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

OCT 2 8 1964

Mr. Jack L. Neal
President
Metate Asbestos Corporation
P.O. Box 111
Globe, Arizona

Re: OME-6366 (Asbestos)
Metate Asbestos Corporation
Lucky Seven Mine
Gila County, Arizona

Dear Mr. Neal:

Your application for financial assistance in exploring your property in Gila County, Arizona, and other information available to us have been reviewed.

Careful study of all this information indicates that the probability of disclosing significant ore reserves on your property is not sufficiently promising to justify Government participation in the proposed exploration. We regret to advise you that, under these circumstances, your application for exploration assistance is denied.

Sincerely yours,

George Fumich, Jr.

Acting Director

MMerrithew/mm (10/28/64)
cc: Director's Reading File
Region III
Review Committee
Docket
Code 120M

Bldg. 20 - Denver Federal Center
Denver, Colo. 80225

AIR MAIL

October 22, 1964

Mr. Jack L. Neal, Manager
Metate Asbestos Corporation
P. O. Box 111
Globe, Arizona 85501

Re: OME-6366 (Asbestos)
Lucky Seven Mine
Gila County, Arizona

Dear Mr. Neal:

This responds to your letter of October 20, 1964 regarding the subject docket.

I am sure that you will be advised by the Washington office of OME at an early date.

I am sorry that I missed seeing you when I was in Globe but your brother made an excellent guide. Please give him my best regards.

Yours very truly,

Hugh M. Connors
Acting Field Officer, OME
Region III

cc: G. C. Selfridge
6366
Chron

MINES
WHITERIVER APACHE AND SAN CARLOS
APACHE INDIAN RESERVATIONS
425-6452
AREA CODE 602

CROWN MINE AND LUCKY SEVEN MINE
POST OFFICE BOX 111
GLOBE, ARIZONA
85501

Ame

CABLE ADDRESS METABEST

METATE ASBESTOS CORPORATION

PRODUCERS OF
WORLD'S FINEST NON-FERROUS WHITE CHRYSOTILE ASBESTOS FOR THE
FILTRATION INDUSTRY, PLASTICS INDUSTRY, ELECTRICAL INDUSTRY

OME
DEPARTMENT OF THE INTERIOR
OCT 22 1964
REGION III
DENVER, COLORADO

October 20, 1964

Mr. Connors
Office Minerals Exploration
Federal Center,
Denver, Colorado

Dear Mr. Connors: Docket Number OME - 6366

Bob said you were going to check with Washington about our 1000 foot exploration tunnel at the Lucky Seven mine and would let us know what you found out.

Regarding the driving of the tunnel above our present operation would be O.K. and working of three men on this tunnel is also satisfactory as the Government will pay 50% of the cost. If the project finds there is paying ore the full 1000 feet then all ore northwest of the tunnel would be considered a discovery and we would pay back the Governments part of the exploration at 5% royalty from our production.

Johns-Manville is giving us a large contract for our asbestos fiber for their filter requirements and also are planning a joint venture with Metate to build a new acid washing plant here on our 5 acres adjoining our Central mill. The Vice-President of their Celite division will be in Globe October 27th to look over our mines and location for the washing plant. It is very important that we start our exploration for more ore as soon as possible. Can you give me any information as to what we should do.

Yours very truly,

Metate Asbestos Corporation
By.
Jack L. Neal
Jack L. Neal, Manager,

JLN:en

Bldg. 20 - Denver Federal Center
Denver, Colo. 80225

AIR MAIL

October 14, 1964

Memorandum

To: George C. Selfridge, Chief
Division of Exploration Operations
Washington, D. C. 20240

From: Acting Field Officer, OME, Region III

Subject: OME-6366 (Asbestos)
Metate Asbestos Corporation
Lucky Seven Mine
Gila County, Arizona
Memorandum Report of Field Examination

The Metate Asbestos Corporation, an Arizona Corporation, requested $35,000 Government aid to continue their present drift southeast along the strike of the only known asbestos vein in the Lucky Seven Mine.

A reconnaissance trip was made to the property on October 6, 1964 by Hugh M. Connors accompanied by Robert Neal, brother of the Applicant.

Only short harsh asbestos fiber occurs in a vein which strikes about N 30° E and dips about 30° E. The outcrop is exposed for more than 1,000 feet, and asbestos has been mined from three adits all of which are now connected through open stopes.

The Applicant proposed to extend the No. 3 adit from the southeast workings a distance of 1,000 feet along the strike of the vein. The Applicant would like to amend his application to drive 1,000 feet in a new adit up-dip from the No. 3 adit instead of continuing the adit from the old workings. He would also submit more realistic cost figures.

From time to time since 1952, the mine has been operated on a one-shift basis. This information was obtained by the examiner from Lincoln Stewart, an asbestos expert, who is now retired from the Bureau of Mines and presently lives in Globe. The mine is worked by seven Apache Indian miners. Selective mining is used, and the ore zone is blasted with a heavy dynamite charge to fluff the fiber and loosen it from the serpentine. This material is screened and roughly sorted

at the mine, and the ore is trucked to the Applicant's mill 38 miles distant and about two miles east of Globe. The trucking is done on a contract basis from the mine to a mill owned by the Applicant.

Only in recent years has there been much demand for short, harsh asbestos fiber. The main use seems to be for pressure filters in breweries and oil refineries. The Applicant's brother stated that the fiber sells for $500.00 a ton and to date there has been no problem in keeping up with the demand. The Applicant hopes that he will be able to sell more fiber if he can assure his customers that his source is ample.

I question that the Applicant's proposal is true exploration; it is only development and preparation for mining.

If we go to contract on this application without collecting royalty on all production from the entire property, the Operator could keep on mining at his present rate of production for years on his side of the line of demarcation.

Because it is not based on exploration as defined in Sec. 301.2 of OMM Regulations, I recommend that the application be denied.

Hugh M. Connors

cc: File
Chron

Bldg. 20 - Denver Federal Center
Denver, Colo. 80225

AIR MAIL

October 14, 1964

Memorandum

To: George C. Selfridge, Chief
Division of Exploration Operations
Washington, D. C. 20240

From: Acting Field Officer, OME, Region III

Subject: OME-6366 (Asbestos)
Natate Asbestos Corporation
Lucky Seven Mine
Gila County, Arizona
Memorandum Report of Field Examination

The Natate Asbestos Corporation, an Arizona Corporation, requested $35,000 Government aid to continue their present drift southwest along the strike of the only known asbestos vein in the Lucky Seven Mine.

A reconnaissance trip was made to the property on October 6, 1964 by Hugh M. Connors accompanied by Robert Beal, brother of the Applicant.

Only short harsh asbestos fiber occurs in a vein which strikes about N 30° E and dips about 30° E. The outcrop is exposed for more than 1,000 feet, and asbestos has been mined from three adits all of which are now connected through open stopes.

The Applicant proposed to extend the No. 3 adit from the southwest workings a distance of 1,000 feet along the strike of the vein. The Applicant would like to amend his application to drive 1,000 feet in a new adit up-dip from the No. 3 adit instead of continuing the adit from the old workings. He would also submit more realistic cost figures.

From time to time since 1952, the mine has been operated on a one-shift basis. This information was obtained by the examiner from Lincoln Stewart, an asbestos expert, who is now retired from the Bureau of Mines and presently lives in Globe. The mine is worked by seven Apache Indian miners. Selective mining is used, and the ore zone is blasted with a heavy dynamite charge to fluff the fiber and loosen it from the serpentine. This material is screened and roughly sorted

at the mine, and the ore is trucked to the Applicant's mill 38 miles distant and about two miles east of Globe. The trucking is done on a contract basis from the mine to a mill owned by the Applicant.

Only in recent years has there been much demand for short, harsh asbestos fiber. The main use seems to be for pressure filters in breweries and oil refineries. The Applicant's brother stated that the fiber sells for $500.00 a ton and to date there has been no problem in keeping up with the demand. The Applicant hopes that he will be able to sell more fiber if he can assure his customers that his source is ample.

I question that the Applicant's proposal is true exploration; it is only development and preparation for mining.

If we go to contract on this application without collecting royalty on all production from the entire property, the Operator could keep on mining at his present rate of production for years on his side of the line of demarcation.

Because it is not based on exploration as defined in Sec. 301.2 of OME Regulations, I recommend that the application be denied.

Hugh M. Connors

ec: File
Chron

Bldg. 20 - Denver Federal Center
Denver, Colo. 80225

AIR MAIL

October 14, 1964

Memorandum

To: George C. Selfridge, Chief
Division of Exploration Operations
Washington, D. C. 20240

From: Acting Field Officer, OMM, Region III

Subject: OMM-6366 (Asbestos)
Metate Asbestos Corporation
Lucky Seven Mine
Gila County, Arizona
Memorandum Report of Field Examination

The Metate Asbestos Corporation, an Arizona Corporation, requested $35,000 Government aid to continue their present drift southwest along the strike of the only known asbestos vein in the Lucky Seven Mine.

A reconnaissance trip was made to the property on October 6, 1964 by Hugh M. Connors accompanied by Robert Neal, brother of the Applicant.

Only short harsh asbestos fiber occurs in a vein which strikes about N 30° E and dips about 30° E. The outcrop is exposed for more than 1,000 feet, and asbestos has been mined from three adits all of which are now connected through open stopes.

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at the mine, and the ore is trucked to the Applicant's mill 38 miles distant and about two miles east of Globe. The trucking is done on a contract basis from the mine to a mill owned by the Applicant.

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I question that the Applicant's proposal is true exploration; it is only development and preparation for mining.

If we go to contract on this application without collecting royalty on all production from the entire property, the Operator could keep on mining at his present rate of production for years on his side of the line of demarcation.

Because it is not based on exploration as defined in Sec. 301.2 of OMB Regulations, I recommend that the application be denied.

Hugh M. Connors

cc: File
Chron

Bldg. 20 - Denver Federal Center
Denver, Colo. 80225

AIR MAIL

October 1, 1964

Mr. Jack L. Neal
President
Metate Asbestos Corporation
P. O. Box 111
Globe, Arizona

Re: CME-6366 (Asbestos)
Metate Asbestos Corporation
Lucky Seven Mine
Gila County, Arizona

Dear Mr. Neal:

I expect to be in Globe Tuesday morning, October 6, 1964. Will you please meet me at your mill on that date. If you cannot be there will you please arrange to have your representative meet me and accompany me to the property for a field examination.

Yours very truly,

ORIGINAL SIGNED BY

Hugh M. Connors
Acting Field Officer
CME, Region III

cc: G. C. Selfridge
6366 - 2
Chron

Bldg. 20 - Denver Federal Center
Denver, Colo. 80225

AIR MAIL

October 1, 1964

Mr. Jack L. Neal
President
Matata Asbestos Corporation
P. O. Box 111
Globe, Arizona

Re: OME-6366 (Asbestos)
Matata Asbestos Corporation
Lucky Seven Mine
Gila County, Arizona

Dear Mr. Neal:

I expect to be in Globe Tuesday morning, October 6, 1964. Will you please meet me at your mill on that date. If you cannot be there will you please arrange to have your representative meet me and accompany me to the property for a field examination.

Yours very truly,

CONFIDENTIAL SERVICE

Hugh M. Connors
Acting Field Officer
OME, Region III

cc: G. C. Selfridge
6366 - 2
Charon

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

SEP 11 1964

Mr. Jack L. Neal
President
Metate Asbestos Corporation
P. O. Box 111
Globe, Arizona

Re: OME-6366 (Asbestos)
Metate Asbestos Corporation
Lucky Seven Mine
Gila County, Arizona

Dear Mr. Neal:

The application for assistance in exploring the subject property has been reviewed by the Division of Exploration Operations of the Office of Minerals Exploration and referred to Mr. H. M. Conners, Acting Field Officer, Office of Minerals Exploration, Region III, Building 20, Federal Center, Denver, Colorado, 80225.

The Regional Office will notify you in case additional information concerning the application is needed.

Sincerely yours,

(Signed) FRANK E. JOHNSON

Acting Director

MMarrithew/mm
9/11/64
cc: Director's Reading File
Region III
Docket

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

SEP 1 1 1964

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Exploration Operations

Subject: OME-6366 (Asbestos)
Metate Asbestos Corporation
Lucky Seven Mine
Gila County, Arizona

The subject application is referred to Region III for review, a field examination if deemed advisable, and recommendations.

Five full-time people is excessive to drive a 5 by 6-foot drift with a single drill. In a letter of October 5, 1961, OME-6180, we commented on the stockpiling of asbestos ore while drifting. If you recommend a project, please inform the Applicant that copies of its letters to the banks must be submitted.

George C. Selfridge.

September 8, 1964

Metate Asbestos Corporation
P. O. Box 111
Globe, Arizona

Subject: OME - 6366

Gentlemen:

Your application for exploration assistance, dated September 1, 1964 submitted to our office at Washington, D. C. has been assigned Docket Number OME - 6366.

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 with copy
of application

MME Form 40
July 1962

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.)*

Metate Asbestos Corporation
P. O. Box 111
Globe Arizona

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: 6366

DATE RECEIVED: 9-8-64

REGION: III

DIVISION CODE:

BUSINESS ORGANIZATION *(Check one)*

- INDIVIDUAL [ ]
- CORPORATION [X]
- PARTNERSHIP [ ]
- OTHER *(Specify)* [ ]

STATE IN WHICH FIRM IS ORGANIZED: Arizona

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
METATE ASBESTOS CORPORATION	P. O. BOX 111 Globe Arizona	President
Jack L. Neal	P. O. Box 1506 Globe Arizona	
Charles Ross Neal	547 E. Kline Globe Ariz.	Vice-President
B. Neal Beaver	9832 Belmont, Bellflower California	Secretary Treasure

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE: Chrysotile Asbestos

ESTIMATED COST OF PROJECT: $ 35,000.00

PROPERTY NAME	LOCATION COUNTY	STATE
Lucky Seven Mine (San Carlos Apache Indian Reservation)	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.

Sept. 1, 1964
DATED

Jack L. Neal
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 or 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

APPLICATION FOR FINANCIAL ASSISTANCE - O.M.E.

1. (a) Loan denied by Valley National Bank, Globe, Arizona and First National Bank, Globe, Arizona, --Letters enclosed.

   (b) No affiliated Companies.

   (c) Cash, equipment and supervision.

2. (a) Lease from San Carlos Apache Indian Tribe, two true lease copy enclosed.

   (b) Lucky Seven Mine - Seven Mining claims, 7 claims known as Pine Top mining claims-No. 1,2,3,4,5,6 & 7, Florine mining district, Salt River location, Section 35, Township 5 North, Range 17 East.

   (c) Enclosed.

3. (a) Maps Attached.

   (b) Current lease copies attached.

   (c) Attached.

   (d) Maps attached

   (2) Bedded type deposit, maps attached.

   (f) Mine is presently in operation. Mine has been mined sporadically since 1938. We wish to explore the distance the ore goes into mountain.

   (g) Attached. (Do not return.)

4. (a) Jack L. Neal or Charles Robert Neal at Metate Asbestos general offices at central mill, U.S.Hiway #70, 2 miles East of Globe, Arizona. Mine very accessible located on U.S. Hiway #60 and Salt River Canyon.

   (b) Lucky Seven mine is 38 miles from Central Mill, Globe, Arizona 1/2 mile off U.S. Hiway #60 at Salt River Canyon north of Globe Arizona. Shipping and supply points are Metate Asbestos Corp. mill at Globe, Arizona.

