DOCKET COPY

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 30 1954

Griswold
Clemmer
Rubin

RESCISSION OF EXPLORATION PROJECT CONTRACT BY AGREEMENT BEFORE WORK IS BEGUN

It is agreed this 7th day of April, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government", and Mariposa Mining Company, hereinafter called the "Operator", parties to that certain Exploration Project Contract No. Idm-E572, Docket No. DMEA 2854, dated July 24, 1953, that said contract shall be and is hereby rescinded, revoked, and cancelled as of the date of the contract, before any actions have been taken or costs incurred thereunder, without any obligation whatever, one party to the other, the same as if said contract had never been entered into.

Witness the following signatures as of the day and year first above written.

Operator

By George T. McCall
George T. McCall
Vice President & General Manager

United States of America

By W. H. King
W.H. King
Executive Officer, DMEA
Field Team, Region IV

Putin 2-2-54

No. 2

AMENDMENT OF CONTRACT: No. Idm-E572

Contract Docket No. DMEA 2854, dated July 24, 1953, between the United States of America and Mariposa Mining Company is hereby amended as follows, effective as of the date of the contract:

> Referring to "Article 3. Exploration Project" of Exploration Project Contract Form MF-200(A) (February 1952) as amended by Amendment No. 1, dated October 8, 1953, following the words "The Operator", delete "within 120 days from the date of this contract" and in lieu thereof substitute "prior to March 24, 1954"; following the words "and shall bring the project to completion", delete "within a period of ten (10) months from the date of this contract" and in lieu thereof substitute "prior to October 24, 1954".

This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "allowable maximum".

Dated JAN 19 1954

MARIPOSA MINING COMPANY

By George T. McCall
George T. McCall,
Vice President and
General Manager

UNITED STATES OF AMERICA

By W H King
W. H. King
Executive Officer, DMEA
Field Team, Region IV

(Seal)

NO. 1

AMENDMENT OF CONTRACT: No. Idm-2572

Contract Docket No. DMEA 2654, dated July 24, 1953, between the United States of America and Mariposa Mining Company is hereby amended as follows, effective as of the date of the contract:

> Referring to "Article 3. Exploration Project," following the words "The Operator, within" delete "60" and in lieu thereof substitute "120", following the words "within a period of" delete "8 months" and in lieu thereof substitute "ten (10) months."

This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "allowable maximum."

Dated: OCT 8 1953

MARIPOSA MINING COMPANY

By George T. McCall
George T. McCall, Vice President
and General Manager

UNITED STATES OF AMERICA

By W. H. King
W. H. King, Executive Officer
DMEA Field Team, Region IV

Attest
Frances Mulcahi
Secy.

Seal

MF-200 (A)
(February 1952)

Department of the Interior
Defense Minerals Administration
Received
1953

DOCKET No. DMEA 2854

COMMODITY Lead-Copper

Idm—E572

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

EXPLORATION PROJECT CONTRACT[1]

(Short Form)

IT IS AGREED this 24th day of July, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Mariposa Mining Company, Incorporated in Colorado
P. O. Box 508
Telluride, Colorado

hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority for contract.*—This agreement is entered into under the authority of the Defense Production Act of 1950, as amended, pursuant to DMEA Order 1 entitled "Government Aid in Defense Exploration Projects."

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Colorado, County of San Miguel, described as follows:[3] Mining Claims located in Secs. 32 and 33, T. 42 N., and Secs. 4 and 5, T. 41 N., R. 9 W. further described in ANNEX I, which is attached.

the Operator represents and undertakes:[4]

(*a*) ~~[illegible]~~:

(*b*) That the Operator is a lessee, in possession and entitled to possession, and the Owner's Consent to Lien is attached.

The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof.

ARTICLE 3. *Exploration project.*—The Operator, within 60 days from the date of this contract shall commence work on a project of exploration for[5] Lead and Copper in or upon the described land; and shall bring the project to completion within a period of 8 months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay fifty (50) percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $10,600.00, which is 50 percent of $21,200.00, the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operator shall provide the Government with monthly reports of units of work performed under the contract, in quintuplicate (five copies), upon forms provided by the Government. These progress reports shall be certified by the Operator, and shall constitute both the Operator's invoice of units of work performed on the project during the period covered by the report and his voucher for repayment by the Government, unless the Government requires the use of a standard voucher form with invoice attached. Progress reports shall include surface and/or underground engineering-geological maps or sketches showing the progress of the exploration, with assay-reports on samples taken concurrently with the advance in mineralized ground.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property, particularly excluding any land or interest therein to which the Government's lien is not to attach or the production from which is not to be subject to the Government's percentage royalty.
[4] Strike out the provision not applicable.
[5] Name of mineral or minerals.

16—66329-1

(*b*) *Final report.*—Upon completion of the exploration work or termination of the contract the Operator shall provide the Government with an adequate geological and engineering report, in quintuplicate (five copies), including an estimate of ore reserves resulting from the exploration work.

(*c*) *Compliance with requirements.*—If, in the opinion of the Government, any of the Operator's reports are insufficient or incomplete, the Government may procure the making or completion of such reports and attachments as an expense of the exploration work; and the Government may withhold approval and payment of any vouchers depending upon insufficient or incomplete reports.

(*d*) *Accounts and audits.*—The Operator shall keep suitable records and accounts of the units of work performed, which the Government may inspect and audit at any time. The Government may at any time require a check of the work performed and an audit of the Operator's records and accounts, by a certified public accountant or otherwise, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract. Upon the completion of the project or termination of the contract the Operator shall render a final account and statement of work performed to accompany his final report.

ARTICLE 6. *Repayment by Operator.*—(*a*) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than 6 months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) percent of any such net amounts, plus one-half (½) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

(For instance: The percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) percent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(*b*) As here used, "net smelter returns," "net concentrator returns," and "other net amounts realized from the sale or other disposition," mean gross revenue from sales, or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be the gross income from mining operations for percentage depletion purposes in income-tax determination.

(*c*) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(*d*) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

ARTICLE 7. *Assignment, transfer, or loss of Operator's interest.*—Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder. The Operator shall not make any voluntary nor permit any involuntary transfer or conveyance of the Operator's rights in the land described in Article 2, without making suitable provision for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof; *Provided,* that mere failure by the Operator to maintain the Operator's rights in the land, without any consideration running to the Operator other than relief from the cost of maintaining such rights (as by surrender of a leasehold, failure to perform assessment work, or failure to exercise an option), coupled with complete abandonment by the Operator of all interest in or operations on the land for a period of 10 years from the date of this contract, shall not constitute such a transfer or conveyance. Should the Operator make or permit any transfer or conveyance in violation of this provision, the Operator shall be and remain liable for payment to the Government of the same amounts, at the same times, as would have been paid under the terms of the percentage royalty on production. If for any reason the net smelter returns, net concentrator returns, or other net amounts realized from the sale or other disposition of such production are not available as a means of measuring the amount of the Operator's liability, the amount thereof shall be estimated as well as may be, and in the event of dispute as to such estimates, the determination thereof by the Administrator of Defense Minerals Exploration Administration or by his successor shall be final and binding upon the Operator.

ARTICLE 8. *Termination and completion.*—The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if, in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worth while discovery and in the opinion of the Government further operations are not justified.

ARTICLE 9. *Changes and added provisions* _____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

Mariposa Mining Company
(Operator)

By W. H. Young
Executive Officer - DMEA
Field Team-Region IV

By George T. McCall
Vice Pres. & General Manager

I, Francis Malicki, certify that I am the secretary of the corporation named as Operator herein; that George T. McCall, who signed this contract on behalf of the Operator, was then Vice Pres. & General Manager 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.

Francis Malicki [CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—66329-1

MF-203

OWNER'S CONSENT TO LIEN

RECEIVED

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Colorado, County of San Miguel, described as follows:1/

Patented lode mining claims located in Secs. 32 and 33, T. 42 N., and Secs. 4 and 5, T. 41 N., R. 9 W., New Mexico principal meridian further described in Annex I attached.

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

2/ Mariposa Mining Company
P. O. Box 508
Telluride, Colorado

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 10,600.00, or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this 15th day of June, 1953.

MONARCH MINES INC.

[Seal]

Edward W. Schultheis [Seal]
President

Charles Junek [Seal]
Sec. & Treas.

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

Repayment by Operator. (a) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

(b) As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

(c) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(d) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

Title to and disposition of property. All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

ANNEX I - to Owner's Consent to Lien Form MF-203 attached.

Patented Claims

Claim	Survey Number	Claim	Survey Number
Buckeye claim	6019	Little Johnny	20027
Buckeye No. 2	12415	Little Tony	20027
Butterfly	6019	Mispah	20027
Broadway	5735	Madera	20027
Balm of Gilead	12416	Montana	6979
Dave Day	20027	Milwaukee	20393
Dewey	20392	Robert Perry	20027
Duffy	13264	Pathfinder	20027
Horrible	20393	Rock Island	1109
Hundinger	20393	R. W. Steele	20027
Hundinger No. 1	20393	Schley	20027
Ida	12343	Terrible	1435
Ida No. 1	12342	Sun Down	12235
Ida No. 2	12342	Wedge	20393
Jerry	20374	Zuma	20393

Docket No. DMEA 2854

ANNEX NO. I

Exploration Project Contract Form MF-200 (A)

Article 2 Operator's property rights

Patented Claims

Claim	Survey Number	Claim	Survey Number
Buckeye claim	6019	Little Johnny	20027
Buckeye No. 2	12418	Little Tony	20027
Butterfly	6019	Mispah	20027
Broadway	8738	Modena	20027
Balm of Gilead	12416	Montana	6979
Dave Day	20027	Milwaukee	20028
Downy	20328	Robert Perry	20027
Duffy	13264	Pathfinder	20027
Horrible	20328	Rock Island	1169
Hamdinger	20328	R. W. Steele	20027
Hamdinger No. 1	20328	Sahley	20027
Ida	12542	Terrible	1428
Ida No. 1	12542	Sun Down	12226
Ida No. 2	12542	Wedge	20328
Jerry	20374	Zuma	20328

Exhibit A

Description of the work

A crosscut will be driven in a northeasterly direction from the No. 4 level on the Ida vein to the North vein, a distance of approximately 330 feet. The point of beginning of this crosscut is approximately 75 feet east of the junction of the drift on the Ida vein and the crosscut south as shown in Figure 2 and Figure 3, which are attached and made a part of Exhibit A.

A drift will be driven a total of 200 feet on the North vein from the point the vein is intersected by the crosscut. The direction of the drifting on the North vein must have the prior written approval of the IMRA representative.

Estimated Cost of the Project

330 feet of crosscutting at $40.00 per foot -	$13,200.00
200 feet of drifting at $40.00 per foot -	8,000.00
Total cost of project -	$21,200.00
Government participation at 50% -	$10,600.00

RECEIVED
JUL 16 1956

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

224 New Customhouse
Denver 2, Colorado

July 10, 1956

B.138

Memorandum

To: Chairman, Operating Committee, DMEA

From: DMEA Field Team, Region III

Subject: Docket DMEA 2854 (Uranium), Contract Idm-E580, Oxide Metals Corporation (South View - Valley View claims), Fall River County, South Dakota

In compliance with your request of June 28, 1956, enclosed are the original and three copies of a memorandum, dated July 5, 1956, from C. M. Harrer, Mining Engineer, Bureau of Mines, wherein he explains the process for computing ore reserves as a result of the exploration work performed under the subject contract.

It appears that the ore reserve calculations were based on methods outlined by the A.E.C. for use in the South Dakota area. However, since only one hole out of sixty-four (64) drilled on the property encountered ore grade material, and since any ore reserve calculations are, at best, approximations, we believe that the figure of 350 tons shown in the final report as indicated ore could be considered as the total reserves of indicated and inferred ore.

W. M. Traver
W. M. Traver

E. N. Harshman
E. N. Harshman

Enclosures

Box 138

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

RECEIVED
JUL 13 1956

DMEA
Date Rec'd.
JUL 6 1956
BUREAU OF MINES
Denver, Colorado

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
July 5, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shaw
Supervising Mining Engineer

From: C. M. Harrer

Subject: Docket DMEA 2984 (Uranium) Contract Idm-E580, Oxide Metals Corporation, South View-Valley View claims, Fall River County, South Dakota

As mentioned in the final report, under Ore Reserves, calculations were based on standard procedures of the Atomic Energy Commission for carnotite type deposits of the Black Hills Region of South Dakota when explored at 50-foot centers.

These standard instructions recommend that (1) reserves be calculated as rectangular blocks around ore holes; (2) indicated reserves be limited to an extension of 25 feet from an ore hole; (3) inferred reserves will be limited to 15 feet beyond the indicated block towards mineralized holes and will have no extension beyond the indicated reserve block towards barren holes; (4) a factor of 14 cu. ft. per ton is used.

Holes 1 and 17 to the north are mineralized. Hole No. 11 to the west is mineralized. Hole No. 17 to the northeast is mineralized and very low grade material was removed from the open cut. The ground to the east is considered mineralized to the limit of the open cut -- estimated as 50 feet. Holes No. 19 and 4 to the south and southeast are barren.

Indicated ore, therefore, occupies a block 50 feet north-south by 50 feet east-west by 2 feet thick and reserves are 350 (357) tons.

Total ore occupies a block 65 feet north-south by 80 feet east-west by 2 feet thick and reserves are 740 (743) tons.

Inferred reserves, by difference, are 390 tons. All reserves are assumed at 0.6 percent U_3O_8 which is the only assay available for hole No. 3.

The reserves were qualified as being based on one sample from a single drill hole. Because of this background, no attempt was made to estimate either measured or minable reserves. The estimate is the best possible under the conditions and cannot be corroborated or disproven without further drilling.

The operator apparently lost interest and transferred his efforts to other properties he believed more promising.

The earliest estimate of reserves appears to have been made by W. A. Braddock of the Geological Survey (7/12/54) as 500 tons of ore. This was about one month prior to the deadline for certification.

C. M. Harrer

C. M. Harrer
Mining Engineer

CMH/mw
Idm-E580
Chron

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 30 1954

224 New Customhouse
Denver 2, Colorado

April 27, 1954

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 2854 (Lead-Copper), Contract Idm-E572, Mariposa Mining Company, San Miguel County, Colorado

Enclosed for your records are the original and two copies of "Rescission of Exploration Project Contract by Agreement Before Work is Begun" which was prepared and has been executed in conformance with authorization contained in a teletype from George C. Selfridge dated April 6, 1954. Also enclosed are three sets of data relevant to the rescission agreement.

A copy of the rescission agreement has been forwarded to the operator, a copy given to the Finance Office, Region IV, and a copy has been retained for our files.

W. H. King

W. H. King

Enclosures

RECEIVED
MAY 5 - 1954
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

WASH DC BU MINES 310
4-6-54

W H KING,

REURTT APRIL 5, DOCKET DMEA-2854, MARIPOSA MINING COMPANY, CONTRACT IDM-2572. MUTUAL TERMINATION AGREEMENT NOT NECESSARY SINCE NO WORK HAS BEEN DONE. USE RESCISSION FORM INSTEAD.

GEORGE C. SELFRIDGE

4/5/54

C. O. MITTENDORF DMEA WASH

REFERENCE DOCKET 2854, CONTRACT IDM-E572, MARIPOSA MINING COMPANY. WORK NOT COMMENCED PRIOR TO MARCH 24, 1954 AS PROVIDED UNDER AMENDMENT NO. 2. OPERATOR ADVISES THAT THEY DO NOT WITH TO MAINTAIN THE CONTRACT IN FORCE DUE TO UNCERTAINTY OF LEAD MARKET. PLEASE TELETYPE AUTHORIZATION TO PREPARE TERMINATION BY MUTUAL AGREEMENT.

W. H. KING

cc Townsend
Koschmann
Traver

MARIPOSA MINING COMPANY
Box 1720
Telluride, Colorado

March 31, 1954

Mr. W.H.King
Executive Officer, DMEA
Field Team, Region IV
224 New Customhouse
Denver 2, Colorado

Re: Docket DMEA 2854 (Lead-Copper)
Contract Idm-E572

Dear Mr. King:

Please be advised that work was not commenced prior to March 24, 1954, as provided under Amendment No. 2 of our Contract Idm-E572.

We do not wish to maintain the contract in force, due to the uncertainty in the lead market. Please consider this our formal notice to this effect.

We thank you for your many courtesies and cooperation thru out, and regret that conditions do not favor our commencing the project.

Very truly yours,

/s/ George T. McCall

George T. McCall, Manager

cc: Mr. A.A.Dulde, President
Mariposa Mining Company
1633 South 44th Street
Milwaukee 14, Wisconsin

224 New Customhouse
Denver 2, Colorado

March 26, 1954

Mr. George T. McCall
Vice President and General Manager
Mariposa Mining Company
P. O. Box 1720
Telluride, Colorado

Re: Docket DMEA 2854 (Lead-Copper)

Dear Mr. McCall:

Your attention is directed to Amendment No. 2 to Contract Idm-2572 wherein it is stipulated that the project work shall be commenced prior to March 24, 1954.

Please advise this office as to whether or not the project work was commenced prior to the date stipulated. In the event work has not been started, and if you are desirous in maintaining the contract in force, it will be necessary for you to obtain an amendment to the contract to further extend the date for starting work under the contract provisions.

Your request for such an amendment should be forwarded to this office in sextuplicate giving a justification as to why work was not commenced and why additional time will be required.

Very truly yours,

John F. Shaw, for
W. H. King
Executive Officer, DMEA
Field Team, Region IV

JWT:jp
cc Contract
Chron
WMTraver
AHKeschmann
JWTownsend

RECEIVED
30 1954

WASH DC BU MINES 310
4-6-54

W H KING,

REURTT APRIL 5, DOCKET DMEA-2854, MARIPOSA MINING COMPANY, CONTRACT IDM-E572. MUTUAL TERMINATION AGREEMENT NOT NECESSARY SINCE NO WORK HAS BEEN DONE. USE RESCISSION FORM INSTEAD.

