MME Form 9
Rev. Nov. 65

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey

OFFICIAL DOCKET FILE

Contract No. 2254 Docket No. 6647

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- [ ] Withdrawn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
- [x] Cost Audits 1/71
- [ ] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [x] Contract Amendments 1, 2
- [x] Contract with all exhibits and annexes 12/28/67
- [ ] 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
- [x] Final Field Team Report (Tab)
- [x] Operator's Final Report (Tab) w/P.O. memo re cd 3/4/71
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [x] On-site Exam. Report (Tab) 10-16-67
- [ ] 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

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Date	Surname	Code
3/10/71	Emerick	120E
	Shirkemo	120
	Martin	220
	[illegible] 3/17	140
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AIRMAIL

INTERIOR DEPT.
MAR 12 1971
SOLICITOR

UNITED STATES OF AMERICA
CERTIFICATION OF POSSIBLE PRODUCTION
UNDER AN EXPLORATION CONTRACT

Sentinel Peak Mines, Inc.
P. O. Box 806
Ridgecrest, California 93555

Re: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California
Contract 2254

Pursuant to Article 6 of the subject contract, as amended, the Government hereby certifies that mineral or metal production may be possible as a result of the exploration work.

Therefore, royalties shall be paid to the Government as provided in the contract on all production from the land described in the contract from December 28, 1967, to December 28, 1978, or until the total amount contributed by the Government under the contract ($20,442.00) is fully repaid with interest at the rate of 7-3/4 percent per annum, whichever occurs first. The payment of royalties is secured by a lien upon the land and upon any production therefrom.

Royalty payments should be made in favor of the U. S. Geological Survey and mailed or delivered to the Field Officer, Region II, Office of Minerals Exploration, U. S. Geological Survey, Building 2, 345 Middlefield Road, Menlo Park, California 94025. Each payment should be accompanied by two copies of settlement sheets or other suitable sales evidence showing the date of sale, name of the purchaser, the quantity and grade of the production sold, the price per unit, and the gross proceeds and allowable deductions therefrom. The purchaser should be notified of the Government's royalty on production and directed to pay the royalty, computed as provided in the contract, directly to the Government.

The Field Officer should be notified promptly upon the commencement of any production and upon any extended cessation thereof. Production unsold or unused six months after extraction from the ground should be reported promptly to the Field Officer.

Attention is specifically invited to the provisions of Article 2(c) of the contract referring to the preservation of the Government's royalty rights. Two true copies of any instrument transferring, surrendering, or encumbering any of your rights in the lands embraced in the contract shall be furnished to this office.

Dated this 17th day of March, 1971.

THE UNITED STATES OF AMERICA

Harold Kirkemo gla

Chief, Office of Minerals Exploration
U. S. Geological Survey

cc: Director's Reading File
Mineral Resources
Branch of Budget & Finance
Assoc. Sol. Room 6554
OME Docket
OME Region II
OME Reading File
Mer. Emerick
130 (2)

WLEmerick/gla 3-10-71

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Government's copy

UNITED STATES
DEPARTMENT OF THE INTERIOR

Office of Survey and Review

Audit Operations

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Report of Review-Contract 2254
Docket No. OME-6647
Sentinel Peak Mines, Inc.
Inyo County, California

Washington, D.C.
January 1971

United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

OFFICE OF SURVEY AND REVIEW
Audit Operations, Region I
801 19th Street, N.W., Room 813
Washington, D.C. 20240

JAN 12 1971

Memorandum

To: Director, Geological Survey

From: Regional Director, Region I
Audit Operations, Office of Survey and Review

Subject: Review of Contract 2254
Docket No. OME-6647
Sentinel Peak Mines, Inc.
Inyo County, California

As requested by the Chief, Office of Minerals Exploration, we made a cost review of Contract 2254. The results of our review are shown in the attached report.

C. D. Bare

Attachment

A final review has been made of the contract files of the Office of Minerals Exploration (OME) pertaining to the mineral exploration Contract 2254 with Sentinel Peak Mines, Inc. (Operator), and the related disbursement records were examined in the Branch of Budget and Finance, Administrative Division, Geological Survey. The review was made during January 1971 at Washington, D.C.

The contract was awarded on December 28, 1967, for $36,000, the total estimated cost of the project, with OME participation on a 75 percent basis or not in excess of $27,000.

The Operator was to explore by drifting, crosscutting and raising for silver-bearing ore bodies occurring in and along the northeasterly trending Hugh's Bonanza quartz vein which traverses the Marvel limestone of Precambrian age.

Repayment of disbursed Federal funds plus simple interest at 7-3/4 percent was to be made on the basis of established royalties on all minerals and metals produced from the land during the exploration operation, and for a period of 11 years from the date of the contract should a certification of possible production be issued by OME, or until the total net amount contributed by the Government is fully repaid with interest at 7-3/4 percent, whichever occurs first.

Work on the contract was to begin on or before February 1, 1968, and was to be completed within 12 months from the date of the contract or by December 28, 1969. Three amendments were written that extended the contract due to adverse weather conditions and the breakdown of equipment. Amendment 1 extended it to June 28, 1969. Amendment 2 extended it to December 28, 1969, and Amendment 3 extended it until June 28, 1970.

The Field Officer, OME Region II on December 28, 1970 advised that the December 1969 voucher was the final voucher for the subject contract and no further claim will be made. A Certification of Possible Production will be issued.

The units of work authorized and approved under Contract 2254 are summarized on Exhibit I. We believe that the claimed and accepted costs of $27,256, and the OME participation on a 75 percent basis of $20,442 were proper under the terms of the contract.

C. D. Bare
Regional Director

EXHIBIT I

Summary of Contract Terms, Accepted Costs, and Unexpended Balances

	Authorized Amounts	Accepted Costs	Unexpended Balances
Fixed Unit Costs 1/			
Road repair, portal site preparation and moving storage shed, incl. labor, material and supplies	$ 1,000 2/	$ 1,000	-
Drifting, crosscutting, and raising including timber 850 feet at $40.00/foot	34,000	26,160	$7,840
Assaying, 250 samples Gold and silver @ $4.00/sample Copper and lead @ $2.00/each determination	1,000	96	904
Total Project Costs	36,000	27,256	8,744
Government Participation at 75%	27,000	20,442 3/	6,558

1/ The Government retains no equity in any of the materials used.
2/ The completed job is the unit of work.
3/ Reimbursement claimed and paid.

Government's copy

EXPLORATION CONTRACT
SENTINEL PEAK MINES, INC.
OME-6647

AMENDMENT NO. 3

It is agreed this 4th day of March, 1970, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and Sentinel Peak Mines, Inc., hereinafter called the "Operator," that Exploration Contract 2254 (OME-6647), dated December 28, 1967, as amended, is further amended effective December 27, 1969, as follows:

The time fixed by Article 1(a) of the contract as amended by Amendment No. 2, for completion of the work is extended from twenty-four (24), to thirty (30) months from the date of the contract, or until June 28, 1970.

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, nor the amount of any item designated as a maximum.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Harold Kirkham
Chief, Office of Minerals Exploration
U. S. Geological Survey

SENTINEL PEAK MINES, INC.

By Paul H. McDaniel

Title President

Martin Long
App'd. Sol. Off.
Pizzom
Kirkham
Kilgore

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
2/18/70	Emerick	120
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		220
		120M

February 18, 1970

Memorandum

To: The File

From: Edward C. Peterson
Office of Minerals Exploration

Subject: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California
Contract 2254

Justification for Amendment No. 3

Progress on this project has been slow due to delays caused by equipment breakdowns, numerous washouts of the access road, and a high turnover of labor because of the remoteness of the project site. As a result the exploration was not completed by the contract expiration date of February 28, 1969, the time fixed by Amendment No. 2. The Operator has requested an additional extension of time to complete the remaining work.

In view of the favorable ore showings found to date by the completed exploration, it is concluded that continued exploration is warranted and will result in a Certificate of Possible Production to be issued for this contract. Inasmuch as such a certification would be in the best interests of the Government, I concur with the Field Officer's recommendation to extend the contract an additional six months, or until June 28, 1970.

Edward C. Peterson

Edward C. Peterson

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
Mr. Peterson

ECPeterson/bsl 2/18/70

Government's Copy

EXPLORATION CONTRACT
SENTINEL PEAK MINES, INC.
OME-6647

AMENDMENT NO. 2

It is agreed this 29th day of July, 1969, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and Sentinel Peak Mines, Inc., hereinafter called the "Operator," that Exploration Contract 2254 (OME-6647), dated December 28, 1967, as amended, is further amended effective June 27, 1969, as follows:

The time fixed by Article 1(a) of the contract, as amended by Amendment No. 1, for completion of the work is extended from eighteen (18), to twenty-four (24) months from the date of the contract, or until December 28, 1969.

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, nor the amount of any item designated as a maximum.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Harold Kirkemo
Chief, Office of Minerals Exploration
U. S. Geological Survey

SENTINEL PEAK MINES, INC.

By Paul H. McKenna

Title President

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App'd. Sol. Off.
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MME Form 7
(2/63)

OFFICIAL FILE C

Date	Surname	
7/15/69	Kirkemo	12
		120
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		120M

July 15, 1969

MEMORANDUM

To: The File

From: Edward C. Peterson
Office of Minerals Exploration

Subject: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California
Contract 2254

Justification for Amendment No. 2

The Operator has requested a six-month extension of time to complete exploration work under the subject contract. Continued cloudbursts in the project area have washed out the mine access road repeatedly. The Operator states that he recently completed the relocation of the road and believes that further damage from storms will be small and repairs can be made quickly.

In view of the favorable ore showings found to date by the completed work, the field officer believes that further exploration is warranted and will result in a Certificate of Possible Production to be issued for this contract. Inasmuch as such a certification would be in the best interests of the Government, I concur with his recommendation to extend the contract date an additional six months, or until December 28, 1969.

Edward C Peterson
Edward C. Peterson

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
Mr. Peterson

ECPeterson/bsl 7/15/69

MME Form 7
(2/63)

OFFICIAL FILE C

Date	Surname	
7/15/69	Kishemo	12
		120
		220
		120M

July 15, 1969

MEMORANDUM

To: The File

From: Edward C. Peterson
Office of Minerals Exploration

Subject: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California
Contract 2254

Justification for Amendment No. 2

The Operator has requested a six-month extension of time to complete exploration work under the subject contract. Continued cloudbursts in the project area have washed out the mine access road repeatedly. The Operator states that he recently completed the relocation of the road and believes that further damage from storms will be small and repairs can be made quickly.

In view of the favorable ore showings found to date by the completed work, the field officer believes that further exploration is warranted and will result in a Certificate of Possible Production to be issued for this contract. Inasmuch as such a certification would be in the best interests of the Government, I concur with his recommendation to extend the contract date an additional six months, or until December 28, 1969.

Edward C Peterson
Edward C. Peterson

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
Mr. Peterson

ECPeterson/bsl 7/15/69

Government's copy

EXPLORATION CONTRACT
SENTINEL PEAK MINES, INC.
OME-6647

AMENDMENT NO. 1

It is agreed this 3rd day of February, 1969, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and Sentinel Peak Mines, Inc., hereinafter called the "Operator," that Exploration Contract 2254 (OME-6647), dated December 28, 1967, is amended effective December 27, 1968, as follows:

1. The time fixed by Article 1(a) of the contract, for completion of the work is extended from twelve (12) to eighteen (18) months from the date of the contract, or until June 28, 1969.

2. The maximum period for royalty payments and for the lien to secure payments thereof provided for in Article 6(b) of the contract is extended from ten (10) to eleven (11) years from the date of the contract.

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, nor the amount of any item designated as a maximum.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OFAMERICA

By Frank E. Johnson
Chief, Office of Minerals Exploration
U. S. Geological Survey

SENTINEL PEAK MINES, INC.

By Paul H. McKenry
Title President

App'd. Sol. Off.
E. Peterson
Albanese
Johnson
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MME Form 7
(2/63)

INTERIOR DEPT.
JAN 24 1969
SOLICITOR

OFFICIAL FILE

Date	Surname	
1/22/69	Kishemo	12
		120
1/23	Johnson	110
		220
		120M

January 22, 1969

Memorandum

To: The File

From: Edward C. Peterson
Office of Minerals Exploration

Subject: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California
Contract 2254

Justification for Amendment No. 1

The Operator has requested a six-month extension of time to complete the exploration work. Cloudbursts in the project area caused repeated heavy damage to the mine road making access to the site impossible. Equipment to repair the road was difficult to obtain and exploration was delayed for lengthy periods. To avoid those delays the Operator at his own expense recently purchased a used bulldozer. Road repairs can now be completed rapidly with little or no delay in the exploration work.

Inasmuch as the delays were unavoidable and results of the exploration completed to date are encouraging, I concur with the Field Officer's recommendation to approve the Operator's request.

Edward C. Peterson

Edward C. Peterson

cc: Director's Reading File
Economic Geology File
OME Docket
OME Reading File
Mr. Peterson

ECPeterson/bsl 1/23/68

MME Form 51
July 1965

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
U. S. Geological Survey

Government's Copy

EXPLORATION CONTRACT
(Short Form)

Docket	Commodity	Contract No.	County	State
OME -6647	Silver	2253	Inyo	California

It is agreed DEC 2 8 1967 (Date), between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and

Sentinel Peak Mines, Inc.

whose mailing address is P. O. Box 806, Ridgecrest, California 93555, hereinafter called the "Operator," as follows:

ARTICLE I. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before FEB 1 1968 (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 12 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the work is $36,000.00 The Government will contribute 75 percent of the total fixed unit costs of the work performed, not in excess of $27,000.00 in accordance with the provisions of Articles 4 and 5.

(c) Interest computation.--Simple interest at the rate of 7-¾ percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

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

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

See Annex I

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

See Annex I

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

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

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

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

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

(b) Monthly reports.--The Operator shall provide the Government with 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.)

(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 unit costs thereof.

(d) Report of sales.--The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's royalty relates, such as 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 same with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records, or accounts.

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

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

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

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

(c) Payment of royalty.--(1) The Government's royalty shall be five percent of the 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 6(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 10. Nondiscrimination in 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 11. 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 12. 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 13. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U. S. C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U. S. C. 874) are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions.

ARTICLE 14. Changes and added provisions.--

Executed in quadruplicate the day and year first above written.

SENTINEL PEAK MINES, INC.
(Operator)

By Paul G. McKenry

Title President

THE UNITED STATES OF AMERICA

By William A. Bates

Acting Director, U. S. Geological Survey

Bliss Long
Asst. Sec. Int.
Peterson
Kiebens
Johnson
Lynch
Lepp

January 14 1968

I, J. F. Bell (Name), certify that I am the Secretary of the corporation named as Operator herein; that Paul G. McKenry (Name), who signed this contract on behalf of the Operator, was then President (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
SENTINEL PEAKS MINES, INC.
OME-6647

ANNEX I

The land, including all rights pertaining thereto, referred to in Article 2 of the contract consists of two (2) unpatented lode mining claims in secs. 21 and 22, T. 21 S., R. 45 E., MDBM, South Park-Panamint City mining district, Inyo County, California. It is shown in yellow on Figure 1, entitled "Property map of Hugh's Bonanza Claims, Inyo County, California," attached hereto and made part hereof.

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

Claim	Book	Page
Hugh's Bonanza	93	381
Hugh's Bonanza Annex	93	383

The Operator is in possession of the claims under terms of Assignments and Transfers of Interest in Unpatented Mining Claims, dated September 6 and 7, 1967, from Blanche McKernan and Paul G. McKenry, the owners, recorded in the Inyo County Recorder's office at Independence, California, as follows:

Assignment of Paul G. McKenry to Sentinel Peak Mines, Inc.

Claim	Volume	Page
84% of Hugh's Bonanza (No. 1)	179	224
84% of Hugh's Bonanza Annex (No. 2)	179	224

Assignment of Blanche McKernan to Sentinel Peak Mines, Inc.

Claim	Volume	Page
16% of Hugh's Bonanza (No. 1)	179	222
16% of Hugh's Bonanza Annex (No. 2)	179	222

EXPLORATION CONTRACT
SENTINEL PEAKS MINES, INC.
OME-6647

EXHIBIT A

The purpose of the project is to explore by drifting, crosscutting and raising for silver-bearing ore bodies occurring in and along the northeasterly trending Hugh's Bonanza quartz vein which traverses the Marvel limestone of Precambrian age.

General Provisions

A bulldozer no smaller than a Caterpillar D-4 or equivalent unit of any other make shall be used for access road repair and preparation of portal site.

All drifts, crosscuts, and raises shall be not less than 5 by 7 feet in cross section and shall be timbered as necessary using standard 8- by 8-inch drift sets or equivalent round timber.

Mine rail shall be not less than 12-pound size, air line not less than 2-inch diameter, water line not less than 1-inch diameter, and ventilation line not less than 8-inch diameter.

All significantly mineralized areas traversed by the exploratory workings shall be chip or channel sampled normal to their trends at linear intervals of not more than 5 feet. In addition, a representative bulk sample may be taken of each round broken.

Each sample shall be split as necessary and one split assayed for gold and silver, and for copper and lead as warranted. The Operator shall store one split of each sample in a suitable container properly identified as to source and location for Government inspection and possible use. With prior Government approval, the Operator may dispose of the stored samples.

True copies of records or assay certificates of all samples shall be submitted with the Operator's monthly report which shall also include a map or sketch showing the work completed during

the reporting period, the location of all samples taken, and the general geological formations and structures traversed by the workings.

No underground workings shall be driven closer than 100 feet to the outer boundary of the project area.

The Operator shall provide such supervision, labor, technical services, and equipment 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 Government approval.

Description of the Work

The work shall consist of regrading and widening as necessary the portal access road, preparation of portal site, moving storage shed to a location not less than 100 feet from the portal of the drift, and drifting in a northeasterly direction from the portal along the Hugh's Bonanza vein structure for a distance of approximately 750 feet. This footage includes any auxiliary crosscutting that may be necessary within the structure. In addition, subject to Government approval, raises may be driven to further explore favorable areas traversed by the workings. It is estimated that 100 feet of raising will be required.

The approximate location of the proposed work is shown in green on Figure 2, entitled "Map showing location of proposed exploration, Hugh's Bonanza Claim," attached hereto and made part hereof.

Estimated Costs of the Work 1/

Fixed Unit Costs

Road repair, portal site preparation, and moving storage shed, including labor, materials and supplies	$ 1,000.00 2/

Drifting, crosscutting, and raising, including timber, 850 feet @ $40.00/foot	$34,000.00
Assaying, 250 samples Gold and silver @ $4.00/sample Copper and lead @ $2.00/each determination	1,000.00
Total Estimated Costs of the Project	$36,000.00
Government Participation @ 75%	$27,000.00

1/ The Government retains no equity in any of the materials used.

2/ The completed job is the unit of work.

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.'"

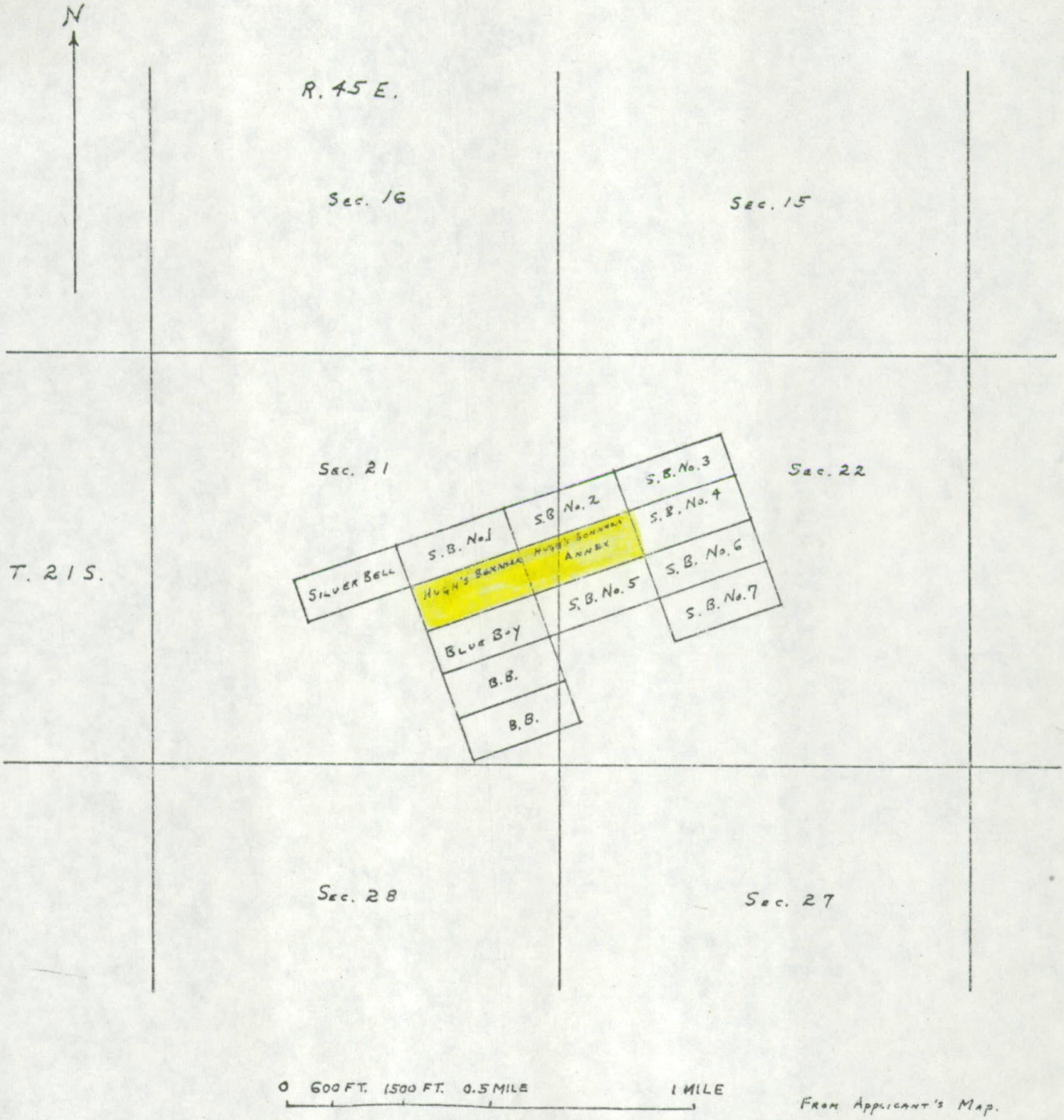


Figure 1.--Property map of Hugh's Bonanza Claims, Inyo County, California.

UNITED STATES DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY

OME-6647
(Silver)

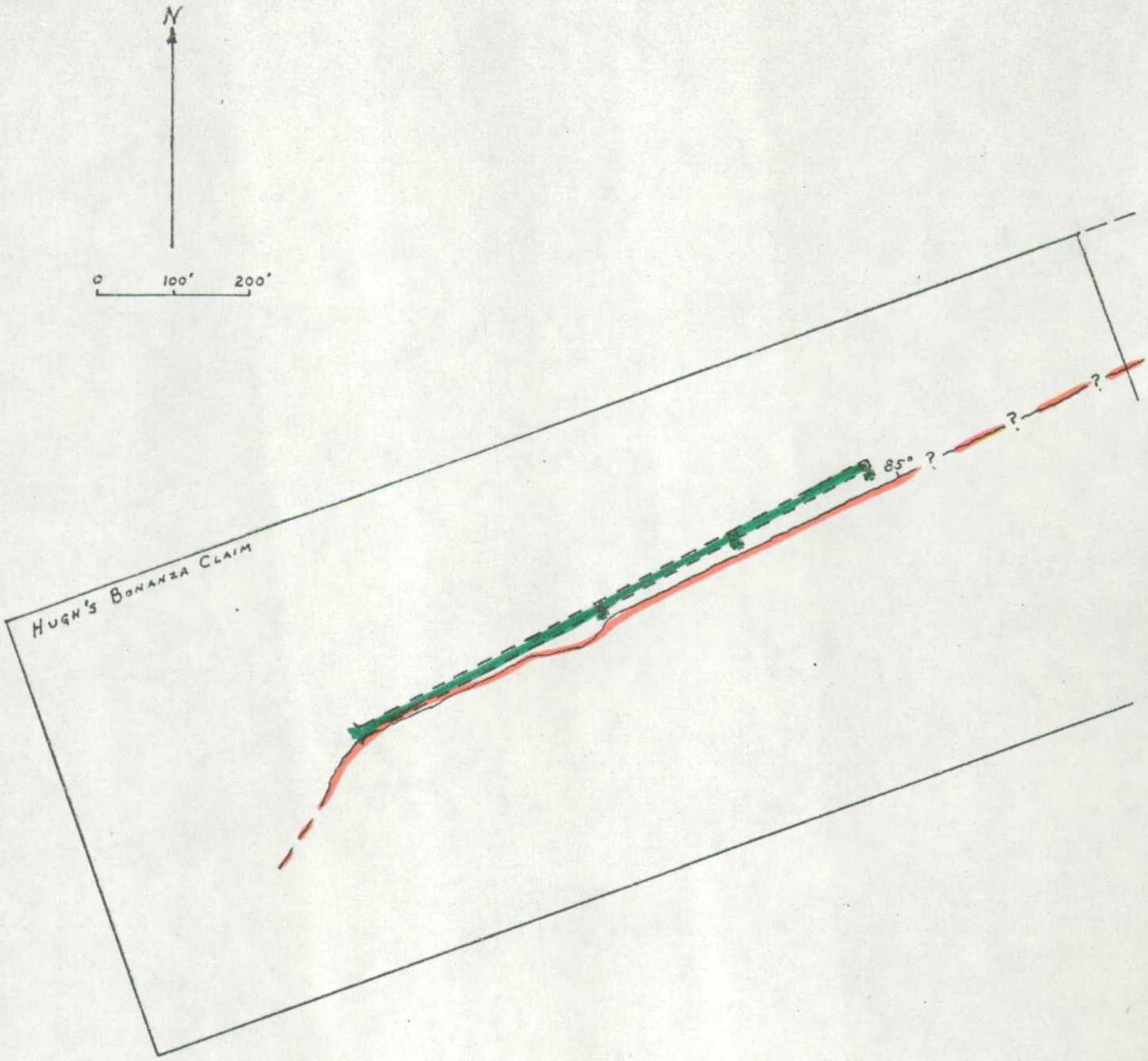


Figure 2.--Map showing location of proposed exploration, Hugh's Bonanza Claim.

OME-6647

12 December 1967

Mr. Hal Stager
345 Middlefield Rd.
Menlo Park, California

Dear Hal:

Attached hereto:

(1) Letter of explanation from Blanche McKernan as to the difference in claim names used in assignment and those as recorded.

(2) Assignment and sale of interest from J.B. McKernan to Paul G. McKenry. Hugh's Bonanza (No. 1) Hugh's Bonanza Annex (No.2)

(3) Assignment of interest in Hugh's Bonanza (No. 1) and Hugh's Bonanza Annex (Hugh's Bonanza No. 2) by Paul G. McKenry and Blanche McKernan to the Sentinel Peak Mines, Inc.

Paul G. McKenry

RECEIVED
DEC 14 1967
OFFICE OF MINERAL EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

Recd. F.O. memo 12/15/67

(1)

11 December 1967

Sentinel Peak Mines Inc.
411 Balsam Street
Ridgecrest, California 93555

Gentlemen:

In the agreement (dated 25 April 1964) as entered into between Jerome Mc Kernan and Paul G. Mc Kenry relative to the sale and assignment of interest in the Hugh's Bonanza and Hugh's Bonanza Annex mining claims, it is noted that the claim names as set forth therein, are not in accord.

The explanation is that in preparation of the agreement, Hugh's Bonanza Mining claim was designated as Hugh's Bonanza No. 1 and Hugh's Bonanza Annex mining claim as Hugh's Bonanza No. 2. At the time this was considered sufficient for the purpose intended.

The intent of Mr. Mc Kernan was to sell and assign an interest in the Hugh's Bonanza and Hugh's Bonanza Annex mining claims to Mr. Mc Kerny, which was accomplished by the agreement of 25 April 1964.

Very truly yours,

Blanche Mc Kernan

Blanche Mc Kernan

April 25, 1964

(1) In consideration of the payment of ten dollars ($10.00) and other valuable considerations, I, Jerone McKernan, do hereby sell and assign to Paul G. McKenry, an undivided eighty four percent (84%) interest in two unpatented claims (Hugh's Bonanza No. 1&2) located in Happy Canyon, Panamint Range Mountains approximately eight and one half (8 1/2) miles northeast of Ballarat, California (Inyo County).

(2) As additional consideration, Paul G. McKenry will perform or have performed the following:

A. Complete Geological Survey of Properties.

B. Mapping of the Property.

C. Survey for Mill Site and Available Water.

D. Recommendations for Development, Mining and Milling Operations.

E. Sundry Expenditures

(3) It is also understood that if the property under examination should warrant the additional expenditures of funds then a Corporation be formed and the interests of all parties be issued stock in accordance with their partnership percentage. That Paul G. McKenry will pay for the Corporation and make such arrangements necessary for the erection of a mill and provide working capital. It is understood that Jerome McKernan and Associates will retain sixteen percent (16%) of the Partnership and the Corporation when formed.

Paul G. McKenry

Chris L. Wiesecke

Jerome B. McKernan

Lee Mellinger

James H. Minter

Clyde R. Halland

ASSIGNMENT AND TRANSFER
OF
INTEREST IN UNPATENTED MINING CLAIMS

For valuable consideration I, BLANCHE McKERNAN, do hereby assign to the SENTINEL PEAK MINES, INC., all of my right title and interest in and to two unpatented mining claims situated in HAPPY CANYON, PANAMINT RANGE MOUNTAINS located about 8 1/2 miles Northeast of BALLARAT, CALIFORNIA, in the county of INYO, which claims are known as HUGHES BONANZA Nos. 1 and 2.

The interest in said claims hereby transfered and assigned consists of an undived 16 (SIXTEEN) Percent of said claims.

WITNESS my hand this 6th day of September 1967.

Blanche McKernan
BLANCHE McKERNAN

STATE OF CALIFORNIA]
] SS.
COUNTY OF KERN]

On this 6th day of September 1967, before me the undersigned, personally appeared BLANCHE McKERNAN, known to me to be the person whose name is subscribed to the within instrument, and acknowledged that she executed the same.

CAROLINE PARRY
NOTARY PUBLIC - CALIFORNIA
COUNTY OF KERN
My Commission Expires September 12, 1970

Caroline Parry
NOTARY PUBLIC in and for said County and State

ASSIGNMENT AND TRANSFER
OF
INTEREST IN UNPATENTED MINING CLAIMS

For valuable consideration I, PAUL G. McKENRY, do hereby assign to the SENTINEL PEAK MINES, INC., all of my right title and interest in and to two unpatented mining claims situated in HAPPY CANYON, PANAMINT RANGE MOUNTAINS located about 8 1/2 miles Northeast of BALLARAT, CALIFORNIA, in the county of INYO, which claims are known as HUGHES BONANZA Nos. 1 and 2.

The interest in said claims hereby transfered and assigned consists of an undivided 84 % (EIGHTY FOUR) Percent of said claims

Paul G. McKenry

PAUL G. McKENRY

STATE OF CALIFORNIA]
] SS.
COUNTY OF KERN]

On this ____ day of September 1967, before me _____ _____, personally appeared PAUL G. McKENRY, known to me to be the person whose name is subscribed to the within instrument ,and acknowledged that he executed the same.

_____
NOTARY PUBLIC in and for said County and State

ROBERT LOUNDAGIN
ATTORNEY AT LAW
P. O. BOX 14
INDEPENDENCE, CALIF.
TELEPHONE
TELEPHONE 5221

OME-6647

12 December 1967

Mr. Hal Stager

Dear Hal:

Attached hereto:

)1) Quitclaim Deeds from C.H. Riffle and Alan W. Lockwood (re the Hugh's Bonanza and Hugh's Bonanza Annex mining claims) to J.B. McKernan as at 19 July 1962.

(2) Original notices of location of the Hugh's Bonanza and Hugh's Bonanza Annex mining claims by C.H. Riffle and Alan W. Lockwood as at 20 April 1960. (Recorded and certified)

Paul G. McKenna

RECEIVED
DEC 14 1967
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

VOL 151 PAGE 590

RECORDING REQUESTED BY

Claude L. Welch

WHEN RECORDED MAIL TO

Claude L. Welch
230 W. Ridgecrest Blvd
Ridgecrest, Calif

161

RECORDED AT REQUEST OF
C. L. Welch
1962 JUL 20 AM 9:39
Official Records
INYO COUNTY, CALIF.
DONALD L. BELL, RECORDER

VOL 151 PAGE 590

FEE $2

SPACE ABOVE THIS LINE FOR RECORDER'S USE

AFFIX $_____ I. R. STAMPS IN THIS SPACE

Quitclaim Deed

THIS FORM FURNISHED BY TITLE INSURANCE AND TRUST COMPANY

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

C. H. RIFFLE and ALAN W. LOCKWOOD

hereby REMISE, RELEASE AND FOREVER QUITCLAIM to

J. B. McKERNAN

the following described real property in the county of Inyo
state of California:

Hugh's Bonanza Annex Lode Mining Claim located in the South Park-Panamint City Mining District, described as follows:

Commencing at a rock monument which is at the point of discovery on the Center line of the location, thence extending 1500 feet in Easterly direction along the course of said vein; said discovery Monument being situated about 1400 feet from the remains of an old cabin in the North fork of Happy Canyon in the Northeast One Quarter of Township 21 South, Range 45 East, about seven miles from the Town of Ballarat, and about two and one-half miles West of Sentinel Peak, adjoining Hugh's Bonanza Claim on the East, and lying at an elevation of about 7936 feet.

Dated July 19, 1962

C. H. Riffle
Alan W. Lockwood

STATE OF CALIFORNIA
COUNTY OF Kern } SS.

On July 19, 1962 before me, the undersigned, a Notary Public in and for said County and State, personally appeared C. H. Riffle and Alan W. Lockwood, known to me to be the person s whose names are subscribed to the within instrument and acknowledged that they executed the same.

WITNESS my hand and official seal.

(Seal) Kenneth M. Smith

KENNETH M. SMITH
My Commission Expires May 5, 1964

Name (Typed or Printed)

Notary Public in and for said County and State

If executed by a Corporation the Corporation Form of Acknowledgment must be used.

Title Order No. _____

Escrow or Loan No. _____

400 8-59

VOL 151 PAGE 591

RECORDING REQUESTED BY

Claude L. Welch

WHEN RECORDED MAIL TO

Claude L. Welch
239 W. Ridgecrest Blvd
Ridgecrest, Calif

162

RECORDED AT REQUEST OF
C L. Welch
1962 JUL 20 AM 9:39
Official Records
INYO COUNTY, CALIF.
DONALD L. BELL, RECORDER

VOL 151 PAGE 591

FEE $2

SPACE ABOVE THIS LINE FOR RECORDER'S USE

AFFIX $_____ I. R. STAMPS IN THIS SPACE

Quitclaim Deed

THIS FORM FURNISHED BY TITLE INSURANCE AND TRUST COMPANY

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

C. H. RIFFLE and ALAN W. LOCKWOOD

hereby REMISE, RELEASE AND FOREVER QUITCLAIM to

J. B. McKERNAN

the following described real property in the county of Inyo
state of California:

Hugh's Bonanza Lode Mining Claim located in the South Park-Panamint City Mining District, described as follows:

Commencing at a rock monument which is at the point of discovery on the Center line of the location, thence extending 750 feet in Easterly and Westerly directions along the course of said vein; said discovery Monument being situated about 600 feet from the remains of an old cabin in the North fork of Happy Canyon in the Northeast One Quarter of Township 21 South, Range 45 East, and about four miles North of U. S. Mineral Monument 6496, and about two and one-half miles West of Sentinel Peak and about four and one-half miles Northwest of Porter Mine and U.S. Mineral Monument #155, and lies at an elevation of approximately 7936 feet.

