DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE | Idm-E NO. 2227 | DMEA NO. 6234

Application
- [x] Denied Reopened
- [ ] Withdrawn

Contract
- [ ] Terminated - Not Certified
- [ ] Terminated - Certified
- [ ] Cancelled
- [ ] Royalty Agreement

The records contained in this file are marked (x) and arranged in this order:

Folder No. 1:

Left Side

- [ ] Royalty Audits
- [ ] Certification of Discovery
- [x] Closing Letter 11-21-67
- [x] Cost Audits February 1968
- [ ] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [ ] Contract Amendments
- [x] Contract with all exhibits and annexes
- [x] Owner's Consent to Lien and Subordination Agreement
- [x] Application and attachments
- X Amended Application

Right Side

- [ ] Project summary (final)
- [ ] Work Completed analysis (final)

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

- [ ] Field Team Semi-Annual Report for Certified Project
- [x] Final Field Team Report (Tab)
- [x] Operator's Final Report (Tab) Rec'd. P-II 8-21-67
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [x] On-site Exam Report (Tab) 8-20-62
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No. 3 : Reports
- [ ] Analysis of Semi-Annual Inspection Reports
- [ ] Project Summary (Interim) by DMEA Engineers

Right Side

- [ ] Field Team Semi-Annual Report for Certified Project
- [x] Field Team Interim Reports
- [x] Operator's Monthly Reports with transmittal, narrative and maps.

Folders No. 2 : Maps (Use pocket folder or envelope)

Folders No. _____ : Settlement Sheets

Folders No. _____ : Drill Logs

Folders No. _____ : Royalty material

17963

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
11/9/67	Kirkemo	120
		110
	Long	140
	Appl. Sec.	110
		220

K-67-2069-3192

NOV 21 1967

AIRMAIL

Messrs. Walter M. Hoover and
Alfred Greenwood, a joint venture
764 Lorraine
Grosse Pointe, Michigan 48230

Re: OME-4234 (Silver)
Walter M. Hoover
Lee Mine
Inyo County, California
Contract No. 2227

Gentlemen:

Reference is made to your completed exploration contract with the Government.

We sincerely regret that the work performed did not result in a certification of possible production under the provisions of the contract. In the absence of such certification, the Government retains no claim or lien against the property covered by the contract or any future production therefrom. We, therefore, are closing our books and records on this contract, subject to audit. Your attention is called to the provision (Article 5) of the contract which requires the operator to keep and preserve certain records for the periods indicated.

We appreciate your interest and participation in the OME program.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

RECEIVED
NOV 6 1967
Division of Mineral Resources
General Legal

One copy of "Economic Geology of the Darwin Quadrangle, Inyo County, California," returned with this letter to Mr. Hoover.

cc: Mr. Walter M. Hoover
Box 331
Lone Pine, California 93545

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
Mr. Kirkemo
130 - Region II
HKirkemo/bsl 11/9/67

ce Rb By 7 3/19/68

23263

Docket copy

UNITED STATES DEPARTMENT OF THE INTERIOR

OFFICE OF SURVEY AND REVIEW
AUDIT OPERATIONS
WASHINGTON, D.C.

Report of Review - Contract 2227
Docket No. OME-6234 (Silver)
Walter M. Hoover and Alfred Greenwood,
a joint venture (Operator)
Lee Mine
Inyo County, California

February 1968

We have examined the disbursement records in the Branch of Budget and Finance, Administrative Division, Geological Survey, and reviewed the contract files of OME pertaining to the subject minerals exploration project. The examination was performed at Washington, D. C. on February 16, 1968.

The work contemplated by this contract, as amended, consisted of eight diamond core drill holes totalling not more than 2,000 feet of drilling at an allowable cost of $27,500 with Government contribution, on a 75 percent basis, not in excess of $20,625. Work was started September 24, 1966, and was completed July 17, 1967. The Operator claimed costs for the 2,000 feet of drilling aggregating $26,791.05.

The OME Field Officer, Region II, Menlo Park, California, disallowed $799.25 of the claimed costs, and approved $25,991.80, as allowable under the terms of the contract. The Operator has been paid $19,493.86, as the Government's contribution on the 75 percent basis.

By letter dated November 21, 1967, the Chief, OME, advised the Operator that the work performed did not result in a certification of possible production under the provisions of the contract and that OME was closing its books and records on this contract, subject to audit.

This review indicated that proper and usual procedures were followed and that no exception to the settlement made with the Operator is in order.

C. E. Fisher, Auditor

Reviewed by:

W. H. Wilkerson, Jr., Contract and Grant Audit
Audit Operations, Office of Survey and Review

Government's Copy

EXPLORATION CONTRACT
WALTER M. HOOVER AND ALFRED GREENWOOD
OME-6234

AMENDMENT NO. 1

It is agreed this 20th day of March, 1967, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and Walter M. Hoover and Alfred Greenwood, a joint venture, hereinafter called the "Operator," that Exploration Contract 2227 (OME-6234), dated September 12, 1966, is amended effective March 1, 1967, as follows:

1. The following unpatented claims shown in yellow color on Figure 3 entitled "Property map, Walter M. Hoover, Lee mining district, Inyo County, California, amended," which is attached and made a part hereof, are added to the land referred to in Article 2 of the contract and described in Annex I.

Claim	Book	Page
Silver Reid No. 4	95	463
Hoover-Greenwood No. 1	101	733
Hoover-Greenwood No. 19	102	319

The Operator is in possession of the Silver Reid No. 4 claim by virtue of a Lease and Option Agreement dated December 12, 1961, between Walter M. Hoover and Agnes Reid, owner of the claim.

A Lien and Subordination Agreements executed December 8, 1965 by the owner is a part of the contract.

The Operator is the locator and owner of the Hoover-Greenwood No. 1 and No. 19 claims.

2. In Exhibit A the "Description of the Work" is revised in its entirety to read as follows:

Description of the Work

The work shall consist of drilling approximately 8 holes totalling not more than 2,000 feet.

The proposed holes are shown on Figure 2 entitled, "Map showing location of proposed exploration, Walter M. Hoover, Lee mine area, Inyo County, California," which is attached and made part hereof, and on Figure 3 previously described.

The proposed holes are described as follows:

Hole Number	Shown on Fig. No.	Bearing	Inclination	Length Feet
1	2	(Extension of Drill Hole H-3)	Vertical	81
3	2	-	Vertical	180
5	2	-	Vertical	301
7	2	-	Vertical	242
11	3	N. 15° W.	-45°	300
12	3	N. 15° W.	-45°	300
13	3	N. 45° W.	-45°	300
14	3	N. 45° W.	-45°	300
			Total (rounded)	2,000

This amendment shall not be construed to increase the estimated total cost of the contract, the aggregate amount which the Government may be required to contribute, or the fixed unit cost of any item of work.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
Chief, Office of Minerals Exploration

WALTER M. HOOVER AND ALFRED GREENWOOD

By W M Hoover

Title Manager

Long
Kirkemo
Johnson
Kilgard
Clypp

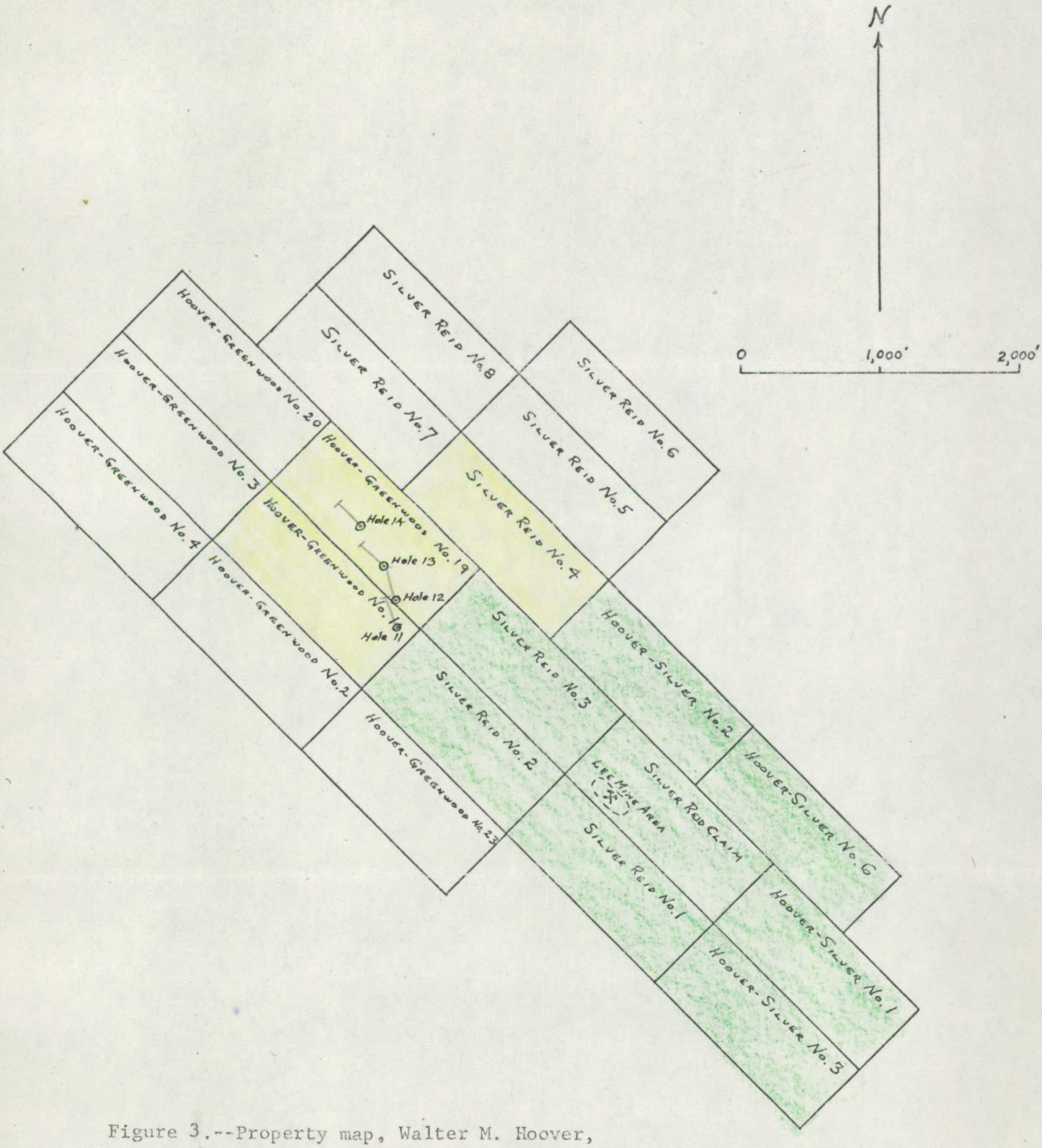

Figure 3.--Property map, Walter M. Hoover,
Lee mining district, Inyo County, California, amended

MME Form 7
(2/63)

OFFICIAL FILE

Date	Surname	
3/8/67		12
"	J. Kirkemo	110
		120M

March 8, 1967

Memorandum

To: The File

From: Assistant Chief, Office of Minerals Exploration

Subject: OME-6234 (Silver)
Walter M. Hoover
Lee Mine
Inyo County, California
Contract 2227

Justification for Amendment No. 1

Results obtained from the first three holes drilled under this contract suggest that the geophysical anomalies used to define the exploration targets were caused by solution cavities in limestone which are filled with unmineralized solution breccia.

While drilling proceeded on the project, the Operator located abundant fragments of high-grade silver ore northwest of the Lee mine. It is surmised that this material was derived from veins along faults in limestone underlying a basalt flow. Trenching and wagon drilling failed to uncover the veins, but geophysical surveys (SP) suggest several anomalies that may be related to mineralized bodies, and the Operator proposed drilling 8 holes to test them. These anomalies do not conform to the geological structures as interpreted from known geology, and the Field Officer suggested an alternative plan of drilling which involves fewer holes but adequately explores the area under investigation. The Operator's consulting geologist agrees with the alternative plan shown on Figure 3 in Amendment No. 1. The additional claims added to the terms of the contract adequately protect the Government's interests.

I concur with the Field Officer's recommendation to change the original plan of drilling.

Harold Kirkemo

Harold Kirkemo

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

HKirkemo/gla 3-8-67

23263

Government's copy

MME Form 50
July 1965

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

EXPLORATION CONTRACT
(Long Form)

Docket No.	Commodity	Contract No.	County	State
OME -6234	Silver	2227	Inyo	California

It is agreed SEP 1 2 1966 (Date), between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and

Walter M. Hoover and Alfred Greenwood, a joint venture

whose mailing address is 764 Loraine, Grosse Pointe, Michigan 48230, hereinafter called the "Operator," as follows:

ARTICLE 1. Authority and scope.--(a) This contract entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before OCT 1 1966 (Date), and, subject to the provisions of Article 9 and Exhibit A, shall either have completed the work within 12 months from the date of the contract or shall have incurred allowable costs (see Article 6) in a sum not less than the total cost set forth in Exhibit A.

(b) The total allowable cost of the work set forth in Exhibit A is $27,500.00. The Government will contribute ~~75~~ 75 percent of the allowable costs as they are incurred, in a total sum not in excess of $20,625.00 in accordance with the provisions of Articles 3, 4, 5, and 6. "Costs incurred" means costs that have been paid or have become due and payable, or that the Government determines have become obligations.

(c) Interest computation.--Simple interest at the rate of 7 ¼ percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

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

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

See Annex I

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

See Annex I

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CATEGORY (2)--PERSONAL SERVICES.

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

Subcategory (b)--Labor.

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

CATEGORY (4)--OPERATING EQUIPMENT.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(e) Lien for payment.--To secure the payment of royalty (see Article 7(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 13. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, U. S. Geological Survey, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, U. S. Geological Survey, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, U. S. Geological Survey, a written appeal addressed to the Secretary of the Interior. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

The term "Director, U. S. Geological Survey," as used herein includes his duly authorized representative.

ARTICLE 14. Work Hours Act of 1962 - Overtime Compensation.--This contract, to the extent that it is of a character specified in the Work Hours Act of 1962 (Public Law 87-581, 76 Stat. 357-360) and is not covered by the Walsh-Healey Public Contracts Act (41 U.S.C. 35-45), is subject to the following provisions and to all other provisions and exceptions of said Work Hours Act of 1962.

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

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

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

(c) Withholding for unpaid wages and liquidated damages.--The U. S. Geological Survey may withhold or cause to be withheld, from any moneys payable on account of work performed by the Operator or subcontractor, such sums as may administratively be determined to be necessary to satisfy any liabilities of such Operator or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (b) of this paragraph.

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

ARTICLE 16. Changes and added provision.--

Executed in quintuplicate the day and year first above written.

A JOINT VENTURE
~~XXXXXXX~~

By Walter M. Hoover
Walter M. Hoover

Title Manager

THE UNITED STATES OF AMERICA

FROM SOLICITOR
SEP 6 1966
FOR SIGNATURE

By Arthur A. Baker
Acting Director, U.S. Geological Survey

Appd. Sol. Office
Long
9/8 Kirkemo
9-8 Erickson
9/8 Kupp
9/12 Johnson

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

[CORPORATE SEAL]

EXPLORATION CONTRACT
WALTER M. HOOVER
OME-6234

ANNEX I

The land, including all rights pertaining thereto, referred to in Article 2 of the contract consists of eight (8) unpatented claims in unsurveyed section 23, T. 17 S., R. 40 E., MDBM, Lee mining district, Inyo County, California, The claims are shown in green color on Figure 1 entitled "Property Map, Walter M. Hoover, Lee mining district, Inyo County, California," which is attached and made a part hereof.

The claims are recorded at the Inyo County Recorder's office at Independence, California, as follows:

Claim	Book	Page
Silver Reid	95	463
Silver Reid No. 1	95	463
Silver Reid No. 2	95	463
Silver Reid No. 3	95	463
Hoover-Silver No. 1	98	125
Hoover-Silver No. 2	98	125
Hoover-Silver No. 3	98	125
Hoover-Silver No. 6	98	125

The Operator is in possession of the Silver Reid Nos. 1-3 claims by virtue of a Lease and Option Agreement dated December 12, 1961, between Walter M. Hoover and Agnes Reid, owner of the claims.

A Lien and Subordination Agreements executed December 8, 1965, by the owner is attached and made part hereof.

Walter M. Hoover, an individual, is the locator and owner of the Hoover-Silver No. 1-6 claims.

A Lien and Subordination Agreements executed March 25, 1966, by the owner is attached and made part hereof.

A copy of a Memorandum of Agreement dated April 28, 1965, between Walter M. Hoover and Alfred Greenwood establishing a joint venture to develop and mine the Silver Reid unpatented mining claims is contained in the docket of this contract and is incorporated herein by reference.

A letter agreement dated August 22, 1966, between W. M. Hoover and Alfred Greenwood extends the joint venture agreement to include the Hoover-Silver claims. A copy of the letter is attached and made part hereof.

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

FOR GOVERNMENT USE ONLY
Operator
Docket No. OME – /
Contract No. 14-23-090 – 2227
Contract Date SEP 1 2 1966

LIEN AND SUBORDINATION AGREEMENTS[1]

To the United States of America:

That certain land in the County of INYO, State of CALIFORNIA, described as follows:[2] SILVER REID, SILVER REID CLAIMS #1, #2, #3, #4, #5, #6, #7, & #8, MINING CLAIMS KNOWN LOCALLY AS THE "LEE" MINE, RECORDED IN INYO CO. RECORDS BOOK 95 PAGE 463 hereinafter called the "land", is the subject of a proposed exploration contract, hereinafter called the "Contract", between the United States of America, hereinafter called the "Government" and

WALTER M. HOOVER & AL GREENWOOD,[3] hereinafter called the "Operator". In consideration for and as an inducement to the Government executing the Contract, the undersigned:

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

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

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

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

NONE

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

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

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

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

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

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

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

Dated this 8 day of December, 19 65

305 Miller Ave (Street)
Mill Valley, Calif. (City & State)

Agnes Reid (Seal)
MRS. AGNES REID

(Street)
(City & State)

(Seal)

(Street)
(City & State)

(Seal)

(Street)
(City & State)

(Seal)

(Street)
(City & State)

(Seal)

(Street)
(City & State)

(Seal)

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

_____ (Corporate Seal)

STATE OF CALIFORNIA
County of MARIN } ss.

On this 8th day of December A.D. 1965 before me Ted D. Gibson

a Notary Public in and for the said County and State, residing therein, duly commissioned and sworn, personally appeared Mrs Agnes Reid

known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that she executed the same.

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

TED D. GIBSON
MY COMMISSION EXPIRES FEB. 14, 1967

My Commission expires

Ted D. Gibson
Notary Public in and for said County and State

General Acknowledgement

MOORE'S STATIONERY 1337-4th ST. SAN RAFAEL, CALIF.

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

FOR GOVERNMENT USE ONLY	
Operator	
Docket No. OME –	
Contract No. 14-23-090 –	2227
Contract Date	SEP 1 2 1966

LIEN AND SUBORDINATION AGREEMENTS[1]

To the United States of America:

That certain land in the County of INYO, State of CALIFORNIA,

described as follows:[2] HOOVER-SILVER MINING CLAIMS #1, #2, #3, & #6 ADJOINING THE SILVER REID CLAIMS ON THE SOUTH EAST END, RECORDED IN VOL. #98, PAGE 125

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

WALTER M. HOOVER & AL GREENWOOD[3]

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

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

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

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

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

NONE

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

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

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

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

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

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

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

Dated this 25 day of March, 1966

Walter M. Hoover (Seal) _____ (Street) (City & State)

WALTER M. HOOVER

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

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

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

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

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

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

W.M.Hoover
(Corporate Seal)

August 22, 1966

Mr. Alfred Greenwood
6444 Hollenbeck Street
Rochester, New York

Dear Al:

Re: Our agreement on the Reid Silver Claims as a Joint Venture, I have agreed with you that the Hoover-Silver Claims are a part of our agreement and your interest in them is the same as for the Silver Reid Claims.

Since the office of Mineral Exploration requires that your permission is necessary that the expenditure of funds provided for the Joint Venture, may also be used to explore the Hoover-Silver Claims, your approval is therefore required. If you so approve, will you please sign the space designated below on all copies.

One copy is for your files.

Yours truly,

W.M. Hoover

I, Alfred Greenwood agree that the facts as stated are correct and I agree that Joint Venture funds may be used to explore the Hoover-Silver Claims.

Alfred Greenwood

Alfred Greenwood

P.S. Would you please mail 2 copies to the O.M.E. together with the Power of Attorney, in the envelope provided.

Aug 26 - 66

EXPLORATION CONTRACT
WALTER M. HOOVER
OME-6234

EXHIBIT A

The purpose of the project is to explore, by core drilling from surface drill sites, for silver-bearing ore bodies in Paleozoic sedimentary rocks where geophysical surveys have indicated anomalies.

General Provisions

All drill holes shall be cased through the overburden. The holes shall be completed not less than AX core size (approximately 1-1/8") or equivalent wireline size.

The diamond drill core shall be stored in boxes identified as to hole number with markers in the core sections indicating the depths represented.

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

Significantly mineralized core from hole intervals not exceeding 5 feet each shall be split and one split assayed for gold, silver, lead and zinc. Wherever the core recovery is less than 60 percent, a split of the corresponding retained sludge and a split of the recovered core shall be assayed separately, and the assay results combined according to standard practice to represent a single sample.

The remaining core shall be stored in proper sequence with the unsampled core, and the remaining sludge shall be stored in suitable containers properly identified as to source and location. The stored core and sludge samples shall be made available for Government inspection and possible use. With prior Government approval, the Operator may dispose of the stored core and sludge.

All drill holes shall be logged, and copies of the logs of completed holes together with plans and sections showing geology and assays shall be furnished monthly to the Government. Such logs shall be accompanied by true copies of assay certificates for all samples.

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

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

The Government will not participate in the costs incurred for incomplete drill holes.

Description of the Work

The work shall consist of drilling 10 holes totalling not more than 2,000 feet. Proposed Drill Hole No. 1 is to deepen existing Drill Hole H-3 to a total depth of 324 feet.

The holes shall be drilled vertically from the locations shown on Figure 2 entitled, "Map showing location of proposed exploration, Walter M. Hoover, Lee mine area, Inyo County, California," which is attached and made part hereof.

The number and approximate length of each hole are as follows:

Hole Number		Length Feet
1	(Extension of Drill Hole H-3	100
2		150
3		180
4		220
5		300
6		260
7		200
8		140
9		100
10		350
	Total	2,000

If during the course of drilling, results indicate that changes in the plan of drilling subsequent holes are desirable to meet the purpose of the project, the initial plan may be changed with the prior approval of the Government confirmed in writing.

Estimated Costs of the Project

Actual Costs

Category (1) Independent Contracts

Diamond core drilling,

2,000 feet @ $10.50/ft.[1/] $21,000.00

Category (2) Personal Services

None except:

Subcategory (a) Supervision and Technical Services

1 Supervisor-sampler		
5 months @ $750.00/month	$3,750.00	
1 Outside consultant		
2 days/month, 10 days @ $75.00/day	750.00	4,500.00

Category (3) Operating Materials and Supplies

None except:

Core boxes, 70 @ $1.00/each	$70.00	
Sample sacks, 50 @ $0.10/each	5.00	75.00

Category (7) Miscellaneous

None except:

Travel expense, outside consultant,		
Per diem, 2 days/month, 5 months		
10 days @ $16.00/each	$160.00	
Travel, Salt Lake City, Utah,		
to mine and return,		
6,000 miles @ $0.10/mile	600.00	
Assays for silver, gold, lead		
and zinc, 50 samples @ $7.00/each	350.00	
Payroll taxes, F.I.C.A., insurance, etc.	565.00	
Accounting and office expenses		
5 months @ $50.00/month	250.00	$1,925.00
Total Estimated Actual Costs		$27,500.00

Government participation @ 75%	$20,625.00

1/ Includes mobilization and demobilization of one surface drill unit, water supply, moving from site to site, drilling, reaming, casing, cementing, drilling materials and supplies, delays, and all other drilling costs.

EXHIBIT B

NONDISCRIMINATION IN EMPLOYMENT

(Section 202, Executive Order 11246, September 24, 1965)

"During the performance of this contract, the contractor agrees as follows:

'(1) The contractor will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.
'(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin.
'(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
'(4) The contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
'(5) The contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
'(6) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be cancelled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
'(7) The contractor will include the provisions of Paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, That in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.'"

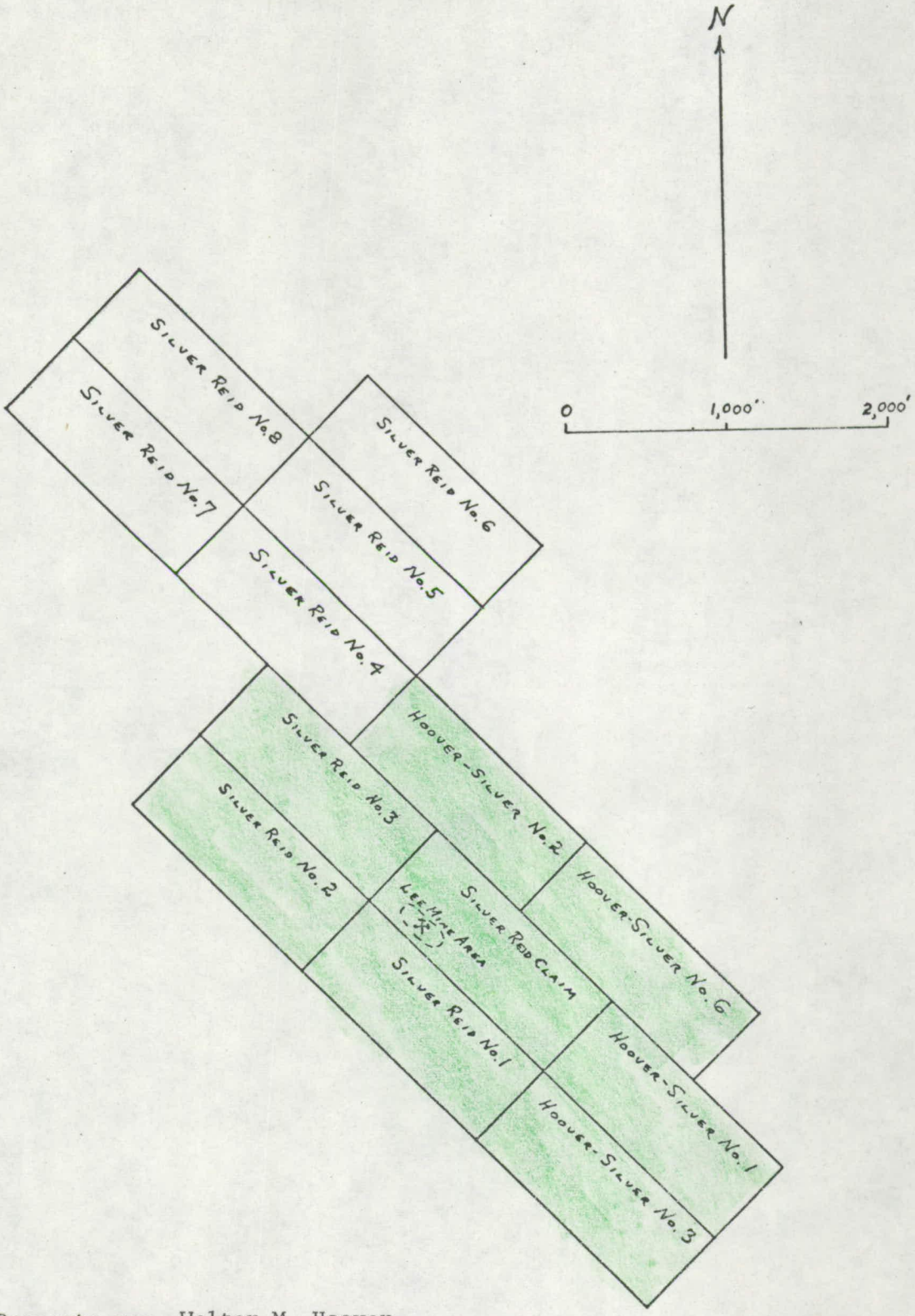

Figure 1.--Property map, Walter M. Hoover,
Lee mining district, Inyo County, California

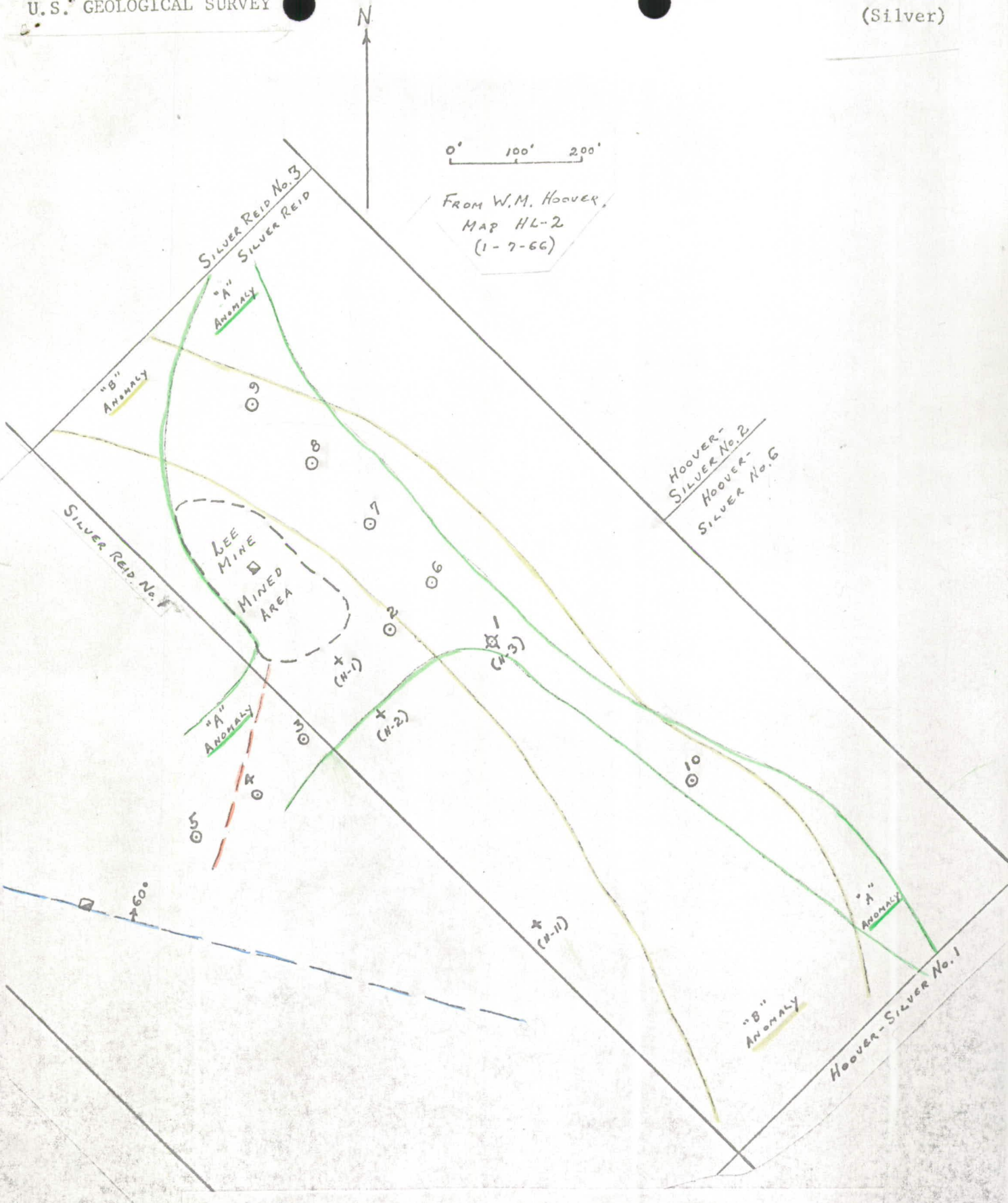

Figure 2. Map showing location of proposed exploration, Walter M. Hoover, Lee mine area, Inyo County, California

Know All Men By These Presents: That I, Alfred Greenwood

have made, constituted and appointed, and By THESE PRESENTS, do make, constitute and appoint Walter M. Hoover, My true and lawful ATTORNEY for Me and in My name, place and stead, In all matters pertaining to the Joint Venture with said Walter M. Hoover and especially in regard to the Silver Reid and Hoover-Silver Mining Claims and his operation thereof as manager.

giving and granting unto Walter M Hoover said Attorney, full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises, as fully to all intents and purposes, as Alfred Greenwood might or could do if personally present, with full power of substitution and revocation hereby ratifying

and confirming all that ..... said Attorney or ..... substitute shall lawfully do or cause to be done by virtue hereof.

In Witness Whereof, I have hereunto set my hand and seal the 26TH day of August one thousand nine hundred 66.

Sealed and Delivered in Presence of

Alfred L. Greenwood (SEAL)

(SEAL)

STATE OF ~~MICHIGAN,~~ VIRGINIA

County of FAIRFAX. } ss.

BE IT KNOWN, That on this 26TH day of AUGUST one thousand nine hundred 1966 before me, a NOTARY PUBLIC in and for said County, personally appeared ALFRED L. GREEN WOOD above named, who IS to me known to be the person described in and who executed the above Letter of Attorney, and acknowledged the same to be HIS free act and deed.

Edmund R. Allen

Notary Public, FAIRFAX County, ~~Michigan.~~ VIRGINIA

My commission expires APRIL 11, 1970.

24

POWER OF ATTORNEY

Dated

THE RIEGLE PRESS, FLINT, MICHIGAN

Know All Men By These Presents: That I, Alfred Greenwood

have made, constituted and appointed, and By THESE PRESENTS, do make, constitute and appoint Walter M. Hooverm My true and lawful ATTORNEY for Me and in My name, place and stead, In all matters pertaining to the Joint Venture with said Walter M. Hoover and especially in regard to the Silver Reid and Hoover-Silver Mining Claims and his operation thereof as manager.

giving and granting unto Walter M Hoover said Attorney, full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises, as fully to all intents and purposes, as might or could do if personally present, with full power of substitution and revocation hereby ratifying

and confirming all that ..... said Attorney or ..... substitute shall lawfully do or cause to be done by virtue hereof.

In Witness Whereof, I have hereunto set my hand and seal the 26th day of Aug one thousand nine hundred 66.

Sealed and Delivered in Presence of

Alfred L. Greenwood (SEAL)

(SEAL)

STATE OF ~~MICHIGAN~~ VIRGINIA,
County of FAIRFAX } ss.

BE IT KNOWN, That on this 26th day of AUGUST one thousand nine hundred 1966 before me, a NOTARY PUBLIC in and for said County, personally appeared ALFRED L. GREENWOOD above named, who IS to me known to be the person described in and who executed the above Letter of Attorney, and acknowledged the same to be HIS free act and deed.

Edmund R. Allen

Notary Public FAIRFAX County, ~~Michigan~~ VIRGINIA

My commission expires APRIL 11, 1970.

24

POWER OF ATTORNEY

Dated

THE RIEGLE PRESS, FLINT, MICHIGAN

Mich

W. M. HOOVER
764 Loraine
Grosse Pointe 30, Mich.

the operation and development thereof, so long as ores and minerals are produced therefrom and during the faithful performance of all and singular the covenants and agreements hereinafter contained, on the part of Lessee to be paid and performed.

[illegible] in such [illegible] covenants, promises, agreements and [illegible] [illegible].

[illegible]. [illegible] hereby [illegible] to [illegible] upon said [illegible] premises and to [illegible] and [illegible] ores and other valuable materials therefrom, and to remove the same from said premises, subject, however, to the conditions, agreements, and provisions in this agreement contained.

[illegible]. [illegible]. In consideration of this agreement, [illegible] hereby [illegible], [illegible] hereby [illegible] and agree, for himself, [illegible], to [illegible] [illegible] production royalty, a sum or sums equal [illegible] net smelter [illegible] by [illegible] of ore and minerals [illegible] and sold [illegible], without deduction for [illegible]. Lessee further agrees to [illegible] [illegible] on or before [illegible] [illegible] [illegible] [illegible], [illegible]

W. M. HOOVER
764 Loraine
Grosse Pointe 30, Mich.

extracted, removed and sold from the demised premises during the immediately preceding calendar month, from which it can be accurately determined the amount of production royalties theretofore paid to Lessor, or to which Lessor is entitled for said preceding calendar month, and will, upon the rendition and delivery of such report, pay to Lessor the amount of production royalty due and owing for such preceding calendar month. All sums or production royalties paid for any calendar month in excess of the minimum royalties due for said month shall apply upon and be allowed as a credit upon minimum royalties which may thereafter become due. Either the Lessor or the Lessee shall have the right and privilege of arranging with the purchaser or purchasers of any ores or materials to pay the production royalties due hereunto provided directly to said Lessor from proceeds coming and owing from any such ores, materials, or otherwise obtained by Lessee from the demised premises and by the said purchaser or purchasers.

9. Assignment or Sub-lease. Lessee reserves the right and privilege of sub-leasing the whole or any part or portion of the demised premises, provided, however, that in the event of any such sub-lease the Lessee shall nevertheless remain primarily liable for the performance of all and singular the terms and conditions hereof, including the payment of minimum and production royalties, and provided, further that all and singular the terms and conditions of this lease agreement shall be made a part of and be incorporated in any such sub-lease.

10. Liens. Lessee shall promptly pay and discharge [illegible] and claims of laborers, materialmen, or others who may furnish labor or materials in the development and/or operation of the mining premises, as well as the [illegible], to

M. FISHER
764 Loraine
Grosse Pointe 30, Mich.

[illegible] that lessee, and all and singular said [illegible], shall be kept free and harmless of and from any and all liens of every name and nature whatsoever. Lessee shall permit Lessor to post and keep posted in a conspicuous place upon the mining premises any or more notices of non-liability, in the manner and form prescribed by law.

[illegible] Mining. All work [illegible] said mining premises by Lessee shall be done in a good and workmanlike manner and superior fashion and according to the rules of good and commercial mining prevailing in the [illegible] wherein said mining premises are situate. Any underground work shall be properly timbered at all points where necessary, and all shafts, drifts and tunnels shall be kept free and clear of loose rock, debris and other waste materials.

[illegible] Laws, Rules and Regulations. Lessee shall not violate any of the laws, rules or regulations of the State of [illegible] or of the United States of America, or of any other [illegible], but will faithfully keep and observe all [illegible] and regulations of the [illegible] [illegible] and [illegible] [illegible] mining or [illegible].

W. M. HOOVER
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and shall be conveyed to Lessee by Lessor.

8. Assessment Work and Taxes. Lessee shall at his own expense, during the continuance of this lease and agreement, prior to the 1st day of August of each year hereafter, commencing as of the 1st day of August, 1962, do and perform all so-called annual assessment work on the mining premises herein described, to the end and purpose that the laws of the State of California and the United States of America with respect to the performance of annual assessment work on unpatented mining claims shall be fully kept and observed, and will cause to be recorded the proof of the performance of such work in the office of the County Recorder of Inyo County, California, not later than the 1st day of August of each calendar year, commencing with said 1st day of August, 1962. Lessee further agrees, during the continuance of this agreement, to pay when due and before delinquent all taxes of whatsoever nature assessed or becoming due and payable on any and all of the mining claims or premises herein described and/or any machinery, equipment, or other personal property used in connection therewith, including ores and other materials extracted therefrom.

9. Insurance. Lessee shall during all such times as the same may be required by the laws of the State of California carry Workmen's Compensation Insurance for the protection of all employees and others who may be engaged in the operation and/or development of all or any of said mining claims or mining premises. Lessee further agrees to keep and save harmless the Lessor of and from all claims for damages on account of injuries and/or death resulting from injuries sustained by employees and/or others, whether as employees or otherwise, who may be on, upon, or about said mining premises, and that he will at all times keep and save Lessor free and harmless of and from all

W. M. HOOVER
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Grosse Pointe 30, Mich.

such claims of every name and nature whatsoever, provided, however, that Lessee shall not be responsible for any injuries to Lessor, or others who may be in, on or about said premises by license or permission of the Lessor, unless such injury or damage to persons or property shall be the direct and proximate result of the negligence of Lessee, or his employees.

10. Lessor's Right of Entry. It is understood and agreed that Lessor, or her duly authorized agent or agents, may, at reasonable and proper times, enter into and upon said mining premises for the purpose of inspection and to see that all and singular the terms, conditions and provisions of this agreement are being fully met, kept, observed and performed.

11. Waiver. The failure of Lessor to object to any matter or matters, whether of omission or commission, done or performed by Lessee in violation of the terms of this agreement, shall not be deemed a waiver thereof, unless so expressed in writing and signed by Lessor, and in the event of any waiver on the part of Lessor the same shall not be deemed a continuing waiver unless so expressed in writing as aforesaid.

12. Reports. It is agreed that Lessee shall and will cause to be supplied to Lessor duplicate settlement sheets pertaining to the sale of any ores or materials from said mining premises; that Lessee will keep a true and accurate record of all ores removed and sold from the mining premises, and that said books of account shall be open to inspection, at reasonable and proper times, by the Lessor, or her duly authorized agent or agents. It is understood and agreed that Lessee shall furnish unto Lessor, as available, copies of assay reports, mill return reports, umpire reports, core drill reports, and other reports or data relating to the ores or materials obtained from or situate on the mining premises which are the subject of this agreement.

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15. Default. It is mutually understood and agreed that should Lessee default in the performance of any of the terms, covenants and conditions of this lease, with the sole exception of the provision hereof as to minimum and/or percentage rentalties, then and in that event Lessor may, at her option, terminate this agreement and declare the same to be of no further force or effect, upon giving to Lessee thirty (30) days' previous notice in writing, which notice shall specifically set forth the matter or matters in which Lessee is claimed to be in default, and if such matter or matters be of such nature that can not be cured within said thirty (30) day period, then and in that event such notice of intention to terminate this lease and agreement shall be of no further force or effect and Lessee shall be restored to his rights hereunder, however, that with respect to the payment of minimum or percentage rentals and taxes which may become due, owing and payable hereunder, then in of the terms of this agreement, and indemnifies the Lessor against all damages, costs, expenses, attorney's fees, and upon the non-payment of any such rentals or taxes within said thirty (30) day period, this lease and agreement, and without prejudice to her terms and provisions hereof, including the rights to damages hereinafter contained and set forth, shall be deemed and considered as terminated by Lessor without further notice of such default.

16. Lessor's Right to Surrender. The Lessor may at any time yield, surrender up and cancel this agreement, and shall thereby be relieved of any and all burdens and obligations hereunder, including the payment of any further rentalties or rentals hereunder, provided, however, that the Lessor shall not be entitled thereby to be relieved of his obligation to pay any sum or sums which may theretofore have accrued and become owing

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or payable under and pursuant to the terms and provisions hereof.

15. Option to Purchase. Lessor hereby grants unto Lessee the exclusive right, option and privilege to purchase, if any time during the period and so long as this lease and [illegible] shall remain in effect and during the full [illegible] of [illegible] and discharge the [illegible] of this agreement by [illegible] all and singular the mineral mining claims above [illegible] for the total purchase price of Thirty thousand dollars ($30,000.00), and in the event of the exercise of said option to purchase for a purchase price of $30,000.00, any and all sums paid to the Lessor under and pursuant to the terms of this agreement, including minimum monthly royalties [illegible] and all percentage or production royalties or rentals, shall [illegible] a part, apply upon, and be credited against said purchase price of $30,000.00 aforesaid.

Upon exercise of said option to purchase during the [illegible] in effect of this lease and agreement, and the tender of payment of the purchase price as herein provided for, Lessor shall execute and deliver to the Lessee a good and sufficient instrument of conveyance, subject only to the paramount title of the United States of America, sufficient to convey all the right, title and interest of Lessor in and to said mining premises, free and clear of all liens and encumbrances whatsoever, save and excepting liens and encumbrances placed or permitted to be placed upon said premises by Lessee. At the option and election of the Lessee, tender of the purchase price may be made by the deposit of said sum in escrow with some responsible escrow agent or agency, with instructions to said escrow holder that said sum be delivered to Lessor upon [illegible] being delivered or recorded such instrument or instruments as may be

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necessary to convey unto Lessee all of the right, title and interest of Lessor in and to said mining claims and premises, free and clear of all encumbrances, and subject only to the paramount title of the United States of America.

16. Notices. Notices, demands and communications shall be deemed validly served and given when deposited in the United States Post Office by registered or certified mail with the postage thereon fully prepaid, and if intended for Lessor to be directed to her at 624 Bay Street, Newport, Oregon, or such other address or addresses as she may hereafter designate, and if intended for Lessee to be directed to him as follows:

Walter M. Hoover
764 Loraine
Grosse Point, Michigan

or such other address or addresses as Lessee may hereafter designate, and the date appearing on the sender's registered or certified mail receipt shall be deemed prima facie evidence of the date on which such service was made.

17. Legal Proceedings. Should either of the parties to this lease and agreement institute legal proceedings or action for the purpose of determining or having declared their legal rights herein or for the purpose of enforcing any legal rights as set forth by the terms of this agreement, then and in that event the prevailing party shall be entitled to all costs and expenses necessarily incurred in the institution and prosecution of said suit, including a reasonable attorney's fee to be fixed by the Court.

18. Removal of Equipment. Upon the termination of this lease and agreement and the yielding and surrendering up of said mining premises by Lessee, the said Lessee, provided he is not in default under any of the terms or provisions of this agreement, shall have the right, within a period of sixty (60) days from and after such termination, to remove from said mining

W. M. HOOVER
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Grosse Pointe 30, Mich.

claims any and all mining machinery, tools, supplies and equipment installed or placed by him thereon, provided such removal can be effected without material injury to the premises, or any part or portion thereof. In the event Lessee shall fail to effect said removal of mining machinery, tools, supplies and equipment within the period herein specified, same shall revert to and become the property of Lessor, free and clear of all claims and demands of Lessee, provided, however, that should said removal be prevented by weather or other conditions beyond the control of Lessee, then and in that event the period of time during which said removal may be effected shall be extended for a period of time equal to that during which such conditions exist.

19. Inurement. This agreement, and all and singular the provisions, conditions and covenants herein contained, including the option to purchase hereby granted, shall be binding upon the parties hereto, their heirs, executors, administrators and assigns.

IN WITNESS WHEREOF, the parties have executed this agreement in triplicate the day and year first above written.

Agnes Reid
LESSOR

Walter W. Hoover
LESSEE

W. M. HOOVER
764 Loraine
Grosse Pointe 30, Mich.

STATE OF _____)
) SS
COUNTY OF _____)

On this _____ day of _____ 196___, before me, the undersigned, a Notary Public in and for said County and State, personally appeared AGNES REID, known to me to be the person whose name is subscribed to the within and foregoing instrument and acknowledged to me that she executed the same.

WITNESS my hand and official seal.

_____

Notary Public in and for said County and State.

STATE OF _____)
) SS
COUNTY OF _____)

On this _____ day of _____ 196___, before me, the undersigned, a Notary Public in and for said County and State, personally appeared WALTER W. HOOVER, known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same.

WITNESS my hand and official seal.

_____

Notary Public in and for said County and State.

MEMORANDUM OF AGREEMENT

THIS AGREEMENT, made and entered into this 28th day of April, 1965, by and between WALTER M. HOOVER, whose address is 764 Loraine, Grosse Pointe, Michigan, party of the first part, and ALFRED GREENWOOD, who resides at Great Falls, Virginia, second party,

W I T N E S S E T H :

WHEREAS, first party is the lessee of those certain unpatented mining claims situate in the County of Inyo, State of California, described as follows:

SILVER REID Mining Claim
SILVER REID No. 1 Mining Claim,
SILVER REID No. 2 Mining Claim,
SILVER REID No. 3 Mining Claim,
SILVER REID No. 4 Mining Claim,
SILVER REID No. 5 Mining Claim,
SILVER REID No. 7 Mining Claim, and
SILVER REID No. 8 Mining Claim,

and

WHEREAS, first party is engaged in ~~the business~~ of developing and mining said unpatented mining claims, and desires to associate second party with himself to provide and furnish certain necessary capital for the development and mining of said properties to the best possible advantage and for the mutual benefit of the parties hereto;

NOW, THEREFORE, it is hereby mutually agreed and convenanted by the parties hereto, on the conditions and considerations herein recited, that the second party provide and furnish the sum of Five thousand dollars ($5,000.00) for the development and/or mining of said properties, and such further sums as may be justified and required for the development of the property, and receive as consideration therefore, a sum or sums equal to fifty per cent (50%) of the net proceeds realized from mining operations conducted on said mining premises.

(original)

All sums paid by second party unto first party pursuant to the terms and provisions of this agreement shall be used solely for the development of said mining properties and the expenses of mining, processing and shipping ores and materials from said mining claims to market. First party shall keep accurate accounts showing all sums received and all sums expended in connection with the development and operation of said mining properties, and furnish unto second party accurate accounting showing all such funds received and expended at such times as second party may request the same.

From the net proceeds realized from the development and mining of said mining property first party shall pay unto second party a sum or sums equal to fifty per cent (50%) of such net proceeds. Settlement shall be made at such times as may be mutually agreed upon between the parties, and no funds shall be withdrawn from the venture that might in any way prevent its continuance on a profitable basis.

First party shall have the right and responsibility of the management of the venture, provided, however, that he shall at all times and in all things exercise the utmost good faith toward second party in the conduct, mamagement and operation thereof.

It is understood, stipulated and agreed by and between the parties hereto that second party shall not be liable for any indebtedness created by the venture or for damages to others resulting from the conduct of the business of the venture, or otherwise, except to the extent of his contribution in the amount of Five thousand dollars ($5,000.00).

Upon demand of second party a partnership shall be created between the parties hereto for continuance of the business of the venture, but until the creation of such partnership the relationship hereby created shall be deemed and considered that of a joint venture and not co-partnership.

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

IN WITNESS WHEREOF, the parties have executed this agreement in triplicate the day and year first above written.

Walter M. Hoover
FIRST PARTY

Alfred Greenwood
SECOND PARTY

WALTER M. HOOVER
764 LORAINE
GROSSE POINTE 30, MICHIGAN

March 25, 1966

OFFICIAL
COPY
C. K. E.
MAR 28 1966
~~110~~
120

Office of Mineral Exploration
Department of the Interior
Washington 25, D.C.

Re: Re-application for Loan.
"Lee" Mine. OME-6234

Gentlemen:

Since our application #6234 for a loan to explore the "Lee" Mine was denied in 1962, we have done approximately $20,800.00 worth of additional work. We ran a geophysical survey with Sharpe 300 E.M. instruments. Several Anomolies were found, and a sketch, Plate #HL-2 covering them is enclosed. Also, in 1963, '64 and '65, diamond drill cores were taken from holes #(2), #(3) & #(11), 181', 224', and 456' respectively. A 312' hole #(1) was drilled in 1961. These cores are stored at the Anaconda mine in Darwin.

Holes #(2) & #(3) cut through a 12' granitic sill similar to those associated with the ore at Darwin, 10 miles south of the "Lee". This is the first time these sills have been encountered in the "Lee" area. Some ore was cored from Hole #(2). Hole #(11), about 600' S.E. of the old diggings was drilled because the limestone "country rock" from a 20' shaft showed alteration and assayed approximately 2% Zn and 2oz. Ag. The mineralization continued for about 350' when these trace assays faded out. The first 80' ± of this hole was highly silicified and very hard drilling.

1400' S.E. of the mine is an old gold prospect that has a 1/2" to 1" seam of Garnierite that assays $512.00 in Gold. It is part of a ledge of gouge which assayed .20 Zn, .10 Pb, .68 Ag & .10 Au. None of the gold seam was included in the sample which was across a width of 35". We believe the trace assays of Pb, Zn & Ag may be significant. A claim covering this ground has been located as well as three others. A subordination agreement for these new claims is

enclosed. These Hoover-Silver claims #1,2,3,-6 are recorded in Volume 98 page 125 at The Inyo County Recorders office at Independence, California.

The new report of Mr. Dudley Davis geologist, is enclosed. I wish to stick closely to his recommendations; however, there are other holes that I feel are justified in our drilling program.

Specifically:

1. Hole #7 suggested by L.J. McCarthy, geologist, in the area of the anamolies.
2. Holes #4,#5, & #6 to further investigate the granitic sill or sills and to penetrate a likely area near the junction of a quartz ledge and the shear zone south of the main diggings. This fault had some ore in place and some dragged ore, and it seems to me that the possible intersection of a vein leading to the old diggings and this fault might carry ore.

I have, therefore, included these holes in the list of work to be done. If you do not concur, of course we will eliminate them from our program.

A summary of the costs is as follows:

	Recondition shaft etc as stated in the original application = Item 4.	$ 2,842.00
	Item #5 original application = drifting	3,658.00
345'	Phase II " " = Drilling holes 3+4	11,700.00
	Consulting geologist additional 10 Visits @ $250.00	2,500.00
	Supervision & Expense $750,00 Mo. X 10	7,500.00
	Assays approximate 1 per 100' of core @ $11.00	450.00
	4,050' of Dia. Drilling @ $10.50	42,525.00
	345 / 4 395	
		$71,175.00
	O.M.E. Loan 75%	$53,381.50

Since the first application, Mr. Alden Johnson has discontinued his association with the venture and Mr. Alfred Greenwood has undertaken the financing. A quit claim deed executed by Mr. Johnson, and an agreement with Mr. Greenwood are enclosed.

