DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
~~Defense Minerals Exploration Administration~~

OFFICIAL DOCKET FILE

Idm-E NO._____

OME ~~DMEA~~ NO. 6580

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- [ ] Withdrawn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
- [ ] Certification of Discovery
- [x] Closing Letter
- [x] Cost Audits 1/70
- [ ] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [✓] Contract Amendments 1-2
- [ ] Contract with all exhibits and annexes
- [✓] Owner's Consent to Lien and Subordination Agreement
- [✓] Application and attachments

Right Side

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

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

- [ ] Field Team Semi-Annual Report for Certified Project
- [x] Final Field Team Report (Tab)
- [x] Operator's Final Report (Tab) 12/8/69
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [x] On-site Exam Report (Tab) 9/29/67
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No._____: Reports

- [ ] Analysis of Semi-Annual Inspection Reports
- [ ] Project Summary (Interim) by DMEA Engineers

Right Side

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

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

Folders No._____: Settlement Sheets

Folders No._____: Drill Logs

Folders No._____: Royalty material

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
3/24/70	Peterson	120
		120
		220

MAR 24 1970

AIRMAIL

Mr. Robert C. Hanford
Crown King, Arizona 86333

Re: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona
Contract 2252

Dear Mr. Hanford:

Reference is made to your completed exploration contract with the Government.

We sincerely regret that the work performed did not result in a certification of possible production under the provisions of the contract. In the absence of such certification, the Government retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this contract. Your attention, however, is called to the provisions of the contract which require the Operator to keep and preserve certain records for the periods indicated.

We appreciate your interest and participation in the OME exploration program.

Sincerely yours,

Harold Kirkemo (gfa)

Harold Kirkemo
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Mineral Resources File
OME Reading File
OME Docket
Branch of Budget & Finance
OME Region III
Mr. Peterson
130

ECPeterson/bsl 3/24/70

I-C-DC-OME-7-70

vernment's copy

UNITED STATES
DEPARTMENT OF THE INTERIOR

Office of Survey and Review

Audit Operations

OFFICIAL
COPY
O. M. E.
RECEIVED
FEB 2 1970
INITIALS CODE
glr 130
bal 120
120
120

Report of Review-Contract 2252
Docket No. OME-6580 (Silver)
Robert C. Hanford (Operator)
Yavapai County, Arizona

Report of Review

Washington, D.C.
January 1970

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
OFFICE OF SURVEY AND REVIEW
Audit Operations, Region I
801 19th Street, N.W., Room 813
Washington, D.C. 20240

JAN 26 1970

Memorandum

To: Director, Geological Survey

From: Regional Director, Region I
Audit Operations, Office of Survey and Review

Subject: Review of Contract 2252
Docket No. OME-6580 (Silver)
Robert C. Hanford (Operator)
Yavapai County, Arizona

As requested by the Chief, Office of Minerals Exploration, we made a cost review of Contract 2252. The results of our review are shown in the attached report.

C. D. Baer

Attachment

We reviewed the contract files of the Office of Minerals Exploration (OME) pertaining to the mineral exploration Contract 2252 with Robert C. Hanford (Operator) and examined the related disbursement records in the Branch of Budget and Finance, Administrative Division, Geological Survey. The review was made during January 1970 at Washington, D.C.

The contract was awarded November 21, 1967, for $30,000, the total estimated cost of the project, with OME participation on a 75 percent basis or not in excess of $22,500.

The Contractor was to explore by drifting, crosscutting and long-hole drilling on the 400-foot level of the Lane Silver mine for silver-bearing ore bodies in and along three mineralized parallel veins cutting the Precambrian granitic rock. All samples were to be assayed for silver, gold, copper, lead and zinc.

Repayment of disbursed Federal funds plus simple interest at 7½ percent was to be made on the basis of established royalties of all the minerals and metals produced from the land during the exploration operations and for a period of 11 years from the date of the contract should a certification of possible production be issued by OME.

Work on the contract was to begin on or before December 15, 1967, and was to be completed within 12 months from the date of the contract or by November 21, 1968. However, due to a severe winter snowstorm and injuries received in an automobile accident by the operator the starting date of the contract was changed to September 15, 1968, and the time fixed for completion was extended to 23 months or until October 21, 1969.

The final OME Interim Inspection report recommended that the contract should be terminated. The workings showed that the vein had been previously mined more extensively than had heretofore been suspected and that no significant mineralized material had been observed by the inspector in his last two visits to the mine. A complete geological study of the Lane Silver Mine vein system would be needed before work could be continued.

Field inspections were made and eight vouchers submitted by the Operator were approved by the OME Region III Office.

The units of work authorized and approved under Contract 2252 are summarized on Exhibit I. We believe that an additional payment of $11 should be made by OME to Robert C. Hanford for the Federal share of assaying expense.

C. D. Baar

Regional Director

EXHIBIT I

Summary of Contract Terms, Accepted Costs, and Unexpended Balance

Fixed Unit Costs 1/	Authorized Amount	Accepted Costs	Unexpended Balance
Drifting and Crosscutting 450 ft. @ 51.00/foot	$22,950	$11,475	$11,475
Long-hole drilling 400 ft. @ 1.20/foot	480		480
Assaying 305 samples gold & silver @ 3.00 sample lead, zinc, & copper @ 2.00	690	14 2/	676
Office expense 6 mo. @ 50.00 mo.	300	125	175
Supervisor-engineer (1) 6 mo. @ 600.00/mo.	3,600	3,600	
Payroll taxes, FICA Insurance, etc.	640		640
Outside Consultant (1) 12 days @ 75.00/day	900		900
Outside Consultant per diem 12 days @ 16.00/day	192		192
Transportation for Consultant 2,480 miles @ .10/mile	248		248
Total Cost	$30,000	$15,214	$14,786
Government Participation at 75%	$22,500	$11,411 3/	$11,089

see F.O. letter 3/18/70

1/ The Government retains no equity in any of the equipment or materials used.

2/ Additional payment of $11 should be made to Robert C. Hanford for the Federal share of assaying expense.

3/ Less $200 pending receipt of the Operator's final report.

Government's copy

EXPLORATION CONTRACT
ROBERT C. HANFORD
OME-6580

AMENDMENT NO. 2

It is agreed this 30th day of September, 1969, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and Robert C. Hanford, an individual, hereinafter called the "Operator," that Exploration Contract 2252 (OME-6580), dated November 21, 1967, as amended, is further amended effective August 20, 1969, as follows:

1. The time fixed by Article 1(a) of the contract, as amended by Amendment No. 1, for completion of the work is extended from twenty-one (21), to twenty-three (23) months from the date of the contract, or until October 21, 1969.

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, nor the amount of any item designated as a maximum.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Harold Kirkemo
Chief, Office of Minerals Exploration

OPERATOR

Robert C. Hanford
Robert C. Hanford

Long
App'd. Sol. Off.
E. Pitman
Emerick
Gilsgaard
Kleyn

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
9/17/69		120
		220
		120M

September 17, 1969

Memorandum

To: The File

From: Edward C. Peterson, Office of Minerals Exploration

Subject: OME-6580 (Silver)
Robert S. Hanford
Lane Silver Mine
Yavapai County, Arizona
Contract 2252

Justification for Amendment No. 2

The remoteness of the mining camp induced miners to leave the project after short periods of employment, and the Operator has had continued difficulty in hiring competent replacements. Recently, the exploratory workings encountered badly faulted structures requiring extensive timbering and, in addition, an old mined-out stope almost completely filled with caved material was penetrated which required spilling and shoring-up. Under these adverse conditions, the Operator was unable to complete the work under the contract by its expiration date, or August 21, 1969. In a letter dated August 14 to the OME Field Officer, the Operator requested additional time to complete the work.

The Field Officer inspected the project on September 10 to determine whether further work was justified. He concluded that although the results to date have been disappointing, nevertheless a limited amount of additional exploration was warranted. He recommends that the sheared wall or face appearing on the far side of the partially filled stope be inspected. If the continuation of the target vein cannot be found, or the vein proves to be barren or weakly mineralized, the project should then be terminated. The work will require about 30 feet of additional drifting and is expected to be completed about October 1.

Since this is actually the target area of the project and remains mostly untested, the proposed work is justified before a decision is reached whether to terminate the contract. I concur with the recommendation to extend the contract an additional two months.

Edward C. Peterson

cc: Director's ReadingFile
Mineral Resources
OME docket

OME ReadingFile
Mr. Peterson
ECPeterson/gla 9-17-69

Government's copy

EXPLORATION CONTRACT
ROBERT C. HANFORD
OME-6580

AMENDMENT NO. 1

It is agreed this 9th day of August, 1968, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and Robert C. Hanford, an individual, hereinafter called the "Operator," that Exploration Contract 2252 (OME-6580), dated November 21, 1967, is amended effective December 14, 1967, as follows:

1. The date fixed by Article 1 of the contract for the starting of the work is changed from December 15, 1967, to September 15, 1968.

2. The time fixed by Article 1 of the contract for completion of the work is extended from 12 to 21 months, or from November 21, 1968 to August 21, 1969.

3. The maximum period for royalty payments and for the lien to secure payments thereof as provided by Article 6 (b)(2) of the contract is extended from ten (10), to eleven (11) years from the date of the contract.

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, nor the amount of any item designated as a maximum.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
Chief, Office of Minerals Exploration

OPERATOR
Robert C. Hanford
Robert C. Hanford

Bliss
Long
App'd. Sol.
Shoberno
Johnson
Inuet

Richard L. Wheaton
My Commission Expires Feb. 20, 1972

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
7/31/68	Kirkham	120
		120
7/31	Johnson	110
		220
		120M

July 31, 1968

Memorandum

To: The File

From: Edward C. Peterson

Subject: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona
Contract 2252

Justification for Amendment No. 1

Due to severe winter snow storms in the project area and injuries he received in an automobile accident, the Operator was unable to start rehabilitation of the 400 level adit (a prerequisite to the contract work) until about April 1, 1968.

The Operator in a letter dated July 22, 1968, requested that the starting date of the contract be changed from December 15, 1967, to September 1, 1968, by which time he expects to start the contract work.

Inasmuch as the delays were unavoidable and no actual work has yet been performed on the exploration target, it would be in the best interest of the Government to grant the Operator's request. Therefore, I concur with the Field Officer's recommendation to defer the starting date until September 15, 1968, to ensure ample time for the Operator to complete the rehabilitation and commence exploration.

Edward C. Peterson

Edward C. Peterson

cc: Director's Reading File
Economic Geology File
OME Docket
OME Reading File
Mr. Peterson

ECPeterson/bsl 7/31/68

Government's copy

OME Region III
RECEIVED
NOV 22 1967
Denver, Colorado

MME Form 51
July 1965

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
U. S. Geological Survey

EXPLORATION CONTRACT
(Short Form)

Docket	Commodity	Contract No.	County	State
OME -6580	Silver	2252	Yavapai	Arizona

It is agreed NOV 21 1967 (Date), between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and

Robert C. Hanford, an individual

,

whose mailing address is 220 S.E. H Street, Grants Pass, Oregon 75926, hereinafter called the "Operator," as follows:

ARTICLE I. 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 Dec. 15 1967 (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 12 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the work is $30,000.00. The Government will contribute 75 percent of the total fixed unit costs of the work performed, not in excess of $22,500.00 in accordance with the provisions of Articles 4 and 5.

(c) Interest computation.--Simple interest at the rate of 7-½ 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 6 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) 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. To the extent that amounts in excess of fixed unit costs or in excess of the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such amounts for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. 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 units of 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.

(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.)

(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 unit costs thereof.

(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 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. 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 retain 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 certification 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.

(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 6(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 construed as imposing any obligation on the Government to purchase any minerals and metals mined or produced from the land.

ARTICLE 7. 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 pay on account of units of work not then performed; 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 pay on account of units of work not performed when the notice was given, 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 7 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 11.

ARTICLE 8. 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 9. 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 10. 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 11. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, U. S. Geological Survey, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, U. S. Geological Survey, 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, U. S. Geological Survey, 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, U. S. Geological Survey," as used herein includes his duly authorized representative.

ARTICLE 12. 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 U. S. Geological Survey 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 13. 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 14. Changes and added provisions.--

Executed in ~~XXXXXXXXXX~~ quadruplicate the day and year first above written.

Robert C. Hanford
(Operator)

~~XX~~ Robert C. Hanford

Title

THE UNITED STATES ~~OF AMERICA~~

By H. Thiesmeier

Acting Director
U. S. Geological Survey

Long
Peterson
Stokemo
Johnson
Reilzgood

I, _____ (Name), certify that I am the _____ secretary of the corporation named as Operator herein; that _____ (Name), who signed this contract on behalf of the Operator, was then _____ (Title) of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

CORPORATE SEAL

EXPLORATION CONTRACT
ROBERT C. HANFORD
OME-6580

ANNEX I

The land, including all rights pertaining thereto, referred to in Article 2 of the contract consists of three (3) unpatented lode mining claims in secs. 11 and 12, T. 9 N., R. I W., GSRM, Minnehaha-Humbug mining district, Yavapai County, Arizona.

The claims are recorded in the Yavapai County Recorder's office at Prescott, Arizona, as follows:

Claim	Book	Page
Lane No. 1	156	19
Lane No. 2	156	20
Lane No. 3	285	562

The Operator is in possession of the claims by virtue of an Option to Purchase dated July 11, 1966, as amended, with the Southern Mining and Milling Company, owner of the claims.

A Lien and Subordination Agreements executed September 22, 1966, by the owner of the claims is attached and made a part hereof.

The outer boundary of the claim group is shown in blue on Figure 1, entitled "Property Map, Lane Silver Mine, Yavapai County, Arizona" attached hereto and made part hereof.

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

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

LIEN AND SUBORDINATION AGREEMENTS[1]

To the United States of America:

That certain land in the County of YAVAPAI, State of ARIZONA, described as follows:[2] LANE SILVER MINE GROUP consisting of LANE #1, LANE #2 and LANE #3 lode claims located about eight miles southerly from Crown King, Ariz. and described in "option to Purchase" dated July 11th, 1966, (and amendments) ~~recorded in Book 470, Pages 503 and 504, Yavapai~~ Cty 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

ROBERT C. HANFORD of 220 SE H Street, Grants Pass, Oregon,[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.____".)

X Dated this 22nd day of November, 19 66.

	X	(Street)
	X SOUTHERN UNION GAS CO.	(City & State)
X Marian A. Weaver (Seal)	3049 N. Marigold Ave	
		(Street)
Secretary		(City & State)
(Seal)	by Philip A. Hoyt	
	Philip A. Hoyt, Pres.	(Street)
		(City & State)
(Seal)		
		(Street)
		(City & State)
(Seal)		
		(Street)
		(City & State)
(Seal)		
		(Street)
		(City & State)
(Seal)		

I, Marian A. Weaver (Name), certify that I am the Secretary (Title—Secretary, etc.) of the corporation named herein; that Philip A. Hoyt (Name), who signed this agreement was then Pres. (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.

Marian A. Weaver (Corporate Seal)
Secretary

INT.-DOP. SEC., WASH., D.C. 21103

EXPLORATION CONTRACT
ROBERT C. HANFORD
OME-6580

EXHIBIT A

The purpose of the project is to explore by drifting, crosscutting, and long-hole drilling on the 400-foot level of the Lane Silver mine for silver-bearing ore bodies in and along three mineralized parallel veins cutting the Precambrian granitic rocks.

General Provisions

All drifts and crosscuts shall be not less than 5 by 7 feet in cross section, and shall be timbered as necessary. Mine rail shall be not less than 14-pound size, air line not less than 2-inch diameter, water line not less than 1-inch diameter, and ventilation line not less than 8-inch diameter.

All significantly mineralized areas traversed by the exploratory workings shall be chip or channel sampled normal to their trends at linear intervals of not more than 5 feet. In addition, a representative bulk sample may be taken of each round broken. Significantly mineralized cuttings from the long-holes shall be sampled, and no individual sample shall represent more than 2 linear feet of hole. Each sample from whatever source shall be split as necessary, and one split shall be assayed for silver, gold, copper, lead, and zinc. The remainder of each sample shall be stored in a suitable container for Government inspection and possible use. With prior Government approval, the Operator may dispose of the stored samples.

True copies of records or assay certificates of all samples shall be submitted with the Operator's monthly report which shall also include a map or sketch showing the work completed during the reporting period, the location of all samples taken, and the general geological formations and structures traversed by the workings.

No underground workings shall be driven closer than 100 feet to the outer boundary of the claims in the possession of the Operator.

The Operator shall provide such supervision, labor, technical services, and equipment 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.

Prior to undertaking any work authorized under the contract, the Operator at its own cost and expense shall have rehabilitated the 400-foot level adit from the portal northeastward approximately 415 feet to the face.

Description of the Work

The work shall consist of drifting from the face of the rehabilitated adit in a northeasterly direction along the strike of the main or middle vein, long-hole drilling the drift walls, and crosscutting and drifting to test adjacent structures where drilling indicates further exploration is warranted. The long-holes shall be spaced at intervals of not less than 25 feet, and shall not exceed 50 feet in depth. It is estimated that 450 feet of drifting and crosscutting, and 400 feet of long-hole drilling will be required.

The proposed drift along the main vein is shown in green on Figure 2 entitled, "Longitudinal Section, Lane Silver Mine," attached and made part hereof.

Estimated Costs of the Work 1/

Fixed Unit Costs

450 feet drifting and crosscutting, @ $51.00/foot	$22,950.00
400 feet long-hole drilling, @ $1.20/foot	480.00
Assaying 305 samples, Gold and Silver @ $3.00/sample Lead, Zinc, and Copper @ $2.00 each determination	690.00
Office expenses, 6 months @ $50.00/month	300.00
1-Supervisor - engineer 6 months @ $600.00/month	3,600.00
Payroll Taxes, F.I.C.A., Insurance, etc.	640.00
1-Outside consultant, 2 days/month 12 days @ $75.00/day	900.00

Per diem outside consultant 12 days @ $16.00/day	192.00	
Transportation for Consultant, 2,480 miles at $0.10 mile	248.00	
Total Estimated Cost of the Project		$30,000.00
Government Participation 75%		$22,500.00

1/ The Government retains no equity in any of the equipment or materials used.

EXHIBIT B

NONDISCRIMINATION IN EMPLOYMENT

(Section 202, Executive Order 11246, September 24, 1965)

"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 nondiscrimination 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 labor union or workers' representative of the contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, 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. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

'(5) The contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor 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 such 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. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, 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 Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, 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.'"

U.S. Geological Survey
Office of Minerals Exploration

OME 6580
Robert C[illegible]nford

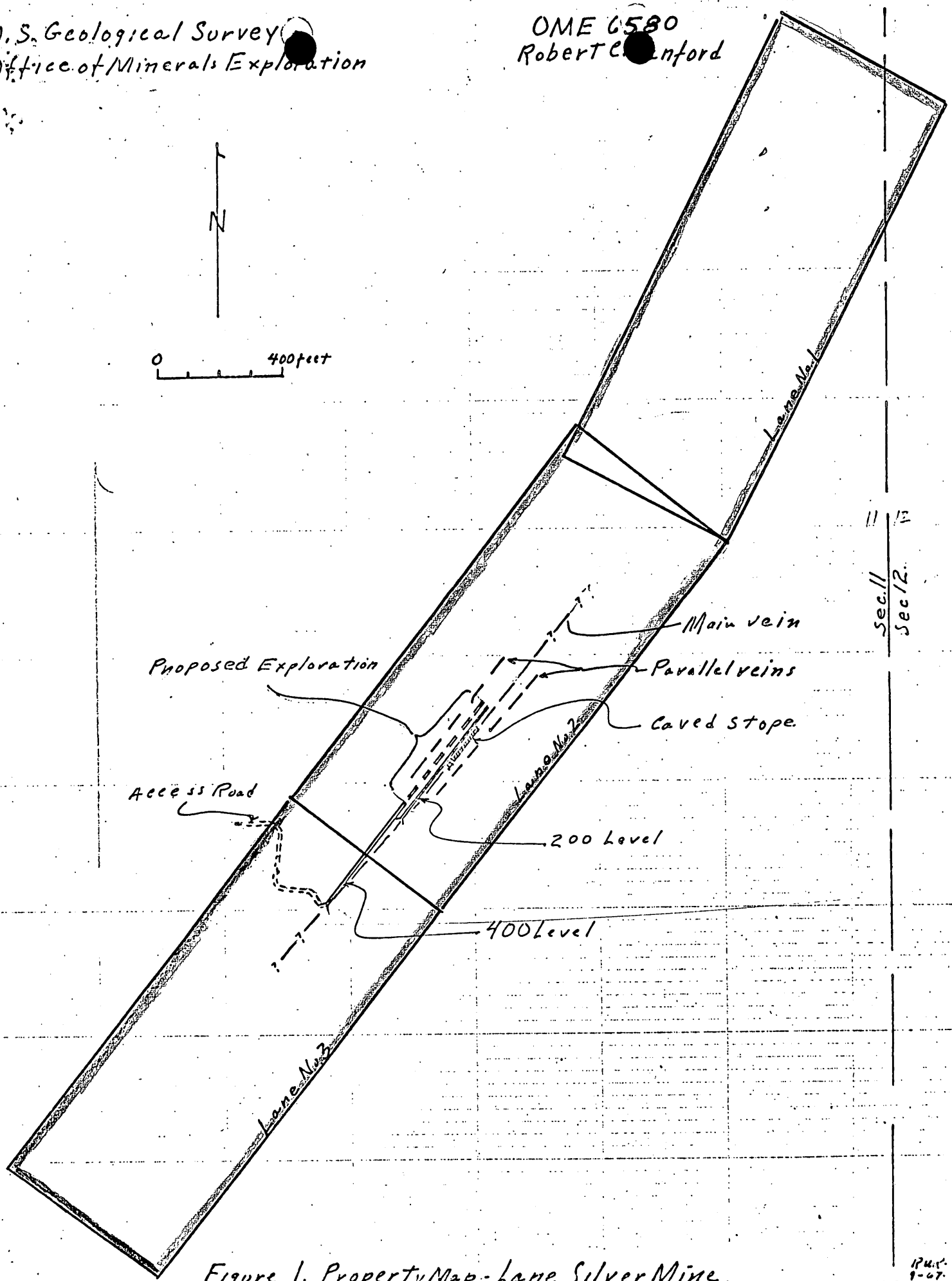

Figure 1. Property Map - Lane Silver Mine.
Yavapai County, Arizona.

R.W.S.
9-67.

Office of Minerals Exploration
SW

Robert C. Horgan
NE
OME-6580

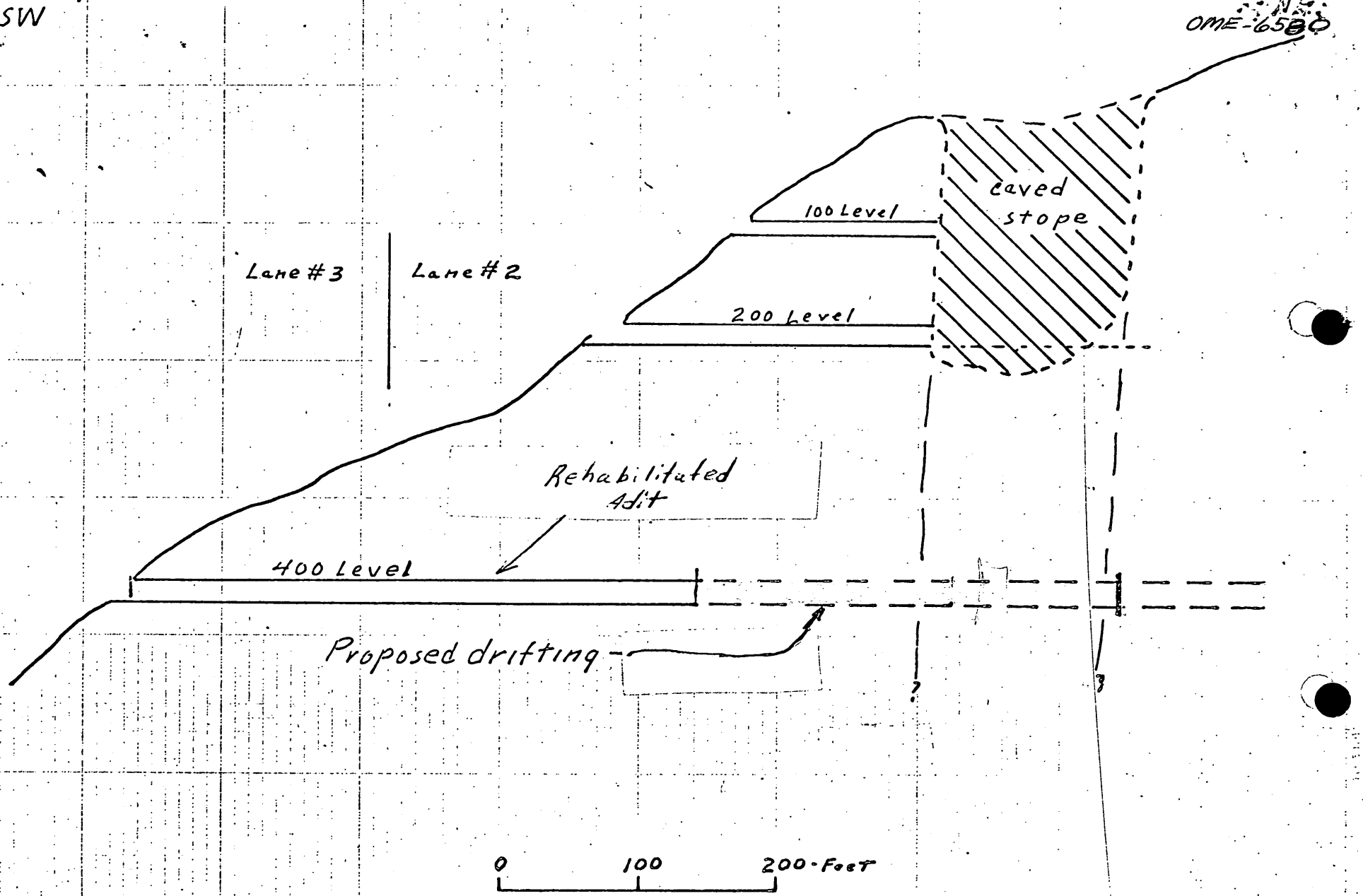

Figure 2. Longitudinal Section, Lane Silver Mine

RUK
9-67.

Telephone (503) 476-6841

JOHN C. WELDEN
Certified Public Accountant
220 S.E. H Street
Grants Pass, Oregon 97526

OFFICIAL COPY
O. M. E.
RECEIVED
3 1967
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120
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110
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November 1, 1967

6580

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

Dear Mr. Johnson:

As per Mr. Hasler's letter, enclosed is revised MME form 40.

Mr. Phillip Hoyt, the lessor on the Lane Silver Mine is to forward direct to you the lease purchase amendment as requested on item two in Hasler's letter, together with the date the lease has been prepaid to.

I can assure you that Mr. Hanford will keep this lease always in current position. Enclosed are some pictures showing work that has been done subsequent to Mr. King's inspection of the property. This work that has been done has been deleted from Mr. King's current report. The work to be accomplished of the OME application could be started on or before November 30, 1967 and will be completed within six months.

Very truly yours,

John C. Welden, CPA

John C Welden

By John C. Welden

Enc. revised MME form 40
cc: J. William Hasler
Department of the Interior
Federal Center
Denver, Colorado 80225

Southern Mining & Milling Company
3049 N. Marigold Drive
Phoenix, Arizona 85018

October 30th, 1967

Mr. J. William Hasler
Field Officer, Region III
Office of Minerals Exploration
U. S. Geological Survey
Building 25, Federal Center
Denver, Colorado, 80225

RE: OME 6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona

Dear Mr. Hasler:

Pursuant to your request in yours of October 20th to Mr. Robert C. Hanford, we hereby submit the following additional information:

1. Request in Par. 2 of your letter, the agreement between Southern Mining and Milling Company and Robert C. Hanford concerning additional time, the time has been extended to December 30th, 1968.

2. Request in Par. 3 of your letter, the prepaid royalties and rentals provided in the agreement with Robert C. Hanford are presently paid in full thru August, 1968.

Five copies of this letter are being forwarded direct to Mr. Frank E. Johnson, OME, USGS, Washington 25, D.C.

Respectfully submitted,

SOUTHERN MINING & MILLING CO.,

by Philip S. Hoyt, President.

PSH:k
cc - Robt. C. Hanford
c/o John C. Welden CPA
220 SE H Street
Grants Pass, Oregon 97526

MME Form 40
Jan. 65

Budget Bureau No. 42-R1506
Approval expires Dec. 31, 1968

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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.)*	APPLICANT DO NOT USE THIS BLOCK
Robert C. Hanford 2224 North 15th Ave. Phoenix, Arizona	DOCKET NUMBER DATE RECEIVED REGION DIVISION CODE

BUSINESS ORGANIZATION *(Check one)*	LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE NAME ADDRESS TITLE
INDIVIDUAL [X] CORPORATION [ ] PARTNERSHIP [ ] OTHER *(Specify)* [ ]	
STATE IN WHICH FIRM IS ORGANIZED	

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE	PROPERTY NAME / LOCATION COUNTY STATE
Silver	
ESTIMATED COST OF PROJECT $ $45,000.00	Lane Silver Mine, Yavapai, 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, D.C., or with the nearest OME Field Office.~~ Washington, D. C., 20242, 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.

DATED

Robert C. Hanford
BY *(Signature)*

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

OFFICIAL
COPY
O. M. E.
RECEIVED
OCT 24 1966
INITIALS | CODE

220 S. E. H Street
Grants Pass, Oregon
October 19, 1966

Mr. Frank E. Johnson
Chief Office of Mineral Expl.
Dept. Interior Geol. Survey
Interior Bldg., Room 4460
Washington, D. C. 20240

Dear Mr. Johnson:

Enclosed are two copies of an application for financial assistance under the O.M.E. participation program.

At the time of a conference regarding this application, some two weeks, between the writer and Mr. J. William Hasler at Denver, Colorado, he suggested that one copy of this application be sent to him in order to expedite action upon it. This I have done.

Your early consideration of this proposal will be greatly appreciated.

Sincerely,

R. C. Hanford

R. C. Hanford

RCH:dw
Enc.

cc: Mr. J. William Hasler

220 S. E. H Street
Grants Pass, Oregon
October 19, 1966

Mr. J. William Hasler
Field Officer, Region III
Bldg. 25, Room 2284
Denver Federal Center
Denver, Colo. 80225

Dear Mr. Hasler:

In accordance with the recommendation which you made at the time of our conference in Denver some two weeks ago regarding the Lane Silver Mine, enclosed is one copy of my application for financial assistance under the O.M.E. participation program.

Two copies have been forwarded to Mr. Frank E. Johnson at the office of Mineral Exploration, Washington, D.C.

Early action on this application will be especially appreciated as I am anxious to get the access road built and surface preparation at the mine completed before the rough weather of winter is upon us.

Sincerely,

R. C. Hanford

R. C. Hanford

RCH:dw
Enc.

cc: Mr. Frank E. Johnson

XERO COPY XERO COPY XERO COPY

MME Form 40
Jan. 65

Budget Bureau No. 42-R1508.
Approval expires Dec. 31, 1968

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 24 1966
MINERALS

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.*)

Robert C. Hanford
2224 North 15th Ave.
Phoenix, Arizona

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: 6580

DATE RECEIVED: 10-24-66

REGION: III

DIVISION CODE:

BUSINESS ORGANIZATION (*Check one*)

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

STATE IN WHICH FIRM IS ORGANIZED:

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
A. R. Goodman,	4301 Dunsmuir Oakland, Calif.	Partner
John C. Welden	220 S. E. H St. Grants Pass, Oregon	Partner

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE: Silver

ESTIMATED COST OF PROJECT: $ $45,000.00

PROPERTY NAME / LOCATION COUNTY / STATE: Lane Silver Mine, Yavapai, 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.~~ Washington, D. C., 20242, 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 19, 1966
DATED

Robert C. Hanford
BY (*Signature*)

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 propose[illegible]xploration work giving individual footages and sizes of o[illegible]nings *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 pe[illegible] or property (other than authorized repair to or replace[illegible] of equipment or other property used in the work).]

Attached to and made part of form 40 MME
Application for Financial Assistance in Minerals Exploration

1. Financial Eligibility:
   (a) Schedule 1 (a) is a copy of letter requesting credit from Southern Arizona Bank and Trust Company. Schedule 1 (a) is a copy of letter from the Southern Arizona Bank and Trust Company stating that they are not in a position to consider a loan of this type.

   Schedule 1 (a) 2 is a copy of letter requesting credit from the First National Bank of Arizona, Phoenix, Arizona. Schedule 1 (a) 3 is a copy of a letter from the First National of Arizona, Phoenix, Arizona stating that they do not make loans to be used in a mining venture.

   (b) The applicant is an individual and has no affiliated companies or parent company or organizations. A commitment has been made to the following individuals, John C. Welden, Grants Pass, Oregon a 10% interest, A. R. Goodman, Oakland, California, a 10% interest.

   (c) Applicant will furnish his share of the cost of the exploration work in cash.

2. Applicant's Rights in Land:
   (a) Applicant has a mineral lease with option to purchase. Copy attached Schedule 2 (a). There are no liens, mortgages or other excumbrances on this property.

   (b) Legal Description
   Lane Silver Mine group known as the Lane #1, Lane #2, and Lane #3 lode claims and recorded in Book 156, Pages 19, and 20, and book 285, page 562, respectively, located in Sections 11 and 12, TWP 9N. Range 1W GSRM. Claims are 20 acres each. See map attached as schedule 3 (a) 4. All of the described property will be subject to government Royalty and liens. This property has also been known as "The Three Sisters Mine".

   (c) Five copies of MME Form 52 executed by Philip Hoyt President, of Southern Mlning & Milling Company owner is attached and listed as Schedule 2 (c).

3. Physical Description:
   (a) Schedule 3 (a) is a copy of a report by Mark G. Bradshaw dated February 17, 1917. This report is on file in the Arizona Department of Mineral Resource Phoenix, Arizona.
   Schedule 3 (a) 1 is a report on Mark G.Bradshaw that is in the News Letter of the Nevada Mining Association of Reno, Nevada number 112, dated July 15, 1962.
   Schedule 3 (a) 2 is comments on the Lane Mine by William B. Millar, consulting geologist, dated July 9, 1963, original in files of Philip S. Hoyt,Sr.
   Schedule 3 (a) 3 is William B. Millar Experience record.
   Schedule 3 (a) 4 is a copy of Claims map of the property, prepared by George C. Heikes.

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The applicant believes that the above schedule adequately describes the property, and the past mining operations. There are no mining operations on the property at the current time.

(b) The applicant has no interest in any of the prior operations on this mine.

(c) The only known production on this mine is as stated in Mark G. Bradshaw report.

(d) There are no known ore reserves.

(e) The reports by Mark G.Bradshaw and William B. Millar give the geologic Formations and the ore minerals of this property. Schedule 3 (a) and 3 (a) 2.

(f) Applicant believes that geologic formation of property is similar to those in which ore has been found in other mines in this area, and the reports of Mark G. Bradshaw and William B. Millar geologists concur with the applicant's belief.

(g) None of the geologic reports or engineering data are required to be returned

4. Accessibility of property: Schedule 4 (a)

(a) The OME representative will be taken to the property by applicant. At least one week notice as to the day of arrival should be mailed to the following address:

Robert C. Hanford
2224 North 15 Avenue
Phoenix, Arizona

The directions to reach the property is as follows:
The starting point is the Town of Crown King. Crown King is on almost all road maps, the town is between Phoenix and Prescott and west of highway 17.
From Crown King the route is South to Oro Belle Mine, and then Castle Rock, and Fort Misery, and then to Smoky, then east from Smoky toward Copper Basin approximately 8 miles to the Lane Mine Trail sign, then by foot following trail to Lane Mine, approximately 1 mile by foot trail.

It is suggested that a four wheel drive vehicle be used from Crown King to Copper Basin and return to Crown King.

(b) Shipping Point Prescott approx. 65 miles.
Supply point Prescott approx. 65 miles.

5. Exploration Work:

(a) The proposed exploration work entails the driving of 450 feet of 5 X 7 ft. drift on the Lane Mine vein. (See enclosed map showing proposed exploration work in red).

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6. Experience:

(a) Experience record - R. C. Hanford

1933-34 - Working superintendent on driving of 437 feet of drift on gravel channel at Dutch Flat, Placer County, California.

1935-36 - Supervised and worked on job of reopening Gold Ridge Mine, located above Kane Creek, near Gold Hill, Jackson County, Oregon. Work consisted of catching up and spiling through 200 feet of caved cross-cut and driving of 100 feet of new cross cut underground.

1937-40- Lessee and operator - Oregon-Bonanza Mine. Reopened and developed ore bodies at Oregon Bonanza Mine, located on Powell Creek near Provolt, Jackson County, Oregon. Work entailed, driving drifts, running raises and winze sinking. Shipped ore to Selby smelter at Crockett, California.

1948 - Lessee and manager Gracie-Glencoe Mine. Supervised reopening Gracie-Glencoe Mine near Nevada City, Nevada County, California. work included erection of 40 ft. head frame rehabilitation of shaft, reopening 600 ft. of cross-cut.

1949-52 - Operator and lessee of West Coast Mine, Barrett Springs mining district near Winnemucca, Humboldt County, Nevada. Shipped ore to Anaconda Copper Company at Mc Gill, Nevada and combined Metals Red. Co. at Bauer, Utah.

1952-53 - Lessee and operator - Columbo Mine - Sierra County, California shipped ore to Empire Star Corp. at Grass Valley,California.

1955-56 - Lessee -Operator Waggonner Lead Mine, Silverton, Colorado.

1956-57 - Lessee -Operator Mt. Queen Mine, Red Mt. Dist., San Juan County, Colorado. Shipped ore to U.S. Smelting Co., Midvale, Utah.

1957-58 - Lessee-Operator Hammersley Gold Mine, Graves Creek Mining Dist., Josephine County, Oregon.

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1961-62 - lessee - Operator Warner Placer Mine Humbug Creek, Siskiyou County, California.

1964-1965 - Lessee - Rio Tinto Copper Mine, Mt. City, Nevada.

Now producing cement copper concentrate and shipping to Anaconda Copper Company at Miami, Arizona.

7. Estimate of Cost:
   (a) No work to be contracted
   (b) Personal services (c) operating supplies (d) operating equipment

   Schedules attached by each item of project.

Schedule 7 (b) 1	Road to Mine	$3,290.81
Schedule 7 (b) 2	Catch up on 400 ft of drift on the 400' level	4,736.06
Schedule 7 (b) 3	Drive 450' of drift on the 400' level	24,436.29
	Geologist fees 75.00 @ month travel 25.00 @ month 8 months	800.00
	Assay fees 25 at 8.00 each	200.00
	Supervision $600.00 @ month 8 months	4,800.00
	Accounting fees for Certified Public Accountant to compute payroll and certify project expenditure 200.00 @ month 8 months	1,600.00
	Public liability & property damage insurance	1,000.00
		40,863.16
	Contingency reserve for unknown expenses at this time	4,136.84
	Project cost	45,000.00

   (e) There are no buildings on the subject property

   (f) No buildings will be constructed, no installations made, no fixed improvements.

LIST OF SCHEDULES ATTACHED

Schedule 1 (a)	-	Letter to Southern Arizona Bank & Trust Company
1 (a) 1		Letter from Southern Arizona Bank & Trust Company
1 (a) 2		Letter to First National Bank of Arizona
1 (a) 3		Letter from First National Bank of Arizona
Schedule 2 (a)		Copy of Mineral Lease
2 (c)		Five copies of MME form 52 executed by Southern Mining & Milling Company (on Original application only)
Schedule 3 (a)		Copy of Mark Bradshaw Report
3 (a) 1		Report on Mark Bradshaw
3 (a) 2		Comments by William B. Millar
3 (a) 3		William B. Millar experience record
3 (a) 4		Claims Map by George C. Heikes
Schedule 4 (a)		Map of Mine Location
Schedule 5 (a)		Map of exploration work
Schedule 7 (b) 1		Schedule of Road costs
7 (b) 2		Schedule of cost for catch up on 400' of drift on 400' level
7 (b) 3		Schedule of cost for driving 450' new drift on 400' level

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SCHEDULE 1 (a)

Robert C. Hanford
2224 North 15th Ave.
Phoenix, Arizona
September 15, 1966

Southern Arizona Bank and
Trust Company
313 N. Central Ave.
Phoenix, Arizona

Attention: Mr. E. L. Miller

Gentlemen:

This is a request for a credit to be used in re-opening and developing the ore body in the Lane Silver Mine, located about 12 miles south of Crown King, Yavapai County, Arizona.