GEORGE C. SELFRIDGE

4/5/54

C. O. MITTENDORF DMEA WASH

REFERENCE DOCKET 2854, CONTRACT IDM-E572, MARIPOSA MINING COMPANY. WORK NOT COMMENCED PRIOR TO MARCH 24, 1954 AS PROVIDED UNDER AMENDMENT NO. 2. OPERATOR ADVISES THAT THEY DO NOT WITH TO MAINTAIN THE CONTRACT IN FORCE DUE TO UNCERTAINTY OF LEAD MARKET. PLEASE TELETYPE AUTHORIZATION TO PREPARE TERMINATION BY MUTUAL AGREEMENT.

W. H. KING

cc Townsend
Koschmann
Traver

MARIPOSA MINING COMPANY
Box 1720
Telluride, Colorado

March 31, 1954

Mr. W.H.King
Executive Officer, DMEA
Field Team, Region IV
224 New Customhouse
Denver 2, Colorado

Re: Docket DMEA 2854 (Lead-Copper)
Contract Idm-E572

Dear Mr. King:

Please be advised that work was not commenced prior to March 24, 1954, as provided under Amendment No. 2 of our Contract Idm-E572.

We do not wish to maintain the contract in force, due to the uncertainty in the lead market. Please consider this our formal notice to this effect.

We thank you for your many courtesies and cooperation thru out, and regret that conditions do not favor our commencing the project.

Very truly yours,

/s/ George T. McCall

George T. McCall, Manager

cc: Mr. A....Dulde, President
Mariposa Mining Company
1633 South 44th Street
Milwaukee 14, Wisconsin

224 New Customhouse
Denver 2, Colorado

March 26, 1954

Mr. George T. McCall
Vice President and General Manager
Mariposa Mining Company
P. O. Box 1720
Telluride, Colorado

Re: Locket DMD. 2854 (Lead-Copper)

Dear Mr. McCall:

Your attention is directed to Amendment No. 2 to Contract Idm-E572 wherein it is stipulated that the project work shall be commenced prior to March 24, 1954.

Please advise this office as to whether or not the project work was commenced prior to the date stipulated. In the event work has not been started, and if you are desirous in maintaining the contract in force, it will be necessary for you to obtain an amendment to the contract to further extend the date for starting work under the contract provisions.

Your request for such an amendment should be forwarded to this office in sextuplicate giving a justification as to why work was not commenced and why additional time will be required.

Very truly yours,

John F. Shaw, for
W. H. King
Executive Officer, DMEA
Field Team, Region IV

JMT:jp
cc Contract
Chron
MMTraver
AHKoschmann
JWTownsend

FILE COPY
SURNAME
Griswold
Selfridge
Vitulendorf

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

APR 6 1954

WRGriswold/bjl, Rm. 4058, Ext. 3669

Base Metals, DMEA, Interior

14X4401(01) Revolving Fund, Defense Production Act, Interior (allocated Working Fund to the Office of Secy.)

T E L E T Y P E

XXXXXXXXXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXXXXXXXXX

Date:

To : W. H. Ting, Executive Officer, DMEA Field Team, Region IV, Denver, Colorado

Deurtt April 5, Docket DMEA-2854, Mariposa Mining Company, Contract Idm-E572. Mutual termination agreement not necessary since no work has been done. Use rescission form instead.

George C. Selfridge

Chairman, Operating Committee

(4/6/54)

Copy to: Docket
Admr. R. File
Op. Committee
Base Metals
Accounts
Mr. Bishop
Mr. Kinkel
Chron.

SENT
APR 6 1954
Clerical Service Section

Mr. C. O. Mittendorf
April 5, 1954
(Unattended service after 4:15)

DEPARTMENT OF
Defense Minerals
RECEIVED
APR - 6 1954

DN 235 DURAL EXMS 4-5-54 3-00 PM

C O MITTENDORF

REFERENCE DOCKET 2854, CONTRACT IDM-E572, MARITXXXX MARIPOSA MINING COMPANY. WORK NOT COMMENCED PRIOR TO MARCH 24,1954 AS PROVIDED UNDER AMENDMETXXXX AMENDMENT NO.2. OPERATOR ADVISES THAT THEY DO OXXX NOT WISH TO MAINTAIN THE CONTRACT IN FORCE DUE TO UNCERTAINTY OF LEAD MARKET. PLEASE TELETYPE AUTHORIZATION TO PREPARE TERMINATION BY MUTUAL AGREEMENT.

W H KING

Denver, Colo.

APR 6 8 25 AM '54
BUREAU OF MINES
MAIL ROOM
WASHINGTON, D. C.

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

224 New Customhouse
Denver 2, Colorado

January 19, 1954

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 2854 (Lead-Copper), Contract Idm-E572, Mariposa Mining Co., San Miguel County, Colorado

Enclosed are the original and two copies of Amendment No. 2 to Contract Idm-E572 which has been executed to authorize an extension of the starting date of work under the contract from 120 days to prior to March 24, 1954, and an extension of the period for completion of the project work from 10 months to prior to October 24, 1954. Also enclosed are three sets of data relevant to the amendment.

Copies of this amendment have been given to the operator, the Fiscal Officer, Region IV, and a copy has been retained for our files.

W. H. King

Enclosures

MARIPOSA MINING COMPANY
BOX 1720
Telluride, Colorado

November 22, 1953

Mr. W.H. King, Executive Officer
DMEA Field Team, Region IV
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA 2654
(Pb-Cu), Contract Iam-E572

Dear Mr. King:

Please be advised that our company desires to keep the contract in force, and we hereby request that the contract be amended to further extend the starting date of the work by 4 months, or approximately March 24th, 1954.

Very truly yours,

George T. McCall

George T. McCall, Manager

224 New Customhouse
Denver 2, Colorado

November 3, 1953.

Mr. George T. McCall, Manager
Mariposa Mining Company
P. O. Box 1720
Telluride, Colorado

Re: Docket No. DMEA-2854
(Lead-Copper), Contract
Idm-E572

Dear Mr. McCall:

Receipt is acknowledged of your letter of October 30, 1953, wherein you advise that you are suspending operations for the winter, and that it is only a possibility that you will resume operations again in the spring.

Your attention is directed to Article 3, which is amended by Amendment No. 1 to exploration project contract Form MF-200(A), on which your contract is prepared.

It is stipulated in the above-cited Article, that work shall commence within a period of 120 days from the date of the contract, or by November 24, 1953.

If you are desirous of maintaining the contract in force, it will be necessary for you to request an amendment to the contract to further extend the date of starting work under the terms of the contract. If you are not desirous of maintaining the contract in force, then you should request that the contract be rescinded before the start of any work.

In either case, we will appreciate receipt of six copies of your request.

Very truly yours,

W. H. King
Executive Officer
DMEA Field Team
Region IV

C
O
P
Y

MARIPOSA MINING COMPANY
Box 1720
Telluride, Colorado

October 30, 1953

Mr. W. H. King, Executive Officer
DMEA Field Team, Region IV
224 New Customhouse
Denver 2, Colorado

Dear Mr. King:

We sincerely regret to inform you at this stage of the contract that our company is going to suspend operations for the winter, at least, and that it is only a possibility that we will commence again in the spring.

Your cooperation has been very heartening, and I would like to impress upon you that this turn of events is completely beyond the control of the miners.

Very truly yours,

(signed) George T. McCall

Manager

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

224 New Customhouse
Denver 2, Colorado

October 8, 1953

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA 2854 (Lead-Copper), Contract Idm-E572, Mariposa Mining Company, San Miguel County, Colorado

Enclosed are the original and two copies of Amendment No. 1 to the subject contract which has been executed to extend the completion date of the contract from 8 months to 10 months. Also enclosed are three copies of a letter from the operator requesting the amendment.

Copies of this amendment have been given to the operator, the Fiscal Officer, Region IV, and a copy has been retained for our files.

W. H. King

W. H. King

Enclosures

Cae
10-12

RECEIVED
OCT 20 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

C
O
P
Y

MARIPOSA MINING COMPANY
Box 1720
Telluride, Colorado

September 19, 1953.

Mr. W. H. King, Executive Officer,
DMEA Field Team, Region IV
224 New Customhouse
Denver 2, Colorado

Re: Contract No. Idm-2572
Docket No. DMEA-2854

Dear Mr. King:

It is going to be impossible for us to start the project within the 60 day deadline. We request an extension on the starting date. It is difficult to say just when we can start, as we have no idea what condition the drift ahead of us is in.

I submit the following progress report to you for the purpose of showing you that we are making a conscientious effort to meet our obligations.

.....

Since notification of our contract's approval, we have advanced nearly 300 feet through the old caved tunnel, much of this being spiled. This puts us about 2550 feet from the portal, or about 300 feet from the starting point of the exploration project. On October 15th, we shall have been working on this tunnel for one year, at a total cost to us of about $17,000.

On surface, we have installed a 1200 foot power line and substation, utility building, compressor building, and over one mile of road. We have most of the winter's supplies for the project at the portal, and have purchased a new compressor for the job.

.....

The cave we are working on now has a strong breeze blowing thru it, and for this reason we anticipate a cave of short distance, with at least a breezeway open from here to the end of the tunnel. Spiling should be at a minimum from here on, with comparatively rapid advance to the starting point.

Mr. Dare of your office was here and oriented me on the forms to be filled out, and he assured me of an extension for the starting date. We hope that you will recognize our sincerity and trust that you will award us an extension.

Very truly yours,

/s/ George T. McCall, Manager

cc: Mr. Traver
Mr. Dulde

August 12, 1953

Memorandum

To: Mrs. Birmingham, Statistics and Control Div., DMEA

From: Hazel Berry, Operating Committee, DMEA

Subject: Region IV Contract

Attached is the docket copy of a Region IV contract which has been reviewed and cleared by the Commodity Division, Contract Administration and Audit Division, and the Legal Division:

MARIPOSA MINING COMPANY, DMEA-2854, Idm-E572.

Attachment

MF-600 Do not Detach

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 8/10/53

REFERRED TO:

1. ~~Mr. Hofflund, Rm. 4627~~
2. ~~Hazel Berry, Rm. 4624~~
3. Bermingham
4. R 45 39

FOR:

.....	Action	.....	Recommendation
.....	Approval	.....	Record
.....	Comment		of .....
.....	Conference	.....	Referring
.....	Consideration		to .....
.....	Filing	.....	Reply for signa-
.....	Instructions		ture of .....
.....	Investigation	.....	Rewriting
.....	Initials	.....	Signature
.....	Mailing	.....	Suggestions
.....	Previous correspondence	.....	Your information

RECEIVED
AUG 10 1953
G. ... COUNSEL
DEFENSE MINERALS ADMINISTRATION

REMARKS: The attached Reg. IV contract (DMEA-2854, Idm-E572) has been rev'd and appv'd by the Comm. Div. & Audit. Hazel

Check (X) before the items needing attention.

George C. Selfridge

Initials of sender.

GPO 16—63815-1

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 3 1953

224 New Customhouse
Denver 2, Colorado

July 29, 1953

Memorandum

To: C.O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Contract Idm-E572, Docket DMEA-2854, Mariposa Mining Co., San Miguel County, Colorado (Lead-Copper)

Enclosed are the original and two copies of Contract Idm-E572. Copies of this contract have been given to the operator, the Fiscal Officer, Region IV, and a copy has been retained for our files.

W. H. King
W. H. King

Enclosures

RECEIVED
AUG 10 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

1-1027
(April 1948)

UNITED STATES
DEPARTMENT OF THE INTERIOR

AGENCY DMEA - REG IV

Originator: [illegible]
Exch. [illegible] Room:

TELETYPE

RECEIVED
JUL 30 1953

Appro.:
Date: 7/27/53
Time:
No.:
To: C O MITTENDORF DMEA WASH

Subject:

REURTT JULY 27, MARIPOSA MINING COMPANY, DOCKET DMEA 2854, TOTAL COST $21,200.00, GOVERNMENT'S PARTICIPATION SHOULD BE $10,600.00.

W. H. King
W. H. KING

Authorized:
CONFIRMATION

Sign original message and transmit to Room ..... in duplicate

U. S. GOVERNMENT PRINTING OFFICE 16—50915-1

1-1027
(April 1946)

UNITED STATES
DEPARTMENT OF THE INTERIOR

AGENCY DMEA Reg. IV

TELETYPE

Originator:
Ext.: Room:

Appro.:
Date: 7/24/53
Time:
No.:
To: C: O. MITTENDORF DMEA WASH

Subject:

PLEASE ASSIGN A NUMBER TO CONTRACT COVERING DOCKET DMEA 2854, MARIPOSA MINING COMPANY, INCORPORATED IN COLORADO, P. O. BOX 508, TELLURIDE, COLORADO, COMMODITY, LEAD-COPPER. PROPERTY IN SAN MIGUEL COUNTY, COLORADO. CONTRACT DATED JULY 24, 1953. TOTAL COST OF CONTRACT $21,200.00, GOVERNMENT'S PARTICIPATION $10,600.00.

Corrected by wire to 10,600. 7-28-53

W. H. King

W. H. KING

DME-572
5090

Authorized:

CONFIRMATION

Sign original message and transmit to Room ..... in duplicate

U. S. GOVERNMENT PRINTING OFFICE 16—50915-1

Mr. C. O. Mittendorf
7-28-53
7:45 AM.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 2 1953

BUR MINES DN 235 7-27-53 3-59 PM

C O MITTENDORF

REURTT JULY 27, MARIPOSA MINING COMPANY, DOCKET DMEA 2854, TOTAL COST $21,200.00, GOVENXXXX GOVERNMENT,S PARTICIPATION SHOULD BE $10,600.C..

W H KING

Denver, Colo.

JUL 28 8 48 AM '53
BUREAU OF MINES
MAIL ROOM
WASHINGTON, D.C.

SURNAME COPY

Defense Minerals Exploration Administration
Robert E. Adams
2017

14X3923.970, Working Fund, Interior, DMEA
July 28, 1953
9:30 a.m.

W.H.King, Executive Officer, Region IV, 224 New Customhouse Bldg., Denver 2, Colorado

Assignment of Contract Number

REFERTEL 7-24-53, DOCKET NO. DMEA 2854, MARIPOSA MINING CO., INC., PROPERTY IN SAN MIGUEL COUNTY, COLORADO. COMMODITY, LEAD-COPPER. CONTRACT NUMBER IDM-E572 ASSIGNED THIS CONTRACT.

C. O. Mittendorf

ADMINISTRATOR

REAdams/meb
cc to: Adm.Reading File
Mails & Files Br.
Bu. of Mines Audits Div., Rm. 2509
Miss Curtin

SENT
JUL 28 1953
Clerical Service Section

R.G.B. 7-28-53

SURNAME COPY

Adams

Defense Minerals Exploration Administration
Robert E. Adams
2017

14X3923.970, Working Fund, Interior, DMEA
July 27, 1953
11:05 a.m.

W.H.King, Executive Officer,Region IV,224 New Customhouse Bldg.,Denver 2,Colorado

VERIFICATION OF CONTRACT FIGURES

REURTEL 7-24-53, DOCKET DMEA 2854, MARIPOSA MINING COMPANY. TOTAL COST SHOWN AS $21,200.00, GOVERNMENT PARTICIPATION $10,500.00. PLEASE VERIFY THESE FIGURES.

C. O. Mittendorf

ADMINISTRATOR

REAdams/meb
cc to: Adm.Reading File
Mails & Files Br.
Bu. of Mines Audits Div.,Rm. 2509
Miss Curtin

SENT
JUL 27 1953
Clerical Service Section

R.L.G. 7-27-53

C.O. Mittendorf
7-24-53
7:44 P.M.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 27 1953

DN 235 BUREAU MINES 7-24-53 3-44 PM

C O MITTENDORF

PLEASE ASSIGN A NUMBER TO CONTRACT COVERING DOCKET DMEA 2854, MARIPOSA MINING COMPANY, INCORPORATED IN COLORADO, P. O. BOX 508, TELLURIDE, COLORADO, COMMODITY, LEAD-COPPER. PROPERTY IN SAN MIGUEL COUNTY, COLORADO. CONTRACT DATED JULY 24,1953. TOTAL COST OF CONTRACT $21,200.00, GOVERNMENT,
S PARTICIPATION $10,500.00.

W H KING

Denver, Colo.

FDME 572

JUL 27 8 28 AM '53
BUREAU OF MINES
MAIL ROOM
WASHINGTON, D. C.

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

224 New Customhouse
Denver 2, Colorado

June 2, 1953

Mr. George L. McCall
Mariposa Mining Company
Telluride, Colorado

Re: Docket DMEA 2054
(Lead), San Miguel
County, Colorado

Dear Mr. McCall:

On May 18 we advised you that effective April 15, 1953, funds for certain specified metals had been denied and since your application related to lead and zinc it was accordingly denied.

We are pleased to inform you that since your application was received prior to May 15, 1953, we are now authorized to process it if you are still interested in exploration assistance.

The field examiners have recommended an exploration project for your property and we will start immediately to process your contract.

Yours very truly,

W. A. King
Executive Officer
Field Team, Region IV

HNCald

sub
Caron
Koschmann
Mittendorf
Traver

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

224 New Customhouse
Denver 2, Colorado

May 28, 1953.

Memorandum

To: Administrator, Defense Minerals Exploration Administration
Attention: 200

From: Field Team, Region IV

Subject: Final Report, DMEA Docket 2854 (Lead-Copper), Mariposa Mining Company, Butterfly Mine, San Miguel County, Colorado.

Enclosed are four copies of the final report on the subject docket and two copies of Form 3b.

