MME Form 14
Sept. 1958

Contract No. ~~IGME~~) 14-23) 2101

No. 27

Docket No. ~~DMEA~~) MME) 6033

Date of Action June 17, 1960
Rescinded Contract

DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OBLIGATION DOCUMENT

To: Chief, Accounts Section, Finance Branch, Bureau of Mines

From: Director, Division of Operations Control and Statistics

Please enter the amounts shown below on the accounts of the Office of Minerals Exploration.

Name and Address of Contractor:

L. and G. Mining Company
(Partnership)
Gabbs, Nevada

Date of Contract	Region	State	Commodity
July 8, 1959	II	Nevada	Fluorspar

	Reserve	Obligation
Prior Amount	17,845.00	0
Increase	0	0
Decrease	~~17,845.00~~	0
Revised Amount	0	0

Remarks:

cc: 800
210

43244

~~Field Team~~
Audit

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

EXPLORATION CONTRACT
L. AND S. MINING COMPANY
DOCKET NO. OME-4033

RESCISSION OF EXPLORATION PROJECT CONTRACT

It is agreed this 27th day of May, 1960, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, and L. and S. Mining Company, parties to that certain Exploration Contract No. 3101 (Docket No. OME-4033), dated July 8, 1959, that said contract is hereby rescinded, revoked and cancelled as of the date thereof, without any obligations whatever one party to the other, the same as if the contract had never been entered into.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By George C. Selfridge
Acting Director, Office of
Minerals Exploration

L. AND S. MINING COMPANY

By Lindsay Smith (Partner)

By Gordon Smith (Partner)

By D. J. McCullough (Partner)

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
555 Battery Street
San Francisco 11, California

EXTRA COPY
O. M. E.
RECEIVED MAY 20 1960

DATE	INITIALS	CODE
		800
May 18, 1960		

Memorandum

To: Chief, Division of Field Operations, OME, Washington, D. C.

From: Acting Field Officer, OME, Region II

Subject: Docket No. OME-6033 (Fluorspar)
L and G Mining Company
Chicago Lode and Allied Group
Nye County, Nevada
Contract No. OME-2101

Reference is made to your letter of March 15, 1960 to this office relative to the subject contract and our letters of March 22 and May 4, 1960 to the operator of the contract.

We enclose copies of letters from the Operator dated May 11, 1960 and October 27, 1959 respectively. As there has been no change in the status of the title suit to the Allied Group of claims, I assume that your office will prepare the Recission of the Contract.

I believe that Mr. Gordon H. Smith is anxious to carry out the work approved by the contract as he was very much disappointed when the filing of the title suit delayed his plans.

Perhaps a new contract can be executed upon satisfactory settlement of the suit.

Glenn G. Gentry

Attachments

Cppy to: OME File

MME Form 14
Sept. 1958

Contract No. IdmsE) 14-23) 2101

Docket No. DMEA) MME) 6033

Date of Action August 12, 1959
Executed Contract

DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OBLIGATION DOCUMENT

To: Chief, Accounts Section, Finance Branch, Bureau of Mines

From: Director, Division of Operations Control and Statistics

Please enter the amounts shown below on the accounts of the Office of Minerals Exploration.

Name and Address of Contractor:
L. and G. Mining Company
(Partnership)
Gabbs, Nevada

Date of Contract	Region	State	Commodity
July 8, 1959	II	Nevada	Fluorspar
	Reserve		Obligation
Prior Amount	17,845.00		0
Increase	0		$17,845.00
Decrease	17,845.00		0
Revised Amount	0		$17,845.00

Remarks:

Interest 6-3/8%

cc: 800
210

43244

JUL 1959
BUREAU OF MINES
DIVISION OF
MINERAL RESOURCES
REGION 11

Audit's copy

MME Form 351
Feb. 1959

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

EXPLORATION CONTRACT
(Short Form)

Docket No.	Commodity	Contract No.	County	State
OME-6033	Fluorspar	14-23-090-2101	Nye	Nevada

It is agreed 8 JUL 1959 (Date), between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and

L. and O. Mining Company, a limited partnership with Lindsay Smith and Gordon Smith as General and I. J. McCullough as limited partners,

whose mailing address is Caliente, Nevada, hereinafter called the "Operator," as follows:

ARTICLE I. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before Aug. 31, 1959 (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 24 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the work is $34,600.00 The Government will contribute 50 percent of the total fixed unit costs of the work performed, not in excess of $17,250.00 in accordance with the provisions of Articles 4 and 5.

