UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

~~Terminated (or cancelled)~~ Withdrawn without certification. DMEA No. 1179

This is the official contract file containing all official records of the project. Duplicate material has been removed. The records contained in the files are checked and are arranged in this manner:

Left Side

Certificate of Audit (Final).

Interim Audit(s).

Report of Review.

Termination Notice or Agreement.

Recision Notice.

Assignment of Contract.

Contract Amendments (latest on top).

✓Contract with all exhibits and annexes.

Owner's Consent to Lien.

Subordination Agreement.

✓Leases and assignments of leases.

✓Application and attachments.

Schedule of Collections.

Operator's monthly reports and all attachments (latest on top).

Right Side

Project summary.

Work completed analysis.

✓All other material is filed in chronological order with correspondence including the following reports as checked:

Final Field Team Report. (Tab)

Operator's Final Report.

Interim Reports.

✓On-site Exam Report(s). (Tab)

Settlement Sheets.

If additional folders are required because of volume of records, show folder numbers and contents below:

Maps in folder number_____

Operator's Monthly Reports in folder number _____

7973

Reviewer's Initials ama 1-24-57

MF-200
(June 1951)
(Revised Feb. 1952)

DOCKET DMEA 1179

COMMODITY Copper-Nickel Ore
Idm-E241

Government's Copy

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXPLORATION PROJECT CONTRACT[1]

IT IS AGREED this ..... day of ....., 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] El Conejo Mining Company
617 South Olive Street
Los Angeles 14, California

hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority for contract.*—This agreement is entered into under the authority of the Defense Production Act of 1950, as amended, pursuant to DMEA Order 1 entitled "Government Aid in Defense Exploration Projects."

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of California, County of Ventura, described as follows:[3] That certain tract of land described in Annex I attached which description is the same as shown in mining lease from the Albertson Company, to Earle W. Gard and assigned to the El Conejo Mining Company, under date of August 6, 1951

the Operator represents and undertakes:[4]

~~(a) The mining lease is subject only to the following exceptions, as shown in the document attached~~

(*b*) That the Operator is a lessee, in possession and entitled to possession, and the Owner's Consent to Lien is attached.

The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof.

ARTICLE 3. *Exploration project.*—The Operator, within ..... days from the date of this contract shall commence work on a project of exploration for[5] copper - Nickel ore

in or upon the described land; and shall bring the project to completion within a period of six (6) months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided.

ARTICLE 4. *Performance of the work.*—(*a*) *Operator's responsibility.* The work shall be performed efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmens' compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. To the extent specified in Exhibit "A," attached hereto, the work may be performed by independent contractor or contractors; and work not specified in Exhibit "A" for performance by independent contractor may nevertheless be so performed upon amendment of Exhibit "A," as agreed to by the parties, to state the work to be so performed and the estimated unit costs thereof, as provided hereafter.

(*b*) *Independent contracts.*—Any independent contract for the performance of work shall be on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved), or on some basis that will indicate the amount due for work performed at any stage of the work to be performed under such independent contract. The Government shall not be nor be considered to be a party to any such independent contract, and the Government's right to terminate the exploration project contract under any of its provisions shall not in any manner be affected by reason of any such independent contract. If the reference in Exhibit "A" to any such independent contract states that the Government's approval thereof is required, the Government may refuse to participate in the cost thereof unless and until it has given its written approval of the independent contract.

(*c*) *Government may inspect.*—The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 5. *Estimated costs of the project.*—A statement of the estimated cost of the project is set forth in Exhibit "A," attached hereto. Except insofar as any item of requirement or the estimated cost thereof set forth in Exhibit "A" is there or elsewhere designated as an "allowable maximum," such items of requirement and of related cost are estimates only, and may be exceeded to the extent that the Government may from time to time approve for the most economic and beneficial performance of the work within the limitation of the total aggregate estimate of costs. The Government's approval of any such excess over the estimate for an item of requirement or related cost will be signified by its approval and payment of any invoice or voucher for payment which expressly calls attention to such excess. Items expressly designated in Exhibit "A" or elsewhere as "allowable maximum," and the total aggregate estimated cost are limitations, and any excess therein will be for the sole account of the Operator in which the Government will not participate.

ARTICLE 6. *Allowable costs of the project.*—(*a*) The costs of the project in which the Government will participate are limited to the following:

(1) *Independent contracts.*—Payments to independent contractors under independent contracts listed in Exhibit "A." The estimated cost of any work to be performed under an independent contract is or shall be included in the estimate of costs in Exhibit "A" in terms of the estimated numbers of units of work to be performed, the estimated amount to be paid per unit, and the estimated total amount to be paid to the independent contractor, and such estimates shall be allowable maximums above which the Government will not contribute. Regardless of the provisions of any such independent contract, the Government will participate in the payments to the independent contractor only on account of work actually performed and that conforms with the provisions of the exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable and necessary. No such independent contract shall have the effect of increasing the estimated total cost of the exploration project contract nor the maximum amount which the Government will pay as provided in the exploration project contract.

(2) *Labor, supervision, consultants.*—Labor, supervision and technical services (including engineering and geological consultants), a schedule of which is included in the estimate of costs set forth in Exhibit "A." The requirements and related estimated costs for supervision and technical services are allowable maximums.

(3) *Operating materials and supplies.*—Necessary materials and supplies including items of equipment costing less than $50.00 each, and power, water, and fuel, a schedule of which is included in the estimate of costs in Exhibit "A."

(4) *Operating equipment.*—Any operating equipment to be rented or purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or the allowable depreciation, as the case may be, a schedule of which is included in Exhibit "A." Any items listed as owned and to be furnished by the Operator, and related initial allowable depreciation, are allowable maximums.

(5) *Rehabilitation and repairs.*—Any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and to be devoted to the purposes of the exploration contract, a schedule of which is included in the estimate of costs set forth in Exhibit "A." These items are allowable maximums.

(6) *New buildings, improvements, installations.*—Any necessary buildings, fixed improvements, or installations to be purchased, installed, or constructed for the purposes of the exploration work, with the estimated cost of each, a schedule of which is included in the estimate of costs in Exhibit "A." All of these items are allowable maximums.

(7) *Miscellaneous.*—Repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance and payroll taxes.

(8) *Contingencies.*—Such other necessary, reasonable direct costs of performing the exploration work, within the limit of the total aggregate estimate of costs, whether or not included in any schedule of costs in Exhibit "A," as may be approved by the Government in the course of the work, as indicated by its approval and payment of invoices and vouchers.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property, particularly excluding any land or interest therein to which the Government's lien is not to attach or the production from which is not to be subject to the Government's percentage royalty.
[4] Strike out the provision not applicable.
[5] Name of mineral or minerals.

(b) The Government's payments in [illegible]ases will be based on actual, necessary co[illegible] (including contract unit prices) incurred not in excess of any "allowa[illegible]ma[illegible]mum," and not in excess of the fixed perc[illegible]ge [illegible] the total aggregate estimated cost. Costs will be considered to be incurre[illegible] only as they are or become due and payable.

(c) No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes) or any other indirect costs, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

ARTICLE 7. *Reports, accounts, audits.*—(a) *Progress reports.* The Operators shall provide the Government with monthly reports of work performed and costs (including contract unit prices) incurred under the contract, in quintuplicate (five copies), upon forms provided by the Government. These progress reports shall be certified by the Operator, and shall constitute both the Operator's invoice of costs incurred on the project during the period covered by the report and his voucher for repayment by the Government, unless the Government requires the use of a standard voucher form with invoice attached. Progress reports shall include surface and/or underground engineering-geological maps or sketches showing the progress of the exploration, with assay-reports on samples taken concurrently with the advance in mineralized ground.

(b) *Final report.*—Upon completion of the exploration work or termination of the contract the Operator shall provide the Government with an adequate geological and engineering report, in quintuplicate (five copies), including an estimate of ore reserves resulting from the exploration work.

(c) Compliance with requirements.—If, in the opinion of the Government, any of the Operator's reports are insufficient or incomplete, the Government may procure the making or completion of such reports and attachments as an expense of the exploration work; and the Government may withhold approval and payment of any vouchers depending upon insufficient or incomplete reports.

(d) *Accounts and audits.*—The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract. Upon the completion of the project or termination of the contract the Operator shall render a final account as provided in Article 12.

ARTICLE 8. *Payments by the Government.*—(a) The Government will pay 70 percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $21,616.00, which is 70 percent of $30,880.00, the agreed, estimated total cost of the project in which the Government will participate; *Provided,* that until the Operator's final report and final accounting have been rendered to the Government, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract.

(b) The Government may make any payment or payments direct to independent contractors and to suppliers, for the account of the Operator, rather than to the Operator.

ARTICLE 9. *Repayment by Operator.*—(a) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than 6 months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) percent of any such net amounts, plus one-half (½) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

(For instance: The percentage royalty on a net amount of five dollars ($5.00) per ton would be one and one-half (1½) percent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(b) As here used, "net smelter returns," "net concentrator returns," and "other net amounts realized from the sale or other disposition," mean gross revenue from sales; or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income-tax determination.

(c) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(d) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

ARTICLE 10. *Assignment, transfer, or loss of Operator's interest.*—Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder. The Operator shall not make any voluntary nor permit any involuntary transfer or conveyance of the Operator's rights in the land described in Article 2, without making suitable provision for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof; *Provided,* that mere failure by the Operator to maintain the Operator's rights in the land, without any consideration running to the Operator other than relief from the cost of maintaining such rights (as by surrender of a leasehold, failure to perform assessment work, or failure to exercise an option), coupled with complete abandonment by the Operator of all interest in or operations on the land for a period of 10 years from the date of this contract, shall not constitute such a transfer or conveyance. Should the Operator make or permit any transfer or conveyance in violation of this provision, the Operator shall be and remain liable for payment to the Government of the same amounts, at the same times, as would have been paid under the terms of the percentage royalty on production. If for any reason the net smelter returns, net concentrator returns, or other net amounts realized from the sale or other disposition of such production are not available as a means of measuring the amount of the Operator's liability, the amount thereof shall be estimated as well as may be, and in the event of dispute as to such estimates, the determination thereof by the Administrator of Defense Minerals Exploration Administration or by his successor shall be final and binding upon the Operator.

ARTICLE 11. *Title to and disposition of property.*—All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

ARTICLE 12. *Termination and completion.*—The Government may, at any time, by written notice to the Operator, terminate this contract: (a) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (b) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (c) if in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worth while discovery and in the opinion of the Government further operations are not justified. Upon the completion of the project or any termination of the contract the Operator shall dispose of any remaining materials, supplies, facilities, buildings, fixtures, and equipment in which the Government has an interest, for the joint account of the Operator and the Government in the proportion of their respective interests; shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; and shall pay to the Government its pro rata share of any money remaining.

ARTICLE 13. *Changes and added provisions.* _____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

El Conejo Mining Company
(Operator)

By _____

By _____
Acting Administrator
Defense Minerals Exploration Administration

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

_____

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—66328-1

ANNEX I

Part of the parcel of land in the Rancho El Conejo, in the County of Ventura, State of California, delineated "Tract 1, J. Edwards" on the map of the partition survey of said Rancho El Conejo, recorded in Book 1, Page 746, of Deeds, in the office of the County Recorder of said County, and described as:

Beginning at a point in the boundary line between the Rancho El Conejo and the Rancho Simi, distant south 8° 06' west 28.88 chains from a manzanita post set in rock mound at Station No. 8 of the survey made in partition of said Rancho El Conejo, being Station "J.E. 16" of said Tract 1, as set apart in severalty to John Edwards by the decree of the District Court of the Seventeenth Judicial District of the State of California, in and for the County of Los Angeles, in that certain action entitled "John Edwards, et al., Plffs., vs. M. N. Pinkard, et al., Defts.", brought for the purpose of partitioning said Rancho El Conejo, a certified copy of said decree being recorded in Book 1, Page 748, of Deeds; said point of beginning being the southeast corner of that certain parcel of land conveyed to E. M. Glass by deed dated February 7, 1927; thence along the south line thereof,

1st: West 231.18 chains to a point in the boundary line between Sections 1 and 2, Township 1 North, Range 19 West, Rancho El Conejo; thence,

2nd: South 86.97 chains along the coundary line between Sections 1 and 12, Township 1 North, Range 19 West, Rancho El Conejo, on the east, and Sections 2 and 11, said Township and Range, on the west, to a post in mound of rocks marked "E.S. No. 2 & H.W.M. No. 8" at the northeast corner of "Tract No. 4, E.S. Newberry", as shown upon the above described partition map of said Rancho El Conejo, being the northwest corner of that certain parcel of land set apart and distributed to Andrew D. Russel by decree of the Superior Court of the State of California, in and for the County of Ventura, in the matter of the Estate of Hannibal M. Russell, deceased, a certified copy of said decree being recorded in Book 33, Page 343, of Deeds; thence,

3rd: East 218.80 chains to a white oak tree marked "J.E. 15" and "H.W.M. 7" at a point in the boundary line between said Rancho El Conejo and said Rancho Simi, being the northeast corner of "Tract 2, H.W. Mills", as shown upon said partition map of said Rancho El Conejo; thence,

4th: North 8° 06' east 86.85 chains to the point of beginning.

EXCEPTING THEREFROM the west 1316.74 acres thereof as conveyed to Hearst Sunical Land and Packing Corporation, a corporation, by deed recorded June 4, 1936, in Book 493, Page 270, of Official Records.

EXPLORATION PROJECT CONTRACT
EL CONEJO MINING COMPANY
DOCKET NO. DMEA-1179X

EXHIBIT "A"

Description of the Work

The work will consist of exploring at depth the nickel-bearing gabbro by diamond drilling from the surface. Stage I of the work will consist of drilling not more than 1800 feet of hole. The holes will be located in the northward side of the fault and drilled at such angle and inclination as to penetrate the footwall of the fault at a depth of approximately 200 feet. Holes shall be spaced at approximately 100-foot intervals along the strike of the fault. One or more of the holes of each Stage shall be located and drilled so that the contact is cut at a greater depth than the 200 foot horizon. As the drilling progresses, the location, depth, or inclination of particular holes may be changed with the mutual agreement of both parties to the Contract.

Stage II of the exploration project will be undertaken only if, in the opinion of the Government, it is warranted by the results obtained in the drilling under Stage I. If in the opinion of the Government, the samples, obtained in the preliminary stage, show values equivalent to those of the 50 foot level crosscut or are otherwise favorable, the second stage of the project will be started and continued so long as the results, in the opinion of the Government, warrant the additional drilling. This second stage will consist of extending the drilling to the East and West of the previous drilling, unless by mutual agreement of the Government and Operator, it is decided to continue the drilling in only one direction.

Coring shall be done with a bit not smaller than AX. The Operator shall obtain accurate logs of each drill hole and shall keep the drill cores in their correct order, so that at any time during the life of the contract, they can be studied by the Government Engineers.

All drilling will be done under independent contract.

A geological map of the Ventura Mine is attached hereto and made a part hereof.

Estimated Costs of Project
(*Indicates Allowable Maximum)

SUMMARY

Stage I

1800 feet of diamond drilling @ $7.00* per foot	$12,600.00*	
Sampling and logging of drilling	960.00	
Assaying of drill hole cores	1,080.00	
Supervision, including engineering and preparation of reports, 2 months @ $400.00*	800.00	
Total Stage I		$15,440.00*

Stage II

Duplicates Stage I - Total Stage II	15,440.00*
Total for Project	$30,880.00*

Government's participation, based on a mathematical average of 50 percent for copper and 90 percent for nickel, equals 70 percent which is: $21,616.00*

Details

(1) Independent Contracts

3600 feet of drilling @ $7.00* per foot $25,200.00*

(2) Labor, Supervision, Consultants

Labor

Schedule waived. Only labor necessary for sampling will be allowed, payable at rates not in excess of those current in the area.

Supervision, Consultants

Supervision, including engineering and preparation of reports, per month $ 400.00*

(3) Operating Materials and Supplies

None

(4) Operating Equipment

None

(5) Rehabilitation and Repairs

None

(6) New Buildings, Improvements, Installations

None

(7) Miscellaneous

Assaying	$ 2,160.00

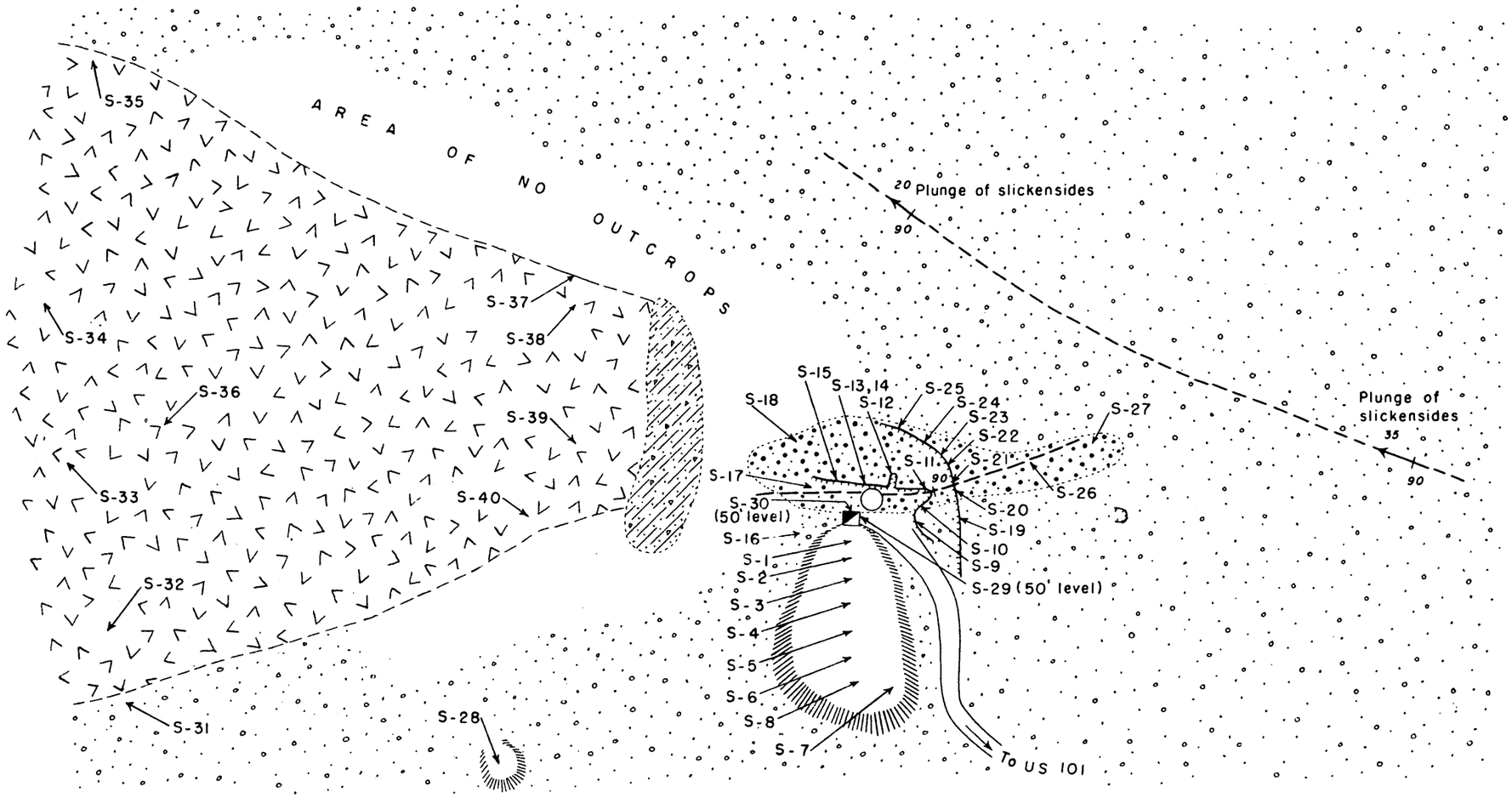
Workmen's compensation and employers' liability insurance and payroll taxes in connection with the incidental labor referred to in (2), above, will be allowed.

(8) Contingencies

As listed in Article 6 (a) (8) of the contract form.

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMA 1179X
(NICKEL)



Brunton and tape survey by C. D. Rinehart, June 28, 1951

ASSAY DATA

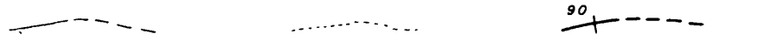
Sample	% Cu	% Ni	Oz Au/T	Oz Ag/T
S—1	1.32	0.45	Trace	Trace
S—2	0.20	0.24	"	"
S—3	0.08	0.10	"	"
S—4	0.15	0.17	"	"
S—5	0.14	0.18	"	"
S—6	0.14	0.22	"	"
S—7	0.32	0.37	"	"
S—8	0.41	0.34	"	"
S—9	0.38	0.36	"	"
S—10	0.83	0.51	"	"
S—11	0.79	0.38	"	"
S—12	1.87	0.84	"	"
S—13	1.50	0.12	0.005	0.60
S—14	3.64	0.02	Trace	Trace
S—15	2.21	0.53	"	"
S—16	0.45	0.17	"	"
S—17	0.59	0.26	"	"
S—18	0.85	0.37	"	"
S—19	0.09	0.07	"	"
S—20	0.66	0.32	"	"
S—21	0.34	0.18	"	"
S—22	1.81	0.21	0.005	0.50
S—23	0.95	0.59	Trace	Trace
S—24	0.52	0.54	"	"
S—25	0.35	0.56	"	"
S—26	0.50	0.23	"	"
S—27	0.15	0.13	"	"
S—28	0.04	0.02	"	"
S—29	0.15	0.10	"	"
S—30	0.02	0.27	"	"
S—31	0.02	0.02	"	"
S—32	0.12	0.04	"	"
S—33	x0.01	x0.01	"	"
S—34	x0.01	x0.01	"	"
S—35	0.10	0.01	"	"
S—36	0.17	0.31	"	"
S—37	0.04	x0.01	"	"
S—38	0.11	0.09	"	"
S—39	0.52	0.54	"	"
S—40	0.07	0.04	"	"

x less than

Assays by the U S Bureau of Mines

EXPLANATION

Gabbro(?) — Altered calcareous rock — Conglomeratic sandstone — Gossan



Contact (dashed where approximately located) — Indefinite contact — Vertical fault (dashed where approximately located)

Vertical shaft Approx. elev. 1500' — Water tank — Open cut — Dump — Sample locality

GEOLOGIC MAP OF THE VENTURA MINE, VENTURA COUNTY, CALIFORNIA

0 100 200 300 Feet

MAP No

DPE:WF 1&4 8-6-51

ASSIGNMENT OF MINING LEASE

EARLE W. GARD and MARGUERITA DINSMORE GARD, husband and wife, do hereby assign to EL CONEJO MINING COMPANY, a California corporation, that certain Mining Lease entered into under date of August 6, 1951, between The Albertson Company, a California corporation, as Lessor, and Earle W. Gard as Lessee, covering those certain premises in the County of Ventura, State of California, described as follows:

> Part of the parcel of land in the Rancho El Conejo, in the County of Ventura, State of California, delineated "Tract 1, J. Edwards" on the map of the partition survey of said Rancho El Conejo, recorded in Book 1, Page 746, of Deeds, in the office of the County Recorder of said County, and described as:
>
> Beginning at a point in the boundary line between the Rancho El Conejo and the Rancho Simi, distant south 8° 06' west 28.88 chains from a manzanita post set in rock mound at Station No. 8 of the survey made in partition of said Rancho El Conejo, being Station "J.E. 16" of said Tract 1, as set apart in severalty to John Edwards by the decree of the District Court of the Seventeenth Judicial District of the State of California, in and for the County of Los Angeles, in that certain action entitled "John Edwards, et al., Plffs., vs. M. N. Pinkard, et al., Defts.", brought for the purpose of partitioning said Rancho El Conejo, a certified copy of said decree being recorded in Book 1, Page 748, of Deeds; said point of beginning being the southeast corner of that certain parcel of land conveyed to E. M. Glass by deed dated February 7, 1927; thence along the south line thereof,
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> 1st: West 231.18 chains to a point in the boundary line between Sections 1 and 2, Township 1 North, Range 19 West, Rancho El Conejo; thence,
>
> 2nd: South 86.97 chains along the boundary line between Sections 1 and 12, Township 1 North, Range 19 West, Rancho El Conejo, on the east, and Sections 2 and 11, said Township and Range, on the west, to a post in mound of rocks marked "E.S. No. 2 & H.W.M. No. 8" at the northeast corner of "Tract No. 4, E. S. Newberry", as shown upon the above described partition map of said Rancho El Conejo, being the northwest corner of that certain parcel of land set apart and distributed to Andrew D. Russell by decree of the Superior Court of the State of California, in and for the County of Ventura, in the matter of the Estate of Hannibal M. Russell, deceased, a certified copy of said decree being recorded in Book 33, Page 343, of Deeds; thence,

3rd: East 218.80 chains to a white oak tree marked "J.E. 15" and "H.W.M. 7" at a point in the boundary line between said Rancho El Conejo and said Rancho Simi, being the northeast corner of "Tract 2, H. W. Mills", as shown upon said partition map of said Rancho El Conejo; thence,

4th: North 8° 06' east 86.85 chains to the point of beginning.

EXCEPTING THEREFROM the west 1316.74 acres thereof as conveyed to Hearst Sunical Land and Packing Corporation, a corporation, by deed recorded June 4, 1936, in Book 493, Page 270, of Official Records.

This assignment is subject to the written consent thereto by The Albertson Company, in accordance with the terms of said Mining Lease.

Dated: August 6, 1951.

Earle W. Gard (signed)
(Earle W. Gard)

Marguerita Dinsmore Gard (signed)
(Marguerita Dinsmore Gard)

- - - - - - -

CONSENT TO ASSIGNMENT

THE ALBERTSON COMPANY, a California corporation, Lessor in that certain Mining Lease dated August 6, 1951, wherein Earle W. Gard is the Lessee, does hereby consent to the foregoing assignment of said Mining Lease by Earle W. Gard and Marguerita Dinsmore Gard, husband and wife, to El Conejo Mining Company, a California corporation, upon condition that El Conejo Mining Company shall in writing (1) assume the obligations of said Mining Lease, (2) agree to be bound by all of the terms and conditions thereof, and (3) undertake to perform all of the obligations of the Lessee under its terms. Upon compliance with such conditions by said El Conejo Mining Company,

Earle W. Gard shall be released of all his individual obligations as the Lessee in said Mining Lease. This consent is given on the further condition that no other assignment of said Mining Lease shall be made except with the prior written consent of the undersigned, it being the intention of the undersigned that its consent to this particular assignment shall not operate as a waiver of any of the provisions of Paragraph XIV of said Mining Lease.

Dated: August 6, 1951.

THE ALBERTSON COMPANY

Attest:

By F. S. Albertson (signed)
President

(Seal) C. L. Austin (signed)
Secretary

- - - - - -

ASSUMPTION OF LEASE

In consideration of the foregoing assignment of the above-described Mining Lease dated August _____, 1951, and in consideration of the foregoing consent thereto by The Albertson Company, the undersigned, EL CONEJO MINING COMPANY, does hereby (1) assume the obligations of said Mining Lease, (2) agree to be bound by all of the terms and conditions thereof, and (3) undertake to perform all of the obligations of the Lessee under its terms.

Dated: August _____, 1951.

EL CONEJO MINING COMPANY

Attest:

By_____
President

_____
Secretary

STATE OF CALIFORNIA)
: ss.
County of Los Angeles)

On this 6th day of August, 1951, before me, the undersigned, a Notary Public in and for said County and State, personally appeared EARLE W. GARD and MARGUERITA DINSMORE GARD, known to me to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

(signed) Brainard B. Parsons (Seal)
Notary Public in and for said
County and State

My Commission Expires Feb. 17, 1953

STATE OF CALIFORNIA)
: ss.
County of Los Angeles)

On this 8th day of August, 1951, before me, the undersigned, a Notary Public in and for said County and State, personally appeared F. S. Albertson, known to me to be the President, and C. L. Austin, known to me to be the Secretary of THE ALBERTSON COMPANY, the corporation that executed the within instrument, known to me to be the persons who executed the within instrument on behalf of the corporation herein named, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

(signed) N. Halliday (Seal)
Notary Public in and for said
County and State

My Commission Expires Oct. 3, 1952

STATE OF CALIFORNIA)
: ss.
County of Los Angeles)

On this _____ day of _____, 1951, before me, the undersigned, a Notary Public in and for said County and State, personally appeared _____, known to me to be the President, and _____, known to me to be the Secretary of EL CONEJO MINING COMPANY, the corporation that executed the within instrument, known to me to be the persons who executed the within instrument on behalf of the corporation herein named, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

_____
Notary Public in and for said
County and State

My Commission Expires _____

State of California

Office of the
Secretary of State

I, FRANK M. JORDAN, Secretary of State of the State of California, hereby certify:

That I have compared the annexed transcript with the RECORD *on file in my office, of which it purports to be a copy, and that the same is a full, true and correct copy thereof.*

IN WITNESS WHEREOF, *I hereunto set my hand and affix the Great Seal of the State of California, at Sacramento, this* 7th day of September, 1951.

Secretary of State

By _____ *Deputy*

ENDORSED
FILED
In the office of the Secretary of State
of the State of California
SEP 7 - 1951
FRANK M. JORDAN, Secretary of State
By STACY M. ASPEY
Deputy

256693

ARTICLES OF INCORPORATION OF

EL CONEJO MINING COMPANY

ONE: The name of this corporation is:

EL CONEJO MINING COMPANY

TWO: The purposes for which this corporation is formed are:

(a) To buy, lease, and otherwise acquire mines, mining rights, quarries, and mineral lands and claims of every kind, nature, and description, and to work, mine, prospect, develop, and promote the same; to mine, quarry and excavate gold, silver, copper and other ores and metals and minerals of all descriptions; to buy,lease, and contract for, gold silver, copper and other ores and metals and minerals of all descriptions.

(b) To buy, lease, construct, own, control, operate, and maintain mills, works, and plants for the crushing, sampling, milling, smelting, reduction, roasting, treating with chemicals, and concentration of minerals and metal bearing ores, and the extraction therefrom of all kinds of metals and mineral products and by-products, on its own account and as factor and agent for others.

(c) To carry on the business of mining, milling, concentrating, converting, smelting, roasting, treating, preparing for market, reducing, buying, selling and merchandising in gold, silver, copper, and other metals and metallic compounds, and all products and by-products of all ores and minerals.

(d) To engage in anyone or in other business or transaction which the Board of Directors of this corporation may from time to time authorize or approve whether related or unrelated to the business described in (a) above or to any other business then or theretofore done by this corporation.

(e) To exercise any and all rights and powers which a

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LOS ANGELES

corporation may now or hereafter exercise.

(f) To act as principal agent, joint venturer, partner or in any other capacity which may be authorized or approved by the Board of Directors of this corporation.

(g) To transact business in the State of California or any other jurisdiction of the United States of American or elsewhere in the world.

(h) The primary business in which the corporation is to initially engage is that of mining copper, nickel and other ores and metals and minerals.

The foregoing statement of purposes shall be construed as a statement of both purposes and powers and the purposes and powers in each clause, shall except where otherwise expressed, be in nowise limited or restricted by reference to or inference from the terms or provisions of any other clause, but shall be regarded as independent purposes and powers.

PRINCIPAL OFFICE

THREE: The county in the state of California where the principal office for the transaction of business of this corporation is to be located is Los Angeles County.

AUTHORIZED STOCK

FOUR: This corporation is authorized to issue two classes of shares of stock to be designated respectively "preferred" and "Common"; the total number of shares which this corporation shall have authority to issue is 15,000, and the aggregate par value of the shares that are to have par value shall be FIFTY THOUSAND DOLLARS ($50,000.00); and (a) the number of preferred shares that are to have a par value shall be 5,000 and the par value of each share of such class shall be TEN DOLLARS ($10.00), and (b) the number of common shares that are to be without par value shall be 10,000.

PREFERENCES

FIVE: A statement of the preferences, privileges and restrictions granted to or imposed upon the respective classes of shares or the holders thereof is as follows:

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LOS ANGELES

(a) Liquidation Preferences. In the event of (1) a voluntary liquidation, dissolution or winding up of this corporation, the holders of preferred shares shall be entitled to receive, out of the assets of this corporation, whether such assets are capital or surplus, an amount equal to $10.00 per share before any payment shall be made or any assets distributed to the holders of common shares; or (2) an involuntary liquidation, dissolution or winding up of this corporation, the holders of preferred shares shall be entitled to receive, out of the assets of this corporation, whether such assets are capital or surplus, an amount equal to $10.00 per share before any payment shall be made or any assets distributed to the holders of common shares. If upon such liquidation, dissolution or winding up of this corporation, whether voluntary or involuntary, the assets thus distributed among the holders of preferred shares shall be insufficient to permit the payment to such shareholders of the full preferential amounts aforesaid, then the entire assets of this corporation to be distributed shall be distributed ratably among the holders of preferred shares. After payment or distribution to the holders of preferred shares of the full preferential amounts aforesaid, the holders of common shares shall be entitled to receive, ratably, all remaining assets of this corporation. A consolidation or merger of this corporation with or into any other corporation or corporations shall not be deemed to be a liquidation, dissolution or winding up, within the meaning of this clause.

(b) Redemption Provisions. This corporation, at the option of the Board of Directors may redeem in whole, or from time to time may redeem any part of the preferred shares at any time by paying therefore in cash $10.00 for each share issued and outstanding, on the date fixed for redemption, such

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sum being hereinafter sometimes referred to as the redemption price. In case of the redemption of a part only of the outstanding preferred shares, this corporation shall designate by lot, in such manner as the Board of Directors may determine, the shares to be redeemed, or shall effect such redemption pro rata. At least ten (10) days previous notice by mail, postage prepaid, shall be given to holders of record of the preferred shares to be redeemed, such notice to be addressed to each such shareholder at his postoffice address as shown by the records of this corporation. On or after the date fixed for redemption and stated in the notice, each holder of preferred shares called for redemption shall surrender his certificate for such shares to this corporation at the place designated in such notice, and shall thereupon be entitled to receive payment of the redemption price. In case less than all of the shares represented by any such surrendered certificate are redeemed, a new certificate shall be issued representing the unredeemed shares. If such notice of redemption shall have been duly given, and if on the date fixed for redemption, funds necessary for redemption shall be available therefor then notwithstanding that the certificates evidencing any preferred shares so called for redemption shall not have been surrendered, all rights with respect to the shares so called for redemption shall forthwith after such date cease and determine, except only the right of the holders to receive the redemption price thereof without interest upon surrender of their certificates therefor.

(c) Protective Provisions. As long as any preferred shares are outstanding, the corporation shall not, without the approval (by vote or written consent, as provided by law) of the holders of two-thirds of the outstanding preferred shares:

(1) Amend or repeal any provision of, or add any provision to, the corporation's Articles of Incorporation

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LOS ANGELES

(which term shall include certificates of determination of preferences, and any future agreements of consolidation or merger) if such action would alter or change the preferences, rights, privileges or powers of, or the restrictions provided for the benefit of, any preferred shares so as to affect such preferred shares adversely; or

(2) increase the authorized number of preferred shares over 5,000; or

(3) authorize or create shares of any class of stock having any preference or priority as to dividends or assets superior to or on a parity with any such preference or priority of the preferred shares, or authorize or create shares of stock of any class or any bonds, debentures, notes or other obligations convertible into or exchangeable for, or having optional rights to purchase, any shares of stock of the corporation having any such preference or parity; or

(4) reclassify any common shares or any other shares of stock hereafter created junior to the preferred shares as to dividends or assets into preferred shares having any preference or priority as to dividends or assets superior to or on a parity with that of the preferred shares; or

(5) make any provision in the corporation's by-laws fixing special qualifications of persons who may be holders of preferred shares or any restrictions upon the right to transfer or hypothecate preferred shares, except any provisions required by the laws of the State of California or of the United States of America; or

(6) effect the merger or consolidation of the corporation, unless the resulting corporation (which may be the corporation or another corporation) will have,

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LOS ANGELES

after such merger or consolidation, no stock either authorized or outstanding ranking prior to or on a parity with the preferred shares as to dividends or assets, except the same number of shares of stock with the same preferences, rights, powers, privileges and restrictions as those of the stock of the corporation authorized and outstanding immediately prior to such merger or consolidation, and unless each holder of preferred shares immediately prior to such merger or consolidation shall retain or receive the same number of shares of the resulting corporation which shares so received shall be entitled to the same preferences, rights, powers and privileges and the benefit of the same restrictions; or

(7) sell, lease, convey, exchange, transfer or otherwise dispose of all or substantially all of the property and assets of the corporation.

(d) Provisions Relating to Common Stock. The holders of common shares issued and outstanding, except where otherwise provided by law or by these Articles of Incorporation, shall have and possess the exclusive right to notice of shareholders' meetings and the exclusive voting rights and powers, and the holders of the preferred shares shall not be entitled to any notice of shareholders meetings or to vote upon the election of directors or upon any questions affecting the management or affairs of this corporation, except where such notice or vote is required by law, or by these Articles of Incorporation.

Dividends may not be paid on common shares until after the redemption of all outstanding preferred shares.

DIRECTORS

SIX: (a) The number of directors of this corporation shall be three (3).

(b) The names and addresses of the persons who

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LOS ANGELES

are appointed to act as the first directors of this corporation are:

NAME	ADDRESS
EARLE W. GARD	617 South Olive Street Los Angeles, California
EARLE W. GARD, JR.	617 South Olive Street Los Angeles, California
EMMETT E. DOHERTY	612 South Flower Street Los Angeles, California

The number of directors of said corporation may be changed from time to time by amendment of the Articles or by a By-law duly adopted by the shareholders, or as otherwise provided by the laws of the State of California.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of California, we, the undersigned, constituting the incorporators of this corporation, including the persons named hereinabove as the first directors of this corporation have executed these Articles of Incorporation this 6th day of August, 1951.

Earle W. Gard

Earle W. Gard

Earle W. Gard, Jr.

Earle W. Gard, Jr.

Emmett E. Doherty

Emmett E. Doherty

EMMETT E. DOHERTY
LOS ANGELES

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

On this 6th day of August, 1951, before me, ORETA M. POST, a Notary Public in and for said County and State, residing therein, duly commissioned and sworn, personally appeared EARLE W.GARD, EARIE W.GARD, JR., and EMMETT E. DOHERTY, known to me to be the persons whose names are subscribed to the foregoing Articles of Incorporation, and acknowledged to me that they executed the same.

WITNESS my hand and official seal.

(SEAL)

Oreta M. Post
Notary Public in and for the County of Los Angeles, State of California

My Commission Expires August 4, 1954

EMMETT E. DOHERTY
LOS ANGELES

NOTARY'S CERTIFICATE

The undersigned, a Notary Public in and for the County of Los Angeles, State of California, does hereby certify that the attached Mining Lease dated August 6, 1951, and the attached Assignment of said Mining Lease, Consent to Assignment and Assumption of Mining Lease are true and correct conformed copies of documents which have been fully executed and acknowledged as indicated, and delivered to Leroy A. Garrett, Esq., of 621 South Spring Street, Los Angeles, California, as Escrow Holder, under the terms of escrow instructions jointly signed by The Albertson Company and Earle W. Gard and Marguerita Dinsmore Gard, which direct said Escrow Holder (1) to deliver the executed copies of said documents to the respective parties if within thirty (30) days from and after August 6, 1951 he has been presented with satisfactory evidence of the due and lawful incorporation of El Conejo Mining Company under the laws of the State of California, the lawful issuance of all outstanding shares of its capital stock, and of its having adequate funds through the issuance of capital stock for a specified minimum cash aggregate and/or a firm loan commitment in a specified minimum amount; or (2) if satisfactory evidence as described above is not presented to said Escrow Holder within said 30-day period, to destroy the signatures on all documents held in escrow and to return them to The Albertson Company.