Certain geologic and engineering data, available for your inspection and study, indicate strong possibilities for the existence of a high-grade shoot of silver-lead ore which could be mined profitably under most favorable working conditions.

To put this property into production on a self-sustaining and profitable basis requires an investment of approximately $50,000. This sum included the cost of building about one mile of access road to the property at a cost of $10,000.

It is hereby requested that a loan of $37,500 be granted. This sum plus interest will be paid out of the proceeds from the minerals sold from the operation of the mine, at the rate of 5% of the gross revenue.

If the policy of your bank is such as to preclude participation in this operation, your referral of this request to any parties who might favorably regard this venture would be most gratefully appreciated.

Sincerely,

Robert C. Hanford

Robert C. Hanford

Certified True Copy

Robert C. Hanford

Robert C. Hanford

Schedule 1(a)1

SOUTHERN ARIZONA BANK
and Trust Company

Established 1903

PHOENIX MAIN OFFICE
313 N. CENTRAL AVE.
PHOENIX, ARIZONA

September 22, 1966

Mr. Robert C. Hanford
2224 North 15th Avenue
Phoenix, Arizona

Dear Mr. Hanford:

Our office was pleased to have reviewed your recent $37,500 credit request in reference to your interests in a Silver Mining venture in Yavapai County. A review of our present interests, however, indicates that we are not in a position to consider a loan of this type in becoming a part of our loan portfolio at this time.

We sincerely hope that you will be successful in a quest elsewhere for the development of your financial requirements.

Sincerely,

E. L. Miller
Assistant Cashier

ELM:om

Certified True Copy

Robert C. Hanford

The Symbol of Quality Service . . .

SOUTHERN ARIZONA BANK

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Robert C. Hanford
2224 North 15th Ave.
Phoenix, Arizona
September 15, 1966

First National Bank of Arizona
Phoenix, Arizona

Gentlemen:

This is a request for a credit to be used in re-opening and developing the ore body in the Lane Silver Mine, located about 12 miles south of Crown King, Yavapai County, Arizona.

Certain geologic and engineering data, available for your inspection and study, indicate strong possibilities for the existence of a high-grade shoot of silver-lead ore which could be mined profitably under most favorable working conditions.

To put this property into production on a self-sustaining and profitable basis requires an investment of approximately $50,000. This sum included the cost of building about one mile of access road to the property at a cost of $10,000.

It is hereby requested that a loan of $37,500. be granted. This sum plus interest will be paid out of the proceeds from the minerals sold from the operation of the mine, at the rate of 5% of the gross revenue.

If the policy of your bank is such as to preclude participation in this operation, your referral of this request to any parties who might favorably regard this venture would be most gratefully appreciated.

Sincerely,

Robert C. Hanford

Robert C. Hanford

Certified True Copy

Robert C. Hanford

Robert C. Hanford

Schedule 1 (a) 3

FIRST NATIONAL BANK OF ARIZONA

PHOENIX, ARIZONA

R. H. DUCKWORTH
ASSISTANT VICE PRESIDENT

September 20, 1966

Dear Mr. Hanford:

Thank you for your loan request.

Based on our discussion today and the information contained in your letter of September 15, 1966, we will not be able to assist you with a loan of $37,500 for reopening and developing of the Lane Silver Mine.

We know of no other investors who would be interested in an investment of this type at this time. If we should have an inquiry we will refer your name to them.

Sincerely,

R. H. Duckworth

Mr. Robert C. Hanford
2224 North 15th Avenue
Phoenix, Arizona

RHD:cp

Certified True Copy
Robert C. Hanford

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Southern Mining & Milling Company

3049 North Marigold Drive,
Phoenix, Arizona, 85018

July 11th, 1966

OPTION TO PURCHASE

We, SOUTHERN MINING & MILLING COMPANY, do this 11th day of July, 1966, hereby give and grant unto R. C. Hanford, of Route 4-Box 7, Bishop, California, the exclusive right and option to purchase those three lode mining claims known as the Lane Silver Mine group known as the Lane #1, Lane #2 and Lane #3 lode claims and recorded in Book 156, Pages 19 and 20, and Book285, Page 562, respectively, located in Sections 11 and 12, Twp. 9N. Range 1 W. GSRM, This option being hereby granted and accepted upon the express following terms and conditions, to-wit:

1. That this option shall be for a period of 180 days from July 11th, 1966, with the right of renewal for an additional 180 days upon the payment of One thousand Dollars on or before January 11th, 1967.

2. The consideration for this option shall be One thousand Dollars, payable $250. on July 11th, 1966, and $250 each sixty days thereafter until One thousand Dollars shall have been paid.

3. The said Hanford hereby agrees to enter upon and do the annual assessment work required to be done for the assessment year 1965-66, this assessment work to be done at a cost of not less than $300. An adequate Proof-of-Labor shall be furnished by the said Hanford and delivered to Southern Mining & Milling Company on or before August 20th, 1966, for recording by the said Company.

4. That for any and all ores that may be mined and shipped from the property during the option period a royalty of ten percent of the net smelter returns shall be paid by Hanford tothe Company.

5. That this option to purchase shall and is hereby granted on basis of payment to the company of Thirty Thousand Dollars within the option period, provided, however, that any payments made for the option or for royalties on shipments may be deducted from this purchase price.

6. That if and when any additional claims are or may be located by the said Hanford that may be contiguous to the above claims, all such claims shall become a part of the group and subject to the terms and conditions of this Option.

7. That this option may be assigned in whole or in part by the said Hanford subject to the terms and conditions aforesaid.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this 11th day of July, 1966.

SOUTHERN MINING & MILLING COMPANY

ATTEST:

BY Philip S. Hoyt
President

Marian A. Hoover
Secretary

ACCEPTED AND APPROVED R. C. Hanford
R. C. Hanford

Certified True Copy

Robert C. Hanford
Robert C. Hanford

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Southern Mining & Milling Company

3049 North Marigold Drive
Phoenix, Arizona 85018
September 22nd, 1966

AMENDMENT TO OPTION TO PURCHASE
****

We, SOUTHERN MINING AND MILLING COMPANY, do this 22nd day of September, 1966, amend the Option to Purchase, between the Company and R. C. Hanford dated July 11th, 1966, as follows:

1. That Paragraph One of the Option to Purchase dated July 11th, 1966, is hereby amended to read as follows, and is mutually agreed to:

   1. That this Option to Purchase shall be for a period of 180 days with the right of renewal by the said Hanford for an additional period of one year and six months or 18 months, and during this renewal period of 18 months, the said Hanford shall pay to the Company Two Hundred Fifty Dollars ($250) each sixty day period of the renewal term, beginning March 11th, 1967 and continuing each sixty day period to the termination of the full two year option period, or until the purchase price of Thirty Thousand Dollars may have been paid prior to the termination of the full two year option period.

2. That all of the provisions of the Option to Purchase provided in the Option dated July 11th, 1966 shall remain in full force and effect with the exception of Paragraph 1 which has been amended hereby and mutually agreed upon.

IN WITNESS WHEREOF, we have hereunto set our hands and seals and acknowledge the above amendment as our free and voluntary act and deed.

ATTEST: SOUTHERN MINING & MILLING COMPANY,

Marian A. Meaves Secretary. by Philip A. Hayt. Pres.

S E A L

ACCEPTED AND APPROVED: R. C. Hanford
R. C. Hanford

OFFICIAL COPY
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Office of Minerals Exploration

October 17, 1967

Mr. Robert C. Hanford
220 SE "H" Street
Grants Pass, Oregon 97526

Subject: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine Group
Tiger Mining District
Yavapai County, Arizona

Dear Mr. Hanford:

Enclosed is the letter of November 26, 1966 from Mr. Heikes to you which you loaned to me during the examination of the Lane Mine. The Geological Survey appreciates having had this information -- it was very useful in evaluating the application.

Sincerely yours,

Robert U. King
rhc

Robert U. King,
Geologist

Enclosure

cc: Hasler chron
OME chron
Chief, OME
OME-6580

Mr Robert C. Hanford
220 SE "H" Street
Grants Pass, Oregon 97526
OME-6580

624 S. Mariposa Ave.,
Los Angeles, Calif. 90005
213-384-1181

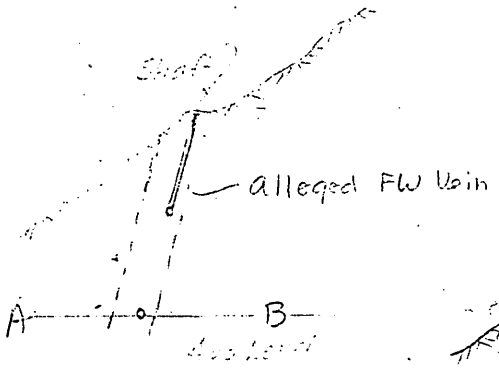
Lane Silver Mine Group
Tiger Mining District
Yavapai County, Arizona Nov. 26, 1966 Sat.

Dear Bob:

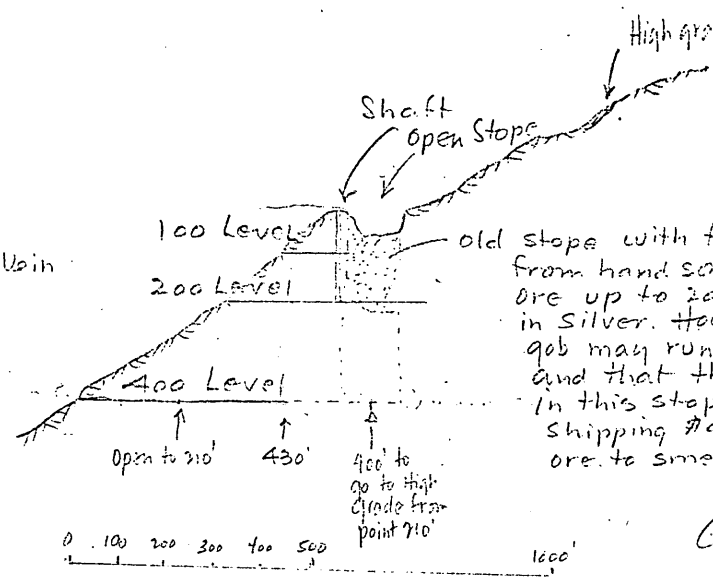
This is the first chance I've had to read over your OME application which you sent to me on November 21st. By & large I think you did a pretty good job of preparing the OME application. I see you have allowed yourself $3290.81 for the road work and $4736.06 to catch up 400' of tunnel on the 400 level tunnel and $24,436.29 to drive 450' of drift to the point under the stope on the 200 level. In our conversation with Hoyt he mentioned that as a result of Bill Millar's report dated July 9, 1963, Hoyt spent $10,000 opening up the 200 level Tunnel for a distance of 218' to check the assays of hand-cobbed waste left in the stope after the shipment of + $400,000 worth of + 200 oz. Ag ore prior to 1886. Also Hoyt took a look at the 400 level Tunnel which was accessible for 210' then badly caved, and he suggested driving into the HW rather than try to go through the old caved in zone. [illegible] spent this money, he leased the property to Stella Dysart, the "[illegible]" (she was then about 80 yrs. old) which expires 1/22/66. Apparently Stella didn't do anything with the property.

I note you had to pay $250. on July 11th, do $300. assessment work by Sept. 1st in addition thereto, then pay $250. each 60 days until $1000 had been paid, then on or before Jan. 11, 1967 pay $1000. for another 18 days or 6 mo. Also that you have a 10% Roy. on net Smelter

return to apply on a purchase price of $30,000. These are not rough terms for a well financed company but are pretty rough for any individual who also has to raise the money and do the work.



AB Sec. looking Northeasterly



old stope with fill from hand sorting ore up to 200 oz/t in silver. Hoyt thinks old gob may run $30. per ton and that there are 3000 tons in this stope fill, left after shipping $400,000 gross value ore to smelter at Selby, Calif.

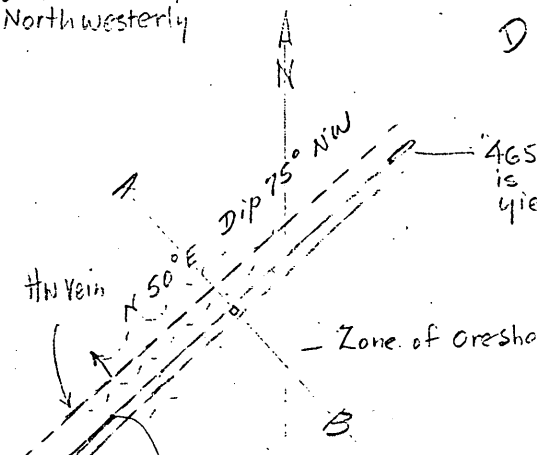
CD Section looking Northwesterly

Geology

Fissure vein with PbS, AgS?, ZnS in muscovite granite, + sum pyrite and quartz.

LANE SILVER MINE

Formerly named the 3 Sisters because of 3 parallel veins.



465' NE of main stope is a good outcrop that yielded some high grade" Hoyt

Tunnel badly caved along vein. Hoyt thinks would be better to go around caved area into HW. Apparently the FW is ravelly ground — perhaps you could xc to HW Vein + drift on it for 200' or so then back to the main vein to get under the place where the oreshoot is supposed to be.

Plan View

3 Claims located by James Lane in early 80's, mine examined by Mark C. Bradshaw 2/17/17 and by W. G. Millar 6/9/63.

Since I am planning on going over to India for three years, leaving sometime next month, I

thought I ought to convey to you whatever meager notes I've been able to collect on this subject.... hence the above sketch map on a scale of 1" = 400'.

In the mining industry the term "Development work" implies gaining access to ore deposits already indicated by drilling or upper mine workings. "Exploration" is the search for ore. In the case of the Lane Mine since the vein is not known to persist in depth it must first be discovered. I think your project is definitely of an exploratory nature until you drift or crosscut into an oreshoot. Thereafter it would be development, such as raising to the level above for ventilation as well as blocking out ore.

It goes without saying, but I'll say it anyway for emphasis, that I wish you the greatest success in this undertaking... and good luck.

Very best regards in which Mrs. Jo joins.

Sincerely yours,

Gerald Heikes

P.S. I will retain this copy of your OME application until you ask for it. JH.

STATE OF ARIZONA, County of Yavapai—ss. 11933
I do hereby certify that the within instrument was filed and recorded at the request of Philip S. Hoyt
on Sept 21 A.D. 1966 at 10:10 o'clock A. M. Book 411 Official Records
Page 192-193, Records of Yavapai County, Arizona.
WITNESS my hand and official seal the day and year first above written.
FRANK C. BAUER, County Recorder.
By Jean Ethridge, Deputy

PAGED INDEXED PHOTOSTATED

AFFADAVIT OF LABOR PERFORMED AND IMPROVEMENTS MADE

****

STATE OF ARIZONA)
) ss
COUNTY OF MARICOPA)

Philip S. Hoyt, first being duly sworn deposes and says:

That he is a citizen of the United States and over the age of twenty-one years and that he resides at 3049 North Marigold Drive, Phoenix, Arizona 85018, and

That he is personally acquainted with the lode mining claims lying in a group and known as the LANE SILVER MINE GROUP, situated in the Tiger Mining District, Yavapai County, Arizona, the location notices of which are recorded in the office of the County Recorder of Yavapai County, Arizona, under the names and book and page numbers of the Records of Mines, as follows:

Name of Claim	Book	Page
LANE #1	156	19
LANE #2	156	20
LANE #3	285	562
FAT JACK MILL SITE	294	473

The three Lane Group Claims are in Section 11 and 12, Twp. 9 N. Range 1 W. GSRM; the Fat Jack Mill Site is in Section 35, Twp. 10 N. Range 1 West, GSRM.

That between the 1st day of May 1966 and the 31st day of August, 1966, at least $300. worth of work and improvements were done and performed upon said claims, not including the location work, and that more than $100 worth of work and improvements of said total were made upon each or for the benefit of said above claims, said claims lying in a group.

Such work and improvements were made under the direction and at the expense of Philip S, Hoyt and R. C. Hanford, and the said work and improvements were done for the purpose of exploring said claims and for complying with the laws of the United States pertaining to annual assessment work in connection with unpatented mining claims.

That the men employed by Philip S. Hoyt and R. C. Hanford were Philip S. Hoyt Jr. and "Smokey" Rowe, of Crown King, Ariz. and the work and developments included cleaning out the 100' level; constructing and improving access trails and roads, and surveying out access road route from the 400' level down to presently existing roads in Copper Basin area.

Philip S. Hoyt

Philip S. Hoyt

Subscribed and sworn to before me this 20th day of September, 1966.

Harry P. Mallon

Notary Public

My Commission expires January 18 1967.

THE LANE MINE, ARIZONA.

The LANE MINE is situated in the southern part of Yavapai County, Arizona, in the Bradshaw mountains; it was originally located by James Lane in the early Eighties and soon after sold to the Tuscumbia Mining Company for $15,000.

The mine, whose values are principally silver, has a production of between $300,000 and $400,000 gross.

It was worked continuously for a period of about 4 years when it closed down in 1886 and has not been worked since that time; the cause for it's closing down was due largely to the excessive cost of marketing it's ores: packing them to mills 25 miles distant at a cost of $30 per ton, the high cost of milling with it's attendant milling losses, and the further cost of packing and hauling it's concentrates from mill to railroad.

The first concentrates were hauled to Yuma, about 200 miles distant: afterward they were hauled to Prescott, over 30 miles distant. They were they shipped to the Selby smelter at San Francisco, California.

The concentrates from the Lane were not wanted at that time by smelters because of the zinc content in the concentrate and it was with difficulty that they could be marketed at all; while the percentage of zinc did not exceed, as a rule 10%, an amount which is not penalized at this time. It was very undesirable to the smelters of 30 years ago.

FORMATION, VEIN SYSTEM, DEVELOPMENT.

The formation in which the mine lies is a granite, both hanging and footwalls: a muscovite, biotite granite, muscovite predominating.

When located the mine was named THE THREE SISTERS MINE because of the three veins, parallel to each other within a distance of 60 feet, the two outside veins.

The distance between the extreme hanging wall vein and the vein in center is about 45 feet with granite between the two veins; the distance center vein and footwall vein is about 12 feet with no appreciable amount of granite between them, the filling consisting mainly of gangue material, more or less broken up and ground; this gangue material carries some iron

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sulfides, probably marcasite.

The course of the vein is North 50° East-South 60° west: the dip about 75° Westerly.

The main values occur as a sulfide: Galena (Lead Sulfide) being the main mineral. Some Zinc Sulfide (Sphalerite) is contained in the ore, but not in sufficient quantity to be penalized in either the crude ore or the concentrate; however, its occurrence is in sufficient quantity to be separated from the lead in the milling process, making the Zinc a valuable asset of the milled ores.

Only one of the three veins was ever worked during the life of the mine, the other two veins were not even prospected for values below the surface: no crosscuts were ever run from the center vein (the vein worked) to either the hanging or the footwall veins. This is important in opening up this mine-the prospecting of the two virgin veins.

In the vein from which the ore was taken the values were very high in silver: the lowest value which they were able to ship at a profit was ores going 200 ounces Silver per ton, or better. All ore which went under the 200 ounce mark was either left standing in the mine, or dumped back into stope as worthless fill material. With the exorbitant cost of marketing the product it may readily be seen why lower ore would not pay at that time.

The mine was first worked by shaft sinking, and afterwards worked from a drift tunnel which cut the orebody at a depth of 180 feet below the collar of the shaft. Very little ore was taken from beneath the level of this tunnel as water would run into the underhand stope which would take considerable time each shift to unwater before mining could be done. There were never any paumps on the property, and the shaft was sunk by windlass. The depth of the underhand stope, according to miners who worked in the mine, is not to exceed 20 feet.

The tunnel thru which the ore was taken is now open a distance of 218 feet, or to the beginning of the ore enrichment: at 190 feet in one can observe stringers of Silver-Lead ore coming in, and at 218 feet in, the lens is from 4 to 8 inches wide, farther than that distance the mine has been stoped and filled: the ore sttaining a width of 4 feet in the next 100 feet, according to workmen. The value of this ore exceeded 200 ounces of Silver per ton and was all shipped.

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LANE (3)

A sample was taken by the writer at the point where the stoping was started which went as follows:

Gold, $3.40 per ton: Silver, 904.7 ounces.

This sample was taken from a 4 inch streak. Another sample taken 200 feet in tunnel, or 18 feet nearer tunnel adit than first sample went:

Gold, $1.80: Silver, 234.4 ounces per ton; width of this sample taken, 6 inches. At the places these assays were taken it will be remembered that the ore shoot was just starting. Some ore could be recovered at this point, but as its amount would likely be limited, it would not be profitable work to open, to clean out, this tunnel at this time to secure the ore, as it may be done so readily from the lower tunnel which has been started and is proposed to continue to this orebody, tapping it 204 feet below, vertically, the present tunnel from which the ore was taken.

The Company owning the Mine, while taking out the body of ore from their main working tunnel to crest of hill, a vertical distance of 180 feet, prosecuted no development work as evidenced by their failure to crosscut to either of the two virgin veins, the extreme hanging and foot walls, mentioned above. After they came to the end of their blocked ore the Company discharged their main working force and gave a contract to drive a drift tunnel which would pierce the orebody 204 feet below their working tunnel. The distance which this tunnel has to be fun, according to measurements taken by writer, in order to get directly beneath the ore body above, is 604 feet.

The contract let by the Company was for 400 feet, which was completed. No further contract was ever let by the Company, but the workmen who contracted and completed the 400 feet of tunnel secured a lease from the Company shortly after the complete shut-down.

This lease was secured by the main contractor who took in three partners; they began to drive tunnel on to orebody. After driving 25 or 30 feet farther an altercation arose between, or among, partners, with the result that the work stopped.

The main lessee strove to interest local men to finance the driving ahead of the tunnel, but being rather irresponsible because of his habits, he could get nobody to furnish the funds, so the mine was no longer worked and has lain idle ever since.

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At present this tunnel may be done into a distance of 210 feet: at this point material from above has sluffed down closing the tunnel for inspection further. It is reasonable to believe, however, that the tunnel is not closed for the rest of the distance in to face, but after clearing this obstruction away, one will likely be able to go a distance in fairly good tunnel before encountering another place which may have fallen and closed tunnel.

The perfect way the hanging wall has stood in the tunnel for the 210 feet which may be seen in tunnel argues that the material thrown into stope above (from which the ore was extracted) may be readily recovered and shipped or milled if found by assay to contain sufficient value, after that point has been reached from lower tunnel.

The material which has sluffed from this hanging wall in the 210 feet would not fill a mine car, proving a hard, firm hanging wall in stope above. The footwall side of this tunnel is not so solid, as it is not the true footwall: and the gangue material, referred to above, has crumbled considerably. Most of the material which has come down in tunnel contains iron sulfide, which would lead one to believe that crosscutting should be done to the true footwall where there is every likelihood of any orebody, independent of the one sought in driving present tunnel ahead.

At a distance of 465 feet from the present orebody (tothe east) another enrichment of the vein outcrops on surface. Shipping ore was taken from the vein at this point, but was never sought for at depth. Prospecting for this enrichment could be done while ore is being stoped from main orebody, whose existance has been proven to 180 feet depth. Cost of this work could be paid from ore shipments.

Further depth may be attained by driving a tunnel lower than the tunnel started and proposed to finish, as the steepness of the hill below would permit of another tunnel to be driven to advantage.

W A T E R

Sufficient water will be encountered in tunnel for all mining purposes

For domestic purposes a spring about 2,500 feet distant will supply sufficient for this use.

M I L L

Should the orebodies prove to be of sufficient size to justify the erection of a mill, an aerial tram would be built to Humbug Creek, which

is below the mine, about 1-1/4 miles distant (to west of mine) Tramway would be gravity tram, as a descent of about 2,000 feet is made in this distance to Creek. The main County road could then be reached from Millsite by building about a mile of wagonroad.

TRANSPORTATION

The shipping point for all ore and concentrate from Lane mine would be Crown King, Arizona. For ore the route would be: from Crown King to a point about 2-1/2 miles distant from mine runs a reasonably good mountain wagonroad: this road may be extended one mile further, closer to mine, at reasonable cost: from this point for about 1/2 mile roadbuilding would be expensive, because of the topography of the country, thence on to mine the road could be built at reasonable cost, thus connecting mine with railroad.

At present the method of getting materials in, and ores out, would be by packtrain. With the present road repaired and one mile additional built everything could be hauled for 9 miles by auto truck or team, thence by packtrain to mine, a distance of about 1-1/2 mile. The cost of transporting ores this way would not exceed six or seven dollars per ton.

TIMBER

All necessary timber may be had at a distance of about 2 miles from mine this must be purchased from the U. S. Govt. Government charge per running foot is nominal, 2-1/2 cents.

ESTIMATED COST

$8,500 will be sufficient treasury fund to prove the existence of this orebody: this included the purchase of all materials needed, living quarters erected, tunnel driven ahead to tap orebody which shows on surface 465 feet east of the main orebody sought for. Also crosscutting to other veins mentioned above and their prospecting, is included in this estimate.

After material has been delivered on ground the time to do required work which does not include the prospecting of vein 465 feet east, would be 60 to 90 days.

TITLE

Title to BORINO LODE CLAIM, on which mine is situated, is vested in one John Revello, or Crown King, Arizona. Bond and Lease on said claim is held by one E. L. Riggs, of same place. Both, title and contract held by Riggs, are perfect.

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Two adjoining Claims, the SULU LODE and the TONOPAH LODE, are owned by E. L. Riggs. The title to these two claims is good. Acquired by relocation after failure for two years by former locator to perform work on ground.

RECOMMENDATION

The following facts have been extablished in the examination of the property:

The lower tunnel was never driven under the ore which was mined above:

The ore was persistent to the depth of 180 feet, with ore going doen in bottom of tunnel operated by former owners:

The vein in lower tunnel shows a high state of mineralization in places, which tunnel will give 204 feet of stoping ground once the orebody has been reached in this tunnel:

These, coupled with the fact that the amount to be expended in completely developing and proving this ground, is so small in comparison with the amount to be returned from ore shipments, once the ore has been reached. I do not hesitate to recommend that this property be worked.

I would suggest that it be worked along the following lines:

to clear out the lower tunnel, timbering faulty places: to drive tunnel ahead a distance of at least 180 feet from its present face: to erect temporary living quarters: to expend no money for surface improvements, outside of those absolutely necessary until ore body has been proven up.

To crosscut and prospect the extreme hanging and footwalls.

Under competent management this work may all be done within the expenditure mentioned above ($8,500) and in my opinion the work done you will have a producing mine.

Respectfully, Mark G. Bradshaw

Crown King, Arizona.

Date of examination, February 17th, 1917.

Certified True Copy Robert C. Hanford

Robert C. Hanford

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MARK G. BRADSHAW

Mr. Bradshaw was born in Battle Mountain, on August 9, 1883, attended grammar and high schools in Reno and was graduated from the Mackay School of Mines, University of Nevada, in 1903 with a Bachelor of Science Degree in Mining Engineering. After graduation, he worked as a surveyor for the Western Pacific Railroad for a short time and in the latter part of 1904, went to Tonopah in Southern Nevada where he has lived continuously since that time. His most important venture was the re-treatment of the tailings of Goldfield Consolidated Mines Company in Goldfield where, in association with Albert Silver (now a Metallurgical Engineer in Reno), some 4 million tons of tailings were treated with a production record of $2,100.000. The method devised by Silver was unique at the time as it consisted of hydraulicking the tailings into a sump after which they were pumped to a cyanide treatment plant. This operation extended for a period of 14 years, beginning in 1927 and terminating in 1940. Lster Mr. Bradshaw operated at Candelaria in Mineral County, at Hanapah in Nye County, and for some time, operated a silver-lead property in Inyo County, California. During the latter years of his life, he became interested in the camp of Manhattan in Nye County, Nevada. At one time, he was a member of the Nevada Legislature, having served as Assemblyman; and over a period of 25 years, was a member of the Nye County Republican Central Committee. He was a member of the Tonopah Lodge of Elks, Tonopah Lions Club, and Tonopah Chamber of Commerce.

Certified True Copy of report in the News Letter of the Nevada Mining Association of Reno, Nevada Number 112, dated July 15, 1962.

Robert C. Hanford

Robert C. Hanford

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MINING & METALLURGY

OFFICE FA 2-4445
RES. FA 2-3531

ALBERT SILVER
CONSULTING ENGINEER
10 WEST SECOND STREET
RENO, NEVADA

8 - 25 - 66

Mr. R. C. Hanford
2224 N. 15th Ave.
Phoenix, Arizona 85000

Dear Mr. Hanford :

I enjoyed your brief visit here yesterday and the report which you had of the Lane property in Yavapai Co., Arizona, signed by Mark G. Bradshaw back in 1917. This really brought back memories of old times - I believe, at that time, Mark was operating a property, not too far from the Lane, for one of our distinguished mining men, Noble Getchel.

Mark Bradshaw graduated from the Mackay School of Mines in 1903 and immediately after worked in the several important mines established in the early part of the century, Goldfield, Wonder, Fairview, Tonopah, and later in Candelaria and finally established residence in Tonopah from which place he continued his mining activities to the time of his death, about 1960.

He was well known for his keen perception in the technical appraisal of mining prospects and mines and his services were sought by the mining industry. I first knew him quite well when he was operating the Northern Belle Mine in Candelaria and shipping ore to Millers, Nevada, then later we were associated for 14 years in the tailings operation at Goldfield, Nevada, a very successful venture.

I wish you every success in your operation of the Lane property - it would appear to be in a favorable location for prospecting and development.

Yours very truly,

Albert Silver

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WILLIAM B. MILLAR
CONSULTING GEOLOGIST

COMMENTS ON THE LANE MINE REOPENING PROJECT

The writer has spent some time studying the Lane Mine openings and surface geology. The basic purpose of the work was to see if anything visible could refute the conclusions reached in 1917 by Mark G. Bradshaw who wrote a very interesting report recommending that the mine be reopened and further developed on the 400' level until the rich orebody on the upper levels was encountered. He had faith that the excellent upper sulphide mineralization would persist to the 400' level and that ore available between the 400' and 200' levels would make a profitable operation. The writer found no reason to disagree with Bradshaw's work and plans (costs have changed!) and can recommend that the search for the extension in depth of the Lane orebody be undertaken.

The most frequent questions asked by those investing in speculative mining operations deal with the odds in favor of success. Most men who finance mining understand that orebodies are not blocked out until seen on three sides at least and until this is accomplished there is always some degree of gambling as to the value of new ore which may be found, if, indeed, there is any found. Obviously, the more openings in an orebody, the less the gamble. With these generalities in mind we can consider the Lane Mine and the nature of the gamble in its reopening.

1. The remaining part of the "main orebody" (there should be others not yet touched) has really been opened on one side only, along the 200' level. However, the underhand stoping on that level showed the mineralization continuing in depth for at least the short distance mined with evidently such good results as to warrant the old-timers contracting for a 400' level to come in under the 200' level stoping. It seems entirely unlikely that the 400' level work would have been done if anything observed at 200' had been unfavorable.

2. The fault structure containing the Lane vein and parallel (unexplored) veins is a strong geologic feature and augurs well for persistence in depth of the vein. There is no reason to suppose that the vein will pinch out immediately below the 400' level. Actually, it should continue to considerable depth with the usual pinching and swelling so common in filled fractures related to fault planes.

3. The vein, of course, can go to depth but it is certain that at some point the richness of the mineralization in it will drop off to a point where mining becomes profitless.

Here, then, is the true gamble in regard to reopening the Lane. Not one of those studying this property is in a position to say how rapidly ore values will fall off from the undoubtedly high values found from surface down to the 200' level. What is said in this connection can only be called "educated guessing": if mine proves wrong, the writer wants no admonitory finger wagging!

My guess: As all the silver values are presumably tied up in the lead sulphide, galena, we are dealing with a primary ore and need not expect a sudden cut-off (or increase) of values due to the existence of the present or an ancient water table. The ore will quite likely change in character and with decreasing value as either zinc or copper sulphides become more abundant in relation to the galena with its valuable silver content. If this is true, we should expect to find the ore on the 400' level good but not quite as rich in silver as on the 200' level. The ore on the 600' level will similarly show a further drop in silver values, and so on down to, say, 1000'. The writer will do some further educated guessing about the zone below 1000' after results are known from the 400' and 600' levels.

From what has been said it should be clear that the only way to get the full story is to mine into the ore remaining in the Lane and see what we have to work with. I find no reason not to get on with this project, particularly in the company of men who both understand and like the inherent gambling built into the important and necessary business of mining.

W.B. Millar
Consulting Geologist

Patagonia, Arizona.
July 9, 1963

Certified True Copy

Robert C. Hanford

Robert C. Hanford

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WILLIAM B. MILLAR
CONSULTING MINING GEOLOGIST

Schedule 3 (a) 3

EXPERIENCE RECORD

Education	Graduated from M.I.T. in Geological Engineering in 1926 and during 1931 -'33 took post-graduate work at Columbia University.
1926 - '27	First professional experience was on oil reconnaissance for Benedum and Trees, most famous wildcatters of this period. (Venezuela and U.S.)
1928 - '31	In N. Rhodesia for Rhodesian Selection Trust Ltd. developing copper deposits. First mine geologist at Mufulira, which has grown into one of the world's greatest underground copper mines.
1932 - '33	Operated a private syndicate prospecting for gold in Canada with two airplanes and a dozen prospectors.
1933 - '34	Expedition leader for a syndicate searching for and operating gold and diamond placers in British Guiana.
1935 - '38	Field engineer for the then very well known New York consulting firm of Rogers, Mayer and Ball. Worked in the Italian "colonies" of Eritrea and Ethiopia, and in Italy itself, on a variety of minerals from asbestos to zinc.
1938 - '46	Geologist for Johns-Manville during World War 2 getting extensive experience with several strategic industrial minerals, but primarily with asbestos.
1946 - '49	With Lazard Freres and Ladenburg, Thalman as mineral consultant for these Wall St. bankers and also a director of their subsidiary, American Anglo-Transvaal Co. Work for most part in South Africa.
1950 - '60	Consultant to the Kennecott Copper Corp. management in New York. Foreign problems and extensive travel in Europe, South America and Africa; also mineral researches in the U.S. and Canada.
1960 - '61	Moved from New York to Arizona and now concentrate on projects in the western States in which I have a personal interest. I propose to follow this procedure until my retirement in about 1980.

W. B. Millar
Sept. 1961

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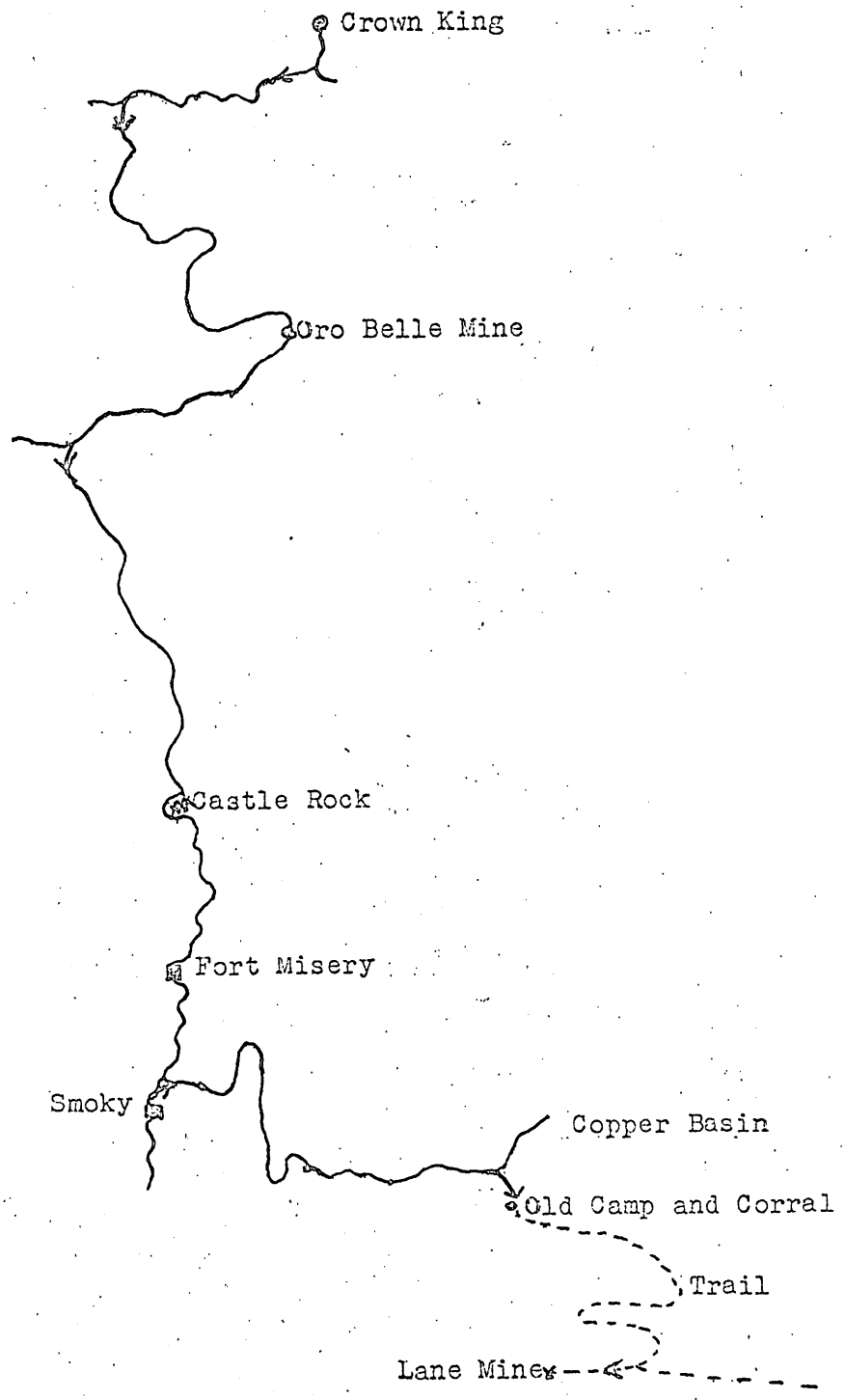
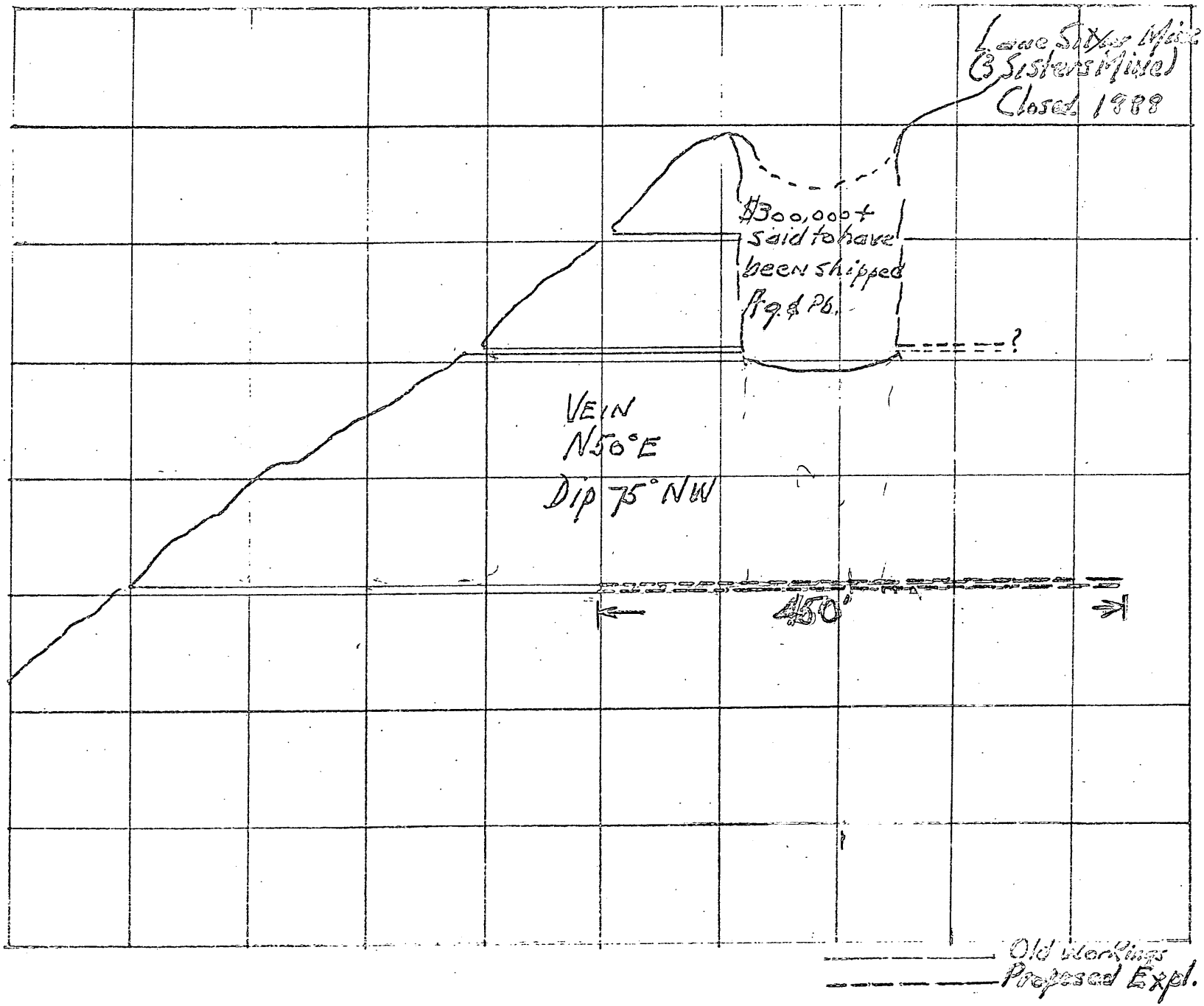
PHILIP S. HOYT & SON

SCHEDULE 4 (a)




Lone Silver Mine
(3 Sisters Mine)
Closed 1888
$300,000+
said to have
been shipped
Ag. & Pb.
?
VEIN
N50°E
Dip 75° NW
450'
Old Workings
Proposed Expl.

ea 59 1001

LANE SILVER MINE
(3 Sisters Mine)
Yavapai County, Arizona

Schedule 7(b) 1

Project:

Construction of access road to Lane Silver Mine from existing road in Copper Basin.