5. (a) Maps attached.--Propose to drive on swing shift at Lucky Seven mine an exploration tunnel 5'X6' on ore zone 1000' long to explore the distance ore body goes into mountain.

   (b) No roads to be built.

   (c) After contracts are signed lead time of 10 days to start exploration project average 5' per day approximate 200 shifts to complete 130' per month.

6. The Metate Asbestos Corporation has been operating continuously since February 1952 mining, milling and marketing asbestos in Gila County Arizona. We are now the largest producer of pure asbestos precoat filter fiber for pressure type filters. Selling direct to large Oil, Chemical, Sugar, Beer and plastic companies. Exploration must go forward to maintain our present markets.

Jack L. Neal, President of Metate Asbestos Corporation who has been with Metate since 1952 will supervise over all work.

7. Cost estimate to drive 5'X6' tunnel into mountain is $35.00 per lineal foot.

Supported by cost breakdown attached.

COST BREAKDOWN

7. (a) 1000' of tunnel 5'X6' -- 5' per shift - average 100' per month 10 months to complete 1000' exploration tunnel. Average 26 working days per month 6 days per month for track laying, etc.

LABOR

			10 months ?
1 Foreman	@	$600.00 per month	6,000.00
1 Driller	@	312.00 per month	3,120.00
1 Driller helper	@	260.00 per month	2,600.00
2 Muckers	@	260.00 per month	5,200.00 ?
		Labor 200 shifts	16,920.00

Social Security Taxes
Industrial Commission of Arizona
Unemployment Insurance
Average $15.79% of payroll — 2,673.00

Total — $19,593.00

(b) Engineering, Geological services and supervision to be furnished by Metate Asbestos Corporation Staff. Total — $690.00

(c) POWER

diesel

Desil fuel 210 Jaegger Compressor
Desil fuel 210 Gardner-Denver Compressor, stand by.

	Month	200 shifts
30 gal desil per shift @ 20¢ gal. delivered to mine	120.00	1,200.00
Oil change 100 hrs operation	6.40	64.00

RAIL & BLASTING SUPPLIES

Trojan Powder Company	1 roll black fuse 1000'	13.20	132.00
	1/2 case caps - 500 @ $30.20 M.	15.10	151.00
	1-1/8X8 60 W.R. Trojan Powder @26.00C.	130.00	1300.00
Prices Globe Hardware Company	Rail - 12 lb. @ $380.00 ton 24,000 lbs.		4560.00
	Fish plates $1.40 pair with bolts		89.60
	Spikes 2 kegs @ 32¢ lb.		179.20
	4X6 Pine tie - 332 ties @ 50¢ each		166.00
	Total		$7,841.80

WATER

Water hauled from Company well 3 miles, by company owned 1000 gal. water truck--2 gasoline pumps @ 01¢ per gal.- 333 gallon per shift - 20 shifts per month. 6,660 gal. — 666.00

7. Continued. (c)

FUEL

Gasoline for pumps --starting engine compressor	20.00

TRANSPORTATION

1 pickup Supt. 75 mile round trip to mine, one trip per week @ 15¢ per mile --$29.25-10 trips project	292.00 ?

SMALL TOOLS

Picks, shovels, hammers, track benders, muck sheets, switches, etc. - no salvage.	500.00 1/2
Total	$1,478.00

(d)

1 BBC-16 Rock Drill w. BMT-50 retractable leg and oiler.	985.00
1 Water Whip	5.00
1 Hose Set	11.00
	1,000.00
Salvage end of 200 shifts 50%	500.00 1/60 per month
Cost to project	500.00
200' 1" 2 Br. Hose with Fittings	172.82
200' 1/2" 2 Br. Hose with fittings	111.28
30 6' Series 17 Integral Steel	585.00
	869.00
Salvage end of project 50%	435.00
Cost.	$434.00

DRILLING EQUIPMENT FURNISHED BY METATE

1-210 Jaegger Compressor	$4000.00	
50% to project		2,000.00 1/60
1-2X3X1 Steam pump for water pressure $325.00 -- 50% to project		163.00
1-1200 gallon water tank $300.00 -- 50% to project		150.00
Cost to project		$2,313.00
Repair and maintenance of equipment $100.00 per Mo.		1,000.00
Total of Equipment		$4,247.00

(e) No initial rehabilitation or repairs.

(f) No buildings required

(g)

Auditing work.--Beaver Menkes Co. --CPA 9832 E. Belmont Avenue, Bellflower, California	(10 months) 400.00 ?
Accounting -- Metate Asbestos Corp. full time Bookkeeper--Elsie Neal--1 week per month @$75.00 wk.	750.00
Total Bookkeeping	$1,150.00

BREAKDOWN OF TOTALS

Total of labor and taxes on labor	$19,593.00
Total Engineers costs	690.00
Total Power & Supplies	7,841.80
Total fuel, transportation & tools	1,478.00
Total of Equipment	4,247.00
Total Bookkeeping	1,150.00
Total of Totals----------	$34,999.80

MINING, CONSTRUCTION, INDUSTRIAL EQUIPMENT

ATLAS COPCO PACIFIC, INC.

1326 NORTH 22nd AVENUE • PHOENIX, ARIZONA

ALPINE 2-2022

6/29/63

QUOTATION FOR
WHITE MOUNTAIN APACHE TRIBE ASBESTOS
MINE

ITEM	QUANTITY	DESCRIPTION	PRICE EACH	TOTAL
1	1	BBC-16 Rock Drill w. BMT-50 Retractable Leg & Oiler	$985.00	$985.00
2	1	Water Whip	5.50	5.50
3	1	Hose Set	11.00	11.00
4	1	VT-4 160 CFM Compressor	$5600.00	$5600.00
5	200'	1" 2 Br. Hose with Fittings	$172.82	$172.82
6	200'	½" 2 Br. Hose with Fittings	$111.28	$111.28
7	10	6' Series 17 Integral Steel	$19.50	$195.00
8	1	1200 Gal. Tank, Vertical, round with Cover	$255.00	$255.00
9	1	T5-24RB Wheelbarrow	$28.20	$28.20
10	1	2x3x1 Steam Pump	$325.00	$325.00
			TOTAL	$7688.80
			TAX	$220.67
			Grand Total	$7909.47

ABOVE ITEMS FOB PHOENIX

ALL COMPRESSORS QUOTED ARE DIESEL DRIVEN.
Fuel Consumption:

VT-3	8Hr.	Appx.	$1.85
VT-4	8Hr.	Appx.	$2.00

Above Consumption based on 19¢ gal diesel fuel.

GLOBE OFFICE

FIRST NATIONAL BANK OF ARIZONA

GLOBE, ARIZONA

August 17, 1964

Metate Asbestos Corporation
P. O. Box 111
Globe, Arizona

Attention: Mr. Jack L. Neal, President

Dear Mr. Neal:

In reply to your request for a term loan for the purpose of mine exploration, I am sorry to advise that we are unable to comply with your request. At this time, we are not making this type of loan.

Very truly yours,

L. J. ERSTAD
Manager

LJE:al

THIS BANK IS QUALIFIED TO ACT AS EXECUTOR AND TRUSTEE UNDER YOUR WILL.

VALLEY NATIONAL BANK

GLOBE OFFICE 101 SOUTH BROAD STREET GLOBE, ARIZONA

August 17, 1964

Metate Asbestos Corporation
P. O. Box 111
Globe, Arizona

Attention: Jack L. Neal

Dear Mr. Neal:

Concerning your recent request for a term loan of $35,000.00, for the purpose of an exploration tunnel on your Lucky Seven Mine Lease, I am sorry that we are unable to make this type of loan at this time.

Very truly yours,

Ass't. Manager

Lee E. Barnes

fm

PROTECT YOUR FAMILY — APPOINT THE VALLEY BANK AS YOUR EXECUTOR AND TRUSTEE

LAW OFFICES
MARKS AND MARKS
TITLE & TRUST BUILDING
PHOENIX ARIZONA 85003
TELEPHONE 254-2114

BARNETT E. MARKS
HAROLD A. MARKS (1904-1938)
ROYAL D. MARKS
LAURENCE DAVIS

August 31, 1964

Metate Asbestos Corporation
P. O. Box 111
Globe, Arizona 85501

Attention Mr. Jack L. Neal

Dear Jack:

Confirming our telephone conversation of today, and with particular reference to your letter dated August 31 to which were attached forms of Application for Financial Assistance in Minerals Exploration, we wish to advise that it is not possible, legally, for the San Carlos Apache Tribe to subordinate the land on which you hold a lease for asbestos claims.

I am sure there must be some way you can obtain a waiver of this requirement, for the Government is well aware of the fact that Indian land held in trust cannot be subordinated for any purpose whatsoever. You might be able to subordinate your leasehold interest in order to secure a loan, but this would have to be approved by the San Carlos Apache Tribal Council and probably by your bonding company also.

I am returning to you the forms you sent, attached to your letter dated August 31.

Yours very truly,

Royal D. Marks
of Marks and Marks

RDM:kl
Enclosures

cc: Mr. Marvin Mull
Mr. Charles J. Rives

L - 7 Lease

Luckly Seven

MINING LEASE

THIS INDENTURE made and entered into in quintuplet this 7th day of March, 1956, by and between the SAN CARLOS APACHE TRIBAL COUNCIL, of San Carlos, Arizona, acting for and on behalf of the San Carlos Apache Tribe, hereinafter referred to as "Lessor", and METATE ASBESTOS CORPORATION, an Arizona corporation, hereinafter referred to as "Lessee".

W I T N E S S E T H:

That the Lessor for and in consideration of One Dollar ($1.00), the receipt whereof is hereby acknowledged, and of covenants, agreements and conditions as hereinafter set forth, does hereby lease to the said Lessee the tract of land lying within the San Carlos Indian Reservation in the County of Gila, State of Arizona, to wit:

Seven (7) claims known as Pine Top Mining claims, Nos. 1, 2, 3, 4, 5, 6, and 7, Florine Mining District, Salt River location, Section 35, Township 5 North, Range 17 East.

as per plat of said mining claims attached hereto, the claims leased hereunder containing approximately 140 acres, and to be used for the sole purpose of prospecting and mining minerals of asbestos ore or fibre, and for no other purpose.

TO HAVE AND TO HOLD the same to the said Lessee for the term of ten (10) years from the date of this Lease.

It is understood and agreed that the Lessee shall occupy only so much of the surface of the land leased hereunder as may be reasonably necessary to carry on the work of prospecting for, mining, storing and removing such minerals;

it being further understood and agreed that live stock belonging to the Lessor and/or tribal associations of the Lessor shall not be excluded from the land covered by this Lease, and the Lessee shall take every precaution to protect the live stock against injury from the mining activities to be carried on by them.

The Lessee agrees to pay or cause to be paid to the Treasurer of the Lessor, as royalties, the sums of money as follows, to wit: Ten (10%) per cent of all asbestos ore or fibre mined, milled and marketed at point of sale with no deductions, subject to the following stipulation that beginning with the second anniversary date of this Lease, which anniversary date shall be the date this Lease is signed by the Lessee, and on each anniversary date thereafter during the term of this Lease, the Lessee shall pay the Lessor in addition to annual rentals provided hereunder, the sum of One Thousand Dollars ($1,000.00), provided, however, that said payment may be deducted from royalties due the Lessor during the current year for which the payment is made. All royalties accruing for any month shall be due and payable on or before the 25th day of the month succeeding. It is understood and agreed by the parties hereto that in the event the asbestos ore or fibre, which may be mined by the Lessee, does not come up to Government grade, then and in that event the percentage of royalty to be paid hereunder by the Lessee to the Lessor shall be renegotiated, which royalty amount shall be predicated upon the economic use and price of the asbestos ore or fibre to be mined.

The Lessee agrees to pay to the Lessor in addition

to the royalties above set forth, beginning with the date of the approval of this Lease, as annual rental, the sum of One Dollar ($1.00) per acre per annum, in advance, for each and every calendar year during the continuance of this Lease; it being understood and agreed that said sum so paid shall be a credit on the royalties accruing during the year for which the payment of annual rental is made, and that said annual rental when paid shall not be refunded to the Lessee because of any subsequent surrender or cancellation hereof.

Lessee agrees to exercise diligence in the conduct of prospecting and mining operations; to carry on development and operations in a workmanlike manner and to the fullest possible extent; to commit no waste on the said land and to suffer none to be committed upon the portion in their occupancy or use; to comply with all the requirements of the laws of the State in which the land is located; to take appropriate steps for the preservation of the property and the health and safety of workmen; promptly to surrender and return the premises upon the termination of this Lease to whomsoever shall be lawfully entitled thereto, in as good condition as received, excepting for the ordinary wear and tear and unavoidable accidents in their proper use; not to remove therefrom any buildings or permanent improvements erected thereon during the said term by the said Lessee, but said buildings and improvements shall remain a part of said land and become the property of Lessor, excepting the office fixtures and records, personal property, tools, pumping and drilling outfits, boilers, engines and mining machinery, which shall remain the property of the Lessee and may be removed at any time prior to sixty (60) days after the termination of the Lease by forfeiture or

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PHOENIX, ARIZONA

otherwise, provided the payments agreed upon by this Lease have been made and the Lease terms and regulations applicable thereto have been fully complied with, but not otherwise; not to permit any nuisance to be maintained on the premises under Lessee's control, nor allow any intoxicating liquors to be sold or given away for any purpose on such premises; and not to use such premises for any other purposes than those authorized in this Lease.

It is understood and agreed that the land being leased hereunder shall not be held by Lessee for speculative purposes but in good faith for mining the minerals specified; and the failure by the Lessee in the diligent development and continued operation of the mine or mines, except when operations may be interrupted by strikes, the elements or casualties not attributable to the Lessee, shall be held as a want of compliance with the purposes of this Lease and shall render it subject to cancellation.

Lessee agrees to keep accurate account of all mining operations, showing the sales, prices, dates, purchasers, and the whole amount of minerals mined, the amount removed, and the gross receipts derived therefrom, and to furnish the Treasurer of the Lessor sworn monthly reports thereon not later than the 25th of the succeeding month; and all sums due as royalty and advance rental shall be a lien on all implements, tools, movable machinery, and all other personal chattels used in operation upon said property, and upon all of the unsold minerals obtained from the land herein leased, as security for payment of said sums. An audit of the Lessee's accounts and books may be made annually or at such

times as may be directed by the Lessor, by certified public accountant approved by the Lessor, and at the expense of the Lessee. The Lessee shall furnish free of cost a copy of such audits to the Lessor within thirty (30) days after the completion of each auditing.

The Lessee agrees not to assign or transfer this Lease or any interest therein, nor to sublet any portion of the leased premises without the prior written approval of the Lessor.

Lessee agrees to furnish a bond in a sum not less than _____ to secure Lessor as to compliance of Lessee with the terms of the lease.

Lessee agrees that the leased premises and producing operations, improvements machinery and fixtures thereon and connected therewith, and all books and accounts of the Lessee shall be open at all times for inspection by the Lessor, its agents or duly authorized representative.

The Lessor expressly reserves the right to lease, or otherwise dispose of the surface of the lands embraced within this Lease, such disposition to be subject at all times to the right of the Lessee herein to the use of so much of said surface as is necessary in the extraction and removal of the asbestos ore or fibre from the land covered by this Lease.

The Lessee further agrees that it will give preference to the San Carlos Apache Indians in the hiring of common labor and any other type of work that members of the San Carlos Apache Tribe are able and qualified to perform.