Diamond drilling bids are enclosed. A tabulation of the bids and a conservative estimate of the extras show costs exceeding $11.00 per foot. Mr. John Madison has verbally agreed to drill the ground for a flat $10.50 (No extras).

In the event that you wish to re-examine the property, Mr. Davis will be available. He can be reached at 1528 Michigan Ave., Salt Lake City 5, Utah, telephone 801-322-4263 or at Box 1481, Grand Junction, Colorado. If his presence is not required, Mr. John Kinneberg, Anaconda Mine, Darwin California will provide you with a guide to the Lee mine.

Five coppies each are enclosed of the following:

(a) Mrs. Reids new subordination agreement.
(b) Hoover's subordination of 4 Hoover-Silver claims.
(c) Johnson's quit claim deed.
(d) Greenwoods agreement.
(e) Geologists new report.
(f) Mine map. Plate HL-1 Map Folder #2
(g) Map showing anomolies and proposed drill holes. Plate HL-2 Map Folder #2
(h) New assays
(i) New bank loan refusals
(j) Drill bids
(k) Drill bid recap
(l) Drilling schedule upon which bids were based.

If Mr. Greenwood's signature is necessary on the application, time could be saved by sending it to him directly at 4737 Stamp Road., S.E. Washington, D.C. 20031.

Mr. Madison, the diamond driller, is now available and work could start within ten days of approval. I would be on the job myself to supervise the work, take care of cores, assays etc.

If it would help, I could see your West Coast representative for instructions, on the way out to the mine.

Thank you for your consideration and past courtesies.

Respectfully submitted,

W. M. Hoover, Mgr.

MME Form 40
Dec. 1958

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Budget Bureau No. 42–R1368
Approval expires Dec. 31, 1963

Amended APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

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

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

WALTER M. HOOVER
764 LORAINE,
GROSSE POINTE, MICH. 48230

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: 6234

DATE RECEIVED: 3/28/66

REGION: Region II

DIVISION CODE:

BUSINESS ORGANIZATION *(Check one)*

- INDIVIDUAL ☐
- CORPORATION ☐
- PARTNERSHIP ☐
- OTHER *(Specify)* ☑ JOINT VENTURE

STATE IN WHICH FIRM IS ORGANIZED:

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
W. M. HOOVER	764 LORAINE, GROSSE POINTE, MICH.	MANAGER
ALFRED GREENWOOD	4737 STAMP ROAD, S.E. WASHINGTON, D.C.	

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE: SILVER WITH LEAD & ZINC SOME AU.

ESTIMATED COST OF PROJECT: $ 71,175

PROPERTY — NAME: LEE MINE (SILVER REID CLAIMS & HOOVER SILVER "")

LOCATION — COUNTY: INYO — STATE: CALIF.

GENERAL INSTRUCTIONS

Before filling out this application, please read the *OME Regulations for Obtaining Federal Assistance in Financing Explorations for Mineral Reserves* (30 CFR Chap. III). To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit four copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 2, existing mine workings and geology in item 3, and the proposed exploration work in item 5. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 3(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals*, of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Office of Minerals Exploration, Department of the Interior, Washington 25, D. C., or with the nearest OME Field Office.*

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief, and that he would not ordinarily undertake the proposed exploration under current conditions and circumstances at his sole expense.

MARCH 25, 1966
DATED

BY *(Signature)*

MANAGER
TITLE

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

INFORMATION REQUIRED WITH THIS APPLICATION

1. Financial Eligibility:

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

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

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

2. Applicant's Rights in Land:

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

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

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

3. Physical Description:

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

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

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

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

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

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

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

4. Accessibility of Property:

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

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

5. Exploration Work:

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

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

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

6. Experience:

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

7. Estimate of Costs:

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

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

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

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

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

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

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

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

INT.-DUP. SEC., WASH., D.C. 50399

Supplementary Report
Silver Reid Mine
Inyo County, California

February, 1966 Dudley L. Davis

INTRODUCTION

This report will bring up-to-date one written in 1962 which became a part of O.M.E. application No. 6234. It is presumed that the reader has access to this prior report, hence the location, accessibility, ownership, history, and record of production are not reiterated.

In the interim, a geophysical survey has been run and three diamond drill holes have been drilled. No production has been made from the mine nor has any underground development work been accomplished.

A summary of results of geophysical survey is presented on Plate HL-2, and Plate HL-1 shows diamond drill holes Hoover No. 1, No. 2, and No. 3 as well as holes previously recommended. A discussion of this work and recommendations for additional exploration is presented below.

DIAMOND DRILL RESULTS

(No 3 on map)? or No. 1? (Hole No. 4?)

How much How deep

Hoover's No. 1 drill hole followed Davis' recommendation No. 3 (February, 1962 report) and cut silver ore assaying 21.8 oz. per ton at the projected position of the ore bed exploited by mine workings.

Hoover's No. 2 hole extended this ore zone 100' further to the east where it cut ore averaging $33.00 (25.58 oz. per ton) at a depth of 120 feet below the surface. This ore lies above a granite sill twelve feet in thickness.

The granite sill may be important genetically since much of the ore mined by Anaconda at Darwin (about ten miles to the south) was found near similar sills.

Not on map?

Hoover's No. 3 hole was drilled about 220 feet N. 52°E. from No. 2 and was run to prospect the geophysical anomaly shown by McCarthy's E.M. survey. The hole cut the 12-foot granite sill but found no silver ore.

Hoover's No. "11" hole, drilled at a point S. 51°E., 445 feet from No. 2 hole, cut 3 ounce silver mineralization at 148 feet. Traces were found at 313 feet which represents the ore bed as projected but appears off the ore shoot.

GEOPHYSICAL DATA

Plate HL-2 shows the interpretation of an electromagnetic dip-angle survey ~~run~~ INTERPRETATION by L. J. McCarthy with an additional interpretation by Charles E. Melbye.

The principal anomaly lies parallel with known ore structure but approximately 100 feet to the northeast. Depths correspond roughly to a zone 100 feet deeper than the known horizon.

RECOMMENDATIONS

In view of the ore found by drill holes Hoover No. 1 and No. 2, it seems likely that a substantial silver ore deposit may be found at the Silver Reid (Lee Flat) mine. Also, the anomaly map shows the possibility of a new ore horizon at 100 feet below the one mined and generally 100 to 300 feet to the northeast.

Hoover's hole No. 11 showed two ore horizons but was weakly mineralized so additional offset drilling in that area is justified. Likewise, the three-foot shear zone near point 19 just south of the Hoover-Silver No. 3 north side line should be prospected.

Diamond drilling and underground exploration is recommended as shown below.

1. Drill holes 1, 3, 7, 13, 14, 15 and 16 as shown on Plate HL-2. These seven holes will aggregate 1500 feet of "BX" hole if No. 3 is drilled 300 feet deep as geologic structure would indicate rather than 100 feet as shown. These holes will evaluate the geophysical anomaly.

2. Drill holes #4 and #5 as recommended by Davis in 1962. This amounts to 300 linear feet of drilling and will check the deeper zone (indicated by the E.M. survey) under the mine area.

3. Drill two vertical holes 350 feet deep, the first 150 feet N. 45° E. of Hoover No. 11 and the second 150 feet north of No. 11.

4. Drill three inclined holes to prospect the gold-bearing shear zone at 100, 200 and 300 feet below the surface. These holes should be from point 19: drill S. 50° W. for 125 feet at minus 60°, S. 20° W. for 250 feet at minus 70°, and S. 80° W. 350 feet at minus 80°.

5. Rehabilitate mine workings as recommended in the O.M.E. application and sink an inclined winze to ore cut in Hoover's No. 1 hole. This amounts to fifty feet of new winze plus repair of existing shaft and surface facility.

Respectfully submitted,

Dudley L. Davis

DUDLEY L. DAVIS

8 pt. type or larger

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO

Name
Street Address
City & State

SPACE ABOVE THIS LINE FOR RECORDER'S USE

QUITCLAIM DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged

I, ALDEN P. JOHNSON
#4 PAUL REVERE ROAD
WORCESTER, MASS.

do hereby

REMISE, RELEASE AND FOREVER QUITCLAIM to

WALTER M. HOOVER
764 LORAINE
GROSSE POINTE, MICH. 48230

the real property in the State of California, described as:

County of INYO

1/4 INTEREST IN A LEASE AND OPTION ON THE "SILVER REID" MINING CLAIMS, MORE COMMONLY KNOWN AS THE LEE MINE, LOCATED 6 MILES NORTH OF STATE HIGHWAY #190 AND 1 MILE EAST OF THE SALINE VALLEY ROAD, IN THE LEE MINING DISTRICT, INYO COUNTY, CALIFORNIA.

Dated: March 8, 1966

Alden P. Johnson

State of ~~California~~, Mass
County of Worcester } ss

On 3/9/66 before me, the undersigned, a Notary Public in and for said County and State, personally appeared Alden P Johnson

known to me to be the person whose name subscribed to the within Instrument and acknowledged that he executed the same.

Witness my hand and official seal.

(Seal) Frank M. Heath Jr.

My Commission Expires Dec. 23, 1971

FRANK M. HEATH, JR.
NAME (TYPED OR PRINTED)
Notary Public in and for said County and State.

Title Order No. Escrow or Loan No.

73869

This standard form covers most usual problems in the field indicated. Before you sign, read it, fill in all blanks, and make changes proper to your transaction. Consult a lawyer if you doubt the form's fitness for your purpose.

January 10, 1966

Detroit Bank & Trust
Milwaukee & Woodward
Detroit, Michigan 48202

Attn: Mr. Slessor

Gentlemen:

Enclosed is an application for a loan to be used for the exploration of the "Joe Mine" for additional deposits of Silver, Lead and Zinc. This property has produced about $250,000 in high grade silver ore. It is situated near three large producers, Anaconda's Darwin Lead, the Santa Rosa Lead Mine and the Cerro Gordo Silver Mine. We believe the prospects are excellent.

If your bank will consider such a loan, geological and other detailed reports and maps as well as financial statements will be submitted for your consideration.

Thanking you for past services and courtesies, I am,

Sincerely,

W.M. Hoover, Mgr.

DETROIT
BANK
& TRUST

DETROIT, MICHIGAN 48231

Fisher Building Office

JOSEPH W. CLARK
ASSISTANT VICE PRESIDENT

January 13, 1966

Mr. Walter M. Hoover
764 Loraine
Grosse Pointe, Michigan 48230

Mr. Hoover - we are not in a position to extend you a loan of $60,000 which you requested to finance your drilling program on the "Lee" Mine, Inyo County, California.

This is a very highly speculative venture and the financial information and other data available to us would not justify a loan of this sort.

We wish you success in your undertaking.

Joseph W. Clark

January 10, 1966

Bank of America
Lone Pine, California

Attn: Mr. Hastings

Gentlemen:

Enclosed is an application for a loan to be used for the exploration of the "Lee Mine" for additional deposits of Silver, Lead and Zinc. This property has produced about $250,000 in high grade silver ore. It is situated near three large producers, Anaconda's Darwin Lead, the Santa Rosa Lead Mine and the Cerro Gordo Silver Mine. We believe the prospects are excellent.

If your bank will consider such a loan, geological and other detailed reports and maps as well as financial statements will be submitted for your consideration.

Thanking you for past services and courtesies, I am,

Sincerely,

[illegible]. Hoover, Mgr.

Cable Address BANKAMERICA

Bank of America
NATIONAL TRUST AND SAVINGS ASSOCIATION

LONE PINE BRANCH • 400 NORTH MAIN STREET
LONE PINE, CALIFORNIA 93545

January 12, 1966

Mr. Walter M. Hoover
764 Loraine
Grosse Pointe 30, Michigan

Dear Mr. Hoover:

We are not in a position to grant a loan as requested for exploratory work on the Lee Mine.

Sincerely,

W. W. Hastings
Manager

WWH:ab

Longyear

E. J. LONGYEAR COMPANY
General Offices, 76 South 8th St.
Minneapolis 2, Minnesota, U. S. A.
TELEPHONE: FEDERAL 9-7631 • CABLE LONGCO

308 East Pima Street
Phoenix, Arizona 85004
February 28, 1966

Mr. W. M. Hoover
764 Loraine
Grosse Point 30, Michigan

SUBJECT: PROPOSAL COVERING CORE DRILLING ACTIVITY, LEE MINE, INYO COUNTY, CALIFORNIA, VICINITY DARWIN, CALIFORNIA

Dear Mr. Hoover:

1. In response to your request for a proposal covering core drilling operations at your Lee Mine location in Inyo County, California, we are pleased to submit our proposal as outlined below.

2. Our understanding of your program is as follows:

The program will consist of drilling approximately 21 holes ranging in depth from a minimum of 100 feet to a maximum of 400 feet for an approximate total drilling of 4,965 feet. The inclination of the holes will vary from a minus 60 degrees to a minus 75 degrees as measured from the horizontal. Water for drilling purposes is obtainable from the town of Darwin, 20 miles distance one way or Panamint Springs, 21 miles one way. The formation to be penetrated consists generally of medium hard limestone of which the first 100 feet or so is expected to be highly silicified and very hard. Furthermore, the formation can be expected to be highly fractured involving loss of water and requiring frequent grouting to stabilize the hole or to retain water circulation.

It is understood that you will provide suitable access roads and will prepare, if required, suitable drill sites.

Housing for crew is non-existent in the area. It would be necessary for them to live either in Olancha or possibly as far away as Lone Pine, California.

For the most part, the drilling will be carried out with BX and AX size wireline tools.

3. For the work as outlined above, we propose to furnish one complete core drilling machine together with all the required accessory equipment including service and water truck. We would expect to operate the rig on a one shift basis, six days per week.

4. We will carry public liability insurance covering personal injury and property damage, and Workmen's Compensation insurance and also all-risk

insurance on the drilling equipment protecting against loss by theft, fire, flood, landslides and other similar hazards. Certificates showing the coverage referred to will be furnished upon request.

5. Based upon the conditions anticipated in this work, we would expect the following prices and conditions to prevail.

a) Mobilization and demobilization of personnel and drilling equipment.....$695.00 Lump Sum

b) Overburden drilling, where required in alluvial material or eroded ledge rock, including setting casing to ledge.....$6.50 per foot

c) Diamond core drilling, vertical or angle holes with inclination of 60 degrees or steeper -

	AX WL	BX WL
Ledge to 500 feet in depth.....	$6.95/ft.	$7.45/ft.

d) Reaming, if required and where applicable -
AX hole to receive AX casing.....$3.00 per foot
BX hole to receive BX casing.....$3.35 per foot

NOTE: In computing the prices that will prevail under the diamond core drilling section, item c, and the reaming, item d, we assumed a diamond bit cost of $1.25 per foot. In the event actual costs incurred in performing this work exceed the $1.25 per foot allowed, such overage of allowable cost will be invoiced to you. The basis for determining the cost per foot on our diamond bits would be computed using $11.25 per carat diamonds for the diamond loss, plus applicable setting charges divided by the number of feet drilled per bit.

e) Delays or standby time requested by you or for which you are responsible.....$12.25 per hour with 2-man drill crew.

f) Time spent by crews cementing, waiting for cement to set and drilling out cement or other time consumed in hole stabilizing or hole plugging operations will be invoiced at.....$13.50 per hour with 2-man drill crew.

g) Cement, drill mud, additives or other stabilizing or hole plugging material consumed will be invoiced to you at our cost, F.O.B. job site basis.

h) Casing or pipe lost or left in holes at your request will be invoiced at our cost, F.O.B. job site basis.

i) Water truck service will be provided on the following basis:

(1) Water truck rental charge.....$200.00 per month plus 15¢ per mile traveled while engaged in water hauling activity.

(2) We would expect to utilize the drill helper for the purpose of driving the water truck. As long as this arrangement can be maintained without subjecting the drilling operation to excessive delays as a result of waiting for water or the helper, no charge will be made for his service. However, in the event it should become necessary to hire a full time, separate employee for the purpose of driving the water truck, it is understood and agreed that we would invoice to you $3.50 per hour for his time to offset the resultant additional wages, payroll taxes and other related expenses.

(3) Any charges arising from the purchase of water at its source will be invoiced to you.

j) Tractor or other service, if required for the preparation and maintenance of drill access roads and the preparation of proper drill sites, if not performed by you, will be obtained locally and invoiced to you at our cost, plus a 10% handling fee.

k) Core boxes, cardboard type, capacity ten feet of core will be supplied by the Longyear Company, if requested, in either BX or AX size for.....$1.00 each

6. It is understood if we are awarded this work that the starting date of drilling operations will be contingent upon the availability of equipment and personnel. At the present time, we would expect a minimum of 30 days would be required before mobilizing operations could commence.

7. Due to a lack of necessary financial information, it is understood that if we are awarded this work that you will make suitable financial arrangements with the Longyear Company for payment of the work prior to the time that mobilizing operations commence.

8. Statements would be submitted promptly after the end of each month covering work performed during the month and payment will become due twenty days from date of statement.

9. We appreciate the opportunity to submit this proposal to you and apologize for the time that it has taken us to accumulate the necessary information. Because of the high activity in core drilling operations at this time of the year, we would appreciate learning of your decision concerning the award of this work at the earliest possible date.

If the above proposal is acceptable to you, please sign in the space provided, retain two copies for your files and return the original signed copy to us in Phoenix.

Sincerely,

J.R.Miller:jag

E. J. LONGYEAR COMPANY

J. R. Miller

Manager, Southwestern Zone
Contract Drilling Division

ACCEPTED:
Company_____

By_____

Date_____

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

Boyles Bros. DRILLING COMPANY

CONTRACTORS - ENGINEERS - GEOLOGISTS

600 Industrial Way
SPARKS, NEVADA
Phone: 355-3233

General Offices and Plant
1624 Pioneer Road P. O. Box 58
SALT LAKE CITY 10, UTAH
HUnter 7-7595

BRANCH OFFICES
PHOENIX
RENO
SPOKANE
DENVER
SACRAMENTO
ST. LOUIS

January 25, 1966

Mr. Walter M. Hoover
764 Loraine
Grosse Pointe 30, Michigan

Dear Mr. Hoover:

Your letter of January 10th to Boyles Bros. Drilling Company of Vancouver, B.C. has been referred to us. This is the Nevada and Southern California branch of Boyles Bros Inc. of Salt Lake City, Utah. We are familiar with the area you mention and would like to submit the following prices for your consideration.

1. Mobilization $750.00

2. Drilling rates for holes up to 500 feet in depth--NX Size $8.00 per foot.
   BX Size $7.50 per foot.

3. All bit cost in excess of $1.50 per foot will be to your account.

4. Moving and setting up between holes and including first set up--$12.50 an hour.

5. Cleaning and casing previously drilled holes--$15.00 an hour.

6. Casing lost in a hole or left at customer's request will be charged at list price f.o.b. the job.

7. Cementing, if necessary, will be charged at $12.50 per hour plus cement or cement substitutes, which include drilling mud and additives. These will be charged at list price f.o.b. the job or customer may furnish them to our specifications if he desires.

8. Water to be charged at cost, based on truck rental of $225.00 per month plus 12 cents per mile and drivers wages including payroll taxes and insurance. Customer may supply the water if he prefers.

9. Delays caused through no fault of Boyles Bros will be charged for at $12.50 per hour.

If these prices meet with your approval we would appreciate an early notification in order toschedule crews and equipment. A formal contract will be sent to you at this time for your signature.

Thank you for the opportunity of bidding on your work.

Yours truly,
Joe D. Fetterhoff
Joe D. Fetterhoff
District Manager

HIMES DRILLING COMPANY
CONTRACT DRILLING
2390 HIGHWAY 6 & 50
GRAND JUNCTION, COLORADO

PHONE 242-8893

March 9, 1966

Via Air Mail

Mr. Walter M. Hoover
764 Loraine
Grosse Point 30, Michigan

Dear Mr. Hoover:

I talked with Mr. Dudley Davis as you suggested in your recent reply. He furnished me with the details on your proposed drilling in Inyo County, California. I respectfully submit the following prices and conditions as my bid on this drilling project:

AX CORE

0-100 feet	$ 7.50 per ft.
101-200 feet	10.00 per ft.
201-300 feet	12.50 per ft.
301-400 feet	15.00 per ft.

The prices quoted are with the understanding we will drill approximately 4,965 feet before moving from the drill location.

Reaming and setting casing and/or cementing and redrilling--
$ 4.00 per ft.

Transporting of water for drilling operation is included in the footage price.

Mobilization of equipment to the drilling location and demobilization of equipment at the completion of the job--Total $2,000.00.

Thank you, Mr. Hoover, for your consideration.

Sincerely,

HIMES DRILLING COMPANY

Bud Himes

Bud Himes

BH/ph

L.J. PRICE & COMPANY

9949 BARIUM LANE
SANDY, UTAH -84070

March 15, 1966

Walter M. Hoover
764 Loraine
Grosse Point, 30 Michigan

Gentlemen;

We present our bid for drilling at the Lee Mine property, near Darwin Cal. We understand that water must be hauled to the drill site, and at our expence, and the distance to haul water is around 21 miles.

Drill site preparation is to be completed by your Company, and any road necessary to bring drilling equipment to the mine is at your expence.

The price we show below for drilling is for Non-silicifed rock a $2.00 pr. foot extra charge will be added to the below prices for all formations penetrated that is silicifed.

Stand pipe or "NX" hole at the collor to 20 feet depth----------$10.50 pr.ft.

" BX " to a depth of 100 ft. ---- ---- ---- ---- ---- ---- $10.00 " "

"AX" from 0 ft. to 250ft.---- ---- ---- ---- ---- ---- --- 9.50 " "

"AX from 250 ft. to 400 ft. ---- ---- ---- ---- ---- -- $10.00 " "

Reaming AX to BX ---- ---- ---- .... $ 2.50 " "

Casing lost in a completed hole to be replaced by the owner at his expence.
Cement placed in the hole and redrilled .... $2.00 " "
Standby time for any reason requested by the project engineer.....
.... or time lost for setting up of cement so it can be drilled out... $20.00 " Hr.

Owner will supply core boxes and care for the same.

Very Truly Yours,

L. J. Price & Company

L.J.Price

DRILLING
BLASTING

QUARRYING
TUNNELING

METLER BROTHERS DRILLING CO.

Core Drilling Contractors

Route 7, Box 945 4001 E. Illinois Street ★ ★ ★ Phone 327-4268 Tucson, Arizona 85714

21 March, 1966

Mr. Walter M. Hoover
764 Lorain
Grosse Point 30, Michigan

Dear Mr. Hoover:

After looking at your proposed drilling program at the Lee Mine near Darwin, California, we are pleased to submit the following prices:

	(NX)	(BX)
a. Drilling (wireline)		
0 to 500'	8.00 per ft.	7.75 per ft.
500 to 1000'	8.50 " "	8.25 " "

b. Cementing and redrilling cement if required, are to be charged at the rate of #12.50 per hour plus the cost of cement.
c. Drilling mud hauled to jobsite and mixed @2.50 per 50# bag. Other mud additives used will be billed to your company at cost.
d. Reaming if required, will be charged at the rate of $4.00 ft.
e. Casing left in hole due to ground conditions or ordered left in place will be charged at contractor's cost.
f. Water Haul- We will furnish a water truck and haul water for $30.00 per shift plus driver's wages and cost of water if any.
g. Core boxes are to be furnished by your company, however, we will furnish them at $1.00 per box if requested.
h. Mobilization and demobilization -$500.00

Access roads and drill sites are to be prepared by your company in advance.

We intend to put a Joy 22 Truck mounted drill rig. This rig cannot drill angle holes.

Thank you for giving us the opportunity to quote prices on this project.

Very truly yours,

METLER BROS. DRILLING CO.

E. R. Metler

E. R. Metler

ERM/dr

COMPANY	MOBILIZE	OVERBURDEN SETTING UP ETC.	DELAYS	GROUTING & DRILL GROUT	MAT'L	WATER	ROAD WORK	MISC.	TOTAL	PER FOOT
									34,506.75	
LONGYEAR		$6.50	12.25 SETTING UP BTW HOLES 16X12.25X 21 HOLES	13.50 HR. MIN. 100X 8' X 13.50	CORE BOXES 480 X $1.00 = 480	$200 Mo 15¢ MILE 10Mo 2000			695	
PHOENIX BRANCH	695.00	6.50 X 8' X 20			CEMENT 250	2700		4965 $695	1040 4116 10,800 730 4700 100	
	695.00	1,040	4,116	10,800	$730	4,700	100		56687.75	11.41
BOYLES BROS. SALT LAKE	750	SETTING UP 12.50 HR 16HRS X 21		12.50 HR.	480 250	$225 MO. 12¢ MILE			750 708 4200	
				100X8X12.50	CEMENT CORE BXS	10 Mo AV. 1½ TRIPS/DAY 60X12X300 2160		4965 7.50 37,237.50	10000 730 4410 37237.50	
	$750	$4,200		10,000	730	4410	100		57427.50	11.57
HIMES GRAND JUNCTION COLO.	2000			$4.00 FT. 100X8X$4.00	2100 @ 1635 @ 880 @ 350 @	7.50 = 15,750 10.00 = 16,350 12.50 = 11,000 15.00 = 5,250			2000 3200 48350 53550	
	2000			3200		48350				10.79
L.J. PRICE SANDY, UTAH		20' @ 10.50 = 21 X 20 X 10.50 20 - 250' @ 9.50 = 250 - 400 @ 10.00 = $2.00 EXTRA SILICIFIED GROUT CORE BOXES $480 + LOST TIME		21 X 50'	= CEMENT 2000	4410 35,957.50 7,600 4,200 1,600 2,480	100		55947.50	11.27
METLER BROS. TUCSON ARIZ.	500 500		DRILL MUD	$12.50 HR. 100X8X12.50	CEMENT CORE BOXES	$30.00 SHIFT $30 X 250	100	DRILL MUD 4965 7.75 38,478.75	38,478.75 100 7,500 730 10,000 1,000 57,808.75	
	1000			10,000	730	7500	100			11.64
JOHN MADISON PALMDALE						$10.50 PER FT.			52,132.50	$10.50

WAYNE COUNTY ROAD COMMISSIONERS
DETROIT, MICH.

LEE MINE

INYO COUNTY
CALIFORNIA

LOCATED 11 MILES NORTH OF DARWIN.
1 MILE EAST OF SALINE VALLEY ROAD.

HOOVER 1-10-65

HOLES DRILLED	HOLES TO BE DRILLED	DEPTH	REMARKS
1		312'	DRILLED 75° TO CUT FAULT AT 600'-. NOT COMPLETED. SMALL ORE AT 62'
2		181'	CUT 13' GRANODIORITE SILL AT 118'-131'. SMALL ORE ABOVE.
3		224'	" " " " " 44-57'.
11		456'	TRACE MINERALS, Pb, Zn, AG. TO 350'± . HARD SILICIFIED LIME TO 90'±.
	1	100'	EXTEND HOLE 3 IN MINERALIZED AREA BELOW SILL.
	2	100'	TO CUT GRANODIORITE SILL TO DETERMINE ITS ATTITUDE.
	3	170'	" " " " " " " "
	4	175'	" " " " " " " "
	5	220'	TO CUT AREA OF 60° FAULT & QUARTZ LEDGE.
	6	300'	" " " " " " " " "
	7	350'	RECCOMMENDED BY GEOLOGIST McCARTHY. (IN ANOMOLY)
	8	350'	TO CUT AREA AROUND MINERALIZED HOLE 11.
	9	350'	" " " " " " "
	10	300'	" " " " " " "
	11	400'	" " " " " " "
	12	350'	" " " NORTH OF " " "
	13	260'	TO CUT AREA NEAR MINE & No. OF FAULT.
	14	200'	" " " " " " " " "
	15	140'	" " " " " " " " "
	16	100'	" " " " " " " " "
	17	350'	AREA OF EAST ANOMOLY
	18	200'	" " So. EAST "
	19	200'	60°-75° HOLE TO CUT 3' LEDGE AT DEPTH.
	20	150'	TO CUT AREA OF ARAGONITE & $200 FLOAT
	21	200'	AREA OF NORTH ANOMOLY.
		4965'	TOTAL - NEW DRILLING.

COMMENTS:- GROUND, GENERALLY, IS MEDIUM-HARD LIMESTONE. FIRST 100' IN AREA OF HOLE 11 IS VERY HARD, HIGHLY SILICIFIED LIMESTONE. ALL GROUND IS FRACTURED & FREQUENT GROUTING IS NECESSARY. WATER IS AVAILABLE AT DARWIN (20 MILES) OR PANAMINT SPRINGS (21 M.) TRUCK & 600 GAL. TANK TRAILER IS AVAILABLE WITH DRIVER AT $30.00/DAY. ALL HOLES CAN BE REACHED BY TRUCK.

THE EISENHAUER LABORATORIES
316-322 South San Pedro Street
Los Angeles 13, California

ASSAY CERTIFICATE

PHONE MADISON 2-9328

Los Angeles, Calif. Nov. 4/65 19

I hereby Certify that the samples described below, received from

W. M. Hoover assay as follows:

Owner's Mark and Sample	GOLD		SILVER		TOTAL VALUE PER TON	PERCENTAGE OF		
	OZS. PER TON	VALUE PER TON	OZS. PER TON	VALUE PER TON		COPPER	LEAD	ZINC
Hole 3-core at 222'			.64	$ .83	$ .83			
Gouge-35' gold ledge	.10	$ 3.50	.68	$ .88	$ 4.38		.10	.2
35"								
HOLE #3 & "GOLD PROSPECT" 1400' S.E. OF MINE (ON HOOVER-SILVER CLAIM)								

GOLD @ $ 35 PER OZ.
SILVER @ $ 1.29 PER OZ.
LEAD @ ____ c.
COPPER @ ____ c.

CHARGES $ 11.00

E. Eisenhauer
ASSAYER

Established 1916

THE EISENHAUER LABORATORIES
316-322 South San Pedro Street
Los Angeles, California 90013

ASSAY CERTIFICATE

PHONE MADISON 2-9328

Los Angeles, Calif. Sept. 3/65 19

I hereby Certify that the samples described below, received from W. M. Hoover assay as follows:

Owner's Mark and Sample	GOLD		SILVER		TOTAL VALUE PER TON	PERCENTAGE OF		
	OZS. PER TON	VALUE PER TON	OZS. PER TON	VALUE PER TON		COPPER	LEAD	ZINC
340'	----		.14	$ .18	$ .18			
313' to 360' -picked pcs.			.16	$ .20	$ .20			.11
315-344' sludge			.18	$ .23	$ .23			trace

GOLD @$ 35 PER OZ.
SILVER @ $ 1.29 PER OZ.
LEAD @ _____ c.
COPPER @ _____ c.

CHARGES $ 14.00

Paid 6 EP.
9/3/65

Ed Eisenhauer Jr.
ASSAYER

Established 1916

THE EISENHAUER LABORATORIES
316-322 South San Pedro Street
Los Angeles, California 90013

ASSAY CERTIFICATE

PHONE MADISON 2-9328

Los Angeles, Calif. Oct. 29/65 19

I hereby Certify that the samples described below, received from

W. M. Hoover assay as follows:

Owner's Mark and Sample	GOLD		SILVER		TOTAL VALUE PER TON	PERCENTAGE OF		
	OZS. PER TON	VALUE PER TON	OZS. PER TON	VALUE PER TON		COPPER	LEAD	ZINC
#1-core 2-Hole 108	.09	$ 3.15	5.72	$ 7.38	$ 13.83			1.10
#2-sludge #2-hole	.12	$ 4.20	30.46	$ 39.29	$ 73.19			9.90
#3-core 2-Hole 119'	.08	$ 2.80	10.32	$ 13.31	$ 23.91			2.60
#4-Hole 3-185'	.02	$ .70	.20	$ .26	$ .96			

GOLD @ $ ___ PER OZ.
SILVER @ $ ~~1.29~~ 35 PER OZ.
LEAD @ ___ c.
COPPER @ ___ c. Zinc @ 15¢

CHARGES Paid

E. A. Eisenhauer Jr.
ASSAYER

Established 1916

Paul S[illegible] did not sign these assays. Perhaps because he is not licensed. However, he is qualified. He is a graduate of the Mackay School of Mines & has been employed as an assayer. [illegible]

Hole #11

PAUL SKINNER

ASSAYER

LONE PINE, CALIFORNIA — NOVEMBER 15, 1965

I HEREBY CERTIFY THAT THE SAMPLES DESCRIBED BELOW RECEIVED FROM W.M. HOOVER ASSAY AS FOLLOWS:

		AU	AG TRACE	ZN
CORE HOLE	#11- 186'-6"		0.5 OZ	
" "	" 29'-30'		TRACE	
" "	" 79'		0.5 OZ	
" "	" 193' SOFT WHITE		TRACE	
SLUDGE	" 174'-180'		2.0 OZ	
CORE "	" 190' - DARK QUARTZ		1.0 OZ	
" "	" 200' - 7" and LM. PC.		TRACE	
" "	" 230 - 234'		2.5	0.55
" "	" 148'	TRACE		

END

of revised application Mar. 25/86

BUS. DU 2-1903 OR 4

RES. VE 7-8811

WALTER M. HOOVER & ALDEN P. JOHNSON
(A JOINT VENTURE)
764 LORAINE
GROSSE POINTE 30, MICHIGAN

AUG 1962
BUREAU OF MINES
OFFICE OF
MINERALS EXPLORATION
REGION II

August 8, 1962

Mr. Paul V. Fillo, Field Officer
Office of Minerals Exploration Dept. Int.
555 Battery Street
San Francisco, California

Dear Mr. Fillo:

Since your visit to the "Silver Reid" claims, Mr. Davis has suggested several changes in our proposal for an O.M.E. loan. First: that the project be divided into two phases:

#1. To include geophysical survey, shaft repair, 110' drift to run S. 70 degree E. in a straight line, (not as shown on dwg.) Diamond Drilling and Minor Exploration.

#2. Work would consist of drifting 50' on any one body cut by 110' drift and drifting approximately 140' from the shaftto any one cut by Diamond Drill hole #4 and sinking the shaft to proper level, a possible 25'.

The unit cost calculations are put in a more simple form so as to make accounting and payment on a footage basis easier to calculate.

These Phases I and II cost sheets are attached and show a total of $28,572.10. Our loan request, is therefore changed to this amount.

Thanking you for your consideration.

Yours truly,

W. M. HOOVER, MGR.

Enclosures received August 20, 1962, with Mr. Fillo's memorandum 8/16/62

[redacted]

RES. TU 5-8771

WALTER M. HOOVER & ALDEN P. JOHNSON
(A JOINT VENTURE)
764 LORAINE
GROSSE POINTE 30, MICHIGAN

EXPLORATION COSTS

Enlarge inclined shaft from 5' to 7' clear. 2 men 3 days @ 3.00 hr $144.00

Retimber: 5 sets 8"x8"x8'

5x24'x8" x 8/12 = 640 Bd ft. @ $150/1000	96.00
Lagging 4'x3"x20' = 240 Bd. Ft.	36.00
Explosive, caps, etc.	20.00
	$156.00

Timber Shaft 60'

Each 10' of 5' x 8' = 8/12 x 8" x 34' =	182 bd. ft.	
Lagging 3" x 26' x 10' =	780	
Ladders, Sheathing	120	
Manway 6/12 x 4' x 8'	16	
1-10' - Set	1098	
6-10' - Sets	6588 @ $150.00 =	$988.20
Rods 8-3/4" x 11' per set x 6 @ $25.00		150.00
Nails incidentals		50.00
Hauling 4 trips 100 miles @ 10¢		40.00
Hauling Driver 2 days @ $24.00		48.00
Labor 1 Set/day 3 men = 72 x 6		432.00
Truck rental 1/2 mo. 1,808/60 $30.14 ft.		100.00
		1808.20
Bar down and hoist muck(about 10' now in shaft) 3 men 1 day		72.00
Contingencies 10%		180.80
		2061.00

Rail, Air Lines, Water Lines

30# Rail 325'x2x30# ÷ 3 = 6,500# @ $160/ton = $520

Spikes 2 kegs	$60.00
Fish Plates 20 pair	36.00
Cable rollers	60.00
Ties	40.00
	$716.00

Rental 716/60 x 6 mo. = $71.60

BUS. DW 2-1008 OR 4 RGB TB 5-677

WALTER M. HOOVER & ALDEN P. JOHNSON
(A JOINT VENTURE)
764 LORAINE
GROSSE POINTE 30, MICHIGAN

EXPLORATION COSTS
Phase I
GEOPHYSICAL SURVEY

Survey of 9 claims at 100' intervals equals 55 lines x 1500' equals 15.6 miles of line. Using Self-Potential Resistivity Method with 4 electrode pots, 2 men can cover 1 mile per day or 16 days.

32 Man days of labor @ 3.00 hr.	$768.00
Camp expenses $2.00/day/man	64.00
Overhead and Miscellaneous 20% payroll	153.00
Truck rental 200 Mo. 1/2 month	100.00
Mileage 200 mi./week @ 10¢ x 2	40.00
Instrument rental minimum	300.00
Interpretation consultant	200.00
	$1,625.00
Eng.. Supervision 1 visit 2 days + $50.00 expenses	250.00
	$1,875.00

DIAMOND DRILLING

$4000.00 Truck Rental (5%) $200.00 Month
560.00 600 Gal. Tank Trailer 5% 28.00
7500.00 Diamond Drill Rig, Rod, Tools 375.00
$603x44/52 = $1020.00 $603.00 - 44 days=$1,020.00

3 Dia. Bits & 3 Reamers ($225 plus $75)x 3= $900 Salvage 50%	450.00
@ 10'/day-44 days @ $3.00 hr. x8x2 men	2112.00
Supervision & Waterhauler @$3.00 (Hoover)	1056.00
Cement & Sumnite	105.00
Camp Expenses 3 men @ $2/day	264.00
Water hauling 10¢ mile truck 2¢ mile trailer 3 trips/day x 40 miles = 120 x 44 = 5280 x 12	633.00
	$5,640.00

$$\frac{5,640}{438} = \$12.88/\text{foot}$$

These costs are based on 312' of drilling done in 1961 when average was less than 10'/day & costs $19.00 ft.

BUS. DU 2-1903 OR 4

RES. TU 5-8771

WALTER M. HOOVER & ALDEN P. JOHNSON
(A JOINT VENTURE)
704 LORAINE
GROSSE POINTE SO. MICHIGAN

EQUIPMENT TO BE USED

1 New, 3/4 ton, 4 wheel drive, Ford truck with utility body & winch 150'-7/16" cable & "A" frame on front & overhead racks cost	$4,039.78
1 Surplus dual wheel, 600 gallon tank trailer, Wt. 2860# cost	560.00
1 Diamond Drill Rig Longyear hydraulic 24, 600' ax rod 2 core barrells, rotary bits, holding tools, pump, various hand tools, steel frame & wood frame for angle holes, used, overhauled & in good condition, New cost over	7,500.00
2 Cleveland rock drill Jack legs	1,900.00
1 Thor Jack Leg	600.00
1 Cleveland 1" Sinking Hammer	350.00
1 18' House Trailer	400.00
Pumps, generators, blower and various hand tools	2,500.00

DUG. DU 2-1009 OR 4

RES. TU 8-0771

WALTER M. HOOVER & ALDEN P. JOHNSON
(A JOINT VENTURE)
764 LORAINE
GROSSE POINTE 30, MICHIGAN

2 Con't.

Brought Forward			$1875.00
			5640.00
			166.00
			2061.00
2" Air line 300'			
1/2" Water 150'	$150.00		
Valves, fittings red. valve etc.	60.00		
Oiler, etc.	50.00		
Water Pressure tank	20.00		
	30.00		
	$310.00		
310/60 x 6 = Rental		$31.00	
Labor installing rail & pipe 3 men 7 days @ $24.00		$504.00	
Hauling 4 trips pipe & rail, 2 trips cutting & fitting = 600 miles @ 10¢		60.00	
Driver 3 days @ 24.00		72.00	
Truck Rental 1/4 month		50.00	
			788.60

MINOR EXPLORATION

Clean out shaft at Reids diggings	$ 80.00	
Clean out bottom 160' shaft	100.00	
Trench at aragonite showing(Near $200 Float) about 200 cu. ft.	100.00	
Truck rental (use winch & A-Frame for hoist) 200/26 x 8 days	61.50	
		341.50

DRIFT COST

110' of 4' x 6 1/2' drift @ $40.00	4400.00
Engineer Supervision: 1 visit at completion of Phase I or when in Ore. 2 days @ $100. plus $50.00 Expenses.	250.00
Assays 50 @ $7.00	350.00
TOTAL PHASE I	$15,872.10

BUS. DOC. 1903 OR 4

REG. TU 8-0771

WALTER M. HOOVER & ALDEN P. JOHNSON
(A JOINT VENTURE)
764 LORAINE
GROSSE POINTE 30, MICHIGAN

PHASE II

50' of drift on ore in 110' drift. 50' @ $40.00 4'x6½'	2,000
140' drift to possible ore in D.D. Hole #4. 140' @ $40.00	5,600
50' drift on possible ore at D.D. Hole #4. 50x$40.00	2,000
Possible sinking of shaft to 100' level 25'. @ $90.00	2,250
	$ 11,850.00

Consulting Engineer 2 visits 2 days @ $100.00 plus $50.00 expense each visit 500.

50 Assays @ $7.00 350.

TOTAL PHASE II	$12,700.00
PHASE I	15,872.10
TOTAL	$28,572.10

Howard H. Knighten
Core Drill Contractor
615 California Ave.
Boulder City, Nevada
May 2, 1962

Walter M. Hoover
Alden P. Johnson
(A Joint Venture)
364 Loraine
Grosse Pointe 30, Mich.

Dear Mr. Hoover:

In regard to your letter of April 25, 1962, of a core drilling program at the Lee Mine north of Darwin, California, I would like to submit the following bid of $8.35 per foot for the proposed core drilling program of 438 linear feet, with the option of using your Longyear drill No. 24 and drill accessories at the stated rental basis of $200.00 per month or daily rate of $6.75.

Hole No. 1, extending -75° AX hole from 312 ft. to 600 ft.	288
Hole No. 2, -45° AX hole 0 ft. to 150 ft.	150
	438

Contractor to supply drill water, core boxes, labor, cement, gasoline and core bits.

Contractor reserves the right to withdraw bid if Hole No. 1 has been tampered with or foreign material (iron, steel, etc.) dropped in the hole that retards or adds to the cost of cleaning out hole for advancement.

Payment to contractor for footage advancement on a semi-monthly basis.

Yours truly,

Howard H. Knighten

Howard H. Knighten

/nk

Lighting Rod

Bid price per foot	8.35
Superintendent	2.74
Cost per foot	11.09

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

Boyles Bros.
DRILLING COMPANY

CONTRACTORS - ENGINEERS - GEOLOGISTS
General Offices and Plant
1624 Pioneer Road P. O. Box 58 HUnter 7-7595
SALT LAKE CITY 10, UTAH

BRANCH OFFICES
PHOENIX
RENO
SPOKANE
DENVER
SACRAMENTO
ST. LOUIS

May 2, 1962

COPY

Messrs. Walter M. Hoover and Aldon P. Johnson
Joint Venture
764 Lorraine
Grosse Point 30, Michigan

Gentlemen:

Referring to your letter of April 25, 1962, we would like to submit the following prices for your consideration:

1. Mobilization - $500.00.

2. For deepening one AX hole from 312 to 600 feet, we would charge $75.00 per 8-hour shift plus $2.60 per foot drilled. Shift rate would apply to all shifts worked including, but not limited to, setting up, tearing down, moving, drilling, cementing, reaming, lowering or pulling casing.

3. Reaming, if required, would be charged for at shift rate plus $1.10 per foot.

4. Cementing, if required, would be charged for at shift rate plus cost of cement or cement substitutes including drilling mud.

5. Lost casing will be charged for at list price f.o.b. the job.

6. Water would be hauled at a rate of truck rental at $190.00 per month plus 12¢ per mile. In addition, if a truck driver is required his wages and payroll taxes will be to your account.

7. If your equipment is adequate to do the work, we will pay you $200.00 rental per month, as indicated in your letter, to be deducted from invoice.

8. Bit cost in excess of 60¢ per foot would be to your account.

We wish to point out, quite often in re-entering drilled holes that considerable time and money is spent in conditioning the hole for deepening. Thus we believe the shift plus footage is the safest for you with a chance of reducing your cost.

If we can be of further help to you we would be pleased to have you call on us.

Very truly yours,

P. A. Park
Ass't. Manager, Drilling Division

PAP:bg

cc: J. D. Fettorhoff

COPY

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Y

BOYLES BROS. BID

(Assuming 44 days working time)

Mobilization			500.00
44 days at $75.00			3300.00
438' at $2.60			1138.80
Core boxes 44 at $1.25			55.00
Water 80 miles per day at 12¢	9.60		
Wages 4 hrs. at $3	12.00		
Taxes 10%	1.20		
	22.80	x 44 =	1003.20
Truck rental 1 1/2 months at 190			285.00
Cementing can be considered covered by time allotted (10' pr. day)			
Cement & Summits			50.00
		438	6332.00

Bid per foot 14.40

Supervision 8 weeks

$3 hr. x 8 x 5 x 8 9.60
Expenses at $30/wk. 2.40
438 | 12.00 | = per foot. 2.74

Cost per foot $17.14

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May 14, 1962

Walter M. Hoover & Alden P. Johnson
764 Loraine
Grosse Pointe 30, Michigan

Gentlemen:

We submit the following bid on the drilling on the "Lee Mine" in Inyo County California. Its location is 10 miles north of Darwin, California and is shown on U.S.G.S. Topo map of the Darwin Quadrangle.

First Party: Walter M. Hoover and Alden P. Johnson
Second Party: Del Norte Drilling Company

We propose to drill 438' of holes in two locations which include (a) to extend an existing 75° "AX" hole 1 1/8" core from 312' to 600' at $7.85 per foot and (b) to drill a 45° hole 1 1/8" core 150' at $7.85 per foot.

The combined holes will not be less than 438' nor either hole over 600' without the consent of both parties.

Labor, water, bits and core boxes to be supplied by Second Party.

Longear #24 Hydraulic Drill and 620' of AX rod together with all necessary small tools to be leased from the First Party for $200.00 per month.

Performance of Work: Second Party will not give any information regarding records of the results of this drilling to any third party. The Second Party shall keep accurate records of drilling operations and shall furnish the First Party with a daily log, showing the footage drilled, hours worked, nature of rock penetrated, feet of core recovered, feet of casing installed, or pulled, total feet of casing in hole at end of each shift, feet of hole cemented, and pertinent information regarding condition of each hole. All work shall be performed with the understanding that the objective is to secure accurate samples of the formation penetrated and shall be directed to this end.

Lost holes: If a hole is lost for reasons beyond the control of the Second Party and the hole is abandoned by order of the First Party, the Second shall be paid in full for footage drilled in the abandoned hole.

Reaming, Casing and Cementing: The First Party agree to pay for all reaming, casing and cementing at the rate of $8.00 per hour and for all cement, and casing used in the process of reaming and cementing and for all bit cost in reaming casing. Where broken ground is encountered and the circulation is lost, the First Party can request the Second Party to drill with the loss of circulation until solid ground is encountered, however, after twenty feet of drilling, if solid ground has not been reached, the Second Party

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has permission to cement or case the hole.

Payment to Second Party: Payment will be made at the end of each month for footage drilled and all casing, cementing and bit cost for reaming casing.

The Second Party shall prosecute work dilligently and in a workmanlike manner and make every effort to secure the highest core recovery.

Del Norte Drilling Company

By--/s/----------
Robert S. Waddell

Del Norte Drilling Company
201 B International Airport
El Paso, Texas

PRospect 2-2441

DEL NORTE BID

438' at $7.85 =	3438.30
cementing 400' (Av. 10'/day - 40 days)	
$8/hr. x 20 hours	160.00
Cement & Summits	50.00
438'	3648.30
Per foot	$8.33
Supervision	2.74
	$11.07

C
O
P
Y

R. S. MCCLINTOCK DIAMOND DRILL COMPANY

Post Office Box 66
W. 418 2nd Avenue
Spokane 10, Wash.

Globe, Arizona
April 7, 1962

Mr. Walter M. Hoover
Walter M. Hoover & Alden P. Johnson
764 Loraine
Grosse Pointe 30, Michigan

Dear Mr. Hoover:

We wish to quote on diamond drilling the Lee Mine as outlined in your letter of April 25, 1962, utilizing your equipment now in Lone Pine for which we will pay the sume of $200.00 per month rental, as follows:

1. We will expect to receive our Costs with Overhead at the rate of 12 1/2% plus 10% Profit for transporting the rig and equipment from Lone Pine to the drill site and for setting up on and cleaning out the existing 75 degree AX hole to be deepened.

2. Rate per foot:
   All size hole 0' to 600' at $14.00 per foot

3. Furnish a water truck, tank and haul water for the sume of $10.00 per shift plus the cost of the water at the source.

4. We will furnish wooden core boxes for $7.50 each or cardboard boxes for $1.50 each.

5. A charge of $3.00 per foot will be made for reaming casing or drilling cement.

It was my understanding from our phone conversation after receipt of your Invitation to Bid that all drill sites will be reasonable accessible by truck for moving and hauling water and supplies.

Our employees will be covered by Industrial Insurance and the Contract will be covered by Liability Insurance in amount of $100,000/$300,000.00 and Property Damage in amount of $100,000.00

Thanking you for the privilege of quoting, we are

Very truly yours,

R. S. McClintock Diamond Drill Co.

by: /s/
M. B. Weaver

cc: Mr. Philip H. Irwin, Pres.
Spokane, Wash.

C O P Y

C O P Y

R. S. MCCLINTOCK BID

#1 Mobilization, set up. clean out, etc.

3 days, 1 man at $3.00, 1 driller at $4.00 = $7.00 hr.

3 x 8 hr. x $7.00 =	$168.00		
	21.00	(12 1/2 % Cost)	
	189.00		
	19.00	(10% profit)	
	308.00		308.00
Plus truck cost			
$190 month / 25 days x 3 =	23		
	2.36		
	2.88		
	28.18	28.18	28.18
Mileage 3 x 100 x 12 1/2¢ =	37.50		
	4.69	12 1/2%	
	4.22	10 %	
	46.41		46.41
			382.59

#2	438' x 14.00	6132.00
#3	$10 x 44 days	440.00
#4	$150 x 44 boxes	66.00
#5	Drilling cement 400' at $300	1200.00
	438 |	8220.59
	Bid per foot	18.75
	Supervision	2.74
	Cost per foot	$21.49

Table Summary

Bidder	Bid per foot	Supervision	Total cost per foot
McClintock	18.75	2.74	21.49
Bayless Bros.	14.40	2.74	17.14
Del Norte	8.33	2.74	11.07
Knighton	8.35	2.74	11.09

E. E. LEWIS & COMPANY
~~P. O. Box xxx~~
~~BASIN, MONTANA~~
XX MOTEL, Su[illegible], ARIZONA

AUG 1962
BUREAU OF MINES
OFFICE OF
MINERALS EXPLORATION
REGION 11

8/4/62

Mr. Paul Fillo
OME Officer
555 Battery Street
San Francisco, 11, Calif.

Re: OME 6234
Hoover & Johnson.

Dear Mr. Fillo:

I sent a staged exploration program to Hoover some time ago and he should be re-submitting the OME application soon. Briefly, my proposal was as follows:

Phase 1: A Diamond drilling as proposed previously
B. Crosscutting 110 feet S70E from shaft after necessary repair, hoist installation, replace rail, pipe, etc
C. Six 30-foot long holes from this crosscut if ore bed not found where projected.
D. Geophysical surveying of claimed area.

Phase 2: Predicated upon finding ore at depth by drilling of Phase 1.
A_2: Sink shaft to proper depth (±100' deep) to explore ore indicated in drill hole (s).
B_2 Crosscut from lower level to expose ore.
C_2 50 assays at ± $7.00 each for Au Ag Pb Zn — part of this should be in Phase I.

Very best regards,

Dudley E. Davis

Howard H. Knighten
Core Drill Contractor
615 California Ave.
Boulder City, Nevada
May 2, 1962

Walter M. Heever
Alden P. Johnson
(A Joint Venture)
364 Loraine
Grosse Pointe 30, Mich.

Dear Mr. Heover:

In regard to your letter of April 25, 1962, of a core drilling program at the Lee Mine north of Darwin, California, I would like to submit the following bid of $8.35 per foot for the proposed core drilling program of 438 linear feet, with the option of using your Longyear drill No. 24 and drill accessories at the stated rental basis of $200.00 per month or daily rate of $6.75.

Hole No. 1, extending -75° AX hole from 312 ft. to 600 ft.	288
Hole No. 2, -45° AX hole 0 ft. to 150 ft.	150
	438

Contractor to supply drill water, core boxes, labor, cement, gasoline and core bits.

Contractor reserves the right to withdraw bid if Hole No. 1 has been tampered with or foreign material (iron, steel, etc.) dropped in the hole that retards or adds to the cost of cleaning out hole for advancement.

Payment to contractor for footage advancement on a semi-monthly basis.

