	$1.50/mile	$555.00	-----	-----
Bulldozing access roads and drill sites	104 hours	$22.50/hour	$2,340.00	-----	-----
Mobilization and demobilization of personnel and drilling equipment	2 drill rigs	$325.00/rig	$650.00	-----	-----
Overburden and core drilling	5,600 feet	-----	$34,497.60	-----	-----
Hauling water	5,600 feet	$0.50/foot	$2,800.00	-----	-----
Cementing material	-----	-----	$120.00	-----	-----

Stage II - Continued

Actual Costs	Authorized Units	Authorized Rate	Authorized Amounts	Completed Units	Completed Amount
Cementing and redrilling	240 feet	$2.65/foot	$636.00	-----	-----
Cardboard core boxes	450 boxes	$0.80/each	$360.00	-----	-----
Operating materials	-----	-----	$250.00	-----	-----
Rental of compressor	1/2 month	$308.20/month	$154.10	-----	-----
Rental of core splitter	4.5 months	$10.00/month	$45.00	-----	-----
Rental of core and sample room	4.5 months	$20.00/month	$90.00	-----	-----
Sample containers and shipping costs	105 samples	$0.50/sample	$52.50	-----	-----
Assaying for iron	100 samples	$4.00/sample	$400.00	-----	-----
Composite sample assays	5 samples	$30.00/sample	$150.00	-----	-----
Fixed Unit Costs	**Authorized Units**	**Authorized Rate**	**Authorized Amounts**	**Completed Units**	**Completed Amount**
Incidental allowance, road work	104 hours	$3.70/hour	$384.80	-----	-----
Incidental drilling allowance	5,600 feet	$0.70/foot	$3,920.00	-----	-----
Total Estimated Cost of Stage II			$47,405.00		
Total Estimated Cost of Stages I and II			$94,050.00		$14,752.96
Government participation at 50%			$47,025.00		$7,376.48
Paid to the Operator					$7,376.48

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

Effectiveness of the Work - The target area was not adequately explored because only a small portion of the exploration work contemplated was completed on the contract.

Efficiency of Operation - The project work that was completed before termination of the contract was done in an efficient manner.

5. Reports:

Operator's Final Report - No final report was submitted.

Cost Review - A Report of Review was issued by the Office of the Chief Auditor in June 1966.

Final Audit - A final audit was not requested inasmuch as no addition vouchers were submitted or paid after the Report of Review. The final voucher was paid on December 14, 1964.

Royalty Review - No royalty on production was received. A royalty review was not requested.

6. Project Results:

Discoveries - The partially completed project work that was done did not result in the discovery of any reserves of iron ore.

Certification - Project work was not resumed before the end of the four months suspension period authorized by Amendment No. 2 of the contract. The contract, therefore, was terminated and the Operator became liable for the payment of royalty as provided for in Article 7 of the subject contract, as amended, and Article 2.(d) of Amendment No. 2 thereto, as if a certification of possible production had been made.

Production - A report by the Ferrous Metals Division of the U. S. Bureau of Mines on May 13, 1971 indicated that the last production report on this property was in 1968. The report showed that 1,120 tons of hematite ore was produced from the Lady Bug claim and stockpiled. No production reports were received from the Operator in 1969 and 1970.

Royalties - No royalties have been paid to the Government on any production of hematite ore.

7. Geologic Summary

- The ore deposits, mainly hematite, are near or along the contact of the Mescal limestone and the overlying Chediski sandstone in an ore zone that ranges from a few feet to as much as 50 feet in thickness. Diabase sills may or may not be present in the area of the iron ore deposits. The iron ore generally is at the bottom of the ore zone in beds that range from a few feet to 25 feet in thickness. Silicification and iron mineralization within the ore zone varies widely in degree and extent. The best ore contains 50 to 65 percent iron, 4 to 25 percent silica, less than 0.05 percent each of phosphorus and sulfur, and probably replaces almost pure Mescal limestone. The better ore merges upward into a silicified zone containing hematite, a cherty and ferruginous clay, and sandstone. There had been no production from the property prior to the OME contract.

AIRMAIL, CERTIFIED MAIL, RETURN RECEIPT REQUESTED
Letter to Mr. Alex A. Cotte, Secretary, Archean Corporation, May 13, 1971
OME-6327, Contract 2192

Receipt #133763 signed by Mr. Cotte May 17, 1971

No response 7/30/71

INSTRUCTIONS TO DELIVERING EMPLOYEE

☐ Show to whom, date, and address where delivered ☐ Deliver ONLY to addressee

(Additional charges required for these services)

RECEIPT

Received the numbered article described below.

REGISTERED NO.

CERTIFIED NO. 133763

INSURED NO.

DATE DELIVERED 5-17-71

(1) SIGNATURE OR NAME OF ADDRESSEE (*Must always be filled in*) Alex A Cotte

(2) SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

(3) SHOW WHERE DELIVERED (*only if requested*)

c55—16—71548-10 GPO

MME Form 7
(2/63)

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Date	Surname	Code
5/13/71		120
		220

May 13, 1971

AIRMAIL
CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Alex A. Cotte
Secretary
Archean Corporation
3409 Sentinel
Midland, Texas 79701

Re: OME-6327 (Iron Ore)
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona
Contract 2192

Dear Mr. Cotte:

We have taken steps to obtain the information regarding status of the Xerox and Lady Bug Claims and any production therefrom as requested of you three times in the past year. We regret having to incur the expense of gathering this information by a field trip, but as you have not responded to repeated requests from us, we have no other recourse. We would much prefer using our limited funds to assist our present operators in their exploration work.

Should you decide to cooperate with us, we would appreciate receiving the information directly from you on the forms sent you previously.

Sincerely yours,

Harold Kirkemo
gla

Harold Kirkemo
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
OME Field Officer, Region III
Mr. Kirkemo
130

HKirkemo/gla 5-13-71

P. S. to Field Officer:
Fred L. Klinger, Ferrous Metals Division, U.S.B.M., Washington, D. C. (202 167-0621) reported on May 13, 1971 that the last production report on this property was in 1968 when 1120 tons of hematite ore was produced from the Lady Bug claim and was stockpiled. No reports received from the Operator in 1969 or 1970.

INSTRUCTIONS TO DELIVERING EMPLOYEE

☐ Show to whom, date, and address where delivered ☐ Deliver ONLY to addressee

(Additional charges required for these services)

RECEIPT

Received the numbered article described below.

REGISTERED NO.

CERTIFIED NO. 133623

INSURED NO.

1 SIGNATURE OR NAME OF ADDRESSEE (*Must always be filled in*)

Glen G Potte

2 SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

DATE DELIVERED

3 SHOW WHERE DELIVERED (*only if requested*)

c55—16—71548-10 GPO

POST OFFICE DEPARTMENT
OFFICIAL BUSINESS

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OCEAN VILLAGE STA. APR 8 1971

INSTRUCTIONS: Show name and address below and complete instructions on other side, where applicable. Moisten gummed ends, attach and hold firmly to back of article. Print on front of article *RETURN RECEIPT REQUESTED.*

RETURN TO

NAME OF SENDER Office of Minerals Exploration
U. S. Geological Survey

STREET AND NO. OR P.O. BOX
Department of Interior Building

POST OFFICE, STATE, AND ZIP CODE
Washington, D. C. 20242

POD Form 3811 Apr. 1967 c55—16—71548-10

6327-Cotte

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(2/63)

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AIRMAIL
CERTIFIED MAIL
RETURN RECEIPT REQUESTED

APR 2 1971

Mr. Alex A. Cotte
Secretary
Archean Corporation
3409 Sentinel
Midland, Texas 79701

Re: OME-6327 (Iron Ore)
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona
Contract 2192

Dear Mr. Cotte:

We received on March 2, 1971, a certified mail receipt signed by you which indicates that you have our letter of February 25, 1971.

Would you please reply to that letter at your earliest convenience? Considerable savings in time, effort, and money would be possible if you furnished the information we requested, instead of having the Field Officer obtain it.

Sincerely yours,

Harold Kirkemo
for

Harold Kirkemo
Chief, Office of Minerals Exploration

cc: Director's Reading File
Mineral Resources
OME docket ✓
OME Reading file
OME Region III
Mr. Kirkemo
130

HKirkemo/gla 4-2-71

INSTRUCTIONS TO DELIVERING EMPLOYEE

☐ Show to whom, date, and address where delivered ☐ Deliver ONLY to addressee

(Additional charges required for these services)

RECEIPT

Received the numbered article described below.

REGISTERED NO.
500375

CERTIFIED NO.

INSURED NO.

1 SIGNATURE OR NAME OF ADDRESSEE (*Must always be filled in*)

Ellery A. Porter

2 SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

DATE DELIVERED
3-2-V

3 SHOW WHERE DELIVERED (*only if requested*)

c55—16—71548-10 GPO

FICIAL BUSINESS

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INSTRUCTIONS: Show name and address below and complete instructions on other side, where applicable. Moisten gummed ends, attach and hold firmly to back of article. Print on front of article *RETURN RECEIPT REQUESTED.*

RETURN TO

NAME OF SENDER U.S. Geological Survey
Department of the Interior

STREET AND NO. OR P.O. BOX
Department of Interior Building
~~Office of Minerals Exploration~~

POST OFFICE, STATE, AND ZIP CODE
Washington, D. C. 20242

OME-6327 - Cotte

MME Form 7
(2/63)

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AIRMAIL

FEB 25 1971

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Alex A. Cotte
Secretary
Archean Corporation
3409 Sentinel
Midland, Texas 79701

Re: OME-6327 (Iron Ore)
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona
Contract 2192

Dear Mr. Cotte:

We received certified mail receipts signed by you or by Mrs. A. A. Cotte acknowledging receipt of our letters of January 21, 1971 and June 17, 1970 requesting information on the status of the property and production therefrom. To date, however, we have not received a reply from you.

In order to check on the present status of ownership of the property and production on which royalties may be due the Government, we are instructing Mr. J. W. Hasler, Field Officer, OME Region III, to visit the property on his next trip to Arizona and sample any stockpile present, and to check the Gila County records on this property. On the basis of assays of samples of stockpiled material, and the Field Officer's estimate of tonnage present, a determination will be made of the total value of the stockpile and, if useable or saleable, the amount of royalty due the Government for which claim will be made.

Should you furnish this information prior to the Field Officer's inspection, we would cancel our instructions to him.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

cc: Director's ReadingFile
Mineral Resources File
OME Docket
OME Reading File
OME Region III
Mr. Kirkemo
130

HKirkemo/bsl 2/25/71

INSTRUCTIONS TO DELIVERING EMPLOYEE

☐ Show to whom, date, and address where delivered ☐ Deliver ONLY to addressee

(*Additional charges required for these services*)

RECEIPT

Received the numbered article described below.

REGISTERED NO.

CERTIFIED NO. 133828

INSURED NO.

DATE DELIVERED

(1) SIGNATURE OR NAME OF ADDRESSEE (*Must always be filled in*)

(2) SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

Alex G Cotte

(3) SHOW WHERE DELIVERED (*only if requested*)

c55—16—71548-10

POST OFFICE DEPARTMENT
OFFICIAL BUSINESS

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RETURN TO

NAME OF SENDER U. S. Geological Survey,
Department of the Interior

STREET AND NO. OR P.O. BOX
Department of Interior Building

POST OFFICE, STATE, AND ZIP CODE
Washington, D. C. 20242.

POD Form 3811 Apr. 1967 c55—10—71548-10

OME-6327-Cotte

MME Form 7
(2/63)

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Date	Surname	Code
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AIRMAIL
CERTIFIED MAIL
RETURN RECEIPT REQUESTED

JAN 21 1971

Mrs. A. A. Cotte
Archean Corporation
3409 Sentinel
Midland, Texas 79701

Re: OME-6327 (Iron Ore)
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona
Contract 2192

Dear Mrs. Cotte:

We have not received a response to our letter, Certified Mail No. 133209, dated June 17, 1970, to Mr. Alex A. Cotte for which you signed on June 20, 1970. We enclosed a copy of our letter, dated March 5, 1970, and a new set of Form MME 63, Request for Information, and asked that he complete and return two copies of the form, and to reply particularly to the third paragraph of our letter of March 5, 1970.

Please bring to Mr. Cotte's attention our request for this information. If a reply is not received within thirty days from the date of this letter, we will take appropriate steps to ascertain the status of the property and production therefrom.

Sincerely yours,

Harold Kirkemo/gla

Harold Kirkemo
Chief, Office of
Minerals Exploration

Enclosures

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading file
OME Region III
Mr. Kirkemo
130

HKirkemo/gla 1-21-71

INSTRUCTIONS TO DELIVERING EMPLOYEE

☐ Show to whom, date, and address where delivered ☐ Deliver ONLY to addressee

(*Additional charges required for these services*)

RECEIPT

Received the numbered article described below.

REGISTERED NO.

CERTIFIED NO.
133209

INSURED NO.

SIGNATURE OR NAME OF ADDRESSEE (*Must always be filled in*)

1 Mrs G. A. Otte

2 SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

E DELIVERED

6-26-7

3 SHOW WHERE DELIVERED (*only if requested*)

c55—16—71548-10 GPO

POST OFFICE DEPARTMENT
OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE, $300

POSTMARK OF DELIVERING OFFICE

INSTRUCTIONS: Show name and address below and complete instructions on other side, where applicable. Moisten gummed ends, attach and hold firmly to back of article. Print on front of article *RETURN RECEIPT REQUESTED.*

RETURN TO

NAME OF SENDER

U. S. Geological Survey
Office of Minerals Exploration

STREET AND NO. OR P.O. BOX

Department of Interior Building

POST OFFICE, STATE, AND ZIP CODE

Washington, D. C. 20242

POD Form 3

6327-Cotte-Archean

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
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AIRMAIL
CERTIFIED MAIL
RETURN RECEIPT REQUESTED

JUN 17 1970

Mr. Alex A. Cotte
Secretary
Archean Corporation
3409 Sentinel
Midland, Texas 79701

Re: OME-6327 (Iron Ore)
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona
Contract 2192

Dear Mr. Cotte:

We have not received any response to our requests for information on production and status of the subject property which were forwarded to you at Snowflake, Arizona, on June 30 and October 16, 1969, and January 5 and March 5, 1970.

We are enclosing a copy of our letter, dated March 5, 1970, and a new set of Form MME 63 request for information. You are requested to complete and return two copies of the form, and to reply particularly to the third paragraph of the enclosed letter. Please give immediate attention to this request.

Sincerely yours,

Harold Kirkemo (gla)

Harold Kirkemo
Chief, Office of
Minerals Exploration

Enclosures

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
OME Region III
Mr. Kirkemo
130

HKirkemo/gla 6-17-70

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 200

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O. M. E.
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JUN 15 1970

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HK	720
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June 10, 1970

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6327 (Iron Ore)
Archaen Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona
Contract 2192

Please refer to your copy of the April 28, 1970 memorandum to the Field Officer, Region III, regarding production on the above-captioned subject. The delay in answering was caused by the several attempts of personnel at the Bureau of Mines to canvass the Archaen Corporation.

Attached herewith is a memorandum from Mr. Jesse R. Wood, Jr., Project Coordinator, Denver Intermountain Field Operations Center saying they received a reply in 1968 on the Mine and Quarry Information Supplement showing stockpiling of 1000 tons of ore for the Lady Bug & Xerox mines, but have been unable to receive an answer to their canvass for 1969.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Intermountain
Field Operations Center

BUILDING 20
DENVER FEDERAL CENTER
DENVER, COLORADO 80225

RECEIVED
JUN 10 1970
Denver, Colorado

June 9, 1970

Memorandum

To: Mr. J. William Hasler, Field Officer, Region 3, Office of Minerals Exploration, U.S. Geological Survey Building 53, Room 200, Denver Federal Center

From: Jesse R. Wood, Jr., Project Coordinator, Denver Intermountain Field Operations Center

Subject: Production of iron ore by Archean Corporation

Our office has canvassed Archean Corporation for iron ore production in 1968 and 1969.

We received a reply in 1968 on the Mine and Quarry Information Supplement showing the stockpiling of 1000 tons of ore for the Lady Bug & Zerox mines.

This year, 1969, we received no answer to our canvass of the Lady Bug and Zerox mine. An attempt was made to talk to Mr. Alex A. Cotte, Secretary, in Midland, Texas. He was away on a trip, but his address is:

Archean Corporation
Alex A. Cotte, Secretary
3409 Sentinel
Midland, Texas 79701

If we may be of further assistance, we will be glad to do so.

Jesse R. Wood, Jr.
Jesse R. Wood, Jr.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
4/28/70		120
		220

APR 28 1970

Memorandum

To: Field Officer, Region III

From: Chief, Office of Minerals Exploration

Subject: OME-6327 (Iron Ore)
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona
Contract 2192

Please refer to your copy of our letter, dated March 5, 1970, to Mr. Alex A. Cotte, Secretary-Treasurer, Archean Corporation, by Certified Mail, requesting information on production from the subject property since June 1964. We have been unable to obtain responses to several inquiries sent to Mr. Cotte since March 14, 1968.

We would appreciate receiving any information on the status of this property that you may be able to obtain.

Harold Kirkemo (gla)

Harold Kirkemo

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
Mr. Kirkemo
130 (2)

GLAult/a 4-28-70

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
3/5/70		120
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CERTIFIED MAIL
RETURN RECEIPT REQUESTED

MAR 5 1970

Mr. Alex A. Cotte
Secretary-Treasurer
Archean Corporation
P. O. Box 779
Snowflake, Arizona 85937

Re: OME-6327 (Iron Ore)
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona
Contract 2192

Dear Mr. Cotte:

Reference is made to our request of March 12, 1968, concerning the status of the subject property and production therefrom, which you completed and returned on March 14, 1968. Subsequent inquiries forwarded to you on June 30 and October 16, 1969, and January 5, 1970, have not been answered.

A new set of MME Form 63 is enclosed for your attention. You are requested to promptly complete the form and return the original and one copy to us.

We note an article in Skillings Mining Review, dated October 7, 1967, stating that Archean Corporation was then on a 24-hour-per-day schedule of sponge iron production, and that two new furnaces would be added to increase daily production to 150 tons. On March 14, 1968, you replied to our request for information on property status and production therefrom that there had been no production since August 1967. In response to a similar request, dated August 9, 1967, you reported there had been no production since June 29, 1964. As your statements cover the period of production reported in the news item, would you please explain what activity there has been at the property since June 1964. Any royalty due the Government should be paid promptly.

Please refer to the provisions of the contract, especially Article 7 pertaining to royalty on production, and instructions in our letter to the Operator, dated July 6, 1966, concerning obligations for payment of royalty on any production from the property. Any royalty

payments due should be made in favor of the U. S. Geological Survey and mailed to the Field Officer, OME Region III, Room 203, Building 53, Denver Federal Center, Denver, Colorado 80225.

Sincerely yours,

Harold Kirkemo (gla)

Harold Kirkemo
Chief, Office of
Minerals Exploration

Enclosures

cc: Director's Reading File
Mineral Resources
OME Docket
OME Reading file
OME Region III
Mr. Kirkemo
130

HKirkemo/gla 3-5-70

March 3, 1970

OME-6327 (Iron ore)
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona
Contract 2192

INSTRUCTIONS TO DELIVERING EMPLOYEE

☐ Show to whom, date, and address where delivered ☐ Deliver ONLY to addressee

(Additional charges required for these services)

RECEIPT

Received the numbered article described below.

REGISTERED NO.

CERTIFIED NO. 133625

INSURED NO.

DATE DELIVERED

1 SIGNATURE OR NAME OF ADDRESSEE (*Must always be filled in*) Vector Johnstone

2 SIGNATURE OF ADDRESSEE'S AGENT, IF ANY R. W. Minehe

3 SHOW WHERE DELIVERED (*only if requested*)

c55—16—71548-10 GPO

No response to MME forms 63 forwarded to Archean Corporation, P. O. Box 779, Snowflake, Arizona 85937 June 30, 1969

Follow-up MME Form 63 to Mr. Alex A. Cotte, Secretary-Treasurer, above address, by Certified Mail, Return Receipt Requested, October 16, 1969

Follow-up MME Form 63 to Mr. Alex A. Cotte, above address, by Certified Mail, Return Receipt Requested, January 6, 1970, for which the above card was returned by the Post Office - #133,625

Period of inquiry: "Since March 14, 1968"

IN REPLY REFER TO:
Office of Minerals Exploration

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

March 12, 1968

Archean Corporation
P. O. Box 779
Snowflake, Arizona 85937

Re: OME-6327 (Iron Ore)
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona
Contract 2192

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 19 1968

INITIALS	CODE
gla	130
	~~120~~
	~~110~~
	220

Gentlemen:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Copy to R-III

MME Form 63
Revised 7-65

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since **August 1967**, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☒

2. Since **August 1967**, has there been any production from the land subject to the contract? Yes ☐ No ☒

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☐

   If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

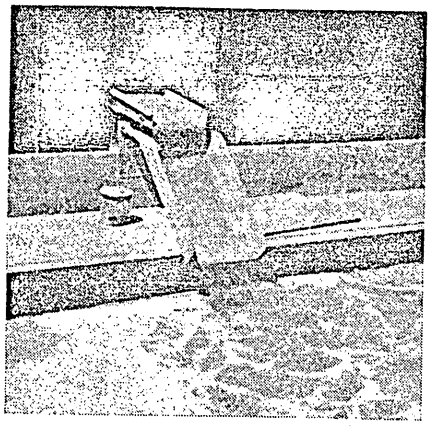
Name [illegible signature] Title Secy - Tres

Address Box 779 Snowflake Ariz. Date 3/14/68

Copper Recovered by Use of Sponge Iron

The Phelps Dodge Corp. is recovering copper from leaching solution by use of sponge iron to supplement conventional scrap iron and de-tinned cans as a precipitant in the winning of copper from a large low grade ore dump at Warren, Ariz. While immersed in a leach copper laden solution, sponge iron transforms to copper metal by ion exchange. Sponge iron creates a faster exchange than scrap iron.

Phelps Dodge is making sponge iron at the rate of 40 tons per day at its Douglas, Ariz. copper smelter, which iron is all consumed daily in step with production. The accompanying picture shows an actual scene of sponge iron in granulated form being fed into a leaching vat at the Phelps Dodge leaching plant in the Bisbee-Warren copper mining of the Copper Queen copper mining division in Arizona.