This application was denied by the Field Team by letter to the applicant dated May 18, 1953, copy of which was forwarded your office. The denial was based on the past production of the mine which indicated no significant amount of copper.

for Joh F. Shaw
W. H. King

A. N. Koechmann
A. N. Koechmann

Enclosures

Reviewed by
DMEA OPERATING COMMITTEE
6-5-53
(date)

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

COPY

224 New Customhouse
Denver 2, Colorado

May 18, 1953

Mr. George T. Mc Call
Mariposa Mining Company
Telluride, Colorado

Re: Docket No. DMEA 2854
(Lead)

Dear Mr. Mc Call:

This is to inform you that, effective April 15, 1953, the commitment of funds allocated to the Defense Minerals Exploration Administration for exploration assistance under the Defense Production Act was restricted to certain specified metals and minerals still in short supply. Lead was not specified, and consequently was automatically removed from the list of metals or minerals eligible for exploration assistance.

We regret to advise you that, since your application relates to lead and was pending on the date of the restrictive order, we are without authority or funds to enter into a contract for exploration and your application is accordingly denied. This action is taken without prejudice to the merits of the proposed project.

The staff of the Defense Minerals Exploration Administration wishes to express its appreciation for your interest in the exploration program and for your cooperation during the period your application has been under consideration.

Sincerely yours,

/s/ W. H. KING
W. H. King
Field Team, Region IV

HMC:fwo

/s/ OGDEN TWETO
for A. H. KOSCHMANN
Field Team, Region IV

cc COMittendorf
WMTraver, Jr.
Subject
Chron
Koschmann (2)

Reviewed by
DMEA OPERATING COMMITTEE

6-5-53
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Mining Division
Region IV

May 28, 1953.

Memorandum

To: Field Team, Region IV

From: Chief, Mining Division, Region IV

Subject: Final Report, DMEA Docket 2854 (Lead-Copper), Mariposa Mining Company, Butterfly Mine, San Miguel County, Colorado.

Enclosed are eight copies of the final engineering report on the subject docket.

The applicant requested $23,605.92 for 1,950 feet of diamond drilling and 330 feet of crosscutting. The examining engineer recommended denial of the diamond drilling and acceptance of crosscutting and some drifting if a long-shot project for lead and copper was believed to be justified.

Records of past production indicate no significant amounts of copper were present.

We therefore recommend that the application be denied.

for John F. Shaw
W. H. King

Enclosures

Reviewed by
DMEA OPERATING COMMITTEE
6-5-53
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
April 30, 1953

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Mineral Resources Branch, Mining Division, Region IV

Subject: DMEA 2854 (Lead-copper), Mariposa Mining Company (Butterfly mine), San Miguel County, Colorado

Please find enclosed the original and eight copies of the "Summary, Conclusions, and Recommendations", by Russell R. McLellan and D. R. MacLaren, and of McLellan's engineering report on the subject docket.

McLellan recommends denial of the request for core drilling. On the basis that a fair possibility exists for a discovery of lead and copper ore, he recommends 330 feet of crosscutting on the No. 4 level to intersect the North vein and 200 feet of drifting on the vein from the crosscut, with a contract to be prepared on a short form at a unit cost of $40.00 per foot for the 530 feet of drift and crosscut.

I concur with his recommendations.

The brochure included with the memorandum of instructions from the Region IV Field Team to make a field investigation is also enclosed.

W. M. Traver

W. M. Traver

enclosures

WMT/dd

cc 8

Reviewed by
DMEA OPERATING COMMITTEE
6-5-53
(date)

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

200 New Customhouse
Denver 2, Colorado

May 13, 1953

Memorandum

To: DMEA Field Team, Region IV

From: A. H. Koschmann

Subject: DMEA Docket 2854, The Mariposa Mining Company, The Butterfly Mine, San Miguel County, Colorado.

Attached are 8 copies of the geological report by D. R. MacLaren covering DMEA Docket 2854, The Butterfly Mine, Mariposa Mining Company, San Miguel County, Colorado.

The applicant proposes to explore for new veins and the extension of old veins carrying copper, lead, zinc, silver, and gold by diamond drilling, and for the downward and lateral extension of a vein known as the North vein by crosscutting and the drilling of one horizontal hole from the No. 4 level, at a total estimated cost of about $23,605.

MacLaren concludes that this project can be considered as only a fair prospect, and recommends that all drilling be denied and that the Field Team consider for approval only the crosscut and 200 feet of drifting on the North vein on the No. 4 level.

I concur in this recommendations.

A. H. Koschmann
A. H. Koschmann
Supervising Geologist
Colorado-Wyoming

Enclosures (8)

Reviewed by
DMEA OPERATING COMMITTEE
6-5-53
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION IV

DMEA 2854, Mariposa Mining Company

Butterfly Mine

San Miguel County, Colorado

Lead-Copper

Russell E. McLellan, Mining Engineer
Bureau of Mines

D. R. MacLaren, Geologist
Geological Survey

April 23, 1953

Reviewed by
DMEA OPERATING COMMITTEE
6-5-53
(date)

DMEA 2854

MARIPOSA MINING COMPANY
BUTTERFLY MINE
SAN MIGUEL COUNTY, COLORADO

Summary, Conclusions, and Recommendations

By Russell R. McMillan
Mining Engineer
Bureau of Mines

and

R. R. MacLaren
Geologist
Geological Survey

DMEA 2394

MARIPOSA MINING COMPANY
BUTTERFLY MINE
SAN MIGUEL COUNTY, COLORADO

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

By Russell N. McLellan and D. R. MacLaren

The Mariposa Mining Company, of Telluride, Colo., has applied to the Defense Minerals Exploration Administration for assistance to explore for lead and copper in the Butterfly mine, near Ophir, San Miguel County, Colo. The applicant proposes to spend $23,605.92—Government participation, $11,802.96—for 1,950 feet of diamond drilling and 330 feet of crosscutting.

An examination of the mine indicated that the No. 3 level, and above, has produced a relatively small tonnage of ore, valuable principally for its silver content. The presence of a small shoot of medium-grade lead and copper ore below the No. 3 level on the North vein is indicated by a winze 100 feet deep. It is concluded that, on the No. 3 level and above, there is a poor prospect for lead and copper, and that the chance of making a significant discovery of these metals below the No. 3 level is only fair. There appear to be no specific targets for most of the proposed drill holes. Furthermore, it is doubtful that drilling will give satisfactory information due to the shattering of the rock by many cross fractures.

It is recommended that the requested drilling be denied. Only if a long-shot exploration project for lead and copper is justified, is it recommended that 330 feet of crosscutting on the No. 4 level be approved and that provision be made to allow for 200 feet of drifting along the North vein after it has been encountered by the crosscut. It is estimated that the cost of the crosscut and drift will be about $21,205.86. A short-form contract is suggested, to be prepared on a unit cost of $40.00 per foot for the 530 feet of drift and crosscut with a total over-all cost of $21,200.00--Government participation $10,600.00, or 50 percent.

THE MARIPOSA MINING COMPANY

THE BUTTERFLY MINE

SAN MIGUEL COUNTY, COLORADO

DMEA DOCKET 2854

Geologic Report

By D. R. Maclaren
U. S. Geological Survey

THE BUTTERFLY MINE
SAN MIGUEL COUNTY, COLORADO

INTRODUCTION

The Mariposa Mining Company of Telluride, Colorado, has applied to the Defense Minerals Exploration Administration for assistance to explore for lead and copper in the Butterfly mine, secs. 32 and 33, T. 42 N., and secs. 4 and 5, T. 41 N., R. 9 W., San Miguel County, Colorado. The mine is about 13 miles southwest of Telluride, or 1½ miles south of Ophir Loop. It is easily accessible throughout most of the year over half a mile of good mine road that leaves State Highway 145 about one mile south of Ophir Loop.

The applicant proposes to explore for new veins by drilling 1,400 feet of horizontal diamond drill holes on the No. 3 level; for the lateral extension of known veins by drilling 250 feet of horizontal holes on the No. 3 level; and for the downward and lateral extension of the North vein by crosscutting 330 feet and by drilling one horizontal hole 300 feet from the No. 4 level. The applicant estimates that the cost of this program will be $23,605.92 (Government's share to be 50% or $11,802.96).

The property was examined on February 18, 1953, in the company of Mr. R. R. McLellan of the U. S. Bureau of Mines and Mr. George T. McCall, Manager for the applicant. It is concluded that this can be considered as only a fair prospect for lead and copper. It is recommended that, if a long shot is warranted, the crosscut be approved and that provision be made to allow 200 feet of drifting on the North vein on the No. 4 level. It is estimated that the cost of the drift and crosscut will be $21,200.00

(Government's share $10,600.00). It is recommended that all the exploration by drilling be denied.

GEOLOGY

The geology of the area has been described by Whitman Cross and C. M. Purington (1899). The Butterfly mine is entirely within a stock that ranges in composition from quartz monzonite to diorite. A series of overlapping veins trending northwest to west and dipping from steeply North to steeply south contain pyrite, galena, sphalerite, chalcopyrite, and tetrahedrite or freibergite, in a gangue of quartz, calcite and barite. The veins are typical filled fissures with well defined walls. Along the strongly shattered parts of the fissures, the vein fillings show braided or "linked" structure. Although there appears to be much cross fracturing, the ore shoots have developed only along the westerly trending fractures.

Only the No. 3 level (fig. 5, Engineer's report) was accessible at the time of the examination, although the No. 4 level was being rehabilitated. The Terrible vein has been followed for about 800 feet. It is a fairly strong fissure, for the most part filled by gouge with only a few small stringers of sulfides. It has not been productive from this level or below, and no figures are available for the production said to have come from stopes on the No. 2 level. The vein pinches at the east end, and possibly follows a cross shear striking N. 60° W. for about 400 feet where it turns and strikes N. 82° W. and is known as the Ida vein. This swing in strike has not been proven by drifting, but is inferred from a similar swing on the Dill and North veins. The Ida vein has been followed for some 1800 feet east and is said to be partially stoped above the No. 3 level. However, no production figures are available and the stoped portion is now caved and inaccessible.

A crosscut from the Terrible drift near the east end has cut the Dill vein 80 feet to the north. There are no production figures available to indicate how much ore was mined from a stope 100 feet long on the Dill vein. Near the east end the Dill vein swings to the southeast. It has been followed for about 70 feet along the southeast trend where the vein contained only a clay gouge. From the drift on the left vein, a crosscut has been driven 108 feet to the northeast and has cut the North vein. This may well be a continuation of the Dill vein after the southeast swing of the latter turned more to the east. The applicant furnished an assay record of samples taken from the North vein for a distance of 210 feet west and 140 feet east of the crosscut. The record of assays for lead and copper are for a total distance of only 300 feet and the gold and silver assays are for the entire 350 feet. These portions of the vein average .087 ounces gold and 47.6 ounces silver per ton, and 6.4% lead, and .70% copper over an average width of 22 inches. There is a stope above the North vein but production figures are not available. A winze is now being put down on the North vein and at the time of the examination had reached a depth of 100 feet measured in the plane of the vein. The vein in the winze contains pyrite, galena, sphalerite, some chalcopyrite, and probably tetrahedrite or freibergite. Three samples were taken from the vein, one at the collar and the other two at 40 and 80 feet down. The average value is .17 ounces gold and 50.6 ounces silver per ton, 13.4% lead, 2.2% zinc, and 1.6% copper over an average width of 1.6 feet. The applicant took three grab samples of the ore from the shaft that averaged .06 ounces gold and 29.12 ounces silver per ton, 19.20% lead, and .70% copper.

The applicant furnished production figures for the years 1937 through 1940 that show total tons milled and ounces of gold and silver and pounds of lead and copper recovered. There is no breakdown to show the stopes or levels from which the ore came. These figures are reduced to ounces per ton and percent in the following table.

Year	Tons Milled	oz. Au	oz. Ag	% Cu	% Pb
1937	8,920	.04	4.35	.107	.51
1938	20,000	.05	7.32	.187	.85
1939	21,750	.85	7.99	.23	1.27
1940	12,000	.08	6.68	.163	1.34
TOTAL	62,670	.055	7.00	.186	1.04

The No. 4 level was inaccessible but according to maps, the downward extension of the ore shoot said to have been mined from the No. 3 level did not reach that depth.

ORE RESERVES

Although none of the stopes are now accessible, the production figures shown above indicate that there is no known reserve above the No. 3 level. By combining the incomplete assays furnished by the applicant with those of his grab samples and the channels cut by the examining team in the winze, a triangular block of indicated ore in the North vein below the No. 3 level is estimated to contain 2,340 tons that will average .093 ounces gold and 32.5 ounces silver per ton, 10.0% lead, and 1.12% copper.

CONCLUSIONS AND RECOMMENDATIONS

It is concluded that on the No. 3 level and above, this is a poor prospect for lead and copper, and that the chances of making a significant discovery below the No. 3 level are only fair. The 4th level crosscut

proposed by the applicant will cut the North vein 300 feet below the bottom of the shaft (as of the day of the examination) and 400 feet below the No. 3 level. It is concluded that this is a rather long distance to project an ore shoot having a length of only 350 feet, and an upward extent of about 200 feet above the No. 3 level. On the Ida vein no downward extension of the ore was found on the No. 4 level.

Because of the many cross fractures that tend to make the ground blocky and shattered, it is concluded that EX drill holes, requested by the applicant, will fail to give satisfactory information, and it is questionable that larger holes will be any more satisfactory. It is, therefore, recommended that the proposed drilling be denied.

If a long shot exploration project for lead and copper is justified, it is recommended that the crosscut on the No. 4 level be approved, and that provision be made to allow for 200 feet of drifting on the North vein, after it has been cut on the No. 4 level.

It is estimated by the U. S. Bureau of Mines that this drifting and crosscutting will cost $21,200.00 (Government's share 50% or $10,600.00).

REFERENCES

Cross, Whitman, and Purington, C. W., Telluride Folio, Geologic Atlas of the United States, U. S. Geol. Survey, 1899.

Vanderwilt, John W., Mineral Resources of Colorado, 1947.

DMEA 2854

MARIPOSA MINING COMPANY
BUTTERFLY MINE
SAN MIGUEL COUNTY, COLORADO

Engineering Report

By Russell R. McLellan
Mining Engineer
Bureau of Mines

BMSA 2854

MARIPOSA MINING COMPANY
BUTTERFLY MINE
SAN MIGUEL COUNTY, COLORADO

CONTENTS

Engineering Report	Page
Introduction	1
Acknowledgments	2
Location, topography, and physical features	2
History and production	3
Ownership and extent	4
Description of the deposits	5
Mineable ore reserves	6
Present status	7
Exploration and development	7
Mining and milling equipment and other facilites	8
Project proposals, with costs	8
Summary of costs	11
Conclusions	11
Recommendations	12

ILLUSTRATIONS

Figure	Follows Page
1. Location map, Mariposa Mining Company, Butterfly mine, San Miguel County, Colorado	2
2. Claim map, Mariposa Mining Company, San Miguel County, Colorado	12
3. Underground workings and proposed exploration, Butterfly mine, San Miguel County, Colorado	12

DMEA 2854

MARIPOSA MINING COMPANY
BUTTERFLY MINE
SAN MIGUEL COUNTY, COLORADO

ENGINEERING REPORT

By

Russell R. McLellan

INTRODUCTION

The Mariposa Mining Company, of Telluride, Colo., has applied for Defense Minerals Exploration Administration assistance to explore for lead and copper in the Butterfly mine, San Miguel County, Colo. The applicant company proposes to spend a total of $23,605.92 for 1,950 feet of diamond drilling and for 330 feet of crosscutting. Government participation would amount to $11,802.96, or 50 percent of the total expenditure.

Defense Minerals Exploration Administration representatives examined the mine on February 18, 1953, in company with George T. McCall, the mine manager and superintendent. Rehabilitation was in progress on the No. 4 level and sinking was in progress on the No. 3 level. The inspection revealed that, in general, the complex system of veins contained very little lead and copper except along the so-called North vein where sinking was in progress. There is considerable doubt that the proposed diamond drill holes would encounter veins containing lead and copper of commercial quantities or grade.

A revised program is recommended in which the diamond drilling is eliminated in favor of drifting along the North vein, approximately 400 feet below the known ore shoot on the No. 3 level. Drifting would be accomplished at the completion of a 330-foot crosscut from the Ida vein to the North vein.

The project has slightly less than a fair possibility of locating ore, but is recommended on the assumption that a "long-shot" program may be justified for lead and copper.

The estimated total cost of the revised program is $21,205.86.

ACKNOWLEDGMENTS

The company superintendent, George T. McCall, furnished all maps, assays, and general information necessary to complete the engineering and geologic reports. He accompanied the Defense Minerals Exploration Administration representatives on their examination.

LOCATION, TOPOGRAPHY, AND PHYSICAL FEATURES

The Butterfly mine is in the Yellow Mountain Mining District, San Miguel County, Colo. (fig. 1). An access road about one-half mile in length connects the No. 3 level with Colorado State Highway 145 at a point 1.2 miles southwest of the Silver Bell mill, Ophir, Colo. The mine is at an altitude of approximately 9,500 feet, and is easily accessible throughout most of the year.

Supplies and materials may be obtained at Telluride, Colo., a distance of 13 miles. Heavier equipment must be hauled in by truck from Grand Junction or Denver.

