MME Form 9
Rev. Nov. 65

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey

OFFICIAL DOCKET FILE

Contract No. _____ Docket No. 6622

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- [ ] Withdrawn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
- [✓] Closing Letter
- [x] Cost Audits July 1969
- [ ] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [x] Contract Amendments
- [x] Contract with all exhibits and annexes 2/5/68
- [✓] 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 Semiannual Report for Certified Project
- [X] Final Field Team Report (Tab)
- [X] Operator's Final Report (Tab) 3/5/69
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [ ] On-site Exam. Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

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

Right Side

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

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

Folders No. _____: Settlement Sheets

Folders No. _____: Drill Logs

Folders No. _____: Royalty Material

72195-65

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
9/4/69		120
		220

SEP 4 1969

Mr. Amedee A. Peugnet
705 Chestnut Street
St. Louis, Missouri 63101

Re: OME-6622 (Silver)
Amedee A. Peugnet
Eldorado Group of Claims
Yavapai County, Arizona
Contract 2256

Dear Mr. Peugnet:

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 (gla)

Harold Kirkemo, Chief
Office of Minerals Exploration

cc: Director's Reading File
Mineral Resources File
Economic Geology File
OME Docket
OME Reading File
Br. Budget & Finance
OME Region III
Mr. Kirkemo
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UNITED STATES
DEPARTMENT OF THE INTERIOR

Office of Survey and Review

Audit Operations

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Report of Review-Contract 2256
Docket No. OME-6622 (Silver)
Amedee A. Peugnet
Eldorado Group of Claims
Yavapai County, Arizona

Washington, D.C.
July 1969

U.S. GEOLOGICAL SURVEY
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OFFICE OF THE DIRECTOR

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

Office of Survey and Review
Audit Operations, Region I
801 19th Street, N.W., Room 813
Washington, D.C. 20242

Memorandum

To: Director, Geological Survey

From: Regional Director, Audit Operations, Region I

Subject: Review of Contract 2256
Docket No. OME-6622 (Silver)
Amedee A. Peugnet
Eldorado Group of Claims
Yavapai County, Arizona

As requested by the Chief, Office of Minerals Exploration, we made a cost review of Contract 2256. The results of our review are shown in the attached report.

C. D. Baer

On July 1, 1969, we reviewed the contract files of the Office of Minerals Exploration (OME) pertaining to their minerals exploration contract No. 2256 with Amedee A. Peugnet and examined the related disbursement records in the Branch of Budget and Finance, Administrative Division, Geological Survey.

The contract was awarded on February 5, 1968, for $23,800, the total estimated cost of the project, with OME participation on a 75 percent basis or not to exceed $17,850. The contract provided for exploring by diamond drilling from prepared surface drill sites for silver bearing ore bodies on and along northeasterly trending veins which traverse the Bradshaw granite. Samples were to be assayed for gold and silver, and for copper, lead, tungsten, and zinc.

Repayment of the disbursed Federal funds plus simple interest at 7½ percent was to be made on the basis of established royalties of all minerals and metals produced from the land during the exploration operation and for a period of 10 years from the date of the contract should a certification of possible production be issued by OME. Work under the contract was to begin on or before May 1, 1968, and was to be completed within 12 months or by February 5, 1969.

Work under the contract was to be suspended during the period beginning August 6, 1968, and ending not later than November 1, 1968.

The units of work authorized and paid under the contract are summarized on Exhibit I.

Field inspections were made and six vouchers submitted by the Operator were approved by the Field officer, Region III, OME. We believe the claimed and accepted costs of $20,854 and the OME participation on the 75 percent basis for $15,641 were proper under the terms of the contract.

C. D. Bauer
Regional Director

Summary of Contract Terms, Accepted
Costs and Unexpended Balance

Actual Costs	Stage I	Stage II	Totals	Accepted Costs	Unexpended Balance
Category (1) Independent Contracts					
Mobilization and Demobilization Drilling Rig	$ 200		$ 200	$ 200	
Bulldozing Roads and Drill Sites		$ 300	300	328	$ (28)
Drilling and Setting of Collar Pipe	602	258	860	743	117
Diamond Drilling at Various Rates	8,935	7,190	16,125	14,214	1,911
Cementing, Reaming, and Casing	75	240	315		315
Casing Lost in Completed Holes	30	100	130	30	100
Moving and Setting up Drill Rig	750	360	1,110	1,650	(500)
Rental of Water Truck	285	285	570	538	32
Hauling Water	6	75	81	6	75

Summary of Contract Terms, Accepted
Costs and Unexpended Balance

Actual Costs	Stage I	Stage II	Totals	Accepted Costs	Unexpended Balance
Category (2) Personal Services					
Subcategory (A) Supervision and Technical Services					
Supervision-Technical Services	$ 1,200	$ 1,200	$ 2,400	$ 2,347	$ 53
Category (3) Operating Materials and Supplies					
Cardboard Core Boxes	100	100	200	192	8
Cement, Cement Substitutes Drilling Mud, Additives	100	100	200	82	118

Summary of Contract Terms, Accepted
Costs and Unexpended Balance

Actual Costs	Stage I	Stage II	Totals	Accepted Costs	Unexpended Balance
Category (7) Miscellaneous					
Payroll Taxes, FICA, Insurance	$ 167	$ 167	$ 334	$ 97	$ 237
Assaying					
Gold and Silver $3/Sample					
Lead, Zinc, and Copper At $2/each Metal					
Tungsten at $7/Sample	335	335	670	172	898
Transportation Charges for Samples	25	25	50		50
Fixed Unit Costs					
Bulldozing Roads and Drill Sites, including All Related Costs	255		255	255	
Total Costs	13,065	10,735	23,800	20,854	2,946
Government Participant at 75%	9,799	8,051	17,850	15,641	2,209

A/ A move pump included in this category for $60

Government's Copy

EXPLORATION CONTRACT
AMEDEE A. PEUGNET
OME-6622

Amendment No. 1

It is agreed this 22nd 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 Amedee A. Peugnet, an individual, hereinafter called the "Operator," that Exploration Contract 2256 (OME-6622), dated February 5, 1968, is amended effective August 5, 1968, as follows:

1. The time fixed by Article 1(a) of the contract for completion of the work is extended from six (6) to twelve (12) months from the date of the contract, or until February 5, 1969.

2. (a) Work under the contract may be suspended during the period beginning August 6, 1968, and ending not later than November 1, 1968.

(b) The Government shall not contribute to any costs of rehabilitation or repair which in its opinion would not have occurred had there been no suspension of the work.

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

3. In Exhibit A

(a) Under the heading General Provisions, the first paragraph is revised to read as follows:

"A bulldozer no smaller than a Case '1000' or equivalent unit of any other make shall be used to prepare access roads and drill sites."

(b) Under the heading Description of the Work, Stage I, the first paragraph is revised to read as follows:

"The work shall consist of bulldozing access roads to the drill sites, leveling the sites, and drilling not more than 6 diamond drill holes totalling approximately 1,300 feet including collar pipe. The approximate locations of the drill holes are shown on Figure 1 referred to previously."

(c) Under the heading Estimated Costs of Project, Stage I, is revised in its entirety to read as follows:

Stage I

Actual Costs

Category (1) Independent Contracts

Mobilization and demobilization, drilling rig	$ 200.00
Drilling and setting of collar pipe, 70 feet @ $8.60/ft.	602.00
Diamond drilling, 1,242 feet	8,935.00

	Rate/Foot	
Depth, feet	NXWL	BXWL
0-500	$7.60	$7.10

Cementing, reaming, and casing 5 hrs. @ $15.00/hr.	$ 75.00	
Casing lost in completed holes, 15 feet NX @ $3.00/foot BX @ $2.00/foot	30.00	
Moving and setting up drill rig 50 hrs. @ $15.00/hr.	750.00	
Rental of water truck, 1.5 mos. @ $190.00/mo.	285.00	
Hauling water, 40 miles @ $0.15/mile	6.00	
		$10,883.00

Category (2) Personal Services

None except:

Subcategory (a) Supervision and Technical Services

Supervision - Technical Services 1.5 mos. @ $800.00/mo.	$ 1,200.00	
		$ 1,200.00

Categories (3) and (7) remain unchanged.

The following schedule is added to Stage I:

Fixed Unit Costs

Bulldozing roads and drill sites, including all related costs	$ 255.00

Summary Stage I Estimated Costs

Categories (1), (2), (3), and (7)	$12,810.00
Fixed Unit Costs	255.00
Total Estimated Cost, Stage I	$13,065.00

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 fixed unit cost of any item of work.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
Chief, Office of Minerals Exploration

AMEDEE A. PEUGNET

Amédée A Peugnet
(Operator)

Chas Long
App'd. Sol. Off.
Kirkham
Johnson
Peterson
Ewldr

MME Form 7
(2/63)

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AUG 9 1968

Memorandum

To: The File

From: Harold Kirkemo

Subject: OME-6622 (Silver)
Amedee A. Peugnet
Eldorado Group of Claims
Yavapai County, Arizona

Justification for Amendment No. 1

Work authorized under Stage 1 of the contract was completed in June 1968, and pending assessment of the results obtained, Stage II may be undertaken if authorized by the Government.

The Operator was unable to obtain a contractor to bulldoze the access roads and drill sites, and had to rent a bulldozer and hire an operator in order to get the job completed and the drilling started. A smaller bulldozer than the contract authorized was used, but the work was completed satisfactorily. The cost charged to the contract for bulldozer rental and the operator's wages did not exceed the total allowed by the contract. The item is transferred from Category (1) Independent Contracts to a Fixed Unit Cost category by the amendment.

The contract stipulated one individual for supervisory, geologic and engineering services under Category (2). The Operator hired an undergraduate geology student to assist him, and did not make an additional charge to the contract for the assistant's salary. When amended, the contract will allow these services without limiting the number of employees engaged, and at no additional cost to the contract.

Harold Kirkemo

Harold Kirkemo

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

HKirkemo/bsl 8/8/68

Beverly -

Docket is on chair for completion of Mr. Johnson's press release - if you are looking for it to file contract.

Government's copy

OME Region III RECEIVED MAR 11 1968 Denver, Colorado

OME Region III RECEIVED MAR 11 1968 Denver, Colorado

OME Region III RECEIVED FEB 7 - 1968 Denver, Colorado

MME Form 50
July 1965

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
U. S. GEOLOGICAL SURVEY

EXPLORATION CONTRACT
(Long Form)

Docket No.	Commodity	Contract No.	County	State
OME -6622	Silver	2255	Yavapai	Arizona

It is agreed FEB 5 1968 (Date), between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and

Amedee A. Peugnet, an individual

whose mailing address is 4605 Lindell Blvd., St. Louis, Missouri 63108, hereinafter called the "Operator," as follows:

ARTICLE 1. Authority and scope.--(a) This contract entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before MAY 1, 1968 (Date), and, subject to the provisions of Article 9 and Exhibit A, shall either have completed the work within 6 months from the date of the contract or shall have incurred allowable costs (see Article 6) in a sum not less than the total cost set forth in Exhibit A.

(b) The total allowable cost of the work set forth in Exhibit A is $ 23,800.00. The Government will contribute 75 percent of the allowable costs as they are incurred, in a total sum not in excess of $17,850.00 in accordance with the provisions of Articles 3, 4, 5, and 6. "Costs incurred" means costs that have been paid or have become due and payable, or that the Government determines have become obligations.

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

See Annex I

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

See Annex I

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CATEGORY (2)--PERSONAL SERVICES.

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

Subcategory (b)--Labor.

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

CATEGORY (4)--OPERATING EQUIPMENT.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) irrespective of any 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 7(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 13. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, 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 14. Work Hours Act of 1962 - Overtime Compensation.--This contract, to the extent that it is of a character specified in the Work Hours Act of 1962 (Public Law 87-581, 76 Stat. 357-360) and is not covered by the Walsh-Healey Public Contracts Act (41 U.S.C. 35-45), is subject to the following provisions and to all other provisions and exceptions of said Work Hours Act of 1962.

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

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

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

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

ARTICLE 16. Changes and added provision.--

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

AMEDEE A. PEUGNET
(Operator)

By Amedee A Peugnet
Amedee A. Peugnet

By Arthur A Baker
Acting Director, U. S. Geological Survey
Office of Minerals Exploration

Title

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.

Bhas
Long
Petersm
Sirkmo
Johnson
Kielgaard
Olyn

[CORPORATE SEAL]

EXPLORATION CONTRACT
AMEDEE A. PEUGNET
OME-6622

ANNEX I

The land, including all rights pertaining thereto, referred to in Article 2 of the contract consists of six (6) unpatented lode mining claims in secs. 8 and 9, T. 8 N., R. 1 E., G&SRM, Tip Top mining district, Yavapai County, Arizona.

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

Claim	Book	Page
Arizona	149	430
Arizona Extension	70	110
Eldorado	149	431
Eldorado Fraction	28	117
Jackson	28	118
Jackson Extension	70	111

The Operator is in possession of the claims under terms of a Mining Lease dated October 10, 1966, with the A. C. E. Mining Corporation, owner of the claims. Certain extensions and waivers to the lease were granted by the lessor to the lessee by letter dated December 12, 1967.

A Lien and Subordination Agreements executed April 26, 1967, by the owner of the claims is attached and made a part hereof.

The claims are shown in Figure 1, entitled "Property Map showing location of proposed work, Stage I, Eldorado Group, Yavapai County, Arizona" attached and made a 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 – 2256
Contract Date FEB 5 1968

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] in a Lease dated October 10, 1966, and Recorded in Book 414 Official Records, Pages 337 - 340 incl., Records of Yavapai County, Arizona, in the County Recorder's Office, Prescott, Arizona.

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

AMEDEE A. PEUGNET [3]

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

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

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

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

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

NONE

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

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

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

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

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

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

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

Dated this 26th day of April, 19 67.

A.C.E. MINING CORPORATION

By Claude C. Findly (Seal)
President

2315 Ashby Road (Street)
St.Louis, Missouri 63114 (City & State)

_____ (Seal) _____ (Street) (City & State)

_____ (Seal) _____ (Street) (City & State)

_____ (Seal) _____ (Street) (City & State)

_____ (Seal) _____ (Street) (City & State)

_____ (Seal) _____ (Street) (City & State)

I, Alvina Findly (Name), certify that I am the Secretary (Title—Secretary, etc.) of the corporation named herein; that Claude C. Findly (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.

Alvina Findly
(Corporate Seal)

EXPLORATION CONTRACT
Amedee A. Peugnet
OME-6622

Exhibit A

The purpose of this project is to explore by diamond drilling from prepared surface drill sites for silver-bearing ore bodies in and along northeasterly trending veins which traverse the Bradshaw granite.

General Provisions

A bulldozer no smaller than a Caterpillar D-7 or equivalent unit of any other make shall be used for preparation of access roads and drill sites.

Drill holes shall be drilled not less than 100 feet from the outer boundaries of the claim group shown on Figure 1.

All drill holes shall be completed not less than BX wireline size.

All drill holes shall be cased as necessary. The Government will not contribute to the cost of casing left in a hole at the Operator's request.

All drill core shall be stored in boxes identified by hole number with markers in the core sections indicating the depths represented.

Facilities shall be provided for recovering drill sludge, and such sludge shall be retained when drilling in significantly mineralized rock.

All drill core shall be logged and significantly mineralized core shall be split and one split assayed. Whenever core recovery is less than 60 percent, a split of the corresponding retained sludge shall be assayed separately. The remaining core shall be stored in proper sequence with the unsampled core, and the remaining sludge shall be stored in suitable containers properly identified as to hole number and depth.

All splits of samples for assay shall be analyzed for gold and silver, and for copper, lead, tungsten, and zinc as warranted.

True copies of assay certificates, copies of drill logs, and maps or sketches showing the work completed during the reporting period, the location, width, and assay value of all samples assayed and the geological formations and structures traversed by the drill holes shall be furnished monthly to the Government.

Stored samples shall be made available for Government inspection and possible use, and may be disposed of with prior Government approval.

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

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

The work shall be divided into two stages. The Operator shall complete all of Stage I and as much of Stage II as is authorized in advance by the Government and confirmed in writing. Approval of Stage II shall depend upon the results obtained in Stage I.

Description of the Work

Stage I

The work shall consist of bulldozing access roads to the drill sites, leveling the sites, and drilling not more than 6 diamond drill holes totalling not more than 1,300 feet. The approximate location of the drill holes are shown on Figure 1 referred to previously.

The hole number, bearing, inclination, and approximate length of the 6 diamond drill holes are as follows:

Hole No.	Bearing	Inclination	Length in feet
1	S. 25° E.	-45°	150
2	S. 25° E.	-60°	150
3	S. 25° E.	-45°	200
4	S. 35° E.	-50°	300
5	S. 35° E.	-50°	300
6	S. 35° E.	-60°	200

Stage II

The work shall consist of bulldozing access roads to drill sites, leveling the sites, and diamond drilling not more than 6 holes totalling not more than 1,000 feet. The location, bearing, inclination, and depth of the holes shall be contingent upon the results obtained in Stage I.

Estimated Cost of Project

Stage I

+ need
− surplus

Actual Costs

Category (1) Independent Contracts

Mobilization and demobilization, drilling rig	$ 200.00	200.00	
Bulldozing roads and drill sites, 20 hrs. @ $15.00/hr.	300.00	0	0
Drilling and setting of collar pipe, 30 ft. @ $8.60/ft.	258.00	576.00	+318.20
Diamond drilling, 1,300 feet (67) (1242)	9,320.00	8819.20	−500.00

Depth, feet	Rate/foot NXWL	Rate/foot BXWL
0-500	$7.60	$7.10

Cementing, reaming, and casing, 20 hrs. @ $15.00/hr	300.00	0	−300.00
Casing lost in completed holes, 50 feet NX @ $3.00/foot BX @ $2.00/foot	100.00	30.00	−70.00
Moving and setting up drill rig, 20 hrs. @ $15.00/hr	300.00	750.00	+450.00
Rental of water truck, 1.5 months @ $190/month	285.00	278.62	
Hauling water, 500 miles @ $0.15/mile	75.00	5.70	
		$11,138.00	

Category (2) Personal Services: 10,883.00

None except:

Subcategory (a) Supervision and Technical Services

1 Supervisor - Geologist - Engineer, 1.5 months @ $800.00/month 1,200.00

Category (3) Operating Materials and Supplies:

None except:

100 cardboard core boxes @ $1.00/each	100.00	
Cement, cement substitutes, drilling mud, and additives	100.00	
		200.00

Category (7) Miscellaneous

None except:

Payroll taxes, F.I.C.A., insurance, etc.	167.00	
Assaying, 115 samples Gold and Silver, @ $3.00/sample Lead, Zinc and Copper @ $2.00 each metal Tungsten @ $7.00/sample	335.00	
Transportation charges for samples, 100 pounds @ $0.25/lb.	25.00	
		527.00
Total Estimated Costs, Stage I		$13,065.00

Bldozer rental and operator
Bulldozer work
Bulldozer operator --/hr.

Stage II

Actual Costs

Category (1) Independent Contracts

Bulldozing roads and drill sites, 20 hours @ $15.00/hr.	300.00	327.50
Drilling and setting of collar pipe, 30 ft. @ $8.60/ft.	258.00	189.20
Diamond drilling, 1,000 feet	7,190.00	5396.00

Depth, feet	Rate/foot NXWL	Rate/foot BXWL
0-500	$7.60	$7.10

Cementing, reaming, and casing, 16 hrs. @ $15.00/hr.	240.00	

Casing lost in completed holes, 50 feet NX @ $3.00/foot BX @ $2.00/foot	100.00		
Moving and setting up drill rig, 24 hrs. @ $15.00/hr.	360.00	840.00	
Rental of water truck, 1.5 months @ $190.00/month	285.00	538.25	
Hauling water, 500 miles @ $0.15/mile	75.00	6.45	
		$ 8,808.00	

Category (2) Personal Services:

None except:

Subcategory (a) Supervision and Technical Services:

1 Supervisor - Geologist - Engineer 1.5 months @ $800.00/month	1,200.00	1,200.00	

Category (3) Operating Materials and Supplies:

None except:

100 cardboard core boxes @ $1.00/each	100.00		
Cement, cement substitutes, drilling mud, and additives	100.00	200.00	

Category (7) Miscellaneous:

None except:

Payroll taxes, F.I.C.A., insurance, etc.	167.00		
Assaying, 115 samples Gold and Silver @ $3.00/sample Lead, zinc, and copper @ $2.00 each metal Tungsten @ $7.00/sample	335.00		
Transportation charges for samples, 100 pounds @ $0.25/lb.	25.00	527.00	
Total Estimated Costs, Stage II			$10,735.00

SUMMARY

Total Estimated Costs Stage I	$13,065.00
Total Estimated Costs Stage II	10,735.00
Total Estimated Costs of the Project	23,800.00
Government Participation @ 75%	17,850.00

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. DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

OME-6622
(Silver)

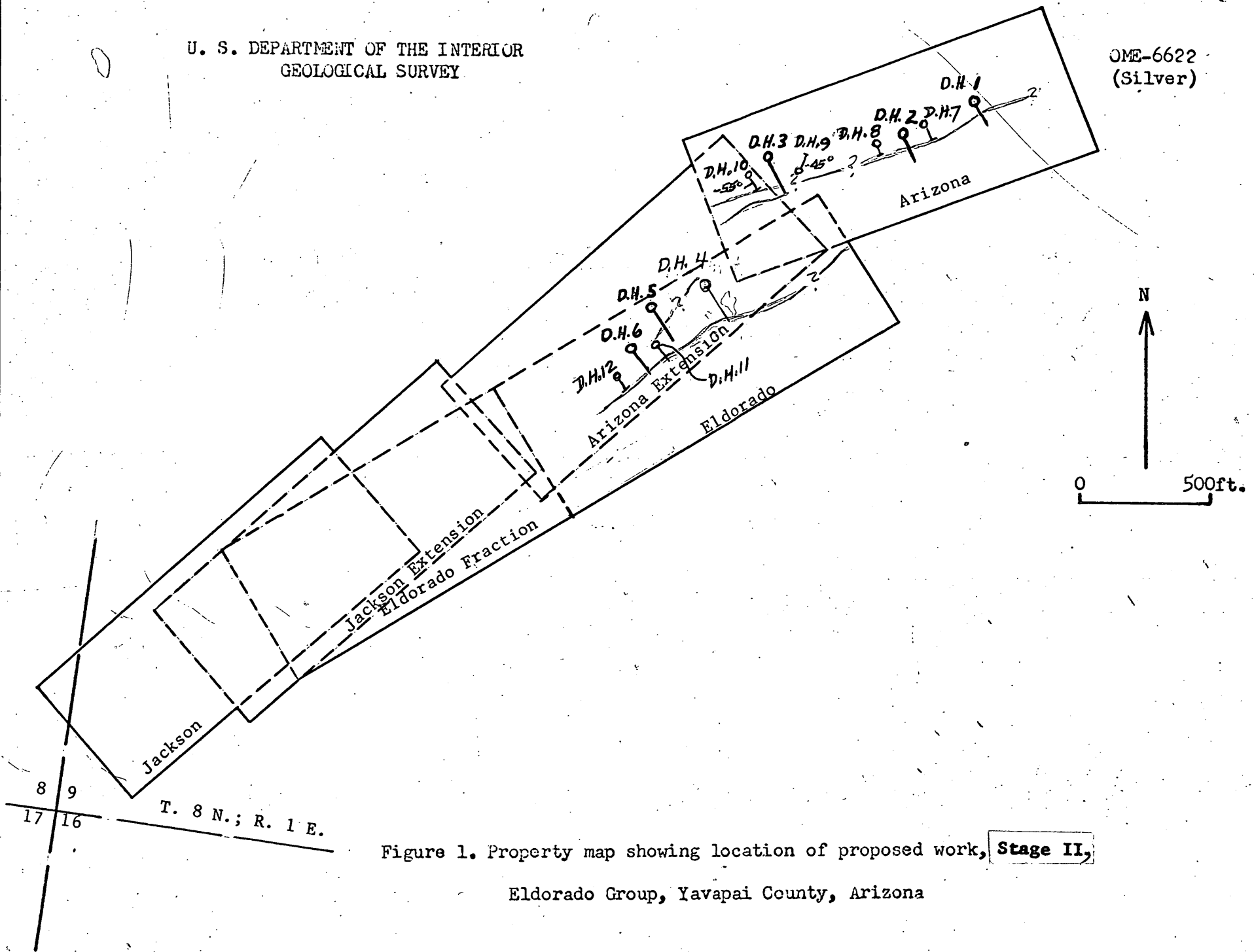

Figure 1. Property map showing location of proposed work, Stage II, Eldorado Group, Yavapai County, Arizona

REGISTERED PROFESSIONAL ENGINEER MISSOURI E-3556

EXAMINATIONS - REPORTS - DEVELOPMENT

AMÉDÉE A. PEUGNET
CONSULTING MINING ENGINEER
705 CHESTNUT STREET
ST. LOUIS 1, MISSOURI

MEMBER A.I.M.E.

MAIN 1-1431

OFFICIAL
COPY
O. M. E.
RECEIVED
MAY 1 1967
MATERIALS CODE
120 ne
NE 110
HK 120K

26 April 1967

Mr. Frank E. Johnson, Chief,
Office of Minerals Exploration.
U.S. Department of the Interior,
U.S. Geological Survey,
Washington 25, D.C.

RE: OME - 6622 (Silver)
Amedee A. Peugnet
Eldorado Group of Claims
Yavapai Cpunty, Arizona.

Dear Mr. Johnson:

Enclosed are 5 OME Fprms 52 duly executed and sealed by the A.C.E. Mining Corporation.

Enclosed forms were omitted from material mailed to you earlier today.

Sincerely yours,

Amédée A Peugnet

Amedee A. Peugnet

ap:AAP

Enclosures: 5 executed OME Form 52

REGISTERED PROFESSIONAL ENGINEER MISSOURI E-3556

EXAMINATIONS - REPORTS - DEVELOPMENT

Copy to R-III

AMÉDÉE A. PEUGNET
CONSULTING MINING ENGINEER
705 CHESTNUT STREET
ST. LOUIS 1, MISSOURI

MEMBER A.I.M.E. MAIN 1-1431

17 January 1968

OFFICIAL COPY
O. M. E.
RECEIVED
JAN 18 1968
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130
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Mr. Frank E. Johnson, Chief,
Office of Minerals Exploration,
U.S. Geological Survey,
Department of the Interior Building,
Washington, D.C. 20242.

Re; OME-6622 (Silver)
Amedee A. Peugnet
Eldorado Group of Claims
Yavaipai County, Arizona.

Dear Mr. Johnson:

Mr. Joe Kirkemo has today advised me to send to you evidence that my mining lease of the subject claims, which is attached to my original application, is in good standing.

Therefore, I enclose, in duplicate, reproductions of the instrument dated December 12, 1967 of the A.C.E. Mining Corporation validating my lease on subject property.

The provision under 1.) of said instrument, referring to assessment work, has been fully complied with, and an "Affadavit of Labor Performed and Improvements Made" has been recorded at the County Recorder's Office, Prescott,Ariz., Book 450, page 123. It is in the files of A.C.E. Mining Corp.

My original application, OME-6622 (Silver), included three bids on the drilling to be performed. I do not believe that these bid prices will have increased due to the passage of time.

Sincerely yours,

Amédée A Peugnet

Amedee A. Peugnet

AAP:cem
encl. 2.

A. C. E. MINING CORPORATION

2315 ASHBY ROAD

ST. LOUIS, MISSOURI

December 12, 1967

Mr. Amedee A. Peugnet
705 Chestnut Street
St. Louis, Missouri 63101

IN RE: Lease Dated October 10, 1966,
A.C.E. Mining Corp. to Amedee A. Peugnet.

Dear Mr. Peugnet:

The request for certain extensions and waivers contained in your letter of December 5, 1967 to A.C.E. Mining Corporation have been weighed by its Board of Directors; and, by Resolution have been granted to you, as Lessee, under the Lease dated October 10, 1966 from the A.C.E. Mining Corporation as follows:

1.) Until June 1, 1969 you are relieved of any obligations required of you under said Lease, except that you are required to perform the Assessment Work on the Properties required by Law.

2.) Paragraphs 1,2,3,4, and 14 of said Lease, and the obligations therein contained, are waived by Lessor until June 1, 1969.

3.) The A.C.E. Mining Corporation binds itself not to interfere with your possession of the Properties prior to June 1, 1969.

4.) The Lease dated October 10, 1966 between A.C.E. Mining Corporation, Lessor, and Amedee A. Peugnet, Lessee, remains and is in good standing.

A.C.E. MINING CORPORATION CORPORATE SEAL 1966 ARIZONA CORPORATION

Very truly yours,

A.C.E. MINING CORPORATION

By Alvina Findly

Alvina Findly, Secretary

REGISTERED PROFESSIONAL ENGINEER MISSOURI E-3556

EXAMINATIONS - REPORTS - DEVELOPMENT

AMÉDÉE A. PEUGNET
CONSULTING MINING ENGINEER
705 CHESTNUT STREET
ST. LOUIS 1, MISSOURI

MEMBER A.I.M.E. MAIN 1-1431

24 April 1967

Mr. Frank E. Johnson, Chief,
Office of Minerals Exploration,
U.S. Department of the Interior,
U.S. Geological Survey,
Washington 25, D.C.

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Re: OME-6622 (Silver)
Amedee A. Peugnet
Eldorado Group of Claims
Yavapai County, Arizona.

Dear Mr. Johnson:

Thank you for your letter of April 21,1967.

I will respond to the problems in the order in which they are brought up in your letter.

Paragraphs 2 & 3: In consideration of work done by me for its benefit, A.C.E. Corporation agreed to waive work requirements and date of filing affadavits of assessment work for a reasonable length of time to permit me to obtain financial assistance for an exploration program. Since, by reason of subject application, this has become an urgent matter, I have requested A.C.E. Corporation to furnish me a written statement to this effect. This, signed by its president, is enclosed. This should establish beyond question my rights to the property.

Paragraph 4: I regret the error in not securing the signature of an authorized representative of A.C.E. Corporation on the OME Forms 52, Lien and Subordination Agreements, sent with my application. Enclosed are the OME Forms 52 which you sent, duly signed and sealed by A.C.E. Corporation.

Not enclosed
Received 5/1/67

Paragraph 5: It appears that I included, (as Enclosure #13), xerox copies on which I had not identified the shafts shown on that longitudinal section. Enclosed are two copies on which I have indentified these shafts by numbers corresponding to those shown on the plan map, (Enclosure #10).

The only reasonably solid basis I have for a statement on the extent of the old workings is the longitudinal section, (#13), through the shafts and ore bodies on the Eldorado claim. This sketch was not made by me, but by Wager, who was in the 180 ft. shaft. As far as I can determine, the sketch is not to scale but notations on it and in supporting documents do supply depths, locations of ore bodies with respect to the shafts, approximate rake, extent of drifting at the

bottom of the 180 ft. shaft, the stoped out areas, and dates. The dumps at these shafts are large enough to substantiate a large amount of work, i.e. tie-in with the sketch. The only other Eldorado dumps that appear to be of consequence are those at workings Nos. 22 & 23, (shown as shafts), but these are on such a steep slope that I think it would be a wild guess to estimate the amount of material in them. Referring again to the plan of workings (#10) I have attempted, in the legend, to distinguish between relatively shallow and deeper looking workings by use of symbols for shafts and for pits.

May I invite your attention to the fact that on the map showing the workings, (Enclosure #10), each of the workings is identified by a number, (from 1 to 54), and an elevation.

Any of the drill holes which are located at, (such as Nos. 6 & 7), or near any suspected old workings are designed to cut the veins at depths below any previous workings, since we have no positive way of knowing these values, if any.

The fact that many of the proposed drill holes are located in the near vicinity of old workings, especially on the Eldorado claim, reflects two facts: first, my belief that on these claims the old workings are the best clue we have to the locations of ore shoots, therefore, the most likely locations for drill holes to encounter ore; second, on the Eldorado at least, the number of old workings and their relative positions will tend to place drill holes near old workings, except for the portion of vein northeast of workings #14, but on this stretch the topography is such as to increase the cost of drill holes very considerably. I would like, for instance, to place hole No.5 about 200 ft. southwest of its proposed location, but this would add very materially to its cost. This true of hole No. 12, also. On the Arizona claim location of proposed holes is even more closely controlled by topography, the ignoring of which could easily more than double the cost of site access and preparation. Topography is the sole controlling factor in the decision not to drill the Jackson claim at this time, with a limited budget.

If the fact is that the data now available are insufficient to justify the proposed program, it would appear to me that that all of the ground here might be considered unexplored. In any case, I would appreciate and value any assistance that the Geological Survey might see fit to give concerning location of holes, or other explorations, especially if it would tend enhance the probability of a Government exploration contract. In this particular case, I would prefer to re-open shaft No. 14, or sink a new one, and drift to the alleged ore shoots, but I believe this might be considered purely development.

Amedee A. Peugnet, 705 Chestnut St., ST.Louis, Mo. 63101.

Paragraph 6: In order to correct this serious omission I telephonedMr. Webster in Phoenix, (the sample was taken by him). I will fill in the data to the extent now possible. Please refer to the list of samples at the top of page 7 of application, OME-6622:

No.1-Eldorado dumps,(Nos.14,16,17 on sketch) Ag 23.00 oz./ton. These dumps are continuous. Represents only the tenor of the vein material left in the dumps.

No.2-From a cut in a Jackson tunnel,(No.34 on sketch)note that this is erroneously described as being from No.37 on page 7. Cut from face of tunnel about 25 ft. from portal; width of cut: 12 to 14 inches; width of vein 3 to 4 ft. Ag 192.13 oz./ton.

No.3- From a short adit,(No.29 on sketch), Ag 45.34 oz./ton. This adit has a total length of 38 ft.,only 14 ft.of which are under ground. Vein dips 47 deg.,NW'ly here. The footwall of the vein is at the NW wall of the adit. Vein is 4 feet wide , and the sample taken was two cuts across solid quartz, which were 6 and 8 inches wide, respectively.

No.4- From a short adit,(No.30 on sketch). Ag 2.60 oz./ton. The adit was driven for location; it appears to be off of the main vein. Sample cut across the vein, 3 feet wide.

No.5- From old Wade claim (now Arizona claim) dump.(No.2 on sketch). Width of vein not represented. Ag 15.12 oz./ton.

To the best of my knowledge, sample No.3 is the only surface,(practically surface),sample to make commercial grade. This is consonant with the history of the district. For this reason locations of the drill holes have not been made on the basis of assays, but have been chosen,generally, to explore persistent veins with a history of at least some production, or to explore zones in which available information suggests ore shoots,(holes 6,7,12). On the basis of assays, hole No.12 would be, preferably, at, or northest of, working No.29. But, here, again, topography controls.

In the interest of saving time (money), if an exploration contract rests on samples of surface showings carrying commercial amonts of silver, I should state here that I do not believe they will be found. Due to the condition of the old workings, and depths required, aside from shaft sinking, drilling is the only way to obtain such samples.

Sincerely yours,

Amédée A Peugnet

Amedee A. Peugnet
705 Chestnut Street
St.Louis, Mo.63101.

ap:AAP

Enclosures :
#2 -executed MME Form 52 (5); #10A - to supplement #10(2);
#13A- to supplement #13 (2); Letter, Claude C. Findly to Mr. Johnson(2);
#19 - xerox, minutes meeting A.C.E. Mining Corp. (2).

CLAUDE C. FINDLY
ATTORNEY AT LAW
2315 ASHBY ROAD
ST. LOUIS 14, MO.

TELEPHONE
HARRISON 8-8484
OR 7-6326

April 26, 1967

Mr. Frank E. Johnson
Chief, Office of
Minerals Exploration

Re: OME-6622 (Silver)
Amedee A. Peugnet
Eldorado Group of Claims
Yavapai County, Arizona

Dear Mr. Johnson:

We, the undersigned, Claude C. Findly & Alvina Findly, own all the issued Stock, either jointly or individually, in the A.C.E. Mining Corporation, Lessor to Amedee A. Peugnet, Lessee of the Claims involved in the Loan Application.

We are doing all we can, and will do all we can, to assist Mr. Peugnet in exploring the Properties.

We bind ourselves not to interfere with Mr. Peugnet's possession of the Properties prior to December 31, 1967; and we also bind ourselves to do the Assessment Work on the Claims prior to September 1, 1967 in the event Mr. Peugnet is not able to to such work prior to June 30, 1967.

We are delivering this letter to Mr. Peugnet, together with Zerox Copy of Minutes of Special Meeting of Board of Directors of A.C.E. Mining Corporation held in St. Louis, Missouri, yesterday. This letter, and the enclosed copy of the Minutes, should fully meet the first four (4) paragraphs of your letter of April 21, 1967 to Mr. Peugnet.

Being an Attorney, and a former Mining Operator who was extinguished by Order L-208 24½ years ago, I am not qualified to make any comments on the last three (3) paragraphs of your letter of April 21, 1967, only with one exception, i.e., all the work done on these properties was carried on probably between 1870 and 1890, except that of the 180-ft shaft on the Eldorado Claim which was supposedly sunk in the early Thirties- it supposedly did not reach any ore. So I would have to conclude that Mr. Peugnet's Program is strictly Exploration Drilling in the hope of locating a body of commercial Silver Ore.

Yours very truly,

Alvina Findly Claude C. Findly

Encl. #18

MINUTES of a Special Meeting of the Board of Directors of the A.C.E. MINING CORPORATION held at the Office of the COrporation, 2315 Ashby Road, St. louis, Missouri 63114, at 5 P.M. on Tuesday, April 25, 1967.

Present, All the Directors of the Corporation, to-wit:
Claude C. Findly, Edward J. Delworth & Alvina Findly.

The President, Claude C. Findly, stated that Amedee A. Peugnet, Lessee of the Corporation's Properties in Arizona, had made an Application for a Loan from the Office of Minerals Exploration, U.S. Department of the Interior, and that the Office of Minerals Exploration had requested additional information as to Mr. Peugnet"s present status as a vested Lessee; and, also requested execution, by the Lessor, of a Form known as "MME FORM 52, Jan. 1959 - LIEN AND SUBORDINATION AGREEMENT".

In view of the fact that Mr. Peugnet had spent considerable time and effort at the Properties studying same, mapping, sampling, tracing outcrops, etc., during the following periods: January 17 to Feb. 21, 1966; April 5 to April 9, 1966; Oct. 8 to Dec. 9, 1966; and March 9 to April 6, 1967; and additional time preparing maps and collecting data for his presentation of Loan Application to the Office of Minerals Exploration, it was the opinion of Claude C. Findly, the President of A.C.E. Mining Corporation, along with Alvina Findly, owners of all the outstanding stock in the Corporation, that the Corporation should waive requirements of time of starting work, doing assessment work and filing affidavits of same, and furnishing the Corporation with copies of such affidavits; also any notice of retaining the Lease.

Therefore, after discussion, and on motion made, seconded and carried, it was

RESOLVED, That the present LESSEE be relieved of any obligations required of him in the Lease of October 10, 1966 for the years 1966-1967; and does affirm that the Lease of October 10th, 1966 is in full force and effect at the present time, and will remain in full force and effect until December 31, 1967 unless cancelled at the written request of the present Lessee, Mr. Amedee A. Peugnet.

BE IT FURTHER RESOLVED, That paragraphs 1, 2, 3 and 4 of the Lease dated October 10, 1966, and the obligations therein contained, are waived by LESSOR -, but, that work required under paragraph 14 in said Lease shall be fulfilled and carried out by LESSEE, or his assigns, starting January 1, 1968.

Encl. #19
p.1

AMEDEE. A. PEUGNET
705 CHESTNUT STREET
ST. LOUIS 1, MO.

BE IT RESOLVED, that the proper Officers of the Corproation are hereby authorized to execute in behalf of the Corporation "MME FORM 52 JAN. 1959 - LIEN AND SUBORDINATION AGREEMENT" , and affix the Corporation Seal to same.

On Motion made, seconded and carried, it was

RESOLVED, That the President of the A.C.E. Mining Corporation is hereby authorized to do any Assessment Work required by Law to hold the Properties in Arizona covered by the Lease of October 10, 1966 if present Lessee, or any Assignee, fails to do such Assessment work by June 30, 1967.

No further business coming before the Meeting, on Motion made, seconded and carried, the Meeting adjourned.

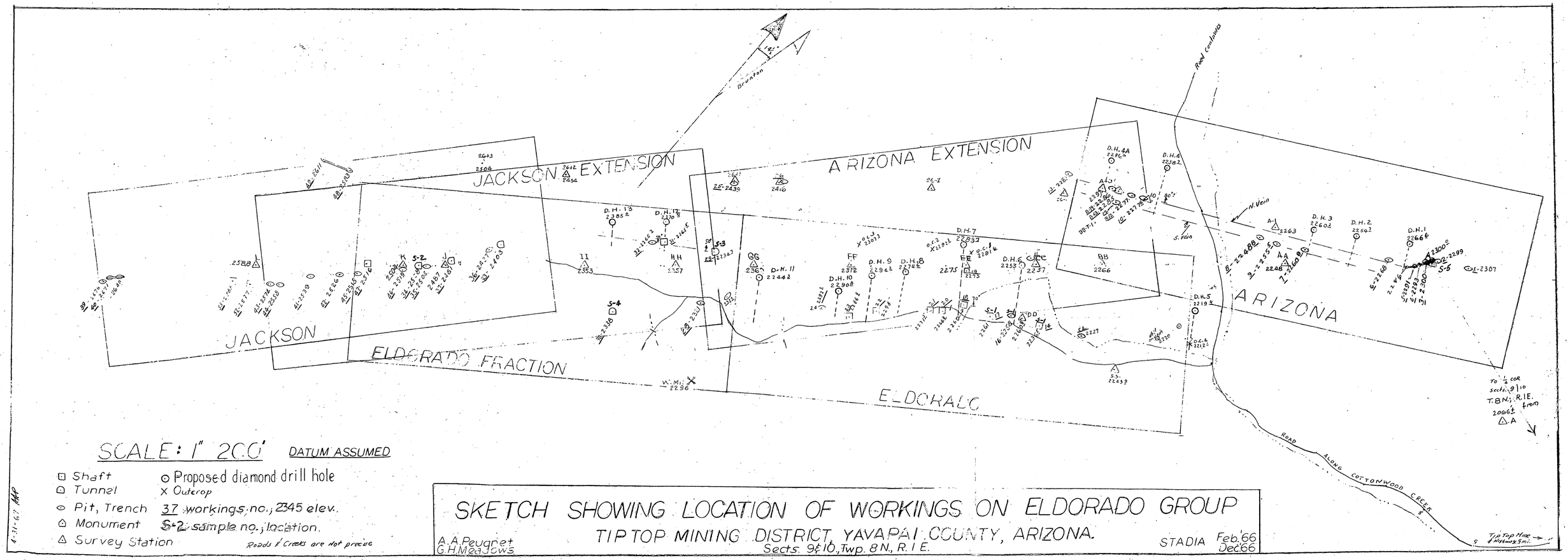
Alvina Findley
SECRETARY

ATTEST Edward E. Findly
PRESIDENT

End. #19
p.2

OME-6622

AMEDEE. A. PEUGNET
705 CHESTNUT STREET
ST. LOUIS 1, MO.



SKETCH SHOWING LOCATION OF WORKINGS ON ELDORADO GROUP

TIP TOP MINING DISTRICT, YAVAPAI COUNTY, ARIZONA.

Sects. 9 & 10, Twp. 8 N, R. 1 E.

A.A. Peugnet
G.H. Meadows

STADIA Feb. '66 Dec. '66

AMEDEE A. PEUGNET
705 CHESTNUT STREET
ST. LOUIS 1, MO.

OME-6622

to supplement Encl. #10.

10 A.

Received 4/6/67

ORE SHOOTS RAKE N.E. CO.

ORE SHOOTS RAKE N.E. CO.

LINE A-B

LINE A-B

OLD SHAFT

NEW SHAFT

180' AREA

FILLED

THIS SHAFT IN GOOD SHAPE ALL TIMBERED TO 180 ft

1-UNWATER

2-DRIFT INTO ORE AT X ON 180 FT LEVEL

ALSO AT O

STOPED AREA

STOPED TO 180' LEVEL

180 LEVEL

SHAFT 20 FT NORTHEAST OF LINE

#20

STOPED TO 180 LEVEL

180 LEVEL

#18

#17

#17

#14

#16

#14

180 LEVEL - DRIVEN 1892

180' LEVEL

DRIVEN IN 1892

VIRGIN ORE SHOOT

VIRGIN ORE SHOOT

+65 FT

180' LEVEL

DRIVEN 1892

SKETCH OF

corresponds to workings nos. on map of workings, land #10

Received 4/28/67

#13A

AMEDEE. A. PEUGNET
705 CHESTNUT STREET
ST. LOUIS 1, MO.

OME-6622

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225
Office of Minerals Exploration

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O. M. E.
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APR 19 1967
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April 17, 1967

Memorandum

To: Chief, OME

From: Field Officer, Region III

Subject: OME-6622 (Silver)
Amedee A. Peugnet
Tip Top Mining District
Eldorado Group Property
Yavapai County, Arizona

Transmitted herewith is a copy of a letter from the applicant of the above-stated subject with an accompanying bid from Joy Manufacturing Company.

J. William Hasler

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

REGISTERED PROFESSIONAL ENGINEER MISSOURI E-3556

EXAMINATIONS - REPORTS - DEVELOPMENT

AMÉDÉE A. PEUGNET
CONSULTING MINING ENGINEER
705 CHESTNUT STREET
ST. LOUIS 1, MISSOURI

MEMBER A.I.M.E. MAIN 1-1431

12 April 1967

Mr. J. William Hasler, Field Officer, Region III,
Office of Minerals Exploration,
U.S. Geological Survey, Bldg.25 - Rm.2284,
Denver Federal Center, Denver, Colo. 90225.

RE: ELDORADO GROUP, YAVAPAI COUNTY, ARIZONA; APPLICATION FILED WITH MR. HASSLER 4 APRIL 1967 by AMEDEE A. PEUGNET.

Dear Mr. Hasler:

Enclosed please find two reproductions of Joy M'fg. Co's. formal bid on the diamond drill work in subject application.

I have delayed sending this because the original smelter settlement sheets for five small shipments of Eldorado dump have been mislaid. These are not necessarily of any large significence, especially as I feel reasonably sure that they do not reflect the silver content of any existing dumps because Mr. Wager, who shipped them, was an expert miner and operator and would have shipped any other dump of equal value on the Eldorado. I have found among my papers a direct reference to these shipments, which is accurate but incomplete. It is by Mr. Claude C. Findly, owner of A.C.E. Corp. "There was a small dunp at the property when I first went in the District in 1927, and in 1934 G.G. Wager shipped ore from this dump. He gave me the following settlement sheets:

Lot No.160	16.12 dry tons	34.70 ounces per ton		3-1-34
Lot No.515	11.63 " "	39.00 " " "		7-5-34
Lot No.716	30.85 " "	30.4 " " "		10-5-34
Lot No.783	31.33 " "	30.60 " " "		10-25-34
Lot No.864	33.38 " "	24.60 " " "		11-13-34".

Among the other data missing in the above quotation is the gold content. I am sure that they ranged from 0.02 to 0.04 oz/ton, only.

Thank you for the time and assistance that you gave me when I presented this Application to you on April 4, 1967. Please telephone me collect if there is anything that I can add to expedite my application. I do not want to endanger my lease by inaction.

Sincerely yours,

Amédée A Peugnet

ap:AAP

home address: 4605 Lindell Blvd., St.Louis, Mo. 63108.

(219) 872-7221

JOY MANUFACTURING COMPANY
900 WOODLAND AVENUE · MICHIGAN CITY, INDIANA 46360

April 5, 1967

Mr. A. A. Peugnet
705 Chestnut Street
St. Louis 1, Missouri

Dear Mr. Peugnet:

This letter will confirm the prices submitted to you by Mr. Arthur Eklund on April 3rd. We understand the minimum amount of drilling to be performed is 2,000 feet. The proposed drilling location is approximately forty (40) miles north of Phoenix, Arizona. The holes will be drilled at an angle of 45 degrees to 65 degrees.

Please consider the following prices.

Mobilization	Lump Sum	$500.00
0 to 500 feet	NX wireline	$11.25/ft.
	BX wireline	$11.00/ft.
Delays for your convenience		$12.00/hr.
Cementing, if necessary		$15.00/hr.
Reaming, if necessary		$5.00/hr.
Surveys		$15.00/hr.
Casing lost or ordered left in place	NX	$3.00/ft.
	BX	$2.00/ft.

We will pump water up to a distance of 2,000 feet at no charge. If it should be necessary to haul water, we will furnish a water truck. The rental for the water truck will be at the rate of $300.00 per month, plus 15¢ per mile. Should it be necessary to hire an extra man as truck driver, the wages of the truck driver will be at the rate of $500.00 per month.

We can furnish core boxes at $1.25 each. These core boxes are made of weather-treated cardboard.

We would expect you to provide suitable roads to the drill sites and we would expect you to level the drill sites.

We would furnish a JOY 22-H.D. skid-mounted core drill with wireline equipment. Our workmen are covered with Workmens' Compensation Insurance under the state laws of Arizona.

Thank you for asking us to quote on your requirements. We hope that our bid will receive favorable consideration.

Yours truly,

JOY MANUFACTURING COMPANY

J. M. Murray

J. M. Murray, Manager
Contract Drill Division

JMM:rh

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225
Office of Minerals Exploration

April 10, 1967

OFFICIAL COPY
O. M. E.
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APR 12 1967
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Memorandum

To: Chief, OME

From: Field Officer, Region III

Subject: Amedee A. Peugnet (Silver)
Tip Top Mining District
Eldorado Group
Yavapai County, Arizona

Transmitted herewith is ~~one~~ 2 copy of an application for financial assistance in minerals exploration on the above-stated property for your attention and consideration. The other copy is being retained in the Field Office files, Region III.

J. William Hasler

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

MEClark/mc/4/10/67

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
APR 12 1967
INITIALS CODE

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.)*

AMEDEE A. PEUGNET
4605 LINDELL BLVD.
ST. LOUIS, MO. 63108

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: 6622

DATE RECEIVED: 4-12-67

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

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

ESTIMATED COST OF PROJECT: $ 26,173.10

PROPERTY NAME	LOCATION COUNTY	STATE
ELDORADO GROUP	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.

4 April 1967
DATED

Amedee A Peugnet
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

REGISTERED PROFESSIONAL ENGINEER MISSOURI E-3556

EXAMINATIONS - REPORTS - DEVELOPMENT

AMÉDÉE A. PEUGNET
CONSULTING MINING ENGINEER
705 CHESTNUT STREET
ST. LOUIS 1, MISSOURI

MEMBER A.I.M.E. MAIN 1-1431

4 April 1967

Mr. J. William Hasler, Field Officer, Region III,
Office of Mineral Exploration,
U.S. Geological Survey,
Denver Federal Center -Bldg.25 -Rm.2284,
Denver, Colorado 80225.

Dear Mr. Hasler:

This is part of my application for financial assistance in an exploration program for silver.

1(a). Applications for a commercial loan to finance this silver exploration program have been made to: (a) First National Bank in St. Louis, Missouri, (b) Valley National Bank, Phoenix, Arizona. I have accounts in both of these banks. Both banks have refused my application for a loan for this program.

Reproductions of my correspondence, including their letters of refusal, are enclosed.

(b) The subject property is owned by the A. C. E. Corporation, an Arizona corporation, the owner and president of which is: Mr. Claude C. Findly, 2315 Ashby Road, St. Louis, Mo. 63114.

(c) I have sufficient funds to pay my share of the proposed program. I would deposit this sum in a Phoenix, Ariz. bank, making it available for this program.

2(a). From the A. C. E. Corporation I have a lease for 20 years, with option to renew for another 20 years. A reproduction of this lease is enclosed. The lease is recorded at the County Recorder's Office, Prescott, Arizona, Book 414 Official Records, page 337-340. It is dated October 10, 1966.

There are no liens or mortgages on the property.

(b) The property, known as The Eldorado Group is situate in the Tip Top Mining District, Yavapai County, Arizona, in Sections 9 & 10, T.8 N.,R. 1 E.,consists of 6 overlapping, unpatented, lode claims covering about 83 acres. Assessment work is up to date and recorded. The names of the claims, together with the recording data,are:

Eldorado ---------	Book	149 Mines,	page	431
Eldorado Fraction -	"	28 Off. Rec.	"	117
Arizona ----------	"	149 Mines,	"	430
Arizona Expension -	"	70 Off. Rec.	"	110
Jackson ----------	"	28 " "	"	118
Jackson Extension -	"	70	"	111

Deeds transferring these claims to A.C.E.Corporation are recorded at Prescott, Arizona, in Book 414, pages 333 & 334; Book 414, pages 335 & 336.

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(c) Five executed copies of MME Form 52 are enclosed, not yet signed / returned

3. Physical Description:

(a) At present no mining operations are being conducted at this, or any nearby property.

The most recent mining operation on any of the 6 claims comprising this property was the sinking of an 180 ft. deep shaft on the Eldorado claim in the '30s. This shaft was sunk on the vein betwee two ore shoots that had previously been mined (stoped) from about 40 ft. below surface to the 130 ft. level, from 3 old, then caved, shafts. From the bottom of the 180 ft. shaft a drift was driven southwesterly for about 60 ft. to hit the oreshoot about 95 ft. distant. Both oreshoots had previously been mined, so their respective positions were known; why the initial drifting was toward the more distant one I cannot say. At any rate, the work was abandoned - it is said for non-payment, but I cannot vouch for this. During the sinking of this shaft it was necessary to spile through the "waste" left in one of the old stopes. Judging by the comment of John Dahl, one of the backers of this work, even this "waste" would be ore today,(see enclosed letter, No. 16).

The Jackson claim was developed by a tunnel, and is said to have produced much very high grade ore, and to have been shut-down due to a cave-in at the stope; efforts to spile through the cave-in being unsuccessful. (When I first visited the Jackson this tunnel was open to the cave-in, about 300 ft. from the portal; subsequently, the tunnel has caved at the portal). This claim was worked by Lane and subsequently by the Marlows. Judging from newspaper articles, Lane took out a fortune and the property was later worked by the Marlows. Mr. Earl Webster, an associate of Mr. Findly, did some mining at the face of one of the Jackson tunnels for assessment work. He piled some of the ore at the portal,and a grab sample of this ran 192.13 oz. Ag/ton. There are 15 or more workings, depending upon what are called seperate workings, on the Jackson, but, like the other claims, the workings are too caved to give information of much value without an expensive cleaning out program.

The Arizona claim, which Wager says was developed by a shaft, has at least 14 old workings on it, which are almost completely caved. A grab sample from a very small pile on the dump ran 15.12 oz. Ag/ton,(no. 2 on enclosed sketch). It is of interest to note that Mr. Findly interviewed Theo Wade,(then just retired from Phelps-Dodge), in order to inquire about ore at the bottom of the Tip Top Mine workings. In the course of the conversation Wade asked about the Tom Wade claim, (now the Arizona claim), and volunteered that while employed as a trammer at the Tip Top he and another youth had taken out 10 tons from the (now) Arizona for which they received $7,000. Also, Wager's letter, (or report), No. speaks very well of the Arizona's potential. The vein can be traced on the surface, almost continuously from workings No.2 to workings No.8 (see sketch). This is a distance of about 600 ft. The area between workings Nos. 8 and 10 is covered with alluvium, but if the distance from No.8 to the most westerly pit on the Arizona is added to the 600 ft. above there results about 1,000 ft. of promising vein, which ties-in very well with Wager's statement that the Arizona should provide 1,000 ft. of good mill feed. (I have in my possession an as yet unassayed sample of the surface showings of this vein from workings No. 6 to No.8 and another , a grab sample, taken from a scattering on the dump of the workings just east of Station A+3 (see sketch).

No. 29, on the sketch, is a short adit run by Mr. Webster. A sample from it ran 45.34 oz. Ag/ton. which is exceptionally high considering its closeness to surface.

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Workings Nos. 29, 31, and 32 seem to indicate the presence of an ore shoot.

The Assay Certificate dated 11/27/41 from Wager's discovery cut for the Eldorado ran 12.80 oz.Ag/ton. (in Wager's handwriting:"--6 ft below surface--"). This is, for this district, a high assay for such a shallow depth. It could bear out his statement about an oreshoot - he apparently uses "north" in place of northeast. (see #15)

A grab sample from the sides of the dumps at Nos. 14,16,18 on the Eldorado, (see sketch), gave 23.00 oz. Ag/ton. This is unexpectedly high and I do not believe that it is representative of the dumps because over the years they have been picked-over by experts, and because when truck haulage replaced wagons the dumps, other than purely waste dumps, must have been shipped. (see smelter settlements for Wager's shipments of the Eldorado dumps, No.). (averaged 30 oz. I can supply smelter settlement sheets). why didn't he submit these ! It would be pointless to go into detail about each of the 50 or more old workings on the claims because in their present condition they merely show that the vein is there, and the varying amounts of spoil remaining shows that some of them, at least, were of considerable depth. Sampling the surface exposures at these workings is not fruitful because the history of the district is that at the surface the veins carried very little silver.

To the best of the writer's knowledge, there have been no exploration programs on this property since early days, unless his own surface examinations be considered as such. Obviously, early day exploration was very extensive, but the only remaining written evidence of their results is that contained in letters by Wager, in assay results contained in a copy of the District Assayer's Record Book; and by way of verbal evidence, Mr. Findly's conversations with Wager, Theo. Wade, and John Steiss, and Mr. Webster's conversation with John Dahl. These are men who were at the properties in their heydays of production. While this is second-hand information to me, it is first-hand to Mr. Findly and Mr. Webster.

(b) The original work done on this property by the applicant was done in the status of a consulting engineer employed by Mr. Findly. As a result of my preliminary work, I was so favorably impressed by the possibilities of the property that I made an interest in the property a prerequisite to further work.

(c) There is no current production from this property.
Past production is a matter of hearsay based upon the written statements of Wager, and that deduced from old newspapers, information received from Mr. Findly, who was there in the '30s, and first-hand information to him from Wager, Theo. Wade, and John Seiss, and from Mr. Webster, who has been at the property for many years. Mr. Findly, personally, was permitted by the widow of the district assayer to make a copy of his Record Book. It can be taken as fact Wade, Seiss, and Dahl made the statements attributed to them, and that the copy of the Record Book of assays is a true copy. Wager's written statements that the Eldorado "--- - in early days produced thousands of dollars in high grade ore ---", and of the Arizona "This property produced a large amount of very rich ore in 1888-89 and was developed by a shaft now caved in ---", and of the Jackson: "It is known that high grade ore is in place in the face of the tunnel -----", are statements of an experienced miner and operator who spent many years in the district, and who was there when the work referred to was done; and who, at the time that he wrote them did not have an interest in these claims.

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(d) There is no proven tonnage of ore reserves.

(e) The property lies in the valleys of tributaries to Cottonwood Creek. It is underlain by the Yavapai Schist, which consists of layers of pegmatite-granite and schist. The granite appears to have undergone some alteration so as to make it somewhat schistose, in places at least. In spite of this, judging by the open condition of the Jackson Tunnel and the Tip Top adit, and the little timbering used, the ground appears to stand quite well when protected from the elements. Mr. Webster, who has done a great deal of hand drilling in this area, as well as in other districts, concurs in this opinion, and adds that the rock is not particularly hard.

The westerly boundary of the valley formed by the tributary to Cottonwood Creek, (near the westerly end of the Jackson claim), is formed by a dike which strikes north, or a little east of north, and divides it from Tule Creek drainage area. West of this dike mineralization of veins is said to change considerably; the gold that was produced in early days came from the Tule Creek side.

While the writer has not observed any considerable faulting on the property itself, there is major faulting to the south and east, perhaps cutting the easterly extension of the Eldorado vein, so that the veins mined on the '76 claim and on the Fourth of July claim may, in fact, be off-sets of the Eldorado vein. The Tip Top vein, to the south, seems to have been shifted by the Carpenter Fault, (also the Fourth of July ?). Dikes are not infrequent.

The veins are true fissure veins, cutting the formations at an angle. They have a general strike of 50° to 70° northeasterly; dip to the northwest at about 50° to about 70°. Both strike and dip are subject to considerable local variation; shear zones are quite common. (At the lowest tunnel on the Jackson the dip appears to flatten out greatly, but this may be a very local change).

Vein filling is very largely quartz, with few, if any, wall rock inclusions. The veins are very persistent in horizontal extent. Widths vary from several feet up to about six feet.

As is the case in the Tip Top Vein, the richest ore occurs in shoots which have an easterly rake. Little, or nothing, is known about the silver values in the portions between these rich oreshoots, except that in the Tip Top mine they are labelled "low grade".

There are three veins on the property, the Eldorado vein, Arizona vein, and the Jackson vein, (these may, in fact, be only two veins, with a split). From the sketch it can be seen that the length of these veins, observed on the property, is some 4,800 feet, (easterly of the east end line of the Eldorado there appears to be an off-set in the vein). On the Eldorado, Arizona, and Jackson claims the veins are very well defined by numerous workings, but on the extensions much less work has been done.

The mineralization of the veins, in addition to the quartz and silver, consists of wolframite, minor amounts of lead, zinc, and antimony, some tetrahedrite and a little iron. Silver occurs in a variety of its minerals, occasionally as wire silver at the selvages. Wolframite, which it appears will be in commercial

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amounts, in connection with silver mining, appears at the vein walls and is reported to be not intermixed with the silver. (somewhere, I have seen the opinion that it was introduced in a mineralization prior to the silver). Gold appears to be present in minor amounts only - few available analyses from these claims include gold; in fact, the only ones I know of are the the smelter returns for the 5 shipments of Eldorado dumps, totalling only about 130 tons, and the assay for Wager's discovery hole on the Eldorado. From these, gold appears to run only about 0.03 oz./ton. (It is interesting to note that Wager shipped this small amount from the Eldorado dumps before staking the Eldorado for Mr. Findly, because it is indicative of how thoroughly dumps in the area were cleaned up).

As to persistence of the ore in depth: The Tip Top mine workings were the deepest in the district; when the mine shut-down they were at the 800 ft. level; and, according to the statement Theo. Wade made to Mr. Findly in 1947, there was still ore in the bottom, 12 or 14 inches of ruby ore. I am aware that this does not jibe with Lindgren's statement, but, due to the flooding, Lindgren was never in the lower workings of Tip Top; Wade worked in them. I know of no reason not to expect the ore to persist to great depth, and would, in the absence of evidence to the contrary, expect it to do so, (which is a condition that is not needed to insure a profitable operation at this property).

The width of the very high grade ore appears to vary from a few inches to as much as two or three feet. In the old operations, where possible, only this high grade streak was mined and hoisted. Nothing is known to the writer about average values of the entire width of the vein, or if the wall rock carries any values. The fact that much of the unhoisted muck in the Tip Top was considered by later operators to be good mill feed, and the remark of John Dahl concerning muck left in the Eldorado stopes gives some credence to the idea that it would be economic to mine and mill the entire vein width, as well as what was formerly considered low grade ore.

(f) I expect to find ore for the following reasons, which must be considered cumulatively as well as singly:

1. The property lies in an area which is known to have produced very high grade silver ore from an extensive concentration. (see Lindgren, U.S.G.S. Bulletin 782, 1926 - out of print, but excerpt attached).

2. The property in question lies within a short distance of the Tip Top vein, a well known producer of high grade ore, and the veins on the property are approximately parallel to the Tip Top, as are many minute veinlets which occur between the Tip Top and the Eldorado. This leads me to believe that the fissures, their fillings together with the deposition of the silver and the tungsten all took place at the same times. Hence it is logical to expect to find silver here.

3. The very numerous workings on the Eldorado Group, done by experienced miners, would not have been made without reasonable indications of ore, particularly since mining in those days involved hand drilling, which meant slow progress; and a in-and-out freight rate of $200 per ton, which meant high costs.

4. The past history, although it is neither full nor fully documented, proves to me that there was very considerable production from three of the claims in question, ("very considerable" in view of the amount of work done).

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5. It appears to be general knowledge among those who were familiar with the Tip Top District that rich ore did not outcrop, or seldom did; that the rich ore was not encountered, as a rule, less than thirty or more feet from the surface. Therefore, it is not surprising that samples of surface workings or outcrops have a low silver content.

6. What is known of past history becomes quite credible when it is remembered that it was gathered not in the '50s or 60s but in the '20s and 30s, when there were still living men who had actually worked in the district. That the "history" was given by competent sources who had no remaining interests in the properties; and that these things were then written down, not left to changes of memory which too often occurs with passing years. Thus the facts and opinions written by Wager, that given verbally by Wade, Seiss, Dahl, and others, as well as what is recorded in the copy of the assay records have a tremendously significent weight. Then, too, importance must be given to the fact that Mr. Findly, who spent many years mining in the area and was intimately associated with the latest efforts at the Tip Top Mine, and who did talk to Wager and other former operators and miners of the District, thought so well of the Eldorado, Arizona, and Jackson, that he not only secured them, but has paid for assessment work over all the years that have since elapsed. Not of least importance in evaluating past history is the applicant's personal knowledge of the integrity and mental ability of Mr. Findly and Mr. Webster.

7. Much, or at least a considerable part, of what was considered "low grade" at the time these properties were worked may well be good mill feed today with the increased silver prices and modern mining and milling practices and equipment, not to mention lowered freight costs. A good indication of this is found in Mr. Webster's conversation with John Dahl, who said:"They found quite a lot of ore going down through that old stope I wish we had some on the level like it".

8. The Fourth of July and the '76 claims both had a record of good production of high grade ore, and these mines, which lie somewhat to the north of the Tip Top vein are either a continuation of the Eldorado vein, or represent good mineralization lying between the Tip Top and Eldorado veins. This shows that, in either event, the rich deposit of the Tip Top is not an isolated instance of enrichment in this area; which tends to corroberate history of production from the Eldorado, Arizona, and Jackson claims.

9. Failure to continue development work on the Eldorado is rather easily explained by the facts that: financing of the latest effort, sinking the 180 ft. shaft, was by a group of miners who were then employed in other districts, so that capital was limited and control probably not very close; the average price of silver in 1933 was 34.7¢, in 1934 it jumped to 47.97¢ and jumped to 64.27¢ in 1935, but in 1936 it back all the way to 45.09¢ indicating a poor future for silver; at about this time, attempts to de-water the Tip Top Mine were ceased and the closing of the Tip Top operations at this time, as in the 1890s, deprived the district of most of its ancilliary resources, such as transportation, stores, social facilities, mining supplies, labor pool, etc., all of which made for difficult operating conditions for small, poorly financed, mining ventures. The Eldorado and Arizona do not seem to have ever been worked by really substantial interests, but rather by a number of small leasers with inadequate capital. At the Jackson the case seems to be different; lower costs resulting from development by tunnel instead of by shafts, hitting rich ore quickly, enabled Lane to "make his pile" and pull out; it is not known whether the cave-in occured during Lane's operations or during those of the Marlows, who followed him.

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At the direction of the applicant, the following samples were taken by Mr. Earl Webster, July 1, 1965: (refer to sketch and assay certificates Nos. #12).

1. Eldorado dumps, (nos. 14,16,17 on sketch) Ag 23.00 oz./ton (certificate #887215)
2. From a cut in a Jackson tunnel (No. 31 on sketch) Ag 192.13 oz./ton (certificate# 887217)
3. From short adit, (No.29 on sketch) Ag 45.34 oz./ton (certificate #887217) { approx. 4 cuts across veins 6" and 8" wide respectively
4. From short adit (No.30 on sketch) Ag 2.60 oz./ton (certificate #887216)
5. From old Wade (now Arizona dumps)(No.2 on sketch) Ag 15.12 oz./ton (certificate #887219)

All of the above samples were cut in half by me before shipping to assayer in order to: keep specimens of the ore; to show the nature of the ore; to allow a re-run if necessary.

On April 8, 1966, Mr. Mel Redhead, geologist for Mineral Materials Co., Los Angeles, Calf., took samples from the above locations and a number from the vein showings in various old cuts at the surface. I have not got the record of these samples, but they checked the above, where duplicated, reasonably well; however the samples from near surface taken in old cuts were uniformly low, about 2 to 4 oz. Ag per ton, as I recall them.

On Oct. 24th, 1966, while I was doing some work on the property, I asked Mr. Webster to take some more samples in case I might need them. The following were taken, and are in my possession:

1. From Arizona dump, (same as No.5 above)
2. From Eldorado dumps, (same as No. 1 above)
3. Short adit at No.29 (same as No.3 above)
4. Mid tunnel Jackson, (same as No.2 above)

On Oct. 30th, 1966, I was at the property and asked Mr. Webster to sample the Arizona vein showings from about working No. 6 on the sketch to working No.8. I have this sample which consists of chippings from outcroppings and chips from large float at the vein. This will not be a representative sample, but will show the tenor of surface showings on this vein.

On Nov.27th, 1966, I took a grab sample from a scattering of ore on an old dump near Sta. A+3 (see sketch). I have this sample.

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4. Accessibility of Property:

(a) On 5 days notice, the applicant will meet the OME representative in Phoenix and accompany him to the property. (Amedee A. Peugnet, 705 Chestnut Street, St. Louis, Mo.63101; 'phone MAin 1-1431, or FOrest 1-0505 (home).

Or, directions may be obtained from Mr. Earl E. Webster, 1001 East Fairmount Ave., Phoenix, Ariz. 85014; 'phone: AM 6-2264. Mr. Webster will accompany the representative, if he is able to do so.

(Note: I will accept a collect 'phone call from Mr. Hasler at any time to discuss this application).

Modern passenger cars have insufficient clearence to negotiate parts of the road, beyond the Agua Fria River, but the property may be reached by pick-up, jeep, or carryall, by driving 35 miles north of Phoenix on Black Canyon Hwy., (IS 17), to a point about midway between New River and Rock Springs; at which point there is a county road to the left (only), and a mail box marked: "Little Grand Canyon Ranch"; turn west on the county road and proceed on it 4-1/2 miles to the Agua Fria River ford; cross, and continue about one mile to the top of the first hill, a ranch house is visible ahead; here, turn right and proceed , with many crossings of Boulder Creek and Cottonwood Creek, about 8 miles to Tip Top Mine workings, (there is a rock-adobe house on the lefthere, to which Mr. Webster has the key). Continue one mile to the confluence (on the left), of a tributary with Cottonwood Creek, there is a gate here. The gate is about 25 or 30 feet from the east endline of Eldorado claim, and is across an old mine road which, roughly, follows the creek and old Eldorado workings. This road is blocked by a washout. Eldorado workings can be seen most easily by following this road, on foot. At this point, (better just beyond the gate), the Arizona dumps can be seen about 1,000 ft. to the northeast and about 50 ft. higher; the Jackson tunnels in the steep wall closing the valley to southwest). There is an indistinct branch of the road that stops at a point close to the lowest Jackson tunnel.

Caution: The road beyond the Agua Fria is extremely rocky, with many creek crossings. Good tires and a spare are a must. After passing the ranch house near the river, the next and only occupied dwelling is about 2 miles beyond the property. Occassional ranchers, hunters, and campers use the road.

(b) Phoenix, about 35 miles distant, and Prescott, about 65 miles distant, from the highway turn-off are both supply and shipping points.

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5. Exploration Work: (a)

Summary: The proposed exploration program consists of drilling 2,312 feet of diamond drill core holes, included in the 14 holes detailed later in this application.

In order to put a drill rig on the property it will be necessary to repair a few of the worst spots on the road in, and, on the property itself, one pass of the 'dozer will be necessary on the old mine roads, as well as filling up several washouts. In addition, due to the roughness of the terrain, it will be necessary to bulldoze access trails to the drill sites.

The cost of everything but the road work, including everything, is estimated to be , based on the lowest of the bids received. (Copies of all of the bids are attached).

In estimating total costs, from the bids received, the fact that both Boyles Brothers Drilling Co. and Joy Manufacturing Co. propose to use truck-mounted drills, requiring more bull-dozer work that the skid-mounted rig to be used by Longyear M'fg. Co., and that both Longyear and Joy propose to use plastic pipe to pump water to drill sites, whereas Boyles Bros. proposes to use a water truck for that purpose, must be considered.

Total cost of road work, including access trails, estimates a D-8 'dozer, or equivalent, for 8 days, at $140.00 per day, for a total of $1,050.00.

Total cost of exploration program:

In view of the fact that the most easterly workings on the Arizona claim and those on the Jackson claim are in shear zones, and that it is suspected that variations in dip occur throughout the property, and other unknowns, it would be well to grant permission to change the locations of drill holes from that indicated herein to conform to any deviations which may be shown by the initial holes on various veins.

The 14 specified drill holes have been located to achieve the following:

5 - holes on the Arizona to test 2 parallel veins over a distance of 1,100 ft., cutting the veins at depths of from 54 ft. to 155 ft. Hole spacing is not close enough to eliminate the possibility of missing an ore shoot, but the tenor of these veins should be obtained.

7 - holes on the Eldorado to test it over a length of about 1,400 ft., cutting the vein at depths varying from about 95 ft. to 155 ft. are spaced, primarily, to look for certain ore shoots; but Hole #5 is primarily to test the most easterly part of the claim, and #11 to test a suspected split.

2 - holes, #12 and #13, are located to check the presence of a suspected oreshoot. Costs and terrain pretty well control placing of these holes.

Details of the drill holes are contained in a list on the following page.

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5. (a) continued

LIST OF PROPOSED DRILL HOLES

Diamond drill holes Nos. 1 through No. 4A are to cut the Arizona veins, which are 2 parallel veins 35' to 40' apart. Approximate strike and dip are: N. 65° E.; 80° NW'ly.

Drill Hole No.	Hor. Dist. Fm Vein Surface	Incl. of Hole	Hole Pointed	Elevation of Hole	Cut Vein at Elevation	Length of Hole
1	100'	- 45°	S. 25° E.	2267'	2118'	141'
2	62'	- 60°	" " "	2255	2175'	
	97'	"	" " "	"	2128'	162'
3	52'	"	" " "	2260'	2193	
	87'	"	" " "	"	2145'	145'
4	128'	- 55°	" " "	2259'	2115'	
	163'	"	" " "	"	2073'	243'
4A	98'	"	" " "	2286'	2176'	
	133'	"	" " "	"	2134'	200'

Drill holes Nos. 5 through No.11 are to cut the Eldorado vein; approximate strike and dip: N. 58° E., 70° NW'ly. Hole No. 11 tests for a split vein.

5	140'	- 45°	S. 32° E.	2219'	2117'	159'
6	197'	- 48°	S. 32° E.	2252'	2097'	219'
7	207'	- 51°	S. 37° E.	2284'	2109'	243'
8	140'	- 45°	S. 32° E.	2275'	2172'	145'
9	134'	- 50°	S. 32° E.	2294'	2189'	144'
10	80'	- 60°	S. 32° E.	2291'	2196'	112'
11	150'	- 45°	S. 32° E.	2344'		212'

Drill holes No. 12 and No. 13 are to test a vein between the Arizona and Eldorado veins. A short adit ("29) gives indication of an oreshoot. The approximate strike and dip are: N. 53° E., and 60° NW'ly.

12	73'	- 60°	S. 37° E.	2370'	2291'	98'
13	40'	90°	S. 37° E.	2385'	2305'	95'

Note: 14 ft. to 15 ft. have been used for the distance to be drilled beyond intersection of the vein, to allow for thickness of vein and exploration of foot wall for values.

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5 (b). There now exists an old mine road from the Agua Fria river to the property. This road was built in the 1880's; now used by ranchers, hunters, campers. It is passable to vehicles having large clearence, only. There are a few spots on this road that will have to be improved before a drill rig can reach the property intact. This can be temporary work which a bulldozer can do. Probably one-quarter of a mile needs this attention, (adding up the small bits to be done).

There are two mine roads on the property: a road branches off the main road and goes to the Arizona. The material here is fine for 'dozer work, and one pass should take care of this stretch, except for minor washouts . There is approximately 1800 feet of this road. From the end of this road there would have to be built, by 'dozer, some 700 feet of trail to give access to drill holes Nos. 1, 2, and 3.

Turning off the main road almost at D.H. #4, about 650 feet of trail would have to be 'dozed to give access to Dhs 4 and 4A. This will be more difficult work than that on the Arizona.

No. 5 hole is just off the main Cottonwood Creek road and can be handled in about an hour's time.

From Cottonwood creek southwesterly the entire old mine road, up to the turn-off for D.H.'s # 12 and #13, needs one pass by a D-7 or D-8 dozer to make it passable by an ordinary truck. This is a distance of about 1550 ft. One serious wash-out, between shafts #18 and #20, (see map), will require filling.

In addition to the above 1550 ft. of road which practically parallels the Eldorado vein, there will be needed about 1100 feet of new trails to give access to H.S.'s Nos. 6, 7, 8, 9, 10, 11, 12, and 13. There is not much cover over bedrock, so rather circituous routes must be employed in this rough terrain.

In summation: There are scattered bits of the road from Aqua Fria river that require some improvement; there are about 3350 ft. of old mine road that requires "one pass" treatment by a D-7 or D-8; there is needed some 2450 feet of access trails to the drill sites.

Access trails will consist of, in most cases, nothing more than side-hill berm of loose materials, somewhat compacted by the travel of the dozer over it. For the purpose of these trails, it will not be practical to move any solid rock.

I estimate that a D-7, or D-8, can complete the required road and trail work in 8 days of working time.

(c) If an OME contract is executed, work would be started in not more than 30 days after execution of the contract; completed within 150 days after execution of the contract.

Anticipated average daily progress in drilling is 25 feet per day.

705 CHESTNUT ST.
ST. LOUIS, Mo. 63101

Mr. J. William Hasler 4 April 1967 Amedee A. Peugnet

6. Experience:

I am a Registered Professional Mining Engineer, Mo. E - 3556.

I am 63 years of age; a graduate of Missouri School of Mines and Metallurgy, Rolla, Mo., B.S. in Mining Engineering, 1927, and have been engaged in the mining field since then, with the exception of several years in the Navy during World War II.

I have been a mining consultant since 1948; have experience in Missouri, Arkansas, many Western States, Alaska, Africa, the South Pacific, Mexico.

I have run a very extensive diamond drilling program for the M.A. Hanna Company, at the Three Kids Mine, Henderson, Nevada; have done reasonably extensive diamond drilling on my own account and with my own equipment; as Chief Consulting Engineer, I have had over-all management and direction of driving about 1 mile of underground workings , together with a diamond drilling program, at a fluorspar property in Mexico.

I expect to devote full time to the supervision of this program.

705 Chestnut St.
St. Louis, Mo. 63101

Mr. J. William Hasler 4 April 1967 Amedee A. Peugnet

7. Estimate of Costs:

(a) Independent contractors.

Drilling:		
Diamond drilling, 2312 ft. coring, bid at $7.10/ft.	$16,415.20	
Mobilization, bid	200.00	
Est. 20 hrs. cementing, at bid $15/hr	300.00	
Est. moving, setting-up, at bid $15.00/hr	1,200.00	
Est. water truck, at bid $190/month	570.00	
Est. " " , mileage, at bid 15¢/mile	22.50	
Total to drilling contractor		$18,907.70
Road Work:		
1 - D-7, or D-8, (or equal) at $140/day; 8 days	1,120.00	
Total to Road contractor		1,120.00
Total by contractors		$20,027.70
(b) Personal services.		
Supervision, (self), 120 days at $25/day	3,000.00	
1 - sampler; 120 days at $15/day	1,800.00	
Total wages and salaries		4,800.00
(c) Sample bags, tags and brushes	15.00	
Core boxes	250.00	
Total material and supplies		265.00
(d), (e), (f) None		
(g) Miscellaneous.		
Payroll Insurance, taxes, Insurance, per Dederal and Arizona law:		
O.A.S.I. at 4.3%; Industrial Accident Insurance at 10.0%, Occupat. Disease Ins. 0.2%, State unemployment tax at 2.7%, Federal Unemployment tax at 0.4% = 13.3%		
Payroll Insurance and Taxes, $1800.00 at 13.3%		239.40
Assaying.		
130 samples, Au and Ag, at $2.00/ea (10 or more)	260.00	
28 samples, WO3, at $7.00 ea	196.00	
20 samples, Au, Ag, Pb, Zn, Cu, at $8.00/ea	160.00	
Shipping samples, at 25¢/lb.	225.00	
Total sampling		841.00
Total Cost of Program: (a) + (b) + (c) + (g)		$26,173.10
Total cost per foot drilled		11.32/ft.

Amedee A Peugnet

4605 Chestnut Street
St. Louis, Mo. 63101

Mr. J. William Hasler 4 April 1967 Amedee A. Peugnet

LIST OF ENCLOSURES (2 - copies each, unless otherwise noted):

#1 MME Form 40
#2 MME Form 52, quintuplicate
#3 Correspondence re loan, First National Bank in St. Louis, Mo.
#4 " " ", Valley National Bank, Phoenix, Arizona.
#5 1 - carbon copy, Mining Lease, A.C.E. Corp. to Amedee A. Peugnet
#6 Photostat, excerpts U.S.G.S. Bulletin 782, 1926
#7 Copy, bid for this drilling, Boyles Bros. Drilling Co.
#8 " " " " ", Longyear Co.
#9 " " " " ", Joy M'fg. Co.
#10 Sketch map showing Eldorado G oup Claims, Workings, Veins, Proposed Diamond Drill Holes; 1" = 200'
#11 Sketch map showing Eldorado Group Claims, with Roads and Trails to be built, with Drill Hole Locations.
#12 Assay Certificates, (5), Eldorado Group samples, 1965.
#13 Sketch by O.G. Wager showing shafts and oreshoots on Eldorado claim.
#14 Letter: O.G. Wager, 5/19/39
#15 Letter: O.G. Wager, 12/4/41
#16 Letter: Earl Weber, 1/24/63
#17 Copies, Extracts Tip Top District Assayer's Record Book, (4 pages).