Feeder drawing granulated sponge iron from a storage bin and delivering same to leaching vat at Warren, Ariz.

ARCHEAN IN SPONGE IRON PRODUCTION IN ARIZONA

Archean Corp. of Snowflake, Ariz., has announced through its president, George W. Craig, that the firm is now in 24-hour a day production of sponge iron, at the rate of 50 tons per day. Sponge iron is used in precipitating copper through the leaching process. Two of the major Arizona copper producers are using this material. Mr. Craig added that the firm's mill is being doubled in size, and with addition of two new furnaces will increase production of sponge iron to 150 tons daily. John Ewing Co., LaSalle, Colo., has been named exclusive selling agent for Archean.

Archean's hematite deposit, adjacent to the orebody of CF&I Steel Corp. northeast of Young, Ariz., is considered one of the larger reserves of high grade iron ore in the U. S. After reduction of the ore, the material averages 72% iron. Reduction is achieved by specially designed furnaces. After capacity reaches 150 tons per day, Archean expects to upgrade the purity of its iron and to produce powdered iron for melting stock in the manufacture of iron and steel products.

Skillings Mng Review 10/7/67

OFFICIAL COPY
O. M. E.
RECEIVED
NOV 16 1967

INITIALS	CODE
JLJ	~~110~~
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Note: OME 6327 (Fe)
Archean Exploration Co.
Gila Co., Arizona.

The U S Bureau of Mines reports No production.

Probably no orders made as of 11/16/67
Should check on prod in March 68

6327 file copy

August 16, 1967

Mr. William T. Pecora, Chief Geologist
Geological Survey
Department of the Interior
Washington, D. C.

Dear Sir:

Our auditors, Main Lafrentz & Co. are making an examination of our financial statements as of June 30, 1967. In connection therewith, they would like to confirm with you the amounts owed under Exploration Contract No. 14-23-090 2192 docket No. OME-6327 which our records show to be as follows:

Balance of principal due you $ 7,376.48
Interest at rate of 6¼ % per annum is accruing from the date of November 1, 1964.

The foregoing amount is secured by a lien on the Lady Bug and Xerox claims and is payable at the rate of 5 % of the sales of ore or concentrates from the property.

Please compare the above information with your records, note any exceptions in the space provided below, sign in the area indicated and return the enclosed copy directly to Main Lafrentz & Co., in the preaddressed envelope enclosed.

Yours truly,

Alex A. Cotte

Main Lafrentz & Co.

The above information is correct, except, that interest accrued as of 6/30/67 is $1,188.70

Date August 24, 1967 Signed: Frank E. Johnson
Chief, Office of Minerals Exploration
U. S. Geological Survey

Enclosures
cc: Archean Corporation
Main Lafrentz & Co.

IN REPLY REFER TO:
Office of Minerals Exploration

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

August 9, 1967

Archean Exploration Corporation
~~1415 East Thomas Road, Room 117~~
~~Phoenix, Arizona 85014~~

ARCHEAN CORPORATION
P. O. Box 779
Snowflake, Arizona 85937

Re: OME-6327 (Iron Ore)
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona
Contract 2192

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 28 1967

INITIALS	CODE
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	110
	120 M
	220

Gentlemen:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cy to R-III

MME Form 63
Revised 7-65

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since **June 29, 1964**, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☒

2. Since **June 29, 1964**, has there been any production from the land subject to the contract? Yes ☐ No ☒

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☐

   If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name [signature] Title SECRETARY

Address Date

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
		110
8/12/66	Kirkham	120
8/12	cal	220
		120 m

AUG 12 1966

Memorandum

To: Chief, Branch of Budget and Finance

From: Chief, Office of Minerals Exploration

Subject: OME-6327 (Iron Ore)
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona
Contract 2192

Enclosed is a copy of a letter dated August 8, 1966, from the Field Officer, OME Region III, transmitting a copy of the Report of Review issued in June 1966 on the subject contract. A copy of said report also is enclosed.

FRANK E. JOHNSON

(fh)

Frank E. Johnson

Enclosures

cc: Director's reading file
Division file
Economic Geology file
OME file
OME reading file
120-m
FEJohnson/bih 8/12/66

23263

U. S. Geological Survey -- Denver Federal Center
Building 25 - Room 2284
Denver, Colorado 80225

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 11 1966
INITIALS | CODE
120 ME
110
120K

August 8, 1966

Archaen Exploration Corporation
1416 E. Thomas Road
Room 117
Phoenix, Arizona 85014

Re: OME-6327 (Iron Ore)
Archaen Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona
Contract 2192

Gentlemen:

Enclosed is the "Operator's copy" of a Report of Review on the subject contract issued in June, 1966. I have reviewed the Report of Review and concur in the facts stated in the Report of Review.

Sincerely yours,

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosure

cc: Chief, OME (2)
Hasler chron
OME chron
6327

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

GEOLOGICAL SURVEY

Mr. George W. Craig, Partner
Western States Iron Company
5148 Angus Drive
Los Angeles, California

JUL 6 1966

Re: OME-6327 (Iron Ore)
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona
Contract 2192

Dear Mr. Craig:

Enclosed is a copy of a self-explanatory letter of today to the Operator under the subject contract. This relates to the Lien or Subordination Agreement signed for you on June 11, 1964, by R. J. Allison as attorney-in-fact under the Office of Minerals Exploration program.

The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of the letter to the Operator. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreement, and to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom.

Sincerely yours,

Frank E. Johnson

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosure

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

GEOLOGICAL SURVEY

Archean Exploration Corporation
1416 E. Thomas Road
Room 117
Phoenix, Arizona 85014

Re: OME-6327 (Iron Ore)
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona
Contract 2192

Gentlemen:

Pursuant to Article 7 of the subject contract, as amended, and Article 2.(d) of Amendment No. 2 thereto, royalties shall be paid to the Government as provided in the contract on all production from the land described in the contract from June 29, 1964, to June 29, 1989, or until the amount contributed by the Government is fully repaid with interest, at the rate of 6¼ percent per annum, whichever occurs first. The payment of royalties is secured by a lien upon the land and upon any production therefrom.

Royalty payments should be made in favor of the U. S. Geological Survey, and should be mailed or delivered to the Field Officer, Region III, Office of Minerals Exploration, U. S. Geological Survey, Building 25, Federal Center, Denver, Colorado 80225. Each payment should be accompanied by two copies of settlement sheets or other suitable sales evidence showing the name of the purchaser, the quantity and grade of the production sold, the price per unit, and the gross proceeds and allowable deductions therefrom. The purchaser should be notified of the Government's royalty on production and directed to pay the royalty, computed as provided in the contract, directly to the Government.

The Field Officer should be promptly notified upon commencement of any production, and upon any extended cessation thereof. Production unsold or unused six months after extraction from the ground should be reported promptly to the Field Officer.

Attention is specifically invited to the provisions of Article 2(c) of the contract referring to the preservation of the Government's royalty rights. Two true copies of any instrument transferring, surrendering, or encumbering any of said rights shall be furnished the Field Officer.

Dated this 6th day of July, 1966.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
WASHINGTON, D.C. 20240

OFFICIAL BUSINESS

WASHINGTON PM 7 JUL 1966

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF THE INTERIOR

RETURNED TO WRITER

REASON CHECKED
Unclaimed ___ Refused ___
Unknown ___
Insufficient address ___
Moved, Left no address ___
No such post office in state ___
No such street in this city ___

not here

Mr. George W. Craig, Partner
Western States Iron Company
5148 Angus Drive
Los Angeles, California

~~Desert Star Motel~~
Las Vegas
Nev. 89101

40

LAS VEGAS,
JUL 15
PM
1966

LOS ANGELES,
JUL 11

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
7/7		110
7/7	Kiborn	120
7/7	cae	220
		120M

Memorandum

To: Field Officer, Region III

From: Chief, Office of Minerals Exploration

Subject: OME-6327 (Iron Ore)
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona
Contract 2192

Enclosed are two copies of a Report of Review on the subject contract issued in June 1966, as requested in your memorandum of February 18, 1966.

If you concur in the facts as stated in the Report of Review, one copy of the report should be sent to the Operator with any comments you may care to make. The other copy of the report is for your files.

As evidence of your concurrence, two copies of your letter transmitting the report to the Operator should be furnished this office. If you do not concur, both copies of the report should be returned to this office with appropriate comments.

FRANK E. JOHNSON

Frank E. Johnson

Enclosures

cc: Director's Reading File
Division File
Economic Geology File
OME Docket ✓
OME Reading File
130

FEJohnson/gla 7-7-66

23263

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

OFFICE OF THE DIRECTOR

JUN 16 1966

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 17 1966

INITIALS	CODE
	170
	110

Memorandum

To: Chief Geologist
Through: Assistant Director

From: Chief Auditor

Subject: Internal Audit of Contract 2192
Docket No. OME-6327 (Iron Ore)
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona

Enclosed are four copies of the report of our cost review of the subject contract. This review was made at the request of the Chief, Office of Minerals Exploration.

William T. McClelland

William T. McClelland

Enclosure

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
2/23	Selfridge	120
		110
2/24	CAC	220
		120M

FEB 24 1966

Memorandum

To: Chief Auditor

From: Chief, Office of Minerals Exploration

Subject: OME-6327 (Iron Ore)
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona
Contract 2192

Will you please prepare a Report of Review in lieu of a final audit on the subject contract in accordance with the February 18, 1966, request (copy enclosed) of the Field Officer of Region III.

Please note that the Field Officer recommends waiving of the Operator's final report, a recommendation in which we concur.

(signed) FRANK E. JOHNSON

Frank E. Johnson

Enclosure

cc to: Director's Reading File
Division File
Economic Geology File
Budget & Finance w cy Region III memorandum
OME File
OME Field Officer, Region III
OME Reading File
Mr. Selfridge

GCSelfridge/gla 2-23-66

Mudy
Skudlo

Arvin Schur
Field 1966

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Denver Federal Center -- U. S. Geological Survey
Building 25 - Room 2284
Denver, Colorado 80225

February 18, 1966

OFFICIAL
COPY
O. M. E.
RECEIVED
FEB 21 1966
ORIGINAL | COPY
~~110~~
~~120~~
~~120~~

Memorandum

To: Chief, OME

From: Field Officer, Region III

Subject: OME-6327 (Iron)
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona
Contract 2192

Request for final audit review

Exploration work commenced under the subject contract on August 3, 1964, and as of November 24, 1964 the operator had completed the following operations that have been approved for payment. The Government's share at 50% participation is $7,376.48.

Operation	Units Completed	Cost
Bulldozing	132	$2,640.00
Hauling bulldozer	200	300.00
BxWL	1,566.4	9,320.08
Water Hauling	1,566.4	783.20
Core Boxes	156	124.80
Incidental allowances	132	488.40
Drilling roadwork	1,566.4	1,096.48
		$14,752.96

In this Ho [illegible]
[illegible]

The area of exploration is underlain by sedimentary beds of the Apache group and overlying Paleozoic rocks. Diabase is locally present as sills. The sedimentary beds strike northeasterly and dip gently southeasterly. Diabase, which locally intrudes the Dripping Spring Quartzite and the Troy Quartzite is post iron in age. The diabase occurs only as sills ranging in thickness from a few tens of feet to about 200 feet. Iron ore mainly hematite, occurs near or along the contact of the Mescal formation and the overlying Chediski sandstone. Diabase sills may or may not be present in the area of iron ore deposits. The best ore, that containing 50-65 percent iron, 4 to 25 percent silica, and less than 0.05 percent of each of phosphorus and sulfur probably replaces almost pure Mescal limestone. The ore generally occurs at the bottom of the ore zone in beds that are a few feet to 25 feet thick and averages about 15 feet thick. The better ore merges upward into a more or less silicated zone containing hematite, and ferruginous chert, clay and sandstone. The degree and extent of silification and iron mineralization in the zone varies widely. The zone varies in thickness from a few feet to possibly 50 feet. In places, the iron content of 20 to 30 foot thick sections may average as much as 35 percent.

Ridland

The potential reserves of iron ore on the Lady Bug claims has been estimated to range in excess of four million tons in a 100-acre block, to 15.5 million tons in the approximately 360-acre block covered by the 18 Lady Bug claims. The author of the report of examination on the subject property estimated that possibly 1/3 of the 15.5 million tons of ore may be classified as measurable and indicated, and the remainder is inferred. Information indicates that the explored portion of the Colorado Fuel and Iron Company property nearby contains possibly 100 million tons of iron ore, and that possibly more than one half of the ore assays at least 50 percent iron, and the information obtained indicates that the ore zone extends westward into the area adjoining the operator's property.

The operator drilled diamond drill hole No. 1 to a depth of 252 feet and penetrated 100 feet of Chediski limestone, 45 feet of Mescal limestone, 24 feet of Troy Quartzite, then drilled into 53 feet Mescal limestone, and 30 feet of Dripping Spring quartzite. The operator indicates that this hole may have been drilled in a fault zone and that some thrusting may have taken place as the Mescal limestone was penetrated both above and below the Troy Quartzite.

Diamond drill hole No. 2 penetrated diabase from 41 feet to 688.4 feet, and the operator at a later time intends to extend the hole to 1,000 feet to test the thickness of the diabase sill at this location.

Diamond drill hole No. 4 penetrated 141 feet of Troy quartzite then went into diabase from 141 to 274 feet, consequently Diamond Drill hole No. 7 was selected in order to get away from the diabase intrusive.

Diamond drill hole No. 7 penetrated a more or less normal succession of rocks but very little iron ore was penetrated at the base of the Chediski sandstone, and the Mescal limestone either appears to be missing or was not yet contacted.

Because the drilling program to date has not been really successful, as very little iron ore was penetrated, coupled with the fact that the operator has had, and is still apparently suffering from internal corporate difficulties, makes an accurate appraisal of the project virtually impossible.

My recommendations are to waive any final report that might be forthcoming and to file a pseudo-certification then close the contract as there are considerable iron ore reserves indicated for the Xerox and Lady Bug claims, as well as the claims being in an area favorable for the extension of ore bodies from the nearby Colorado Fuel and Iron property which are already proven.

Should the Archean Exploration Corporation resolve their internal corporate difficulties and complete further successful exploration the government would then be in a position to reclaim the $7,376.48 expended under the contract plus the acrued interest. It is requested that a final audit review of the subject contract be made.

J. William Hasler

JWHasler/mc/2/18/66

cc: Chief, OME
6327
Chron
Hasler

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
	Selfridge	120
1/14	Johnson	130
		110
1/14	Cal	220
		120 m

JAN 1 4 1966

Memorandum

To: Field Officer, Region III

From: Chief, Office of Minerals Exploration

Subject: OME-6327 (Iron Ore)
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona
Contract 2192

The subject Operator was requested on June 15 and September 13, 1965, to submit the Operator's final report. The drilling that was done was largely in diabase, and we are willing to waive the report upon your recommendation to do so if you think that it will not add information additional to that which is already available to you. If you make the recommendation, will you please request a final audit review of the subject contract in accordance with the instructions of OME Circular No. 2 and our recent discussions in Washington. Will you please also give us your recommendation concerning certification.

(signed) FRANK E. JOHNSON (gla)

Frank E. Johnson

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
Mr. Selfridge (2)

gCSelfridge/mm (1/14/66

23263

Archean Exploration Corporation

Phone 216-9270
Area Code 602

1416 E. Thomas Road
Room 102
Phoenix, Arizona 85014

November 4, 1965

Dr. William T. Pecora, Chief Geologist
Geological Survey
Department of the Interior
Washington, D. C.

Dear Dr. Pecora:

Our auditors are making an examination of our financial statements and in connection therewith they would like copies of all reports, findings and relevant information concerning Exploration Contract No. 14-23-090 2192 docket No. OME-6327. Please send this information directly to them. They also wish to obtain direct confirmation of your account with us as of September 30, 1965. Our records show the following:

	PAYABLE TO YOU
On open account	$7,376.48

This amount is secured by a lien on the Lady Bug and Xerox claims and is payable at the rate of 5% of the sales of ~~ore~~ by the company.

Please compare the above data with your records, note any exception in the space provided below, sign and return directly to our auditors, Main Lafrentz & Co., 55 East Thomas Road, Phoenix, Arizona, in the enclosed preaddressed envelope. Your prompt attention to this request will be appreciated.

Yours very truly,

By_____

Main Lafrentz & Co.,
55 East Thomas Road
Phoenix, Arizona 85012

The amount of $7,376.48 stated above agrees with our records. In addition interest at the rate of 6% per annum in the amount of $382.85 has accrued on this account through September 30, 1965, and also is payable at the rate of 5% of the sales of ore or concentrates from the property.

_____
Company

Date November 15, 1965

By Frank E. Johnson
Chief, Office of Minerals Exploration

NEW YORK
PITTSBURGH
ATLANTA
BALTIMORE
BOSTON
CHICAGO
CLEVELAND
DALLAS
DENVER
EL PASO
ERIE
HARRISBURG
HOUSTON
JOHNSTOWN
LOS ANGELES
MACOMB

MAIN, LAFRENTZ & CO.
CERTIFIED PUBLIC ACCOUNTANTS
55 EAST THOMAS ROAD
PHOENIX, ARIZONA 85012
277-7681
CABLE: MAINAUDIT, NEW YORK

MIDLAND
NEW ORLEANS
OAKLAND
ODESSA
PHILADELPHIA
PHOENIX
RICHMOND
SALISBURY
ST. LOUIS
SAN FRANCISCO
SEATTLE
WASHINGTON

OFFICES AND ASSOCIATES IN OTHER COUNTRIES

November 8, 1965

OFFICIAL COPY
O. M. E.
RECEIVED
NOV 12 1965
INITIALS | CODE
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110

Mr. Hugh Conners
United States Department of Interior
Office of Mineral Exploration
Denver Federal Center Building #20
Denver, Colorado

Dear Mr. Conners:

Enclosed is a copy of a letter sent to Dr. Pecora requesting certain information about Archean Exploration Corporation. Mr. Allison of Archean informed us that you would be able to provide us with the requested information. We would appreciate any assistance you could give us in this matter.

A stamped, addressed envelope is enclosed for your convenience.

Very truly yours,

MAIN LAFRENTZ & CO.

By Lawrence Vassar

cme

Enclosure

Chief, OME
In view of the attached letter will you please handle this.
HMC.

Archean Exploration Corporation

PHONE 274-3370
AREA CODE 602

1416 E. THOMAS ROAD
ROOM 112
PHOENIX, ARIZONA 85014

November 4, 1965

Dr. William T. Pecora, Chief Geologist
Geological Survey
Department of the Interior
Washington, D. C.

Dear Dr. Pecora:

Our auditors are making an examination of our financial statements and in connection therewith they would like copies of all reports, findings and relevant information concerning Exploration Contract No. 14-23-090 2192 docket No. OME-6327. Please send this information directly to them. They also wish to obtain direct confirmation of your account with us as of September 30, 1965. Our records show the following:

	PAYABLE TO YOU
On open account	$7,376.48

This amount is secured by a lien on the Lady Bug and Xerox claims and is payable at the rate of 5% of the sales of ore by the company.

Please compare the above data with your records, note any exception in the space provided below, sign and return directly to our auditors, Main Lafrentz & Co., 55 East Thomas Road, Phoenix, Arizona, in the enclosed preaddressed envelope. Your prompt attention to this request will be appreciated.

Yours very truly,

By_____

Main Lafrentz & Co.,
55 East Thomas Road
Phoenix, Arizona 85012

_____

_____

_____
Company

Date_____ By_____

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
	Selfridge	120
9/13	Johnson	110
9/18	Cat	220
		120 m

SEP 13 1965

Mr. Alex A. Cotte
Secretary
Archean Exploration Corporation
1416 E. Thomas Road
Room 117
Phoenix, Arizona 85014

Re: OME-6327 (Iron Ore)
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona
Contract 2192

Dear Mr. Cotte:

Will you please inform us as to when we may receive the Final Report under the subject contract as mentioned in our letter of June 15, 1965, to you.

Sincerely yours,

(signed) FRANK E. JOHNSON

(RL)

Frank E. Johnson
Chief, Office of
Minerals Exploration

GCSelfridge/mm
9/13/65
cc: Director's Reading File
Geologic Division File
Economic Geology File
OME File
OME Reading File
Region III
Mr. Selfridge

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
	Sellinger	120
6/15	[illegible]	100
	[illegible]	100
6/15	[illegible]	220
		130 m

JUN 1 5 1965

Mr. Alex A. Cotte
Secretary
Archean Exploration Corporation
1416 E. Thomas Road
Room 117
Phoenix, Arizona 85014

Re: OME-6327 (Iron Ore)
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona
Contract 2192

Dear Mr. Cotte:

Your letters of May 26 and June 4, 1965, to the Office of Minerals Exploration, Denver, Colorado, have been referred to this office.

We regret that we are not in a position to further extend the recess of the subject contract until April 1, 1966, as requested. If by that time you have satisfactorily settled the Company's affairs, we shall be glad to consider a new application for further exploration of your property.

Under the provisions of Amendment No. 2, the subject contract was terminated effective January 12, 1965. Therefore, please promptly comply with the requirements of Articles 5(c) Final Report and 2(c) of Amendment No. 2 in order to release you from any further obligation under the contract except as specified in Amendment No. 2.

Sincerely yours,

George Fumich, Jr.
Acting Director

FEJohnson/mm
6/10/65
cc: Director's Reading File
Region III
Docket

23263

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Bldg. 20, Denver Federal Center
Denver, Colo. 80225

OFFICIAL COPY
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JUN 9 1965
INITIALS CODE
120 M
120
110
120

June 7, 1965 M. E.

Memorandum

To: George C. Selfridge, Chief
Division of Exploration Operations
Washington, D. C. 20240

From: Acting Field Officer, OME, Region III

Subject: OME-6327 (Iron Ore)
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Ariz.
Contract 2192

Attached are the Government's, Fiscal Section's, and Audit's copies of executed Amendment No. 2 to the subject contract, together with the covering letter by Alex A. Cotte, Secretary.

It is noted that the work suspension period allowed by this Amendment ended on May 12, 1965.