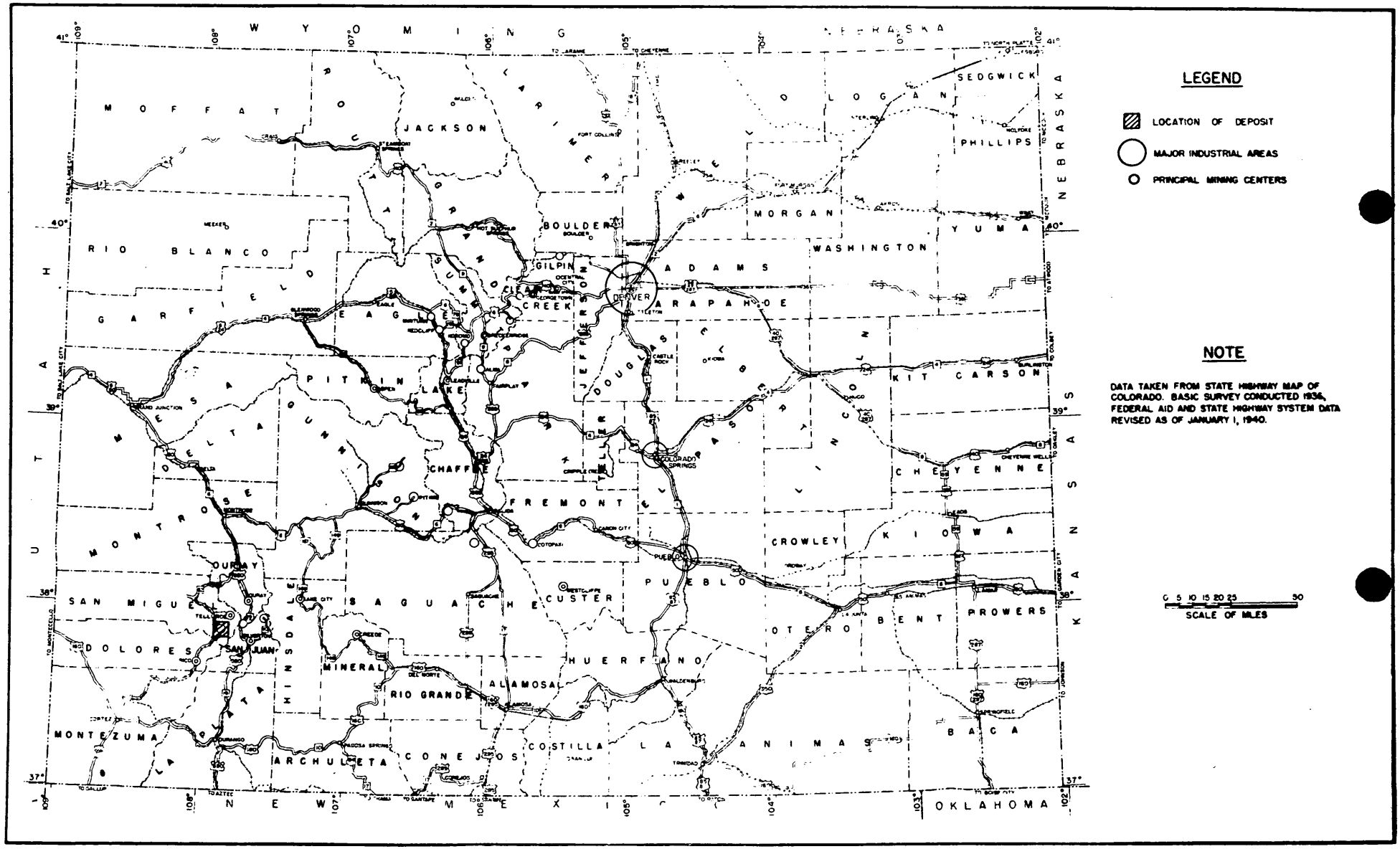

FIGURE 1. - LOCATION MAP, MARIPOSA MINING COMPANY, BUTTERFLY MINE, SAN MIGUEL COUNTY, COLO. (DMEA 2854).

Power and water are available at the mine. There is sufficient, but not an over-supply of, labor in the area at present. Housing is available at Telluride. An effort is being made to secure nearby milling facilities in order to eliminate the high expense of hauling crude ore to Leadville or to mills in Utah.

HISTORY AND PRODUCTION

Little is known of the early history of the mine except that it has been worked intermittently since mining commenced in the Ophir area. The property was developed primarily for gold and silver and has remained essentially a producer of those metals. The applicant company commenced rehabilitation and winzing during 1952.

Production records are not available except for the years from 1937 through 1940. A total of 62,670 tons of ore was milled during the four-year period. On the basis of ounces and pounds of metals recovered, the ore contained an average of 0.055 ounce gold and 7.00 ounces silver per ton, 0.186 percent copper, and 1.04 percent lead. One shipment of 20.9 tons from the first 20 feet of the winze, commenced in December 1952, contained 0.035 ounce gold and 18.4 ounces silver per ton, 2.0 percent lead, and 1.0 percent copper. On the inspection date approximately 300 tons of ore had been removed from the winze which had been deepened to 100 feet. This ore was stockpiled at the mine and appeared to be of a higher grade than the original 20.9-ton shipment.

OWNERSHIP AND EXTENT

The application states that the property is leased to the Mariposa Mining Company but the statement cannot be verified as no copy of the lease has been made available. The following claims in secs. 32 and 33, T. 42 N., and secs. 4 and 5, T. 41 N., R. 9 W., New Mexico principal meridian, Yellow Mountain Mining District, are listed in the application and shown on figure 2.

Patented Claims

Claim	Survey Number	Claim	Survey Number
Buckeye claim	6019	Little Johnny	20027
Buckeye No. 2	12415	Little Tony	20027
Butterfly	6019	Mizpah	20027
Broadway	5735	Nedora	20027
Balm of Gilead	12416	Montana	6979
Dave Day	20027	Milwaukee	20393
Dewey	20392	Robert Perry	20027
Duffy	13264	Pathfinder	20027
Horrible	20393	Rock Island	1109
Hundinger	20393	R. W. Steele	20027
Hundinger No. 1	20393	Schley	20027
Ida	12343	Terrible	1435
Ida No. 1	12342	Sun Down	12235
Ida No. 2	12342	Wedge	20393
Jerry	20374	Zuma	20393

Unpatented Claims

Claim	Book	Page
Cascade	119,122	441, 194, 196
Cinnabar	119,122	437, 206
Coin	73	337
Fulton County Fraction #1	119	479, 422
Glade	119,122	445, 197, 209
Gold Ore	119,122	279, 205
Incas	119,122	495, 207
Keystone	79	337
Lake Forke	119,122	480, 208

Unpatented Claims (Cont'd.)

Claim	Book	Page
Paymaster	119,122	482, 199
Paymaster No. 1	-	-
Silver Button	119	287
Silver Crown	119	287
Silver Bell No. 11	79	232
Silver Bell No. 12	79	232
Silver Bell No. 13	79	233
Silver Bell No. 14	79	237
Silver Bell No. 16	79	238
Silver Bell No. 17	79	238
Silver Bell No. 18	79	239, 414
Silver Bell No. 19	79	239
Silver Bell No. 20	79	240
Silver Bell No. 21	-	-

DESCRIPTION OF THE DEPOSITS

The mine workings accessible for inspection revealed numerous, more or less parallel, veins and fractures that for the most part are narrow and lacking in lead-copper mineralization. With the exception of the North vein and the Dill vein, which are probably the same vein (fig. 3), it is apparent that few ore shoots were encountered in the west portion of the mine. According to the maps, the largest shoot was mined from the Ida vein within 600 feet of the east end line of the property (fig. 3). As none of the stopes were accessible, the width of the shoots could not be determined.

The only ore deposit accessible for inspection is in the North vein where a winze is being sunk by the applicant company at the junction of the North drift and a crosscut from the Ida vein on the No. 3 level. According to assay maps the ore shoot extends approximately 350 feet along the No. 3 level drift. The vein has

been stoped for approximately 200 feet above the level, and ore is visible in the winze from the collar to the bottom, 100 feet below the level. The vein exposed in the winze ranges from 1 to 2 feet wide. Samples cut by the Defense Minerals Exploration Administration engineer at the collar, at a depth of 40 feet, and at a depth of 80 feet, averaged 0.17 ounce gold and 50.6 ounces silver per ton, 13.4 percent lead, 2.2 percent zinc, and 1.6 percent copper across an average width of 1.6 feet. One high silver assay probably raised the average ounces per ton slightly above normal. Three grab samples of ore from the winze averaged 0.03 ounce gold and 29.12 ounces silver per ton, 19.25 percent lead and 0.70 percent copper. A total of 50 company samples with an average width of 22 inches taken along the drift for a distance of 350 feet averaged 0.037 ounce gold and 47.6 ounces silver per ton; 300 feet of this distance averaged 6.4 percent lead and 0.58 percent copper.

Although the vein described above is somewhat narrow, it appears that a sizable ore deposit may exist below the No. 3 level.

MINEABLE ORE RESERVES

Using the company assays along the North vein and combining them with the assays obtained in the winze by the applicant company and the Defense Minerals Exploration Administration engineer, it is possible to establish a triangular block of indicated ore. The block extends 210 feet along the vein west of the winze and 140 feet along the vein east of the winze. From these terminals the east

and west limits extend diagonally downward to the bottom of the winze at a depth of 100 feet. It is estimated that 2,340 tons of ore can be mined from this area. The ore is estimated from incomplete assays to contain an average of 0.093 ounce gold and 32.5 ounces silver per ton, 10.0 percent lead, and 1.12 percent copper. In mining the ore the tonnage probably will be increased about one-third by dilution, resulting in a corresponding decrease in grade.

No other reserve can be estimated for the mine until additional rehabilitation is accomplished.

PRESENT STATUS

Exploration and Development

On the examination date rehabilitation was in progress on the No. 4 level and winzing was in progress on the No. 3 level. The mine has been developed on four levels by several thousand feet of drifts, crosscuts, and raises. About half of the stoping appears to have been done on the adjacent claims just to the east of the Mariposa Mining Company's property line (fig. 3). According to the maps, little or no stoping was done on the No. 4 level. Although development and exploration appear to be extensive along several parallel veins, most of the production undoubtedly came from the No. 3 level on the Bill or North vein and on the Ida vein.

Mining and Milling Equipment and other Facilities

The following equipment and facilities are available at the mine:

1 200 c.f.m. compressor
1 Universal Tramaire locomotive
1 Eimco No. 12 mucking machine
4 1-ton mine cars
1 IR #30 drifter
1 Caterpillar No. 20 bulldozer
2 Jackhammers
1 Compressor-machine shop
1 Blacksmithy
1 75-ton ore bin with truck loading facilities

There is no mill on the property, nor is there one in the area that accepts custom ore.

PROJECT PROPOSALS, WITH COSTS

The applicant company proposed diamond drilling eight holes, for a total footage of 1,950 feet, and crosscutting 330 feet from the Ida vein to the North vein on the No. 4 level (fig. 3). Six of the proposed holes would explore the walls for unknown veins, one proposed hole would cut the Dill vein from the No. 4 level, and one hole would be directed to cut the Dill vein approximately 50 feet in advance of the east heading. The estimated total cost of the drilling is $9,222.33.

The proposed crosscut is directed to cut a possible lower extension of the ore shoot being developed from the No. 3 level winze. The bottom of the 100-foot winze is approximately 300 feet above the point where the crosscut is expected to encounter the vein.

The estimated total cost of the crosscut is $14,383.59.

The applicant's estimated cost for the project is $23,605.92.

The general tightness and extremely low metallic content of the numerous veins examined on the No. 3 level tend to discourage any recommendation of prospecting the walls for additional veins. Undoubtedly, more veins would be located by the proposed drilling, but there is considerable doubt that they would contain any appreciable amounts of lead and copper. The ground is so badly fractured that the diamond drilling costs will be considerably higher than the $4.73 per foot over-all cost estimated by the applicant. An over-all cost of $8.00 to $10.00 per foot is considered to be more logical. Considering the high cost of drilling and the dubious possibility of encountering lead-copper ore, it is recommended that the drilling program be eliminated from the project. The money allotted to diamond drilling could be applied to better advantage by drifting along the North vein at the completion of the crosscut below the ore shoot on the No. 3 level.

The following revised program is recommended for approval:

(1) Crosscut from the No. 4 level on the Ida vein to the North vein, a distance of approximately 330 feet.

(2) Drift a total of 200 feet along the North vein at the completion of the crosscut.

Costs for Crosscut and Drift

Labor and Supervision

2 miners on contract at $10.00 per foot, 5 months		$5,300.00	
1 compressorman-mechanic, $2.00 per hour, 5 months	$1,734.00		
168 hours overtime	504.00	2,238.00	
1 trammer, $1.50 per hour, 5 months	$1,300.50		
168 hours overtime	378.00	1,678.50	
1 supervisor-engineer, $450.00 per month, 5 months		2,250.00	
Total labor and supervision			$11,466.50

Operating Materials and Supplies

Powder, caps, fuse	$2,332.00	
Pipe, 530 feet	397.50	
Track, 1,060 feet	530.00	
Ties, 265 at 2.5 cents each	6.62	
Bits and steel	1,590.00	
Fuel and oil for compressor	1,055.00	
Total operating materials and supplies		5,911.12

Operating Equipment

Rental		
1 315 c.f.m. portable compressor, diesel engine driven, $450.00 per month, 5 months	$2,250.00	
Depreciation		
1 Universal Tramaire locomotive—value, $1,500.00—$25.00 per month, 5 months	125.00	
4 1-ton mine cars—value, $800.00—$13.33 per month, 5 months	66.65	
1 Eimco mucking machine—value, $3,500.00—$58.33 per month, 5 months	291.65	
1 IR #30 drifter—value, $1,000.00—$16.66 per month, 5 months	83.30	
1 Caterpillar 20 dozer—value, $1,200.00—$20.00 per month, 5 months	100.00	
Total operating equipment		2,916.60

Miscellaneous

Repairs to equipment	$ 400.00	
Workmans compensation, 114.70 x 2.09	239.64	
Payroll taxes	172.00	
Analyses	100.00	
Total miscellaneous		$ 911.64
Total cost of crosscut and drift		$21,205.86

SUMMARY OF COSTS

Labor and supervision	$11,466.50
Operating materials and supplies	5,911.12
Operating equipment	2,916.60
Miscellaneous	911.64
Total cost	$21,205.86

Over-all cost per foot for 330 feet of crosscut	$40.01
Over-all cost per foot for 200 feet of drift	$40.01

CONCLUSIONS

Obviously the mine is essentially a producer of gold and silver. With the exception of the favorable area in the North vein, there is little to indicate that exploration of the other areas would encounter lead-copper ore. For the most part, the numerous veins and fractures are tight and are sparsely mineralized with lead or copper. The North vein probably merits exploration at depth; however, it is doubtful that the known ore shoot will extend downward from the bottom of the winze to the proposed drift, a distance of 300 feet

or more down the dip of the vein. A more likely possibility is that of encountering a separate ore shoot at the depth of the No. 4 level. Diamond drilling the North vein from the No. 4 level is not advisable due to the distance and highly fractured ground which would make a drilling program as costly as, and much less decisive than, the program proposed for crosscutting and drifting. If the necessity of establishing lead and copper reserves is sufficiently critical, the outlined program stands a fair chance of resulting in an ore discovery.

RECOMMENDATIONS

Providing the necessity of establishing reserves of lead-copper is sufficiently critical, the following exploration program is recommended:

(1) Crosscut approximately 330 feet from the Ida vein to the North vein.

(2) Drift a total of 200 feet along the North vein at the completion of the crosscut.

The total cost of the project is estimated to be about $21,205.00.

It is recommended that the program be set up on a short-form contract at an average unit cost of $40.00 per foot for 530 feet of drift and crosscut, or a total of $21,200.00--Government participation 50 percent, or $10,600.00.

cb

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

Gerald
Betty

224 New Customhouse
Denver 2, Colorado

May 28, 1953.

Memorandum

To: Administrator, Defense Minerals Exploration Administration
Attention: 200

From: Field Team, Region IV

Subject: Final Report, DMEA Docket 2854 (Lead-Copper), Mariposa Mining Company, Butterfly Mine, San Miguel County, Colorado.

Enclosed are four copies of the final report on the subject docket and two copies of Form 3b.

This application was denied by the Field Team by letter to the applicant dated May 18, 1953, copy of which was forwarded your office. The denial was based on the past production of the mine which indicated no significant amount of copper.

for John F. Shaw
W. H. King

A. H. Koschmann
A. H. Koschmann

Enclosures

Reviewed by
DMEA OPERATING COMMITTEE
6-5-53
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Mining Division
Region IV

May 28, 1953.

Memorandum

To: Field Team, Region IV

From: Chief, Mining Division, Region IV

Subject: Final Report, DMEA Docket 2854 (Lead-Copper), Mariposa Mining Company, Butterfly Mine, San Miguel County, Colorado.

Enclosed are eight copies of the final engineering report on the subject docket.

The applicant requested $23,605.92 for 1,950 feet of diamond drilling and 330 feet of crosscutting. The examining engineer recommended denial of the diamond drilling and acceptance of crosscutting and some drifting if a long-shot project for lead and copper was believed to be justified.

Records of past production indicate no significant amounts of copper were present.

We therefore recommend that the application be denied.

for John F. Shaw
W. M. King

Enclosures

Reviewed by
DMEA OPERATING COMMITTEE
6-5-53
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
April 30, 1953

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Mineral Resources Branch, Mining Division, Region IV

Subject: DMEA 2854 (Lead-copper), Mariposa Mining Company (Butterfly mine), San Miguel County, Colorado

Please find enclosed the original and eight copies of the "Summary, Conclusions, and Recommendations", by Russell R. McLellan and D. R. MacLaren, and of McLellan's engineering report on the subject docket.

McLellan recommends denial of the request for core drilling. On the basis that a fair possibility exists for a discovery of lead and copper ore, he recommends 330 feet of crosscutting on the No. 4 level to intersect the North vein and 200 feet of drifting on the vein from the crosscut, with a contract to be prepared on a short form at a unit cost of $40.00 per foot for the 530 feet of drift and crosscut.

I concur with his recommendations.