Amedee A. Peugnet, 705 Chestnut St., St. Louis, Mo. 63101
(home address: 4605 Lindell Blvd., St. Louis, Mo. 63108)

STATE OF ARIZONA, County of [redacted] 13206 [redacted]
I do hereby certify that the within instrument was filed and recorded at the request of Carl E. Webster
on Oct 14 A.D., 1966 at 11:35 o'clock A M. Book 414 Official Records
Page 337-340 (incl) Records of Yavapai County, Arizona.
WITNESS my hand and official seal the day and year first above written.
FRANK C. BAUER, County Recorder
By Pearl Ettridge, Deputy

INDEXED PAGED PROOFED

OFFICIAL COPY
O. M. E.
RECEIVED
APR 12 1967
MINERALS CODE

MINING LEASE

This AGREEMENT entered into this 10th day of October, 1966, by and between A.C.E. MINING CORPORATION, an Arizona Corporation, as FIRST PARTY, and AMEDEE A. PEUGNET, of St. Louis, Missouri, as SECOND PARTY,

WITNESSETH:

For and in consideration of the sum of Ten Dollars ($10.00) paid by SECOND PARTY to FIRST PARTY, receipt of which is hereby acknowledged, and the payment of the rental royalties hereinafter set forth, and the fulfillment and the carrying out of the terms, conditions and stipulations herein contained, FIRST PARTY does grant, demise, let and lease to SECOND PARTY, for a period of twenty (20) years from the date hereof, the following described Six (6) Unpatented Lode Mining Claims, held by FIRST PARTY, situated in the Tip Top Mining District of Yavapai County, Arizona, to-wit:

ELDORADO LODE CLAIM in Book of Mines 149 at Page 431;
ARIZONA LODE CLAIM in Book of Mines 149 at Page 430;
ARIZONA EXTENSION LODE CLAIM in Book 70 Official Records at Page 110;
JACKSON LODE CLAIM in Book 28 Official Records at Page 118;
JACKSON EXTENSION LODE CLAIM in Book 70 Official Records at Page 111;
ELDORADO FRACTION LODE CLAIM in Book 28 Official Records at Page 117;
Recorded in the Office of the Recorder of Yavapai County, Arizona,

For the purpose of Exploration and Development of Ore Occurrences and the Production and Sale of Valuable Minerals therefrom, provided SECOND PARTY shall do, keep and perform the following:

1.) Within thirty (30) days from the date hereof SECOND PARTY shall enter upon the demised premises and commence examination and exploration of demised premises to determine the existence of valuable mineral deposits thereon.

2.) During the examination and exploration period, the work to be performed may consist of any of the recognized methods of prospecting for mineral deposits, including, but not limited to geological mapping, excavations, drilling, shaft sinking, trenching, sampling and assaying and geophysical work.

3.) Work shall be carried on continuously, embracing a five (5) day week of eight (8) hours.

4.) Not less than six (6) men shall be employed upon the premises at all times, provided however, that, (a) a Bulldozer and Operator may be counted as four (4) men; (b) a Diamond Drill, with a crew of not less than three (3) men including a geologist-sampler shall be deemed to fulfill the above requirements concerning the minimum number of men to be employed; and (c) a Watchman shall not be counted as a workman.

5.) All work above referred to shall be supervised by a person skilled in Examination, Exploration, and Prospecting for Mineral Deposits.

6.) Any Representative of the FIRST PARTY shall have the right to inspect all workings in the premises leased during working hours any day; and to take samples of ore if desired; and SECOND PARTY, or his assigns, agree to assist in such inspection and sampling.

7.) During the term of this Lease, SECOND PARTY shall, at his sole expense, keep the demised premises posted as to Non-liability of FIRST PARTY for Liens in accordance with the manner described under Arizona Revised Statutes, 33-990.

#5

8.) SECOND PARTY shall keep demised premises free and clear of all liens and encumberances.

9.) All work or workings done by SECOND PARTY shall be in conformance with the Laws, Regulations and Ordinances of the United States of America, the State of Arizona and its Legal Subdivisions.

10.) All shafts sunk on the leased premises shall be at least seven by seven feet (7' x 7'), and timbered with Oregon Fir. All drifts, crosscuts and tunnels shall be kept open for Inspection by Representative of FIRST PARTY.

11.) Second Party shall, at its own and sole expense, carry such Workmen's Compensation Insurance and such Liability Insurance, (in which First Party shall be named) as may be necessary to secure and hold free FIRST PARTY from any and all claims arising out of SECOND PARTY'S acts or omissions.

12.) During the first one hundred and twenty (120) days,-the examination and exploration period-, of this Lease, no ores shall be removed from the demised premises without written consent of FIRST PARTY, and then in the quantities consented to only; Provided, however, that this provision shall not apply to such quantities of ores as are usually required for assay purposes; Further Provided that FIRST PARTY shall not arbitrarily deny consent to remove such quantities as may be required for usual process testing.

13.) At the expiration of one hundred and twenty (120) days from the date hereof, SECOND PARTY shall have the option of, (a) giving to FIRST PARTY a written statement that SECOND PARTY desires to retain this Lease; or, (b) delivering to the FIRST PARTY a written cancellation of this Lease in Form required for Recording. And, SECOND PARTY shall provide FIRST PARTY with true copies of all maps, geological data, assey reports, drill logs and assays, etc. resulting from SECOND PARTY'S work on demised premises. And, SECOND PARTY shall provide FIRST PARTY with affidavits necessary to provide evidence that the Annual Work Requirements by Law had been performed.

14.) At the end of the first one hundred and twenty (120) days from the date hereof, if SECOND PARTY shall have elected under (a) of paragraph number 13 above, then, thenceforth during the term of this Lease, SECOND PARTY shall employ upon demised premises not less than sixty (60) man-shifts per week; and shall commence development work by shaft, or tunnel, on one or more veins. Work shall be continuous during the term of this Lease.

15.) (a) FIRST PARTY shall have the right of access to and the inspection of the books and records of SECOND PARTY which have a bearing on the tonnages or values extracted from demised premises; and SECOND PARTY shall assist FIRST PARTY in the true interpretation thereof.

(b) If SECOND PARTY shall abandon this Lease, or if this Lease shall be terminated by FIRST PARTY for cause, then, in either case, SECOND PARTY shall comply with all of the provisions of (b) in paragraph number 13 above.

16.) At the expiration of this Lease, twenty (20) years from date hereof, SECOND PARTY shall have the option of renewing this Lease with all of its terms and covenants for a like period upon paying to FIRST PARTY the sum of Twenty Thousand Dollars ($20,000.00), which sum shall not be in lieu of rent or royalty, but in addition thereto.

17.) It is understood and agreed between the PARTIES hereto that work requirements, provided for herein, shall be waived during unavoidable strikes or any Act of God.

18.) (a) As part of the consideration for this Lease, SECOND PARTY agrees to pay to FIRST PARTY a royalty of ten percent (10%) of the net smelter returns on all ore or concentrates shipped and sold from demised premises, Provided, that the minimum net royalty shall at least amount to Ten Thousand Dollars ($10,000.00) per year.

(b) There shall be no carry-over of royalties, or rents, from year to year.

(c) For the purposes of this Lease, "net smelter returns" shall be defined as the amount actually paid by the Smelter, less taxes, if any, levied and paid upon the production of said ores or concentrates. In the case of minerals, or bullion, not shipped to a smelter, it shall mean the gross value at the place of sale, less any taxes levied and paid upon the production thereof.

(d) No crude ore shall be shipped from the premises unless first crushed and screened to minus three quarter (3/4) inch at any time during the term of this Lease.

(e) Royalties shall be paid to the FIRST PARTY at the address stipulated hereinafter, and shall be paid quarterly for each calendar quarter within thirty (30) days of the termination of each quarter.

19.) Violation of, or failure to perform any of the terms and covenants of this lease shall result in the forfeiture thereof, in which case SECOND PARTY shall quit the demised premises quietly and forthwith. Provided, however, that in cases of breach involving payment of money, the SECOND PARTY shall have sixty (60) days in which to remedy the breach, but shall pay to FIRST PARTY the principal amount involved plus interest at the rate of six percent (6%) per annum thereon from the date at which said sum became due. Further, provided that SECOND PARTY shall have sixty (60) days from date of written notice by FIRST PARTY to remedy a default.

20.) Failure by FIRST PARTY forthwith to notify SECOND PARTY of any breach hereof, or forthwith to declare forfeiture of this Lease by reason thereof shall not constitute, or be deemed to be, a waiver of its rights to do so at a later date.

21.) Second Party may, at its option, terminate this Lease by giving notice by registered mail to the First Party ninety (90) days in advance of such termination, in which case Second Party shall comply with all of the agreements of (b) in paragraph number 13 above.

22.) SECOND PARTY, or his assigns, agree to keep, perform, and do what is required by Law to hold demised premises, the same being mining lode claims, from forfeiture. SECOND PARTY shall record at the Office of the Recorder for Yavapai County, Arizona, Affidavits of Annual Assessment Work having been performed, said work to be performed and said Affidavits to be filed for Recording prior to April 1st of each year, and furnish the FIRST PARTY with a photostat or certified copy, bearing the Recorder's stamp, within ten (10) days of the recording.

23.) All taxes of every kind and description which may be levied upon the demised premises, the ores, materials, workings, improvements, stockpiles, machinery, ore reserves, and all licenses, shall be paid by SECOND PARTY without cost to FIRST PARTY when due and before becoming delinquent.

24.) Surrendering the premises. When this Lease is terminated, either by term or for cause, SECOND PARTY shall surrender peaceful possession to FIRST PARTY forthwith. If this Lease is terminated by reason of its term, SECOND PARTY shall have one hundred and eighty (180) days therefrom in which to remove from demised premises any machinery, equipment, buildings and furnishings placed thereon by SECOND PARTY, and anything remaining thereon thereafter shall become the absolute property of FIRST PARTY. Provided, however, that if this Lease is terminated by reason of breach of terms or covenant thereof, no machinery, equipment, or buildings may be removed from demised premises, but shall remain thereon and be the absolute property of FIRST PARTY as part of liquidated damages for the breach or failure by SECOND PARTY.

25.) SECOND PARTY is given the right to assign this Lease, but any Assignee of SECOND PARTY can only assign his or its rights hereunder by first receiving permission By Resolution of the Board of Directors of FIRST PARTY.

26.) Notices, Communications, Reports, Rents and Royalties shall be mailed to:

CLAUDE C. FINDLY, President, A.C.E. MINING CORPORATION, at 2315 Ashby Road, St. Louis, Missouri 63114,

or to such other person or address as he may advise SECOND PARTY, by registered mail, from time to time.

Notices and Communications of every nature to SECOND PARTY shall be mailed to:

AMEDEE A. PEUGNET, at 705 Chestnut Street, St. Louis, Missouri, 63101,

or to such other person or address as he may advise FIRST PARTY by registered mail from time to time.

27.) Time is of the essence.

WITNESS OUR HANDS AND SEALS, the day, month and year first above written.

A.C.E. MINING CORPORATION

By Claude C. Findly
PRESIDENT
FIRST PARTY

Attest: Thelma Findly
SECRETARY

Amedee A Peugnet
SECOND PARTY

STATE OF MISSOURI)
) SS
COUNTY OF ST. LOUIS)

On this 10th day of October, 1966, before me appeared CLAUDE C. FINDLY, to me personally known, who, being by me duly sworn, did say that he is the President of A.C.E. MINING CORPORATION, a Corporation of the State of Arizona, and that the seal affixed to the forgoing Instrument is the Corporate Seal of said Corporation, and that said Instrument was signed and sealed in behalf of said Corporation, by authority of its Board of Directors, and said CLAUDE C. FINDLY acknowledged said Instrument to be the free act and deed of said Corporation, and acknowledged to me that he executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal for the State and County aforesaid.

Elmer J. Armstrong
NOTARY PUBLIC

My Commission Expires April 8, 1967

FIRST NATIONAL BANK IN ST. LOUIS

Saint Louis, Missouri 63166 • Area Code 314 421-2000

WILLIAM H. HARRISON
Senior Vice President

January 5, 1967

Mr. Amedee A. Peugnet
705 Chestnut Street
St. Louis 1, Missouri.

Dear Mr. Peugnet:

This bank has considered your application of December 30, 1966, for a loan of $18,000 to be used for silver prospecting in Tip Top Mining District, Yavapai County, Arizona.

The resume in your application reminds us of our excellent previous relations with you. While we hold you in the highest regard as a mining engineer and are well acquainted with your financial responsibility, this bank has decided to decline the loan. The tight money situation and our established policy of lending in our local area, so far as possible, are the reasons for our position. NG

We trust you can secure the money elsewhere and would suggest that you keep us in mind for future loan applications.

Yours very truly

William H. Harrison

William H. Harrison

#3

30 December 1966

First National Bank in St. Louis,
Broadway and Locust Street,
St. Louis, Missouri 63101.

ATTENTION: Mr. William H. Harrison, Senior Vice President.

Gentlemen:

I wish to apply for a loan of $18,000 to be used for diamond drill exploration of a silver prospect located in the Tip Top Mining District, Yavapai County, Arizona - about 50 miles north of Phoenix.

The property, covering approximately 98 acres, consists of six, overlapping, unpatented lode claims, namely: Eldorado, Eldorado Fraction, Arizona, Arizona Extension, Jackson, and Jackson Extension. The claims are in good standing, assessment work completed to date and recorded in the Recorder's Office, Prescott, Arizona.

On these claims, which lie in a known silver producing are, are 3 approximately parallel veins, from each of which there was some small production many years ago. The well known Tip Top vein produced some millions in silver from an oreshoot averaging less than 600 feet in length and mined to a depth of 800 feet, it is now flooded, closed for many years.

In addition to the loan requested, the borrower would invest $6,000 to bring program financing to a total of $24,000.

The loan would be repaid out of production from these claims, and secured by a lease on the claims, plus a lien agreement, by the owner, on production from these claims.

In my judgement, 12 or 13 drill holes, averaging 200 feet long, will outline more than sufficient ore to support a profitable mining operation.

The total cost of the program, $24,000, is made up of drilling at $8 per foot, including drilling, sampling, core boxes, sampling and supervision; and the necessary road repairs and building trails to drill sites.

I have a 20 year lease on the property, with an option to renew for an additional 20 years, from the owners of the properties: the A. C. E. Corporation, an Arizona corporation.

30 December 1966

First National Bank in St. Louis.

ATTENTION: Mr. William H. Harrison, Senior Vice President.

I have been in mining since graduating from Missouri School of Mines & Metallurgy, Rolla, Missouri; B.S. in Mining Engineering, '27, and I believe this to be a very excellent silver prospect.

I have checking and savings accounts in First National in St. Louis, and a checking account in Valley National Bank, Indian-Central Branch, Phoenix, Arizona.

Whether or not your institution is interested in making this loan, I will appreciate hearing from you at your earliest convenience, so that, in the event you should not be interested, other avenues can be explored without delay.

Very truly yours,

Amedee A. Peugnet

Amedee A. Peugnet

VALLEY NATIONAL BANK
MEMBER FEDERAL RESERVE SYSTEM
HOME OFFICE
PHOENIX
ARIZONA

January 30, 1967

ROBERT V. SABECK
VICE PRESIDENT & MANAGER

INDIAN-CENTRAL OFFICE

Mr. Amedee A. Peugnet
705 Chestnut Street
St. Louis 1, Missouri

Dear Mr. Peugnet:

Sorry for the delay in replying to your letter of January 20, 1967, but I have been out of the office quite a bit and it has caused me some problems.

Although you did not submit any kind of financial statement in conjunction with your loan application, I am inclined to feel that we would not be interested in making such a loan. If it were an established and producing operation, it would, of course, be a much different situation, since we could then project and anticipate some sort of payout program. Even then, we would be most cautious and conservative in our appraisal of such a loan.

I hope you will be understanding of our decision and we will be looking forward to your return to Phoenix in the near future.

Very truly yours,

RVS:dn

#4

REGISTERED PROFESSIONAL ENGINEER MISSOURI E-3556

EXAMINATIONS - REPORTS - DEVELOPMENT

AMÉDÉE A. PEUGNET
CONSULTING MINING ENGINEER
705 CHESTNUT STREET
ST. LOUIS 1, MISSOURI

MEMBER A.I.M.E.

MAIN 1-1431

20 January 1967

Valley National Bank,
Indian & Central Branch,
Indian School Road & Central Ave.,
Phoenix, Arizona 85001.

Attention: Mr. Robert B. Sabeck, Vice President.

Dear Mr. Sabeck:

I wish to apply for a loan of $18,000 to be used diamond drill exploration of a silver prospect located in the Tip Top Mining District, Yavapai County, Arizona - about 50 miles north of Phoenix.

The property, covering approximately 98 acres, consists of six, overlapping, unpatented lode claims, namely: Eldorado, Eldorado Fraction, Arizona, Arizona Extension, Jackson, and Jackson Extension; referred to as the "Eldorado Group". The claims are in good standing, assessment work is complete to date and recorded in the Recorder's Office, Prescott.

On these claims, which lie in a known silver producing area, are 3 approximately parallel veins, from each of which there was some small production many years ago. The well known Tip Top vein produced some millions in silver from an ore-shoot averaging less than 600 feet in length, mined to a depth of 800 feet; it is now flooded, closed for many years.

In addition to the loan requested, the borrower would invest $6,000 to bring the program financing to a total of $24,000. The borrower would be an Arizona corporation which I would form for this exploration program.

The loan would be repaid out of production from these claims, and would be secured by a lease on these claims, plus a lien agreement by the owner on production from these claims.

In my judgement, 12 or 13 holes, averaging about 200 feet long, will outline more than sufficient ore to support a profitable mining venture.

The total cost of the program, $24,000, is made up of drilling at $8 per foot, including drilling, sampling, core boxes, assaying and supervision; and the necessary road repairs and building trails to drill sites.

I have a 20 year lease on the property, with option to renew for an additional 20 years, from the owners of the property: the A.C.E. Corporation, an Arizona corporation.

REGISTERED PROFESSIONAL ENGINEER MISSOURI E-3556

EXAMINATIONS - REPORTS - DEVELOPMENT

AMÉDÉE A. PEUGNET
CONSULTING MINING ENGINEER
705 CHESTNUT STREET
ST. LOUIS 1, MISSOURI

MEMBER A.I.M.E.

MAIN 1-1431

20 January 1967

Valley National Bank

Mr. Robert B. Sabeck

I have been in mining since graduating from Missouri School of Mines & Metallurgy, Rolla, Missouri; B.S. in Mining Engineering, 1927, and I believe this to be a very excellent silver prospect.

I have a checking account in Valley National Bank, Indian & Central Branch, and checking and savings at First National Bank in St. Louis.

Whether or not your institution is interested in making this loan, I will appreciate hearing from you at your earliest convenience, so that other avenues can be explored without delay, in the event that you should not be interested.

Very truly yours,

Amédée A. Peugnet

Amedee A. Peugnet

JEROME AND BRADSHAW MOUNTAINS QUADRANGLES, ARIZ.

U.S.G.S. BULLETIN 782,(1926), Waldemar Lindgren.

Pages 178, 179, 180, 181, 182, 183.

(REPRODUCTIONS)

AMEDEE. A. PEUGNET
705 CHESTNUT STREET
ST. LOUIS 1, MO.

#6

mined. One shaft is 650 feet deep, and drifts amount to over 2,500 feet. Without much doubt it is a pre-Cambrian vein.

Four miles southeast of the Button mine, near Copper Basin, is the Lane mine, at an altitude of 5,500 feet. This mine is said to be on a silver-bearing vein with quartz and spar. Some high-grade ore was taken out near the surface. In the mint report for 1884 it is stated that there was a 4-stamp mill on the property and that 300 tons were crushed, yielding $50,000 in silver and gold. The owner is John Revello, who also is said to have a claim on a gold vein near the Pacific mine from which some drusy quartz rich in native gold was extracted.

The Pacific mine is 3 miles southeast of the Button mine, on Silver Creek. A shaft 400 feet deep with a crosscut to the deposit develops the property. The work was done in 1912. The deposit is described as a "big iron dike with very little copper, gold, and silver." The country rock is schist, and the deposit evidently is a pyritic impregnation in this rock. The Pacific Copper Co.,[54] now defunct, owned this property. The claims show a hornblendic phase of the Yavapai schist with a porphyry dike 50 to 150 feet in width; the deposit shows gossan, much leached and traceable for 3,000 feet. The ores are said to be copper carbonate near the surface, succeeded at a depth of 50 feet by a secondary chalcocite, with bornite and chalcopyrite. The ore is estimated to contain 3 per cent or more of copper, with some silver and gold. The width of the several ore bodies is given at 9, 14, and 25 feet. The developments consist of 1,500 feet of drifts and a 500-foot shaft.

HUMBUG DISTRICT

The Humbug district, adjoining the Tiptop on the west, contains many gold-bearing veins, but most of its production evidently came from placers, now exhausted, in Swilling, Carpenter, and Rockwall gulches, which are small tributaries of Humbug Creek. The country rock is Bradshaw granite, with many small areas of included schist and, according to Jaggar and Palache, four light-colored porphyry dikes trending north-northeast.

Information received by F. M. Morgan, an old-time resident of the district, indicates that there is little or no activity in the district at present. About 1½ miles north of Columbia are the mine and 10-stamp mill of the Acquisition Mining Co., said to be an English enterprise. There was no production from this mine. In Rockwall Gulch M. T. Sullivan is working several claims. In the same locality is the Mountain Chief, owned by E. C. Champie, of Phoenix.

[54] Weed, W. H., Mines Handbook, vol. 12, 1916.

There is said to be 2,000 feet of development by tunnels and some ore exposed.

The production is small and intermittent. In 1913, according to V. C. Heikes, there were seven producers who mined 304 tons of ore from the Occident group, which yielded 266 tons containing 90.64 ounces of gold, 48 ounces of silver, and 21 tons of sulphide concentrate. In 1914, 163 tons were mined, with a total output of $2,567, mostly from the same mine, which has a 10-stamp mill and an adit tunnel 414 feet long. The property was closed that year.

All the veins strike east-northeast, about parallel to the Tiptop, and are of the same character, except that they carry more gold than silver. It is probable that they stand in genetic connection with the dikes of rhyolite porphyry, of which many occur in the district.

TIPTOP DISTRICT

TOPOGRAPHY AND GEOLOGY

The Tiptop district lies in the southern foothills of the Bradshaw Mountains at an altitude of about 2,600 feet. It is difficult of access and is best reached from the road station called Canyon, on the Prescott-Phoenix Highway. A wagon road in bad shape leads across to Boulder Creek and follows this stream up for 5 miles to the Tiptop mine. An old road, now a trail, leads due west from Canyon (Gillette's ranch) across several ridges and connects with the Boulder Creek road 3 miles below Tiptop. The total distance by trail is about 10 miles, though it is only 6 miles in a straight line.

The topography is strongly marked by ridges 1,000 to 1,500 feet high left by vigorous post-Tertiary erosion, and the drainage is southward. There is little vegetation, and it is mainly of the "hot country" type, with sahuaro, mesquite, and prickly pear. A few goat ranches and some dilapidated and almost deserted mining camps represent the culture.

At their south end the Bradshaw Mountains consist mainly of the Bradshaw granite, with white outcrops, dazzling under a burning sun. On the east side of the district, west of Agua Fria River, there is a belt of Yavapai schist 2 miles wide, trending north. Pegmatite dikes are abundant, particularly near the contact. A detailed survey by Mr. Carl Barth, kindly placed at my disposal, but too late for incorporation in Plate 2, shows five long branching dikes of rhyolite porphyry between the Tiptop mine and Rockwell Gulch. These dikes are intersected and faulted by seven or eight gold and silver veins striking north and northeast.

The south end of the Bradshaw Mountains is enveloped by a series of Tertiary lava flows, comprising volcanic agglomerate, andesite,

and basalt. These flows, which dip slightly southward, appear to have reached up to an altitude of 3,000 feet. The post-Tertiary erosion has trenched the contact to a depth of 1,000 feet.

MINING

The Tiptop district is one of the oldest in Arizona. The first reference to it is in Burchard's mint report of 1883, which notes that the Tiptop mine had been worked since 1875 and had produced $2,000,000; also that it was (in 1883) closed for good, the ore being exhausted. The mine was reopened, however, from 1886 to 1888. Since that time the district has remained dormant, except for a little work on small properties.

A few years ago tungsten ore was discovered in the district, and a small amount of such ore was shipped. In 1922 no work of any importance was going on. The total production of the district is estimated at $4,000,000, which appears to be somewhat high. The history of the district is mainly the history of the Tiptop mine.

TIPTOP MINE

The Tiptop mine was located by Moore & Corning in 1875, and a year or two later it was bought by Dan Gillette and Charles Hoffman for $60,000. The original locators shipped some ore from it. Gillette built a mill on Agua Fria River near his ranch, and drove No. 2 tunnel. In 1878 Haggin obtained control of the company and the mine was worked successfully, yielding the bulk of its production until 1883 when, as noted above, it was considered to be exhausted. A little later it was relocated under the name Conqueror, and was held by the St. Louis-Yavapai Co. from 1886 to 1888. The mill was moved from Agua Fria River to the mine, and concentrators were installed. The mine was worked on levels 5, 6, and 8; about $250,000 was extracted from sorting of the dump. Water was pumped from the Goat ranch on Boulder Creek, 3 miles below the property. Later, the mine was sold by foreclosure, and still later it was relocated by Wager Brothers. It is now said to be owned by Frank L. Carlisle. The property is in good condition and has for many years been cared for by Mr. O. A. Ensign, to whom acknowledgment is due for hospitality and much information.

Some picked tungsten ore is said to have been shipped in recent years, and some leasing operations have been in progress from time to time.

The developments include a shaft 800 feet deep on the incline, in which water now stands about 400 feet below the collar. The principal tunnel, 200 feet below the shaft, is open, with the original timbers still in good condition. The tunnel connects with the shaft.

The total production of silver and gold is at best uncertain, but perhaps $3,000,000 would not be far from the mark. Silver predominates.

The deposit is a sharply defined filled fissure vein striking N. 50°–60° E. and dipping 65°–70° NW. Granite and pegmatite constitute the country rocks; here and there they contain inclusions of schist. About 500 feet northwest of the shaft, which is on the northern slope of the canyon, a dike of white rhyolite porphyry 200 feet wide crops out. It strikes north-northeast and is seen again in the canyon about 2,000 feet above the office buildings. This dike is said to "cut" the Tiptop vein, but is more probably a case of deflection than cutting. An analysis of this dike rock is given on page 23.

The vein ranges in width from a tight seam, as in the first part of the tunnel, to 6 feet in the stopes. The principal and almost only gangue mineral is quartz. In part it is a coarse comb quartz with individuals 2 or 3 inches in length; in part the quartz is fine grained, and some druses are coated with chalcedony. In general the earlier quartz is coarsely crystalline, and the later fine grained. The ore minerals, which are rather scantily distributed in the fresh ore, consist of wolframite, arsenopyrite, pyrite, sphalerite, bornite, and galena, with paragenesis in the order given, wolframite being the oldest and always found in well-crystallized crusts along the wall. The individual crystals are at most 6 millimeters in length and project into the quartz.

Within 200 feet of the surface there has been partial or complete oxidation. Some of the ore must have been very rich, and here as elsewhere it seems a little difficult to account for so extensive a concentration. The primary source of the silver was probably in the galena and perhaps in tetrahedrite, though tetrahedrite was not definitely recognized in the primary ore. Jaggar and Palache mention "antimonial silver ore" and native silver. Cerargyrite and ruby silver are said to have been most common, but the present dumps did not disclose their presence. A little manganese dioxide covers some of the oxidized specimens.

The shoots pitch northeast, so that on the lower levels they are northeast of the shaft. The vein is said to have been very hard in the upper levels, but below No. 4 is was soft and gougy.

What the lower levels will show when the mine is unwatered is of course problematical. I am not inclined to believe that the deep ore will prove to be of high grade. What proportion of gold was yielded by the deposit I am unable to say.

SEVENTY-SIX VEIN

Claims are located on a parallel vein about half a mile above the Tiptop mine, known as the Seventy-six. The tunnel on this claim disclosed a vein very similar to the Tiptop, largely with oxidized ore. Some stibnite was found in this vein. Some work was done in 1922 under the direction of Carl Barth.

OTHER PROPERTIES

There are several other parallel veins in the district, particularly in the "Basin," a couple of miles toward the west, but little work has apparently been done on them. Some galena veins trending northwest and carrying gold and some silver are reported to occur.

Mr. Carl Barth, on his map referred to above (p. 179), shows two long veins which, though mineralized, have yielded no great production. One of these veins, called the Big fault, extends for 6 miles from a point southeast of Malpais Hill southward to a point near Tule Creek. The other, called the Crosscut fault, trends northwestward from a point near Tiptop to Carpenter Gulch.

TUNGSTEN

It appears that practically all the veins trending east-northeast in this district carry tungsten as wolframite. There are several small veins of this kind on Tule Creek which may have yielded some production. Picked wolframite has been shipped in small amounts from Tiptop mine. F. L. Hess[55] notes the occurrence of wolframite in the "Humbug district," probably Tule Creek. Ferberite is said to occur and likewise scheelite, but I have not been able to confirm these reports.

The mineral from Tiptop has a bright dark-brown streak and must contain a large amount of manganese. I was informed at Canyon that an Indian had discovered a considerable bunch of tungsten mineral north of the road to Tiptop and that a considerable quantity of this mineral was shipped during the period of high prices. This occurrence could not be located.

CASTLE CREEK DISTRICT

TOPOGRAPHY

The Castle Creek district lies in the southwest corner of the Bradshaw Mountains quadrangle. On the south and west it is adjoined by the Red Picacho, White Picacho, and Black Rock (Constellation)

[55] U. S. Geol. Survey Bull. 652, pl. 19, 1917.

districts, which lie just outside the quadrangle. The Castle Creek district is difficult to reach; it is best accessible from Wickenburg, the distance being about 18 miles in straight line and in a northwesterly direction. A poor wagon road leads from Wickenburg to the Abe Lincoln mine, and thence trails continue to the Swallow mine and across Castle Creek to Copperopolis. A wagon road is supposed to follow Castle Creek from the Hot Springs up to Briggs.

Castle Creek is a deeply incised stream which after flowing in a southeasterly course for about 25 miles enters Agua Fria River at the extreme south corner of Yavapai County. On Castle Creek a few miles south of the border line of the Bradshaw Mountains quadrangle are the Castle Hot Springs (altitude 1,684 feet), a well-known resort embowered in a grove of date palms and yuccas. The whole region is intensely dissected by a rather mature network of gulches intrenched between abrupt ridges from 1,000 to 1,500 feet high. Travel along the trails is difficult and arduous, and the summer climate is extremely hot. The vegetation is that characteristic of the hot belt and consists mainly of mesquite, cats-claw, sahuaro, and prickly pear.

GEOLOGY

Much of the district is covered by Tertiary volcanic flows, including volcanic agglomerate, andesite, and rhyolite tuff. These materials were poured out on the pre-Cambrian deeply eroded basement and are now dissected by the post-Tertiary erosion. The flows reach up to an altitude of about 3,500 feet, and between Fenton's and Donnelly's to 4,500 feet. North of the flows the southwestern outliers of the Bradshaw Mountains rise abruptly to 4,500 feet, and their brushy ridges connect with the complexes of Silver Mountain, Minnehaha, and Crown King.

The pre-Cambrian consists of a belt of Yavapai schist trending diagonally to the southwest corner of the quadrangle. On both sides of this is normal Bradshaw granite and in places the mixture of schist, diorite, and granite known as the Crooks complex.

The ore deposits are confined to the pre-Cambrian and include a few placers, now exhausted, the best of which were worked in American Gulch north of Briggs's ranch; pre-Cambrian gold quartz veins, represented by the Lehman deposit; gold-copper veins, deeply oxidized, with chrysocolla and specularite and in places carrying gold and silver, exemplified by the Swallow, Whipsaw, Jones, and Copperopolis properties; and lead veins, represented by the long vein that trends westward from Copperopolis.

Regarding the affiliations of the gold-copper veins and the lead veins there is much uncertainty. The only verdict possible is that

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

Boyles Bros.
DRILLING COMPANY

CONTRACTORS - ENGINEERS - GEOLOGISTS
10801 North 21st Avenue
PHOENIX, ARIZONA 85021
Phones: 944-1731
944-2741

General Offices and Plant
1624 Pioneer Road P. O. Box 58
SALT LAKE CITY, UTAH 84110
HUnter 7-7595

BRANCH OFFICES
PHOENIX
RENO
SPOKANE
DENVER
SACRAMENTO
ST. LOUIS

March 27, 1967

Mr. A. A. Peugnet
Consulting Mining Engineer
705 Chestnut Street
St. Louis 1, Missouri

COPY

Dear Mr. Peugnet:

For your contemplated drilling of some 2,000 feet of hole approximately forty five miles northwest of Phoenix, Arizona in Yavapai County, we submit the following prices.

1. Mobilization and setting up on first hole — $200.00 lump sum.

2.

Drilling	BXWL	NXWL	NC or Collar Pipe
0 to 500 ft.	7.10	7.60	8.60

3. Cementing, if necessary, $15.00 per hour plus cost of cement or cement substitutes including drilling mud and additives.

4. Water truck rental of $190.00 per month plus .15 cents a mile. Water to be hauled from your source of supply at top of ground.

5. Tearing down, moving and setting up to be charged for at $15.00 per hour for a two man crew.

6. Casing lost or left in hole at your request to be charged for at list price F.O.B. jobsite.

7. Regaining lost circulation to be charged for at $15.00 per hour plus cost of "Loss Circulating Materials". This is for the purpose of taking sludge.

8. Access roads and drill stations to be furnished by you at no cost to us.

Thanks for asking for our prices. I'm sure you will be pleased with our work.

Sincerely yours,

J. E. Roberts
District Manager

JER/tk

#7

E. J. LONGYEAR COMPANY
308 EAST PIMA STREET
PHOENIX, ARIZONA 85004
PHONE 258-6543
GEN. OFFICE - MINNEAPOLIS, MINN.

March 28, 1967

Mr. A. A. Peugnet
705 Chestnut Street
St. Louis 1, Missouri

SUBJECT: PROPOSAL COVERING YOUR PLANNED CORE DRILLING PROGRAM, TIPTOP MINE NEAR NEW RIVER, ARIZONA

Dear Mr. Peugnet:

1. Outlined below is our proposal which will cover your planned core drilling project in the above subject area.

2. Our understanding of your project is as follows:

Minimum program will involve drilling approximately thirteen 45 degree to 60 degree angle holes to a maximum of 300 feet in depth.

The formation to be drilled will consist of a minor amount of overburden and the core drilling is expected to be confined to Yavapai schist that is intruded with quartz veins.

Water for drilling purposes is available from ranch wells which are located within a maximum distance of 2,500 feet from any proposed drill hole. It will be necessary for the Contractor to pipe and pump water from the well to the drill sites involved.

Because of the remoteness of the drilling area, it most likely would be necessary for the crew to live in a small trailer house near the job.

It is understood that some road building and site preparation may be required.

3. For the work as outlined above, we propose to furnish one Longyear drilling machine of suitable design and capacity together with all the required accessory equipment including service truck.

We would expect to carry out the work operating on a one eight hour per shift basis, six days per week.

4. We will carry public liability insurance covering personal injury and property damage and Workmen's Compensation insurance and also all-risk insurance on the drilling equipment protecting against loss by theft, fire, flood, landslides and other similar hazards. Certificates showing the coverage referred to will be furnished upon request.

#8

5. Based upon conditions expected to prevail on this work, we are pleased to quote as follows:

a) Mobilization and demobilization of personnel and drilling equipment.....$250.00 lump sum per rig

b) Overburden drilling, alluvial material or eroded ledge rock -

0 to 50 feet in depth.....$6.95 per foot

c) Diamond core drilling in angle holes 45 to 60 degrees, as measured from the horizontal -

	NX WL	BX WL
0 to 300 feet in depth.....	$8.15/ft.	$7.95/ft.

d) Reaming for casing, if required and where applicable - All sizes and depths involved.....$4.95 per foot

e) Time spent by crews performing cementing activity, installing or pulling casing or performing other necessary hole stabilizing activity will be invoiced at.....$15.90 per hour with 2-man drill crew.

f) Cement, drill mud, additives or other stabilizing or lost circulation material consumed in the program will be invoiced at our job site cost plus a 10% handling charge.

g) Standby time or delays for your convenience or for which you are responsible will be invoiced at.....$13.90 per hour with 2-man drill crew.

h) Pipe or casing lost or left in drill holes will be invoiced at our listed cost, f.o.b. job site.

i) Tractor service for the purpose of preparing or maintaining access roads or preparing drill sites, if required, will be obtained locally and invoiced to you at our cost.

j) Tractor rental for the purpose of moving equipment from hole to hole. D-4 tractor rental.....$200.00 per month

k) Core boxes, cardboard type, capacity ten feet of core in NX or BX size.....$1.00 each

1) This proposal is based on the assumption that a plentiful supply of water for drilling purposes is available at the existing wells which are located approximately 2,500 feet from any proposed drill site. In the event that these wells should prove to be insufficient for the purpose of furnishing the required amount of water, it is understood that water may have to be obtained elsewhere and in the event that this should arise, the cost of obtaining water from other sources would become an invoiceable item to you. Any cost or charges arising out of the result of obtaining water from the present wells, will be invoiced to you.

6. Cores and/or samples will be turned over to your representative at the drill site in containers furnished by you or by the Longyear Company as outlined above.

7. If we are selected to carry out this work and prior to mobilizing operations, it is understood that you will make financial arrangements that will be acceptable to the Longyear Company for carrying out the work. It would be our recommendation that a prepayment of an estimated two months' work be made in advance of actual operations. We estimate approximately $10,000.00 will be required.

8. Statements will be submitted promptly after the end of each month covering all invoiceable operations performed during the month and payment will become due promptly upon receipt of invoice.

9. We appreciate the opportunity to submit this proposal to you. If selected to carry out the work, we would expect one week to ten days would be required for the purpose of mobilizing the necessary equipment and crew.

Sincerely,

E. J. LONGYEAR COMPANY

J. R. Miller

Manager, Southwestern Zone
Contract Drilling Division

J.R.Miller:jag

ACCEPTED:

Company_____

By_____

Date_____

Joy Manufacturing Co.
Contract Drilling Department.
Bid on Diamond Drilling a minimum of 2,000 fet of holes at the Eldprado Group, Yavapai County, Arizona.

Note: On April 2, 1967, acting on directions of Mr. Art Eklund, Manager, South West Operations, Joy M'fg. Co., 750 E. Evans Blvd., Tucson, Ariz., I telephoned Mr. John Murray, at Joy's home office in Michigan City, Indiana, to obtain Joy's bid on this work. I finally reached Mr. Murray at Salem, Mo. Some hours later, Mr. Eklund telephoned me to say that Murray had told him to call me and give the following bid, which would be verified by letter to my office in St. Louis:

Mobilization charges	$500.00
NX wire line drilling, to 500 ft	11.25/ft
BX " " " " " "	10.75/ft
Rental on water truck, if needed	300.00/month
Delay, owner's request,	12.00/hr.
Cementing	15.00/hr
Reaming	5.00/ft.
Surveying hole	15.00/hr
NX casing lost in hole	3.00/ft
BX " " " "	2.00/ft
Core boxes	1.25 ea.

Upon my return to St. Louis, I will send copies of this bid to Mr. Hasler's office, to complete his file.

Amedee A Peugnet

Amedee A. Peugnet
4 April 1967

#9

Phoenix, Arizona
May 17, 1939

Mr. F. C. McDonald,
1817 West Adams Street,
Phoenix, Arizona.

Dear Mac:

(same as other report, same date)

El Dorado

This property which in the early days produced thousands of dollars in high grade ore has recently been developed by a 180 foot shaft which is in good condition. Drifts should be run from the bottom of the shsft, north and south. A drift north should encounter ore in about fifty feet and the south drift which is in about sixty feet should reach the south ore in about thirty feet. The shaft was sunk between the two ore shoots. North of the shaft there is a good surface showing of an ore shoot for about four hundred feet. Good samples have been taken from along this showing. This main ore body can be tapped at a depth of 180 feet by drifting north from the bottom of the shaft.

Jackson

The Jackson is one of the ElDorado group and is developed by a 300 foot tunnel. It is known that high grade ore is in place in the face of tunnel but a cave-in (in tunnel) many years ago stopped operations and due to low price of silver no effort was made to catch-up on caved era. Very little expense woould be required to open this property up. Old assay records show ore shipped from this property sampled 1200 oz. silver per ton.

Arizona

(El Dorado group) This property produced a large amount of very rich ore in 1888-1889 and was developed by a shaft, ~~x~~ now caved in. For about 1000 feet along surface, cropping show mill ore. A new shaft and some drifting would no doubt develop a large tonnage of mill ore in addition to the high grade shipping ore.

Yours truly

(signed) O.G. Wager

Certified to be a true copy A.A. Peugnet 7/6/63 AAPeugnet

#4

Phoenix Ariz.

Dec. 2nd/41

Dear Findly:

I received your check OK, many thanks. I just returned from a trip to Tip Top, nothing new I took some men up to look over Foy Group, might get something started there.

I inclose assay report on vein fill, Eldorado title work shaft, 6 feet below surface. I think shipping ore will show up within 30 ft.

I will be staying on a ranch near Tempe for two weeks or longer. In case you should want to get in touch with me address c/o Mc Donald, 1340 Grand Ave.

Best Regards -

signed O.G. Wager

Certified to be a true copy - A.A. Peugnet, A. A. Peugnet, 18/6/63

The assay report attached is from ARIZONA TESTING LABORATORIES
823 East Van Buren St., Phoenix, Ariz.

11/27/41

Mr. O. G. Wager
Phoenix, Arizona.

WE HAVE ASSAYED THE SAMPLE RECEIVED FROM YOU AND FIND RESULTS AS FOLLOWS:
Gold Figured at $35.00 per ounce
Silver Figured at $ 0.70 per ounce.

Lab. No.	Sample	GOLD	~~SILVER~~	SILVER	
		oz per ton	Value	Oz. per ton	Value
41344	No Mark	0.02	$0.70	12.80	$8.96

(in Wager's handwriting: "Eldorado vein fill 6 ft below surface. Title work shaft).

Charges $1.00

by Chuade E. McLean
Assayer.

Certified to be a true copy. A.A.Peugnet, 18/6/63

15

#16

1001 E. Fairmont Ave
Phoenix 14 - Ariz.
June 24-63

Mr. Amédée A. Peugnet
4605 Lindell Blvd
St. Louis, Mo.

Dear Amédée:—

I am sending under seperate cover your copy of the claim map of Tip Top District left in the truck. You will notice I have changed the location of the Black Jack claim on the map it lies beside the South Tip Top instead of Tip Top claim as it was shown on the map. I kept up the work on those 3 claims until I went to the hospital then let it go, but didn't notice the Black Jack was out of place on the map.

Since I talked to you on the 22nd I have put in quite a lot of time studying the data I have on hand to see if I have missed something on the Arizona claim. I found nothing, to refresh my memory, but when I am out there again I will look a little more closely to the north and east of the work we were looking at. The Dishman map which is the copy you have does show the Thos. Wade and West Arizona which may need closer investigation. As you say the copy of Arizona assays in the assay records are really remarkable.

I am enclosing a copy of the sketch showing the shafts on the El Dorado claim. Perhaps Claude showed you a sketch but I dont know if he told you the story of the 180' shaft. I happen to have worked with one of brothers who was instrumental in the operation, while sinking the Bagdad shaft in the forties. Not being interested in Tip Top District at the time we never talked about El Dorado.

When the work was done John Dahl and his brother were with the Magma people at Superior, Ariz. They got some kind of lease on El Dorado, a truck of Superior miners financed the operation and John Dahl brother with a crew from Superior done the work on the shaft.

When I went out to Tip Top and Claude left the data with me, while studying it I noticed they had started their drift on the 180' level away from the ore shoot instead of to wind it.

#16

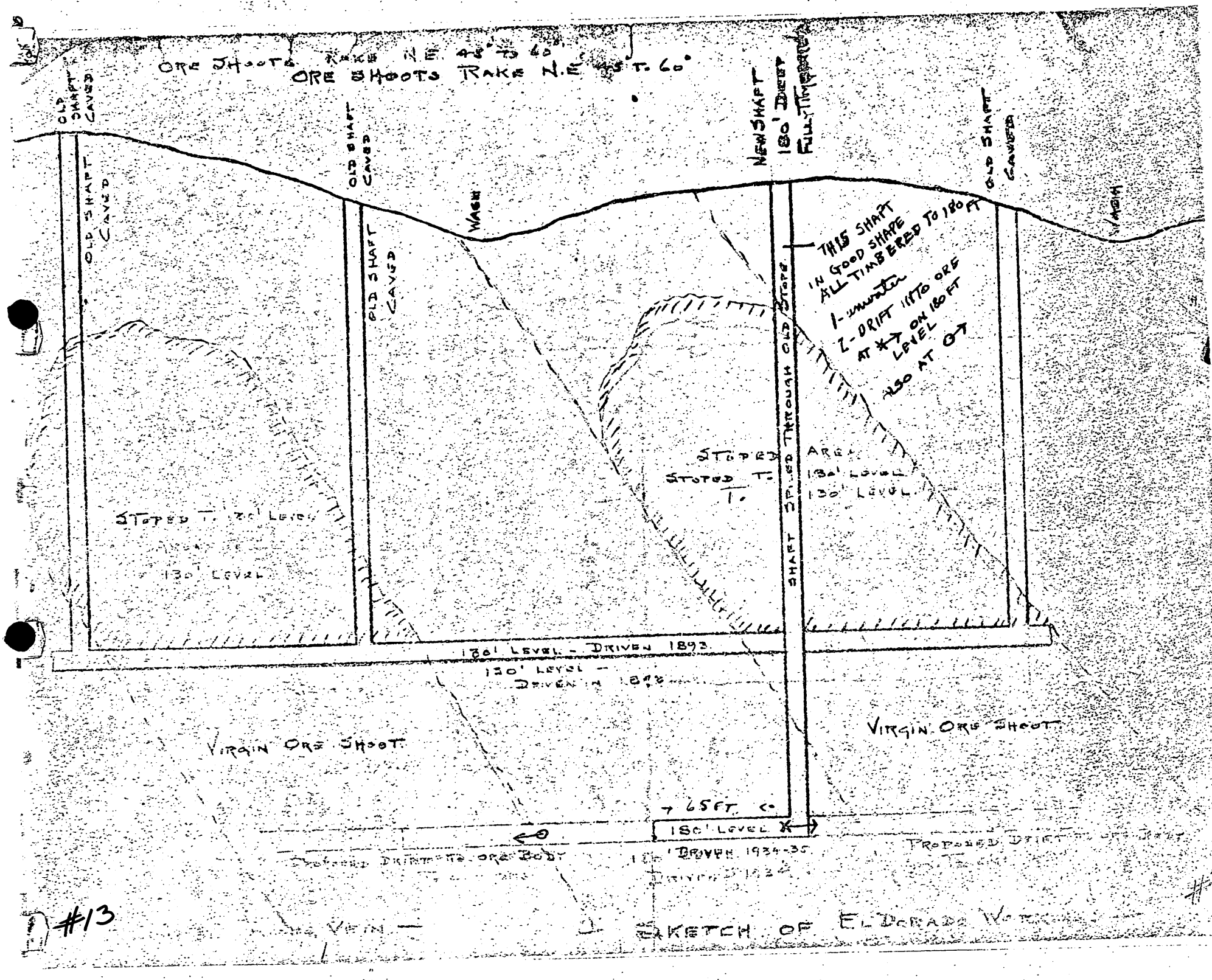
At this time John was sinking the Iron King shaft. Recalling one association at Bagdad I took the sketch and went to Prescott to see John. The mine dept at the King and I are very close, I told him what I wanted so we went out to the mine that night and I had a chance to visit John on 700 foot level of the Iron King. I showed him the sketch and he said "that sure looks like it the way I remember it, though I never worked there, I just put up my share and the other done the work. They found quite a lot of ore going down through that old stope I wish we had some on the level like it." He couldn't account for the reason they had gone the wrong way.

Claude no doubt knows the origin of this sketch. I am writing him too. He may have given you this bit of information. If not you have it now.

Trusting this finds you O.K. I am

Sincerely yours,

Earl E. Webster


ORE SHOOTS RAKE N.E. 45° TO 60°
ORE SHOOTS RAKE N.E. 45° T. 60°
OLD SHAFT CAVED
OLD SHAFT CAVED
OLD SHAFT CAVED
OLD SHAFT CAVED
WASH
WASH
NEW SHAFT 180' DEEP FULLY TIMBERED
THIS SHAFT IN GOOD SHAPE ALL TIMBERED TO 180 FT
1-UNWATER
2-DRIFT INTO ORE AT ✱ ON 180 FT LEVEL
ALSO AT ✱
SHAFT SPLICED THROUGH OLD STOPE
STOPED AREA
STOPED T.
STOPED T.
STOPED T. 130' LEVEL
130' LEVEL
180' LEVEL - DRIVEN 1893
130' LEVEL - DRIVEN 1893
VIRGIN ORE SHOOT
VIRGIN ORE SHOOT
65 FT.
180' LEVEL
DRIVEN 1934-35
PROPOSED DRIFT TO ORE BODY
PROPOSED DRIFT TO ORE BODY
VEIN
SKETCH OF ELDORADO

#13

#2

EXTRACTS FROM WAGER'S ASSAY BOOK,
TIP TOP DISTRICT
(Being all the entries which refer to Eldorado Group)

1887	Oz. Silver Per Ton		
1-2	486.11	Wade & Co. No. 1	Arizona
1-2	215.11	Wade & Co. No. 2	Arizona
2-19	1,747.56	Simmons & Pheby	Arizona Chloride
2-22	371.87	F. E. W.	North Extension of Arizona
2-28	863.64	Simmons & Co.	Arizona
	1,367.69	Simmons & Co.	Red Honey Comb ore
6-10	15.80		Arizona 1
	4.86		Arizona 2
7-1	117.88		Arizona 1
	117.88		Arizona 2
7-19	583.33	Arizona Sulphurets	
7-23	163.13	Arizona-East drift soft brown ore X cut	
8-4	94.79	O.A. Ensign 1 Ariz. dump	
	131.55	O.A. Ensign 2 Ariz. dump	
9-3	93.58	O.A. Ensign Ariz. 1	
	82.64	O.A. Ensign Ariz. 2	
11-16	183.51	C.O. Wager	El Dorado

1888			
1-1	300.17	G.O. Wager	El Dorado
1-6	546.81	El Dorado East Shaft sulphurets	
1-16	38.89	C.O.W. Eld 3d class	
1-18	149.48	El Dorado S.W. end shaft bromide ore	
	18.23	El Dorado S.W. croppings	
1-30	591.84	Fuller & Carter 1 El Dorado	
	320.83	Fuller & Carter 2 El Dorado	
2-28	777.77	M. J. Fuller El Dorado oxide	
	34.03	M. J. Fuller El Dorado gangue	
3-17	1,360.85	Roe & Carter Bet assay El Dorado ore	
3-24	212.67	M. J. Fuller brown ore	
	488.54	M. J. Fuller El Dorado sample 1	
	139.76	M. J. Fuller El Dorado sample 2	
9-28	693.91	El Dorado sulphurets	
	26.74	El Dorado zinc	
10-8	865.85	El Dorado 1	

Amedee A. Peugnet, 705 Chestnut Street, St. Louis 1, Missouri

#7

1888 (contd)	Oz. Silver Per Ton	
	156.77	El Dorado 2
11-13	686.63	El Dorado 1
	996.52	El Dorado 2
12-3	307.48	El Dorado sample
1889		
1-5	181.08	El Dorado zinc
	877.43	El Dorado Galena
2-14	138.54	Roe & Co. Arizona screenings
2-20	154.34	Roe & Co. Arizona sample
	352.41	El Dorado
2-26	213.89	John Dick Arizona
3-23	227.47	El Dorado ore in raise
6-18	117.88	El Dorado screenings
	104.51	El Dorado coarse
	89.93	El Dorado jig concentrates "panned"
	8.51	El Dorado jig concentrates ordinary
7-9	337.79	El Dorado sample No. 1
	128.82	El Dorado sample No. 2
7-29	17.01	El Dorado Zinc face of drift
8-18	196.88	El Dorado W. & R. face of drift at 150
6-18	8.51	El Dorado jig concentrate ordinary
6-25	478.81	F.E. Wager Arizona M.B. shaft N. side
7-1	18.23	F.E.W. & Jno. Roe Ariz. west red oxide
	12.15	F.E.W. & Jno. West porous
	517.71	F.E.W. & Jno. West light chloride
7-9	337.79	El Dorado sample No. 1
	128.82	El Dorado sample No. 2
7-29	17.01	El Dorado Zinc face of drift
8-18	196.88	El Dorado W. & R. face of drift at 150
9-1	170.14	El Dorado No. 2
	41.32	El Dorado No. 3 screenings
	230.90	F. Plum & Evans El Dorado S. shaft
9-8	393.75	El Dorado sample No. 1
10-28	369.44	F.E.W. El Dorado top S. drift S. shaft
11-24	518.92	Tom Wade sample
12-1	2,655.37	T. Wade concentrates
	281.94	El Dorado E.G.W. sample

1890	Oz. Silver Per Ton	
2-15		see 3 F.E.W. samples
3-9	493.40	F.E.W. El Dorado South Ox
	299.74	H.V.W. & Calloway El Dorado sample (see "F.E.W. & B." sample this date & 4 samples 4-14)
6-6	96.36	Calloway Michler Creek chloride Ariz.
12-13	48.61	G.O.W. El Dorado brown ore
1891		
4-25	339.06	Geo. Cary El Dorado sample
1892		
6-13	34.03	Andy Johnson Arizona scr.
	64.61	Andy Johnson Arizona lead
1893		
1894-1898	missing	
1899		
1900		
1-28	182.29	F.E.W. Arizona ore
4-4	182.29	Arizona sample 14 sacks
5-15	178.57	Arizona sample 2 sacks
	50.00	Arizona 2 assays Jasper & blende ore
6-30	109.37	F.E.W. Arizona Foot wall streat 18' down new shaft
	233.33	F.E.W. Arizona Hanging wall 18' down new shaft
1901		
1902		
9-12	63.19	El Dorado - float bear Poweder House

1903, 1904, 1905, 1906, 1907, 1908, 1909, 1910, 1911,

Amedee A. Peugnet, 705 Chestnut Street, St. Louis 1, Missouri

1912	Oz. Silver Per Ton	
11-30	48.61	El Dorado No. 1 head
	19.44	El Dorado No. 2 head
	18.23	El Dorado No. 3 head
	44.96	El Dorado No. 4 head
	31.60	El Dorado No. 1 tail
	16.94	El Dorado No. 2 tail
	3.64	El Dorado No. 3 tail
	29.17	El Dorado No. 4 tail
	212.67	El Dorado concentrates 1
	182.24	El Dorado concentrates 2
	413.19	El Dorado concentrates 3
	244.26	El Dorado concentrates 4
1913		
3-21	35.25	El Dorado Head
	15.80	El Dorado Middle tail
	230.90	El Dorado Canvas table slimes
	26.74	El Dorado end tailings
	218.75	El Dorado concentrates
5-20	646.53	El Dorado Horn silver ore
9-24	48.60	El Dorado head
	249.10	El Dorado concentrates 15 to 1
	32.80	El Dorado tails
	52.26	El Dorado slimes 10% of all
	14.50	El Dorado tails after leaching 70%
	9.72	El Dorado Sec. tails Lot 3 after leach 27%
12-7	9.72	El Dorado yellow carb-surface N. of shaft
1914		
1915		
4-9		El Dorado gangue no value
1916, 1917		
1918		
3-29	36.48	El Dorado piece-iron pyrite
4-6	32.81	Riggs-El Dorado 4-3

1918 (contd)	Oz. Silver Per Ton	
4-6 contd	3.64	Riggs-El Dorado April 4 2
4-24	49.83	Riggs 1 dump character
	59.55	2 dump character
	77.73	3 dump character
	12.15	4 dump character
	173.79	5 dump character
1919		
1-8	3.64	F.E.W. El Dorado No. 2 - Jackson Sample No. 1 Old Combination shaft-small hole tope - hanging wall
	7.29	F.E.W. El Dorado cut east end red iron
	2.43	F.E.W. El Dorado cut east end grey yellowish granite on foot wall
	26.74	F.E.W. El Dorado No. 2 foot wall - top
	5.00	F.E.W. El Dorado No. 3 hanging wall bottom
	3.64	F.E.W. El Dorado No. 4 foot wall streak bottom hole
	1.21	F.E.W. El Dorado No. 5, South hole over ore
5-6	25.52	F.E.W.-El Dorado Old S. Parthumer shaft
5-10	108.16	F.E.W.-El Dorado piece coarse ore 1st dump near S.E. corner "Encinas"
1920		
1921		
8-27	68.65	J.A.J. Old Arizona--surface Old works
10-17	46.18	Barth Arizona-brown ore
10-25	97.22	F.E.W. El Dorado Silver smoke
1922, 1923.		No entries referring to El Dorado Group claims after 10-25-21.

The Bruce Williams Laboratories

ENGINEERING
FOUNDATIONS
INSPECTIONS
ANALYSES
SAMPLING
CONSULTING
RESEARCH

MAIN OFFICE AND LABORATORIES 618-624 JOPLIN STREET TELEPHONE MAYFAIR 3-1556

ESTABLISHED 1898

Joplin, Missouri

Mr. Amedee A. Peugnet
Consulting Mining Engineer
705 Chestnut Street,
St. Louis 1, Missouri

7-19-65

887216 Sample #3 Eldorado Ext.

Silver	Ag	2.60 oz/ton

Spectrographic Analysis:

THE ABOVE FIGURES ARE AS DETERMINED IN OUR LABORATORIES 87-229 Bruce Williams

The Bruce Williams Laboratories

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SAMPLING
CONSULTING
RESEARCH

MAIN OFFICE AND LABORATORIES 618-624 JOPLIN STREET TELEPHONE MAYFAIR 3-1556

ESTABLISHED 1898

Joplin, Missouri

Mr. Amedee A. Peugnet
Consulting Mining Engineer
705 Chestnut Street,
St. Louisl, Missouri

7-19-65

887215 Sample #2 Eldorado

Silver	Ag	23.00 oz/ton

THE ABOVE FIGURES ARE AS DETERMINED IN OUR LABORATORIES Bruce Williams

#12

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The Bruce Williams Laboratories

MAIN OFFICE AND LABORATORIES 618-624 JOPLIN STREET TELEPHONE MAYFAIR 3-1556

ESTABLISHED 1898.

Joplin, Missouri

Mr. Amedee A. Peugnet
Consulting Mining Engineer
705 Chesnut St.,
St. Louis, Mo.

7-19-65

887218 Sample #5 Arizona

Silver	Ag	45.34 oz/ton

THE ABOVE FIGURES ARE AS DETERMINED IN OUR LABORATORIES 87-229 Bruce Williams

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ANALYSES
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RESEARCH

The Bruce Williams Laboratories

MAIN OFFICE AND LABORATORIES 618-624 JOPLIN STREET TELEPHONE MAYFAIR 3-1556

ESTABLISHED 1898

Joplin, Missouri

Mr. Amedee A. Peugnet
Consulting Mining Engineer
705 Chestnut Street,
St. Louis 1, Missouri

7-19-65

887217 Sample #4 Jackson

Silver	Ag	192.13 oz/ton

THE ABOVE FIGURES ARE AS DETERMINED IN OUR LABORATORIES Bruce Williams

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INSPECTIONS
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SAMPLING
CONSULTING
RESEARCH

MAIN OFFICE AND LABORATORIES 618-624 JOPLIN STREET TELEPHONE MAYFAIR 3-1556

ESTABLISHED 1898

Joplin, Missouri

Mr. Amedee A. Peugnet
Consulting Mining Enginee
705 Chestnut St.,
St. Louis, 1, Mo.

7-19-65

887219 Sample #6 Arizona

Silver Ag 15.12 oz/ton

Spectrographic analysis:

Silicon	Si	10-100%	Potassium	K	.1-1%
Iron	Fe	1-10%	Titanium	Ti	.1-1%
Chromium	Cr	1-10%	Zinc	Zn	.1-1%
Calcium	Ca	1-10%	Copper	Cu	.1-1%
Lead	Pb	1-10%	Vanadium	V	.01-.1%
Manganese	Mn-	1-10%	Silver	Ag	Less than .01%
Aluminum	Al	1-10%			
Magnesium	Mg	1-10%			

THE ABOVE FIGURES ARE AS DETERMINED IN OUR LABORATORIES 87-229 Bruce Williams

The Bruce Williams Laboratories

ENGINEERING
FOUNDATIONS
INSPECTIONS
ANALYSES
SAMPLING
CONSULTING
RESEARCH

MAIN OFFICE AND LABORATORIES 618-624 JOPLIN STREET TELEPHONE MAYFAIR 3-1556

ESTABLISHED 1898

Joplin, Missouri

Mr. Amedee A. Peugnet
Consulting Mining Engineer
705 Chestnut Street,
St. Louis, Missouri

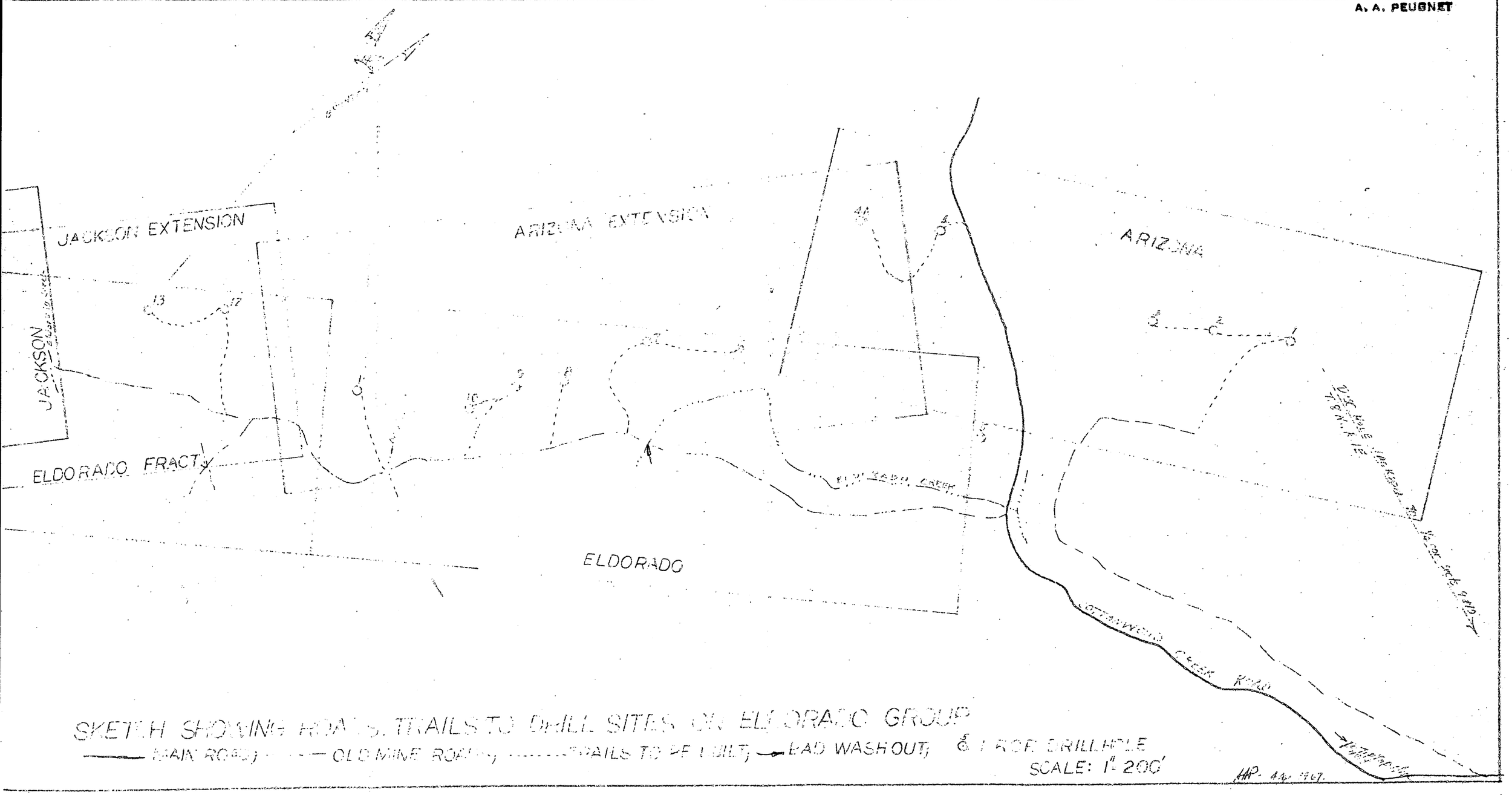
7-19-65

887214 Sample #1 Blackjack

Silver	Ag	27.95 oz/ton
Tungsten	W	16.13 %

THE ABOVE FIGURES ARE AS DETERMINED IN OUR LABORATORIES 87-229 Bruce Williams

A. A. PEUGNET



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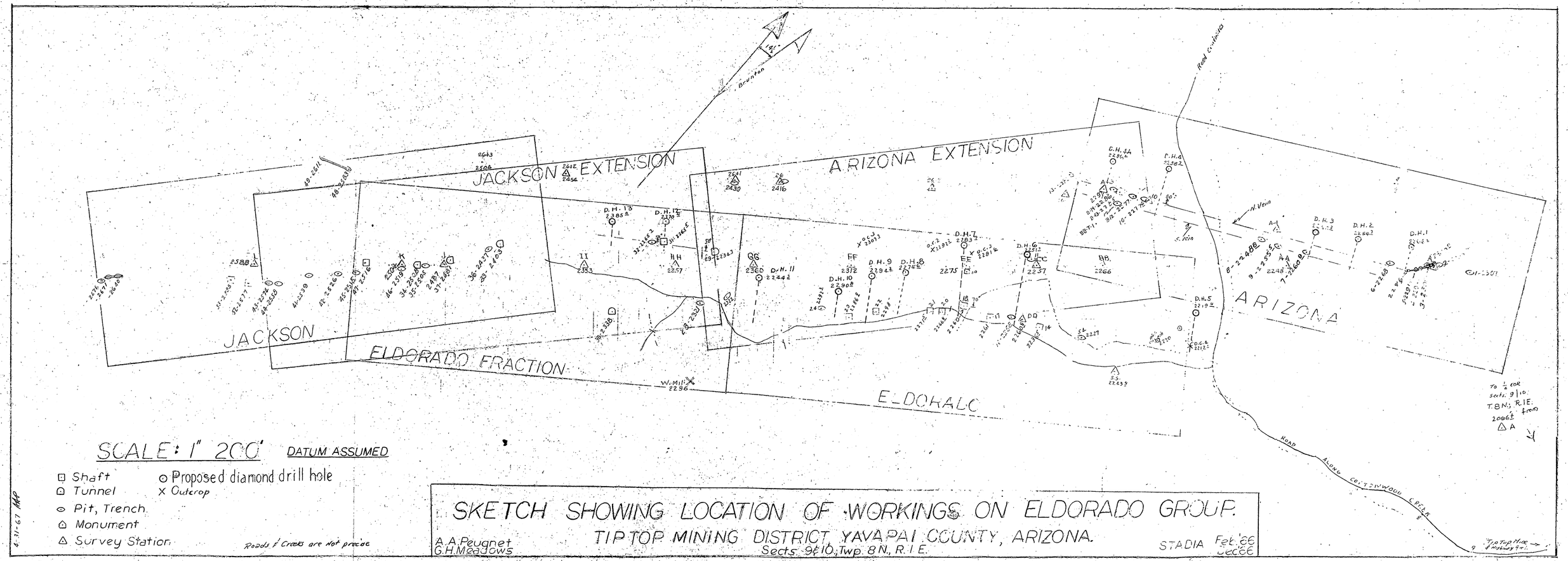
JACKSON EXTENSION
ARIZONA EXTENSION
JACKSON
ELDORADO FRACTION
ELDORADO
ARIZONA
Brunton
Road Continues
N. Vein
S. Vein
W. Mill
Road Along Cottonwood Creek
To 1/4 cor Sects. 9 & 10 T.8N.; R.1E. 2006± from A
SCALE: 1" 200'
DATUM ASSUMED
Shaft
Tunnel
Pit, Trench
Monument
Survey Station
Proposed diamond drill hole
Outcrop
Roads & Creeks are not precise
4-11-67 MAP
SKETCH SHOWING LOCATION OF WORKINGS ON ELDORADO GROUP.
TIP TOP MINING DISTRICT YAVAPAI COUNTY, ARIZONA.
Sects. 9 & 10, Twp. 8 N., R. 1 E.
A.A. Peugnet
G.H. Meadows
STADIA Feb. '66
DECCE

#10

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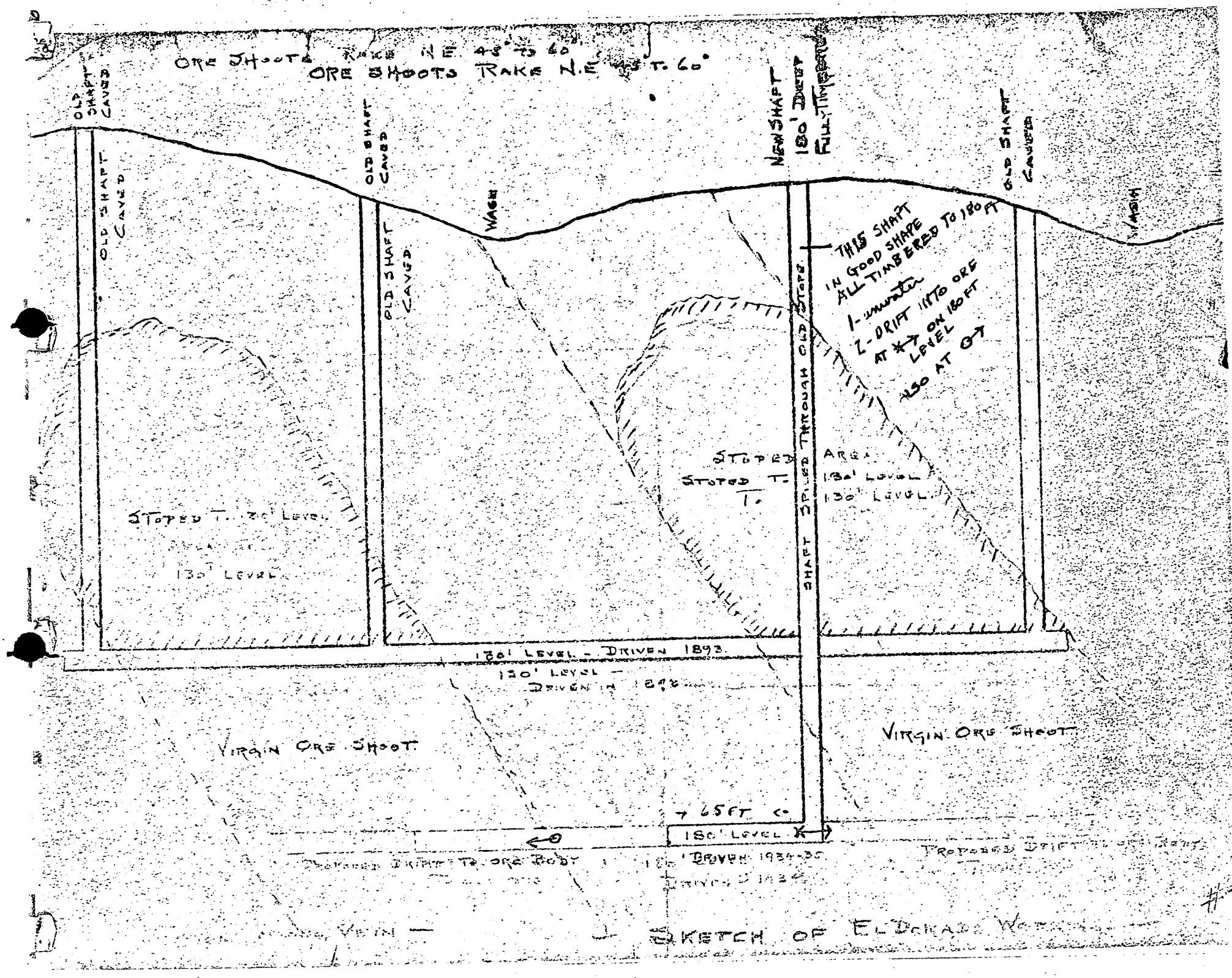
APR 12 1967
INITIALS CODE


ORE SHOOTS RAKE N.E. 45° TO 60°
ORE SHOOTS RAKE N.E. 45° T. 60°
OLD SHAFT CAVED
OLD SHAFT CAVED
OLD SHAFT CAVED
OLD SHAFT CAVED
WASH
NEW SHAFT 180' DEEP FULLY TIMBERED
THIS SHAFT IN GOOD SHAPE ALL TIMBERED TO 180 FT
1- UNWATER
2- DRIFT INTO ORE AT ✱ ON 180 FT LEVEL
130 AT ⊙
STOPED T. 130' LEVEL
130' LEVEL
STOPED
STOPED T.
T.
SHAFT SPILLED THROUGH OLD STOPE
AREA
180' LEVEL
130' LEVEL
180' LEVEL - DRIVEN 1893.
130' LEVEL -
VIRGIN ORE SHOOT
VIRGIN ORE SHOOT
65 FT
180' LEVEL
PROPOSED DRIFT TO ORE BODY
DRIVEN 1934-35
PROPOSED DRIFT
VEIN
SKETCH OF ELDORADO
#2

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 28

August 23, 1971

AUG 26

Memorandum

To: Chief, Office of Minerals Exploration

From: Assistant Chief, Office of Minerals Exploration

Subject: OME-6622 (Silver)
Amedee A. Peugnet
Eldorado Group of Claims
Yavapai County, Arizona
Contract 2256

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

FINAL FIELD REPORT - OME EXPLORATION PROJECT

By W. L. Emerick

August 23, 1971

1. OME-6622 (Silver)
Amedee A. Peugnet
Eldorado Group of Claims
Yavapai County, Arizona
Contract 2256

Operator: Amedee A. Peugnet
4605 Lindell Blvd.
St. Louis, Missouri 63108

Property: Consisted of six (6) unpatented lode mining claims, including all rights pertaining thereto, in secs. 8 and 9, T. 8 N., R. 1 E., Gila and Salt River Meridian, Tip Top mining district, Yavapai County, Arizona. A map showing the area of the six claims was attached to the contract.

Ownership: The Operator was in possession of the claims under the terms of a Mining Lease, dated October 10, 1966, from A. C. E. Mining Corporation, the owner.

2. Purpose of Project: The purpose of the project was to explore by diamond core drilling from surface sites for silver-bearing ore bodies in and along northeasterly trending veins in granite.

3. Contract: Dated February 5, 1968, for a term of 6 months, later extended by amendment to 12 months.
Original contract amount $23,800.00.
Government participation - 75 percent - $17,850.00.

Amendment - No. 1 - August 22, 1968, to extend the time for completion of the work from 6 to 12 months; to suspend work under the contract for 3 months; to revise in Exhibit A, (1) the first paragraph under the heading General Provisions, (2) the first paragraph under the heading Description of the Work, and (3) the entire section under the heading Estimated Costs of Project Stage I.

4. Project Work: Started April 17, 1968. Completed December 11, 1968.

FINAL FIELD REPORT

Cost Items	Stage I				
Actual Costs	Authorized			Completed	
	Units	Rate	Amount	Units	Amount
Mobilization and demobilization, drill rig	-----	-----	$200.00	-----	$200.00
Drilling and setting of collar pipe	70 feet	$8.60/foot	$602.00	67 feet	$576.20
Diamond drilling	1,242 feet	Various	$8,935.00	1,242 feet	$8,818.20
Cementing, reaming, and casing	5 hours	$15.00/hour	$75.00	-----	-----
Casing lost in completed holes	15 feet	Various	$30.00	15 feet	$30.00
Moving and setting up drill rig	50 hours	$15.00/hour	$750.00	50 hours	$750.00
Rental of water truck	1.5 months	$190.00/month	$285.00	1.47 months	$278.62
Hauling water	40 miles	$0.15/mile	$6.00	38 miles	$5.70
Supervision - technical services	1.5 months	$800.00/month	$1,200.00	1.47 months	$1,253.34
Cardboard core boxes	100 boxes	$1.00/each	$100.00	100 boxes	$100.00
Cement, cement substitutes, drilling mud, additives	-----	-----	$100.00	-----	$12.13
Payroll taxes, F.I.C.A., insurance	-----	-----	$167.00	-----	$96.55
Assaying for gold, silver, lead, zinc, copper, and tungsten	115 samples	Various	$335.00	30 samples	$81.00
Transportation charges for samples	100 pounds	$0.25/pound	$25.00	-----	-----

Stage I - Continued

Fixed Unit Costs	Authorized Units	Authorized Rate	Authorized Amount	Completed Units	Completed Amount
Bulldozing roads and drill sites, including all related costs	-----	-----	$255.00	-----	$255.00
Total Costs Stage I			$13,065.00		$12,456.74

Stage II

Actual Costs	Authorized Units	Authorized Rate	Authorized Amount	Completed Units	Completed Amount
Bulldozing roads and drill sites	20 hours	$15.00/hour	$300.00	21.8 hours	$327.50
Drilling and setting of collar pipe	30 feet	$8.60/foot	$258.00	22 feet	$167.20
Diamond drilling	1,000 feet	Various	$7,190.00	760 feet	$5,396.00
Cementing, reaming and casing	16 hours	$15.00/hour	$240.00	-----	-----
Casing lost in completed holes	50 feet	Various	$100.00	-----	-----
Moving and setting up drill rig	24 hours	$15.00/hour	$360.00	56 hours	$840.00
Rental of water truck	1.5 months	$190.00/month	$285.00	1.42 months	$259.63
Hauling water	500 miles	$0.15/mile	$75.00	5 miles	$0.75
Move pump	-----	-----	-----	-----	$60.00

Stage I - Continued

Fixed Unit Costs	Authorized Units	Authorized Rate	Authorized Amount	Completed Units	Completed Amount
Bulldozing roads and drill sites, including all related costs	-----	-----	$255.00	-----	$255.00
			$13,065.00		$12,456.74

Stage II

Actual Costs	Authorized Units	Authorized Rate	Authorized Amount	Completed Units	Completed Amount
Bulldozing roads and drill sites	20 hours	$15.00/hour	$300.00	21.8 hours	$327.50
Drilling and setting of collar pipe	30 feet	$8.60/foot	$258.00	22 feet	$167.20
Diamond drilling	1,000 feet	Various	$7,190.00	760 feet	$5,396.00
Cementing, reaming and casing	16 hours	$15.00/hour	$240.00	-----	-----
Casing lost in completed holes	50 feet	Various	$100.00	-----	-----
Moving and setting up drill rig	24 hours	$15.00/hour	$360.00	56 hours	$840.00
Rental of water truck	1.5 months	$190.00/month	$285.00	1.42 months	$259.63
Hauling water	500 miles	$0.15/mile	$75.00	5 miles	$0.75
Move pump	-----	-----	-----	-----	$60.00

Stage II - Continued

Actual Costs	Authorized Units	Authorized Rate	Authorized Amount	Completed Units	Completed Amount
Supervision, geologist-engineer	1.5 months	$800.00/month	$1,200.00	1.42 months	$1,093.32
Cardboard core boxes	100 boxes	$1.00/each	$100.00	92 boxes	$92.00
Cement, cement substitutes, drilling mud, additives	-----	-----	$100.00	-----	$69.90
Payroll taxes, F.I.C.A., insurance	-----	-----	$167.00	-----	-----
Assaying for gold, silver, lead, zinc, copper, and tungsten	115 samples	Various	$335.00	26 samples	$91.00
Transportation charges for samples	100 pounds	$0.25/pound	$25.00	-----	-----
Total Costs Stage II			$10,735.00		$8,397.30
Total Costs of Project			$23,800.00		$20,854.04
Government Participation @ 75%			$17,850.00		$15,640.53
Paid to the Operator					$15,640.53

The Government retained no equity in any of the materials used.

Effectiveness of the Work - The most favorable target areas were adequately explored.

Efficiency of Operation - The operation was well supervised and progressed in an efficient manner.

5. Reports:

Operator's Final Report - An acceptable Final Report, dated March 5, 1969, was submitted with adequate supporting maps.

Cost Review - A Report of Review was issued by the Office of Survey and Review in July 1969.

Final Audit - A final audit was not requested because no additional vouchers were submitted or paid after the Report of Review. The final voucher was paid on May 12, 1969.

Royalty Review - There was no production sold and no royalty was due the Government. A Royalty Review was not requested.

6. Project Results:

Discoveries - The project work did not result in the discovery of an ore body.

Certification - A Certification of Possible Discovery was not issued.

Production - There was no production as a result of the OME work.

Royalties - No royalties were paid or due the Government.

7. Geologic Summary - The ore deposits of the Eldorado Group of claims occur in fissure type veins cutting granite. The veins strike from N. 35° E. to N. 65° E. and have dips ranging from 42° NW to vertical. The veins range in width from about 1 foot to as much as 6 feet. Ore minerals are galena, sphalerite, tetrahedrite, and wolframite in a gangue of quartz, altered wall rock, and pyrite. Early production records are lacking but in 1934 five shipments of ore amounting to 123 tons yielded a total of 3,731 ounces of silver.

7

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Date	Surname	Code
9/4/69		120
		220

SEP 4 1969

A.C.E. Mining Corporation
2315 Ashby Road
St. Louis, Missouri 63114

Re: OME-6622 (Silver)
Amedee A. Peugnet
Eldorado Group of Claims
Yavapai County, Arizona
Contract 2256

Gentlemen:

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 Agreement executed April 26, 1967, by Mr. Claude C. Findly, president of the corporation, under the Office of Minerals Exploration program.

Sincerely yours,

Harold Kirkemo (gfa)

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. Kirkemo
130

BSLong/1 9/4/69

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

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O. M. E.
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AUG 27 1969

INITIALS	CODE
gla	120
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August 25, 1969

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6622 (Silver)
Amédée A. Peugnét
Eldorado Group of Claims
Yavapai County, Arizona
Contract 2256

A contract was executed on February 5, 1968 between the Government and Amédée A. Peugnét, an individual, to explore by diamond drilling from prepared surface drill sites for silver-bearing ore bodies in and along northeasterly trending veins which traverse the Bradshaw granite.

The land included in the subject contract consisted of the following unpatented mining claims that lie in secs. 8 and 9, T. 8 N., R. 1 E., G & SRM, Tip Top Mining District, Yavapai County, Arizona: Arizona, Arizona Extension, Eldorado, Eldorado Fraction, Jackson and the Jackson Extension.

Work under the contract began about April 1, 1969, and was completed during December 1968, after a recess period between August 6, 1968 and ending not later than November 1, 1968. The exploration drilling was conducted in two stages, for a total accepted cost of $20,854.00. Government funds expended at 75 percent participation totaled $15,641.00.

