MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

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

LIEN AND SUBORDINATION AGREEMENTS[1]

To the United States of America:

That certain land in the County of Pima, State of Arizona, described as follows:[2] STEPP: MINE. Consisting of 8 unpatented lode mining claims, to wit; White Elephant 1 & 2; Little Mary 1,2,3,4 & 5 and Sonny Boy No. 3. Pima County Records Book AAA pages 580, 581, 249, 250, 251, 252 253 and 436

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

Wiscombe Southern Painting C ompany[3]

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

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

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

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

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

NONE

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

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

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

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

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

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

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

Dated this _____ day of _____, 19 ____.

Arthur J. Stepp Jr. (Seal) _____ (Street) (City & State)

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

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

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

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

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

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

_____ (Corporate Seal)

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

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Jan. 1959

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Wiscombe Southern Painting Company[3]

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

Dated this_____day of_____, 19____.

Arthur J Stepper (Seal) _____ (Street) (City & State)

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

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

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

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

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

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

Dated this _____ day of _____, 19 ____.

X Arthur J. Stepp Jr	(Seal)	_____	(Street) (City & State)
_____	(Seal)	_____	(Street) (City & State)
_____	(Seal)	_____	(Street) (City & State)
_____	(Seal)	_____	(Street) (City & State)
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_____ (Corporate Seal)

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

MME Form 9
Rev. Nov. 65

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey

OFFICIAL DOCKET FILE Contract No. _____ Docket No. 6479

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

Right Side

- [ ] Project Summary (final)
- [ ] Work Completed Analysis (final)

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

- [ ] Field Team Semiannual Report for Certified Project
- [ ] Final Field Team Report (Tab)
- [ ] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [x] On-site Exam. Report (Tab) 1/69
- [ ] 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

IN REPLY REFER TO:

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

Office of Minerals Exploration
Building 53 Room 200

March 26, 1969

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 28 1969
INITIALS | CODE

Memorandum

To: Acting Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: Wiscombe Southern Painting Company (Gold and Silver)
Steppe Mine
Pima County, Arizona

Transmitted herewith is a copy of an application for financial assistance in minerals exploration on the above-mentioned property. With the exception of the five lien and subordination agreements and geologic map of Pima and Santa Cruz Counties, Arizona which have been enclosed for the Washington Office files, one copy of the application and supporting documents has been retained in the Denver OME field office.

J. William Hasler

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

Enclosures

MME Form 40
Jan. 65

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

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

Region III
RECEIVED
MAR 12 1969
Denver, Colorado

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

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

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

Wiscombe Southern Painting Company
2704 North 19th Street
Hueytown, Alabama

Reply to:
Leland M. Wiscombe President
31977 Doverwood Court,
Westlake Village, Calif. 91360

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: 6779

DATE RECEIVED: 3/28/69

REGION: III

DIVISION CODE:

BUSINESS ORGANIZATION *(Check one)*

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

Alabama

STATE IN WHICH FIRM IS ORGANIZED

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
Leland M. Wiscombe	31977 Doverwood Court Westlake Village, Calif. 91360	President

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE: gold and silver

ESTIMATED COST OF PROJECT: $ 39,844.

PROPERTY NAME	LOCATION COUNTY	STATE
Steppe Mine	Pima	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.

3-8-1969
DATED

BY *(Signature)*

President
TITLE

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

INFORMATION REQUIRED WITH THIS APPLICATION

1. Financial Eligibility:

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

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

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

2. Applicant's Rights in Land:

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

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

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

3. Physical Description:

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

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

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

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

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

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

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

4. Accessibility of Property:

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

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

5. Exploration Work:

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

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

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

6. Experience:

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

7. Estimate of Costs:

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

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

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

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

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

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

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

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

• Sandblasting
• Locks & Dams
• Industrial Plants

WISCOMBE

WISCOMBE SOUTHERN PAINTING COMPANY
31977 Doverwood Court, Westlake Vill. Calif
91360

2704 North 19th Street
HUEYTOWN, ALABAMA 35020
Area Code 205 491-5220

March 22, 1969

Office of Minerals Exploration
Federal Center, Denver, Colorado 80225

Attention: James L. Gualtieri, Geologist

Gentlemen,

Re: MME Form 40, Art. la 1,2,3.

Correspondence for the application of a loan for development of the Stepp Mine or for any exploration is unavailable because I have personnally made the applications for a loan from banks in California, Alabama and Arizona. Banks tell me "They don't feel they should make loans our of state".

Our application was delayed because it was not opportune for me to go back to Arizona until March of the present year. Our company and I personally have delt with the First National Bank of Arizona and The United Bank (formerly the Guaranty Bank).

I solicited the loans in person. I presented the proposed program. I obtained the refusals in person.

We have tried to interest Mining companies as leasors or partners in the property. Hecla looked at it but determined it was too small for them to bother with.

With the increase in price of Gold and Silver, I believe it can be worked if we can prove it out with the proposed exploration program.

Very truly yours,

Leland M. Wiscombe
President

MME FORM 40

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

STEPPE MINE, PIMA COUNTY, ARIZONA

1. (a) Enclosed are refusals from two banks who declined to loan the funds necessary for minerals exploration. The reasons for refusal are explained in the letters.

   (b) Wiscombe Southern Painting Company, 2704 North 19th Street, Hueytown, Alabama.

   (c) Cash and geologic engineering supervision.

2. (a) A copy of lease is enclosed. There are no liens or other encumbrances on the land.

   (b) Copy of the claim map is enclosed with each copy of the application. All of the ground would be subject to government royalty. Recording data are submitted for unpatented claims in the lease. The property is also known as "Little Mary."

   (c) Enclosed are five (5) copies of MME Form 52 signed by the owners.

3. (a) Refer to the map presented under 2(b).

   (b) The only part of this work which was done by applicant consisted of surface trenches. All underground operations were conducted by previous operators.

   (c) Known production of approximately 500 tons of hand-sorted ore averaged:

   gold = 0.40 oz. per ton
   silver = 30.0 oz. per ton
   lead = 30%
   copper = 10%

   A few settlement sheets are available and a tabulation of production is enclosed.

   (d) Refer to report on the Little Mary Mine by W. W. Merriam dated April 18, 1925, copy of which is submitted herewith.

   (e) Refer to Merriam report.

   (f) The mines are filled with water so that it is impossible to make a physical examination of underground workings at this time. Recommendations for drilling are based upon the work done by Merriam and by an examination of the surface showings. It is reasonable to assume that such surface showings justify exploration at depth with expectation of finding commercial ore. The veins are strong and well-defined walls

persist with minor offsets for more than two miles along strike. It is, therefore, reasonable to assume that the ore structure will persist to much greater depths than that which the present exploration programs envisions. Ore occurs in shoots within the vein structure and, therefore, several drill holes will be necessary to the exploration program as individual holes might possibly miss the rake of the ore shoot.

(g) Two copies of maps are submitted herewith.

4. (a) Mr. Leland Wiscombe, 31977 Doverwood Ct., Westlake, California, 91360, Phone: 805-221-9191, or his agent will accompany the government's representative to examine the property. Access to the property is: West from Tucson, Arizona by way of Highway No. 86 to Sells. From Sells, continue west 5.5 miles on Highway No. 86, turn right at sign "Steppe Mine" 2.8 miles on an unimproved dirt road, turn right 0.2 miles along an old highway grade, right for 0.3 miles to a group of old adobe buildings, continue for 1.3 miles to the head frame of the Steppe mine. The road can be easily negotiated in a pickup truck.

(b) Tucson, Arizona is a major supply center with both rail and truck lines.

5. (a) All proposed exploration in phase one consists of diamond drilling in "AX" size holes. If the results of such drilling is favorable, it is proposed to dewater the mine and do underground cross cutting as indicated by such results. Phase two can be handled as an amendment to this OME application. The enclosed map shows the proposed drilling program both in plan and section.

(b) Only minor bulldozing to prepare drill sites will be necessary as the present access road is adequate.

(c) Work can be started as soon as the OME application has been approved. We would anticipate progress at a rate of 25 linear feet per day.

6. Mr. Dudley L. Davis, Registered Consulting Engineer No. 3038, Arizona, will be employed to supervise work on this project. Mr. Davis has twenty-five years experience in engineering, geologic supervision and mine operations in western United States.

7. (a) All work will be performed by independent contract by well-qualified operators. Their bids are submitted herewith.

(b) Supervision, engineering and geologic service will be performed by outside consultants at a rate of $75.00 per day with $16.00 per diem expenses and transportation at a rate of ten cents per mile. It is anticipated that three to five man days per month will be required for this supervision. It is estimated that it will cost $100 per month for office supplies, accounting, telephone, etc.

(c) None.

(d) (1) Rental of one 500 cfm air compressor at a rate of $650.00 per month.

(2) Rental of D6 bulldozer with operator at a rate of $22.50 per hour for ten hours with mobilization cost of $100.

(e) None.

(f) None.

(g) 300 assays for gold and silver at a rate of $6.00 per sample.

THOMAS J. DAVIDS
VICE PRESIDENT
HOME OFFICE

UNITED BANK OF ARIZONA
P.O. BOX 2908
PHOENIX, ARIZONA 85002
(602) 264-9696

March 4, 1969

Wiscombe Southern Painting Company
2704 North 19th Street
Hueytown, Alabama

Gentlemen:

After carefully reviewing your loan request of $30,000.00 for the purpose of exploration and development of the Stepp Mine located approximately 75 miles west of Tucson. We find that we are unable to accomodate you in this request. The uncertainties of earnings for repayment of loan and the insufficient collateral dictates this decision to us for the present time.

We thank you for considering our bank and perhaps some day in the future we may be able to help you in another manner.

