MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

Mining Division
Date Rec'd.
JUL 6 - 1953
BUREAU OF MINES
~~Denver, Colorado~~

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

Not to be filled in by applicant

Docket No. .....
Metal or Mineral .....
Date Received .....
Estimated Cost .....
Participation (Government %) .....

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: Shenandoah-Dives Mining Company, Silverton, 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 ....., 195...

Shenandoah - Dives Mining Company
(Applicant)

By Charles A. Chase
Ex. Vice President

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

MF-103

UNITED STATES DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

Application for aid in an exploration project, pursuant to DMEA order 1, under the Defense Production Act of 1950, as amended

1. Name of Applicant.

(a) Shenandoah-Dives Mining Company
Silverton, San Juan County, Colorado.

(b) Incorporated, State of Colorado

(c) Home Office; Shenandoah-Dives Mining Company,
616 Finance Building,
Kansas City, Mo.

Officers
J. W. Oldham, President, 616 Finance Bldg., Kansas City, Mo.
E. B. Kane, Secty & Treas. 616 Finance Bldg., Kansas City, Mo.
Charles A. Chase, Executive Vice Pres., Silverton, Colo.

3. (a,b,c,d)

Exploration project in the Silver Lake Group of Claims, owned by the American Smelting & Refining Company and under lease to Shenandoah-Dives Mining Company for thirty years. Copy of lease is attached and lists all mining claims of the Silver Lake Group; the project map shows the claims where exploration work will be performed.

4. (a) Shenandoah-Dives Mining Company has been in operation since 1928 and has mined in the Silver Lake Group since 1942 as shown on map 5-b, part 1.

(b) Exhibits 1 & 2 from our annual report,(The Mine Record and a Summary of Production) plux exhibit 4-b-3 Mine Assay Record of ore excavated, are attached.

(c) Assay plan maps of Letter "G" vein, attached No. 4-c-1
Also please refer to maps under 5-b, parts 1,2,3 & 4.

(d) Shenandoah-Dives Mill is situated on oiled highway 2-1/2 miles easterly from Silverton (population 1400) in San Juan County, Colorado. Served by the Denver & Rio Grande Western Railroad. A 2 mile aerial tramway from Mill to Mine is the means of transportation for men, supplies and ore.

(e) Manpower is available in Silverton by reason of our recent suspension of Mining and Milling operations; Power is purchased from the Western Colorado Power Company, delivered to our Mill sub-station at 16,500 volts; We have ample water for Mine & Mill operations.

Shenandoah-Dives Mining Company,
Silverton, Colorado

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No. 5. EXPLORATION PROJECT

5 (a) To explore for Lead, Copper & Zinc

5 (b) supported by maps--Part 1, 2, 3, 4.

Proposed Letter "G" Exploration Project, from 4177 ML Drift.

Extend present 4177 ML drift (24 Coord.) to at least the 28 Coord. about 400 ft. to explore for a downward continuation of the Melville-Iowa ore shoot worked above on the 370 and 600 levels by Shenandoah-Dives Mining Company and by previous operators of the old workings above. Walls of this drift should be checked by diamond-drilling to be sure that the structure drifted on is the main and/or only one coming down to main level. (See plan map and 370-L drift assay record). Extending this drift will increase the distance to the Letter "G" vein less than 50 feet. The results of our work above main level require this exploration. We will leave 50 feet at the end of this drift for a switch; slab and turn west from drift and drive a straight crosscut bearing S 18° W. to the Letter "G" vein. This crosscutting, assuming an average dip from old workings above and from dips taken on the outcrop of the Buckeye and Last Chance claims, will approximate 850 feet. Total exploratory drifting-crosscutting to Letter "G" vein will be about 1300 feet.

Turn and drift on the vein westerly 1700 feet.

Raise from near the end of the west drift to the Unity Tunnel Level 500 feet above. The dog-hole crosscutting (220 ft., 4' x 6') and the Station crosscutting (90 ft., 8'x 8') are necessarily a part of the Raise project as shown on project map, part 4. The ore pass is not included in this project---to be driven after completion of Raise.

SUMMARY

1300 ft of Drifting & Crosscutting to Letter "G" Vein
1700 ft of Drifting on Letter "G" Vein
500 ft of Raise, including 310 ft. of crosscutting from Raise.

No. 5 (c) The work will start promptly when exploration project is approved and to be completed in 19 months.

5 (d) Shenandoah-Dives Mining Company has operated for 25 years under the supervision of Mr. Charles A. Chase, Executive Vice President; Mr. John Holmgren, Mine Supt., has been with the Company 20 years and will supervise the exploration work; Others of the present staff have been with the Company many years.

We ask for assistance in a large project. The first step is drifting, followed by crosscutting, and that followed by drifting; thereafter comes raising.

These last two items at first glance suggest "preparation for mining." They would not weigh heavily as such for two reasons:

1. Natural ventilation not being established, production of ore of grade to be expected would be unbearably penalized, so the raise is required;

2. Prior experience has demonstrated that mining from bottom up is enough more costly than mining from top down, in retreat, to spell the difference between profit and loss. For us to do all this horizontal work without getting such access to the upper areas prior to production would penalize the work unbearably, so the raise is required.

The text enclosed "A Fragment of Colorado Mining History," plus the typed comparison presented here,

CONDENSED HISTORY OF PRODUCTION FROM

LIBERTY BELL MINE, 2 PERIODS:

	TONS	MINE COST			OTHER	TOTAL	NET	
		DEV.	OTHER	TOTAL	COST	COST	SMELTER	PROFIT
1907-10	477,917	$.49	$2.43	$2.91	$2.85	$5.73	$6.98	$1.25
1911-15	858,446	.22	1.54	1.76	2.33	4.08	6.12	2.01

plus the three photostats presented, show the astonishing benefit from what we call "orderly mining, in retreat from top." In September, 1906, the L. B. Mine set out on a determined campaign which produced the financial results of the tabulation above.

Shenandoah-Dives Mining Company,
Silverton, Colorado

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6 - a - b

EXPLORATION CROSSCUT & DRIFT

3,000 feet, 12 Month Project

250' mo. 300'

10 mo.

10 month reduction

Labor:				
Miners & Helpers @ $16.00/ft.		$ 48,000.00		48000
Supervision		9,000.00		3750
Shift Bosses, Maint. & Repair, (2 shifts)	425	10,200.00	3.40	4250
Electrician	410	4,920.00	1.64	4100
Shop, Sharpening & Drills	405	4,860.00	1.62	7296
Engineer	425	5,100.00	1.70	500
Tramway, transportation of men & supplies	1140	13,680.00	4.56	6000
Office	350	4,200.00	1.40	3000
? Payroll Tax		1,799.00	0.60	1466.18
? Liability Insurance		4,268.00	1.42	3497.92
		$ 106,027.00		86398.50

Explosives	12,000.00	12000
Electric Power	24,000.00	24000
Drill Steel & Bits	6,600.00	6600
	148,627.00	$ 148,627.00

check against Inventory

track
Vent.
pipe

track 3990.00
bolts spikes 310.00
vent pipe 3900.00
air line 2975.70
water line 588.75
" " 148.75
ties 650.00
Sub 131,361.20

EXPLORATION RAISE LETTER G VEIN

500 feet Raise; 90 ft. station X-C
220 ft. x-c dog holes
7 month project-- after completion of
3000 ft. project above.

cut to 6 mo to offset doghole & stations time.

Labor:				6 mo
500 ft. Raise @ $35.00		$ 17,500.00		17500.00
220 ft. doghole x-cut @ $10.00		2,200.00		
90 ft. Station x-cut @ 14.00		1,260.00		
Control chutes at stations		1,000.00		
Supervision	½ at 750 mo (6 mo	5,250.00		2250.00
Shift Bosses, M&R (2 shifts)	425 mo 6 mo	5,950.00		2550.00
Electrician	410 mo 6 mo	2,870.00		2460.00
Shop, Sharpening & Drills	2x 76 mo & 26 mo	2,835.00		3952.00
Engineer	250	2,975.00		1500.00
Tramway, transportation of men & supplies	600 mo x 6 mo	7,980.00		3600.00
Office	350 mo at 6 mo	2,450.00		2100.00
Payroll Tax	1.8	941.00		
Liability Insurance	4.27	2,232.00		
				55,443.00

Explosives	2,430.00
Electric Power	14,000.00
Drill Steel & Bits	972.00
Timber, Plank & Ladders	1,933.00 — costs
9/16" Cable, 1100 feet	225.00
2300 Volt Cable, 3000 ft.	6,000.00
	81,003.00

TOTAL EXPLORATION PROJECT ..... $ 229,630.00

plus depreciation Sp 74,452.08
Rs. 37,226.04
plus Supplies listed 14,398.25
plus fan pipe Sp 3900.00
Rs 500.00
freight 3500.00
363606.37
211,900
151,706.37

3.69

F 1430

6 - c + d

SHENANDOAH-DIVES MINING COMPANY
Silverton, Colorado

MINE EQUIPMENT
April 1, 1953

			$	$
d	ELECTRIC PLANT:			
	Steel Sub-station at Mill, 3 - 250 K.V.A. Transformers, Switches, Lightning Arresters, 15 ft. above ground on hillside	15	30,000.00	
	Power Line to Mine, 2 miles - 17000 volt	15	7,800.00	
	Transformers at Mine, 3 - 200's		9,000.00	
	Transformers Underground 3 - 50's		2,500.00	
	2500 volt Underground Cable, 7,320 ft. @ $2.20		16,104.00	
	Trolley Wire, Hangers, Switches, 8,087 ft. @ $ .40		3,235.00	
	200 H.P., 125 KW, 250 volt, Synchronus Motor Generator Set complete with Switches		7,500.00	7500.00
	75 H.P., 75 KW, 250 volt, Motor Generator Set		2,500.00	
1	2080 cu. ft. C. P. Compressor and 200 H.P. Motor	10	18,500.00	18500.00
1	80 H.P. - 9 ton Locomotive	10	13,000.00	13000.00
1	62 H.P. - 8 ton Locomotive		12,000.00	
	Electric Shop, Lamps, Spare Armatures & Equipment	5	6,500.00	1000.00
				128,639.00
	MINE:			
	Phones Lines and Signals		1,000.00	
	8,187 ft. Track - 30 gauge - 45# & 52# Rail @ $1.93		15,800.00	
	(1,160 ft. 8" Airline @ $2.94		$ 3,410.00)	
	(3,990 ft. 6" Airline @ $2.32		9,250.00)	10
	(2,507 ft. 4" Airline @ $1.31		3,280.00)	
	7,657 ft. Air Line		15,940.00	
	6,980 ft. 2" Waterline @ $.45		3,140.00	
	677 ft. 1" Waterline @ $.21		142.00	
7	75 cu. ft. Cars		6,000.00	
8	105 cu. ft. Cars and Dumpers		14,000.00	14000.00
1	Eimco Mucking Machine (New)		5,000.00	5000.00
1	Eimco Muching Machine (Used)		2,000.00	
1	2 - Column Jumbo		1,000.00	1000.00
	Shop Equipment		4,000.00	1500.00
	Dry Room Equipment		1,000.00	
	Engineering Equipment and Supplies		1,500.00	
	Mine Timber Shed and Tools		4,000.00	
	2/5 Value of Mine Boardinghouse, (Heating Plant, Living Quarters, Kitchen, Engineering Office)		10,000.00	
	1,800 ft. 20 H.P. Ingersoll Rand Blower and Vent Pipe		2,600.00	2600.00
	Drills, Hose, Couplings, Oilers necessary for complete Project		6,500.00	2 new GD 2140.00; 1 used 760.00; Hoses etc 200.00
				93,622.00
	2 miles Aerial Tramway - Steel Tower Construction 80/ton/hr.			50000.00; 15 150,000.00
	Total All,			Defer 117,200.00 = 60; 19,532.40; $ 372,261.00
				total 150895.10; H 50.39

OPERATING MATERIAL & SUPPLIES
On Hand at Mine

	3,000 ft. Track, 52# Rail & Splice Bars	$ 3,990.00
	3,270 ft. 4" Air Line & Couplings	2,975.70
	1,450 ft. 2" Water Line & Couplings	652.50
	1,125 ft. 1" Water Line & Couplings	236.25
	Drill Steel, 1" Quarter Oct. 5½ tons	2,379.96
	Drill Steel, 1-1/8" Round 4 tons	1,941.84
	Stull Timber, 3,446 lin. ft.	623.17
	Sprag Timber, 1,018 pcs.	1,092.31
	6 x 6 Ties, 8,040 bd. ft.	506.52
	Total,	$ 14,398.25

c

Shenandoah-Dives Mining Company,
Silverton, Colorado

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6 - (e) Rehabilitation & Repairs: None required; our Mine Plant is in good order.

(f) No new buildings, improvements, or installations are required to get the exploration project under way.

(g) Miscellaneous: Believe everything covered in 6 - a & b.

(h) Contingencies: No allowances for contingencies have been included; Only in the case of a major break-down would we have to consider the time element of the project.

7 - (a) We are prepared to furnish our share of the cost of the proposed project in accordance with the regulations on Government participation (Sec. 7, DMEA No.1)

(b) We propose to furnish our share of the costs by:-

Rental allowance for our Mine Plant & Equipment
Materials & supplies on hand
Money for the balance, if any.

3-d

Shenandoah-Dives Mining Company.
Silverton, Colorado

Lease

AGREEMENT WITH

AMERICAN SMELTING & REFINING COMPANY

Dated January 1, 1953

to

January 1, 1983

AGREEMENT

THIS AGREEMENT, entered into as of this 1st day of January, 1953, regardless of the actual times of signing and acknowledgment, between AMERICAN SMELTING AND REFINING COMPANY, a New Jersey Corporation, party of the first part, hereinafter referred to as Asarco, and SHENANDOAH-DIVES MINING COMPANY, a Colorado Corporation, party of the second part, hereinafter referred to as the Mining Company,

W I T N E S S E T H

THAT WHEREAS, under date of September 8, 1936, the parties hereto entered into an agreement, and under date of July 1, 1942, entered into a supplemental agreement, and at divers times since July 1, 1942, entered into further supplements and modifications thereof, for and among other things, carrying on the operations of mining, tramming, milling, marketing and accounting for ores from Asarco's Silver Lake Unit, and the additional mining properties known as the Iowa Mine referred to in said agreements; and

WHEREAS, under the above agreements as supplemented and modified, Asarco has expended a total sum of $47,580.34 toward the cost of the Silver Lake Main Raise and Crosscut, as of the date hereof, and the Mining Company has incurred a net loss of $183,900.79 as of December 1, 1952; and

WHEREAS, the parties desire to make provision for the reimbursement to Asarco of said expenditures and to the Mining Company of said net losses, by the further working of the property covered hereby; and

WHEREAS, title to the Iowa Mine has been acquired by Asarco and said Iowa Mine shall be included in the property covered hereby; and

WHEREAS, it is the intention of the parties hereto that the Mining Company shall mine and operate the property covered hereby in the same diligent manner as under prior agreements and for the purposes hereinafter specified; and

WHEREAS, it is the desire of the parties that the area above as well as below

"D" level be developed and mined, and that the former distinction as to costs and profits from above and below "D" level be eliminated;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein set forth to be duly performed by the respective parties hereto, it is agreed as follows:

Article 1. Previous Agreements Cancelled. The agreement of September 8, 1936, the supplemental agreement of July 1, 1942, and all supplements and modifications thereof are hereby superseded and cancelled as of the date of this agreement.

Article 2. Grant of Lease and Description of the Property. Asarco hereby leases to the Mining Company the property covered hereby, which lies in San Juan County, Colorado, and is more particularly described in Exhibit "A" attached hereto and made a part hereof. Any part of said property may be dropped from this agreement by mutual consent of both parties hereto.

Article 3. Term of Agreement. The term of this agreement shall be thirty (30) years from and after the date hereof, unless sooner terminated in the manner hereinafter provided.

Article 4. Manner of Work. The Mining Company shall diligently and in approved and minerlike fashion develop, mine, tram and mill ore from the above described property, shall pay and discharge all bills, costs and expenses, and shall hold Asarco harmless from any claim, suit or demand by reason thereof. The Mining Company shall use reasonable care to avoid mixing low grade, non-profitable material with better grade of ore in shipments to the mill. Until weights are determined and samples are taken, in accordance with established practice of the mine, ores mined from the property covered hereby shall be kept separate from all other ores.

Article 5. Definition of Net Smelter Returns. Net Smelter Returns shall be

defined as the calculated net value at the mill of the concentrates produced from ore mined from the above described property. The factors entering into such calculation shall be tonnage milled, head assay of the ore, metal recoveries and ratios of concentration, metal prices, freight rates and smelter schedules. Metal recoveries and ratios of concentration shall be those shown by mill records. Metal prices to be so employed shall be the average prices for the month in question as quoted in sources referred to in the applicable smelter schedules. Smelter schedules and freight rates so employed shall be those currently applicable to the concentrates produced in the mill.

After the Mining Company has exhausted its own ores, the net smelter returns shall be the actual amounts received by the Mining Company from the smelter, after deduction for the cost of transportation from mill to smelter. Any payment made by the Smelter to the Mining Company for ores or concentrates not produced from the property covered hereby shall not be included as a part of Net Smelter Returns. The phrase "not produced from the property covered hereby" refers to the Mining Company's own ore and to custom ore purchased by Mining Company and milled with ore from the property of Asarco.

<u>Article 6.</u> <u>Definition of Costs.</u> The cost hereunder shall be computed for each month and shall be applicable to the tonnage marketed during that month. It shall include only the actual out-of-pocket operating expenses of the Mining Company for developing, mining, tramming and milling incurred in the State of Colorado through the properties of the Mining Company and in the properties covered hereby, being the Mining Company's total Colorado cost in its operation of said properties, made up in detail as follows:

(a) All labor and material entering the portal for use there (mine hauling is prorated with Shenandoah-Dives Mine on tonnage);

(b) Electric and air-power used, to be prorated with Shenandoah-Dives Mine on basis of drill shifts employed;

(c) Divided supervision, to be prorated with Shenandoah-Dives Mine on basis of drill shifts employed;

(d) Aerial-tramway and milling, to be prorated with Shenandoah-Dives Mine on tonnages transported and milled;

(e) Assaying, to be prorated with Shenandoah-Dives Mine on basis of determinations made and to be prorated as to the Mill on basis of tonnage milled;

(f) All "production" taxes on ore produced from the property covered hereby, and all property taxes on the above described property of Asarco, including improvements, machinery and equipment located thereon;

(g) All property taxes (excluding production taxes on its own ore) on the property of Mining Company used in, benefiting or available for the development and/or operating of both the properties of Mining Company and Asarco shall be prorated on basis of tonnage milled;

(h) Workmen's Compensation Insurance, Unemployment Compensation, Old Age Benefit Charges, and any other charges under federal and/or state laws and regulations on all labor charged directly or prorated to said properties;

(i) Colorado management expense of the Mining Company, including clerical labor, office and miscellaneous items. Such expense shall not include legal expense arising out of any dispute between the parties hereto or any legal expenses incurred in connection with any matter not related to the operation of the properties covered by this agreement. All such expenses shall be prorated with Shenandoah-Dives Mine on the basis of mine payroll charged to said properties. Management expenses to be charged as cost shall be computed after deducting the proportionate share of such expense

applicable to the milling of custom ores, which proportion shall be based upon tonnages milled;

(j) Depreciation at the heretofore rate only upon equipment actually used in connection with the ores herein described, and not previously fully charged off, prorated with Shenandoah-Dives Mine on the basis of tonnage milled;

(k) The Mining Company's hotel operation to be prorated with Shenandoah-Dives Mine on the basis of mine payroll charged to said properties;

(l) Unforeseen expense properly chargeable, upon written agreement;

(m) Equipment purchased for Silver Lake Mine (see Article 14.)

Article 7. Working Capital Reserve Fund. Out of profits realized by the operations provided for by this agreement (see Article Eight (8), sub-paragraph (3)), Mining Company may accumulate a cash reserve fund out of twenty-five percent (25%) of the net profits in any one month. The object of this fund shall be to provide funds for and which may be expended by Mining Company, for developing, equipping, and operating the property covered by this agreement, including the Letter "G" vein. Upon termination of this agreement any monies in such reserve shall be divided between the parties, two-thirds to the Mining Company and one-third to Asarco. If, during the existence of this agreement the amount in such reserve shall be in excess of that reasonably required, such excess may be divided between the parties in the same proportions.

Article 8. Division of Net Profits. From the net smelter returns as above computed for any month, plus any premium or bonus, shall be deducted the costs for that month as above defined to determine profit. Losses incurred in any month after the date hereof shall be carried forward and applied against profits of future months.

The net profit thus derived in any month shall be applied as follows:

(1) One hundred percent (100%) to the reimbursement of Mining Company's

Net Loss of $183,900.79, as of December 1, 1952, and its possible losses thereafter,

(2) After the Mining Company has been reimbursed for its net losses as provided in (1) above, then one hundred percent (100%) of the net profit in any month shall be applied to the reimbursement of Asarco's expenditure of $47,580.34, as of the date of this agreement, provided however that the Mining Company may at its election pay the amount which would otherwise be due to Asarco under this sub-paragraph for any one month in four equal monthly installments following the month in which profits payable to Asarco are earned until the said amount $47,580.34, shall have been paid in full.

(3) Thereafter, net profits in each month, subject to provisions of sub-paragraph (1) of this Article 8, shall be divided as follows:

25% to be retained by Mining Company as a working Capital reserve fund for the operations under this agreement;

50% to be retained by Mining Company on account of its investment and management;

25% to be paid Asarco on account of its investment. Said 25% to be paid on or before the 25th day of the month following that in which earned;

provided, however, that Mining Company may, at its election, recover any monthly net losses sustained by it under this agreement, either by carry-over of such losses against subsequent profits, as authorized by sub-paragraph (1) of Article 8, or by charging such net losses against the Working Capital Reserve.

All property and rights of property in and to any and all ore mined or extracted from said premises and any part thereof shall remain and be in Asarco until Asarco shall have received its full share and payment therefor, and none of said ores shall be in any way subject to any lien, claim or demand of any other person whomsoever against the Mining Company until such share and payment shall have been received by Asarco.

Article 9. Taxes. The Mining Company shall pay before they are delinquent all

general property taxes assessed against Asarco's ownership in the above described property during the term of this agreement, beginning with and prorated from this date, and all production, severance or similar or other excise taxes. The Mining Company shall also pay before they are delinquent all taxes levied against any and all personal property, machinery and equipment placed upon the above described property by the Mining Company during the term of this agreement.

Article 10. Protection from Liens and Damages. The Mining Company shall keep the above described property and the whole and every part thereof free and clear of liens for labor done or work performed upon the above described property or material furnished to it for the development and operation thereof under this agreement while the same is in force and effect, and will save and keep harmless Asarco from all costs, loss or damage which may arise by reason of injury to any persons employed by the Mining Company in or upon the above described property or any part thereof, or which may arise by reason of injury to any persons or damage to any property as the result of any work or operations of the Mining Company or of its possession and occupancy of the above described property. A lien upon the property shall not constitute a default if the Mining Company in good faith disputes the validity of the claim, in which event the existence of the lien shall constitute a default only from and after the validity of the lien has been adjudicated.

Article 11. Insurance and Liability. The Mining Company shall provide all liability, unemployment compensation and other insurance and perform all obligations in respect to workmen's compensation, old age benefit laws and other federal or state laws and regulations, pay all costs and expenses thereof as part of cost of operation, post and keep posted full and adequate notices to that effect and to the effect that the Mining Company alone is operating said premises.

Article 12. Inspection and Books of Account. Accounts of said work and of disbursements and receipts in clear and intelligible detail shall be rendered for

each month to Asarco not later than the 25th of the succeeding month, and shall be accompanied by a check for Asarco's share of the profits if any. Asarco shall at all times have full and free access to the mine for inspection purposes, together with the right to check the handling and sampling of ores and to inspect and make copies of any and all records, books and papers relating to the operations hereunder; and to these ends the Mining Company will render all reasonable assistance. The Mining Company shall furnish duplicate pulps of samples for the purpose of check-assaying by Asarco and, in case of disagreement on assays, an umpire shall be selected by the parties. If the umpire's assay lies between the assays of the respective parties, it shall be taken as final; otherwise, the assay of the party lying between the assay of the umpire and that of the other party shall be taken as final. The losing party shall pay the cost of the umpire. One or more representatives of Asarco shall have the right to be present at any or all stages of operation. If no objection is made by Asarco within sixty (60) days from and after any operation or the receiving of any account, all objection thereto shall be considered waived.

Article 13. Arbitration. Any difference or dispute concerning any matter or thing done or omitted to be done hereunder by either party hereto shall, unless otherwise provided by controlling statutes, be referred to one arbitrator who shall be chosen by the American Arbitration Association, whose rules shall be followed. The award of the arbitrator shall be in writing and it shall be final and binding upon both parties and shall not be open to objection on account of the form of the proceeding or the award unless otherwise provided by the controlling statutes. The cost of every such reference to arbitration and of the award to be made thereunder shall be payable by such party or parties as may be directed or apportioned by the arbitrator.

Article 14. Equipment. It is contemplated that the Mining Company will from time to time hereafter purchase equipment, machinery, tools and supplies and charge the cost thereof to operations. All thereof so purchased and charged shall

belong two-thirds (2/3) to the Mining Company and one-third (1/3) to Asarco. Upon cancellation, expiration or other termination of this agreement, the Mining Company will pay to Asarco a sum equal to one-third (1/3) of the reasonable value of such equipment, machinery, tools and supplies remaining on the property which the Mining Company may elect to purchase, or will pay one-third (1/3) of the sales price received therefor if any thereof is sold. Any personal property wholly owned by the Mining Company, together with any personal property theretofore purchased and charged to operations and wherein the Mining Company shall have purchased the one-third (1/3) interest of Asarco, shall be removed from said premises by the Mining Company within nine (9) months after such cancellation, expiration or other termination.

Article 15. Unavoidable Delays. Operations hereunder may be suspended because of acts of nature, strikes, fire, flood, requirement or regulation of Government, or any other cause without regard to the foregoing enumerations, beyond the control of either party, it being agreed, however, that upon the removal of the cause of suspension the work hereunder shall be resumed.

Article 16. Merger of Existing Easements. The easement or right of way for an aerial tram line granted by Asarco to the Mining Company on June 21, 1929, and any easements for disposal of tailings by the Mining Company on mining claims belonging to Asarco shall be merged and included herein and shall expire herewith, notwithstanding any limitations of time or periodical rentals heretofore specified in said easements or rights of way. Any separate rentals therefor are hereby cancelled and superseded.

Provided, however, that any and all obligations of the Mining Company to save harmless Asarco from any and all liabilities resulting directly or indirectly from the dumping and depositing on the surface of the mining claims, or any of them, particularly the Gold and Buena Vista claims, of tailings arising from the milling operations of the Mining Company heretofore or hereafter conducted on said mining

claims, or on any thereof or in proximity thereto, shall continue after any cancellation or termination of this agreement.

Article 17. Sale of Ore and Concentrates. It is agreed between the parties that the concentrates or other products produced by the Mining Company under this agreement shall at the election of Asarco be sold to its smelters upon rates equal to competitive rates offered by other reputable smelters for similar products, freight differentials considered.

Article 18. Forfeiture Clause. The failure of the Mining Company to make or cause to be made any of the payments herein provided for or to keep or perform any agreement on its part to be kept and performed according to the terms and provisions of this agreement shall, at the election of Asarco, work a forfeiture hereof; provided, however, that in the event of a default on the part of the Mining Company, and the election of Asarco to terminate this agreement on account thereof, Asarco shall give to the Mining Company a written notice of its intention to declare a forfeiture of this agreement and to terminate the same on account thereof, specifying the particular default or defaults relied upon by it, and the Mining Company shall have sixty (60) days after receipt of such notice in which to make good such default or defaults in which event there shall be no forfeiture therefor. Waiver or failure to give notice of a particular default or defaults shall not be construed as condoning any subsequent default.

Article 19. Cancellation. This agreement may be cancelled by the Mining Company at any time upon sixty (60) days' written notice to Asarco. Upon such cancellation the Mining Company shall forthwith pay Asarco any profits accruing hereunder to Asarco, including Asarco's share of any monies remaining in the working capital reserve and shall pay all bills and other outstanding obligations of the Mining Company.

Article 20. Notices. Any notices required or permitted to be given hereunder

shall be considered as delivered forty-eight (48) hours after the same shall have been deposited in the United States mail, duly registered, with postage thereon prepaid, addressed to the respective addresses given below:

If to Asarco, Attention Mining Department
120 Broadway
New York 5, New York

and

600 Pacific National Life Building
Salt Lake City 1, Utah

and if to Mining Company Silverton, Colorado

and

616 Finance Building
Kansas City 6, Missouri

Said addresses for receiving notices may be changed by either party upon two (2) days' previous written notice to the other party.

Article 21. Assignment. The Mining Company may not assign this agreement, or lease or sub-lease any part of the above described property, without the written consent of Asarco.

Article 22. Inurement. These presents shall inure to the benefit of and be binding upon the respective successors and assigns of the parties hereto.

Article 23. Construction. Titles to the respective articles hereof shall not be deemed a part of this lease but shall be regarded as having been used for convenience only.

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

AMERICAN SMELTING AND REFINING COMPANY

By /s/ R. F. Goodwin
Vice President

ATTEST:

/s/ G. A. Brockington
Secretary

SHENANDOAH-DIVES MINING COMPANY

By /s/ James W. Oldham
President

ATTEST:
/s/ E. B. Kane
Secretary

STATE OF NEW YORK)
) ss.
CITY AND COUNTY OF NEW YORK)

The foregoing instrument was acknowledge before me this 23rd day of January, 1953, by R. F. GOODWIN, Vice President of American Smelting and Refining Company.

My commission expires: March 30, 1954

Witness my hand and official seal.

/s/ John E. Dempsey
Notary Public

STATE OF MISSOURI)
) ss.
COUNTY OF JACKSON)

The foregoing instrument was acknowledged before me this 14th day of January, 1953, by Jas. W. Oldham, Pres. of Shenandoah-Dives Mining Company.

My commission expires: September 26, 1956

Witness my hand and official seal.

/s/ Gladys M. Ellis
Notary Public

EXHIBIT "A"

Claim	Survey No.	Claim	Survey No.
Arabian Boy	6994	Pyramid #3	14220
Badger	11448-A	Pyramid #2	14220
Barbedoes	14036	Pyramid	2461
Bear	280	Rivington Street	.9003-A
Buckeye	232	Rochester	4764
Buckeye #2	7896	Round Mountain	5110-A
Carolina	5569-A	Royal	6198-A
Dandy	7896-Am	Royal Tiger #1	769
Emma	238	Sedalia	14029
Emma	14036	Seymour	96
Eckley Cox	14066	Silver Lake	2164-A
Essex Street	9106-A	Silver Lake Spur	6994
Freiburg	14047	Smuggler	14029
Galena	11448-A	Smyrna	12122-A
General Hale	14066	Solstice	5571
General Merritt	14030	Tiger Extension #2	14036
General Miles	14066	Titusville	403
Gretchen	2163-A	Unity	9120
Happy Jack	8492	Whale	4764
Home Stake	5471	Adams Placer	15143
Jaffa	12122-A	Alexandria	14024-A
Jamaica	14035	Algiers	11469
Jocko	14163	Ann Harris Placer	11596
Jupitor	14066	Argentine Lode	11380-A
Kingston	14035	Argentine Mill Site	11380-B
Lake View	14035	Blair Mt. Lode	13322-A
Last Chance	11448-A	Blair Mt. Mill Site	13322-B
Last Chance	7896 Am	Blair Mt. Placer	16469
Lena Allen	7802	Blair Placer	841
Leucosticte	5570	Big Giant Extension Lode	14320
Lowville	5529	Big Giant Lode	1156-A
Magnala	14035	Bowery Lode	155
Manilla	14030	Cairo Lode	11469
Martha V.F.	4952	Carolina Mill Site	5569-B
Maxwell	5530-A	Coin Lode	13322-A
Monte Carlo	14035	Combination Lode	16476
Naples	14035	Contention Lode	14320
Nevada	8530-A	Contra Costa Lode	2329
Nevada Extension	8497	Cremorne Lode	827
New York City	9104	Dana Lode	13322-A
Panuco	7896 Am	Desmosthenes	14196
Pompeii	404	Dick Bland Lode	13322-A
Porto Rico	14035	Dollie Blight	12671
Professor Neisback	11469	Dolly Varden #2 Lode	2616
Professor Newberry	14046	Dreadnaught	14320
Professor Percy	14066	Ellida	16476
Professor Stelzner	7568	El Paso Lode	9842-A
Professor Wedding	11469	Whale M.S.	9106-B
Professor Zeuner	11469	Esther Allen Lode	8801

Exhibit "A" (Cont.)

Claim	Survey No.
Extension and Combination of Dolly Varden No. 2 and	
Ethan Allen	2617
First Chance Lode	13322-A
Free Coinage Lode	9903
Frithoft	16476
General Garfield Lode	828
General Grant Lode	13322-A
General Hallack Lode	14047
General Logan Lode	13322-A
General Sherman Lode	13322-A
Genoa Lode	14024
George Hesse Lode	9852
Golden Fleece Lode	11714
Grey Eagle 1/4 of	16860 1/4 of
Growler	16476
Helena Roux Lode	9852
Illinois Lode	14019
Independence	16476
Iron Mask Lode	11148
Jeanette Roux Placer	11596
J. E. Ward Mill Site	9858
Jerusalem	14012
Jess Lode 1/2 of	9426 1/2 of
Jura Lode	2388
King Solomon Lode	409
Last Chance Lode	9284
La Veta Lode	14047
Leyner Lode	14324
Lightening Attracting	16476
Little Gertie Lode	15122
Lowville Mill Site	5529-B
Manhattan Lode	13322-A
Marcia L. Lode	8801-A
Marcia L. Mill Site	8801-B
Maxwell Mill Site	5530-B
M. D. Thatcher Placer	17699
Mountain Queen Lode	2389
North Star Ext. Lode	7772
Panic Lode	13322-A
Perhaps Lode	16476
Potomac Lode	457
Professor Chandler Lode	14047
Professor Richter Lode	14028
Professor Winkler Lode	9842-A
Professor Winkler Mill Site	9842-B
Republic Lode	1158
Riverside Lode	8801
Rochester	4764

Claim	Survey No.
Rochester Mill Site	8592
Sal Custer Lode	1849
Scranton City #2 Lode	16476
Scranton City Lode	15426
Silver Star Lode	681
Smyrna Mill Site	12122-B
Snow Shed Lode	14027
Southside Lode	14012
Spring Lode	14012
Tarpon Lode	15122
Trail Lode	13322-A
Twentieth Century	16476
Vienna Placer	14057
Von Cotta Lode	14052
Iowa	480
J. W. Collins	6561
Black Diamond	4811
Cub)	12193
Last Chance)	
Club	12978
Grip	6647
Elk	12977
Lakeside	12818
Melville	12353
1/2 Diamond L.	561-A
Royal Tiger	48
Stag	6646
White Diamond	13011
Dump	9843-A Am
Lake Shore	13064
Key	13065
Hillside)	
Exploit)	12946
Galicya Boy	13139
Dump Mill Site	9843-B
Iowa Mill Site	9837
Tiger Mill Site	13749
2/3 American Boy	7244
Aspen	199
Chloride	411
Legal Tender	753
Mammoth	499
McGregor	423
Susquehanna	447
Ruby Placer #1	654
Ruby Placer #2	655
Mill Site #1	424
Mill Site #2	425
La Boca	19479

Claim	Survey No.
Hermosa Lode	19974
San Juan)	
Piedmont)	
River)	15112
New York)	
Washington)	

Together with any and all water and other rights appurtenant thereto.

Shenandoah-Dives Mining Company,
Silverton, Colorado

Exhibit 1

THE MINE RECORD, PRESENTED IN THREE PERIODS: 1. Prior to Production, 1926-27;

YEAR	DRIFTING Total Lin. ft.	DRIFTING Productive Lin. ft.	DRIFTING Productive Sq. ft.	DRIFTING Productive Tons	CROSSCUTTING Total Lin. ft.	CROSSCUTTING Productive Lin. ft.	CROSSCUTTING Productive Sq. ft.	CROSSCUTTING Productive Tons	RAISING Total Lin. ft.	RAISING Productive Lin. ft.	RAISING Productive Sq. ft.	RAISING Productive Tons
1926-27	3,584				505				555			
1928-29	2,860	2,314	15,459	8,928	224		210	928	1,363	863	13,349	7,414
1930	3,123	2,456	21,042	13,291	140	98	959	548	700	529	10,341	6,053
1931	4,615	4,348	34,560	23,206	899	143	346	502	1,881	1,599	26,204	15,681
1932	1,999	1,791	14,279	9,281	404	55	170	212	1,092	1,092	19,256	12,102
1933	2,532	1,687	13,333	7,443	208	66	197	214	2,004	1,182	19,249	9,799
1934	2,076	1,267	13,707	7,139	519	24	434	293	2,299	1,440	22,085	12,611
1935	3,412	3,070	37,462	20,139	27	27	217	114	994	951	17,918	9,112
1936	3,627	3,203	24,952	17,402	776	213	1,471	750	1,132	754	12,165	6,681
1937	2,422	2,329	23,285	13,675	131	49	122	156	749	521	8,507	4,531
1938	2,071	1,819	18,203	10,542	83	40	46	143	571	468	9,056	5,533
1939	1,500	1,203	11,193	6,299	153	28	201	94	666	257	9,504	5,037
1940	3,142	2,854	28,841	13,825					937	416	5,960	3,173
1941	2,872	2,695	31,360	13,282	20	20	28	44	803	803	13,448	6,650
1942	1,588	1,485	16,121	7,868	232	144	549	1,021	470	470	8,762	3,842
1943	2,497	2,438	26,179	12,291	202	159	1,047	1,129	191	191	2,954	1,403
1944	3,339	3,339	32,543	17,530								
1945	1,935	1,617	16,382	9,083					71	71	1,152	697
1946	2,681	1,725	14,419	8,419	19	19	64	100	229	152	2,644	1,414
1947	2,915	1,462	14,062	8,017	47	17	291	168	645	105	2,305	1,205
1948	1,732	1,732	17,696	10,227	1,037	1,037	9,061	5,486	859	516	9,248	4,649
1949	3,248	2,803	26,367	15,506	158	158	1,343	830	642	364	6,660	3,358
1950	1,383	1,383	12,335	8,321					24	24	423	241
1951	1,351	1,321	11,636	8,365	81	35	280	230	231	231	3,690	2,589
1952	1,597	1,335	11,261	7,753	255	255	1,808	2,118	215	215	3,487	2,154
1930-52	57,657	49,362	471,218	268,904	5,391	2,587	18,634	14,152	17,405	12,351	215,018	118,515
TOTALS	64,101	51,676	486,677	277,832	6,120	2,587	18,844	15,080	19,323	13,214	228,367	125,929

TOTAL DEVELOPMENT & EXPLORATION

Major Openings:	Feet
Drifting,	64,100
Crosscutting,	6,120
Raising,	19,323
Sinking,	941
Totals,	90,484
Drill-Hole Explor.	22,850
All Development and Exploration,	113,334

CONTRIBUTIONS OF ORE

	1928-9	1930-52	1952
Development,	27.7 %	10.7 %	10.5 %
Stoping,	72.3 %	89.3 %	89.5 %

WIDTHS OF ORE:

Development,	6.9 ft.	7.3 ft.	9.3 ft.
Stoping,	9.1 "	8.5 ft.	6.7 "
Totals,	8.5 "	8.3 "	6.9 "

2. Iowa Hill Operation, 1928-29; 3. Current Operation, 1930-52;

SINKING Total Lin. ft.	SINKING Productive Lin. ft.	SINKING Productive Sq. ft.	SINKING Productive Tons	STOPING Sq. ft.	STOPING Tons	TOTAL ORE Tons	TOTAL WASTE Excavated Tons	WORK ROOMS Cu.ft.	DRILL HOLE EXPLORATION Lin. ft.
									309
				59,349	45,071	62,341	15,571	46,418	329
				111,415	98,484	118,376	5,459	15,300	426
				156,402	141,357	180,746	11,269	11,460	406
				167,868	161,720	183,315	5,935	4,564	
				235,545	167,044	184,500	18,259	15,795	1,610
36	36	372	204	251,808	181,539	201,786	19,886		2,745
194	194	4,629	2,785	127,295	79,163	111,313	3,261	47,788	844
119	89	1,734	2,130	275,540	174,548	201,511	11,429	19,173	1,170
331	96	1,369	745	239,360	171,393	190,500	8,524	21,151	867
87	87	1,336	862	239,623	191,248	208,328	6,809	3,958	2,014
162	85	1,468	982	187,536	129,120	141,532	9,557	41,550	1,126
12				284,126	179,002	196,000	6,961	9,714	1,813
				343,220	208,789	228,765	1,210		1,507
				225,435	123,833	136,564	698	1,993	113
				290,300	167,888	182,711	687	8,658	286
				212,704	135,259	152,789	272		678
				228,827	136,583	146,363	1,889		882
				230,168	140,302	150,735	9,027	13,877	741
				214,217	134,016	143,406	14,210		1,212
				180,916	114,066	134,428	2,055		663
				228,518	138,077	157,771	3,819		1,673
				320,073	197,441	206,003			342
				224,661	144,204	155,388	472		705
				194,915	102,495	114,520	1,540		389
941	587	10,908	7,708	5,170,472	3,418,071	3,827,350	143,228	214,981	22,212
941	587	10,908	7,708	5,229,821	3,463,142	3,889,691	158,799	261,399	22,850

RECONCILEMENT, MINE AND MILL TONNAGES:

Ore from Mine, not excavated by Company	(Dumps, 117,238 Tons) (Fills, 80,158 ") (Other, 29,597 ")		Tons 226,993
Mined, as shown above,		3,889,691	
Mined, above 1900 level, omitted from the above record,		5,193	3,894,884
Total,			4,121,877
Milled, as shown,			4,184,601
Balance called for at Mine,			-62,724
Excavated reserve reported at Mine,			99,491
Not accounted for, partly dilution,			162,215

4-6-1

Shenandoah-Dives Mining Company,
Silverton, Colorado

Exhibit #2 Page 3

A SUMMARY OF PRODUCTION

YEAR	TONS ORE	GROSS VALUE Total	GROSS VALUE Per Ton	CONCENTRATE MADE Total	CONCENTRATE MADE Per Ton	PREMIUMS Total	PREMIUMS Per Ton	NET RETURNS Total	FROM SMELTER Per Ton	FROM SMELTER Per Cent
1928-29 (Iowa Mill)	47,810	$ 654,327.86	$ 13.69	$ 570,599.90	$ 11.93	(Included in Net Return)		$ 386,330.32	$ 8.08	59.0
1930-39	1,824,678	10,775,614.16	5.91	9,104,343.63	4.99			6,767,509.20	3.71	62.8
1940	212,891	1,528,736.16	7.18	1,242,414.30	5.83			824,138.70	3.87	53.9
1941	231,519	1,465,394.43	6.33	1,208,965.80	5.22			854,145.96	3.69	58.3
1942	168,772	1,270,491.57	7.53	983,280.91	5.83	53,180.50	.32	806,133.19	4.78	63.4
1943	156,763	1,232,750.65	7.86	968,068.48	6.17	79,619.39	.51	843,511.38	5.38	68.4
1944	142,635	1,598,838.08	11.21	1,216,136.34	8.53	56,606.93	.40	1,031,359.26	7.23	64.5
1945	152,084	1,372,708.76	9.03	1,032,479.96	6.79	55,477.00	.36	826,524.18	5.43	60.2
1946	175,121	1,232,831.40	7.04	952,088.02	5.44	176,441.27	1.01	867,025.24	4.95	70.3
1947	172,125	1,544,970.95	8.97	1,169,256.74	6.79	69,193.20	.40	979,498.57	5.69	63.4
1948	165,283	1,604,822.08	9.71	1,262,914.97	7.64			1,044,812.82	6.32	65.1
1949	186,072	1,591,308.39	8.55	1,326,975.39	7.13			1,011,397.92	5.44	63.5
1950	202,947	1,864,765.23	9.18	1,558,890.98	7.68			1,142,898.11	5.63	61.3
1951	196,097	2,286,446.57	11.66	2,029,599.84	10.35			1,448,120.82	7.38	63.3
1952	149,804	1,841,771.91	12.29	1,655,434.09	11.05			1,108,441.17	7.40	60.2
TOTALS	4,184,601	$ 31,865,778.20	$ 7.62	$ 26,281,449.35	$ 6.28	$ 490,518.29		$ 19,941,836.84	$ 4.77	62.6

METALS IN CONCENTRATES

YEAR	GOLD Ounces	GOLD Price	GOLD Value	SILVER Ounces	SILVER Price	SILVER Value	LEAD Pounds	LEAD Price	LEAD Value	COPPER Pounds	COPPER Price	COPPER Value	ZINC Pounds	ZINC Price	ZINC Value	TOTAL VALUE
1928-29 (Iowa Mill)	11,585.770	$ 20.58	$ 238,456.18	191,274.43	$ .544	$ 104,108.98	952,624	$ .065	$ 62,332.23	991,376	$ .167	$ 165,702.51				$ 570,599.90
1930-39	199,056.106	28.49	5,670,306.97	3,084,109.91	.517	1,595,453.40	13,436,627	.045	608,021.15	12,410,167	.089	1,110,065.00	2,312,833 (3 yrs.)	$	120,497.11 (3 yrs.)	9,104,343.63
1940	14,544.448	35.00	509,055.63	248,160.53	.711	176,466.92	4,431,878	.052	230,188.89	795,861	.115	91,683.78	3,751,008	.063	235,019.08	1,242,414.30
1941	14,973.950	"	524,088.22	315,746.67	.711	224,527.44	3,333,159	.058	193,460.03	911,041	.120	109,536.47	2,104,234	.075	157,351.64	1,208,965.80
1942	14,850.009	"	519,750.26	256,596.15	.711	182,465.51	2,191,933	.065	142,475.65	569,821	.120	68,378.52	851,042	.0825	70,210.97	983,280.91
1943	17,526.008	"	613,410.25	164,250.88	.711	116,798.77	1,848,251	.065	120,136.40	429,837	.120	51,580.44	801,729	.0825	66,142.62	968,068.48
1944	24,469.580	"	856,435.21	127,920.27	.711	91,006.74	2,195,567	.065	142,711.81	326,270	.120	39,152.40	1,052,487	.0825	86,830.18	1,216,136.34
1945	17,238.189	"	603,336.59	142,967.86	.711	101,664.39	2,258,893	.065	146,828.02	404,047	.120	48,485.64	1,602,004	.0825	132,165.32	1,032,479.96
1946	11,940.788	"	417,927.56	131,095.12	.886	116,204.44	2,234,240	.094	210,125.36	406,885	.150	60,984.48	1,666,754	.0881	146,846.18	952,088.02
1947	15,534.645	"	543,711.90	167,233.18	.900	150,509.85	1,880,507	.147	277,247.64	274,864	.213	58,410.23	1,327,400	.1050	139,377.12	1,169,256.74
1948	11,241.154	"	393,440.31	302,685.57	.900	272,416.98	2,198,225	.183	402,796.01	336,966	.225	75,694.58	829,017	.1430	118,567.09	1,262,914.97
1949	8,820.227	"	308,707.95	417,087.78	.900	375,378.98	2,866,742	.150	430,114.02	415,345	.187	77,832.34	1,152,109	.1171	134,942.10	1,326,975.39
1950	10,424.341	"	364,851.95	408,819.86	.900	367,937.84	3,284,666	.134	441,756.82	658,476	.219	144,592.21	1,731,943	.1384	239,752.16	1,558,890.98
1951	8,232.101	"	288,123.53	325,522.37	.901	293,343.47	4,920,379	.175	861,088.17	1,046,216	.245	256,322.57	1,838,877	.1799	330,722.10	2,029,599.84
1952	6,390.212	"	223,657.37	224,621.68	.900	202,159.49	4,453,476	.163	724,346.76	1,062,855	.245	260,399.44	1,523,520	.1608	244,871.03	1,655,434.09
TOTALS	369,019.768		$12,075,259.88	6,508,152.26		$4,370,443.20	52,487,167		$4,993,628.96	21,040.027		$ 2,618,822.61	22,544,957		$2,223,294.70	$ 26,281,449.35

Letter to J. W. O.