A total of 1,717 feet of diamond drilling in 10 drill holes was completed to explore for silver ore along the Arizona and Eldorado Veins. Although some rather high values in silver were obtained along the Arizona vein, the width or vein intercepts are very thin and the vein is not continuous over an extended strike length, consequently it is problematical the ore grade material could be maintained. It is the

opinion of the Field Officer that the Operator's ore reserves estimates are not realistic, and that there is in fact no significant discovery of silver along the Arizona vein as explored under the subject contract.

Drilling along the Eldorado vein met with even less success than did the drilling along the Arizona vein. Drill hole Nos. 4, 5 and 6 were drilled to explore the central portion of the Eldorado vein. Drill hole No. 4 did not intersect the vein, nor did drill hole No. 5, however drill hole 6 penetrated 0.5 feet of vein material that assayed 244.9 oz. Ag, with 0 03 oz. Au, per ton. Offset holes 11, 11A and 12 were drilled to test the high grade occurrence found in hole No. 6. Hole 11, penetrated an old stope at about 80 feet, Hole 11-A was drilled to a depth of 160 feet and penetrated almost no mineralized material.

Drill hole No. 12 designed to intersect a possible ore shoot 120 feet southwesterly of hole No. 6. This hole also penetrated an old stope. The project was then terminated.

It is concluded that really, no significant discovery of ore was made as a result of the explorative work performed under the subject contract, and that the veins explored are too thin, too discontinuous and too low in grade to be considered economic at this time. It is therefore recommended that no certification be made as a result of the exploration work completed under the subject contract.

J. William Hasler
mc.

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

EE A. PEUGNET · PE - ONSULTING MINING ENGI ER - REG. MOL-3556

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Denver, Colorado

15 August 1969

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Mr. J. William Hasler, Field Officer, Region III
Office of Minerals Exploration
U.S. Geological Survey
Federal Center - Bldg.53 -Rm.200. Denver, Colo.80225.

Subject: OME-6622 (Silver)
Amedee A. Peugnet
Eldorado Group of Claims
Yavapai County, Arizona
Contract 2256

Dear Mr. Hasler:

Thank you for your letter of August 12th, 1969, and the "Audit Operation" covering the above contract 2256.

I find the audit substantially correct. For what it is worth, the last line on page 1 reads, in part: " ----, and ending not later than November 1, 1968." This should be: " not later than February 5, 1969." (Amendment No. 1 - to Contract 2256).

If you judge the above error to be inconsequential, do not bother to reply to this letter.

I enjoyed working with you on this project, and the good cooperation which I received from your whole staff is greatly appreciated.

Sincerely yours,

Amédée A. Peugnet

Amédée A. Peugnet

CHESTNUT ST., ST. LOUIS, MO. 63101 PHONE: (314) 621-1431

Form 7
63)

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Date	Surname	Code
8/18/69		120
8/18		220
		120M

August 18, 1969

Memorandum

To: Chief, Branch of Budget and Finance

From: Chief, Office of Minerals Exploration

Subject: OME-6622 (Silver)
Amedee A. Peugnet
Eldorado Group of Claims
Yavapai County, Arizona
Contract 2256

Enclosed is a copy of the Field Officer's letter of August 12, 1969, forwarding a copy of the Report of Review issued in July 1969 to the subject Operator. Also enclosed is a copy of the report for your files.

Harold Kirkemo (gl)

Harold Kirkemo

Enclosures

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
OME Region III
Mr. Kirkemo

GLAult/a 8-18-69

Office of Minerals Exploration
Building 53 Room 200

August 12, 1969

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

INITIALS	CODE
gla	311
[illegible]	120
HK	120

Mr. Amédée A. Peugnét
705 Chestnut Street
St Louis, Missouri 63101

Subject: OME-6622 (Silver)
Amédée A. Peugnét
Eldorado Group of Claims
Yavapai County, Arizona
Contract 2256

Dear Mr. Peugnét:

Enclosed is an "Operator's Copy" of a Report of Review -- Contract 2256, Docket No. OME-6622, concerning the exploration work recently conducted by you on the Eldorado Group of Claims, Yavapai County, Arizona. The Report of Review was made during July 1969 by the Office of Survey and Review, Audit Operations, Region I, Washington, D. C.

I have reviewed the Report of Review and concur in the facts herein stated. It was a distinct pleasure serving you and hope we may be of assistance to you at a later date.

Sincerely yours,

J. William Hasler

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

cc: Chief, OME (2)
OME-6622
OME chron
Mr. Hasler

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
7/28/69		120
7/28	cc	220
		120M

JUL 28 1969

AIRMAIL

Memorandum

To: Field Officer, Region III

From: Chief, Office of Minerals Exploration

Subject: OME-6622 (Silver)
Amedee A. Peugnet
Eldorado Group of Claims
Yavapai County, Arizona
Contract 2256

Enclosed are the Field Office's and Operator's copies of a Report of Review issued in July 1969 on the subject contract.

If you concur in the facts as stated in this report, one copy should be sent to the Operator with any comments you may care to make, and the other copy retained for your files. 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 concur, both copies of the report should be returned to this office with appropriate comments.

Please forward your final recommendations on the work accomplished under this contract at your earliest convenience.

Harold Kirkemo (glu)

Harold Kirkemo

Enclosures

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
Mr. Kirkemo
130

GLAult/a 7-28-69

AMEDEE A. PEUGNET · PE[redacted] CONSULTING MINING EN[redacted]EER - REG. MO.E-3556

JWH
Personal Demand
OME 6-20-69

19 June 1969

Mr. J. William Hasler, Field Officer, Region III,
Office of Minerals Exploration,
U.S. Geological Survey,
Federal Center - Bldg. 53 - Rm.200,
Denver, Colorado 80225.

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 27 1969
INITIALS | CODE
~~A30~~
gla 120
~~JHR 120~~

Re: OME-6622 (Silver)
Amedee A. Peugnet
Eldorado Group of Claims
Yavapai County, Arizona
Contract 2256

Dear Mr. Hasler:

Today I received a refund check for $1,517.63 on Voucher No.97410, being, "Disallowed amount paid per letter from Amedee A. Peugnet,5/31/69 and memo from Chief, Office of Minerals Exploration, 6/10/69."

I take this opportunity to thank you and your Staff, including your secretary, Mary Clark, for the cooperation and many courtesies shown me during the execution of this contract, and, considering the under-staffed status of your office, the expeditious manner in which you have handled the many details that are associated with such a program and contract. Will you please express my thanks to all involved.

Sincerely,

Amedee A Peugnet

705 CHESTNUT ST., ST. LOUIS, MO. 63101 PHONE: (314) 621-1431

AMEDEE A. PEUGNET · PE[illegible] CONSULTING MINING EN[illegible]NEER - REG. MO.E-3556

19 June 1969

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

INITIALS	CODE
	~~120~~
gla	120
JHK	~~120~~

Mr. Harold Kirkemo, Chief,
Office of Minerals Exploration,
U.S. Geological Survey,
Washington, D.C. 20242.

Re; OME-6622 (Silver)
Amedee A. Peugnet
Eldorado Group of Claims
Yavapai County, Arizona
Contract 2256

Dear Mr. Kirkemo:

I have been out of town and returned today to find your letter of June 10,1969. Today, also, I received a settlement check for $1,517.63.

Thank you very much for your courtesy and for the expeditious handling of this matter.

I take this opportunity to thank you for your past courtesies and those of your staff in connection with this contract.

Sincerely,

Amédée A Peugnet

705 CHESTNUT ST., ST. LOUIS, MO. 63101 PHONE: (314) 621-1431

Standard Form No. 1047
7 GAO 5000
1047-104

PUBLIC VOUCHER FOR REFUNDS

Voucher No. 97410

U. S. Interior, Geological Survey
(Department or Establishment, Bureau or Office)

Location: Washington, D. C. 20242

Appropriation or Fund: 14X0804

PAID BY

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 16 1969
INITIALS | CODE
130
Bal 1/20 72
19
HK 120

To
Address

Amedee A. Peugnet
705 Chestnut St.
St. Louis, Mo. 63101

~~Deposit received from the above named depositor on~~

for Claim for month of May-June, 1968 Contract 2256

has been applied as herein stated and the balance indicated is returned herewith:

Amount of deposit	Schedule 96617	$ 1,517.63
Applied as explained in "Remarks" below		
Balance authorized to be refunded		$ 1,517.63

Remarks:

Claimed Dec. voucher:

Core Drilling BX	2,094.50
Allowed	71.00
Disallowed (May-June)	2,023.50
Government Participation 75%	1,517.63

Disallowed amount paid per letter from Amedee A. Peugnet, 5/31/69 and memo from Chief, Office of Minerals Exploration, 6/10/69.

(Sign original only)

Title

Refund by
Check No.
Cash, $ on (Signature of payee)
(Sign original only)
Other method, $,
(Describe)

☆ U.S. GOVERNMENT PRINTING OFFICE : 1960 O—572727

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
6/10/69		120
		220
		120M

AIRMAIL

JUN 10 1969

Mr. Amedee A. Peugnet
705 Chestnut Street
St. Louis, Missouri 63101

Re: OME-6622 (Silver)
Amedee A. Peugnet
Eldorado Group of Claims
Yavapai County, Arizona
Contract 2256

Dear Mr. Peugnet:

This is in reply to your letter of May 31, 1969, to Mr. J. W. Hasler, Field Officer, Region III, regarding the Administrative Suspension Statement accompanying paid voucher No. 96117 and the disallowance of $2,023.50 from the amount claimed for BX core drilling.

We have reviewed all records pertaining to BX core drilling completed on this project and have determined that an adjustment in payment to you is in order, and will be made in the near future. An audit of the costs incurred on this contract also will be made soon.

We hope that the disallowance of funds has not seriously inconvenienced you.

Sincerely yours,

Harold Kirkemo (gla)

Harold Kirkemo
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Economic Geology File
OME docket
OME Reading File
OME Region III
Mr. Kirkemo

HKirkemo/gla 6-10-69

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
6/10/69		120
6/10	Coe	220
		120M

June 10, 1969

Memorandum

To: Chief, Branch of Budget and Finance

From: Chief, Office of Minerals Exploration

Subject: OME-6622 (Silver)
Amedee A. Peugnet
Eldorado Group of Claims
Yavapai County, Arizona
Contract 2256

This memorandum is to request that reimbursement be made to the Operator of the Government's share of costs totalling $2,023.50 for BX core drilling which was disallowed from the Operator's December 1968 voucher as itemized on the Administrative Suspension Statement accompanying paid voucher No. 96617, dated May 12, 1969. A copy of the suspension statement and the Operator's letter of May 31, 1969, are enclosed.

We find after again reviewing the records on this contract that we had not approved the correct footage for BX core drilling claimed by the Operator on his voucher for May-June 1968. Actual drilling totalled 957 feet rather than the 672 feet we had approved; however, we had approved the correct payment for 957 feet of drilling. In the belief that the payment for May-June had been an overpayment, we erroneously recommended a disallowance from the claim for BX core drilling in December. The correct totals for this item on Form MME 60 submitted for December 1968 should read as follows:

	For Government Approval Only		
Item	Monthly total	Previously Reported	Totals to Date
Core drilling, BX	$2,094.50	$12,119.70	$14,214.20

MME Form 61 should be corrected accordingly to read:

	For Government Use		
Item	Approved Units This Month	Approved Units to Date	Approved Costs to Date
Drilling, Core-Diamond, BX	295 feet	2,002 feet	$14,214.20

The Operator's drill logs, narratives, cross sections, and the Operator's invoices support the corrected totals herein submitted.

Harold Kirkemo (gla)

Harold Kirkemo

Enclosures

cc: Director's Reading File
Economic Geology File
OME docket
OME Reading File
OME Region III
Mr. Kirkemo

HKirkemo/gla 6-10-69

AMEDEE A. PEUGNET · PE CONSULTING MINING ENGINEER - REG. MO.E-3556

31 May 1969

OFFICIAL COPY
O. M. E.
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gla 120
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OME Region III
RECEIVED
JUN 2 - 1969
Denver, Colorado

Mr. J. William Hasler, Field Officer, Region III,
Office of Minerals Exploration,
U.S. Geological Survey,
Federal Center - Bldg.53 - Rm.200.

Re: OME-6622 (Silver)
Amedee A. Peugnet
Eldorado Group of Claims
Yavapai County,Arizona.
Contract 2256.

Dear Mr. Hasler:

Thank you for your letter of May 23,1969, which awaited me on my return from a trip to Texas and southern Arizona.

I regret to inform you that there has been a serious mix-up in the matter of my claims and the amounts allowed for BX drilling.

The figures shown in your letter for May-June are incorrect. The figures shown on Administrative Suspension Statement 96617 as claimed are correct; that shown as ALLOWED for May & June is incorrect, and appears to have been arrived at by subtracting $2023.50 (allwed,April) from the $6794.70 (claimed,May-June). The misunderstanding may have arisen from the fact that the bill dated May 31,1968, from Boyles Bros. Drilling Co. is marked: "Total Billing". Examination of both pages which detail this bill will show that it is so marked to indicate that the total represents the total of this bill, only - and does not include any drilling performed in the previous month.

My claim for May-June, 1968, Completion of Stage I, as shown on my vouchers for that period is exactly correct, namely:

957 ft. BX drilling @$7.10/ft = $6794.70

The correctness of this is shown: by Boyles Bros. bills, my cancelled checks, the hole logs, and the boxed cores. It may be noted that I made no claim for Hole No.1A, not authorized.

Sincerely,

Amedee A Peugnet

encl. cc this letter.

705 CHESTNUT ST., ST. LOUIS, MO. 63101 PHONE: (314) 621-1431

Office of Minerals Exploration
Building 53 Room 200

May 23, 1969

Mr. Amedee A. Peugnet
705 Chestnut Street
St. Louis, Missouri 63101

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 27 1969

INITIALS	CODE
gla	130
Cal	120
HK	120
	120

Re: OME-6622 (Silver)
Amedee Peugnet
Eldorado Group of Claims
Yavapai County, Arizona
Contract 2256

Dear Mr. Peugnet:

This is in reply to your letter dated May 16, 1969 regarding your voucher for December 1968 and Suspension Statement No. 96617 which accompanied the check for costs approved by the Government.

The disallowance of $2,023.50 was necessary because that amount, first claimed and allowed for BX core drilling on the voucher for April 1968, again was claimed, approved and paid on the voucher submitted for May-June 1968. The error was not discovered until the voucher for December 1968 was reviewed and processed for payment by our Washington office.

The units claimed and the correct amounts for BX core drilling at $7.10 per foot are as follows:

1968 Month	BX core drilling, feet	Amount @ $7.10 per foot	Total to date
April	285	$ 2,023.50	$ 2,023.50
May-June	672	4,771.20	6,794.70
November	465	3,301.50	10,096.20
December	295	2,094.50	12,190.70
Totals	1,717 feet	$12,190.70	

Our Washington office will advise you concerning issuance of a certification of possible production. Your final report was forwarded to Washington.

Sincerely yours,

J. William Hasler

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

cc: Chief, OME
OME chron
Mr. Hasler
OME-6622

5/26/69

I drafted a letter reply to Mr. Peugnet for Hasler on May 23 when I was in Denver.

This should answer Mr. Peugnet's letter to Hasler dated 5/16/69.

The contract should be audited as the final voucher has been paid.

Kirkpatrick

AMEDEE A. PEUGNET · PE CONSULTING MINING ENGNEER - REG. MO.E-3556

Received May 19, 1969
JWH

16 May 1969

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 22 1969
INITIALS CODE
A20
bal A20
HK A20

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

Subject: OME-6622
Amedee A. Peugnet
Tip Top Mining District
Eldorado Group Property
Yavapai County, Arizona
Contract 2256 & Amendment.

Dear Mr. Hasler:

In reference to our telephone conversation yesterday: First, I erred in saying that I have not received either check or a statement for November, 1968. On March 6,1969 I received Administrative Suspension Statement #95127, together with a check for $4076.78. This is correct.

Suspension Statement (un-numbered) for May-June,1968, Completion of Stage I, accompanied a check for $6940.39. This represented payments on May-June vouchers, less $200.00 witheld pending the completion of Stage II; plus $387.00 allowed on my re-claim voucher for April, per Amendment No.1 to Contract 2256.

Suspension Statement (un-numbered) for April accompanied a check for $2,202.17, (after disallowing $595.65 for various items, part of which were later re-adjusted to conform with Amendment to the contract and my re-claim vouchers)

Thus, everything is correct up to, but excluding, final,Completion of Stage II, vouchers for December 1968, for which, prior to phoning you, I received Administrative Suspension Statement #96617, of which I assume you now have a copy, with a check for $903.58.

Frankly, I do not understand this last Suspension Statement. With the exceptions of $100, error in addition, a disallowance of $47.00 for assaying, which are correct, there is no explanation of why the $2,170.50, in my December vouchers, is disallowed, other than a back-charge against me for BX drilling in May-June, 1968.

Concerning this disallowance of $2,023.50, BX drilling, May-June: I have checked carefully the bills submitted by Boyles Bros. Drilling Co., both footage and arithmetic. I find that 957 feet of BX hole at $7.10 per foot agrees exactly with the figure: $6,794.70 submitted in my May-June vouchers for this item.

705 CHESTNUT ST., ST. LOUIS, MO. 63101 PHONE: (314) 621-1431

AMÉDÉE A. PEUGNET · PE CONSULTING MINING ENGINEER - REG. MO.E-3556

OME-6622, Contract 2256
Mr. J. William Hasler, Field Officer Region III. 16 May 1969.

Assuming that I have checked the figure: $6,794.70 correctly, it appears to me that my account as it now stands is:

Amount Claimed:	Differences (Explained below)		Amount Approved
3,108.60	147.00		2,961.60
		Govt.Part.	2,221.20
		Witheld	+ 200.00
			2,421.20
		less pymt	- 903.58
			1,517.62

Bu.Voucher No.	Payee's Invoice No.	Period
	Docket #6622 Contract #2256	December 1968

Claimed	Explanation	Disallowed
$3,108.60	(error in addition)	100.00
Assaying Final Report		
85.00	30 samples Stage I	
	25 " " II	
	55 "	
	55 x 3 + 165.00	
	W03 7.00	
Total allowed	172.00	
Paid to date	134.00	
Claimed 85.00	- 38.00 =	47.00
		147.00

I believe that the above is correct.

Can you give me an idea of how long I will have to wait until I am advised that the Government will, or will not, issue a certification of possible production ? Can I hope for some comments on my Final Report ?

Sincerely,

Amédée A Peugnet

cc: this letter enclosed.

705 CHESTNUT ST., ST. LOUIS, MO. 63101 PHONE: (314) 621-1431

OME FORM 60
SEPT. 1959

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 26 1969
INITIALS CO. E

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. OME-6622 (Silver)
Contract No. 2256
14-23-090-
Contract Amount $23,800.00
Gov't. Participation %75 $ 17,850.00
Mineral(s) Silver

OPERATOR'S MONTHLY VOUCHER

For Month of DECEMBER 1968 (COMPLETION) Stage II

Operator's Name AMEDEE A. PEUGNET
Address 705 Chestnut St., St. Louis, Mo. 63101

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:						
moving & set-up	330,00	1260,00	1590,00			
~~Bulldozing~~ casing lost in hole	--	38.70	38,70			
~~Drilling~~ Non Core collar P.	83.60	659,80	743.40			
~~Crosscutting~~ Mobilization	---	200,00	200,00			
~~Drifting~~ Core drilling BX	2094,50	12119,70	14214,20	71		12190.70
(2) Personal Services:						
Supervision & Technical	293.32	2121,34	2414.66			
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
~~Timber~~ Cement & Additvs	8,80	73,23	82.03			
Explosives						
Pipe						
Rail						
Core Boxes	43,00	149,00	192,00			
(4) Operating Equipment:						
Rental Water Trk/m.	69,63	468,62	538,25			
Purchase " " miles	0,75	5,70	6,45			
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment	85.00	198,00	283.00	38.00		172.00
Analytical Work	--	58,14	58,14			
Payroll Taxes	--	41,40	41,40			
Employee's Liability Ins.	--	60.00	60,00			
Move Pmp	--	582,50	582,50			
Bulldozing						
*Claim $200 withheld May June see attached			(200,00)			
TOTALS	3108,60	18036,13	21044,73	938.10		18830.54
	3008.60					

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

Date MAR. 5 1969 *Payee Amedee A Peugnet

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:
703.58 (~~5174~~ x0804
200.00 14x6875(08)
$903.58

Signature _____ (Authorized Certifying Officer)

Date MAY 12 1969 Vou. No. 96617

(SEE OTHER SIDE)

Form 60
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. 2256

Signature J. William Hosler Title Field Officer Date 4/22/69

Approved by:

Signature J. William Hosler Title Field Officer Date 4/22/69

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 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 DECEMBER 1968 Completion of Stage II & Contract Docket No. OME-Silver

Operator's Name AMEDEE A. PEUGNET Contract No. 14-23-090-2256 Stage II

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
Drilling MOBE & Set-up rig	hr.	22	106	1590.00	22	106	1,590.00
Casing left in hole	ft.	--	15	38.70	-	15	30.00
Non-Core collar P.	ft.	11	89	743.40	11	89	743.40
Mobilization	flat	--	1	200.00		1	200.00
Winzes							
Other Underground							12,190.70
Drilling, Core-Diamond BX	ft.	295	2002	14214.20	295	1,717	14,214.20
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous Supervision	mo.	37%	2.89	2414.66	37%	2.89	2,346.66
Cement & additivs		1	5	82.03	1	5	82.03
Core boxs	box	43	192	192.00	43	192	192.00
Water Truck/	mo.	37%	2.89	538.25	37%	2.89	538.25
" "	mi.	5	43	6.45	5	43	6.45
Claim per att, Susp. Statement				(200.00)			
Other Surface Work							
Initial Rehabilitation and Repairs moving pump				60.00			60.00
Rehabilitation of Mine Workings pay roll, soc. sec.				58.14			55.15
New Buildings, Fixtures, etc. Emply. liability Ins				41.40			41.40
Operating Equipment Purchases bulldozing				582.50	HR 172.00		582.50
Analytical Work				283.00			~~2.00~~
TOTAL TO DATE (per MME Form 60)				21044.73			20,898.04
							~~18,830.54~~

REMARKS Demobilization completed
Claiming $200 withheld May-June statement, see Administrative Suspension Statement attached.

Assaying: other receipts accompanied vouchers for Nov. 1968 as stated thereon.

This completes OME-6622, Contract 2256.

(Continue on back)

REMARKS Allow ~~$82.00~~ $38.00 HR for assays shown on assay list.
Final geologic & Eng Report is adequate. Refund $200.00 being withheld pending submittal of final report.
See back side
(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 MAR. 5 1969 Operator Amedee A Peugnet

Per _____ Title _____

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 Teslo

Title Field Officer
Government Representative

Date April 22, 1969

(INSTRUCTIONS ON REVERSE)

1) Total exceeds contract allowance for this item but total for Category (1) is not exceeded. HK.

2) See attached memo to Chief, Branch of Budget and Finance, May 7, 1965.

H. Kirkham

3) Operator agrees on his Final Report

30 samples Step I
25 " Step II

55 samples total

55 x $3 = $165
Wages 7

Total allowable $172

HK

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: Amedee A. Peugnet
705 Chestnut St
St. Louis, Mo. 63101

Amount Claimed:	Differences (Explained Below)	Amount Approved
3,108.60	2,170.50	938.10 709.58 Govt. Part. + 200.00 903.58
Eu. Voucher No.	Payee's Invoice No.	Period
	Docket #6622 Contract #2256	December, 1968

EXPLANATION

	Claimed	Allowed		Disallowed
Total	$3,108.60	$3,008.60	(error in addition)	100.00
BX core drilling April	2,023.50	2,023.50		
May & June	6,794.70	4,771.20		
November	3,301.50	3,301.50		
December	2,094.50	2,094.50		
Total	14,214.20	12,190.70		2,023.50

Assaying Final Report
85.00

30 samples Stage I
25 " Stage II
Total 55
55x 3= 165.00
WR2 7.00
172.00

47.00
2,170.50

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

RS

Branch of Budget and Finance

OND CORE DRILLING
D DRILLING EQUIPMENT
NG
DATION TESTING
NG
RRYING
AFT SINKING
NNEL DRIVING
INE PLANT DESIGN
AND FABRICATION

Boyles Bros. DRILLING COMPANY

CONTRACTORS-ENGINEERS-GEOLOGISTS

General Offices and Plant
1624 Pioneer Road P. O. Box 58 Phone 487-7595
SALT LAKE CITY, UTAH 84110
Cable: BOYLESCO

BRANCH OFFICES
ARIZONA (PHOENIX)
CALIFORNIA (AUBURN
COLORADO (GOLDEN)
NEVADA (SPARKS)
WASHINGTON (SPOKANI
CHILE (SANTIAGO)
CABLE: BOYLESBROS
MEXICO, D.F.
PERU (LIMA)
CABLE: BOYLESCOP

INVOICE DATE: December 12, 1968
ORDER NUMBER:
INVOICE NUMBER:
CONTRACT: 6-522
TERMS:
LOCATION: New River, Ariz.

Mr. A. A. Peugnet
P.O. Box 110
Phoenix, Ariz.

HOLE NO.		FROM	TO	FOOTAGE	RATE	TOTAL
11	NX	0	5	5	7.60	38.00
	BX	5	80	75	7.10	532.50
11-A	NX	0	3	3	7.60	22.80
	BX	3	160	157	7.10	1,114.70
12	NX	0	3	3	7.60	22.80
	BX	3	66	63	7.10	447.30
Materials Used:		Core boxes		43	1.00	43.00
		Aquagel		2 sacks	2.25	4.50 } 8.80
		Portland Cement		2 "	2.15	4.30
		Water truck rental	11 days	6.33 per day.		69.63
		Water truck mileage		5 mi.	.15 mi.	.75
		22 Hrs. Loving & setting up			15.00	330.00
		6 hole caps			6.00	36.00
				Total Billing —		2,666.28
						36.00
						2,630.28

Job Completed

Paid in full Dec 13, 1968

JEH

OME-6622 - CONTR.2216
OME-6622 - CONTR.2216

Shop No. 2732-34
File No. 1313 PE

Date 25 FEB 1969

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. AMADEE A. PEUGNET
BOX 110
Phoenix Az. 85001

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
2732		.60		TRACE								
2733		.60		TRACE								
2734		.70		TRACE								

Certified to be a true copy
Amadee Peugnet

Charges $ 15.00 PAID

Assayer.....
JACK STONE REG. No. 5479

ANDY CHUKA, PRINT

OME-6622 - CONTR.2256

IN REPLY REFER TO:

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

May 7, 1969

Memorandum

To: Chief, Branch of Budget and Finance

From: Chief, Office of Minerals Exploration

Subject: OMX-6622 (Silver)
Amedee A. Feugnet
Eldorado Group of Claims
Yavapai County, Arizona
Contract 2256

Enclosed for review and payment is the Operator's Monthly Voucher and narrative report for December 1968. This is the Operator's final voucher.

The Operator's total claim is $2,023.50 in excess of the proper claim and the enclosed MMS Form 61 has been corrected accordingly. Taking into account other disallowances, the corrected total should be $18,874.54 instead of $21,044.73.

The Operator's claim for BX core drilling in Category (1) on the May-June 1968 voucher was in error because the amount claimed for April was duplicated in the Monthly Total on the May-June voucher. The error was carried forward to the November and December vouchers. The correct figures and the incorrect claimed figures (in parenthesis) for this item are as follows:

MMS Form 60

Item		Monthly Total	Previously Reported	Totals to date
BX core drilling,	April	$2,023.50	$ 0	$2,023.50
" " "	May-June	4,771.20 (6,794.70)	2,023.50	6,794.70 (8,818.20)
" " "	November	3,301.50	6,794.70 (8,818.20)	10,096.20 (12,119.70)
" " "	December	2,094.50	10,096.20 (12,119.70)	12,190.70 (14,214.20)

An acceptable Operator's final report has been received, so the $200.00 presently withheld may be paid to the Operator.

Harold Kirkemo

Harold Kirkemo

AMEDEE A. PEUGNET · PE - CONSULTING MINING ENGINEER - REG. MO.E-3556

5 March 1969

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

OME Region III
RECEIVED
MAR 18 1969
Denver, Colorado

Subject: OME-6622 (Silver)
Amedee A. Peugnet
Tip Top Mining District
Eldorado Group Property
Yavapai County, Arizona
Contract 2256

Dear Mr. Hasler:

Enclosed are my vouchers and report for December 1968 in quintuplicate. This completes work in connection with this contract.

Also enclosed is my final geological report on the program , as is specified in Article 5, (b) and (c) of the contract.

I am claiming the $200.00 witheld on completion of Stage I of this contract; for which purpose I attach to this letter the original ADMINISTRATIVE SUSPENSION STATEMENT covering it. Please note that this statement bears no identifying number other than""Docket #6622 Period May & June".

My report for November 1968 included a map of the Arizona claim, scale: 1"= 100', which shows all of the work done on that claim under this contract. Attached report for December 1968 contains a map of Eldorado claim, scale: 1"= 100', showing all of the work done on that claim under this contract.

To facilitate correlation, enclosed report contains, also, a map to the scale: 1"= 200' showing all the work done under this contract; the horizontal projections of all drill holes, together with elevations at collar, TD, and of significant assays.

My May-June report contains a list of all the assays , except one, done in Stage I. My November 1968 report picked up the charge for this assa Enclosed December 1968 report has a list of all assays made in connection with Stage II, but charges only for those not charged in November. Thus all assays are accounted for.

In the interest of clarity, on both Forms 60 & 61, I have placed the $200.00 witheld in parentheses so that this sum will not be duplicated in the totals.

Please advise me if I can do anything further to facilitate processing of these, my December vouchers.

Sincerely yours,

Amedee A Peugnet

705 CHESTNUT ST., ST. LOUIS, MO. 63101 PHONE: (314) 621-1431

IN ACCOUNT WITH

Arizona Assay Office

815 NORTH FIRST STREET
PHOENIX, ARIZONA 85001

PHONE: 253-4001

MAIL
P. O. BOX 1148

DATE 7 JAN 1969

TO Mr. A. A. Peugnet

TERMS: INVOICE # 1400 PE

4	GOLD-SILVER			$ 20.00

Paid

Jack Stone

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

OME-6622 - CONTR. 2256

JACK STONE Reg. No. 5479

Certified to be a true copy - Arthur Peugnet

AMEDEE A. PEUGNET · PE - CONSULTING MINING ENGINEER - REG. MO.E-3556

OME-6622 - Contract 2256 Narrative to accompany December'68 Report.

Stage I of this contract was completed in May-June 1968 with the completion of diamond drill hole No.6, Stage II of the contract was commenced November 1,1968, During that month diamond drill holes Nos. 7, 8, 9, 10 were completed, all of these being on Arizona claim. In December 1968 the field work for Stage II was completed by drilling holes Nos, 11, 11A, and 12, all on Eldorado claim. Upon completion of D,H, No. 12 all of the drilling contractor's equipment was removed from the premises, All of the cores resulting from Stage II drilling was taken to Phoenix and stored in Boyles Bros, Drilling Co.'s warehouse, where they were examined by Mr, J, William Hasler on Feb,26th, 1969, in the company of the operator.

D,H. No,11, Ground elevation at collar: 2265,4', is located about 130' Easterl od D,H, No,6, It is drilled at an inclination of -55 degrees to a total depth of 84' where it encountered an old stope, No assays were run on this hole,

D,H, Hole No,11A, This is a vertical hole and was drilled after a telephone consultation with Mr, Hasler, Ground elevation at collar is 2266,0'. It is set back 8 ft, from No.11, and went to a total depth of 160 ft., encountering no apparent values. Because of the close agreement as to dip of the vein shown in D,H,s 6 & 11 this hole was carried only 5 feet beyond expected intersection. No assays were made,

D,H, No,12, ground elevation at collar: 2295.0', inclined at -60 deg., is about 120 ft, Westerly of D.H.No,6, This hole was pointed S,23 E., after the previously mentioned telephone conversation with Mr. Hasler, in order to hit the vein at something like half-way between the two shafts, so as to minimize the liklihood of encountering old workings; location of the collar was limited to the prepared drill site,

D,H,No,12 hit an old stope at 64'-65' and dropped to 66', Driller reported that the stope is dry, It is to be noted that the dip of the vein as shown by this hole, 59-60 degrees, is in close agreement with that shown by D,Hs, Nos 6 and 11, No assays were made,

Hole No,12 completed the drilling under OME-6622, Contract 2256,

All the drill holes drilled under this contract are marked with a piece of collar pipe extending above the ground,

While no values were encountered in these three holes on the Eldorado vein, the results are not altogether disappointing inasmuch as both holes Nos, 11 & 12 encountered old stopes and thus demonstrate that values occured to at least a moderate depth, Hole No,11A tends to corroberate that the ore occurs in raking ore shoots,

Amédée A Peugnet

705 CHESTNUT ST., ST. LOUIS, MO. 63101 PHONE: (314) 621-1431

AMEDEE A. PEUGNET · PE - CONSULTING MINING EN NEER - REG. MO.E-3556

OME-6622 - Contract 2256 Narrative to accompany December'68 Report.

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D.H. No.12, ground elevation at collar: 2295.0', inclined at -60 deg., is about 120 ft. Westerly of D.H.No.6. This hole was pointed S.23 E., after the previously mentioned telephone conversation with Mr. Hasler, in order to hit the vein at something like half-way between the two shafts, so as to minimize the liklihood of encountering old workings; location of the collar was limited to the prepared drill site.

D.H.No.12 hit an old stope at 64'-65' and dropped to 66'. Driller reported that the stope is dry. It is to be noted that the dip of the vein as shown by this hole, 59-60 degrees, is in close agreement with that shown by D.Hs. Nos 6 and 11. No assays were made.

Hole No.12 completed the drilling under OME-6622, Contract 2256.

All the drill holes drilled under this contract are marked with a piece of collar pipe extending above the ground.

While no values were encountered in these three holes on the Eldorado vein, the results are not altogether disappointing inasmuch as both holes Nos. 11 & 12 encountered old stopes and thus demonstrate that values occured to at least a moderate depth. Hole No.11A tends to corroberate that the ore occurs in raking ore shoots.

Amédée A Peugnet

705 CHESTNUT ST., ST. LOUIS, MO. 63101 PHONE: (314) 621-1431

OME-6622 (Silver), Contract 2256 Stage II
LIST of ASSAYS, arranged by hole &interval , to accompany Nov.1969 Report

Hole No.	Sample No.	Interval Ft.	Length Ft.	Ag Oz/t.	Au Oz/t.	Other
7	2755	40.40 - 44.70	4.30	0.80	Nil	
"	2766	45.08 - 45.58	0.50	0.50	Nil	
"	2758	45.58 -45.83	0.25	111.20	0.06	
"	2767	45.83 - 46.33	0.50	0.40	Nil	
"	2768	47.17 - 48.00	0.83	0.40	Nil	
"	2756	55.42 - 56.08	0.68	1.70	0.01	WO3 Nil
"	2757	61.00 -61.50	0.50	1.20	0.01	
"	2769	78.67 - 79.40	0.67	0.40	Tr	
"	2770	97.17 - 97.67	0.50	o.60	Tr	
8	2754	32.00 - 33.50	1.50	0.80	Nil	
"	2753	42.67 - 52.58	9.91	0.70	Tr	
"	2764	93.75 - 94.83	1.08	0.50	Nil	
"	2759	94.83 - 96.00	1.12	1.50	0.01	
"	2765	96.00 - 97.00	1.00	0.50	Nil	
"	2771	113.75 -114.25	0.50	1.10	Tr	
"	2772	114.25 -115.00	0.75	0.40	Tr	
"	2760	115.00 -115.67	0.67	115.80	0.03	
"	2773	115.67 -116.17	0.50	0.70	Tr	
"	2774	116.17 -116.67	0.50	2.10	Nil	
9	2761	74.50 - 76.67	2.17	0.40	Tr	
"	2762	79.42 - 79.92	0.50	0.50	0.01	
10	2732	23.50 - 23.75	0.25	0.60	Tr	
"	2733	27.17 - 27.83	0.67	0.60	Tr	
"	2734	30.83 - 31.67	0.83	0.70	Tr	
"	2763	74.58 - 75.75	1.16	0.50	Tr	

Amédée A Peugnet

BY ..... DATE ..... SUBJECT OME-6622 (Silver) Contract 2256 SHEET NO. ..... OF .....

CHKD. BY Amedee A. Peugnet DATE JAN 16 19

Report for December 1968

JOB NO. DRILL HOLES #11 & 11A

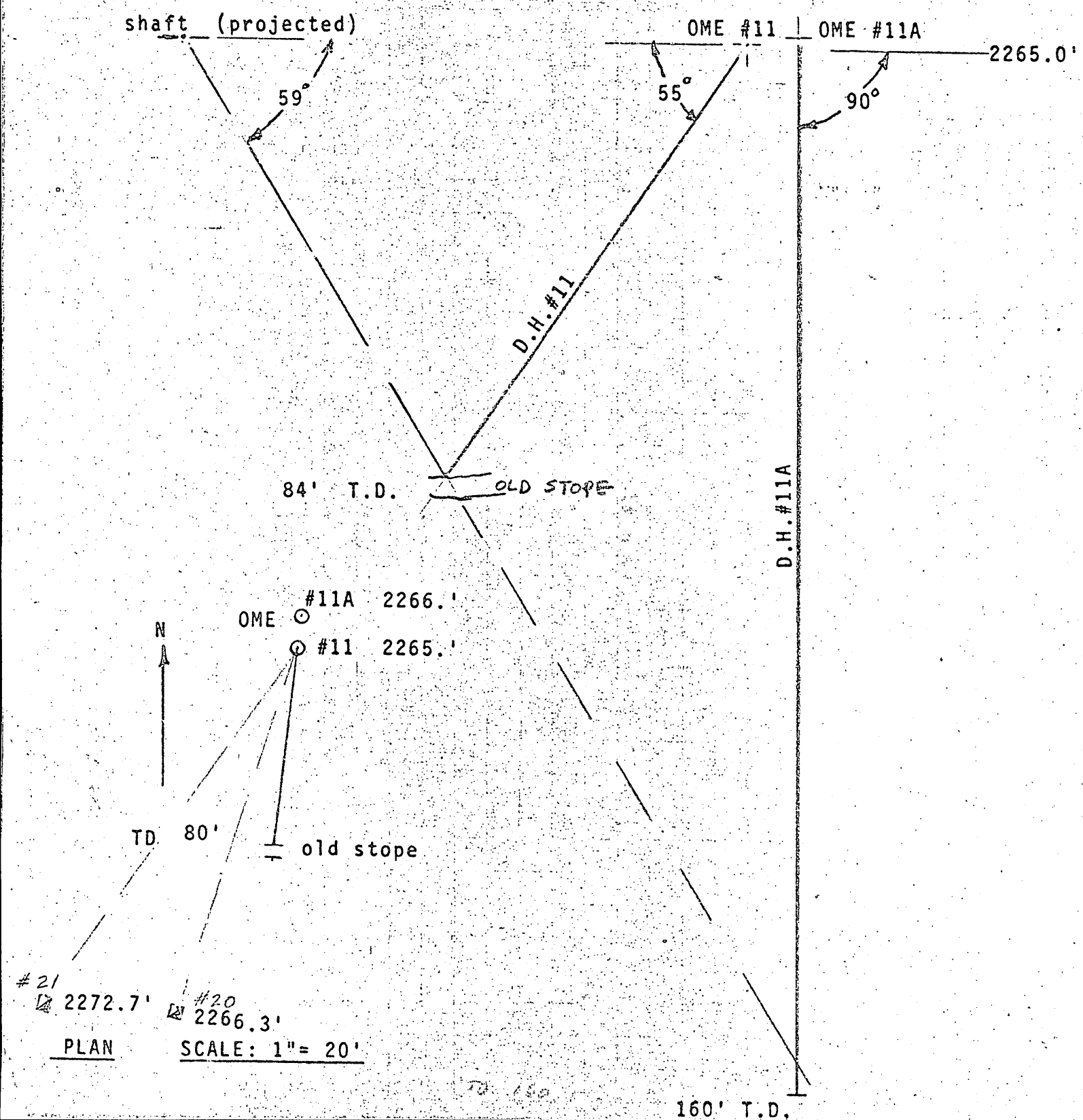
Stage II, COMPLETION

AMEDEE A. PEUGNET
705 CHESTNUT STREET
ST. LOUIS 1, MO.

Vertical Sections through D.H.s #11 & 11A

SCALE: 1"= 20' Horiz. & Vert.

Sample Nos. None



BY ..... DATE .....
CHKD. BY Amedee A. Peugnet DATE JAN 75

PROJECT OME-6622 (Silver)
Contract 2256
Report for December 1968

SHEET NO. ..... OF .....
JOB NO. DRILL HOLE #12

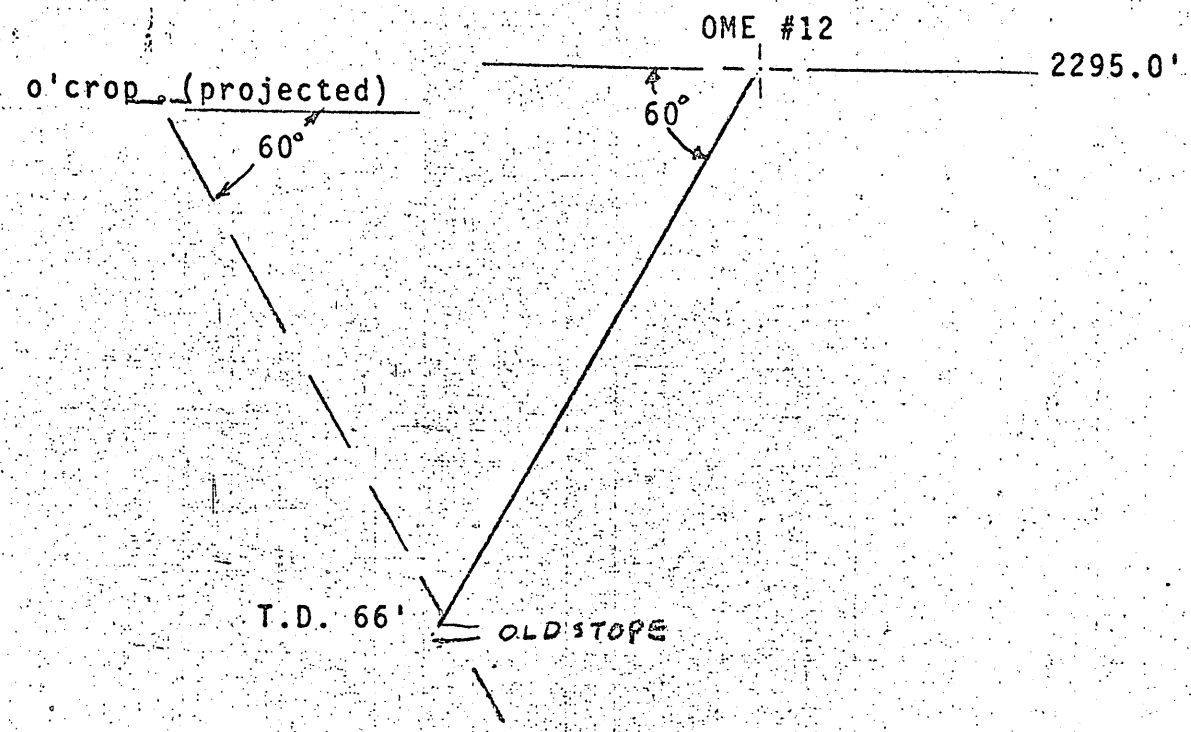
AMEDEE. A. PEUGNET
705 CHESTNUT STREET
ST. LOUIS 1, MO.

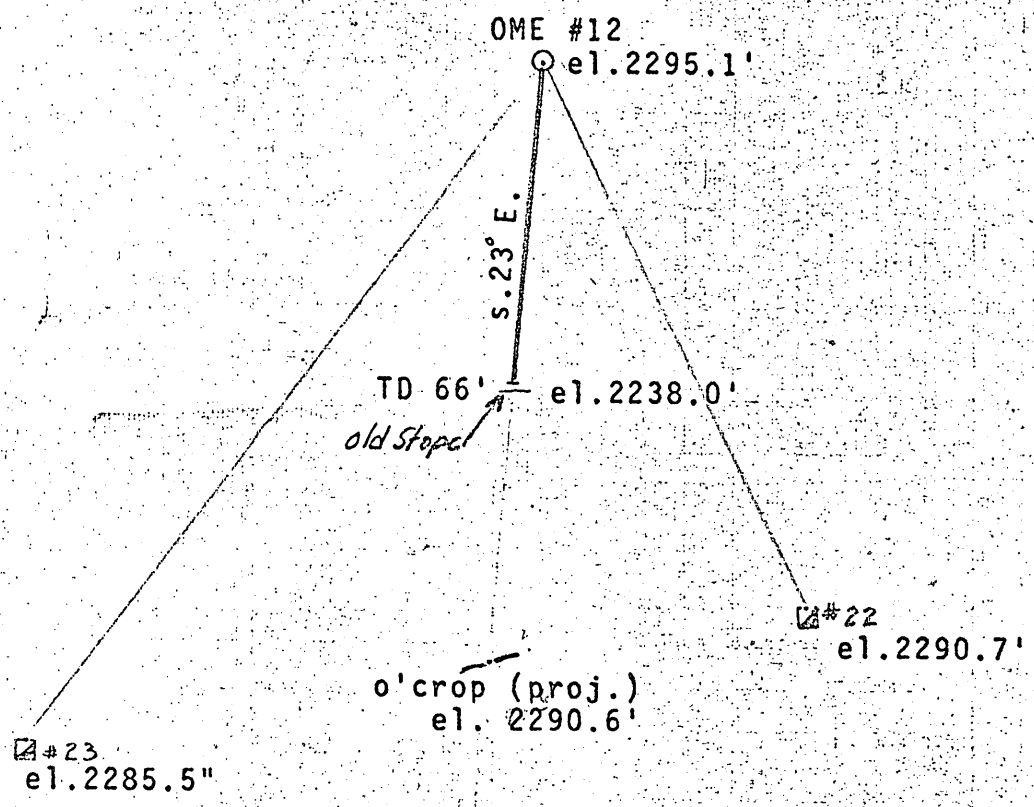
Stage II, COMPLETION

Vertical Section through D.H. #12

SCALE: 1"= 20'

Sample Nos. None





PLAN SCALE: 1"= 20'

A. A. Peugnet, Consulting Mining Engineer - 705 Chestnut St., St. Louis, Mo.

CORE HOLE LOG

Hole No. 11

Elev. Grnd. 2265.4

Collar Meas. from Grnd. @ -55°

Property: Eldorado Group.

State ARIZONA County YAVAPAI Sect. 9 Twp. 8N. Rnge. 1E.

Location of Hole

Driller Boyles Bros. DRILLING CO Address: PHOENIX, ARIZ.

~~Helper~~ Don Collins. Address:

Shift _____ m to _____ m

Setup _____ Pulled off Hole _____

Depth From	Depth To	Description of Formation Cut	Core Recov.	Remarks: @ -55°
		3 Dec 68 start drilling		9:20 am.
0'	4.25	Surface gravels		
4.25	5.0	Pegmatite w/mica.	9" 100%	a little hornblende observed.
5.0	8.0	26" Peg. 5" muddy sch 5" Peg	36" 100%	
8.0	10.67	30" Peg. Lots of mica	30" 100%	a little hornblende
10.67	14.91	12" Peg. w/mica; 7" sch. w/m. mica; 15" Peg w/ " 8" Granular Peg	42" 90%	
14.91	18.55	3" Peg w/mica; 12" muddy sch; 3" hard Bl sch 20" mica sch, 5" sch + Peg	43" 96%	
18.55	19.75	3½" Peg w/mica heavy; 2½ Qtz; 6" sch + Peg	12" 14" 100%	
19.75	23.0	5" muddy mica sch, 7" sch w/ peg & mica 16" muddy mica sch; 11" mica sch. w/sm. peg.	35" 100%	
23.0	25.67	32" fine grained sch, Brownish - w/some mica.	32" 100	
25.67	30.0	32" as above 20" sch w/bands of Peg.	52' 100%	
30.0	35.0	36" mica sch. 24" " " w/sm. Qtz	60" 100%	
35.0	40.0	31" mica sch. w/ " " 29 " " w/very little Qtz	60" 100%	
40.0	44.75	22" " " " " 31" " " w/more Qtz	53" 93%	
~~44.75~~				
		4 Dec. 1968		
44.75	48.75	6" Coarse mica schist, 9" Coarse mica pegmatite, 18" Coarse mica schist	46½" 97%	
		3" Qtz & sch w/black spots, 5" peg, 2" Brown schist		
48.75	53.75	14½" fine schist 3" Br. schisty peg, 6" Qtz Brown sch. w/Black spots + mice, 13" schist, 2" peg & schist, 24" V. coarse peg. w/mica	58½ 97½%	
53.75	58.83	7" Coarse mica peg, 7½ fine Peg, 5" Qtz 9½ muddy Peg w/ilmenite seams, Bl. Spots 42" mica schist	61" 100%	
58.83	61.75	5½" schist, 10" sch. w/qtz stringers, thin, 18" sch w/flaker Qtz bands, 7½ Peg w/mica	36" 100%	Started losing H_2O
61.75	65.67	7½ Peg. w/mica + sericite(?) 38½ peg.	46"	
65.67	70.67	33" Peg., 6½ Peg. w/sch. partings, 20½ Peg.	60" 100%	
70.67	72.75	7¼" Peg, 7½ sch w/Peg. 9½" schist	24" 96%	Lost H_2O about 72.5'; shut down, put in base thinner stopped H_2O loss
72.75	73.33	8" schisty Peg.	8" 100%	at 73.25 lost H_2O again - pulled - put in more HS. stopped H_2O loss.
73.33	75.0	9" schist; 10½" schist + Quartz	19½" 97%	Water return good
75.0	80.25	16" Qtz + sch, 12" sch. w/sm. Qtz, 28" quartzy Peg. w/much mica	58" 100%?	dropped about 2" at start 15" at end grun

Amedee A. Peugnet

AMEDEE A. PEUGNET
705 CHESTNUT STREET
ST. LOUIS 1, MO.

A. A. Peugnet, Consulting Mining Engineer - 705 Chestnut St., St. Louis, Mo.

CORE HOLE LOG

Hole No. 11

Elev. Grnd. 2265.4

Collar Meas. from Grnd.

Property: ELDORADO GROUP

State ARIZONA County YAVAPAI Sect. 9 Twp. 8N Rnge. 1E.

Location of Hole

Driller Boyles Bros. Drilling Co. Address: 10801 N. 21 AVE., Phoenix, Ariz.

~~Helper~~ DON COLLUM Address: Phoenix, ARIZ.

Shift _____ m to _____ m

Setup _____ Pulled off Hole _____

Depth From	Depth To	Description of Formation Cut	Core Recov.	Remarks: @ -55°
		4 Dec Cut 1968		
80.25	82.0	2" Sch.	2"	no H_2O return - no sludge
82.0	84.0	3½" pebbles open ground	=	stope TD

Amedee A. Peugnet

AMEDEE A. PEUGNET
705 CHESTNUT STREET
ST. LOUIS 1, MO.

A. A. Peugnet, Consulting Mining Engineer - 705 Chestnut St., St. Louis, Mo.

CORE HOLE LOG

Hole No. 11-A

Elev. Grnd. 2266 @

Collar Meas. from Grnd.

Property: ELDORADO GROUP

State ARIZONA County YAVAPAI Sect. 9 Twp. 8 N. Rnge. 1 E.

Location of Hole From Hole No 11: N. 8° 00' E., 8.0 ft. (offset to No. 11)

Driller Boyles Bros. Drilling Co. Address: Phoenix, Ariz

~~Helper~~ Driller DON Collum Address: ✓

Shift _____ m to _____ m

Setup _____ Pulled off Hole _____

OME-6622-SILVER
CONTR. 2266

Depth From	Depth To	Description of Formation Cut	Core Recov.	Remarks: VERTICAL HOLE
		Dec 6, 1968	start shift	Tripped etc 9:15 a. finish 12:45 am.
0'	3.5	Surf. Pegmatite (pink)		NX
3.5	~~5.0~~ 8.0	Pink Pegmatite	~~30"~~ 15" ~~100%~~ 83%	2'
5.0	8.0	7" Pink Peg. 7½ Peg. + Qtz. 19" Pegmatite	38" 100%	2"
8.0	13.0	35" Peg. Gneiss, 13" colort Peg with mica + mud seams	48" 80%	
13.0	16.35	2" Bull Qtz fragments - 37" Peg. w/sch. mica	39" 97%	
16.33	18.58	2" Qtz, 18" Peg. w/v. heavy mica 5" qtzy Peg. w/large mica	25" 92%	
18.58	21.42	8" Pink Peg, 3" white peg w/mica & qtz; grounding schist	17" 50%	Lost H_2O No sludge
		Dec 7, 1968		
21.42	24.0	25" Peg. w/coarse mica	25" 27 96%	Lost H_2O, no sludge 2" pot in H. manure
24.0	26.75	16" sch. very coarse mica 17 Schist peg mix w/mica + mud seams	35" 100%	H_2O ret. ok
26.75	31.67	28" Peg, 2" Peg w/m. qtz, 17 schist 3" qtzy Peg, 9" Peg. w/coarse mica	59" 100%	Losing some H_2O
31.67	36.67	1" heavily mineralized sch, 2" peg, 17" sch w/qtz banding, 3" peg + Qtz, 14 peg w/heavy mica; ½ bucket bank, 22" Peg w/sch + sch mica	59" 98%	" " " "
36.67	41.75	8" sch, 2" qtzy sch, 11" sch - 3½ qtz, 1" sch, 1½ qtz, 2" sch, 32" peg. w/sm. sch.	61" 100%	" " "
41.75	46.67	60" fine grained schist	60" 100%	" " "
46.67	51.67	49" sch, 11" Pegmatite	60" 100%	" " "
51.67	56.75	18" schist, 9" peg, 2.8" schist 12" Peg	60" 100%	" " "
56.75	61.92	34" Peg. mica Peg, 21" mostly Sch. 7" Peg. w/mica + sm Qtz.	62" 100%	" " "
61.92	66.75	24" schist, 2" Qtz, 16" sch w/sm Qtz 6" sch	58 100%	" " "
66.75	71.83	4" sch, 3 Qtz w/schist incl., 13" sch 2½ Qtz, 30" hard schist, 3" Qtz w/mica, 19" sh/qtz	61 100%	" " "
71.83	76.83	14" Peg w/mica, 4½ peg. w/ 1" mica + schist (muddy), 16" peg. w/pericite; 26" peg. w/sm. mica	60" 100%	still losing about 10% H_2O
76.83	81.90	all Pegmatite, few Qtz. stringers	60.5" 100%	
81.90	86.9	15" sch. w/qtz. bands, Peg w/qtz 8" 36" peg w/m. qtz, 5" very hard Peg	60" 100%	
		Pulled, change Bit		
~~86.9~~		Dec 8 1968		
86.9	91.9	½ Qtz, 13" peg. w/qtz inclusions, 14" peg. w/ scrambled mica, 32" Peg. w/mica, sm. sch	59½" 99%	
91.9	94.4	13" peg. w/mica, 17" peg fine grained gray ~~schist~~ eyeless rock,	30" 100%	

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PHOENIX, ARIZ. 85001

A. A. Peugnet, Consulting Mining Engineer - 705 Chestnut St., St. Louis, Mo.

CORE HOLE LOG

Hole No. 11-A

Elev. Grnd. 2266'

Collar Meas. from Grnd.

Property: Eldorado Gr.

State ARIZONA County YAVAPAI Sect. 9 Twp. 8 N. Rnge. 1 E

Location of Hole Off-sets #11, 8ft N.8° E.

Driller Eagles Bros. Drilling Co. Address: Phoenix, Ariz.

~~Helper~~ DRILLER Don Collum Address: " "

Shift ____ m to ____ m

Setup ____ Pulled off Hole ____

OME-6622 -SILVER
CONTR. 2266

Depth From	Depth To	Description of Formation Cut	Core Recov.	Remarks: VERTICAL HOLE
		Dec. 8, 1968 Cut		
94.4	98.0	34" as above, 10" med Peg. w/mica some limonite	44" 100%	
98.0	103.0	11" med. Peg w/mica, 36" coarse Peg w/mica 3" of 24 sch, 11" mica schist.	61" 100%	
103.0	107.0	2" sch, 8½" Qtz, 2" (?) sch. bits 11" sch. with Qtz bands, 21" peg, 4" f.gr. igneous	47½" 99%	
107.0	112.08	1" med. porphyritic Qtz, 21" med. gr. igneous Rx w/small mica, 25" Peg w/coarse mica, sm glauconite, 2" Qz. poorly consolidate mica sch.	61" 100%	
		7" Schist		
112.08	117.25	15" qtz, coarse Peg, 6" Qtz w/hornblende 24" med. sch, 9" coarse sch w/hblende + garnet, 8" sch	61½" 100%	
117.25	122.3	61" mica sch, w/fine Qtz stringer, m. garnet(?), sm. Hornblende	61½" 100	
122.3	127.4	59" sch w/fine Qtz veinlets, m. garnet(?) frgee glauconite, 1" muddy poorly consol. schist	61" 100%	
		1" schist		
127.4	132.4	49" Peg w/sm garnet(?) and mica 8" Qtz 24 Peg (black?) 2" peg + Qtz (sm pyrite)	60" 100%	
132.4	136.42	1" Qtzy sch (tr. pyrite) 7" poor consol. sch. w/mica sm. Qtz 39" poorly consol. peg w/mica	47" 100%	
136.42	141.33	2" poorly consol. Peg. w black(?) 57" poorly consol. P. w/much mica, large plates	59" 100%	
141.33	145.0	32" " " Peg - large + Quartz veins, 24" more consol. Peg w/m. mica	56" 100%	all has sericite?
145.0	147.0	10" schist w/Qtz + m. mica, 7" Peg. w/mica + pyrite(?), 7" Peg. w/large Qtz	24" 100%	
147.0	151.33	16" Peg w/m. mica, 21" Peg w/m. mica some schist, 14" med. to coarse, 5" schist,	53" 100%	
		12" Qtz. w/sch, mica, and much black? 3" mica sch.		XX Pg. 15
151.33	156.33	3" Qtz (black spots) 55" mica schist	59½" 99%	
156.33	160.0	8" mica sch. with hemat. in mica, 3" sch + Qtz, 2" unconsol. Peg 14" Peg. with glauconite and mica	44" 100%	T.D. (4 pm)
		17" Peg w/mica		

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A. A. Peugnet, Consulting Mining Engineer - 705 Chestnut St., St. Louis, Mo.

CORE HOLE LOG

Hole No. 12

Elev. Grnd. 2295'

Collar Meas. from Grnd.

Property: Eldorado Group

State Arizona County Yavapai Sect. 9 Twp. 8 N. Rnge. 1 E.

Location of Hole

Driller Boyles Bros. Drilling Co. Address: Phoenix, Ariz.

~~Helper~~ Driller Don Collum Address: " "

OME-6622-SILVER
CONTR. 2256

Shift _____ m to _____ m

Setup _____ Pulled off Hole _____

Depth From	Depth To	Description of Formation Cut	Core Recov.	Remarks: @ -60°
		10 Dec. 1968		Start NX 1:10 pm
0	3.5	Surface, decomp. qz + sch		
3.5	4.5	decomp. schist	9.5'	
4.5	8.17	7" decomp. sch., 27" Peg. w/mica	44" 80%	
8.17	12.0	31" sch - 2" sch + Qtz with black tuff 9" Peg. 2" sch.	45" 94%	
12.0	16.67	3" Peg + Qtz, 4" sch, 6" Qtz, sm. sch 16" sch, 3½ Qtz + sch, 2½ sch, 7+ Qtz	44" 80%	
16.67	20.67	11" Qtz + Peg, 7" sch + Peg, 3½" Qtz, 12" sch, sm Qtz, 5½" Qtz, 9" sch.	48" 100%	
20.67	25.67	8" sch, 5" Qtz, 9" Qtz w/schist, 34" schist	60" 100%	
25.67	30.81	10½" schist 4½" sch/w/occasional Qtz + Peg 7" Peg, 1½ Qtz, 11" mica sch, 4" am Qtz 30" Peg + Qtz w/sch bands	61½" 99%	
30.81	35.42	6" Peg w/Qtz veins, 13" Peg, 19" decomp schist, 18" Peg w/Qtz, mica,	53" 94%	
		11 Dec 1968		
35.42	38.0	1" Barren Qtz, 16 Peg. w/sch. bands + Qtz 1" Peg, mch Amphibole, 7" Peg	24" 50%	
38.0	43.0	32" Fe stained granite, 28" Peg w/mica	60" 100%	
43.0	47.0	4" Qtz w/mica + sch, 26" sch. w/Qtz veinlets 19" Peg w/mica + Fe stains	49" 100%	
47.0	52.0	12" Banded Peg + sch, 7" Peg w/mica 15" " " + sch, 2" sch, limonite, 18" Peg	61 100%	
52.0	57.0	5" Peg w/mica, 6" heavily Fe stained sch + Peg 7½" Peg w/mica, 40' Bands sch + Peg w/ sm. Qtz at 56.9	60" 100%	
57.0	61.42	21" Peg + sch w/mica + small Qtz. stringers 10" mica sch, 22" Peg. w/ mica	53" 100%	Lost 40% H2O at 58.5; 100% at 59.0 at 61.42 put in horse manure, regained H2O.
61.42	62.67	½" Barren Qtz, 9" Qtz + Peg w/sch. seams 5" mica sch.	14½ ~~15½~~ 99%	14½ cracked
62.67	66.0	9" mica schist 27" Peg. w/heavy mica TD	36"	HIT OLD WORKINGS - Dropped 1 ft. TD workings dry -

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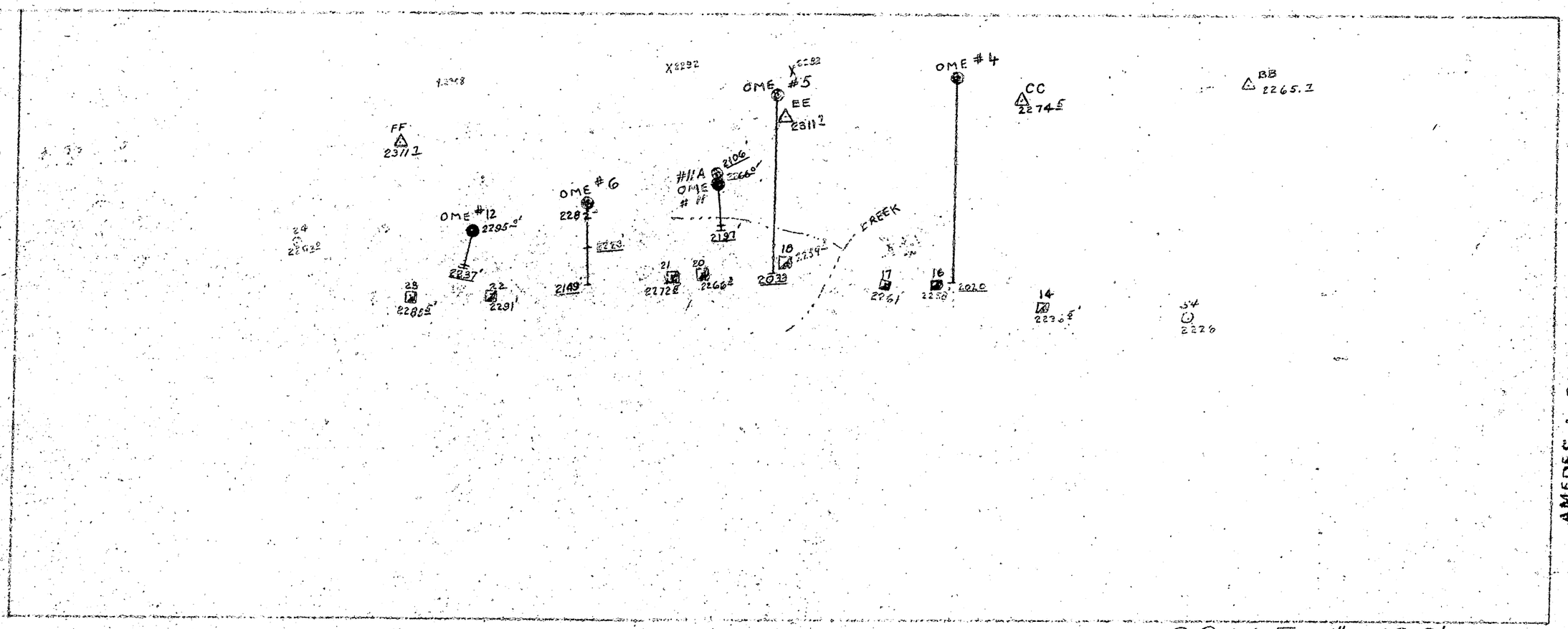

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MAP OF ELDORADO CLAIM OF ELDORADO GROUP
SHOWING DRILL HOLES COMPLETED AS OF JUNE 2, 1968
TO ACCOMPANY REPORT FOR DECEMBER 1968-COMPLETION
OME 6622 (SILVER) — CONTRACT 2256
TIP TOP MINING DISTRICT, YAVAPAI COUNTY, ARIZONA

LEGEND

- TRANSIT STA.
- OLD SHAFT
- OLD STOPE

SCALE: 1" = 100'

- COMPLETED DRILL HOLE inclin. elev.
- PROPOSED
- OLD WORKINGS, elev.
- × OUTCROP, elev.
- 2323 ELEV. & LOCAT. HIGH ASSAY AND BOTTOM OF HOLE

Amedee A. Peugnet, [illegible] 1/15/69

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705 CHESTNUT STREET
ST. LOUIS 1, MO

OME-6622 -SILVER
CONTR. 2256

AMEDEE. A. PEUGNET
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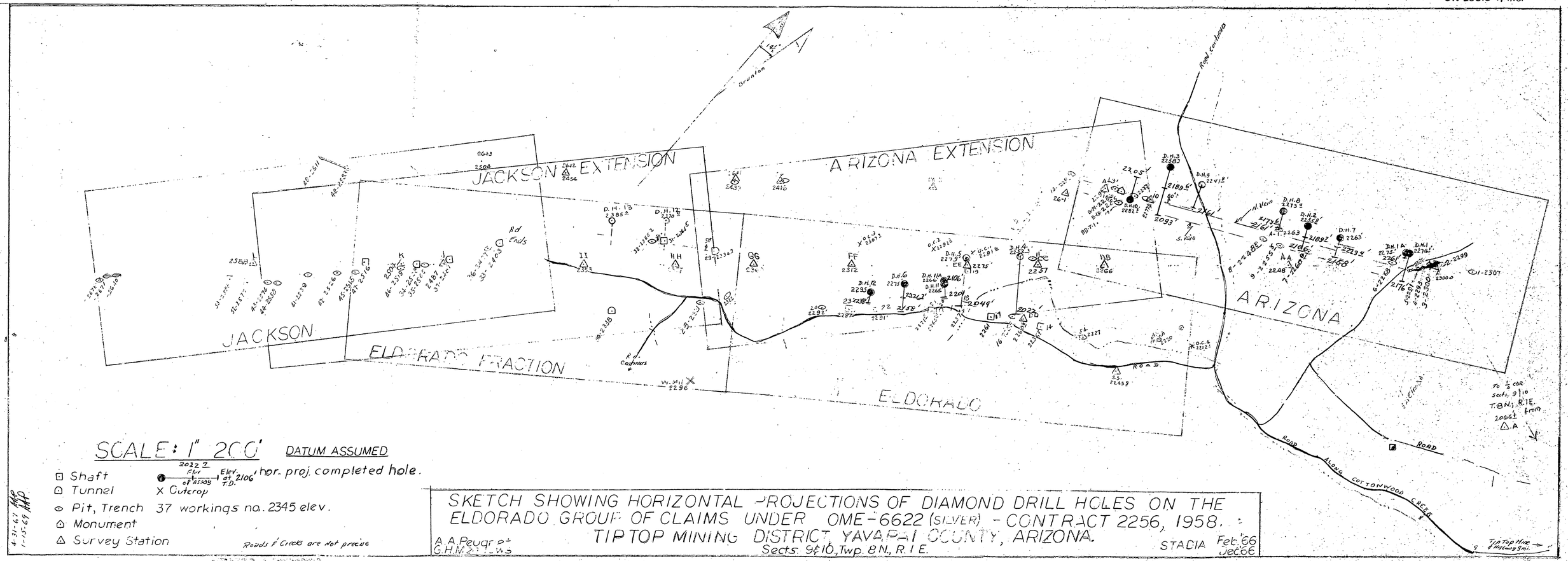
ST. LOUIS 1, MO.



SKETCH SHOWING HORIZONTAL PROJECTIONS OF DIAMOND DRILL HOLES ON THE ELDORADO GROUP OF CLAIMS UNDER OME-6622 (SILVER) - CONTRACT 2256, 1958.
TIP TOP MINING DISTRICT YAVAPAI COUNTY, ARIZONA.
Sects. 9 & 10, Twp. 8 N., R. 1 E.

A.A. Peugnet
G.H.M. 2-1-63

STADIA Feb. '66 Dec. '66

4-31-67
1-15-67

TO ACCOMPANY REPORT FOR DECEMBER 1968 COMPLETION OF STAGE II AND CONTRACT 2256.

AMEDEE A. PEUGNET
705 CHESTNUT STREET
ST. LOUIS 1, MO.

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705 CHESTNUT STREET
ST. LOUIS 1, MO.

OME-6622 -SILVER
CONTR.2256

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
5/7/69		120
		120M

May 7, 1969

Memorandum

To: Chief, Branch of Budget and Finance

From: Chief, Office of Minerals Exploration

Subject: OME-6622 (Silver)
Amadee A. Feugnet
Eldorado Group of Claims
Yavapai County, Arizona
Contract 2256

Enclosed for review and payment is the Operator's Monthly Voucher and narrative report for December 1968. This is the Operator's final voucher.

The Operator's total claim is $2,023.50 in excess of the proper claim and the enclosed MME Form 61 has been corrected accordingly. Taking into account other disallowances, the corrected total should be $18,874.54 instead of $21,044.73.

The Operator's claim for BX core drilling in Category (1) on the May-June 1968 voucher was in error because the amount claimed for April was duplicated in the Monthly Total on the May-June voucher. The error was carried forward to the November and December vouchers. The correct figures and the incorrect claimed figures (in parenthesis) for this item are as follows:

MME Form 60

Item				Monthly Total	Previously Reported	Totals to date
BX core drilling,			April	$2,023.50	$ 0	$2,023.50
"	"	"	May-June	4,771.20 (6,794.70)	2,023.50	6,794.70 (8,818.20)
"	"	"	November	3,301.50	6,794.70 (8,818.20)	10,096.20 (12,119.70)
"	"	"	December	2,094.50	10,096.20 (12,119.70)	12,190.70 (14,214.20)

An acceptable Operator's final report has been received, so the $200.00 presently withheld may be paid to the Operator.

Harold Kirkemo

Harold Kirkemo

cc: Director's Reading File
Economic Geology file
OME docket
OME Reading File
OME Region III
Mr. Kirkemo

HKirkemo/gla 5-7-69

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

April 22, 1969

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O. M. E.
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Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6622 (Silver)
Amedee A. Peugnet
Eldorado Group of Claims
Yavapai County, Arizona
Contract 2256

Transmitted herewith is an original and two (2) copies of the Operator's Monthly Voucher MME Form 60 and the Operator's Progress Report, MME Form 61 for the Month of December 1968 with substantiating documents recommended for payment.

This is the operator's final voucher. Included also is his suspension statement from the May and June periods from which he is requesting a refund of the $200.00 being withheld pending submittal of a final report.

The final report is included and is satisfactory, consequently I am recommending that the $200.00 be refunded to the operator.

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

Enclosures

AMEDEE A. PEUGNET · PE[illegible] CONSULTING MINING ENG[illegible]EER - REG. MO.E-3556

5 March 1969

OME Region III
RECEIVED
MAR 18 1969
Denver, Colorado

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

Subject: OME-6622 (Silver)
Amedee A. Peugnet
Tip Top Mining District
Eldorado Group Property
Yavapai County, Arizona
Contract 2256

Recd. 2/24/69
Zk 130
~~120~~
120

Dear Mr. Hasler:

In conformance with Article 5, (b) and (c), of subject contract I forward, herewith:

(1) Monthly Report for December, 1968, in quintuplicate, covering final field work completing this contract.

(2) Final Report, in triplicate, including a summary of the work performed and the related costs, a geological and engineering evaluation of the results of this work with an estimate of ore reserves resulting from the work under this contract, complete assay data, and adequate engineering and geological maps and sketches.

Operator's Final Report

The Final Report, attached, contains: six pages of narrative and evaluation, two pages of assay data, three maps, and one sketch.

Referring to the sketch, (#4): This is of uncertain authorship, but was probably made by a Mr. Wager, who worked various properties in this area for many years and who had every reason to be familiar with the workings. The copies attached are xerox copies, with no changes other than the addition of approximate locations of the intersections of drill holes Nos. 4 & 5, and numbering of the shafts shown to correlate them, as nearly as possible, with those which are shown on attached Maps Nos. 1 & 2.

Sincerely yours,

Amedee A. Peugnet

Amedee A. Peugnet, Operator

Enclosures

705 CHESTNUT ST., ST. LOUIS, MO. 63101 PHONE: (314) 621-1431

AMEDEE A. PEUGNET · PE CONSULTING MINING ENGINEER - REG. MO.E-3556

5 March 1969

OME-6622, Contract 2256,
FINAL GEOLOGIC and ENGINEERING REPORT, per Art.5 (c) of Contract,

Work performed under this contract consisted of bulldozing access trails to, preparation of drill sites, and drilling 14 diamond drill holes, (size BX) totalling 2113 feet,

Total cost to the Government was about $15,783, The total cost of the project, including all categories of expense, was $28,000, plus,

Drilling was done in two stages: Stage I , from April to June 2,1968, included drill holes Nos, 1 to 6, inclusive,
Stage II, from November 1 to December 11,1968 included drill hoes Nos, 7 to 12, inclusive,

All drilling was done, under contract, by Boyles Bros, Drilling Co., Phoenix, Arizona, branch, Competent drillers were provided, The equipment provided was in a medicre condition, causing some loss of time,

All assaying was done by Arizona Assay Office, 815 North First Street, Phoenix,

The project involved exploration of two seperate, distinct, veins; the Arizona Vein, on the Arizona claim; the Eldorado Vein, on the Eldorado claim, These will be considered seperately in the following.

The Arizona Vein: (Refer to maps Nos, 1 & 2).

Surface workings and outcrops on the Arizona claim suggest 2 parallel veins striking northeast-southwest, with a split occuring in the northerly vein,

In Stage No,I D.Hs,Nos, 1, 1A, 2, & 3 were drilled to explore this situation in a preliminary way, D.Hs. Nos, 1 and 1A hit a fault near the surface and no values were cut, Holes Nos, 2 and 3 are about 500 ft, apart , so that it was necessary to detail the values at lesser intervals between holes,

In Stage No,II, D,Hs,Nos, 6, 7, 8, 9, and 10 were drilled on Arizona claim to accomplish the above stated purpose, Economically significant values were cut as follows, only:

D.H.No.2:	74.7' to 75,0'	Ag 1,80	oz/t, ;	Au 0,01	oz/t/
	75,0 to 75,38'	229.20	"	0,06	"
	75,38' to 75,71'	35,60	"	0,01	"
	75.71' to 76.17'	1,40	"	Tr	
D.H.No,3:	97,43' to 98,17'	40,40	"	0,02	"
	98,17' to 99,17'	2,70	"	0,01	"
D,H,No,7:	45,08' to 45,58'	0,50	"	Nil	
	45,58' to 45.83'	111,20	"	0,06	"
	45,83' to 46,33'	0,40	"	Nil	

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OME-6622,Contract 2256, Final Geologic & Engineering Report, cont.'

D,H,No,8:	114,25' to 115,00'	Ag	0,40	oz/t,;	Au	Tr	
	115,00' to 115,67'	"	115,80	"	"	o,03	oz/t.
	115,67' to 116,17'	"	0,70	"	"	Tr	

The values cut by holes Nos, 2 & 3 were both at elevation 2190 ft, Plotting the horizontal projections for this elevation in holes 7 & 8 as well, Map #2, shows almost perfect alignment for holes 2, 3, and 7; but hole No,8 shows a variance which is probably due to the cutting of the value in a split from the vein - but may be due to inaccurate control data,

The highest values in silver shown for D,Hs.Nos, 9 & 10 are:

D.H. No,9	74,50' to 76,67'	Ag	2.17	oz/Ag/t;	Au	Tr
D,H, No,10	74,58' to 75,75'	"	1,16	" ;	Au	Tr

(Note: collar of No,10 is south of vein; all others north of vein),

At the present stage of exploration failure of holes Nos, 9 & 10 to cut economic values leaves that cut in Hole No,3 isolated, Therefore, the value cut in No,3 must be disregarded as far as any ore reserves are estimated now,

This leaves the 200 ft, between the intersections of Nos, 7 & 8, with another 25 ft, beyond, on each end, No.2, with the 229,2 oz/t, is in the center. Gold is disregarded,

Ore Reserves:

Weighing assays with respect to length of intercept and horizontal linear effect give an average vale of 71,55 oz, Ag per ton, over a length of 250 feet,

Then: on the basis of 1,0 ft,width; at 11,75 c,f,/t., for each 100 ft, in depth there are 2,127 tons, Correcting this for a 60 deg, intercept:

2127 x 0,866 = 1842 tons @ 71,55 oz/t, = 131,795 Oz, Ag gross,

At $2,00 per ounce this would have a gross value of $263,590,00,

An engineering analysis follows on the next pages,

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OME-6622, Contract 2256, Final Geologic & Engineering Report, cont.

Road conditions to the highway are poor. The distance is 10 miles, of which about half will require considerable improvement to keep trucking costs within reason, and to enable labor to commute to nearby communities.

Estimates which follow are limited to the one oreshoot indicated by the drill holes, and to a depth of 100 ft.,only. There is no reason to assume that the oreshoot does not continue to greater depth.

At this stage computations of costs have to be based on estimates derived from experience; so, since they cannot be firm they are purposely kept high.

The ore body, together with the enclosing rocks, appear suitable for filled stoping, with actual extraction of the ore by a modification of resuing. Two-and-a-half to three feet width of the foot wall would be shot down first and remain as stope filling. Subsequently, about one foot of the hanging wall, (ore), would be shot down seperately to give a relatively clean, high grade shipping ore. The filled stope method will permit of some sorting in the stopes, and lends itself to efficient mining of narrow pay-streaks of variable widths. Unless experience dictates otherwise, each stoping round would break to a height of 4 feet. With a swelling ratio of 3:1 for broken rock, little if any waste would have to be hoisted, or supplied. If the ore section stands well enough, a stoping height of 4 ft. would give a daily production of 20 tons of ore.

On the basis of the data supplied by drill holes Nos. 2, 7, and 8, and assuming a silver price of $2.00 per ounce, subsequent estimates will show the following:

Gross value, in silver, of the oreshoot to a depth of 100 ft. --	$263,590
Less costs, including royalty of 10% of smelter returns ------	121.572
Gross Profit ($77.10 per ton) ----------	$142,018
Less investment * ----------	70,000
	$ 72,000
Less OME lien ** ----------	15,800
Profit before tax (return of 80% on investment) ----------	$ 56,200

* if oreshoot mined an additional 100 ft. in depth the additional investment, for development only, about $25,000

** this is a non-recurring item if the orebody is extended.

About six months would be required for development work. This would leave about 1600 tons of ore to be mined, which, at the rate of 20 tons per day, would require about 4 months to mine.

Estimates from which above figures were obtained follow.

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OME-6622, Contract 2256, Final Geologic & Engineering Report, cont.

Development, includes all costs except equipment, (this oreshoot,only):

Shaft, 6'x 9', 110 ft. deep	@$100/ft.	$11,000	
Drifting, 5'x 7', 300 ft.	@ 30/ft.	9,000	
Raising, 200 ft.	@ 30/ft.	6,000	$26,000
Surface plant		5,000	
Roads		6,000	
Water		1,000	$12,000
			$38,000

Equipment: (good used equipment is contemplated)

1- compressor, 210 cf, diesel	$ 4,000	
1- hoist	2,000	
2- drills	1,500	
drill steel	1,000	
pipe	1,500	
rail	1,200	
3- mine cars, roller bearing	300	
1- generator	6,000	
1- truck	2,500	
misc.	3,000	$24,200
Equipment, surface plant, development		$62,200
Plus 12½% for contingencies		7,776
Total Investment		$70,000

Production & Other Costs: @ 20 t./d. liberal estimate.

Labor:	1- Foreman	@ $28.00 shift	$28.00
	1- miner	@ 25.46	
	2- muckers	@ 45.84	
	1- hoistman	@ 25.46	
	1- mechanic	@ 28.00	
	2- surfacemen	@ 50.92	
	1- truckdriver	@ 28.00	
	9 men	@ $231.68	
Supplies		154.32 (based on labor = 60% of costs).	
1- Engineer @ $1200/mo.		50.00	
1- Bookkeeper @ $600/mo		25.00	
Overhead		100.00	
Production & Overhead		$561.00 @ 20 t/d. = $28 per ton.	

Smelter, estimated	12.00 "
Royalty @ 10% gross smelter return	13.00 "
Trucking & freight	13.00 "
Total	$66.00 per ton

705 CHESTNUT ST., ST. LOUIS, MO. 63101 PHONE: (314) 621-1431

The foregoing is a preliminary estimate and is purposely kept high in most categories. In practice, with experience on this particular orebody it should be possible to better production costs.

It should be noted that since no other ore than that indicated within the limits set forth, both horizontally and vertically, has been considered, no allowance for development work aiming to extend the orebody, either horizontally or vertically, has been included in costs. Failure to do this development work would be inexcusable.

The foregoing estimates show that there is a good possibility of making a profitable, if small, mine from the orebody indicated by the drilling program on the Arizona vein. Other factors suggest that the indicated oreshoot may extend in length or depth, or both.

The ELDORADO VEIN

This vein was explored by 6 diamond drill holes on the Eldorado claim. (see Map #3).

Surface indications, outcrops and old workings which include a number of shafts probably exceeding 100 feet in depth, are that this vein has developed a number of oreshoots which are short, individually, in horizontal extent.