The Lessee shall be liable for any accidents or injuries to its agents or employees, or any other person in and about the performance of their work on the leased premises, and Lessee agrees to carry proper insurance and workmens' compensation to cover same.

The Lessee shall make all payments required under the Social Security laws of the United States and the State of Arizona, and shall also pay all sales taxes levied on all sales of the asbestos ore or fibre.

The Lessee shall have the right at any time during the term hereof to surrender and terminate this Lease or any part thereof on the payment of all rentals, royalties and other obligations due and payable to the Lessor, upon a showing satisfactory to the Lessor that full provision has been made for the conservation and protection of this property, the Lease to continue in full force and effect as to the lands not so surrendered. If this Lease has been recorded, Lessee shall file a recorded release with its application to the Lessor for termination of this Lease.

When in the opinion of the Lessor there has been a violation of any of the terms and conditions of this Lease, the Lessor shall have the right at any time after thirty (30) days written notice to the Lessee specifying the terms and conditions violated, and after a hearing, if the Lessee shall so request within thirty (30) days of receipt of the notice, to declare this Lease null and void, and Lessor shall then be entitled and authorized to take immediate possession of the land.

It is further covenanted and agreed that each

obligation hereunder shall extend to and be binding upon, and every benefit hereof shall enure to the heirs, executors, administrators, successors of, or assigns of the respective parties hereto.

IN WITNESS WHEREOF, the said Lessor and Lessee have caused this Lease to be executed by their duly authorized officers on the day and year first above written.

SAN CARLOS APACHE TRIBAL COUNCIL

ATTEST:

Louise K. Bendle
Secretary

By Jess J. Stevens
Chairman

LESSOR

METATE ASBESTOS CORPORATION,

ATTEST:

Charles R. Heal
Secretary

By Charles Robert Meal
President

LESSEE

STATE OF ARIZONA)
) ss
County of Gila)

Before me, a Notary Public, on this 14th day of March, 1956, personally appeared JESS J. STEVENS, as Chairman, and Louise K. Bendle, as Secretary, of the San Carlos Apache Tribal Council, to me known to be the identical persons who executed the within and foregoing Lease, and acknowledged that they executed the same in their official capacity as Chairman and Secretary, as their free and voluntary act and deed for the uses and purposes therein set forth.

Norman R Medlyn
Notary Public

My Commission Expires:

~~My Commission Expires July 7, 1958~~

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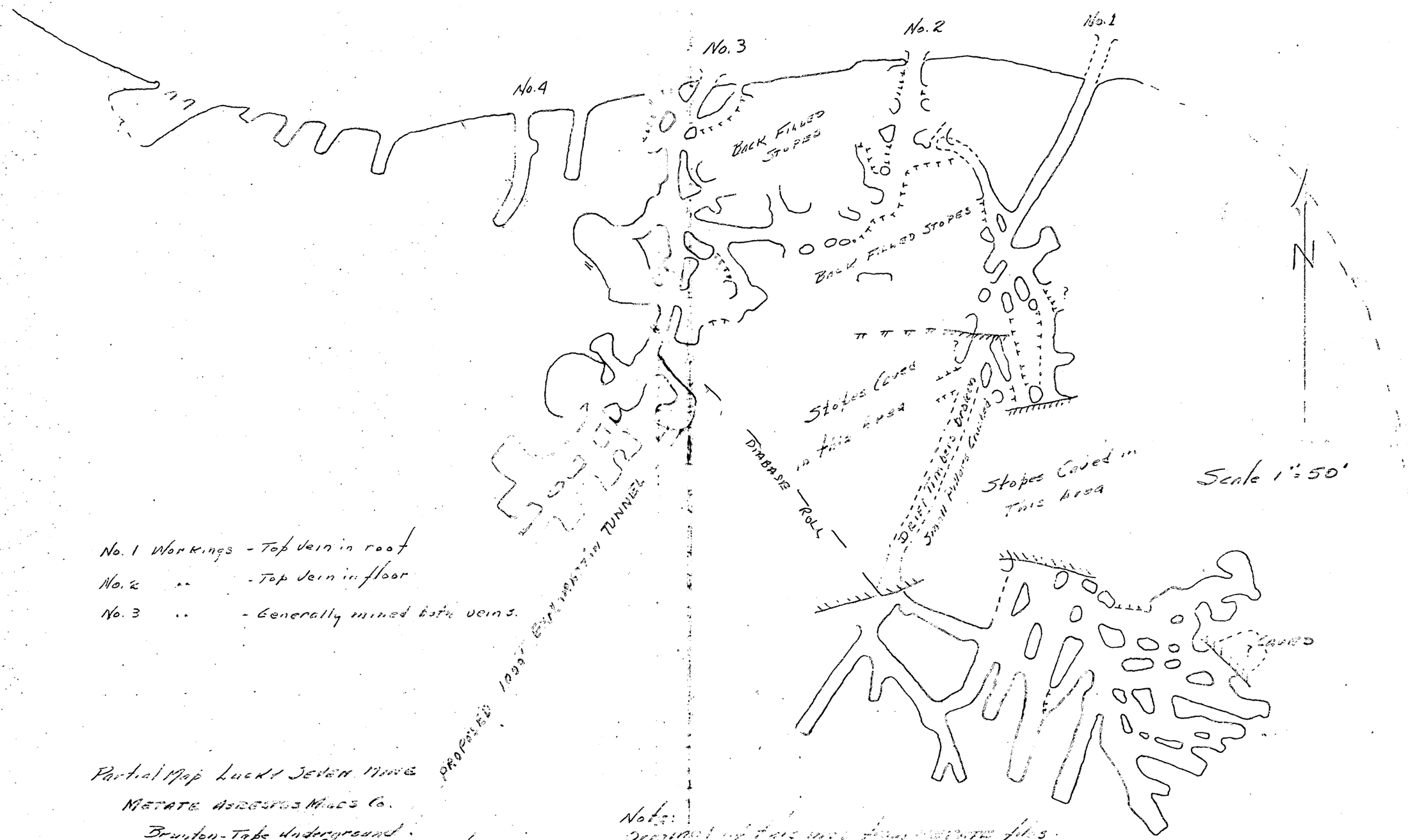
PHOENIX, ARIZONA



No. 1 Workings - Top Vein in roof

No. 2 " - Top Vein in floor

No. 3 " - Generally mined both veins.

PROPOSED 1000' EXPLORATORY TUNNEL

Partial Map Lucky Seven Mine

METATE ASBESTOS MINES CO.

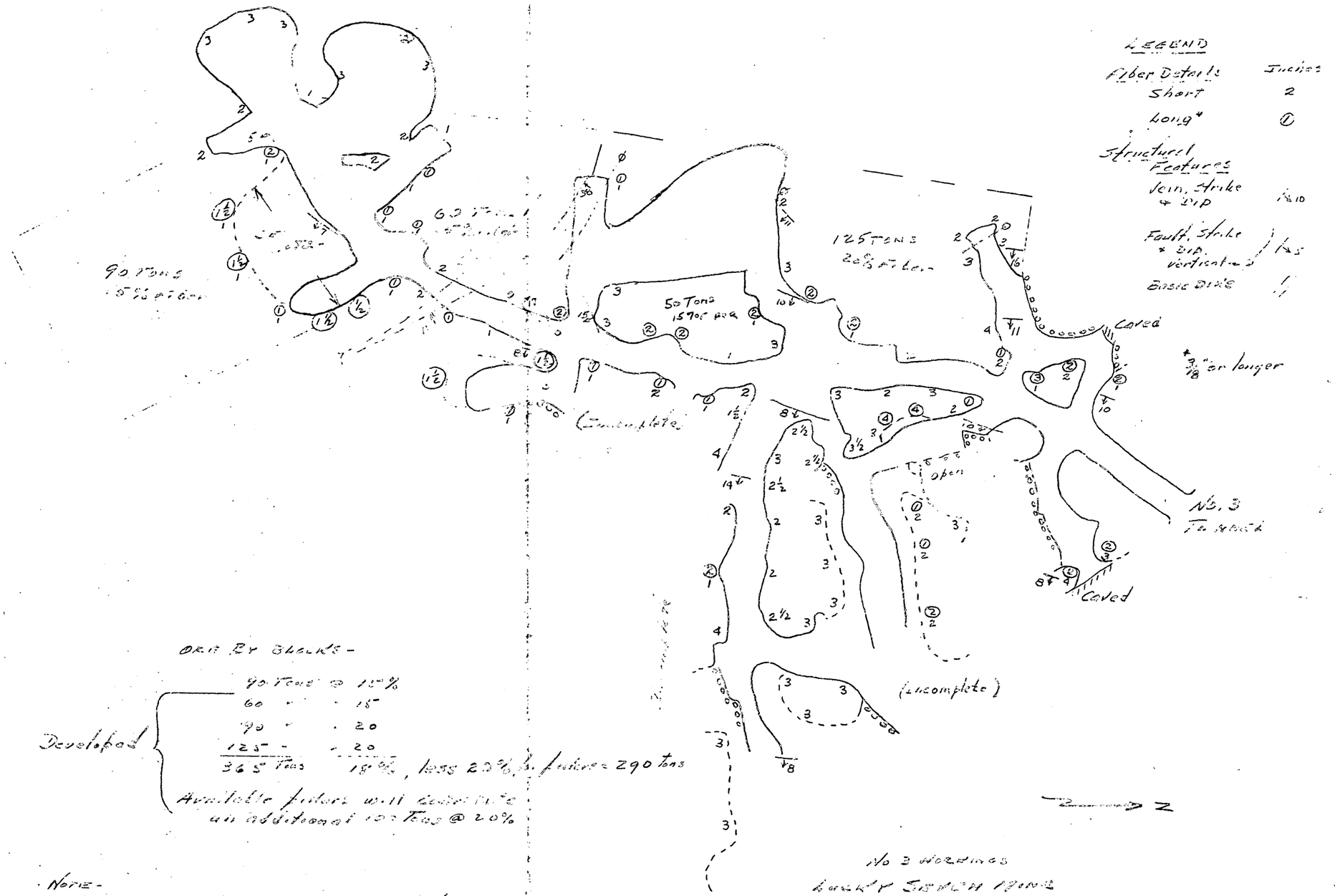
Brunton-Tape Underground.

Transit (bearings) - Stadia on Surface

1/15/59

Note:
Original of this map from Metate files.
Traced Dec. 15, 1962. Field checked in No. 3 Stope.
Thought to have been made by L. A. Stokes [illegible]
[illegible] Original: Detail re. distance to outcrop from S.E. workings.

LEONARD C. CLARK
Mining Engr.
GLOBE, ARIZONA - DEC. 15, 1963



ORE BY BLOCKS -

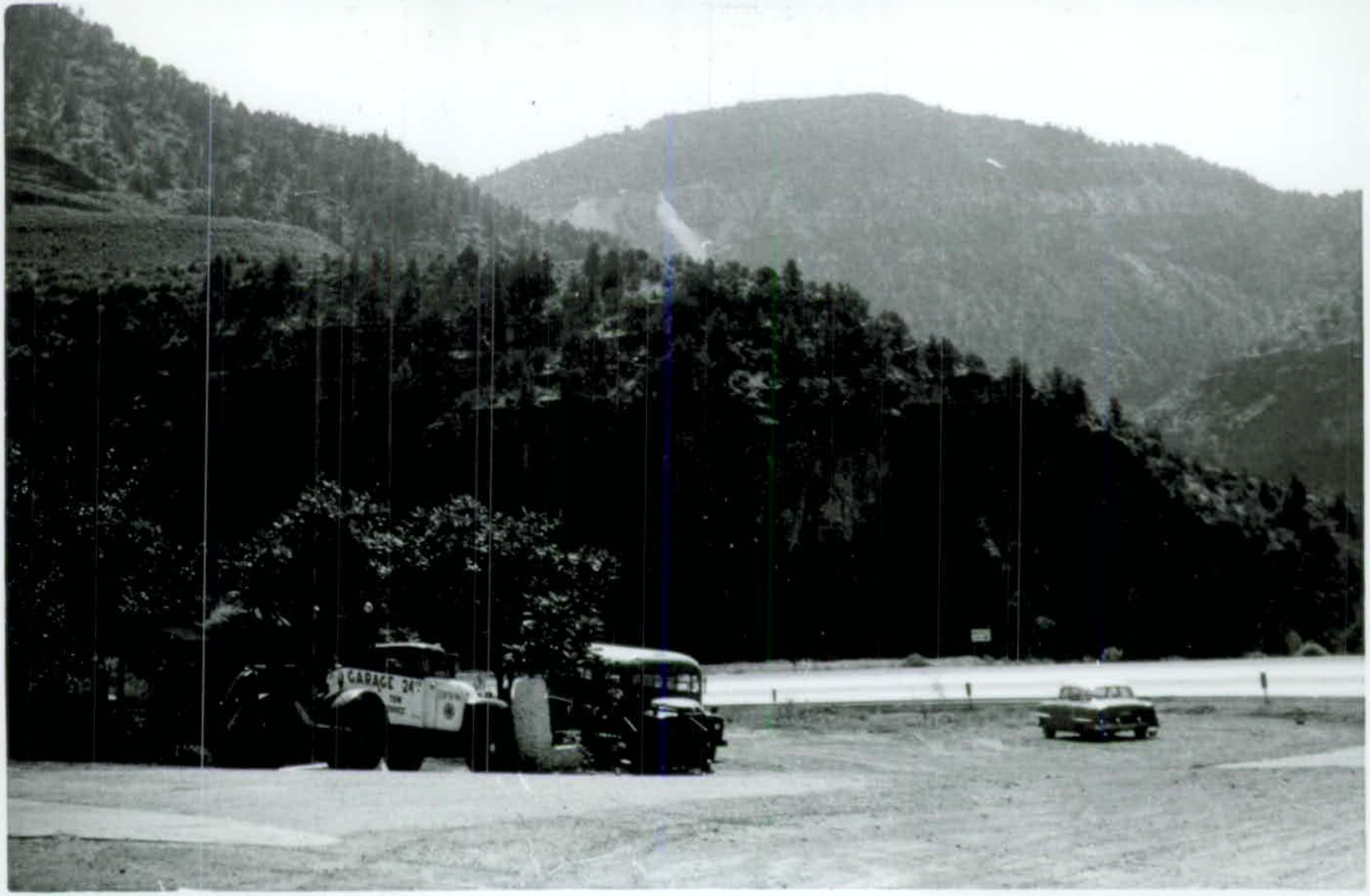
Developed	90 Tons @	15%
	60 "	15
	90 "	20
	125 "	20
	365 Tons	18%, less 20% for future = 290 tons

Available future will develop the an additional 100 Tons @ 20%

Note -
This area was successfully worked in August 1962.

No 3 WORKINGS
GALLERY SEARCH PROJECT
MI-TATE ASBESTOS CORP.
GLOBE - ARIZONA
Scale: 1"=20' - DEC. 15, 1963
LEONARD C. CLARK
MINING ENGR.