Dated: August 8, 1951.

Helen L. Suter

Notary Public in and for the
County of Los Angeles, State
of California

MINING LEASE

The Albertson Company,
a corporation

and

Earle W. Gard

Dated: August 6, 1951

8-3-51

MINING LEASE

THIS LEASE, made at Los Angeles, California, this 6th day of August, 1951, between THE ALBERTSON COMPANY, a California corporation, Lessor, and EARLE W. GARD, Lessee;

WITNESSETH:

WHEREAS, Lessee desires to lease from Lessor certain mineral rights, other than the hydrocarbon rights, on the leased land (as hereinafter defined);

NOW, THEREFORE, in consideration of the sum of Ten Dollars ($10.00) paid by Lessee to Lessor, the receipt of which is hereby acknowledged, and in consideration of the faithful performance by Lessee of each and all of the covenants, terms and conditions herein set forth, Lessor does hereby lease to Lessee the mining rights specified below on the real property (hereinafter called the "leased land") situated in the County of Ventura, State of California, more particularly described on the attached Exhibit A, for a term of twenty (20) years from and after the date hereof (unless sooner terminated as hereinafter provided) for the purpose only of prospecting, exploring, mining, extracting, milling and removing merchantable shipping mineral ore or concentrates, upon the terms and conditions set forth herein, EXCEPTING AND RESERVING unto Lessor all hydrocarbons which are or which hereafter may be found on, in or under the leased land, all rights not inconsistent with Lessee's said mining rights, and without limiting the generality of the foregoing, Lessor specifically excepts and reserves the grazing, agricultural, horticultural, viticultural and photographing rights and the right to explore

for and to drill for and produce oil, gas and other hydrocarbons and the right to grant easements and rights of way over, under, upon or across the leased land for pipe lines, cable lines, pole lines, roadways and other public uses.

This Lease shall be SUBJECT to:

(1) the covenants hereinafter set forth;

(2) existing covenants, conditions, restrictions, reservations, rights and rights of way and easements; and

(3) any lease or any other agreement, whether now existing or subsequently made, relating to oil, gas or other hydrocarbons.

I

From and after the date hereof and thereafter during the continuance of this Lease the Lessee, subject, however, to the terms, provisions, covenants, exceptions and reservations set forth in this instrument, (i) shall have the right to the non-exclusive possession of the leased land for the limited purposes set forth above, and (ii) shall have the sole and exclusive right to prospect, explore, develop, mine and work the leased land for the limited purposes set forth in this instrument. All work done upon the leased land by the Lessee shall be done in a good and minerlike fashion, but all such work shall at all times be under the sole control of and in accordance with the exercise of the discretion and judgment of the management of Lessee as to the place, method and manner of operation, except as is otherwise particularly specified in this instrument.

II

Lessee is cognizant of the facts (i) that the leased land and the contiguous lands of Lessor, comprising in all approximately seventeen thousand (17,000) acres, are useful for purposes other than mining, to wit: in making motion pictures, grazing and feeding livestock, and farming, and (ii) that the

leased land and said contiguous lands have a considerable present and prospective value as residential property due, among other things, to their scenic beauty, their proximity to the City of Los Angeles, and their freedom from the atmospheric pollution and the noises of the metropolitan area of Los Angeles County. In view of those circumstances and to preserve the usefulness and the value of the surface of the leased land and said contiguous lands and also to prevent injury to property in the vicinity of the leased land, Lessee agrees:

(A) To do everything practical in its operations and to use its best efforts to eliminate or minimize noise, dust, fumes and odors, and to dispose of tailings and other debris and water in a manner to be approved by Lessor so as to cause the least injury to the scenic value and usefulness of the leased land and said contiguous lands;

(B) To prevent the escape into the atmosphere of noxious gases;

(C) Not to mine by stripping the surface and not to construct or operate a smelter, refinery or chemical plant on the leased land;

(D) To keep the leased land free of combustible waste and debris in order to prevent fires;

(E) That the location of all buildings, ditches, drains, vehicular roads and other surface improvements shall be subject to the approval of Lessor;

(F) To enclose its operations by fencing or to otherwise adequately protect livestock from being injured as a result of Lessee's operations.

At the present time Lessor is watering cattle from the old mine shaft on the leased land. That water is potable for cattle. Lessor reserves the right to use water from said

shaft in order to water all the livestock that the leased land will carry, but if Lessee should desire to cut off the present supply of water from the old mine shaft it may do so upon condition that it first substitute an equivalent amount of water equally suitable for watering said livestock. Lessor shall also have the right to use and/or sell all water developed by Lessee in Lessee's operations in excess of the amount consumed by Lessee in its operations. Said excess water or any part thereof may be taken by Lessor at the point of development on ten (10) days' written notice given from time to time to Lessee and may be used and/or sold by Lessor for its own account for any purposes on or off the leased land.

III

Lessor makes no covenant or warranty, express or implied, that the leased land contains minerals or that Lessor has title to the mining rights. Lessor does warrant, however, that it has not heretofore disposed of the mining rights leased hereunder.

IV

During the exploration period and for a reasonable time subsequent to the expiration of the exploration period until a road can be built, Lessee may use existing ranch roads connecting Simi Road with the leased land. Thereafter Lessee shall be entitled to the non-exclusive use of a right-of-way for road purposes twenty (20) feet in width, between Simi Road and Lessee's operations over a course to be designated by Lessor, which shall be Lessee's exclusive means of surface ingress and egress to the leased land; provided, Lessor reserves the right to change the course of said right-of-way from time to time. Lessee agrees to construct and maintain said road and any changes therein at its expense. Upon the

demand of Lessor Lessee shall fence said road and install gates and cattle guards in line fences and cross fences. Said fences, gates and cattle guards shall be constructed in accordance with Lessor's specifications. Said fences, gates and cattle guards shall be constructed, installed and maintained at the cost and expense of Lessee. Lessee agrees to comply with Lessor's regulations concerning the closing and locking of gates.

V

Lessee shall have a period of six (6) months from the date hereof within which to conduct exploratory work on the leased land for the purpose of determining whether or not the leased land may or may not contain minerals. This exploratory work may be made by diamond drilling or any other appropriate method except stripping the surface. Lessee shall commence said exploratory work within two (2) months from date and shall expend not less than Fifteen Thousand Dollars ($15,000.00) on said exploratory work within said period of six (6) months unless Lessee sooner elects to commence mining operations. Lessee shall furnish all the information available to Lessee on the exploratory work as it progresses, including assays, assay maps, split core samples and sludge samples. Lessor may retain and use said information. Exploratory work shall mean penetration of the surface either by drilling or by underground work if the same shall be diligently continued.

VI

Lessee shall commence mining operations by beginning development work within six (6) months from the date hereof and shall continue mining operations diligently and uninterruptedly thereafter until the termination of the Lease.

VII

Lessee shall pay Lessor a royalty at the following rates on all ores extracted from the leased land during the term of this Lease. The term "ores" includes any mineral product (extracted by Lessee under the applicable provisions of this Lease) in the form in which it emerges from the mine.

On ores valued at Fifteen Dollars ($15.00) per ton or less the royalty rate shall be nine per cent (9%).

On ores valued at more than Fifteen Dollars ($15.00) per ton the royalty rate shall be graduated upward from nine per cent (9%) to the nearest hundredth of a per cent by ore value brackets of One Dollar ($1.00) per ton each according to the following formula:

x = the royalty rate

a = the upper limit of the bracket

$$x = \frac{.09(15) + [(.09 + .0025(a-15))(a-.5-15)]}{a-.5}$$

The royalty rates for ore values up to Seventy-four Dollars ($74.00) per ton are shown in Exhibit B attached hereto.

The ore value per ton of each lot of ore sold shall be the gross value thereof per dry ton based on the dry weight and assays used in computing the purchaser's returns for the lot and on full quoted market prices or selling prices, whichever are higher, of the contained salable products. The value per ton of each lot of materials sold from the dump and of each lot of other loose materials sold shall be computed in like manner.

The ore value per ton of each lot of concentrates or other beneficiated ore, including by-products, sold shall be the gross value per dry ton of the ore beneficiated during the period of thirty (30) days next preceding the date of delivery of said lot to the purchaser. Said gross value per dry ton shall be the weighted average of the grade of ore beneficiated during said period as determined from daily weights and moisture tests of all

the ore entering the mill during said period and from daily assays of representative grab samples of said ore. The salable products contained in said ore shall be priced at the full quoted market prices or selling prices, whichever are higher, in effect when said lot is delivered to the purchaser.

The word "ton" shall mean a short ton of two thousand (2,000) pounds avoirdupois.

Royalty shall be payable on the net returns from each sale. Said net returns in the case of sales to a custom smelter or refinery shall be the gross payments receivable by Lessee less

(a) deductions by the purchaser for

(i) treatment,
(ii) sampling, and
(iii) penalties, and

(b) less costs of transportation by common carrier from the shipping point;

but for the purpose of computing Lessor's royalty the gross payments shall be based upon prices which are not less than the reasonable market value of the salable products.

In the case of sales to a purchaser other than a custom smelter or refinery the net returns for the purpose of computing Lessor's royalty shall be determined as above except that the amount before deduction of costs of transportation by common carrier from the shipping point shall not be less than sixty-five per cent (65%) of the reasonable market value of the salable products.

The reasonable market value of metals shall be the Engineering and Mining Journal quotations of prices in effect at the time of settlement.

In computing the net returns upon which royalty is based no deduction shall be made for mining, milling, or any other costs incurred on or off the leased land, or for costs of

transportation to shipping point of a common carrier, or for storage, demurrage, handling, insurance or marketing costs, or for any other costs or expenses other than those specifically allowed as deductions herein.

Lessee shall pay Lessor an additional royalty on all payments of premiums, subsidies, bonuses and the like received by Lessee from any government or government agency. If any such payment can be allocated to a particular sale, the royalty rate on said payment shall be equal to the royalty rate on that particular sale; or if not, the royalty rate on said payment shall be equal to the average royalty rate for the period to which the payment is applicable (said average royalty rate being a weighted average according to the amounts of money upon which royalties were paid during said period); or if any such payment cannot be allocated to a particular sale or to any period, then the royalty rate on said payment shall be equal to the royalty rate of the last royalty payment made by Lessee prior to its receipt of the government payment.

Lessee shall pay royalties to Lessor when and as payments for sales and when and as payments of premiums, subsidies, bonuses and the like are received by Lessee, but in any event royalties on sales shall be payable to Lessor no later than one (1) month after delivery of each lot to the purchaser regardless of whether Lessee has received payment by that time. At the election of Lessor to be exercised from time to time, royalty payments shall be made directly by the purchaser to Lessor and deducted by the purchaser from the purchaser's settlements with Lessee. When royalty payments are made, Lessee shall furnish Lessor with a copy of the purchaser's returns.

VIII

Commencing at the expiration of six (6) months from the date hereof, Lessee shall pay Lessor a minimum annual

royalty of Six Thousand Dollars ($6,000.00) for and during the first year thereafter, and of Eighteen Thousand Dollars ($18,000.00) for and during each of the eighteen (18) succeeding royalty years and of Nine Thousand Dollars ($9,000.00) for and during the period of the last six (6) months of the twenty (20) year term of this Lease. If this Lease shall be terminated sooner, the minimum royalty for the fractional year in which termination occurs shall be prorated to the date of termination. The first royalty year shall be a period of twelve (12) months commencing at the expiration of six (6) months from the date hereof, and each subsequent period of twelve (12) months and the final period of six (6) months shall be a separate royalty year so that each royalty year shall stand by itself. If at the end of any month during a royalty year no royalty for that year has been paid to Lessor under paragraph VII or if the aggregate royalty paid to Lessor for that year under paragraph VII has not been as much as the proportionate part of the annual minimum royalty up to that time computed at the rate of Five Hundred Dollars ($500.00) a month for the first royalty year and at the rate of Fifteen Hundred Dollars ($1500.00) a month for nineteen (19) succeeding royalty years, then Lessee shall pay the deficiency to Lessor at the end of said month so that at the end of each month during each royalty year Lessor shall have received at least its said proportionate part of the minimum annual royalty. At the end of each royalty year adjustment shall be made between Lessor and Lessee so that the royalty payable to Lessor for and during that year will be the amount payable under paragraph VII or the minimum annual royalty, whichever is greater.

IX

Lessor at all times shall have a continuing lien upon all the ores, metals and minerals mined, om all processed mineral products and on all improvements, machinery and equipment placed

on the leased land as security for any unpaid sums of money due Lessor under this Lease. Lessor agrees, however, to subordinate said lien to any claims of the United States government or any agency thereof, upon the written request of Lessee, provided Lessee shall first furnish Lessor with a bond executed by sureties satisfactory to Lessor guaranteeing the payment of the minimum royalty for the duration of the subordination.

X

Taxes on the mineral rights, other than the hydrocarbon rights, which are assessed or levied upon or become a lien against the leased land during the term of this Lease shall be prorated between Lessor and Lessee. Lessor's portion shall be equal to the weighted average of the royalty rates for payments made to Lessor during the period of twelve (12) months ended June 30th next preceding the date when the first installment of said taxes becomes due; and the Lessee shall pay the balance. If no payments based on shipments have been made to Lessor during said period, then said taxes shall be paid, nine per cent (9%) by Lessor and ninety-one per cent (91%) by Lessee. Lessee shall pay Lessee's share of each installment of said taxes on or before the first day of the month in which the installment would become delinquent.

Mineral severance taxes, if any, other than severance taxes applicable to hydrocarbons, shall be prorated and paid in like manner.

Lessee shall pay all taxes on Lessee's improvements and personal property before delinquency.

XI

Lessee shall be liable for any and all injuries or deaths to persons or injury to or destruction of property resulting from Lessee's use, misuse or neglect of the leased

land. Lessee shall indemnify Lessor and hold Lessor harmless from and against any and all claims for damages by reason of any such injury, death or destruction including costs of defense and the reasonable fees of Lessor's attorney. Lessee shall indemnify Lessor for any and all loss sustained by Lessor to its livestock, feed, crops, trees or improvements on the leased land and Lessor's contiguous lands comprising in all approximately seventeen thousand (17,000) acres, arising from Lessee's operations.

XII

Lessee shall carry workmen's compensation and employer's liability insurance. Lessee shall also carry general liability insurance protecting Lessor against loss arising from claims for damages arising from occurrences in connection with Lessee's operations and shall name Lessor as an additional assured. The bodily injury liability limits shall be at least $100,000 for each person and $300,000 for each occurrence and the property damage liability limit shall be at least $100,000 for each occurrence. The policies shall be written by companies acceptable to Lessor and Insurance Certificates shall be delivered to Lessor stating, among other things, that the insurance company will give at least ten (10) days' notice of cancellation to Lessor.

It is contemplated that Lessor shall obtain war risk insurance when, as and if the same is obtainable and that such war risk insurance shall cover only the Lessor's full insurable interest in and to the leased land together with contiguous lands of the Lessor (comprising in all approximately seventeen thousand (17,000) acres,) plus the improvements and personal property thereon. The parties realize that the possibility of war damage to the said property of the Lessor might be substantially increased as the result of Lessee's operations and for that reason Lessee shall pay the cost thereof even though it has no

interest in and to the proceeds payable under such war risk insurance. All insurance, including said war risk insurance, specified to be carried hereunder, shall be at the cost and expense of Lessee.

XIII

Lessee may store minerals or concentrates on the leased land for a period not exceeding thirty (30) days. No purchaser of minerals, concentrates or any other mined product shall store the same on the leased land at any time.

XIV

Lessee shall not assign this Lease, nor sublet the leased land, nor permit others to occupy the leased land or any part thereof, nor suffer this Lease to be assigned by operation of law, without the written consent of Lessor first obtained.

XV

Lessee agrees to comply with all laws and ordinances affecting its operations. All operations carried on by Lessee on the leased land shall be at Lessee's own cost and expense. Lessee shall pay promptly all bills and accounts for labor, materials, supplies, equipment, service and utilities furnished to Lessee in connection with Lessee's operations and not suffer or permit any liens to be filed against the leased land. Lessee shall post and keep posted on the leased land such notices of non-responsibility as may be supplied to Lessee by Lessor. Lessee shall indemnify Lessor against claims of lien, including cost of suit and the reasonable fees of Lessor's attorney.

XVI

Lessee shall be excused from continuing mining operations in the event of unavoidable accidents, strikes, acts of God, wars or governmental orders which make it impossible for

Lessee to continue, but operations shall be resumed promptly as soon as the cause of suspension is removed. Payments of minimum royalties under paragraph VIII shall continue in any event, however.

XVII

Lessee shall keep full and accurate records and accounts of Lessee's production, shipments, sales, receipts and disbursements. Lessor or its representative authorized in writing shall have free access to said records and accounts at all reasonable times for the purpose of inspecting and verifying the same and making and retaining copies thereof. Lessor or its representative authorized in writing shall also have the right at all reasonable times of entering upon and into all parts of the leased land, including the mill and underground workings, to inspect the operations of Lessee and to take samples and test scales.

XVIII

Should Lessee fail in any respect to comply fully with the terms and provisions of this Lease, including failure to pay royalties when due, and should Lessor notify Lessee in writing of the matters in regard to which default is asserted, and if Lessee does not cure such default within thirty (30) days after the giving of such notice, then Lessor may terminate this Lease at any time thereafter during the continuance of such default by giving written notice to Lessee of such election to terminate.

XIX

In the event of the insolvency of Lessee or in the event Lessee is adjudged bankrupt or in the event Lessee makes an assignment for the benefit of creditors or in the event a receiver is appointed for Lessee or in the event of the levy of an attachment or execution upon the interest of Lessee herein which remains unsatisfied or is not released within five (5)

days from and after the levy thereof or in the event Lessee becomes a corporation not in good standing, then in any such event this Lease may be terminated immediately by Lessor without notice, and all right, title, interest and claim of Lessee in and to the leased land shall thereupon cease and terminate.

XX

At any time after, but not before, Lessee has expended Fifteen Thousand Dollars ($15,000.00) in conducting underground work on the leased land under the applicable provisions of paragraphs V or VI, or both, Lessee, upon payment to Lessor of the sum of Ten Dollars ($10.00) may terminate this Lease by written notice given to Lessor not less than thirty (30) days prior to the date of termination to be specified in said notice. Upon the giving of any such notice, this Lease shall terminate on the effective date of termination specified in said notice, without liability attaching to either party hereto, except the liability of Lessee to clean up the leased land, and with respect to liabilities accrued at said effective date of termination.

XXI

Upon any termination of this Lease, Lessee shall peaceably quit the leased land and remove all of Lessee's personal property and the mill, buildings, machinery, equipment and other property placed upon the leased land by Lessee, shall fill all holes, and insofar as reasonably possible, restore the surface of the ground to the same condition it was in at the commencement of this Lease. At Lessor's written request, Lessee shall also close all shafts, tunnels and other openings. Mine timbers shall be left in the ground. Lessee shall furnish Lessor when the Lease is executed with a clean-up bond in the sum of Five Thousand Dollars ($5,000.00) and will maintain said bond in effect and pay the premiums

thereon until the termination of the Lease. Upon any termination of this Lease, Lessee shall execute and deliver to Lessor a quitclaim deed of the leased land. No termination of this Lease shall affect the right of Lessor to recover from Lessee any sums of money payable to Lessor under the terms hereof on account of the operations of Lessee hereunder up to the date of termination.

XXII

If Lessee fails to pay Lessee's share of taxes before delinquency or suffers or permits other liens to be placed on the leased land or fails to pay premiums on insurance policies or bonds before the same become delinquent, then Lessor may pay the same with penalties, interest and costs, if any, and the amount so paid shall be due and payable to Lessor immediately and shall bear interest at the rate of ten per cent (10%) per annum from the date of advance until paid.

XXIII

All sums of money payable hereunder shall be paid in lawful money of the United States. If any action be brought by either party to enforce any provision of this Lease or to recover damages for any breach thereof, the prevailing party may recover costs and reasonable attorney's fees from the losing party.

XXIV

Time is the essence of this Lease. Lessor's waiver of a breach shall not constitute a continuing waiver or a waiver of any other breach and Lessor's remedies shall be cumulative.

XXV

Any notice or communication required or permitted hereunder shall be effective when personally delivered or shall be effective when addressed to Lessor at 5225 Wilshire Boulevard, Los Angeles 36, California, or to Lessee at 617 S. Olive St., Los Angeles, Calif.,

as the case may be, and deposited, postage prepaid and registered, in the United States mail. Either party may, by notice to the other given as aforesaid, change its mailing address for further notices hereunder.

XXVI

This Lease shall bind and benefit the successors and assigns of the parties.

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

THE ALBERTSON COMPANY

Attest: By J. S. Albertson (signed)
Its President

(SEAL) C. L. Austin (signed)
Its Secretary

L E S S O R

Earle W. Gard (signed)
(Earle W. Gard)

L E S S E E

EXHIBIT A

The expression "leased land" as used in the foregoing instrument, shall mean and include the real property in the County of Ventura, State of California, described as follows:

Part of the parcel of land in the Rancho El Conejo, in the County of Ventura, State of California, delineated "Tract 1, J. Edwards" on the map of the partition survey of said Rancho El Conejo, recorded in Book 1, Page 746, of Deeds, in the office of the County Recorder of said County, and described as:

Beginning at a point in the boundary line between the Rancho El Conejo and the Rancho Simi, distant south 8° 06' west 28.88 chains from a manzanita post set in rock mound at Station No. 8 of the survey made in partition of said Rancho El Conejo, being Station "J.E. 16" of said Tract 1, as set apart in severalty to John Edwards by the decree of the District Court of the Seventeenth Judicial District of the State of California, in and for the County of Los Angeles, in that certain action entitled "John Edwards, et al., Plffs., vs. M. N. Pinkard, et al., Defts.", brought for the purpose of partitioning said Rancho El Conejo, a certified copy of said decree being recorded in Book 1, Page 748, of Deeds; said point of beginning being the southeast corner of that certain parcel of land conveyed to E. M. Glass by deed dated February 7, 1927; thence along the south line thereof,

1st: West 231.18 chains to a point in the boundary line between Sections 1 and 2, Township 1 North, Range 19 West, Rancho El Conejo; thence,

2nd: South 86.97 chains along the boundary line between Sections 1 and 12, Township 1 North, Range 19 West, Rancho El Conejo, on the east, and Sections 2 and 11, said Township and Range, on the west, to a post in mound of rocks marked "E.S. No. 2 & H.W.M. No. 8" at the northeast corner of "Tract No. 4, E. S. Newberry", as shown upon the above described partition map of said Rancho El Conejo, being the northwest corner of that certain parcel of land set apart and distributed to Andrew D. Russell by decree of the Superior Court of the State of California, in and for the County of Ventura, in the matter of the Estate of Hannibal M. Russell, deceased, a certified copy of said decree being recorded in Book 33, Page 343, of Deeds; thence,

3rd: East 218.80 chains to a white oak tree marked "J.E. 15" and "H.W.M. 7" at a point in the boundary line between said Rancho El Conejo and said Rancho Simi, being the northeast corner of "Tract 2, H. W. Mills", as shown upon said partition map of said Rancho El Conejo; thence,

4th: North 8° 06' east 86.85 chains to the point of beginning.

EXCEPTING THEREFROM the west 1316.74 acres thereof as conveyed to Hearst Sunical Land and Packing Corporation, a corporation, by deed recorded June 4, 1936, in Book 493, Page 270, of Official Records.

EXHIBIT A

4-27-51 1&7

SCHEDULE OF ROYALTY RATES FOR ORE VALUES
UP TO $74.00 PER TON

Value of Ore Per Ton	Royalty Rate %	Value of Ores Per Ton	Royalty Rate %
Up to $15.00	9.00	$44.01 to 45.00	13.97
$15.01 to 16.00	9.01	45.01 to 46.00	14.20
16.01 to 17.00	9.05	46.01 to 47.00	14.42
17.01 to 18.00	9.11	47.01 to 48.00	14.64
18.01 to 19.00	9.19	48.01 to 49.00	14.87
19.01 to 20.00	9.29	49.01 to 50.00	15.10
20.01 to 21.00	9.40	50.01 to 51.00	15.33
21.01 to 22.00	9.53	51.01 to 52.00	15.56
22.01 to 23.00	9.67	52.01 to 53.00	15.79
23.01 to 24.00	9.81	53.01 to 54.00	16.02
24.01 to 25.00	9.97	54.01 to 55.00	16.25
25.01 to 26.00	10.13	55.01 to 56.00	16.48
26.01 to 27.00	10.30	56.01 to 57.00	16.71
27.01 to 28.00	10.48	57.01 to 58.00	16.95
28.01 to 29.00	10.66	58.01 to 59.00	17.18
29.01 to 30.00	10.84	59.01 to 60.00	17.41
30.01 to 31.00	11.03	60.01 to 61.00	17.65
31.01 to 32.00	11.23	61.01 to 62.00	17.88
32.01 to 33.00	11.42	62.01 to 63.00	18.12
33.01 to 34.00	11.62	63.01 to 64.00	18.36
34.01 to 35.00	11.83	64.01 to 65.00	18.59
35.01 to 36.00	12.03	65.01 to 66.00	18.83
36.01 to 37.00	12.24	66.01 to 67.00	19.07
37.01 to 38.00	12.45	67.01 to 68.00	19.31
38.01 to 39.00	12.66	68.01 to 69.00	19.54
39.01 to 40.00	12.88	69.01 to 70.00	19.78
40.01 to 41.00	13.09	70.01 to 71.00	20.02
41.01 to 42.00	13.31	71.01 to 72.00	20.26
42.01 to 43.00	13.53	72.01 to 73.00	20.50
43.01 to 44.00	13.75	73.01 to 74.00	20.74

EXHIBIT B

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

On August 8, 1951, before me, the undersigned, a Notary Public in and for said County and State, personally appeared F. S. Albertson _____, known to me to be the _____ President, and C. L. Austin _____, known to me to be the _____ Secretary of THE ALBERTSON COMPANY, the Corporation that executed the within Instrument, known to me to be the persons who executed the within Instrument on behalf of the Corporation therein named, and acknowledged to me that such Corporation executed the same.

WITNESS my hand and official seal.

(Seal)

Lillian S. Foltz (signed)
Notary Public in and for said
County and State

STATE OF CALIFORNIA)
County of) } ss.

On this 6 day of August, 1951, before me, the undersigned, a Notary Public in and for said County and State, personally appeared EARLE M. GARD, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same.

WITNESS my hand and official seal.

(signed) Helen G. Suter (Seal)
Notary Public in and for
said County and State

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. DMA-1179X

Date received 5/16/51

Participation

El Conejo Mining Company
c/o Earle W. Gard
617 South Olive Street
Los Angeles 14, California

Nickel

Name and address of applicant

Date 5/15/51

FILL IN THIS BLOCK

Date of application May 15, 1951

Estimated cost $90,000

Mineral or metal Nickel

Percentage of Government participation 90%

Location of mine Ventura County - California

42 miles N.W. of Los Angeles

Date of filing MF-100 May 15, 1951

DMA Docket Number, if available DMA-1179X

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation? Corporation - now being formed.

*2. If a partnership, state names and addresses of partners. Not applicable 3. (Will advise as soon as

*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders. (corp. application is filed.

*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project. See letter attached.

*5. Are you the owner or the lessee of the property? Lessee

6. If owner, state what claims, liens, or encumbrances, if any, are against the property. Not applicable 7.(Contract.

7. If lessee, attach a copy of the lease and state if it is in good standing. Will be submitted with Exploration Project

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement. Not applicable

9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)? More than sufficient to pay our portion of expenses.

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property. See attached description. Areas are the same.
    (*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

    NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any. Rancho Dinsmore El Conejo, also Gard-Boeck Ranch.
*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads. See attached maps.
*13. State source and quantity of water available for operations and its sufficiency at all seasons. See Form MF100 - Power-State amount of power to be used, rate per hour or other cost, and source. Gas-Water available
*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work. None
15. State in detail how the ore could be shipped and how and where milled. By truck, rail and water.
*16. History: See attached data.
    (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.
    (*b*) State briefly the known history and production of adjoining and neighboring properties.
    (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.
*17. Production:
    (*a*) If mine is in production, furnish the following information: Not applicable

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining				
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.) Not applicable.
    (*a*) Describe the ore or mineral deposits briefly.
    (*b*) Submit available maps and assay data.
    (*c*) Give estimated tonnage and grade of each class of ore reserves.
19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions. Data attached.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted? Principally Nickel.
21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it. Exploratory work only now - about 5 mo.

    NOTE.—The Government will not participate in a project that will require more than 2 years to complete.
22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data.

    See assay map and Enos & Fleck report.

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:
    (*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each. Not applicable
    (*b*) Supervisors, by numbers and positions, with salaries of each.
    (*c*) Cost of necessary repairs to existing facilities, structures, and buildings.
    (*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.
    (*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.
    (*f*) Cost of rental for equipment which the operator proposes to rent.
    (*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.
    (*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.
    (*i*) Cost of power, water, utilities, and any other items not provided for above.
24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent. 5 mos. - up to $90,000.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

El Conejo Mining Company
(Name of company)

By [signature]
(Signature of authorized official)

5/15/51
(Date)

Factory Pres.
(Title)

Title 18, U. S. Code (Crimes), Section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

Form MF-100
(March 1951)

U.S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Form approved.
Budget Bureau No. 42-R1026.

GENERAL TECHNICAL DATA
FOR USE UNDER THE
DEFENSE PRODUCTION ACT OF 1950

NOT TO BE FILLED IN BY APPLICANT

Docket No. Dma-1179X

Date received 5/16/51

El Conejo Mining Company
c/o Earle W. Gard
617 South Olive Street
Los Angeles 14, California

Name and address of applicant

Date

INSTRUCTIONS

This form is to be filed with Defense Minerals Administration, Department of the Interior, Washington 25, D. C. It should be accompanied by appropriate application form when a specific type of Government assistance is requested, in the form of (1) loan, (2) purchase contract, (3) Government guarantee of a private loan, (4) ~~Cer-[illegible] of Sec. 124-A (Amortization Deduction) of Internal Revenue Code, 1950,~~ (5) priorities or allocation of mining equipment, and maintenance, repair and operating supplies, and (6) other forms of Government assistance that might arise under the Act. Submit four (4) signed copies of the form and accompanying papers. Name and address should be stamped or typed on each sheet of this form and all accompanying papers. *When a question is inapplicable it should be so stated on the form.* Additional sheets may be attached in answering any questions or in supplying additional information. (IF YOU CANNOT ANSWER A QUESTION, SO STATE.) If a question is answered elsewhere indicate where answered. It is not necessary to answer it again.

GENERAL TECHNICAL DATA

Supply the following information on separate sheets, arranged, numbered, and lettered as indicated:

1. Materials produced:
   - (*a*) What are the chief mine, mill, or smelter products? It is hoped to develop a commercial Nickel
   - (*b*) What are the byproducts, if any? deposit. There will probably be some copper, gold & silver.
2. Name(s) and type(s) of mine(s), mill(s), smelter(s), refinery(ies), pit(s), quarry (ies), drilling operation(s). Include old names of property, if any. Show extent of workings, including the following: Refer to assay map.
   - (*a*) Linear feet of shafts.
   - (*b*) Linear feet of drifts and crosscuts.
   - (*c*) Linear feet of tunnels or adits.
   - (*d*) Linear feet of other mine openings (explain briefly).

   Entrance to workings closed by caving. Plan to test drill at first.

   Indicate whether mine is flooded or not. Describe any pumping problems. Give size or productive capacity.
3. For each operation listed above supply the following:
   - (*a*) Distance and direction from nearest town and shipping point.
   - (*b*) Mining district.
   - (*c*) Township, Section, Range.
   - (*d*) County, State.

   Refer to Automobile Club map "Los Angeles and Vicinity" and U. S. Dept. of Interior "Triunfo Pass Quadrangle".
4. (*a*) State whether or not property is now in operation, and if in operation, by whom operated.
   (*b*) Are you operating this property as: Not applicable
   - ☐ Owner.
   - ☐ Lessee.
   - ☐ Contractor.
5. Number of years in production Not applicable

   If not in production or operation, estimated date when production will begin
6. Experience of operators: Not applicable

   Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who manage the project.
7. History: Not applicable
   - (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for suspension of operation.
   - (*b*) State briefly the known history and production of adjoining and neighboring properties.
   - (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

8. Names and addresses of Officers, Directors, or Partners, and in addition thereto, the five largest stockholders if applicant is a corporation.

Not applicable

Name and Address (a)	Official Title (If officer is also director indicate by "D") (b)	Total of Annual Salary, Commissions, Bonuses, Etc., Received From Applicant and Affiliates During Last Fiscal Year (c)	Estimated Net Worth Outside of Interest in Applicant (d)	Number of Shares Held in Applicant Corporation: Common (e)	Number of Shares Held in Applicant Corporation: Preferred (f)	Life Insurance Carried for Benefit of Applicant: Amount (g)	Life Insurance Carried for Benefit of Applicant: Net Cash Surrender Value After Loans (h)
	Total		x x x x x			x x x x x	x x x x x

If more lines are needed continue on separate sheet.

9. Capital Stock Issues:

not applicable

For Corporate Applicants

Item	Authorized (a)	Outstanding (b)	Par Value (c)	Number of Shares Outstanding (d)	Dividend Rate Last Paid* (e)
Common stock	$	$	$		
Preferred stock	$	$	$		

*Indicate period covered.

10. Production:

Not applicable

Item	Kind of Product (a)	1948 Total (b)	1949 Total (c)	1950 Total (d)	Present Average Monthly (e)
1. Quantity of product mined or quarried (Short, long, metric tons; barrels; pounds; etc.)					
2. Quantity of product processed (specify unit of measure and type of process)					
3. Quantity and grade of product sold or shipped (specify units of measure)					

11. Do you contemplate a change in the present average monthly rate of production? If so, state estimated maximum monthly production and basis of change. Not applicable

12. Ore or Mineral Reserves:

(a) Describe the ore or mineral deposit briefly. Accompany the application by any available report on the geology and ore reserves. Not applicable

(*b*) If deposit is other than placer:

(1) Submit assay plans and/or sections showing location and size of proved (measured) and probable (indicated) ore or mineral reserve.

(2) State the tonnage (indicate type of ton) and grade of each class of ore reserve, as above, and show how computed. Tabulated total ore reserve as follows:

TOTAL ORE OR MINERAL RESERVES

Ore or Mineral Reserve	Estimated Tons (a)	Metal or Mineral Content Per Ton (Grade) (b)	Gross Value Per Ton (c)	Recoverable Unit Value Per Ton (d)	Estimated Cost of Production Per Ton (e)
Measured (proved)					
Indicated (probable)					

(*c*) If placer:

(1) Give estimated total yardage and average marketable mineral content of each deposit.

(2) Submit map showing location of placer deposit and surrounding area, with all test holes or pits. Submit logs of each hole and test pit with depth and average value of each.

(3) Describe gravel, stating whether fine, medium or coarse; loose, tight, cemented, or frozen, and whether it contains stumps or boulders more than 1 foot in diameter; if so, how large, and in what proportion.

(4) Describe bedrock, giving type (granite, sandstone, shale, etc.) and state whether it is hard or soft, smooth, uneven or rough.

(5) Describe overburden, stating whether loose, tight, or cemented; fine or coarse textured; furnish estimate of average thickness and total amount.

(6) Tabulate the reserves using the form outlined above for ore or mineral reserves.

13. Access Roads: Refer to attached maps.

Give road distances to shipping, supply and residence points, stating kind and condition of roads.

14. Water Supply:

State source and quantity of water available for operations and whether sufficient for all seasons of year.

Local water only - expect to develop from mine workings.

15. Power:

State amount of power used, rate per hour, and source thereof. So. Calif. Edison High Line 1/4 mile from mile location. Ventura Fuel natural gas line 1/2 mile from mine location.

16. Labor:

State number and classes (miners, muckers, millmen, etc.) of men employed during a recent representative payroll period.

Good labor market.

17. Equipment and Facilities:

Not applicable.

Describe present equipment on the property, including buildings. (State condition.) List major pieces of equipment now owned or controlled and in serviceable condition available for this operation.

18. Are there any particular conditions or circumstances affecting your operations that are not described above? If so, explain.

See attached letter.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

El Cerrejo Mining Company
(Name of company)

By [signature]
(Signature of authorized official)

5/13/81
(Date)

Pres.
(Title)

Title 18, U. S. Code (Crimes), Section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

U. S. GOVERNMENT PRINTING OFFICE 16—63792-1

Earle W. Gard

617 SOUTH OLIVE STREET, LOS ANGELES 14, CALIFORNIA

Phone Tr 5403
Office VanDyke 0894
Home Frontier 57941

May 16, 1951

The Defense Minerals Administration
Department of the Interior
Washington 25, D. C.

NICKEL

Gentlemen:

We are submitting herewith the required application for Government assistance in connection with our development program for the possible mining of Nickel Ore for strategic uses.

Attached hereto are pertinent data to assist in your analysis of our request.

1. Letter of H. C. Enos, mining engineer, dated Feb. 1, 1951.

2. Assay map - "Ventura Copper Nickel Mine" made by H. C. Enos.

3. Map of outcropping "Ventura Mine" made by T. Rosenberger (deceased) not signed.

4. Report of Herman Fleck, Nat. Sc. D. dated Sept. 11, 1936 and made for Earle W. Gard.

5. Photostat of pages 257 and 258 of Report of Mineralogist State of California.

6. U.S. Dept. of Interior Map - Triunfo Pass Quadrangle showing mine location.

7. Map of Auto Club of So. California called Los Angeles and vicinity, showing mine location.

The property under consideration (a part of 4000A) was owned jointly by J. H. Dinsmore and Ed. Glass (1914-1921) until Mr. Dinsmore's death in 1921. It was then divided and Dinsmore's 1/2 interest went to his two daughters, Mrs. Earle W. Gard (Marguerita Dinsmore) and Mrs. Wm. C. Boeck (Lura Dell Dinsmore).

The total acreage owned by Mrs. Gard and Mrs. Boeck was about 1956. In 1930 about 1316 acres were sold to Wm. R. Hearst, Gard-Boeck retaining the 640 acres comprising the

mining lease. This 640 were later sold to The Albertson Co. in 1949 and our lease on the full 640 is with them.

During 1931 and 1932 the King Gillette interests leased the property from Mrs. Gard and Mrs. Boeck and the data included herein are from the explorations conducted by Gillette and later by Earle W. Gard.

The property is ideally situated in regard to transportation (42 mi. from Los Angeles) labor supply, power (So. Cal. Edison Co. high line 1/2 mile) natural gas (2 lines 1/2 mi. away) paved road 2 miles and ample water at mine shaft. It is at an elevation of 1500 ft. with ideal climate and working conditions.

We believe that the attached data will show that there exists a large mineralized deposit of commercial grade, although low in nickel content, and that we now need to do considerable drilling to define the limits or block out sufficient ore to justify the installation of commercial size equipment for mining and concentration.

It is believed we will require a minimum of $70,000 in drilling and assay work and possibly up to $90,000 will be needed in this first phase of the exploration, and it is hoped that it can be completed in 5 months from date of your approval of our request for Government assistance. All drilling will probably be done on a contract basis.

Our company, El Conejo Mining Company, is now being incorporated and as soon as it is approved by the State your department will be fully advised.

The men now associated in this mining venture are all worth in excess of $100,000 each and the company is and will be amply constituted to carry their full share of the financial load, The stock of the company will be closely held and not offered to the public during exploratory work and probably not at any time.

Respectfully submitted,

EL CONEJO MINING COMPANY

By Earle W. Gard
Earle W. Gard
Acting President

HERBERT C. ENOS
MINING ENGINEER
20627 CHATSWORTH STREET
CHATSWORTH, CALIFORNIA
TELEPHONE: SUPERIOR 8-3043

Feb. Ist., 1951.