Dated July 19, 1962

C H Riffle
Alan W Lockwood

STATE OF CALIFORNIA
COUNTY OF Kern } ss.
On July 19, 1962 before me, the undersigned, a Notary Public in and for said County and State, personally appeared C. H. Riffle and Alan W. Lockwood
, known to me to be the person s whose name s are subscribed to the within instrument and acknowledged that they executed the same.
WITNESS my hand and official seal.
(Seal) Kenneth M. Smith
KENNETH M. SMITH
My Commission Expires May 5, 1964
Name (Typed or Printed)
Notary Public in and for said County and State

If executed by a Corporation the Corporation Form of Acknowledgment must be used.

Title Order No. _____

Escrow or Loan No. _____

400 8-59

VOL 93 PAGE 381

Notice of Location

LODE1

(See Section 2301 - 2324, Inclusive, Public Resources Code)

TO WHOM IT MAY CONCERN: Please take notice that:

(1) The name of this claim is Hurd's Bonanza Lode Mining Claim.

Said claim is situated in the South Park-Panamint City Mining District,

County of Inyo, State of California.

(2) The name(s) of the locator(s) of said claim are:
(is - are)

Wm. H. Gilmore Riffle — Red Mountain, California

Allan W. Lockwood

said locators are citizens of the United States of America or (has - have) declared (his - their) intention to become such.

(3) The said locator(s) 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 rock monument (post or monument) where this notice is posted, which monument (post or monument) is at the point of discovery on said vein or lode and on the center line of this location, We (I or we) hereby claim 750 feet extending in a East erly direction along the course of said vein and 750 feet in a West erly direction. The general course of the vein or lode is East erly and West erly as near as can be determined from present developments.

The discovery Monument (post or monument) is situated about 600 feet from remains of old cabin in north fork of Hanny Canyon, T-21N, R-45E, Section 21, N.E¼ (name some natural object or permanent monument and give direction)

This claim is 7 miles from the town of Ballarat in a North East direction, and is 4 miles north of U. S. Mineral Monument 6496. It is also 2½ miles west of Sentinel Peak at an elevation of approx. 7936 feet. This claim is also 4½ miles N.W. of the Porter Mine and U. S. Mineral Monument 15

(4) The date of this location is the 20 day of April, 19 60.

(5) This notice is intended as an original notice of location and is posted on this claim and a true copy thereof is to be recorded with the County Recorder of this County.

(6) 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 of America are hereby claimed.

DATED: April 20, 19 60.

WITNESSES:

LOCATORS:

Wm. H. Gilmore Riffle

Allan W. Lockwood

VOL. 93 PAGE 382

STATEMENT OF THE MARKING OF THE BOUNDARIES AND OF PERFORMANCE OF DISCOVERY WORK

NOTICE IS HEREBY GIVEN by the undersigned locators of the within described Lode Mining Claim, in accordance with the provisions of Chapter 644 of the Statutes of 1941 which amend Section 2319 of the Public Resources Code of the State of California relating to mining claims, as follows:

(1) That there has been created at the discovery point, at each corner and at the center of each end line of said claim, a stone monument at least eighteen inches high.

(2) The Locators have performed discovery work as required by Section 2304, Public Resources Code as follows: a cross cut adit on the main vein approx. 5 feet x 6 feet x 15 feet with approx. 10 ft. drop.

(3) That the discovery work indicated above has been completed within ninety (90) days from the date of location of said claim.7

DATED: May 19, 1960

LOCATORS:

E. H. (William) Bristle

Alan W. Hartenstein

DO NOT RECORD

1 This form should not be used where a prior location notice, found site location notice, or mill site location notice is required.

2 The post must be not less than four inches in diameter and the base monument must be at least eighteen inches high.

3 Witnesses are optional and are not required.

4 Public Resources Code Section 2311 provides, in part, as follows: "Within 10 days after the posting of the notice of location upon a lode mining claim . . . the locator shall record a true copy of the notice together with a statement of the boundaries as required in this chapter, and of the performance of the required discovery work, in the office of the county recorder of the county in which such claim is situated. The county recorder shall receive a fee of one dollar ($1.00) for this service."

5 Insert herein the following words: "a post not less than four (4) inches in diameter" or "a stone monument at least eighteen (18) inches high", as the case may be.

6 Section 2306, Public Resources Code, provides, in part, as follows: "(a) Within 10 days after the date of location of any lode mining . . . claim hereafter located, the locator or locators thereof shall sink a discovery shaft upon the claim to a depth of at least 10 feet from the lowest part of the rim of the shaft at the surface, or shall drive a tunnel, adit or raise on the claim to at least 10 feet below the surface . . ."

7 A location of a lode mining claim is null and void unless such discovery work is duly performed and a true copy of location notice recorded within ninety (90) days from date of location.

2310

RECORDED AT REQUEST OF
E. H. Bristle
1960 MAY 25 AM 9:14
Mining Locations
INYO COUNTY, CALIF.
DONALD L. BELL, RECORDER

VOL. 93 PAGE 381

DOC 32 80

Claim No.

When recorded return to

COUNTY RECORDER'S OFFICE

STATE OF CALIFORNIA }
COUNTY OF INYO } ss.

I, DONALD L. BELL, County Recorder of the County of Inyo, State of California, do hereby certify the foregoing to be a full, true and correct copy of Notice of Location

as the same appears on record in my office in Volume 93 of Mining Locations at Page 381-382, Records of Inyo County.

Witness my hand and seal of said County Recorder this 7th day of December 1967

DONALD L. BELL, County Recorder

By Vernon J. Miller, Deputy

COUNTY RECORDER INYO COUNTY, CALIFORNIA

Book 93 page 393

Notice of Location

LODE

(See Sections 2301 - 2324, Revised, Public Resources Code)

TO WHOM IT MAY CONCERN: Please take notice that:

(1) The name of this claim is Hundred Dollar Average Lode Mining Claim.

Said claim is situated in the South Fork Mining District, Mono District, County of Inyo, State of California.

(2) The name(s) of the locator(s) of said claim(s):

O. G. H. "Slim" Griffith

Alan "L" Lowe and

Red Mountain, California

Said locator(s) are citizen(s) of the United States of America or declared intention to become such.

(3) The said locator(s) do hereby locate and claim 1500 linear feet of this vein or lode, together with surface ground extending 300 feet in width on each side of the middle of said vein or lode and more particularly described as follows:

Commencing at a Rock Monument where this notice is posted, which Monument is at the point of discovery on said vein or lode and on the center line of this location, we hereby claim 1500 feet extending in a westerly direction along the course of said vein and 0 feet in an easterly direction. The general course of the vein or lode is Northwest and Southeast as near as can be determined from present developments.

The discovery Monument is situated about 1400 feet from Rolling of Gold Creek in the north fork of Hunter Canyon, T. 2 S., R. 45 E., Section 21.

Said claim is about 7 miles from the town of Bullfrog, in a northeast direction and adjoins Hugh's Bonanza claim on the east end. It is also about 2½ miles west of Montgomery Peak at an elevation of about 7950 feet.

(4) The date of this location is the 20 day of April, 1960.

(5) This notice is intended as an original notice of location and is posted on this claim and a true copy thereof is to be recorded with the County Recorder of this County.

(6) 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 the State or of the United States of America are hereby claimed.

DATED: April 20, 1960

WITNESSES:

LOCATORS: O. G. H. "Slim" Griffith

93 PAGE 381

STATEMENT OF THE MARKING OF THE BOUNDARIES AND OF PERFORMANCE OF DISCOVERY WORK

NOTICE IS HEREBY GIVEN by the undersigned locator of the within described Lode Mining Claim, in accordance with the provisions of Chapter 6A of the Statutes of 1941 which amend Section 2320 of the Revised Revenue Code of the State of California relating to mining claims, as follows:

(1) That there has been created at the discovery point, at each corner and at the center of each end line of said claim, a stone monument at least 12" diameter by 12" high.

(2) The locator has performed discovery work required by Section 2320 of the Revised Revenue Code of California as follows: [illegible] by 12" high [illegible]

[illegible] discovery work has been completed within sixty (60) days from the date of location of said claim.

DATED: May 19, 1960

LOCATOR

[illegible]

DO NOT RECORD

[illegible]

231

RECORDED AT REQUEST OF
[illegible]
1960 MAY 25 PM 3 15
Inyo Locations
INYO COUNTY, CALIF.
DONALD L. BELL, RECORDER

VOL 93 PAGE 383

$2.00

Name _____

When recorded please mail this instrument to

COUNTY RECORDER'S OFFICE

STATE OF CALIFORNIA }
COUNTY OF INYO } ss.

I, DONALD L. BELL, County Recorder of the County of Inyo, State of California, do hereby certify the foregoing to be a full, true and correct copy of Notice of Location as the same appears on record in my office in Volume 93 of Mining Locations at Page 383 + 384, Records of Inyo County.

Witness my hand and seal of said County Recorder this 7th day of December 1967

DONALD L. BELL, County Recorder

By Vernon J. Miller, Deputy

COUNTY RECORDER INYO COUNTY, CALIFORNIA

ASSIGNMENT AND TRANSFER
OF
INTEREST IN UNPATENTED MINING CLAIMS

For valuable consideration I, PAUL G. McKENRY, do hereby assign to the SENTINEL PEAK MINES, INC., all of my right title and interest in and to two unpatented mining claims situated in HAPPY CANYON, PANAMINT RANGE MOUNTAINS located about 8 1/2 miles Northeast of BALLARAT, CALIFORNIA, in the county of INYO, which claims are known as HUGHES BONANZA Nos. 1 and 2.

The interest in said claims hereby transfered and assigned consists of an undivided 84 % (EIGHTY FOUR) Percent of said claims

Paul G. McKenry

PAUL G. McKENRY

STATE OF CALIFORNIA]
] SS.
COUNTY OF ~~KERN~~ INYO]

On this 7th day of September 1967, before me Donald L. Bell Recorder By Vernon J. Miller Deputy, personally appeared PAUL G. McKENRY, known to me to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same.

Donald L. Bell
County Recorder in and for the County of Inyo
State of California

~~NOTARY PUBLIC~~ in and for said County and State

By Vernon J. Miller

COUNTY RECORDER'S OFFICE

STATE OF CALIFORNIA
COUNTY OF INYO

I, DONALD L. BELL, County Recorder of the County of Inyo, State of California, do hereby certify the foregoing to be a full, true and correct copy of Assignment of Interest as the same appears on record in my office in Volume 179 of Official Records at Page 224, Records of Inyo County.

Witness my hand and seal of said County Recorder this 7th day of Sept. 1967

DONALD L. BELL, County Recorder

By Vernon J. Miller Deputy

COUNTY RECORDER INYO COUNTY, CALIF.

3879
RECORDED AT REQUEST OF
P. G. McKenry
1967 SEP -7 PM 3:53
Official Records
INYO COUNTY, CALIF.
DONALD L. BELL, RECORDER

$2

VOL 179 PAGE 224

ROBERT LOUNDAGIN
ATTORNEY AT LAW
P. O. BOX
INDEPENDENCE, CALIF.
TELEPHONE
TELEPHONE

COUNTY RECORDER INYO COUNTY, CALIFORNIA

ASSIGNMENT AND TRANSFER
OF
INTEREST IN UNPATENTED MINING CLAIMS

For valuable consideration I, BLANCHE McKERNAN, do hereby assign to the SENTINEL PEAK MINES, INC., all of my right title and interest in and to two unpatented mining claims situated in HAPPY CANYON, PANAMINT RANGE MOUNTAINS located about 8 1/2 miles Northeast of BALLARAT, CALIFORNIA, in the county of INYO, which claims are known as HUGHES BONANZA Nos. 1 and 2.

The interest in said claims hereby transfered and assigned consists of an undived 16 (SIXTEEN) Percent of said claims.

WITNESS my hand this 6th day of September 1967.

Blanche McKernan
BLANCHE McKERNAN

STATE OF CALIFORNIA]
] SS.
COUNTY OF KERN]

On this 6th day of September 1967, before me the undersigned, personally appeared BLANCHE McKERNAN, known to me to be the person whose name is subscribed to the within instrument, and acknowledged that she executed the same.

CAROLINE PARRY
NOTARY PUBLIC - CALIFORNIA
COUNTY OF KERN
My Commission Expires September 19, 1967

Caroline Parry
NOTARY PUBLIC in and for said County and State

COUNTY RECORDER'S OFFICE

STATE OF CALIFORNIA }
COUNTY OF INYO } ss.

I, DONALD L. BELL, County Recorder of the County of Inyo, State of California, do hereby certify the foregoing to be a full, true and correct copy of Assignment of Interest as the same appears on record in my office in Volume 179 of Official Records at Page 222, Records of Inyo County.

Witness my hand and seal of said County Recorder this 7th day of Sept. 1967

DONALD L. BELL, County Recorder
By Donald L. Bell, Deputy

COUNTY RECORDER INYO COUNTY, CALIFORNIA

3877
RECORDED AT REQUEST OF
P. L. McKenny
1967 SEP -7 PM 3:53
Official Records
INYO COUNTY, CALIF.
DONALD L. BELL, RECORDER

FEE $2

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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

August 14, 1967

Memorandum

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

From: Field Officer
Region II

Subject: New Application (Silver)
Sentinel Peak Mines, Inc.
Hughs Bonanza Claims
Inyo County, California

Enclosed is an application from Sentinel Peak Mines, Inc., for OME assistance in an exploration project on the Hughs Bonanza Claim, Inyo County, Calif. The application was brought to the Field Office on August 3, 1967, by Mr. Paul G. McKenry, president of Sentinel Peak Mines, Inc. Mr. McKenry was asked to furnish copies of the letters requesting loans from the two banks and to also obtain bids for the bulldozer work. This additional material was submitted on August 14, 1967.

The applicants appear to be competent to do the work and able to furnish their share of the exploration costs. The application is reasonably complete and exploration work is probably justified. A field examination will be necessary to determine the amount and kind of exploration justified.

H. K. Stager

Enclosure

31 July 1967

ORIGINAL COPY O. M. E. RECEIVED AUG 14 1967

United States Department of Interior
Office of Mineral Explorations
345 Middlefield Road
Menlo Park, California 94025

Attention: Harold K. Stager, Field Officer

Gentlemen:

We submit herein our application for financial assistance in minerals exploration in connection with the mining property owned by the Sentinel Mines, Inc. (a Nevada corporation) in accordance with Public Law 85-701 (72 Stat. 700; 30 USC 641).

The information required with this application is set forth as follows:

1. Financial Eligibility

   a. Loan requests for the development of the Hugh's Bonanza and Hugh's Bonanza Annex Mining claims were made to the Bank of America and Community National Bank in Ridgecrest, California. The letters of refusal are attached herein as required. WILL FURNISH COPIES OF REQUESTS.

   b. Sentinel Peak Mines, Inc. (a Nevada corporation) controls the mining property 100 percent. 2 CLAIMS

   c. That portion of the exploration cost to be furnished by the corporation (25%) will be made available by the stockholders. CASH BY McKENRY & MOODY

2. Applicant's Rights in Land

   a. Sentinel Peak Mines, Inc. (a Nevada corporation) controls the mining property 100 percent by performance under a purchase agreement entered into on 25 April 1964, between Jerome B. McKernan and Paul G. McKenry. A copy of said agreement is attached herein, together with a copy of a quit claim deed transferring title to J. B. McKernan as at 19 July 1962. There are no liens or other encumberances against the property.

   b. The mining property is located in the north fork of Happy Canyon, in the Panamint Mountains, T21S R45 E, Sections 21 and 22, approximately 2½ miles west of Sentinel Peak.

The Hugh's Bonanza and Hugh's Bonanza Annex claims are unpatented and, as such, are recorded in the Inyo County Recorder's Office in Volume 93, pages 381 and 383. All transfers of the original locations in succession to the present owners are included as a part of this application and the recordings are shown thereon.

c. Not applicable.

3. Physical Description

a thru g. The report of Dr. Rene Engel in connection with this property we think covers the information as requested under this caption. However, there has been additional drifting and surface work done at the mine since his report was written, but not with the thought of production. The property is virgin and requires considerable exploration and/or development before it could be classed as a productive mine.

The present stockholders have performed all work as indicated in the report and all subsequent work such as drifting, sampling, construction of building and ore bin, roadwork and the purchase of trailers and mining equipment.

4. Accessibility of Property

a. If the O. M. E. representative would contact Paul G. McKenry at 411 Balsam Street, Ridgecrest, California (Telephone (714) 375-4125) arrangements will be made to take representative to the property and furnish whatever other services that may be desired.

b. The property is 66 miles from Ridgecrest by way of Trona both of which are shipping and supply points. Trona is 25 miles and Ballarat is 9.3 miles from the workings.

5. Exploration Work

a. It is proposed to drive a 5 x 7 foot drift 750 feet on the vein, together with four 5 x 5 foot raises. Each of the raises would be taken up about 30 feet or enough to show the continuity of the structure. A drawing showing the proposed work with relation to the claim boundaries is a part of this application.

b. Not applicable.

c. All work could be started within 10 days from the date of contract execution and be completed within 6 months therefrom. It is proposed to drift 7 feet a day or 140 feet a month on the vein and the other work would be performed at the same time, such as surveying, sampling and bulldozing.

6. Experience

a. I have been connected with mining operations for the past 33 years in the States of California and Arizona, as general manager, engineer in charge of examinations, development and operations for various corporations. I have also operated my own mining companies. Our geologist, Dr. Rene Engel, will also be available for examination and supervision of the exploration work. It is proposed to let a contract for the drifting and the raises to Larry Stewart, a mining operator and contractor who has been in mining the major part of his life. We also have Chris Musick, the founder, owner and developer of the Miracle Uranium Mine at Miracle Hot Springs, working for the company.

7. Estimate of Costs

a. A summary of cost for the proposed exploration work is included as a part of this application and consists of:

1.	Tractor work, rehabilitation of camp, assaying and surveying	$ 6,590.00
2.	Drifting on vein and raises	31,297.50
3.	Engineering and accounting	1,500.00
	Total	$39,387.50

It is proposed to let contracts for the work as set forth under the captions above, as various contractors have agreed to the costs as shown in the summary and will execute contracts accordingly under terms and conditions that would be to the best interests of the Government and the property owners.

Very truly yours,

Paul G. McKenry
President

RECEIVED
AUG 3 1967
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

MME Form 40
Jan. 65

Budget Bureau No. 42-R1506
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.)*

SENTINEL PEAK MINES INC.
P.O. BOX 806
RIDGECREST, CALIFORNIA
93555

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: 6647

DATE RECEIVED: August 16, 1967

REGION: II

DIVISION CODE:

BUSINESS ORGANIZATION *(Check one)*

- INDIVIDUAL [ ]
- CORPORATION [X]
- PARTNERSHIP [ ]
- OTHER *(Specify)* [ ]

STATE IN WHICH FIRM IS ORGANIZED: Nevada

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
Paul G. McKenry	411 Balsam St. Ridgecrest, Calif.	President
David Moody	841 N. China Lake Blvd. Ridgecrest, Calif.	Vice President
Rene Engel	Wofford Heights, Calif.	Treasurer
Chris Musick	3121 Arnold St. Bakersfield, Calif.	Secretary

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE: SILVER - Gold - Copper

ESTIMATED COST OF PROJECT: $ 39,387.50

PROPERTY NAME	LOCATION COUNTY	STATE
Hughs Bonanza	Inyo	California
Hughs Bonanza Annex		

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 25, 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.

July 31 1967
DATED

Paul G. McKenry
BY *(Signature)*

PRESIDENT
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

Cable Address BANKAMERICA

Bank of America

NATIONAL TRUST AND SAVINGS ASSOCIATION

RIDGECREST BRANCH • 139 BALSAM STREET

RIDGECREST, CALIFORNIA 93555

June 28, 1967

Sentinel Peak Mines, Inc.
411 Balsam Street
Ridgecrest, California 93555

Attn: Paul G. Mc Kenry, President

Dear Sir:

Please be advised that we are unable to approve your loan request for the Sentinel Peak Mines, Inc. in the amount of $45,000.00.

Sincerely,

T. D. Reese
Manager

TDR:jm

Rec'd by TDR

C N B

Community National Bank

P.O. BOX 367 RIDGECREST, CALIFORNIA 93555 375-1561

June 28, 1967

Sentinel Peak Mines, Inc.
Paul G. McKenry, President
411 Balsam Street
Ridgecrest, California

Re: Loan request

Dear Mr. McKenry,

We regret that at this time we are unable to grant your request for a loan in the amount of $45,000.00.

Should we be able to serve you in any other capacity in the future, it would be our pleasure. Please feel free to contact us at any time.

Yours very truly,

O E Powers

O. E. Powers,
Loan Officer

OEP:dbm

Run up to applicant desk

PARTNERSHIP AGREEMENT

April 25, 1964

(1) In consideration of the payment of ten dollars ($10.00) and other valuable considerations, I, Jerone McKernan, do hereby sell and assign to Paul G. McKenry, an undivided eighty four percent (84%) interest in two unpatented claims (Hugh's Bonanza No. 1 & 2) located in Happy Canyon, Panamint Range Mountains approximately eight and one half (8 1/2) miles northeast of Ballarat, California (Inyo County).

(2) As additional consideration, Paul G. McKenry will perform or have performed the following:

A. Complete Geological Survey of Properties.

B. Mapping of the Property.

C. Survey for Mill Site and Available Water.

D. Recommendations for Development, Mining and Milling Operations.

E. Sundry Expenditures

(3) It is also understood that if the property under examination should warrant the additional expenditures of funds then a Corporation be formed and the interests of all parties be issued stock in accordance with their partnership percentage. That Paul G. McKenry will pay for the Corporation and make such arrangements necessary for the erection of a mill and provide working capital. It is understood that Jerome McKernan and Associates will retain sixteen percent (16%) of the Partnership and the Corporation when formed.

Paul G. McKenry

Chris L. Meesick

Jerome B. McKernan

Leo McGuigan

Jess W. Minter

Clyde R. Halland

RECORDING REQUESTED BY

Claude L. Welch

WHEN RECORDED MAIL TO

Claude L. Welch
239 W. Ridgecrest Blvd
Ridgecrest, Calif

162

RECORDED AT REQUEST OF
C L. Welch
1962 JUL 20 AM 9:39
Official Records
INYO COUNTY, CALIF.
DONALD L. BELL, RECORDER

VOL 151 PAGE 591

FEE $2

SPACE ABOVE THIS LINE FOR RECORDER'S USE

AFFIX $_____ I. R. STAMPS IN THIS SPACE

Quitclaim Deed

THIS FORM FURNISHED BY TITLE INSURANCE AND TRUST COMPANY

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

C. H. RIFFLE and ALAN W. LOCKWOOD

hereby REMISE, RELEASE AND FOREVER QUITCLAIM to

J. B. McKERNAN

the following described real property in the county of Inyo
state of California:

Hugh's Bonanza Lode Mining Claim located in the South Park-Panamint City Mining District, described as follows:

Commencing at a rock monument which is at the point of discovery on the Center line of the location, thence extending 750 feet in Easterly and Westerly directions along the course of said vein; said discovery Monument being situated about 600 feet from the remains of an old cabin in the North fork of Happy Canyon in the Northeast One Quarter of Township 21 South, Range 45 East, and about four miles North of U. S. Mineral Monument 6496, and about two and one-half miles West of Sentinel Peak and about four and one-half miles Northwest of Porter Mine and U.S. Mineral Monument #155, and lies at an elevation of approximately 7936 feet.

Dated July 19, 1962

C H Riffle
Alan W Lockwood

STATE OF CALIFORNIA
COUNTY OF Kern } SS.

On July 19, 1962 before me, the undersigned, a Notary Public in and for said County and State, personally appeared C. H. Riffle and Alan W. Lockwood

, known to me to be the person s whose names are subscribed to the within instrument and acknowledged that they executed the same.

WITNESS my hand and official seal.

(Seal) Kenneth M. Smith

KENNETH M. SMITH
My Commission Expires May 5, 1964

Name (Typed or Printed)
Notary Public in and for said County and State

If executed by a Corporation the Corporation Form of Acknowledgment must be used.

Title Order No. _____

Escrow or Loan No. _____

400 8-59

VOL 149 PAGE 331

RECORDING REQUESTED BY

WHEN RECORDED MAIL TO

83

RECORDED AT REQUEST OF
C. H. Riffle
1962 FEB 13 AM 9:27
Official Records
INYO COUNTY, CALIF.
DONALD L. BELL, RECORDER

VOL 149 PAGE 331

FEE $2

SPACE ABOVE THIS LINE FOR RECORDER'S USE

AFFIX $_____ I. R. STAMPS IN THIS SPACE

Quitclaim Deed

THIS FORM FURNISHED BY TITLE INSURANCE AND TRUST COMPANY

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

GEORGE LEATHAM and ROBERT E. GRAVELLE, co-partners

hereby REMISE, RELEASE AND FOREVER QUITCLAIM to

C. H. RIFFLE and ALAN W. LOCKWOOD

the following described real property in the county of Inyo
state of California:

to the following described Mining Claims situate in South Park-Panamint City Mining District, County of Inyo, State of California, desribed as

HUGH'S BONANZA and
HUGH'S BONANZA ANNEX

located in the North fork of Happy Canyon, in the Panamint Mountains, T-21S, R-45E, Section 21, N. E. One Quarter about 2½ miles west of Sentinel Peak at an elevation of approximately 7,936 feet, as nearly as can be determined, and more particularly described in volume 93, pages 381 and 383 in the records at the County Recorder's office, Inyo County, California.

Dated February 9, 1962

GEORGE LEATHAM and ROBERT E. GRAVELLE,
Copartners,
By George Leatham
GEORGE LEATHAM

STATE OF CALIFORNIA
COUNTY OF KERN } SS.

On February, 1962 before me, the undersigned, a Notary Public in and for said County and State, personally appeared

GEORGE LEATHAM

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

WITNESS my hand and official seal.

(Seal) James R. Guyett
JAMES R. GUYETT
Name (Typed or Printed)
MY COMMISSION EXPIRES 2/19/65
Notary Public in and for said County and State

If executed by a Corporation the Corporation Form of Acknowledgment must be used.

Title Order No. _____

Escrow or Loan No. _____

400 8-59

REPORT ON THE EXAMINATION OF THE HUGHES BONANZA MINING PROPERTY

by René L. Engel, Ph.D. Mining Geologist

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 16 1957
INITIALS

The Hughes Bonanza Mining Property is located on the east side of third North Fork of Happy Canyon about 2.5 miles west of Sentinel Peak in the Panamint Mountains, Inyo County, California. It lies approximately in the middle of the east half of Sec. 21 and middle of the west half of Sec. 22, T 21 S, R 45 E. (See sketch map and Telescope Peak topographic quadrangle, USGS.) The property consists of two standard mining claims of 20.6 acres each: the "Hughes Bonanza" and "Hughes Bonanza Annex" held in fee and covering a broad quartz vein outcrop along its strike from an elevation above sea level of about 6,600 ft. to 7,100 ft.

Access to the property is by jeep trail which starts easterly about 1.2 miles north of Ballarat on the highway to the Indian Ranch Reservation and follows the bottom of Happy Canyon main and third north branches. The distance from the highway to the north branch is about 7 miles and along the branch up to the property about 2 miles, making a total of approximately 9 miles from the highway.

From Trona the distance to Ballarat is approximately 25 miles, of which 21 are on the paved highway to Death Valley and 4 on a good dirt road.

Geology. The main branch of Happy Canyon cuts deeply into the Panamint metamorphic complex of Early Pre-Cambrian age which is made up of gneisses, schists, quartzite and marble intruded by Late Pre-Cambrian granitic plutonic rocks, and some diabase dikes. The north fork of Happy Canyon is also lined with the metamorphic rocks of that complex up to 6,160-ft. elevation where the Marvel meta-dolomitic limestone or marble begins to appear. This rock is crystalline, either massive or brecciated. When massive and unaltered its color is bluish gray but in breccias its fragments are cemented by limonite and the resulting color is buff to reddish depending upon the degree of leaching and oxidation. This aspect is particularly noticeable along the fault zone followed by the North Fork Canyon. The Marvel dolomitic limestone

is of marine origin and probably Cambrian in age. It lies unconformably on the Panamint metamorphic complex. This rock is of particular interest because it is easily replaced hydrothermally by quartz and ore-bearing solutions. Stratigraphically above the Marvel dolomitic limestone lies the Surprise formation consisting of schists, slate and quartzite. This formation is exposed on the north or hanging wall side of the quartz vein and Marvel marble outcrops. The North Fork Canyon follows a fault marked by breccias and slickensides along its course and prominently marked by canyon lineaments crossing Surprise Canyon to the north and extending southerly across the main course of Happy Canyon toward Pleasant Canyon. This fault is traceable physiographically for about 12 miles and its continuity across highland surfaces suggests an age prior to that of the present cycle of erosion. Lack of sufficient observations does not permit at the present time establishing with certainty the relation of this fault to ore deposition, but it suggests that branch faulting or fracturing may have contributed to the localization of deposits in its vicinity.

Ore Deposit. A prominent quartz vein outcrop from 10 to 40 feet wide is exposed for a length of 675 feet between the elevations of 6,610 and 6,950 feet. The average strike is N 65 E with a dip of 85° NW. The blue phase of the Marvel dolomitic limestone forms the hanging-and foot-walls of the vein. Whereas the hanging-wall is generally well defined and continuous, the foot-wall is irregular and in one of the cuts both walls are separated only by 10 feet of barren quartz. The structure of the vein is thus lenticular as a whole, with barren quartz lenses separating ore-bearing sheeted quartz zones. These sheeted zones appear to be more frequently developed close to the hanging wall and suggest fault movements having produced shearing and brecciation along a fissure in the limestone and opening of voids favoring ore deposition. The ore minerals consist of tetrahedrite (var. freibergite), $(Cu(Ag,Fe,Zn))_{12}(Sb(As))_8 S_{13}$, galena, PbS, and chalcopyrite, $Cu_2Fe_2S_4$.

The freibergite carries most of the silver with some probably associated with galena. Chalcopyrite very likely carries the gold. Accessory and alteration minerals comprise ankerite, $Ca_2(Mg,Fe)(CO_3)_3$, malachite, $Cu_2CO_3(OH)_2$, azurite, $Cu_3(CO_3)_2(OH)_2$, and probably bindheimite, $Pb_2Sb_2O_6(O,OH)$.

Sampling. The attached plan and profile of the vein projected along its strike shows the location of the samples taken between elevations 6,610 and 6,850 feet. A total of six samples were taken. All were channeled at right angles to the dip across the portions of the vein showing ore minerals, except one (#6) which was selected from the best parts of the vein exposed in the upper workings near the discovery monument on the Hughes Bonanza Claim. Sample #5 was taken at the bottom of the canyon on the west side on a possible extension or branching of the Hughes Bonanza vein. Data on samples are tabulated below: (See attached columnar paper)

Lack of time and inadequate development work did not permit sampling of the vein along the complete length of its outcrop. Between elevations 6,715 and 6,840 feet there is practically no development work and surface outcrops appear to be barren. From 6,850 to 6,960 feet there are only two small cuts in quartz showing copper stains; they are not deep enough to reveal the presence of sulfides. Above 6,960 feet the quartz vein outcrop seems to dwindle and farther up the blue limestone hanging wall also disappears. It seems to be replaced by schist. A few cuts are needed in that area to establish the exact limits of the quartz vein outcrop.

For the purpose of making a rough estimate of the potentiality of this property, two possible ore blocks are considered. The first one, better known than the other, has a surface length of 210 feet from elevation 6,610 to 6,710 feet. In that block, the average ore vein thickness is estimated to be 7.5 feet and the average value $16.90 per ton.

Regarding the depthwise continuity of the ore minerals, the only available evidence is that of the vertical separation between the cross-cut tunnel at 6,610 feet elevation and the small cut at 6,960-ft. elevation which shows that erosion

of 350 feet of quartz vein did not remove the ore. Moreover, the characteristics of the quartz vein are that of a true-fissure vein like most of the veins of the Panamint district. This type of vein is known statistically to have the highest probability of depthwise continuity. On that basis, assuming a possible depth extension of half the outcrop length or 100 feet, the amount of ore in that block might be around 11,000 tons, representing a possible value of $186,000.

The second block starts at the level of the discovery monument of the Hughes Bonanza Claim, at 6,842 feet and may extend to 6,950 feet in elevation for a slope distance of 250 feet. Although the highest assay value was obtained near the discovery, the lack of other samples and insufficient development of that area precludes making an estimate of the possible amount of ore in that block.

Conclusions and Recommendations. The observed outcrop length of the quartz vein is estimated to be 675 feet and several ore shoots are recognized. Exclusive of ore shoots the average value of the ore is $9.40 for an average thickness of 7 feet. Consequently, a fairly large tonnage of ore of milling grade might be expected. Thus the outlook of the Hughes Bonanza property is sufficiently promising as a whole to justify its further development by surface trenching, followed by drilling. It is recommended that bulldozer trenches across the whole width of the quartz vein from foot to hanging walls should be made in the unopened areas above and below the cross cut tunnel. Moreover, to plat accurately the new work in relation to outcrops and previous development work, a map should be made by means of a tie survey with the Hudson River Patented Claim. Then depending upon the exposures revealed by trenching, the amount of drilling and blasting needed may be determined so as to open up the most promising portions of the quartz vein. Once a definite ore shoot of sufficient value is located, development by drifting may be started and the ore piled up until a mill is available.