(Bounton & Tape Control)


GARAGE 24

OME 6366

OME 6366

Dumps of Lucky 7 mine, Metate Asbestos Corp.,

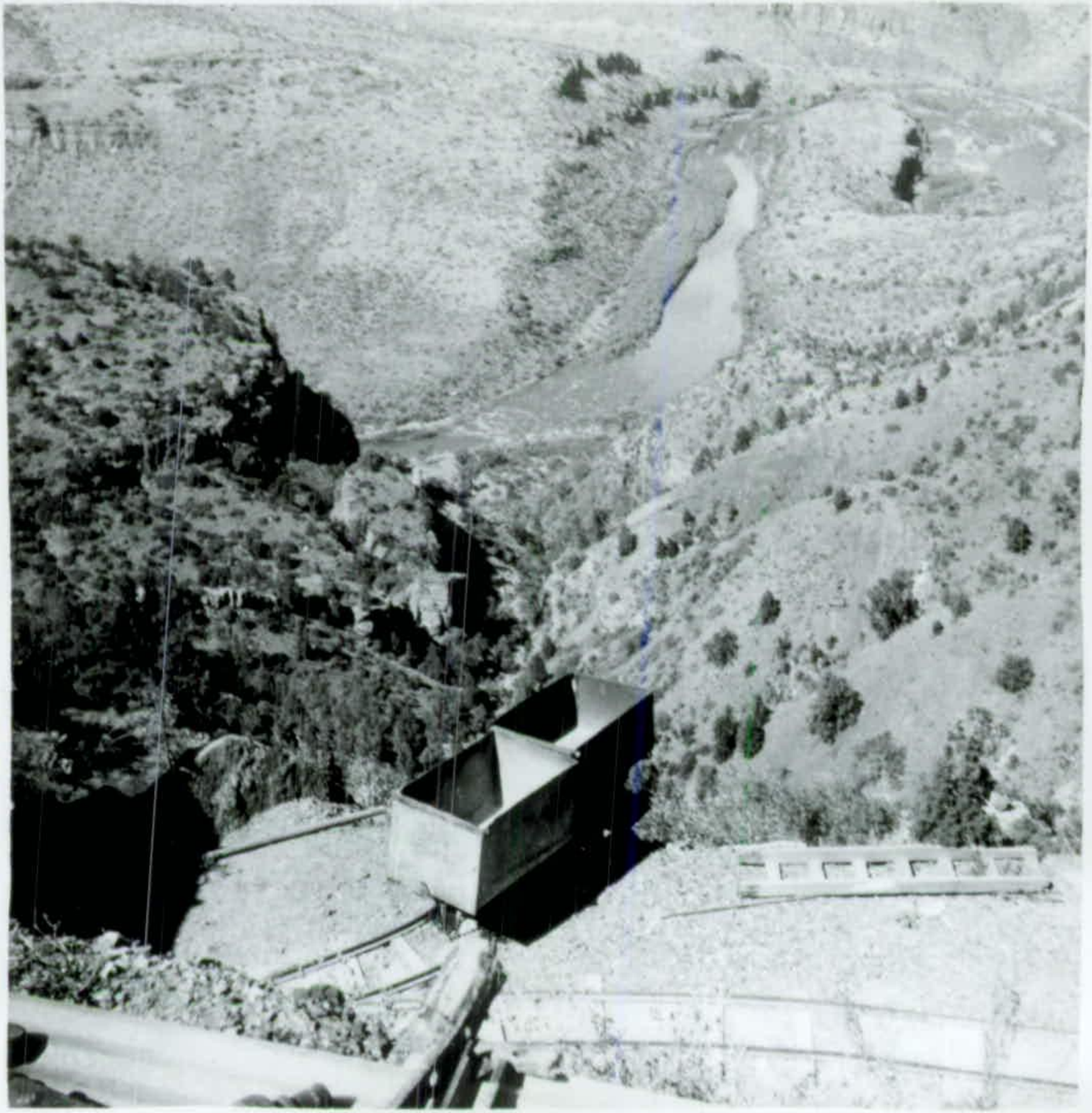
are in upper center of this photo, taken

looking upward to south from Salt River,

San Carlos Indian Reservation, Arizona.

~~6666~~

H. M. Connors
10/6/64



OME 6366

of Metate Asbestos Corp.

Looking down to Salt River from adit level of Lucky 7 Mine on San Carlos Indian Reservation, Arizona

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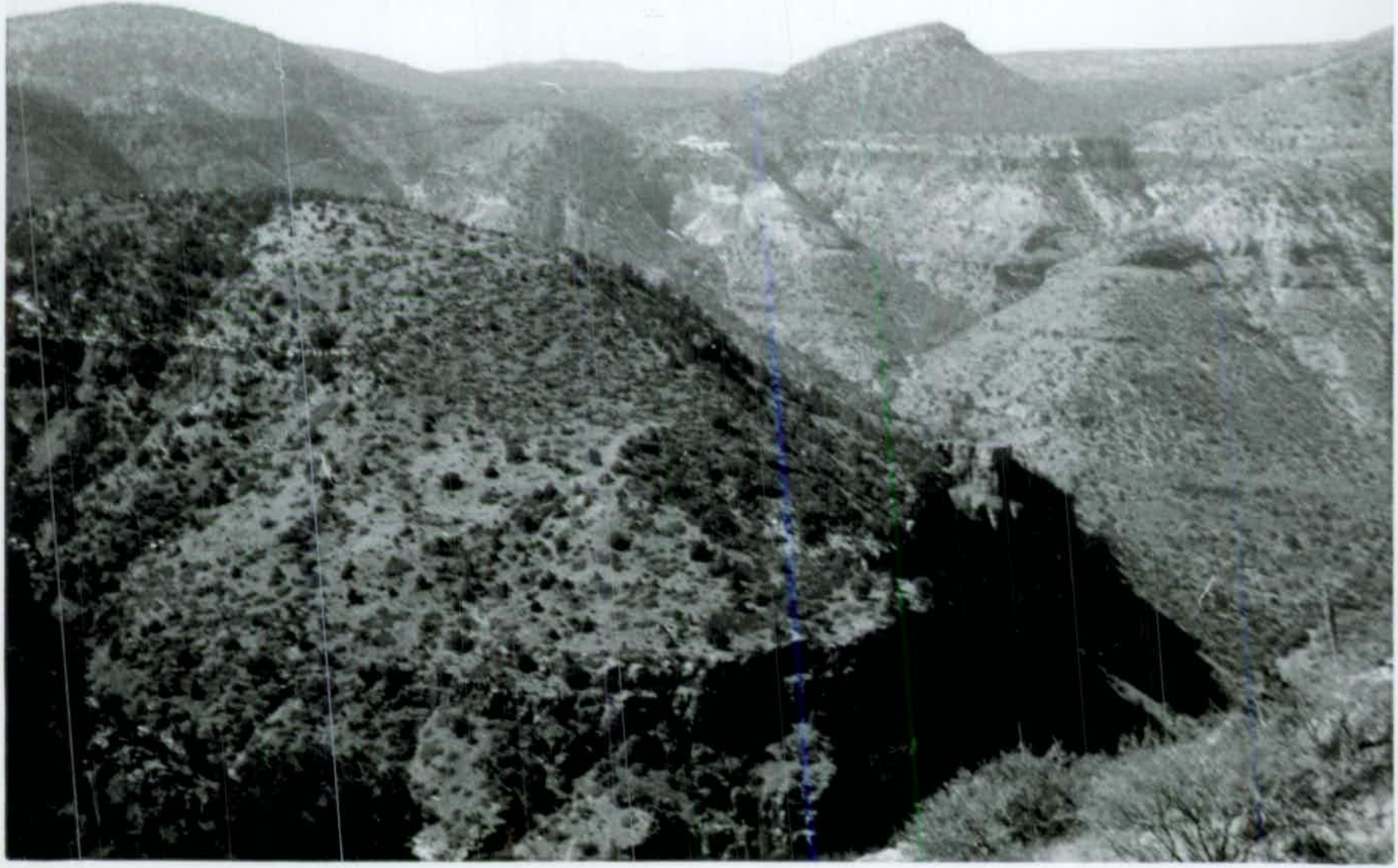
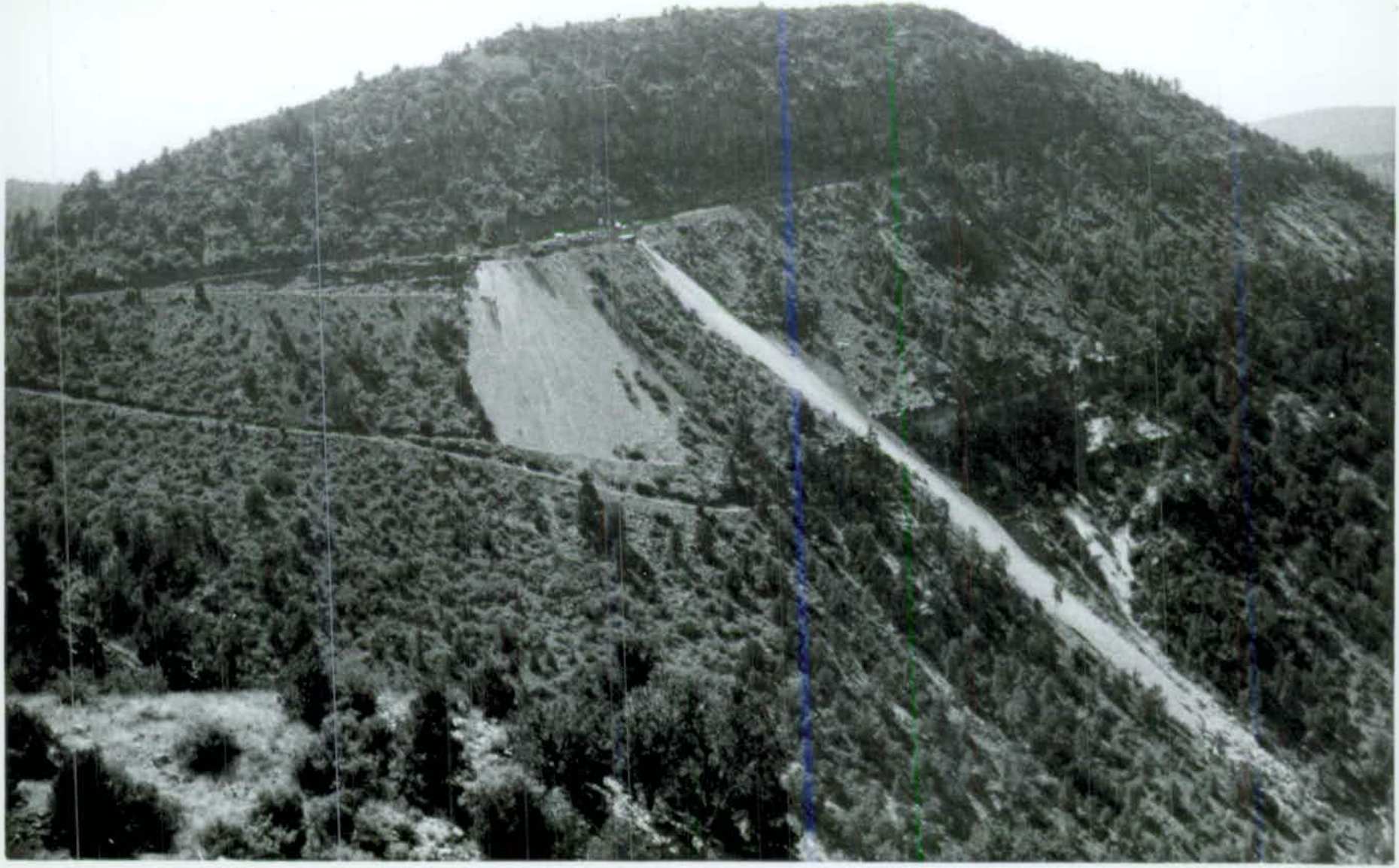
11/6/60

