MME Form 9
Rev. Nov. 65

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey

OFFICIAL DOCKET FILE

Contract No. _____ Docket No. 6606

Application
- [ ] Denied
- [ ] Withdrawn

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

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

Folder No. 1:

Left Side

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

Right Side

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

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

- [ ] Field Team Semiannual Report for Certified Project
- [ ] Final Field Team Report (Tab)
- [ ] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [ ] On-site Exam. Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No. _____: Reports

- [ ] Analysis of Semiannual Inspection Reports
- [ ] Project Summary (Interim) by MME Engineers

Right Side

- [ ] Field Team Semiannual Report for Certified Project
- [ ] Field Team Interim Reports
- [ ] Operator's Monthly Reports with Transmittal, Narrative and Maps

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

Folders No. _____: Settlement Sheets

Folders No. _____: Drill Logs

Folders No. _____: Royalty Material

72195-65

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Memorandum March 15, 1967

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
OME, Region II

Subject: New Application (Mercury)
Kennedy and Miller
Last Chance Claims
Inyo County, California

Enclosed is a rather poorly prepared and supported application for mercury exploration in Inyo County, California.

As usual, the copies of letters from the applicant to the banks requesting loans are missing. Only one copy of the supporting material was furnished but I have made a Xerox copy for Field Office use. No maps were included. The location and relationship of the proposed work to claim boundaries, etc. is not indicated. The competence of the applicants is questionable.

H. K. Stager

Enclosures

MME Form 40
Jan. 65

Budget Bureau No. 42-R1508
Approval expires Dec. 31, 1968

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

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

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

George Edward Kennedy
5131 Marion Ave.
Cypress, California
90630

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: 6606

DATE RECEIVED: 3-20-67

REGION: II

DIVISION CODE:

BUSINESS ORGANIZATION *(Check one)*

- INDIVIDUAL ☐
- CORPORATION ☐
- PARTNERSHIP ☐
- OTHER *(Specify)* ☐

STATE IN WHICH FIRM IS ORGANIZED:

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
George Edward Kennedy	5131 Marion Ave. Cypress, Calif.	Partner
Ethel Kennedy	5131 Marion Ave. Cypress, Calif.	Partner
Charles M. Miller	3809 Hungerford St. Long Beach, Calif.	Partner
Barbara J. Miller	3809 Hungerford St. Long Beach, Calif.	Partner

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE: Mercury

ESTIMATED COST OF PROJECT: $ $5500.00

PROPERTY NAME	LOCATION COUNTY	STATE
The Last Chance No. 2	Inyo,	California

GENERAL INSTRUCTIONS

Before filling out this application, please read the *OME Regulations for Obtaining Federal Assistance in Financing Explorations for Mineral Reserves* (30 CFR Chap. III). To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit two copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 2, existing mine workings and geology in item 3, and the proposed exploration work in item 5. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 3(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals*, of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Office of Minerals Exploration, Department of the Interior,* ~~Washington, D.C., or with the nearest OME Field Office.~~ Washington, D. C., 20242, or with the nearest OME Field Office.

CERTIFICATION

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

3/11/67
DATED

George E. Kennedy
BY *(Signature)*

Partner
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

George Edward Kennedy
5131 Marion Ave.
Cypress, Calif. 90630

#1.

a.
Originals enclosed.

b.
Partners as listed on application.

c.
Our labor, Supervision for conducting the work.
Equipment as listed below.

Electric hammer	Picks
Generator	Shovels
Steel	Explosives
Wheel-barrow	

Travel to and from the claim, which will have to be done on the weekends, because we have families and homes to support from our job during the week.

#2.

