DMA Form 1

DEFENSE MINERALS ADMINISTRATION
Control Slip

CONTROLLED DOCUMENT

DMA Docket No. 3261

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This document has been recorded as

Exploration Assistance

Any action taken to change the type of request for assistance must be promptly reported to the Reports and Records Branch. Use DMA Form 2 for submitting these reports.

Routing Slip

To:	400	Date	2/19/54
To:	Oper Com.	Date	2-19-54
To:	Oper Com	Date	3-5-54
To:	Oper Com	Date	5-5-54
To:	400	Date	5-6
To:	Oper Com	Date	6-2-54
To:	Oper Com	Date	6-16-54
To:		Date	
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MF-200 (A)
(February 1952)

3261

DOCKET NO. DMEA Nickel

COMMODITY

Docket copy
IDM - 678

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

EXPLORATION PROJECT CONTRACT[1]

(Short Form)

IT IS AGREED this 21st day of June, 1954 between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Valle's Mining Syndicate, a partnership, 2424 Fifth Avenue, San Diego 1, California, composed of: Iva C. Valle, Paul Valle, Jr. Howard C. Valle, and Charles Byron Valle, all of San Diego, California; and C. Byron Valle, El Paso, Texas.

as set forth in Annexes I and II, attached hereto and made a part hereof, and as follows:

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 San Diego, described as follows:[3] in Annex I

the Operator represents and undertakes:[4]

(*a*) That the Operator is the owner, in possession and entitled to possession, and that the property is subject only to the following claims, or encumbrances as to each of which the subordination agreement of the holder is attached: None

(*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 45 days from the date of this contract shall commence work on a project of exploration for[5] nickel in or upon the described land; and shall bring the project to completion within a period of 18 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. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. 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 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay 75 percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in the contract, in an aggregate total amount not in excess of $23,595.00, which is 75 percent of $31,460.00, 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 check or 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. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operator shall provide the Government with monthly reports of units of work performed 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 units of work performed 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.

[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*) *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 the units of work performed, which the Government may inspect and audit at any time. The Government may at any time require a check of the work performed and an audit of the Operator's records and accounts, by a certified public accountant or otherwise, 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 and statement of work performed to accompany his final report.

ARTICLE 6. *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 the 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. See Annex II substituted for Article 6.

ARTICLE 7. *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 8. *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.

ARTICLE 9. *Changes and added provisions* _____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

Valle's Mining Syndicate
(Operator)

By Howard C. Valle
Howard C. Valle, Agent

By C. Whittenday
Administrator, Defense Minerals Exploration Administration

Purin
Hoffhind
Talbert

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—66329-1

EXPLORATION PROJECT CONTRACT
VALLE'S MINING SYNDICATE
DOCKET NO. DMRA 3261

ANNEX I

The land included in Article 2 of the contract form and Annex II, attached to the Contract consists of the Old Ironsides group of twelve (12) unpatented mining claims, recorded in the San Diego County recorder's office as follows:

Old Ironsides	Book	919	Page	208
Santa Yzabel		4614		377
Howard		4650		472
Doris		4650		471
Iva		4650		474
Paul		4650		473
Nora		4650		470
Mick		4650		464
Donna		4650		468
Byron		4650		467
Jay		4650		475
Mary		4650		466

The claims are located in the Easterly ½ of Section 1, Township 12 South, Range 1 East; and in the Westerly ½ of Section 6, Township 12 South, Range 2 East; SBBM.

EXPLORATION PROJECT CONTRACT
VALLE'S MINING SYNDICATE
DOCKET NO. DMEA 3261

ANNEX II

The following provisions are in lieu of Article 6 :

Repayment by Operator.--a. Certification.--If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Royalty on production.--The Operator, as principal, if the Operator is the producer, or as surety, if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, for a period of ten years from the date of the contract, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

c. Basis for computation.--The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, 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, on account of the cost of treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight paid 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. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the

EXPLORATION PROJECT CONTRACT
VALLE'S MINING SYNDICATE
DOCKET NO. DMEA 3261

EXHIBIT "A"

Description of the Work

The exploration work is to be done in two stages as indicated on the map attached hereto entitled "Old Ironsides Nickel Deposit, San Diego County, California."

The diamond drilling shall be not less than AX in size. All drifts and crosscuts shall be not less than 4 feet by 6½ feet in the clear and timbered where necessary.

Representative samples shall be taken of all mineralized ground encountered. Each sample shall be divided into at least two parts, one of which shall be furnished to the DMEA Field Team.

Stage I

Time Schedule: 0 - 2 months

1. Diamond drill two holes, each approximately 300 feet in depth, to explore the downward extension of the Old Ironsides nickel deposit. The drill holes shall be collared about 200 feet down the slope below the outcrop and on the line of the proposed adit. The first hole shall be drilled at an angle of minus 30° to intersect the ore body approximately 60 feet north of the line of the proposed adit. The second drill hole shall be oriented to intersect the ore body approximately 60 feet south of the line of the proposed adit. Inclination of the second drill hole shall be subject to the prior approval of the Government but shall be not less than minus 30°.

Stage II

Time Schedule: 2 - 18 months

The work under Stage II shall be undertaken only with the prior written approval of the Government. Such approval shall not be given without consideration of the results of metallurgical testing of the ore.

Department of the Interior
Bureau of Land Management
RECEIVED
OCT 16 1954

Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the raw ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

d. Unsold production.--If any production (ore, concentrates, 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, concentrates, 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 when 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. Percentages of royalty.--The percentages of the Government's royalty shall be as follows:

> One and one-half ($1\frac{1}{2}$) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half ($\frac{1}{2}$) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.
>
> (For instance: the royalty on an amount of five dollars ($5.00) per ton, would be one and one-half ($1\frac{1}{2}$) percent; on an amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) percent.)

f. Lien for payment.--To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

g. 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 Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

h. No obligation to produce.--Nothing in this contract is 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.

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

The work consists of:

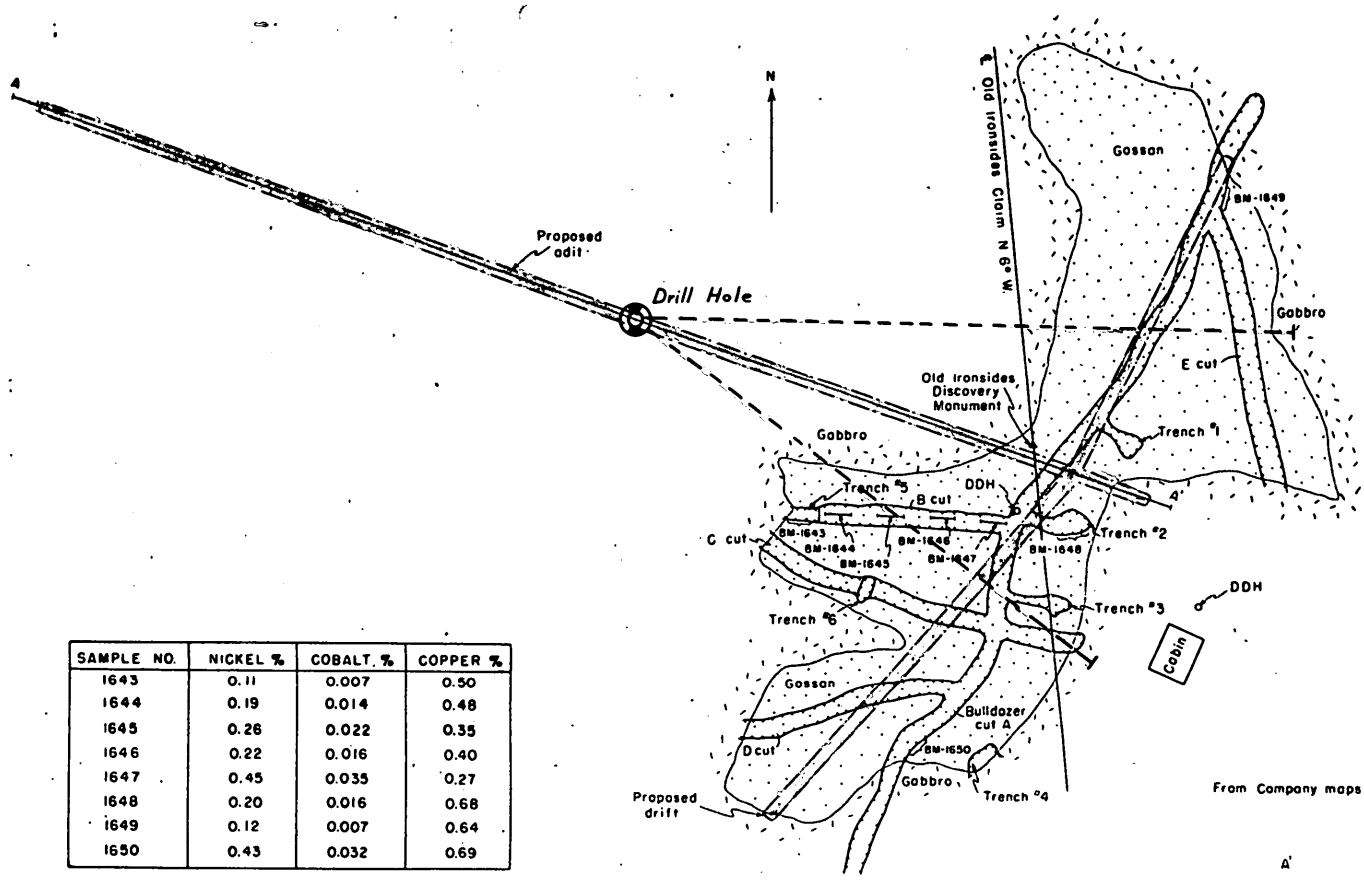
1. Driving a crosscut adit approximately 500 feet in length to intersect the mineralized zone.

2. From the adit, drifting north and south along the mineralized zone for an aggregate distance of not more than 400 feet.

ESTIMATED COSTS OF PROJECT

AGREED UNIT COSTS

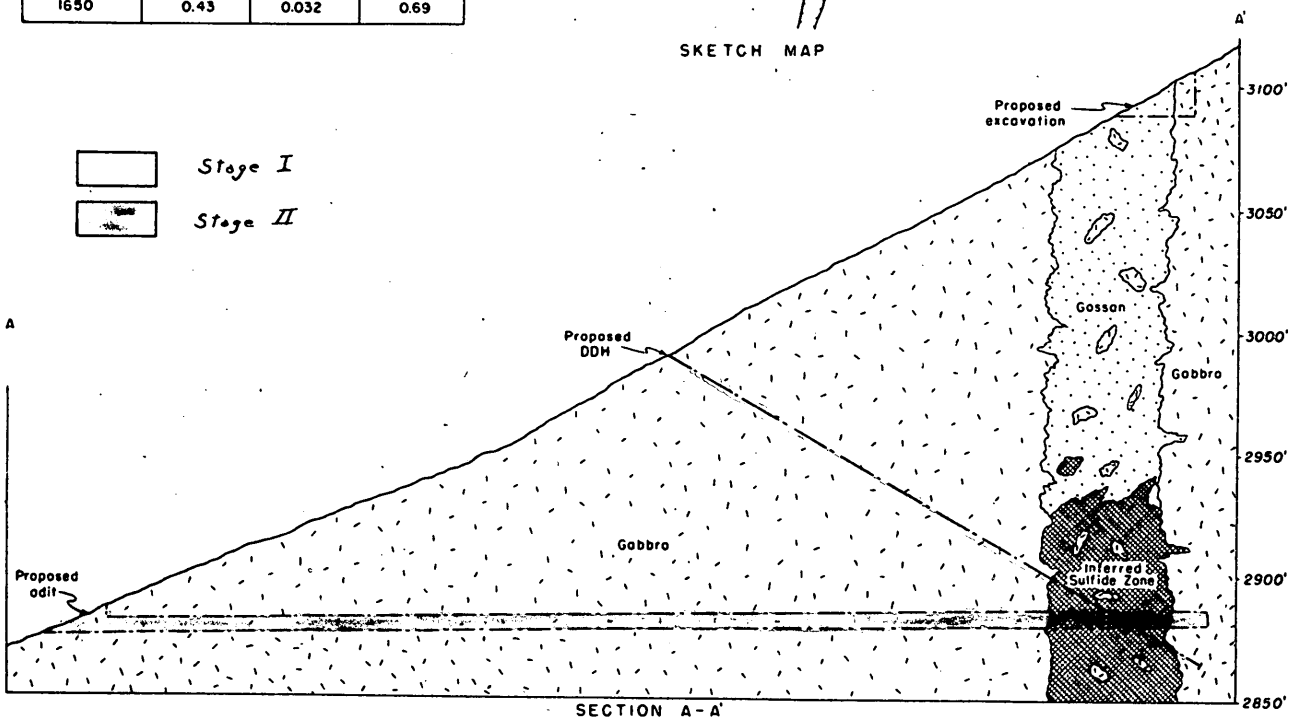
Diamond drilling 600 feet @ $8.00/ft.	$4,800.00	
Drifting and crosscutting 900 feet @ $29.00/ft.	26,100.00	
Analyses of samples, 112 samples @ $5.00 each	560.00	
TOTAL AGREED UNIT COSTS		$31,460.00
GOVERNMENT PARTICIPATION @ 75%		$23,595.00



From Company maps

SKETCH MAP

SAMPLE NO.	NICKEL %	COBALT %	COPPER %
1643	0.11	0.007	0.50
1644	0.19	0.014	0.48
1645	0.26	0.022	0.35
1646	0.22	0.016	0.40
1647	0.45	0.035	0.27
1648	0.20	0.016	0.68
1649	0.12	0.007	0.64
1650	0.43	0.032	0.69



SECTION A-A'

OLD IRONSIDES NICKEL DEPOSIT, SAN DIEGO COUNTY, CALIFORNIA

40 0 40 80 FEET

400

DOCKET
SURNAME
Rutledge
Martin
Chandler
Davis
Newcomb
Selfridge
Jefferson

APR 28 1955

Mr. Spangler Richer, Executive Officer
DMEA Field Team, Region II
1605 Evans Avenue
Reno, Nevada

Re: Docket No. DMEA 3261 - Michel Valle's Mining Syndicate
Old Ironsides, et al., claims
San Diego County, California
Contract No. [illegible]

Dear Mr. Richer:

This will acknowledge your letter of April 19, 1955, recommending that the final report by the above-referenced operator be waived inasmuch as no additional pertinent information would be obtained by the Government.

We agree that this is true and that the Government has already secured all of the data resulting from the exploration completed under the contract. The operator, therefore, is being advised that the Government is closing its books and records with respect to the subject contract without creating a lien against the property.

It will be appreciated, however, if in future cases the Field Team will withhold from the funds due the operator an amount within the terms of the contract that is deemed sufficient to influence the operator to furnish an acceptable final report.

Sincerely yours,

George C. Selfridge by ESS
Chairman, Operating Committee

APPROVED:

/s/ Robert W. Cochran by ESS
Member, Bureau of Mines

Thor H. Kiilsgaard by ESS
Member, Geological Survey

FARutledge:foc
4-26-55
cc to: Docket
Code 400
Adm. Reading File
Operating Comm.
FT. REG. II
H. W. Davis, USBM
T. H. Kiilsgaard, USGS

R.C.L.

DOCKET
SURNAME
Rutledge
400 Martin
Chandler
Davis
Newcomb
Kilsgaard
Gehan
Selfridge
Eltman

APR 28 1955

Mr. Howard C. Valle, Agent
Valle's Mining Syndicate
3424 Fifth Avenue
San Diego 1, California

Re: Docket No. DMEA 3261 - Michael
Old Ironsides, et al., claims
San Diego County, California
Contract No. [illegible]-2678

Dear Mr. Valle:

This is with reference to the subject Exploration Contract between you and the Government.

It is not our intention to make a certification of discovery or development which would create a lien against the subject property. We are, therefore, closing our books and records with respect to this project. Your attention is called, however, to the provisions of the Contract which require the Operator to keep and preserve certain records for the period indicated.

We regret that the exploration work performed did not result in a certification of discovery or development. Your participation in the exploration program, however, is sincerely appreciated.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

FARutledge:foc
4-26-55
cc to: Docket
Code 400
Adm. Reading File
Operating Comm.
FT. REG. II
Messrs. H. W. Davis, USBM
T. N. Kiilsgaard, USGS

R.C.H.

DMEA

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

Department of the Interior
Defense Minerals Administration
RECEIVED
APR 21 1955

1605 Evans Avenue
Reno, Nevada

April 19, 1955

Memorandum

To: Operating Committee, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-3261 - Nickel
Valle's Mining Syndicate
Old Ironsides, et al., claims
San Diego County, California
Contract No. Idm-E678

Reference is made to your letter of April 13, 1955 regarding the Operator's final report on above subject docket.

We have had no response from the operator to our requests that his final report be submitted. In the meantime, I reviewed our final report on the contract and discussed it with B. H. Sheahan, one of the authors. Neither Mr. Sheahan nor I believe that the Operator can furnish any pertinent information relative to the property, and recommend that the Operator's final report be waived.