R.L. Bolmer
for Hugh M. Connors

R.L.Bolmer (6-7-65)
cc: Contract 2192
Chron

Archean Exploration Corporation

PHONE 274-3370
AREA CODE 602

1416 E. THOMAS ROAD
ROOM 117
PHOENIX, ARIZONA 85014

June 4, 1965

U. S. Dept of the Interior
Office of Minerals Exploration
Bldg. 20, Denver Federal Center
Denver Colorado

Attention: Mr. Hugh Connors
Re: OME - 6327 (Iron Ore)

Dear Mr. Connors:

Enclosed herewith please find executed copies of Amendment No. 2 which has just now found its way to this office.

I refer you to our letter of May 26th which outlined the problems which developed within the company and requests the extension of the starting date to resume drilling.

Very truly yours,

ARCHEAN EXPLORATION CORPORATION

BY: Alex A. Cotte

Alex A. Cotte, Secretary

AAC/c

OME
DEPARTMENT OF THE INTERIOR
JUN 7 1965
REGION III
DENVER, COLORADO

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Bldg. 20, Denver Federal Center
Denver, Colo. 80225

May 28, 1965

Memorandum

To: George C. Selfridge, Chief
Division of Exploration Operations
Washington, D. C. 20240

From: Acting Field Officer, OME, Region III

Subject: OME 6327
Contract 2192
Archean Exploration Corp.
Xerox and Lady Bug Claims
Gila County, Arizona

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 1 1965

INITIALS	CODE
	120
	120
JEJ	~~140~~
	~~120~~

Attached is a letter from a member of the other warring faction in the subject project.

I have had no reply to my letter to Seagraves and Ricks dated May 3, 1965.

I would recommend terminating the project and filing a pseudo-certification.

Hugh M. Connors

Hugh M. Connors

Attachment

H.M.C. (5-28-65)
cc: 2192
Chron

6/2 Discussed with Mr. Connors. He had forwarded our letter to contractor. Hold for applicant reply. JEJ

Archean Exploration Corporation

PHONE 274-3370
AREA CODE 602

1416 E. THOMAS ROAD
ROOM 112
PHOENIX, ARIZONA 85014

May 26, 1965

OME
DEPARTMENT OF THE INTERIOR
MAY 28 1965
REGION III
DENVER, COLORADO

Mr. Hugh Conners
U. S. Department of Interior
Bureau of Mines
Office of Minerals Exploration
Building 20, Federal Center
Denver, Colorado

RE: Docket No. O.M.E. 6327
Contract No. 14-23-090-2192

Dear Mr. Conners:

The following is a resume of the happenings within Archean Exploration Corporation during December 1964, January and February 1965.

On December 9, 1964, a shake-up within the Board of Directors of Archean Exploration resulted in new management taking over the corporation. The new management did not file any drilling reports for November, December, and January, and drilling was ceased in January due to bad weather. Only recently the corporation has reverted to its original management.

All of our records and drill logs for O.M.E. drill hole #7 have not been returned to this management. Therefore, the completion of hole #7 and hole #1-A has not been reported. It is our understanding that an extension to our contract was granted to May 12, 1965. The company was not in a position to resume drilling at that time due to the following reasons:

1. As of May 12, 1965, the weather was still very unstable and the drill sites were inaccessible.

2. R. S. McClintock Company, who had the contract with Archean, is out of business and there is not an available contractor in the district with a rig which could be used on this job. This is due to the extensive exploration now being done in Arizona by the major copper companies.

3. The drilling contractors do not expect to have a diamond rig available for at least another 10 months.

We, therefore, respectfully request that the starting date of this contract be extended to April 1, 1966.

Very truly yours,

Alex A. Cotte, Secretary

AAC/ag

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
5/28	GCS	130
"	Johnson	110
"	Donleavel	100
5/28	CSL	220
		120M

MAY 28 1965

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Exploration Operations

Subject: OMK-6327 (Iron Ore)
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona
Contract 2192

Enclosed is a letter with all copies which we have prepared for sending to the subject Operator. It has been signed by the Acting Director. If it has your concurrence, will you please have it dated, mailed, and our copies returned to us.

George C. Selfridge (gla)

Enclosures

GCSelfridge/gla (5-28-65)
cc to: Director's Reading File
Docket
Review Committee
Mr. Selfridge

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
5/28	Selfridge	130
"		110
"	On leave	100
		220
		120M

6/2/65

Mr. Miles Seagraves, President
Mr. Rex Ricks, Treasurer
Archean Exploration Corporation
1314 North 1st, Room 227
Phoenix, Arizona

Re: OME-6327 (Iron Ore)
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona
Contract 2192

Gentlemen:

On March 5, 1965, Mr. Connors of our Denver office sent you a proposed Amendment No. 2 which would have allowed suspension of operations under the subject contract from January 12 to not later than May 12, 1965. On May 3 he called your attention to the pending matter and asked that we be informed by return mail of your intentions with respect to the contract. To date, we have not had a reply.

Your attention is respectfully called to Article 3. Performance of the Work of the subject contract wherein it is stipulated that the work shall be performed diligently, efficiently, and in a workmanlike manner and that the Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work as specified in Article 1(a).

Under the circumstances, the contract is presently considered as being in unauthorized recess and therefore in default and subject to Article 9(b) covering termination. In order to cure said default, will you please either execute the proposed amendment or return it unsigned with your reasons therefor to our Denver office.

Sincerely yours,

(Signed) FRANK E. JOHNSON

Acting Director

GCSelfridge/gla (5-28-65)
cc to: Director's Reading File
Docket
Region III
Mr. Selfridge

23263

Bldg. 20, Denver Federal Center
Denver, Colo. 80225

AIR MAIL

May 3, 1965

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 5 1965

INITIALS	CODE
[illegible]	800
	120
	120

Mr. Miles Seagraves
Mr. Rex Ricks
Archean Exploration Corporation
1314 North 1st, Room 227
Phoenix, Arizona

Re: OME-6327 (Iron Ore)
Xerox & Lady Bug Claims
Gila County, Arizona
Contract 2192

Gentlemen:

I have received no reply to my letter to you dated March 5, 1965 in which I had enclosed amendment No. 2 for your signature.

As you know, the amendment provided a recess only until May 12, 1965.

By return mail, will you please advise your intentions with respect to the subject contract.

Yours very truly,

ORIGINAL SIGNED BY

Hugh M. Connors
Acting Field Officer
OME, Region III

H. M. Connors (5-3-65)

cc: G. C. Selfridge
2192
Chron

Bldg. 20, Denver Federal Center
Denver, Colo. 80225

March 5, 1965

COPY
O. M. E.
RECEIVED
MAR 8 1965
INITIALS | COPY
~~Sec~~
~~7/81~~ 120
~~120~~

Mr. Miles Seagraves
Mr. Rex Ricks
Archean Exploration Corporation
1314 North 1st, Room 227
Phoenix, Arizona

Re: OME-6327 (Iron Ore)
Xerox & Lady Bug Claims
Gila County, Arizona
Contract 2192

Gentlemen:

Enclosed are the original and four copies of amendment No. 2 to the subject contract.

If the proposed amendment is satisfactory to you all copies should be signed by Miles Seagraves and Rex Ricks. Retain the Operator's copy and return all others to this office.

If any part of the proposed amendment does not have your approval please return the original and all copies to me together with your proposed changes for consideration.

Yours very truly,

ORIGINAL SIGNED BY
Hugh M. Connors
Acting Field Officer, OME
Region III

H. M. Connors (3-5-65)
cc: G. C. Selfridge
2192
Chron

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
2/23	Murphy	120 M
"	[illegible]	130
"	~~[illegible]~~	~~140~~
"	Johnson	140
"		100
2/24	CW	320
		120 M

FEB 24 1965

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Exploration Operations

Subject: OME-6327 (Iron Ore)
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona
Contract 2192

In accordance with the Operator's request of January 15, 1965, enclosed are the original and four copies of Amendment No. 2, signed by the Acting Director for the Government. Also enclosed is an extra copy for field use.

If the proposed amendment is satisfactory to you and the Operator, all five copies should be signed by an authorized representative of the Operator. Thereafter, please distribute the copies in the usual manner.

If any part of the proposed amendment does not have your approval or that of the Operator and cannot be altered within your delegated authority, the original and all copies are to be returned to this office together with the proposed changes for consideration.

George C. Selfridge (Gla)

Enclosures

FMMurphy/mm (2/23/65)
cc: Director's Reading File
Review Committee
Docket

23263

FORM 6
REV. 2-

REFERENCE SLIP
OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. ~~Associate Solicitor, 6042~~		
2. George C. Selfridge, 4457		
3.		
4.		
5.		
FROM: George C. Selfridge	2/17/65	

FOR: Check items for action desired

X Action
X Approval
___ Comment
___ Conference
___ Instructions
___ Reply for signature of
___ Investigate
___ Recommendations
___ Rewrite
Your information
___ Surname
___ Signature
___ File

REMARKS:

S-65-2134.11

FROM SOLICITOR

INTERIOR DEPT.
FEB 17 1965
FEB 1 3 1965 SOLICITOR

RECEIVED
FEB 17 1964
Division of Mineral Resources
and Senenral Legal Services

INT.-DUP. SEC. WASH. D.C.
FOR SIGNATURE

M56300-62

DRAFT 2/16/65

Docket Cy

EXPLORATION CONTRACT
ARCHEAN EXPLORATION CORPORATION
OME-6327

AMENDMENT NO. 2

It is agreed this _____ day of _____, 1965, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter referred to as the "Government" and Archean Exploration Corporation, hereinafter referred to as the "Operator" that Exploration Contract No. 2192 (OME-6327), dated June 29, 1964, as amended, is further amended as follows:

1. (a) Work under the contract shall be suspended during the period beginning January 12, 1965, and ending not later than May 12, 1965.

(b) No costs incurred by the Operator during the suspension shall be allowable for contribution by the Government.

(c) The Government will not contribute to any cost of rehabilitation or repair which in its opinion would not have occurred if there had been no suspension of the work.

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

2. It is the essence of this amendment that the work be resumed before the termination of the period herein fixed for suspension; ~~and completed before the period fixed for completion~~; and if not so resumed ~~completed~~ in the manner required by the contract, the following provisions shall thereupon become effective:

(a) The contract and all obligations of the parties thereunder, except as hereinafter otherwise provided, shall be and are hereby terminated as of January 12, 1965.

(b) The Government will contribute only to allowable costs incurred prior to the relevant date set forth in 2(a) above.

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

(d) The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer (for example, if the Operator either transfers or fails to retain its interest in the land), shall pay to the Government the royalty provided for in the contract in the same manner and amount, for the same period, and subject to the same provisions as provided for in the contract as amended herein as if a certification of possible production had been made, such certification being hereby waived by the Operator. In addition, all rights of the Government provided for in the contract with respect to a certification of possible production, percentage royalty and liens to

secure payment thereof, reports (including preservation of Operator's records), accounts, audits, and the right to recover any overpayments are hereby preserved.

(e) The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of the contract, except as provided for in this Amendment No. 2.

This amendment shall not be construed to increase the estimated total cost of the contract, the aggregate amount which the Government may be required to contribute, the amount of any item designated as maximum, or the fixed unit cost of any item of work.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Acting Director, Office of Minerals Exploration

ARCHEAN EXPLORATION CORPORATION

By _____

Title _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Bldg. 20, Denver Federal Center
Denver, Colo. 80225

OFFICIAL COPY
C. M. E.
RECEIVED
FEB 15 1965
INITIALS CO. E.
ama 800
120 m
120

February 12, 1965

Memorandum

To: George C. Selfridge, Chief
Division of Exploration Operations
Washington, D. C. 20240

From: Acting Field Officer, OME, Region III

Subject: OME-6327 (Iron Ore)
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona
Contract 2192

My memorandum of January 19, 1965 recommended that you hold in abeyance the Operator's request for an amendment for recess.

I should have asked you to prepare the amendment in my memorandum dated January 28, 1965. Such an amendment would keep the contract legally alive while they are settling their internal troubles.

Hugh M. Connors
Hugh M. Connors

cc: 2192
Chron

January 12, 1965
Here after May 12, 1965
every 4 months until period

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
2/3	GCS	130
2/3	Murphy	120M
"	Wilson	110
"	[illegible]	100
2/3	Coe	220
		120M

AIRMAIL

FEB 3 1965

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Exploration Operations

Subject: OME-6327 (Iron Ore)
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona
Contract 2192

In reference to your memorandum of January 28, 1965, concerning the status of the drilling under the subject contract, will you please give us all the details when you are able to secure them before approving any vouchers for payment if any are pending.

George C. Selfridge (gla)

GCSelfridge/gla (2-3-65)

cc to: Director's Reading File
Docket
Review Committee
Mr. Selfridge

23263

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Bldg. 20 - Denver Federal Center
Denver, Colo. 80225

January 28, 1965

OFFICIAL COPY
O. M. E.
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FEB 1 1965
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120
~~170~~
110
100

Memorandum

To: George C. Selfridge, Chief
Division of Exploration Operations
Washington, D. C. 20240

From: Acting Field Officer, OME, Region III

Subject: OME 6327
Contract 2192
Archean Exploration Corp.
Xerox and Lady Bug Claims
Gila County, Arizona

On January 27, 1965, while in Phoenix, I visited the two addresses we have of the new officials of the subject corporation.

1314 North 1st Street, Apt. 227 is in the name of Miles F. Seagraves. I talked to Mr. Seagraves and learned that drilling has ceased and no plans to resume work could be made until the audit of the books can be completed. Mr. Seagraves, I am sure, has no knowledge of mining.

I then contacted James H. Liem, C.P.A., 4747 North 16th Street, who sent us the Resolution No. 2. He indicated that the last hole was stopped before completion by the McClintock Drilling Co.

I will keep you advised of any new developments. There is a question in my mind if work under the contract will be resumed and if I receive any vouchers I cannot recommend payment until I know definitely the present status or even the status when work was stopped.

Hugh M. Connors

Hugh M. Connors

cc: 2192
Chron

Have paid $7,326.45

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
	GCS	130
1/26	Murphy	120 m
"	Johnson	110
"	[illegible]	100
1/26	CAC	220
		120 m

AIRMAIL

JAN 26 1965

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Exploration Operations

Subject: OMK-6327 (Iron Ore)
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona
Contract 2192

In reply to your memorandum of January 15, 1965, enclosed is a copy of a self-explanatory memorandum from the Assistant Solicitor dated January 25, 1965. Please note particularly the last paragraph of the memorandum.

George C. Selfridge (glr)

Enclosure

GCSelfridge/mm (1/26/65)
cc: Director's Reading File
Review Committee
Docket
Mr. Selfridge

23263

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON 25, D.C.

IN REPLY REFER TO:

January 25, 1965

Memorandum

To: Acting Director
Office of Minerals Exploration

From: Assistant Solicitor
Oil and Gas and Minerals Exploration

Subject: OME-6327 (Iron Ore)
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona
Contract 2192

Pursuant to your request of January 21, 1964 we have reviewed the "Report and Recommended Resolution No. 2" of the Archean Exploration Corporation and Archean Corporation.

The resolution dated January 11, 1965 is notice to all persons who deal with the corporations that until further notice the only persons authorized to act for and on behalf of the corporations to engage debts, contracts, or other legal documents are Miles Seagraves, President and Rex Ricks, Treasurer, by joint signature and that all persons receiving a copy of the resolution are put on notice that the corporation shall not recognize as valid any contracts, debts or other legal documents which are purportedly engaged on behalf of the corporations by persons not authorized.

The OME contract with Archean Exploration Corporation was executed by R. Jay Allison as President as of June 29, 1964 and Amendment No. 1 thereto was executed by R. Jay Allison, President as of November 23, 1964. Both of these actions were prior to Resolution No. 2 and accordingly their validity would not be effected by the resolution. However, since OME is now on notice it should insist that all future amendments, vouchers or other legal documents be signed by President Miles Seagraves and Treasurer Rex Ricks.

Robert W. Long

Robert W. Long
Assistant Solicitor
Oil and Gas and Minerals
Exploration

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Bldg. 20, Denver Federal Center
Denver, Colo. 80225

January 19, 1965

OFFICIAL COPY
O. M. E.
RECEIVED
JAN 22 1965

INITIALS	CODE
ama	800
[illegible]	120
	120

Memorandum

To: George C. Selfridge, Chief
Division of Exploration Operations
Washington, D. C. 20240

From: Acting Field Officer, OME, Region III

Subject: OME 6327
Contract 2192
Archean Exploration Corp.
Xerox and Lady Bug Claims
Gila County, Arizona

Attached is the original of a request for a recess in the subject contract.

I plan to be in Arizona next week and I recommend the Operator's request be held in abeyance until I advise you of my findings.

Hugh M. Connors

Hugh M. Connors

cc: 2192
Chron

Archean Exploration Corporation

PHONE 274-3370
AREA CODE 602

1416 E. THOMAS ROAD
ROOM 112
PHOENIX, ARIZONA 85014

Archean Exploration
Corporation
1314 North 1st, Room 227
Phoenix, Arizona
January 15, 1965

Mr. Hugh M. Connors
Office of Minerals Exploration
Building 20, Federal Center
Denver Colorado

Re: O. M. E. 6327 (Iron Ore)
Archean Exploration Corporation
Xerox Claim
Gila County, Arizona

Dear Mr. Connors:

I have been asked to write this letter as an officer of Archean Corporation to advise you of the drillings on the Archean Exploration claim.

During the past month our drilling program has been hampered by bad weather.

We would like to recess our drilling program for a possible three months, starting January 12 and ending April 12 if the bad weather continues.

We feel this would be advantageous in order to obtain the maximum information from the funds available for this work.

Very truly yours,

ARCHEAN EXPLORATION CORPORATION

By Rex Ricks
Rex Ricks

RR:fs

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
	Selfridge	20
1/21	[illegible]	110
	[illegible]	100
		220
		120 M

JAN 21 1965

Memorandum

To: Associate Solicitor, Division of Mineral Resources

From: Acting Director, OMM

Subject: OMM-4327 (Iron Ore)
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona
Contract 2192

Will you please review the "Report and Recommended Resolution No. 2" of the Archean Exploration Corporation and Archean Corporation and advise us as to what action, if any, need be taken in regard to the subject contract or the payment of vouchers thereunder.

George Fumich, Jr.

Acting Director

GCSelfridge/mm (1/19/65)
cc: Director's Reading File
Mr. Selfridge
Docket

23263

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Bldg. 20, Denver Federal Center
Denver, Colo. 80225

January 15, 1965

OFFICIAL COPY
O. M. E.
RECEIVED
JAN 18 ...

INITIALS	CODE
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AIR MAIL

Memorandum

To: George C. Selfridge, Chief
Division of Exploration Operations
Washington, D. C. 20240

From: Acting Field Officer, OME, Region III

Subject: OME 6327
Contract 2192
Archean Exploration Corp.
Xerox and Lady Bug Claims
Gila County, Arizona

Attached is the copy of Resolution No. 2 which appears to require legal attention. ?

A phone call from Rex Ricks indicates vouchers are being prepared for November and December work.

Will you please advise.

Hugh M. Connors

Hugh M. Connors

cc: 2192
Chron

Amc.

ARCHEAN EXPLORATION CORPORATION Contract 2192
and
ARCHEAN CORPORATION
Board of Directors Meeting January 11, 1965

REPORT AND RECOMMENDED RESOLUTION NO. 2

WHEREAS, the attorney for the corporation directed the Board's attention to the fact that the various claims and bills submitted to the corporations indicated that some Stockholders of the corporation had been engaging debts and making contracts on behalf of the corporation without authority and in direct violation of the Resolution set forth as Exhibit G of the December 9, 1964, meeting of the corporation, which authorized only the President, Miles Seagraves, and the Treasurer to engage contracts for the corporations.

The attorney further pointed out that many people who have dealt with the corporation have not been informed of this Resolution and that it is necessary to make it absolutely clear as to who can act for the corporation to engage debts and contracts.

Consequently, the attorney for the corporation advises that the following Resolution be adopted:

Authority to Act on Behalf of the Corporation. Until the persons who deal with Archean Corporation and Archean Exploration Corporation, are otherwise informed, the only persons authorized to act for and on behalf of the corporation to engage debts, contracts, or other legal documents for and on behalf of either Archean Corporation or Archean Exploration Corporation, are Miles Seagraves, President of the corporation, and Rex Ricks, Treasurer, by joint signature.

The Secretary of the corporations is directed to mail a copy of this Resolution to all persons who have dealt with the corporation in order that they can be informed as to the persons who are authorized to engage contracts, debts, and execute other legal documents on behalf of these corporations. A list of the persons to whom this Resolution has been mailed shall be kept in the corporations' files and a copy shall be directed to the attorney for the corporation.

The persons who are dealing with the corporations to whom a copy of this Resolution is mailed are expressly advised that no other persons other than Mr. Miles Seagraves, President, and Rex Ricks, Treasurer, jointly, are authorized by Archean Corporation, or Archean Exploration Corporation, to engage debts, contracts, or execute legal documents on behalf of the corporations and are expressly put on notice that the corporation shall not recognize as valid any contracts, debts, or other legal documents which are purportedly engaged on behalf of these corporations by persons not authorized.

Adopted _____ Not Adopted _____ Adopted as Amended _____

ATTEST

Secretary

President

LAW OFFICES
GOODSON AND ROSE
THE WESTERN AMERICAN
MORTGAGE BUILDING
728 EAST McDOWELL ROAD
PHOENIX, ARIZONA 85006
TELEPHONE 258-1118

G.C. Selfridge

JAMES H. LIEM
RTIFIED PUBLIC ACCOUNTANT
4747 N. 16TH ST.
PHOENIX 16, ARIZONA

PHOENIX, ARIZ.
PM
13 JAN
1965

GIVE
TO THE
MARCH OF DIMES

United States Department of Interior
Office of Mineral Exploration
Denver Federal Center Building #20
Denver, Colorado

Docket Copy

Archean Exploration Corporation

PHONE 274-3370
AREA CODE 602

1416 E THOMAS ROAD
ROOM 112
PHOENIX ARIZONA 85014

November 30, 1964

United States Department of Interior
Office of Mineral Exploration
Denver Federal Center Building #20
Denver, Colorado

Re: Archean Exploration Corp.
AME 6327

Gentlemen:

Our auditor, James H. Liem, Certified Public Accountant, is now engaged in an examination of our financial statements. In connection therewith, he desires to confirm the following as of November 30, 1964:

Drilling exploration contract for iron ore, AME 6327, dated June 29, 1964 in the amount of	$94,050.00
Advances received on above contract as of Nov. 30, 1964	$ 5,113.73
Claim in process at $4,525.50 1/2 of which will be advanced	$ 2,262.75
Total available advances (50% of $94,050.00)	$47,025.00

Advances to be paid back only from 5% of gross proceeds from production.