Mr. Earl W. Gard,
Room 805 A, 617 South Olive St.
Los Angeles, California.

Dear Sir; VENTURA COUNTY NICKEL DEPOSIT.

In 1932 the Gillette Family were carrying on mining exploration work under the direction of Thomas Rosenberger, and he in turn engaged me as mining engineer to take charge of the work. Most of the work was on the Mother Lode of California, but at that time we ~~WE~~ sampled the old adit tunnel to the east on the Ventura Nickel Deposit and later sank the shaft 50 feet and drove a crosscut across the deposit to the north 95 feet in length, as shown on the assay plan of workings.

Later we sank the shaft to the 150 Ft. Level and crosscut again some distance to the north. We also crosscut the deposit with an open cut and shallow adit tunnel under it. which workings showed low-grade nickel copper ore for a width of 150 feet. (see assay plan).

I personally cut all the samples shown on the assay plan, taking large samples, of about 20 pounds to the foot, later quartering them down and Mr. Rosenberger took them to Los Angeles for assay. (I beleive at Eisenhour Office). He returned the results to me and I entered them on the plan.

The deposit is a mineralized granite or diorite porphyry with a very well defined foot-wall and highest grade ores near same. Width 100 to 150 feet and the outcrop can be traced for at least 500 feet in length. Strike nearly east and west and dip to the north, as I remember about 80 degrees. In the old easterly adit the ores are oxidized, and probably a green-stained garnierite. On the Fifty Foot Level the minerals are sulphides disseminated in a dark colored gangue; the minerals are chalcopyrite, pyrrhotite, and probably Pentlandite, amenable to concentration.

The showing on the Fifty Foot Level was very favorable, A ten foot width at the foot-wall averaged 0.82 Ni. and 5.1% copper. The first 40 feet at foot-wall averaged about 1% nickel and 1.2% Copper, then carried lower values on to the hanging wall side. The silver content was about 1/2 oz. per ton.

I was called up north on some shaft sinking while they drove the 150 Ft. Level and did not see it, but understand it was lower grade than the 50 Ft. Level crosscut.

The deposit is undoubtably large and the favorable showing on the Fifty Foot Level makes it worthy of further

HERBERT C. ENOS
MINING ENGINEER
20627 CHATSWORTH STREET
CHATSWORTH, CALIFORNIA
TELEPHONE: SUperior 8-3043

investigation. In my opinion this can most economically be done by drilling a series of inclined diamond drill holes to cut the foot-wall at about 100 Ft. depth, and possibly two or three deeper holes, depending on the results of the shallower holes.

We made a series of set-ups with a magnotometer across the deposit and secured strong readings, so it might be well to run several lines across the deposit, and compare them with the line we ran at the shaft. I now have a magnotometer available.

The deposit is well situated with good roads and electric power lines close by. Also low altitude and no cold weather or snow. It could also be worked by open cut method and judging from the showing on the Fifty Foot Level, a profit could be made by mining the richer nickel-copper ores along the foot-wall side of the vein.

Yours very truly,

H C Enos

The vein, which has an average width of three feet, is a continuation of the Castac vein. It strikes northwest, and dips 45° northeast. Samples taken from different points along the outcrop are stated to have averaged $15 in gold. The country rock is schist.

Workings consist of a tunnel driven southeast 125 feet in the hanging wall of the vein, and a number of opencuts along the vein. One man is employed.

White Mule Group of Mines is on the western slope of Frazer Mountain, at an elevation of 6000 feet. The property includes the *Bunker Hill* and *Fair View* mines. Owner, Fred M. Wilcox, 328 O. T. Johnson Building, Los Angeles.

The vein strikes east and has a dip of 45° to the north. The average width of the vein is three feet. The quartz is heavily mineralized with pyrite, marcasite, and chalcopyrite.

On the White Mule Claim is an incline shaft 320 feet on the vein, and in a gulch south of this shaft, a crosscut tunnel has been driven 300 feet N. 20° E. with the intention of intersecting the shaft to drain the mine workings. The vein in the Bunker Hill claim was developed by tunnels and opencuts, most of which are caved.

Equipment consists of a gasoline hoist, pumps, and a blacksmith shop. Idle.

Bibliography: State Mineralogist's Reports VIII, p. 682; XII, p. 316; XIII, p. 497; XV, p. 760; XXI, p. 232.

MOLYBDENITE

Small kidney-like deposits of molybdenite associated with copper ores occur on Frazer Mountain and on McDonald Peak. James McDonald of Ventura has done some development work on a deposit located near the headwaters of Alder Creek, in the Snowy Mining District. Five claims have been located in Secs. 11 and 12, T. 6. N., R. 19 W. The country rock is granite.

NICKEL AND COPPER

Ventura Mine. This property, consisting of 480 acres, is a part of El Conejo Rancho and is located at the foot of the south slope of Simi Peak on the edge of Russell Valley, about 3 miles northeast of Triunfo, in T. 1 N., R. 18 W., S. B. B. and M., and about 40 miles northwest of Los Angeles. Elevation 1350 feet. Owner, Mrs. E. W. Gard and sister, Los Angeles. Under lease to T. Rosenberger, 851½ Crenshaw Boulevard, Los Angeles.

Simi Peak consists largely of sandstone with some interbedded shales. At its base there has been an intrusion of gabbro. This dike has a general E.-W. strike and dips 20° to the north. It is traceable by means of occasional exposures for some four or five miles west and an unknown distance east of this property. Its width is not fully determined but appears to vary from about 300 to 600 feet. Both hanging and footwall of this dike are sandstone. The contact on the footwall is marked by a heavy gouge which, in one place, is more than 20 feet wide. The dike which has been exposed on this property for a width of about 250 feet shows mineralization across this entire width

and indications are that it may be more than 500 feet wide in places. The sandstone at the contact is also mineralized. Mineralization in the sandstone consists of cuprite, azurite and malachite, together with some nickeliferous minerals which were not identified, while minerals in the dike rock are apparently all sulphides, consisting of the following: Millerite (nickel sulphide), pentlandite (sulphide of iron and nickel), pyrrhotite (nickeliferous in part) and some chalcopyrite.

The zone in which this mineralization is known to occur has been proved on surface for a length of approximately 800 feet. From samples in present workings it is estimated that the nickel content averages something over 1%, with a small amount of copper and gold.

A tunnel has been driven N. 76° E. a distance of 200 feet. This tunnel is in the central portion of the dike and preparations are being made to crosscut to both foot and hanging wall at its face. Values in tunnel were reported as follows:

First 50′	1.75% nickel
50–75′	1.23% nickel
75–100′	1.28% nickel
100–125′	1.50% nickel
125–150′	1.25% nickel
150–175′	1.00% nickel
175–200′	0.29% nickel

Some fifty feet west of the portal of this tunnel a shaft has been sunk 100 feet on the footwall side. At the 50-foot level a crosscut was driven north a distance of 90 feet. It is reported that the crosscut showed an average nickel content of 1.6%; also that the first eleven feet on footwall side showed 2½% copper, 3% nickel and $2.50 in gold. This eleven feet was probably in the sandstone. Contact marked by two feet of gouge and remainder of crosscut in the dike which here may have a width of about 300 feet. At the time of visit the shaft was filled with water. About three hundred feet west of the shaft the dike has been trenched across a width of 175 feet, with average values reported as 1% nickel. Sixty feet under the trench and parallel to it, a crosscut tunnel has been driven north 165 feet. The first 65 feet was in the unaltered sandstone, then 27 feet of black clay gouge, only slightly mineralized, 40 feet of well-mineralized dike rock; the last 35 feet and the face show highly mineralized material. It is reported that magnetometer readings indicate that the next 75 feet in this crosscut will continue to show ore.

It is planned to sink the shaft to 250 feet and crosscut the dike. Electric power has been brought from a line about one mile away.

Two hundred cubic foot compressor, hoists and sinking pumps are installed.

Eight men are now employed.

PLATINUM

Platinum is said to occur in the black sands of Lockwood Creek, but it is probably not present in commercial quantity.

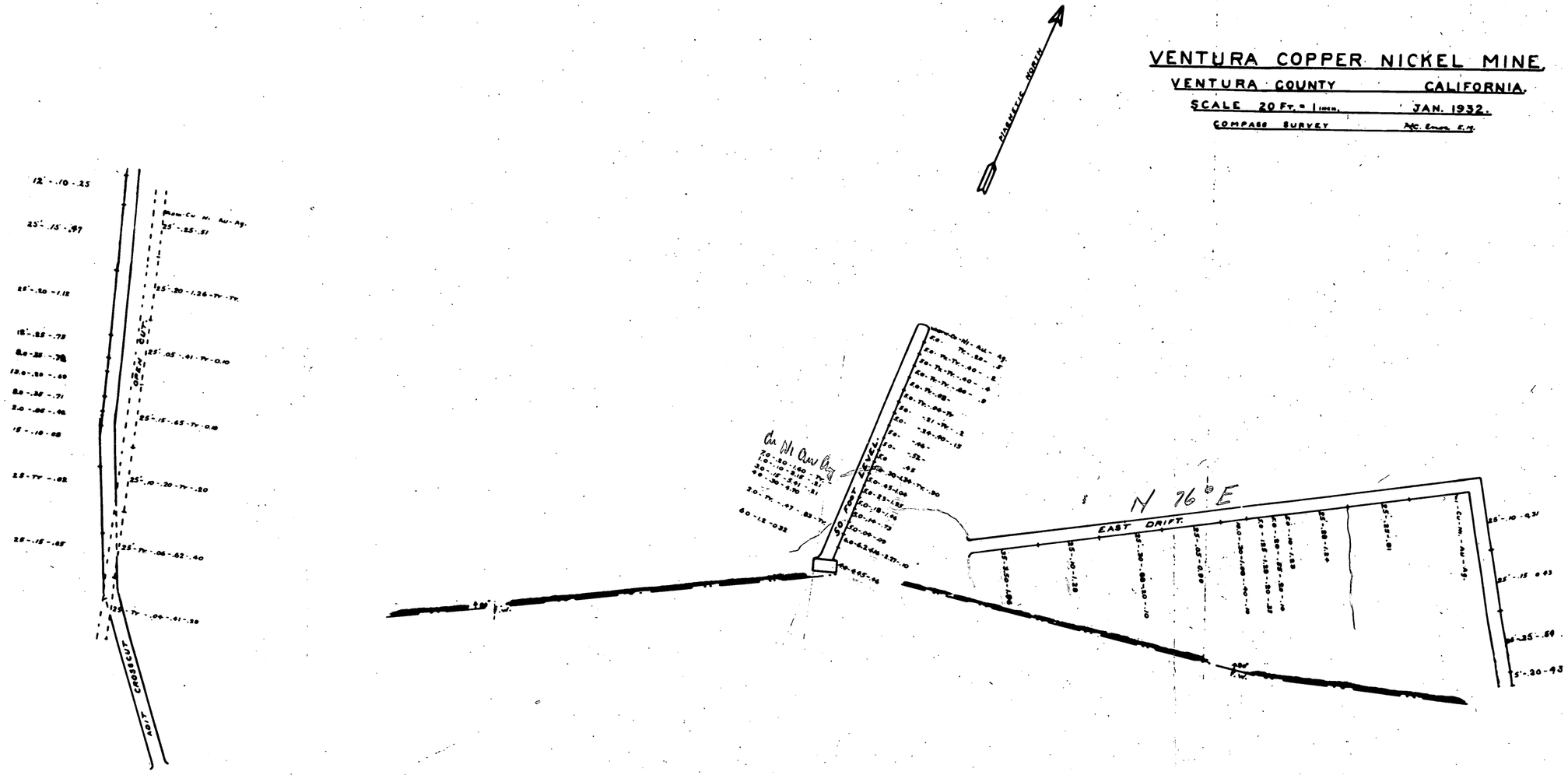
Dma-1129X

VENTURA COPPER NICKEL MINE

VENTURA COUNTY CALIFORNIA.

SCALE 20 FT. = 1 INCH. JAN. 1932.

COMPASS SURVEY M.C. Emma E.M.



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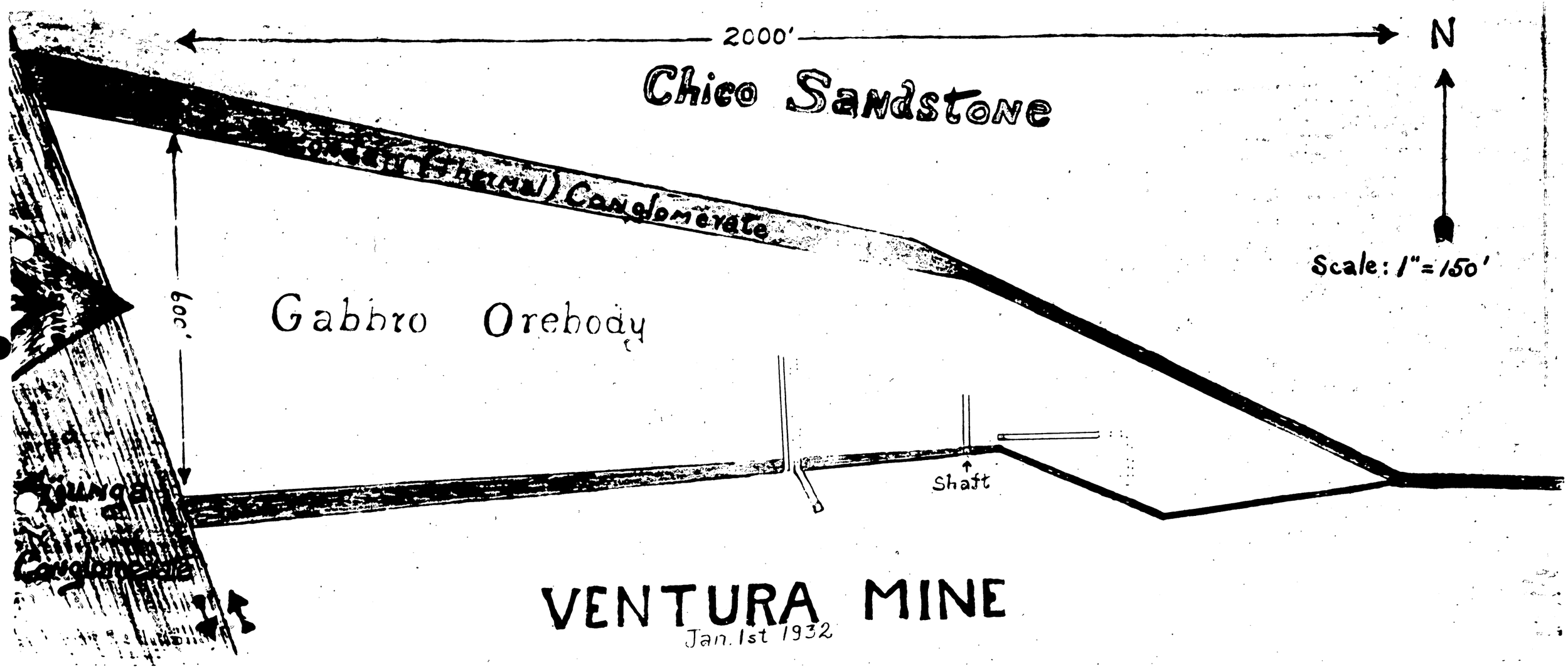


VENTURA MINE

Jan. 1st 1932

ROOMS 914-915
411 W. 7TH ST.

PHONE VA. 3478

HERMAN FLECK, NAT. SC. D.
Chemical Engineer

LOS ANGELES, CAL.

September 11th, 1936.

RE THE GARD NICKEL DEPOSIT.

The property is situated in Ventura County, California, Section 1, 2, 11; Township 1 N; Range 19 W; on the Conejo Ranch. It is bounded on the north by the Albertson (old Glass) Ranch; on the south by the Hearst Rosiul Ranch; on the east by the Hearst Agura Ranch, and on the West by Erbs' Ranch.

Good roads lead to the deposit going north from the main highway, Ventura Boulevard.

****

The following description and data are gathered from an analysis of four reports and maps, and a cursory examination of the property April 26th, 1936, at which time the workings were examined as far as possible and samples were taken for mineral examination and chemical analysis as well as for preliminary tests designed to develop suitable method or methods of recovery and refining.

Endeavor is made herein to weigh the facts disclosed in the reports etc., submitted with fairness to the relative value of each to the main purpose of deciding if the property warrants further investments. A brief outline of some costs and general data is also appended.

DATA SUBMITTED by Mr. Gard are:

EXHIBIT 1. A conventional plan map showing the gabbro ore body with marginal thermal changes outlined and development work sketched in scale 1" : 150'.

EXHIBIT 2. A plan map of the development work, viz., tunnel drifts and cross cuts, surface cuts and shaft. Scale, corrected, 1" : 40'. Assays for various metals contained for stated distances in samples taken are inserted at proper points along the workings. The author, H.C.Enos, Mining Engineer, Los Angeles. Report made in 1932.

EXHIBIT 3. A report on ore dressing by flotation. Otis D. Welsch, Metallurgical Engineer, Los Angeles, Cal. August 10th, 1933.

EXHIBIT 4. Assays and comments on two lots of samples by A.V. Taylor, January 21st, 1936.

EXHIBIT I. The plan map of the gabbro ore body, by which is meant the intrusive ore bearing body not every part of which is mineralized with nickel,

is now considered. Gabbro is a rock related to the serpentines and known to carry nickel bearing mineral quite frequently. The worlds greatest nickel deposits are of this kind. This particular intrusive almost perpendicular is of later period than the Chico sandstone through which it issued. Its depth is of course unknown, but its width has been determined for a stretch of over 2000 feet. This brings it up to or under the Tajunga Conglomerate. In this distance the body has gained a width of 600 feet going from nothing, superficially at least, on the east end to over 600 feet on the west. East to west on the south side there appears to be a vein of undetermined width, which resulted from easy penetration of the gabbro - sandstone contact. So far this has been the main attraction but has shown only small gold and silver contents and erratically distributed copper and nickel values. Such results as have been shown for nickel are confusing and have perhaps little bearing on the main nickel bearing body which lies above the south contact at distances inward from ten to fifty feet in the longitudinal distance explored. At the contact there is nickel bearing mineral to be found, it is true, in the thermal altered country rock, due to quick chilling natural to this region or to secondary enrichment - most likely the former.

The abruptness of the western terminal is not simple. Two explanations suggest themselves....the intrusive has been covered at a later period by conglomerate, which has been eroded on the east exposure, or faulting has taken place at this point, in which case the west extension may not feature. The life of the deposit to any industrial effort would be important since even if the uncovered part shows mineral depth there is an economic limit notably with low grade ores which is invariably the case with nickel ores. From hearsay I gather that the shaft was sunk to 180 feet and ore encountered throughout. This is to be expected. At fifty feet the crosscut is shown to be in fairly good ore. Extension to considerable depth is a very reasonable expectation. Furthermore in deposits of this nature, mineralization if present, is usually extensive in fairly uniform manner, not alone in depth but also in length. These facts, if the grade be high enough, are great insurance factors in the life of the industry, in which large ore reserves are developed in one case to the extent of over two hundred million tons.

Marginal alterations are to be expected as shown, and as the disturbance is great there, weathering follows more readily, offering courses for mineralized solutions which enrich by secondary deposition. Hydrated oxides of both copper and nickel show in the gouge matter of the vein former thus, as well as the sulphides of these metals.

A prominent and important feature is the increasing of the width of the intrusive body along its long axis. This has an interesting corollary. The rate of deposition or crystallizing out of any constituent mineral from solution in its magma is dependent on temperature. Thus, if the nickel bearing mineral is the most soluble of the various constituents as they are successively crystallized out with drop of temperature, it follows that there will be a segregation of these beyond the cold margins as the liquid portion of the magma recedes. As this takes place from all exposed sides, there will be formed somewhere in the interior, planes or vertical zones in this case extending to unknown depth but of fair uniformity, and that as the deposit or intrusive widens it is to be

expected that these zones will also widen. Naturally, at the cold margins it is to be expected that quick chilling will bring about the crystallizing of these minerals and therefore their presence in the altered marginal rock is not surprising. In this way Nature has performed a concentration of values from an originally diluted or extenuate mass. The same may be said of downward segregation or enrichment since the surfaces at or near the ground is also a great heat remover, i.e., congealer.
On the internal evidence the plan map of H.C.Enos is illustrative.

EXHIBIT 2. Plan map of development work, by which is meant the (from E. to W) workings marked A.B.C and D.

DRIFT TUNNEL "A" Length 210 feet, samples every 25 feet width.
It is seen that in the length of 210 feet which shows fairly consistent values for nickel along it, only about 45 feet have been gained as a penetration toward the center of the intrusive mass. In other words the vein along the contact is studied but not the intrusive body proper. Nevertheless, samples were taken for observation and analysis up to a point at which the workings were filled with debris and loose rock hung overhead. In the contact disturbed area this state of deterioration is to be expected. About 100 feet remained clear. The samples consisted mainly of copper and iron stained gouge material with veinlets of gypsum running through the mass. In places the samples represented the wall material of heat altered and weathered country rock which nevertheless carried considerable quantities of nickel bearing pyrrhotite and pyrite. Sample #4 was characteristic of this. It was brownish, friable, easily crushed and ground. A microscopic examination showed quartz grains, hornblende, magnetite, pyrite and shell-like reddish oxidized nickel bearing pyrrhotite. This is characteristic of a marginal but large part of the intrusion and was important enough to warrant closer examination.

At about the point of filling up, the nature of the rock changed to the main grennish basic gabbro proper. The remaining samples were vein matter of low copper and nickel contents. They were not considered important enough for more intensive observation.

For experimental purposes larger samples of characteristic rocks of the gabbro body were taken from the dumps at three points representing the three divisions of development workings.

SHAFT AND CROSSCUT "B". These workings, the most important, were flooded. Samples of various sorts were taken from the dump at this point. They showed the characteristics mentioned for the main body samples of "A".

OPEN CUT "C". Was not sampled since surface samples are of no great value in readily altered ores except for determination of dimensions.

CROSS CUT TUNNEL "D". Was closed by fallen debris about one hundred feet in from the adit. The adit cut showed laminated shale and altered country rock, as the tunnel was entered rapidly changing to the gabbro for the remaining distance unobstructed. Here again samples representing the workings sufficed for the purpose of this survey and these were selected from the dump at this point. They were in all respects similar to those on the east end.

Accepting now the charted assays Shown on EXHIBIT 2, the Enos map, the tabulation of these shows the following summary:

TUNNEL "A" DRIFT shows 10 samples.
Minimum .55% nickel
Maximum 1.86% "
Average 1.11% "

TUNNEL "A" CROSSCUT shows 4 samples.
Minimum .31% nickel
Maximum .54% "
Average .43% "

CROSSCUT "B" shows 18 samples.
Minimum trace
Maximum 1.95% nickel
Average .80% " for 65 feet
Average .50% " " 100 "

OPEN CUT "C" shows 7 samples.
Minimum .04% nickel for 85-90 feet.
Maximum 1.26% " " "
Average .45% " " "
Average .62% " form 60 feet (5 samples)

CROSS CUT "D" shows 11 samples.
Minimum .04% nickel for last 85 to 90 feet.
Maximum 1.12% " " " "
Average .80% " " " "
Average .48% " for all 11 samples.

In considering these results we are natusally drawn to observe the nickel containing zones and to make comparison of the higher and lower results. Not too much stress should be laid on the drift tunnel "A" because of secondary enrichment along this contact vein. The work was purposely directed to test gold and silver bearing strength. The cross cut tunnel "A" has some value in furthering interpretation. Equally reasonable is the conclusion that the sample nearest the shaft in cross cut "B" lay near the marginal line where secondary enrichment probably influenced the result which is interesting but which must be set aside in present considerations. It is noticed that a sharp interruption in value takes place at once --a drop to low point followed directly and normally by figures corresponding to those of the main body.

If a line be drawn (from east to west, cutting the "A" crosscut north at a value of approximately .5% nickel, in reality .43%) to a similar point on "D"; and another projected (cutting crosscut "A" south, at the value .43%) TO analogous points in crosscut tunnel "D", (these terminating at points alpha and beta -- see map) - it is seen that not alone encloses the nickel bearing area but also widens it from east to west as the intrusive body widens. In a distance of 600 feet the nickel bearing zone has nearly doubled in width - from 40' to over 70' within the low outside limits of .43% nickel.

It is also important to note that within the enclosed area at a depth of 50 feet there are notable increases in the amount of nickel over surface

showings. As described above, somewhat at length, there are sufficient reasons for these phenomena.

PART TWO METALLURGY.

ORE DRESSING.

Undoubtedly all the nickel is associated with pyrrhotite and furthermore there is every reason to believe that a microphotograph would show the nickel present as pentlandite. (Footnote) There has been little work done under this heading.

EXHIBIT 3. This is a report of Otic D.Welsch, metallurgist, on a brief and limited set of tests or attempts at flotation treatment. The results are interesting and have a value. Unfortunately the samples are not described. Their classification as coming from the altered marginal body or the interior body should have been stated. The partial failure of the tests may have been due to oxidation of the pyrrhotite in the marginal zone. The report hints at this. However, so many factors enter into the successful treatment by flotation that it would have been remarkable had the matter been solved in the few attempts made. Fineness; nature of the gangue; nature of the associated minerals; surface alterations of these and the main product; chemical treatment; selection of flotation oils etc., are among these. That the results have only limited value is recognized by the author of the report in his recommendations, paragraph 6. The results may be summed up thus:

A concentrate containing 5.26% nickel was obtained. Assuming the ore to have been free from secondary enrichment and the nickel present as pyrrhotite only, then a high grade of the latter mineral is indicated, a valuable consideration.

Test #1 gives a 45% recovering of nickel in form of flotation concentrate. Test #2 shows a 47% recovery of nickel in form of flotation concentrate, and test #3 a ~~41%~~ 41.8% recovery.

The samples used for #1 and #2 ran .61% nickel and for #3 the sample gave .49% nickel.

It was hoped by some one that at least a 15% nickel content in form of concentrate was obtainable. This is impossible as the author notes. A high result of 5.26% is as much as is possible and that result is excellent.

EXHIBIT 4. The letter of A.V.Taylor and the results of samples taken by him have little bearing on this survey. These samples were taken from drift tunnel "A", already commented upon as having a somewhat detached value. It must be discussed separately from the main issue i.e. the possibility of the main body, not the contacts, making a commercially important nickel deposit. The average found for the length of drift "A" by Mr.Taylor is .9% nickel as against the Enos report 1.11%.

Again the samples taken from the open cut are open to criticism as explained, as not representing true values for such an easily weathered ore.

PART THREE EXPERIMENTAL WORK.

One of the not too common characteristics of minerals is magnetic response. Pyrrhotite is highly magnetic, a low intensity magnet being able to pick it up readily. This lends itself to an easy method of concentration. It is simpler than flotation with which it is often combined in magnetic treatment plants. Fine grinding is not so much a factor, and chemicals for both physical and chemical effects wanted, are not needed. Capacities are high also and power consumption low. Accordingly tests were made using this property. The instrument was a small electromagnet using two dry cells. Grinding and sizing were done in an ordinary mortar and different mesh sieves, respectively. Dump samples were used. The composition of these has been described above - their various minerals cited. In contradistinction to the brownish marginal samples, the gabbro ore proper, greenish in color from the basic minerals which compose it, was tough and less easily ground. However, there was no difficulty in liberating the pyrrhotite from the matrix by proper proceedure. Both forms of ore were chemically, mineralogically and miscroscopically examined. A more detailed statement of this phase is not necessary at this time.

Pyrrhotite - a sulphide of iron Fe_7S_8.

Pentlandite - an iron nickel sulphide $Fe_2 Ni S_3$.

Sample #4 was taken at the dump of the eastern workings. See description above.

EXP.I. This was reduced to between 30-40 mesh and assayed.

Nickel present .443%.

Exhausted with the electromagnet, a concentrate was obtained which equalled 18.5% by weight of the original amount of sample taken. This concentrate was not cleaned further. It gave:-

Nickel 2.34%

Copper 2.4 %

42.0% iron oxide and alumina, equivalent to 48.6% pyrrhotite.

30.4% gangue, insoluble.

From this can be calculated that if the concentrate had been cleaned by further treatment to the same point of grade as that of Mr. Welsch, the Pyrrhotite so obtained would have contained 4.81% nickel, a result closely approaching that of Mr. Welsch. The tailings from this nearly five into one concentration showed only .01% nickel (a little less) from which the recovery was calculated to be better than 99%.

EXP. 2. The sample used was from the dump of the west cross cut tunnel "D". It represented the interior body composition but is naturally not representative of the nickel present. It gave:-

Nickel .356%. By the same electro magnetic treatment as above a concentrate was obtained which represented 16.3% by weight of the original amount taken. It assayed as follows:

Nickel 1.3%

Gangue 41.2%

The tailings on the other hand gave .172% nickel representing 40.4% of the nickel originally present making the recovery 59.6%. It was found that this too could be removed by further grinding and application of the magnet and proved to be a matter of sizing only.

The two ore samples were different as stated, the first brown, granular, readily reduced to the size of the mineral particles and the second tough, requiring more study than the first. It also contributes an interesting side feature in that it was partly made up of the rock norite, commonly associated with the nickel ores of Sudbury, Canada. It is possible that a stronger magnet could have made a higher recover without the aid of further grinding.

PART FOUR. SOME COMMERCIAL ASPECTS.

The following is a table showing the gross value of ores of different percentages of nickel at 35¢ a pound metal.

Ni.%	NI.Lbs. Per ton.	Value @ 35¢ Lb.Ni.	Lbs Pyrrhotite 5% Ni.
.2	4	$1.40	80 Lbs.
.3	6	$2.10	120 "
.4	8	$2.80	160 "
.5	10	$3.50	200 "
.6	12	$4.20	240 "
.7	14	$4.90	280 "
.8	16	$5.60	320 "
.9	18	$6.30	360 "
1.0	20	$7.00	400 "
1.1	22	$7.70	440 "
1.2	24	$8.40	480 "
1.3	26	$9.10	520 "
1.4	28	$9.80	560 "
1.5	30	$10.50	600 "
1.6	32	$11.20	640 "
1.7	34	$11.90	680 "
1.8	36	$12.60	720 "
1.9	38	$13.30	760 "
2.0	40	$14.00	800 "
2.1	42	$14.70	840 "
2.2	44	$15.40	880 "
2.3	46	$16.10	920 "
2.4	48	$16.80	960 "
2.5	50	$17.50	1000 "

Assuming for example that a one percent ore is the basis, then estimates can folllow:

Gross value of ore			$7.00 ton (note)
93% recovery	Loss ton	$ .50	
Mining		1.00	
Milling		.50	
Freight		.10	
Smelting		.25	
	Total	$2.35	$2.35
	Operating profit		$4.65

Overhead, taxes etc., are not included. The smelting charge is based on 20 lbs X .93 of concentrates from one ton of 1% nickel. If the product were sold as a matte, or as an alloy of copper and nickel this charge will be lowered. Many factors enter into such a calculation which must be investigated carefully before accuracy is to be expected but the above gives a good idea of possibilities and is based on experience in practice.

The cost of a concentrating plant, electromagnetic, is generally reckoned from $2.00 (note) Copper and platinum value not included.) per ton of annual production.

NOTE ABOVE

A ~~X~~ 500 ton plant would cost between two hundred and three hundred thousand dollars. This would probably be the minimum tonnage and should be extended.

After concentration comes roasting and smelting of which the first stage is that of producing a copper-nickel sulphide containing around 25-30% nickel metal. In the matte formation best performed in reverberatory

hearths, much of the impurities is slagged off. Following is the freeing of metals from sulphur by air blast in a converter. If pure nickel metal is wanted electrolysis of the metal so made is used. The crude metal is cast into electrodes and subjected to the action of a current under definitely established conditions in an acid bath. In brief, after concentrates are produced the metallurgy of these is well established and subject to long known ameltery practices.

PART FIVE. SOME FACTS ABOUT NICKEL.

The nickel of the world is produced from two main sources, Canada and New Caledonia. The latter, formerly of greatest importance, has given way to Canada where the International Nickel Company and Nickel Mines Ltd. predominate. The International Nickel Company controls the larger deposit at Sudbury, Ontario.

The ore is pyrrhotite and at present contains an average of 2.4% nickel with 2% copper.
Ore reserves are reported to be over 200,000,000 tons.

At Falconbridge the deposit of Nickel Mines Ltd., is reported, have ore reserves of 3,000,000 tons running in average ore of 2% nickel in form of pyrrhotite, and .9% copper. The company has a refinery at Kristiansand, Norway, to which it ships its product in form of a rich nickel-copper matte.

The world production in 1934 was 74,804 tons nickel.

The United States imported in 1934, $13,431,333. worth of nickel in form of alloys, pigs, bars, ore, matte and oxide.

About 42% of the nickel produced is used in steel and 35% in form of monel-metal. The remainder is used for plating 7%; malleable nickel 6%; nickel silver 5% and nichrome 5%.

RECOMMENDATIONS.

More nickel bearing area should be secured if possible along the extensions of the El Conejo deposit. An idea leading to this desire is found in the ore requirements of a 500 or 1000 ton plant, producing nickel, or its equivalent in concentrates or matte, of 5 and 10 tons of nickel daily.

Assuming a 50 foot producing width of 2000 feet width, a 500 ton 1% ore output demands a depth of 19.2 feet annually. A 20 year life operation therefore requires a depth of 384 feet representing 3,500,000 tons of ore. A 1000 ton operation will require twice this depth or one half the life period. Greater depth mining is admissable, of course.

The results obtained in the report of Enos should be checked to start with. For this purpose it is recommended that a crosscut tunnel "D" be cleaned, and resampled. This should precede work in any new development.

The further development may best be done by diamond drilling at points and for depths to be determined by further examination.

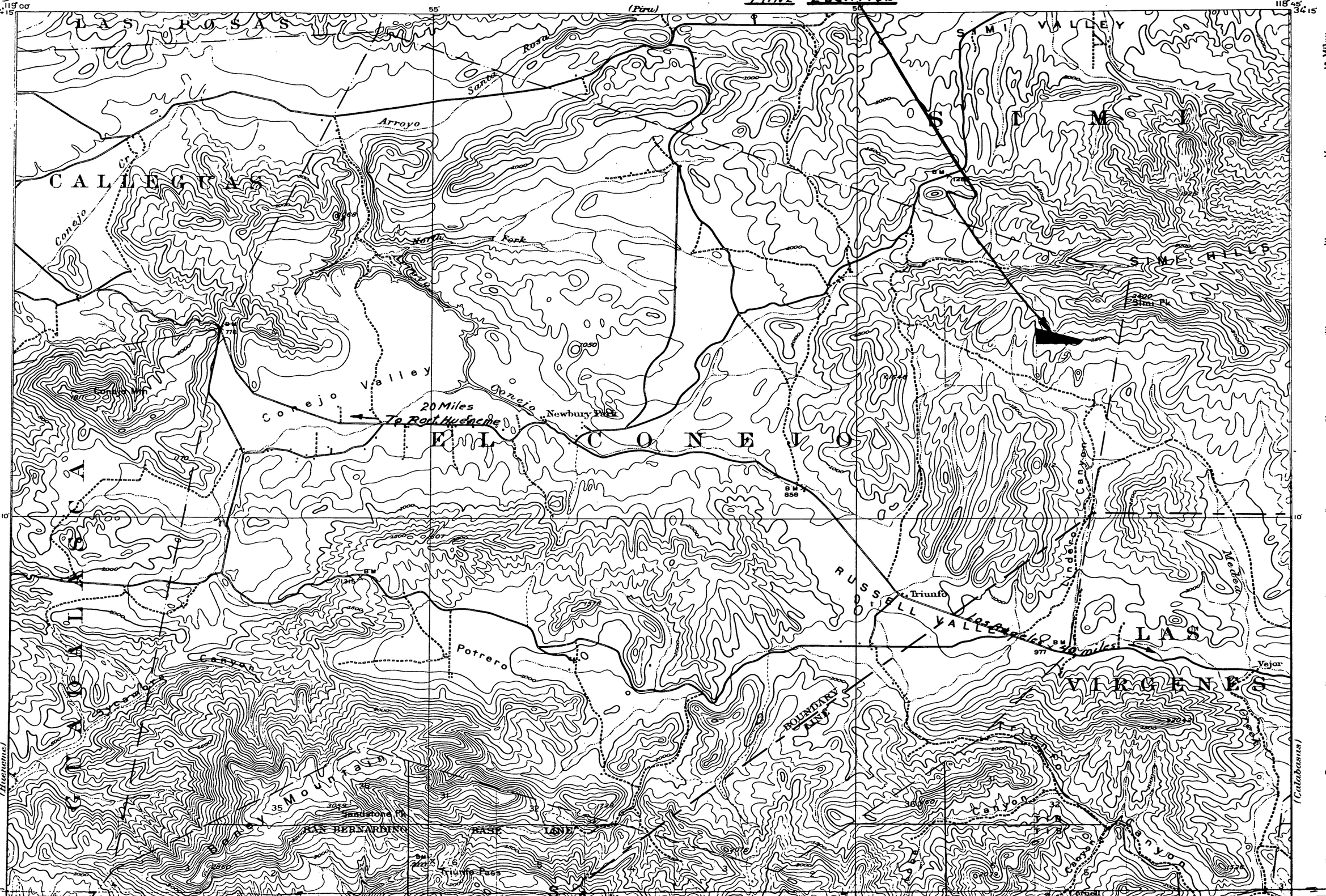
Simultaneously it is recommended that a geophysical examination be made over the entire body and its extensions, if secured.