Rene Engel

Sept. 8, 1964

RENE L. ENGEL

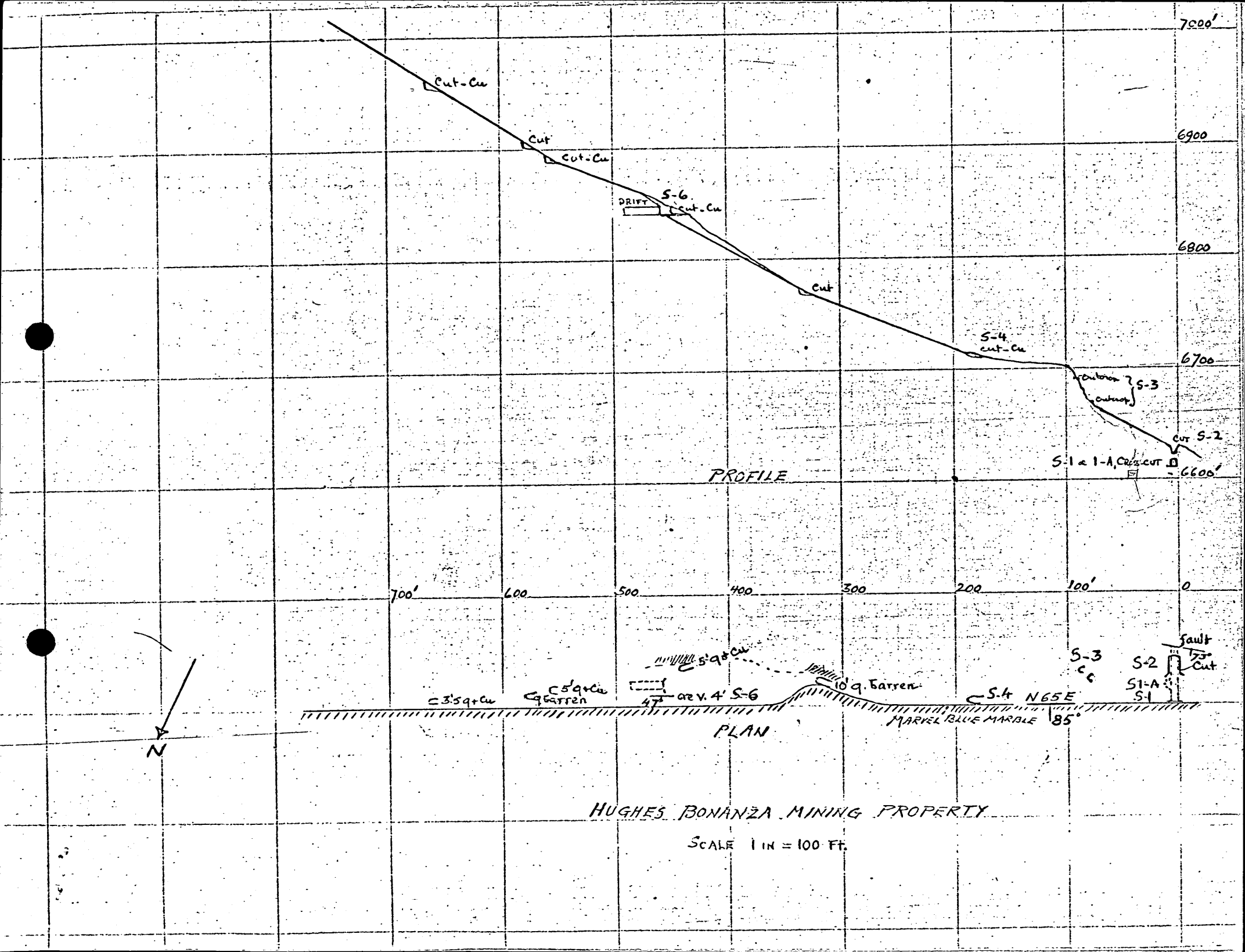
SAMPLES TAKEN BY R. L. ENGEL DURING AN EXAMINATION OF THE HUGHES BONANZA MINING PROPERTY, JULY 21-22, 1964 AND ASSAYED BY THE EISENHAUER LABORATORIES, LOS ANGELES, CALIFORNIA

Sample No.	Location	Width Ft	Gold Oz. per Ton	Gold Value/Ton $	Silver Oz. per Ton	Silver Value/Ton $	Copper %	Copper Value/Ton $	Lead %	Lead Value/Ton $	TOTAL Value per ton $
1	Lower Cross-Cut Tunnel	7.0	0.03	1.05	5.96	7.69	0.55	3.52	0.16	0.41	12.67
1-A	" " " "	6.0	0.005	0.18	0.44	0.57	Trace	-	Trace	-	0.75
2	Open Cut above Tunnel	9.8	0.015	0.53	2.18	2.81	0.50	3.20	0.10	0.26	6.80
3	Composite from two cuts across vein	9.0	0.6	2.10	12.94	16.69	1.60	10.24	0.05	0.13	39.40
4	Open cut near hanging wall	4.5	0.4	1.40	5.20	6.71	0.10	0.64	Trace	-	8.75
* 5	Vein outcrop on west side of canyon	6.5	Trace	-	0.40	0.52	Trace	-	0.12	0.31	0.84 *
6	Sorted ore from 9-ft total near foot and hanging walls, approx. net width	4.0	0.10	3.50	49.08	63.31	2.75	17.55	0.25	0.65	84.36

Note: The ore values are calculated by using the following metal prices:

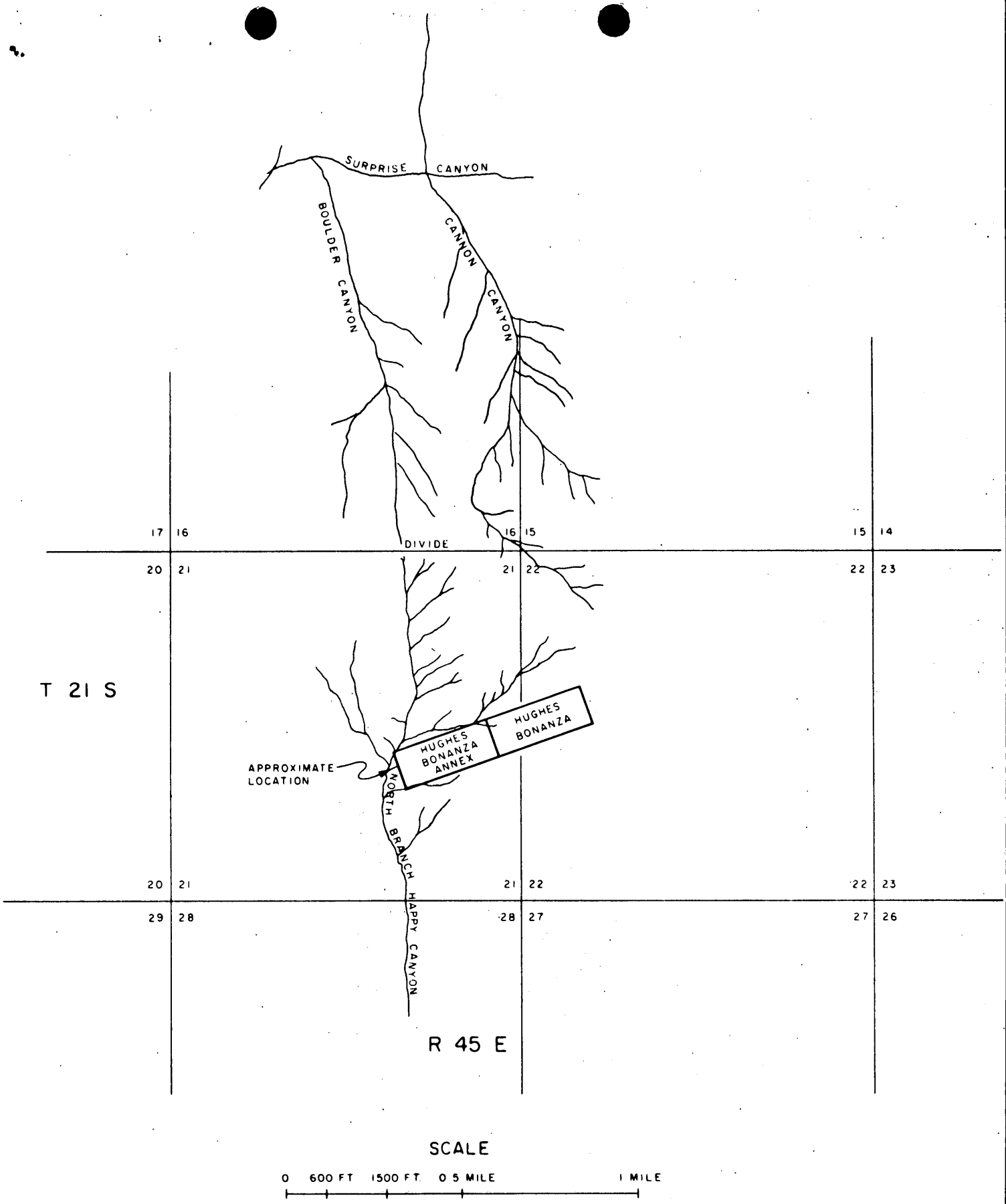
Gold	$35.00 per Oz.
Silver	1.29 "
Copper	6.40 per Unit
Lead	2.60 " "

* NOT ON OUR PROPERTY.



HUGHES BONANZA MINING PROPERTY

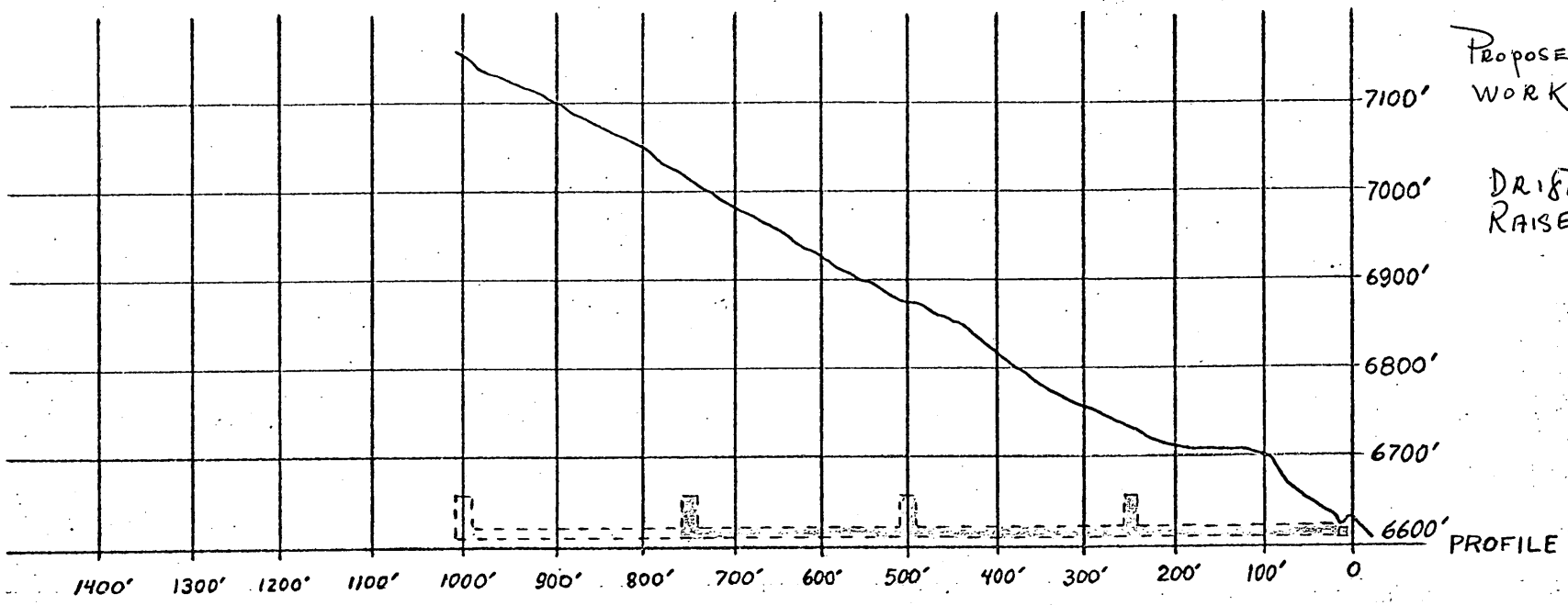
SCALE 1 IN = 100 FT.



CLAIM MAP OF THE NORTH BRANCH OF HAPPY CANYON, PANAMINT MTS., INYO CO. CALIF.

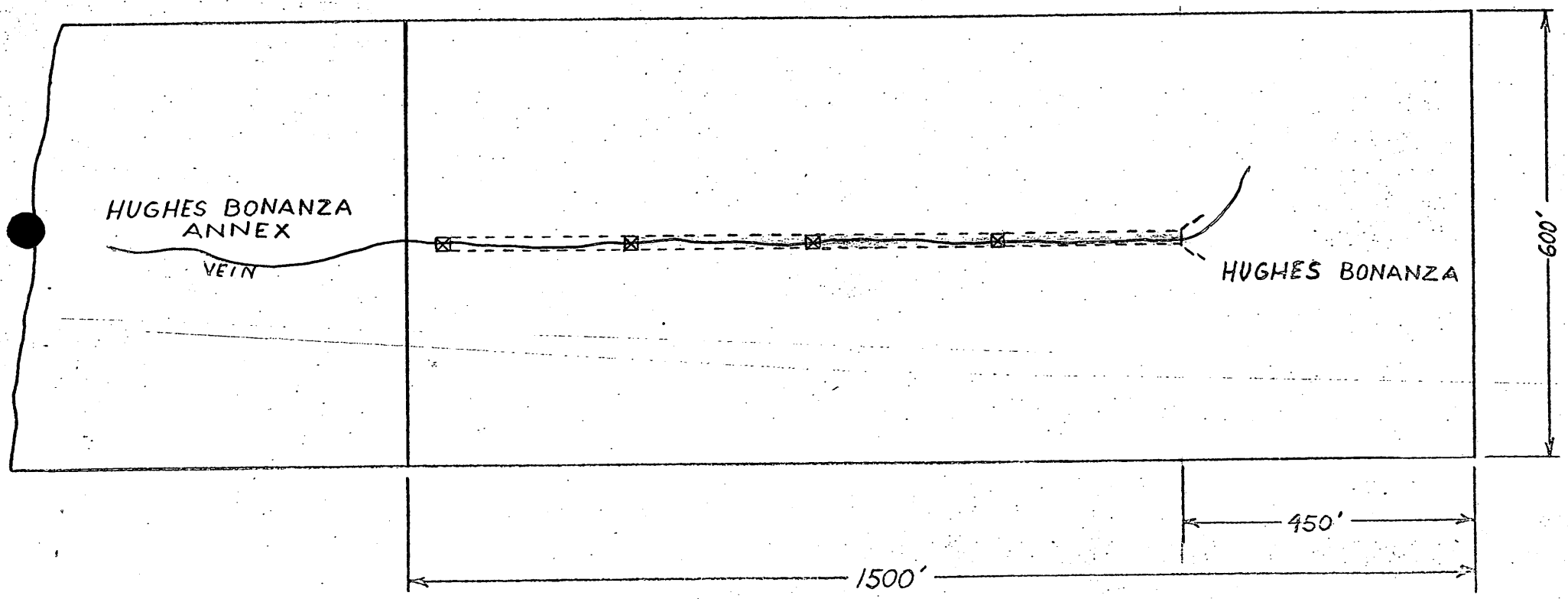
COMPILED BY RENÉ ENGEL, AUGUST 1964

JW



Proposed exploration work (750') Drifts
(90') Raises

Drifts 5'x7'
Raises 5'x5'



SENTINEL PEAK MINES, INC.

PROPOSED EXPLORATION COSTS
(ESTIMATE OF COSTS)

The following costs are based upon current wage rates, supply and equipment costs.

1.	Tractor work; (bulldozing, trenching, cuts and necessary access work,) BIDS?	
	180 hours @ $23.50 per hour D8CR TD-24	$ 4,230.00
	Rehabilitation of camp (present facilities)	1,410.00
	Assaying and surveying $4/Au+Ag -$2/Cu	950.00
	Total	$ 6,590.00
2.	Drift on vein and raises: 2 shifts	
	Total drifting ~~on vein 750 feet~~; five day w week, advance 7 feet per day = 110 days = 5½ months	
	Wages: miners $4.00 per hour, mechanic and driver $3.75 per hour, trammers (Carmen) $2.50 per hour, and helpers $2.00 per hour	
	Average of 7 feet per shift – ?	$ 18.57
	Payroll taxes 8.5%	1.58
	Compensation insurance (17.14 per $100.00)	3.18
	Timber etc.	3.00 /FT.
	Compresser supplies (Diesel fuel, filters oil, etc.)	2.25
	Steel, bits, etc.	2.00
	Repairs	1.50
	Powder, fuse, caps, etc.	3.50
	Equipment rental (Exhibit A)	3.67
	Depreciation (Exhibit B)	2.48
	Total (Cost per foot)	$ 41.73
3.	Engineering 6 TRIPS - (EACH 2 WKS) - 1 DAY	$ 1,000.00
	Accounting $50/MO.	500.00
	Total	$ 1,500.00

TOTAL COSTS (ESTIMATED)

1.	Tractor work, rehabilitation of camp and assaying and surveying	$ 6,590.00
2.	Drift on vein and raises 750 feet of drifting at $41.73 per foot	31,297.50
3.	Engineering and accounting	1,500.00
	Total	$39,387.50

EXHIBIT A

SENTINEL PEAK MINES, INC.

STATEMENT OF DEPRECIATION COST
FOR PROPOSED EXPLORATION

Eimco loader - Model 12B (18" gauge)	$ 200.00
Diesel compressor 210 CFM	300.00
Total	$ 500.00

Cost per month $500.00 x 5.5 months = $2,750.00 = Total Cost

Total Cost $2,750.00 ÷ 750 feet = $3.67 = Rental Equipment Cost per foot

EXHIBIT B

SENTINEL PEAK MINES, INC.

STATEMENT OF DEPRECIATION COST
FOR PROPOSED EXPLORATION

Item	Cost	Depreciation Method SL-Life	Depreciation 5½ Months
Ore cars	$ 250.00	2 years	$ 57.00
BBG 24 drill (Copeo)	601.00	-	138.00
BMT 51 drill leg (Copeo)	203.00	-	47.00
International 10 wheel 3 axle drive dump truck	2,175.00	-	498.00
Caterpillar D-4 tractor	2,500.00	-	573.00
Air lines, water hoses, etc.	500.00	-	115.00
Air receiver	100.00	-	23.00
Water lines	200.00	-	46.00
Mine rail, spikes, ties, etc.	1,000.00	-	229.00
Tools	250.00	-	57.00
Pacemaker trailer	350.00	-	80.00
Total	$8,129.00		$1,863.00

Asset costs $8,129.00 ÷ 24 months = $ 538.71 monthly depreciation

Monthly depreciation 338.71 x 5½ months = $1,862.91 = allowable depreciation

Allowable depreciation $1,863.00 ÷ 750 feet = $2.48 depreciation cost per foot

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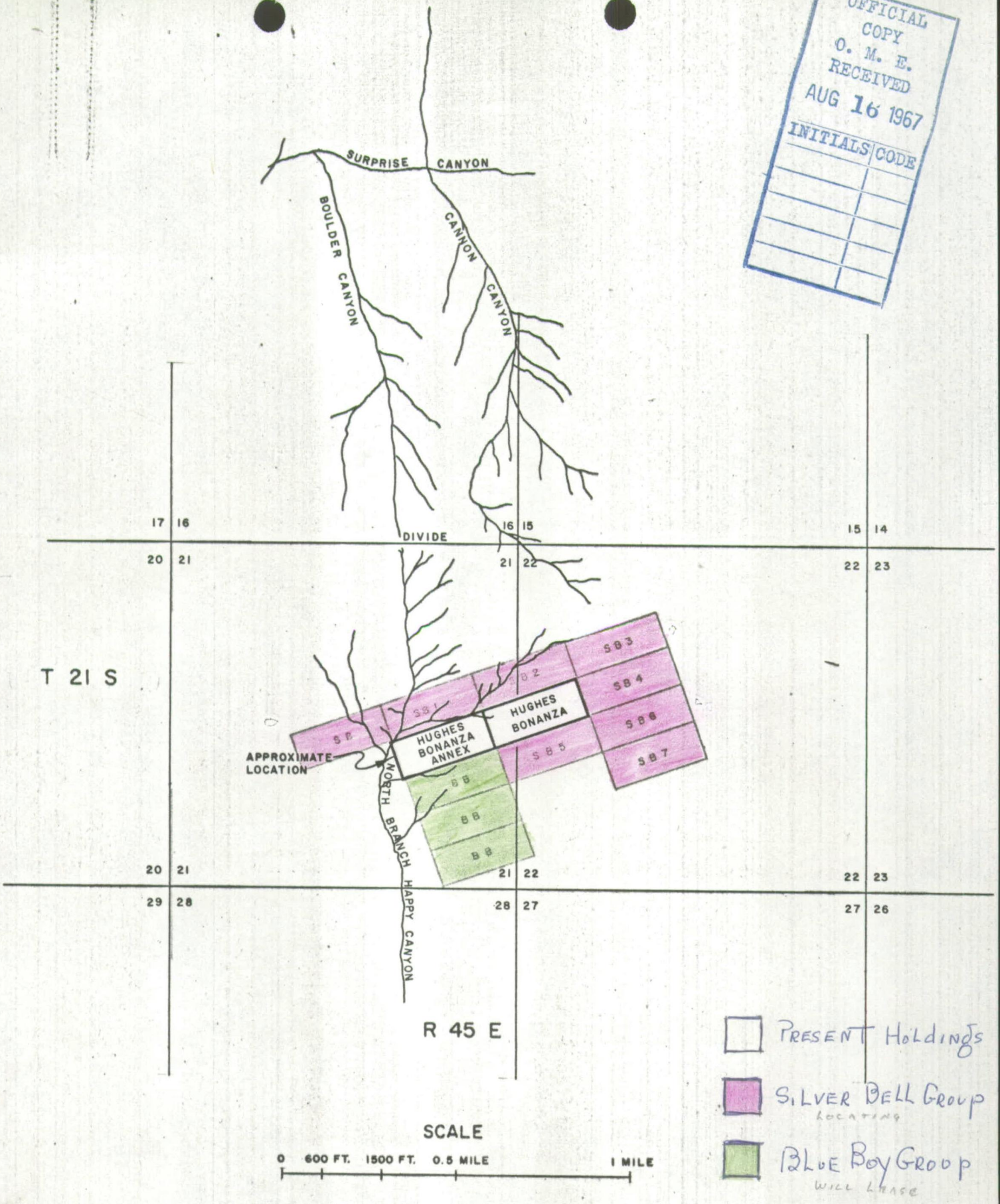

CLAIM MAP OF THE NORTH BRANCH OF HAPPY CANYON, PANAMINT MTS., INYO CO. CALIF.

COMPILED BY RENÉ ENGEL, AUGUST 1964

JWA

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

ED. EISENHAUER JR.
C. EISENHAUER RAYMOND
LAWRENCE EARL RAYMOND

ASSAY CERTIFICATE

PHONE 622-9828

Los Angeles, Calif. June 26/67 19

I hereby Certify that the samples described below, received from

Paul G. McKenry assay as follows:

Owner's Mark and Sample		GOLD OZS. PER TON	GOLD VALUE PER TON	SILVER OZS. PER TON	SILVER VALUE PER TON	TOTAL VALUE PER TON	PERCENTAGE OF COPPER	PERCENTAGE OF LEAD	PERCENTAGE OF ZINC
#1	46.80	.14	$ 4.90	17.72	$ 23.04	$ 39.72	1.55		
#2	17.57	.16	$ 5.60	7.04	$ 9.15	$ 14.75	0.54		
#6	117.01	.22	$ 7.70	52.90	$ 68.77	$ 95.85	2.55		
					89 93				

GOLD @ $ 35 PER OZ.
SILVER @ $ 1.30 PER OZ.
LEAD @ ____ C.
COPPER @ 38 C.

CHARGES $ 18.00 Paid 6/26/67 G.P.

Established 1918

Ed. Eisenhauer Jr.
ASSAYER

Nos. 3-4-5 missing. Please check.
E.E.

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RECEIVED
AUG 16 1967
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Martin C. Engel
Cantil, California.
June, 1, 1966.

Samples---- Ore

Submitted by Paul G. McKenry
Ridgecrest, California.

---------- Per Ton of 2,000 Pounds ----------

Marked	Gold		Silver		Copper	Total
No. 1.	0.02 oz.	$ .70	8.00 oz.	$ 10.32	0.68% cu	$16.46
No. 2.	0.04 oz.	$ 1.40	45.30 oz.	$ 58.43	4.78% cu	$98.07

assayer Martin C. Engel
Martin C. Engel

Gold @ $35.00 oz.
Silver @ 1.29 oz.
Copper @ .40 lb. - 8
Charges--- Paid.

Martin C. Engel
Cantil, California.
March, 26, 1964.

Samples--- Ore

Submitted by Paul McKenry
Ridgecrest, California.

---------- Per Ton of 2,000 Pounds ----------

Marked	Gold		Silver		Total
Surface No. 1	0.05 oz.	$ 1.75	32.00 oz.	$38.40	$ 40.15
Surface No. 2	0.05 oz.	$ 1.75	30.00 oz.	$36.00	$ 37.75
Portal No. 3	0.02 oz.	$ .70	6.00 oz.	$ 7.20	$ 7.90

assayer Martin C. Engel
Martin C. Engel

Gold @ $35.00 oz.
Silver @ 1.20 oz.
Charges--- Paid.

26.40

RICHMOND 8-9411

SMITH-EMERY COMPANY

FORM C-7 1-62 LC

CHEMISTS • TESTING • INSPECTION • ENGINEERS

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.

FILE NO: 2343-63
CLIENT: C. R. HOLLAND
1913 KENT DRIVE
ADDRESS: BAKERSFIELD, CALIFORNIA

ATTENTION: CLYDE R. HOLLAND

DATE: MAY 3, 1963
P.O. NO.:
SAMPLE ROCK
SUBMITTED BY: CLIENT
GOLD @ $35.00 PER OZ.
SILVER @ $1.20 PER OZ.

ASSAY REPORT

NUMBER	MARK	PER TON OF 2000 LBS. GOLD OUNCES	GOLD VALUE	SILVER OUNCES	SILVER VALUE	COPPER PER CENT	LEAD PER CENT	ZINC PER CENT
C-507198	"ORE"	0.02	$0.70	34.02	40.82			

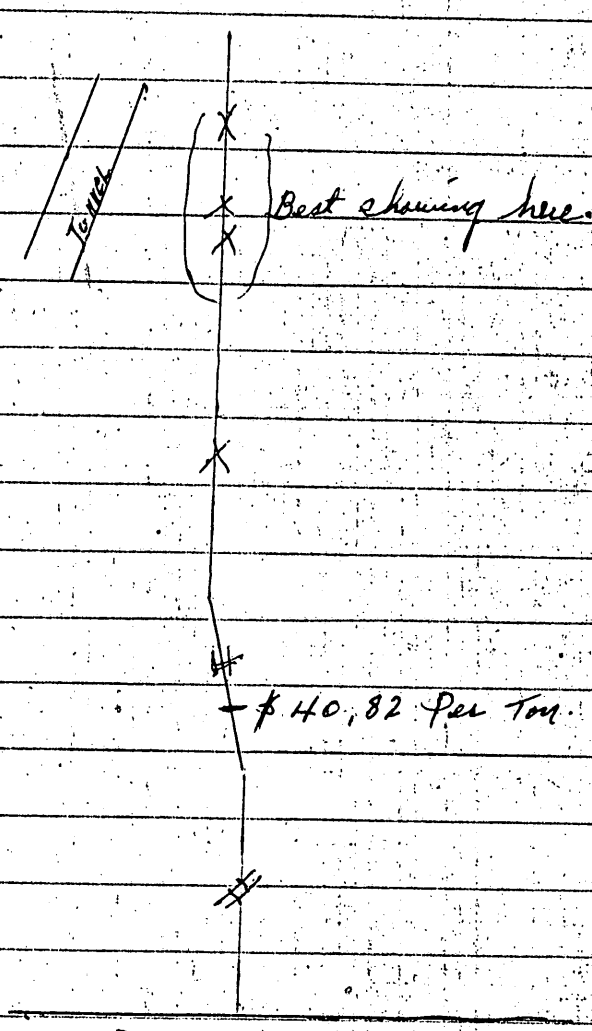
6 C. R. HOLLAND

BLM

RESPECTFULLY SUBMITTED
SMITH-EMERY COMPANY

BY G. L. CHENEY

E.



S.

W.

PROPOSAL and CONTRACT

Date June 16, 1967

TO Mr. Paul G. McKenry.
411 Balson. Ridgecrest Calif Telephone FR. 54125

Dear Sir:

I propose to furnish ~~all materials~~ and perform all labor necessary to complete the following:
Running drift in mine known as The Centennial Peak Mines. Inc.

All of the above work to be completed in a substantial and workmanlike manner according to standard practices for the sum of $25.00 per foot Dollars ($_____)

Payments to be made Every fifty of drift when inspected and passed.
as the work progresses

to the value of _____ per cent (_____%) of all work completed. The entire amount of contract to be paid within _____ days after completion.

Any alteration or deviation from the above specifications involving extra cost of material or labor will only be executed upon written orders for same, and will become an extra charge over the sum mentioned in this contract. All agreements must be made in writing.

Respectfully submitted,

By C. L. Musick

3121 Arnold St Bakersfield
ADDRESS

87-18086
TELEPHONE

per above (labor) $ 25.00
materials etc 12.25
Rentals & Depreciation 6.15
Cost per foot $ 43.40

Can accept offer

ACCEPTANCE

You are hereby authorized to furnish all materials and labor required to complete the work mentioned in the above proposal, for which _____ agree to pay the amount mentioned in said proposal, and according to the terms thereof.

ACCEPTED

Date _____, 19____

SENTINEL PEAK MINES, INC.

411 Balsam Street
Ridgecrest, California
June 15,1967

Bank of America
Ridgecrest, California

Attention: T. D. Reese

Gentlemen:

We would like to make application for a loan of $45,000.00 for the purpose of performing certain exploration work in connection with the Sentinel Peak Mines, Inc. The work to consist of driving a drift 1,000 feet on the vein which is exposed for some 700 feet on the surface and raises in the drift as deemed necessary.

We have spent approximately $35,000.00 on the property as of this date and resultant showing justified the expenditure and the need for additional funds to complete the exploration work as started.

The preliminary geological work has been completed by Dr. Rene Engel and he has submitted a report which is highly favorable to the mineralization and the continuity of the exposed ore bodies as to length and depth. On the basis of the report we feel the exploration work as stated above could be done for the $45,000.00 as requested, and the expenditures would reveal the high productive potential of the mining property, as such.

Inasmuch as this is primarily a silver property and that a shortage of this metal is evident, the exploration, development and the ultimate production would be of benefit to the Government and the community as well.

We propose to hypothicate the property and equipment as security for the loan that repayment to the bank will be in accordance with your loan policies from the future financing or production from the mine.

Very truly yours,

Paul G. McKenry
President

PGM/pw

SENTINEL PEAK MINES, INC.

411 Balsam Street
Ridgecrest, California
June 15,1967

Community National Bank
Ridgecrest, California

Attention: O. E. Powers, Loan Officer

Gentlemen:

We would like to make application for a loan of $45,000.00 for the purpose of performing certain exploration work in connection with the Sentinel Peak Mines, Inc. The work to consist of driving a drift 1,000 feet on the vein which is exposed for some 700 feet on the surface and raises in the drift as deemed necessary.

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We propose to hypothicate the property and equipment as security for the loan and that repayment to the bank will be made in accordance with your loan policies from future financing or production from the mine.

Very truly yours,

Paul G. McKenry
President

PGM/pw

10
3-2-5

MINING

PROPOSAL and CONTRACT

Date June 16, 1967

TO Mr. Paul G. McKinny.
411 Balson. Bakersfield Calif Telephone FR. 54125

Dear Sir:

I propose to furnish ~~all materials~~ and perform all labor necessary to complete the following:
Running drift in mine known as The Centennial Peak Mines. Inc.

All of the above work to be completed in a substantial and workmanlike manner according to standard practices for the sum of $25.00 per foot Dollars ($_____)

Payments to be made Every fifty of drift taken inspected and paid.

as the work progresses to the value of _____ per cent (_____%) of all work completed. The entire amount of contract to be paid within _____ days after completion.

Any alteration or deviation from the above specifications involving extra cost of material or labor will only be executed upon written orders for same, and will become an extra charge over the sum mentioned in this contract. All agreements must be made in writing.

Respectfully submitted,

By C. L. Musick

3121 Arnold St Bakersfield
ADDRESS

87-18086
TELEPHONE

per above (labor) $ 25.00
materials etc 12.25
Rentals & Depreciation 6.15
Cost per foot $ 43.40

Can't accept this

ACCEPTANCE

You are hereby authorized to furnish all materials and labor required to complete the work mentioned in the above proposal, for which _____ agree to pay the amount mentioned in said proposal, and according to the terms thereof.

ACCEPTED

_____

Date _____, 19____

MINING

PROPOSAL and CONTRACT

Date July 17, 1967

TO Sentinel Peak Mines Inc.
411 Balsam St., Ridgecrest Calif. Telephone FR 375-4125

Dear Sir:

I propose to furnish all materials and perform all labor necessary to complete the following:

750 feet of drift 5X7 feet in size on the vein as directed by the Company for $41.50 a lineal foot and 90 feet of raises at $30.00 per foot.
I will provide insurance and be responsible for the maintenance of my crew and work shall start within 10 days from time bid is accepted and will be completed within 6 months of that date.
The raises to be put in after drift is completed.

All of the above work to be completed in a substantial and workmanlike manner according to standard practices for the sum of Thirty three thousand eight twenty five Dollars ($33,825 -)

Payments to be made Upon completion of each 100 feet of drift and 30 feet of raises (4150.00 for drifting) (900.00 for raises) as the work progresses to the value of eighty per cent (80 %) of all work completed. The entire amount of contract to be paid within 10 days after completion.

Any alteration or deviation from the above specifications involving extra cost of material or labor will only be executed upon written orders for same, and will become an extra charge over the sum mentioned in this contract. All agreements must be made in writing.

Respectfully submitted, Larry J. Stewart

By Larry J. Stewart

P.O. Box 696
ADDRESS

Trona, Calif.
TELEPHONE

NOTICE

UNDER THE MECHANICS' LIEN LAW (CALIFORNIA CODE OF CIVIL PROCEDURE, SECTION 1181 ET SEQ.), ANY CONTRACTOR, SUBCONTRACTOR, LABORER, SUPPLIER OR OTHER PERSON WHO HELPS TO IMPROVE YOUR PROPERTY BUT IS NOT PAID FOR HIS WORK OR SUPPLIES, HAS A RIGHT TO ENFORCE A CLAIM AGAINST YOUR PROPERTY. THIS MEANS THAT, AFTER A COURT HEARING, YOUR PROPERTY COULD BE SOLD BY A COURT OFFICER AND THE PROCEEDS OF THE SALE USED TO SATISFY THE INDEBTEDNESS. THIS CAN HAPPEN EVEN IF YOU HAVE PAID YOUR OWN CONTRACTOR IN FULL, IF THE SUBCONTRACTOR, LABORER, OR SUPPLIER REMAINS UNPAID.

ACCEPTANCE

You are hereby authorized to furnish all materials and labor required to complete the work mentioned in the above proposal, for which _____ agree to pay the amount mentioned in said proposal, and according to the terms thereof.

ACCEPTED

Date _____, 19__

PROPOSAL and CONTRACT

TRACTOR WORK

Date August 4, 1967, 19

TO Sentinel Peak Mines, Inc.,

411 Balsam Street, Ridgecrest, Calif. Telephone 375-4125

Dear Sir:

I propose to furnish all materials and perform all labor necessary to complete the following:

180 Hours of Tractor work at the rate of $22.00 per hour. Work to consist of benching, cuts, bulldozing, trenching etc.

No transportation costs for equipment as equipment will be based at Ballarat, California.

D-8 Caterpillar

All of the above work to be completed in a substantial and workmanlike manner according to standard practices for the sum of Thirty Nine Hundred and Sixty Dollars ($ 3960.00)

Payments to be made

Weekly (40 hours @ $22.00) $880.00

as the work progresses

to the value of _____ per cent (_____%) of all work completed. The entire amount of contract to be paid within 5 days after completion.

Any alteration or deviation from the above specifications involving extra cost of material or labor will only be executed upon written orders for same, and will become an extra charge over the sum mentioned in this contract. All agreements must be made in writing.

Respectfully submitted,

By Larry J. Stewart

P. O. Box 696
ADDRESS

Trona, California
TELEPHONE

NOTICE

UNDER THE MECHANICS' LIEN LAW (CALIFORNIA CODE OF CIVIL PROCEDURE, SECTION 1181 ET SEQ.), ANY CONTRACTOR, SUBCONTRACTOR, LABORER, SUPPLIER OR OTHER PERSON WHO HELPS TO IMPROVE YOUR PROPERTY BUT IS NOT PAID FOR HIS WORK OR SUPPLIES, HAS A RIGHT TO ENFORCE A CLAIM AGAINST YOUR PROPERTY. THIS MEANS THAT, AFTER A COURT HEARING, YOUR PROPERTY COULD BE SOLD BY A COURT OFFICER AND THE PROCEEDS OF THE SALE USED TO SATISFY THE INDEBTEDNESS. THIS CAN HAPPEN EVEN IF YOU HAVE PAID YOUR OWN CONTRACTOR IN FULL, IF THE SUBCONTRACTOR, LABORER, OR SUPPLIER REMAINS UNPAID.