Please state in the space below whether or not this is in agreement with your records at that date. If not please furnish any information you may have which will assist the auditor in reconciling the difference.

After signing and dating your reply, please mail it directly to James H. Liem, Certified Public Accountant, 4747 North 16th Street, Phoenix, Arizona. A stamped addressed envelope is enclosed for your convenience.

Very truly yours,

ARCHEAN EXPLORATION CORPORATION
and
ARCHEAN CORPORATION

By _____

James H. Liem, C.P.A.

The above agrees with our records November 30, 1964 except the following exceptions (if any).

Signed Francis E. Johnson
Acting Director
Office of Minerals Exploration

Date December 24, 1964

By

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Bldg. 20 - Denver Federal Center
Denver, Colo. 80225

December 21, 1964

Memorandum

To: George C. Selfridge, Chief
Division of Exploration Operations
Washington, D. C. 20240

From: Acting Field Officer, OME, Region III

Subject: OME 6327
Contract 2192
Archean Exploration Corp.
Xerox and Lady Bug Claims
Gila County, Arizona

Enclosed is a letter from the subject Operator dated November 30, 1964, and a copy of my reply.

for Hugh M. Connors

cc: Corres. 2192
Chron

OFFICIAL FILE COPY
O. M. E.
RECEIVED DEC 24 1964

DATE	INITIALS	CODE
12/24	GSF	800
		120
		120

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Bldg. 20 - Denver Federal Center
Denver, Colo. 80225

December 21, 1964

Mr. Rex Ricks, Treasurer
Archean Exploration Corp.
1416 E. Thomas Road
Phoenix, Arizona 85014

Re: OME 6327
Contract 2192
Archean Exploration Corp.
Xerox and Lady Bug Claims
Gila County, Arizona

Dear Mr. Ricks:

This is to advise your letter dated November 30, 1964, has been forwarded to our Washington office for reply.

Yours very truly,

/s/ Hugh M. Connors
Acting Field Officer, OME
Region III

cc: G. C. Selfridge
Corres. 2192
Chron

120
120M

MME FORM 60
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. ONE 6327
Contract No. 14-23-090-2192
Contract Amount $ 94,050.00
Gov't. Participation % 50 $ 47,025.00
Mineral(s) Iron ore

OPERATOR'S MONTHLY VOUCHER

For Month of October, 1964

Operator's Name Archean Exploration Corporation
Address 1416 E. Thomas Rd. Room 117, Phoenix, Arizona

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing	-0-	2,640.00	2,640.00			
xxxxx Haul Dozer	-0-	300.00	300.00			
Crosscutting						
Drilling DXNL	3,724.70	5,595.38	9,320.08			
Water hauling	313.00	470.20	783.20			
Core boxes	49.60	75.20	124.80			
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
Incidental Allowance						
Drilling	438.20	658.28	1,096.48			
Roadwork	-0-	488.40	488.40			
TOTALS	4,525.50	10,227.46	14,752.96	4525.50	10,227.46	14,752.96

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

ARCHEAN EXPLORATION CORPORATION
1416 E. THOMAS ROAD - ROOM 112
PHOENIX, ARIZONA

Date 11-24-64 *Payee

Per [signature] Title Secretary

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

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

(INSTRUCTIONS ON REVERSE)

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

$ 2,262.25

Signature [signature]
(Authorized Certifying Officer)

Date 12/14/64 Vou. No. 869-2

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2192

Signature Hugh M. Emmons Title _____ Date _____

Approved by OME Executive Officer or Alternate:

Signature Hugh M. Emmons Title Acting Field Officer Date 12-4-64

OPERATOR'S MONTHLY REPORT

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

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

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

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

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

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

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

RECEIVED
DEC 7 1964
OFFICE OF THE SECRETARY
FISCAL SECTION

MME FORM 61
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of October, 1964 Docket No. OME 6327

Operator's Name Archean Exploration Corporation Contract No. 14-23-090- 2192

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
xxxxx Bulldozing	Hrs.	-0-	132	2,640.00	✓		
Drifting							
Crosscutting xxxxxxxx Hauling							
Raising xxxxxx Dozer	Mi.	-0-	200	300.00	✓		
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond BXWL	Ft.	626	1,566.4	9,320.08	✓		
Water Hauling Rotary	"	626	1,566.4	783.20	✓		
Drilling, Non-core-Diamond							
Core Boxes xxxx Rotary	Ea.	62	156	124.80	✓		
Churn							
Percussion							
Miscellaneous							
Incidental Allowance							
Roads and Trails	Hrs.	-0-	132	468.40			
xxxxxx Drilling Stripping	Ft.	626	1,566.4	1,096.48			
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE *(per MME Form 60)*				14,752.96			$14,752.96

REMARKS

(Continue on back)

REMARKS

(Continue on back)

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

Date 11-24-64 Operator ARCHEAN EXPLORATION CORPORATION 1416 E. THOMAS ROAD - ROOM 112 PHOENIX, ARIZONA

Per Alan G. Doan Title Secretary

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

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature Hugh M. Landers

Title Acting Field Officer
Government Representative

Date 12-4-64

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

OPERATORS NARRATIVE REPORT

October, 1964

Archean Exploration Corporation
1416 East Thomas Road, Room 117
Phoenix, Arizona

Docket No. OME 6327
Contract No. 14-23-090 - 2192

On October 2nd the drill rig was moved to drillsite No. 4. Drillsite No. 3 was passed by due to the thickness of the diabase sill encountered in Diamond Drill Hole No. 2. We felt it advisable to move onto drillsite No. 4 to get away from this intrusion. This hole was started in Troy quartzite and continued to a depth of 154 ft. where we again encountered the diabase. We proceeded to drill in the diabase to a depth of 274 ft. and stopped. This hole was plugged in a manner whereby we could at a future date move back over it and deepen this hole. There was no appreciable change in the diabase structure when the hole was stopped. This would indicate we were not close to a contact z zonesince the diabase structure becomes very coarse at the lower contact zone in this general location.

The drill rig was then moved to drillsite No. 7 as indicated on the Map submitted with the original application. Drill hole No. 7 was also started in the quartzite and continued to a depth of 147 ft. where we encountered the Chediski sandstone. At the end of October this hole was at a depth of 352 ft. in broken sandstone and is now proceeding in a normal section.

Respectively submitted

R. Jay Allison

R. Jay Allison
Geological Engineer

5

R. S. McCLINTOCK DIAMOND DRILL COMPANY

McClintock

W. 418 Second Ave. Spokane, Wash.
TE 8-3588

NO. 10-130

DATE October 30, 1964

CUSTOMER'S ORDER NO.

SALESMAN	SHIP VIA	F.O.B.	DATE REQUIRED	TERMS

SOLD TO Archean Exploration Company

ADDRESS 1416 East Thomas Road

CITY AND STATE Phoenix, Arizona

SHIP TO

ORDERED	DELIVERED	BACK ORD.	NUMBER - DESCRIPTION	PRICE	PER	AMOUNT
			CONTRACT CORE DRILLING - Young, Arizona 10/1/64 through 10/31/64			
			PROSPECT # 4			
0'	-	274'	Core Drilling	@ $ 6.49	ft.$	1,778.26
0'	-	274'	Water Hauling	@ $ .50	ft.$	137.00
			PROSPECT # 7			
0'	-	352'	Core Drilling	@ $ 6.49	ft.$	2,284.48
0'	-	352'	Water Hauling	@ $ .50	ft.$	176.00
				TOTAL	$	4,375.74

ARCHEAN EXPLORATION CORPORATION

Diamond Drill Hole No. 4

Co-ordinates 1,147,025.0 N.
306,352.6 E.

L O G

Elevation 6,593.8

Feet	Core Recovery	Description
0- 10	8	Overburden
10- 20	10	Sandstone, Quartzitic 18'- 20' - Herr. vuggy zones 12' - 15' ½" clay seam 19.5'
20- 29	9	Sandstone whitish vuggy 26' - 28' generally quartzitic
29- 33	4	" " " "
33- 34	1	Greenish shale (altered sandstone)
34- 36.5	2.5	Coarse grain sandstone
36.5-48	11.5	Med. coarse gr. sandstone banded pinkish to light green
48- 60	10	" " " " " white to light grey
60- 70	10	" " " " mottled in places, white to lt.grey 60-67 red banded with white 67'-70'
70- 79	9	" " " " " " " " 70'-72.5' white 72.5'-77' reddish 77'-79'
79- 89	10	" " " " " white 79'-81', red 81'-85' white with red slips and bands 85'-89'
89-100	10	" " " " badly broken up, white to grey with reddish slips and bands, quartzitic 97'-99'
100-109	9	" " " " white to grey with redish slips and bands, 106'-106.5' red shale
109-117	8	Med. gr. sandstone, white and red interbedded
117-128	10	" " " " " " " , quartzitic 126-128'
128-141	4.5	Whitish quartzite
141-145	4	Heavily iron stained shaley diabase
145-149	4	Iron stained gneissic diabase
149-195	46	Med. coarse gr. diabase
195-216	20	Pigmatitic iron stained diabase, irom stain decreases with depth
216-245	29	Med. coarse gr. diabase
245-274	29	Med. gr. diabase
274		END OF HOLE

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Bldg. 20 - Denver Federal Center
Denver, Colo. 80225

November 27, 1964

Mr. Alex A. Cotte, Secretary
Archean Exploration Corporation
1416 E. Thomas Road, Apt. 112
Phoenix, Arizona

Re: OME-6327 (Iron Ore)
Contract 2192
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona

Dear Mr. Cotte:

Attached are the original and four copies of Amendment No. 1 signed by the Acting Director for the Government.

If the proposed amendment is satisfactory to you please have an authorized representative of your Corporation sign all copies, retain the Operator's copy and return the original and three copies to this office.

If any part of the proposed amendment does not have your approval, please return all copies to this office together with your proposed changes for consideration.

Yours very truly,
ORIGINAL SIGNED BY

Hugh M. Connors
Acting Field Officer
OME, Region III

Attachments

cc: G. C. Selfridge
2192
Caron

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 30 1964

DATE	INITIALS	CODE
11/30	[illegible]	800
11/30	[illegible]	120m
		120

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
11/23	Murphy	120 M
'23	Fisher	800
	S. G.	130
11/23	Johnson	110
		100
		220
		120 M

NOV 2 3 1964

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Exploration Operations

Subject: OME-6327 (Iron Ore)
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona
Contract 2192

In accordance with the Operator's request of November 4, 1964, enclosed are the original and four copies of Amendment No. 1 signed by the Acting Director for the Government. Also enclosed is an extra copy for field use.

If the proposed amendment is satisfactory to you and the Operator, all five copies should be signed by an authorized representative of the Operator. Thereafter, please distribute the copies in the usual manner.

If any part of the proposed amendment does not have your approval or that of the Operator and cannot be altered within your delegated authority, the original and all copies are to be returned to this office together with the proposed changes for consideration.

George C. Selfridge (gla)

Enclosures

FMMurphy/mm (11/23/64)
cc: Director's Reading File
Review Committee
Docket

23263

DRAFT 11/16/64
FMMurphy/mm

12070
800
120

EXPLORATION CONTRACT
ARCHEAN EXPLORATION CORPORATION
OME-6327

AMENDMENT NO. 1

It is agreed this _____ day of _____, 1964, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and Archean Exploration Corporation, hereinafter called the "Operator," that Exploration Contract No. 2192 (OME-6327) is amended effective November 6, 1964, as follows:

In Exhibit A under General Provisions, not withstanding the specification in the last sentence of paragraph 11 that "no hole shall be closer than 1,000 feet to any other exploration hole drilled under this contract" the Operator may drill one hole to offset diamond drill hole No. 1 at a lesser distance than stipulated.

This amendment shall not be construed to increase the estimated total cost of the contract, the aggregate amount which the Government may be required to contribute, the amount of any item designated as maximum, or the fixed unit cost of any item of work.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Acting Director, Office of Minerals Exploration

ARCHEAN EXPLORATION CORPORATION

By _____

Title _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Bldg. 20 - Denver Federal Center
Denver, Colo. 80225

November 9, 1964

OFFICIAL FILE COPY
O. M. E
RECEIVED NOV 12 1964

DATE	INITIALS	CODE
11/13	GEF	800
11/16	[illegible]	120 m
		~~120~~

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington, D. C. 20240

From: Acting Field Officer, Region III

Subject: OME-6327 (Iron Ore)
Contract 2192
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona

Attached is the Operator's request for an Amendment to the subject contract. I recommend that you prepare the Amendment.

Hugh M. Connors

Hugh M. Connors

cc: 2192
Chron

Archean Exploration Corporation

PHONE 274-3370
AREA CODE 602

1416 E. THOMAS ROAD
ROOM 117
PHOENIX, ARIZONA 85014

November 6, 1964

Mr. Hugh M. Connors
U. S. Dept. of the Interior
Office of Minerals Exploration
Bldg. 20 - Denver Federal Center
Denver, Colorado 80225

Re: OME-6327 (Iron Ore)
Contract 2192

Dear Sir:

The following is a formal request for an ammendment to the above captioned contract for offsetting Diamond Drill Hole No. 1, 300 feet south of the original site, and redrilling. Our reasons are as follows.

1. On the geological map submitted with the original application we indicate a fault striking generally N. 45 degrees West.

2.- After drilling D. D. Hole No. 1 which we felt was well south of the fault, and outcropped on the surface, we encountered what was also some thrust faulting not outcropped. Therefore we feel it advisable to redrill this hole out of the fault zone.

3. This hole is the only D. D. Hole spotted south of the fault which could reveal the total movement. We feel that if this hole was spotted again 300 feet south, it would not only pierce the ore horizon, but would give us valuable information for future drilling.

study

4. This could also help in determining the spotting of additional holes so as to not waste money drilling into this same fault elsewhere.

5. This hole should also help in determining the displacement of the ore horizon both north and south of this fault, which would help in determining the total thickness of the diabase intrusion which was probably the origin of this fault.

Yours very truly,

R. Jay Allison

R. Jay Allison

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Bldg. 20 - Denver Federal Center
Denver, Colo. 80225

October 7, 1964

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 27 1964

DATE	INITIALS	CODE
		120
12/1	[illegible]	120M

Memorandum

To: George C. Selfridge, Chief
Division of Exploration Operations
Washington, D. C. 20240

From: Acting Field Officer, Region III

Subject: OME-6327 (Iron Ore)
Contract 2192
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona
Equal Employment Opportunity under Government Contract

			R. J. McClintock Co. Independent Contractor
1.	The number of all employees	3	4
2.	The number of women employees	0	0
3.	The number of Negro employees	0	0
4.	The number of other minority groups, i.e., Indian, Oriental, Latin	0	0
5.	Was employment through a union	No	No
6.	Distance to the closest union headquarters	Phoenix 100 miles	Phoenix 100 miles
7.	Are the discrimination posters prominently displayed	Yes	Yes
8.	If employment was through a union, was the union furnished Standard Form 38		-
9.	If employment was not through a union, in what manner was employment made	Advertisement	-
10.	The acts of intimidation matter has been discussed with the Operator	Yes	-

Hugh M. Connors

Hugh M. Connors

MME FORM 60
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. O.M.E. 6327
Contract No. 14-23-090-2192
Contract Amount $ 94,050.00
Gov't. Participation % 50 $ 47,025.00
Mineral(s)

OPERATOR'S MONTHLY VOUCHER

For Month of September, 1964

Operator's Name Archean Exploration Corporation
Address 1416 E. Thomas Rd. Room 112, Phoenix, Arizona

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing	- 0 -	2,640.00	2,640.00			
XXXX Haul Dozer	- 0 -	300.00	300.00			
Drilling						
Crosscutting						
Drilling BX WL	4,899.23	696.15	5,595.38			
Water Hauling	411.70	58.50	470.20			
Core Boxes	65.60	9.60	75.20			
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
Incidental Allowance						
Road Work	- 0 -	480.40	480.40			
Drilling	576.38	81.90	658.28			
TOTALS	5,952.91	4,274.55	10,227.46	5,952.91	4,274.55	10,227.46

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

Date 10/19/64 * Payee Archean Exploration Corporation

Per [signature] Title Secretary

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

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

(INSTRUCTIONS ON REVERSE)

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

$ 2,976.46

Signature [signature]
(Authorized Certifying Officer)

Date 11/9/64 Vou. No. 643-1

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2192

Signature Hugh M. Connors Title _____ Date _____

Approved by OME Executive Officer or Alternate:

Signature Hugh M. Connors Title Acting Field Officer Date 11-5-64

OPERATOR'S MONTHLY REPORT

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

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

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

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

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

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

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

INT.DUP.,D.C.59- 27161

MME FORM 61
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of September, 1964 Docket No. O.M.E. 6327

Operator's Name Archean Exploration Corporation Contract No. 14-23-090- 2192

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
D~~xxxx~~ Bulldozing	Hrs	- 0 -	132	2,640.00			
C~~xxxxxxx~~ Hauling							
Raising Dozer	miles	- 0 -	200	300.00			
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond BXWL	ft	823.4	940.4	5,595.38			
Water Hauling	ft	823.4	940.4	470.20			
Drilling, Non-core-Diamond							
Core Boxes R~~xxxx~~	ea	02	94	75.20			
Churn							
Percussion							
Miscellaneous							
Incidental Allowance							
Roads and Trails	hrs	- 0 -	132	480.40			
S~~xxxxx~~ Drilling	ft	823.4	940.4	658.28			
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE *(per MME Form 60)*				10,227.46			$10,227.46

REMARKS

(Continue on back)

REMARKS

(Continue on back)

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

Date 10/19/64 Operator Archean Exploration Corp.

Per _____ Title Secretary

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

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature Hugh M. Connors

Title Acting Field Office
Government Representative

Date 11-5-64

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

Docket No. O.M.E. #6327 (Iron Ore)
Contract # 14-23-090-2192

Report For September 1964

In September Diamond Drill Hole No. 1 was extended to a depth of 252' and a log of this hole is attached. As you will note from this log the No. 1 hole was probably drilled in The fault indicated on the Geological Map submitted with O.M.E. application. This is substantiated by the drill log which shows some Troy Quartzsite probably thrust faulted into the ore horizon and since the Troy should overlie the Mescal Limestone this is not a normal section. We feel it is therefore advisable to offset this hole 200' to 300' south and drill again so that we may learn more about this fault, for future drilling purposes.

Diamond Drill Hole No. 2 was started in a diabase intrusion with the hopes of finding the Mescal Limestone underneath. This hole was drilled to a depth of 688.4 feet in diabase all the way. There was at no time any of the sedimentary formations encountered in this hole. After more drilling information is obtained concerining this intrusion we may condider extending this hole to 1000 feet. After this hole was drilled to 688.4 feet on September 30, 1964 we then moved to drillsite Number 4 as indicated on O. M. E. map.

Yours truly,

R. Jay Allison
Geological Engineer

RJA:mbg

ARCHEAN EXPLORATION CORP.

Diamond Drill Hole No. 1

Co-ordinates 1,142,370.4 N
382,646.3 E.
Elevation 6,561.0
Depth of Hole 252 Feet

LOG

Feet	Core Recovery		Description
0-30	0	Surface Material	No core
30-50	10	Chedeski, sandstone	quartzitic, coarse grain, occ. conglomeritic lenses brecciated in part
50-60	10	Chedeski	conglomerate medium green
60-71	10	Chedeski	conglomerate medium green
71-82	10	Chedeski	quartzite, coarse grain grey color
82-91	10	Chedeski	quartizite, coarse grain grey color
91-96	6	Chedeski	quartzite, coarse grain grey color
96-100	1.8	Chedeski	quarzite, coarse grain grey color
100-102	1.2	Mascal formation	silicious shale and chert. lt. to dary grey
102-103	1	Mascal formation	very fine sil. chert breccia
103-105	1.8	Mascal formation	chert breccia lt. grey
105-107	0.5	Mascal formation	chert breccia lt. grey slightly hemetitic steel gray
107-112	4	Mascal formation	chert breccia lt. gray
112-114	2	Mascal formation	chert with slight hematice strain
114-120	1	Mascal formation	chert, pink to grey
120-121	0.7	Mascal formation	sil. shake with chert lenses pink & dary grey
121-123	0.9	Mascal formation	sil. shake with chert lenses pink & dark grey
123-125	2.0	Mascal formation	sil. shake with chert lenses pink & dark grey
125-127	2	Mascal formation	sil. shake with chert lenses pink & dark grey
127-129	2	Mascal formation	sil shake orange and grey
129-130.5	2	Mascal formation	sil shake orange and grey
130.5-133	2.5	Mascal formation	chert lt. grey with specks of chlorite
133-138	2.7	Mascal formation	chert lt. grey with specks of chlorite
138-140	1	Miscal ?	quartzite with specks of chlorite
140-143	0.2	Miscal ?	quartzite with specks of chlorite
143-144	1	Miscal ?	quartizite with specks of chlorite
144-145	1	Miscal ? (Troy)?	quartzite with specks of chlorite
145-146	1	Troy formation	fine grain quartzite lt. grey
146-147	1	Troy formation	fine grain quartzite lt. grey
147-150	4	Troy formation	fine grain quartzite lt. grey
150-153	0.5	Troy formation	fine grain quartzite lt. grey
153-157	1.2	Troy formation	fine grain quartzite lt. grey
157-159	1.8	Troy formation	fine grain quartzite lt. grey
159-162	3	Troy formation	fine grain quartzite lt. grey some brecciation
162-163	1	Troy formation	fine grain quartzite with much fracturing shake seams
163-165	1.8	Troy formation	higly fractured quartzite chlorite filling fractures
165-166	1	Troy formation	highly fractured quartzite chlorite filling fractures
166-169	3	Troy formation	chlorite and separatine, slight hematitic stain. Chlorite and serpertine highly brecciated with quartzite fragments.
169-172	0.3	Probably Miscal formation	chlorite in surpentine (green)
172-173	0.3	Probably Miscal formation	chlorite in surpentine (green)
173-177	5	Probably Miscal formation	silstone and surpentine
177-180	3	Probably Miscal formation	interbedded silstrone and chlorite
180-186	6	Probably Miscal formation	interbedded silstrone and chlorite
186-197	10.5	Probably Miscal formation	interbedded sillstone, chlorite and sandstone
197-199.	2	Probably Miscal formation	interbedded and chlorite green to pink
199-202	3	Probably Miscal formation	and clorite green to pink

Feet	Core Recovery	Description
202-206	4	Probably Miscal formation interbedded silstone, and chlorite green to pink
206-212	3.5	Probably Miscal formation interbedded silstone, and chlorite green to pink
212-219	6.5	Probably Miscal formation interbedded sandstone and chlorite grayish green
219-222	3	Probably Miscal formation sandstone, green to pink
222-227	5	Dripping Springs Quartzite, fine grain pink with chlorite specks
227-240	9	Dripping Springs Quartzite fine grain pink with chlorite specks
240-245	5	Dripping Springs Quartzite Med. grain pink with chlorite specks
245-252	8	Dripping Springs Quartzite Fine grain pink with chlorite specks (Some iron stain)
252		End of Hole

DDH#2

Co-ordinates 1,143,902.8 N
303,810.0 E
Elevation 6,433.0
Depth 688.3

Note: From entering bedrock to the end of the hole the hole continued in diabase of varing coarseness and hardness. There were a number of fractures filled with calcite, talc, chlorite, etc. From 100' to the end recovery about 100%

LOG

From	To	Core Recovered	Discription
0	41	0	overburden
41	72	1	altered diabase medium to fine grain
72	85	2	" " " " " "
85	92	0.5	" " " " " "
92	97	4	" " " " " "
97	120	21	Diabase med. gr. vertical calcite stringers at 112 and 114
120	123	3	Diabase coarse gr. to pegmatitic
123	127	4	" " " some alteration 125-127
127	131	4	" " " pegmatitic 127-129
131	144	13	" med. to coarse gr.
144	146	2	" fine gr.
146	148	2	" med. to coarse gr.
148	155	6.5	" pegmatitic with vert. Fe stained fractures
155	158	3	" coarse gr. with vert. talc fracture
158	364	206	" med. to fine gr. some coarse gr.176-178 generally fine grained 221-234 and 253-254 gneissic 282-308 and 341-364 vertical calcite fracture 213-229 and 323 vertical talc fracture218 " Fe stained " 211 " chloritic " 252 293 and 316
364	371	7	Diabase pegmatitic
371	375	4	" fine gr. gneissic
375	390	15	" pegmatitic some med-fine gr. 388-389
390	398	8	" med. to coarse gr.
398	408	10	" " to fine gr. vert. talc fracture at 406-408
408	430	22	" " to coarse gr. some alteration 409-410
430	443	13	" " to fine gr. gneissic 434-443
443	166	166	" " to course gr.
			vert. chloritic fractures at 446,450,508,537,542 547,558,567 and 578
			vert. Fe staines fracture from 584 to 591 597 to 600 601 to 602 607 to 609 619 to 620
			locally coarse gr. 577-590,591-596 and 604-607
			3" clay seam 594
609	628	19	Diabase coarse gr. vert. chloritic fracture 623&627
628	688.3	60	" med fr. " " " 658to663 and 675to677 gneissic 670-680

688.3 END OF HOLE

R. S. McCLINTOCK
DIAMOND DRILL COMPANY

2135 E. INDIAN SCHOOL RD. — PHOENIX, ARIZONA
PHONE 264-7559

McClintock

NO. A 867

DATE September 30

CUSTOMER'S ORDER NO.