Yours truly,

Howard H. Knighten

Howard H. Knighten

/nk

[illegible]

[illegible]

[illegible]

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

Boyles Bros.
DRILLING COMPANY

CONTRACTORS - ENGINEERS - GEOLOGISTS
General Offices and Plant
1624 Pioneer Road P. O. Box 58 HUnter 7-7595
SALT LAKE CITY 10, UTAH

BRANCH OFFICES
PHOENIX
RENO
SPOKANE
DENVER
SACRAMENTO
ST. LOUIS

May 2, 1962

COPY

Messrs. Walter M. Hoover and Alden P. Johnson
Joint Venture
764 Loraine
Grosse Point 30, Michigan

Gentlemen:

Referring to your letter of April 25, 1962, we would like to submit the following prices for your consideration:

1. Mobilization - $500.00.

2. For deepening one AX hole from 312 to 600 feet, we would charge $75.00 per 8-hour shift plus $2.60 per foot drilled. Shift rate would apply to all shifts worked including, but not limited to, setting up, tearing down, moving, drilling, cementing, reaming, lowering or pulling casing.

3. Reaming, if required, would be charged for at shift rate plus $1.10 per foot.

4. Cementing, if required, would be charged for at shift rate plus cost of cement or cement substitutes including drilling mud.

5. Lost casing will be charged for at list price f.o.b. the job.

6. Water would be hauled at a rate of truck rental at $190.00 per month plus 12¢ per mile. In addition, if a truck driver is required his wages and payroll taxes will be to your account.

7. If your equipment is adequate to do the work, we will pay you $200.00 rental per month, as indicated in your letter, to be deducted from invoice.

8. Bit cost in excess of 60¢ per foot would be to your account.

We wish to point out, quite often in re-entering drilled holes that considerable time and money is spent in conditioning the hole for deepening. Thus we believe the shift plus footage is the fairest for you with a chance of reducing your cost.

If we can be of further help to you we would be pleased to have you call on us.

Very truly yours,

P. A. Park
Ass't. Manager, Drilling Division

PAPibg

cc: J. D. Fetterhoff

COPY

500.00

3300.00

138.80

55.00

1.20

1,003.20

236.20

14.40

2.74

17.14

has permission to cement or case the hole.

Payment to Second Party: Payment will be made at the end of each month for footage drilled and all casing, cementing and bit cost for reaming casing.

The Second Party shall prosecute work diligently and in a workmanlike manner and make every effort to secure the highest core recovery.

Del Norte Drilling Company

By----------
Robert S. Waddell

Del Norte Drilling Company
201 B International Airport
El Paso, Texas

PRospect 2-2441

438' @ $7.85 = 3438.30

Cementing 400' (AV. 10'/day - 40 days)

$4/hr. x 20 hours 160.00

Cement & Supplies [illegible]

438' [illegible].30

[illegible].33

[illegible].74

[illegible].07

R. S. McClintock DIAMOND DRILL COMPANY

CONTRACTING • DIAMOND DRILLS AND SUPPLIES • DIAMOND BITS

PHONE TE 8-3588

POST OFFICE BOX 66
W. 418 2ND AVENUE
SPOKANE 10, WASH.

Globe, Arizona
April [illegible] 1962

Mr. Walter W. Hoover
Walter W. Hoover & Associates, Inc.
[illegible]
Grosse Pointe 30, Michigan

Dear Mr. Hoover:

[illegible] quote [illegible] drilling the Lone Pine as outlined in your letter of April [illegible] 1962 [illegible] we will pay the sum of $[illegible] per [illegible]

1. We will [illegible] to receive on Globe [illegible] at the rate of [illegible] plus 10% [illegible] for transporting the rig and equipment from Lone Pine to the drill site and for setting up [illegible] existing 45 Degree [illegible]
2. Rate per [illegible]
   All core holes [illegible] 2" [illegible] per foot.
3. Furnish a water truck and haul water for the rate of $ 10.00 per [illegible] plus [illegible] of the water [illegible]
4. We will [illegible] core boxes [illegible] cardboard boxes for $ 1.50 each.
5. A charge [illegible] per foot will be made for [illegible] drilling [illegible]

[illegible] our understanding from our phone conversation after receipt of your Invitation to Bid that all drill [illegible] will be road [illegible] available by truck for moving and hauling water and supplies.

Our employees will be covered by Industrial Insurance and the Contract will be covered by Liability Insurance in amount of $ 10[illegible],000/$ [illegible],000.00 and Property Damage in amount of $ [illegible]

Thanking you for the privilege of quoting, we are

Very truly yours,

R. S. McClintock Diamond Drill Company

[illegible]

[illegible] Mr. Philip H. Irwin, Pres.
[illegible]

R. S. McClintock Bid

#1. Mobilization, setup, clean out etc.
3 days. 1 man @ $3.00, 1 driller @ $4.00 = $7.00/hr
3 × 8 hr. × $7.00 = $168.00
21.00 (12½% Cost)
189.00
19.00 (10% profit)
208.00 208.00

Plus truck cost
$1.90 / 25 mi × 3 = 23
28.18 28.18

Mileage & wear, rate = 37.50 12½%
4.69
4.22 10%
46.41 46.41

382.59

#2 438' × 14.00 6132.00
#3 #10 × 44 drip 440.00
#4 #1.50 × 44 boxes 66.00
#5 Mailing cement 400' @ $3.00 1200.00

438 $8220.59
Bid per foot $18.76
Supervision 2.74
Cost per foot $21.49

Mills	Bid per foot	Irrigation	Total cost per foot
McIntosh	18.15	2.74	20.89
Douglas Bros.	14.40	2.74	17.14
Del Norte	8.33	2.74	11.07
Knighton	8.35	2.74	11.09

BUS. DU 2-1903 OR 4 RES. TU 5-8771

WALTER M. HOOVER & ALDEN P. JOHNSON
(A JOINT VENTURE)
764 LORAINE
GROSSE POINTE 30, MICHIGAN

OFFICIAL FILE COPY
O. M. E
RECEIVED APR 16 1962
DATE

April 14, 1962

4/17 500

U. S. Dept. of the Interior
Office of Minerals Exploration
Washington 25, D. C.

Re: OME-6234

Dear Sir:

Attn: W. R. Griswold, Chief,
Division of Minerals

Enclosed is a map showing the names of the Silver Reid Claims, as you request. If more copies are needed please advise. This is the only one available today, Saturday.

Regarding the geophysical exploration of presently unlocated ground, a stipulation could be made that no area not controlled by the Joint Venture could be explored under the O.M.E. contract and further that all ground located by the Joint Venture be subject to the contract. I do feel, however, that the certain areas indicated, at least, should be surveyed for anomalies.

Regarding the two holes proposal in the application, we feel that there is ample reason for their being drilled. In the area, and particularly in Darwin, the bedded deposits are controlled by certain faults and drilling holes more or less parallel with the fault concerned and through the bedding planes are the most likely to encounter other ore deposits.

We will get outside bids for the drilling of the holes as you require. Our previous experience along this line is that very few contractors want to bid, due to the broken nature of the ground. We did get a bid from Geo. J. Lewis of Darwin, who has drilled thousands of feet ~~from~~ FOR Anaconda, under contract. He tells me he has charged as high as $35 a foot where the ground was bad - at the Darwin Lead Mine.

Mr. Lewis' bid on diamond drilling the Lee in 1957 was as follows: AX holes at $6.75 to $7.15/ft. with air furnished by the owner. An extra charge of $3.00/ft. was to be made for drilling grout. For less than 500' of drilling there was to be a "mobilizing" and "demobilizing" charge of $80.00, a total of $160. Assuming no casing would be required, the cost for drilling, say, 438' would be:

150' @ $6.75	$ 1012.50
288' @ $7.15	2059.20
Say 219' grout @ $3.00	657.00
Mobilizing	80.00
Demobilizing	80.00
Overhead, Air $10, 1 man $30, @ 20'/day -- 21 days @ $40	840.00
	$ 4728.70 or $10.79/ft.

Costs today would probably be higher.

In regard to your last paragraph, I agree that the program proposed is a small one, and to prove a large mine, much more work would be required. However, the O.M.E. questionnaire, rightfully, requires specific answers and I asked for assistance only for what I could see at this stage.

I believe this to be a minimum program. If no promising anomalies are plotted, the other work planned should be completed; first to probe below previously mined areas, and secondly to drift to the area where ore has been indicated by hole #3.

If, promising anomalies are shown, the program should be extended to completely investigate their significance.

Thanking you for your consideration, I am,

Yours sincerely,

Walter M. Hoover, Manager

WMH/ab

GEORGE J. LEWIS
DIAMOND DRILL CONTRACTING
P. O. BOX 65
DARWIN, CALIFORNIA

W. M. HOOVER
764 Loraine
Grosse Pointe 30, Mich.

August 23, 1957

Price for Diamond drilling at Lee Flat providing air is furnished by W. M. Hoover.

Water, Drills, drill equipment and supplies are furnished by Lewis the Contractor.

Rates for either surface or underground drilling:

	EX	AX	BX
0 - 250 feet	$6.25	$6.75	$7.25
250 - 500 feet	6.[illegible]	7.15	7.[illegible]
500 - 750 feet	7.25	7.75	8.75

Rates for drilling cement includes buying cement, waiting for same to get firm enough to drill and drilling - $3.00 per foot

Rates for reaming

EX to AX	AX to BX
$4.00 per foot	$4.50 per foot

Rates for setting casing

EX	AX
$.50 per foot	$.75 per foot

Any casing lost in holes or any casing left in holes for future use will be charged for at list price.

Price for drilling one 200 foot hole only if air is furnished by W. M. Hoover - $1,400.00

Drilling time will be charged at the rate of $4.50 per hour for any and all time lost during an 8 hour shift due to waiting for air.

If there should be less than 500' of drilling, there will be a [illegible] and demobilizing charge of $[illegible].00.
If there is over 500' of drilling there will be no charge for mobilizing and demobilizing.

Core boxes will be furnished by Lewis the Contractor at $5.00 per box.

Maximum core recovery consistent with the ground conditions penetrated is guaranteed.

In soft caving ground, sludge samples will be taken as requested by W. M. Hoover providing we are getting water back.

BUS. DU 2-1903 OR 4

RES. TU 5-8771

WALTER M. HOOVER & ALDEN P. JOHNSON
(A JOINT VENTURE)
764 LORAINE
GROSSE POINTE 30, MICHIGAN

April 10, 1962

OFFICIAL FILE COPY
O. M. E
RECEIVED APR 11 1962

DATE	INITIALS	CODE
4/11	Gruewel	500

Office of Minerals Exploration
Department of the Interior,
Washington 25, D. C.

Gentlemen:—

Would you please file the enclosed quit claim deed copies with the O.M.E. soon application mailed by us April 5th?

Yours truly,
WMHoover

P.S. Original is being sent to County Recorder, Inyo Co. Calif. for recording.
WMH

W. M. HOOVER
764 Loraine
Grosse Pointe 30, Mich.

Recorded _____
at _____ o'clock _____
Liber _____ of Deeds, Page _____

_____
Register of Deeds.

QUIT-CLAIM DEED.
(PHOTO-STAT)—SHORT FORM—(No. 893)
(SAME FORM AS No. 3 AND No. 1003)

456

THE "GOOD" LINE OF LEGAL BLANKS
THE RIEGLE PRESS, FLINT, MICHIGAN

This Indenture, made the 10th day of January in the year of our Lord one thousand nine hundred and 62

BETWEEN Walter M. Hoover, Sr., Joanne M. Chamberlin, Walter M. Hoover Jr. of the first part,

and Agnes Reid of the second part,

WITNESSETH, That the said parties of the first part, for and in consideration of the sum of Ten ($10.00) Dollars, to them in hand paid by the said party of the second part, the receipt whereof is hereby confessed and acknowledged, do — by these presents grant, bargain, sell, remise, release and forever QUIT-CLAIM unto the said party of the second part, and to her heirs and assigns, FOREVER, all that certain piece ~~or parcel~~ of land, situated in the "Lee" Mining District in Inyo County, and State of ~~Michigan~~ California, known and described as follows:

A certain unpatented mining claim known as the "Silver Reid" #6, which is a part of the 9 "Silver Reid" claims constituting the property known as the "Lee" mining.

Together with all and singular the hereditaments and appurtenances thereunto belonging or in anywise appertaining; **To Have and to Hold** the said mining claim to the said party of the second part, and to her heirs and assigns, to the sole and only proper use, benefit and behoof of the said party of the second part, her heirs and assigns, FOREVER.

In Witness Whereof, the said parties of the first part have hereunto set their hands and seals the day and year first above written.

Signed, Sealed and Delivered in Presence of

* _____

* _____

_____

Walter M. Hoover, Sr. [L. S.]
* WALTER M. HOOVER, SR.

Joanne M. Chamberlin [L. S.]
* JOANNE M. CHAMBERLIN

Walter M. Hoover Jr. [L. S.]
* WALTER M. HOOVER, JR.

W [L. S.]
*

STATE OF MICHIGAN, } ss.
COUNTY OF Wayne,

On this 6th day of April in the year one thousand nine hundred and 62 (sixty-two) before me, the subscriber, a Notary Public in and for said County, personally appeared Walter M. Hoover, Sr., Joanne M. Chamberlin, and Walter M. Hoover, Jr. to me known to be the same persons described in and who executed the within instrument, and who acknowledged the same to be their free act and deed.

* Marlene Albrecht
Notary Public,
Wayne County, Michigan.

My commission expires
My Commission Expires December 22, 1963

NOTE 1. WHEN CONVEYANCE IS MADE TO CORPORATION OR PARTNERSHIP, THE FOLLOWING MAY BE INSERTED, "ITS SUCCESSORS" AND DRAW A LINE THROUGH THE WORD "HEIRS."

* PRINT, TYPEWRITE OR STAMP NAMES OF PERSONS EXECUTING THIS INSTRUMENT, ALSO NAMES OF THE WITNESSES AND NOTARY PUBLIC IMMEDIATELY UNDERNEATH SUCH SIGNATURES.

(APPROXIMATE WORD AND CHARACTER COUNT 287)

BUS. DU 2-1903 OR 4 RES. TU 5-8771

WALTER M. HOOVER & ALDEN P. JOHNSON
(A JOINT VENTURE)
764 LORAINE
GROSSE POINTE 30, MICHIGAN

OFFICIAL FILE COPY
O. M. E
RECEIVED APR 9 1962

DATE	INITIALS	CODE

April 5, 1962

Office of Minerals Exploration
Department of the Interior
Washington 25, D.C.

Dear Sirs:

Alden P. Johnson and myself as individuals in a joint venture, wish to apply for an O.M.E. loan for the exploration of the "Lee" Mine for additional deposits of Silver, Lead and Zinc. As noted in the accompanying papers, the proposed work will cost an estimated $21,580 half of which $10,790, we wish to obtain as an O.M.E. loan. The other half will be furnished by Alden P. Johnson, $7,500 and W. M. Hoover, up to $2,000 when required, plus the use of equipment owned by the applicants.

The joint venture agreement is enclosed. Also enclosed are the lease agreement with the owner, Mrs. Reid, and her subordination agreement. A sketch has been prepared showing the location of the proposed work. Also copies of U.S.G.S. topographical survey maps with the location of the claims shown in pencil, and the area to be covered with the proposed geophysical survey.

250' of cores from last year's drilling are available in Michigan. If the O.M.E. engineer wishes to examine them, please notify me and they will be forwarded to Mr. Dudley Davis to be taken to Lone Pine, Calif., for inspection.

The "Lee" mine is located on the same batholith as the Darwin Lead mine and the Cerro Gordo, both of which were large producers. It is also 6 miles East of the Santa Rosa Lead Mine which has produced several million dollars in ore. Surface showing at the Cerro Gordo and the Darwin mines, when discovered were no larger than those at the "Lee" Mine.

The history of the Darwin Lead mine shows that the main ore bodies were first indicated by geophysical survey shortly after the induction method was introduced in 1928. Not until the "Radiore" tunnel was extended in 1943 were these findings fully proved. Later, work by the Anaconda Copper Co. under the geological direction of Dudley Davis, showed several large ore bodies, two of which did not reach the surface. One of the large ore bodies, the Essex, showed only a small vein at ground level.

W. M. HOOVER
764 Lorain
Grosse Pointe 30, Mich.

The Cerro Gordo vein when first discovered, was only $3\frac{1}{2}$' wide. At 200' the ore was 20' of high grade Silver-Lead ore with about 3' of Zinc on one wall. The "Lee" is in the same ore horizon, the Lost Burro formation.

There is an excellent chance that additional ore bodies may be disclosed laterally as well as with depth.

The Eastern Part of the claims is covered with olivine basalt. This area should be investigated with an electro-magnetic induction type instrument survey or other geophysical method. The lowest digging on replacement ore at the "Lee" is about 40' below the surface. Penetration beneath such previously mined areas seems to be called for to locate other possible permeable beddings. ?

We believe that there is also a likely chance that the Easterly dipping bedding plane from which replacement ore was taken, may continue. Our diamond drill hole #3 may have cut this extension at 62' or the N.E.-S.W. fault may have dropped the easterly extension of the ore 240' or more. Only further exploration will disclose its location. We wish to extend this hole to 600': At about 420' it will cut N.W.-S.E. fault Y-Y and give us 180' of core below a previously mined area. Hole #4 will cut this general area at a higher level.

Regarding the geophysical survey, there are two areas, outside the claims, that should be covered as well as the claims themselves. North of the property on a ridge, an outpouring of basalt from a north-south fissure, pushed high grade silver ore down the hill in front of its flow. Most of the ore was shipped but some lower grade pieces may still be found, some $1\frac{1}{2}$' to 2' thick.

On the East Flank of the hill we have found silver float that assayed $187 to $199.73. We could find nothing in place. Both of these areas should be covered by the survey.

Some geophysical work should be done on the Easterly part of the claims and beyond, to see if there are any significant anomolies under the basalt cover.

To the East of the silver float area at the foot of the hill, and in the wash, is a showing of about $1\frac{1}{2}$' of aragonite in place. The pit there should be enlarged to see if there are silver minerals in the ledge. Aragonite and calcite crystals are found in the main workings of the "Lee Mine".

meaning?

We expect to leave the underground work to the last, pending developments in the diamond drilling and geophysical surveying.

If and when your engineer is ready to make his examination, please notify:

Dudley L. Davis,
1528 Michigan Ave.
Salt Lake City 5, Utah

He will take your engineer to the property.

If any other information will help, please advise.

Yours Truly,

W.M. Hoover, MGR.

MME Form 40
Dec. 1958

APR 9 1962
O.M.E.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Budget Bureau No. 42–R1368
Approval expires Dec. 31, 1963

W. M. HOOVER
764 Loraine
Grosse Pointe 30, Mich.

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

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

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

WALTER M. HOOVER, MGR.
764 LORAINE
GROSSE POINTE 30, MICH

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER 6234

DATE RECEIVED 4/9/62

REGION II

DIVISION CODE

BUSINESS ORGANIZATION *(Check one)*

INDIVIDUAL ☐
CORPORATION ☐
PARTNERSHIP ☐
OTHER *(Specify)* ☒
JOINT VENTURE

STATE IN WHICH FIRM IS ORGANIZED CALIF

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
WALTER M. HOOVER	764 LORAINE GROSSE POINTE 30, MICH	MANAGER
ALDEN P. JOHNSON	#4 PAUL REVERE ROAD WORCESTER, MASS	TREASURER

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE
SILVER, ZINC, LEAD

ESTIMATED COST OF PROJECT
$ 21,580.

PROPERTY NAME	LOCATION COUNTY	STATE
"LEE MINE" SILVER REID CLAIMS	INYO	CALIF

GENERAL INSTRUCTIONS

Before filling out this application, please read the *OME Regulations for Obtaining Federal Assistance in Financing Explorations for Mineral Reserves* (30 CFR Chap. III). To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit four copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 2, existing mine workings and geology in item 3, and the proposed exploration work in item 5. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 3(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals*, of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Office of Minerals Exploration, Department of the Interior, Washington 25, D. C., or with the nearest OME Field Office.*

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief, and that he would not ordinarily undertake the proposed exploration under current conditions and circumstances at his sole expense.

4/5/62
DATED

W M Hoover
BY *(Signature)*

Manager
TITLE

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

INFORMATION REQUIRED WITH THIS APPLICATION

1. Financial Eligibility:

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

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

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

2. Applicant's Rights in Land:

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

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

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

3. Physical Description:

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

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

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

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

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

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

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

4. Accessibility of Property:

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

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

5. Exploration Work:

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

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

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

6. Experience:

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

7. Estimate of Costs:

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

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

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

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

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

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

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

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

INT.-DUP. SEC., WASH., D.C. 50399

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

WALTER M. HOOVER
764 Loraine
Grosse Pointe 30, Mich.

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. .....
Metal or Mineral .....
Date Received .....
Estimated Cost .....
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: Walter M. Hoover, Manager, 764 Loraine, Grosse Pointe 30, Mich for JOINT VENTURE with Alden P. Johnson, #4 Paul Revere Road, Worcester, Mass. Agreement Enclosed.

(*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.

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

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.

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 9 unpatented claims known as "Lee Mines" consisting of 9 "Silver Reid" claims recorded in County records, Independence, Inyo County, Calif. Vol. 24-30, pages 310,311,312 & Vol. 33-40. page 180.

(*b*) State any mine name by which the property is known. "Lee Mine"

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

(*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. Enclosed

(*e*) If you own the land, describe any liens or encumbrances on it N/A

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice. See 3(a) above

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. Appended

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades.

(*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 Geologists Report

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

(*e*) State the availability of manpower, materials, supplies, equipment, water, and power.

5. *The exploration project.*—(*a*) State the mineral or minerals for which you wish to explore Silver, Zinc, Pb.

(*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.

(*c*) The work will start within 30 days and be completed within 6 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.

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.).

(*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.

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

(*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.

(*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.

(*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.

(*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.

(*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)?

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

☑ Money ☑ Use of equipment owned by you ☐ Other

Explain in detail on acompanying paper.

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 April 5, 1962, ~~195~~

Walter M. Hoover & Alden P. Sullivan
(Applicant)

By Walter M. Hoover, Agent

W. M. HOOVER
Grosse Pointe 30, Mich.

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

ANSWERS TO QUESTIONS
ON FORM M F - 103

1.
   a answered
   b "
   c not applicable
   d answered

2. 4 copies

3. a,b,c,d,e,f answered

4. (a) Most of the work on the "Lee" mine was done in the 1870's and 1880's when the outcropping of bedded ore was mined. Some mining was done on fracture fillings in ten or more places.

Much of the ore was shipped but some was hauled by wagon to the "Lee" Mill in Mill Canyon about seven miles N. Easterly. Later a ten mile 2" pipe line from Jackass Spring to the mine was put in. Most of the pipe line has been removed. Judging from the tailing piles only 100 tons or so was milled here. The tailings at Mill Canyon have been washed away by cloudbursts except for approximately five tons, so no estimate of the amount of ore milled there could be made. However, the old wagon road shows signs of considerable wear, though more than sixty years have passed since it was used. The writers guess estimate of the production would be between $200,000 and $500,000 from an estimated 2000 tons of ore though stories of very high grade ore in the early production persist and the owner, Mrs. Reid, speaks of the wife of one of the original owners, claiming early production exceeded $3,000,000. The 246 tons of ore mined since 1954 average $125 a ton assay value.

Property is not now being worked. All drifts and stopes are accessable for examination except shafts S A & S B shown on "Lee" map in the Darwin Quadrangle Report and two other shafts 1/2 mile & 3/4 mile north of main diggings.

ANSWERS TO QUESTIONS
ON FORM M F - 103
(cont'd)

4. (b) PRODUCTION

Main production between 1872 and 1888 not known.

Calif. Div. Mine Report	1937	250 T	@ $ 49.00	12,250.00
	1938 Tailings	226 T		800.00
	1951-1954	246 T	@ $125.00	30,750.00

Summary of Smelter returns enclosed:-

	Tons		Smelter Payment/Ton	Approx Returns
1954 Olson	48	@	$53	
1956 Morris & Braden	43	@	38	1,635
1955 Glenn	55	@	128.43	7,040
1953 Glenn & Aguereberry	42	@	57+	2,395
1953 " "	35	@	98	3,430
1952 " & Soderlund	44	@	78	3,430
1951 Lincott	35	@	41	1,435
1951 "	41	@	55	2,250
	343		63.02 average	21,615

There are no ore reserves, though there are several small showings of commercial ore.

4. (c) See Geologist Report.

4. (d) Property is reached by paved highway #190 from Lone Pine, California 36 miles; 6 miles of oiled County Hwy. (Saline Valley Road) and one mile of dirt road, a total of 43 miles. There is a loading ramp on the Southern Pacific R.R. 4 miles SE of Lone Pine. This is 39 miles from the mine. Supplies, food and lodging are available in Lone Pine.

4. (e) Mine labor is available in Lone Pine as well as timber, hardware, explosives etc.

Mine equipment can be rented from Bishop, Calif., about 100 miles from the mine.

Water must be hauled from the Anaconda Co. in Darwin, 19 miles, or from Panamint Springs, 22 miles. A 2" pipe line from Jackass Spring to Lee Flat is being installed by U.S. Dept., of the Interior. This will probably be finished in 1962 and water will be available about 4½ miles north of the mine.

Nearest power line is on Darwin road, a distance of about ten miles.

ANSWERS TO QUESTIONS
ON FORM M F - 103
(cont'd)

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5. (a) Exploration is for further deposits of ore such as previously shipped from the "Lee" mine. Approximate average of values is 5% Pb, 20% Zn, 1/10oz Au, & 70oz Ag.

5. (b) Appended.

5. (c) Answered.

5. (d) The writer who will manage and direct this operation is a qualified engineer, a member of the AIME and has worked as a miner, in gold, talc, lead, silver and tungsten mines in Inyo County. Also experienced in mill design and construction and Diamond Drilling.

Formerly Chief Engineer of the Basic Magnesium Project a $150,000,000 plant at Henderson, Nevada. Also formerly employed by Am.Potash & Chemical Co. at Trona, Calif., and by U.S. Vanadium Co's tungsten mine at Pine Creek near Bishop, Calif. Presently Resident Engineer on a rock tunnel under the Detroit River 5400' long finished Dia. 12', 178' shaft 14' Dia.

6. Costs appended
(a) None

6. (b) For exploration, diamond drilling, track laying, timbering and mining, the work will be done by myself and my son who is also an engineer and miner and diamond drill operator. When a hoist man is needed another miner will be hired. $3.00 per hour will be charged for each of the above.

Mr. Dudley Davis is to be retained as geologist and consultant, formerly Chief Geologist, Anaconda's Darwin Lead Mine. Mr. Davis co-authored a section on the Darwin Silver-Lead district in the enclosed Economic Geology of the Darwin Quadrangle and is obviously very familiar with the geology and ore depositions of this area. His rate is $100 per day plus $50 trip expense, or about $350 for each inspection. His services will be used as needed probably two or three inspections.

6. (c) Attached

ANSWERS TO QUESTIONS
ON FORM M F - 103
(cont'd)

---

5. (a) Exploration is for further deposits of ore such as previously shipped from the "Lee" mine. Approximate average of values is 5% Pb, 20% Zn, 1/10oz Au, & 70oz Ag.

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6. (c) Attached

ANSWERS TO QUESTIONS
ON FORM M F - 103
(cont'd)

6. (d)

Equipment	Use Allowance	Pur.Price	Total Rental or *use allowance
Diamond Drill(owned) & pump) Longyear hydr. new abt $5000) 600' AX Rod) Misc. Tools, tanks, etc.)	100 per Mo. 2 mo. $200	about $7000 new	*$200.00
Cleveland Rock Drill Jackleg incl. hammer 2 other jack hammers 10 Carbide drill steel Misc. hose, oilers, etc.	$100 per Mo or $50 per Mo. plus repairs (3 mo)	2000 new	* 150.00
House trailer	$50 per mo. (4 mo)		* 200.00
Generator 3 KW Msc. lights, wiring Firing switches, coils, etc	$10 x 4 mo	$400	* 40.00
210 Compressor	3 mo @	300	900.00
Hoist	3 mo @	100	300.00
Rental purchase of tank truck (650 gal)	$200 per mo	$1,440	
Tank (500 gal)			400.00
Rental or purchase house trailer shell		$250 (4 mo)	100.00
Muck car rental purch.			30.00
			$2,320.00

6. (e) See sheet #3 - #4.

6. (f) See sheet 5 (d)

ANSWERS TO QUESTIONS
ON FORM M F - 103
(cont'd)

6. (g)

Miscellaneous repairs:	
Overhaul Diamond Drill Pump (now at Miller Chevrolet, Lone Pine)	
New liner, cups & time motor	$ 50.00
Check jack leg and jack hammers	50.00
Contingencies	100.00
Analytical work geological and interpretation geological survey	300.00
Accounting	100.00
Workmans Comp & Ins. Dia. Dr. " " " Mining	332.00
Payroll taxes 6% of $10,000	600.00
	$1,532.00

6. (h) Contingencies:- included in estimates.

7. (a) Yes.

7. (b) Mostly cash, $7,500 by Alden P. Johnson and $2,000 by W. M. Hoover, plus use of equipment owned by Hoover and/or Johnson.

SUMMARY

1.	Geophysical Survey	$1,888
2.	Diamond Drilling	8,760
3.	Preparation for examination	580
4.	Underground recondition shaft and dumping facilities	2,842
5.	Underground Drift to mineralized area	3,658
6.	Equipment rental see 6(d)	2,320
7.	Items under 6(g)	1,532
		$21,580

1. PROPOSED GEOPHYSICAL SURVEY

To cover area of claims plus small area to the north and some ground east of claims now open for location. Area 7,500' x 3,000'=75 lines (@100') intervals x 3,00=225,000 or $\frac{225,000}{5280}$ 42 miles of line, 2 men can cover 2 miles of line per day = total of 21x2=42 man days.

42 man days labor @ $3.00/hrx8=42x$24=	$1,008
Camp expenses $15 per wk 4 1/3 65x2	130
Over-head & insurance,	
Truck & transportation 10¢ mile @ 500/wk	200
(for supplies & water hauling ~~1,250 G.P.D.~~)	
Batteries, Stakes etc., & contingencies	50
during Dia. Dr. only	1,388
Minimum instrument rental Geophysical Instrument & Supply Co., Denver 2, Colo. 1 month	500
	$1,888

2. DIAMOND DRILLING

Hole #3	288' @ $20 (AX size)	$5,760
Hole #4	150' @ $20 " "	3,000
		$8,760

These costs are based on our operations last year. Most of the drilling was done losing water, although hole was grouted, checked, and regrouted when needed every night. A competent man, Howard Knighton, of Boulder City, Nevada, who has had 30 years diamond drilling experience was the operator.

3. PREPARATION FOR EXAMINATION

Place ladders in 100' hole with timbers as needed	$ 250
Clean out shaft at Reids diggings	80
Hoist rental for above one week	50
Trench at Aragonite showing 240 cu ft.	200
	$ 580

4. UNDERGROUND WORK

Recondition shaft and dumping facilities:-

Replace stolen rail, 30# available @ $80 a ton $\frac{330' x 2 x 30\#}{3'}$=6,600# @ $80 T =	$ 264
(reclaimed narrow gage R.R. at Lone Pine)	
Spikes ½"x4" 400# (2 kegs) @ 15¢ =	60
Fish plates @ 9# pair (bolts incl)	
20 pair = 180# @ 20¢	36
2 Cable rollers, for skip	60
22 Ties 6"x6"x4' 6"x $\frac{66}{12}$ x 88'=264 Bd Ft @1½¢	40
Hauling 2 trips, cutting & fitting 2 trips 4x50x2=400 miles @ 10@ = $40 + 3 days pay $72 =	112
Labor 2 men 5 days @ $3 per Hr.	240
Enlarge inclined shaft from 5' clear to 7' 2 men @ $24 3 days	144
Retimber 5 sets 8x8x8' - 5x24x8x8/12 = 640 Bd Ft = $96	100
Lagging 4'x3"x20' 240'	36
Explosives, caps, etc.	20

Timber shaft 60' - each 10' of

5'x8'=8/12x8"x34 =	182
Lagging 3"x26'x10' =	780
Ladders, sheathing manway	120
Skip 1 - 6/12x8'x4'	16
	1098

1 set (10' only) x 6 sets (60') = 6588 Bd Ft @ $125	824
Rods 8-3/4"x11' per set x6 @ $25	150
Nails, incidentals	50
Hauling 4 @ 20	80
Labor 1 set/day 2 men = $48x6	288
Bar down & hoist (abt 10' Muck now in shaft)	80
Contingencies	258
	$2,842

5. DRIFT COST

Excavation 5'x7' 110' @ $25 =	$2,750
56 Ties $\frac{56 \times 6 \times 6}{3}$' = 672 Bd.Ft. @ $1\frac{1}{2}$¢	101
Rail 220' x $\frac{30\#}{3}$ = 2,000# @ $80	88
7 sets Fish Plates @ 9#=63# @ 20¢	13
Abt $\frac{1}{2}$ keg would do + 300# = (2 kegs for job)	
Labor, rail & ties 2 men 2 days @ $3.00 per hour	96
	3,048
20% contingencies (possible timber or rock bolts	610
	$3,658

March 19, 1962

Bank of America,
Lone Pine, California

Att: Mr. Kunkle

COPY

Gentlemen:

Enclosed is an application for a loan to be used for the exploration of the "Lee Mine" for additional deposits of Silver, Lead and Zinc. This property has produced about $250,000 in high grade silver ore. It is situated near three large producers, Anaconda's Darwin Lead, the Santa Rosa Lead Mine and the Cerro Gordo Silver Mine. We believe the prospects are excellent.

If your bank will consider such a loan, geological and other detailed reports and maps, as well as financial statements will be submitted for your consideration.

Thanking you for past services and courtesies, I am,

Sincerely,

W. M. Hoover, Mgr.

W. M. HOOVER
764 Loraine
Grosse Pointe 30, Mich.

Cable Address—BANKAMERICA

Bank of America

NATIONAL TRUST AND SAVINGS ASSOCIATION

LONE PINE BRANCH • 400 NORTH MAIN STREET • LONE PINE, CALIFORNIA

March 21, 1962

Mr Walter M. Hoover,
764 Loraine,
Grosse Pointe 30, Michigan.

Dear Mr Hoover:

This is in answer to your letter of March 19, 1962 in which you enclosed an application for a loan of $ 9,517.00 to continue exploration of some mining property in this area.

I regret that we are not in a position to entertain an application for a loan of this nature.

We are returning the application you enclosed in your letter.

Yours very truly,

J.W. Kunkle,
Manager

Enclosure

W. M. HOOVER
764 Loraine
Grosse Pointe 30, Mich.

March 29, 1962

National Bank of Detroit
Griswold at State
Detroit 26, Michigan

Attn: Mr. Preston A. [illegible]

Gentlemen:

Enclosed is an application for a [illegible] to work the exploration of the "Lee Mine" in [illegible] County, California for additional [illegible] and [illegible]. This property has produced [illegible] in high grade silver ore. It is [illegible] near three large producers, Anaconda's [illegible] the Mono Base Lead Mine and the Gem [illegible] mine. We believe the prospects are [illegible]

If your bank will consider such a [illegible] geologist and other detailed reports and [illegible] will an financial statements will be [illegible] your consideration.

Thanking you for your services and [illegible]

Very [illegible]

NBD 398

Branch 30, Griswold at State

Name Alden P. Johnson - Walter M. Hoover (a joint venture) Date March 19, 1962

Business or Occupation Mine Exploration

Address 764 Loraine, Grosse Pointe 30, Michigan

Amount and Basis of Loan Requested $9,517.00

Purpose of Loan to permit continuation of exploration for Lead, Silver and Zinc ore at the Lee Mine, Inyo County, Calif.

Repayment Plan 10% of gross returns from ore shipments from mine

	Shares	Price	Value
Collateral Offered Subordination of lease of mine consisting of 9 unpatented claims			

Other Securities Owned (Indicate if Pledged) None

Other Bank Accounts (Indicate any Loans) W. M. Hoover

Former Bank Accounts (Indicate any Loans) National Bank of Detroit, W. M. Hoover Detroit Bank & Trust, Michigan Bank. None joint venture

Other References

Any Bankruptcy or Settlement with Creditors? Give Details No

Any Pending Suits or Tax Liens against You? Give Details No

Signature of Applicant

(If Application for Business Loan, See Other Side)

FOR BUSINESS LOANS, THE FOLLOWING MATERIAL SHOULD BE ATTACHED TO THIS APPLICATION UNLESS SUCH INFORMATION HAS PREVIOUSLY BEEN FURNISHED TO THIS BANK:

1. Balance sheet, income and expense statement and reconciliation of surplus as of the last three fiscal year-ends. (**Certified** audit reports whenever available; otherwise **signed** direct statements.)
2. Current interim financial statement properly **signed**, including balance sheet, income and expense statement and reconciliation of surplus.
3. Accounts Receivable—Give total as of a recent date and list larger accounts with name, address and amount.
4. Accounts Payable—Give total as of a recent date and list larger accounts with name, address and amount.
5. Orders on Hand—Give present total and list larger accounts with name, address and amount.
6. List name and address of other important customers or suppliers not included in receivables, payables or orders.
7. If other than a corporation give present status of income tax payments including the following:
   (a) Unpaid tax liability for previous years.
   (b) Amount of estimated income upon which payments are based for current year.
   (c) Payments made to date on estimated taxes for current year.

FOR USE OF BRANCH MANAGER

Savings Account	Date Opened	Average Balance	Present Balance

Any Mortgage Loans Here?_____

Affiliated Accounts_____

Is Customer Known to any of our Officers?_____ Whom?_____

Comments and Recommendations_____

Signature of Branch Manager

Approved by_____ Date_____ Rejected by_____ Date_____

Remarks_____

NBD 398

Branch Lone Pine, Calif

Name Alden P. Johnson - Walter M. Hoover (a joint venture)

Date March 19, 1962

Business or Occupation Mine Exploration

Address 764 Loraine, Grosse Pointe 30, Michigan

Amount and Basis of Loan Requested $9,517.00

Purpose of Loan to permit continuation of exploration for Lead, Silver and Zinc ore at the Lee Mine, Inyo County, Calif.

Repayment Plan 10% of gross returns from ore shipments from mine

	Shares	Price	Value
Collateral Offered Subordination of lease of mine consisting of 9 unpatented claims			

Other Securities Owned (Indicate if Pledged) None

Other Bank Accounts (Indicate any Loans) W. M. Hoover

Former Bank Accounts (Indicate any Loans) National Bank of Detroit, W. M. Hoover, Detroit Bank & Trust, Michigan Bank none joint venture

Other References

Any Bankruptcy or Settlement with Creditors? Give Details No

Any Pending Suits or Tax Liens against You? Give Details No

Signature of Applicant

(If Application for Business Loan, See Other Side)

FOR BUSINESS LOANS, THE FOLLOWING MATERIAL SHOULD BE ATTACHED TO THIS APPLICATION UNLESS SUCH INFORMATION HAS PREVIOUSLY BEEN FURNISHED TO THIS BANK:

1. Balance sheet, income and expense statement and reconciliation of surplus as of the last three fiscal year-ends. (**Certified** audit reports whenever available; otherwise **signed** direct statements.)
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   (a) Unpaid tax liability for previous years.
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   (c) Payments made to date on estimated taxes for current year.

FOR USE OF BRANCH MANAGER

Savings Account	Date Opened	Average Balance	Present Balance

Any Mortgage Loans Here?_____

Affiliated Accounts_____

Is Customer Known to any of our Officers?_____ Whom?_____

Comments and Recommendations_____

Signature of Branch Manager

Approved by_____ Date_____ Rejected by_____ Date_____

Remarks_____

NATIONAL BANK OF DETROIT

DETROIT 32, MICHIGAN

W. M. HOOVER
764 Loraine
Grosse Pointe 30, Mich.

RICHARD E. MOELLERING
ASSISTANT CASHIER

March 29, 1962

Messrs. Walter Hoover and Alden Johnson
764 Loraine
Grosse Pointe 30, Michigan

Gentlemen:

Thank you for your letter of March 19, 1962, in which you enclosed your loan application in the amount of $9,517, the proceeds of said loan to be used to permit continuation of exploration for lead, silver and zinc ore at the Lee Mine, Inyo County, California.

This is to advise you that in view of the collateral offered consisting of "subordination of lease of mine covering nine unpatented claims" as well as the prospect of repayment of such a loan within a reasonable period of time, we are not interested in considering such a loan at this time on the basis proposed.

Very truly yours,

R. E. Moellering
Assistant Cashier

REM:mn

Geologic Report
Silver Reid Mine
Inyo County, California

February, 1962

Dudley L. Davis

SUMMARY

High grade silver-lead ore has been produced from near-surface workings at the Silver Reid mine (also known as the Lee Flat or Emigrant mine) intermittently since 1870. No record of the major production which was made from 1870 to 1880 exists today. Recent shipments (1951 to 1954) varied from 48.0 to 93.95 ounces of silver per ton.

A shaft, west of the main workings and now inaccessible, is reportedly 100 feet deep and contains ore which assayed $200 per ton in gold and silver.

Silver chlorides and bromides, together with oxidized lead and zinc minerals, have been mined from shallow workings along a shear zone which trends N. 70° W. to east-west and dips steeply to the north and cuts limestone which dips south. The ore zone has a flat rake to the east and occurs near the top of the formation in which the famous Cerro Gordo ores are found. The normally gray limestone has been recrystallized and bleached to a white marble in the vicinity of the mine.

Because of the shallow depths so far penetrated and the rich ore mined to date, the property is recommended for deeper exploration. Thin flows of olivine basalt cover the eastward extension of the productive structures; it is recommended that a self-potential (electrical resistivity) survey be run in this area to see if evidence of further mineralization can be obtained by geophysical means.

Diamond drilling and physical exploration of the immediate mine area may extend the known ore zone.

LOCATION AND ACCESSIBILITY

The nine contiguous unpatented lode claims which comprise the Silver Reid group are situated in section 23 (projected) T. 17 S., R. 40 E., M. D. M. about 12 miles north of Darwin, Inyo County, California. The area is in the Mojave Desert region and lies at an elevation of 5280 feet above sea level. Vegetation consists of sparse greasewood and Joshua trees with a few varieties of cactus.

The area is accessible via Highway 190 (surfaced) from the railhead at

Olancha to the Saline Valley road thence northerly for 10 miles via good gravel road to the mine area.

The mine workings are situated a short distance east of the Saline Valley road in low hills at an altitude of 5,280 feet.

OWNERSHIP

Mrs. Agnes Reid, formerly operator of the Panamint Springs resort, P. O. Box 362, Newport, Oregon is sole owner of possessory title to the mine Silver Reid lode locations recorded in Vol. 24-30, pages 310,311, 312, and Vol. 33-40, page 180 of the mining records of Inyo County, California.

Mr. Walter H. Hoover, et al, 764 Lorraine, Grosse Pointe 30, Michigan holds a lease with option to purchase these claims.

There are no known liens or encumberances on the property at this time.

Surface plant consists of a trestle and ore bins ~~plus a small cabin.~~

HISTORY AND PRODUCTION

The earliest written description of the mine is found in a report by Burchard[1] (1884, p. 163) as follows: "Emigrant mine with a shaft 100 feet in depth and lateral drifts which show a vein 4 feet wide, with a rich streak of gold and silver on both walls. On the hanging wall side the streak is 6 inches and on the footwall side 12 inches. Assay $200 per ton. The ore is sacked and shipped to San Francisco."

The major production was made during the 1870's and 1880's. Some of this early ore was milled at an old abandoned mill site 7 miles northeast of the mine in Mill Canyon. Pieces of ore evidently lost off the ore wagons along the way assayed 135.0 ounces per ton in silver. Degroot[2] (1890, p. 213) reports that the activity in the Lee Flat district was diminishing in 1888.

Since this early day activity there have been many lessee activities, each of which produced a small tonnage of high silver ore. Recorded production is listed in Special Report 51[3] (1958, pages 49-53) published by the California Division of Mines.

GENERAL GEOLOGY

The Silver Reid mine area is underlain by Tin Mountain limestone of Mississippian age which conformably overlies the Lost Burro (Cerro

Gordo) limestone. The Perdido formation overlies the Tin Mountain limestone south of the mine and it is itself covered by thin flows of olivine basalt to the south and east of the mine area. Complete maps of the mine are found in Special Report 51.

The Lost Burro formation exposed in the mine workings strikes generally east-west and dips 20° to 40° to the south. It is normally a bluish gray limestone but has been bleached white and recrystallized to marble where it has been mineralized.

A system of faults and fractures strikes N. 70° W. to east-west and dips steeply to the north. These fractures control ore deposition although some replacement of limestone along bedding occurs a short distance from individual faults. A minor amount of post mineral faulting has occurred. All the faulting appears to be of the normal gravity type.

Quartz monzonite, probably related to the Darwin Stock, crops out in low hills south of those in which the mine is situated. This intrusive has been shown by the Larsen Method of zircon determination to be middle Cretaceous in age. Thus it appears to be related to the Sierra Nevada batholith.

A peculiar breccia is found in the eastern portion of the mine workings. It consists of well-stratified subrounded material varying from sand to pebbles in vertical pipe-like bodies which, in some instances, contain fragments of ore. This breccia may be the result of solution of limestone along fault intersections as it does not appear to be typical slump breccia.

MINERALOGY

Primary ore minerals include galena, sphalerite, and tetrahedrite. Oxidation of these minerals has formed hemimorphite, cerargyrite, anglesite, cerussite, azurite, malachite, chrysocolla, and native copper. Embolite is supportedly present but was not identified by personnel of the United States Geological Survey.

Gangue minerals include pyrite, barite, quartz, calcite, aragonite, and chalcedony with minor clays, gypsum, and iron oxides.

RECOMMENDATIONS

High grade silver ore, associated with steeply dipping N. 70° E. fractures, rakes down to the east. This ore occurs near the top of the Lost Burro limestone which is abundantly productive in the Cerro Gordo mine a short distance to the northwest.

Several years ago the writer recommended diamond drilling be done to prospect the ore-bearing structures below the present mine workings. Persuant to these suggestions hole No. 3 was drilled and low grade silver assaying from 17.19 to 26.22 ounces per ton (3samples) was cut at 62 feet in this hole. This showing should be checked by underground drifting as there may well be better ore in the immediate vicinity.

Hole No. 4 should be drilled as recommended. Because of the high cost of drilling in the broken ground under the stope areas, poor core and sludge return are to be expected so that extreme care must be exercised in drilling. Unless hole No. 4 is successful, additional drilling may not be justified.

The workings of the "inaccessible" shaft should be made accessible for sampling and possible mining of the ore reported by Burchard.

The workings along the West Fault and the inclined shaft south of the mine should be made accessible and sampled. See plate 8, Special Report 51.

The area east of the mine is covered by alluvium and basalt. It is possible that the ore-bearing fractures persist under this cover. A self-potential (electrical earth resistivity) survey should be made over this area to determine if there is ore under this cover.

Respectfully submitted,

Dudley L. Davis

Dudley L. Davis

Registered Professional Engineer
CERTIFICATE EXPIRES
DUDLEY L. DAVIS
DEC. 31, 1962
ARIZONA U.S.A.

References:

1. Burchard, H. C., 1884, Report of the U. S. Director of the Mint, the statistics of production of precious metals for 1883.

2. DeGroot, Henry, 1890, Inyo County: Calif. Min. Bur. Report 810, pages 209-218.

3. Hall, Wayne E., Mackevett, E. M., and Davis, D. L., 1958, Economic Geology of the Darwin Quadrangle: Special Report 51 Calif. Div. of Mines.

Wm. HOVER
754 Lorain
Grosse Pointe 30, Mich.

APR 9 1962
O.M.E.

Location notice enclosed for:—
Silver Reid #6 Dec. 4, 1961 Vol. 95 Page 463

[redacted]

W. M. HOOVER
764 Loraine
Grosse Pointe 30, Mich.

First party further grants to second party the right, option and privilege of acquiring an additional twenty-five per cent (25%) interest in said mining venture at any time prior to the 1st day of March, 1962 for an additional consideration of Seven thousand five hundred dollars ($7,500.00).

All sums paid by second party unto first party pursuant to the terms and provisions of this agreement shall be used solely for the development of said mining properties and the expenses of mining, processing and shipping ores and materials from said mining claims to market. First party shall keep accurate accounts showing all sums received and all sums expended in connection with the development and operation of said mining properties, and furnish unto second party accurate accounting showing all such funds received and expended at such times as second party may request the same.

From the net proceeds realized from the development and mining of said mining property first party shall pay unto second party a sum or sums equal to twenty-five per cent (25%) thereof, or, in the event of exercise by second party of the option to purchase an additional twenty-five per cent (25%) interest, a sum or sums equal to fifty per cent (50%) of such net proceeds. Settlement shall be made at such times as may be mutually agreed upon between the parties, and no funds shall be withdrawn from the venture that might in any way prevent its continuance on a profitable basis.

First party shall have the right and responsibility of the management of the venture, provided, however, that he shall at all times and in all things exercise the utmost good faith toward second party in the conduct, management and operation thereof.

W. M. HOOVER
764 Loraine
Grosse Pointe 30, Mich.

It is understood, stipulated and agreed by and between the parties hereto that second party shall not be liable for any indebtedness created by the venture or for damages to others resulting from the conduct of the business of the venture, or otherwise, except to the extent of his contributions, in the amount of Seven thousand five hundred dollars ($7,500.00), or the amount of Fifteen thousand dollars ($15,000.00), should he exercise the option hereinbefore granted.

Upon demand of second party a partnership shall be created between the parties hereto for continuance of the business of the venture, but until the creation of such partnership the relationship hereby created shall be deemed and considered that of a joint venture and not co-partnership.

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

IN WITNESS WHEREOF, the parties have executed this agreement in triplicate the day and year first above written.

Walter M. Hoover
FIRST PARTY

Alden P. Johnson
SECOND PARTY

AMERICAN SMELTING AND REFINING COMPANY
SELBY SMELTING WORKS
SELBY, CALIF.

Selby, Calif.

RETURNS OF LEAD BULLION

RECEIVED OF

SELBY LOT

Shipping Point

Weighing gross		lbs.
Tare		lbs.
		lbs.
Moisture %		lbs.
		lbs.
DRY WEIGHT		lbs.

ASSAYS and ANALYSIS		PERCENTAGES and PRICES	DEBITS	CREDITS
Gold	oz. p. t.	Less % @		
Silver	oz. p. t.	Less % @		
Lead	%	Less units less @ per lb. less		
Copper	%	Less units @ per lb. less		
Insol	%			
Iron	%			
Zinc	%			
Sulphur	%			
	%			
Bismuth	%			

1962 - AG# 53.90 (@1)
9.00 (@10¢)
48.00 (@10¢)
assay 1962 # 110.90

Base Charge		
Total		
Value Per Ton		
Value of lbs. @ per ton		
Sampling and Assaying		
Freight To Selby		
Total		
NET PROCEEDS		

IMPORTANT!
If not advised to the contrary within days from date we shall assume that returns are satisfactory and the product covered by this statement will be placed in process. -- American Smelting and Refining Company.

Refined Silver
Loyalty

INTERNATIONAL SMELTING AND REFINING COMPANY

TOOELE PLANT

Salt Lake City, Utah

Bought of Albert F. Glenn & Alfred A. Soderlund
c/o Darwin Lines
Darwin, Calif.

9/2/52

Shipped from Olancha, Calif.

Received Sampled 8/8 By Class Crude Mine Lot 1 Smelter Lot 3634

ASSAYS	COPPER PER CENT	LEAD PER CENT	ZINC PER CENT	SILVER OZ. PER TON	GOLD OZ. PER TON	INSOLUBLE PER CENT	IRON PER CENT	SULPHUR PER CENT	LIME PER CENT	MANGANESE PER CENT	PER CENT
E. & M. CO.	.35	1.3	22.5	89.65	.035	40.7	.5	.2	7.7		
MINING CO.	.55	2.0	23.0	92.4	.035	40.0	.8	.5	10.0		
EMPIRE U.		1.5m		89.765m					8.2m		
		-1.5									
SETTLEMENT	.45	---	22.75	89.765	.035	40.35	.65	.35	8.2		

E. & M. J. METAL QUOTATIONS

Copper (Average for Week Ending)
Lead (Average for Week Ending)
Zinc (Average for Week Ending) 9/6 14 750
90 000
$35 000

VALUES PER TON

75%	.03245	11 074	
95%	.90000	76 749	
91%	$35.000	1 115	
		88 938	
		17 714	
		71 224	

TREATMENT

Chg settlement lead under 30% @.10 7 715
3 000

Insoluble	% @ .10	10 715
Silver	% @	4 035
Zinc	% @ .15	3 413
		18 163
Iron	% @ .06	039
Sulphur	% @ .05	410
Manganese	% @	
Net Treatment		17 714

PAYMENT

44.0385 Dry Tons @ 71.224 Per Ton 3136 60

1962 assay #138.46

Black & Deason, Assaying 9 00
Union Assay Office, Empire 12 00

Hauling @ $4.00 per wet ton, pay James F. Nikolaus, Big Pine, Calif. 177.52
3% Federal tax 5.33
Vo. 55605 182 85

64687

88760

15% surcharge 79 95
Freight @ 12.01 Per Ton (R. R. Value 65.17) 533 00
3% Federal tax 18 99

.77

88077

Shipped By Glenn & Soderlund
Mine Lot 1 Zinc Ore
Smelter Lot 3634 Voucher No. 55606

Total 835 19
Net Proceeds 2301 41

WS

No allowance is made for sampling all lots less than carload. Rates are for contracts for specified time or specified tonnage, subject to change without notice.