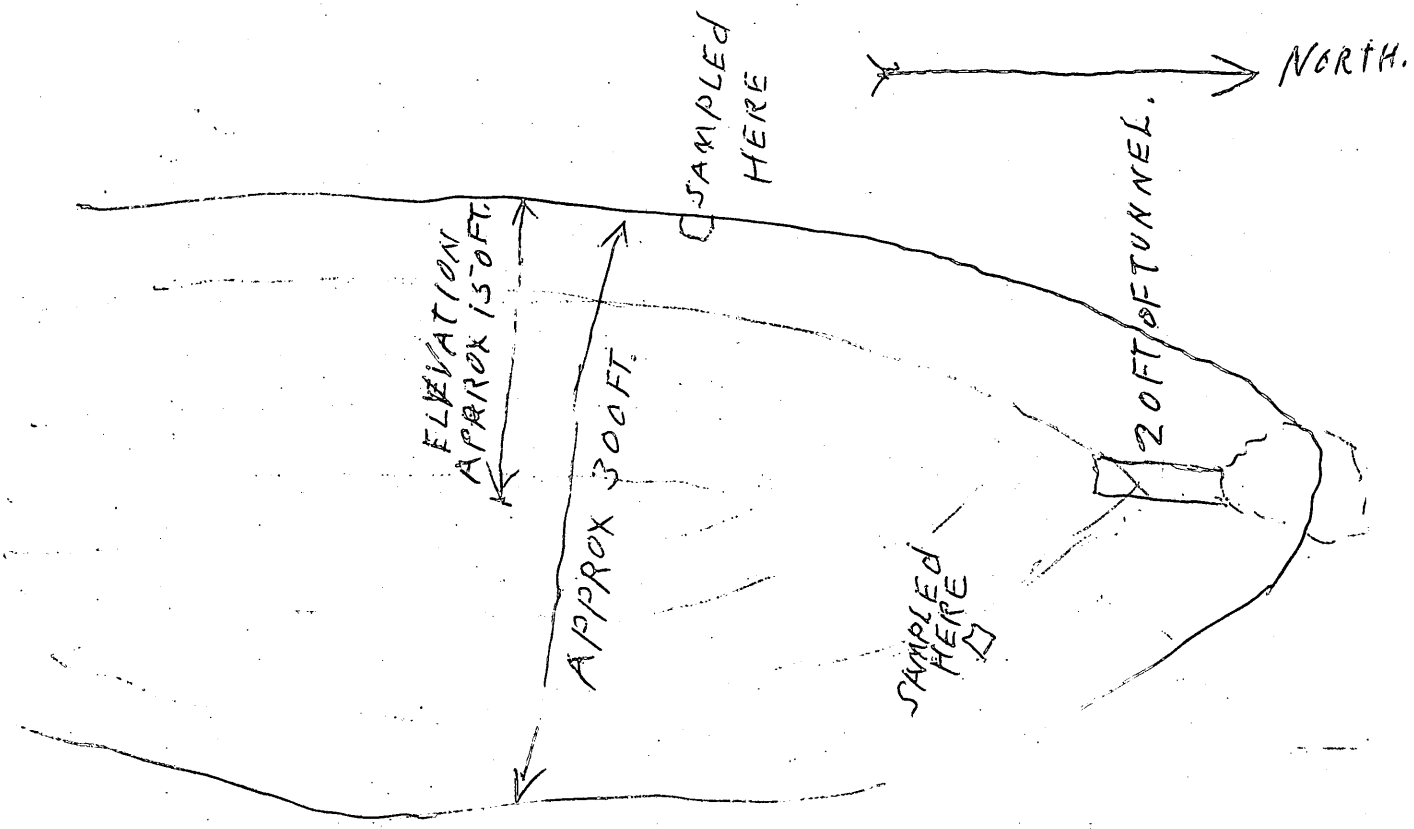
a.
One of the partners.

b.
Unpatented claims, unsurveyed area.
The Last Chance No. 2 -This is the one the work will be done on.
Vol. 100-Page 784
Vol. 100-Page 785

The Last Chance No. 1
Vol. 100-Page 438
Vol. 100-Page 439

#3.

a.
Enclosed are some pictures.
Below is rough map of claim



George Edward Kennedy
5131 Marion Ave.
Cypress, Calif, 90630

#3 continued.

b.
All work shown has been done by us.

c.
No production

d.
What appears on the surface, the whole mountain has low grade mercury ore.
Enclosed are assay reports, which came from the west side of the mountain and the beginning of the tunnel and from inside of tunnel.

e.
Map sketched, #3,a., the ore assays in gold, silver and mercury, and it is in veins.

f.
Answered in d.

g.
Assay reports as described in d.