Required time for construction 15 days - 120 hours

Equipment needed:

1 D7E Cat. dozer

1 125 C.F.M. Air compressor

1 Jack hammer & drills

1 50 ft. 1" air hose

Cost:

120 hours of dozer time @ 18.00/hr. includes operator & fuel	$2,160.00
Mobilization Phoenix, Arizona to mine & return	450.00
Rental of 125 C.F.M. Air compressor w/Jackhammer, drills & Hose	225.00
Jack hammer operator 96 hours @ $4.00/ hr. =	384.00
Payroll taxes & industrial insurance 18.7% on jack hammer operator	71.81
	$3,290.81

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LANE SILVER MINE
YAVAPAI COUNTY, ARIZONA

Schedule 7(b)2

Project:

Catch up 400 ft. of drift on the vein on the 400' level

Estimated time 45 days

Labor:

2 miners @ 4.00 hr/ea. 8 hrs. day	$2,880.00
Payroll taxes & industrial insurance 18.7% of payroll	538.56

Equipment: Rental basis

2 ore cars $60/mo 2 mos.	120.00
400 ft. 12" vent tube $50/mo 2 mos.	100.00
12" blower fan $40/mo 2 mos.-	80.00
4 wheel drive pickup $300/mo 2 mos.	600.00
3 h.P. gas eng. (driver blower) $25/mo.	50.00

Purchase:

30# track spikes @ 20¢ #	6.00
70 4" X 6" X 36" truck ties	25.00
4 # 2 round pt. shovels	22.50
4 drift picks	28.00
1 mine axe	7.50
1 single jack	6.50
1 doublejack	8.00
30# 60 penny spikes	6.00
200 mine wedges @ 10¢	20.00
2000 bd. ft. mine timbers	170.00
120 gals gasoline	68.00
Total	$4,736.06

LANE SILVER MINE
Yavapai County, Arizona

Schedule 7(b)3
Page 1 of 2 pages

Project:

Drive 450 ft. of 5 X 7 ft. of drift on the Lane mine vein on the 400' level.

Progress:

4 ft. per day - 180 calendar days

Labor:

2 miners @ $4/hr. ea. 8 hrs/day /113 working days	$7,232.00
1 trammer @ 3.25/hr 8 hrs/day /113 working days	2,938.00
Payroll taxes & industrial insurance 18.7% of payroll	1,901.79

Equipment-rental basis

Air compressor 365 C.F.M. $500 mo/6 mos.	3,000.00
Feedleg drill $85 mo 6/mos.	510.00
Eimco mucker $200/mo 6 mos.	1,200.00
850 ft. 12" vent tube $425/mo 6 mos.	2,550.00
12" blower fan $40/mo 6 mos.	240.00
3 H.P. gas engine (drive fan) $25/mo 6 mos.	150.00
2 ore cars $60/mo 6 mos.	360.00
Pressure water tank $15 mo 6 mos.	90.00
50 ft. 1" air hose $12 mo 6 mos.	72.00
50 ft. 1/2" water hose $5/mo 6 mos.	30.00
Blasting machine 50 hole 18/mo 6 mos.	108.00

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Schedule 7(b) 3
Page 2 of 2 pages

LANE SILVER MINE
Yavapai County, Arizona

Purchase:

Misc. small tools	$ 75.00
4200 # 14# mine rail @ $150/ton	330.00
4400# 40% gal. dymamite @ 27.45/100#	1,207.80
2100 Elec. blasting caps @ .317¢ ea.	665.70
Fishplates & bolts 60 sets @ 60¢ ea.	36.00
50# track spikes @ 20¢ lb.	10.00
150 track ties	55.00
900 ft. 2" steel pipe (air line) @ 80¢ ft.	720.00
Misc. pipe fittings	45.00
20 pcs. 1" hex drill rod (ass't lengths) @ 9.25 ea.	185.00
50 carset drill bits (ass't gauges) @ 1450 ea.	725.00
	$24,436.29

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Southern Mining & Milling Company
3049 N. Marigold Drive
Phoenix, Arizona 85018

October 30th, 1967

Extra

Mr. J. William Hasler
Field Officer, Region III
Office of Minerals Exploration
U. S. Geological Survey
Building 25, Federal Center
Denver, Colorado, 80225

RE: OME 6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona

Dear Mr. Hasler:

Pursuant to your request in yours of October 20th to Mr. Robert C. Hanford, we hereby submit the following additional information:

1. Request in Par. 2 of your letter, the agreement between Southern Mining and Milling Company and Robert C. Hanford concerning additional time, the time has been extended to December 30th, 1968.

2. Request in Par. 3 of your letter, the prepaid royalties and rentals provided in the agreement with Robert C. Hanford are presently paid in full thru August, 1968.

Five copies of this letter are being forwarded direct to Mr. Frank E. Johnson, OME, USGS, Washington 25, D.C.

Respectfully submitted,

SOUTHERN MINING & MILLING CO.,

by Philip S. Hoyt. President.

PSH:k
cc - Robt. C. Hanford
c/o John C. Welden CPA
220 SE H Street
Grants Pass, Oregon 97526

Southern Mining & Milling Company
3049 N. Marigold Drive
Phoenix, Arizona 85018

October 30th, 1967

Mr. J. William Hasler
Field Officer, Region III
Office of Minerals Exploration
U. S. Geological Survey
Building 25, Federal Center
Denver, Colorado, 80225

RE: OME 6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona

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Respectfully submitted,

SOUTHERN MINING & MILLING CO.,

by Philip S. Hoyt President.

PSH:k
cc - Robt. C. Hanford
c/o John C. Welden CPA
220 SE H Street
Grants Pass, Oregon 97526

MME Form 40
Jan. 65

Budget Bureau No. 42-R1508
Approval expires Dec. 31, 1968

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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.)*

Robert C. Hanford
2224 North 15th Ave.
Phoenix, Arizona

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER

DATE RECEIVED

REGION

DIVISION CODE

BUSINESS ORGANIZATION *(Check one)*

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

STATE IN WHICH FIRM IS ORGANIZED

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE
Silver

ESTIMATED COST OF PROJECT
$ 25,000.00

PROPERTY NAME / LOCATION COUNTY / STATE
Lane Silver Mine, Yavapai, Arizona

GENERAL INSTRUCTIONS

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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.

DATED

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BY *(Signature)*

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

MME Form 40
Jan. 65

Budget Bureau No. 42-R1508
Approval expires Dec. 31, 1968

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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INDIVIDUAL	X
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OTHER *(Specify)*	

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NAME	ADDRESS	TITLE

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE
Silver

ESTIMATED COST OF PROJECT
$ 45,000.00

PROPERTY NAME: Lane Silver Mine
LOCATION: COUNTY: Yavapai STATE: Arizona

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

Schedule 2C

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

R GOVERNMENT USE ONLY
Operator
Docket No. OME –
Contract No. 14-23-090 –
Contract Date

LIEN AND SUBORDINATION AGREEMENTS 1/

To the United States of America:

That certain land in the County of YAVAPAI, State of ARIZONA,

described as follows: 2/ THE LANE SILVER MINE GROUP of lode claims

as follows: LANE #1-Recorded in Book 156-Page 19
LANE #2-Recorded in Book 156-Page 20
LANE #3-Recorded in Book 285-Page 562

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

R. C. Hanford 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.)

SOUTHERN MINING & MILLING CO.
by Philip A. Hoyt. Pres.

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

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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 22nd day of September, 1966.

SOUTHERN MINING & MILLING CO.	(Seal)	3049 N. Marigold Drive (Street) Phoenix, Arizona 85018 (City & State)	
	(Seal)	(Street) (City & State)	
	(Seal)	(Street) (City & State)	
	(Seal)	(Street) (City & State)	
	(Seal)	(Street) (City & State)	
	(Seal)	(Street) (City & State)	

I, Marian Weaver (Name), certify that I am the Secretary (Title—Secretary, etc.) of the corporation named herein; that Philip S. Hoyt (Name), who signed this agreement was then President (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.

Marian Weaver, Secretary
(Corporate Seal)

Schedule 2C

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

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

LIEN AND SUBORDINATION AGREEMENTS 1/

To the United States of America:

That certain land in the County of YAVAPAI, State of ARIZONA,

described as follows: 2/ THE LANE SILVER MINE GROUP of lode claims

as follows: LANE #1-Recorded in Book 156-Page 19
LANE #2-Recorded in Book 156-Page 20
LANE #3-Recorded in Book 285-Page 562

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

R. C. Hanford 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.)

SOUTHERN MINING & MILLING CO.
by Philip A. Hoyt. Pres.

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

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

Dated this 22nd day of September, 1966.

		3049 N. Marigold Drive	(Street)
SOUTHERN MINING & MILLING CO.	(Seal)	Phoenix, Arizona 85018	(City & State)
			(Street)
	(Seal)		(City & State)
			(Street)
	(Seal)		(City & State)
			(Street)
	(Seal)		(City & State)
			(Street)
	(Seal)		(City & State)
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	(Seal)		(City & State)

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Marian Weaver, Secretary
(Corporate Seal)

Schedule 2C

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

R GOVERNMENT USE ONLY
Operator
Docket No. OME –
Contract No. 14-23-090 –
Contract Date

LIEN AND SUBORDINATION AGREEMENTS 1/

To the United States of America:

That certain land in the County of YAVAPAI, State of ARIZONA,

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as follows: LANE #1-Recorded in Book 156-Page 19
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R. C. Hanford 3/

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SOUTHERN MINING & MILLING CO.

by Philip S. Hayes Pres.

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Dated this 22nd day of September, 19 66.

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	(Seal)	(Street) (City & State)	
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Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

R GOVERNMENT USE ONLY
Operator
Docket No. OME -
Contract No. 14-23-090-
Contract Date

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To the United States of America:

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as follows: LANE #1-Recorded in Book 156-Page 19
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LANE #3-Recorded in Book 285-Page 562

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R. O. Hanford 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

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by Philip A. Hayes Pres.

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Dated this ~~22nd~~ day of ~~September~~, 19~~66~~.

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		Phoenix, Arizona 85018	(City & State)
	(Seal)		(Street)
			(City & State)
	(Seal)		(Street)
			(City & State)
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Marian Weaver, Secretary
(Corporate Seal)

Schedule 2C

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

R GOVERNMENT USE ONLY
Operator
Docket No. OME –
Contract No. 14-23-090 –
Contract Date

LIEN AND SUBORDINATION AGREEMENTS 1/

To the United States of America:

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as follows: LANE #1-Recorded in Book 136-Page 19
LANE #2-Recorded in Book 136-Page 20
LANE #3-Recorded in Book 205-Page 562

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R. O. Hanford 3/

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by Philip A. Hayt Pres.

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Dated this 22nd day of September, 19 66.

SOUTHERN MINING & MILLING CO.	(Seal)	3049 N. Marigold Drive (Street) PHOENIX, ARIZONA 85018 (City & State)	
	(Seal)	(Street) (City & State)	
	(Seal)	(Street) (City & State)	
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Marian Weaver, Secretary
(Corporate Seal)

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

OFFICIAL COPY
O. M. E.
RECEIVED
JUL 26 1971

INITIALS	CODE
glh	130
HK	~~120~~
	220

July 22, 1971

Memorandum

To: Chief, Office of Minerals Exploration

From: Assistant Chief, Office of Minerals Exploration

Subject: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona
Contract 2252

Transmitted herewith is the final field report on the above-stated OME exploration project.

William L. Emerick

William L. Emerick,
Assistant Chief,
Office of Minerals Exploration

Enclosure

new set rec'd 1/15/68

6580

Lien & Sub. Agt. incorrect
New ones to be submitted
and inserted in contract
per phone call to Hasler
11/17/67

FINAL FIELD REPORT - OME EXPLORATION PROJECT

By W. L. Emerick

July 22, 1971

1. OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona
Contract 2252

Operator: Robert C. Hanford
220 S.E. H. Street
Grants Pass, Oregon 97526

Property: Consisted of three (3) unpatented lode mining claims, including all rights pertaining thereto, in secs. 11 and 12, T. 9 N., R. 1 W., Gila and Salt River Meridian, Minnehaha-Humbug mining district, Yavapai County, Arizona. A map showing the area of the three claims was attached to the contract.

Ownership: The Operator was in possession of the claims under the terms of an Option to Purchase, dated July 11, 1966, as amended, from Southern Mining and Milling Company, the owners.

2. Purpose of Project: The purpose of the project was to explore by drifting, cross-cutting and long hole drilling on the 400-foot level of the Lane Silver mine for silver-bearing ore bodies in and along three mineralized parallel veins cutting granitic rocks of Precambrian age.

3. Contract: Dated November 21, 1967, for a term of 12 months, later extended by amendments to 23 months.
Original contract amount - $30,000.00.
Government participation - 75 percent, $22,500.00.

Amendments - No. 1 - August 9, 1968, to change the starting date of the contract from December 15, 1967 to September 15, 1968, to extend the time for completion of the work from 12 to 21 months, and to extend the maximum period for royalty payments from 10 to 11 years.

No. 2 - September 30, 1969, to extend the time for completion of the work from 21 to 23 months.

4. Project Work: Started September 15, 1968. Terminated October 21, 1969.

FINAL FIELD REPORT

Cost Items	Authorized Units	Authorized Rate	Authorized Amount	Completed Units	Completed Amount
Drifting and cross-cutting	450 feet	$51.00/ft.	$22,950.00	255 feet	$13,005.00
Long-hole drilling	400 feet	$1.20/ft.	$480.00	-----	-----
Supervisor-engineer	6 months	$600.00/mo.	$3,600.00	6 months	$3,600.00
Outside Consultant	12 days	$75.00/day	$900.00	-----	-----
Per diem, Outside Consultant	12 days	$16.00/day	$192.00	-----	-----
Transportation, Outside Consultant	2,480 miles	$0.10/mile	$248.00	-----	-----
Payroll taxes, F.I.C.A., Insurance	-----	-----	$640.00	-----	-----
Office Expenses	6 months	$50.00/mo.	$300.00	3 months	$150.00
Assaying for gold, silver, lead, zinc, and copper	305 samples	Various	$690.00	-----	-----
Total Cost of the Project			$30,000.00		$16,755.00
Government Participation at 75%			$22,500.00		$12,566.25
Paid to Operator					$12,566.25

The Government retained no equity in any of the equipment or material used.

Effectiveness of the Work - The work accomplished by the OME project indicated that previous mining had extracted all ore grade mineralized material from the veins in the target area and therefore, expenditure of time and money in further exploration work was not warranted by either the Operator or the Government.

Efficiency of Operation - The project was delayed many times because of its isolation, incompetent help, inefficient operations, breakdown of equipment, and adverse weather conditions.

5. Reports:

Operator's Final Report	- An acceptable Final Report was received on December 10, 1969 with adequate supporting maps.
Cost Review	- A Report of Review was issued by the Office of Survey and Review in January 1970.
Final Audit	- A final audit has not been requested. One additional voucher was submitted and paid on February 3, 1970 after the Report of Review.
Royalty Review	- There was no production sold and no royalty was due the Government. A Royalty Review was not requested.

6. Project Results:

Discoveries	- Project work did not result in the discovery of a silver-bearing ore body.
Certification	- No certification of possible production was issued.
Production	- There was no production of ore as a result of the OME work.
Royalties	- No royalties were paid or due the Government.

7. Geologic Summary - The ore deposit of the Lane mine occurred in a northeast striking fissure vein, with a steep northwest dip, cutting granite. The vein ranged from 6 inches to as much as 4 feet in width and averaged 18 inches. Ore minerals were chiefly argentiferous galena and minor sphalerite but trace amounts to 0.1 ounce of gold per ton were reported. Gangue material consisted mainly of quartz, pyrite, and altered wall rock. Past production was reported during the period 1882 to 1886 principally in silver valued between $300,000 to $400,000.

m 7

OFFICIAL FILE COPY

Date	Surname	Code
3/24/70	Peterson	120
		120
		220

MAR 24 1970

Mr. Philip S. Hoyt, President
Southern Mining & Milling Co.
3049 N. Marigold Drive
Phoenix, Arizona 85018

Re: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona
Contract 2252

Dear Mr. Hoyt:

Enclosed is a copy of a self-explanatory letter of today to the Operator under the subject contract.

This correspondence relates to the Lien and Subordination Agreements executed September 22, 1966, by you, under the Office of Minerals Exploration program.

Sincerely yours,

Harold Kirkemo (gla)
Harold Kirkemo
Chief, Office of
Minerals Exploration

Enclosure

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
OME Region III
Mr. Peterson
130

ECPeterson/bsl 3/24/70

orm 7
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OFFICIAL FILE COPY

Date	Surname	Code
3/24/70	Peterson	120
		120
		220
		120M

MAR 24 1970

Memorandum

To: Chief, Branch of Budget and Finance

From: Chief, Office of Minerals Exploration

Subject: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona
Contract 2252

Enclosed is a copy of the Field Officer's letter of March 18, 1970 forwarding a copy of the Report of Review issued in January 1970 to the subject Operator. Also enclosed is a copy of the report for your files.

Harold Kirkemo (gla)

Harold Kirkemo

Enclosures

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
Mr. Peterson
OME Region III

eterson/bsl 3/24/70

Office of Minerals Exploration
Building 53 Room 200

March 18, 1970

O. M. E.
RECEIVED
MAR 20 1970
MINERALS CODE

Mr. Robert C. Hanford
Crown King, Arizona 86333

Re: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona
Contract 2252

Dear Mr. Hanford:

Enclosed is an Operator's copy of a Report of Review - Contract 2252 Docket No. OME-6580 (Silver) for your files. If, for any reason, you do not agree with the data included in the Report of Review please return your copy of the report to this office with appropriate comments or corrections you feel are warranted. I concur in the facts in the report.

Please note that the $14.00 assaying expense listed under accepted costs in Exhibit I of the Report is disallowed, as you failed to have the samples assayed for silver, gold, copper, lead and zinc as required by the contract. The $14.00 was included because at the time the report was prepared the docket material did not state that we had disallowed the entire claim for assaying.

The $1,555.00 claimed by you in your final voucher for expenses incurred during October has not been included in the Report of Review. Including the $1,555.00 claimed and accepted costs total $16,755.00, with the Government contributing 75 percent or $12,566.00. The $200.00 withheld pending receipt of your final report has been recommended for payment and has at this date (3/18/70) been paid.

Sincerely yours,

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

cc: Chief, OME - 2 copies
OME-6580
OME chron
Mr. Hasler

Office of Minerals Exploration
Building 53 Room 200

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 19 1970
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GD 1 20

March 17, 1970

Mr. Robert C. Hanford
Crown King, Arizona 86333

Re: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona
Contract 2252

Dear Mr. Hanford:

Please pardon my delay in answering your letter of March 1, 1970 concerning the final payment of $1,366.25 for exploration work completed during October 1969 under the subject contract at the Lane Silver Mine.

Our records show that your Operator's Progress Report MME Form 61, for the month of October 1969 was for drifting a total of 30 feet. Thirty feet at a cost of $51.00 per foot totals $1,530.00 the cost that you also show on your Operator's Monthly Voucher, MME Form 60, for the month of October, 1969.

I am enclosing xerox copies of your voucher forms as sent to us for your records and inspection. Our records show that a drifting figure of 35 feet was paid for work completed during the month of December, 1968. This is the only month in which a 35-foot drifting figure appears throughout the course of the subject contract.

I am returning your copy of the administrative suspension statement as the $200.00 being withheld pending transmittal of your final geologic and engineering report has also been paid.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosures

cc: Chief, OME ✓ OME-6580 OME Chron Mr. Hasler

FORM 60
1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Docket No. 6580
Contract No. 2252

OPERATOR'S MONTHLY VOUCHER

For Month of OCTOBER 1959

Contract Amount $ 30,000.00
Gov't. Participation % 75 $ 22,500
Mineral(s) Silver

Operator's Name Robert C. Hanford
Address Crown King, Arizona 86333

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						
Drifting	1,530.	11,475.	13,005.			
Crosscutting						
Drilling						
(2) Personal Services:						
Supervision ~~& Technical~~	-0-	3,600	3,600			
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	-0-	-0-	-0-			
Payroll Taxes						
Employee's Liability Ins.						
Office Expense	25.	125.	150.			
TOTALS	1,555	15,200.	16,755.			

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

Date [illegible] *Payee Robert C. Hanford

Per _____ Title Operator

* 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,

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

1166.25 (.0314 x 9804)
200.00 (14% 6,000.00)
$1366.25

Signature [illegible]
(Authorized Certifying Officer)

Date FEB 3 1960 Vou. No. [illegible]

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. _____

Signature _____ Title _____ Date _____

Approved by:

Signature _____ Title _____ Date _____

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 Field 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 Field 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.

ME FORM 61
EPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

OPERATOR'S PROGRESS REPORT

For Month of OCTOBER 1969

Docket No. 6580

Contract No. 2252

Operator's Name Robert C. Hanford

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
Drifting		30	255	13,005.00	30	255	13,005.00
Crosscutting							
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Supervision			6	3,600.00		6	3,600.00
Roads and Trails							
Mining Office Expense		1/2	3	150.00	1/2	3	150.00
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)				$16,755.00			16,755.00

REMARKS

(Continue on back)

REMARKS

I recommend $200.00 [illegible]
1/23/70

(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 Jan. 19, 1970 Operator R. C. Hanford

Per _____ Title Operator

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 [illegible]

Title [illegible]
Government Representative

Date [illegible]

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.

JWH 3/3/70

OME 6580

Crown King, Ariz.

March 1, 1970

ORIGINAL COPY
O. M. E.
RECEIVED
MAR 20 1970
INITIALS CODE

Mr. J. WM. Hasler

Office Of Minerals Exploration

U. S. Geological Survey

Federal Center

Denver, Colorado 80225

Dear Mr. Hasler:-

I have just received a treasury draft in the amount of $1366.25, as full and final payment on the above referred to contract.

I do not believe this sum is correct for full payment of the amount due.

The basis for my statement is arrived at by calculating the cost of 35 feet of drifting at $51.00 per foot, less 25%, which equals $1338.75 plus $200.00 withheld from last payment for a total of $1538.75 due as full and final payment on contract.

There is due me at the present the sum of $172.50.

Kindly inform me if my above figures are in error.

Yours truly,

Robert C. Hanford

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey
Branch of Budget and Finance
Washington, D. C. 20242

04532

JWA 3/3/70

ADMINISTRATIVE DETERMINATION STATEMENT

Name and Address of Payee

Robert C. Hanford
Crown King, Arizona 86333

Amount Claimed	Differences (Explained Below)	Amount Approved
1,555.00		1,555.00 1166.25 Gov. Part Plus 200.00 * 1366.25
Payee's Voucher No.	Payee's Invoice No.	Dated
	Docket #6580 Contract #2252	Oct.1969

EXPLANATION

*Refunding 200.00 withheld pending receipt of final report.

Any question for item deducted must be referred to a specialist from the subsequent monthly voucher and supported by the original of this statement.

ms
Branch of Budget and Finance

Form 7
2/63)

OFFICIAL FILE COPY

Date	Surname	Code
2/6/70	P Hayn	120
	Emerick	120
2/6	Cal	220
		120M

FEB 6 1970

AIRMAIL

Memorandum

To: Field Officer, Region III

From: Chief, Office of Minerals Exploration

Subject: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona
Contract 2252

Enclosed are two copies of a Report of Review issued January 1970.

If you concur in the facts in the report, the Operator should be sent its copy with appropriate comments. As evidence of your concurrence, two copies of your letter transmitting the Operator's copy of the report should be furnished this office. If for any reason you do not agree, both copies of the report should be returned to this office with your comments.

Please note that the $14.00 assaying expense listed under accepted costs in Exhibit I of the report is disallowed. The Operator failed to have samples assayed for silver, gold, copper, lead, and zinc as required by the contract. The $14.00 was included because at the time the report was prepared the docket material did not state that we had disallowed the entire claim for assaying.

The $1,555.00 claimed by the Operator in his final voucher for expenses incurred during October has not been included in the Report of Review. Including the $1,555.00, claimed and accepted costs total $16,755.00, with the Government contributing 75 percent or $12,566.00. The $200.00 withheld pending receipt of the Operator's final report has been recommended for payment.

W. L. Emerick
W. L. Emerick
for: Harold Kirkemo

cc: Director's Reading File
Economic Geology File

Inclosures

OME Docket
OME Reading File
Mr. Peterson
130

terson/bsl 2/6/70

MME FORM 6C
SEP 1, 1959

OFFICIAL COPY
FEB 1970
RECEIVED

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Docket No. ~~6580~~
Contract No. 2252

OPERATOR'S MONTHLY VOUCHER

For Month of ~~OCTOBER 1969~~

Contract Amount $ ~~30,000.00~~
Gov't. Participation % 75 $ 22,500
Mineral(s) ~~Silver~~

Operator's Name Robert C. Hanford
Address ~~Kingman, Arizona 86333~~

COST CATEGORIES	FOR OPERATOR'S USE: MONTHLY TOTAL	FOR OPERATOR'S USE: PREVIOUSLY REPORTED	FOR OPERATOR'S USE: TOTALS TO DATE	FOR GOVERNMENT APPROVAL ONLY: MONTHLY TOTAL	FOR GOVERNMENT APPROVAL ONLY: PREVIOUSLY REPORTED	FOR GOVERNMENT APPROVAL ONLY: TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing						
Drifting	1,530.	11,475.	13,005.			
Crosscutting						
Drilling						
(2) Personal Services:						
Supervision & Technical	-0-	3,600	3,600			
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	-0-	-0-	-0-			
Payroll Taxes						
Employee's Liability Ins.						
~~Office Expense~~	25.	125.	150.			
TOTALS	1,555.	15,200.	16,755.			

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

Date Jan. 19, 1970 *Payee Robert C. Hanford

Per _____ Title Operator

* 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:

1,166.25 (63) 14X0804
200.00 14X6815(68)
$ 1,366.25

Signature _____
(Authorized Certifying Officer)

Date FEB 8 1970 Vou. No. 04592

(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. 2252

Signature J. William Haslop Title Field Officer Date 1/23/70

Approved by:

Signature J. William Haslop Title Field Officer Date 1/23/70

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 Field 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 Field 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
GEOLOGICAL SURVEY

OPERATOR'S PROGRESS REPORT

For Month of OCTOBER 1969 Docket No. 6580

Operator's Name Robert C. Hanford Contract No. 2252

OPERATION	UNITS	FOR OPERATOR'S USE			FOR GOVERNMENT USE		
		UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting		30	255	13,005.00	30	255	13,005.00
Crosscutting							
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Supervision			6	3,600.00		6	3,600.00
Roads and Trails							
Stripping Office Expense		1/2	3	150.00	1/2	3	150.00
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)*				$16,755.00			16,755.00

REMARKS

(Continue on back)

REMARKS

Recommend $200.00 presently being withheld be released.
JWA
1/23/70

(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 Jan. 19, 1970 Operator Robert C. Hanford

Per _____ Title Operator

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 J. William Hosler

Title Field Officer
Government Representative

Date January 23, 1970

(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.

INT.DUP.,D.C.59- 27168

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey
Branch of Budget and Finance
Washington, D. C. 20242

04592

ADMINISTRATIVE SUSPENSION STATEMENT

Name and Address of Payee:

Robert C. Hanford
Crown King, Arizona 86333

Amount Claimed:	Differences (Explained Below)	Amount Approved
1,555.00		1,555.00 1166.25 Gov. Part Plus 200.00 1366.25
Bu. Voucher No.	Payee's Invoice No.	Period
	Docket #6530 Contract #2252	Oct.1969

EXPLANATION

Withholding 200.00 withhold pending receipt of final report.

Any reclaim for items deducted must be submitted as a separate item on subsequent monthly voucher and supported by the original of this statement.

ms
Branch of Budget and Finance

Robert C. Hanford
Crown King, Arizona 86333
December 8, 1969

04592

OME Region III
RECEIVED
DEC 10 1969
Denver, Colorado

Mr. J. William Hasler
Field Officer, Region III
Office of Minerals Exploration
U.S. Department of the Interior
Geological Survey
Building 53, Room 200
Denver, Colorado 80225

Subject: OME 6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona
Contract 2252

Dear Mr. Hasler:

The following is a summary of the activity under my supervision at the Lane Silver Mine situated in Yavapai County, Arizona, between the dates of January 1967 and October 21, 1969.

Operator's Final Report

The first step in the reopening of the Lane Mine and subsequent exploration for silver ore required the construction of approximately one mile of road through very difficult terrain. The schedule for this part of the project contemplated its completion within three weeks. Due to breakdown of the road building equipment, and other difficulties, the road was finally completed about six months after work initially began.

During the period between July 1967 and the execution of the OME contract on November 21, 1967, activity at the mine was confined to the catching up of caved ground and the retimbering of the 400 level adit. All work stopped on December 6, 1967 due to the severity of the weather (unusually heavy snowfall) and no work was done until March 1968.

A contract was entered into with a Henry P. McNeill, a mining contractor, in March 1968 which required that he complete the work called for under the OME contract. Because of ill health and incompetent help, McNeill was unable to complete the contract. I then moved off McNeill's equipment and re-equipped the property and contracted with other miners to complete the program outlined in the OME contract. After driving 38 feet of drift, these miners gave up the contract and walked off the job.

RECEIVED
DEC 10 1969
Denver, Colorado

At that point I took over the job with the realization that because of the relative isolation of the property it would be almost impossible to secure the help of experienced miners.

The entire project has been delayed many times by circumstances beyond my control. An original schedule that allowed for completion within six months has extended well into its third year. Although all of the work specified in the OME contract has not been completed, enough has been accomplished to convince me that the further expenditure of time and money on the Lane Mine, in view of present evidence, would not be justified.

I would like to have my October 1969 voucher serve as my final geologic and engineering report.

Included are the required maps and narrative.

Sincerely yours,

Robert C. Hanford

Robert C. Hanford

RCH/E
enclosures

Supplemental Information to accompany Operator's Final Report of December 8, 1969.

Geology

Precambrian crystalline rocks and metamorphic rocks occupy most of the area surrounding the Lane mine. The metamorphic rocks, known as the Yavapai schist, consist of phyllite and mica and hornblende schist, all largely of sedimentary origin (Lindgren, 1926). Thick strata of Yavapai schist trending north-northeast across the district are intruded by the Bradshaw granite, a massive, coarse- to medium grained, gray to pink biotite granite. The Lane mine is entirely within the granite.

Ore minerals consist chiefly of silver-bearing galena and minor sphalerite. Traces to 0.1 oz. per ton of gold are reported to be present in the ore (Bradshaw, M. G., 1917). Gangue consists mostly of quartz, pyrite and argillized wall rocks.

The Lane mine exploited a steeply northwest-dipping fissure vein that cuts the granite roughly parallel to the predominant north-northeast trend of the major joint system. The main vein has been traced on the surface for about 1,000 feet through a vertical interval of about 500 feet. It averages about 18 inches wide and has been mined to a depth of 220 feet. Two other semi-parallel veins, one on each side of and about 40 feet from the main vein, have been prospected at the surface near the northeastern extremity of the workings, they are about 1-foot wide and are believed to be branch veins of the main vein, but as the two subsidiary veins have never been explored at depth their genetic relationship with the main vein is not known.

The Lane mine, according to Bradshaw (1917) waslocated in the early 1880's and is reported to have a production valued at between $300,000 and $400,000. Lindgren (1926) states that "in the Mint report for 1884-- a 4-stamp mill was on the property and that 300 tons of ore were crushed yielding $50,000 in silver and gold." A single stope extending from the surface to a depth of about 200 feet and about 160 feet long is the source of the known production from the Lane mine. It is reported by Bradshaw (1917) that the productive part of the main vein ranged from 6 inches to as much as 4 feet in width. A probable average may have been 18 inches giving a mined tonnage of 4,000 to 5,000 tons, and which at an estimated average content of 200 oz. Ag per ton for 50 percent of the stope length would have generated a gross value from $400,000 to $500,000.

An OME contract (Contract 2252) was executed between me and the Government to explore by drifting, crosscutting and long-hole drilling on the 400-foot level of the Lane Silver mine for silver bearing ore bodies in and along three mineralized parallel veins cutting the Precambrian granitic rocks. Work was to begin from the face of the rehabilitated adit in a northeasterly direction along the strike of the main or middle vein. The 400-level adit was to be rehabilitated for a distance of approximately 600 feet from the present face of the adit, which was some 600 feet from the portal.

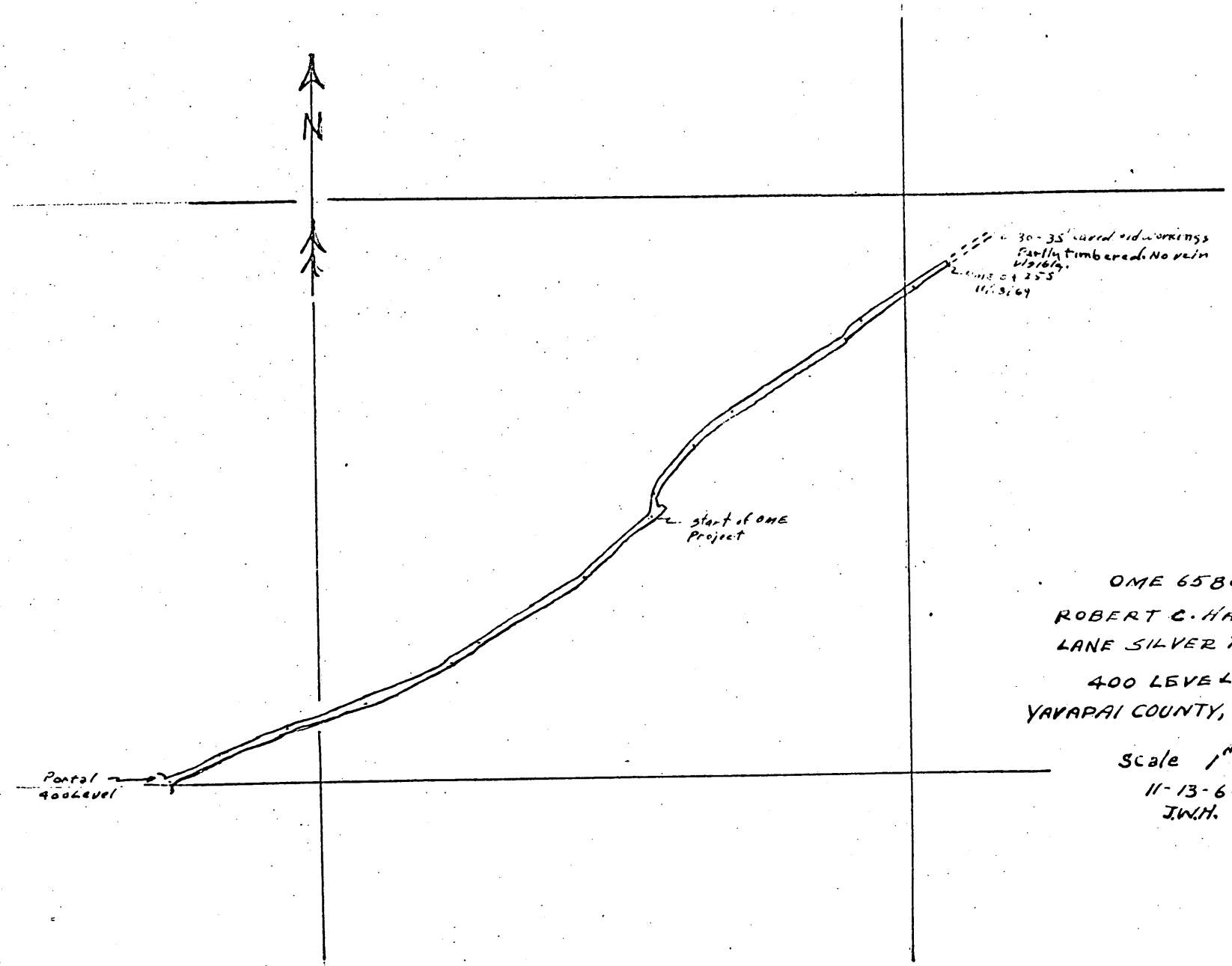
Extremely bad ground, and much time was consumed getting through it, then at a distance of 182 feet beyond where the old workings were bypassed, additional work, not previously mapped or known to exist were encountered. These workings were badly caved and the structure was followed for an additional 72 feet in an effort to reach an original face, but was of no avail. The caved material in the old workings contained no mineralized material. It is therefore assumed that the vein had been mined previously thus obliterating the original target area.

The costs involved to continue exploration under the present circumstances are too high to warrant further work, consequently it was of mutual interest both by the Government and myself to terminate the subject contract.

Robert C. Hanford
Operator

DEPARTMENT OF THE INTERIOR
U.S. GEOLOGICAL SURVEY

OFFICE OF MINERALS EXPLORATION
OME 6580



OME 6580
ROBERT C. HANFORD
LANE SILVER MINE
400 LEVEL
YAVAPAI COUNTY, ARIZONA

Scale 1" = 100'
11-13-69
J.W.H.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
1/28/70	Peterson	120
		120
1/28	Cole	220
		120M

JAN 28 1970

Memorandum

To: Chief, Branch of Budget and Finance

From: Chief, Office of Minerals Exploration

Subject: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona
Contract 2252

Work has been completed on the subject contract, and the Operator has submitted an acceptable Final Report. Therefore, in accordance with the Field Officer's recommendation, we recommend that the $200.00 being withheld from payment to the Operator should now be paid.