ACCEPTANCE

You are hereby authorized to furnish all materials and labor required to complete the work mentioned in the above proposal, for which _____ agree to pay the amount mentioned in said proposal, and according to the terms thereof.

ACCEPTED

Date _____, 19

PROPOSAL and CONTRACT

TRACTOR WORK

Date August 4, 19 67

TO Sentinel Peak Mines Inc.,
41 Balsam Street, Ridgecrest Telephone 375-4125

Dear Sir:

_____ propose to furnish all materials and perform all labor necessary to complete the following:

180 hrs of Tractor Work as directed by the Contractor at the rate of $23.50 per hour. Work to consist of transporting cuts, hauling, and other building work. The transportation will be furnished from Bakersfield. Work will be done with equipment we have. TD-24 or equivalent.

-TD-24

All of the above work to be completed in a substantial and workmanlike manner according to standard practices for the sum of forty two hundred twenty Dollars ($4220)

Payments to be made

Weekly (180 hrs @ $23.50) 940.00

as the work progresses

to the value of _____ per cent (_____%) of all work completed. The entire amount of contract to be paid within 5 days after completion.

Any alteration or deviation from the above specifications involving extra cost of material or labor will only be executed upon written orders for same, and will become an extra charge over the sum mentioned in this contract. All agreements must be made in writing.

Respectfully submitted,

By [signature]

9600 Rosedale Hwy
ADDRESS
Bakersfield Calif
TELEPHONE 325-3194

NOTICE

UNDER THE MECHANICS' LIEN LAW (CALIFORNIA CODE OF CIVIL PROCEDURE, SECTION 1181 ET SEQ.), ANY CONTRACTOR, SUBCONTRACTOR, LABORER, SUPPLIER OR OTHER PERSON WHO HELPS TO IMPROVE YOUR PROPERTY BUT IS NOT PAID FOR HIS WORK OR SUPPLIES, HAS A RIGHT TO ENFORCE A CLAIM AGAINST YOUR PROPERTY. THIS MEANS THAT, AFTER A COURT HEARING, YOUR PROPERTY COULD BE SOLD BY A COURT OFFICER AND THE PROCEEDS OF THE SALE USED TO SATISFY THE INDEBTEDNESS. THIS CAN HAPPEN EVEN IF YOU HAVE PAID YOUR OWN CONTRACTOR IN FULL, IF THE SUBCONTRACTOR, LABORER, OR SUPPLIER REMAINS UNPAID.

ACCEPTANCE

You are hereby authorized to furnish all materials and labor required to complete the work mentioned in the above proposal, for which _____ agree to pay the amount mentioned in said proposal, and according to the terms thereof.

ACCEPTED

_____

Date _____, 19____

United States Department of the Interior

GEOLOGICAL SURVEY
RESTON, VIRGINIA 22092

In Reply Refer To:
Mail Stop 953

January 2, 1979

Memorandum

To: Branch of Financial Management

From: Chief, Office of Minerals Exploration

Subject: Recording of realized loss under OME contract

Write-off of the following realized loss under an OME contract is hereby authorized:

Contract	Docket	Operator	Write-off
2254	6647	Sentinel Peak Mines, Inc.	$20,442.00

Harold Kirkemo

Harold Kirkemo

United States Department of the Interior

GEOLOGICAL SURVEY
RESTON, VIRGINIA 22092

In Reply Refer To:
Mail Stop 953

January 2, 1979

Mr. David Moody, President
Sentinel Peak Mines, Inc.
841 NChina Lake Blvd.
Ridgecrest, California 93555

Re: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California
Contract 2254

Dear Mr. Moody:

By the terms of OME Contract 2254 and the Certification of Possible Production dated March 17, 1971, all minerals mined or produced from December 28, 1967, to December 28, 1978, were subject to the Government's royalty as stated in said contract.

As the period during which production was subject to royalty has now expired, the Government according to its present records retains no claims or lien against the property subject to the contract or any production therefrom. We, therefore, are closing our books and records on this contract.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo, Chief
Office of Minerals Exploration

HR 12/18/78

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
Branch of Western Mineral Resources
345 Middlefield Road
Menlo Park, California 94025

December 13, 1978

Memorandum

To: Chief, Office of Minerals Exploration, Reston, VA

From: Field Officer, Region II

Subject: OME-6647(Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California
Contract 2254

The certification period on the subject property expires on December 28, 1978.

I talked with Mr. David Moody, President of Sentinel Peak Mines, Inc. by telephone on December 12, 1978 concerning activities at the property since my last inspection on February 11, 1977 and he stated that there has not been any ore mined, milled, or shipped. No royalties are due the Government.

The owner can be notified of the end of the Government's lien.

H. K. Stager

Rec'd 1/16/78
HK 1/16/78

United States Department of the Interior

GEOLOGICAL SURVEY
RESTON, VIRGINIA 22092

IN REPLY REFER TO: Office of Minerals Exploration
Mail Stop 953

January 3, 1978

Re: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California
Contract 2254

Note new address in reply on back
HK 1/6/78

Mr. David Moody, President
Sentinel Peak Mines, Inc.
314 Lenore
Ridgecrest, California 93555

Dear Mr. Moody:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo, Chief
Office of Minerals Exploration

KIRP

Form MME 63
(May 1970)

REQUEST FOR INFORMATION ON CERTIFIED PROJECT
OR PROJECT UNDER ROYALTY AGREEMENT

1. Since January 10, 1977, has there been a change in ownership, lease, or sublease? *If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before.* Yes ☐ No ☒

2. Since January 10, 1977, has there been any production from the land subject to the contract? Yes ☐ No ☒

A. If so and it was shipped, give quantity, value, and name and address of purchaser.

Purchaser *(name and address)*	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity *(tons)*	Estimated Grade	Location
Ore			
Concentrates			
Other			

3. Since workings *(see* , has any production been transported through *of contract)*? Yes ☐ No ☒

If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name David Moody	*Title* Pres.
Address 841 NChina Lake Blvd. Ridgecrest, Calif. 93555	*Date* 1/9/78

United States Department of the Interior

GEOLOGICAL SURVEY
RESTON, VIRGINIA 22092

In Reply Refer To:
Mail Stop 953

October 6, 1977

Mr. David Moody, President
Sentinel Peak Mines, Inc.
314 Lenore
Ridgecrest, California 93555

Re: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California
Contract 2254

Dear Mr. Moody:

Legislation enacted in October 1976 established new requirements concerning unpatented mining claims and affidavits of annual assessment work. Owners of unpatented claims must comply by October 22, 1979, with new procedures described in Section 314, Public Law 94-579, October 21, 1976, and in Federal Register--Title 43, Part IV of January 27, 1977. Copies of these documents are enclosed for your information. Simply stated, the new legislation requires that mining claims be rerecorded by October 22, 1979, and that certain information be filed with affidavits of assessment work.

We bring this matter to your attention so that you may take proper action if you intend to retain these claims after October 22, 1979. The Government's interest in the land and in royalty on possible production therefrom under terms of the subject contract terminate before that date. In the meantime, this interest is protected under provisions cited in the contract.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo, Chief
Office of Minerals Exploration

Enclosures

Rec'd 3/4/77

Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

February 28, 1977

Mr. David Moody, President
Sentinel Peak Mines, Inc.
314 Lenore
Ridgecrest, California 93555

Re: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California
Contract 2254

Dear Mr. Moody:

Thank you for your recent letter, received in this office on February 25, 1977. I had assumed that you, as president of Sentinel Peak Mines, Inc., were in possession of all the project files formerly held by Mr. McKenry. Enclosed are copies of the OME contract, with amendments (3), Certification of Possible Production, and the Operator's Final Report.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

Enclosures (20 p.)

cc: OME, Reston, Va.
Dir RF
MP RF
MR RF
Docket

HKSTAGER:mlb

Kinkeme
2/25/77

David Moody
Sentinel Peak Mines, Inc.
314 Lenore
Ridgecrest, Ca. 93555

Mr. H. K. Stager, Field Officer
United States Department of the Interior
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

Re: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California
Contract 2254

Dear Mr. Stager:

I do not have any of the papers showing the conditions that Paul McKenry made with the Department of the Interior on this loan, nor do I know the amount. I also do not know what requirements are necessary. If you have any papers that might enlighten us as to what went on and what is required in the future, we would appreciate receiving them.

This week, I will going up to the mine to make sure the Hugh's Bonanza and the Hugh's Bonanza Annex are properly marked.

Regarding the lease, our attorney is contacting Arvil Higgenbothem and wants to draw up a new lease as he feels the one we have is not sufficient. This will be done in the near future and we will then send you two copies.

Thank you for your consideration.

Sincerely,

David Moody

David Moody

RECEIVED
FEB 25 1977
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

✓ HK 2/24/77

Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

February 14, 1977

Mr. David Moody, President
Sentinel Peak Mines, Inc.
314 Lenore
Ridgecrest, CA 93555

Re: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California
Contract 2254

Dear Mr. Moody:

On February 11, I met with Mr. Harold Parsons and Mr. Arvil Higgenbothem at the mill site and camp in Happy Canyon and, together with them, visited the Sentinel Peak mine. I mentioned to them that this office has not yet received a copy of your agreement with them as required by Article 2(c) of your OME contract. Will you please send me two true copies of the agreement.

It also came to my attention that the two claims covered by the OME lien (Hugh's Bonanza and Hugh's Bonanza Annex) may not be properly marked by posts and/or stone monuments so that they can be easily identified. Because of recent claim-staking activity in the area by other companies, it is important for Sentinel Peak Mines, Inc., to see that the Government's rights are fully protected at all times. Until the end of the certification period (December 28, 1978) payment of royalties to the Government on any production from the area of these two claims is the responsibility of Sentinel Peak Mines, Inc., whether or not it is the producer (for example, if Sentinel Peak Mines either transfers or does not retain its interest in the land); see Article 6(b) of the contract.

If you have any questions concerning the OME contract, or your responsibility to the Government, please telephone or write to me.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

cc: H. Parsons

cc: OME, Reston
Dir RF
MP RF
MR RF
Docket: OME-6647
HKStager:mlb
2-16-77

United States Department of the Interior

GEOLOGICAL SURVEY
RESTON, VIRGINIA 22092

IN REPLY REFER TO: Office of Minerals Exploration

December 23, 1976

Re: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California
Contract 2254

Mr. David Moody, President
Sentinel Peak Mines, Inc.
~~P.O. Box 886~~ 314 Lenore
Ridgecrest, California 93555

Dear Mr. Moody:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo, Chief
Office of Minerals Exploration

Form MME 63
(May 1970)

REQUEST FOR INFORMATION ON CERTIFIED PROJECT
OR PROJECT UNDER ROYALTY AGREEMENT

1. Since May 15, 1972, has there been a change in ownership, lease, or sublease? *If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before.* Yes ☐ No ☒

2. Since May 15, 1972, has there been any production from the land subject to the contract? Yes ☐ No ☒

A. If so and it was shipped, give quantity, value, and name and address of purchaser.

Purchaser *(name and address)*	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity *(tons)*	Estimated Grade	Location
Ore			
Concentrates			
Other			

3. Since workings *(see* , has any production been transported through *of contract)*? Yes ☐ No ☒

If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name	*Title*
David Moody	Pres.
Address 314 Lenore Ridgecrest, Calif. 93555	*Date* 1/10/77

New Address: Mr. David Moody, President
Sentinel Peak Mines, Inc.
314 Lenore
Ridgecrest, California 93555
Phone: 714 375-5666

As of 1/4/77

United States Department of the Interior

GEOLOGICAL SURVEY
RESTON, VIRGINIA 22092

IN REPLY REFER TO: Office of Minerals Exploration
Mail Stop 953

January 3, 1978

Re: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California
Contract 2254

Mr. David Moody, President
Sentinel Peak Mines, Inc.
314 Lenore
Ridgecrest, California 93555

Dear Mr. Moody:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo, Chief
Office of Minerals Exploration

Form MME 63
(May 1970)

REQUEST FOR INFORMATION ON CERTIFIED PROJECT OR PROJECT UNDER ROYALTY AGREEMENT

1. Since January 10, 1977, has there been a change in ownership, lease, or sublease? *If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before.* Yes ☐ No ☐

2. Since January 10, 1977, has there been any production from the land subject to the contract? Yes ☐ No ☐

A. If so and it was shipped, give quantity, value, and name and address of purchaser.

Purchaser *(name and address)*	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity *(tons)*	Estimated Grade	Location
Ore			
Concentrates			
Other			

3. Since workings *(see* , has any production been transported through *of contract)*? Yes ☐ No ☐

If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name	*Title*
Address	*Date*

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
RESTON, VIRGINIA 22092

OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE, $300

953

953

RETURN TO SENDER

UNDELIVERABLE AS ADDRESSED
NO ORDER ON FILE

AMERICAN REVOLUTION BICENTENNIAL 1776-1976

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF THE INTERIOR
INT-413

U.S.MAIL

Mr. David Moody, President
Sentinel Peak Mines, Inc.
P.O. Box 806
Ridgecrest, California 93555

18

RIDGECREST, CA
DEC 30
PM
1966

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

July 26, 1976

Memorandum

To: Chief, Office of Minerals Exploration
Reston, Virginia

From: Field Officer, Region II

Subject: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California
Contract 2254

Annual Inspection

An Annual Inspection of the subject property was attempted by the Field Officer on July 21, 1976. The mine access road up Happy Canyon, east of Ballarat, Calif., is washed out, and the property is not accessible.

The president of Sentinel Peak Mines, Inc., Mr. Paul G. McKenry, is in the hospital undergoing radiation treatments for cancer of the spine and is expected to live for only a short time. A telephone conversation with Mrs. McKenry in Ridgecrest, California, revealed that there has been no production from the mine in recent years and no ore has been shipped or sold. Efforts of Mr. McKenry to interest mining companies in the property have all failed. All of the company funds have been expended in attempts to keep the access road open. The Government's royalty rights, during the certification period, were explained to Mrs. McKenry in the event she is able to find someone to take over the property.

The Certification period on this property expires on December 28, 1978.

H. K. Stager

United States Department of the Interior

GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

IN REPLY REFER TO: Office of Minerals Exploration

May 3, 1972

To: ✓

Since May 15, 1972

Mr. David Moody, President
Sentinel Peak Mines, Inc.
P. O. Box 806
Ridgecrest, California 93555

Re: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California
Contract 2254

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 24 1972

INITIALS	CODE
gla	130
JFK	120
	230

Gentlemen:

This has reference to a similar request sent you on February 17, 1972, which was not completed and returned.

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

Copy to Region II

Form MME 63
(May 1970)

REQUEST FOR INFORMATION ON CERTIFIED PROJECT OR PROJECT UNDER ROYALTY AGREEMENT

1. Since February 17, 1971, has there been a change in ownership, lease, or sublease? *If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before.* Yes ☐ No ☒

2. Since February 17, 1971, has there been any production from the land subject to the contract? IN PROCESS of DEVELOPMENT Yes ☐ No ☒

A. If so and it was shipped, give quantity, value, and name and address of purchaser.

Purchaser (*name and address*)	Quantity	Value
No SALES or SHIPMENTS		

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity (*tons*)	Estimated Grade	Location
Ore	500 4000	30.00 50.00	IN STOCK PILE BLOCKED IN MINE
Concentrates			
Other			

3. Since workings (*see* , has any production been transported through *of contract*)? Yes ☐ No ☒

If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name Paul Hume Penn	*Title* President
Address P.O. Box 806 Ridgecrest Ca 93555	*Date* May 15 1977

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

March 19, 1971

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 22 1971

INITIALS	CODE
[illegible]	30
[illegible]	20
[illegible]	20
WE	20 E

Memorandum

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

From: Field Officer
Region II

Subject: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California
Contract 2254

Enclosed is a summary-type Final Field Report for the subject exploration project.

H. K. Stager

Enclosure

FINAL FIELD REPORT - OME EXPLORATION PROJECT

By H. K. Stager, Field Officer, Region II

March 19, 1971

1. OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California
Contract 2254

Operator: Sentinel Peak Mines, Inc.
P.O. Box 806
Ridgecrest, California 93555

Property: Consists of two unpatented lode mining claims (Hugh's Bonanza and Hugh's Bonanza Annex) including all rights pertaining thereto, in secs. 21 and 22, T. 21 S., R. 45 E., MDBM, South Park-Panamint City mining district, Inyo County, California. A map showing the area of these two claims was attached to the contract.

Ownership: The Operator is in possession of the claims under the terms of Assignments and Transfers of Interest in Unpatented Mining Claims, dated September 6 and 7, 1967, from Blanche McKernan and Paul G. McKenry, the owners.

2. Purpose of Project: The purpose of the project was to explore by drifting, crosscutting, and raising for silver-bearing ore bodies occurring in and along the northeasterly trending Hugh's Bonanza quartz vein which traverses the Marvel limestone of Precambrian age.

3. Contract: Dated December 28, 1967, for a term of 12 months, later extended by amendment to 30 months.
Original contract amount - $36,000.00
Government participation - 75 percent, $27,000.00

Amendments - No. 1 - February 3, 1969, to extend the time for completion of the work from 12 to 18 months, and to extend the maximum period for royalty payments from 10 to 11 years.

No. 2 - July 29, 1969, to extend the time for completion of the work from 18 to 24 months.

No. 3 - March 4, 1970, to extend the time for completion of the work from 24 to 30 months.

Final Field Report

4. Project Work: Started January 16, 1968. Terminated December 28, 1969.

Cost Items	Authorized Units	Authorized Rate	Authorized Amount	Completed Units	Completed Amount
Road repair, portal site preparation, etc.	Job	$1,000.00	$ 1,000.00	Job	$ 1,000.00
Drifting, cross-cutting, and raising, including timber	850 ft.	$40/ft.	34,000.00	654 ft.	26,160.00
Assaying, 250 samples					
Gold and silver	-	$4.00/spl.	1,000.00	24 spls.	96.00
Copper and lead	-	$2.00/each metal			
Total costs			$36,000.00		$27,256.00
Government participation at 75 percent			$27,000.00		$20,442.00
Paid to the Operator					$20,442.00

The Government retained no equity in any of the materials used.

Effectiveness of the Work - The most favorable target area was adequately explored.

Efficiency of Operation - Because of the inexperience of the operating personnel and their inability to obtain adequate experienced labor, the work progressed in a slow and inefficient manner.

5. Reports:

Operator's Final Report - An acceptable Final Report was received on October 23, 1970, but adequate supporting maps were not received until March 4, 1971.

Cost Review - A Report of Review was issued by the Office of Survey and Review in January 1971.

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 February 19, 1970.

Royalty Review - There was no production sold and no royalty was due the Government. A Royalty Review was not requested.

6. Project Results:

Discoveries

- The project work resulted in the discovery of a minable silver-copper-tungsten ore shoot. Maps and assay data are attached to the monthly vouchers and Operator's Final Report. Ore reserves estimated as a result of the OME work were 20,000 tons of ore that is estimated to average about 25 ounces of silver per ton, 1 to 2 percent copper, and 0.5 to 1.0 percent WO_3.

  Production and development is warranted, is economically feasible, and is being carried forward by the Operator. Additional exploration is warranted and is being planned by the Operator. A mill is under construction.

Certification

- Certification was recommended on the basis of the ore discovered by the OME work and a Certificate of Possible Production was issued on March 17, 1971. The Government's lien for payment of royalties expires on December 28, 1978, or when the total amount contributed by the Government is fully repaid with interest at the rate of 7-3/4 percent per annum, whichever occurs first.

Production

- Several hundred tons of ore, estimated to average about 20 ounces of silver per ton, was stockpiled during the exploration work from the ore shoot found by the OME drift and raises. The Operator plans to mill this ore during 1971 and to commence production of the ore exposed in the OME workings.

Royalties

- There was no ore or concentrate sold during the period of the exploration project and no royalties were paid or due the Government.

7. Geologic Summary

- The ore deposit occurs in a prominent white quartz vein in a dolomitic limestone. The vein strikes about N. 65° E. and dips steeply NW. The vein is from about 4 to 30 feet in width and averages about 6 feet. Ore minerals are freibergite, galena, chalcopyrite, and scheelite. Ore shoots appear to be controlled by intersecting faults or veins and are pipe-shaped or lenticular with gentle southward rakes. There has been no previous ore production from the deposit.

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

March 4, 1971

Memorandum

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

From: Field Officer
Region II

Subject: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California
Contract 2254

Enclosed are two copies of the Operator's Final Report on the subject contract received in the Field Office on October 21, 1970, but held here pending receipt of maps and cross sections. Maps mentioned in the report by Mr. Doyle dated October 7, 1970, were never received by the Operator and could not be supplied. The Operator therefore engaged the services of Mr. Arthur Baker III, consulting geologist, who prepared the attached report, maps, and cross sections, dated February 17, 1971. I recommend that the Operator's Final Report be accepted.

The work completed under the subject contract resulted in the discovery of a minable silver-copper tungsten ore body. Mr. Baker estimates that the ore shoot contains about 5,000 to 6,000 tons of ore and Mr. Doyle calculates a reserve block containing more than 20,000 tons. This ore probably averages about 25 ounces of silver per ton, 1 to 2 percent copper, and 0.5 to 1.0 percent WO_3. Certification of Possible Production is recommended.

H. K. Stager

Enclosures

540 Shamrock Lane
Reno, Nevada 89502

February 17, 1971

Mr. Paul McKenry
Sentinel Peak Mines, Inc.
P. O. Box 806
Ridgecrest, California 93555

Dear Mr. McKenry:

This letter will serve as a brief report on my work at the Sentinel Peak Mine on the weekend of February 6-7, 1971. I'm sorry to be so slow in getting it to you.

Enclosed herewith are the following illustrations:

Drawing No. PGB 24, "Adit Level Geology", scale 1" = 20'
PGB 25, "Sublevels Geology"
PGE 95, "Cross Section A-A'"
PGE 96, "Cross Section B-B'"

I have used true North on my maps, so all bearings are 16° off the magnetic bearings on Coleman's map.

There are three major geological features that have bearing on the ore possibilities, as I see it. One is the Main vein itself; another is the fault that I have named the Richmond fault; and the third is a branch vein that I am calling the George vein.

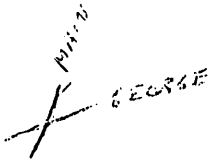
The Main vein, as seen on the Adit Level map, strikes generally northeast, but is not straight: at about the location of the winze, it is bowed, convex eastward, and at about the same point, the dip changes from 30-40° south of that point to 50-65° north of it. As seen in Cross Section A-A', the steep dip of the vein continues above the level, in the No. 2 Raise, and the flatter dip continues below the level, in the Winze and 6784 Sublevel. The bow that shows up in the map view is an effect of the change in dip.

The Richmond fault is nearly but not quite parallel to the Main vein, and offsets it near the north end of the drift. I suspect that the west side of the fault has slid northeastward with respect to the east side, and that the segment of vein that is now exposed near the face, beyond the fault, was originally in the vicinity of the winze -- but this is pretty thin speculation, and perhaps not important. I'm not sure what happens to the Richmond fault southward, but probably forms the hanging wall of the vein, just inside the portal -- the 1" of gouge that shows just inside the lagging. In Cross Section A-A', it is clearly recognizable above the level in the upper part of the No. 2 Raise, where it faults away all but 3' of vein. Below the level, it is the strong shear that appears in the face of the 6784 Sublevel.

Operator's
Final rept.

Mr. Paul McKenry February 17, 1971

The George vein is only exposed for sure in George's Raise -- as seen in Cross Section A-A'. It is about 3' wide, and dips 35°, striking about parallel to the Main vein. In effect, it is a flatter branch making off from the footwall of the steep Main vein. I suspect that the flat segment of vein exposed near the face of the 6784 Sublevel is a continuation of the George vein, as I've indicated on Cross Section A-A'. I believe that the flattening of the vein exposed on the 6822 Sublevel also is the beginning of the George vein, as I've indicated on Cross Section B-B'. I suspect also that the flatter-dipping segment of vein exposed in the drift southward from the No. 1 Raise is all George vein, rather than the Main vein.



The picture of the veins that I come up with, then, is roughly X-shaped in cross section, with a steep bar of the X formed by the Main vein, and a flatter bar formed by the George vein. At the winze, the intersection of the bars is about 20' above the level, as seen in Cross Section A-A', but not far south of the No. 1 Raise, it drops below the level, and remains below it to the south end of exposures. I'm not sure just how it gets dropped down.

With this interpretation, all of the copper-silver mineralization that we see in the workings is either in the George vein, or in the Main vein not more than 50' below it. Again, this is prominently shown in Cross Section A-A': the level and the lower part of the No. 2 Raise are in mineralized vein, but immediately above the intersection with the George vein, the Main vein becomes barren and remains barren to the top of the No. 2 Raise. Below the level, the mineralization weakens considerably, in the Winze. I conclude that the ore shoot runs more or less along the intersection of the Main and George veins: a slattened cigar shape whose long axis is nearly horizontal but tilts slightly up to the north. Thus, the adit enters the ore shoot near its top at the south end, follows along the shoot, passing through the center near the Winze, and passes out of the bottom of the shoot about 90' north of the Winze. Raising on the Main vein, as was done in the No. 2 Raise, gets out of the top of the ore shoot quickly, and remains in barren vein unless a new ore shoot is picked up above.

On this interpretation, I would make a very rough estimate that the shoot contains about 5,000 to 6,000 tons of mineralized ground. This is assuming dimensions of 200' drift length (the length of mineralization seen on the Adit Level), 70' dip length (as seen on Cross Section A-A'), and an average mining width of 5'. If the shoot continues farther northward it should make an additional 30 tons per foot of length; however, it must be cut off by the Richmond fault about 50' farther north, and finding the faulted-off continuation might be a difficult undertaking.

I cannot make any guess as to the grade of the material in the shoot, for lack of data. Assays of the two grab samples that I took are as follows (assays by Fred E. Yarcho, Darwin):

Grab, S. face 6822 Sublevel:	0.01 oz. Au,	1.85 oz. Ag,	0.15% Cu
Grab, muck from George Rs:	trace	1.10	0.10

Mr. Paul McKenry February 17, 1971

These assays do not mean much -- they were random grab samples taken to get a very rough idea of what some of the rock might run.

I would like to spend another three days at the mine, to: (1) cut about a dozen channel samples at picked places in the mineralized zone; (2) map the surface exposures of the vein above the adit; and (3) recheck some of the underground geology. The channel sampling would give a fair idea of the grade of ore that might be expected, but it would not constitute a really accurate sampling program -- this would take two or three men a couple of weeks. The surface mapping would, I think, give a better understanding of what the Richmond fault does, and perhaps would provide some idea as to where the offset part of the mineralized shoot is -- if it persists beyond the fault. The rechecking of underground geology should clear up some points that I don't feel very comfortable about.

I recommend that you have the following work done by your own crew:

1. Drive a raise 25-30' high, about 65' beyond the Winze, on the weak mineralization showing in the back. This is to check my concept of the shape of the ore shoot -- if it is correct, the raise should get into much better ore.

2. When your new mine boss starts, have him channel sample the vein at 5' intervals all along the drift and up the raises. This is the only way you can get an accurate estimate of the grade of the ore.

I hope I have made myself clear, here. If not, please don't hesitate to phone me, either during the day at (702) 784-6691, or in the evening at (702) 323-7315. I am leaving town on February 27th and will not be back until March 10th.

Yours truly,

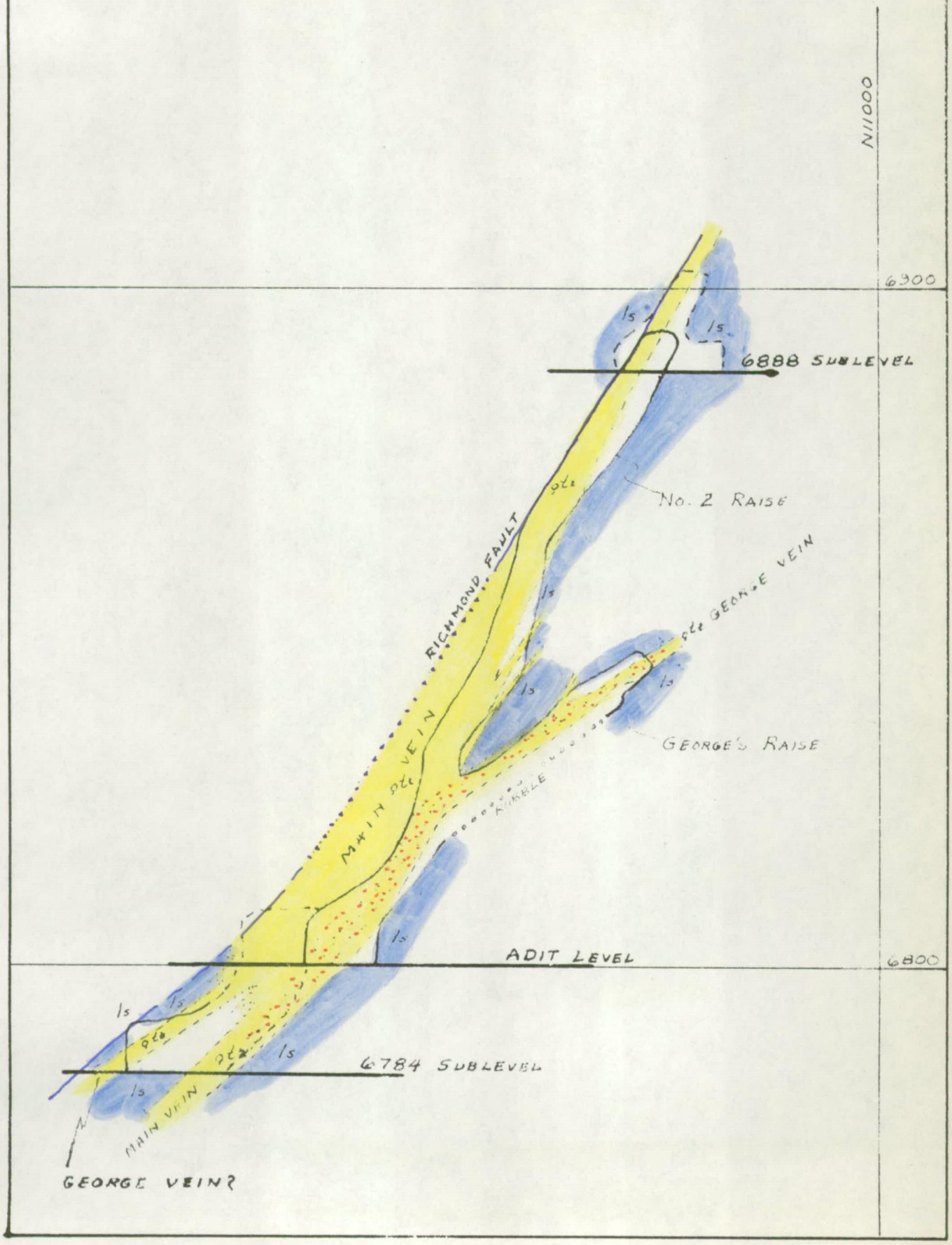
Arthur Baker III

ABIII:ch

RECEIVED
MAR - 4 1971
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

Drawing No. PGE 95
Sentinel Peak Mine
Panamint Dist., Inyo Co., Calif.
Cross Section A-A', thru Winze and
No. 2 Raise, looking Northeast
Scale 1" = 20' 2/16/71 ABIII

For Legend, see Drawing No. PGB 24



Drawing No. PGB 96
Sentinel Peak Mine
Panamint Dist., Inyo Co., Calif.
Cross Section B-B', thru No. 1 Raise
looking Northeast
Scale 1" = 20' 2/16/71 ABIII

For Legend, see Drawing No. PGB 24

Sentinel Peak Mines, Inc.
P. O. BOX 806
RIDGECREST, CALIFORNIA 93555
TELEPHONE:
(714) 375-4125

RECEIVED
OCT 23 1970
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

21 October 1970

United States Department of
Interior-Geological Survey
Office of Mineral Exploration
345 Middlefield Road
Menlo Park, California

Attn: Mr. H. K. Stager, Field Officer OME, Region II

Ref: Operator's Final Report (OME)

Gentlemen:

In accordance with your request we submit the final report of Sentinel Peak Mines, Inc., covering the cost, result of exploration and future operating plans, relative to:

O.M.E. 6647 (Silver) - Contract No. 2254
Hugh's Bonanza - Hugh's Bonanza Annex Claims
Inyo County (Happy Canyon), California

(1) The contract as noted above began on 28 December 1967 and ended 28 June 1970. All work under the contract was performed during the two years ended 28 December 1969. We requested the six months extention ended 28 June 1970 but work performed during that period was considered not applicable to the contract and the costs were borne by the company.

Contract Work Performed

Drifting			
Main level	419 feet	$16,760.00	
In Raise	44 feet	1,760.00	
			$18,520.00
Crosscutting	44.5 feet		1,780.00
Raises	146.5 feet		5,860.00
Bulldozing			1,000.00
Assays			96.00
		Total	$27,256.00

Although the preceding costs were reported to the government during the life of the O.M.E. contract, the actual costs amounted to more than double the amount shown above. The cost of operating and the work necessary to be performed in exploration cannot be allocated on a basis of footage, as so many factors are involved such as weather, location, supplies, contract labor and other unforeseen hazards. However, we are very grateful for the financial help and the kindness extended to us by the government under the O.M.E. contract granted us.

(2) Under this classification we submit herewith a report written by Mr. C. C. Doyle, E.M., of Lovelock, Nevada, which is self-explanatory as to values, ore reserves, etc. There has been no actual production as such, the exception being removal of ore, driving of drifts, putting in the raises and other work connected with exploration, as defined in the contract. (Attached hereto, C. C. Doyle report.)

Mr. Doyle is in the process of preparing maps of the property which will indicate the ore bodies and other pertinent information necessary for the future development and production policies of the company. Copies of the maps will be forwarded to the government upon completion and the return of Mr. Doyle, who is at present in Mexico.

(3) The company is in the process of installing a 50 ton per day mill, three miles below the mine at a site close by the springs where adequate water is available. The mill is being designed and installed under the supervision of Mr. Paul Skinner of Lone Pine who is also the mill superintendent and metalurgist for the Westhill Corporation (Anaconda) at Darwin. Mr. Skinner is also making the flow sheets and working out the metalurgical problems of the ore.

The exploration program and the work performed thereunder was of benefit to the corporation not only for the disclosure of ore shoots, fault lines, etc., but also for future development, production and milling plans of the corporation.

The foregoing represents a condensed report on the results of the contract operation. Should additional information be necessary please call me direct.

Very truly yours,

Paul G. McKenry

PGM/jcr
Attach.

C. C. DOYLE, E.M.
Mining Geologist

PHONE 273-2750

735 WESTERN AVENUE
LOVELOCK, NEVADA

EXAMINATIONS
SCOUTING
METALLICS
NON-METALLICS
PLACERS
DOMESTIC AND
FOREIGN

7 October 1970

Sentinel Peak Mines, Inc.
Ridgecrest, California

Attn: Mr. Paul G. McKenry, President

Gentlemen:

The following is a resume of my findings during a visit to the properties of the company September 25 to October 6, 1970.

Beginning at the southwest end of the main vein and extending some 300 feet N67° E to a slightly faulted zone in the vein, there is a block of very good commercial milling ore. The block is from 100 to 250 feet high on the inclined plane of the vein. Calculation shows it to contain over 20,000 tons of ore. This block can be mined readily both from the underground workings in the tunnel and surface open cut stopes, both at low costs.

As the vein strike, measured at many points on the vein, held very exactly to N67° E and the fault grooved zone showed that the vein had been moved a few feet at a slight angle to this into the footwall, a drill hole to cut the vein was surveyed and drilled. This cut 9 feet of solid quartz vein, starting at 5 feet in and completed at 14 feet in.