No assent, express or implied, by this Company to any breach or waiver of any covenant contained in any agreement shall be deemed a waiver of any succeeding breach of the same covenant.

Chas. E. Lurcott, Jr.
Pay Chas. E. Lurcott, Jr., Marvin S. Davis &
John R. Zerby
Darwin, Calif.

5/3/51

Cartago, Calif.

4/20		4/25		Crude		2			2000
SSAYS									
.25		1.5	17.6	47.98	.025	34.4	.5	.3	13.7

-1.5

Chg settlement lead under 30% 0.10 3 00

		4/18	17 500		
" " " "		4/28	90 160		
			835 000		
					9 170
				.10	3 440
75%	.03850		10 164	.15	2 640
95%	.90160		41 096		15 250
91%	35.000		796	.06	030
			52 056	.05	685
			14 535		
			37 521		14 535
		35.1995		37.521	1320 72

1962 assay value
$87.05

Hauling @ $4.00 per wet ton, pay Jim
Nikolaus, Big Pine, Calif. 141.72
3% Federal tax 4.25
Vo. 53789 145 97

Minimum	80000				
SP 151107					
	70860	9.20		31.79	368 00
				3% Federal tax	11 04
		Chas. E. Lurcott, Jr.			
.65		2 Zinc Ore			525 01
	70399	2000		53790	795 71

WS

Notice of Location
LODE

TO WHOM IT MAY CONCERN: Please take notice that:

1. The name of this claim is the SILVER [illegible] Lode Mining Claim.

Said claim is situated in the vicinity of AND IS APPROXIMATELY [illegible] in the LONE PINE Mining District, County of INYO, State of California.

The date of this location is the 4th day of DECEMBER, 1961.

2. The undersigned locators are citizens of the United States, or have declared their intention to become such.

3. The said locator.. do hereby locate and claim 1500 (Not to exceed 1500) linear feet of this vein or lode, together with surface ground extending 300 (Not to exceed 300) feet in width on each side of the middle of said vein or lode and more particularly described as follows:

Commencing at a MONUMENT (Post or Monument) where this notice is posted, which MONUMENT (Post or Monument) is at the point of discovery on [illegible] of this location, ... (I or We) hereby claim 300 feet extending in a NORTH [illegible] direction along the course of said vein and 1490 feet in a SOUTHERLY direction. The general course of the vein or lode is NORTHERLY and SOUTHERLY as near as can be determined from present developments.

The discovery MONUMENT (Post or Monument) is situated about 1800 feet from THE OLD MAIN DIGGINGS OF THE LEE MINE ABOUT 1 MILE SOUTHERLY OF THE SALINE VALLEY ROAD AND 6 MILES NORTH OF ITS INTERSECTION WITH HIGHWAY #190 (Name some natural object or permanent monument and give direction)

4. All dips, variations, spurs, angles and all veins, ledges or deposits within the lines of this claim, together with all water and timber and any other rights appurtenant, allowed by the laws of this State or of the United States are hereby claimed.

LOCATORS

[illegible]

[illegible]

[illegible]

STATEMENT OF THE MARKING OF THE BOUNDARIES AND OF PERFORMANCE OF DISCOVERY WORK

NOTICE IS HEREBY GIVEN by the undersigned locator.. that in accordance with the provisions of the Mining Law:

1. There has been erected at the discovery point, at each corner and at the center of each end line of said claim:

A STONE MONUMENT

2. The Locator has performed within 90 days from date of location, the following discovery work:

A CUT MORE THAN 4' WIDE, 10' DEEP, AND 6' LONG

DATED DEC. 4th, 1961.

LOCATORS:

[illegible]

for all of the above locators

764 LORANE,
GROSSE POINTE, 30, MICH

(FOR RECORDER'S USE ONLY)

26

RECORDED AT REQUEST OF
W. M. Hoover Jr.
1961 DEC -4 PM 12:02
Mining Locations
INYO COUNTY, CALIF.
DONALD L. BELL, RECORDER

VOL 95 PAGE 463

FEE $2

(FOR RECORDER'S USE ONLY)

FORM 365 30M 8-48

INTERNATIONAL SMELTING AND REFINING COMPANY

TOOELE PLANT

Salt Lake City, Utah 10/[illegible]

Bought of Albert F. Glenn and Ambroise Aguereberry
Box 192,
Darwin, California

ing

Shipped from Keeler, Calif.

Received *Sampled* 10/5 *By* *Class* Crude *Mine Lot* 3 *Smelter Lot* 431[illegible]

ASSAYS	COPPER PER CENT	LEAD PER CENT	ZINC PER CENT	SILVER OZ. PER TON	GOLD OZ. PER TON	INSOLUBLE PER CENT	IRON PER CENT	SULPHUR PER CENT	LIME PER CENT
I. S. & R. CO.	.2	7.8	19.5	59.45	.02	51.9	.4	.3	2.1[illegible]
MINING CO.	.28	8.0	18.0	60.2	.03	51.2	.6	.4	3.4
UMPIRE B.		-1.5		59.575m					
SETTLEMENT	.24	5.[illegible]	17.75	59.575	.025	51.55	.5	.35	[illegible]

E. & M. J. METAL QUOTATIONS

Copper (Average for Week Ending)			
Lead (Average for Week Ending)	9/30	13	500
Zinc (Average for Week Ending)	9/30	10	000
Silver		90	000
Gold		$35	000

Base

Chg. Settlement [illegible]
30% @ [illegible]

VALUES PER TON

Copper	@		
Lead 80%	@ .112265	12	933
Zinc 75%	@ .022	5	858
Silver 95%	@ .900000	50	937
Gold 91%	@35.0000		796
Gross Metal Payment		70	524
Less Treatment		18	659
Net Value Per Ton		51	865

Insoluble	% @ .10	
Sulphur	% @ - - -	
Zinc	% @ .15	
Iron	% @ .06	
Lime	% @	
Manganese	% @	
Net Treatment		

PARTIAL	CAR NUMBER	WEIGHT
UP	63269	
Total Freight Weight		83580
Less Weight of Sacks		
Net Wet Weight		
% Moisture 0.30		
Dry Weight		83329

PAYMENT

41.6645 Dry Tons @ 51.865 Per Ton $ [illegible] 2[illegible]

Union Assay Office, Assaying [illegible]
A. F. Bardwell and Company, Umpire 4.00

Trucking @ $ 4.00 per wet ton, to be paid by Shipper $ 167.[illegible]
3% Federal Tax [illegible]
$ 172.1[illegible]

Royalty 10% of $1,472.83 pay lire
Agnes Reid, Panamint Springs, Calif.
Vo. 56100 147.[illegible]

Albert F. Glenn $748.86
Assignment of Aguereberry 425.00
Vo. 56101 1[illegible]

Ambroise Aguereberry $748.86
less assignment to Glenn 425.00
Vo. 56102 [illegible]

15% Surcharge [illegible]
Freight @ 10.16 Per Ton (R. R. Value 42.41) [illegible]
3% Federal Tax [illegible]
Shipped By Glenn and Aguereberry
Mine Lot 3 Zinc Ore
Smelter Lot 4318 Voucher No. Total Net Proceeds 2[illegible] [illegible]

An extra charge made for sampling all lots less than carload. Assays, except on contracts for specified time or specified tonnage, subject to change without notice.

No assent, express or implied, by this Company to any breach or waiver of any covenant contained in any agreement shall be deemed a waiver of any succeeding breach of the same covenant.

FORM 386

INTERNATIONAL SMELTING AND REFINING COMPANY

TOOELE PLANT

Salt Lake City, Utah 2/27/52

Bought of Chas. E. Lurcott, Jr.
Pay Chas. E. Lurcott, Jr., Marvin S. Davis &
John R. Zerby
Darwin, Calif.

Mine Darwin, Calif. *Shipped from* Lone Pine, Calif.

Received 2/12 *Sampled* 2/16 *By* *Class* Crude *Mine Lot* 1 *Smelter Lot* 1710

ASSAYS	COPPER PER CENT	LEAD PER CENT	ZINC PER CENT	SILVER OZ. PER TON	GOLD OZ. PER TON	INSOLUBLE PER CENT	IRON PER CENT	SULPHUR PER CENT	LIME PER CENT	MANGANESE PER CENT	PER CENT
U. S. & R. CO	.4	2.4	16.3	61.28	.025	43.5	.7	.3	12.1		
MINING CO											
IMPIRE											
		-1.5									
SETTLEMENT		.9									

E. & M. J. METAL QUOTATIONS

Copper (Average for Week Ending)			
Lead (Average for Week Ending)	2/14	17	000
Zinc (Average for Week Ending)	2/14	17	500
Silver " " " "	2/24	90	160
Gold		$35	000

VALUES PER TON

Copper		@		
Lead	90%	@.15000	2	430
Zinc	75%	@.03850	9	413
Silver	95%	@.90160	52	488
Gold	91%	@35.000		796
Gross Metal Payment			65	127
Less Treatment			15	228
Net Value Per Ton			49	899

TREATMENT

Base
Chg lead under 30% @ .10

Insoluble	% @ .10	9	050
Sulphur	% @	4	350
Zinc	% @ .15	2	445
Iron	% @ .06	15	875
Lime	% @ .05		042
Manganese	% @		605
Net Treatment		15	828

Number	Car Number	Weight
SP	152153	
Total Freight Weight		83180
Less Weight of Sacks		
Net Wet Weight		
% Moisture	.66	
Dry Weight		82631

PAYMENT

41.3155 Dry Tons@ 49.899 Per Ton		2061 60
Hauling @ $4.00 per wet ton, pay Jim Mikolaus Trucking Co., Big Pine, Calif.	166.36	
3% Federal tax	4.99	
Vo. 53532	171 35	
Freight @ 10.02 Per Ton (R. R. Value 42.88)	416 73	
3% Federal tax	12 50	
Shipped By Chas. E. Lurcott, Jr.		
Mine Lot 1 Zinc Ore	Total	600 [illegible]
Smelter lot 1710 Voucher No. 53533	Net Proceeds	1461 [illegible]

1962 Assay
Value $99.55

An extra charge made for sampling all lots less than [illegible] Rates except on contracts for specified [illegible] or specific [illegible] nage, subject to change without notice.

No assent, express or implied, by this Company to any breach or waiver of any covenant contained in any agreement shall be deemed a waiver of any succeeding breach of the same covenant.

WS

FORM 320 2-56 G48

INTERNATIONAL SMELTING AND REFINING COMPANY

TOOELE PLANT

Bought of Albert F. Glenn
Box 192
Darwin, California

Salt Lake City, Utah 12/27/55

Mine

Shipped from Keeler, California

Received 12/7 Sampled 12/13 By Class Crude Mine Lot 1 Smelter Lot 432

ASSAYS	COPPER PER CENT	LEAD PER CENT	ZINC PER CENT	SILVER OZ. PER TON	GOLD OZ. PER TON	INSOLUBLE PER CENT	IRON PER CENT	SULPHUR PER CENT	[illegible] PER CENT	MANGANESE PER CENT	SB PER CENT
S. & R. CO.	.4	12.4	24.9	85.57	.03	38.6	.4	.2	2.0	.3	.2
MECK CO.	.75	13.2	26.0	86.5	.035	37.1	1.2	.7	3.0		
UMPIRE U		13.0s	25.02m	84.7675m		38.4m					
		-1.5									
SETTLEMENT	.575	11.5	25.02	85.57	.0325	38.4	.8	.45	2.5		

L. & M. J. METAL QUOTATIONS

Average for Week Ending:

[illegible] Week Ending	12/7	15 500	
[illegible] Average for Week Ending	12/7	13 000	
[illegible] " " " "	12/7	90 414	
		$35 000	

VALUES PER TON

[illegible]	90%	@ .132265	27 379
[illegible]	75%	@ .03900	14 637
[illegible]	95%	@ .90414	73 499
[illegible]	91%	@35.0000	1 035
Gross Metal Payment			116 550
[illegible]			20 077
[illegible]			96 473

TREATMENT

Prep.

Chg. Lead under 30% @ .10

Insoluble	% @ .10	
Sulphur	% @	
Zinc	% @ .10	
Iron	% @ .06	
Manganese	% @	
Net Treatment		

30.40 — 6 oz
59.50
77.40
128.43 assay value
1962 Agent
Fullerton Jaime

WEIGHT

Dry Tons	55.107
Dry Tons @	96.473 Per Ton
Gross Weight	
Tare or Light Weight	111440
Net Weight	1.10
Dry Weight	110214

PAYMENT

		[illegible]
Black & Deason, Assaying	9	00
Union Assay Office, Umpire	12	00
Joseph O. Wilson, Box 734, Big Pine, California, Hauling on 111,440# @ $4.00 per wet ton 222.88		
3% Federal Tax 6.69	229	[illegible]
Vo. #56734		
Mrs. Agnes Reid, Panamint Springs, California, Royalty 10% of $4,271.12	427	11
Vo. #56735		
15% Surcharge	100	63
Freight @ 12.04 Per Ton (R. R. Value 71.65)	670	87
3% Federal Tax	23	15
Total Net Proceeds		

SP 152114

Shipped By Albert F. Glenn
Mine Lot 1 Crude Ore
Smelter Lot 432 Voucher No. 56736

[illegible] specified to [illegible] No assent, express or implied, by this Company to any [illegible] or waiver of any covenant contained in any agreement [illegible] deemed a waiver of any succeeding breach of the same or [illegible]

INTERNATIONAL SM[illegible] COM[illegible]

01[illegible] 01 Albert Glenn and Ambroise Aguereberry
Box 192
Durwin, Calif.

Date 3/2/53

Shipped from Olancho, Calif

Sampled 2/5 By Class Crude Mine Lot 2 Smelter Lot 3988

	Copper Per Cent	Lead Per Cent	Zinc Per Cent	Silver Oz. Per Ton	Gold Oz. Per Ton	Insoluble Per Cent	Iron Per Cent	Sulphur Per Cent	Lime Per Cent		
[illegible]	.4	9.8	20.9	94.25	.035	43.2	.5	.3	3.7		
[illegible]	.45	9.9	21.72	93.8	.05	42.6	.8	.4	4.2		
[illegible]			21.05M	93.958	.037M						
[illegible]		- 1.5									
[illegible]	.425	8.35	21.05	93.95	.037	42.9	.65	.35	3.95		

E. & M. J. METAL QUOTATIONS

[illegible] (Average for Week Ending)		
[illegible] (Average for Week Ending) 2/4	13	750
[illegible] (Average for Week Ending) 2/4	11	833
Silver	90	000
Gold	$ 35	000

VALUES PER TON

[illegible] @			
[illegible] @ .114765		17	249
[illegible] @ .026033		8	220
[illegible] 95% @ .90000		80	327
[illegible] 91% @35.0000		1	178
Gross Metal Payments		106	974
Less Treatment		17	502
Net Value Per Ton		89	472

TREATMENT

Base	7	928
Chg Pb under 30 % @ 10¢	2	165
	10	093
Insoluble % @ .10	4	290
Sulphur % @		
Zinc % @ .15	3	158
	17	541
Iron % @ .06		039
Lime % @		
Manganese % @		
Net Treatment	17	502

Initial	Car Number	Weight
Minimum		80,000#
S.P. #5343		
Total Freight Weight		70,960
Less Weight of Sacks		
Net Wet Weight		
% Moisture .77		
Dry Weight		70,414

1962 Assay
Value #156.87
Pb @ 10¢
Zn @ 10¢
Ag @ $1.00

PAYMENT

35.207 Dry Tons @ 89.472 Per Ton			3150	04
Union Assay Office, Assaying	9	00		
Crismon & Nichols, Umpire	7	50		
Hauling @ $4.00 per wet ton, Pay B. R. Grossardt Box 91 Keeler, Calif. 141.92 3% Federal Tax 4.26 Vo. 55907	146	18		
Royalty: 10% of $2,370.95, Pay Mrs Agnes Reid, Panamint Springs, Calif. Vo. 55908	237	10		
Albert Glenn, Box 192, Darwin Calif Vo. 55909	1066	93		
Ambroise Aguereberry, Box 192, Darwin Calif. Vo. 55910	1066	92		
15% Surcharge	78	06		
Freight @ 13.01 Per Ton (R. R. Value 75.61)	520	40		
3% Federal Tax	17	95		
Shipped By Glenn & Aguereberry				
Mine Lot 2 Zinc Ore	Total		3150	04
Smelter Lot 3988 Voucher No.	Net Proceeds			

Any extra charge made for sampling all lots less than carload. Rates, except on contracts for specified time or specified tonnage, subject to change without notice.

No assent, express or implied, by this Company to any breach or waiver of any covenant contained in any agreement shall be deemed a waiver of any succeeding breach of the same covenant.

Ag @ [illegible]	[illegible]
Zn @ 104	48.24
Pb @ 104	16.70
Pleasant Valley ore	13.14

faulted or dragged segment in stope

Phone 3413

COPY

ASSAY REPORT

SMITH-EMERY COMPANY

ESTABLISHED 1910

ASSAYERS AND CHEMISTS

781 EAST WASHINGTON BOULEVARD

LOS ANGELES 21, CALIFORNIA

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.

Sample [illegible]

Received 21-5-56

Submitted by W.M. Hoover,
c/o Wm. V. Skinner
Lone Pine, California.

W. M. HOOVER
764 Loraine
Grosse Pointe 30, Mich.

Gold, @ [illegible] *per oz.*
Silver, @ [illegible] *per oz.*

Copy to: Joe Kaplan.

Date November 7, 1956

NUMBER	MARK	PER TON OF 2000 LBS. GOLD OUNCES	GOLD VALUE	SILVER OUNCES	SILVER VALUE	COPPER PER CENT	LEAD PER CENT	ZINC PER CENT
427505	"Picket Quartz Ore from 1st.round Lee Mine"	0.04	$1.40	140.24 36.64	$126.98		18.32%	17.10%
		1962 →	$174.88					

Respectfully submitted,

ASSAYERS AND CHEMISTS

Receipt 3611

FORM 15

ASSAY REPORT

SMITH-EMERY COMPANY

ESTABLISHED 1911

ASSAYERS AND CHEMISTS

781 EAST WASHINGTON BOULEVARD

LOS ANGELES 21, CALIFORNIA

COPY

ALL REPORTS ARE SUBMITTED AS THE CONFIDENTIAL PROPERTY OF CLIENTS, AND REPRODUCTION FOR ADVERTISING OF COMPANY REPORTS, CONCLUSIONS, OR ADVICE FROM OR REGARDING THEM IS RESERVED EXCEPT UPON OUR WRITTEN APPROVAL AS A FAIR PRACTICE TO CLIENTS, THE PUBLIC AND OURSELVES.

Sample Rock

Received 10/29/56

Submitted by W. M. Hoover,
764 Loraine,
Grosse Pointe 30, Michigan.

W. M. HOOVER
764 Loraine
Grosse Pointe 30, Mich.

Gold, @ $35.00 *per oz.*
Silver, @ $ 0.905 *per oz.*

Date October 31, 1956

NUMBER	MARK	PER TON OF 2000 LBS. GOLD OUNCES	GOLD VALUE	SILVER OUNCES	SILVER VALUE	COPPER PER CENT	LEAD PER CENT	ZINC PER CENT
427178	"Pecos Float"			220.70	$199.77		[illegible]	
		[illegible]	[illegible]	[illegible]				

This is float on East side of Sea hills. Other assay #1870

1962 - $2.20

COPY

FORM 10 11 55

ASSAY REPORT

SMITH-EMERY COMPANY

ESTABLISHED 1910

ASSAYERS AND CHEMISTS

781 EAST WASHINGTON BOULEVARD

LOS ANGELES 21, CALIFORNIA

ALL REPORTS ARE SUBMITTED AS THE CONFIDENTIAL PROPERTY OF CLIENTS AUTHORIZATION FOR PUBLICATION OF THE REPORT, WHOLE OR IN PART, IS NOT GIVEN. TRADITIONALLY REPORTS ON RESEARCH THEIR IS RESERVED PERMISSION OUR STATUS AS ARBITRATORS AS A MUTUAL PROTECTION TO CLIENTS, THE PUBLIC AND OURSELVES.

Sample Rock

Received 7/10/57

Submitted by W. M. Hoover, 764 Loraine, Grosse Pointe 30, Michigan.

W. M. HOOVER
764 Loraine
Grosse Pointe 30, Mich.

Gold, [illegible] per oz.
Silver, [illegible] per oz.

Lone Pine, California.

Date May 6, 1962

NUMBER	MARK	PER TON OF 2000 LBS. GOLD OUNCES	GOLD VALUE	SILVER OUNCES	SILVER VALUE	COPPER PER CENT	COPPER VALUE	LEAD PER CENT	LEAD VALUE	ZINC PER CENT
437161	"Lee Mine" "Sample #7-8"			91.65 60.26	$82.89					

Approx. Assay Value 1962 → $ 151.91

Respectfully submitted,

ASSAYERS AND CHEMISTS

COPY

W. M. HOOVER
Box Lorraine
Grosse Pointe 30, Mich.

Rock

8/1/57

W. M. Hoover,
Box 296,
Lone Pine, California.

Gold $35.00 per oz.
Silver $ 0.905 per oz.

Date August 3, 1957

NUMBER	MARK	PER TON OF 2000 LBS. GOLD OUNCES	GOLD VALUE	SILVER OUNCES	SILVER VALUE	COPPER PER CENT	LEAD PER CENT	ZINC PER CENT
438422	"Ore Pile Sample"			67.14	$60.76		20.62%	
			1962 →	~~24.32~~				
438423	"Sample V-12"			185.76	$168.11		6.71%	
			1962 →	13.42 / 199.18				
438424	"Sample V-13 Sample Sponge"			66.76	$60.42		7.30%	
			1962 →	14.76 / $1.52				

Respectfully submitted,

ASSAYERS AND CHEMISTS

COPY

Rock

Received 8-15-57

Submitted by W. M. Hoover,
Box 296,
Lone Pine, California.

W. M. HOOVER
767 Lorraine
Grosse Pointe 30, Mich.

Gold, oz. $35.00 per
Silver, oz. $ 0.90 per

Date August 17, 1957

NUMBER	MARK	GOLD OUNCES	GOLD VALUE	SILVER OUNCES	SILVER VALUE	COPPER PER CENT	LEAD PER CENT
		PER TON OF 2000 LBS					
438941	"V-14"			0.36	$0.33		
438942	"V-15"			7.98	7.22		Trace
438943	"V-16"			70.86	64.13		7.90%
		1962 →		18.30			
				88.66			
438944	"V-17"			215.50	195.02		28.85%
		1962 →		57.70			
				$ 273.20			
438945	"V-18"			260.76	235.99		36.40%
				72.80			
		1962 →		$333.56			

Respectfully submitted,

ASSAYERS AND CHEMISTS

G. L. C.

OME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code

MAR 2 7 1972

AIRMAIL

Mr. Walter M. Hoover
P. O. Box 331
Lone Pine, California 93545

Re: OME-6234 (Silver)
Walter M. Hoover
Lee Mine
Inyo County, California
Contract 2227

Dear Mr. Hoover:

Your recent letter to the Bureau of Mines inquiring about a development loan has been referred to this office for reply.

We do not know of any Government agency offering a program of assistance for development or mining, but under certain conditions of prior development the Small Business Administration may consider applications for loans for some production purposes. Further information regarding this type of loan may be obtained from either of the following offices:

Small Business Administration
South Room 4-104
300 Las Vegas Blvd.
Las Vegas, Nevada 89101

Small Business Administration
Room 4015, Federal Building
1130 O Street
Fresno, California 93721

We wish you success in developing the mine.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

cc: Director's reading file - Copy to Mr. MelvilleUSBM
Mineral Resources
OME reading file
Region II
Mr. Kirkemo

HKirkemo/cac 3-17-72

ROUTING AND TRANSMITTAL SLIP

			ACTION
1 TO (Name, office symbol or location) H. Kirkemo U.S. Geological Survey	INITIALS		CIRCULATE
	DATE		COORDINATION
2 Rm. 4461	INITIALS		FILE
	DATE		INFORMATION
3	INITIALS		NOTE AND RETURN
	DATE		PER CONVERSATION
4	INITIALS		SEE ME
	DATE		SIGNATURE

REMARKS

Can you answer this for us?

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 16 1972

INITIALS	CODE
	120

Do NOT use this form as a RECORD of approvals, concurrences, disapprovals, clearances, and similar actions.

FROM (Name, office symbol or location)	DATE
G. A. Melville, Chief, Div. of Proc. & Prop. Mgt., MOM	3/14/72
	PHONE 33886

OPTIONAL FORM 41
AUGUST 1967
GSA FPMR (41CFR) 100-11.206

☆ GPO : 1970 O - 406-308 5041-101

Everett Turner

WALTER M. HOOVER
P. O. BOX 331
LONE PINE, CALIF.
93545

MANAGER
LEE MINE

'72 MAR 13 PM 2:35

Bureau of Mines
Washington, D.C.

Gentlemen:—

In 1966-67 we had an O.M.E. contract No. 14-23-090-2227 Docket No. O.M.E. 6234. Drilling was performed without finding ore..

Since, however, I have drilled and found the ore, Is it possible to obtain a development loan? If so would you please forward information.

Thank you,

Yours truly,

WMHoover

IN REPLY REFER TO

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

OFFICIAL
COPY
O. M. E.
RECEIVED
APR 22 1968

INITIALS	CODE
gla	130
bof	170
[illegible]	110
HK	~~220~~
	220

Memorandum

April 18, 1968

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
Region II

Subject: OME-6234 (Silver)
Walter M. Hoover and Alfred Greenwood,
a Joint Venture
Lee Mine
Inyo County, California
Contract 2227

Enclosed is a summary-type Final Field Report on the subject contract.

H. K. Stager

H. K. Stager

Enclosure

Final Field Team Rpt.

FINAL FIELD REPORT - OME EXPLORATION PROJECT

By H. K. Stager, Field Officer, Region II

April 18, 1968

1. OME-6234 (Silver)
Walter M. Hoover and Alfred Greenwood,
a Joint Venture
Lee Mine
Inyo County, California
Contract No. 2227

Operator: Mr. Walter M. Hoover and Mr. Alfred Greenwood
764 Loraine, Grosse Point, Michigan 48230

Property: Consists of eleven (11) unpatented claims in unsurveyed sec. 23, T. 17 S., R. 40 E., MDBM, Lee mining district, Inyo County, Calif. A map showing the area of these 11 claims was attached to Amendment No. 1 of the contract.

Ownership: The Operator was in possession of five (5) of the claims (Silver Reid) by virtue of a Lease and Option Agreement, dated December 12, 1961, between the owner, Mrs. Agnes Reid, and Walter M. Hoover. A Lien and Subordination Agreements, executed December 8, 1965, was attached to the contract.

Walter M. Hoover was the locator and owner of four (4) of the claims (Hoover-Silver). A Lien and Subordination Agreements, executed March 25, 1966, was attached to the contract. The remaining two (2) claims (Hoover-Greenwood) were located and owned by the Operator.

2. Purpose of Project: The purpose of the project was to explore, by core drilling from surface drill sites, for silver-bearing ore bodies in Paleozoic sedimentary rocks where geophysical surveys had indicated anomalies.

3. Contract: Dated September 12, 1966, for a term of 12 months.
Original contract amount - $27,500.00
Government participation - 75 percent - $20,625.00

Amendments

No. 1 - March 20, 1967, to add three (3) claims to the area covered by the contract and permit the drilling of four (4) holes in the new part of the area.

4. Project Work: Started - September 24, 1966. Completed - July 17, 1967.

Cost Items	Authorized			Completed	
	Units	Rate	Amount	Units	Amount
Diamond core drilling	2,000	$10.50/ft	$21,000.00	2,000	$21,000.00
Supervisor	5	$750/mo	3,750.00	5	3,750.00
Consultant	10	$75/day	750.00	6	450.00
Core boxes	70	$1/each	70.00	70	70.00
Sample sacks	50	10¢/each	5.00	0	0
Consultant per diem	10	$16/day	160.00	6	96.00
Consultant travel	6,000	10¢/mile	600.00	3,548	354.80
Assays-Ag, Au, Pb, Zn	50	$7/each	350.00	3	21.00
Payroll taxes	--		565.00	-	0
Office expense	5	$50/mo	250.00	5	250.00
Total amounts			$27,500.00		$25,991.80
Government participation, at 75 percent			$20,625.00		$19,493.86
Paid to Operator					$19,493.86

The Government retained no equity in any of the equipment or supplies used.

Effectiveness of the work - The most favorable target areas, as indicated by geophysical anomalies, were adequately explored.

Efficiency of Operation - The project work was accomplished in a slow and inefficient manner. Supervision was poor.

5. Reports:

Operator's Final Report - A poorly prepared Final Report was received on August 21, 1967.

Cost Review - A Report of Review was issued by the Office of Survey and Review in February 1968.

Final Audit - A final audit was not requested inasmuch as no additional vouchers were submitted or paid after the Report of Review. The final voucher was paid on September 12, 1967.

Royalty Review - There was no ore produced during the period of the contract and no royalty was due the Government.

6. Project Results:

Discoveries - There were no discoveries of silver-bearing material. Drill logs and assay data were given with the monthly reports. Only traces of gold, silver, lead, and zinc were found in the core samples assayed. No ore reserves were discovered or estimated as a result of the work. Future production is not feasible and future development and exploration are not warranted.

Certification - The OME exploration did not result in a discovery of minable ore and certification was not recommended. The Operator was notified on November 21, 1967, that the Government retains no claim or lien against the property.

Production - There was no ore mined or stockpiled during the period of the contract.

Royalties - There was no ore sold and no royalties were paid or due the Government.

7. Geological Summary: The silver-, lead-, and zinc-bearing ore shoots that have been mined at the Lee Mine occurred as flat-lying replacement-type bodies in gently dipping limestones. Ore bodies were small, yielding between 50 and 100 tons of ore each that contained about 60 ounces of silver per ton, 20 percent zinc, and 5 percent lead. Total production from 1883 to the present was probably between 1,000 and 2,000 tons of ore.

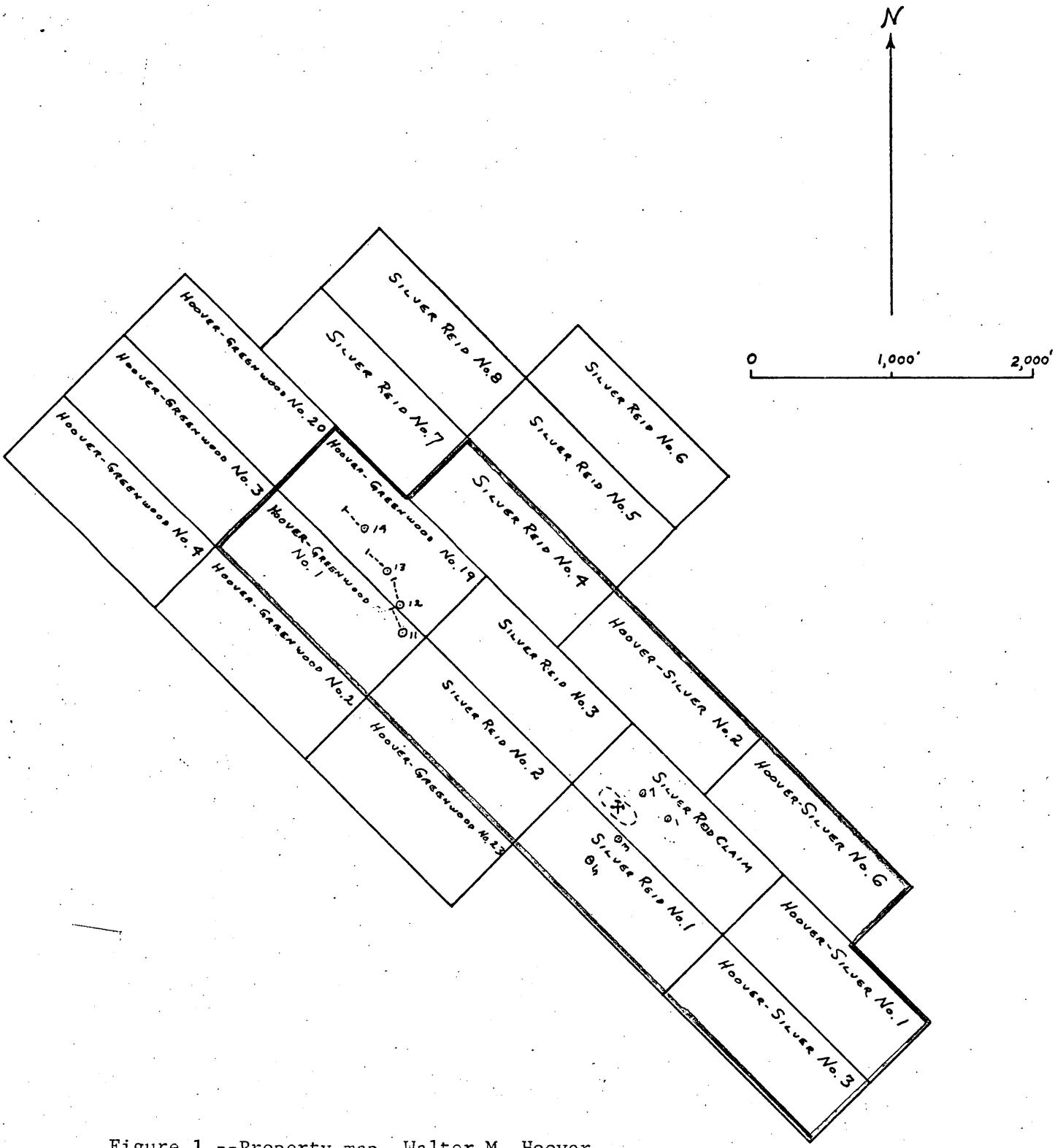


Figure 1.--Property map, Walter M. Hoover,
Lee mining district, Inyo County, California.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
3/19/68	Kirkemo	120
		110
		220

March 19, 1968

Memorandum

To: Chief, Branch of Budget and Finance

From: Chief, Office of Minerals Exploration

Subject: OME-6234 (Silver)
Walter M. Hoover and Alfred Greenwood,
a joint venture
Lee Mine
Inyo County, California
Contract 2227

Enclosed is a copy of a letter dated March 14, 1968, from the Field Officer, Region II, transmitting to the Operator a copy of the Report of Review issued in February 1968, together with a copy of said review, on the subject contract. Also enclosed for your information is a copy of letter to the Operator dated November 21, 1967, which is self-explanatory.

Frank E. Johnson

Enclosures

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

GLAult/a 3-19-68

Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

March 14, 1968

Mr. Walter M. Hoover and
Mr. Alfred Greenwood
764 Loraine
Grosse Pointe, Michigan 48230

Re: OME-6234 (Silver)
Walter M. Hoover and Alfred Greenwood,
a joint venture
Lee Mine
Inyo County, California
Contract No. 2227

Dear Sirs:

Enclosed is a copy, for your files, of a Report of Review of the subject contract, issued by the Office of Survey and Review, Audit Operations, Washington, D. C., in February 1968. The facts as stated in the report agree with the information on file in the Field Office and I concur in the report.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

Enclosure

cc: Chief, OME, WDC (2)
Dir RF
ACG RF
MP RF
Docket
HKStager:mlb
3-14-68

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
3/12/68	Kirkemo	120
		110
3/12	Col	220
		130

AIRMAIL

Memorandum

To: Field Officer, Region II

From: Chief, Office of Minerals Exploration

Subject: OME-6234 (Silver)
Walter M. Hoover and Alfred Greenwood,
a joint venture
Lee Mine
Inyo County, California
Contract 2227

Two copies of a Report of Review issued in February 1968 are enclosed.

If you concur in the facts as stated in this report, one copy should be sent to the Operator with any comments you may have, and the other copy retained for your files. As evidence of your concurrence, two copies of your letter transmitting the Operator's copy of the report should be furnished this office. If you do not concur, both copies of the report should be returned to this office with appropriate comments.

FRANK E. JOHNSON

Frank E. Johnson

Enclosures

cc: Director's Reading File
Division File
Economic Geology File
OME docket
OME Reading File
Mr. Kirkemo
130

HKirkemo/gla 3-12-68

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

March 4, 1968

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 11 1968

INITIALS	CODE
	130
	120
	~~110~~
HK	~~120~~
	220

Memorandum

To: Director, Geological Survey

From: Assistant Director, Contract and Grant Audit
Audit Operations, Office of Survey and Review

Subject: Review of Contract 2227
Docket No. OME-6234 (Silver)
Walter M. Hoover and Alfred Greenwood,
a joint venture (Operator)
Lee Mine
Inyo County, California

Pursuant to a request dated September 15, 1967, from the Chief, Office of Minerals Exploration (OME), we have made a cost review of Contract 2227, examining the contract and accounting records and files of OME and the Branch of Budget and Finance, Administrative Division, Geological Survey. Four copies of the report of review are enclosed.

Donald R. Mooney

Enclosures

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
11/9/67	Kirkemo	120
"	Johnson	110
	Long	140
	[illegible]	110
		220

NOV 21 1967

AIRMAIL

Mr. Walter M. Hoover
Box 331
Lone Pine, California 93545

Re: OME-6234 (Silver)
Walter M. Hoover
Lee Mine
Inyo County, California
Contract No. 2227

Dear Mr. Hoover:

Enclosed is a copy of a self-explanatory letter of today to the Operator under the subject contract.

This correspondence relates to the Lien and Subordination Agreements executed March 25, 1966, by you under the Office of Minerals Exploration program.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosure

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

RECEIVED
NOV 6 1967
Division of [illegible]
[illegible]

HKirkemo/bsl 11/8/67

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
11/9/67	Kirkemo	120
"	Johnson	110
	Long	140
		110
		220

NOV 21 1967

AIRMAIL

Mrs. Agnes Reid
305 Miller Avenue
Mill Valley, California

Re: OME-6234 (Silver)
Walter M. Hoover
Lee Mine
Inyo County, California
Contract No. 2227

Dear Mrs. Reid:

Enclosed is a copy of a self-explanatory letter of today to the Operator under the subject contract.

This correspondence relates to the Lien and Subordination Agreements executed December 8, 1965, by you under the Office of Minerals Exploration program.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosure

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
Mr. Kirkemo
OME Region II
130

HKirkemo/bsl 11/9/67

RECEIVED
NOV 16 1967
Division of Mineral Resources

23263

Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

September 1, 1967

Mr. Walter M. Hoover
Box 331
Lone Pine, California 93545

Re: OME-6234 (Silver)
Walter M. Hoover
Lee Mine
Inyo County, California
Contract No. 2227

Dear Mr. Hoover:

Payment of your July 1967 voucher has been delayed by our Budget and Finance Office in Washington, D. C., pending receipt of additional supporting evidence from you to justify the costs claimed for 5 months of office expense. Will you please furnish copies of any rent receipts, invoices for typing and duplicating expenses, stationery, drafting supplies, etc. The voucher will be held until this material is received.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

cc:
Dir RF
Chief, OME, WDC
ACG RF
MP RF
Docket
HKStager:mlb
9-1-67

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
8/29/67	Peterson	120
8/29	R M Smith	120
"	Johnson	110
9/1	Hoover	220
		120M

SEP 5 1967

AIRMAIL

Mr. Walter M. Hoover
Box 331
Lone Pine, California 93545

Re: OME-6234 (Silver)
Walter M. Hoover
Lee Mine
Inyo County, California
Contract 2227

Dear Mr. Hoover:

Careful study of your request for additional financial assistance to continue the exploration of the Lee Mine indicates that the work you propose is more in the nature of prospecting than exploration and as such is not eligible for OME assistance. Accordingly, we must inform you that your request is denied.

The work accomplished to date indicates that the geophysical anomalies that were the targets of the recently completed drilling project did not represent ore-bearing structures or horizons and further drilling in these areas without any specific targets would be little more than prospecting.

Should you perform additional work on the property which discloses the source of the rich float found in the northern claim area or evidence of other geologic targets, we shall be pleased to consider a new application at that time.

Sincerely yours,

FRANK E. JOHNSON (gla)

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Econ. Geol. File
OME Docket
OME Reading File
OME Region II
Mr. Peterson

ECPeterson/gla 8-29-67

23263

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Memorandum

August 21, 1967

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 22 1967
INITIALS | CODE
120

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
Region II

Subject: OME-6234 (Silver)
Walter M. Hoover
Lee Mine
Inyo County, California
Contract No. 2227

Enclosed are two copies of the Operator's Final Report and request for additional work on the subject property, received in the Field Office this date.

Although the report is a poor one it is as much as I feel we can expect from this Operator, and I recommend that it be accepted. Inasmuch as the work did not result in the discovery of silver-bearing material in the target areas, a Certificate of Possible Production is not recommended.

I recommend that the request for additional work be denied on the basis that the work accomplished to date indicates that the geophysical anomalies that were the targets of the exploratory drilling did not represent ore-bearing structures or horizons and that additional drilling in these areas would be little more than random prospecting. If the Operator, at some time in the future, is able to locate the source of the rich float in the northern claim area he could submit a new application for assistance in exploring the ore-bearing structures. Lacking knowledge of the source of the float, or some definite indication of the location of the vein, or veins, that yielded the material, I feel that OME participation in additional work on this property is not justified.

Inasmuch as the Operator has submitted a Final Report, I have not recommended the withholding of any funds from the July voucher. If you consider a Cost Review should be made by the Auditor Section, before final payment is made, perhaps payment of this final voucher should be delayed until it can be reviewed.

H. K. Stager

Enclosures

Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

August 21, 1967

Mr. Walter M. Hoover
Box 331
Lone Pine, California 93545

Re: OME-6234 (Silver)
Walter M. Hoover
Lee Mine
Inyo County, Calif.
Contract No. 2227

gla 120 VM
JJ 110
HR 120

Dear Mr. Hoover:

Your monthly voucher and report for July 1967 were received in this office and forwarded to Washington, D. C., for payment, today.

I could not approve several of the items charged on the voucher. The cost of supervision is limited by the contract to 5 months, or $3,750, a total that was reached in June, so your charge of $750 for July is not allowable. The cost of core boxes is also limited to $70 total for the entire project (charged in October 1966), so I could not approve the additional charge of $30 for this item on your July voucher. Your contract provides for assays for silver, gold, lead, and zinc at $7.00 per sample, and does not allow for silver assays alone, so the $19.25 charged for seven silver assays is not allowable.

Your monthly total for the July voucher was shown as $3,886.85 but was incorrect as the items claimed totaled $4,136.85. I have disallowed a total of $799.25 which leaves an allowable total of $3,337.60. Please correct your copy to this amount.

Enclosed is your cancelled check to Boylas Bros. for core boxes. This was probably enclosed with your voucher material by mistake as you also included four Xerox copies.

Copies of your "Operator's Final Report" are being forwarded to OME in Washington, D. C., along with your request for additional work.

I do not know as yet if I will be able to attend the meeting in Las Vegas next month. If I do, I will look for you there.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

Enclosure-1

cc: Chief, OME, WDC
Dir RF
ACG RF
Docket
MP RF
Copy attached to each voucher
HKStager:mlb
8-21-67

WALTER M. HOOVER
764 LORAINE
GROSSE POINTE, MICHIGAN 48230

Lone Pine, California
P. O. Box 331

Mr. H. K. Stager
Field Officer, O. M. E.
345 Middlefield Road
Menlo Park, California 94025

Re: O. M. E. #6234

Dear Mr. Stager:

Please accept this as a formal request for an extension of the contract just completed (O. M. E. 6234).

From the data enclosed, we feel it is evident that there is a mine here. If the only ore is in fracture filling ledges, the continuity and length of the float showings indicate that the ledge or ledges probably are 2,000 feet long, and the North Hill ledge in the neighborhood of 1,200 feet. With only one foot of high grade ore 100 feet in depth and of $100.00 value, there would be $5,000,000.00 worth of ore.

However, as I mentioned in my final report, finding the fracture fillings is only the beginning. Probing for bedded ore should be an important step in the exploration of this property. Bedded ore has been mined in the old diggings at the "Lee" Mine, and it is reasonable to believe that it may be found in the new area.

Mines in this section go to depths of 900 feet to 1,200 feet, as at the Cerro Gordo and Darwin. At the Santa Rosa, across the flat from us, I am not sure of the depth as they are now sinking, but it is over 400 feet. It is reasonable, therefore, to think we may have to go over 200 feet or more.

I would suggest a program for the future as follows:

1. Two 300-foot holes to finish the South Hill area. This should cut the ledge.
2. Five 200-foot holes to cut the ledge in a Westerly direction.
3. Two 200-foot plus holes in the North Hill to determine the depth of the overlying Basalt.
4. One 700-foot horizantal hole to probe the North Hill. Our last contractor, Johnson Drilling Company of Fresno, says this is practical.
5. A series of vertical holes on either side of the ledges in quest of bedded ore.

We feel that the above program should be preceeded by a topographical survey of the area to be explored, showing the faults, with possible further seismographic work to disclose possible faults not visible on the surface. In this area faults are a controlling factor in ore deposition, and may be important to our program of probing for bedded ore.

We suggest that a program of 4,000 feet of drilling be approved, perhaps contingent on our locating the ore in the South ledge area, with 600 feet of drilling to locate the ledge, and 400 feet to check its continuity, or a total of 1,000 feet of preliminary drilling.

This property shows such promise that we feel that we cannot quit now, and I am sure the O. M. E., as well as ourselves, would like to be a part of a successful operation, which this is bound to be eventually, if not in the very near future.

Hoping for your favorable consideration and approval of this request, I am,

Sincerely yours,

Walter M. Hoover, Manager

RECEIVED
AUG 21 1967
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

OPERATOR'S FINAL REPORT

- -

OME No. 6234 (Metals or minerals)
Contract No. 14 - 23 - 090 - 2227
Name of Operator - Hoover & Greenwood, Joint Venture
Name & location of property- Silver Reid Mine, Inyo County, California

Work on contract was started September 24, 1966, and was suspended about November 30th for a period of four months, pending assembling of data and approval of a change of contract covering a new area of exploration. Work was resumed in April and completed July 17, 1967, a total of six months of operation. A total footage of 2,000 feet of holes were drilled, at a cost of $26,791.05.

Work was started on the original contract on holes #1 through #9, shown on U.S.G.S. Sketch "Fig. 2". During the time holes #1, #5 and #7 were being drilled, I found considerable rich float in an area West of the old diggings, and one-half to one mile West of "Fig. 2". We then suspended operations and sought a change of the program.

We had considerable geophysical surveying done, as the new area was covered with sixty feet of alluvial material. We had magnetometer, resistivity, and self potential surveys, and some seismographic work. We asked for the drilling remaining in the original contract, 1,200 feet, to be done in six 200-foot holes. This request was changed by the O. M. E. to four 300-foot holes, and the locations were changed. One hole, #13, was aimed to cut the most likely anomaly on the S. P. Map. When this failed to cut ore the other holes were changed slightly in an effort to cut areas where we calculated the ledges might be located.

Hole #14, 330 feet, was evidently right down the bedding of Basalt, which appears on the surface to be about 70 feet wide. Holes #11 and #12 now appear to have been too far down the South Hill to cut the ledge. (See sketch "Section of South Ledge Area"). Holes #15, #16 and #17 were drilled on our own after completion of the Contract.

Hole #15 was a 30° hole driven into the East end of the North Hill in an effort to cut the ledge from which large float, 1½' x 2' x 2' appeared to have been moved by the front of the lava. 150 feet failed to get through the Basalt so it was cut short, as it was then evident that the float came from much farther up the hill.

Hole #16 - 160 feet - was then drilled in an effort to cut an area showing a fault on the seismograph. Again we failed to get throuth the Basalt. A later check with the seismograph showed the fault to be 300 feet above the hole.

On Hole #17 - 150 feet - 30° in the South Ledge Area, we were misled by what we thought was bedrock, showing from previously drilled air track holes; evidently we cut limestone boulders only, and not bedrock. It is now clear that the ledge must be farther up the hill (see sketch). Since three-fifths of the hill has been explored, two 300-foot holes should cut the ledge.

Page #2, which is made a part of this report, tabulates the Float Assays, showing location, value, thickness and remarks, of samples taken from South Ledge and North Hill.

OPERATOR'S FINAL RPT.

FLOAT ASSAYS

Ag @ $1.74

SOUTH LEDGE

	Where Located	Value	Thickness	Remarks
#1	S.R. #2 & 6 other places Over 2100' 7 pieces	$1,375.96	1 to 2¼ "	
#2	H. G. #6	523.96	4"	Some free gold visible Au 1.48 Oz
#3	H. G. #2	357.19	5½"	
#4	H. G. #1	261.82	12"	This is piece I had cut in two
#5	S. R. #2	218.26	7"	
#6	S. R. #2	116.98	? abt 3"	
#7	S. R. #2	110.90	? abt 3"	
#8	S. R. #2	52.36	3½" thick x 6 x 11	
#9	Intermediate Ledge	71.85		This is near hole #14, Across Draw from North Hill

NORTH HILL

#1	Near County Road	147.96	3½"	
#2	Near County Road	248.31	9"	
#3	East of Co. Road 1000' Plus	423.11	6" x 7" x 11"	
#4	East of Co. Road 1000' Plus	278.83	10"	Runs 3.21 Oz Au
#5	" " "	661.86	3"	
#6	" " 200'	623.80	11"	
#7	" " 1,350'	48.46	2½"	

- -

The above are, of course, picked pieces. On the other hand there are hundreds of other pieces not assayed, some of which obviously run over $100.00 or more. The original float from which samples were taken are still in place where found.

There are many (about 20) large pieces of quartz float, which have been broken up by prospectors, probably two feet or more across, that vary from high grade to waste. Pieces of float that could be classified as

ore (over $50.00) number in the hundreds, and cover an area 2,200' by 1,900'. The search for the source of the float, which is apparently fracture filling ore, is only the beginning. After the three fracture filling ledges are found, probing should be done in an effort to locate ore on beddings, which could make a big mine.

In the old diggings ore was made on beddings and, importantly, "wall rock" float was found on the "North Hill", which probably indicates bedded ore in this area.

The total mineralized area is approximately one-half mile wide and two miles long.

In view of the fact that all the information and facts resulting from the drilling operations covered by this original contract, and which are all set forth in this report, clearly indicate that a continuation of this program would have a real chance to bring this search for a good producing mine to a successful conclusion, I am attaching hereto a request for an extension of this program.

Respectfully,

Walter M. Hoover, Manager

WMH/dw
Encs.

RECEIVED
AUG 21 1967
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

P. M. CRISMON, PRES.

CRISMON & NICHOLS

ASSAYERS AND CHEMISTS

229-231 SOUTH WEST TEMPLE STREET

PHONE 363-7417

P. O. BOX 1708

REPORT OF ASSAY

SALT LAKE CITY, UTAH 84110 May 31, 1967

W. M. Hoover

WE HAVE ASSAYED YOUR one SAMPLES AND FIND it TO CONTAIN AS FOLLOWS:

DESCRIPTION	NO.	OZS. GOLD PER TON	OZS. SILVER PER TON	PER CENT LEAD	PER CENT COPPER	PER CENT ZINC	PER CENT INSOL.	PER CENT IRON	PER CENT	VALUE OF GOLD PER TON
Hole 11, 178'		Trace	Trace	None						

REMARKS:

CHARGES $ 4.50

CRISMON & NICHOLS

BY P. M. Crismon

P. M. CRISMON, Pres.

CRISMON & NICHOLS

ASSAYERS AND CHEMISTS

229-231 SOUTH WEST TEMPLE STREET

PHONE 363-7417

P. O. Box 1702

SALT LAKE CITY, UTAH 84110

REPORT OF ASSAY

May 24, 1967

W. N. Hoover

WE HAVE ASSAYED YOUR two SAMPLES AND FIND them TO CONTAIN AS FOLLOWS:

DESCRIPTION	NO.	OZS. GOLD PER TON	OZS. SILVER PER TON	PER CENT LEAD	PER CENT COPPER	PER CENT ZINC	PER CENT INSOL.	PER CENT IRON	PER CENT	VALUE OF GOLD PER TON
									VALUE	
North Hill	3	0.18	249.20	2.30		None			334.20$	6.30
-"-	4	3.21	92.00	4.95		None			$244.89	$ 112.35

FLOAT SAMPLES, 1-10" THICK, ONE 12" ABOUT 2/3 WAY EAST FROM WEST END "NORTH HILL". LEDGE ESTIMATED TO BE ABOUT 450' NORTH OF HOLE #14

REMARKS:

CHARGES $ 12.00

CRISMON & NICHOLS

BY P. M. Crismon

P. M. CRISMON, PRES.

CRISMON & NICHOLS

ASSAYERS AND CHEMISTS

229-231 SOUTH WEST TEMPLE STREET

SALT LAKE CITY, UTAH 84110

PHONE 363-7417

P. O. BOX 1708

REPORT OF ASSAY

Walter M. Hoover

May 17, 1967

WE HAVE ASSAYED YOUR two SAMPLES AND FIND them TO CONTAIN AS FOLLOWS:

DESCRIPTION	NO.	OZS. GOLD PER TON	OZS. SILVER PER TON	PER CENT LEAD	PER CENT COPPER	PER CENT ZINC	PER CENT INSOL.	PER CENT IRON	PER CENT	VALUE OF GOLD PER TON
		10.15	103.07	5.15						
North Hill	1	0.29	79.90	1.85	0.47	0.25		118.40		$ 10.15
-"-	2	0.16	125.65	9.10	1.14	0.20				$ 5.60
		5.60	164.08	25.48	8.66			203.82		

REMARKS:

CHARGES $ 15.00 Paid

CRISMON & NICHOLS

BY

P. M. CRISMON, PRES.

CRISMON & NICHOLS

ASSAYERS AND CHEMISTS

229-231 SOUTH WEST TEMPLE STREET

PHONE 363-7417 — P. O. BOX 1708

REPORT OF ASSAY

SALT LAKE CITY, UTAH 84110 June 29, 1967

W. M. Hoover

WE HAVE ASSAYED YOUR two SAMPLES AND FIND them TO CONTAIN AS FOLLOWS:

DESCRIPTION	NO.	OZS. GOLD PER TON	OZS. SILVER PER TON	PER CENT LEAD	PER CENT COPPER	PER CENT ZINC	PER CENT INSOL.	PER CENT IRON	PER CENT	VALUE OF GOLD PER TON
		7.35	629.53	24.98						
North Hill	5	0.21	361.80	8.85		3.40		#661.86		$ 7.35
		3.85								
Dn.	6	0.11	350.10	3.85		0.25		#623.80		$ 3.85
			609.17	10.78						
			@ #1.74	@ 14¢						

REMARKS: Both samples contain copper. Mailing envelopes being sent under separate cover.