To some extent, at least, the hazy "history of the ancient working of this vein was given credence by a very high assay in one hole, and by the fact that old stopes were encountered by two other holes. The same "history" has it that the shoots in which the ore is alledged to occur rake to the Northeast at an angle of 45 to 60 degrees. This is credible because the rather well documented history of the not far distant Tip Top Mines shows that condition to prevail there. Also, it might account for D.Hs. Nos. 4, 5, and 11 failing to cut values.

In Stage I of the program D.Hs. Nos. 4, 5, & 6 were drilled, about 175 ft. from each other, to explore the more central portion of the vein; the portion deemed most likely to contain ore because of the relative concentration of major old workings in this area.

Except for the fact that diamond drilling is not a very good way to explore thin, highgrade, veins, it is difficult for the writer to understand the failure of D.H.No.4 to cut ore; but it did not.

The failure of D.H.No.5 to cut ore is perhaps explainable by the rake of the oreshoot. The writer feels that he should have recommended a location some 30 to 50 feet northeasterly for this hole, because of the rake.

D.H.No.6, located about 180 feet southwesterly of No.5, in what was thought to be a less favorable location, due to seeming less activity by old time operators, intersected a half-foot of ore assaying 244.9 oz. Ag per ton, with 0.03 oz.Au/ton.

705 CHESTNUT ST., ST. LOUIS, MO. 63101 PHONE: (314) 621-1431

OME-6622, Contract 2256, Geologic & Engineering Report, cont.

In Stage II of the contract D.Hs.Nos. 11, 11A, & 12, were drilled to explore the high value cut by hole #6.

D.H.No.11, located about 130 ft. northeasterly of D.H.No.6, inclined at minus 55 degrees, encountered an old stope at 80 ft. This depth for the intersection agrees quite well with the angle of dip of the vein shown by D.H.No.6, about 60 degrees. The intersection of the old stope lends credence to the hazy "history" of former production from Eldorado vein.

The rig was moved 8 ft. back from the vein and a verticle hole,D.HNo.11A was put down to 160 ft. This hole encountered nothing deemed worthy of assaying. It may be that the rake of the oreshoot is the determining factor for this blank hole. If the value cut in hole #6 is actually in an oreshoot, a raking oreshoot, its position within the oreshoot is not known; therefore, it is quite possible that D.H.No. 11A may have cut below the oreshoot.

D.H.No.12, located to cut the oreshoot 120 ft. southwesterly of D.H.No.6, and inclined minus 60 degrees, intersected an old stope at 65 ft. This agrees well with vein dip as derived from D.Hs.Nos. 6 & 11.

The fact that both holes Nos. 11 & 12 intersected old stopes further adds to credibility of "history" of the Eldorado vein, which is to the effect that it produced "several hundred thousand in silver above the 130 ft. level".

If the results of the above drill holes make credible some of the "history" of the Eldorado vein, it seems plausible that reliance can be placed in the old sketch showing an 180 ft. deep shaft on the vein, at the bottom of which drifts have been started to intersect two oreshoots, on northerly, the other southerly. The writer believes that the any real area of argument lies in the question of whether or not the good silver mineralization extends to that depth. He sees no evidence that there is a transition of zones for a considerable depth. For what it may be worth, he points to the fact that the known minimum depth in the nearby Tip Top Mine of 800 feet, may well be the minimum depth of silver mineralization for the district.

The Eldorado vein appears to merit additional exploration.

Amedee A Peugnet

MAR. 5 1969

705 CHESTNUT ST., ST. LOUIS, MO. 63101 PHONE: (314) 621-1431

OME-6622, Contract 2256, Final Geologic & Engineering Report, Cont.

LIST OF ASSAYS, STAGE I

Hole No.	Sample No.	Interval	Length Ft.	Oz. Ag per ton.	Oz. Au per ton
1A	2721	10'- 14'	4.00	0.40	-
2	2701	136'-136.33'	0.33	0.40	Nil
"	2702	136.33-136.92'	0.58	0.40	Tr
"	2703	136.92-137.25'	0.33	0.40	Tr
"	2704	137.25-137.50'	0.25	0.40	Tr
"	2705	137.50-137.92'	0.42	0.40	0.01
"	2706	137.92-138.33'	0.42	0.40	Tr
"	2707	138.33-138.92'	0.58	0.40	Tr
"	2709	74.33- 74.70'	0.38	0.40	Tr
"	2710	74.70- 75.00'	0.29	1.80	0.01
"	2711	75.00- 75.38'	0.38	229.20	0.06
"	2712	75.38- 75.71'	0.33	35.60	0.01
"	2713	75.71- 76.17'	0.45	1.40	Tr
"	2714	76.17- 76.67'	0.50	0.40	Tr
"	2715	76.67- 77.08'	0.42	0.40	Tr
"	2716	77.08- 77.42'	0.33	1.00	Tr
"	2717	57.00- 57.83'	0.83	0.70	Tr
"	2718	57.83- 58.33'	0.50	0.60	Tr
"	2719	58.33- 59.25'	0.92	0.60	Tr
"	2720	59.25- 60.08'	0.83	0.40	Tr
3	2722	97.42- 98.17'	0.75	40.40	0.02
"	2723	96.42- 97.42'	1.00	0.50	Nil
"	2724	98.17- 99.17'	1.00	2.70	0.01
"	2725	201.50-203.25	1.74	0.60	Tr
4	2731	176.20-177.20'	1.00	0.40	0.01
"	2726	192.90-193.90'	1.00	0.40	Tr
5	2727	(140.00-140.33' -(141.33-142.00	1.00	1.20	Tr
6	2728	71.00-72.00'	1.00	0.70	Tr
6	2729	72.00-72.50'	0.50	244.90	0.03
6	2730	72.50-73.25'	0.75	0.70	Tr

✓ 30 samples

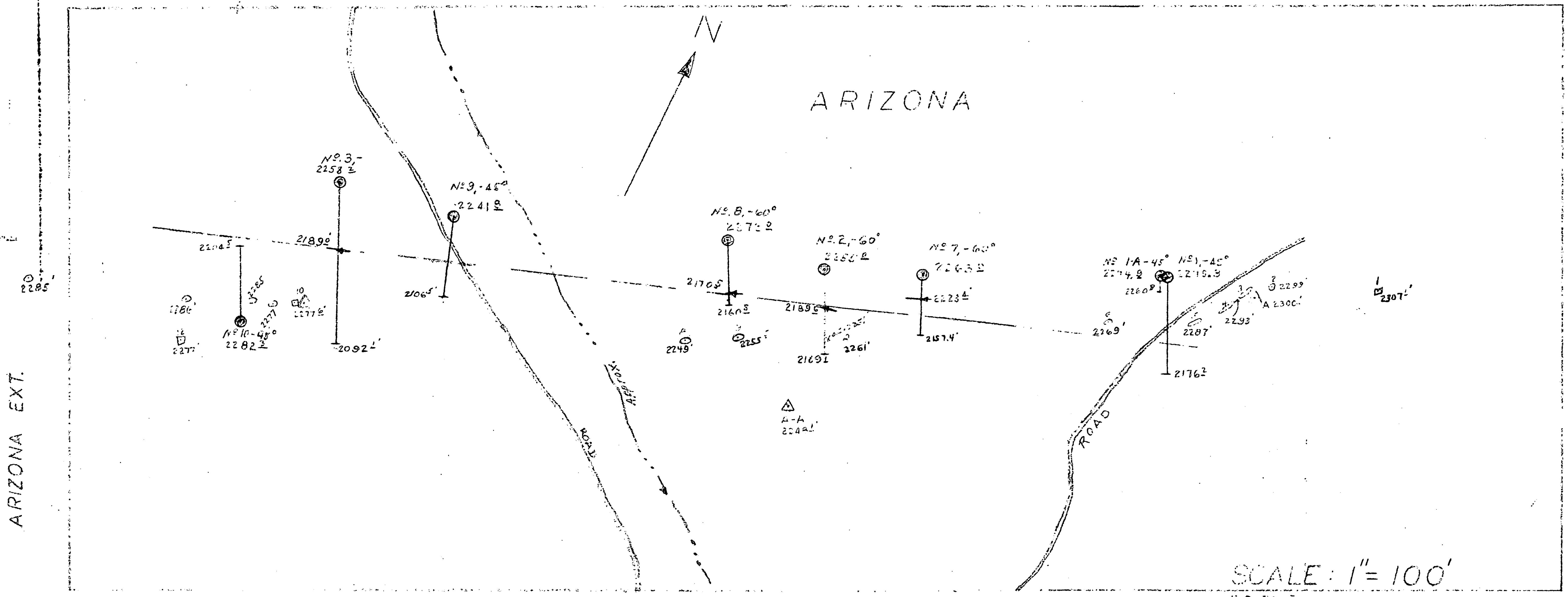
OME-6622, Contract 2256, Final Geologic & Engineering Report, cont.

LIST OF ASSAYS, STAGE II

Hole No.	Sample No.	Interval	Length Ft.	Oz.Ag per ton	Oz.Au per ton
7	2755	40.40- 44.70'	4.30	0.80	Nil
"	2766	45.08- 45.58'	0.50	0.50	Nil
"	2758	45.58- 45.83'	0.25	111.20	0.06
"	2767	45.83- 46.33'	0.50	0.40	Nil
"	2768	47.17- 48.00'	0.83	0.40	Nil
"	2756	55.42- 56.08'	0.68	1.70	0.01, WO3 nil
"	2757	61.00- 61.50'	0.50	1.20	0.01
"	2769	78.67- 79.40'	0.67	0.40	Tr
"	2770	97.17- 97.67'	0.50	0.60	Tr
8	2754	32.00- 33.50"	1.50	0.80	Nil
"	2753	42.67- 52.58'	9.91	0.70	Tr
"	2764	93.75- 94.83'	1.08	0.50	Nil
"	2759	94.83- 96.00'	1.12	1.50	0.01
"	2765	96.00- 97.00'	1.00	0.50	Nil
"	2771	113.75- 114.25'	0.50	1.10	Tr
"	2772	114.25- 115.00'	0.75	0.40	Tr
"	2760	115.00- 115.67'	0.67	115.80	0.03
"	2773	115.67- 116.17'	0.50	0.70	Tr
"	2774	116.17- 116.67'	0.50	2.10	Nil
9	2761	74.50- 76.67	2.17	0.40	Tr
"	2762	79.42- 79.92'	0.50	0.50	0.01
10	2732	23.50- 23.75'	0.25	0.60	Tr
"	2733	27.17- 27.83'	0.67	0.60	Tr
"	2734	30.83- 31.67'	0.83	0.70	Tr
"	2763	74.58- 75.75	1.16	0.50	Tr

25 samples

AMEDEE A. PEUGNET
705 CHESTNUT STREET
ST. LOUIS 1, MO.
OME-6622 - CONTR. 2256



MAP OF ARIZONA CLAIM OF ELDORADO GROUP

ELDORADO

SHOWING DRILLHOLES COMPLETED TO NOV. 30. 1968
TO ACCOMPANY REPORT ON
OME - 6622 (SILVER) - CONTRACT 2256
TIP TOP MINING DISTRICT, Yavapai County, Ariz.

LEGEND

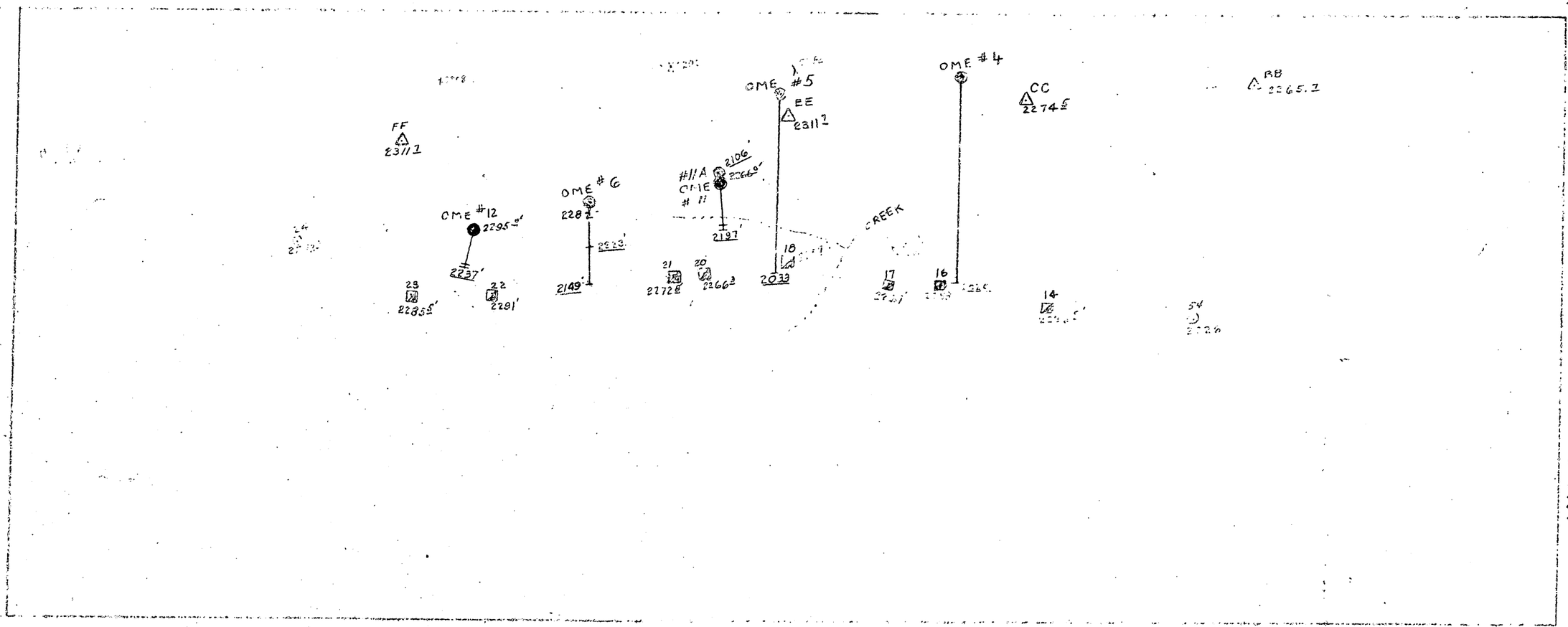
Drill Hole, collar ..., horiz. projection, number & elev.
Gouge [illegible]
[illegible]

[illegible] surface working & Elev.
△ Transit sta & Elev.

Amedee A. Peugnet 1/8/69

MAR. 5 1969

MAP #2



AMEDEE A. PEUGNET
P O BOX 110
PHOENIX, ARIZ. 85001

AMEDEE A. PEUGNET
705 CHESTNUT STREET
ST. LOUIS 1, MO.

ME-6622 - CONTR. 2256

MAP OF ELDORADO CLAIM OF ELDORADO GROUP

SHOWING DRILL HOLES COMPLETED AS OF JUNE 2, 1968

TO ACCOMPANY REPORT FOR DECEMBER 1968-COMPLETION

OME 6622 (SILVER) — CONTRACT 2256

TIP TOP MINING DISTRICT, YAVAPAI COUNTY, ARIZONA

AMEDEE A. PEUGNET
705 CHESTNUT STREET
ST. LOUIS 1, MO.

LEGEND

- TRANSIT STA
- OLD SHAFT
- OLD STOPE

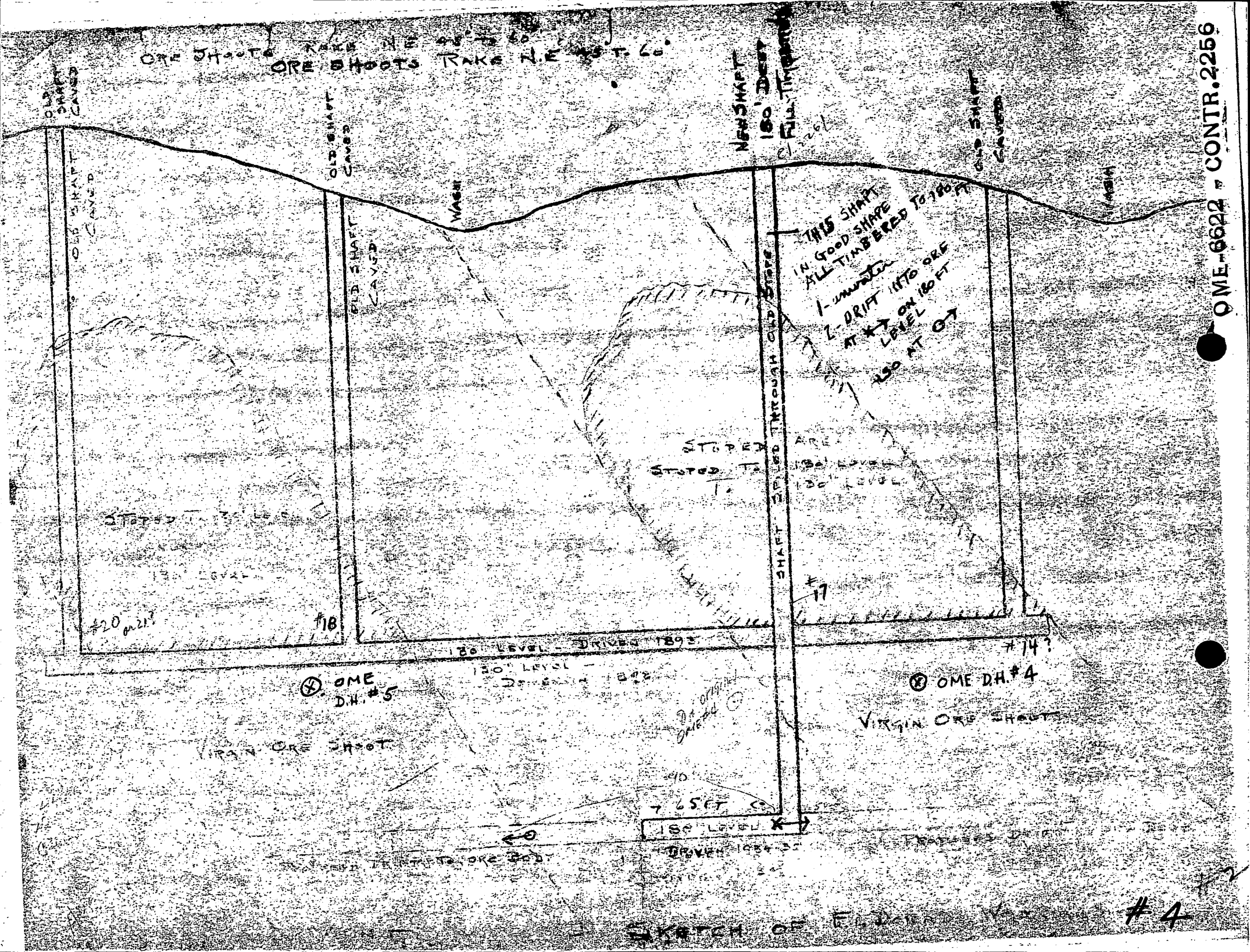
SCALE: 1" = 100'

- COMPLETED DRILL HOLE inclin. elev.
- PROPOSED
- OLD WORKINGS, elev.
- × OUTCROP, elev.
- 2323 ELEV & LOCAT. HIGH ASSAY AND BOTTOM OF HOLE

MAR. 5 1969

Amedee A Peugnet, Owner 1/15/69

MAP # 3



OME-6622 - CONTR. 2256

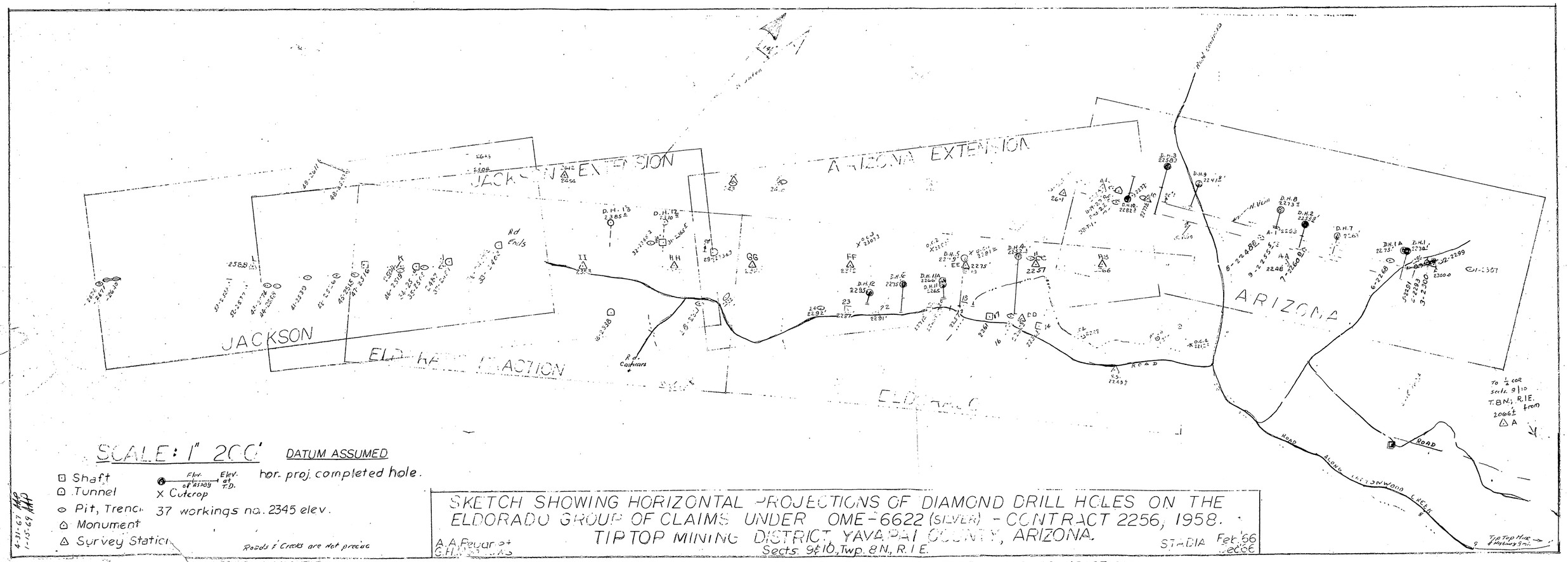
AMEDEE. A. PEUGNET
705 CHESTNUT STREET
ST. LOUIS 1, MO.

MAR. 5 1964

OME-6622 - CONTR.2256
CERTIFIED A TRUE COPY
AAP

OME-6622 - CONTR.2256

AMEDEE. A. PEUGNET
705 CHESTNUT STREET
ST. LOUIS 1, MO.



SKETCH SHOWING HORIZONTAL PROJECTIONS OF DIAMOND DRILL HOLES ON THE ELDORADO GROUP OF CLAIMS UNDER OME-6622 (SILVER) - CONTRACT 2256, 1958.
TIP TOP MINING DISTRICT YAVAPAI COUNTY, ARIZONA.
Sects. 9 & 10, Twp. 8 N., R. 1 E.

A.A. Peugnet
G.H.M. [illegible]

STADIA Feb. '66
Dec. '66

TO ACCOMPANY REPORT FOR DECEMBER 1968 COMPLETION OF STAGE II AND CONTRACT 2256.

MAR. 5 1969
MAP #1.

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

Docket No. OME-6622(Silver
Contract No.
14-23-090- 2256
Contract Amount $ 23,800.00
Gov't. Participation % 75 $17,850.00
Mineral(s) Silver

OPERATOR'S MONTHLY VOUCHER

For Month of November 1968

Operator's Name AMEDEE A. PEUGNET
Address 705 Chestnut St. St.Louis, Mo. 63101

STAGE II drilling

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:						
Moving & set-up	510.00	750.00	1260.00			
Bulldozing						
casing lost, hole	----	38.70	38.70			
Drilling						
pen-core collar	83.60	576.20	659.80			
Drilling						
Mobilzation	100.00	200.00	300.00	—	200.00	200.00
Drilling						
BX core drillg	3301.50	8818.20	12119.70			
(2) Personal Services:						
Supervision & Technical	800.00	1321.34	2121.34			
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Cement & addit.	61.10	12.13	73.23			
Timber						
Explosives						
Pipe						
Rail						
Core boxes	49.00	100.00	149.00			
(4) Operating Equipment:						
Rental Water trk/mo	190.00	278.62	468.62			
Purchase " " milge	---	5.70	5.70			
Depreciation Move pump	60.00	---	60.00			
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work	53.00	145.00	198.00			
Payroll Taxes	----	58.14	58.14			
Employee's Liability Ins.	----	41.40	41.40			
Bulldozing	327.50	255.00	582.50			
TOTALS	5535.70		18136.13	5435.70		17892.44

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

Date JAN 8 1969 *Payee Amedee A Peugnet

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: (63) 14X0804

$ 4076.78

Signature _____ (Authorized Agency Officer)

Date MAR 3 1969 Vou. No. 05127

(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. 2256

Signature J. William Hasler Title Field Officer Date 2/7/69

Approved by OME Executive Officer or Alternate:

Signature J. William Hasler Title Field Officer Date 2/7/69

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

OK-WFC 3/17/69

OPERATOR'S PROGRESS REPORT For Month of November 1968 Docket No. OME-6622(Silver

Operator's Name AMEDEE A. PEUGNET Contract No. 14-23-090- 2256

STAGE II drilling

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
Move & set-up drill	hrs	34	84	1260.00	34	50	1,260.00
~~Drifting~~							
Casing lost in hole	ft	--	15	38.70	—	15	30.00
~~Crosscutting~~							
NQ-core collar P.	ft.	11	78	659.80	11	78	659.80
~~Raising~~							
mobilzat & demob.	flat	¼	3/4	300.00	—	1	200.00
~~Shafts~~							
Winzes							
Other Underground							
Drilling, Core-Diamond BX	ft.	465	1707	12119.70	465	1,422	12,119.70
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous Supervison	mo	1	2.5	2121.34	1	1+47	2,053.34
cement & addtivs	-	1	4	73.23	5	6	73.23
~~Roads and Trails~~ Core Box	box	49	149	149.00	49	149	149.00
~~Stripping~~ Water truck	mo.	1	2.5	468.62	1	2+14/30	468.62
~~Trenching~~ " "	mi.	-	38	5.70	—	38	5.70
Test Pitting							
Other Surface Work							
~~Initial Rehabilitation and Repairs~~ moving pump				60.00			60.00
~~Rehabilitation of Mine~~ Workings payroll soc.sec.				55.15			55.15
~~Mine Buildings, Facilities~~ Employee Liab. Ins.				41.40			41.40
Operating Equipment Purchases Bulldozing *				582.50			582.50
Analytical Work				198.00			134.00
TOTAL TO DATE (per MME Form 60)				18136.13			17,892.88

REMARKS

STAGE II of Contract 2256
*Bulldozing: could not secure a contractor for bulldozing, therefore rented TD-20 'dozer from Kenyon Udall without operator;hired operator Russell R. Wheat; per amendment #1 to contract 2256.

(Continue on back)

REMARKS

Allow payment of $200.00 withheld pending starting of suspended period in Amendment No. 1 item 2(a)

(see attached memorandum contract $200 see back of page WFC

(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 8 1969 Operator Amedee A Peugnet

Per _____ Title _____

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 February 7, 1969

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

*Although Field Officer recommends release of $200.00 withheld, continue to hold pending receipt of DECEMBER voucher, which will be last one. Contract completed

WJE

$100.00 DISALLOWED ON OPERATOR'S BILLING OF $300.00 FOR MOBILIZATION AND DEMOBILIZATION. CONTRACT ALLOWS ONLY $200.00 TOTAL.

WJE

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.

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

951 27

ADMINISTRATIVE SUSPENSION STATEMENT

Name and Address of Payee: Amedee A. Feugnet
705 Chestnut St.
St. Louis, Mo. 63101

Amount Claimed:	Differences (Explained Below)	Amount Approved
5,535.70	100.00	5,435.70 4,076.78 Gov. Part.
Eu. Voucher No.	Payee's Invoice No.	Period
	Docket # 6622 Contract # 2256	November 1968

EXPLANATION

Claimed $300.00 on Mobilization and demobilization . Contract only allows $200.00.

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

AMEDEE A. PEUGNET · PE[redacted]ONSULTING MINING ENG[redacted]EER - REG. MO.E-3556

14 January 1969

Mr. J. William Hasler,
Rield Officer, Region III,
Office of Minerals Exploration,
U.S. Geological Survey,
Federal Center --Bldg.53--Rm.203,
Denver, Colorado 80225.

OME Region III
RECEIVED
JAN 20 1969
Denver, Colorado

Subject: OME-6622 (Silver)
Amedee A. Peugnet
Eldorado Group of Claims
Yavapai County, Arizona
Contract 2256.

Dear Mr. Hasler:

Please excuse the delay in submitting this report, due to the 'flu.

Enclosed are five complete sets of my monthly vouchers and report for November 1969, Stage II of Contract 2256.

Please note that for clarity sake I have included all of the assay results, only, for this November report. Costs of assaying done after November will be included in the December, completion, report.

As I have note on MME Form 61, and in my letter to you of November 28 1968, I was unable to secure a contractor to do the necessary bulldozing of drill sites and access trails. Therefore, I rented an International TD 20 'dozer, without operator, from Mr. Kenyon Udall. This machine is larger than a Cat D-7 but smaller than a Cat D-8. I hired Russell R. Wheat, operator, who had done the same work for Stage I of this contract.

Also,in spite of a determined effort, I was unable to find a geol--ogist to help me with the core logging, sampling, etc. Since I am physically unable to handle all the work entailed, I hired Wheat to assist with the physical work, paying him out of my pocket and ascribing the whole cost of Supervision-Engineer-Geologist to myself, which I believe is permissible under Amendment #1 to Contract 2256.

Perhaps I should note that Boyles Bros. Drilling Co. supplied a different driller for this Stage II. Unlike the driller for Stage I, he was unable to secure good core wecovery with clear water drilling, but he did so with the use of "Lowloss" and other drilling water additives.

I have never had a reply to my letter of Nov.28,1968, which basica--lly is just a request for amendment of Contract 2256. I have never been able to determine to my satisfaction if this is because Amendment #1 covers Stage II. In any event, payment for assaying on the basis of $5.00 for Au & Ag, per sample, was not allowed for Stage I.

Since all of the holes drilled in November were on the Arizona claim, attached map showing location of drill holes covers that claim, only. Of course report for December, completion of Stage II, will have a map showing all holes drilled on the Eldorado claim, as well.

Sincerely yours,

Amédée A Peugnet

705 CHESTNUT ST., ST. LOUIS, MO. 63101 PHONE: (314) 621-1431

OME-6622 (Silver), Contract 2256 STAGEII 8 January 1969
Narrative Report to accompany vouchers for November,1968.

Commencement of the following work initiated Stage II of Contract 2256. Stage I was completed in June,1968 and authorization to commence Stage II was given on October 7,1968.

Drilling was done by Boyles Bros. Drilling Co., Phoenix, Arizona, which company had done the drilling for Stage I of this contract.

Mobilization of equipment was done on November 1st and 2nd, with drill set-up and pouring of deadmen on November 3rd. Mobilization was done in an inefficient, time consuming, manner but at a flat price. Not all the items of equipment that should have been at hand were on the site when drilling commenced on D.H. No.7 on November 5,1968.

D.H. No.7, is located 100 ft. East and a little North of D.H.No.2. It is drilled at an inclination of -60° , bearing S.25° E. (see section). This hole started in bedrock and drilling was normal for 16 ft., at which point circulation was lost for a short time. Mica schist and badly broken pegmatite was cut for the next 5 ft., but core recovery was poor with less than a good return of water and cuttings. A fault is suggested. I stopped drilling and told the driller to go to Phoenix for needed equipment. From this point on small amounts of "Lowloss" and other additives were used and the core recovery was good.

Interval 45.58' - 46.33' was highly mineralized, assaying 111.20 oz.Ag/t., with Au 0.06 oz/t., but the half-foot intervals immediately above this assayed only fractions of an ounce of silver per ton.

Interval 55.42' - 56.08' mineralization suggested both silver and wolframite, but Assay No. 2756 gave only 1.70 Ag oz/t. and no WO3.

Interval 61.00'-61.50' assayed only 1.20 Ag oz/t., Au 0.01 oz/t.

In all, 7 intervals in this hole were assayed, the 3 above being the best. The only significant assay, 111.20 Ag at 45.58' occurs considerably higher in the hole than is to be expected. I question that this is the same veinlet carrying the other good values on the Arizona claim. D.H. No.7 was carried to a total Depth of 121.67 ft.

D.H.No.8, is located 100 ft. west of D.H.No.2; inclined at -60° ; bearing S.25° East; total depth 130 ft.

Drilling of this hole was normal. What appears to be vein matter, or possibly fault filling, was encountered at a number of intervals. Where assayed these proved practically barren. However,

Interval 115.00'-115.67' assayed: Ag 115.80 oz/t., Au 0.03 oz/t.
In relation to the value cut in D.H.S Nos. 2 & 3, this intersection is at about the expected zone of depth. The half-foot intervals immediately above and below this good assay resulted in less than half oz. Ag /ton

Of 10 intervals sampled in D.H.No.8 only one was significant, and only four exceed 1 oz. Ag per ton.

705 CHESTNUT ST., ST. LOUIS, MO. 63101 PHONE: (314) 621-1431

8 January 1969

OME-662 (Silver), Contract 2256 STAGE II
Narrative Report to accompany vouchers for November,1968 (continued)

D.H.No.9, located 120 ft. nearly easterly of D.H.No.3; inclined-60° ; bearing S.[illegible]° E. Due to topography and limitations imposed by total length of hole it is difficult to locate this hole to the best geological advantage. As it is, site preparation was expensive. Coring was very good. The two most promising looking intervals were split and assayed:

74.50'-76.67', Sample No. 2761, Ag 0.40 oz/t., Au Tr.
79.42'-79.92', Sample No. 2762, Ag 0.50 oz/t., Au 0.01 oz/t.

Possibly this hole should be assayed from 70.00' to 80.00' because of the quartz, but it looks barren. This is the zone of depth of expected intersection. Total depth of D.H.No.9 is 114.67 ft.

D.H.No.10, located south of the vein, 170 ft. South and 30 ft. West of DH.No.3; inclined at -45° ; bearing N.25° W., to intersect the vein 100' Westerly of the intersection made in D.H.No.3. Inclination of -45° was selected in order to avoid paralleling the vein, which on the basis of D.H.No.3 has a dip of about 59° . On this basis D.H.No.10 should intersec the vein at about 85 ft. If it did so, the vein appears barren. There is some quartz from 85.83' to bottom of hole at 110.0 ft. The drill hole appears to parallel the contact between schist and quartz. Only one interval appears to merit sampling:

Interval 74.70'-75.90', Sample No. 2763: Ag 0,50 oz/t/, Au Tr.

Completion of D.H.No.10 marked the end of work during November, 1968.

The water supply pump, submersible, was originally placed in caved shaft (#18 on map), with the expectation that in-flow would level off to offset withdrawl; it did not. Since labor and rigging necessary to clean out the shaft to an adequate depth would be excessive, the pump was moved to a well easterly (lower) of the Eldorado vein. This source, too, playec out and the pump was finally moved to draw from a stope on "76" Mine about half a mile distant, which proved more than adequate.

Amedee A Peugnet

705 CHESTNUT ST., ST. LOUIS, MO. 63101 PHONE: (314) 621-1431

OME-6622 (Silver), Contract 2256 STAGE II
LIST OF ASSAYS, arranged by Hole & Interval, to accompany November Report.

Hole No.	Sample No.	Interval Ft.	Length Ft.	Ag oz/t.	Au oz/t.	Other
7	2755	40.40-44.70	4.30	0.80	Nil	
7	2766	45.08-45.58	0.50	0.50	Nil	
7	2758	45.58-45.83	0.25	111.20	0.06	
7	27[illegible]	45.83-46.33	0.50	0.40	Nil	
7	2768	47.17-48.00	0.83	0.40	Nil	
7	2756	55.42-56.08	0.68	1.70	0.01	W03 Nil
7	2757	61.00-61.50	0.50	1.20	0.01	
7	2769	78.67-79.40	0.67	0.40	Tr	
7	2770	97.17-97.67	0.50	0.60	Tr	
8	2754	32.00-33.50	1.50	0.80	Nil	
8	2753	42.67-52.58	9.91	0.70	Tr	
8	2764	93.75-94.83	1.08	0.50	Nil	
8	2759	94.83-96.00	1.12	1.50	0.01	
8	2765	96.00-97.00	1.00	0.50	Nil	
8	2771	113.75-114.25	0.50	1.10	Tr	
8	2772	114.25-115.00	0.75	0.40	Tr	
8	2760	115.00-115.67	0.67	115.80	0.03	
8	2773	115.67-116.17	0.50	0.70	Tr	
8	2774	116.17-116.67	0.50	2.10	Nil	
9	2761	74.50-76.67	2.17	0.40	Tr	
9	2762	79.42-79.92	0.50	0.50	0.01	
10	2763	74.58-75.75	1.16	0.50	Tr	
(4)	2731	(values but no charge reported June 1968 Report)				

Note: Some of these assays were made after November 1968, the assays without any assay costs are included herein for hole evaluation.

Amedee A Peugnet

BY ..... DATE .....

CHKD. BY ..... DATE JAN 8 19[illegible]

Amedee A. Peugnet

AMEDEE. A. PEUGNET
705 CHESTNUT STREET
ST. LOUIS 1, MO.

SUBJECT OME-6622 (Silver)
Contract 2256
Report for November 1968
Stage II.

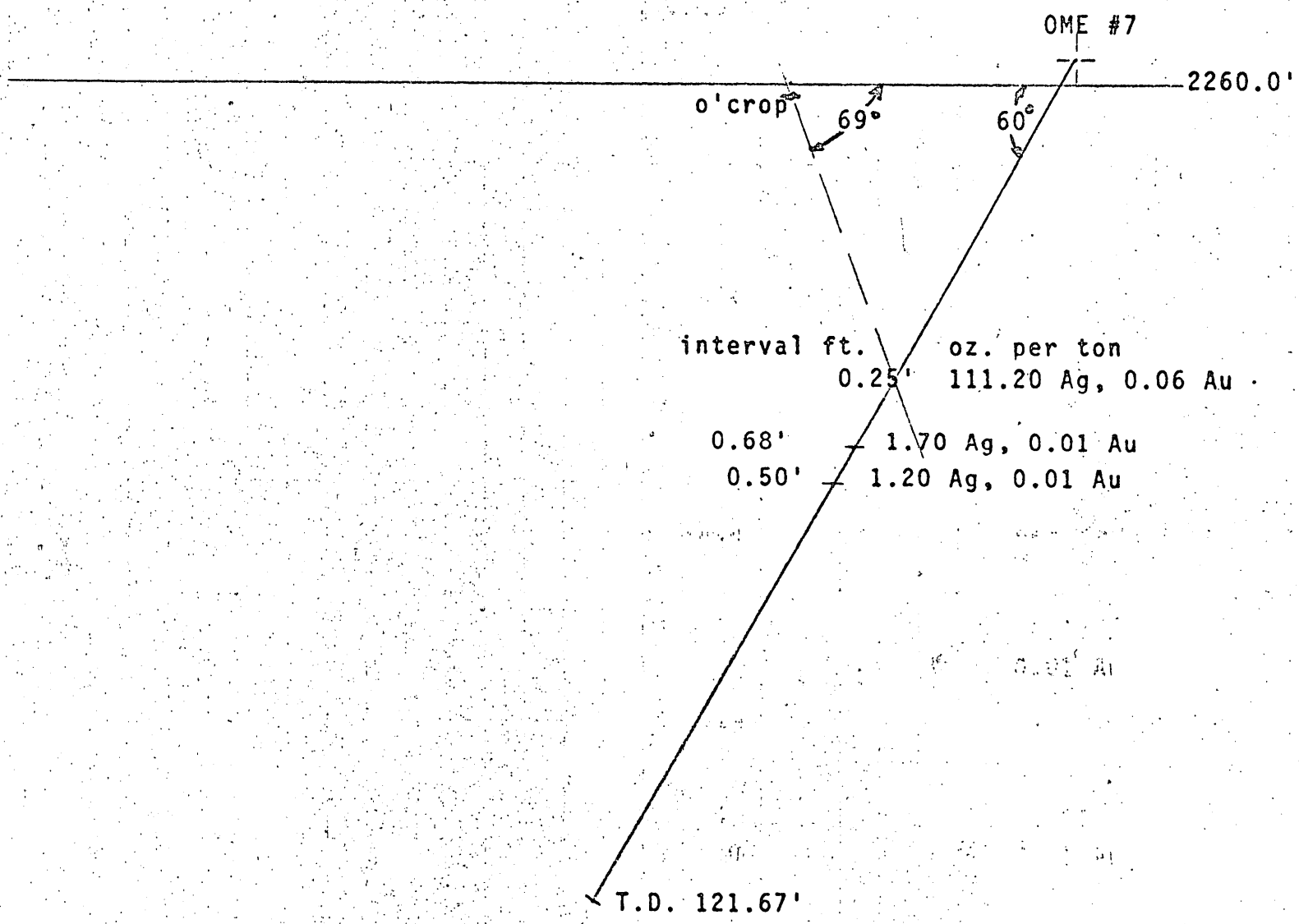
SHEET NO. ..... OF .....

JOB NO. DRILL HOLE #7

SCALE: 1"= 20' Horiz.& Vert.

Vertical Section through D.H. #7

Samples Nos. 2755-56-57-58-66-67-68-69-70. (less than 1 oz/t not shown).



BY ..... DATE ..... SUBJECT OME-6622 (Silver) Contract 2256 SHEET NO. ..... OF .....

CHKD. BY ..... DATE JAN. 8 1969 JOB NO. .....

Amedee A. Peugnet

AMEDEE A. PEUGNET
705 CHESTNUT STREET
ST. LOUIS 1, MO.

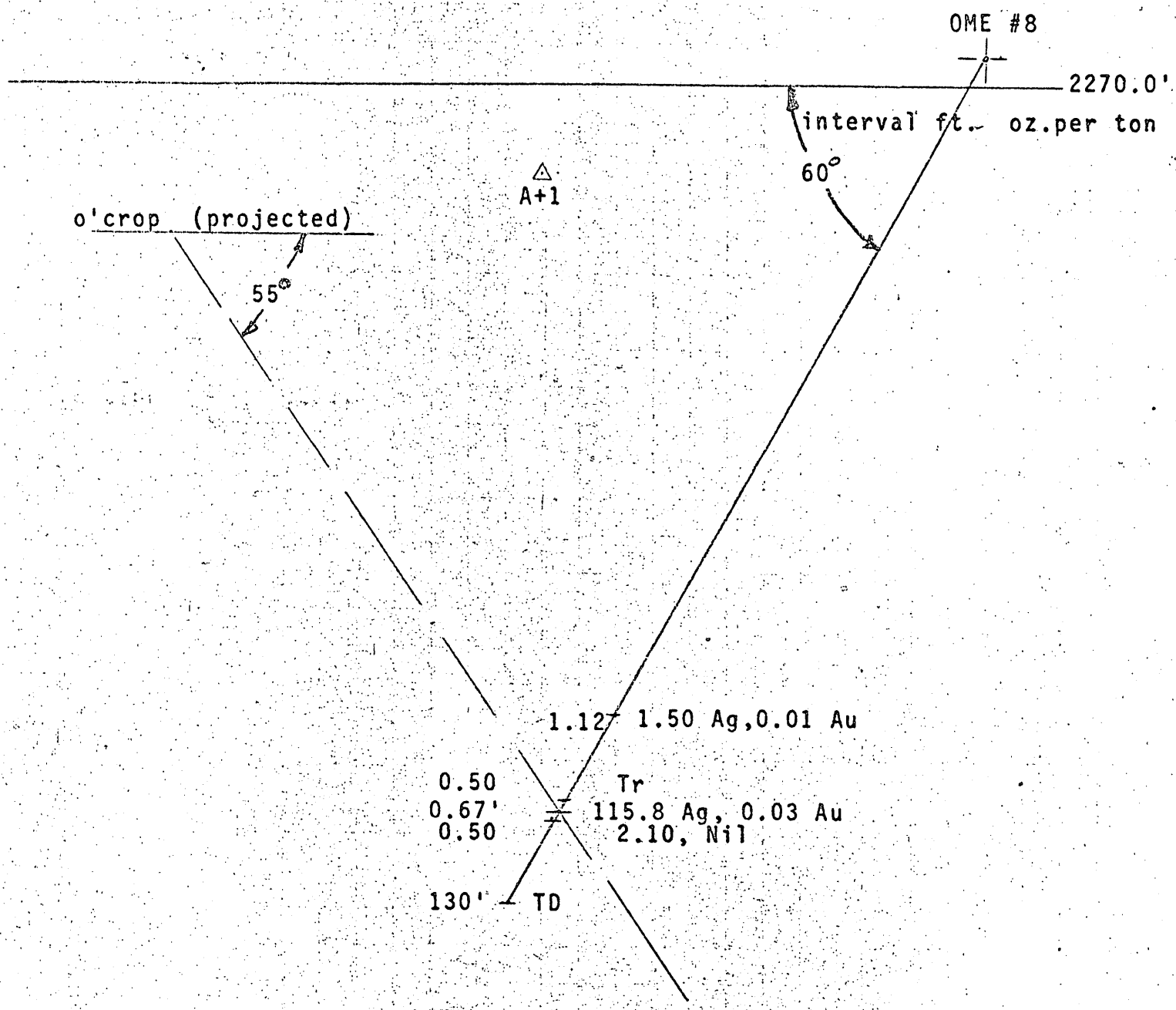
Report for November 1968= Stage II.

DRILL HOLE #8

SCALE: 1"= 20' Horiz. & Vert.

Vertical Section through D.H.#8

Sample Nos. 2753-54-59-64-65-71-72-73-74. (less than 1 oz/t.not shown)



BY ..... DATE .....
CHKD. BY ..... DATE JAN 8

AMEDEE A PEUGNET
705 CHESTNUT STREET
ST. LOUIS 1, MO.

SUBJECT OME-6622 (Silver)
Contract 2256
Report for November 1968

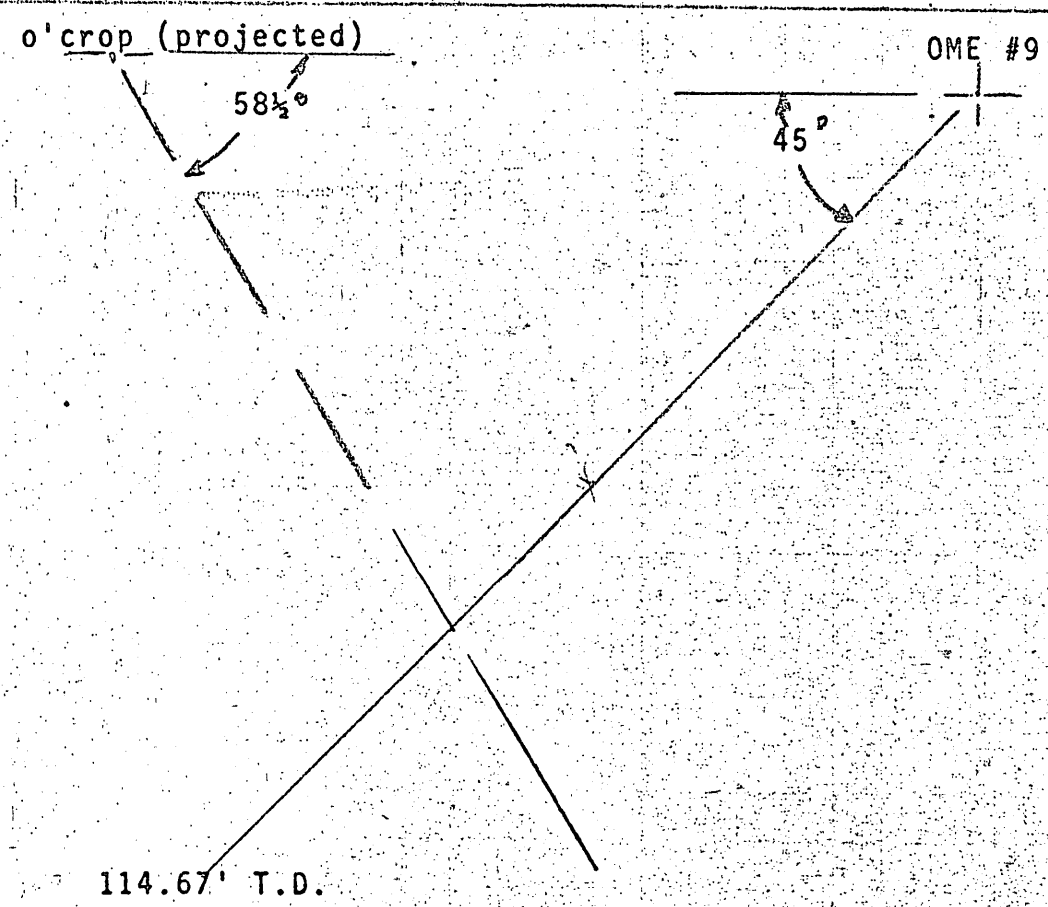
SHEET NO. ..... OF .....
JOB NO. .....
DRILL HOLE #9

Stage II.

SCALE: 1" = 20' Horiz. & Vert.

Vertical Section through D.H.#9

Sample Nos. 2761 - 62 (less than 1 oz. per ton not shown)



BY ..... DATE ..... SUBJECT OME-6622 (Silver) SHEET NO. ..... OF .....

CHKD. BY ..... DATE ..... Contract 2256 JOB NO. .....

Amedee A. Peugnet

Report for November 1968

DRILL HOLE #10

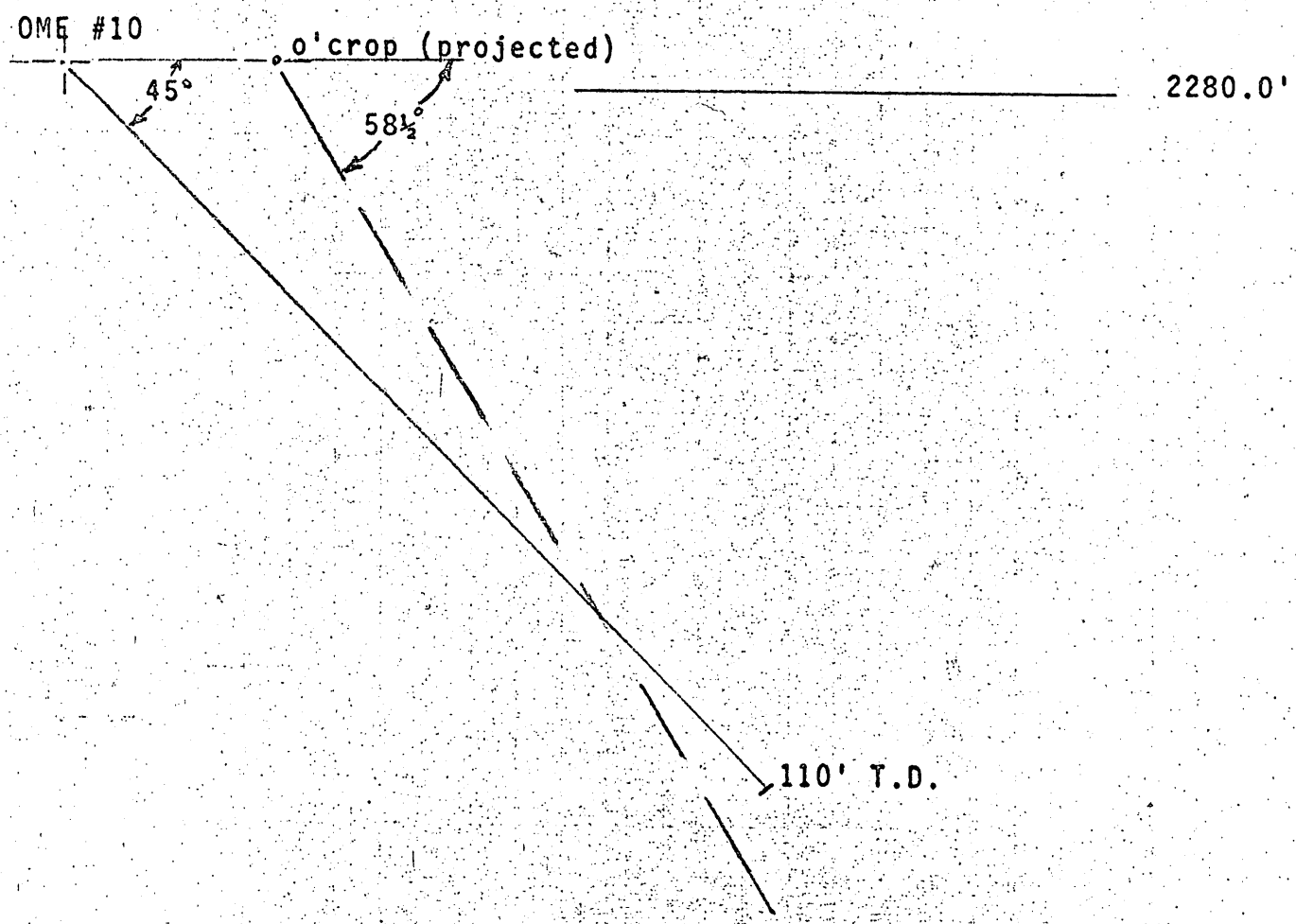
Stage II.

AMEDEE. A. PEUGNET
705 CHESTNUT STREET
ST. LOUIS 1, MO.

SCALE: 1" = 20' Horiz. & Vert.

Vertical Section through D?H.#10

Samples Nos. 2763 (less than 1 oz/t. not shown).



Shop No. 2753-57 Date 13 NOV 1968

File No. 1309 PE

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:

Arizona Assay Office

815 NORTH FIRST STREET
Phone: 253-4001

Phoenix, Arizona 85001
P. O. BOX 1148

MR. AMADEE A. PEUGNET
BOX 110
PHOENIX Az.85001

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
2753		.70		TRACE								
2754		.80		NIL								
2755		.80		NIL								
2756	1.	70			.01	$.35	X					
2757	1.	20			.01	$.35						

Charges $ 33.00

Assayer

JACK STONE REG. No. 5479

ANDY CHUKA, PRINT

Certified to be a true copy
Amadee A Peugnet

Shop No. 2756 Date 14 NOV 1968

File No. 1309 PE

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:

Arizona Assay Office

815 NORTH FIRST STREET
Phone: 253-4001

MR. AMADEE A. PEUGNET

Phoenix, Arizona 85001
P. O. BOX 1148

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 WOO				REMARKS
# 2756											NIL				

Charges $ XXXXX On Other Invoice

Assayer.....

JACK STONE REG. NO. 5479

ANDY CHUKA, PRINT

Certified to be a true copy - Amadee A Peugnet

Shop No. 3758
File No. 1310 PB

Date 29 NOV 1968

VALUES
Latest Quotation
$35
1 oz. Gold
1 oz. Silver
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

Mr. AMADEE A. PEUGNET
BOX 110
PHOENIX Az. 85001

Phoenix, Arizona 85001
P. O. BOX 1148

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
2758	111	.20				.06	$2.	10							
2759	1	.50				.01	$.	35							
2760	115	.80				.03	$1.	05							

Charges $ 15.00 Paid

Assayer
JACK STONE REG. No. 5479

ANDY CHUKA, PRINT

Certified to be a true Copy - Amedee A Peugnet

Shop No. 2761-70 Date 17 DEC 1968
File No. 1314 PE

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:

Arizona Assay Office

815 NORTH FIRST STREET
Phone: 253-4001

MR. AMEDEE A. PEUGNET
705 CHESNUT ST.
St. LOUIS Mo. 63101

Phoenix, Arizona 85001
P. O. BOX 1148

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
2761		.40		TRACE								
2762		.50			.01							
2763		.50		TRACE								
2764		.50		NIL								
2765		.50		NIL								
2766		.50		NIL								
2767		.40		NIL								
2768		.40		NIL								
2769		.40		TRACE								
2770		.60		TRACE								

Charges $ 50.00 PAID

Assayer

REGISTERED ASSAYER CERTIFICATE NO. 5479 ARIZONA, U.S.A. JACK STONE REG. No. 5479

ANDY CHUKA, PRINT

Certified to be a true copy - Amedee A Peugnet

Shop No. .....
File No. .....

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:

Date 29 NOV 1968

Arizona Assay Office

815 NORTH FIRST STREET
Phone: 253-4001

AMEDEE A. PEUGNET

Phoenix, Arizona 85001
P. O. BOX 1148

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
NO # 2758	111	20		0	06							
FOOTAGE # 2759	1	50		0	01							
MARKS # 2760	115	80		0	03							
#2771-113.9'- 114.3'	1	10		TRACE								
#2772-114.3'- 115.0'		40		TRACE								
#2773-115.8'- 116.2'		70		TRACE								
#2774-116.2- 116.8'	2	10		NIL								

Charges $ PAID C

Assayer Jack Stone
JACK STONE REG. NO. 5479

ANDY CHUKA, PRINT

Certified to be a true copy - Amedee A Peugnet

IN ACCOUNT WITH

Arizona Assay Office

815 NORTH FIRST STREET
PHOENIX, ARIZONA 85001

PHONE: 253-4001

MAIL
P. O. BOX 1148

#2731

DATE 27 June 68

TO

TERMS:

1	Again	5.00			
	Paid				

JACK STONE REG. NO. 5479

Certified to be a true copy - Auditor-Hayant

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

Boyles Bros. DRILLING COMPANY

CONTRACTORS-ENGINEERS-GEOLOGISTS

General Offices and Plant

1624 Pioneer Road P. O. Box 58 Phone (801) 487-3671

SALT LAKE CITY, UTAH 84110

Cable: BOYLESCO

BRANCH OFFICES
ARIZONA (PHOENIX)
CALIFORNIA (AUBURN)
COLORADO (GOLDEN)
KENTUCKY (LOUISVILLE)
NEVADA (SPARKS)
OKLAHOMA (NORMAN)
WASHINGTON (SPOKANE)
CHILE (SANTIAGO)
CABLE: BOYLESBROS
MEXICO, D.F.
PERU (LIMA)
CABLE: BOYLESCOP

INVOICE DATE: November 30, 1968
ORDER NUMBER:
INVOICE NUMBER:
CONTRACT: 6-522
TERMS:
LOCATION: New River, Ariz.

Mr. A. A. Peugnet
P.O. Box 110
Phoenix, Ariz.

HOLE NO.		FROM	TO	FOOTAGE	RATE	TOTAL
		Mobilization			200.00	200.00
7	BX	0	122	122	7.10	866.20
8	BX	0	130	130	7.10	923.00
9	NX	0	9	9	7.60	68.40
		9	114	105	7.10	745.50
10	NX	0	2	2	7.60	15.20
		2	110	108	7.10	766.80
Materials Used:		Portland Cement			2.15	8.60
		Lo loss			52.50	52.50
		BX Core boxes		49	1.00	49.00
		34 hrs. moving & setting up			15.00 hr.	510.00
		4 hrs. moving pump			15.00 hr.	60.00
		Water truck rental —			190.00	190.00
				Total Billing		$4,455.20

Paid Dec 5th, 1968
J&R

9

AMEDEE. A. PEUGNET
705 CHESTNUT STREET
ST. LOUIS 1, MO.

7 November 19 68

Received of AMEDEE A. PEUGNET

TWO HUNDRED and SIXTY-TWO ---------- 50/100 Dollars

rental TD 20 bulldozer for preparation of drill sites and trails

$ 262.50 Aldall Ranches by Kenyon Aldall

MADE IN U. S. A.

2 November 19 68

Received of AMEDEE A. PEUGNET

--$ $$ SIXTY FIVE ---------- 00/100 Dollars

for operation of TD 20 bulldozer for drill sites and trails, Eldorado Group of Claims.

$ 65.00 Russell R Wheat

MADE IN U. S. A.

Certified to be true copies - Amedee A Peugnet

OME-6622 -SILVER
CONTR.2256

A. A. Peugnet, Consulting Mining Engineer - 705 Chestnut St., St. Louis, Mo.

CORE HOLE LOG

Hole No. 7

Elev. Grnd. 2263.0

Collar El. fin. ground

Property: Eldorado Group

State ARIZONA County YAVAPAI Sect. 9 Twp. 8 N. Rnge. 1E.

Mobilize: Nov. 1+2, 1968

Location of Hole per orig contract 2256, 100 E. of D.H. No 2

Driller Boyles Bros. Drilling Co. Address: 10801 N. 21 Av. Phoenix, Ariz.

~~Helper~~ Don Collum Address: Phoenix, Ariz.

OME-6622 -SILVER
CONTR. 2256

Shift 7 a.m. to 5 p.m.

Setup _____ Pulled off Hole 7 am Nov. 9, 1968

Depth From	Depth To	Description of Formation Cut	Core Recov.	Remarks: @ -60°
		Nov. 5, 1968		
0'	8'	white biotite pegmatite	24" 100%	No surface pipe
2.0'	11.0	12" " " Peg, 6" mica Sch, 20" pegp.	26"	
		6 Nov. 1968		
11.0	16.0'	5" mica Schist, 38" broken Pegmat.	43" 70%	Lost H_2O abt. ½ min. at 16'.
16.0	20.0'	13" broken Peg.	13" 29.2%	
20.0'	21.0'	5½" badly broken Pegmatite	5.75" 46%	Stop. run to Phoenix for gear Boyles did not send.
		7 Nov. 1968		Start drilling 10:30 a.m.
21.0'	22.75'	20" Peg. w/mud seams	20" 95%	
22.75'	26.25'	27½" Peg, 1" mud seam, 12½" Schist	41" 90%	
26¼'	31¼	Pegmatite w/Biotite	60" 100%	
31¼	36.0'	" " "	49" 86%	
36.0	39.6	31" Pegmatite, biotite; 9" schist 2" broken Pegmatite	42" 99%	
39.6	44.1	12" Peg. 3" Schist, 21" felsite or hard clay (vein matter?) 3' Pegmat.	39" 69%	barren? vein matter? 40.4' to 44.1'
44.1	46.1	24" Pegmatite - at 45.6' Qtz. Stringers 3"; at 45.6' hornblende?	24" 100%	Sample [illegible] 45.6' = 111.20 Ag + 0.06 Au mch. biotite & sm. red specks Sample 2766
46.1	51.5	32" Peg. w/biotite (at 49½" black?) at 32" felsite (mixed) 5', 14" Peg. w/partings	49" 85%	barren? vein matter? Sample #2768 47.17-48.0, Ag 0.83 Au 0.[illegible]
51.5	54.25	2" Peg; 5" Qtz; 15" schist	14" 40%	Ground up; sm. schist
		17" Peg. w/biotite	100%	Picked up 17" core
54.25	55.4	2.5" Peg; 1" sch.; 6.5" pegmatite 4" red stained schist.	14" 100%	
55.4	58.75	8" vuggy Peg. w/mch Pyrite (wolframite?); 32" Pegmat. w/mch biot.	40" 100%	ore? wolfram? [illegible]
		8 Nov 1968		
58¾'	61.0'	26" Pegmatite	26" 97%	
61.0	64.0	22" Peg. w/sm. hornblende; 5" Sch.; 9" Peg.	36" 100%	[illegible]
64.0	69.0	57" Pegmat. sm. Sch. partings 9½" [illegible] w/heavy Pyrite	60" 100%	
69.0	74.0	30" Peg. w/hornblende sm. sch. partings; [illegible] 26" Pegm.	60" 100%	
74.0	76.2	26" Pegmatite	23" 89%	
76.2	81.0	[illegible] broken Peg. 7 sch. 1 pegm; 1" Qtz, 7½" Sch, 3 peg. 10 sch.	54" 92	[illegible]

Amedee A. Peugnet

AMEDEE A. PEUGNET
P O BOX [illegible]
PHOENIX, ARIZ. 85001

A. A. Peugnet, Consulting Mining Engineer - 705 Chestnut St., St. Louis, Mo.

CORE HOLE LOG

Hole No. 7

Elev. Grnd. 2263.0

Property: Eldorado Group.

Collar @ -60°

State ARIZONA County YAVAPAI Sect. 9 Twp. 8N Rnge. 1E.

Location of Hole 100 E. D.H. No 2

Driller Boyles Bros. Drilling Co. Address: 1080 N. 21st Ave, Phoenix, Ariz

~~Helper~~ Don Collum Address: Phoenix, Ariz.

Shift _____ m to _____ m

Setup _____ Pulled off Hole 8 Nov '68

OME-6622 -SILVER
CONTR. 2256

Depth From	Depth To	Description of Formation Cut	Core Recov.	Remarks: @ -60°
		8 Nov 1968 CONT		
81.0	86.0	16" Schist, 42½" felsite	58½" 97½%	vein material
86.0	91.0	56½" sch. 3½" quartzite	61" 100%	
91.0	96.0	8½" Schist, 4" qtz, 12" sch, 2" Qtz 13" sch, 4½ Shist w/qtz bulits, 18" schist	59" 98½%	100%
96.0	101.0	12" Schist 4" sch. w/qtz stringers, 6" Peg. w/qtz strs; 2" Sch, 4¾" Peg w/biotite, 6" sch, 27 Peg w/biotite 1" sch	61" 100%	#2770, 97.17-97.8', Ag 0.60, Au Tr.
101.0	106.0	60" sch. w/qtz stringers	60" 100%	
106.0	111.0	14" sch, 10" peg with qtz strs, 36" Peg	60" 100%	
111.0	116.0	1" qtz, 3" peg, 6" schist, 35" Peg. 15" Schist	60" 100%	
116.0	121.0	60" microcline Pegmatite	60" 100%	
121.0	121.61	3" Quartzy Peg	3½" 44%	Bit plugged saved sludge T.D.
~~121.61~~		Went back in + plugged at noon - Pulled pipe rods - gauge diamond slot - all for the day 4:50 pm		
				Completed + pulled rods 4:30 pm 8 Nov '68
~~121.61~~				

Amedee A. Peugnet

AMEDEE A. PEUGNET
P O BOX 110
PHOENIX, ARIZ. 85001

HOLE 7, page 2.

A. A. Peugnet, Consulting Mining Engineer - 705 Chestnut St., St. Louis, Mo.

CORE HOLE LOG

Hole No. 8 2273 4
Elev. Grnd. ~~2174~~ 20

Property: Eldorado Group
Collar @ -60°
State Arizona County Yavapai Sect. 9 Twp. 8 N. Rnge. 1 E.
Location of Hole per O&E Contr. 6622, 100' W. of D.H. No 2
Driller Boyles Bros Drilling Co. Address: 1080 N. 21 Av, Phoenix, Az
~~Helper~~ Don Collum Address: Phoenix, Ariz.
Shift _____ m to _____ m
Setup _____ Pulled off Hole _____

OME-6622 -SILVER
CONTR. 2256

Depth From	Depth To	Description of Formation Cut	Core Recov.	Remarks: @ -60°
		Nov. 9, 1968		
7:15a	10:30a	Started moving from DH #7		
10:30	5:	All set up + deadmen proved		
		Nov. 10, 1968 Start Drilling		8:30am.
0'	3.7	Surf. thin layers Sh + Peg	—	
3.7	7.0	3' sch + Peg. stringers, 7" sch. 20" " " " 3.5" Schist	48" 100%	Pulled up sand from surf. run
7.0	10.25	13.5" Peg: 26.5" Schist.	43" 100%	" " " prev. run.
10.25	15.25	49" sch 10" Peg.	47" 98%	
15.25	20.25	3½" Peg, 6" Sch. 3" Peg, 15" Sch - 1 8½ Peg, 3" sch, 11½" Peg 8' Sch.	59" 98%	1"
20.25	25.25	10 peg w/sch, 11" Sch - 12" Peg, 2½" sh 1" Peg	61" 100%	
25.25	30.08	7" Sch., 3" Peg, 6" Sch 1.5" Peg 16" Sch. sm. Peg stgrs, 21" Peg	54" 96%	
30.08	32.0	21" Peg, 1" Schist	21.5 9.4%	
32.0	35.0	16" Br. Felsite, 20" Pegmatite with felsite seams last 10"	36" 100%	Vein material? #2754 - Ag 0.80 Au Nil 32.0' to 33.5'
35.0	39.6	52" Peg	52" 94%	
39.6	44.75	27" Brown Peg/m. Aplite - 1½" Sch Seam 2½" " " 14" Schist Peg m.	61" 98%	
		6½" Peg m. 11" Brown (?) Schist		Sample # 2753 - 42.67 - 52.58 Ag 0.20. AUT-.
44.75	47.67	2" Schist Band - 2" Felsite, 7" Peg Schist 3" Sand-qtz, 6" Gn. Schist, 5	22" 63%	Sample #2767, 45.83' - 46.33', Ag 0.40, Au Nil
		Ground up Felsite		Vein material?
47.67	52.25	3" Sch. 44½" Felsite	7.5" 14%	
52.25	53.5	2½" Felsite, 15½" Pegmatite	18" 100%	← Vein material. Core B. Pulled up rest pulled Product used in Run (Changed Bit)
53.5	56.08	12" Peg, 10" Sch. w/½" stringers, 3" Peg, 8" Sch. Qtz	31" 100%	
56.08	60.0	7" ½ Sch, 9" Schist, 30 Peg	45" 96%	
60.0	65.0	25" Peg, 1½" Sch, 17" Peg, 2" Sch. 12" Peg	57" ~~98%~~ 100%	
		Nov. 11, 1968		
65.0	70.0	12" Sch - ½" Str. Qtz, 6" Sch, 3" Str. Qtz, 40" Sch.	61" 100%	1"
70.0	75.0	60" fine grained Sch. Some Red "Specks"	60" 100%	Last same H_2O 70' - 74'
75.0	80.0	Same as 70° → 75°	60" 100%	
80.0	85.0	35" Sch, 25" schisty Pegmatite	60" 100%	

Amedee A Peugnet

Amedee A Peugnet

AMEDEE A. PEUGNET
P O BOX 110
PHOENIX, ARIZ. 85001

cont. page 2 - hole #8

A. A. Peugnet, Consulting Mining Engineer - 705 Chestnut St., St. Louis, Mo.

CORE HOLE LOG

Hole No. 8

Elev. Grnd. 2273.40

Collar -60°

Property: Eldorado Group

State Arizona County Yavapai Sect. 9 Twp. 8 N. Rnge. 1 E.

Location of Hole 100' W. of DH No 2

Driller _____ Address: _____

Helper _____ Address: _____

Shift _____ m to _____ m

Setup _____ Pulled off Hole _____

DME-6622 -SILVER
CONTR.2256

Depth From	Depth To	Description of Formation Cut	Core Recov.	Remarks: @ -60°
		Nov. 11, 1968 cont	~~50%~~	
85.0	88.5	19" Peg. 13" Sch. 6" peg.	38" 90.5%	
88.5	91.8	40" Pegmatite	40" 97%	Pulled Reducer 11:15am slip to set reward.
~~91.8~~		LET CEMENT SET.		
		Nov 12, 13, 14, 15 days off		
		Nov. 16 + 17 Rain & Mud		
		Nov. 18, '68		Start Shift 1:00pm start drilling 1:45pm
91.8	94.0	10½" Peg; 2½" Sch., 4' Gtzy Peg, 3½" Sch; 3½" brown stained Pg w/ some Sch. inclus	24" 92%	Lost H2O 4min. but no pressure Ag? #2764, 93.75-94.83, Ag 0.50, Au Nil
94.0	96.0	8" br. stained Peg. w/sm. Sch. inclusions, 14" Peg. w/sch. incl. + crumbly	22" 91.7%	#2759, 94.9-96.0', Ag 1.50, Au 0.01
96.0	98.0	Core pretty well ground up, sch. inclus. pegmatite Qtz sch + peg. mixed	12" 50%	Core sludge #2765, 96.0'-97.0, Ag 0.50, Au-Nil
98.0	100.0	3½" Schist w/peg. w/pyrite; 21½" schisty Peg w/ iron stained parting	24" 100%	
100.0	101.5	Very badly broken up (drill?) Dominated sch. + schist Peg	18" 100%	
101.5	102.9	8" fine sch. 7" coarser Peg large mica.	15" 90%	
		Nov 19, 1968		
102.9	105.2	10½" Qtz w/mica; 16" iron stained Qtz w/mica + sch. inclusions	27" 100%	
105.2	108.25	1" Sch (Cave) 15½" br. stained ivory crazy, Nice peg, 23" gray coarse pegmatite	39" 100	
108.25	113.08	Coarse brown stained Peg w/sm Qtz + hornblende (?)	57.5" 97%	
113.08	115.8	8" Peg; 24" crazy, unusually red stained Peg, wet, pinch + Ag (?)	32½" 99%	picked up ½" from run above sample #2771 Sample #2769 - 115.0' to 115.8' Ag 115.80 Au 0.03, + #2772 + 2773 X
115.8	120.0	13" Quartz sch w/mica, iron, + Red (?) 5" Qtz + mica, 4" sch; 1½" qtz, 3½" willemite	50" 100%	#2774, 116.17'-116.67' Ag 2.10 Au Nil
~~120.0~~	~~124.9~~	~~3" peg. w/mica, Fe stain, dolphinite~~ ~~22" mixed sch, peg, Qtz Fe stained~~	~~59½"~~ ~~100%~~	
120	124.9	2" sch, 2" peg, Fe, 7" mixed, sch, peg, Qtz w/ some sch, Red (?) 1½" peg/mica	57" 100%	
124.9	129.9	60" pegmatite	61" 100%	T.D. 11:30am

Amedee A. Peugnet

AMEDEE A. PEUGNET
P O BOX 110
PHOENIX, ARIZ. 85001

A. A. Peugnet, Consulting Mining Engineer - 705 Chestnut St., St. Louis, Mo.

CORE HOLE LOG

Hole No. 9

Elev. Grnd. 2241 8

Property: EL DORADO GROUP

Collar @ -45°

State ARIZ. County YAVAPAI Sect. 9 Twp. 8 N. Rnge. 1 E.

Location of Hole 100' E. of D.H. #3

Driller Bogles Bros. Drilling Co. Address: 10801 N. 21st Ave, Phoenix, Ariz

~~Helper~~ Don Collum Address: Phoenix, Ariz.

Shift _____ m to _____ m

Setup _____ Pulled off Hole _____

OME-6622 -SILVER
CONTR. 2256

Depth From	Depth To	Description of Formation Cut	Core Recov.	Remarks: @ -45°
		21 Nov 1968		Start drilling 8:30 am
0'	9.2	Surface boulders, Peg & Mud	—	
9.2	11.6	Pegmatite, large Mica	~~19"~~ 26½" 98%	
11.6	13.5	Pegmatite	31½" 100%	9½"
13.5	18.5	Pegmatite	38" 63%	
18.5	24.0	27" Very Coarse sch., Qtz Strgr, 2" 11" ✓ ✓ ✓	~~40~~ 42.5" 65%	Bed Rock probably 22 ft.
24.0				
		22 Nov 1968		
24.0	28.8	all Peg	62.5" 100	2½" clear
28.8	33.9	Schist, hard, few Qtz. Strgr's "Red Specks"	61" 99%	
33.9	39.0	Sch + Peg. Last 6" quartzy w/iron stains in fractures	59" 99%	
39.0	44.0	14" Peg. w/coarse mica, 12½ mixed sch & Peg "Soft schist, first "decomp peg. Muddy"	42" 70%	muddy drilling
44.0	45.7	4" Muddy soft schist, 16" very Coarse Mica schist	20" 100%	
45.7	49.0	Mixed Sch + Peg	38" 100%	
49.0	52.25	16" peg - 6" qtzy Peg > Peg 18"	40½" 100%	½"
52.25	55.0	15" Peg. 11" qtzy schist, 1" Sauge, 6"	33.5" 100%	
55.0	56.33	14" pegg & red qtz w/NS? 7½" Ar. Qtz Peg	21.5"	
56.33	60.17	12" pink Peg & Mica, 20" Pr. Peg/mica 7½" Schist; 4" Qtzy Sch	43.5 99%	
60.17	64.0	16" Qtzy Peg-schist - 10" muddy decomp peg. 21" Peg.	47½"	(1½")
64.0	68.5	10" peg, 4" peg/schist; 33" v. coarse schist, 2½" muddy brok. sch + peg.	51½" 97%	
68.5	71.5	4"-5" muddy broken up sch, 17" v. coarse sch - 18" Peg with Qtz	27" 73%	
		23 Nov. '68		
71.5	74.0	4" rotten schist, 10" rotten Peg 14½" rotten Peg w/Qtz	28½" 100%	
74.0	76.0	5½" " " " " 2" mud, 19" heavily banded schist	26" 100%	2" Sample #2761, 74.5 → 76.1' - 0.40 oz, tr. Au.
76.0	79.0	8½" sch - 26½" sch w/Qtz	35" 100%	
79.0	82.0	6" mixed sch + Qtz, 5" qtz, 9" sch. 18" Fractured Peg	38 100%	1" Sample #2762; 79.42' → 79.92' - 0.50 oz; 0.01 Au.
82.0	84.7	Quartzy schist	32" 100%	
84.7	89.7	3" Qtzy Sch. 54" schist	58½ 97%	

Amedee A. Peugnet

AMEDEE A. PEUGNET
P O BOX 110
PHOENIX, ARIZ. 85001

A. A. Peugnet, Consulting Mining Engineer - 705 Chestnut St., St. Louis, Mo.

CORE HOLE LOG

Hole No. 9

Elev. Grnd. 2241.8

Property: ELDORADO GROUP

Collar @ - 45°

State Arizona County Yavapai Sect. 9 Twp. 8N Rnge. 1 E.

Location of Hole 100' E of DH #3

Driller Boyle Bros Drilling Co. Address: 1080 N. 21 Ave, Phoenix, Ariz.

~~Helper~~ Don Collum Address: Phoenix, Ariz.

Shift _____ m to _____ m

Setup _____ Pulled off Hole _____

OME-6622 -SILVER
CONTR. 2256

Depth From	Depth To	Description of Formation Cut	Core Recov.	Remarks: @ - 45°
		Nov. 23, '68 cont.	61½" 100	1½ ↗
89.7	94.67	10" sch., 36½" peg, 2" sch - 2" peg 5" sch, 5" peg	60" 100%	Ran out H_2O
~~94.67~~		moved pump to "76" Stope		
		Nov. 24, '68		start drilling 9:15am
94.67	99.67	all solid pegmatite	60" 100%	
99.67	104.67	23" sch. 18" peg. 1" sch, 15" peg. (qtzy)	60" 100%	
104.67	109.67	6 peg. 18" mixed peg + sch, 10" clay sch, qtz, peg. 26 Schist	60" 100%	
109.67	114.67	4" sch 5" mixed clay sch, 3" mixed sch+peg - 4 soft peg - 11½ sch 4" qtz. peg. 36" schist	60" 100%	T.D. 11:05am fin. drilling

Amedee A. Peugnet

AMEDEE A. PEUGNET
P O BOX 110
PHOENIX, ARIZ. 85001

A. A. Peugnet, Consulting Mining Engineer - 705 Chestnut St., St. Louis, Mo.

CORE HOLE LOG

Hole No. 10

Elev. Grnd. 2283'

Property:

Collar

State ARIZONA County YAVAPAI Sect. 9 Twp. 8 N. Rnge. 1E. Incl. - 45°

Location of Hole 170' S. & 30' W. of D.H. #3

Driller Boyles Bros. DRILLING Co. Address: 1080 N. 21 Ave, Phoenix, Ariz.

Helper DON Collum Address: Phoenix, Ariz.

Shift _____ m to _____ m

Setup _____ Pulled off Hole _____

OME-6622 -SILVER
CONTR. 2256

Depth FT. From	To	Description of Formation Cut	Core Recov.	Remarks: @ - 45°
		NOV. 1968		Start BX coring 1:20 pm
0'	2.5	Pegmatite (NX)		Start in Solid Pegmatite
2.5	4.0	" w/mch. Biotite	18" 100%	
4.0	8.0	25" Peg 13" qtz 19" Peg	48" 100%	
8.0'	11.67	19" Peg/mch. mica, 11" same, rotten,	44" 100%	
		14" muddy Sch.		
11.67	16.67	12" Sch, 13' badly fract Peg + Qtz	60" 100%	
16.67	20.67	5" Qtz w/sch, 12" sch, Qtz strgr 14" rotten schist 6" qtz, 15" sch	44" 94%	
20.6	23.5	7" Peg + qtz 18" sugary 12" rotten schist	30" 88%	
23.5	26.5	3" Chunk-Qtz (Vein?) 23" barren Vein 2" peg	28" 90%	
26.5	27.2	6" Peg (poor core) on mica,	6" 100%	
27.17	28.5	"Vein" Material	7" 18" 100%	Went back in pulled up 7"
28.5	29.83	14" rotten sch - 3" Qtz	17" 100%	
29.83	31.67	Brownish fine grained Mat'l	20' 100%	
		Nov. 26, 68		
31.67	33.17	Same as previous Run	18" 100%	
33.17	35.08	~~17" W. Fine grained~~, 9" 1.65 sch, sm min. Vein mat'l?) 18" fine gr. gray sch	27" 100%	
35.08	39.0	9" sch, 6" Qtz with mica, 11" sch w/qtz, 7" sch, 13" salty Peg	47" 100%	
39.0	41.0	2" Peg, 2½" sch, 3 fine gr. Qtz-carbon 12" Peg w/qtz + sch.	23" 95%	
41.0	46.0	10" sch. w/Peg, 36" schist 12" Peg w/sch + Qtz	58½" 100%	
46.0	51.0	3" sch - 29" sch - Qtz - Peg - 13" sch, 10" sch w/peg + Qtz	61" 100%	1"
51.0	56.0	Schisty Peg 24", Peg. 29" Qtz + Peg 7"	60" 100%	
56.0	61.0	2" Peg w/Qtz, 13" Qtz 41" Peg w/mu sch.	56" 92%	
		27 NOV. 1968		
61.0	66.0	44" Peg. - 16" schist	60" 100%	
66.0	71.0	48" schist 12" Peg w/schist + Fe stains	60" 100%	
71.0	75.75	53" Peg 3" porph w/Qtz + Black Stains	56" 98%	0.55 Ag # 2.76.2, 74.7 - 75.9 = 0.50 Ag + tr Cu -

Amedee A. Peugnet

AMEDEE A. PEUGNET
P O BOX 110
PHOENIX, ARIZ. 85001

A. A. Peugnet, Consulting Mining Engineer - 705 Chestnut St., St. Louis, Mo.

CORE HOLE LOG

Hole No. 10

Elev. Grnd. 2283.0'

Property: ELDORADO GROUP

Collar

State ARIZONA County Yavapai Sect. 9 Twp. 8 N Rnge. 1 E.