S. Ricker

DOCKET
SURNAME
400 Chapman
Martin
Selfridge
Johnson
Mellenberg

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

APR 13 1955

Mr. Spangler Richer, Executive Officer
DMEA Field Team, Region II
1635 Evans Avenue
Reno, Nevada

Re: Docket No. DMEA 3261 - Michael Valle's Mining Syndicate
Old Ironside, et al., claims
San Diego County, California
Contract No. Ida-8678

Dear Mr. Richer:

Review of our files shows that we are awaiting the final report of the Operator of the above referenced project. We would appreciate having you either obtain this report or, if you have doubts about its worth to us, recommend that it be waived so that we may close our files on the project.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (SLB)

APPROVED:

J. H. Hedges (SLB)
Member, Bureau of Mines

Thor H. Kiilsgaard (SLB)
Member, Geological Survey

TLChapman:foc
4-12-55
cc to: Docket
Code 400
Adm. Reading File
Operating Comm.
FT. REG. II
H. W. Davis, USBM
Thor H. Kiilsgaard, USGS

R.C.S.

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 14 1955

420 Custom House
555 Battery Street
San Francisco 11, Calif.

February 10, 1955

Mr. Howard C. Valle
Valle's Mining Syndicate
2424 Fifth Avenue
San Diego 1, California

Re: Docket No. DMEA-3261 - Nickel
Valle's Mining Syndicate
Old Ironsides, et al., claims
San Diego County, California
Contract No. Idm-E678

Dear Mr. Valle:

For the records, this is to formally advise you that as a result of the diamond drilling under Stage I of the subject contract the Government does not approve of the work as set forth under Stage II and will not participate in its execution.

We hope to receive your final report on the project as requested in our letter of January 18, 1955, in the near future.

Sincerely yours,

S. Ricker
Executive Officer
DMEA Field Team, Region II

Copy to: DMEA, Washington, D. C.
A. C. Johnson, Reno
R. M. Smith, USGS

Rutledge
Martin
Hoffland
Chambers
Selfridge
Johnson
Wheelock

400

FEB 3 1955

Mr. Spangler Richey, Executive Officer
DMEA Field Team, Region II
420 Custom House,
555 Battery Street
San Francisco 11, California

Re: Project No. DMEA 3261 - Michael
Valle's Mining Syndicate
Old Ironsides, et al., claims
San Diego County, California
Contract No. IAs-2678

Dear Mr. Richey:

Reference is made to your letter of January 18, 1955, regarding termination of the subject contract.

A formal notice of termination is not required in contracts such as this where the results of the work under a completed stage do not warrant Government approval of the succeeding stage. In these cases, it is only necessary to advise the operator by letter that the results under the stage of the contract completed were such that Government approval of the following stage is not warranted. The operator at the same time should also be advised to render his final report and final account.

Therefore as the operator has submitted his final voucher and has been advised by your letter of January 18, 1955, to furnish a final report, it will only be necessary for you to advise Mr. Valle that Government approval of Stage II is not warranted by the results obtained under Stage I. When an acceptable final report is received from the operator, we will then prepare the usual letter for closing out contracts that do not result in a certification of discovery or development.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

APPROVED:

H. Hedges
Bureau of Mines (JHB)

Kiilsgaard (JHB)
Geological Survey

FARutledge:fcc
cc to: Docket
Code 400
Adm. Reading File
Operating Comm.
PT. REG. II
H. W. Davis, USBM
T. H. Kiilsgaard, USGS

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

420 Custom House
555 Battery Street
San Francisco 11, Calif.

January 18, 1955

Memorandum

To: George C. Selfridge, Chairman, Operating Committee, DMEA
Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-3261 - Nickel
Valle's Mining Syndicate
Old Ironsides, et al., claims
San Diego County, California
Contract No. Idm-E678

Reference is made to your letter of January 10, 1955, regarding termination of the subject contract.

Is a termination agreement to be written in Washington or should I prepare a notice of termination of exploration project contract? Your advice on this matter will be appreciated.

S. Ricker
Executive Officer
DMEA Field Team, Region II

Copy to: A. C. Johnson, Reno
Roscoe Smith, USGS

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

420 Custom House
555 Battery Street
San Francisco 11, Calif.

January 18, 1955

Mr. Howard C. Valle
Valle's Mining Syndicate
2424 Fifth Avenue
San Diego 1, California

Re: Docket No. DMEA-3261 - Nickel
Valle's Mining Syndicate
Old Ironsides, et al. Claims
San Diego County, California
Contract No. Idm-E678

Dear Mr. Valle:

We would be pleased to have your final report in quintuplicate (five copies) in accordance with your obligation under Article 5(b) of the above-cited contract.

Your cooperation during the work on the project is very much appreciated.

Sincerely yours,

S. RICKER

S. Ricker
Executive Officer
DMEA Field Team, Region II

Copy to: DMEA, Washington, D. C.
A. C. Johnson, Reno
R. M. Smith, USGS

IN REPLY REFER TO:

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

January 13, 1955

Re: DMEA-3261
Valle's Mining Syndicate
(Old Ironsides Claim)
San Diego Co., Calif.
$4,855 - Nickel

Memorandum

To: W. S. Martin, Defense Minerals Exploration Administration

From: E. L. Newcomb, U. S. Geological Survey

Subject: Review of Final Field Team report

This project has been terminated by mutual agreement and the Field Team has recommended that a certificate of discovery should not be issued.

The purpose of exploration was to test for continuation of nickel-copper mineralization below outcrops on Old Ironsides claim. Two diamond drill holes cut a thin zone of low grade material ranging from a few grains to 1.5 feet of low grade nickel and copper mineralization.

There are no reserves of ore grade on the Old Ironsides claim, although an inferred tonnage of low grade material can be assumed to a depth of 100 feet.

Results of drilling appear to indicate that the deposit is a shallow, lens-shaped body of limited size.

I concur with the Field Team's conclusions, and recommend no further DMEA exploration be undertaken and a certificate of discovery not be issued.

E. L. Newcomb

E. L. Newcomb

400

Docket
Surname
Chapman
Martin
Selfridge
Johnson
Rutledge

JAN 1 0 1955

Mr. Spangler Ricker, Executive Officer
DMEA Field Team, Region III
420 Custom House, 555 Battery Street
San Francisco 11, California

Re: Docket No. DMEA 3261 - Nickel
Valle's Mining Syndicate
Old Ironsides, et al., claims
San Diego County, California
Contract No. Idm-E678

Dear Mr. Ricker:

This will acknowledge the receipt of the thoroughly informative final report by the Field Team on the exploration completed under the subject contract.

After review of this report, we agree that it is in the interest of both parties to terminate the subject contract. However, the operator should be advised of his obligation under Article 5(b) of the contract to furnish his final report, as well.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

cc: DOCKET
FT, REG. III
CODE 400
OPER. COMMITTEE
ADM. READ. FILE
T. KIILSGAARD, USGS
H. W. DAVIS, USBM

FARutledge/~~ls~~
1/7/55

P.C.J.

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

Defense Minerals Administration
RECEIVED
DEC 23 1954

420 Custom House
555 Battery Street
San Francisco 11, California

December 21, 1954

Memorandum

To: George C. Selfridge, Chairman, Operating Committee, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA-3261 (Nickel)
Valle's Mining Syndicate
Old Ironsides, et al., claims
San Diego County, California
Contract No. Idm-E678

Enclosed are the original and three copies of the final joint report, dated December 17, 1954, on the subject docket by B. H. Sheahan of the Bureau of Mines and H. K. Stager of the Geological Survey.

The exploration by diamond drilling failed to indicate the possibility of finding either commercial or marginal grade ore bodies. The examining engineer and geologist do not believe that further exploration is warranted and recommend that a certificate of discovery should not be issued.

Roscoe Smith and I agree with the conclusions of the examining engineer and geologist - that there has been no discovery and that further exploration is not warranted.

S. Ricker
Executive Officer
DMEA Field Team, Region III

Attachments

Copy to: R. M. Smith-USGS
A. C. Johnson-Reno, Nevada

Reviewed by
DMEA OPERATING COMMITTEE
1-5-55
(date)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 27 1954

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

Final Report

Idm-E678

DMEA-3261, (Nickel) Valle's Mining Syndicate

Old Ironsides, et al., claims

San Diego County, California

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

H. K. Stager, Geologist
U. S. Geological Survey

December 17, 1954

Reviewed by
DMEA OPERATING COMMITTEE
1-5-55
(date)

FINAL REPORT

Docket No.: DMEA-3261 (Nickel)

Name and address of operator: Mr. Howard C. Valle, Agent
Valle's Mining Syndicate, a partnership
2424 Fifth Avenue
San Diego 1, California

Name and location of property: Old Ironsides, et al., claims
San Diego County, Calif.

The property is located 49 miles northeast of San Diego, Calif. The claims are situated in sec. 1, T. 12 S., R. 1 E., and sec. 6, T. 12 S., R. 2 E., S.B.B.&M., on the east slope of Pamo Valley and near the summit of Black Mountain at an altitude of about 3100 feet. The topography of the area is shown by the USGS map of the Ramona Quadrangle.

Contract No.: Idm-E678

SUMMARY

An exploration contract, No. Idm-E678, was granted to Valle's Mining Syndicate to explore a nickel prospect near Ramona, San Diego County, California in June 1954. The purpose of the project was to explore the possible downward continuation of a nickel-copper deposit that crops out on the Old Ironsides claim. Two diamond drill holes with an aggregate length of 606 feet were put down to intersect the deposit from 150 to 200 feet beneath the outcrop. Although the results obtained by the drilling were of geologic interest, the thin zone of low grade nickel- and copper-bearing material cored by the drill was not of economic

interest and the program was terminated in October 1954. No further exploration is warranted and inasmuch as no ore was discovered a certificate of discovery is not required.

CONCLUSIONS AND RECOMMENDATIONS

In view of the absence of nickel- and copper-bearing material of minable thickness or possible ore grade in the ground explored by the diamond drilling under stage I of the contract, no further exploration is warranted. A certificate of discovery or development should not be issued.

WORK COMPLETED

Two diamond drill holes were drilled from the surface with a total footage of 606 feet (see fig. 1). The drilling was done by an independent contractor, B. & R. Diamond Drilling Co., 1025 East Main St., El Cajon, San Diego County, Calif. The total agreed unit cost per foot was $8.00. Mr. Howard C. Valle did the general supervision.

Drilling operations were started July 17, 1954 and hole No. 2 was completed to a depth of 219 feet in October 1954. Eleven check samples were taken by the operator.

EXPLORATION PROJECT

The project was justified by the following reasons: (1) Geologic conditions appeared to be favorable for the discovery of a moderate tonnage of nickel ore; (2) it was believed that Government participation

in an exploration project in this area would stimulate exploration in adjacent areas; and (3) the project was certain to supply valuable geologic information relative to the deposits and nickel resources of San Diego County.

The original program proposed by the applicants consisted of a 500-foot adit and 500 feet of drifting to intersect and explore the unoxidized sulfide material at a depth of about 200 feet below the outcrop. Total cost of this program was estimated at $38,698.

This program was modified by the Government to include the drilling of two diamond-drill core holes to test the ground to be explored by the adit. The drilling was designated as stage I of the contract and was to be followed by the adit and drifting as stage II. Stage II was made contingent upon the success of stage I.

The contract was signed on June 21, 1954. Drilling was started on July 17, 1954 and two holes with an aggregate length of 606 feet were completed by October 18, 1954. Hole No. 1 intersected about 1-1/2 feet of low grade nickel- and copper-bearing sulfide material but hole No. 2 intersected only a few sparse grains of iron sulfides in the ore zone interval. The contract was terminated, by mutual consent of the applicants and the Government, at the completion of the drilling.

GEOLOGY

The Old Ironsides and adjoining group of claims are underlain by a small body of gabbro that has been intruded into quartz-diorite on

the northwest side of Black Mountain. The geology of the area has been described in considerable detail by Merriam 1/.

A light gray, medium- to coarse-grained quartz diorite is the most abundant rock in the Black Mountain area. It is composed of plagioclase, orthoclase, quartz, biotite, and hornblende with a little sphene and pyrite as accessories. It is probably the Stonewall quartz diorite of Jurassic age described by Hudson 2/. Intruding the quartz diorite is a dark-greenish-gray, coarse-grained gabbro containing plagioclase, hornblende, olivine, and some pyrite. It crops out over an area about 2,000 feet in diameter and weathers to a distinctive reddish-brown soil. The name of San Marcos gabbro has been applied by Merriam to this rock that was first described by Hudson and called the "Cuyamaca basic intrusive." It is believed to be of Cretaceous age. Near the center of the gabbro body, and within the Old Ironsides claim, is a nickel- and copper-bearing gossan, that has apparently been derived from the oxidation of an iron, nickel, and copper sulfide deposit. A few isolated grains of pyrrhotite and pyrite in less oxidized material were the only sulfides observed in the gossan outcrop. Oxidation appears to be nearly complete and only small percentages of the nickel and copper

---

1/ Merriam, R. H., 1946, Igneous and metamorphic rocks of the southwestern part of the Ramona quadrangle, San Diego Co., Cal.: Geol. Soc. Am. Bull., vol. 57, pp. 223-260.

2/ Hudson, F.S., 1922, Geology of the Cuyamaca region of Calif.: Univ. Calif. Dept. Geol. Sci., Bull. 13, No. 6, pp. 175-252.

are contained in the heavy limonitic matrix. The contact between gossan and gabbro is sharp in most places and the outcrop has an area of about 25,000 square feet (see fig. 1).

ORE DEPOSITS

Hudson believes the nickeliferous pyrrhotite deposits in the Ramona area are an ultrabasic differentiate of the gabbro magma. This theory of origin appears to fit the deposit exposed on the Old Ironsides claim. It is evident from the results of drilling that the deposit is a shallow pod-shaped body in the middle of the intrusion and is surrounded on all sides by gabbro. Oxidation is nearly complete to about 60 feet. The average nickel content of the body on the surface is about 0.25 percent and where encountered by drilling at 160 feet averages about 0.75 percent. The average copper content ranges from about 0.5 percent on the surface to 1.5 percent at a depth of 160 feet.

There has been no production of ore from the Old Ironsides deposit.

ORE RESERVES

There are no reserves of ore grade material on the Old Ironsides claim. About 40,000 tons of material with an average grade of about 0.35 percent nickel and 0.7 percent copper is inferred to be present in the deposit to a depth of about 100 feet (fig. 1).

EXPENDITURES

a.	Total approved	$31,460.00
b.	Total cost of project (claimed on MF-104's)	4,855.00
c.	Government's share of cost	3,641.25
d.	Government's share unexpended	19,953.75
e.	Value of production during operations and Government's royalty	None

EFFICIENCY OF OPERATIONS

The exploration work was conducted efficiently. The actual drilling operation was done by the independent contractor, however, Mr. Howard C. Valle devoted most of his time to the project while the drilling operation was being conducted, and he competently supervised the work.

EQUIPMENT PURCHASED FOR THE PROJECT

No equipment was purchased for the project.

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

420 Custom House
555 Battery Street
San Francisco 11, Calif.

November 22, 1954

Memorandum

To: George C. Selfridge, Chairman, Operating Committee, DMEA
Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA-3261 - Nickel
Valle's Mining Syndicate
Old Ironsides, et al, claims
San Diego County, California
Contract No. Idm-E678

Relative to your letter of November 1, 1954, inquiring as to the possible justification of doing some additional diamond drilling on above subject property, I am enclosing a copy of a letter dated November 18, 1954, from Mr. Roscoe Smith.

Mr. Smith is of the opinion that sufficient drilling has been done and that the objective of the work has been achieved. The copper and nickel content of the best mineralized material certainly does not offer much encouragement for continued exploration and I recommend that Mr. Stager's conclusion be accepted.

S. Ricker
Executive Officer
DMEA Field Team, Region III

Attachment

Copy to: Roscoe Smith, USGS
A. C. Johnson, Reno

Refer to	Noted	Date
Answered		

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Mineral Deposits Branch
4 Homewood Place
Menlo Park, California

November 18, 1954

DEPARTMENT OF THE
Dallas Mineral
RECEIVED
NOV 26 1954

Mr. S. Ricker, Executive Officer
DMEA Field Team, Region III
420 Custom House
555 Battery Street
San Francisco 11, California

Re: Docket No. DMEA-3261 (Nickel)
Valle's Mining Syndicate
Old Ironsides, et al., claims
San Diego County, California
Contract No. Idm-E678

Dear Mr. Ricker:

The following is in answer to the questions raised by Mr. George C. Selfridge in a letter to Mr. Miller dated Nov. 1, 1954 concerning termination of the contract at the Old Ironsides property.

The Old Ironsides property was visited by Mr. Stager on October 29, 1954 for the purpose of logging the core of drill hole No. 2. He was accompanied by Mr. Henry R. Cornwall, nickel commodity specialist of the U. S. Geological Survey.

Hole No. 2 was drilled on a bearing of S 82° E at an inclination of minus 30 degrees to a total depth of 219 feet. Sparse sulfides were cored from 150 to 165 feet and a sample of the material at 160 feet was sampled and sent for assay by the operator. This sample represents the best mineralized material cut by the drill but contained only 0.01 percent copper and 0.005 percent nickel.

Mr. Stager has plotted the drill holes and assay data on our geologic maps and sections of the property and considers that the holes were drilled to the depth necessary to test the target area.