82.5 %

SHENANDOAH-DIVES MINING COMPANY

GRADE & TONNAGE OF ORE EXCAVATED, 1942 thru 1952
FROM SHENANDOAH-DIVES, 3220, 3490 & 4177 VEINS

MINE ASSAY RECORD OF ORE EXCAVATED (NOTE: $ Value is 60% of the gross market price)

Shenandoah-Dives

Year	Tons	Au	Ag	Pb	Cu	Zn	$ Value $/Ton	$ Value Total	Au Oz.	Ag Oz.	Pb Tons	Cu Tons	Zn Tons
1942	86,441	.127	1.75	1.15	.16	--	4.63	400,107	11,109.711	153,275.79	1,008.7735	138.0445	--
1943	110,528	.170	2.17	2.64	.18	--	6.82	753,691	18,850.654	240,104.68	2,915.6922	195.6629	--
1944	116,887	.134	1.30	1.60	.09	--	4.85	566,666	15,715.371	151,628.52	1,870.5335	108.9620	--
1945	109,439	.100	1.10	1.81	.09	--	4.11	449,806	10,971.210	120,291.26	1,976.7005	95.1850	--
1946	126,365	.109	1.06	1.12	.06	.97	3.71	462,571	13,810.375	133,420.03	1,417.9135	79.0345	1,228.7776
1947	145,850	.111	1.86	1.26	.07	.57	5.40	787,990	16,221.023	271,306.12	1,843.4997	99.1970	828.0015
1948	152,750	.063	2.45	1.38	.10	.59	5.02	766,913	9,557.391	374,111.16	2,113.0955	159.9208	901.3675
1949	147,229	.048	2.39	1.14	.12	.56	4.38	644,869	6,998.657	353,147.40	1,671.8059	179.1227	828.4659
1950	96,621	.050	2.85	1.40	.12	.42	4.66	450,724	4,881.550	275,052.53	1,357.0929	118.0890	406.6288
1951	19,099	.041	2.02	2.72	.11	.66	6.48	123,744	791.219	38,627.52	519.1183	21.7528	125.4986
(Drifting) 1952	1,732	.039	.56	1.01	.06	1.13	2.85	4,939	67.805	961.44	17.4896	1.1149	19.6022
	1,112,941	.098	1.90	1.50	.11	.63	4.86	5,412,020	108,974.966	2,111,926.45	16,711.7151	1,196.0861	4,338.3421

1946 - 1952 689.646 Tn This Tonnage Assay For Zn.

3220 Vein - Silver Lake

Year	Tons	Au	Ag	Pb	Cu	Zn	$/Ton	Total	Au Oz.	Ag Oz.	Pb Tons	Cu Tons	Zn Tons
1942	15,387	.087	1.93	.76	.52	--	4.07	62,611	1,344.588	29,769.21	112.2090	79.6910	--
1943	22,645	.092	2.24	1.51	.67	--	5.03	113,993	2,088.700	50,802.50	340.9852	151.3959	--
1944													
1945													
1946													
1947	4,892	.058	1.06	.47	.41	.99	3.46	16,910	285.167	5,207.64	22.9090	19.9129	48.5472
1948	12,988	.104	2.72	1.63	.45	1.19	7.19	93,363	1,356.460	35,367.80	212.2870	59.1236	154.4236
1949	30,369	.048	1.96	1.48	.39	.98	5.14	156,183	1,457.044	59,569.07	450.3346	119.3374	298.1481
1950	59,088	.064	1.66	1.68	.43	1.18	5.27	311,285	3,757.757	98,198.79	994.0463	251.8937	699.6772
1951	70,871	.055	1.33	1.91	.36	.77	5.74	406.913	3,928.788	94,410.53	1,350.7880	256.8213	544.7406
1952	58,447	.055	1.14	1.82	.30	.86	5.31	310.458	3,206.880	66,404.79	1,066.4660	172.5952	504.9253
	274,687	.063	1.60	1.65	.40	.82	5.36	1,471,716	17,425.384	439,730.33	4,555.0251	1,110.7710	2,250.4620

1947 - 1952 236,655 Tn This Tonnage Assayed for Zn

3490 Vein

Year	Tons	Au	Ag	Pb	Cu	Zn	$/Ton	Total	Au Oz.	Ag Oz.	Pb Tons	Cu Tons	Zn Tons
1942	26,473	.092	1.71	.90	.38	--	3.99	105,534	2,441.550	45,373.84	238.4640	102.0395	--
1943	16,942	.097	1.86	.60	.40	--	3.88	65,693	1,637.006	31,504.61	101.8450	67.9189	--
(Raising) 1952	867	.014	.13	.04	.02	.11	0.50	432	11.809	116.62	.3229	.2113	.9549
	44,282	.092	1.74	.77	.38	.11	3.88	171,659	4,090.364	76,995.07	340.6319	170.2197	0.9549

1952 867 Tn assayed For Zn

Shenandoah-Dives Mining Company
Silverton, Colorado

4177 - 3

MINE ASSAY RECORD OF ORE EXCAVATED

4177 Vein

Year	Tons	Au	Ag	Pb	Cu	Zn	$ Value $/Ton	$ Value Total	Au Oz.	Ag Oz.	Pb Tons	Cu Tons	Zn Tons
1942	8,263	.091	1.94	.40	.41	--	3.71	30,671	753.466	16,028.17	33.2800	33.8295	--
1943	33,936	.055	1.87	.57	.45	--	3.05	103,496	1,871.334	63,549.64	193.1546	152.0167	--
1944	35,902	.103	3.16	1.16	.83	--	5.74	205,968	3,705.772	113,356.04	417.4910	298.0995	--
1945	36,924	.084	2.40	1.66	.88	--	5.34	197,218	3,087.600	88,736.53	613.4200	326.6645	--
1946	30,111	.081	2.71	1.37	.81	.61	5.08	151,510	2,436.631	81,735.04	413.2900	242.8465	183.2083
1947	17,015	.079	2.35	.51	.71	.29	5.36	91,194	1,345.719	40,036.45	87.4882	120.2534	49.6411
1948	2,150	.058	2.04	1.03	.27	.64	4.48	9,639	125.116	4,391.12	22.0662	5.8500	13.6666
1949	7,663	.044	1.48	1.90	.50	.87	5.46	41,829	338.416	11,307.69	145.9520	38.0794	66.9309
1950	61,519	.055	1.92	2.40	.56	.68	6.36	391,423	3,409.968	118,394.72	1,478.4895	342.2075	418.0311
1951	65,418	.048	1.76	1.90	.48	.56	6.08	397,806	3,149.995	114,941.29	1,245.7959	312.6235	367.9586
1952	53,474	.047	1.58	0.90	.41	.45	4.23	226,224	2,538.436	84,447.52	483.3284	216.9239	240.0968
	352,375	.065	2.09	1.46	.59	.56	5.24	1,846,978	22,762.453	736,924.21	5,133.7558	2,089.3944	1,339.5334

*1946 - 1952 237,350 Ton. Tonnage Assayed for Zinc

TOTAL ALL MINED

Year													
1942	136,564	.114	1.79	1.02	.26	--	4.35	598,923	15,649.315	244,447.01	1,397.7265	353.6545	--
1943	184,051	.133	2.10	1.93	.31	--	5.63	1,036,873	24,447.694	385,961.43	3,551.6770	566.9944	--
1944	152,789	.127	1.73	1.50	.21	--	5.06	772,634	19,421.143	264,984.56	2,288.0245	407.0615	--
1945	146,363	.096	1.43	1.77	.29	--	4.42	647,024	14,058.810	209,027.79	2,590.1205	421.8495	--
1946	156,476	.104	1.38	1.17	.21	.90	3.97	614,081	16,247.006	215,155.07	1,831.2035	321.8810	1,411.9859
1947	167,757	.106	1.89	1.16	.14	.55	5.34	896,094	17,851.909	316,550.21	1,953.8969	239.3633	926.1898
1948	167,888	.066	2.46	1.40	.13	.64	5.18	869,915	11,038.967	413,870.08	2,347.4487	224.8944	1,069.4577
1949	185,261	.048	2.29	1.22	.18	.64	4.55	842,881	8,794.117	424,024.16	2,268.0925	336.5395	1,193.5449
1950	217,228	.056	2.26	1.76	.33	.76	5.31	1,153,432	12,049.275	491,646.04	3,829.6287	712.1902	1,524.3371
1951	155,388	.051	1.60	2.00	.38	.67	5.98	928,463	7,920.002	247,979.34	3,115.7022	591.6726	1,038.1978
1952	114,520	.051	1.33	1.37	.34	.67	4.73	542,053	5,824.930	151,930.37	1,567.6069	390.8453	765.5792
	1,784,285	.086	1.89	1.50	.26	.68	4.99	8,902.373	153,303.168	3,365,576.06	26,741.1279	4,566.9462	7,929.2924

*1946 - 1952 1,164,515 Ton Assayed for Zinc

Metal Prices

Year	Au	Ag	Pb	Cu
1942 - 1946	$ 35	.7111	.065	.12
1947 - 1948	35	.90	.1255	.195
1949	35	.90	.131	.173
1950	35	.90	.105	.17
1951 - 1952	35	.90	.13	.20

	Tons	Au	Ag	Pb	Cu	Zn	$/ton	$	Au Oz.	Ag Oz.	Pb Ton	Cu Ton	Zn Ton
Melville Fills 1952	4,941	0.053	1.33	2.00	0.31	0.68	5.70	28,149	264.330	6,593.63	98.6070	15.2735	33.3890

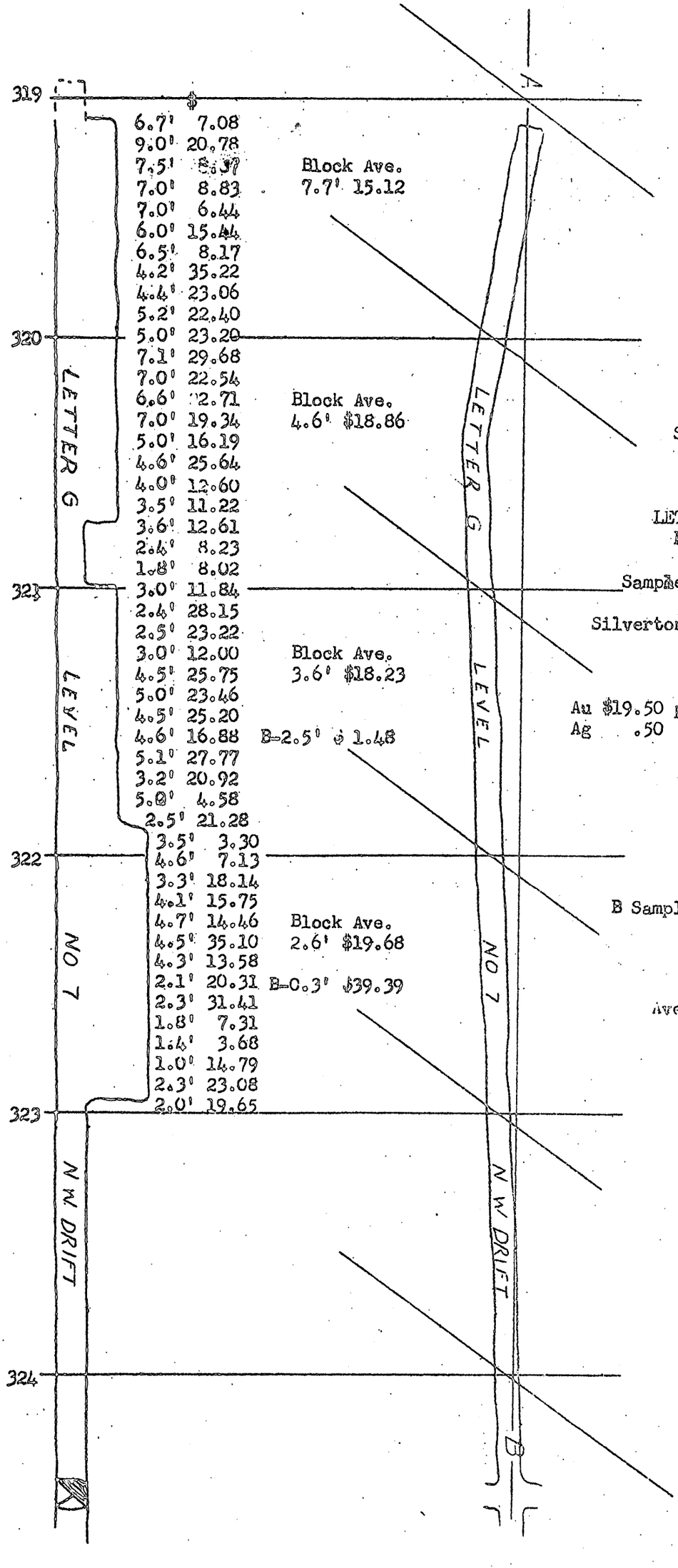
4-c-1

Shenandoah-Dives Mining Company,
Silverton, Colorado

SILVER LAKE MINES

ASSAY PLAN MAPS
of
LETTER "G" VEIN

No.	Level	Coordinates	Scale	Date
76	No.7	319 - 325	1"=30'	Oct. 1903
77	"	317 - 324	"	Dec. 1903
78	"	316 - 318	"	Jan. 1904
79	No. 6	322 - 323	"	Feb. 1904
95	No. 4	289 - 294	"	July 1903
180	No. 7	293 - 301	"	Feb. 1905
181	"	301 - 309	"	Feb. 1905
182	No. 8	316 - 321	"	Jan. 1905
186	No. 6	318 - 323	"	June 1905
187	No. 7	285 - 290	"	June 1905
189	No. 8	309 - 315	"	June 1905



SILVER LAKE MINES

ASSAY PLAN

LETTER G LEVEL NO. 7
PARALLELS 319-325

Samples Taken Oct. 1903

Silverton, Colo. Scale: 1" = 30'

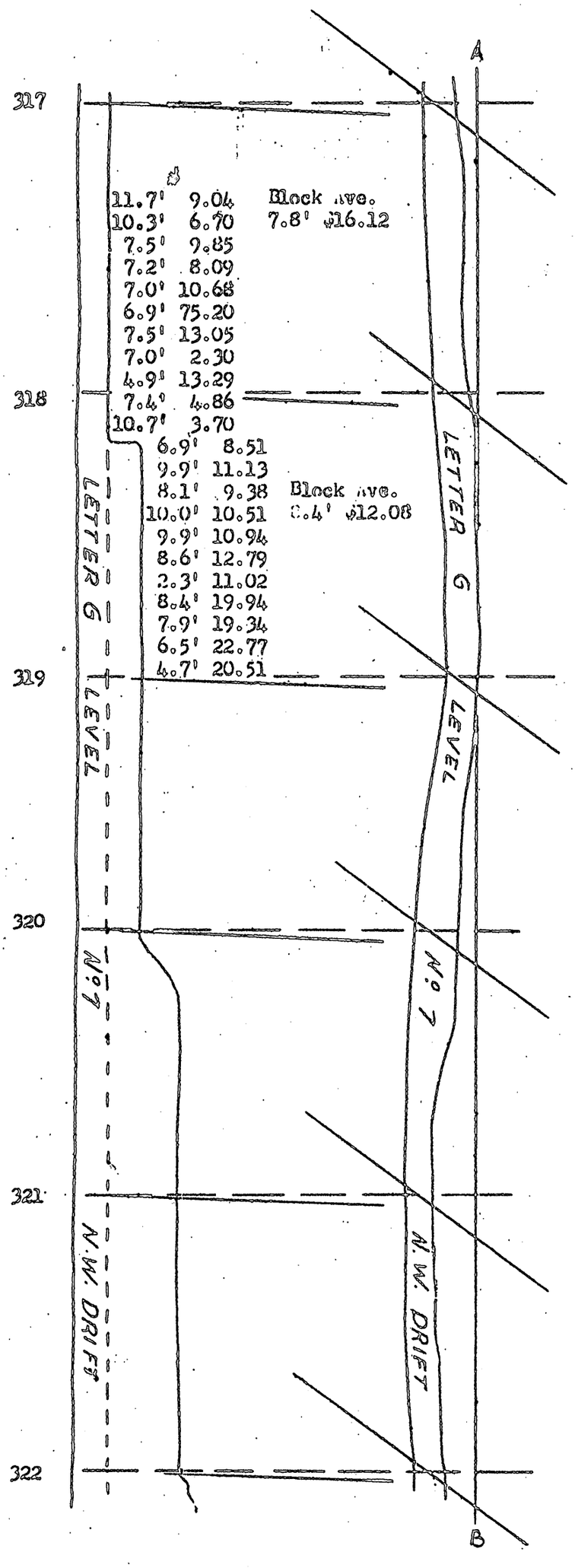
-Quotations-

Au $19.50 per oz. Pb $ .40 per unit
Ag .50 " " Cu 1.50 " "

B Samples From HW streak

Average - All Samples

4.7' - $16.17



SILVER LAKE MINES

ASSAY PLAN

LETTER G LEVEL NO. 7
PARALLELS 317-322

Samples Taken Dec. 1903

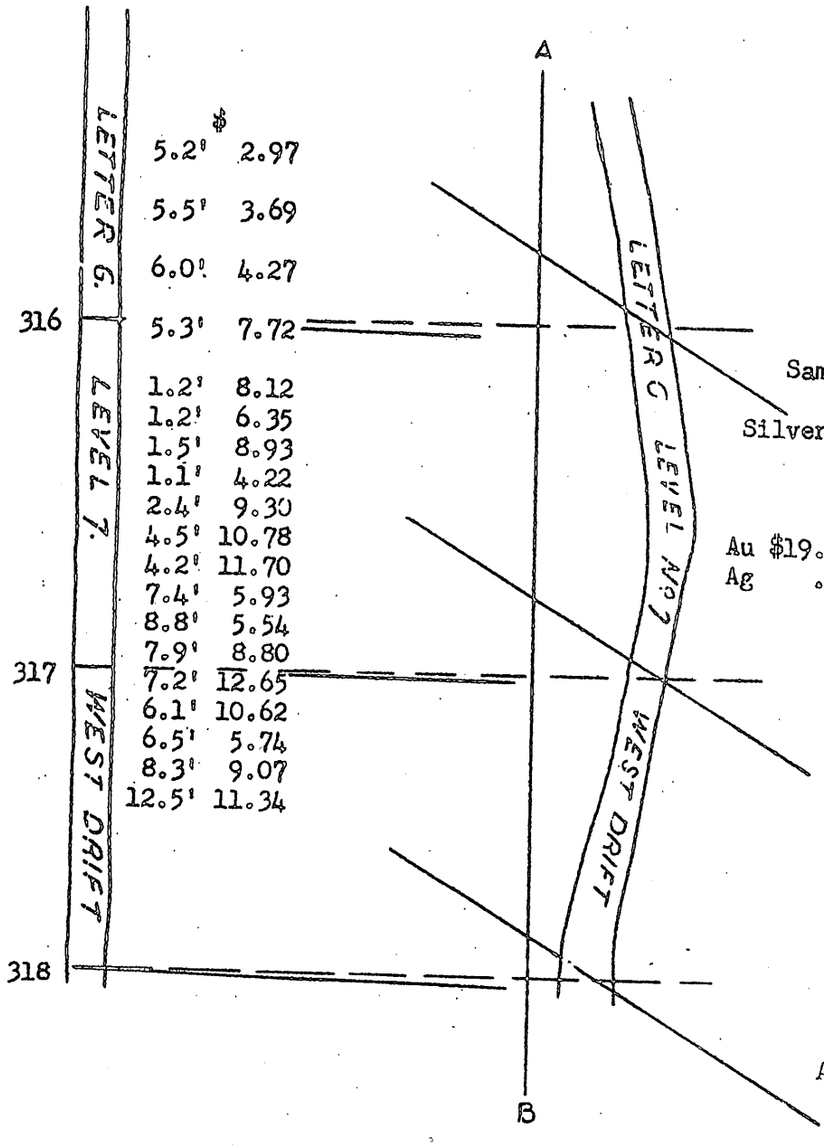
Silverton, Colo. Scale: 1" = 30'

-Quotations-

Au $19.50 per oz. Pb $ .35 per unit
Ag .55 " " Cu 1.30 per unit

Average - All Samples

8.2' - $13.66



SILVER LAKE MINES

ASSAY PLAN

LETTER G LEVEL NO. 7
PARALLELS 316-318

Samples Taken Jan. 1904

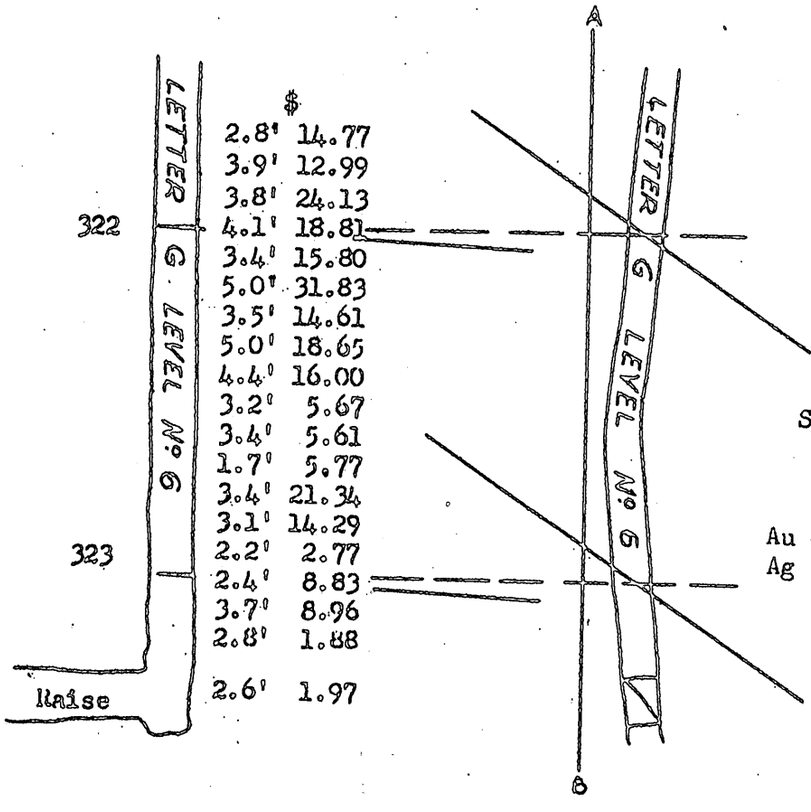
Silverton, Colo. Scale: 1" = 30'

-Quotations-

Au $19.50 per oz. Pb $ .35 per unit
Ag .55 " " Cu 1.30 per unit

Average - All Samples

5.4' - $ 8.07



SILVER LAKE MINES

ASSAY PLAN

LETTER G LEVEL NO. 6
PARALLELS 322-323

Samples Taken Feb. 1904

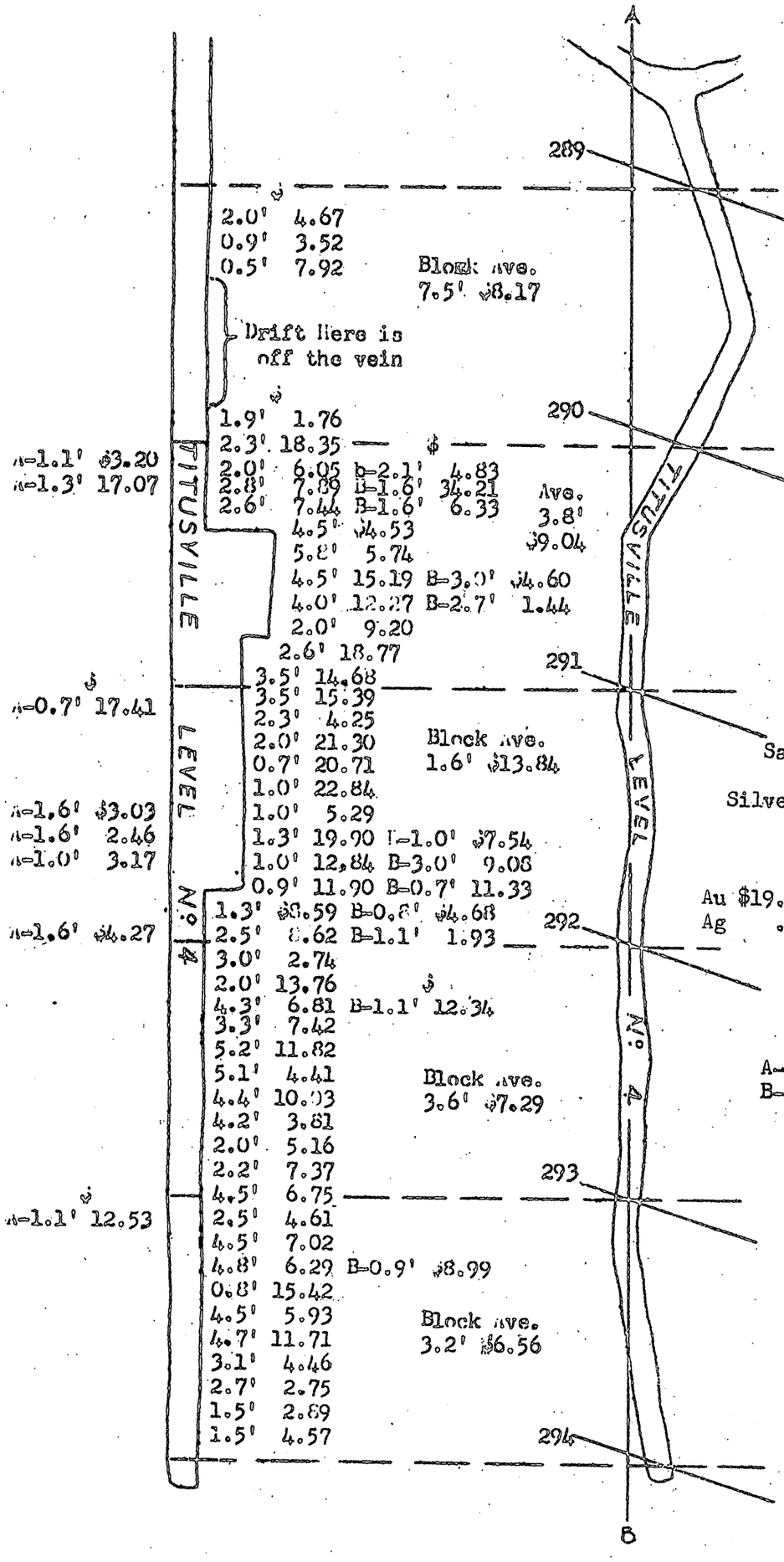
Silverton, Colo. Scale: 1" = 30'

-Quotations-

Au $19.50 per oz. Pb $ .35 per unit
Ag .55 " " Cu 1.40 " "

Average - All Samples

3.4' - $13.10



SILVER LAKE MINES

ASSAY PLAN

TITUSVILLE LEVEL NO. 4
PARALLELS 289-294

Samples Taken July, 1903

Silverton, Colo. Scale: 1" = 30'

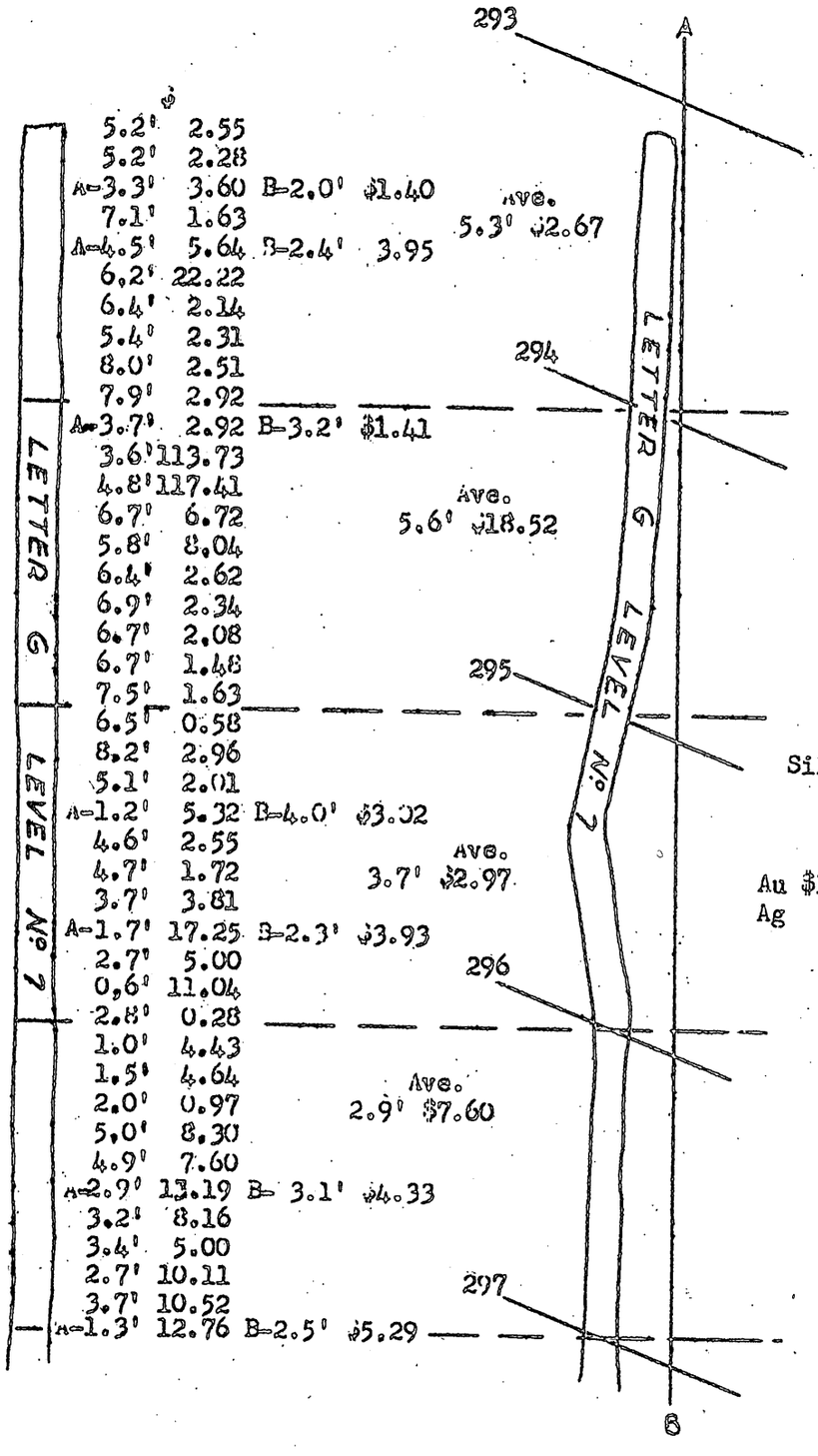
-Quotations-

Au $19.50 per oz. Pb $ .40 per unit
Ag .50 " " Cu 1.50 " "

A- Samples from FW streak
B- Samples from HW streak

Average - All Samples except A & B

2.8' - $8.48



SILVER LAKE MINES

ASSAY PLAN

LETTER G LEVEL NO. 7
PARALLELS 293-297

Samples Taken Jan-Feb. 1905

Silverton, Colo. Scale: 1" = 30'

-Quotations-

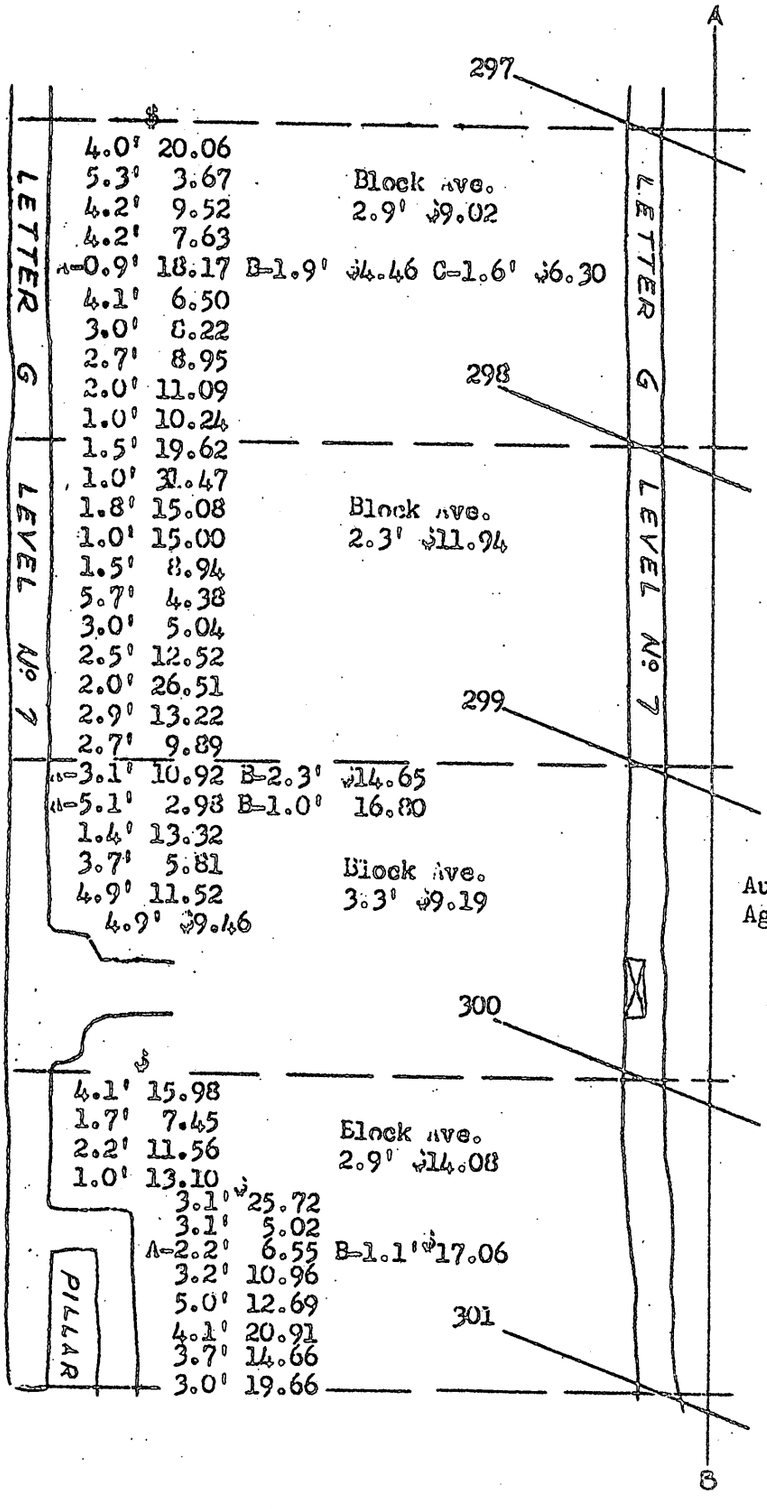
Au $19.50 per oz. Pb $ .35 per unit
Ag .55 " " Cu 1.45 " "

A - Samples from FW streak
B - Samples from HW streak

Average - All Samples

4.3' - $8.27

P. 180-A



SILVER LAKE MINES

ASSAY PLAN

LETTER G LEVEL NO. 7
PARALLELS 297-301

Samples Taken Jan-Feb. 1905

Silverton, Colo. Scale: 1" = 30'

-Quotations-

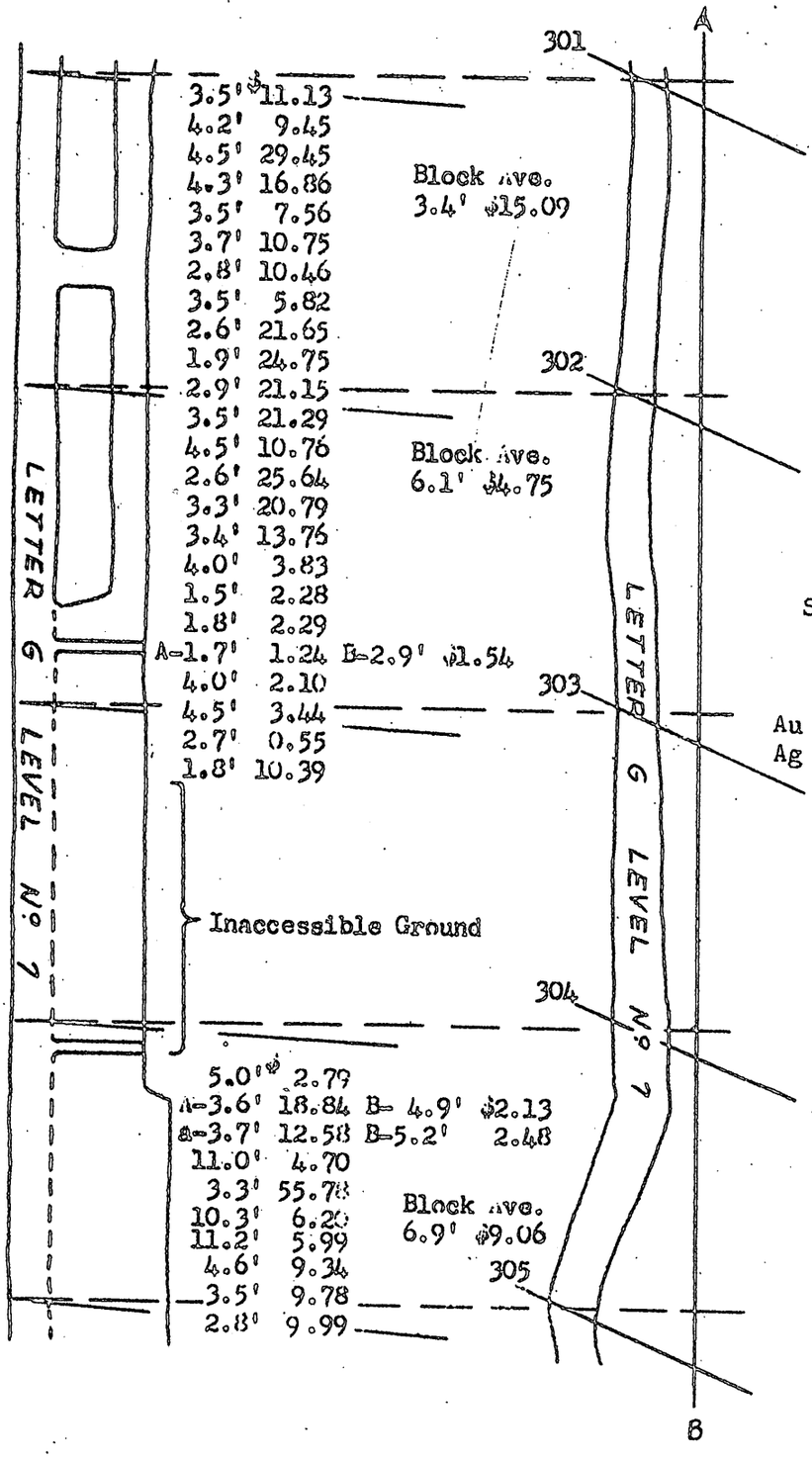
Au	$19.50 per oz.	Pb	$ .35 per unit
Ag	.55 " "	Cu	1.45 " "

A - Samples from FW streak
B - Samples from HW streak
C - Samples from Center streak

Average - All Samples

2.8' = $11.18

P. 180-B



SILVER LAKE MINES

ASSAY PLAN

LETTER G LEVEL NO. 7
PARALLELS 301-305

Samples Taken Jan-Feb. 1905

Silverton, Colo. Scale: 1" = 30'