Harold Kirkemo (gla)

Harold Kirkemo

Enclosure

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
Region III
Mr. Peterson

ECPeterson/bsl 1/28/70

Office of Minerals Exploration
Building 53 Room 200

December 31, 1969

OFFICIAL
COPY
O. M. E.
RECEIVED
JAN 2 1970

INITIAL | CODE
JW | 130
Gell | 120 m
HK | ~~120~~
EN | 120 P

Mr. Robert C. Hanford
Crown King, Arizona 86333

Re: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona
Contract 2252

Dear Mr. Hanford:

Your final report and October monthly voucher were returned to this office for some additional data. Rather than attempt to obtain the requested data via telephone or correspondence it would be wise for us to discuss it here in Denver, Colorado.

During my final inspection of the project work you mentioned a proposed trip to Denver, Colorado early in January 1970 to attend to some other business that you wished to take care of. If you will let me know the days you intend to be in Denver I will schedule an appointment, and make certain I am in town during your scheduled trip to Denver. We can then complete the work requested by Washington and proceed to close out the contract. Please pardon the delays, as I have been out of the state since December 20, 1969.

Sincerely yours,

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

cc: Chief, OME
OME-6580
OME chron
Mr. Hasler

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

December 15, 1969

OFFICIAL COPY
O. M. E.
DEC 17 1969

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona
Contract 2252

Transmitted herewith is a copy of a letter from the subject operator dated December 8, 1969 confirming our mutual agreement to terminate the OME contract at the Lane Silver Mine, Yavapai County, Arizona.

I concur in this agreement to terminate the contract and that no more funds be spent on the contract and that the required steps be taken to terminate the contract be instigated.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Attachment

Crown King, Arizona 86333
December 8, 1969

OME Region III
RECEIVED
DEC 10 1969
Denver, Colorado

Mr. J. William Hasler
Field Officer, Region III
Office of Minerals Exploration
U.S. Department of the Interior
Geological Survey
Building 53, Room 200
Denver, Colorado 80225

Subject: OME 6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona
Contract 2252

Dear Mr. Hasler:

This will confirm our mutual agreement to terminate the subject contract at the Lane Silver Mine.

Sincerely yours,

Robert C. Hanford

Robert C. Hanford

RCH/E

Office of Minerals Exploration
Building 53 Room 200

OFFICIAL COPY
O. M. E.
DEC 5 1969
INITIAL & CODE
~~130~~
bal 120 M
HK ~~120~~
EB ~~120~~ P

December 3, 1969

Mr. Robert C. Hanford
Crown King, Arizona 86333

Subject: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona
Contract 2252

Dear Mr. Hanford:

Will you please write us a letter in duplicate informing us of your mutual agreement to terminate the subject contract at the Lane Silver Mine?

Sincerely yours,

J. William Hasler
mc

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

cc: Chief, OME ✓
OME-6580
OME chron
Mr. Hasler

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

November 25, 1969

OFFICIAL COPY
O. M. E.
RECEIVED
NOV 28 1969

INITIALS	CODE
[illegible]	30
[illegible]	20
HK	120
[illegible]	120

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona
Contract 2252

A final inspection of the Lane Silver Mine, Yavapai County, Arizona was made on November 13, 1969. The Field Officer was accompanied by Mr. Robert C. Hanford, the Operator.

A contract was executed on November 21, 1967 between the Government and Mr. Robert C. Hanford, an individual, (The Operator) to explore for silver-bearing ore, by drifting, crosscutting and long-hole drilling on the 400-foot level of the Lane Silver Mine, Yavapai County, Arizona in and along three mineralized parallel veins cutting the Precambrian granitic rocks. The exploration work was estimated to cost a total of $30,000.00. The Government's contribution at 75 percent participation was estimated to be not in excess of $22,500.00.

Amendment No. 2 of the subject contract, dated September 30, 1969 extended the date for completion of the work from twenty-one (21) to twenty-three (23) months from the date of the contract, or until October 21, 1969.

The 400-level adit was to be rehabilitated for a distance of approximately 600 feet from the present face of the adit, which was some 600 feet from the portal. Extremely bad ground was encountered, in an effort to get in under the old caved stoped area. Finally, in October, 1968 some progress in drifting was made. Between October 1, 1968 and March 1, 1969 a total of 144 feet of drifting was completed.

Then during March, April and May, the Operator replaced the old equipment with new equipment, cancelled his operating agreement between himself and the miner, Mr. McNiel. The Operator began with a new mine crew. The new agreement between the Operator and the mine crew failed in June 1969, coupled with the fact that after drifting an additional 38 feet, old workings were encountered in the footwall that were not shown on previous maps available at the time of the field examination, indicating now that the vein had been more extensively mined than had been heretofore suspected.

The Operator, in his June 1969 "Operator's progress report", as well as in his June 1969 "Narrative report" requested termination of the contract. He indicated that the objectives of the exploration project had been met, this of course was not true, except for the fact that the workings show that the vein has been previously mined, thus essentially nullifying reasons for continued exploration. As of June, 1969 only 182 feet of vein had been explored as a result of the exploration work, with essentially negative results. The entire project has been fraught with operational difficulties from the very beginning, and then complicated by two severe winter seasons that delayed the project considerably. During the better months when some progress was made there was only a maximum of 44 feet of drifting completed in any one month and the Operator only averaged 28.8 feet per month over the five month period from October 1, 1968 through February 28, 1969.

The Operator has completed a total of 255 feet of drifting and crosscutting on and along the vein as of November 13, 1969 at a total cost of $16,769.00. (Maps attached). Exploration work along the old workings shows a rather strong footwall structure but progress included the removal of mostly caved material consisting of densely packed muck and slabs of country rock. At no time during my last two inspections was there any significantly mineralized material observed. Consequently, there has been no discovery of any new ore bodies as a result of the exploration work completed to date. It is not likely that any will be discovered without extensive additional expenditures of money, that are not now warranted, without completing an exhaustive geologic study of the Lane Silver Mine vein system.

It is therefore recommended that the subject contract be terminated. The Operator is in agreement with the Field Officer in this respect, and will request termination of the contract. He will submit a final report at his earliest convenience.

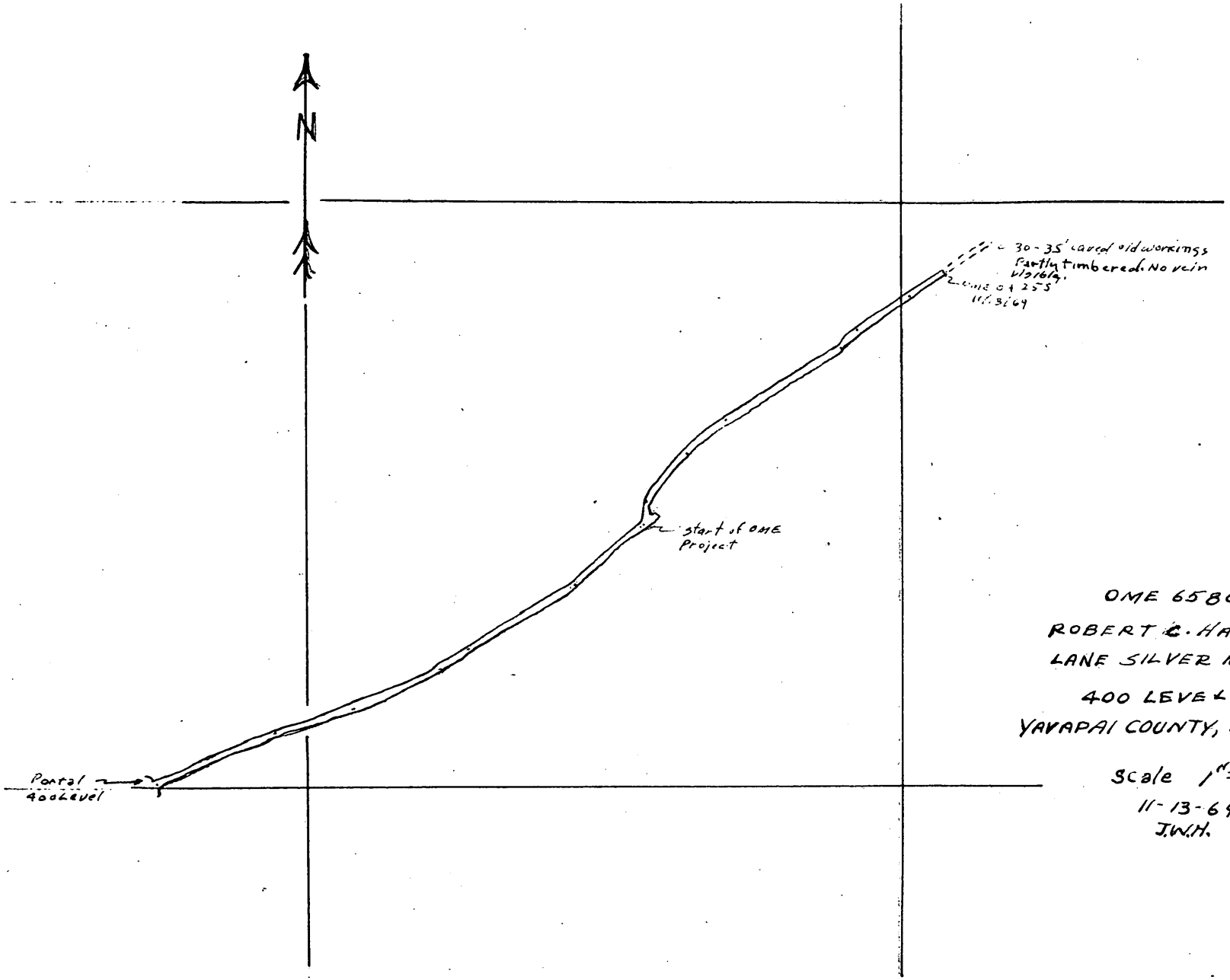
Attachments

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

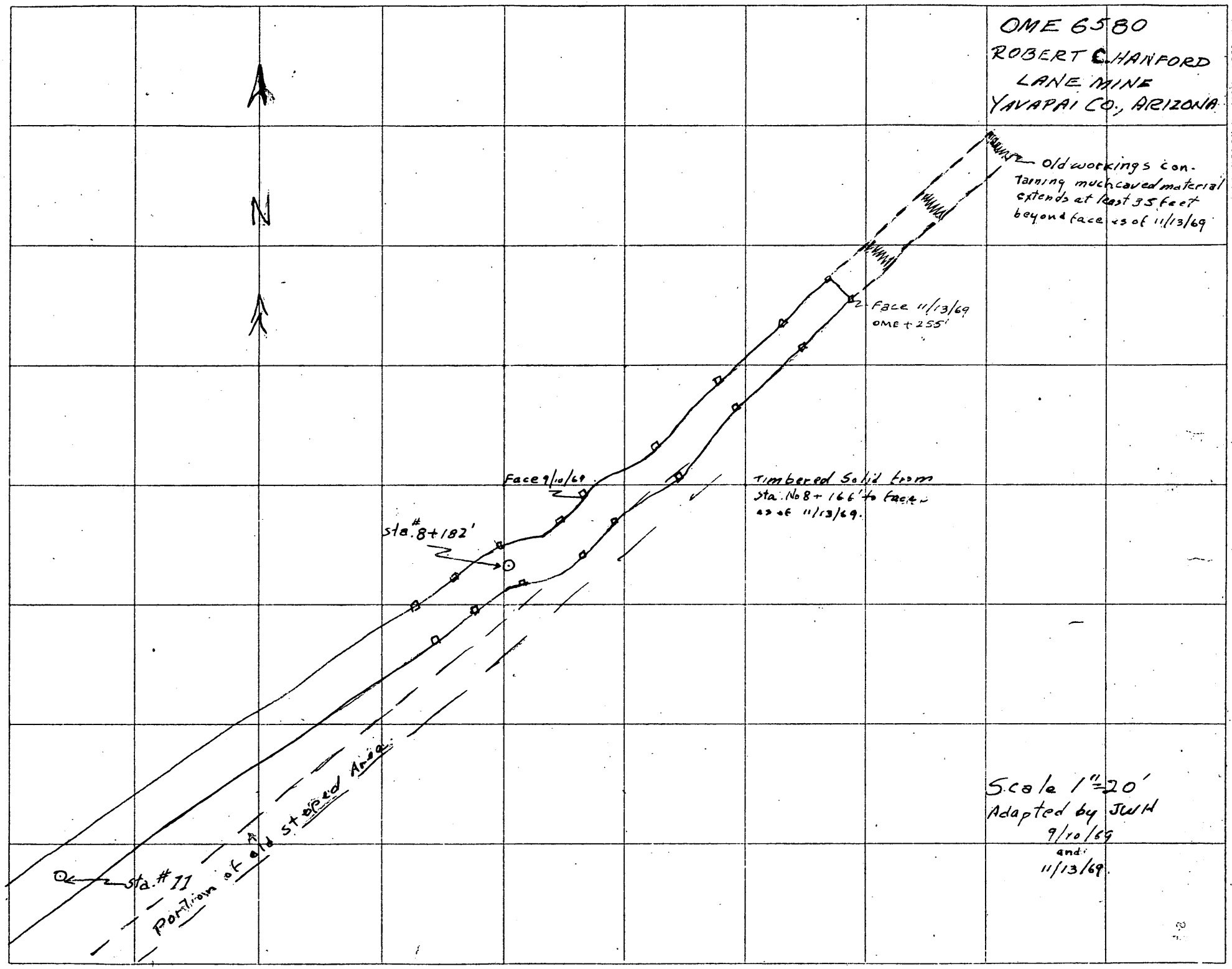
DEPARTMENT OF THE INTERIOR
U.S. GEOLOGICAL SURVEY

OFFICE OF MINERALS EXPLORATION
OME 6580



OME 6580
ROBERT C. HANFORD
LANE SILVER MINE
400 LEVEL
YAVAPAI COUNTY, ARIZONA

Scale 1" = 100'
11-13-69
J.W.H.



"ALBANENE" NO. 1 WGM K&E CO., N.Y.
REG. U.S. PAT. OFF.

Office of Minerals Exploration
Building 53 Room 200

OFFICIAL COPY
O. M. E.
RECEIVED
NOV 26 1969
OFFICE CODE
A30
Cal 120 MC
HK 170
EM 120

November 24, 1969

Mr. Robert C. Hanford
Crown King, Arizona 86333

Subject: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona
Contract 2252

Dear Mr. Hanford:

Enclosed are two maps I have prepared since my final inspection of the Lane Silver Mine on November 13, 1969; one on a scale of 1" = 20' and another on a scale of 1" = 100'. Before you completely move off the hill it would be wise to have Mr. Hoyt's son complete his map.

I have also enclosed a "sample" voucher forms 60 and 61, since you stated that you may have mislocated your voucher including the July, August and September costs. I have allowed $14.00 for analytical work that could possibly be allowed by Washington, and also increased the costs for office expense the amount I think would be justified. You may as well use this last or October voucher for your final report, and give a complete review of the project in your narrative. Include a final map as well. This will possibly suffice in view of the fact that no ore was discovered as a result of the exploration work. Follow instructions for the final report as cited in your contract under Article 5(c). The costs you have incurred will be those items shown on my "sample" copy of voucher forms 60 and 61 enclosed. The $200.00 being withheld will be refunded to you upon receipt of your final report. We will then proceed with the closing out of the subject contract.

Sincerely yours,

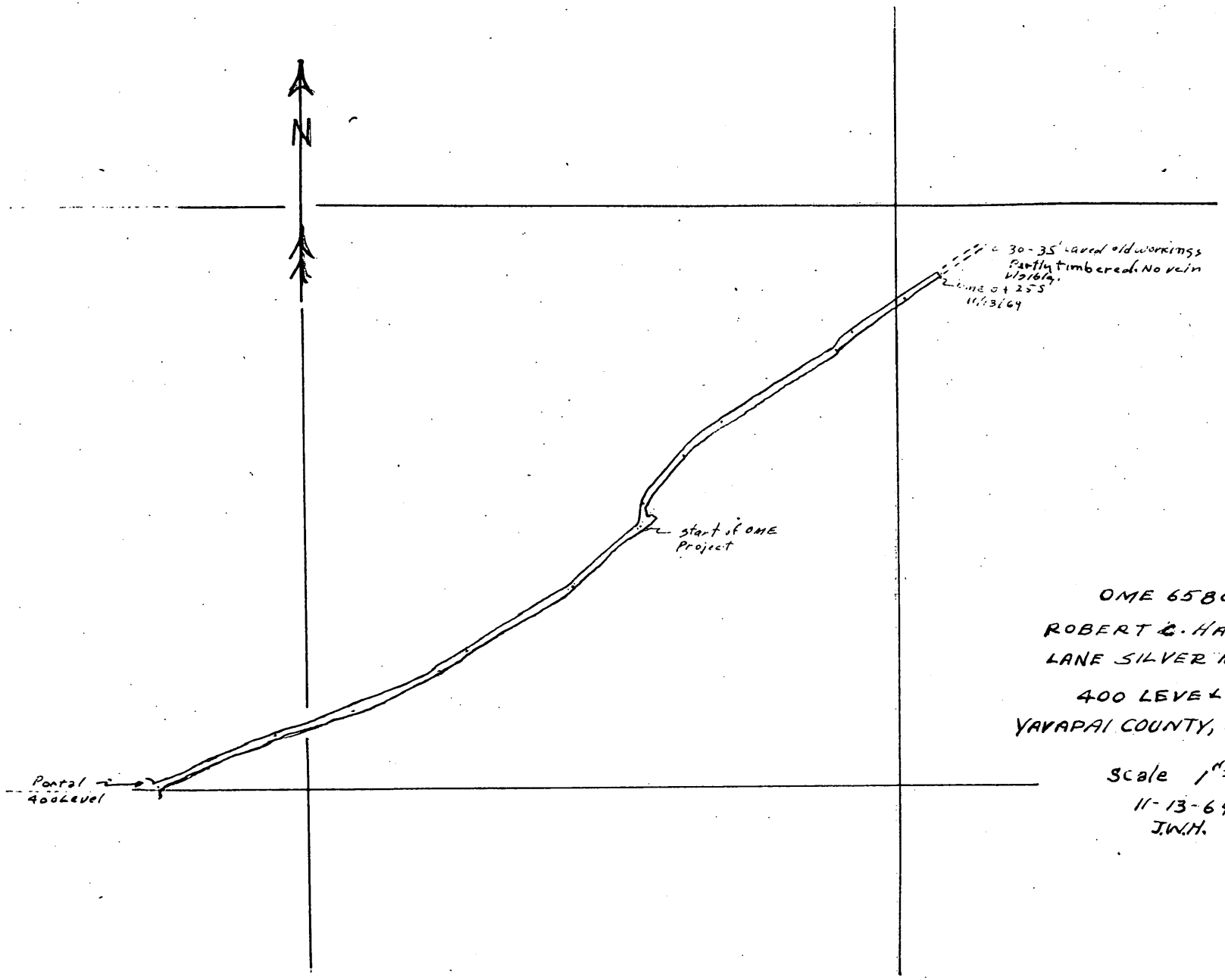
cc: Chief, OME
OME-6580
OME chron
Mr. Hasler

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

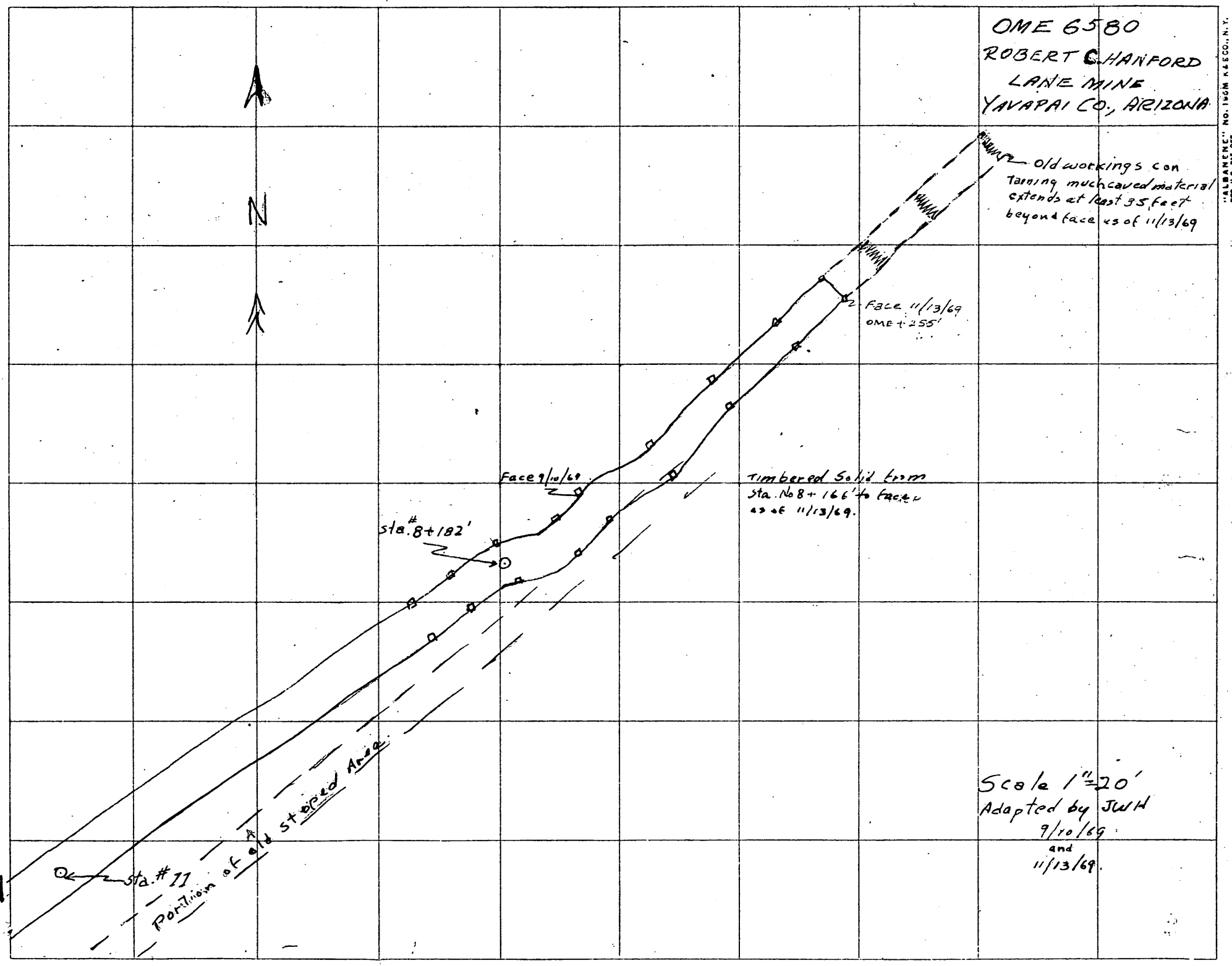
DEPARTMENT OF THE INTERIOR
U.S. GEOLOGICAL SURVEY

OFFICE OF MINERALS EXPLORATION
OME 6580



OME 6580
ROBERT C. HANFORD
LANE SILVER MINE
400 LEVEL
YAVAPAI COUNTY, ARIZONA

Scale 1" = 100'
11-13-69
J.W.H.


OME 6580
ROBERT C. HANFORD
LANE MINE
YAVAPAI CO., ARIZONA
N
Old workings con
Taining much caved material
extends at least 35 feet
beyond face as of 11/13/69
Face 11/13/69
OME + 255'
Face 9/10/69
Timbered Solid from
Sta. No 8 + 166' to face
as of 11/13/69.
Sta. # 8+182'
Sta. # 11
Portion of old stoped Area
Scale 1" = 20'
Adapted by JWH
9/10/69
and
11/13/69.

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

to BHP
10/31

October 29, 1969

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 30 1969

INITIALS	CODE
	~~130~~
bal	120 M
HK	~~120~~
SP	120 P

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine Group
Yavapai County, Arizona
Contract 2252

Transmitted herewith are the original and two copies of MME Form 60 (Operator's Monthly Voucher), MME Form 61 (Operator's Progress Report) and narrative for the months of July, August, and September on the above-stated contract, recommended for payment.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosures

RECEIPT Date _____ 19__ No. 2632

Received From D. C. Hartford

Address

Dollars $ 3.00

For Hay

Amt of $1162

ACCOUNT			HOW PAID		
AMT. OF ACCOUNT			CASH	3	00
AMT. PAID			CHECK		
BALANCE DUE			MONEY ORDER		

By Roy Tracy

Rediform

GREYHOUND BUSBILL Co. W.G.L.

B 125 018

DESTINATION STATION: Salt Lake City STATE: Utah

CONSIGNEE: Elmer Tracy

STREET ADDRESS: 70 Cory Motors

NO. OF PIECES: 1 | PKG. | BOX | ENV. | SACK | BGGE. | CTN. | OTHER:

CONTENTS: One Sample

SHIPPER'S NAME: D. C. Hartford

STREET ADDRESS: Carson Kerr Ang

ORIGIN CITY & STATE: PHOENIX, ARIZONA

PHONE | ☐ CHG. ACCT. ☐ DELIVERY

DECL. VALUE $ 50 | ACTUAL WT. 5 LBS. | TARIFF WT. LBS.

CONSIGNEE NOTIFIED MO. DAY YEAR TIME A. M. P. M.

ROUTING
INSERT EACH COMPANY'S ABBREVIATION AND JUNCTION POINT ON LINES BELOW

COMPANY	TO
W.G.L.	

FORWARDING AGENT

MO.	DAY	YEAR	TIME
3	16	64	5 A. M. / P. M.

EXPRESS CHARGES	$	2 70
CHARGES ADVANCED	$	
PICK UP CHARGES	$	
DELIVERY CHARGES	$	
VALUE CHARGES	$	
SUB TOTAL	$	
STATE TAX	$	
TOTAL PREPAID	$	2 70

(NOT NEGOTIABLE) SUBJECT TO TARIFF REGULATIONS: LIABILITY: The carrier will not pay over $50.00 for any shipment of 100 pounds or less, or 50c per pound actual weight for any shipment in excess of 100 pounds, unless a greater value is declared and charges for such greater value paid. Maximum valuation any one shipment is limited by tariff.

1 SHIPPER'S RECEIPT
FORM O-17R (10-64) PRINTED IN U.S.A.

BL 058257 MR16 2.70 PD

PREPAID	NO.	DATE	AMOUNT

Not a [illegible] [illegible] for [illegible]

Shop No. 1163 Date 14 AUG 1969

File No.

VALUES
Latest Quotation

1 oz. Gold $41.50
1 oz. Silver $ 1.65
1 lb. Copper
1 lb. Lead
1 lb. Zinc

THIS CERTIFIES
Samples submitted for assay contain as follows:

Arizona Assay Office

815 NORTH FIRST STREET
Phone: 253-4001

Phoenix, Arizona 85001
P. O. BOX 1148

A. O. HANDFORD
CROWN KING
AZ. 86333

Short Ton ..... 2000 Lbs.
Short Ton Unit ..... 20 Lbs.
Long Ton ..... 2240 Lbs.
Long Ton Unit ..... 22.4 Lbs.

MARKS	SILVER PER TON Ozs.	SILVER PER TON Tenths	VALUE PER TON		GOLD PER TON Ozs.	GOLD PER TON 100ths	VALUE PER TON		TOTAL VALUE PER TON of Gold & Silver		PERCENTAGE				REMARKS
	1.	80			0	42			0						
						Cancel									
165			Denied												
180															
132 00															
165															
$29.700															

REGISTERED ASSAYER
CERTIFICATE EXPIRES
JACK STONE
5479
DEC. 31, 19
ARIZONA, U.S.A.

Charges $ 3.00 PAID

Assayer Jack Stone
JACK STONE REG. No. 5479

ANDY CHUKA, PRINT

Closed
Sept 16 - Sept 22
Vacation

Shop No. 26 JUNE Date 1969

File No. 1086

VALUES
Latest Quotation

1 oz. Gold
1 oz. Silver $1.56
1 lb. Copper
1 lb. Lead
1 lb. Zinc

THIS CERTIFIES
Samples submitted for assay contain as follows:

Arizona Assay Office

815 NORTH FIRST STREET
Phone: 253-4001

Phoenix, Arizona 85001
P. O. BOX 1148

R. C. HANFORD
Crown King AZ

Short Ton ..... 2000 Lbs.
Short Ton Unit ..... 20 Lbs.
Long Ton ..... 2240 Lbs.
Long Ton Unit ..... 22.4 Lbs.

MARKS	SILVER PER TON Ozs.	SILVER PER TON Tenths	VALUE PER TON		GOLD PER TON Ozs.	GOLD PER TON 100ths	VALUE PER TON		TOTAL VALUE PER TON of Gold & Silver		PERCENTAGE				REMARKS
	1.	10													

Assayed

Charges $ 3.00 PAID

Assayer

REGISTERED ASSAYER
CERTIFICATE EXPIRES
JACK STONE
5479
DEC. 31, 19
ARIZONA, U.S.A.

JACK STONE REG. No. 5479

ANDY CHUKA, PRINT

Shop No. 445
File No. 1291 HA

Date 10 JULY 1968

Arizona Assay Office

815 NORTH FIRST STREET
Phone: 253-4001

Phoenix, Arizona 85001
P. O. BOX 1148

VALUES
Latest Quotation

1 oz. Gold.....
1 oz. Silver.....
1 lb. Copper.....
1 lb. Lead.....
1 lb. Zinc.....

THIS CERTIFIES
Samples submitted for assay contain as follows:

MR. R. C. HANFORD

Short Ton ..... 2000 Lbs.
Short Ton Unit ..... 20 Lbs.
Long Ton ..... 2240 Lbs.
Long Ton Unit ..... 22.4 Lbs.

MARKS	SILVER PER TON Ozs.	SILVER PER TON Tenths	VALUE PER TON		GOLD PER TON Ozs.	GOLD PER TON 100ths	VALUE PER TON		TOTAL VALUE PER TON of Gold & Silver		PERCENTAGE LEAD	PERCENTAGE ZINC			REMARKS
200' LEVEL	302.	30				.12					12.40	10.90			
SURFACE SHOWING	153.	60				.02									
100' LEVEL	262.	40				.01									
200' LEVEL	177.	40				.01									

Charges $ 25.00 PAID

Assayer.....

JACK STONE REG. No. 5479

ANDY CHUKA, PRINT

OME Region III
RECEIVED
OCT 27 1969
Denver, Colorado

IRON KING ASSAY OFFICE

ASSAY CERTIFICATE

BOX 14
HUMBOLDT, ARIZONA 86329

REGISTERED ASSAYER
COMPOSITE EXPIRES
PROVINCE OF
BRITISH COLUMBIA
JUN 30 1969
ARIZONA, U.S.A.

SUBMITTED BY: R.C.Hanford June 281969

DESCRIPTION	oz/ton Au	oz/ton Ag		% Fe	% Pb	% Zn	% Cu
Sample # 400_546		0.30					

Insufficient

CHARGES $2.00 Paid.

ASSAYER

INVOICE

2727

ATL Arizona Testing Laboratories

817 West Madison Phoenix, Arizona 85007 Telephone 254-6181

Chemists
Engineers
Geologists

R.C. Hanford
Crown King, Arizona
86333

PURCHASE ORDER

DATE Aug 18, 1969

LAB. NO.

TERMS NET. This is a professional labor bill and is due upon presentation.

DATE	QUANTITY	ITEMS	UNIT PRICE	AMOUNT
	1	Gold & silver assay plus preparation		6.50
		Paid Cash		

disallowed

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

20 B+F
1/28

January 23, 1970

OFFICIAL COPY
O. M. E.
RECEIVED
JAN 26 1970
INITIALS | CODE
gla 1/20
HK 1/20
CAP 1/20

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona
Contract 2252

Enclosed are an original and two revised copies of the Operator's Monthly Voucher (MME Form 60) and Operator's Monthly Progress Report (MME Form 61) for the month of October 1969. The forms sent December 16, with an Operator's Final Report were returned to me to obtain additional geologic information from the Operator. Included are copies of the supplemental information provided by the Operator. The information should now be sufficient to complete closing out the contract.

My recommendations are that no certification of a discovery can be made and that the $200.00 presently being withheld now be released to the Operator, upon receipt of the supplemental data.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosures

MME FORM 60
SEPT. 1959

OFF. O. M. E. COPY RECEIVED NOV 10 1969 INITIALS CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

OPERATOR'S MONTHLY VOUCHER

For Month of July, Aug, Sept. 1969

Operator's Name Robert C. Stanford
Address Crown King, Arizona 86333

Docket No. OME 6590
Contract No. 2252
Contract Amount $30,000.00
Gov't. Participation % 75 $ 22,500
Mineral(s)

COST CATEGORIES	FOR OPERATOR'S USE: MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	FOR GOVERNMENT APPROVAL ONLY: MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing						
Drifting	$2193.00	$9282.00	$11,475.00			
Crosscutting						
Drilling						
(2) Personal Services:						
Supervision & Technical	$600.00	$3000.00	$ 3600.00			
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
Assays	9		$ 48.00			
(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.						
TOTALS	$2793.00	$12,282.00	$15,123.00			

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

Date Oct. 1, 1969* Payee Robert C. Stanford

Per _____ Title Operator

* 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: (63) 14X0804

$ 2094.75

Signature _____ (Authorized Certifying Officer)

Date NOV 7 1969 Vou. No. 02887

(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. 2252

Signature J. William Hasler Title Field Officer Date Oct. 22, 1969

Approved by:

Signature J. William Hasler Title Field Officer Date Oct. 22, 1969

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 Field 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 Field 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
GEOLOGICAL SURVEY

OPERATOR'S PROGRESS REPORT

For Month of July, Aug, Sept. 1969

Docket No. OME 6580

Operator's Name Robert C. Hanford
Crown King, Arizona 86333

Contract No. 2252

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
Drifting	43	43	225	$11,475.00	43	225	$11,475.00
Crosscutting							
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion					5 cap	5 cap	$14.00
Miscellaneous Assays	9	9	9	48.00	7	7	425.00
Management	1 mo	1 mo	6	3600.00	1	6	360.00
Roads and Trails Office Supplies						3 1/2	125.00
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)				$15,123.00			$15,214.00 cap 15,242.50

REMARKS

Work during the period of June, July and August was slowed due to the miners quitting the job and difficulty in finding other men to carry on with the project. Also the ground has had to be spiled and timbered tight in order to advance the heading. We are now entering better ground and progress should improve considerably.

(Continue on back)

REMARKS

Operator authorized 7 assays and has paid $42.50 + $2.70 for sample transportation. Sample transportation is not an allowable cost in this contract. Do not release $200.00 are paid from Jerome office clerk

(Continue on back) (over) [illegible]

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 Oct. 1, 1969 Operator Robert C. Hanford

Per _____ Title Operator

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 J. William Hasler

Title Field Officer
Government Representative

Date October 22, 1969

(INSTRUCTIONS ON REVERSE)

REMARKS (Cont.)

REMARKS (Cont.)

1/ Disallowed $28.50 for assaying. It was noted that charges of $25.00 (invoice No 445) were made on July 10, 1968 befor work was started on project. In addition, the blue receipt appears to be for the same charges paid on invoice No. 1163. .50¢ was disallowed on invoice No. 2727 as contract allows only $3.00/sample or a total of $6.00 not $6.50.

Cup

Assaying must be included in total.

1/ All charges for assays disallowed as Operator didnot assay for Silver, gold, Copper, lead, and zinc as required in contract

ECP

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.

NARRATIVE AND
PROGRESS REPORT
FOR JULY, AUGUST & SEPT. 1969
****

ROBERT C. HANFORD
Operator
Crown King, Arizona

OME Region III
RECEIVED
OCT 6 - 1969
Denver, Colorado

October 3, 1969

Mr. J. William Hasler
Field Officer, Region III
Office of Minerals Exploration
U. S. Geological Survey
Building 53, Room 203
Federal Center
Denver, Colorado 80225

Re: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona

Dear Mr. Hasler:

Since the time of your recent visit to the Lane Mine, much working time has been lost due to the breakdown of my pickup and also the illness of Allen's wife occasioned a delay of short duration as he had to take her to Prescott for medical attention. Then too the ground has been extremely heavy and I have had to proceed cautiously in order to keep the back off my back as it were. We have had to spile through some pretty tough ground. Therefore, I hope you won't think that when we were able to be on the job we were not making the most of our time.

As indicated at the time of your visit, I felt that another 30 feet would take us to the end of the drift. This assumption, predicated upon the appearance of the ground at that time, which seemed to drop abruptly to the tunnel level. Of course there's always the possibility that at drift height the old drift may continue on a few feet further. I think that after we have mucked up and placed another two sets of timbers, we'll have a pretty definite idea of where we are in relation to the Lane ore-body.

As indicated to you by phone this morning, I will call you early on the morning of the 14th. However, should anything of monumental proportion develop, such as encountering the legendary Lane high-grade, I'll be on the phone immediately.

With best wishes and kindest regards,

R. C. Hanford

R. C. Hanford

RCH/E

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

October 13, 1969

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 16 1969

INITIALS	CODE
[illegible]	130
[illegible]	120
HK	120
[illegible]	120

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine Group
Yavapai County, Arizona
Contract 2252

Transmitted herewith are the "Government's copy" and the "Budget and Finance's copy" of Amendment No. 2 on the above-stated subject, signed for the Government and by the Operator.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

See left side

Office of Minerals Exploration
Building 53 Room 200

October 10, 1969

OFFICIAL COPY

Mr. Robert C. Hanford
Crown King, Arizona 86333

Subject: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine Group
Yavapai County, Arizona
Contract 2252

Dear Mr. Hanford:

My present plans are that I will not be in town Tuesday, October 14, when we agreed that you would telephone me. Please call me Friday, October 17, instead.

Sincerely yours,

J. William Hasler
mc

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

cc: Chief, OME
OME - 6580
OME chron
Mr. Hasler

Office of Minerals Exploration
Building 53 Room 200

October 3, 1969

OCT 6

Mr. Robert C. Hanford
Crown King, Arizona 86333

Re: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona
Contract 2252

Dear Mr. Hanford:

Enclosed are the original and three copies of a proposed Amendment No. 2 (one page) to the subject contract, signed for the Government.

If the proposed amendment is satisfactory to you all four copies should be signed by you, As Operator. Return all bu the "Operator's Copy" to this office after you have signed them.

If any part of the amendment does not have your approval, the original and all copies are to be returned to this office together with the proposed changes for consideration.

Sincerely yours,

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

cc: Chief, OME
OME-6580
OME chron
Mr. Hasler

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
9/25/69	E. Peterson	120
	Truelick	120
9/27	Kilgard	
9/29	Kenyon	
9/30	cal	220
		120M

AIRMAIL

SEP 30 1969

Memorandum

To: Field Officer, Region III

From: Chief, Office of Minerals Exploration

Subject: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona
Contract 2252

Enclosed are the original and three copies of proposed Amendment No. 2 (one page), to the subject contract, signed for the Government. An extra copy of the amendment is also enclosed for field use.

If the proposed amendment is satisfactory to you and the Operator, all four copies should be signed by the Operator and distributed in the usual manner.

If any part of the proposed amendment does not have your approval or that of the Operator, the original and all copies are to be returned to this office together with the proposed changes for consideration.

Harold Kirkemo

Harold Kirkemo

Enclosures

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
~~XXXXXX~~
Mr. Peterson
130

BSLong/1 9/25/69

FORM 2-59 REFERENCE SLIP

OFFICE OF MINERALS EXPLORATION

1. Assoc. Sol.--MR, Rm. 6554, (Through Rm. 6042 Interior)	INTERIOR DEP	
2. Mr. Peterson, Rm. 4460, Interior	SEP 18 1969 SOLICITOR	
3.	202 81.3123	
4.		
5.	9/16	

FROM: Chief, OME

FOR: Check items for action desired

X Action	___ Reply for signature of ___	
X Approval	___ Investigate	___ Surname
___ Comment	___ Recommendations	___ Signature
___ Conference	X Rewrite	___ File
___ Instructions	Your information	

REMARKS:

SOLICITOR

OME-6580 Robert C. Hanford
(Proposed Amendment No. 2)

SEP 18 1969

INTERIOR DEPT.