Sincerely yours,

Roscoe M. Smith

Roscoe M. Smith

DOCKET
400 SURNAME
Rutledge
Chairman
Selfridge
Robinson
Northenby

NOV 22 1954

Mr. Spangler Richer, Executive Officer
DMEA Field Team, Region III
420 Custom House Building
555 Battery Street
San Francisco 11, California

Re: Docket No. DMEA 3661 - Michel
Veile's Mining Syndicate
Old Ironside, et al., claims
San Diego County, California
Contract No. Ida-2678

Dear Mr. Richer:

Reference is made to the subject docket and the Operator's cost reports for July and August 1954. These reports are unacceptable to this Administration as they do not include narratives describing the work performed or logs of the drill holes.

Your attention is called to Article 5 of the contract which states: "Progress reports. The Operator shall provide the Government with monthly reports of value of work performed under the contract." This monthly report shall consist of three parts as set forth on the back of the DF-104 form as follows: (a) Form DF-104--Operator's Monthly Report and Voucher, (b) Form DF-104A--Operator's Unit Cost and Progress Report, and (c) Narrative.

In the future, please arrange to have no payments made by the fiscal officer on any account unless your technical review shall have indicated that it appears to be supported by the required data.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

APPROVED:

J. H. Hedges

Member, Bureau of Mines

E. L. Newcomb

Member, Geological Survey

FARutledge:foc
11-17-54
cc to: Docket
Code 400
Adm. Reading File
Operating Comm.
FT. REG. III
H. W. Davis, USBM
Thor H. Kiilsgaard, USGS

R.C.J.

FILE: DOCKET NO. DMEA-3261

COPY

WESTERN UNION

NOV 19 1954 3 16 PM

WPaLD LONG GOVT PD-REMO NOV 19 1128 AMP

C O METTENDORF, ADMINISTRATOR
DEFENSE MINERALS EXPLORATION ADMN INTERIOR DEPT

OKEH OWNTRY PLANS TAKE ME FOLLOWING SCHEDULE OF INSPECTION NOVEMBER 20 VIA MIGANZ MINE DOCKET 3395 TO KLX; NOVEMBER 21 VIA MOUNT WHEELER DOCKET 2082 and BACK TO KLX; NOVEMBER 22 VIA MIA DOCKET 2688 TO PIOCHE; NOVEMBER 23 VIA WAH CHANGE DOCKET 3512 AND YZ DOCKET 3273 TO GLENDALE NEVADA; NOVEMBER 24 VIA KEY WEST DOCKET 3479 TO LAS VEGAS. WILL GO TO SALT LAKE CITY ONLY IF I MISS J WILLIAMS AT THE MINE OR AT REQUEST OF MIA IF NECESSARY OTHERWISE PLAN TO RETURN FROM LAS VEGAS TO WASHINGTON. UNDERSTAND FROM ROSCOE SMITH AND A C JOHNSON THAT FURTHER WORK AT VALLE DOCKET 3261 UNWARRANTED. PLEASE WIRE S RICKET IF ANY FURTHER INFORMATION IS REQUIRED BEFORE CONTRACT CAN BE SENT TO HELMSE ETC. DOCKET 3407. UNDERGROUND INSPECTION AT IDAHO MARYLAND DOCKET 3347 INDICATES THAT CONTRACT AS DRAFTED SHOULD BE SENT OUT FOR EXECUTION. COVERING LETTER TO S RICKER SHOULD STATE THAT DMEA WILL CONSIDER AN AMENDMENT SUBSTITUTING NEW WORK FOR THE RAISING NOW ALLOWED, AND THAT TO THE EXTENT THAT THE NEW PROPOSED WORK INCLUDES RAISING AN EQUIVALENT AMOUNT OF DRIFTING COULD BE TRANSFERRED BUT I DO NOT RECOMMEND ANY INCREASE IN THE COST.

W S MARTIN

400 DOCKET SURNAME

Rutledge
Martin
Gerkon
Newcomb
Selfridge
Johnson
Mathews

NOV 1 - 1954

Mr. H. C. Miller, Executive Officer
DMEA Field Team, Region III
420 Customhouse Building
555 Battery Street
San Francisco 11, California

Re: Docket No. DMEA 3261 - Nickel
Valle's Mining Syndicate
Old Ironsides, et al., claims
San Diego County, California
Contract No. Idm-E678

Dear Mr. Miller:

This will acknowledge your letter of October 22, 1954, requesting authority to terminate the subject contract.

Hole No. 1 of the referenced project was drilled along the strike of Hole No. 2 as authorized by the contract. This hole, drilled at an inclination of minus 30 degrees and bearing of S. 53° E., intersected 1.5 feet of sulphides between 159 and 160.5 feet and was bottomed at 387 feet.

Without knowing the bearing and inclination of the second hole drilled, we are unable to determine whether this hole was deep enough. If Hole No. 2 was drilled along the strike of the authorized Hole No. 1 and at an inclination of minus 30 degrees or more, that hole may have been stopped short of its target.

We would, therefore, appreciate your reviewing the results of the subject project. If you determine that Hole No. 2 was not long enough to intersect the target, you are hereby authorized and requested to approve up to 150 feet of additional drilling in Hole No. 2, and prepare an appropriate amendment.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

APPROVED:

J. H. Hedges (JHH)
Member, Bureau of Mines

Thor H. Kiilsgaard (THK)
Member, Geological Survey

FARutledge:foc
10-28-54
cc to: Docket
Code 400
Adm. Reading File
Operating Comm.
FT. REG. III
H. W. Davis, USBM
Thor H. Kiilsgaard, USGS

R.C.S.

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

420 Custom House
555 Battery Street
San Francisco 11, Calif.

October 22, 1954

Air Mail

Memorandum

To: George C. Selfridge, Chairman, Operating Committee, DMEA
Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA-3261 - Nickel
Valle's Mining Syndicate
San Diego County, California
Contract No. Idm-E678

Stage I under the subject contract, consisting of the drilling of two diamond drill holes, has been completed. According to the interim report by B. H. Sheahan, dated September 10, 1954, Hole No. 1 cored sulphides at a depth between 159 and 160.5 feet. Assays of the cores from this 1-1/2 foot section made by Smith-Emery Company ran 0.71 per cent nickel and 1.44 per cent copper. The hole was drilled to a depth of 387 feet according to Sheahan's report.

According to the Operator's narrative report dated October 18, 1954, no showings whatsoever were found in Hole No. 2, which was drilled to a depth of 219 feet. In that narrative report, the Operator states: "We deemed it necessary not to drill further until advised by your field team, due to the fact that our total allotted footage had been drilled and in as much as sulphides were contacted at the 150' mark in Hole #1."

The contract states that "The work under Stage II shall be undertaken only with the prior written approval of the Government. Such approval shall not be given without consideration of the results of metallurgical testing of the ore."

Inasmuch as the results of drilling under Stage I exposed only 1-1/2 feet of doubtful commercial ore in one hole and none whatsoever at the corresponding or any other depth in the second hole, it is recommended that the contract be terminated.

As my authority as Executive Officer to terminate a contract can be exercised only after consultation with your office, I suggest you give my recommendation studied consideration and if you agree that the contract should be terminated, you give me the necessary authority. I will then terminate the contract by sending the Operator a "Notice of Termination of Exploration Project Contract" such as is prescribed in DMEA Circular 33, dated June 30, 1954, for use when the Operator has a short form contract MF-200 (A) February 1952. Ground (b) of the suggested notice would be the basis for the termination.

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

Copy to: Roscoe Smith, USGS
A. C. Johnson, Reno

Defense Minerals Administration
RECEIVED
SEP 17 1954

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Office of
Executive Officer
DMEA Field Team
Region III

420 Custom House
555 Battery Street
San Francisco 11, Calif.

Date: September 13, 1954

Memorandum

To: Operating Committee, DMEA, Interior Bldg., Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Interim Inspection Report

Attached are four copies of Interim Report on -

Docket DMEA -3261

Contract Idm-E 678

Commodity Nickel

Operator - Valle's Mining Syndicate

Property - Old Ironside et al mining claims
San Diego County, California

By B. H. Sheahan, Mining Engineer

Dated September 10, 1954

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

Attachment

Copy to: Finance Officer, Region III (With one copy of report)

Roscoe Smith, USGS (With one copy of report)

SEP 17 1954

INTERIM REPORT

Docket No.: DMEA-3261 (Nickel) Sept. 10, 1954

Name and address of operator: Mr. Howard C. Valle, Agent
Valle's Mining Syndicate, a partnership
2424 Fifth Ave.,
San Diego 1, Calif.

Name and location of property: Old Ironside, et al mining claims
San Diego County, California
(located 49 miles northeast of
San Diego, Calif.)

Contract No.: Idm-E678

SUMMARY

The property was inspected by an engineer of the Bureau of Mines, accompanied by Mr. H. K. Stager, geologist, Geological Survey, and Mr. Howard C. Valle, supervisor, on August 30, 1954.

The contract to explore the property for nickel was signed on June 21, 1954. Exploration work was started on July 17, 1954 under stage I of the contract which consisted of diamond drilling operations.

The diamond drilling was done by an independent contractor, B & R Diamond Drilling Co., 1025 East Main St., El Cajon, San Diego County, Calif. The independent contract price per foot was $6.75, which did not include costs preparatory to starting the drilling operation, supervision, assaying, or cost of drilling water, transportation, or cost of core boxes. The total agreed unit cost was $8.00 per foot. Mr. Howard Valle has done the general supervision.

The work completed included diamond drilling one hole to a depth of 387 feet. The hole was started BX in size on July 20, 1954 and was completed on August 25, 1954. This hole was collared approximately 200 feet down the slope from the gossan outcrop and was drilled at an inclination of minus 30 degrees, and with a bearing of S. 53° E. or approximately 17-1/2 degrees south of the proposed adit line. The hole was completed with AX size drill bits.

Sulphides were cored from a depth of 159 feet to 160.5 feet. An assay of a sample from the best part of this mineralization analyzed by Smith Emery Company contained 0.71 percent nickel and 1.44 percent copper. From the collar to a depth of 150 feet, core recovery was poor. Water consumption was very high because of ground conditions. Casing and cementing was necessary. From a depth of 150 feet to the bottom at 387 feet, core recovery was good and only a little trouble was encountered. Very little sludge was recovered because of poor circulation return of drill water.

CONCLUSIONS

The second stage of the exploration contract is not warranted from the evidence gained to date from the first diamond drill hole. The sulphide mineralization was only a foot and a half wide and was not of an ore grade. A second diamond drill hole should be drilled because of the irregular nature of this type of deposit, and because stage I of the contract should be completed.

RECOMMENDATIONS

(a) For improvement of operations:

The operator understands and was advised by the engineer to start drilling operations with at least BX size drill bits and to plan on casing the hole from the start.

(b) Changes in project or target: None

(c) Amendments to contract: None

(d) Other: The operator was advised to provide covers for core boxes and to properly store the core and sludge recovered.

WORK COMPLETED

Under Stage I of the contract, one diamond drill hole was completed to a depth of 387 feet. The hole was completed AX size. This hole was drilled deeper than was necessary.

COMMENTS

Although very difficult diamond drilling conditions were encountered, the over all progress was fairly good. Water consumption was very high. The difficulties were overcome by cementing and casing through fractures in the granite.

The operator's monthly reports fairly well describe the operation. The operator has listed expenditures of $565.42 for the month of July 1954. The operator shows a unit cost of $7.068 per foot for 80 feet of diamond drill hole. The agreed unit price was $8.00 per foot and the operator could fairly request the additional payment.

No operations were being conducted at the property on the date of the inspection. The diamond drill was set up at the drill site. The operator planned to continue the diamond drilling under Stage I which would include drilling hole No. 2. The work completed was done with fair efficiency.

GEOLOGY AND MINERALIZATION

The first hole was drilled in fractured altered granite gabbro to a depth of 159 feet. From 159 to 160.5 feet heavy iron sulphides were cored. An assay of a few inches of the split core showed 0.71% Ni and 1.44% Cu.

The operator was advised to have the sulphides analyzed for the platinum group metals. From 160.5 to 387 feet, the core was composed of unaltered gabbro.

SAMPLING

No other samples were taken because of the small quantity of the sulphide core. The core was retained by the operator for comparison with sulphides that may be encountered with a second drill hole.

B. H. Sheahan

B. H. Sheahan
Mining Engineer

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

420 Custom House
555 Battery Street
San Francisco 11, California

July 12, 1954

Memorandum

To: Operating Committee, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA-3261 - (Nickel)
Valle's Mining Syndicate
Old Ironsides, et al. claims
San Diego County, California
Contract No. Idm-E678

Reference is made to Mr. George C. Selfridge's letter of June 21, 1954, transmitting to this office the original and five copies of subject contract.

The contract has been executed on the part of the Operator and one copy retained by him. Proper distribution has been made of the Field Team's and Finance Officer's copies, and the original and two remaining copies are returned herewith.

A copy of certified acknowledgment of Howard C. Valle as agent for Valle's Mining Syndicate is attached.

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

Attachments

Copy to: A. C. Johnson, Reno (with copy of contract only)
R. M. Smith (USGS)
Finance Officer, Region III (with copy of contract only)
George Mavor

Docket

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

420 Custom House
555 Battery Street
San Francisco 11, Calif.

June 16, 1954

Memorandum

To: George C. Selfridge, Chairman, Operating Committee, DMEA
Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA-3261 - Nickel
Valle's Mining Syndicate
Old Ironsides et al. claims
San Diego County, California

Reference is made to the letter dated June 2, 1954, from Mr. Ernest Wm. Ellis, Acting Chairman, Operating Committee, requesting information substantiating the recommended unit price of $29.00 per foot mentioned in the Benson-Stager report on the subject property dated May 6, 1954.

Four copies of a memorandum dated June 14, 1954, from A. C. Johnson, giving the requested information, are attached.

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

Attachment

Copy to: Roscoe Smith, USGS

1605 Evans Ave.
~~xxxxxxxxxxx~~

June 14, 1954

Memorandum

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

From: Chief, Mining Division, Region III

Subject: Docket No. DMEA-3261 - Nickel
Valle's Mining Syndicate
Old Ironsides et al. claims
San Diego County, California

In compliance with your memorandum of June 9, 1954, the following is a breakdown of costs recommended for work on the Valle Nickel deposit, San Diego County, Calif. (Docket DMEA-3261):

	Total Costs	Per foot
Road to adit location	$370.00	$0.37
Breaking & mucking	9,500.00	9.50
Supervision	1,200.00	1.20
3,000 feet 1-inch water line	530.00	0.53
pipe fittings	35.00	0.03
Drill steel	500.00	0.50
Air hose	150.00	0.15
Timber	300.00	0.30
Track, ties, spikes	1,500.00	1.50
Air line, 211/2-inch	629.00	0.63
Fittings for 2-1/2-inch line	200.00	0.20
Explosives, fuse, caps	3,000.00	3.00
Fuel	2,000.00	2.00
Compressor rental	1,600.00	1.60
Jack leg drill	475.00	0.48
2 mine cars @ $250.00/ea.	500.00	0.50
Gunder	180.00	0.18
Water storage tank	82.00	0.08

	Total Cost	Per foot
Additions to existing facilities	$ 500.00	$0.50
Repairs	500.00	0.50
250 feet timbering @ $8.00/ft.	2,000.00	2.00
Compensation Insurance	1,123.27	1.13
Payroll taxes	395.00	0.40
Trucking supplies	1,000.00	1.00
Contingencies	750.00	0.75
Total		$29.00

The cost of drilling the 250 foot diamond drill hole is estimated at $8.00 per foot.

Docket DMEA-3261 is returned herewith.

A. C. Johnson

Encl.

Docket
Surname
Rutledge
Martin
Davis
Talbot
Gifford
Selfridge
Johnson

JUN 21 1954

Mr. R. C. Miller, Requisition Officer
Field Team, Region XIX
Customhouse Building
Sansome Street
San Francisco 11, California

Re: Docket No. [illegible] - Magnesium Valley's Mining Syndicate
Old Reservoir, et al. claims
San Diego County, California

Dear Mr. Miller:

Enclosed are the original and five copies of a proposed contract for an exploration program by the above-referenced applicant, signed by the Administrator for the Government, together with Annex I (1 page), Annex II (3 pages), Exhibit "A" (2 pages), and one map.

If the terms and conditions of this proposed contract are satisfactory to you and the Operator, all six copies should be signed and the usual distribution made. However, before execution of the proposed contract, evidence should be obtained indicating that Howard G. Wills is authorized to act on behalf of the other partners named as partners in the contract and, as an alternative, all the partners should sign.

If any part of this proposed contract does not have either your approval or that of the Operator and cannot be executed within your delegated authority, the original and all copies of the proposed contract are to be returned to this office, together with the proposed changes for consideration.

Please note that the work under Stage I has been increased by the addition of a second drill hole which can be finished more cheaply than the first hole if the first hole encounters the original goal. It should also be noted that before the work under Stage II is approved, the results of metallurgical tests are to be considered. These tests should indicate to the satisfaction of the Government that the mineralized material is amenable to current metallurgical processes. Therefore all of mineralized material from the drill holes not required for analyses should be saved for such tests.