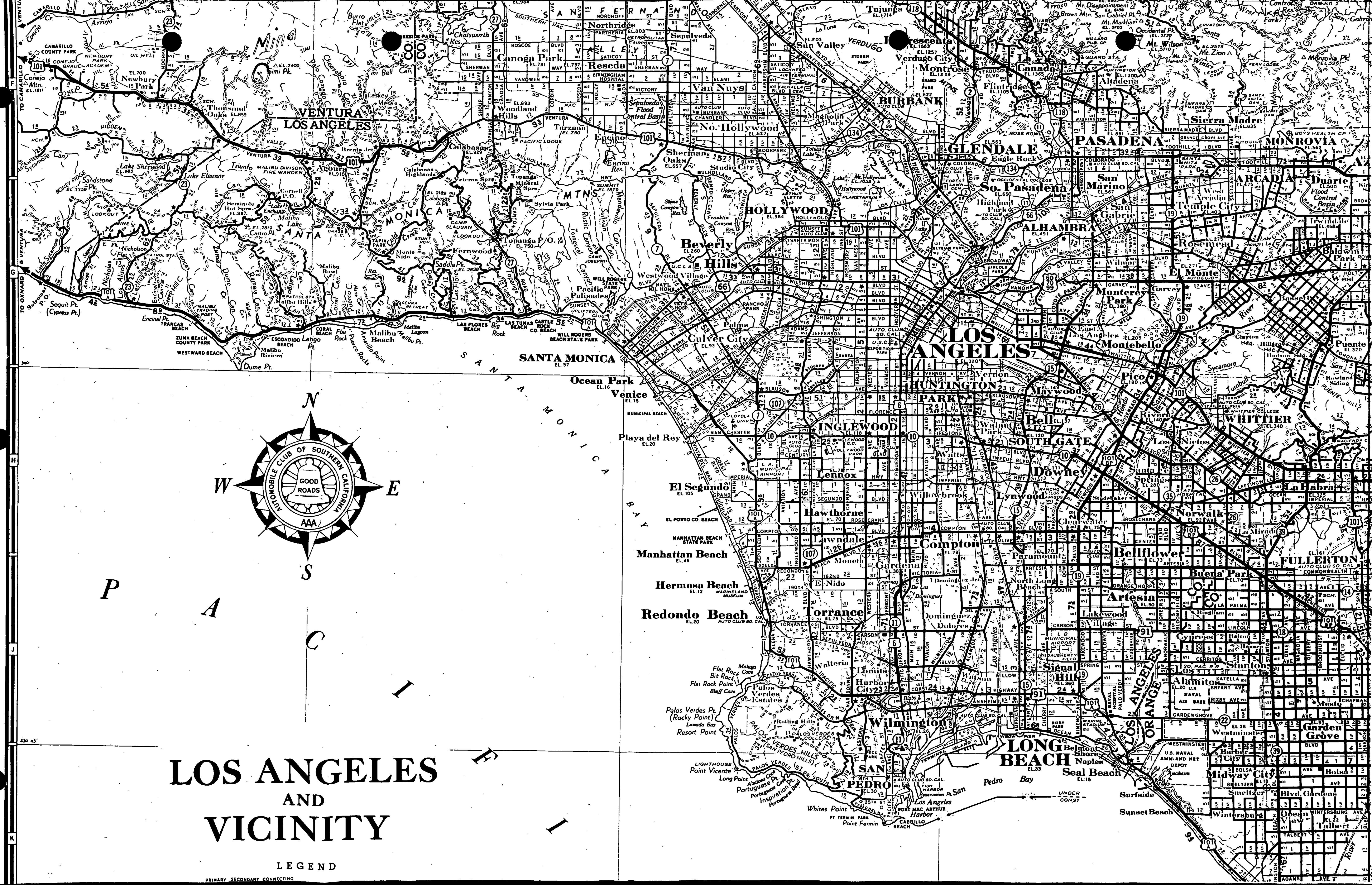
Herman Fleck

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

CALIFORNIA
TRIUNFO PASS QUADRANGLE

Dma. 1179





LOS ANGELES AND VICINITY

LEGEND

PRIMARY SECONDARY CONNECTING

EXHIBIT A

The expression "leased land" as used in the foregoing instrument, shall mean and include the real property in the County of Ventura, State of California, described as follows:

Part of the parcel of land in the Rancho El Conejo, in the County of Ventura, State of California, delineated "Tract 1, J. Edwards" on the map of the partition survey of said Rancho El Conejo, recorded in Book 1, Page 746, of Deeds, in the office of the County Recorder of said County, and described as:

Beginning at a point in the boundary line between the Rancho El Conejo and the Rancho Simi, distant south 8° 06' west 28.88 chains from a manzanita post set in rock mound at Station No. 8 of the survey made in partition of said Rancho El Conejo, being Station "J.E. 16" of said Tract 1, as set apart in severalty to John Edwards by the decree of the District Court of the Seventeenth Judicial District of the State of California, in and for the County of Los Angeles, in that certain action entitled "John Edwards, et al., Plffs., vs. M. N. Pinkard, et al., Defts.", brought for the purpose of partitioning said Rancho El Conejo, a certified copy of said decree being recorded in Book 1, Page 748, of Deeds; said point of beginning being the southeast corner of that certain parcel of land conveyed to E. M. Glass by deed dated February 7, 1927; thence along the south line thereof,

1st: West 231.18 chains to a point in the boundary line between Sections 1 and 2, Township 1 North, Range 19 West, Rancho El Conejo; thence,

2nd: South 86.97 chains along the boundary line between Sections 1 and 12, Township 1 North, Range 19 West, Rancho El Conejo, on the east, and Sections 2 and 11, said Township and Range, on the west, to a post in mound of rocks marked "E.S. No. 2 & H.W.M. No. 8" at the northeast corner of "Tract No. 4, E. S. Newberry", as shown upon the above described partition map of said Rancho El Conejo, being the northwest corner of that certain parcel of land set apart and distributed to Andrew D. Russell by decree of the Superior Court of the State of California, in and for the County of Ventura, in the matter of the Estate of Hannibal M. Russell, deceased, a certified copy of said decree being recorded in Book 33, Page 343, of Deeds; thence,

3rd: East 218.80 chains to a white oak tree marked "J.E. 15" and "H.W.M. 7" at a point in the boundary line between said Rancho El Conejo and said Rancho Simi, being the northeast corner of "Tract 2, H. W. Mills", as shown upon said partition map of said Rancho El Conejo; thence,

4th: North 8° 06' east 86.85 chains to the point of beginning.

EXCEPTING THEREFROM the west 1316.74 acres thereof as conveyed to Hearst Sunical Land and Packing Corporation, a corporation, by deed recorded June 4, 1936, in Book 493, Page 270, of Official Records.

EXHIBIT A

402

DEFENSE MATERIALS PROCUREMENT AGENCY
WASHINGTON 25, D. C.

December 5, 1952

El Conejo mine
DMA
1179

Mr. Earle W. Gard, President
El Conejo Mining Company
617 South Olive Street
Los Angeles 14, California

Dear Mr. Gard:

I wish to thank you for the courtesies extended to Mr. James S. Wroth and myself during our visit in Los Angeles and during our examination of the Ventura nickel-copper prospect in Ventura County, California.

We have submitted the report of our examination of your property to the Defense Minerals Exploration Administration, and have been advised by them that they are waiting for you to submit your subordination agreement. They had expected to receive it on November 25, and inasmuch as it has not been received they have contacted us just in case it had been delivered to this agency.

As nickel is very critical, this agency is interested in the exploration and development of all nickel prospects, and we would appreciate knowing whether you intend to follow through with the proposed exploration.

My personal regards.

Sincerely yours,

Paul Pesonen

Paul E. Pesonen, Chief
Iron and Nickel Ores Branch

PEPesonen:md
Copy to: Mr. Selfridge, DMEA
Mr. Pesonen
DMPA Control Center

UNITED STATES
DEPARTMENT OF THE INTERIOR
OSCAR L. CHAPMAN, SECRETARY

DEFENSE MINERALS ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 13 1951

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

DMA-1179X, El Genejo Mining Company (Ventura Mine)

Ventura County, Calif.

B. H. Sheahan, Mining Engineer
U. S. Bureau of Mines

C. D. Rinehart, Geologist
U. S. Geological Survey

August 3, 1951

DOCKET DMA-1179X

UNITED STATES DEPARTMENT OF THE INTERIOR - BUREAU OF MINES

EL CONEJO MINING COMPANY (VENTURA MINE)
Ventura County, Calif.

SUMMARY

Nickel-copper mineralization occurs in a small gossan and within portions of a gabbro intrusion in young sedimentary rocks. All of the mine workings were caved at the time of the examination with the single exception of the first fifty feet of the main shaft. No commercial ore was found. All of the samples from dumps and outcrops were oxidized or weathered. Pyrrhotite is reported to be the principal mineral containing nickel, although this was not determined.

The property does not warrant the expenditure of any Government funds for exploration. The preliminary examination indicates that the venture is certain to meet with financial failure due to the small size and low tenor of the mineralization.

INTRODUCTION AND ACKNOWLEDGMENTS

Mr. Earle W. Gard[1] applicant for the exploration loan and Mr. Carroll L. Austin[2], vice president of the Albertson Company, legal owner of the property, met the examining engineers and accompanied them on the first day of the examination. Mr. Herbert C. Enos[3], mining engineer for Mr. Gard accompanied the engineers on the morning of the

1/ Gard, Earle W., Vice President of R.M. Parsons Co., 617 S. Olive St., Los Angeles 14, Calif.
2/ Austin, Carroll L., Vice President, The Albertson Co., 5225 Wilshire Blvd., Los Angeles 36, Calif.
3/ Enos, Herbert C., Mining Engineer, 20627 Chatsworth St., Chatsworth, Calif.

third day and Mr. Robert Nordberg[4] demonstrated the use of a magnetic dip needle.

Appreciation is extended to Mr. Gard and his associates for their cooperation in the progress of the examination.

LOCATION AND PHYSICAL FEATURES

The El Conejo Mining Company (Ventura Mine) is located in Ventura County, Calif. The property is located 5½ miles northeast of Thousand Oaks, a community 40 miles northwest of Los Angeles on U. S. Highway 101.

The property comprises approximately 640 acres of land which was a portion of an old Spanish land grant Rancho El Conejo. If the area ~~was~~ were laid off by the General Land Office System it would be approximately in section 5, T. 1 N., R. 18 W., S.B.B.&M. Property lines were well designated by Mr. Albertson and Mr. Gard on the ground. The location description does not apparently check exactly with the description of docket DMA-1179X Exhibit "A" submitted by Mr. Gard.

The property may be reached by driving easterly from the east limits of Thousand Oaks on U. S. Highway 101 a distance of 1.1 miles to Mt. Simi Road, turn to the left and go northerly on two lane paved road a distance of 2.5 miles to a gate. Open gate with key obtained from Mr. Gard or Mr. Austin and go 0.9 mile to intersection, turn left and go 1.0 mile on one lane road to intersection, turn left and go 0.8 mile to El Conejo mine where a windmill and water tank is visable on foot hills. Total distance from Thousand Oaks 5.2 miles.

4/ Nordberg, Robert, Physics Dept., Univ. of Calif., Los Angeles, Calif.

This region of California is rather dry grazing land with dry grassy valleys, thick brush on the foot hills and a scattering of live oak trees. Water is rather scarce and the ground water table at the mine stood at a point 52 feet below the surface. The mine is located at an elevation of 1,250 to 1,500 feet on the south slope of the Simi Hills.

HISTORY

Ranche El Comejo was an old Spanish land grant and covered many thousand acres of grazing land.

Copper nickel mineralization with some gold has apparently been known for a number of years at the Ventura Mine. Mr. Earle W. Gard said that he observed some workings in 1913 when he visited the property.

In 1932 the King Gillette interests attempted the development work shown by the maps in the docket. Mr. Thomas Rosemberger was in charge of the operation. Mr. Herbert C. Enos, Mining Engineer was associated with this development operation. Mr. Enos sampled the workings and prepared the assay map. He said, "I was not able to sample the 150-foot level cross cut from the main shaft but understand that the results from this lower level development were not as encouraging as the upper workings on the 50-foot level."

After this development period, work was discontinued. At the present time a windmill with pump and 10,000 gallon water storage tank has been installed by the Albertson Co. Water from the Main Shaft is used for stock purposes. All workings are caved except for a portion of the main shaft. Mr. Enos believes that the East drift and crosscut could possibly be opened up with a small amount of work as the portal

might be the only part caved. Mr. Enos could hardly distinguish where the open cut and crosscut tunnel 300 feet to the west of the Main shaft was located. Erosion had almost completely removed the dump.

GEOLOGY[5]

General

The Ventura Nickel mine area was mapped by the writer on July 29 and 30, 1951, with the purpose of delimiting the igneous body which was reported to contain nickel ore, and to carry out representative sampling. The accompanying geologic map indicates sample localities and contains a chart on which the assays are recorded. These assays show that ore does not exist on the surface of the property, and other evidence indicates that there is little possibility of the discovery of reserves at depth.

The writer was assisted in the mapping by Mr. B. H. Sheahan of the U. S. Bureau of Mines.

Geology

Most of the mapped area is underlain by a yellowish-brown, medium- to coarse-grained conglomeratic sandstone, which is intruded by a mafic igneous mass. Exposures are sparse, and the rocks are deeply weathered in most places. In the conglomeratic sandstone rounded quartz pebbles comprise as much as 15 percent of the rock, and range from about 8 to 15 millimeters in diameter. The overall grain size as well as the percent of quartz pebbles shows considerable variation within a few feet laterally or vertically. Most of the matrix of the sandstone is calcar-

5/ Rinehart, C. D., Geologist, U. S. Geological Survey.

eous, and in places the rock is transected by many small veinlets of calcite. This rock fits the general description of the Cretaceous sediments of the Sixi Hills given by Popenoe[6]. The massive character of the sandstone prevented the determination of its attitude locally. However, massive sandstone exposures in the ridge three-quarters of a mile north of the mapped area strike slightly north of west and dip gently northeast.

The mafic intrusive body underlies the west portion of the mapped area, and extends several hundred feet further west. For convenience, this rock will be referred to as gabbro in the following paragraphs, although examination of thin sections might lead to its being given a more definative name. It is more susceptible to weathering than the sandstone and consequently is exposed only in gullies where the overburden has been removed. Even here, it crumbles at the slightest touch. The mafic constituents, now almost completely altered to chlorite, distinguish it from the altered sandstone. It is also much darker yellowish-brown than the sandstone, and in places has a greenish cast. The present appearance of the gabbro suggests that is was once medium-grained and fairly equigranular. This intrusive body, described by Tucker and Sampson[7] as a gabbro dike, has a wedge-shaped outcrop pattern with the longer dimension trending east-west, and is 150 feet wide at the east end and 470 feet wide at the west edge of the mapped area.

6/ Popenoe, W. P., Upper Cretaceous formations and faunas of southern California: Am. Assoc. Petroleum Geologists Bull., vol. 26, no. 2, p. 176, February 1942.

7/ Tucker, W. B., and Sampson, R. J., Ventura mine: Twenty-eighth Report of State Mineralogist, California State Division of Mines, pp. 257-258, 1932.

In the area mapped as altered calcareous rock there are no outcrops. However, the scree is so conspicuously different from the described types that the area in which it occurs was mapped as a separate unit. It weathers to small irregularly shaped blocks that are buff to white in color and very porous; its specific gravity is about 1.89. Much of the residual mantle has been derived from complete disintegration of this rock and occurs as a light buff to white calcareous powder. Laboratory examination of this rock indicates it is a calcareous tufa deposited by a hot spring.

The only geologic structures observed in the area consist of two vertical faults. The northernmost strikes about N. 65° W. and is apparently unmineralized. Bold outcrops of the fault gouge at both ends of a low ridge show its resistance to weathering. Well-defined slickensides and mullion grooves plunge from 20° to 35° northwest. The fault zone is about 15 feet wide and is composed of angular sandstone fragments, ranging from 3 millimeters to 5 centimeters in diameter, enclosed in a fine-grained dolomite matrix.

The other fault is well exposed in a vertical face at the west end of the west cut in the gossan area. Here, the zone is at least 10 feet wide and cuts mineralized and intensely altered sandstone. Azurite, malachite, and anabergite (?) were observed in the exposed zone. Other exposures of the fault are very poor, but near the shaft the zone is probably 20 to 25 feet wide. A striking breccia, observed in the west wall of the shaft, probably marks the south margin of the fault zone. The breccia consists of angular fragments of sandstone 6 inches to 1 foot in diameter enclosed in a black gouge matrix.

A narrow band of gossan is exposed in the sandstone for 250 feet along the south fault, and in the west cut it contains some azurite, malachite, and enabergite (?) in a fissure-vein type of occurrence. Samples of the gabbro body contained only minor amounts of copper and nickel which nowhere approached a grade equivalent to minable ore. The metallized sandstone contained an average of 0.40 percent copper and 0.29 percent nickel whereas the gabbro averaged 0.13 percent copper and 0.12 percent nickel.

The above data reveal a total absence of ore on the surface of the property and provide no reason to expect an increase in grade at depth. Even if the grade increased to that of ore at depth, the narrow width of the fissure-veins precludes the possibility of the discovery of an appreciable tonnage of ore.

Conclusions

Based on the foregoing data and observations, it is the opinion of the writer that this property does not warrant the expenditure of any Government funds for exploration.

MINE WORKINGS

All workings are caved with the single exception of a portion of the Main shaft from the surface to the 50 foot level. The walls of the shaft were not timbered and were carefully examined. The crosscut on the 50-foot level was visable but was caved to the back. No sulphides were observed and practically no 6% copper ore of minable widths.

POWER LABOR TRANSPORTATION WATER CLIMATE

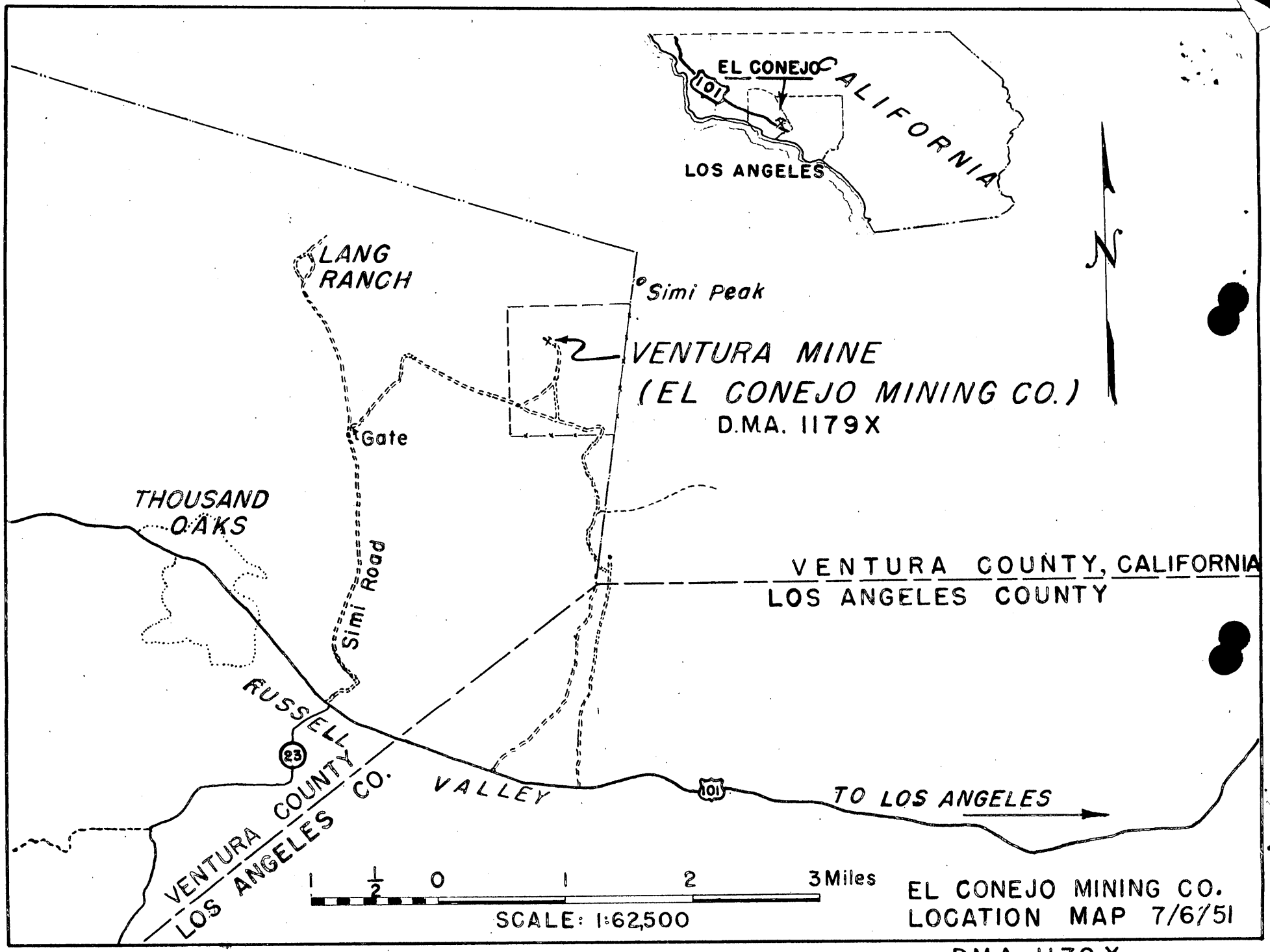
A Southern California Edison power line crosses the south end of the property and also several natural gas lines. A fair laber market

is available. Transportation facilities and climate are excellent. Water is scarce but sufficient for a small drilling program.

CONCLUSIONS

The mineral showing at the property is not sufficient to warrant further exploration or development.

The exploration loan is not recommended.


EL CONEJO
101
CALIFORNIA
LOS ANGELES
N
LANG RANCH
Simi Peak
VENTURA MINE
(EL CONEJO MINING CO.)
D.M.A. 1179X
Gate
THOUSAND OAKS
Simi Road
VENTURA COUNTY, CALIFORNIA
LOS ANGELES COUNTY
RUSSELL VALLEY
23
101
TO LOS ANGELES
VENTURA COUNTY
LOS ANGELES CO.
1 1/2 0 1 2 3 Miles
SCALE: 1:62,500
EL CONEJO MINING CO.
LOCATION MAP 7/6/51

D.M.A. 1179 X

Earle W. Gard

617 SOUTH OLIVE STREET, LOS ANGELES 14, CALIFORNIA

JUL 3 - 1953

July 28, 1953

Mr. C. O. Mittendorf, Administrator
United States Department of the Interior
Defense Minerals Exploration Administration
Washington 25, D. C.

Dear Mr. Mittendorf:

Re: Docket No. DMEA-1179 (Copper-Nickel)
El Conejo Mining Company
Ventura Mine
Ventura County, California

This will acknowledge receipt of your letter of July 23 concerning El Conejo. We are sorry it has not been possible to satisfy the Defense Minerals Exploration Administration in regard to the Owners Consent to Lien. We have attempted to work this out to mutual satisfaction during the past twelve months, and in accordance with your various communications it did appear to us that it would be possible for us to vary from the standard printed form; in fact this was specifically stated in one of your letters, and the Albertson Company were more than willing to modify the standard form in order that a satisfactory solution could be arrived at, and in my opinion their request was certainly not unreasonable. I am sure that the Government does not want beyond a reasonable security for any investment they might make, and I certainly can see no reason why the Lessor should be required to place a lien on other minerals not specifically covered by the agreement with the Government for the development of said minerals, such as nickel and copper.

I also feel sure that since nickel is an extremely critical material a satisfactory Consent to Lien could have been worked out, and to me the Government is the one that will suffer in not being able to develop a known nickel deposit even though of unknown quantity and quality.

We have been ready ever since our original application was made to put our money into this development and have spent considerable time and money in trying to satisfy the Department's various requirements. We are still ready to proceed with the work providing a proper Consent to Lien can be established.

Very truly yours,

Earle W. Gard

Earle W. Gard

EWG:sw

CC: Mr. C. L. Austin

No reply necessary

500

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

JUL 23 1953

Mr. Earle L. Gard, President
El Conejo Mining Company
617 South Olive Street
Los Angeles 14, California

Re: Docket No. DMEA-1179 (Copper-Nickel)
El Conejo Mining Company
Ventura Mine
Ventura County, California

Dear Mr. Gard:

As you have not replied to our letter of June 4, 1953, we assume that you do not wish to pursue the matter of your application for exploration assistance. Therefore, we will consider your application as withdrawn and will remove it from our active files.

We regret the necessity of this action, however, it is done without prejudice to your property.

Sincerely yours,

C. O. Mittendorf

Administrator

MJD
7-23-53

JWAlt/hmj
(7/22/53)
CC to: Docket
Adm. R. File
Op. Committee
Region III (2)
Mr. Kinkel
Mr. Bishop

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

Mr. Earle W. Gard, President
El Conejo Mining Company
617 South Olive Street
Los Angeles 14, California

JUN 4 1953

Re: Docket No. DMEA-1179 (Copper-Nickel)
El Conejo Mining Company
Ventura Mine
Ventura County, California

Dear Mr. Gard:

We regret that we cannot approve the redrafted Owner's Consent to Lien enclosed with your letter of May 21, 1953.

If you still desire to obtain Government assistance for your exploration project, it will be necessary to obtain the signature of the lessor to the Owner's Consent to Lien. In the event that you care to proceed, we are enclosing six copies of this form, all of which must be duly executed and returned to this office.

Since your application has been pending for such a considerable length of time, it will be necessary for us to remove your application from the active file and place it in the closed file unless we hear from you within thirty days.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

Enclosures
JWAlt/hmj
(6/3/53)
CC to: Docket
Adm. R. File
Op. Committee
Base Metals Division
Region III (2)
Mr. Kinkel
Mr. Bishop
Chron.

FILE COPY
SURNAME:

140

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

AEKane
Pending

May 28, 1953

N. S. in R. & R.

Docket

Memorandum

To: Mr. W. R. Griswold, Base Metals Division

From: Chief Counsel

Subject: El Conejo Mining Company, Docket No. DMEA-1179X (Copper-Nickel Ore)

On December 9, 1952, applicant submitted a proposed Owner's Consent to Lien considerably modifying the Government form; and on December 29, 1952, he was advised by the Administrator that the proposed changes could not be accepted. On May 21, 1953, the applicant again submitted another form of Owner's Consent to Lien containing still other modifications thereof.

Since the Government appears not to be enthusiastic about this project the application for which has been pending since 1951, it is suggested that the applicant be advised that the Government cannot accept any changes in the Owner's Consent to Lien. You can, of course, waive the Owner's Consent to Lien and substitute a Guaranty in its place, if the Administrator approves.

R E Kane
for J. L. Hofflund
Chief Counsel

AEKane:ep

Copy to: Mails & Files
Mr. Hofflund
Mr. Kane
Chron.

[illegible]

Earle W. Gard

617 SOUTH OLIVE STREET, LOS ANGELES 14, CALIFORNIA

May 21, 1953

RECEIVED

MAY 27 1953

GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

Mr. Ernest Wm. Ellis, Chief
Rare and Misc. Metals Division
United States Department of the Interior
Defense Minerals Exploration Administration
Washington 25, D. C.

Dear Mr. Ellis:

Re: Docket No. DMEA-1179 (copper-nickel)
Ventura Mine
Ventura County, California

I am enclosing the Owner's Consent to Lien which has been redrafted in accordance with your suggestion by Mr. Austin of The Albertson Company.

It is hoped that the revision can be approved by your office so that work can be started on the project.

Very truly yours,

Earle W. Gard

Earle W. Gard

EWG:sw
Encl. (1)
Owner's Consent to Lien Form (1)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED

MAY 25 1953

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of _____, County of _____, described as follows:1/

_____

_____

_____

_____

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

2/_____

_____

_____

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ _____, or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this _____ day of _____, 195 ___.

_____ [Seal]

_____ [Seal]

_____ [Seal]

1/ 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 cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

Repayment by Operator. (a) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

(b) As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

(c) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(d) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

Title to and disposition of property. All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the paragraph captioned "Title to and disposition of property." of the Relevant Contract Provisions set forth on the reverse side hereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes; provided that the Government's said equity and rights and its authority to enter upon the land of the undersigned shall expire one hundred eighty (180) days after completion of the exploration work or the termination of the contract, whichever occurs first.

2. To secure the payment to the Government of the percentage royalty on production 3 provided for under the terms of the paragraph captioned "Repayment by Operator." of the Relevant Contract Provisions set forth on the reverse side hereof, there is hereby granted to the Government a lien upon any production from the above-described property of minerals (except hydrocarbons and water) whose discovery or development has resulted from the exploration work and been certified to the Operator, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$_____ _____, or ten years have elapsed from the date of the contract, whichever occurs first. If the Government shall not certify in writing to the Operator, within the time prescribed in said paragraph captioned "Repayment by Operator," that a discovery or a development from which production may be made has resulted from the exploration work, then the Government shall have no lien under this paragraph. The undersigned does not guarantee performance of the Operator's obligations under said paragraph captioned "Repayment by Operator."

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien hereby granted to the Government by the undersigned, provided that the undersigned does not waive its right to modify or terminate, for any reason at any time and from time to time, any leases or other agreements which it may now have or may make in the future with the Operator, nor shall the undersigned be bound by the contract, nor shall the undersigned have any obligation to explore for, develop, or produce minerals from the above-described land. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

4. By acceptance of this Owner's Consent To Lien the Government agrees to notify the undersigned promptly in writing of the completion of the exploration work and of the termination of the contract and the Government further agrees to furnish the undersigned promptly with copies of the following writings at the time the originals are delivered by the Government to the Operator:

(1) Any waiver of the Government's interest in a facility, building, fixture, piece of equipment or other item placed on the undersigned's land by the Operator or the Government.

(2) Any notice to the Operator to dispose of property on the undersigned's land.

(3) Any certification of a discovery or a development.

If the Government shall fail to notify the undersigned of the completion of the exploration work or of the termination of the contract or shall fail to furnish the undersigned with copies of writings (1) and (2), at the time prescribed herein, it shall forfeit its rights under paragraph 1 hereof; and if it shall fail to furnish the undersigned with copies of writing (3) at the time prescribed herein, it shall forfeit its rights under paragraph 2 hereof.

5/15/53 gla

Earle W. Gard

617 SOUTH OLIVE STREET, LOS ANGELES 14, CALIFORNIA

May 8, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 11 1953

Mr. Ernest Wm. Ellis, Chief
Rare and Misc. Metals Division
United States Department of the Interior
Defense Minerals Exploration Administration
Washington 25, D. C.

Dear Mr. Ellis:

Re: Docket No. DMEA-1179 (copper-nickel)
Ventura Mine
Ventura County, California

Mr. Austin, Vice President of the Albertson Company, had a serious heart attack and has only recently returned to his office, and the doctor permits him to spend not in excess of two hours per day.

He advised me yesterday that he hoped it would be possible for him to have the revised modification of the Owner's Consent to Lien completed in approximately two weeks.

We are extremely anxious to get this matter clarified, and I am sorry that the above condition has made it impossible for me to forward the necessary information to you at an earlier date.

Very truly yours,

Earle W. Gard

Earle W. Gard

EWG:sw

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 2-27-53

REFERRED TO:

DMA-1179X

1. ~~Mr. Hoffland, Rm.~~ 4627
2. Mr. Ellis - Rm 4640
3.
4.

FOR:

X Action
Approval
Comment
Conference
Consideration
Filing
Instruction
Investigation
Initials
Mailing
Previous correspondence
Recommendation
Record of
Referring to
Reply for signature of
Rewriting
Signature
Suggestions
Your information

RECEIVED
MAR - 3
GENERAL COUNSEL
DEFENSE MINERALS ADMINISTRATION

REMARKS: Note:
Dictated but not corrected
hence cross use of the
word "proposed."
ELR

Check (X) before the items needing attention.

Please obtain copy of omnibus Congressional bill as passed by Albert Gore to DMA.

Initials of sender.

GPO 16—63875-1

FILE COPY
SURNAME:

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

February 27, 1953

Memorandum

To: John L. Hofflund, Chief Counsel

From: Ernest Wm. Ellis, Chief
Rare and Misc. Metals Division

Subject: Docket No. DMA-1179X (Copper-nickel)
El Conejo Mining Company
Ventura, County, California

This application was filed May 16, 1951, and the estimated cost of the proposed work was $90,000.00. The proposed work was revised considerably and a proposed contract was drawn in the amount of $20,000.00, with Government participation 70%, or $14,000.00. (Note: Applicant expected a 90-10 participation basis, but since the application covered both copper and nickel it was decided a 70-30% contract should be the participation basis.) The proposed contract was submitted to the Executive Officer, Region III, on January 23, 1952. The contract, as drawn, was unacceptable to the applicant and was returned to the Field Team on March 19, 1952, with a letter bringing out the Applicant's objections to the contract as submitted.

A new proposed contract was drawn with an estimated total cost of $30,880.00, the increase being largely due to Applicant's stated contract price for drilling. Then, on May 29, 1952, Applicant was requested to furnish signed copies of MF-203 (Owner's Consent to Lien) and, furthermore, Applicant was requested to furnish a statement that El Conejo Mining Company had executed the "Assumption of Lease" which was attached to the Mining Lease, dated August 6, 1951.

Since that time, Applicant's representative has made several trips outside of continental United States and, consequently, did not comply with the request of May 29, 1952. All of this delay is a matter of record in the docket file.

Following said delays Applicant's lessor, The Albertson Company, proposed modifications of the "Owner's Consent to Lien" form, which changes were unacceptable to the Government. Now Applicant files a letter under date of February 24, 1953, together with proposed changes which The Albertson Company, lessor, feels should be made a part

of any Owner's Consent to Lien that they would be willing to sign.

As you can see, a proposed contract has been extremely difficult to finalize. Since nickel is high on the strategic list, it does appear that a proposed contract, as modified, would be desirable. However, the project cannot be considered too important since some of the members of the Field Team were not at all enthusiastic about its possibilities. However, I believe they would now be in favor of the smaller project proposed.

Kindly review the Albertson Company's objections to see if we can arrive at a "meeting of the minds" and thus either get the contract finalized or off the books entirely. It is my impression that since the proposed project has been assigned a contract number (Adm-121) that the proposed funds have been allocated, at least in the amount of $20,000.00 (which was the amount of the first contract sent out), since January of 1952.

Ernest Wm. Ellis

Ernest Wm. Ellis

cc to: Mr. Chambers
Mr. Adams

FILE COPY
SURNAME:

Ellis

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

Mr. Earle S. Gard, President
El Conejo Mining Company
617 South Olive Street
Los Angeles 14, California

MAR 4 1953

Re: Docket No. [illegible]-1179 (Copper-nickel)
Ventura Mine
Ventura County, California

J.C. 3/4/53

Dear Mr. Gard:

This will acknowledge receipt of your letter dated February 24, 1953, together with copy of a letter addressed to you, dated February 13, from Mr. C. [illegible] Martin, Vice President of the Albertson Company.

The substance of this correspondence pertains to a modified Lessor's Consent to Lien which The Albertson Company is willing to sign in connection with a proposed exploration contract on the Ventura Mine property. In Mr. Martin's letter to you he states: "We submit a revised modification of the Lessor's consent to lien ..." The letter mentions certain changes which The Albertson Company desires to incorporate in the regular form now used by the Government. It will be necessary that you submit this revised modification of the lien in order that we may know the exact wording which The Albertson Company requests.

Please be assured that when this document is received it will be given our earliest attention.

Sincerely yours,

Clement [illegible] Ellis, Chief
Lease and Misc. Permits Division

Ellis/gla/jen
3/3/53
cc to: Adm. Reading File
Docket
Messrs. CHJohnson-3621
ARKinkel-4234 CEA
Ellis
Field Team, Reg. III (2)

2/26/53 gla

Earle W. Gard

617 SOUTH OLIVE STREET, LOS ANGELES 14, CALIFORNIA

February 24, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 26 1953

AIRMAIL

Mr. Ernest Wm. Ellis, Chief
Rare and Misc. Metals Division
United States Department of the Interior
Defense Minerals Exploration Administration
Washington 25, D. C.

Re: Docket No. DMEA-1179
(Copper-Nickel)
Ventura County, California

Dear Mr. Ellis:

I have just recently returned from Turkey and, therefore, it has not been possible for me to answer your letter of January 28 at an earlier date.

I have reviewed your letter of December 29, 1952 with The Albertson Company and am enclosing herewith their letter of February 13 which, I believe, satisfactorily answers your objections and will also give The Albertson Company the interpretation which they believe was intended.

We, indeed, are anxious to start action on development work on El Conejo; and in view of the extremely critical situation as regards nickel and copper, we would appreciate your approving the Albertson interpretation of the Owner's Consent To Lien so that this work can be started at once.

If this meets with your approval, we would like to have you send us the necessary copies of the modified Owner's Consent To Lien including the change which will satisfy The Albertson Company together with the required copies of the Exploration Contract to be signed by El Conejo Mining Company.

Very truly yours,

Earle W. Gard

Earle W. Gard

EWG:sw
Encl. (1)

THE ALBERTSON COMPANY
5225 Wilshire Boulevard
Los Angeles 36, California

February 13, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 26 1953

Mr. Earle W. Gard, President
El Conejo Mining Company
617 South Olive Street
Los Angeles 14, California

Re: El Conejo Mining Company
Docket No. DMEA-1179
(Copper-Nickel)

Dear Mr. Gard: ? ewg.

We submit a revised modification of the Owner's Consent To Lien which should meet the Government's objections to the changes which we have proposed heretofore.

Paragraph 1 is amended in only two respects. First, we subordinate our rights to the Government's equity and rights as set forth in the Relevant Contract Provisions appearing on the back of Form MF-203 rather than to the provisions of a proposed contract and amendments thereof. Naturally, we do not want to subordinate our rights to any unknown rights which the Government might acquire in the future. Second, we have placed a time limit of 180 days upon the Government's right to remove property from our land. That allows for the 90 day period during which the Operator has the right of removal and gives a further period of 90 days for the Government to step in. We think it is unreasonable to require us to wait indefinitely for the Government to remove its property.

Paragraph 2 is also tied in with the Relevant Contract Provisions rather than with the indefinite and unknown language of the proposed contract. We have also confined the lien to minerals (except hydrocarbons and water) which the Government certifies have been discovered or developed by the exploration work. A lien upon <u>any</u> production of minerals is too broad. At present there is an oil and gas lease on the property. We cannot give a lien on hydrocarbons nor water. The language of the earlier drafts of Form MF-200 was confined to the production of <u>ore</u> which is discovered or developed as a result of the work. See Secs. 2 and 14 of MO-5 (April 6, 1951), Article 14 of Form 200 (April 1951), and Article 15 of Form 200 (June 1951). See also DMA Press Release of April 11, 1951, which says "... the Government's contribution to a project shall be repayable from the net returns from any ore, concentrates, or metal produced as a result of the exploration projects," and DMA Press Release of May 10, 1951, where Dr. Boyd says "It is also important to recall that the obligation to repay the Government is limited to the proceeds from newly discovered ores, and that the lien

will not attach to other property rights."

We have also changed paragraph 3 so that it applies to the lien which we grant rather than to the lien granted by you in the contract. We do not ask that the contract lien be changed because that is a matter between the Operator and the Government, but we cannot give such a broad lien because it conflicts with the oil and gas lease. Finally, the contract provides that there is no obligation on the Operator or its successor in interest to engage in mining; but inasmuch as we might not be considered your successor in interest if our Mining Lease were terminated, we think it should be made clear that we also have no obligation to produce.

Yours very truly,

THE ALBERTSON COMPANY

C. L. Austin

CLA/gbe

C. L. Austin, Vice President

FILE COPY
SURNAME:
700

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

Mr. Earle W. Ward, President
El Conejo Mining Company
617 South Olive Street
Los Angeles 14, California

JAN 28 1953

re: Docket No. DMEA-1179
(Copper-Nickel,
Ventura County, California

Dear Mr. Ward:

Reference is made to our letter of December 29, 1952, concerning the above-dated application. Inasmuch as we have received no reply, we assume that you no longer desire to proceed with the application. We wish to cooperate with you in the matter of allowing ample time to submit an owner's consent to lien which can be approved by the Government, but if such owner's consent to lien form cannot be obtained and submitted by March 1, 1953, we will then consider the docket closed.

Sincerely yours,

J. C. 1/28/53

Ernest M. Ellis, Chief
Rare and Inc. Metals Division

Ellis/flo/jem
1/28/53
cc to: Adm. Reading File
Docket
Messrs. Johnson-3621
Finkel-Rm. 4234 GSA
Ellis
Field Team, Region III (2)

FILE COPY
SURNAME:

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

AEKane
Hofflund
Ellis

DEC 29 1952

Mr. Harle W. Card, President
El Conejo Mining Company
617 South Olive Street
Los Angeles 14, California

Re: El Conejo Mining Company
Docket No. DMEA-1179
(Copper-Nickel)

Dear Mr. Card:

This is in reply to your letter of December 9 requesting amendments of the "Owner's Consent to Lien" form. The Government cannot accept the changes proposed in its form of Owner's Consent to Lien. It will not assume liability for any damage caused by reason of the dismantling and removal of any facilities, buildings, fixtures or equipment. The suggestion that the Government's lien shall not attach to the proceeds of any minerals sold by the Operator would contradict Article 9 of the contract which in substance provides that in the event of an issuance of a Certification of Discovery, any minerals mined or produced from the land described in Article 2 within 10 years from the date of the contract shall be subject to a percentage royalty which the Operator shall pay the Government upon the net smelter returns, or other net amounts realized from the sale or other disposition of any such production.

Sincerely yours,

C. O. Mittendorf

Administrator

J.H.
12-29-52

AEKane/ema/jem
12/24/52
cc to: Docket
J. L. Hofflund
A.E. Kane
E. W. Ellis
Chron.
Pending

12/11/52 gla

Earle W. Gard

617 SOUTH OLIVE STREET, LOS ANGELES 14, CALIFORNIA

December 9, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 11 1952

AIRMAIL

Mr. Ernest Wm. Ellis, Chief
Rare and Misc. Metals Division
Defense Minerals Exploration Administration
Washington 25, D. C.