FROM SOLICITOR

FOR SIGNATURE

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

M50943

DRAFT 9/16/69
ECPeterson/bsl

120

120M

EXPLORATION CONTRACT
ROBERT C. HANFORD
OME-6580

AMENDMENT NO. 2

It is agreed this _____ day of _____, 1969, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and Robert C. Hanford, an individual, hereinafter called the "Operator," that Exploration Contract 2252 (OME-6580), dated November 21, 1967, as amended, is further amended effective August 20, 1969, as follows:

1. The time fixed by Article 1(a) of the contract, as amended by Amendment No. 1, for completion of the work is extended from twenty-one (21), to twenty-three (23) months from the date of the contract, or until October 21, 1969.

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, nor the amount of any item designated as a maximum.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Chief, Office of Minerals Exploration

OPERATOR

_____
Robert C. Hanford

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

September 12, 1969

OFFICIAL COPY
O. M. E.
RECEIVED
SEP 15 1969

INITIALS	CODE
	30
	20
	20

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6580 (Silver)
Robert S. Hanford
Lane Silver Mine
Yavapai County, Arizona
Contract 2252

An interim inspection of the Lane Silver Mine was made on September 10, 1969 in company with Mr. Robert S. Hanford, Operator, and the Operator's stepson, Mr. Allen Scott. Progress since June 30, 1969 has totalled only 17.5 feet, as the better part of July and August has been spent in rehabilitation of a portion of an old drift that was encountered during July. The ground has been extremely bad, requiring spilling and shoring-up.

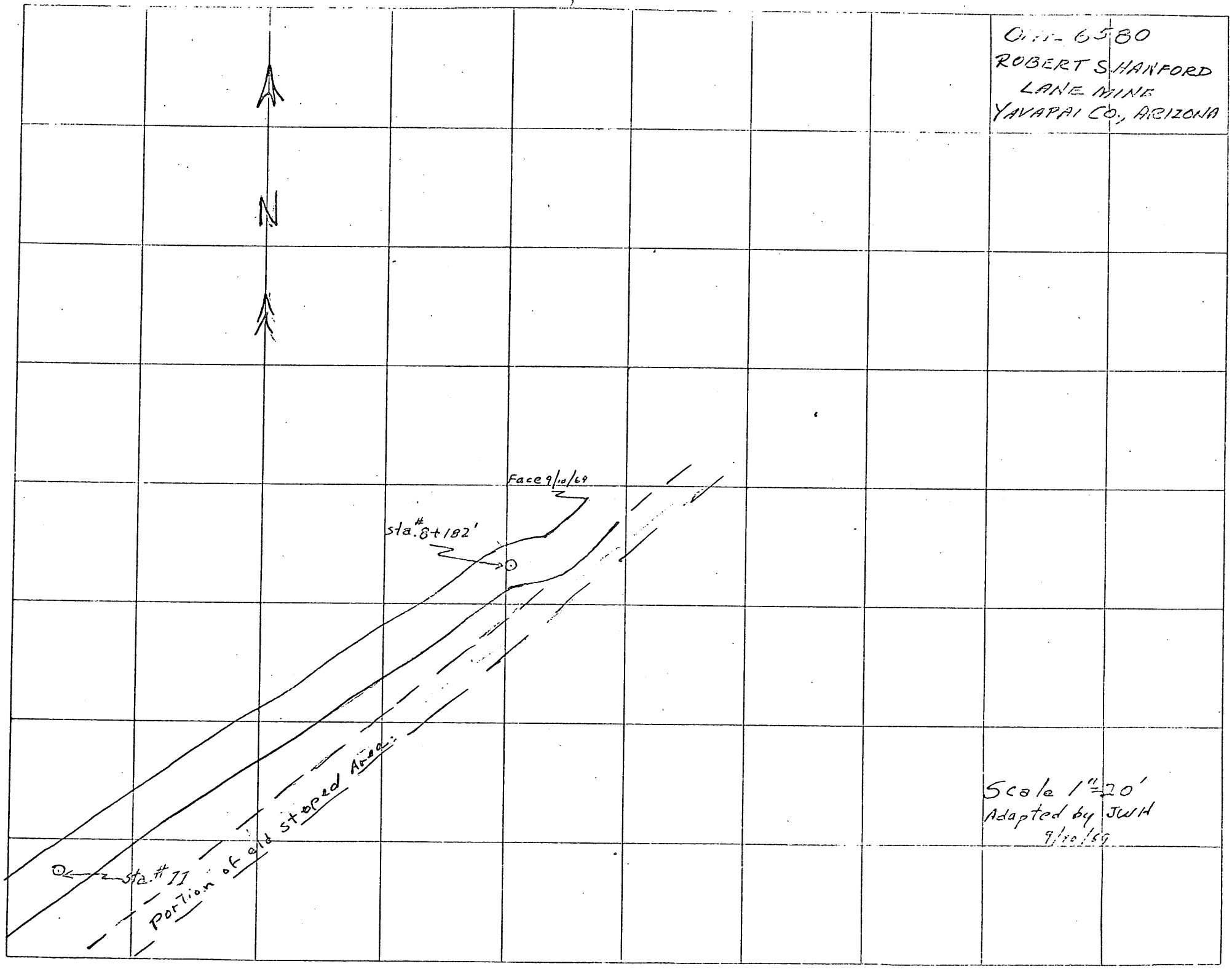
This area was inspected and it appears as though the old workings may continue for perhaps another thirty feet, as there looks to be a sheared wall, or face at a distance of about 30 feet from the top of the fill. Mr. Hanford indicates that he can now progress about 5 feet per day through the old fill, as the tracks in the old drift are about 18" above the floor of the present drift and hand mucking should not be too difficult. This work should be accomplished by October 1, 1969 at the latest. He felt that he would like to see if the sheared face is the end of the old workings or if this may be the end of the old stope as shown in Bradshaw's report, and to see the condition of the main vein at that point whether or not the vein does indeed contain the high silver and/or gold values as indicated from earlier assay reports and from old production records.

It is recommended that an amendment be prepared to extend the completion date from August 21, 1969 as provided in Amendment No. 1 of the subject contract to October 18, 21, 1969.

If there is no more encouragement then, than there is now, it is recommended that the contract be terminated. The Operator agrees with this recommendation and would abide by our decision to terminate the contract at that time; that is, no later than October 18, 1969.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration


Dwg. 6580
ROBERT S. HANFORD
LANE MINE
YAVAPAI CO., ARIZONA
N
Face 9/10/69
sta. # 8+182'
sta. # 11
Portion of old stoped Area
Scale 1" = 20'
Adapted by JWH
9/20/69

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

August 18, 1969

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 20 1969

INITIALS	CODE
gla	30
bal	20
	21
	17

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6580 (Silver
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona
Contract 2252

Transmitted herewith is a letter from the subject Operator requesting an extension of time on the contract from August 21, 1969 as allowed in Amendment No. 1, dated August 9, 1968 until December 31, 1969.

I recommend that the time requested by the Operator be extended to December 31, 1969. An interim inspection will be made during September 1969 to determine whether the exploration program should be continued, at least at its present extremely slow rate of progress.

Enclosed is the most recent map showing the exploration work completed to date. The map was requested by me last week during a telephone conversation with Mr. Hanford.

J. William Hasler
mc

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosure

****

ROBERT C. HANFORD
Operator
Crown King, Arizona

August 14, 1969

Mr. J. William Hasler
Field Officer, Region III
Office of Minerals Exploration
U.S. Geological Survey
Building 53, Room 203
Federal Center
Denver, Colorado 80225

Re: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona

Dear Mr. Hasler:

I enclose herewith two copies of a map of the Lane Mine workings showing all work done to date.

The work done under the OME contract began at Station 8 and proceded to the present heading. In order to clarify what may be a confusing situation on the map, Station 7 was reached in the cleaning up of the old drift. Station 8 was established $10\frac{1}{2}$ feet back from station 7 at which point the cross cut into the hanging wall was started. I am sure that you will be able to understand this.

In the past month I have been working under extremely hazardous conditions as the ground the drift has penetrated has been badly faulted and I have had to timber in order to make for safe working conditions in the mine. As the map shows, I have broken into an old drift in an area considered to be virgin country by all who profess to know anything about the Lane and as reported by Bradshaw in his report dated 1917.

The finding of this old drift, of course, makes Bradshaw's conclusion to the extent of the old workings unacceptable, but from information which we do know to be reliable, we are at a point approximately 45 feet southwesterly from the near end of the downward projection of the old stope. Inasmuch as the back of the drift is caved, I cannot at this point determine whether or not we shall have to spile and timber in order to reach the point I am driving for, namely - some 45 feet ahead. If such is the case, the work will progress so

slowly as to make it impossible for me to complete my program within the time remaining under the OME contract. Therefore, I respectfully request an extension of the contract until December 31, 1969. This date coincides with the termination date of my option with Phil Hoyt.

Although I have tried repeatedly to employ additional miners to help me complete this project, none have been interested and the several who have visited the property have turned down employment there because of the isolation of the mine (no beer joints nearby) and because of the hazardous condition of the ground.

I do not have any of the Operator's Monthly Voucher forms, therefore I cannot submit the statement due for the month of July. If you will kindly send to me, at your earliest convenience, several of these forms, I will complete them and return them to you promptly.

With best wishes and kindest regards, I am

Sincerely,

Robert C. Hanford

Robert C. Hanford

OFFICE COPY
O. M. E.
RECEIVED
SEP 8 1969

INITIALS	CODE
JJa	120M
HR	~~120~~
ER	120 P

August 27th, 1969

Mr. J. William Hasler
Field Officer, Region III
Office of Minerals Exploration
U.S. Geological Survey
Building 25, Federal Center
Denver, Colorado 80225

Re: OME 6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona

Dear Mr. Hasler:

This is to inform you that we have extended the option under which Mr. Hanford is operating until December 31st, 1969, within which he can determine his interest in the Lane Mine property. This extension was made in June, 1969.

Considering the status of the present exploration work and the evident indication that favorable results here are very doubtful, we have recommended to Mr. Hanford that he give up any further work on the project.

Respedtfully yours,

SOUTHERN MINING & MILLING CO.

by Philip S. Hoyt Pres.

PSH:k

MME FORM 60
SEPT. 1959

OFFICIAL COPY O. M. E. RECEIVED AUG 22 1969 INITIALS CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. OME-6580
Contract No.
14-23-090- 2252
Contract Amount $30,000.00
Gov't. Participation % 75 $22,500
Mineral(s)

OPERATOR'S MONTHLY VOUCHER

For Month of JUNE, 1969

Operator's Name ROBERT C. HANFORD
Address 220 SE H Street, Grants Pass, Oregon
~~(mail payment to Crown King, Arizona)~~

COST CATEGORIES	FOR OPERATOR'S USE: MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	FOR GOVERNMENT APPROVAL ONLY: MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing		7344.00				
Drifting	$1938	~~$XXXX.~~	$9282.00			
Crosscutting						
Drilling						
(2) Personal Services:						
Supervision & Technical	$ 300.	$2700.	$3000.00			
Outside Consultants						
Labor Office Exp.	50.	$100.	$150.00			
(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.						
TOTALS	$2288.	$10142.00	$12432.00			

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

Date June 30th 1969 *Payee Robert C. Hanford
Robert C. Hanford

Per _____ Title Operator

* 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: 1,716.00 (63) 14X0804
200.00 14X6875(08)
$ 1,516.00

Signature _____ (Authorized Certifying Officer)

Date AUG 18 1969 Vou. No. 01033

(SEE OTHER SIDE)

MME FORM 60
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Docket No. _____
Contract No. _____

OPERATOR'S MONTHLY VOUCHER

For Month of _____

Contract Amount $ _____
Gov't. Participation % $ _____
Mineral(s) _____

Operator's Name _____
Address _____

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						
Drifting						
Crosscutting						
Drilling						
(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.						
TOTALS						

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

Date _____ *Payee _____

Per _____ Title _____

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

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:

$ _____

Signature _____
(Authorized Certifying Officer)

Date _____ Vou. No. _____

(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. 2252

Signature J. William Hasler Title Field Officer Date Aug 5, 1969

Approved by:

Signature J. William Hasler Title Field Officer Date Aug. 5 1969

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 Field 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 Field 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 JUNE 1969 Docket No. OME-6580

Operator's Name ROBERT C. HANFORD Contract No. 14-23-090-2252
Crown King, Arizona

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
Drifting	38'	38'	182'	$9282.00	38	182	9,282.00
Crosscutting							
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous Off. Exp.		1mo.	3 mo.	$ 150.00	1	2 1/2	125.00
Management		½mo.	5 mo.	$3000.00	1/2	5	3,000.00
Roads and Trails							
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)				$12432.00			$12,407.00

REMARKS Work during June resulted in some evidence that there is no further need to proceed with the OME vontract and that the exploration objective has been fulfilled it is requested the OME contract be cancelled upon payment of this final request for reimbursement of funds spent on the project.

(Continue on back)

REMARKS
Suspend $200.00 pending submittal of a final geologic and engineering report.
JWH

(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 July 1st, 1969 Operator Robert C. Hanford

Per _____ Title Operator

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 J. William Hasler

Title Field Office
Government Representative

Date August 5, 1969

(INSTRUCTIONS ON REVERSE)

067498

RECEIVED
U. S. GEOLOGICAL SURVEY
AUG 14 8 04 AM '69
BUDGET&FINANCE

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey
Branch of Budget and Finance
Washington, D. C. 20242

ADMINISTRATIVE SUSPENSION STATEMENT

Name and Address of Payee: Robert C. Hanford
Crown King, Arizona 86333

Amount Claimed:	Differences (Explained Below)	Amount Approved
2288.00		2,288.00 1,716.00 Gov. Part. Less 200.00 * 1,516.00
Eu. Voucher No.	Payee's Invoice No.	Period
	Docket #6580 Contract #2252	June 1969

EXPLANATION

* Withholding $200.00 pending submittion of a final geologic and engineering report.

Any reclaim for items deducted must be included as a separate item on subsequent monthly voucher and supported by the original of this statement.

MS

Branch of Budget and Finance

NARRATIVE AND
PROGRESS REPORT
FOR JUNE 1969
****

OME Region III
RECEIVED
JUL 14 1969
Denver, Colorado

ROBERT C. HANFORD
Operator
Crown King, Arizona

July 9, 1969

Mr. J. William Hasler
Field Officer, Region III
Office of Minerals Exploration
U. S. Geological Survey
Building 53, Room 203
Federal Center
Denver, Colorado 80225

Re: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona

Dear Mr. Hasler:

I submit herewith this statement for June covering the request for reimbursement for funds spent on the above OME contract.

At the time of Mr. Emmerick's visit to the mine last month I was just preparing to resume operation after having been idle throughout April and May. During this period I was endeavoring to arrive at a rental agreement with Mr. McNeill on his equipment. After submitting to five revisions (McNeill's) of the agreement, mostly or entirely nit-picking, I gave up trying to do business with him and leased other equipment necessary to the carrying on of the work.

We resumed work on June 16 and in the next six working days drove 36 feet of drift. The miners then complained that I was asking too much of them and quit the job, leaving me with one other man to carry on. The last round we shot broke into an old drift on the footwall side of our drift exposing workings some 120 to 125 feet north of the last work reported in Bradshaw's report. From this I can only assume that some work was done in the mine after Bradshaw's report was made, even though no one I have talked with regarding the Lane Mine seemed to know of any activity there except for work done by McNeill for Phil Hoyt on the 100-foot level about 1960 and some sniping done by a party known as Burro John in the early 1920's.

Of course it is discouraging to find old workings in an area considered virgin country, especially as we do not know their extent. Much conjecture arises as to the extent of the old workings, particularly as to what they prove, if anything. I cannot regard the existence of the old workings as encouraging to my effort yet, I cannot write off the project at this time, and won't until I have a more comprehensive idea of the meaning of the old drift.

Inasmuch as the country is greatly faulted in the heading of our present drift, needing five to six sets of timbers to insure that it will be safe to work there, and drive ahead, I am presently timbering our workings. It looks like a week's work at this writing to make the drift safe for further exploration. Once this is accomplished I plan to drive ahead into the old drift in order to determine the condition of the drift and the extent of it. By continuing our present exploration another 50 feet, plus or minus, we would be under the old stope. At that point we should be at the junction of the three veins (see Bradshaw's report) and if no ore is in evidence then I plan to drill into the hanging wall and the footwall to pick up the unworked parallel veins. If no ore is encountered after that, I will have to admit that the ore is not there, at least within our economic limits.

While the breaking into the old drift is discouraging, I am not ready to "throw in the sponge" at this point.

Sincerely,

Robert C. Hanford

Robert C. Hanford

RCH/E
enclosures

Crown King, Arizona
August 18, 1969

OME Region III
RECEIVED
AUG 20 1969
Denver, Colorado

Mr. J. William Hasler
Field Office, Region 3
Office of Minerals Exploration
Building 53, Room 200
Denver, Colorado 80225

Subject: OME-6580 (Silver)
Robert C. Hanford, Lane Silver Mine
Yavapai County, Arizona (Contract 2252)

Dear Mr. Hasler:

Today I received a copy of your letter to John Welden, Grants Pass, Oregon in which you indicate your intent of making an interim examination of the Lane Mine sometime next month. It will be a real pleasure to have you visit us and to have you take a first hand look at our problem at the mine.

Since the time of my last communication to you, I have found it impossible to spile through the old gob because of the many large, hard slabs of hanging wall material in it and which the spiles will not penetrate. Consequently I have had to short-set the ground in order to keep the gob from running on me until I was able to get tunnel sets and lagging under it. Therefore, work is proceeding very slowly, but I could think of no other way to approach this situation; if I let the gob run into the drifts with the idea of it choking itself off and mucking up what comes down, I might find myself mucking in the same spots months from now. It is difficult to give you a true picture of this situation by mail, but I know that you will understand what I am faced with when you have had a look at it.

Inasmuch as I have had no treasury draft from Washington for our June work, I have begun to wonder about the reason for the delay.

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 25 1969

INITIALS	CODE
	130
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HK	120
	120

Sincerely yours,

Robert C. Hanford

Robert C. Hanford

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

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 11 1969

INITIALS	CODE
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August 5, 1969

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6580 (Ag)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona
Contract No. 2252

Transmitted herewith are the original and two copies of MME Form 60 (Operator's Monthly Voucher) for June, 1969 and MME Form 61 (Operator's Progress Report) and narrative, with recommendation that payment be made.

J. William Hasler
J. William Hasler
Field Officer, Region III
Office of Minerals Exploration

Enclosures

20 B+F 8/12
-208.

ROBERT C. HANFORD
CROWN KING, ARIZONA 86333

May 12th, 1969

OME Region III
RECEIVED
MAY 26 1969
Denver Colorado

Mr. J. William Hasler
Field Officer, Region III
Office of Minerals Exploration
U.S.Geological Survey
Building 53, Room 203
Federal Center
Denver, Colorado 80225

RE: OME-6580 (Silver)
ROBERT C. HANFORD
LANE SILVER MINE
YAVAPAI COUNTY, ARIZONA.

Dear Mr. Hasler:

Concerning the above OME Project some delay has occurred here pending final decision as to whether or not the contractor, Mr. Pat McNeil would be able to carry on with his work contract on the 400 foot level of the Lane Mine. Some health problems have entered the picture and Mr. McNiel has decided to give up the contract and is now removing his equipment from the property and we are replacing it with our own equipment, track, pipe etc. and will be ready to resume work on the project within a few days, and we will now complete the project OME ourselves rather than thru any further contract work.

We will resume our monthly reports and progress reports beginning June 1st, and trust these further delays will not interfere further with the completion of this OME-6580 exploration contract.

Copy to Washington
8/8/69

Cordially yours,
Robert C. Hanford
ROBERT C. HANFORD-Operator

RCH-k

Office of Minerals Exploration
Building 53 Room 200

August 14, 1969

OFFICIAL COPY
Rec'd No.
RECEIVED
AUG 18 1969
INITIALS CODE
130
120
HR 120
1200

Mr. John C. Welden
245 S.E. H Street
Grants Pass, Oregon 97526

Subject: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona
Contract 2252

Dear Mr. Welden:

This letter will acknowledge receipt of the map of the Lane Silver Mine I requested during our telephone conversation August 9, 1969.

I have talked with Mr. Hanford concerning the continuation of the exploration program. He is to send me a request with accompanying substantiating data obtained from the drift on the vein system explored to date.

I will plan on making an interim examination of the mine some time next month.

Sincerely yours,

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

cc: Mr. Hanford
Chief, Office of Minerals Exploration
OME-6580
OME chron
Mr. Hasler

Telephone (503) 476-6841

JOHN C. WELDEN
Certified Public Accountant
245 S.E. H Street
Grants Pass, Oregon 97526

OME Region III
RECEIVED
AUG 12 1969
Denver, Colorado

Staff

John C. Welden, C.P.A.
- - - - -
Harold North, C.P.A.
Dwight Corthell, P.A.
Ron LeMaster

Member
Oregon Society of C.P.A's.
American Institute of Accountants

August 9, 1969

OFFICIAL
COPY
O. M. E.
RECEIVED
AUG 15 1969

INITIALS	CODE
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Mr. J. William Hasler
Field Officer, Region III
Office of Minerals Exploration
U. W. Geological Survey
Building 53, Room 203
Federal Center
Denver, Colorado 80225

RE: OME-6580 (SILVER)
Robert C. Hanford
Lane Silver Mine
Yavapai Count, Arizona

Dear Mr. Hasler.

Mr. Hanford contacted me by telephone to day. I told him that you would like to talk to him Monday August 11, 1969.

Inclosed in the map that we talked about yesterday. Mr. Hanford stated that Mr. Hoyt prepared a new map showing the work to the end of June 1969 on it.

I also talked to Mr. Hoyt and ask him if he had found out any information as to who had done the drift that Hanford reported to you in his letter of July 9, 1969. Mr. Hoyt stated that he had not uncovered any information about this drift. Mr. Hoyt stated that he had checked all the smelters in the area and none of the smelters had any records of ore from the Lane property.

You know from the report of Millar that no road had ever been into the Lane Property, and when I was at the property Last September I was imprest will the amount of work the Old timers had to do to build a mule trail from the two hundred level to the top of the property. Then look the ground over to see how the workers got from the 200' level to the 400' level to do their work. I saw no old trail either above or below the 400" level.

I do believe that if the miners that drove ahead located any ore, then it was not fasible to build a road at time due to low silver prices. Of course now with a road to the 400'level and good silver prices ore doesn't have to over 200 or 300 oz per ton to make a mine return a good profit.

Regardless of what it shows directly under (or rather on the ore shoot that was mined during the 80's) I do want to see assays and core drilling into the parallel vains at that point. This is the only way that any one can be assured as to what is or isn"t there.

Very truly yours

John C. Welden

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
8/12/69	Stus	120
		120
		220
		120M

AUG 12 1969

MEMORANDUM

To: Chief, Branch of Budget and Finance

From: Chief, Office of Minerals Exploration

Subject: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona
Contract No. 2252

Enclosed are the original and two copies of the Operator's Monthly Voucher for June 1969. Please withhold $200.00 from payment of this voucher pending receipt of an acceptable Operator's Final Report.

Harold Kirkemo (bsl)

Harold Kirkemo

Enclosures

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
Region III
Mr. Peterson

ECPeterson/bsl 8/12/69

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

June 26, 1969

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yapai County, Arizona
Contract 2252

Transmitted herewith is an original and two copies of a progress report from the subject Operator concerning progress made, or rather, not made on the property during the month of May 1969.

Mr. Emerick made an interim inspection on the property on June 10, 1969.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosures

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 30 1969

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ms:

Bill Hasler –

June 19th 1969

OREX Region III
RECEIVED
JUN 23 1969
Denver, Colorado

Bob Hanford now

making good progress –

About 40' as of today r

should be 100' or so by

the June 30th report with

good prospects for ore

showing in July –

Phil Hoyt.

NARRATIVE and
PROGRESS REPORT
for MAY, 1969.

OME Region III
RECEIVED
JUN 23 1969
Denver, Colorado

ROBERT C. HANFORD
OPERATOR

CROWN KING, ARIZONA

May 31st, 1969

Mr. J. William Hasler
Field Officer, Region III
Office of Minerals Exploration
U.S.Geological Survey
Building 53, Room 203
Federal Center
Denver, Colorado 80225

RE: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona

Dear Mr. Hasler:

No footage was made during May, 1969 at the Lane Mine due to the reorganization of the work made necessary as the contractor was unable to proceed under his agreement with me and removed his equipment.

Installation of new equipment is in progress and we expect to get the work of driving the 400 foot drift back into action early in June. This work is now being done for my own account and by my own equipment with good miners that are now available in the district.

Progress for June will be reported in due course and we are confident there will be good footage reported.

Cordially yours,

ROBERT C. HANFORD

Robert C. Hanford Operator.

PSH:k

copy to Washington 6/25/69 Copy To B+7 6/30/69

120 HK
120 M
file

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

June 24, 1969

Memorandum

To: Chief, Office of Minerals Exploration

From: W. L. Emerick, Office of Minerals Exploration

Subject: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona
Contract 2252

Interim Inspection

An interim inspection of the subject property was made on June 10, 1969, in the company of the Operator, Mr. Robert C. Hanford.

No progress was recorded on the project since the completion of 144 feet of drift on the 400-foot level of the mine in February 1969, because of difficulties between the Operator and the contractor doing the drifting.

At the time of this interim inspection the Operator had replaced all of the contractor's equipment with his own equipment, which appeared new and to be adequate for completing the remaining work in the contract. Pending delivery and installation of a pump on June 11, which is needed to supply drilling water at the face of the adit, the project appears ready to resume work.

The Operator had three men at the mine and stated that he expected to make 5 to 6 feet per day of new drift. At this rate, it was estimated that the contract could be completed within the time set by the contract.

W. L. Emerick

W. L. Emerick

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

June 9, 1969

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 11 1969

INITIALS	CODE
	130
	120
HK	120
	120

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona
Contract 2252

Transmitted herewith is a letter from the subject Operator dated May 12, 1969, which was received in this office May 26, 1969, concerning operational problems prevailing on the property.

Bill Emerick is making an interim inspection of the subject property June 10 and 11, 1969, and will make appropriate recommendations concerning the continuance of the project.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

OME Region III
RECEIVED
MAY 26 1969
Denver, Colorado

ROBERT C. HANFORD
CROWN KING, ARIZONA 86333

May 12th, 1969

Mr. J. William Hasler
Field Officer, Region III
Office of Minerals Exploration
U.S.Geological Survey
Building 53, Room 203
Federal Center
Denver, Colorado 80225

RE: OME-6580 (Silver)
ROBERT C. HANFORD
LANE SILVER MINE
YAVAPAI COUNTY, ARIZONA.

Dear Mr. Hasler:

Concerning the above OME Project some delay has occurred here pending final decision as to whether or not the contractor, Mr. Pat McNeil would be able to carry on with his work contract on the 400 foot level of the Lane Mine. Some health problems have entered the picture and Mr. McNiel has decided to give up the contract and is now removing his equipment from the property and we are replacing it with our own equipment, track, pipe etc. and will be ready to resume work on the project within a few days, and we will now complete the project OME ourselves rather than thru any further contract work.

We will resume our monthly reports and progress reports beginning June 1st, and trust these further delays will not interfere further with the completion of this OME-6580 exploration contract.

Cordially yours,

Robert C. Hanford

ROBERT C. HANFORD-Operator

RCH-k

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

OFFICIAL COPY
O. M. E.
RECEIVED
APR 23 1969

INITIALS	CODE
	A30
Bd	120
HK	120
ER	120

April 21, 1969

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME 6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona
Contract 2252

Transmitted herewith is an original and two copies of a narrative report by the Subject operator for the month of March 1969.

I shall follow up on this contract this week to see what progress has been made and what can be done to get this contract going.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosures

4-16-69

Pete

Just another crying towel -
They can't keep this up
indefinitely

Bill

PROGRESS REPORT AND
NARRATIVE

OME Region III
RECEIVED
APR 14 1969
Denver, Colorado

Crown King, Arizona
April 1st, 1969

Mr. J. William Hasler
Field Officer, Region III
Office of Minerals Exploration
U.S. Geological Survey
Building 53, Room 203
Federal Center
Denver, Colorado 80225

RE: ØME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona

Dear Mr. Hasler:

We have been having continued difficulties here on the Lane Mine Project, the major problem being a heart Attack by Pat McNiel, the contractor doing the drifting. He went home for Dr. care and now has decided, on his Doctor's orders, to give up his contract and we are now arranging to pursue the drifting work on our own account.

We have made arrangements for the use of the present equipment on the ground and have set up labor arrangement with two good hard rock miners who recently were working at the Iron King which was shut down and this will give us the benefit of good miners that can make progress in the drift.

The access cut off during March by snow over Tiger summit, is now open which will let us move freely with supplies for the project.

We sincerely regret all of the trials and tribulations with this project but certainly there will be a period shortly when good progress will be made in the drift and the contract with OME carried out to conclusion. Sincerely,

Robert C. Hanford

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

March 26, 1969

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 28 1969

INITIALS	CODE
bal	120
HK	120
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Memorandum

To: Acting Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine Group
Yavapai County, Arizona
Contract 2252

Transmitted herewith are the original and two copies of the February, 1969 monthly voucher with supporting documents on the above-stated subject.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

MME FORM 60
SEPT. 1959

OFFICIAL COPY
O. M. E.
RECEIVED
APR 11 1969
INITIALS CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. OME-6580
Contract No.
14-23-090- 2252
Contract Amount $ 30,000.00
Gov't. Participation % 75 $ 22,500.
Mineral(s) Silver

OPERATOR'S MONTHLY VOUCHER

For Month of FEBRUARY 1969

Operator's Name ROBERT C. HANFORD
Address 220 SE H Street, Grants Pass, Oregon
(mail payment to Crown King, Arizona) 86333

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						
Drifting	$2244.	$5100.	$7344.00			
Crosscutting						
Drilling						
(2) Personal Services:						
Supervision & Technical	$ 300.	$2400.	$2700.00			
Outside Consultants						
Labor Off. Exp.	$ 50.	$ 50.	$ 100.00			
(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.						
TOTALS	$2594.	$7550.00	$10,144.00			

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

Date 2/28/69 Payee Robert C. Hanford
Robert C. Hanford

Per _____ Title Operator

* 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: (63) 14X0804

$ 1,945.50

Signature _____ (Authorized Certifying Officer)

Date APR 8 1969 Vou. No. 95848

(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. 2252

Signature J. William Hasler Title Field Officer Date 3/26/69

Approved by OME Executive Officer or Alternate:

Signature J. William Hasler Title Field Officer Date 3/26/69

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.

0 7 5 4 2 1

MME FORM 61
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of FEBRUARY, 1969 Docket No. OME-6580

Operator's Name ROBERT C. HANFORD Contract No. 14-23-090-2252
Crown King, Arizona

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
Drifting	44	44	144	$7344.00	44	144	7,344.00
Crosscutting							
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous Office Exp.		1 mo.	2 mo.	100.00	1	~~2 1/2~~ 1 1/2 EP	~~100.00~~ 75.00 EP
Management		1/2 mo.	4 1/2 Mo.	$2700.00	1/2	4 1/2	2700.00
Roads and Trails							
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)*				$10,144.00			~~10,144.00~~ 10,119.00 EP

REMARKS

Still having slow progress but better than January. Some difficulty in getting in supplies. Road closed from Crown King over Tiger summit during part of the month.

(Continue on back)

REMARKS

1 1/2 month was disallowed on Operator's January 1969 voucher. EP

(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 February 28th Operator Robert C. Hanford
Robert C. Hanford
Per _____ Title Operator

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 J. William Hale
Title Field Office
Government Representative
Date March 26 1969

(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.

BUDGET & FINANCE
APR 2 11 54 AM '69
075421

NARRATIVE AND
PROGRESS REPORT

CROWN KING, ARIZONA
February 28th, 1969

Mr. J. William Hasler
Field Officer, Region III
Office of Minerals Exploration
U.S. Geological Survey
Building 53, Room 203
Federal Center
Denver, Colorado 80225

RE: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County,
Arizona.

Dear Mr. Hasler:

Progress at the Lane Silver Mine during February was somewhat better than January, but we are still being slowed down with intermittant snow storms that cut off our access for supplies.

We will continue to worry thru with the progress and we should be nearing the end of the worst of the winter time operating difficulty and trust that March will let us report considerable improvement and much better footage in the drift on the 400' level.

Very truly yours,

Robert C. Hanford

Robert C. Hanford
Operator

RCH:k

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

February 10, 1969

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona
Contract 2252

Transmitted herewith are the original and two copies of the Operator's monthly voucher (MME Form 60) and Operator's progress report (MME Form 61) for the month of January, 1969 on the above-captioned subject.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

MME FORM 60
SEPT. 1959

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 3 1969
INITIALS CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S MONTHLY VOUCHER

For Month of JANUARY, 1969

Docket No. OME- 6580
Contract No.
14-23-090- 2252
Contract Amount $ 30,000.
Gov't. Participation % 75 $ 22,500.
Mineral(s) Silver

Operator's Name ROBERT C. HANFORD
Address ~~220 SE. H Street, Grants Pass, Oregon~~
(mail payment to--Crown King, Arizona) 86333

COST CATEGORIES	FOR OPERATOR'S USE: MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	FOR GOVERNMENT APPROVAL ONLY: MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing						
Drifting Contract	$357.	$4743.00	$5100.00	357.00		
Crosscutting						
Drilling						
(2) Personal Services:						
Supervision & Technical	$600.	$2100.00	$2700.00	300.00		
Outside Consultants						
Labor Office Exp.	$ 50.	none	$ 50.00	25.00		
(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.						
TOTALS	$1007.	$6843.00	$7850.00	682.00		

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

Date 1/31/69 *Payee Robert C. Hanford
Robert C. Hanford

Per _____ Title Operator

* 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: (63) 14X0804

$ 511.50

Signature _____ (Authorized Certifying Officer)

Date MAR 3 1969 Vou. No. 93127

(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. 2252

Signature J. William Hasler Title Field Officer Date 2/10/69

Approved by OME Executive Officer or Alternate:

Signature J. William Hasler Title Field Officer Date 2/10/69

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 JANUARY, 1969 Docket No. OME-6580

Operator's Name ROBERT C. HANFORD, Crown King, Ariz. Contract No. 14-23-090- 2252

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
Drifting Contract		7'	100'	$5100.00	7	100	5,100.00
Crosscutting							
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous Office exp.		1 mo.	1 mo.	$50.00	1/2 ~~1~~ cp	1/2 ~~1~~ cp	$25.00 ~~50.00~~
Management		1 mo.	4½ mo.	$2700.00	1/2 ~~1~~ cp	4½ ~~4½~~	~~2700.00~~ 2,400.00 cp
Roads and Trails							
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)				$7850.00			$7,525.00 cp ~~7850.00~~

REMARKS

Operations shut down most of month due to flu with three weeks lost during illness and recovery period. Work in progress last week of month.

(Continue on back)

REMARKS

disallowed ½ month of office expense and ½ month of Supervision. Actually only worked on the project about a week during the month cp.

(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 1/31/69 Operator Robert C. Hanford
Robert C. Hanford
Per _____ Title Operator

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 J. William Hosler
Title Field Office
Government Representative
Date February 10, 1969

(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.

FEB 14 2 44 PM '69
BUDGET & FINANCE
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UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey
Branch of Budget and Finance
Washington, D. C. 20242

ADMINISTRATIVE SUSPENSION STATEMENT

Name and Address of Payee: Robert C. Hanford
Crown King, Arizona 86333

95127

Amount Claimed:	Differences (Explained Below)	Amount Approved
1,007.00	325.00	682.00 511.50 Gov. Part.
Bu. Voucher No.	Payee's Invoice No.	Period
	Docket # 6580 Contract #2252	January 1969

EXPLANATION

Disallowed 1/2 month of office expense and 1/2 month of Supervision.
Report shows only one week of work on project.

Any reclaim for items deducted must be included as a separate item on subsequent monthly voucher and supported by the original of this statement.

Branch of Budget and Finance

NARRATIVE AND PROGRESS REPORT

CROWN KING, ARIZONA

January 31st, 1969

Mr. J. William Hasler
Field Officer, Region III
Office of Minerals Exploration
U.S. Geological Survey
Building 53, Room 203
Federal Center
Denver, Colorado 80225

RE: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona

Dear Mr. Hasler:

Progress at the Lane Silver Mine project is outlined for your information:

1. During January we had a most miserable month with only limited footage of 7 feet.
   Our miners were down with the flu and about three weeks of operating time was lost during January.
2. Work was resumed the last week in January and we will make better progress in February.

Very truly yours,

Robert C. Hanford

Robert C. Hanford, Operator.

RCH:k

OFFICIAL
COPY
O. M. E.
RECEIVED
FEB 20 1969
INITIALS | CODE

OME Region III
RECEIVED
FEB 18 1969
Denver, Colorado

February 15th, 1969

Mr. J. William Hasler
Field Officer, Region III
Office of Minerals Exploration
Building 53, Room 200
Federal Center
Denver, Colorado 80225

Re: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Ariz.
Contract 2252

Dear Mr. Hasler:

I have yours of the 10th in regard to the above contract and your anticipated visit to our area.

I fully realize the depletion of the management allotment as set up in the above contract and that after the next one and one-half months of use of this allotment my Supervision item will be carried entirely by ours elves.

We will be glad to see you when you can make your visit and if you will phone Mr. Hoyt he will get word to me of the time and date of your arrival. I will plan to meet you in Phoenix and take you from there into the property and we can go and come and allow ample time for you to inspect our work within one day if your time may be limited.

Kindest regards.

Cordially yours,

Robert C. Hanford

RCH:k

Robert C. Hanford
Crown King, Ariz. 86333

Office of Minerals Exploration
Building 53 Room 200

February 10, 1969

ORIGINAL COPY
O. M. E.
RECEIVED
FEB 12 1969
INITIALS | CODE

Mr. Robert C. Hanford
Crown King, Arizona 86333

Subject: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona
Contract 2252

Dear Mr. Hanford:

My present plans are to be in the Phoenix, Arizona area the last week in February and would like to make an interim inspection of the mine pertaining to progress under the subject contract. I shall contact Mr. Philip Hoyt and inform him of the exact date if this meets with your satisfaction.

I note your progress has been quite slow due to unforseen difficulties and illness as well, however, I should like to remind you that you only have one and one-half months of supervision costs allowable under the contract. Should the exploration work not be completed by the middle of March, 1969, any superwision costs from that time on will have to be borne by you without government participation. Since the contract is a fixed unit cost contract no funds are transferable from one item to another within the contract. According to your January 1969 progress report you have 350 feet of drifting and crosscutting left to complete, as well as the other unused items under the contract. I am looking forward to meeting you and seeing your property.

Sincerely yours,

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

cc: Chief, Office of Minerals Exploration
OME-6580 OME chron Mr. Hasler

MME FORM 60
SEPT. 1959

OFFICIAL COPY
RECEIVED
JAN 17 1969

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. OME 6580
Contract No. 14-23-090-2252
Contract Amount $30,000.00
Gov't. Participation %75 $22,500.
Mineral(s) Silver

OPERATOR'S MONTHLY VOUCHER For Month of DECEMBER 1968

Operator's Name ROBERT C. HANFORD, an individual
Address ~~220 SE H Street, Grants Pass, Oregon~~
~~(mail payment to Crown King, Arizona)~~ 86333

COST CATEGORIES	FOR OPERATOR'S USE: MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	FOR GOVERNMENT APPROVAL ONLY: MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing						
Drifting Contract	$1785.	$2958.	$4743.00			
Crosscutting						
Drilling						
(2) Personal Services:						
Supervision & Technical	$600.	$1500.	$2100.00			
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.						
TOTALS	$2385.	$4458.	$6843.00			

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

Date Dec. 31, 1968 * Payee Robert C. Hanford
Robert C. Hanford

Per _____ Title Operator

* 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: (63) 14X0804

$ 1788.75

Signature mo
(Authorized Certifying Officer)

Date JAN 17 1969 Vou. No. 94239

(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. 2252

Signature J. William Hasler Title Field Officer Date 1/10/69

Approved by OME Executive Officer or Alternate:

Signature J. William Hasler Title Field Officer Date 1/10/69

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 December 1968 Docket No. OME 6580

Operator's Name Robert C. Hanford Contract No. 14-23-090-2252

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
Drifting		35'	93'	$4743.00	35	93'	$4743.00
Crosscutting							
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Supervision		1mo.	3½ mo.	$2100.00	1	3½	2,100.00
Roads and Trails							
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)				$6843.00			$6843.00

REMARKS

Contract work during December was disturbed by heavy snow that cut off access for several days and during the Christmas Holiday five days were lost and flu finally shut down the work completely during the last week of December.