CHARGES $ 12.00

CRISMON & NICHOLS

BY Crismon

MOTTO: — WHAT THERE IS IN IT, NO MORE NO LESS.

EDMUND E. PHILLIPS, VICE-PRES.—GEN. MGR. M. E. PHILLIPS, SECRETARY

THE COLORADO ASSAYING COMPANY

(INCORPORATED)

ASSAYERS AND CHEMISTS

2244 BROADWAY

DENVER, COLORADO 80201 Feb. 15, 1967

REPORT ON DETERMINATIONS MADE FOR— Mr. W. M. Hoover
Lone Pine, Calif.

SAMPLE MARKS	METALS	Amount per Ton Ozs.	Hds.	PER CENT		Value per Ton Dollars	Cents
FLOAT near Barrels	Gold		.25			8.	75
	Silver	139.	80			181.	74
	Copper			1.	50%	10.	50
	Lead			4.	2	10.	50
	Zinc			0.	95		
						211	49

GOLD AT $35. PER OUNCE SILVER AT $1.30 PER OUNCE
LEAD AT $2.50 PER UNIT COPPER AT $7.00 PER UNIT

THE COLORADO ASSAYING COMPANY

By Ed Phillips

OUR MOTTO: — WHAT THERE IS IN IT, NO MORE NO LESS.

EDMUND E. PHILLIPS, VICE-PRES.—GEN. MGR. M. E. PHILLIPS, SECRETARY

THE COLORADO ASSAYING COMPANY

(INCORPORATED)

ASSAYERS AND CHEMISTS

2244 BROADWAY

DENVER, COLORADO 80201 Dec. 5, 1966.

REPORT ON DETERMINATIONS MADE FOR — Mr. Walter M.Hoover,
Lone Pine, Calif.

SAMPLE MARKS	METALS	Amount per Ton Ozs.	Amount per Ton Hds.	PER CENT	Value per Ton Dollars	Value per Ton Cents
Float, H. G. #6	Gold	1.	48		51.	80
	Silver	281.	00		365.	30
	Lead			2.1%	5.	25
	Zinc			0.3		45
					422	80

GOLD AT $35. PER OUNCE SILVER AT $1.30 PER OUNCE

LEAD AT $2.50 PER UNIT COPPER AT _____ PER UNIT

Zinc at $1.50 per unit.

THE COLORADO ASSAYING COMPANY

By Ed Phillips

GEOCHEMICAL SYSTEMS COMPANY
1228 West Collins, Orange, California 92667 Phone 714/639-2611

DETERMINATIONS REPORT NO. 485

DATE June 15, 1967

Sample Identification	Ag oz/ton	Ag/ppm
Air Track Hole #1	.004	.144
Air Track Hole #9	.006	.192
99.5' Hole #11	.031	1.058
203.2' Hole #11	.024	.818
302.3' Hole #11	.027	.914

CLIENT Walter M. Hoover

Signed Frederick K. Suppes
Geochemical Systems Company

GEOCHEMICAL SYSTEMS COMPANY
1228 West Collins, Orange, California 92667 Phone 714/639-2611

DETERMINATIONS REPORT NO. 531

DATE July 18, 1967

Sample Identification	Ag/ppm
Hole #12 248.6'	.08
299'	.32

CLIENT Walter M. Hoover

Signed [illegible]
Geochemical Systems Company

GEOCHEMICAL SYSTEMS COMPANY
1228 West Collins, Orange, California 92667 Phone 714/639-2611

DETERMINATIONS REPORT NO. 514

DATE July 13, 1967

Sample Identification	Ag/ppm
Hole #12 113.0'	3.696
156.7'	5.159
200.2'	3.157

CLIENT Walter M. Hoover

Signed [illegible]
Geochemical Systems Company

METALLURGICAL LABORATORIES INC. CHEMISTS • ASSAYERS • SPECTROGRAPHERS

1142 HOWARD STREET • SAN FRANCISCO, CALIFORNIA
UNDERHILL 3-8575

REPORT OF ASSAY

Submitted by Mr. W. M. Hoover
General Delivery
Lone Pine, California

Date November 16, 1966

Sample of Ore

LABORATORY NO. 7048

MARK	GOLD, PER TON OF 2,000 LBS. TROY OUNCES	GOLD, PER TON OF 2,000 LBS. VALUE AT $35.00 OZ.	SILVER, PER TON OF 2,000 LBS. TROY OUNCES	SILVER, PER TON OF 2,000 LBS. VALUE	Lead %	Zinc %	%
Hole #1 Core #1 224'-236'	0.01	0.35	Trace	-	0.01	Trace	
Hole #1 Core #2 228'-229'	0.01	0.35	Trace	-	Trace	Trace	
Hole #1 Core #3 290.6'-294.6'	0.005	0.17	0.06	0.07	0.01	Trace	
Claim 3-#1	0.04	1.40	63.24	81.58	1.62 $4.55	0.20	87.51
Speckled #2	0.025	0.52	112.84	145.56	7.09 $19.85	3.65 10.58	176.51
Green #3	0.64	22.40	791.64	1021.21	9.63 $26.96	4.27 12.38	1082.95
Yellow #4	0.10	3.50	25.68	33.12	2.23 $6.24	0.71	42.86
Speckled #5	0.17	5.95	195.44	252.11	3.75 10.50	5.97 17.31	285.87
Medium #6	0.06	2.10	63.22	81.55	3.55 9.94	0.95	92.59
					14¢	14½¢	

3.75
2.80
30040
750
105040

9.63
280
17840
1926
26,9640

1.62
2.80
12960
324
4530

3.65
290
32850
730
10550

3.55
280
28400
710
9,9400

223
280
17840
446
62440

7.09
290
56720
1418
19,8520

4.27
290
38430
854
12380

5.97
290
53730
1194
17,3130

METALLURGICAL LABORATORIES INC.

By [signature]

BROWNSTONE MINING CO.

PHONE: TR 6-3661

P. O. BOX 215
LONE PINE, CALIF.

January 8, 1967

Mr. Walter Hoover
Lone Pine, California

Dear Mr. Hoover:

The following are the results of the assays made on samples received from you at our lab on January 3, 1967.

Lab No.	Your No.	Gold	Silver	Copper %	
307	S.R. No. 7	Trace	8.81oz.	Trace	11.36
308	No. 8	Trace	22.10oz.	0.50	$28.50
309	No. 7	0.22	110.99oz.	Trace	$150.87
312	No. 6		0.50oz.		

Paul M. Skinner

Paul M. Skinner
Assayer

PMS:ws

35
.22
70
70
7.70

110.99
1.29
99891
22198
11099
143.1771
7.70
150.87

1.29
22.1
129
258
258
28.509

1.29
8.81
129
1032
1032
11.3649

THE BROWN LABORATORY

2263 Broadway
GRAND JUNCTION, COLORADO 81501

ANALYTICAL DEPARTMENT

Phone 242-4589

CERTIFICATE OF ANALYSIS

TO

Dudley L. Davis
Bel Court
Battle Mountain, Nevada

Date 12-7-66
Order No. 18355-S
cc- Walter Hoover

Material: Ore Sample
Received: 12-5-66
For: Analysis

Lab. No.	Your No.	Description	Ounces Per Ton Gold	Ounces Per Ton Silver	%Cu	%Pb	%Zn
18355-1	----	High Grade	0.54	215.10			
			35	130			
			270	645500			
			162	21510			
				2796300			
			18.90				
			279.63				
			298.53				

Analyst

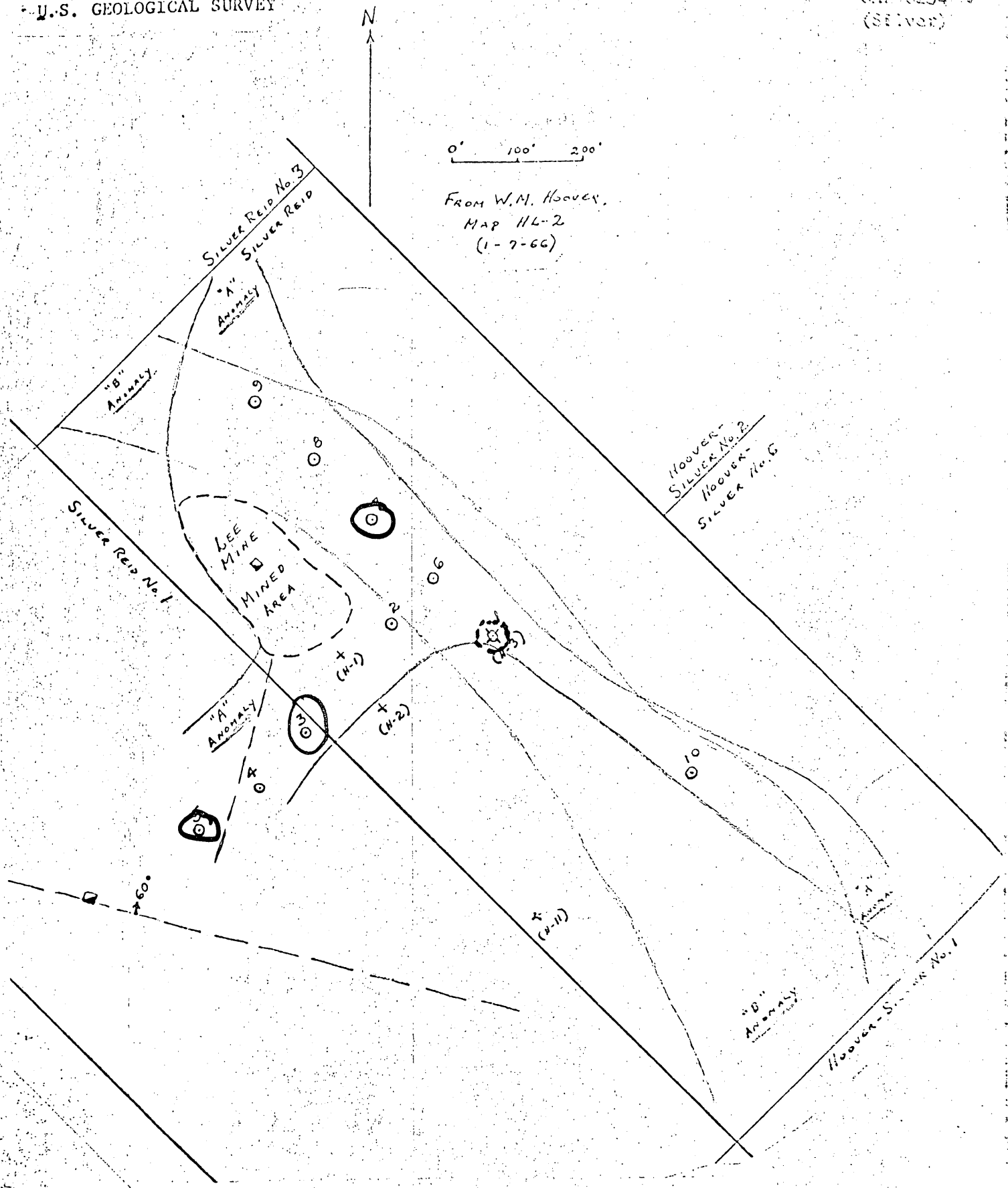
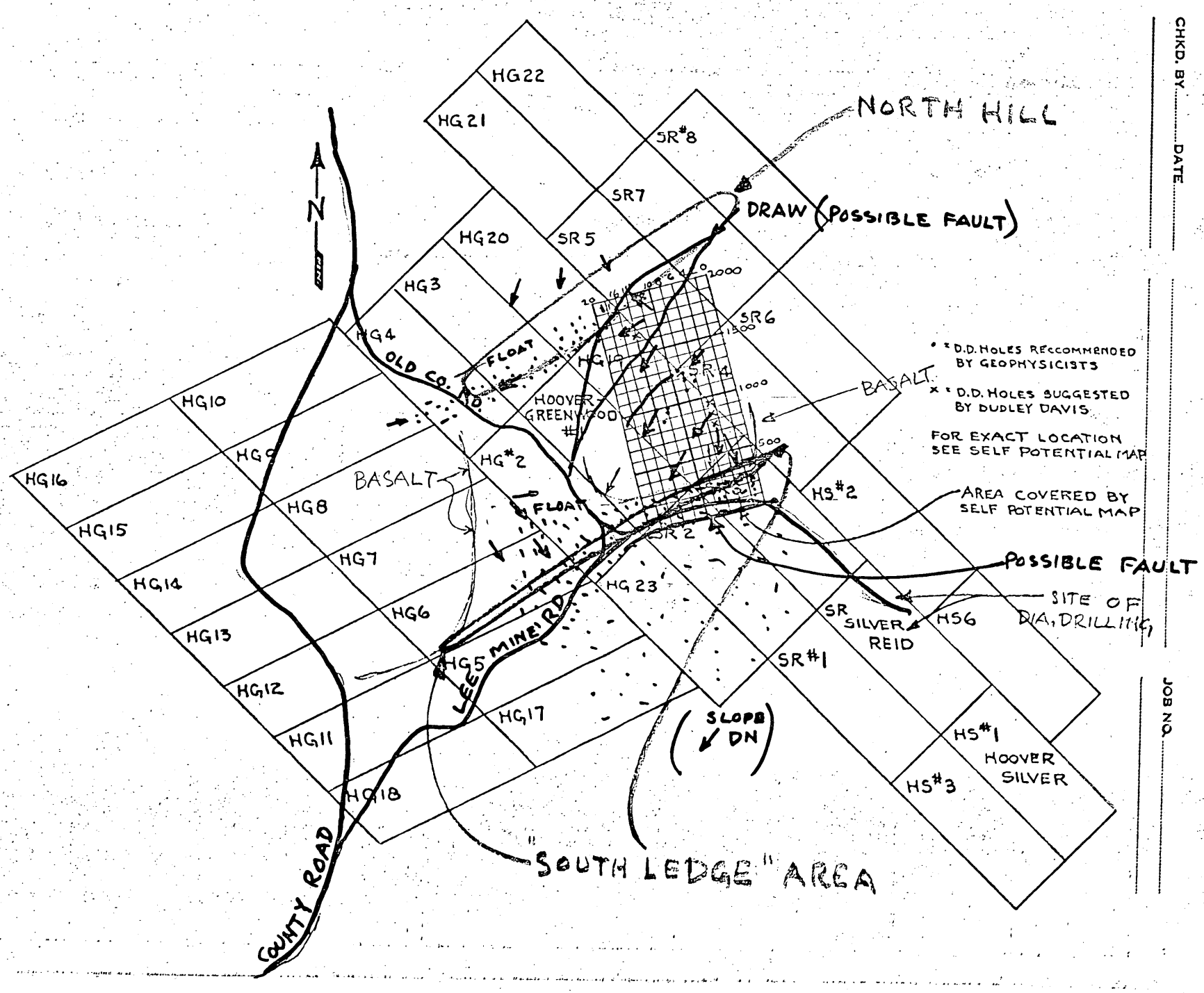
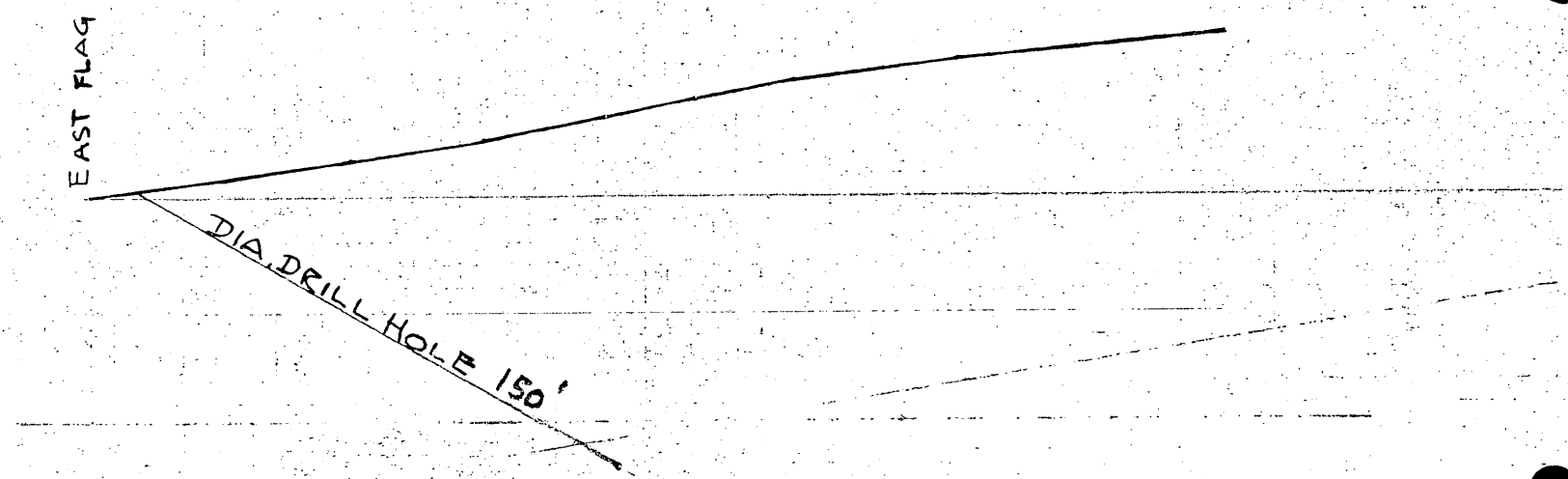


Figure 2. Map showing location of proposed exploration, Walter M. Hoover, Lee mine area, Inyo County, California


NORTH HILL
DRAW (POSSIBLE FAULT)
N
HG22
HG21
SR#8
SR7
HG20
SR5
HG3
HG4
OLD CO. RD.
FLOAT
HG10
HOOVER GREENWOOD #1
SR6
SR4
BASALT
HG10
HG9
HG16
HG8
HG15
HG7
HG14
HG6
HG13
HG12
HG11
HG18
HG*2
BASALT
FLOAT
SR2
HS#2
HG23
HG5
LEE'S MINE RD.
HG17
SR
SILVER REID
HS6
SR#1
HS#1
HOOVER SILVER
HS#3
(SLOPE DN)
COUNTY ROAD
"SOUTH LEDGE" AREA
* = D.D. HOLES RECOMMENDED BY GEOPHYSICISTS
x = D.D. HOLES SUGGESTED BY DUDLEY DAVIS
FOR EXACT LOCATION SEE SELF POTENTIAL MAP
AREA COVERED BY SELF POTENTIAL MAP
POSSIBLE FAULT
SITE OF DIA. DRILLING
CHKD. BY
DATE
JOB NO.

BY Hoover DATE 8-3-67 SUBJECT North Hill Profiles SHEET NO. 2 OF

CHKD. BY DATE JOB NO.



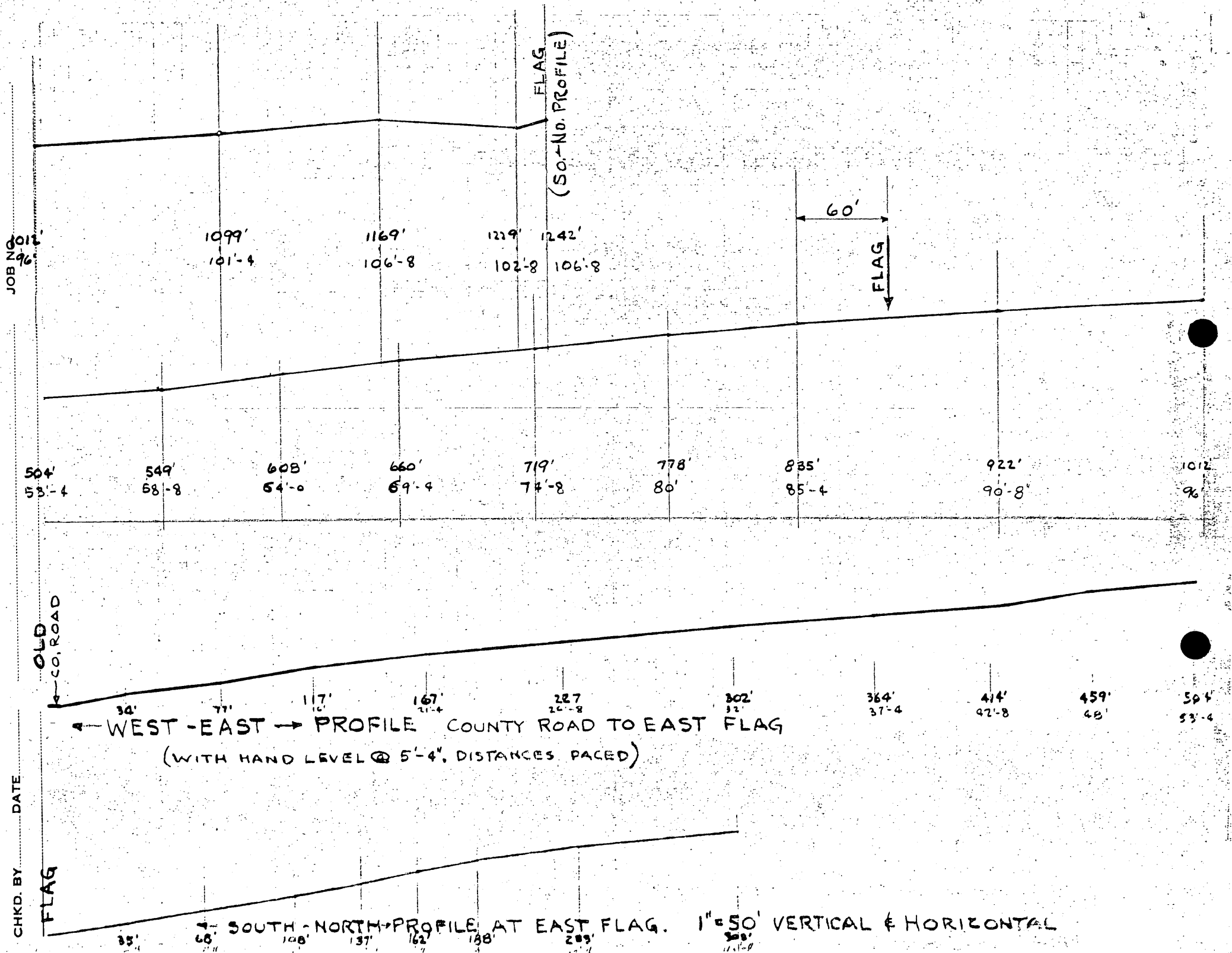
← SOUTH - NORTH → PROFILE AT EAST FLAG (NORTH HILL)

1" = 50' VERTICAL & HORIZONTAL

ALL IN BASALT

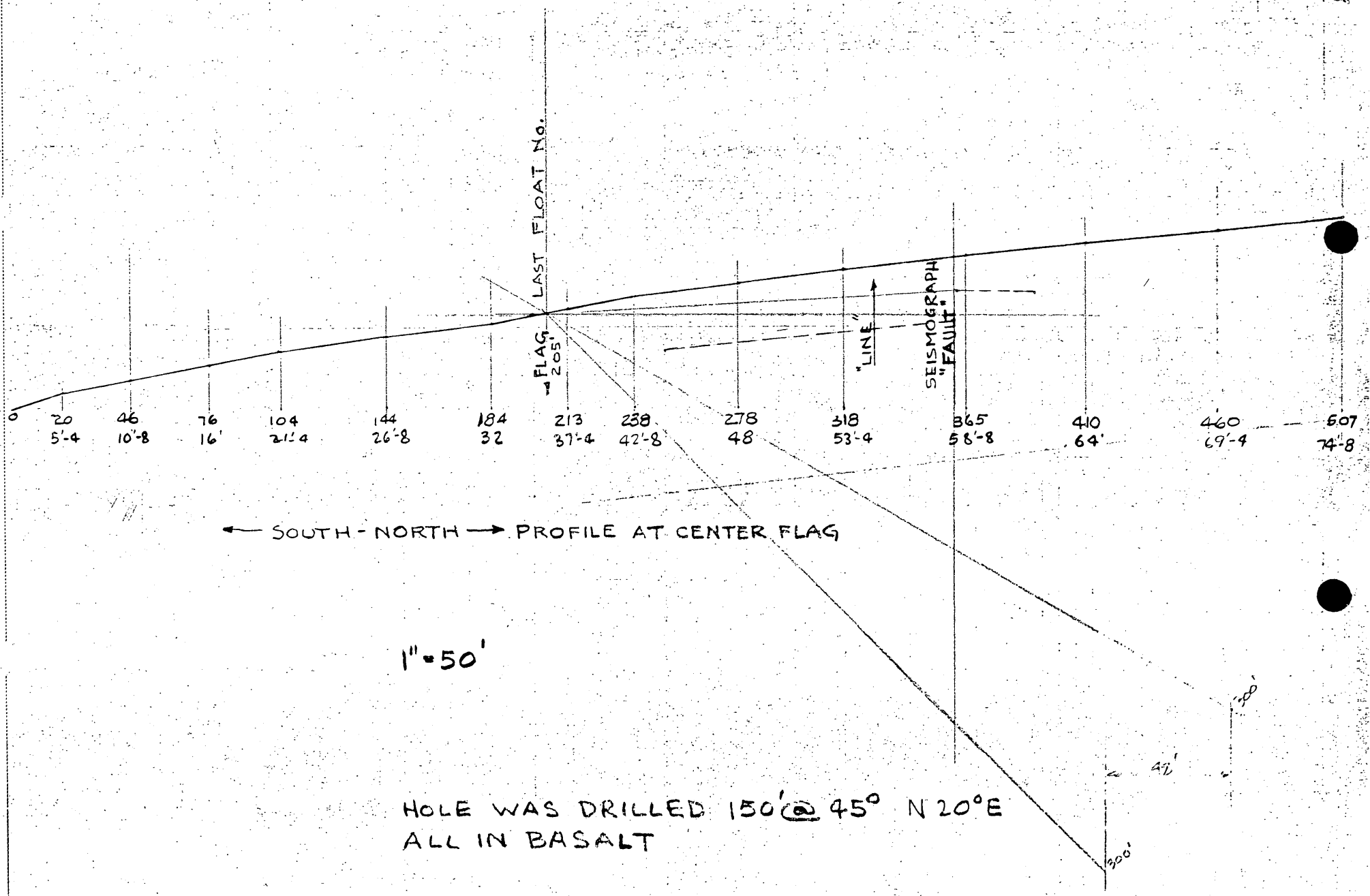
BY HOOVER DATE 7-20-67 SUBJECT NORTH HILL PROFILES SHEET NO. ___ OF ___

JOB NO. ___ CHKD. BY ___ DATE ___



BY HOOVER DATE 8-4-67 SUBJECT PROFILE NORTH HILL SHEET NO. 3 OF

CHKD. BY DATE JOB NO.



HOLE WAS DRILLED 150' @ 45° N 20°E
ALL IN BASALT

Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

July 5, 1967

Mr. Walter M. Hoover
c/o General Delivery
Lone Pine, California 93545

Re: OME-6234 (Silver)
Walter M. Hoover
Lee Mine
Inyo County, California
Contract No. 2227

mch 120 M
HK 110
~~120~~
~~220~~
~~120M~~

Dear Mr. Hoover:

Your monthly voucher and report for June 1967 were received in this office on July 3, 1967, and forwarded to OME in Washington, D. C. for payment on that date.

I am sorry Hole No. 14 was a failure. The unfavorable results from the drilling to date do not justify OME participation in additional exploration and, for this reason, your request of June 16, 1967, to utilize unexpended contract funds for additional drilling has not been approved. Drilling under the OME contract is limited to a maximum of 2,000 feet. On completion of Hole No. 14 a total of 1,732 feet had been drilled, leaving only 268 feet of authorized drilling for Hole No. 12. The OME will not participate in any drilling beyond 268 feet in Hole No. 12, so if you wish to extend this hole beyond that depth it will be at your own expense.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

cc:
Chief, OME, WDC
D RF
ACG RF
MP RF
Docket
HKStager:mlb
7-5-67

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Memorandum June 19, 1967

O. M. E.
RECEIVED
JUN 21 1967

INITIALS	CODE
glee	120
	110
	120

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
Region II

Subject: OME-6234 (Silver)
Walter M. Hoover
Lee Mine
Inyo County, California
Contract No. 2227

Enclosed is a letter from the Operator requesting permission to use unexpended contract funds for additional drilling. After completion of the 2,000 feet of allowed drilling, sometime in July 1967, $2,031.80 of contract funds will probably be unexpended, consisting of $450.00 for outside consultants; $5.00 for sample sacks; $96.00, consultant per diem; $336.80, consultant travel, $329.00, assaying; $565.00, taxes, insurance, etc.; and $250.00, office expense. At the allowable rate of $10.50 per foot for drilling this amount would permit about 193.5 feet of additional drilling, or about one more hole.

If such an amendment is feasible I would recommend it be approved, although, at the present time, it appears that if the remaining two holes fail to discover a mineralized structure an additional hole would have a low probability of saving the project.

H. K. Stager

Enclosure-1

WALTER M. HOOVER
764 LORAINE
GROSSE POINTE, MICHIGAN 48230

Lone Pine, California
June 16, 1967

Office of Mineral Exploration
345 Middlefield Road
Menlo Park, California 94025

Attn: Mr. H. K. Stager Re: O. M. E. 6234

Gentlemen:

It appears that when we complete the drilling under the contract (#2227) there will be a balance of approximately $2,000.00 in unused funds. We would like to be able to use these funds for additional drilling, and would like your permission to do so. Such drilling would be done in probing for a ledge presumed to be on the claims included in the contract.

Respectfully,

Hoover & Greenwood

By: W. M. Hoover

Extra Copy

RECEIVED
JUN 19 1967
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Memorandum March 29, 1967

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
Region II

Subject: OME-6234 (Silver)
Walter M. Hoover
Lee Mine
Inyo County, California
Contract No. 2227

Enclosed are the Government's copy and Budget and Finance's copy of Amendment No. 1 to the subject contract signed by the Operator. The remaining copies have been distributed in the usual manner.

H. K. Stager

Enclosures-2

Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

March 22, 1967

OFFICE COPY
O. M. E.
RECEIVED
MAR 24 1967

Mr. Walter M. Hoover
c/o General Delivery
Lone Pine, California 93545

Re: OME-6234 (Silver)
Walter M. Hoover
Lee Mine
Inyo County, California
Contract No. 2227

Dear Mr. Hoover:

Enclosed are the original and three copies of proposed Amendment No. 1 (2 pages and 1 map) to the subject contract, signed for the Government.

If the proposed amendment is satisfactory to you all four copies should be signed and the Government's copy, Budget and Finance's copy, and Field Office's copy returned to this office. If any part of the proposed amendment does not have your approval, the original and all copies are to be returned to this office together with the proposed changes for consideration.

Footage remaining to be drilled under the contract totals 1,378 feet of which Hole No. 3 (in the Lee Mine area) will require about 180 feet. This Hole No. 3 is the hole Mr. Davis and I agreed should be drilled before we abandon the original drilling planned in the mine area and move to the new area of interest. When you resume drilling it should be drilled first.

To explore the new area of interest on the Hoover-Greenwood Nos. 1 and 19 Claims, with the remaining 1,200 feet of footage, the amendment specifies four holes bearing northwest and inclined -45°. These holes will be drilled to a depth of about 300 feet each and it is hoped will cut any veins in the area as well as explore the limestone for possible replacement bodies. I have discussed these proposed holes with Mr. Davis and, if necessary, we can get together on the property

to consider each one individually. The first hole (No. 11) should be drilled from site 10 on your SP map (about 5 W and 700 N) bearing N. 15° W.; second hole (No. 12) should be drilled from site 12 (about 5 W and 900 N) bearing N. 15° W.; third hole (No. 13) from about 100 feet southeast of site 1 (about 5.5 W and 1180 N) bearing N. 45° W. and bottoming about under site 2; and the fourth hole (No. 14) from site 3 (about 8.5 W and 1470 N) bearing N. 45° W. and bottoming about under site 9. The southwest and southeast corners of the Hoover-Greenwood No. 1 Claim are shown on the SP map and indicate that the work will be mainly on the Hoover-Greenwood No. 19 Claim, except for the first hole that will be collared on the No. 1 Claim and bottom on the No. 19 Claim.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

Enclosures

cc:
Chief, OME, WDC
D RF
ACG RF
MP RF
Docket
HKStager:mlb
3-22-67

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
3/16/67	Kirkemo	
"	Johnson	
3/17	Kulsgaard	
3/17	Nyman	

AIRMAIL

MAR 20 1967

Memorandum

To: Field Officer, Region II

From: Chief, Office of Minerals Exploration

Subject: OME-6234 (Silver)
Walter M. Hoover
Lee Mine
Inyo County, California
Contract 2227

Enclosed are the original and three copies of proposed Amendment No. 1 (2 pages)* to the subject contract, signed for the Government. An extra copy of the amendment is also enclosed for field use.

If the proposed amendment is satisfactory to you and the Operator, all four copies should be signed by the Operator and distributed in the usual manner.

If any part of the proposed amendment does not have your approval or that of the Operator, the original and all copies are to be returned to this office together with the proposed changes for consideration.

FRANK E. JOHNSON (gla)

Frank E. Johnson

Enclosures

*and one map, Figure 3

cc: Director's Reading File
Division File
Econ. Geol. File
OME Docket
OME Reading File
130

MMerrithew/mm (3/16/67)

23263

MME FORM 6 REFERENCE SLIP

REV. 2 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. ~~Assoc. Sol.--MR, Rm. 6554~~ ~~Through Room 6042~~		
2. Mr. Kirkemo, Rm. 4459 H-66-2003.11		
3. INTERIOR DEPT. (11 26) MAR 10 1967		
4. 3192 SOLICITOR		
5.		
FROM: Chief, OME		

FOR: Check items for action desired

____ Action ____ Reply for signature of _____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

Instructions Your information

REMARKS:

FROM SOLICITOR

MAR 14, 1967

FOR SIGNATURE

RECEIVED

MAR 10 1967

Division of Mineral Resources

General Legal Service

INT.-DUP. SEC., WASH., D.C. M56300-62

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~~110~~ 120M

DRAFT 3/8/67
HKirkemo/gla

EXPLORATION CONTRACT
WALTER M. HOOVER AND ALFRED GREENWOOD
OME-6234

AMENDMENT NO. 1

It is agreed this _____ day of March, 1967, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and Walter M. Hoover and Alfred Greenwood, a joint venture, hereinafter called the "Operator," that Exploration Contract 2227 (OME-6234), dated September 12, 1966, is amended effective March 1, 1967, as follows:

1. In Article 2 and Annex I:

The following unpatented claims shown in yellow color on Figure 3 entitled "Property map, Walter M. Hoover, Lee mining district, Inyo County, California, amended," which is attached and made a part hereof, are hereby added to the land referred to in Article 2 of the contract and more particularly listed in Annex I thereof:

Claim	Book	Page
Silver Reid No. 4	95	463
Hoover-Greenwood No. 1	101	733
Hoover-Greenwood No. 19	102	319

The Operator is in possession of the Silver Reid No. 4 claim by virtue of a Lease and Option Agreement dated December 12, 1961, between Walter M. Hoover and Agnes Reid, owner of the claim.

A Lien and Subordination Agreements executed December 8, 1965, by the owner is a part of the contract.

The Operator is the locator and owner of the Hoover-Greenwood No. 1 and No. 19 claims.

2. In Exhibit A under the heading Description of the Work:

(a) The first and second paragraphs and the description of individual holes are revised to read as follows:

'The work shall consist of drilling approximately 8 holes totalling not more than 2,000 feet.

The proposed holes are shown on Figure 2 entitled, "Map showing location of proposed exploration, Walter M. Hoover, Lee mine area, Inyo County, California," which is attached and made part hereof, and on Figure 2 previously described.

The proposed holes are described as follows:

Hole Number	Shown on Fig. No.	Bearing	Inclination	Length Feet
1	2	(Extension of Drill Hole H-3)	Vertical	81
3	2	-	Vertical	180
5	2	-	Vertical	301
7	2	-	Vertical	242
11	3	N. 15° W.	-45°	300
12	3	N. 15° W.	-45°	300
13	3	N. 45° W.	-45°	300
14	3	N. 45° W.	-45°	300
			Total (rounded)	2,000

This amendment shall not be construed to increase the estimated total cost of the contract, the aggregate amount which the Government

may be required to contribute, or the fixed unit cost of any item of work.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Chief, Office of Minerals Exploration

WALTER M. HOOVER AND ALFRED GREENWOOD

By_____

Title_____

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Memorandum February 24, 1967

OFFICIAL COPY
O. M. E.
RECEIVED
FEB 27 1967
INITIALS | CODE
120 AK
140
120 K

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
Region II

Subject: OME-6234 (Silver)
Walter M. Hoover
Lee Mine
Inyo County, California
Contract No. 2227

Enclosed is a request from the Operator for an amendment to the subject contract to increase the size of the exploration area and to permit the drilling of several holes to test an area of geophysical (self potential) anomaly northwest of the Lee Mine.

Although the Operator offers to include all of the claims held by the Hoover-Greenwood partnership I recommend that only three additional claims be added to the eight claims covered in the contract. These three claims are the Silver Reid No. 4, and the Hoover-Greenwood Nos. 1 and 19 (Fig. 1). The Silver Reid No. 4 claim is already included in the Lien and Subordination Agreement contained in the contract. The Hoover-Greenwood claims were located by the operators and the recording data are given in Mr. Hoover's letter (enclosed) dated February 8, 1967.

Holes Nos. 1, 5, and 7 drilled in the Lee Mine area did not intersect mineralized material. Mr. Dudley Davis, the Operator's consulting mining geologist, and I agreed during my last interim inspection on December 6, 1966, that one more of the planned holes (No. 3) should be drilled before stopping the drilling in the mine area although it is strongly indicated that the EM anomaly being tested there is caused by solution cavities in the limestone filled with unmineralized solution breccia. The drilling has been in recess since December 1, 1966, and Hole No. 3 has not been drilled.

The Operator has done considerable work in the area 2,000 feet northwest of the Lee Mine where there are abundant fragments of high-grade silver ore float. These angular fragments, some as large as several feet in cross section and assaying as much as 800 ounces of silver per ton, apparently were derived from veins along faults in limestone in the area now covered by a thin (10-50 ft thick) flow of basalt. Attempts to find the source of this float by trenching and wagon drilling have been unsuccessful. A SP survey of the area indicates several anomalies but these are interpreted by the geophysicists making the survey as north-striking east-dipping sulfide replacement bodies. This interpretation does not fit the known geology as the limestones underlying the basalt in this area strike about west and dip south. The limestone is part of the Lost Burro Formation, a favorable host rock for ore deposits in the district (Cerro Gordo Mine, etc.).

Footage remaining to be drilled under the contract totals 1,378 feet of which Hole No. 3 will require about 180 feet. To explore the greatest area with the remaining footage (about 1,200 ft) I recommend that four holes be drilled in the new area of interest. These four holes to be planned to cut any veins in the area as well as explore the limestone for possible replacement bodies. They should be inclined -45° and drilled to a depth of 300 feet each. The first hole should be drilled from site 10 on the SP map (about 5 W and 700 N) bearing N. 15° W.; second hole from site 12 (about 5 W and 900 N) bearing N. 15° W.; third hole from about 100 feet southeast of site 1 (about 5.5 W and 1180 N) bearing N. 45° W. and bottoming about under site 2; and the fourth hole from site 3 (about 8.5 W and 1470 N) bearing N. 45° W. and bottoming about under site 9. The locations of these holes are shown on Figure 1, that also shows the present claim area of the contract and the claims to be added. The southwest and southeast corners of the Hoover-Greenwood No. 1 claim are shown on the SP map and indicate that the work will be mainly on the Hoover-Greenwood No. 19 claim, except for the first hole that will be collared on the No. 1 claim and bottom on the No. 19 claim.

I will explain my preferred hole sites and plan of drilling to Mr. Davis next week when I meet him to examine Application No. OME-6575 and if necessary will visit the Lee Mine area with him later.

H. K. Stager

Enclosures

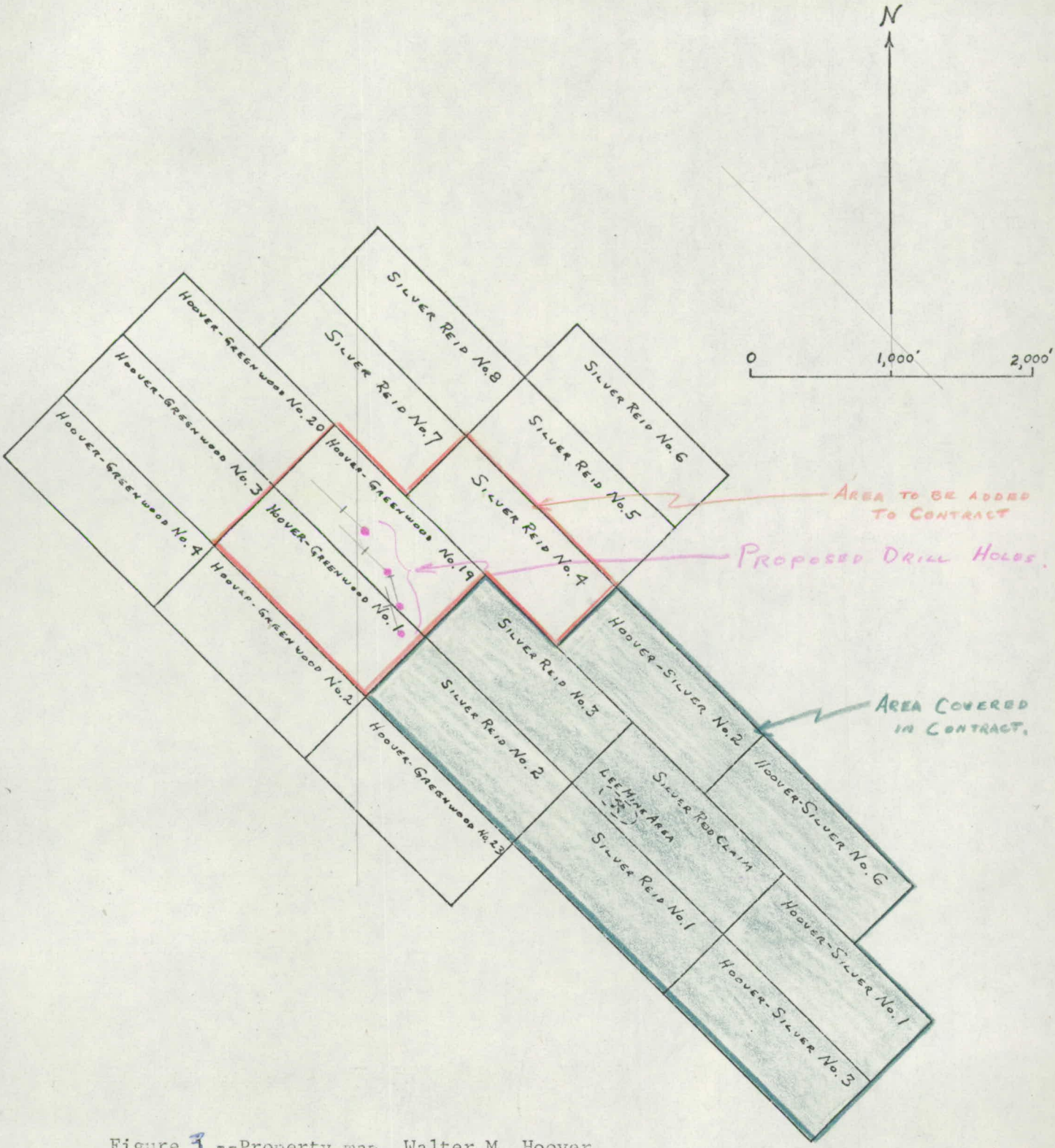


Figure 1.--Property map, Walter M. Hoover,
Lee mining district, Inyo County, California, amended.

WALTER M. HOOVER
764 LORAINE
GROSSE POINTE, MICHIGAN 48230

RECEIVED
FEB 9 1967
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

General Delivery
Lone Pine, Calif.
Feb. 8, 1967

Office of Mineral Exploration
345 Middlefield Road
Menlo Park, Calif. 94025

Attention: Mr. Stager
Re: OME-6234

Gentlemen:

We respectfully request a change of location of the balance of the drilling under the above contract.

The drilling to date of holes #1, #7, & #5(620') did not show ore. We would like to have the balance of the 2000' allocated to the new area.

During the drilling last fall I discovered considerable high grade float West of the Lee Mine as indicated on the attached sketch. We first tried to uncover the source with a D4 bulldozer. Only a foot or two was loose enough to remove. We then tried jack-hammer holes to 10' & 12" without hitting bed rock. Next we drilled about 20-40' to 70' holes with an air track and found bed rock at an average of 45'-50' in depth. Overburden was mostly past-mineral basalt, typically 40' to 45' with 5' to 10' of coliche (or hard pan) beneath.

Assuming the cover to average 50' and using a hand level from the areas of the floate we "guestimate" the source to be in the vicinity of 800'-1000' North and 300-400' West using the coordinates of the self-potential map.

We have had a professional self-potential survey made of the eastern half of the area in which we have found

high grade float. A sketch is enclosed showing the claims involved and the area covered by the survey. Also enclosed is the report of the geophysicists. I have noted on their map in pencil the additional four holes reccommended by Mr. Davis.

If the program suggesed (2400') must be curtailed to stay within the limits of the original contract, we suggest the following sequence of the drill holes:-1, 4, 5, 6, 9,10, 11, 12.

If we slope #9 hole S.E.,about 60° it will bottom out close to proposed hole #3.

Also, if we space holes 4,5, & 6 slightly differently and slope them North at 60° we may well intercept the ledge believed to be the source of the float and thus obviate the drilling of #10, 11, & 12.

However, we believe, the anomolies indicate bedded deposits and our primary aim is to cut these beddings, therefore all holes are planned for depth. Nevertheless, the sources of the float should not be ignored as the size and value indicate a sizeable ledge of commercial ore.

We trust and hope that the above ideas will meet with your approval.

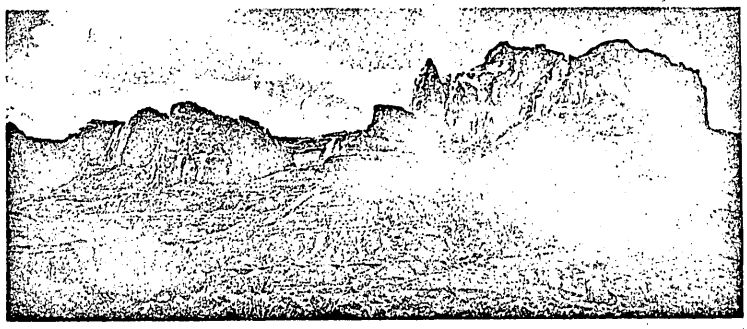
Respectfully submitted
Hoover & Greenwood

W.M. Hoover

By W.M. Hoover

DL Davis
Room 22

APACHE MOTEL
166 S. 4th E. • MOAB, UTAH • PH. 253-3771



"Heart of the Canyonlands"

Feb. 5, 1967

Mr. Walter Hoover
Gen. Del.
Lone Pine, California

Dear Walter:

A review of Brian Krogseng's recommendations for drilling the Hoover-Greenwood claims raises a question regarding the exploration for a steeply inclined high-grade vein-float from which is abundant in the area. Krogseng's program is designed to explore for bedded replacement ore indicated by S.P. survey.

I would like to have you make application for three inclined diamond drill holes - exact location to be spotted after the vertical holes have been drilled - in order to prospect for the presumably steep-dipping fissure-feeder near the best replacement ore found.

We should discuss this with Harold Stager.

Very truly yours,

Dudley L. Davis

APACHE MOTEL
MOAB, UTAH

February 2, 1967

Mr. Walter Hoover
Gen. Del.
Lone Pine, Calif.

Dear Walter:

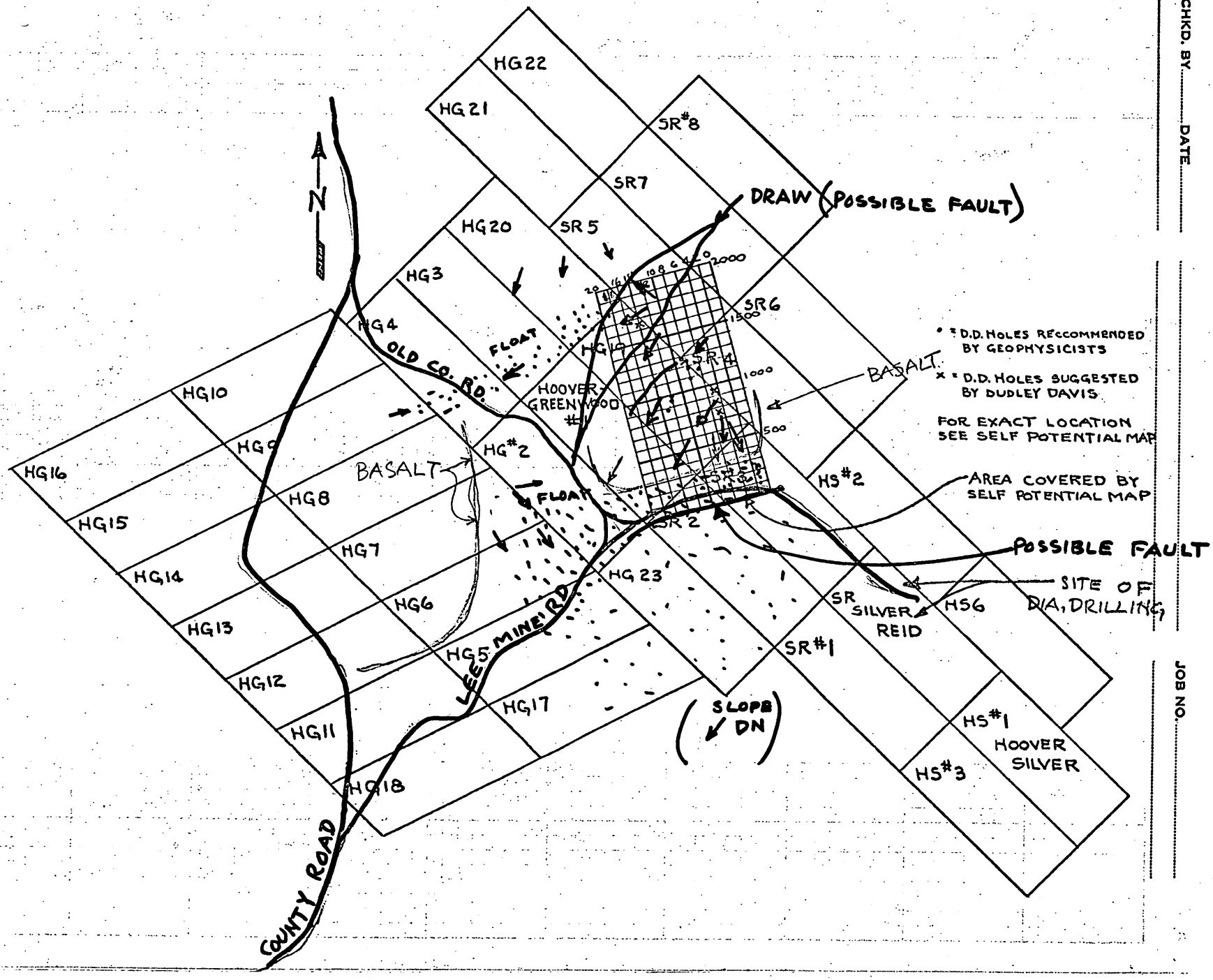
Enclosed is the map of the Hoover-Greenwood claims staked about a month ago. Please tie Krogseng's S.P. survey to these claims for your application for amendment of the OME loan. Also, you will need to show specific locations of the proposed drill holes on this claim map before prints are made.

I think it would be well to include an angle hole or two to check that fault zone we looked at where evidently a good vein structure has been covered by basalt on the Silver Reid No. 7(?) claim. This area is high on the hill near the northeastern basalt-limestone contact.