(c) Interest computation.--Simple interest computed annually at the rate of 6 3/8 percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

(d) The Operator shall not transfer or assign this contract or any right or obligation thereunder without the written consent of the Government.

ARTICLE 2. Operator's rights in land.--(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's right of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances:

See Annex I

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

See Annex I

(c) The Operator shall preserve and maintain his right, title, or interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

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

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

ARTICLE 4. Contribution by the Government.--The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5(b), but all payments by the Government are provisional only, subject to audit. Until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. To the extent that amounts in excess of fixed unit costs or in excess of the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such amounts for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. Reports, accounts, audits.--(a) Operator's records.--The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator.

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

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

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

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

(Forms for reporting under (1) and (2) above will be provided by the Government.)

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

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

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

ARTICLE 6. Repayment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

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

(1) irrespective of any certification of possible production--from the date of the contract until the lapse of the time within which the Government may issue such certification or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first; or

(2) if the Government issues a certification of possible production--for a period of ten years from the date of the contract or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first.

(c) Payment of royalty.--(1) The Government's royalty shall be five percent of the XpXXXXXs gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrate, metal, or equivalent), at the point of delivery (the f.o.b. point); except, that charges of the buyer arising in the regular course of business and shown as deductions on the buyer's settlement sheets (such as treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight payable by the buyer to a carrier (not the Operator)), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. No costs of the Operator are deductible in arriving at the "gross proceeds" as that term is here used.

The term "treatment processes" means those processes (such as milling, concentrating, smelting, refining, or equivalent, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(2) The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be.

(d) Unsold production.--If any production (ore, concentrate, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrate, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) Lien for payment.--To secure the payment of royalty (see Article 6(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

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

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

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

ARTICLE 7. Termination of the Government's Obligations.--(a) If the Government determines that operations at any time have failed to achieve anticipated results and further work is not justified, the Government may give the Operator written notice thereof, and thereupon:

(1) the Government shall be free of all obligation to pay on account of units of work not then performed; and

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

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

(1) the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and

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

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

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

(d) The determinations of the Government are subject to appeal under Article 11.

ARTICLE 8. Notices to be given by the Government may be delivered to the Operator or may be sent by certified mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. Officials not to benefit.--No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 10. Nondiscrimination.--In connection with the performance of work under this contract, the Operator agrees not to discriminate against any employee or applicant for employment because of race, religion, color, or national origin. The aforesaid provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Operator agrees to post hereafter in conspicuous places, available for employees and applicants for employment, notices to be provided by the Government setting forth the provisions of the nondiscrimination clause.

The Operator further agrees to insert the foregoing provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.

ARTICLE 11. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, Office of Minerals Exploration, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, Office of Minerals Exploration, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, Office of Minerals Exploration, a written appeal addressed to the Secretary. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

The term "Director, Office of Minerals Exploration," as used herein includes his duly authorized representative.

ARTICLE 12. Eight-Hour Law of 1912--Overtime compensation.--This contract, to the extent that it is of a character specified in the Eight-Hour Law of 1912, as amended (40 U. S. Code 324—326) and is not covered by the Walsh-Healey Public Contracts Act (41 U. S. Code 35—45), is subject to the following provisions and exceptions of said Eight-Hour Law of 1912, as amended, and to all other provisions and exceptions of said Law:

No laborer or mechanic doing any part of the work contemplated by this contract, in the employ of the Operator or any independent contractor contracting for any part of said work contemplated, shall be required or permitted to work more than eight hours in any one calendar day upon such work, except upon the condition that compensation is paid to such laborer or mechanic in accordance with the provisions of this clause. The wages of every laborer and mechanic employed by the Operator or any independent contractor engaged in the performance of this contract shall be computed on a basic day rate of eight hours per day; and work in excess of eight hours per day is permitted only upon the condition that every such laborer and mechanic shall be compensated for all hours worked in excess of eight hours per day at not less than one and one-half times the basic rate of pay. For each violation of the requirements of this clause a penalty of five dollars shall be imposed for each laborer or mechanic for every calendar day in which such employee is required or permitted to labor more than eight hours upon said work without receiving compensation computed in accordance with this clause, and all penalties thus imposed shall be withheld for the use and benefit of the Government.