R. C. M.

Under Article 3, the starting date has been left blank and is to be filled in by you when the contract is signed by the Operator.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

Enclosures

APPROVED:

J. H. Hedges
Member, Bureau of Mines

Philip W. Guild
Member, Geological Survey

FARutledge:fcc
6-16-54
cc to: Docket
Code 400
Admr. Reading File
Operating Comm.
FT REG. 3
H. W. Davis, USBM
Phillip Guild, USGS

File Copy
Surname
Rubin

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

June 11, 1954

Memorandum

To: The Administrator
Through: Mr. W. S. Martin

From: Acting Assistant Solicitor, DMEA

Subject: Valle's Mining Syndicate, Docket No. DMEA-3261 (Nickel)

Attached is a contract covering the above-described project in satisfactory legal form for execution subject to the submission of evidence that Howard C. Valle is authorized to act as agent for the other persons named as partners in the contract; or, as an alternative, all partners should sign.

J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor

Attachments 6

HCRubin:ep

Copy to: Docket
Mr. Martin (2)
Mr. Hofflund
Mr. Rubin
Chron.

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

June 11, 1954

Memorandum

To: The Administrator
Through: Mr. W. S. Martin

From: Acting Assistant Solicitor, DMEA

Subject: Valle's Mining Syndicate, Docket No. DMEA-3261 (Nickel)

Attached is a contract covering the above-described project in satisfactory legal form for execution subject to the submission of evidence that Howard C. Valle is authorized to act as agent for the other persons named as partners in the contract; or, as an alternative, all partners should sign.

J. L. Hofflund
J. L. Hofflund
Acting Assistant Solicitor

Attachments 6

File Copy
Rutledge
Davis

Assistant Solicitor, DMEA

June 8, 1954

Chief, Iron and Ferro-Alloys Division, DMEA

Review and preparation of proposed contract
Dooket No. DMEA 3261 - Nickel
Valle's Mining Syndicate
Old Ironsides et al. claims
San Diego County, California

Transmitted herewith is the rough draft of a proposed contract for your use in preparing the final draft.

W. S. Martin, Chief
Iron and Ferro-Alloys Division

Attachment

cc: Docket
Code 400
Adm. Read. File

FARutledge/ls 6/8/54

MF-200 (A)
(February 1952)

DOCKET NO. DMEA 3261

COMMODITY Nickel

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

EXPLORATION PROJECT CONTRACT[1]
(Short Form)

IT IS AGREED this _____ day of _____, 195__, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Valle's Mining Syndicate, a partnership, 2424 Fifth Avenue, San Diego 1, California, composed of: Iva C. Valle, ~~2718 Fifth Avenue, San Diego, Calif.~~; Paul Valle, Jr., ~~4381 Piedmont Drive, San Diego, Calif.~~; Howard C. Valle, ~~510 Tarento Drive, San Diego, Calif.~~; and Charles Byron Valle, ~~2424 Fifth Avenue~~ San Diego, Calif.; C. Byron Valle, ~~1640 Golden Hill Terrace~~, El Paso, Texas. hereinafter called the "Operator," as follows: ~~and as set forth in~~ (numbers I and II, attached) here to and made a part hereof, subject to

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 San Diego, described as ~~follows: a group of 12 unpatented mining claims located within the E ½ Sec. 1, T. 12 S., R. 1 E., and the W½ Sec. 6, T. 12 S., R. 2 E., SBB & M.~~ set forth in Annex I.

the Operator represents and undertakes:[4]

(*a*) That the Operator is the owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached: None

(*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] nickel

in or upon the described land; and shall bring the project to completion within a period of 18 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. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. 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 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay 75 percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $23,175.00 which is 75 percent of $30,900.00 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 check or 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. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operator shall provide the Government with monthly reports of units of work performed 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 units of work performed 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.

[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*) *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 the units of work performed, which the Government may inspect and audit at any time. The Government may at any time require a check of the work performed and an audit of the Operator's records and accounts, by a certified public accountant or otherwise, 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 and statement of work performed to accompany his final report.

ARTICLE 6. *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 the 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. See Amend II ~~subsequent~~ for Article 6

ARTICLE 7. *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 8. *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.

ARTICLE 9. *Changes and added provisions* _____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

Valle's Mining Syndicate
(Operator)

By _____

By Howard C. Valle, Agent

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—66329-1

EXPLORATION PROJECT CONTRACT
VALLE'S MINING SYNDICATE
DOCKET NO. DMEA 3261

ANNEX I

Old Ironsides group of

~~The~~ twelve (12) unpatented mining claims, recorded ~~by~~ in the San Diego County recorder's office as follows:

Old Ironsides	Book	919	Page	208
Santa Ysabel		4614		377
Howard		4650		472
Doris		4650		471
Iva		4650		474
Paul		4650		473
Nora		4650		470
Mick		4650		464
Donna		4650		468
Byron		4650		467
Jay		4650		475
Mary		4650		466

The land included in Article 2 of the contract form and Annex II attached to the contract consists of the

The claims are located in the East by 1/4 of Section 1, Township 12 South, Range 1 East; and in the Northwest 1/4 of Section 6, Township 12 South, Range 2 East, S.B.B.&M.

EXPLORATION PROJECT CONTRACT
VALLE'S MINING SYNDICATE
DOCKET NO. DMEA 3261

EXHIBIT "A"

Description of the Work

The exploration work ~~on this project~~ is to be done in two stages as indicated on the map attached hereto entitled "Old Ironsides Nickel Deposit, San Diego County, California."

The diamond drilling shall be not less than AX in size. All drifts and crosscuts shall be not less than 4 feet by $6\frac{1}{2}$ feet in the clear and timbered where necessary.

Representative samples shall be taken of all mineralized ground encountered. Each sample shall be divided into at least two parts, one of which ~~is to go~~ shall be furnished to the Field Team, ~~and the other to the Operator.~~

Stage I

Time Schedule: 0 - 2 months

1. Diamond drill two holes, each approximately 300 feet in depth, to explore the downward extension of the Old Ironsides nickel deposit. The drill holes shall be collared about 200 feet down the slope below the outcrop and on the line of the proposed adit. The first hole shall be drilled at an angle of minus 30° to intersect the ore body approximately 60 feet north of the line of the proposed adit. The second drill hole shall be oriented to intersect the ore body approximately

60 feet south of the line of the proposed adit. Inclination of the second drill hole shall be subject to the prior approval of the Government but shall be not less than minus 30°.

Stage II

Time Schedule: 2 - 18 months

The work under Stage II ~~is to~~ shall ~~depend upon the results achieved under Stage I and is to~~ be undertaken only with the prior written approval* of the Government. ~~in the event that based upon the results of the metallurgical testing, proves to the satisfaction of the Government that the~~ mineralized material is amenable to current metallurgical ~~processes~~ the work consists of:

1. Driving a crosscut adit approximately 500 feet in length to intersect the mineralized zone.
2. From the adit, drifting north and south along the mineralized zone for an ~~total~~ aggregate distance of not more than 400 feet.

ESTIMATED COSTS OF PROJECT

AGREED UNIT COSTS

Stage I		
Diamond drilling 600 feet @ $8.00/ft.	$4,800.00	
Stage II		
Drifting and ~~/or~~ crosscutting 900 feet @ $29.00/ft.	26,100.00	
TOTAL AGREED UNIT COSTS		$30,900.00
GOVERNMENT PARTICIPATION @ 75%		$23,175.00

*Such approval shall not be given without consideration ~~as to whether~~ of the results of metallurgical testing of the ore.

Valle' s Mining Syndicate
2424 Fifth Avenue
San Diego 1, California
June 1, 1954

JUN - 3 1954

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

Re: Docket No. DMEA 3261 - Nickel
Old Ironsides, et al. claims
San Diego County, California

WSG

Dear Sir:

We were pleased to receive your letter of May 28th regarding our application.

Your suggested plan to core drill before driving the proposed adit is agreeable to our company although we have already unsuccessfully attempted core drilling. Unfortunately, we relied on a local water well drilling company. Three months of drilling produced only two holes, one fifty feet and one approximately eighty feet with very little core from either.

Due to the highly oxidized formation we had no water circulation and the rock fractured and jammed the core barrel every two or three feet. Also, the fifty gallons of water an hour we used had to be hauled about fifteen miles to the site and the last seven miles of road are difficult.

Before core drilling could be successfully accomplished at this site, we believe it would be necessary, first, to bring in a core drilling company from a mining district, who are experienced in difficult terrain, and, second, to carry out the water development plan as set forth in our original application.

We had felt that the adit would be the most practical method of exploration; nevertheless, we are sure that with the capable guidance of your field engineers and with a drilling company recommended by them, this terrain can be cored.

It is not clear to us whether the expense of the core drilling would be ours alone or whether it would be included in the exploration loan, if the loan is granted.

We have great faith in the potentialities of this property, and we will be happy to follow any suggestions your office has to offer to further its development.

Very truly yours,

Valle's Mining Syndicate

Howard C. Valle

Howard C. Valle, Agent

HCV:d
Enc.: Bids for driving adit

Bids for driving adit:

Bids were asked to be submitted under the following basis:

To drive a 5x7 adit; bidder to timber portal and first fifty feet of adit, all other timbering if necessary to be on a cost plus basis; owner to furnish all pipe, track, ventilation, bunkhouse; bidder to install all pipe, track, ventilation; bidder to supply compressor, mucking machine, drills, drill steel, powder and caps, labor, board for labor, payroll taxes, and insurance.

The following is the list of bidders:

M. J. Baxter, 916 E. Chase Ave., El Cajon, California
per foot $39.31

Miles McManaman, 565 S. Simmons, Los Angeles 22, California
per foot $38.50

William Hoover, Rt. 1, Box 75B, Lakeside, California
per foot $23.50

Norman C. Hartbauer, Box 131, Lancaster, California
per foot $26.75

George C. Hammond, 2445½ Broadway, Huntington Park, California
per foot $27.50

track 1.00
Vent 1.00
fuse .75
3.75

29.00
3.00

400

DOCKET
Martin
Ellis
Mortenson

JUN - 2 1954

Mr. H. C. Miller, Executive Officer
DMEA Field Team, Region III
420 Custom House
555 Battery Street
San Francisco 11, California

Re: Docket No. DMEA 3261 - Nickel
Valle's Mining Syndicate
Old Ironsides, et al. claims
San Diego County, California

Dear Mr. Miller:

Reference is made to our letter of May 28, 1954, to Mr. Howard C. Valle, regarding the subject application.

It will be appreciated if you will supplement the report of examination of May 6, 1954, with information substantiating the recommended unit price of $29.00 per foot.

Sincerely yours,

Ernest Wm. Ellis

ACTING Chairman, Operating Committee (2/3)

Approved:

J. H. Hedges

Member, Bureau of Mines (2/3)

D. M. Barrabee

Member, Geological Survey (2/6)

Copy to: DOCKET
FT. REG. 3
CODE 400
OPER. COMM.
ADM. READ. FILE
H. W. DAVIS, USBM
P. W. GUILD, USGS

WSMartin/ls 6/1/54

400

Docket
Martin
Mulcher
Thayer
Selfridge
Wyman

Air Mail MAY 28 1954

Mr. Howard C. Valle, Agent
Valle's Mining Syndicate
2424 Fifth Avenue
San Diego 1, California

Re: Docket No. DMEA 3261 - Nickel
Old Ironsides, et al. claims
San Diego County, California

Dear Mr. Valle:

Reference is made to the subject application and the examination of your property on March 11, 1954, by an engineer and a geologist from our Field Team.

The Field Team recommends a first stage of at least one diamond drill hole. A 250-foot hole, costing about $2000.00, collared about 200 feet down the slope below the outcrop, on the line of the proposed adit, and at an angle of -30 degrees, would cut the projected sulphide body at about the depth of the proposed adit, and would give information as to the grade, thickness, mineralogy and metallurgical possibilities of the deposit. Such information should be available before the adit is started.

The examiners report that the proposed drilling has not been discussed with you but that you have expressed your willingness to modify your proposal to suit the suggestions of the Field Team.

Without making any commitment to enter into a contract, we believe that two such holes, drilled to intersect the ore about 100 feet apart and on opposite sides of the proposed adit, would give us more reliable information. It will be appreciated if you will advise at your early convenience whether you would be agreeable to our same suggestion.

We note from the last sentence on page 4 of your application that several mining companies are in process of preparing bids for driving your adit. Please send us copies of any such bids that you have now received.

Sincerely yours,

C. O. Mittendorf

Administrator

5-28

cc: DOCKET
FIELD TEAM, REG. 3
CODE 400
OPER. COMM.
ADM. READ. FILE
H. W. DAVIS, USBM
P. W. GUILD, USGS

WSMartin/ls 5/28/54

Docket

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

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

May 12, 1954

WSM

Memorandum

To: George C. Selfridge, Chairman, Operating Committee, DMEA
Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA-3261 - Nickel
Valle's Mining Syndicate
Old Ironsides et al. claims
San Diego County, California

Reference is made to your undated letter received in this office on February 23, 1954, requesting a field examination of the subject property.

The property was examined on March 11, 1954. Attached are four copies of a report entitled "DMEA-3261, Valle's Mining Syndicate, Old Ironsides Claim, San Diego County, California, -Nickel-" by W. T. Benson, Mining Engineer, U. S. Bureau of Mines, and Harold K. Stager, Geologist, U. S. Geological Survey, dated May 6, 1954.

The applicants have asked for a loan of $38,698.00 for crosscutting and drifting. Their proposal is essentially sound but the engineer and geologist believe that the work should be set up in two stages. The first stage would be to diamond drill one hole to obtain further information on the deposit at depth and also to determine values below the oxidized zone. If the preliminary drilling should prove values to be sufficient, then the second part of the program could be carried out for the drifting and crosscutting, on a unit basis.

The engineer and geologist have recommended that the DMEA give favorable consideration for a limited amount of exploration work. I concur with their recommendations.

We acknowledge also your letter dated May 6, 1954, requesting information on the status of the above-docketed application.

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

Cleared OC
5-21
J.A.R.

Attachment

Copy to: Roscoe Smith, USGS
A. C. Johnson, Reno

Received
JUN 17 1954

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

5/26/54

DMEA-3261, Valle's Mining Syndicate

Old Ironsides Claim

San Diego County, California

- Nickel -

W. T. Benson, Mining Engineer
U. S. Bureau of Mines

Harold K. Stager, Geologist
U. S. Geological Survey

May 6, 1954

Reviewed by
DMEA OPERATING COMMITTEE
5-21-54
(date)

EXAMINATION REPORT

Docket No.: DMEA-3261 (Nickel)

Name and address of applicant: Valle's Mining Syndicate
c/o Howard C. Valle
2424 Fifth Avenue
San Diego 1, Calif.

Name and location of property: Old Ironsides Claim
San Diego County, Calif.

SUMMARY

Howard C. Valle, an officer of the Valle Mining Syndicate, 2424 Fifth Avenue, San Diego, Calif., applied to the Defense Minerals Exploration Administration for government assistance in a $38,698.00 program to explore a copper-nickel showing on the Old Ironside claim, situated in northwestern San Diego County, Calif.

A field examination was requested by the Executive Officer, DMEA Field Team, Region III, to determine if the showing was sufficient to justify the project proposed by the applicant and to obtain data necessary to complete a contract. Accordingly, an examination was made of the property on March 11, 1954 by an engineer of the Bureau of Mines and a geologist of the Geological Survey.

The applicant proposed to do some crosscutting to intersect the primary zone, and then drift to the limits of the deposit; estimated cost $38,698.00.

The problems of economically mining and milling a low grade nickel deposit are great, and it was decided by the examining engineer and geologist that some preliminary diamond drilling be done to determine if ore grade material exists, and whether the material can be successfully treated metallurgically, before Government participation is committed.

The alternate proposal suggests that the work be done in two stages, with the second stage being dependent upon results obtained in Stage I. It is estimated that stage one will cost about $2,000.00, and providing that arrangements are made to complete Stage II on a unit basis, such work should not exceed $29.00 per foot. The over-all cost would, therefore, amount to $31,000.00 with the Government's share amounting to $23,250.00.

Geologic conditions on the Old Ironsides claim appear to be favorable for the discovery of a moderate tonnage of nickel ore. The problems of economically mining and milling a low grade nickel deposit in this area are great and should be closely considered before Government participation is committed, since there is a high risk that the Government's share of the expense of the program will not be returned.

In order to determine the nickel possibilities in the area, it is recommended that Government participation in a modified exploration program on the Old Ironsides Claim be favorably considered.

INTRODUCTION

In connection with an application for exploration assistance, docket DMEA-3261, the property of the Valle's Mining Syndicate's prospect was examined March 11, 1954 by an engineer of the Bureau of Mines and a geologist of the Geological Survey for the purpose of inspecting development openings that pertained to Mr. Howard C. Valle's application for aid in exploring nickel showings found in a gossany outcrop on the Old Ironsides claim.

DESCRIPTION OF PROPERTY AND LOCATION

Property holdings comprise 12 unpatented lode mining claims, known as the Old Ironsides, Santa Ysabel, Howard, Doris, Iva, Paul, Nora, Nick, Donna, Byron, Jay and Mary, situated in sec. 2, T. 12 S., R. 1 E., and sec. 6, T. 12 S., R. 2 E., San Diego County, Calif., 13.6 miles northeast of the small settlement of Ramona, and 49 miles northeast of San Diego, the supply and shipping point on the Santa Fe Railroad.

To reach the property from San Diego, Highway 395 is followed north 25 miles to the Poway turnoff. The Poway road is then traveled east 10 miles to the small settlement of Ramona. Turn left on 7th Avenue in Ramona and follow the Pamo valley road 7.5 miles to the Black Mountain Lookout road. The Black Mountain road is then traveled east and north 6.1 miles to the property, which is about 0.5 mile west of the Lookout Station atop Black Mountain.