#4.

a.
George Edward Kennedy.
The best meeting place would be at the Standard Station, at the intersection of the road to Keeler and 395 in Olancha.

b.
Olancha.
The property is located 8 miles NE on the road to Keeler, then 5 miles south into the mountains.

#5.

a.
Drive a tunnel thru the mountain to see how many veins we would cut thru, then follow the largest vein. Tunnels are to be 6 ft. high, 4 ft. wide. Total footage to be 200ft.

b.
It is accessible by truck, you can get within an half mile of the claim with a car.
One pass with a cat would make a good road.

c.
Have been working the claim on weekends as often as possible.
20 ft. a month over a 2 year period.

#6.

Born and raised in mining camps.
Have worked in mines in all capacities.
Had gold and silver mining claims in Nevada.
Also leased gold and silver mining property in Virginia City, Nevada.
I will (George E. Kennedy).

#7.

$27.50 ft.

a.
None

b.
I will supervise the work, plus working.
Do not know any good geologists.

c.
Shovels, $5.98 each, (2).

George Edward Kennedy
5131 Marion Ave.
Cypress, Calif.

#7

c. continued.

Picks,	$ 34.56	each,	(2)
Drill steel,	$ 16.00	each,	(6 pcs.)
3 wire electric cord,	$ 18.00	per ft.	(200 ft.)
Wheel-barrow,	$ 12.00	each	(1)
Powder,	$ 14.50	per 50lb	(½ box)
Fuse,	$ 1.85	per 100 ft.	(150 ft.)
6X caps,	$ 3.85	per box	(½ box)
Water barrel	$ 6.00		(1)

d.

Gasoline generator,	$250.00	(1)
Electric drill hammer,	$150.00	(1)
Panel truck	$400.00	(1)

e.

None at present.

f.

None at present.

g.

Can do own repairs in case of break-down.

THE

UNITED STATES NATIONAL BANK

OF SAN DIEGO

FROM THE BUENA PARK OFFICE—6301 BEACH BOULEVARD—BUENA PARK, CALIFORNIA

September 23, 1966

Mr. George E. Kennedy
5131 Marion Avenue
Cypress, California

Dear Mr. Kennedy,

Re: Request for Loan

We have considered your request for the amount of $16,000.00 on a 5 year term basis and regret to inform you that we must decline for the following reasons.

In these times of tight money our bank is granting mostly short term loans to our customers only. Further, we have been requested by the Board of Governors of the Federal Reserve Bank to refrain from granting loans to business for expansion and venture type loans.

We wish you success in your endeavor.

Sincerely,

B. P. Knudson
Asst. Vice President/Manager

SECURITY FIRST NATIONAL BANK

SAVINGS COMMERCIAL TRUST

LINCOLN & VALLEY VIEW BRANCH
8850 VALLEY VIEW AVENUE
BUENA PARK, CALIFORNIA 90620

October 6, 1966

Mr. George E. Kennedy
5131 Marion Avenue
Cypress, California

Dear Mr. Kennedy:

This letter is in regard to your loan request dated September 23, 1966 for $16,000.00 to be repaid over a two year period. Your application states that the funds were to be used for exploration of a mining field in Owens Valley and that the loan would be repaid from the sale of the ore.

We received replies from Trojan Finance, Norwalk and Aetna Finance, Compton indicating a satisfactory pay record dating back to May 13, 1964.

Due to the tight money market and the speculative nature of your venture, we will be unable to grant this loan. If you have any questions regarding this matter please get in touch with the undersigned.

Very truly yours,

R. D. Knogge,
Manager

/ml

Keldon RESEARCH CORPORATION

8644-A STATE STREET SOUTH GATE, CALIFORNIA P. O. BOX 350 LOrain 4-3318

Date : March 3, 1966
Shipper :
P. O. No. :
Spec. :

Mr. George Kennedy
5131 Marion Avenue
Cyprus, California

CERTIFIED REPORT

OUR NO. : 35676-1 SPECIFICATION
YOUR NO.:

GOLD	.01	Oz. Per Ton	Value Per Ton	$0.35
SILVER	.35	Oz. Per Ton	Value Per Ton	0.45
			TOTAL VALUE GOLD AND SILVER	$0.80

MERCURY .135% - 2.7 lbs per ton

Respectfully Submitted

KELDON RESEARCH CORPORATION

Paul Martin

Sample conforms to specification.