ARTICLE 13. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U. S. C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U. S. C. 874) are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions.

ARTICLE 14. Changes and added provisions.--

Executed in quintuplicate the day and year first above written.

L. and O. Mining Company
(Operator)

By J. McCullough (Partner)

By Gordon Smith (Partner)

By Lindsay Smith (Partner)

Title

THE UNITED STATES OF AMERICA

By Frank E. Johnson
Acting Director, Office of Minerals Exploration

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

_____

[CORPORATE SEAL]

INT.-DUP. SEC., WASH., D.C. 52375

EXPLORATION PROJECT CONTRACT
L. AND G. MINING COMPANY
DOCKET NO. OME-6033

ANNEX I

The land referred to in Article 2 of the Contract consists of seven (7) unpatented and one (1) patented lode mining claims, in sec. 10, T. 11 N., R. 39 E., M.D.B.M., Union Mining District, Nye County, Nevada. The claims are in a contiguous group as shown on the map entitled "Map No. 2" attached hereto and made part hereof.

The patented claim is named the Chicago Lode and recorded as U. S. Mineral Survey No. 1272-50. The Operator is the owner of this claim.

The unpatented claims are recorded in the Office of the Nye County Recorder at Tonapah, Nevada as follows:

Name of Claim	Page	Book
Allied No. 1	248	104
Allied No. 2	248	104
Allied No. 3	249	104
Allied No. 4	250	104
Allied No. 5	250	104
Allied No. 6	251	104
Allied No. 7	252	104

The Operator has rights of possession of the Allied Nos. 1 through 7 claims under the terms of a contract of sale, dated December 6, 1958, by the owner, Roy C. Ames.

A Lien and Subordination Agreements document covering the above-mentioned claims is attached hereto and made part hereof.

EXPLORATION PROJECT CONTRACT
L. AND G. MINING COMPANY
DOCKET NO. OMS-6033

EXHIBIT "A"

The object of this project is to explore, by means of adits, drifts, and crosscuts, for fluorspar ore along a north-trending major fracture zone that cuts dolomite and limestone of the Luning formation of Upper Triassic age.

General Provisions

Mineralized areas in the adits, drifts, and crosscuts shall be sampled by cutting a continuous horizontal channel approximately three inches wide and one inch deep along one wall. No sample shall represent more than a five-feet length of working. The Operator shall have one-half of each sample assayed chemically for its CaF_2, SiO_2, and CO_3 content as specified under Stages I and II below. The remaining half of each sample shall be stored in a suitable container properly numbered and identified as to the location from which it was procured.

The adits, drifts, and crosscuts will be of a minimum dimension of five by seven feet in the clear of timber, and will be timbered where necessary, using standard drift sets of not less than 8" x 8" timber or equivalent round timber.

The Operator shall employ a superintendent-engineer-geologist to provide the necessary technical services and the direction of the work; also, sufficient other personnel shall be employed to complete the project in a satisfactory manner.

The location, direction, extent, and the method of performing the work under this Contract are subject to Government approval.

The work shall be performed in two successive stages. The Operator shall perform all the Stage I work and as much of Stage II work as is approved in advance in writing by the Government.

Description of the Work

Stage I

The initial work will consist of bulldozing about 800 feet of access roads and about 85 feet of trenches, with an average width of 8 feet, at the portal sites of adits A, C, and D. The exploration work will consist of driving an adit from each of the portal sites. The

approximate location of the portal sites and the bearing of the adits are shown on the map entitled "Figure 1 - Map Showing Access Roads and Adits and Crosscuts to Explore Chicago Lode and Allied Claims, Docket No. OME-8033", attached hereto and made part hereof. With prior written approval by the Government, drifts or crosscuts may be driven from the adits.