H. P. Cooper





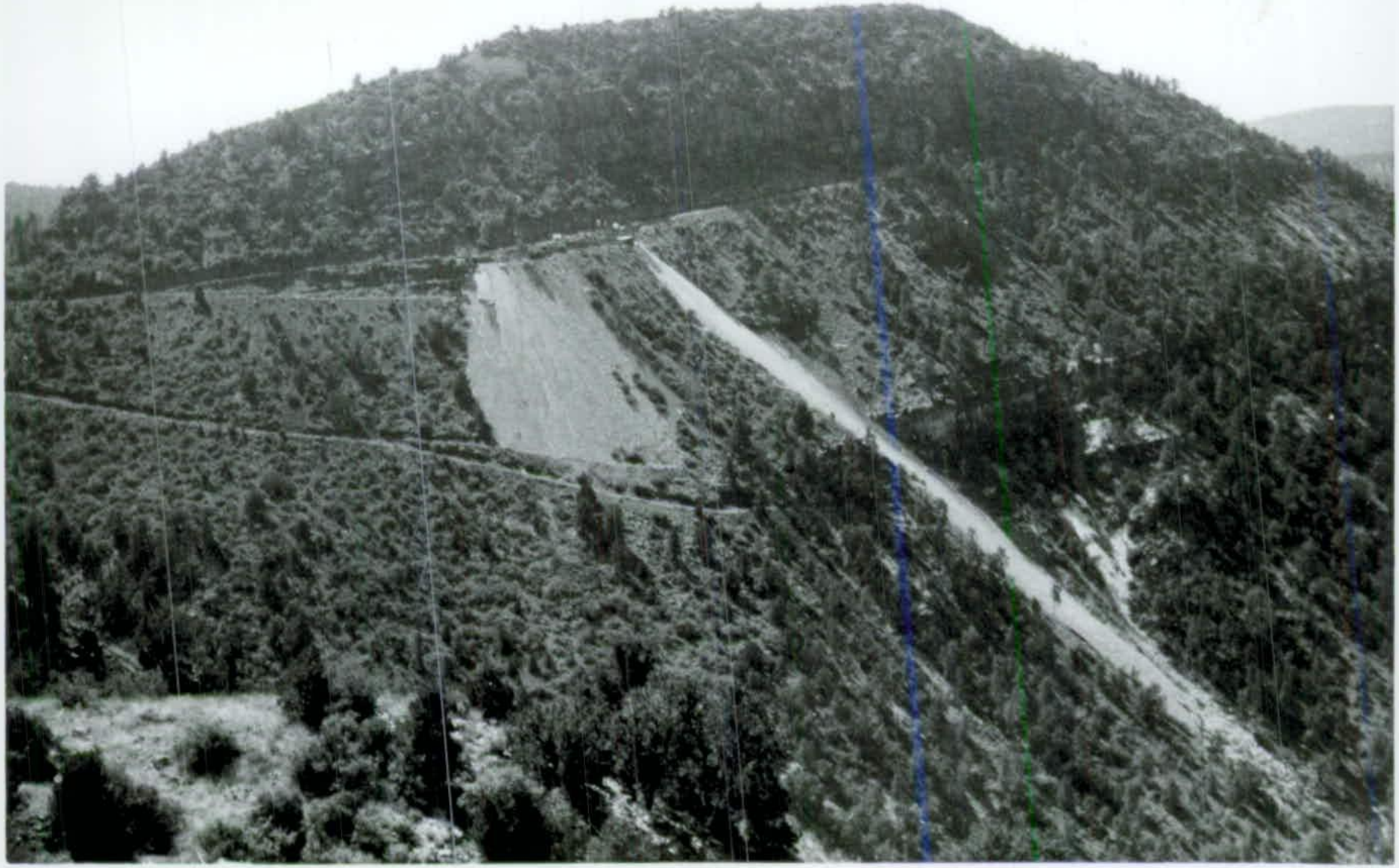
OME 6366

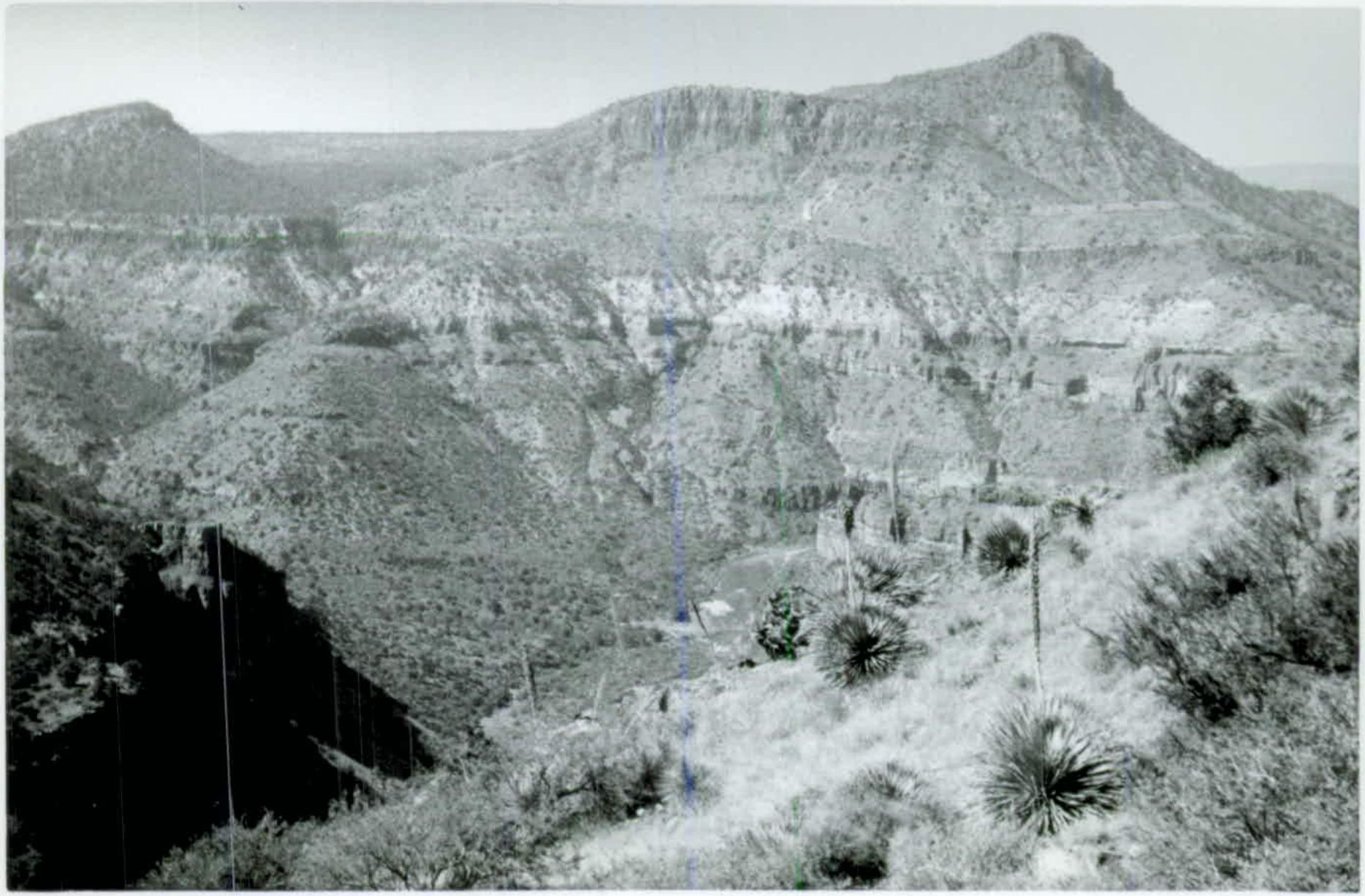
Metate Asbestos Corp.

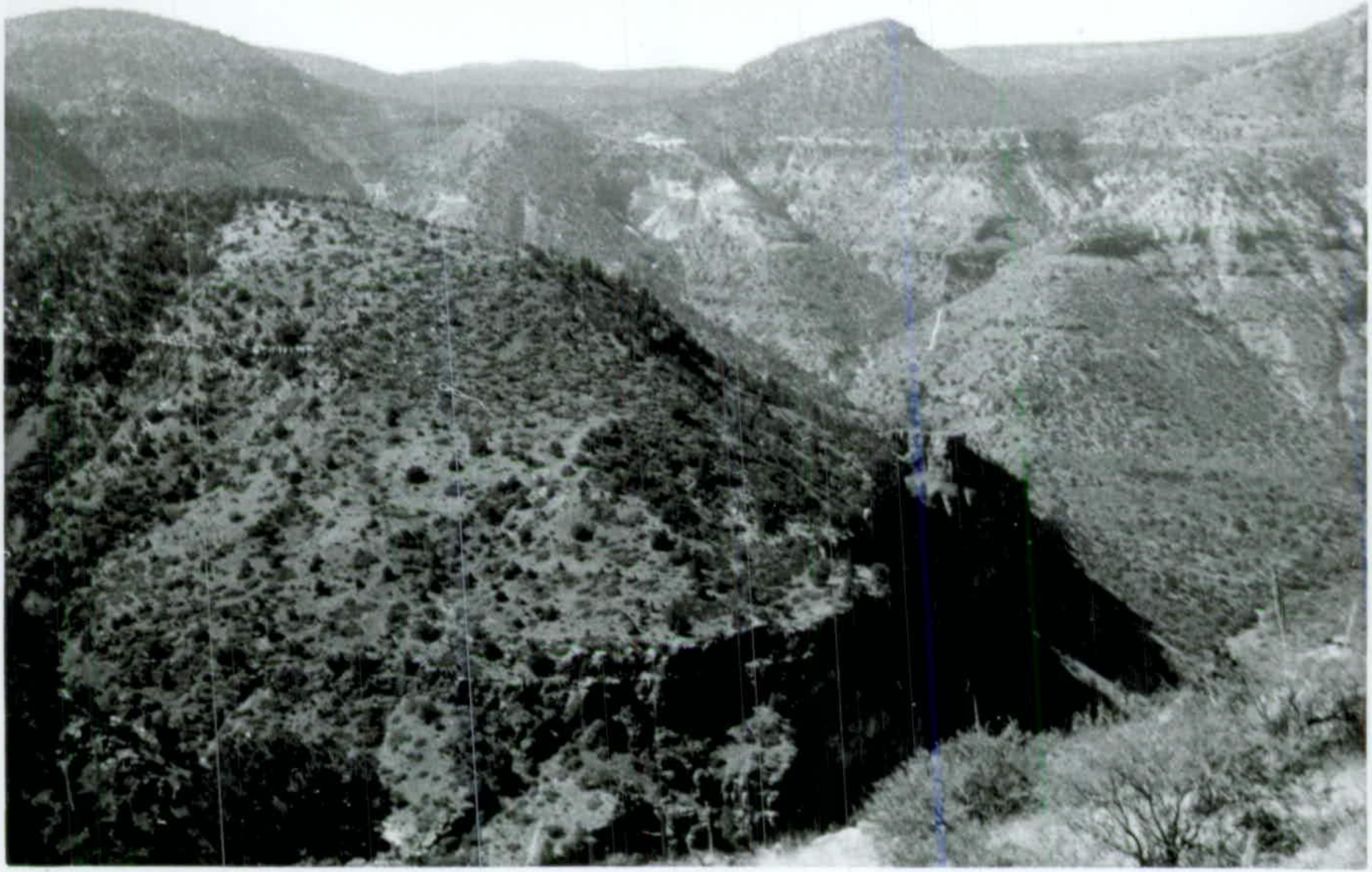
Lucky 7 Mine 38 miles NE of Globe, (this is on San Carlos Indian Reservation.) Looking South at adits 1, 2, & 3. (top of dumps). The asbestos vein outcrops along the line above top of dumps.