Please let me know when Hal wants to check the amended proposal.

Best regards to Mrs. Hoover and Bill Skinner.

Very truly yours,
Dudley L. Davis



CHKD. BY_____ DATE_____ JOB NO._____

Geophysical Report 67-3
January 24, 1967

To: W. M. Hoover
Lone Pine, California

From: Brian L. Krogseng
Donald P. Williams

Subject: Final report of self potential (SP) and geochemical surveys conducted on the Hoover and Greenwood claims, Lee mines, Darwin quadrangle, California on January 14,15,21,22, 1967.

INTRODUCTION

Approximately seven miles of SP lines were surveyed in the area on 50 foot spacing with lines 50 or 100 feet apart. A contour map was made of the results and several interesting anomalies defined. In addition to the SP survey, 45 soil samples were obtained and analyzed for silver content by atomic absorption methods.

DISCUSSION OF RESULTS

Self Potential Survey

The SP measurements were made by implanting a porus pot containing a $CuSO_4$ solution and a copper electrode near the south end of line 7. A similar electrode was used for the moveable electrode and a bridge type SP unit used so that maximum accuracy was obtained during the survey with a minimum disturbance of the natural earth potentials. The results of the SP survey are presented in the form of a contour map in figure 1.

The results of the survey indicate that a strong local source of current is present in the area giving rise to strong local SP anomalies. Several major lows and highs can be noted. The lows generally trend in north-south directions near the center of the map with highs to the east. An increasing trend is also indicated to the west.

It is of interest to compare SP profiles across the major lows and extended to the east with a theoretical profile of partially oxidized sulfide ore bodies. A theoretical profile for an ore body dipping to the east is shown in figure 2. It can be noted that the negative upper end of the body gives rise to a rather sharp negative anomaly while the deeper positive end gives rise to a rather broad positive anomaly.

Five SP profiles trending in an east-west direction are shown in figures 3 through 7. These profiles bear a remarkable similarity to the theoretical curves for a sulfide ore body dipping to the east with the upper end more highly oxidized than the lower portion. This is the interpretation that has been given to the SP anomalies. If these profiles are considered in sections there is a strong indication that there are two or more zones of mineralization. For example, in figure 3 the westernmost 300 feet of the profile fits the theoretical curve and the remainder of the profile also has the same general shape.

During the survey the base line was extended 400 feet to the east and 200 feet to the west of the mapped area. Similar lines were run south from line 8 and the 1000N line was extended to the west. These data could not be contoured, but the data indicated a general leveling of the contours at plus 20 to 30 millivolts to the east, south and west. To the north and northwest this trend is not indicated, but the map would have to be extended before a reasonable interpretation could be made. The high located on line 14(1650N) is also difficult to interpret, but may be associated with a contact, possibly a fault, or with the low to the northwest. A small anomalous area is also seen at the southeast corner of the mapped area, but cannot be properly interpreted until the map is extended.

Geochemical Sampling

Geochemical samples were collected in the area to determine levels of concentration of silver and its distribution in the residual soils. All samples were screened to minus 100 mesh and analyzed for silver, utilizing atomic absorption spectrophotometry. The samples that were analyzed were collected generally around the edges of the basalt flow at 200 foot intervals. On lines 9, 11, and 13, samples were collected at 100 foot intervals between 1000N and 1600N. This area contained some apparently anomalous self potential readings and also some old diggings.

The analyses results indicated a background level of around 100 parts per billion with several samples containing anomalous concentrations of silver. Of interest in terms of silver values are the three samples located at the southeast corner of the map. However, these values do not correlate directly to the geophysical data nor to obvious exposures in the area. There is a steep self potential gradient present here, but additional data would be required to provide an interpretation. It should be noted that these silver values fall in or near an outcrop area and are probably little affected by dilution.

The concentrations shown on line 15 from 0 to 600N may be significant in relation to the self potential anomaly to the northeast. Because of the thickness of colluvial material

here, a high dilution factor must be considered. Considering the terrain and dilution, the observed values could well have been derived from a source buried under the basalt to the northeast.

The sample collected at 9(1200N) provided the highest silver concentration in the area. This location lies in an interesting position on the self potential map and also is situated just above the head of a gully that may be related to structure and/or alteration. However, from cursory inspection the sample site is underlain by solid basalt and therefore the silver value cannot be related to pre-volcanic mineralization if the sample was residual, untransported material.

Thirteen shallow drillhole samples were also analyzed for silver concentration. These locations are plotted on the map (figure 1) in the south end of the area. Although none of the values were extremely high all ran somewhat higher than the published normal background levels for silver of 100-200 parts per billion. Values such as those for holes 6 and 12 could indicate close proximity to a mineralized zone. However, without depth figures and close control of sampling no conclusions can be drawn except that this is a high background area.

CONCLUSIONS AND RECOMMENDATIONS

As a result of the SP survey, it is concluded that the SP anomalies are due to one or more mineralized zones dipping slightly to the east and striking in a general north-south direction. The sharpness of the negative lows indicate that the zones are quite shallow, probably not more than 200 feet near the west end of the bodies.

Analyses of the anomalous areas indicate three locations where near-surface mineralization is most probable. These locations are:

1. Line 6 (1250N)
2. Line 8 (1400N)
3. Line 12-13 (700N-1000N)

It is recommended that the following drilling program be initiated to investigate the potential mineralization indicated by the self potential survey. Sites to be drilled are listed in the recommended drilling sequence, but core analyses, to be performed during drilling operations, may dictate modifications in both depth and location.

1. Midway between lines 6 and 7 at 1250N
2. Line 8 at 1350N
3. Midway between 8 and 9 at 1475N
4. Midway between lines 12 and 13 at 775N
5. Line 12 at 950N
6. Line 12 at 875N
7. Line 8 at 1175N
8. Line 8 at 1425N

The holes should be drilled to a minimum depth of 200 feet. It is recommended that samples collected at 10 foot intervals be analyzed for silver by atomic absorption methods to determine trace concentrations that may indicate proximity to a mineralized zone. The results of these analyses may determine modification of the drilling program. For example if high silver concentrations are observed at a depth of 200 feet the hole should be deepened. If this occurs, and a footage limitation exists in the program, elimination of recommended drill sites should begin with number 8 above.

Brian L. Krogseng

Brian L. Krogseng

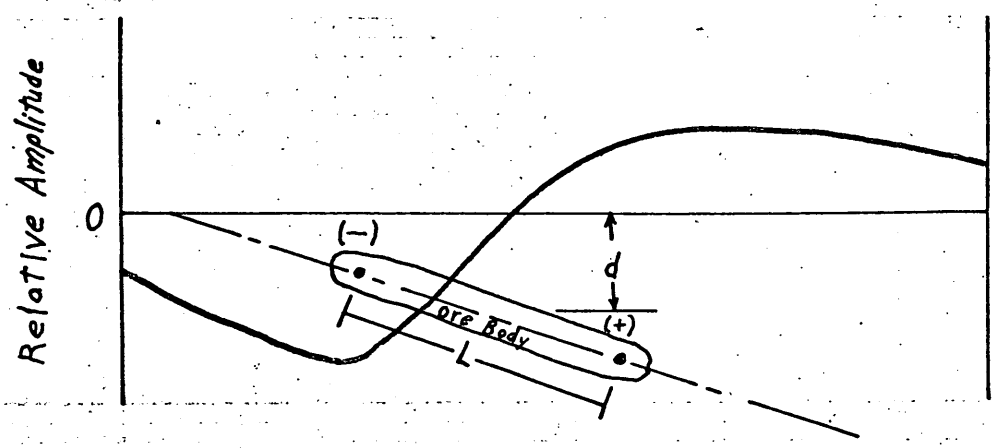


Figure 2. Theoretical SP Anomaly For a Partially Oxidized Sulfide Ore Body With $d = .L/3$

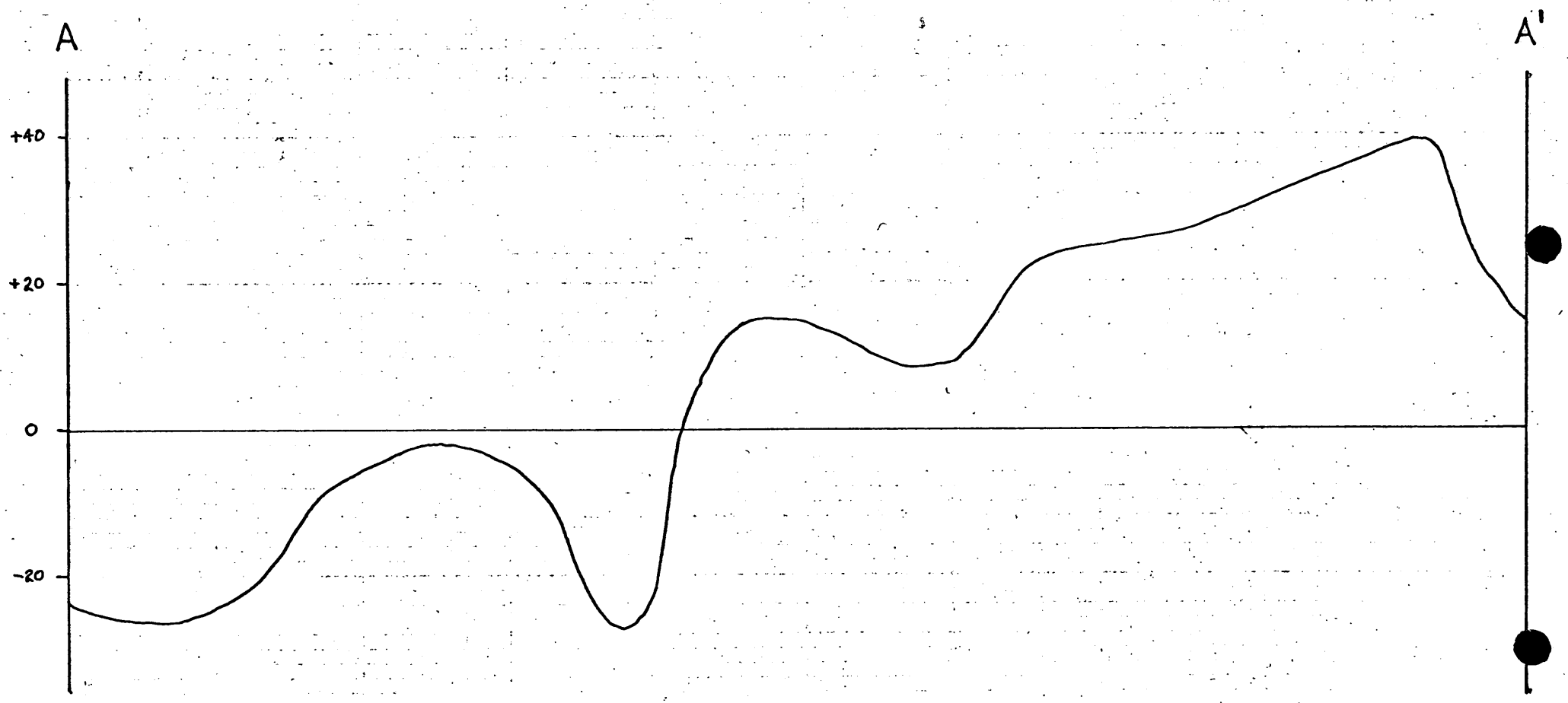


Figure 3. Section A-A'

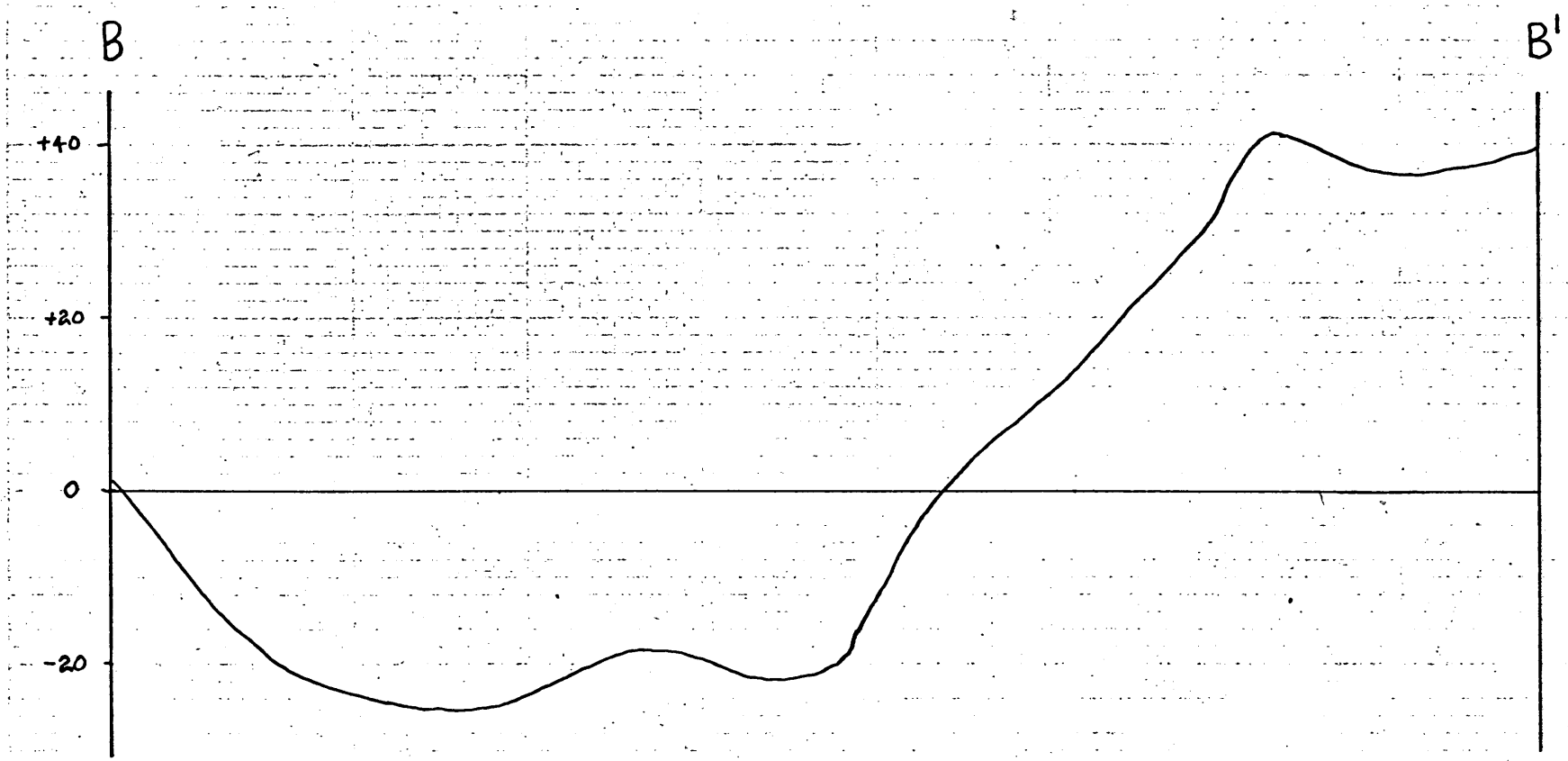


Figure 4. Section B-B'

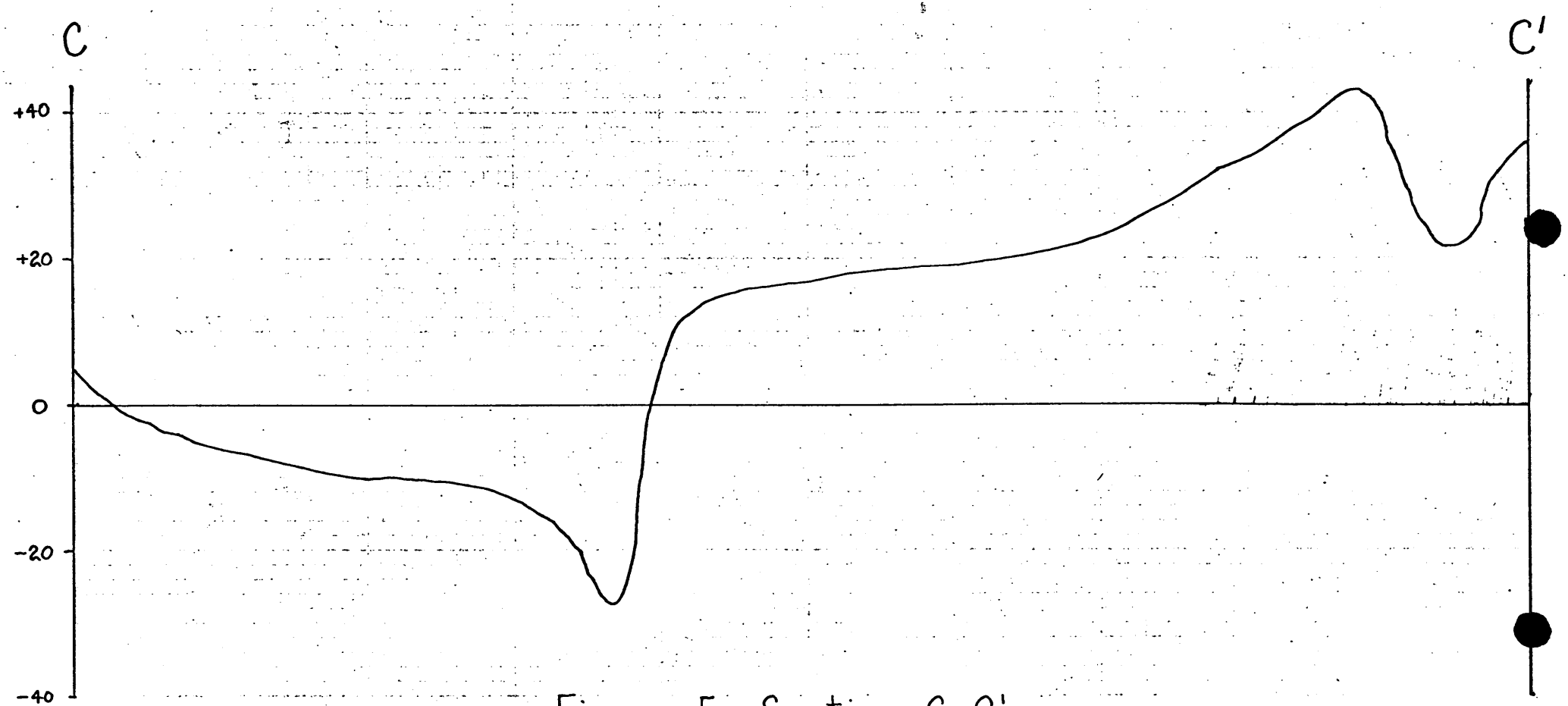


Figure 5. Section C-C'

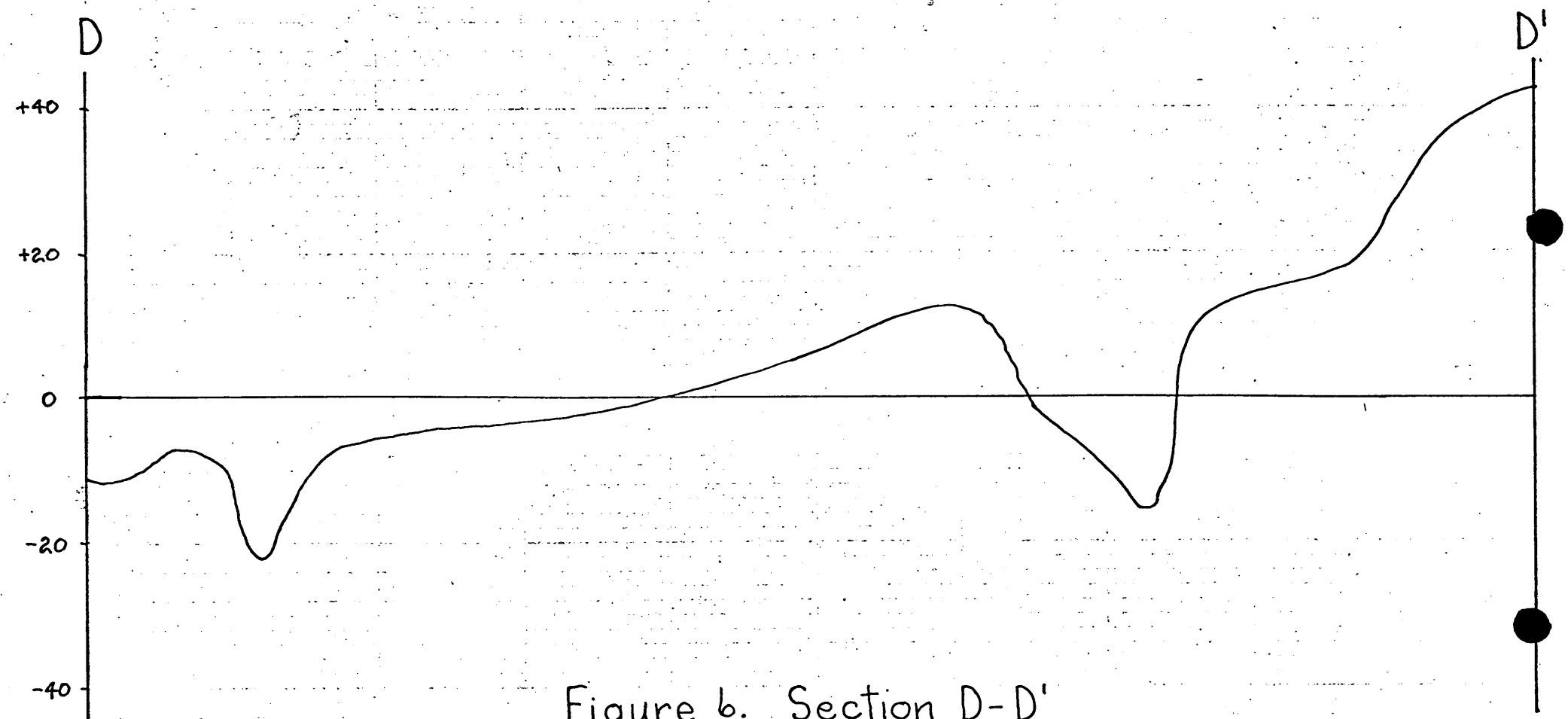


Figure 6. Section D-D'

Figure 7. Section E-E'

RECEIVED
FEB 9 1967
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.
OME-6234

WALTER M. HOOVER
764 LORAINE
GROSSE POINTE 30, MICHIGAN

General Delivery
Sone Pine, Calif

Dear Mr. Stager:-

You will note that I omitted mention of another diamond drill hole in the area in which we have been drilling. I did this hoping we could defer it until later, mainly because of the extra $2,000, and more, that Al Greenwood will have to advance.

Since Oct., Al is in $13,000 and I will have to ask another $2,000 now due to the costs of prospecting the new area etc. By the time O.M.E. money starts coming back again, Al will be "in" another $8,000± or about $21,000. I hope to spare him the $2,000 now if I can.

Of course, if you insist, we'll proceed with the #3 hole, but I believe the new area is much more promising.

The costs of "prospecting" the new area are about as follows:-

Walt Hoover

Bulldozer	414
Jack hammer drilling	624
Air track drilling	1,669
Magnetometer survey	300
E. M. Survey (self)	100
Self potential survey	1,200
assays	205
Misc. + my expense, gas etc includes 1,500 home exp.	3,394
Engineering (Surveys)	1,010
Location work 24 Claims	2,400
	$11,316

Some of the above is reinvested O.M.E. funds ($6,562).

Frankly it is at the place where I hate to ask AE for funds, but I am utterly confident that we will come out O.K. in the end. I feel sure the fracture filling source of the float, alone, will pull us thru.

Thanks,

Yours truly,
Walt Hoover

WALTER M. HOOVER
764 LORAINE
GROSSE POINTE, MICHIGAN 48230

General Delivery
Lone Pine, Calif.

Feb. 8, 1967

Office of Mineral Exploration
345 Middlefield Road
Menlo Park, Calif. 94025

Attention Mr. Stager
Re: OME-6234

Gentlemen:

We have found high grade float spread over an area about 2200 X 2000; West of the location of our diamond drilling. under the above contract, and would like to have some new claims included in the contract. They are recorded as the Hoover-Greenwood claims numbers 1 through 23. They have all been surveyed and staked and location work is proceeding and expected to be completed by next week. Claims 1, 2, 3 & 4 are recorded in Book 101, page 733; claims 5 thru 16, Book 101, page 741; claims 17 thru 23 Book 102, pages 317-324., Inyo County Court House.

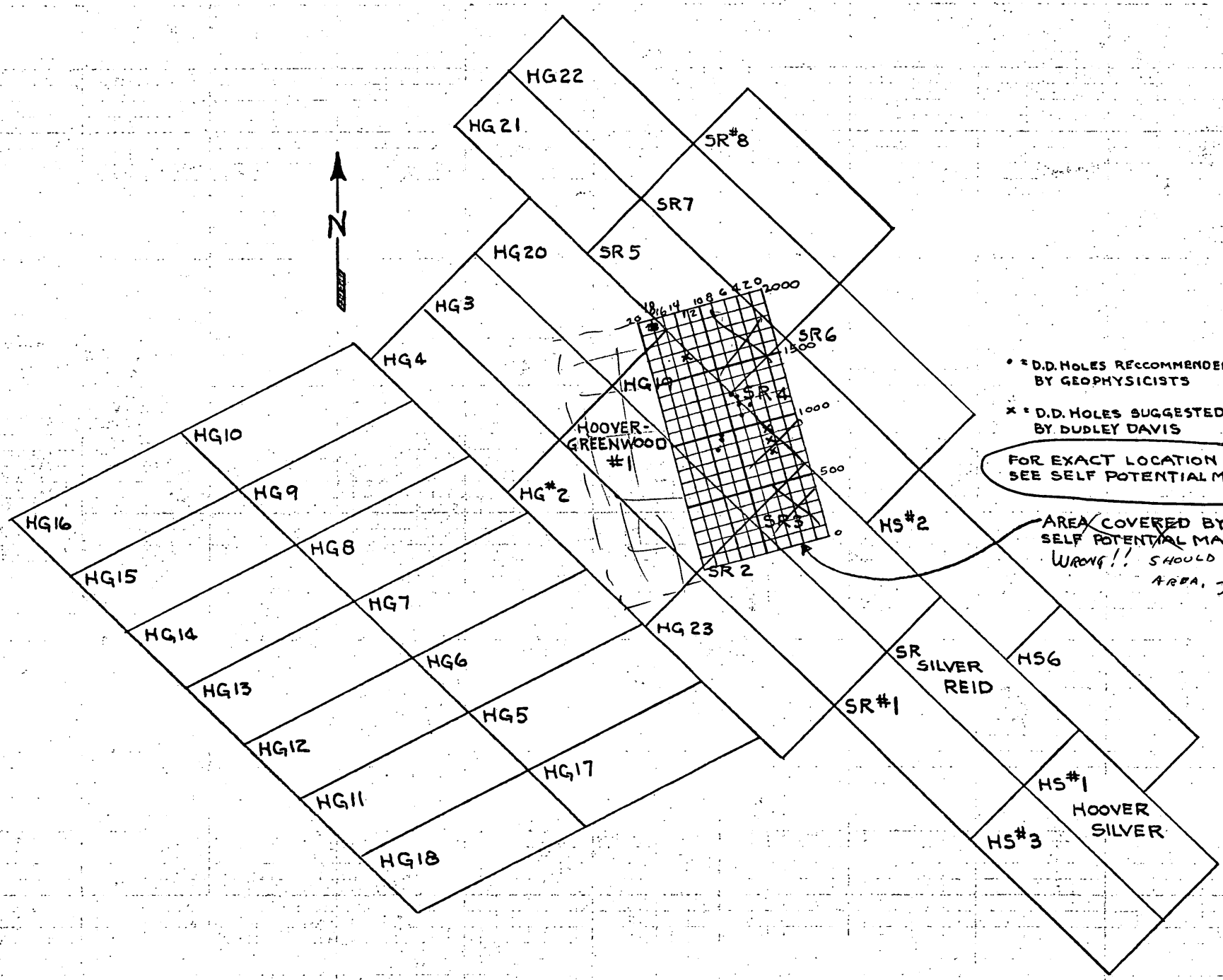
Enclosed is a sketch of their location.

Respectfully submitted

W. M. Hoover

WMH:tg
Encl.

RECEIVED
FEB 9 1967
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

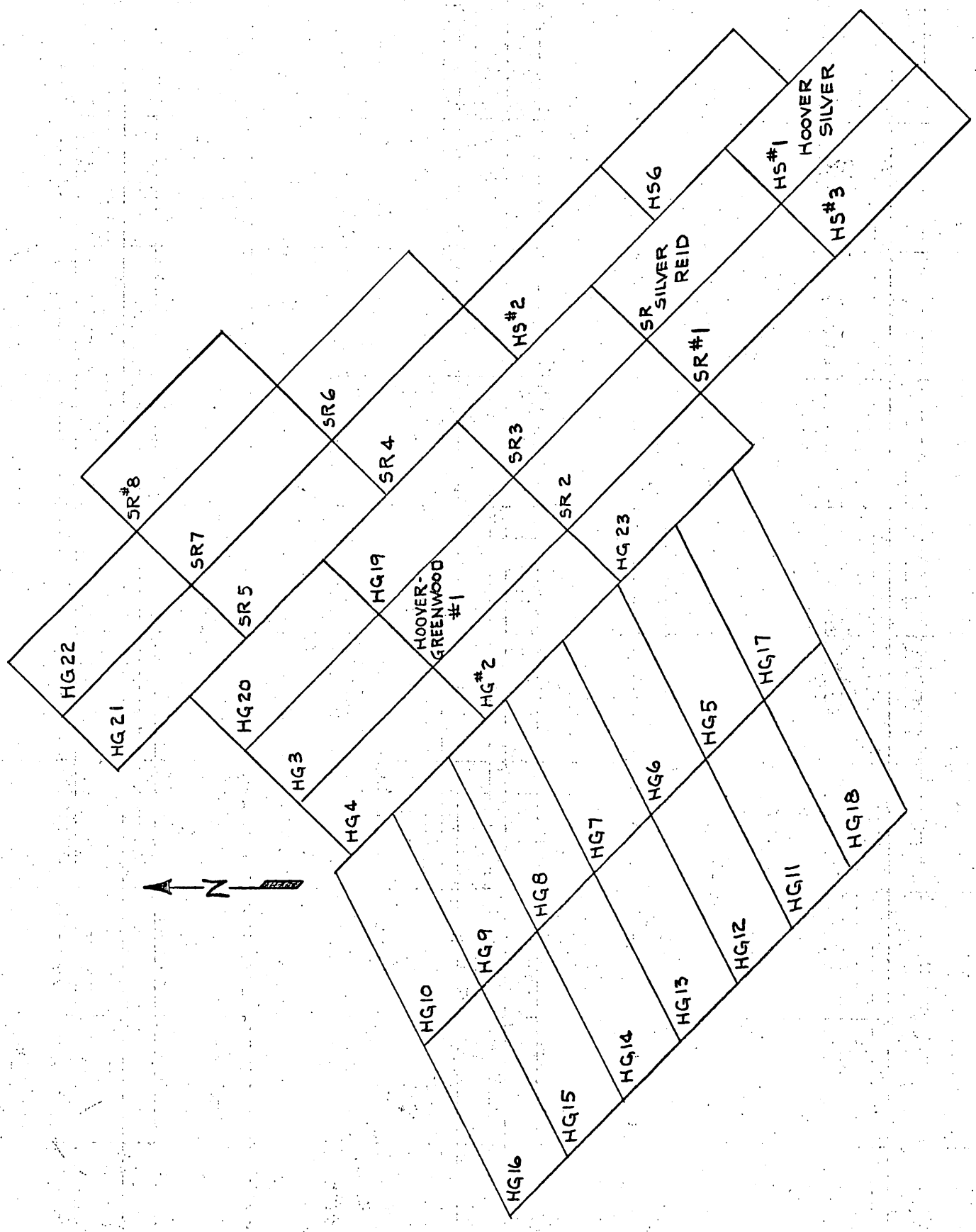


CHKD. BY ..... DATE .....

JOB NO. .....

BY HOOVER DATE 2-7-67 SUBJECT LEE MINE CLAIMS SHEET NO. ..... OF .....

CHKD. BY ..... DATE ..... JOB NO. .....



DME-6234 (Silver)
Lee Mine
Inyo County, Calif.
Contract No. 2227

WALTER M. HOOVER
764 LORAINE
GROSSE POINTE 30, MICHIGAN

OFFICIAL COPY
O. M. E.

Gen. Del.
Sara Pine, Calif
Jan. 14, 1967.

Dear Mr. Stager:—

In regard to the proposed changing of the diamond drilling program, Mr. Davis and I agreed that we should have something more tangible than float alone, before making the application for a change. I have been working diligently with this in mind.

First, a D4 bulldozer was contracted with a view to scraping off the overburden. In no case was the contractor able to get more than a foot or two before hitting basalt or caliche.

Next we got a compressor and jack-hammer and put down about 25-10' & 12' holes without hitting bed rock. I then rented a 600 C.F.M. compressor and Gardner-Denver air track. We put down 1,063' of holes, 20 in number from 20' to 70'.

WALTER M. HOOVER
764 LORAINE
GROSSE POINTE 30, MICHIGAN

Twelve of the holes got to bed rock at 37' to 58'. Previous to this drilling, I had Bryan Krogseng and Don Williams, geophysicists, make a magnetometer survey on the west side of the new discovery. When drilled, none of the anomalies showed one or traces of mineral in panning.

One of the holes on the East end of the float area, showed tiny mineral globules in the pan. The assay showed ½ oz. Ag. Holes in this area were spaced 3'-0" and I am having assays run on the adjacent holes.

Last week end, Mr. Krogseng and Mr. Williams came up with an S.P. instrument and made a test run on the East end of the float area, but about 1,500' North of the road,

(3)

WALTER M. HOOVER
764 LORAINE
GROSSE POINTE 30, MICHIGAN

where there is an old digging East of the basalt intrusive. We find float West of the basalt and assume that the ledge goes on Westerly. About 250' Southwesterly of the digging, Mr. Williams got one end of an anomoly, with very good readings. The readings do not appear to be related to the ledge, which dips away from that area. Today's and tommorrow's survey should tell us something as they will cover from the road over this area and 1000' Westerly. I am very optimistic.

The 16 new claims have been surveyed and staked. I have contracted for the location holes and work is to begin Monday.

Mr. Greenwood was out Jan. 2nd. and approved our going ahead with the search effort.

Yours truly,

WMHoover

RECEIVED
JAN 18 1967
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

OFFICIAL COPY

Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

December 14, 1966

Mr. Walter M. Hoover
c/o General Delivery
Lone Pine, California 93545

Re: OME-6234 (Silver)
Walter M. Hoover
Lee Mine
Inyo County, California
Contract No. 2227

Dear Mr. Hoover:

Your November report and voucher were received on December 12th, but there are several mistakes that require correcting. I am returning them to you for retyping and additional supporting material. I have indicated the errors and made a draft copy to guide you in preparing corrected copies. Additional MME Forms 60 and 61 are enclosed for your use.

You will note that I have only allowed the assaying for the three samples of drill cores ($21.00). Other assays are not permitted by the contract. We will also require a copy of the statement from Mr. Davis, like the one you included with your October voucher, to support the cost of his consulting, per diem, and miles traveled. A statement for your supervision costs should also be furnished.

Your October voucher was paid on December 12, 1966, and you should receive that check within a few days.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

Enclosures

cc: Chief, OME, WDC
D RF
ACG RF
MP RF
File 6234
HKStager:mlb
12-14-66

RECEIVED
NOV 16 1966
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

WALTER M. HOOVER
764 LORAINE
GROSSE POINTE, MICHIGAN 48230

NOV 18 1966
INITIALS CODE
General Delivery
Sans Pine, Calif.

November 14, 1966

Dear Mr. Stager:—

Thank you very much for rewriting Forms 60 & 61 correctly. Also for the copies.

Evidently I neglected to include Davis' monthly report and log. They are enclosed. I am unable to get copies here and hope you will accomodate me again. Of course we would be glad to reimburse the O.M.E. for the cost.

The hotest thing right now, is the float I have found West of the old workings. I have a miner and bulldozer busy trying to find the ledge. The showings cover 2,400' and definitely show the ore zone to be that much larger (Westerly). Ledge material appears to be from $0 to $2,000 a ton and is shown by several hundred pieces of float. One piece showed free gold as well as high silver. Assays not yet returned, but I think I know this ore.

Sincerely,

Walt

Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

November 8, 1966

Mr. Walter M. Hoover
c/o General Delivery
Lone Pine, California 93545

Re: OME-6234 (Silver)
Walter M. Hoover
Lee Mine
Inyo County, California
Contract No. 2227

Dear Mr. Hoover:

I intended to visit you last week but I became too involved with other projects in Nevada and was unable to get down to the Lee Mine. I wanted to show you how to make out your Monthly Voucher (MME Form 60) and your Progress Report (MME Form 61). They are quite simple, but a bit tricky if you have never filled them out before. You submitted the Progress Report for October, but it is not filled out correctly; and you did not submit a Voucher. I have, therefore, prepared both forms the way they should be filled out by you each month so you can see how to do it. Please sign the original and three copies of each form where it says "Per _____" and return them to me. Keep the other copy for your files. I have kept the supporting invoices and will make three copies of each to accompany the three sets of vouchers and reports sent to Washington, D. C. for payment. Please submit four copies of a separate narrative report and logs of the two completed holes as called for on the back of MME Form 60. The narrative can be a short one-page report describing what work was completed during the month, unusual situations, mineralization found, etc. If Mr. Davis gave you a report on his visit include a copy of it also.

I hope to be able to visit you on my next trip to southern California, late this month, but if you have any questions in the meantime please call me.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

Enclosures

cc: Chief, OME, WDC
D RF ACG RF MP RF File 6234

Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

September 27, 1966

OFFICIAL COPY
O. M. E.
RECEIVED
SEP 29 1966
INITIALS | CODE
HK | 120K

Mr. Walter M. Hoover
c/o General Delivery
Lone Pine, California 93545

Re: OME-6234 (Silver)
Walter M. Hoover
Lee Mine
Inyo County, California
Contract No. 2227

Dear Mr. Hoover:

Enclosed is a three-month supply (15 copies each) of Forms MME-60 and MME-61 for your use in submitting your monthly report of exploration costs. The original and three copies of each form, together with a short narrative report, should be submitted to this office each month. If you have any questions regarding the preparation of these vouchers and reports, please call or write to me and I will be glad to help you.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

Enclosures

cc: Chief, OME, WDC
ACG RF
MP RF
File 6234
HKStager:mlb

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Memorandum

September 16, 1966

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
Region II

Subject: OME-6234 (Silver)
Walter M. Hoover
Lee Mine
Inyo County, California
Contract No. 2227

OFFICIAL COPY
O. M. E.
RECEIVED
SEP 19 1966

INITIALS	CODE
	~~130~~
	120 m
Fy	~~110~~
HK	~~120~~ K

Enclosed are the Government's and Budget and Finance's Copies of the subject contract, signed by the Operator on September 15, 1966. The remaining copies have been distributed in the usual manner.

H. K. Stager

Enclosures-2

WALTER M. HOOVER
764 LORAINE
GROSSE POINTE, MICHIGAN 48230

SEP 16 1966
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

Sept. 15, 1966

U. S. Dept. of the Int.
Office of Mineral Exploration
Menlo Park, Calif.

attn: H. K. Stager

Dear Mr. Stager:-

Enclosed are three signed copies of the contract for exploration of the Silver Reid claims.

I have just talked with Mr. Madison and he will move his equipment to the site and be ready to operate Monday the 26th of September. I will be there.

The government's selection of holes to be drilled under the contract, was excellent (?) and we are very pleased.

Yours truly,
WMHoover

Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

OFFICIAL
COPY
O. M. E.
RECEIVED
SEP 16 1966
INITIALS | CODE
120M
HIR 120K

September 13, 1966

Mr. Walter M. Hoover
764 Loraine
Grosse Pointe, Michigan 48230

Re: OME-6234 (Silver)
Walter M. Hoover
Lee Mine
Inyo County, California

Dear Mr. Hoover:

Enclosed are the original and three copies of a proposed contract for the subject property signed by the Director for the Government.

The contract consists of MME Form 50 (7 pages), Annex I (1 page), 2 Lien and Subordination Agreements, 1 Letter Agreement, Exhibit A (4 pages), Exhibit B (1 page), and two maps (Figures 1 and 2).

If the proposed contract meets with your approval, all four copies should be signed by you and the following copies returned to this office:

Government's Copy
Budget and Finance's Copy
Field Office's Copy

The Operator's Copy should be retained for your files.

If any part of the proposed contract does not meet with your approval, the original and all copies should be returned to this office together with your changes for consideration.

Please note that the 7½ percent interest, in Article I(c) of the contract, accrues from the dates on which individual payments are made by the Government, and like the principal is repayable from royalty on production.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

cc: Chief, WDC
Dir RF
AGG RF
MP RF
File 6234
HKStager:mlb

Enclosures-4

s Form 7
/63)

OFFICIAL FILE COPY

Date	Surname	Code
9/6/66	Kerkemeier	
9-8-66	[illegible]	
9/9	Lepp	
	Bohm	
9/12	Coe	210
		120M

AIRMAIL

SEP 12 1966

Memorandum

To: Field Officer, Region II

From: Chief, Office of Minerals Exploration

Subject: OME-6234 (Silver-Gold)
Walter M. Hoover
Lee Mine
Inyo County, California

Enclosed are the original and three copies of a proposed contract for the subject mine. The contract consists of MME Form 30 (7 pages), Annex I (1 page), 2 Lien and Subordination Agreements, 1 letter agreement, Exhibit A (4 pages), Exhibit B (1 page), and two maps (Figures 1 and 2). All copies of the contract have been signed for the Government. The date for commencement of the work should be inserted. Also enclosed is an extra copy of the contract for field use.

If the proposed contract is satisfactory to you and the Applicant, All four copies should be signed by Mr. Hoover. Thereafter, please distribute the copies in the usual manner.

Please advise the Applicant that the 7½ percent interest accrues from the dates on which individual payments are made by the Government and like the principal is repayable from royalty on production.

If any part of the proposed contract does not have your approval or that of the Applicant, the original and all copies should be returned to this office together with the proposed changes for consideration.

A Power of Attorney has been obtained authorizing Mr. Hoover to sign vouchers and other necessary documents in connection with the contract.

FRANK E. JOHNSON

Enclosures

cc: Director's Reading File
Division File
Economic Geology File
MMerrithew/mm (9/8/66)

✓OME Docket
OME Reading File
130

23263

DRAFT
HKirkemo/gla

HK

MME Form 50
July 1965

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

Docket Copy

EXPLORATION CONTRACT
(Long Form)

Docket No.	Commodity	Contract No.	County	State
OME-6234	Silver		Inyo	California

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

Walter M. Hoover and Alfred Greenwood, a joint venture

whose mailing address is 764 Loraine, Grosse Pointe, Michigan 48230, hereinafter called the "Operator," as follows:

ARTICLE 1. Authority and scope.--(a) This contract entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before _____ (Date), and, subject to the provisions of Article 9 and Exhibit A, shall either have completed the work within 12 months from the date of the contract or shall have incurred allowable costs (see Article 6) in a sum not less than the total cost set forth in Exhibit A.

(b) The total allowable cost of the work set forth in Exhibit A is $~~27,500.00~~. The Government will contribute 75 percent of the allowable costs as they are incurred, in a total sum not in excess of $20,625.00 in accordance with the provisions of Articles 3, 4, 5, and 6. "Costs incurred" means costs that have been paid or have become due and payable, or that the Government determines have become obligations.

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

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

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

See Annex I

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

See Annex I

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CATEGORY (2)--PERSONAL SERVICES.

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

Subcategory (b)--Labor.

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

CATEGORY (4)--OPERATING EQUIPMENT.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(e) Lien for payment.--To secure the payment of royalty (see Article 7(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 13. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, U. S. Geological Survey, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, U. S. Geological Survey, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, U. S. Geological Survey, a written appeal addressed to the Secretary of the Interior. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

The term "Director, U. S. Geological Survey," as used herein includes his duly authorized representative.

ARTICLE 14. Work Hours Act of 1962 - Overtime Compensation.--This contract, to the extent that it is of a character specified in the Work Hours Act of 1962 (Public Law 87-581, 76 Stat. 357-360) and is not covered by the Walsh-Healey Public Contracts Act (41 U.S.C. 35-45), is subject to the following provisions and to all other provisions and exceptions of said Work Hours Act of 1962.

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

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

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

(c) Withholding for unpaid wages and liquidated damages.--The U. S. Geological Survey may withhold or cause to be withheld, from any moneys payable on account of work performed by the Operator or subcontractor, such sums as may administratively be determined to be necessary to satisfy any liabilities of such Operator or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (b) of this paragraph.

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

ARTICLE 16. Changes and added provision.--

_____

_____

_____

_____

Executed in quintuplicate the day and year first above written.

A JOINT VENTURE

_____

~~XXXXXXXX~~

By_____

Walter M. Hoover

~~By~~

~~XXXX~~_____

~~Alfred Greenwood~~

THE UNITED STATES OF AMERICA

By_____

Director, U. S. Geological Survey

_____

I, _____, certify that I am the
(Name)

_____ secretary of the corporation named as Operator herein; that

_____, who signed this contract on behalf of the Operator, was then
(Name)

_____ of said corporation; that said contract was duly signed for
(Title)

and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

_____

 [CORPORATE SEAL]

HIK

Docket copy

DRAFT
HKirkemo/gla
7-27-66

EXPLORATION CONTRACT
WALTER M. HOOVER
OME-6234

ANNEX I

The land, including all rights pertaining thereto, referred to in Article 2 of the contract consists of eight (8) unpatented claims in unsurveyed section 23, T. 17 S., R. 40 E., MDBM, Lee mining district, Inyo County, California. The claims are shown in green color on Figure 1 entitled "Property Map, Walter M. Hoover, Lee ~~Mine Area,~~ mining district, Inyo County, California," which is attached and made a part hereof.

The claims are recorded at the Inyo County Recorder's office at Independence, California, as follows:

Claim	Book	Page
Silver Reid	95	463
Silver Reid No. 1	95	463
Silver Reid No. 2	95	463
Silver Reid No. 3	95	463
Hoover-Silver No. 1	98	125
Hoover-Silver No. 2	98	125
Hoover-Silver No. 3	98	125
Hoover-Silver No. 6	98	125

The Operator is in possession of the Silver Reid Nos. 1-3 claims by virtue of a Lease and Option Agreement dated December 12, 1961, between Walter M. Hoover and Agnes Reid, owner of the claims.

A Lien and Subordination Agreements executed December 8, 1965, by the owner is attached and made part hereof.

Walter M. Hoover, an individual, is the locator and owner of the Hoover-Silver No. 1-6 claims.

A Lien and Subordination Agreements executed March 25, 1966, by the owner is attached and made part hereof.

~~A Memorandum of Agreement dated April 28, 1965, between Walter M. Hoover and Alfred Greenwood established a joint venture to develop and mine the Silver Reid unpatented mining claims. A copy of the Agreement is attached and made A part hereof.~~

Stet ~~A copy of a Memorandum of Agreement dated April 28, 1965, between Walter M. Hoover and Alfred Greenwood~~ establishing a joint venture to develop and mine the Silver Reid unpatented mining claims is contained in the docket of this contract and M is incorporated herein by reference.

A letter agreement dated August 22, 1966, between ~~XXXXXXXXXXXXXXXX~~ W. M. Hoover and Alfred Greenwood extends the joint venture agreement to include the Hoover-Silver claims. A copy of the letter is attached and made part hereof.

EXPLORATION CONTRACT
WALTER M. HOOVER
OME-6234

EXHIBIT A

The purpose of the project is to explore by core drilling from surface drill sites for silver-bearing ore bodies in Paleozoic sedimentary rocks where geophysical surveys have indicated anomalies.

General Provisions

All drill holes shall be cased through the overburden. The holes shall be completed not less than AX core size (approximately 1-1/8") or equivalent wireline size.

The diamond drill core shall be stored in boxes identified as to hole number with markers in the core sections indicating the depths represented.

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

Significantly mineralized core from hole intervals not exceeding ~~in lengths not to exceed~~ 5 feet each shall be split and one split assayed for gold, silver, lead and zinc. Wherever the core recovery is less than 60 percent, a split of the corresponding retained sludge and a split of the recovered core shall be assayed separately, and the assay results combined according to standard practice to represent a single sample.

The remaining core shall be stored in proper sequence with the unsampled core, and the remaining sludge shall be stored in suitable containers properly identified as to source and location. The stored core and sludge samples shall be made available for

Government inspection and possible use. With prior Government approval, the Operator may dispose of the stored core and sludge.

All drill holes shall be logged, and copies of the logs of completed holes together with plans and sections showing geology and assays shall be furnished monthly to the Government. Such logs shall be accompanied by true copies of assay certificates for all samples.

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

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

The Government will not participate in the costs incurred for incomplete drill holes.

Description of the Work

The work shall consist of drilling 10 holes totalling not more than 2,000 feet. Proposed Drill Hole No. 1 is to deepen existing Drill Hole H-3 to a total depth of 324 feet.

The holes shall be drilled vertically from the locations shown on Figure 2 entitled, "Map showing location of proposed exploration, Walter M. Hoover, Lee mine area, Inyo County, California," which is attached and made a part hereof.

If during the course of drilling, results indicate that changes in the plan of drilling subsequent holes are desirable to meet the purpose of the project, the initial plan may be changed with the prior approval of the Government confirmed in writing.

~~All holes are to be drilled vertically.~~ The number and approximate length of each hole are as follows:

Hole Number		Length Feet
1	(Extension of Drill Hole H-3)	100
2		150
3		180
4		220
5		300
6		260
7		200
8		140
9		100
10		350
	Total	2,000

Estimated Costs of the Project

Actual Costs

Category (1) Independent Contracts

Diamond core drilling,

2,000 feet @ $10.50/ft.[1/] $21,000.00

Category (2) Personal Services

None except:

Subcategory (a) Supervision and Technical Services

1 Supervisor-sampler

5 months @ $750.00/month $3,750.00

1 Outside consultant

2 days/month, 10 days @ $75.00/day 750.00 4,500.00

Category (3) Operating Materials and Supplies		
None except:		
Core boxes, 70 @ $1.00/each	$70.00	
Sample sacks, 50 @ $0.10/each	5.00	75.00
Category (7) Miscellaneous		
None except:		
Travel expense, outside consultant,		
Per diem, 2 days/month , 5 months		
10 days @ $16.00/each	$160.00	
Travel, Salt Lake City, Utah,		
to mine and return,		
6,000 miles @ $0.10/mile	600.00	
Assays for silver, gold, lead		
and zinc, 50 samples @ $7.00/each	350.00	
Payroll taxes, F.I.C.A., insurance, etc.	565.00	
Accounting and office expenses		
5 months @ $50.00/month	250.00	$1,925.00
Total Estimated Actual Costs		$27,500.00
Government Participation @ 75%		$20,625.00

1/ Includes mobilization and demobilization of one surface drill unit, water supply, moving from site to site, drilling, reaming, casing, cementing, drilling materials and supplies, delays, and all other drilling costs.

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Memorandum

August 12, ~~1966~~

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 15 1966

INITIALS	CODE
	~~120 NC~~
FD	~~110~~
HR	120K

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
OME, Region II

Subject: OME-6234 (Silver)
Walter M. Hoover
Lee Mine
Inyo County, California

Enclosed for your files and information are copies of letters and maps received from the subject applicant this date. When I next talk to Mr. Hoover on the telephone I will explain to him again that the contract has been prepared in Washington, D. C., and that OME does not intend to participate in the underground work at the Lee Mine and in only part of the diamond drilling that he has proposed.

H. K. Stager

Enclosures

WALTER M. HOOVER
764 LORAINE
GROSSE POINTE, MICHIGAN 48230

Dear Mr. Stager:-

I thought it might help if I got this material to you before you write up the contract.

If the $40/ft. price for drifting is not reasonable, change it. There is a man in Sault Ste Marie who is a contractor & is hungry for some work near his home & I am sure he will give us a good quote.

Boy! I'll sure be glad to get going.

Best regards,

Walt

RECEIVED
AUG 12 1966
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

RECEIVED
AUG 12 1966
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

August 10, 1966

Mr. H.K. Stager
U.S. Bureau of Mines
345 Middlefield Road
Menlo Park, California

Dear Sir:

In reviewing our applications for 1962 & 1966, I see some items that may need clarification.

For example, much of the underground work estimated in 1962, was based on my doing the work and using my own equipment. I have sold all of my drilling and mining outfit and new estimates should be based on straight contract work.

Also, Mr. Davis advises me that it may be desireable to split the work into two Phases.