Location of Hole 170' S. and 30' W. of D.H. No. 3

Driller Boyles Bros. Drilling Co Address: 10801 N. 21 Ave., Phoenix, Ariz.

~~Helper~~ Don Collum Address: Phoenix, Ariz.

Shift _____ m to _____ m

Setup _____ Pulled off Hole _____

OME-6622 -SILVER
CONTR. 2256

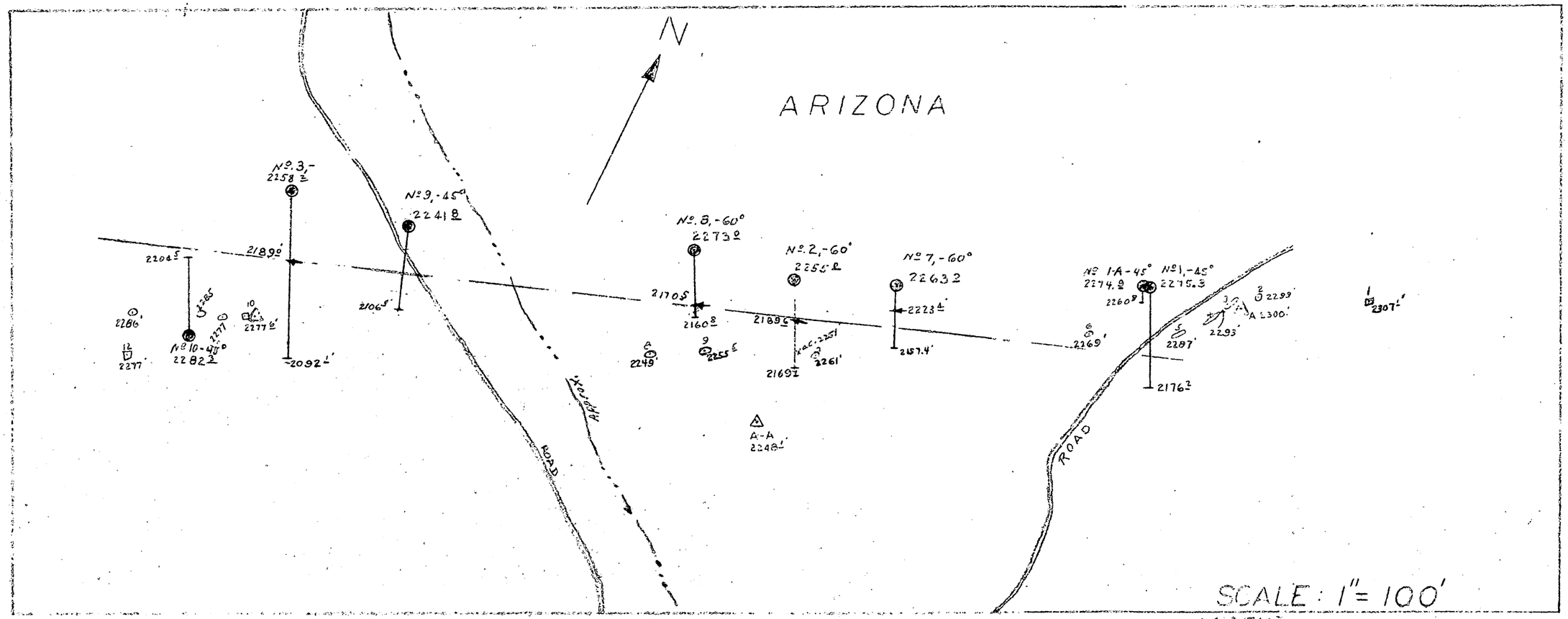
Depth From	Depth To	Description of Formation Cut	Core Recov.	Remarks: @ - 45°
		27 Nov. 1968 Cont.	~~60" 100%~~	
75.75'	80.83'	60" Pegmatite	60" 100%	
80.83'	85.0'	46" Peg 4" Sch.	50" 100%	
85.0'	88.83'	10" Sch, 32" Sch w/qtz m/mica 6" gr. Sch + Pegmatite w/mica	44½" 97%	
88.83'	93.92'	21" Peg. w/m. sch, 38", sch, w/peg + qtz	59" 96½%	
93.91'	98.0'	Sch & Qtz (layers parallel to core) w/mica	61" 100%	
98.0'	101.67'	as above	42" 98%	
101.67'	106.67'	as above	61" 100%	1"
106.67'	110.0'	as above	40" 100%	T.D. 2:35 pm —

12 Buf

Amedee A. Peugnet

AMEDEE A. PEUGNET
P O BOX 110
PHOENIX, ARIZ. 85001

AMEDEE A. PEUGNET
705 CHESTNUT STREET
ST. LOUIS 1, MO.



MAP OF ARIZONA CLAIM OF ELDORADO GROUP

ELDORADO

SHOWING DRILLHOLES COMPLETED TO NOV. 30. 1968
TO ACCOMPANY REPORT ON

OME - 6622 (SILVER) - CONTRACT 2256

TIP TOP MINING DISTRICT, Yavapai County, Ariz.

LEGEND

- Drill Hole, completed, horiz. projection, collar & elev.
- Good assay & elev.
- Total depth & elev.
- Any surface working & elev.
- Transit sta. & elev.

Amedee A Peugnet 1/8/69

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

February 10, 1969

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Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6622 (Silver)
Amedee A. Peugnet
Eldorado Group of Claims
Yavapai County, Arizona
Contract 2256

Enclosed is a review of the Operator's monthly voucher (MME Form 60) and the Operator's progress report (MME Form 61) for the month of November, 1968. The Operator conducted exploration work under Stage II of the subject contract, consequently I have approved or deleted the following items, as allowed (1) by the contract, (2) Amendment No. 1, and (3) the letter dated October 7, 1968 from the Chief, OME to the Operator allowing Stage II holes numbers 7, 8, 9 and 10 to be completed.

Items recommended for payment incurred during November, 1968.

Operation	No. Units	Cost
Moving and setting up drills	34 hours	$510.00
Non-Core collar pipe	11 feet	83.60
Bx drilling	465 feet	$3,301.50
Supervision	1 month	800.00
Cement and additives	5 sacks	61.10
Core boxes	49 boxes	49.00
Water truck rental	1 month	190.00
Move pump (this should have been included in moving and setting drills)		60.00
Analytical work		53.00
Bulldozing		327.50
	Total allowed	$5,435.70

Disallow the following item:

Operation	Unit	Cost
Mobilization and demobilization		$100.00

(Stage II does not allow for separate mobilization and demobilization. Only the flat value of $200.00 can be allowed.

Total amount disallowed	$100.00

Total costs recommended to date $17,892.08 under the contract. I have recommended that the $200.00 disallowed pending starting after the recess period of November 1, 1968 be allowed as the Operator had begun prior to November 1, 1968. INASMUCH AS CONTRACT IS FINISHED AND DECEMBER VOUCHER MAY NOT BE LARGE ENOUGH — CONTINUE TO HOLD $200.00 — WHB 2/14/69

In a letter to the Field Officer, Region III dated November 28, 1968 (enclosed) concerning certain request of changed items has been held in this office, as I felt it was not deemed necessary to amend the costs, except possibly for assaying until this time.

The Operator claimed only $53.00 for analytical work for November but could later claim a total of $82.00 as the contract allows $3.00 per sample for Au and Ag assays, of which he lists 25 samples, and one (1) assay for tungsten, for which he can claim $7.00 per determination. The Operator claims the charges for Au and Ag are now $5.00 per sample, but shows no bid prices to substantiate his claim.

The results of drilling Stage II holes proved essentially fruitless and the Operator requested, by telephone, in December that the exploration work under the contract be terminated. He has yet to submit a December voucher and progress report, as well as a final geologic report. A field inspection will be scheduled for the latter part of February.

J. William Hasler

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

This invoice in north Nev. collection

Shop No. 2761-70 Date 17 DEC 1968
File No. 1314 PE

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:

Arizona Assay Office

815 NORTH FIRST STREET
Phone: 253-4001

Phoenix, Arizona 85001
P. O. BOX 1148

MR. AMEDEE A. PEUGNET
705 CHESNUT ST.
St.LOUIS Mo. 63101

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
2761		.40			TRACE										
2762		.50				.01									
2763		.50			TRACE										
2764		.50			NIL										
2765		.50			NIL										
2766		.50			NIL										
2767		.40			NIL										
2768		.40			NIL										
2769		.40			TRACE										
2770		.60			TRACE										

Charges $ 50.00 PAID

Assayer.....

REGISTERED ASSAYER
CERTIFICATE EXPIRES
DEC. 31 19..
JACK STONE REG. NO. 5479
ARIZONA, U.S.A.

ANDY CHUKA, PRINT

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Office of Minerals Exploration
Building 53 Room 200

February 10, 1969

Mr. Amedee A. Peugnet
705 Chestnut Street
St. Louis, Missouri 63101

Subject: OME-6622 (Silver)
Amedee A. Peugnet
Eldorado Group of Claims
Yavapai County, Arizona
Contract 2256

Dear Mr. Peugnet:

This letter is in reply to your letter dated February 4, 1969 concerning the subject contract.

Your letter dated November 28, 1968 requesting an additional amendment to allow for certain cost changes has been retained in this office until today, and is being forwarded to Washington along with your November voucher. No bids accompanied your request on additional analytical costs, and I think the contract could not be changed as the original cost was based on the $3.00 per sample for Au and Ag, I felt that the number of samples that would be submitted would not exceed the total cost for assaying. Washington, however, may allow the request. Your November claim for analytical work totalled $53.00, however, you could have claimed a total of $82.00 as the contract allows $3.00 per sample for Au and Ag, and $7.00 per determination for tungsten. You list 25 samples for Au and Ag and one (1) determination for tungsten as follows:

25 samples Au and Ag @ $3.00	=	$75.00
1 determination W @ $7.00	=	7.00 ?
		$82.00

You requested payment for $100.00 for mobilization a
As I interpret Stage II of the contract there is no a
this item, and drill hole numbers 7, 8, 9 and 10 were
I have recommended payment of the $200.00 being withh
beginning work after the recess period, as you did beg
to November 1, 1968.

My present plans are to visit your project during the last week of February if this meets with your approval. I will contact you by telephone as to the exact date during the week and we can review your entire project to date at that time, and make appropriate recommendations.

Sincerely yours,

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

cc: Chief, Office of Minerals Exploration
OME chron
Mr. Hasler
OME-6622

AMEDEE A. PEUGNET · PE CONSULTING MINING ENGINEER - REG. MO.E-3556

20 October 1968

AMEDEE A. PEUGNET
P O BOX 110
PHOENIX, ARIZONA

OMF REGION III
RECEIVED
OCT 22 1968
Denver, Colorado

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

Subject: OME-6622 (Silver)
Amedee A. Peugnet
Eldorado Group of Claims
Yavapai County, Arizona
Contract 2256

Dear Mr. Hasler:

I thank Mr. Gualtieri for his letter of October 17,1968 referring to re-location of Hole 9.

Possibly Mr. Robertson's memory of the topography at this particular point is a bit hazy after the passage of time.

I have plotted out the location of Hole 9, as shown on revised Figure 1 of the contract and as referred to in the text of Mr. Johnson's letter of October 7, 1968. I have also plotted out the contemplated intercept with vein resulting from this location and bearing of the hole, as shown on the enclosed sketch.

Careful field observation, yesterday, shows that the proposed location for Hole 9 is impractical because it is on a quite steep slope that may require blasting for a drill site.

The same intercept can be had from the location "9A" shown on the enclosed sketch. From Hole 3 it is N.85 E., 105 ft; pointed S.27 E. it will give the same point of interception as would location "9". The horizontal distances from the intercept are the same for both locations. Location "9A" only ordinary ' dozer preparation.

For the above reasons, I request that location shown on enclosed sketch as "9A" be authorized as location for Hole 9.

Sincerely,

Amedee A Peugnet

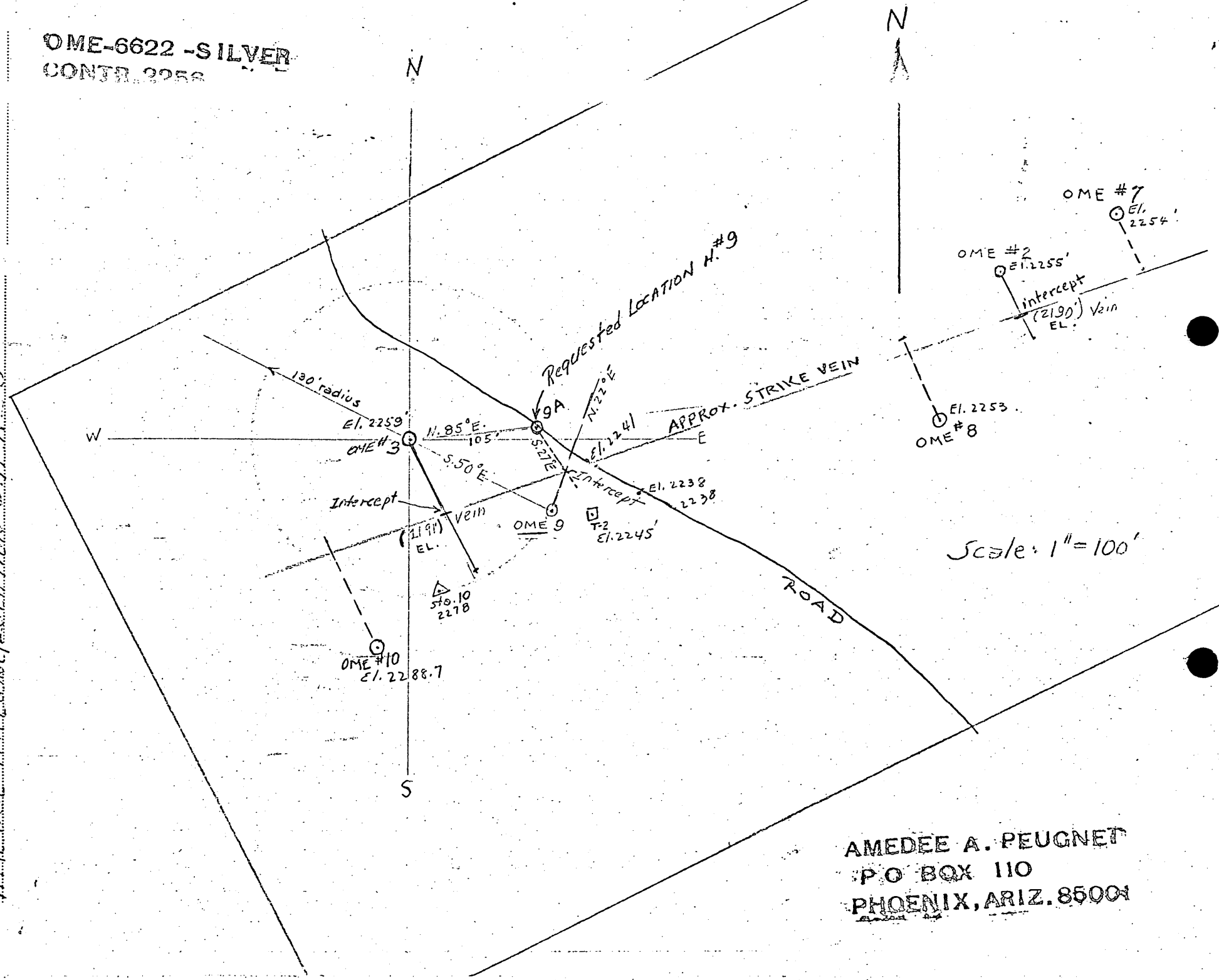
Enclosure: Sketch of Arizona claim, 1" = 100'.

5 CHESTNUT ST., ST. LOUIS, MO. 63101 PHONE: (314) 621-1431

OME-6622 -SILVER
CONTR. 2256

SHEET NO. .....
JOB NO. .....

BY ..... DATE Oct 26 68 SUBJECT OME 6622
CHKD. BY ..... DATE ..... Contract 2256
AMEDEE A. Peugnet D.H. No. 9



AMEDEE A. PEUGNET
P O BOX 110
PHOENIX, ARIZ. 85001

AMEDEE A. PEUGNET · P.O. - CONSULTING MINING ENGINEER - REG. MO.E-3556

P.O. BOX 110
PHOENIX, ARIZONA 85001
28 November 1968

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

Subject: OME-6622 (Silver)
Amedee A. Peugnet
Eldorado Group of Claims
Yavapai County, Arizona
Contract 2256

Dear Mr. Hasler:

I was unable to secure a contractor to bulldoze access trails and drill sites in connection with Stage II of Contract 2256. Therefore, I rented a TD 20, (equivalent to about a D-7-1/2) from Mr. Kenyon Udall and secured an operator. For the 21 hours required I paid Mr. Udall $262.50 and operator $67.50; for a total of $330.00.

As explained in my letter of July 6,1968, the unit price of gold-silver assays has risen to $5.00 per sample, but it appears that only about one-half of the number of assays orginally contemplated will be required.

I have been unable to secure the services of a geologist to aid me in the hole logging, sample preparation, etc., but have secured a non-technical helper to assist me .

In view of all of the above, I request that:

Not willing to WE 2/14/69

(1) Amendment No. 1, dated August 22,1968, to Contract 2256 be extended to cover Stage II of Contract 2256; and

(2) (see page 3 of Amendment No. 1) "Fixed Unit Costs "

"Bulldozing roads and drill sites, including all related costs $255.00"

be amended to read: "$330.00".

(3) (see page 3 of Amendment No. 1 :

"Categories (3) and (7) remain unchanged", be amended to read:
"Category (3) remains unchanged."

(4) (see page 5 of original Contract 2256) "Category (7) Miscellaneous:

Amend "Assaying 115 samples ------- $527.00."
to read: " Assaying 55 samples, $425.00
" Gold and Silver at $5.00/sample,
Lead, Zinc, Copper at $2.00 each metal."

Delete: " Transportation charges $25.00"

These amendments will not change the total cost to the Government as stipulated on Page 6 of original Contract 2256.

Sincerely yours,

Amedee A Peugnet

Amedee A. Peugnet, Operator

encl: 1-cc this letter

705 CHESTNUT ST., ST. LOUIS, MO. 63101 PHONE: (314) 621-1431

AMEDEE A. PEUGNET · PE CONSULTING MINING EN NEER - REG. MO.E-3556

4 February 1969

OFFICIAL COPY
O. M. E.
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FEB 10 1969
INITIALS | CODE

In duplicate.

OME Region III
RECEIVED
FEB 6 - 1969
Denver, Colorado

Mr. J. William Hasler,
Field Officer, Regio III,
Office of Minerals Exploration,
U.S. Geological Survey,
Federal Center - Bldg.53 --Rm 203,
Denver, Colorado 80225.

Subject: OME-6622 (Silver)
Amedee A. Peugnet
Tip Top Mining District
Eldorado Group Property
Yavapai County, Arizona
Contract 2256.

Dear Mr. Hasler:

Thank you for the courtesy of today's telephone call.

As you know, I have completed the drilling in above contract. I am anxious to send in my Vouchers and Report covering completion of the contract as soon as possible. Before doing this, I need to know:

1. What disposition has been made of my request for Amendment to Contract 2256, (request dated 28 November 1968) ?

2. After intensive study of my drill logs, I am firmly of the opinion that additional assays should be made before attempting to arrive at a final conclusion regarding results of this program.

Should this be done done at the time you are able to send a geolog--ist to inspect the cores, which would give both me and the OME the benefit of expert opinion, or should it be done sooner ?

3. Can you arrange to advise me about a week before you actually send someone on your staff to inspect cores ? If this is possible I could arrange to fly to Phoenix a few days before his arrival and thus have the core split in advance so as not to detain him unduly.

4. (refer to log of D.H.No.10, in my November 1968 report); Please note, first, that this hole is placed on the South side of the vein, and inclined at 45 deg. to avoid paralleling the vein. In spite of this, the last 21 ft. of the core indicates that it does parallel the contact of the quartz with the host rock. Hence, we do not know either the thickness of the quartz or whether or not a core all the way through the quartz would encounter significant mineralization. Does your experience suggest a solution to this problem ? It might be noted here that elsewhere in this hole barren appearing quartz is quite common.

Sincerely yours,

Amedee A Peugnet

705 CHESTNUT ST., ST. LOUIS, MO. 63101 PHONE: (314) 621-1431

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

October 7, 1968

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6622 (Silver)
Amedee A. Peugnet
Eldorado Group Property
Yavapai County, Arizona
Contract 2256

Verbal approval for Stage II exploration work was given the Operator upon instructions from Washington on October 7, 1968. The drilling to be authorized is as follows:

Hole No.	Location	Bearing	Vertical angle	Estimated Depth
7	100' NE Hole No. 2	S. 25° E.	-60°	120'
8	100' SW Hole 2	S. 25° E.	-60°	120'
9	130' SE Hole 3 (On west bank of arroyo)	N. 22° E.	-45°	70'
10	100' SW Hole 3	S. 25° E.	-55° -60°	100'
11	100' NE Hole 6	S. 40° E.	-55°	100'
12	100' SW Hole 6	S. 40° E.	-55°	100'
				610'

J. William Hasler

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

AMEDEE A. PEUGNET · PE - CONSULTING MINING ENGINEER - REG. MO.E-3556

13 October 1968

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

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OCT 18 1968
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Re; OME-6622 (Silver)
Amedee A. Peugnet
Eldorado Group of Claims
Yavapai County, Arizona
Contract 2256

Dear Mr. Hasler:

Referring to letter of Oct.7,1968, from Mr. Frank E.Johnson, Chief, Office of Minerals Exploration, in which the data governing drill holes Nos.7 through 12 are given:

I note that D.H. No.9 is the only hole which has its location very closely tied-down. A reasonable latitude is needed on all of these holes, but No.9 requires more latitude than any of the others. (Please refer to the enclosed sketch). The road shown has been surveyed. In the area in which D.H.No.9 might be located within reason, both banks of the creek are extremely steep; the road is very close to the edge of the creek, although there may be one or 2 places in this area where a drill can be set-up. There is a fence a few feet from the westerly side of the road, On which the ground rises abruptly. The road is a county road, technically, and carries a fair amount of traffic - especially to the ranch headquarters to the north of this area. It cannot be closed-off.

The distance between the proposed intersection of D.H.No.8 and the intersection made by D.H.No.3 is 400 ft.±. It appears that the object of closely controlling location and direction of D.H.No.9 is to intersect the vein about half-way between those intersections. But, contract specifications governing distance from D.H.No.3, bearing of hole direction, and length of hole are too tight to achieve the objective in view of the topography. Mr. Robertson will recall that both creek banks are nearly vertical; the creek bed extends from surface working numbered"8", on the sketch, to the line indicating the steep bank on the west side.

The area on which it will be practical to prepare a drill site will be sharply limited, and, since an inclination flatter than 45 d. (sin-cos.707) would not be practical, I believe a hole length of 160 ft. should be allowed, and that it would be most practical to specify a target area for the intersection of hole and vein, specifying an inclination of -60d. This would permit location of the collar at a practical location with respect to costs and time.

705 CHESTNUT ST., ST. LOUIS, MO. 63101 PHONE: (314) 621-1431

AMEDEE A. PEUGNET · PE - CONSULTING MINING ENGINEER - REG. MO.E-3556

Mr. J.William Hasler, OME-6622 13 October 1968.

It appears that the proposed intersection of D.H.No.9 with the vein would be under the creek bed.

I understand that a reasonable latitude as to location of drill holes is usually given, but I believe that the variation involved in D.H.No.9 may well be large enough that exception to it might be taken; hence, my request for specifications for it that state only target area, ##########of degree of inclination, and approximate length of hole.

In about two days I will be leaving for Phoenix in order to get the 2nd Stage of this program under way. Will you please address future communications to me at:

P.O. Box 110, Phoenix, Arizona 85001.

Unpon arrival in Phoenix I will advise you.

Sincerely,

Amédée A Peugnet

Encl: cc this letter
1- sketch Arizona claim.

705 CHESTNUT ST., ST. LOUIS, MO. 63101 PHONE: (314) 621-1431

AMEDEE A. PEUGNET · PE CONSULTING MINING ENG NEER - REG. MO.E-3556

20 October 1968

AMEDEE A. PEUGNET
P O BOX 110
PHOENIX, ARIZONA

OMEZ-6622 III
RECEIVED
OCT 22 1968
Denver, Colorado

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

Subject: OME-6622 (Silver)
Amedee A. Peugnet
Eldorado Group of Claims
Yavapai County, Arizona
Contract 2256

Dear Mr. Hasler:

I thank Mr. Gualtieri for his letter of October 17,1968 referring to re-location of Hole 9.

Possibly Mr. Robertson's memory of the topography at this particular point is a bit hazy after the passage of time.

I have plotted out the location of Hole 9, as shown on revised Figure 1 of the contract and as referred to in the text of Mr. Johnson's letter of October 7, 1968. I have also plotted out the contemplated intercept with vein resulting from this location and bearing of the hole, as shown on the enclosed sketch.

Careful field observation, yesterday, shows that the proposed location for Hole 9 is impractical because it is on a quite steep slope that may require blasting for a drill site.

The same intercept can be had from the location "9A" shown on the enclosed sketch. From Hole 3 it is N.85 E., 105 ft; pointed S.27 E. it will give the same point of interception as would location "9". The horizontal distances from the intercept are the same for both locations. Location "9A" only ordinary ' dozer preparation.

For the above reasons, I request that location shown on enclosed sketch as "9A" be authorized as location for Hole 9.

Sincerely,

Amedee A Peugnet

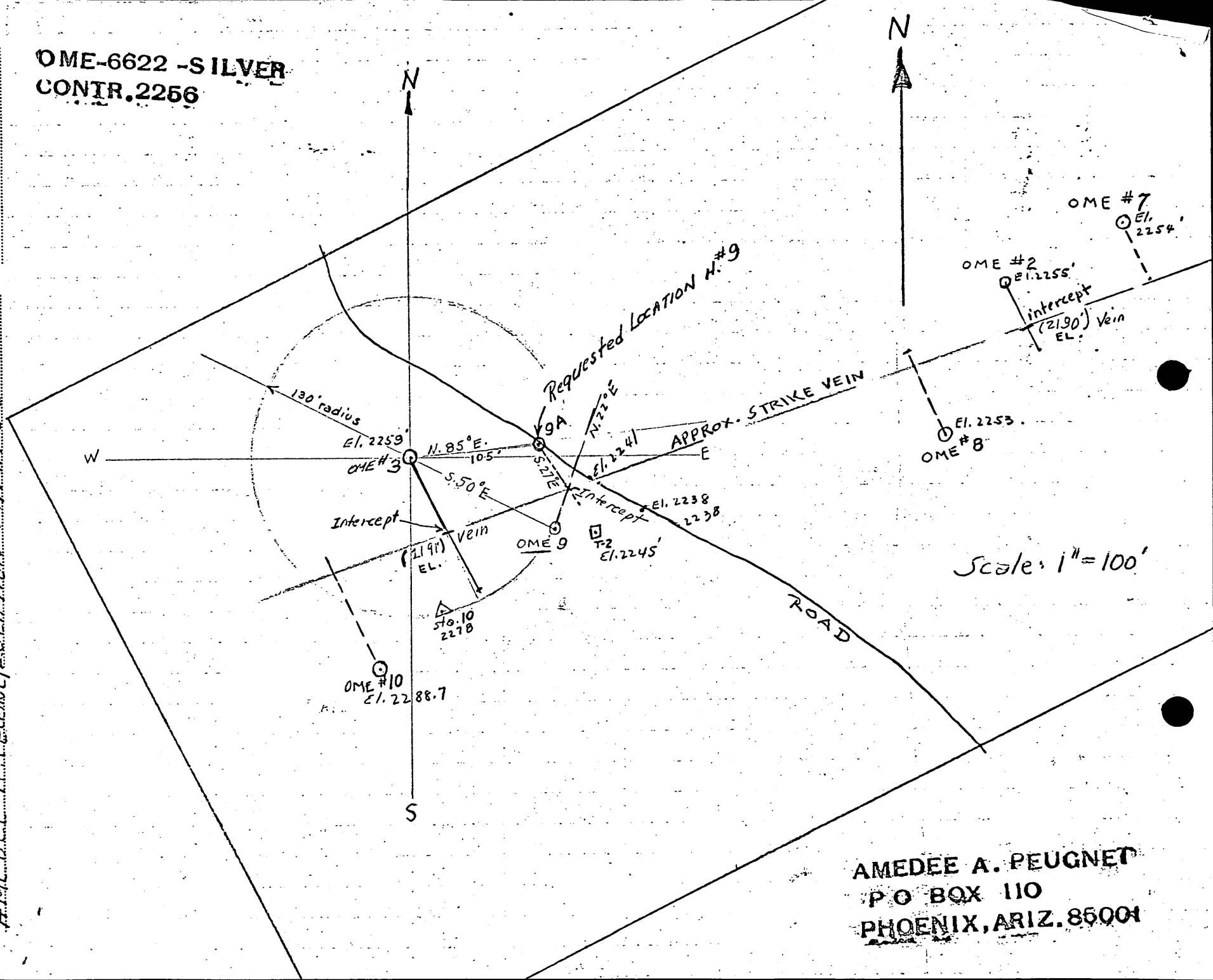
Enclosure: Sketch of Arizona claim, 1" = 100'.

ORIGINAL SCRIPT
RECEIVED
OCT 25 1968
INTERIOR'S COPY
HK

OME-6622 -SILVER
CONTR.2256

SHEET NO. ..... OF .....
JOB NO. .....

BY ..... DATE OCT 20 68 SUBJECT OME 6622
CHKD. BY ..... DATE ..... CONTRACT 2256
AMEDEE A. PEUGNET LOCATION D.H. NO. 9



AMEDEE A. PEUGNET
P O BOX 110
PHOENIX, ARIZ. 85001

Office of Minerals Exploration
Building 53 Room 203

October 17, 1968

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10
HK 130

Mr. Amedee A. Peugnet
P. O. Box 110
Phoenix, Arizona 85001

Subject: OME-6622 (Silver)
Amedee A. Peugnet
Eldorado Group of Claims
Yavapai County, Arizona
Contract 2256

Dear Mr. Peugnet:

In regard to your letter of October 13, 1968 requesting permission to relocate Drill Hole No. 9, I have discussed the matter with Mr. Jacques Robertson, who as you know, has been responsible for handling your contract. Drill Hole No. 9 is located so as to intersect the vein sufficiently close to Drill Hole No. 3 to insure proper correlation; if the hole were located midway between Drill Holes 2 and 3 and were it successful in intersecting a vein, correlation with the adjacent drill holes would nevertheless remain dubious. Further, location of Drill Hole No. 9 as specified in Mr. Robertson's letter of October 7th will place it in a position which is sufficiently west of the creek to avoid the attendent difficulties of collaring in and penetrating terrace gravels. For reasons stated above your request to relocate Drill Hole No. 9 is denied.

Most sincerely,

James L. Gualtieri, Geologist
Office of Minerals Exploration

cc: Chief, OME
OME chron
Mr. Hasler
OME-6622

Office of Minerals Exploration
Building 53 Room 203

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RECEIVED
OCT 25 1968
REMARKS CODE
BJ 120
HK 120

October 23, 1968

Mr. Amedee A. Peugnet
P. O. Box 110
Phoenix Arizona 85001

Subject: OME-6622 (Silver)
Amedee A. Peugnet
Eldorado Group of Claims
Yavapai County, Arizona
Contract 2256

Dear Mr. Peugnet:

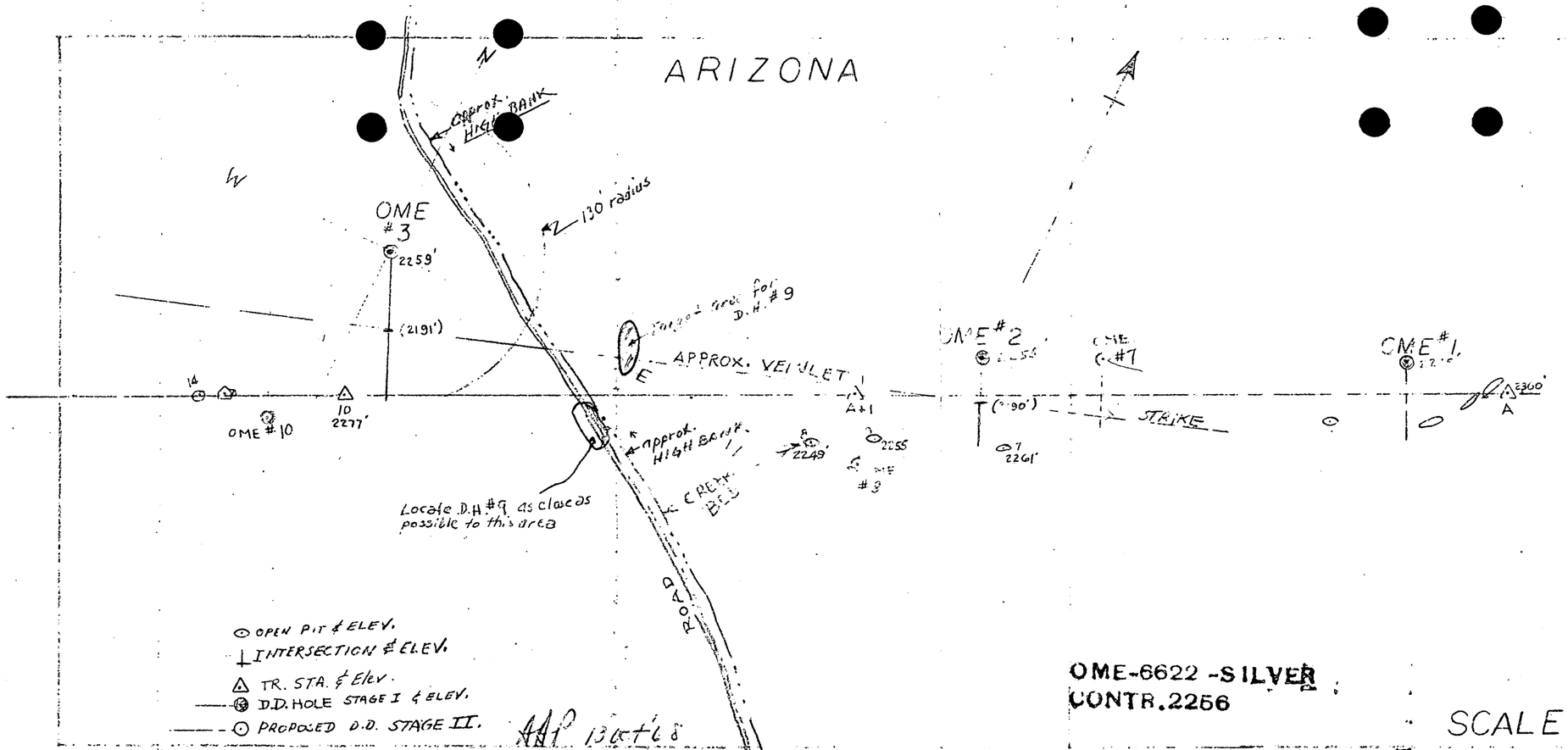
Regarding your letter of October 20 requesting that hole 9 be relocated to position of hole 9A on your accompanying sketch map, I see no objection to moving the hole location as long as the target remains the same, the length of hole is not changed substantially from the original authorized, and provided that no complications are indicated by the terrain and underlying material. Hole location 9A is close to the bank of the arroyo, where it is thought that the drill hole might collar in terrace gravel and penetrate such material for considerable distance. That is the main reason for the original location of hole 9; if it appears to you that the 9A location is at bedrock or close to it, then you are hereby authorized to move to the 9A drill site, with the hole bearing S. 27° E. and inclined -45°. Common sense may dictate some adjustment of drill site away from the banks of the arroyo, thereby changing somewhat the bearing and possibly the inclination of the hole to intersect the same target.

You should not have to place hole 9 where you would encounter difficulties and extra expense because of terrain.

Sincerely yours,

Jacques F. Robertson, Geologist
Office of Minerals Exploration

cc: Chief, OME
OME-6622
OME chron
Mr. Hasler
Mr. Robertson



AAP 10-6-68

SKETCH of ARIZONA CLAIM of ELDORADO GROUP.
to accompany letter of Oct. 13, 1968 to J. William Hacker.

OME-6622 -SILVER
CONTR.2256

SCALE: 1" = 100'

AMEDEE A. PEUGNET
P O BOX 110
PHOENIX, ARIZ. 85001

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
10/7/68	Kirkemo	120
		120
		110
10/7	cc	220
		120M

OCT 7 1968

AIRMAIL

Mr. Amedee A. Peugnet
705 Chestnut Street
St. Louis, Missouri 63101

Re: OME-6622 (Silver)
Amedee A. Peugnet
Eldorado Group of Claims
Yavapai County, Arizona
Contract 2256

Dear Mr. Peugnet:

We have reviewed the information obtained from the six holes drilled on Stage I of the contract, and hereby authorize work on Stage II. However, on the basis of this information, we authorize only six additional holes instead of the eight holes recommended in your letter of August 22.

Holes 2, 3, and 6 in Stage I cut well mineralized veinlets on the Arizona and Eldorado claims, but it is not possible to correlate these as points along a continuous vein structure, or to identify these as penetrations of individual ore shoots. In order to better determine the continuity and extent of this mineralization, we authorize the following holes on Stage II:

Hole No.	Location	Bearing	Inclination	Length in feet
7	100' NE of Hole 2	S. 25° E.	-60°	120
8	100' SW of Hole 2	S. 25° E.	-60°	120
9	130' SE of Hole 3 and on west bank of arroyo	N. 22° E.	-45°	70
10	100' SW of Hole 3	S. 25° E.	-55° to -60°	100
11	100' NE of Hole 6	S. 40° E.	-55°	100
12	100' SW of Hole 6	S. 40° E.	-55°	100

These holes are shown on enclosed, revised Figure 1 from the contract.

Adjustments in these locations and bearings may be necessary because of the terrain. Except for Hole 9, perhaps some holes could be drilled more conveniently from the south side of the Arizona and Eldorado veins, and directed and inclined to the northwest. Any additional holes on Stage II will be contingent on the results obtained from the first 12 holes drilled on the contract.

Questions regarding the details of the above plan for Holes 7-12 should be directed to Mr. J. W. Hasler, Field Officer, OME Region III.

If work cannot be resumed on the contract by November 1, please advise us when you expect to resume work so that we can extend the current period of recess.

Sincerely yours,

FRANK E. JOHNSON (glk)

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosure

cc: Director's Reading File
Economic Geology File
OME Docket
OME Reading File
Region III
Mr. Kirkemo

HKirkemo/bsl 10/7/68

U. S. DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

OME-6622
(Silver)

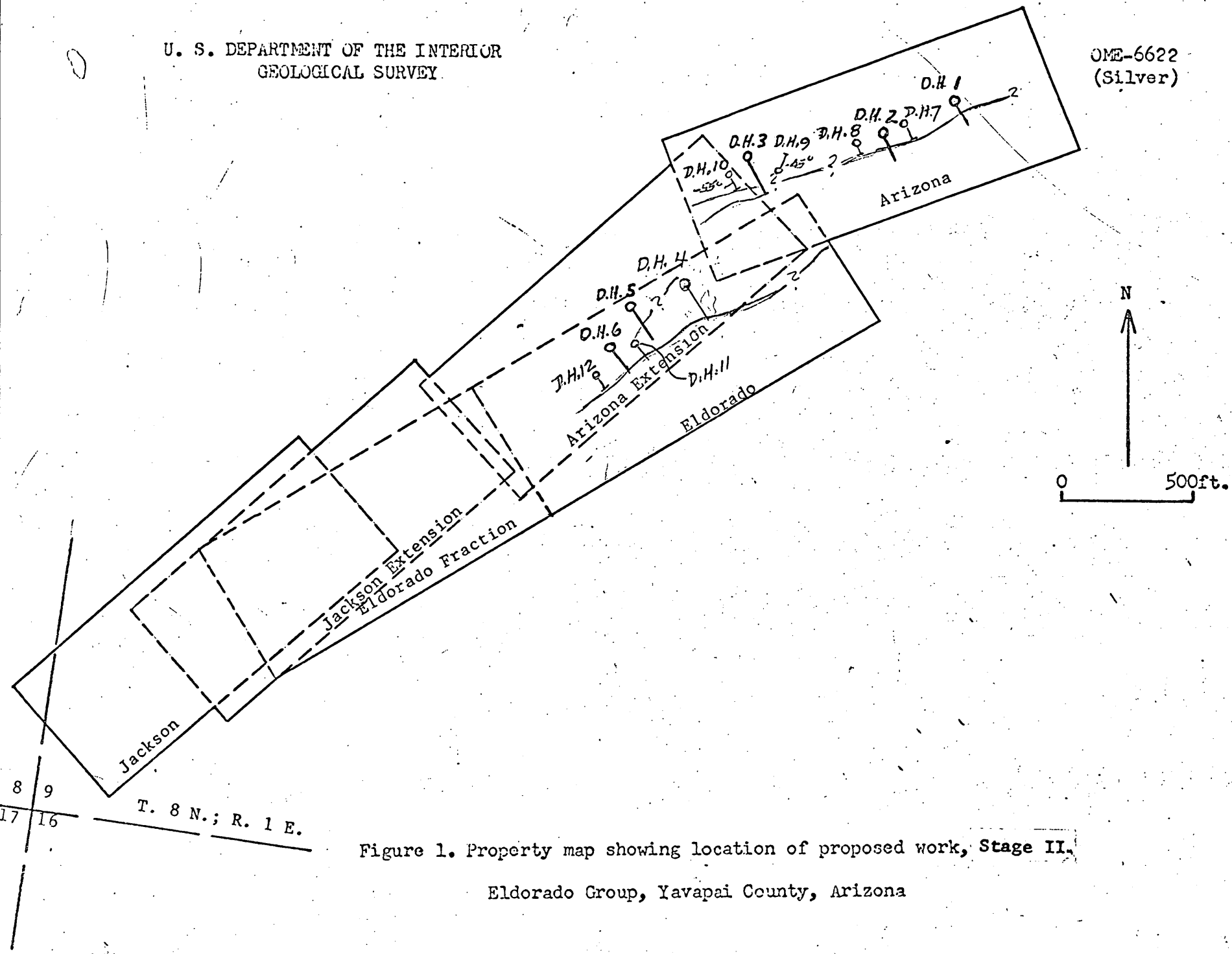


Figure 1. Property map showing location of proposed work, Stage II.

Eldorado Group, Yavapai County, Arizona

m 7

OFFICIAL FILE COPY

Date	Surname	Code
9/18/68	Kirkham	120
		110
		120M

September 18, 1968

Memorandum

To: Chief, Branch of Budget and Finance

From: Chief, Office of Minerals Exploration

Subject: OME-6622 (Silver)
Amedee A. Peugnet
Eldorado Group of Claims
Yavapai County, Arizona
Contract 2256

Enclosed are two vouchers submitted by the Operator--a reclaim voucher with Suspension Statement for disallowances on the April 1968 voucher, and a voucher for May-June 1968 with accompanying supporting data.

Amendment No. 1 to the contract was executed subsequent to the disallowances to the April voucher, and the following claims are now approved:

Geologist's salary	$250.00
Bulldozing roads and drill sites, including all related costs	255.00
Social Security for geologist	11.00
Total	$516.00

Total approved costs for the relaim voucher and for the original voucher are as follows:

Reclaim	$3,452.22
Original voucher	2,936.22
Balance approved	$ 516.00
Government participation @ 75%	$ 387.00

Referring to the Operator's voucher for May-June 1968, the disallowances noted by the Field Officer on MME Form 61 and explained in the accompanying memorandum (copy enclosed) were made prior to execution of Amendment No. 1 to the contract. Three of the items disallowed by the Field Officer are reclaimed on the reclaim voucher already discussed, and subsequent corrections were made by the Assistant Chief, OME, in accordance with provisions of the contract, as amended.

To summarize the three vouchers submitted by the Operator to date, total approved costs to date, monthly totals and Government share, and amounts recommended for payment are as follows:

	Total approved costs to date	Monthly total approved costs	Gov't share of monthly total	Recommended for payment
April, original voucher, already processed	$ 2,936.22	$2,936.22	$2,202.17	Paid 6/25/68
April, reclaim voucher	3,452.22	516.00	387.00	$ 387.00
May-June voucher	12,456.74	9,004.52	6,753.39	$6,753.39

Please withhold $200.00 from payment pending start of work on Stage II of the contract, or receipt of an acceptable Operator's final report if work is not resumed on the contract.

FRANK E. JOHNSON (gla)

Frank E. Johnson

Enclosures

cc: Director's Reading File
Economic Geology File
OME docket
OME Reading File
OME Region III
Mr. Kirkemo

HKirkemo/gla 9-18-68

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

September 16, 1968

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O. M. E.
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gla 150
gla 120 m
JK 140
120

Memorandum

To: Chief, Office of Minerals Exploration

From: Jacques F. Robertson

Subject: OME-6622 (Silver)
Amédée A. Peugnet
Eldorado Group of Claims
Yavapai County, Arizona
Contract 2256

Exploration drilling under Stage I of the subject contract was completed on June 2, 1968, and the operator by letter of July 13 requested a recess until October before proceeding to Stage II, in order to evaluate the results of Stage I and allow the operator time to recover part of the costs of the program. The data derived from the drilling program is presented in the operator's narrative report for May-June, 1968 dated July 6. The following evaluation and recommendations are based on that report along with the interim inspection of the property on June 21, reported on June 28.

Of the 6 surface core holes drilled, 3 encountered narrow intercepts of silver mineralization of significant value, apparently associated with the lead sulfide mineral, galena. The other 3 holes were essentially barren. Two of the mineralized holes, Nos. 2 and 3, are located adjacent to each other on the Arizona Claim, as shown on the map accompanying the operator's narrative report. My inspection of the cores to holes Nos. 1, 2 and 3 completely substantiates the statement made by the operator in his report, last paragraph on page 1, to the effect that the cores do not show visible evidence of vein structures, even though core recovery ran better than 90 percent. The cores generally display scattered veinlets of quartz, most of them barren, in fresh looking granitic gneiss, and no connection could be traced between a veinlet in one hole and those in another hole. Although the operator proposes a fault to account for the lack of definite vein structure, there is really no evidence to support this idea.

In drill hole No. 2 the interval of core that has significant silver values is between 74.3 and 77.4 feet below the collar. The assay values for silver and the calculated weighted average value for the interval are tabulated below.

Drill Hole No. 2

Sample No.	Interval	Length	Ag(oz/t)	Length x Assay
2709	74.33 - 74.71	.38	0.40	.16
2710	74.71 - 75.00	.29	1.80	.52
2711	75.00 - 75.38	.38	229.20	87.09
2712	75.38 - 75.71	.33	35.60	11.75
2713	75.71 - 76.17	.46	1.40	.64
2714	76.17 - 76.67	.50	0.40	.20
2715	76.67 - 77.08	.42	0.40	.17
2716	77.08 - 77.41	.33	1.00	.33
		3.09		100.86

0.71

Wt. Avg. = 32.64 oz. Ag/ton

Gold values are virtually nil. Most of the silver values are concentrated between 74.71 and 76.17 feet from the collar, or in an interval only 1.5 feet long; with the -60° inclination of the hole and assuming close to a vertical dip, the vital part of the vein is only 0.75 foot thick.

Drill hole No. 3, 500 feet to the west (See map of Arizona Claim with operator's narrative report) has a mineralized intercept 2.75 feet long between 96.42 and 99.17 feet below the collar of the hole. The assays and the average of weighted values across the interval are given below:

Sample No.	Interval	Length	Ag(oz./t)	Length x Assay
2723	96.42 - 97.42	1.00	0.50	0.50
2722	97.42 - 98.17	.75	40.40	30.30
2724	98.17 - 99.17	1.00	2.70	2.70
		2.75		33.50

Wt'd. Avg. = 12.20 oz Ag/ton

Again, gold values are nil.

Assuming a nearly vertical dip on the vein, the mineralized part is about 2 feet thick. The weighted silver values are reduced to 9.6 oz. Ag/ton if a minimum mining width of 3.5 feet is considered.

Drill hole No. 6 was the only one of 3 on the Eldorado Claim that encountered silver mineralization, and it is located about 560 feet from the west end of the claim. The assays from the intercept and the weighted average value for silver are listed below:

Sample No.	Interval	Length	Ag(oz./t)	Length X Assay
2728	71 - 72	1.00	0.70	0.70
2729	72 - 72.5	.50	244.90	122.45
2730	72.5 - 73.25	.75	0.70	0.53
		2.25		123.68

Wt'd Avg. = 55.0 oz. Ag/ton

With a steep dip on the inferred vein and the -55° angle of the drill hole intersecting it, the mineral values span 1.5 feet of true vein thickness. Evaluating these assays over a 3.5 foot minimum mining width would give 35.4 oz Ag/ton.

At least 3 possibilities may be entertained regarding the mineralization between and beyond drill holes Nos. 2 and 3.

1) The mineralized portions in the 2 holes may be intercepts on an obscure vein that extends at least the 500 feet between the holes. If so, the vein would dip steeply and strike N. 70° E.; probably it would range from less than 0.5 to little more than 2 feet thick. The silver mineralization could be either sporadic or fairly continuous.

2) The mineralized intercepts may be lozenge-shaped in narrow, discontinuous, short veins that are scattered through a zone in the gneiss that trends generally N.N.E. The silver mineralization would in this case be sporadic, like raisins in a loaf of bread. The showings of narrow veinlets of quartz in all the drill holes strongly suggest this possibility.

3) It is possible that the veins and veinlets are randomly oriented, so that the mineralized intercepts from the 2 holes are unrelated and isolated occurrences.

These 3 possibilities apply equally as well to the mineralization in drill hole No. 6 on the Eldorado claim.

From the foregoing, it is clear that the distance of 500 feet between the drill holes plus the uncertain information regarding the continuity of vein structures and mineral values prevents adequate evaluation of the deposit. At this stage, no discovery could properly be established or certified, yet the values encountered suggest the possibility of small mineable ore bodies.

Conclusions and Recommendations

Approximately $11,500 have been expended to date on the Eldorado property to explore for new and undiscovered reserves of silver by shallow diamond drilling. Relatively thin but significantly rich mineralized quartz veins or veinlets intersected in 3 of the 6 holes drilled, under Stage I of the exploration contract on the Arizona and Eldorado claims, suggest discontinuous, lenticular, small ore shoots, sparsely distributed, and containing limited tonnages of silver ore. Little can be inferred about these mineralized veins because of the wide spacing of the drill holes. If a certificate of discovery is called for, however, by the silver values and intercepts disclosed by the drilling under Stage I, then limited additional drilling is needed under Stage II to define and evaluate the mineralized veins, to determine if one or more ore shoots in fact exist, and if they have some continuity in length, in thickness, and in silver values. To adequately complete exploration work on the Arizona and Eldorado claims a minimum of 6 holes should be drilled under Stage II of the contract as outlined below. Extending the drilling program at this time to include new areas, such as the Jackson claim to west or the rest of the Eldorado claim as requested by the operator for Stage II, is not warranted by the results of Stage I.

Even though the amount of ore grade silver-bearing rock encountered in the Arizona and Eldorado claims seems insignificant when compared to other properties explored under the OME program, each finding must be adequately tested and evaluated to satisfy the conditions of a true discovery. In this case, OME would not have completed the necessary evaluation of the exploratory drilling program if the work is terminated upon completion of Stage I drilling.

The drilling recommended under Stage II includes (Refer to the map accompanying operator's report): 1. Two drill holes bracketing No. 2 drill hole, spaced 100 feet to east and to west of it along the apparent trend of the veins. Each hole would be located about 40 feet north of the centerline of the Arizona claim, bear S. 25° E. parallel to drill hole No. 2, and be inclined approximately -60°. Neither hole need exceed 120 feet to adequately explore extensions of the mineralized intercept penetrated at 75 feet in drill hole No. 2.

2. Two drill holes bracketing No. 3 drill hole, spaced to explore targets 100 feet east and west of the mineralized intercept along the apparent trend of the veins. The one to west would be located 100 feet west of No. 3 drill hole, and 90 to 100 feet north of the centerline of the claim, bear S. 25° E., and be inclined -55° to -60°. One hundred feet would be adequate length of this hole. The hole east of No. 3 drill hole would have to be located with due consideration to the arroyo that cuts across the claim near the target area. A suggested site for the collar of this hole is approximately 130 feet southeast from No. 3 drill hole on the west bank of the arroyo along the access road. It would be directed toward the target 100 feet approximately N. 22° E., and inclination of -45°; a target area at a depth of 60 or 70 feet.

3. Two drill holes bracketing No. 6 drill hole, spaced to explore targets 100 feet east and west of the mineralized intercept ~~(along the intercept)~~ along the apparent trend of the veins. Both holes would test the ground at the same depth, with a suggested bearing of S. 40° E., and inclination of -55°. Lengths of 100 feet should be adequate.

Some adjustments to the suggested locations and arrangement of drill holes may be necessary because of possible difficulties of terrain. Because the veins dip steeply, the holes in any of the cases outlined above may be more conveniently drilled from locations to the south with bearings to north. Holes outlined above that encounter significant mineralization could be followed up with one or more holes drilled on possible lateral extensions of the vein in addition to those proposed, within the scope of the contract. Total footage allowed under Stage II of the contract does not exceed 1,000 feet. This amount does not permit any significantly deeper drilling on the inferred veins nor would it seem to be justified. The proposed shallow drilling program under Stage II would yield the most information for the footage available, and allow a suitable evaluation to be made of the mineralized veins.

Jacques F. Robertson

Jacques F. Robertson, Geologist
Office of Minerals Exploration

AMEDEE A. PEUGNET · PE - CONSULTING MINING ENGINEER - REG. MO.E-3556

22 August 1968

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 27 1968
INITIALS | CODE
~~130~~
Rel 120 M
9/21 110
120 K

Mr. J. William Hasler,
Mr. Jacques Robertson,
Field Officers, Region III,
Office of Minerals Exploration,
U.S. Geological Survey,
Federal Center, Bldg.53 -Rm.203.
Denver,Colorado 80225.

Subject: OME-6622 (Silver)
Amedee A. Peugnet
Eldorado Group Property
Tip Top Mining District
Yavapai County, Arizona
Contract 2256

Gentlemen:

Stage I of reference contract is completed. Analysis of the results obtained from this drilling program indicates a reasonable probability that an orebody, or orebodies, of commercial quality and tonnage can be outlined by going ahead with Stage II of referenced contract.

The number and spacing of diamond drill holes authorized by Stage I is inadequate to substiantiate a firm claim that orebodies of a commercial value either do or do not exist. However, the analysis, as set forth in my Report of July 13,1968, covering Stage I of this contract demonstrates, I believe, that Stage II should be completed in order to capitalize on the expenditures made on Stage I.

I request that Stage II of Contract 2256 be authorized, field work to commence in October 1968.

Stage II would involve the bulldozing as set forth in the contract, if holes are located where shown on Enclosure 10A of application - if changes are made an additional 16 hours of bulldozer work needs to be authorized; it would involve, also, (Ref. Enclousure 10A of Application) diamond drilling the holes designated: #2, #4A, #5, #9, #10, #11, #12, #13, as shown thereon, except that #5 should be moved 350 feet southwesterly, and #13 might be inclined at 80 degrees toward the vein.

There is a large measure of urgency in reaching a decision to authorize this work because:

(a) After mid-December present crossings of the Agua Fria River are frequently closed due to high water, (closed for weeks);
(b) The difficulty, (time and expense involved), in finding a bulldozer and operator to do the necessary preliminary work;
(c) The difficulty, (time and expense involved), in finding a geologist for such a short period of employment at a salary within the limits imposed by the contract.

705 CHESTNUT ST., ST. LOUIS, MO. 63101 PHONE: (314) 621-1431

AMEDEE A. PEUGNET · PE - CONSULTING MINING ENGINEER - REG. MO.E-3556

OME-6622, Contract 2256 22 August 1968

Also, before I can be financially competent to carry-out my obligations under Stage II of Contract 2256 it will be necessary for me to receive at least a substantial payment on my Vouchers for the May-June, 1968 work done on Stage I of this contract, because the cost of it has tied-up my operating funds. To this end, I have already, on July 6, 1968, requested certain amendments to Contract 2256 designed to eliminate certain inequities that arose due to the conditions that arose between the date of filing application and issuance of a contract, and conditions inherent to the location by reason of its present inaccessibility. This last condition would be removed if a commercial orebody were found.

Sincerely yours,

Amedee A Peugnet

705 CHESTNUT ST., ST. LOUIS, MO. 63101 PHONE: (314) 621-1431

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

July 23, 1968

OFFICIAL COPY
O. M. E.
RECEIVED
JUL 25 1968

INITIALS	CODE
	430
	120
	120

Memorandum

To: Chief, Office of Minerals Exploration

From: Jacques F. Robertson

Subject: Operator's Monthly Voucher for months of May and June, 1968
OME-6622 (Silver)
Tip Top Mining District
Eldorado Group Property
Yavapai County, Arizona
Contract 2256

Enclosed are the original and 2 copies of the subject vouchers and accompanying progress and narrative reports of the operator. The costs incurred and work units completed on the drilling program during May and June have been reviewed on MME Form 61, and those considered eligible for payment under the terms of the contract are listed as approved costs on the right side of the form. A number of items were disapproved in whole or in part because they did not meet the conditions of the contract, or exceeded the costs permitted by the contract. Amendments have been requested by the operator to permit payment of these items, but it seems best to put through the voucher for payment of allowable costs now and not wait for formulation and endorsement of the amendments. A reclaim voucher can be entered later covering the amounts disallowed, when amendments have been prepared and executed. One such voucher has been forwarded already to reclaim costs disallowed on the April voucher, in anticipation of favorable action on requested amendments.

The following observations are keyed to the items shown on the MME Form 61:

1. Only 20 hours @ $15.00/hr. allowed; amendment has been requested 7-6-68.

2. Only 30 ft. @ $8.60/ft. allowed; no amendment has been requested.

3. Letter of operator 7-6-68 requests <u>no</u> payment of $8.70 in excess of contract.

4. Disallowed inasmuch as bulldozing not done by independent contract as called for. Amendment requested 7-6-68 to reclaim, and reclaim voucher submitted at same time. The amendment, however, would split up this item between bulldozer rental and salary for bulldozer operator.

5. Terms of contract allows only 100 boxes @ $1.00/box. I recommend payment for 127 boxes if liberal interpretation of category is possible.

6. Allow $470.00 only to pay operator-supervisor. Two more days beyond 1.5 months of contract claimed, recommend approval. However, disallow $68.00 for bulldozer operator (as per 4. above). Disallow $783.34 for geologist, under present terms of contract. Amendment requested 7-6-68 to permit payment of latter item.

7. Allow $20.68 social security tax for operator-supervisor. Not allowed -- $2.99 social security tax for bulldozer operator and $34.47 social security tax for geologist. May be reclaimed later if contract is amended per 6. above.

8. Disallowed; State employee disability insurance may be reclaimed if contract is amended per 6. above to establish operator as employer.

9. Allow $81.00 only; contract permits $3.00/sample for gold and silver. Amendment to change rate requested 7-6-68.

10. Summary:

Total claimed to date	$12,627.43		
Amount allowable to date	10,574.33	Amount allowable to date	$10,574.33
		Approved for payment-	
Amount disallowed	$ 2,053.10	April voucher	2,936.22

Total recommended for approval May-June voucher $ 7,638.11

Enclosed with Mr. Peugnet's cover letter of 7-13-68, vouchers, narrative report, and bills is a letter dated 7-16-68 pertaining to copies of errata to accompany the narrative report.

An appraisal of the results obtained under Stage I of the OME contract in light of the data submitted in Mr. Peugnet's report and my recent field inspection, and recommendations for further work under Stage II will be the subject of another letter.

Jacques F. Robertson

Jacques F. Robertson, Geologist
Office of Minerals Exploration

SEE BACK OF ORIGINAL FORM FOR INSTRUCTIONS

U-17 Ⓟ

PAYROLL AND PREMIUM REPORT

THE INDUSTRIAL COMMISSION OF ARIZONA

1616 W. ADAMS PHOENIX, ARIZONA, 85007

REMIT TO P.O. BOX NO. 6968

POLICY NO.

PAYROLL PERIOD

FROM MO	FROM DAY	FROM YR	TO AND INCLUSIVE MO	TO AND INCLUSIVE DAY	TO AND INCLUSIVE YR
05	04	68	05	31	68

71230 A A PRUGNET
P O BOX 110
PHOENIX ARIZ 85001

MO. E

IMPORTANT

COMPLETE CORPORATE OFFICERS AND AIRCRAFT INFORMATION ON BACK SIDE OF ORIGINAL.

CODE	DESCRIPTION OF WORK PERFORMED	1 TOTAL WAGES INCLUDE VALUE OF BOARD & LODGING	2 COMPENSATION RATE	3 COMPENSATION PREMIUM	4 OCCUPATIONAL DISEASE RATE	5 OCCUPATIONAL DISEASE PREMIUM	6
1167	MINING	555.00	.0744	41.29	.0002	.11	
8810	CLERICAL		.0019		.0001		
	(55.00 ROOM + BOARD)						
							FOR OFFICE USE ONLY
LINE A - TOTAL THIS REPORT				41.29		.11	41.40
LINE B - PRIOR BALANCE DUE ADV. DEP. DUE							
LINE C - TOTAL AMOUNT DUE							

PAID
JUN 17 1968
THE INDUSTRIAL COMMISSION OF ARIZONA
By - R. B.

THIS REPORT IS DUE AND PAYABLE ON THE FIRST DAY OF THE MONTH FOLLOWING THE END OF THE PAYROLL PERIOD AND BECOMES DELINQUENT ON THE LAST DAY OF THAT MONTH.

FOR OFFICE USE ONLY

REMIT THIS AMOUNT

I/We hereby certify that this report is a true and complete statement of all salaries, wages, sums paid or due for regular time, overtime, piece work, commissions, board, lodging, merchandise, credits and other allowances or substitutes for cash earned by or allowed to, all persons on my/our payroll or in my/our employ during this period, and/or covered by this policy.

DATE _____ SIGNATURE Amedee A Prugnet TITLE _____

COMPLETE AND RETURN ORIGINAL TO THE INDUSTRIAL COMMISSION. RETAIN DUPLICATE FOR YOUR FILES.

*BE SURE TO COMPLETE STEP 11 & STEP 12 ON BACK OF ORIGINAL.

AMEDEE A. PEUGNET · PE - CONSULTING MINING ENGINEER - REG. MO.E-3556

4 September 1968

Mr. Jacques F. Robertson, Geologist
Office of Minerals Exploration
U. S. Geological Survey
Federal Center, - Bldig.53 -Rm.203
Denver, Colorado 80225.

Subject: OME-6622(Silver)
Amedee A. Peugnet
Eldorado Group Property
Tip Top Mining District
Yavapai County, Arizona
Contract 2256

Dear Mr. Robertson:

This accompanies my revised vouchers, MME Forms 60 & 61, covering field work, drilling, for April 1968.

Please note that on Forms 60 & 61 the item: "casing lost in completed hole: "15 ft. $30.00",is correct in that the footage conforms to the driller's bill, and the amount conforms to the terms of the contract.

Documentation of costs remains in Government hands with my original set of vouchers, but I have prepared a new pay roll sheet that is identical with the one originally submitted except that it does not include any personal services which are not allowed by the contract.

I acknowledge receipt of $2,202.17, to date, on account of Government Participation in OME-6622 Contract 2256.

Sincerely yours,

Amédée A Peugnet

705 CHESTNUT ST., ST. LOUIS, MO. 63101 PHONE: (314) 621-1431

MME FORM 6
SEPT. 1959

AMEDEE A. PEUGNET
P O BOX 110
PHOENIX, ARIZ. 85001

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OFFICIAL
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O. M. E.
RECEIVED
SEP 27 1968

Docket No. OME 6622
Contract No. 2256
-23-090-
Contract Amount $23,800.00
Cost Participation % 75 $ 17,850.00
Mineral(s) silver

OPERATOR'S MONTHLY VOUCHER

For Month of May and June
(completion)
of Part 1

INITIALS OF OFFICER

Operator's Name Amedee A. Peugnet
Address 4605 Lindell Blvd; St. Louis, Mo.

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	--	255.00	255.00			
Drilling: paving and set up	450.00	300.00	750.00			
Cos[illegible]ing: casing lost in com. hole	--	38.70	38.70			
Drilling: non-conf. collar pipe	344.00	232.20	576.20			
mobilization	100.00	100.00	200.00			
Bx core drilling	6794.70	2023.50	8818.20			
(2) Personal Services:						
Supervision & Technical	853.34	468.00	1321.34			
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
~~Timber~~ cement	9.98	2.15	12.13			
Explosives						
Pipe						
Rail						
core boxes	127.00	--	127.00	100.00		
(4) Operating Equipment:						
Rental water truck	190.00	88.62	278.62			
~~Purchase~~ " " mile.	2.55	3.15	5.70			
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work	145.00	--	145.00	81.00		
Payroll Taxes soc. sec.	37.55	20.59	58.14			
Employee's Liability Ins.	41.40	---	41.40			
TOTALS	9095.52	3531.91	~~12,627.43~~	900.52		12456.74

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

Date 7/6/68 *Payee Amedee A Peugnet

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: 6753.39 14X0804
200.00 14X6875(08)
$ 6553.39

Signature [illegible] (Authorized Certifying Officer)

Date SEP 25 1968 Vou. No. 91910

(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. 2256.

Signature J. William Hasler Title Field Officer Date 7/22/68

Approved by OME Executive Officer or Alternate:

Signature J. William Hasler Title Field Officer Date 7/22/68

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
SEPT. 1959

AMEDEE A. PEUGNET
P O BOX 110
PHOENIX, ARIZ. 85001

HK 9/17/68

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT

For Month of May and June (completion) Part 1

Docket No. 0 ME - 6622

Operator's Name Amedee A. Peugnet

Contract No. 14-23-090- 2256

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 mobilization	flat	I/2	I	200.00	1/2	1	200.00
Crosscutting moving and set up	hrs.	30	50	750.00	~~0~~ 30	~~20~~ 50	750.00 ~~300.00~~ 1/
Raising non-core collar pipe	ft.	40	67	576.20	3	30	576.20 ~~258.00~~ 2/
Shafts casing lost in hole	ft.	--	I5	38.70	0	15	30.00 3/
Winzes cement and additives	-	2	3	12.13	2	3	12.13
Other Underground							
Drilling, Core-Diamond Bx	ft	957	1242	8818.20	672	957	8,818.20
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous bulldoz'g	hr	—	17	255.00	0	~~0~~ 255.00	255.00 ~~0~~ 4/
core boxes	box	I27	I27	I27.00	100	100	100.00 5/
Supervision, tech		32 day	47	1321.34	32	47	1253.00 ~~470.00~~ 6/
Roads and Trails water truck rent	mo.	1	1 +14/30	278.62	1 mo.	1+14/30 mos.	278.62 HK
Stripping " "							
Trenching miles	mi.	17	38	5.70	17	38	5.70
Test Pitting soc. sec.		37.55	58.14	58.14	37.55	[illegible]	55.15 ~~20.68~~ 7/
Other Surface Work Empl. Liabil. Ins.		41.40	41.40	41.40	41.40	41.40	41.40 8/
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work				I45.00			81.00 9/
							~~10,574.33~~ 10/
TOTAL TO DATE (per MME Form 60)				12,627.43			12,256.74 HK

REMARKS

(Continue on back)

REMARKS

For explanation of footnotes see attached copy of memorandum Robertson to Chief OME, July 23, 1968

See attached memorandum from Chief OME dated 9/9/68 for subsequent changes. HK.

(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 7/6/68 Operator Amedee A Peugnet

Per _____ Title _____

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 July 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.

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: Amedee A. Feugnet
P.O. Box 110
Phoenix, Ariz. 85001

Amount Claimed:	Differences (Explained Below)	Amount Approved
9,035.52	91.00	9004.52 6753.39 Govt. Part. 200.00 *
Mu. Voucher No.	Payee's Invoice No.	Period
	Docket #6622 Contract 2256	May & June

EXPLANATION

Claimed 127 core boxes @ 1.00	$127.00	
Contract allows only 100 boxes @1.00	100.00	27.00
Claimed 27 assays	145.00	
Contract allows 27 @ 3.00 per sample	81.00	64.00
		91.00

* 200.00 is being withheld pending start of Stage 2 or final report if work is not to be resumed

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

MG

Branch of Budget and Finance

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

July 23, 1968

OFFICIAL COPY
O. M. E.
RECEIVED
JUL 25 1968
INITIALS CODE

Memorandum

To: Chief, Office of Minerals Exploration

From: Jacques F. Robertson

Subject: Operator's Monthly Voucher for months of May and June, 1968
OME-6622 (Silver)
Tip Top Mining District
Eldorado Group Property
Yavapai County, Arizona
Contract 2256

Enclosed are the original and 2 copies of the subject vouchers and accompanying progress and narrative reports of the operator. The costs incurred and work units completed on the drilling program during May and June have been reviewed on MME Form 61, and those considered eligible for payment under the terms of the contract are listed as approved costs on the right side of the form. A number of items were disapproved in whole or in part because they did not meet the conditions of the contract, or exceeded the costs permitted by the contract. Amendments have been requested by the operator to permit payment of these items, but it seems best to put through the voucher for payment of allowable costs now and not wait for formulation and endorsement of the amendments. A reclaim voucher can be entered later covering the amounts disallowed, when amendments have been prepared and executed. One such voucher has been forwarded already to reclaim costs disallowed on the April voucher, in anticipation of favorable action on requested amendments.

The following observations are keyed to the items shown on the MME Form 61:

1. Only 20 hours @ $15.00/hr. allowed; amendment has been requested 7-6-68.

2. Only 30 ft. @ $8.60/ft. allowed; no amendment has been requested.

3. Letter of operator 7-6-68 requests <u>no</u> payment of $8.70 in excess of contract.

4. Disallowed inasmuch as bulldozing not done by independent contract as called for. Amendment requested 7-6-68 to reclaim, and reclaim voucher submitted at same time. The amendment, however, would split up this item between bulldozer rental and salary for bulldozer operator.

5. Terms of contract allows only 100 boxes @ $1.00/box. I recommend payment for 127 boxes if liberal interpretation of category is possible.

6. Allow $470.00 only to pay operator-supervisor. Two more days beyond 1.5 months of contract claimed, recommend approval. However, disallow $68.00 for bulldozer operator (as per 4. above). Disallow $783.34 for geologist, under present terms of contract. Amendment requested 7-6-68 to permit payment of latter item.

7. Allow $20.68 social security tax for operator-supervisor. Not allowed -- $2.99 social security tax for bulldozer operator and $34.47 social security tax for geologist. May be reclaimed later if contract is amended per 6. above.

8. Disallowed; State employee disability insurance may be reclaimed if contract is amended per 6. above to establish operator as employer.

9. Allow $81.00 only; contract permits $3.00/sample for gold and silver. Amendment to change rate requested 7-6-68.

1) 10. Summary:

Total claimed to date	$12,627,43		
Amount allowable to date	10,574.33	Amount allowable to date	$10,574.33
		Approved for payment-	
Amount disallowed	$ 2,053.10	April voucher	2,936.22

Total recommended for approval May-June voucher $ 7,638.11

Enclosed with Mr. Peugnet's cover letter of 7-13-68, vouchers, narrative report, and bills is a letter dated 7-16-68 pertaining to copies of errata to accompany the narrative report.

An appraisal of the results obtained under Stage I of the OME contract in light of the data submitted in Mr. Peugnet's report and my recent field inspection, and recommendations for further work under Stage II will be the subject of another letter.

Jacques F. Robertson

Jacques F. Robertson, Geologist
Office of Minerals Exploration

1) See new summary in memorandum from Chief OME dated [illegible]

AMEDEE A. PEUGNET · PE CONSULTING MINING EN NEER - REG. MO.E-3556

13 July 1968

OME Region III
RECEIVED
JUL 15 1968
Denver, Colorado

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

Subject: OME-6622 (Silver)
Tip Top Mining District
Eldorado Group Property
Yavapai County, Arizona
Contract 2256

Dear Mr. Hasler:

Field work on Stage I of Contract 2256 was completed on June 2, 1968 with the completion of drill Hole No.6 of that contract. Drill rig and accessory equipment hace been removed from the premises.

Enclosed are five complete sets of my vouchers and report for May-June, 1968, which is also Completion Report for Stage I, Contract 2256. Each set includes: MME Forms 60 & 61; narrative with analysis of results and request that Stage II be implemented; two maps; 7 drill hole sections; a list of assays showing hole number. sample number, interval,length of interval in feet; silver assay; gold assay; assay certificates; paid assay bills; drilling company's paid May-June bill; payroll, Employer's Liability Insurance, supporting documents.

Please note that the map which accompanied my April report was in error, to the extent that OME drill hole No.2 was incorrectly placed on that map - I inadvertantly plotted my proposed No.2 hole, which was not allowed in Stage I. This has been corrected and clearly marked on the enclosed map showing drill holes on the Arizona claim.

Based on a preliminary analysis of results obtained from Stage I of Contract 2256, it appears definite that Stage II should be done. I request a recess until October, 1968, because of difficulty in obtaining personnel to work in the hot months in the open in Arizona; to allow more time for evaluation of data; to allow the Operator time to recover part of his outlay for Stage I.

I greatly appreciate Mr. Jacques Robertson's making the interim inspection before I left Phoenix for St. Louis.

Sincerely,

Amedee A Peugnet

705 CHESTNUT ST., ST. LOUIS, MO. 63101 PHONE: (314) 621-1431

AMEDEE A. PEUGNET · PE[redacted]CONSULTING MINING EN[redacted]EER - REG. MO.E-3556

OME-6622 (Silver) Contract 2256 16 July 1968

To accompany Narrative, dated 6 July 1968, accompanying Progress Report for May-June 1968, Contract 2256.

ERRATA

page 5, line 4, in the equation,

delete " 100' l. "; insert " 150'l. "

page 5, line 8, delete entire equation, and insert:

"0.29'x 1.8 oz/t + 0.38'x 229.2 oz/t + 0.33'x 35.6 oz/t =1.0' @ 99.37 oz/t"

page 5, last 3 lines, delete entirely, and insert

" $\frac{\$70,000}{1276\ t.}$ = $54.85 per ton."

"Selective mining would entail high costs, assume $35/ton, then $54.85 + $35.00 = $89.85 per ton hoisted, cost at the mine."

page 6, line 1, delete " $54.05"; insert " $89.85 "

page 6, line 2, delete "$194" ; insert " $158 "

page 6, line 14, delete entire equation; insert

"0.75'x 40.40 oz/t + 0.25'x 0.50 oz/t = 30.36 oz Ag/ton = $75.90/ton"

Other typographical errors are obviously just that.

Amedee A Peugnet

705 CHESTNUT ST., ST. LOUIS, MO. 63101 PHONE: (314) 621-1431

OME-6622 Contract 2256 Completion of Stage I. 6 July 1968

Narrative to Accompany Progress Report for May-June, 1968

Progress report for April covered the drilling of OME drill holes Nos. 1 & 2, it included DH #1A put down at the Operator's expense to check the 0' to 20' of DH No.1 which were unknown in detail due to drilling the surface pipe. This was considered important due to volume of the sludge from 0"to 20' and failure of the hole to cut signs of a vein.

No assays had been received in time for inclusion in the April report. All assays have now been received, including the assay (n0.2731)of an interval from DH No.4, selected by Mr. J. Robertson on his interim visit. All core assayed was split, except that selected by Robertson. All core is stored on the property.

DH No.1A was stopped at 20 ft. so as not to duplicate DH No.1. While material was recovered in the core-barrel, it could scarcely be called core, but there were a few pieces in the 10' to 14' run that somewhat resembles the footwall rock in the shallow open-cut toward which this hole was pointed; therefore, in spite of the fact that it was somewhat diluted the sludge from this run was assayed, No.2721: 0.40 oz.Ag/ton.

DH No.2 core was split and assayed at the following intervals:

57' to 60': divided into 4 samples, averaged 0.55 oz.Ag/ton.

74.7' to 77.4': 8 samples, 0.38 ' at 75': 229.2 oz.Ag/t.,0.06 Au.
the sample below it:0.33' 35.6 " " ,0.01 Au.

The remaining 6 samples contained insignificant Ag.

136' to 139', divided into 6 samples, each ran 0.40 oz.Ag/ton.

DH No.2 was stopped at a total depth of 172 feet, which put it below the vertical projection of the outcrop.

DH No.3 had a total depth of 235', putting it below the vertical projection of the outcrop. It was sampled in three sections: at the best looking interval:

96.4' to 97.4', , 1.00 ft., 0.50 oz.Ag/ton, Au nil
97.4' to 98.2', 0.75'ft., 40.4 " " , 0.02 oz.Au/t.
98.2' to 99.2', 1.00 ft. , 2.7 " " , 0.01 " "

Interval: 201.5' to 203.25' ran: 0.60 oz.Ag/t., Au trace.

All of the above holes, Nos. 1, 1A, 2, & 3, on the Arizona claim were to cut the Arizona vein, or veins. As the logs show, all holes cut a considerable amount of barren appearing quartz and pyrite. Except for the other sulphides, the cores themselves do not appear to show visible evidence of vein structures. The values encountered are at depths and horizontal projections which are at variance with those to be expected at the surface, but the displacements indicated appear to have some sort of "pattern", and may, in fact, tie-in with a fault

OME-6622 Contract 2256 6 July 1968

indicated in drill holes Nos.1 & 1A. It appears probable that instead of having two parallel veins between DHs 1 & 3 a split in the vein may originate in this area.

The next three drill holes, Nos. 4,5, & 6, allocated on the Eldorado claim, are to cut the Eldorado Vein.

DH No.4 went to a total depth of 300 feet, under the vertical projection of the vein. In lieu of a better criterion, one-foot of the most likely looking core, in the vicinity of the expected intersection of the vein, was split and assayed as sample No.2726, which gave a value of 0.40 oz.Ag/ton, with a trace of gold. This sample, at 194' is only 11 feet above the expected intersection. On June 21st , during his interim inspection, Mr.Jacques Robertson selested one foot, 176.2' to 172.2', for assaying (No.2731); results: 0.40 oz.Ag/t., Au 0.01 oz./t.

DH No.5 went to a depth of 300 feet, also under the vertical projection of the vein. The core was almost uniformly without significant mineralization, except that from 140' to 142' there were two narrow mineralized bans seperated by one foot of barren looking material. On the theory that the barren foot represents a horst, not likely to persist, the two bands were combined into a single, foot-long, sample (No.2727) which assayed: 1.2 ounces of silver per ton, gold a trace.

DH No.6 went to a total depth of 162 ft., somewhat beyond the vertical projection of the vein because the bottom of the previous run was clay, or gouge. If the vein was intersected, it would appear to be at 71 ft. to 73.25 ft., somewhat higher in the hole than had been projected, with a corresponding horizontal displacement. The assay of the one-half foot sample (No.2729): 244.9 oz.Ag/ton; the foot above it as well as the three-quarter foot below it ran only 0.70 oz.Ag/t., Au trace., (samples Nos. 2728 & 2730).

Drill Hole No.6, finished on June 2, 1968, marked the completion of Stage I of Contract 2256.

Discussion and Preliminary Conclusions, Stage 1.

Several days were lost due to illness of the driller; at least several more were lost due to breakdown of equipment.

Except for a relatively few feet in some of the runs, the rock drilled well. Bit advance probably averaged about 1.5 inches to 1.7 inches per minute of drilling time.

Coring was excellent, with 95 to 100 per cent recovery being obtained most of the time. This was far above preliminary expectations. No drilling mud or other additives were used. Rod grease was used freely. The driller was expert, and took every precaution to insure good core recovery. Maintaining the circulation in drill holes did not present a problem. The water supply, from shaft numbered 18 ,on enclosure 10A

to original application, was unfailing. A submersible pump was used.

A skid mounted, screw feed, drill was used in place of a truck-mounted drill and pump orginally contemplated. This greatly increased moving and set-up time, especially on holes at which it was not possible for a truck to clear the drill after it was positioned. Average moving and set-up time was 10 hours per hole. There was some failure of drill "dead men" due to placing them at too flat an angle. This resulted in some lost time. The drill crew, 2 men, was very cooperative at all times.

The Arizona Vein.

Results of drilling the holes designated for Part 1 of this exploration program are somewhat inconclusive because of the insufficient number of holes drilled, especially because a fault is indicated by them.

Considering that of the three holes drilled the first encountered a fault within the first 20 ft., the values discovered are reasonably indicative of the presence of an ore body, although the thicknesses cut are very narrow that is not too surprising because of the reputation of the district for narrow veins. The uniformity of the narrowness would be surprising if encountered in a reasonable number of holes, because an average of about 18"to 2 ft. is to be anticipated. There is a question, too, as to how far to the southwest the influence of the shear zone northeasterly of hole No.1 extends, and whether or not the location of Cottonwood Creek, here, was not determined by a structural change. The fact is that except for workings in the shear zone itself, which lies just northeasterly from No.1 drill hole, all of the workings southwest of No.1 hole as far as No.3 hole are very superficial and appear to have been made to trace the vein; whereas, the principal work on the Arizona vein has been done southwesterly of DH No.3. The location of the high value, 229 oz. silver, in DH Np.2 between nil in the fault hole, No.1, and the low value hole, No.3, very poorly defines the limits which govern the values. This situation could be remedied by drilling Operator's suggested holes Nos. 2 and 4A (see encl. 10A of application), and even more if a hole suggested by Mr. Robertson, about half way between OME Nos. 2 & 3 were drilled also. Although if this last hole is to be drilled the allowance for bulldozer work should be increased by at least $250. At this stage of the analysis, it would seem very desireable to explore further the Arizona vein.

The Eldorado Vein.

OME drill holes Nos. 4, 5, & 6 were drilled on the Eldorado claim to test Eldorado vein.

DHs 4 & 5 were located and inclined so as to intercept oreshoots which were referred to in a sketch made by a former operator in the area. The sketch is not to any scale, (enclosure #13 of application), and a note states that the oreshoots dip from 45 to 60 degrees. The drill holes cut the projected intersections as planned, but no indication of an ore shoot was found. The only possible inference is that the oreshoots are not at these two points. Going farther into this

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matter: there is the possibility that both holes 4 & 5 intersected the vein below the alleged raking oreshoots; consider that the shaft just a few feet northeasterlof DH No.5 is said to have a slope depth of 130 feet, (which seems to be an odd depth for a shaft). Could it be that the shaft stopped at that depth because it cut the foot wall of the raking oreshoot ? In the case of the displacement indicated by DH No. 6, this cannot be conclusive because there is not a point of reference, just a plane, which means that the holes could have been below the oreshoots - if they do exist. The 180 ft. shaft was sunk in 1936, subsequent to the 130 ft. shafts. It is known that it penetrated the stope-filling in the old stopes, which would take it down to 130 ft, below that point it was out of the oreshoot but in the vein (?) because Wager says "drift both ways to the oreshoots". There is no evidence that a fault was cut by that shaft. This is speculation based on inaccurate, hazy, questionable history, which only confirms the need for more drilling to solve the questions posed.