SALESMAN	SHIP VIA	F.O.B.	DATE REQUIRED	TERMS

SOLD TO Archean Exploration Company

ADDRESS 1416 East Thomas Rd.

CITY AND STATE Phoenix, Arizona

SHIP TO

	ORDERED	DELIVERED	BACK ORD.	NUMBER-DESCRIPTION	PRICE		PER	AMOUNT	
1				Hole #1					
2									
3				Core Drilling 117' to 252' 135'	@	6	49	876	15
4				Water Hauling 117' to 252' 135'	@		50	67	50
5									
6									
7				Hole #2					
8									
9				Core Drilling 0' to 688.4' 688.4'	@	6	49	4467	72
10				Water Hauling 0' to 688.4' 688.4'	@		50	344	20
11									
12				82 Core Boxes @ 95¢			95	77	90
13									
14				Arizona Sales Tax				172	67
15									
16									

SIGNATURE

SUB-TOTAL		
TAX		
TOTAL	6006	14

November 5, 1964

Attachment to September 1964 voucher OME 6327

The Operator advised by long distance telephone that their new map will be completed this month.

Mr. Allison also stated that all holes to date have been drilled at the exact locations shown on Figure 3 of the contract. He will request an Amendment for an offset to hole No. 1.

Hugh M. Connors

Hugh M. Connors

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 10 1964

DATE	INITIALS	CODE

Bldg. 20 - Denver Federal Center
Denver, Colo. 80225

OFFICIAL FILE COPY
November 3, 1964
RECEIVED NOV 5 1964

DATE	INITIALS	CODE
11/5	[illegible]	800
11/6	[illegible]	120
		120

Mr. Alex A. Cotte, Secretary
Archean Exploration Corporation
1416 E. Thomas Road, Apt. 112
Phoenix, Arizona

Re: OME-6327 (Iron Ore)
Contract 2192
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona

Dear Mr. Cotte:

I am holding your September voucher pending receipt of four maps or sketches showing the work completed during August and September.

The contract specifies that all holes in Stage I be drilled at the approximate locations shown on Figure 3. Please be sure to request an Amendment should you desire to drill elsewhere.

Yours very truly,

Hugh M. Connors
Acting Field Officer
OME, Region III

cc: G. C. Selfridge
2192
Chron

MME FORM 69
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. G.S.C. 6327
Contract No. 14-23-090-2192
Contract Amount $ 94,050.00
Gov't. Participation % 50 $ 47,025.00
Mineral(s) Iron ore

OPERATOR'S MONTHLY VOUCHER

For Month of August, 1964

Operator's Name Archean Exploration Corporation
Address 1416 E. Thomas Rd. Rm. 112, Phoenix, Ariz.

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing	2,660.00	-0-	2,660.00			
Drilling Bull Dozer	300.00	-0-	300.00			
Crosscutting						
Drilling Bit	696.13	-0-	696.13			
Water Hauling	50.50	-0-	50.50			
Core Boxes	9.60	-0-	9.60			
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
Incidental Allowance						
Road Cost	406.40	-0-	406.40			
Drilling	81.90	-0-	81.90			
TOTALS	4,274.55		4,274.55	4,274.55	—	4,274.55

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

ARCHEAN EXPLORATION CORPORATION

Date 9-17-64 *Payee 1416 E. THOMAS ROAD - ROOM 112
PHOENIX, ARIZONA

Per Albert G. Bodle Title Secretary

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

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

(INSTRUCTIONS ON REVERSE)

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

$ 2,137.27

Signature [illegible]
(Authorized Certifying Officer)

Date 10/14/64 Vou. No. 494-1

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2192

Signature Hugh M. Emmons Title _____ Date _____

Approved by OME Executive Officer or Alternate:

Signature Hugh M. Emmons Title Acting Field Officer Date 10-9-64

OPERATOR'S MONTHLY REPORT

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

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

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

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

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

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

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

MME FORM-61
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of August, 1964 Docket No. O.M.E.6327

Operator's Name Archean Exploration Corporation Contract No. 14-23-090-2192

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Bulldozing	hrs	132	132	2,640.00			
Hauling							
Crosscutting							
Dozer	miles	200	200	300.00			
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core, Diamond	ft.	117	117	696.15			
Water Hauling	ft.	117	117	50.50			
Rotary							
Drilling, Non-core, Diamond							
Core Boxes	ea.	12	12	9.60			
Rotary							
Churn							
Percussion							
Miscellaneous							
Incidental Allowance							
Roads and Trails	hrs	132	132	408.40			
Drilling	ft.	117	117	61.90			
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE *(per MME Form 60)*				4,274.55			4274.55

REMARKS

(Continue on back)

REMARKS

(Continue on back)

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

ARCHEAN EXPLORATION CORPORATION
1416 E. THOMAS ROAD - ROOM 112
PHOENIX, ARIZONA

Date 9-17-64 Operator

Per Carl A. Boles Title Secretary

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

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature Hugh M. Lowrance

Title Acting Field Officer
Government Representative

Date 10-9-64

(INSTRUCTIONS ON REVERSE)

REMARKS (Cont.)

REMARKS (Cont.)

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

RECEIVED
OCT 12 1964
OFFICE OF THE SECRETARY
FISCAL SECTION

OPERATER'S NARRATIVE REPORT

August, 1964

Archean Exploration Corporation
1416 E. Thomas Road Room 112
Phoenix, Arizona

Docket No. O. M. E. 6327
Contract NO.
14-23-090-,2192

On August 3, 1964 a B-8 Bulldozer was moved onto the property to repair existing roads, and to make new access roads to 10 Drillsites.

All Bulldozer work for the completion of Stage 1 of the contract was completed on August 30, 1964, as shown on the map which is a part of the contract as follows:

4600 feet	Repairs to existing roads
9505 feet	New access roads
10	Drillsites

A Drilling Contract was let to McClintock Diamond Drilling Co. No. 1 hole was spudded in and drilled to a depth of 117 feet all in the Chediski Limestone. This hole will be completed later and a complete log will be submitted with the September report.

Date: September 17, 1964

ARCHEAN EXPLORATION CORPORATION

Alex A. Cotte

Alex A. Cotte, Secretary

WAYNE HAMMON DRILLING

Globe, Ariz.

September 4, 1964

INVOICE

To:

ARCHEAN EXPLORATION CORPORATION
1416 East Thomas Rd, Rm. 112
Phoenix, Arizona

Move in and out	300.00
9505 feet New Road 4600 feet Road Repair 10 Drillsites	
132 hours Bulldozer @ $20.00	2,640.00
Total	$ 2,940.00

Thanks
s/ Wayne Hammon

CERTIFIED TRUE COPY

ARCHEAN EXPLORATION CORPORATION

Alex A. Cotte. Secretary

R. S. McCLINTOCK
DIAMOND DRILL COMPANY

2135 E. INDIAN SCHOOL RD. — PHOENIX, ARIZONA
PHONE 264-7559

NO. A 756

DATE AUGUST 31, 1964

CUSTOMER'S ORDER NO.

SALESMAN	SHIP VIA	F.O.B.	DATE REQUIRED	TERMS

SOLD TO ARCHEAN EXPLORATION CO.

ADDRESS 1416 EAST THOMAS ROAD - Rm 112

CITY AND STATE PHOENIX, ARIZONA

SHIP TO SAME

	ORDERED	DELIVERED	BACK ORD.	NUMBER-DESCRIPTION	PRICE	PER	AMOUNT
1	12	12		BX CORE BOXES @	.95	ea	11 40
2							
3				117' DRILLING @	6 49	ft	758 33
4							
5				117' WATER HAULING @	.50	ft	58 50
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							

SIGNATURE [signature]

SUB-TOTAL	828 23
TAX	24 85
TOTAL	853 08

Bldg. 20 - Denver Federal Center
Denver, Colo. 80225

September 22, 1964

OFFICIAL FILE COPY
O. M. E
RECEIVED SEP 25 1964

DATE	INITIALS	
9/25	on clear	120 M 120

Mr. Alex A. Cotte, Secretary
Archean Exploration Corporation
1416 E. Thomas Road, Apt. 112
Phoenix, Arizona

Re: OME-6327 (Iron Ore)
Contract 2192
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona

Dear Mr. Cotte:

Returned herewith are the Forms 60 and 61 for your August voucher. Will you please correct the Forms 60 to show hauling the dozer. Also please make four new copies of Form 61 like the one I show in pencil.

Please note the second paragraph on page 2 of Exhibit A which states in part, "The Operator's monthly report - shall include maps or sketches showing the work completed during the reporting period." "The maps shall show the access roads to the drilling area, the general rock formations, and structures traversed by the drill holes."

If you will read and reread your contract it will be helpful in preparing your monthly voucher.

Yours very truly,

ORIGINAL SIGNED BY
Hugh M. Connors
Acting Field Officer
OME, Region III

Enclosure

cc: G. C. Selfridge
2192
Chron

Bldg. 20 - Denver Federal Center
Denver, Colo. 80225

September 8, 1964

OFFICIAL FILE COPY
O. M. E
RECEIVED SEP 11 1964

DATE	INITIALS	CODE
9/11	[illegible]	120
		120

AIR MAIL

Mr. R. J. Allison
Archean Exploration Corporation
1416 E. Thomas Road
Room 112
Phoenix, Arizona 85014

Re: OME-6327 (Iron Ore)
Contract 2192

Dear Mr. Allison:

Could you meet me at 1416 E. Thomas Road at 8:00 a.m. Tuesday, September 15, 1964 and accompany me to the property?

Will you please advise.

Yours very truly,

Hugh M. Connors
Acting Field Officer
OME, Region III

cc: G. C. Selfridge
2192
Chron

Archean Exploration Corporation

PHONE 274-3370
AREA CODE 602

1416 E. THOMAS ROAD
ROOM 112
PHOENIX, ARIZONA 85014

August 26.1964

Mr. Hugh M. Connors
U. S. Dept. of the Interior
Office of Minerals Exploration
Building 20, Denver Federal Center
Denver, Colorado 80225

Re: OME-6327 (Iron Ore)

Dear Mr. Connors:

In regards to yours of the 24th, please be advised that work was commenced on the subject contract on August 3rd 1964.

Yours very truly

R. J. Allison

RJA/c

Copy to
G.C. Selfridge

Bldg. 20 - Denver Federal Center
Denver, Colo. 80225

August 24, 1964

OFFICIAL FILE COPY

RECEIVED		
DATE		
8/26		800
8/27		120 m
		120

Mr. R. J. Allison, President
Archean Exploration Corporation
1416 E. Thomas Road, Apt. 112
Phoenix, Arizona

Re: OME-6327 (Iron Ore)
Proposed Contract 2192
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona

Dear Mr. Allison:

Will you please advise the date work was started on the subject contract.

If work has not yet begun will you please advise the date on or before which work will be started so that an Amendment can be prepared.

Yours very truly,

Hugh M. Connors
Acting Field Officer
OME, Region III

cc: G. C. Selfridge
Corres. 6327
Chron

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
8/3	[illegible]	120
8/3	Murphy	120M
8/3	[illegible]	800
"	Johnson	110
"	[illegible]	100
8/4	[illegible]	220
		120M

AUG 4 1964

Mr. John F. Goodson
Attorney at Law
The Western American Mortgage Building
728 East McDowell Road
Phoenix, Arizona 85006

Re: OME-6327 (Iron Ore)
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona
Contract 2192

Dear Mr. Goodson:

In reply to your letter of July 24, 1964, the Office of Minerals Exploration entered into a contract on June 29, 1964, with the Archean Exploration Corporation for surface drilling of an iron ore deposit in Gila County, Arizona. The total amount of the contract was $94,050.00, of which the Government will not contribute in excess of $47,025.00. This has been the only application for financial exploration assistance submitted by the subject company.

Other than this information, the exploration dockets are considered confidential and for Government use only. No reports by our field officers or evaluations made by us are ever released. However, we shall gladly furnish copies of any information submitted by the operator under an OME contract upon written approval for doing so from the operator.

Sincerely yours,

George Fumich, Jr.

Acting Director

GCSelfridge/gla (8-3-64)
cc to: Director's Reading File
Docket
Region III
Mr. Selfridge

23263

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Bldg. 20 - Denver Federal Center
Denver, Colo. 80225

July 27, 1964

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUL 30 1964

DATE	INITIALS	CODE
7/31	[illegible]	800
		120
		120M

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington, D. C. 20240

From: Acting Field Officer, Region III

Subject: OME-6327 (Iron Ore)
Contract 2192
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona

Attached are a letter from John F. Goodson and his Power of Attorney.

I believe this letter would be more properly answered by your office. Please forward me a copy of your reply.

Hugh M. Connors

Hugh M. Connors

Attachments

cc: Contract Corres. 2192
Chron

LAW OFFICES
OF
GOODSON AND ROSE

JOHN F. GOODSON
ATTORNEY AT LAW
THE WESTERN AMERICAN MORTGAGE BUILDING
728 EAST McDOWELL ROAD
PHOENIX, ARIZONA 85006

TELEPHONE
258-1118

July 24, 1964

OME
DEPARTMENT OF THE INTERIOR
JUL 2 1964
REGION III
DENVER, COLORADO

The United States Department
of Interior
Office of Minerals Exploration
Building 20 - Federal Center
Denver 25, Colorado

Re: Archean Exploration Corporation (OME 6327)

Gentlemen:

We have been retained by Mr. Rex Ricks, Boise City, Oklahoma, stockholder of the above corporation, in order to advise him and other stockholders as to the legal and financial condition of that corporation.

We would appreciate from you copies of all loan applications and reports of your field officers in regard to said applications. We would also appreciate knowing whether or not said application was granted and the amount thereof. Also, we would like to have a letter from your office indicating any other loan application which may have been made by the above corporation.

Attached hereto please find a notarized copy of an Authorization and Power of Attorney signed by Mr. Ricks, which you may keep for your records.

If there is a charge for the copies of the described documents, please bill us. An immediate remittance will be made.

Thanking you for your prompt attention to this matter, I am

Cordially,

JOHN F. GOODSON

JFG:jp
Enc.
cc: Mr. Rex Ricks

AUTHORIZATION AND POWER OF ATTORNEY

This letter authorizes Counselor John F. Goodson and his partner, Counselor C. Kimball Rose, of the law firm of Goodson and Rose, and their investigators and agents, to act on behalf of myself as a stockholder of Archean Exploration Corporation to examine the corporate records, stock records, and books of accounts of that corporation, and to make copies of all documents which they deem necessary and to collect and correlate all information relative to that corporation in order to advise myself and other stockholders as to the legal and financial condition of that corporation.

I specifically authorize these persons to exercise all rights which I have as a stockholder, and possibly a director, of that corporation as if I were exercising these rights myself, in inspecting and corroborating the books of account, and records of the corporation.

This authorization extends to all the corporations which may be subsidiaries of Archean Exploration Corporation.

Witness:

Karen Kimball
Notary Public

Rex Ricks
Rex Ricks

My Commission Expires:
September 18, 1967.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Bldg. 20 - Denver Federal Center
Denver, Colo. 80225

July 20, 1964

OFFICIAL FILE COPY
O. M. E
RECEIVED JUL 23 1964

DATE	INITIALS	CODE
		120

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington, D. C. 20240

From: Acting Field Officer, Region III

Subject: OME-6327 (Iron Ore)
Contract 2192
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona

Attached are the Government's, Fiscal Section's, and Audit's executed copies of the subject contract.

Hugh M. Connors

Hugh M. Connors

Attachments

cc: Contract Corres. 2192
Chron

Bldg. 20 - Denver Federal Center
Denver, Colo. 80225

OFFICIAL FILE COPY

July 6, 1964

Mr. R. J. Allison, President
Archean Exploration Corporation
1416 E. Thomas Road
Phoenix, Arizona

Re: OME-6327 (Iron Ore)
Proposed Contract 2192
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona

Dear Mr. Allison:

Enclosed are the Government's, Operator's, Fiscal Section's, Audit's, and Field Office's copies of the proposed exploration contract. All copies have been signed by the Acting Director for the Government.

In accordance with information furnished this office by Mr. A. Riland, June 26, 1964, we have typed in on all copies of the contract; August 1, 1964 as the date on or before which the work will commence and 1416 E. Thomas Road as the corporation's new Phoenix address.

If the contract is satisfactory to you, please sign all copies, retain the Operator's copy, and return the remaining copies to this office.

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

Please note that the interest rate as shown Article 1 (c) accrues from the dates on which the individual payments are made by the Government and like the principal is repayable from royalty on production.

Yours very truly,

ORIGINAL SIGNED BY
Hugh M. Connors
Acting Field Officer
OME, Region III

Attachments

cc: G. C. Selfridge
Corres. 6327
Chron

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/26	Murphy	500
	Hamel	500
6/29	Talbert	800
	GCS	130
6/29	[illegible]	110
		100
6/29	CAC	220
		500

JUN 29 1964

[redacted]

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: OME-6327 (Iron Ore)
Archean Exploration Corporation
Xerox and Lady Bug Claims
Gila County, Arizona

Enclosed are the original and four copies of a proposed contract for the subject claims. The contract consists of MME Form 50 (7 pages), Annex I (2 pages), 2 Lien or Subordination Agreements, * Exhibit A (8 pages), Exhibit B (1 page), and one map. An extra copy of the contract is also enclosed for field use. All copies have been signed by the Acting Director for the Government. You should insert the date for commencement of the work.

If the proposed contract is satisfactory to you and the Applicant, all five copies should be signed by an authorized representative of the Applicant. Thereafter, please distribute the copies in the usual manner.

Please advise the Applicant that the 6¼ percent interest accrues from the dates on which the individual payments are made by the Government and like the principal is repayable from royalty on production.

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

George C. Selfridge (GCS)

Enclosures

FMMurphy/mm
6/26/64
cc: Director's Reading File
Review Committee
Docket

* Power of Attorney

43683

Hmc

OFFICE OF MINERALS EXPLORATION
Bldg. 20 - Federal Center
Denver, Colo.

OME-6327

OME
DEPARTMENT OF THE INTERIOR
JUN 16 1964
REGION III
DENVER, COLORADO

Dear Sirs,

I reply to your last letter + our telephone conversation. At your request I made a call to Washington + talked to Mr. Fumich. He advised me to send in the Subordination agreements with copies of the Power of Attorney + they would probably be accepted.

The claim shown on our maps as #18 in the Lady Bug group is known as the Lady B. No. I + is recorded on page 76 - Docket #149. This claim was recorded on April-19-1963 after we won our Quiet Title action. This claim was staked to cover a fraction between Lady Bug #1 + the Frog Pond Pat.

The Subordination agreements will follow in a few days.

Yours Truly,
R. Jay Allison

Copy to
George Selfridge

O.M.E. 6327

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 19 1964

DATE	INITIALS	CODE
6/19	[illegible]	500

Bldg. 20 - Denver Federal Center
Denver, Colo. 80225

June 3, 1964

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 8 1964

DATE	INITIALS	CODE
6/8	J Murphy	500

Mr. R. J. Allison, President
Archean Exploration Corporation
2043 North 16th Street
Phoenix, Arizona

Re: OMK 6327 (Iron Ore)
Xerox and Laydbug Claims
Gila County, Arizona

Dear Mr. Allison:

In order to complete processing the captioned application, we require a new executed set of the Lien and Subordination Agreement, and information concerned with the Lady Bug No. 18 claim.