-Quotations-

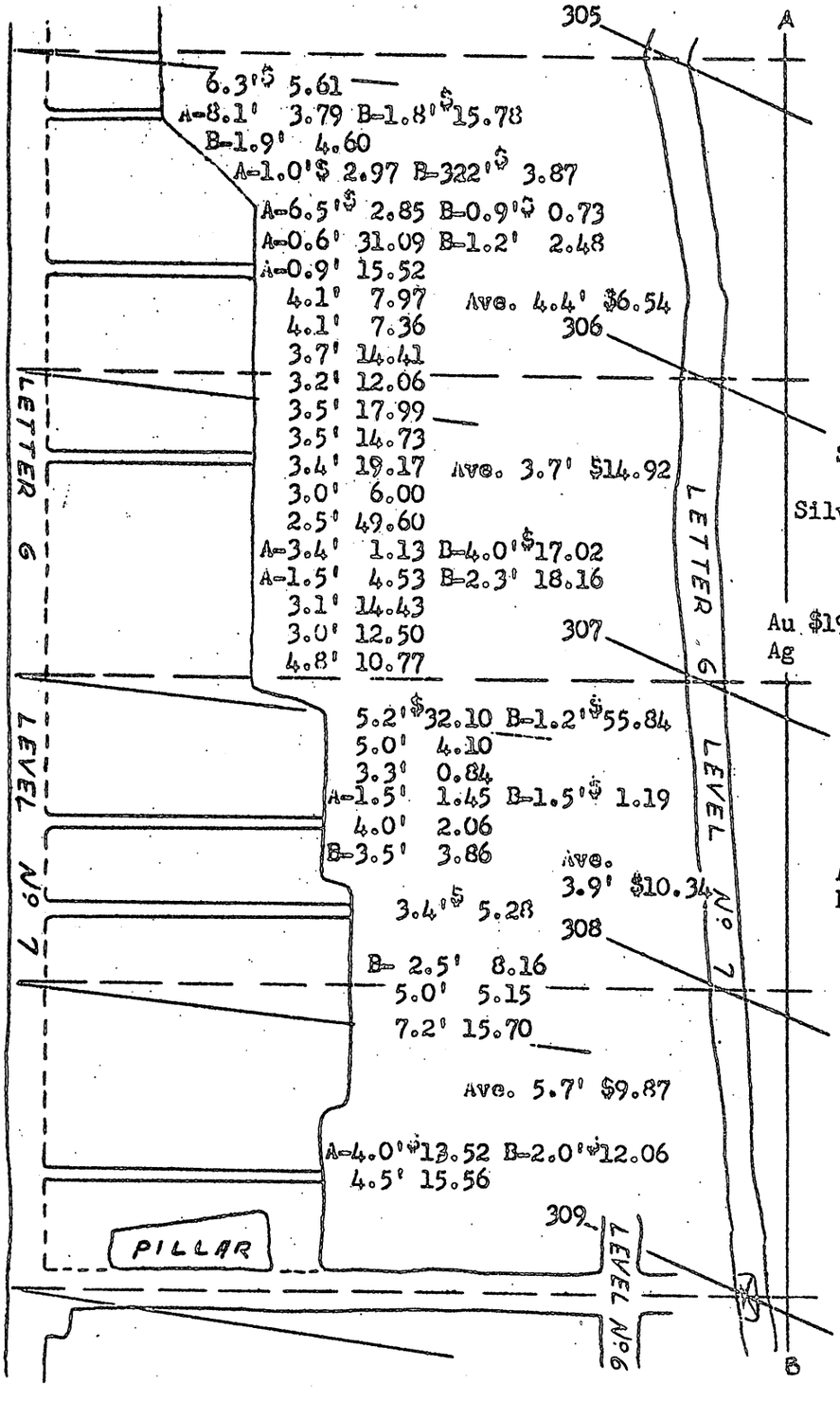
Au	$19.50 per oz.	Pb	$ .35 per unit
Ag	.55 " "	Cu	1.45 " "

A - Samples from FW streak
B - Samples from HW streak

Average - All Samples

5.5' - $8.43

P. 181-A



SILVER LAKE MINES

ASSAY PLAN

LETTER G LEVEL NO. 7
PARALLELS 305-309

Samples Taken Jan-Feb. 1905

Silverton, Colo. Scale: 1" =30'

-Quotations-

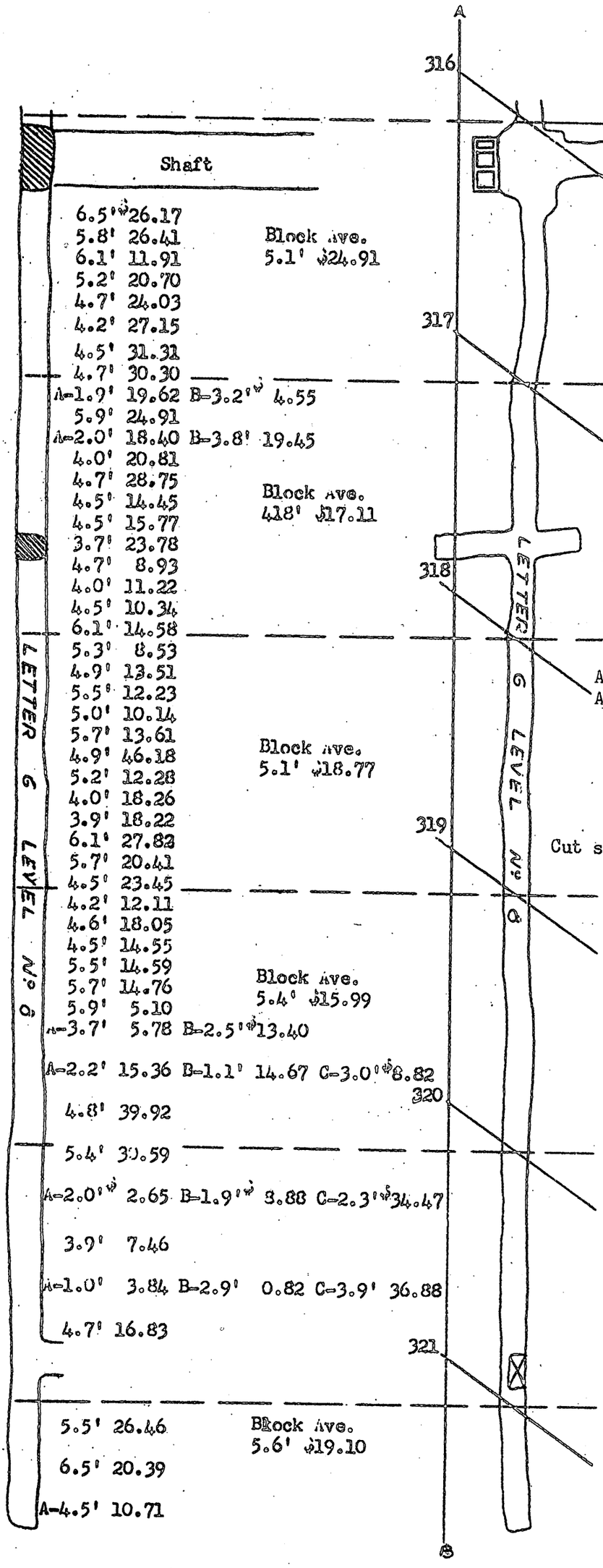
Au $19.50 per oz. Pb $ .35 per unit
Ag .55 " " Cu 1.45 " "

A - Samples from FW streak
B - Samples from HW streak

Average - All Samples

4.2' - $10.41

P. 181-B



SILVER LAKE MINES

ASSAY PLAN

LETTER G LEVEL NO. 8
PARALLELS 316-321

Samples taken Jan. 1905

Silverton, Colo. Scale: 1" = 30'

-Quotations-

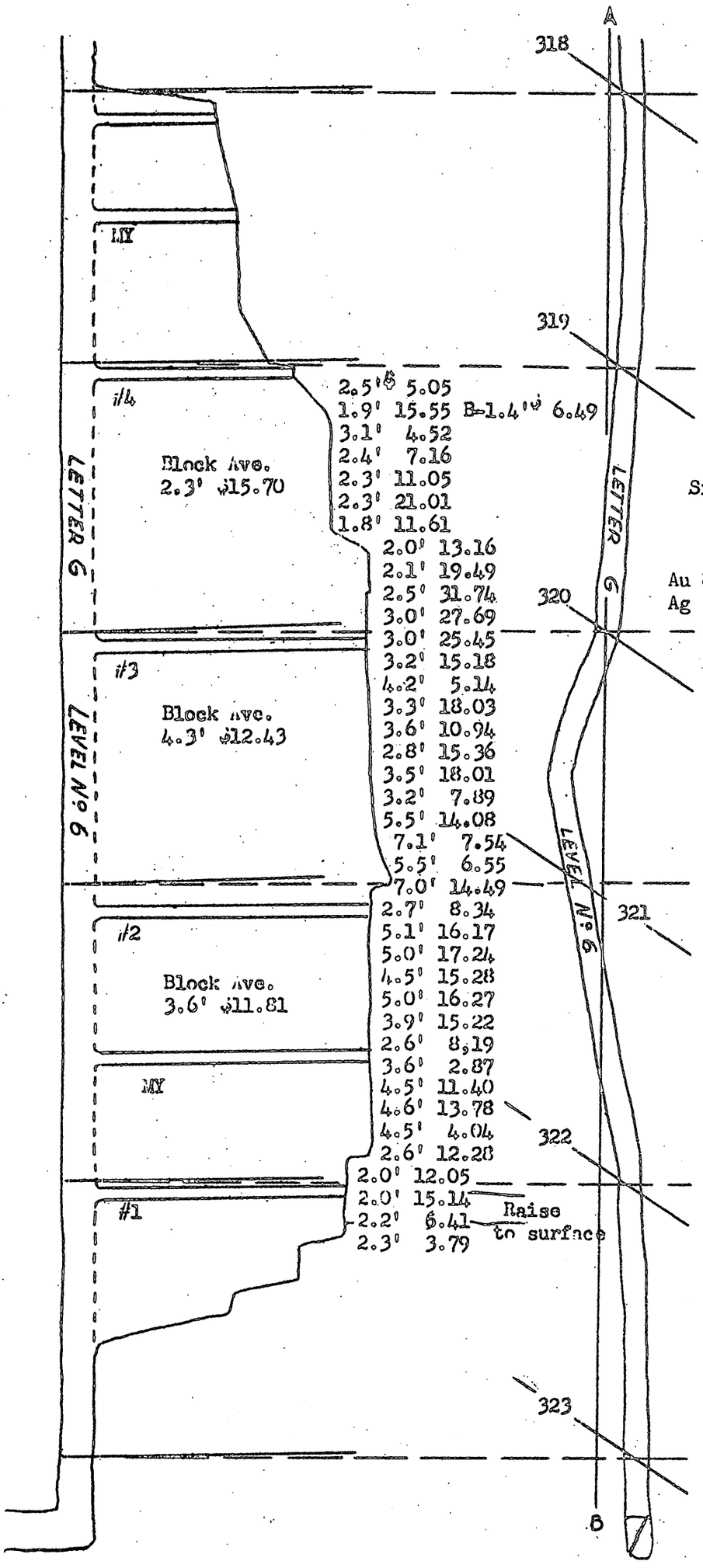
Au $19.50 per oz. Pb $ .35 per unit
Ag .55 " " Cu 1.45 " "

NOTE
Cut samples of ore streak taken with a moil.

A - Samples from FW streak
B - Samples from HW streak
C - Samples from Center streak

Average- All Samples

5.2' - $18.73



SILVER LAKE MINES

ASSAY PLAN

LETTER G LEVEL NO. 6
PARALLELS 318-323

Samples Taken May-June 1905

Silverton, Colo. Scale: 1" = 30'

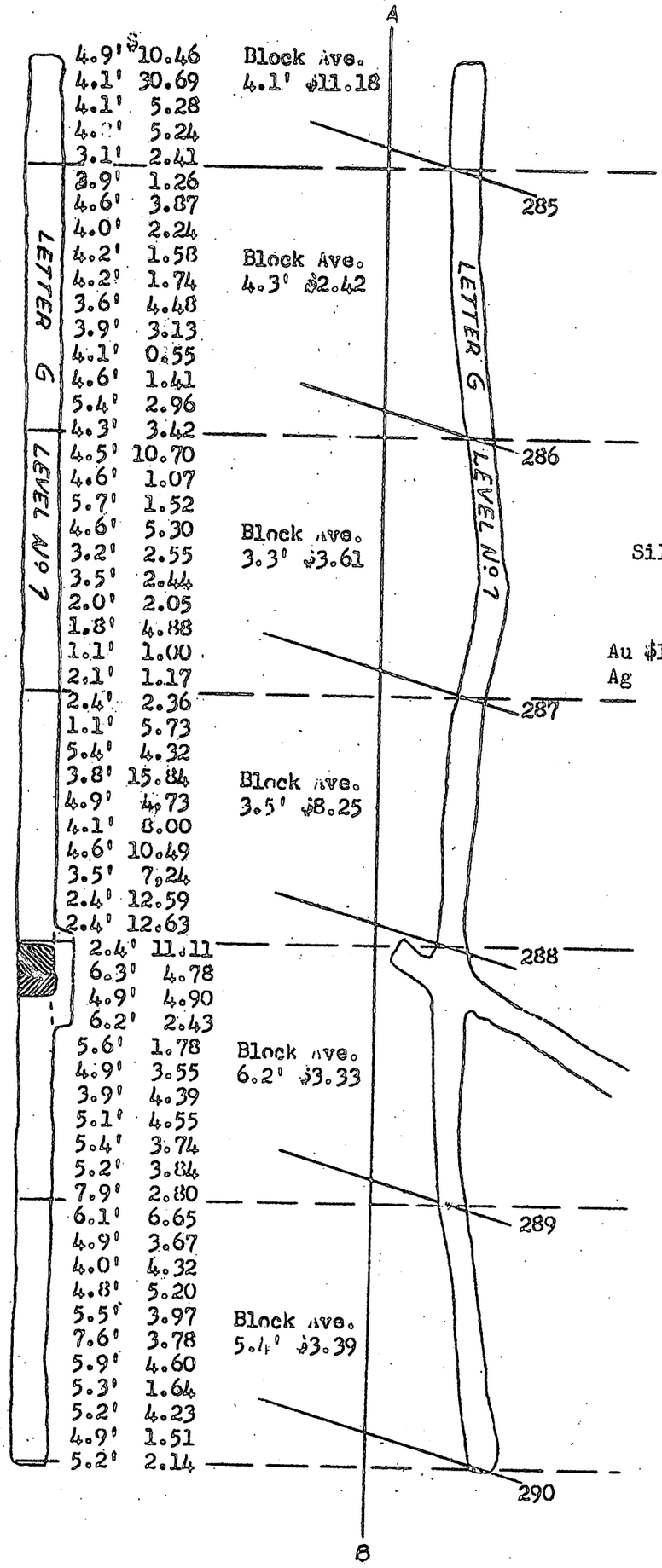
-Quotations-

Au $19.50 per oz. Pb $ .35 per unit
Ag .53 " " Cu 1.55 " "

B - Samples from HW streak

Average - All Samples

3.5' - $12.80



SILVER LAKE MINES

ASSAY PLAN

LETTER G LEVEL NO. 7
PARALLELS 285-290

Samples Taken June 1905

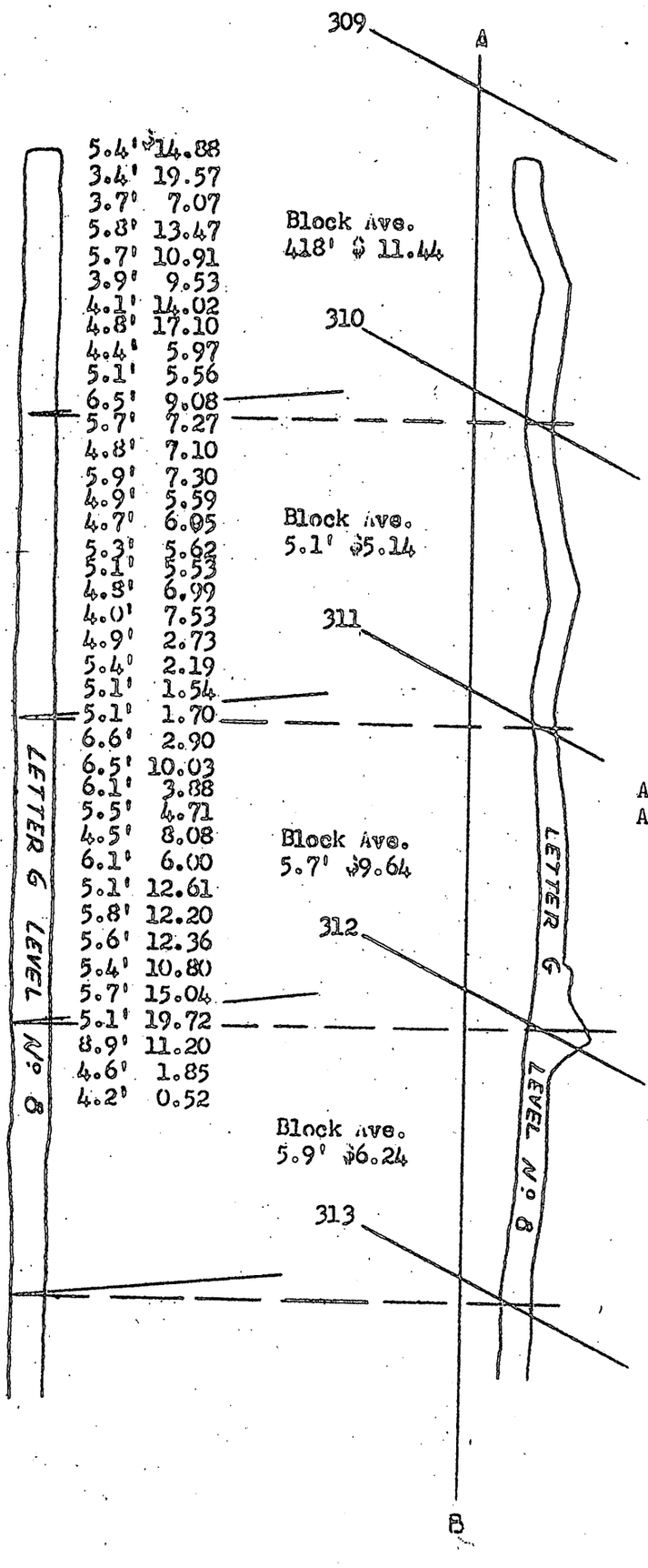
Silverton, Colo. Scale: 1" = 30'

-Quotations-

Au $19.50 per oz. Pb $ .35 per unit
Ag .55 " " Cu 1.50 " "

Average - All Samples

4.5' - $4.48



SILVER LAKE MINES

ASSAY PLAN

LETTER G LEVEL NO. 8
PARALLELS 309-313

Samples taken June 1905

SILVERTON, COLO. Scale: 1" = 30'

-Quotations-

Au	$19.50	per oz.	Pb	$ .35	per unit
Ag	155	" "	Cu	1.50	" "

Average - All Samples

5.2' - $8.36

Shenandoah-Dives Mining Company,
Silverton, Colorado

A FRAGMENT OF COLORADO MINING HISTORY

A first exhibit is in excerpts from an expression by Mr. Edward G. Stoiber of August 2, 1899, reciting a story of human achievement in twelve years that is astonishing as measured by extent of mineral property acquired, by miles of mine workings opened, and by completeness of plant and equipment provided to make the property productive. The altitude of the major work was above 12,000 ft, the approaches were forbidding: much of the heroic was in the work.

A second exhibit is in excerpts from a report from Mr. Clapp, of February, 1913, on the same property, 11 years after its sale by Mr. Stoiber, in which three comments arrest attention:

A "——the rate of 200 tons per day, the maximum that can be handled through Unity tunnel (the outlet)":

B "——the former company and Mr. Stoiber before them, both fought a losing battle in the attempt to keep their reserves of $9.00 or $10.00 ore in advance of their consumption."

C "Of lower grade ore there is perhaps 100,000 tons already exposed and the prospective tonnage is almost unlimited,——."

A third exhibit lists the production of the mine 1902-1918 inclusive. (The record of large production 1890-1901 is not available.) In parallel is shown the contemporary production of Liberty Bell mine at Telluride.

I present the material because it confirms so strikingly my conviction of the ruling importance of human temperaments in the industry. Mr. Stoiber presented for sale in 1899 an organized property producing some 200 tons daily, with miles of access workings and great reserves. Liberty Bell mine was then in its first few months of production, with 2800 ft of drifting on ore, and minimum plant and equipment; it approached production of 100 tons daily.

Silver Lake ore was better. Fourteen years later Mr. Clapp reviewed an unhappy history, saw that production in larger volume could change the picture for the future, and reported great reserves of ore in range of $6 that might be profitable. He gave 200 tons daily as the capacity of the outlet of the mine. At that time Liberty Bell was reaching 500 tons daily, and was organized to live on ore yielding less than $5 per ton; in the end the average yield from ore sales was $6.55 and dividends approached $3 million. Volume was critical (Incidentally, I never thought of any low limit of capacity of a mine level of normal size.), but, back of volume at Liberty Bell, were timely completions of two strategic developments, one in the upper area in 1906, and one in the lower area in 1910. They were key projects, for ready access for men and supplies, and efficient outlets for ore, that were never paralleled in the other mine despite crying needs; they meant so much in the final result as to dwarf the penalties of normal human error through the twenty years.

The Liberty Bell was founded, and given character, by Arthur Winslow, but the organization of its production was mine in large part.

C. A. C.

Silverton, Colorado
22 February, 1949

EXHIBIT 1

E X C E R P T S

GENERAL REPORT UPON THE SILVER LAKE MINES

By

Edward G. Stoiber
1899

1. Location, Ownership and History of the Property:

This Property, known as The Silver Lake Mines and owned by Edward G. and Lena Allen Stoiber, is situated near Silverton, in the Animas Mining District, San Juan County, Colorado, it has been under the management of Edward G. Stoiber, since February 1887, to date.

At the time of the purchase of the property in 1887, probably not over 500 feet of work had been done on same, and there were but two claims in the group; to-day the underground workings may reach a total length of 35000 feet, and the group embraces about 100 claims.

3. Purpose of Owners in the acquisition of large acreage:

It has been the special aim of the Owners, to get together a grouping of Mineral Claims, capable of being worked advantageously as one large mining enterprise, and whose life would unquestionably be a very long one; by the judicious location of protecting claims, possible litigation has been carefully guarded against.

It is claimed for this property that it is a low grade Concentrating proposition, with the premises of practically unlimited vein area to draw from.

4. Estimated length of Vein Croppings, covered by this Property:

The Property covers about 20000 running feet of the Silver Lake Vein croppings; about 5300 running feet of the Titusville-Buckeye vein and probably a further 5000 feet of "Royal", "Professor Stelzner"

and "Whale Rochester" veins; other vein croppings known to exist, but less explored, are ignored in this estimate.

5. Vein Systems:

There are upon this property, two mineralized vein systems: The "Silver Lake" and the "Titusville-Buckeye" veins belonging to the North-West and South-East system, and the "Royal", "Stelzner" and "Whale-Rochester" veins belonging to the North and South system, and running between the "Silver Lake" vein on the North, to the "Titusville-Buckeye" vein on the South, thus making it possible to connect these vein systems by underground workings upon the veins themselves.

9. The Mine Workings and Ore Reserves:

A glance at the maps will be sufficient to show a present large underground development, representing probably in the neighborhood of seven miles of Drifting and Crosscutting, without including the Unity or Blair Mountain Tunnel workings.

Regarding ore reserves, it may be stated that a conservative measurement and estimate recently made by Mr. R. W. Hollis, places same at about 510000 Tons, equivalent to about seven years of running of the present Concentrator, which annually handles about 70000 Tons of mill ore. Mr. Hollis, having been connected with this enterprise for some 8 years or more past, as Engineer and lately as Assistant Manager, is perhaps the best possible person to pass upon this matter of ore reserves.

20. Concluding Remarks:

The "Titusville-Buckeye" vein, although showing excellent croppings, and some underground workings with ore reserves on the "Buckeye" claim, has barely been referred to; The "Nevada" claim has been mentioned only; and the territory N.W. of same on the "Silver Lake" vein, has not been referred to except by the expressed expectation of having the Blair Mountain Tunnel strike and develope it near the Animas River.

Just so the territory on the "Silver Lake" vein to the South East of Arastra Lake, i.e., the "Royal Tiger" #1, the "Homestake" and "Emma" claims, which should have an excellent future.

EXHIBIT 2

EXCERPTS

REPORT ON SILVER LAKE MINES
BY
LAWRENCE R. CLAPP, SUPERINTENDENT

FEBRUARY 12, 1913

In order to continue beyond this preliminary period other ore bodies on the Unity Level must have been opened up in that time. Assuming then that the entire program of prospecting is carried out, and, that after an expenditure of $20,000.00 we have available 117,000 tons of $9.40 ore which we will assume, will be worked out at the rate of 200 tons per day, the maximum which can be handled through the Unity tunnel, we will have

	Daily tons.	Life Mo's.	Cost	Profit
13000 tons @ $9.30	50	8.5)	$4.35	$.90
117000 " @ 9.40	200	19.5)		

Total Profit $117,000.00

The above outlook is decidedly discouraging, particularly as from present knowledge this evidently constitutes the entire amount of pay ore in the Silver Lake Mines above the Unity Tunnel. Of lower grade ore, of say, $6.00 value, there is perhaps 100,000 tons already exposed and the prospective tonnage available is almost unlimited, probably the entire Letter "G" vein from the Scranton City to the Buckeye, a distance of nearly two miles, averaging at least that value.

The future of the Silver Lake Mines in my opinion, lies wholly in the solution of the problem of making this material profitable and not in the search of better grade ore; the former company and Mr. Stoiber before them, both fought a losing battle in the attempt to keep their reserves of $9.00 or $10.00 ore in advance of their consumption. In so doing they exposed a very large tonnage of lower grade material and indicated where a still larger tonnage was probable. If this can be made available, the property has a big future still ahead of it.

To make $6.00 ore profitable, will require a total cost of not more than $4.75 per ton and a mill extraction of at least 80%. Neither of these are beyond possibility. A $4.75 cost would mean a big tonnage, the avoidance of an expensive tram, an adequate modern equipment and a high concentration ratio. An 80% mill extraction on ore of only $6.00 gross value means considerably more than our present mill is capable of. Recently, I was attracted by the remarkable success of the Minerals Separation Co's froth flotation process at the Braden Copper Company and at the Butte & Superior. I made some tests in a very crude way with a home-made laboratory size flotation apparatus. From the results obtained, it is apparent that an 80% extraction combined with a high ratio of concentration is not at all an impossibility with the method. If this is possible on a commercial scale and indications apparently point that way, to judge from the results obtained at Braden, it will mean over $1.00 per ton of difference on our present prospects, and would change a probable loss into an almost certain profit, besides making available a considerable tonnage of lower grade ore. From what I can gather from other plants, the purchase and erection of the necessary apparatus for the installation of the process at this property would not exceed $3,000.00, which would be repaid within one month of operation by the expected increase in saving.

EXHIBIT 3 --- CONDENSED HISTORIES OF MAJOR PRODUCTIONS OF TWO MINES. SHOWN: TONS, OUNCES AND/OR TONS OF RECOVERED METALS: FINAL NET SMELTER

SILVER LAKE MINES

Year	Tons	Au Oz/T	Au Tot.Oz.	Ag Oz/T	Ag Tot.Oz.	Pb %	Pb Tons	Cu %	Cu Tons	$/T Gross	$/T Rec.	$/T N.S.
1899												
1900										12.10		8.78
1												
2	83,496	.161	13,470	3.20	267,574	.922	768.822	1.068	889.548	8.30		5.83
3	98,076	.168	16,513	4.55	446,113	1.750	1,718.473	1.003	982.532	10.24	8.12	6.93
4	89,863	.162	14,612	6.10	548,608	2.255	2,025.787	1.130	1,016.386	11.38	9.34	7.94
5	69,950	.112	7,817	6.23	435,397	2.995	2,095.883	1.068	746.561	11.25	8.80	7.44
6	18,720	.102	1,874	6.17	115,809	1.770	330.763	.740	138.565	10.49	8.73	7.13
7	52,716	.117	6,161	5.80	305,406	1.870	985.075	.982	516.907			
8	58,915	.129	7,612	4.95	291,928	1.294	762.607	.885	521.106			
9	5,301	.170	900	4.71	24,972	2.922	154.927	1.140	60.544			
10	4,540	.213	967	4.92	22,354	2.160	98.216	1.200	54.563			
1	9,381	.091	858	3.88	36,418	1.146	107.635	.602	56.456			
2	20,398	.107	2,182	4.18	84,386	1.608	327.885	.558	113.841			
3	12,179	.212	2,581	4.44	54,049	7.630	928.043	.439	53.460			
4	14,133	.227	3,207	4.73	66,927	4.240	599.235	.483	68.281			
5	29,652	.147	4,371	1.72	50,907	1.130	334.863	.408	120.934			
6	29,190	.126	3,683	1.98	57,805	1.082	315.967	.558	162.677			
7	18,069	.096	1,744	1.74	31,485	2.133	385.421	.461	83.198			
8	16,066	.083	1,340	1.77	28,425	2.035	327.125	.463	74.324			
19												
20												
1												
Totals,	630,645	.142	89,892	4.52	2,868,563	1.94	12,266.727	.896	5,659.883			

All From U. S. Bureau of Mines

These Data From Incomplete Office Records.

Calculated at Present Prices	
Gold $35.	Silver .90
Lead .13	Copper .20

										Gross Value	60% Net Smelter
1901) 1906)	360,105	.147	54,286	5.03	1,813,501	1.92	6,939.728	1.045	3,773.592	$18.84	$11.31
1907) 1919)	270,540	.132	35,606	3.90	1,055,062	1.97	5,326.999	.697	1,886.291	$16.04	$ 9.62

LIBERTY BELL MINE PRODUCTION FROM MINING IN COLORADO, U.S.G.S. PROF. PAP. 138, CWH, PAGE 225

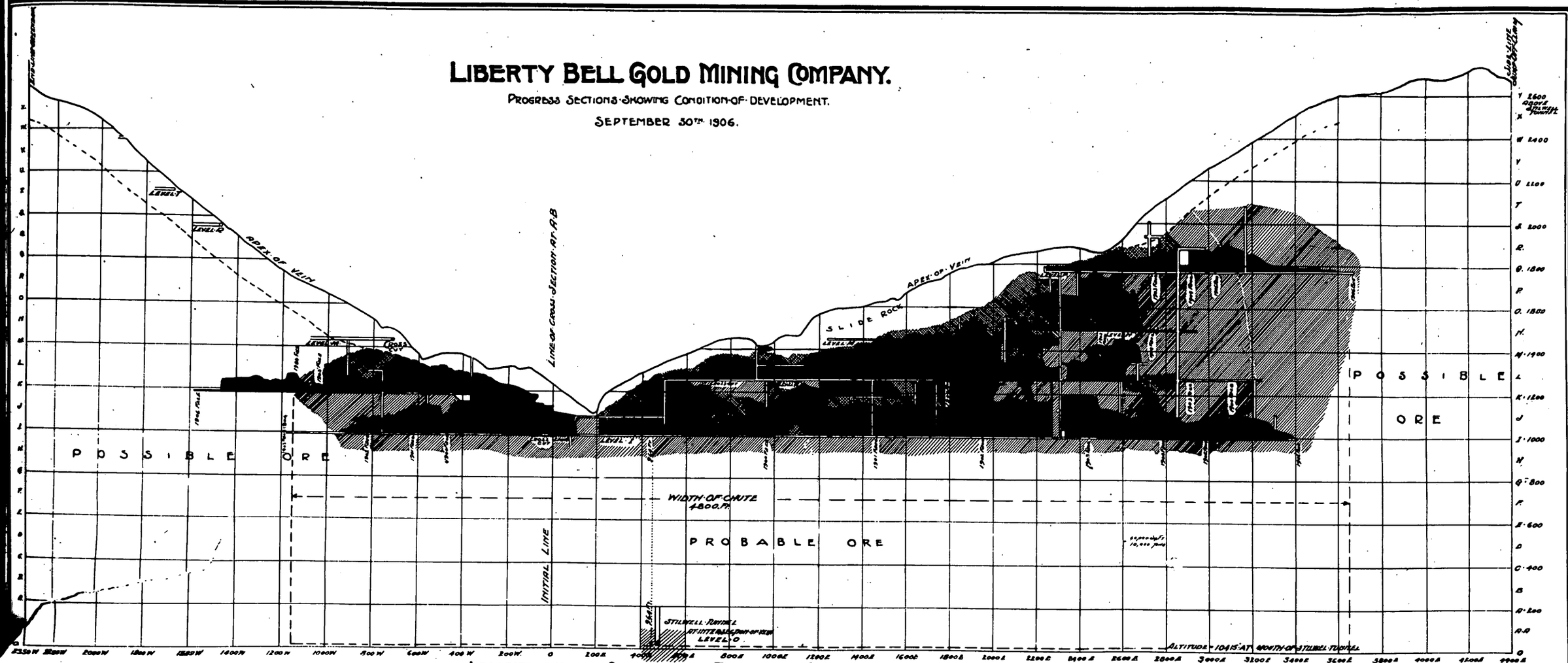
Tons	Au/T	Ag/T	$ Per Ton Recov.	$ Per Ton N.S.
17,800	.156	0.77	4.01	3.45
21,500	.235	1.18	5.31	5.02
54,197	.240	1.28	5.76	5.58
67,439	.299	1.68	7.15	6.72
83,373	.288	1.89	6.97	6.44
45,811	.395	2.35	9.52	8.93
27,379	.306	1.79	7.87	7.50
92,900	.315	2.21	7.98	7.73
102,104	.270	2.21	7.13	6.88
116,353	.285	2.43	7.26	7.02
125,681	.222	1.52	5.59	5.38
133,899	.290	2.07	7.17	6.85
155,950	.377	2.12	8.97	8.66
175,340	.279	1.79	6.87	6.59
179,216	.205	1.61	5.24	5.05
173,840	.191	1.82	4.96	4.86
174,100	.138	1.81	3.80	3.58
165,300	.185	1.55	4.79	4.59
143,100	.218	1.83	5.92	5.69
90,700	.517	2.19	12.71	12.38
110,700	.355	1.18	8.58	8.53
56,100			10.08	
55,285			9.83	
2,368,067	.267	1.91	6.80	6.55

Tonnage 1899 Corrected, and Columns 2, 3, and 5 Supplied from Company Reports.

LIBERTY BELL GOLD MINING COMPANY.

PROGRESS SECTIONS SHOWING CONDITION OF DEVELOPMENT.

SEPTEMBER 30TH 1906.



LONGITUDINAL SECTION IN PLANE OF VEIN.

HORIZONTAL AND VERTICAL SCALE 1" : 400'

Vertical Distances measured on Slope of vein.

Ore Stoped 408,282 Dry Tons from	1,259,000 Sq. Ft.
Pinched and Unworkable Vein	250,000 " "
Ore "In Sight"	316,000 Tons, Dry.
Width of Chute 4,800 ft.	
Probable Ore in Chute above Stilwell Tunnel	1,150,000 " "
Total Ore in Sight and Probable	1,466,000 Tons, Dry.
Estimated Ore beyond Chute within Property, and above Stilwell Tunnel (¼ of Possible)	300,000 " "
Total in Sight Prob. and Estim.	1,766,000 Tons, Dry.
Possible Ore within Property above Stilwell Tunnel, and in addition to the last Total	900,000 " "
Total Possible above Stilwell Tunnel	2,666,000 Tons, Dry.
Probable and Possible Ore below Stilwell Tunnel	Not Estimated.

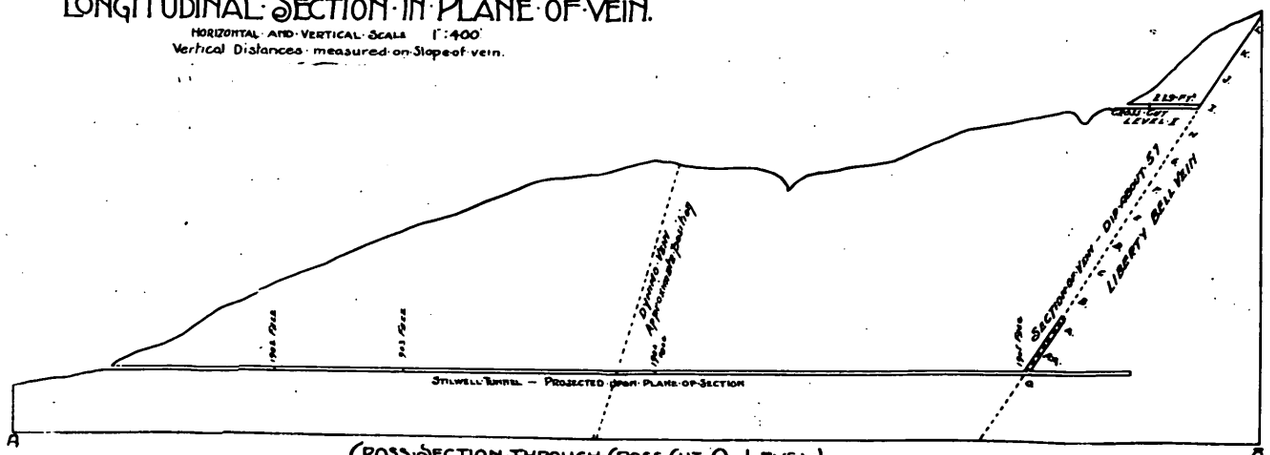
Progress of Development for Year Ending September 30th, 1906.

Ore Mined, 92,221 Tons, dry.—Tunnelling, 292 ft.
Drifting, 2,206 ft. Crosscutting, 40 ft. Upr. 1,812 ft. Total deadwork 3,850 ft.

NOTE.—The above results are calculated on the following assumptions

Average width of Vein, = 8.52 ft. (Actual average of eight years.)
One ton in solid (dry) 18 cub. ft.
Distance between Stilwell Tunnel and 1 Level, = 964 ft.

In calculating the average width of vein, upon which the Ore in sight and other tonnage results are based, the area of pinched and unworkable vein so far developed is included within the stoped area.



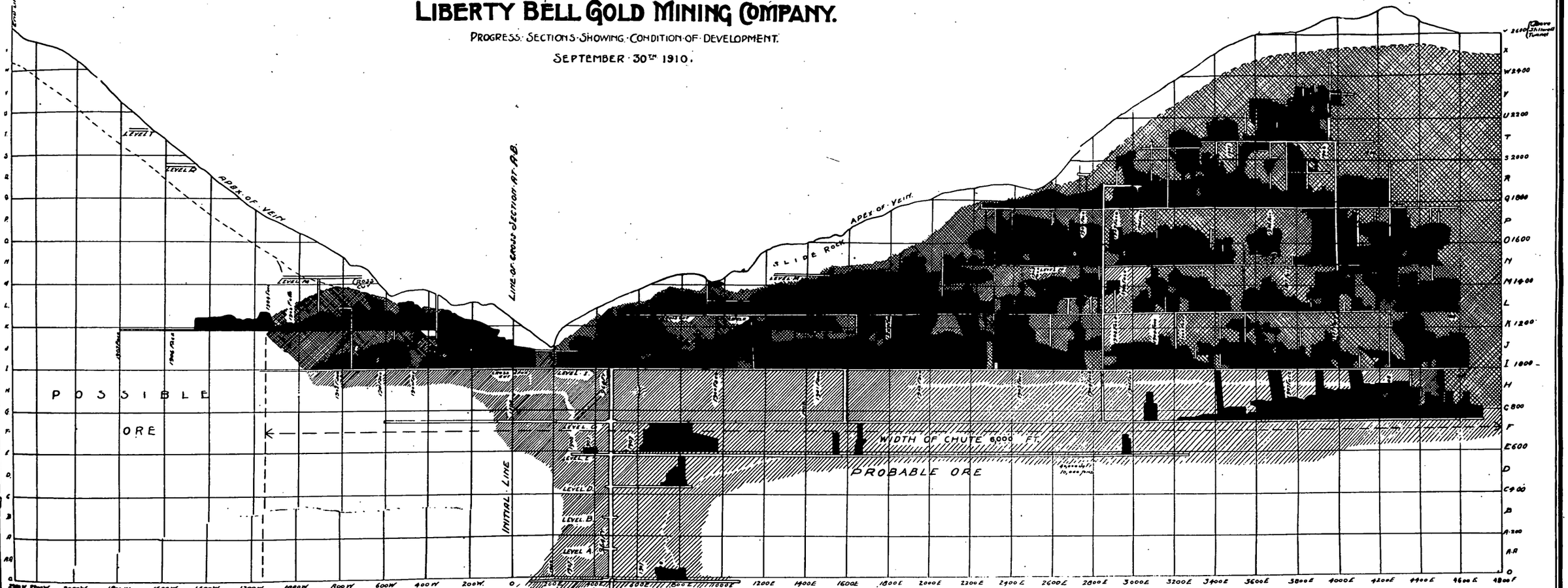
CROSS SECTION THROUGH CROSS CUT O LEVEL 1.

HORIZONTAL AND VERTICAL SCALE 1" : 400

LIBERTY BELL GOLD MINING COMPANY.

PROGRESS SECTIONS SHOWING CONDITION OF DEVELOPMENT.

SEPTEMBER 30TH 1910.



LONGITUDINAL SECTION IN PLANE OF VEIN.

HORIZONTAL AND VERTICAL SCALE 1" : 400'

Vertical distances measured on slope of vein.

Ore stoped 2,680,000 sq. ft. yielding	887,696	Tons, dry.
Pinched and unworkable vein 2,150,000 sq. ft.		
Ore "in sight"	676,000	Tons, dry.
Width of shoot 6,000 ft.		
Probable ore in shoot above Stilwell tunnel	630,000	" "
Total ore in sight and probable	1,306,000	Tons, dry.
Estimated ore beyond shoot within property, and above Stilwell tunnel (1/3 of possible)	130,000	" "
Total in sight prob. and estim.	1,436,000	" "
Possible ore within property above Stilwell tunnel and in addition to the last total	400,000	" "
Total possible above Stilwell tunnel	1,836,000	Tons, dry.
Probable and possible ore below Stilwell tunnel		Not estimated

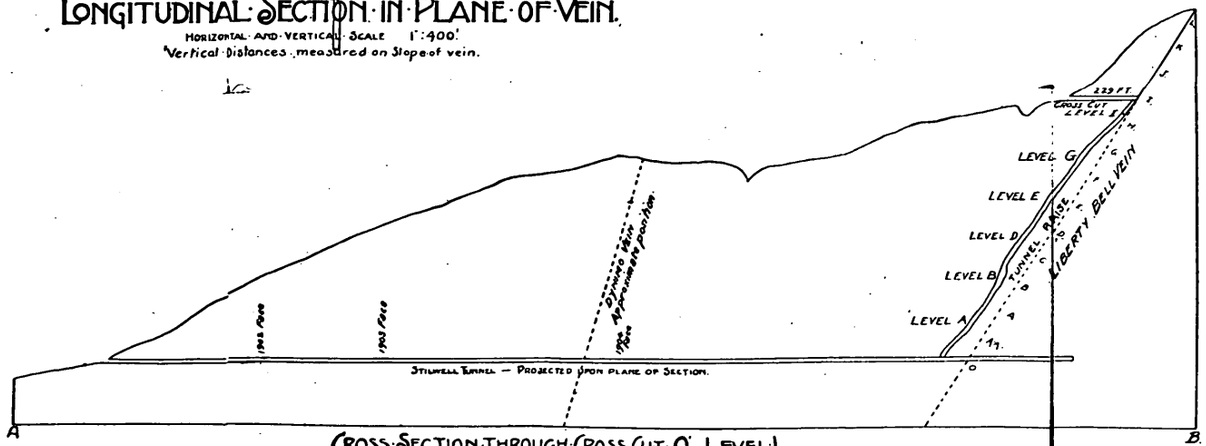
Progress of development for year ending September 30, 1910.

Ore mined 134,321 Tons, dry.
Drifting 3,951 ft. Upraising 1,423 ft.
Total deadwork 5,374 ft.

NOTE.—The above results are calculated on the following assumptions:

Average width of vein—3 ft. (Actual average of 11 years.)
One ton in solid (dry) 13 cub. ft.
Distance between Stilwell tunnel and I level 964 ft.

In calculating the average width of vein, upon which the ore in sight and other tonnage results are based, the area of pinched and unworkable vein so far developed within the limits of operations is included as if it were a part of the stoped area.



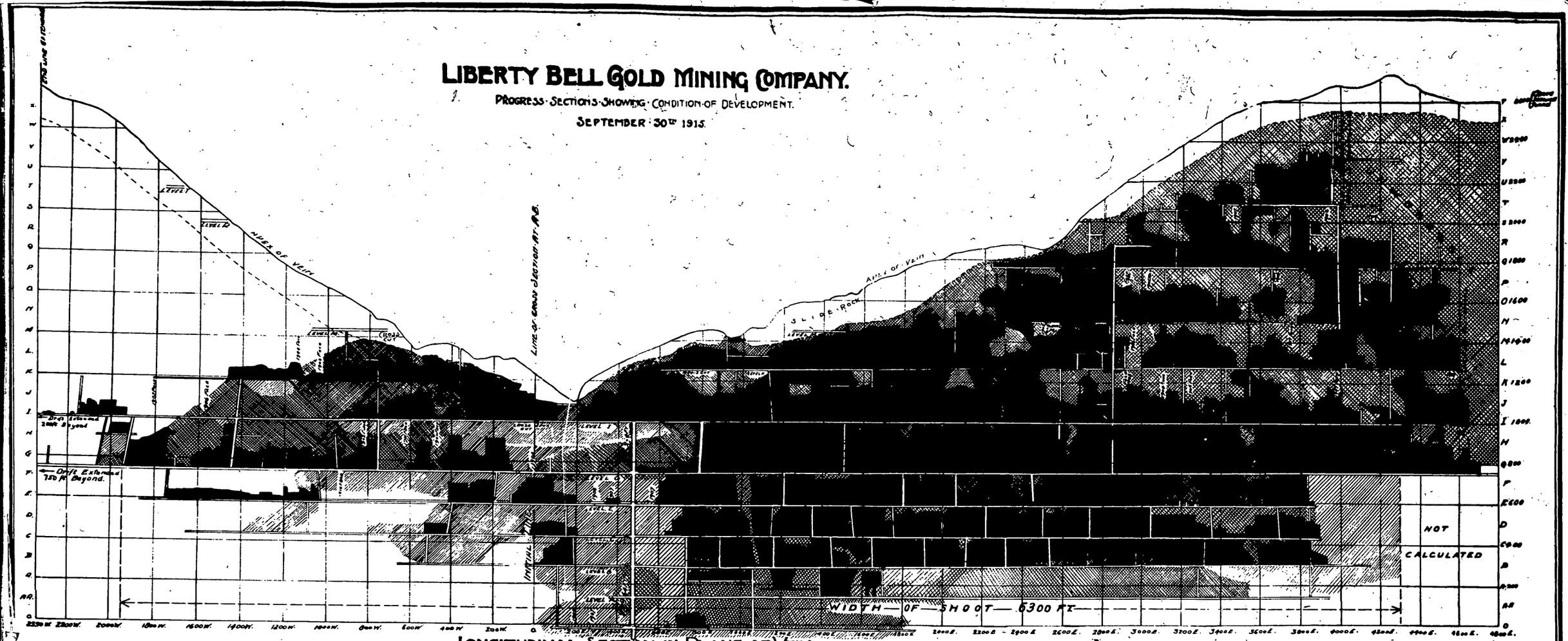
CROSS SECTION THROUGH CROSS CUT O LEVEL I.