Very truly yours,

Tom Davids

Thomas J. Davids
Vice President

TJD:dix

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

FIRST NATIONAL BANK OF ARIZONA

ROSENZWEIG CENTER OFFICE
3800 NORTH CENTRAL AVENUE
PHOENIX, ARIZONA 85012
TELEPHONE 271-6113

March 4, 1969

Wiscombe Southern Painting Company
2704 N 19th Street
Hueytown, Alabama

Gentlemen:

We are sorry to inform you that your request for a $30,000 loan to further explore the Stepp mine has been declined.

In as much as there is no history to guarantee earnings or sufficient collateral to justify making the loan, it is impossible for our bank to grant you the loan at this time.

Perhaps at a future date you will be in a better position to furnish us figures which we can use to substantiate approval for this loan.

Yours truly,

James J. Edwards
Manager

JJE/mf

LEASE AND OPTION AGREEMENT

Lease and Option Agreement made this first day of November, 1967, between ARTHUR J. STEPP, JR., residing at 716 East Culver, Phoenix, Arizona, herein referred to as Lessor, and WISCOMBE SOUTHERN PAINTING COMPANY, an Alabama Corporation, doing business at 2704 North 19th Street, Hueytown, Alabama, herein referred to as Lessee.

WITNESSETH:

Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, all of the following described unpatented lode mining claims located in Pima County, Arizona, as described by name and recorded reference as follows:

Name of Claim	Pima County Records	
	Book	Page
White Elephant No. 1	AAA	580
White Elephant No. 2	AAA	581
Little Mary No. 1	AAA	249
Little Mary No. 2	AAA	250
Little Mary No. 3	AAA	251
Little Mary No. 4	AAA	252
Little Mary No. 5	AAA	253
Sonny Boy No. 3	AAA	436

...together with all the water rights, rights of way, improvements, tools and equipment located on said claims, for a term of Ten (10) Years, beginning December 1, 1967, subject

to and in accordance with the following terms and provisions:

1. All work done upon said premises by Lessee shall be done in a good and workmanlike manner and after the manner of good mining. All works, where necessary or where directed by the State Mine Inspector or his deputy, shall be timbered properly and substantially, and with the view of development of said property into a workable mine. All mine openings shall be kept clear of obstructions, and in a condition so that they may be entered, except such openings as are now caved in and are not necessary for future operations of the Lessee, and future openings which are caved in during the course of ordinary mining operations. The laws of the State of Arizona and all requirements of the State Mine Inspector shall be complied with promptly.

2. Lessee agrees to pay to Lessor a royalty on all ores extracted from said mining property by the Lessee and shipped, smelted, or otherwise disposed of, as rental for the use and possession of said mining properties. The royalties shall be based on the net smelter returns received for said ores and as per the following schedules:

A. Average value per ton under $25.00: 3% royalty.

B. Average value per ton $25.01 to $40.00: 4% royalty.

C. Average value per ton $40.01 to $65.00: 5% royalty.

D. Average value per ton $65.01 to $100.00: 6% royalty.

E. Average value per ton $100.01 and over: 10% royalty.

In the event that a mill is erected, the mill heads shall be weighed and sampled and the royalties shall be computed therefrom.

Net smelter returns within the meaning of this agreement shall be the correct returns as shown by the liquidation sheets furnished by the smelter treating such ores, after such smelter shall have made its deduction for freight and switching charges, treatment, and the usual smelting deductions and other transportation charges for the transportation of ores from the property to the

smelter, whether such transportation be performed by Lessee or others for Lessee. The smelter treating said ores shall be instructed, upon the written request of the Lessor, to remit to Lessor the royalties herein provided for and such remittance shall be accompanied by a duplicate copy of the settlement sheet for each lot number of shipments. During the exploratory and examination period and at such times when ore is not being produced in sufficient quantities, Lessee agrees to pay as rental the following:

F. $200.00 per month beginning December 1, 1967, and each and every month thereafter until November 30, 1977.

G. All monies paid shall become a part of any royalties paid, and all royalties shall become a part of minimum rentals due.

3. In the event Lessee elects to exercise the purchase option contained herein, all monies paid as rental and/or royalties shall apply toward the purchase price.

4. In the event the mining claims shall be taxed or the mineral rights to said property shall be taxed, or the rights conferred in this lease shall be taxed, or any tax or taxes shall be imposed upon any gold or precious metal or minerals, or upon production thereof from said property, then in any or all of said events, Lessor shall bear that proportion of the whole of such tax which the royalty accruing in favor of Lessor during the incidence of such taxes bears to the total net returns as defined above, and Lessee shall pay the balance of such tax. All county, state or federal taxes assessed against the improvements, equipment or machinery installed by Lessee shall be wholly paid by Lessee.

5. Lessee agrees to fully and properly pay for all labor and materials used in the mining of said leased property, and agrees that no liens will be permitted to attach to said premises by reason of any of its acts or failures hereunder.

6. Lessor shall have the right at all reasonable times to enter into, or upon, every part of said property to inspect the workings thereon or therein and take samples of ore or gravels in any area.

7. Lessee agrees that a full, true and accurate account shall be kept of all ores, concentrates, gold, silver, copper or other minerals recovered, shipped and sold from said property, and that Lessor, or his duly accredited agent, shall be permitted as his right to inspect said books and records of account.

8. If Lessee defaults under the terms of this lease, and this lease is terminated by reason of such default, then all machinery, equipment, facilities and improvements made or placed by Lessee on the leased premises shall become the property of the Lessor. If the Lessee duly performs the terms of this lease, then said machinery, facilities, equipment and improvements except permanent improvements such as foundations, retaining walls, timbering, roads, tracks and buildings, may be removed at any time within ten days after the termination of this lease.

9. Lessee agrees to prosecute or defend all litigation arising from any mining operations hereunder which Lessee deems necessary or advisable. Lessor agrees to defend title to said leased premises, and in this connection, Lessor agrees to furnish at its own expense an abstract of title to this property, showing, as of the date of this agreement, good and merchantable title in and to all of the mining claims herein above described, free and clear of all liens, encumbrances or claims of whatsoever character. Lessor covenants and agrees to warrant and defend the Lessee in the undisturbed use and enjoyment of said leased premises, subject to the paramount title of the United States and compliance by Lessee with the terms and conditions of this agreement.

10. Lessee may cease operations and may terminate all further liability hereunder by Thirty (30) Days' written notice to the Lessor of its intention to terminate said agreement. In the event of the termination of this agreement,

Lessee shall forthwith deliver to Lessor the peaceable possession of said premises, and shall be relieved of any further liability hereunder; but in the event of the termination of this agreement, Lessee shall not be discharged from any obligation in favor of the Lessor that may have accrued under the terms herewith prior thereto.

11. It is understood and agreed that Lessee plans to form a mining corporation and intends to transfer all of its interest in this lease and option to said mining corporation. At such time as the interest of Lessee has been assigned and transferred to said mining corporation, the individual Lessee named herein shall be relieved of all liability and responsibility hereunder.

12. In the event Lessee shall make default in any of the terms and provisions contained in this lease and option agreement, then the Lessor may terminate this agreement upon Thirty (30) Days' written notice to the Lessee of its intention to declare this agreement at an end. If the Lessee shall fail, within said Thirty (30) Day period to correct and make good any violations of the terms and provisions of this agreement, on account of which such notice of default has been given, then and thereupon this agreement shall terminate, provided, however, that Lessee shall not be deemed to be in default if it commences to cure said default during said Thirty Day period and use reasonable diligence in curing said default thereafter even though the time in which said default is cured extends beyond said Thirty Day period.

13. All ore mined and placed on the dumps of the leased premises by the Lessee during the life of this agreement may be removed by the Lessee in the event of such termination of this agreement, but such ores shall be removed within Sixty (60) Days after such termination, and shall be subject to royalty payment as hereinabove provided. In the event such ores are not removed within

said period as herein provided, title thereto shall thereupon vest in the Lessor, free of any claim or charge of the Lessee.

14. Any notice required to be given by either party under the provisions of this lease and option shall be transmitted to the other party by United States registered or certified mail to the following addresses:

LESSOR: Arthur J. Stepp, Jr.
716 East Culver
Phoenix, Arizona

LESSEE: Wiscombe Southern Painting Company
2704 North 19th Street
Hueytown, Alabama 35020

15. Lessee shall have the option to renew this lease for an additional ten years upon the same terms and conditions, except that the monthly payments shall be increased to $300.00 per month maximum.

16. Provided Lessee is not then in default, it shall have the exclusive right and option at any time during the term of this lease to purchase the leased premises, and all equipment and improvements thereon, for the sum of $100,000, payable in cash. If and when Lessor shall receive the written election of Lessee to exercise this option, Lessor shall execute and place in escrow in the Phoenix Title and Trust Company at Phoenix, Arizona, good and sufficient mining deeds conveying said mining property to the Lessee, free and clear from all liens and encumbrances, together with instructions covering the delivery thereof according to the terms and conditions herein contained. In addition, Lessor shall furnish to Lessee a policy of title insurance covering said premises, the cost of which is to be paid by Lessor.

17. This agreement shall inure to the benefit of and be binding upon the parties hereto, their heirs, successors and assigns.

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

This instrument was acknowledged before me this 5th day of December, 1967, by Arthur J. Stepp, Jr.

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

Virginia Lindi
~~Arthur J. Stepp Jr.~~
Notary Public

My commission expires:
3/28/69

*****

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On this, the 1st day of December, 1967, before me, the undersigned Notary Public, personally appeared Leland M. Wiscombe and June N. Wiscombe, who acknowledge themselves to be the President and Secretary of Wiscombe Southern Painting Company, an Alabama Corporation, and that they as such officers, being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing a name of the corporation by themselves as such officers.