On the surface the outcrop above this showed ore of much higher grade than that previously mined in the zone described in the previous paragraph. As this adds several hundred feet of length to the known ore bearing vein, ore is assured for mill operation at 50 ton or more per day for a couple of years. A notable feature of the vein is the clear increase in grade to the northeast.

A newly discovered showing of what appears to be an extension of the above ore bearing zone approximately 1500 feet N 67° E shows still higher grade ore, in veins from 5 to 8 feet in width. Indications are that the entire distance of 1500 feet will contain good ore of the same character and grade and that additional extensions will be found.

The foregoing ore consists of the copper bearing sulfides bornite and chalcopyrite, carrying approximately 20 ounces of silver to each percent of copper, with several dollars additional in gold. The newly found showings of the foregoing paragraph all carry three to four percent copper, hence 60 to 80 ounces of silver. This

mineralization of bornite and chalcopyrite indicates a depth of formation and vertical extension much greater than in veins formed closer to the surface.

About 1500 feet southwest of the main mine, the Nellie property has a number of showings of ore, some of them of very high grade and shows good promise of making a mine. The strikes are different from the previously described areas and hence these veins have a somewhat different mineralization. Galena and platy argentite are predominant to a marked degree, with a very minor amount of bornite and chalcopyrite. This suggests the inference of deposition in a much higher metal zone than the ores of the other areas. No veins were found with the strike of N 67° E.

There were veins with a variety of strikes each with its own characteristics. While none of them had had anything more than preliminary exploratory work done they were opened enough to show ore of commercial grade, one with extremely high grade and a width of several feet. Some drilling down at the grade of the road appears to be the indicated preliminary exploration before attempting excavation.

Trusting that the above will serve as a preliminary guide toward the exploration and development of the properties, I am

Yours,

C. C. Doyle

C. C. Doyle, E.M.
Mining Geologist

CCD/jcr

OFFICIAL FILE COPY

Date	Surname	Code
1/25/71	Emerick	120
		120
1/26	cac	220
		120M

JAN 26 1971

Memorandum

To: Chief, Branch of Budget and Finance

From: Chief, Office of Minerals Exploration

Subject: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California
Contract 2254

Enclosed is a copy of the Field Officer's letter of January 22, 1971, forwarding a copy of the Report of Review issued in January 1971 to the subject Operator. Also enclosed is a copy of the report for your files.

Harold Kirkemo
for
Harold Kirkemo

Enclosures

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
OME Region II
Mr. Emerick
130

BSLong/1 1/25/71

Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

January 22, 1971

Mr. Paul G. McKenry
Sentinel Peak Mines, Inc.
P.O. Box 806
Ridgecrest, California 93555

OFFICIAL
COPY
O. M. E.
RECEIVED
JAN 25 1971
CODE

Re: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California
Contract 2254

Dear Mr. McKenry:

Enclosed is a copy for your files of a Report of Review dated January 1971 by the Office of Survey and Review in Washington, D.C., on your OME contract referenced above.

The facts and figures as stated in the report agree with those in the records of the Field Office, and I concur in the report.

We are still holding your Operator's Final Report of October 21, 1970, pending receipt of maps needed to complete it. Your prompt attention to this matter will be appreciated.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

Enclosure

cc: OME, Wash., D.C. (2)
Dir. RF
ACG RF
MP RF
Docket

RMSmith:mkh

OFFICIAL FILE COPY

Date	Surname	Code
1/18/71	Emerick	120
		120
1/19	CEC	220
		120M

JAN 19 1971

AIRMAIL

Memorandum

To: Field Officer, Region II

From: Chief, Office of Minerals Exploration

Subject: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California
Contract 2254

Enclosed are two copies of a Report of Review issued January 1971.

If you concur in the facts in the report, the Operator should be sent its copy with appropriate comments. As evidence of your concurrence, two copies of your letter transmitting the Operator's copy of the report should be furnished this office. If for any reason you do not agree, both copies of the report should be returned to this office with your comments.

Harold Kirkemo

Harold Kirkemo

Enclosures

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
Mr. Emerick
130

LEmerick/bsl 1/18/71

MME Form (2/63)

OFFICIAL FILE COPY

Date	Surname	Code
11/28/70		120
		220
		120M

December 28, 1970

Memorandum

To: The Record

From: Chief, Office of Minerals Exploration

Subject: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California
Contract 2254

The Field Officer, OME Region II, advised us again today that the final voucher on the subject contract was for December 1969, and that the final approved costs for the contract totalled $27,256.00. No further work under the contract was performed by the Operator, and no claim for reimbursement was received after the December 1969 voucher.

Harold Kirkemo

Harold Kirkemo

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
Mr. Kirkemo

HKirkemo/bsl 12/28/70

Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

June 22, 1970

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 24 1970
INITIALS CODE
HK

Mr. Paul G. McKenry
Sentinel Peak Mines, Inc.
P.O. Box 806
Ridgecrest, California 93555

Re: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California
Contract 2254

Dear Mr. McKenry:

The time for completion of work under Amendment No. 3 of the subject contract expires on June 28, 1970. Will you please submit a voucher for the work completed during the period of December 28, 1969, through June 28, 1970, as soon as possible and also prepare an Operator's Final Report. A suggested outline for the final report is attached.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

Enclosure

cc: OME, Wash., D.C.
Dir. RF
ACG RF
MP RF
Docket

HKStager:mkh

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

May 21, 1970

Memorandum

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

From: Field Officer
Region II

Subject: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California
Contract 2254

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O. M. E.
RECEIVED
MAY 25 1970
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Bal | 120
| 120
GP | 120

Interim Inspection

An interim inspection of the subject project was made on May 15, 1970, accompanied by Mr. Paul McKenry, president of Sentinel Peak Mines, Inc.

Work completed since the last inspection on September 18, 1969 (report dated September 26, 1969) has consisted of about 53 feet of drifting on the vein and a few feet of drifting from raises and winze. About 190 feet of drifting and crosscutting remains to be driven under the OME contract. Amendment No. 3, executed by the Operator in March, extends the time for completion of the work to June 28, 1970.

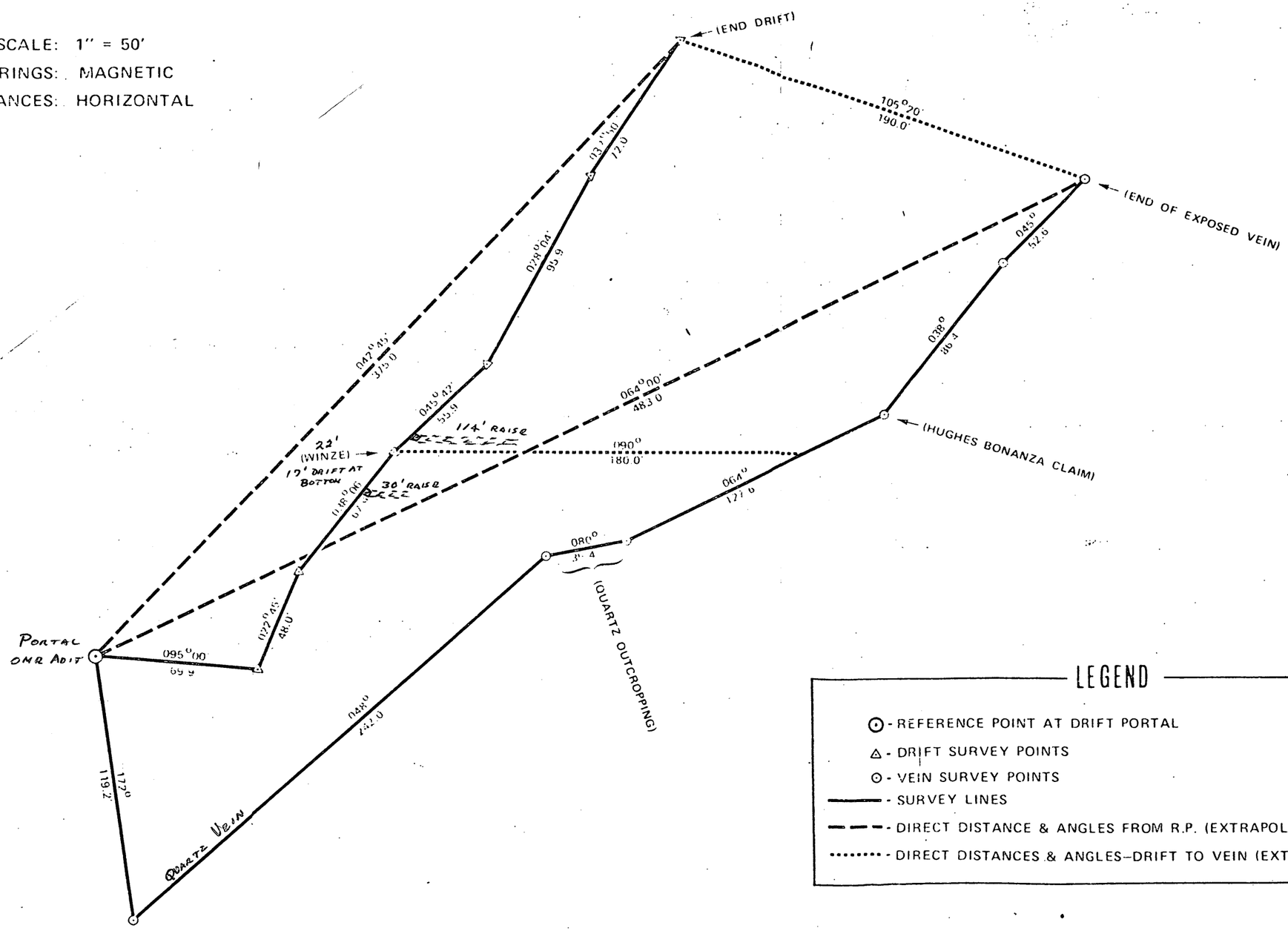
Most of the Operator's effort during the past several months has been directed toward the construction of a mill and improvement of the mine access road. The access road between the mine and the mill site, a distance of about 3-1/2 miles, has been realigned and the grade improved. A water line, about one-half mile in length, has been constructed and the mill site cleared and graded. Construction of a 25-tons-per-day capacity mill has been started and work has been completed on coarse and fine ore bins, jaw crusher, and grinding unit. A classifier and four tables are to be installed next and a mill building constructed. The mill is planned to be in operation by the end of June and will yield a bulk silver-copper-tungsten concentrate. If a market cannot be found for this bulk concentrate, the Operator plans to install several flotation units to separate the tungsten from the silver and copper so that it can be marketed separately.

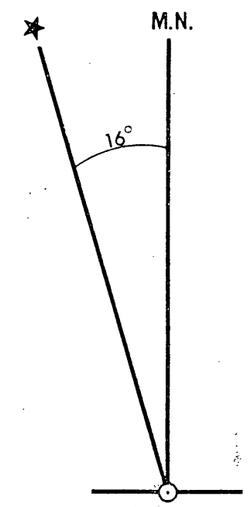
Ore is presently being mined from the OME workings and is being trucked to the mill site and stockpiled. Some additional drifting on the vein is planned during June but it is doubtful if all of the work authorized by the contract will be completed. Certification is warranted on the basis of the ore shoots discovered by the work completed and will be recommended. A copy of the Operator's recent survey is attached.

H. K. Stager

Enclosure

SCALE: 1" = 50'
BEARINGS: MAGNETIC
DISTANCES: HORIZONTAL





LEGEND

- ⊙ - REFERENCE POINT AT DRIFT PORTAL
- △ - DRIFT SURVEY POINTS
- ⊙ - VEIN SURVEY POINTS
- ——— - SURVEY LINES
- — — — - DIRECT DISTANCE & ANGLES FROM R.P. (EXTRAPOLATED)
- ····· - DIRECT DISTANCES & ANGLES–DRIFT TO VEIN (EXTRAPOLATED)

DRAWN BY: K. COLEMAN
DATE: 8 APR 1970

Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

OFFICIAL COPY
O. M. E.
RECEIVED
APR 20 1970
INITIALS DATE
HK

April 6, 1970

Mr. Robert T. Harris
112 Cypress St., Box C
San Ysidro, California 92073

Re: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California
Contract 2254

Dear Mr. Harris:

In reply to your letter of April 2, 1970, concerning the subject OME project, this is to inform you that the Government entered into a contract with Sentinel Peak Mines, Inc., on February 1, 1968, to participate in the exploration of the silver deposit on the Hugh's Bonanza Claims by drifting, crosscutting, and raising at an estimated total cost of $36,000, of which the Government will contribute 75 percent or not more than $27,000. The work is still in progress and the time fixed for completion is June 28, 1970. It is not possible at this time to estimate the tonnage or grade of the ore contained in the deposit. This is the purpose of the project and when it is completed the Operator will be able to supply you with these figures. The Government has a lien against the property to secure the payment of a 5 percent royalty on any production for a period of 10 years (until February 1, 1978), or until the amount of the Government's contribution is fully repaid with simple interest at the rate of 7-3/4 percent per year, whichever occurs first.

Enclosed is a booklet "Exploration Assistance" that explains the OME program.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

Enclosure

cc: MP RF
Docket

HKStager:mkh

San Pedro Calif
4-2-70

Minerals Exploration
U.S. Geological Survey

Dear Sir.

I have a Couple thousand shares in Sentinal Peak Mines Inc. I understand they have borrowed money from the Goverment to developes this mine I would like to know how much money was borrowed and when final payment is to be made, and what are the mineral values of this mine per ton, and estimated tonage there. Your Truly. Robert J. Harris
112 Cypress St. Bot C. Z-92073

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
4/13/70	Peterson	120
	Emerick	120
4/13		220
		120M

AIRMAIL

APR 13 1970

Mr. Robert Harris
112 Cypress Street, Box C
San Ysidro, California 92073

Re: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California
Contract 2254

Dear Mr. Harris:

This is in reply to your letter of March 25, 1970, addressed to the Bureau of Mines, regarding your interest in Sentinel Peak Mines, Inc., and requesting information about an exploration project at the company's property.

The Geological Survey's Office of Minerals Exploration (OME) on December 28, 1967, contracted with Silver Peak Mines, Inc., P. O. Box 806, Ridgecrest, California 93555, to explore the Hugh's Bonanza Claims in Inyo County, California. The estimated total cost of the contract was $36,000.00, with the Government's share at 75% not to exceed $27,000.00. The contract is still in force.

Details about expenditures to date are considered company confidential, and we suggest that you contact Mr. Paul G. McKenry, President, Silver Peak Mines, Inc., for the data you seek.

If work on the project is successful, the Government will issue a Certification of Possible Production which obligates the Operator to repay the Government's contribution through a 5 percent royalty on production for a period of not less than ten years from the date of the contract. If there is no production, there is no obligation to pay royalty.

Sincerely yours,

William L. Emerick (gla)

W. L. Emerick
Assistant Chief
Office of Minerals Exploration

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
OME Region II w/cy letter
Mr. Peterson
Mr. Kirkemo

HKirkemo/gla 4-10-70

~~Albert E. Schreck~~

San Ysidro Calif

3-25-70

Bureau of Mines

Dear Sir:

I have stock in Sentinel Peak Mines Inc.

They have borrowed money from the government to defevelys this mine

I would like to know how much money has been borrowed against this mine and when final payment is to be made

I would like to know the mineral values of mine and mone tonage

Robert Harris

112 cypress st Box C

San Ysidro Calif

copy typed for R-II

Z-92073

BUREAU OF MINES
WASHINGTON, D. C.
APR 6 10 29 AM '70

112 Cypress St. Box C
San Ysidro Calif.

Bureau of Mines

Washington
D. C.

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1660

1880 PA-4

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20 8
6

16.00

United States Department of the Interior

GEOLOGICAL SURVEY
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

April 1, 1970

Memorandum

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

From: Field Officer
Region II

Subject: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California
Contract 2254

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O. M. E.
RECEIVED
APR 8 1970
INITIALS | CODE
HK | 20

Enclosed are the original and one copy of Amendment No. 3 to the subject contract, properly executed by the Operator. The remaining copies have been distributed in the usual manner.

H. K. Stager

Enclosures

Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

March 6, 1970

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 9 1970
MATERIALS COPY

Mr. Paul G. McKenry
Sentinel Peak Mines, Inc.
P.O. Box 806
Ridgecrest, California 93555

Re: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California
Contract 2254

Dear Mr. McKenry:

Enclosed are four copies of proposed Amendment No. 3 (one page) to the subject contract, signed for the Government.

If the proposed amendment is satisfactory to you, all four copies should be signed by you and returned to this office except the Operator's copy, which should be retained for your files.

If any part of the proposed amendment does not have your approval, all copies are to be returned to this office together with the proposed changes for consideration.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

Enclosures

cc: OME, Wash., D.C.
Dir. RF
ACG RF
MP RF
Docket

RMSmith:mkh

AME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
2/26/70	Peterson	120
3/31	Kilgore	120
3/4	cac	220
		120M

AIRMAIL MAR 4 1970

Memorandum

To: Field Officer, Region II

From: Chief, Office of Minerals Exploration

Subject: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California
Contract 2254

Enclosed are the original and three copies of proposed Amendment No. 3 (one page), 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 an authorized representative of 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.

Harold Kirkemo

Harold Kirkemo

Enclosures

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
Mr. Peterson
130

ECPeterson/bsl 2/26/70

E FORM 6 REFERENCE SLIP
EV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Assoc. Sol, MR, Rm. 6554 (Through Rm. 6042, Interior)		
2. Mr. Peterson, Rm. 4457, Interior		
3.		
4.		
5.		

SOLICITOR
FEB 9 1970
INTERIOR DEPT.

FROM: Chief, OME

FOR: Check items for action desired

___ Action	___ Reply for signature of ___	
x Approval	___ Investigate	___ Surname
___ Comment	___ Recommendations	___ Signature
___ Conference	x Rewrite	___ File
___ Instructions	Your information	

REMARKS:

OME-6647 Sentinel Peak Mines, Inc.

☒ (Proposed Amendment No. 3)

FROM SOLICITOR
FEB
FOR SIGNATURE

FEB 19 1970
Division of Mineral Resources

INT.-DUP. SEC., WASH., D.C. M56300-62

18/70
on/bsl

20 hepal
2/18

ap120

120 (on leave)

~~120E~~

120M

EXPLORATION CONTRACT
SENTINEL PEAK MINES, INC.
OME-6647

AMENDMENT NO. 3

It is agreed this _____ day of _____, 1970, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and Sentinel Peak Mines, Inc., hereinafter called the "Operator," that Exploration Contract 2254 (OME-6647), dated December 28, 1967, as amended, is further amended effective December 27, 1969, as follows:

The time fixed by Article 1(a) of the contract as amended by Amendment No. 2, for completion of the work is extended from twenty-four (24), to thirty (30) months from the date of the contract, or until June 28, 1970.

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, nor the amount of any item designated as a maximum.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Chief, Office of Minerals Exploration
U. S. Geological Survey

SENTINEL PEAK MINES, INC.
By_____

Title

MME FORM 60
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Docket No. 6647
Contract No. 14-23-090 2254
Contract Amount $36,000.00
Gov't. Participation % $ 27,000.00
Mineral(s) SILVER

OPERATOR'S MONTHLY VOUCHER

For Month of December 1969

Operator's Name SENTINEL PEAK MINES, INC.
Address P. O. Box 806, Ridgecrest, California 93555

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing		1,000.00	1,000.00			
Drifting	2,120.00	16,400.00	18,520.00			
Crosscutting		1,780.00	1,780.00			
Drilling						
Raises		5,860.00	5,860.00			
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work Assays		96.00	96.00			
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	2,120.00	25,136.00	27,256.00			

I certify that the above bill is correct and just and that payment therefor has not been received.

Date January 30, 1970 Payee Sentinel Peak Mines, Inc.

Per [signature] Title President

When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

Wilfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of

(63) 14X0804

$ 1590.00

05014

Signature [signature]
(Authorized Certifying Officer)

Date _____ Vou. No. _____

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2254

Signature [illegible] Title FIELD OFFICER Date 2-12-70

Approved by: OME, REGION II

Signature [illegible] Title FIELD OFFICER Date 2-12-70

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Field Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Field Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of December 1969 Docket No. 6647

Operator's Name SENTINEL PEAK MINES, INC. Contract No. 14-23-090- 2254

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting	feet	53.0	463.0	18,520.00			
Crosscutting	feet		44.5	1,780.00	53'	654.0'	$26,160.00
Raising	feet		146.5	5,860.00			
Shafts							
Winzes	feet		33.0	-0-			
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Roads and Trails	Job			1,000.00	0	Job	1,000.00
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work	Assays			96.00			96.00
TOTAL TO DATE *(per MME Form 60)*				27,256.00			$27,256.00

REMARKS

(Continue on back)

REMARKS

(Continue on back)

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

Date January 30, 1970 Operator Sentinel Peak Mines, Inc.

Per Paul G. McKenry Title President

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature H. B. Teague

Title Field Officer, OME Region II
Government Representative

Date 2-12-70

(INSTRUCTIONS ON REVERSE)

January 30, 1970

SENTINEL PEAK MINES, INC.

Report No. 8
OME-6647 (Silver)
Contract No. 2254

HUGH'S BONANZA CLAIMS

Drifting:

1. As stated in Report No. 7 (December 29, 1969) the water and air lines were extended to the face of the drift and during the month to December 28, 1969 the drift was extended 53 feet. The face of the drift is now in altered lime and although the silver bearing quartz is not now in evidence the material as such is carrying tungsten values. We believe that additional drifting tending into the footwall area will again put us on the original vein. The fault lines are defined in the area and correspond with the surface vein structures which we will follow.

Comments:

1. We are enclosing assays taken at random underground in the drift and a map prepared by the engineers working at the Kelly Mine in Red Mountain.

2. We are planning on getting atomic absorption assay equipment to use at the mine, which will be of benefit not only to the company but the Government as well. Although the cost is rather large the savings over the years will more than compensate.

TELEPHONE (805) 327-8567

P.O. BOX 867

HORNKOHL LABORATORIES, Inc.
CHEMICAL AND TESTING ENGINEERS
714 TRUXTUN AVENUE
BAKERSFIELD, CALIFORNIA 93302

October 3, 1969

Laboratory No. 199646 *Marked* None

Sample Ore

Received September 30, 1969

Submitted by Keith A. Coleman
1350 Sierra View
Ridgecrest, California 93555

Attn: Hal Aaron

* * * * * * * * *

SILVER, GOLD AND COPPER ASSAY

Elements:		Parts/ Million	Troy Oz./TON ~~Million~~	Value/ Ton	
Gold	--	11.23	0.330	$11.55	> 14.00 *
Silver	--	1253.0	36.85	73.70	

	Per Cent	Lbs/Ton	Value/ Ton	
Copper	4.32	86.4	$38.80	9.00 ~~23.00~~ *

Note:

Gold at $35.00 per oz.
Silver at $2.00 per oz.
Copper at .45 per lb.

* Cost of assay

Respectfully submitted,
HORNKOHL LABORATORIES, INC.

Heinz D. Pickel

Heinz D. Pickel, Chief Chemist

Back above wize to footwall

HDP:jd

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.

AGRICULTURE
CHEMICAL ANALYSIS
PETROLEUM

BC LABORATORIES FOUNDED IN 1949
J. J. EGLIN, REG. CHEM. ENGR.
3016 UNION AVE. BAKERSFIELD, CALIFORNIA 93305 PHONE 325-7475

Mr. Paul McKenry
411 Balsam
Ridgecrest, California 93555

Date Reported: 10/6/69
Date Received: 9/29/69
Laboratory No.: 6927

ORE ANALYSIS

Sample: McKenry Specimen #1

Constituents

Gold, Au	2.6 parts/million	0.078 oz/ton	$2.60/ton
Silver, Ag	1160 parts/million	34 oz/ton	$68.00/ton
Copper, Cu	2.1%	42 lbs/ton	$24.40/ton
Total Value per ton	----------		$95.00/ton

B C LABORATORIES

BY J. J. Eglin

ch Racer across from wrage. (On the vein)

Silver State Minerals Testing Laboratory

ESTABLISHED 1960

ASSAYING — REFINING — PROCESS DEVELOPMENT

MINERALOGICAL AND METALLURGICAL ANALYSIS — GEOCHEMICAL AND GEOLOGICAL SURVEYS

6274 EAST CHARLESTON BOULEVARD Phone 737-5900

Mailing Address
P. O. BOX 14850
LAS VEGAS, NEVADA 89114

Oct. 6,1969

ASSAY NO. 9-3-J

Mr.Keith A. Coleman
1350 Sierra View
Ridgecrest,Calif. 93555

ASSAY REPORT

MATERIAL: rock

ASSAYED FOR: gold,silver, copper.

FOUND

SAMPLE NO.	Gold	Silver	Copper
#1	trace	69.7 oz/ton	5.7 %

ASSAYER
J. BONOCCHI

Back above ungr to footwall

AGRICULTURE
CHEMICAL ANALYSIS
PETROLEUM

BC LABORATORIES FOUNDED IN 1949
J. J. EGLIN, REG. CHEM. ENGR.
3016 UNION AVE. BAKERSFIELD, CALIFORNIA 93305 PHONE 325-7475

Mr. Paul McKenry
P. O. Box 806
Ridgecrest, California 93555

Date Reported: 10/14/69
Date Received: 10/6/69
Laboratory No.: 6960

ORE ANALYSIS

Constituents

Silver, Ag	0.174%	51 oz./ton	$86.19/ton 102.00
Copper, Cu	7.69%	154 lb./ton	$80.08/ton

Note: Copper valued @ 52¢/pound; silver @ $1.69/troy oz.

B C LABORATORIES

BY J. J. Eglin

ch

up 32.5 foot raise in footwall

TELEPHONE (805) 327-8567

P.O. BOX 867

HORNKOHL LABORATORIES, Inc.
CHEMICAL AND TESTING ENGINEERS
714 TRUXTUN AVENUE
BAKERSFIELD, CALIFORNIA 93302

November 17, 1969

Laboratory No. 199852 *Marked* No Marking

Sample Ore

Received October 14, 1969

Submitted by Paul G. McKenry
P. O. Box 856
Ridgecrest, California 93555

* * * * * * *

ORE ASSAYS BY ATOMIC ABSORPTION SPECTROPHOTOMETRY

Elements:		Parts per Million	Troy Oz per Ton
Gold, Au	---	0.70	0.021
Silver, Ag	---	1439.2	42.3
		Per Cent by weight	**Pounds per Ton**
Copper, Cu	---	0.48	9.60

Respectfully submitted,
HORNKOHL LABORATORIES, INC.

Heinz D. Pickel, Chief Chemist

HDP:ap

Balance of Wrazer (in the vein)

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.

W. S. MOORE CO

R G Comer

SENTINAL PEAK

PANAMINT RANGE

NOV. 69

LOCATION	SAMPLE #	TYPE SAMPLE	SIZE	WT.		AU OZ.	AG OZ.	WO_3 %
SENTINAL PEAK ADIT. #1 RAISE + WINZE 2 LEVELS	1A	ROUGH CHANNEL	-30+48	47 lbs		<0.01	2.21	0.216
"	2A		-48	66 lbs		<0.01	3.74	0.277
	SAMPLES 1A AND 2A WERE RUN ON WET TABLE							
	PRODUCING THE FOLLOWING CONS. MIDS. AND TAILS							
	SP 5A	HI GRADE CON.	-30+48			0.52	59.5	7.35
	SP. 6A	"	-48		? *	3.1	82.0	17.1
	SP 3A	MIDS	-30+48			0.03	11.5	1.03
	SP 4A	"	-48			0.26	4.8	19.9
	SP 8A	TAILS	-30+48			0.017	1.90	0.111
	SP. 7A	"	-48			0.005	2.08	0.111

* FREE GOLD IN CONS MAKES ASSAY DIFFICULT

Y. M. H.

SENTINAL PEAK

ALPHA LAB P.O. BOX 31 WESTEND CAL

COLIN DONALDSON PH. 372-4511

JAN 7-1970

SAMPLE #	OZ/TON AG	OZ/TON AU	WO_3 %
1	.10	< .01	.05
2	9.71	.04	.01
3	1.34	.02	.01
4	3.13	.02	.11
5	.35	< .01	.01
6	1.73	.01	.01
7	.70	< .01	.04
8	4.15	.01	.01
9	12.0	.04	.01
10	4.80	.02	
11	13.6	.03	
12	13.0	.03	
13	10.5	.02	
~~14~~			

Map will follow [illegible] to produce well

Note: Although Copper (Cu) was present in the samples there was not enough to show above samples per indication by Olivison Silver and Copper.

United States Department of the Interior

GEOLOGICAL SURVEY
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

February 13, 1970

Memorandum

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

From: Field Officer
Region II

Subject: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California
Contract 2254

OFFICIAL COPY
O. M. E.
RECEIVED
FEB 16 1970
INITIALS CODE
130
bal 120
120
SC 120 P

Enclosed is a letter from the Operator requesting an extension of time, for completion of the work under the subject contract, through calendar year 1970.

Progress on this project has been slow due to numerous washouts of the access road, equipment breakdowns, and a high labor turnover because of the remoteness of the mine area. The original contract was for a period of 12 months that has been extended to 18 months by Amendment No. 1 and to 24 months by Amendment No. 2. Of the 850 feet of drifting, crosscutting, and raising authorized, a total of 654 feet had been completed as of December 28, 1969, when the time expired. An advance of 53 feet was reported for the month of December.

Work remaining to be completed, as of December 28, 1969, included 196 feet of drifting, crosscutting, and/or raising, and assaying of about 225 samples. Some of this work has probably been completed during January and February but the exact amounts have not been reported. At the December rate of advance in the drift, about four months would be required to complete the authorized work.

Inasmuch as a significant discovery of minable silver-copper-tungsten ore has been made by the completed OME work, and a Certificate of Possible Production is already justified, it is recommended that an additional extension of time be authorized to complete the planned drifting and sampling. A six months' extension of time, or until June 28, 1970, should be sufficient to complete the work.

H. K. Stager

Enclosure

Sentinel Peak Mines, Inc.
P.O. BOX 806
RIDGECREST, CALIFORNIA 93555
TELEPHONE:
(714) 375-4125

January 30, 1970

United States Department of
Interior-Geological Survey
Office of Mineral Exploration
345 Middlefield Road
Menlo Park, California

Attn: Mr. H. K. Stager, Field Officer OME, Region II

Dear Mr. Stager:

We submit herewith Report No. 8 covering period December 1, 1969 through December 28, 1969, relative to:

OME Silver
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California
Contract No. 2254

We have come to the end of the contract as extended to December 28, 1969 and have not completed the work as anticipated. However, we are now drifting on the vein and into a fault area which is showing some WO_3 and we are of the opinion that by continuing drifting we will pass through the faulted area into silver bearing quartz again. The underground structure is just about that as showing on the surface outcrops.

As stated in our letter of December 29, 1969, the roads are in excellent shape as there has been practically no rainfall or snow as yet this year. The ore shoot as mentioned in the same letter has not been encountered to date but we feel that additional drifting will prove our contentions.

At this time we respectfully request an extension of the contract in order that we may continue drifting through the faulted area to reach the ore shoot indicated on the surface. We would like to have the extension for the calendar year 1970 and to end when the total amount has been expended.

Very truly yours,

Paul G. McKenry

PGM/jcr
Encl.

RECEIVED
FEB 12 1970
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

MME FORM 60
SEPT. 1959

OFFICIAL COPY

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Docket No. 6647
Contract No. 2254
Contract Amount $36,000.00
Gov't. Participation % 75 $ 27,000.00
Mineral(s) SILVER

OPERATOR'S MONTHLY VOUCHER

For Month of November 30, 1969 July 1, 1969 thru

Operator's Name Sentinel Peak Mines, Inc.
Address P. O. Box 806, Ridgecrest, California 93555

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing	-0-	1,000.00	1,000.00			
Drifting	-0-	16,400.00	16,400.00			
Crosscutting	1,780.00	-0-	1,780.00			
Drilling						
Raises	1,300.00	4,560.00	5,860.00			
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work Assays		96.00	96.00			
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	3,080.00	22,056.00	25,136.00			

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Dec. 29, 1969 * Payee Sentinel Peak Mines, Inc.

Per [signature] Title President

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of

(63) 14X0804

$ 2310.00

Signature [signature]
(Authorized Certifying Officer)

Date JAN 18 1970 Vou. No. 04282

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2254

Signature [illegible] Title FIELD OFFICER Date JAN 6 1970

Approved by: OME REGION II

Signature [illegible] Title FIELD OFFICER Date JAN 6 1970

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Field Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Field Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of July 1, 1969 thru November 30, 1969 Docket No. 6647

Operator's Name Sentinel Peak Mines, Inc. Contract No. 14-23-090- 2254

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting	feet	-0-	410.0	16,400.00			
Crosscutting	feet	44.5	~~158.5~~ 188.5	6,340.00	77'	601'	$24,040.00
Raising	feet	32.5	146.5	1,300.00			
Shafts							
Winzes **	feet	33.0	33.0	-0-	0	0	0
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Roads and Trails	Job			1,000.00	0	Job	1,000.00
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work	Assays			96.00			96.00
TOTAL TO DATE (per MME Form 60)				25,136.00			$25,136.00

REMARKS

** The cost of sinking winze was borne by Sentinel Peak Mines, Inc., and NOT charged against the contract.

(Continue on back)

REMARKS

(Continue on back)

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

Date December 29, 1969 Operator Sentinel Peak Mines, Inc.

Per Paul G. McKenry Title President

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature [illegible]

Title Field Officer, OME Region II
Government Representative

Date JAN 6 1970

(INSTRUCTIONS ON REVERSE)

December 29, 1969

SENTINEL PEAK MINES, INC.

Report No. 7
OME-6647 (Silver)
Contract No. 2254

HUGH'S BONANZA CLAIM

Drifting:

1. There has been no drifting on the vein since the last report (410 feet) dated June 30, 1969.

2. On December 1, 1969, as stated in the letter to you of this date, we extended the air and water lines into the face of the drift and will start work there at once. Our December 1969 report will detail the work done at that location and accordingly the results of the operation.

Raises:

1. Although we indicated in Report No. 6 that we did not anticipate more raises we did do some additional work along this line. We started a crosscut approximately 160 feet from the portal of the drift in order to determine the width of the vein at that location. The crosscut indicated a vein width in excess of 10 feet and it began to raise at 53° so it was followed up a ways and the pitch became much steeper. At 32.5 feet we stopped work with a face of ore showing at least 10 feet wide, if not wider, as the hanging wall was still in ore.

Crosscuts:

1. The raise that Dudley Davis had the responsibility left the ore (vein) at approximately 25 feet above the tunnel level and continued upward at a much steeper angle than that of the ore body. So we decided to investigate the situation and found the vein was in the foot-wall side of the raise, so a crosscut of 29.5 feet was made at the 25 foot level above the tunnel and 5.0 feet at the 50 foot level in order to cut the vein. All of the above work was done in the foot-wall side of the vein. (Right side of tunnel from portal to face of drift.) Another crosscut of 10 feet was made into the hanging wall (left side of drift) to check the width of the vein and after this was accomplished it was decided to sink a shallow winze in order to check the dip of the vein.

Winze:

1. A winze was sunk at a location in the drift between the Davis raise and the small raise, as commented on in this report. As stated in the foregoing, it was our intent to determine the width and dip of the veins, as such. The winze was sunk to a depth of approximately 21 feet and a crosscut of 13 feet was made in the hanging wall from the bottom of

Report No. 7
OME-6647 (Silver)
Contract No. 2254

Winze: (cont)

the winze. We believe that information received from this work was well worth the cost of which was entirely borne by the Corporation.