(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 Dec. 31st, 1968 Operator Robert C. Hanford
Robert C. Hanford

Per _____ Title Operator

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 J. William Hone

Title Field Office
Government Representative

Date Jan 10 1969

(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.

94239

NARRATIVE AND
PROGRESS REPORT

OME Region III
RECEIVED
JAN 6 - 1969
Denver, Colorado

CROWN KING, ARIZONA
December 31st, 1968.

Mr. J. William Hasler
Field Officer, Region III
Office of Minerals Exploration
U.S. Geological Survey
Building 53, Room 203
Federal Center
Denver, Colorado 80225

RE: OME-6580 (SILVER)
ROBERT C. HANFORD
LANE SILVER MINE
YAVAPAI COUNTY, ARIZONA

Dear Mr. Hasler:

Progress at the Lane Silver mine project during December was disappointing. Thirty five feet of drift was completed this bringing the footage up to January 1st, 1969 to a total of 93 feet.

Difficulties here during December mainly were due to flu as Pat McNiel, the Contractor was brought out to a Phoenix doctor and lost 10 days and this added to the Christmas week shut down all contributed to a very short month in working time.

We will expect a much better footage progress in January.

Respectfully yours,

Robert C. Hanford

Robert C. Hanford, Operator

RCH:k

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

December 27, 1968

OFFICIAL COPY
O. M. E.
RECEIVED
DEC 31 1968

INITIALS	CODE
	30
	120
	40
	120

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine Group
Yavapai County, Arizona
Contract 2252

Transmitted herewith is a resubmittal of the Operator's October, 1968 voucher. I recommend payment as noted on MME Form 62 attached.

Transmitted also are the Operator's vouchers and related data for the month of November, 1968 approved for payment.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

MME FORM 60
SEPT. 1959

OFFICIAL COPY C. A. E. RECEIVED JAN 15 1969 OFFICIALS CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OME Region III RECEIVED DEC 19 1968 Denver, Colorado

Docket No. OME 6580
Contract No. 2252
Contract Amount $ 30,000.00
Gov't. Participation % 75 $ 22,500.
Mineral(s) SILVER

OPERATOR'S MONTHLY VOUCHER

For Month of NOVEMBER, 1968

Operator's Name ROBERT C. HANFORD, an individual
Address 220 SE H Street, Grants Pass, Oregon
(mail payment to Crown King, Arizona) 86333

COST CATEGORIES	FOR OPERATOR'S USE: MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	FOR GOVERNMENT APPROVAL ONLY: MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing						
Drifting Contract	$2091.	$867.00	$2958.00			
Crosscutting						
Drilling						
(2) Personal Services:						
Supervision & Technical	$600.	$900.00	$1500.00			
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.						
TOTALS	$2691.	$1767.00	$4458.00			

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

Date November 30th 1968. Payee Robert C. Hanford
Robert C. Hanford
Per _____ Title Operator

* 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: (63) 14X0804

$ 2018.25

Signature _____
(Authorized Certifying Officer)

Date 1-7-69 Vou. No. 83942

(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. 2252

Signature J. William Hasler Title Field Officer Date 12/23/68

Approved by OME Executive Officer or Alternate:

Signature J. William Hasler Title Field Officer Date 12/23/68

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 NOVEMBER, 1968 Docket No. OMR-6580

Operator's Name ROBERT C. HANFORD Contract No. 14-23-090- 2252

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
Drifting		41'	58'	$ 2958.	41	58	2,958.00
Crosscutting							
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Supervision		1 mo.	2½ mo.	$ 1500.	1	2 1/2	1,500.00
Roads and Trails							
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)*				$ 4458.00			$ 4458.00

REMARKS Contract work this month was not up to our expectations, due to some labor leaving the job, the Thanksgiving Holiday, and a couple of days lost during the National Election. The Contractor, Henry P. McNiel, has arranged for additional labor, good miners , and we expect better results during December, 1968. Weather during November was good.

(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 November 30th 1968 Operator Robert C. Hanford
Robert C. Hanford

Per _____ Title Operator

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 J. William Fisher

Title Field Office
Government Representative

Date Dec. 23, 1968

(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.

NARRATIVE AND
PROGRESS REPORT

CROWN KING, ARIZONA
December 1st, 1968

Mr. J. William Hasler
Field Officer, Region III
Office of Minerals Exploration
U.S. Geological Survey
Building 53, Room 203
Federal Center
Denver, Colorado 80225

RE: OME-6580 (SILVER)
ROBERT C. HANFORD
LANE SILVER MINE
YAVAPAI COUNTY, ARIZONA

Dear Mr. Hasler:

Progress at the Lane Silver Mine OME Project is outlined for your information, as follows:

1. Progress in the breaking of new ground in the 400 level drift measured out at forty one feet, in November.

2. Altho this is considerably less than we had expected to do, much of the difference in the expected and actual footage is attributed to the loss of two miners who left during the month, disturbing the progress for a few days as this w as one half of the crew. The loss of several days during the Thanksgiving Holiday and the two days during the national election reflected in the progress, or lack of it in a material degree.

3. The contractor now has a full crew, as of today, and should do much better druing the Month of December.

4. We have been fortunate to date from the standpoint of weather and we hope the winter work will not be disturbed as we are in better shape to operate having moved equipment and men to the portal area with adequate supplies on hand.

5. We trust that December will show much better progress and footage and we are doing everything possible to keep the work going and the contract pushed to completion.

Respectfully yours,

Robert C. Hanford

Robert C. Hanford-Operator

RCH-k

MME FORM 60
SEPT. 1959

OFFICIAL COPY
O. M. E.
RECEIVED
JAN 15 1969
INITIALS | CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OME Region III
RECEIVED
DEC 19 1968
Denver, Colorado

Locus No. OME-6580
Contract No. 4-23-090-2252
Contract Amount $ 30,000.00
Gov't. Participation % 75 $22,500.00
Mineral(s) Silver

OPERATOR'S MONTHLY VOUCHER

For Month of ~~October, 1968~~

Operator's Name ~~Robert C. Hanford~~
Address ~~220 SE K Street, Grants Pass, Oregon~~
(mail payment to Crown Kings, Arizona) 86333

COST CATEGORIES	FOR OPERATOR'S USE: MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	FOR GOVERNMENT APPROVAL ONLY: MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing						
Drifting Contract	$867.	none	$867.00			
Crosscutting						
Drilling						
(2) Personal Services:						
Supervision & Technical	$900.	none	$900.00			
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.						
TOTALS	$ 1767.		$1767.00			

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

Date Oct. 31, 1968 * Payee Robert C. Hanford
Robert C. Hanford
Per _____ Title Operator

* 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: (63) 14X0304

$ 331.31

Signature mo
(Authorized Certifying Officer)

Date 1-7-69 Vou. No. 03942

(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. 2252

Signature J. Wallace Hazen Title Field Officer Date 12/23/68

Approved by OME Executive Officer or Alternate:

Signature J. Wallace Hazen Title Field Officer Date 12/23/68

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 OCTOBER, 1968 Docket No. OE-6580

Operator's Name ROBERT C. HANFORD Contract No. 14-23-090-2252

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
Drifting Contract		17	17	$867.00	17	17	$867.00
Crosscutting							
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Supervision			1½ Months	$900.00		1½	900.00
Roads and Trails							
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)*				$1767.00			$1767.00

REMARKS
Management time begin Sept.15th and above item includes all management to Nov. 1st, 1968. Drifting is being done under contract with Henry P. Mc Niel, on basis of all cos ts by the contractor at $51.per foot of drift. The above cost is based on 17 ft. of new ground being completed up to Nov.1st, 1968

(Continue on back)

REMARKS
Operator has already been paid $993.94 on Oct. 1968 voucher due to an error on this part. This resubmittal showed allow payment of balance $331.31 or 75% of $1767.00.
JWH

(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 October 31st 1968. Operator Robert C. Hanford
Per _____ Title Operator

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 J. William Hasler
Title Field Office Government Representative
Date Dec. 23 1968

(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.

INT.DUP.,D.C.59— 27168

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey
Branch of Budget and Finance
Washington, D. C. 20242

ADMINISTRATIVE SUBMISSION SYSTEM

Name and Address of Payee:

Robert C. Hanford
Green City, Arizona 86333

Amount Claimed:	Differences (Explained Below)	Amount Approved:
1,767.00		1,325.25 Less Paid -993.94 Sch. 33342 331.31 12/19/60
Inv. Voucher No.	Payee's Invoice No.	Period

REMARKS

Any credits for items deducted must be
included in a separate item on subsequent
vouchers and be supported by the original
invoice or statement.

Certified correct

OFFICIAL COPY
O. M. E.
RECEIVED
DEC 16 1968
INITIALS | CODE

SOUTHERN MINING & MILLING CO.
3049 N. Marigold Drive
PHOENIX, ARIZONA 85018

Ph: (602) 946-3966

OME Region III
RECEIVED
DEC 11 1968
Denver, Colorado

December 9th, 1968.

Mr. J. William Hasler,
Field Officer, Region III,
Office of Minerals Exploration,
U.S. Geological S urvey,
Building 53, Room 203,
Federal Center,
Denver, Colorado 80225

RE: OME-6580 (SILVER)
ROBERT C, HANFORD
LANE SILVER MINE
YAVAPAI COUNTY, ARIZONA

Dear Mr. Hasler:

Pursuant to our telephone conversation we hereby submit the following information for your information and records:

1. That we extended the Option Agreement with Mr. Hanford to December 30th, 1968.

2. That on December 2nd, 1968, we made an additional extension of our option with Mr. Hanford, to August 21st, 1969, this extension to conform with the extension granted in your Amendment No. 1, dated August 9th, 1968.

3. We believe, after examination of the work progress and the difficulties thay have had with this project, that their situation now will move along much better than the past delays beyond their control, and that this OME Contract should be completed not later than March 1st, 1969.

Respectfully submitted,

SOUTHERN MINING & MILLING CO.

By Philip S. Hoyt, Pres.

PSH:k
cc-Mr. Robert C. Hanford
Crown King, Arizona

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 203

November 25, 1968

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine Group
Yavapai County, Arizona
Contract 2252

Transmitted herewith are MME Form 60 (Operator's Monthly Voucher), MME Form 61 (Operator's Progress Report) and narrative with substantiating documents for the month of October, 1968 on the above-captioned subject.

J. William Hasler
mc

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosures

ME FORM 60
Oct. 1966

AUDITED BY
COST
D. E.
RECEIVED
DEC 13 1966
INITIALS CODE

ME Region
RECEIVED
NOV 13 1968

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S MONTHLY VOUCHER For Month of OCTOBER, 1968

Docket No. DME-6580
Contract No. 14-23-090-2252
Contract Amount $1767.00
Gov't. Participation % 75 $ 1325.25
Mineral(s) Silver

Operator's Name ROBERT C. HANFORD
Address Crown King, Arizona 86333

COST CATEGORIES	FOR OPERATOR'S USE: MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	FOR GOVERNMENT APPROVAL ONLY: MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing						
Drifting ....contract...	$650.25	none	$650.25			
Crosscutting						
Drilling						
(2) Personal Services:						
Supervision & Technical	$675.00	none	$675.00			
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.						
TOTALS	$1325.25		$1325.25			

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

Date November 1st Payee ROBERT C. HANFORD

Robert C. Hanford

Per _____ Title Operator

* 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.)

(INSTRUCTION ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of: (63) 14X0804

$ 993.94

Signature _____ (Authorized Certifying Officer)

Date DEC 13 1968 Vou. No. 93542

(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. 2252.

Signature J. William Hasler Title Field Officer Date 11/22/68

Approved by OME Executive Officer or Alternate:

Signature J. William Hasler Title Field Officer Date 11/22/68

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 OCTOBER, 1968 Docket No. OMR-6580

Operator's Name ROBERT C. HANFORD Contract No. 14-23-090- 2252

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
Drifting by Contract	17	17	17	$867.00	17	17	$867.00
Crosscutting							
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Management (45 days)			1½ months	$900.00	1½	1½	$900.00
Roads and Trails							
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)*				$1767.00			1,767.00

REMARKS

Management time began Sept. 15th and above item includes all management to Nov. 1st, 1968. Drifting being done under contract with Henry P. McNe 11, on basis of all costs being carried by the contractor @ $51. per foot of drift. The above cost based on 17 feet of new ground being drifted in up to Nov. 1s t, 1968

(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 October 31st Operator Robert C. Hanford

Per _____ Title Operator

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 J. William Hasler

Title Field Officer
Government Representative

Date Nov 22 1968

(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.

NARRATIVE and
PROGRESS REPORT

CROWN KING, ARIZONA
November 1st, 1968

Mr. J. William Hasler
Field Officer, Region III
Office of Minerals Exploration
U. S. Geoligical Survey
Building 53, Room 203
Federal Center
Denver, Colorado 80225

RE: OME-6580 (SILVER)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona

Dear Mr. Hasler:

Progress at the Lane Silver Mine project is outlined for your information, as follows:

1. Since September 15th, 1968, work at the Lane has consisted of repairs to the existing track, timbering in the drift, the breaking of new ground, construction of a camp at the mine portal for living quarters and equipment shelter and the moving in of adequate fuel oil, supplies and mine timners to insure continued operations during adverse weather.

2. At this time the breaking of new ground is 17 feet, which appears to be slow, but from now on progress should approximate about six feet per shift.

3. In order to prevent further difficulties in the drift work in the vein which is very much brecciated and broken up due to post mineral movement, and to expedite the driving of the drift in non-mineral rock, we have cut into the hanging wa ll side and driving the drift paralleling the vein within about ten feet of the fracture zone. As there are some 150 feet of this drift that will be driven before getting into the ore shoot area this procedure will save time and cost in timber and expedite the completion of the work. We will cut over by short drill holes at 50 foot and then at 25 foot intervals to check the ground for mineralization as the drift is driven ahead.

4. Altho no one can prédict the weather in the months ahead, we have everything set up to prosecute the driving for our objective with diligence and perseverance thruout the immediate period ahead. We are much better prepared to withstand any adverse weather in that the men will be at the mine site and adequately supplied with the materials necessary for steady and continuous operations.

5. Further progress will be reported in due course with the next monthly report.

The enclosed pictures may be of some interest, with some comment on the back of each photo.

Very truly yours,
Robert C. Hanford
Robert C. Hanford-Operator.

RCH:k

copy to Washington 11/1/68

SOUTHERN MINING & MILLING COMPANY
3049 N. Marigold Drive
Phoenix, Arizona 85018

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Mr. J. William Hasler
Field Officer, Region III
Office of Minerals Exploration
U. S. Geological Survey-Room 203
Building 53, Federal Center
Denver, Colorado 80225

Re: OME 6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona

Dear Mr. Hasler:

We hereby submit for your information and record the following statements concerning the extension of time on the Option Contract we have with Robert C. Hanford in connection with the Lane Silver mine:

1. That the Option time has been extended to December 30th, 1968.

2. That the above extension was made to coincide with a contract between Robert C. Hanford and Pat McNiell, wherein the said McNeill has agreed to fully complete the work set up and authorized in the OME 6580 contract.

3. That if there is any further difficulty with the driving of the drift on the 400' level, and if the work has been prosecuted with due diligence by McNeill, we have agreed to extend the time on the Option with Hanford beyond the Dec. 30th date, and will continue with such extensions as are necessary to protect Hanfords title and interest until the OME 6580 contract can be completed within the present extension time to August 21st, 1969, as provided in your Amendment 1.

Very truly yours,

SOUTHERN MINING & MILLING CO.

by Philip S. Hoyt, Pres.

PSH:k
cc-Robert N. Hanford
Fort Misery, Arizona

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 203

August 27, 1968

See left side

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona
Contract 2252

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Transmitted herewith are the "Government's Copy" and "Budget and Finance's Copy" of Amendment No. 1 signed for the Government and by the Operator on the above-stated subject.

J. William Hasler
mc

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Office of Minerals Exploration
Building 53 Room 203

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 29 1968

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August 27, 1968

Mr. Robert C. Hanford
220 S. E. "H" Street
Grant's Pass, Oregon 97526

Subject: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona
Contract 2252

Dear Mr. Hanford:

Enclosed herewith is the "Operator's Copy" of Amendment No. 1 on the above-stated contract for your retention.

Sincerely yours,

J. William Hasler
m.c.

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

cc: Chief, OME
OME-6580
OME chron
Mr. Hasler

Office of Minerals Exploration
Building 53 Room 203

August 13, 1968

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Mr. Robert C. Hanford
220 S. E. H. Street
Grant's Pass, Oregon 97526

Subject: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona
Contract 2252

Dear Mr. Hanford:

Enclosed are the original and three copies of proposed Amendment No. 1 (one page), to the subject contract, signed for the Government.

If the proposed amendment is satisfactory to you, all four copies should be signed by you, and returned to this office.

If any part of the proposed amendment does not have your approval, the original and all copies should be returned to this office together with the proposed changes for consideration.

Sincerely yours,

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosures

cc: Chief, OME
OME chron
OME-6580
Mr. Hasler

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
8/7/68	(on leave)	120
8/7/68	Kirbomo	120
"	Johnson	110
8/9	Sweet	
8/9	Cole	220
		120M

AUG 9 1968

AIRMAIL

Memorandum

To: Field Officer, Region III

From: Chief, Office of Minerals Exploration

Subject: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona
Contract 2252

Enclosed are the original and three copies of proposed Amendment No. 1 (one page), to the subject contract, signed for the Government. An extra copy of the amendment is also enclosed for field use.

If the proposed amendment is satisfactory to you and the Operator, all four copies should be signed by the Operator and distributed in the usual manner.

If any part of the proposed amendment does not have your approval or that of the Operator, the original and all copies are to be returned to this office together with the proposed changes for consideration.

FRANK E. JOHNSON

Frank E. Johnson

Enclosures

cc: Director's Reading File
Economic Geology File
OME Docket
OME Reading File
Mr. Peterson
130

BLong/1 8/7/68

M 6 REFERENCE S

OFFICE OF MINERALS EXPLORATION

	DATE	INITIALS
1. Assoc. Sol.--MR, Room 6554 (Through Room 6042)		
2. Mr. Peterson, Room 4459		
3. SOLICITOR		
4. AUG - 1 1968 7-68-2002 3192		
5.		

FROM: Chief, OMEXPLORATION INTERIOR DEPT.

FOR: Check items for action desired

____ Action	____ Reply for signature of ____	
____ Approval	____ Investigate	____ Surname
____ Comment	____ Recommendations	____ Signature
____ Conference	____ Rewrite	____ File
____ Instructions	____ Your information	

REMARKS:

FROM SOLICITOR
AUG 6 1968
FOR SIGNATURE

RECEIVED
AUG 1 1968
Division of Mineral Resources
and General Legal Services

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

DRAFT 7/31/68
ECPeterson/bsl

In Legal 8/1/68

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EXPLORATION CONTRACT
ROBERT C. HANFORD
OME-6580

AMENDMENT NO. 1

It is agreed this _____ day of _____, 1968, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and Robert C. Hanford, hereinafter called the "Operator," that Exploration Contract 2252 (OME-6580), dated November 21, 1967, is amended effective December 14, 1967, as follows:

1. The date fixed by Article 1 of the contract for the starting of the work is changed from December 15, 1967, to September 15, 1968.

2. The time fixed by Article 1 of the contract for completion of the work is extended from 12 to 21 months, or from December 15, 1967, to September 15, 1969.

3. The maximum period for royalty payments and for the lien to secure payments thereof provided in the contract is extended from ten (10) to eleven (11) years from the date of the contract.

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, nor the amount of any item designated as a maximum.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Chief, Office of Minerals Exploration

ROBERT C. HANFORD
4 Spaces
By_____

Title_____

OME Region III
RECEIVED
JUL 17 1968
Denver, Colorado

Crown King, Arizona
July 12th, 1968.

COPY
RECEIVED
JUL 25 1968
INITIALS | CODE
RE:

Mr. J. William Hasler
Field Officer, Region III
Office of Minerals Exploration
U.S.Geological Survey
Building 25, Federal Center
Denver, Colorado 80225

OME 6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona

Dear Mr. Hasler:

I thought it might be well to let you know the status and progress on the above exploration project as of this date.

We have had considerable trouble in catching up the down ground in the 400 level which we are now cleaning out and retimbering to get up to the face in the drift, at which time breaking of new ground will start in accordance with the OME financing.

Altho the cleaning out has been slow, we are making good progress and retimbering the drift in good shape so there will be no difficulty when we get into the present face. Probably much of the trouble is due to the excessive moisture that got into the ground above this 400 level during the unprecedented deep snows that covered the area this winter.

In any event, progress is being made and we expect to be able to start on the OME program as outlined early in August.

Will keep you informed.

Very truly yours,

Robert C. Hanford

Robert C. Hanford

RCH:h

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

July 29, 1968

MEMORANDUM

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME 6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona

OFFICIAL COPY
O. M. E.
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Transmitted herewith is a copy of a request from the operator to amend the subject contract to extend the beginning date of the contract from December 15, 1967, to September 1, 1968, for the reasons stated in his request.

I would judge that a recess period could be allowed, for the period between December 15, 1967 to September 1, 1968, and so recommend it.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

OME Region III
RECEIVED
JUL 29 1968
Denver, Colorado

CROWN KING, ARIZONA

July 22nd, 1968

Mr. J. William Hasler
Field Officer, Region III
Office of Minerals Exploration
U.S Geological Survey
Building 25, Federal Center
Denver, Colorado 80225

RE: OME 6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Ariz.

Dear Mr. Hasler:

Due to the difficulties we are having in the cleanout job on the 400 foot level at the Lane Mine, which now appears to be about completed, and inasmuch as the above contract OME 6580 required that work should begin on or before December 15th, 1967, we do hereby respectfully request that the contract be amended to extend the beginning date from December 15th, 1967 to September 1st, 1968, this request being made for the following reasons:

1. That in December 1967 the area experienced the deepest fall of snow in history and the whole central Arizona area was immobilized. We were required to doze the snow from the access road in order to get into the mine about the middle of March, 1968, and the work on the cleaning out and rehabilitation of the 400 level has been continuing since the first of April, 1968.

2. The situation is now favorable for a beginning to be made on the driving of the 400 foot level in the new ground by September 1st, 1968, in accordance with the program as set up in the OME Contract 6580.

Respectfully submitted,

Robert C. Hanford

Robert C. Hanford

RCH:k

Office of Minerals Exploration
Building 53 Room 203

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April 1, 1968

Mr. John C. Welden
220 S. E. H Street
Grants Pass, Oregon 97526

Subject: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine Group
Tiger Mining District
Yavapai County, Arizona
Contract 2252

Dear Mr. Welden:

We are happy to hear that things are now progressing satisfactorily.

The item for supervision may be charged for any supervision after the date of the contract, which was November 21, 1967.

Enclosed herewith is a supply of MME Form 60's (Operator's Monthly Voucher), MME Form 61 (Operator's Progress Report) which may be submitted after the first month's work on the above-stated contract. Youshould fill these forms out in accordance with the instructions on the reverse side. Samples of both are also enclosed for your guidance. The original and three copies of the MME Form 60, MME Form 61 and narrative should be submitted to this office and should be stapled in "sets": a MME Form 60, 61 and narrative to the set. All correspondence and data pertaining to the contract should be completed in duplicate.

If you need further assistance in the future, please do not hesitate to call us.

Sincerely yours,

cc: Chief, OME
OME chron
OME-6580
Mr. Hasler

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosures

Office of Minerals Exploration
Building 53 Room 203

March 5, 1968

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Mr. Robert C. Hanford
220 S. E. H. Street
Grant's Pass, Oregon 97526

Subject: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona
Contract 2252

Dear Mr. Hanford:

Please forgive me for the delay in replying to Mr. Wilden's letter of February 15, 1967 concerning your tragic misfortune.

Please accept our condolences in the loss of your good wife. These losses are difficult to take and difficult to understand, however I am certain there is a greater plan for all of us, and it is a great comfort to know that at a later time and date we shall be together again to carry on our individual aims and ambitions. We admire your faith and tenacity, Mr. Hanford, both in respect to you and your family and your determination to see that the project goes as you would like to see it go.

We will be happy to hear of your progress at a later date, and we hope that you and your children are recovering nicely from the accident, and that there will be no ill effects from your incident. Mr. King wishes me to extend his condolences as well.

Sincerely yours,

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

cc: Chief, OME ✓
Hasler chron
OME chron
OME-6580

Telephone (503) 476-6841

JOHN C. WELDEN
Certified Public Accountant
220 S.E. H Street
Grants Pass, Oregon 97526

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 4 1968

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120M

OME Region III
RECEIVED
FEB 21 1968
Denver, Colorado

February 15, 1967

Mr. J. William Hasler, Field Officer Region III
Office of Minerals Exploration
Building 53 - Room 203
Federal Center, Denver, Colorado 80225

Refer: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona
Contract 2252

Dear Mr. Hasler:

This letter is to bring you up to date on the Lane silver mine of Robert Hanford. As you know from reading the papers and watching T.V., there was an unusual snowfall in Arizona in the month of December. It laid 40" of snow on the mining camp completely blocking the road out of the camp. After being snowed in at the camp, Mr. Hanford, his wife and family walked out on December 22 and 23, it took them 2 days to reach Crown King. Mr. Hanford then spent the week in Phoenix waiting abatement of the weather conditions before attempting to go back to the mine. On December 30, Mr. Hanford, his wife and two children drove to Prescott to pick up mining supplies and equipment. On the outskirts of Prescott on the freeway, Mr. Hanford was involved in a three car accident of which he was the center car. The Jeep that Mr. Hanford was driving was completely demolished, his wife was killed and Mr. Hanford and the two children were in the hospital for a day and a night. Mr. Hanford suffered a broken lower right arm, cracked rib and broke a chip off his left elbow. Mr. Hanford brought his wife's body into Yreka, California for burial. He returned to Phoenix close to the end of January, at which time the weather condition was rainy which blocked his return to the mine completely until February 9. The road that was built into the Lane Mine withstood the weather extremely well, but the road from Crown King to Fort Misery and on to the Cooper Basin deteriorated to the extent it needed work on it to be able to negotiate it with a vehicle.

The tractor work on this road amounted to $1,600.00, this is not part of the exploration work as in accordance with the exploration contract that Mr. Hanford has with you. Other clean-up work due to the storm will take probably about a week. I am sorry I procrastinated writing this letter to bring you up to date on this mine.

Very truly yours,

JOHN C. WELDEN, C.P.A.

John C Welden

By John C. Welden

JCW:dw

Office of Minerals Exploration
Building 53 Room 203

January 18, 1968

OFFICIAL COPY
O. M. E.
RECEIVED
JAN 29 1968

INITIALS	CODE
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	120
	140
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Mr. Robert C. Hanford
220 S. E. H. Street
Grant's Pass, Oregon 97526

Subject: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona
Contract 2252

Dear Mr. Hanford:

Enclosed please find a copy of a new Lien and Subordination Agreement, dated September 22, 1966, signed by Mr. Philip S. Hoyt, President. Please include this copy in the "Operator's Copy" of the contract.

Sincerely yours,

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosure

cc: Chief, OME
OME-6580
OME chron
Mr. Hasler

120 Peterson
120 Kirkham 1/16
110
220
120M

Memorandum

JAN 16 1968

To: Field Officer, Region III

From: Chief, Office of Minerals Exploration

Subject: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona
Contract 2252

We acknowledge receipt of the undated copy of Southern Mining & Milling Co.'s letter to you enclosing five copies of a new Lien and Subordination Agreements, dated September 22, 1966, signed by Philip S. Hoyt, President. Copies have been substituted for the Form 52 signed by Robert C. Hanford, dated November 27, 1967, in the Government's and Budget and Finance copies of the executed contract.

We are returning three copies of the form to replace the incorrect form attached to the Field Office's and extra copy in your files. Please forward one copy to Mr. Hanford for inclusion in the Operator's copy of the contract.

FRANK E. JOHNSON

Frank E. Johnson

Enclosures

cc: General Files
Division File
Economic Geology File
OME Docket
OME Reading File
Branch of Budget and Finance, w/cy Form 52
Mr. Peterson
130

GLAult/bsl 1/16/68

uthern Mining & Milling Company 5049 N. Marigold Drive
Phoenix, Arizona 85018

Copy to Washington
1-11-68

OFFICIAL COPY
O. M. E.
RECEIVED
JAN 15 1968

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Mr. J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration
Building 53 Room 203
Denver, Colorado 80225

Subject: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona
Contract 2252

See left side of folder

Dear Mr. Hasler:

Referring to yours of Dec. 20th, 1967, requesting the submittal of MME form 52 (Lien and Subordination Agreement) referring to the above stated subject.

Please find enclosed five copies which we trust will cover and comply with this matter.

Cordially yours,

SOUTHERN MINING & MILLING CO.,
by Philip S. Hoyt Pres.

PSH:k

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 203

December 12, 1967

OFFICIAL COPY
O. M. E.
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DEC 13 1967

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EP	120 P

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine Group
Yavapai County, Arizona
Contract 2252

See left side of folder

Transmitted herewith are the "Government's Copy" and the "Budget and Finance's Copy" of the above-stated contract.

In the December 1 transmittal letter sending the contract to the Applicant, the Field Officer, Region III requested that the date for commencement of the work be inserted. This was inadvertently omitted by the applicant. During a telephone conversation December 11, 1967, Mr. John Welden requested that December 15, 1967 be inserted as the commencement date. Mr. Welden agreed to send a letter of confirmation on the starting date, and a copy will be forwarded to Washington upon its arrival.

J. William Hasler
mc

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosures

3:15 PM - 12/20/
called Mary C. in reference to improperly signed L+S Agreements. She is sending new set of forms to Hanford with instructions to have the owner sign under Item 6 and date Sept. 22, 1966.
EP

Office of Minerals Exploration
Building 53 Room 203

OFFICIAL COPY
O. M. E.
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~~120~~

December 20, 1967

Mr. Philip S. Hoyt, President
Southern Mining and Milling Company
3049 N. Marigold Drive
Phoenix, Arizona 85018

Subject: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona
Contract 2252

Dear Mr. Hoyt:

Transmitted herewith are five copies MME Form 52 (Lien and Subordination Agreement) pertaining to the above-stated subject.

Please sign all five copies where indicated and insert the date (Item 6) as September 22, 1966 and return to this office for completion.

Sincerely yours,

J. William Hasler
J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosures

cc: Chief, OME
Hasler chron
OME chron
OME-6580

Telephone (503) 476-6841

JOHN C. WELDEN
Certified Public Accountant
220 S.E. H Street
Grants Pass, Oregon 97526

December 13, 1967

OME Region III
RECEIVED
DEC 18 1967
Denver, Colorado

J. William Hassler, Field Officer, Region III
Office of Minerals Exploration
Building 53, Room 203, Federal Center
Denver, Colorado 80225

OFFICIAL
COPY
O. M. E.
RECEIVED
DEC 20 1967

Subject: OME - 6580 (Silver)
Robert C. Hanford
Lane Silver Mine Group
Tiger Mining District
Yavapai County, Arizona

Dear Mr. Hassler:

In accordance with my phone conversation with Mr. King on Monday December 4th, he asked for a starting date on you contract with Mr. Robert C. Hanford. As you know Mr. Hanford is camped at Fort Misery, south of Crown King and therefore he has authorized me to handle his correspondence.

Mr. Hanford will start on the OME contract on or before December 15, 1967. I will be making the monthly reports through this office. You probably have standardized monthly reports as referred to in Article 5-B and if so will you please furnish me with these standard forms?

Very truly yours,

JOHN C. WELDEN, C.P.A.

By John C. Welden
John C. Welden, C.P.A.

JCW:fb
cc: Robert C. Hanford
Crown King, Arizona

Office of Minerals Exploration
Building 53 Room 203

OFFICIAL COPY
O. M. E.
RECEIVED
DEC 4 1967
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December 1, 1967

Mr. Robert C. Hanford
c/o Mr. John C. Welden
220 S. E. H. Street
Grants Pass, Oregon 97526

Subject: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine Group
Tiger Mining District
Yavapai County, Arizona

Dear Mr. Hanford:

Enclosed are the original and three copies of a proposed contract for the subject property. The contract consists of MME Form 51 (five pages), Annex I (one page), one Lien and Subordination Agreement, Exhibit A (three pages), Exhibit B (one page), and two maps (Figures 1 and 2). All copies of the contract have been signed for the Government. You should insert the date for commencement of the work.

If the proposed contract is satisfactory, all four copies should be signed, retain the "Operator's Copy" and return the other copies to this office. Our change of address was given Mr. Hoyt November 17, 1967. It is:

Mr. J. William Hasler, Field Officer, Region III
Office of Minerals Exploration - U. S. Geological Survey
Denver Federal Center - Building 53 - Room 203
Denver, Colorado 80225

d

Please be advised that the 7-1/2 percent interest accrues from the dates on which individual payment 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, the original and all copies should be returned to this office together with the proposed changes for consideration.

Sincerely yours,

J. William Hasler

J. William Hasler, Field Officer, Region III
Office of Minerals Exploration

cc: Chief, OME
Hasler chron
OME chron
OME-6580

Encls.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
11/17/67	Kirkemo	120
		120
11/17	Johnson	110
11/20	Kirkgaard	120
		110
		120
		120M

NOV 21 1967

AIRMAIL

Memorandum

To: Field Officer, Region III

From: Chief, Office of Minerals Exploration

Subject: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona

Enclosed are the original and three copies of a proposed contract for the subject property. The contract consists of MME Form 51 (five pages), Annex I (one page), one Lien and Subordination Agreement (to be inserted), Exhibit A (three pages), Exhibit B (one page), and two maps (Figures 1 and 2). All copies of the contract have been signed for the Government. You should insert the date for commencement of the work. Also enclosed is an extra copy of the contract for field use.

Execution of the contract is subject to the Operator securing a properly signed Lien and Subordination Agreements. The copies submitted with the application were incomplete and improperly signed. We understand that you have advised the Applicant of this, and have sent him Lien and Subordination Agreements forms for proper execution.

If the proposed contract is satisfactory to you and the Applicant, all four copies should be signed by the Applicant. Thereafter, please distribute the copies in the usual manner.

Please advise the Applicant that the 7-1/2 percent interest accrues from the dates on which 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, the original and all copies should be returned to this office together with the proposed changes for consideration.

FRANK E. JOHNSON

Frank E. Johnson

Enclosures

GLAult/a 11-16-67
Rewritten Mr. Kirkemo/bsl 11-17-67

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
Mr. Peterson - 130

23263

Office of Minerals Exploration
Building 53 Room 203

November 17, 1967

OFFICIAL COPY
O. M. E.
RECEIVED
NOV 20 1967
INITIALS DATE
bll 120 17
LK 120
CP 120

Mr. Robert C. Hanford
c/o John C. Welden
200 South East H Street
Grants Pass, Oregon 97526

Subject: OME-6580 (Silver)
Lane Silver Mine Group
Tiger Mining District
Yavapai County, Arizona

Dear Mr. Hanford:

I have been informed by our Washington office that the Lien and Subordination Agreements MME Form 52, have been incorrectly executed, consequently I am including a new set for you to complete. Under item 3, please write in "none" if it so applies 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". No signature needs to be signed on the front of the form, however, make certain the lien and subordination agreement is properly signed on the back.

Please submit five copies of the lien and subordination agreement to this office quickly as possible, so we can further process your application. Please note our change of address is as follows:

Mr. J. William Hasler, Field Officer, Region III
Office of Minerals Exploration -- U. S. Geological Survey
Denver Federal Center - Building 53 - Room 200 + 203
Denver, Colorado 80225

Our telephone number remains unchanged: 233-3611, extensions 8598 and 8731. The area code is 303.

Sincerely yours,

J. William Hasler
mc

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

cc: Chief, OME
Hasler chron
OME chron
OME-6580
R. U. King

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 203

November 17, 1967

COPY
O. M. E.
RECEIVED
NOV 20 1967
INITIALS CODE
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120P

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine Group
Tiger Mining District
Yavapai County, Arizona

Enclosed is a copy of the applicant's reply, with maps, dated September 11, 1967 in reply to Mr. King's request of August 23 for the applicant to rectify the discrepancy between the various claim maps submitted with the application for financial assistance.

I talked via telephone with Mr. Philip Hoyt, the applicant's consulting geologist, this morning to make certain the distances shown on the attached map and consequently those accompanying the report of examination are correct, and that the proposed 300 feet of drifting will be adequate to penetrate the area below the old stope on the 400 foot level. Mr. Hoyt informed me that he has surveyed the property from the portal of the 400 level to the edge of the old caved stope by Brunton and tape and is certain that the proposed 300 feet of drifting from the present face at 425 feet from the portal on the vein from the 400 foot level will be sufficient to penetrate the area below the old caved stope.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

C O P Y

Philip S. Hoyt & Sons

Consulting Economic Geologists

Industrial Mineral Specialties

September 11, 1967

3049 N. Marigold Drive
Phoenix, Arizona 85018

Mr. Robert U. King, Geologist
% J. William Hasler, Region III
OME-Federal Center
Denver, Colorado 80225

RECEIVED
NOV 20
INITIALS | CO.

Re: OME Application 6581
Lane Silver Mine Group
Tiger Mining District
Yavapai County, Arizona

Dear Mr. King:

Pursuant to your of Aug. 23rd, and regretting the delay, I am enclosing some further data as requested, particularly the plan sketch to reconcile the vertical and horizontal sections.