Enclosed are the original and four copies of the Lien and Subordination Agreement executed by you and Rex Ricks, and the original and four copies of the Agreement which is to be executed and returned to this office as soon as possible. To be acceptable, the agreement must be dated and contain the signature of each of the four partners, the address of each partner, and the Item 6 entry.

Regarding the partial Lady Bug No. 18 claim, you said in a letter dated December 3, 1963, that it was staked to tie the Lady Bug claims to the Frog Pond patent, and that it is included in the lease which Archean Exploration Corp. holds with the original owners. Was the Lady Bug No. 18 claim recorded? If it was recorded, please furnish the date, page and book number, and the place of recording.

Very truly yours,

Original signed by

Hugh M. Connors
Acting Field Officer, OMK
Region III

cc: G. C. Selfridge
6327
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Bldg. 20 - Denver Federal Center
Denver, Colo. 80225

June 5, 1964

OFFICIAL FILE COPY
O. M. E
RECEIVED JUN 8 1964

DATE	INITIALS	CODE
		120
	Murphy	500

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington, C. C. 20240

From: T. M. Romslo, Mining Engineer
OME, Region III

Subject: OME Docket 6327 (Iron) Archean Exploration Corp.
Xerox Claims, Gila County, Ariz.

There follows the requested comments concerning locations of Stage I holes, and sampling and assaying procedures. The 10 Stage I holes of my examination report, holes 1 to 10 on figure 3, will be referred to as "proposed" holes, and your office's suggested holes 2, 3, 8, 9, 10, 11, 16, 17, 18, and 19 on the Application's Exhibit #5-A will be referred to as "suggested" holes.

Six of the 10 "proposed" holes, nos. 2, 3, 4, 8, 9, and 10 are included in the 10 "suggested" holes. The "proposed" holes do not include holes 4 and 15 which your office eliminated apparently due to excessive road work.

The 10 "proposed" holes were selected mainly because collectively the holes can be expected to yield a good picture of the geological conditions associated with any iron ore encountered. Proposed holes 1 to 7 will provide data for a cross section along the probable dip of the formations, and holes 4, 8, 9, and 10 will provide data for a cross section along the probable strike. The cross section along the dip will provide information concerning the possibilities of finding ore in the area underlain by diabase. Data from "proposed" hole 2 could indicate that additional holes in the diabase, such as "suggested" holes 8 and 9, should not be drilled. This condition would exist if the indicated depth of ore horizon in the probably down-dropped fault block is considered excessive. The over-all picture of the "proposed" holes would, of course, show if and where any Stage II drilling should be done.

It should be clear from the above explanation that the "proposed" holes are more properly located than the "suggested" holes. Also, that

comments concerning the small savings that could result from drilling the "suggested" holes are not in order.

To get more coverage, the fence of "proposed" holes along the strike could be extended westerly to include hole 16 of Exhibit #5-A.

Regarding sampling and assaying, I suggest that the maximum hole length of samples be 10 feet, and that a composite assay for phosphorous and sulfur be made from the samples obtained from one-half of the holes drilled.

T. M. Romslo

cc: OME 6327
Chron

OFFICIAL FILE COPY

Date	Surname	Code
5/8	Murphy	500
	Shoshuk	500
	Jeffrey	120
5/8	Johnson	110
9	9	100
8	Cole	220
		500

MAY 8 - 1964

AIRMAIL

Mr. R. Jay Allison
President
Archean Exploration Corporation
4700 North Central Avenue, Suite 301
Phoenix 12, Arizona

Re: OME-6327 (Iron Ore)
Archean Exploration Corporation
Zerox and Ladybug Claims
Gila County, Arizona

Dear Mr. Allison:

Mr. H. M. Connors has transmitted the two sets of Lien or Subordination Agreements pertaining to the Lady Bug claims and your covering letter of May 5, 1964, to this office.

In order to continue processing the subject application, we require a copy of the owners lease to Western States Iron Company and a copy of the assignment of the lease to your corporation. If the recording data for the Ladybug are not given in these instruments, please advise the place the claims were recorded and the book and page number.

We note in the agreements submitted the lease from Homer Haught, et al., is dated August 11, 1958, and the assignment is dated November 2, 1962; whereas on page 6 of the corporation's "Offering Circular," these dates are given as August 9, 1958, and October 30, 1962, respectively. Kindly clarify this discrepancy concerning the dates of the instruments.

Upon receipt of these essential data, we will continue to process your application.

Sincerely yours,

George Fumich, Jr.

Acting Director

FMMurphy/mm
5/8/64
cc: Director's Reading File
Region III
Docket

43683

OFFICIAL FILE COPY O. M. E. RECEIVED MAY 7 1964		
DATE	INITIALS	CODE
May 5, 1964	Murphy	500

Office of Minerals Exploration
Building No. 20
Federal Center
Denver, Colorado

Att: Mr. Conners

Dear Sir:

Enclosed are the completed copies of Subordination Agreement from Western States Iron Company and Homer Haught, et al. If there is any further help we may be please do not hesitate to contact me.

Very truly yours,

R. J. Allison

R. Jay Allison
4700 North Central Ave., Suite 301
Phoenix 12, Arizona

ARCHEAN EXPLORATION CORP.

Encl.
RJA/bp

6327

Bldg. 20, Denver Federal Center
Denver, Colo. 80225

OFFICIAL FILE COPY
C. M. E
MAR 5 1964

March 2, 1964

~~3/5 Murphy~~ 500

Mr. K. J. Allison, President
Archean Exploration Corporation
2043 North 16th Street
Phoenix, Arizona

Re: OME 6327 (Iron Ore)
Xerox and Ladybug Claims
Gila County, Arizona

Dear Mr. Allison:

Your letter to Mr. Romslo dated February 22, 1964 is being forwarded to the Washington Office OME. It appears that your letter was in reply to the Director's letter of December 31, 1963.

Sincerely yours,

Hugh M. Connors
Acting Field Officer
OME Region III

HMC:ss

cc: George Selfridge
OME 6327
Chron

ARCHEAN EXPLORATION CORPORATION
2043 North 16th Street
Phoenix, Arizona

February 22, 1964

OME 6327

Mr. Marty Romslo
Office of Minerals Exploration
Federal Center Building 20
Denver 25, Colorado

OME
DEPARTMENT OF THE INTERIOR
MAR 2 1964
REGION III
DENVER, COLORADO

Dear Mr. Romslo;

I received your letter, along with the subordination agreements sometime ago, but since we have had a bad winter at the mine and a drilling program would be hard to start in bad weather, I felt it inadvisable to attempt to start before spring time.

These subordination agreements on the Lady Bug and Xerox Claims are now in the preparation of being filled out by Archean, Homer Haught, et al.

I assume, that since these are the only forms I have received, everything else seems to be in order, but if there is any additional information necessary please advise me as soon as possible. We must begin an exploration program on the property this spring one way or another.

I hope these delays have not inconvenienced your office, but since there was some delay in the preparation of the maps, etc., due to my own time being very limited, I felt the sensible thing would be not to start before good weather.

I have been working on a program to possibly start some production from the Lady Bug group of claims this year, probably by mid-summer.

Yours truly,

R. J. Allison, President

RJA:cgs

E Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
12/31	Murphy	500
	On leave	800
	Selfridge	120
12/31	Wolcott	110
	Fumich	100
12/31	[illegible]	220

DEC 31 1963

Mr. R. J. Allison, President
Archean Exploration Corporation
2043 North Sixteenth Street
Phoenix, Arizona

See acknowledgments

Re: OME-6327 (Iron Ore)
Archean Exploration Corporation
Xerox and Ladybug Claims
Gila County, Arizona

Dear Mr. Allison:

This is with reference to your letter of December 3, 1963, to Mr. H. M. Connors, Acting Field Officer, OME, Region III, relating to the Ladybug claims. In regard to these claims will you kindly submit a copy of the owners lease to Western States Iron Company and a copy of the assignment of the lease to your corporation; also, please state which of the two types of guaranty mentioned do you propose to submit in the event the Government considers a contract to explore the subject claims is warranted.

Enclosed are two sets (six forms each) of our standard Lien or Subordination Agreement. One set should be executed by the owners of the Ladybug claims and the other set by the Western States Iron Company. Five executed copies of each set should be submitted to this office and the extra copy retained by the signers. If the owners, Homer Haught, Harvey McKee, and Ben Armer, are married, their wives should also sign the agreement. If this type of guaranty is in order, the executed copies should be submitted as soon as possible.

With regard to a Performance Bond, since its value must be one-half the estimated cost of a contract, we usually send contracts requiring such bonds to our field offices subject to attachment of the bond before it can be executed by the applicant.

Sincerely yours,

George Fumich, Jr.
Acting Director

Enclosures

FMMurphy/ama
12-31-63

cc: Docket
Director's Reading File
Region III

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
[redacted]
REGION III

OFFICIAL FILE COPY
O. M. E
RECEIVED DEC 26 1963

DATE	INITIALS	CODE
		120

BUILDING 20, FEDERAL CENTER
DENVER, COLORADO 80225

12/26 Mr. Murphy 500

December 23, 1963

1 cy to 130

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington, D. C. 20240

From: Acting Field Officer, OME, Region III

Subject: OME Docket 6327 (Iron) Archean Exploration Corp., Xerox Claims, Gila County, Ariz.

Enclosed are the original and two copies of the report of examination on the subject property by T. M. Romslo.

Mr. Romslo concludes that exploration is warranted and recommends a two-stage program at an estimated total cost of $99,849.80. I concur in his recommendations.

Six extra copies of Figure 3 are attached for possible use in a contract.

Hugh M. Connors

Hugh M. Connors

Attachments

On-site exam. report

UNITED STATES
DEPARTMENT OF THE INTERIOR
STEWART L. UDALL, SECRETARY

OFFICE OF MINERALS EXPLORATION

REGION III

OME-6327

ARCHEAN EXPLORATION CORPORATION

Xerox Claims

GILA COUNTY, ARIZONA

Iron

Examination Report

By

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

December 1963

OME-6327

ARCHEAN EXPLORATION CORPORATION
Xerox Claims
Gila County, Arizona

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ILLUSTRATIONS

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OME-6327

ARCHEAN EXPLORATION CORPORATION
Xerox Claims
Gila County, Arizona

INTRODUCTION, SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

The Archean Exploration Corporation, a Nevada Corporation, applied for Governmental aid in exploration for iron ore on the Xerox claims in Gila County, Arizona. The application was received by the Office of Minerals Exploration, and was assigned docket number OME-6327, October 17, 1963. The proposed project would include the construction of an estimated 18,900 feet of access roads; the rehabilitation of an estimated 15,050 feet of existing roads, and the core drilling of an estimated 10,850 feet in 21 holes. It would cost an estimated total $128,133.36.

The application was reviewed, and then referred to the Acting Field Officer, Region III, for field investigations and recommendations, October 21, 1963.

The field investigations were made by the writer November 6 and 7, 1963. The property was examined, and the proposed project was discussed with Mr. R. J. Allison, the Applicant's president, who was present during the examination. Information concerning the geology and exploration of an adjacent iron property also was obtained. As a result of the discussion, Mr. Allison, requested that the Application be amended. As amended, the proposed work would be done in two stages, at costs considered equitable by the Government, and the land which would be subject to Government royalty and lien for 25 years would consist of Xerox and the Lady Bug groups of claims. The Applicant's revised maps

were submitted December 23, 1963.

Stage I of the proposed two-stage project would consist of road work and the core drilling of 5,250 feet in 10 holes. If Stage II work is warranted, it would consist of road work and the core drilling of a maximum 5,600 feet in 11 holes. The writer's estimated total cost of the two-stage project is $99,849.80.
49.923

The property, which would be explored, is a part of an extensive area that is geologically favorable for the occurrence of iron ore. The area is underlain by flat-lying sedimentary beds and diabase sills. The sediments are gently folded in places and are warped along small block faults. Iron ore is known to occur only near or along the contact of the Mescal limestone and the overlying Chediski sandstone. It is present mainly as hematite in deposits that range in thickness from a few feet to 50 feet. The better ore, which assays between 50 and 65 percent iron, 4 to 25 percent silica, and less than 0.05 percent of each phosphorus and sulfur, generally occurs in the lower portion of the ore zone, and merges upward into a zone of more or less silicated ore.

Iron ore crops out and is exposed by pits and adits on the Lady Bug claims, and also crops out in the northwestern part of the Xerox claims. It also occurs, in probably extensive deposits, in the area east of the property that is presently being explored by the Colorado Fuel and Iron Corporation.

The proposed exploratory project is properly designed to test an area that appears to be geologically favorable for a significant discovery of iron ore, and the Applicant can be expected to carry out the work in

a workman-like manner.

Approval is recommended for Governmental aid in the proposed two-stage project costing an estimated total $99,849.80. If a contract is approved, it is further recommended that all of the Xerox and Lady Bug claims, except those found worthless, be subject to Government royalty and lien for 25 years.

ACKNOWLEDGMENTS

The writer wishes to thank Mr. R. S. Allison for the services rendered during the field investigations. He acted as guide, furnished transportation, and arranged the writer's visit with Mr. James Brooks, geologist, Colorado Fuel and Iron Corporation. Special acknowledgment is due Mr. Brooks, for furnishing some of the information incorporated in this report.

LOCATION, ACCESSIBILITY, AND PHYSICAL FEATURES

The Xerox group of claims is about six miles northeast of Young, Arizona, in secs. 3, 4, 5, 8, 9, ~~and~~ 10, 16, 17 and in sec. 33, T.10N., R.15E., T.9N., R.15E., Gentry Mountain Mining District, Gila County, Arizona (figs. 1 and 2).

Young is a village on State Highway No. 288. The highway extends northwesterly about 8 miles to the western boundary of the Xerox claims, and then traverses the northwestern part of the claims. Beyond the claims, the highway extends northward 11 miles to State Highway No. 277 that may be followed northeasterly 27 miles to a paper-pulp mill. The mill, and Snowflake, a small town 18 miles east of the mill, are on the Apache Railroad that extends northward to the Atchinson, Topeka, and

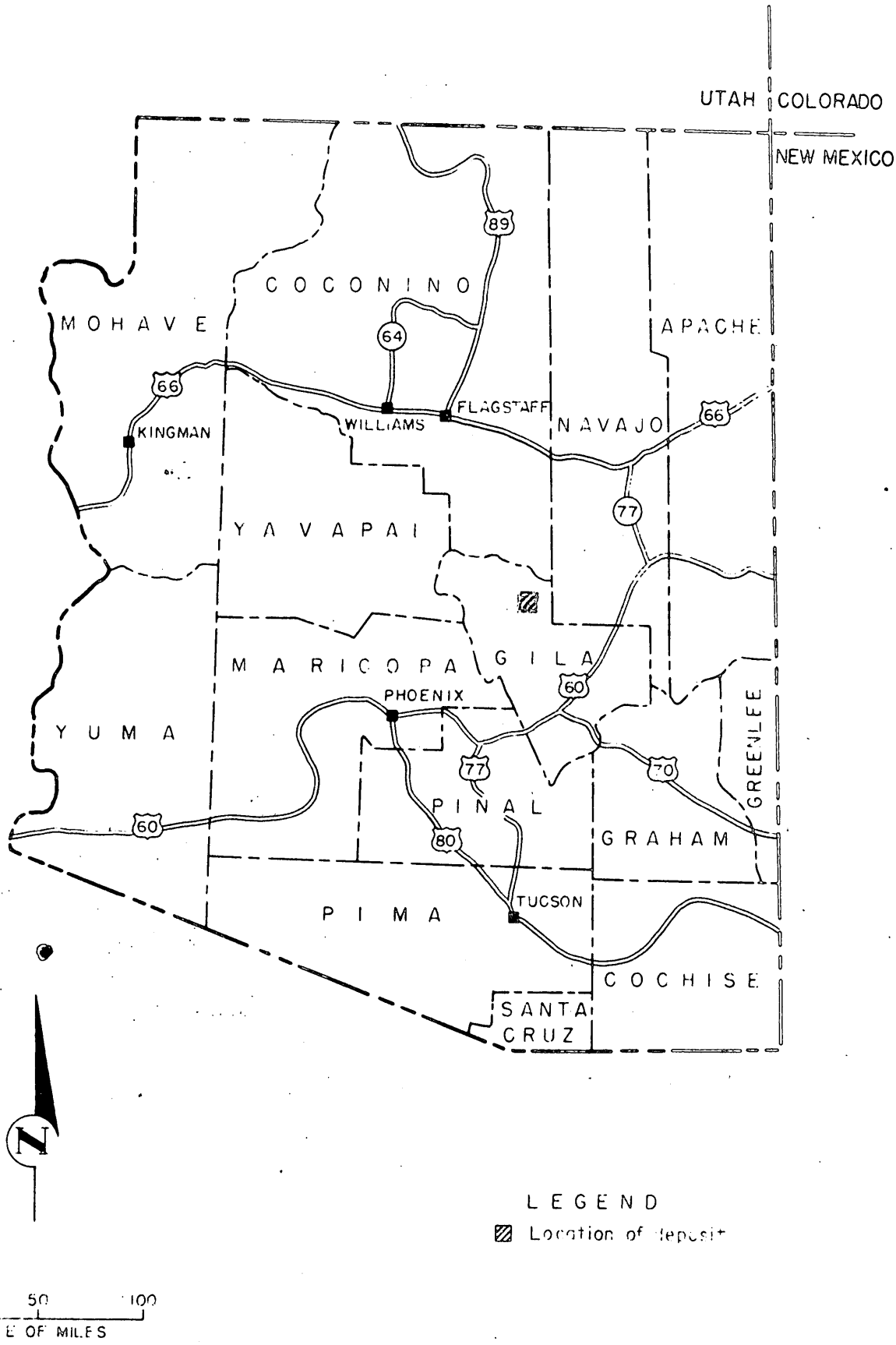

FIGURE 1.-Location Map, Archean Exploration Corporation, Xerox Claims, Gila County, Arizona OME-6327 (Iron Ore)

Santa Fe Railroad at Holbrook, Arizona. The feasibility of extending the Apache Railroad into the area of iron deposits, has reportedly been determined by surveys.

The Xerox claims cover most of the western two miles of the east-west trending Lost Tank Ridge, a mesa that averages about $\frac{1}{4}$-mile wide and that extends eastward about three miles from the claims into the Fort Apache Indian Reservation. The surface of the mesa rolls gently at altitudes ranging from 6,600 feet to 6,700 feet above sea level. Remnants of the mesa, that extend southward to the southern extremity of the proposed project area, occur between a series of roughly parallel V-shaped canyons. Maximum relief on the claims is about 2,000 feet.

The higher ground is fairly well wooded with yellow pine, juniper, cedar, and scrub oak. Cottonwoods are common along the canyon floors, and manzanita and scrub oak usually grows heavily along hillsides.

The climate is moderate in summer and is not severe in winter. Annual precipitation is about 15 inches. Summer rains fall mainly in July and August, and winter snowfalls are common.

Surface diamond drilling and timbering operations may be conducted year round.

HISTORY AND PRODUCTION

Iron deposits were first discovered along Lost Tank Ridge by Mr. H. S. Colcord in the 90's. No work was done on the deposits, that are situated near the eastern end of the Ridge, until 1920 when

Mr. Colcord and others located a number of claims on the Apache deposit. A few claims were located on the nearby Chediski deposit in 1926. Only a few pits had been dug on the Apache and Chediski deposits in 1941 when the U.S.B.M. started exploring the deposits by trenching and diamond drilling.[1/] From 1945, when the Bureau's exploration project was completed, little or no work was done along the eastern portion of Lost Tank Ridge until 1958. In 1958, the Colorado Fuel and Iron Corporation acquired by a lease a large tract of ground in the Apache Indian Reservation that includes the Apache and Chediski deposits, and started exploring the tract for iron. To the present time, the corporation has completed 53 diamond drill holes, and has done considerable geologic mapping.

Iron deposits along the western portion of the Lost Tank Ridge were probably known before 1928 when the Great Western Oil Company located and started exploration of 17 claims now known as the Lady Bug group. Through 1933, two adits had been driven, some trenching had been done, the claims had been surveyed as U. S. Mineral Survey No. 4109, and an application for patent had been made. The patent was not obtained and the claims were abandoned in 1933. No additional work was done along the western part of the Lost Tank Ridge until 1956 when the Lady Bug claims were located by the present owners. The Western States Iron Company acquired the Lady Bug claims by a lease in 1958, and explored the claims by trenching. In late 1962, the Archean Exploration Corporation acquired the Lady Bug claims by an

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1/ Lincoln A. Stewart, Apache Iron Deposit, Navajo County, Ariz., U.S.B.M., R.I. 4093, July 1947.

assignment of the lease, and acquired the adjoining group of Xerox claims by a Quitclaim Mining Deed.

No ore has been mined or shipped from the district.

EXTENT AND OWNERSHIP OF THE PROPERTY

The Applicant's property consists of 136 lode mining claims in two groups, the Xerox and the Lady Bug (figs. 2 and 3). Because the proposed work on the Xerox claims could benefit the Lady Bug claims, the Applicant, in a letter dated December 1, 1963, agreed that both groups of claims should be subject to Government royalty and lien.

The Xerox group consists of 118 claims, Xerox No. 1 to 87, and 89 to 119. The claims are reportedly recorded in Docket No. 143, pages 163 to 248 and 533 to 561, and Docket No. 148, pages 605 to 608, Gila County, Globe, Arizona. The original owners of the claims, F. Mathews of Odessa, Texas and G. C. Ridland of Phoenix, Arizona, transferred the claims to the Applicant by a Quitclaim Mining Deed, dated November 5, 1962.

The Lady Bug group consists of 18 claims, Lady Bug No. 1 to 18. The owners of the claims, Homer Haught, Harvey McKee, and Ben Armer, transferred the claims to the Western States Iron Co. by a lease dated August 11, 1958, which lease was assigned to the Applicant ~~October 30~~, November 2, 1962 1962.

Need copy

PRESENT STATUS

The Xerox and Lady Bug claims are inactive, and contain no buildings nor equipment of any kind.

A few shallow pits are the only workings on the Xerox claims. On the Lady Bug claims, the principal workings consist of two adits and

two small open-cuts.