Comments:

1. We have had a number of assays (atomic absorbtion) made from various new work locations which will be forwarded to you by separate letter as they are being assembled.

2. As you know, we have completely electrified the mine with lights, blowers, etc.

3. Our attorneys in Carson City (Laxalt and Berry) suggested that all funds advanced to the mine as at October 8, 1969 by Paul G. McKenry and David Moody, be liquidated and stock issued for such advances, and that all machinery and equipment be transferred to the Corporation as at that date. For the information of all concerned, Paul G. McKenry had advanced $75,000.00 and David Moody $30,000.00 to the Corporation as at October 8, 1969, and the foregoing suggestion was accepted and accomplished.

Sentinel Peak Mines, Inc.
P. O. BOX 806
RIDGECREST, CALIFORNIA 93555
TELEPHONE:
(714) 375-4125

December 29, 1969

United States Department
Interior-Geological Survey
Office of Mineral Exploration
345 Middlefield Road
Menlo Park, California

Attn: Mr. H. K. Stager, Field Officer OME, Region II

Dear Mr. Stager:

We submit herewith Report No. 7 covering period July 1, 1969 through November 30, 1969 relative to:

OME Silver
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California
Contract No. 2254

We have done considerable work at the mine which was completed at the expense of the Corporation with full knowledge that the U.S. Government would not participate in the cost of such work. We felt that by sinking a winze and doing work other than that considered reimbursable, the effort would certainly be exploratory in nature and the results would be of benefit to all parties concerned.

Road work has been carried on throughout the period July 1, 1969 to date, with the result that grades have been cut down and a better road bed has been established. We have found that the summer is really bad because of the cloudbursts and the resultant washouts that occur and, of course, the cost of such repair is expensive.

On the first of December, 1969, the air and water lines were extended to the face of the drift with the intent of driving ahead on the vein, as discussed. We believe another large ore shoot is ahead as surface indications indicate such a condition, as similar surface conditions have been proven by the ore encountered in the drifts driven so far.

Additional information concerning the operation of the mine for the past five months is included in Report No. 7, attached hereto.

Very truly yours,

Paul G. McKenry

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U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

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Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

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December 29, 1969

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Mr. Paul G. McKenry
Sentinel Peak Mines, Inc.
P.O. Box 806
Ridgecrest, California 93555

Re: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California
Contract 2254

Dear Mr. McKenry:

We have not received a report or voucher, for work under the subject contract, since July 10, 1969. The time for completion of the work (extended from 12 months to 18 months under Amendment No. 1, and from 18 months to 24 months under Amendment No. 2) expired on December 28, 1969. It is doubtful if any additional extension of time can be justified, or will be approved by the OME in Washington, D. C. Will you please submit a report and voucher covering the work completed under the contract during the period June 28 to December 28, 1969, so that we can start the final accounting, auditing, termination, and certification of this contract.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

cc: OME, Wash., D.C.
Dir. RF
ACG RF
MP RF
Docket

HKStager:mkh

United States Department of the Interior

GEOLOGICAL SURVEY

Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

September 26, 1969

Memorandum

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

From: Field Officer
Region II

Subject: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California
Contract No. 2254

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Interim Inspection

An interim inspection of the subject project was made on September 18, 1969, accompanied by Mr. Paul McKenry, President of Sentinel Peak Mines, Inc.

Work completed since the last inspection on February 13, 1969 (Report dated February 18, 1969) has consisted of about 150 feet of raising in 2 raises and about 75 feet of drifting and crosscutting from the raises. In addition the Operator, at its own expense, has started a winze in the major ore shoot. At the time of the inspection the winze was at a depth of about 15 feet and was planned to go to a depth of about 50 feet below the OME adit level. About 270 feet of drifting and crosscutting remains to be driven under the OME contract. Amendment No. 2, executed by the Operator in August, extends the time for completion of the work to December 28, 1969.

Almost all of the workings have been driven in mineralized material, ranging in width from 2 feet to more than 15 feet, and assaying from about 3 ounces to 50 ounces of silver per ton. Only sporadic sampling has been done by the Operator. The contract provides for the assaying of about 250 samples, but only 24 assays have been reported to date. The Operator was strongly urged to prepare an accurate survey of the completed workings, with all existing sample points and assays, and to complete the detailed sampling of mineralized material as specified in the contract. A copy of this assay map is to be furnished to the OME when completed.

Since the start of the project, in January 1968, the Operator has employed 5 different crews of miners. Supervision of the work has been poor, much of the work has been of low quality, timbering in the raises is inadequate, and proper safety practices have not always been observed. These shortcomings have been pointed out to the Operator and corrective measures suggested. Mr. McKenry is preoccupied at the present time with the purchase and construction of a concentrating plant at, or near, the property. He was advised to first complete the present exploration project, in order to properly plan the size and type of mill that might be justified, but it is not probable that he will follow this advice.

H. K. Stager

United States Department of the Interior

GEOLOGICAL SURVEY
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

September 3, 1969

Memorandum

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

From: Field Officer
Region II

Subject: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California
Contract 2254

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Enclosed are the original and one copy of Amendment No. 2 to the subject contract, properly executed by the Operator. The remaining copies have been distributed in the usual manner.

H. K. Stager

H. K. Stager

Enclosures

See leftside

Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

July 31, 1969

OFFICIAL COPY
O. M. E.
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Mr. Paul G. McKenry
Sentinel Peak Mines, Inc.
P.O. Box 806
Ridgecrest, California 93555

Re: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California
Contract 2254

Dear Mr. McKenry:

Enclosed are four copies of proposed Amendment No. 2 (one page) to the subject contract, signed for the Government.

If the proposed amendment is satisfactory to you, all four copies should be signed by you and returned to this office except the Operator's copy, which should be retained for your files.

If any part of the proposed amendment does not have your approval, all copies are to be returned to this office together with the proposed changes for consideration.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

Enclosures

cc: OME, Wash., D.C.
Dir. RF
ACG RF
MP RF
Docket

RMSmith:mkh

OFFICIAL
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O. K. E.
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MME FORM 60
SEPT. 1959

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UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

OPERATOR'S MONTHLY VOUCHER

For Month of January 1969 thru June 27, 1969

Docket No. 6647
Contract No. 14-23-090 2254
Contract Amount $36,000.00
Gov't. Participation %75 $ 27,000.00
Mineral(s) Silver

Operator's Name SENTINEL PEAK MINES, INC.
Address P. O. Box 806, Ridgecrest, California 93555

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing		1000.00	1000.00			
Drifting	1760.00	14640.00	16400.00			
Crosscutting						
Drilling						
Raises	4560.00		4560.00			
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work Assays		96.00	96.00			
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	6320.00	15736.00	22056.00			

I certify that the above bill is correct and just and that payment therefor has not been received.

Date July 9, 1969 *Payee SENTINEL PEAK MINES, INC.

Per [signature] Title President

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of: (63) 14X0867

$ 4740.00

Signature [signature]
(Authorized Certifying Officer)

Date 7/17/69 Vou. No. 004466

(SEE OTHER SIDE)

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U.S. GEOLOGICAL SURVEY
JUL 16 10 47 AM '69
BUDGET & FINANCE

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the tems of Contract No. 2259

Signature [illegible] Title Field Officer Date 7/10/69

Approved by: OME Region II

Signature [illegible] Title Field Officer Date 7/10/69

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Field Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Field Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

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MME FORM 61
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of January 1969 thru June 27, 1969 Docket No. 6647

Operator's Name SENTINEL PEAK MINES, INC. Contract No. 14-23-090- 2254

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting	Feet	44	410	16,400.00	44	410	$16,400.00
~~Crosscutting~~	Feet	114	114	4,560.00			
Raising					114	114	4,560.00
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Roads and Trails	Job			1,000.00	0	1 Job	1,000.00
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work	Assays			96.00			96.00
TOTAL TO DATE (per MME Form 60)				22,056.00			$22,056.00

REMARKS

(Continue on back)

REMARKS

MR. McKENRY STATES THAT THERE WAS NO WORK DONE AT THE MINE ON JUNE 28, 29, OR 30.

(Continue on back)

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

Date July 9, 1969 Operator SENTINEL PEAK MINES, INC.

Per Paul G. McKenry Title President

Paul G. McKenry

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature [illegible]

Title Field Officer, OME Region II
Government Representative

Date 7/10/69

(INSTRUCTIONS ON REVERSE)

Sentinel Peak Mines, Inc.
P. O. BOX 806
RIDGECREST, CALIFORNIA 93555
TELEPHONE:
(714) 375-4125

July 9, 1969

United States Department of
Interior-Geological Survey
Office of Mineral Exploration
345 Middlefield Road
Menlo Park, California

Attn: Mr. H. K. Stager, Field Officer OME, Region II

Dear Mr. Stager:

We submit herewith Report No. 6 covering the period January 1, 1969 thru June 30, 1969, relative to:

OME (Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California
Contract No. 2254

As stated in our letter of January 10, 1969 we were under the impression that additional geological work could be performed and mining resumed as of that date but weather was again a factor of delay. The roads were washed out and it was necessary for us to rebuild and repair sections until around the middle of April. However, we believe that we now have the problem under control and that damage from further storms will be small in comparison to those of the past, mainly by relocation, etc.

Dudley L. Davis was engaged by us on April 15, 1969 to do the necessary geological work and to supervise the work as recommended. He also furnished the mining crew and personally checked the work performed and the related measurements necessary before payment was made by the company.

The mining crew started on June 2, 1969 and the results are as setforth in the Operator's Progress Report and Operator's Monthly Voucher for the period January 1, 1969 thru June 30, 1969.

At this time we respectfully request a contract extension of six months to end on December 31, 1969. We regret that it is necessary for us to make such a request but conditions as such were beyond our control.

Very truly yours,

Paul G. McKenry

PGM/jcr
Encl.

July 9, 1969

SENTINEL PEAK MINES, INC.

Report No. 6
OME-6647 (Silver
Contract No. 2254

HUGH'S BONANZA CLAIMS

Mining (Drifting)

1. Forty-four (44) feet of drifting was completed in the raise 100' above the main tunnel under the supervision of Mr. Dudley L. Davis and ore is showing in the face of the new drifts. It is expected that the drifting will continue for at least fifty feet. The slabing necessary to start the raise and in other sections of the tunnel have not been included in any claims (footage) for reimbursement.

2. Approximately 170' in from the portal high-grade tungsten is now in evidence and this situation will be thoroughly explored, without a claim for such being made for reimbursement. It would seem that a juncture has occurred at this point which somewhat accounts for the richness of the ore.

Raises

1. A raise has been made, in accordance with the report of Mr. Dudley Davis, from the adit level up 114 feet and has been timbered up 84 feet, and there is enough timber on the ground to complete the job. The drifting of 44 feet as commented upon (Drifting) is in the raise. For the time being there will be no more raises driven.

Summary

1. Copies of the recommendations and the related drawings of Mr. Davis are included for your information and approval.

2. Since January 1, 1969 Mr. Moody and I have advanced in excess of $22,000 to do the necessary mining work outline above and to repair and maintain the roads, mine, etc.

D. L. Davis
P.O. Box 270
Lone Pine, California

Mr. Paul McKenry
411 Balsam Street
Ridgecrest, California

May 2, 1969

Dear Paul:

My recommendations for continuing exploration of your Sentinel Peak silver mine in Happy Canyon is as shown below:

EXPLORATION:

1. Drive a raise from the adit level at a point between the 150 and 175 foot marks on Russ Wood's Maps.

This raise should be 2 compartments with chute and manway and a short drift on the vein at 100 feet up. Exact topography is not known but the raise will be about 200 feet to hole the surface. The sub-level will prospect the vein and supply storage to facilitate driving on to the surface.

2. Drift on the footwall vein at point 75 on Wood's Map to further prospect the vein on the adit level.

3. Sink a winze 50 feet below the adit level near the proposed raise.

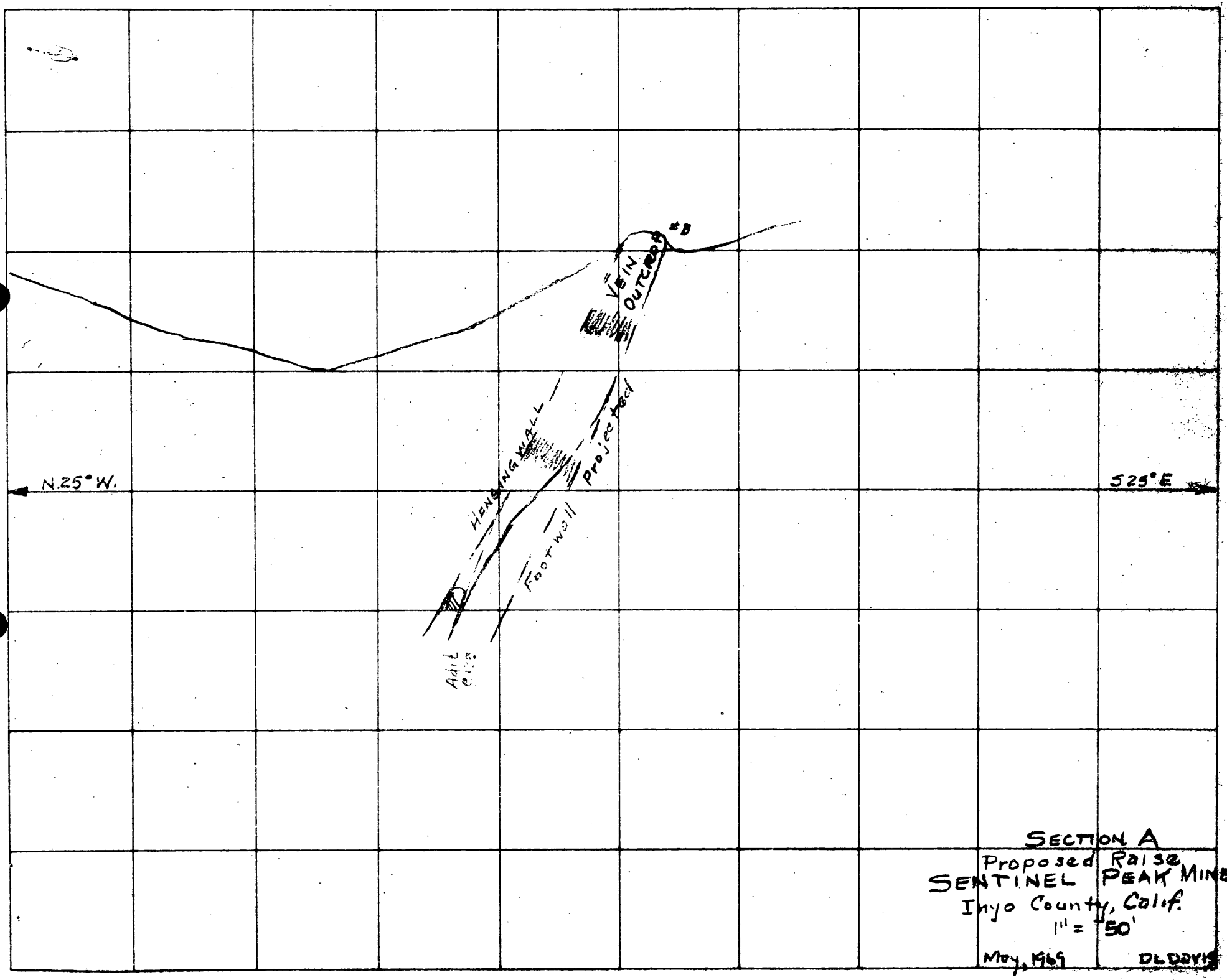
4. If the winze shows ore to 50-foot depth, drive a lower cross cut at 100 feet below the adit and raise to the winze.

I have a good mine crew, headed by Paul Valette, and a diamond driller ready to do the work when you wish.

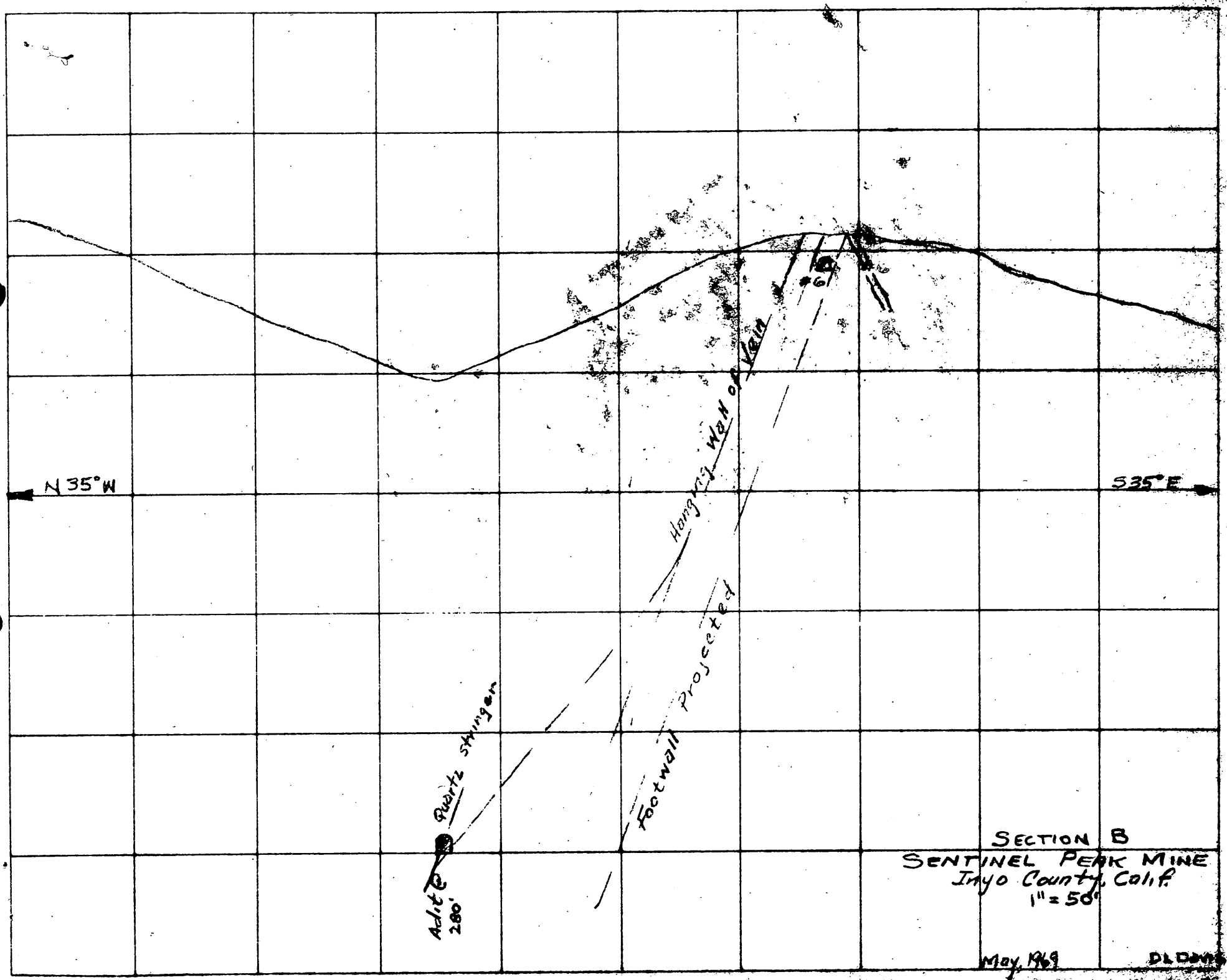
Best Regards,

Dudley L. Davis

DUDLEY L. DAVIS
CERTIFICATE EXPIRES
DEC. 31, 1969



SECTION A
Proposed Raise
SENTINEL PEAK MINE
Inyo County, Calif.
1" = 50'
May, 1969
DL DAVIS


N 35°W
S 35°E
Hanging Wall of Vein
#6
Projected
Footwall
Quartz stringer
Adit @
280'
SECTION B
SENTINEL PEAK MINE
Inyo County, Calif.
1" = 50'
May, 1969
DLDWS

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
7/23/69	On leave	120
7/24/69	Kirkemo	120
7/24	Peterson	220
7/24	[illegible]	
	[illegible]	
7/29	cae	120
		220
		120M

AIRMAIL

JUL 29 1969

Memorandum

To: Field Officer, Region II

From: Chief, Office of Minerals Exploration

Subject: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hughs Bonanza Claims
Inyo County, California
Contract 2254

Enclosed are the original and three copies of proposed Amendment No. 2 (one page) 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 an authorized representative of 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.

Harold Kirkemo (gla)

Harold Kirkemo

Enclosures

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
Mr. Peterson
130

GLAult/a 7-23-69

af 120

120 HR

120M

No legal 7/15

EXPLORATION CONTRACT
SENTINEL PEAK MINES, INC.
OME-6647

AMENDMENT NO. 2

It is agreed this _____ day of _____, 1969, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and Sentinel Peak Mines, Inc., hereinafter called the "Operator," that Exploration Contract 2254 (OME-6647), dated December 28, 1967, as amended, is further amended effective June 27, 1969, as follows:

1. The time fixed by Article 1(a) of the contract, as amended by Amendment No. 1, for completion of the work is extended from eighteen (18), to twenty-four (24) months from the date of the contract, or until December 28, 1969.

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, nor the amount of any item designated as a maximum.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Chief, Office of Minerals Exploration
U. S. Geological Survey

SENTINEL PEAK MINES, INC.

By_____

Title_____

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

July 10, 1969

OFFICIAL COPY
O. M. E.
RECEIVED
JUL 11 1969

INITIALS	CODE
gla	130
Ebl	120
HK	120
ep	120

Memorandum

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

From: Field Officer
Region II

Subject: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California
Contract 2254

Enclosed are the Operator's Monthly Voucher and Progress Report for the period January 1969 through June 27, 1969. The time for completion of the work expired on June 28 and Mr. McKenry states that no work was done at the mine on June 28, 29, or 30 as the miners were on a long weekend.

Also enclosed is a request from the Operator for an extension of time for completion of the work. About 326 feet of drifting and crosscutting remains to be completed under the contract. I recommend that an amendment be prepared authorizing the extension of time for 6 months, or until December 28, 1969.

The work to date has discovered a high-grade ore shoot (silver-copper-tungsten) and a Certification of Possible Production will be recommended.

H. K. Stager

Enclosures

Sentinel Peak Mines, Inc.
P. O. BOX 806
RIDGECREST, CALIFORNIA 93555
TELEPHONE:
(714) 375-4125

July 9, 1969

United States Department of
Interior-Geological Survey
Office of Mineral Exploration
345 Middlefield Road
Menlo Park, California

Attn: Mr. H. K. Stager, Field Officer OME, Region II

Dear Mr. Stager:

We submit herewith Report No. 6 covering the period January 1, 1969 thru June 30, 1969, relative to:

OME (Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California
Contract No. 2254

As stated in our letter of January 10, 1969 we were under the impression that additional geological work could be performed and mining resumed as of that date but weather was again a factor of delay. The roads were washed out and it was necessary for us to rebuild and repair sections until around the middle of April. However, we believe that we now have the problem under control and that damage from further storms will be small in comparison to those of the past, mainly by relocation, etc.

Dudley L. Davis was engaged by us on April 15, 1969 to do the necessary geological work and to supervise the work as recommended. He also furnished the mining crew and personally checked the work performed and the related measurements necessary before payment was made by the company.

The mining crew started on June 2, 1969 and the results are as setforth in the Operator's Progress Report and Operator's Monthly Voucher for the period January 1, 1969 thru June 30, 1969.

At this time we respectfully request a contract extension of six months to end on December 31, 1969. We regret that it is necessary for us to make such a request but conditions as such were beyond our control.

Very truly yours,

Paul G. McKenry

PGM/jcr
Encl.

MME FORM 60
SEPT. 1959

OFFICIAL COPY
O. M. E.
RECEIVED
APR 25 1969
INITIALS CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Docket No. 6647
Contract No. 14-23-090 2254
Contract Amount $ 36,000.00
Gov't. Participation % 75 $ 27,000.00
Mineral(s) SILVER

OPERATOR'S MONTHLY VOUCHER

For Month of Aug. thru Dec. '68

Operator's Name SENTINEL PEAK MINES, INC.
Address P.O. Box 806, Ridgecrest, California 93555

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing		1,000.00	1,000.00			
Drifting		14,640.00	14,640.00			
Crosscutting						
Drilling						
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work Assays		96.00	96.00			
Payroll Taxes						
Employee's Liability Ins.						
TOTALS		15,736.00	15,736.00			

I certify that the above bill is correct and just and that payment therefor has not been received.

Date January 10, 1969 Payee Sentinel Peak Mines, Inc.

Per Paul McFarr Title President

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of (63) 14X0804

$ -0-

Signature [illegible]
(Authorized Certifying Officer)

Date APR 25 1969 Vou. No. 0628

(SEE OTHER SIDE)

ertification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration roject in accordance with the tems of Contract No. 2254

gnature H R Stager Title FIELD OFFICER Date 1-16-69

pproved by: OME REGION II

gnature H R Stager Title FIELD OFFICER Date 1-16-69

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Explor-ation contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Field Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the ower left corner. Categories (2) through (7) apply to 'Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) eport, (a) the total fixed unit costs of work performed nder contract provisions for contribution by the Gov-rnment on a basis of "fixed unit costs"; and (b) the laimed costs of work performed on a unit-price basis y independent contractors.

Under Category (2) include the claimed costs of ll payrolled and invoiced supervisory, technical, and abor personnel, except the costs for services applica-le to Categories (5) and (6).

Under Category (3) include the claimed costs of ll project materials and supplies other than those sed for work under Categories (5) and (6).

Under Category (4) report claimed rentals on quipment belonging to a third party, claimed payments r obligations for payments on the Operator's purchase f equipment, and claimed depreciation for the use of perator-owned equipment.

Under Categories (5) and (6) include all claimed osts of labor, supervision, technical services, oper-ting materials and supplies, and all other items used n (5) the initial rehabilitation and repairs of existing uildings, fixtures, installations (exclusive of mine orkings), and operating equipment; and (6) the instal-ation or construction of new buildings, fixtures, and xed improvements (exclusive of mine workings). Do ot report these costs under Categories (2), (3), (4), nd (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or tran-scripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evi-dence of claimed costs may be waived by the OME regional Field Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of Aug. thru Dec. 1968 Docket No. 6647

Operator's Name SENTINEL PEAK MINES, INC. Contract No. 14-23-090- 2254

OPERATION	UNITS	FOR OPERATOR'S USE			FOR GOVERNMENT USE		
		UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting	Feet	-	366	14,640.00	0	366'	$14,640.00
Crosscutting							
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Roads and Trails	Job	-	Job	1,000.00	0	Job	1,000.00
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work	Assays			96.00			96.00
TOTAL TO DATE *(per MME Form 60)*				15,736.00			$15,736.00

REMARKS

(Continue on back)

REMARKS

(Continue on back)

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

Date Jan. 10, 1969 Operator Sentinel Peak Mines, Inc.

Per Paul G. McKenny Title President

Paul G. McKenny

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature H. K. Stager

Title Field Officer, OME Region II
Government Representative

Date 1-16-69

(INSTRUCTIONS ON REVERSE)

January 10, 1969

SENTINEL PEAK MINES, INC.

REPORT NO. 5

OME-6647 (Silver)
Contract No. 2254

HUGH'S BONANZA CLAIMS

Mining (Drifting):

1. As stated in Report No. 4, dated August 15, 1968, the drift is now in 366 feet and we have been paid for all work accomplished to date, in amount of $10,980.00. Also, we have been paid $750 for tractor work at the mine portal. In accordance with the contract we would still have 384 feet of drifting and raises to accomplish in order to complete the contract, as written.

484'

2. The cloudbursts in Happy Canyon have been worse this year than in prior years due to the fact that they occurred repeatedly and always after we had reworked the road. The cost of large tractor rental was so great we decided to purchase one ourselves in order to repair and keep the roads open. We now have a TD18A with a 12 foot blade and the road work has progressed to the point that we will be able to resume mining (drifting). The road work since August 1, 1968 has cost us several thousand dollars and the loss of mine footage as well.

3. Mr. Floyd Robinson of Walnut Creek, has visited the property in order to check the size of the ore bodies and the related values (Au, Ag, Cu and WO_3) as disclosed by the development work performed to date. Samples were taken for the purpose of checking values and possible recovery from a Milling operation when deemed feasible. According to Mr. Robinson, the values from samples taken would amount to approximately $60 to $70 per ton and the Mill test results were quite satisfactory.

4. As stated in prior reports, additional geological work was to be performed by Dr. Rene Engel. This work has not been done because of necessary road work, however it will now be performed within the next thirty days and a copy of the report will be made available to you. We are of the opinion that a new drift should be started approximately 200 feet below the present workings, which would eliminate one-quarter mile of road (32° grade), resulting in a substantial saving in hauling costs re stock piling ore and mining supplies. The ore bodies would be contacted in approximately 100 feet from the proposed portal site. This work would be covered by the present contract, if it is possible to get it extended, and the result should greatly increase the value of the property.

Paul G. McKenry, President
Sentinel Peak Mines, Inc.

PGM/jcr

January 10, 1969

United States Department of
Interior-Geological Survey
Office of Mineral Exploration
345 Middlefield Road
Menlo Park, California

Attn: Mr. H.K. Stager, Field Officer OME, Region II

Dear Mr. Stager:

In connection with your letter of December 27, 1968, we submit herewith Report No. 5 covering the period August 1 thru December 31, 1968, relative to:

OME 6647 (Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California
Contract No. 2254

We believe the report fairly states our present position and the company is desirous of having the contract extended through June 30, 1969, if at all possible. We are indeed sorry that a request of this nature is necessary but conditions beyond our control was the deciding factor.

We are now in a position to go ahead with the proposed work but would like to modify the original plan to include the work as outlined in the report (Item 4).

Development work as performed to date tends to prove the value of this property and that additional work will more than justify the proposed costs to be incurred.

If additional information is required in connection with our request for contract extention and/or the reports please contact us.

Very truly yours,

Paul G. McKenry, President
Sentinel Peak Mines, Inc.

PGM/jcr
Encl.

Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

April 21, 1969

Mr. George B. Horsley
Leon Tempelsman & Son, Inc.
529 Fifth Avenue
New York, New York 10017

OFFICIAL COPY
O. M. E.
RECEIVED
APR 22 1969

INITIALS	CODE
	130
	120
	120
	120

Re: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California
Contract 2254

Dear Mr. Horsley:

In reply to your letter of April 18, 1969, I am not able to provide you with a copy of the analyses of samples taken by me at the subject property. The results of OME investigations, including assays of samples, are confidential and restricted to Government use only. If you would care to call me, or stop by this office again on your next trip, I would be glad to discuss the ore deposit with you at greater length and give you what additional general information I can.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

cc: Paul G. McKenry
OME, Wash., D.C.
Dir. RF
ACG RF
MP RF
Docket

HKStager:mkh

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

leftside

March 13, 1969

OFFICE COPY
O. M. E.
RECEIVED
MAR 17 1969

INITIALS	CODE
gh	130
bal	120
WE	120
	120

Memorandum

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

From: Field Officer
Region II

Subject: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California
Contract 2254

Enclosed are the original and one copy of Amendment No. 1 to the subject contract, properly executed by the Operator. The remaining copies have been distributed in the usual manner.

H. K. Stager

Enclosures

Sentinel Peak Mines, Inc.
P. O. BOX 806
RIDGECREST, CALIFORNIA 93555
TELEPHONE:
(714) 375-4125

10 March 1969

United States Department of the Interior
Geological Survey
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025
Attn: Mr. H. K. Stager

left side

Re: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Contract 2254

Dear Hal:

Enclosed is the original and two copies of Amendment No. 1 to the above mentioned contract, signed as requested in your letter of February 10, 1969.

I thought you would be interested in the attached article, Hal, as it gives you some idea of just what we are up against in this area. However, the situation is even more critical today as we had another bad rain storm last night and our road was completely washed out again.

Hope to see you soon.

Very truly yours,

Paul G. McKenry
President

PGM/jcr
Encl.

Death Valley Flood Cost Set at $300,000

Supt. Robert Murphy estimated flood damage to roads in Death Valley National Monument at $300,000. Murphy said the unusual rains and flooding last week washed out more than 10 miles of road and covered another 21 miles with debris. Rainfall at Furnace Creek, monument headquarters, totals 2.16 inches since last July compared with the 12-month average of just 1.6 inches.

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

February 18, 1969

OFFICIAL COPY
O. M. E.
RECEIVED
FEB 20 1969

INITIALS	CODE
	120
	120
	110
	120

Memorandum

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

From: Field Officer
Region II

Subject: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California
Contract 2254

Interim Inspection

An interim inspection of the subject project was made on February 13, 1969, accompanied by Mr. Nick Zissos. A conference was also held with Mr. Paul G. McKenry, president of Sentinel Peak Mines, Inc., in Ridgecrest, California, on the same date.

Because of repeated cloudbursts and washouts, from storms and melting snows, the road to the mine has been impassable most of the time since August of 1968. No drifting has been done in the OME adit since July. Time for completion of the work expired on December 28, 1968, but an amendment (No. 1) to the contract, dated February 3, 1969, extended the time for a period of six months, or until June 28, 1969.

The Operator has purchased a TD-18A bulldozer for use in rebuilding the road. On the day of the inspection the road was in fair condition and passable, to 4-wheel drive vehicles, from Ballarat to the mine. A crew of miners was scheduled to resume work at the mine during the third or fourth week of February. Some clearing of snow drifts and rock slides from around the portal area and repairs to mine buildings and equipment will be necessary before underground work can be resumed.

H. K. Stager

Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

February 10, 1969

OFFICIAL COPY
O. M. E.
RECEIVED
FEB 11 1969
INITIALS | CODE

Mr. Paul G. McKenry
Sentinel Peak Mines, Inc.
P.O. Box 806
Ridgecrest, California 93555

Re: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California
Contract 2254

Dear Mr. McKenry:

Enclosed are the original and three copies of proposed Amendment No. 1 (1 page) to the subject contract, signed for the Government.

If the proposed amendment is satisfactory to you, all four copies should be signed by you and the Government's copy, Budget and Finance's copy, and Field Office's copy returned to this office. The Operator's copy should be retained for your files.

If you have any questions we can discuss them later this week when I meet with you at the mine or in Ridgecrest.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

Enclosures

cc: Chief, OME, WDC
Dir. RF
ACG RF
MP RF
Docket

HKStager:mkh

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
1/31/69	S Peterson	120
1/31/69	Kishimoto	120
"	Johnson	110
	Kielsgard	
4/3	Kempton	
		220
		120M

AIRMAIL

Memorandum

FEB 3 1969

To: Field Officer, Region II

From: Chief, Office of Minerals Exploration

Subject: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California
Contract 2254

Enclosed are the original and three copies of proposed Amendment No. 1 (1 page), 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

cc: Director's Reading File
Economic Geology File
OME Docket
OME Reading File
Mr. Peterson
130

BLong/1 1/31/69

MME FORM 6 ENCE P
REV. 2-5 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. ~~Assoc. Sol.--MR~~, Room 6554 ~~(Through Room 6042)~~		
2. Mr. Peterson, Room 4457 2137 (3123)		
3. SOLICITOR		
4. 1969		
5.		
FROM: Chief, OME ~~INTERIOR DEPT.~~		

FOR: Check items for action desired

____ Action	____ Reply for signature of ____	
x Approval	____ Investigate	____ Surname
____ Comment	____ Recommendations	____ Signature
____ Conference	x Rewrite	____ File
____ Instructions	Your information	

REMARKS:

RECEIVED
JAN 2 0 1969
Division of Mineral Resources
General Legal Services

FROM SOLICITOR
JAN 3 0 1969
FOR SIGNATURE

INT.-DUP. SEC., WASH., D.C. M56300-62

DRAFT 1/23/68
ECPeterson/bs

to Legal 1/24

~~120~~
~~120~~ HK
~~110~~ ~~HK~~
120M

EXPLORATION CONTRACT
SENTINEL PEAK MINES, INC.
OME-6647

AMENDMENT NO. 1

It is agreed this _____ day of _____, 1969, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and Sentinel Peak Mines, Inc., hereinafter called the "Operator," that Exploration Contract 2254 (OME-6647), dated December 28, 1967, is amended effective the date of the contract as follows:

1. The time fixed by Article 1(a) of the contract, for completion of the work is extended from twelve (12) to eighteen (18) months from the date of the contract, or until June 28, 1969.