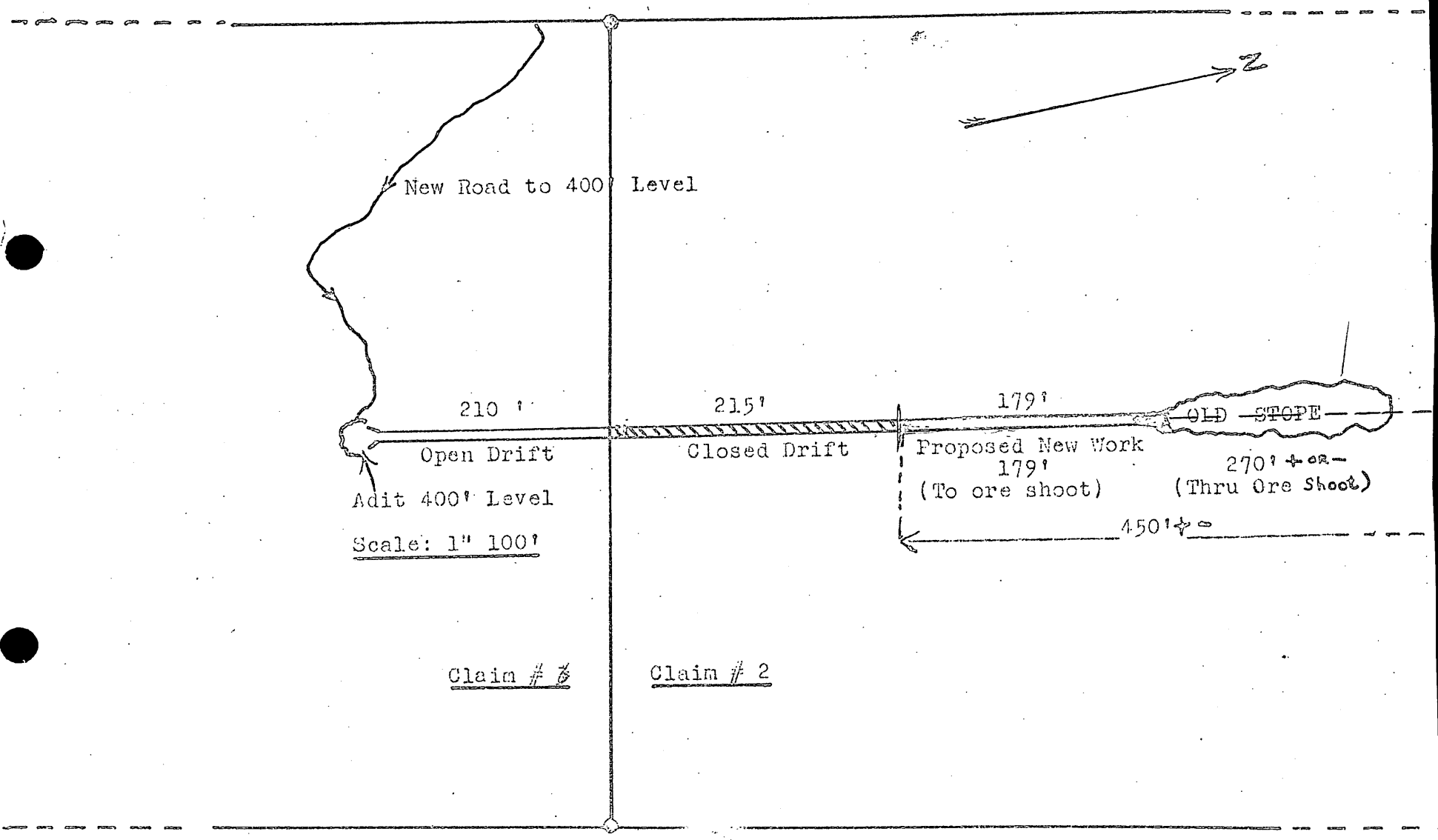
I trust this will meet your needs. If anything else required please phone me. I believe the work on the flat plan was done by Heikes at Grant Pass as we had not seen the application as presented and had no opportunity to rectify any obvious errors.

Many thanks and best wishes,

Cordially yours,

/s/ Phil Hoyt

Phil Hoyt



SKETCH PLAN

LANE SILVER MINE

OFFICIAL
COPY
O. N. E.
RECEIVED
NOV 20 1967

INITIALS	CODE

LANE SILVER MINE

YAVAPAI COUNTY, ARIZONA

Scale 1" 100'

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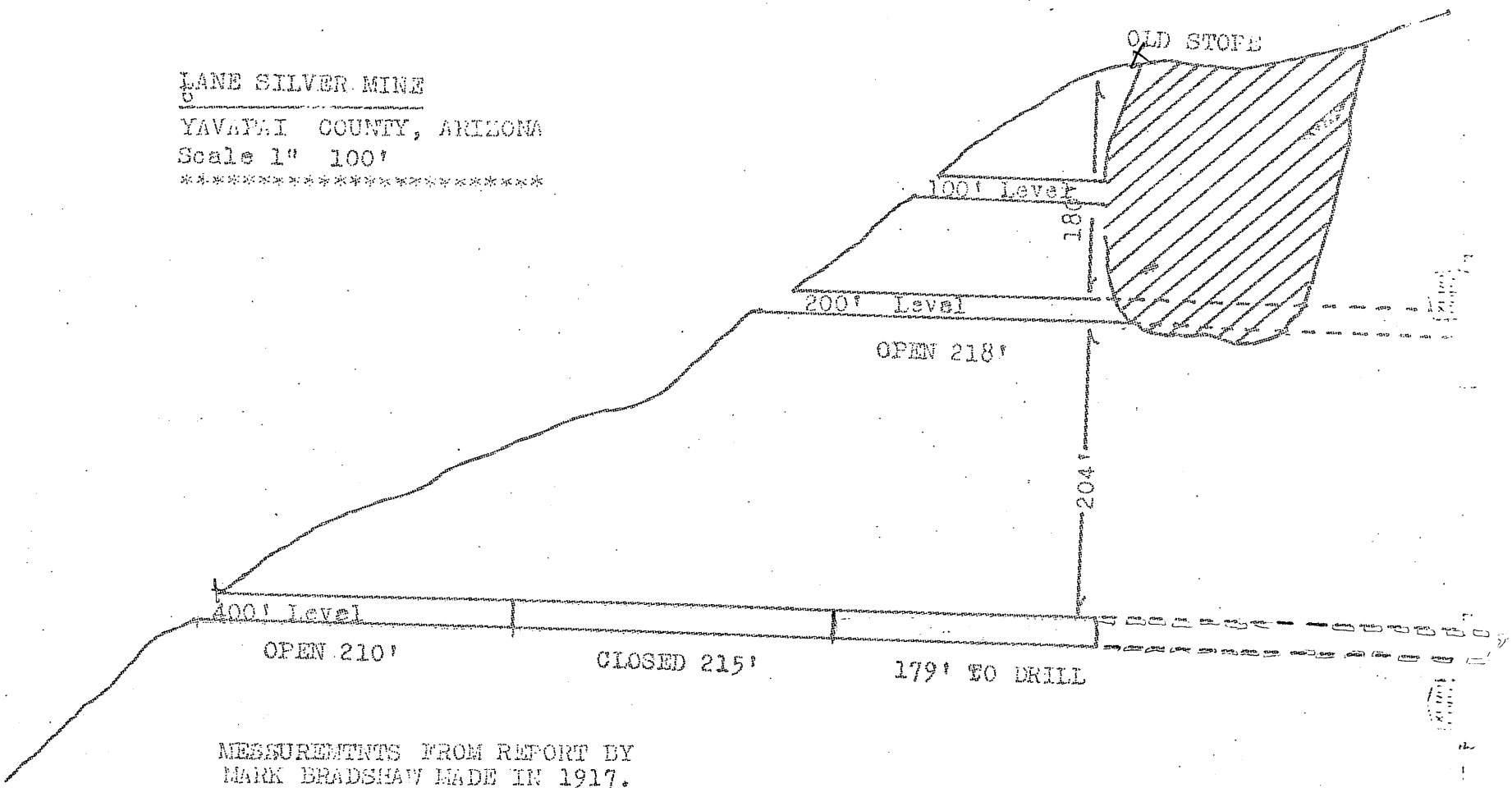

MEASUREMENTS FROM REPORT BY
MARK BRADSHAW MADE IN 1917.

****

OFFICIAL
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O. M. E.
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NOV 20 1967
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Southern Mining & Milling Company
3049 N. Marigold Drive
Phoenix, Arizona 85018

October 30th, 1967

Copy to Washington 11/15/67

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OME Region III
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NOV 3 X 1967
Denver, Colorado

Mr. J. William Hasler
Field Officer, Region III
Office of Minerals Exploration
U. S. Geological Survey
Building 25, Federal Center
Denver, Colorado, 80225

RE: OME 6580 (~~Silver~~)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona

Dear Mr. Hasler:

Pursuant to your request in yours of October 20th to Mr. Robert C. Hanford, we hereby submit the following additional information:

1. Request in Par. 2 of your letter, the agreement between Southern Mining and Milling Company and Robert C. Hanford concerning additional time, the time has been extended to December 30th, 1968.

2. Request in Par. 3 of your letter, the prepaid royalties and rentals provided in the agreement with Robert C. Hanford are presently paid in full thru August, 1968.

Five copies of this letter are being forwarded direct to Mr. Frank E. Johnson, OME, USGS, Washington 25, D.C.

Respectfully submitted,

SOUTHERN MINING & MILLING CO.,

by Philip S. Hoyt, President.

PSH:k

cc - Robt. C. Hanford
c/o John C. Welden CPA
220 SE H Street
Grants Pass, Oregon 97526

Note

The plural title "Lien and Subordination Agreements" is the way the document reads, thus the letter and contract is correct as written.

Thor

(Attachment to routing slip)

NOTE: 11/16/67

This application has been under consideration for more than a year. A field examination was made in June 1967, and after various technical problems were solved, the field examination report was completed in September.

The project is to explore for silver with Government participation at 75 percent.

Applicant states in letter dated November 1, 1967, that work could be started on or before November 30, 1967 (probably within a month of execution of contract).

Harold Kirkemo

Harold Kirkemo

DMEA FORM 6 REFERENCE SLIP

REV. 12-56 DEFENSE MINERALS EXPLORATI

1. Assoc.Sol.--MR, Room 6554 (Through Room 6042)

2. Mr. Peterson, Room 4459

3. J-67-2074.3192

4. INTERIOR DEPT.

5. OCT 16 1967 SOLICITOR

FROM: Chief, OME

FOR: Check items for action desired

____ Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS:

Please return maps.

RECEIVED

OCT 17 1967

Division of Mineral Resources and General Legal Services

INT.-DUP. SEC., WASH., D.C. M25803

DRAFT 10/12/67
ECPeterson/bsl

To Legal 10/19/67

120 ED
120 HR
~~110~~ KJ
120M

MME Form 51
July 1965

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
U. S. Geological Survey

EXPLORATION CONTRACT
(Short Form)

Docket	Commodity	Contract No.	County	State
OME -6580	Silver		Yavapai	Arizona

It is agreed _____ (Date), between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and

Robert C. Hanford, an individual

_____,

whose mailing address is **220 S. E. H Street, Grants Pass, Oregon 75926**, hereinafter called the "Operator," as follows:

ARTICLE I. 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 _____ (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within **12** months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the work is $ ~~**33,600.00**~~ 30,000. The Government will contribute ~~**xx**~~ **75** percent of the total fixed unit costs of the work performed, not in excess of $ ~~**25,200.00**~~ 22,500 in accordance with the provisions of Articles 4 and 5.

(c) Interest computation.--Simple interest at the rate of _____ 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 6 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) 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. To the extent that amounts in excess of fixed unit costs or in excess of the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such amounts for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. 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 units of 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.

(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.)

(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 unit costs thereof.

(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 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. 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 retain 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 certification 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.

(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 6(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 construed as imposing any obligation on the Government to purchase any minerals and metals mined or produced from the land.

ARTICLE 7. 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 pay on account of units of work not then performed; 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 pay on account of units of work not performed when the notice was given, 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 7 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 11.

ARTICLE 8. 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 9. 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 10. 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 11. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, U. S. Geological Survey, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, U. S. Geological Survey, 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, U. S. Geological Survey, 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, U. S. Geological Survey," as used herein includes his duly authorized representative.

ARTICLE 12. 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 U. S. Geological Survey 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 13. 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 14. Changes and added provisions.--

_____

_____

_____

_____

Executed in ~~quintuplicate~~ quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

_____
(Operator)

Robert C. Hanford

Title _____

By _____

Acting **Director**
U. S. Geological Survey

I, _____, certify that I am the
(Name)

_____ secretary of the corporation named as Operator herein; that

_____, who signed this contract on behalf of the Operator, was then
(Name)

_____ 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.

_____

CORPORATE SEAL

EXPLORATION CONTRACT
ROBERT C. HANFORD
OME-6580

ANNEX I

The land, including all rights pertaining thereto, referred to in Article 2 of the contract consists of three (3) unpatented lode mining claims in secs. 11 and 12, T. 9 N., R. 1 W., GSRM, Minnehaha-Humbug mining district, Yavapai County, Arizona.

The claims are recorded in the Yavapai County Recorder's office at Prescott, Arizona, as follows:

Claim	Book	Page
Lane No. 1	156	19
Lane No. 2	156	20
Lane No. 3	285	562

The Operator is in possession of the claims by virtue of an Option to Purchase dated July 11, 1966, (as amended September 22, 1966) with the Southern Mining and Milling Company, owner of the claims.

A Lien and Subordination Agreements executed September 22, 1966, by the owner of the claims is attached and made a part hereof.

The outer boundary of the claim group is shown in blue on Figure 1, entitled "Property Map, Lane Silver Mine, Yavapai County, Arizona" attached hereto and made part hereof.

EXPLORATION CONTRACT
ROBERT C. HANFORD
OME-6580

EXHIBIT A

The purpose of the project is to explore by drifting, crosscutting, and long-hole drilling on the 400-foot level of the Lane Silver mine for silver-bearing ore bodies in and along three mineralized parallel veins cutting the Precambrian granitic rocks.

General Provisions

All drifts and crosscuts shall be not less than 5 by 7 feet in cross section, and shall be timbered as necessary. Mine rail shall be not less than 14-pound size, air line not less than 2-inch diameter, water line not less than 1-inch diameter, and ventilation line not less than 8-inch diameter.

All significantly mineralized areas traversed by the exploratory workings shall be chip or channel sampled normal to their trends at linear intervals of not more than 5 feet. In addition, a representative bulk sample may be taken of each round broken. Significantly mineralized cuttings from the long-holes shall be sampled, and no individual sample shall represent more than 2 linear feet of hole. Each sample from whatever source shall be split as necessary, and one split shall be assayed for silver, gold, copper, lead, and zinc. The remainder of each sample shall be stored in a suitable container for Government inspection and possible use. With prior Government approval, the Operator may dispose of the stored samples.

True copies of records or assay certificates of all samples shall be submitted with the Operator's monthly report which shall also include a map or sketch showing the work completed during the reporting period, the location of all samples taken, and the general geological formations and structures traversed by the workings.

No underground workings shall be driven closer than 100 feet to the outer boundary of the claims in the possession of the Operator.

The Operator shall provide such supervision, labor, technical services, and equipment 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.

Prior to undertaking any work authorized under the contract, the Operator at its own cost and expense shall have rehabilitated the 400-foot level adit from the portal northeastward approximately 415 feet to the face.

Description of the Work

The work shall consist of drifting from the face of the rehabilitated adit in a northeasterly direction along the strike of the main or middle vein, long-hole drilling the drift walls, and crosscutting and drifting to test adjacent structures where drilling indicates further exploration is warranted. The long-holes shall be spaced at intervals of not less than 25 feet, and shall not exceed 50 feet in depth. It is estimated that 450 feet of drifting and crosscutting, and 400 feet of long-hole drilling will be required.

The proposed drift along the main vein is shown in green on Figure 2 entitled, "Longitudinal Section, Lane Silver Mine," attached and made part hereof.

Estimated Costs of the Work 1/

Fixed Unit Costs

450 feet drifting and crosscutting,		
@ $51.00/foot	$22,950.00	
400 feet long-hole drilling,		
@ $1.20/foot	480.00	
Assaying 305 samples,	690.00	
Gold and Silver @ $3.00/sample		
Lead, Zinc, and Copper @ $2.00 each determination		
Office expenses,		
6 months @ $50.00/month	300.00	
1-Supervisor - engineer,		
6 months @ $600.00/month	3,600.00	
Payroll Taxes, F.I.C.A., Insurance, etc.	640.00	
1-Outside consultant, 2 days/month,		
12 days @ $75.00/day	900.00	
Per diem, outside consultant,		
12 days @ $16.00/day	192.00	
Transportation for Consultant, 2,480 miles		
at $0.10 mile	248.00	
Total Estimated Cost of the Project		$30,000.00
Government Participation 75%		$22,500.00

1/ The Government retains no equity in any of the equipment or materials used.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code

November 7, 1967

Memorandum

To: Robert W. Long, Assistant Solicitor

From: Edward C. Peterson, Office of Minerals Exploration

Re: Your memorandum October 17, 1967
OMK-6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona

Clarification of the above was requested from the Applicant and, in response, he has submitted the following:

1. New application form showing the Applicant's status as an individual.

2. Letter from the property owner indicating that the Option to Purchase date has been extended to December 30, 1968.

The docket and draft of proposed contract are returned.

Edward C. Peterson

Enclosures

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
Mr. Peterson

ECPeterson/gla 11-7-67

2316

CHRONOLOGICAL COPY
O. M. E.
RECEIVED
OCT 23 1967

INITIALS	CODE
	120
BER	120
	110
HK	120
EP	120

Office of Minerals Exploration

October 20, 1967

Mr. Robert C. Hanford
Crown Point, Arizona 85333

Re: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine Group
Yavapai County, Arizona

Dear Mr. Hanford:

Yesterday in a telephone conversation with our Washington office I was informed that in order for them to further process your application we will need the following information:

1. Please designate on the enclosed MME Form 40, January 1965, Office of Minerals Exploration application for financial assistance in minerals exploration, that you are applying as an individual by checking the box opposite "individual" as you did in your original application, however, do not include the names of Mr. Goodman or Mr. John C. Welden as partners. Return the original directly to Washington, D. C. and send a copy to this office, as per my telephone conversation with you October 18, 1967.

2. Please provide our Washington office with 5 copies of an amended lease on the Lane #1, Lane #2, and Lane #3 lode claims from the present expiration date to at least December, 1968. This should insure that the lease will be in effect for the duration of a contract should a contract be executed.

3. Please inform our Washington office that the payments on the lease are prepaid until February 1968, as you and Mr. Welden informed us yesterday and today, that the payments on the least will be maintained as provided in the lease.

An early reply will materially facilitate the processing of your application. If we can be of further assistance to you please feel free to so inform us.

Sincerely yours,

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

cc: Mr. John C. Welden
Chief, OME
Hasler chron
OME chron
OME-6580

see material recd. 11/3/67 left-hand side

J-67-2074.3192

DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON 25, D. C.

Oct. 17, 1967

Mr. Peterson:

The attached docket, OME-6580, Robert C. Hanford, is returned pursuant to our telephone conversation of this morning, for further information with respect to the applicant's status, i.e., partnership or individual, and for further evidence of the applicant's rights to possession of the property. The Option to Purchase dated July 11, 1966 as amended September 22, 1966 is not for a sufficient period to cover the contract work.

Robert W. Long

Robert W. Long

Enclosure

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225
Office of Minerals Exploration

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 2 1967

INITIALS	CODE
gla	130
[illegible]	110
[illegible]	120A
	120P
HR	120

September 29, 1967

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine Group
Yavapai County, Arizona

On site report

Transmitted herewith is the original report of the field examination on the above subject application by Robert U. King recommending approval of a modified exploration program estimated to cost $33,611.50. The field officer concurs with the recommendations made in the attached report.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosures

UNITED STATES

DEPARTMENT OF THE INTERIOR

STEWART L. UDALL, SECRETARY

U. S. GEOLOGICAL SURVEY

OFFICE OF MINERALS EXPLORATION

REPORT OF EXAMINATION

REGION III

OME-6580 (SILVER)

ROBERT C. HANFORD

LANE SILVER MINE GROUP

YAVAPAI COUNTY, ARIZONA

By

ROBERT U. KING

GEOLOGIST

SEPTEMBER 1967

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Estimated costs---------- 9

Fixed unit cost schedule---------- 12

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Illustrations

Figure 1.--Property map - Lane Silver Mine. Yavapai County, Arizona

2.--Proposed exploration - Lane Silver Mine. Yavapai County, Arizona

OME-6580 (Silver)

Robert C. Hanford

Lane Silver Mine Group

Yavapai County, Arizona

by Robert U. King

Introduction

Mr. Robert C. Hanford applied to the Office of Minerals Exploration for financial assistance to explore the Lane Silver mine. A field examination was requested by OME, Washington, and was made by Robert U. King on June 24, 1967, accompanied by the applicant, Mr. Hanford, and Messrs. P. S. Hoyt and his son.

During the examination the applicant requested modification of the proposed exploration to include drilling of eight long holes at 25-foot intervals into the hanging- and foot-walls of the main vein to explore below mineralized outcrops of known veins on each side of the main vein, to be followed by a cross cut to either or both such veins, and a drift on either or both veins. Revised maps submitted by the applicant subsequent to the examination indicate that 300 feet of drilling will be sufficient to adequately explore the main vein on the 400 level.

Conclusions and recommendations

It is concluded that there is a good chance of discovering ore along the downward continuation of an ore shoot, that was mined above the 200 level, by the applicant's proposal to extend the existing 400 level adit an additional 300 feet, and of discovering ore on the downward continuation of the two parallel veins that were prospected on the surface

by eight long holes and 150 feet of x cut and drift on the parallel veins. I recommend this modified program estimated to cost $33,611.50 be approved.

Location

The Lane Silver Mine is in the southern part of the Bradshaw Mountains in the Minnehaha-Humbug Mining District. It is chiefly in the SE 1/4, sec. 11, T. 9 N., R. 1 W., GSRM; part of one claim is in Sec. 12.

The property

The property consists of three continguous unpatented lode mining claims: Lane #1, Lane #2, Land #3 (fig. 1), which are recorded in Book 156, pages 19 and 20, and in Book 285, p. 562, respectively, in the office of the Yavapai County Recorder, Prescott, Arizona.

Property rights

The applicant has an 18-month exclusive right and option to purchase the property dated July 11, 1966, with amendment for renewal of option for 1 year and 6 months dated September 22, 1966, from Southern Mining and Milling Company, owners. Mining rights until July 11, 1968, are implied by these documents. Lien and subordination agreements (MME Form 52) were submitted with the original application to cover the Lane #1, 2, and 3 claims.

Geologic summary

Precambrian crystalline rocks and metamorphic rocks occupy most of the area surrounding the Lane mine. The metamorphic rocks, known as the Yavapai schist, consist of phyllite, and mica and hornblende

schist, all largely of sedimentary origin (Lindgren, 1926). Thick strata of Yavapai schist trending north-northeast across the district are intruded by the Bradshaw granite, a massive, coarse- to medium-grained, gray to pink biotite granite. The Lane mine is entirely within the granite.

Ore minerals consist chiefly of silver-bearing galena and minor sphalerite. Traces to 0.1 oz. per ton of gold are reported to be present in the ore (Bradshaw, M. G. 1917). Gangue consists mostly of quartz, pyrite, and argillized wall rocks.

The Lane mine exploited a steeply northwest-dipping fissure vein that cuts the granite roughly parallel to the predominant north-northeast trend of the major joint system. The main vein has been traced on the surface for about 1,000 feet through a vertical interval of about 500 feet. It averages about 18 inches wide and has been mined to a depth of 220 feet. Two other semi-parallel veins, one on each side of and about 40 feet from the main vein, have been prospected at the surface near the northeastern extremity of the workings, they are about 1-foot wide and are believed to be branch veins of the main vein, but as the two subsidiary veins have never been explored at depth their genetic relationship with the main vein is not known.

The Lane mine, according to Bradshaw (1917) was located in the early 1880's and is reported to have had a production valued at between $300,000 and $400,000. Lindgren (1926) states that "in the Mint report for 1884 --- a 4-stamp mill was on the property and that 300 tons of ore were crushed yielding $50,000 in silver and gold." A single stope

extending from the surface to a depth of about 200 feet and about 160 feet long is the source of the known production from the Lane mine. It is reported by Bradshaw (1917) that the productive part of the main vein ranged from 6 inches to as much as 4 feet in width. A probable average may have been 18 inches giving a mined tonnage of 4,000 to 5,000 tons, and which at an estimated average content of 200 oz. Ag per ton for 50 percent of the stope length would have generated a gross value from $400,000 to $500,000.

The grade of the Lane mine ore body is also indicated by the following three samples, two of which were collected by Bradshaw in 1917, and one by the Applicant.

Description	Ag oz./ton	Au oz./ton or value/ton	Pb %	Zn %
1. Ore sample across 4 inches of vein, at 218 ft. from portal, 200 level. Collected by M. G. Bradshaw, 1917.	904.7	$3.40	-----	-----
2. Vein material, 6 inches across vein at 200 ft. from portal, 200 level. Collected by M. G. Bradshaw, 1917.	234.4	1.80	-----	-----
3. Grab sample of stope waste (fill), 200 level. Taken by Hanford, 1967.	27.60	-<0.005	-<0.1	-2.68

The ore deposits of the Tiger district consist of scattered silver-lead and gold-copper veins (Lindgren, 1926). The mines exploiting these vein deposits were active mostly for short intervals during the period from the early 1880's to the late 1920's. Some sporadic mining and prospecting

has continued in the district to the present time. A disseminated (porphyry type) Cu-Mo deposit recently has been explored by trenching and drilling in Copper Basin, about 1/2 mile west of the Lane mine. The results of this exploration are not known. The largest mines in the Tiger district were probably the Tiger and the Oro Bell-Gray Eagle mines. These are from 3 to 4 miles northwest of the Lane mine. According to Lindgren (1926, p. 172-175), the value of the total production from the Tiger mine was estimated at $750,000 mostly in silver, that of the Oro Belle-Gray Eagle mine, about $700,000 distributed among gold, silver, and copper.

No measured or indicated reserves of ore exist in the Lane mine, but it is reported by Bradshaw (1917), that ore was being followed as much as 20 feet below the working (200) level at the time work ceased on that level (due to water), and the 400-foot level adit was being driven. It is inferred that additional ore may be discovered along the downward continuation of the ore body that was mined. If it is assumed that the unexplored part of the ore shoot contains about the same relative proportions of ore and waste as the part mined (50 percent), the inferred reserves in the block 1-1/2 feet thick and 160 feet long extending downward from 20 feet below the 200 level to the 400 level should be about 4,000 tons. It is expected that any ore discovered would be about the same grade as the ore produced, or about 200 oz./T silver, 0.1 oz./T gold, and less than 5 percent combined lead and zinc.

Production

The value of the production from Lane mine is reported to have amounted to between $300,000 and $400,000 mostly in silver. Total value of production from the Tiger and Pine Grove districts amounted to about $2,000,000 in Cu, Au, Ag, Pb, and Zn (Lindgren, 1926, p. 172) from about 150,000 tons of ore treated or shipped during the period 1901 to 1924.

Exploration targets

The target of the proposed exploration is the portion of the main vein that lies ahead of the 400 level adit between the 200 and 400 levels directly below the 200 level stope. The known ore shoot of the main vein is 160 feet in length by about 200 feet in depth. The rake of the ore shoot is about 90°. On the 400 level the vein contains no visible sulfides for the first 200 feet, but Bradshaw (1917) reports "the vein in places in the lower (400 level) tunnel shows a high state of mineralization ---." Confirmation of the reported mineralization from 200 feet to the face of the drift at about 400 feet is not possible due to caving of the tunnel.

Although insufficient work has been done on the two parallel veins to identify them as probable primary exploration targets on the 400 level, long-hole drilling of the hanging- and foot-walls of the main vein to determine whether these veins continue to the 400 level and to make certain that the most favorable vein structure is being followed by the 400 level; drifting should be included in the exploration project.

Bibliography

Bradshaw, M. G., 1917, The Lane mine, Arizona: File report, Arizona Department Mineral Resources.

Lindgren, Waldeman, 1926, Ore deposits of the Jerome and Bradshaw Mountains quadrangles, Arizona: U.S. Geol. Survey Bull. 782.

Estimated time schedule

Mobilization and demobilization: mining equipment, materials, and supplies. Total time----------2 weeks

Drifting of long hole drilling and crosscutting, 400 level: drive 300 feet of 5x7-foot drift on the main vein and drill not more than 400 feet of long holes in both walls spaced at intervals of not less that 25 feet. With prior OME approval, drive not more than 150 feet* of 5x7 crosscut and drift from the main vein to subsidiary veins in the hanging and foot walls or on the main vein depending on the potential of any discovered mineralized veins. No timber will be needed. It is estimated that 50-foot long holes will be adequate to penetrate each of the parallel veins. Average ratio of advance 4 feet per shift or 20 feet per week.----------22.5 weeks

Long holes - 1/2 day per 50-foot hole---------- 1 week

Work time for project----------25.5 weeks 6 months

Allowance for delays---------- 1 month

Total time for project---------- 7 months

---

*All or part of the 150 feet of 5x7 drifting allocated to crosscut and drift on the parallel veins may with prior OME approval be used to extend the drift on the main vein in the event that the favorably mineralized ground has not been completely penetrated by the initial 300 feet of drifting.

Estimated costs

1. Independent contracts		None
2. Personal services		
Supervision and technical services		
1 Supervisor-Engineer, 6 mo. @ $600.00/mo.		3,600.00
1 Outside consulting geol.-Eng.		
1 day/2 wks; 13 days @ $75.00/day		975.00
Per diem: 13 days @ $16.00/day		208.00
Travel: 200 mi./trip, 2,600 mi. @ $0.12/mi.		312.00
Labor		
1 Miner-timberman @ $4.00/hr., 25.5 wks. @ $160.00/wk.		4,080.00
1 Helper @ $3.25/hr., 25.5 wks. @ $130.00/wk.		~~3,315.00~~
1 Mucker-trammer @ $3.25/hr., 25.5 wks. @ $130.00/wk.		3,315.00
Total direct cost of labor	~~$10,710~~ 7,395	
Total payroll		14,310.00
Total Personal services		15,805.00
3. Operating materials and supplies		
Track ties, 225 1125 bf. @ $100.00/m.		112.50
Track spikes, 1800 @ 6/lb. x $0.20/lb.		60.00
Rail, 14 lb, less 50% salvage		
450 feet x 2/3 yd./ft x 14 lb./yd x $150/ton x 50%		157.50
Fish plates, 45 pr. @ $0.50/pr., less 50% salvage		11.25
Track bolts, 120 @ 6/lb. x $0.30/lb.		6.00

Air line, 2' pipe w/fittings	
850 ft. @ $0.80/ft., less 50% salvage	$ 340.00
Water line, 1" pipe w/fittings 850 ft. @ $0.60/ft., less 50% salvage	255.00
4 shovels, 4 picks, 1 axe, 1 sledge, 1 single jack	72.50
Powder, 10 lb./ft. @ $27.45/cwt (450 ft.)	1,235.25
Caps, elec., 2,250 @ $0.32 ea. (avg.)	720.00
Lead wire, @ $0.15/ft. (est.)	67.50
Drill steel, 20 pcs. @ $9.25 (avg.)	185.00
Bits, "carset", 50 bits @ $14.50 ea.	725.00
Air hose, 1", 50 ft. @ $25.00 ea.	25.00
Water hose, 1/2", 50 ft. @ $15.00 ea.	15.00
Fuel (compressor: 1,200 gal., fan: 120 gal.) 1,320 gal. @ $0.30/gal.	396.00
Lube oil (0.2 gal./ft.) 90 gal. @ $2.00/gal.	180.00
Repair parts (estimate)	400.00
Hand tools (estimate)	75.00
Total operating materials and supplies	$5,038.50

4. Operating equipment

Rental - 6 months	
2 Mine cars (1-ton) @ $30.00/mo. ea.	360.00
850 feet vent. pipe (12" metallic) @ $250.00/mo. w/couplings and hangers	1,500.00
1 Vent fan (12") @ $40.00/mo.	240.00
1 Gas engine (3 hp.) for fan @ $25.00/mo.	150.00
1 Truck (4-wheel drive) @ $300.00/mo.	1,800.00
1 Drill (feed-leg) @ $85.00/mo.	510.00

1 Compressor (365 cfm) @ $500.00/mo.	3,000.00
1 Receiver @ $10.00/mo.	60.00
1 Pressure water tank @ $10.00/mo.	60.00
1 Mucking machine (12-B) @ $200.00/mo.	1,200.00
1 Blasting machine @ $18.00/mo.	108.00
Total operating equipment (rental)	$8,988.00
5. New buildings	None
6. Initial repairs	None
7. Miscellaneous	None
Assaying	
Au-Ag, 50 samples @ $3.00/sample	150.00
Pb, 50 samples @ $2.00/sample	100.00
Zn, 50 samples @ $2.00/sample	100.00
Cu, 50 samples @ $2.00/sample	100.00
Long hole drilling, 400 ft. @ $1.20/ft.	480.00
Accounting, 6 mos. @ $50.00/mo.	300.00
Insurance and taxes, FICA (OASI) 4.4%; Workmans liability ins., 10.2%; Workmans unemployment comp., 3.2%) @ 17.8% of $14,310.00 ($2,547.18)	2,550,00*
Total miscellaneous	$3,780.00

*6 mos. @ $425.00/mo.

Total Fl Costs 30,188.50 / 450 = 68.63 or 69/ft.

Fixed unit cost schedule

Mobilization and demobilization

The job is the unit.

Drifting - 450 ft. @ $54.97/ft.

Long hole drilling, 400 ft. @ $1.20/ft.

Assaying, 50 Au+Ag @ $3.00/sample

50 Pb @ $2.00/sample

50 Zu @ $2.00/sample

50 Cu @ $2.00/sample

Office Exp., 6 mo. @ $50.00/mo.

FICA, etc. @ 17.8% of payroll; 6 mo. @ $425.00/mo.

Outside consultant, 13 days @ $75.00/day

Per diem, 13 days @ $16.00/day

Travel, 2,600 mi. @ $0.12/mi.

Supervision, 6 mo. @ $600.00/mo.

Summary

Drifting, crosscutting, and long holing	
Labor	$10,710.00
Materials and supplies	5,038.50
Equipment (rental)	8,988.00
Miscellaneous	3,780.00
Supervision	
Outside consultant	1,495.00
Supervisor-engineer	3,600.00
Total cost of project	$33,611.00
Government participation @ 75%	$25,208.62

U.S. Geological Survey
Office of Minerals Exploration

OME 6[illegible]80
Robert C. Hanford

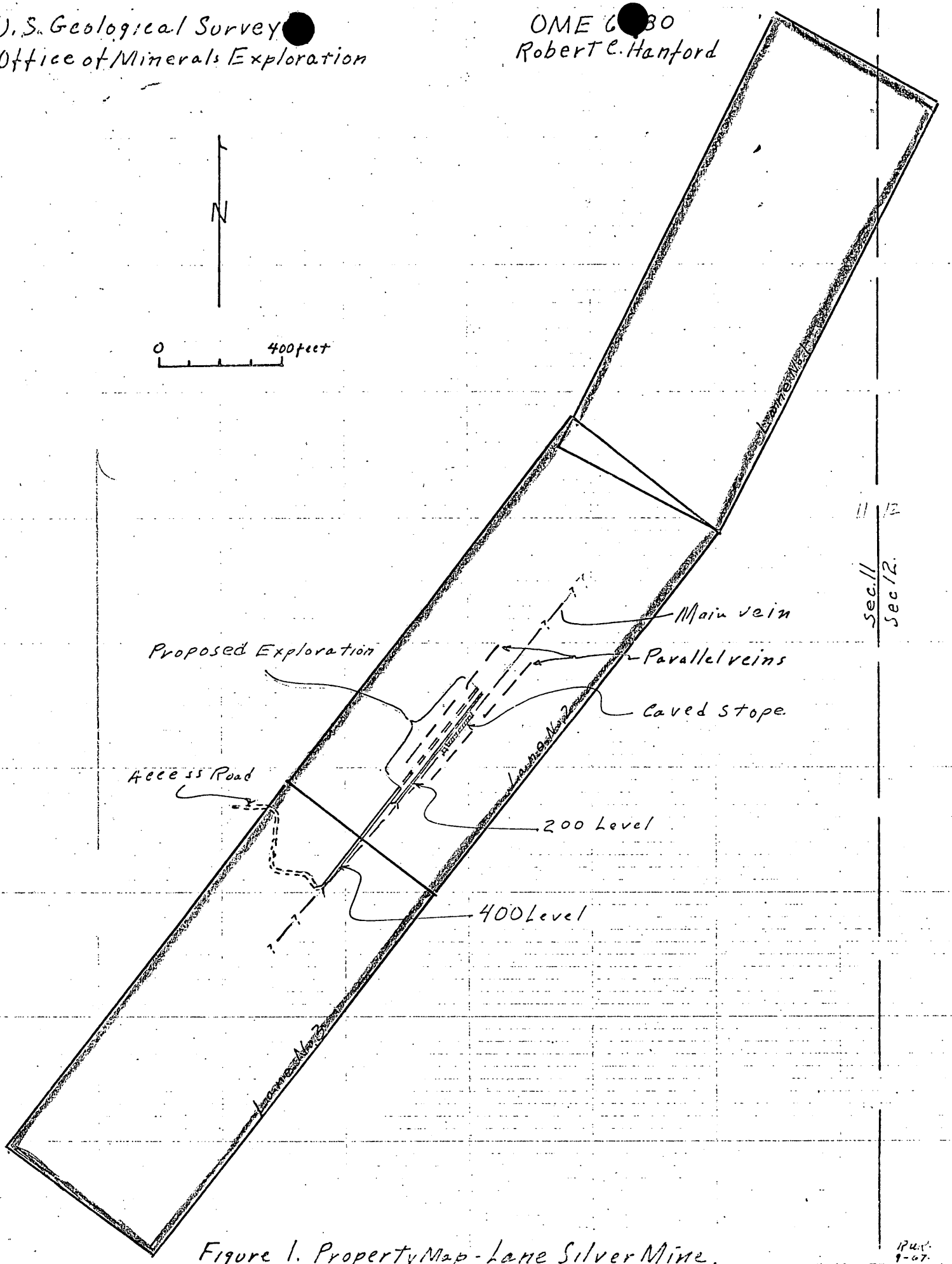

Figure 1. Property Map - Lane Silver Mine.
Yavapai County, Arizona.

R.W.S.
9-67.

U.S. Geological Survey
Office of Minerals Exploration
SW

OME 6530
Robert C. Hanford
NE

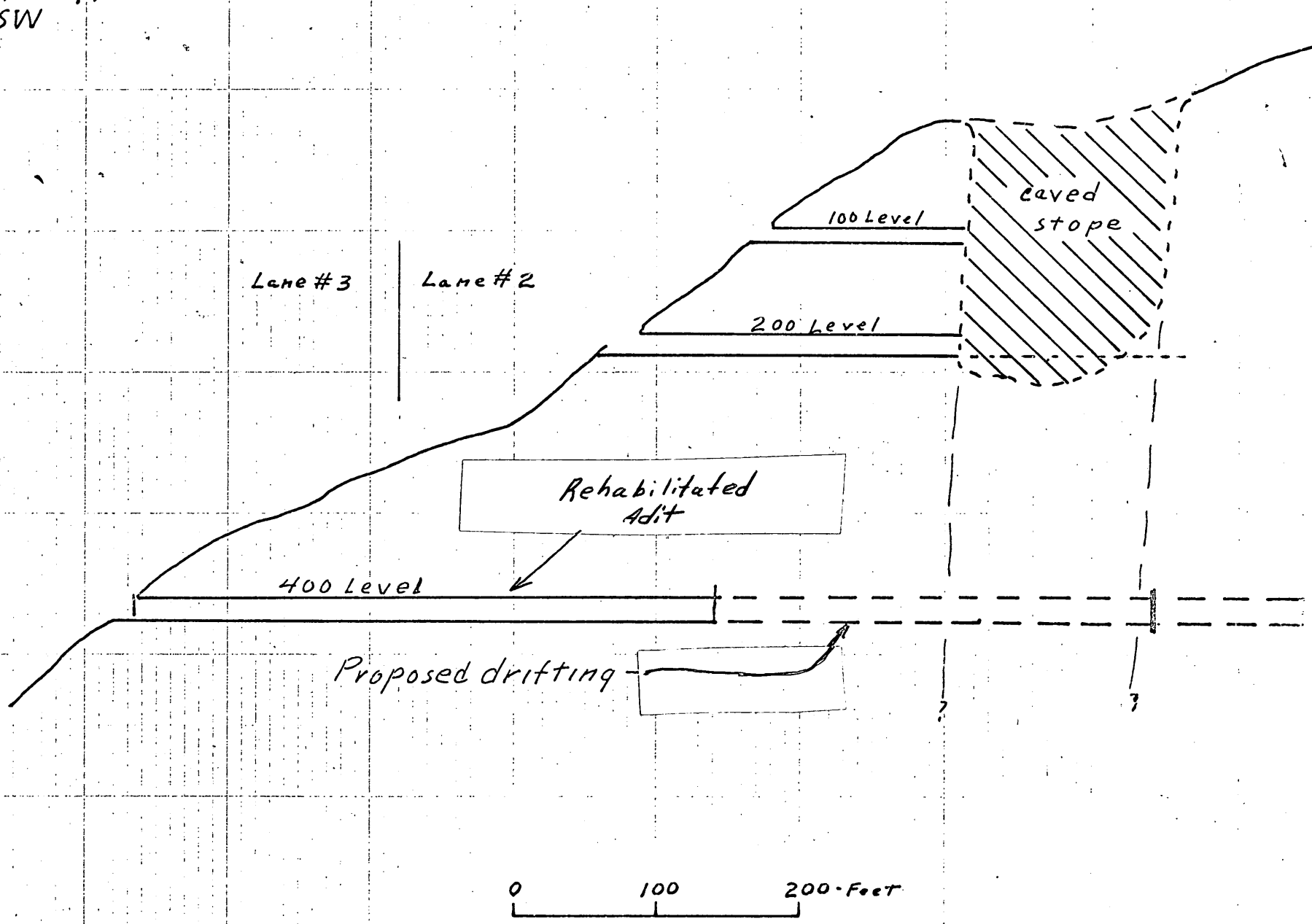

Figure 2. Longitudinal Section, Lane Silver Mine

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9-67.