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

OFFICIAL SEAL
PEGGY J. MURRIN
NOTARY PUBLIC - CALIFORNIA
PRINCIPAL OFFICE IN
LOS ANGELES COUNTY

Peggy J. Murrin
Notary Public

My commission expires:

PEGGY J. MURRIN
My Commission Expires May 30, 1971

IN WITNESS WHEREOF, the parties have executed this agreement as of the day and year first above written through their proper officers, being first thereto duly authorized.

Arthur J. Stepp, Jr.

LESSOR

WISCOMBE SOUTHERN PAINTING COMPANY

Leland M. Wiscombe, President

June N. Wiscombe, Secretary

LESSEE

OME APPLICATION

Steppe Mine, Pima County, Arizona

May, 1968 D. L. Davis

PHASE I
(Proposed Drilling)

Hole No.	Direction	Depth	Angle	Objective
1	S 40°E	250	-60°	Cut Little Mary vein
2	S 40°E	500	-60°	Cut Little Mary below shaft
3	S 40°E	250	-60°	Cut Little Mary south of shaft
4	S 40°E	250	-60°	Cut Little Mary north of shaft
5	Due east	500	-50°	Cut Big Vein under Stope
6	Due east	500	-50°	Cut Big Vein near shaft
7	Due east	250	-50°	Cut Big Vein south of stope
8	N 65° E	500	-50°	Cut Big Vein north of open cut

TOTAL 3000 in Phase I

PHASE II (If Phase I is successful)

Unwater two shafts

Sink to depth where ore was cut

Drift to location of indicated ore

ESTIMATE OF COSTS

Steppe Mine OME

Diamond Drilling:	
3,000 linear ft. @ $10.00	$30,000.00
Cementing and Reaming	1,000.00
Compressor Rental - 6 months @ $650 per month	3,900.00
Supervision:	
6 months @ $300 per month	1,800.00
Per Diem and travel expense @ $124 per month	744.00
Office and Accounting:	
$100.00 per month for six months	600.00
Assaying - 300 samples @ $6.00	1,800.00
TOTAL - PHASE I	$39,844.00

Geochemistry
Photogrammetry
Mining and Geological Engineers
Chemical Analysis
Helicopter Surveys

GEOSERVICES

"SERVING THE MINERALS INDUSTRY"

SPARKS, NEVADA 89431

TELEPHONE 359-2233

Assaying
Land Surveying
Metallurgical Testing
Diamond Drilling
Contract Mining

GENERAL OFFICE & LABORATORY: 950 INDUSTRIAL WAY

May 22,1968

Mr. Dudley Davis
Darwin Mine
Darwin, Calif. 93522

Dear Mr. Davis;

The following constitutes a bid for the diamond drilling that you propose to do at the Steppe Mine, 12 miles north west of Sells, Arizona. Minimum footage 3000 ft.

Mobilization:
For moving in and out and moving rig to each drill site. Also installing water pump in existing shaft for drill water. Lump sum $1000.00

AX size core drilling;
$12.50 per foot to 500ft. maximum.
(This could be run BX Wireline giving AX Core)

Roads and drill sites;
Company account or at cost to contractor.

A.P.Decker v.pres.
Box 27
Darwin, Calif 93522

LIST OF RECEIPTS AT EL PASO SMELTING WORKS, EL PASO, TEXAS
FROM W. H. STEPP, TUCSON, ARIZONA

	Tons	Au	Ag	Pb	Cu	Ins.	SiO2	Fe	CaO	Zn	S	Al2O3	As
1918													
April	11	.22	17.9	38.5	4.32	34.9	31.0	4.1	.7	4.0	4.6	.3	-
Aug.	7	.38	22.8	36.7	5.06	32.8	29.0	5.0	.3	2.2	6.6	-	-
Sept.	10	.51	20.0	36.4	7.66	27.6	25.4	6.0	.2	3.0	7.7	-	-
1919													
Jan.	11	.52	13.7	33.9	5.72	31.2	28.8	5.4	.4	5.3	5.7	-	.5
March	13	.61	15.6	30.0	6.34	30.4	27.8	5.9	.8	6.5	5.6	-	.4
June	6	.48	21.2	38.6	9.22	20.6	17.6	7.7	.3	4.0	3.7	.6	-
Oct.	8	.40	18.3	38.3	9.54	18.7	16.8	7.6	.1	3.7	8.6	.1	-
1920													
Jan.	13	.33	24.0	34.8	10.0	20.8	13.8	8.4	.5	4.7	7.8	.1	-
June	10	.88	13.3	35.8	6.91	28.5	27.2	6.2	.5	3.2	6.3	.2	-
July	9	.60	13.2	32.39	7.5	29.3	28.8	7.3	.3	5.3	6.0	.1	-
1921													
May	8	.53	10.5	34.4	8.46	22.6	21.6	7.4	.4	4.0	3.6	.8	-
July	2	.25	108.5	35.0	12.33	23.3	26.4	6.8	2.0	2.3	5.2	.5	-
Sept.	10	.33	24.8	30.1	7.11	27.6	23.4	6.6	.5	5.8	4.8	.1	-
1922													
Jan.	6	.42	14.9	31.6	6.38	29.0	27.4	5.9	-	4.8	5.1	.2	-
June	2	.15	13.0	23.9	9.40	45.4	45.0	3.5	1.7	2.0	1.3	.3	-
July	2	.45	22.5	28.7	8.28	26.6	24.4	6.5	.7	7.6	5.5	.8	-
Aug.	2	.75	29.0	30.5	7.5	23.8	21.6	6.8	.7	7.8	4.5	.2	-
Oct.	4	.38	23.5	24.1	11.65	19.3	17.6	10.0	.8	7.0	7.6	.3	-
Nov.	6	.54	28.1	29.3	12.53	23.6	21.6	8.9	.4	7.7	7.2	.2	-
1923													
Jan.	3	.50	33.6	24.1	12.23	29.6	28.6	8.1	.6	6.3	6.0	2.0	-
April	10	.19	30.36	37.9	7.93	24.9	23.2	6.3	-	1.6	7.8	1.1	-
July	18	.33	37.6	37.5	8.83	19.9	17.6	8.1	.2	2.7	7.1	.5	-
Nov.	6	.32	33.6	36.1	7.16	23.0	21.2	8.2	.1	2.5	5.7	.2	-
1924													
Feb.	9	.43	90.8	30.8	12.38	26.2	24.0	7.0	.1	3.5	3.4	.2	-
April	12	.338	22.5	38.7	7.06	23.0	22.0	6.5	.2	2.7	6.3	.3	-
Aug.	16	.50	20.5	37.3	6.08	24.6	23.8	6.4	.2	4.2	6.7	.1	-
Nov.	11	.69	11.2	29.7	7.10	26.7	26.2	7.4	.3	.3	3.2	.3	-
1925													
Jan.	4	.29	15.2	41.1	5.35	21.8	19.2	5.6	1.2	3.5	6.0	.5	-
	224												

LIST OF RECEIPTS AT SELBY DURING 1917 OF ORE FROM W. H. STEPP, INDIAN OASIS, ARIZONA

Date Received	Lot No.	No. Sacks	Pounds Gross	Pounds Tare	Pounds Net	H_2O %	Pounds H_2O	Pounds Net Dry Weight	Au	Ag	Pb (Est)	Cu	Insol.	Fe	Zn	
6/13/1917	9666	65	8130	40	8090	1	81	8009	.37	23.66	23.0	8.55	35.4	7.2	4.9	4
8/10/1917	206	160	14960	110	14850	1	149	14701	.32	21.15	34.0	6.3	33.3	5.9	0.8	7
8/29/1917	269	213	18800	130	18670	1	187	18483	.41	23.00	33.9	5.9	33.1	6.6	1.9	7
10/9/1917	529	243	21060	160	20900	1	209	20691	.39	22.63	31.2	6.75	31.4	7.0	3.2	7
11/7/1917	687	157	14970	100	14870	1	149	14721	.34	21.17	44.9	7.65	18.4	6.7	2.2	9
12/4/1917	848	109	9050	70	8920	1	89	8831	.41	25.13	31.2	10.2	26.0	7.8	2.8	8
			Total		88294			87410								

DUPLICATE OF

COPY MAILED TO C. F. SMITH
INSPIRATION ARIZONA, BOX 339
10/31/44

Incl

MINEROLOGY OF THE MILDRED AND STEPP MINING DISTRICTS.
Pima County, Arizona; Sidney A. Williams PhD Thesis, 1962.

References: MacKellor, 1957. Ore Bodies of the Cobabi District. Master Thesis U. Of A.

Bryner, 1958 PhD Thesis, U of A. Geology of Comababi.

1. Chicago Shaft (Big Vien) over 400' deep.

2. Little Mary No. 4 370' deep. Ore to the 80' then fault.

3. The fault which cuts the Little Mary if projected, it would cut the Chicago at over 1,000' depth.

4. Dolomites show considerable Zn.

5. Bornite is common at the Little Mary.

6. Rhenium (Re) is present. Angstrom count 3460.47 & 3449.37 (Yellow)

7. At Little Mary Chalcopyrite occurs as masses with Bornite and Chalcocite.

8. Galena is common.

9. MoS_2 on the dump of the Beacon Claims.

10. $(Cu_4)(SO_4)(OH)_2$ at the Little Mary.

11. Native Copper at theLittle Mary.

12. There is much Wulfenite ($PbMO_4$), at the Chicago Vien. PbO is found with the Wulfenite.

13. Devillite $(Cu,Zn,Ca)_5(SO_4)_2(OH)_6\ 3\ H_2O$ at Chicago and Little Mary.

14. Area contains over 70 of the known elements.

15. Water at the Little Mary has Ph of 7.55

Rhenium:
Atomic Weight 183.6. One of the rarest of metals. The Melting point is 3100 - 3200°C. Used for Lamp filaments, Thermo-Cupoles, Ball Pen points, Electronics etc. Nearly all supply is going to research. Only commercial supply is the Miami Copper Co. They are extracting from the flu stacks of the Mo, Cu furnaces.
The presence of Rhenium indicates Platinum groups. It is found associated with Cu,Mo_4.
Refined price: $2.40 per gram. Commercial Price $680.00 lb.
Information in RARE METALS HANDBOOK, 2nd edition, Hempel.
Research done by Robertson, MacIntosh, Ballard, Salt Lake City.