~~San Carlos~~

HMC 10-6-64

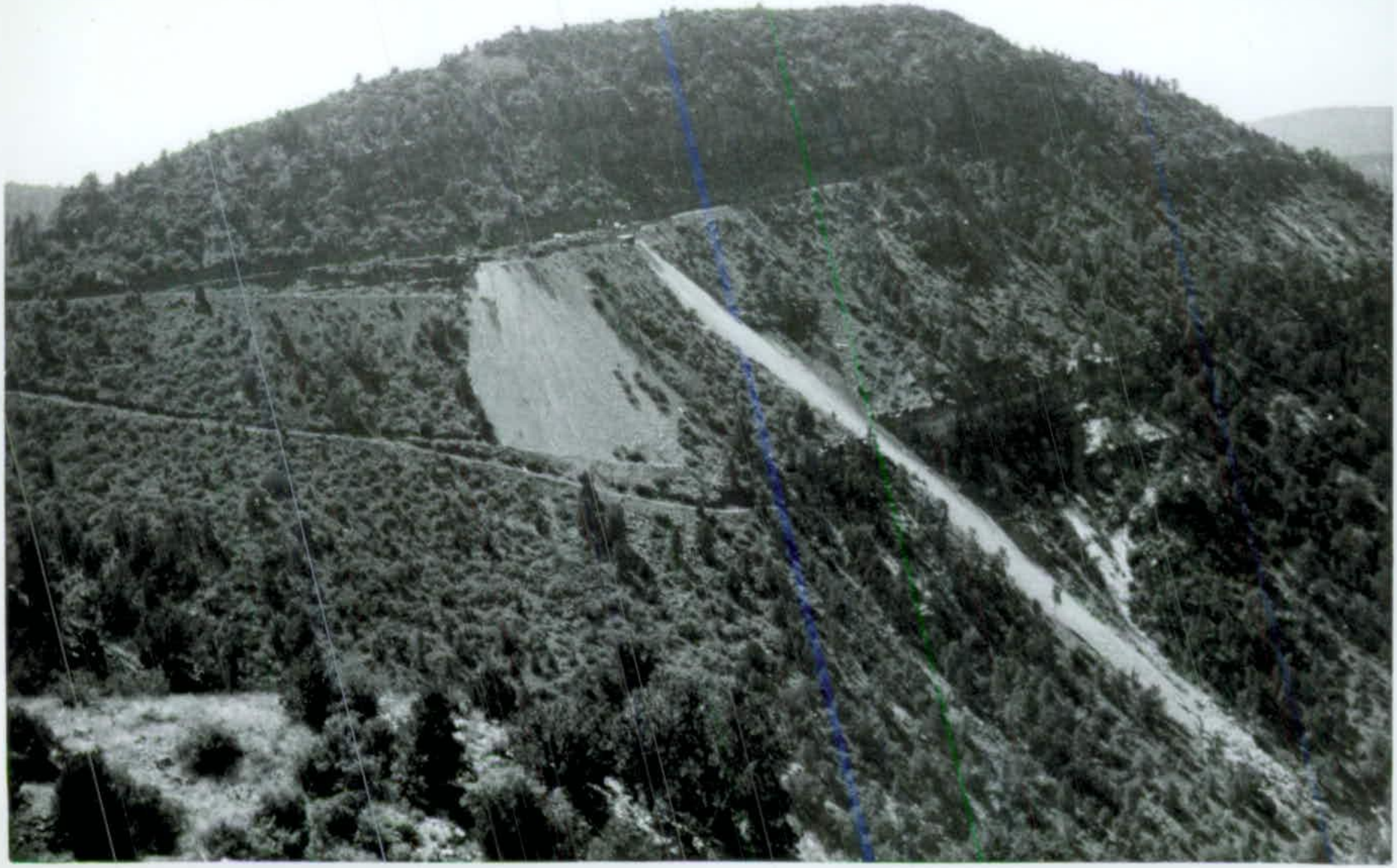


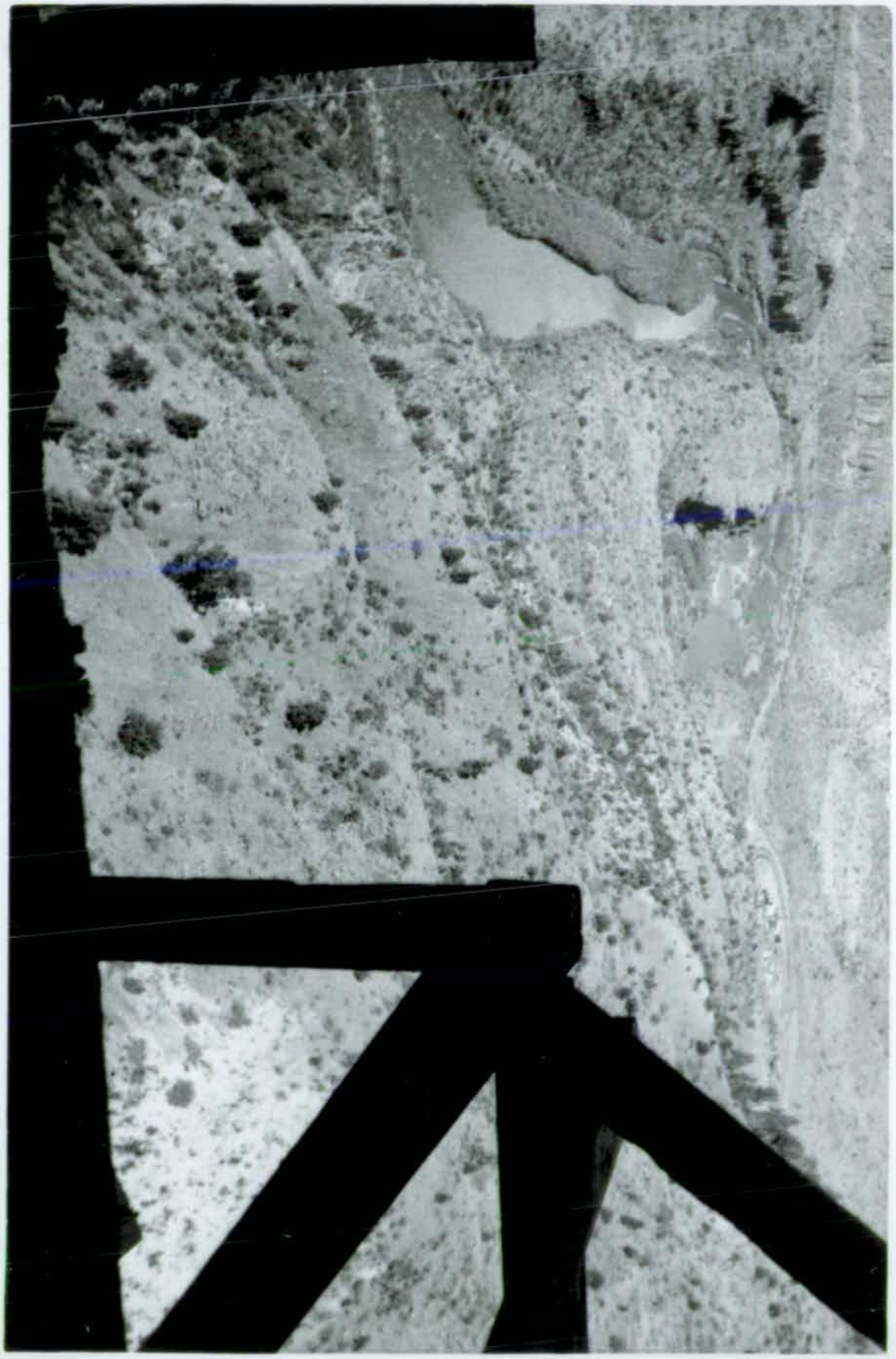


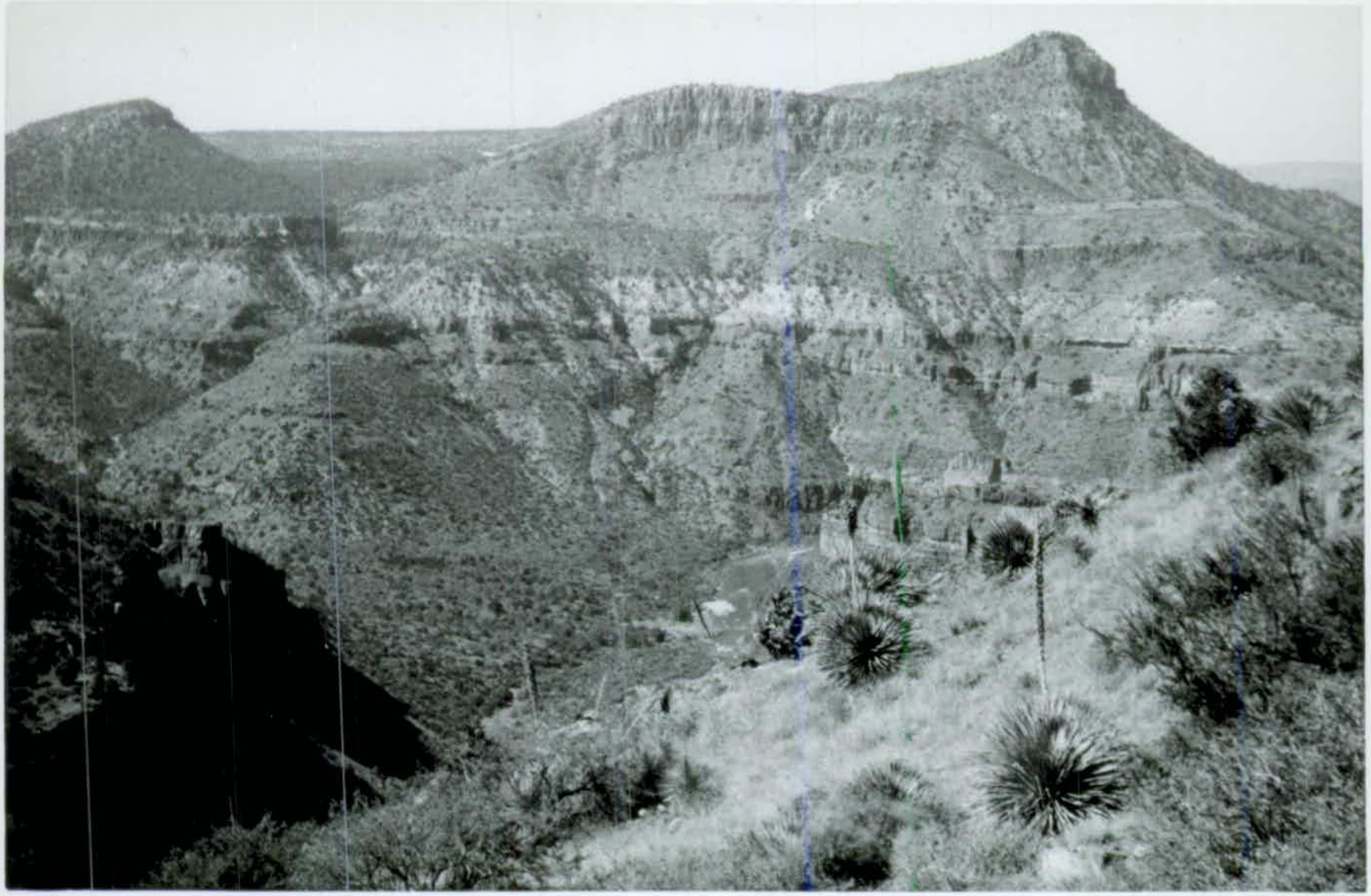


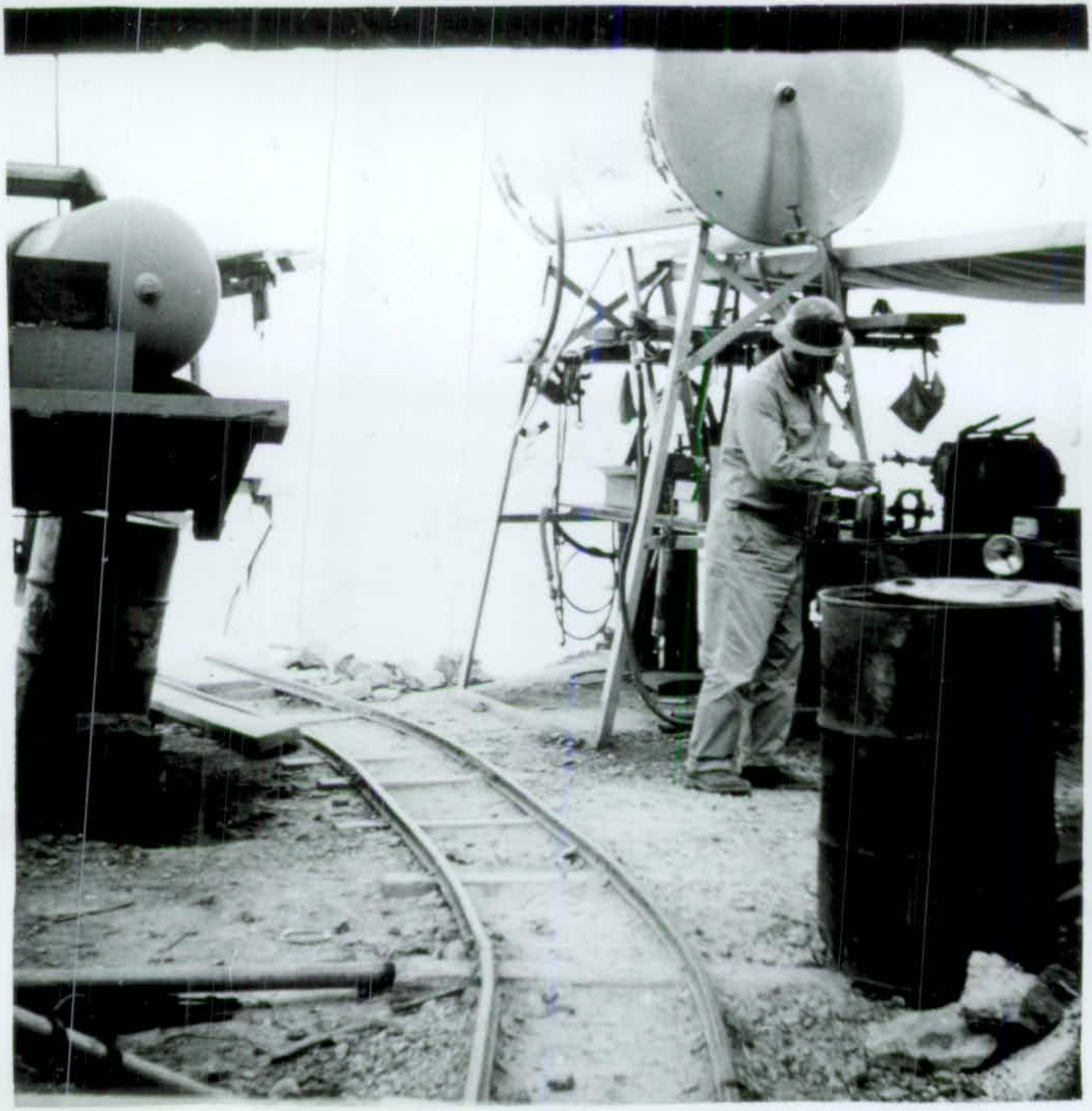
San Carlos Apache Indian Reservation,
Arizona,
Looking NE from Lucky 7 Mine to
Jacquays Asbestos Mine - Upper Center