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O. M. E.
RECEIVED
AUG 24 1967

INITIALS	CODE
RU	110
EP	120
	~~230~~

Office of Minerals Exploration

August 23, 1967

Mr. Philip S. Hoyt
3049 N. Marigold Drive
Phoenix, Arizona 85018

Re: OME Application ~~6581~~ 6580
Lane Silver Mine Group
Tiger Mining District
Yavapai County, Arizona

Dear Mr. Hoyt:

Confirming our telephone conversation of the 21st, it will be necessary for you to reconcile the horizontal distances shown on the plan map schedule 3(a)4 and the vertical section, schedule 5(a). According to the data we have, the plan map shows that 700 to 800 feet of drift will be required to explore the area below the stope whereas the vertical section shows only 400 to 450 feet of drift is required to explore the same target area.

Very truly yours,

R U King

Robert U. King,
Geologist

mc

cc: Chief, OME
Hal T. Morris
Hasler chron
OME chron
RUKing

11/17/67
Hasler advised by phone
Maps were furnished by
Applicant showing total
400-450 over correct
total for cross section.
RUKing

Office of Minerals Exploration

OFFICIAL
COPY
O. M. E.
RECEIVED
JUN 5 1967
INITIALS DATE
6/5 120 M
~~110~~
1-1R ~~120K~~
(Peterson)

June 2, 1967

Mr. Robert C. Hanford
c/o John C. Walden, C.P.A.
220 S. E. "H" Street
Grant's Pass, Oregon 75926

Re: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine Group
Yavapai County, Arizona

Dear Mr. Hanford:

Mr. Robert U. King, Geologist, U. S. Geological Survey, will be in the Phoenix area during the week of June 18 and will be available to make a field examination at the Lane Silver Mine Group concerning your application for financial assistance under the Office of Minerals Exploration. He would like to make the field examination on Saturday, June 24, 1967. He will be staying at the Flamingo Motel and will contact your Mr. Philip S. Hoyt at 3049 North Marigold Drive, Phoenix, Arizona upon his arrival in Phoenix. If this is not satisfactory to you, kindly inform us immediately so other arrangements may be made.

Sincerely yours,

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

cc: Mr. Philip S. Hoyt
Chief, OME
Hasler chron
OME chron
OME-6580

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225
Office of Minerals Exploration

May 25, 1967

OFFICIAL COPY
MAY 26 1967

INITIALS	CODE
gla	120
TD	110
EJV	120

Memorandum

To: Chief, OME

From: Field Officer, Region III

Subject: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona

Transmitted herewith is a copy of a letter from the applicant on the above subject property.

J. William Hasler
J. William Hasler, m.c.
Field Officer, Region III
Office of Minerals Exploration

Copy sent to Washington 5-25-67

23 May 1967

OME Region III
RECEIVED
MAY 25 1967
Denver, Colorado

Mr. J. William Hasler
Field Officer, Region III
Office of Minerals Exploration
U.S. Geological Survey
Building 25, Federal Center
Denver, Colorado, 80225

Re: OME 6580 Silver
Robert C. Hanford
Lane Silver Mine
Yavapoi County, Arizona

Dear Sir:

This letter is to give additional information to assist you in scheduling the time needed for the field survey on the Lane mine.

The exploration work needed has changed some since I originally filed my application for an O M E loan. I beleive the exploration work can be classified as follows:

1. Cat road to the upper surface of the mine and to Lane spring for water source. 1?
2. Stripping overburden off the three veins, including the exposing of the ore outcropping that occurs 465' east off the shaft (according to the Bradshaw Report). 1?
3. Re-opening the 400' drift. The drift as of now is open for 189' and is caved closed at that point. In 1962, Mr. Philip Hoyt was able to climb over this cave-in and reported one other cave-in that he was able to climb over and did get to the heading at that time. 1?
4. Extending the 400' level drift an addition 250' or 400' whichever is indicated after the first 250' is driven.
5. Drilling into the two parallel veins from the 400' level drift, every 25' starting 150' from the opening of the 400' drift. This would be done with jointed rod and carbide bits. At least one crosscut drift into each of the parallel veins should be made.
6. A new geological map to be made at that time based on the surface findings and the findings on the 400' level and the results of the drill holes into the parallel veins. 1?

Mr. Philips Hoyt, owner of the Lane mine, of 3049 N. Marigold Drive, Phoenix, Arizona, Phone 946-3966, will furnish transportation from Phoenix to the mine, and return. Please notify Mr. Hoyt several days before your expected arrival.

Yours Truly,

R.C. Hanford

R.C. Hanford

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
4/26/67	Peterson	120
4/26/67	Kirkemo	120
		110
		220
		120M

AIRMAIL

Memorandum

To: Field Officer, Region III

From: Chief, Office of Minerals Exploration

Subject: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona

The subject application is referred to you for further consideration, a field examination if warranted, and recommendations.

Although the application is still lacking real evidence supporting the proposed work, it appears that further correspondence between this office and the Applicant would add little information to what has already been submitted. Consequently, these data may possibly be obtained only from a field examination of the property.

In his letter of April 18, the Applicant indicates that he has completed, at his own expense, the access road to the 400 level portal site. Also, he now wishes to include in his proposal some surface exploration and testing of the adjacent vein systems. This work had been recommended in the two examination reports submitted with the application and should have been included in the original proposal. However, no new cost estimate was submitted for this additional work.

FRANK E. JOHNSON

Frank E. Johnson

Enclosures

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
Mr. Peterson
130

ECPeterson/gla 4/26/67

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
4/26/67	Patrson	120
4/26/67	Kirkemo	120
		110
		220
		120M

APR 26 1967

AIRMAIL

Mr. Robert C. Hanford
c/o John C. Welden, CPA
220 S. E. H Street
Grants Pass, Oregon 97526

Re: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona

Dear Mr. Hanford:

This will acknowledge receipt of your letter of April 18 in which you forwarded additional information pertaining to the subject application.

The application is now being referred to Mr. J. William Hasler, Field Officer, Region III, Office of Minerals Exploration, U. S. Geological Survey, Building 25, Federal Center, Denver, Colorado 80225. Mr. Hasler will notify you if additional information concerning the application is needed, and possibly to make arrangements for a field examination.

As Mr. Hasler is responsible for making OME field examinations in eleven states, a visit to your property necessarily will have to be scheduled well in advance.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
OME Region III
Mr. Peterson

ECPeterson/gla 4-26-67

23263

OFFICIAL COPY

Mr. Frank E. Johnson
Chief Office of Minerals Exploration
Department of the Interior
Washington 25, D.C.

Re: OME - 6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona

Dear Mr. Johnson:

The shortage of silver production in the United States should warrant granting of OME silver assistance any where the exploration has any chance of success.

The progress on exploration on the Lane Silver Mine to this date has been to build a road to the 400' level drift. Please delete this part from my application.

The next portion of the exploration will be to catch up the old drift on the 400' level, and surface exploration of all three main claims for additional ore outcrop.

The final phase of the exploration will be to extend the 400' drift an additional 200' or 450' depending on what is found, and cross cutting or drilling (which ever is warranted) into the two parallel views at various places.

Then any surface findings with the underground exploration will be correlated to determine at that time what development is warranted to put the mine into production.

I would appreciate having your representive come to the property and discuss the exploration of this property with me. A four wheel drive vehicle is still needed to get to the property, although a positive rearend drive vehicle will make the trip.

I have not been able to obtain the samples for assay that you requested but did have an assay run on some of the 200' drift waste. A copy of this assay is enclosed.

I am also enclosing copy of some of the pictures I took.

I certainly would appreciate your putting my application on the top of your agenda and sending a field man to the property.

I will be in Arizona, so please address all of your correspondence in care of my accountant, John C . Welden, CPA
220 S. E. H Street
Grants Pass, Oregon

Very truly yours,

R. C. Hanford

R. C. Hanford

Enclosures: Copy of Assay Report
Copy of pictures

Assay–Chemical Division

ABBOT A. HANKS

ESTABLISHED 1866

1300 SANSOME STREET • SAN FRANCISCO, CALIFORNIA 94111 • TELEPHONE (415) 434-0166

Assayers
Chemists
Spectrographers
Mining Consultation
Representatives
Inspectors
Samplers

REPORT OF ASSAY February 13, 1967

Mr. A. R. Goodman
4301 Dunsmuir Avenue
Oakland, California

Deposited by

Sample of Ore

Labty. No.	Mark	GOLD, per ton of 2,000 lbs. Troy Ounces	GOLD, per ton of 2,000 lbs. Value at $35.00 oz.	SILVER, per ton of 2,000 lbs. Troy Ounces	SILVER, per ton of 2,000 lbs. Value at	Percentages LEAD %	Percentages ZINC %	Percentages MERCURY %
4293-1	Lane Silver Mine	Less than 0.005		27.60		Less than 0.1	2.68	
2	Carlson Hg.							Nil

md

ASSAY-CHEMICAL DIVISION
ABBOT A. HANKS
By Charles J. Taylor
Charles J. Taylor

CA-106

① Lane Mountain

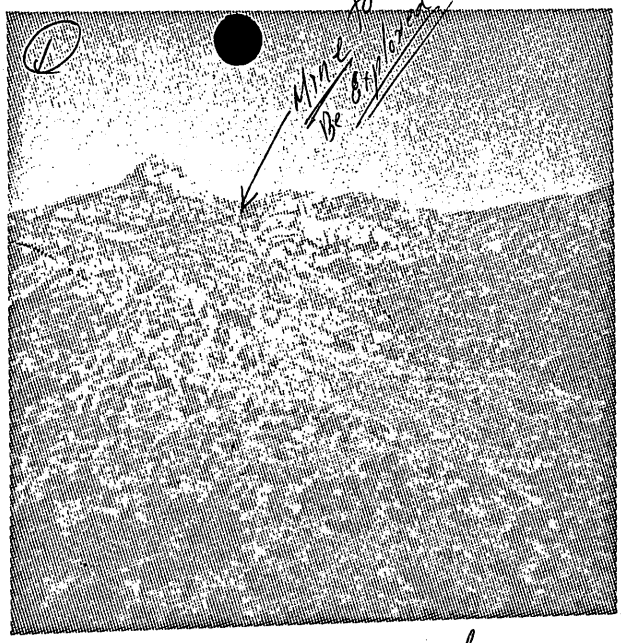
② At the 400' Level Looking at Cat on Road ~~Beginning~~ under Construction

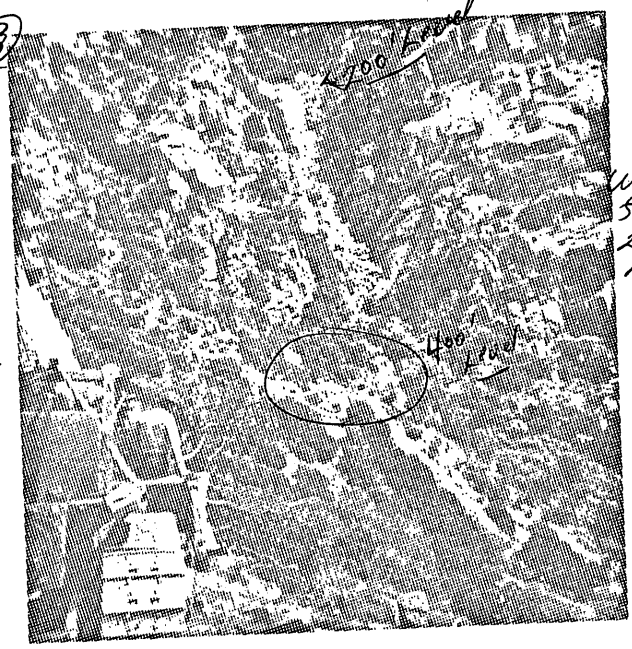
③ At Road Looking toward the 400' Level opening

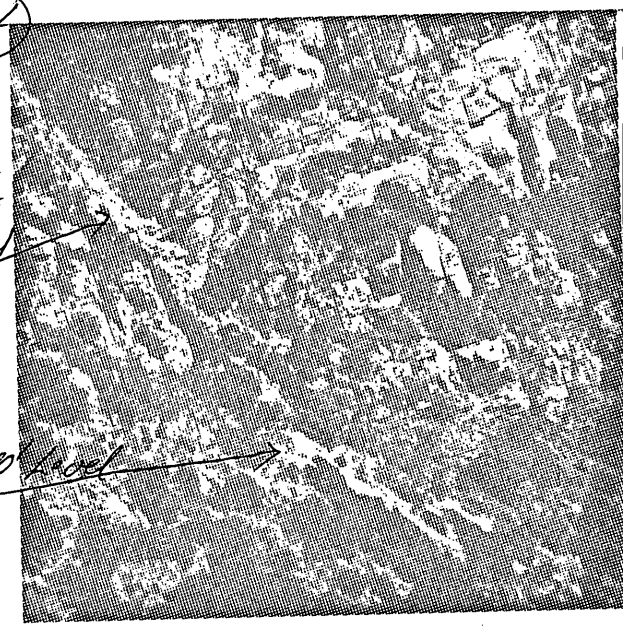
④ waste from the 200' Level Drift & 400' Level Drift

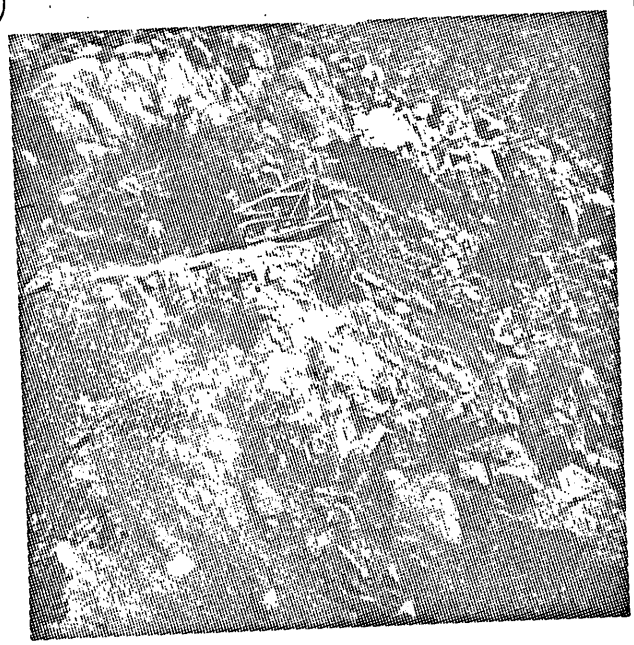
⑤ Portion of Road being Constructed

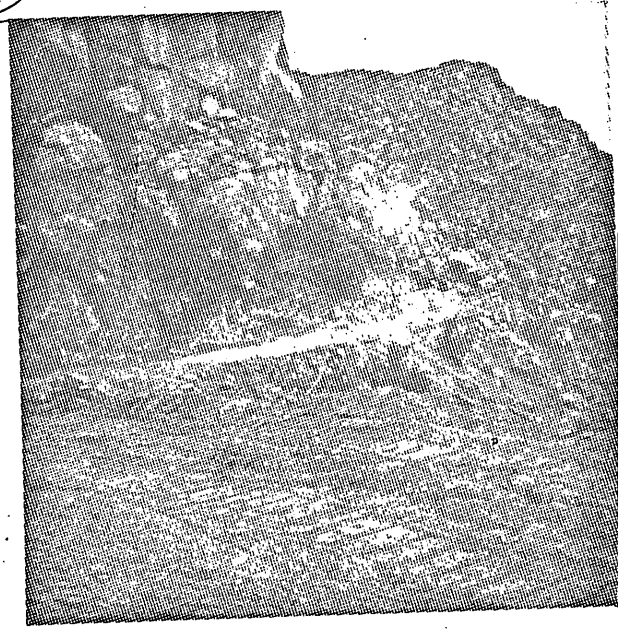
⑥ Another Picture of Road Being Constructed











OFFICIAL
COPY
O. M. E.
RECEIVED
FEB 6 1967

220 S. E. H Street
Grants Pass, Oregon
February 4, 1967

120 M
120
120 P

Mr. Frank E. Johnson
Chief Office of Mineral Exploration
Dept. of the Interior Geol. Survey
Interior Bldg. Room 4460
Washington, D.C. 20240

Re: O.M.E.-6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona

Dear Mr. Johnson:

In reply to your letter January 13, 1967 I have not decided to withdraw application for a loan.

The results of the sampling suggested in your letter of November 29, 1966 are not available at this time. I will send them to you when I receive them together with the suggested changes in a new application form as outlined in your letter.

Sincerely,

R. C. Hanford

R. C. Hanford

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
1/13/67	Peterson	120
1/13/67	Kirkham	120
		110
1/13	Cal	220
		120M

JAN 13 1967

AIRMAIL

Mr. Robert G. Hanford
220 S.E. H Street
Grants Pass, Oregon 97526

Re: OME-6580 (Silver)
Robert G. Hanford
Lane Silver Mine
Yavapai County, Arizona

Dear Mr. Hanford:

We have not received a reply to our letter of November 29, 1966, requesting additional information necessary to continue the processing of your application.

Will you please inform us when we may expect the requested data. If you have decided to withdraw the application, please so inform us.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
OME Region III
Mr. Peterson

ECPeterson/gla 1-13-67

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
11/24	E Peterson	120 P
11/29/66	Kirkemo	120
		110

NOV 29 1966

AIRMAIL

Mr. Robert C. Hanford
220 S.W. H Street
Grants Pass, Oregon

Re: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona

Dear Mr. Hanford:

This will acknowledge receipt of your letter of November 14, in which you gave additional details of the proposed work. Unfortunately we still find that sufficient information has not been presented to determine if the subject property is eligible for assistance under OME regulations.

To establish that silver is present in quantities sufficient to qualify your property for OME assistance, we suggest that the ore pile and the vein outcropping mentioned in your letter be sampled and assayed. The location and type (dump or cut sample) of samples, width of cut samples, and copies of the assay certificates should be submitted for our evaluation.

Please note that although a Consultant may recommend additional work this does not necessarily qualify a property for Government assistance. Such recommendations need to be supplemented by supporting geologic evidence such as is required under Items 3 and 5 of the application form. In this instance, it appears that any such additional data are unknown to you.

Also, a new application form should be submitted reflecting the following changes: (1) under the item Business Organization on the front of the form you have checked individual even though you list two partners. If this is a partnership a check mark should be placed beside partnership, (2) under the items Certification and Name of Applicant the signature and name of applicant should read R. C. Hanford to agree with the name shown on the Lien and Subordination Agreements.

23263

Three application forms (MMX Form 40) are enclosed for your use if necessary.

Detailed cost estimates for supervision, engineering, assaying, and drilling of the adjacent vein systems should also be supplied.

This request for additional information should not be construed as a commitment by the Government to grant an exploration contract. Any material furnished will be given prompt and careful consideration.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosures

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
Region III w/cy of incoming letter
Peterson

ECPeterson/mm (11/29/66)

OFFICIAL
COPY
U. S. G. S.
ARCHIVES
NOV 18 1966
ARCHIVES COPY

220 S. E. H Street
Grants Pass, Oregon
November 14, 1966

Mr. Frank E. Johnson
Chief Office of Mineral Expl.
Dept. of the Interior Geol. Survey
Interior Bldg. Room 4460
Washington, D. C. 20240

Re: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Ariz.

Dear Mr. Johnson:

In reply to your letter of November 3, 1966, in which you request supporting geological evidence to justify the proposed underground drifting of 450 feet on the Lane Mine vein.

No geologic maps of the Lane Silver Mine, or the immediate area, have ever been made as far as I know.

Reference is made to the report and comments of William B. Millar, consulting geologist, in which he recommends that "the search for the extension in depth of the Lane orebody be undertaken." Also: "The fault structure containing the Lane vein and parallel (unexplored) veins is a strong geologic feature and augurs well for persistence in depth of the vein."

Inasmuch as no ore has been encountered in the 400 feet of drifting so far done on the 400 level, it is not possible to state positively that ore will be found on that level with 450 feet of drifting on the vein. However, as this drifting would drive under, and beyond, the stoped area in the upper levels there is good grounds for expecting this work to encounter ore. This drifting could also encounter the enrichment, at depth, of the vein outcrop which was found 465 feet east from the underhand stope. (Page 4 paragraph 4, Bradshaw report).

It is my intention to drill prospect holes with air-leg drill and jointed drill rod into the hanging and foot walls of the Lane vein to pick up the parallel veins Bradshaw refers to in his report and for which he recommends prospecting (Page 2 paragraph 3, Bradshaw report). This can be done at nominal cost.

I have done no sampling or assaying as there is no ore in sight in place. A small pile of ore at the portal of the 200 foot level shows silver, lead and zinc minerals, and no doubt, came out of the level but was not sampled or assayed.

If the conclusions of Bradshaw and Millar are acceptable it appears that the exploration for ore in the Lane Mine is justified.

Sincerely,

R. C. Hanford

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
11/3	Peterson	120P
		120K
		110
11/3	Cal	220
		120Z

NOV 3 1966

AIRMAIL

Mr. Robert C. Hanford
220 S. E. M Street
Grants Pass, Oregon

Re: OME-6580 (Silver)
Robert C. Hanford
Lane Silver Mine
Yavapai County, Arizona

Dear Mr. Hanford:

A preliminary review of your application for exploration assistance at the subject property shows that additional information is needed before we can continue its processing.

Please furnish supporting geological evidence to justify the proposed work consisting of 450 feet of underground drifting along the Lane mine vein. We note that both geologists in their reports submitted with your application recommend a limited program of exploration which also includes the testing of two adjacent parallel veins.

The information submitted thus far suggests that some of the work you have proposed would be more in the nature of mine development than exploration and would not be eligible for assistance under OME regulations.

It would be most helpful in our evaluation of your application for assistance if you could furnish us with any additional geological information of the mine area, including geologic maps or sections. The results of any recent sampling of the property showing the locations where sampled, dimensions of sampled areas, and assay results would also be useful.

This request for additional information should not be construed as a commitment by the Government to grant an exploration contract.

Enclosed is an extra copy of the application form you submitted which is not needed for our purposes.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosure

cc: Director's Reading File
Division File
Economic Geology File
Peterson
ECPeterson/mm (11/2/66)

OME Docket
OME Reading
Region III

23263

October 24, 1966

Mr. Robert C. Hanford
220 S. E. H Street
Grants Pass, Oregon

Subject: OME-6580

Dear Mr. Hanford:

Your application for exploration assistance, dated October 19, 1966, submitted to our office at Washington, D. C., has been assigned Docket No. OME-6580.

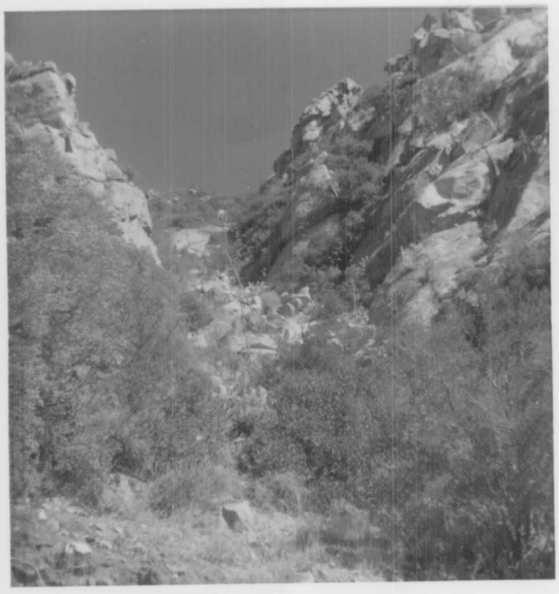
Please identify all future correspondence relating to your application by this docket number.

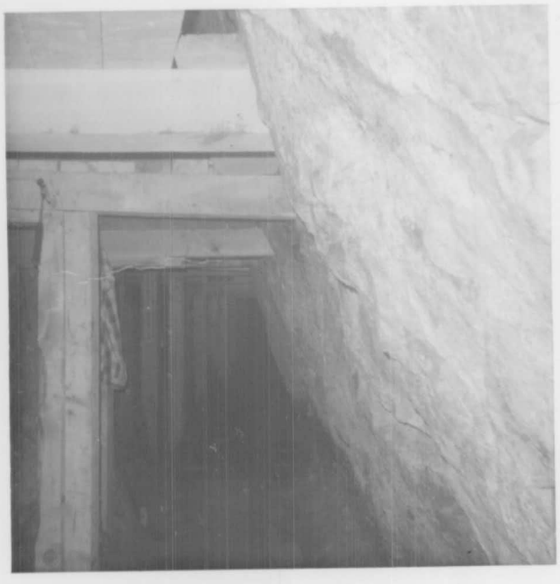
Sincerely yours,

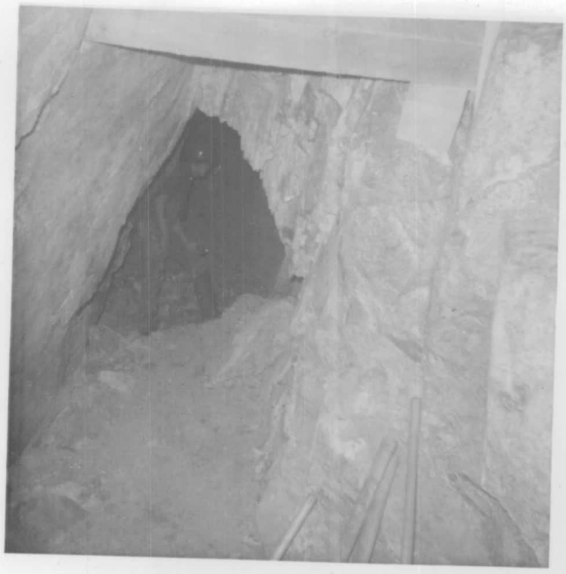
Frank E. Johnson
Chief, Office of
Minerals Exploration

Copy to R-III

OME-6580
LANE SILVER MINE.
JUNE 10, 1969







SURVEY NOTES

PORTAL - STATION 1, N.65°E. 86'

STATION 2, N.73°E. 55.5'

STATION 3, N.64.5°E. 67.5'

STATION 4, N.54.5°E. 22'

STATION 5, N.58.5°E. 82.8'

STATION 6, N.48°E. 60'

STATION 7,

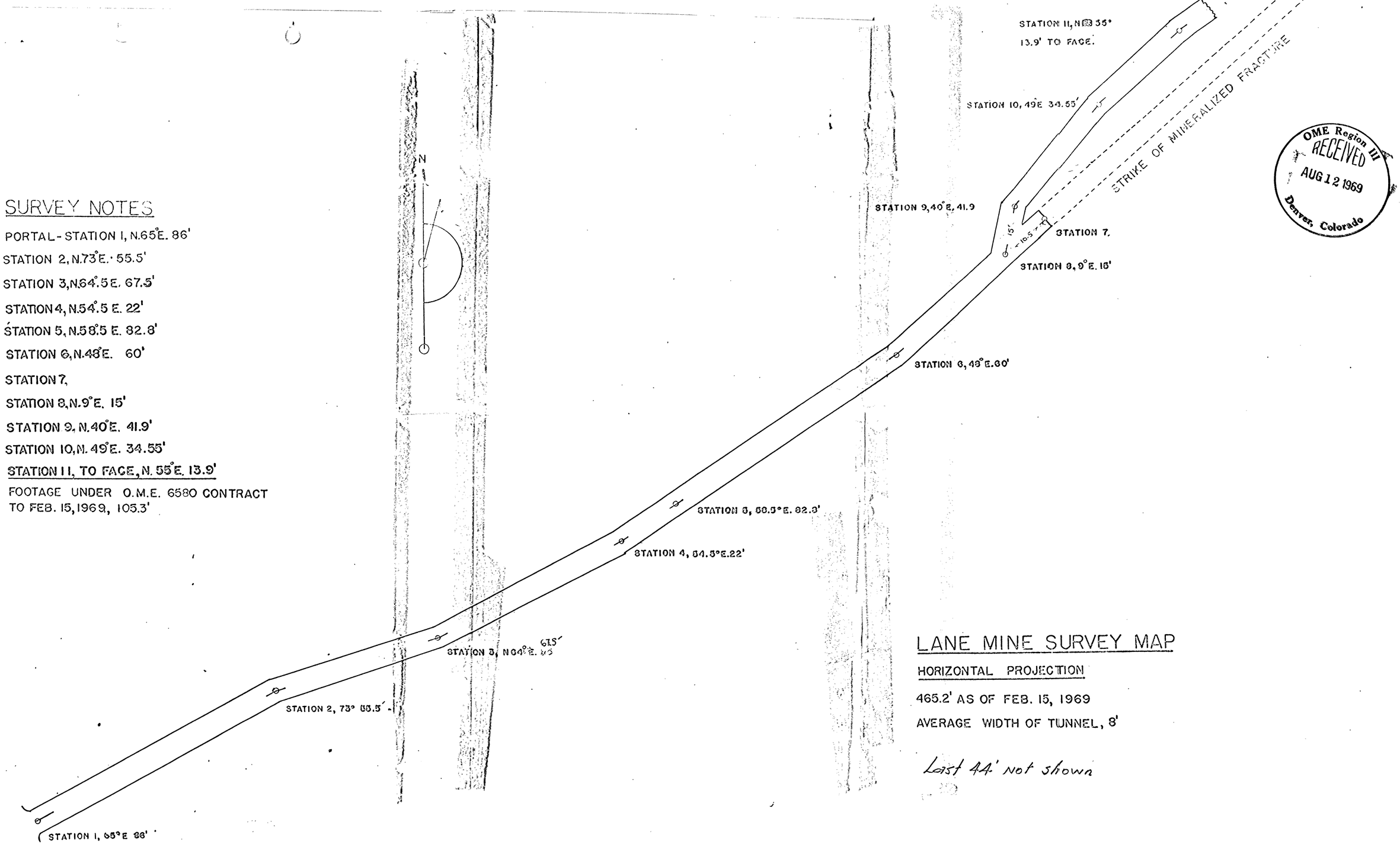
STATION 8, N.9°E. 15'

STATION 9, N.40°E. 41.9'

STATION 10, N.49°E. 34.55'

STATION 11, TO FACE, N.55°E. 13.9'

FOOTAGE UNDER O.M.E. 6580 CONTRACT
TO FEB. 15, 1969, 105.3'



OME Region III
RECEIVED
AUG 12 1969
Denver, Colorado

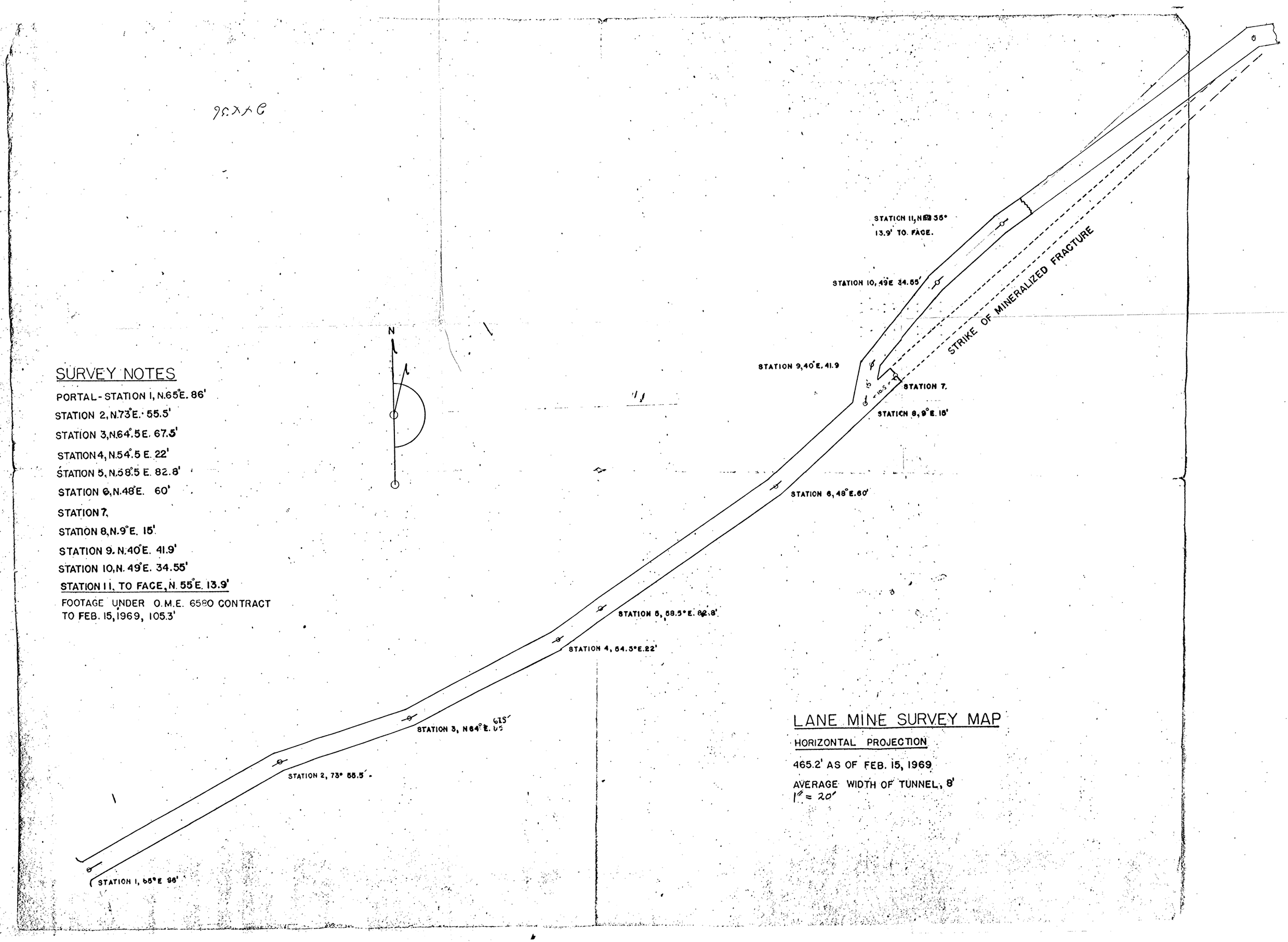
LANE MINE SURVEY MAP

HORIZONTAL PROJECTION

465.2' AS OF FEB. 15, 1969

AVERAGE WIDTH OF TUNNEL, 8'

Last 44' not shown



SURVEY NOTES

PORTAL - STATION 1, N.65°E. 86'

STATION 2, N.73°E. 55.5'

STATION 3, N.64°.5 E. 67.5'

STATION 4, N.54°.5 E. 22'

STATION 5, N.58°.5 E. 82.8'

STATION 6, N.48°E. 60'

STATION 7,

STATION 8, N.9°E. 15'

STATION 9. N.40°E. 41.9'

STATION 10, N. 49°E. 34.55'

STATION 11, TO FACE, N. 55°E. 13.9'

FOOTAGE UNDER O.M.E. 6580 CONTRACT TO FEB. 15, 1969, 105.3'

LANE MINE SURVEY MAP

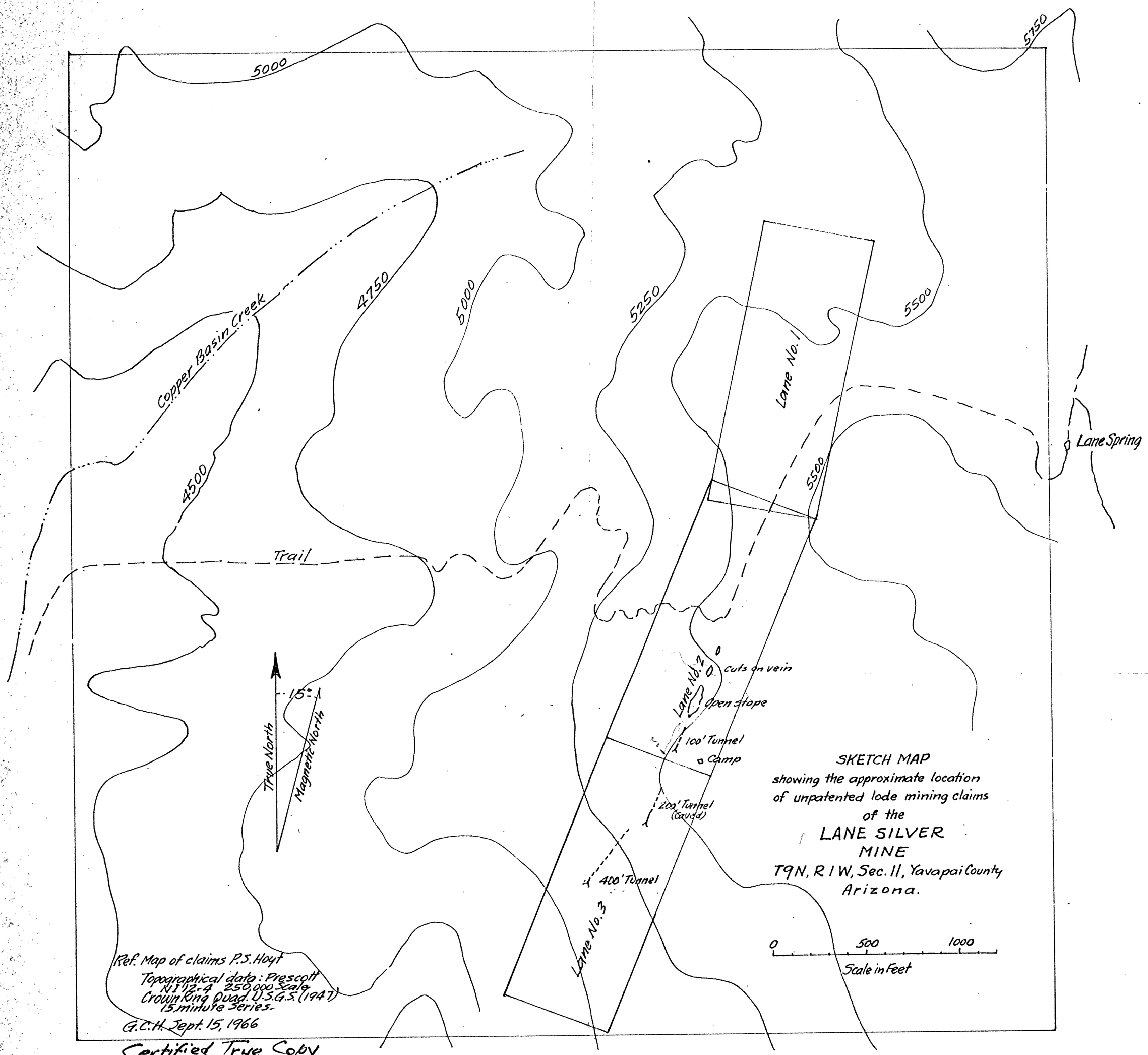
HORIZONTAL PROJECTION

465.2' AS OF FEB. 15, 1969

AVERAGE WIDTH OF TUNNEL, 8'

1" = 20'

Schedule 3(a) 4



SKETCH MAP
showing the approximate location
of unpatented lode mining claims
of the
LANE SILVER
MINE
T9N, R1W, Sec. 11, Yavapai County
Arizona.

Ref. Map of claims P.S. Hoyt
Topographical data: Prescott
NJ 12-4 250,000 Scale
Crown King Quad. U.S.G.S. (1947)
15 minute Series.
G.C.H. Sept. 15, 1966

Certified True Copy
Robert C. Stanford