HORIZONTAL AND VERTICAL SCALE 1" : 400'

LIBERTY BELL GOLD MINING COMPANY.

PROGRESS SECTIONS SHOWING CONDITION OF DEVELOPMENT.

SEPTEMBER 30TH 1915.



LONGITUDINAL SECTION IN PLANE OF VEIN.

HORIZONTAL AND VERTICAL SCALE 1" : 400'

Vertical Distances measured on Slope of vein

Ore Stoped 4,980,000 sq. ft. yielding. . . . . 1,746,000 Tons, dry.

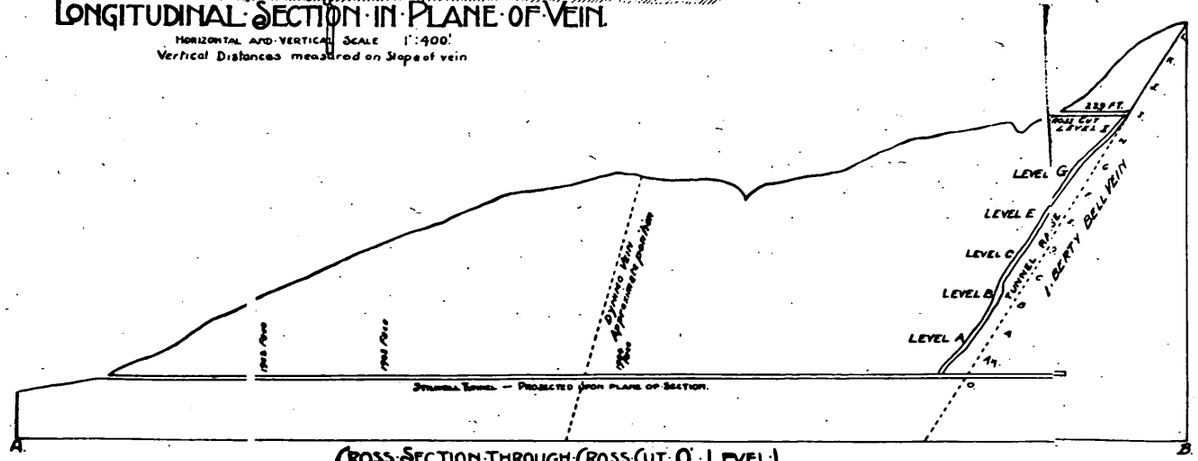
Pinched and Unworkable Vein.

Ore in Sight and Probable 648,000 sq. ft. . . . . 218,000 Tons, dry.

A comparison of this section with that of the preceding year will show that large areas of what was considered probable and possible ore have now been thrown into pinched and unworkable vein. This is the result of further development and of a study and revision of the assay results and conditions of previous development; in many cases the results obtained in the driving of drifts and raises have not maintained when stoping was begun. The ore now considered in sight and probable is confined to scattered patches on the west side, to the ground in pillars and in close proximity to the main upraise, and to the extreme eastern end of the lower levels. Possible ore may be looked for below the Stilwell Tunnel and to the extreme east in the foot wall split of the vein which is not being explored.

PROGRESS OF DEVELOPMENT FOR THE YEAR ENDING SEPT. 30, 1915.

Ore Mined 173,500 tons, dry, from 442,000 sq. ft. stoped
Drifting 4,300 ft. Upraising 811 ft. Total 5,139 ft.



CROSS SECTION THROUGH CROSS CUT O LEVEL I.

HORIZONTAL AND VERTICAL SCALE 1" : 400'

SHENANDOAH-DIVES MINING COMPANY

MINE DAILY ASSAY REPORT

LETTER "G" VEIN

NOTE—Copy to Be Forwarded Daily to the Home Office

Chip samples from back of drift on the Silver Lake Main level (Adit level)

DATE 23 August 1951

SAMPLE NO.	SOURCE OR DESCRIPTION OF SAMPLE	Thickness or Tonnage Represented	GOLD OZ.	SILVER OZ.	LEAD %	COPPER %	ZINC %	GROSS VALUE PER TON	NET SMELTER VALUE PER TON
5772	S. L. Main Level 270W Unity Shaft 7'	4.3'	—	0.8	0.7	0.1	0.3	$ 2.54	$ 1.52
	0 to 4.3' from HW (Robison)								
	Altered rock & gouge								
5775	S. L. Main Level 100W Unity Shaft 7'	5.0'	—	0.2	0.7	—	0.5	$ 2.00	$ 1.20
	0 to 5.0' from HW (Anderson)								
	altered rock & gouge								
5776	S. L. Main Level 55W Unity Shaft 7'	5.5'	0.03	2.4	1.0	1.0	1.0	$ 9.81	$ 5.89
	0 to 5.5' from HW (Robison)								
	Altered rock, qtz, gouge & few sulfides								
5777	S. L. Main Level 10W Unity Shaft 7'	11.0'	0.03	1.6	3.4	0.7	6.7	$14.17	$ 8.50
	0 to 11.0' from HW (Holmgren)								
	Altered rock, qtz, gouge & few sulfides								
5778	S. L. Main Level 300E Unity Shaft 7'	6.0'	0.02	3.0	2.1	0.8	2.1	$12.06	$ 7.24
	0 to 6.0' from HW (Anderson)								
	Altered rock with gouge & sulfides								
5779	S. L. Main Level 10E New York X-Cut 7'	5.0'	0.02	1.4	2.4	0.8	1.2	$11.44	$ 6.86
	0 to 5.0' from HW (Holmgren)								
	Altered rock, qtz, gouge & few sulfides								
5780	S. L. Main Level 75E New York X-Cut 7'	6.5'	0.03	1.2	3.8	—	0.4	$12.01	$ 7.21
	0 to 6.5' from HW (Robison)								
	Altered rock, qtz, gouge & sulfides								
5781	S. L. Main Level 185E New York X-Cut 10'	4.3'	0.03	1.8	4.6	011	0.5	$14.63	$ 8.78
	0 to 4.3' from HW (Holmgren)								
	Altered rock, qtz, gouge & sulfides								
5782	S. L. Main L. HW X-Cut by Access Rse 7'	8.5'	—	0.1	0.3	—	0.3	$ 0.87	$ 0.52
	0 to 8.5' from HW (Holmgren & Anderson)								
	Altered rock & CR								

Nothing Follows

SAMPLER

ASSAYER S — J. W. Cole

SHENANDOAH-DIVES MINING COMPANY

MINE DAILY ASSAY REPORT

NOTE—Copy to Be Forwarded Daily to the Home Office

Buckeye Dump

DATE 15 August 1950

SAMPLE NO.	SOURCE OR DESCRIPTION OF SAMPLE	Thickness or Tonnage Represented	GOLD OZ.	SILVER OZ.	LEAD %	COPPER %	ZINC %	GROSS VALUE PER TON	NET SMELTER VALUE PER TON
847	Buckeye Dump sample #1 0 to 25.0' from NE side (Holmgren, Turner & Robison) Top of Dump	25.0'	0.12	12.5	10.5	2.0	3.4	$42.85	$25.71
848	Buckeye Dump sample #2 25.0 to 55.0' from NE side Top of Dump	3010'	0.58	1.2	1.0	0.5	1.0	$24.98	$14.99
849	Buckeye Dump sample #3 55.0 to 90.0' from NE side Top of Dump	35.0'	——	0.1	2.8	——	0.9	$ 5.69	$ 3.41
850	Buckeye Dump sample #4 (height- 37.0' height Face of small North Dump	37.0'	0.02	3.0	2.1	0.5	1.0	$ 9.20	$ 5.52
851	Buckeye Dump sample #5 (height- 65.0' height Face from toe of larger Dump (Center)	65.0'	——	0.1	0.3	——	0.9	$ 0.69	$ 0.41
852	Buckeye Dump sample #6 (height- 27.0' height Face from toe of small South Dump	27.0'	——	0.1	0.2	——	0.4	$ 0.49	$ 0.29
853	Dandy Drift (face 32' in) 4' 0 to 3.5' from HW CR & qtz.	3.5'	——	0.2	0.2	——	0.3	$ 0.58	$ 0.35
854	Vein (Disc. Cut) Stephen's Report on SE of the Lake 0 to 8.5' from HW CR with qtz & few sulfides	8.5'	——	0.2	0.3	——	0.1	$ 1.53	$ 0.92

Nothing Follows

SAMPLER

ASSAYER S —— J. W. Cole

Shenandoah-Dives Mining Company,
Silverton, Colorado

SHENANDOAH-DIVES MINING COMPANY'S RELATIVE POSITION IN THE NON-FERROUS METAL MINING INDUSTRY OF SAN JUAN COUNTY AND OF COLORADO. THE COMPANY'S PRODUCTION BEGAN IN 1928.

COLORADO. 1858 - 1927, INCLUSIVE.		PERCENTAGES OF COUNTY	PERCENTAGES OF STATE
ORE, TONS,	Not reported prior to 1924		
GOLD, OZ.,	33,922,445 (1,469,850 Placer)		
SILVER, OZ.,	645,099,437		
LEAD, TONS,	2,223,461		
COPPER, " ,	138,613		
ZINC, " ,	997,455		
MONEY VALUE,	$1,608,323,176 ($30,384,494 Placer)		
SAN JUAN COUNTY. 1873 - 1927, INCLUSIVE.			
ORE, TONS,	Not reported prior to 1924		
GOLD, OZ.,	1,159,840		3.52
SILVER, OZ.,	31,745,741		4.72
LEAD, TONS,	195,275		8.78
COPPER, "	28,119		20.28
ZINC, "	68,713		6.39
MONEY VALUE,	$86,226,436		5.36
COLORADO. 1928 - 1952, INCLUSIVE. 25 YEARS.			
ORE, TONS,	38,455,982		
GOLD, OZ.,	5,928,090		
SILVER, OZ.,	104,136,243		
LEAD, TONS,	396,456		
COPPER, " ,	128,690		
ZINC, " ,	628,085		
MONEY VALUE,	$513,461,241		
SAN JUAN COUNTY. 1928 - 1952, INCLUSIVE. 25 YEARS.			
ORE, TONS,	5,982,816		15.6
GOLD, OZ.,	496,847		8.4
SILVER, OZ.,	11,989,865		11.5
LEAD, TONS,	81,510		20.6
COPPER, " ,	13,213		10.3
ZINC, " ,	57,052		9.1
MONEY VALUE,	$49,839,933		9.7
SHENANDOAH-DIVES. 1928 - 1952, INCLUSIVE. 25 YEARS.			
ORE, TONS,	4,184,601	69.9	10.88
GOLD, OZ.,	389,020	78.3	6.56
SILVER, OZ.,	6,508,152	54.3	6.25
LEAD, TONS,	26,244	32.2	6.62
COPPER, " ,	10,520	77.6	8.17
ZINC, " , (16 Years)	11,272	19.8	1.79
MONEY VALUE,	$26,281,449	52.7	5.12

Sources: For State and County, Mr. A. J. Martin, Supervising Engineer, U. S. Bureau of Mines. All figures of "Recoverable Metals".
For Shenandoah-Dives Company, its Annual Reports of Metals Shipped.

Shenandoah-Dives Mining Company,
Silverton, Colorado

DRIFT SAMPLE ASSAYS

-MELVILLE VEIN-

SHENANDOAH-DIVES MINING CO.

4177 - 370 level Coordinates 2300 - 3207

4177 - main level Coordinates 2202 - 2425

Net smelter $ values are 60% of following quotations:

Au-	$35.00 per oz.	Pb-	$0.13 per lb.
Ag-	0.90 " "	Cu-	0.20 " "

(zinc not included in $ value)

4177 - 370 level 23 block (Block Average - 7.8', $6.89)

width	$ value	Au	Ag	Pb	Cu	Zn
8.0'	$ 0.13	---	0.2	0.1	---	0.3
8.0	3.74	0.09	0.7	0.2	0.5	0.3
8.0	2.46	---	0.6	0.6	0.5	0.1
8.0	9.02	0.18	1.8	1.2	1.0	0.4
8.0	1.88	---	0.4	0.6	0.3	0.1
8.0	0.84	---	0.4	0.4	---	0.1
6.5	33.99	0.13	5.9	12.3	3.7	0.1
8.0	9.99	0.16	2.8	1.9	0.9	0.1
8.0	3.84	0.02	1.6	0.1	1.0	0.4

24 block (Block Average - 6.9', $4.93)

width	$ value	Au	Ag	Pb	Cu	Zn
8.0'	$ 0.05	---	0.1	---	---	0.1
8.0	0.13	---	0.2	0.1	---	0.3
8.0	0.13	---	0.2	0.1	---	0.3
7.5	9.15	0.11	1.9	2.8	0.6	1.9
7.0	11.28	0.11	2.3	2.8	1.4	2.5
3.0	18.13	0.03	6.4	7.0	1.3	6.1

25 block (Block Average - 7.9', $3.95)

width	$ value	Au	Ag	Pb	Cu	Zn
7.0'	$13.44	0.04	4.0	5.0	1.1	5.3
8.0	0.32	---	0.6	---	---	0.3
8.5	7.15	0.04	1.6	1.8	1.1	1.4
8.0	0.32	0.01	0.2	---	---	0.1
8.0	10.40	0.35	5.2	---	0.1	0.3
8.0	6.16	0.04	1.4	2.0	0.6	2.0
7.5	5.66	0.03	1.4	1.2	1.0	0.7
8.0	0.22	---	0.4	---	---	0.2
8.0	0.05	---	0.1	---	---	0.1
8.0	0.38	---	0.4	0.1	---	0.1
8.0	0.42	---	0.2	0.2	---	0.1

26 block (Block Average - 8.4', $2.34)

width	$ value	Au	Ag	Pb	Cu	Zn
8.5'	$ 6.35	0.03	1.0	2.4	0.6	0.5
8.0	1.39	---	0.4	0.1	0.2	0.2
8.5	0.86	---	0.4	0.1	0.2	0.2
8.5	0.92	0.03	0.1	---	0.1	0.1
8.0	1.61	0.05	0.6	---	0.1	0.2
8.5	4.15	0.16	0.4	0.1	0.3	0.3
8.5	1.00	0.05	0.5	---	0.2	0.1
8.5	1.56	0.01	0.6	0.2	0.3	0.2

27 block (Block Average - 7.9', $2.82)

width	$ value	Au	Ag	Pb	Cu	Zn
8.5'	$ 1.62	0.02	0.6	0.1	0.3	0.2
8.5	2.42	0.01	1.0	0.3	0.5	0.7
5.0	0.35	---	0.2	---	0.1	0.1
8.5	0.21	---	0.1	0.1	---	0.2
8.5	2.02	---	0.2	0.3	0.6	0.3
8.5	9.26	0.05	2.5	2.4	1.3	0.4

28 block (Block Average - 7.7', $17.69)

width	$ value	Au	Ag	Pb	Cu	Zn
8.5'	$20.06	0.09	6.1	8.0	1.0	1.1
8.5	15.54	0.21	2.4	4.3	1.3	1.3
3.0	45.59	0.95	4.6	11.0	2.5	2.2
7.5	2.38	0.02	0.4	0.5	0.4	0.3
8.5	30.26	0.09	3.1	16.5	0.4	1.9
8.5	26.26	0.07	4.5	13.1	0.8	1.2
8.5	15.29	0.11	3.7	5.5	1.0	2.0
7.5	15.20	0.03	5.2	6.0	1.0	1.3
8.0	16.36	0.06	4.5	7.2	0.6	2.6
8.5	6.60	0.02	2.6	1.9	0.8	2.2

29 block (Block Average - 8.0', $10.80)

width	$ value	Au	Ag	Pb	Cu	Zn
8.5'	$21.92	0.08	6.5	9.8	0.6	2.3
8.0	6.70	0.02	2.6	1.9	0.8	0.2
8.5	3.23	0.01	0.6	0.5	0.8	0.8
8.5	0.42	---	0.2	0.2	---	0.6
7.5	0.52	---	0.1	0.3	---	0.1
8.5	8.86	0.14	2.3	1.0	1.3	0.5
6.0	18.03	0.34	2.7	4.2	1.2	2.5
5.0	8.70	0.04	1.0	3.0	1.1	1.7
8.0	16.99	0.07	1.5	8.2	0.8	3.4
8.5	29.58	0.02	2.2	16.7	0.8	1.1
7.5	9.15	0.08	2.1	3.6	0.3	0.6
7.5	5.77	0.04	0.6	0.8	1.4	3.8

30 block (Block Average - 8.6', $10.86)

width	$ value	Au	Ag	Pb	Cu	Zn
8.0'	$ 2.28	0.02	0.2	0.2	0.6	0.1
8.0	5.89	---	0.8	3.5	---	0.3
8.5	0.47	---	0.3	0.2	---	0.3
8.5	3.90	0.05	1.5	1.0	0.2	1.0
8.5	6.79	0.03	2.0	3.0	0.2	2.2
8.5	9.81	0.04	1.4	4.8	0.3	2.2
10.5	29.66	0.08	1.5	16.8	0.4	2.2
8.0	15.79	0.04	1.8	8.5	0.3	2.2
8.5	6.59	0.06	1.3	2.2	0.5	2.9
8.5	1.18	0.01	0.2	0.4	0.1	0.6
8.5	12.47	0.13	1.7	5.5	0.1	1.5
8.5	28.92	0.03	3.5	16.0	0.6	5.1
9.0	14.73	0.25	1.7	4.1	0.9	2.9
9.0	14.59	0.06	1.9	6.5	0.9	3.0
9.0	4.00	0.07	0.9	1.0	0.2	1.2
9.0	12.80	0.06	2.7	6.0	0.3	1.8
8.5	9.51	0.04	1.4	4.3	0.5	4.0

31 block (Block Average - 8.8', $1.54)

width	$ value	Au	Ag	Pb	Cu	Zn
8.5'	$ 0.35	---	0.2	---	0.1	0.3
9.5	0.35	---	0.1	0.2	---	0.3
8.5	0.94	0.01	0.2	0.4	---	0.3
8.5	1.71	0.03	0.4	0.4	0.1	0.4
8.5	0.27	---	0.2	0.1	---	0.5
8.5	3.43	0.01	0.6	1.4	0.3	0.5
9.5	0.05	---	0.1	---	---	0.3
9.0	0.21	---	0.1	0.1	---	0.1
8.5	0.52	---	0.1	0.3	---	0.1
9.0	5.24	0.08	0.5	1.8	0.2	0.6
9.0	3.90	0.15	0.2	0.1	0.2	1.0

32 block (Block Average - 8.0', $1.10)

width	$ value	Au	Ag	Pb	Cu	Zn
8.5'	$ 1.17	0.02	0.2	0.1	0.2	1.0
9.0	1.84	---	0.2	0.8	0.2	0.5
8.5	0.42	---	0.2	0.2	---	0.6

370 Level Average
-All Samples-

width	$ value
8.1'	$7.28

4177 - Main Level

22 block (Block Average - 9.1', $0.43)

width	$ value	Au	Ag	Pb	Cu	Zn
8.5'	$ 0.05	tr	0.1	---	---	0.1
9.0	0.05	tr	0.1	---	---	0.1
8.5	0.05	tr	0.1	---	---	0.2
8.5	0.05	tr	0.1	---	---	0.1
8.5	1.31	0.06	0.1	---	---	0.2
8.5	0.05	tr	0.1	---	---	0.6
8.5	0.21	---	0.1	0.1	---	0.2
9.5	0.72	0.01	0.2	0.1	0.1	0.6
9.0	0.75	---	0.2	0.1	0.2	0.3
10.0	0.27	---	0.2	0.1	---	0.1
10.0	0.42	0.01	0.1	0.1	---	0.1
9.5	1.05	0.02	0.6	0.2	---	0.2
10.0	0.58	---	0.2	0.3	---	0.1

23 block (Block Average - 9.0', $1.04)

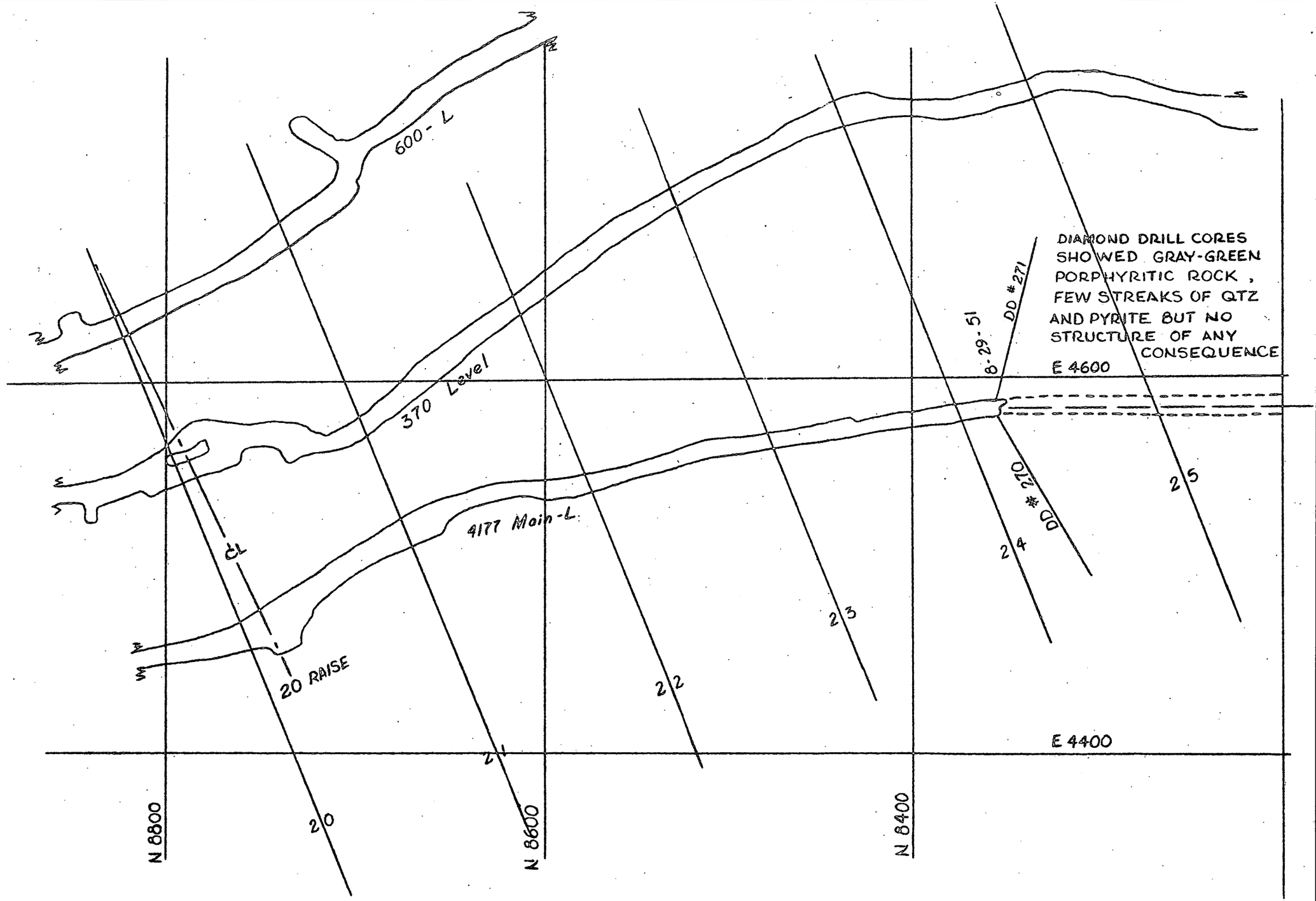
9.0'	$ 0.27	---	0.2	0.1	---	0.1
10.0	0.69	0.01	0.6	0.1	---	0.1
9.5	0.21	---	0.1	0.1	---	0.1
9.5	0.21	---	0.1	0.1	---	0.3
9.5	0.38	---	0.4	0.1	---	0.3
9.0	1.14	---	0.1	0.7	---	0.1
10.0	0.42	0.01	0.1	0.1	---	0.1
9.0	0.26	0.01	0.1	---	---	0.1
9.0	0.26	0.01	0.1	---	---	0.1
8.0	11.08	0.04	2.4	4.5	0.8	0.8
8.5	0.42	0.01	0.1	0.1	---	0.1
8.5	0.42	0.01	0.1	0.1	---	0.1
8.5	0.27	---	0.2	0.1	---	0.1
9.0	0.27	---	0.2	0.1	---	0.1
8.5	0.36	---	0.1	0.2	---	0.1
9.0	1.14	---	0.1	0.7	---	0.1

24 block (Block Average - 9.1', $0.24)

8.5'	$ 0.52	---	0.1	0.3	---	0.1
9.0	0.05	---	0.1	---	---	0.1
9.0	0.05	---	0.1	---	---	0.1
10.0	0.36	---	0.1	0.2	---	0.1

Main Level Average
-All Samples-

width	$ value
9.1'	$0.70


600-L
370 Level
4177 Main-L
CL
20 RAISE
DIAMOND DRILL CORES SHOWED GRAY-GREEN PORPHYRITIC ROCK, FEW STREAKS OF QTZ AND PYRITE BUT NO STRUCTURE OF ANY CONSEQUENCE
8-29-51
DD #271
DD #270
E 4600
E 4400
N 8800
N 8600
N 8400
20
21
22
23
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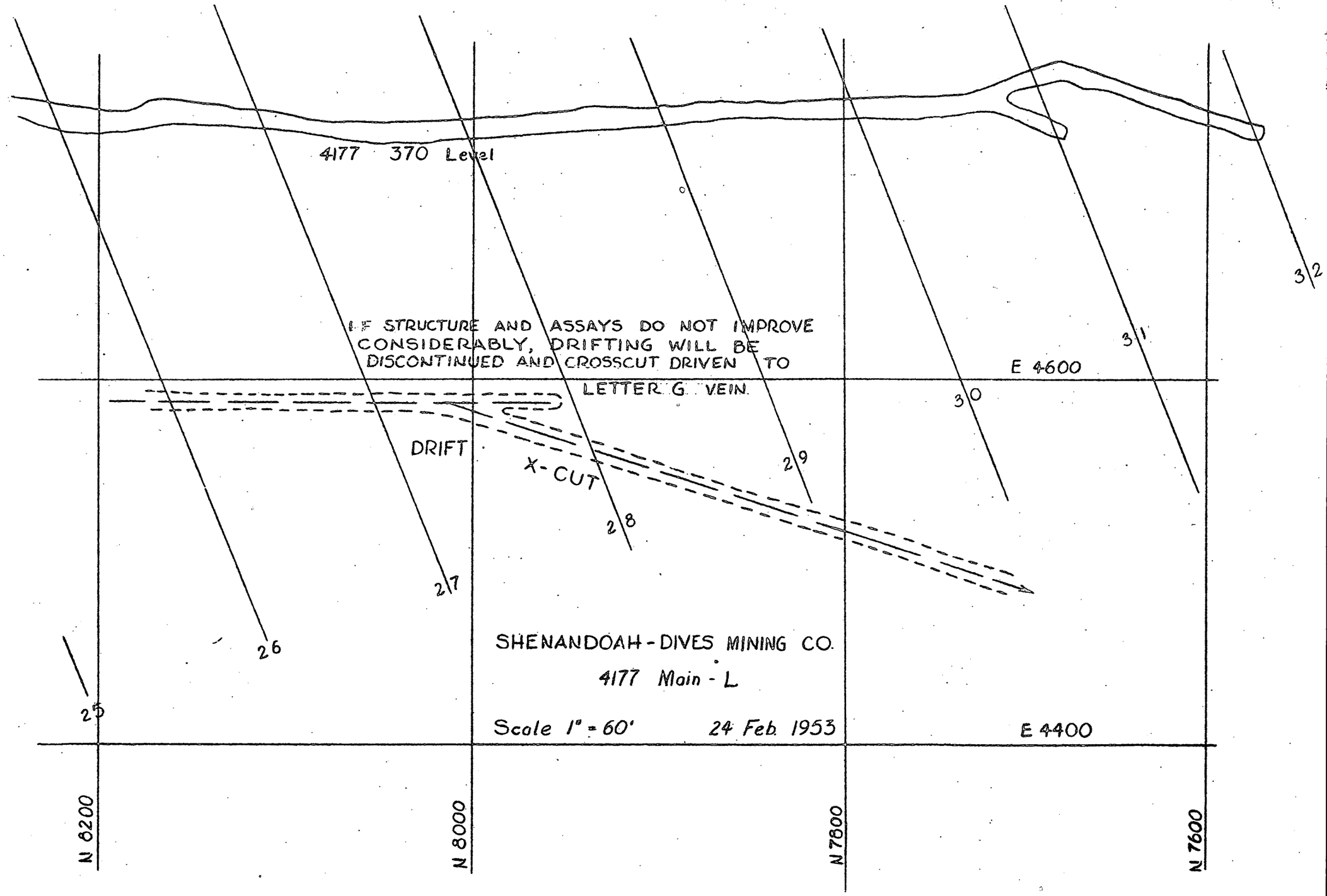
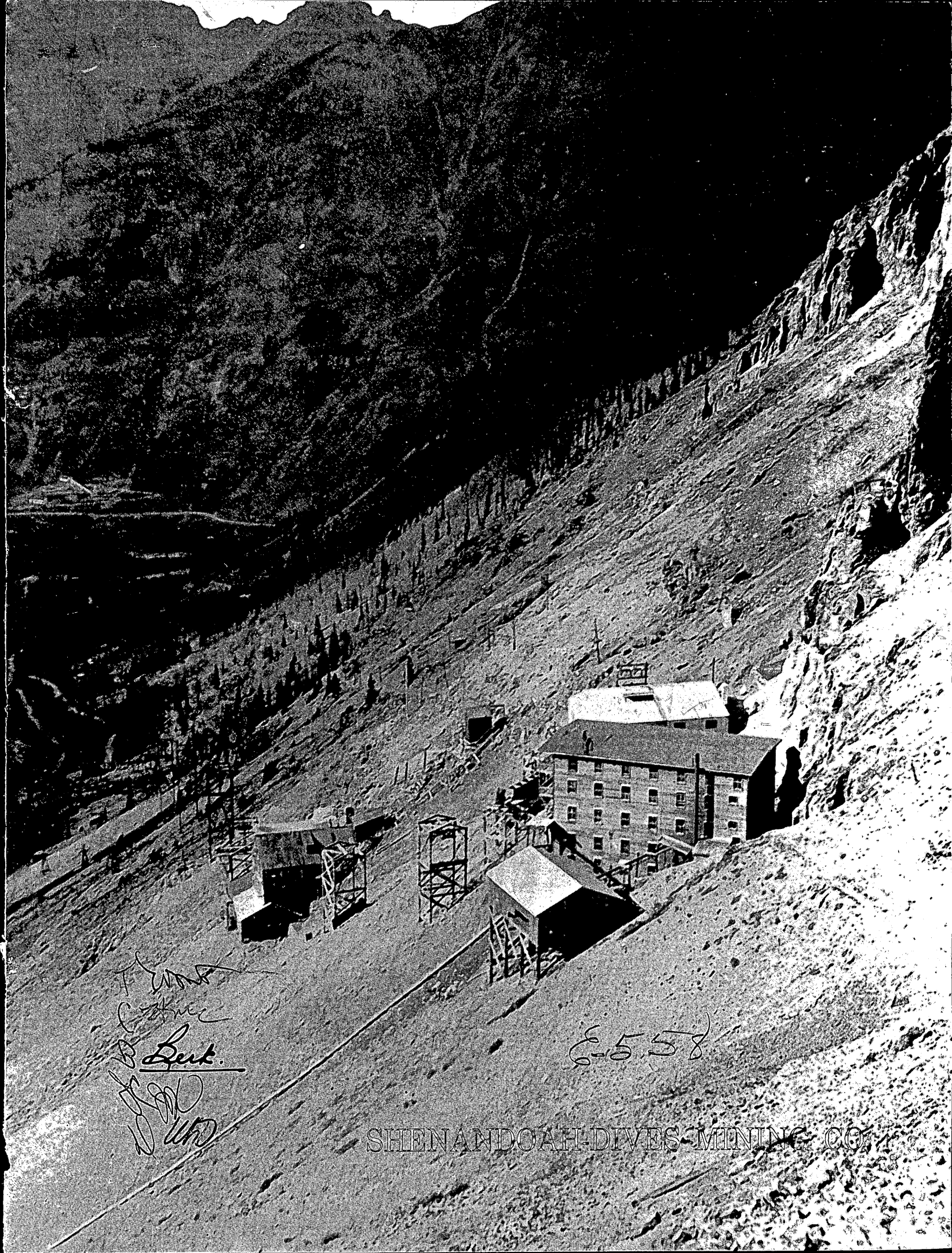

4177 370 Level
IF STRUCTURE AND ASSAYS DO NOT IMPROVE
CONSIDERABLY, DRIFTING WILL BE
DISCONTINUED AND CROSSCUT DRIVEN TO
LETTER G VEIN
E 4600
DRIFT
X-CUT
25
26
27
28
29
30
31
32
SHENANDOAH-DIVES MINING CO.
4177 Main - L
Scale 1" = 60'
24 Feb. 1953
E 4400
N 8200
N 8000
N 7800
N 7600


SHENANDOAH-DIVES MINING CO.

SHENANDOAH-DIVES MINING COMPANY

Executive Office – Finance Building, Kansas City, Missouri

Mining Property – Silverton, Colorado

Analysis and Report

I. Introduction: the state of the company

II. This is Shenandoah-Dives Mining Company

A presentation of the physical aspects of the company including a brief explanation of operations of mining and mill groups and tramway.

III. A Brief History of the Company's operation

How it was organized

Methods of operation

Products mined

Problems encountered

THE MINE GROUP BUILDINGS

Mine, Hotel Building,

Timber Shed–

Tram Terminal Buildings

I. Introduction
The State of the Company

The following is an analysis and report of the Shenandoah-Dives Mining Company of Colorado.

After nearly 28 years of operation, during which time more than 4,000,000 tons of ore having a gross value of more than $32,000,000 were extracted from the property, a huge potential still is available by development, providing additional, ample working capital is obtained to carry on.

At the present the operations at the mine and mill are suspended. The company has no outstanding liabilities of consequence. It has a fully equipped plant and facilities for carrying on a mining operation to mill 700 tons per day. It has an inventory of considerable supplies. It has upon call an operating staff personnel and skilled manpower ready to resume mining and milling. It has a mine with limited ore reserves, but available are vast exploration possibilities in an adjoining favorably leased property whose only outlet is through Shenandoah-Dives.

In addition to current assets of $86,198 as of June 30, 1954, the company has broken down ore reserves, on which operating expenses already have been paid, in the amount of 78,474 tons. The value of thi sasset is not reported in the balance sheet. Total liabilities, including $16,000 for contingencies, are $43,842.

The conservative estimate of the replacement value of Shenandoah-Dives Mining Company is a figure well above $3,000,000.

The sole capitalization consists of 3,500,000 shares of $1 par value common stock. There is no funded debt.

II. This is Shenandoah-Dives Mining Company

The Shenandoah-Dives Mining Company was incorporated under the laws of the State of Colorado in June, 1929. Capital stock, authorized and issued, 3,500,000 shares common stock, $1 per value.

General offlces of the company are located at 616 Finance Building, Kansas City, Missouri. Mine operations are near Silverton, Colorado.

The mine is located on King Solomon Mountain, approximately four miles east and one mile south of Silverton, San Juan County, Colorado. Surface claims on the main vein range from 11,000 to 13,275 feet above sea level.

Silverton is located on a branch of the narrow gauge D. & R. G. W. RR and is also served by truck and bus transportation. It is the main sub-station of the Western Colorado Power Company in San Juan County.

During the existence of the company, $928,761 has been invested in buildings, construction, and equipment. This includes the Mine Group, Mill Group, and Tramway.

The Mine

To reduce costs, it has been the company's plan to mine upward and compel gravity to reduce costs. There is no costly hoisting of ore and no pumping of water. Ore moves constantly downward until it reaches the bins at the mill in the valley two miles below.

Modern equipment was provided throughout the mine to handle large pieces of ore from the stopes, eliminating the usual costly practice of bulldozing. This modern method called for liberal chute openings, large and sturdy mine cars, and ample primary crusher. Ore is transported on an electrical railroad.

The heavy chunks of ore, blasted from the core of the high peak, are processed in the recesses of the mountain. Heavy crushers chew up to 80 tons per hour when breaking to ½ inch size. In successive operations the ore is pulverized to powder fineness.

The Mine Group, located two mile up Arrastus Gulch from the Mill Group, consists of a mine hotel building, timber shed, tram terminal buildings, and underground shops.

The hotel is a five-story building of frame construction with roof and sides insulated. It is steam heated. On the first level, there is a complete dining room and an all-electric kitchen as well as storage space for supplies. The Mine Staff offlces are located on the second level along with an employees commisary and recreation room. The third and fourth levels are sleeping quarters and baths for workers in the mine. The basement includes the heating plant and living quarters for the hotel employees.

A large timber shed provides ample space for mine timber storage and houses a carpenter shop and a complete electrical shop.

Underground, near the mine portal, there is a compressor room, blacksmith, and machine shop.

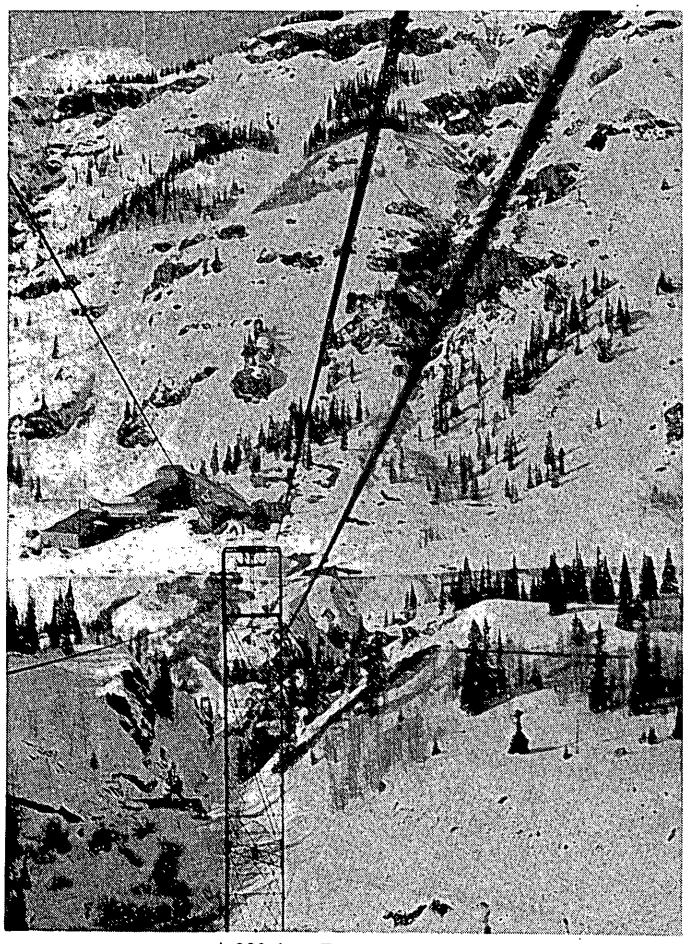
Total cost of the hotel building, timber shed, and mine and shop equipment, when built, was $274,926.

The Tramway

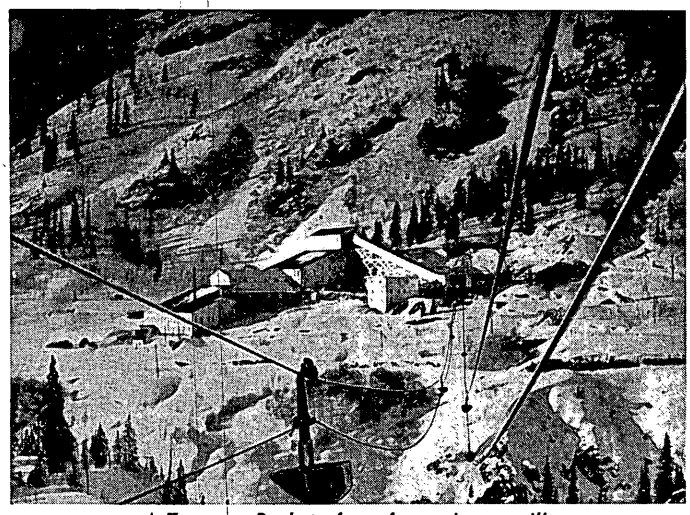
Transportation of the ore from the mine to the mill is down an aerial tramway, probably the finest ever erected in the Colorado area. It is 10,000 feet long and has a capacity of 80 tons per hour. The difference in altitude between upper and lower terminals is 1,400 feet. There are 47 buckets, each containing ¾-ton capacity and suspended from a 4-wheel truck. The buckets are equipped to attach or detach automatically from the traction cables at the terminals. Towers are designed with sufficient clearance to permit the handling of bulky freight.

In addition to moving the ore from mine to mill, the tram is used to transport supplies, bulky freight, ranging from timber to heavy motors, machinery and parts, and personnel.

The 200-foot steel towers are spaced to give maximum strength, service, and smooth and safe operation of the tram. Track cables are of 1¼-inch diameter and supported at each tower, forming a track on which the suspended buckets travel. The traction cable, which draws the buckets clamped to it, is of ⅞-inch diameter continuous steel cable. At the terminals, buckets are diverted from the cable to a monorail for loading and unloading.



A 200-foot Tramway Tower.



A Tramway Bucket of ore from mine to mill.

The Mill

Although originally intended to handle 300 tons of ore each 24 hours, the mill can handle 700 tons per day as a result of additions. Space is available for installing additional equipment.

The concentration methods employed are tabling and flotation. One step of the operation applies the old-fashioned pan prospecting method brought up to date. The Shenandoah "pan" is a device known as the Wilfley table which is vibrated by electric power.

The ore, ground to coarse-sand consistency, is fed in a film across the table top. Heavier, high-grade particles of gold and lead ride off the table edge into containers which are shipped to the smelters.

The flotation is used to separate the sulfides which are formed when the copper, zinc, and lead combine with the sulfur and separate from the worthless quartz.

The concentrate is trucked to Silverton and shipped by rail to Leadville, Colorado, and Amarillo, Texas.