Under this Stage I of the Contract not in excess of 720 feet of adits, crosscuts, or drifts shall be driven, nor more than 120 samples shall be assayed for their CaF_2 content, 12 samples for their SiO_2 content, and 12 samples for their CO_3 content. The assays for SiO_2 and CO_3 may be made on individual samples or a composite of samples taken for CaF_2 assaying.

Stage II

The exploration work will consist of driving an additional 400 feet of drifts or crosscuts to further explore areas adjacent to adits A, C, and D, considered favorable by the Government.

Not in excess of 400 feet of drifting or crosscutting shall be performed, nor more than 50 samples shall be assayed for their CaF_2 content, under this Stage II of the Contract.

Estimated Costs of Project

Fixed Unit Costs

Stage I

Construction of 3 access roads and 3 adit portal sites[1]				$1,192.00
Crosscutting or drifting:				
Adit	Length-Feet	Unit Cost/ft.		
A	120	$30.00	$3,600.00	
C	150	30.00	4,500.00	
D	450	30.00	13,500.00	21,600.00
Chemical Assays:				
CaF_2 content, 120 @ $5.00/sample			$600.00	
SiO_2 content, 12 @ $2.00/sample			24.00	
CO_3 content, 12 @ $2.00/sample			24.00	648.00
Estimated Total Cost Stage I				$23,440.00

Stage II

400 feet of drifts or crosscuts @ $30.00/ft.	$12,000.00
Chemical assays to determine CaF_2, 50 @ $5.00/sample	250.00
Estimated Total Cost Stage II	$12,250.00