FORM - C-1

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.

H.P.S. CO.

Keldon RESEARCH CORPORATION

8644-A STATE STREET SOUTH GATE, CALIFORNIA P. O. BOX 350 LOrain 4-3318

Date : April 7, 1966
Shipper :
P. O. No. :
Spec. :

Mr. George Kennedy

CERTIFIED REPORT

OUR NO. : 35705-2
YOUR NO.: #2

SPECIFICATION

MERCURY	-	.11%	2 2/10 lbs per ton

Respectfully Submitted

KELDON RESEARCH CORPORATION

Paul Martin

Sample conforms to specification.

FORM - C-1

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H.P.S. CO.

Keldon RESEARCH CORPORATION

8644-A STATE STREET SOUTH GATE, CALIFORNIA P. O. BOX 350 LOrain 4-3318

Date : April 7, 1966
Shipper :
P. O. No. :
Spec. :

Mr. George Kennedy
5131 Marion Street
Cypress, California

CERTIFIED REPORT

OUR NO. : 35705-1
YOUR NO.: #1

SPECIFICATION

MERCURY	-	.07%	1.4 lbs per ton

Respectfully Submitted

KELDON RESEARCH CORPORATION

Paul Martin

Sample conforms to specification.

FORM - C-1

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H.P.S. CO.

LONG BEACH
3310 AIRPORT WAY
BOX 16026, LONG BEACH 90806

FROM	DIAL
LONG BEACH	(213) 426-3355
LOS ANGELES	(213) 636-2386
ORANGE COUNTY	(714) 828-6432

SANTA ANA
1514-D N. HARPER ST. 92703
JEFFERSON 1-2045

Twining Laboratories of Southern California, Inc.

INSPECTION & MATERIAL ENGINEERING
CHEMICAL & PHYSICAL ANALYSIS
RESEARCH & ENVIRONMENTAL TESTING
CORROSION RESEARCH & ANALYSIS

June 29, 1966

Examination CH66-517

Mr. Kennedy
5131 Marion Avenue
Cypress, California

SUBJECT: Analysis of two (2) ore samples for mercury content. Samples received by Twining Laboratories of Southern California on June 27, 1966.

TEST RESULTS:

	% Mercury	Lbs./ton
Sample #1	.055	1.1
Sample #2	.01	0.2

TWINING LABORATORIES OF SOUTHERN CALIFORNIA, INC.

Keith Thomas

Keith Thomas

KT/bq

cc: 3

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LONG BEACH
3310 AIRPORT WAY
BOX 16026, LONG BEACH 90806

FROM	DIAL
LONG BEACH	(213) 426-3355
LOS ANGELES	(213) 636-2386
ORANGE COUNTY	(714) 828-6432

SANTA ANA
1514-D N. HARPER ST. 92703
JEFFERSON 1-2045

Twining Laboratories of Southern California, Inc.

INSPECTION & MATERIAL ENGINEERING
CHEMICAL & PHYSICAL ANALYSIS
RESEARCH & ENVIRONMENTAL TESTING
CORROSION RESEARCH & ANALYSIS

November 22, 1966

Examination CH66-922

Mr. George Kennedy
5131 Marion Avenue
Cypress, California

SUBJECT: An ore sample submitted to Twining Laboratories of Southern California on November 21, 1966, for Mercury content.

TEST RESULTS:

Mercury	-	0.195 %
	or	4 lbs/ton

TWINING LABORATORIES OF SOUTHERN CALIFORNIA, INC.

J. B. Omari

JBO/bq

cc: 3

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MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
	Peterson	120P
5/17/67	Kirkemo	120K
		110
		220

AIRMAIL

Mr. George E. Kennedy
5131 Marion Avenue
Cypress, California 90630

MAY 17 1967

Re: OME-6606 (Mercury)
George Edward Kennedy
The Last Chance No. 2
Inyo County, California

Dear Mr. Kennedy:

Thank you for your letter dated May 3 informing us that you have decided to defer further action on the subject application until a later date.