COMPETENCY OF APPLICANT

The Valle family are engaged in the restaurant business in San Diego and at LaJolla, Calif. Mr. Howard C. Valle, who accompanied the representatives of the Field Team on the inspection, is familiar with mining terms, but admits he has had no mining experience.

As expressed in the application, Chas. B. Valle would be in charge of operations. According to the applicant, he has been identified with various mining ventures and operations in this country and in Mexico since 1906. It appears that most of his experience was in a clerical capacity.

If competent miners are employed, it is possible the proposed work could be satisfactorily completed.

HISTORY

The deposit is a recent discovery. About a year ago the gossan area was outlined by dozer trenches and hand made cuts. These openings were systematically sampled. An attempt was made to determine the downward continuation of the mineralized zone by core drilling methods. Results of the drilling were unsatisfactory. There has been no production from the property.

PHYSICAL FEATURES

The claims are located on the east slope of Pamo valley near the summit of Black Mountain at an altitude of about 3500 feet. The topography in the area is moderately steep and is cut by small ravines that

trend westward in the valley below. Varieties of small shrubs with a few pine trees constitute the vegetation on the property. The climate in the area is typical of the southwestern coastal area with moderate weather the entire year. Precipitation occurs mostly as rain during the winter months. Except for short periods of heavy rainfall, the property should be accessible at all times. Water for domestic and mining use can be piped from a small spring about 175 feet above the gossan area. It is not certain this supply will be continuous the year around and may dry during late fall. In that event, it would be necessary to supply water from the valley below the property, six miles west.

Transmitted electric power is available in Pamo valley, four miles west. For the purpose of this project, it will be necessary to supply fuel for power purposes from San Diego, 49 miles southwest.

HOUSING FACILITIES

A small house on the property is sufficient to accommodate four men. Should more than four men be necessary, accommodations with board are available in Ramona, 13.6 miles south.

EQUIPMENT

No equipment for mining is on the property.

DEVELOPMENT

The gossan outcrop has been cleared of vegetation, and considerable trenching and bulldozing has been done (fig. 1). The drilling of two diamond drill holes was attempted but because of loss of water, mechani-

cal difficulties, and lack of core recovery, the holes were abandoned before the drill had penetrated the gossan zone. One hole, located behind the cabin (fig. 1), was drilled to a depth of 90 feet but with very poor core recovery. A few ribs of pyrrhotite-bearing gabbro were cored but were apparently in the wall of the deposit and assayed less than 0.01 percent nickel. The other hole was drilled near the center of the body and was entirely in gossan with no core recovered to about 50 feet where the drill tools were lost and the hole abandoned.

GEOLOGY

The Old Ironsides and adjoining group of claims are underlain by a small body of gabbro that has been intruded into quartz-diorite on the northwest side of Black Mountain. The geology of the area has been described in considerable detail by Merriam[1/].

A light gray, medium to coarse grained quartz diorite is the most abundant rock in the Black Mtn. area. It is composed of plagioclase, orthoclase, quartz, biotite, and hornblende with a little sphene and pyrite as accessories. It is probably the Stonewall quartz diorite described by Hudson[2/] and of Jurassic age. Intruding the quartz diorite is a dark-greenish-gray, coarse grained gabbro containing plagioclase, hornblende, and some pyrite. It crops out over an area about 2,000 feet in diameter and weathers to a distinctive

1/ Merriam, R. H., 1946, Igneous and metamorphic rocks of the southwestern part of the Ramona quadrangle, San Diego County, California: Geol. Soc. Am. Bull., vol. 57, pp. 223-260.

2/ Hudson, F. S., 1922, Geology of the Cuyamaca region of Calif.: Univ. Calif. Dept. Geol. Sci., Bull. 13, no. 6, pp. 175-252.

reddish-brown soil. The name of San Marcos gabbro has been applied by Merriam to this rock that was first described by Hudson and called the "Cuyamaca basic intrusive." It is believed to be of Cretaceous age. Near the center of the gabbro body, and underlying the Old Ironsides claim, is a nickel and cobalt-bearing gossan, that has apparently been derived from the oxidation of an iron, nickel, cobalt, and copper sulfide deposit. A few isolated grains of pyrrhotite and pyrite in less oxidized material were the only sulfides observed in the gossan outcrop. Oxidation appears to be nearly complete and only small percentages of the nickel, cobalt, and copper are contained in the heavy limonitic matrix. The contact between gossan and gabbro is sharp in most places, and the outcrop has an area of about 25,000 square feet (fig. 1).

ORE DEPOSITS

Hudson believes the nickeliferous pyrrhotite deposits in the Ramona area to have resulted from accumulation as an ultrabasic differentiate of the magma. The Old Ironsides deposit is, however, similar to the occurrence at the Friday mine near Julian, about 17 miles to the southeast. The geology of the Friday mine has been described in detail by Creasey[3/]. He believes the nickel deposits in the area to have resulted from the replacement of gabbro along fractures by ascending nickel-bearing solutions that formed irregular sulfide bodies controlled by the intensity of fracturing,

3/ Creasey, S. C., 1946, Geology and nickel mineralization of the Julian-Cuyamaca area, San Diego Co., Calif.: Calif. Jour. Mines and Geol., State Min. Report, vol. 42, no. 1, pp. 15-29.

permeability, temperature, and pressure. Oxidation at the Friday mine is nearly complete to the 132-foot level where massive sulfides were encountered. Assays of the oxidized material at the Friday mine are comparable in grade to those at the Old Ironsides. Progressively higher grade material, up to several percent nickel, was encountered from 130 to 170 feet in the Friday mine. It seems reasonable to expect similar unoxidized material at comparable depths on the Old Ironsides claim.

SAMPLING

A series of eight samples were taken from surface cuts and one from an unaltered section of core. These samples were taken at random for the purpose of checking sampling done by the company. Details regarding them follows:

Sample No.	Percent Ni	Percent Co	Percent Cu	Oz./T Au	Oz./T Ag	Description
1643	0.11	0.007	0.50	Tr	Tr	Cut along trench No. 5, Fe and Fe stain in altered granite.
1644	0.19	0.014	0.48	Tr	Tr	Cut along 10 feet in trench above trench No. 5.
1645	0.26	0.022	0.35	Tr	Tr	Cut along 10 feet trench B.
1646	0.22	0.016	0.40	Tr	Tr	Do
1647	0.45	0.035	0.27	Tr	Tr	Top 10 feet trench B.
1648	0.20	0.016	0.68	Tr	Tr	15-foot cut along side trench No. 2.
1649	0.12	0.007	0.64	Tr	Tr	10-foot cut north end dozer trench.
1650	0.43	0.032	0.69	Tr	Tr	10-foot cut south end dozer trench.
1655	0.01	-	0.01	-	-	About 8 inches hornblende core.

The assay results show 0.11 to 0.45 percent nickel, 0.007 to 0.035 percent cobalt, and 0.27 to 0.69 percent copper (fig. 1). These assays check closely with the assays of samples taken previously by the owners.

An average of 0.018 for cobalt indicates the percentage of this metal in the ore is probably too low to be considered as having any economic importance.

ORE RESERVES

There are no measured or indicated ore reserves on the Old Ironsides claim. If ore grade material is encountered by exploration, an irregular sulfide-bearing body with a dumbbell shaped cross sectional area equal to the size of the outcrop (25,000 sq. ft.) and containing about 2,000 tons per foot of depth, is inferred.

PROPOSED EXPLORATION

The applicants propose to drive a crosscut adit from surface, 500 feet in a southeasterly direction to intersect the unoxidized sulfide material at a depth of about 200 feet below the outcrop. They then propose to drift north and south in the body to its outer limits. The proposal is apparently sound in that it will (1) permit detailed observation and sampling of the Unoxidized material; (2) provide points from which further exploration by diamond drilling can be carried out cheaply; and (3) permit immediate mining to commence if material of ore grade is intersected. The applicant estimates the work would cost $38,697.75 with the Government's share amounting to $29,023.31.

In the opinion of the examining engineer and geologist, the exploration proposed by the applicants should be broken down into two stages.

The first stage would include the drilling of at least one diamond drill hole. This hole should be collared about 200 feet down the slope below the outcrop of the deposit, on the line of the proposed adit, and at an angle of -30° (fig. 1). A 250-foot hole so located would cut the projected sulfide body at about the depth of the proposed adit and would provide information relative to the thickness, mineralogy, and grade of the deposit. This hole would probably cost $2,000 and should be completed before starting the adit so as to allow for possible changes in Stage II which may effect adit locations or other modifications in the proposed exploration plan, which may be indicated by the results of the drilling.

This proposal for drilling has not been discussed with the applicants although at the time of the field examination Mr. Valle expressed his willingness to modify their proposal in any way that might be suggested by the field team.

In the event ore grade material is disclosed by drilling, and metallurgical testing proves the material can be successfully treated, arrangements then could be made to complete Stage II, which would include the driving of 500 feet of crosscutting and drifting in north and south directions to the limits of the deposit. This work should not exceed 1,000 feet, nor should the cost on a unit basis exceed $29.00 per foot, which amount is ample to include all necessary accessory costs.

Providing the program as outlined is completed, the overall cost

would approximate $31,000 with the Government's share amounting to $23,250.

CONCLUSIONS AND RECOMMENDATIONS

Geologic conditions on the Old Ironsides claim appear to be favorable for the discovery of a moderate tonnage of nickel ore. The problems of economically mining and milling a low grade nickel deposit in this area, if exploration is successful, are great and should be considered before Government participation is committed. There is a high risk that the Government's share of the expense of the program would not be returned. Government participation in an exploration project in this area, would probably stimulate exploration in adjacent areas and would supply valuable geologic information relative to the deposit and the nickel resources of San Diego County.

For the above reasons, it is recommended that Government participation in a modified exploration program on the Old Ironsides claim be favorably considered.

File Copy

Rutledge
Martin
Selfridge
Jackman
Weisendorf

MAY 6 - 1954

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

Re: Docket No. DMEA3261 - Nickel
Valle's Mining Syndicate
Old Ironsides et al. claims
San Diego County, California

Dear Mr. Miller:

We have received a request for information regarding the status of the above-docketed application for exploration assistance that was referred to your office on February 19, 1954.

It would, therefore, be appreciated if you would advise us when we may expect to receive the Field Team's report.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (WB)

Approved:

J. H. Hedges

Member, Bureau of Mines (WB)

Philip W. Guild

Member, Geological Survey (WB)

cc: Docket
FT, Reg. 3
Code 400
Oper. Comm.
Adm. Read. File
H. W. Davis, USBM
P. Guild, USGS

FARutledge/ls 5/5/54

DOCKET
SURNAME

Rutledge
Martin
Selfridge
Jeffrey
Mitchelson

MAR 8 1954

Mr. E. C. Miller, Executive Officer
DMEA Field Team, Region XII
Mill Plaza Building
870 Market Street
San Francisco 2, California

Re: Docket No. DMEA 3261 - Michael Valle's Mining Syndicate
Old Ironsides et al. claims
San Diego County, California

Dear Mr. Miller:

Copies of the following exhibits for attachment to the above-referenced application for exploration assistance are enclosed:

1. Exhibit "A" - Map of Old Ironsides mine (survey map)
2. Exhibit "C" - Mesa Grande, California quadrangle sheet, scale 1:24,000 (claim map)
3. Exhibit "F" - Map of Old Ironsides mine (proposed exploration)

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (GCS)

APPROVED:

J. H. Hedges
Director, Bureau of Mines (JHH)

Philip W. Guild
Director, Geological Survey (PWG)

FMRutledge:foc
3-4-54
cc to: Docket
Code 400
Adm. Reading File
Oper. Comm.
FT. Reg. 3
H. W. Davis, USBM
Philip Guild, USGS

Enclosures

P.C.J.
3-9-54

400

Martin
Guild
Davis
Selfridge
Hyman

FEB 19 1954

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

Re: Docket No. DMEA 3261 - Nickel
Valle's Mining Syndicate
Old Ironsides, etal. claims
San Diego County, California

Dear Mr. Miller:

The subject application for exploration assistance is being referred to your office for review and possibly a field examination of the property if required.

The applicant submitted only one set of the exhibits mentioned in the supplement to the MF-103. Exhibits A and F are white prints of mine plans, and you can probably obtain duplicates directly from the applicant. Exhibit A also includes a tabulation of the assay results shown on Exhibit B, which is a signed assay report from Hawley & Hawley, Douglas, Arizona. Exhibits D and E are spectrographic reports from Smith-Emery, Los Angeles, California. Exhibit C is the U. S. Geological Survey's Mesa-Grande, California, quadrangle sheet, scale 1:24,000, and shows the group of claims listed in the application at about 116° 49' West and about 33° 9' North on the mountain truck trail west of Black Mountain.

The applicant has asked us to advise him at our earliest convenience if his application will be approved.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (2/16)

Approved:

H. H. Hedges (2/16)
Member, Bureau of Mines

Philip W. Guild (2/16)
Member, Geological Survey

Copy to: DOCKET
FT, REG. III
OPER. COMM.
CODE 400
PHILLIP GUILD, USGS
H. W. DAVIS, USBM
ADM. READ. FILE

R.C.S. 2-23-54

WSMartin/ls 2/19/54

400

Martin
Guild
Davis
Lefferly
Hedges
Johnson

FEB 23 1954

Mr. Howard C. Valle, Agent
Valle's Mining Syndicate
2424 Fifth Avenue
San Diego 1, California

Re: Docket No. DMEA 3261 - Nickel
Valle's Mining Syndicate
Old Ironsides, etal claims
San Diego County, Calif.

Dear Mr. Valle:

The above-docketed application for exploration assistance has been reviewed by the Iron and Ferro-Alloys Division of the Defense Minerals Exploration Administration and is being referred to Mr. H. C. Miller, Executive Officer, DMEA Field Team, Region III. 1012 Flood Building, 870 Market Street, San Francisco 2, California, for review and possibly a field examination of the property.

Any assistance that you can render the members of the Field Team will be appreciated.

Sincerely yours,

C. O. Mittenderf (fw)

Administrator

WSMartin/ls
2/19/54

cc: DOCKET
FT, REG. III
CODE 400
ADM. READ. FILE
H. W. DAVIS, USBM
PHILLIP GUILD, USGS

R.C.

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

February 19, 1954
Subject: DMEA-3261
Re: Exploration Assistance
Old Ironsides, et al.

Valle's Mining Syndicate
2424 Fifth Avenue
San Diego 1, California

Dear Sirs:

The receipt of your application dated February 18, 1954 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-3261 and referred to the Iron and Ferro Alloys Division.

Kindly refer to DMEA-3261 in any future correspondence relating to your application.

Sincerely yours,

Robert E. Adams
Chief, Operation's Control
and Statistics Division

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Form Approved.
Budget Bureau No. 42-R1035.2.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 19 1954

APPLICATION FOR AID IN AN EXPLORATION PROJECT, PURSUANT TO DMEA ORDER 1, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Not to be filled in by applicant

Docket No. 3261
Metal or Mineral Nickel
Date Received
Estimated Cost $38,698
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: Valle's Mining Syndicate, a partnership
2424 Fifth Avenue
San Diego 1, California

(*b*) If other than an individual, add to your name above whether a corporation, partnership, etc., and the name of the State in which incorporated or otherwise organized.

(*c*) If a corporation, add to above statement, titles, names and addresses of officers. Not applicable.

(*d*) If a partnership, add to the above statement the names and addresses of all partners. See attached Sheet #1

2. *General.*—Read DMEA Order 1, "Government Aid in Defense Exploration Projects," before completing this application. Submit this application and all accompanying papers in quadruplicate (four copies), with your name and address on each sheet of the application and on all accompanying papers. Where sufficient space is not provided on the form for all required information, state it on an accompanying paper, with a reference in each case to the instruction to which it refers by number. Comply with all applicable instructions; or, if not applicable, so state. File the application with Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest field executive officer thereof. Read in entirety.

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract A group of 12 unpatented mining claims, held in the name of Valle's Mining Syndicate, located within the Easterly ½ of Section 1, T 12 S, R1. SBB & M and the Westerly ½ of Section 6, T 12 S, R 2 E, SBB & M. Reference: Mesa Grande Quadrangle Sheet, 7.5 Minute Series. (See Exhibit C)

(*b*) State any mine name by which the property is known. See attached Sheet #1

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise Owner

(*d*) If you are not the owner, submit with this application a copy of the lease, contract, or other document under which you control the property. Not applicable.

(*e*) If you own the land, describe any liens or encumbrances on it No leins or encumbrances.

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice. See attached sheet #1.

4. *Physical description.*—(*a*) Describe in detail any mining or exploration operations which have been or now are being conducted upon the land, including existing mine workings and production facilities. State your interest, if any, in such operations. Also describe accessibility of mine workings for examination purposes. See attached Sheet #1.

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades. See attached Sheet #1.

(*c*) Describe the geologic features of the property, including mineralization, type of deposit (vein, bedded, etc.), and your reasons for wishing to explore. Illustrate with maps or sketches. Send with your application (but not necessarily as a part of it) any geologic or engineering report, assay maps, or other technologic information you may have, indicating on each whether you require its return to you. See attached Sheet #1.