Bureau of Mines Bulletin 585

"LITTLE MARY" GROUP OF MINES

Sells, Pima County, Arizona.

LOCATION:

The Little Mary group of mines is located in the Papago Indian Reservation, Pima County, Arizona, about seventy miles southwest of Tucson and two miles off the main highway between Tucson and Ajo. Sells, or Indian Oasis, is a small town or Government Station nine miles from the mine where stores, mail, telephone and telegraphic service are available.

The property is approximately 2,700 feet above sea level and climatic conditions are particularly favorable for operating the entire year.

LEGAL DISCRIPTION OF PROPERTY:

There are 21 full claims and a fraction in the entire group, or roughly 425 acres. (For legal description of property see accompanying map and copy of abstract of deed.)

FUEL AND WATER:

There is an abundance of mesquite and iron-wood on the property for all domestic use, which can be had at a cost of $5.00 per cord, cut and delivered. Gasoline, tops and crude oil are used for power as they can be delivered on the property at a very low cost on the back haul from the railroad.

The mines will have developed sufficient water for all milling purposes by the time the proposed development work has been completed. Water level in the Little Mary No. 4 is at the 100-foot level and in the Big Vein 70 feet below the surface.

GEOLOGY AND VEIN SYSTEMS:

The Country rock of the district is a basic porphyritic andesite, which later has been intruded with numerous irregular bodies of rhyolite. The Comababi range of mountains - capped by an enormous rhyolitic flow and volcanic tuffs, have their long axis running in a northwesterly and southeasterly direction for some 15 miles and rising from 500 to 1000 feet above the sourrounding country. To the west the range gradually breaks into parallel ranges of low lying hills with a gradual slope to the valley some 10 miles below. The vein system lies close to the base of the range and parallel to it, with dips varying from 68° to 85° to the northeast, or into the range. The vein system of which 4 well defined veins have been developed sufficiently to determine their permanency and commercial value can be traced on the surface for over 5,000 feet on the Little Mary No. 4 (formerly known as the Chicago), to as much as four miles on the Big Vein.

They ARE ALL TRUE FISSURE VEINS, WITH PERFECT HANGING AND FOOT-WALLS, AVERAGING FROM 3 to 5 ft. IN WIDTH ON THE SURface and gradually INCREASING WITH DEPTH.

Several small step-faults are noticeable near the surface with displacements from 10 to 25 feet. Step-faulting is characteristic of this district as the Picacio Mine 4 miles northwest on the same vein system has been mined to the 400-foot level and encountered three step-faults showing throws from 10 to 30 feet.

The character of ore is the same in all four veins, i.e. a clean quartzose ore, highly mineralized - the predomination minerals being argentoferpis copper and lead sulphides, together with an appreciable amount of free gold. The principal primary copper minerals are Bornite, Chalcocite, and Chalcopyrite, together with secondary minerals such as Melaconite, Cuprite, Azurite and Malachite. Lead

occurs almost entirely as Galena. Silver generally occurs in combination with the various copper and lead minerals where as the gold may be combined or in a free state. Very rich placer gold is found in the washes leading up to both the Little Mary No. 4 and the Big Vein outcrops.

Smelter analysis on 500 tons of roughly hand sorted ore gave us an average content of the various metals as follows:

Oz. per ton		Percentage				
Au. 0.4	Ag. 30	Pb. 30	Cu. 10	SiO_2 30	CaO .4	Fe.6

and only traces of zinc, arsenic, antimony and bismuth.

The gangue is almost pure quartz with a small amount of lime.

DEVELOPMENT:

LITTLE MARY NO.1:

Work consists of various open cuts and trenches along the strike - the principal one being approximately 30 feet long by 10 feet deep. The vein at this point was badly shattered due to a reverse-fault close tothe surface. However, several tons of sorted ore from this cut netted over 4,000 ounces of silver per ton, and fully warrants extensive development.

LITTLE MARY NO. 4 :

An inclined shaft has been sunk 70 feet on the vein and from the 70-foot/a drift level driven 150 feet to the northwest. This has developed a block of ore 60 feet high by 120 feet long, by 3 feet in width, which has been stoped out for shipment. At the bottom of the 70-foot shaft a small step-fault Cut the vein off. The fault has a dip of 45° to the northeast, and a rake of 20° to the northwest. This fault was followed down 50 feet where the vein was again picked up, showing a width of 4 feet and carrying better values than above. The fault has had no effect on the

mineralization of the vein, as the faulting is of small displacement and occurred after the vein was mineralized. At a point 120 feet northwest of the shaft on the 70-foot level a winze has been sunk 40 feet deep and two 8-foot drifts driven each way on the vein. This work is the deepest in the mine and the richest ore showing considerable free gold and native silver was taken from this level.

RED ROCK:

This is a strong, well defined vein from 3 to 4 feet wide on the surface and traceable for over a mile. Whether this is a separate vein or the continuation of what is known as the Big Vein has not been fully determined.

BIG VEIN:

While this vein has not the rich surface showing that the Little Mary No. 4 has, yet I believe this will eventually be the big producer of the group. The vein is traceable throughout the entire property for a distance of 7,500 feet, and adjoining property for over 4 miles. It strikes northwest and dips slightly to the east. It is one of the best examples of a true fissure vein I have ever encountered. Walls are hard and smooth and perfectly defined. The width on the surface is from 4 to 5 feet and widens rapidly with depth. A double compartment shaft 127 feet deep sunk by the Mexicans in the early days, who worked the property at that time for the free gold, has widened to 8 feet at the 100-foot present water level. The vein is highly mineralized in gold, silver, lead and copper and is identical in character to that of the Little Mary No. 4, which has been fully described, and while not as high grade has averaged over $15.00 per ton in sorted ore across the entire width. The lower grade ore left on the dump would safely bring the total average value of the entire vein to $25.00 per ton.

DISSEMINATED COPPER DEPOSIT:

Lying adjacent and to the east of the Big Vein is apparently an enormous disseminated copper deposit varying from 300 to 500 feet in width and traceable for over 5,000 feet in length. It would necessitate drilling this gound in order to determine the actual extent of the deposit as it is covered in places by the rhyolitic flow from above. Average surface sampling shows a copper content of 2.4%, or roughly a gross value of $5.75 per ton. With copper at 12%, assuming an extraction of 80% and a cost of $1.25 per ton for mining and milling, it should net better than $3.00 per ton. This deposit is so extensive and the cost of drilling and equipping so enormous that it cannot be considered at the present moment, but it is of vital importance not only to the genetic origin of the mineralization of the vein system, but to the future intrinsic value of the property.

ORE SHIPMENTS:

Between 400 and 500 tons of hand-sorted ore worth $40,000 has been shipped from the Little Mary No. 4 vein. (See map of underground works, Little Mary No. 4).

The smelter returns show this class of ore gave values ranging from $68.00 to $117.00 per ton in carload lots with a general average of $80.00 per ton for the entire shipment. Practically all this ore came from the small stops 120 feet long by 60 feet high, as only a few tons of ore were shipped from the Little Mary No. 1 and the Big Vein while doing development work. The ore remaining in the stopes from which the high grade ore has been sorted out will average $25.00 per ton, or a general average of $40.00 per ton for the entire vein.

ORE RESERVES:

The actual amount of ore blocked out is relatively small, inasmuch as the property is practically in a virgin state to-day. However, a few figures on the positive ore actually blocked out, in the stopes and on the dump, may be of interest.

LITTLE MARY NO. 4 - POSITIVE ORE

Location	Tons	Value Per Ton	Gross Value
Block "A"	550	$40.00	$22,000.
Upper drift to surface	300	40.00	12,000
Ore in stopes	1,200	25.00	30,000
Ore on dump	500	25.00	12,500
			$76,500.

PROBABLE ORE - BLOCKED 3 SIDES

Above 25' drift north	140	40.00	5,600.
Below " " to fault	260	40.00	10,400.
Above 30' drift south	400	40.00	16,000.
Below " South to winze	200	40.00	8,000.
			$40,000.

Big Vein - PROBABLE ORE - BLOCKED 2 SIDES

Ore developed by 127' shaft	6,000	20.00	$120,000.

Total positive ore	$76,500.
Total probable ore	160,000.
Total	$236,500

MACHINERY & EQUIPMENT:

The property is equipped with a good substantial head-frame and ore bins. One 50 H. P. gasoline hoist, with a speed of 400 feet per minute, with one ton load. A two drill air compresser, two stoping drills, one Cochise jack-hammer, plenty of steel for the drills and everything in shape to start mining immediately.

The buildings include blacksmith shops, compressor house, bunk houses, etc.

LABOR AND GENERAL CONDITIONS:

Wages are very reasonable in this district, to-wit-machine miners $4.50 to $5.00 per day; engineers $5.00; blacksmiths $6.00 trammers and top men $2.00 to $2.50 per day. This labor is done by Indians living in the district who make very good workers. Climatic conditions at the mine are ideal for development and operation the entire year.

HAULING, FREIGHT AND SMELTER CHARGES:

Hauling from the mine to Tucson by wagons has cost as much as $10.00 per ton for mall lots. This price can be reduced to $3.00 per ton having our own equipment. Railroad freight to El Paso for $100.00 ore or concentrates will not exceed $8.00 per ton, and smelter charges on such ore approximately $6.00, or a total freight and smelter charge not to exceed $17.00 per ton.