As we cannot continue to hold the application indefinitely on an active status, we are therefore placing it in our inactive files. However, please be assured that upon receipt of the information requested in our letter of March 22, 1967, we will be glad to continue its processing.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Econ. Geol. File
OME Docket
OME Reading File
Region II w/cy incoming letter
Peterson

23263

May 3, 1967

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 16 1967

INITIALS	CODE
	110 M
	110
	120 P

United States
Dept. of the Interiors
Office of Minerals Exploration
Washington, 25, D. C.

Re: OME-6606 Mercury
George Edward Kennedy
The Last Chance # 2
Inyo County, California

Dear Sirs:

In reply to your letter of May 3, 1967.

Before pursuing the OME loan any further at this time, we have decided to see if we can get our claim patented.

Thanking you in advance for your co-operation in this matter,

I remain,

Sincerely,

George E. Kennedy

George E. Kennedy
5131 Marion Ave.
Cypress, California
90630

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
5/2	Peterson	
5/2/67	Kubomo	

AIRMAIL

MAY 9 1967

Mr. George E. Kennedy
5131 Marion Avenue
Cypress, California 90630

Re: OME-6606 (Mercury)
George Edward Kennedy
The Last Chance No. 2
Inyo County, California

Dear Mr. Kennedy:

On March 22, 1967, we wrote you outlining certain information which was necessary to continue the processing of your application. To date, we have not had a reply to our letter. Will you please inform us of your plans regarding the application. If you have decided not to pursue it further, will you please so inform us.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Econ. Geol. File
OME Docket
OME Reading File
Region II

MMerrithew/mm (5/2/67)

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
3/22	Peterson	
3/22/67	Kirkham	

AIRMAIL

MAR 23 1967

Mr. George E. Kennedy
5131 Marion Avenue
Cypress, California 90630

Re: OME-6606 (Mercury)
George Edward Kennedy
The Last Chance No. 2
Inyo County, California

Dear Mr. Kennedy:

A preliminary review of your application for financial assistance to explore the subject property for mercury indicates that additional information is needed to continue its processing.

The required information listed under Item 1(a) of the application form includes furnishing copies of the applicant's correspondence with two banking institutions requesting an exploration loan. As this requirement cannot be waived, we suggest that you submit new applications to the banks and furnish us with copies of the correspondence involved.

Also required is a claim map or sketch showing the claim boundaries and their relation to present and proposed workings. The sketch submitted does not provide this information. Give the widths and method of sampling for the samples referred to in the assay reports.

As the Government will participate only to the extent of 50 percent of the allowable costs of the proposed project, we must have some assurance that you can furnish your share of the costs. You indicate that your share of the project costs would be contributed by the labor furnished by the partnership, and by the use of equipment and supplies that you own. However, we find that allowances for these items usually are not sufficient to cover the operator's share of the costs. The allowance for use of equipment owned by the operator is calculated in an OME contract by allowing depreciation to the extent of 1/60th of its fair market value or its book value, whichever is less, for each month the equipment is used on the contract. The Government does not provide funds for transporting personnel to and from the work site.

23263

In addition, the Government pays its share of the costs at the end of each month after a voucher for the costs incurred has been submitted and approved. It usually takes two or three weeks to process such a voucher. An applicant, therefore, should have sufficient funds readily available to pay for all the costs of the project for the first two or three months.

Please furnish detailed estimates of the necessary costs for the proposed work. The costs should be itemized and not shown in over-all lump sums.

We will be glad to consider your application further upon receipt of the requested information; however, nothing in this letter should be construed as a commitment by the Government to grant an exploration contract.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Econ. Geol. File
OME Docket
OME Reading File
Region II
Peterson

ECPeterson/mm (3/22/67)

March 20, 1967

Mr. George Edward Kennedy
5131 Marion Avenue
Cypress, California 90630

Subject: OME-6606

Dear Mr. Kennedy:

Your application for exploration assistance, dated March 11, 1967, submitted to our office at Menlo Park, California, has been assigned Docket No. OME-6606.

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

Sincerely yours,

Frank E. Johnson
Chief, Office of
Minerals Exploration

Copy to Region II

Pictures

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