Dear Mr. Ellis:

Re: Docket No. DMEA-1179 (Copper-Nickel)
El Conejo Mining Company
Ventura County, California

We have been delayed in sending you the "Owner's Consent to Lien" since The Albertson Company did not complete it in sufficient time to have it in your office by the promised date of December 5.

I am enclosing their letter to me of December 8, 1952 signed by Mr. C. L. Austin, their Vice-President, indicating the required modifications to the Owner's Consent to Lien in order that they will be in a position to sign the instrument. It will, therefore, be necessary for you to modify the standard form of Owner's Consent to Lien to include the points in question.

We should also have the required copies of the contract which El Conejo Mining Company is to sign so that the contract and the Owner's Consent to Lien can be properly executed and returned to you.

Very truly yours,

Earle W. Gard

Earle W. Gard

EWG:sw
Encl. (1)
Albertson's Letter of
December 8, 1952.

RECEIVED
DEC 12 1952
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

THE ALBERTSON COMPANY
5225 Wilshire Boulevard
Los Angeles 36, California

December 8, 1952

Mr. Earle W. Gard, President
El Conejo Mining Company
617 South Olive Street
Los Angeles 14, California

Dear Mr. Gard:

The Relevant Contract Provisions on the back of Form MF-203, Owner's Consent To Lien, which was sent to you by DMEA on May 29, 1952, are not worded the same as corresponding provisions of the Exploration Project Contract, Form MF-200 (June 1951), which was written up for El Conejo Mining Company, Incorporated under date of January 23, 1952. That contract is the last one we have seen. Before executing the Owner's Consent To Lien we would want to see the Exploration Project Contract in its final form.

Based upon the Relevant Contract Provisions, we have rewritten paragraphs 1, 2 and 3 of the Owner's Consent To Lien to make them acceptable to us. We enclose two copies of the redraft.

Comments on Paragraph 1

Naturally, we do not want to subordinate our rights to any unknown rights which the Government might acquire by future amendments of the contract, so we have limited our subordination in that regard to amendments approved by us. If the Government should come upon our land to remove any property, we would expect the Government to restore our land as you are obligated to do in similar circumstances by Paragraph XXI of the Mining Lease. We would also expect the Government to make good any damages occasioned by such removal. Inasmuch as our subordination is not intended to extinguish our lien when property is removed, we think it should be made clear that we retain a lien upon any surplus proceeds which might result from sales by the Government of property removed from our land. Finally, there must be a time limit upon exercise of the Government's right of removal, else we would never know, after termination of the lease, when the Government might come upon our land to remove the property. We should not be obliged to let improvements stand indefinitely. Accordingly, we have provided that removal must be made within a period ending 90 days after any termination of the lease, which includes a termination by default or by agreement between Lessor and Lessee.

Comments on Paragraph 2

We think the lien upon the land is too broad and is not in the spirit of the Government's purpose, which is to be reimbursed only out of production. We also think that the lien upon any

production of minerals is too broad because that would apply even to our royalty share of oil and gas produced by an oil company under an oil and gas lease. We think the lien should apply only to the production of minerals which are discovered or developed through expenditure of the money which the Government is putting up under the Exploration Project Contract. We also think that the lien should not apply to the proceeds of sale because after ore or concentrates are sold we would expect to get our royalty on such sales and we would not agree to defer collection of that royalty until the Government has been paid in full. Furthermore, we do not want to be in the position where we would have to give back any royalty that we might have received because part of the Government's claim for royalty would be unsatisfied.

Comments on Paragraph 3

It should be clearly understood that we are not required to keep the Mining Lease in effect until the Government's claims are paid, so we expressly declare that we do not waive our right to terminate the Mining Lease for any reason. That right is not opposed to the Government's rights because the Operator is not required to produce, and in the absence of production there is no obligation to repay the Government.

We think the subordination, as modified, gives the Government all the protection it needs while preserving to us essential rights that the Government does not intend to impair.

Yours very truly,

THE ALBERTSON COMPANY

C. L. Austin, Vice President

CLA/gbe
Encs. 2

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of California, County of Ventura, described as follows:1/

That certain tract of land more particularly described in the mining lease from the Albertson Company to Earle W. Gard dated August 6, 1951, and assigned to El Conejo Mining Company on the same date.

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

2/ El Conejo Mining Company, a California Corporation, hereinafter called the "Operator"; and

WHEREAS, the undersigned represents and warrants that the aforesaid ~~lease is in good standing and that there has been no default by the lessee~~ ~~[illegible]~~ or the assignee thereof under its terms and provisions; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

RELEVANT CONTRACT PROVISIONS

Repayment by Operator. (a) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

(b) As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

MF-203

OWNER'S CONSENT TO LIEN

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof approved by the undersigned, with respect thereto shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes; provided that if the Government does enter upon the land for such purposes it shall leave the land as nearly as possible in the condition it was in when the property which the Government removes therefrom was placed thereon; provided, further, that the Government shall be liable to the undersigned for any damages suffered by the undersigned by reason of the Government's exercise of said rights; provided, further, that if the Government shall sell property which it removes from the land for an amount in excess of its expenses of removal and sale plus its claims against the Operator, said excess shall be paid by the Government to the undersigned to the extent of the undersigned's claims against the Operator; and provided, further, that the Government's ~~[illegible]~~ right of entry shall expire ninety (90) days after any valid termination of the Mining Lease between the undersigned and the Operator, of which the Government has been duly notified.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the production of any minerals (except hydrocarbons) whose discovery or development is described in the Government's certification to the Operator pursuant to Article 15 of the contract, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of $_____ or ten years have elapsed from the date of the contract, whichever occurs first~~, provided that said lien shall not attach to the proceeds of any such minerals sold by the Operator.~~

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract, except that the undersigned does not waive its right to terminate the Mining Lease between it and the Operator for any valid reason at any time. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this _____ day of _____, 195 ___.

_____ [Seal]

_____ [Seal]

_____ [Seal]

1/ 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 cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

4/ Insert the maximum amount of the Government's contribution.

12/3/52 gla

Earle W. Gard

617 SOUTH OLIVE STREET, LOS ANGELES 14, CALIFORNIA

November 26, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
DEC 1 1952

AIRMAIL

U. S. Department of the Interior
Defense Minerals Exploration Administration
Room 4640
Washington 25, D. C.

Attention: Mr. F. L. Knouse

Gentlemen:

This will confirm our telephone conversation of this morning concerning a ten day extension to El Conejo Mining Company's request for government participation in the proposed nickel project as covered by Docket No. DMEA-1179. This will extend the time through December 5, 1952.

As I advised you on the telephone, I am leaving for Anchorage, Alaska on a government project and expect to return around December 4 and, therefore, will get the necessary papers in the mail on December 5.

I wish to thank you for your courtesy in extending the time.

Yours very truly,

Earle W. Gard

Earle W. Gard

EWG:sw

700 FILE COPY
SURNAME:

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

OCT 28 1952

Mr. Tom Lyon, Director
Domestic Expansion Division
Defense Materials Procurement Agency
Washington 25, D. C.

Re: Docket No. DMEA-1179 (Copper-Nickel)
El Conejo Mining Company
Ventura County, California

Dear Mr. Lyon:

This will acknowledge receipt of your letter dated October 23, 1952, together with two field reports on the above-captioned project.

It is noted you suggest we contact Mr. Earle W. Gard, President of the applicant company, to ascertain his intentions of proceeding with the exploration contract. For your information, please be advised that an earlier contract submitted to the Applicant was not acceptable to him and consequently was returned to this office. A revised contract has been drawn up and is awaiting certain documents which Mr. Gard has promised to submit. A letter from Mr. Gard, dated September 9, 1952, stated he was leaving for Turkey, to be gone for approximately six weeks, and further stated that upon his return he would submit the necessary papers to complete the contract as soon as possible. He requested that a second extension of time for completing the contract (previously set for September 25, 1952) be extended to November 25, 1952. Accordingly, we wrote him that his wishes would be complied with. This letter was forwarded to Mr. Gard in Turkey. Applicant's representative now states, under date of October 10, that the necessary papers required to formulate the contract, will be in our hands by November 25.

We thank you for submitting the two reports.

Sincerely yours,

C. O. Mittendorf (fw) P.H. 10-28-52

Administrator

EWEllis/gla
10-27-52
cc to: Adm. Reading File
Mr. Ellis
Docket

10/24/5 rgfa

DEFENSE MATERIALS PROCUREMENT AGENCY
WASHINGTON 25, D. C.

OCT 23 1952

DMA-1179

Mr. C. O. Mittendorf
Administrator
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Subject: Ventura Nickel-Copper Prospect,
Ventura County, California

Dear Mr. Mittendorf:

Enclosed please find reports by Mr. James S. Wroth, Consultant to this agency, and Mr. Paul E. Pesonen, Chief of our Iron and Nickel Ores Branch, on the subject nickel-copper prospect in California.

We understand that you are in the process of completing the necessary arrangements for the exploration of this nickel-copper prospect. Inasmuch as we are dependent upon Canada for 90 percent of our nickel supply, and as we have no domestic production of primary nickel, this agency feels that all domestic prospects should be explored to determine the extent and quality of the orebodies. While the prospects may appear small, there is no telling what exploration may divulge, and this agency, therefore, feels that exploration should be conducted to determine the importance of these prospects to provide future nickel supplies.

It is suggested that Mr. Earle W. Gard, President of the El Conejo Mining Company, be contacted to determine his intent of proceeding with the exploration at an early date.

Sincerely yours,

Tom Lyon

Tom Lyon, Director
Domestic Expansion Division

Enclosures

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 23 1952

DEFENSE MATERIALS PROCUREMENT AGENCY

WASHINGTON, D. C.

REPORT ON THE VENTURA NICKEL-COPPER PROSPECT VENTURA COUNTY, CALIFORNIA

BY

PAUL E. PESONEN

OCTOBER 15, 1952

VENTURA NICKEL-COPPER PROSPECT

GENERAL

The Ventura Mine, a nickel-copper prospect in Ventura County, California, has been called to the attention of this Agency by various Government agencies and individuals interested in increasing the supply of critically needed nickel. As this nation is dependent upon Canada for 90 percent of its supply of nickel, it is imperative that all domestic prospects be re-examined and re-evaluated under present day economics and in the light of the most recent developments in the technology of metal recovery.

A surficial examination of this prospect was made on August 29, 1952, by Mr. James S. Wroth, Consultant to this Agency, and by the writer. Mr. Earl W. Gard, President of the El Conejo Mining Company, who has an option on the property, escorted us to the mine, supplied us with a geological map made by the Anaconda Copper Company geologists in January, 1952, and briefed us on the history and sequence of events leading to the development work on the property. He did not, however, accompany us in the field examination.

While the shaft is open to the 50 foot level, the other underground openings are inaccessible.

This report is therefore a summation and the writers interpretation of data supplied and/or published by individuals and Government agencies.

LOCATION

The Ventura mine is located at the head of Lindero Canyon, a north fork of Russell Valley in T.I.N.R. 18 W., S.B.B. and M. in Ventura County, California. It is about 40 miles north of Los Angeles along U.S. highway 101A to Thousand Oaks, which is 3.5 airmiles or 5.2 road miles southwest of the deposit, see Figure 1.

OWNERSHIP

The property consisting of 640 acres is a part of an old Spanish land grant Rancho El Conejo formerly owned by Mrs. Earl W. Gard and her sister who recently sold the property to the Albertson Company, a California corporation.

The El Conejo Mining Company, of which Mr. Earl W. Gard is President, has a long term option on the property.

PAST WORKINGS AND DEVELOPMENT

Mr. Earl W. Gard states that small surface exploratory excavations existed when he visited the property in 1913.

In 1932 the property was leased to the King Gillette interests with a Mr. Thomas Rosenberger in charge of the development work and Mr. Herbert C. Enos, Mining Engineer, an associate.

The development work consisted of sinking a 150 foot deep vertical shaft with a 95 foot crosscut to the north on the 50 foot level and a crosscut of unknown length on the 150 foot level. The elevation of the collar of the shaft is estimated to be about 2600 feet.

About 55 feet east of the shaft a drift was driven N. 76° E. for a distance of 205 feet at an elevation of 2615 feet. At the end of this drift a crosscut was driven 80 feet S. 14 E.

About 275 feet west of the shaft a trench 175 feet long was excavated on surface and an adit was driven at an elevation of about 2585 feet for a length of 173 feet in a northerly direction, Figure 3.

This development work was conducted in an attempt to develop a copper mine. The copper content however, was not of commercial quality so the work was abandoned.

Mr. V. D. Perry examined the property for the Anaconda Copper Company in 1932.

Late in 1950 the El Conejo Mining Company made application to the DMEA for an exploration loan of $90,000, DMA-1179X. The field team was requested to make an examination and their report dated August 3, 1951 recommended denial of the loan as quoted: "The property does not warrant the expenditures of any Government funds for exploration. The preliminary examination indicates that the venture is certain to meet with financial failure due to the small size and low tenor of the mineralization." Also quoting from page four of the field team report; "These assays show that ore does not exist on the surface of the property, and other evidence indicates that there is little possibility of the discovery of reserves at depth." On page seven, quote; "The above data reveal a total absence of ore on the surface of the property and provide no reason to expect an increase in grade at depth."

The Washington office of DMEA however, rejected the denial and provided for an exploration program of 3600 feet of diamond drilling estimated to cost $30,880 to be conducted in stages. The application is pending the receipt of a subordination agreement from the owners.

In January, 1952, at the request of Mr. Earl Gard to Mr. Clyde E. Weed of the Anaconda Copper Company, Messrs. R. Schlemian and D. R. Olson of the geological staff mapped the deposit and recommended exploration by means of three diamond drill holes aggregating 890 feet of drilling, Figure 2.

GEOLOGY

Simi Peak consists largely of Chico sandstone with some interbedded shales. At the southern foothills of Simi Peak a wedge shaped gabbro dike has been intruded into the sandstone and the Topanga conglomerate. The 1800 foot long dike, which is about 600 feet wide at the west end, tapers to a width of 300 feet at the "West Tunnel" 1200 feet to the east. Within 100 feet further east the dike narrows to a width of about 100 feet and to a wedge at the east end, Figures 2, 4, and 5.

The report of the State Mineralogist states that occasional exposures of the dike are found in the interval of four to five miles to the west. He also states that the dike dips 20 degrees to the north. There is no verification however, for this dip. Mr. Enos indicates a dip of 80 degrees of the footwall sandstone. The geological maps of the U.S.G.S. or the Anaconda geologists do not indicate either the dip or the plunge of the gabbro dike. The U.S.G.S. map shows the east end of the gabbro

dike 150 feet west of the shaft and the Anaconda geologists indicate the gabbro extending 350 feet east of the shaft. The outcrops of the gabbro are sparse as it weathers much more readily than the enclosing calcareous conglomeritic sandstone and can therefore be found inplace only in the bottoms or sides of the erosion channels which cut across the dike.

The Topanga formation or conglomerate overlaps the west end of the gabbro and dips 26 to 50 degrees to the west-southwest. Both the U.S.G.S. and Anaconda geologists indicate a vertical fault striking about N 60° W in the sandstone at the northeast end of the gabbro dike. The U.S.G.S. geologists indicate a vertical fault along the southern contact of the gabbro. Slickenslides at the mouth of the east tunnel plunge about 50 degrees to the west. While geological exposures or clues as to the plunge of the dike are meagre, the writer suspects that the plunge is to the west.

MODE OF ORE OCCURRENCE

While the surface exposures are obscure, the geologists indicate that for a length of about 800 feet and for widths of from 50 to 100 feet at the east end of the dike the gabbro has been highly altered by weathering and leaching. This zone indicates very close fracturing and is conspicuous on the surface with iron oxides resultant from the oxidation of iron sulphides. The development work conducted in 1932 explored this zone for copper mineralization. Very little mineralization is visible on the surface except at the mouth of the east tunnel where the Anaconda geologists recognized some chrysocola and spots of garnierite.

As the underground workings, with the exception of the shaft to the 50 foot level, are caved, the results of the underground sampling by Mr. Enos, Mining Engineer, Figure 3, must be relied upon. As the development work was conducted in search of copper, there is no reason to doubt the accuracy of the nickel assays as reported by Mr. Enos.

The development work conducted in 1932 penetrated a 25 foot wide zone at four locations along a strike length of over 400 feet in the gabbro that averages 1.48 percent nickel and .79 percent copper. At the present market price, assuming a 95 percent recovery of the nickel and an 85 percent recovery of the copper, the ore has a value of $19.18 a ton.

RESULTS OF ASSAYS OF SAMPLES BY MR. H. C. ENOS IN 1932

Location of Sample	Width of Sample	Ni	Cu
Tunnel 275' West of Shaft	25'	1.12	.20
Trench 275' West of Shaft	25'	1.26	.20
50 foot level West Side	15'	3.29	.21
50 foot level East Side	25'	1.30	.26
East Drift 75' East of Shaft	60'	1.62	2.08
East Drift 175' East of Shaft	50'	1.14	.26
Weighted Average	200'	1.48	.79

As shown in Figure 3, the development work to date indicates a probability of a definite zoning of mineralization. The lateral extent, depth, and quality of this mineralization can only be determined by additional exploration at depth.

PROPOSED EXPLORATION

It is proposed to explore the gabbro and the nickel-copper zone at depth by diamond drilling, as shown in cross sections "A" through "D". The cross sections indicate the target at either a 20 or 80 degree dip. The proposed exploration tabulated below is the minimum amount of drilling that is recommended and providing encouraging results are experienced the exploration should be continued to develop sufficient tonnage to warrant the exploitation of the deposit or to determine the maximum tonnage and quality of ore available.

PROPOSED DIAMOND DRILL EXPLORATION
STAGE 1

D. D. Hole Number	Location	Angle and Direction	Proposed Length of Hole
1	135 Feet West of Shaft	60° S	330 Feet
2	Through Shaft	60° S	300 "
3	135 Feet East of Shaft	60° S	325 "
4	275 Feet West of Shaft	60° S	300 "
		Total Stage 1	1,255 Feet

Providing the results of the above exploration are encouraging, additional drill holes should be drilled to determine the extent of the mineralization to the west and at greater depths.

It is suggested that an AX bit and a double core barrel be used.

Paul E. Pesonen

Paul E. Pesonen

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

CALIFORNIA
TRIUNFO PASS QUADRANGLE

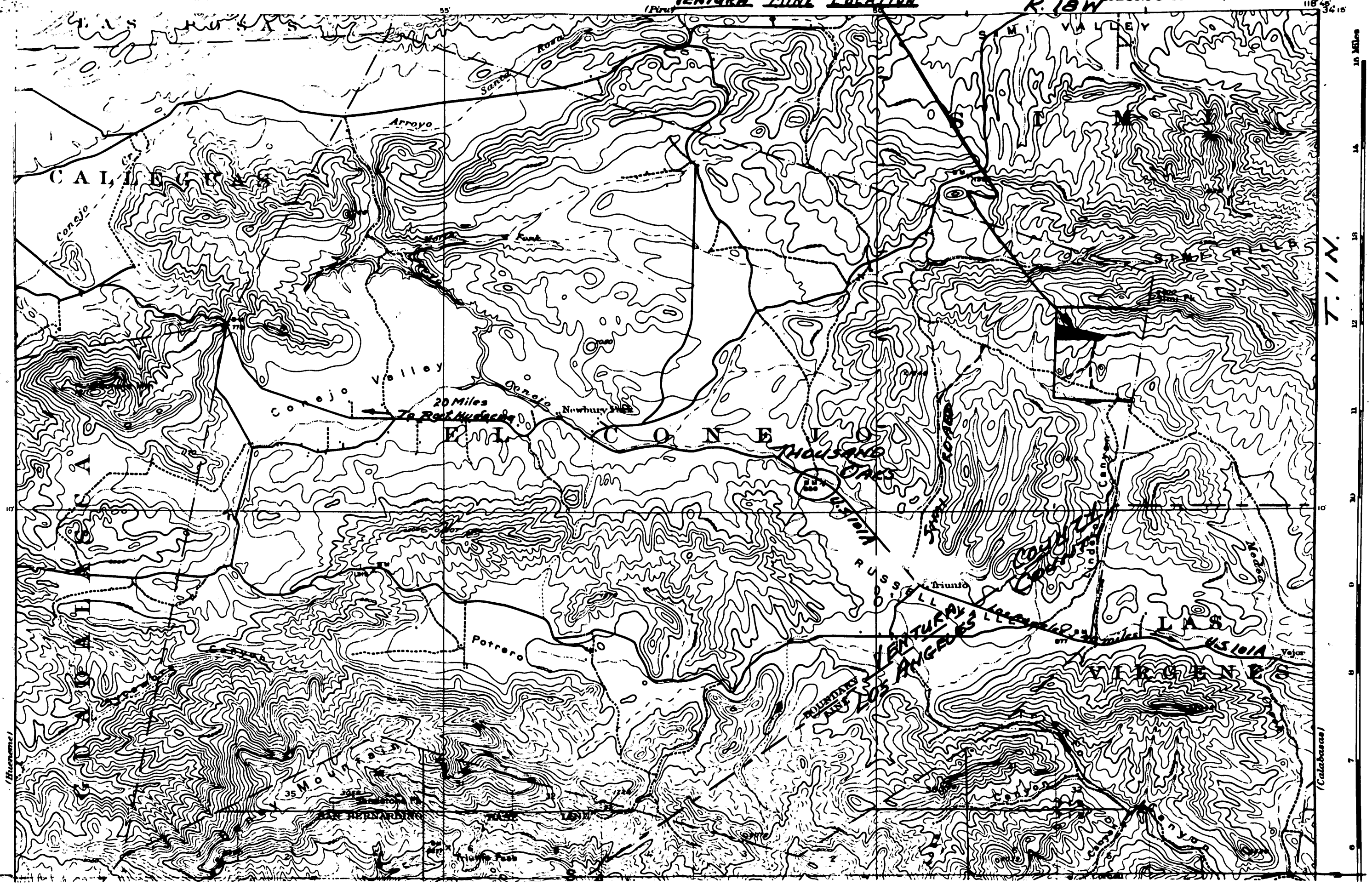


FIGURE 1.

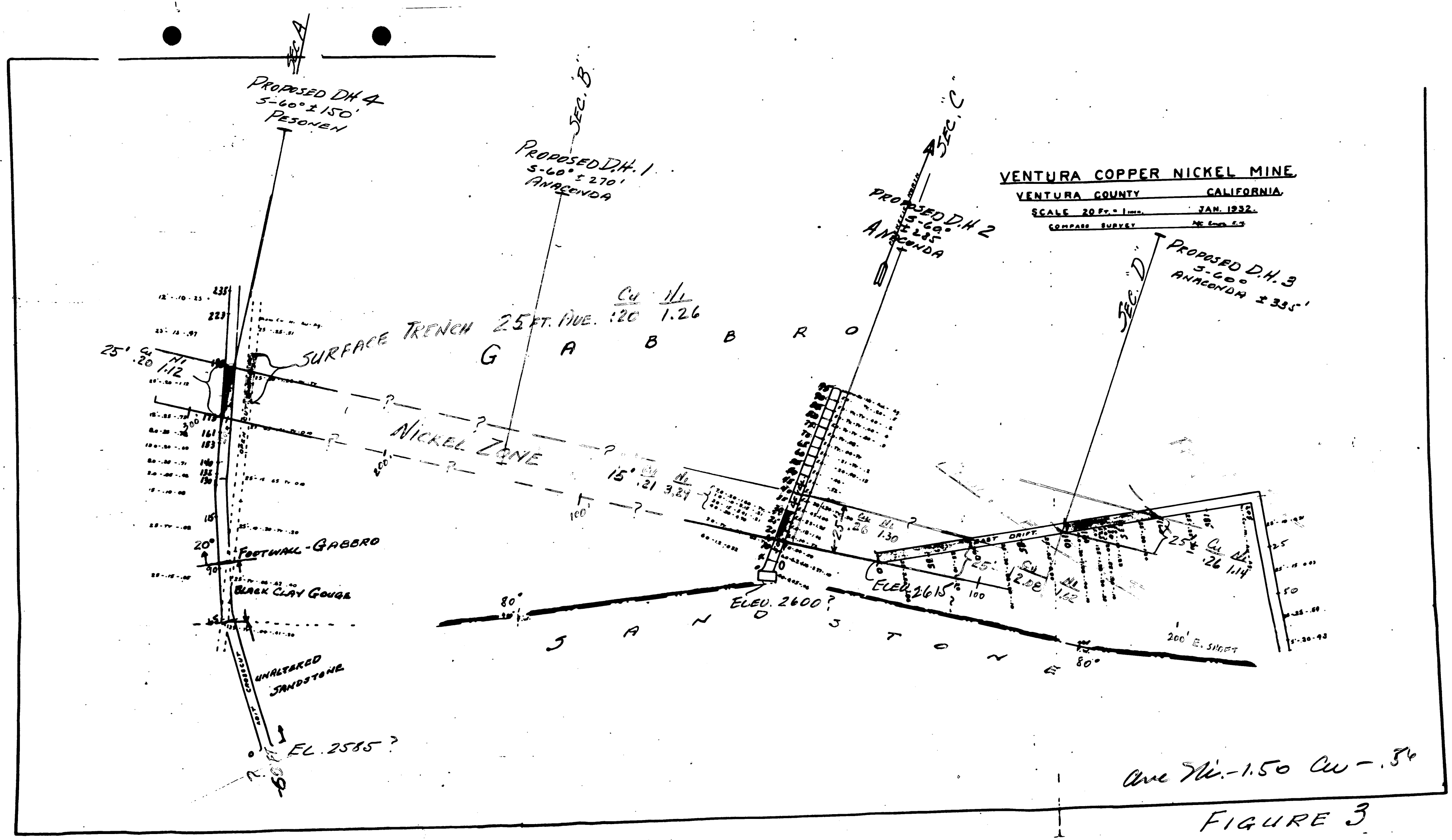

VENTURA COPPER NICKEL MINE
VENTURA COUNTY CALIFORNIA
SCALE 20 FT. = 1 INCH. JAN. 1932.
COMPASS SURVEY
SEC. A
SEC. B
SEC. C
SEC. D
PROPOSED DH 4
S-60° ± 150'
PESONEN
PROPOSED D.H. 1
S-60° ± 270'
ANACONDA
PROPOSED D.H. 2
S-60°
± 285
ANACONDA
PROPOSED D.H. 3
S-60°
ANACONDA ± 335'
SURFACE TRENCH 25 FT. AVE. Cu .20 Ni 1.26
G A B B R O
NICKEL ZONE
25' Cu .20 Ni 1.12
15' Cu .21 Ni 3.24
Cu .26 Ni 1.30
25' Cu 2.08 Ni 1.62
25' Cu .26 Ni 1.14
FOOTWALL-GABBRO
BLACK CLAY GOUGE
UNALTERED SANDSTONE
CROSSCUT
EL. 2585 ?
ELEV. 2600 ?
ELEV. 2615 ?
EAST DRIFT
200' E. SHAFT
S A N D S T O N E
80°
20°
Ave Ni.-1.50 Cu-.5%

FIGURE 3

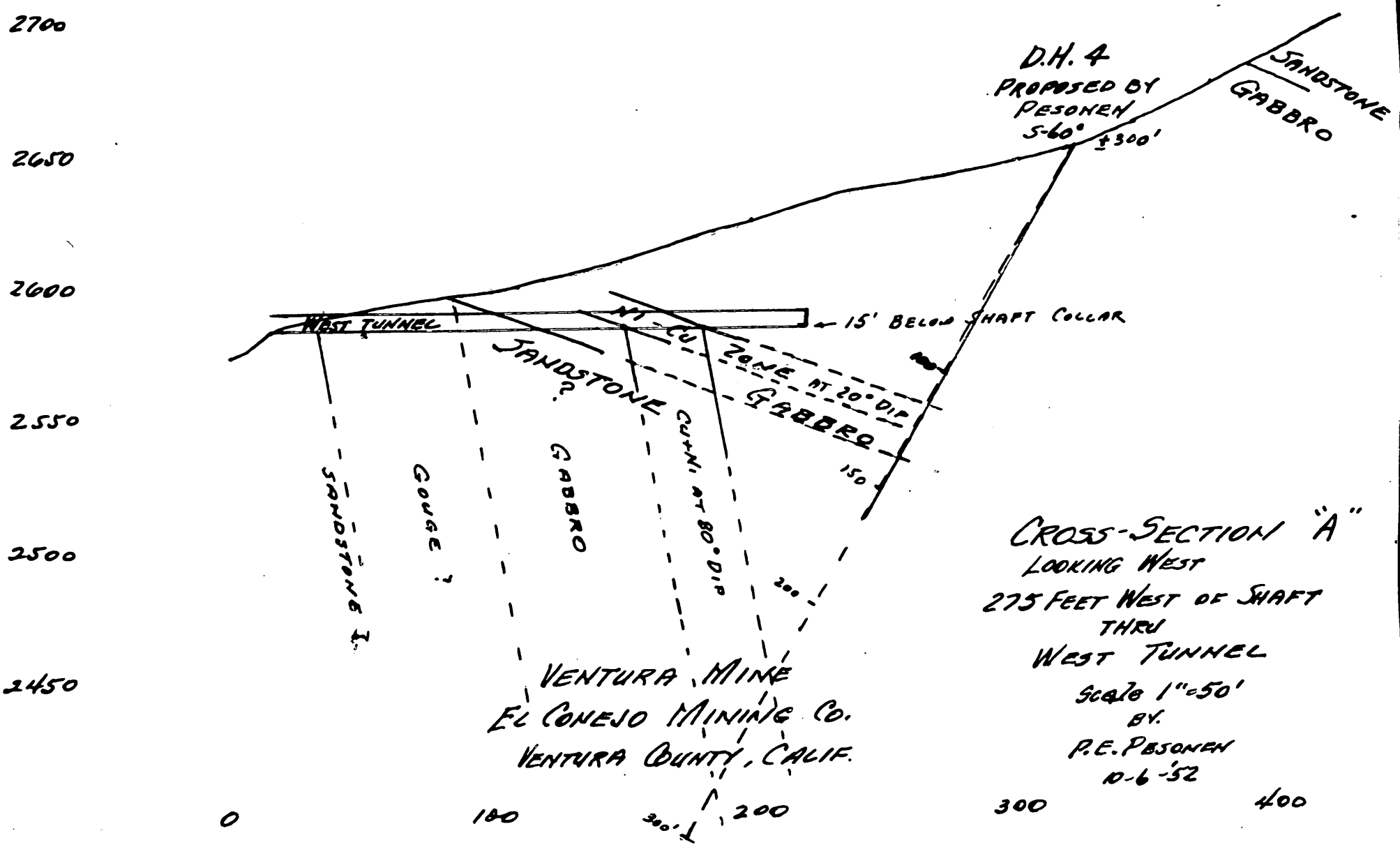
VENTURA MINE
EL CONEJO MINING COMPANY
VENTURA COUNTY, CALIFORNIA

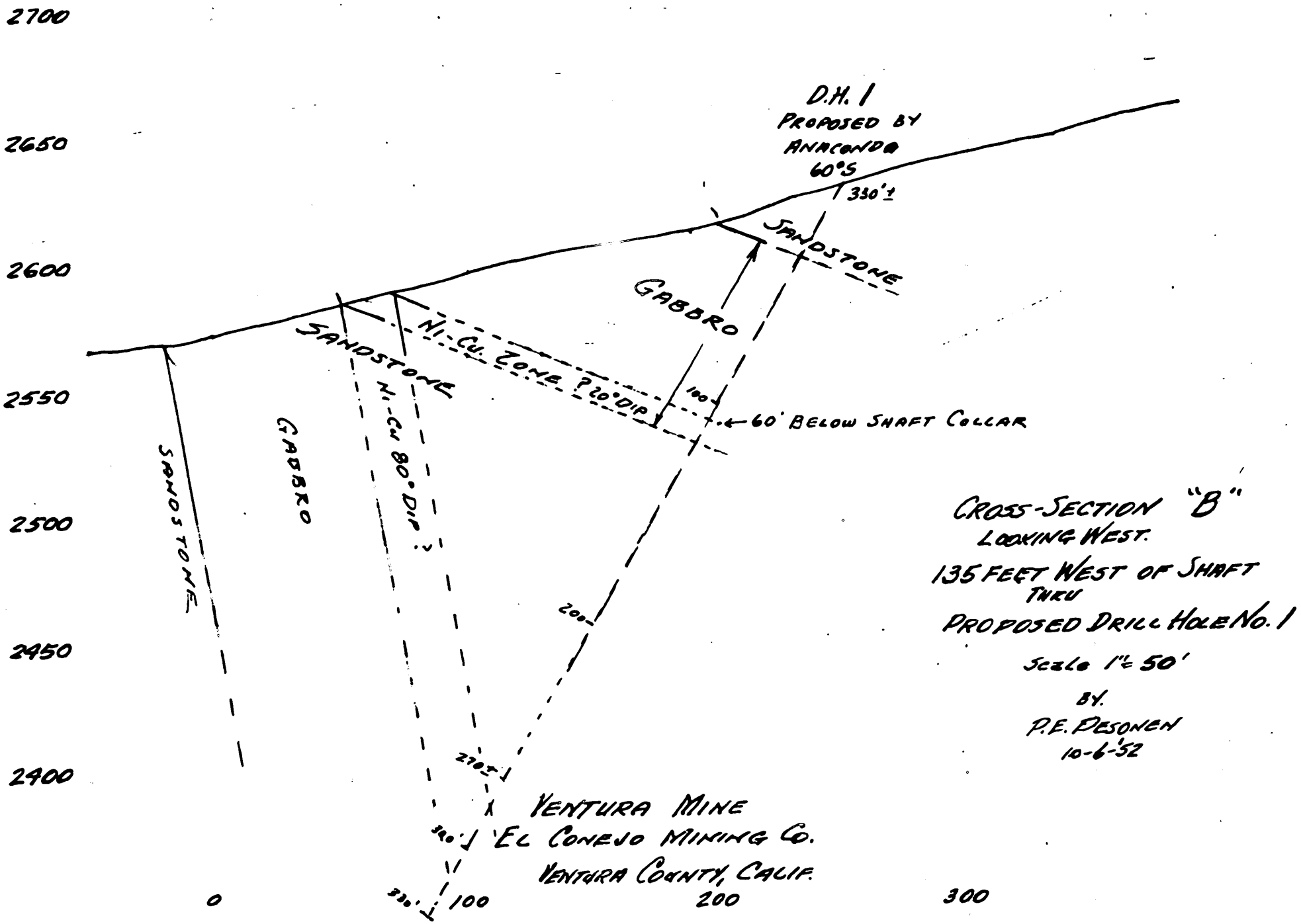
VENTURA MINE - LOOKING WEST

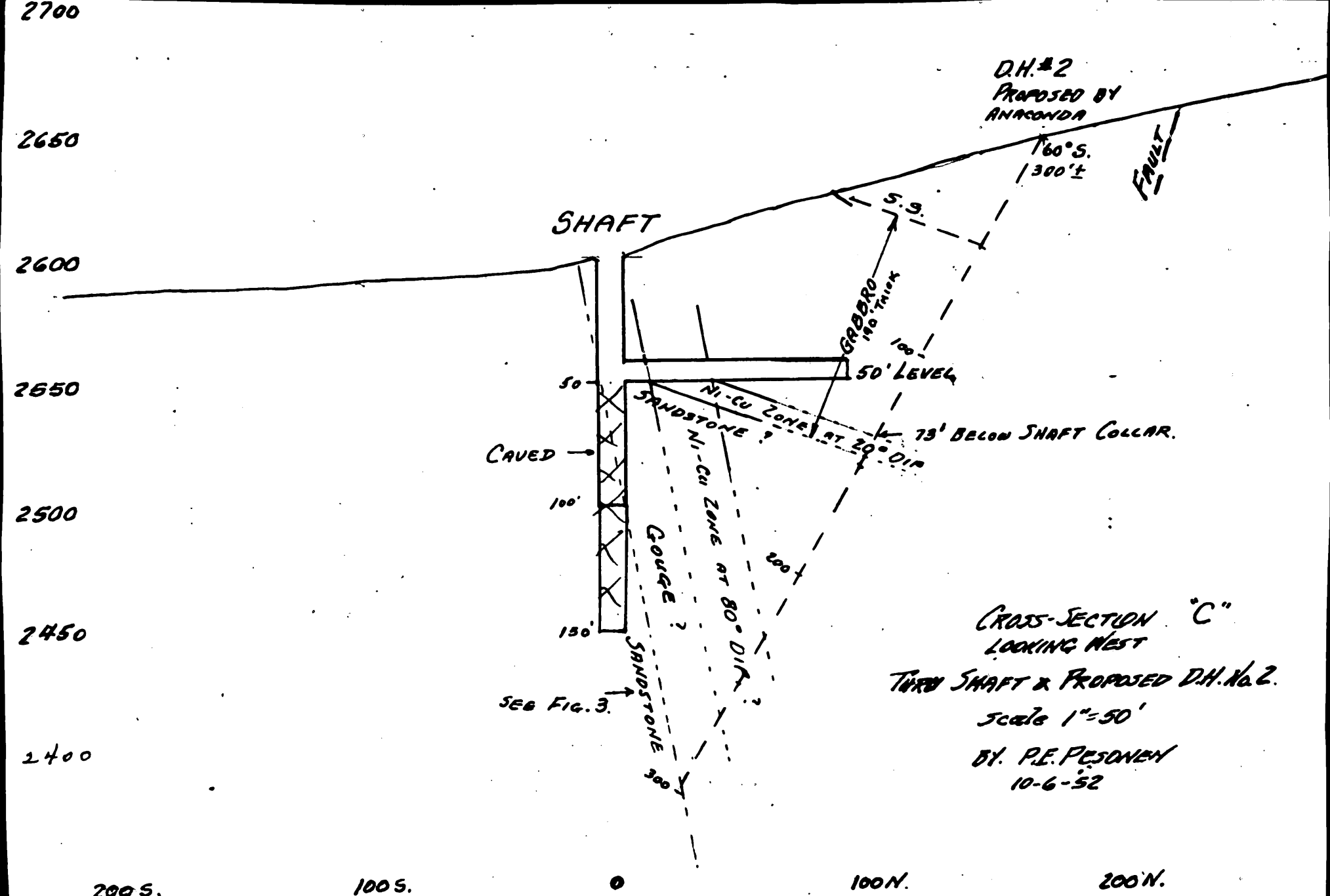
Figure 4 -- Looking west along the Gabbro Dike showing location of the shaft and the footwall contact with the Chico sandstone.

VENTURA MINE - LOOKING NORTH

Figure 5 -- Looking north showing the nature of the topography and the location of the shaft with the gabbro dike along the south foothills of Simi Peak.