GEOLOGY AND ORE DEPOSITS

The area of Lost Tank Ridge is underlain by sedimentary beds of the Apache group and the overlying Paleozoic rocks. Diabase is locally present as sills. Ransome[2/] tentatively determined that the age of the Apache Group was Cambrian but more recent work[3/] indicates that the top member of the Apache group, the Troy quartzite, is Cambrian and rests uncomformably upon Precambrian Mescal limestone.

Following is a generalized section of the rocks exposed along the Lost Tank Ridge.

		Feet
Martin (?) limestone:	Fossiliferous, cherty in places; top probably eroded	400
Troy quartzite	Quartzite, light gray to light brown, medium to massive beds . . .	300-700
	Chediski sandstone; white sandstone, fine to medium grain, with white sericitic interstitial cement	50-100
Mescal limestone:	Banded chert, ferruginous in places; merges downward into iron ore . . .	120-250
Dripping Spring quartzite:	Quartzite, light buff to reddish, thin to medium bedded	125-200

Regionally, the sedimentary beds strike northeasterly and dip gently southeasterly. The beds are gently folded in places, and are locally warped along small block faults. Major faulting appears to be confined to the fault followed by Lost Tank Canyon, that extends east-west across the area (fig. 4). The north block of the fault has been

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2/ Ransome, F. L., Geology of the Globe Copper District, Ariz.: U. S. Geol. Survey Prof. Paper 12, 1903; some Paleozoic Sections in Arizona and Their Correlation: U. S. Geol. Survey Prof. Paper 98, 1916.

3/ Stoyanow, A. A., Correlation of Arizona Paleozoic Formations: Geol. Soc. America, Bull., vol. 47, 1936.

displaced downward. The extent of vertical displacement is unknown except in the eastern portion of the area where drilling has indicated a displacement of less than 100 feet.

The diabase, which locally intrudes the Dripping Spring quartzite and the Troy quartzite, is definitely post iron ore in age according to Mr. Brooks[4/]. It occurs only as sills ranging in thickness from a few tens of feet to about 200 feet. The known diabase sills in Troy quartzite persist for only short distances before they plunge downward through the remaining Troy quartzite, the Mescal limestone, and flatten out in the upper part of the Dripping Spring quartzite.

The iron ore is mainly hematite. It occurs near or along the contact of the Mescal formation and the overlying Chediski sandstone. Diabase sills may or may not be present in the area of iron ore deposits. The best ore, that containing 50 to 65 percent iron, 4 to 25 percent silica, and less than 0.05 percent of each phosphorus and sulfur, probably replaces almost pure Mescal limestone. It generally occurs at the bottom of the ore zone in beds that are a few feet to 25 feet thick, and average about 15 feet thick. The better ore merges upward into a more or less silicated zone containing hematite, and ferruginous chert clay and sandstone. The degree and extent of silcification and iron mineralization in the zone varies widely. The zone varies in thickness from a few feet to possibly 50 feet. In places, the iron content of 20-to 30-foot thick sections may average as much as 35 percent.

Ore that crops out at several places on the Applicant's property is chemically and physically similar to the ore found on the nearby

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4/ Previously cited under Acknowledgments

Colorado Fuel and Iron Corporation's property. Three samples of the better grade ore taken by the writer contained an average of 54.2 percent iron, 0.34 percent phosphorus, and 0.03 percent sulfur. Essentially all of the ore is hard and massive. The silicified lower-grade ore is generally the hardest and most massive. Where fractured and jointed, the ore is finely broken to blocky. Minor amounts of the ore are soft and earthy.

The potential reserves of iron ore on the Lady Bug claims has been estimated for the Applicant by two consulting engineers. Both consultants assumed that the pinching and swelling beds of iron ore exposed along drainage channels persist throughout the areas considered. The estimates, which the consultant's consider conservative, range from in excess of four million tons in a 100-acre block, to 15.5 million tons in the approximately 360-acre block covered by the 18 Lady Bug claims. The writer has roughly estimated that possibly 1/3 of the 15.5 million tons of ore is measurable and indicated, and the remainder is inferred.

The writer obtained information from various people indicating that the explored portion of the CF&I property contains possibly 100 million tons of iron ore, and that possibly more than one half of the ore assays at least 50 percent iron. The information also indicates that the ore zone extends westward into the area adjoining the Applicant's property.

PROPOSED PROJECT

Proposed Work

The proposed work would be done in stages, and would consist of; the construction of an estimated total 18,900 feet of access roads, the rehabilitation of an estimated total 15,050 feet of existing roads, the preparation of drillingsites, and the core drilling of an estimated 10,850 feet in 21 holes (fig. 4). Stage I work would consist of; construction of an estimated 14,000 feet of access roads, rehabilitation of an estimated 10,000 feet of existing roads, preparation of drilling sites, and core-drilling an estimated 5,250 feet in 10 holes. Should the results of this work be favorable, the remaining work would be done under Stage II.

Road work and drill-site preparation -- All this work, except drilling and blasting would be done by an independent contractor. A model D8-36A Caterpillar tractor with a Tilt dozer, or an equivalent bulldozer, would be used 10 hours daily and 6 days weekly to complete the work in an estimated 280 hours. The Applicant would lay-out the roads and would do all drilling and blasting. A rented compressor, and drilling equipment with accessories would be used.

Core-drilling -- The holes would be core-drilled, not necessarily in the numbered order, by an independent contractor. They would be drilled vertically to estimated depths ranging from 200 feet to 650 feet, and averaging 517 feet. Below overburden, which would be drilled and cased, coring would be done to BX wireline size. The independent contractor ~~would~~ haul water for drilling, ream and case when required,

and cement and drill where applicable. The drilling procedure would be that employed successfully by the Colorado Fuel and Iron Corporation, and the drilling conditions would be expected to roughly duplicate those encountered by the corporation. The corporation drilled 53 holes to depths ranging from about 500 feet to about 1,100 feet. The holes were drilled and cased to an average depth of 12 feet, and then drilled BX wireline size to the bottom. Approximately 25 feet of hole was completed per drill-rig shift. Core recovery below the standpipe in 52 of the 53 holes, averaged over 90 percent in both the overburden and ore zone. Water circulation was occasionally lost in both the overburden and the ore zone. It was regained in the overburden by cementing and drilling about 4.2 percent of the total footage drilled. Approximately two sacks of cement were used for each foot cemented. In the ore zone, circulation was repeatedly lost and regained in the first few holes drilled by either reaming and casing or by cementing at hole intervals of a few inches to a few feet. Essentially all of the remaining drilling in ore was done without water circulation.

The core was split. One half of the core was stored, and the other half was assayed. Samples contained not more than 10 feet of core.

Estimated Costs

Stage I

Actual costs

Independent contracts

Roads and drill-sites including mobilization and demobilization of equipment. 176 hrs. at $28.15/hr.[5/] $ 4,954.40

5/ Based on Love Equipment Rental, Inc.'s bid of $25.00/hr. plus $3.15/hr. for 370 miles haulage at $1.50/mi.

Diamond drilling 5,250 feet at ~~$6.54~~/ft. 6/ 6.25 plus	34,335.00	
Total Independent contracts		$ 39,289.40
Rentals		
125 C.F.M. Compressor with air hose and fittings, a jackhammer and drill steel, ½ mo. at $308.20/mo.	154.10	
Core splitter 4.2 mo. at $10.00/mo.	42.00	
Sample room 4.2 mo. at $20.00/mo.	84.00	
Total Rentals		280.10
Materials		
Drill-steel bits	50.00	
Explosives, fuse and detonators	200.00	
Sample sacks	50.00	
Core boxes 450 at $1.00/ea.	450.00	
Total Materials		750.00
Miscellaneous		
Assaying - sample preparation, 100 at $0.50/ea., determinations, 100 for each iron at $4.00, phosphorous at $7.00, and sulfur at $5.00, and 10 determinations for each manganese at $4.00, and titanium dioxide at $15.00		2,240.00
Fixed Costs		
Road work		
Incidental allowance for each hour work by contractor, 176 hrs. at $4.25/hr. (approx.) 7/ ?		748.00

6/ Based on prices quoted by Longyear, and the following work to complete holes to an average depth of 517 feet. Standpipe-12ft., coring-505 ft., hauling water-517 ft., and cementing and drilling cement-20ft.

7/ ~~$700.00~~ 600.00 for ½ mo. supervision and labor at ~~$900.00~~ 700.00 and $500.00 a mo., respectively; $8.33 for ½ mo. depreciation of $1,000.00 pickup truck; and $45.00 for 450 miles in pickup at $0.10 a mile.

600.00
8.33
~~$145.00~~ $653.33 ÷ 176 hrs = $3.71 2/hr. say $3.70

Diamond Drilling		
Incidental allowance, 5,250 ft. at $1.20/ft. (approx.)[8]		6,300.00
Estimated Total Cost of Stage I		$ 49,607.50

Stage II

Actual costs		
Independent contracts		
Roads and drill-sites, 104 hrs. at $30.30/hr.[9]	3,151.20	
Diamond drilling 5,600 ft. at $6.54/hr.	36,624.00	
Total Independent contracts		$ 39,775.20
Rentals		
Compressor with air hose, a jackhammer and drill steel, ½ mo. at $308.20/mo.	154.10	
Core splitter, 4.5 mo. at $10.00/mo.	45.00	
Sample room, 4.5mo. at $20.00/mo.	90.00	
Total Rentals		289.10
Materials		
Same as Stage I		750.00
Miscellaneous		
Same as Stage I		2,240.00

8/ One rig working two shifts daily and 6 days weekly is expected to drill 50 feet daily, 1,250 feet monthly, and complete the 5,250 feet in 4.2 months. Monthly allowable incidental costs would include: supervision - ~~$500.00~~, ~~labor - $500.00 for 1 helper at $20.00/day~~, depreciation $1,000.00 pickup truck - $16.67, and supplies and materials for 1,200 miles in pickup truck at $0.10 a mile - $120.00.

9/ $25.00/hr. plus $5.30/hr. for 370 miles haulage at $1.50/hr.

$ 700
16.67
120.00
$ 836.67 X 4.2 mths = $3514.00 / 5250 ft = $0.669
say $0.70/ft of drilling

Fixed Costs	
Road Work	
Incidental allowance for each hour work by contractor, 104 hrs. at $4.50/hr. ?	468.00
Drilling	
Incidental allowance, 5,600 ft. at $1.20/hr. ?	6,720.00
Estimated Total Cost of Stage II	$ 50,242.30
Estimated Total Cost of Stage I	49,607.50
Estimated Total Cost of Project	$ 99,849.80
Government's Share at 50 Percent	$ 49,924.90

CONCLUSIONS AND RECOMMENDATIONS

The proposed exploration project would test a portion of an extensive area that is geologically favorable for the occurrence of iron ore. It is properly designed, and can be expected to result in a significant discovery of iron ore. Also, the Applicant can be expected to carry out the proposed work in a workman-like manner.

Governmental aid in the proposed two-stage exploration project costing an estimated total $99,849.80 is recommended for approval. If a contract is approved, it is further recommended that all of the Xerox and Lady Bug claims, except those found worthless, be subject to Government royalty and lien for a period of 25 years.

Building 20 - Federal Center
Denver, Colorado 80225

December 13, 1963

AIRMAIL

Mr. R. J. Allison, President
Archean Exploration Corporation
2043 North 16th Street
Phoenix, Arizona

Re: OME-6327 (Iron Ore)
Archean Exploration Corporation
(Xerox Claims)
Gila County, Arizona

Dear Mr. Allison:

This is to advise you that the maps and other data, which Mr. Ricks states were mailed by you November 29, 1963, have not been received by this office.

Did you inadvertently mail the material to our Washington office?

Sincerely yours,

Original signed by

High K. Connors
Acting Field Officer, OME
Region III

cc Mr. Rex Ricks
Archean Exploration Corporation
2043 North 16th Street
Phoenix, Arizona

Chief, Division of Field Operations, OME
OME-6327
Chron
TMR/lm

Building 20 - Federal Center
Denver, Colorado
80225

OFFICIAL FILE COPY
RECEIVED DEC 5 1963

DATE	INITIALS	CODE
12/6	Murphy	500

December 3, 1963

AIRMAIL

Mr. R. J. Allison, President
Archean Exploration Corporation
2043 North 16th Street
Phoenix, Arizona

Re: OME-6327 (Iron Ore)
Archean Exploration Corporation
(Xerox Claims)
Gila County, Arizona

Dear Mr. Allison:

Please advise me by return mail, the approximate date on which the maps and additional data concerned with the subject application will be submitted.

Sincerely yours,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

cc Chief, Division of Field Operations, OME
OME-6327
Chron
TMR/lm

Arc
TMR

ARCHEAN EXPLORATION CORPORATION
2043 North Sixteenth Street
Phoenix, Arizona

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O.M.E.
RECEIVED DEC 9 1963

DATE		CODE
	Murphy	500

OME
DEPARTMENT OF THE INTERIOR
DEC 6 1963
REGION III
DENVER, COLORADO

December 3, 1963

Mr. Connors
Office of Minerals Exploration
U. S. Department of Interior
Building 20
Denver Federal Center
Denver 25, Colorado

OME - 6327

Dear Mr. Connors:

After Mr. Romslo's visit to our properties in Gila County, Arizona, he suggested you might need further information to complete our application.

Property: Concerning the four additional claims shown on our maps which are Xerox 116 through 119, this is what happened: After the original staking of the 115 Xerox claims, an accurate survey was done on the property. At this time we found our original 115 claims to be slightly oversized. Xerox 116 through 119 was staked to cover the vacancies left on the original staking. These claims are recorded in Docket 148, Pages 605 - 608, Gila County, Globe, Arizona. At the time of this accurate survey, we found it was to our advantage to drop from our claims, Xerox 88, as only a portion of this claim was left and the portion left was not in the mineralized zone. After a quiet title suit was won by the owners of the Ladybug claims in April, 1963, and since the judge disallowed all claims staked by the claim-jumpers, we then staked a partial claim (Ladybug No. 18) to tie the Ladybug claims to the Frog Pond patent. This claim is also included in the lease which Archean Exploration Corporation holds from the original owners.

Archean Exploration Corporation does further agree to furnish a subordination agreement on the Ladybug claims should an OME contract be awarded. We further agree to furnish a subordination agreement from the owners of the Ladybug, or a bond in the amount that would satisfy the government.

Ladybug

If we can be of any further assistance, please let me know.

Yours truly,

R. J. Allison
President

6-303
(March 1947)

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
Salt Lake City, Utah

OME
DEPARTMENT OF THE INTERIOR
DEC 2 1963
REGION III
DENVER, COLORADO

No. 14-11

63-27

Report to Mr. T. H. Ronalo

Date received 11/15/63

Chemical Laboratory Report

24.4277.13

Date reported 11/29/63

Serial No.	DESCRIPTION	Lot No.	Percent		Fe	P	S		
	Xerox and Lady Bug Claims -- about 6 miles northeast of Young, in secs. 3, 4, 5, 8, 9, 10, 16, and 17, T.9N., R.15E., Gila County, Ariz. OME-6205, Archean Exploration Corp., Xerox Claims.								
H-5028	Lady Bug No. 8	Fe-1			55.5	0.33	0.03		
29	Lady Bug No. 9	-2			56.0	0.29	0.03		
H-5030	± 800' W Xerox No. 16	- 3			50.2	0.41	0.03		
								Charges:	
								3 Fe dctns. at 2.00 =	6.00
								3 P 4.00 =	12.00
								3 S 3.00 =	9.00
								Total	27.00

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Murphy 500

3 cc: Hugh M. Connors

U.S. GOVERNMENT PRINTING OFFICE : 1960 O—566747 16—33553-3

Signed W. P. Anderson

Hmc

OME
DEPARTMENT OF THE INTERIOR
REGION III
DENVER, COLORADO

ARCHEAN EXPLORATION CORPORATION
2043 North 16th Street
Phoenix, Arizona

October 29, 1963

United States
Department of the Interior
Office of minerals exploration
Building 20 - Federal Center
Denver 25, Colorado
Attn: Mr. Hugh M. Connors
Acting Field Officer, OME
Region 111

Re: OME-6327 (Iron Ore)
Archean Exploration Corporation
(Xerox Claims)
Gila County, Arizona

Dear Mr. Connors:

In reply to your letter dated October 28, 1963. The arrangements mentioned are very satisfactory with us.

Mr. R. J. Allison will be very happy to meet Mr. Romslo at the airport here in Phoenix, Arizona via Western Airlines' flight 701 that is scheduled to arrive in Phoenix at 10:08 a.m.

Thank you very kindly.

Sincerely yours

Rex Ricks

Rex Ricks
Vice President

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 4 1963

DATE	INITIALS	CODE
11/4	Murphy	500

Selfridge

Building 20 - Federal Center
Denver 25, Colorado
80225

October 28, 1963

AIRMAIL

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 31 1963
DATE
10/31 T. Murphy 500

Mr. R. J. Allison, President
Archean Exploration Corporation
2043 North 16th Street
Phoenix, Arizona

Re: OME-6327 (Iron Ore)
Archean Exploration Corporation
(Xerox Claims)
Gila County, Arizona

Dear Mr. Allison:

This is to advise you that the OME field investigations of the referenced application have been tentatively scheduled for November 6 or 7, 1963.

Mr. T. M. Romslo plans to leave Denver at 8:40 a.m. Monday, November 4, 1963, via Western Airlines' flight 701, that is scheduled to arrive in Phoenix at 10:08 a.m. He expects to leave shortly thereafter for Kingman, Arizona and to return to Phoenix Tuesday evening, November 5.

If you will meet Mr. Romslo at the airport, before he leaves for Kingman, arrangements can be made for the examination of the Xerox claims in your presence.

Please inform this office by return mail if these arrangements are satisfactory to you.

Sincerely yours,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

cc Chief, Division of Field Operations, OME
OME-6327
Chron
TMR/lm

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
10/21	Murphy	500
10/21	on leave	500
10/4	Talbert	800
	GCS	130
10/21	Johnson	110
4	Grant	100
		220
		500

OCT 21 1963

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: OMK-6327 (Iron Ore)
Archean Exploration Corporation
Xerox Claims
Gila County, Arizona

The referenced application is referred to Region III for review, a field examination, and recommendations.

The "Estimate of Costs" as submitted does not reflect the lowest bid for drilling; it notes two quotations for dozer work but no bids were submitted giving the size and horsepower of the tractor; the cost for personal services is about $3.00 per foot of D.D. hole; the cost for material and supplies for road work might be o.k., but the cost of $1,000.00 for use of the pick-up truck for six weeks is excessive; under "Miscellaneous" the costs of all the items are excessive and two items, "Accounting" and most of the "Travel," could be eliminated.

We have reviewed Mr. E. F. Burchard's report in U.S.G.S. Bulletin 821 relating to the iron ore deposits on Canyon Creek; however, we recommend that during the examination samples of the iron ore exposures should be taken to substantiate the presence and possible extension of the iron-bearing formation under the proposed exploration area.

In the event you conclude that a contract to explore the subject property is warranted, the Applicant should be requested to include the 17 Lady Bug claims in its application since they would benefit by the proposed work. Also advise the Applicant that if a contract is approved the royalty period will be 25 years.

In addition, the Applicant should submit bids from at least two independent dozer contractors. The bids should state the make, year, size, and horsepower of the dozer.

FMMurphy/mm
10/21/63
cc: Director's Reading File
Review Committee
✓Docket

George C. Selfridge

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
10/21	Murphy	500
10/21	on leave	500
10/21	Talbot	800
		120
10/21	Johnson	110
		100
10/21	Cal	220
		500

OCT 21 1963

Mr. R. J. Allison
President
Archean Exploration Corporation
2043 North 16th Street
Phoenix, Arizona

Re: OME-6327 (Iron Ore)
Archean Exploration Corporation
Xerox Claims
Gila County, Arizona

Dear Mr. Allison:

The application for assistance in exploring the subject property has been reviewed by the Division of Minerals of the Office of Minerals Exploration and referred to Mr. H. M. Connors, Acting Field Officer, Office of Minerals Exploration, Region III, Bldg. 20, Denver Federal Center, Denver, Colorado, ZIP Code 80225.

The Regional Office will notify you in case additional information concerning the application is needed.

Sincerely yours,

George Fumich, Jr.

Director

MMerrithew/mm
10/21/63
cc: Director's Reading File
Region III
Docket

43683

October 16, 1963

Mr. R. J. Allison
President
Archean Exploration Corporation
Box 156
Young, Arizona

Subject: OME-6327

Dear Mr. Allison:

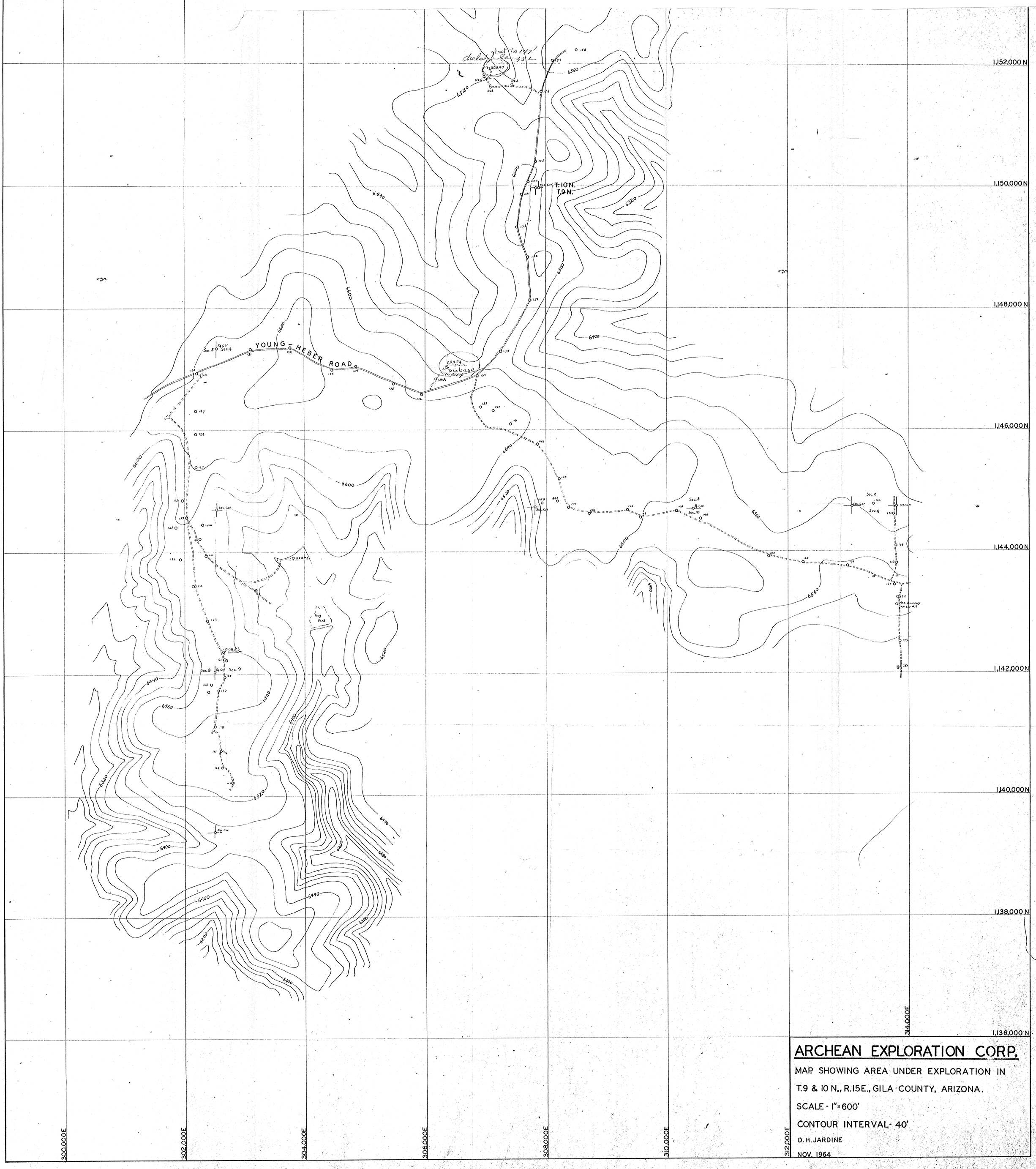
Your application for exploration assistance, dated October 12, 1963 submitted to our office at Denver, Colorado has been assigned Docket Number OME - 6327.