The brochure included with the memorandum of instructions from the Region IV Field Team to make a field investigation is also enclosed.

W. M. Traver

W. M. Traver

enclosures

WMT/dd

cc 8

Reviewed by
DMEA OPERATING COMMITTEE
6-5-53
(date)

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

200 New Customhouse
Denver 2, Colorado

May 13, 1953

Memorandum

To: DMEA Field Team, Region IV

From: A. H. Koschmann

Subject: DMEA Docket 2854, The Mariposa Mining Company, The Butterfly Mine, San Miguel County, Colorado.

Attached are 8 copies of the geological report by D. R. MacLaren covering DMEA Docket 2854, The Butterfly Mine, Mariposa Mining Company, San Miguel County, Colorado.

The applicant proposes to explore for new veins and the extension of old veins carrying copper, lead, zinc, silver, and gold by diamond drilling, and for the downward and lateral extension of a vein known as the North vein by crosscutting and the drilling of one horizontal hole from the No. 4 level, at a total estimated cost of about $23,605.

MacLaren concludes that this project can be considered as only a fair prospect, and recommends that all drilling be denied and that the Field Team consider for approval only the crosscut and 200 feet of drifting on the North vein on the No. 4 level.

I concur in this recommendations.

A. H. Koschmann
A. H. Koschmann
Supervising Geologist
Colorado-Wyoming

Enclosures (8)

Reviewed by
DMEA OPERATING COMMITTEE
6-5-53
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION IV

DMEA 2854, Mariposa Mining Company

Butterfly Mine

San Miguel County, Colorado

Lead-Copper

Russell R. McLellan, Mining Engineer
Bureau of Mines

D. R. MacLaren, Geologist
Geological Survey

April 23, 1953

Reviewed by
DMEA OPERATING COMMITTEE
6-5-53
(date)

DMEA 2854

MARIPOSA MINING COMPANY
BUTTERFLY MINE
SAN MIGUEL COUNTY, COLORADO

Summary, Conclusions, and Recommendations

By Russell R. McLellan
Mining Engineer
Bureau of Mines

and

D. R. MacLaren
Geologist
Geological Survey

DMEA 2854

MARIPOSA MINING COMPANY
BUTTERFLY MINE
SAN MIGUEL COUNTY, COLORADO

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

By Russell R. McLellan and D. R. MacLaren

The Mariposa Mining Company, of Telluride, Colo., has applied to the Defense Minerals Exploration Administration for assistance to explore for lead and copper in the Butterfly mine, near Ophir, San Miguel County, Colo. The applicant proposes to spend $23,605.92--Government participation, $11,802.96--for 1,950 feet of diamond drilling and 330 feet of crosscutting.

An examination of the mine indicated that the No. 3 level, and above, has produced a relatively small tonnage of ore, valuable principally for its silver content. The presence of a small shoot of medium-grade lead and copper ore below the No. 3 level on the North vein is indicated by a winze 100 feet deep. It is concluded that, on the No. 3 level and above, there is a poor prospect for lead and copper, and that the chance of making a significant discovery of these metals below the No. 3 level is only fair. There appear to be no specific targets for most of the proposed drill holes. Furthermore, it is doubtful that drilling will give satisfactory information due to the shattering of the rock by many cross fractures.

It is recommended that the requested drilling be denied. Only if a long-shot exploration project for lead and copper is justified, is it recommended that 330 feet of crosscutting on the No. 4 level be approved and that provision be made to allow for 200 feet of drifting along the North vein after it has been encountered by the crosscut. It is estimated that the cost of the crosscut and drift will be about $21,205.86. A short-form contract is suggested, to be prepared on a unit cost of $40.00 per foot for the 530 feet of drift and crosscut with a total over-all cost of $21,200.00--Government participation $10,600.00, or 50 percent.

THE MARIPOSA MINING COMPANY

THE BUTTERFLY MINE

SAN MIGUEL COUNTY, COLORADO

DMEA DOCKET 2854

Geologic Report

By D. R. MacLaren
U. S. Geological Survey

THE BUTTERFLY MINE
SAN MIGUEL COUNTY, COLORADO

INTRODUCTION

The Mariposa Mining Company of Telluride, Colorado, has applied to the Defense Minerals Exploration Administration for assistance to explore for lead and copper in the Butterfly mine, secs. 32 and 33, T. 42 N., and secs. 4 and 5, T. 41 N., R. 9 W., San Miguel County, Colorado. The mine is about 13 miles southwest of Telluride, or 1½ miles south of Ophir Loop. It is easily accessible throughout most of the year over half a mile of good mine road that leaves State Highway 145 about one mile south of Ophir Loop.

The applicant proposes to explore for new veins by drilling 1,400 feet of horizontal diamond drill holes on the No. 3 level; for the lateral extension of known veins by drilling 250 feet of horizontal holes on the No. 3 level; and for the downward and lateral extension of the North vein by crosscutting 330 feet and by drilling one horizontal hole 300 feet from the No. 4 level. The applicant estimates that the cost of this program will be $23,605.92 (Government's share to be 50% or $11,802.96).

The property was examined on February 18, 1953, in the company of Mr. R. R. McLellan of the U. S. Bureau of Mines and Mr. George T. McCall, Manager for the applicant. It is concluded that this can be considered as only a fair prospect for lead and copper. It is recommended that, if a long shot is warranted, the crosscut be approved and that provision be made to allow 200 feet of drifting on the North vein on the No. 4 level. It is estimated that the cost of the drift and crosscut will be $21,200.00

(Government's share $10,600.00). It is recommended that all the exploration by drilling be denied.

GEOLOGY

The geology of the area has been described by Whitman Cross and C. M. Purington (1899). The Butterfly mine is entirely within a stock that ranges in composition from quartz monzonite to diorite. A series of overlapping veins trending northwest to west and dipping from steeply north to steeply south contain pyrite, galena, sphalerite, chalcopyrite, and tetrahedrite or freibergite, in a gangue of quartz, calcite and barite. The veins are typical filled fissures with well defined walls. Along the strongly shattered parts of the fissures, the vein fillings show braided or "linked" structure. Although there appears to be much cross fracturing, the ore shoots have developed only along the westerly trending fractures.

Only the No. 3 level (fig. 3, Engineer's report) was accessible at the time of the examination, although the No. 4 level was being rehabilitated. The Terrible vein has been followed for about 800 feet. It is a fairly strong fissure, for the most part filled by gouge with only a few small stringers of sulfides. It has not been productive from this level or below, and no figures are available for the production said to have come from stopes on the No. 2 level. The vein pinches at the east end, and possibly follows a cross shear striking N. 60° W. for about 400 feet where it turns and strikes N. 82° W. and is known as the Ida vein. This swing in strike has not been proven by drifting, but is inferred from a similar swing on the Dill and North veins. The Ida vein has been followed for some 1800 feet east and is said to be partially stoped above the No. 3 level. However, no production figures are available and the stoped portion is now caved and inaccessible.

A crosscut from the Terrible drift near the east end has cut the Dill vein 80 feet to the north. There are no production figures available to indicate how much ore was mined from a stope 100 feet long on the Dill vein. Near the east end the Dill vein swings to the southeast. It has been followed for about 70 feet along the southeast trend where the vein contained only a clay gouge. From the drift on the Ida vein, a crosscut has been driven 108 feet to the northeast and has cut the North vein. This may well be a continuation of the Dill vein after the southeast swing of the latter turned more to the east. The applicant furnished an assay record of samples taken from the North vein for a distance of 210 feet west and 140 feet east of the crosscut. The record of assays for lead and copper are for a total distance of only 300 feet and the gold and silver assays are for the entire 350 feet. These portions of the vein average .087 ounces gold and 47.6 ounces silver per ton, and 6.4% lead, and .58% copper over an average width of 22 inches. There is a stope above the North vein but production figures are not available. A winze is now being put down on the North vein and at the time of the examination had reached a depth of 100 feet measured in the plane of the vein. The vein in the winze contains pyrite, galena, sphalerite, some chalcopyrite, and probably tetrahedrite or freibergite. Three samples were taken from the vein, one at the collar and the other two at 40 and 80 feet down. The average value is .17 ounces gold and 50.6 ounces silver per ton, 13.4% lead, 2.2% zinc, and 1.6% copper over an average width of 1.6 feet. The applicant took three grab samples of the ore from the shaft that averaged .08 ounces gold and 29.12 ounces silver per ton, 19.26% lead, and .70% copper.

The applicant furnished production figures for the years 1937 through 1940 that show total tons milled and ounces of gold and silver and pounds of lead and copper recovered. There is no breakdown to show the stopes or levels from which the ore came. These figures are reduced to ounces per ton and percent in the following table.

Year	Tons Milled	oz. Au	oz. Ag	% Cu	% Pb
1937	8,920	.04	4.35	.107	.51
1938	20,000	.05	7.32	.187	.85
1939	21,750	.05	7.99	.23	1.27
1940	12,000	.08	6.68	.163	1.34
TOTAL	62,670	.055	7.00	.186	1.04

The No. 4 level was inaccessible but according to maps, the downward extension of the ore shoot said to have been mined from the No. 3 level did not reach that depth.

ORE RESERVES

Although none of the stopes are now accessible, the production figures shown above indicate that there is no known reserve above the No. 3 level. By combining the incomplete assays furnished by the applicant with those of his grab samples and the channels cut by the examining team in the winze, a triangular block of indicated ore in the North vein below the No. 3 level is estimated to contain 2,340 tons that will average .093 ounces gold and 32.5 ounces silver per ton, 10.0% lead, and 1.12% copper.

CONCLUSIONS AND RECOMMENDATIONS

It is concluded that on the No. 3 level and above, this is a poor prospect for lead and copper, and that the chances of making a significant discovery below the No. 3 level are only fair. The 4th level crosscut

proposed by the applicant will cut the North vein 300 feet below the bottom of the shaft (as of the day of the examination) and 400 feet below the No. 3 level. It is concluded that this is a rather long distance to project an ore shoot having a length of only 350 feet, and an upward extent of about 200 feet above the No. 3 level. On the Ida vein no downward extension of the ore was found on the No. 4 level.

Because of the many cross fractures that tend to make the ground blocky and shattered, it is concluded that EX drill holes, requested by the applicant, will fail to give satisfactory information, and it is questionable that larger holes will be any more satisfactory. It is, therefore, recommended that the proposed drilling be denied.

If a long shot exploration project for lead and copper is justified, it is recommended that the crosscut on the No. 4 level be approved, and that provision be made to allow for 200 feet of drifting on the North vein, after it has been cut on the No. 4 level.

It is estimated by the U. S. Bureau of Mines that this drifting and crosscutting will cost $21,200.00 (Government's share 50% or $10,600.00).

REFERENCES

Cross, Whitman, and Purington, C. W., Telluride Folio, Geologic Atlas of the United States, U. S. Geol. Survey, 1899.

Vanderwilt, John W., Mineral Resources of Colorado, 1947.

DMEA 2854

MARIPOSA MINING COMPANY
BUTTERFLY MINE
SAN MIGUEL COUNTY, COLORADO

Engineering Report

By Russell R. McLellan
Mining Engineer
Bureau of Mines

DMEA 2854

MARIPOSA MINING COMPANY
BUTTERFLY MINE
SAN MIGUEL COUNTY, COLORADO

CONTENTS

Engineering Report	Page
Introduction	1
Acknowledgments	2
Location, topography, and physical features	2
History and production	3
Ownership and extent	4
Description of the deposits	5
Mineable ore reserves	6
Present status	7
Exploration and development	7
Mining and milling equipment and other facilites	8
Project proposals, with costs	8
Summary of costs	11
Conclusions	11
Recommendations	12

ILLUSTRATIONS

Figure	Follows Page
1. Location map, Mariposa Mining Company, Butterfly mine, San Miguel County, Colorado	2
2. Claim map, Mariposa Mining Company, San Miguel County, Colorado	12
3. Underground workings and proposed exploration, Butterfly mine, San Miguel County, Colorado	12

DMEA 2854

MARIPOSA MINING COMPANY
BUTTERFLY MINE
SAN MIGUEL COUNTY, COLORADO

ENGINEERING REPORT

By

Russell R. McLellan

INTRODUCTION

The Mariposa Mining Company, of Telluride, Colo., has applied for Defense Minerals Exploration Administration assistance to explore for lead and copper in the Butterfly mine, San Miguel County, Colo. The applicant company proposes to spend a total of $23,605.92 for 1,950 feet of diamond drilling and for 330 feet of crosscutting. Government participation would amount to $11,802.96, or 50 percent of the total expenditure.

Defense Minerals Exploration Administration representatives examined the mine on February 18, 1953, in company with George T. McCall, the mine manager and superintendent. Rehabilitation was in progress on the No. 4 level and sinking was in progress on the No. 3 level. The inspection revealed that, in general, the complex system of veins contained very little lead and copper except along the so-called North vein where sinking was in progress. There is considerable doubt that the proposed diamond drill holes would encounter veins containing lead and copper of commercial quantities or grade.

A revised program is recommended in which the diamond drilling is eliminated in favor of drifting along the North vein, approximately 400 feet below the known ore shoot on the No. 3 level. Drifting would be accomplished at the completion of a 330-foot crosscut from the Ida vein to the North vein.

The project has slightly less than a fair possibility of locating ore, but is recommended on the assumption that a "long-shot" program may be justified for lead and copper.

The estimated total cost of the revised program is $21,205.86.

ACKNOWLEDGMENTS

The company superintendent, George T. McCall, furnished all maps, assays, and general information necessary to complete the engineering and geologic reports. He accompanied the Defense Minerals Exploration Administration representatives on their examination.

LOCATION, TOPOGRAPHY, AND PHYSICAL FEATURES

The Butterfly mine is in the Yellow Mountain Mining District, San Miguel County, Colo. (fig. 1). An access road about one-half mile in length connects the No. 3 level with Colorado State Highway 145 at a point 1.2 miles southwest of the Silver Bell mill, Ophir, Colo. The mine is at an altitude of approximately 9,500 feet, and is easily accessible throughout most of the year.

Supplies and materials may be obtained at Telluride, Colo., a distance of 13 miles. Heavier equipment must be hauled in by truck from Grand Junction or Denver.

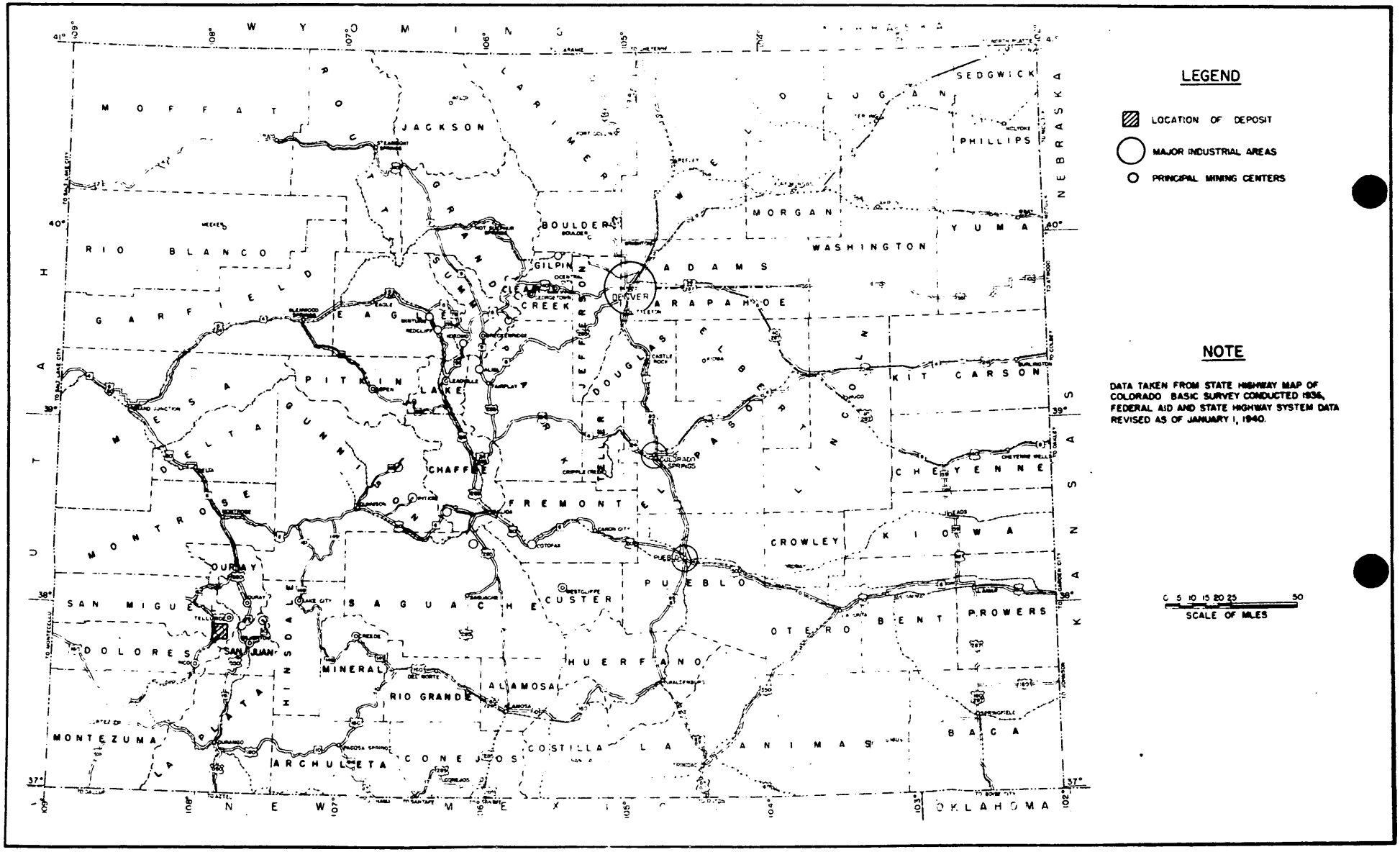

FIGURE 1. - LOCATION MAP, MARIPOSA MINING COMPANY, BUTTERFLY MINE, SAN MIGUEL COUNTY, COLO. (DMEA 2854).