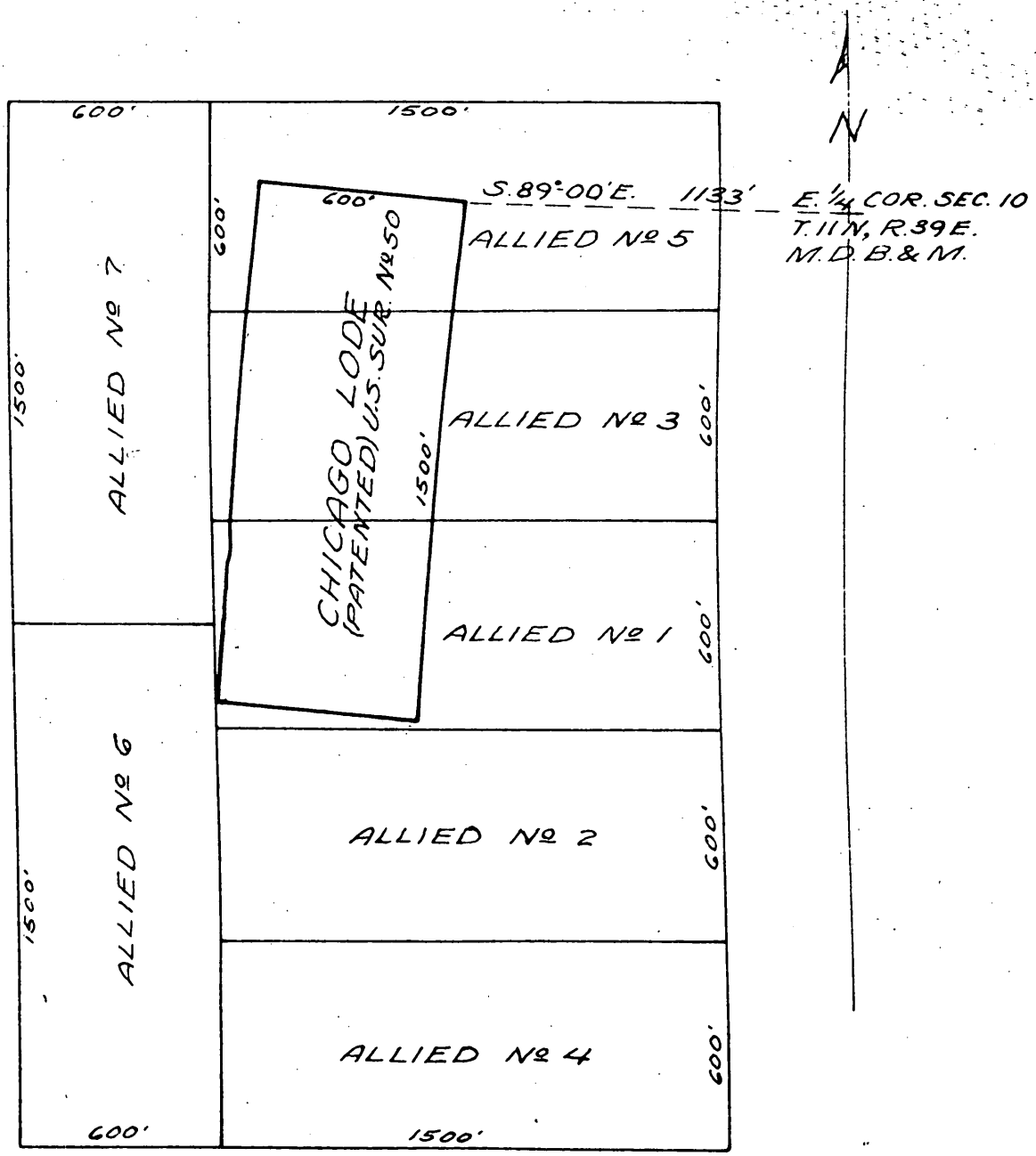
SUMMARY

Estimated Total Cost Stage I	$23,440.00
Estimated Total Cost Stage II	$12,250.00
Estimated Total Cost of Project	$35,690.00
Government Participation @ 50 percent	$17,845.00

1/ The completed work represents the unit.

CHICAGO LODE AND THE ALLIED GROUP OF LODE CLAIMS
UNION MINING DISTRICT
NYE COUNTY, NEVADA.
SCALE: 1" = 500' MARCH 6, 1959
B. YORK MINA, NEV.

ALLIED claims plotted according to description by Roy C. Ames, locator.