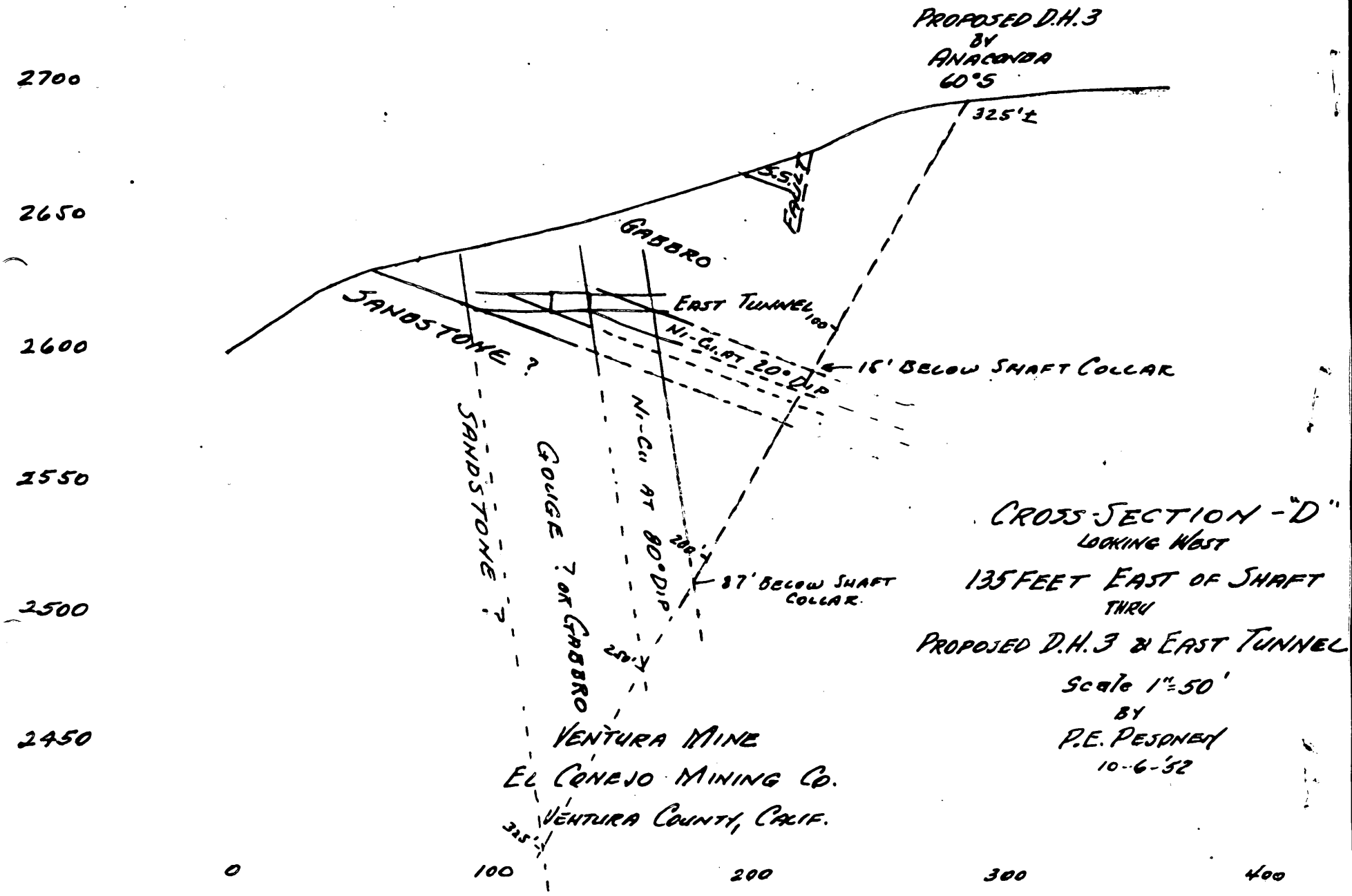

2700
2650
2600
2550
2500
2450
D.H. 4
PROPOSED BY
PESONEN
S-60°
±300'
SANDSTONE
GABBRO
WEST TUNNEL
15' BELOW SHAFT COLLAR
Ni-Cu ZONE NT 20° DIP
SANDSTONE ?
GABBRO
CUNI AT 80° DIP
150
200
SANDSTONE I
GOUGE ?
GABBRO
VENTURA MINE
EL CONEJO MINING CO.
VENTURA COUNTY, CALIF.
CROSS-SECTION "A"
LOOKING WEST
275 FEET WEST OF SHAFT
THRU
WEST TUNNEL
SCALE 1"=50'
BY.
P.E. PESONEN
10-6-52
0
100
300'
200
300
400


2700
2650
2600
2550
2500
2450
2400
D.H. 1
PROPOSED BY
ANACONDA
60°S
330'±
SANDSTONE
GABBRO
SANDSTONE
Ni-Cu. ZONE ? 20° DIP
100
← 60' BELOW SHAFT COLLAR
SANDSTONE
GABBRO
Ni-Cu 80° DIP
200
270'±
VENTURA MINE
EL CONEJO MINING CO.
VENTURA COUNTY, CALIF.
330'±
0
100
200
300
CROSS-SECTION "B"
LOOKING WEST.
135 FEET WEST OF SHAFT
THRU
PROPOSED DRILL HOLE NO. 1
Scale 1" = 50'
BY.
P.E. DESONEN
10-6-52



CROSS-SECTION "C"
LOOKING WEST
THRU SHAFT & PROPOSED D.H. No. 2.
SCALE 1" = 50'
BY. P.E. PESONEN
10-6-52

VENTURA MINE
EL CONEJO MINING CO.
VENTURA COUNTY, CALIF.


PROPOSED D.H.3
BY
ANACONDA
60°S
325'±
2700
2650
2600
2550
2500
2450
GABBRO
SANDSTONE ?
EAST TUNNEL 100'
Ni-Cu AT 20° DIP
15' BELOW SHAFT COLLAR
SANDSTONE ?
GOUGE ? OR GABBRO
Ni-Cu AT 80° DIP
200'
87' BELOW SHAFT COLLAR
250'
325'
0
100
200
300
400
CROSS-SECTION - "D"
LOOKING WEST
135 FEET EAST OF SHAFT
THRU
PROPOSED D.H.3 & EAST TUNNEL
Scale 1" = 50'
BY
P.E. PESONEN
10-6-52
VENTURA MINE
EL CONEJO MINING CO.
VENTURA COUNTY, CALIF.

Earle W. Gard

617 SOUTH OLIVE STREET, LOS ANGELES 14, CALIFORNIA

October 10, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 13 1952

AIRMAIL

Mr. Ernest Wm. Ellis, Chief
Rare and Misc. Metals Division
U. S. Department of the Interior
Defense Minerals Exploration Administration
Washington 25, D. C.

Dear Sir:

Re: Docket No. DMEA-1179
(Copper-Nickel)
Contract Idm-E241 (Revised)
Ventura County, California

This will acknowledge receipt of your letter of September 22, 1952 which was forwarded to Mr. Gard, who is still in Turkey.

Mr. Gard has asked that I advise you that the papers necessary to formulate the above mentioned contract will be in your hands by November 25, 1952. Mr. Gard also wishes to express his appreciation for granting the extension of time on this matter.

Very truly yours,

Sue Warner

Secretary to Mr. Gard

(SW)

FILE COPY
SURNAME:

700

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

SEP 22 1952

Mr. Earle W. Gard, President
El Conejo Mining Company
617 South Olive Street
Los Angeles 14, California

Re: Docket No. DMA-1179
(Copper-Nickel)
Contract Adm-7241 (Revised)
Ventura County, California

Dear Mr. Gard:

This will acknowledge receipt of your letter dated September 9, 1952, appertaining to the above-captioned project. Said letter was in reply to our communication of August 27, 1952, in which we stated that if certain documents were not presented by September 25, 1952, we would consider the docket closed.

We note that you have left for Turkey, to be gone for a period of approximately six weeks, and are requesting that the closing date be extended to November 25, 1952. On the assumption that this letter will be forwarded to you and we will be favored with a reply, we will grant this extension provided that you give us some assurance at this time that papers necessary to formulate this contract will be forthcoming.

One of the reasons for requesting such assurance is, as you know, the original contract was ready for your signature in January of this year and was returned as unsatisfactory to you. We thereupon drew up a new contract, taking cognizance of the principal items that were objectionable to you. However, the funds for the original contract were allocated at the time of the dating of the contract and since that time these funds have remained dormant. Such frozen funds are thus not available for other work.

We therefore believe you will see the reasonableness of our desiring a statement that upon your return on or before November 25, 1952, you will be in a position to go ahead with the contract.

Sincerely yours,

Ernest Fm. Ellis, Chief
Rare and Misc. Metals Division

EFEllis/gle/jem
9/18/52

cc to: Adm. Reading File
Docket
Messrs. C.H.Johnson, Rm. 3621
Ned Nelson, Rm. 4216 GSA
Ellis Keller Chambers
Field Team, Region III (2)

JAMES S. WROTH
602 Prospect Street
Westfield, New Jersey

September 15, 1952

Mr. Howard I. Young, Deputy Administrator
Defense Materials Procurement Agency
Washington 25, D. C.

Dear Mr. Young:

Attached hereto please find a brief report on the El Conejo Nickel Mine (Ventura Mine) in Ventura County, California.

This property was visited by me on August 29, in company with Mr. Paul E. Pesonen of your staff. We were accompanied to the property by Mr. Earl W. Gard, President of the El Conejo Mining Co.

The underground workings were inaccessible but we made a careful inspection of the surface and a thorough study of old reports, maps and other information.

Yours respectfully,

James S. Wroth

James S. Wroth

JAMES S. WROTH
602 Prospect Street
Westfield, New Jersey

REPORT ON

THE EL CONEJO NICKEL MINE

Also known as the VENTURA MINE

Ventura County, California

September 15, 1952

SUMMARY

Low grade copper-nickel mineralization is exposed on the surface for a length of 600-800 feet in a gossan along the southern contact between a wide gabbro dyke that is intrusive into sandstone. The gossan and the contact appear to mark a wide fault or shear zone which has been mineralized. Caved and inaccessible mine workings below the gossan outcrop are reported to show sulphide ores having a grade of approximately 0.20% copper and 0.6 to 1.0% nickel. This mineralization is largely in the gabbro and may be as much as 50 feet or more in width.

RECOMMENDATIONS

I recommend that preliminary exploration of this deposit consist of three diamond drill holes, having a total footage of 890 feet, whose location is shown on the accompanying map No. 3.

These holes should be of "AX" size (1-3/8 inch core) and should be under the constant and continuous supervision of a Government engineer as suggested in the final paragraph of this report.

Any further drilling or exploration work should depend on the results of the first three holes.

The El Conejo Mining Company should revise its application to the DMEA (Docket No. 1179X) to provide for the above drilling which may be followed if desired by such additional exploration work as may be recommended after this drilling has been completed.

* * * * * * * * *

THE EL CONEJO NICKEL MINE (VENTURA MINE)

This report is based on an inspection of the property and on information obtained from the following sources, copies of which

are on file with the DMEA in Washington, D.C.

1. Report of Examination by Field Team, Region III, DMA-1179X, El Conejo Mining Company (Ventura Mines), by B. H. Sheahan and C. D. Rinehart, August 3, 1951.

2. Application of El Conejo Mining Co. for nickel exploration loan accompanied by various reports, maps and other data. The amount applied for was $90,000.00. The application was denied but was revised to provide for a 2-stage program of 3600 feet of diamond drilling to cost $30,880.00 in accordance with a suggestion from the DMEA in Washington. The application is still pending awaiting the receipt of a lease subordination agreement from the owners.

This report is accompanied by the following maps:

No. 1. Copy of map from Field Team report referred to above.
No. 2. Copy of assay plan of mine workings made by Mining Engineer H. C. Enos about 1932.
No. 3. Copy of map showing surface geology by R. Seklemian and D. R. Olsen of the Anaconda Copper Co., January 1952.

GENERAL

The El Conejo (Ventura) Mine is located 3.5 miles northeast of the town of Thousand Oaks, 5.2 miles by road, in Ventura County, California, on the south slope of Simi Peak. It is 40 miles northwest of Los Angeles.

The property consists of approximately 640 acres of land, a portion of an old Spanish land grant. It is held under a long term lease by the El Conejo Mining Co. of which Mr. Earl W. Gard, 617 South Olive St., Los Angeles, California, is President. The property was formerly owned by Mrs. Earl W. Gard and her sister.

The property appears to have been originally a gold prospect. Copper-nickel mineralization has been known for many years. The mine workings shown on the accompanying map No. 2 were driven in 1932. Mr. H. C. Enos, Mining Engineer, was associated with the operator, a Mr. Thomas Rosenberger, and the accompanying assay plan was prepared by him. No work has been done since then.

Mr. V. D. Perry of the Anaconda Copper Co. examined the property in 1932 for that company. In January, 1952, two geologists of the Anaconda Company, Messrs. Robert Seklemian and D. R. Olsen, mapped the surface geology in accordance with a request by Mr. Gard to Mr. Clyde E. Weed. A letter from Mr. Weed to Mr. Gard,

dated January 29, 1952, transmitted a brief memorandum and a copy of the map by Seklemian and Olsen. A copy of this map is attached hereto, marked Map No. 3. References to this memorandum and map will be made in this report.

GENERAL GEOLOGY

As shown on the two geologic maps, a large wedge shaped gabbro dyke trending east and west has been intruded into sandstones and conglomerates. Low grade copper-nickel mineralization is found in and below a gossan that occurs on the surface along the south side and at the east end of the gabbro dyke. This gossan is 600-800 feet in length. Near the shaft the gabbro-sandstone contact is marked by heavy gouge and by the facturing and shattering of the rocks. Both underground and on the surface the mineralization appears to be mainly in the gabbro although the sandstone at and near the gouge contact in the underground workings is reported to be mineralized. West of the shaft the south contact of the gabbro with the sandstone appears to be a fault or shear zone that continues to the east of the shaft and along which the adit tunnel striking N. 76° E. has been driven from a point near the shaft.

The map by the DMEA Field Team shows the gabbro dyke ending abruptly about 150 feet west of the shaft while the map of the Anaconda geologists shows the gabbro extending considerably to the east of the shaft and tapering to a point. This discrepancy is not important and may be due to the intense alteration of the rocks in this area, defying identification. East of the shaft the gossan appears to be confined to a narrow band along the fault or shear zone and, in my opinion, the important feature here is the shear zone and not the surface rocks. The possible importance of this fault or shear zone as a locus for mineralization appears not to have been noted or emphasized by the geologists. The fact that similar surface gossan and copper-nickel mineralization do not occur along the north contact of the gabbro dyke nor further to the west along the south contact, suggests the possible importance of the shear zone in its relation to mineralization.

MINERALIZATION

The mine workings are all caved and inaccessible although the shaft is said to be open to the 50-foot level. The surface exposures of the mineralized zone are marked by a soft spongy to dense iron stained material, a typical gossan, in which small grains and irregular small stringers of chrysacolla and other oxide minerals of copper and what may be nickel silicates occur sparsely. The ore in the underground workings is said to be sulphide ore that decomposes rapidly on exposure to the air to a fine iron stained dust. No fragments of hard material or of sulphides were found in the dump. The sulphide minerals reported to have been identified in the ore from underground workings are: pyrrhotite, chalcopyrite, millerite (nickel sulphide) and pentlandite (iron-nickel sulphide).

ORE OCCURRENCE AND GRADE

The nature of the ore occurrence cannot be determined from observation of the visible exposures. However, a study of the various reports, maps, records, etc., indicates that copper-nickel mineralization occurs in the gabbro at the east end of the gabbro dyke and along its southern margin over considerable widths. It appears to owe its location to the fault or shear zone to which frequent reference has been made.

The surface sampling by the DMEA Field Team (shown on Map No. 1) shows appreciable but low grade nickel mineralization in the gossan (shear) zone and little or nothing elsewhere. These low values are not surprising in such a thoroughly shattered, oxidized and leached surface outcrop. They are not too discouraging when supplemented by evidence of better values at depth.

The memorandum by the Anaconda geologists in referring to the examination made by Mr. V. D. Perry in 1932, states that Mr. Perry's sampling showed an average grade of 0.3% copper and 1.0% nickel. No details of this sampling are available.

The assay plan prepared by Mr. Enos in 1932 shows the following in the underground workings:

	All Samples		Apparent Ore Zone	
	Width Sampled Feet	% Nickel	Width Sampled Feet	% Nickel
West Tunnel	173	0.48	108	0.64
West Trench	175	0.45	125	0.61
Average	174	0.46	116	0.63
50 ft. level East Side	95	0.67	50	0.85
Cross Cut from East Drift	80	0.43		
East Drift - along zone Probably not representative	185	1.02	160	1.02
General Average - approximate				0.75

One sample was taken by the writer at the location shown on Map No. 3. This sample was sent to the Bureau of Mines laboratory at Reno, Nevada, for analysis. The return from this sample has not been received but will be forwarded for attachment to this report. This sample is not significant as it was taken from the best showing seen on the ground and from a location where good values were obtained from previous sampling. It is not representative.

EXPLORATION

In my opinion, an ore body of possibly considerable size and length and having sufficient value to justify limited exploration in depth by diamond drilling, has been indicated by the underground workings and former sampling. The Anaconda geologists suggest the drilling of three holes to cut the possible ore zone at a depth of approximately 200 feet. These three holes aggregate 890 feet of drilling. The location of these three holes is shown on their map, No. 3. In my opinion these holes are well located and the amount of drilling called for is sufficient to determine whether further work should be done.

I recommend this drilling. I recommend, also, that the holes be of "AX" size (1-3/8 inch core) and that the use of a double core barrel be required.

COMMENTS ON DIAMOND DRILLING

My limited observation of diamond drilling done under Government exploration loans leads me to feel that such drilling leaves much to be desired.

The purpose of such diamond drilling is to recover core and not to get footage of hole drilled. Contracts should specify the method of core recovery such as type of core barrel to be used, the required pulling of the rods whenever the bit is blocked, regardless of any small advance or no advance, that may have been made. If necessary, a premium should be paid for core recovery. Procedure for the handling, boxing and care of the core and its delivery to a Government representative should be specified in the contract. Likewise, the method of collecting, marking and sampling of the drill hole sludges should be specified.

In my opinion, a drilling job of this character warrants the continuous presence on the job of a Government engineer to watch the drilling, core recovery and sampling. He should have some right of supervision over these matters, at least to see that the provisions of the contract are being complied with. Cores should be turned over intact to such an engineer and the logging, splitting and preparation of samples for analysis should be included in his duties and should not be left to a drill contractor or a mine owner.

Lack of such supervision too frequently leads to inaccurate and unreliable results.

In this particular case, if a loan for drilling is granted, the loose, fractured and friable nature of the rock makes it

important to require a double core barrel and to drill a somewhat larger hole than is generally used in hard, dense rocks. I recommend that the holes should not be smaller than "AX" size (1-3/8 inch core).

Respectfully submitted,

James S. Wroth

San Francisco, California
September 15, 1952

NOTE:

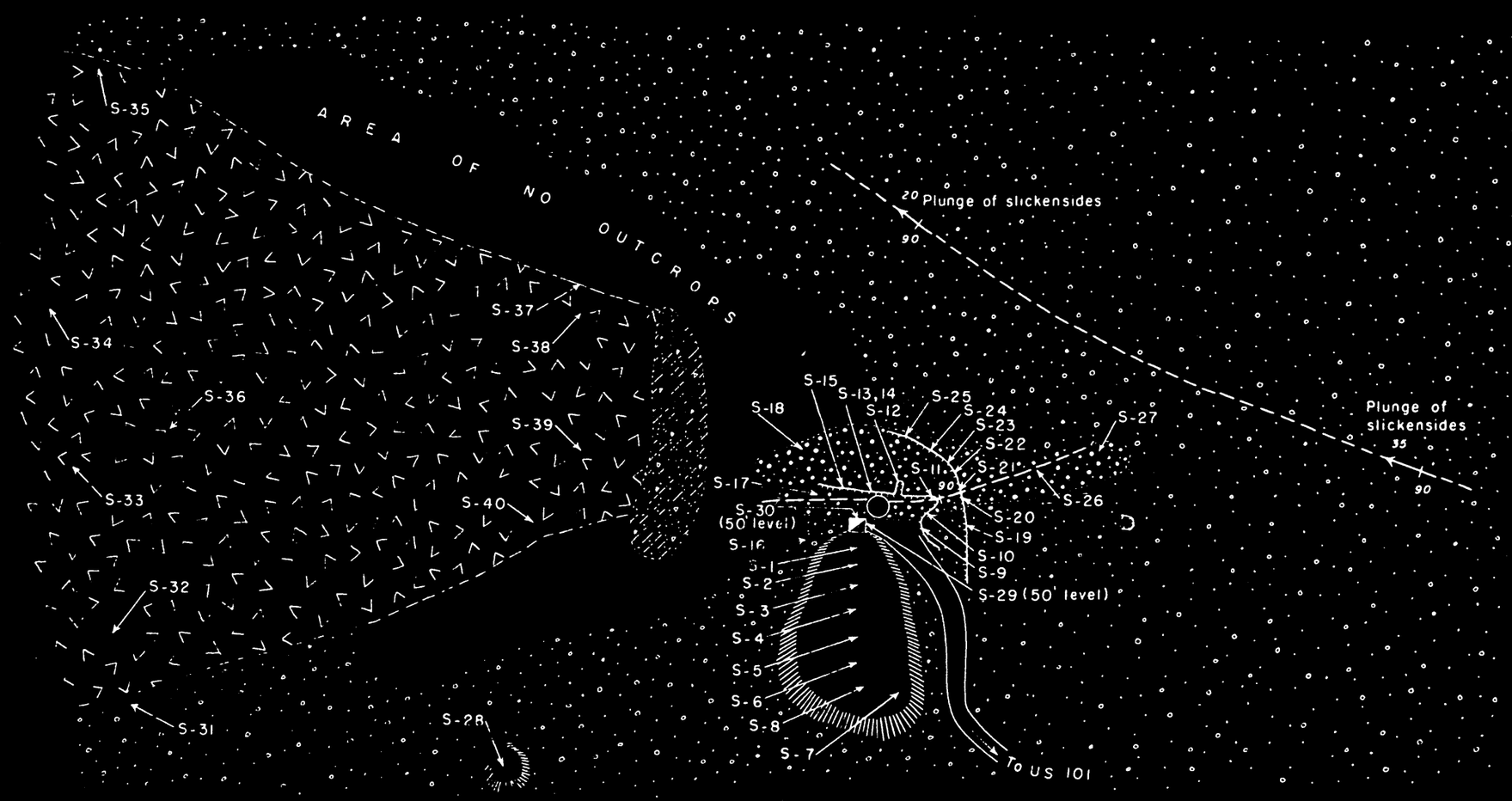
Since the report was written, returns from the samples referred to on page four have been received from the Bureau of Mines laboratory in Reno, Nevada and are as follows:

	Ni.%	Cu.%	U.%	Oz Au/T	Oz Ag/T
El Conejo	0.25	3.77	*0.005	Trace	Trace

Note: * Less than

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMA 1179X
(NICKEL)



Brunton and tape survey by C. D. Rinehart, June 28, 1951

ASSAY DATA

Sample	% Cu	% Ni	Oz Au/T	Oz Ag/T
S—1	1.32	0.45	Trace	Trace
S—2	0.20	0.24	"	"
S—3	0.08	0.10	"	"
S—4	0.15	0.17	"	"
S—5	0.14	0.18	"	"
S—6	0.14	0.22	"	"
S—7	0.32	0.37	"	"
S—8	0.41	0.34	"	"
S—9	0.38	0.36	"	"
S—10	0.83	0.51	"	"
S—11	0.79	0.38	"	"
S—12	1.87	0.84	"	"
S—13	1.50	0.12	0.005	0.60
S—14	3.64	0.02	Trace	Trace
S—15	2.21	0.53	"	"
S—16	0.45	0.17	"	"
S—17	0.59	0.26	"	"
S—18	0.85	0.37	"	"
S—19	0.09	0.07	"	"
S-20	0.66	0.32	"	"
S—21	0.34	0.18	"	"
S-22	1.81	0.21	0.005	0.50
S-23	0.95	0.59	Trace	Trace
S-24	0.52	0.54	"	"
S-25	0.35	0.56	"	"
S-26	0.50	0.23	"	"
S-27	0.15	0.13	"	"
S-28	0.04	0.02	"	"
S-29	0.15	0.10	"	"
S-30	0.02	0.27	"	"
S—31	0.02	0.02	"	"
S-32	0.12	0.04	"	"
S-33	x0.01	x0.01	"	"
S-34	x0.01	x0.01	"	"
S-35	0.10	.0.01	"	"
S-36	0.17	0.31	"	"
S-37	0.04	x0.01	"	"
S-38	0.11	0.09	"	"
S-39	0.52	0.54	"	"
S-40	0.07	0.04	"	"

x less than

Assays by the U S Bureau of Mines

EXPLANATION

Gabbro(?)

Altered calcareous rock

Conglomeratic sandstone

Gossan

Contact (dashed where approximately located)

Indefinite contact

90 Vertical fault (dashed where approximately located)

Vertical shaft Approx elev 1500'

Water tank

Open cut

Dump

S-22 Sample locality

N

GEOLOGIC MAP OF THE VENTURA MINE, VENTURA COUNTY, CALIFORNIA

0 100 200 300 Feet

MAP No. 2

VENTURA COPPER NICKEL MINE

VENTURA COUNTY CALIFORNIA.

SCALE 20 Ft. = 1 in. JAN. 1932.

COMPASS SURVEY

TUNNEL SAMPLES

Length Ft.	% Cu.	% Ni.
12	0.10	0.23
25	0.13	0.47
28	0.20	1.12
12	0.25	0.73
8	0.25	0.78
13	0.30	0.69
8	0.38	0.71
2	0.05	0.42
15	0.10	0.08
25	Tr.	0.02
25	0.15	0.05
Arithmetic Av		
173'	0.17	0.48

← Av. 108' 0.64% Ni.

TRENCH SAMPLES

Length Ft.	% Cu.	% Ni.
25	0.25	0.51
25	0.20	1.26
25	0.05	0.41
25	0.15	0.65
25	0.10	0.20
25	Tr	0.06
25	Tr	0.04
Arithmetic Av		
175	0.12	0.45

← Av. 50' 0.19% Ni.

50' Level Samples

East Side

Length Ft.	% Cu.	% Ni.
5	Tr	Tr
5	Tr	Tr
5	Tr	Tr
5	Tr.	Tr.
5	Tr	0.08
5	Tr.	0.04
5	–	0.21
5	–	0.34
5	–	0.46
5	–	0.52
5	–	0.43
5	0.20	1.34
5	0.50	1.04
5	0.23	1.95
5	0.18	1.44
5	0.14	0.73
5	0.04	0.09
6	6.2	4.16
4	4.45	0.06
95		0.67
Arithmetic Av.		

} Probably in Fault or shear.

← Av. 50' 0.85% Ni.

West Side

Probably High Grade, Picked.

7	0.20	1.40
1	0.10	3.18
3	0.18	5.40
4	0.30	4.70
2	Tr.	0.47
6	0.12	0.32
Arith. Av.		2.58

East Drift Samples From Portal

Length Ft.	% Cu.	% N.
36	3.50	1.94
25	0.10	1.28
25	0.30	0.88
25	0.05	0.90
10	0.30	1.00
5	0.25	1.20
5	0.20	0.55
5	0.10	1.23
25	0.20	1.24
25	0.25	0.01
Arithmetic Av		
185'	0.52	1.02
150	0.21	

Sandstone (?)

X-C Samples

Length Ft.	% Cu.	% Ni.
25	0.10	0.31
25	0.18	0.43
25	0.25	0.54
5	0.20	0.43
Arithmetic Av		
80	0.18	0.43

This drift appears to follow fault or shear zone.

EAST DRIFT

50 Foot Level

Sandstone

PLAN SHOWING SAMPLING BY H.C. ENOS - ABOUT 1932

No change since.

Furnished by E.W. Gard.

9/15/52 gla

Earle W. Gard

617 SOUTH OLIVE STREET, LOS ANGELES 14, CALIFORNIA

September 9, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 15 1952

AIRMAIL

Mr. Ernest Wm. Ellis, Chief
Rare and Misc. Metals Division
U. S. Department of the Interior
Defense Minerals Exploration Administration
Washington 25, D. C.

Dear Sir:

Re: Docket No. DMEA-1179 (Copper-Nickel)
Ventura County, California

In reference to your letter of August 27 I had hoped that it would be possible to get the necessary papers to you before now, but due to my absence from the city and Mr. Albertson's absence from his office it has not been possible to forward you the requested papers.

I am leaving tonight for Turkey and will be gone for approximately six weeks. I would greatly appreciate your extending the time from September 25, 1952 to November 25, 1952. If I return earlier, I shall get the papers in to you as soon as possible thereafter.

Very truly yours,

Earle W. Gard

Earle W. Gard

EWG:sw

FILE COPY
SURNAME:
700

Ellis

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

AUG 27 1952

Mr. H. C. Miller
Executive Officer, Region III
DMEA Field Team
1012 Flood Building
870 Market Street
San Francisco 2, California

Re: Docket No. DMEA-1179
(Copper-Nickel)
El Conejo Mining Company
Ventura County, California

Dear Mr. Miller:

Two copies of our letter to Mr. Earle W. Gard of the above company are enclosed in response to your inquiry dated August 12 to Mr. Mittendorf. You will note that there have been no developments since our letter of May 29, 1952, to the Applicant, to which you referred in your memorandum.

Sincerely yours,

J.N. 8.27.52

N. F. Feller

ACTING Chairman, Operating Committee

Enclosures

EWEllis/gla/jem
8/25/52
cc to: Adm. Reading File
Docket
Ellis
Opr. Com. Ch.
Operating Committee
J. H. Hedges, Rm. 4604
T. P. Thayer, Rm. 5216 GSA Bldg.

FILE COPY
SURNAME:
CC

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

AUG 2 7 1952

Mr. Marle . Gard, President
El Conejo Mining Company
61 South Olive Street
Los Angeles 14, California

Re: Docket No. [illegible]-1179 (Copper-Nickel)
Ventura County, California

Dear Mr. Gard:

Reference is made to our letter to you dated May 29, 1952. You were advised that the contract in the above-captioned docket had been revised but was being held pending receipt of an owner's consent to lease to be signed by The Albertson Company, as well as evidence that El Conejo Mining Company has executed the "Assumption of Lease" attached to the Mining Lease, dated August 6, 1951, between the Albertson Company and yourself.

At the time of your visit to our office on June 20, and discussion between ourself, Mr. Howard F. Weller and the undersigned, it was our understanding that one of our representatives would follow through on the matters brought to your attention in our letter of May 29. However, no response has been received.

We wish to cooperate with you in the matter of allowing ample time, but if the needed data has not been received by September 25, 1952, we will then consider the docket closed.

Sincerely yours,

S.N.
8-27-52

Signed

Ernest M. Ellis, Chief
Base and Misc. Metals Division

EMEllis/GAult/jem
8/25/52
cc to: Adm. Pending File
Docket
Messrs. CHJohnson-Rm. 3621
Ned Nelson-Rm. 4216 GSA
Ellis
Field Team, Region III (2)

August 18

Mr. Ellis:

I read this to Mr. Keller over the phone.

Mr. Gard was in the office on June 20 and talked with you and Mr. Keller about the letter written him on May 29.

Mr. Keller said Gard went to Europe and the fellow "out there" acting in his place was supposed to have taken care of answering the May 29 letter. However, nothing has come in.

I told Mr. Keller that no follow-up letter had been written in the meantime.

gla

Suggest holding for [illegible] from [illegible]. If we do not have from Mr. [illegible] drafting letter, refer to our letter of May 29 & give him a [illegible] [illegible] copy to F.T.

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 8-18-52

REFERRED TO:

1. Code 700 - Rm. 4640
2.
3.
4.

FOR:

..... Action	..... Recommendation
..... Approval	..... Record of .....
..... Comment	..... Referring to .....
..... Conference	..... Reply for signature of .....
..... Consideration	..... Rewriting
..... Filing	..... Signature
..... Instructions	..... Suggestions
..... Investigation	..... Your information
..... Initials	
..... Mailing	
..... Previous correspondence	

REMARKS: .....

Check (X) before the items needing attention.

Adams

Initials of [illegible]er.

G[illegible] 16—63815-1

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

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

August 12, 1952

Memorandum

To: C. O. Mittendorf, Acting Administrator, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 1179 (Copper-Nickel), El Conejo Mining Company, Ventura County, California

A review of our file on the subject docket indicates that on May 29, 1952 a letter, signed by Ernest Wm. Ellis, Chief, Rare and Miscellaneous Metals Division, DMEA, was addressed to Mr. Earle W. Gard, President, El Conejo Mining Company, requesting copies of Owners Consent to Lien and a statement "that El Conejo Mining Company has executed the 'Assumption of Lease' attached to the Mining Lease, dated August 6, 1951, between the Albertson Company, a corporation and Earle W. Gard."

That is the latest document in our files. This Company was granted an exploration loan back in January, 1952 and the copies of the contract finally were returned unsigned by Mr. Gard, with his letter to me, dated March 19. The unsigned contracts and a copy of Mr. Gard's March 19 letter were sent to you, attached to my memorandum, dated March 20.

Our interest in learning the status of such a docket is that James Wroth, Consultant, DMPA, temporarily making his headquarters in this office, has been requested by Mr. Howard I. Young to look at the nickel possibilities of the El Conejo Mine.

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Copy to E. H. Bailey, USGS

FILE COPY
SURNAME:

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

AIR MAIL

Mr. Earle C. Ford, President
El Conejo Mining Company
617 South Olive Street
Los Angeles 13, California

Re: Docket No. DMA-1179 (Copper-Nickel)
El Conejo Mining Company
Ventura County, California

Dear Mr. Ford:

We have your letter of May 15, 1952, concerning the captioned application and are pleased to advise you that the contract has been revised to incorporate the points to which we have mutually agreed.

Before we can finalize the contract we wish to obtain the following:

1. Seven copies of form DM-203, Owners Consent to Lien. It is essential that the owner of the property, the Emerson Company, sign the seven enclosed copies, all of which should be returned to this Agency.

2. We state that El Conejo Mining Company has executed the "Assumption of Lease" attached to the Mining Lease, dated August 6, 1951, between the Emerson Company, a Corporation and Earle C. Ford. The copy of the lease furnished to the Government does not indicate that the "Assumption" was signed.

We shall be pleased to continue processing the proposed Exploration Project Contract on receipt of the requested documents.

Sincerely yours,

Ernest O. Ball, Jr., Chief
Rare and Misc. Metals Division
Defense Minerals Exploration
Administration

Enclosures
JFKeller/jem
5/26/52
cc to: Adm.Reading File
Docket
Messrs. C.H.Johnson,3621
Red Nelson,4216 GSA
Ellis
Keller
Field Team, Region III (2)

FILE COPY
SURNAME:

140

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

May 20, 1952

Memorandum

To: Acting Administrator

Through: E. W. Ellis

From: Chief Counsel

Subject: El Conejo Mining Co. - Docket No. DMEA-1179X

The subject contract has been drafted in this office, and is now in satisfactory legal form for your signature, subject to the following comments:

It is essential in this case that the owner of the property, The Albertson Company, a corporation, be required to sign the Owner's Consent to Lien, which cannot be waived. The reason for this is various uncertainties in the applicant's rights under the lease. Among these are: (1) the applicant apparently has never executed the "Assumption of Lease" form on the assignment; (2) the lease may be in escrow, and undelivered to the operator; (3) the lease requires both exploration and development and mining to commence by February 6, 1952.

It may be that the Government's contribution to exploration will be subject to royalty payments under the terms of the lease. This is not to say that any part of the Government's contribution will be used directly for the payment of royalties, but rather that the operator's obligation under the lease will be increased by that much. This is objectionable to the Government only in the same way that a lease may be objectionable to the Government if in its opinion the royalty payments or other rental payments should be so high as to make it unlikely that the operator could carry on with exploration or with production after exploration.

The map referred to in Exhibit "A" must be attached to the contract.

JLHofflund/ema
cc: Mails & Files
J. L. Hofflund
E. W. Ellis
Chron.

Henry C. Rubin
for J. L. Hofflund
Chief Counsel

R+R

Attachment

Earle W. Gard

617 SOUTH OLIVE STREET, LOS ANGELES 14, CALIFORNIA

May 15, 1952

AIRMAIL

Mr. C. O. Mittendorf
U. S. Department of the Interior
Defense Minerals Administration
Washington 25, D. C.

SUBJECT: Docket No. DMEA-1179
(Copper-Nickel)
Contract Idm-E241
El Conejo Mining Company
Ventura County, Calif.

Dear Mr. Mittendorf:

Referring to my letter of April 21 in which I approved the points to be incorporated in the contract for El Conejo Mining Company as outlined in your letter of April 16, please send this contract to me for execution as soon as possible.

Very truly yours,

Earle W. Gard

Earle W. Gard

EWG:sw

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 19 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 19 1952

4/23/52 ifla

Earle W. Gard

617 SOUTH OLIVE STREET, LOS ANGELES 14, CALIFORNIA

April 21, 1952

AIRMAIL

Mr. C. O. Mittendorf
United States Department of the Interior
Defense Minerals Administration
Washington 25, D. C.

SUBJECT: Docket No. DMEA-1179
(Copper-Nickel)
Contract Idm-E241
El Conejo Mining Company
Ventura County, Calif.

Dear Mr. Mittendorf:

I am in receipt of your letter of April 16, 1952 concerning the above contract and note your comments regarding the various points in my letter of March 19th.

I would appreciate your forwarding the revised proposed contract to me by airmail for signature.

Very truly yours,

Earle W. Gard

Earle W. Gard

SW/

Department of the Interior
Defense Minerals Administration
Library
APR 28 1952

700
FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

APR 16 1952

AIR MAIL

Mr. Earl H. Hard, President
El Conejo Mining Company
617 South Olive Street
Los Angeles 14, California

Re: Docket No. MRA-1179
(Copper-Nickel)
Contract Idm-E241
El Conejo Mining Company
Ventura County, Calif.

Dear Mr. Hard:

Your letter of March 19, 1952, addressed to Mr. H. C. Miller, Executive Officer of Region III, of this agency, has been forwarded to us for consideration and reply. Accordingly, we shall take up each point as enumerated in your letter.

1. We note the correction.

2. We note the correction.

3. We cannot comply with your request to increase estimated cost of the project from $20,000 to $90,000. The submarginal character of your deposit does not justify a greater expenditure for exploration than will be needed to diamond drill a maximum of 3600 feet.

4. We have noted that the cost of contract diamond drilling for a limited program is between $6.00 and $7.00 per foot and shall use the larger of these two limits in our revised estimate of the cost of the project on the condition that AX type rods are used in drilling.

5. The contract does not limit the length of the hole in stating "The holes will be located in the northward side of the fault and drilled at such an angle and inclination as to cut the footwall of the fault at a depth of approximately 200 feet." It may take a hole depth of anywhere between 250 and 400 feet to reach that objective depending on the inclination of the diamond drill hole and the dip of the footwall.

6. Your comments noted.

7. A total of four months at $400 per month has been allocated in the estimated cost of the two stages of the project, for supervision. This charge of $400 per month is allowable only for the months that are required to complete the contract but cannot exceed the total of $1,600.00 estimated for this purpose.

8. The geologists and engineers who have studied your application are of the opinion that the drilling should be done in two stages, the second of which is contingent on the results obtained in drilling a total of 1800 feet under Stage I. If the samples obtained in drilling the first 1800 feet show values equivalent to those of the 50-foot level crosscut, the second stage of the project will be started and continued so long as the results warrant the additional drilling. At least one hole in each stage should be drilled to a greater depth than that originally proposed so as to explore the deposit in depth.

9. The participation of the Government is established according to the commodity that is being sought. In accordance with the procedure used in this agency, in the case of two commodities being sought in the exploration project, the calculated Government participation is the average of the percentages of the two commodities, when they are approximately equal in metal content. In a contract covering your application the correct Government participation is 70%. This percentage of participation cannot be altered at the request of the applicant. The basis on which an exploration project was approved was the possibility of discovering a significant ore deposit containing values in both nickel and copper.

10. We agree with you that better results are generally obtained with AX rods than with BX size rods and therefore will approve an expenditure of $7.00 per foot for drilling. We believe that two or three of the 10 holes should test the deposit at greater depth than originally proposed and therefore shall allow an additional 600 feet of drilling for this purpose.

Therefore, taking into consideration the recommendations of the applicant and the decisions of this agency, the revised contract would be divided into two stages with the following costs for each stage:

Stage I

1800 feet diamond drilling @ $7.00 per ft.	$12,600.00
Sampling and logging of drilling	900.00
Assaying of drill hole cores	1,000.00
Supervision	900.00
Total Stage I	$15,400.00

Stage II

Same as Stage I

Total for project	$30,000.00
Government participation	21,736.00
Applicant	9,264.00

Note: Stage II is contingent on the assay results obtained in drilling under Stage I. If in the opinion of the Government engineers the values obtained in sampling the drilling of Stage I are insufficient to warrant further exploration, the project will be terminated with the completion of that stage.