METALLURGICAL TREATMENT:

The treatment of this ore is extremely simple and a very high extraction of the values can be made by simple talc concentraction. Should it be found advisable to separate the copper from the lead in order to ship a clean concentrate of each metal, the addition of a small flotation plant would be necessary. (See accompaning flow-sheet of proposed mill).

MINING AND MILLING COSTS:

Owing to the fact that the veins have averaged better than 3 feet in width on the Little Mary No. 4, and over 4 feet on the Big Vein, with well defined walls within which the ore is confined, makes it possible to mine the ore very cheaply by a shrinkage system, practically no waste has to be handled and no timbering is required

except a small amount in the main working shaft and in the drifts. The total mining cost including development work will not exceed $2.50 per ton.

Milling, concentration and flotation will cost from $1.00 to $1.25 per ton, or a total mining and milling cost not to exceed $4.00 per ton.

RECOMMENDATIONS:

1. I would recommend that the incline shaft on the Little Mary No. 4 vein be deepened 100 feet below the 70-foot level, and a cross-out driven 25 feet to cut the vein. From this point a drift 200 feet along the vein would block out sufficient ore at a very small expense to further justify the erection of a mill.

2. To sink the present shaft on the Big Vein from the present 127-foot level to the 200 and drift 200 feet south on same.

I estimate that $50,000 would be sufficient to put the two mines on a substantial operating and paying basis, provided the money be expended as follows:

To sink shaft 100 feet	$1,500.
To drive cross-cut 25 feet	200.
To drive 200 feet	1,200.
Sinking 70 feet	1,400.
Drifting 200 feet	2,000.
Hoisting equipment	1,600.
Necessary additional buildings	1,200.
1 5-ton truck and trailer	6,000.
To install 1 50-ton mill complete	25,000.
	$40,100.

This would leave a balance of approximately $10,000 for incidental expenses and cash to operate on until such time as the mill was in operation.

That such an expenditure is thoroughly warranted is perhaps best demonstrated by seeing what profit can reasonably be expected from mining and milling the tonnage of ore which we have definitely blocked out at the present moment, assuming a $20.00 ore - which is lower than actually determined.

9,500 Tons @ $20.00 per ton		$190,000.
10% concentration & smelter loss		19,000.
Net value at smelter		$171,000.
Cost of mining and milling @ $4.00 per ton	$38,000.	
Concentration 5:1 equals 950 tons concentrates 950x$17.00 freight and smelter charge	16,150	54,150.
Net profit		$116,850.
Royalty to apply on purchase price 25%	$42,750.	
Cost of mill and equipment	40,000.	82,750.
Net profit to operator		$34,000.

Similarly operating a mill of this capacity on $10.00 ore per day the net operating profit is $2,700. per month after all royalties, costs, etc., have been deducted. On $40.00 ore the net operating profit in excess or royalty paid to owners would amount to approximately $21,000 per month.

CONCLUSION:

This property has paid for itself from the start and has produced exceptionally high grade ore, but it is essentially a concentrating proposition and should be worked accordingly.

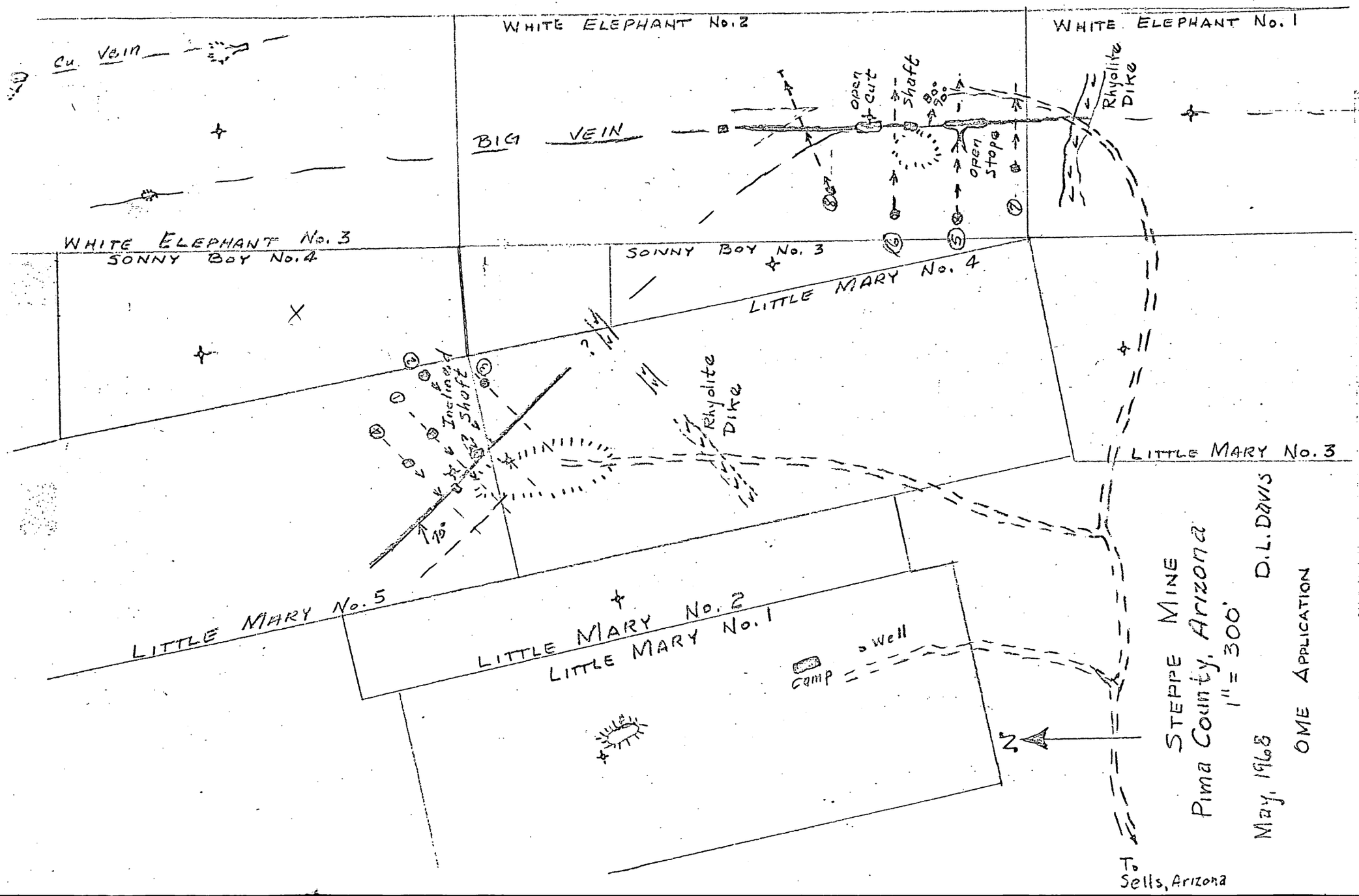
The property thoroughly warrants intensive development work and a mill commensurate with such development. A 50-ton unit has been suggested in view of the fact that it can be operated not only at a profit that will soon pay for the property, but it will obviate a high initial investment.

It is my belief that this property is not only destined to be an enormous producer but a big dividend payer for years to come, it operated along the lines suggested in this report.

Signed:

W. W. Merriam, E. M.

Los Angeles, California.
April 13th, 1925.



STEPPE MINE
Pima County, Arizona
1" = 300'
D. L. DAVIS
May, 1968
OME APPLICATION

part
ployed
on West Coast.
Box 7[illegible] R Wall St. Journal, L.A.

IF YOU HAVE A MINING PROSPECT IN THE WESTERN UNITED STATES that will bear professional examination, it will pay you to get in touch with us. We are a Canadian company with a substantial number of American stockholders. We are large enough to give you adequate financial assistance and small enough to offer an interesting stock position with capital gain potential.
Box 593 B, Wall St. Journal, S.F.

1055 Alameda Padre Serra
Santa Barbara, California 93103
June 21, 1966

Box 593-B
The Wall Street Journal
San Francisco, California

Gentlemen:

I have two mining properties in Arizona which will qualify as workable prospects.

The Stepp Mine is located about 70 miles west of Tucson and about four miles north of the Tucson-Ajo Highway.

The White Chief Mine is in Oatman, Arizona, between Kingman and Needles, California.

Here are a few details:

The Stepp Mine carries extremely high grade lead, copper, silver and molybdenum, though it is a bit spotty. Shipments are all from sorted ore. I have the shipping records, which of course are of excellent grade ore.

I have a 20-year lease on the mine which is paid for monthly or from a small royalty schedule. All royalty and rental payments apply toward an optioned purchase price, very reasonable. This is a well known property in Arizona because of its exceptionally high mineralization. It has been the subject of two mining college graduate theses. It deserves an investigation by a good company, and I am prepared to sub-let or sell this property.

The White Chief Mine is in a district which produced about $70,000,000 in gold (old price), mostly from the United Eastern, which is owned by Cyprus Mines, and the Tom Reed. Both are adjacent to the White Chief. Two associates and I spent $30,000 last year sinking the shaft an additional 70 feet and drifting 300 feet on the third level. We have 35 feet of vein exposed, about 6 feet and 8' ~~inches~~ in width. This mine is equipped with 12,400 V. and 480 V. power, a 320 cu. ft. compressor, four-stage pump, etc., and steel headframe.

We have a lease with option to buy the White Chief. Lease payments at present are to be made only from production. All conditions have been met. I have engineers' reports and complete geological data.

Please identify yourself and I will forward the data on both these mines.