In order to determine whether or not the results of Stage I of Contract 2256 are sufficiently indicative of possible economic ore bodies, the following analyses of possible orebodies indicated by the drilling have been made.

The Arizona Vein. As before stated, the number of drill holes on the Arizona is inadequate to permit a firm estimate of tonnage and grade of the orebodies indicated by drill holes Nos. 2 and 3. However, it is necessary to analyse the data in hand, making necessary assumptions, in order to determine if there enough likelihood of discovering commercial orebodies to justify proceeding with the program.

DHs Nos. 2 & 3 both cut commercial ore , based on assay only, but these holes are 500 feet apart, and the difference between the assays of each of these two holes is very large. Moreover, surface examination of the outcroppings tends to show that going southwesterly from DH No.1 the vain looks "poor" as the creek is approached, indicating,possibly, a lowgrade interval between oreshoots. In an effort to reconcile the large assay difference between the holes the only avenue open is a statistical one: excluding concentration tests, the District Assayer's Assay Book shows 53 assays on Arizona ore. Of these assays 28,(52.8%), are 200 oz. Ag/ton or higher; 21 assays (39.62%) ae 40 oz. but less than 200 oz.; only 7.54% of the assays are below 40 oz./ton. Obviously,then, 92.45% of assays from Arizona are 40 Oz. are better, while assays of 200 oz.Ag/ton predominate. Therefore, the assays of both holes can be taken at face value, since they are "usual". On the basis of surface examination, the assumption is made of two orebodies seperated by a lean horizontal length of 150 ft. In the interest of conservatism,and contrary to the statistical evidence given above, the high value for DH No.2 will be assumed to persist only 100 ft. southwesterly and 50 ft. northeasterly from the drill hole. And, the lower value at DH No.3 will be assumed to persist for 50 ft. southwesterly, and 250 ft. northeast'ly from that drill hole. In both cases a minimum vertical extent is 100 ft., by assumption.

Value: Silver @ $2.50/oz.; Gold is disregarded.
Density: Granite-porphry 13 ft.cu./ton; high grade ore 10 cf/ton.

OME-6622 Contract 2256 6 July 1968

It is assumed that the minimum stoping width is 3.0 feet.

Based upon the above assumptions, the following figures have been developed for the Arizona Vein, as governed by D.Hs. Nos. 2 & 3:

NO.2 HOLE

$$\frac{150'\ l.\ \times\ 100'\ d.\ \times\ 3'w.}{12.25\ cf/ton} = 3{,}673 \text{ tons @ \$87.26 per ton} = \$320{,}768.$$

Obviously, this involves mining, hoisting, shipping mostly waste. Therefore, consider selective mining of a section 1 ft. wide, and breaking 2 ft. of waste to be left for stope filling:
0.29"x 1.8 oz/t. + 0.38'x 229.2 oz/t. + .33x 35.6 oz/t. = 1' @ 99.37 oz/t for a value of $248 per ton, and

$$\frac{150'\ l.\ \times\ 100'\ d.\ \times\ 1.0'\ w.}{11.75\ cf/ton} = 1{,}276 \text{ tons @ \$248/t.} = \$316{,}000.$$

This appears to indicate a commercial ore body even if the assumptions are too generous, thus:

Equipment, (good, used, although rented equipment would save on the investment if the enterprise failed):

	Compressor (210 cf)	$ 4,000-
Hoist	Hoist	2,000-
	Drills	1,500
	Steel	1,000
	Pipe	1,500
Ra	Rail	1,200
	Cars, 3	300
	Ventilation	1,200
	Generator	6,000
	Truck	2,500
	Misc.	3,000
		$24,200-

Development:

Shaft, 150' @ $125.ft.	19,975-	
Drifting, 220' @ $30/ft.	6.600	
" 280' " " "	(8,400)	
Raising, 150' 2 $20/ft.	3,000	29,575-
	(37,975)	

Roads, surface plant, water	8,000-
Total: ($62,775- + 10%)	$69,052-

say, $70,000, but the cost of operating supplies, salaries, wages,etc. are included in above costs of development. The ($8,400) for drifting would come out of cash flow.

$$\frac{\$70{,}000}{1276\ t.} = \$54.85 \text{ per ton.}$$

Selective mining would entail high costs, assume $35/ton, then $54.85 + 35.00 = $89.85 per ton hoisted, cost at the mine.

OME-6622 (Silver) Contract 2256 6 July 1968

No.2 Hole continued.

A cost of $54.05 $89.85 at the mine subtracted from a gross value of $248/t. leaves $194 $158 per ton out of which to pay hauling, freight, metallurgical losses, smelter and royalty.

In spite of the narrow pay-streak and the small tonnage assumed, this is a strong enough indication of a commercial ore body to justify, or demand, proceeding with Stage II of Contract 2256.

Arizona Vein, No.3 Hole.

Assumptions have already been stated.

Using a 3 ft. width of ore would result in a value of 11.20 oz.Ag/ton, or $28/ton. For a narrow width, this is too marginal to consider without an existing concentrating plant. The alternative, selective mining of 1 ft. of high grade , as at No.2 hole, should be examined:

$$\frac{300'l. \times 100'd. \times 1'w.}{12.5\ cf/ton} = 2{,}400 \text{ tons, and}$$

0.75'x 40.40 ozAg/t.+ 0.25' ~~oz/t.x~~ 0.50 oz/t. = 30.36 oz.Ag/ton,$75.90/t.

This gives a gross value for No.3 hole area of $182,160.

Investment cost of equipment, and some drifting, has already been paid for by the operation at No.2 hole, but assume that another $12,000 is needed. This would work out at $5/ton hoisted, which added to a cost of $35/t. would be $40/ton, leaving $35.90 out of which to pay hauling, freight, metallurgical losses, smelter and royalty. There is not a concentrating plant, and the total tonnage for No.2 and No.3, so far determined as 3.676 tons, does not justify the erection of one. Even if the operation indicated above made money, the economic waste in the operation without a concentrating plant dictates that it be held in abeyance until such time as further exploration and development give reasonable assurance of ore bodies sufficiently large to justify a concentrating plant.

The ore possibilities at No.3 are sufficiently good to justify more drilling to explore for more ore, better width or improved grade. This conclusion is reinforced by the fact that surface indication southwest of Hole No.3 are better than those to the northeast of this hole.

Eldorado Vein. Holes Nos. 4,5,& 6, were drilled with the expectation of intersecting the Eldorado vein dipping 70 degrees from its surface showings. This was not accomplished. Holes 4 & 5, designed to intersect specific oreshoots, encountered little more than a trace of silver, which were cut at higher elevations than was expected. Hole No.6 cut a narrow intersection, 0.50 ft. of high grade ore at a depth of about 71 ft., also at an elevation higher than anticipated; but the assay of 244.90 oz.Ag/ton was not out of line statistically. Since the Tip Top District has a reputation for narrow veins, no single thin intersection

OME-6622 (Silver) Contract 2256 6 July 1968

Eldorado Vein, continued

is surprising; what is surprising is that of the three good intersections made the widest was 0.75 ft. This is surprising because previous work in old times gave credence to the idea that average widths are in the range of 18 to 24 inches.

All of the intersections, both Arizona and Eldorado veins, showed an apparent displacement of the values which was of the same general order in all the holes, except No.1 hole which cut a fault at, or near, the top of solid rock. This suggests the possibility that both veins may be displaced by the same fault, but other than the seeming displacement there is no evidence, except at No. 1 Hole, of a single movement large enough to displace the vein substantially.

While it would be misleading to attempt to extrapolate an orebody from the single good intersection of the Eldorado vein, made by DH No.6, This good assay, 244.90 oz.Ag/t., coupled with the seemingly rather extensive workings on this vein, and the hazy "history" of it, combine to call for the completion of Contract 2256 on this vein. The 4 holes remaining to be drilled should be located as shown on Enclosure 10A of the Application, except that proposed hole #5 should be moved about 350 feet southwesterly. The Eldorado vein will probably supplement production from the Arizona vein sufficiently to increase ore reserves necessary to justify a concentrating plant, as will the Jackson Vein which is discussed below.

Jackson Vein, Holes Proposed, 2. Referring to Application for OME-6622, and Enclosure 10A thereof, proposed drill holes Nos. 12 & 13 were proposed to cut this vein. The reasons for these holes, (page 2 of Application), may be summarized, thus:

The Jackson vein is developed by the most extensive, integrated, underground workings of any of the veins on the Eldorado Group.

The Jackson vein produced the most silver of all the veins.

A sample cut by Mr. Webster from the face of one of the long tunnels into the Jackson assayed 192.xx oz.Ag/ton.(personal knowledge of writer).

A sample cut from a short, about 14', tunnel driven by Mr. Webster, located as #29 on Enclosure 10A, assayed 45.xx oz.Ag/t., high for so close to the surface, (again, personal knowledge of the writer).

Refer to Enclosure 10A of Application: workings #29,#31,#32 suggest an extension of the Jackson vein.

It is requested that Stage II, as it refers to the Jackson, be allowed, but a recess be given until October, 1968, because of weather, labor, and financial considerations. It is believed that the locations of these holes, as shown on said Encl. 10A, is to the best advantage, except that proposed hole #13 might be inclined at -80 degrees.

Amedee A Peugnet

OME-6622 (Silver) Contract 2256 Part 1 (completion)

LIST OF ASSAYS

HOLE #	SAMPLE #	LOCATION	LENGTH ft.	Oz.Ag/t	Oz.Au/t	Value/t. $
1A	2721	10'- 14'	4.00	0.40		
2	2701	136' - 136'-4"	0.33	0.40	nil	
2	2702	136-4"-136-11"	0.58	0.40	tr	
2	2703	136-11-13703"	0.33	0.40	tr	
2	2704	137-3"-137-6"	0.25	0.40	tr	
2	2705	137-6"-137-11"	0.42	0.40	0.01	
2	2706	137-11"-138-4"	0.42	0.40	tr	
2	2707	138-4"-138-11"	0.58	0.40	tr	
2	2709	74-4"-74-8.5"	0.38	0.40	tr	
2	2710	74-8.5"- 75'	0.29	1.80	0.01	
2.	2711	75' - 75-4.5"	0.38	229.20	0.06	
2.	2712	75-4.5"-75-85"	0.33	35.60	0.01	
2	2713	7508.5"- 76-2"	0.46	1.40	tr	
2	2714	76'2" - 76'8"	0.50	0.40	tr	
2	2715	76'8" - 77'1"	0.42	0.40	tr	
2	2716	77'1" - 77'5"	0.33	1.00	tr	
2	2717	57' - 57'10"	0.83	0.70	tr	
2	2718	57'10"-58'4"	0.50	0.60	tr	
2	2719	58'4" - 59'3"	0.92	0.60	tr	
2	2720	59'3" - 60'1"	0.83	0.40	tr	
3.	2722	97'5" - 98'2"	0.75	40.40	0.02	
3	2723	96'5" - 97'5"	1.00	0.50	nil	
3	2724	98'2" - 99'2"	1.00	2.70	0.01	
3	2725	201'6"-203'3"	1.75	0.60	tr	
4	2726	192.9'-193.9'	1.00	0.40	tr	
5	2727	140' - 14033') 141.33'-142')	1.00	1.20	tr	
6	2728	71' - 72'	1.00	0.70	tr	
6	2729	72' - 72.5'	0.50	244.90	0.03	
6	2730	72.5'- 73.25'	0.75	0.70	tr	

All of the above assays done by ARIZONA ASSAY OFFICE, see Assay Certificates and paid bills, enclosed.

4	2731	176.2'-177.2'	1.00	0.40	0.01

AMEDEE A. PEUGNET
P O BOX 110
PHOENIX, ARIZ. 85001

BY ..... DATE ..... SUBJECT OME-6622 SHEET NO. ..... OF .....

CHKD. BY Amédée A. Peugnet DATE ..... ONTract 2256 JOB NO. .....

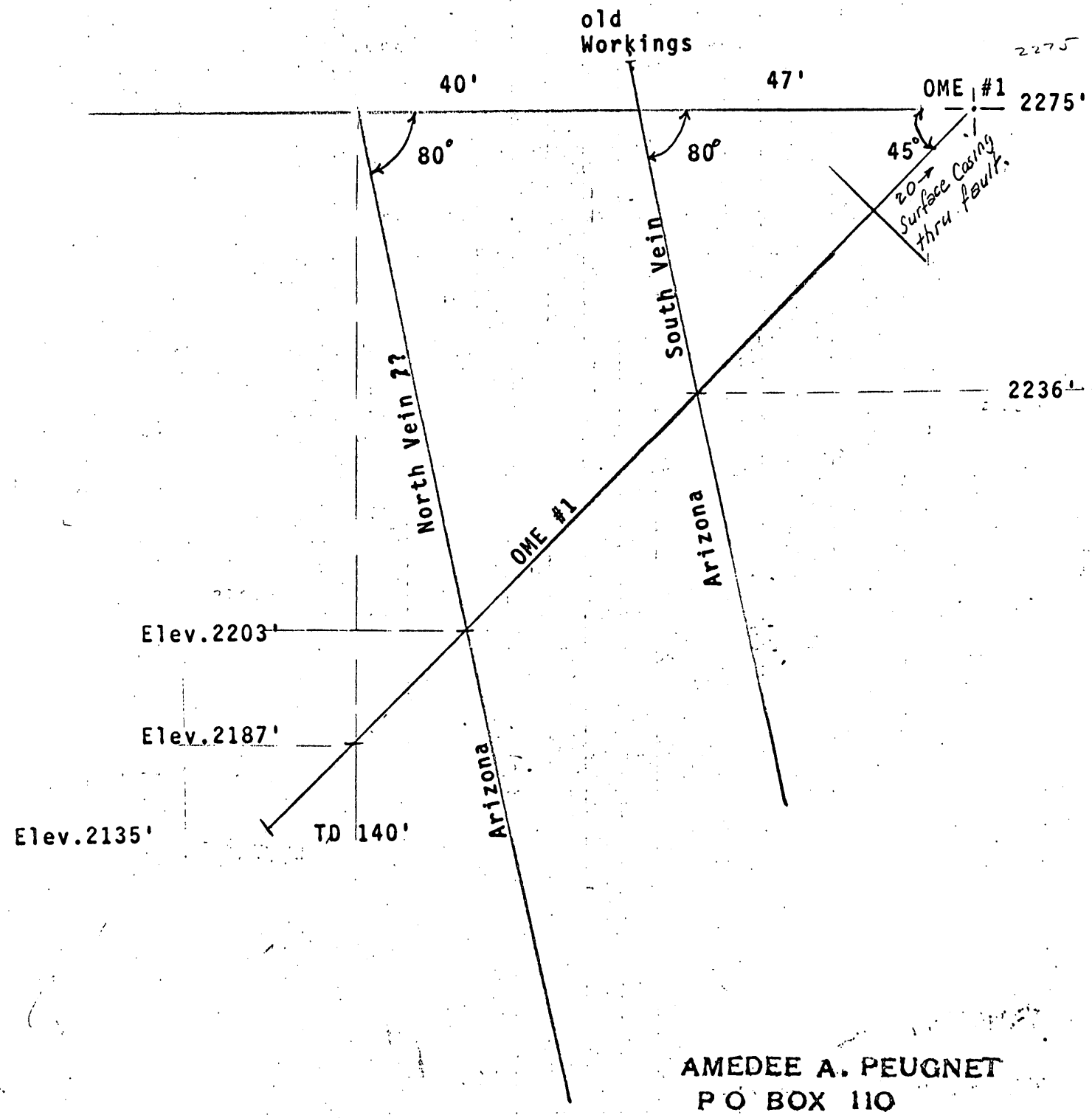
Report of May & June, 1968 DRILL HOLE #1

Completion of Part 1.

SCALE: 1"=20' Horiz. & Vert.

Vertical Section through Drill Hole

No samples taken



AMEDEE A. PEUGNET
P O BOX 110
PHOENIX, ARIZ. 85001

BY ..... DATE .....

CHKD. BY Amedee A. Peugnet DATE .....

SUBJECT OME-662
Contract 2256
Report for May & June 1968
Completion of Part 1

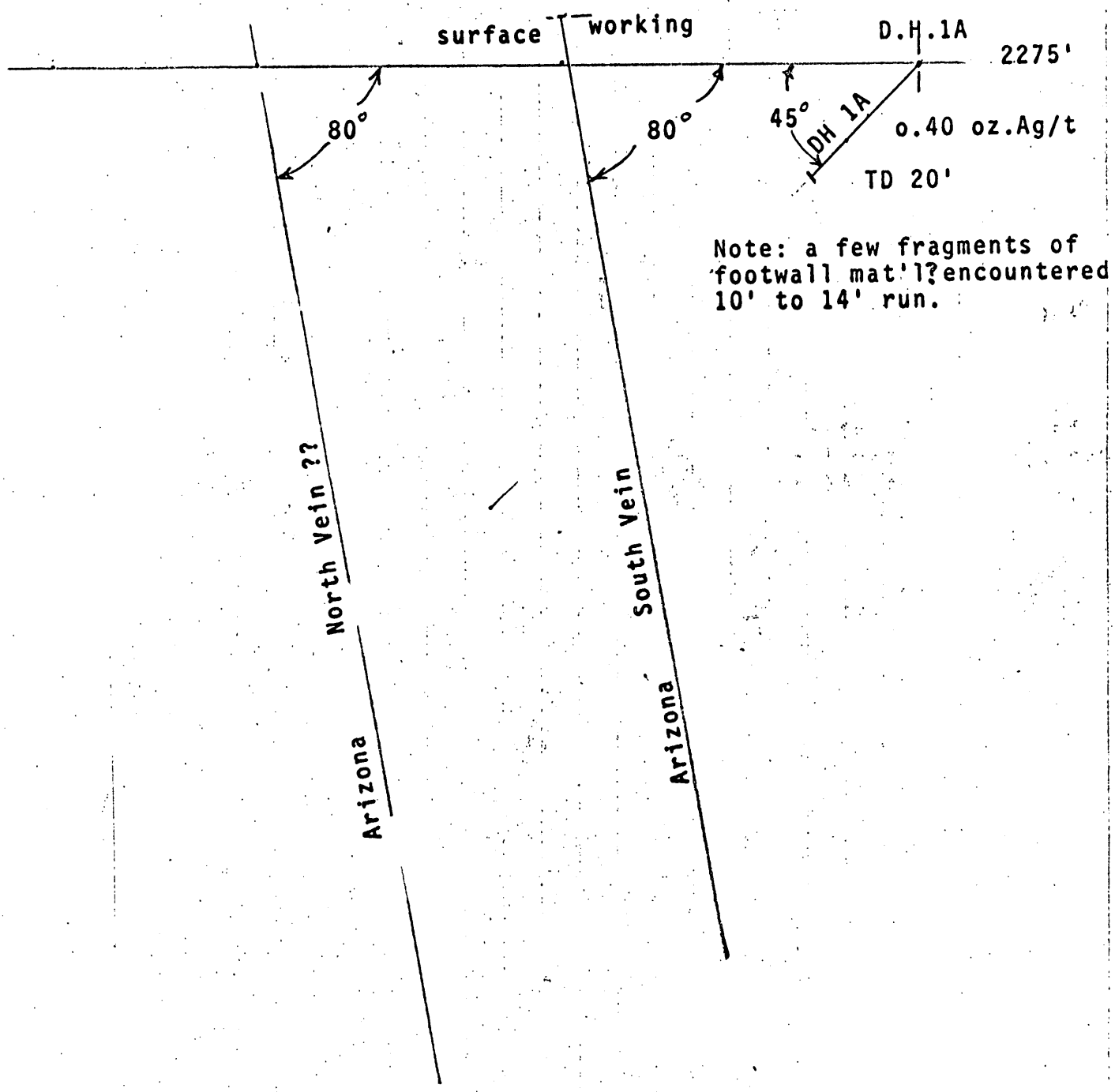
SHEET NO. ..... OF .....

JOB NO. DRILL HOLE #1A

SCALE: 1"=20' Horiz. & Vert.

Sample No. 2721 (sludge)

Vertical Section Through Drill Hole



Note: a few fragments of footwall mat'l? encountered 10' to 14' run.

AMEDEE A. PEUGNET
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BY ..... DATE ..... SUBJECT OME-6622 (Silver) SHEET NO. ..... OF .....

CHKD. BY ..... DATE ..... Contract 2256 JOB NO. .....

Amedee A Peugnet

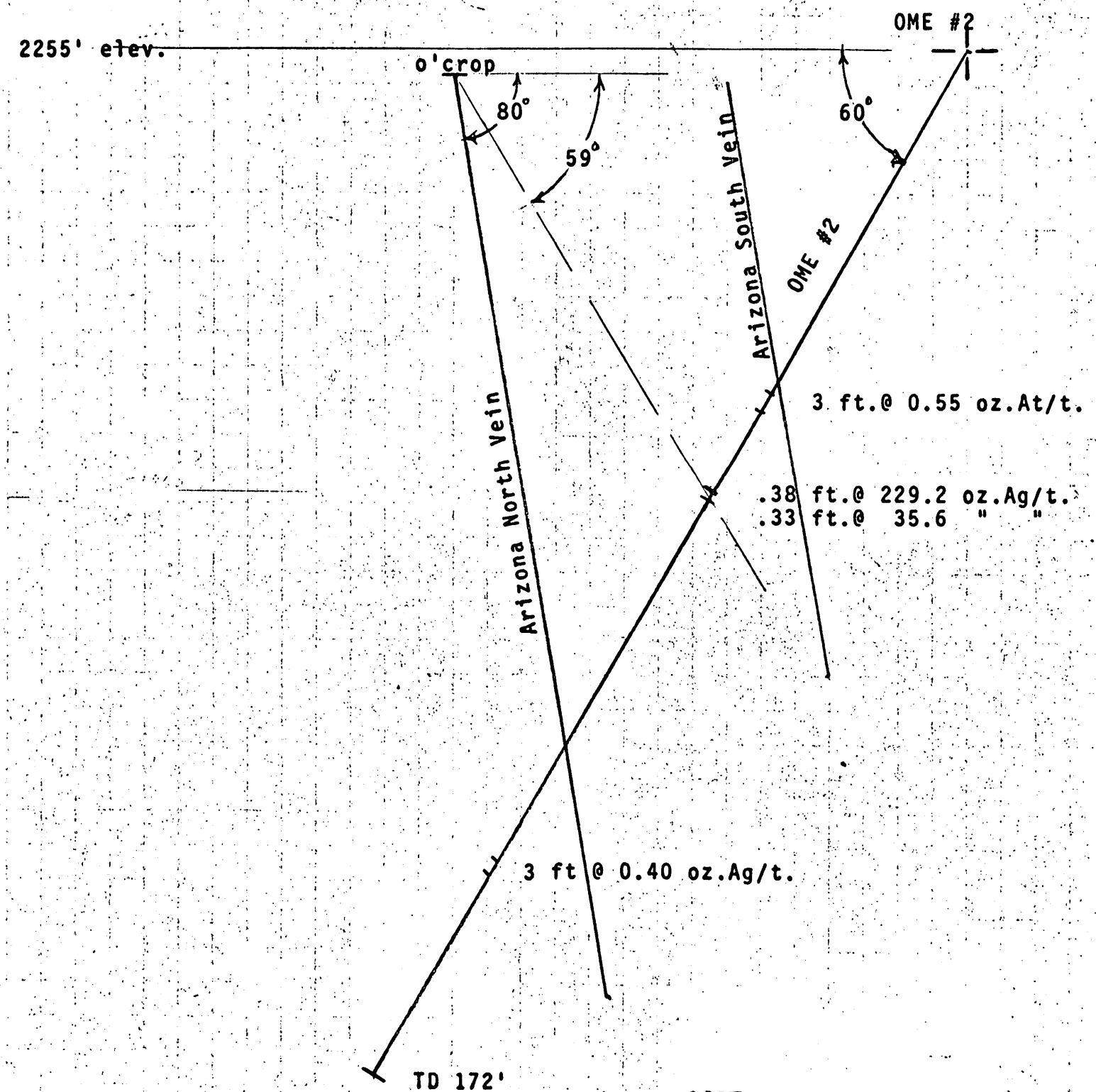
Report for May-June, 1968 DRILL HOLE #2

Completion of Part 1.

SCALE: 1" = 20' Horiz.& Vert.

Vertical Section through Drill Hole.

(Sample Nos. 2701 through 2720, excluding No.2708)



AMEDEE A. PEUGNET
P O BOX 110
PHOENIX, ARIZ. 85001

BY ..... DATE .....

CHKD. BY ..... DATE .....

SUBJECT OME-6622
Contract 2256
Report for May & June 1968
Completion of Part I

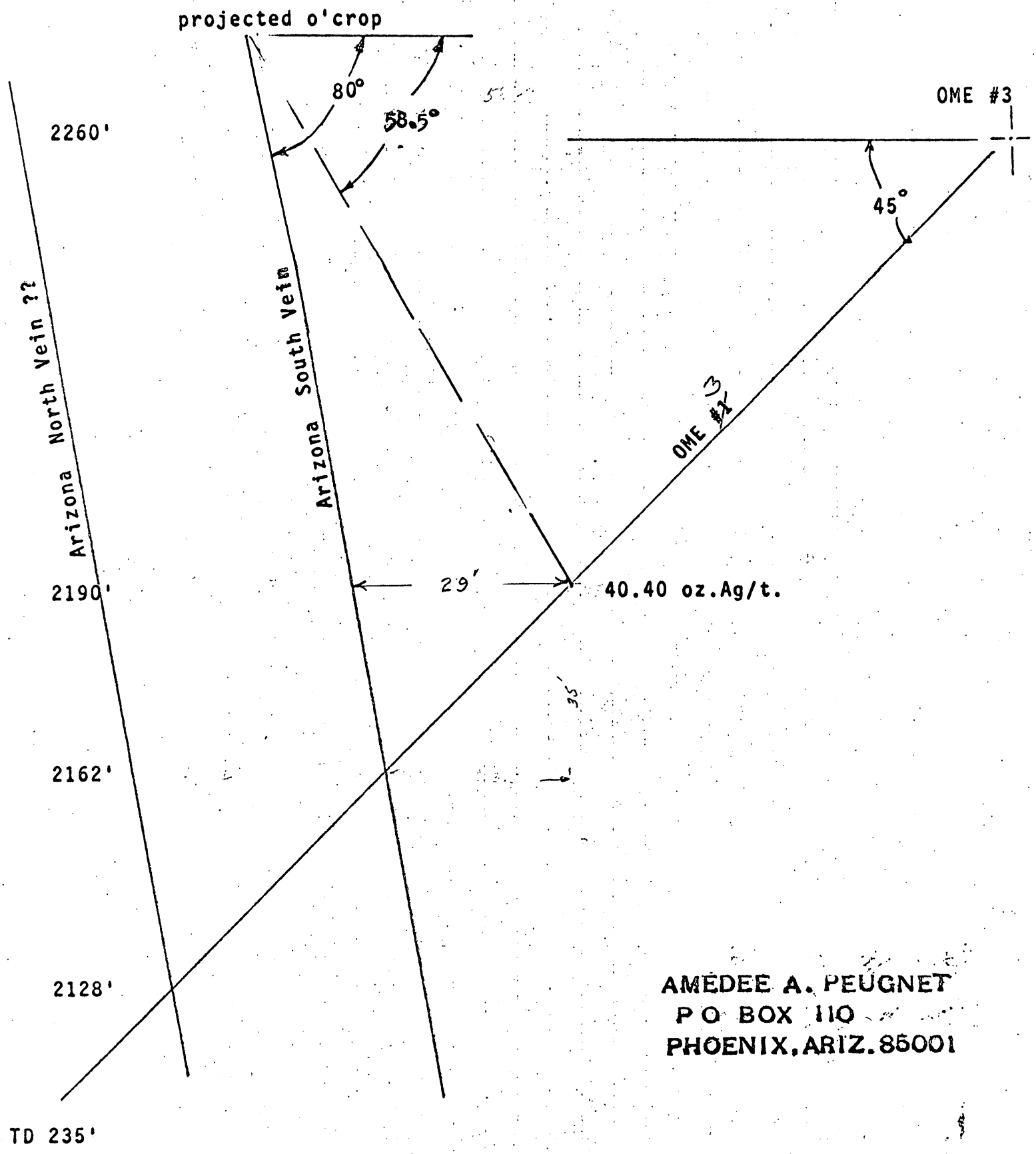
SHEET NO. ..... OF .....

JOB NO. DRILL HOLE #3

SCALE: 1"=20' Horiz. & Vert.

Vertical Section through Drill Hole

Samples Nos. 2722, 2723, 2724, 2725



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BY ..... DATE ..... SUBJECT OME-6622 ..... SHEET NO. ..... OF .....

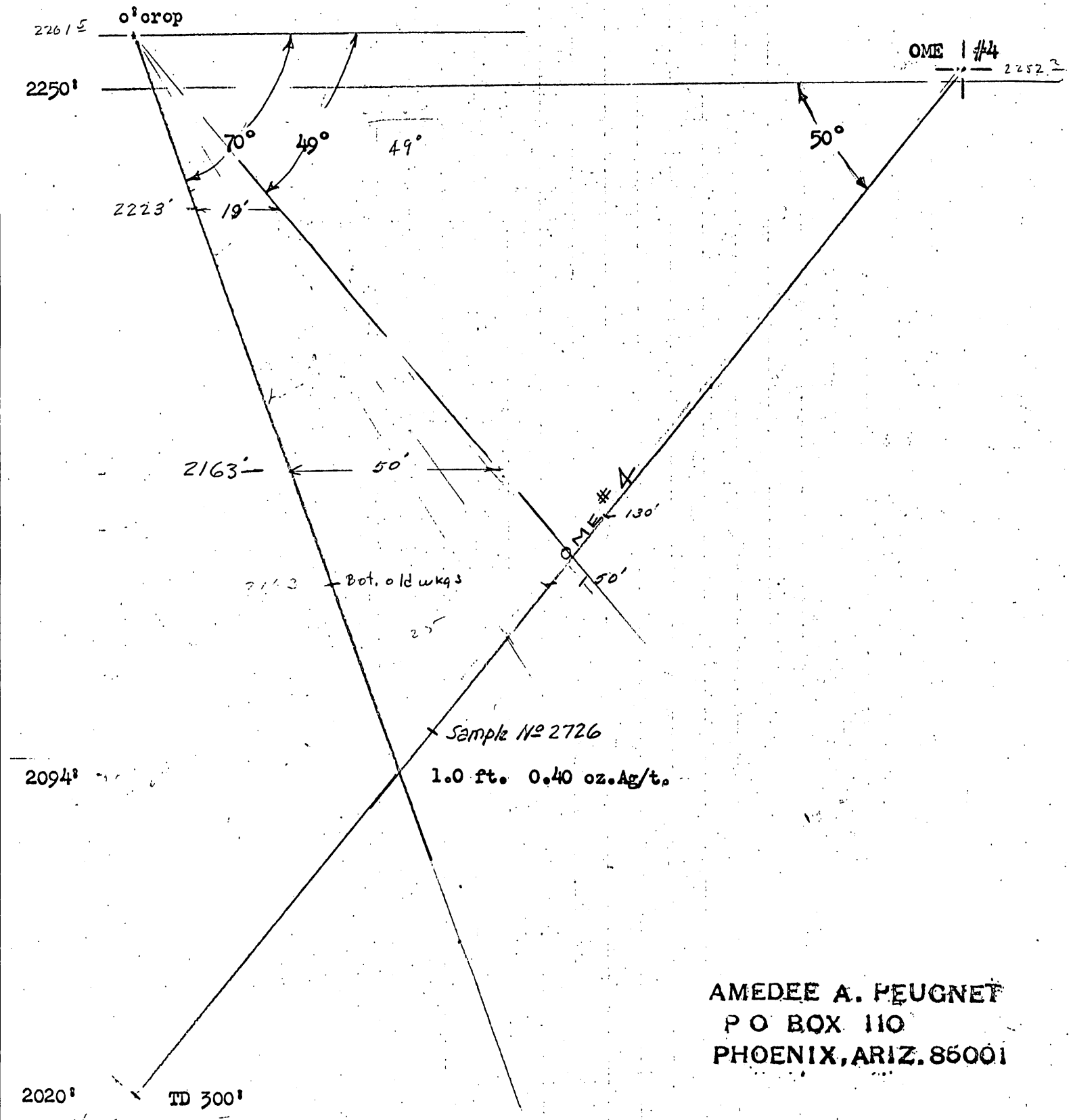
CHKD. BY ..... DATE ..... Contract 2256 ..... JOB NO. .....

Amedee A. Peugnet — Report for May & June 1968 ..... DRILL HOLE #4

Completion of Part 1

SCALE : 1" = 30' Vert.& Horiz.
Vertical Section through Drill Hole.

Samples Nos. 2726



AMEDEE A. PEUGNET
P O BOX 110
PHOENIX, ARIZ. 85001

BY ..... DATE .....

CHKD. BY Amedee A. Peugnet DATE .....

SUBJECT OME-6622 Contract 2256

Report for May & June 1968

Completion of Part 1

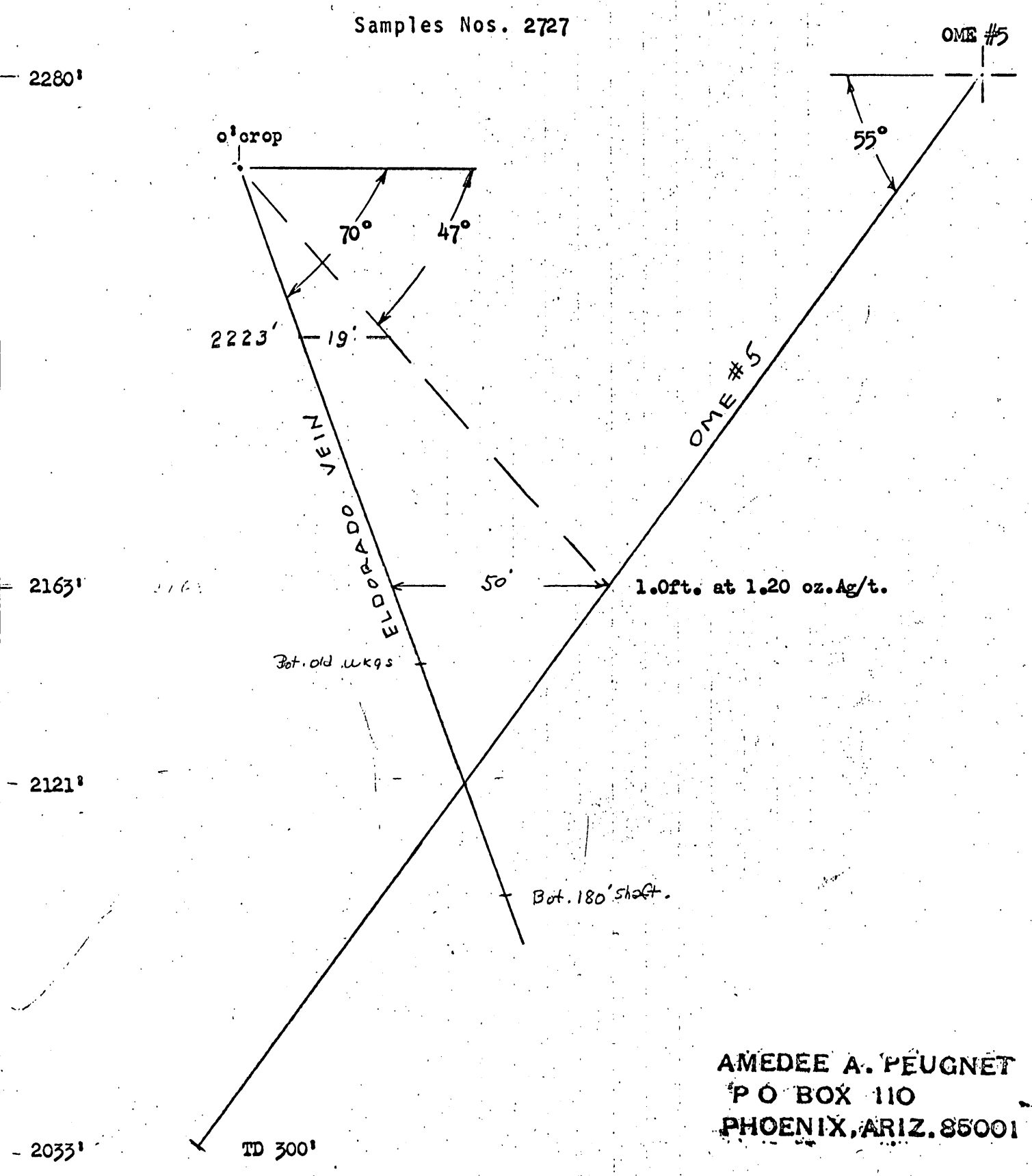
SHEET NO. ..... OF .....

JOB NO. DRILL HOLE #5

SCALE : 1" = 30' Vert.& Horiz.

Vertical Section through Drill Hole.

Samples Nos. 2727



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PHOENIX, ARIZ. 85001

BY ..... DATE ..... SUBJECT OME-6622 (Silver) Contract 2256 SHEET NO. ..... OF .....

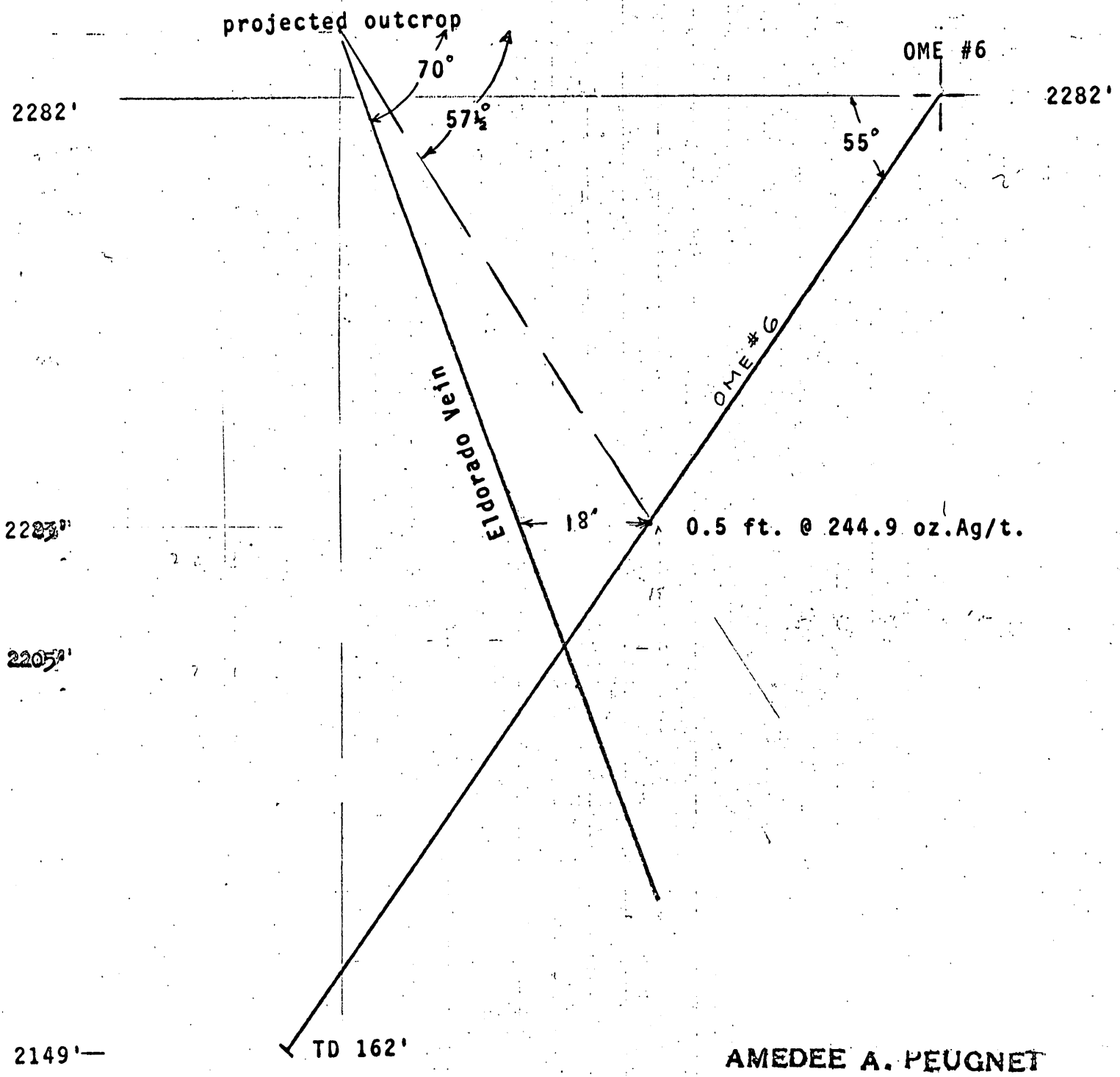
CHKD BY ..... DATE ..... Amedee A Peugnet

Report for May & June 1968 JOB NO. DRILL HOLE #6

Completion of Part 1

SCALE: 1"=20' Horiz. & Vert.

Vertical Section through Drill Hole
Sample Nos. 2728, 2729, 2730



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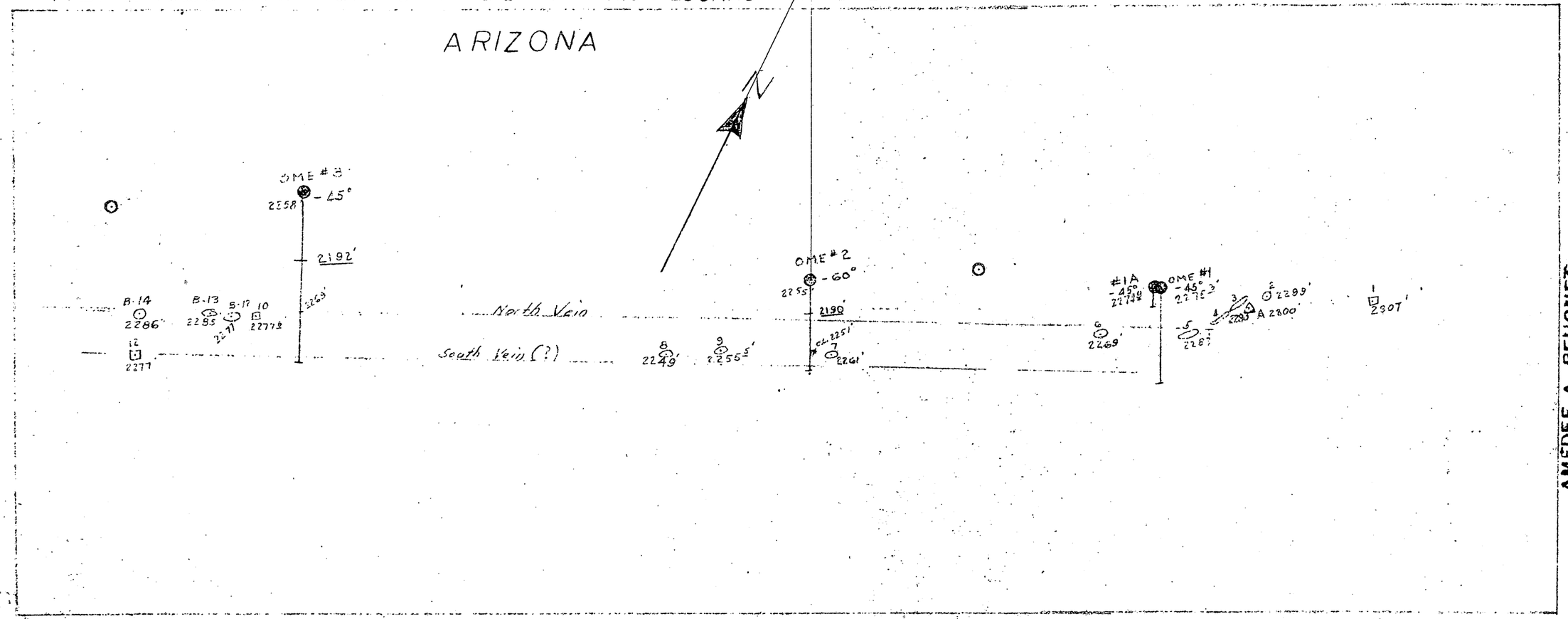
REPLACES MAP OF 6 7 68 ON WHICH LOCATION OF OME NO.2 D.H. IS INCORRECTLY PLOTTED.



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ARIZONA EXT.

ELDORADO

REVISED MAP OF ARIZONA CLAIM OF ELDORADO GROUP

SHOWING DRILL HOLES COMPLETED AS OF JUNE 2. 1968

TO ACCOMPANY REPORT TO

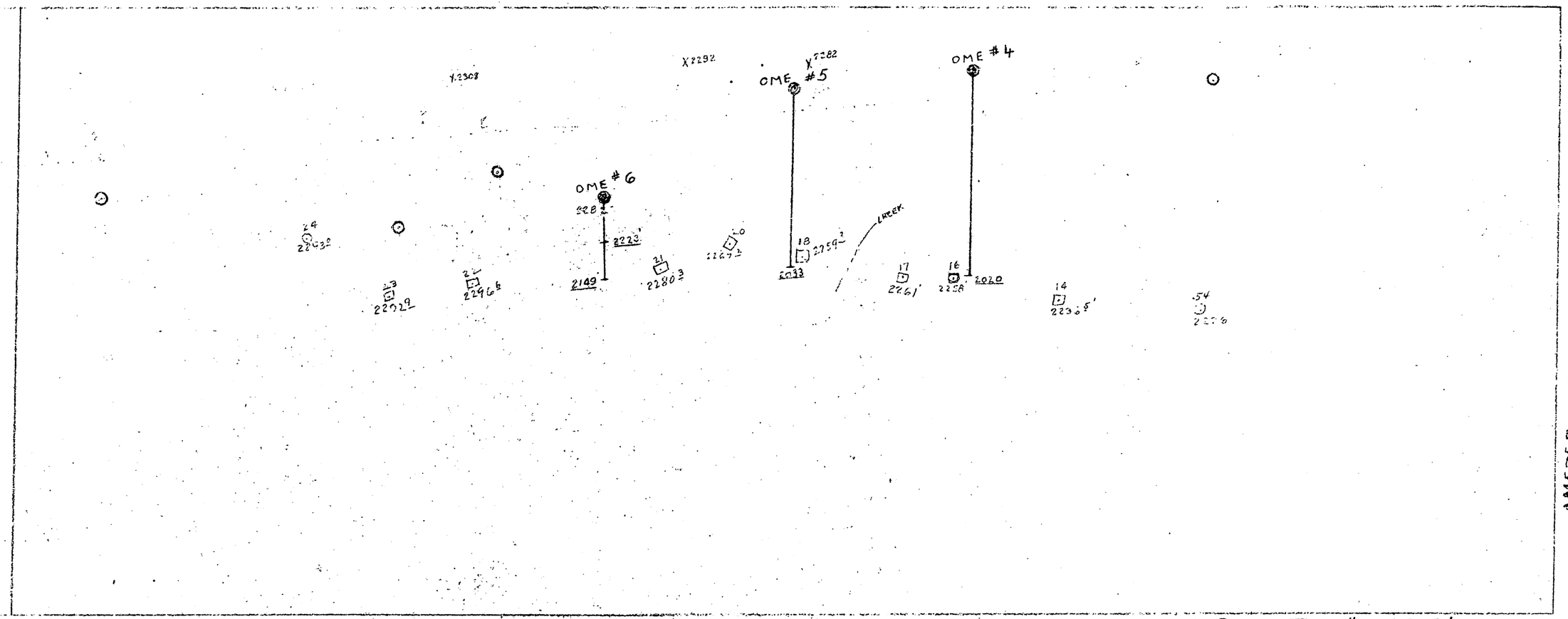
OME - 6622 (SILVER) — CONTRACT 2256

TIP TOP MINING DISTRICT, YAVAPAI COUNTY, ARIZONA.

SCALE 1" = 100'

● COMPLETED DRILL HOLE incln. elev.
○ PROPOSED " "
⬭ OLD WORKINGS, elev.
2323 - ELEV. & LOCAT. HIGH ASSAY AND BOTTOM OF HOLE

Amedee A Peugnet, Operator 6/18/68



AMEDEE A. PEUGNET
P O BOX 110
PHOENIX, ARIZ. 85001

MAP OF ELDORADO CLAIM OF ELDORADO GROUP

SHOWING DRILL HOLES COMPLETED AS OF JUNE 2, 1968

TO ACCOMPANY REPORT TO

OME 6622 (SILVER) — CONTRACT 2256

TIP TOP MINING DISTRICT, YAVAPAI COUNTY, ARIZONA
FOR MAY AND JUNE 1968 COMPLETION OF PART 1.

SCALE: 1" = 100'

- ● COMPLETED DRILL HOLE inclin. elev.
- ⊙ PROPOSED
- OLD WORKINGS, elev.
- × OUTCROP elev.
- 2323 ELEV & LOCAT. HIGH ASSAY AND BOTTOM OF HOLE

Amedee A Peugnet, Operator 6/18/68

A. A. Peugnet, Consulting Mining Engineer - 705 Chestnut St., St. Louis, Mo.

CORE HOLE LOG

Hole No. 3

Elev. Grnd. 2258'

Collar FR. FROM GRND. -45° ∡

Property: ELDORADO GROUP

State ARIZONA County YAVAPAI Sect. 9 Twp. 8N Rnge. 1E

Location of Hole PER OME CONTRACT 2256

Driller BOYLES BROS. DR. CO. Address: PHOENIX, ARIZONA

Helper _____ Address: _____

Shift 7 Am to 5 Pm

Setup 6 AM 5-1-68 Pulled off Hole 5-11-68 WEDNESDAY MAY 1, 1968

OME-6622 -SILVER CONTR. 2256

Depth From	Depth To	Description of Formation Cut	Core Recov.	Remarks:
0'	10'	SOMEWHAT CRUMBLY	MED.	GRAINED GRANITIC RK.
10'	15'	14" GRANITIC RK. 1" QTZ.	45" 75%	
		8" GRANITIC RK. 1" BIOTITE SCHIST		
		21" MED. GRAIN GRANITIC RK.	W/MICA	
				DRILLER SICK ON 5-6 & 5-7 NO DRILLING DONE
		WED. MAY 8, 1968		DELAYED BY COWBOYS DRIVING CATTLE THRU
15'	20'	60" MED. GRAIN GRANITIC RK. W/MICA	60" 100%	FAIR AMT. RED MATERIAL PRESENT; TREE ROOTS IN FRACTURES
20'	30'	120" COARSE, MED GRAIN GRANITIC RK W/SOME HORNBL.	120" 100%	BROWN EARTHY MAT'RL, ALONG FRACTURES LARGE AMT. MICA PRESENT
30'	40'	SCHISTY QTZ & MICA WITH SMALL BANDS OF MASSIVE QTZ.	120" 100%	SCATTERED ALMANDITE GARNETS FROM APPROX. 33' TO 38'
40'	50'	20" QTZ. W/ MICA 38" GRANITIC RK. W/MICA	116" 96.7%	
		33" MICA W/SOME QTZ. : NOT WELL CONSOLIDATED - SLIGHT MINERALIZATION		
		25" QTZ & MICA WITH SOME GARNET		IN THE MICA LAYERS
50'	60'	120" QTZ & MICA MED. GRAINED	120" 100%	
60'	70'	QTZ. & MICA; VERY SLIGHT SCATTERING OF GARNET	120" 100%	SLIGHT MINERALIZATION IN FRACTURE OF LAST FT. OF CORE
70'	80'	120" QTZ & MICA	120" 100%	SLIGHT MINERALIZATION & SOME GARNET IN LAST FT. OF CORE
		THURSDAY MAY 9, 1968		
		SPENT HALF THE MORNING RIGGING SUBMERSIBLE PUMP		
80'	90'	119" MICA & QTZ (SCHISTY) SPARSE SCATTERING OF GARNET	119" 99.2%	SLIGHT MINERALIZATION + SOME EUHEDRAL HORNBLENDE PRESENT
90'	100'	30" FINE QTZ & MICA; SOME GARNET 50" QTZ & MICA - HIGHLY	116" 96.7%	
		MINERALIZED, LARGE AMT. RED MATERIAL, SOME HORNBLENDE		
		4" ORE BEARING RK., PYRITE, Ag(?)		Pb(?) RED MATERIAL
		32" HIGHLY MINERALIZED QTZ W/SOME MICA - MUCH RED		
100'	110'	12" QTZ. W/ MUCH RED + SOME MICA; 108" QTZ & MICA	120" 100%	GARNET & HORNBLENDE SCATTERED IN SCHISTY PORTIONS OF CORE
110'	120'	120" SCHISTY MICA & QTZ. ; RED & GREENISH MATERIAL IN THE QTZ.	120" 100%	SCATTERED GARNET PRESENT
120'	130'	118" QTZ & MICA, SLIGHT MINERALIZATION & SOME GARNET PRESENT	118" 98.4%	

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John D. Riege

A. A. Peugnet, Consulting Mining Engineer - 705 Chestnut St., St. Louis, Mo.

CORE HOLE LOG OME-6622 -SILVER CONTR. 2256

Hole No. #3

Elev. Grnd. 2258'

Collar EL. FROM GRND. - 45° ∡

Property: ELDORADO GROUP

State ARIZONA County YAVAPAI Sect. 9 Twp. 8 N Rnge. 1 E

Location of Hole PER OME CONTRACT 2256

Driller BOYLES BROS. DR. CO. Address: PHOENIX, ARIZONA

Helper _____ Address: _____

Shift 7 A m to 5 P m

Setup 5-1-68 8 AM Pulled off Hole 5-11-68

FRIDAY MAY 10, 1968

Depth From	Depth To	Description of Formation Cut	Core Recov.	Remarks:
130'	140'	120" MED. GRAINED QTZ-MICA SCHIST	120" 100%	SOME SCATTERED PYRITE, GARNET, & HORNBLENDE
140'	150'	120" MED. GRAIN. QTZ-MICA SCHIST, SOME FELDSPAR	120" 100%	
150'	160'	120" SCHISTY QTZ & MICA, SOME MASSIVE QTZ + GARNET	120" 100%	
160'	170'	57" SCHISTY QTZ + MICA 63" QTZ W/MICA & HORNBLENDE	120" 100%	VERY MINOR AMT. PYRITE PRESENT IN SCHISTY PORTIONS OF CORE
170'	180'	120" SCHISTY QTZ & MICA, WITH SOME BANDS OF MASSIVE QTZ.	120" 100%	FAIR AMT. GARNET, SOME PYRITE & HORNBLENDE PRESENT
180'	190'	120" SCHISTY QTZ + MICA, SOME MASSIVE QTZ	120" 100%	
190'	200'	120" QTZ + MICA, SCHISTY IN PLACES, SOME HORNBLENDE	120" 100%	
		SATURDAY MAY 11, 1968		
200'	210'	102" SCHISTY QTZ & MICA W/ SOME MUDDY + GRAVELLY AREAS	102" 85%	
210'	220'	106" SCHISTY QTZ & MICA, SOME MASSIVE QTZ + MUSHY SPOTS	106" 88.3%	
220'	230'	120" QTZ. W/ MICA, SOME HORNBLENDE	120" 100%	
230	235	60" SCHISTY QTZ. MICA, SOME HORNBLENDE + GARNET	60" 100%	T.D.

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CORE HOLE LOG OME-6622-SILVER
CONTR. 2256

Hole No. 4
Elev. Grnd. ~~2264~~ 2252.5
Collar EL. FROM GRND. - 50° ∡

Property: ELDORADO GROUP
State ARIZONA County YAVAPAI Sect. 9 Twp. 8 N Rnge. 1 E
Location of Hole PER OME CONTRACT 2256
Driller BOYLES BROS. DR. CO. Address: PHOENIX, ARIZONA
Helper _____ Address: _____
Shift 7 A m to 5 P m
Setup 5-12-68 Pulled off Hole 5-23-68

MONDAY MAY 13, 1968

Depth From	Depth To	Description of Formation Cut	Core Recov.	Remarks:
11'	21'	15" QTZ W/MICA 104" GRANITIC RK W/MICA & HORNBL.	119" 99.2%	0'-11' GRANITIC RK W/MICA & RED & OCHRE MATERIAL IN FRACTURES.
21'	31'	30" GRANITIC RK W/MICA 10" POORLY CONSOLIDATED MICA SCHIST ~~14" GRANITIC RK.~~ 27" EARTHY LOOKING POORLY CONSOLIDATED SCHISTY MICA 5" GRANITIC RK	116" 96.7%	
31'	41'	106" WELL FRACTURED GRANITIC RK.	106" 88.3%	RED & OCHRE EARTHY SUBSTANCE ALONG FRACTURES
41'	51'	120" MED. & COARSE GRAINED GRANITIC RK (MICA & HORNBLENDE)	120" 100%	RED & OCHRE EARTHY SUBSTANCE ALONG FRACTURES
51'	61'	16" QTZ MICA SCHIST 87" QTZ W/MICA & HORNBLENDE 29" FINE GRAINED QTZ-MICA SCHIST 2" CRUMBLY RED MATERIAL 22" QTZ W/MICA & HORNBLENDE	117" 97.5%	
				TUESDAY MAY 14, 1968
61'	71'	81" GRANITIC QTZ. W/MICA 27" GARNETIFEROUS MICA	118" 98.4%	SOME DENDRITES (BLACK), RED EARTHY MATRL. & VERMICULITIC TYPE SUBSTANCE ALONG FRACTURES
71'	81'	53" GARNETIFEROUS MICA 48" QTZ W/MICA	114" 95%	RED & OCHRE SUBSTANCES IN MICA & ALONG FRACTURES OF QTZ.
		7" APLITIC MICA W/RED MATERIAL, POORLY CONSOLIDATED 6" QTZ W/MICA		
81'	91'	120" QTZ W/MICA, SOME HORNBLENDE	120" 100%	RED & OCHRE MATERIAL, INCREASING REDNESS IN LAST 2' OF CORE
91'	101'	87" GRANITIC QTZ. W/MICA & RED MATERIAL 12" CLAYEY MATERIAL W/MICA 17" GRANITIC QTZ. W/MICA & REDDISH MATERIAL	116" 96.7%	SOME BLACK DENDRITES ALONG FRACTURES RED & OCHRE MATERIAL PRESENT
101'	111'	2" PEBBLY GRANITIC QTZ. 46" GRANITIC QTZ W/MICA 10" SCHISTY MICA & QTZ. 36" GRANITIC QTZ W/MICA 13" MICA SCHIST WITH MUCH RED 1" EARTHY & METALLIC RED MATTER - PROBABLY HEMATITE	108" 90%	
111'	121'	11" PURPLISH & GREEN CLAY & MUD 2" QTZ W/MICA 5" GARNETIFEROUS MICA SCHIST 7" QTZ W/MICA 17" MICA SCHIST 39" QTZ & MICA	81" 67.5%	SOME HEMATITE(?) PEBBLES IN CLAY PORTION OF CORE SLUDGE NOTICEABLY RED AT TIMES
121'	131'	81" MASSIVE QTZ W/MICA 25" SCHISTY QTZ & MICA 15" QTZ & MICA 8" POORLY CONSOLIDATED MUDDY MICA 46" FRACTURED QTZ. GRANITIC W/MICA;	102" 85%	- OCHRE SUBSTANCE ALONG FRACTURES
131'	141'	111" QTZ W/MICA 30" GRAYISH GREEN IGNEOUS RK WITH APHANITIC GROUNDMASS & YELLOW & GREEN PHENOCRYST GRAINS - TENDS TO BE SOMEWHAT CLAYEY 50" SCHISTY QTZ. & MICA	120" 100%	

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CORE HOLE LOG OME-6622 -SILVER
CONTR. 2256

Hole No. 4

Elev. Grnd. 2257.2 ~~2264.5~~

Collar EL. FROM GRND. -50°

Property: ELDORADO GROUP

ARIZONA County YAVAPAI Sect. 9 Twp. 8 N Rnge. 1 E

Location of Hole PER OME CONTRACT 2256

Driller ROYLES BRS. DR. CO. Address: PHOENIX, ARIZONA

Helper _____ Address: _____

Shift 7 Am to 5 Pm

Setup 5-12-68 Pulled off Hole 5-23-68

WEDNESDAY MAY 15, 1968

Depth From	Depth To	Description of Formation Cut	Core Recov.	Remarks:
141'	151'	120" MED. TO FINE GRAINED QTZ & MICA - SCHISTY	120" 100%	GARNETIFEROUS WITH SOME MINERALIZATION - NOT SIGNIFICANT
151'	161'	41" MED. & FINE GRAINED SCHISTY QTZ & MICA	120" 100%	
		32" VERY FINE GRAINED IGNEOUS AR. GREEN ISH GRAY WHEN FRESH, SOME MINERALIZATION		
		48" SCHISTY QTZ. & MICA		≈ 2" REMOVED FOR EXAMINATION
161'	171'	28" QTZ W/MICA	120"	
		92" FINE GRAINED GARNETIFEROUS MICA SCHIST	100%	
171'	181'	13" SCHISTY QTZ & MICA	117"	SOME YELLOWNESS & REDNESS NOTED
		5" FAIRLY PURE QTZ	97.5%	THROUGHOUT CORE
		43" CLAYEY & CRUMBLY MICA W/ SOME QTZ.		
		56" SCHISTY QTZ & MICA		
		MON. MAY 20 - DRILLER & HELPER DID NOT SHOW FOR WORK		
		TUESDAY MAY 21, 1968		
181'	186'	56" FINE GRAINED QTZ AND/OR FELDSPAR & MICA	60"	
		10" GRANITE - MED. GRAINED	100%	
186'	191'	50" GRANITE	60"	VERMICULITIC APPEARING MATERIAL IN GRANITE;
		10" CONGLOMERITIC MATERIAL	100%	ROSE PINK GRAINS IN CONGLOMERATE SECTION
191'	196'	28" GRANITE, CRUMBLY IN SPOTS	58"	
		30" GARNETIFEROUS SCHISTY MICA	96.7%	
		+ QTZ. W/ REDNESS OTHER THAN GARNET IN SECTIONS		
196'	201'	60" MICA SCHIST W/ SOME QTZ + GREEN MINERAL; GARNETIFEROUS	60" 100%	
201'	206'	60" QTZ-MICA SCHIST	60" 100%	
206'	211'	24" QTZ MICA SCHIST	60"	
		6" GRANITIC QTZ W/SOME PYRITE	100%	
		30" QTZ. MICA SCHIST		
211'	216'	52" QTZ-MICA SCHIST & MASS. QTZ., WELL BROKEN UP IN SPOTS	52" 86.7%	VERY SMALL TREE ROOTS NOTED, WHICH MAY ACCOUNT FOR BROKEN NATURE OF CORE
216'	221'	56" BROKEN & CRUMBLY QTZ MICA SCHIST & SOME MASSIVE QTZ.	56" 93.3%	
221'	226'	59" QTZ MICA SCHIST + SOME MASSIVE QTZ; VERY BROKEN UP IN FIRST FOOT OF CORE	59" 98.3%	
226'	231'	60" QTZ MICA SCHIST, SLIGHT REDNESS	60" 100%	SOME SLIGHT GREEN MINERALIZATION ALONG FRACTURES
		WEDNESDAY MAY 22, 1968		
231'	236'	51" SLIGHTLY GARNETIFEROUS QTZ-MICA SCHIST	51" 85%	CHANGED BIT AT 231', AT WHICH TIME 2 FEET OF CAVE OCCURED
236'	241'	9" QTZ MICA SCHIST	58"	
		24" QTZ W/MICA	96.6%	
		7" QTZ MICA SCHIST		
		10" CRUMBLY, ALMOST CLAYEY MICA SCHIST		
		4" GRANITIC QTZ. W/MICA		
		4" CRUMBLY CLAYEY MICA SCHIST		
241'	246'	56" QTZ MICA SCHIST, GLAUCONITIC IN SPOTS	56" 93.3%	SOME SMALL ROOTS NOTED
246'	251'	57" QTZ. MICA SCHIST	57" 95%	

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CORE HOLE LOG

OME-6622 -SILVER
CONTR. 2256

Hole No. 4
Elev. Grnd. ~~2261.6~~ ~~2252.2~~ 2252.1
Collar El. FROM GRND. - 50°4

Property: EL DORADO GROUP
State ARIZONA County YAVAPAI Sect. 9 Twp. 8 N Rnge. 1 E
Location of Hole PER OME CONTRACT 2256
Driller BOYLES BRO. DR. CO. Address: PHOENIX, ARIZONA
Helper _____ Address: _____
Shift 7 A m to 5 P m
Setup 5-12-68 Pulled off Hole 5-23-68

WED. MAY 22 CONT'D

Depth From	Depth To	Description of Formation Cut	Core Recov.	Remarks:
251'	261'	106" QTZ MICA SCHIST W/ SOME MASSIVE QTZ.	120" 100%	PYRITE & ROOTS NOTED IN SCHIST PORTION
		14" QTZ, MICA, & HORNBLENDE WITH VERY		SLIGHT AMT. PYRITE
261'	271'	120" QTZ MICA SCHIST & MASS. QTZ.; GARNETIFEROUS IN SPOTS	120" 100%	HORNBLENDE & PYRITE NOTED
271'	281'	120" GARNETIFEROUS QTZ MICA SCHIST & QTZ W/ MICA & HORNBLENDE	120" 100%	PYRITE NOTED
			THURSDAY MAY 23, 1968	
281'	291'	21" QTZ MICA SCHIST 50" GRANITIC QTZ W/MICA - SOME REDNESS & HORNBLENDE	118" 98.3%	PERIOD OF REDNESS IN SLUDGE; SOME GREEN MINERALIZATION ALONG QTZ. FRACTURES
		13" MICA SCHIST 34" GRANITIC QTZ, SOME REDNESS	& YELLOWNESS - POSSIBLY S6	
291'	300'	7" GRANITIC QTZ W/MICA 7" QTZ MICA SCHIST	100" 92.6%	
		31" GRANITIC QTZ W/MICA 11" MICA SCHIST 45" GRANITIC QTZ W/MICA		SOME REDNESS & SLIGHT YELLOWNESS PRESENT IN CORE, SOME VERMICULITE APPEARING MATERIAL & IRONY LOOKING SUBSTANCE; SOME GREEN MINERALIZATION ALONG FRACTURES.
		TOTAL	DRILLED	

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John D. Riege

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CORE HOLE LOG

OME-6622 -SILVER
CNTR.2256

Hole No. 5
Elev. Grnd. 2279.00
Collar EL. FROM GRND. -55° ∡

Property: EL DORADO GROUP
State ARIZONA County YAVAPAI Sect. 9 Twp. 8N Rnge. 1E
Location of Hole PER OME CONTRACT 2256
Driller BOYLES BRO. DR. CO. Address: PHOENIX, ARIZONA
Helper _____ Address: _____
Shift 7 A m to 5 P m
Setup 5-24-68 Pulled off Hole 5-30-68

SATURDAY MAY 25, 1968

Depth From	Depth To	Description of Formation Cut	Core Recov.	Remarks:
	9.25	Casing		
0	0.67	overburden		
0.67	7.5	Granite		
7.5	8	Pegmatite Coarse		
8	8.70	" "		
8	9.25	Schist		
		Start Coring @ 9.25		
9.25	19	MED. GRAIN GRANITE & FINE GRAIN MICASCHIST	97%	
19	29	100" MED. GRAINED GRANITE BEARING MICA & SOME HORNBLEN.	100% 83.3%	
29	39'	118" GRANITE WITH SOME SCHISTY MICA SECTIONS	118" 98.3%	SOME THIN VERMICULITIC APPEARING PORTIONS PRESENT
39'	48'	47" GRANITE 12" GRAVEL & LOOSE MICA SCHIST	99" 91.7%	70% WATER & CORRESPONDING SLUDGE LOSS OCCURRED AT ABOUT
		17" QTZ MICA SCHIST 23" WELL FRACTURED GRANITE		45' & LASTED THRU THE RUN
48'	51'	34" MED. GRAIN GRANITE BEARING MICA	34" 94.4%	CONTINUING 75% WATER LOSS; BLACK DENDRITES ON FRACTURE SURFACES
51'	61'	60" MICACEOUS QTZ. GRANITE 55" GARNETIFEROUS QTZ + MICA SCHIST	115"	PYRITE NOTED IN SCHIST PORTION; REGAINED FULL WATER RETURN
61'	69'	11.5" SCHISTY QTZ. & MICA 38" QTZ. & MICA	96" 100%	PYRITE NOTED
		48.5" QTZ GRANITE W/MICA		
				SUNDAY MAY 26, 1968
69'	79'	38.5" MICACEOUS QTZ. GRANITE 39.5" QTZ MICA SCHIST	123" +100%	80% WATER RETURN; PYRITE NOTED; 3" CORE FROM A PREVIOUS RUN
		45" MICACEOUS QTZ. GRANITE WITH SOME HORNBLENDE		
79'	89'	46" MICACEOUS QTZ. GRANITE - COARSE 16" SCHISTY QTZ + MICA	120" 100%	70% WATER RETURN
		32" MICACEOUS QTZ. GRANITE WITH SOME HORNBLENDE 20" MICA & QTZ 12" MICACEOUS QTZ GRANITE WITH HORNBLENDE - COARSE GRAINED		
89'	99'	120" QTZ MICA SCHIST, & QTZ W/MICA	120" 100%	60% WATER RECOVERY; PYRITE & GARNET NOTED
99'	109'	120" SCHISTY QTZ & MICA; SOME GARNET	120" 100%	CONTINUING WATER PROBLEM; PYRITE NOTED
109'	119'	120" QTZ MICA SCHIST & QTZ W/ MICA	120" 100%	TOTAL WATER LOSS THRU RUN; GARNET & HORNBLENDE NOTED
119'	129'	121" QTZ & MICA; & QTZ-MICA SCHIST; SOME GARNET	120" 100%	REGAINED WATER
129'	139'	96" QTZ & MICA - SCHISTY 24" MICA & QTZ W/ YELLOW FELDSPAR	120" 100%	PYRITE NOTED
		SEVERAL THIN WAFERS OF WHAT IS PROBABLY AN ANTIMONY SULPHIDE AT 137.5'		
139'	148½	113" FINE GRAINED IGNEOUS ROCK WITH SCATTERED PYRITE AND OTHER METAL AT 140' TO 142'	113" 99.1%	TOTAL WATER LOSS
				CHANGED BIT AT 139'

AMEDEE A. PEUGNET
P O BOX 110
PHOENIX, ARIZ. 85001

John D. Ringe

A. A. Peugnet, Consulting Mining Engineer - 705 Chestnut St., St. Louis, Mo.

CORE HOLE LOG OME-6622 -SILVER
CONTR. 2256

Hole No. 5
Elev. Grnd. 2229'
Collar EL. FROM GRND. - 55° ∡

Property: EL DORADO GROUP
State ARIZONA County YAVAPAI Sect. 9 Twp. 8 N Rnge. 1 E
Location of Hole PER OME CONTRACT 2256
Driller BOYLES BROS DR. CO. Address: PHOENIX, ARIZONA
Helper _____ Address: _____
Shift 7 Am to 5 Pm
Setup 5-24-68 Pulled off Hole 11-30-68

MONDAY MAY 27, 1968

Depth From	Depth To	Description of Formation Cut	Core Recov.	Remarks:
146.5	151'	22" GARNETIFEROUS MICA SCHIST 6" PEGMATITE; 2" SCHIST	30" 100%	REGAINED WATER RETURN; PYRITE NOTED, SOME HORNBLENDE
151'	161'	12" GARNET. QTZ. MICA SCHIST 2" FINE GRAINED IGNEOUS WITH SCATTERED PYRITE	120" 100%	PYRITE NOTED
		105" GARNETIFEROUS QTZ. MICA SCHIST		
161'	171'	120" QTZ-MICA SCHIST & QTZ WITH MICA	120" 100%	PYRITE NOTED
171'	180'	26" GRAVELY, LOOSELY SET, CLAYEY QTZ + MICA	~~120"~~ 103" 95.4%	PYRITE NOTED
		37" QTZ-MICA SCHIST, SOME HORNBLENDE		
180'	185'	12" CRUMBLY, CLAYEY MICA SCHIST 28" QTZ & MICA	60" 100%	
		20" QTZ MICA SCHIST		
185'	190'	60" QTZ MICA SCHIST & QTZ WITH MICA	60" 100%	PYRITE NOTED
190'	195'	60" QTZ & QTZ MICA SCHIST	60" 100%	
195'	200'	60" QTZ MICA SCHIST & QTZ W/MICA	60" 100%	WATER RETURN PROBLEMS - TOTAL LOSS AT TIMES
200'	205'	24" MICACEOUS QTZ GRANITE 36" QTZ MICA SCHIST	60" 100%	
205'	210'	60" QTZ W/MICA & GARNETIF. QTZ MICA SCHIST	60" 100%	
				TUESDAY MAY 28, 1968
210'	215'	60" GARNETIFEROUS QTZ-MICA SCHIST & QTZ	60" 100%	PYRITE & HORNBLENDE NOTED
215'	220'	60" QTZ W/MICA & QTZ-MICA SCHIST	60" 100%	
220'	230'	120" QTZ-MICA SCHIST & QTZ W/ MICA	120" 100%	SMALL DIKE CUTTING QTZ AT 222' PYRITE NOTED
230'	240'	68" QTZ MICA SCHIST, SLIGHTLY GARNETIFEROUS	120" 100%	PYRITE NOTED
		40" MASSIVE QTZ W/MICA 12" SCHISTY QTZ & MICA		
240'	250'	78" MASS. QTZ W/MICA 42" SCHISTY QTZ & MICA	120" 100%	
250'	260'	73" QTZ MICA SCHIST, SLIGHTLY GARNETIFEROUS	120" 100%	FAIR AMT. WOLLASTONITE ALONG FRACTURE SURFACES, SEEMINGLY INDICATING SLIP MOVEMENT
		27" FINE GRAINED GREENISH IGNEOUS ROCK 20" SCHISTY QTZ & MICA, SLIGHTLY GARNETIFEROUS		PYRITE NOTED
				WEDNESDAY MAY 29, 1968
260	270'	120" QTZ-MICA SCHIST-GARNETIFEROUS	120" 100%	NEAR FRACTURED IN SPOTS, SOME GREENISH MINERALIZATION ON FRACTURES
270'	280'	32" QTZ-MICA SCHIST 88" QTZ W/MICA	120" 100%	RED & YELLOW-BROWN MATERIAL ON FRACTURES, PROBABLY LIMONITE & HEMATITE
280'	290'	119.5" MICACEOUS QTZ GRANITE W/ YELLOW FELDSPAR	119.5" 99%	
290'	300'	121" MICACEOUS QTZ GRANITE	121" 100%	SOME YELLOW FELDSPAR

AMEDEE A. PEUGNET
P O BOX 110
PHOENIX, ARIZ. 85001

TOTAL DRILLED

John D. Riggs

A. A. Peugnet, Consu[illegible]ng Mining Engineer - 705 Che[illegible]ut St., St. Louis, Mo.

CORE HOLE LOG OME-6622 -SILVER CONTR. 2256

Hole No. 6

Elev. Grnd. 2282°

Collar EL. FROM GRND. ~~60°~~ -55° ∡

Property: ELDORADO GROUP

State ARIZONA County YAVAPAI Sect. 9 Twp. 8 N Rnge. 7E

Location of Hole PER OME CONTRACT 2256

Driller BOYLES BROS. DR. CO. Address: PHOENIX, ARIZONA

Helper _____ Address: _____

Shift 7 AM to 5 PM

Setup 5-30-68 Pulled off Hole 6-2-68

John D. Ruiz

FRIDAY MAY 31, 1968

Depth From	Depth To	Description of Formation Cut	Core Recov.	Remarks:
0	9½'	UNCONSOLIDATED		
9½	17'	31" QTZ-GRANITE, GRANITE	PEBBLES & GRAVEL	
17'	22'	20" COARSE QTZ W/MICA 36" QTZ-MICA SCHIST, GARNETIFEROUS	56" 93.3%	PLANT ROOTS ALONG FRACTURES; SOME RED GRAINS - PROBABLY HEMATITE
22'	32'	44" LIMONITIC QTZ-MICA SCHIST 8" QTZ-MICA SCHIST	116"	PLANT ROOTS, RED GRAINS PRESENT HORNBLENDE NOTED
		5" LIMONITIC QTZ-MICA SCHIST; APLITIC 13" SCHISTY QTZ & MICA		
		3" LIMONITIC SCHIST 43" SCHISTY QTZ & MICA	W/ SOME	LIMONITIC AREAS
32'	42'	120" APLITIC QTZ MICA SCHIST & QTZ W/MICA	120" 100%	LIMONITIC APPEARING MATERIAL AT 36' & 39'
42'	52'	17" MICACEOUS QTZ GRANITE 79" QTZ W/MICA, SCHISTY IN SPOTS 4" QTZ-MICA SCHIST	120" 100%	PLANT ROOTS NOTED
52'	62'	24" MICACEOUS QTZ GRANITE 22" MICACEOUS QTZ	120" 100%	
		34" SCHISTY QTZ & MICA 40" SLIGHTLY GARNETIFEROUS	QTZ-MICA SCHIST	
62'	72'	36" SLIGHTLY GARNETIFEROUS QTZ-MICA SCHIST	120" 100%	HIT VOID AT 70' - COMPLETE LOSS OF WATER
		41.5" MASSIVE QTZ W/HORNBLENDE 28.5" GARNETIFEROUS MICA SCHIST		
		3" QTZ- W/ MICA & HORNBLENDE 12" SLIGHTLY GARNETIFEROUS	QTZ-MICA SCHIST	
		6" COARSE QTZ, MICA, & HORNBLENDE 24" SCHISTY QTZ & MICA		
		14" MICACEOUS QTZ GRANITE	WITH YELLOW FELDSPAR	
72'	82'	1.5" VERMICULITIC SCHISTY QTZ & MICA WITH SOME METAL - POSSIBLY	108"	ZERO WATER RETURN ANTIMONY
		1" HIGHLY MINERALIZED QTZ - PYRITE, CHALCOPYRITE, GALENA & OTHER METAL 10" MICACEOUS QTZ GRANITE	WITH SOME	PYRITE & OTHER MINERALIZATION
		81.5" MICACEOUS QTZ-GRANITE WITH SOME 14" SCHISTY QTZ & MICA		YELLOW FELDSPAR & HORNBLENDE
				SCATTERED SPECKS THROUGHOUT RUN - PROBABLY HEMATITE
82'	92'	10" COARSE QTZ & MICA 110" QTZ W/MICA & QTZ MICA	120" 100%	
HORNBLENDE		SCHIST; SOME GARNET IN & SOME PYRITE AT 83.5'	SCHIST	AREAS & 86' & 89'
92'	102'	104" QTZ & GARNETIFEROUS QTZ MICA SCHIST W/HORNBLENDE	120" 100%	PYRITE NOTED; STILL ZERO CIRCULATION
		16" MICACEOUS QTZ-GRANITE	WITH YELLOW FELDSPAR	
102'	112'	120" QTZ & QTZ MICA SCHIST W/HORNBLENDE	120" 100%	ZERO CIRCULATION GARNET NOTED
112'	122'	120" MICACEOUS QTZ WITH SOME HORNBLENDE, & QTZ-MICA SCHIST	120" 100%	SCHIST IS SLIGHTLY GARNETIFEROUS
122'	132'	73" GARNETIFEROUS QTZ-MICA SCHIST 47" QTZ & MICA	120" 100%	SCATTERED HORNBLENDE
132'	142'	100" MICACEOUS QTZ GRANITE 19" MINERALIZED QTZ GRANITE WITH	119"	YELLOW FELDSPAR
142'	152'	24" MICACEOUS QTZ 23" QTZ MICA SCHIST	120" 100%	
		14" QTZ W/MICA; 22" QTZ MICA 19" QTZ MICA SCHIST		SCHIST; 19" MICACEOUS QTZ
152' → 159½'	100%	9" QTZ W/SOME MICA; 55" QTZ-MICA SCHIST; 1" QTZ W/IRON & PYRITE; 15" QTZ & MICA; 6" MINERALIZED QTZ & MICA; 1" GOUGE		
		[illegible]		

Page # 1

Shop No. 2701 Date 2 MAY 1968

File No. 1291 P E

VALUES
Latest Quotation

1 oz. Gold
1 oz. Silver $2.00 PLUS
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

MR. AMEDEE A. PEUGNET
P.O. BOX 110
PHOENIX
Az. 85001

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
2701		.40			NIL										
2702		.40			TRACE										
2703		.40			TRACE										
2704		.40			TRACE										
2705		.40				.01	$	.35							
2706		.40			TRACE										
2707		.40			TRACE										
2709		.40			TRACE										
2710	1	.80				.01	$	.35							

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

Charges $ Page # 1

Assayer

JACK STONE REG. No. 5479

ANDY CHUKA, PRINT

OME-6622 -SILVER
CONTR.2256

Page # 2

Shop No. 2711 Date 2 MAY 1968

File No. 1291 PE

VALUES
Latest Quotation

1 oz. Gold
1 oz. Silver $2.00 PLUS
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

MR. AMEDEE A. PEUGNET
P.O. BOX 110
PHOENIX
AZ. 85001

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
2711	229.	20				.06	$2.	10							
2712	35.	60				.01	$.	35							
2713	1.	40			TRACE										
2714		.40			TRACE										
2715		.40			TRACE										
2716	1.	00			TRACE										
2717	.	70			TRACE										
2718	.	60			TRACE										
2719	.	60			TRACE										

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

Charges $ Page # 2

Assayer

JACK STONE REG. NO. 5479

ANDY CHUKA, PRINT

OME-6622 -SILVER
CONTR.2256

PAGE # 3

Shop No. 2720

File No. 1291 PE

Date 2 MAY 1968

VALUES
Latest Quotation

1 oz. Gold.....

1 oz. Silver $2.00 PLUS

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

MR. AMEDEE A. PEUGNET
P.O. BOX 110
PHOENIX
AZ. 85001

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
2720		.40		TRACE								
SLUDGE HOLE # 1A-10'-14' DMC-2256 -?		.40		TRACE								

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

Charges $ PAGE # 3

Assayer.....