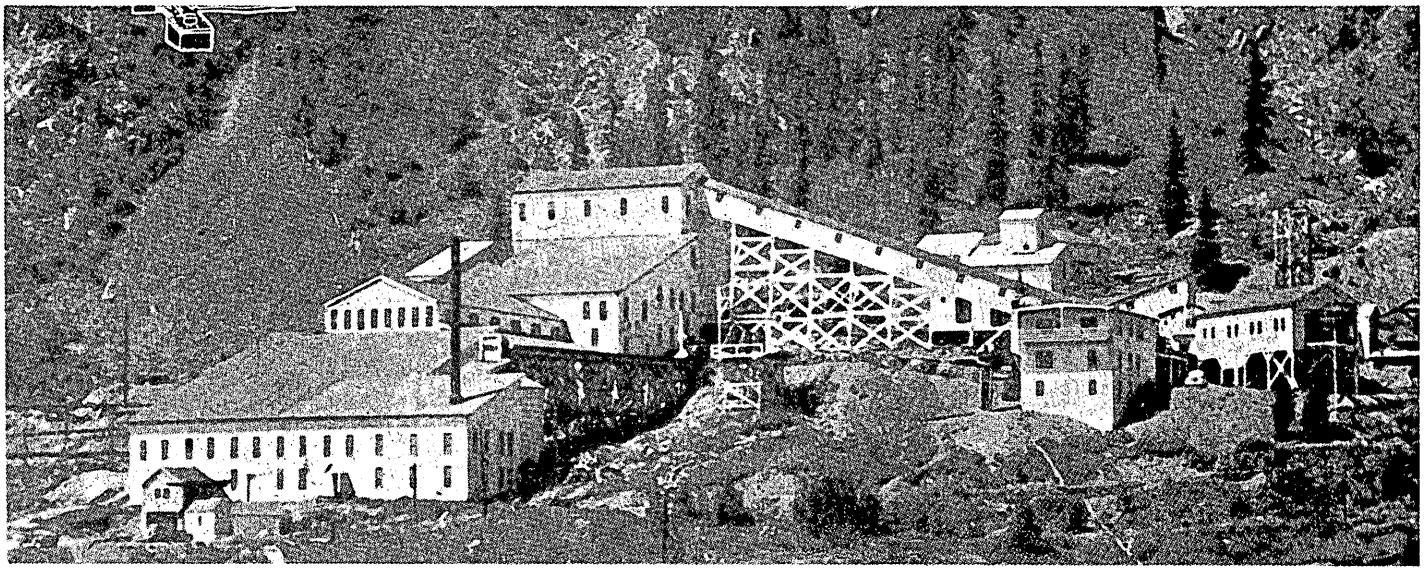
The Mill Group consists of the main mill building, adjacent sheds, office-laboratory building, and tram terminal building.

The main mill building houses the 700-ton capacity mill and equipment, while the adjacent buildings house the sampling plant, electric-sub-station, ore bins, and other equipment and supplies needed for mill operations. These buildings are of frame construction, insulated and steam heated.

Prior to the shut down in March 1953, the custom ore bins were enlarged and additional space provided to allow for large-scale custom ore operations.

Total cost of the Mill Group was $494,944.

The office and laboratory building is a 2½-story building of frame construction with roof and walls insulated and steam heated. A complete laboratory and assay office is on the first floor while executive offices are located on the second floor.



THE MILL GROUP
Main Mill Building and Sheds
Office-Laboratory Building
Tram Terminal Building

The office and laboratory building, equipped, cost $17,915.

Cost figures shown for the buildings and construction do not reflect any cost of land. Most of the present buildings were erected during the early 1930's when material and labor costs were low.

Equipment, tools, and much of the original installations have been replaced several times during the existence of the company. As new equipment and installations were made, the costs of the old equipment was charged out of the investment accounts.

III. A Brief History of The Company Operations

For nearly 75 years, gold, silver, lead and zinc—as well as numerous other metals—have been produced in varying amounts in the San Juan mountains of Colorado near Silverton. A number of claims were located on a well-defined vein that crossed King Solomon mountain. Prior to 1925, these claims paid out more than 3½ million dollars, mostly through a high-grade operation without mechanical concentration from rich surface ores.

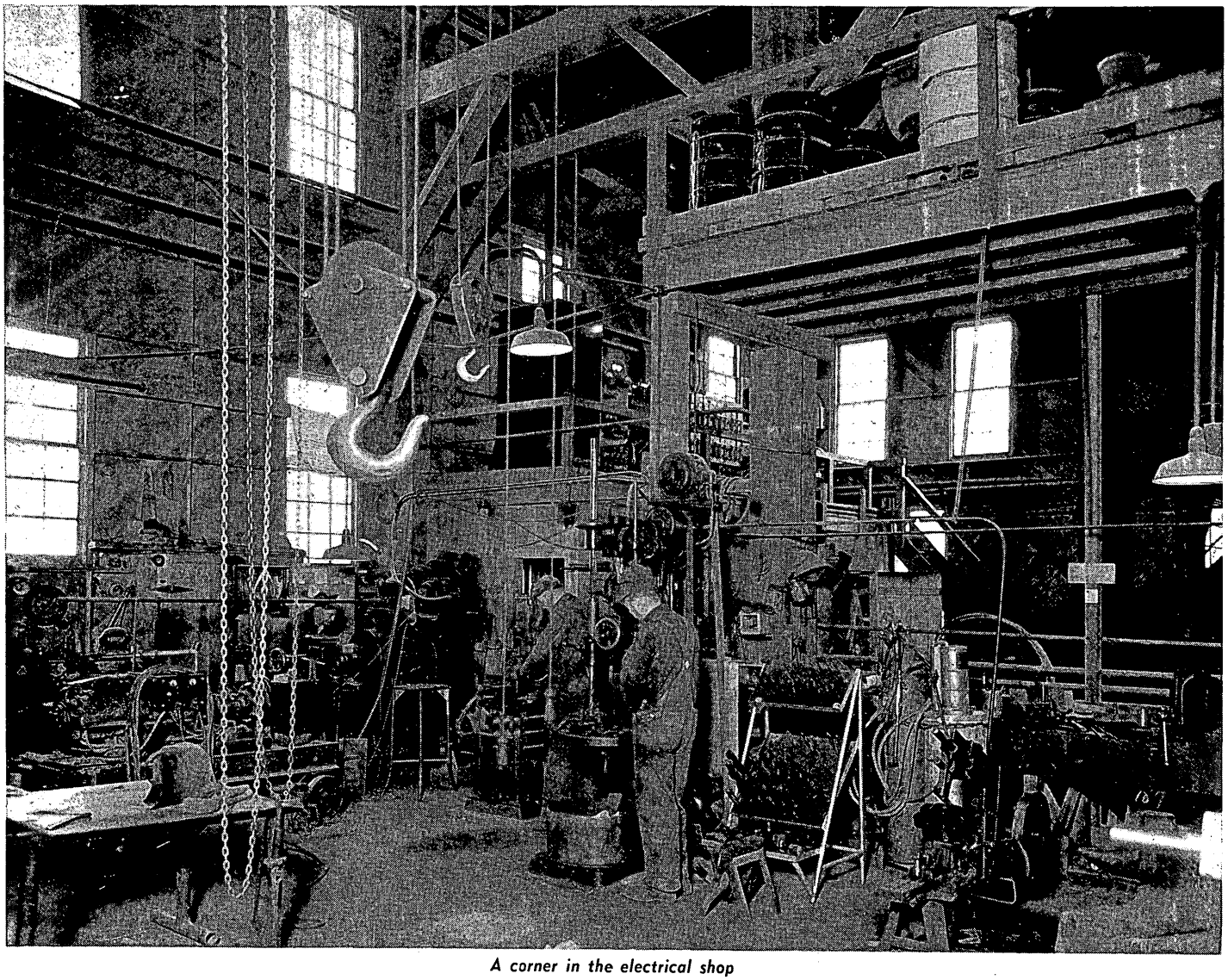
In 1925, a group of Kansas City businessmen became interested in the property and started to assemble tracts to do exploration work after privately investing their funds. By 1929, more than $1,200,000 of ore had been blocked out. Inasmuch as substantial capital would be required, it was decided to incorporate and start a mining venture. The company acquired 31 patented claims and 12 unpatented, covering a total of 316 acres. The Shenandoah-Dives Mining Company was chartered in July, 1929, and funds were raised through the sale of common stock and first mortgage bonds. A total of 3½ million shares of common were issued and $500,000 of seven per cent bonds.

The initial outlay for equipment was $700,000. By 1930, the total investment in property was $1,250,000. The plant was equipped and started mining, transporting, and milling with a 300-ton capacity mill during that year. Later additions more than doubled the original capacity of the mill.

It took seven years to pierce the mountain with a 1¼-mile tunnel. Actually the tunnel was started in 1926, prior to the start of the company's operations; however, it was not until 1933 that a second tunnel, started on the other side of the mountain, was connected.

At the mouth of the tunnel on the side nearer Silverton, a 5-story hotel was built to house the men employed in the mine. The hotel and mine were connected by a short underground passage that permitted men to work every day of the year in spite of snow slides and the severe winter cold of the high altitude.

When the organizers and developers of the company assembled the various properties, they realized it would require a large-scale operation with the latest type of equipment to keep down costs. So, Shenandoah-Dives was a carefully planned project. No considerable outlay was made for plant and equipment until the existence of a large amount of ore was determined through exploratory work. Once this was determined, steps were taken to develop a large tonnage and mine, transport, and mill it in the most efficient manner possible. Throughout the entire period of its operation, the company has consistently been among the lowest-cost operators in the field.



A corner in the electrical shop

But regardless of how low an operating cost, if the ore is not available because of inadequate working capital, or if the price of metals is below the level that will realize a return, there are several problems that must be surmounted. Although Shenandoah-Dives has had its share of difficulties, it stands today as one of the most modern mining properties in the nation.

Shenandoah-Dives took out nearly 4 million tons of ore with a total gross value of about 32 million dollars. In addition to its mining, the company milled a large additional tonnage obtained from other sources, including custom ore received from small producers in the area. In 1952, the last full year of operation, the company treated 94 per cent of all ore produced in San Juan County.

The American Smelting and Refining Company owns a large property known as the Silver Lake unit which is located at a considerable distance south of the Shenandoah-Dives property. The only outlet for ore in the Silver Lake unit is through the Shenandoah-Dives mine. The two companies worked closely for years. In association with American Smelting, the company drove a long crosscut from its main level to explore the Silver Lake property at greater depth. American Smelting did considerable exploration work and mined a substantial tonnage of ore. Eventually American Smelting discontinued operations and turned the property over to Shenandoah-Dives for operation under a lease agreement favorable to Shenandoah-Dives.

The source of ore for the mill has been from the Shenandoah and Silver Lake properties and by custom. The custom ore business has been very profitable to the company but because of low metal prices, possibilities for income from this source became restricted.

The period covered by the company's operations has been one of extremes in metal prices ranging from very

low during the depression years to comparatively high since the beginning of World War II up to the recent decline.

Earnings anticipated in 1929 at the time the venture was planned were not realized. Consequently no financial cushion or reserve was created for the large scale operation that was required to make the mine a paying proposition. The large operations, as found later, were started without a sufficiently safe ore reserve. Tonnage was necessarily increased as a means for survival. This created a situation that made any selection of ore as to value more difficult as the mine was crowded for maximum tonnage.

Development was difficult and costly as the productive areas were reached upward and eastward through a vertical height of more than 1,900 feet and a horizontal distance of about 7,100 feet from the portal of the main level.

The company did not have sufficient working capital to go ahead with the necessary exploration and block our reserves for future mining operations. In all, the major openings covered 90,484 feet and drill hole exploration totaled 22,850 feet—a total of 113,334 feet for development and exploration. These figures did not include nearly 3,000 feet completed in a joint participation with the government from June 15, 1953 to May 29, 1954. The expenditures for development work was well above $1,000,000, a figure much too low to provide for ample ore reserves. In 1951, a profitable year, the company spent only $52,507 for exploration, yet paid the government more than $150,000 in income taxes.

The mine has had some very productive years, as evidenced by the fact that from earnings and internal sources—depreciation and depletion—the property account was increased and $500,000 of first mortgage bonds were retired. The original bonds carried a seven per cent rate but these were extended and the interest rate reduced by the time they were cleared in 1951.

Since the closing of the mill in March 1953, the mining has ceased completely. In 1953 a contract was entered into with the government for the exploration of a 3,000-foot horizontal drift (straight level digging) and 500-foot raise (vertical digging). Under the contract, half of the estimated cost per foot was to be paid by the government. The development covered 2,988 feet up to the time work was suspended on May 29, 1954. Development work was started June 15, 1953. The company's cost on the project was $69,797. The government's participation was $70,407. The original contract calls for an estimated outlay of $211,900. The contract is under the program aimed to locate and activate mining of scarce materials. The loan is repayable on a royalty basis, if, as, and when production is started.

Following the resignation of the former president and former executive vice-president and upon election of a new executive head and policy-making committee, a complete survey was ordered on the property to be made by an independent firm of appraisers. The survey stated that it would take two months and an estimated cost of $25,000 to recondition the plant for processing ore.

The study further found a need for a regular program of development. If the mill operation is resumed it must be on the basis of exploration and development of some 2,000 feet of additional ore as a reserve.

The exploration work done under the government contract is in the area known as Letter G. It has produced "encouraging results," the survey said. But it adds that additional explorations are needed to create reserves before undertaking resumption of operations.

Continuing its findings on the Letter G vein exploration, the appraisers of the property said: "Unfortunately, there is very little data available or obtainable on which to judge the ore possibilities of the area along the Letter G vein. What records were left by the former operators as to the grade of ore, are in dollar values with no record as to the distribution of the values or the metal prices on which the values were computed. There are substantial workings scattered along the vein which reach moderate depths. Reports are available to the effect that large quantities of ore once considered too low in grade to mine are still in the mine. There is, of course, a large unexplored area between the bottom of the old workings and the present drift level.

With the type of ore and the grades found in the Shenandoah-Dives mine operation, a modest increase in metal prices and location and building up of reserves

Locomotive and Mine Cars

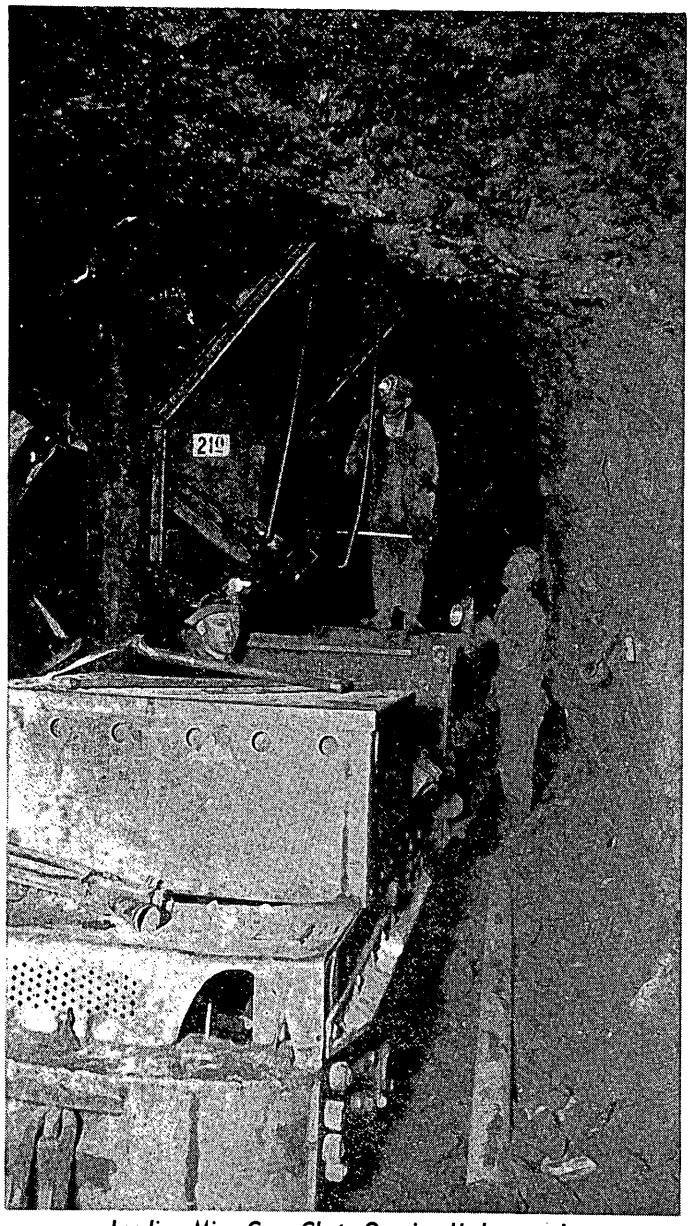
could return good earnings for a company with a per tonnage cost of less than $6.00.

The following table shows the number of tons of ore milled, the operating cost per ton and the average hourly wage for the last five years of full operation:

Year	No. of Tons	Cost per Ton	Average Wage
1952	149,804	$6.84	$1.82
1951	196,097	5.75	1.70
1950	202,947	5.32	1.56
1949	186,072	5.75	1.56
1948	165,283	5.78	1.52

In 1953 the mining was suspended in February. For the 2-month period, the average cost per ton on the 32,577 tons of ore milled was $6.10.

Of the total income of the company nearly half has come from gold. More than 12 million dollars of gold was produced. In the five years prior to 1953 the income from silver was almost as large as gold, with the value of the two metals aggregating nearly $3,100,000. Since 1944, the gold concentrate value has been declining while silver has increased. The market price of gold remained fixed at $35 an ounce, while silver pushed up from 71.1 cents to 90 cents an ounce.



Loading Mine Car—Chute Opening Underground.

Lead has been the largest single source of revenue in recent years. Since prices are down to the lowest level since 1946 this has been a factor in the reduced earnings. A matter of a few cents a pound could mean the difference between a good profit and a loss since a substantial tonnage of lead has been taken from the property, leased and owned. There still are large lead deposits in the area. In 1952, the lead concentrates totaled $724,000 on a market of 16.3 cents a pound, and in 1951, when lead was 17.5 cents a pound, the value was $861,000.

The situation in copper again emphasises the importance of market price. When copper rose from 21.9 cents in 1950 to 24.5 cents for 1951 and 1952 the concentrate value jumped appreciably as production was stepped up. The income from copper averaged about $67,000 a year for the ten years prior to 1950, while in the 3-year period (1950-1951 and 1952) the average was $220,000.

In recent years the income from zinc has picked up, producing a far greater total than in the early years of the mine's operations.

The net concentrate value and production breakdowns, by groups, follow:

	Value	Weight
Gold	$12,075,000	389,000 oz.
Silver	4,370,000	6,508,000 oz.
Lead	4,994,000	52,487,000 lbs.
Copper	2,619,000	21,040,000 lbs.
Zinc	2,223,000	22,545,000 lbs.

The following table shows the metal concentrates, by groups, the production, prevailing average market price and total value, for the ten years prior to 1953. Less than three months' operations were contained in the 1953 year, and the totals were not included in the following.

GOLD

Year	Ounces	Price	Value
1952	6,390.212	35.00	$223,657
1951	8,232.101	35.00	288,123
1950	10,424.341	35.00	364,851
1949	8,820.227	35.00	308,707
1948	11,241.154	35.00	393,440
1947	15,534.645	35.00	543,711
1946	11,940.788	35.00	417,927
1945	17,238.189	35.00	603,336
1944	24,469.580	35.00	856,435
1943	17,526.008	35.00	613,410

SILVER

Year	Ounces	Price	Value
1952	224,621	.900	$202,159
1951	325,522	.901	293,343
1950	408,819	.900	367,937
1949	417,087	.900	375,378
1948	302,685	.900	272,416
1947	167,233	.900	150,509
1946	131,095	.886	116,204
1945	142,967	.711	101,664
1944	127,980	.711	91,006
1943	164,250	.711	116,798

LEAD

Year	Pounds	Price	Value
1952	4,453,476	.163	$724,346
1951	4,920,379	.175	861,088
1950	3,284,666	.134	441,756
1949	2,866,742	.150	430,114
1948	2,198,225	.183	402,796
1947	1,880,507	.147	277,247
1946	2,234,240	.094	210,125
1945	2,258,893	.065	146,828
1944	2,195,567	.065	142,711
1943	1,848,251	.065	120,136

COPPER

Year	Pounds	Price	Value
1952	1,062,855	.245	$260,399
1951	1,046,216	.245	256,322
1950	658,476	.219	144,592
1949	415,345	.187	77,832
1948	336,966	.225	75,694
1947	274,864	.213	58,410
1946	406,885	.150	60,984
1945	404,047	.120	48,485
1944	326,270	.120	39,152
1943	429,837	.120	51,580

ZINC

Year	Pounds	Price	Value
1952	1,523,520	.1608	$244,871
1951	1,838,877	.1799	330,722
1950	1,731,943	.1384	239,752
1949	1,152,109	.1171	134.942
1948	829,017	.1430	118,567
1947	1,327,400	.1050	139,377
1946	1,666,754	.0881	146,846
1945	1,602,004	.0825	132,165
1944	1,052,487	.0825	86,830
1943	801,729	.0825	66,142

Year	Total Value
1952	$1,655,434
1951	2,029,599
1950	1,558,890
1949	1,326,975
1948	1,262,914
1947	1,169,256
1946	952,088
1945	1,032,479
1944	1,216,136
1943	968,068

The 10-year income account record of the company showing gross revenues and net income after provision for depletion, depreciation, taxes and bond interest, the latter being eliminated in 1951:

Year	Gross Income	Net Income
1953	$ 266,579	$d 154,976
1952	1,901,990	84,020
1951	2,106,288	245,864
1950	1,255,913	d 28,523
1949	1,264,014	d 158,902
1948	1,452,794	d 12,287
1947	1,225,734	17,174
1946	928,930	d 54,424
1945	853,183	16,521
1944	1,064,934	164,221

d - deficit

The 1953 report reflected the shutdown of the mine in the first quarter so the only revenues came in that period. Operating expenses for the first quarter exceeded gross revenues by nearly $30,000. In the last nine months of 1953 the deficit was about $120,000, including depreciation and depletion charges of nearly $17,500, and development expense of $52,798 in connection with the Letter G operation.

The company has undertaken drastic economics, and further retrenchment is planned to conserve the remaining assets. Since June 1, 1953 the secretary-treasurer is the only salaried officer of the company, the other officers, all representing large holdings in the company, are devoting their time without compensation. The directors and executive committee members have been serving without fees since mining operations were suspended in March 1953. Mine equipment is being maintained on a standby basis since exploration work was halted on May 29, 1954. For insurance protection a caretaker is living on the premises.

The company's claim for a refund from the government on a portion of the income taxes due for 1952 has been satisfied following application for a refund. The payment of $20,961 was made in March, 1954 and

at the same time the request for an abatement of the balance that was due also was approved by the Internal revenue department.

Since there is no income, except for a modest amount of interest on government securities owned, the deficit has continued. Including depreciation and depletion, the reported net loss for the six months ended June 30, 1954 was $72,648. More than half of the period's expenditures was due to exploration work in connection with the company-government participation contract. The deficit in the surplus account was increased by only $17,854 during the six months of 1954.

The June 30 balance sheet showed a decrease of $41,139 in net working capital from the start of 1954. This reflected payment of $34,211 in development work on the Silver Lake property as well as tramway expense, salaries and expenses at Silverton and the Kansas City office. Net current assets were $86,198, a decrease of $42,592 from December 31, 1953. Current liabilities were $27,842, a decrease of $1,453 for the 6-month period. The cash account was implemented by the refund of taxes paid on 1952 income taxes. Government securities were reduced from $49,000 to $16,000 during the six months.

The balance sheet shows total fixed assets, after reserves for depletion and depreciation, of $3,143,225. Buildings and equipment which had a cost of nearly $930,000 are carried on the books at a net figure of $108,111.

The comparative unaudited balance sheet as of June 30, 1954 and December 31, 1953, follows:

SHENANDOAH-DIVES MINING COMPANY
COMPARATIVE BALANCE SHEET JUNE 30, 1954 AND DECEMBER 31, 1953

ASSETS

	June 30 1954	December 31 1953
CURRENT ASSETS:		
Cash	$ 12,633.52	$ 11,634.19
U. S. Securities	16,000.00	49,000.00
Accounts Receivable	1,318.75	7,638.17
Inventories	56,245.57	60,517.34
Total Current Assets	$ 86,197.50	$ 128,789.70
OTHER ASSETS:		
Colo. Insurance Fund Deposit	$ 3,500.00	$ 3,500.00
Deferred Charges	67,425.23	72,546.17
FIXED ASSETS:		
Land, claims	$3,813,132.44	$3,813,132.44
Less Reserves	778,017.82	778,017.82
Net land, claims	$3,035,114.62	$3,035,114.62
Building, Equipment	932,376.33	932,376.33
Less Reserves	824,265.56	819,486.76
Net Buildings, Equipment	$ 108,110.77	$ 112,889.57
Total Fixed Assets Less Reserves	$3,143,225.39	$3,148,004.19
TOTAL ASSETS AND DEFERRED CHARGES	$3,300,348.46	$3,352,840.06

NOTE: The company does not include in its inventory any value for ores broken but not actually extracted from the mine.

LIABILITIES

	June 30 1954	December 31 1953
CURRENT LIABILITIES:		
Accounts Payable	$ 1,688.54	$ 4,298.87
Accrued Payroll	————	3,341.53
Accrued Taxes: Property - Payroll	26,153.83	21,654.58
Total Current Liabilities	$ 27,842.37	$ 29,294.98
OTHER LIABILITIES:		
Accrued Federal Income Tax 1952		$ 33,184.54(*)
Reserve for contingencies	$ 16,000.00	$ 16,000.00
Total other liabilities	$ 16,000.00	$ 49,184.54
CAPITAL:		
Capital stock, common, authorized and outstanding	$3,500,000.00	$3,500,000.00
Capital Surplus	365,190.40	365,190.40
	$3,865,190.40	$3,865,190.40
EARNED SURPLUS - (DEFICIT)	$ 608,684.31	$ 590,829.86
TOTAL LIABILITIES AND CAPITAL	$3,330,348.46	$3,352,840.06

* Claim for abatement of this accrued 1952 Federal Income Tax has been approved by the Treasury Department.

OFFICERS AND DIRECTORS

OFFICERS:

B. F. STAPLETON, JR. ..... *President*
WILLIAM C. LUCAS ..... *Executive Vice-President and General Counsel*
M. R. HISTED ..... *Vice President*
E. B. KANE ..... *Secretary and Treasurer*

DIRECTORS:

HARRY BROUD,
Special Agent, Northwestern Mutual Life Insurance Co
Kansas City, Missouri

HERBERT C. CAMPBELL
Investments
Kansas City, Missouri

CHARLES A. CHASE
Mining Engineer
Denver, Colorado

FRANK J. DEAN, SR.
President and Managing Director
Hotel President
Kansas City, Missouri

DONALD R. ELBEL
Elbel Construction Co.
Kansas City, Missouri

M. R. HISTED
Vice-President, Shenandoah-Dives Mining Co.
Kansas City, Missouri

LAWRENCE KITTLE
Executive Vice-President—Ash Grove Portland Lime & Cement Co.
Kansas City, Missouri

WILLIAM C. LUCAS
Attorney at Law, Johnson, Lucas & Bush
Kansas City, Missouri

EARL W. PRICE
Vice-President—Stern Brothers
Kansas City, Missouri

BENJAMIN F. STAPLETON, JR.
Attorney at Law—Ireland, Ireland, Stapleton & Pryor
Denver, Colorado

LESTER T. SUNDERLAND
Chairman, Executive Committee
Ash Grove Portland Lime & Cement Co.
Kansas City, Missouri

ALBERT THOMSON
Attorney at Law—Davis, Thomson, VanDyke & Fairchild
Kansas City, Missouri

224 New Customhouse
Denver 2, Colorado

March 26, 1958

Mr. Ed Larson
Marcy-Shenandoah Company
P. O. Box 247
Silverton, Colorado

Dear Mr. Larson:

Enclosed are the copies of the DMEA application forms you requested by telephone today. Four complete copies of the application should be submitted to DMEA, the fifth is for your files.

In our telephone conversation, you indicated that the work was to be performed on the same land subordinated under Docket No. 2991, Contract No. Idm-E558, Shenandoah-Dives Mining Company. Also, that at least a part of the work you are contemplating proposing is the same as a portion of the work remaining uncompleted under Contract No. Idm-E558.

If the above facts are correct, it appears likely that if additional work is approved, it would be necessary that it be made a part of Contract Idm-E558, since the agreement terminating that contract contained provisions of a pseudo-certification in the event of subsequent production from the property.

Very truly yours,

Original signed by
E. N. HARSHMAN
E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III

Enclosures
JWT:jy
cc: Chm. Op. Comm. (2)
Harshman
DMEA,DFC
Corres. E558
Townsend
Chron.

224 New Customhouse
Denver 2, Colorado

December 3, 1957

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Visit to this office by Mr. Tomlin

Mr. S. Stokes Tomlin, Jr., President of the Marcy-Shenandoah Corporation, called at this office today and discussed the possibility of DMEA work in the Silverton area. Mr. Tomlin has ideas and possibly plans for extensive development work in that area.

During our conversation, it was disclosed that he will be in Washington, D.C., on or about the 17th of December. Since Mr. Tomlin's ideas embraced such an extensive development program, it occurred to us that a discussion with you might influence his thinking to a considerable degree. Therefore, we suggested that he call upon you while in Washington.

Original signed by
W. H. KING

W. H. King

cc: Mr. S. Stokes Tomlin, Jr.
Marcy-Shenandoah Corporation
Jarvis Building
Durango, Colorado

WHK:prl

cc: Subject ✓
Chron.

224 New Customhouse
Denver 2, Colorado

February 1, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

From: DMEA Field Team, Region III

Subject: Docket No. DMEA 2991 (Lead-Zinc-Copper), Contract No. Idm-8558, Shenandoah-Dives Mining Company (Silver Lake mine), San Juan County, Colorado - FINAL REPORT.

Enclosed are the original and three copies of a joint final engineering and geologic report, dated January 1957, pertaining to work completed under the subject contract, by D. H. Richter, Geologist, Geological Survey, and C. M. Harrer, Mining Engineer, Bureau of Mines; and transmittal thereof from E. N. Harshman and John F. Shaw, dated January 25, 1957.

The original and one copy of the Operator's final report were forwarded to the Washington Office by memorandum of February 10, 1956.

The contract was terminated by a Termination Agreement, dated September 9, 1955, which was made effective May 29, 1954, before completion of the entire amount of work provided for in the contract.

The exploration work completed consisted of 2,799.5 feet of drifting and crosscutting, at a total accepted cost of $140,814.85, toward which the Government contributed 50%, or an amount of $70,407.43.

Final payment to the Operator was processed by this office November 8, 1955 in conformance with the Report of Review of reported project costs by the Contract Administration and Audit Division, DMEA, dated October 26, 1955.

Provision for the repayment of the amount of the Government's contribution to the costs of the exploration work by royalty on production from the property was incorporated in the Termination Agreement, which, in effect, constitutes a pseudo Certification.

Original signed by
W. M. TRAVER

W. M. Traver

Original signed by
E. N. HARSHMAN

E. N. Harshman

JWT:prl
cc: Final Report file } w/copy of Joint
Region III } Engr. & Geol. Report and Operator's Final Report.
Harshman (2) } w/copy of Joint Engr. &
Shaw (2) } Geol. Report.
Townsend
Corresp. file
Chron.

MELVIN BRUGGER
MINING ENGINEER
COLORADO SPRINGS

Monticello Utah
May 8 1956

Mr. Wm. Travers
3050 Ohm Way
Denver 9 Colorado

Dear Bill:

I am in receipt of a letter from Fred Searls Jr. (Newmont Mining Corporation) in which he states that they are not interested in acquiring the Shenandoah-Dives. That they have investigated the the situation several times and concluded that Chase was a better opperator than they, and that he broke his heart on it. I took it up with Mr. Searls rather than going thru Johnnie Wise.

Has Mac left for Brazil?

Regards,

Melvin Brugger

Melvin Brugger

FI 558

224 New Customhouse
Denver 2, Colorado

February 10, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 2991 (Lead-Zinc-Copper), Contract Idm-2358
Shenandoah-Dives Mining Company, San Juan County, Colo.

In compliance with the "Special Notice" instructions contained in the "Minutes, Operating Committee," No. 622, dated January 27, 1956, we are enclosing the original and one copy of the Operator's Final Report.

The Field Team's Final Report will be forwarded as soon as the engineering and geologic sections are available.

W. M. Traver

W. M. Traver

Enclosures

JWT:prl
cc: Harshman
Shaw
Townsend
Corres. file
Chron.

224 New Customhouse
Denver 2, Colorado

January 4, 1955

Mr. F. V. Richard, Manager
American Smelting & Refining Co
Western Mining Department
600 Pacific National Life Bldg.
Salt Lake City 1, Utah

Re: Docket DMEA-2991 (Lead-Zinc-Copper)
Contract Idm-E558, Shenandoah-Dives
Mining Co., San Juan County, Colo.

Dear Mr. Richard:

Reference is made to your inquiry of January 3, 1956 regarding a Certification of Discovery on the captioned contract.

The contract was certified by a Termination Agreement dated September 9, 1955. For your information and files a photo copy of this Termination Agreement is attached.

Very truly yours,

W. M. Traver

W. M. Traver
Executive Officer, DMEA
Field Team, Region III

Encl.
WMT:bh
cc-Harshman
Shaw (2)
Townsend
Corres. File E-558
Chron.

AMERICAN SMELTING AND REFINING COMPANY
WESTERN MINING DEPARTMENT

F. V. RICHARD, MANAGER
W. R. LANDWEHR, CHIEF GEOLOGIST
NORMAN WEISS, MILLING ENGINEER

600 PACIFIC NATIONAL LIFE BUILDING
SALT LAKE CITY 1, UTAH

DMEA
Date Rec'd.
JAN 4 1956
BUREAU OF MINES
Denver, Colorado

January 3, 1956

Mr. W. M. Traver, Executive Officer
Defense Minerals Exploration Administration
224 Customhouse
Denver 2, Colorado

SILVER LAKE UNIT
DOCKET NO. DMEA 2991

Dear Mr. Traver:

On June 23, 1953, a DMEA exploration contract was granted to Shenandoah-Dives Mining Company for certain work on the Silver Lake Unit of American Smelting and Refining Company. As I understand it, this project was abandoned by the Mining Company before it had been completed. Can you tell me if a discovery was certified as a result of the work done before the project was abandoned.

Very truly yours

F. V. Richard

F. V. RICHARD

224 New Customhouse
Denver 2, Colorado

November 8, 1955

Memorandum

To: John F. Shaw

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 2991 (Lead-Zinc-Copper), Contract Idm-E558, Shenandoah-Dives Mining Company, San Juan County, Colo.

Enclosed is a copy of the Operator's Final Report pertaining to work completed under Contract Idm-E558.

When the report has served your needs, please return it to this office.

W. M. Traver

By J. W. Townsend
J. W. Townsend

Enclosure

JWT:prl
cc: Barshman
Townsend
Corres. file
Chron.

DMEA
Date Rec'd.
OCT 27 1955
BUREAU OF MINES
Denver, Colorado

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

224 New Customhouse
Denver 2, Colorado

October 27, 1955

RDB. Berk
HW.C. Ave
J.C.

Memorandum

To: W. M. Traver, Executive Officer, DMEA Field Team, Region III

From: T. H. Brading, Auditor

Subject: Report of Review - Shenandoah Dives Mining Company
Contract Idm-E558, Docket No. DMEA-2991

Enclosed is your copy of Report of Review for Shenandoah Dives Mining Company covering subject contract for the months of July, 1953 to May, 1954, inclusive.

Encl.

T H Brading
T. H. Brading, Auditor.

Correspondence E 558

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Shenandoah Dives Mining Company
Silverton,
Colorado

pertaining to Exploration Project Contract No. Ida-2558, Docket No. DMEA-2991, including Amendment No. 1, and termination agreement dated September 9, 1955, for the months of July, 1953 to May, 1954, inclusive, covering a project for the exploration of Lead, Copper and Zinc on property known as Little G Vein, Silver Lake Mine, located in San Juan County, Colorado.

My review included an examination of the Monthly Reports (Form MP-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, consultation with the Executive Officer, DMEA Field Team, and a determination of the reasonableness and propriety of the costs.

This review was made in lieu of a final audit of the Operator's accounts and records for the following reasons:

> All of the costs incurred were under a contract provision for payment by the Government on the basis of agreed estimated costs of units of work actually performed.

The review disclosed the following facts in regard to the amount paid or to be paid the contractor:

Total cost as billed by Contractor		$140,814.85
Exceptions:		
By DMEA Finance Officer	$0.00	
Herewith	0.00	0.00
Total Accepted Cost		$140,814.85

The contract calls for a 50 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Seventy thousand, four hundred seven, and 43/100ths Dollars

** $70,407.43 **

is considered valid and proper, provided that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

October 26, 1955

T. H. Bradley, Auditor.

224 New Customhouse
Denver 2, Colorado

October 17, 1955

Mr. Benjamin F. Stapleton, Jr.
c/o Ireland, Ireland, Stapleton and Pryor
Attorneys and Counselors at Law
420 Denver Club Building
Denver 2, Colorado

Re: Docket DMEA 2991
(Lead, Zinc, Copper),
Contract Idm-E558

Dear Mr. Stapleton:

As provided in Article 5(b) of the contract form, NP-200(A), Exploration Project Contract Idm-E558, your company is obligated to prepare and submit five copies of a final engineering and geologic report covering all work completed under the project. Until we have received this report and clearance from the Contract Administration and Audit Division, we will continue to withhold the $500.00 which was deducted from your May, 1954, progress report and voucher.

Very truly yours,

Burk

for W. M. Traver
Executive Officer, DMEA
Field Team, Region III

WMT:pl
cc: Chairman, Oper. Comm. (3)
Hardman
Shaw (2)
Townsend
Corres. file
Chron.

224 New Customhouse
Denver 2, Colorado

October 12, 1955

Memorandum

To: Chairman of the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 2991 (Lead, Zinc, Copper), Contract Idm-E558, Shenandoah-Dives Mining Company, Letter "G" vein, San Juan County, Colorado

Enclosed are the Government's, Division, and Docket copies of the Termination Agreement that have been signed by Benjamin F. Stapleton, Jr., President, Shenandoah-Dives Mining Company. Other copies have been distributed in the usual manner.

W. M. Trever

By J. W. Townsend
J. W. Townsend

Enclosures

WMTwpri
cc: Christensen
Kershman
Shaw (2)
Townsend
Assnd. file
Corres. file
Chron.

} w/copy of Agreement

224 New Customhouse
Denver 2, Colorado

October 12, 1955

CERTIFIED MAIL

Mr. Benjamin F. Stapleton, Jr.
c/o Ireland, Ireland, Stapleton and Pryor
Attorneys and Counselors at Law
420 Denver Club Building
Denver 2, Colorado

Re: Docket DMEA 2991,
(Lead, Zinc, Copper),
Contract Idm-E558

Dear Mr. Stapleton:

Enclosed is your copy of the Termination Agreement to Contract Idm-E558.

Very truly yours,

W. M. Traver
Executive Officer, DMEA
Field Team, Region III

By J. W. Townsend
J. W. Townsend

Enclosure

WMT:prl
cc: Barshman
Shaw (2)
Townsend
Curran, file
Chron.

CLARENCE L. IRELAND
GAIL L. IRELAND
BENJAMIN F. STAPLETON, JR.
WILBUR M. PRYOR, JR.

JOHN S. KELLOGG
WILLIAM B. NAUGLE
WILLIAM K. FECHNER

IRELAND, IRELAND, STAPLETON & PRYOR
ATTORNEYS AND COUNSELORS AT LAW
DENVER CLUB BUILDING
DENVER 2, COLORADO

DMEA
Date Rec'd
OCT 10 1955
BUREAU OF MINES
Denver, Colorado

October 8, 1955

Defense Minerals Exploration Administration
Department of the Interior
New Customshouse
Denver, Colorado

E558

Attn: Mr. Traver

In Re: Shenandoah-Dives Mining Co.
Docket No. DMEA-2991

Gentlemen:

I am forwarding herewith all of the copies of the Termination Agreement dated September 9, 1955 between the United States of America and the Shenandoah-Dives Mining Company. I would appreciate it if you would forward to us our copy of this Termination Agreement.

On behalf of the Company may I express our deepest appreciation for the interest and cooperation of the Defense Minerals Exploration Administration in the Shenandoah-Dives Mining Company and the community of Silverton, Colorado.

As you know, we are in the process of selling the assets of the mine and it is hoped that your past interest in the mine and in Silverton will continue with the new operation. We will, of course, give them and you every possible assistance in the hope that mining may again be carried out in the Silverton area.

At your convenience, we would appreciate it if the $500. due our company was returned to us.

Yours very truly,

IRELAND, IRELAND, STAPLETON & PRYOR

Benjamin F. Stapleton, Jr.

Benjamin F. Stapleton, Jr.

BFS:jt
encs.

Correspondence File E558
WAD

DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

September 21, 1955

Memorandum

To: Chairman of the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 2391 (Lead-Zinc-Copper), Contract No. 14s-2558, Shenandoah-Dives Mining Company (Letter "g" Vein Project), San Juan County, Colorado

#2

Returned herewith are all copies of an Amendment to the subject contract which were not executed by the contractor and accordingly should be voided. The owner's Consent to Lien Forms which were attached were forwarded to the contractor for signature and not returned.

W. M. Trever

W. M. Trever

Enclosures

WMT:prl
cc: Chmn (2)
Hartman
Townsend
Subj. Corres.
Chron.

Berk.

DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

September 21, 1955

Mr. Benjamin W. Stapleton, Jr.
c/o Ireland, Ireland, Stapleton and Pryor
Attorneys and Counselors at Law
420 Denver Club Building
Denver 2, Colorado

Re: Docket No. DMEA 2991 (Lead-Zinc-Copper), Contract No. Idm-E558, Shenandoah-Dives Mining Company, (Letter "G" Vein Project), San Juan County, Colorado

Dear Mr. Stapleton:

This will confirm my delivery to you this morning of the Government's, Division, Docket, Finance Office, and Field Team's copies of a Termination Agreement covering the subject contract. These are for the consideration of your corporation's Board of Directors and their instructions to you regarding signature.

After all five forms are properly executed by your signature as President and the corporate seal affixed, please return them to me and the Operator's copy will be forwarded to you for attachment to your contract.

It is doubtful if, under the circumstances as you explained them to me, the Administrator would look with favor on another extension of the contract.

Very truly yours,

W. M. Traver

W. M. Traver
Executive Officer
DMEA Field Team
Region III

Berk.

WMT:prl
cc: Shaw (2)
Harshman
Secretary, Oper. Comm. (2)
Townsend
Subj. Corres.
Chron.

UNITED STATES 500
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

DMEA
Date Rec'd.
SEP 15 1955
BUREAU OF MINES
Denver, Colorado

SEP 12 1955

Mr. W. M. Traver
Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-2991 (Lead-Zinc-Copper)
Shenandoah-Dives Mining Company
(Letter "G" Vein Project)
San Juan County, Colorado
Contract No. Idm-E558

Dear Mr. Traver:

With reference to your memorandum of August 18, we are enclosing the original and five copies of an agreement for mutual termination of the cited contract.

If it meets with your approval, kindly present it to the attorney for the Operator for signature and, when completed, distribute the copies in the usual manner. Otherwise, all copies should be returned to us with your comments.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

Enclosures

APPROVED:

Member, Bureau of Mines

H. E. Nelson
Member, Geological Survey

Death Claims Chase; State Mining Leader

Charles Albert Chase, 78, of 1470 Grant St., lately of Silverton, Colo., and one of Colorado's leading mining men, died Wednesday morning at his home after a long illness.

Chase

Services will be held at 11 a. m. Friday in Olinger mortuary, Speer Blvd. and Sherman St. Burial will be in Green Mountain cemetery in Boulder. Survivors requested that no flowers be sent.

Chase was born Nov. 4, 1876, in Hartford, Wis., but spent his early life in the roaring mining community of Georgetown, Colo. He attended the University of Colorado and was graduated with a bachelor of philosophy degree in 1898.

WAS SURVEYOR

He served as surveyor, general superintendent, consulting engineer and finally manager of the Liberty Bell Gold Mining Co., at Telluride, Colo., from 1899 to 1924.

At the same time he was consulting engineer for the U. S. and British Columbia Mining Co.; associate general manager of the Mogul Mining Co. in Terry, S. D.; consulting engineer of the Aztec Mine of Maxwell Land Grant Co., in New Mexico; manager of Primos Exploration Co., at Empire, Colo., and consulting engineer for mining interests in southern Mexico.

In 1925 he helped start the Shenandoah-Dives Mining Co., at Silverton, Colo., and was general manager and executive vice president until 1953.

For a good many years Chase was chairman of the board of the Colorado state metal mining fund, a state-sponsored agency for aiding and stimulating the mining industry in Colorado. He was a leader in the establishment of the cooperative state and federal geological mining survey of Colorado.

Chase was an honorary president of the Colorado Mining Assn., a member of the board of governors of the American Mining Congress; past chairman of the Colorado section of the American Institute of Mining Engineers; past president of the Colorado Scientific Society, and a member of the University club of Denver.

He was author of many articles in leading mining publications.

He is survived by his widow, Ruth, of Denver; a daughter, Mrs. Elizabeth Wilson of Houston, Tex.; three sons, Hamilton of Old Greenwich, Conn.; David of Lima, Peru; Charles H.. of Denver, and five grandchildren.