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points. See attached Sheet #1.

(*e*) State the availability of manpower, materials, supplies, equipment, water, and power. See attached Sheet #2.

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5. *The exploration project.*—(*a*) State the mineral or minerals for which you wish to explore The mineral for which we wish to explore is nickel.

(*b*) Describe fully the proposed work, including a map or sketch of the property showing a plan (and cross sections if needed) of any present mine workings, and the location of the proposed exploration work as related to such features as contacts, veins, ore-bearing beds, etc. See attached Sheet #2.

(*c*) The work will start within 60 days and be completed within 4 months from the date of an exploration project contract.

(*d*) State the operating experience and background of the applicant with relation to the ability to carry out such exploration project, and also that of the person or persons who will supervise the operations. See attached Sheet #2.

6. *Estimate of costs.*—Furnish a detailed estimate of the costs of the proposed work (you will have to use a separate sheet), under the following headings. Add the totals under all headings to give the estimated total cost of the project:

(*a*) *Independent contracts.*—(Note.—If the applicant does not intend to let any of the work to contractors, write "none" after this item. To the extent that the work is to be contracted, do not repeat the cost of the contract-work in subsequent items.) State the cost of any proposed independent contracts for the performance of all or any part of the work, expressed in terms of units of work (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved, etc.). See attached Sheet #3

(*b*) *Labor, supervision, consultants.*—Include an itemized schedule of numbers, classes and rates of wages, salaries or fees for necessary labor, supervision and engineering and geological consultants. See attached Sheet #3

(*c*) *Operating materials and supplies.*—Furnish an itemized list, including items of equipment costing less than $50 each, and power, water and fuel. See attached Sheet #3

(*d*) *Operating equipment.*—Furnish an itemized list of any operating equipment to be rented, purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or suggested use-allowance based on present value, as the case may be. See attached Sheet #3

(*e*) *Rehabilitation and repairs.*—Furnish a detailed list showing the cost of any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and which will be devoted to the exploration project. Operator has one bunk house 16x20 ft. in good conditon, no repairs nec.

(*f*) *New buildings, improvements, installations.*—Furnish a detailed list showing the cost of any necessary buildings, fixed improvements, or installations to be purchased, installed or constructed for the benefit of the exploration project. See Sheet #4

(*g*) *Miscellaneous.*—Furnish a detailed list showing the cost of 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. See attached Sheet #4

(*h*) *Contingencies.*—Give an estimate of any necessary allowances for contingencies not included in the costs stated above.

NOTE.—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 the contract, should be included in the estimate of costs.

7. (*a*) Are you prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation (Sec. 7, DMEA No. 1)? Yes.

(*b*) How do you propose to furnish your share of the costs?

[X] Money [ ] Use of equipment owned by you [ ] Other

Explain in detail on acompanying paper. Valle's Syndicate is prepared to deposit in full their share of the costs.

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief.

Dated February 18, 1954

Valle's Mining Syndicate
(Applicant)

By Howard C. Valle
Howard C. Valle, Agent

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—66551-1

Exhibition
NED
19 1954

1. (d) Iva C. Valle, 2718 Fifth Avenue, San Diego, California
Paul Valle, Jr., 4381 Piedmont Drive, San Diego, California
Howard C. Valle, 510 Torento Drive, San Diego, California AGENT
Charles Byron Valle, 2424 Fifth Avenue, San Diego, California
C. Byron Valle, 1640 Golden Hill Terrace, El Paso, Texas

3. (b) and (f) Recorded by the San Diego County recorder's office as follows:

Old Ironsides	Book 919	Page 208
Santa Ysabel	4614	377
Howard	4650	472
Doris	4650	471
Iva	4650	474
Paul	4650	473
Nora	4650	470
Mick	4650	464
Sonra	4650	468
Byron	4650	467
Jay	4650	475
Mary	4650	466

4. (a) The mineral on this property consists of an iron gossan outcrop as shown on attached plan EXHIBIT A, being approximately 300 feet by 100 feet -- where exposed; six hand dug trenches were made on outcrop as shown on EXHIBIT A. Also a bulldozed trench(CUT A)some 270 feet long was made on a north south w strike and sample with the results shown on said EXHIBIT A. (Samples were taken at 10 foot intervals and every other sample assayed by Hawley and Hawley, Douglas,Arizona. Also a cross trench (Cut B) some 70 feet westerly from the first trench was bulldozed and sampled in the same manner. Since the outcrop was badly leached, the results as shown by the aforementioned assays were considered sufficiently encouraging to warrant some diamond drilling to determine what the grade of ore would be in the unleached primary zone. An attempt was made to drill the outcrop. The drilling was a failure due to the porous condition of the outcrop and the consequent loss of water. No core was obtained. This venture was then abandoned and it was decided that the best way to explore the property was to drive a tunnel to cut the ore body some 200 feet below the outcrop. All above work performed by present owner.

(b) There has been no production from these mining claims. No ore reserves. See EXHIBIT B for grade.

(c) The mineralization appears to be a magmatic seggregation of magnetite and hematite in basic igneous rocks, major constituents being essentially silicon, magnesium, aluminum and iron. See Exhibit D and E. Our reasons for wishing deposit explored is that this outcrop as shown by assays contains sufficiently high residual values to indicate a much higher grade of the primary ore below the oxidized zone.

(d) ~~[illegible]~~ These claims are accessable for examination by paved highway from the port of San Diego - a distance of approximately 50 miles - to within four miles of the mine. Ramona, 15 miles distance from the mine would be the most accessable town for supply and residence, and the port of San Diego, California for shipping of concentrates.

4. (e) Availability: Manpower: Ramona and Julian
Materials: Supplies and equipment would be available in San Diego.
Water: Sufficient for exploration and domestic use may be obtained from spring ¾ mile distant on truck trail. Spring about 175 feet above outcrop so that it can be brought in by gravity. There is a nearby spring 1,000 feet below outcrop.
Power: Powerline in Valley below about four miles distant.

5. (b) It is proposed to drive a 5 by 7 foot tunnel, 500 feet long, which is calculated to cut the ore body 200 feet below the surface. It is believed this will reach the sulphide zone. If ore is found then it is proposed to drive northerly and southerly 200 feet each way or as long as drive is in ore. A sketch of the proposed work is shown on EXHIBIT F.

(d) Charles B. Valle has been mining since 1906 in Mexico and South America in varying capacities and has been associated with H. C. Dudley of Duluth, Minn. as secretary of his various companies. He was acting manager for one year of his explorations in Bolivia. For 12 years he was business manager of the Ahumada Lead Company and the Erupcion Mining Company in Chihuahua. This was a big mine and produced in one year 55 million pounds of lead.

6. Estimate of Costs: It is estimated that it will take four months to drive the tunnel. All costs are based on this assumption.

	Total Cost	Cost per Tunnel Foot
(a) Independent Contractors:		
Grader to resurface 5 miles of existing access road to mining property: $75.00 per day plus $50.00 haul in.	$200.00	$ 0.20
Bulldozer to build additional quarter mile of road to tunnel site and to prepare tunnel site. $80.00 day plus $50.00 haul in.	370.00	0.37
(b) Labor, supervision & consultants:		
Labor: Two Laborers @ $15.00 day and Four miners at $20.00 day. (includes board)	10,000.00	10.00
Supervision: $400.00 per month (Mr. C. B. Valle)	1,600.00	1.60
Consultants: Consultants unnecessary.		
(c) Operating Material & Supplies:		
3,000 feet 1" black water line	530.00	0.53
Pipe fittings for above	35.00	0.035
Drilling steel	1,000.00	1.00
Air Hose	250.00	0.25
Timber for portal: 4,000 feet @ $150.00 per thousand feet	600.00	0.60
Track, Ties, and spikes (20 lb. track)	1,500.00	1.50
Air Line: 2½", 1100 feet	629.00	0.629
Fittings for 2½" line	200.00	0.20
Vent Bag (for ventilation)	1,000.00	1.00
Explosives	2,250.00	2.25
Caps and Fuse	1,000.00	1.00
Fuel (Compressor, blower engine, cook stove, water heater)	2,500.00	2.50
(d) Operating Equipment:		
Compressor: 300 Cu. Ft. rental for four months @ $400.00 per month	1,600.00	1.60
Mucking Machine (new)	3,300.00	3.30
Two Swedish Jack-leg Drilling Machines (new) $475.00 each	950.00	0.95
Two Used Mine Cars: 1 ton Capacity $250.00 each	500.00	0.50
Air Blower	365.00	0.365
Gas Motor for blower	150.00	0.15
Grinder: Air Driven	180.00	0.18
Receiver Tank: 330 gallon	440.00	0.44
Water Storage Tank (500 gallon, wood)	82.00	0.82
Sub Total	$31,231.00	$31.23

	Total Cost	Cost per Tunnel Foot
(e) Answered on form.		
(f) New Buildings: Build, equip with stove, heater, utensils, table, chairs, water heater, shower facilities.	$1,000.00	1.00
(g) Miscellaneous:		
Repairs and Maintenance of operating equipment	500.00	0.50
Accounting: $60.00 per month	240.00	0.24
Cook: $250.00 per month	1,000.00	1.00
Compensation Insurance	1,123.27	1.13
Payroll Taxes	603.48	.60
Trucking of supplies & equipment	1,000.00	1.00
(h) It is estimated that after the ore body is contacted that about 50% of the ground will require timbering. So we will place this as a reserve portion of the loan.		
250 ft. timbering @ $8.00 per foot for labor and timber	2,000.00	2.00
Sub Total	$ 7,466.75	$ 7.47
Sheet #3	31,231.00	31.23
Grand Total	$ 38,697.75	$ 38.70

NOTE: The above figures are based on local prices where available. All other costs are estimates. However, it is our intention to let a contract for the driving of the tunnel and drifts. Several reliable mining companies have been contacted and are in the process of preparing bids which should be a saving over the above cost.

ASSAYERS
CHEMISTS

EL PASO, TEXAS
BOX 4

HAWLEY & HAWLEY

W. E. HAWLEY, MANAGER
DOUGLAS, ARIZONA
537 TWELFTH STREET
BOX 1060

SHIPPERS REPRESENTATIVES
BULLION BUYERS
ORE BUYERS

Exhibit "B"

WE HEREBY CERTIFY THAT THE FOLLOWING RESULTS WERE OBTAINED FROM SAMPLES OF Mr. Paul Valle

OFFICE NO.	MARKED	GOLD OZS.	SILVER OZS.	LEAD PER CENT	COPPER PER CENT	ZINC PER CENT	IRON PER CENT	% Cobalt	% Nickel
256372	A-1				.72			.10	.54
256373	A-3				.11			.04	.20
256374	A-5				.65			.09	.59
256375	A-7				.84			.07	.42
256376	A-9				.25			.08	.31
256377	A-11				.09			.03	.14
256378	A-13				.35			.07	.37
256379	A-15				.50			.09	.54
256380	A-17				.36			.04	.18
256381	A-19				.34			.03	.18
[illegible]2	A-21				.68			.09	.60
[illegible]83	A-23				.25			.03	.24
256384	A-25				.10			.04	.14
256385	A-27				.38			.08	.22
256386	B-31				.30			.10	.35
256387	B-33				.38			.04	.24
256389	B-35				.37			.05	.31
256390	B-37				.51			.06	.21
					.50			.06	.32

METAL QUOTATIONS:

GOLD $35.00 PER OZ. COPPER ____ C PER LB. CHARGES: $ 202.50

SILVER ____ PER OZ. ____ PER LB. DATE 10/29/52

HAWLEY & HAWLEY

PER W. E. Hawley ASSAYER.

TRINITY 4791

Exhibit - D

FORM 50

COPY

SMITH-EMERY COMPANY

CHEMICAL ENGINEERS AND CHEMISTS
METALLURGICAL AND TESTING ENGINEERS
920 SANTEE STREET
LOS ANGELES 15
CALIFORNIA

LABORATORY

No. 358711 Upper North Contact (Dike) *Date* September 16, 1952.

Sample Pulp

Received 9/9/52. *Marked* "No. 4"

Submitted by Mr. C. B. Valle
522 Mills Building
El Paso, Texas.

REPORT OF QUALITATIVE SPECTROGRAPHIC EXAMINATION

Element	*Approximate Quantity*
Silicon, Magnesium	Major Constituents.
Aluminum, Iron	Intermediate Constituents.
	Minor Constituents:
Calcium	0.5%
Sodium	0.05%
Nickel	0.05%
Strontium	0.05%
Chromium	0.05%
Manganese	0.05%
Titanium	0.01%
Copper	0.01%
Boron	0.001%
Vanadium	0.001%
Cobalt	0.001%

Respectfully submitted,

Smith-Emery Co.

CHEMISTS AND ENGINEERS.

G.L.C.

All reports are submitted as the confidential property of clients. Authorization for publication of our reports, conclusions, or extracts from or regarding them is reserved pending our written approval as a mutual protection to clients, the public and ourselves.

(See statements on reverse side regarding qualitative spectrographic examination)

TRINITY 4791

Exhibit E

FORM 50

COPY

SMITH-EMERY COMPANY

CHEMICAL ENGINEERS AND CHEMISTS
METALLURGICAL AND TESTING ENGINEERS
920 SANTEE STREET
LOS ANGELES 15
CALIFORNIA

LABORATORY
No. 358712 Upper contact between #2 & 3 trenches (Dike)

Date September 16, 1952.

Sample Pulp

Received 9/9/52.

Marked "No. 5"

Submitted by Mr. C. B. Valle
522 Mills Building
El Paso, Texas.

REPORT OF QUALITATIVE SPECTROGRAPHIC EXAMINATION

Element	*Approximate Quantity*
Silicon, Magnesium	Major Constituents.
Iron, Aluminum	Intermediate Constituents.
	Minor Constituents:
Calcium	0.5%
Manganese	0.05%
Sodium	0.05%
Chromium	0.05%
Strontium	0.05%
Nickel	0.01%
Titanium	0.01%
Copper	0.005%
Boron	0.001%
Vanadium	0.001%
Cobalt	0.001%

Respectfully submitted,

Smith-Emery Co.
CHEMISTS AND ENGINEERS.

G.L.C.

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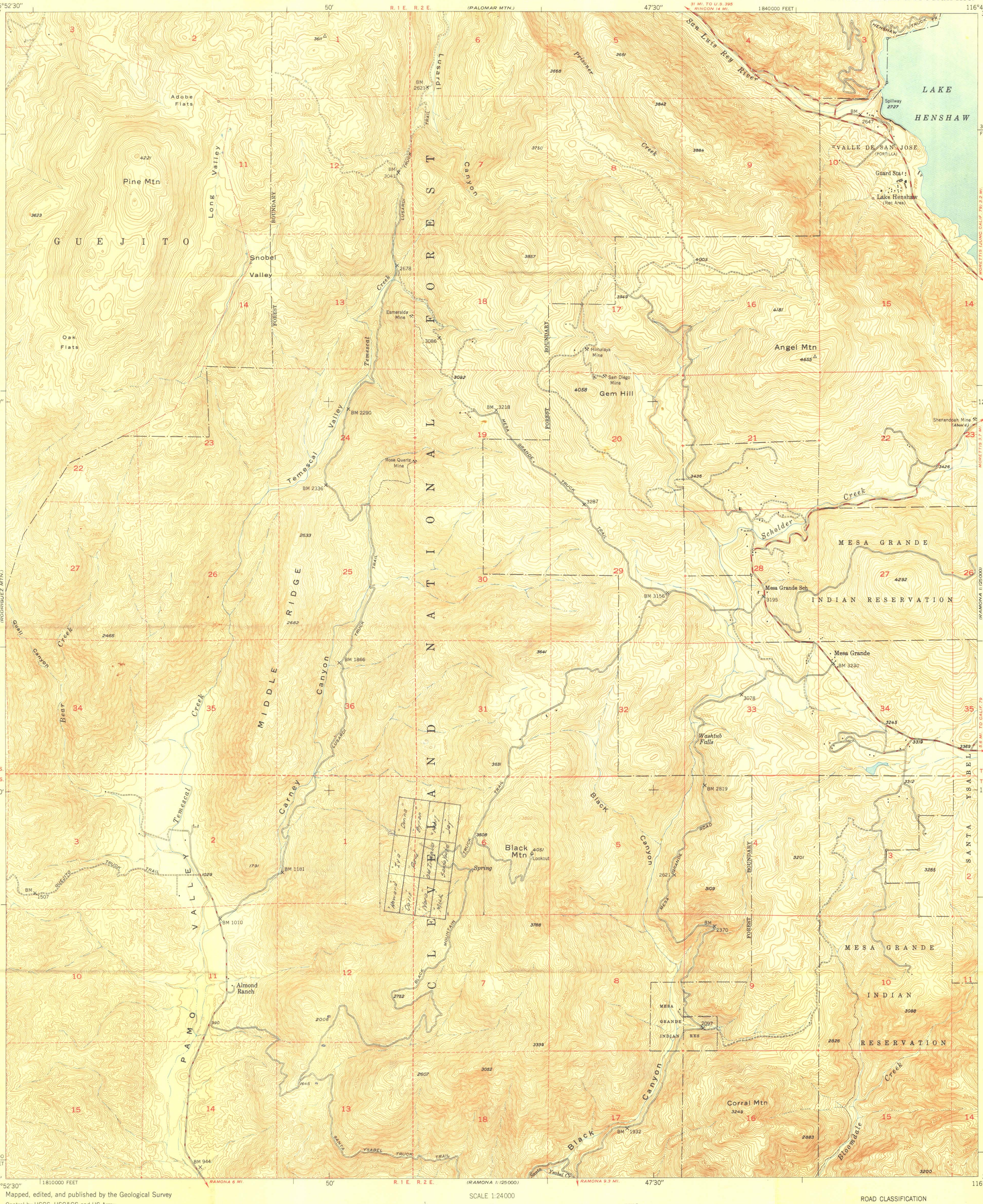
(See statements on reverse side regarding qualitative spectrographic examination)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

STATE OF CALIFORNIA
EARL WARREN, GOVERNOR
C. H. PURCELL, DIRECTOR OF PUBLIC WORKS
EDWARD HYATT, STATE ENGINEER

MESA GRANDE QUADRANGLE
CALIFORNIA-SAN DIEGO CO.
7.5 MINUTE SERIES (TOPOGRAPHIC)



Mapped, edited, and published by the Geological Survey

Control by USGS, USC&GS and US Army

Topography from aerial photographs by multiplex methods
Aerial photographs taken 1946-1947. Field check 1948

Polyconic projection. 1927 North American datum
10,000-foot grid based on California coordinate system, zone 6

Dashed land lines indicate approximate location

TRUE NORTH
MAGNETIC NORTH
15°
APPROXIMATE MEAN DECLINATION, 1948

SCALE 1:24000

1 ½ 0 1 MILE

1000 0 1000 2000 3000 4000 5000 6000 7000 FEET

1 .5 0 1 KILOMETER

CONTOUR INTERVAL 20 FEET
DATUM IS MEAN SEA LEVEL

THIS MAP COMPLIES WITH NATIONAL MAP ACCURACY STANDARDS
FOR SALE BY U. S. GEOLOGICAL SURVEY, DENVER, COLORADO OR WASHINGTON 25, D. C.