Power and water are available at the mine. There is sufficient, but not an over-supply of, labor in the area at present. Housing is available at Telluride. An effort is being made to secure nearby milling facilities in order to eliminate the high expense of hauling crude ore to Leadville or to mills in Utah.

HISTORY AND PRODUCTION

Little is known of the early history of the mine except that it has been worked intermittently since mining commenced in the Ophir area. The property was developed primarily for gold and silver and has remained essentially a producer of those metals. The applicant company commenced rehabilitation and winzing during 1952.

Production records are not available except for the years from 1937 through 1940. A total of 62,670 tons of ore was milled during the four-year period. On the basis of ounces and pounds of metals recovered, the ore contained an average of 0.055 ounce gold and 7.00 ounces silver per ton, 0.186 percent copper, and 1.04 percent lead. One shipment of 20.9 tons from the first 20 feet of the winze, commenced in December 1952, contained 0.035 ounce gold and 18.4 ounces silver per ton, 2.0 percent lead, and 1.0 percent copper. On the inspection date approximately 300 tons of ore had been removed from the winze which had been deepened to 100 feet. This ore was stockpiled at the mine and appeared to be of a higher grade than the original 20.9-ton shipment.

OWNERSHIP AND EXTENT

The application states that the property is leased to the Mariposa Mining Company but the statement cannot be verified as no copy of the lease has been made available. The following claims in secs. 32 and 33, T. 42 N., and secs. 4 and 5, T. 41 N., R. 9 W., New Mexico principal meridian, Yellow Mountain Mining District, are listed in the application and shown on figure 2.

Patented Claims

Claim	Survey Number	Claim	Survey Number
Buckeye claim	6019	Little Johnny	20027
Buckeye No. 2	12415	Little Tony	20027
Butterfly	6019	Mizpah	20027
Broadway	5735	Medora	20027
Balm of Gilead	12416	Montana	6979
Dave Day	20027	Milwaukee	20393
Dewey	20392	Robert Perry	20027
Duffy	13264	Pathfinder	20027
Horrible	20393	Rock Island	1109
Humdinger	20393	R. W. Steele	20027
Humdinger No. 1	20393	Schley	20027
Ida	12343	Terrible	1435
Ida No. 1	12342	Sun Down	12235
Ida No. 2	12342	Wedge	20393
Jerry	20374	Zuma	20393

Unpatented Claims

Claim	Book	Page
Cascade	119,122	441, 194, 196
Cinnabar	119,122	487, 206
Coin	73	337
Fulton County Fraction #1	119	479, 422
Glade	119,122	445, 197, 209
Gold Ore	119,122	279, 205
Incas	119,122	495, 207
Keystone	79	387
Lake Fork	119,122	480, 208

Unpatented Claims (Cont'd.)

Claim	Book	Page
Paymaster	119,122	482, 199
Paymaster No. 1	-	-
Silver Button	119	287
Silver Crown	119	287
Silver Bell No. 11	79	232
Silver Bell No. 12	79	232
Silver Bell No. 13	79	233
Silver Bell No. 14	79	237
Silver Bell No. 16	79	238
Silver Bell No. 17	79	238
Silver Bell No. 18	79	239, 414
Silver Bell No. 19	79	239
Silver Bell No. 20	79	240
Silver Bell No. 21	-	-

DESCRIPTION OF THE DEPOSITS

The mine workings accessible for inspection revealed numerous, more or less parallel, veins and fractures that for the most part are narrow and lacking in lead-copper mineralization. With the exception of the North vein and the Dill vein, which are probably the same vein (fig. 3), it is apparent that few ore shoots were encountered in the west portion of the mine. According to the maps, the largest shoot was mined from the Ida vein within 600 feet of the east end line of the property (fig. 3). As none of the stopes were accessible, the width of the shoots could not be determined.

The only ore deposit accessible for inspection is in the North vein where a winze is being sunk by the applicant company at the junction of the North drift and a crosscut from the Ida vein on the No. 3 level. According to assay maps the ore shoot extends approximately 350 feet along the No. 3 level drift. The vein has

been stoped for approximately 200 feet above the level, and ore is visible in the winze from the collar to the bottom, 100 feet below the level. The vein exposed in the winze ranges from 1 to 2 feet wide. Samples cut by the Defense Minerals Exploration Administration engineer at the collar, at a depth of 40 feet, and at a depth of 80 feet, averaged 0.17 ounce gold and 50.6 ounces silver per ton, 13.4 percent lead, 2.2 percent zinc, and 1.6 percent copper across an average width of 1.6 feet. One high silver assay probably raised the average ounces per ton slightly above normal. Three grab samples of ore from the winze averaged 0.08 ounce gold and 29.12 ounces silver per ton, 19.26 percent lead and 0.70 percent copper. A total of 50 company samples with an average width of 22 inches taken along the drift for a distance of 350 feet averaged 0.087 ounce gold and 47.6 ounces silver per ton; 300 feet of this distance averaged 6.4 percent lead and 0.58 percent copper.

Although the vein described above is somewhat narrow, it appears that a sizable ore deposit may exist below the No. 3 level.

MINEABLE ORE RESERVES

Using the company assays along the North vein and combining them with the assays obtained in the winze by the applicant company and the Defense Minerals Exploration Administration engineer, it is possible to establish a triangular block of indicated ore. The block extends 210 feet along the vein west of the winze and 140 feet along the vein east of the winze. From these terminals the east

and west limits extend diagonally downward to the bottom of the winze at a depth of 100 feet. It is estimated that 2,340 tons of ore can be mined from this area. The ore is estimated from incomplete assays to contain an average of 0.093 ounce gold and 32.5 ounces silver per ton, 10.0 percent lead, and 1.12 percent copper. In mining the ore the tonnage probably will be increased about one-third by dilution, resulting in a corresponding decrease in grade.

No other reserve can be estimated for the mine until additional rehabilitation is accomplished.

PRESENT STATUS

Exploration and Development

On the examination date rehabilitation was in progress on the No. 4 level and winzing was in progress on the No. 3 level. The mine has been developed on four levels by several thousand feet of drifts, crosscuts, and raises. About half of the stoping appears to have been done on the adjacent claims just to the east of the Mariposa Mining Company's property line (fig. 3). According to the maps, little or no stoping was done on the No. 4 level. Although development and exploration appear to be extensive along several parallel veins, most of the production undoubtedly came from the No. 3 level on the Dill or North vein and on the Ida vein.

Mining and Milling Equipment and other Facilities

The following equipment and facilities are available at the mine:

1 200 c.f.m. compressor
1 Universal Tramaire locomotive
1 Eimco No. 12 mucking machine
4 1-ton mine cars
1 IR #30 drifter
1 Caterpillar No. 20 bulldozer
2 Jackhammers
1 Compressor-machine shop
1 Blacksmithy
1 75-ton ore bin with truck loading facilities

There is no mill on the property, nor is there one in the area that accepts custom ore.

PROJECT PROPOSALS, WITH COSTS

The applicant company proposed diamond drilling eight holes, for a total footage of 1,950 feet, and crosscutting 330 feet from the Ida vein to the North vein on the No. 4 level (fig. 3). Six of the proposed holes would explore the walls for unknown veins, one proposed hole would cut the Dill vein from the No. 4 level, and one hole would be directed to cut the Dill vein approximately 50 feet in advance of the east heading. The estimated total cost of the drilling is $9,222.33.

The proposed crosscut is directed to cut a possible lower extension of the ore shoot being developed from the No. 3 level winze. The bottom of the 100-foot winze is approximately 300 feet above the point where the crosscut is expected to encounter the vein.

The estimated total cost of the crosscut is $14,383.59.

The applicant's estimated cost for the project is $23,605.92.

The general tightness and extremely low metallic content of the numerous veins examined on the No. 3 level tend to discourage any recommendation of prospecting the walls for additional veins. Undoubtedly, more veins would be located by the proposed drilling, but there is considerable doubt that they would contain any appreciable amounts of lead and copper. The ground is so badly fractured that the diamond drilling costs will be considerably higher than the $4.73 per foot over-all cost estimated by the applicant. An over-all cost of $8.00 to $10.00 per foot is considered to be more logical. Considering the high cost of drilling and the dubious possibility of encountering lead-copper ore, it is recommended that the drilling program be eliminated from the project. The money allotted to diamond drilling could be applied to better advantage by drifting along the North vein at the completion of the crosscut below the ore shoot on the No. 3 level.

The following revised program is recommended for approval:

(1) Crosscut from the No. 4 level on the Ida vein to the North vein, a distance of approximately 330 feet.

(2) Drift a total of 200 feet along the North vein at the completion of the crosscut.

Costs for Crosscut and Drift

Labor and Supervision

2 miners on contract at $10.00 per foot, 5 months		$5,300.00	
1 compressorman-mechanic, $2.00 per hour, 5 months	$1,734.00		
168 hours overtime	504.00	2,238.00	
1 trammer, $1.50 per hour, 5 months	$1,300.50		
168 hours overtime	378.00	1,678.50	
1 supervisor-engineer, $450.00 per month, 5 months		2,250.00	
Total labor and supervision			$11,466.50

Operating Materials and Supplies

Powder, caps, fuse	$2,332.00	
Pipe, 530 feet	397.50	
Track, 1,060 feet	530.00	
Ties, 265 at 2.5 cents each	6.62	
Bits and steel	1,590.00	
Fuel and oil for compressor	1,055.00	
Total operating materials and supplies		5,911.12

Operating Equipment

Rental		
1 315 c.f.m. portable compressor, diesel engine driven, $450.00 per month, 5 months	$2,250.00	
Depreciation		
1 Universal Tramaire locomotive--value, $1,500.00--$25.00 per month, 5 months	125.00	
4 1-ton mine cars--value, $800.00--$13.33 per month, 5 months	66.65	
1 Eimco mucking machine--value, $3,500.00--$58.33 per month, 5 months	291.65	
1 IR #30 drifter--value, $1,000.00--$16.66 per month, 5 months	83.30	
1 Caterpillar 20 dozer--value, $1,200.00--$20.00 per month, 5 months	100.00	
Total operating equipment		2,916.60

Miscellaneous

Repairs to equipment	$ 400.00	
Workman's compensation, 114.70 x 2.09	239.64	
Payroll taxes	172.00	
Analyses	100.00	
Total miscellaneous		$ 911.64
Total cost of crosscut and drift		$21,205.86

SUMMARY OF COSTS

Labor and supervision	$11,466.50
Operating materials and supplies	5,911.12
Operating equipment	2,916.60
Miscellaneous	911.64
Total cost	$21,205.86

Over-all cost per foot for 330 feet of crosscut	$40.01
Over-all cost per foot for 200 feet of drift	$40.01

CONCLUSIONS

Obviously the mine is essentially a producer of gold and silver. With the exception of the favorable area in the North vein, there is little to indicate that exploration of the other areas would encounter lead-copper ore. For the most part, the numerous veins and fractures are tight and are sparsely mineralized with lead or copper. The North vein probably merits exploration at depth; however, it is doubtful that the known ore shoot will extend downward from the bottom of the winze to the proposed drift, a distance of 300 feet

or more down the dip of the vein. A more likely possibility is that of encountering a separate ore shoot at the depth of the No. 4 level. Diamond drilling the North vein from the No. 4 level is not advisable due to the distance and highly fractured ground which would make a drilling program as costly as, and much less decisive than, the program proposed for crosscutting and drifting. If the necessity of establishing lead and copper reserves is sufficiently critical, the outlined program stands a fair chance of resulting in an ore discovery.

RECOMMENDATIONS

Providing the necessity of establishing reserves of lead-copper is sufficiently critical, the following exploration program is recommended:

(1) Crosscut approximately 330 feet from the Ida vein to the North vein.

(2) Drift a total of 200 feet along the North vein at the completion of the crosscut.

The total cost of the project is estimated to be about $21,205.86.

It is recommended that the program be set up on a short-form contract at an average unit cost of $40.00 per foot for 530 feet of drift and crosscut, or a total of $21,200.00--Government participation 50 percent, or $10,600.00.

cb

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

224 New Customhouse
Denver 2, Colorado

May 18, 1953

Mr. George T. Mc Call
Mariposa Mining Company
Telluride, Colorado

Re: Docket No. DMA 2854
(Lead)

Dear Mr. Mc Call:

This is to inform you that, effective April 15, 1953, the commitment of funds allocated to the Defense Minerals Exploration Administration for exploration assistance under the Defense Production Act was restricted to certain specified metals and minerals still in short supply. Lead was not specified, and consequently was automatically removed from the list of metals or minerals eligible for exploration assistance.

We regret to advise your that, since your application relates to lead and was pending on the date of the restrictive order, we are without authority or funds to enter into a contract for exploration and your application is accordingly denied. This action is taken without prejudice to the merits of the proposed project.

The staff of the Defense Minerals Exploration Administration wishes to express its appreciation for your interest in the exploration program and for your cooperation during the period your application has been under consideration.

Sincerely yours,

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
MAY 22 1953

W. H. King
W. H. King
Field Team, Region IV

HMC:fwo

cc COMittendorf
WMTraver, Jr.
Subject
Chron
Koschmann (2)

for A. H. Koschmann
Field Team, Region IV

FILE COPY
SURNAME:

Ellis

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

N.S. in R.v R.

DMEA

5295 46.0

14X3923.970 Working Fund, Interior, DMEA
May 20, 1953

W. H. King, Executive Officer, DMEA FT, Region IV,
224 New Customhouse Building, Denver 2, Colorado
Docket No. DMEA-2854, Mariposa Mining Company (Copper-lead)

REWORK MARIPOSA MINING COMPANY DOCKET DMEA-2854 UNLESS GEOLOGICAL CONDITIONS INDICATE SIGNIFICANT COPPER DISCOVERY POSSIBLE PROPERTY DOES NOT QUALIFY.

C. C. Mittendorf (for)

C. C. MITTENDORF, ADMINISTRATOR

EWEllis/gla
5-20-53
cc to: Adm. Reading File
Docket
Messrs. A. R. Kinkel, Jr. Rm. B-242A, GSA
C. H. Johnson, Rm. 3621
Ellis
Confirmation to DMEA FT, Reg. IV

SENT
MAY 21 1953
Clerical Service Section

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 18 1953

Mr. C.O. Mittendorf
May 18, 1953
2:00 p.m.

MINES DN 235 5-18-53 9-36 AM

J O MITTENDORF

PLEASE REFER TO MARIPOSA MINING COMPANY APPLICATION, DOCKET DMEA-2054 /COPPER-LEAD/. TOTAL OF 62,670 TIXXX TONS OF ORE MILLED 1937 THROUGH 1940 AVERAGED GOLD 0.055 OUNCE, SILVER 7.00 OUNCES, COPPER 0.186 PERCENT, LEAD 1.04 PERCENT. DOES A DEPOSIT OF THIS TYPE QUALIFY FOR EXPLORATION ASSISTANCE UNDER THE PRESENT REGULATIONS 'Q' THIS IS ESSENTIALLY SILVER-GOLD MINE.

W H KING

Denver, Colo.

MAY 18 3 11 PM '53
BUREAU OF MINES
MAIL ROOM
WASHINGTON, D. C.

1-1027
(April 1946)

UNITED STATES
DEPARTMENT OF THE INTERIOR

AGENCY Mines, Region IV

Originator:

TELETYPE

Ext.: ..... Room: .....

Appro.:
Date: May 18, 1953
Time:
No.:
To: C. O. Mittendorf - Washington

BL

Subject: Please refer to Mariposa Mining Company application, docket DMEA-2854 (copper-lead). Total of 62,670 tons of ore milled 1937 through 1940 averaged gold 0.055 ounce, silver 7.00 ounces, copper 0.186 percent, lead 1.04 percent. Does a deposit of this type ~~quality~~ qualify for exploration assistance under the present regulations? This is essentially silver gold mine.

W. H. King

W. H. King

CONFIRMATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
MAY 21 1953

Authorized:

Sign original message and transmit to Room ..... in duplicate

U. S. GOVERNMENT PRINTING OFFICE 16—50915-1

January 19, 1953

Mr. George T. McCall, Manager
Mariposa Mining Company
Box 1720
Telluride, Colorado

Subject: DMEA-2854
Re: Exploration Assistance
The Butterfly Mine

My dear Mr. McCall:

The receipt of your application dated January 6, 1953 for exploration assistance under the Defense Production Act of 1952, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-2854 and referred to Mr. W. H. King, Executive Officer, Region IV, Bureau of Mines, 224 New Customhouse Building, Denver 2, Colorado.

Kindly refer to DMEA-2854 in any future correspondence relating to your application.

Sincerely yours,

R. E. ADAMS

Robert E. Adams
Chief, Operations Control
and Statistics Division

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 16 1953

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

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

Not to be filled in by applicant

Docket No. DMEA 2854
Metal or Mineral
Date Received 1-16-53
Estimated Cost
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State the legal name, [illegible] in which you will wish to contract, and your mailing address: Mariposa Mining Company
Box 1720
Telluride, Colorado

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

(*c*) If a corporation, add to above statement, titles, names and addresses of officers.

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

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

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(*e*) *Rehabilitation and repairs.*—Furnish a detailed list showing the cost of any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and which will be devoted to the exploration project.

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

(*g*) *Miscellaneous.*—Furnish a detailed list showing the cost of repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance, and payroll taxes.

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

NOTE.—No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes), or any other indirect costs, or work performed or costs incurred before the date of the contract, should be included in the estimate of costs.