JACK STONE REG. No. 5479

ANDY CHUKA, PRINT

OME-6622 -SILVER
CONTR.2256

Shop No. 2722
File No. 1293 PE

Date 13 MAY 1968

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:

Arizona Assay Office

815 NORTH FIRST STREET
Phone: 253-4001

MR. AMEDA A. PEUGNET
BOX 110
PHOENIX
AZ. 85001

Phoenix, Arizona 85001
P. O. BOX 1148

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
# 2722	40.	40			.02	$.70						
# 2723		.50		NIL								
# 2724	2.	70			.01	$.35						
# 2725		.60		TRACE								

REGISTERED ASSAYER
CERTIFICATE EXPIRES
DEC. 31, 19[illegible]
ARIZONA, U.S.A.

Charges $ 20.00

Assayer.....
JACK STONE REG. No. 5479

ANDY CHUKA, PRINT

OME-6622 -SILVER
CONTR. 2256

Shop No. 2726-27

File No. 1295 PE

Date 31 MAY 1968

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:

Arizona Assay Office

815 NORTH FIRST STREET
Phone: 253-4001

Phoenix, Arizona 85001
P. O. BOX 1148

MR.AMEDEE A.PEUGNET
P.O.BOX 110
PHOENIX AZ. 85001

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
# 2726		.40		TRACE					
# 2727	1.	20		TRACE					

Charges $ 10.00 Paid

Assayer

JACK STONE REG. No. 5479

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

ANDY CHUKA, PRINT

Certified to be a true copy
Amedee A Peugnet

OME-6622 -SILVER
CONTR.2256

2728-30

Shop No. 1297 PE

File No.

Date 3 JUNE 1968

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:

Arizona Assay Office

815 NORTH FIRST STREET

Phone: 253-4001

Phoenix, Arizona 85001
P. O. BOX 1148

MR. AMEDEE A. PEUGNET
P.O. BOX 110
PHOENIX
ARIZONA

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
# 2728		.70		TRACE					
# 2729	244	.90			.03	$1.05			
# 2730		.70		TRACE					

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

Charges $ 15.00

Assayer

JACK STONE REG. No. 5479

ANDY CHUKA, PRINT

OME-6622 -SILVER
CONTR.2256

Shop No. 2731
File No. 1299 P E

Date 22 JUNE 1968

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:

Arizona Assay Office

815 NORTH FIRST STREET
Phone: 253-4001

Phoenix, Arizona 85001
P. O. BOX 1148

MR.A.A.PEUGNET

AMEDEE A. PEUGNET
P O BOX 110
PHOENIX, ARIZ. 85001

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
		.40				.01	$	.35							
OME-6622 -SILVER CONTR.2256															

Charges $ 5.00 PAID

Assayer

JACK STONE REG. No. 5479

REGISTERED ASSAYER
CERTIFICATE EXPIRES
JACK E. A. STONE
DEC. 31, 1972
ARIZONA, U.S.A.

ANDY CHUKA, PRINT

Certified to be a true copy Amedee A Peugnet

OME-6622 -SILVER
CONTR.2256

IN ACCOUNT WITH

Arizona Assay Office

815 NORTH FIRST STREET
PHOENIX, ARIZONA 85001

PHONE: 253-4001

MAIL
P. O. BOX 1148

DATE 4 May 68

TO Mr. Amedee A. Peugnet.

TERMS:

20	Gold Silver assays.	$100.00

REGISTERED ASSAYER
CERTIFICATE EXPIRES
JACK E. STONE
ARIZONA, U.S.A.

Jack Stone

AMEDEE A. PEUGNET
P O BOX 110
PHOENIX, ARIZ. 85001

JACK STONE REG. No. 5479

Certified to be a true copy
Amedee A Peugnet

OME-6622 -SILVER
CONTR. 2256

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

Boyles Bros. DRILLING COMPANY

CONTRACTORS-ENGINEERS-GEOLOGISTS

General Offices and Plant
1624 Pioneer Road P. O. Box 58 Phone 487-7595
SALT LAKE CITY, UTAH 84110
Cable: BOYLESCO

BRANCH OFFICES
ARIZONA (PHOENIX)
CALIFORNIA (AUBURN
COLORADO (GOLDEN)
NEVADA (SPARKS)
WASHINGTON (SPOKANE
CHILE (SANTIAGO)
CABLE: BOYLESBROS
MEXICO, D.F.
PERU (LIMA)
CABLE: BOYLESCOP

INVOICE DATE: May 31, 1968
ORDER NUMBER:
INVOICE NUMBER:
CONTRACT: 6-482
TERMS:
LOCATION: New River

Mr. A. A. Peugnet
705 Chestnut St.
St. Louis Mo., 63100

HOLE NO.		FROM	TO	FOOTAGE	RATE	TOTAL
DH-6	Coll pipe	0	10	10	8.60	86.00
	BX	10	162	152	7.10	1,079.20
Materials Used:	Lumnite			1 sack	7.83	7.83
	Set-up time			10 hrs.	15.00	150.00
	Core boxes			127	1.00	127.00
	Water truck rental			1 mo.	190.00 mo.	190.00
	Water truck mileage			17 mi.	.15 mi.	2.55
						1,642.58
				Total Billing —		7,918.23

Paid in full
JER

Job Completed.

ORL-6622 -SILVER
CONTR. 2256

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

Boyles Bros. DRILLING COMPANY

CONTRACTORS-ENGINEERS-GEOLOGISTS

General Offices and Plant

1624 Pioneer Road P. O. Box 58 Phone 487-7595
SALT LAKE CITY, UTAH 84110
Cable: BOYLESCO

BRANCH OFFICES
ARIZONA (PHOENIX)
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WASHINGTON (SPOKANE
CHILE (SANTIAGO)
CABLE: BOYLESBROS
MEXICO, D.F.
PERU (LIMA)
CABLE: BOYLESCOP

INVOICE DATE: May 31, 1968
ORDER NUMBER:
INVOICE NUMBER:
CONTRACT: 6-482
TERMS:
LOCATION: New River, Ariz.

Mr. A.A. Peugnet
Consulting Mining Engineer
705 Chestnut St.
St. Louis, Missouri 63100

HOLE NO.		FROM	TO	FOOTAGE	RATE	TOTAL
DH-3	Coll pipe	0	10	10	8.60	86.00
	BX	10	235	225	7.10	1,597.50
						1,683.50
DH-4	Coll pipe	0	11	11	8.60	94.60
	BX	11	300	289	7.10	2,051.90
		Set-up time		10 hrs.	15.00	150.00
		Portland Cement		1 sack	2.15	2.15
						2,298.65
DH-5	Coll pipe	0	9	9	8.60	77.40
	BX	9	300	291	7.10	2,066.10
		Set-up time		10 hrs.	15.00	150.00
						2,293.50

Paid in full
JEH

CM -6622 -SILVER
CONTR. 2256

IN ACCOUNT WITH

Arizona Assay Office

815 NORTH FIRST STREET
PHOENIX, ARIZONA 85001

PHONE: 253-4001

MAIL
P. O. BOX 1148

DATE 13 MAY 1968

TO MR.AMEDA A.PEUGNET
P.O.BOX 110
PHOENIX
Az. 85001

TERMS:

INVOICE # 1293 PE

4	Gold,Silver	$20.00

Paid Jack Stone

REGISTERED ASSAYER
CERTIFICATE EXPIRES
DEC. 31, 1968
ARIZONA, U.S.A.

JACK STONE REG. No. 5479

Certified to be a true copy
Ameda A Peugnet

OME-6622 -SILVER
CONTR.2256

IN ACCOUNT WITH

Arizona Assay Office

815 NORTH FIRST STREET
PHOENIX, ARIZONA 85001

PHONE: 253-4001

MAIL
P. O. BOX 1148

DATE 4 June 68

TO Mr. A. A. Peugnet

TERMS:

3	gold silver assays		15	00

REGISTERED ASSAYER
JACK E. A. STONE
DEC. 31, 19
ARIZONA, U.S.A.

Paid
Jack Stone

AMEDEE A. PEUGNET
P O BOX 110
PHOENIX, ARIZ. 85001

JACK STONE REG. NO. 5479

Certified to be a true copy
Amedee A Peugnet

OME-6622 -SILVER
CONTR. 2256

Received of A. A. Peugnet 3 June 1968

Five Hundred & Thirty Three 34/100 Dollars

in full payment for services, May 1 to

June 2 (incl) 1968

$533 John D. Riggs

Certified to be a true copy Amedee A Peugnet

AMEDEE A. PEUGNET
P O BOX 110
PHOENIX, ARIZ. 85001

OME-6622 -SILVER
CONTR. 2256

OME - 6622 (Silver)
Contract 2256

OME 622 -SILVER
CONTR. 2256

PAYROLL FOR MAY AND JUNE 1968

John D. Riege
9750 S.W. 89 Ct.
Miami, Florida 33156

Social Security No. 394-46-1174
single, 1 exemption
Geologist-Sampler, at $500.00 / month

MAY 1 month	$500.00
June 1,2 - 2 days	33.34
	$533.34

Fed. withholding	58.03	
Arizona income tax	5.33	
Social at 4.4%	23.47	- 86.83
	net	446.51

Amedee A. Peugnet
4605 Lindell Blvd.
St. Louis, Mo. 63108

Social Sec. No. 574-03-0303
single, 1 exemption
Operator-Supervisor at $300.00 / month

MAY 1 month	$300.00
JUNE 1,2 - 2 days	20.00
	$320.00

Fed. withholding	$ 60.00	
Arizona income tax	3.20	
Soc. Sec. at 4.4%	14.08	- 77.28
	net	$ 242.72

Amedee A Peugnet

Certified to be a true copy
Amedee A Peugnet

AMEDEE A. PEUGNET
P O BOX 110
PHOENIX, ARIZ. 85001

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

September 13, 1968

OFFICIAL COPY

Memorandum

To: Chief, Office of Minerals Exploration

From: Jacques F. Robertson

Subject: OME-6622 (Silver)
Amédee'A. Peugnet
Eldorado Group of Claims
Yavapai County, Arizona
Contract 2256

Enclosed is the original and two copies of a reclaim voucher dated September 4, 1968 on the subject contract, filed by the operator to recover costs disallowed on the April 1968 voucher, but now allowed by Amendment No. 1 dated August 22, 1968. The original of the suspension statement was forwarded to the Washington office with an earlier reclaim voucher dated July 6, 1968. The July 6 reclaim voucher should be destroyed as it has been superseded by the enclosed voucher, and the suspension statement should be attached to this later voucher.

Jacques F. Robertson

Jacques F. Robertson, Geologist
Office of Minerals Exploration

MME FORM 60
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OFFICIAL COPY
RECEIVED
SEP 27 1968
INITIALS CODE

Docket No. OME-6622
Contract No. 14-23-090-2256
Contract Amount 23,800.00
Gov't. Participation 75% 17,850.00
Minerals Silver

OPERATOR'S MONTHLY VOUCHER

For Month of April 1968

Operator's Name AMEDEE A. PEUGNET
Address 705 Chestnut St., St.Louis, Mo.63101

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						
asing lost comp hte	255.00		255.00			
Drifting	30.00		30.00			
Move & setup drill	300.00		300.00			
re BXW	2023.50		2023.50			
on-core coll pipe	232.20		232.20			
obilizat. drill	100.00		100.00			
(2) Personal Services:						
Supervision & Technical	400.00		400.00			
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
cements	2.15		2.15			
(4) Operating Equipment:						
Rental water truck	88.62		88.62			
Purchase mileage	3.15		3.15			
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.						
soc. sec.	17.60		17.60			
TOTALS	3452.22		3452.22			

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

Date Sept.4,1968 *Payee Amedee A Peugnet

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:

$ 387.00

Signature ms
(Authorized Certifying Officer)

Date SEP 25 1968 Vou. No. 91910

(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. 2256

Signature J. William Hasler Title Field Officer Date 9/12/68

Approved by OME Executive Officer or Alternate:

Signature J. William Hasler Title Field Officer Date 9/12/68

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.

HL 9/17/68

MME FORM 61
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of April 1968 Docket No. OME-6622

Operator's Name Amedee A. Peugnet Contract No. 14-23-090- 2256

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~~ Mobilization	flat	½	½	100.00	½	½	100.00
~~Crosscutting~~ Mov & setup	hrs	20	20	300.00	20	20	300.00
~~Raising~~ lost in hole	ft.	15	15	30.00	27	27	232.20
~~Shafts~~ collar pipe	ft.	27	27	232.20	1	1	2.15
~~Winzes~~ cement & addt	-	1	1	2.15			
Other Underground							
Drilling, Core-Diamond BX	ft.	285	285	2023.50	285	285	2023.50
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							400.00 1/
supervision-techn.	mo.	½	½	400.00	½	½	~~250.00~~ 1/
Roads and Trails B'dozng	job	1	1	255.00	1	1	255.00 2/
~~Shops~~ water truck rent	mo.	14day	14 days	88.62	14 days	14 days	88.62
~~Trenching~~ " mikes	mi.	21	21 mi.	3.15	21 mi	21 mi	3.15 3/
~~Tailings~~ soc. sec.				17.60	11.00	6.60	~~11.00~~ 3/
Other Surface Work							17.60
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE *(per MME Form 60)*				3452.22			~~$510.00~~ $3,452.22

REMARKS

(Continue on back)

REMARKS 1/ $150.00 already processed for payment on original voucher for April. $250.00 allowed on reclaim by Amendment No. 1 dated 8-22-68.
2/ Allowed for payment on reclaim voucher by Amendment No. 1 of 8-22-68.
3/ Allow $11.00 soc-sec. for geologist-sampler by Amendment No. 1 of 8-22-68. $6.60 processed for payment on original April voucher. All other items already processed for payment on original voucher
(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 Sept. 4, 1968 Operator Amédée A Peugnet

Per _____ Title _____

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 Sept. 12 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.

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

September 5, 1968

OFFICIAL COPY
O. M. E.
RECEIVED
SEP 6 1968
130
120
110
120

Memorandum

To: Chief, Office of Minerals Exploration

From: Jacques F. Robertson

Subject: OME-6622 (Silver)
Amedee A. Peugnet
Eldorado Group Property
Tip Top Mining District
Yavapai County, Arizona
Contract 2256

Transmitted herewith are the "Government's Copy" and the "Budget and Finance's Copy" of Amendment No. 1 on the above-stated subject. The "Operator's Copy" has been retained by Mr. Peugnet and the "Field Office Copy" and the "Extra Copy for Field Use" have been retained for the OME Region III Field Office files.

Jacques F. Robertson

Jacques F. Robertson, Geologist
Office of Minerals Exploration

A. PEUGNET · PE - CONSULTING MINING ENGINEER - REG. MO.E-3556

3 September 1968

OME Region III
RECEIVED
SEP 4 - 1968
Denver, Colorado

Mr. Jacques F. Robertson, Geologist,
Office of Minerals Exploration,
U.S. Geological Survey,
Federal Center, Bldg.53-Room 203,
Denver, Colorado 80225.

Subject: OME-6622 (Silver)
Amedee A. Peugnet
Eldorado Group Property
Tip Top Mining District
Yavapai County, Arizona
Contract 2256.

Dear Mr. Robertson:

Thank you for sending Amendment No.1 to OME-6622. Exploration Contract 2256.

I have signed all four copies, and return herewith the three copies as instructed.

From our telephone conversation of this morning, I understand that Washington has my executed Suspension Statement, together with my vouchers for May-June (completion). Therefore, it will be necessary for me to re-submit forms MME Forms 60 and 61, only, for April 1968.

I will forward completed Forms 60 and 61 as quickly as possible.

Thank you for the assistance you have given to me in this matter.

Sincerely yours,

Amedee A Peugnet

705 CHESTNUT ST., ST. LOUIS, MO. 63101 PHONE: (314) 621-1431

Office of Minerals Exploration
Building 53 Room 200

OFFICIAL COPY

August 30, 1968

Mr. Amedee A. Peugnet
705 Chestnut Street
St. Louis, Missouri 63101

Subject: OME-6622 (Silver)
Amedee A. Peugnet
Eldorado Group of Claims
Yavapai County, Arizona
Contract 2256

Dear Mr. Peugnet:

Enclosed are the original and three copies of proposed Amendment No. 1 (four pages), signed for the Government.

If the proposed amendment is satisfactory, please sign all four copies, retain the "Operator's Copy" and return the other copies to this office.

If any part of the proposed 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.

Upon execution of this amendment, you may submit a voucher, together with the original of the Suspension Statement, to reclaim some of the costs deducted from the amount claimed for April 1968.

Sincerely yours,

Jacques F. Robertson, Geologist
Office of Minerals Exploration

Enclosures

cc: Chief, OME
OME chron
Mr. Hasler
OME-6622

OFFICIAL FILE COPY

Date	Surname	Code
8/19/68	Kirkemo	120
"	Johnson	110
8/21	Peterson	
8/21	Shield	
8/22	cee	220
		120M

AIRMAIL

Memorandum

To: Field Officer, Region III

From: Chief, Office of Minerals Exploration

Subject: OME-6622 (Silver)
Amedee A. Peugnet
Eldorado Group of Claims
Yavapai County, Arizona
Contract 2256

Enclosed are the original and three copies of proposed Amendment No. 1 (four pages), signed for the Government. An extra copy of the amendment is 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 the usual distribution made of the copies.

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.

Upon execution of this amendment, the Operator may submit a voucher, together with the original of the Suspension Statement, to reclaim some of the costs deducted from the amount claimed for April 1968.

Although the period of time to complete the contract is extended by this amendment, we are not convinced that the results of Stage I work justify undertaking proposed Stage II. We would recommend withholding $200.00 from payment on any future voucher pending receipt of an acceptable final report unless new favorable information warranting Stage II is disclosed by the Operator, and Stage II is recommended by you and Mr. Robertson.

FRANK E. JOHNSON

Frank E. Johnson

Enclosures

cc: Director's Reading File
Economic Geology File
OME Docket
OME Reading File
Region III
Mr. Kirkemo
130
HKirkemo/bsl 8/19/68

M 6 REFERENCE SLIP

OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Assoc. Sol., MR., ~~Room 6554~~ (Through ~~Room~~ 6042)		
2. Mr. Kirkemo, Room 4459		
3.		
4.		
5.		

FROM: Chief, OME

FROM SOLICITOR

FOR SIGNATURE

FOR: Check items for action desired

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

REMARKS:

SOLICITOR
A-68-2175-3192
AUG 9 1968

RECEIVED
AUG 9 1968
Division of Mineral Resources
and General Legal Services

INTERIOR DEPT.

M56300-62

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

120 HK

120

120M

To Legal 8/9/68

DRAFT - 8/8/68
HKirkemo/bal

EXPLORATION CONTRACT
AMEDEE A. PEUGNET
OME-6622

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 Amedee A. Peugnet, hereinafter called the "Operator," that Exploration Contract 2256 (OME-6622), dated February 5, 1968, is amended effective August 5, 1968, as follows:

1. The time fixed by Article 1(a) of the contract for completion of the work is extended from six (6) to twelve (12) months from the date of the contract, or until February 5, 1969.

2(a). Work under the contract may be suspended during the period beginning August 6, 1968, and ending not later than November 1, 1968.

(b) The Government shall not contribute to any costs of rehabilitation or repair which in its opinion would not have occurred had there been no suspension of the work.

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

3. In Exhibit A

(a) Under the heading General Provisions, the first paragraph is revised to read as follows:

"A bulldozer no smaller than a Case 1,000 or equivalent unit of any other make shall be used to prepare access roads and drill sites."

(b) Under the heading Description of the Work, Stage 1, the first paragraph is revised to read as follows:

"The work shall consist of bulldozing access roads to the drill sites, leveling the sites, and drilling not more than 6 diamond drill holes totalling approximately 1,300 feet including collar pipe. The approximate locations of the drill holes are shown on Figure 1 referred to previously."

(c) Under the heading Estimated Costs of Project, Stage I, Actual Costs Category (1) Independent Contracts is revised in its entirety to read as follows:

Mobilization and demobilization, drilling rig	$ 200.00
Drilling and setting of collar pipe, 70 feet @ $8.60/ft.	602.00
Diamond drilling, 1,242 feet	8,935.00

	Rate/Foot	
Depth, feet	NXWL	BXWL
0-500	$7.60	$7.10

Cementing, reaming, and casing		
5 hrs. @ $15.00/hr.	$ 75.00	
Casing lost in completed holes, 15 feet	30.00	
NX @ $3.00/foot		
BX @ $2.00/foot		
Moving and setting up drill rig.	750.00	
50 hrs. @ $15.00/hr.		
Rental of water truck,		
1.5 months @ $190.00/month	285.00	
Hauling water,		
40 miles @ $0.15/mile	6.00	
		$10,883.00

Category (2) Personal Services, Subcategory (a) Supervision and Technical Services is revised to read as follows:

Supervision - Technical Services	$1,200.00	
1.5 months @ $800.00/month		$ 1,200.00

Categories (3) and (7) remain unchanged.

The following schedule is added to Stage I:

Fixed Unit Costs

Bulldozing roads and drill sites, $255.00 including bulldozer rental, operator's salary, payroll taxes, insurance, F.IC.A., etc.

Summary Stage I Estimated Costs

Categories (1), (2), (3), and (7)	$12,810.00
Fixed Unit Costs	255.00
Total Estimated Cost, Stage I	$13,065.00

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 fixed unit cost of any item of work.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Chief, Office of Minerals Exploration

AMEDEE A. PEUGNET

_____
(Operator)

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

July 19, 1968

Memorandum

To: Chief, Office of Minerals Exploration

From: Jacques F. Robertson

Subject: Amendments to OME-6622 (Silver)
Amedee A. Peugnet
Eldorado Group Property
Tip Top Mining District
Yavapai County, Arizona
Contract 2256

Forwarded herewith are amendments proposed by Mr. Peugnet on the subject contract, along with a copy of Administrative Suspension Statement disallowing certain items on Mr. Peugnet's April voucher, and a new voucher dated July 6, 1968 reclaiming those suspended items covered by the enclosed amendments.

In regard to the requested amendment for bulldozer work, it appears that Mr. Peugnet had no alternative but to rent a Case 1000 bulldozer and hire a bulldozer operator, as outlined in my interim inspection report of June 28, 1968. The costs, at $11.00 per hour for the bulldozer and $4.00 per hour for the operator, are reasonable and in line with established rates. I would recommend that the contract be amended as requested by Mr. Peugnet, even though he was unable to furnish bids to support this subsequent arrangement. He also asks that 4 more hours be allowed in Stage I of the contract.

The bulldozer operator was put on the payroll of Mr. Peugnet, so the contract should be amended to include him under category (2) personal services, labor, as requested (24 hours at $4.00 per hour). This would increase the amount in this category by at least $96.00.

The request for an increase in time for moving and setting up the drill rig from 24 to 50 hours seems reasonable and should be allowed; the increase gives an average of about 8 hours per drill hole. The original estimate of 20 hours was too low, considering that a day is commonly required to move and set up equipment for drilling. It appears to have been so in this case. The cost of moving and setting

up is increased to $750.00 at $15.00 per hour.

Mr.Peugnet's request for an amendment to allow more leeway in Category (2) Personal Services for supervision and a geologist is justified. As recorded in my interim report of June 28, a geologist assistant was needed to help survey the drill hole sites, log and split drill cores, take samples, and prepare maps and cross sections. Although Mr. Peugnet has not requested an amendment to increase the amount for supervision and technical services, he has claimed in a later voucher just received 2 more days beyond that presently allowed in the contract for the geologist assistant and himself as supervisor.

I am not prepared to support this claim, but if the extra 2 days might be incorporated in the amendment at this time, it would increase the amount in category 2 to $1,350 (including the $96.00 for bulldozer operator).

The increase in assay costs from $3.00 to $5.00 each for gold and silver analyses requested by Mr. Peugnet is substantiated by the billing statements he has received from the assayer, Arizona Assay Office in Phoenix, Arizona, that accompany his latest voucher received in this office. An amendment changing this item would seem to be justified. It is improbable that more than 35 samples will now be assayed under Stage I, and these should not involve any other metals than gold and silver. This would total $175.00 for assays, thus freeing about $185.00 for other costs.

As Mr. Peugnet indicates in his letter, the total cost of the contract should not be increased by the amendments requested.

Jacques F. Robertson

Jacques F. Robertson, Geologist
Office of Minerals Exploration

IEDEE A. PEUGNET · PE CONSULTING MINING ENG NEER - REG. MO.E-3556

16 July 1968

OME Region III
RECEIVED
JUL 17 1968
Denver, Colorado

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

Subject: OME-6622 (Silver)
Tip Top Mining District
Eldorado Group Property
Yavapai County, Arizona
Contract 2256

Dear Mr. Hasler:

Upon reviewing the Narrative accompany ing my Report for May-June,(Completion of Stage I), Contract 2256, I find that there are errors in it.

I enclose the original and four copies of a page listing the errata so that they may be forwarded to the appropriate parties.

Sincerely,

Amédée A Peugnet

Enclosures: 5 pages , errata
1-cc this letter

705 CHESTNUT ST., ST. LOUIS, MO. 63101 PHONE: (314) 621-1431

AMEDEE A. PEUGNET · PE CONSULTING MINING ENGINEER - REG. MO.E-3556

OME-6622 (Silver) Contract 2256 16 July 1968

To accompany Narrative, dated 6 July 1968, accompanying Progress Report for May-June 1968, Contract 2256.

OME Region IV
RECEIVED
JUL 17 1968
Denver, Colorado

ERRATA

page 5, line 4, in the equation,

delete " 100' 1. "; insert " 150'1. "

page 5, line 8, delete entire equation, and insert:

"0.29'x 1.8 oz/t + 0.38'x 229.2 oz/t + 0.33'x 35.6 oz/t =1.0' @ 99.37 oz/t."

page 5, last 3 lines, delete entirely, and insert

" $\frac{\$70,000}{1276\ t.}$ = $54.85 per ton."

"Selective mining would entail high costs, assume $35/ton, then $54.85 + $35.00 = $89.85 per ton hoisted, cost at the mine."

page 6, line 1, delete " $54.05"; insert " $89.85 "

page 6, line 2, delete "$194" ; insert " $158 "

page 6, line 14, delete entire equation; insert

"0.75'x 40.40 oz/t + 0.25'x 0.50 oz/t = 30.36 oz Ag/ton = $75.90/ton"

Other typographical errors are obviously just that.

Amedee A Peugnet

705 CHESTNUT ST., ST. LOUIS, MO. 63101 PHONE: (314) 621-1431

AMEDEE A. PEUGNET · PE CONSULTING MINING ENGINEER - REG. MO.E-3556

6 July 1968

Mr. J. William Hasler,
Mr. Jacques Robertson, Field Officers, Region III
Office of Minerals Exploration
U.S. Geological Survey
Federal Center --Bldg.53 --Rm.203
Denver, Colorado 80225

OME Region III
RECEIVED
JUL 8 - 1968
Denver, Colorado

Subject: OME-6622 (Silver)
Amedee A. Peugnet
Eldorado Group Property
Tip Top Mining District
Yavapai County, Arizona
Contract 2256

Gentlemen:

For the reasons given herein, I request that the following amendmants be made to subject Contract 2256:

1. because it is not reasonably possible to obtain a contract for the bulldozing required: I spent many days trying to find one to replace the one I had - but who suffered a heart attack. And I also spent a week or more trying to find both a bulldozer and an operator. It appears that due to the remoteness of the Tip Top Mining District, in terms of time, the only practical way to get bulldozing done is to rent a bulldozer and hire an operator - both difficult tasks, because of this I eventually found both a bulldozer and operator. The 'dozer, a Case 10000, being adequately powered and having an automatic hydraulic tilt blade, fully automatic hydraulic clutch and transmission, and exceptional speed, and a 9½ ft. blade, made this machine more suitable for this work than the Caterpillar D7 employed prior to this contract. Difficulty in engaging an operator is due, largely, to the need to live in camp (away from home). I finally found one, whom I hired at the rate of $4.00/hr. He proved to be skilled, and very satisfactory. The 'dozer had to be rented for a minimum of one week (40 hrs.), at $470.00. This was satisfactory because I had work, other than Contract 2256, to do I used the 'dozer and operator for 17 hours on Contract 2256. The pro-rated cost came to $255.00 for both bulldozer and operator. This is the best arrangement that can be made for future work in this area. Therefore, I request that the following amendment be made to Contract 2256: Exhibit A, page 1, General Provisions, the first provision be deleted and the following substituted:

"A suitable bulldozer shall be used for preparation of access roads and drill sites."
and,
Exhibit A, pages 3 & 4, under Actual Costs, Category (1), Independent Contracts: delete

"Bulldozing roads and drill sites,
20 hrs. @ $15.00/hr. $300.00"

Change to fixed rate and

and replace with the following:

OME-6622 (Silver) Contract #2256 6 July 1968

under Category (4)

"Bulldozing roads and drill sites, bulldozer rent, 24 hrs. @ $11.00/hr $264.00".

and,
Under Category (2) Labor

"1 - bulldozer operator, roads and drill sites, 24 hrs. @ $4.00/hr. $96.00"

2. It has proven impractical to move and set up the drill rig, together with tanks, pumps, tri-pod, other accessories in less than 10 hours per hole, (including pouring "dead man"). A skid mounted drill rig, and skid mounted pump, is used so that particularly at drill sites at which the water truck cannot pass the set-up drill considerable time is needed.

Therefore, I request the following amendment to Contract 2256:

Exhibit A, pages 3 & 5, change:

"Moving and setting up drill rig, 24 hours @ $15.00/hr. $360.00"

to read" Moving and setting up drill rig, 50 hrs. @ $15.00/hr. $750.00"

3. On February 2, 1968, I made a formal request, in writing, that Category (2) of the then un-accepted contract be changed to allow for: 1-supervisor at $25/day and 1-geologist-sampler at $15/day. The revised, signed, version of Contract 2256 did make certain changes under Category (2) which are not fully clear but which do allow $800.00 per month for supervisor-geologist-sampler. Under this provision, I hired a geologist-sampler at $500 per month, and paid the full-time supervisor, the operator, at the rate of $300 per month. Thus, for the fifteen days of April I claimed $400, which is one-half the $800 allowed per month. Therefore, in order to clarify this point, I request the following amendment to Contract 2256:
Exhibit A, pages 3 & 5,
under Category (2) Personal Services , delete

"1 Supervisor-Geologist-Engineer, 1.5 months @ 800.00/month $1,200.00"

Re-word to allow a seperate Supervisor and a seperate Geologist-Engr.

(note: In suspending,in Item 2, $250 for Geologist for ½ of April, per attached Suspension Statement, there is allowed, by difference, only $300/month for this item).

4. At the time of making the original application it was planned to ship samples to Colorado for assaying at $3.00 per sample for Gold and Silver. Due to the necessity of obtaining results of assays

OME-662 (Silver) Contract #2256 6 July 1968

more promptly Registered Assay Laboratories in Phoenix were canvassed for prices. Arizona Assay Office, at $4.00 per sample for Gold and Silver proved to be the least expensive. Since October 1, 1967, the price for Gold and Silver - one sample has risen to $5.00, with a corresponding rise at other laboratories. This price is not out of line with the price charged the Government for similar assays by private companies. Therefore, I request the following amendment to Contract #2256:

under Exhibit A, pages 4 & 5, Miscellaneous, Category (7), change:

"Assaying, 115 samples, $335.00"
Gold and Silver, @ $3.00/sample
Lead, Zinc and Copper @ 2.00 each metal
Tungsten @ $7.00/sample "

to read:

"Assaying, 115 samples $335.00
Gold and Silver @ $5.00/sample
Lead, Zinc and Copper @ 2.00 each metal
Tungsten @ $7.00/sample."

The total cost of the contract should not be increased by these amendments because there has been no actual charge for cementing, reaming, and casing, ($300 allowed Stage I, $240 Stage II); bulldozing , mileage cost of hauling water, assaying,and allowance for sample transportation have all been considerably below the estimate.

In regard to the enclosed Administrative Suspension Statement:

Item 1. I do not wish to claim the $8.70 noted.

Item 2. Seperate charge of $68.00 for bulldozer operator in addition to $255 for bulldozing is an error on the operator's part. It is included in the $255 charge. I wish to reclaim the $255.00/

The charge of $250 for Geologist is explained above. I wish to reclaim this amount.

Item 3. Bulldozing not by independent contract. $255.00. Explained in this letter. I wish to reclaim (noted under Item 2).

Item 4. "Social Security $11.00 Geologist, $2.99 Bulldozer operator, deducted per 3 & 4 above. $13.99."
These two items are an extension Items 2 &3. I wish to reclaim this $13.99 as an extension of Items 2 & 3.

Total reclaimed: $518.99.

Sincerely yours,

Amedee A Peugnet

OME-6622 (Silver) Contract #2256 6 July 1968

Enclosures:

1 - cc this letter
1 - original, Administrative Suspension Statement, Docket #6622 Contract #2256
5 - Form 60, completed and signed
5 - Form 61, completed and signed

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

June 28, 1968

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130
120
140

Memorandum

To: Chief, Office of Minerals Exploration

From: Jacques F. Robertson

Subject: Interim inspection: OME-6622 (Silver)
Amedee A. Peugnet
Eldorado Group of Claims
Yavapai County, Arizona
Contract 2256

An interim inspection of the subject property and of work accomplished was made on June 21 in company with the operator, Mr. Amedee A. Peugnet. The sites of 6 holes drilled under Stage 1 of the contract were visited and the cores were examined for vein structures and ore mineralization. Costs disallowed on the Operator's April voucher were discussed, as well as contemplated amendments to the contract.

A total of 1,309 feet of surface diamond drilling was completed under Stage 1 of the contract between April 17 and the end of May. The footage was expended as follows:

Drill Hole No.	Footage
1	140
2	172
3	235
4	300
5	300
6	162

includes 67' collar pipe

Core recovery was generally very good, running close to 100 percent. The cores consist mostly of fine to coarse grained, banded biotite and hornblende gneiss that is quite fresh and little altered.

Minor clay alteration and silicification are confined to the few fractures and veins. Some thin diabase and pegmatitic dikes were noted in the cores.

No significant mineralized structure or vein was penetrated in drill hole No. 1. As stated in the Operator's report of May 3, some difficulty was had in getting core from shallow depth in this hole, and Mr. Peugnet suggests that the Arizona vein may have been displaced by faulting in the vicinity of this hole. Thin mineralized veins were encountered in drill holes 2, 3, and 6. A six-inch interval of core at about 75 feet in drill hole No. 2 assayed 229.4 ounces of silver per ton. On both sides of this interval in the core silver values fall off precipitously to 0.4 ounces of silver per ton. Hole No. 3 intercepted a few inches of mineralized vein material that assayed 40.4 ounces per ton silver. No strong vein structures were noted in the core, although preliminary appraisal suggest that the mineralized intercept is on the westerly extension of the Arizona Vein.

Drill hole No. 6 intersected a few inches of mineralized matter on the Eldorado Vein that assayed 244.9 ounces of silver per ton. The adjacent intervals of the core assayed less than 0.5 ounce of silver per ton. Drill holes 4 and 5 farther east on the same vein apparently did not encounter any mineralized rock. Narrow fracture zones that contain clay-altered, brecciated, and silicified rock appear in the cores suggesting some continuity of vein structures.

Overall, the results of drilling in Stage 1 are rather disappointing. Although silver assays were high from 3 holes, they were taken from intervals measuring only a few inches wide and the other 3 holes drew blanks. They probably represent very small isolated concentrations. The silver values are still high when the assays are weighted over a 3-foot minimum mining width, but it is doubtful that these values could be sustained along the strike or dip of the veins, and it appears certain that tonnage is very small. More detailed analyses of the values and structures encountered thus far in the drilling program will be made when the logs, assay results, and maps and sections are received from the operator.

Mr. Peugnet has some reservations about undertaking stage 2 of the drilling project because of shortage of funds for his share of the costs and the uncertain results from stage 1. He indicated that he wished to recess further drilling under the contract for at least 2 months until the results of stage 1 are evaluated and the hot weather has moderated. I think that the project should be re-evaluated at this point, and would agree that further drilling should be suspended until the results of stage 1 can be more closely studied and evaluated. An amendment extending the period of the contract for 2 months or longer(?) is indicated.

The items and amounts disallowed on the April voucher submitted by Mr. Peugnet, under the provisions of the contract as presently written, were thoroughly reviewed. The amendments necessary to recover the suspended amounts were explained, and Mr. Peugnet plans to request these amendments by letter in the near future. It was learned that the Case bulldozer, Model 1,000, is rated at 100 horsepower, falls between a D-4 and D-6 Catapillar dozer in size, has a 9-foot 9-inch blade, and a hydraulic tilting mechanism. It was the only dozer available to rent according to Mr. Peugnet, and was actually more suitable for the work because of the narrow roads and limited space. He pointed out that up to this time it has been impossible to get any contractor in that part of Arizona to submit a bid estimate on a small job, although I stressed the need to obtain 1 or 2 bids so that the government would have a legitimate basis for payment.

In regard to the suggested amendment for personal services under Category 2(a) Supervision and technical services, Mr. Peugnet pointed out that he requested a change in this part of the contract in his letter of February 20, 1968 to Region III Field Officer. In that letter he pointed out the necessity of having a second qualified technical person on the project, described as a sampler. Actually, Mr. Peugnet hired an undergraduate geology student to assist in logging cores, surveying in the drill hole sites, setting their bearing and inclination, and other general work of a technical nature. By letter of February 29 to Washington, the Region III Field Officer supported the requested change, so it would seem there is no necessity for the operator to reapply for this amendment.

It is my impression that stage 1 of the drilling program on the Eldorado property was satisfactorily performed in every way, and that Mr. Peugnet carried out the terms of the contract in the most efficient manner possible under the circumstances. It was necessary to obtain a bulldozer quickly by whatever arrangement available, after the contracted bulldozer operator died suddenly, in order that the drilling contractor would not have to wait. Assays, drill logs, map, and sections of the drill holes have already been prepared and are in good order. They will be submitted along with the operator's report in the near future. Further evaluation of the exploration program should await the receipt of this information.

Jacques F. Robertson

Jacques F. Robertson, Geologist
Office of Minerals Exploration

AMEDEE A. PEUGNET · PE - CONSULTING MINING ENGINEER - REG. MO.E-3556

27 June 1968

OME Region III
RECEIVED
JUN 28 1968
Denver, Colorado

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

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JUL 1 1968
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Subject: OME-6622 (Silver)
Tip Top Mining District
Eldorado Group Property
Yavapai County, Arizona
Contract 2256

Dear Mr. Hasler:

Having completed the field work of Part 1 of the referenced contract, I have returned to St. Louis, Mo.

Please address all correspondence to me at my office:

Amedee A. Peugnet
705 Chestnut Street
St. Louis, Mo. 63101.

I am working on the vouchers and report for the May-June (Completion of Part 1) portion of this contract, and will mail them as soon as possible.

Sincerely yours,

Amedee A. Peugnet

Amedee A. Peugnet

705 CHESTNUT ST., ST. LOUIS, MO. 63101 PHONE: (314) 621-1431

OFFICIAL COPY O. M. E. RECEIVED JUN 27 1968

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UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. OME 6622
Contract No. 14-23-090-2256
Contract Amount $23,800.00
Gov't. Participation % 75 $ 17,850.00
Mineral(s) silver

OPERATOR'S MONTHLY VOUCHER

For Month of April 1968

Operator's Name Amedee A. Peugnet
Address P.O. Box 110 ; Phoenix, 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	255.00		255.00			-0-
moving and set up Drilling	300.00		300.00			300.00
casing lost in con. hole Crosscutting	38.70		38.70			30.00
non-core collar pipe Drilling	232.20		232.20			232.20
mobilization	100.00		100.00			100.00
Bx core drilling	2023.50		2023.50			2023.50
(2) Personal Services:						
Supervision & Technical	468.00		468.00			150.00
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
cement	2.15		2.15			2.15
(4) Operating Equipment:						
Rental water truck	88.62		88.62			88.62
Purchase " " miles.	3.15		3.15			3.15
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes soc. sec.	80.59		80.59			6.60
Employee's Liability Ins.						
TOTALS	3531.91		3531.91			2936.72

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

Date 6/9/68 *Payee Amedee A Peugnet

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: 14X0804

$ 2202.17

Signature _____ (Authorized Certifying Officer)

Date JUN 25 1968 Vou. No. 87728

(SEE OTHER SIDE)

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. _____
Contract No.
14-23-090-_____
Contract Amount $ _____
Gov't. Participation % _____ $ _____
Mineral(s) _____

ATOR'S MONTHLY VOUCHER

For Month of _____

rator'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 explor project in accordance with the terms of Contract No. 2256

Signature J. William Hosler Title Field Officer Date 6/14/68

Approved by OME Executive Officer or Alternate:

Signature J. William Hosler Title Field Officer Date 6/14/68

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.

RM 61
1959

HK 9/10/68

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of April 1968 Docket No. OME 6622

Operator's Name Amedee A. Peugnet Contract No. 14-23-090-2256

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~~ mobilization	flat	1/2	1/2	100.00	1/2	1/2	100.00
Crosscutting moving, set up	hrs.	20	20	300.00	20	20	300.00
Raising lost in hole	ft.	15	15	38.70	15	15	30.00 ~~38.70~~ 1)
Shafts core collar pipe	ft.	27	27	232.20	27	27	232.20
Winzes cement and additives	-	1	1	2.15	1	1	2.15
Other Underground							
Drilling, Core-Diamond Bx	ft.	285	285	2023.50	285	285	2,023.50
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
supervision, tech.	month	30 days	30 days	468.00	30	30	150.00 ~~468.00~~ 2)
Roads and Trails bulldozing	hr.	17	17	255.00	~~17~~	~~17~~	0 ~~255.00~~ 3)
Stripping water truck rent.	month	14 day	14	88.62	14	14	88.62
~~Trenching~~ water miles.	mi.	21	21	3.15	21	21	3.15
~~Trench Blasting~~ sec. sec.				20.59			~~20.59~~ 4)
Other Surface Work							6.60
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE (per MME Form 60)				3531.91			2936.22 HK ~~3,531.91~~ 5)

REMARKS Due to a heart attack the contractor for bulldozin was unable to perform the work. It was impractical to find another contractor. A dozer was rented from Superior Equip. Co. at $470.00 per 40 hr. week, and an operator was secured at $4.00 per hr. The dozer was used 17 hours on this OME contract and the cost pro-rated. Paid bill from Superior Equipment Co., and operator's wage receipt attached. Cost is shown under category (I).

(Continue on back) cont'd.

REMARKS 1) Allow $30.00 only. Operator charged at contractor rate. Contract allows BX casing @ $2.00/ft.
2) Allow $150.00 only. Charge of $468.00 for bulldozer operator not allowable as work was not by independent contract. Charge of $250.00 for geologist not allowable until contract is amended. Claim can then be made for it.
3) Disallow $255.00. Bulldozing not done by independent contract, may be reclaimed in whole or in part if contract amended. (over)
(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 6/9/68 Operator Amedee A Peugnet

Per _____ Title _____

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 Hooker

Title Field Office
Government Representative

Date June 14 1968

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

Boyles Bros. Drilling Co. paid bill attached: Diamond Drill Hole # IA is not authorized by OME Contract Therefore the cost of DDH # IA, $ 202.00, has been deducted on MME forms 60 and 6I.

REMARKS *(Cont.)*

2256.

4) Allow $6.60 for Social Security for supervisor. $11.00 may be reclaimed if contract is amended for social security for geologist. Claim of $2.99 for Social Security for bulldozer operator is not allowable.

Summary

Total claimed	$3531.91
Total disallowance recommended	595.69
5) Total recommended for approval	$2,936.22

Harold Kirkham 6/20/60
Assistant Chief, OME

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.

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:
Amadee A. Pougnet
P.O. Box 110
Phoenix, Ariz. 85001

Amount Claimed:	Differences (Explained Below)	Amount Approved
$ 3,531.91	$ 595.69	$ 2,936.22 2,202.17 Govt. Participation
Bu. Voucher No.	Payee's Invoice No. Docket # 6622 Contract # 2256	Period April 1968

EXPLANATION

1.	Claimed 15ft BK casing lost Contract allows BK casing lost at 2.00 ft.	38.70 -30.00	8.70
2.	Charge of $68.50 for bulldozer operator not allowable as work was not done by independent contract. Charge of $250. for geologist not allowable.		318.00
3.	Bulldozing not by independent contract.		255.00
4.	Social Security $11.00 Geologist , $2.99 Bulldozer operator, deducted per 3 & 4 above.		13.99
			595.69

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

AMEDEE A. PEUGNET · PE - CONSULTING MINING ENGINEER - REG. MO.E-3556

OME-6622 -SILVER
CONTR.2256

May 3,1968

AMEDEE A. PEUGNET
PO BOX 110
PHOENIX, ARIZ. 85001

Commencement of work was delayed more than a week by the difficulty encountered in finding a bulldozer and operator, which was necessitated by a heart attack suffered by the original bulldozer contractor. Two more days were lost due to the need to replace equipment lost when the operator's truck burned on U.S. Highway I7. Mobilization of equipment commenced on April I7, I968.

Diamond Drill Hole No. I : Some difficulty was had in determining depth to true bed rock. As a result of this, surface pipe was placed to a depth of 20 feet, and cored to a depth of I40 feet without encountering a vein or significant mineralization. Since the drill hole was pointed between two shallow surface workings in which the vein is visible, an unauthorized drill hole (No. IA), was offset five feet at S. 65° E. The hole encountered material from the foot wall of vein at a depth of I0 to I4 feet, but the vein itself was not cored. The next run, I4 to 20 feet did not core, and cuttings were of such a tremendous volume that it was realized a fault had been encountered. The hole was abandoned at a depth of 20 feet. Sludge recovered from the I0 to I4 foot run is being assayed.

Diamond Drill Hole No. 2 encountered mineralization between 57 feet and 60.I feet; between 74.3 and 77.4 feet; between I36 and I38 feet. These intervals were divided into I9 separate samples for assaying in order to form a guide for the interpretation of the various types of mineralization and to determine closely the width of any "pay zones".

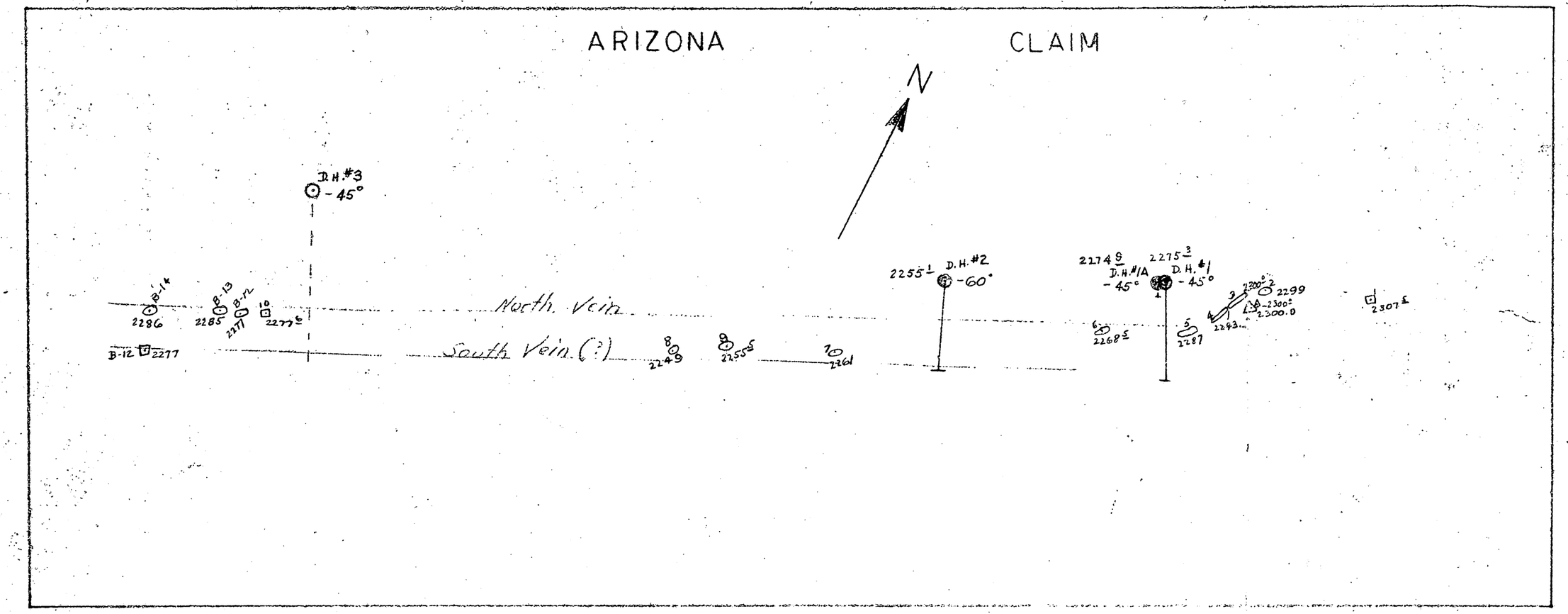
On April 30 set-up for DDH No.3 was completed and a dead man poured.

Amédée A Peugnet

Fifteen feet (15 ft.) of BX casing left in diamond drill hole No.1 were not left at my request; driller stated that he was unable to recover them.

Amédée A Peugnet
June 9, 1968

705 CHESTNUT ST., ST. LOUIS, MO. 63101 PHONE: (314) 621-1431



ELDORADO CLAIM

MAP OF ARIZONA CLAIM OF ELDORADO GROUP

SHOWING DRILL HOLES COMPLETED AND COMMENCED AS OF APRIL 30. 1968. TO ACCOMPANY REPORT OF THAT MONTH FOR

OME-6622 (SILVER) —— CONTR. 2256

TIP TOP MINING DISTRICT, YAVAPAI COUNTY, ARIZONA

SCALE: 1" = 100'

● COMPLETE DRILL HOLE: elev. — incln. —

⊙ SET-UP COMPLETED

⬭ OLD WORKING, ELEV.

Amédée A Pierucci, operator 6/7/68

AMEDEE. A. PEUGNET
705 CHESTNUT STREET
ST. LOUIS 1, MO.

A. A. Peugnet, Consulting Mining Engineer - 705 Chestnut St., St. Louis, Mo.

CORE HOLE LOG OME-6622 -SILVER
CONTR. 2256

Hole No. 1

Elev. Grnd. 2225.3

Collar

Property: ELDORADO GROUP

State ARIZ. County YAVAPAI Sect. 9 Twp. 8 N Rnge. 1 E

Location of Hole PER OME CONTRACT 2256

Driller BOYLES BROS. DR. CO. Address: PHOENIX, ARIZ.

Helper Address:

Shift 7 Am to 5 Pm

Setup 4PM 4-12-68 Pulled off Hole 4-18-68

Depth From	Depth To	Description of Formation Cut	Core Recov.	Remarks:
0	20'	UNCONSOLIDATED SURFACE	NONE	
				TRIPOD MOVED
		APRIL 19, -68		
20'	30'	5" QUARTZ W/MICA; 3" Q-MICA SCHIST 5½" GRANITIC Q W/MICA (MED. GRAINED)	66.0" 55.0%	HIT ~~SOLID~~ BOULDER: 21.5'; LOST CIRCULATION ≈ 26' REGAINED CIRCULATION 28'-29'
30'	40'	5.5" MED. GRAIN. QTZ W/MUSCOVITE; 10.5" MED. GRAIN. QTZ. W/ BIOTITE & MUSCOV. SCHISTY LAYERS	16" 13.3%	CLEAR H_2O SHOWS MUD
40'	43'	SMALL GRAINED QTZ.-MICA SCHIST	6" 16.6%	PUT NEW BEARINGS IN HEAD & SHORTENED LATCH-UP
43'	44'	QTZ W/ MICA	3" 25.0%	
44'	47'	7" QTZ W/MICA 14" MUD BEARING MICA	21" 58.3%	
47'	50'	2" MUD 20" HIGHLY MICACEOUS QTZ.	22" 61.1%	
50'	53'	3" MASSIVE QTZ. 21.5" BIOTITE MUSCOVITE QTZ. SCHIST	~~24.5"~~ ~~68.1%~~	29.5" 81.9% CUT DOWN DRILLING SPEED.
53'	57'	48" QTZ. MICA, HORNBL. SCHIST (SMALL GRAINED)	48" 100%	
57'	60'	33" SCHISTY MICA, HORNBL. QTZ.	33" 91.7%	
60'	66'	42" APATIC SCHISTY MICA, HORNBL., QTZ. 24" MASSIVE QTZ. W/SOME MICA	72" 100%	
66'	70'	8" QTZ. W/ SOME MICA SEAMS ~~46"~~ QTZ. MICA SCHIST W/ FEW SMALL	~~46"~~ ~~95.8%~~	48" 100%
~~70'~~	~~70.83'~~	40" QTZ. SEAMS		
70'	70.83'	FINE GRAINED QTZ MICA SCHIST	10" 100%	LOST BEARINGS OF HEAD

AMEDEE A. PEUGNET
P.O. BOX 110
PHOENIX, ARIZ. 85001

John D. Riegel

A. A. Peugnet, Consulting Mining Engineer - 705 Chestnut St., St. Louis, Mo.

CORE HOLE LOG

OMC-6622 -SILVER
CONTR. 2256

Hole No. 1
Elev. Grnd. 2275.2
Collar

Property: ELDORADO GROUP
State ARIZ. County YAVAPAI Sect. 9 Twp. 8 N Rnge. 1 E
Location of Hole PER OME CONTRACT 2256
Driller BOYLES BROS. DR. CO. Address: PHOENIX, ARIZ.
Helper Address:
Shift 7 Am to 5 Pm
Setup 4pm 4-17-68 Pulled off Hole 4-24-68 8 AM MON. APRIL 22, 1968

Depth From	Depth To	Description of Formation Cut	Core Recov.	Remarks:
70.8'	78'	14" SMALL GRAINED QTZ. MICA SCHIST 72" MASSIVE + LARGE GRAINED QTZ W/ LARGE MICA LENFS	86" ≈100%	
78'	80'	4" MASSIVE + LARGE GRAINED QTZ. WITH LARGE MICA PLATES; 20" MED. GRAIN QTZ W/ MICA (50%)	~~26~~ 24" 100%	
80'	86.25'	71" MED. GRAIN QTZ + MICA: SCHISTY	~~67"~~ ~~89.3%~~	71" 94.7% CITRINE(?) 1st NOTED
86.25	90'	42" MED. GRAIN QTZ + MICA: SCHISTY	42" 93.3%	INCREASING REDNESS OF RK.
90'	96.75'	80" MED. GRAIN. QTZ. + MICA. 2% BLACK MATERIAL NOTED - PROBABLY MASSIVE HORNBLENDE	80" 98.8%	1st SLUDGE SPLE. KEPT (LATER THROWN OUT)
		TUE. APRIL 23, 1968		
				CHANGED BIT AT 96.75'
96.75'	100'	MED. GRAIN QTZ. + MICA	39" 100%	RED MATERIAL STILL PRESENT
100'	110'	MASSIVE + MED. GRAIN QTZ + MICA	120" 100%	SLIGHT INCREASE OF RED MATERIAL
110'	117.75'	91" QTZ + MICA, SOME HORNBLENDE	91" 97.8%	QTZ. BEGINS TO DOMINATE MICA + BECOME MASSIVE
117.75'	127.75'	54" QTZ. + HORNBL., VERY LITTLE MICA 28" MED. GRAIN. QTZ + MICA	120" 100%	
~~136.4'~~		35" SMALL GRAIN. QTZ MICA SCHIST 3' MASSIVE QTZ. - SOME MICA		
127.75'	136.4'	55" SCHISTY QTZ. MICA 15.5" ~~[illegible]~~ CALCITE, TOURMALINE DIABASE 33.5 SCHISTY MICA QTZ	104" 100%	
136.4'	140.2'	14" QTZ W/ SOME MICA 31" SCHISTY MICA QTZ.	45" 100%	

AMEDEE A. PEUGNET
PO BOX 110
PHOENIX, ARIZ. 85001

John D. Riepe

A. A. Peugnet, Consulting Mining Engineer - 705 Chestnut St., St. Louis, Mo.

CORE HOLE LOG OME-6622 -SILVER
CONTR. 2256

Hole No. 1 A

Elev. Grnd. 2274.9

Collar

Property: ELDORADO GROUP

State ARIZONA County YAVAPAI Sect. 1 Twp. 8 N Rnge. 15

Location of Hole PER OME 2256

Driller BOYLES BROS. DR. CO. Address: PHOENIX, ARIZ

Helper - Address:

Shift 7 Am to 5 Pm

Setup 8AM 4-29 Pulled off Hole 4-29-68 4 PM

MONDAY APRIL 29, 1968

Depth From	Depth To	Description of Formation Cut	Core Recov.	Remarks:
				0'-10' UNCONSOLIDATED, SOME BASALTIC PEBBLES
10'	14'	33" BASALTIC RK.	33" 68.7%	CHANGED BITS AT 0'
14'	14.6'	2" BASALTIC RK 3" QTZ W/ MICA	5" 62.5%	
14.6'	20'	7" ANGULAR + SUB-ROUNDED FRAGMENTS QTZ + BASALTIC RK	7" 10.9%	HOLE CAVED (1')
		4IT PROBABLE		FAULT ZONE.
				DRILLING DISCONTINUED

AMEDEE A. PEUGNET
P O BOX 110
PHOENIX, ARIZ. 85001

John D. Riggs

A. A. Peugnet, Consulting Mining Engineer - 705 Chestnut St., St. Louis, Mo.

CORE HOLE LOG

OME-6622 -SILVER
CONTR. 2256

Hole No. #2
Elev. Grnd. 2255.1
Collar

Property: ELDORADO GROUP
State ARIZONA County YAVAPAI Sect. 9 Twp. 8N Rnge. 1E
Location of Hole
Driller BOYLES BROS. DR. CO. Address: PHOENIX, ARIZ.
Helper Address:
Shift 7 am to 5 pm
Setup 4-24-68 4 PM Pulled off Hole 4-28-68 3 PM THUR. APRIL 25

Depth From	Depth To	Description of Formation Cut	Core Recov.	Remarks:
0'	11'	COARSE GRAINED QTZ + MICA SOMEWHAT CRUMBLY, SOME MASSIVE	23"	HORNBLENDE, RED MATERIAL PRESENT
11'	17'	17" COARSE QTZ + MICA 11" BASALT 5" QTZ + MICA	33" 45.8 %	
17'	22'	15" QTZ. MICA SCHIST 41.5" QTZ + MICA	56.5" 94.2 %	
22'	27'	25" CRUMBLY QTZ + MICA (COARSE) 8" BASALT	37" 61.7 %	
		4" CRUMBLY COARSE QTZ + MICA		
27'	32'	SCATTERED HORNBLENDE 55" CRUMBLY QTZ + MICA (SCHISTY)	55" 91.6 %	
32'	37'	57" QTZ + MICA, SOME MICA BANDS 1/4 - 1/2" THICK, MED. GRAIN.	57" 95.0 %	
37'	42'	2.5" QTZ + MICA 3.5" BASALT 46" MASSIVE + GRANULAR QTZ W/ MICA	52" 86.6 %	MISLATCH (?) SOME RED MATERIAL PRESENT
		FRIDAY APRIL 26 1968		
42'	52'	25" QTZ MICA SCHIST 45" QTZ W/ SOME MICA 2" CLAY W/ MICA 46" QTZ W/ SOME MICA	118" 98.3 %	SOME RED MATERIAL PRESENT
52'	55.8'	34" QTZ W/ MICA 4.5" GREENISH BASALT 2.5" UNCONSOLIDATED 3" QTZ W/ VERY LITTLE MICA	44" 95.6 %	RED MATERIAL SLIGHTLY INCREASING IN QTZ
55.8'	62'	1" QTZ W/ MICA 13" GREENISH BASALT 7" QTZ. W/ MICA 3" CLAY	75" 100 %	
		4" QTZ. BEARING SOME ORE 23" QTZ W/ HIGH % OF ORE 22" QTZ MICA SCHIST	ASSUMING RED MATERIAL IS ORE; SLUDGE TURNED RED TWICE DURING DRILLING	
62'	72'	6" QTZ MICA SCHIST 15" QTZ W/ MICA	119" 99.2 %	
		15" QTZ MICA SCHIST 85" QTZ + MICA (SCHISTY)		CHANGED BITS AT 72'
72'	82'	41" QTZ W/ MICA (SCHISTY) 8" MINERALIZED QTZ; VERY LITTLE MICA	119" 99.2 %	
		36" HIGHLY MINERALIZED QTZ; PYRITE, ARGENTITE (?)		
		35" SCHISTY QTZ + MICA SOME RED MATERIAL PRESENT		
82'	91.3'	73" SCHISTY QTZ + MICA	73" 96.1 %	CORE BLOCKED
91.3'	100'	53" QTZ W/ MICA 2" UNCONSOLIDATED 21" QTZ W/ MICA	76" 73.1 %	SOME BANDS OF SCHIST PRESENT — MISLATCH —

AMEDEE A. PEUGNET
P O BOX 110
PHOENIX, ARIZ. 85001

John B. Riegs

A. A. Peugnet, Consulting Mining Engineer - 705 Chestnut St., St. Louis, Mo.

CORE HOLE LOG OME-6622-SILVER CONTR.2256

Hole No. 2

Elev. Grnd. 2255.1

Collar

Property: ELDORADO GROUP

State ARIZ County YAVAPAI Sect. 9 Twp. 8N Rnge. 1E

Location of Hole PER OME 2256

Driller BOYLES BROS. DR. CO. Address: PHOENIX, ARIZ

Helper Address:

Shift 7 Am to 5 Pm

Setup 4-24-68 Pulled off Hole 4-28-68 3PM SATURDAY APRIL 27, 1968

Depth From	Depth To	Description of Formation Cut	Core Recov.	Remarks:
100'	105'	10" FINE GRAIN MICA W/ QTZ CEMENT 49" QTZ & MICA (SCHISTY)	59" 98.3%	MISSATCH
105'	110'	23" SCHISTY QTZ & MICA 26" QTZ W/ MICA	49" 81.7%	
110'	112'	18" QTZ & MICA	18" 75%	SOME RED MATERIAL PRESENT
112'	117'	60" QTZ & MICA	60" 100%	SOME SCATTERED RED MATERIAL
117'	122'	7" SCHISTY QTZ & MICA 23" MINERALIZED QTZ SCHIST 32" QTZ-MICA SCHIST	62" +100%	SCATTERED PYRITE & RED MATERIAL IN MINERALIZED ZONE
122'	127'	59" MICA & QTZ SCHISTY	59" 95.0%	SOME SCATTERED RED MATERIAL
127'	132'	60" QTZ & MICA, SCHISTY; SLIGHT MINERALIZATION	60" 100%	
132'	136'	46" SCHISTY QTZ & MICA SOME RED MATERIAL	46" 95.9%	
				SUNDAY APRIL 28, 1968
136'	142'	35" BASALTIC PORPHRY, MINERALIZED IN FRACTURES & CARRYING LARGE AMT. OF RED MATERIAL 36" GRADING INTO QTZ W/ MICA	~~[illegible]~~	71"
142'	147'	59" MASSIVE & FINE GRAINED QTZ. W/ SOME MICA	59"	
147'	152'	59" SCHISTY QTZ & MICA	~~[illegible]~~ 59"	SCATTERED RED GRAINS
152'	157'	60" SCHISTY QTZ & MICA	60" 100%	
157'	162'	~~59~~ " SCHISTY QTZ. & MICA 60"	~~59~~ 60" 100%	
162'	167'	60" QTZ MICA SCHIST	60" 100%	SCATTERED PINK GRAINS
167'	172'	60" QTZ MICA SCHIST	60" 99.0%	SCATTERED PINK GRAINS

AMEDEE A. PEUGNET
P O BOX 110
PHOENIX, ARIZ. 85001

John D. Riggs

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

Boyles Bros. DRILLING COMPANY

CONTRACTORS-ENGINEERS-GEOLOGISTS

General Offices and Plant
1624 Pioneer Road P. O. Box 58 Phone 487-7595
SALT LAKE CITY, UTAH 84110
Cable: BOYLESCO

BRANCH OFFICES
ARIZONA (PHOENIX)
CALIFORNIA (AUBURN
COLORADO (GOLDEN)
NEVADA (SPARKS)
WASHINGTON (SPOKANE
CHILE (SANTIAGO)
CABLE: BOYLESBROS
MEXICO, D.F.
PERU (LIMA)
CABLE: BOYLESCOP

INVOICE DATE: April 30, 1968
ORDER NUMBER:
INVOICE NUMBER: 1
CONTRACT: 6-482
TERMS:
LOCATION: Yavapai,County, Arizona

Mr. A.A.Peugnet
705 Chestnut Street
St Louis 1, Missouri

HOLE NO.	FROM	TO	FOOTAGE	RATE	TOTAL
Hole # 1	Mobilization				200.00
Collar pipe	0	16	16	8.60	137.60
BX	16	140	124	7.10	880.40
Materials used:	1- 10 foot joint of BX Casing			21.55	21.55
	1- 5 " " " " "			17.15	17.15
	Portland Cement		1-sack	2.15	2.15
					$ 1258.85
Hole # 1A					86.00
Collar pipe	0	10	10	8.60	~~8.60~~
BX	10	20	10	7.10	71.00
Set time			3 hrs	15.00	45.00
					$202.00
Hole # 2					
Collar pipe	0	11	11	8.60	94.60
BX	11	172	161	7.10	1143.10
Setup time			10 hrs	15.00	150.00
					1387.70
Hole # 3					
Setup time			10 hrs	15.00	150.00
Water truck rental			14 days	6.33	88.62
Mileage			21 Miles	.15	3.15
					241.77
			Total Billing		$ 3090.32

Paid in full May 31 1968 JER

OME-6622 -SILVER
CONTR.2256

AMEDEE A: PEUGNET
P O BOX 110
PHOENIX, ARIZ. 85001

Superior Equipment Company

INCORPORATED

PHOENIX
Phone ALpine 3-2118
2402 South 19th Ave.

Address All Communications To
P. O. Box 6220
Phoenix 5, Arizona

DATE 4-15-68

OUR INVOICE NO. 4-077

YOUR ORDER NO.

YOUR JOB NO. Tip Top Mining Dist.

SALESMAN

TERMS ~~Net~~ Paid

INTEREST CHARGED ON PAST DUE ACCOUNTS AT 6%

A. A. Peugnet
2512 E. Thomas Apt 10
Phoenix, AZ 85016

RENTAL INVOICE

Equipment Rental, per our Rental Agreement Number: R 22768
as follows:

SEC #	Quan	Equipment	From	Through	Period	Rate Each	Amount
942		Case 1000 diesel Dozer	4-4 PM	4-10	1 wk/min	$ 470.00/wk	$ 470.00

Certified to be a true copy
Amedee A Peugnet

OME-6622 -SILVER
CONTR.2256

AMEDEE A. PEUGNET
PO BOX 110
PHOENIX, ARIZ. 85001

TITLE TO THE PROPERTY IN THE GOODS DESCRIBED ABOVE SHALL NOT PASS TO THE PURCHASER UNTIL THE PURCHASE PRICE THEREOF HAS BEEN PAID IN FULL.

OWE-6622 -SILVER
CONTR.2256

PAYROLL FOR APRIL 1968

Russell R. Wheat
2114 West Elm
Phoenix, Arizona

Social Security No.311-20-0510
Marr., 2 dependents and self
Bulldozer operator at $4.00/hr.

April 6	3 hours		
7	8 "		
8	6 "		
XX	17 "	at $4.00/hr	$ 68.00

Federal withholding	$2.76		
Soc. Sec. at 4.4%	2.99		
Arizona withholding	.68		- 6.43
		Net	$61.57

John D. Riege
9750 S.W. 89th Ct.
Miami, Fla. 33156

Social Sec. No. 394-46-1174
Single, 1 exemption
Geologist-Sampler at $500.00/mo.

April 16-30 incl., 15 days $250.00

Federal withholding	$37.20		
Social Sec. at 4.4%	11.00		
Arizona Income Tax	2.50		- 50.70
		Net	$199.30

Amedee A. Peugnet
4605 Lindell Blvd.
St. Louis, Mo. 63108

Social Sec. No. 574-03-0303
Single, 1 exemtion
Operator-Supervisor at $300.00/mo.

April 16 - 30 incl., 15 days $150.00

Federal withholding	$30.00		
Social Sec. at 4.4%	6.60		
Arizona Income Tax	1.50		- 38.10
		Net	$141.90

Amedee A Peugnet
May 3, 1968

Certified to be a true copy
Amedee A Peugnet

AMEDEE A. PEUGNET
P O BOX 110
PHOENIX, ARIZ. 85001

OME CONTRACT No 2256

Received of A. A. Peugnet — 9 April 1968

Sixty Eight 00/100 Dollars

Seventeen hours 'dozer

operation Eldorado Claims, Apr. 6-7-8

$68 00/100 — Russell R Ulhest

Received of A. A. Peugnet — May 1 1968

Two Hundred and Fifty 00/100 Dollars

Salary April 16-30, 1968 services in

connection with OME Contract No 2256

$250 00 — John D. Riggs

Certified to be a true copy
Amédée A Peugnet

OME-6622 -SILVER
CONTR. 2256

AMEDEE A. PEUGNET
P O BOX 110
PHOENIX, ARIZ. 85001

AMEDEE A. PEUGNET · PE - CONSULTING MINING ENGINEER - REG. MO.E-3556

FLAMINGO HOTEL - ROOM 270
Van Buren Ave. at 25th Street
Phoenix, Arizona

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

'phone: BR-56211

Jacques Robertson making interim inspection 6-21-68.

Subject: OME-6622 (Silver)
Tip Top Mining District
Eldorado Group Property
Yavapai County, Arizona
Contract 2256

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 25 1968

INITIALS	CODE
	130
	120
	110
	120

Dear Mr. Hasler:

Thank you for the courtesy and consideration of you letter of June 14, 1968.

I very much regret that you will be unable to visit subject property before the week of July 8; more especially so because it will cost me several hundred dollars extra in uncompensated travel expenses.

If it would make any considerable difference in your planning, I could arrange to transport the cores to the city of Phoenix, thus saving you an uncomfortable trip - though I would, of course, prefer that you see the property.

When I spoke of "good assays" in our telephone conversation I had in mind the following:

#2711	Hole #2	229.20 oz.Ag/t	0.06 oz.Au/t	(Arizona vein)
#2712	#2	35.60 "	0.01 "	" "
	(Nos. 2711 and 2712 are in same drilling run)			
#2722	#3	40.40 oz.Ag/t	0.02 oz.Au/t	" "
#2729	#6	244.90 "	"	(Eldorado vein)

These values are for narrow widths, as was expected. Although they do not occur where they were to be expected there is a suggestion of a "pattern" in the displacement, if it be such.

I will mail my May-June (Completion of Part 1) report within the next few days, when all the data is available.

In view of your prior commitments, I plan to leave Phoenix on Saturday, June 22? unless otherwise advised.

Sincerely yours,

Amedee A Peugnet

705 CHESTNUT ST., ST. LOUIS, MO. 63101 PHONE: (314) 621-1431

Office of Minerals Exploration
Building 53 Room 203

June 14, 1968

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 17 1968
INITIALS | CODE
HK 120

Mr. Amedee A. Peugnet
P. O. Box 110
Phoenix, Arizona 85001

Subject: OME-6622 (Silver)
Tip Top Mining District
Eldorado Group Property
Yavapai County, Arizona
Contract 2256

Dear Mr. Peugnet:

I am writing to save you the time and inconvenience of calling Monday afternoon, June 17.

After talking to you, I received word that I can make the interim inspection next week, and due to the commitments for the rest of the month of June, I will be unable to visit your property until the week of July 8. If you do not hear from me before, please call me Monday, July 8.

Sincerely yours,

J. William Hasler

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

cc: Sent to Sahara Hotel
401 N. 1st Street
Phoenix, Arizona 85004
Chief, OME
OME-6622
OME chron
Mr. Hasler

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 20 1968
INITIALS | CODE
~~130~~
120
~~110~~
HK | ~~120~~

Office of Minerals Exploration
Building 53 Room 203

May 17, 1968

Mr. Amedee A. Peugnet
P. O. Box 110
Phoenix, Arizona 85001

Subject: OME-6622 (Silver)
Tip Top Mining District
Eldorado Group Property
Yavapai County, Arizona
Contract 2256

Dear Mr. Peugnet:

Please pardon my delay in reviewing your vouchers for work conducted during April, 1968 on the subject property as I was in the field during that week.

I am returning the vouchers for your corrections as outlined below; and I am also sending a noted MME Form 61 for your perusal, showing some corrections I have made. I would also like to request that a map accompany your narrative report. In claiming the 15 feet of BX casing left in Drill Hole No. 1, at a cost of $38.70, (see Boyles Bros. statement, as you claim only $30.00 for that item), you must state, in writing, that the casing was <u>not</u> left in the hole at your request, see footnote 1/ below.

1/ Exploration Contract OME-6622, Exhibit A, General Provisions, paragraph 4 (4) quotes: "All drill holes shall be cased as necessary. The Government will not contribute to the cost of casing left in the hole at the Operator's request."

The items: Mobilization, Lost Casing, Moving and Setting Up, Water Truck rental, and Water Truck mileage should not be grouped all under the BX drilling footage as you have shown on MME Form 61. Each item should be shown separately as I have illustrated on the enclosed MME Form 61. You can claim only $100.00 or one-half of the mobilization and demobilization at this time. Demobilization can be claimed at the close of the contract or at which time the drill rigs are moved off the property.

You show a difference of $497.34 between total expenses shown on MME Form 60 and MME Form 61. The total should show the same on each form, or the total amount expended during April, 1968.

We are enclosing another two samples of the forms.

Sincerely yours,

J. William Hasler

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

Enclosures

cc: Chief, Office of Minerals Exploration
OME-6622
OME chron
Mr. Hasler

AMEDEE A. PEUGNET · P[illegible] CONSULTING MINING ENGINEER - REG. MO.E-3556

P.O. BOX 110
PHOENIX, ARIZONA 85001

16 April 1968

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

OME Region III
RECEIVED
APR 19 1968
Denver, Colorado

Subject: OME - 6622 (Silver)
Amedee A. Peugnet
Tip Top Mining District
Yavaipai Vounty, Arizona
Contract 2256

Dear Mr. Hasler:

This is to advise you that for the duration of the field work in connection with Contract 2256 my address is and will be:

Amedee A. Peugnet
P.O. BOX 110
PHOENIX, ARIZONA 85001.

The first item of the contract, bulldozing, has been completed.

Due to a fire in which most of my equipment and personal belongings were lost, commencement of drilling was postponed for two days. Mobilization will commence tommorow, April 17th.

Sincerely yours,

Amedee A. Peugnet

Amedee A. Peugnet

OFFICIAL COPY
O. M. E.
RECEIVED
APR 25 1968
INITIALS | CODE
Ja | 130
Bel | 120
JEJ | 110
HK | 120

705 CHESTNUT ST., ST. LOUIS, MO. 63101 PHONE: (314) 621-1431

Office of Minerals Exploration
Building 53 Room 203

April 1, 1968

OFFICIAL COPY
O. M. E.
RECEIVED
APR 2 1968

INITIALS	CODE
Glo	130
Gal	170
JEJ	40
HK	130

Mr. Amedee A. Peugnet
c/o Earl E. Webster
1001 E. Fairmount Avenue
Phoenix, Arizona 85014

Subject: OME -6622 (Silver)
Amedee A. Peugnet
Tip Top Mining District
Yavapai County, Arizona
Contract 2256

Dear Mr. Peugnet:

Thank you for your letter of March 26, 1968 containing your change of address. The Office of Minerals Exploration, Washington, D. C. is being informed by way of a copy of this letter.

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. You should 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 staped in "sets": a MME Form 61, 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,

J. William Hasler

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

Enclosures
cc: Chief, OME OME-6622 OME chron Mr. Hasler

E A. PEUGNET · PE ONSULTING MINING ENG EER - REG. MO.E-3556

26 MARCH 1968

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

OME Region III
RECEIVED
MAR 29 1968
ado

Subject: OME -6622 (Silver)
Amedee A. Peugnet
Tip Top Mining District
Yavapai County, Arizona.
Contract 2256

Dear Mr. Hasler:

This is to advise you that I am in Phoenix, Arizona, to carry out my Contract 2256. For the purposes of this contract, I have left my St. Louis address and will be in the field at the site of this program.

All communications in connection with OME-6622, Contract 2256 should be addressed, until further notice:

Amedee A. Peugnet
C/O EARL E. WEBSTER
~~P.O. BOX~~ 1001 E. FAIRMOUNT AVE
PHOENIX, ARIZ. 85014

Sincerely yours,

Amedee A Peugnet

Amedee A. Peugnet

705 CHESTNUT ST., ST. LOUIS, MO. 63101 PHONE: (314) 621-1431

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

ORIGINAL COPY
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EP 120

March 18, 1968

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6622 (Silver)
Amedee A. Peugnet
Eldorado Group
Yavapai County, Arizona
Contract 2256

Transmitted herewith are the "Government's Copy" and "Budget and Finance's Copy" signed on behalf of the Government and by the applicant on the above-stated contract.

The "Budget and Finance's Copy", on page 2, under Exhibit A, Description of the Work Stage I, did not have the corrected inclination and drill hole Nos. 4 and 5, as I have noted.

J. William Hasler

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

Denver Federal Center -- Building 53 -- Room 203
Denver, Colorado 80225

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 20 1968

March 18, 1968

Mr. Amedee A. Peugnet
4605 Lindell Boulevard
St. Louis, Missouri 63108

Subject: OME-6622 (Silver)
Amedee A. Peugnet
Eldorado Group
Yavapai County, Arizona
Contract 2256

Dear Mr. Peugnet:

Enclosed herewith please find the "Operator's Copy" of the contract on the above-stated subject.

Sincerely yours,

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

Enclosure

cc: Chief, OME
OME chron
OME-6622
Mr. Hasler

AMEDEE A. PEUGNET · PE[illegible] CONSULTING MINING ENG[illegible]EER - REG. MO.E-3556

15 March 1968

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

OME Region III
RECEIVED
MAR 18 1968
Denver, Colorado

Subject: OME-6622 (Silver)
Amedee A. Peugnet
Tip Top Mining District
Yavapai County, Arizona.
(Contract No. 2256)

Dear Mr. Hasler:

I was very glad to talk to you a few minites ago; especially to learn that my request to change the inclination of drill holes Nos. 4 & 5 to -50 deg. has been granted.

Enclosed are the original and two copies of the revised contract No.2256, which you mailed to me March 11th.

I have signed all three instruments and have put in the date required: May 1, 1968. I believe the instruments are in order except for changing the inclinations of drill holes Nos. 4 & 5 to minus 50 degrees, Exhibit A, page 2.

I plan to leave for Phoenix at the end of next week. On my arrival there, I will advise you of my Phoenix address for the duration of this contract.

Sincerely yours,

Amedee A Peugnet

705 CHESTNUT ST., ST. LOUIS, MO. 63101 PHONE: (314) 621-1431

Office of Minerals Exploration
Building 53 Room 203

March 11, 1968

MAR 15 1968

Mr. Amedee A. Peugnet
4605 Lindell Boulevard
St. Louis, Missouri 63108

Subject: OME-6622 (Silver)
Amedee A. Peugnet
Eldorado Group of Claims
Yavapai County, Arizona

Dear Mr. Peugnet:

Enclosed are the original and two copies of a proposed revised contract for the subject property. The contract consists of MME Form 50 (seven pages), Annex I (one page), one Lien and Subordination Agreement, Exhibit A (six pages), Exhibit B (one page), and one map (Figure 1). All copies of the contract have been signed for the Government. Please insert the date for commencement of the work.

If the proposed contract is satisfactory, please sign all copies and return all copies to this office. After we receive the copies, we will forward the "Operator's Copy" to you for your retention.

Please be advised 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, the original and both 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 Hasler chron OME-6622

OFFICIAL FILE COPY

Date	Surname	Code
3/6/68	Peterson	120
3/7/68	Kirkemo	120
		110
		220
		120M

AIRMAIL

MAR 7 1968

Memorandum

To: Field Officer, Region III

From: Chief, Office of Minerals Exploration

Subject: OME-6622 (Silver)
Amedee A. Peugnet
Eldorado Group of Claims
Yavapai County, Arizona

In reference to your memorandum of February 29, 1968, and the Applicant's letter to you of February 20, enclosed are the original and three copies of a proposed revised contract for the subject property. The contract consists of MME Form 50 (seven pages), Annex I (one page), one Lien and Subordination Agreements, Exhibit A (six pages), Exhibit B (one page), and one map (Figure 1). 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.

The first contract offered to the Applicant was returned unsigned with a request for certain changes in description of work, Figure 1, and costs. Some of the requested changes were made, in accordance with a decision reached by Mr. Peterson and you by telephone on March 3.

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

cc: Director's Reading File
Division File
Economic Geology File

OME File
OME Reading File
Mr. Peterson
130

JCPeterson/gla 5-6-68

OFFICIAL FILE COPY

Date	Surname	Code
3/7/68	Kirkham	120
		120
3/7	Johnson	110
		220
		120M

March 7, 1968

Memorandum

To: The File

From: Edward C. Peterson, Office of Minerals Exploration

Subject: OME-6622 (Silver)
Amedee A. Peugnet
Eldorado Group of Claims
Yavapai County, Arizona

The Applicant returned the proposed contract unsigned to the OME requesting that certain changes be made. See Applicant's letter of February 20 and the Region III Field Officer's memorandum of February 29.

As requested, proposed drill hole No. 4 was replotted on Figure 1 to show its location more accurately. Hole No. 5 was not replotted as the proposed change was minor. Slight changes in the inclination of the two holes were allowed for in the contract.

The request to allow for a helper-sampler was denied. The writer discussed this with the Field Officer on March 3, and it was agreed that the supervisor-engineer could perform any work related to this small project without the need of an assistant. The allowances for an outside consultant were deleted from the cost estimate, as requested. These funds were added to the supervisor-geologist-engineer cost item, as it appeared that allowances for this item previously provided for in the contract were on the low side.

The request to change the proposed contract from an actual cost to a fixed unit cost form was denied. The former is the preferred form where the drilling is being contracted.

The total estimated cost of the project was not changed.

Edward C. Peterson

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

ECPeterson/gla 3-7-68

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

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 1 1968
INITIALS CODE
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130

February 29, 1968

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6622 (Silver)
Amedee A. Peugnet
Tip Top Mining District
Eldorado Group Property
Yavapai County, Arizona

Enclosed are the original and four copies of the proposed contract on the subject docket that have been returned by the applicant, requesting that certain changes be made in the proposed contract.