File
Contract Adm-E 558

Post 9-1-55

25A New Customhouse
Denver, Colorado

August 18, 1955

Memorandum

To: Chairman of the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 2991 (Lead, Zinc, Copper), Contract Idm-E558, Shenandoah-Dives Mining Company, San Juan County, Colorado

This acknowledges your letter of August 5, 1955 in which you asked for information on the status of exploration project work under Contract Idm-E558. Undoubtedly, on the date of your letter you had not received the Field Team's memorandum of August 2, 1955, which described in some detail the "dead center" status of this project.

We have repeatedly tried to contact Ben W. Stapleton, Jr., President, by both letter and telephone, but he refuses to return telephone calls or reply to letters so that we have been unable to ascertain their intentions. We will continue our efforts and attempt to obtain consideration of a Termination by Agreement. However, we believe that a letter direct to Mr. Stapleton over the Administrator's signature might produce results more promptly. We recommend that your office prepare Termination by Agreement documents and send them direct to Stapleton for signature, or if you prefer, send them to us and I will make a personal call at his office in an attempt to obtain signature, his reasons for noncompliance, or suggestions he may have for other procedure.

W. M. Trover

W. M. Trover

WLD:dja

cc: Harshman
Shaw (2)
Townsend
Corresp. E558
Chron

Home file

Berk

500

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

DMEA
Date Rec'd
AUG 16 1955
BUREAU OF MINES
Denver, Colorado

Mr. W. M. Traver
Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

AUG - 5 1955

Re: Docket No. DMEA-2991 (Lead-Zinc-Copper)
Shenandoah-Dives Mining Company
Letter "G" Vein Project
San Juan County, Colorado
Contract No. Idm-E558

Dear Mr. Traver:

We presume you have had no satisfactory reply to your letter of June 16, to Mr. Benjamin W. Stapleton, Jr., referring to the Owner's Consent to Lien which applies to the cited contract.

Our records show that no work was done on this project since May of 1954. We do, of course, have projects in recess which have been idle for a longer period of time than this. However, in this particular case, we do not seem to be able to obtain execution of even a simple recessing amendment.

We appreciated the fact that this company was engaged in certain negotiations relative to their property and we had no desire to be arbitrary or intolerant in our attitude. Yet, we do find it difficult to carry this project, over a long period, in a nebulous condition — neither active nor in recess.

Possibly the company now might be receptive to the idea of terminating the project by a mutual termination agreement. Such an agreement would, of course, protect the Government's interest by a clause providing for royalty payments to the Government if, later on, production should be made from the lands included in the contract.

It is our suggestion that you discuss such a settlement of the contract with the Operator or its attorney.

Sincerely yours,

W S Martin
Chairman, Operating Committee

APPROVED:

Robert W. Geehan ACTING
Member, Bureau of Mines

W. E. Nelson
Member, Geological Survey

WLD

Correspondence File E 558

UNITED STATES
DEPARTMENT OF THE INTERIOR 500
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

DMEA
Date Rec'd.
AUG 18 1955
BUREAU OF MINES
Denver, Colorado

AUG 15 1955

Mr. W. M. Traver
Executive Officer
DMEA Field Team, Region III
224 New Customhouse Bldg.
Denver 2, Colorado

Re: Docket No. DMEA-2991 (Lead-Zinc-Copper)
Shenandoah-Dives Mining Company
Letter "G" Vein Project
San Juan County, Colorado
Contract No. Idm-E558

Dear Mr. Traver:

We have your memorandum of August 2, covering the cited contract, which had crossed our letter of August 5 in the mails.

It seems obvious that the contract must be terminated in one form or another. However, it would, of course, be better to effect a mutual termination, as we outlined, if such is possible. We shall take no action until we hear further from you.

Sincerely yours,

W S Martin
ACTING Chairman, Operating Committee

APPROVED:

Robert W. Lichan
Member, Bureau of Mines

Member, Geological Survey

Berk.

Corres. File E 558 WD

Shenandoah-Dives Mining Company,
Silverton, Colorado

SILVER LAKE MINES

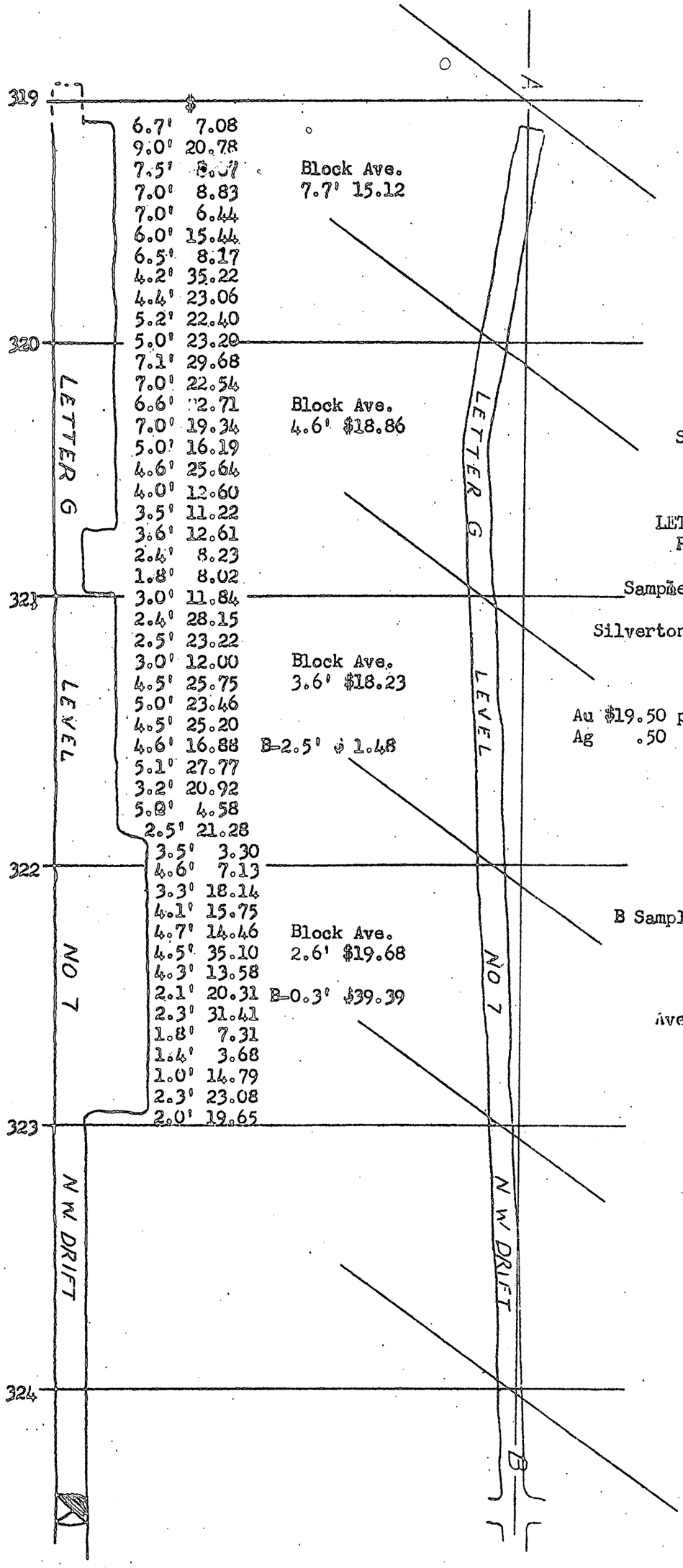
ASSAY PLAN MAPS
of
LETTER "G" VEIN

No.	Level	Coordinates	Scale	Date
76	No.7	319 - 325	1"=30'	Oct. 1903
77	"	317 - 324	"	Dec. 1903
78	"	316 - 318	"	Jan. 1904
79	No. 6	322 - 323	"	Feb. 1904
95	No. 4	289 - 294	"	July 1903
180	No. 7	293 - 301	"	Feb. 1905
181	"	301 - 309	"	Feb. 1905
182	No. 8	316 - 321	"	Jan. 1905
186	No. 6	318 - 323	"	June 1905
187	No. 7	285 - 290	"	June 1905
189	No. 8	309 - 315	"	June 1905

Rubin Correspondence File

E558

Berk.



SILVER LAKE MINES

ASSAY PLAN

LETTER G LEVEL NO. 7
PARALLELS 319-325

Samples Taken Oct. 1903

Silverton, Colo. Scale: 1" = 30'

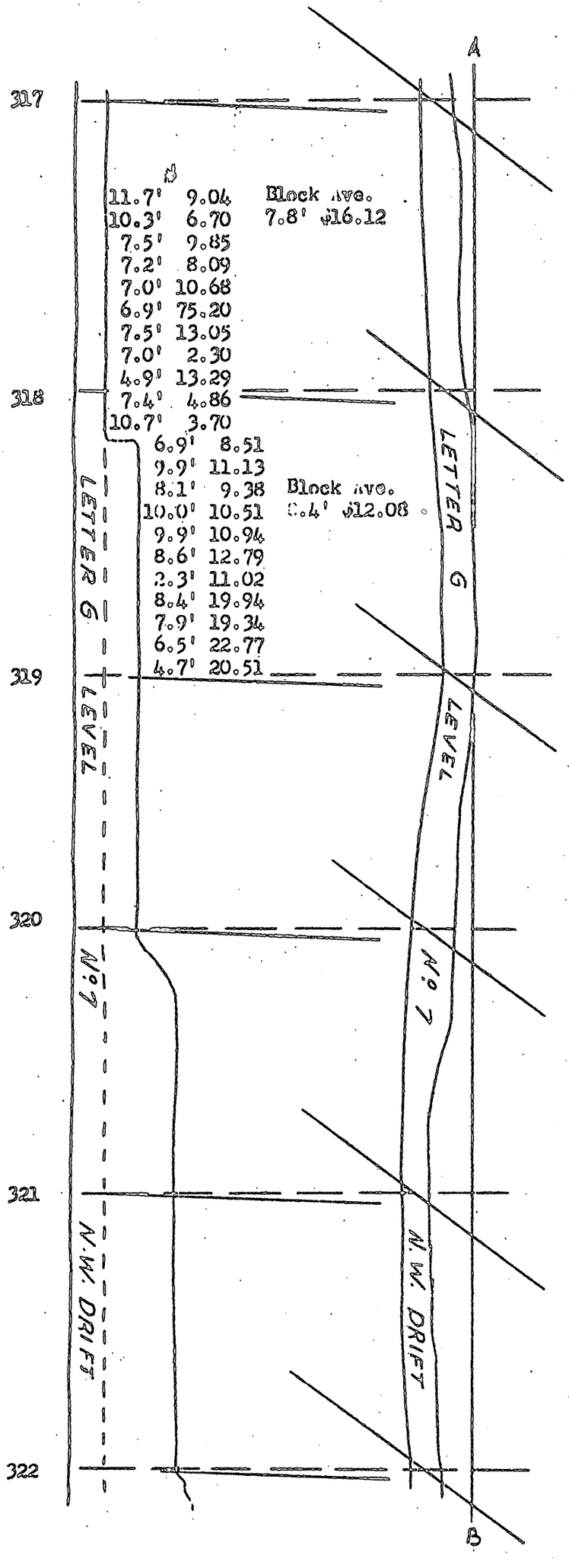
-Quotations-

Au $19.50 per oz. Pb $ .40 per unit
Ag .50 " " Cu 1.50 " "

B Samples From HW streak

Average - All Samples

4.7' - $16.17



SILVER LAKE MINES

ASSAY PLAN

LETTER G LEVEL NO. 7
PARALLELS 317-322

Samples Taken Dec. 1903

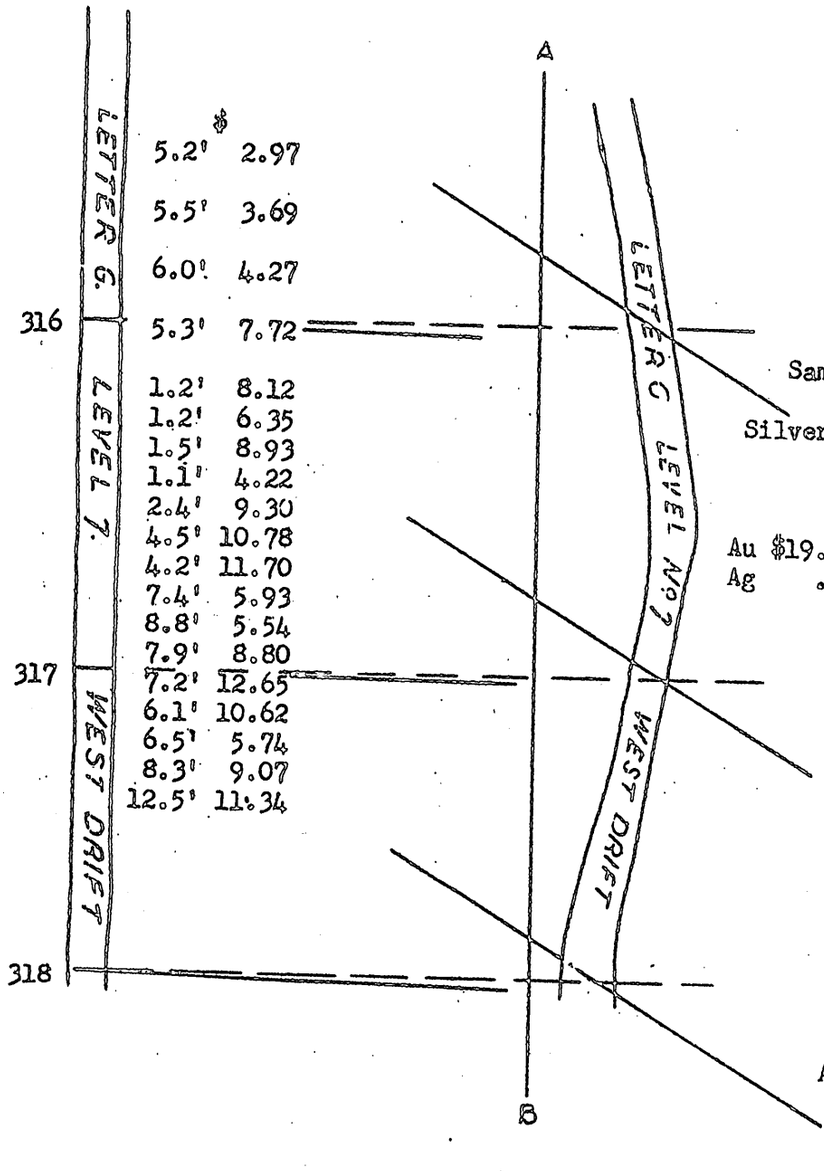
Silverton, Colo. Scale: 1" = 30'

-Quotations-

Au $19.50 per oz. Pb $ .35 per unit
Ag .55 " " Cu 1.30 per unit

Average - All Samples

8.2' - $13.66



SILVER LAKE MINES

ASSAY PLAN

LETTER G LEVEL NO. 7
PARALLELS 316-318

Samples Taken Jan. 1904

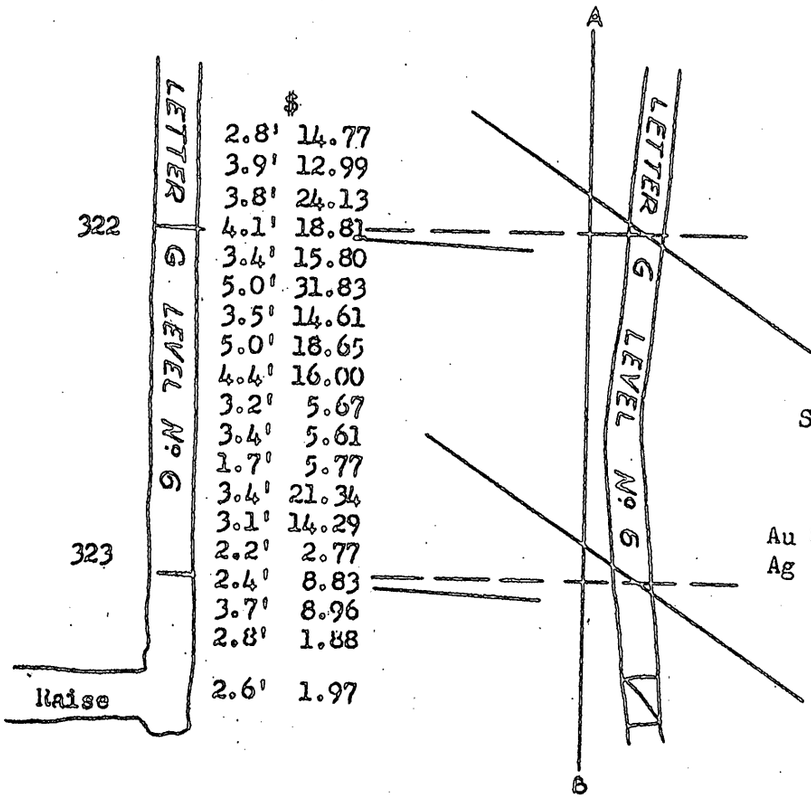
Silverton, Colo. Scale: 1" = 30'

-Quotations-

Au $19.50 per oz. Pb $ .35 per unit
Ag .55 " " Cu 1.30 per unit

Average - All Samples

5.4' - $ 8.07



	$
2.8'	14.77
3.9'	12.99
3.8'	24.13
4.1'	18.81
3.4'	15.80
5.0'	31.83
3.5'	14.61
5.0'	18.65
4.4'	16.00
3.2'	5.67
3.4'	5.61
1.7'	5.77
3.4'	21.34
3.1'	14.29
2.2'	2.77
2.4'	8.83
3.7'	8.96
2.8'	1.88
2.6'	1.97

SILVER LAKE MINES

ASSAY PLAN

LETTER G LEVEL NO. 6
PARALLELS 322-323

Samples Taken Feb. 1904

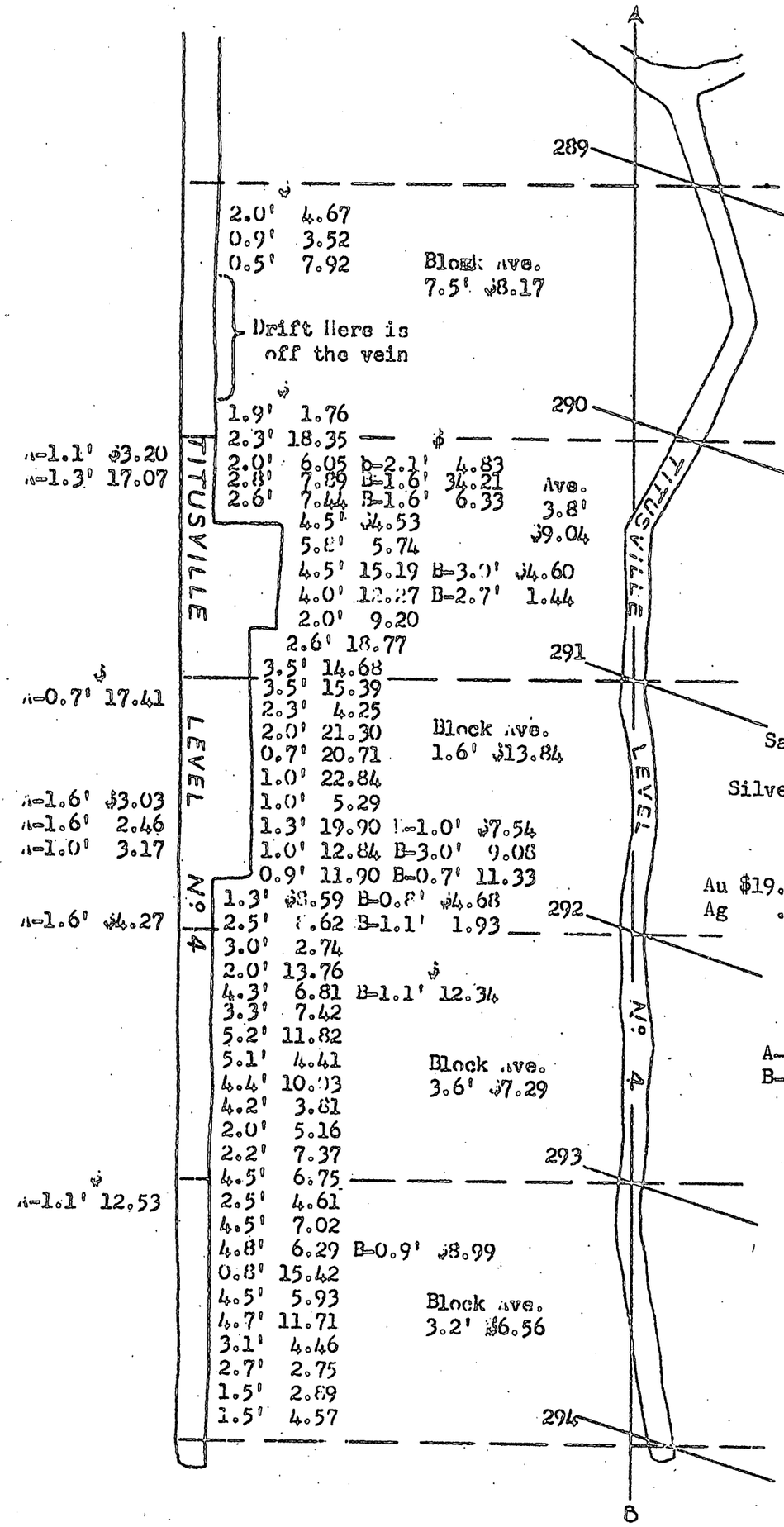
Silverton, Colo. Scale: 1" = 30'

-Quotations-

Au $19.50 per oz. Pb $ .35 per unit
Ag .55 " " Cu 1.40 " "

Average - All Samples

3.4' - $13.10



SILVER LAKE MINES

ASSAY PLAN

TITUSVILLE LEVEL NO. 4
PARALLELS 289-294

Samples Taken July, 1903

Silverton, Colo. Scale: 1" = 30'

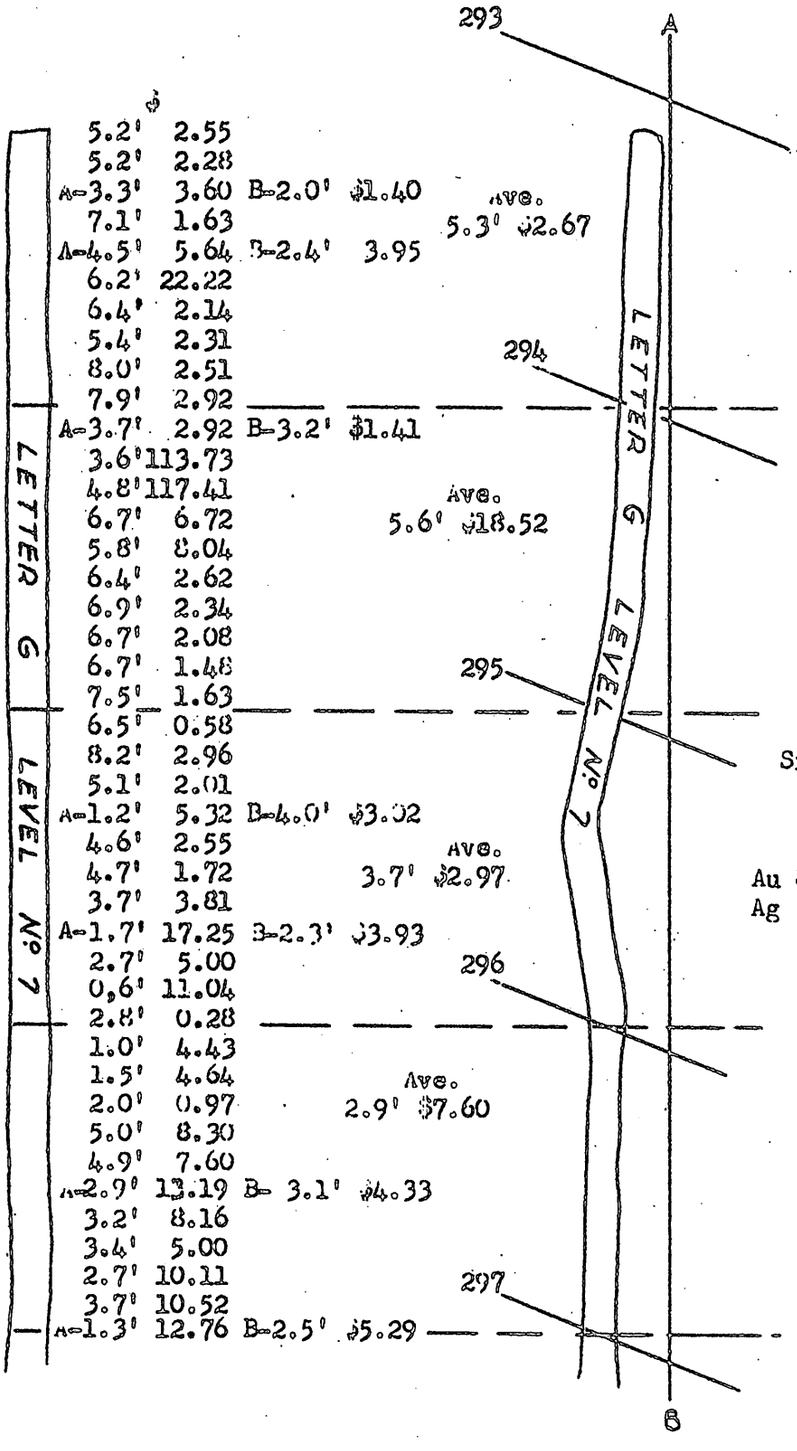
-Quotations-

Au $19.50 per oz. Pb $ .40 per unit
Ag .50 " " Cu 1.50 " "

A- Samples from FW streak
B- Samples from HW streak

Average - All Samples except A & B

2.8' - $8.48



SILVER LAKE MINES

ASSAY PLAN

LETTER G LEVEL NO. 7
PARALLELS 293-297

Samples Taken Jan-Feb. 1905

Silverton, Colo. Scale: 1" = 30'

-Quotations-

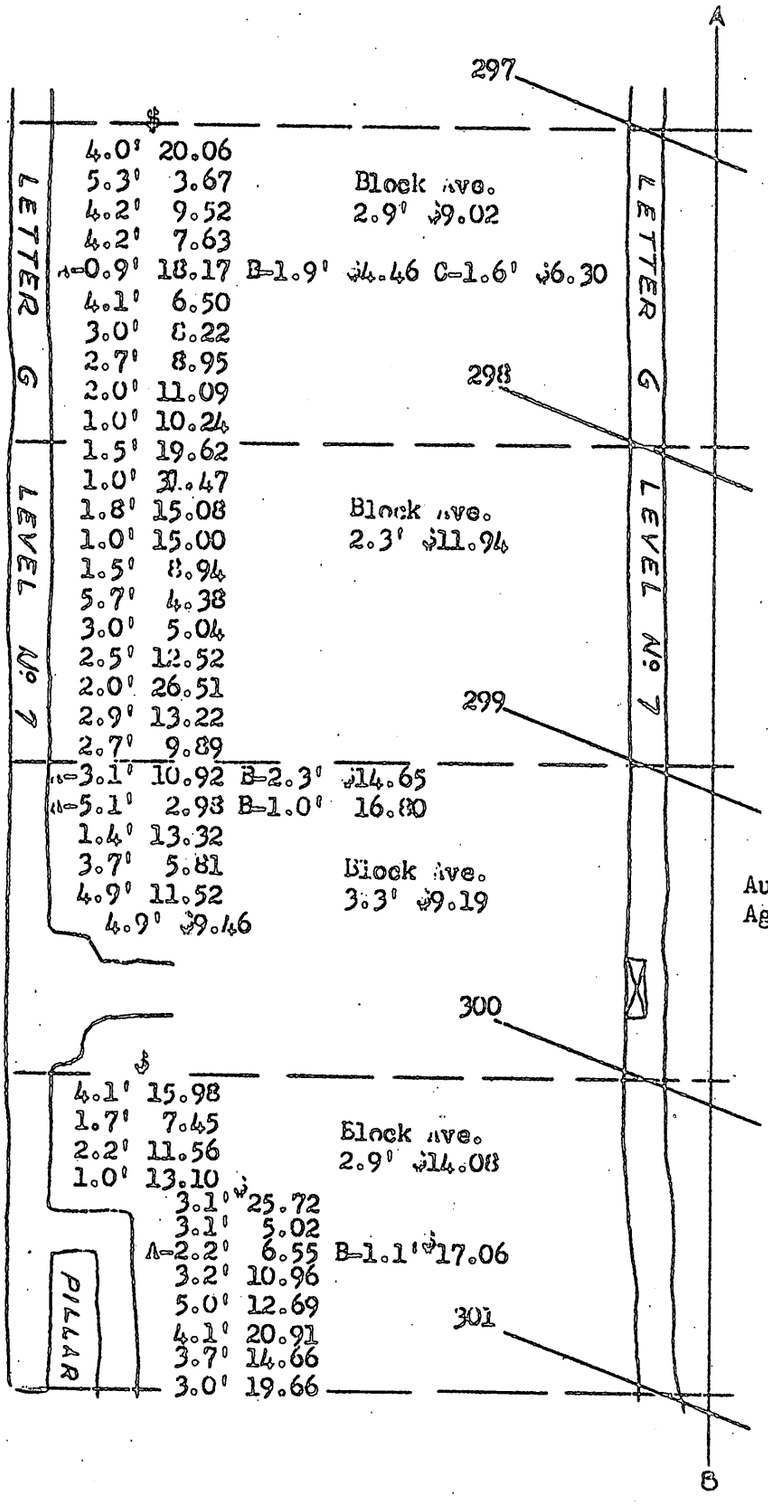
Au	$19.50 per oz.	Pb	$ .35 per unit
Ag	.55 " "	Cu	1.45 " "

A - Samples from FW streak
B - Samples from HW streak

Average - All Samples

4.3' - $8.27

P. 180-A



SILVER LAKE MINES

ASSAY PLAN

LETTER G LEVEL NO. 7
PARALLELS 297-301

Samples Taken Jan-Feb. 1905

Silverton, Colo. Scale: 1" = 30'

-Quotations-

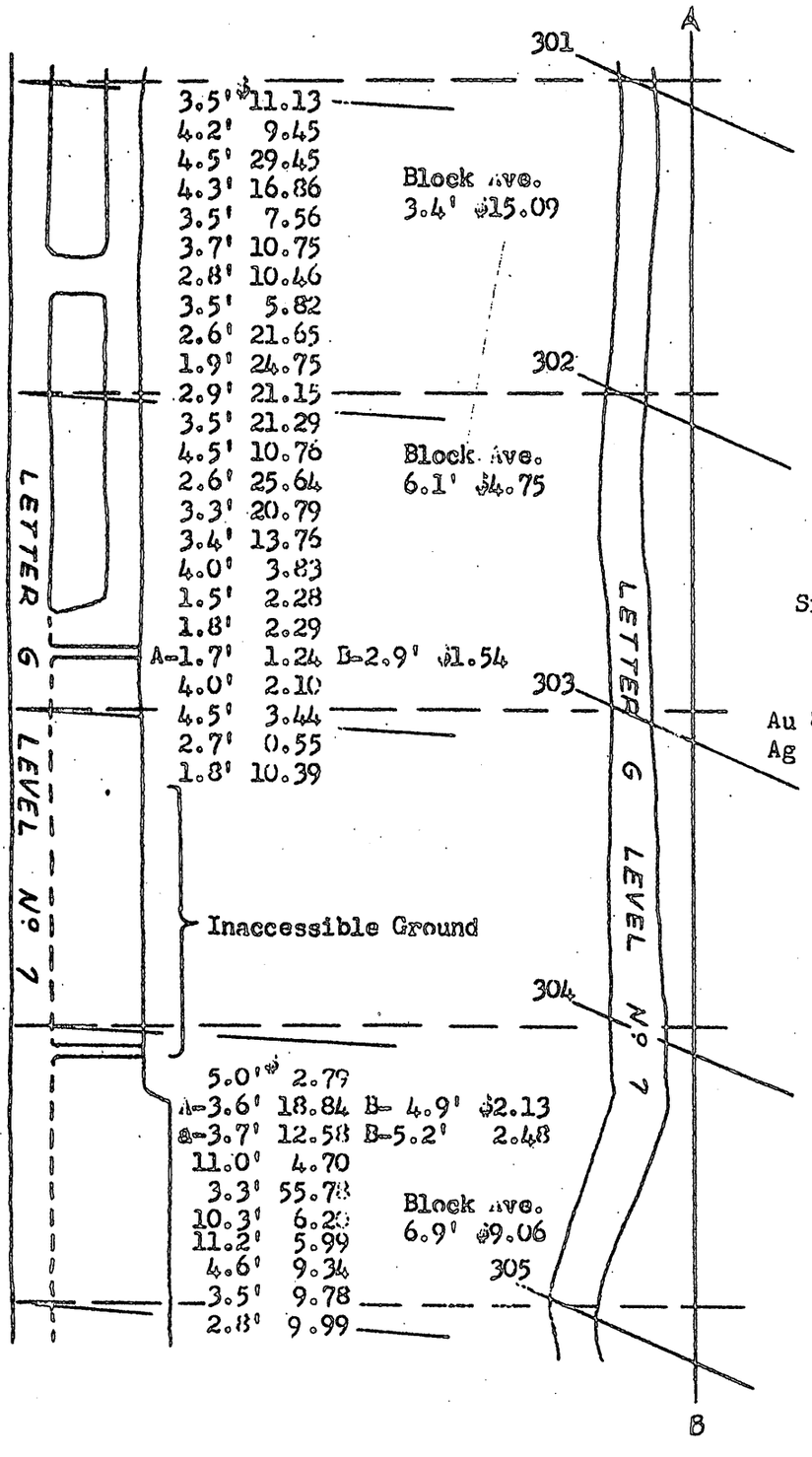
Au $19.50 per oz. Pb $ .35 per unit
Ag .55 " " Cu 1.45 " "

A - Samples from FW streak
B - Samples from HW streak
C - Samples from Center streak

Average - All Samples

2.8' - $11.18

P. 180-B



SILVER LAKE MINES

ASSAY PLAN

LETTER G LEVEL NO. 7
PARALLELS 301-305

Samples Taken Jan-Feb. 1905

Silverton, Colo. Scale: 1" = 30'

-Quotations-

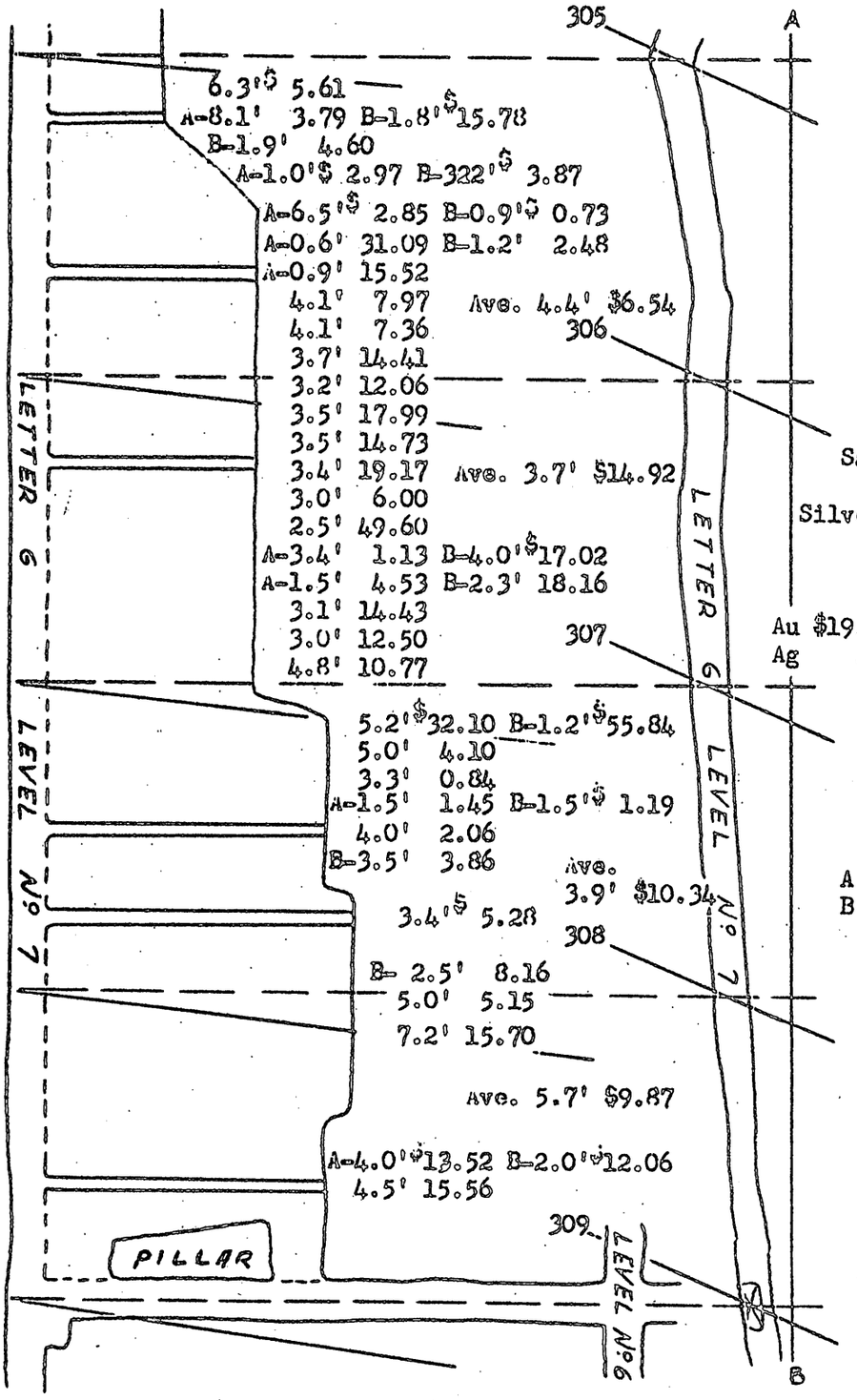
Au	$19.50 per oz.	Pb	$ .35 per unit
Ag	.55 " "	Cu	1.45 " "

A - Samples from FW streak
B - Samples from HW streak

Average - All Samples

5.5' - $8.43

P. 181-A



SILVER LAKE MINES

ASSAY PLAN

LETTER G LEVEL NO. 7
PARALLELS 305-309

Samples Taken Jan-Feb. 1905

Silverton, Colo. Scale: 1" =30'

-Quotations-

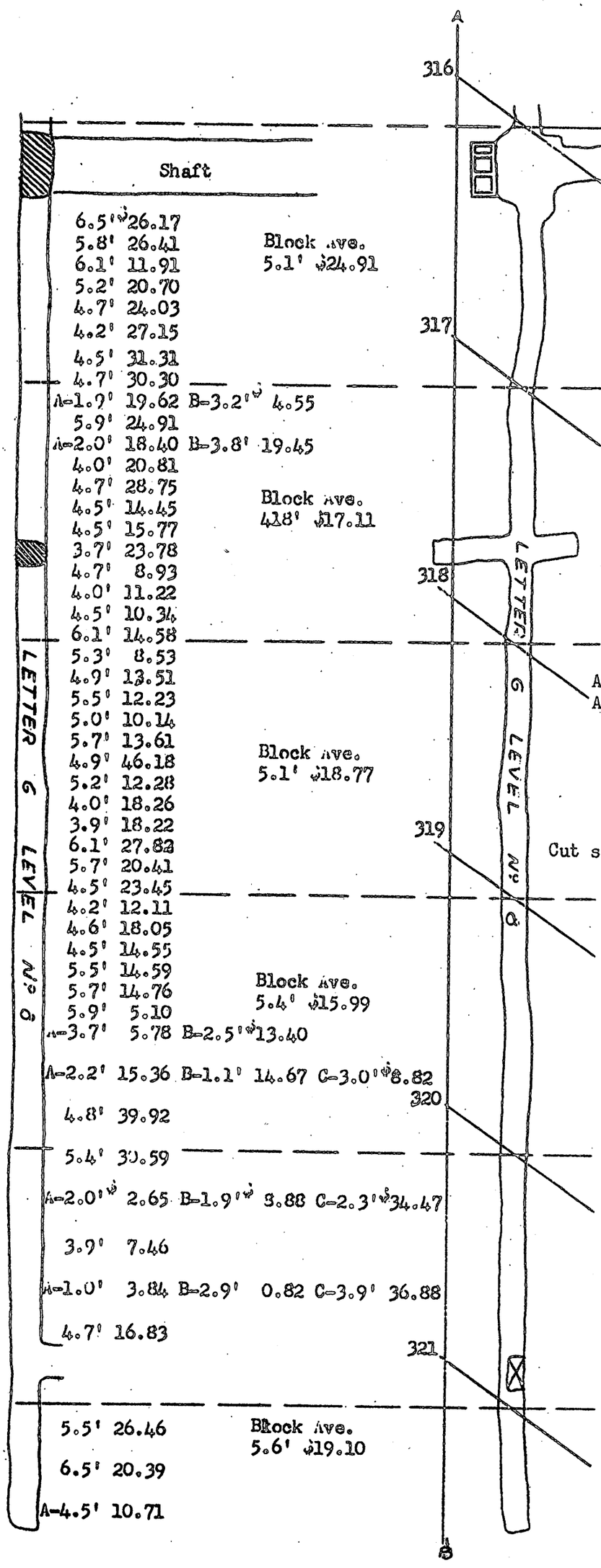
Au $19.50 per oz. Pb $ .35 per unit
Ag .55 " " Cu 1.45 " "

A - Samples from FW streak
B - Samples from HW streak

Average - All Samples

4.2' - $10.41

P. 181-B



SILVER LAKE MINES

ASSAY PLAN

LETTER G LEVEL NO. 8
PARALLELS 316-321

Samples taken Jan. 1905

Silverton, Colo. Scale: 1" = 30'

-Quotations-

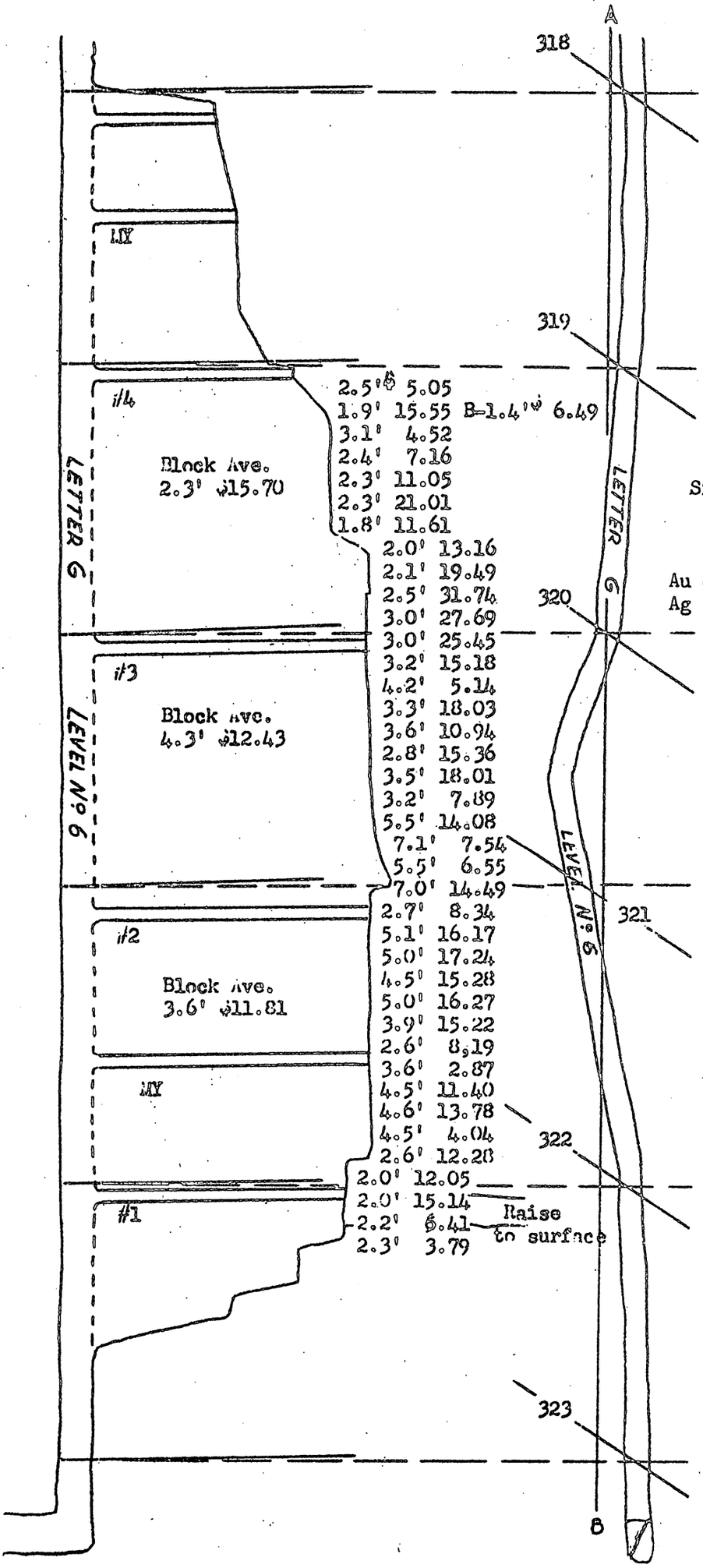
Au $19.50 per oz. Pb $ .35 per unit
Ag .55 " " Cu 1.45 " "

NOTE
Cut samples of ore streak taken with a moil.