Yours very truly,

Leland M. Wiscombe

Leland M. Wiscombe

STANDARD METALS CORPORATION
333 PETROLEUM CLUB BUILDING
110 16TH STREET
DENVER, COLORADO 80202
AREA CODE 303
623-6221

March 28, 1966

Mr. Leland Wiscombe
7225 N. Clearwater Parkway
Phoenix, Arizona

Dear Mr. Wiscombe:

We are returning the papers you sent to us regarding your properties.

Our present commitments are such that we do not have the time or personnel to adequately examine your properties.

Thank you for your interest in our company.

Very truly yours,

STANDARD METALS CORPORATION

A. C. Melting
Vice President - Mining Operations

ACM:sj
Enclosures

LELAND M. WISCOMBE
31977 DOVERWOOD COURT, WESTLAKE, CALIFORNIA 91360

November 16, 1968

Toledo Mining Company
312 Newhouse Building
Salt Lake City, Utah

Attention: Mr. Ricks

The enclosed are the data I have on the Stepp Mine in Arizona. The mine is about 4 miles off the Tuscon- Oji Highway. 7 miles from Sells.

Our lease is for sale or sub-lease. For cash or stock in a listed company.

If your company is interested, please advise me.

Very truly yours,

Leland M. Wiscombe

1055 Alameda Padre Serra
Santa Barbara, California 93103
February 7, 1966

Mr. A. C. Melting
Standard Metals Corporation
333 Petroleum Building
110 - 16th Street
Denver, Colorado 80202

Dear Mr. Melting:

Pursuant to our conversation in your office, enclosed are maps of the Stepp Mine near Sells, Arizona (not far from Tucson), and the White Chief Mine at Oatman, Arizona (not far from Kingman). Also you will find a copy of our lease on the Stepp Mine and descriptive material on this mine.

Western Nuclear, Inc., has a complete file on the White Chief Mine. I'm sure Mr. Light or Mr. Newman would let you read it and copy it if you are interested.

We are open to any workable agreement that would be mutually beneficial. It should be noted, however, that the two properties are under lease to two different groups. I am the only individual who is involved in both.

Our position can be outlined roughly as follows:

1. We will give a free exploratory option on either property for 90 days.

2. We will give an option on the Stepp Mine lease to you for one year for $1,000 cash and the monthly payments we are required to make to the owner under this lease. The final price for our lease would be $30,000 in your stock or $50,000 cash, payable in 10 yearly payments of $5,000 per year without interest.

3. The White Chief Mine lease is available for purchase or on a royalty or sub-lease basis. My two partners would like to withdraw, so we are open to an offer.

Very truly yours,

Leland M. Wiscombe

HECLA MINING COMPANY
TEL. SKYLINE 2-1251
WALLACE, IDAHO
P. O. BOX 320

February 1, 1965

Mr. Leland M. Wiscombe
Una Construction Company
14 East Stetson Drive
Scottsdale, Arizona

Dear Mr. Wiscombe:

This will reply to your letters of January 26 to Mr. Love concerning the Stepps property and the Oberan properties.

I shall pass this information to our Mr. J. D. Bell, who resides in Tucson, Arizona, and is in charge of our southwest exploration activities.

As soon as Mr. Bell has had an opportunity to study the report data he will contact you concerning any further interest in the properties.

Very truly yours,

H. E. Harper
Chief Geologist

HEH:mc

cc: J. D. Bell

7225 Clearwater Parkway
Phoenix, Arizona 85018
December 27, 1965

William Biel
Attorney and Counsellor at Law
30 Broad Street
New York, N. Y. 10004

RE: Stepp Mine)
and) Arizona
White Chief Mine)

Dear Mr. Biel:

My associates and I have two small mines which we have been working in a small way for the past year. Although your inquiry of December 9 concerned only the Stepp Mine, I am taking the liberty of sending you a map on each of the two.

The STEPP MINE is located about 70 miles west of Tucson. It is four miles north of the Tucson-Ajo Highway.

This mine carries extremely high grade lead, copper, silver and molybdenum, though it is a bit spotty. Shipments are all from sorted ore. I have the shipping records, which of course are of excellent grade ore.

We have a 20-year lease on the mine which is paid for monthly or from a small royalty schedule. All royalty and rental payments apply towards an optioned purchase price.

We are anxious to sell or lease this property. It is a well known property which because of its exceptionally high mineralization has been the subject of two graduate theses, and it certainly warrants an investigation by a good company.

The WHITE CHIEF MINE is in Oatman, Arizona, between Kingman and Needles, California. We have just expended $30,000 sinking the shaft an additional 70 feet and drifting 300 feet. We now have 35 feet of vein exposed which is 6'-8" wide. This mine is equipped with 12,400 V. and 480 V. power, 320 cu. ft. compressor, four-stage pump, etc.

This district produced $70,000,000 in gold, mostly from the United Eastern (owned by Cyprus Mines) and the Tom Reed. Both mines are adjacent to the White Chief. We have this mine leased with an option to buy. Lease payments are from production only now. All the conditions have been met. If your client is interested, we have engineers' reports and complete geological data. It so happens that a present disagreement among partners could make this mine available on excellent terms.

Yours very truly,

Leland M. Wiscombe

LMW/jw

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
12/5/69	Peterson	120
12/8/69	Kirkemo	120
12/9	Kirkemo	
		220

DEC 1 0 1969

AIRMAIL

Mr. Leland M. Wiscombe, President
Wiscombe Southern Painting Company
31977 Doverwood Court
Westlake Village, California 91360

Re: OME-6779 (Gold & Silver)
Wiscombe Southern Painting Co.
Steppe Mine
Pima County, Arizona

Dear Mr. Wiscombe:

A careful study of your application for financial assistance to explore the subject property and of other information available to us indicates that the probability of disclosing significant ore reserves on the property is not sufficiently promising to justify Government participation in the proposed exploration. Accordingly, we regret to inform you that your application for assistance is denied.

We wish to thank you for your interest in the minerals exploration program and for bringing your property to our attention.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
Mr. Peterson
130
R-II

ECPeterson/bsl 12/5/69

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
12/5/69	Kirkham	120
		120
		220

December 5, 1969

Memorandum

To: The File

From: Edward C. Peterson
Office of Minerals Exploration

Subject: OME-6779 (Gold and Silver)
Wiscombe Southern Painting Company
Steppe Mine
Pima County, Arizona

Justification for Denial of Application

The Applicant proposes to conduct a diamond core drilling program from the surface to find extensions of known ore shoots within two quartz veins found on the property at a total estimated cost of $39,844.00.

The OME field examiner found no geologic evidence on the property to justify the proposed exploration. Underground workings were not accessible and no surface exposures of significant mineralized material were observed during the examination. Total production from the two narrow quartz veins is estimated to be only 500 tons of hand-sorted ore, and indications are that little or no ore reserves remain.

Under these circumstances, the examiner concluded that there was less than a fair chance of discovering any significant ore reserves with the proposed work and recommended that the application be denied.

I concur with the recommendation.

Edward C. Peterson

Edward C. Peterson

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

ECPeterson/bsl 12/5/69

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

December 1, 1969

OFFICIAL MAIL O. M. E. RECEIVED DEC 3 1969

INITIALS	CODE
fa	30
bsl	20
HK	~~20~~
	120

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6779 (Gold and Silver)
Wiscombe Southern Painting Company
Steppe Mine
Pima County, Arizona

Transmitted herewith is a report of examination of the above mining company by Philip B. Mudgett. I concur with his conclusions, and recommend the denial of the subject application.

J. William Hasler

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

UNITED STATES

DEPARTMENT OF THE INTERIOR

WALTER J. HICKEL, SECRETARY

GEOLOGICAL SURVEY

OFFICE OF MINERALS EXPLORATION

REPORT OF EXAMINATION

REGION III

Report of Exam

OME-6779 (Gold-Silver)

WISCOMBE SOUTHERN PAINTING CO.

STEPPE MINE

PIMA COUNTY, ARIZONA

By

P. B. Mudgett

Mining Engineer

November 1969

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Illustrations

Figure 1. Claim map of the Steppe Mine property--------- 4a

OME-6779 (Gold-Silver)

WISCOMBE SOUTHERN PAINTING CO.

STEPPE MINE

PIMA COUNTY, ARIZONA

Summary

The Wiscombe Southern Painting Company applied for federal assistance to explore for gold and silver on the Steppe Mine property near Sells, Arizona on March 29, 1969. The applicant proposed to conduct a diamond core drilling program from the surface to find extensions of known ore shoots within two quartz veins at a cost of $39,844.00. The application was referred to the field and an examination was made by Philip B. Mudgett on October 29, 1969.

The eight unpatented lode claims comprising the property are situated in the Cobabi Mining District on the Papago Indian Reservation in Pima County, Arizona. They are held under lease by the applicant with option to buy from the owner, Arthur J. Steppe, Jr. of Phoenix, Arizona.

The mine workings on both veins are nearly filled with ground water and are, therefore, inaccessible. Entrance may be made through two, two-compartment shafts 300 feet and 127 feet deep inclined at 70° and 85° to the northeast, respectively. Other development includes a small amount of drifting and stoping on each vein.

Total mineral production from the property consists of about 500 tons of hand-sorted ore produced during the period 1917 to 1930. Within the district, gold, silver, lead and copper is found in narrow quartz veins in Late Cretaceous andesite. Block faulting provided channels for felsitic dikes and the quartz veins. The veins appear to be due to fissure filling and there is no geological

reason to expect a greater average thickness at depth. Secondary enrichment has not appreciably increased ore values. Previous attempts to mine the veins have been unsuccessful because they are narrow and low grade.

Single ore shoots in each vein on the property contained argentiferous galena, chalcocite and chalcopyrite, but anticipated reserves appear to have been mined out.

Competitive bidding could lower the cost of the proposed drilling program by $4,500.00, although it should be revised to search for new ore shoots. However, geological evidence indicates that it is unlikely that a minable ore body of desirable grade and thickness would be encountered. Therefore, denial of the application is recommended.