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

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

☐ Money ☐ Use of equipment owned by you ☐ Other

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated January 6, 1953

Mariposa Mining Company
(Applicant)

By George T. McCall

George T. McCall, Manager

Title 18, U. S. Code (Crimes), Section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

U. S. GOVERNMENT PRINTING OFFICE 16—66551-1

MARIPOSA MINING COMPANY
P.O. BOX 508
Telluride, Colorado
December 30, 1952

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

Re: MF-103

1a. Mariposa Mining Company
P.O. Box 508
Telluride, Colorado

1b. This is a corporation, incorporated in the State of Colorado.

1c. Thomas Kattnig, President, 1819 South 71st Street, Milwaukee 14, Wisconsin

George T. McCall, Manager, Box 508, Telluride, Colorado

1d. Not applicable.

3a. The property is located near Ophir Station in Sections 32 and 33, Township 42N, and Sections 4 and 5, Township 41N, Range 9W, N.M.P.M., in the Yellow Mountain District, and consists of the following patented and unpatented claims:

Buckeye Claim 6019, Buckeye No. 2 12415, Butterfly 6019, Broadway 5735, Balm of Gilead 12416, Dave Day 20027, Dewey 20392, Duffy 13264, Horrible 20393, Humdinger 20393, Humdinger No. 1 20393, Ida 12343, Ida No. 1 12342, Ida No. 2 12342, Jerry 20374, Little Johnny 20027, Little Tony 20027, Mizpah 20027, Medora 20027, Montana 6979, Milwaukee 20393, Robert Perry 20027, Pathfinder 20027, Rock Island 1109, R.W. Steele 20027, Schley 20027, Terrible 1435, Sun Down 12235, Wedge 20393, Zuma 20393, Cascade, Cinnabar, Coin, Fulton County Fraction #1, Glade , Gold Ore, Incas, Keystone, Lake Fork, Paymaster, Paymaster No. 1. Silver Button, Silver Crown, Silver Bell No. 11, Silver Bell No. 12, Silver Bell No. 13, Silver Bell No. 14, Silver Bell No. 16, Silver Bell No. 17, Silver Bell No. 18, Silver Bell No. 19, Silver Bell No. 20, and Silver Bell No. 21.

3b. The Butterfly Mine.

3c. Lessee.

3d. Please see the attached letter from the Denver Field Office.

3e. Not Applicable.

3f. Following are the book and page numbers of the unpatented claims listed above:

CAMCALE-	Book	119	Page	441
Amended	"	122	"	194
	"	122	"	196
	"	122	"	210
CINNABAR-	"	119	"	487
Amended	"	122	"	206
COIN-	"	73	"	337
FULTON COUNTY-	"	119	"	479
FRACTION-	"	119	"	422
GLADE-	"	119	"	445
Amended	"	122	"	197
	"	122	"	209
GOLD ORE-	"	119	"	279
Amended	"	122	"	205
INCAMCAS-	"	119	"	495
Amended	"	122	"	207
KEYSTONE-	"	79	"	387
LAKE FORK-	"	119	"	480
Amended	"	12[illegible]	"	208
PAYMASTER-	"	119	"	482
Amended	"	122	"	199
SILVER BUTTON	"	119	"	278
SILVER CROWN	"	119,	"	278
SILVER BELL No. 11-	"	[illegible]	"	[illegible]
SILVER BELL No. 12-	"	79	"	232
SILVER BELL No. 13-	"	79	"	233
SILVER BELL No. 14-	"	79	"	237
SILVER BELL No. 16-	"	79	"	238
SILVER BELL No. 17-	"	79	"	238
SILVER BELL No. 18-	"	79	"	239
SILVER BELL No. 18-	"	79	"	414 (later filing)
SILVER BELL No. 19-	"	79	"	239
SILVER BELL No. 20-	"	79	"	240

4a. The Butterfly property has been intermittently active since the beginning of the life of the district. Remnants of past operations re surface plant are negligible, there being only the shells of a boarding house and assay lab remaining. The mine has been developed on four levels by long drifts and crosscuts, connected betwe n levels by several raises, all as shown on the attached map and longitudinal sections. Stoping operations have been extensive, but there remains a vast volume of favorable ground on the property that has not been explored to date.

Operations under the present management consist in part of rehabilitation of old drifts and raises to gain accessibility to old workings and to sites for launching future exploration and development work. A thorough geologizing and prospecting has followed as fast as rehabilitation permits.

A crew of two men have reopened the #4 portal and have repaired the drift up to the Olsen Raise to date.(1800') They have another 1300 feet of drift to repair to complete rehabilitation of the #4 level.

A crew of two shaftmen, with a hoistman-trammer and a compressorman, are sinking a winze in ore on the North Vein (Butler Vein). It is planned to sink this winze about 100 feet, if ore persists, and support further exploration from the proceeds from the resulting stope.

Production facilities consist of a compressor-machine shop, a blacksmithy, and a 75 ton ore bin with truck loading facilities and sorting deck.

Our interest in these operations is active, as we have control of the property under a lease agreement.

Most of the mine is accessible for examination purposes. Stoped areas on #1 level and part of #3 level on the Ida Vein are caved and inaccessible. No attempt is being made at present to pick up these caves. #4 level should be completely accessible within a few weeks.

4b. Past production:

	1937.	1938	1939	1940	
Tons Milled	8920	[illegible])	21,750	12,000	
Tons Concentrates	473	1066	2,292	1,373	
Extraction	89%	95%	90%	90%	
Net Recovery	$48,069	$148,988	$185,856	$107,285	
Freight	4,008	15,567	20,120	8,953	
Smelter Charges	7,266	28,930	35,525	19,383	
Mining Costs		61,197	70,933	45,440	
Milling Costs		25,604	24,476	15,491	
Net Returns	36,893	104,401	130,211	78,938	
Men Employed	20	55	75	52	
Metals Produced					TOTAL
Gold ounces	382	1,066	1,111	920	3,479
Silver ounces	38797	146,314	172,865	80,157	438,733
Copper pounds	19157	74,854	100,056	39,173	233,240
Lead pounds	90995	339,764	554,531	323,099	1,308,389

* Fire loss Dec 6, 1940- $95,000.00
** Mill Building and Machinery destroyed.

No record was kept of production previous to 1937.

Current Production:

Present production is limited to the development muck from our sinking operation. About 7 tons a day is and will be our capacity until about March 1st, when the winze facilities are complete and drifting and stoping commences. A 21 ton shipment of this product made to Leadville on December 5, 1952 assayed as follows:
2.0% Pb, 2.0% Zn, 1.0% Cu, 18 oz. Ag, and 0.035 oz. Au.

Ore Reserves:

There have been many ore reserve estimates made in the past by reportedly competent engineers, ranging up to 1,330,000 tons of $10.00 ore. The following reserves are based on our examination only:
There are no measured reserves.
There are 10,000 tons of indicated reserves under #3 level on the North Vein where we are sinking a winze assaying 0.087 oz. Au, 47.6 oz. Ag, 6.4% Pb, and 0.58% Cu. At the date of this writing, the winze is 50 feet deep, and the vein has been strong to this depth. There is a block of similar tonnage and grade under the Dill stope in which a winze was sunk in the past in reportedly good ore. Reportedly there is considerable good ore blocked out on the Ida Vein, #4 level, on sub-levels and raises. We have not repaired this level as far back as this area as yet.

4c. Please study the attached map and longitudinal sections with the following text for the sake of clarity.

Geology:

The property lies in the diorite-monzonite stock of Yellow Mountain near the Ophir Loop. The sedimentary series have not been cut in any of the workings. The deposits occur in true fissure veins in a series of Southeasterly striking, nearly vertical dipping, parallel fissures and their splits. Faulting has occured in at least two stages, mostly contemporaneously with the ore bearing solutions, and subsequently to a smaller degree. The numerous splits are indicative of tension cracks connecting the parallel SE striking fissures of principal movement. These splits, at or near intersections with the major fissures, appear to control the mineralization and width of vein. Wall rock alteration ispronounced, being mostly pyritization and kaolinization. The fissures are exceedingly strong, with a band of gouge persistently evident.

Mineralization:

The ore minerals are tetrahedrite ranging to freibergite, galena, chalcopyrite, and gold, with sphalerite an occasional associate. Gangue consists of quartz, pink spar, and a gouge of altered diorite, with pyrite persistent throughout all the veins.

Reasons for wishing to explore:

Geological inferences point to a continuation at depth of the known ore shoots, and additional shoots in unknown veins running parallel to the known veins, in unexplored country.

See the U.S.G.S. folio on the Telluride quadrangle.

4d. Access roads:

The #3 portal is connected by ½ mile of good mine road to the state highway from Telluride to Rico, about 1½ miles south of the Ophir Loop.

#4 portal is connected by ½ mile of mine road to the old Rio Grande Southern R.R. right of way. With the rails and ties removed, we may use this right of way as an excellent road bed connecting with the Ophir Loop 1 mile away, on the state highway. In addition, we have a 1 mile mine road to the Ames Power Plant from #4 portal.

Telluride is the nearest town, 13 miles away, having an auto freight depot, supply houses, and residences, with a population of 1300.

4e. Manpower is readily available in sufficient quantity and quality to carry out our proposed project.
There is and ample supply of timber locally, and the property has a large stand of spruce for mine timber readily available.

4e, continued. Other supplies, materials, and equipment must be ordered thru Grand Junction, Denver, or etc., and trucked into the mine. This necessitates foresight in anticipating needs to avoid shutdowns, due to the delay between ordering and receiving.
Water is available for #3 level operations from the Western Colorado Power Company's flume which runs over the portal. For #4 level operations and milling, the Lake Fork of the San Miguel River is a convenient source of ample water.
Electric power is installed at 440 volts ac 3 phase 60 cycle at #3 portal, the 13,000 volt transmission line lying at the bottom of the dump. We will have to construct one-half mile of line to get power from the main line to #4 portal.

5a. The minerals for which we wish to explore are galena, sphalerite, tetrahedrite, and chalcopyrite, with the accompanying metals of lead, zinc, and copper.

5b. Please study the attached map and longitudinal sections.
Proposed work:

I. Diamond drilling:
Hole 'A'- Collared at the heading of the crosscut trending northerly from the Big Turn on #3 level, and drilled N 30° E for 300 feet, flat, to search for unknown veins of the parallel system in the favorable ground to the north.
Hole 'B'- Collared at the heading of the crosscut trending southerly from the Big Turn on #3 level, and drilled S 30° W for 300 feet, flat, to search for unknown veins of the parallel system in the favorable ground to the south.
Hole 'C'- Collared at the top of the Olsen Raise on #3 level, and drilled N30°E for 100 feet, flat, to search for splits or unknown veins of the parallel system in the favorable ground to the north.
Hole 'D'- Collared at the top of the Olsen Raise on #3 level, and drilled S30°W for 100 feet, flat, to search for splits or unknown veins of the parallel system in the favorable ground to the south.
Hole 'E'- Collared at the top of the winze on the North Vein on #3 level, and drilled N15°E for 300 feet, flat, to search for unknown veins of the parallel system in the favorable ground to the north.
Hole 'F'- Collared by the intersection of the crosscut with a major fault on #3 level, before the Ida Vein is cut, (see map) and drilled N70°E for 250 feet, flat, to search for ore where the hole will intersect both the Ida and North Veins in an area unexplored to date, and lying between two productive zones.
Hole 'G'- Collared in the horseshoe just before the Ida Vein is cut on the #3 level, and drilled S30°W for 300 feet to search for unknown veins in the parallel system in the favorable ground to the south. This hole to be drilled flat.
Hole 'H'- Collared (see Map) on #4 level past the Olsen Raise, and drilled N30°E for 300 feet, flat, to search for the North Vein under the productive winze under the Dill Stope on #3 level, and to explore the intervening ground for unknown veins of the parallel system.
Total footage: 1950 feet, to be drilled with AX ridgid tube core barrel.

5b, continued.

II. Crosscutting:

Near the breast of the #4 level, there is a short crosscut running N15°E for an unknown, but very short distance. This crosscut was started to intersect the North Vein at a point down dip from the winze on #3 level, North Vein. On the basis of the large stope on the North Vein on #3 levhh, and the fact that our winze shows the same structure and similar values to a depth of 50 feet to date, plus the fact that the Dill Stope is on the same structure, and that this vein lines up in strike and dip with the Butler Vein of the Silver XXXX Bell Mine, all this convinces us that the crosscut should be completed until the North (Butler) Vein is intersected. Projecting the vein down from #3 level on a 76° dip for 464' down dip places the vein 330 feet from the Ida Vein on #4 level where the crosscut is started.
Therefore we propose to drive 330 feet of 7'x5' crosscut bearing N15°E from the aforesaid point until the North Vein is intersected. In the event the vein is hit before the 330 feet is expended, the remainder will be used in drifting on the vein in search of ore.

5c. The work will be started within 10 days and completed within 6 months from the date of an exploration project contract.

5d. The applicant is a new corporation, incorporated in Sept, 1952, but is fully capable in every respect financially and practically to carry this exploration project. George T. McCall, Manager, is the individual making out this application, and he will supervise the operations and do the engineering therefor. McCall is a graduate of the Colorado School of Mines in Mining Engineering, and has mined in Butte and the Couer d'Alenes. He was engineer for the Spokane Idaho Mining Company of Kellogg, Idaho for a year and a half, and during this employment made and got approved an exploration project contract for the Cleveland Mine, Stevens County, Washington. Altho the loan was approved too late to help, he supervised a diamond drilling program at this mine. Later he was made superintendent of the same company's Paymaster Mine in southern Idaho, which was operating under a DMA Loan. Mr. Al Weissenborn and Mr. Thor Kiilsgaard of the Spokane Branch, DMA, can verify all this and possibly voice an opinion of McCall's capabilities.

6a. Independent Contracts:

Diamond drilling- 1950 feet x rigid tube @ $3.50/foot..$ 6825.00

6b. Labor and Supervision:

Diamond drilling-

1-compressorman @ $12.00/shift x 2 months.....	672.00
1- Supervisor-Engineer @ $450/mo x 2 months x half time	450.00
Total labor and supervision diamond drilling	$1122.00

Crosscutting-

1- compressorman-mechanic @ $16.00/shift x 3 months...	$1344.00
2- miners (contracting at $10.00/foot)x 330 feet	3300.00
1- trammer @ $12.00/shift x 3 months.....	1008.00
1- Supervisor-Engineer @ $450/mo x 3 months	1350.00
Total Labor and supervision crosscutting	$7002.00
Grand Total Labor and Supervision	$8124.00

6c. Operating Materials and Supplies-

Diamond Drilling-

Core boxes 50 @ $4.00	$ 200.00
Power (200 cfm compressor w/50HP motor) based on past operations, $45/month x 2 months	90.00
Total Operating Materials and Supplies Drilling	$ 290.00

Crosscutting-

Power-Diesel engine driven 350 cfm portable compressor, consuming 40 gallons per shift of diesel fuel @ 20¢/gal x 3 months	$ 624.00
Oil for compressor and engine	25.00
Powder- 330 feet x $4.40 ft	1452.00
Bits and Steel- Using integral steel w/tungsten carbide inserts, 1 1/8" round steel, 330 feet at $3.00/foot ...	990.00
Track- 660 feet 20# rail is 2.2 tons @ 150/ton delivered	330.00
Pipe- 330 feet of 3" pipe @ 75¢/foot	247.50
Ties- 165 @ 2.5¢/each	4.12
Total Operating Materials and Supplies Corsscutting	$3672.62
Grand Total Operating Materials and Supplies	$3962.62

6d. Operating Equipment:

Diamond Drilling-
Equipment owned by us: 200 cfm compressor, Value $2000, suggested use-allowance 1/60 of value per month, or $33.33/mo x 2 months ..... $ 66.66

Crosscutting-
Equipment owned by us:
1- Univeral Tramaire Locomotive, value $1500, suggested use -allowance 1/60 of value/mo or 25.00 x 3 ..... $ 75.00

6d, Operating Equipment, continued.

Crosscutting, sub-total carried forward	$ 75.00
4-1 ton mine cars, Value $200 is $800, suggested use allowance 1/60 x $800 x 3 months	40.00
1/ Simco 12 Mucking Machine, Value $3500, suggested use-allowance 1/60 x 3500 x 3 months.....	175.00
1- IR #30 drifter on 4' shell, Value $1000, use-allowance 1/60 x $1000 x 3 months	50.00
1/Caterpillar Twenty Dozer, 1/60 x $1200 x 3 mo.....	60.00
Equipment Rented by us:	
1/ 350 cfm portable compressor, diesel engine drive, $450/ month x 3 months	1320.00
Total Operating Equipment Crosscutting	$1750.00
Grand Total Operating Equipment	$1816.66

6e Rehabilitation and Repairs:

NONE	00.00

6f. New Buildings, improvements, installations

NONE	00.00

6g. Miscellaneous

Diamond Drilling-	
Compressor Maintenance, 2% x $2000 value.....	40.00
Workmen's Compensation, 11.22 x 2.09	23.45
Payroll Taxes	16.83
Total Miscellaneous Diamond Drilling	$80.28
Crosscutting-	
Maintenance: Total value of equipment is $8000, times 5%	400.00
Workmen's Compensation, 70.02 x 2.09	146.34
Payroll Taxes, ...	105.03
Total miscellaneous Crosscutting	$651.37
Grand Total Miscellaneous	$731.65

6h. Contingencies

Diamond drilling-	
Total Cost of $8383.94 x 10%	838.39
Crosscutting-	
Total cost of $13,075.99 x 10%	1,307.60
Grand Total Contingencies	2,145.99

ESTIMATED TOTAL COST OF PROJECT:

I. Diamond Drilling	$ 9222.33
II. Crosscutting	14383.59
GRAND TOTAL COST OF PROJECT	$23605.92

$23,605.92

7a. Yes, we are prepared to furnish our share of the cost of the proposed project in accordance with the regulations on Government participation.