A - Samples from FW streak
B - Samples from HW streak
C - Samples from Center streak

Average- All Samples

5.2' - $18.73



SILVER LAKE MINES

ASSAY PLAN

LETTER G LEVEL NO. 6
PARALLELS 318-323

Samples Taken May-June 1905

Silverton, Colo. Scale: 1" = 30'

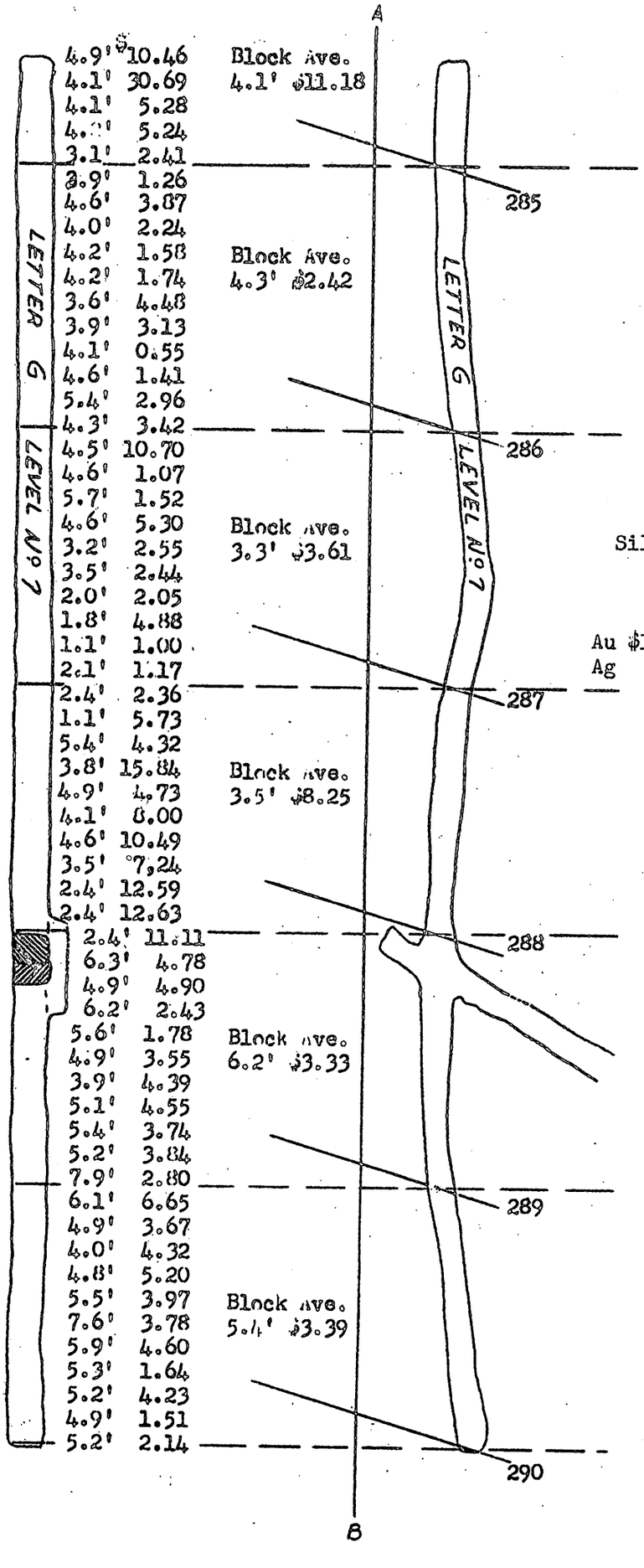
-Quotations-

Au $19.50 per oz. Pb $ .35 per unit
Ag .53 " " Cu 1.55 " "

B - Samples from HW streak

Average - All Samples

3.5' - $12.80



SILVER LAKE MINES

ASSAY PLAN

LETTER G LEVEL NO. 7
PARALLELS 285-290

Samples Taken June 1905

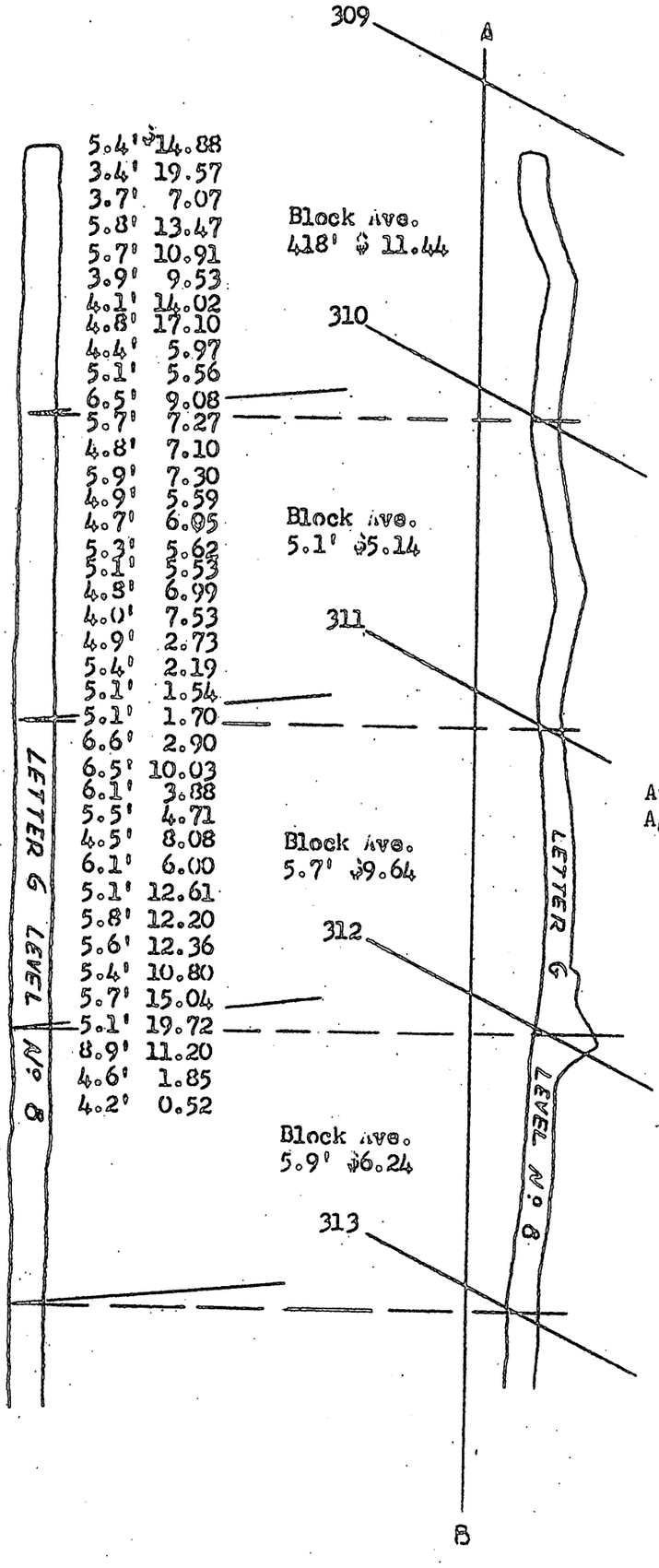
Silverton, Colo. Scale: 1" = 30'

-Quotations-

Au $19.50 per oz. Pb $ .35 per unit
Ag .55 " " Cu 1.50 " "

Average - All Samples

4.5' - $4.48



SILVER LAKE MINES

ASSAY PLAN

LETTER G LEVEL NO. 8
PARALLELS 309-313

Samples taken June 1905

SILVERTON, COLO. Scale: 1" = 30'

-Quotations-

Au $19.50 per oz. Pb $ .35 per unit
Ag 155 " " Cu 1.50 " "

Average - All Samples

5.2' - $8.36

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

DMEA
Date Rec'd
AUG 11 1955
BUREAU OF MINES
Denver, Colorado

Region III

Building 20
Denver Federal Center
Denver 2, Colorado
August 10, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shaw
Supervising Mining Engineer

From: C. M. Harrer

Subject: DMEA 2991, Contract Idm-E558 (Lead-zinc-copper), Shenandoah-Dives Mining Company (Silver Lake group--Letter G vein), San Juan County, Colorado - Progress report from May 1954 to August 1955.

The Shenandoah-Dives mine was visited on August 2, 1955 and John Holmgren, former mine superintendent, was contacted. Mr. Holmgren stated that the property was completely shut down on May 29, 1954, and has remained so to date. At present the only personnel on the property are E. A. Larsen, former resident manager and John Holmgren, former mine superintendent, who remain as caretakers.

Mr. Holmgren had no information on the plans of the company other than that some attempt is being made to sell it. He stated that any further information would have to come from Mr. Ben Stapleton, president of the company, who resides in Denver.

C. M. Harrer
C. M. Harrer
Mining Engineer

cc 8
E558
Chron

CMH/cm

Adds nothing. File all copies in E-558 correspondence

DMEA
Date Rec'd.

AUG 11 1955

BUREAU OF MINES
Denver, Colorado

Region III

Building 20
Denver Federal Center
Denver 2, Colorado
August 10, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shaw
Supervising Mining Engineer

From: C. M. Harrer

Subject: DMEA 2991, Contract Idm-E558 (Lead-zinc-copper), Shenandoah-Dives Mining Company (Silver Lake group--Letter Q vein), San Juan County, Colorado - Progress report from May 1954 to August 1955.

The Shenandoah-Dives mine was visited on August 2, 1955 and John Holmgren, former mine superintendent, was contacted. Mr. Holmgren stated that the property was completely shut down on May 29, 1954, and has remained so to date. At present the only personnel on the property are E. A. Larsen, former resident manager and John Holmgren, former mine superintendent, who remain as caretakers.

Mr. Holmgren had no information on the plans of the company other than that some attempt is being made to sell it. He stated that any further information would have to come from Mr. Ben Stapleton, president of the company, who resides in Denver.

C. M. Harrer
C. M. Harrer
Mining Engineer

cc 8
E558
Chron

CMH/cm

DMEA
Date Rec'd.

AUG 11 1955

BUREAU OF MINES
Denver, Colorado

Region III

Building 20
Denver Federal Center
Denver 2, Colorado
August 10, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shaw
Supervising Mining Engineer

From: C. M. Harrer

Subject: DMEA 2991, Contract Idm-E558 (Lead-zinc-copper), Shenandoah-Dives Mining Company (Silver Lake group--Letter G vein), San Juan County, Colorado - Progress report from May 1954 to August 1955.

The Shenandoah-Dives mine was visited on August 2, 1955 and John Holmgren, former mine superintendent, was contacted. Mr. Holmgren stated that the property was completely shut down on May 29, 1954, and has remained so to date. At present the only personnel on the property are E. A. Larsen, former resident manager and John Holmgren, former mine superintendent, who remain as caretakers.

Mr. Holmgren had no information on the plans of the company other than that some attempt is being made to sell it. He stated that any further information would have to come from Mr. Ben Stapleton, president of the company, who resides in Denver.

C. M. Harrer
C. M. Harrer
Mining Engineer

cc S
E558
Chron

CMH/cm

DMEA
Date Rec'd.

AUG 11 1955

BUREAU OF MINES
Denver, Colorado

Region III

Building 20
Denver Federal Center
Denver 2, Colorado
August 10, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shea JFS
Supervising Mining Engineer

From: C. M. Harrer

Subject: DMEA 2991, Contract Idm-B558 (Lead-zinc-copper), Shenandoah-Dives Mining Company (Silver Lake group--Letter G vein), San Juan County, Colorado - Progress report from May 1954 to August 1955.

The Shenandoah-Dives mine was visited on August 2, 1955 and John Holmgren, former mine superintendent, was contacted. Mr. Holmgren stated that the property was completely shut down on May 29, 1954, and has remained so to date. At present the only personnel on the property are E. A. Larsen, former resident manager and John Holmgren, former mine superintendent, who remain as caretakers.

Mr. Holmgren had no information on the plans of the company other than that some attempt is being made to sell it. He stated that any further information would have to come from Mr. Ben Stapleton, president of the company, who resides in Denver.

C. M. Harrer
C. M. Harrer
Mining Engineer

cc 8
B558
Chron

CMH/em

DMEA
Date Rec'd.

AUG 11 1955

BUREAU OF MINES
Denver, Colorado

Region III

Building 20
Denver Federal Center
Denver 2, Colorado
August 10, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shaw
Supervising Mining Engineer

From: C. M. Harrer

Subject: DMEA 2991, Contract Idm-8558 (Lead-zinc-copper), Shenandoah-Dives Mining Company (Silver Lake group--Letter S vein), San Juan County, Colorado - Progress report from May 1954 to August 1955.

The Shenandoah-Dives mine was visited on August 2, 1955 and John Holmgren, former mine superintendent, was contacted. Mr. Holmgren stated that the property was completely shut down on May 29, 1954, and has remained so to date. At present the only personnel on the property are E. A. Larsen, former resident manager and John Holmgren, former mine superintendent, who remain as caretakers.

Mr. Holmgren had no information on the plans of the company other than that some attempt is being made to sell it. He stated that any further information would have to come from Mr. Ben Stapleton, president of the company, who resides in Denver.

C. M. Harrer

C. M. Harrer
Mining Engineer

cc S
8558
Chron

CMH/cm

DMEA
Date Rec'd.

AUG 11 1955

BUREAU OF MINES
Denver, Colorado

Region III

Building 20
Denver Federal Center
Denver 2, Colorado
August 10, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shea
Supervising Mining Engineer

From: C. M. Harrer

Subject: DMEA 2991, Contract Idm-2558 (Lead-zinc-copper), Shenandoah-Dives Mining Company (Silver Lake group--Letter G vein), San Juan County, Colorado - Progress report from May 1954 to August 1955.

The Shenandoah-Dives mine was visited on August 2, 1955 and John Holmgren, former mine superintendent, was contacted. Mr. Holmgren stated that the property was completely shut down on May 29, 1954, and has remained so to date. At present the only personnel on the property are E. A. Larsen, former resident manager and John Holmgren, former mine superintendent, who remain as caretakers.

Mr. Holmgren had no information on the plans of the company other than that some attempt is being made to sell it. He stated that any further information would have to come from Mr. Ben Stapleton, president of the company, who resides in Denver.

C. M. Harrer

C. M. Harrer
Mining Engineer

cc 8
2558
Chron

CMH/cm

DMEA
Date Rec'd.

AUG 11 1955

BUREAU OF MINES
Denver, Colorado

Region III

Building 20
Denver Federal Center
Denver 2, Colorado
August 10, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shea
Supervising Mining Engineer

From: C. M. Harrer

Subject: DMEA 2991, Contract Idm-8538 (Lead-zinc-copper), Shenandoah-Dives Mining Company (Silver Lake group--Latter S vein), San Juan County, Colorado - Progress report from May 1954 to August 1955.

The Shenandoah-Dives mine was visited on August 2, 1955 and John Holmgren, former mine superintendent, was contacted. Mr. Holmgren stated that the property was completely shut down on May 29, 1954, and has remained so to date. At present the only personnel on the property are R. A. Larsen, former resident manager and John Holmgren, former mine superintendent, who remain as caretakers.

Mr. Holmgren had no information on the plans of the company other than that some attempt is being made to sell it. He stated that any further information would have to come from Mr. Ben Stapleton, president of the company, who resides in Denver.

C. M. Harrer
C. M. Harrer
Mining Engineer

cc: S
8538
Chron

CMH/mm

DMEA
Date Rec'd.

AUG 11 1955

BUREAU OF MINES
Denver, Colorado

Region III

Building 20
Denver Federal Center
Denver 2, Colorado
August 10, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shea
Supervising Mining Engineer

From: C. M. Harrer

Subject: DMEA 2991, Contract Idm-8558 (Lead-zinc-copper), Shenandoah-Dives Mining Company (Silver Lake group--Letter G vein), San Juan County, Colorado - Progress report from May 1954 to August 1955.

The Shenandoah-Dives mine was visited on August 2, 1955 and John Nelngren, former mine superintendent, was contacted. Mr. Nelngren stated that the property was completely shut down on May 29, 1954, and has remained so to date. At present the only personnel on the property are E. A. Larsen, former resident manager and John Nelngren, former mine superintendent, who remain as caretakers.

Mr. Nelngren had no information on the plans of the company other than that some attempt is being made to sell it. He stated that any further information would have to come from Mr. Ben Stapleton, president of the company, who resides in Denver.

C. M. Harrer

C. M. Harrer
Mining Engineer

cc: S
R558
Chron

CMH/cm

DMEA
Date Rec'd.

AUG 11 1955

BUREAU OF MINES
Denver, Colorado

Region III

Building 20
Denver Federal Center
Denver 2, Colorado
August 10, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shea
Supervising Mining Engineer

From: C. M. Harrer

Subject: DMEA 3991, Contract Idm-8558 (Lead-zinc-copper), Shenandoah-Dives Mining Company (Silver Lake group--Letter 6 vein), San Juan County, Colorado - Progress report from May 1954 to August 1955.

The Shenandoah-Dives mine was visited on August 2, 1955 and John Holmgren, former mine superintendent, was contacted. Mr. Holmgren stated that the property was completely shut down on May 29, 1954, and has remained so to date. At present the only personnel on the property are E. A. Larsen, former resident manager and John Holmgren, former mine superintendent, who remain as caretakers.

Mr. Holmgren had no information on the plans of the company other than that some attempt is being made to sell it. He stated that any further information would have to come from Mr. Ben Stapleton, president of the company, who resides in Denver.

C. M. Harrer
C. M. Harrer
Mining Engineer

cc 3
8558
Chron

CMH/cm

224 New Customhouse
Denver 2, Colorado

August 2, 1955

Memorandum

To: Chairman, Operating Committee, DMEA

From: DMEA Field Team, Region III

Subject: Docket DMEA-2991 (Lead-Copper-Zinc), Contract IBM-2558, Shenandoah-Dives Mining Company, San Juan County, Colorado

We have been unsuccessful in obtaining any response to telephone calls or letters to Benjamin W. Stapleton, Jr., president of the company which operated the subject contract with regard to your proposed amendment to allow a recess and extend the completion date of the contract.

Briefly, the status of the contract is as follows:

1. The project has been in unauthorized recess since May 29, 1955.

2. Shenandoah-Dives failed to pay taxes for 1952 voiding their operating contract with the American Smelting and Refining Company, and that agreement has been canceled. American Smelting and Refining Company owns the property, as you know, where the exploration was performed.

3. American Smelting and Refining Company presumably is not interested in taking over operation of the property and our contract for various reasons, among them the fact that they would have to renegotiate with Shenandoah-Dives in order to operate through their property; also, any operation they might undertake would be subject to unreasonable terms by the labor union. As a result, they feel they would be unable to operate profitably as the operation has been marginal, even under past efficient management.

4. Climax Molybdenum Company is apparently not interested in taking the operations over because they would have to renegotiate with both American Smelting and Refining Company and Shenandoah-Dives in any program they might undertake. They would also more than likely have a high cost union contract to face.

Berk

5. It is a logical assumption that Shenandoah-Dives has been unable or realizes that it is useless to attempt to obtain signatures on the Owner's Consent to Lien forms for attachment to your amendment.

Under the circumstances there appears to be no other alternative than to accept cancellation of the contract for failure to prosecute operations in accordance with Article 8(b) of the contract.

effect

The Region III Field Team reluctantly recommends such action, unless the Operating Committee determines that the problem can be solved in some other manner.

Possibly you have in mind some other company such as the Newmont Mining Company that might consider looking at the possibilities of taking over the operations.

DMEA Field Team, Region III

W. M. Trever

E. N. Harshman

WMT:sr

cc Subject
Harshman
Townsend
Shaw
Chron

224 New Customhouse
Denver 2, Colorado

June 16, 1955

Mr. Benjamin W. Stapleton, Jr.
c/o Ireland, Ireland, Stapleton and Pryor
Attorneys and Counselors at Law
Denver Club Building
Denver 2, Colorado

Re: Docket DMEA 2991 (Lead-Copper-Zinc)
Contract IDM-E558
Shenandoah-Dives Mining Company
San Juan County, Colorado

Dear Mr. Stapleton:

Attempts to contact you by telephone the past ten days at your office with reference to the captioned DMEA contract have been unsuccessful.

Our letter of March 24, 1955 transmitted for your information a copy of an amendment prepared by the Washington DMEA office authorizing a recess of operations and extending the period for completion of work for one year from June 26, 1955. also enclosed were copies of Standard Form MF-203 Owner's Consent to Lien for execution by the American Smelting and Refining Company.

The action to initiate an extension and authorize the recess resulted from your request of February 17, 1955 and it is considered to your company's best interest to keep the contract in good standing.

Inasmuch as the expiration date of the contract, June 26, 1955, is only about a week away, we will appreciate receipt of the executed Owner's Consent to Lien forms or information from you as to when they may be expected. Except for these forms the Amendment is in our hands signed by the Administrator ready for submission to you for signature.

A prompt reply will be appreciated.

WMT:jp
cc Subject
Chron
Chairman, Oper. Comm. (2)
Marshman
Shaw
Townsend

Very truly yours,

W.M. Traver

W.M. Traver
Executive Officer, DMEA

Berk.

224 New Customhouse
Denver 2, Colorado

June 2, 1955

Mr. E.A. Larsen
Resident Manager
Shenandoah Dives Mining Co.
Silverton, Colorado

Re: Docket DMEA 2991
(Lead-Copper-Zinc)
Contract Idn-E558 shared by E29

Dear Mr. Larsen:

In conjunction with an audit of contract expenditures on the Henrietta Mine, U.S. Metals Corporation, we are in need of a copy of the smelter or mill schedule which was the basis for settlement on ore shipped to Shenandoah Dives by U.S. Metals Corporation.

We will appreciate your sending us a copy of the schedule or schedules involved at your earliest convenience.

Very truly yours,

W.M. Traver

W. M. Traver
Executive Officer, DMEA
Field Team, Region III

Burk

Mine

JWT:jp
cc Subject
Chron
Brading
Townsend

6-16-55

Curzon of Climax reports agreement between M.S.&R. & S.-W. has been declared void by ASOR, presumably due to S-W's failure to pay taxes.

Cong. Inger will have to deal with 2 companies separately

824 New Customhouse
Denver 2, Colorado

March 24, 1955

Mr. Benjamin W. Stapleton, Jr.
c/o Ireland, Ireland, Stapleton and Pryor
Attorneys and Counselors at Law
Denver Club Building
Denver 2, Colorado

Re: Docket BMRA 2991 (Lead-Copper-Zinc)
Contract IBM-8558
Shenandoah-Dives Mining Company
San Juan County, Colorado

Dear Mr. Stapleton:

In reference to matter discussed in your letter of February 17, 1955 and prior correspondence, we have received from the Washington office, BMRA, an amendment prepared to authorize a recess of operations and extend the period for completion of the project work. However, before releasing the amendment we have been instructed to obtain new Owner's Consent to Lien which is necessary in conjunction with extending the life of the contract and other provisions in the amendment relative thereto.

For your information and the purpose cited we are enclosing a copy of proposed Amendment No. 2 and the original and six copies of Form MF-203 Owner's Consent to Lien which are to be executed by the American Smelting and Refining Company. The original and five properly executed copies of Form MF-203 are to be returned to this office.

Upon receipt of the new Owner's Consent to Lien forms properly executed we will then forward the amendment to you for signature by an authorized official of the company.

Very truly yours,

W. M. Traver

W. M. Traver
Executive Officer, BMRA
Field Team, Region III

Enclosures
JWT:jp
cc Subject
Chron
Chairman, Op. Comm.
Harshman
Shaw
Townsend

UNITED STATES
DEPARTMENT OF THE INTERIOR 500
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

DMEA
Date Rec'd.
MAR 21 1955
BUREAU OF MINES
Denver, Colorado

MAR 17 1955

Mr. W. M. Traver, Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-2991 (Lead-Zinc-Copper)
Shenandoah-Dives Mining Company
Letter "G" Vein Project
San Juan County, Colorado
Contract No. Idm-E558

Dear Mr. Traver:

Referring to your letter of February 23 covering the cited contract, we are enclosing the original and five copies of Amendment No. 2, which provides for the requested recess.

We call your attention to the enclosed memorandum from the Acting Assistant Solicitor, Defense Minerals, dated March 10. He points out the necessity for a new Owner's Consent to Lien, since we are extending the completion period beyond the ten year period. The new Owner's Consent to Lien forms are also enclosed.

If you approve the amendment please present it to the Operator for signature and, when completed, distribute the copies in the usual manner. However, if you are not in accord with the terms of the amendment and any proposed changes lie beyond the range of your delegated authority, all copies should be returned to us with your comments.

file
DSS & Corresp

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

Enclosure

APPROVED:

P. W. Hedges
Member, Bureau of Mines

Thor H. Dülgaard
Member, Geological Survey

DMEA
Data Rec'd
MAR 2 1955
Denver, Colorado

C
O
P
Y

March 10, 1955

Memorandum

To: The Administrator, DMEA
Attention: W. R. Griswold

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-2991, Contract Idm-E558, Shenandoah-Dives Mining Company, San Juan County, Colorado, Lead, Zinc and Copper.

Pursuant to a memorandum dated March 3 from Mr. Griswold, we have prepared the attached Amendment No. 2. A new Owner's Consent to Lien should be acquired to cover the full period of royalty payment, on the latest form which is attached.

J. L. Hofflund
Acting Assistant Solicitor,
Defense Minerals

HCRubin:gjb 3/9/50

Copy to: DMEA Docket
Sol. Docket
J. L. Hofflund
H. C. Rubin
W. R. Griswold
Chron. File

224 New Customhouse
Denver 2, Colorado

February 23, 1955

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 2991 (Lead-Zinc-Copper), Contract Idm-E558, Shenandoah Dives Mining Co., Letter G Vein, San Juan County, Colorado

In conjunction with matter discussed in our memorandum of February 11, 1955 and telephone call from W.R. Griswold of the Washington office February 15, we are enclosing the original and three copies of a letter dated February 17, 1955 from the operator requesting authorization of a recess of operations from May 29, 1954 until June 26, 1955.

The operator's letter is forwarded for your consideration and appropriate action.

W. M. Traver

Enclosures

JWT:jp
cc Subject
Chron
Shaw) with
Harshman) encl.
Townsend

CLARENCE L. IRELAND
GAIL L. IRELAND
BENJAMIN F. STAPLETON, JR.
WILBUR M. PRYOR, JR.

JOHN S. KELLOGG
WILLIAM B. NAUGLE

IRELAND, IRELAND, STAPLETON & PRYOR
ATTORNEYS AND COUNSELORS AT LAW
MIDDLE PACIFIC BUILDING
Denver Club Building
DENVER 2, COLORADO

DMEA
Date Rec'd.
FEB 17 1955
BUREAU OF MINES
Denver, Colorado

February 17, 1955

Mr. W. M. Traver, Executive Officer
DMEA Field Team, Region No. 4
224 New Customs House
Denver 2, Colorado

In Re: Docket DMEA 2991
(Lead, copper, zinc)
(Contract IDM-E558)

Dear Mr. Traver:

As you know, we have not applied to you for a formal recess agreement under Contract IDM-E558 because we have been actively negotiating for the operation of the property by the Climax Molybdenum Company. To date, we have not received word as to their disposition to our proposal.

However, so that the files in your office may be complete please take this letter as a request for recess of operations under Contract IDM-E558 for the period from May 29th, 1954, when we ceased operations at Silverton, until June 26th, 1955. We would appreciate hearing from you as to whether or not such a recess of operations has been approved.

As soon as we are able to tell you more definitely of the plans of the corporation, we will communicate with you again. It is our hope, of course, that operations can commence very soon after the spring thaws.

Yours very truly

SHENANDOAH-DIVES MINING COMPANY

By: Benjamin F. Stapleton Jr.
PRESIDENT

BFS:mg

224 New Customhouse
Denver 2, Colorado

February 11, 1955

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 2991 (Lead-Zinc-Copper), Contract Idm-E558, Shenandoah Dives Mining Co., Letter G Vein Project, San Juan County, Colorado

Reference is made to your letter of December 22, 1954 to this office and our letter of December 30, 1954 to Mr. Benjamin F. Stapleton, a copy of which was forwarded to you, regarding matters relative to the unauthorized recess of operations.

To date we have not received a reply to our letter of December 30, therefore we recommend that such action as is indicated be initiated by your office.

W. M. Traver

W. M. Traver

JWT: jp
cc Subject
Chron
Harshman
Shaw
Townsend

224 New Customhouse
Denver 2, Colorado

December 30, 1954

Mr. Benjamin F. Stapleton, Jr.
Shenandoah Dives Mining Co.
c/o Ireland, Ireland, Stapleton & Pryor
Attorneys and Counselors at Law
Midland Savings Building
Denver 2, Colorado

Re: Docket DMEA 2991
(Lead-Copper-Zinc)
Contract I4m-2558

Dear Mr. Stapleton:

Reference is made to your letter of December 16, 1954 and prior correspondence relative to the status of work under the referenced contract.

The Defense Minerals Exploration Administration tries at all times to be sympathetic to the problems of the mining industry. However, DMEA contracts cannot be approved for continuance in a vague and nebulous state, neither active nor recessed by formal agreement between the parties concerned.

It is believed to be in the best interests of Shenandoah Dives Mining Company to maintain the contract in good standing, which can be done by your requesting approval of a recess of operations for such time as is deemed necessary to resolve matters which you state are in the process of negotiation.

It is not necessary for you to divulge the confidential nature of such negotiations in order to justify your request for approval of a recess of operations.

We trust that we will hear from you at an early date.

JWT:jp
cc Subject
Chron
Harshman } w/copy Chairman's
Traver } letter 12/22/54
Townsend
Chairman, Op. Comm.

Very truly yours,

W. H. King

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

500

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

Mining Division
Date Rec'd.
DEC 27 1954
BUREAU OF MINES
Denver, Colorado

DEC 22 1954

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

Re: Docket No. DMEA-2991 (Lead-Copper-Zinc)
Shenandoah-Dives Mining Company
Letter "G" Vein Project
San Juan County, Colorado
Contract No. Idm-E558

Dear Mr. King:

We have your letter of December 17, regarding the cited contract, and also copies of a letter dated December 16 from the Operator's attorneys.

We are not clear as to why the attorneys request contract continuance without a formal recess agreement. Possibly, they feel that such an agreement would involve a lengthy and complicated process, whereas it is actually only a matter of simple routine.

Will you please explain to them that at all times we try to be sympathetic to the various problems of the industry and that we are quite willing to grant a recessing amendment, especially since it is our understanding that the property is being maintained in good "stand-by" condition. However, we do dislike to have contracts in a vague and nebulous state, neither active nor in recess. In fact, we do not feel that we possess the authority to give approval to such a status. Hence, it is emphatically to the Operator's own best interest to reinstate his contract via an amendment.

Please explain that we have no desire to force the Operator to reveal details of confidential business negotiations still pending. If they will merely advise us as to a date when they feel operations probably could be resumed, we shall prepare the necessary amendment here.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

APPROVED:

C. H. Johnson
Member, Bureau of Mines

Thor N. Tillsgaard
Member, Geological Survey

294 New Customhouse
Denver 2, Colorado

December 17, 1954

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 2991 (Lead-Copper-Zinc), Contract IDM-E558, Shenandoah Dives Mining Company, San Juan County, Colorado

In conjunction with matter discussed in your letter of October 14, 1954 and other communications in the matter, we are enclosing for your information and such action as you deem appropriate the original and three copies of a letter dated December 16, 1954 from Benjamin F. Stapleton, Jr., wherein he advises of certain negotiations which are in process which may enable resumption of work under the subject contract. Also enclosed is a copy of our letter of December 17 acknowledging receipt of Stapleton's letter of December 16.

Please advise as to how we should proceed in the matter.

W. H. King

Encls.

JWT:jp
cc Subject
Chron
Traver)
Harshman) w/encls.
Townsend)

224 New Customhouse
Denver 2, Colorado

December 17, 1954

Mr. Benjamin F. Stapleton, Jr.
Ireland, Ireland, Stapleton and Pryor
Attorneys and Counselors at Law
Midland Savings Building
Denver 2, Colorado

Re: Docket DMEA 2991 (Lead-Copper-Zinc), Contract IDM-E558, Shenandoah Dives Mining Co., San Juan County, Colorado

Dear Mr. Stapleton:

Receipt is acknowledged of your letter of December 16 wherein you advise as to negotiations now in progress which if consummated would permit resumption of operations under the referenced contract.

Your letter has been forwarded to the Washington office, DMEA, for their information and consideration and such action as they deem appropriate, on which you will hear either direct from the Washington office or from this office.

Very truly yours,

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

JWT:jp
cc Subject
Chron
Traver
Harshman
Chairman, Op. Comm.
Townsend

IRELAND, IRELAND, STAPLETON & PRYOR
ATTORNEYS AND COUNSELORS AT LAW
MIDLAND SAVINGS BUILDING
DENVER 2, COLORADO

CLARENCE L. IRELAND
GAIL L. IRELAND
BENJAMIN F. STAPLETON, JR.
WILBUR M. PRYOR, JR.
JOHN S. KELLOGG
WILLIAM B. NAUGLE

Mining Division
Date Rec'd.
DEC 17 1954
BUREAU OF MINES
Denver, Colorado

December 16, 1954

Defense Minerals Exploration Administration
224 New Custom House
Denver 2, Colorado

ATTENTION: Mr. King, Executive Officer
Region No. 4

In Re: Docket DMEA 2991
Contract IDM-E 558

Gentlemen:

The Shenandoah-Dives Mining Company with its principal mine at Silverton, Colorado, as you know, suspended operations under the above-entitled contract. This suspension came at the close of business during the last week in May, 1954.

Since that time the Company has been negotiating actively for additional financing or other means to again commence operations at Silverton.

So that you may be continually advised as to our situation we have today submitted to one of the large mining organizations a proposal for the exploration and development work at the mine, with an option for this mining company to purchase the property. I am sorry at this stage in the negotiations that I cannot disclose the name of the company with whom we are dealing. However, they have given every indication that such a proposal would be given sympathetic understanding and consideration, and it is my feeling that there is a good possibility of negotiations being satisfactorily terminated in the early part of 1955. However, until such negotiations are complete we will not be in a position to reopen our operations at the Silverton mine. We will keep you advised of the progress of our negotiations in the hope that we may have your cooperation in the event a satisfactory arrangement is made for the development and possible sale of the mine.

We trust that, under the circumstances, this project can be allowed to continue without a formal recess agreement until the present negotiations are satisfactorily concluded, at which time it is anticipated that active operations will commence.

Yours very truly,

IRELAND, IRELAND, STAPLETON & PRYOR

BY: Bryan F. Stapleton Jr.

BFS:mg

224 New Customhouse
Denver 2, Colorado

November 5, 1954

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 2991 (Lead-Copper-Zinc), Contract Idm-E558
Shenandoah Dives Mining Company, San Juan County, Colorado

In conjunction with matter discussed in your letter of October 14, 1954, and in reply to our letter to the Resident Manager of the company dated October 21, 1954 we are enclosing a copy of a letter dated November 4, 1954 from an official of the company, in reply to our letter of October 21.

John F. Shaw
For W. H. King

Enclosure

JWT:jp
cc Subject
Chron
Traver w/encl
Koschmann "
Townsend

Benki/Hace

IRELAND, IRELAND, STAPLETON & PRYOR
ATTORNEYS AND COUNSELORS AT LAW
MIDLAND SAVINGS BUILDING
DENVER 2, COLORADO

CLARENCE L. IRELAND
GAIL L. IRELAND
BENJAMIN F. STAPLETON, JR.
WILBUR M. PRYOR, JR.
JOHN S. KELLOGG
WILLIAM B. NAUGLE

Mining Division
Date Rec'd.
NOV 5 - 1954
BUREAU OF MINES
Denver, Colorado

November 4, 1954

Mr. W. H. King, Executive Officer
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

Re: Docket DMEA 2991
(Lead-Copper-Zinc)
Contract IDM-E558

Dear Mr. King:

This will acknowledge receipt of your letter of October 21st, 1954. I have communicated your request to the Directors of the Shenandoah-Dives Mining Company and will hear from them shortly. As soon as I do, I will call you up for an appointment to discuss the matter with you.

Yours very truly,

IRELAND, IRELAND, STAPLETON & PRYOR

By: Benjamin F. Stapleton Jr.

BFS:mg

90

224 New Customhouse
Denver 2, Colorado

October 21, 1954

Mr. Edwin A. Larsen
Resident Manager
Shenandoah Dives Mining Co.
Silverton, Colorado

Re: Docket DMEA 2991
(Lead-Copper-Zinc)
Contract IDM-E558

Dear Mr. Larsen:

Reference is made to your letter of September 27, 1954 and prior correspondence relative to suspension of operations under Contract IDm-E558.

The Government cannot permit this project to continue in an indefinite status without a formal recess agreement. In order to prepare the formal recess agreement it is necessary that a definite period for which operations are to be recessed be established. Therefore, please advise this office at your earliest convenience as to the date on or before which you contemplate operations under the terms of the contract will be resumed.

Very truly yours,

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

JWT:jp
cc Subject
Chron
Chairman, Op. Comm.
Traver) w/copy Chairman's
Koschmann) letter 10-14-54
Townsend

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

500

Mining Division
Date Rec'd.
OCT 20 1954
BUREAU OF MINES
Denver, Colorado

OCT 14 1954

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

Re: Docket No. DMEA 2991 (Lead-Copper-Zinc)
Shenandoah-Dives Mining Company
Letter "G" Vein Project
San Juan County, Colorado
Contract No. Idm-E558

Dear Mr. King:

We have your letter of October 1 regarding the cited contract, together with copies of the Operator's letter of September 27.

We cannot permit this project to continue in an indefinite status, without a formal recess, and yet we cannot prepare a recessing amendment here without having some idea of the Operator's plans. Therefore will you please write this company, advising them that they should submit a specific request to you.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

APPROVED:

J. H. Hedges
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Mining Division
Date Rec'd.
DEC 22 1954
BUREAU OF MINES
Denver, Colorado

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
October 11, 1954

Mr. Charles A. Chase
1470 Grant
c/o New house Hotel
Denver, Colorado

Dear Mr. Chase:

In accordance with your telephone request of December 20, 1954, we are forwarding you two copies of the map "Figure 8 - Section and Assay Map, Letter G Vein, Shenandoah-Dives Mining Co., San Juan County, Colo."

Very truly yours,

W. M. TRAVER,
W. M. Traver,
Chief, Mineral Resources Branch
Mining Division, Region IV

enclosures

WMT/ici

cc: WHKing (2)
E558
Chron.

Mining Division
Date Rec'd.

OCT 12 1954

BUREAU OF MINES
Denver, Colorado

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
October 11, 1954

Mr. Charles A. Chase
1470 Grant
c/o Newhouse Hotel
Denver, Colorado

Dear Mr. Chase:

In accordance with your telephone conversation with Mr. Everett on October 11, we are forwarding you two copies of the map "Figure 8 - Section and Assay Map, Letter G Vein, Shenandoah-Dives Mining Co., San Juan County, Colo."

Very truly yours,

W. M. Traver, Chief
Mineral Resources Branch
Mining Division, Region IV

enclosures

FDE/kp

cc/WHKing (2)
E558
Chron

224 New Customhouse
Denver 2, Colorado

October 1, 1954

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 2991 (Lead-Copper-Zinc), Contract Idm-E558, Shenandoah Dives Mining Co., San Juan County, Colorado

Enclosed are the original and four copies of a letter dated September 27, 1954 from H. A. Larson, Resident Manager, Shenandoah Dives Mining Company, which is in reply to our inquiry of September 21 relative to the operator's plans for resuming work under the contract.

It appears that an amendment should be prepared authorizing the recess of operations, however the matter is forwarded for your consideration and appropriate action.

W. H. King

Enclosures

JWT:jp
cc Subject
Chron
WMTraver)
AHKoschmann) w/encl.
JWTownsend

SHENANDOAH-DIVES MINING COMPANY

SILVERTON, COLORADO

[redacted]
E. B. KANE, SECRETARY-TREASURER
616 FINANCE BUILDING
KANSAS CITY 6, MISSOURI

[redacted]
EDWIN A. LARSON
[redacted]
RESIDENT MANAGER

Sept. 27, 1954

Mining Division
Date Rec'd.

SEP 30 1954

BUREAU OF MINES
Denver, Colorado

Mr. W. H. King, Executive Officer,
Defense Minerals Exploration Administration
Field Team, Region IV
224 New Custom House,
Denver 2, Colorado

Re: Docket DMEA 2991 (Lead-Copper-Zinc)
Contract IDM-E558

Dear Sir:

Your letter of Sept. 21st to Mr. Stapleton was forwarded to this office for reply.

Mine operations were suspended on May 29th. Since that time Mine equipment and facilities have been on a standby basis, as it was not anticipated that the work would be recessed for any great length of time. However, if work is not resumed by Nov. 1st (approx) we will be forced to continue suspension for the duration of the winter months.

I will keep you advised.

Very truly yours,

SHENANDOAH-DIVES MINING CO.

E. A. Larson, Res. Mgr.

EAL:L
cc: RFS
K.C.Office

224 New Customhouse
Denver 2, Colorado

September 21, 1954

Mr. Benjamin F. Stapleton, Jr.
c/o Ireland, Ireland, Stapleton & Pryor
Attorneys and Counselors at Law
Midland Savings Building
Denver 2, Colorado

Re: Docket DMEA 2991 (Lead-Copper-Zinc)
Contract IDM-E558
Shenandoah Dives Mining Company
San Juan County, Colorado

Dear Mr. Stapleton:

The records in this office indicate that work under Contract IDM-E558 has been suspended since May 1954.

We will appreciate advice at your earliest convenience as to your intentions relative to resuming work under the contract.

If work operations are to be recessed for some time it appears that you should request authorization from the Government for the recess of operations, stating the date operations were suspended and the date on or before which they will be resumed.

Very truly yours,

W H King

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

JWT:jp
cc Subject
Chron
Chairman, Oper. Comm.
WMFraver
AHKoschmann
JWTownsend

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

SEP 16 1954

Region IV

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
September 15, 1954

Memorandum

To: Executive Officer, DMEA Field Team, Region IV

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

Subject: DMEA 2991, Contract Idm-E558 (Lead-zinc-copper), Shenandoah-Dives Mining Company (Silver Lake group - Letter "G" vein), San Juan County, Colo.

Work was discontinued at the end of May 1954 on the subject contract.

It would appear that the contractor is in default under Article 8(b) of the contract, and in my opinion, action should be taken to determine what the company's intentions are regarding future operations.

W. M. Traver

WMT/kp

cc w/orig
E558
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
June 11, 1954

Mr. Edwin A. Larson
General Manager
Shenandoah-Dives Mining Company
Silverton, Colorado

Reference; DMEA 2991, contract Idm-E558
Shenandoah-Dives Mining Company
San Juan County, Colorado

Dear Mr. Larson:

Receipt is acknowledged of your completed form MF-104, "Operator's Monthly Report and Voucher," and form MF-104A, "Operator's Unit Cost and Progress Reports," for the month of May 1954, covering contract Idm-E558.

Enclosed please find a set of six each of the above forms for use in submitting your next monthly report.

Very truly yours

W. M. TRAVER,

W. M. Traver, Chief
Mineral Resources Branch
Mining Division, Region IV

enclosures

cc WHKing
E558
DMEA Chron.

pam

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

BUREAU OF MINES
Denver, Colorado

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
May 20, 1954

Mr. Edwin A. Larson
General Manager
Shenandoah-Dives Mining Company
Silverton, Colorado

REFERENCE: DMEA 2991, contract Idm-E558
Shenandoah-Dives Mining Company
San Juan County, Colorado

Dear Mr. Larson:

Receipt is acknowledged of your completed form MF-104, "Operator's Monthly Report and Voucher," and form MF-104A, "Operator's Unit Cost and Progress Report," for the month of April 1954, covering contract Idm-E558.

Enclosed please find a set of six each of the above forms for use in submitting your next monthly report.