During my telephone conversation with Mr. Peugnet on February 19, 1968 he seemed to have so many requests for changes that I thought it advisable for him to return the contract with the proposed changes as he has outlined them in the accompanying letter dated February 20, 1968. Also, during the same telephone conversation Mr. Peugnet inquired specifically about Article 2(c), Articles 7 and 8 concerning his part relative to repayment of the loan, if he in turn leased the claims, or if he should drop the lease and the property reverted to its present owner, the A.C.E. Mining Corporation.

The questions indicated to me that Mr. Peugnet may not be able to finance his portion of the proposed contract that would amount to an estimated $5,950.00 plus interest.

Mr. Peugnet called again yesterday (February 27, 1968) inquiring as to the status of his contract, and to know if I had received his request for the changes. He mentioned that he hoped there would not be too much delay in making the proposed changes, and that he could start work under the contract soon, thus indicating he is ready and willing to proceed with the contract work.

In answer to his requested changes I would recommend the following:

P. D. H. No. 4 -- Has been misplotted. The hole should be 100 feet NE of the location shown.

P. D. H. No. 5 -- The 35' is insignificant -- Leave as is. -- Information available to Bob King at time of the examination and elevation of collar sites indicated that a -60° inclination would insure holes intersecting the Eldorado vein at a reasonable depth below the 130-foot level drift. If Peugnet has more information that will show that -50° is steep enough to guarantee an intersection 50 ft. or more below the 130-ft. level drift, then we would have no objection to requested changing of these two holes. If necessary, he can alter the bearing and inclination of each of these two holes a small amount to insure an intersection with projections of the easterly raking ore shoots.

It now appears that the applicant as a Supervisor feels he has not been allotted enough funds to adequately conduct the proposed drilling program, partly because of inacessability of the property and distances to the assay laboratories. Mr. King specified 6 days for a consulting geologist thinking that this figure plus the $900.00 for supervision would be sufficient. However, the contract specified only 3 days for a consultant. Essentially the applicant is his own consultant, therefore it is advisable to allow Mr. Peugnet a maximum of $1500.00 for supervision for 1.5 months plus a sampler and/or helper at the rate of $15.00 per day for 60 days, or a maximum estimated cost of $900.00. The applicant's original proposal estimated that a total of three months time would be sufficient to complete all of the drilling.

I recommend that a total of $2400 be allowed in each stage of the proposed contract for supervision and technical services and a sampler/ or helper as stated above.

The applicant's request No. 3 does not add to, or subtract materially from the proposed work, and since time is of the essence it is recommended that the figures as quoted remain the same, rather than lump the various items together.

J. William Hasler

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

Enclosures: Orig. and 4 copies of Contract 2256 and copy of Feb. 20, 1968 Amedee A. Peugnet to Mr. Hasler

REGISTERED PROFESSIONAL ENGINEER MISSOURI E-3556

EXAMINATIONS - REPORTS - DEVELOPMENT

AMEDEE A. PEUGNET
4605 Lindell Blvd.
St. Louis 8, Mo. 63108
FOrest 1-0505

AMÉDÉE A. PEUGNET
CONSULTING MINING ENGINEER
705 CHESTNUT STREET
ST. LOUIS 1, MISSOURI 63101

MEMBER A.I.M.E.

MAIN 1-1431

20 February 1968

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

Subject: OME-6622 (Silver)
Amedee A. Peugnet
Tip Top Mining District
Yavapai County, Arizona.
(Contract No. 2256)

Dear Mr. Hasler:

In accordance with our conversation of yesterday, I am herewith returning the four (4) copies of Contract No.2256(MME Forn 50) with the request that the following changes be made:

(1) Referring to OME Contract No.2256, Figure 1,"Property map showing location of proposed work, Stage 1":

ok Move location of Contract drill hole No.4: N.30 E., 110 ft.

" " " " " " No.5: N.20 E., 35 ft.

Referring to OME Contract 2256, Exhibit A, page 2, and application OME-6622, page 10:

ok Change the inclination of Contract drill holes Nos. 4 & 5 to - 50 deg. (minus 50 degrees).

These changes will make Contract holes Nos. 4 & 5 correspond to holes Nos. 6 & 7, respectively, as shown on Enclosure 10A to OME-6622.

The reason for requesting these changes is that these two holes are designed to explore 2 ore shoots that rake approximately 60 deg. E'ly. (see OME-6622, Enclosure #13). If this request is not granted, it appears that Contract 2256 locations and inclinations of holes nos. 4 & 5 will result in intersecting the vein below the alleged raking ore shoots.

2. OME-6622, page 13, 7(b) Personal Services: request was made for: 1- supervisor at $25/day, and 1-sampler at $15/day. It seems that this item may have been overlooked. OME Contract 2256, Exhibit A, p.3, Category (2) Personal Services, allowance is made for 1- supervisor-Geologist-Engineer, 1.5 mos. @ $600/month = $900.00, and top page 4, 1-Outside Consultant (2 days/mo) 3 days @ $75/day = $225.00

REGISTERED PROFESSIONAL ENGINEER MISSOURI E-3556

EXAMINATIONS - REPORTS - DEVELOPMENT

AMEDEE A. PEUGNET
4605 Lindell Blvd.
St. Louis 8, Mo. 63108
FOrest 1-0505

AMÉDÉE A. PEUGNET
CONSULTING MINING ENGINEER
705 CHESTNUT STREET
ST. LOUIS 1, MISSOURI 63101

MEMBER A.I.M.E.

MAIN 1-1431

and in Category (7) (same page) a total per diem for outside Consultant is allowed at $48.00, and transportation total of $36.00. This comes to a total of $309.00, Outside consultant, Stage 1.

I request that the $309.00 for Outside consultant be deleted, and that Category (2) be changed to allow: 1-Supervisor @ $25/day,and 1- Sampler @ $15/day.

My reasons for this request is that:

Banks, OME Office, etc. are closed on Saturdays and Sundays; post office, assay offices, etc. are closed on Sunday. Driller will quite likely work on Saturday.

Assay results must be obtained reasonably quickly, especially with permission to commence Stage II of this Contract depending upon the results of Stage I. With a charge by drilling company of $15/hour for waiting time, any considerable delay between Stage I and Stage II would be prohibitive for the Operator.

Reasonably comphrensive reports and accounts have to be prepared for the Office of the OME.

Contingencies arise in drilling. Sometimes a stake gets knocked-out, or an elevation has to be re-run, (there are cattle on the premises).

It would seem that two men are required to handle the work adequately.

3. If the Short Form (MME Form 51) cannot be allowed, then

Exhibit A, page 3, Actual Costs, Category (1),Independent Contracts: All these items are incurred on account of the drilling contractor, except only, bulldozing $300. Drilling contractor items listed in Category (1) come to $8.335 per foot drilled.

It is requested that these items be lumped, and be submitted at $8.33 per foot drilled.

Reason: There is no record of previous diamond drilling in this area, so estimates will vary: some high, some low. A "per basis" would tend to level estimates out. Considerably less accounting work would be required of both Operator and OME office.

Sincerely yours,

Amédée A Peugnet

AAP:cem

Office of Minerals Exploration
Building 53 Room 203

February 13, 1968

OFFICIAL COPY
O. M. E.
RECEIVED
FEB 15 1968

INITIALS	CODE
sla	130
Gel	120
	110
HR	120

Mr. Amedee A. Peugnet
4605 Lindell Boulevard
St. Louis, Missouri 63108

Subject: OME-6622 (Silver)
Amedee A. Peugnet
Tip Top Mining District
Yavapai County, Arizona

Dear Mr. Peugnet:

Enclosed are the original and three copies of a proposed contract for the subject property. The contract consists of MME Form 50 (7 pages), Annex I (1 page), Lien and Subordination Agreements (1 page), Exhibit A (6 pages), Exhibit B (1 page), and one map (Figure 1). 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 by an authorized representative, retain the "Operator's Copy" and return the other copies to this office. To insure safe delivery, please use our new complete address:

F.O. should retain operator's copy and send 3 to him after other copies are signed and returned

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

Please be advised 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, 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
OME-6622
OME chron
Mr. Hasler
Enclosures

Peterson 120
Shirkemo 120
Johnson 110
Mr. Kilgoard 220
Mr. Kerr
110
Cac 220

AIRMAIL

Memorandum 120M

To: Field Officer, Region III

From: Chief, Office of Minerals Exploration

Subject: OME-6622 (Silver)
Amedee A. Peugnet
Eldorado Group of Claims
Yavapai County, Arizona

Enclosed are the original and three copies of a proposed contract for the subject property. The contract consists of MME Form 50 (7 pages), Annex I (1 page), Lien and Subordination Agreements (1 page), Exhibit A (6 pages), Exhibit B (1 page), and one map (Figure 1). 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.

If the proposed contract is satisfactory to you and the Applicant, all four copies should be signed by an authorized representative of the Applicant. Thereafter, please distribute the copies in the usual manner.

Please advise the Applicant that the 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 (gca)

Frank E. Johnson

Enclosures

cc: Director's Reading File
Division File
Economic Geology File
~~OME~~ File
OME Reading File
Mr. Peterson
130

ECPeterson/bsl 1/31/68

MME FORM 6 REFERENCE SLIP
REV. 2-5 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Assoc. Sol.--MR, Room 6554 (Through Room 6042)		
	1/29	RB
2. Mr. Peterson, Room 4459		
3.		
4.		
5.		
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: a-68-2175.3192
Please return map.

SOLICITOR
JAN 25 1968
INTERIOR DEPT.

RECEIVED
JAN. 26, 1968
Division of Mineral Resources
General Legal Staff

INT.-DUP. SEC., WASH., D.C. M56300-62

cc: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
Mr. Peterson
130

MPeterson/bcl 1/31/68

MME Form 50
July 1965

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
U. S. GEOLOGICAL SURVEY

2 Legal 1/25/68 HK

EXPLORATION CONTRACT
(Long Form)

Docket No.	Commodity	Contract No.	County	State
OME-6622	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

Amedee A. Peugnet, an individual

whose mailing address is **4605 Lindell Blvd., St. Louis, Missouri 63108**, hereinafter called the "Operator," as follows:

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

(b) The total allowable cost of the work set forth in Exhibit A is $ ~~23,600.00~~ 23,800.00. The Government will contribute ~~50~~ 75 percent of the allowable costs as they are incurred, in a total sum not in excess of $ ~~17,700.00~~ 17,850.00 in accordance with the provisions of Articles 3, 4, 5, and 6. "Costs incurred" means costs that have been paid or have become due and payable, or that the Government determines have become obligations.

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

SEE ANNEX I

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

SEE ANNEX I

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CATEGORY (2)--PERSONAL SERVICES.

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

Subcategory (b)--Labor.

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

CATEGORY (4)--OPERATING EQUIPMENT.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) irrespective of any 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 7(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 13. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, 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 14. Work Hours Act of 1962 - Overtime Compensation.--This contract, to the extent that it is of a character specified in the Work Hours Act of 1962 (Public Law 87-581, 76 Stat. 357-360) and is not covered by the Walsh-Healey Public Contracts Act (41 U.S.C. 35-45), is subject to the following provisions and to all other provisions and exceptions of said Work Hours Act of 1962.

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

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

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

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

ARTICLE 16. Changes and added provision.--

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

AMEDEE A. PEUGNET
(Operator)

By Amedee A. Peugnet

By Arthur A. Baker
Acting Director, U. S. Geological Survey
Office of Minerals Exploration

Title

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]

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ECPeterson/bsl

EXPLORATION CONTRACT
AMEDEE A. PEUGNET
OME-6622

ANNEX I

The land, including all rights pertaining thereto, referred to in Article 2 of the contract consists of six (6) unpatented lode mining claims in secs. ~~9~~ 8 and ~~10~~ 9, T. 8 N., R. 1 E., ~~G S R~~ G&SRM, M, Tip Top mining district, Yavapai County, Arizona.

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

Claim	Book	Page
Arizona	149	430
Arizona Extension	70	110
Eldorado	149	43~~0~~
Eldorado Fraction Extension	28	117
Jackson	28	118
Jackson Extension	70	111

The Operator is in possession of the claims under terms of a Mining Lease dated October 10, 1966, with the A. C. E. Mining Corporation, owner of the claims. Certain extensions and waivers to the lease were granted by the lessor to the lessee by letter dated December 12, 1967.

A Lien and Subordination Agreements executed April 26, 1967, by the owner of the claims is attached and made a part hereof.

The claims are shown in Figure 1, entitled "Property Map" showing location of proposed work, Stage I, Eldorado Group, Yavapai County, Arizona" attached and made a part hereof.

EXPLORATION CONTRACT
Amedee A. Peugnet
OME-6622

Exhibit A

The purpose of this project is to explore by diamond drilling from prepared surface drill sites for silver-bearing ore bodies in and along northeasterly trending veins which traverse the Bradshaw granite.

General Provisions

A bulldozer no smaller than a Caterpillar D-7 or equivalent unit of any other make shall be used for preparation of access roads and drill sites.

Drill holes shall be drilled not less than 100 feet from the outer boundaries of the claim group shown on Figure 1.

All drill holes shall be completed not less than BX wireline size.

All drill holes shall be cased as necessary. The Government will not contribute to the cost of casing left in a hole at the Operator's request.

All drill core shall be stored in boxes identified by hole number with markers in the core sections indicating the depths represented.

Facilities shall be provided for recovering drill sludge, and such sludge shall be retained when drilling in significantly mineralized rock.

All drill core shall be logged and significantly mineralized core shall be split and one split assayed. Whenever core recovery is less than 60 percent, a split of the corresponding retained sluge shall be assayed separately. The remaining core shall be stored in proper sequence with the unsampled core, and the remaining sludge shall be stored in suitable containers properly identified as to hole number and depth.

All splits of samples for assay shall be analyzed for gold and silver, and for copper, lead, tungsten, and zinc as warranted.

True copies of assay certificates, copies of drill logs, and maps or sketches showing the work completed during the reporting period, the location, width, and assay value of all samples assayed and the geological formations and structures traversed by the drill holes shall be furnished monthly to the Government.

Stored samples shall be made available for Government inspection and possible use, and may be disposed of with prior Government approval.

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

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

The work shall be divided into two stages. The Operator shall complete all of Stage I and as much of Stage II as is authorized in advance by the Government and confirmed in writing. Approval of Stage II shall depend upon the results obtained in Stage I.

Description of the Work

Stage I

The work shall consist of bulldozing access roads to the drill sites, leveling the sites, and drilling not more than 6 diamond drill holes totalling not more than 1,300 feet. The approximate location s of the drill holes are shown on Figure 1 referred to previously.

The hole number, bearing, inclination, and approximate length of the 6 diamond drill holes are as follows:

Hole No.	Bearing	Inclination	Length in feet
1	S. 25° E.	-45°	150
2	S. 25° E.	-60°	150
3	S. 25° E.	-45°	200
4	S. 35° E.	-60°	300
5	S. 35° E.	-60°	300
6	S. 35° E.	-60°	200

Stage II

The work shall consist of bulldozing access roads to drill sites, leveling the sites, and diamond drilling not more than 6 holes totalling not more than 1,000 feet. The location, bearing, inclination, and depth of the holes shall be contingent upon the results obtained in Stage I.

Estimated Cost of Project

Stage I

Actual Costs

Category (1) Independent Contracts

Mobilization and demobilization, drilling rig			$200.00
Bulldozing roads and drill sites, 20 hrs. @ $15.00/hr.			300.00
Drilling and setting of cellar pipe, 30 ft. @ $8.60/ft.			258.00
Diamond drilling, 1,300 feet			9,320.00 ~~9,230.00~~
Depth, feet	Rate/foot NXWL	BXWL	
0-508	$7.60	7.10	
Cementing, reaming, and casing, 20 hrs. @ $15.00/hr.			300.00
Casing lost in completed holes, 50 feet			100.00
NX @ $3.00/foot			
BX @ $2.00/foot			
Moving and setting up drill rig, 20 hrs. @ $15.00/hr.			300.00
Rental of water truck, 1.5 month @ $190.00/month			285.00
Hauling water, 500 miles @ $0.15/mile			75.00
			$11,138.00 ~~$11,048.00~~

Category (2) Personal Services:

None except:

Subcategory (a) Supervision and Technical Services

1 Supervisor - Geologist - Engineer,

1.5 months @ $600.00/~~mth.~~ month — $900.00

1 Outside consultant (2 days/month)

3 days @ $75.00/day — 225.00

$1,125.00

Category (3) Operating Materials and Supplies:

None except:

100 cardboard core boxes @ $1.00/each — 100.00

Cement, cement substitutes, drilling mud, and additives — 100.00

200.00

Category (7) Miscellaneous

None except:

Per diem, outside consultant,

3 days @ $16.00/day — 48.00

Transportation for consultant,

300 miles @ $0.12/mile — 36.00

Payroll taxes, F.I.C.A., Insurance, etc. — 158.00

Assaying, ~~110~~ 115 samples — ~~325.00~~ 335.00

Gold and Silver @ $3.00/sample

Lead, Zinc, and Copper @ $2.00/~~sample~~ each metal

Tungsten @ $7.00/sample

Transportation charges for samples, — 25.00

100 pounds @ $0.25/lb.

~~592.00~~ 602.00

Total Estimated Costs, Stage I ..... ~~$12,965.00~~ $13,065.00

Stage II

Actual Costs

Category (1) Independent Contracts

Bulldozing roads and drill sites,				
20 hrs. @ $15.00/hr.			$ 300.00	
Drilling and setting of collar pipe,				
30 ft. @ $8.60/ft.			258.00	
Diamond drilling, 1,000 feet			7,190.00 ~~7,100.00~~	
Depth, feet	Rate/foot NXWL	Rate/foot BXWL		
0-500	$7.60	7.10		
Cementing, reaming, and casing,				
16 hrs. @ $15.00/hr.			240.00	
Casing lost in completed holes, 50 feet			100.00	
NX @ $3.00/foot				
BX @ $2.00/foot				
Moving and setting up drill rig,				
24 hrs. @ $15.00/hr.			360.00	
Rental of water truck,				
1.5 months @ $190.00/month			285.00	
Hauling water,				
500 miles @ $0.15/mile			75.00	$8,808.00 ~~$8,718.00~~

Category (2) Personal Services:

None except:

Subcategory (a) Supervision and Technical Services:

1 Supervisor - Geologist - Engineer,		
1.5 months @ $600.00/month	$900.00	
1 Outside consultant (2 days/month)		
3 days @ $75.00/day	225.00	
		$1,125.00

Category (3) Operating Materials and Supplies:

None except:

100 cardboard core boxes @ $1.00/each	100.00	
Cement, cement substitutes, drilling mud, and additives	100.00	
		$ 200.00

Category (7) Miscellaneous:

None except:

Per diem, outside consultant,		
3 days @ $16.00/day	48.00	
Transportation for consultant,		
300 miles @ $0.12/mile	36.00	
Payroll taxes, F.I.C.A., Insurance, etc.	158.00	
Assaying, ~~110~~ 115 samples	~~325.00~~ 335.00	
Gold and Silver @ $3.00/sample		
Lead, zinc, and copper @ $2.00/~~sample~~ each metal		
Tungsten @ $7.00/sample		
Transportation charges for samples,		
100 pounds @ $0.25/lb.	25.00	~~$592.00~~ $602.00
Total Estimated Costs, Stage II		~~$10,635.00~~ $10,735.00

SUMMARY

Total Estimated Costs Stage I	$ ~~12,965.00~~ 13,065.00
Total Estimated Costs Stage II	10,635.00 10,735.00
Total Estimated Costs of the Project	~~23,600.00~~ 23,800.00
Government Participation @ 75%	~~17,700.00~~ 17,850.00

U. S. DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

OME-6622
(Silver)

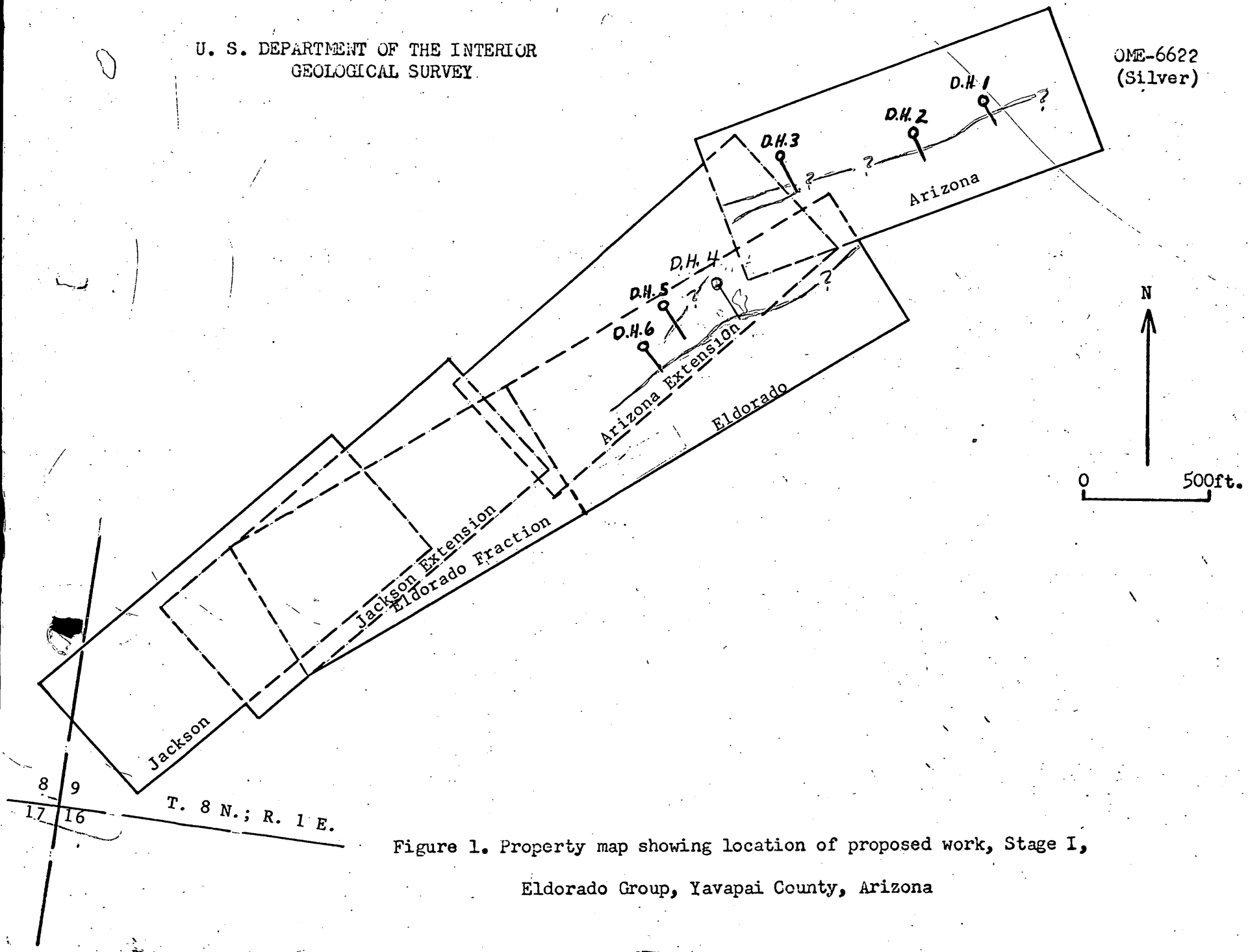

Figure 1. Property map showing location of proposed work, Stage I, Eldorado Group, Yavapai County, Arizona

IN REPLY REFER TO:

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FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 203

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	120

December 18, 1967

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6622 (Silver)
Amedee A. Peugnet
Eldorado Group of Claims
Yavapai County, Arizona

Transmitted herewith are Mr. King's views on your comments of December 8, 1967 and his answers to your questions on the above-stated subject.

J. William Hasler

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

Holes bid on basis
2000' holes

OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA FPMR (41 CFR) 101-11.6

UNITED STATES GOVERNMENT

Memorandum

TO : J. W. Hasler, Field Officer, Reg. III, O M E
Denver, Colorado

DATE: December 18, 1967

FROM : R. U. King, Base and Ferrous Metals
Denver, Colorado

RUKing

SUBJECT: OME 6622, Peugnet, Eldorado Group, Yavapai County Arizona.

The following notes are in reply to Mr. Frank E. Johnson's letter of December 8, 1967 regarding the report of examination on the subject property. It is rather obvious that my concluding statement was too brief and over simplified as to the probable grades of ore to be discovered by the proposed exploration program and I trust the following information will support the conclusion that a fair chance of discovery of significant silver ore exists on the property.

5010-108

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

The most reliable information on the depth of secondary enrichment is in Lindgren's report on the Jerome and Bradshaw Mtns. Quadrangles (U.S.G.S. Bull. 782). Regarding water level and oxidation (p. 49) he states that "the water level in this region is irregular and rather deep--ranging from 80 to 400 feet below surface (shallower in valleys with permanent water)." The irregularity is in part due to the small quantity of water in the crystalline rocks and its irregular distribution in pockets along the fissure and fault structures, and because of this situation the boundary between oxidized and primary ore would probably be indefinite. Based on the above observations Lindgren concludes that "the oxidized zone is 100 to 400 feet thick---".

Neither Cottonwood Creek nor the tributary that trends across the Eldorado claim are permanent streams. Wells in the vicinity indicate the presence of water within a hundred feet or so of the creek bottoms.

It is indicated in Wager's Assay book that silver-bearing sulfide ores as well as silver chlorites and bromides(?) were mined in the earliest period of development of the Eldorado group of claims. This would indicate the near surface portions of the veins are partially but not completely oxidized. Certainly the deeper the exploration, the greater the ratio of primary to secondary ore minerals, but exploration at depths of 150 to 250 feet is not expected to be entirely in the primary or unenriched ore zone.

The proposed exploration of the Eldorado group at depths of 100 to 200 feet therefore would not be expected to be below the zone of secondary enrichment, but in a zone of mixed primary and secondary (enriched) ores.

The silver content of the primary ores (sulfurets, zinc, galena, blende") during the early period 1889-1900 ranged from about 50 to 850 oz. per ton, in contrast to oxidized or secondary ores that contained from about 100 to 1,000 oz. Ag per ton. The silver content of the ore mined during the period of exploitation of the Eldorado group can be estimated from dump shipments that contained about 30 oz. of silver per ton.

An estimate of the minimum silver content of the ores mined during the period of exploitation of the Eldorado group from 1900 to 1913 can be made by using the average content of 123 tons of dump material shipped in 1934 which was about 30 oz. Ag per ton. In 1912 and 1913 the tails from milling operation contained an average of 25 oz. Ag per ton.

During the latest period of operations from 1918 to 1921, samples marked Eldorado and presumably including material from underground as well as from surface workings, indicate the silver content of the ores to range from a few ounces to about 100 oz Ag per ton--with an average content of about 25 oz. per ton.

It is concluded that the grade of the ore to be discovered in the proposed exploration below the existing shafts on the Eldorado claim would be about the same grade as that produced in the period from 1918-21 or about 25 to 30 oz Ag per ton, but that higher grade silver ores may be discovered below the shallow pits and shafts on the Arizona claim.

MME Form 7
(10-58)

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12/8/67	Kirkemo	120
		110
12/8	cal	220
		120M

AIRMAIL

Memorandum

DEC 8 1967

To: Field Officer, Region III

From: Chief, Office of Minerals Exploration

Subject: OME-6622 (Silver
Amedee A. Peugnet
Eldorado Group of Claims
Yavapai County, Arizona

The effect of secondary enrichment upon the tenor of ore at the subject property is not discussed by R. U. King in his Report of Examination. What is the possible depth of secondary enrichment, will the proposed exploration be in primary ore below a zone of secondary enrichment, and what is the probable grade of material in the primary zone?

Judging from the incomplete records of production and sampling from this property and from the nearby Tip Top mine, the silver content of the initial output from the deposits was appreciably greater than that reported for later shipments or samples from lower workings in these mines. Fifteen of the 69 entries in Wager's Assay Book for the years, 1887 - 1889, show a silver content in excess of 500 ounces per ton whereas only one assay above 500 ounces is posted for the 59 assays reported in succeeding years. Admittedly such a comparison is not as dependable as one derived from a record of systematic sampling from the surface to the bottom workings on the deposits, but it is the only means we have of evaluating the possibilities for ore grade material at the depths of the proposed exploration.

The greater number of below-ore-grade assays appearing for the samples assayed in 1918-1919 suggests that the lower workings were in lean material.

In view of these observations, we wonder whether the following statement on page 8 of the Report of Examination correctly reflects the possible geological conditions at the property:

> "It is expected that any ore discovered below the surface pits and shafts on the Eldorado and Arizona claims would be about the same grade as that of the ore produced or equivalent to the average of that recorded in Wager's Assay Book."

Please obtain Mr. King's views on these comments and his answers to our questions.

FRANK E. JOHNSON (gla)
Frank E. Johnson

cc: Director's Reading File
Division File
Economic-Geology File
OME File
OME Reading File
Region III (2 copies; Mr. King), 120, HKirkemo/bsl 12/8/67

43683

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Office of Minerals Exploration

November 27, 1967

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BK	120 M
JHJ	110
HK	120

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6622 (Silver)
Amedee A. Peugnet
Tip Top Mining District
Eldorado Group Property
Yavapai County, Arizona

Enclosed are the illustrations for the report of examination on the subject docket which was transmitted today. The illustrations were inadvertently omitted.

J. William Hasler

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

Enclosures

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 27, 1967

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gla	130
JH	120
~~JHO~~	~~110~~
	130

Memorandum

To: Chief, OME

From: Field Officer, Region III

Subject: OME-6622 (Silver)
Amedee A. Peugnet
Eldorado Group
Yavapai County, Arizona

Enclosed is the original of an examination report on the subject application by Robert U. King, recommending a core drilling program to explore for silver on the Eldorado Group at an estimated cost of $23,763.80.

The Field Officer concurs in the recommendation made in the examination report.

J. William Hasler

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

Enclosures

Needs to state nature & extent of recordings available

UNITED STATES

DEPARTMENT OF THE INTERIOR

STEWART L. UDALL, SECRETARY

U. S. GEOLOGICAL SURVEY

OFFICE OF MINERALS EXPLORATION

REPORT OF EXAMINATION

REGION III

On-site Report

OME-6622 (Silver)

AMEDEE A. PEUGNET

ELDORADO GROUP

YAVAPAI COUNTY, ARIZONA

By

Robert U. King

Geologist

November, 1967

Contents

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Introduction	1
Conclusions and recommendations	1
The property	2
Property rights	2
Geology	3
Reserves	8
Exploration targets	8
Proposed exploration	9
Estimated time schedule	10
Estimated costs	11

Illustrations

Figure 1.--Claim map showing proposed exploration Eldorado Group, Yavapai County, Arizona.

Figure 2.--Longitudinal section, Eldorado vein showing mine workings and stoping, Eldorado Group, Yavapai County, Arizona.

OME-6622 (Silver)

AMEDEE PEUGNET

Eldorado Group

Yavapai County, Arizona

by

Robert U. King

Introduction

Mr. Amedee Peugnet applied to the Office of Minerals Exploration for financial assistance to explore on the Eldorado group of claims in Yavapai County, Arizona. A field examination was requested by the Office of Minerals Exploration in Washington and was made by Robert U. King on 6/22 and 6/23/67, accompanied by Mr. Peugnet and Mr. Earl Webster. During the field examination it was proposed to stage the exploration program and diamond core drill 6 holes totalling 1300 feet in the first stage and to drill 6 holes totalling not more than 1,000 feet in a second stage as offsets to favorably mineralized holes drilled in Stage 1.

Conclusions and recommendations

It is concluded that there is a fair chance of discovering ore at depth (in ore shoots) along the veins that traverse the Eldorado Group of claims, that have been prospected by numerous pits and shafts, and along the downward continuation of the ore shoots that were mined above the 130-foot level of the shafts Nos. 16, 17, 18 and 20, by the applicant's modified proposal to core drill 2300 feet in 12 holes.

I recommend that the program to drill in two stages be approved consisting of 1300 feet in 6 holes in Stage 1 and 1,000 feet in 6 holes in Stage II as offsets to favorably mineralized stage 1 holes, for a maximum total of 2,300 feet, and estimated to cost $23,763.80.

The property

The Eldorado group is in the Tip Top mining district, Yavapai County, Arizona, in secs. ~~9~~ 8 and ~~10~~ 9 (according to King this is correct), T. 8 N., R. L E., G and S., R. M. It is in the southern part of the Bradshaw Mountains, on Cottonwood Creek about 35 miles north of Phoenix. It is accessible by 8 miles of dirt road from Interstate highway 17 about 35 miles north of Phoenix. There is sufficient water within 2 miles of the property for exploration purposes. Phoenix is the closest city and would serve as the main shiping and supply point.

The Eldorado group consists of six unpatented mining claims (fig. 1), contiguous and overlapping: the claims are recorded as follows in the Office of the Yavapai County Recorder, Prescott, Arizona:

Eldorado	Book 149	Mines, Page 430
Eldorado Fraction	Book 28	Official records, page 117
Arizona	Book 149	Mines, page 430
Arizona extension	Book 70	Official Records, page 110
Jackson	Book 28	Official Records, page 118
Jackson Extension	Book 70	Official Records, page 111

Property rights

The applicant holds the property under a 20-year renewable lease from the A.C.C.E. Corporation, with waiver of 1967 requirements of work under the terms of the lease, as per letter by C. C. Lindley,

President, A. C. E. Mining Corporation dated 4/26/67. The lease is recorded in the Official Records of the Yavapai County Recorder, Prescott, Arizona, in Book 414, Official Records, pages 337 - 340. Lien affidavits of assessment work for 1967 have been filed for recording by the Recorder of Yavapai County, Prescott, Arizona during May, 1967, and subordination agreements (MME Form 52) covering the Eldorado Group were submitted to OME Washington on April 26, 1967.

Geology

The silver-bearing fissure veins of the Tip Top district were discovered in 1875, and according to Lindgren (1926, p. 180[1/], the total production of the district may have been as much as $4,000,000 chiefly in silver but with some gold. The Tip Top mine, the principal mine in the district, was worked during the period from 1875 to 1888 and again during the depression years of the early 1930's and probably has accounted for about three-fourths of the total production of the district. The mine exploited a fissure vein that trends about N. 55° E. and dips 60° to 70° north, to a maximum depth of 800 feet. The vein consists largely of quartz gangue containing galena, wolframite, pyrite, arsenopyrite, sphalerite and bornite. Tetrahedrite, native silver, cerargyrite, and ruby silver are also reported to have been present in the ore. The wall rocks are chiefly granite and pegmatite with some inclusions of schist. A similar parallel vein known as the 76 vein is about half a mile west of the Tip Top vein. A record of good production from the 76 vein is reported but presumably only a small amount of development and mining was done on this vein in the 1920's.

1/ Lindgren, Waldemar, 1926, Ore deposits of the Jerome and Bradshaw Mountains Quadrangles, Arizona: U. S. Geol. Survey Bull. 782.

The Eldorado Group is about one mile west of the Tip Top Mine. The eastern-most exposure of the veins of the Eldorado Group is less than 1/2 mile southwest of the adit on the 76 vein. Inasmuch as the average trend of the veins of the Eldorado Group is from N. 50° to 60° E. it seems likely that the Eldorado veins and 76 vein are related to a single common structure.

The Eldorado Group, near the southern end of the Bradshaw Mountains is underlain by the Bradshaw granite. It is a grey, medium grained, massive rock that forms on weathering a rough topography on an otherwise surface of low relief. Included in the Bradshaw granite are pegmatite dikes, and irregular masses of pegmatite, gneiss, and hornblende and biotite schist. About 3 miles to the south of the property the granite plunges gently under a thick cover of Tertiary volcanic rocks consisting of andesite and rhyolite flows and volcanic agglomerates.

The silver deposits of the Eldorado Group occur in fissure type veins that trend northeasterly and dip gently to steeply northwest. The veins are conformably only in a general way to the included gneissic and schistose bodies in the Bradshaw granite.

From the pattern of vein exposures in pits and shafts and the few outcrops it appears that two or possibly three separate veins were exploited on the Eldorado Group. Although no direct evidence of faulting is visible on the ground other than that presumably associated with the veins, it is possible that there is only one major structure that has been displaced by cross faulting into several segments.

The strikes of the veins range from N. 35° E. to N. 65° E. and dips from 42° NW to vertical. They range in width from one foot to six feet and have been traced for distances up to 1,000 feet on the surface.

The ore minerals consist of galena, sphalerite, tetrahedrite and wolframite. Gold is reported to occur in the vein deposits but only in small amounts. The gangue consists of quartz, altered wall rocks, and pyrite.

The vein or vein segment on the Arizona claims strikes about N. 65° E. and dips from 42° north at the east end of the claim to vertical at the west end of the claim. It has been explored from the surface by several shallow shafts, pits, and short trenches, none of which appear to have reached over 20 feet in depth, and which are now mostly caved and debris-filled. The vein has been followed on surface by closely spaced pits at either end of the claim but its integrity depends on a 400-foot projection under the bed of Cottonwood Creek (fig. 1). A possible parallel subsidiary vein is postulated about 40 feet south of the main vein.

Assay records (Wager's Assay Book, Tip Top district)2/ indicate that most of the work on the Arizona claim was done in 1887, 1889, 1892, 1900 and 1921, the most extensive development being an 18-foot shaft, sunk in 1900 on the Arizona vein. The records indicate the tenor of the Arizona vein, during its early exploitation was about 100 oz. per ton silver. A grab sample (No. S-5) collected by Mr. Earl Webster of Phoenix for the applicant in 1965 from a dump near the eastern end of the Arizona claims contains 15.12 oz. Ag per ton.

2/ District Assayer's Record Book, Extracts from Wager's Assay Book attached to application.

The major development of the Eldorado Group is on the Eldorado claim, and consists of 4 closely spaced shafts ranging from 120 to 180 feet in depth (fig. 2) connected at and near their bottoms by a 250-foot drift, and a 65-foot drift southwesterly from the bottom of the deepest shaft. The shafts are inclined steeply to the northwest, apparently being sunk along the vein. Exploitation of the Eldorado vein probably was begun in 1888, judging from the dates of sample analyses in Wager's Assay Book. Three shafts were sunk probably in 1889 and a fourth shaft sunk to a depth of 180 feet in the 1930's. All these shafts are now caved to within 10 to 20 feet of their collars. Recovery by jigging and panning of silver ore is indicated by assay records as beginning in 1889. The next productive period is indicated to have been during 1912 and 1913 when milling of Eldorado ore was again undertaken presumably obtained from the ore shoots above the 130-foot level. The available records (fig. 2) show that the deepest workings are the 130-foot level and a 65-foot long drift from the bottom of the 180-foot shaft. Other workings on the Eldorado claim are shallow pits and shafts and two short adits near the western end of the Eldorado Fraction claim. Five shipments of silver ore amounting to 123 tons from the shaft dumps were made in 1934 for which settlement of a total of 3,731 oz. of silver was obtained, having an average silver content of 30 oz. per ton.

A grab sample (No. S-1) of the dumps from shafts Nos. 16, 17, 18 and 20, on the Eldorado claim taken in 1965 by Mr. Webster contained 23 oz. Ag per ton. A sample of the vein at a depth of 6 feet in the

Eldorado discovery cut collected in 1941 contained 12.8 oz. Ag per ton. The range of silver content in the near surface exposures of the vein on the Eldorado Fraction, is indicated by the following analyses:

Sample No.	Description	Width	Oz. silver/ton
S-3	4-foot vein in adit	7 inches	45.34
S-4	Vein material in location adit	36 inches	2.60

The vein exploited on the Jackson claim, the westernmost claim of the Eldorado Group strikes N. 35° E. and dips 55° N. at the portal of the caved Jackson tunnel. It has been traced for the length of the claim by some 15 shallow pits and shafts and short adits. The workings are all caved and mostly filled with debris. The Jackson tunnel is reported to be 300 feet long and to have a small amount of stoping above the tunnel level.

Only one sample in Wager's Assay Book is attributed to the Jackson claim. The silver content of this sample, taken in 1919 and labeled Jackson sample, was 3.64 oz. per ton. One additional sample from a 25-foot adit on the Jackson claim (No. S-2) collected in 1965 by Mr. Webster cut across 12 inches assayed 192.13 oz. per ton. The vein zone estimated to be from 3 to 4 feet wide at this location.

Reserves

There are no known reserves of silver ore on the Eldorado Group, but a significant tonnage is estimated to have been produced from the two stopes exploited by the shafts on the Eldorado claim.

It is estimated that the two stopes together yielded between 200 and 300 tons of silver ore containing probably an average of

400 oz. Ag per ton.

No satisfactory explanation is available to explain why the drifting from the bottom of the 180-foot shaft was not continued to intersect the projected ore zones, other than a reported lack of funds available to the operators at that time.

It is expected that any ore discovered below the surface pits and shafts on the Eldorado and Arizona claims would be about the same grade as that of the ore produced or equivalent to the average of that recorded in Wager's Assay Book.

No surface enrichment?

Exploration targets

The objectives of the proposed exploration are those parts of the Eldorado veins at depth that are indicated to be favorably mineralized on the basis of previous exploitation. Concentrations of open pits on the vein on the Arizona claim indicate favorable sites there for three inclined core drill holes that would be adequate to determine the presence of favorably mineralized vein structures. Exploitation of the vein on the Eldorado claim by 4 shafts and stoping, indicates two significant silver-bearing ore shoots - raking northeasterly at about 60°. Three core drill holes would be adequate to test for the continuation of these two shoots and for the possible presence of a third blind ore shoot to the southwest of the known shoots.

Depending on the discovery of favorably mineralized vein structures a maximum of 1,000 feet of additional core drilling would be required to roughly delineate ore zones discovered, and to further explore laterally favorably mineralized veins.

Proposed exploration

It is proposed to drill a maximum of 2,300 feet of BXWL size hole in two stages: Stage I to consist of 6 holes from sites shown on the property map (fig. 1) and at bearings and inclinations as listed below. The Stage I holes are designed to intersect the vein or veins normal to the strike and at depths of from 100 to 200 feet below the surface.

HOLE NO.	CLAIM LOCATION	ELEV. COLLAR	ELEV. INTERSECTION	BEARING	INCLIN	ESTIMATED MAXIMUM DEPTH
1	Arizona	2267	2117	S. 25° E.	-45°	150'
3	Arizona	2260	2150	S. 25° E.	-60°	150'
4	Arizona	2260	2160	S. 25° E.	-45°	200'
6	Eldorado	2255	2080	S. 35° E.	-60°	300'
7	Eldorado	2280	2050	S. 35° E.	-60°	300'
8	Eldorado	2285	2140	S. 35° E.	-60°	200'
	Total Stage I					1300'

Specifications: Holes to be drilled

Bx size; cored entire length of hole; sludge to be recovered in the event core recovery in suspected ore zones falls below 75%; core to be sampled at two foot intervals through suspected ore zones; all core containing visible sulfide mineralization to be split and sampled for assay, one split to be preserved for subsequent government use, otherwise all to be preserved until notified.

Stage II exploration is to consist of a maximum of 1,000 feet of core drilling as offset holes to favorably mineralized Stage I holes,

and to explore laterally along the strike of favorably mineralized vein structures discovered by Stage I drilling. The location, bearing, and inclination of Stage II holes to be dependent on prior government approval.

Estimated time scheduled

Stage I

Mobilization and demobilization	1 week
Core drilling, 6 diamond core holes, 150 to 300 feet depth, totaling 1,300 feet maximum, @ 20 ft/ shift, x 2 shifts per day, 6 day week	5 weeks
Allowance for delays	1 week
Time for Stage I=----------	7 weeks

Stage II

Core drilling approximately 6 holes averaging 150 feet in depth, totaling not more than 1,000 feet @ 20 ft/shift, x 2 shifts/day x 6 days/week	5 weeks
Allowance for delays	1 week
Total time for Stage II	6 weeks
Total time for project	13 weeks or 3 months

Estimated costs

a.	Independent contracts	
	Mobilization and demobilization (bid)	$200.00
	Drilling for collar pipe @ $8.60/ft x 5 ft/6 holes	258.00
	Core drilling, BXWL @ $7.10 ft x 1300 feet (bid)	9,230.00
	Cementing at $15/hr x 10 hours	150.00
	Reaming and casing @ $15/hr x 10 hrs.	150.00
	Moving and setting up @ $15/hr x 5 holes x 4 hrs per hole	300.00
	Water truck, rental @ $190/mo x 1-1/2 months (bid)	285.00
	Mileage, water truck @ ~~$12~~ 8¢/mile x 500 miles	60.00
	Total independent contracts	$10,633.00
b.	Personal services:	
	Supervisor and technical services	
	1 engineer-geologist @ $600/mo x 1-1/2 months	$900.00
	1 outside consultant Geologist-Engineer 1 day/week x 7 weeks @ $75./day	525.00
	Per diem @ $16/day x 7 days	112.00
	Mileage @ $.12/mile x 700 miles (7 trips @ 100 miles each)	86.00
	Total personal services	$1,623.00
c.	Operating materials and supplies	
	Drilling cement, cement substitutes, drilling mud, and additives (estimated)	100.00
	100 core boxes @ $1.00 each	100.00
	Total operating materials and supplies	$200.00
d.	Operating equipment	none
e.	Initial rehabilitation	none

f. Buildings	none
g. Miscellaneous:	
Assaying: Au + Ag 30 samples @ $3.00/sample	$90.00
Pb - 25 samples @ $2.00/sample	50.00
Zn - 25 samples @ $2.00/sample	50.00
Cu - 25 samples @ $2.00/sample	50.00
WO_3 -10 samples @ $7.00/sample	70.00
Shipping expense for sample 100 lbs. @$.25 lb.	25.00
Insurance and taxes :OASI @ 4.3% industrial accident ins. @ 10%; State unemployment tax @ 2.7%; Federal unemployment tax 0.4%; occupational disease insurance @ 0.2%	
Total taxes and insurance $900.00 17.6%	158.40
	$493.40
Total Stage I----------	$12,949.40

Stage II.

a. Independent contracts	
Drilling - collar pipe @ $8.60/ft x 5 ft/hole x 6 holes	$258.00
Core drilling, BXWL @ $7.10/ft x 1,000 feet	7100.00
Cementing @ $15/hr x 8 hrs	120.00
Moving and setting up @ $15/hr x 6 holes x 4 hrs per hole	360.00
Water truck, rental @ $190/mo x 1-1/2 months	285.00
Mileage, water truck @ .12/mile x 500 miles	60.00
Bulldozer for road construction and preparation of drill sites, D-7 or equivalent @ $15/hr. x 20 hrs	300.00
Total independent contracts	$8,603.00

Stage II

b. Personal Services

Supervision and technical services

1 engineer-geologist @$600.00/mo x 1-1/2 months	$900.00
1 outside consultant - geologist-engineer 6 weeks x 1 day/week x $75/day	450.00
Per diem 6 days @ $16/day	96.00
Mileage: 600 miles @ $.12/mile	72.00
Total personal services	$1,518.00

c. Operating materials and supplies

Drilling cement, cement substitutes drilling mud and additives (estimated	100.00
100 core boxes @ $1.00 each	100.00
	$200.00

d. Operating equipment	none
e. Initial rehabilitation	none
f. Buildings	none
g. Miscellaneous	none

Assaying

30 sample Au + Ag @ $3.00/sample	$90.00
25 samples Pb @ $2.00/sample	50.00
25 samples Zn @ $2.00/sample	50.00
25 samples WO_3 @ $7.00/sample	70.00
Shipping allowance for samples 100 lbs. @ $.25/lb	25.00

Insurance and taxes. Same as for stage I @ 17.6% of payroll:

$900.00 @ 17.6%	158.40
Total miscellaneous	$493.40
Total Stage II	$10,814.40
Grand Total	$23,763.80
Government participation at 75%	$17,822.85

Total cost of drilling, per foot $10.33

U.S. Geological Survey
Office of Minerals Exploration

OME 6622
Amedee A. Peugnet

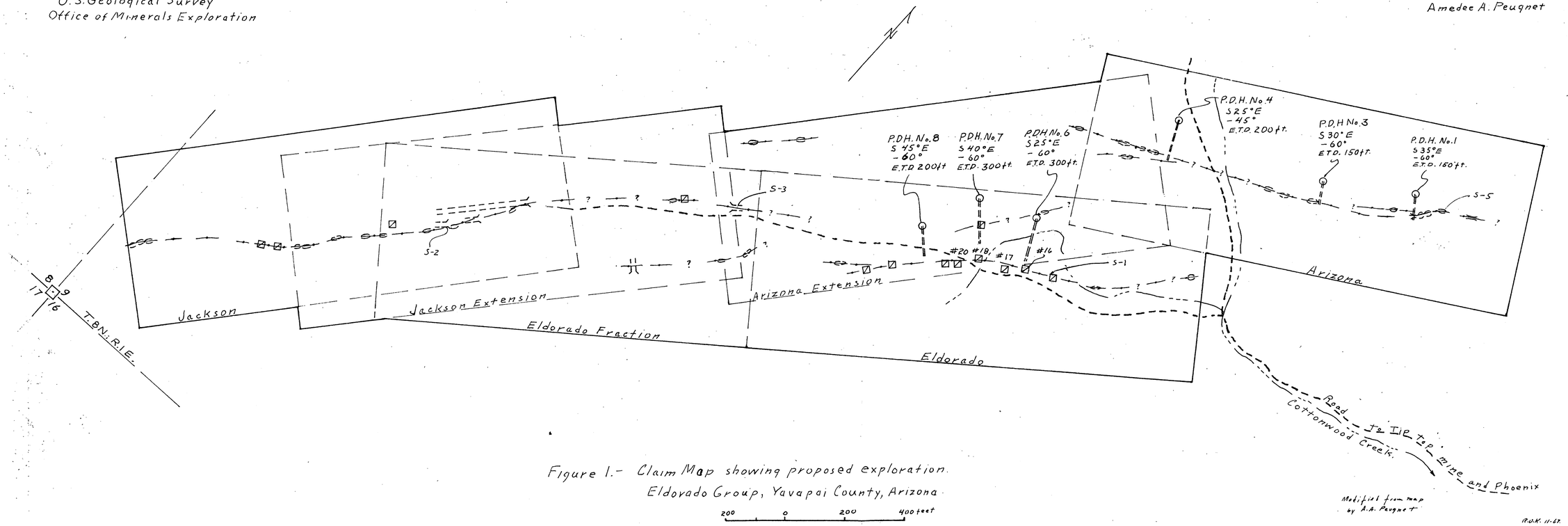

Figure 1.- Claim Map showing proposed exploration.
Eldorado Group, Yavapai County, Arizona

200 0 200 400 feet

Modified from map by A.A. Peugnet

R.D.K. 11-67

U.S. GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

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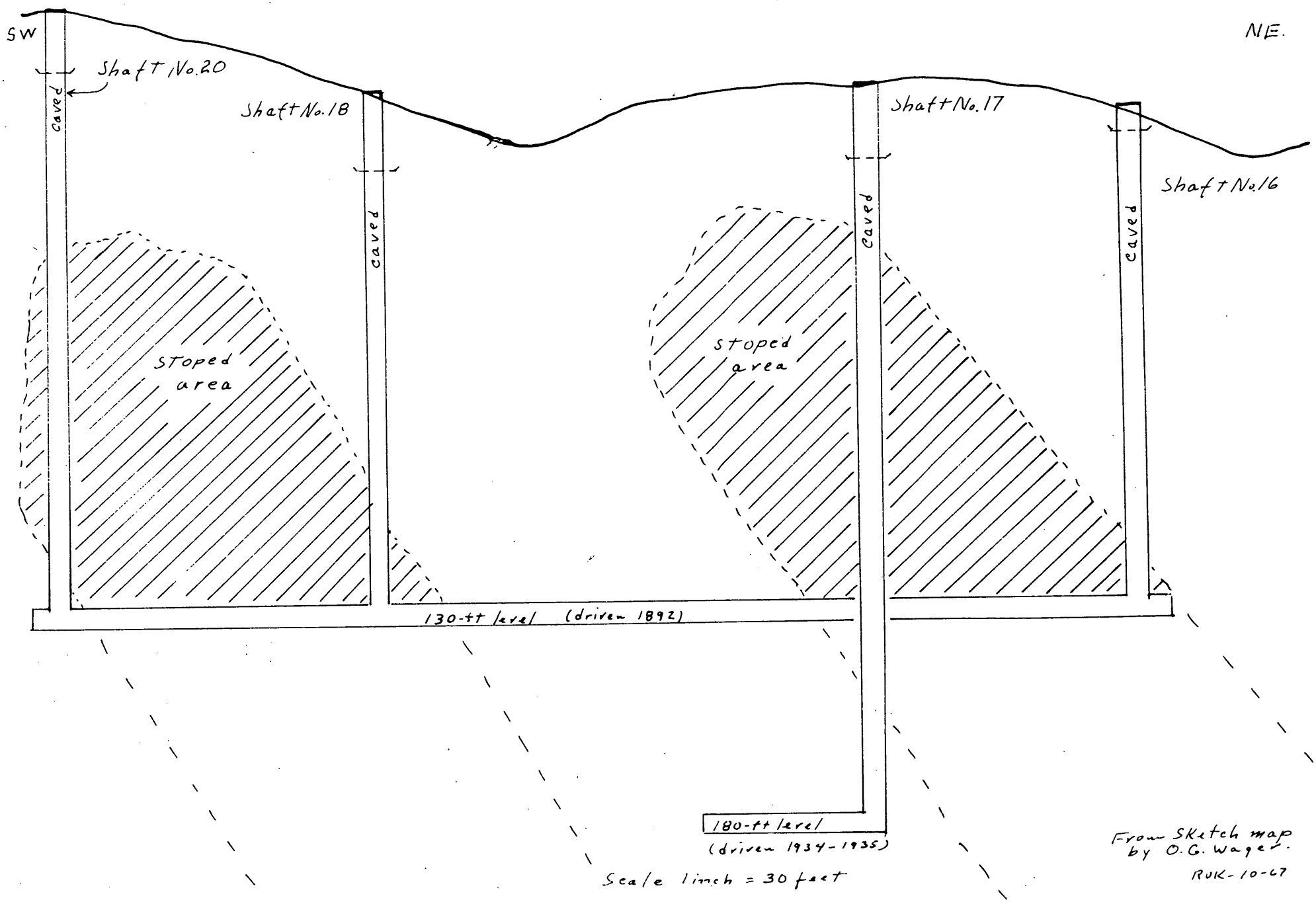
AMEDEE A. PEUGNET



From Sketch map by O.G. Wager.
RUK-10-67

Figure 2. - Longitudinal section. Eldorado vein showing mine workings and stoping, Eldorado Group, Yavapai County, Arizona.

U.S. Geological Survey
Office of Minerals Exploration

OME 6622
Amedee A. Peugnet

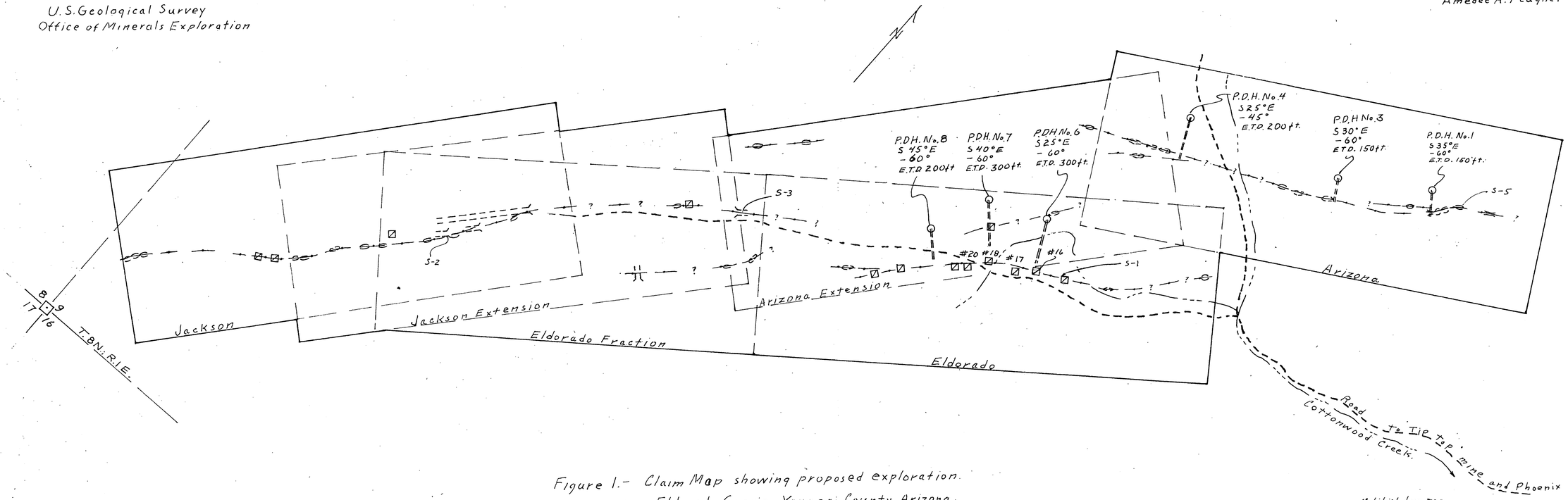


Figure 1.- Claim Map showing proposed exploration.
Eldorado Group, Yavapai County, Arizona.

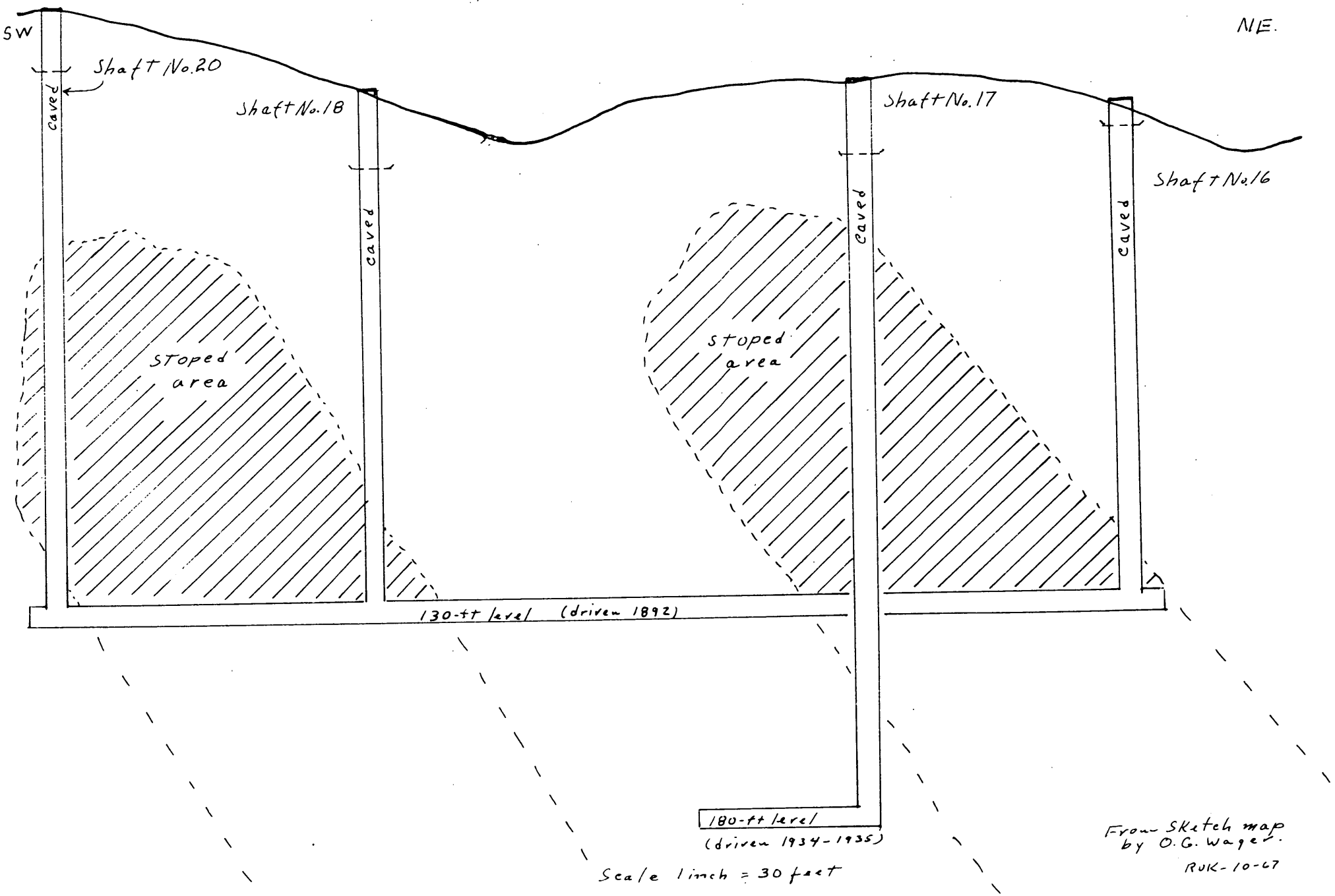
200 0 200 400 feet

Modified from map by A.A. Peugnet

P.D.K. 11-67.

U.S. GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OME 6622
AMEDEE A. PEUGNET



From Sketch map by O.G. Wager.
RUK-10-67

Figure 2. - Longitudinal section. Eldorado vein showing mine workings and stoping, Eldorado Group, Yavapai County, Arizona.

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U.S. Geological Survey
Office of Minerals Exploration

OME 6622
Amedee A. Peugnet

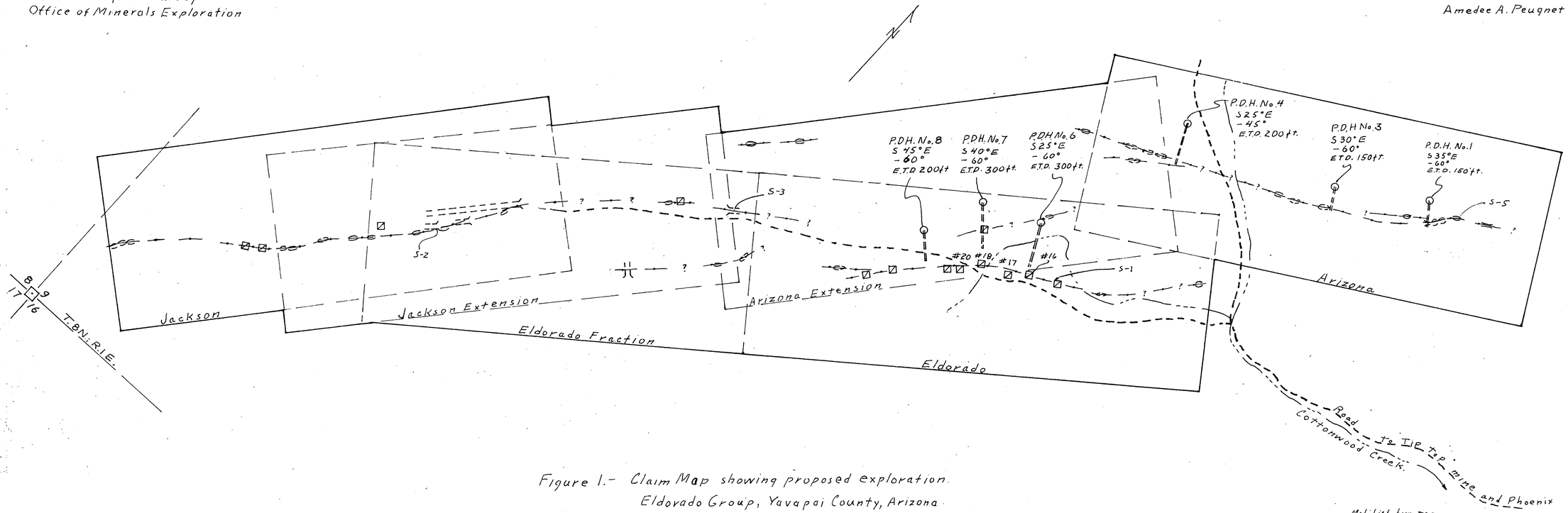


Figure 1.- Claim Map showing proposed exploration.
Eldorado Group, Yavapai County, Arizona

200 0 200 400 feet

Modified from map by A.A. Peugnet

P.D.K. 11-67

U.S. GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OME 6622
AMEDEE A. PEUGNET

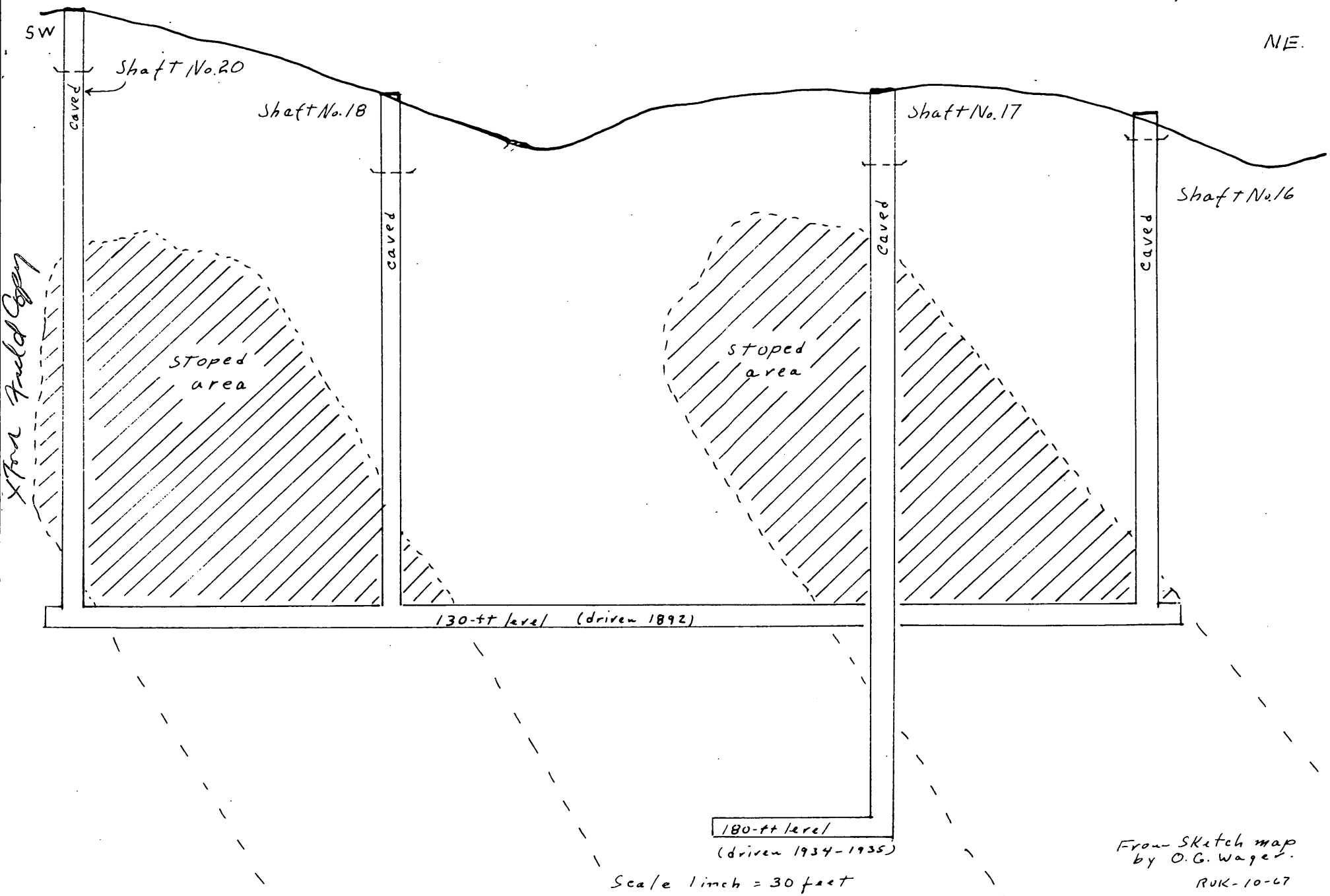


Figure 2. - Longitudinal section. Eldorado vein showing mine workings and stoping, Eldorado Group, Yavapai County, Arizona.

U.S. Geological Survey
Office of Minerals Exploration

OME 6622
Amedee A. Peugnet

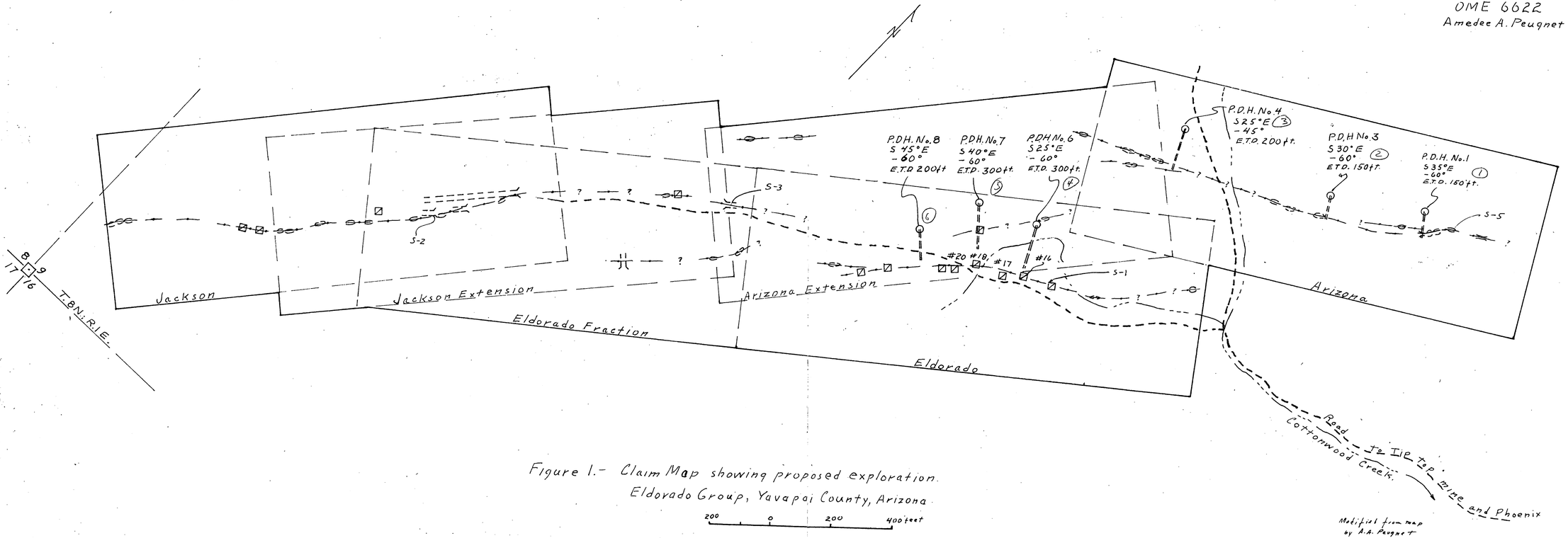


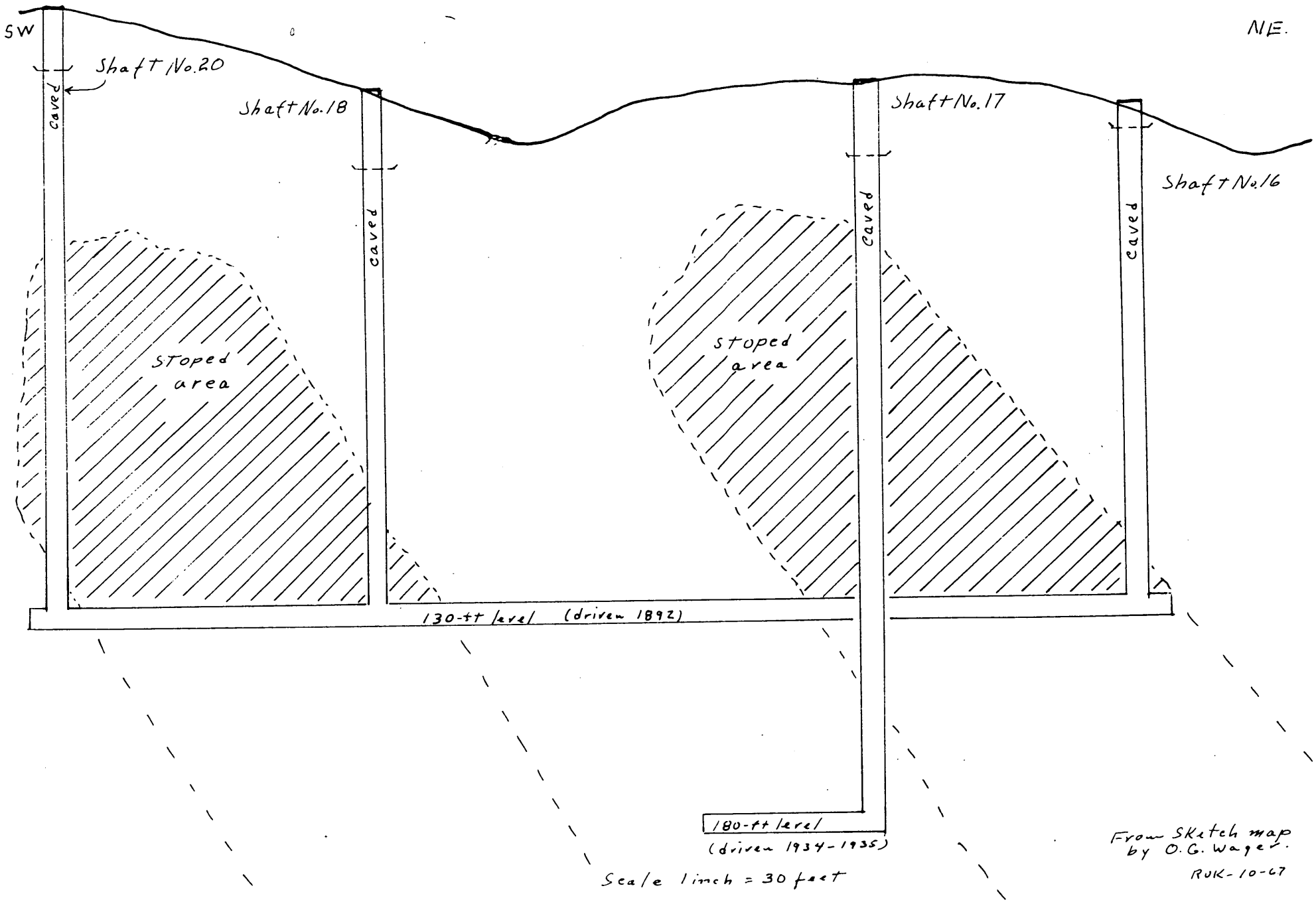
Figure 1.- Claim Map showing proposed exploration.
Eldorado Group, Yavapai County, Arizona.

Modified from map by A.A. Peugnet

R.W.K. 11-67.

U.S. GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OME 6622
AMEDEE A. PEUGNET



From Sketch map by O.G. Wager.
RUK-10-67

Report examination.

Figure 2. - Longitudinal section. Eldorado vein showing mine workings and stoping, Eldorado Group, Yavapai County, Arizona.

Office of Minerals Exploration

June 2, 1967

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JUN 8 1967

Mr. Amedee Peugnet
4605 Lindell Boulevard
St. Louis, Missouri 63108

Re: OME-6622 (Silver)
Amedee A. Peugnet
Eldorado Group of Claims
Yavapai County, Arizona

Dear Mr. Peugnet:

This letter is in reply to our telephone conversation yesterday, June 1, pertaining to a field examination on the subject property concerning your application for financial assistance under the Office of Minerals Exploration program.

Mr. Robert U. King, Geologist, U. S. Geological Survey, will be in the Phoenix area during the week of June 18 and would like to make plans to examine the subject group of claims on June 22 and 23. As you suggested, Mr. King will plan on staying at the Flamingo Motel, and will meet you there the morning of June 22.

Sincerely yours,

J. William Hasler

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

cc: Chief, OME
Hasler chron
OME chron
6622

Copy to Washington
6-2-67

REGISTERED PROFESSIONAL ENGINEER MISSOURI E-3556

EXAMINATIONS - REPORTS - DEVELOPMENT

AMÉDÉE A. PEUGNET
CONSULTING MINING ENGINEER
705 CHESTNUT STREET
ST. LOUIS 1, MISSOURI

MEMBER A.I.M.E.

MAIN 1-1431

1 June 1967

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OME Region III
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JUN 2 - 1967
Denver, Colorado

Mr. J. William Hasler,
Field Officer, Region III,
Office of Minerals Exploration,
U.S. Geological Survey,
Denver Federal Center -Bldg.25 -Rm. 2284,
Denver, Colorado, 80225.

RE: OME-6622 (Silver)
Amedee A. Peugnet
Eldorado Group of Claims
Yavapai County, Arizona.

Dear Mr. Hasler:

I have completed the preliminary bull-dozing of roads and trails necessary to give access to the sites for the 14 drill holes detailed in subject application. Some additional road work may be required to actually bring-in and position the drill rig, but the completion of a considerable part of this work is in line with the comments included in Mr. Johnson's letter to me regarding subject application.

Also, in conformance with the requirements of the lease from A.C.E. Mining Corporation to Amedee A. Peugnet, I have filed for recording by the Recorder of Yavapai County, Arizona, affadavits that the assessment work required for 1967 has been performed.

I was pleased to talk to you by long distance 'phone this morning. In accordance with our conversation, I will meet Mr. Robert U. King, Geologist, of the U.S. Geological Survey, on June 22, morning, at the Flamingo Motel, 2501 East Van Buren, Phoenix, Arizona.

I regret that you are unable to make this examination yourself; as I believe I would enjoy a few days in the field with you.

Sincerely yours,

Amedee A. Peugnet

Amedee A. Peugnet

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
5/3/67	Kirkemo	

AIRMAIL

Mr. Amedee A. Feugnet
4605 Lindell Boulevard
St. Louis, Missouri 63108

Re: OME-6622 (Silver)
Amedee A. Feugnet
Eldorado Group of Claims
Yavapai County, Arizona

Dear Mr. Feugnet:

Thank you for your letters of April 24 and 26, 1967, enclosing additional information concerning the subject application.

The application is now being referred to Mr. J. William Kasler, Field Officer, Region III, Office of Minerals Exploration, U. S. Geological Survey, Bldg. 25, Federal Center, Denver, Colorado 80225.

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

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Econ. Geol. File
OME Docket
OME Reading File
Region III w/cys of ltrs dated Apr. 24 and 26 and enclosures except L&S Agreements

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MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
5/3/67	Kirkemo	

AIRMAIL

Memorandum

MAY 3 1967

To: Field Officer, Region III

From: Chief, Office of Minerals Exploration

Subject: OME-6622 (Silver)
Amadee A. Peugnet
Eldorado Group of Claims
Yavapai County, Arizona

This application is referred to you for further consideration and a field examination if warranted.

An on-site estimate of the size of the old dumps probably is the most satisfactory means of judging whether the proposed drill holes would encounter existing workings. The Applicant's map No. 10 A shows the site of the portals to tunnels, and collars of shafts but it provides no clue as to possible amount of waste rock removed from which one could judge the extent of workings.

FRANK E. JOHNSON

Frank E. Johnson

cc: Director's Reading File
Division File
Econ. Geol. File
OME Docket
OME Reading File
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MME Form 7
(2/63)

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AIRMAIL

Mr. Amedee A. Peugnet
4605 Lindell Boulevard
St. Louis, Missouri 63108

APR 21 1967

Re: OMR-6622 (Silver)
Amedee A. Peugnet
Eldorado Group of Claims
Yavapai County, Arizona

Dear Mr. Peugnet:

A preliminary review of your application for financial assistance to explore the Eldorado Group property indicates that additional information is required to complete the application.

You have not submitted evidence to show the current status of a lease agreement executed October 10, 1966, by A.C.E. Mining Corporation, owner and lessor of the six claims involved, and Amedee A. Peugnet, lessee. Did you, as lessee, declare in writing on or about February 7, 1967, whether to retain or cancel the lease as required under paragraph 13 of the lease? Also, did you file affidavits by April 1, 1967, that the annual assessment work had been performed as required under paragraph 22? Certain minimum numbers of employees were to be working continuously on the property under terms of the lease. We see no evidence in the text or maps with your application of work in progress on the property. Certainly repair and building of roads and trails would have received first attention if a work crew was employed as the lease required. If the work commitment has not been satisfied, it would appear that the lease has been cancelled.

Assuming that you elected to retain the lease and met the other requirements, you should furnish us with a true copy of the appropriate written declaration to the lessor and a true copy of the required affidavit of annual assessment work being completed. If neither of these is available, a statement from the lessor on the present status of the lease and assessment work would be acceptable. Unless your rights to the property can be established, we cannot give further consideration to your application.

The Lien and Subordination Agreements must bear the signature of the owner of the claims, not that of the lessee. In this instance, an

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authorized representative of A.C.E. Mining Corporation must sign the form. We are returning the Lien and Subordination Agreements submitted, and enclosing a new set of MMS Form 52 for your use. In the event the lease is in force and the owner of the claims will not sign this document, you will be required to furnish a Performance Bond in the amount of the Government's interest in the event of a contract.

The numerous assay reports and repeated opinions and recollections of early day operations are not sufficient evidence to justify the proposed drilling program. The sketch map of workings on the Eldorado Group does not show the possible extent of the old workings or the locations of samples that should have been cut and assayed to support the selection of the drill hole sites. None of the workings is identified on the plan maps so it is impossible to correlate the workings with the longitudinal section of shafts and ore bodies on the Eldorado claim. From the material on hand, it appears that the drill holes are directed into previously developed ground. The plan, therefore, may be more development type drilling than exploration drilling for new or unexplored targets.

The widths of all samples cut on veins or mineralized rock should be reported and the locations of the samples shown on the maps.

Submittal of information necessary to complete your application should not be construed as a commitment by the Government to grant an exploration contract. We shall hold in abeyance the further processing of your applications until the required data are received.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosures

cc: Director's Reading File
Division File
Econ. Geol. File
OME Docket
OME Reading File
Region III
Kirkemo

HKirkemo/mm (4/21/67)

April 13, 1967

Mr. Amedee A. Peugnet
4605 Lindell Boulevard
St. Louis, Missouri 63108

Subject: OME-6622

Dear Mr. Peugnet:

Your application for exploration assistance, dated April 4, 1967, submitted to our office at Denver, Colorado, has been assigned Docket No. OME - 6622.

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 Region III - with copy
of application