2. The maximum period for royalty payments and for the lien to secure payments thereof provided for in the contract is extended from ten (10) to eleven (11) years from the date of the contract.

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, nor the amount of any item designated as a maximum.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Chief, Office of Minerals Exploration

SENTINEL PEAK MINES, INC.

By_____

Title_____

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

January 16, 1969

OFFICIAL COPY
O. M. E.
RECEIVED
JAN 17 1969

INITIALS	CODE
	130
	120
	140
	180

Memorandum

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

From: Field Officer
Region II

Subject: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California
Contract 2254

Enclosed is the Operator's report on the subject project for the period August through December 1968.

Also enclosed is a letter from the Operator requesting a 6 months extension of time for completion of the work. I recommend that an amendment be prepared to extend the time for completion to 18 months from the date of the contract (December 28, 1967), or until June 28, 1969.

The Operator has also requested permission to use the 484 feet of footage remaining under the contract to drive a new drift adit about 200 feet below the existing OME adit. A copy of my letter giving him my reasons for not recommending approval of this request is attached.

H. K. Stager

Enclosures

Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

January 16, 1969

Mr. Paul G. McKenry
Sentinel Peak Mines, Inc.
P.O. Box 806
Ridgecrest, California 93555

Re: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California
Contract 2254

Dear Mr. McKenry:

Your report for August through December 1968, on the subject project, was received in the Field Office today and forwarded to Washington, D. C.

I have recommended that an amendment be prepared to extend the period for completion of the work to 18 months, or until June 28, 1969, but I cannot recommend approval of your request to drive a new lower level drift with the 484 feet of footage remaining under the present contract. Your reasons for driving a new drift are principally for convenience of operation and preparation for mining and as such are not eligible for Government participation. The purpose of the project is to explore the vein by 850 feet of drifting, crosscutting, and raising at the present adit level. We would not be justified in changing this unless the drift had reached the eastern limit of the vein or the limit of ore-bearing shoots, and this has not occurred.

I am planning a trip to Southern California for the last week of January and will plan to stop in Ridgecrest to see you about the 29th or 30th. We can discuss the project further at that time.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

cc: Chief, OME, WDC
Dir. RF
ACG RF
MP RF
Docket

HKStager:mkh

Sentinel Peak Mines, Inc.
P. O. BOX 806
RIDGECREST, CALIFORNIA 93555
TELEPHONE:
(714) 375-4125

January 10, 1969

United States Department of
Interior-Geological Survey
Office of Mineral Exploration
345 Middlefield Road
Menlo Park, California

Attn: Mr. H.K. Stager, Field Officer OME, Region II

Dear Mr. Stager:

In connection with your letter of December 27, 1968, we submit herewith Report No. 5 covering the period August 1 thru December 31, 1968, relative to:

6647
OME (Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California
Contract No. 2254

We believe the report fairly states our present position and the company is desirous of having the contract extended through June 30, 1969, if at all possible. We are indeed sorry that a request of this nature is necessary but conditions beyond our control was the deciding factor.

We are now in a position to go ahead with the proposed work but would like to modify the original plan to include the work as outlined in the report (Item 4).

Development work as performed to date tends to prove the value of this property and that additional work will more than justify the proposed costs to be incurred.

If additional information is required in connection with our request for contract extention and/or the reports please contact us.

Very truly yours,

Paul G. McKenry, President
Sentinel Peak Mines, Inc.

PGM/jcr
Encl.

Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

December 27, 1968

OFFICIAL COPY
O. M. E.
RECEIVED
JAN 6 1969

INITIALS	CODE
	430
Def	120
Fg	110
	120

Mr. Paul G. McKenry
Sentinel Peak Mines, Inc.
P.O. Box 806
Ridgecrest, California 93555

Re: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California
Contract No. 2254

Dear Mr. McKenry:

We have not received a voucher or monthly report from you, for work on the subject contract, since August. The time for completion of the work expires on December 28 and at the time of my last visit (October 13, 1968) you had about 484 feet of drifting, crosscutting, and/or raising remaining to be completed. Unless you have been able to finish the work since that time it will be necessary for you to request an extension of time. Will you please give us a report of your operations for the months of August through November and inform us of your plans for completing the work under the contract.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

cc: Chief, OME, Wash., D.C.
Dir. RF
ACG RF
MP RF
Docket

HKStager:mkh

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

October 22, 1968

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 24 1968
INITIALS | CODE
30
120
110
120

Memorandum

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

From: Field Officer
Region II

Subject: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California
Contract No. 2254

Interim Inspection

While in the vicinity of Ridgecrest, California, on October 13, 1968, a conference was held with Mr. Paul G. McKenry, president of Sentinel Peak Mines, Inc. Severe rain storms had washed out the mine access road and it was not possible to drive to the property.

During the months of August and September a series of cloudbursts caused severe damage to the mine road and required the full-time work of the mine crew to make repairs. Access to the mine has been cut four times during this period and at the time of this inspection several miles of road in the bottom of Happy Canyon was impassable to even 4-wheel drive vehicles and was being repaired by the mine crew. Work at the mine will probably be resumed about the end of October.

Work completed since the last inspection on April 26, 1968 (Report dated May 7, 1968) has consisted of an additional 240 feet of drifting on the vein, for a total advance of 366 feet. The Operator reports that all of the advance has been in ore grade material with several high-grade shoots. A notable item has been the unexpected discovery of abundant scheelite ($CaWO_4$) in the ore. Assays indicate large tonnages of material containing from one percent to five percent WO_4 in the ore.

Time for completion of the work expires on December 28, 1968. A total of 484 feet of drifting, crosscutting, and/or raising, remains under the contract. The Operator will request an amendment, to extend the time for completion, within the next two months, and I will recommend that it be approved.

H. K. Stager

MME FORM 60
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. 6647
Contract No.
14-23-090- 2254
Contract Amount $36,000.00
Gov't. Participation % 75 $ 27,000.00
Mineral(s) SILVER

OPERATOR'S MONTHLY VOUCHER

For Month of JUNE & JULY 1968

Operator's Name SENTINEL PEAK MINES, INC.
Address P. O. Box 806, Ridgecrest, California 93555

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing	0	1,000.00	1,000.00			
Drifting	4,440.00	10,200.00	14,640.00			
Crosscutting						
Drilling						
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work ASSAYS	96.00	0	96.00			
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	4,536.00	11,200.00	15,736.00			

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 20 August 1968 Payee Sentinel Peak Mines, Inc.

Per [signature] Title President

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 3,402.00

14X0324

Signature [signature]
(Authorized Certifying Officer)

Date _____ Vou. No. _____

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2254

Signature H K Stager Title Field Officer Date AUG 23 1968

Approved by : OME Region II

Signature H K Stager Title Field Officer Date AUG 23 1968

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Field Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Field Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of JUNE & JULY 1968 Docket No. 6647

Operator's Name SENTINEL PEAK MINES, INC. Contract No. 14-23-090- 2254

OPERATION	UNITS	FOR OPERATOR'S USE			FOR GOVERNMENT USE		
		UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting	Feet	111	366	14,640.00	111	366	$14,640.00
Crosscutting							
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Roads and Trails	Job	0	Job	1,000.00	0	Job	1,000.00
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work ASSAYS				96.00			96.00
TOTAL TO DATE *(per MME Form 60)*				15,736.00			$15,736.00

REMARKS

(Continue on back)

REMARKS

(Continue on back)

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

Date August 20, 1968 Operator Sentinel Peak Mines, Inc.

Per [signature] Title President

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature [signature]

Title FIELD OFFICER, OME REGION 7
Government Representative

Date AUG 23 1968

(INSTRUCTIONS ON REVERSE)

August 15, 1968

SENTINEL PEAK MINES, INC.

REPORT NO. 4

OME-6647 (Silver)
Contract No. 2254

HUGH'S BONANZA CLAIMS

Mining (Drifting):

1. The drift is now in 366 feet and is still in quartz (low grade ore) and additional assays are furnished herewith indicating the condition as such. However, we have gone through two distinct ore shoots and expect to contact another within the next 50 feet of drifting. The vein material has been badly fractured and shows evidence of post-mineral faulting.

2. Dr. Rene Engel is now working on the geological aspects of the property (surface to underground work now accomplished) and is preparing maps with indicated values encountered therein. A copy will be furnished your office when completed. Dr. Engel will become the geologist in charge of this operation from this date on and will direct all future development plans as per agreement (contract) with the Government.

3. We have had no labor problems in the past two months although we have had four contractors on the job since inception. We seemingly have adequate labor now in order to finish the job and we have additional requests from other contractors for work if we need them.

We have had three cloudbursts in the canyon and have had to rebuild the road three times and, I might say, this has been quite expensive. The road is now passable to the mine and we will begin taking in supplies and start mining again.

Paul G. McKenry, President
Sentinel Peak Mines, Inc.

PGM/jcr
Encl.

RECEIVED
AUG 20 1968
BUREAU OF MINES
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

BEAUREGARD'S ASSAY OFFICE
131 CLARKE STREET • BISHOP, CALIFORNIA

ASSAY CERTIFICATE

June 11, 1968

Paul G. Mc Kenry

Ridgecrest, California

SAMPLE NO.	OWNER'S MARK ON SAMPLE	GOLD OZS. PER TON	SILVER OZS. PER TON	PERCENTAGE OF COP'R.	IRON	TIN	LEAD	MERC.	TUNG.	ZINC		TOTAL VALUE PER TON	
10	82-86	0.01	3.92									9	41
11	No. 1 Mc Kenry (Cut)	0.02	13.20									29	28
12	No. 2 Mc Kenry (Heck)	0.01	7.60									18	24

Mud Dayer

G. E. Beauregard Assayer

BEAUREGARD'S ASSAY OFFICE
131 CLARKE STREET • BISHOP, CALIFORNIA

ASSAY CERTIFICATE

Hugh's Bonanza Claim (Underground)

June 11, 1968

Paul G. Mc Kenry

Ridgecrest, California

Paid $48.00

SAMPLE NO.	OWNER'S MARK ON SAMPLE	GOLD OZS. PER TON	SILVER OZS. PER TON	PERCENTAGE OF COP'R.	IRON	TIN	LEAD	MERC.	TUNG.	ZINC		TOTAL VALUE PER TON
1	108. (8Ft.) Sample Face	0.01	7.40									17 76
2	49-53	0.01	5.00									12 00
3	53-57	0.01	7.60									18 24
4	57-61	0.01	4.48									10 75
5	61-65	0.01	4.44									10 66
6	65-69	0.02	5.20									12 48
7	69-74	0.02	6.40									15 36
8	74-78	0.01	3.92									9 41
9	78-82	0.01	3.40									8 16

2.40 Ag

A. E. Beauregard
Assayer

BEAUREGARD'S ASSAY OFFICE
131 CLARKE STREET · BISHOP, CALIFORNIA

ASSAY CERTIFICATE

July 1 1968

Paul G. McKenry

Ridgecrest, California

Check Sample

Paid 48.00

SAMPLE NO.	OWNER'S MARK ON SAMPLE	GOLD OZS. PER TON	SILVER OZS. PER TON	PERCENTAGE OF COP'R.	IRON	TIN	LEAD	MERC.	TUNG.	ZINC		TOTAL VALUE PER TON
1-	McKenry 86-90	Trace	2.60									6 24
2-	McKenry 90-94	Trace	1.40									3 36
3-	" 94-98	Trace	1.20									2 88
4-	" 98-102	Trace	1.20									2 88
5-	" 102-106	Trace	2.88									6 91
6-	" 106-110	Trace	4.40									10 56
7-	" 110-114	Trace	1.30									3 12
8-	" 108-112	Trace	2.40									5 76

2.40 Ag

A. E. Beauregard Assayer

BEAUREGARD'S ASSAY OFFICE
131 CLARKE STREET • BISHOP, CALIFORNIA

ASSAY CERTIFICATE

July 1 1968

Paul G. McKenry

Ridgecrest, California

SAMPLE NO.	OWNER'S MARK ON SAMPLE	GOLD OZS. PER TON	SILVER OZS. PER TON	PERCENTAGE OF COP'R.	IRON	TIN	LEAD	MERC.	TUNG.	ZINC		TOTAL VALUE PER TON
9-	" 132-136	Trace	2.12									509
10-	" 154-159	Trace	0.80									192
11-	" Across top at peg, 57 ft. from 136 face	0.02	13.9 ✓ 5.80									14 6 ✓
12-	" Moody Sample	7.00 0.20	23.81 9.92									30 81

A. E. Beauregard Assayer

MME FORM 60
SEPT. 1959

OFFICIAL COPY O. M. E. RECEIVED JUN 27 1968 INITIALS CODE 210 130

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. 6647
Contract No. 14-23-090-2254
Contract Amount $36,000.00
Gov't. Participation % 75 $27,000.00
Mineral(s) SILVER

OPERATOR'S MONTHLY VOUCHER

For Month of MAY 1968

Operator's Name SENTINEL PEAK MINES, INC.
Address P. O. Box 806, Ridgecrest, California 93555

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing	0	1,000.00	1,000.00			
Drifting	3400.00	6,800.00	10,200.00			
Crosscutting						
Drilling						
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	3400.00	7,800.00	11,200.00			

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 10 June 1968 *Payee Sentinel Peak Mines, Inc.

Per Paul A. McGarry Title PRESIDENT

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

14X0804

$ 2550.00

Signature [illegible]
(Authorized Certifying Officer)

Date [illegible] Vou. No. [illegible]

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2254

Signature H.L. Flagg Title FIELD OFFICER Date JUN 17 1968

Approved by OME Executive Officer or Alternate: OME REGION II

Signature H.L. Flagg Title FIELD OFFICER Date JUN 17 1968

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of MAY 1968 Docket No. 6647

Operator's Name SENTINEL PEAK MINES, INC. Contract No. 14-23-090-~~2254~~

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting	Feet	85	255	10,200.00	85	255	$ 10,200.00
Crosscutting							
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Roads and Trails	Job	0	Job	1,000.00	0	Job	1,000.00
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE *(per MME Form 60)*				11,200.00			$ 11,200.00

REMARKS

(Continue on back)

REMARKS

(Continue on back)

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

Date 10 June 1968 Operator Sentinel Peak Mines, Inc.

Per [signature] Title PRESIDENT

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature [signature]

Title Field Officer, OME Region II
Government Representative

Date JUN 17 1968

(INSTRUCTIONS ON REVERSE)

3 June 1968

REPORT # 3

SENTINEL PEAK MINES, INC.

OME -6647 (Silver)
Contract No. 2254

HUGH'S BONANZA CLAIMS

Mining (Drifting):

1. The drift is now in 255 feet, and we have been in ore during the entire month of May 1968 (85 feet). As stated in prior reports, the vein has straightened up and now shows a width in excess of 6 feet, although at the present face it is 7 feet wide if the present walls are definite.

2. We have changed assayers (for the time being) as Ed Eisenhauer seems to have an overload as this time and is unable to meet commitments. We have decided to use the Beauregard Assay Office located in Bishop, California for this reason, but do intend to use Eisenhauer for checking the Beauregard assays from time to time. The samples are taken every 4 feet, as that seems to be the length of each round. The pulp rejects are retained for the Government at the mine, and the numbers are in accord with those shown on the assay sheets.

3. The vein seems to have been a water course as leaching is more evident now than in some of the areas driven through. Copper stains indicate heavy penetration from snow and surface waters due to faulting and movement. However, some silver values remain as shown in the assay sheets attached. We did not have the Copper run but the samples indicate approximately 1.+%, and will be checked from time to time as visual changes occur.

PGM/cpb
Enc

Paul G. McKenry, President
Sentinel Peak Mines, Inc.

RECEIVED
JUN 17 1968
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

BEAUREGARD'S ASSAY OFFICE
131 CLARKE STREET • BISHOP, CALIFORNIA
ASSAY CERTIFICATE

June 11, 1968

Paul G. Mc Kenry

Ridgecrest, California

LE	OWNER'S MARK ON SAMPLE	GOLD OZS. PER TON	SILVER OZS. PER TON	PERCENTAGE OF COP'R.	IRON	TIN	LEAD	MERC.	TUNG.	ZINC		TOTAL VALUE PER TON
	108. 8Ft. Sample Face	0.01	7.40									17 76
	49-53 Cut	0.01	5.00									12 00
	53-57 "	0.01	7.60									18 24
	57-61 "	0.01	4.48									10 75
	61-65 "	0.01	4.44									10 66
	65-69 "	0.02	5.20									12 48
	69-74 "	0.02	6.40									15 36
	74-78 "	0.01	3.92									9 41
	78-82 "	0.01	3.40									8 16

$ 2.40 Ag (oz)

R. E. Beauregard Assayer

Other Samples to follow

BEAUREGARD'S ASSAY OFFICE
131 CLARKE STREET • BISHOP, CALIFORNIA
ASSAY CERTIFICATE

June 11, 1968

Paul G. Mc Kenry

Ridgecrest, California

LE	OWNER'S MARK ON SAMPLE	GOLD OZS. PER TON	SILVER OZS. PER TON	PERCENTAGE OF COP'R.	IRON	TIN	LEAD	MERC.	TUNG.	ZINC		TOTAL VALUE PER TON
	82-86 Cut	0.01	3.92									9 41
	No. 1 Mc Kenry Cut	0.02	13.20									29 78
	No. 2 Mc Kenry Muck	0.01	7.60									18 24

IN REPLY REFER TO

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Memorandum

May 7, 1968

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 10 1968

INITIALS	CODE
	130
	120
	110
	120

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

From: Field Officer
Region II

Subject: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California
Contract No. 2254

Interim Inspection

An interim inspection of the subject project was made on April 26, 1968, accompanied by Mr. Paul G. McKenry, president of Sentinel Peak Mines, Inc.

Work completed under the contract consisted of road repairs, portal site preparation, 125 feet of drifting, and 40 feet of timbering at the portal. The silver-bearing quartz vein was intersected at about 42 feet from the adit portal, and has been drifted on for about 83 feet, ranging in thickness from about 5 feet to over 20 feet. Ore removed from the drift is being stockpiled about 2 miles from the mine and the stockpile now contains an estimated 150 tons of ore that averages about 20 ounces of silver per ton. A grab sample of broken vein material in the drift, at the time of the inspection, assayed 2.15 ounces of silver and 0.03 ounce of gold per ton.

The Operator has experienced considerable difficulty in finding and keeping a competent mine crew. Machinery and equipment breakdowns have also delayed the work but these difficulties have hopefully been solved and the work is now progressing in a satisfactory manner.

H. K. Stager

MME FORM 60
SEPT. 1959

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 21 1968
INITIALS CODE
cac 210

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. 6647
Contract No. 14-23-090-2254
Contract Amount $36,000.00
Gov't. Participation % 75 $ 27,000.00
Mineral(s) SILVER

OPERATOR'S MONTHLY VOUCHER

For Months of March & April 1968

Operator's Name SENTINEL PEAK MINES INC.
Address P.O. Box 806, Ridgecrest, California 93555

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing	0	1,000.00	1,000.00			
Drifting	2,760.00	4,040.00	6,800.00			
Crosscutting						
Drilling						
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	2,760.00	5,040.00	7,800.00			

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 4 May 1968 *Payee SENTINEL PEAK MINES, INC.

Per [signature] Title President

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 2,070.00 14X0804

Signature [signature] (Authorized Certifying Officer)

Date MAY 16 1968 Vou. No. 86901

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2254

Signature H. K. Stager Title Field Officer Date MAY 10 1968

Approved by OME Executive Officer or Alternate: OME, Region II

Signature H. K. Stager Title Field Officer Date MAY 10 1968

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of March & April 1968 Docket No. 6647

Operator's Name SENTINEL PEAK MINES, INC. Contract No. 14-23-090-2254

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting	Feet	69	170	6,800.00	69	170	$6,800.00
Crosscutting							
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Roads and Trails	job	0	job	1,000.00	0	100	1,000.00
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE *(per MME Form 60)*				7,800.00			$7,800.00

REMARKS

(Continue on back)

REMARKS

(Continue on back)

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

Date 4 May 1968 Operator SENTINEL PEAK MINES INC.

Per [signature] Title President

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature [signature]

Title FIELD OFFICER, OME REGION II
Government Representative

Date MAY 10 1968

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

7 March 1968

SENTINEL PEAK MINES, INC.

Report No. 2

OME - 6647 (Silver)

HUGH'S BONANZA CLAIMS

Mining (Drifting)

1. The drift is now in 170 feet and we have gone through the faulted area. We are again on the vein and the values are such that we are stockpiling the ore. Samples have been taken and have been sent to Eisenhaurer for assay; copies of which will be sent to you. The pulp and grab samples are being held at the mine for your disposition. Samples will be taken daily from now on.

2. The vein is definitely bearing to the east [right], and the dip is much greater than the 35° per your survey of 26 April 1968. This would indicate that we are getting into the regular structure as the strike and dip is beginning to follow that of the outcrops on the mountain.

3. The vein is now from 4 to 5 feet wide and seems to be getting wider. Considerable water has flowed through the area of the drift as now being driven and, although some leaching is evident, the ore is carrying both Cu and Ag (by visual inspection).

4. Apparently our labor problems have come to an end as we now have a good crew and they are getting in two rounds a day. We are employing two experienced miners and a truck driver at present.

Paul G. McKenry, President
SENTINEL PEAK MINES, INC.

PGM/cbp

RECEIVED
MAY 9 1968
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

MME FORM 60
SEPT. 1959

OFFICIAL COPY O. M. E. RECEIVED MAR 21 1968 INITIALS CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S MONTHLY VOUCHER

For Month of February 1968 (JANUARY AND)

Docket No. 6647
Contract No. 14-23-090-2254
Contract Amount $ 36,000.00
Gov't. Participation % 75 $ 27,000.00
Mineral(s) Silver

Operator's Name Sentinel Peak Mines, Inc.,
Address P.O. Box 806 - Ridgecrest, California 93555

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing	$1,000.00	0	1,000.00			
Drifting	4,040.00	0	4,040.00			
Crosscutting						
Drilling						
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	$5,040.00	0	5,040.00			

I certify that the above bill is correct and just and that payment therefor has been received.

2/29/68 *Payee Sentinel Peak Mines, Inc.,

Title President

voucher is signed or receipted in the name of a company or corporation, the name of n writing the company or corporate name, as well as the capacity in which he signs, ar. For example: "John Doe Company, per John Smith, Secretary," or "Treas- he case may be.

false statement or representation to any department or agency of the United any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18,

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 3,780.00 14X0804

Signature jdm
(Authorized Certifying Officer)

Date MAR 21 1968 Vou. No. 85816

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2254

Signature H K Stager Title FIELD OFFICER Date MAR 12 1968

Approved by OME Executive Officer or Alternate: OME REGION II

Signature H K Stager Title FIELD OFFICER Date MAR 12 1968

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

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Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT — For Month of ~~February 1968~~ January and February 1968 — Docket No. 6647

Operator's Name Sentinel Peak Mines, Inc., — Contract No. 14-23-090- 2254

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting	Feet	101	101	4,040.00	101	101	$ 4,040.00
Crosscutting							
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Roads and Trails	Job	Job	Job	1,000.00	Job	Job	1,000.00
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE *(per MME Form 60)*				$5,040.00			$ 5,040.00

REMARKS

(Continue on back)

REMARKS

(Continue on back)

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

Date 2/29/68 Operator Sentinel Peak Mines, Inc.,

Per Paul G. McKenry Title President

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature H. H. Hager

Title Field Officer, OME Region II
Government Representative

Date MAR 12 1968

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

INT.DUP.,D.C.59- 27162

March 1968

SENTINEL PEAK MINES, INC.,

REPORT # 1

OME -6647 (Silver)
Contract # 2254

HUGH'S BONANZA CLAIMS

Surface Work

On January 16,1968 we began with an HD 20 tractor, cutting and grading for the portal site. This work was completed during January and February 1968 at a cost in excess of $2,000.00. We had considerable more tractor work done during February 1968, and as total costs were in excess of that in the contract as allowable, we make claim only for the $1,000.00, as set forth therein.

Mining (Drifting)

1. The drift is now in 101 feet, we encountered the vein at 42 feet and went through 28 feet of ore, however we do not know the actual width of the vein as it is in a roll, somewhat flat (40 degrees) and in a fractured zone.

2. When the drift was in 70 feet the lime was encountered (foot wall) and we turned the drift to the left following the foot wall for 31 feet. It is now beginning to turn in a northeasterly direction and straighten up, which we believe is the true strike and dip of the vein. At this time we do not know the location of the hanging wall, but expect to crosscut and follow it within the next ten feet.

3. We have not been out of ore after contacting the vein at 42 feet and we are of the opinion that the ore so far encountered and developed is of excellent grade. Assay results will be forwarded with our next report.

Paul G. McKenry, President
Sentinel Peak Mines, Inc.

PGM/pw

Dear Hal:

This report encompasses the months of January and February, we did not have enough footage to make a report in January.

As you can see from the report, we are enthused.

Hope to see you some of these days.

Paul Kane

RECEIVED
MAR 12 1968
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

January 25, 1968

Mr. Paul G. McKenry
Sentinel Peak Mines, Inc.
P.O. Box 806
Ridgecrest, California 93555

Re: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California
Contract No. 2254

Dear Mr. McKenry:

Enclosed are 15 copies each of MME Forms 60 and 61 (3-month supply) 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 write or call me and I will be glad to help you. Also enclosed is an Equal Opportunity Poster to be posted at the property.

We received the executed copies of the contract from you yesterday and have forwarded them to Washington, D. C.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

Enclosures

cc: Chief, OME, WDC
cc: Dir RF
ACG RF
MP RF
Docket
HKStager:mlb

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

See left side of folder

Memorandum

January 24, 1968

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

From: Field Officer
Region II

Subject: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hughs Bonanza Claims
Inyo County, California
Contract No. 2254

OFFICIAL COPY
O. M. E.
RECEIVED
JAN 26 1968

INITIALS	CODE
gla	130
bol	120 m
TJ	110
ED	120 p

Enclosed are the Government's and Fiscal Section's copies of the subject contract, signed by the Operator on January 14, 1968. The remaining copies have been distributed in the usual manner. Work under the contract started on January 16, 1968.

H. K. Stager

Enclosures-2

OFFICIAL COPY
O. M. E.
RECEIVED
JAN 9 1968

INITIALS	CODE
	130
BR	120
	140
ED	130

Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

January 4, 1968

Mr. Paul G. McKenry
Sentinel Peak Mines, Inc.
P.O. Box 806
Ridgecrest, California 93555

Re: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California

Dear Mr. McKenry:

Enclosed are the original and three copies of a proposed contract for the subject property. The contract consists of MME Form 51 (5 pages), Annex I (2 pages), Exhibit A (3 pages), Exhibit B (1 page), and two maps (Figures 1 and 2). All copies of the contract have been signed for the Government.

If the proposed contract is satisfactory to you, all four copies should be signed by an authorized representative of Sentinel Peak Mines, Inc., and the Government's Copy, Fiscal Section's Copy, and Field Office's Copy returned to this office. The Operator's Copy should be retained for your files.

If any part of the proposed contract does not have your approval, the original and all copies should be returned to this office together with the proposed changes for consideration.

Please note that the 7-3/4 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.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

Enclosures

cc: Chief, OME, WDC

cc: Dir RF
ACG RF
MP RF
Docket
HKStager:mlb 2-4-68

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
12/26/67	Peterson	120
		120
12/27	Johnson	110
12/27	Everett	220
12/27	Kenyon	
	Baker	
		130
		110
Cal 12/28		220
		120M

AIRMAIL

Memorandum

DEC 28 1967

To: Field Officer, Region II

From: Chief, Office of Minerals Exploration

Subject: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hughs Bonanza Claims
Inyo County, California

Enclosed are the original and three copies of a proposed contract for the subject property. The contract consists of MME Form 51 (five pages), Annex I(two pages), Exhibit A (three pages), Exhibit B (one page), and two maps (Figures 1 and 2). All copies of the contract have been signed for the Government. You should insert the date for commencement of the work. 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 an authorized representative of the Applicant. Thereafter, please distribute the copies in the usual manner.

Please advise the Applicant that the 7-3/4 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.

Arnold Kirkemo
for Frank E. Johnson

Enclosures

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
Mr. Peterson
130

GLAult/a 12-26-67

23263

MME FORM 6 REFERENCE SLIP
REV. 2-5 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. ~~Assoc. Sol.--MR, Room 6554 (Through Room 6042)~~		
2. Mr. Peterson, Room 4459		
3. SOLICITOR 2030-3192		
4. L-67 DEC 6 1967		
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:

Please return maps. FROM SOLICITOR

DEC 1967

FOR SIGNATURE

INT.-DUP. SEC., WASH., D.C. M56300-62

To Legal 12/6/67

EP✓ HK✓ JZ

MME Form 51
July 1965

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
U. S. Geological Survey

EXPLORATION CONTRACT
(Short Form)

Docket	Commodity	Contract No.	County	State
OME -6647	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

Sentinel Peak Mines, Inc.

_____,

whose mailing address is **P.O. Box 806, Ridgecrest, California 93555**, hereinafter called the "Operator," as follows:

ARTICLE I. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before _____ (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within **12** months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the work is $ **36,000.00**. The Government will contribute ~~xx~~ **75** percent of the total fixed unit costs of the work performed, not in excess of $ **27,000.00** in accordance with the provisions of Articles 4 and 5.

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

See Annex I

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

See Annex I

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

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

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

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

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

(b) Monthly reports.--The Operator shall provide the Government with 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.)

(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 unit costs thereof.

(d) Report of sales.--The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's royalty relates, such as 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 same with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records, or accounts.

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

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

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

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

(c) Payment of royalty.--(1) The Government's royalty shall be five percent of the 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 6(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 10. Nondiscrimination in 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 11. 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 12. 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 13. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U. S. C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U. S. C. 874) are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions.

ARTICLE 14. Changes and added provisions.--

Executed in quadruplicate the day and year first above written.

SENTINEL PEAKS MINES, INC.
(Operator)

By

Title

THE UNITED STATES OF AMERICA

By

Director, U. S. Geological Survey

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

CORPORATE SEAL

EXPLORATION CONTRACT
SENTINEL PEAKS MINES, INC.
OME-6647

ANNEX I

The land, including all rights pertaining thereto, referred to in Article 2 of the contract consists of two (2) unpatented lode mining claims in secs. 21 and 22, T. 21 S., R. 45 E., MDBM, South Park-Panamint City mining district, Inyo County, California. It is shown in yellow on Figure 1, entitled "Property map of Hugh's Bonanza Claims, Inyo County, California," attached hereto and made part hereof.

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

Claim	Book	Page
Hugh's Bonanza	93	381
Hugh's Bonanza Annex	93	383

The Operator is in possession of the claims under terms of Assignments and Transfers of Interest in Unpatented Mining Claims, dated September 6 and 7, 1967, from Blanche McKernan and Paul G. McKenry, the owners.

EXPLORATION CONTRACT
SENTINEL PEAKS MINES, INC.
OME-6647

EXHIBIT A

The purpose of the project is to explore by drifting, crosscutting, and raising for silver-bearing ore bodies occurring in and along the northeasterly trending Hugh's Bonanza quartz vein which traverses the Marvel limestone of Precambrian age.

General Provisions

A bulldozer no smaller than a Caterpillar D-4 or equivalent unit of any other make shall be used for access road repair and preparation of portal site.

All drifts, crosscuts, and raises shall be not less than 5 by 7 feet in cross section and shall be timbered as necessary using standard 8- by 8- inch drift sets or equivalent round timber.

Mine rail shall be not less than 12-pound size, air line not less than 2-inch diameter, water line not less than 1- inch diameter, and ventilation line not less than 8- inch diameter.

All significantly mineralized areas traversed by the exploratory workings shall be chip or channel sampled normal to their trends at linear intervals of not more than 5 feet. In addition, a representative bulk sample may be taken of each round broken.

Each sample shall be split as necessary and one split assayed for gold and silver, and for copper and lead as warranted. The Operator shall store one split of each sample in a suitable container properly identified as to source and location for Government inspection and possible use. With prior Government approval, the Operator may dispose of the stored samples.

True copies of records or assay certificates of all samples shall be submitted with the Operator's monthly report which shall also include a map or sketch showing the work completed during the reporting period, the location of all samples taken, and the general geological formations and structures traversed by the workings.

No underground workings shall be driven closer than 100 feet to the outer boundary of the project area.

The Operator shall provide such supervision, labor, technical services, and equipment 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 Government approval.

Description of the Work

The work shall consist of regrading and widening as necessary the portal access road, preparation of portal site, moving storage shed to a location not less than 100 feet from the portal of the drift, and drifting in a northeasterly direction from the portal along the Hugh's Bonanza vein structure for a distance of approximately 750 feet. This footage includes any auxiliary crosscutting that may be necessary within the structure. In addition, subject to Government approval, raises may be driven to further explore favorable areas traversed by the workings. It is estimated that 100 feet of raising will be required.

The approximate location of the proposed work is shown in green on Figure 2, entitled "Map showing location of proposed exploration, Hugh's Bonanza Claim," attached hereto and made part hereof.

Estimated Costs of the Work 1/

Fixed Unit Costs

Road repair, portal site preparation, and moving storage shed, including labor, materials and supplies	$1,000.00 2/
Drifting, crosscutting, and raising, including timber, 850 feet @ $40.00/foot	34,000.00
Assaying, 250 samples Gold and Silver @ $4.00/sample Copper and lead @ $2.00/each determination	1,000.00
Total Estimated Costs of the Project	$36,000.00
Government Participation @ 75 percent	$27,000.00

1/ The Government retains no equity in any of the materials used.

2/ The completed job is the unit of work.

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Memorandum

December 15, 1967

OFFICIAL COPY
M. E.
RECEIVED
DEC 18 1967

INITIALS	CODE
	130
	120
	~~110~~
	130

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

From: Field Officer
Region II

Subject: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California

Enclosed is a letter from the Applicant that contains explanations, assignments, and sale of interest, for the Hugh's Bonanza (No. 1) and Hugh's Bonanza Annex (No. 2) Claims. I believe this data clarifies the line of ownership for these claims.

Data filed left-hand side

H. K. Stager

Enclosures

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Memorandum

November 28, 1967

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

From: Field Officer
Region II

Subject: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California

OFFICIAL COPY
O. M. E.
RECEIVED
NOV 30 1967

INITIALS	CODE
glu	130
	120
	120

Enclosed is an Application Report on the subject property recommending that a contract be granted consisting of 750 feet of drifting, 100 feet of crosscutting and/or raising, portal preparation, and assaying. Total cost is estimated at $36,000 of which the Government's share would be $27,000.

Also enclosed are five extra copies of Figures 2 and 3, for your use if a contract is granted.

H. K. Stager

Enclosures

Hol 12/1/67
Can work any time.

UNITED STATES

DEPARTMENT OF THE INTERIOR

STEWART L. UDALL, SECRETARY

OFFICE OF MINERALS EXPLORATION

REPORT OF EXAMINATION

REGION II

On-site Report

APPLICATION REPORT

OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hugh's Bonanza Claims
Inyo County, California

By

H. K. Stager
Field Officer
OME, Region II

November 28, 1967

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ILLUSTRATIONS

Figure 1. Index map of Inyo County, California.