We shall be pleased to revise the proposed contract on the above basis, if you are in agreement with the changes that have been suggested.

Sincerely yours,

C. O. Mittendorf (fw)

Acting Administrator
Defense Minerals Exploration
Administration

J.N.
4-17-52

HFKeller/sla 4-15-52
cc to: Adm. Reading File
Docket
Messrs. C.H.Johnson, Rm. 3621
T.R.Mayer, Rm. 5216 GSA
Ellis
Keller
Hollingsworth, Region III (2)
Ned Nelson, Rm. 4216 GSA

FILE COPY
700 SURNAME:

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

April 15, 1952

To: C. C. Mittendorf, Acting Administrator, DMEA

From: Ernest Wm. Ellis, Chief
Rare and Misc. Metals Division

Subject: Docket DMA-1179X, Contract Idm-E241
(Copper-Nickel) El Conejo Mining Company
Ventura Mine, Ventura Co., Calif.

Contract Idm-E241 was sent to the applicant for signature, by the Executive Officer of Region III, on January 24, 1952. After many unnecessary delays, the applicant returned the unsigned contracts to Mr. H. C. Miller with a letter dated March 19th, explaining his reluctance to sign the proposed contract and a request that the contract be revised.

Our letter of this date to the applicant takes up each point as enumerated in his letter to Mr. Miller.

Altho the exploration project was not recommended by the Field Team, this Agency approved an Exploration Project Contract for a total estimated cost of $20,000.00. Because of increased drilling costs and 600 ft. of additional drilling, we would consider revising the contract to allow for a total estimated cost of $30,880.00 providing the applicant concurs with our terms as expressed in the attached letter.

It is rather doubtful whether the applicant will concur with our recommendations and decisions. He has expressed the opinion that the proposed contract should be based not only on a 90-10 participation rather than one of 70-30, as approved by this Agency, but also on a total estimated cost of $90,000.00 rather than the revised figure of $30,880.00.

HFKeller/jem

Ernest Wm. Ellis

cc to: Adm. Reading File
Docket
Messrs. C.H.Johnson, Rm. 3621
Ned Nelson, Rm. 4216 GS
Ellis KEller

Mr Keller,

4/10/52

Mr. Jack Robbins, Los Angeles.

He asked about his program.
His main interest was to get more
money than in the original contract.
He said this amount was not sufficient
to return the information required by
the Division. He asked if the program
was to get situated by May, so
that he would be contacted by that date.
I advised that his program was being (illegible)

4/11/52 gla

IN REPLY REFER TO:
G-MD-TPT

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

April 9, 1952

Memorandum

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
APR 10 1952

To: George C. Selfridge, DMEA

From: T. P. Thayer, U.S.G.S. Thayer

Subject: DMEA 1179 - Nickel El Conejo Mining Co.

Reference to my earlier memorandum will show that I regard this as a very long shot, and certainly not worth $90,000 for exploration, except possibly on a stage basis.

Large drill core would provide a better sampling than small core, and the extra cost might well be justified.

Paragraphs 5 and 8.-- I see no reason to change my original recommendation:

> "Since the footwall fault dips northward, it would seem most logical to put down about 5 diamond drill holes at 100 foot intervals, sloped 45° southward through the gabbro to hit the footwall at 200 feet depth. Unless these show values at least equivalent to those in the 50 foot level crosscut, the project should be abandoned. A total of about 1500 feet of drill hole should do the job."

Holes drilled at 45° to hit the footwall at 200 (I might go to 250 feet) foot depth would give a good section across the main zone, in which copper is fully as important as nickel. If 5 holes to 250 feet come out unexpectedly well, a deeper cut to 400 or 500 feet could be taken, presumably at a 50° to 60° angle from farther back in the hanging wall. The first 5 holes would total about 1750 feet and the deeper ones (at a steeper angle) about the same. A total of 3600 feet, therefore, would be ample.

3/25/52 gla

OFFICE OF THE ADMINISTRATOR

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION

WASHINGTON 25, D. C.

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, California

Air Mail

March 20, 1952

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D.C.
MAR 24 8 25 AM '52

Memorandum

To: Defense Minerals Exploration Administration, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-1179 (Copper-Nickel), El Conejo Mining Company, Ventura County, California - Exploration Project Contract Idm-E241

On January 24 we mailed the original and five copies of the subject exploration project contract dated January 23, 1952, to the address shown on the contract. Nothing was heard from the applicant company so that I notified it on March 6 either to sign the contract or to return all copies to me unsigned with reasons for not signing. That letter was returned unclaimed with the Post Office notation that the addressee had moved and had left no forwarding address. Accordingly on March 10 I addressed a letter to Mr. Herbert C. Enos, mining engineer, who accompanied our engineer and geologist on the examination of the applicant's property, asking him to let me know where I could get in touch with Mr. Earle W. Gard, Vice President, H. W. Parsons Company.

Yesterday Mr. Gard called me long distance in reply to my letter to Mr. Enos, stating that his office had not moved and that he could not understand why our letter, which was properly addressed, had been returned to us by the Post Office Department. Mr. Gard informed me that he had not signed the contract because when he received my January 24 letter with the contracts attached only about ten days ago (he did not state where that communication has been all this time) the date of starting the work already had expired. There were other reasons also why he does not want to sign the contract, so I advised him to return all six copies to me unsigned with detailed explanations why he did not want to sign them. The original of Mr. Gard's letter to me dated March 19 is attached. It is apparent from the letter that a new contract needs to be drawn up if the applicant is to be satisfied. Accordingly, the six copies of the contract dated January 23, 1952, are being returned herewith for whatever consideration you care to give the subject application.

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Attachments

Earle W. Gard

617 SOUTH OLIVE STREET, LOS ANGELES 14, CALIFORNIA

Refer to | N

Answered

March 19, 1952

Re: Docket DMEA-1179
(Copper-Nickel)
El Conejo Mining Co.
Ventura County, Calif.

H. C. Miller, Executive Officer
DMEA Field Team, Region III
U. S. Department of the Interior
Defense Minerals Administration
1012 Flood Building
870 Market Street
San Francisco 2, California

Dear Mr. Miller:

This will confirm our telephone conversation of March 18th concerning the receipt of your letter of January 24, 1952 with attachments. I advised you that this letter was not received in my office until approximately ten days ago. We also discussed your letter of March 6th addressed to me, which was returned to your office with the notation that I had moved and could not be located. On March 14th Mr. H. C. Enos, who is associated with us in this mining operation, called me from Chatsworth to advise that he had received a letter from you indicating that your communications to me had been returned.

In accordance with your advice I am returning all papers to you for reissuance, since the expiration date on the proposed contract is March 24th; and due to its late receipt by me, it will not be possible for the company to properly review the information and return the executed documents within the time limit.

In the reissue of the papers it would be appreciated if the following would be given consideration:

(1) The correct name of the company is El Conejo Mining Company. The "Incorporated" should be eliminated.

(2) The correct name of the lessor is The Albertson Company, and the "Inc." should be eliminated from this name.

(3) The contract which was attached was in the amount of $20,000, which in our opinion is not sufficient to properly explore the deposit. In Mr. C. O. Mittendorf's letter of October 12, 1951 he stated that "Preliminary approval has been given to government participation....." Our original application requested an appropriation of $90,000 as being approximately the amount that would be needed for reasonable exploration of this deposit after the preliminary work indicated the advisability of continuing the core drilling.

(4) In Exhibit "A" of your communication it is indicated that the work would be done in two stages of $10,000 each. Each of these steps required a drilling of 1500 feet of core holes at $5.00 foot. It has not been possible for us to obtain a figure of $5.00 on this amount of footage. On a volume basis the price can probably be reduced to $5.00. Our prices from core drilling concerns in California have indicated $6.00 and $7.00 per foot for the number of holes covered by Exhibit "A."

(5) Your communication indicated core holes to a depth of 200 feet. However, by referring to the assay map submitted with our original request for government assistance it will be noted the enriched zone varies from about 20 feet at the footwall to 150 feet. It appears that this enriched zone will continue to show at about the center of the outcrop; and, therefore, 200 foot holes would not cut the enriched zone and penetrate the footwall.

(6) We have been given prices of $5.00 to $6.50 per sample for assaying the core drillings. We had anticipated taking average samples over 20 foot sections; so probably the funds allocated for this service would be sufficient.

(7) It is noted that supervision (two months at $400 per month, making a total of $800) has been allocated for each stage. Is it anticipated that, although the contract calls for a completion of the work in sixty (60) days, that actually four months are contemplated to complete this work and that these funds have been allocated to cover this work over a four months period?

(8) It is appreciated that your department can direct us to discontinue work at any time that you feel the data obtained does not warrant further exploration. In view of this situation we would certainly appreciate having the new contract drawn to cover the program which we submitted of about $90,000, realizing that neither the government nor our company desires to spend any additional funds if sampling indicates that the deposit does not warrant additional exploration.

(9) We note that government participation has been established on the basis of seventy percent (70%) on the basis of ninety percent (90%) for nickel and fifty percent (50%) for copper with an average of seventy percent (70%) for the operation. We have no indication that there is a sizable copper deposit, and the copper is strictly incidental to the nickel outcrop in view of the fact the main nickel body carries a very low percentage of copper which probably would be considered non-commercial. The assays at the footwall show very good values for copper, but our study of the formation has indicated that particularly at the surface the copper enriched zone is very narrow, being about 10 feet. Since nickel is the principle metal that we are interested in; and since nickel is extremely short, we feel that the government participation on this project should be 90% instead of the 70% indicated.

(10) I am personally very close to one of the major mining companies in the U. S., and they have sent two men to the property for a thorough study of the outcrop, and they indicate that our drill holes should be from 300 feet to 400 feet in depth and located farther north than those indicated by your department. It is recommended that the holes be drilled at such an angle that they will cut the footwall within a 300 to 400 foot depth. The company also suggested that the core drilling be done with AX rods. This produces a core of 1-3/8" in diameter. They have estimated that by drilling with the AX rod we will probably have to pay approximately $7.00 per foot. We would certainly appreciate your comments on their viewpoint.

We are extremely anxious to get started on this work and hope that it will be possible for your department to approve new expiration dates on the contract and that the points which we have raised will be given your consideration.

It is regrettable that difficulties have been experienced with the U. S. mails, and I am taking steps to have this corrected, if possible. It is suggested that future communications with El Conejo Mining Company be directed to the attention of Earle W. Gard, and I am sure we will not experience any further delays with mail sent to this address. The company is not listed in the telephone books now in use and cannot be listed until the new directories are printed; however, my name and address is listed. My telephone number is VAndike 0894, and the correct address is 617 South Olive Street, Los Angeles 14, California.

Very truly yours,

Earle W. Gard

Earle W. Gard

EWG:sw
Encs. 5
Exploration Project Contract (6 copies)
Annex I (6 copies)
Exhibit "A" (6 copies)
Geological Map (6 copies)
Location Map (6 copies)

3/17/52 gla

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

Office of
Executive Officer
DMEA Field Team
Region III

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 14 1952

March 10, 1952

Mr. Herbert C. Enos
Mining Engineer
20627 Chatsworth Street
Chatsworth, California

Re: Docket DMEA-1179 (Copper-Nickel)
El Conejo Mining Co., Ventura
County, California

Dear Mr. Enos:

On January 24 we mailed the original and five copies of an exploration project contract to El Conejo Mining Co., Inc., 617 South Olive Street, Los Angeles 14, California, with instructions to sign the contract and return the original and four copies to this office.

As no copies were returned to us, I wrote to the company at the cited address on March 6. The letter was returned to us today with the post office stamp"moved - no address".

I am writing to you, therefore, to find out where I can get in touch with the company, or with the applicant Mr. Earle W. Gard, Vice President, H. M. Parsons Co.

An early reply will be appreciated.

Sincerely yours,

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Copy to DMEA, Washington, D. C.
E. H. Bailey, USGS

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

789

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

March 6, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 10 1952

El Conejo Mining Co., Inc.
617 South Olive Street
Los Angeles 14, California

Re: Docket DMEA-1179 (Copper-Nickel)
El Conejo Mining Co., Ventura
County, California

Gentlemen:

On January 24 we mailed you the original and five copies of an exploration project contract, with instructions to sign all copies and return the original and four copies to this office, or to return all six copies unsigned if any of the provisions of the contract are not satisfactory to you.

To date the copies, neither signed nor unsigned, have been returned to this office and neither have we had any acknowledgment from you of their receipt. It is imperative that immediate action be taken to return the contract to this office, whether signed or unsigned, and if unsigned, giving us the reasons why they were not signed.

Sincerely yours,

H.C. Miller
Executive Officer
DMEA Field Team, Region III

Copy to DMEA, Washington, D. C.
E. H. Bailey, USGS

FILE COPY
SURNAME: Docket File Copy

Moulds

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

JAN 23 1952

Mr. E. C. Miller
Executive Officer, Region III
1012 Flood Building
870 Market Street
San Francisco 2, California

Re: Docket No. DMA 1179
El Conejo Mining Company

Dear Mr. Miller:

We are transmitting herewith the original and five copies of contract concerning the subject exploration project.

The contract approves as Stage I, 1500 feet of diamond drilling on the El Conejo copper-nickel bearing gabbro at an estimated cost of $10,000. At the conclusion of Stage I and upon presentation of data satisfactory to the Government indicating the favorable possibility of ore continuation in depth, Stage II shall be approved and consist of an additional 1500 feet of drilling to extend the exploration along the strike.

A modified subordination agreement is attached to the contract, formulated as the result of discussions between Mr. Gard and this office, and is acceptable to the Government. This subordination will necessarily require execution by the Albertson Company prior to signing of the contract by the El Conejo Mining Company

Your attention is called to the charges in Exhibit "A" for sampling and logging of drilling, assaying of drill hole, and supervision. There appears to be some duplication in these items as the supervisor would not have much work to do other than sampling and logging the drill holes. The actual expenditure for these items should meet your approval.

If the contract meets with your approval, present it to the El Conejo Mining Company for approval and execution of the subordination agreement and the contract. If any provisions are not satisfactory, return all copies to this office along with suggested modifications for consideration. The executed contracts are to be handled in the usual manner with the original and three copies returned to this office for distribution.

Sincerely yours,

(signed) FRANK E. JOHNSON

1-23-52

Enclosures - 6

Chairman, Operating Committee
Defense Minerals Exploration Administration

APPROVED:

DMoulds/hmj 1-22-52
cc to: Adm. R. File
Docket File Copy
Region III
Mr. Bishop
Mr. McKnight
Mr. Moulds

Member, Bureau of Mines

Member, Geological Survey

140

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

January 5, 1952

Memorandum

To: Acting Administrator

From: Chief Counsel

Subject: El Consejo Mining Company, Inc., Docket No. DMA-~~1171~~ (1179) (Hard Luck Mines)

I have done my best to draft a contract from the material submitted to this office on December 28. The estimate of costs in Exhibit "A" is about as sketchy as could be conceived. With no details whatever of cost set up in Exhibit "A", it will take close checking of vouchers for contribution by the Government to determine that they are proper. This is an administrative rather than a legal problem. My own inclination would be to require a detailed statement of the cost estimates. On the other hand, the controls provided in the contract form with respect to the approval of vouchers are sufficient for the protection of the Government if they are properly exercised by the officers in the field.

J. L. Hofflund
Chief Counsel

not stripped in R. R.

Attachment

JLHofflund/em

Copy to: Reports & Records
J. L. Hofflund
C. J. Koontz
chron.

s.a.

Earle W. Gard

617 SOUTH OLIVE STREET, LOS ANGELES 14, CALIFORNIA

December 11, 1951

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 13 1951

Mr. J. L. Hofflund
General Counsel
United States Department of the Interior
Defense Minerals Administration
Washington 25, D. C.

Dear Mr. Hofflund:

Attached hereto is the original letter from Mr. C. L. Austin, Vice President of the Albertson Company, along with his suggested subordination agreement.

The subordination agreement appears to me to be satisfactory, however, you will notice in the Second Paragraph of his letter, Mr. Austin still objects to the lien on the mineral deposit.

Although the contract will be between the United States of America and El Conejo Mining Company, we have no objection at all to the contract, but evidently the Albertson Company would like, as far as their responsibility is concerned, to have the contract referred to the mined mineral, rather than the deposit.

It is possible that I will be in Washington on Monday, December 17, at which time I would like to call on you to see if we can get all of these matter settled so that early exploration can be started.

Yours very truly,

Earle W. Gard

Earle W. Gard

EWG:ml
Enclosure

RECEIVED
DEC 13 1951
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

THE ALBERTSON COMPANY
5225 Wilshire Boulevard
Los Angeles 36, California

Dec. 10, 1951

Mr. Earle W. Gard
617 South Olive Street
Los Angeles 14, California

Dear Mr. Gard:

In Dr. Boyd's letter to a lessee, a copy of which accompanied DMA press release of May 10, 1951, Dr. Boyd said "...the obligation to repay the Government is limited to the proceeds from newly discovered ores,..." We think the enclosed draft of a subordination agreement will accomplish that objective.

We do think, however, that the new language in Article 15 of the June 1951 draft of Form MF-200 still goes beyond the Government's objective. We would like to see the words "and lien upon the mineral deposit which is the subject of the exploration project" deleted from the fourteenth and fifteenth lines of Article 15 and the words "and lien" deleted from the sixteenth line of that article.

Yours very truly,

THE ALBERTSON COMPANY

C. L. Austin

C. L. Austin, Vice President

CLA/gbe
Enc.

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

November 30, 1951

Memorandum

To: Director, Production Expansion Division

From: General Counsel

Subject: Docket No. DMA-1179x, El Conejo Mining Company

Reference is made to the memorandum of Frank E. Johnson, Acting Director, to me, dated November 13.

The attached copy of a letter of this date to Mr. Earle W. Gard, President of El Conejo, will serve as a reply to Mr. Johnson's memorandum.

For your information, Mr. Gard seemed to be entirely satisfied with the arrangement as suggested in my letter to him.

J. L. Hofflund
General Counsel

Attachment

JLHofflund/em

Copy to: Records & Reports
J. L. Hofflund
Chron.

FILE COPY
SURNAME:

1179X

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

November 30, 1951

Air Mail

not stripped in R-R.

Mr. Earle W. Gard, President
El Consejo Mining Company
617 South Olive Street
Los Angeles 14, California

Dear Mr. Gard:

Reference is made to Docket No. DMA-1179x, Ventura Mine; to your letter of November 8 to Mr. C. O. Mittendorf; and to our conversation of November 29 by telephone.

Attached hereto are two forms, MF-200, dated June 1951. It has become apparent from the correspondence that you have had reference to an earlier form in which the language which your landlord has found to be objectionable is stated in different terms. Your attention is called to the new language in Article 15 of this later form.

If your lessor still has difficulty with the subordination agreement, I suggest that you or he draft a subordination agreement of your own and submit it to this office for approval. If it substantially conforms to the purposes and requirements of the existing subordination agreement, we will be able to approve it; and if not, we will make any necessary revisions in it.

Sincerely yours,

J. L. Hofflund

J. L. Hofflund
General Counsel

Enclosures 2
JL Hofflund/em

Copy to: Records & Reports
C. O. Mittendorf
J. L. Hofflund
Chron.

BL

400

FILE COPY
SURNAME:

F. Johnson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

Not shipped in RMR.

November 13, 1951

Memorandum

To: Mr. John L. Heffland, General Counsel

From: Acting Director, Production Expansion Division

Subject: Docket No. DMA 1179X, El Conejo Mining Company

Preliminary approval has been given by the Supply Division for Government participation in an exploration project with the subject company in the amount of $30,000.

The lease on the property is being held in escrow until approval of incorporation by the State of California was issued, issuance of all outstanding shares of capital stock and information as to adequacy of funds.

The applicant has furnished certain documents pertaining to approval of incorporation and a statement relative to stock issuance in the amount of $25,000. A statement from the Government is desired as to adequacy of the funds, which for the preliminary approved exploration project, would amount to 30% of $30,000, or $9,000, for the applicants share (average of copper and nickel percentage).

The lessor has also raised several questions relative to subordination under Form MF 202.

Please review the points brought to the attention of this division in applicant's letter under date of November 8, 1951 and advise.

(signed) FRANK E. JOHNSON (for)

Frank E. Johnson

DEMoulds/hmj
cc to: R & R
Adm. Reading File
PED
Mr. Moulds
Docket

BL

Mr. Thomas

DEPARTMENT OF THE INTERIOR
RECEIVED
NOV 9 1951
Defense Minerals Administration,
Production Expansion Division.

ans. 11/30/51 JLH/em

Los Angeles, California
November 8, 1951

United States Department of The Interior
Defense Minerals Administration
Washington 25, D.C.

OFFICIAL FILE COPY

Docket No. DMA-1179X
Ventura Mine

To		

Mr. C.O. Mittendorf, Director,

Production Expansion Division

Dear Mr. Mittendorf:

This will acknowledge your letter of October 12, and wish to thank your staff for their preliminary approval and hope we will soon obtain final approval to proceed with the exploration program.

I have just returned from a business trip to Turkey and therefore could not answer sooner.

The following will answer the questions contained in your above referred to letter.

1. Approval of El Conejo Mining Company.
The incorporation of said company has been approved by California State Secretary Frank M. Jordan (countersigned by Stacy H. Aspey, Deputy), on Sept. 7, 1951, and carries file No. 256693. (Copy of Incorporation papers and Certification inclosed.).

2. Lease in Escrow.

a. To be held until Incorporation of Company. This has been fulfilled.

b. Issuance of stock for Corporate funds. This will be complete in 10 days. Awaiting only deliverance of stock certificates.

c. We are now issuing 2500 shares of preferred ($25,000) and 5000 shares of Common (no par).

We desire your approval that these funds($25,000) will be satisfactory to more than cover our required portion of expenditures to be incurred by the contemplated contract with the Government. Additional stock will be issued only as other funds are required and in accordance with our incorporation papers. The Lessor feels that your statement that these funds will meet our obligation under the contract, (See (a) of paragraph 16 of contract) at this time is advisable in view of the relationship between Government, El Conejo Mining and Lessor. We do not wish to sell many more

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 9 1951

stock at this time than is required to meet our obligations under the contract, since our final financial structure and requirements cannot be determined until after the exploratory work is well along,

As soon as this item is approved by you the lease will be released from escrow.

3. Subordination Agreement.

Attached hereto a letter from The Albertson Company indicating willingness to sign a subordination agreement provided a certain clarification can be made. This refers specifically to the deletion of "upon the property which is the subject of the exploration project and" in the first and second lines of the last paragraph of paragraph 14 of the "Exploration Project Contract" form MF 200.

It is believed that the Albertson letter fully covers this point and I think that the intent is the same as indicated by the Boyd release and the Albertson letter.

As soon as this subordination point can be clarified we are ready to proceed with the development program.

Please do not hesitate to call me collect, at Los Angeles, Van Dyke 0894 if there are any further data that we can furnish in order to expedite the signing of the contract.

May we thank you for the courtesies extended by your organization and the expeditious handling of our application.

Yours very truly,

EL CONEJO MINING COMPANY

Earle W. Gard

Earle W. Gard
President

DMA 4798

THE ALBERTSON COMPANY
5225 Wilshire Boulevard
Los Angeles 36, California

Oct. 23, 1951

Mr. Earle W. Gard
617 South Olive Street
Los Angeles 14, California

Re: El Conejo Mining Lease

Dear Mr. Gard:

We have no objection to the Government's recovering its advances out of the net proceeds of minerals produced from our property as a result of exploratory or development work done under the project, the recovery to be made in the manner and within the ten year period specified in Article 14 of the Exploration Project Contract, provided the words "upon the property which is the subject of the exploration project and" are deleted from the next to the last sentence of said Article. But we do object to assuming personal liability for the repayments and subjecting our land to a lien for the repayments.

We are willing that the Government shall have a prior lien on the minerals produced and we will modify the lease to that effect. We shall expect to receive our royalties when due, however. If you should be in default in the payment of royalties to the Government and us, the Government would have first claim on production for the delinquent royalties owing to it, but we would have no obligation to pay over to the Government any moneys received by us as royalty from the property or to make repayment to the Government in any other manner and we would retain the right to terminate the lease for non-payment of our royalty.

If your lease should terminate and thereafter the property should be operated by us or another tenant of ours or by another landowner or his tenant, we are willing that the lien on production shall apply to any minerals produced by such operator but we are not willing to become personally liable for payments which might be due by a subsequent owner to whom we might convey the property or by any tenant whether holding under us or any subsequent owner.

The above seems to be the intent of the subordination required of landowners because Dr. Boyd's letter accompanying the Release of May 10, 1951 states: "It is also important to

Noted on release — Sherman Int. 3337 - Top left corner 1st sheet
P.N. 95798 - lower left corner 2nd sheet

recall that the obligation to repay the Government is limited to the proceeds from newly discovered ores, and that the lien will not attach to other property rights." The Landlord's Subordination Agreement, however, goes far beyond that in our opinion.

Yours very truly,

THE ALBERTSON COMPANY

By C. L. Austin

C. L. Austin, Vice President

CLA/gbe

400

FILE COPY
SURNAME:

Moulds

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

OCT 12 1951

Mr. Earle W. Gard, President
El Conejo Mining Company
617 South Olive Street
Los Angeles 14, California

Re: Docket No. DMA-1179X
Ventura Mine

Dear Mr. Card:

Preliminary approval has been given to government participation in a drilling project on the subject mine, under Mineral Order 5. We note, however, in your letter of August 24, 1951 to Mr. A. C. Johnson, Reno, Nevada, that the California Corporation Commissioner has not given final approval to your application for incorporation and that the lease is held in escrow until certain conditions have been fulfilled.

In recognition of this condition, the contract for the exploration will have to await receipt of certified evidence of lawful incorporation and release of mining lease.

As the property is to be operated under lease, a Landlord's Subordination Agreement is required in sextuplet from the Albertson Company, Inc. and six copies of the form to be used are enclosed. The date of the contract is to be left blank and subsequently filled in when the contract is executed.

Upon receipt of the above material and information, the contract for your project will be drawn and forwarded through the Region Office to you for approval and signature.

Sincerely yours,

C. O. Mittendorf

C. O. Mittendorf, Director
Production Expansion Division

Enclosures.
DEMoulds/nmj
10-11-51
cc to: Reports and Records
Adm. Reading File
Messrs. Mittendorf, Olund
Region III
Mr. Moulds
Docket

Reference Docket

360
DMA-1179X
FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

Clearance

OCT 3 1951

Memorandum

To: C. O. Mittendorf, Director, Production Expansion Division

From: Tom Lyon, Director, Supply Division

Subject: DMA-1179X - Exploration loan - Ventura Mine, Ventura County, California - El Conejo Mining Company - Nickel and Copper - $30,000.

The subject application has been reviewed by the Nickel Commodity Committee and the Field Team, Region III.

While the field team report does not recommend Government exploration assistance based on their surficial examination and sampling, their samples S-12 to S-15, inclusive, and samples S-23 to S-25, inclusive, indicate a mineralized zone about 50 feet wide having values of $15.56 and $9.30 a ton in copper and nickel, respectively. The average copper value is $11.27 and $2.98, respectively, and the average nickel value is $4.29 and $6.32, respectively. The field team report, however, has not given any consideration to the underground assays shown on the assay map by H. C. Enos, mining engineer, or the assays reported by the State Mineralogist. The State publication shows the following assays of samples from the N 76° E tunnel:

First 50'	-	1.75% Ni
50' - 75'	-	1.23% "
75' - 100'	-	1.28% "
100' - 125'	-	1.50% "
125' - 150'	-	1.25% "
150' - 175'	-	1.00% "
175' - 200'	-	.29% "

This is an average of 1.39% nickel for a sampled distance of 175 feet.

The 50-foot level cross-cut indicates the following assays:

Width	Cu	Percent Ni	Au
4'	4.45	.46	
6'	6.2	4.16	2.27
5'	.04	.09	
5'	.14	.73	
5'	.18	1.44	

a.e.e.

Width	Cu	Ni	Au (continued)
5'	.23	1.95	
5'	.45	1.04	
5'	.30	1.34	
40'	1.54	1.49	Average
	30.80	29.80	Lbs. per ton
	$ 7.55	$16.84	Value
	$24.39		Total value per ton

There seems to be some discrepancy between the reports as to the host rock of the mineralization. The field team reports the values in gossan within a conglomeritic sandstone, and the State Mineralogist reports them in the gabbro dike. In either event, the assays indicate both copper and nickel each averaging about 1.5 percent for a 40 foot width on the 50' level and 1.39 percent nickel in N 76° E drift for a sampled distance of 175 feet.

Owing to the critical position of nickel and the lack of domestic sources of supply, it is imperative that every prospect be thoroughly explored to determine the attitude, quantity and quality so that either collectively or individually the production of primary nickel can be encouraged from domestic deposits.

It is, therefore, recommended that negotiations be started immediately with the El Conejo Mining Company at the Ventura Mine in Ventura County, California, for an exploration project estimated to cost about $30,000. Providing favorable or encouraging results are obtained from this first stage of investigation and additional exploration is warranted, it is suggested that the investigation be continued to an extent to be determined after a full appraisal at the conclusion of the first stage of exploration.

At least 10 drill holes should be drilled to depths of 200 to 300 feet or deeper to be determined in the field as drilling progresses. The locations of the holes will be determined in the field following detailed geological mapping of structure and the attitude of the mineralized zone as indicated on the surface and former underground workings. The old underground workings should be made accessible, sampled and assayed. The workings are to be mapped geologically to determine and confine drilling targets at depth.

While the detailed expenditures should be worked out with the applicant, it is suggested that the preliminary work consist of the following major items:

10 each diamond drill holes 3,000 ft. @ $5.00	$15,000
Opening up old underground workings	7,000
Sampling	3,000
Assaying	2,500
Supervision	2,500
	$30,000

Based on the copper and nickel content indicated on the 50-foot level, it is suggested that the percentage of the Government participation be an arithmetical average of the 50 percent for copper and the 90 percent for nickel, or 70 percent.

Tom Lyon

Tom Lyon, Director
Supply Division

PEPesonen:md
9/27/51
Copy to: Acting Administrator
Mr. Thayer, U.S.G.S.
DMA Field Team, Region III
Mr. Lyon
Mr. Pesonen
Reports & Records docket

J f 10-3

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : P. E. Pesonen

DATE: September 20, 1951

FROM : T. P. Thayer Thayer

SUBJECT: El Conejo Nickel Prospect, DMA 1179 X

1. Assay data: Of 40 samples taken by the field team only 7 showed more than 0.5% Ni and only 10 showed as much as 0.8% Cu; 4 samples showed as much as 0.5 Ni and 0.8% Cu, together and the field team saw "practically no 6% copper ore of minable widths." Surface samples of the mineralized sandstone average 0.4% Cu and 0.29% Ni, whereas the gabbro averaged only 0.13% Cu and 0.12% Ni. Unless the metal content increases several fold with depth the deposit has little hope. The surface sample map suggests an area of gossan about 2000 square feet that may average 1.57% Cu and 0.47% Ni.

The underground assay data tell a story similar to the surface. The data given by the California Bureau of Mines agree very well with those on Enos' map as regards nickel. The map indicates that the 35 feet nearest the portal of the surface tunnel runs 3.5% Cu and 1.84(?)% Ni, but the average for the rest of the drift is only .19% Cu and 0.86% Ni. In the cross cut, the 10 feet at the shaft averages 5.5% Cu and 4.36(?)% Ni, the nickel figure on the print being partially illegible. The section of crosscut between 10 and 40 feet from the shaft averaged 0.22% Cu and 1.1% Ni. Beyond 40 feet assays were not made for cooper, apparently because of low grade nearer the footwall, and the nickel averaged about 0.18%.

According to Enos the minerals on the 50 foot level are sulfides characteristically found in primary ore, and the distribution therefore should be a guide to what might be expected at depth. Enos observes that the highest values are near the footwall, and his assays suggest a 40 foot zone averaging 1.5% Cu and 1.4% Ni, with 80% of the total copper in a width of 10 feet along the footwall fault. Beyond that zone the metal content of 0.2% Ni and a trace of copper is far too low to be economic.

2. To be eligible for an exploration loan, a deposit must show promise of a significant contribution to the national supply of metal, and this deposit is no exception. Using Enos' figures, of a width of 40 feet averaging about 1.5% Cu and 1.4% Ni, every block of ground 100 feet along the strike and 100 feet deep would yield about 490 short tons of copper and 460 short tons of nickel at 100 percent recovery. Actually, most of the rock milled would average less than 0.25% Cu. In order to justify the investment in manpower and equipment, and to make a significant contribution to the national supply, a deposit of this sort would have to produce a minimum of 1000 to 2000 tons of nickel a year, for at least 5 years. Allowing for losses in mining and milling, 5,000 tons of nickel would require a reserve of at least 500,000 tons of ore, which would be equivalent to a strike length of 500 feet and a depth of 300-400 feet on a zone 40 feet wide. There is no evidence that an ore zone of this magnitude is present on the

El Conejo property. Enos indicates that the grade on the 150-foot level was lower than in the crosscut on the 50-foot level, and the figures given may be optimistic.

3. The possibility of finding a significant deposit of copper and nickel is believed to be very small, and in a national emergency the output would probably be very expensive in terms of manpower, equipment, and transportation of mill product.

If this long shot is to be explored, I agree with the field team that there probably is little to be gained by reopening the workings. Large tonnages will have to be found to justify anything except possibly a small-scale copper operation, and that appears to be ruled out by the field team investigation. //Since the footwall fault dips northward, it would seem most logical to put down about 5 diamond drill holes at 100 foot intervals, sloped 45° southward through the gabbro to hit the footwall at 200 feet depth. Unless these show values at least equivalent to those in the 50 foot level crosscut, the project should be abandoned. A total of about 1500 feet of drill hole should do the job.

UNITED STATES
DEPARTMENT OF THE INTERIOR

~~BUREAU OF MINES~~
REGION III

DEFENSE MINERALS ADMINISTRATION

OFFICE OF
~~REGIONAL DIRECTOR~~
Executive Officer
DMA Field Team
Region III

1012 FLOOD BUILDING
870 MARKET STREET
SAN FRANCISCO 2, CALIFORNIA

September 6, 1951

Memorandum

To: Tom Lyon, Chairman, Coordinating Committee, Defense Minerals Administration, Washington 25, D. C.

From: Executive Officer, DMA Field Team, Region III

Subject: Docket DMA-1179X - Application for Nickel Exploration Loan of $90,000 - El Conejo Mining Company, 617 South Olive Street, Los Angeles 14, California

On August 9 we sent you four copies of a report, "DMA-1179X, El Conejo Mining Company (Ventura Mine), Ventura County, California", by B. H. Sheahan, Mining Engineer, Bureau of Mines, and C. D. Rinehart, Geologist of the Geological Survey, dated August 3, 1951. Along with the copies of the report we returned docket DMA-1179X and related correspondence to your office.

We have no record in our files of any letter written by Mr. Franklin G. Pardee to the applicant. However, in today's mail Mr. A. C. Johnson, Chief, Mining Division, Bureau of Mines, Region III, Reno, Nevada, sent me a letter he received from Mr. Earle W. Gard, 617 South Olive Street, Los Angeles 14, California, dated August 24, which answers questions asked by Mr. Pardee. A copy of the applicant's mining lease and a notary's certificate accompany Mr. Gard's letter.

This supplemental material is being sent to you to be attached to the applicant's docket which is on file in your office.

H. C. Miller
Executive Officer
DMA Field Team, Region III

Attachment

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D.C.
SEP 10 3 59 PM '51

Refer to	Notes	Date
Answered		

September 5, 1951

Mr. Earle W. Gard
617 South Olive Street
Los Angeles 14, California

Dear Mr. Gard:

This will acknowledge your letter of August 24 enclosing answers to questions in Mr. Franklin G. Pardee's letter.

The report on your property was submitted to the Regional Office on August 7. For your information the mining engineer and geologist that visited your property were of the opinion that the property did not warrant an expenditure for further exploration.

The answers to Mr. Pardee's questions and mining lease are being forwarded to Mr. H. C. Miller, Regional Director, Region III, Bureau of Mines, to be attached to your Doclet, IMA-1179X.

Very truly yours,

A. C. Johnson
Chief, Mining Division
Region III

cc: Mr. H. D. Miller, Reg. Dir., Reg. III
Also lease and letter with answers to questions.

Earle W. Gard

617 SOUTH OLIVE STREET, LOS ANGELES 14, CALIFORNIA

August 24, 1951

Mr. A. C. Johnson
U. S. Bureau of Mines
Mining Division - Region III
Reno, Nevada

ATTENTION: Mr. Benjamin H. Sheahan, Mining Engineer

SUBJECT: DMX-1179-X
Nickel Application

Gentlemen:

This will confirm our field discussions regarding the questions asked by Franklin G. Pardee, Chief of Nickel Ores Branch, Washington, with regard to the El Conejo Mining Company property.

The following answers refer to the numbered questions in Mr. Pardee's letter.

1 - 1. The Corporation "El Conejo Mining Company," has filed papers of incorporation in the State of California.

2. President - Earle W. Gard, 617 South Olive Street, Los Angeles
V.P. and Counsel - Emmett Doherty, 612 S. Flower Street Los Angeles.
V.P. and Secretary-Treasurer Earle W. Gard, Jr. 617 S. Olive Street, Los Angeles

All stock to be held in Escrow (California Regulations), until company is released from the requirement by California Corporation Commissioner. There are 5000 shares of preferred and 10,000 shares of common stock to be issued immediately. Remainder as needed. Principal stockholders are the three officers noted herein, and the Ralph M. Parsons Company of 617 South Olive Street, Los Angeles, California.

3. Mining Consultants

H. C. Enos - Mining Engineer.
Has been associated with many mines in the west and in Foreign Countries. He is well known to Mr. Sheahan of your Reno Office. He also was consultant on the subject property in 1932 and 1933, when the original exploratory work was under way and personally obtained all samples

Additional geologists or mining men will be added as warranted. The Parsons Company (Engineers and Constructors) are well supplied with men versed in mining operations.

1 - 4. Earle W. Gard, President, will direct activities of the Company. He was formerly Vice-President of Bechtel McCone Parsons Corporation, nationally recognized Engineers and Constructors, and prior to that time Director of Research and Development for Union Oil Company for eighteen years, and now Vice-President of the Ralph M. Parsons Company.

Mr. Emmett Doherty - Counsel, comes from a mining family who were formerly located at Butte, Montana.

5. Lease was taken by Earle W. Gard (one of former owners of leased property when original work was done). Lease has been assigned in full to El Conejo Mining Company. See Lease attached.

2 - 6. No encumbrances against property. See Lease.

3 - 7. Lease attached, in good standing and held in Escrow until Corporation is approved by California State Corporation Commissioner.

4. El Conejo is a new Company and will issue at start 5,000 Shares of Preferred Stock at $10/Share and 10,000 Shares of Common Stock at no par. Lease requires $15,000 of exploratory work and funds will be made available from Preferred Stock sale when approved by Corporation Commissioner.

5 -15. Ore will be concentrated at mine site either by magnetic separation or flotation, depending upon economics, size and type of ore body determined after preliminary exploration. We have already had considerable work done in this direction. Final decision cannot be made until we know more about the deposit and its characteristics.

6 -21. It is proposed to diamond drill the property to determine grade of ore, size of deposit as to length, breadth and depth. We will also possibly open the old workings (now partially blocked at the entrances) and resample for confirmation. Assay Map attached to application shows old workings.