ROAD CLASSIFICATION

HARD-SURFACE ALL WEATHER ROADS		DRY WEATHER ROADS
Heavy-duty	4 LANE 2 LANE	Improved dirt
Medium-duty	4 LANE 2 LANE	Unimproved dirt
Loose-surface, graded, or narrow hard-surface		

U. S. Route — State Route

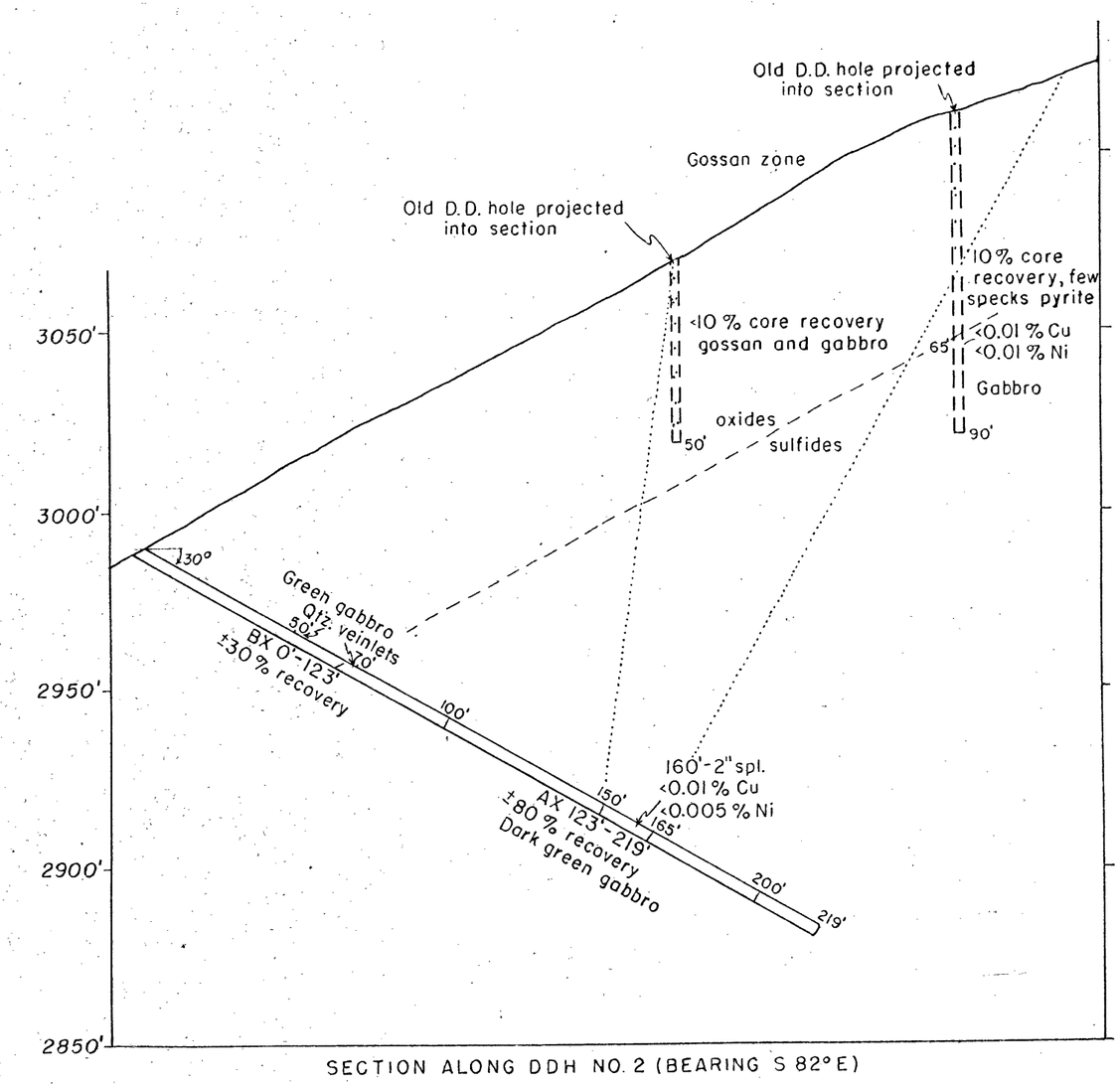
RODNEY STOKES CO.
3rd & E Sts. San Diego Phone M-3171
MAPS - BLUEPRINTS - PHOTOSTATS

MESA GRANDE, CALIF.
N3307.5—W11645/7.5
EDITION OF 1949

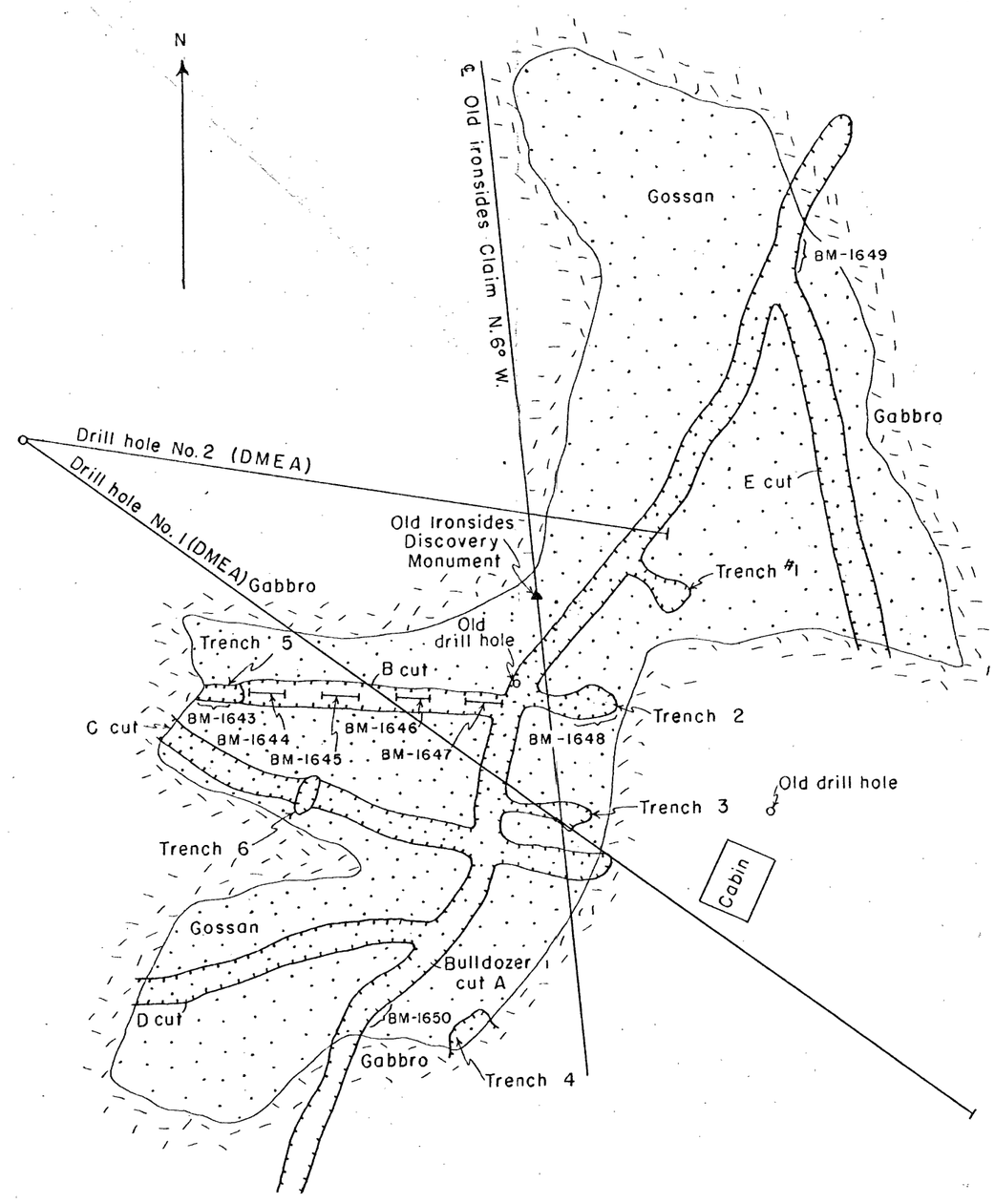
Exhibit - "C"

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

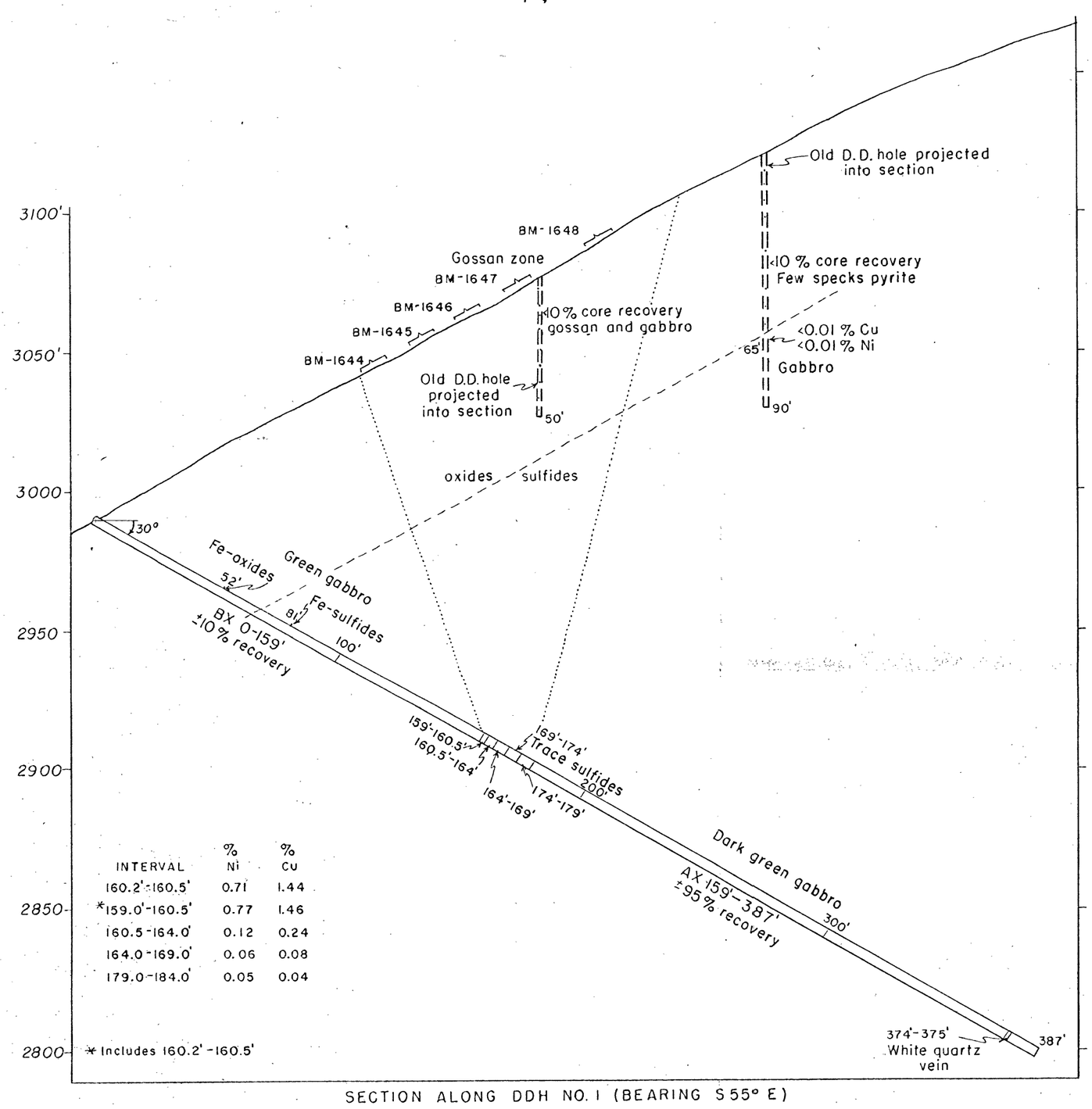
DMEA 3261
Idm E678
(NICKEL)



SECTION ALONG DDH NO. 2 (BEARING S 82° E)



SAMPLE NO.	NICKEL %	COBALT %	COPPER %
1643	0.11	0.007	0.50
1644	0.19	0.014	0.48
1645	0.26	0.022	0.35
1646	0.22	0.016	0.40
1647	0.45	0.035	0.27
1648	0.20	0.016	0.68
1649	0.12	0.007	0.64
1650	0.43	0.032	0.69

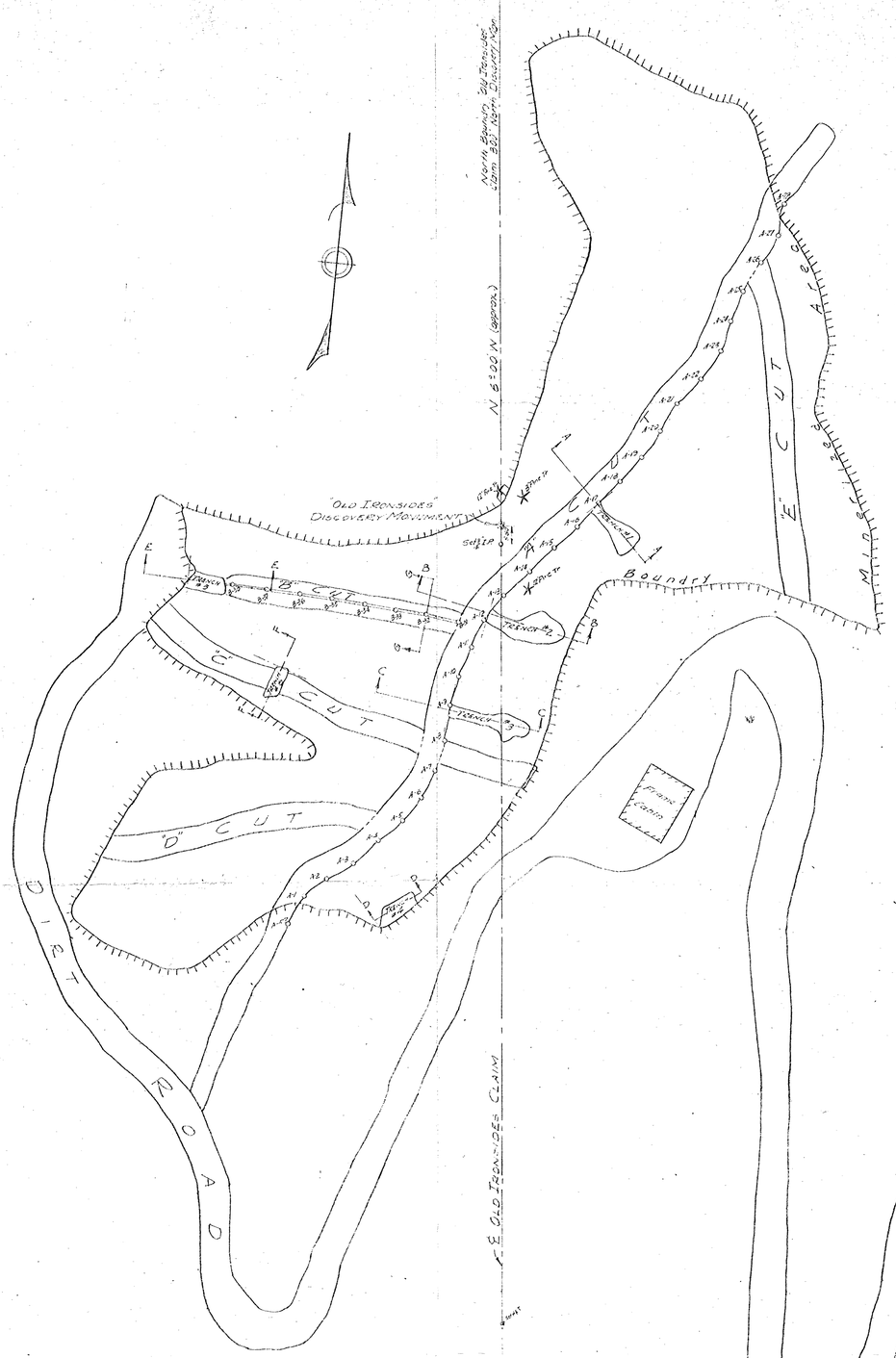


SECTION ALONG DDH NO. 1 (BEARING S 55° E)