MAP Nº 2

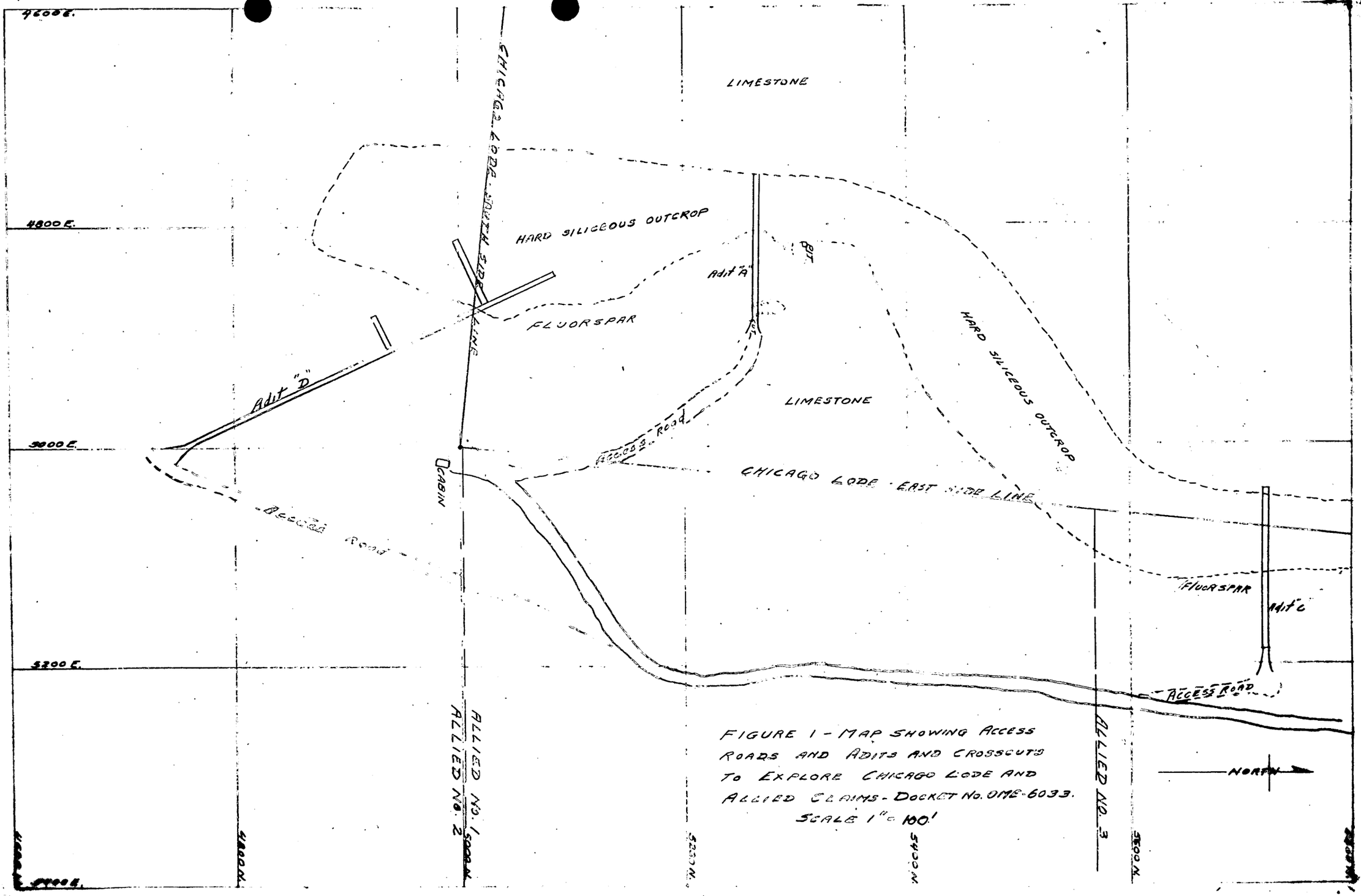


FIGURE 1 - MAP SHOWING ACCESS ROADS AND ADITS AND CROSSCUTS TO EXPLORE CHICAGO LODE AND ALLIED CLAIMS - DOCKET No. OME-6033.
SCALE 1" = 100'

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

FOR GOVERNMENT USE ONLY
Operator L. and G. Mining Company
Docket No. OME – 6033
Contract No. 14-23-090 – 2101
Contract Date

LIEN AND SUBORDINATION AGREEMENTS[1]

To the United States of America:

That certain land in the County of Nye, State of Nevada;

described as follows:[2] see Annex attached hereto and made part hereof.

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

[3],

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

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

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

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

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

None

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

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

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

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

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

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

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

Dated this 18 day of July, 1959.

Roy C. Ames
Roy C. Ames (Seal) — (Street) Tonopah Nevada (City & State)

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

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

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

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

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

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

_____ (Corporate Seal)

The claims referred to are in sec. 10, T. 11 No., R. 39 E., M.D.B.M., Union Mining District, Nye County, Nevada, and are recorded in the Office of the Nye County Recorder at Tonapah, Nevada, as follows:

Name of Claim	Page	Book
Allied No. 1	248	104
Allied No. 2	248	104
Allied No. 3	249	104
Allied No. 4	250	104
Allied No. 5	250	104
Allied No. 6	251	104
Allied No. 7	252	104

MME Form 14
Sept. 1958

Contract No. ~~Idm-E)~~ 14-23) 2101

Docket No. ~~DMEA)~~ MME) 6033

Date of Action July 8, 1959
Approved Contract

DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OBLIGATION DOCUMENT

To: Chief, Accounts Section, Finance Branch, Bureau of Mines

From: Director, Division of Operations Control and Statistics

Please enter the amounts shown below on the accounts of the Office of Minerals Exploration.

Name and Address of Contractor:

L. and G. Mining Company
(partnership)
Gabbs, Nevada

Date of Contract	Region	State	Commodity
July 8, 1959	II	Nevada	Fluorspar

	Reserve	Obligation
Prior Amount	0	0
Increase	$17,845.00	0
Decrease	0	0
Revised Amount	$17,845.00	0

Remarks:

cc: 800
210

43244