Please identify all future correspondence relating to your application by this docket number.

Sincerely yours,

Allen S. Dakan, Chief
Division of Administrative
Management

Copy to:
Region III



ARCHEAN EXPLORATION CORP.

MAP SHOWING AREA UNDER EXPLORATION IN

T.9 & 10 N., R.15E., GILA COUNTY, ARIZONA.

SCALE - 1" = 600'

CONTOUR INTERVAL - 40'

D. H. JARDINE

NOV. 1964

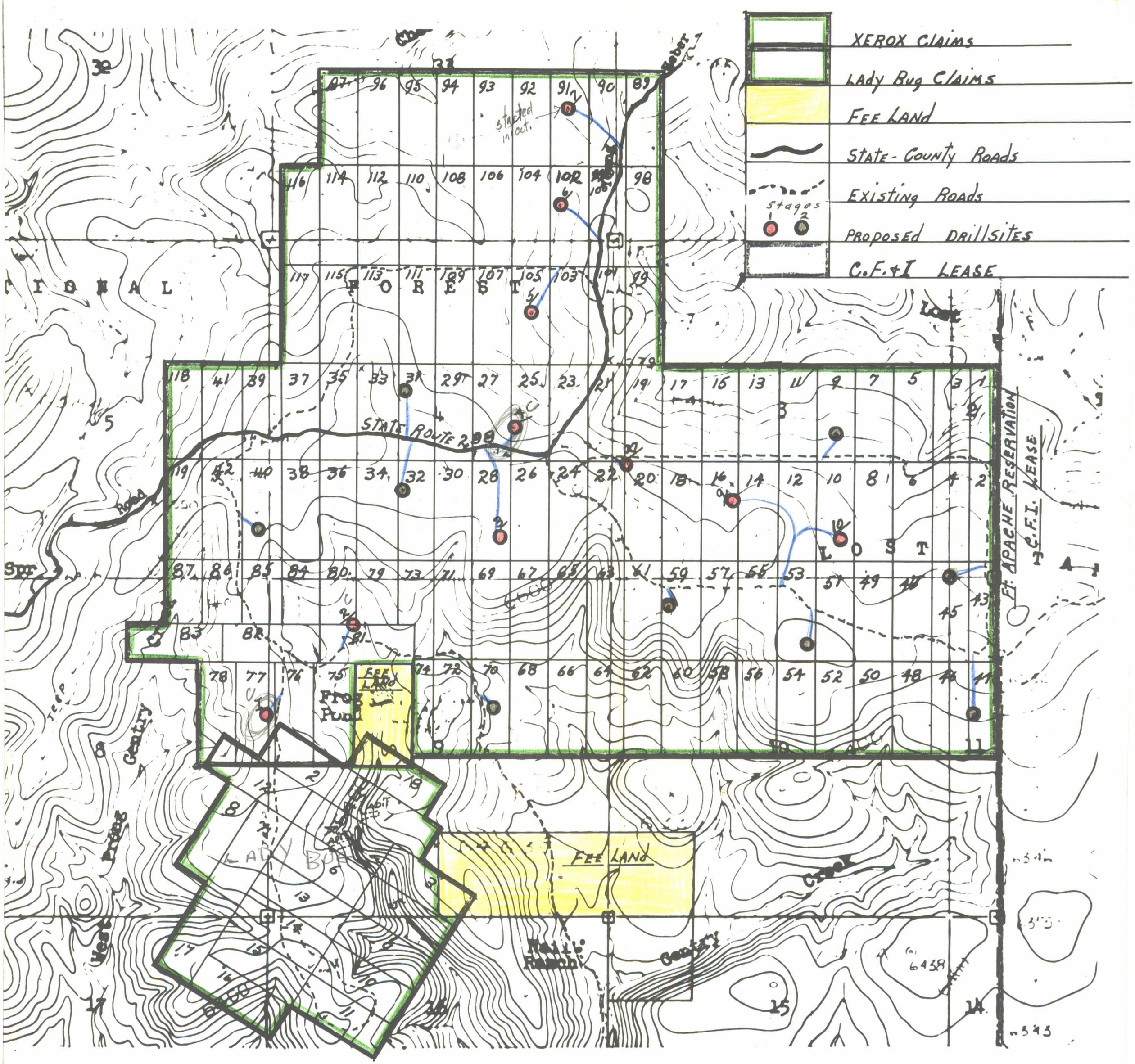
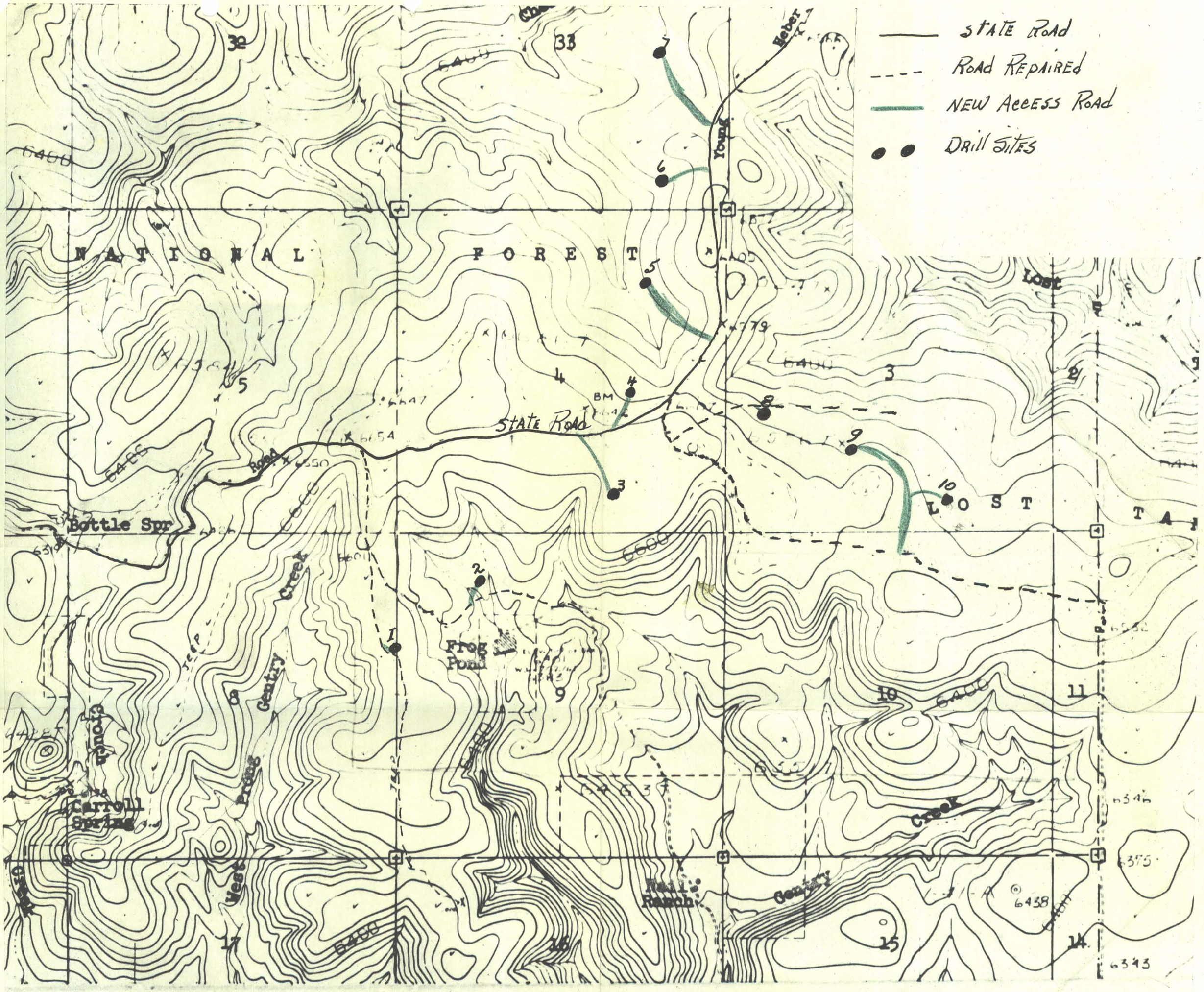


FIGURE 3.-- Property Map, Archean Exploration Corporation, Xerox Claims, Gila County, Arizona OME-6327 (Iron Ore)


STATE ROAD
ROAD REPAIRED
NEW ACCESS ROAD
DRILL SITES
NATIONAL FOREST
LOST
STATE ROAD
Bottle Spr
Frog Pond
Carroll Spring
Hall Ranch
Young
Lost
Gentry Creek
West Frog Creek
Gentry Creek
Road
Jeep
BM
6438

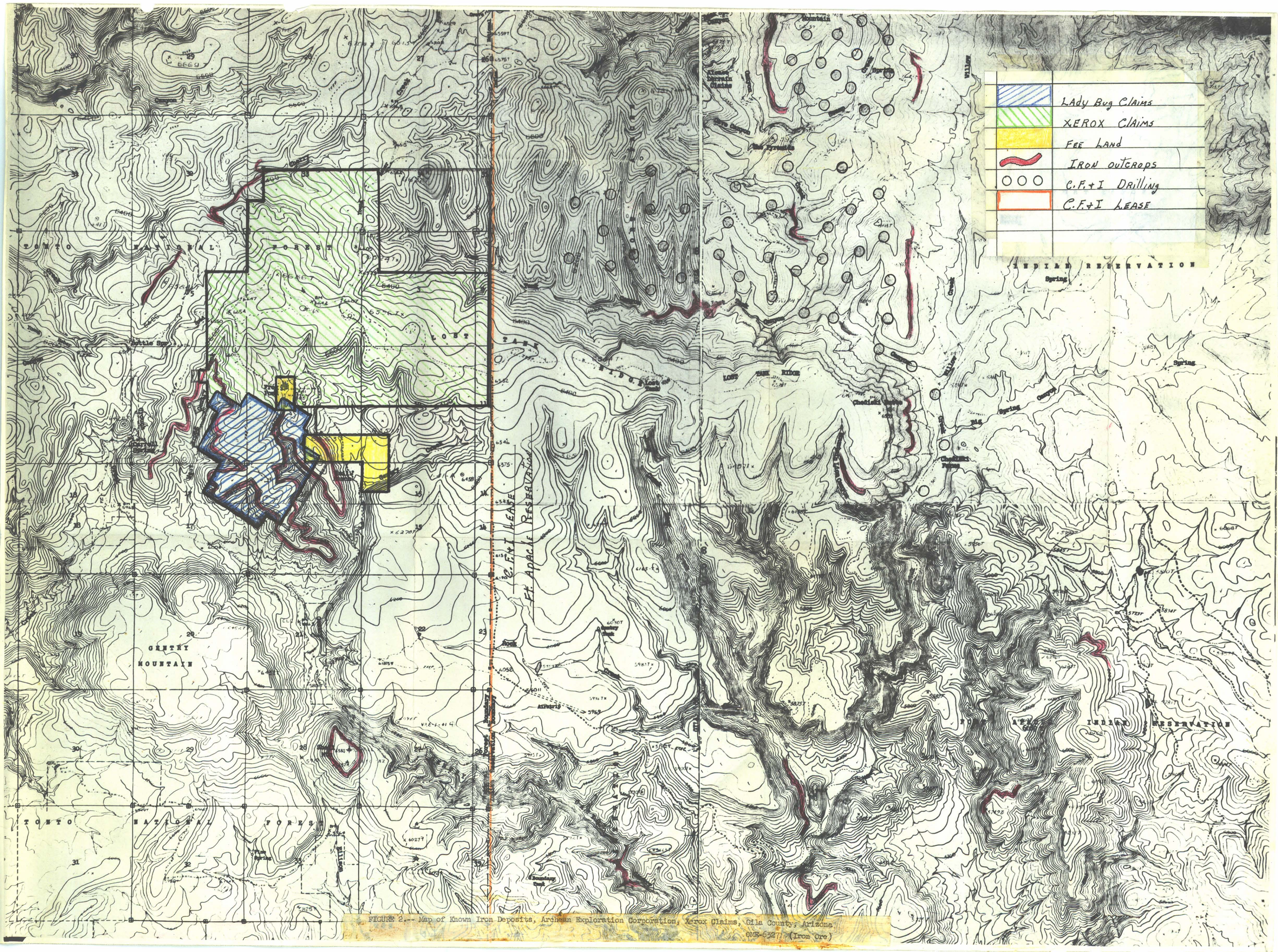


FIGURE 2.-- Map of Known Iron Deposits, Archean Exploration Corporation, Xerox Claims, Gila County, Arizona
OME-6527 (Iron Ore)

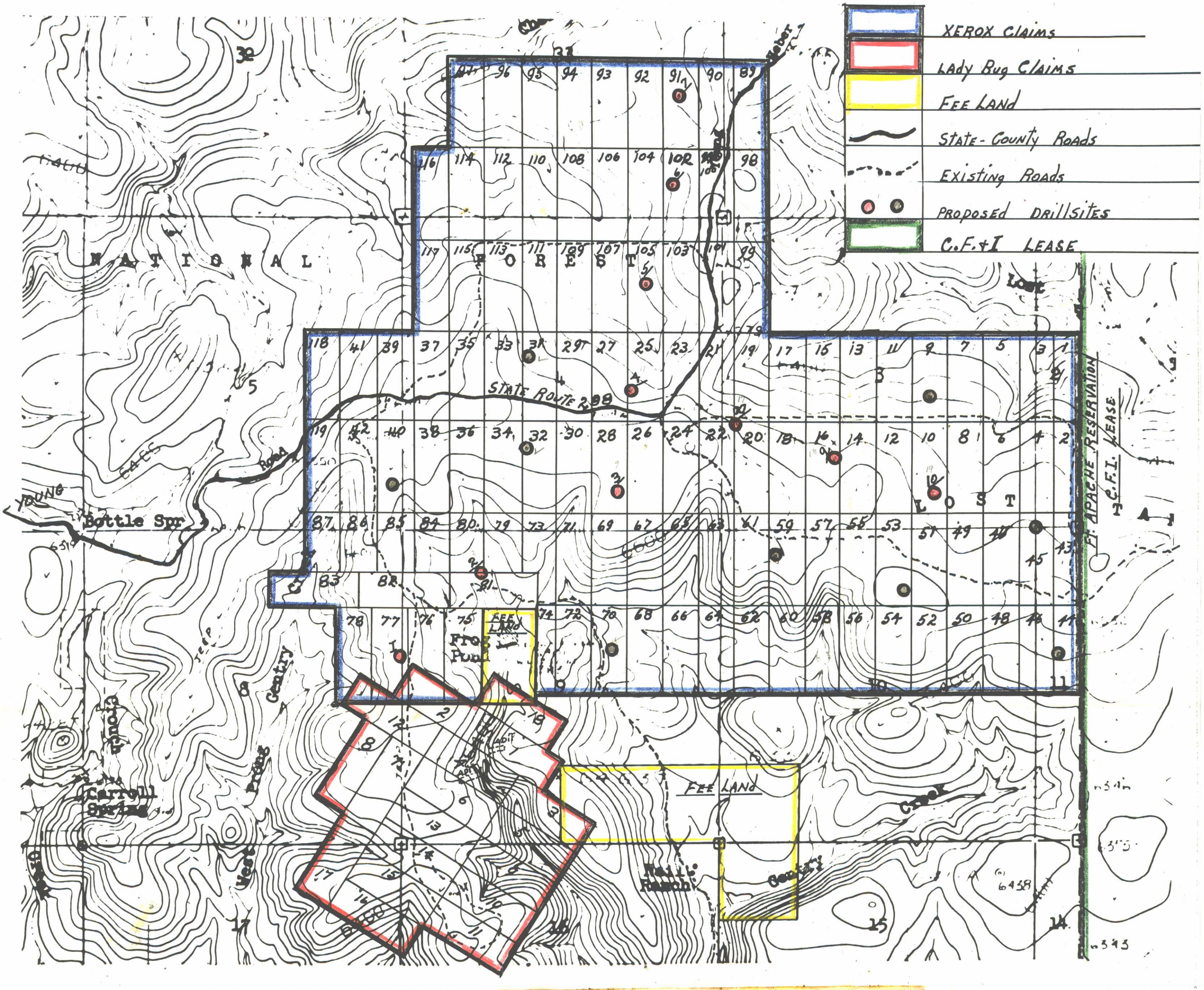


FIGURE 3.-- Property Map, Archean Exploration Corporation, Xerox Claims, Gila County, Arizona OME-6327 (Iron Ore)

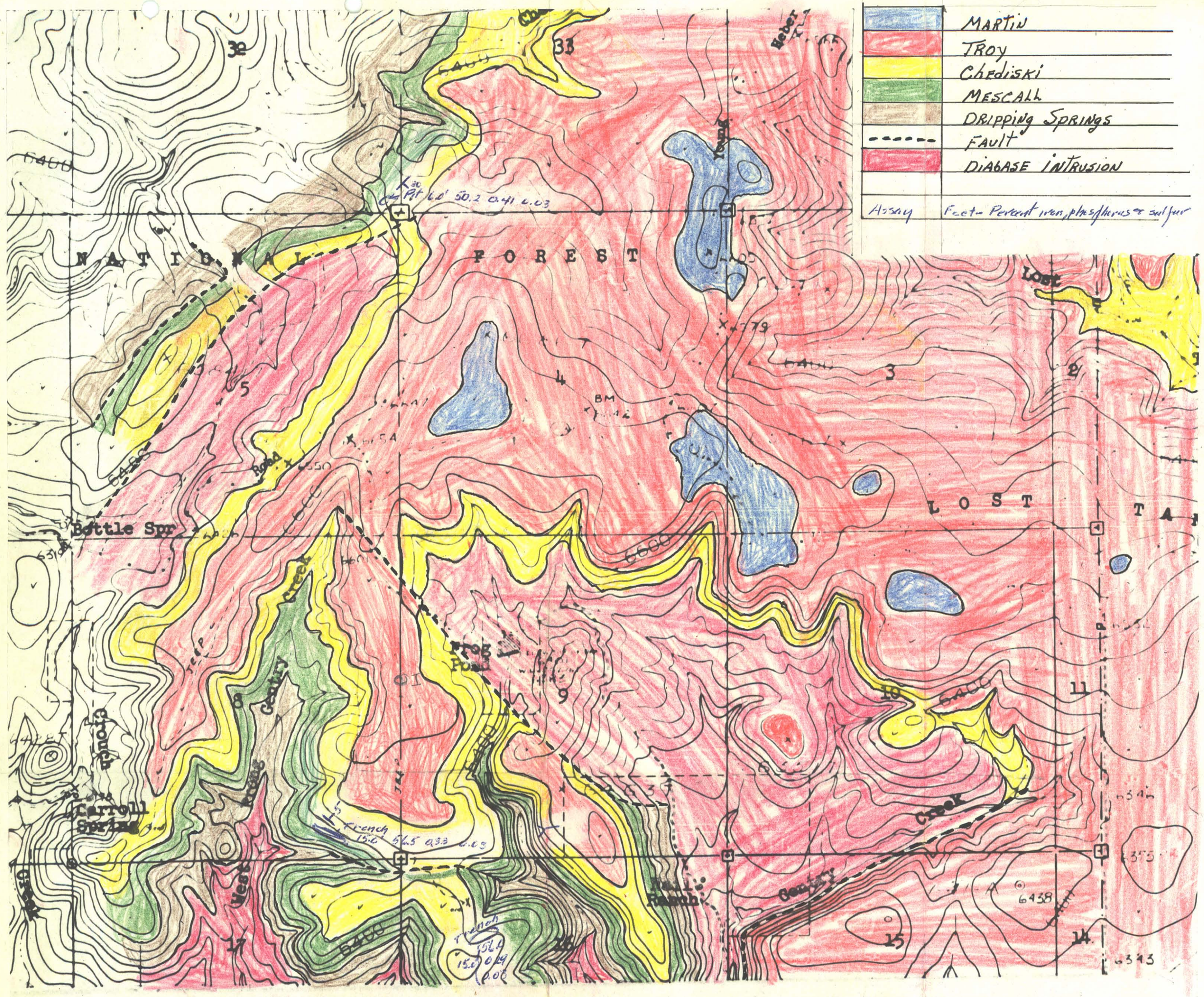


FIGURE 4.--Geological Map, Archean Exploration Corporation, Xerox Claims, Gila County, Arizona OME-6327 (Iron Ore)