Suppose, therefore, that I rearrange the subject matter with those things in mind:-

PHASE I:-

Hole #3 #1 (DWG. HL-2)	100'
This hole is now down 220' and Mr. Davis mistook my marking 3 for hole 3, in asking that it be drilled 300'. (11) means hole drilled, 11 means hole to be drilled. There is alteration and mineralization in the core at 220'.	
Hole #15	140'
Holes #4 & #5 DWG, HL-1 (1962)	300'
3 Holes at Gold Showing (AG. TRACE) At #19	725'
	1,265'

PHASE I:- (CON'TD)

1,265' @ $10.50		$ 13,282.50
3 Months Supervision	@ $750.00	2,250.00
3 Geologist visits	@ $350.00	1,050.00
Assays 50	@ $ 8.00	400.00
		$ 16,982.50

At our Lone Pine Meeting it was decided that I had not allowed enough for Assaying. I have upped the estimate to one every 25'

PHASE II:-

DRILLING:

Hole	# 7	350'
	#13	260'
	# 3	300'
	#14	200'
	#16	100'
@ #(11) 2 @ 350'		700'
	# 4	175'
	#5	220'
	# 6	300'
		2,605'

2,605 @ $10.50		27,357.50
Assays 104 @ 8.00		832.00
Supervision 5 Months	@ $750.00	3,750.00
Geologist 5 visits	@ $350.00	1,750.00
		33,684.50

PHASE II:-

REHABILITATE MINE:-

1. Trestle for Dumping
2. 40' inclined Shaft
3. 75' Vertical Shaft

1962 estimate is O.K. 2,842.00

NEW WORK

1. 50' of 4' x 6' Drift @ $40.00 2,000.00

$ 4,842.00

No geologist or supervisior costs have been included here as work can be done at same time as drill work is proceeding.

PHASE I	$16,982.50
PHASE II DRILLING	33,684.50
PHASE II MINE	4,842.00
	$55,509.00

This total is about $15,000.00 less than our original estimate.

Reviewing also, the proposed drilling, I should like very much to see holes #18, #8, #9 and #17 drilled.

Hole #18 is in an area that showed an anomoly, further, I have found float in this area of both silver and gold ore.

Regarding holes #8 and #9, I feel that we will not have fully explored the mineralized area near hole #(11) unless we drill these holes. Hole #17 is in the middle of an anomoly and will extend the area drilled further north. These holes will add:-

#18	200'
# 8	350'
# 9	350'
#17	350'
	1,250'
	10.50
	$ 13,125.00
Supervision 2 Months	1,500.00
Geologist 2 visits	700.00
Assays 50 @ $8.00	400.00
	$ 15,725.00
PHASE I & II	55,509.00
SUGGESTED NEW TOTAL	$ 71,234.00

I hope this note and marked drawings will help clarify the application.

Respectfully submitted,

W. M. Hoover

WMH/jh

encl.

MME FORM 6 REFERENCE SLIP

REV. 2 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. ~~Associate Solicitor 6042~~		
2. Harold Kirkemo 4460		
3.		
4.		
5.		

INTERIOR DEPT.
AUG 31 1966
SOLICITOR
H-66-2003.11

FROM: Frank E. Johnson, OME

FOR: Check items for action desired

X Action ____ Reply for signature of ____

X Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS:

Power of Attorney giving Walter M. Hoover authority to sign is being obtained.

RECEIVED
AUG 31 1966
Division of Mineral Resources
and Generral Legal Services

MME FORM 6 REFERENCE SLIP
REV. 2-5 OFFICE OF MINERALS EXPLORATION

TO:		DATE	INITIALS
1.	Assoc.Sol.--MR, Rm. 6554 Mr. Long Through Rm. 6042		
2.	Mr. Kirkemo, Rm. 4459		
3.	H-66-2003.11		
4.	RECEIVED INTERIOR DEPT.		
5.	AUG 1 1966 AUG 1 - 1966 SOLICITOR		

FROM: Division of Mineral Resources
Mr. Kirkemo
General Legal Services

FOR: Check items for action desired

____	Action	____	Reply for signature of		
X	Approval	____	Investigate	____	Surname
____	Comment	____	Recommendations	____	Signature
____	Conference	____	Rewrite	____	File
	Instructions		Your information		

REMARKS:

Please return 1 copy each Figures 1 and 2, and 2 copies Lien and Subordination Agreements with typed contract.

- - -

Am not certain that this should be set up as a joint venture; whether power of attorney for Mr. Hoover is required; and whether copy of Lease and Option Agreement is legible enough to be acceptable.

MME Form 7
(2/63)

OFFICIAL FILE

Date	Surname	Code
		110
8/19	Coe	220
		120M

AUG 1 9 1966

AIRMAIL

Mr. Walter M. Hoover
764 Loraine
Grosse Point, Michigan 48230

Re: OME-6234 (Silver-Gold)
Walter M. Hoover
Lee Mine
Inyo County, California

Dear Mr. Hoover:

In order to continue the processing of the subject application additional information is required.

On the application form dated March 23, 1966, the applicant is stated as Walter M. Hoover, the business organization as a Joint Venture and the members of the Joint Venture as Walter M. Hoover and Alfred Greenwood. You have signed as manager on the application form and in the third paragraph on page 2 of the Memorandum of Agreement, dated April 28, 1966, it is stated that the First Party (Walter M. Hoover) shall have the right and responsibility of the management of the venture, - - - - .

The foregoing needs some clarification. If the proposed project is to be operated as a Joint Venture, we shall need a copy of a Power of Attorney from Alfred Greenwood, authorizing you to act in behalf of the Joint Venture and sign necessary documents, vouchers, etc. for the Joint Venture.

Under the Memorandum of Agreement, the project is limited to the Silver Reid claims and funds provided by Mr. Greenwood are to be spent solely on such claims. Although, the proposed work is limited to the Silver Reid claims, the Hoover-Silver claims are included in the application. As these claims may indirectly benefit from the proposed work on the Silver Reid claims, it will be necessary to include them if a contract is granted. Also, work might be performed on Hoover-Silver claims by changes in location of work as it progresses. Therefore, authorization should be given by Mr. Greenwood that funds provided for the Joint Venture may also be used to explore the Hoover-Silver claims.

23263

Prompt submission of the requested information will expedite the processing of your application.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's reading file
Division file
Economic Geology file
OME file
OME reading file

FEJohnson/bih 8/19/66

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

June 30, 1966

Memorandum

OFFICIAL
COPY
O. M. E.
RECEIVED
JUL 1 1966
INITIALS CODE
130

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
OME, Region II

Subject: OME-6234 (Silver)
Walter M. Hoover
Lee Mine
Inyo County, California

Enclosed is my Application Report on the subject property, recommending that a contract be granted consisting of 2,000 feet of diamond drilling at an estimated cost of $26,685.00.

Also enclosed are five extra copies of the property map (Fig. 2) and a map showing the location of the proposed drill holes (Fig. 3) to be used in the event a contract is granted.

The recommended project is less than half the size of that requested by the applicant but is as large as I consider is justified by the past history of the deposit. I have recommended that the project be restricted to the Silver Reid and Silver Reid No. 1 Claims and be for silver ore bodies alone. For this reason I believe the Government's participation should be 75 percent.

H. K. Stager

Enclosures

UNITED STATES

DEPARTMENT OF THE INTERIOR

STEWART L. UDALL, SECRETARY

OFFICE OF MINERALS EXPLORATION

REPORT OF EXAMINATION

REGION II

SUPPLEMENTAL APPLICATION REPORT

(Amended Application)

OME-6234 (Silver)
Walter M. Hoover
Lee Mine
Inyo County, California

By

H. K. Stager
Field Officer
OME, Region II

June 30, 1966

FIELD EXAM. REPORT

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ILLUSTRATIONS

Figure 1. Index map of Inyo County, California.

Figure 2. Property map.

Figure 3. Map showing location of proposed exploration.

INTRODUCTION

The joint venture of Mr. Walter M. Hoover and Mr. Alfred Greenwood, 764 Loraine, Grosse Pointe, Michigan, applied to the Office of Minerals Exploration for Government assistance, Docket OME-6234, to explore for silver and gold at the Lee Mine, formerly known as the Emigrant Mine, Inyo County, California. The applicant infers the presence of silver-lead-zinc ore bodies in limestone and wishes to explore for these ore bodies by diamond drilling from surface sites in an area of a geophysical anomaly, and by sinking a winze and drifting to the vicinity of a mineralized intersection in a previously drilled hole.

A field examination was requested by the Office of Minerals Exploration, and was made by H. K. Stager, Field Officer, on May 10, 1966, accompanied by the applicant and his consulting geologist, Mr. Dudley L. Davis.

The property was also examined in 1962 under the same docket number, and the application was denied. The present application is in effect an amended application and is based on additional favorable information resulting from a geophysical survey and the drilling of four diamond-drill holes by the applicant.

The applicant's maps, geophysical (electromagnetic) anomaly data, and the cores of the recently drilled holes were studied and compared with surface and underground exposures. Five samples were taken and the assays are included in this report.

SUMMARY

The Lee Mine has yielded a moderate tonnage of good grade silver-lead-zinc ore from flat-lying replacement-type ore bodies in gently dipping limestones. The results of the geophysical and diamond-drill exploration, since the previous application, indicate the possibility of discovering other similar ore bodies in the area east of the mined area.

The applicant proposed to explore the favorable area by diamond drilling, from surface sites, and by a small amount of new underground work. He also proposed to explore a nearby high-grade gold prospect by several diamond-drill holes. Part of the diamond drilling proposed, including that in the vicinity of the gold prospect, is in small isolated areas of geophysical anomalies or mineralization. It is prospecting in nature and lacks sufficient justification. The proposed underground work is more development than exploration.

A modified program of diamond drilling, to test the major area of geophysical anomaly east and south of the mined area, appears justified. The project site is readily accessible, facilities for accomplishing the work are available, and the applicant is competent to guide and supervise the work.

RECOMMENDATIONS

It is recommended that the Government enter into a contract with the applicant to provide 75 percent of the costs of a modified diamond-drilling program to explore the Lee Mine area.

Inasmuch as I do not recommend exploration in the area of high-grade gold mineralization I suggest that the Government's participation be 75 percent rather than 62½ percent.

The single-stage program will require about 5 months to complete and the Government's share of the estimated cost of $26,685.00 would be $20,013.75.

LOCATION, ACCESSIBILITY, AND LOCAL FACILITIES

The location, accessibility, and local facilities were covered in the previous application report and there has been no significant change in any of these items.

PROPERTY

The history, production, ownership, and development are unchanged from the descriptions given in the previous reports.

The applicant has submitted copies of new letters to two banks requesting loans for the proposed work and also copies of letters from the banks denying the loans. New subordination agreements were included with the application.

Since the previous application Mr. A. P. Johnson has left the joint venture and a Mr. Alfred Greenwood has taken his place. A quit-claim deed by Mr. Johnson and an agreement with Mr. Greenwood were enclosed with the application. The applicant states that sufficient funds are available to cover the joint venture's share of the costs if a contract is granted.

GEOLOGY

Geologic Setting and Ore Deposits

The geology and ore deposits were described in the previous application report and in the California Division of Mines Special Report No. 51, Economic Geology of the Darwin Quadrangle, Inyo County, California, by W. E. Hall and E. M. Mackevett, 1958. The only significant new geologic information, found since these earlier reports were written, is the possible discovery of a granitic sill in holes drilled by the applicant and the outlining of an electromagnetic anomaly east of the main mine area. Thin zones of mineralization, less than 1 foot in thickness, were cut by the holes drilled down dip and south of the stope area. Recovery in the mineralized zones and of the granitic sill was poor.

Sampling

Four samples of mineralized exposures and one grab sample of a screened ore pile were taken at the time of the examination. The assays for these samples are as follows:

Sample No.	Ounces per ton Silver	Gold	Percent Lead	Zinc	Description
1	23.10	0.04	6.10	12.80	Grab of screened ore pile under small ore bin
2	0.30	Tr	None	None	Grab of mineralized material, west side upper level in inclined shaft
3	43.60	0.20	0.20	Tr	Grab of ore, east side upper level in inclined shaft
4	1.70	18.52	None	3.00	Mineralized material from prospect pit-proposed Hole No. 19 area
5	37.10	0.08	5.10	15.00	Chip sample 4' across face Hoover stope

Ore Reserves

No ore reserves have been developed since the previous report. Except for a few tens of tons of ore exposed around the margins of old stopes and in layers too thin to be mined economically, there are no indicated reserves in the mine. A small pile of screened ore containing about 10 tons of material that assays 37.10 ounces of silver and 0.08 ounce of gold per ton with 5.10 percent lead and 15.00 percent zinc is stockpiled at the mine.

Diamond drilling by the applicant in four holes located southeast of the mined area indicates that the mineralized horizon in the Tin Mountain Limestone continues down dip although none of the holes cut ore of minable thickness. It is inferred that other ore shoots of minable grade and thickness similar to those that have been mined are present in the area of electromagnetic anomaly east and south of the mined area. These ore shoots are the target of the proposed exploration.

EXPLORATION

Applicant's Proposal

In the amended application the applicant proposed to diamond drill 21 holes for a total of 4,965 feet, rehabilitate an old inclined winze and sink an additional 50 feet of new winze and drift 110 feet. Estimated total cost of the proposed work was $71,175.00.

The proposed rehabilitation, new winze, and drifting would have limited exploration value and are more in the nature of development. The applicant's proposed Holes Nos. 17, 18, and 21 are based on geophysical data alone and should not be drilled until the value of this type of information is evaluated closer to known ore bodies. Hole No. 19 is to test a thin high-grade gold veinlet and Hole No. 20 is to test an area of high-grade float ore; both are in the nature of prospecting and require additional justification. Holes Nos. 8, 9, 10, and 11 are offsets to old Hole No. 11 that contained traces of mineralization to about 300 feet in depth and was barren from there to the bottom at 456 feet. A single hole between proposed Holes Nos. 7 and 12 should be sufficient to test the anomaly in that direction. Holes Nos. 2 and 4 should be shifted slightly to the north to place them inside of the anomaly.

Examiner's Proposal

The following tabulation lists the 10 diamond-drill holes that I consider sufficiently justified to test the favorable areas around the Lee Mine. All holes are vertical and to be drilled from surface sites as shown on Figure 3. Sites referred to in the following tabulation are from applicant's map HL-2, dated 1-7-66. All of the recommended exploration is confined to the Silver Reid and Silver Reid No. 1 Claims.

Hole No.	Depth (est.) (in feet)	Location
1	(100)	To deepen old Hole No. 3 from 224' to 324'
2	150	100' NW of Site #2
3	180	50' NW of Site #4
4	220	Site #5
5	300	Site #6
6	260	Site #13
7	200	Site #14
8	140	Site #15
9	100	Site #16
10	350	Between Sites #7 and #12
	2,000	Total

Proposed Exploration Costs

The applicant has provided bids for diamond drilling from six contractors. Estimated cost ranges from $10.50 to $11.64 per foot. The lowest bid, by John Madison of Palmdale, California, is an all-inclusive bid and is favored by the applicant. Mr. Madison's drill is the same one used for the drilling in 1964 and 1965. It is a Longyear hydraulic rig with 600 feet of AX rod and is stored at the Anaconda Mine in Darwin. I examined the drill, water truck, and other supplies and equipment when I checked the earlier drill cores at Darwin and all appeared in satisfactory condition. Mobilization costs would

be very low and no site preparation is necessary for any of the proposed holes. The earlier drilling averaged about 20 feet per shift and recovery was over 85 percent. Assays for silver, gold, lead, and zinc cost $8.00 per sample in Los Angeles (Isenhauer Laboratories) and $6.00 per sample in Salt Lake City (Crismon & Nichols); Los Angeles is closer, however, and freight charges less. I have estimated $7.00 per sample. Mr. Hoover will supervise the work and take care of the cores and surveying. Mr. Davis will be the consulting geologist and engineer. Drill personnel will live at the job, in trailers, or in Darwin (20 miles). If a contract is granted the applicant estimates work could start within 2 weeks' time.

COST ESTIMATE

Actual Costs

Category (1) Independent Contracts		
Core drilling (AX core) 2,000 feet at $10.50/ft (Including all costs of mobilization, demobilization, moving from site to site, delays, water, cementing, reaming, casing, etc.)	-	$21,000.00
Category (2) Personal Services		
1 supervisor, sampler, etc. - 5 mos at $750/mo	-	3,750.00
1 consultant - 2 da/mo, $75/da, 5 mos	-	750.00
Category (3) Operating Material and Supplies		
70 core boxes at $1.00 each	-	70.00
50 sample bags at 10¢ each	-	5.00
Category (7) Miscellaneous		
Travel expense, outside consultant		
Per diem, 2 da/mo, 10 das at $16/da	-	160.00
Salt Lake City, Utah, and return, 6,000 mi at 10¢/mi	-	600.00
Assays for silver, gold, lead, and zinc, 50 at $7/each	-	350.00
Total estimated actual costs	-	$26,685.00
Government participation at 75 percent	-	$20,013.75

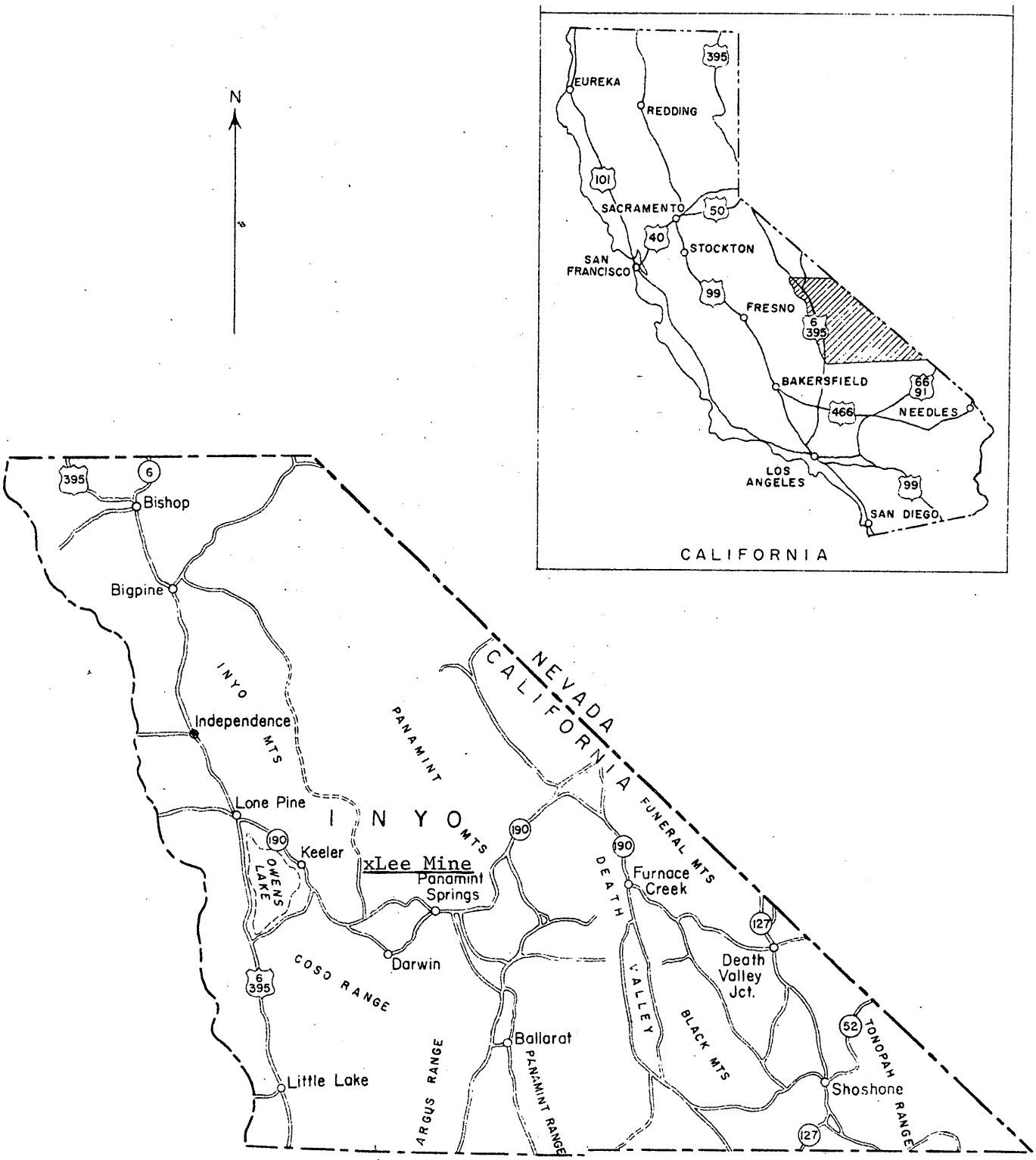

Figure 1. INDEX MAP OF INYO COUNTY, CALIFORNIA

0 25 50 75 Miles

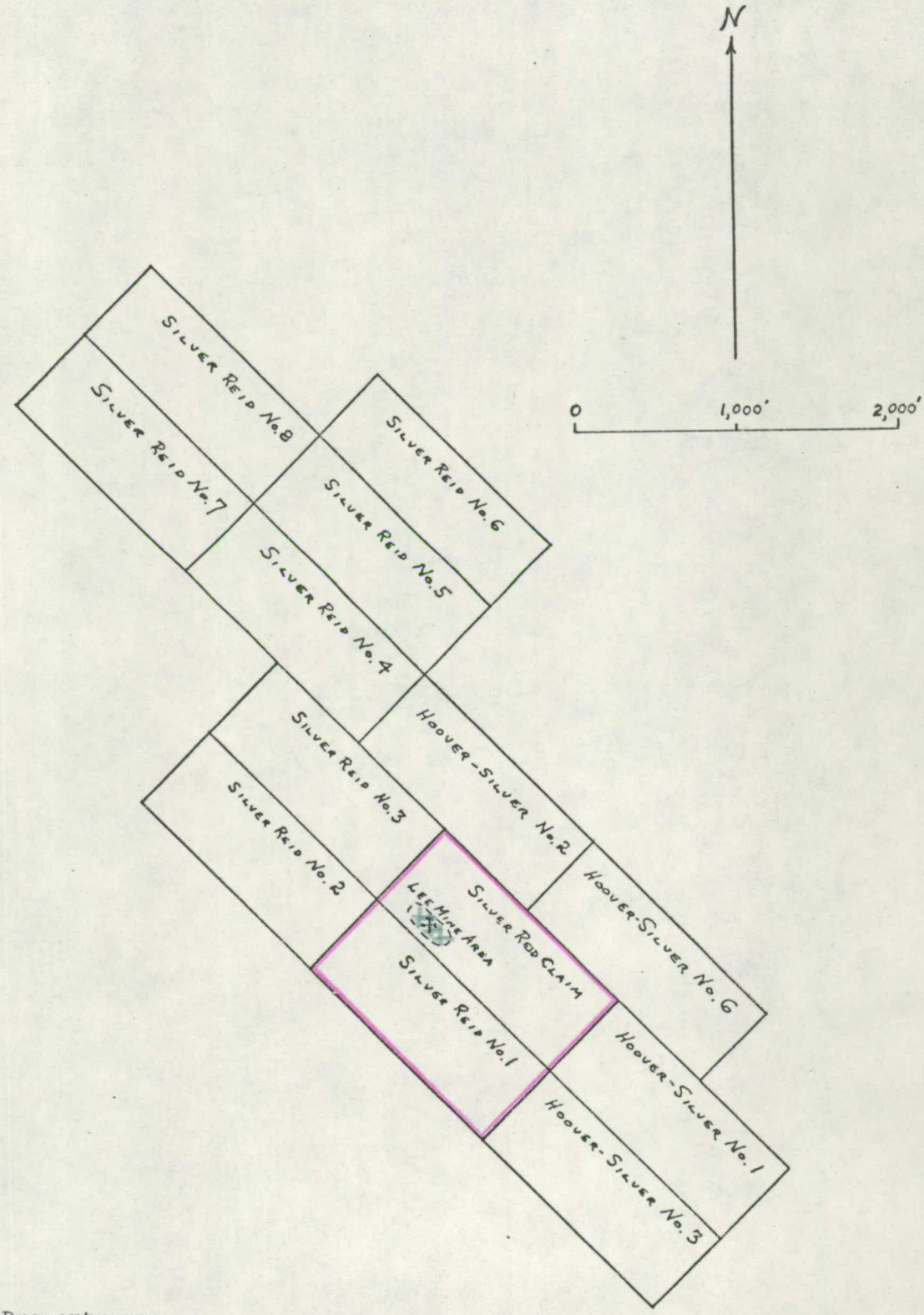

Figure 2.--Property map.

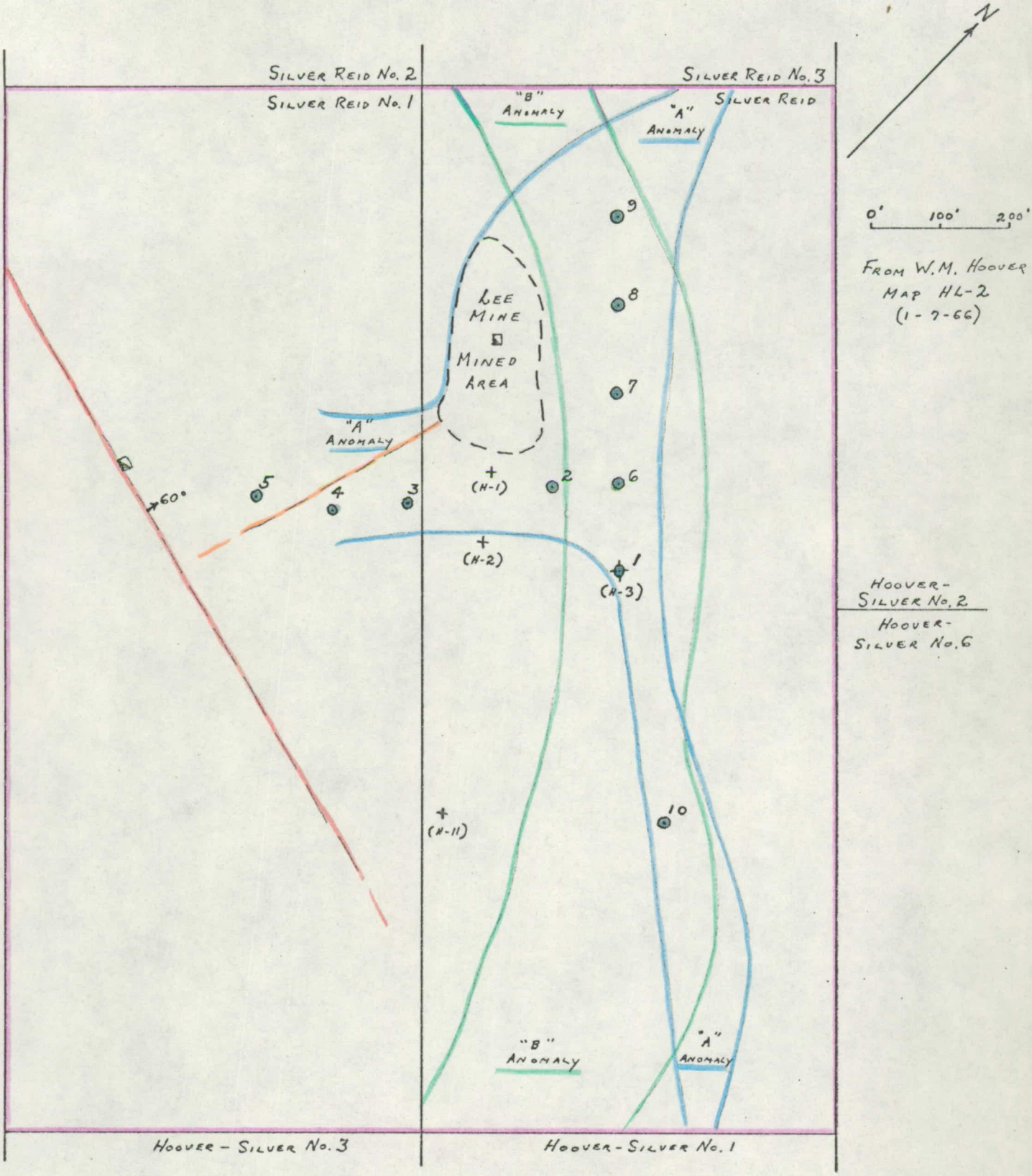

Figure 3.--Map showing location of proposed exploration.

E Form 7
)/63)

OFFICIAL FILE COPY

Date	Surname	Code
3/31	F. M. Smith	120
		120
		110
3/31	Cal	220
		120M

MAR 31 1966

Memorandum

To: Field Officer, Region II

From: Chief, Office of Minerals Exploration

Subject: [redacted]-6234 (Silver-Gold)
Walter M. Hoover
Lee Mine
Inyo County, California

The amended application is enclosed and referred to Region II for a field examination and recommendations.

The original application was denied after an earlier examination in July 1962 disclosed that the expectations were for ". . . small, sporadic ore occurrences of no great magnitude . . . lack of persistence in mineralization and structure, . . ." and the probability of discovering ". . . very little minable ore reserves."

Since 1962, the Applicant has completed an [redacted] survey in the area of the proposed exploration and drilled four holes from the surface, three of which are in the area of proposed exploration. This work has yielded additional information, fragments of which are presented in such a manner that we cannot properly evaluate them. We consider, therefore, that another examination is necessary, and that it is justified by the continuing recommendations of the Applicant's consultant, Dudley L. Davis. We suggest that Mr. Davis be asked to accompany you during the examination. The prime purpose of the examination is to determine the geologic probability of a significant discovery.

If you recommend a contract, several items relating to property rights, proposed work, and estimated costs requested in the application form should be clarified.

1. Applicant's Rights in Land: The names of the Silver Raid 5, 6, 7, and 8 claims on the anomaly map [redacted]-2 are interchanged from their positions shown on the property map (not to scale) in the original application. Which map, if either, is correct?

23263

The Silver-Reid #6 claim was included in the original application but it is excluded in the amended application. Is it necessary to the project? If it is necessary, then a Lien and Subordination Agreements will be required from Walter M. Hoover, Sr., and Joanne M. Chamberlin. See the "Indenture," dated January 10, 1962, by which this claim was sold to the Applicant, et al.

5. Exploration Work: On Map HL-2, drill holes 1, 2, 3, and 11 which are circled may have already been drilled and, if so, are called Hoover 1, 2, 3, and 11, but their locations do not agree with the mine Map HL-1. A new series numbered 1 through 21 are also shown on Map HL-2, and some of these are included in the application. The Applicant wishes ". . . to stick closely to the recommendations" of his consultants, but he does not specify how closely. In the following list, all items of proposed work and all items of costs are tabulated, but, as you will see, we have not been able to determine which holes are included in the application.

Recondition shaft (original Item 4)	$2,842.00
Drifting (original Item 5)	3,658.00
Winzing (Davis' recommendation)	Omitted
Drilling holes 3, 4 (Original Phase II? $8,760)	11,700.00
(Hoover #3 has been drilled)	
Drilling 4,050 feet @ $10.50	42,525.00
Drilling hole 7 - 350' (McCarthy)	Included above
Drilling holes 4, 5, 6 - 695'	Included above
(Hole 4 included twice?)	
Drilling holes 1, 3, 7, 13, 14, 15, 16-1500'	Included above
(Davis) Holes 3 and 7 included twice?)	
Drilling holes 4, 5 (Davis)	Included above
Drill 2 vertical holes (Davis)	Omitted ?
Drill 3 inclined holes (Davis)	Omitted ?
Consultant	2,500.00
Supervision	7,500.00
Assays	450.00
Estimated cost of project	$71,175.00

7. Estimate of Costs: As indicated in the foregoing list, the cost of Phase II has increased by about $3,000.00, or alternatively we are mistaken in our deduction that this item refers to drill holes 3 and 4 in the original application.

Estimates for outside consultant and for assays appear to be high. The Applicant's representative should be asked to submit a breakdown for these items--number of days, distance traveled, commodities assayed.

Ed Mackevett may have information on the potential of this property in addition to that contained in California Division of Mines Special Report 51.

FRANK E. JOHNSON

Frank E. Johnson

Enclosures

cc: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
120
Mr. Smith

RMSmith/gla 3-31-66

3

ME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
3/31	RM Smith	

MAR 3 1 1966

Mr. Walter M. Hoover
764 Lorraine
Grosse Pointe, Michigan 48230

Re: OMM-6234 (Silver-Gold)
Walter M. Hoover
Lee Mine
Inyo County, California

Dear Mr. Hoover:

Your amended application transmitted with your letter of March 25, 1966, and data listed on Page 3 thereon has now been reviewed by the Washington Office and referred to Mr. R. K. Stager, Field Officer, Region II, U. S. Geological Survey, Office of Minerals Exploration, 345 Middlefield Road, Menlo Park, California 94025.

The Regional Office will notify you in case additional information concerning the application is needed.

Sincerely yours,

FRANK E. JOHNSON

(RK)

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
Region II

MMerrithew/mm (3/31/66)

232-63

ME Form 7
10-58)

OFFICIAL FILE COPY

Date	Surname	Code
4/9	Johnson	110
	Selfridge	120
		100
		220

APR 9 1965

Mr. Walter M. Hoover
764 Loraine
Grosse Pointe 30, Michigan

Re: OME-6234 (Silver)
Hoover and Johnson
Lee Mine
Inyo County, California

Dear Mr. Hoover:

In reply to your letter of April 7, 1965, we are enclosing a copy of our letter to you of June 10, 1964, which outlines the procedure to follow in reopening the subject application.

In addition, detailed information concerning the anomalies referred to in your letter should be included. Also, five copies of a new Lien and Subordination Agreements will be required from each party retaining an interest in the property. Two sets of these agreements are enclosed and a set of application forms for your use in the event you decide to reapply for exploration assistance.

Sincerely yours,

George Fumich, Jr.

Acting Director

Enclosures

FEJohnson/bih
4/9/65
cc to: Files (Docket)
Dir. reading file
Region II w/cy inc. ltr.
Mr. Johnson

43683

WALTER M. HOOVER
764 LORAINE
GROSSE POINTE 30, MICHIGAN

April 7, 1965

OFFICIAL COPY
O. M. E.
RECEIVED
APR 8 1965
INITIALS CODE
120
L
110
120

Office of Mineral Exploration
Dept. of Interior
Washington 25, D. C.

Re: "Lee Mine,
Inyo Co., Calif.

Gentlemen:

An application for an O. M. E. loan for exploration of the "Silver Reid" claims, known as the "Lee" mine, dated April 5, 1962 was denied.

Since that time I have made surveys with a Sharpe 300 E. M. instrument, which show interesting anomalies. Further, trace assays of Ag. and Zn. from a 25' shaft 500' S. E. of the old diggings indicate the possibility of Ore in this area.

I would like to renew, and change, the application in view of these new showings and wish to know what you may require.

Thank you for your consideration,

Yours truly,

Walter M. Hoover

WMH:gm

ME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
	Friend	500
6/12	on leave	120
"	Johnson	110
"	[illegible]	100
		220

JUN 1 2 1964

Hon. Philip A. Hart
United States Senate
Washington, D. C., 20510

Re: OME-6234 (Silver-Lead-Zinc)
Hoover and Johnson
Lee Mine
Inyo County, California

Dear Senator Hart:

Your recent memorandum transmitting a letter to you dated June 3, 1964, from Mr. Walter M. Hoover, Grosse Pointe, Michigan, and copy of Mr. Hoover's letter to me of the same date, concerning reconsideration of his denied application for assistance in exploring the Lee Mine in Inyo County, California, has been referred to this office.

Enclosed is a copy of our self-explanatory letter of June 10, 1964, to Mr. Hoover in reply to his letter of June 3, 1964.

You may be assured that if Mr. Hoover reapplies for exploration assistance, his application will be given careful consideration.

The enclosures with your letter are returned.

Sincerely yours,

George Fumich, Jr.

Acting Director

Enclosures

FEJohnson/bih/mm
cc: Director's Reading File
Region II w/cy of Senator's ~~xxx~~ memo and enclosure
Docket
Code 500

6/12/64

43683

Office of Minerals Exploration

Director
Deputy Director
Land Trader
C.H. Johnson

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 11 1964

DATE	INITIALS	CODE
		100
		500

United States Senate

Respectfully referred to
Congressional Liaison
Dept. of Interior
Bureau of Mines
Washington 25, D.C.

for such consideration as the communication herewith submitted may warrant, and for a report thereon, in duplicate to accompany return of inclosure.

By direction of

Phil Hart

Letter written 6/3/64

U. S. S.

GPO 16—78597-1

Mr. Walter M. Hoover
764 Loraine
Grosse Pointe 30, Michigan

mf/gp

RECEIVED
JUN 10 1964
BUREAU OF MINES,
Office of Director

1964 JUN 9 PM 2:13
BUREAU OF MINES
WASHINGTON, D.C.

WALTER M. HOOVER
764 LORAINE
GROSSE POINTE 30, MICHIGAN

June 3, 1964

The Honorable Philip A. Hart
The United States Senate
Washington 25, D. C.

Dear Phil:

You were good enough to me and to Bill Kreger to express an interest in my O. M. E. application made in 1962, so I am enclosing a copy of my query about re-activating the application. I am hopeful that it may be processed on its merits.

I am not alone in believing that the Lee Mining District holds great promise.

Thank you so much for your consideration.

Yours truly,

Walter M. Hoover

WMH/gm

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
	Inamoto	500
	Edwards	120
8/10	Johnson	110
		100
		220

JUN 1 0 1964

Mr. Walter M. Hoover
764 Loraine
Grosse Pointe 30, Michigan

Re: OME-6234 (Silver-[redacted])
Hoover and Johnson
Lee Mine
Inyo County, California

Dear Mr. Hoover:

This will acknowledge receipt of your letter of June 3, 1964, concerning the possibility of reconsideration of your denied application for exploration assistance.

If you desire to reopen this application, you should fill out two new application forms (MME Form 40, three copies enclosed), describe the work you propose to do, furnish a breakdown of your estimated costs, and furnish copies of new bank correspondence covering your request for a loan in the amount needed.

Data also should be included to support your contention as to continuity of mineralization and structure and the supporting geologist's report, which you say is available. Details of the geophysical surveys and drilling you have done on the property since our letter to you of October 5, 1962, should be included showing the three anomalies on the corresponding geophysical maps, in full detail.

Your attention is called to the fact that lead and zinc are no longer eligible for exploration assistance. Therefore, you should furnish information indicating that silver and gold are expected to be the principal metals found in the target area in which you propose to do the exploration.

It will not be necessary to repeat information already included in your previous application but only data on new work you have performed and the results of this work.

Sincerely yours,

George Fumich, Jr.

Acting Director

Enclosures

FEJohnson/bih/mm
cc: Director's Reading File Docket
Region II w/cy of incoming ltr
Code 500

43683

WALTER M. HOOVER
764 LORAINE
GROSSE POINTE 30, MICHIGAN

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 8 1964

DATE	INITIALS	CODE
6-8 June 3, 1964		100
		~~500~~
		~~410~~
		~~720~~
	Griswold	500

Mr. George Fumich, Jr., Director
Office of Minerals Exploration
Department of the Interior
Washington 25, D. C.

Re: OME-6234

Dear Mr. Fumich:

Your letter of October 1962 indicated that you would re-open my application if any further findings of interest developed. Last year I made three geophysical instrument surveys of the property and had them analized by two competent geophysical geologists. Three separate areas showed anomolies. Also I drilled one AX hole to 152', where I encountered Dacite, not previously known to be on this ground. This sandy-like material jammed my core-barrel and stopped the operation. I do have a Dacite core, however.

I would like to know if the O.M.E. would reconsider the application on the basis of new findings by the geophysical surveys. Frankly, I hope it will not be necessary to expend the amount of money ($800±) which my previous application required.

If the case is re-opened, I would be pleased to have your advice or suggestions as best how to proceed.

Yours truly,

Walter M. Hoover

WMH/gm

P. S. I respectfully disagree with the findings of your geologists as to the continuity of mineralization and structure, and can furnish a report of a man who is a specialist in structural geology, who examined the property last year. However, more of this later if you wish.

6-8 10:50 W.M.H.

Note! Keep me advised on developments. Pete. SB

Draft resp. SB

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

OFFICIAL FILE COPY

August 15, 1962

Mr. Walter M. Hoover
764 Loraine
Grosse Pointe 30, Michigan

Re: OME-6234 (Silver-Lead-Zinc)
Hoover and Johnson
Lee Mine
Inyo County, California

Dear Mr. Hoover:

This is to acknowledge your letter of August 8, 1962, presenting your exploratory program in two stages.

Sincerely yours,

PAUL V. FILLO

Paul V. Fillo
Acting Field Officer
OME, Region II

cc:

Chief Division of Field Operations, OME Washington D C

OFFICIAL FILE COPY

Date	Surname	Code
10/4	Griswold	500
10/5	Selfridge	120
"	Johnson	110
10-5	Tennis	100
10/4	eyf	220

OCT 5 1962

Mr. Walter M. Hoover
764 Loraine
Grosse Pointe 30, Michigan

Re: OME-6234 (Silver, Zinc, Lead)
Hoover and Johnson
Lee Mine
Inyo County, California

Dear Mr. Hoover:

We have your courteous letter of September 29 concerning the referenced application.

With regard to your last paragraph, as to the underlying reason for our denial, all information which we have been able to obtain suggests small, sporadic ore occurrences, of no great continuity or magnitude. The lack of persistence in mineralization and structure does not suggest sizeable ore deposits.

You may be very sure that we have no desire to adopt an adamant or arbitrary attitude, and you should feel completely free to reapply any time you may think you have additional and significant information.

Sincerely yours,

George Fumich, Jr.

Director

WRGriswold/FEJohnson/gla
10-4-62
cc to: Director's Reading File
Region II (2)
Docket
Code 500

43683

WALTER M. HOOVER
764 LORAINE
GROSSE POINTE 30, MICHIGAN

OFFICIAL FILE COPY
O. M. E
RECEIVED OCT 3 1962

DATE	INITIALS	
10/3	FJ	110
		500
		220

September 29, 1962
10/4 Grenwold

Mr. Frank E. Johnson, Dir.
O.M.E., Dept. of the Interior
Washington 25, D.C.

Dear Sir:

Thank you for your letter of the 25th, and the answers to my questions. If my inquiry made an incorrect implication of predudice on the part of Mr. Fillo, I apologize.

I do not expect you to reverse your decision, nor do I wish to engage in further controversy, but I would like to point out that Mr. Davis examined the "Lee" property before we sank the shaft in question and did not, therefore, know that it was entirely in broken and faulted ground and of little interest in an examination.

I am well aware that nearness of a claim to a large producing mine does not necessarily indicate that it has merit, in fact, my son has an interest in the Mickey Summers property which adjoins the Darwin Lead, and I have never regarded the showings or production there, of any siginficance.

As for U.S.G.S. and Bureau of Mines reports, I have obtained everything published that bears on the "Lee" mine and the Darwin district, and most of them point out that further exploration at the "Lee" is indicated.

At this time our plans are to conduct a geophysical survey and to do about 500' of diamond drilling. If results show the possibility of additional mineral deposits, we will reapply for a loan as you suggested.

However, I would appreciate some specific reasons why our application was rejected. It might help us in obtaining proper information for any future application.

Yours truly,

W. M. Hoover

W. M. Hoover

2 copies to R-II 10/4/62

Form 7
-58)

OFFICIAL FILE COPY

Date	Surname	Code
9/26		110
9/26	Coe	220
		~~500~~
		220

SEP 2 6 1962

Hon. Clair Engle
United States Senate
Washington 25, D. C.

Re: OME-6234 (Silver, Zinc, Lead)
Hoover and Johnson
Lee Mine
Inyo County, California

Dear Senator Engle:

Enclosed is a copy of our letter of September 25, 1962, to Mr. Walter M. Hoover in reply to his letter of September 14, a copy of which you sent to us with Mr. Hoover's letter of same date to you concerning the recent denial of his application for financial assistance in exploration of the Lee Mine, Inyo County, California.

We are, of course, desirous of assisting the small mine operator as much as possible but must have sufficient basis to justify such help. If Mr. Hoover can furnish the results of further work on his property which will show more favorable indications as to its possibilities than are now apparent, we shall be glad to reconsider his application.

The enclosures accompanying your communication are returned as requested.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

Enclosures

FEJohnson/bih/gla
9-26-62
cc to: Director's Reading File
Region II (2) w/2 cys incoming correspondence
Docket
Code 500

43683

6234

MME

OFFICIAL FILE COPY
O. M. E
RECEIVED SEP 28 1962

DATE		
		500

United States Senate

September 21, 1962
Postmarked 9-24-62

~~Respect~~fully referred to

Office of Minerals Exploration
Department of Interior
Washington 25, D.C.

for such consideration as the communication herewith submitted may warrant, and for a report thereon, in duplicate to accompany return of inclosure.

By direction of

Clair Engle

CLAIR ENGLE

U. S. S.

GPO 16—73597-1

WALTER M. HOOVER & ALDEN P. JOHNSON
(A JOINT VENTURE)
704 LORAINE
GROSSE POINTE 30, MICHIGAN

September 14, [illegible]

Honorable Senator Claire Engle
Washington, D. C.

Dear Senator:

The attached papers regarding an O.M.E. application [illegible] "Lee Mine" are self explanatory. At the time I filed [illegible] I felt that if any property justified Federal assistance [illegible] exploration the "Lee" was [illegible] that [illegible].

Another producer like the Darwin Lead or the Cerro Gordo [illegible] would add jobs and taxes to Inyo County as well as to the state [illegible].

I am a former resident of California having moved to Lone Pine in 1933 where I lived until 1942 and have owned property there ever since. My daughter and son, who like his father has been on two Olympic teams as a single sculler, were born in Lone Pine. I lived in Henderson, Nevada from 1942 to 1950 where I was Chief Engineer of the $150,000,000 Basic Magnesium plant. I have maintained my interest in Inyo County and mining to this day.

I believe I was in Lone Pine when you were first elected to State Representative and have followed your career with interest. I know you are concerned about the small mining operations and hope you will see your way clear to giving us an assist in this matter.

Very truly yours,

W. M. Hoover

Other enclosures:
OME denial letter September 6, 1962)
Cy Mr. Hoover's letter 9/14/62) Copies not made for OME Files
to OME)

OFFICIAL FILE COPY

Date	Surname	Code
9/20	Dunsmuir	500
9/21	vn leave	120
		110
9/21	m leave	100
		220

9225-62

Mr. Walter M. Hoover
764 Loraine
Grosse Pointe 30, Michigan

Re: CMR-6234 (Silver, Zinc, Lead)
Hoover and Johnson
Lee Mine
Inyo County, California

Dear Mr. Hoover:

We have your September 14 letter and we are fully in accord that you are "entitled to a full explanation of the denial" of your application. To reply to your specific questions, we have no reason at all to believe that our field man had a "contentious or prejudiced" attitude.

Concerning the "other sources of information available to us," we must point out that we have at hand the vast libraries of the U. S. Bureau of Mines and the U. S. Geological Survey, plus the records and reports of very many outside engineers and geologists.

You state, "In the beginning, I felt that your Field Engineer was unfair . . .". May we point out that your own geologist, Dudley E. Davis, in his report of February 1962, stated:

> "The workings of the 'inaccessible' shaft should be made accessible . . .".

It is obvious that your own geologist agreed with our field man.

In this particular instance, our instructions to our Field Officer were as follows:

> "We have never demanded that an applicant rehabilitate all old workings on a property; we definitely do not want to force anyone to waste money. By the same token, neither do we want to waste Government money nor the time of an examiner looking at inaccessible workings. In this instance, and in all similar instances, you should decide on what you consider to be a necessary minimum of rehabilitation work to permit of a satisfactory examination, and advise the Applicant accordingly. If he then cannot find it convenient to comply with your request, nothing further can be done."

43683

It is obvious that he decided an examination could be made without rehabilitating the shaft in question; there is no reason to believe that he was prejudiced thereby.

We note your intimation that because the Darwin and other successful mines are located only a few miles away, your property should therefore be of merit. The similarity to mines in nearby areas is always considered in evaluating a property; however, the mere nearness is no indication of similarity. Near any successful mine there are always endless numbers of properties without color of merit.

If at any time in the future you might do further work on the property which adds additional information of significance, you should feel free to reapply to us.

Sincerely yours,

(signed) FRANK E. JOHNSON

ACTING Director

WRGriswold/FEJohnson/gla 9-21-62
Rewritten: FEJohnson/gla 9-25-62
cc to: Director's Reading File
Region II (2) w/2 cys Mr. Hoover's letter
Docket
Code 500

6234

DU 2-1903 OR 4 RES. TU 5-8771

WALTER M. HOOVER & ALDEN P. JOHNSON
(A JOINT VENTURE)
764 LORAINE
GROSSE POINTE 30, MICHIGAN

OFFICIAL FILE COPY
RECEIVED SEP 19 1962
DATE | INITIAL | CODE
9/19 Received $5.00
120

September 14, 1962

Office of Minerals Exploration
Dept. of The Interior
Washington, D. C.

Gentlemen:

In regard to your letter of Sept. 6th, there are two questions in particular that make me wonder if the property were judged on it's merits alone or if extraneous matters influenced the decision.

First; was your Field Engineer's attitude contentious or predudiced?
Second; What was the "other information available to us"?

In the beginning, I felt that your Field Engineer was unfair for insisting that we retimber a shaft at a cost of over $3,000.00 in a faulted and broken area. Our correspondence covers this fully. Did our refusal predudice our case?

Secondly The Lee Mine cannot be overlooked as to it's possibilities. It is on the same batholith that carries the $100,000,000 Darwin Lead Mine, 10 miles South of us; the Cerro Gorde, a silver lead mine that produced $23,000,000 9 miles Northwesterly; and the Santa Rosa a $5,000,000 plus, producer of Lead and some silver is 5 miles west. The mine itself produced around $200,000 in high grade ore. The area of mineralization is comparable to that at the Darwin Lead and the Cerro Gorde.

It is in the same ore horizion as the Cerro Gorde, and the commercial ore comes in replacement ore bodies, the type that can "make big".

With these facts in mind it is obvious that other considerations than the merits of the property itself are involved, hence the question what was the "other information available to us"?

Having spent over $800.00 in the filing of the application and the fulfillment of it's requirements, I believe we are entitled to a full explanation of the denial.

Yours truly,

Walter M. Hoover

Walter M. Hoover

2 Thermofax copies to Region II

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
9/6	[illegible]	500
9/6	Talbot	800
9/6	[illegible]	130
"	on leave	110
9/6	Turner	100
9/6	[illegible]	220

SEP 6 1962

Mr. Walter M. Hoover
764 Loraine
Grosse Pointe 30, Michigan

Re: OME-6234 (Silver, Zinc, Lead)
Hoover and Johnson
Lee Mine
Inyo County, California

Dear Mr. Hoover:

Your application for financial assistance in exploring your property in Inyo County, California, and other information available to us have been reviewed.

Careful study of all this information indicates that the probability of disclosing significant ore reserves on your property is not sufficiently promising to justify Government participation in the proposed exploration. We regret to advise you that, under these circumstances, your application for exploration assistance is denied.

Sincerely yours,

George Fumich, Jr.

Director

(RL)

GLAult/a
9-5-62
cc to: Director's Reading File
Review Committee
Region II (2)
Docket
Code 500

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code

September 6, 1962

Memorandum to the File

From: W. R. Griswold, Chief
Division of Minerals

Subject: OME-6234 (Silver, Zinc, Lead)
Hoover and Johnson
Lee Mine
Inyo County, California

JUSTIFICATION OF DENIAL

Little can be added to the August 20, 1962, report of field examination by Paul V. Fillo.

The host rock is a marbilized limestone, with small ore bodies having occurred along the hanging and footwall of a shear zone. A few old workings show indications of early day small scale production.

Quite probably, further exploration would show small ore deposits, of a discontinuous nature, associated with fractures in the bedding plane faults. However, there is little reason to believe that deposits of any significance could be encountered. The undersigned concurs with the Field Officer regarding denial.

W. R. Griswold

W. R. Griswold

43683

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

August 16, 1962

Memorandum

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

From: Acting Field Officer, OME, Region II

Subject: OME-6234 (Silver-Lead-Zinc)
Hoover and Johnson
Lee Mine
Inyo County, California

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 20 1962

DATE	INITIALS	CODE
8/20	[illegible]	500

Enclosed are two copies of four independent contractor bids covering diamond drilling work on the subject application, and a copy of a letter from the applicant's geologist.

Enclosed also is a copy of the applicant's revised exploratory program and costs estimate.

The subject revised program is found to be somewhat difficult in following his procedure of calculating the cost per foot for underground operation. The rehabilitation program is considered high for what is normally calculated. The applicant's list of equipment neglected to record an air compressor, and gas hoist.

The diamond drill bids are high compared to what is normally used, and with the small amount of diamond drilling requested, the examination report for recommendation will be unfavorable.

Paul V. Fillo

Paul V. Fillo

Enclosures 4

(Enclosures filed left-hand side)

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

OFFICIAL FILE COPY
O. M. E
RECEIVED AUG 31 1962

DATE		CODE
		130

August 29, 1962

Memorandum

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

From: Acting Field Officer, OME, Region II

Subject: OME-6234 (Silver-Zinc-Lead)
Hoover & Johnson
Lee Mine
Inyo County, California

Enclosed are the original and two copies of the Report of Examination on the subject property.

The applicant applied for a loan of $21,580 to explore for silver, zinc and lead on the Silver Reid Claims, and an examination of the property was made July 10, 1962.

Upon advice from the applicant's geologist, the estimated cost of the project was increased to $28,572.10. This is due to added footage of crosscutting and drifting.

It is very doubtful that the amount of diamond drilling requested would disclose any significant reserves of silver, lead and zinc ores.