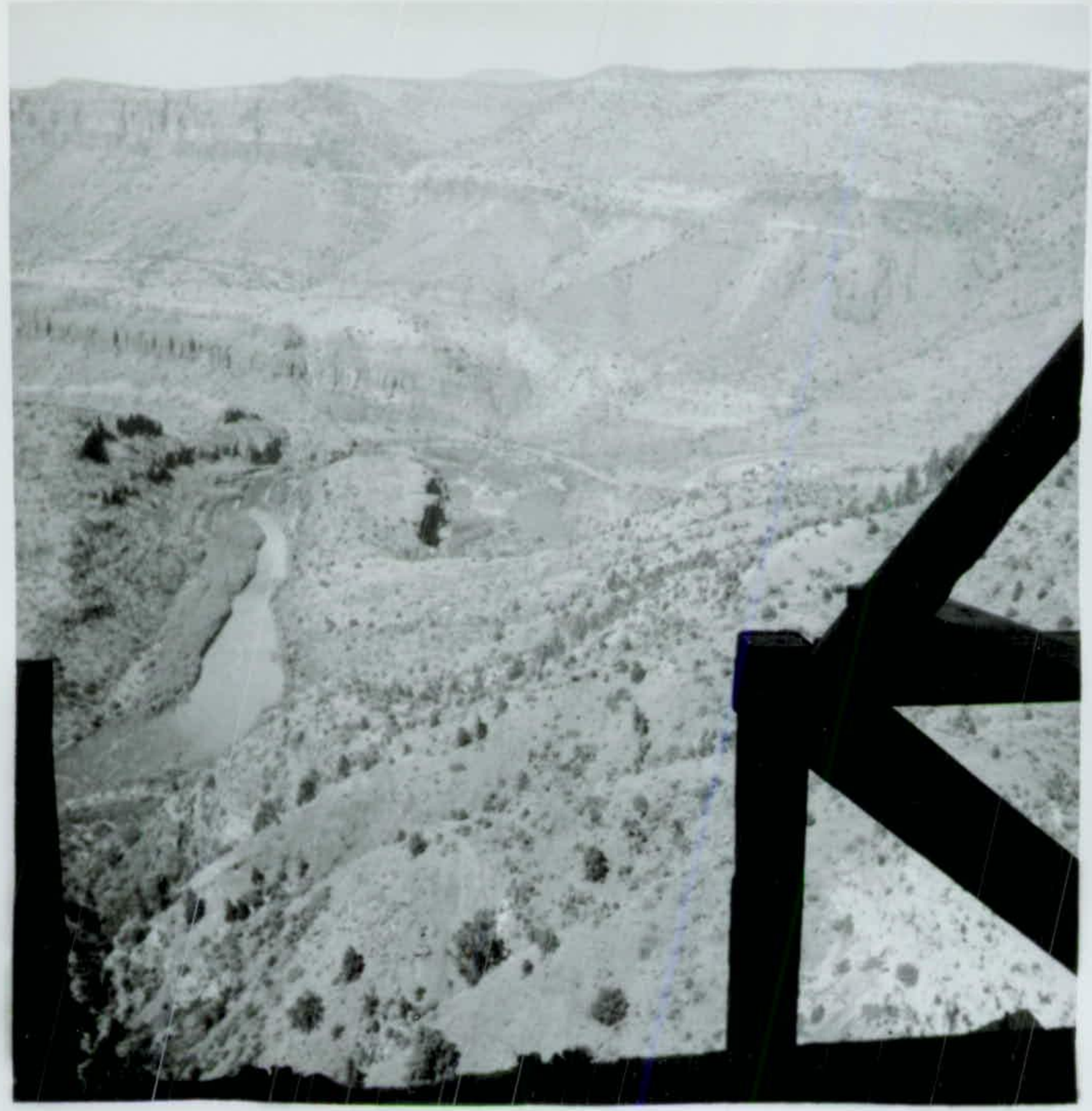
Hmc
10-6-64

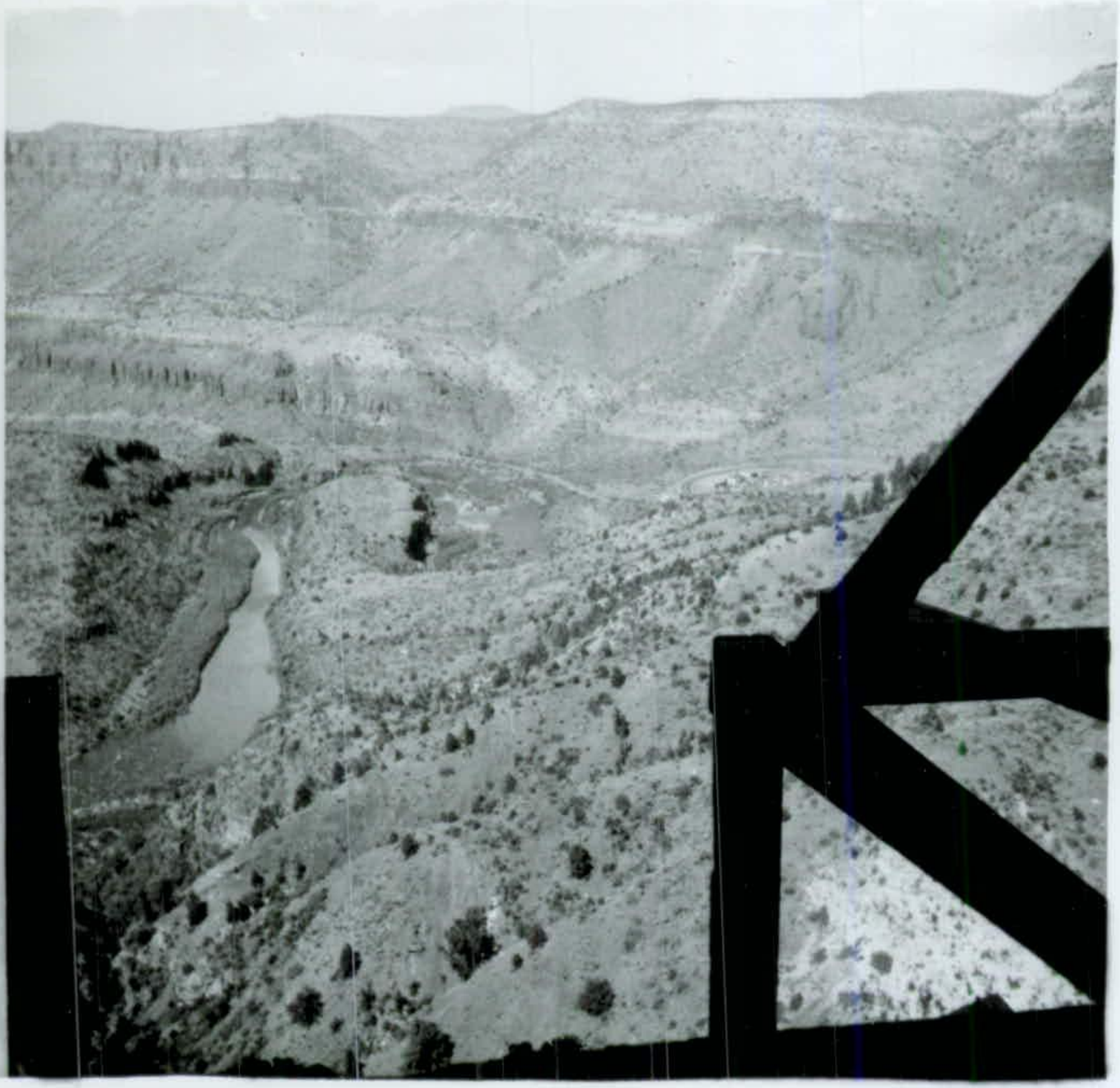


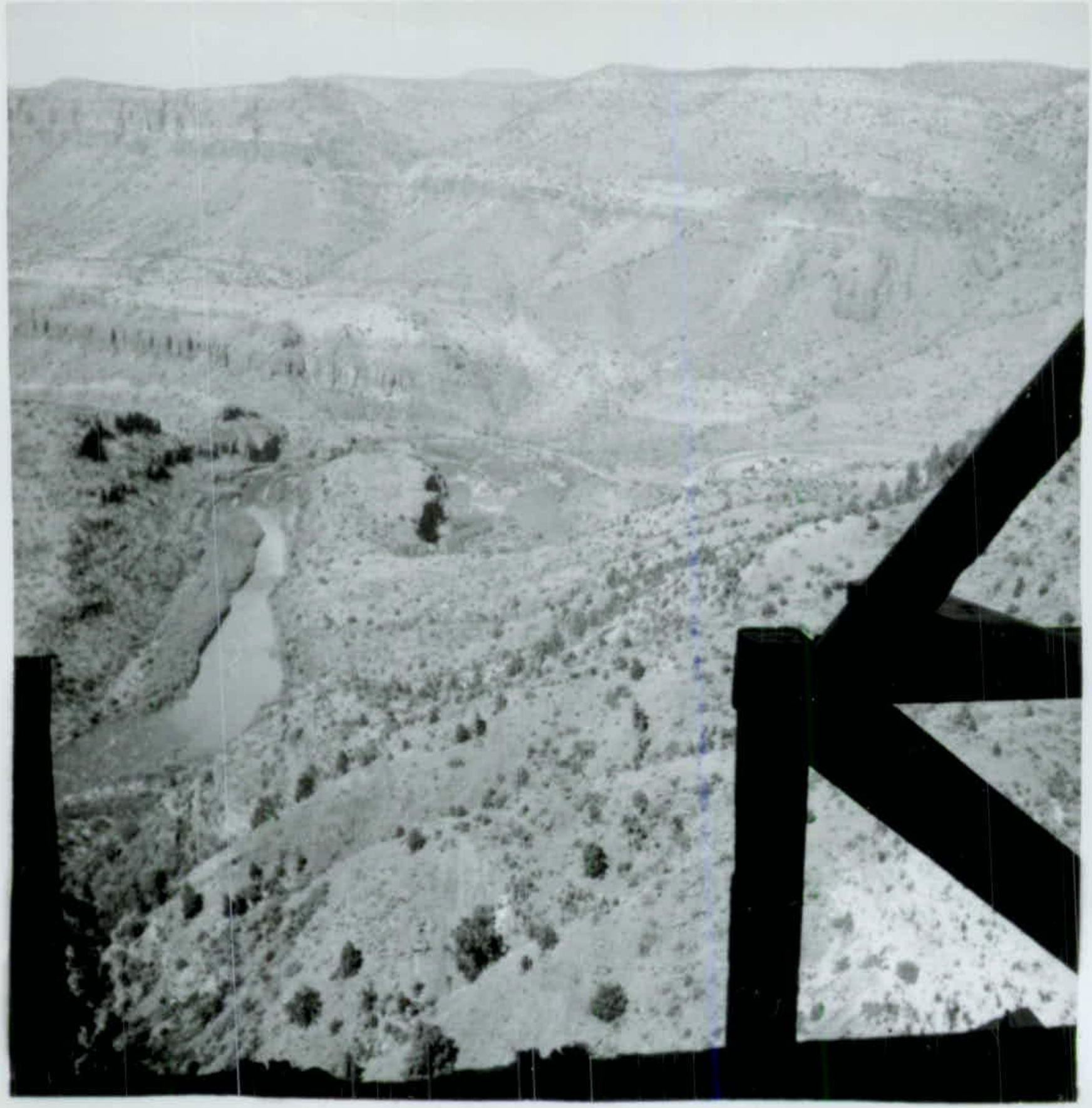


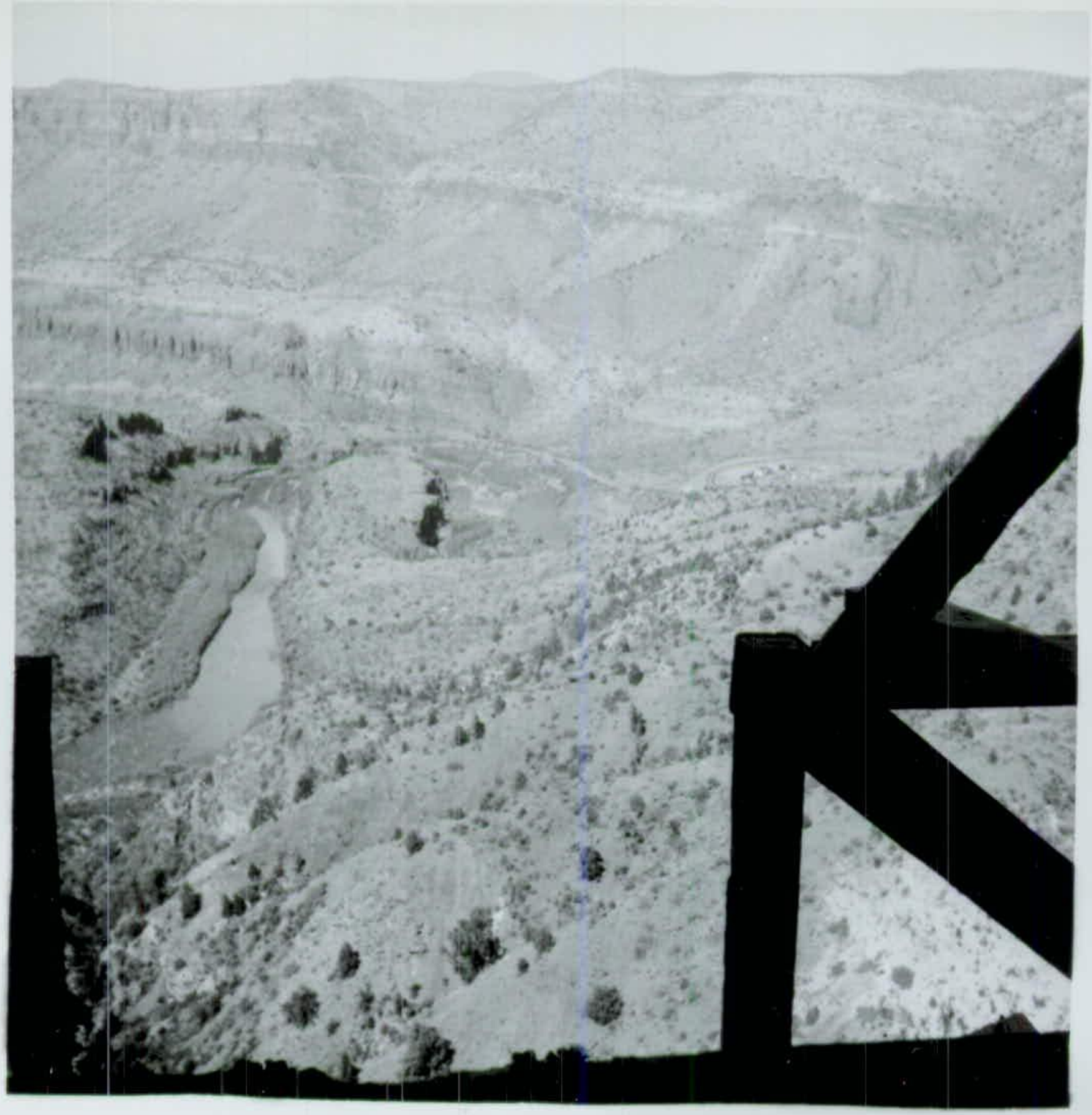


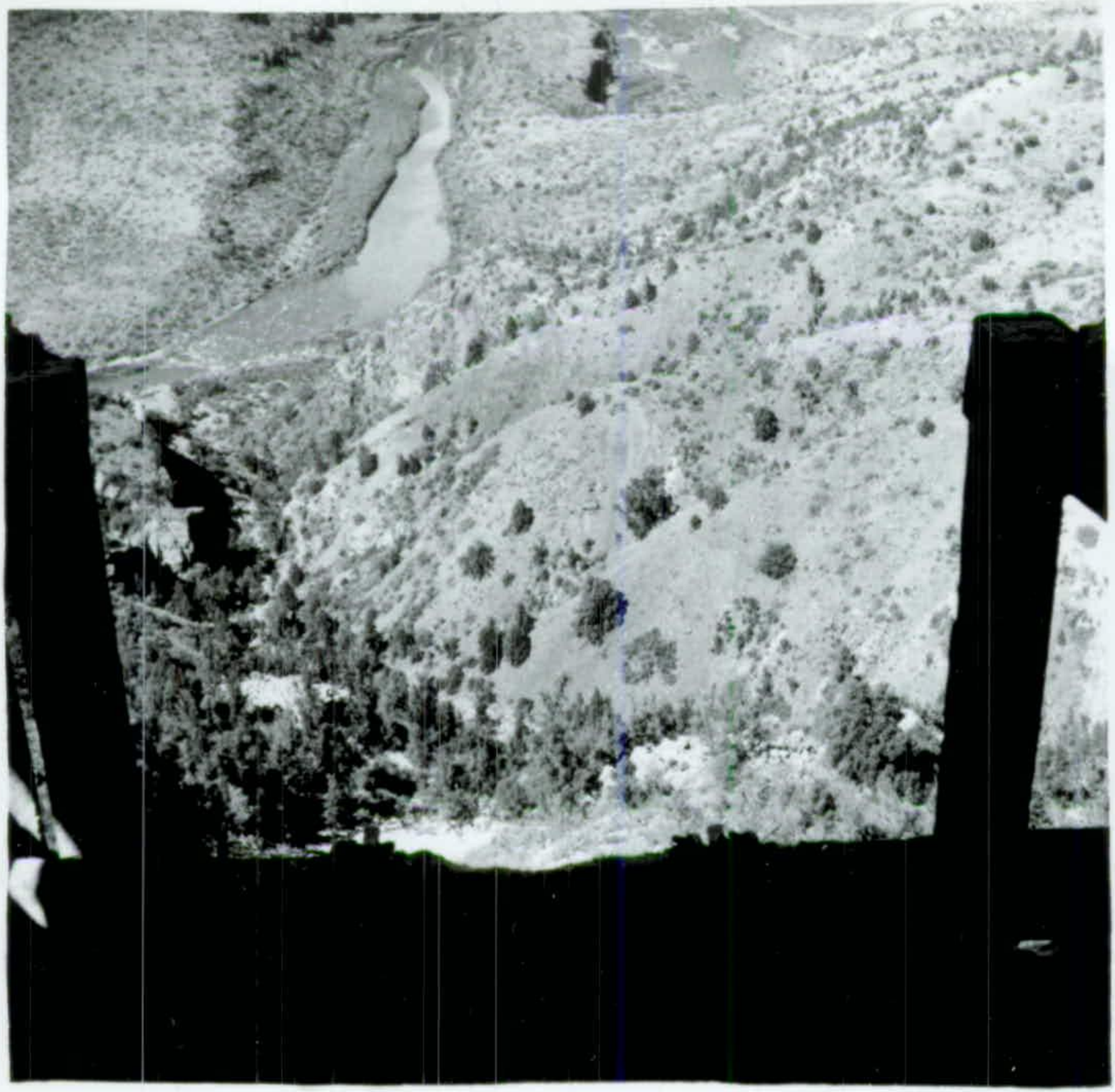


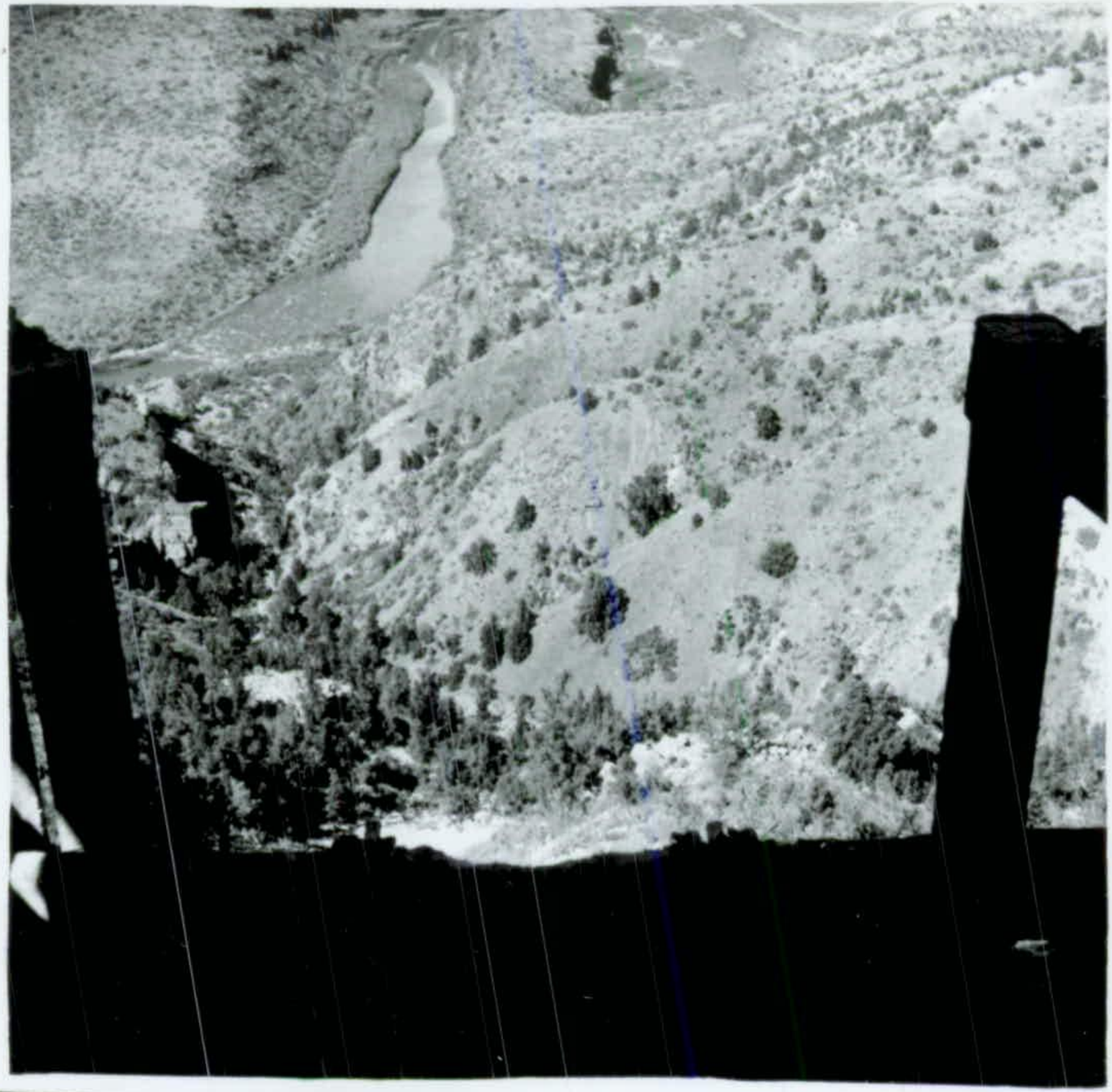