GEOLOGIC SKETCH MAP OF THE OLD IRONSIDES NICKEL DEPOSIT, SAN DIEGO COUNTY, CALIFORNIA

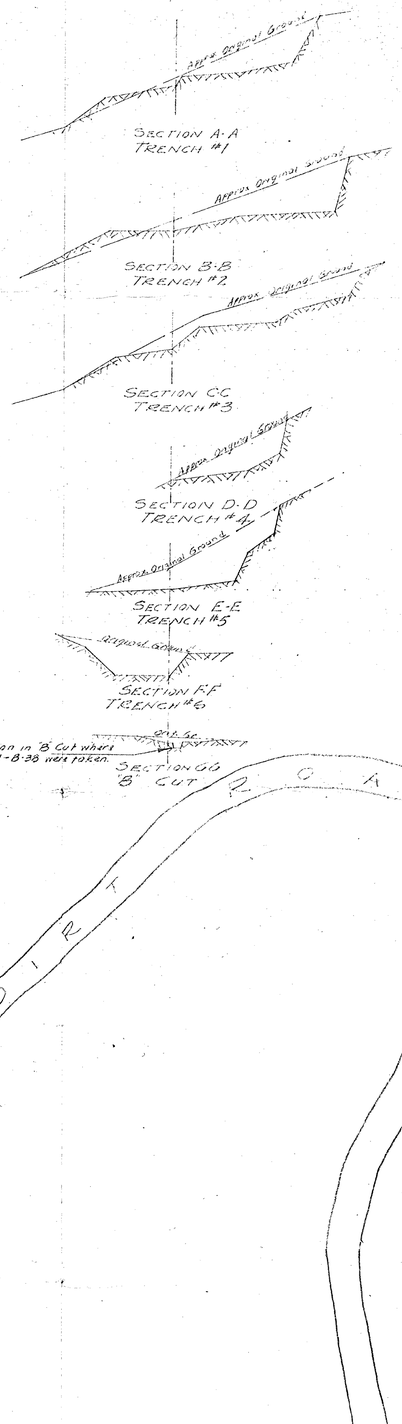
40 0 40 80 FEET

FIGURE 1



CROSS SECTIONS

Scale 1" = 10'



NOTES

1. A Samples taken between sample number stakes following stake along the east side of A Cut which is a 7-8' wide bull-dozer cut 2-3' deep. See Sections A-A, B-B, & CC, the center line of each is shown along the east side of A cut.
2. #1 Sample - taken along south side Trench #2.
3. #2 Sample - Annabergite from Trench #2.
4. #3 Sample - General Surface samples.
5. #4 Sample - taken along entire length of Trench #1.
6. #5 Sample - taken along north wall of Trench #3.
7. Cuts A, B, C, D, & E are bulldozer cuts approximately 2' deep.

Sample Number	Width Feet	Copper %	Cobalt %	Nickel %
A-1	See Note	.12	.10	.34
A-3	" "	.11	.04	.20
A-5	" "	.65	.09	.39
A-7	" "	.84	.07	.42
A-9	" "	.25	.08	.31
A-11	" "	.09	.03	.14
A-13	" "	.35	.07	.37
A-15	" "	.50	.09	.54
A-17	" "	.36	.04	.18
A-19	" "	.34	.03	.18
A-21	" "	.68	.09	.60
A-23	" "	.23	.03	.24
A-25	" "	.10	.04	.14
A-27	" "	.38	.08	.22
A-29	" "			
B-31	" "	.30	.10	.35
B-33	" "	.38	.04	.24
B-35	" "	.31	.05	.31
B-37	" "	.51	.06	.21
1		.64	.06	.20
2		16.16	.23	.61
3		.77	.09	.36
4		.34	.02	.09
5		.36	.07	.25

Exhibit - "A"

MAP OF OLD IRONSIDES MINE

NEAR RAMONA

SAN DIEGO COUNTY, CALIFORNIA

Scale 1" = 20'

Drawn By R.E. Young, R.E. 8454
Dec. 1951

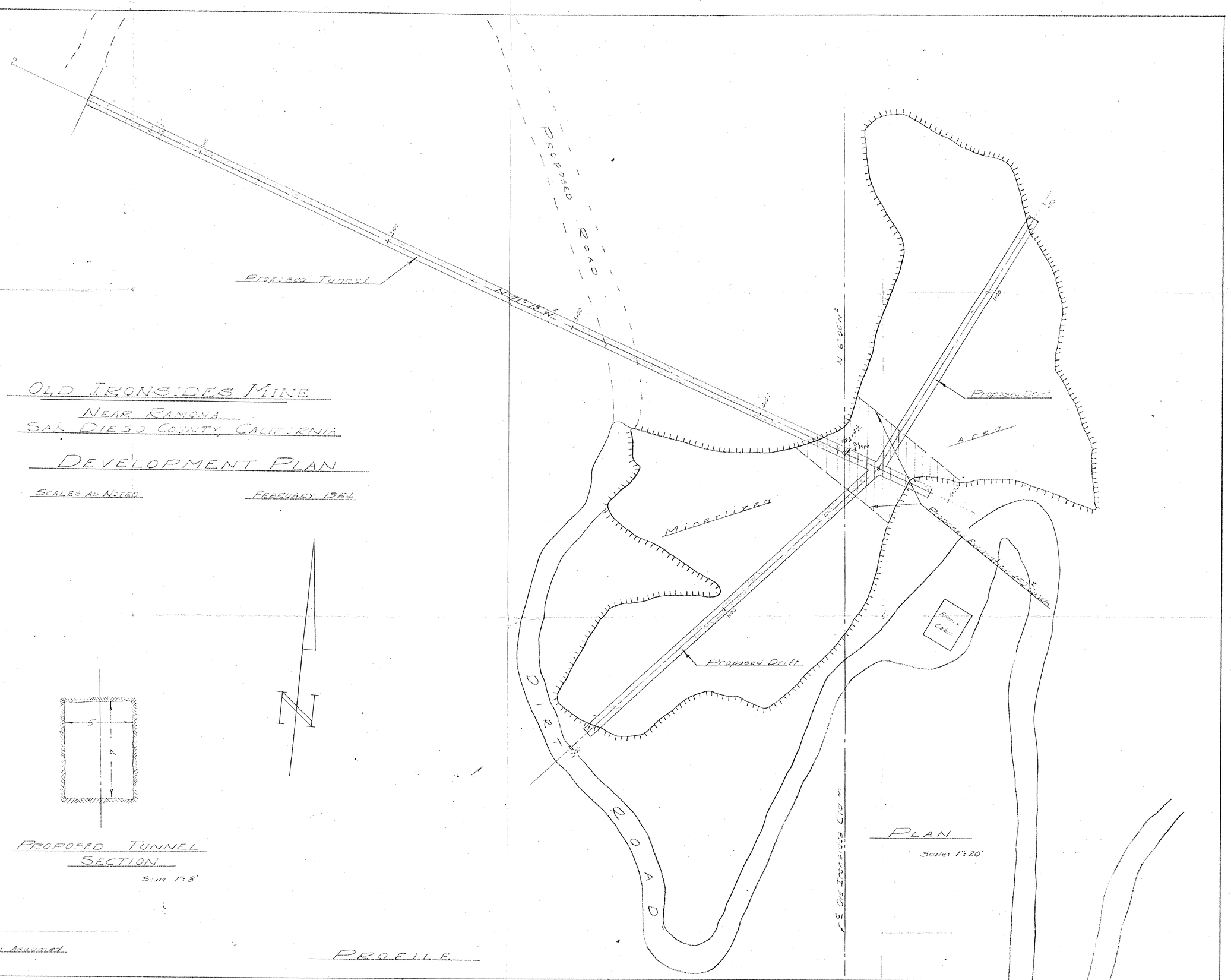
Exhibit "F"

OLD IRONSIDES MINE

NEAR CAMPO
SAN DIEGO COUNTY, CALIFORNIA

DEVELOPMENT PLAN

SCALES AS NOTED — FEBRUARY 1964



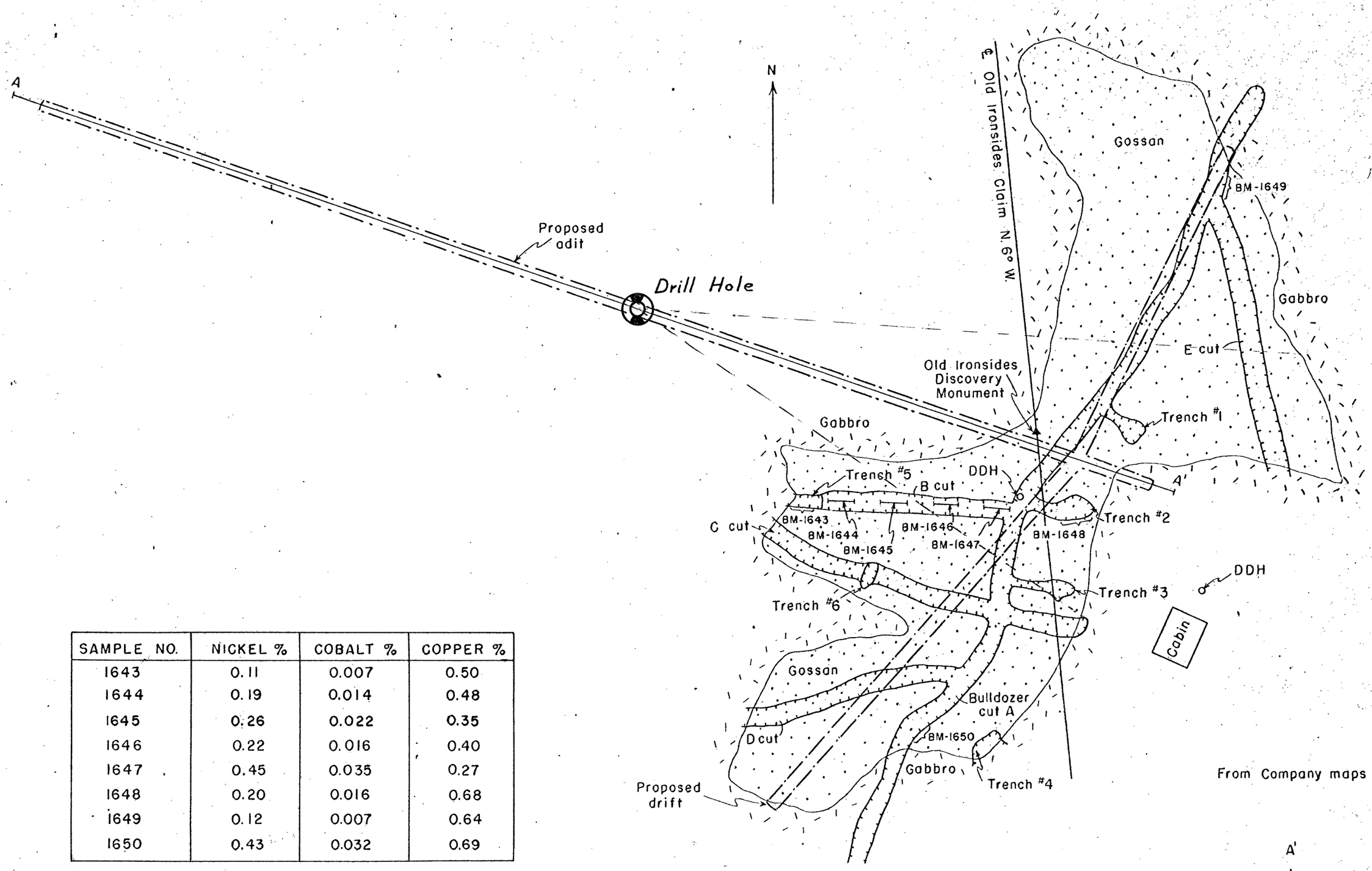
PROPOSED TUNNEL SECTION
Scale 1" = 3'

PLAN
Scale: 1" = 20'

R.E.Y. 2-64

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA 3261
(NICKEL)



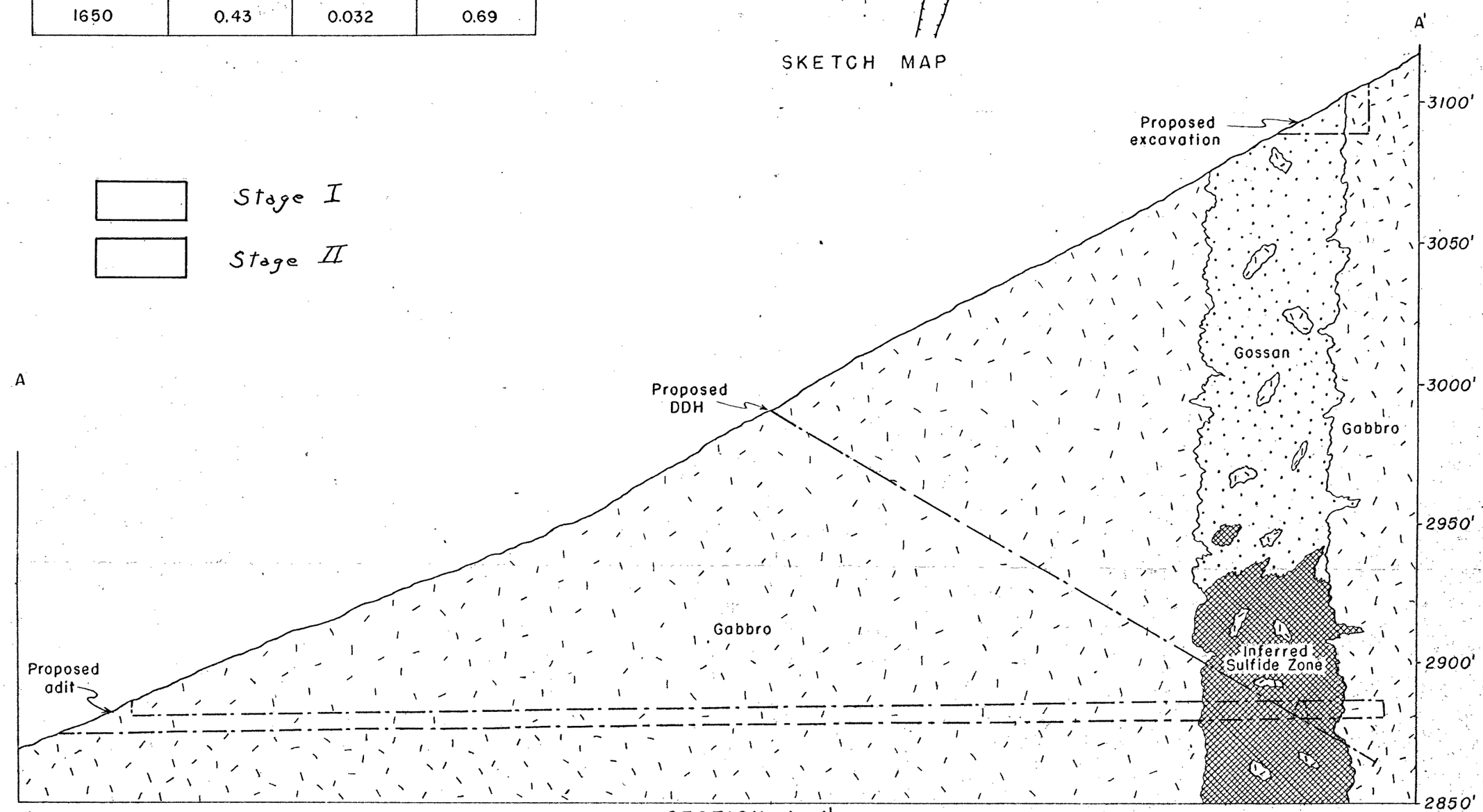
From Company maps

SKETCH MAP

SAMPLE NO.	NICKEL %	COBALT %	COPPER %
1643	0.11	0.007	0.50
1644	0.19	0.014	0.48
1645	0.26	0.022	0.35
1646	0.22	0.016	0.40
1647	0.45	0.035	0.27
1648	0.20	0.016	0.68
1649	0.12	0.007	0.64
1650	0.43	0.032	0.69

Stage I

Stage II



SECTION A-A'

OLD IRONSIDES NICKEL DEPOSIT, SAN DIEGO COUNTY, CALIFORNIA

40 0 40 80 FEET