The Acting Field Officer recommends that the Government's assistance be denied. No ore or indications of significant ore deposits were seen in the underground examination. The grab samples were taken mainly for a reference.

Paul V. Fillo

ON SITE EXAM. REPORT

UNITED STATES
DEPARTMENT OF THE INTERIOR
STEWART L. UDALL, SECRETARY

OFFICE OF MINERALS EXPLORATION

REPORT OF EXAMINATION BY ACTING FIELD OFFICER REGION II

APPLICATION REPORT

OME-6234 (Silver-Zinc-Lead)
Hoover and Johnson
Lee Mine
Inyo County, California

by

Paul V. Fillo
Acting Field Officer
OME, Region II

August 20, 1962

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ILLUSTRATIONS

Figure 1. ..... Location Map

Figure 2. ..... Claim Map and location of shaft

Figure 3. ..... Plan of proposed exploration program.

INTRODUCTION

Mr. Walter M. Hoover, 764 Loraine, Grosse Pointe 30, Michigan, on April 5, 1962, applied to the Office of Minerals Exploration for Government assistance in exploring for silver, zinc, and lead on the Silver Reid group of claims in an area known as the Lee Mining District, approximately 12 miles north of Darwin, Inyo County, California.

The applicant proposes to explore a system of faults and fractures striking N. 70° W. to east-west and dips steeply to the north in and near the Lee mine workings; also, to determine its lateral and downward extension of mineralization and assure sufficient reserves of silver, zinc and lead ores can be developed to support an economic mining operation.

A field examination, authorized by the Division of Field Operations, was made on July 10, 1962, by Paul V. Fillo, Acting Field Officer, OME, Region II, accompanied by Mr. Dudley L. Davis, geologist consultant for the applicant.

The applicant's maps, included with this application, were examined carefully and compared with geologic exposures on the surface and in the mine workings. The underground geology was studied, and two samples were taken of the oxide ores

SUMMARY

The shallow deposits consist of silver chlorides and bromides, together with oxidized lead and zinc ores sporadically distributed along a shear zone striking N. 70° W. and dips steeply to the north cutting gentle south dipping limestone.

The mine has no ore reserves. The applicant's program proposes to explore the property as follows: (1) Make a geophysical survey of the mine claims and the area north and east of the claims, (2) Two diamond drill holes to explore the lateral and downward extension of the two prominent fault zones, (3) Crosscutting and drifting on the 60-foot level toward a mineralized target area that was disclosed from the applicant's last year diamond drilling.

On August 13, 1962, by letter, the applicant submitted a revised exploration program prepared in two stages. The program is similar to the original proposal, except for deepening the shaft 25 feet and additional footage in drifting and crosscutting. This extra work is subject to the second diamond drill hole in disclosing an ore body of significant importance.

CONCLUSIONS AND RECOMMENDATIONS

A careful study of all the information and my examination of the property, it is doubtful that the probability of disclosing minable ore reserves is not sufficiently promising to justify Government participation. The

underground workings disclosed insigificant mineralization because of "dry wall" characterization, so that a fair appraisal of the potentiality of the ore deposit was impractical. The geology of the target area suggests a downward extension of the ore zone but with the small amount of diamond drilling requested by the applicant, the possibility of developing any significant tonnage is not practical.

It is recommended that the application for Government assistance for an exploratory loan of $28,572.10 be denied.

LOCATION, ACCESSIBILITY, AND LOCAL FACILITIES

The Lee mine (also known as the Silver Reid group, or Emigrant mine) is located on the southeast flanks of the Santa Rosa Hills, at an elevation of 5,200 feet. The Silver Reid claims are located in unsurveyed section 23 (projected), T. 17 S., R. 40 E., MDM, Lee Mining District, about 12 miles north of Darwin, Inyo County, California.

The mine is 41.4 miles east of Lone Pine, California, and is reached from that town by traveling south 2 miles on U. S. Highway 395 to the junction of Nevada State Highway 190, turn left on State Highway 190 and travel 34.7 miles, turn right again on graded, dirt road and travel 6.0 miles, turn right on unimproved dirt road for 0.7 miles to the mine property. Mine labor is available in the Lone Pine area; equipment and supplies can be obtained at Lone Pine and from Bishop, California, about 15 miles north of Lone Pine. Prevailing daily wages for miners are about $20. No transmitted

electric power is available and there are no living accommodations at the mine. No water or timber are on the property. The closest source of water is hauled from Darwin. Motor truck transportation is available at Lone Pine. The nearest railroad siding is at Olancha, California, on the Southern Pacific Railroad, approximately 20 miles south of Lone Pine.

There are no facilities in the area for the milling of or purchase of oxidized lead, zinc ores and high-grade silver. The nearest custom smelters is at Selby, California, approximately 20 miles north of Oakland, California.

PROPERTY

History and Production

The property was first worked in 1883 for high-grade silver-lead ore. A report by Burchard[1/] stated "Emigrant mine with a shaft 100 feet in depth and lateral drifts which show a vein 4 feet wide, with a rich streak of gold and silver on both walls. On the hanging wall side, the streak is 6 inches and on the footwall side, 12 inches. Assay $200 per ton. The ore is sacked and shipped to San Francisco."

Some of this ore was milled at an abandoned mill site 7 miles northeast of the mine in Mill Canyon. The property has been active intermittently, under various owners and lessees since the 1870's.

1/ Burchard, H. C. 1884, Report of the U. S. Director of the Mint, the Statistics of Production of Precious Metals for 1883.

Production records for the early years are obscure. The Bureau of Mines records show the property produced approximately 650 tons of silver, lead, zinc, and copper ores from 1920 through 1957 on a selective basis. The ore averaged 30-100 ounces of silver, 17-24 percent zinc, 4.5-10 percent lead and 0.49 percent copper. Presently, the property is inactive.

Ownership

The property consists of nine unpatented lode mining claims owned by Mrs. Agnes Reid, P. O. Box 362, Newport, Oregon. On December 12, 1961, Mrs. Reid assigned a lease with option to purchase the claims to Mr. Walter M. Hoover, et al., 764 Loraine, Grosse Pointe 30, Michigan.

The claims are recorded in the office of the County Clerk and Recorder Independence, Inyo County, California, and are as follows:

Claims	Book	Page
Silver Reid	30	310
Silver Reid #1	30	310
Silver Reid #2	30	311
Silver Reid #3	30	311
Silver Reid #4	30	312
Silver Reid #5	30	312
Silver Reid #6	95	463
Silver Reid #7	44	180
Silver Reid #8	44	180

Financial Eligibility

The applicant has submitted evidence accompanying the application that they were unsuccessful in securing a loan for exploration purposes from two banking institutions. The applicant with his associates proposes to finance their share of the costs (50 percent) of the exploration program.

Mine Development

The principal mine working consists of a series of small open stope areas, extending from the surface to a depth of about 50 feet. The stoped areas are located along the hanging and footwall of the main shear zone, striking northwesterly covering an area of 250 feet by 130 feet. The mine was serviced by 40 foot incline shaft where most of the production was taken from. There are several open cuts and inclined shafts on the property, these shafts ranged from 60 feet to 100 feet in dppth, and were sunk down on the dip of prominent faults. The shafts are inaccessible except for the 130± foot shaft, where ladders were installed to within 15 feet of the bottom for this examination. The bottom of the shaft appeared to be filled with several feet of waste material. The shaft showed very little mineralization and this held true for the four short drifts from the shaft.

In the main workings of the mine, most of the stopes were back filled accompanied with several hundred feet of dry wall making it impractical to obtain samples of any real significance. The wooden ramp used in conjunction with the inclined shaft is in fair condition, but will need minor repairs.

There are two steel ore storage bins adjacent to the ramp.

No mining machinery, electric power or water is available on the property. Timber will be required for the incline shaft, vertical shaft, and occasional timber support in the stopes.

GEOLOGY

Geologic Setting

The rocks outcropping in the area of the Lee (Emigrant) mine consist principally of limestone, known as the Tin Mountain Limestone of Mississippi Age.[2/]

The northern part of the mine area is exposed by the Lost Burro (Cerro Gordo) limestone formation which underlies the Tin Mountain limestone. In the southern part of the mine property is the Perdido formation that overlies Tin Mountain limestone. The eastern part of the claim area is covered with a thin flow of Olivine basalt.

The Lost Burro formation exposed in the mine is of white-medium to coarse-grained marble. The formation strikes generally east-west and dips 20°-40° to the south. Normally, it is a bluish gray limestone but has been mineralized. The Tin Mountain limestone is a medium gray, fine-grained limestone in beds 6 inches to 2 feet thick. The Perdido formation consists of medium-gray limestone interlayed with beds of dark gray chert. Most of the faults and fractures strike parallel with the bedding plane, generally N. 70 W. to east-west.

2/ Hall, W. E., E. M. Mackevett, D. L. Davis. Economic Geology of the Darwin Quadrangle, Inyo County, California.

Ore Deposits

The most important ore bodies occur in the lower part of the Tin Mountain formation near fault zones where the rocks are brecciated and shattered. Some replacement of the limestone occurs a short distance from the individual faults. All the faults appear to be of the normal type. The ore deposition appears to be controlled by fractures in the bedding planes, most of the ore bodies are shallow dipping to the southeast, and are discontinuous. Hemimorphite is the most abundant oxidized ore and it is associated with ceragyrite, the most important mineral from an economical standpoint. Galena is the most abundant primary ore mineral, cerussite and angesite are also associated with galena. Minor amounts of sphalerite, pyrite, and tetrahedrite are present.

Sampling

Two character samples were taken in the mine, with assay results as shown below:

Sample No.	Description	Assay		
		Ounce	Percent	
		Ag	Pb	Zn
16230	Character sample-In raise from lower level.	33.3	5.3	31.7
16231	Character sample-Near incline shaft, upper level.	27.5	12.8	7.4

Ore Reserves

No measured reserves of silver-lead-zinc ores are present on the mining claims for exploration by Mr. Hoover.

EXPLORATION

The applicant first exploratory program consisted of geophysical survey, 438 feet of core drilling and 110 feet of crosscutting and drifting at an estimated total cost of $21,580. The revised program is in two stages and the proposed division of this work is as follows:

Stage I:

Geophysical survey	$1,875.00
438 feet of diamond drilling at $12.88 per ft.	5,640.00
110 feet of crosscutting (60-foot level) at $40.00 per ft.	4,400.00
50 assay samples at $7.00	350.00
Supervision, labor, supplies, repair & rehabilitation	3,607.10
	$15,872.10

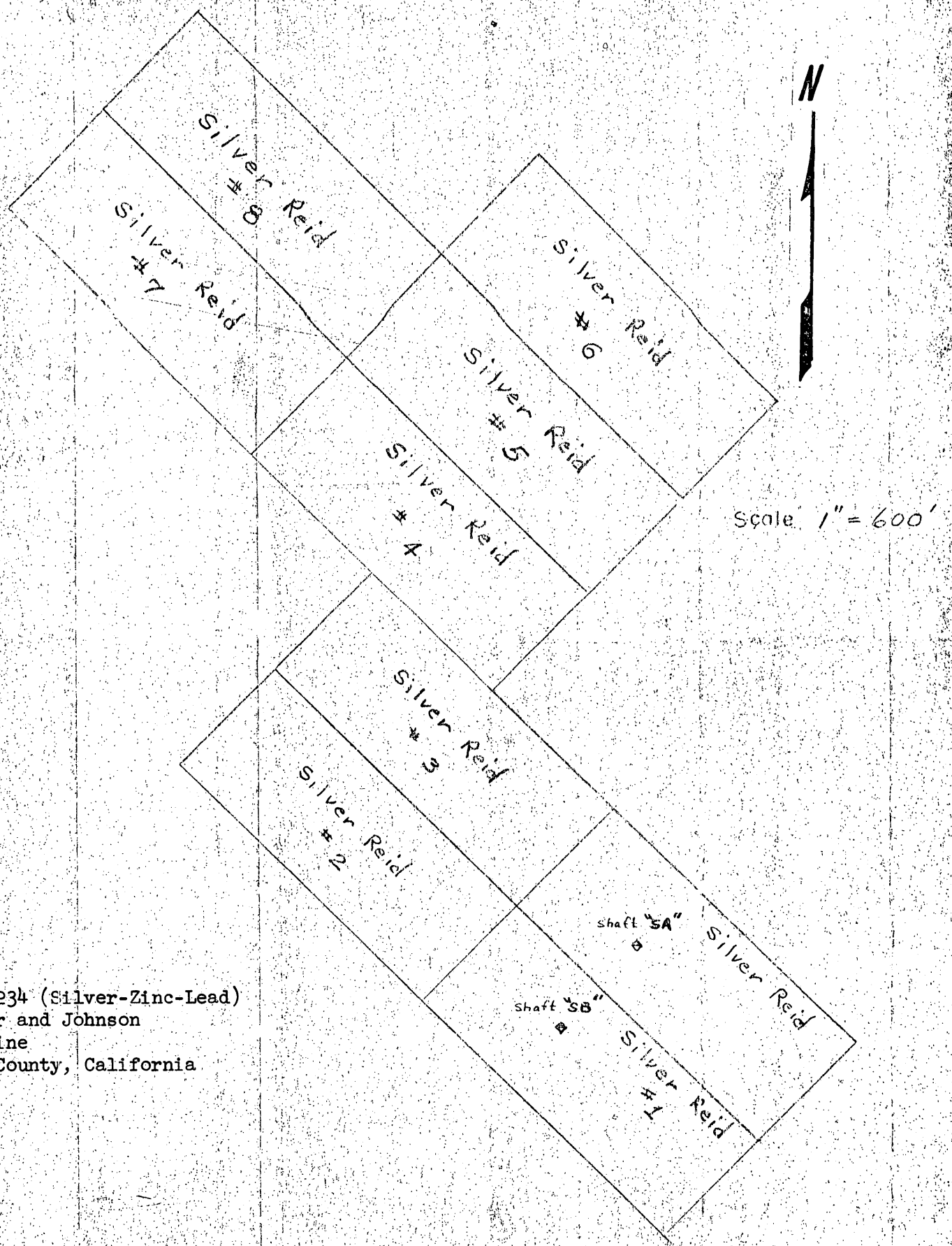
Stage II:

50 feet drifting (60-foot level) at $40.00 per ft.	$2,000.00
25 feet of shaft sinking at $90.00 per foot	2,250.00
140 feet of crosscutting (85-foot level) at $40.00 per ft.	5,600.00
50 feet of drifting (85-foot level) at $40	2,000.00
50 assay samples at $7.00	350.00
	$12,700.00

Total	$28,572.10

The applicant's estimated cost for his exploratory program is too high for the type of rock to be diamond drilled and mined. The area that is designated for geophysical survey has a thin flow of basalt capping and with this condition it is doubtful if any constructive data of importance could be obtained. The ~~small~~ amount of footage requested in their program for diamond drilling is small, and this would disclose very little minable ore reserves.

Fig. 1. Location Map
OME-6234 (Silver-Lead-Zinc)
Lee Mine
Hoover & Johnson
Inyo County, California



OME-6234 (Silver-Zinc-Lead)
Hoover and Johnson
Lee Mine
Inyo County, California

Fig. 2 CLAIM MAP

OME-6234 (Silver-Lead-Zinc)
Hoover and Johnson
Lee Mine
Inyo County, California

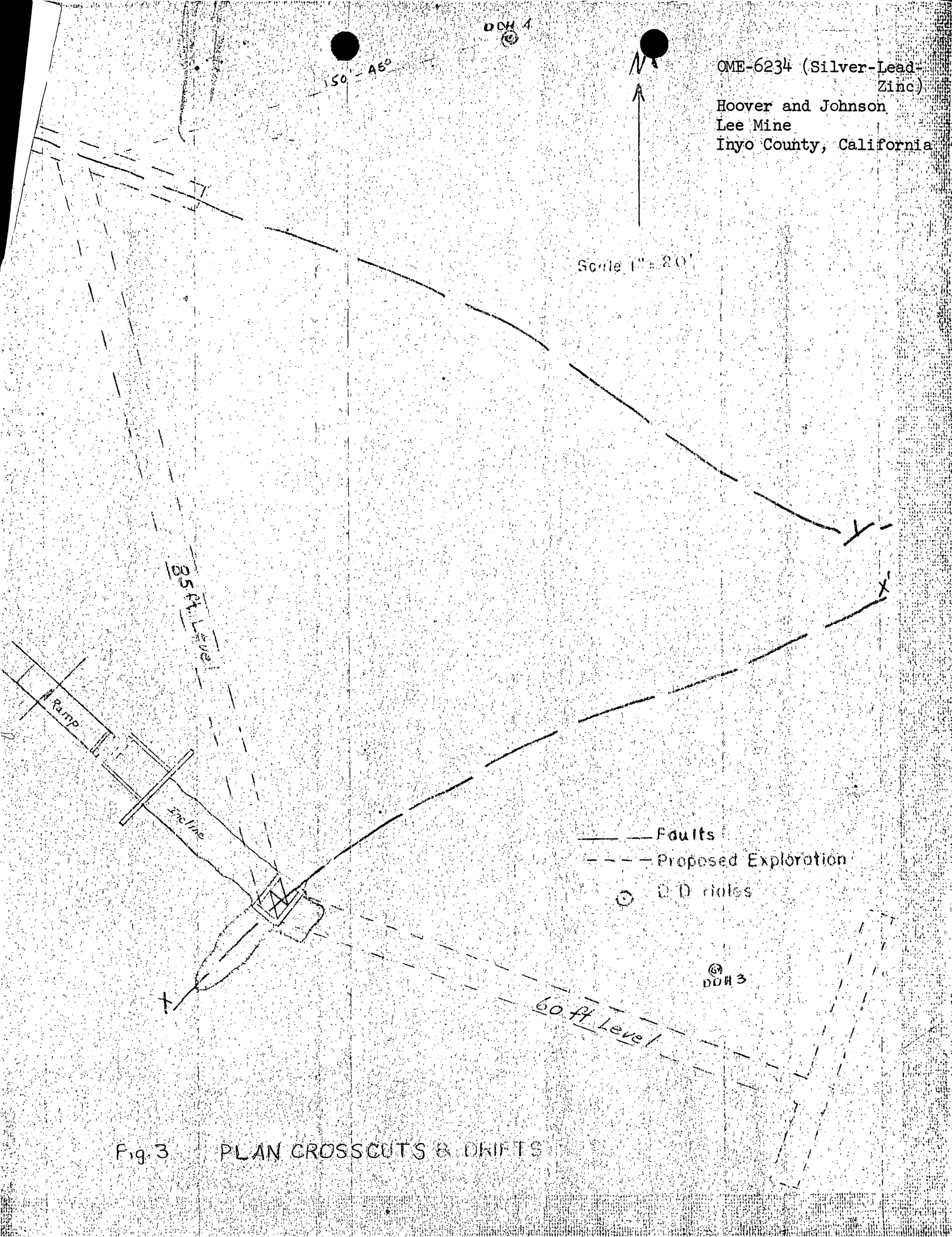


Fig. 3 PLAN CROSSCUTS & DRIFTS

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

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 25 1962

DATE	INITIALS	CODE
		500

June 20, 1962

Memorandum

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

From: Acting Field Officer, OME, Region II

Subject: OME-6234 (Silver-Lead-Zinc)
Hoover and Johnson
Lee Mine
Inyo County, California

Enclosed is a copy of a letter from the subject applicant, for your information. This is confirmation of my letter of June 12, 1962, to the applicant for a field examination.

Paul V. Fillo

Paul V. Fillo

Enclosure

BUS. DU 2-1903 OR 4

RES. TU 5-8771

WALTER M. HOOVER & ALDEN P. JOHNSON
(A JOINT VENTURE)
764 LORAINE
GROSSE POINTE 30, MICHIGAN

JUN 1962
BUREAU OF MINES
OFFICE OF
MINERALS EXPLORATION
REGION II

June 18, 1962

Mr. Paul V. Fillo, Field Officer
O.M.E. 555 Battery Street
San Francisco 11, California

RE: O.M.E.-6234
Lee Mine
Inyo County, Cal.

Dear Mr. Fillo,

Thank you for yours of the 12th.

I contacted Mr. Davis this morning in Surprise, Arizona and he will meet you in the lobby of the Dow Hotel at Lone Pine, California 8:00 A.M. July 10th, 1962.

Yours truly,

Walter M. Hoover

WMH:al

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

555 Battery Street
San Francisco 11, California

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 19 1962

DATE	INITIALS	CODE
6/19		500

June 15, 1962

Memorandum

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

From: Acting Field Officer, OME, Region II

Subject: OME-6234 (Silver-Lead-Zinc)
Hoover and Johnson
Lee Mine
Inyo County, California

A field examination of the subject mine is tentatively scheduled for July 10 and 11, 1962. Confirmation will be forwarded upon the applicant's reply.

Paul V. Fillo

Paul V. Fillo

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

555 Battery Street
San Francisco 11, California

OFFICIAL FILE COPY
O. M. E
RECEIVED JUN 18 1962

DATE	INITIALS	CODE
6/18	Received	500

Memorandum

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

From: Acting Field Officer, OME, Region II

Subject: OME-6234 (Silver - Zinc - Lead)
Hoover & Johnson
Lee Mine
Inyo County, California

Enclosed is a copy of a letter from the subject company for your information.

Paul V. Fillo
Paul V. Fillo

Enc.

June 11, 1962

Paul V. Fillo, Field Officer
O.M.E. 555 Battery Street
San Francisco 11, California

Dear Mr. Fillo,

Replying to yours of the 5th, I somehow anticipated your inquiry and the marked print and my letter of the 6th are, no doubt, in your hands.

The ladders will probably be in place by the time you receive this. I have asked Mr. Davis to phone Mr. Skinner, as soon as you are ready for examination, to be sure the ladders are in place.

I have forwarded the bids on diamond drilling to Mr. Davis, for his comments, with extra copies for your files.

Yours truly,

W. M. Hoover, Mgr.

WMH:al

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

555 Battery Street
San Francisco 11, California

June 12, 1962

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 18 1962

DATE	INITIALS	CODE
OME		
		120
6/18	Greenwald	500

Memorandum

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

From: Acting Field Officer, OME, Region III

Subject: OME-6234 (Silver-Zinc-Lead)
Hoover and Johnson
Lee Mine
Inyo County, California

Enclosed is a copy of a letter from the subject company and a copy of my letter of acknowledgment. The third paragraph of his letter was answered June 5, 1962. The delay was due to my field trip to Nevada.

Paul V. Fillo

Paul V. Fillo

Enclosure

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

555 Battery Street
San Francisco 11, California

June 12, 1962

Mr. Walter M. Hoover
764 Loraine
Grosse Pointe 30, Michigan

Re: OME-6234 (Silver-Lead-Zinc)
Hoover and Johnson
Lee Mine
Inyo County, California

Dear Mr. Hoover:

This is to acknowledge your letter of June 6, 1962, and mine map designating the three entries to the underground workings.

If it meets with your approval, a field examination of the Lee mine is tentatively scheduled for July 10 and 11, 1962. Please advise if your engineer will be available on those dates.

Very truly yours,

PAUL V. FILLO

Paul V. Fillo
Acting Field Officer, OME
Region II

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

WALTER M. HOOVER
764 LORAINE
GROSSE POINTE 30, MICHIGAN

June 6, 1962

Mr. Paul V. Fillo, Field Officer
O.M.E. Dept. of the Interior
555 Battery Street
San Francisco 11, Calif.

Dear Mr. Fillo:

I have instructed Mr. Wm. V. Skinner of Lone Pine to install ladders in the 100' inclined shaft as per your instructions.

Regarding the accessibility of the main workings, there are two walk in entrances from which all areas of the mine may be examined by means of inclined drifts. In only one place is it required to use a ladder and it is only 8' long.

I have not yet received a reply to my letter of May 17th. Perhaps it has gone astray.

Yours truly,

Walter M. Hoover

WMH:bjg

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

555 Battery Street
San Francisco 11, California

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 7 1962

June 5, 1962

6/7 Hoover 5.00

Mr. Walter M. Hoover
764 Loraine
Grosse Pointe 30, Michigan

Re: OME-6234 (Silver-Lead-Zinc)
Hoover and Johnson
Lee Mine
Inyo County, California

Dear Mr. Hoover:

With reference to your letter of May 17, 1962, you mention that there are three entries to the main mine workings as being accessible. In reviewing the mine map, I find only two shafts that indicate entries to your underground workings.

Please advise where these entries are located in order to make the underground workings accessible.

Very truly yours,

PAUL V. FILLO

Paul V. Fillo
Acting Field Officer, OME
Region II

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

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
5/29	Griswold	500
5/29	Talbot	800
6/1	[illegible]	130
6/1	on leave	110
6/1	Turner	100
6/1	cal	220
		500

JUN 1 1962

Memorandum

To: Acting Field Officer, Region II

From: Chief, Division of Field Operations

Subject: OME-6234 (Silver, Zinc, Lead)
Hoover and Johnson
Lee Mine
Inyo County, California

We have your May 25 memorandum, with attached letter from Mr. Hoover, pertaining to the referenced application.

"We have never demanded that an applicant rehabilitate all old workings on a property; we definitely do not want to force anyone to waste money. By the same token, neither do we want to waste Government money nor the time of an examiner looking at inaccessible workings. In this instance, and in all similar instances, you should decide on what you consider to be a necessary minimum of rehabilitation work to permit of a satisfactory examination, and advise the Applicant accordingly. If he then cannot find it convenient to comply with your request, nothing further can be done."

In this particular instance, we note the Applicant states, "I am sure you will find most of the pertinent workings accessible. As a matter of fact, there are three entries to the main diggings." If this is true, and if the Applicants will likewise put shaft SB in shape, as promised, probably a sufficient amount would be available. Mr. Hoover may be correct in his lack of interest in fracture filling ores; it would seem logical to assume that the

(continued below)

WRGriswold/gla
5-29-62
cc to: Director's Reading File
Review Committee
Docket

George C. Selfridge

possibility of replacements in the deeper limestones is the main item of interest.

We would be skeptical of geophysical work in the eastern area overlain by younger olivene basalt. Any possible ore occurrences would most likely be masked.

We regret having received no information of the drilling of hole No. 3 last year other than a couple of sludge assays.

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

555 Battery Street
San Francisco 11, California

May 25, 1962

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 29 1962

DATE	INITIALS	CODE
5/29	Gressvold	500

Memorandum

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

From: Acting Field Officer, OME, Region II

Subject: OME-6234 (Silver-Zinc-Lead)
Hoover and Johnson
Lee Mine
Inyo County, California

Enclosed is a copy of a letter from Walter M. Hoover, manager of the Lee Mine, for your information. Apparently, they have had very little mining experience and are not interested in following my suggestions for making the property accessible for examining.

Please advise in regards to this matter.

Paul V. Fillo

Paul V. Fillo

BLO. DU 2-1903 OR 4

RES. TU 5-8771

WALTER M. HOOVER & ALDEN P. JOHNSON
(A JOINT VENTURE)
764 LORAINE
GROSSE POINTE 30, MICHIGAN

MAY 1962
BUREAU OF MINES
OFFICE OF
MINERALS EXPLORATION
REGION 11

May 17, 1962

Mr. Paul V. Fillo, Field Officer
O.M.E. Dept. of the Interior
555 Battery Street
San Francisco 11, Calif.

Re: OME-6234 Hoover & Johnson

Dear Mr. Fillo:

Your reply to my letter of May 9th has me "shook up", as I can see our application foundering on the item of spending about $3,000 to recondition shaft SA for the sole purpose, at this time, of your examination. I am sure my partner would rather see this money spent in diamond drilling or geophysical surveying. Further, there is no ore to be seen in the shaft, and as it is in broken, displaced ground, one cannot even distinguish the beddings.

I am sure it would be wasted money as far as any examination is concerned. You may check the costs by refering to "Item 4, underground work" in our application. Add to this, the cost of a special trip to California and you will see that it amounts to over $3,000.

Regarding the 100 foot shaft SB, I am getting prices on having ladders installed, and if you will allow us to fore go, for the present, the work on Shaft SA, I will have this done as you wish.

The best and only information we have on this hole is contained in a news account quoted in an earlier edition of the California Journal of Mines and Geology, which states that, in a 4 foot wide fault, there is a 6" vein on each wall, one of silver-lead ore and the other of gold ore. What truth, if any, there is in this, I do not know, as no one, to the best of my knowledge, has been down this shaft in the 30 years I have been familiar with this ground.

To me, none of the dozens of similar showings of fracture fillings are interesting as commercial ore. Only the replacement ore bodies in permeable beddings would seem to indicate the possibility of deposits of sufficient size and value to be profitable.

Frankly, I have been curious myself as to what is showing in this hole, but have not considered it important enough to spend several hundred dollars to find out.

There is one story that a man took out $800 worth of gold in a powder box. Last year I panned same fines on the dump and found a few specks of free gold, the only free gold I have seen at the Lee. So, you do not need to push me too hard to get me to agree to put ladders in this hole, it will satisfy my curiosity too.

DU 2-1[illegible]

WALTER M. HOOVER & ALDEN P. JOHNSON
(A JOINT VENTURE)
764 LORAINE
GROSSE POINTE 30, MICHIGAN

I regret that our correspondence has reached this empasse, but I do not feel that $3,000 should be spent on shaft SA, for an examination of such doubtful value.

Our funds are limited (about $10,000) for this preliminary work and I do not think it wise to spend upwards of $4,000 for application expense, as a gamble that the O.M.E. might loan us $10,000, especially when the diamond drilling or geophysical surveying phase of the project might disclose that this money could be spent to better advantage elsewhere on the property. I might add, that if this first exploration developes ore of interest, my partner and I have sources from which we can obtain funds to finance further justifiable developement.

When you visit the property, I am sure you will find most of the pertinent workings accessable. As a matter of fact there are three entries to the main diggings.

I have received two bids, out of five asked, on the 438' of drilling. If you are willing to continue consideration of our application, I will forward copies.

Yours Truly

Walter M. Hoover, Mgr.

WMH:bjg

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

555 Battery Street
San Francisco 11, California

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 14 1962

May 11, 1962

944 Bizzard 500

Mr. Walter M. Hoover
764 Loraine
Grosse Pointe 30, Michigan

Re: OME-6234 (Silver-Lead-Zinc)
Hoover and Johnson
Lee Mine
Inyo County, California

Dear Mr. Hoover:

In response to your letter of May 9, 1962, I regret to inform you that it will be impossible to examine the property until the shafts are made accessible.

You will agree, I am sure, that to properly appraise the possibility of finding new or unexplored ore deposits in your property all mine workings should be accessible for examination.

Mr. Dudley L. Davis' report stated the shaft should be made accessible in order to obtain several samples and examine the mineralized zone in the underground workings. With this information an engineer can make an intelligent appraisal, without this data it would not be fair to the property in question.

In reply to your penultimate paragraph, it should be kept in mind that the record production is a measure, not of what is left, but of what is not left.

If your company has an alternate proposal, where pertinent workings are open and accessible and where I might be able to see something upon which to base an opinion as to the merits of the proposal, I would be glad to arrange a field examination.

Very truly yours,

PAUL V. FILLO

Paul V. Fillo
Acting Field Officer, OME
Region II

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

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

OFFICIAL FILE COPY
M. E
RECEIVED MAY 8 1962
DATE

May 4, 1962

Mr. Walter M. Hoover
764 Loraine
Grosse Pointe 30, Michigan

Re: OME-6234 (~~Silver-Zinc-Lead~~)
Hoover and Johnson
Lee Mine
Inyo County, California

Dear Mr. Hoover:

This is to acknowledge your letter of April 25, 1962, and claim map of the Lee Mine property.

In reviewing your application for financial assistance from the Office of Minerals Exploration, I find the mine is inaccessible for underground examination, and that you have incorporated the cost in your application form to prepare for this examination.

The rehabilitation of shafts for examination purposes is not allowed under the exploration program, but is a direct cost to the applicant prior to the government field examination.

Will you please advise us if you are willing to prepare the shafts for examination, i.e. complying with state mine safety code. In examining the surface and records, it does not give a complete picture of your property.

It is advisable to obtain several samples from underground workings which will enable us to frame some assertion as to size and grade of the mineralized zone.

The open land to the north and east of the mine unpatented lode claims, on which you are planning to do some geophysical work, should be located and recorded prior to government field examination.

Your promptness in replying will be appreciated.

Very truly yours,

PAUL V. FILLO

Paul V. Fillo
Acting Field Officer, OME
Region II

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

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
4/17	Gnemo	500
4/18	Talbot	800
4/18	Selmeby	130
"	Johnson	110
4/18	Fumich	100
4/18	Cal	220
		500

APR 18 1962

Mr. Walter M. Hoover
764 Loraine
Grosse Pointe 30, Michigan

Re: OME-6234 (Silver, Zinc, Lead)
Hoover and Johnson
Lee Mine
Inyo County, California

Dear Mr. Hoover:

Thank you for your letter of April 14 and enclosures with reference to the subject application.

The application has been referred to Mr. Paul V. Fillo, Acting Field Officer, Region II, Office of Minerals Exploration, Room 113, Custom House, 555 Battery Street, San Francisco 11, California.

We note that you are obtaining bids from independent contractors covering the diamond drilling work. Kindly forward a copy of each bid to our Region II office, also one set to this office. In addition, please forward a copy of the map received with your letter of April 14 to Mr. Fillo.

The Regional Office will notify you in case additional information concerning the application is needed.

Sincerely yours,

George Fumich, Jr.
Director

GLAult/a
4-17-62
cc to: Director's Reading File
Region II (2)
Docket

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
4/17	[illegible]	500
		~~500~~
4/17	[illegible]	800
4/18	[illegible]	130
"	[illegible]	110
4/18	[illegible]	100
		220
		500

APR 18 1962

Memorandum

To: Acting Field Officer, Region II

From: Chief, Division of Field Operations

Subject: OME-6234 (Silver, Zinc, Lead)
Hoover and Johnson
Lee Mine
Inyo County, California

The subject application is referred to Region II for review, a field examination if deemed advisable, and recommendations.

Enclosed are copies of the Applicant's letters of April 10 and 14 with enclosures. We have asked Mr. Hoover to forward to you a copy of the map showing the claim names, referred to in the first paragraph of his letter of April 14, and the bids for diamond drilling work when obtained.

George C. Selfridge

(GLA)

Enclosures

GLAult/a
4-17-62
cc to: Director's Reading File
Review Committee
Docket

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
4/11		500
4/11	[illegible]	120
"	[illegible]	110
4/11	[illegible]	100
4/11	[illegible]	220
		500

APR 1 1 1962

Mr. Walter M. Hoover
764 Loraine
Grosse Pointe 30, Michigan

Re: OME-6234 (Silver, Zinc, Lead)
Hoover and Johnson
Lee Mine
Inyo County, California

Dear Mr. Hoover:

We have your application, dated April 5, 1962, for financial assistance in minerals exploration. There are certain points which require clarification, as follows:

Your map showing the nine claims fails to show the respective claim names. Please supply a map with the individual claims identified.

You provide a copy of a location notice, dated December 4, 1961, covering the Silver Reid #6 claim, yet the Lease and Option Agreement shows this claim as owned by Agnes Reid. We must have copies of all documents showing any transfer of title.

The Government could not participate in the cost of the geophysical work which you propose to do outside of the claims you control. If such ground is open, perhaps you could locate additional claims.

We cannot see how you can delineate your proposed diamond drilling until you have completed your geophysical work and evaluated it.

We must have bids from at least two independent contractors covering diamond drilling work. Even if you planned on doing such work yourself, we would require bids for comparative purposes. The costs you suggest of $20.00 per foot are vastly greater than we have ever encountered for work of this sort.

In essence, your proposed project consists of a little geophysical work, a mere 438 feet of diamond drilling, and 110 feet of drifting. It indeed would be most fortuitous if a program as small as this should open up anything of much significance. If your geophysical work should show anything interesting, do you not feel that your diamond drilling should be substantially amplified?

P.S. We have just received your April 10 letter with quitclaim deed; so you may disregard our third paragraph.

Sincerely yours,

W. R. Griswold (gla)

W. R. Griswold, Chief
Division of Minerals

WRGriswold/gla
4-11-62
cc to: Dir.'s Reading File
Region II (2)
Docket

See Appl's letter 4/14/62 + attachments left-hand file

43683

April 9, 1962

Mr. Walter M. Hoover, Manager
764 Loraine
Grosse Pointe 30, Michigan

Subject: OME-6234

Dear Mr. Hoover:

Your application for exploration assistance, dated April 5, 1962 submitted to our office at Washington, D. C. has been assigned Docket Number OME-6234.

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

Sincerely yours,

Allen S. Dakan, Chief
Division of Administrative
Management

Copy to: Region II
with application and
attachments.

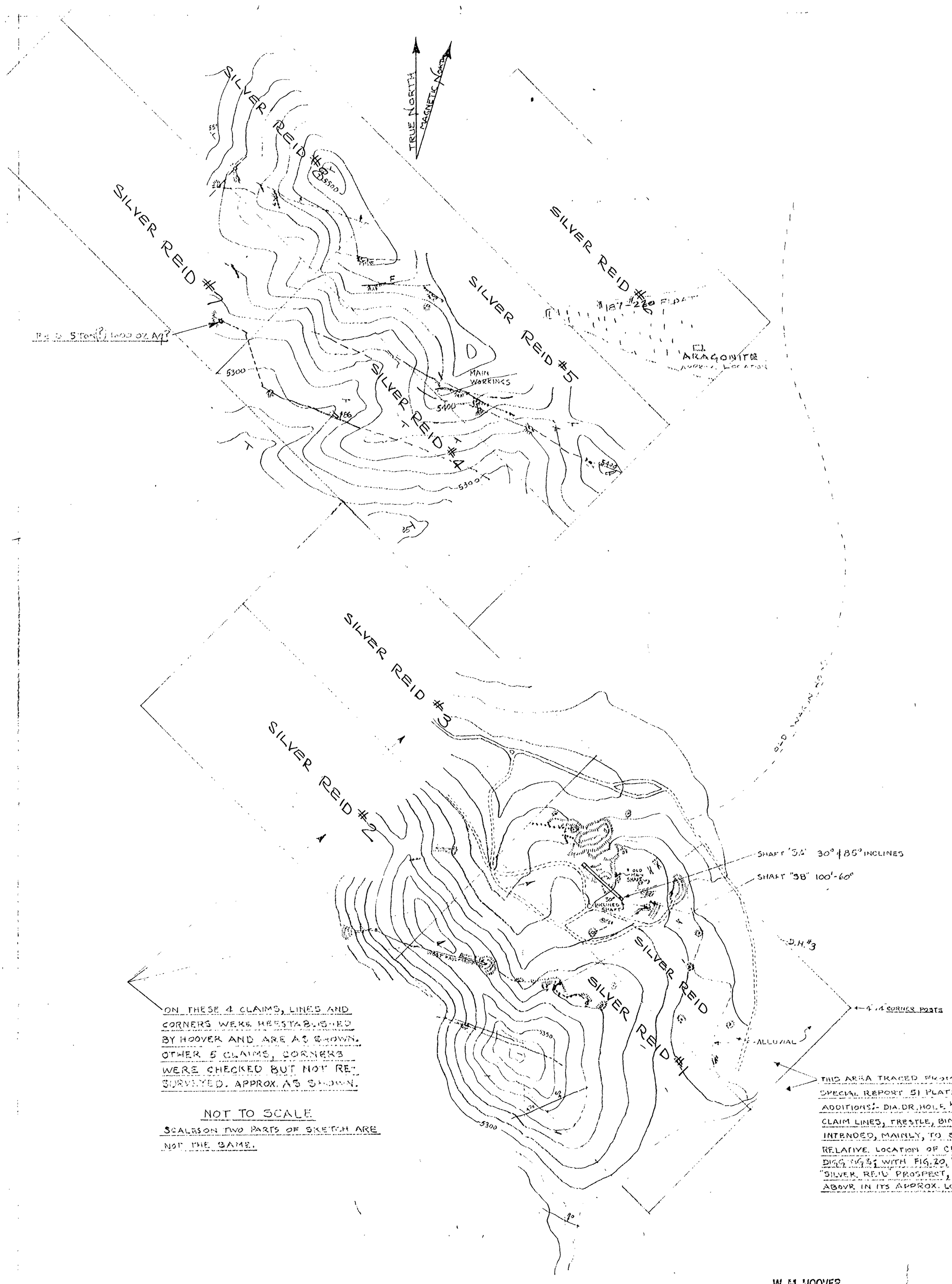
WALTER M. HOOVER
764 LORAINE
GROSSE POINTE 30, MICHIGAN

Memo:—

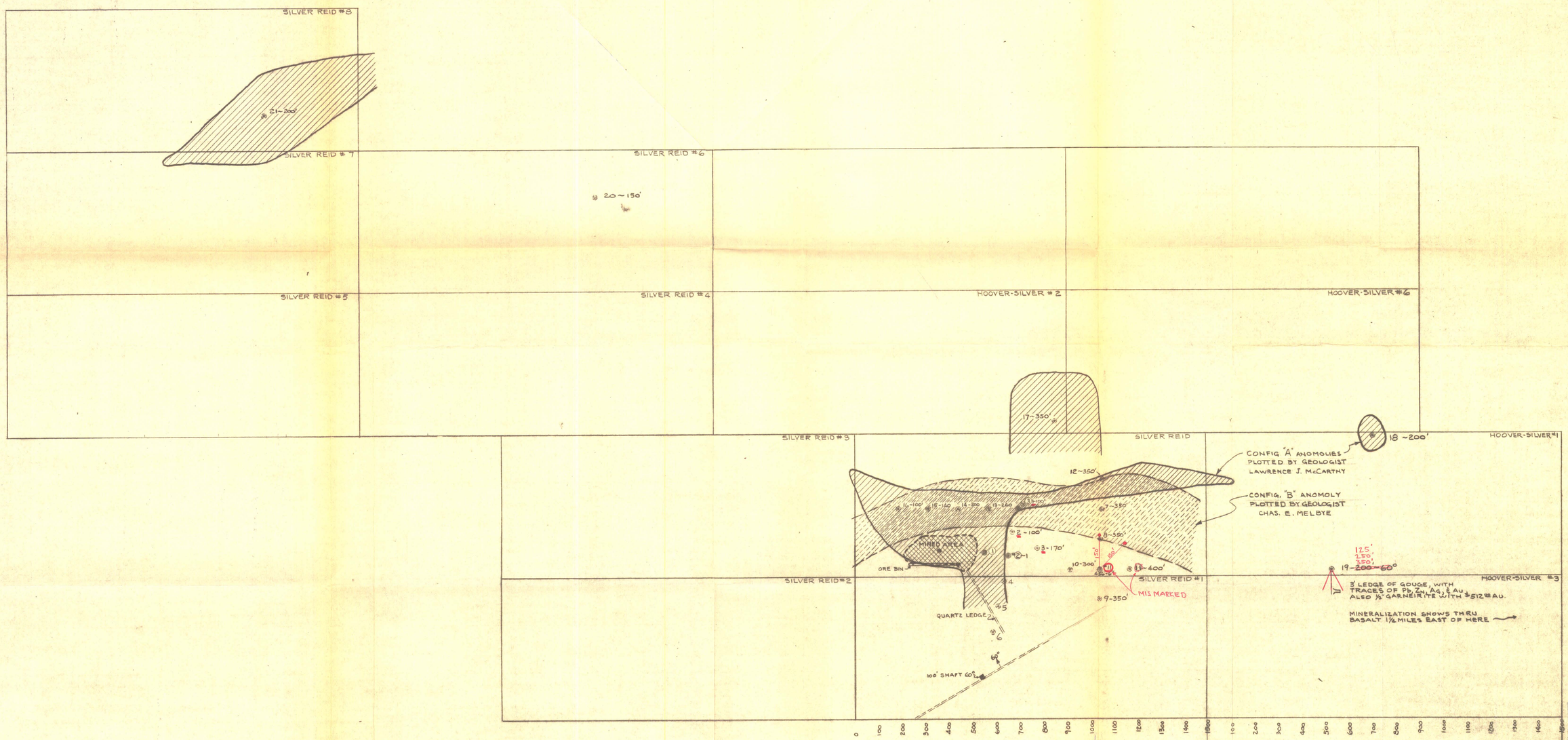
application sets #1 & #2, only, have copies of Calif. Report #51, and road maps. Otherwise sets are identical.

WMH

6234



W. M. HOOVER
764 Loraine
Grosse Pointe 30, Mich.



OFFICIAL COPY
O. M. K.
RECEIVED
AUG 15 1966
INITIALS CODE

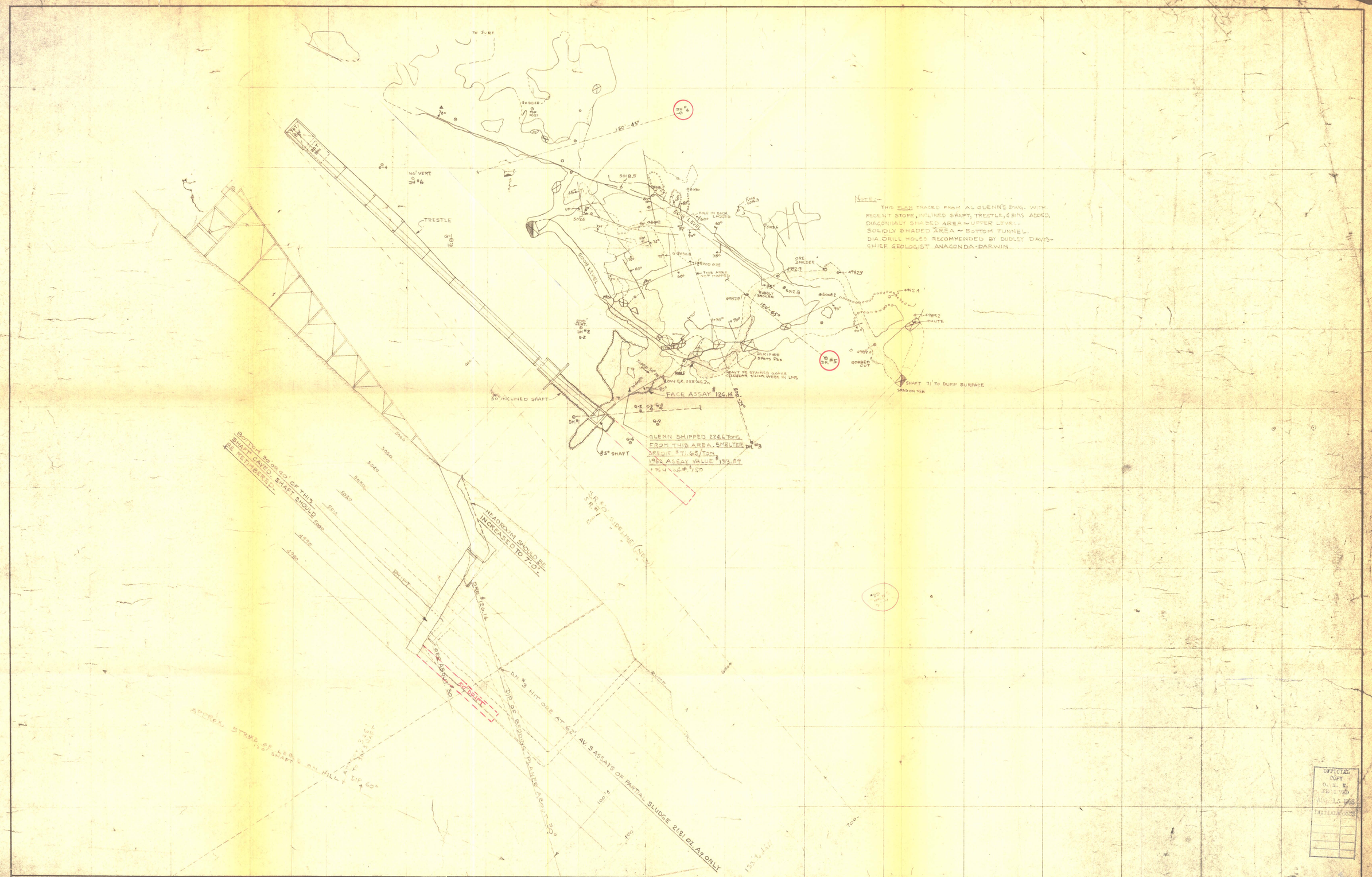
LEE MINE

ELECTROMAGNETIC DIP-ANGLE MAP
INYO COUNTY
CALIFORNIA

HL-2

1" = 200'

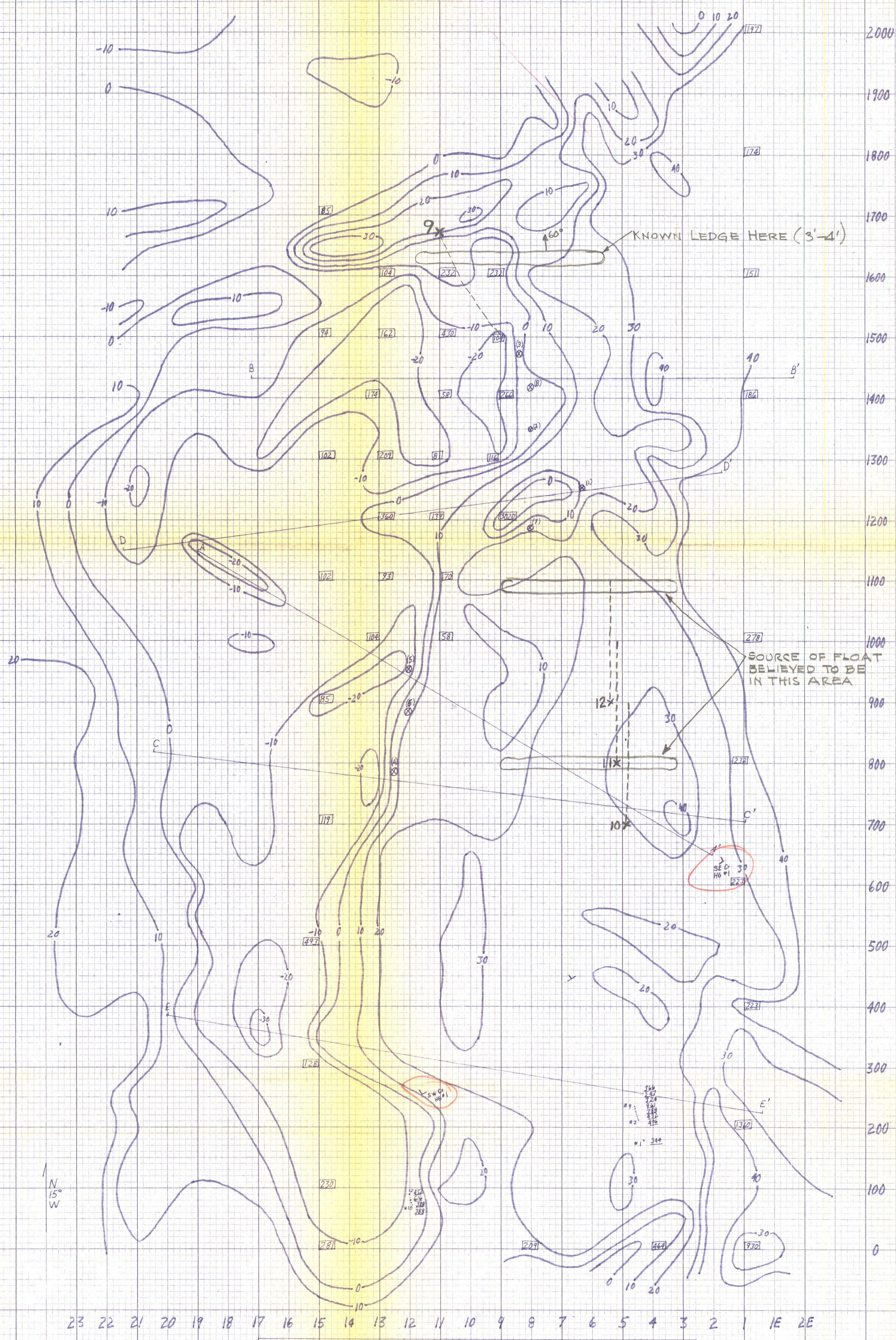
TRACED FROM ORIGINALS REFERED TO ABOVE
BY W.M. HOOVER 1-7-66



NOTES:-

THIS PLAN TRACED FROM AL GLENN'S DWG. WITH RECENT STOPE, INCLINED SHAFT, TRESTLE, & BINS ADDED.
DIAGONALLY SHADED AREA ~ UPPER LEVEL.
SOLIDLY SHADED AREA ~ BOTTOM TUNNEL.
DIA. DRILL HOLES RECOMMENDED BY DUDLEY DAVIS~ CHIEF GEOLOGIST ANACONDA-DARWIN.

REVISIONS			DRAWN BY	DATE	APPROVED		FILE	JOB NUMBER
			HOOVER	10-7-1961			SCALE	SHEET NO. HL-1
			CHECKED BY	DATE	APPROVED			



LEGEND

SP Contour Interval = 10 Millivolts

Geochem Results in Parts Per Billion (Silver)

PPB Soil Samples

PPB Drill Samples

Scale : 1 inch = 100 feet

Claim Corners : L ⌋

Air-Trac Drill Holes : • • •

Recommended Drill Sites : ⊗

Figure 1. Self Potential Map With Geochem Data