Introduction

In his memorandum of April 18, 1969, the Chief, Office of Minerals Exploration requested the Field Officer, Region III to review the subject application, Docket No. OME-6779 (Gold and Silver), Wiscombe Southern Painting Company, Steppe Mine, Pima County, Arizona, conduct a field examination, if warranted, and make recommendations regarding approval of an exploration contract.

Accordingly, the application was reviewed by P. B. Mudgett who subsequently made a field examination of the property on October 29, 1969, in the company of the applicant's representative, Dudley L. Davis, Consulting Mining Engineer from Lone Pine, California.

Location and Accessibility

The Steppe Mine is located about 9 airline miles northwest from Sells, Arizona, on the Papago Indian Reservation in section 26, T. 16 S., R. 4 E., Gila and Salt River Meridian, Pima County, Arizona. It is also within the southwestern part of the Cobabi Mining District.

The mine is easily reached from Tucson, Arizona, over paved State Highway 86 westerly through Sells for a total distance of 65.5 miles and thence northeasterly 7.6 miles over a dirt road to the Little Mary shaft and headframe on the Steppe Mine property. A wooden sign reading "Steppe Mine" is located at the junction of the two roads.

Property

History and Production

From available but meager historical accounts, it appears that Mexicans engaged in the earliest mining activity on the property prior to 1900 which resulted in little, if any, mineral production. Incomplete smelter receipt tabulations submitted by the applicant company tend to support its estimate of the total production of 500 tons of handsorted ore containing 0.40 oz. gold, 30.0 oz. silver, 30.0% lead and 10% copper per ton from the property. The U. S. Bureau of Mines Minerals Yearbook indicates a very small annual production of mostly hand-sorted ore plus a few tons of concentrates commencing in 1917 and continuing into 1929. No production for the property is indicated thereafter but production

for the entire Cobabi Mining District from 1930 to 1951 adds up to only 3,510 tons having a value of $57,579.00. The author estimates that total production of all metals for the district does not exceed $150,000.00 in value.

Ownership

The property is comprised of eight unpatented lode mining claims (figure 1) leased by the applicant company with option to purchase from the owner Arthur J. Steppe, Jr. of Phoenix, Arizona. Although the inclusion of five copies of a lien and subordination agreement is indicated in the application, none are present in the field office file.

The lease and option agreement shows the eight unpatented lode mining claims to be recorded in the Pima County, Arizona, records as follows:

Claim Name	Pima County Records Book	Page
White Elephant No. 1	AAA	580
White Elephant No. 2	AAA	581
Little Mary No. 1	AAA	249
Little Mary No. 2	AAA	250
Little Mary No. 3	AAA	251
Little Mary No. 4	AAA	252
Little Mary No. 5	AAA	253
Sonny Boy No. 3	AAA	436

Development

Access to the underground workings in the two veins on the property is through a two compartment inclined shaft following the vein in each instance (figure 1). However, water at 70 feet in both the 300 foot deep Little Mary shaft and the 127 foot-deep Big Vein shaft prevents access to any of the few drifts and stopes known to exist. No maps are available but old reports indicate that total drifting is limited to about 200 feet on the 80 foot level of the Little Mary shaft with a single stope 124 feet long extending about 70 feet above and possibly 40 feet below the level. Also, several partially filled open cuts along the outcrop of the Big Vein indicates the presence of some drifting and stoping from the Big Vein shaft.

Surface facilities at the Little Mary shaft consist of a frail wooden headframe with ore bin and an inoperable obsolete hoist. No facilities are present at the Big Vein shaft.

Geology

Geologic setting

The Steppe Mine property lies near the western base of the northwest trending Comobabi Mountains in an area of moderate relief. The bed rock in the general area is made up entirely of Late Cretaceous extrusive rocks intruded by acidic stocks and dikes. Block faulting has provided channels for the intrusion of felsite dikes and quartz veins. Quartz veins in andesite contain gold, silver, lead and copper minerals. Attempts to mine the veins have not been very successful because they are narrow and

of comparatively low grade.

The property contains two quartz veins about 500 feet apart, in Pacacho andesite (figure 1). The western vein is from 1 foot to 3-1/2 feet in width, strikes about N. 25° W. and dips 70° to the northeast. Its outcrop is exposed for about 150 feet a short distance northwest from the Little Mary shaft. The eastern vein is from 3 feet to as much as 5 feet wide, strikes N. 15° W. and dips about 85° to the northeast. The outcrop can be traced for at least 800 feet to the northwest from a point about 300 feet southeast from the Big Vein shaft. In places both veins consist of 3-foot-wide lenses of barren quartz and in other places of one to three inch-thick quartz stringers over a similar width. The outcrops disappear under a thin alluvial mantle with quartz float indicating their presence for only a short distance.

The veins appear to be a result of fissure filling rather than replacement and there is no geological reason to expect that they would have a greater than average thickness at depth. Also, even though supergene copper minerals have been encountered below the present water table in the deeper shafts elsewhere in the district, the grade of the ore did not increase appreciably.

Ore Deposits

Ore occurs in shoots within the vein structure. According to Bureau of Indian Affairs information, the western vein contains one mined-out stope which extended for about 124 feet along the 80 foot level. It was stoped to the surface for about

50 feet along the strike of the vein and below the 80 foot level for an estimated 40 feet. Both faces of the level are in barren rock where the vein has been cut by an oblique angle fault of small displacement. No attempt has been made to find the offset segments of the vein. The mineralization occurred in the form of argentiferous galena, chalcocite and chalcopyrite accompanied by small amounts of free gold. The ore from this stope probably accounts for more than 50% of the estimated 500 tons of hand-sorted ore produced from both veins.

From the size and number of several partially-filled openings along the outcrop of the eastern vein, it appears that a somewhat smaller stope has been mined out to a lesser depth through the Big Vein shaft. The only available record shows that the mineralization encountered was similar in character but of lower grade than the ore in the western vein.

Sampling and Ore Reserves

Ground water filling the mine workings prevented any underground sampling. No samples were taken on the surface because none of the outcrops of either vein contained any visibly significant amount of mineralization.

Summarized information from the Bureau of Indian Affairs indicates that no reserves exist on the western vein. This seems to be confirmed by Minerals Yearbook data showing ore shipments for five years beyond the 1925 date when some reserves were reported by W. W. Merriam (See copy of report in docket file).

Visible evidence of stoping on the eastern vein suggests that the reserves described in this vein by Merriam have also been extracted.

Exploration

Applicant's Proposal

The applicant's proposal for exploration is based upon the presumed existence of the ore reserves described in the report by W. W. Merriam. The proposed exploration work consists of a two phase program with implementation of the second phase wholly dependent upon achieving favorable results with the first phase. The proposed work is outlined below.

Phase I

Hole No.	Direction	Depth	Angle	Objective
1	S. 40° W.	250'	-60°	Cut Little Mary vein.
2	S. 40° W.	500'	-60°	Cut Little Mary vein below shaft.
3	S. 40° W.	250'	-60°	Cut Little Mary vein south of shaft.
4	S. 40° W.	250'	-60°	Cut Little Mary vein north of shaft.
5	Due east	500'	-50°	Cut Big Vein under stope.
6	Due east	500'	-50°	Cut Big Vein near shaft.
7	Due east	250'	-50°	Cut Big Vein south of stope.
8	N. 65° E.	500'	-50°	Cut Big Vein north of open cut.

PHASE II

Unwater shaft

Sink to depth where ore was cut

Drift to location of indicated ore

Cost Estimate

The applicant's estimate for the cost of the diamond drilling program comprising Phase I of the proposed exploration project is reproduced as follows:

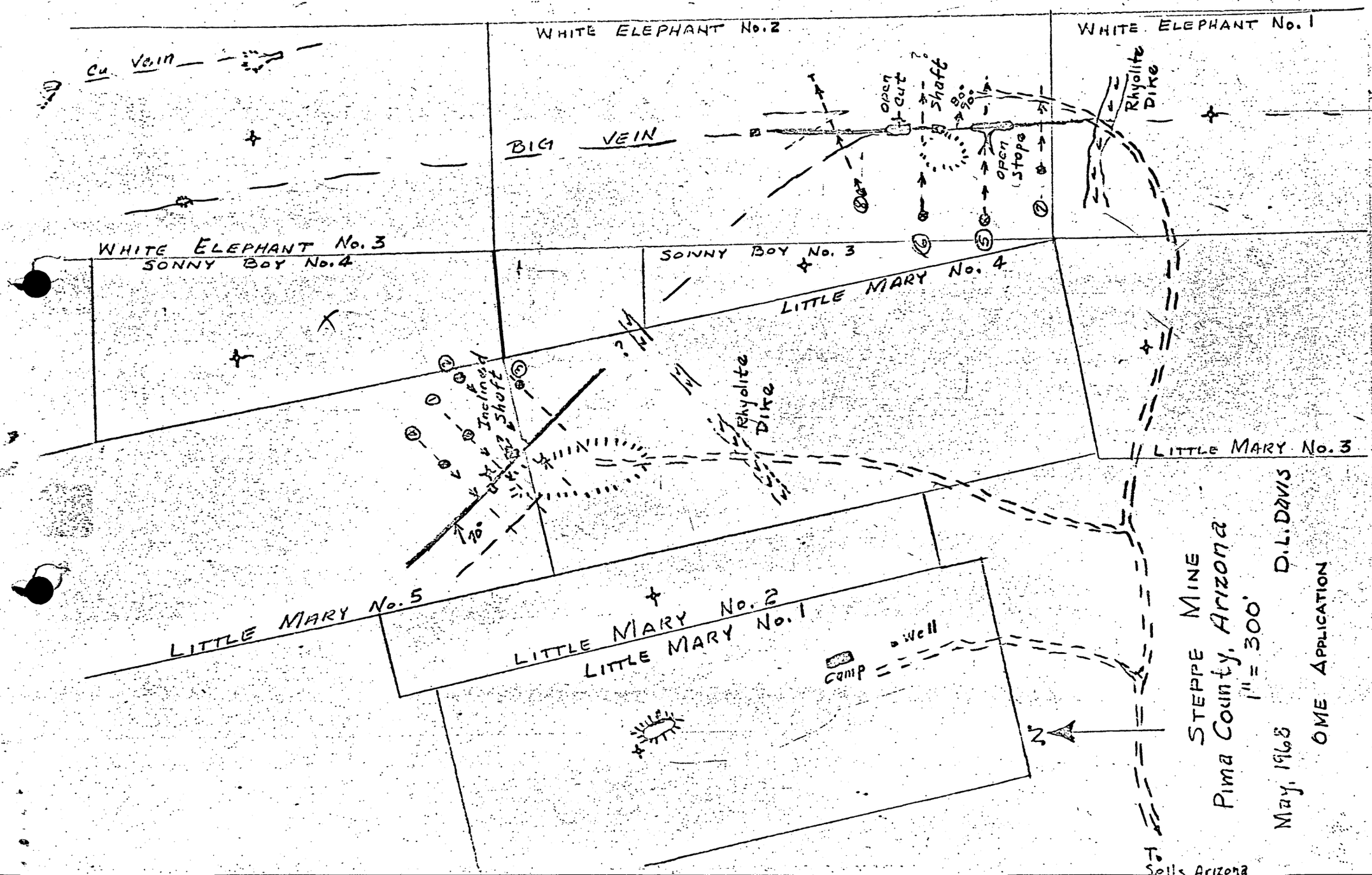
Diamond Drilling:	
3,000 linear feet @ $10.00	$30,000.00
Cementing and reaming	1,000.00
Compressor Rental:	
6 months @ $650.00 per month	$ 3,900.00
Supervision:	
6 months @ $300.00 per month	$ 1,800.00
Perdiem and travel @ $124.00 per month	$744.00
Office and Accounting:	
6 months @ $100.00 per month	$600.00
Assaying:	
300 samples @ $6.00 per sample	$1,800.00
Total cost of Phase I	$39,844.00

The above itemized costs are reasonable with the exception of that for diamond drilling. Competitive bidding would probably reduce the cost of inclined AX size wireline core drilling from the estimated $10.00 per foot to about $8.50 per foot. This price

decrease would lower the drilling cost to $25,500 and the total project cost to $35,344.00.

Conclusions and recommendations

The proposed drilling program is based upon "surface showings" and reserves described in a 1925 report by W. W. Merriam. Information acquired from the Bureau of Indian Affairs shows these reserves on the Little Mary vein to have been mined out. Also, those reserves attributed to the Big Vein or eastern vein appear to have been extracted in subsequent stoping operations. The drilling program should, therefore, have been designed to search for new ore shoots. However, presuming that a revised program could possibly disclose the presence of additional ore shoots, the geological evidence suggests that their size and mineral value would not be any more substantial than those already mined. This view is particularly reflected by the small production records achieved by both the property and the involved mining district over a period of many years. Accordingly, it is reasonably evident that the geological probability of making a significant ore discovery on the property is not sufficient to justify approval of the application. Aside from geological considerations, it is also unlikely that such ore bodies could be very profitably exploited owing to the small tonnage of ore that might be available. Denial of the application is, therefore, recommended.


WHITE ELEPHANT No. 2
WHITE ELEPHANT No. 1
Cu. Vein
BIG VEIN
Open cut
Shaft
Open Stope
Rhyolite Dike
WHITE ELEPHANT No. 3
SONNY BOY No. 4
SONNY BOY No. 3
LITTLE MARY No. 4
Inclined Shaft
Rhyolite Dike
LITTLE MARY No. 3
LITTLE MARY No. 5
LITTLE MARY No. 2
LITTLE MARY No. 1
Camp
Well
N
To Sells Arizona
STEPPE MINE
Pima County, Arizona
1" = 300'
D. L. DAVIS
May, 1968
OME APPLICATION

From Dave Jones — Bureau of Indian Affairs

OME-6779

Gold - silver - lead - copper

STEPPE MINE (MILDREN) - July 1968

The only data available on this property is at the A.D.M.R. in Phoenix, where there are reports by one of the Department geologists and by an independent engineer.

The property consisting of 16 unpatented claims, the Little Mary and White Elephant groups, is located about 6 miles north-northwest of Sells in T. 16 S., R. 4 E., on the west slope of the Comobabi Range and in Pima County.

Not much history is recorded in these reports except that the mine shut down during the depression in 1932. There is evidence of substantial stoping, principally from the 80-foot level through to the surface. There are indications that there was a mill there at one time, but it appears that most of the ore produced had been shipped to a custom smelter.

The mineralization occurs in the form of galena, chalcocite, tetrahedrite and some chalcopyrite in quartz. The vein is from 1 foot to 3½ feet in width, strikes south 70 degrees east and dips 70 degrees to the north. The vein occupies a well developed fault in a porphyritic basic lava country rock. Two faults cut the vein at an oblique angle, showing a small displacement. These are probably post mineral in age.

The workings are entered via a 2-compartment 300-foot shaft, inclined at 70 degrees to the north. There has been some stoping to the shaft without pillars down to the 80-foot level. The 80-foot level has drifts 125 feet to the west and 81 feet to the east. Of this distance, 124 feet is in vein material which has been stoped. Below the level there has also been some stoping and the track lies on back fill. Both faces of the level are in barren rock. No attempt was made to find offset segments of the vein.

Two samples were taken from shaft pillars at the 80-foot level. These were not considered representative but indicate the presence of valuable mineralization.

BLM
Hal Lussie
Luther Clausner

Steppe Mine work done in 1956

Valid claims
Sunny Boy #3
Little Mary Nos. 1, 2, 4 & 5
White Elephant No. 1 & 2

STEPPE MINE (Continued)

Sample	Au.	Ag.	Pb.	Cu.	Zn.
No. 1	0.35 oz.	3.00 oz.	10.3%	1.05%	1.7%
No. 2	0.14 oz.	29.5 oz.	33.6%	5.6%	3.8%

One of the reports states that the water stands at 90-foot depth in the shaft.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
4/18/69	Peterson	120
		120
		220
		120M

AIRMAIL

Memorandum APR 18 1969

To: Field Officer, Region III

From: Chief, Office of Minerals Exploration

Subject: OME-6779 (Gold and Silver)
Wiscombe Southern Painting Company
Steppe Mine
Pima County, Arizona

The subject application is referred to you for further consideration, a field examination if warranted, and recommendations.

The application lacks much of the geologic evidence to support the view that significant reserves of eligible minerals would be discovered by the proposed work. Rather, the information submitted suggests that any reserves that may exist on the property are found in small, scattered bodies having little economic potential.

If a contract is recommended, the Applicant should be requested to furnish copies of his letters to the banks requesting an exploration loan, and at least one additional drilling bid to support his cost estimate.

Harold Kirkemo (gja)

Harold Kirkemo

cc: Director's Reading File
Economic Geology File
OME Docket
OME Reading File
Mr. Peterson
130

ECPeterson/bsl 4/18/69

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
4/18/69	Peterson	120
		120
		220
		120M

AIRMAIL

APR 18 1969

Mr. Leland M. Wiscombe, President
31977 Deverwood Court
Westlake Village, California 91360

Re: OME-6779 (Gold & Silver)
Wiscombe Southern Painting Company
Steppe Mine
Pima County, Arizona

Dear Mr. Wiscombe:

The subject application for exploration assistance has been reviewed in our Washington office. Although additional information is required, including furnishing copies of your letters to the banks requesting an exploration loan, and at least one additional drilling bid to support your cost estimate, we are nevertheless referring the application to Mr. J. William Hasler, Field Officer, Region III, Office of Minerals Exploration, Room 203, Building 53, Denver Federal Center, Denver, Colorado 80225.

Mr. Hasler will notify you if he requires other information and possibly to make arrangements for an on-site examination of the property.

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
Region III
Mr. Peterson
130

ECPeterson/bsl 4/18/69

March 28, 1969

Mr. Leland M. Wiscombe President
31977 Doverwood Court
Westlake Village, California 91360

Subject: OME-6779

Dear Mr. Wiscombe:

Your application for exploration assistance, dated March 8, 1969, submitted to our office at Denver, Colorado, has been assigned Docket No. OME-6779.

Please identify all future correspondence relating to your application by this docket number.

Sincerely yours,

Harold Kirkemo
Acting Chief,
Office of Minerals Exploration

Copy Region III

Office of Minerals Exploration
Building 53 Room 200

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 20 1969
INITIALS CODE
HK 220

March 13, 1969

Wiscombe Southern Painting Company
2704 North 19th Street
Hueytown, Alabama 35020

Gentlemen:

I have briefly reviewed your application to the Office of Minerals Exploration, Denver for financial assistance and call your attention to lines eight and nine of the general instructions which requests the submittal of two copies of the application and all accompanying papers. This would mena that duplicate copies are needed of the lease, of letters to and from financial institutions, smelter receipts, etc. Your application also lacks true copies of your correspondence to financial institutions; I call your attention to the instructions on the reverse side of MMK Form 40, Article $1a_1$, a_2 and a_3. You have sent duplicate copies of the claim maps and five copies of the lien and subordination agreements as required.

Your application is being returned to you for completion. I'm sorry to have to bother you.

Sincerely yours,

James L. Gualtieri, Geologist
Office of Minerals Exploration

Enclosure

cc: Chief, OME
OME chron
Mr. Hasler
"W"