Figure 2. Property map of Hugh's Bonanza claims.

Figure 3. Map showing location of proposed exploration.

INTRODUCTION

Sentinel Peak Mines, Inc., P.O. Box 806, Ridgecrest, Calif. 93555, applied to the Office of Minerals Exploration for Government assistance in an exploration project, Docket OME-6647, to explore for silver on the Hugh's Bonanza claim, Inyo County, Calif. The applicant infers the presence of minable silver ore shoots in a quartz vein that intrudes limestone on the property and wishes to explore for these ore shoots by drifting on the vein.

A field examination was requested by the Office of Minerals Exploration and was made by H. K. Stager, Field Officer, on October 16, 1967, accompanied by Mr. Paul G. McKenry, president, and Mr. Chris Musick, secretary, of Sentinel Peak Mines, Inc. The applicant's maps, reports, and assay data were examined and compared with exposures on the property. Six samples of the silver-bearing vein material were taken for assay. The results of these assays are shown in the following report.

SUMMARY

The Hugh's Bonanza claim contains a well-exposed, highly mineralized quartz vein in limestone. The results of the examination indicate that minable silver-bearing ore shoots are exposed in the outcrop of the quartz vein and that downdip extensions of these, and similar unexposed ore shoots, will be discovered by the proposed exploration. Following the examination, the applicant's proposed program was discussed and some minor revisions were considered. The revised program consists of the preparation of a portal site and the driving of 850 feet of drifts, crosscuts, and/or raises. The project will probably require about 12 months to complete and is acceptable to the applicant. The project site is accessible and facilities for accomplishing the work are available.

RECOMMENDATIONS

It is recommended that the Government enter into a contract with Sentinel Peak Mines, Inc., to provide 75 percent of the costs of the proposed program to explore the Hugh's Bonanza claim silver deposit. The program will require about 12 months to complete and the Government's share of the estimated total cost of $36,000.00 would be $27,000.00. To facilitate administration of the contract, the work should be based on fixed unit costs rather than actual costs.

LOCATION, ACCESSIBILITY, AND LOCAL FACILITIES

The Hugh's Bonanza claims are in Secs. 21 and 22, T. 21 S., R. 45 E., MDBM, South Park-Panamint City mining district, Inyo County, Calif. (Fig. 1), on the west slope of the Panamint Range, at an altitude of about 7,000 feet.

To reach the property, that is about 50 miles northeast of Ridgecrest (the closest major town), drive northeast on California Highway 178 about 22 miles to Trona, then continue north on the paved Panamint Valley Road and a short dirt road about 25 miles to Ballarat, from Ballarat continue on a mine access road up Happy Canyon about 10 miles to the property. The road from Ballarat is rough and steep. A four-wheel-drive, or powerful truck-type, vehicle is required to reach the property. The drive from Ridgecrest requires about 2½ hours.

Mail, telephone, trucking, and railroad services are available in Trona (35 miles). Labor, mining equipment, materials and supplies are available in Ridgecrest. Ample water is available from springs on the property. Assay service, at a cost of $4 per sample for gold and silver and $2 per sample for copper or lead, is obtainable in Los Angeles (200 miles). The local wage scale for miners is about $3-$4 per hour.

PROPERTY

History and Production

The Hugh's Bonanza deposit has probably been known for many years, as the vein outcrop is readily visible from the bottom of Happy Canyon, but inaccessibility has prevented any development. The applicant obtained the property by purchase from a Mr. Jerone McKernan in April 1964 and during 1965 and 1966 constructed a road to the claims. There has been no production from the property.

Ownership

The property consists of two unpatented mining claims owned by the applicant. These claims are recorded at Independence, Calif. as follows:

Claim Name	Book	Page
Hugh's Bonanza	93	381
Hugh's Bonanza Annex	93	383

The area covered by these claims is shown in Figure 2. Also shown in Figure 2 are 11 additional unpatented claims (8 Silver Bell claims and 3 Blue Boy claims) that surround the Hugh's Bonanza claims. These claims, recently acquired by the applicant, will not benefit from the proposed work and are not included in the proposed project.

Financial Eligibility

The applicant furnished copies of letters to two banks requesting loans for the proposed work and also copies of letters denying the loans. The applicant proposes to furnish its share of the exploration costs by furnishing labor, use of equipment, and the balance in funds available from the stockholders.

Development

The property is developed by several short prospect adits and shallow open pits along the surface outcrop of the vein. Total underground development does not exceed about 100 feet of workings and only part of this is in the quartz vein. Surface development consists of a small tool shed, 50-ton ore bin, and two house trailers. The applicant owns a diesel-powered air compressor (210 CFM), Eimco loader, 2 mine cars, 2 drills, a D-4 dozer, dump truck, and various small tools, supplies, and mining equipment. All items of equipment appear to be in satisfactory working condition.

GEOLOGY

Geologic Setting

The Hugh's Bonanza claims are in an area of high relief and the rock exposures are good. The rocks exposed in the vicinity of the property are chiefly metamorphic rocks of early Precambrian age that consist of gneisses, schists, quartzite, and marble. Intruding these metamorphic rocks are younger granitic rocks and diabase dikes. Overlying this complex is the Marvel dolomitic limestone of probable late Precambrian age that is overlain by more schists, slate, and quartzite of the Surprise Formation, also of Precambrian age.

The Marvel Limestone is of marine origin and is a bluish-gray, crystalline, massive, metadolomitic limestone. Locally this unit is brecciated and altered to a buff to reddish-brown color by the oxidation and leaching of its contained iron-bearing minerals.

Faulting is common in the claim area and the north fork of Happy Canyon follows a major north-trending fault that is marked by prominent slickensides and breccia zones. A minor northeast-trending fault that dips about 85° NW. cuts the Marvel Limestone on the property and it is within this fault zone, intruded by a vein of white quartz, that the silver deposit occurs.

Ore Deposits

The silver deposit occurs in a prominent white quartz vein that is well exposed for a strike length of about 700 feet on the Hugh's Bonanza claim. This vein strikes about N. 65° E. and dips about 85° NW. The vein is from about 4 to 30 feet in width and averages about 6 feet. Both the hanging wall and footwall of the vein are blue-gray Marvel dolomitic limestone. Mineralization is generally abundant throughout the vein, although the richer silver-bearing minerals appear to be localized in two or more shoots. Ore minerals are chiefly freibergite, galena, and chalcopyrite, and these sulfide minerals are only slightly oxidized at the outcrop. Some secondary copper minerals are present in the higher parts of the vein outcrop. Gangue minerals are quartz, pyrite, calcite, and some iron and manganese oxides.

No ore has been mined and sample data is too meager to determine the size and rake, if any, of the ore shoots, but it appears that at least two shoots are present. One shoot has a strike length of about 200 feet, an average thickness of about 7 feet, and contains about 13 ounces of silver per ton. Another shoot has a strike length of about 250 feet, an average thickness of about 4 feet, and is higher in grade with several samples assaying more than 50 ounces of silver per ton and about 2 percent copper.

Sampling

Six samples were taken of the mineralized exposures along the Hugh's Bonanza vein. The descriptions and assay results of these samples are as follows:

Sample No.	Ounces per ton Silver	Gold	Percent Copper	Description
SP-1	67.20	0.02	2.21	Grab sample of 1-ton ore pile at highest prospect cut on vein, about 700' above lower adit
SP-2	6.80	0.02	0.35	Chip sample across 4-foot vein at upper prospect drift. About 500' above lower adit
SP-3	16.00	0.02	0.92	Chip sample across 10' of iron-stained quartz, about 250' above lower adit.
SP-4	13.15	0.04	0.55	Chip sample across 5-foot vein at open cut, about 200' above lower adit
SP-5	5.30	0.01	0.38	Chip sample across 9-foot vein, about 100' above lower adit
SP-6	5.80	0.02	0.87	Chip sample across 9-foot vein, above powder magazine

Ore Reserves

The applicant estimates a total of about 130,000 tons of indicated ore with an average grade of about 7 ounces of silver per ton. This reserve includes the material in the two shoots of higher grade ore that are estimated to contain about 22,000 tons of ore with an average grade of about 30 ounces of silver per ton. These estimates are reasonable although based on only a few samples and insufficient measurements.

Reserves of ore equal in tonnage and grade to the indicated reserves are inferred. These inferred reserves are the target of the proposed exploration.

EXPLORATION

Applicant's Proposal

The applicant proposed to explore the deposit by driving 750 feet of drift on the Hugh's Bonanza vein; raising on the four most favorable exposures; sampling and assaying. Some bulldozing would be required to repair the road and prepare the portal and dump sites. The work was estimated to cost about $39,387.50 and require about 6 months to complete.

The applicant's proposal is well suited to explore the deposit and, except for minor adjustments in costs, I have no changes to recommend.

Examiner's Proposal

A total of 750 feet of drifting and crosscutting, followed by 100 feet of raising in three or more raises, is proposed on the Hugh's Bonanza claim (Fig. 3). Regrading and widening of the portal access road from the bottom of the canyon is also proposed together with preparation of the portal site, to include moving the tool and storage shed to a point at least 100 feet from the portal (to comply with state mine safety regulations). Provision should be made in the contract, if granted, to sample the vein at intervals not to exceed 10 feet. The location, number, and length of the raises should be subject to Government approval after the drifting is completed.

Proposed Exploration Costs

The applicant has supplied cost estimates for the work including bids from independent contractors for bulldozing and drifting. The costs are reasonable for the area although the applicant based the depreciation of equipment on 24 instead of 60 months and included several items of materials and supplies that are not allowable. Except for portal sets and in the raises,

it is estimated that little timber will be required. An advance of 7 feet of drift per shift is optimistic and probably cannot be maintained beyond the first few hundred feet. A fixed unit cost of $40 per foot for drifting, crosscutting, and raising (including timber) is proposed.

Road work and portal site preparation should be limited to a total cost of $1,000 for the job. A bulldozer is at the site and no mobilization will be necessary.

It is estimated that 10 months will be necessary to complete the proposed work, but a total of 12 months should probably be allowed in the contract.

No allowance for engineering and geology is necessary inasmuch as Mr. Rene Engel, treasurer of Sentinel Peak Mines, Inc., is a consulting mining geologist and will do the geology and engineering.

COST ESTIMATE

Fixed Unit Costs

Road repair and portal site preparation.	$ 1,000.00
Drifting and crosscutting, 750 feet at $40/ft.	30,000.00
Raising, including timber, 100 feet at $40/ft.	4,000.00
Assaying	1,000.00
Gold and silver at $4/sample	
Copper at $2/sample	
Lead at $2/sample	
Total estimated costs of the work	$36,000.00
Government's participation at 75 percent.	$27,000.00

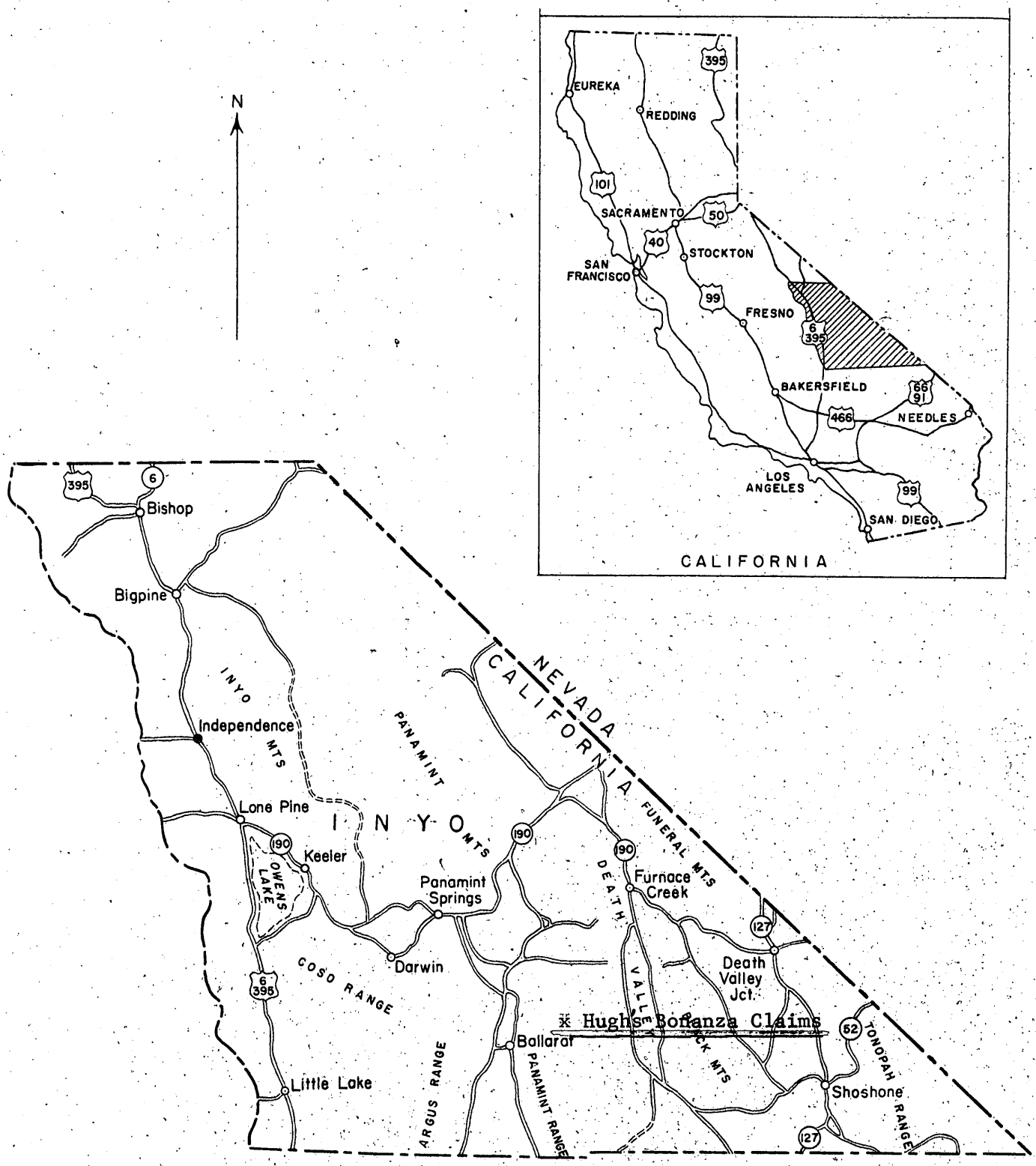


Figure 1. INDEX MAP OF INYO COUNTY, CALIFORNIA

0 25 50 75 Miles

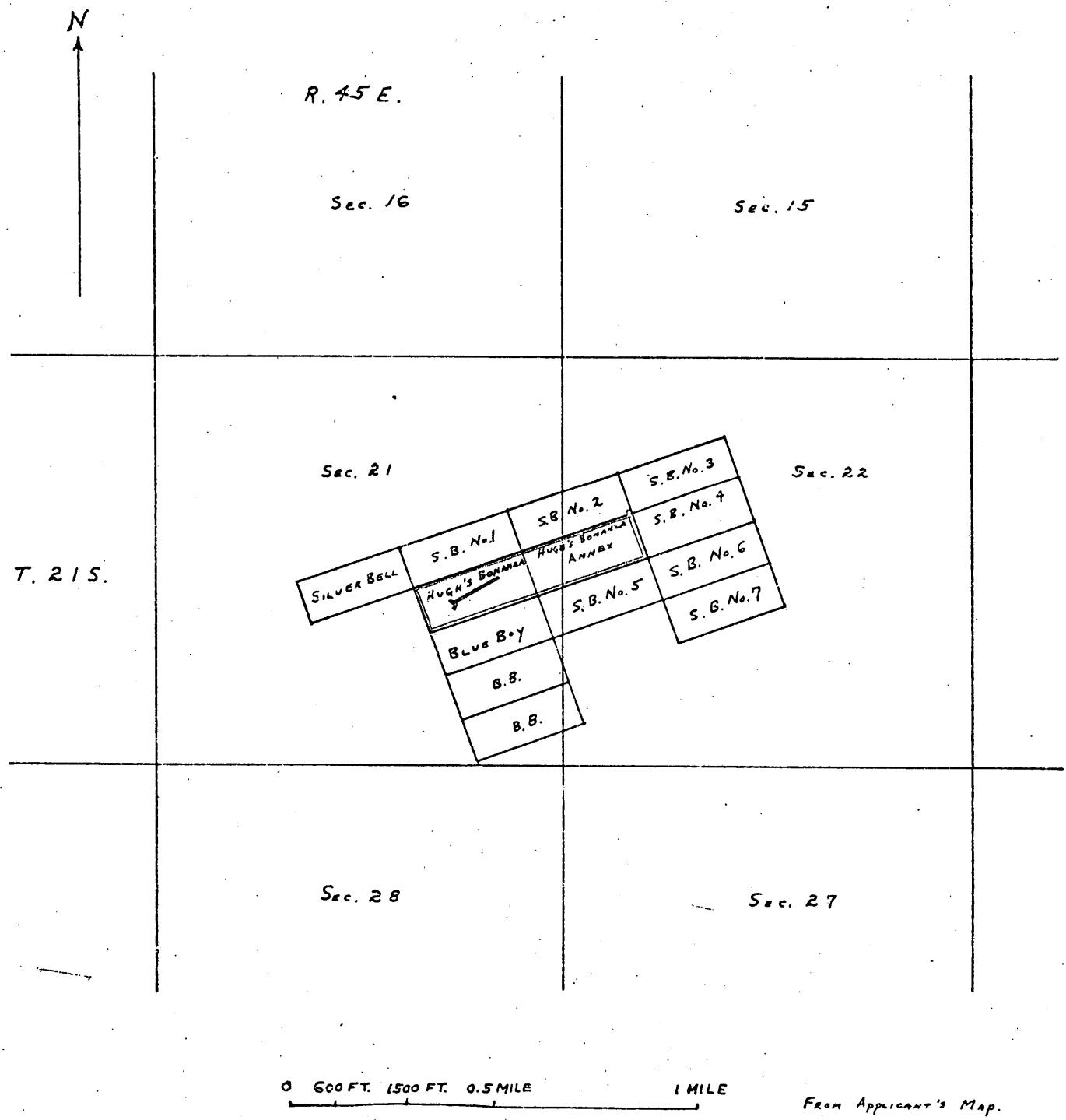


Figure 2.--Property map of Hugh's Bonanza Claims, Inyo County, California.

UNITED STATES DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY

OME-6647
(Silver)

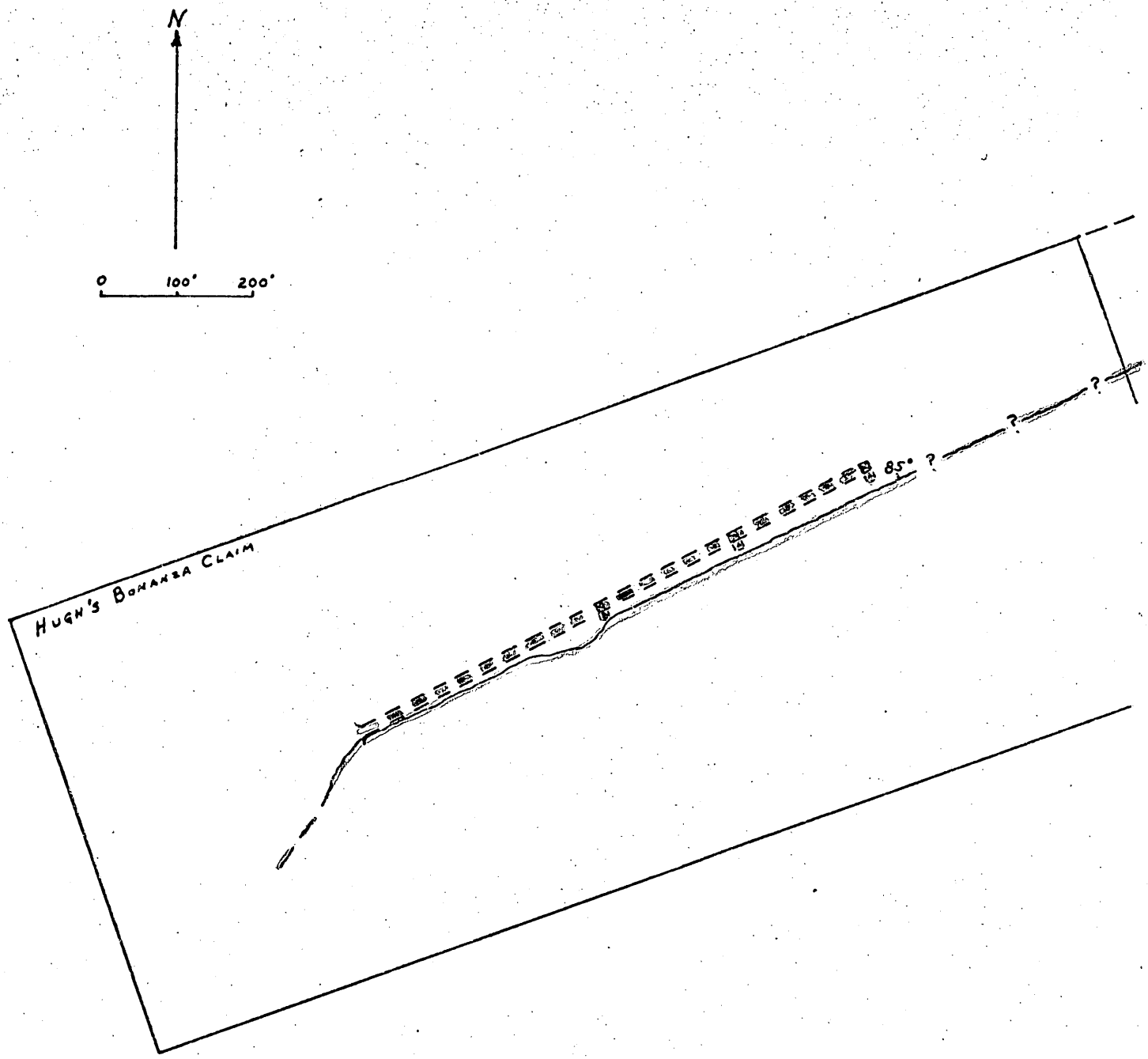


Figure 3.--Map showing location of proposed exploration, Hugh's Bonanza Claim.

OFFICIAL FILE COPY

Date	Surname	Code
9/19	Peterson	120
9/20/67	Kirkham	120
		110
9/20	CAL	220
9/21	BFH	120M

SEP 2 0 1967

AIRMAIL

Sentinel Peak Mines, Inc.
P.O. Box 806
Ridgecrest, California 93555

Re: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hughs Bonanza Claims
Inyo County, California

Gentlemen:

Thank you for your letter of September 11, 1967, enclosing two executed copies of the Assignment of Interest documents.

The application has now been referred to Mr. Harold K. Stager, Field Officer, Office of Minerals Exploration, U. S. Geological Survey, 345 Middlefield Road, Menlo Park, California 94025.

Mr. Stager will notify you if he requires additional information and possibly to make arrangements for an on-site examination of the property.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

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

ECPeterson/bsl 9/19/67

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
9/19	Peterson	120
9/20/67	Kirkham	120
		110
		210
		120M

SEP 2 0 1967

MEMORANDUM

To: Region II

From: Chief, Office of Minerals Exploration

Subject: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hughs Bonanza Claims
Inyo County, California

The subject application is referred to you for a field examination and recommendations.

The application is well prepared and based on the optimistic report by Dr. Engel and the favorable assay data submitted a field examination is warranted.

The estimated costs for the proposed work appear to be realistic. However, it is questionable whether the 7-foot per shift rate of advance for drifting could be maintained and the project completed in 5-1/2 months as indicated.

If a contract is recommended please determine the correct spelling of the claims (Hughs or Hughes) where work is contemplated.

FRANK E. JOHNSON

Frank E. Johnson

cc: Director's Reading File
Division File
Econ. Geol. File
OME Docket
OME Reading File
Mr. Peterson
130

23263

OFFICIAL
COPY
O. M. E.
RECEIVED
SEP 13 1967
INITIALS | CODE
130
120 M
110
120 P

SENTINEL PEAK MINES, INC.
411 Balsam Street,
Ridgecrest, California

September 11,1967

United States Department of the Interior
Geological Survey
Office of Minerals Exploration
Washington,D.C.

Re: O.M.E. - 6647 (Silver)
Sentinel Peak Mines, Inc,

Gentlemen:

In connection with your letter dated August 22,1967, we submit herein copies of assignment of property rights to the Sentinel Peak Mines, Incorporated, in lieu of Subordination Agreements. It always being the intention of Messrs. McKernan and McKenry as the claim owners to retain an interest in the Corporation.

It is noted that a financial statement of the Sentinel Peak Mines Incorporated is requested and as such we wish to furnish certain information that is pertinent to the situation.

1. The Incorporation of the Sentinel Peak Mines, Inc. (a Nevada Corporation) was started during May 1967 and was consumated August 1,1967. The Corporation is authorized to issue 1,000,000 shares of common stock, each of a par value of $1.00.

2. 100,000 shares of stock will be issued to the claim owners in consideration of the assignments of their interests in the Corporation. 84,000 shares to Paul G. McKenry and 16,000 shares to Blanche McKernan and associates per agreement, April 25,1964.

3. At the present time we do not have a financial statement re the Sentinel Peak Mines, Inc., and one has never been prepared although we are now preparing a chart of accounts, acquiring books and records necessary to record the future activities of the Corporation. The Corporation was formed for the purpose of setting up this operation and will be used in that connection only.

Relative to the assignment of (16 percent), the McKernan interest to the Corporation, it should be noted that the document was executed by Blanche McKernan, the wife of Jerome B. McKernan. Mr. McKernan died on March 22,1967 and his wife became the owner therefrom as their holdings were as joint tenants with the right of survivorship and not as tenants in common.

If additional information is required please contact us and we will give it our immediate attention.

Very truly yours

Paul G. McKenry

PGM/pw

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
	Peterson	120P
8/22/67	Kobemo	120
		110
		220
		120M

AUG 22 1967

AIRMAIL

Sentinel Peak Mines, Inc.
P. O. Box 800
Ridgecrest, California 93555

Re: OME-6647 (Silver)
Sentinel Peak Mines, Inc.
Hughs Bonanza Claims
Inyo County, California

Gentlemen:

A review of your application for exploration assistance shows that additional information is required before we can continue its processing.

Since Sentinel Peak Mines, Inc., does not own the claims where work is contemplated, it will be necessary for you to furnish five copies of Lien and Subordination Agreements signed by Jerome B. McKernan and Paul G. McKenry, who are listed as the owners of the property. As an alternative, providing the claim owners retain an interest in the corporation, you may submit a copy of the document assigning their property rights to the Applicant. Lien and Subordination Agreements (six copies MME Form 52) are enclosed for your possible use.

To determine your eligibility for OME assistance, please furnish a recent financial statement of the Sentinel Peak Mines, Inc.

Upon receipt of the requested information we will be glad to continue the processing of your application; however, nothing in this letter should be construed as a commitment by the Government to grant an exploration contract.

Sincerely yours,

FRANK E. JOHNSON/gla

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosures

cc: DRF
Division File
Econ. Geol. Rdg. File
OME Docket
OME Reading File
OME Region II
Mr. Peterson

ECPeterson/gpw 8-22-67

23263

August 16, 1967

Sentinel Peak Mines Inc.
P. O. Box 806
Ridgecrest, California 93555

Subject: OME-6647

Gentlemen:

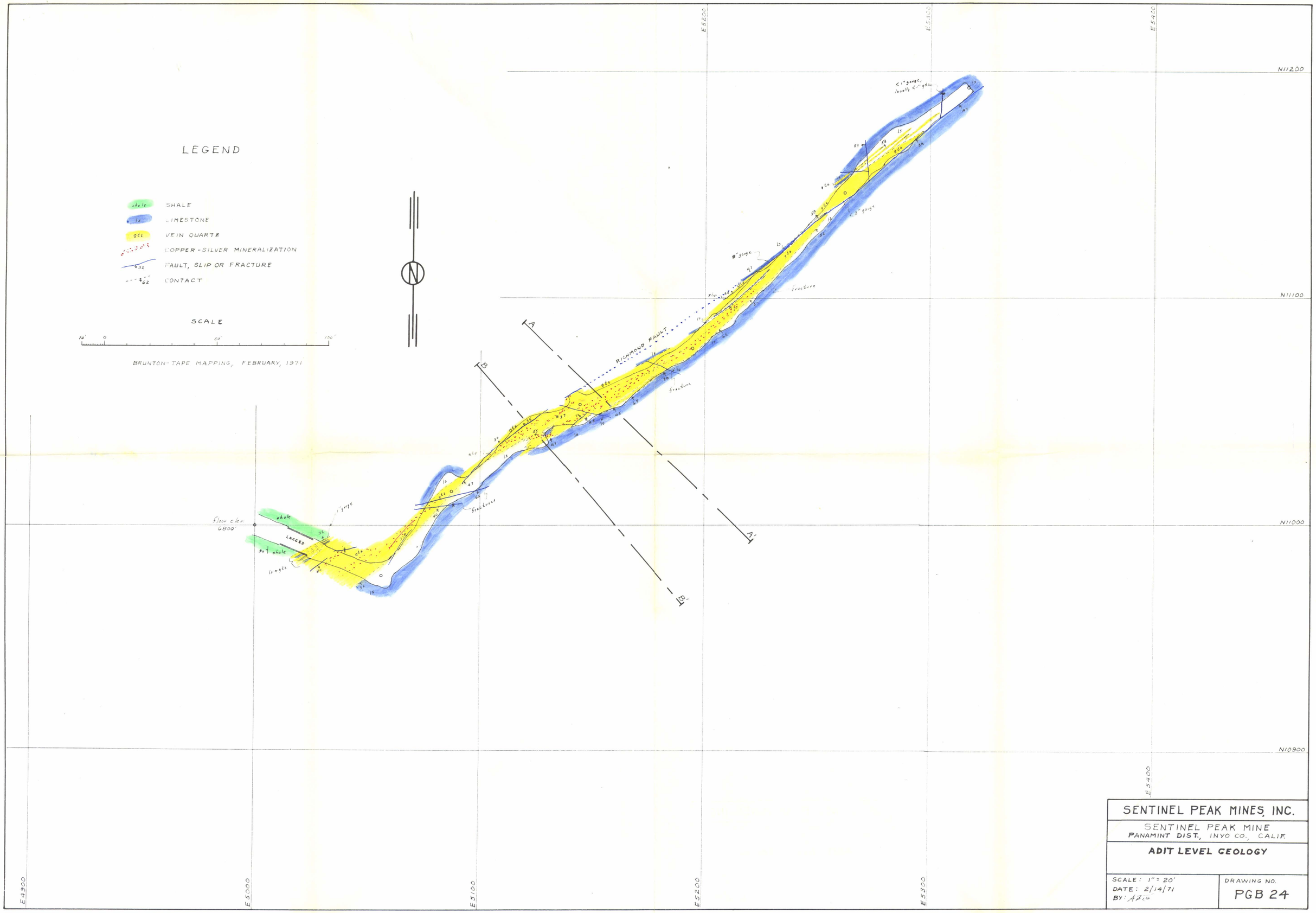
Your application for exploration assistance, dated July 31, 1967, submitted to our office at Menlo Park, California, has been assigned Docket No. OME-6647.

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



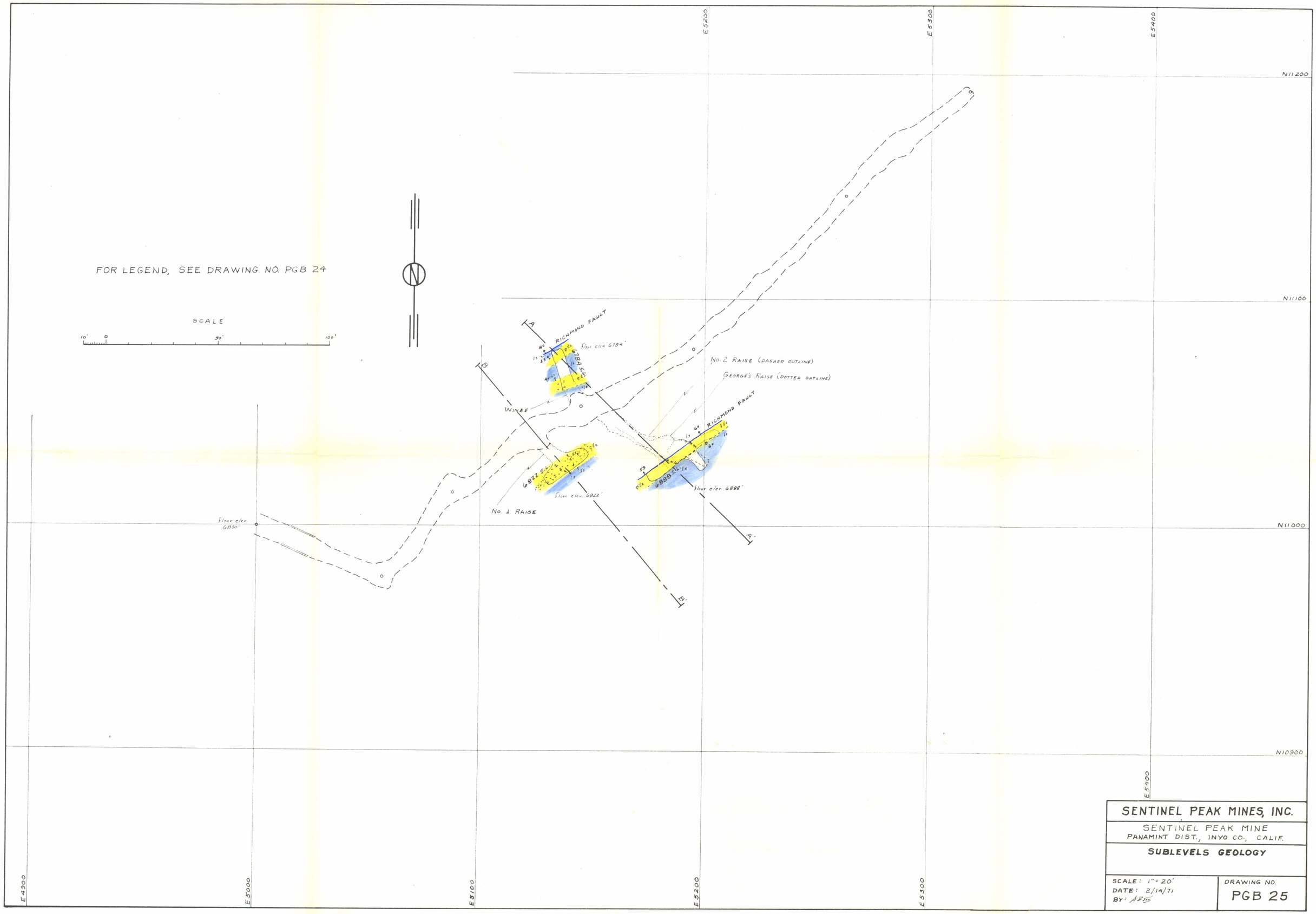
SENTINEL PEAK MINES, INC.

SENTINEL PEAK MINE
PANAMINT DIST., INYO CO., CALIF.

ADIT LEVEL GEOLOGY

SCALE: 1" = 20'
DATE: 2/14/71
BY: A.B.

DRAWING NO.
PGB 24



SENTINEL PEAK MINES, INC.

SENTINEL PEAK MINE
PANAMINT DIST., INYO CO., CALIF.

SUBLEVELS GEOLOGY

SCALE: 1" = 20'
DATE: 2/19/71
BY: [illegible]

DRAWING NO.
PGB 25