7b. We propose to furnish our share of the costs by meeting the expenses of the project as they arise, and then submitting a progress report at the end of each month for government approval. Upon such approval, the government can reimburse us for their share of the expenses. The foregoing is merely a suggestion, as it is a method used on other properties.

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

OFFICIAL BUSINESS

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Washington 25, D. C.

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~~Mr. Paul King~~ ~~Room 3125 - GSA~~ B1.	RUN STOP		RUN STOP
~~Mr. Peters~~ ~~Room~~ 1023	RUN STOP		RUN STOP
~~Mr. [illegible]~~ ~~[illegible]~~	RUN STOP		RUN STOP
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16—38949-2

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Use other side first

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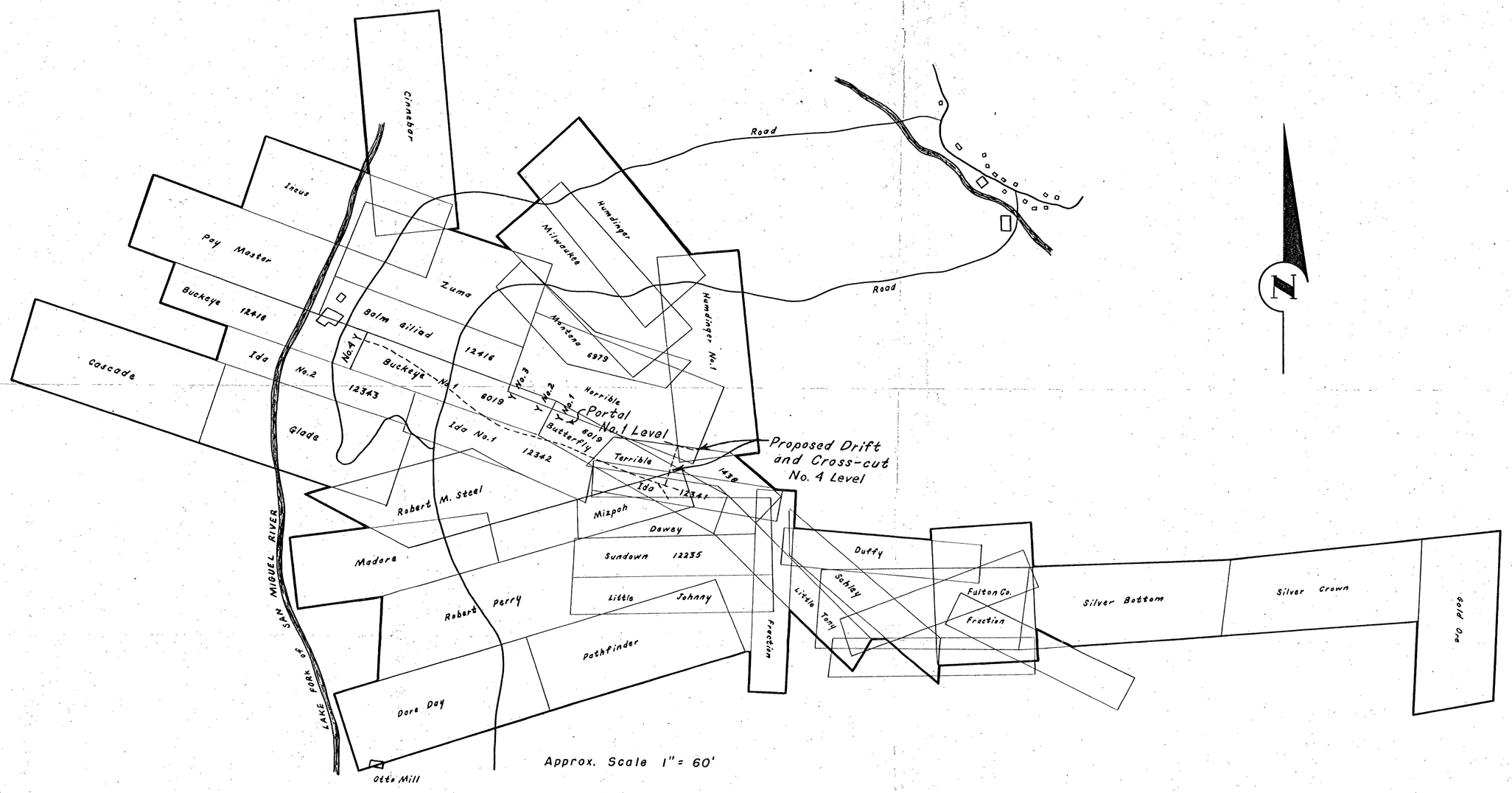


NOTE
FROM MAP PROVIDED BY
MARIPOSA MINING CO.

MINERAL RESOURCES BRANCH - MINING DIV. - REGION IV
BUREAU OF MINES

FIGURE 2 - CLAIM MAP, MARIPOSA MINING COMPANY, SAN MIGUEL COUNTY, COLO. DMEA 2854

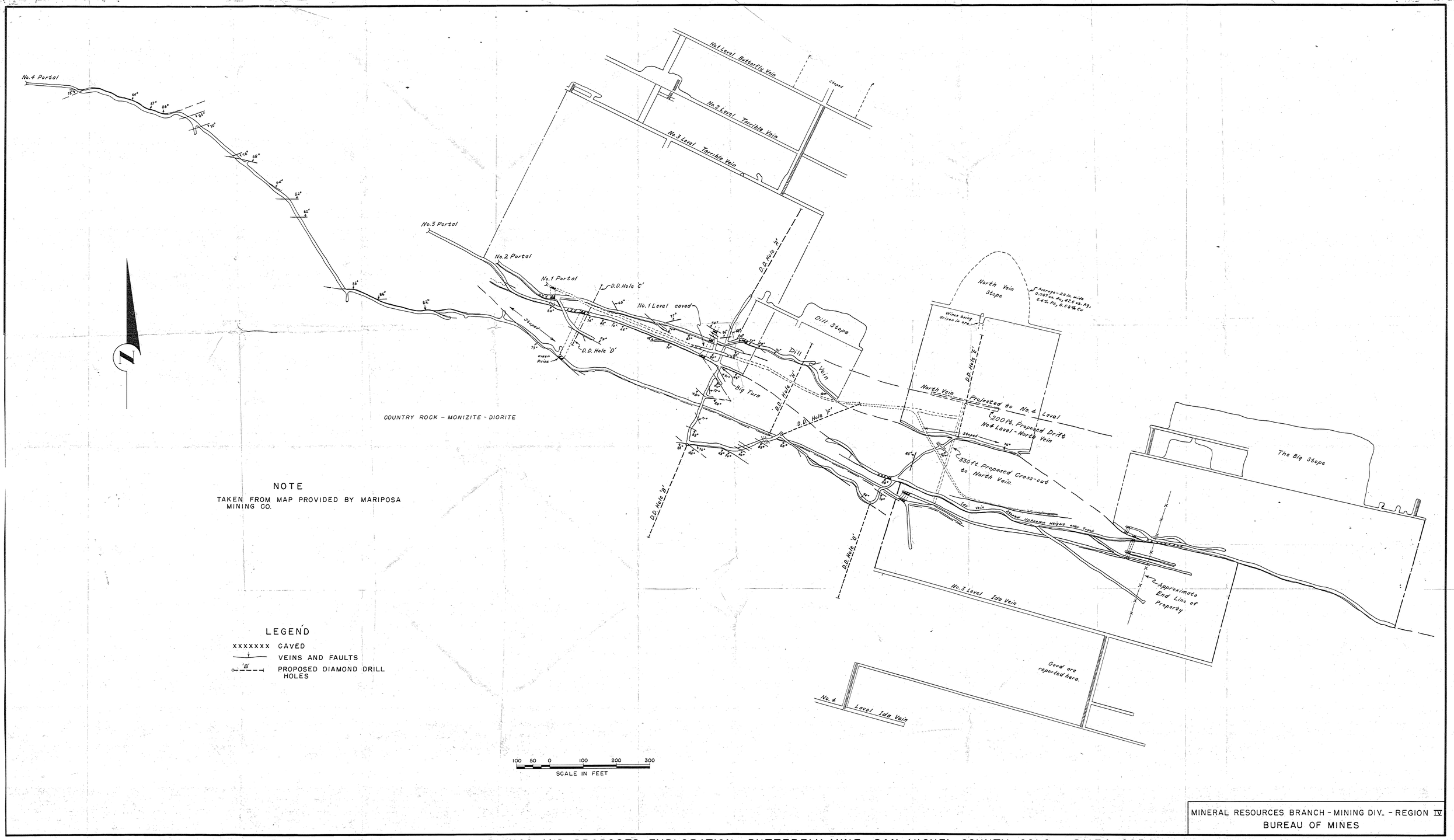


FIGURE 3 - UNDERGROUND WORKINGS AND PROPOSED EXPLORATION, BUTTERFLY MINE, SAN MIGUEL COUNTY, COLO. DMEA 2854

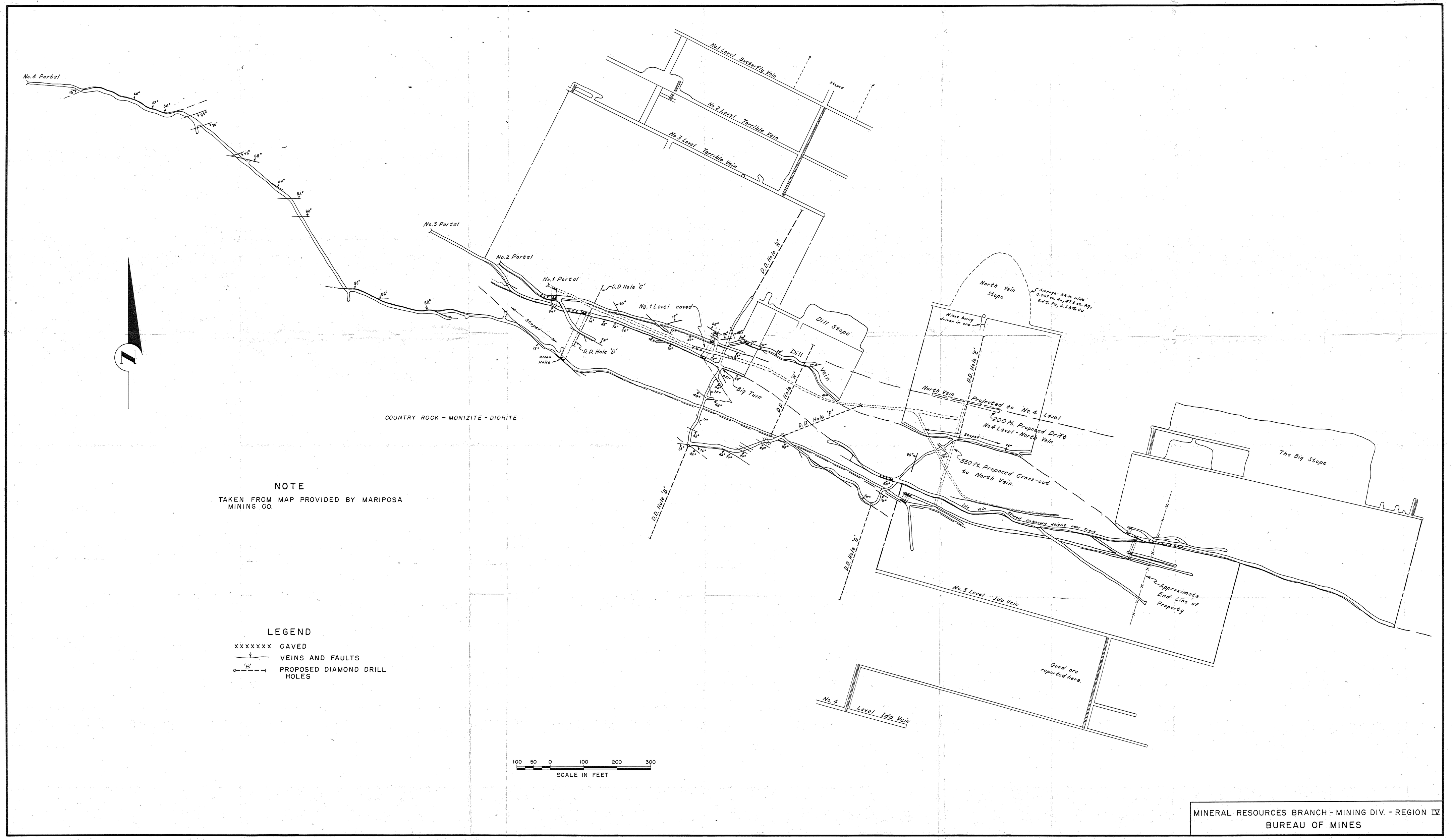
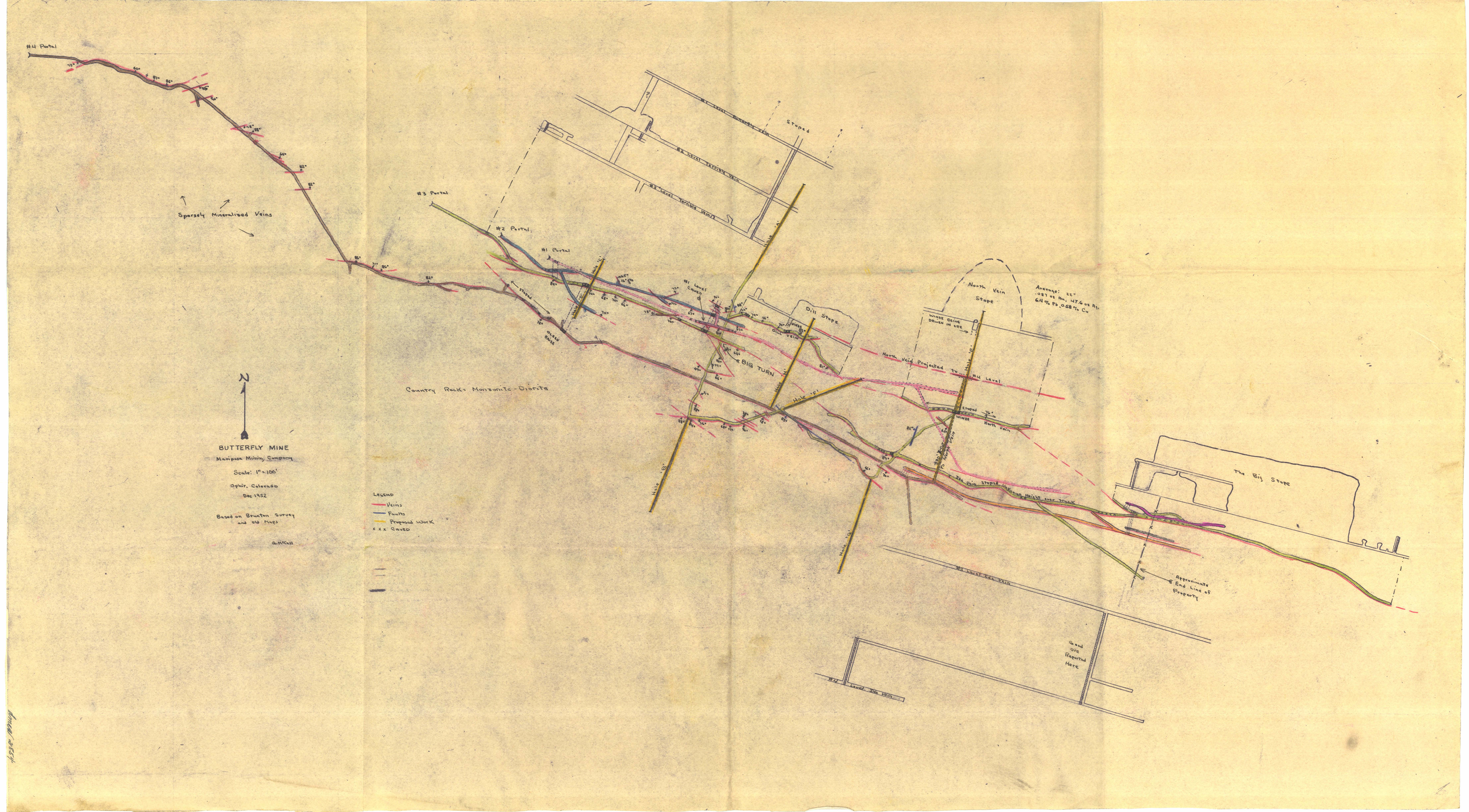


FIGURE 3 - UNDERGROUND WORKINGS AND PROPOSED EXPLORATION, BUTTERFLY MINE, SAN MIGUEL COUNTY, COLO. DMEA 2854


#4 Portal
Sparsely Mineralized Veins
#3 Portal
#2 Portal
#1 Portal
#1 Level Caved
Stoped
Glass Blade
Country Rock: Monzonite-Diorite
BIG TURN
Hole 10'
Hole 14'
Hole 16'
Hole 18'
Hole 20'
Hole 22'
Drill Stope
Old Vein
Winze
North Vein Stope
Winze Being Driven in 1955
Average: 22"
.09% of Au, 47.6 oz Ag
6.4% Pb, 0.58% Cu
North Vein Projected To Drill Hole Level
Stoped
North Vein
Old Vein Stoped Working Inside Over Track
The Big Stope
Approximate ℄ End Line of Property
#3 Level Old Vein
Good Ore Reported Here
#2 Level Old Vein
Stoped
#1 Level Caved Vein
#2 Level Caved Vein
#3 Level Caved Vein
N
BUTTERFLY MINE
Mariposa Mining Company
Scale: 1" = 100'
Ophir, Colorado
Dec 1952
Based on Brunton Survey and old Maps
G. McCall
LEGEND
Veins
Faults
Proposed Work
x x x Caved