It is planned to drill ten holes in the nickel ore body to a depth of 200' to 300' and deeper if samples indicate continuation or enrichment at depth. This can be accomplished in ninety days. All work will be by contract, and our preliminary quotations indicate $4 to $5/ft. for drilling, or a total of $20,000 for ten holes.

The old workings can be reopened for about $5,000 and will proceed concurrently with drilling. Under our lease we must complete sufficient exploratory work to determine commercial possibilities within six months. We do not anticipate completing all exploratory work in this six month period, since it will be a continuous operation as mining proceeds.

6 -22. Please see Maps attached to the original application.

6 -23. All work will be on contract basis and thus no equipment or paid personnel, except Mr. H. C. Enos, will be required during preliminary exploration.

7 -24. It is our desire to keep costs as low as possible and gradually work into the exploration as results warrant further expenditures.

Our preliminary plan is:

A.	Drill ten diamond drill holes and test samples as received.	Cost	$20,000
B.	Open old workings	Cost	5,000
C.	Laboratory analysis of samples	Cost	2,500
	Total Preliminary		$27,500

As the above is completed we will determine the location of additional test holes and depth to which they should be drilled. This work should also indicate the advisability of making additional crosscuts, adits or shaft work at other locations. It is estimated that these expenditures be held to about $30,000 and will require an additional ninety days.

The third phase would be dictated entirely by the results obtained from the first expenditures (namely $27,500 and $30,000), and then the last $30,000 would be spent in best possible manner to determine approximate size of deposit, richness of ore, depth, length and breadth of deposit so that a mill of economical size could be designed and installed. Time - about 90 days, or a total time for all work of nine months.

All of our work, samples, and laboratory analyses should be currently checked by your representatives so that we can have full advantage of their thinking and recommendations.

Since we expect to start our work regardless of Government participation, within the next 30 days, may we suggest that our request be approved and funds

be made available as previously suggested. That is $30,00 upon approval for our first operations, then $30,000 if warranted after your inspection of results to date, and the final $30,000 after completion of the second phase of our work, if warranted by results.

We have no desire to spend any funds beyond the preliminary work unless results indicate its advisability and more than a reasonable chance of commercial operations even on a small scale. We have every reason to believe that a 100 ton/day mill can be justified which should produce at approximately 1500 pounds of highly strategic Nickel per day.

Yours very truly,

Earle W. Gard

Earle W. Gard

EWG:ml
Enclosures.

UNITED STATES
DEPARTMENT OF THE INTERIOR
~~BUREAU OF MINES~~
~~REGION XXXX~~

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

~~XXXXXXXXXXXXXXXXXXXXXXXX~~
~~XXXXXXXXXXXXXXXXXXXXXXXX~~
~~XXXXXXXXXXXXXXXXXXXXXXXX~~

OFFICE OF
~~REGIONAL DIRECTOR~~
Executive Officer
DMA Field Team
Region III

August 9, 1951

Memorandum

To: Tom Lyon, Chairman, Coordinating Committee, Defense Minerals Administration, Washington, D. C.

From: Executive Officer, DMA Field Team, Region III

Subject: Docket DMA-1179X - Application for nickel exploration loan of $90,000--El Conejo Mining Company, 617 South Olive Street, Los Angeles 14, California.

In reply to your letter to me dated June 14 requesting a field investigation and report on the subject property, Mr. B. H. Sheahan, Mining Engineer, Bureau of Mines, and Mr. C. D. Rinehart, Geologist of the Geological Survey, examined the property. Four copies of their report, "DMA-1179X, El Conejo Mining Company (Ventura Mine), Ventura County, California", dated August 3, 1951, are attached.

The opinions of the mining engineer and geologist are to the effect that the property does not warrant the expenditure of any Government funds for exploration. The preliminary examination indicates that the venture is certain to meet with financial failure due to the small size and the low tenure of the mineralization of the deposit.

Docket DMA-1179X and correspondence relating thereto are returned herewith.

H. C. Miller
Executive Officer
DMA Field Team, Region III

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 13 1951

Attachment

Copy to: E. H. Bailey, USGS

ON-SITE RPT.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OSCAR L. CHAPMAN, SECRETARY

DEFENSE MINERALS ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

DMA-1179X, El Conejo Mining Company (Ventura Mine)

Ventura County, Calif.

B. H. Sheahan, Mining Engineer
U. S. Bureau of Mines

C. D. Rinehart, Geologist
U. S. Geological Survey

August 3, 1951

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 13 1951

DOCKET DMA-1179X

UNITED STATES DEPARTMENT OF THE INTERIOR - BUREAU OF MINES

EL CONEJO MINING COMPANY (VENTURA MINE)
Ventura County, Calif.

SUMMARY

Nickel-copper mineralization occurs in a small gossan and within portions of a gabbro intrusion in young sedimentary rocks. All of the mine workings were caved at the time of the examination with the single exception of the first fifty feet of the main shaft. No commercial ore was found. All of the samples from dumps and outcrops were oxidized or weathered. Pyrrhotite is reported to be the principal mineral containing nickel, although this was not determined.

The property does not warrant the expenditure of any Government funds for exploration. The preliminary examination indicates that the venture is certain to meet with financial failure due to the small size and low tenor of the mineralization.

INTRODUCTION AND ACKNOWLEDGMENTS

Mr. Earle W. Gard[1/] applicant for the exploration loan and Mr. Carroll L. Austin[2/], vice president of the Albertson Company, legal owner of the property, met the examining engineers and accompanied them on the first day of the examination. Mr. Herbert C. Enos[3/], mining engineer for Mr. Gard accompanied the engineers on the morning of the

1/ Gard, Earle W., Vice President of R.M. Parsons Co., 617 S. Olive St., Los Angeles 14, Calif.
2/ Austin, Carroll L., Vice President, The Albertson Co., 5225 Wilshire Blvd., Los Angeles 36, Calif.
3/ Enos, Herbert C., Mining Engineer, 20627 Chatsworth St., Chatsworth, Calif.

third day and Mr. Robert Nordberg[4] demonstrated the use of a magnetic dip needle.

Appreciation is extended to Mr. Gard and his associates for their cooperation in the progress of the examination.

LOCATION AND PHYSICAL FEATURES

The El Conejo Mining Company (Ventura Mine) is located in Ventura County, Calif. The property is located 3½ miles northeast of Thousand Oaks, a community 40 miles northwest of Los Angeles on U. S. Highway 101.

The property comprises approximately 640 acres of land which was a portion of an old Spanish land grant Rancho El Conejo. If the area was laid off by the General Land Office System it would be approximately in section 5, T. 1 N., R. 18 W., S.B.B.&M. Property lines were well designated by Mr. Albertson and Mr. Gard on the ground. The location description does not apparently check exactly with the description of docket DMA-1179X Exhibit "A" submitted by Mr. Gard.

The property may be reached by driving easterly from the east limits of Thousand Oaks on U. S. Highway 101 a distance of 1.1 miles to Mt. Simi Road, turn to the left and go northerly on two lane paved road a distance of 2.5 miles to a gate. Open gate with key obtained from Mr. Gard or Mr. Austin and go 0.9 mile to intersection, turn left and go 1.0 mile on one lane road to intersection, turn left and go 0.8 mile to El Conejo mine where a windmill and water tank is visable on foot hills. Total distance from Thousand Oaks 5.2 miles.

4/ Nordberg, Robert, Physics Dept., Univ. of Calif., Los Angeles, Calif.

This region of California is rather dry grazing land with dry grassy valleys, thick brush on the foot hills and a scattering of live oak trees. Water is rather scarce and the ground water table at the mine stood at a point 52 feet below the surface. The mine is located at an elevation of 1,350 to 1,500 feet on the south slope of the Simi Hills.

HISTORY

Rancho El Conejo was an old Spanish land grant and covered many thousand acres of grazing land.

Copper nickel mineralization with some gold has apparently been known for a number of years at the Ventura Mine. Mr. Earle W. Gard said that he observed some workings in 1913 when he visited the property.

In 1932 the King Gillette interests attempted the development work shown by the maps in the docket. Mr. Thomas Rosenberger was in charge of the operation. Mr. Herbert C. Enos, Mining Engineer was associated with this development operation. Mr. Enos sampled the workings and prepared the assay map. He said, "I was not able to sample the 150-foot level cross cut from the main shaft but understand that the results from this lower level development were not as encouraging as the upper workings on the 50-foot level."

After this development period, work was discontinued. At the present time a windmill with pump and 10,000 gallon water storage tank has been installed by the Albertson Co. Water from the Main Shaft is used for stock purposes. All workings are caved except for a portion of the main shaft. Mr. Enos believes that the East drift and crosscut could possibly be opened up with a small amount of work as the portal

might be the only part caved. Mr. Enos could hardly distinguish where the open cut and crosscut tunnel 300 feet to the west of the Main shaft was located. Erosion had almost completely removed the dump.

GEOLOGY[5]

General

The Ventura Nickel mine area was mapped by the writer on July 29 and 30, 1951, with the purpose of delimiting the igneous body which was reported to contain nickel ore, and to carry out representative sampling. The accompanying geologic map indicates sample localities and contains a chart on which the assays are recorded. These assays show that ore does not exist on the surface of the property, and other evidence indicates that there is little possibility of the discovery of reserves at depth.

The writer was assisted in the mapping by Mr. B. H. Sheahan of the U. S. Bureau of Mines.

Geology

Most of the mapped area is underlain by a yellowish-brown, medium- to coarse-grained conglomeratic sandstone, which is intruded by a mafic igneous mass. Exposures are sparse, and the rocks are deeply weathered in most places. In the conglomeratic sandstone rounded quartz pebbles comprise as much as 15 percent of the rock, and range from about 8 to 15 millimeters in diameter. The overall grain size as well as the percent of quartz pebbles shows considerable variation within a few feet laterally or vertically. Most of the matrix of the sandstone is calcar-

5/ Rinehart, C. D., Geologist, U. S. Geological Survey.

eous, and in places the rock is transected by many small veinlets of calcite. This rock fits the general description of the Cretaceous sediments of the Simi Hills given by Popenoe[6]. The massive character of the sandstone prevented the determination of its attitude locally. However, massive sandstone exposures in the ridge three-quarters of a mile north of the mapped area strike slightly north of west and dip gently northeast.

The mafic intrusive body underlies the west portion of the mapped area, and extends several hundred feet further west. For convenience, this rock will be referred to as gabbro in the following paragraphs, although examination of thin sections might lead to its being given a more definative name. It is more susceptable to weathering than the sandstone and consequently is exposed only in gullies where the overburden has been removed. Even here, it crumbles at the slightest touch. The mafic constituents, now almost completely altered to chlorite, distinguish it from the altered sandstone. It is also much darker yellowish-brown than the sandstone, and in places has a greenish cast. The present appearance of the gabbro suggests that is was once medium-grained and fairly equigranular. This intrusive body, described by Tucker and Sampson[7] as a gabbro dike, has a wedge-shaped outcrop pattern with the longer dimension trending east-west, and is 150 feet wide at the east end and 470 feet wide at the west edge of the mapped area.

6/ Popenoe, W. P., Upper Cretaceous formations and faunas of southern California: Am. Assoc. Petroleum Geologists Bull., vol. 26, no. 2, p. 176, February 1942.

7/ Tucker, W. B., and Sampson, R. J., Ventura mine: Twenty-eighth Report of State Mineralogist, California State Division of Mines, pp. 257-258, 1932.

In the area mapped as altered calcareous rock there are no outcrops. However, the scree is so conspicuously different from the described types that the area in which it occurs was mapped as a separate unit. It weathers to small irregularly shaped blocks that are buff to white in color and very porous; its specific gravity is about 1.89. Much of the residual mantle has been derived from complete disintegration of this rock and occurs as a light buff to white calcareous powder. Laboratory examination of this rock indicates it is a calcareous tufa deposited by a hot spring.

The only geologic structures observed in the area consist of two vertical faults. The northernmost strikes about N. 65° W. and is apparently unmineralized. Bold outcrops of the fault gouge at both ends of a low ridge show its resistance to weathering. Well-defined slickensides and mullion grooves plunge from 20° to 35° northwest. The fault zone is about 15 feet wide and is composed of angular sandstone fragments, ranging from 3 millimeters to 5 centimeters in diameter, enclosed in a fine-grained dolomite matrix.

The other fault is well exposed in a vertical face at the west end of the west cut in the gossan area. Here, the zone is at least 10 feet wide and cuts mineralized and intensely altered sandstone. Azurite, malachite, and anabergit (?) were observed in the exposed zone. Other exposures of the fault are very poor, but near the shaft the zone is probably 20 to 25 feet wide. A striking breccia, observed in the west wall of the shaft, probably marks the south margin of the fault zone. The breccia consists of angular fragments of sandstone 6 inches to 1 foot in diameter enclosed in a black gouge matrix.

A narrow band of gossan is exposed in the sandstone for 250 feet along the south fault, and in the west cut it contains some azurite, malachite, and anabergite (?) in a fissure-vein type of occurrence. Samples of the gabbro body contained only minor amounts of copper and nickel which nowhere approached a grade equivalent to minable ore. The metallized sandstone contained an average of 0.40 percent copper and 0.29 percent nickel whereas the gabbro averaged 0.13 percent copper and 0.12 percent nickel.

The above data reveal a total absence of ore on the surface of the property and provide no reason to expect an increase in grade at depth. Even if the grade increased to that of ore at depth, the narrow width of the fissure-veins precludes the possibility of the discovery of an appreciable tonnage of ore.

Conclusions

Based on the foregoing data and observations, it is the opinion of the writer that this property does not warrant the expenditure of any Government funds for exploration.

MINE WORKINGS

All workings are caved with the single exception of a portion of the Main shaft from the surface to the 50 foot level. The walls of the shaft were not timbered and were carefully examined. The crosscut on the 50-foot level was visable but was caved to the back. No sulphides were observed and practically no 6% copper ore of minable widths.

POWER LABOR TRANSPORTATION WATER CLIMATE

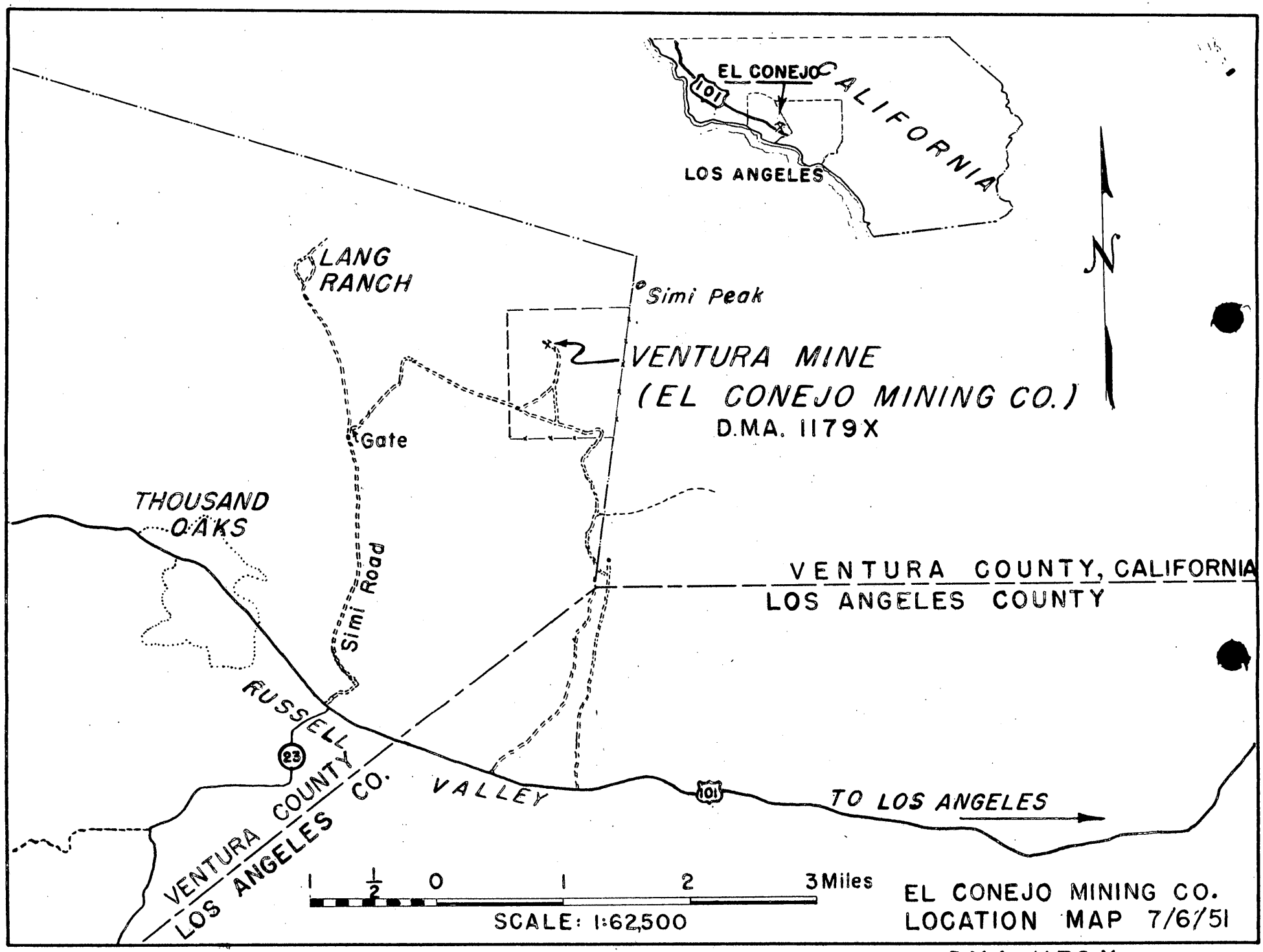
A Southern California Edison power line crosses the south end of the property and also several natural gas lines. A fair labor market

is available. Transportation facilities and climate are excellent. Water is scarce but sufficient for a small drilling program.

CONCLUSIONS

The mineral showing at the property is not sufficient to warrant further exploration or development.

The exploration loan is not recommended.


EL CONEJO
101
CALIFORNIA
LOS ANGELES
N
LANG RANCH
Simi Peak
VENTURA MINE
(EL CONEJO MINING CO.)
D.MA. 1179X
Gate
THOUSAND OAKS
Simi Road
VENTURA COUNTY, CALIFORNIA
LOS ANGELES COUNTY
RUSSELL VALLEY
23
101
TO LOS ANGELES
VENTURA COUNTY
LOS ANGELES CO.
1 ½ 0 1 2 3 Miles
SCALE: 1:62,500
EL CONEJO MINING CO.
LOCATION MAP 7/6/51
D.M.A. 1179 X

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
~~WASHINGTON 25, D.C.~~

Office of
Executive Officer
DMA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

July 9, 1951

Memorandum

To: Tom Lyon, Chairman, Coordinating Committee, Defense Minerals Administration, Washington 25, D. C.

From: Executive Officer, DMA Field Team, Region III

Subject: Docket DMA-1179X - Application for nickel exploration loan of $90,000 -- El Conejo Mining Company, 617 South Olive Street, Los Angeles 14, California.

Attached are four copies of a preliminary memorandum report on subject loan application. A detailed report is in preparation by the examining geologist and engineer and will be sent to you when received from our Reno Office.

H. C. Miller
Executive Officer, DMA Field Team
Region III

Attachment

Copy to: E. H. Bailey, USGS

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 16 1951
LANDON F. STROBEL
Executive Secretary

C O P Y

UNITED STATES
DEPARTMENT OF THE INTERIOR
Bureau of Mines
P. O. Box 1551
Reno, Nevada

July 5, 1951

Memorandum

To: H. C. Miller, Regional Director, Region III

From: Chief, Mining Division, Region III

Subject: DMA-1179X--Application for nickel exploration loan of $90,000--El Conejo Mining Company, 617 South Olive St., Los Angeles 14, Calif.

Mr. C. D. Rinehart of the U. S. Geological Survey and Benjamin H. Sheahan of the Bureau of Mines spent 2-1/2 days examining El Conejo Mining Co's property.

The conclusions of the engineer and geologist are that there might be a small deposit of nickel-copper ore that might warrant a small drilling program not to exceed $5,000 to determine grade and tonnage of ore. Some further geologic work should also be done. Their conclusions are based upon a surface examination and examination of the mine shaft to the 50-foot level. All other drifts and crosscuts are caved. They do not believe that reopening old workings is warranted, however considerable information could be gained from a small amount of diamond drilling.

The maximum dimensions of mineralization on the surface is 250 feet by 40 feet. The surface exposures are sparse and deeply weathered but evidence suggests that the mineralization is a fissure type vein occurring in the shear zone rather than a broad disseminated deposit as suggested in the docket.

The samples taken by Mr. Rinehart and Mr. Sheahan were for the purpose of determining the areal extent of the mineralization.

The applicants have had very little mining experience but evidently planned to place their operation under competent mining engineers. They were also planning on shipping their ore to the U. S. Smelting Co. or International Smelting Co.

The deposit, according to information that Mr. Sheahan has given me, is evidently too small to warrant a large expenditure for exploration work.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 16 1951
LANDON F. STROBEL
Executive Secretary

/s/ A. C. Johnson
A. C. Johnson

~~Mr. Lyon~~
Mr. Pardee

Earle W. Gard

617 SOUTH OLIVE STREET, LOS ANGELES 14, CALIFORNIA

June 21, 1951

Mr. Tom Lyon
Director, Supply Division
United States Department of the Interior
Defense Minerals Administration
Washington 25, D. C.

Subject: DMA-1179X-Application for nickel exploration loan.

Dear Mr. Lyon:

This will acknowledge receipt of your letter of June 18, with reference to the above subject.

Please accept our thanks for your prompt handling of our application, and we shall give the Field Team full cooperation in their investigation.

Yours very truly,

Earle W. Gard

Earle W. Gard

EWG:ml

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 26 1951
LANDON F. STROUPE
Executive Secretary

Earle W. Gard

617 SOUTH OLIVE STREET, LOS ANGELES 14, CALIFORNIA

Mr. Pardee
Files

June 21, 1951

Mr. Franklin G. Pardee, Chief
Nickel Ores Branch
United States Department of the Interior
Defense Minerals Administration
Washington 25, D. C.

Subject: DMA-1179X- Application
for
nickel exploration loan.

Dear Mr. Pardee:

This will acknowledge receipt of your letter of June 14, concerning additional data required on the exploration loan application.

Since receiving your letter I received a letter from Mr. Tom Lyon, Director, Supply Division, stating, "The questions raised in Mr. Pardee's letter to you of June 14 can be taken up with the Field Team."

We shall see that all of the required information is delivered to the Field Team during their inspection of the property.

I wish to thank you for your prompt handling of our application and your courteous treatment during my recent visit to Washington.

Yours very truly,

Earle W. Gard

EWG:ml

Earle W. Gard

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 26 1951
LANDON F. STROBEL
Executive Secretary

DMA 1179

858

FILE COPY
SURNAME:

Pardee
Moon
McKnight

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

June 18, 1951

Via Air Mail

Mr. Earle W. Gard
El Cenejo Mining Company
617 South Olive Street
Los Angeles 14, California

Subject: DMA-1179X - Application for nickel exploration loan.

My dear Mr. Gard:

Your loan application noted above has been referred to the Field Team, Region III, for examination. The questions raised in Mr. Pardee's letter to you of June 14 can be taken up with the Field Team.

Very truly yours,

Tom Lyon

Director, Supply Division

FGPardee:md

Copy to: Adm. reading file
DMA Field Team, Region III
Mr. Lyon
Mr. Strobel
Mr. Pardee
Files

FILE COPY
~~SURNAME~~

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

Pardee.

Mailed to 6/18/51

June 14, 1951

Via Air Mail

Mr. H. C. Miller, Executive Officer
Field Team, Region III
1415 Appraisers Building
San Francisco, California

Subject: DMA-1179X - Application for nickel exploration loan of $90,000 - El Conejo Mining Company, 617 South Olive Street, Los Angeles 14, Calif.

Dear Mr. Miller:

The subject application has been reviewed by the Coordinating Committee and is recommended for referral to the Field Team, Region III for field investigation and report.

You will note from the data contained in the attached application that some exploratory work has been done at this mine, but not enough to properly determine whether the mine has sufficient reserve of valuable ore to prove a commercial success.

A request has been submitted by letter to the applicant for more information. A copy of this letter is enclosed.

We would appreciate your reviewing the data submitted in the application and making a field investigation of the problems presented, paying particular attention, but not confining yourself, to the following items:

1. Occurrence and distribution of the ore, vertically as well as horizontally.

2. Geologic factors that might affect the grade of ore.

3. Milling problems to be met in processing the ore.

4. Nearest smelter which would handle the ore; and what the applicant's plans are in this respect.

5. Expression as to whether a commercial operation is feasible from a technical and organizational standpoint; in fact, we would like a report on the economics of the whole project.

6. What the prospects would be for an early repayment of a $90,000 exploration loan.

7. An opinion as to the competency of applicant, taking into consideration his past performance record, if any, and any other qualifications.

Providing your preliminary field examination reveals that the project has merit, and you are able to procure the data requested in the enclosed letter to the applicant, kindly have the contract forms MF-200 signed by the lessee and the Landlord's Subordination Agreement forms MF-202 signed by the owner.

Owing to the essence of time, your early attention will be appreciated.

Very truly yours,

Tom Lyon

Chairman, Coordinating Committee

Lowell B. Moor

Member, Bureau of Mines

Olaf N. Rove

Member, Geological Survey

Copy to: Adm. reading file
Mr. Mann
Mr. Rove, U.S.G.S.
Mr. Lyon
Mr. Strobel
Mr. Pardee
Files

Enclosures

JCHamilton:md

FILE COPY
SURNAME:

Pardee.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

June 14, 1951

Via Air Mail

Mr. Earle H. Card
El Conejo Mining Company
617 South Olive Street
Los Angeles 14, California

Subject: DMA-1179X - Application for nickel exploration loan.

My dear Mr. Card:

Your application for a loan of $90,000 for the purpose of exploring your property has been studied in the Geological Survey, and will probably be referred to the Field Team for further investigation.

There are a number of items on which we will need information that were not answered in your original application, and these are listed below:

1. Before any contract can be recommended or signed, it will be necessary that the El Conejo Mining Company be incorporated. The first five questions of Form MF-103 apply here.

2. Are there any claims against the property - see question 6.

3. A true copy of the lease must be submitted - see question 7 and Note.

4. A financial statement is required.

5. Where could the ore be milled - see question 15.

6. A more detailed plan of exploration is required showing estimated costs for each operation - see questions 21, 22 and 23.

7. The schedule asked for in question 24 should be completed in more detail.

Very truly yours,

Franklin G. Pardee, Chief
Nickel Ores Branch

FGPardee:md

Copy to: Adm. Reading File
Field Team, Region III
Mr. Moon
Mr. Rove, U.S.G.S.
Mr. Lyon
Mr. Strobel
Mr. Pardee
Files

Defense Minerals Administration

Review of Application for Exploration Assistance

Docket No. DMA-1129X

Commodity Nickel

Total Amount $90000

Gov't. Participation 100%

1. Name and Address of Applicant El Cerrejo Mining Co.
c/o Earl W. Gard - 617 S. Olive St. Los Angeles 14 - Calif.

2. Location of Property County of Ventura - (see Exhibit A)

3. Mineral or metal Nickel Is it listed in Section 9 of MO-5?

If not, application will be rejected.

4. Geologic probability of discovery -- based on data in application (question #16, 17, 18, 20 and 22).*

Mines or Survey reports, etc., do you rate chances:

a) Good

b) Poor poor to fair

c) None

d) Don't know -- needs field examination

e) Is there an alternative and favorable project? (If so, attach an explanation)

5. Is the applicant's right to the property clearly stated? (question 5, 6, 7)

6. If applicant is a lessee, is a copy of the lease attached?

Does the lease have sufficient time to run to cover a future productive period? No lease submitted -

*Question numbers are those of MF-103

7. Are subordination agreements necessary? Yes

a) MF-202? Possibly

b) MF-202 Yes

8. From the data presented, does the proposed project appear feasible from the point of view of:

a) Available manpower

b) Equipment and supplies
(question 14 plus general knowledge of availability)

c) Accessibility (question 12)

d) Water (question 13)

e) Power (question 13)

Is a field check needed on any of these points? Yes - all

9. Does the experience of the applicant appear to be adequate to assure that he can properly conduct the proposed project? (question 4)

Is a field check needed on this point? Yes

10. Exhibit A. (questions 21 and 22)

a) Is the project adequately described? Fair

If not, are there sufficient data given so that you can describe the project? _____ If so, attach a draft.

b) Is there an adequate map or sketch of the proposed work? Fair

c) Is the proposed work "exploration" under the definition of Section 8, MD-5? Yes

If not, what part of it is?

In this [illegible] application project? _____

d) Are the [illegible] data [illegible]? No

Can they be [illegible], as on page 2 of Procedural Instruction 5-A, from the [illegible] data? No If so, attach a draft.

e) Are the cost estimates reasonable? _____

f) Should more information be requested from applicant? Yes

g) Is a field examination necessary to complete Exhibit A? Yes

11. Exhibit B (question 23-d)

a) Is it applicable? No

b) If so, are sufficient data furnished? _____ If so, attach a draft.

c) Is a field check needed? _____

12. Exhibit C (question 23-e, f and g)

a) Is it applicable? No

b) Sufficient data? _____ If so, attach a draft.

c) Are rents and charges reasonable? _____

d) Is a field check needed? _____

13. Exhibit D (question 23-a,b)

a) Are there sufficient data? No

b) Is the schedule adequate for the work proposed? _____

c) Is the schedule adequate for the work proposed? _____

d) Are the proposed wages and salaries reasonable? _____

e) Is a field check needed? Yes

14. Exhibit E (question five)

a) Is it applicable? No

b) Sufficient data?

c) Reasonable?

d) Field check needed?

15. In your judgment, can the proposed work be done in the proposed time? Yes

(All exploration must be completed within two years.)

16. If field examination is not needed, attach your recommendation.

17. If field examination is needed, do you have any special instructions for the field team not indicated by your answers to the foregoing questions? See letter to field team and copy of letter to Mr. Gard.

Reviewed by: Francis J. Parker

Date June 14. 61

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Franklin Pardee

DATE: June 5, 1951

FROM : T. P. Thayer *Thayer*

SUBJECT: DMA Docket 1179-X Nickel-copper
El Conejo Mining Co., Los Angeles, Calif.

The principal source of information on the property appears to be the description of which a photostat is enclosed with the docket. The Geological Survey has not examined the deposit.

The deposit appears to be very low grade in both copper and nickel, though there are a few fairly good spots. The assay data on the maps and tabulated on p. 4 of the Fleck report indicate an average nickel content well under 1 percent, and copper only about 0.25 percent. The geologic relations appear to be rather complex, and the distribution of nickel does not seem to have been determined.

In view of the low grade of material, the proposed $90,000 project seems ambitious. It is suggested that the docket be referred to the Field team for consideration of a project aimed at adequate sampling of accessible workings and geologic examination before undertaking the larger project.

FILE COPY
SURNAME:

Strobel

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

May 17, 1951

El Conejo Mining Company
% Earle W. Gard
617 Olive Street
Los Angeles 14, California

Subject: DMA-1179X
Re: Exploration Loan -
Rancho Dinsmore El Conejo
Gard-Beeck Ranch.

My dear Sirs:

Receipt is acknowledged of your application and attachments of May 15, 1951 for an exploration loan under the Defense Production Act of 1950.

The application was assigned Docket Number 1179X and referred to Mr. Franklin Pardee, Chief Nickel Branch on May 16, 1951.

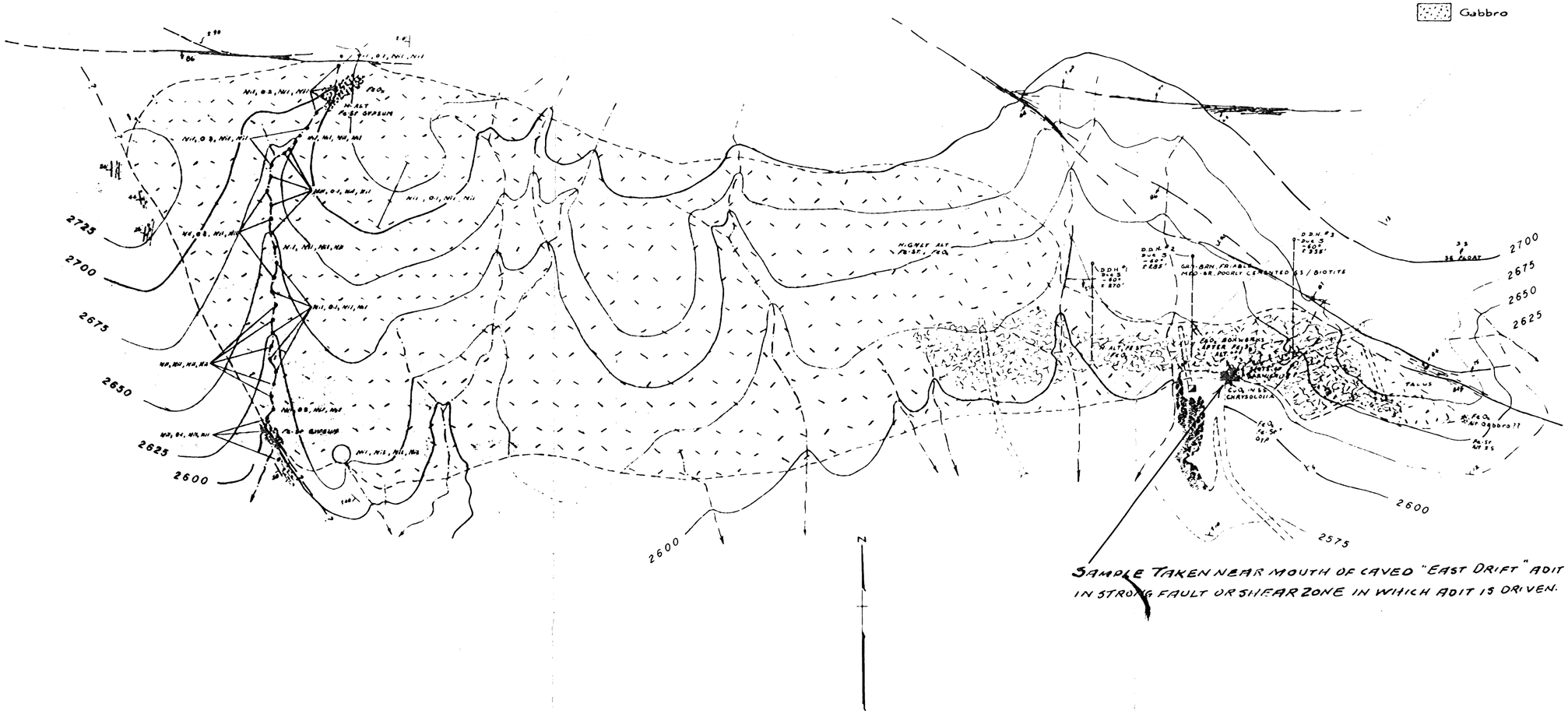
In any future correspondence relating to your application, kindly refer to DMA 1179X.

Sincerely yours,

LANDON F. STROBEL

Landon F. Strobel
Executive Secretary

LFSTROBEL:MAB
cc: Strobel-2
Files
Hardee
Lyon



VENTURA MINE

EL CONEJO MINING COMPANY
VENTURA COUNTY, CALIFORNIA

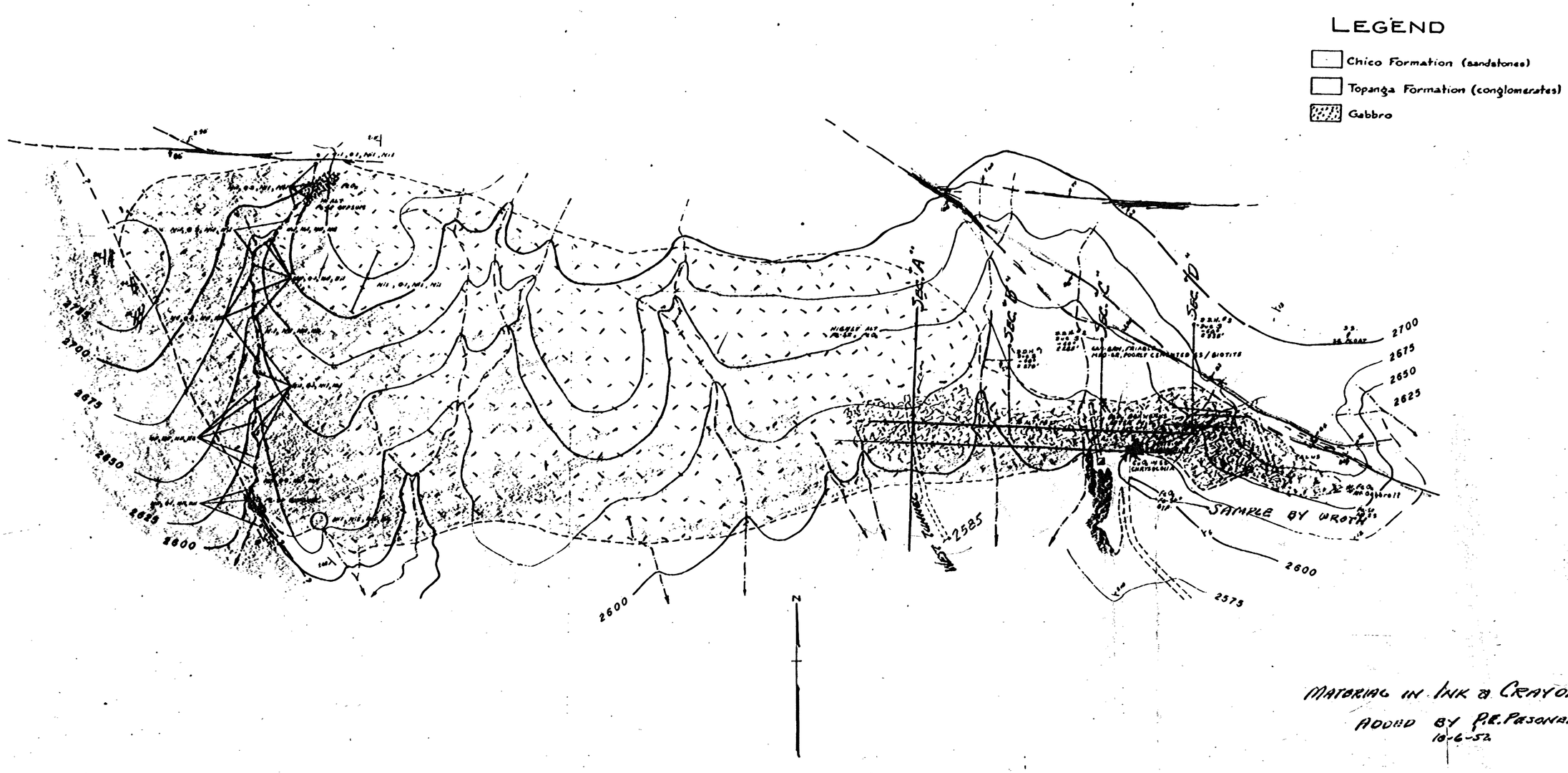
SCALE 1" = 100'

R. Seklemian - D.R. Olsen January 1952

THIS PLAN MADE BY GEOLOGISTS OF ANACONDA COPPER CO. IN JAN. 1952. FURNISHED BY E.W. GARD.

Brunton - tape survey
Assay order - oz. Au, oz. Ag., % Cu., % Ni.

MAP No. 3



MATERIAL IN INK & CRAYON
ADDED BY P.E. PASONAH
10-6-52

VENTURA MINE

EL CONEJO MINING COMPANY
VENTURA COUNTY, CALIFORNIA

SCALE 1" = 100'

R. Seklemian - D.R. Olsen January 1952

Brunton - tape survey
Assay order - oz. Au, oz. Ag., % Cu., % Ni.

FIGURE 2