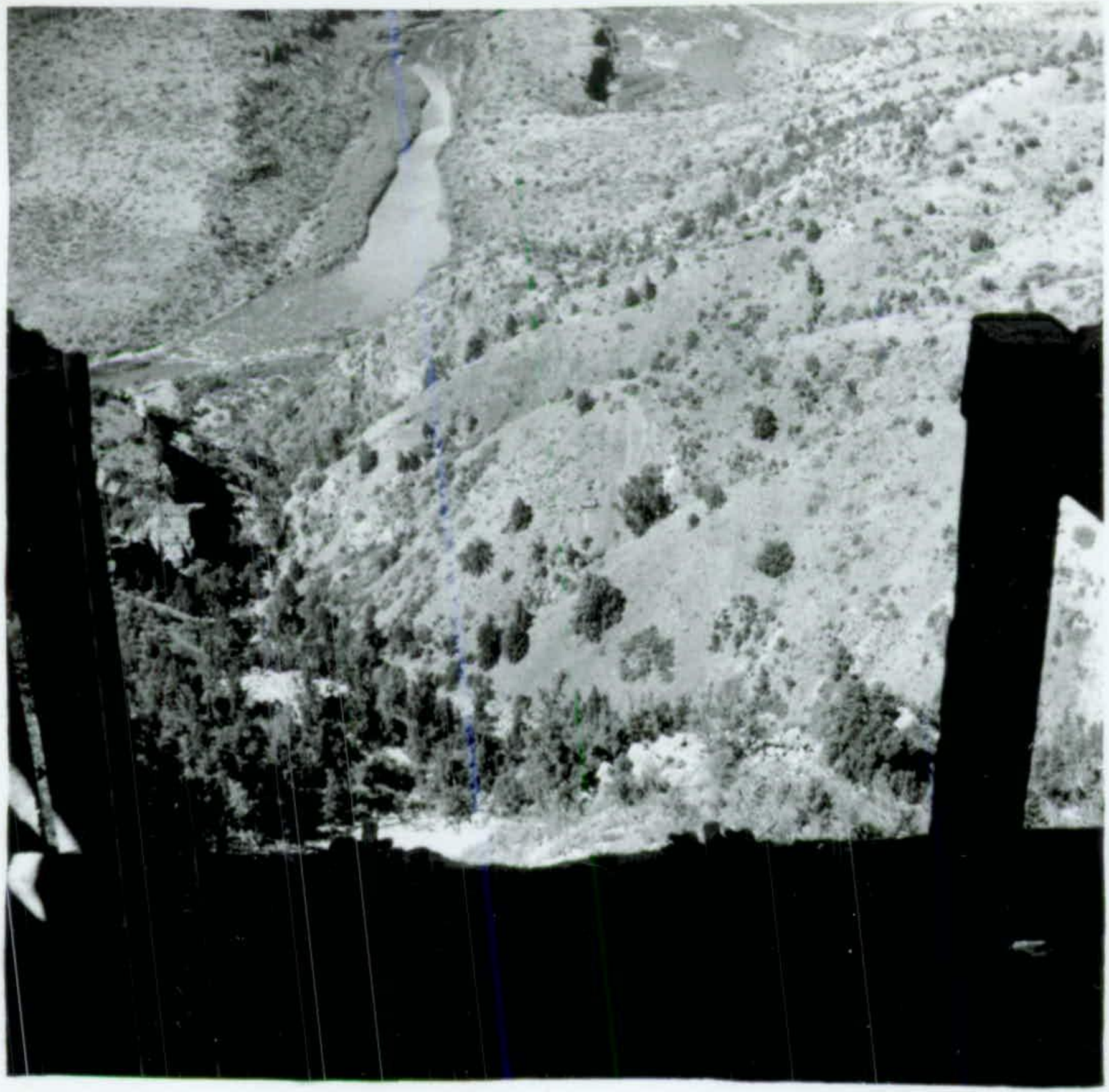


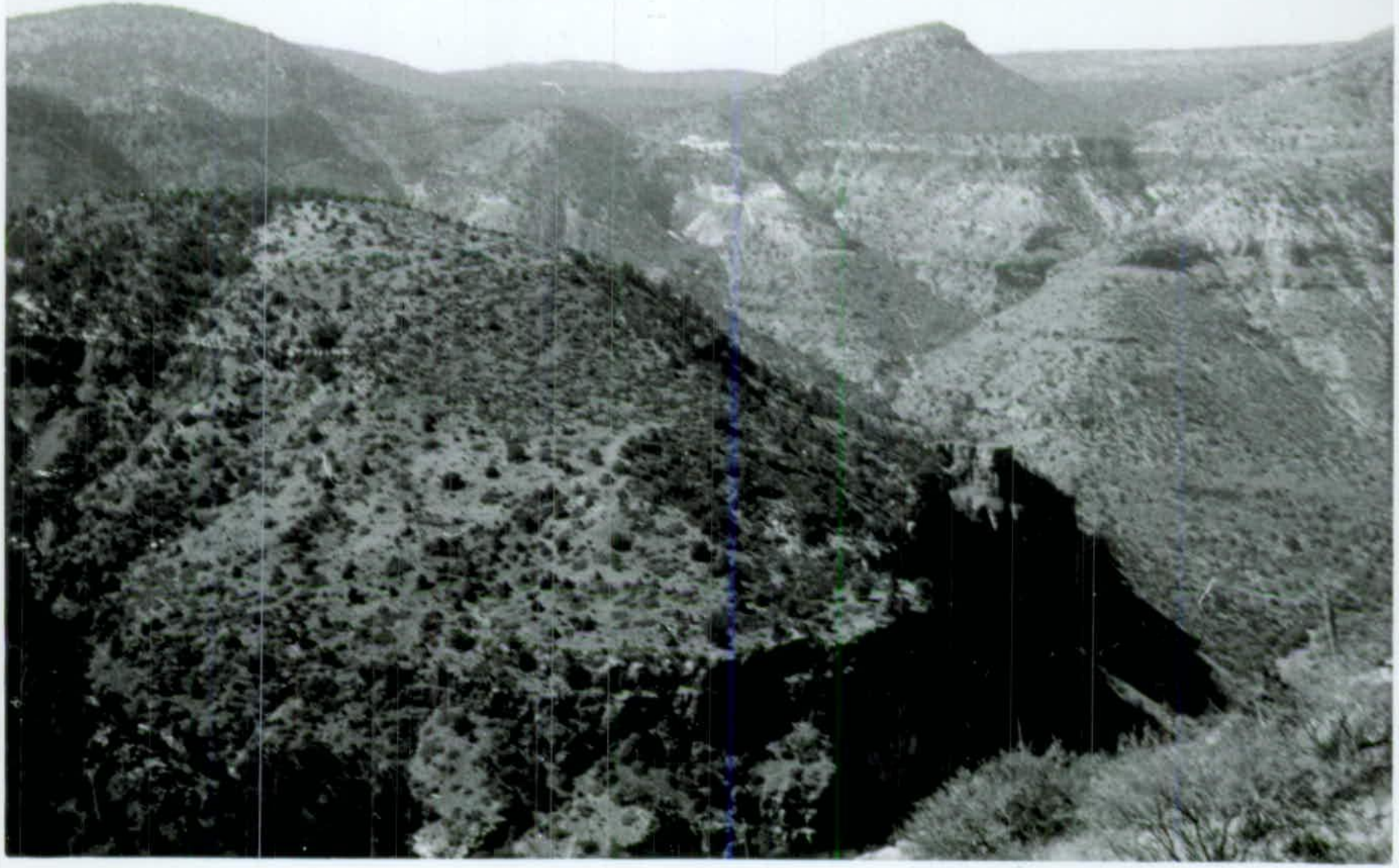


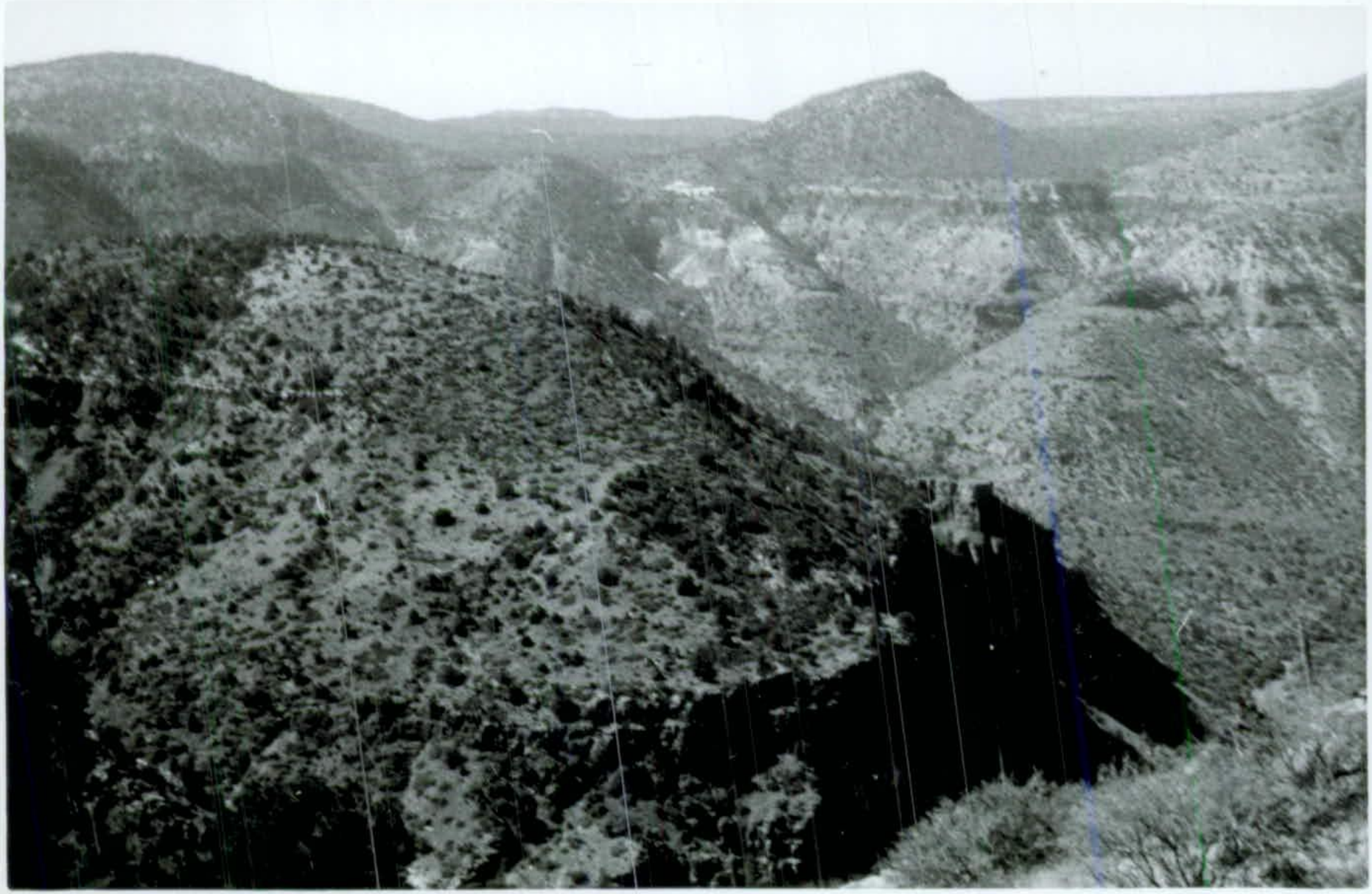


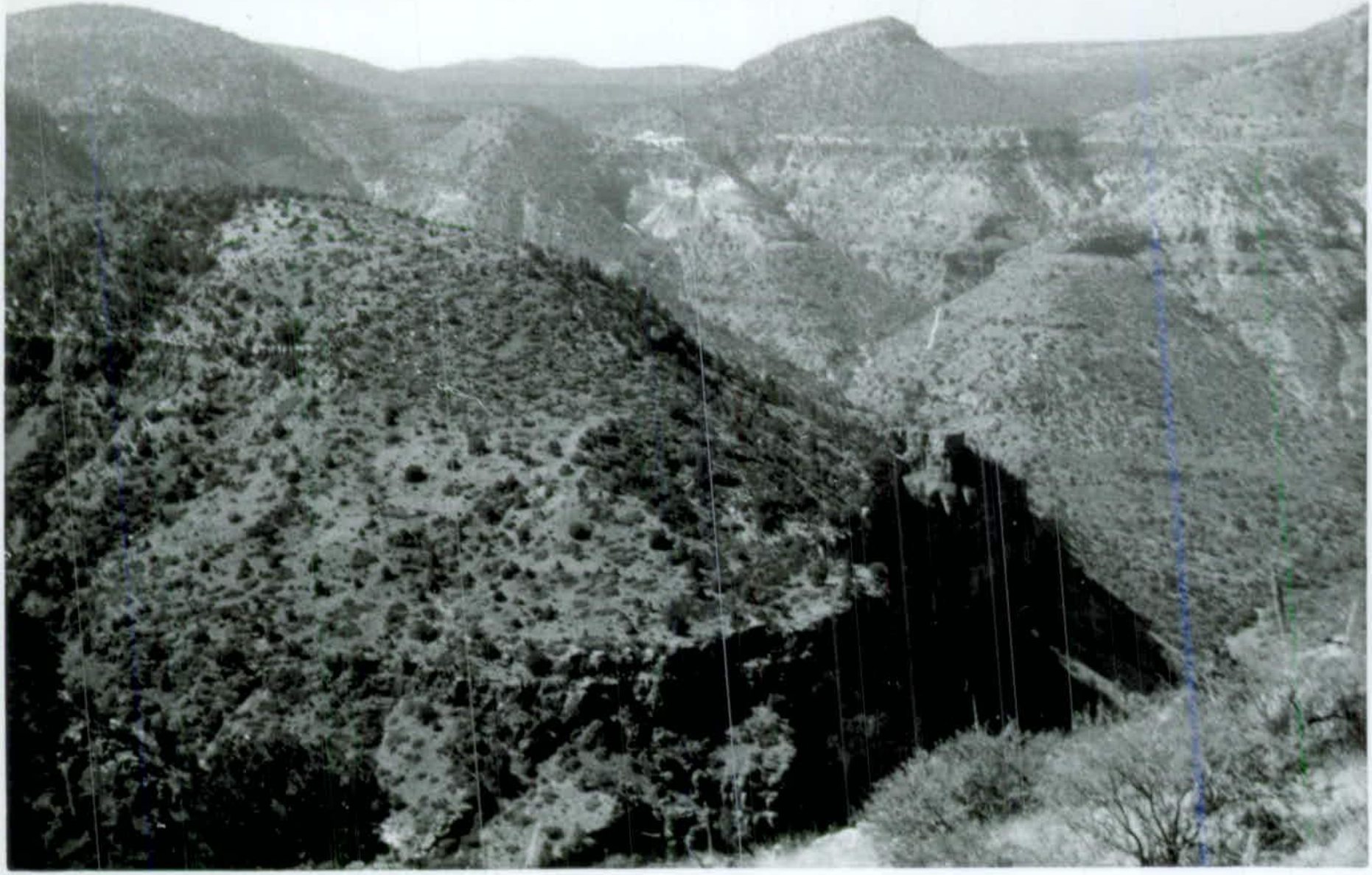












OME 6366

Netate Asbestos Corp.
mill one mile East of Globe

HMC 10-6-64