Very truly yours,

W. M. TRAVER,

W. M. Traver, Chief
Mineral Resources Branch
Mining Division, Region IV

enclosures

cc WHKing
E558
DMEA Chron

fkp

224 New Customhouse
Denver 2, Colorado

April 23, 1954

Memorandum

To: C. C. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 2991 (Lead-Zinc-Copper), Contract IDM-E558, Shenandoah-Dives Mining Company, San Juan County, Colorado

Enclosed are the original and two copies of Amendment No. 1 to Contract IDM-E558 which has been prepared and executed in conformance with advice contained in a teletype from the Chairman of the Operating Committee dated April 14, 1954 to modify the description of drifting to be performed on the letter "G" vein. 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

JWT:jp
cc Contract
Chron
JWTownsend

224 New Customhouse
Denver 2, Colorado

April 23, 1954

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 2991 (Lead-Zinc-Copper), Contract Idm-E558, Shenandoah-Dives Mining Company, San Juan County, Colorado

Enclosed is your copy of Amendment No. 1 to Contract IDM-E558 which modifies the description of drifting to be performed on the letter "G" vein.

W H King
W. H. King

Enclosure

JWT:jp
cc Contract
Chron
WMTraver
AHKoschmann
JWTownsend

224 New Customhouse
Denver 2, Colorado

April 23, 1954

Mr. Benjamin F. Stapleton, Jr.
c/o Ireland, Ireland, Stapleton & Pryor
Attorneys and Counselors at Law
Midland Savings Building
Denver 2, Colorado

Re: Docket DMEA 2991 (Lead-Zinc-Copper)
Contract Idm-E558

Dear Mr. Stapleton:

Enclosed is your copy of Amendment No. 1 to Contract IDM-E558 which modifies the description of drifting to be performed on the letter "G" vein.

Very truly yours,

W H King

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

Enclosure

JWT:jp
cc Contract
Chron
WMTraver
JWTownsend

IRELAND, IRELAND, STAPLETON & PRYOR
ATTORNEYS AND COUNSELORS AT LAW
MIDLAND SAVINGS BUILDING
DENVER 2, COLORADO

CLARENCE L. IRELAND
GAIL L. IRELAND
BENJAMIN F. STAPLETON, JR.
WILBUR M. PRYOR, JR.
JOHN S. KELLOGG

Mining Division
Date Rec'd
APR 23 1954
BUREAU OF MINES
Denver, Colorado

April 21, 1954

Bureau of Mines
New Customhouse
Denver, Colorado

Attention: Mr. W. H. King, Executive Officer
DMEA Field Team, Region IV

RE: Shenandoah-Dives Mining Company, Silverton, Colorado
DMEA 2991, IDM-E 558

Dear Mr. King:

Enclosed herewith please find all copies of the amendment to the Shenandoah-Dives Mining Contract Docket No. DMEA 2991, dated June 26, 1953, which has been signed by me as President of the corporation. As soon as it has been executed by your office I will appreciate it if the copies available to the company will be returned to me.

Yours very truly,

IRELAND, IRELAND, STAPLETON & PRYOR

By Benjamin F. Stapleton, Jr.

BFS:em

Enc.

Mining Division
Date Rec'd
APR 16 1954
BUREAU OF MINES
Denver, Colorado

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Region

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
April 15, 1954

Memorandum

To: Executive Officer, DMEA Field Team, Region IV

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

Subject: DMEA 2991, contract Idm-E558 (Lead-zinc-copper), Shenandoah-Dives Mining Company (Silver Lake group - Letter "G" vein), San Juan County, Colorado - Request for amendment

Enclosed are the original and seven copies of W. L. Dare's memorandum covering the above amendment request recommending approval.

Under the circumstances, the recommendation has my approval. However, I am of the opinion that the amount of footage allowed for drifting east should be left to the discretion of the Region IV Field Team and not be continued to the limit of all drifting remaining to complete unless the ore encountered in the one drill hole proves to have continuity in that direction.

Also, I believe the recommendations of the Survey geologist, who is certainly more conversant than anyone with conditions in the general area and the Shenandoah-Dives property in particular, should not be overlooked. Before contract funds are exhausted, a sufficient sum should be assigned to test by drill hole his theory of a possible offset of the Letter "G" beyond the present face of the west drift.

F. D. Everett

F. D. Everett, for
W. M. Traver

enclosures

cc 7
E558
DMEA Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
April 14, 1954

Memorandum

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

From: W. L. Dare

Subject: DMEA 2991, contract Idm-E558 (Lead-zinc-copper), Shenandoah-Dives Mining Company (Silver Lake group - Letter "G" vein), San Juan County, Colorado - Request for amendment

Benjamin F. Stapleton, Jr., Director, and Edwin A. Larson, Resident Manager, Shenandoah-Dives Mining Company, in a letter to J. H. East, Jr., Regional Director, Region IV, dated March 31, 1954, requested an amendment to contract Idm-E558, to permit revision of the original work program.

This requested revision proposed that remaining contract drifting be completed along the Letter "G" vein east of the main crosscut rather than continuing west as originally planned. The operator's reasoning for ceasing work in the west heading is primarily because of the poor mineralization exposed in 273 feet of drifting completed in March 1954, contending that no indications exist that warrant additional drifting in the westerly direction. The proposed drifting east from the crosscut is based entirely upon the results of a horizontal diamond drill hole drilled from the crosscut in January 1954. The hole encountered 8 feet of vein material approximately 60 feet east of the crosscut that assayed 0.03 ounce gold, 2.9 ounces silver per ton, 4.6 percent lead, 0.5 percent zinc, and 0.20 percent copper.

The fact that ore does not exist at this depth along the Letter "G" vein system westerly in the area yet to be explored has not been proven. David J. Varnes, Geological Survey, who has conducted geological research in the area, was consulted and reported that the major fault planes of the Titusville or Letter "G" fault have shown the characteristic of irregular left-hand offsets along its strike. Varnes suggested drilling a long diamond drill hole southwest from the present west drift face to explore for a mineralized offset. A barren relatively strong fracture exists in the present breast; however, it does not eliminate the possibility of a mineralized offset further west and south in an area that has not been explored by diamond drilling to date.

The main problem appears to be one of economics. From information gained from Larson, the company directors, advised of the discouraging results of drifting completed in March, are in doubt as to the financial justification of continuing the project in operation, if the drifting is to be continued to the west.

The drifting east will commence in good ore as indicated by the one drill hole and will be in relatively virgin ground. For approximately 420 feet of drifting there will be 1,200 feet of back above the drift and for the next 650 feet there will be 1,300 feet of back.

Before the current metal price decline, the Shenandoah-Dives mining and milling operations had not only been the mainstay of the town of Silverton but had provided custom milling necessary to keep other smaller mines in the area operating.

Considering the future consequences of complete shutdown and also the fact that drifting east will start in ore and continue in ground with a reasonably good ore potential, the requested amendment is recommended for approval.

W. L. Dare
Mining Engineer

cc 7
E558
DMEA Chron.

WMT/pam

April 13, 1954

Memorandum

To: A. H. Koschmann GHK

From: D. J. Varnes

Subject: DMEA Docket 2991 (lead-copper-zinc), Contract Idm-E558, Shenandoah Dives Mining Company, San Juan County, Colorado. Proposal to drift east in lieu of performing balance of drifting to the west on the Letter "G" vein

I have no direct information regarding the Letter "G" vein in this vicinity, from either surface outcrop or from underground workings. This is within the area mapped by Mr. Burbank. The request to drift east appears reasonable in view of the disappointing showing to the west, and I know of no geologic reasons to believe that the eastern area would be less favorable than the western area. At this depth, the vein is, you might say, an unknown quantity for considerable distances east and west of the crosscut.

The maps accompanying the request indicate that there are two en echelon parts to the Letter "G." The arrangement of these veins is entirely in keeping with present ideas on the origin of the fissure, i. e., it is a right-handed shear zone. The Shenandoah-Dives vein zone also has such en echelon veins. If the vein to the east dies out, I would recommend putting in a diamond drill hole pointed ahead and to the left at about 45° to the trend of the drift. In fact, if the present west heading shows no vein structure, I would recommend that a hole be put in pointing ahead and to the left.

IRELAND, IRELAND, STAPLETON & PRYOR
ATTORNEYS AND COUNSELORS AT LAW
MIDLAND SAVINGS BUILDING
DENVER 2, COLORADO

CLARENCE L. IRELAND
GAIL L. IRELAND
BENJAMIN F. STAPLETON, JR.
WILBUR M. PRYOR, JR.
JOHN S. KELLOGG
WILLIAM B. NAUGLE

March 31, 1954

Bureau of Mines
New Customhouse
Denver, Colorado

Attention: Mr. East, Regional Director

IN RE: DMEA 2991
IDM-E 558
Shenandoah-Dives Mining Company, Silverton, Colorado

Gentlemen:

This letter is written by the undersigned, Benjamin F. Stapleton, Jr., as a Director of the Shenandoah-Dives Mining Company, and Mr. E. A. Larson, as the Resident Manager at Silverton, and is written pursuant to a resolution of the Board of Directors of the company at a meeting of the Board.

In reference to the exploration project contract set forth above at the Shenandoah-Dives mining properties, Silverton, Colorado, this letter will serve as a request for a change order under said contract as will be more fully set forth in this letter.

We are enclosing herewith copy of a progress map of the project as of March 31, 1954.

You will recall that under the project we had been drifting to the west from the cross cut on the Letter "G" Vein during the month of March. Drifting to the west was continued for a length of 273 feet. The drifting during March resulted in no commercial grades of ore suitable for mining. There were no indications during the March drifting of any better prospects further to the west.

You will recall in our report to Mr. W. M. Traver, Chief of the Mineral Resources Branch, Mining Division, Bureau of Mines, dated January 16, 1954, a copy of which report is in your hands, that we diamond drilled a hole referred to as No. 4 to the east of the cross cut, which resulted in crossing a vein of ore 60 feet east of the cross cut which assayed with a net smelter return of $11.63.

In view of the unfavorable showings during the month of March in the drifting to the west and in further consideration of the most favorable diamond drilled Hole No. 4 showing ore to the east, it is requested that as of March 31, 1954, the contract for exploration under which the company is now working, be changed and amended to provide for drifting the remainder of the contracted feet, namely 689.5 feet, to the east along the vein indicated by diamond drilled Hole No. 4.

We feel that a change order in the contract allowing for drifting to the east will prove beneficial not only to the company but to the Government as well. So that work may continue as rapidly as possible, we would appreciate it if you would do whatever is possible to expedite this change order so that drifting operations may be commenced to the east as of April 1, 1954.

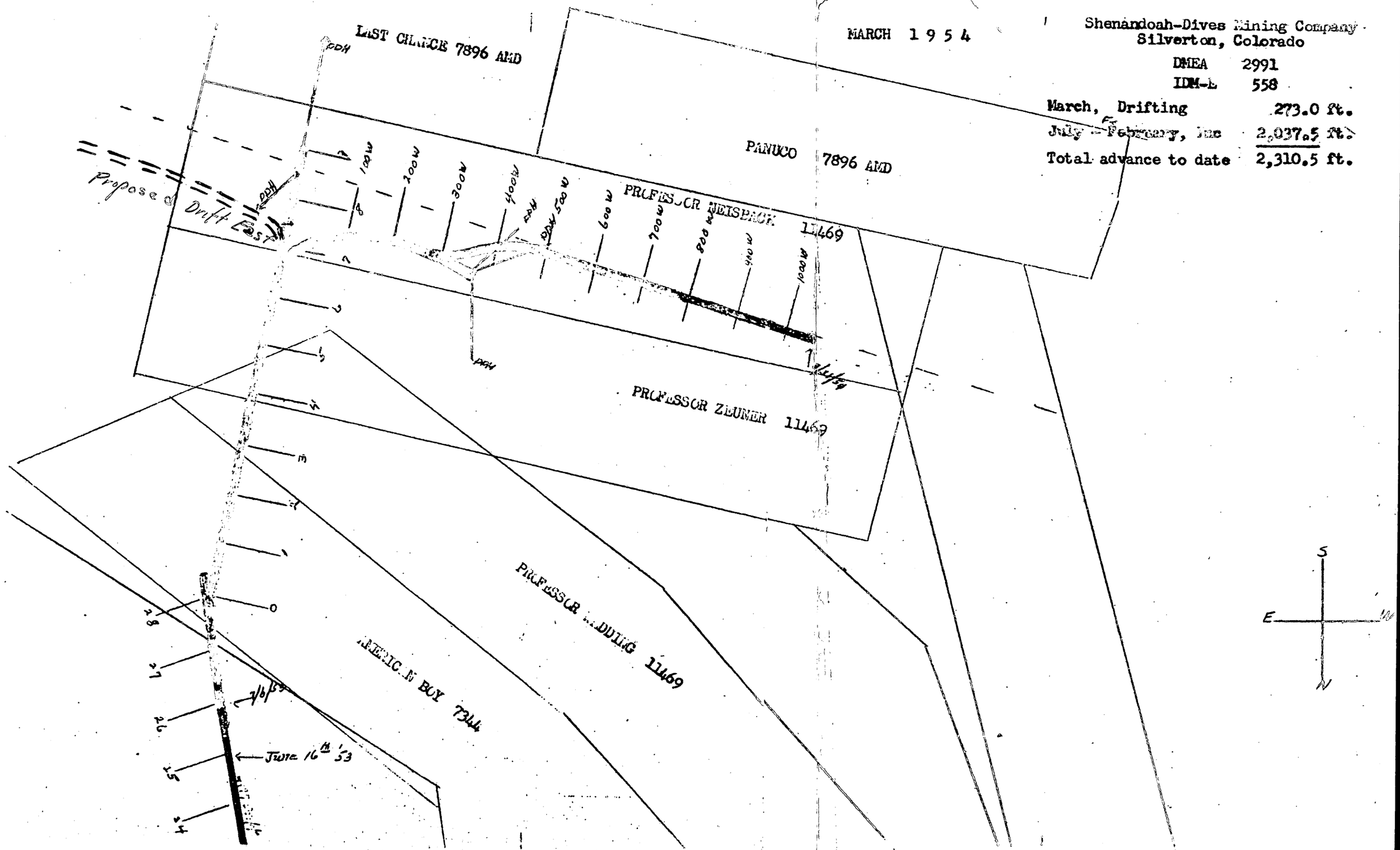
Yours very truly,

Benjamin F. Stapleton, Jr.
Director

E. A. Larson
Resident Manager

BFS:em

P.S. Enclosed herewith are nine (9) photostat copies of a portion of the map "Figure 4" referred to in Exhibit "A" and attached to the contract, which shows the work completed to date, and the proposed change in the work outline.



MARCH 1954

Shenandoah-Dives Mining Company
Silverton, Colorado

DMEA 2991
IDM-L 558

March, Drifting	273.0 ft.
July - February, Inc	2,037.5 ft.
Total advance to date	2,310.5 ft.

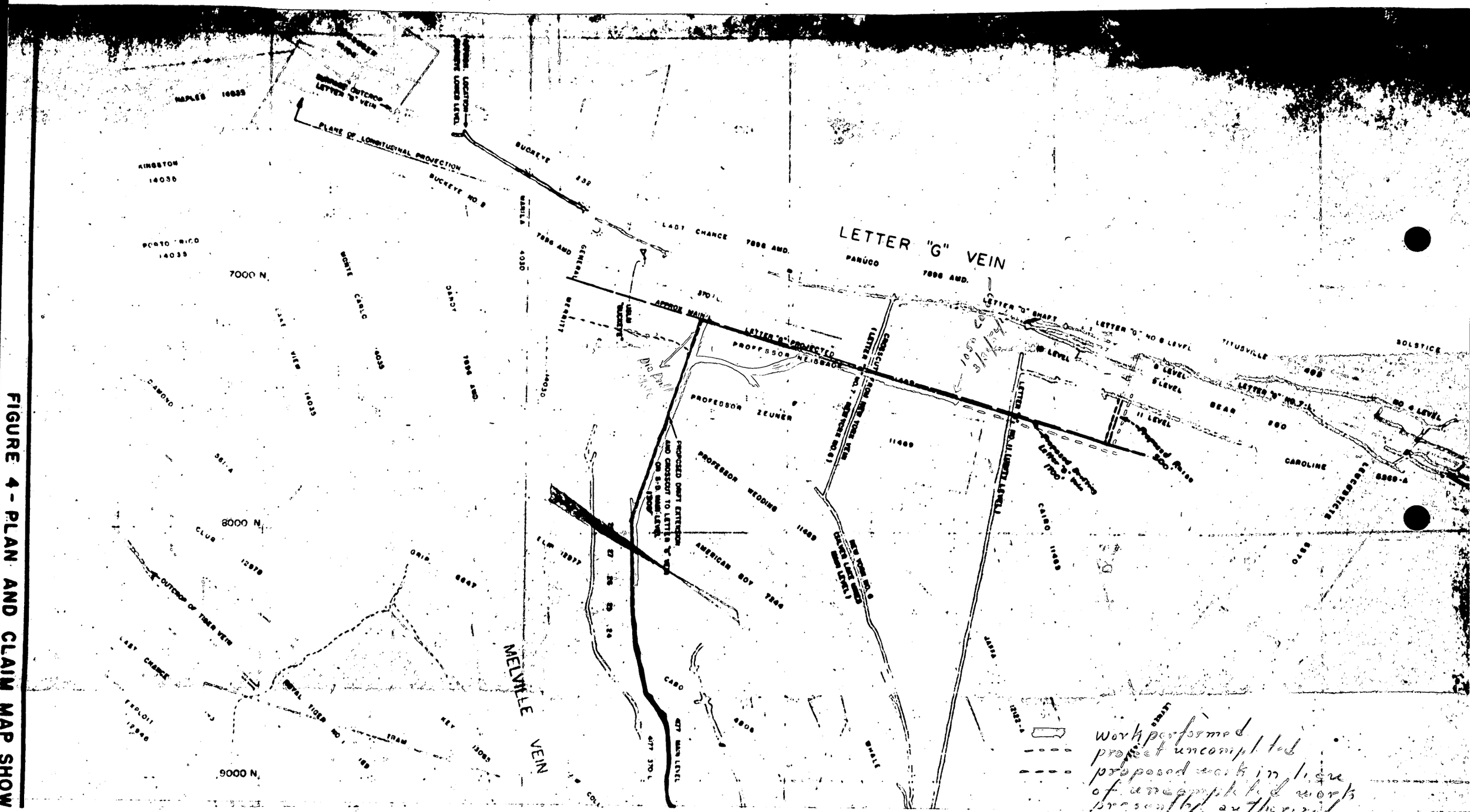


FIGURE 4 - PLAN AND CLAIM MAP SHOW

224 New Customhouse
Denver 2, Colorado

April 16, 1954

Mr. E. A. Larson, Resident Manager
Shenandoah-Dives Mining Company
Silverton, Colorado

Re: Docket DMEA 2991
(Lead-Zinc-Copper)
Contract IDM-E558

Dear Mr. Larson:

Enclosed are the original and five copies of Amendment No. 1 to Contract IDM-E558, effective April 1, 1954, which we have prepared in conformance with your request of March 31, 1954 to modify the description of work on the letter "G" vein to authorize drifting easterly and westerly to the extent dependent on conditions encountered as the work progresses.

All copies of the amendment should be signed by an authorized official of the company, the corporate seal affixed, and returned to this office leaving the date blank.

Upon return to this office and signature by the Executive Officer, DMEA Field Team, Region IV, for the Government, your copy of the amendment will be forwarded to you.

Very truly yours,

John F. Shaw

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

Encls.
JWT:jp
cc Contract
Chron
WMTraver
AHKoschmann
JWTownsend

BFStapleton, Jr.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
April 15, 1954

Mr. Edwin A. Larson
General Manager
Shenandoah-Dives Mining Company
Silverton, Colorado

REFERENCE: DMEA 2991, contract Idm-E558
Shenandoah-Dives Mining Company
San Juan County, Colorado

Dear Mr. Larson:

Receipt is acknowledged of your completed form MF-104, "Operator's Monthly Report and Voucher," and form MF-104A, "Operator's Unit Cost and Progress Report," for the month of March 1954, covering contract Idm-E558.

Enclosed please find a set of six each of the above forms for use in submitting your next monthly report.

Very truly yours,

F. D. Everett

F. D. Everett for
W. M. Traver, Chief
Mineral Resources Branch
Mining Division, Region IV

enclosures

cc: WMTing
E558
DMEA Chron

Rep

RASB

3 cop.
KT

WH/12
J.W.T.
RBB
Stine

DN 235 BUR MINES GA PLS

WASH DC BU MINES 310 4-14-54 4-00 PM

W H KING,
REURTT APRIL 7, DOCKET DMEA 2991, SHENANDOAH-DIVES MINING COMPANY, CONTRACT IDM-E558. YOU MAY PREPARE AMENDMENT AS YOU RECOMMEND. WE SUGGEST THAT DRIFTING BE ALLOWED WITHOUT SPECIFYING WHETHER TO BE DONE EASTERLY OR WESTERLY. REFFERXXX REFERRING TO QUESTION OF RAISE, WE WOULD PROBABLY NOT BE INCLINED TO GRANT LARGE INCREASE OF FUNDS WHICH APPARENTLY WOULD BE NECESSARY TO DRIVE A VERY MUCH LONGER RAISE IN THE EASTERLY AREA. WE ADVISE NO ACTION REGARDING RAISE AT THIS TIME.

GEORGE C SELFRIDGE

4-03 PM END PLS ACK RT
MSG RECD OK BMH

224 New Customhouse
Denver 2, Colorado

April 7, 1954

Memorandum

To: A. H. Koschmann
W. M. Traver, Jr.

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 2991 (Lead-Copper-Zinc), Contract IDM-E 558, Shenandoah Dives Mining Company, San Juan County, Colorado

Confirming our telephone conversation of April 6, there is enclosed a copy of a letter dated March 31, 1954 with attached maps from the operator wherein an amendment to the contract is requested to authorize drifting to the east in lieu of performing the balance of drifting to the west on the letter "G" vein.

Please submit a memorandum report of your recommendations.

W. H. King

Enclosure

JWT:jp
cc Contract
Chron
JWTownsend

DN 235 BUREAU MINES 4-7-54 11-21 AM

C O MITTENDORF

REFERENCE DOCKET DMEA 2991, CONTRACT IDM-E558, SHENANDOAH-DIVES MINING COMPANY. CONDITIONS ENCOUNTERED IN DRIFTING TO WEST ON LETTER "G" VEIN DO NOT WARRANT COMPLETING WORK AS PRESENTYXXX PRESENTLY DESCRIBED IN CONTRACT. COMGANY REQUESTS AMENDMENT TO THE CONTRACT, EFFECTIVE APRIL 1,1954, TO PERMIT PERFORMANCE OF BALANCE OF DRIFTING, 689.5 FEET, TO THE EAST FROM THE CROSSCUT TO EXPLORE ORE DISCLOSDXXX DISCLOSED BY AXXXRX A COMPANY DRILL HOLE. COMPANY WILL SUBMIT REQUEST AT LATER DATE FOR RELOCATION OF PROPOSED RAISE WHICH WILL PROBABLY INVOLVE ADDITIONAL FOOTAGE AND FUNDS. THE CHANGE IN DIRECTION OF DRIFTING APPEARS TO BE TO THE INTEREST OF THE GOVERNMENT AND WE HAVE GIVEN ORAL APPROVAL TO PRECLUDE SUSPENSION OF OPRXXX OPERATIONS. PLEASE TELETYP AUTHORIZATION FOR US TO PREPARE AMENDMENT FOR CHANGE IN LOCATION OF BALANCE OF DRIFTING.

W H KING

Submitted by W. L. Dare

Date submitted Mar. 15, 1954

D.M.E.A. program RESULTS OF SPECTROGRAPHIC ANALYSIS Mar. 18, 1954

Serial No.	Lot No.	Spectro No.	Elements																					
			Li	Na	K	Cu	Ag	Au	Be	Mg	Ca	Sr	Ba	Zn	Cd	Hg	La	B	Al	Ga	In	Tl	Ti	Zr
Shenandoah-Dives Mining Company Silver Lake group, Letter "G" vein, San Juan County, Colorado DMEA 2991, contract Idm-2959			-	-	-	+	+	-	-	+	+	-	-	+	-	-	-	-	+	-	-	-	+	-
24629	WID-54	1054																						
			Hf	Th	Si	Ge	Sn	Pb	V	Cb	Ta	P	As	Sb	Bi	Cr	Mo	W	U	Te	Mn	Fe	Co	Ni
			-	-	+	-	-	+	+	-	-	-	-	-	-	-	-	-	-	-	+	+	-	-
			Ru	Rh	Pd	Os	Ir	Pt	Ce															
			-	-	-	-	-	-	-															
	cc: King (2) Traver																							

Remarks
+ = Present
– = Absent
Ind. = Indeterminate
Tr. = Trace

Heber E. Peterson

Submitted by W. L. Dare

Date submitted Mar. 15, 1954

D.M.E.A. program RESULTS OF SPECTROGRAPHIC ANALYSIS Mar. 18, 1954

Serial No.	Lot No.	Spectro No.	Elements																					
			Li	Na	K	Cu	Ag	Au	Be	Mg	Ca	Sr	Ba	Zn	Cd	Hg	La	B	Al	Ga	In	Tl	Ti	Zr
Shenandoah-Dives Mining Company Silver Lake group, Letter "G" vein, San Juan County, Colorado DMEA 2991, contract Idm-E558			-	-	-	+	+	-	-	+	+	-	-	+	-	-	-	-	+	-	-	-	+	-
24629	WLD-54	1084																						
			Hf	Th	Si	Ge	Sn	Pb	V	Cb	Ta	P	As	Sb	Bi	Cr	Mo	W	U	Te	Mn	Fe	Co	Ni
			-	-	+	-	-	+	+	-	-	-	-	-	-	-	-	-	-	-	+	+	-	-
			Ru	Rh	Pd	Os	Ir	Pt	Ce															
			-	-	-	-	-	-	-															

E558

Mining Division
Date rec'd
MAR 24 1954
BUREAU OF MINES
Denver, Colorado

cc: King (2)
Traver

Remarks
+ = Present
- = Absent
Ind. = Indeterminate
Tr. = Trace

Heber E. Peterson

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

MAR 1 1954
BUREAU OF MINES
Denver, Colorado

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
March 11, 1954

Mr. Edwin A. Larson
General Manager
Shenandoah-Dives Mining Company
Silverton, Colorado

REFERENCE: DMEA 2991, contract Idm-E558
Shenandoah-Dives Mining Company
San Juan County, Colorado

Dear Mr. Larson:

Receipt is acknowledged of your completed form MF-104, "Operator's Monthly Report and Voucher," and form MF-104A, "Operator's Unit Cost and Progress Report," for the month of February 1954, covering contract Idm-E558.

Enclosed please find a set of six each of the above forms for use in submitting your next monthly report.

Very truly yours

W. M. TRAVER,

W. M. Traver, Chief
Mineral Resources Branch
Mining Division, Region IV

enclosures

cc WMKing
E558
DMEA Chron.

pam

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
March 10, 1954

Memorandum

To: J. Bruce Clemmer, Chief, Metallurgical Division, Region IV

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

Subject: Sample shipment

We have shipped you today via parcel post (insured) one sack containing seven samples, as follows:

Three samples

Black and Jones, Whirlwind mine, San Juan County, Utah, DMEA 3003, contract Idm-E650

One sample

Shenandoah-Dives Mining Company (Silver Lake group), Letter "G" vein, San Juan County, Colorado, DMEA 2991, contract Idm-E558

Three samples

Clarence Louis Neilson (Joe Dandy mine), San Miguel County, Colorado, DMEA 3117, contract Idm-E633

Three sets of form 7353, in duplicate, indicating the assays desired are enclosed.

Inasmuch as these are DMEA samples, your usual prompt attention will be appreciated.

W. M. TRAVER

W. M. Traver

enclosures

cc w/original
WHKing(2)

STRATEGIC MINERAL PROJECT

Information supplied the Metallurgical Division
regarding samples submitted

Date March 10, 1954

Name and location of property: Black and Jones (Whirlwind mine)
San Juan County, Utah, DMEA 3003, contract
Idm-E650

Sample identification number: RRM--63, -64, -65

Number of samples in shipment (estimated if necessary): 3 (with other samples)

General nature of ore (type, minerals present, etc.):

Uranium and vanadium minerals in conglomerate

Analyses or assays required: U_3O_8 and V_2O_5

Other tests desired: None

Name and address of
Project Engineer

R. R. McLelan
Mineral Resources Branch
Building 20, Room 137
Denver Federal Center
Denver 14, Colorado

Via: Parcel Post (Insured)
Date: March 10, 1954
1 sack: 7 samples
Weight: 19 pounds
7353 Charges: $1.54

BLACK AND JONES
WHIRLWIND SAMPLES
San Juan County, Utah

Sample No.	Width	Location
RRM-63	2.5 feet	Across back 35 feet from center of crosscut
RRM-64	1.0 feet	Across back 45 feet from center of crosscut
RRM-65	4.0 feet	Across back 50 feet from center of crosscut

STRATEGIC MINERAL PROJECT

Information supplied the Metallurgical Division
regarding samples submitted

Date March 10, 1954

Name and location of property:

Shenandoah-Dives Mining Company (Silver Lake group), Letter "G" vein, San Juan County, Colorado, DMEA 2991, contract Idm-E558

Sample identification number: WLD-54

Number of samples in shipment (estimated if necessary): 1 (with other samples)

General nature of ore (type, minerals present, etc.):

Sulphides and quartz in andesite

Analyses or assays required: None

Other tests desired: Spectrographic analyses, check especially for suspected columbite and tantalite

Via: Parcel Post (Insured)
Date: March 10, 1954
1 sack: 7 samples
Weight: 19 pounds
Charges: $1.54

Name and address of
Project Engineer
W. L. Dare
Mineral Resources Branch
Building 20, Room 137
Denver Federal Center
Denver 14, Colorado

7353

STRATEGIC MINERAL PROJECT

Information supplied the Metallurgical Division
regarding samples submitted

Date March 10, 1954

Name and location of property:

Clarence Louis Neilson (Joe Dandy mine), San Miguel County, Colorado
DMEA 3117, contract Idm-8633

Sample identification number: WLD-52, -53, and -55

Number of samples in shipment (estimated if necessary): 3 (with other samples)

General nature of ore (type, minerals present, etc.):

Uranium-vanadium mineralization in sandstone

Analyses or assays required:

WLD-52 and -53 - U_3O_8 and V_2O_5 content
WLD-55 - Identification of uranium and vanadium minerals

Other tests desired: None

Name and address of
Project Engineer

W. L. Dare
Mineral Resources Branch
Building 20, Room 137
Denver Federal Center
Denver 14, Colorado

Via: Parcel Post (Insured)
Date: March 10, 1954
1 sack: 7 samples
Weight: 19 pounds
Charges: $1.54

7353

WHK 8/ PBB.

Submitted by W. L. Dare

Date submitted Feb. 11, 1954

IMEA program

RESULTS OF SPECTROGRAPHIC ANALYSIS Feb. 12, 1954

Serial No.	Lot No.	Spectro No.	Elements																				
			Li	Na	K	Cu	Ag	Au	Be	Mg	Ca	Sr	Ba	Zn	Cd	Hg	La	B	Al	Ga	In	Tl	Ti	Zr
22304	WLD-51	1002	-	+	+	+	+	-	-	+	+	-	-	+	-	-	-	-	+	tr	-	-	+	-
Shenandoah-Dives Min.Co. IMEA 2991, Idn-E558 Silver Lake Group - Letter "G" vein, San Juan County, Colorado			Hf	Th	Si	Ge	Sn	Pb	V	Cb	Ta	P	As	Sb	Bi	Cr	Mo	W	U	Te	Mn	Fe	Co	Ni
			-	-	+	-	-	+	+	-	-	-	-	-	-	-	+	-	-	-	+	+	-	tr
			Ru	Rd	Pd	Os	Ir	Pt	Ce															
			-	-	-	-	-	-	-															
cc: W.H.King W.M.Traver,Jr.																								

Mining Division
Date Rec'd
FEB 15 1954
BUREAU OF MINES
Denver, Colorado

Remarks
+ - Present
- - Absent
Ind. - Indeterminate
Tr. - Trace

H. E. Peterson

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

FEB 1 1954
BUREAU OF MINES
Denver, Colorado

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
February 11, 1954

Mr. Edwin A. Larson
General Manager
Shenandoah-Dives Mining Company
Silverton, Colorado

REFERENCE: DMEA 2991, contract Idm-E558
Shenandoah-Dives Mining Co.
San Juan County, Colorado

Dear Mr. Larson:

Receipt is acknowledged of your completed form MF-104, "Operator's Monthly Report and Voucher," and form MF-104A, "Operator's Unit Cost and Progress Reports," for the month of January 1954, covering contract Idm-E558.

Enclosed please find a set of six each of the above forms for use in submitting your next monthly report.

Very truly yours

W. M. TRAVER,

W. M. Traver, Chief
Mineral Resources Branch
Mining Division, Region IV

enclosures

cc WHKing
E558
DMEA Chron.

pam

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

WHK

BUREAU OF MINES
Denver, Colorado

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
February 5, 1954

Memorandum

To: J. Bruce Clemmer, Chief, Metallurgical Division, Region IV

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

Subject: Sample shipment

We have shipped you today via insured parcel post one sack containing one sample as follows:

One sample:

Shenandoah-Dives Mining Company
Silver Lake Group - Letter "G" vein
San Juan County, Colorado E558, DMEA 2991

One set of form 7353, in duplicate, indicating the assays desired is enclosed.

Inasmuch as this is a DMEA sample, your usual prompt attention will be appreciated.

W. M. TRAVER

W. M. Traver

enclosures

cc w/original

WHKing
E558
General
Chron.

pam

STRATEGIC MINERAL PROJECT

Information supplied the Metallurgical Division
regarding samples submitted

Date February 5, 1954

Name and location of property:

Shenandoah-Dives Mining Company
DMEA 2991, Idm-E558 Silver Lake Group - Letter "G" vein
San Juan County, Colorado

Sample identification number:

WID-51

Number of samples in shipment (Estimated if necessary) one

General nature of ore (type, minerals present, etc.):

Vein sulphides associated with andesitic dike

Analyses or assays required:

Spectographic analysis - Check especially for columbium and tantalum

Other tests desired:

None

Via: Parcel Post (Insured)
Date: February 5, 1954
7353 One sack: 1 sample
Weight: 6 pounds
Charges: $0.64

Name and address of
Project Engineer

W. L. Dare
Mineral Resources Branch
Mining Division, Region IV
Building 20, Room 137
Denver Federal Center
Denver 14, Colorado

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Mining Division
Date Rec'd
JAN 14 1954
BUREAU OF MINES
Denver, Colorado

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
January 13, 1954

Mr. Edwin A. Larson
General Manager
Shenandoah-Dives Mining Company
Silverton, Colorado

REFERENCE: DMEA 2991, contract Idm-E558
Shenandoah-Dives Mining Company
San Juan County, Colorado

Dear Mr. Larson:

Receipt is acknowledged of your completed form MF-104, "Operator's Monthly Report and Voucher," and form MF-104A, "Operator's Unit Cost and Progress Reports," for the month of December 1953, covering contract Idm-E558.

Enclosed please find a set of six each of the above forms for use in submitting your next monthly report.

Very truly yours

W. M. TRAVER

W. M. Traver, Chief
Mineral Resources Branch
Mining Division, Region IV

enclosures

cc WHKing
E558
DMEA Chron.

pam

Mining Division
Data Rec'd
DEC 11 1953
BUREAU OF MINES
Denver Colorado

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
December 10, 1953

Mr. Edwin A. Larson, General Manager
Shenandoah-Dives Mining Company
Silverton, Colorado

REFERENCE: DMEA 2991, Contract Idm-E558
Shenandoah-Dives Mining Company
San Juan County, Colorado

Dear Mr. Larson:

Receipt is acknowledged of your completed form MF-104, "Operator's Monthly Report and Voucher" and form MF-104A, "Operator's Unit Cost and Progress Report" for the month of November 1953, covering contract Idm-E558.

Enclosed please find a set of six each of the above forms for use in submitting your next monthly report.

Very truly yours,

W. M. Traver, Chief
Mineral Resources Branch
Mining Division, Region IV

Enclosure

cc WHKing
E558
DMEA Chron

le

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
December 10, 1953

Mr. Edwin A. Larson, General Manager
Shenandoah-Dives Mining Company
Silverton, Colorado

REFERENCE: DMEA 2991, Contract Idm-E558
Shenandoah-Dives Mining Company
San Juan County, Colorado

Dear Mr. Larson:

Receipt is acknowledged of your completed form MF-104, "Operator's Monthly Report and Voucher" and form MF-104A, "Operator's Unit Cost and Progress Report" for the month of November 1953, covering contract Idm-E558.

Enclosed please find a set of six each of the above forms for use in submitting your next monthly report.

Very truly yours,

W. M. Traver, Chief
Mineral Resources Branch
Mining Division, Region IV

Enclosure

cc WHKing
E558
DMEA Chron

ls

Mining Division
Date Rec'd
NOV 17 1953
BUREAU OF MINES
Denver, Colorado

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
November 16, 1953

Edwin A. Larson, General Manager
Shenandoah-Dives Mining Company
Silverton, Colorado

REFERENCE: DMEA 2991, contract Idm-E558
San Juan County, Colorado

Dear Mr. Larson:

Receipt is acknowledged of your completed form MF-104, "Operator's Monthly Report and Voucher," and form MF-104A, "Operator's Unit Cost and Progress Reports," for the month of October 1953, covering contract Idm-E558.

Enclosed please find a set of six each of the above forms for use in submitting your next monthly report.

Very truly yours

Floyd D. Everett

Floyd D. Everett, for
W. M. Traver, Chief
Mineral Resources Branch
Mining Division, Region IV

enclosures

cc WHKing
E558
DMEA Chron.

pam

224 New Customhouse
Denver 2, Colorado

October 15, 1953

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA 2991, Contract Idm-E558, Shenandoah-Dives Mining Company

Enclosed are certified copies of Location Certificate No. 94333, Lorraine Lode Mining Claim; Location Certificate No. 94333, American Girl Lode Mining Claim, and a copy of a map showing location of these claims.

John F. Shaw
John F. Shaw
For W. H. King

Enclosures

JFS:es

cc: Contract
Chron.
Traver w/ enc.
Koschmann (2)

CHARLES KENTOR
ATTORNEY AT LAW
FIRST NATIONAL BANK BUILDING
DENVER, COLORADO

Mining Division
Date Rec'd.
OCT 13 1953
BUREAU OF MINES
Denver, Colorado

October 12, 1953

Mr. W. H. King
Executive Officer, D.M.E.A.
224 New Customhouse
Denver, Colorado

Dear Mr. King:

In re DMEA 2991 IDM E 558
Shenandoah-Dives Mining Co.

At the time of closing the above referred to exploration agreement, request was made by your office that certain open ground adjacent to our proposed crosscut and drift be taken up by mineral locations. Accordingly, claims have been located covering this ground in the name of The American Smelting and Refining Company.

Enclosed herewith are certified copies of -

Location Certificate No. 94332 - Lorraine Lode Mining Claim, and
Location Certificate No. 94333 - American Girl Lode Mining Claim

recorded September 23, 1953, in book 172, pages 359 and 360, respectively, Recorder's office, San Juan County, Colorado. Also enclosed is map showing the location of said claims.

Sincerely yours,

Charles Kentor

Charles Kentor

CK/mb
Enclosures

Copies to -
Shenandoah-Dives Mining Co. - Kansas City
Shenandoah-Dives Mining Co. - Silverton
American Smelting & Refining Co. - Salt Lake City
Frazer Arnold - Denver

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
October 14, 1953

Mining Division
Date Rec'd
OCT 15 1953
BUREAU OF MINES
Denver, Colorado

Mr. Edwin A. Larson
General Manager
Shenandoah-Dives Mining Company
Silverton, Colorado

REFERENCE: BMEA 2991, Contract Idm-E558
Shenandoah-Dives Mining Company
San Juan County, Colorado

Dear Mr. Larson:

Receipt is acknowledged of your completed forms MF-104, "Operator's Monthly Report and Voucher," and forms MF-104A, "Operator's Unit Cost and Progress Report," for the month of September 1953, covering contract Idm-E558.

Enclosed please find a set of six each of the above forms for use in submitting your next monthly report.

Very truly yours,

W. M. TRAVER,

W. M. Traver, Chief
Mineral Resources Branch
Mining Division, Region IV

enclosures

WMT/hp

cc/ MMRing
E558
BMEA Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Mining Division
Date Rec'd
SEP 22 1953
BUREAU OF MINES
Denver, Colorado

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
September 21, 1953

Shenandoah-Dives- Mining Company
Silverton, Colorado

ATTENTION: Mr. Edwin A. Larson,
General Manager

REFERENCE: DMEA 2991, Contract Idm-E558
San Juan County, Colorado

Gentlemen:

We are again returning herewith all five copies of your progress report for the month of August as signature is also required on all copies of the form MF-104, as well as the MF-104A.

W. M. TRAVER,

W. M. Traver, Chief
Mineral Resources Branch
Mining Division, Region IV

enclosures

cc: WHKing (2)
E558
DMEA Chron,

cb

224 New Customhouse
Denver 2, Colorado

September 18, 1953

Memorandum

To: W. M. Traver

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA-2991 (Lead, Copper, Zinc), Contract IDM-E 558, Shenandoah-Dives Mining Company, San Juan County, Colorado

Enclosed is an extra copy of Contract IDM-E 558.

W. H. King

W. H. King

Enclosure

JFS:jp
cc Contract
Chron

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

SEP 14 1953

Mr. W. H. King
Executive Officer
Region IV
Bureau of Mines
224 New Customhouse Building
Denver 2, Colorado

Dear Mr. King:

Attached herewith is one copy each of contracts Idm-E13½ and Idm-E558.

These "extra copies" are for use of your office in making reports on these projects.

Sincerely yours,

C. O. Mittendorf

Administrator

Attachments - 2

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
September 18, 1953

Mining Division
Date Rec'd
SEP 21 1953
BUREAU OF MINES
Denver, Colorado

Shenandoah-Dives Mining Company
Silverton, Colorado

ATTENTION: Mr. Edwin A. Larson,
General Manager

REFERENCE: DMEA 2991, Contract Idm-E558
San Juan County, Colorado

Gentlemen:

We are returning herewith all five copies of your progress report for the month of August for signature. Please sign both the MF-104 and MF-104A copies of all forms and return at your earliest convenience. We only discovered today that they were not properly executed.

Very truly yours,

W. M. TRAVER

W. M. Traver, Chief
Mineral Resources Branch
Mining Division, Region IV

enclosures

cc: Mining (2)
E558
DMEA Chron

WMT/cb

224 New Customhouse
Denver 2, Colorado

September 17, 1953.

Memorandum

To: W. M. Traver, Jr.

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA-2991, Contract Idm-8558 (Lead-Copper-Zinc), Shenandoah-Dives Mining Company, San Juan County, Colorado. Progress Report for August 1953.

We are returning herewith all copies of the subject Monthly Reports as the MF-104 and MF-104A forms have not been signed by the Operator. Also the included mimeographed copies of the Operator's Narrative Report should be signed.

Please have all forms signed and return them to this office so that we may continue to process them for payment.

W. H. King

W. H. King

Enclosures

RDB:cwm

cc: Contract
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Mining Division
Date Rec'd
SEP 11 1953
BUREAU OF MINES
Denver, Colorado

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
September 10, 1953

Mr. Edwin A. Larson
General Manager
Shenandoah-Dives Mining Company
Silverton, Colorado

REFERENCE: DMEA 2991, Contract Idm-E558
Shenandoah-Dives Mining Company
San Juan County, Colorado

Dear Mr. Larson:

Receipt is acknowledged of your completed forms MF-104, "Operator's Monthly Report and Voucher," and forms MF-104A, "Operator's Unit Cost and Progress Report," for the month of August 1953, covering contract Idm-E558.

Enclosed please find a set of six each of the above forms for use in submitting your next monthly report.

Very truly yours

W. M. TRAVER

W. M. Traver, Chief
Mineral Resources Branch
Mining Division, Region IV

enclosures

cc WHKing
E558
DMEA Chron.

WMT/pam

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
August 12, 1953

Mining Division
Denver Field

Mr. Charles Kentor
Attorney at Law
First National Bank Building
Denver, Colorado

REFERENCE: DMEA 2991, Contract Idm-E558
Shenandoah-Dives Mining Company
San Juan County, Colorado

Dear Mr. Kentor:

Receipt is acknowledged of your completed form MF-104, "Operator's Monthly Report and Voucher", and form MF-104A, "Operator's Unit Cost and Progress Report", for the month of July 1953, covering contract Idm-E558.

Enclosed please find a set of six each of the above forms for use in submitting your next monthly report.

Very truly yours,

W. M. TRAVER

W. M. Traver, Chief
Mineral Resources Branch
Mining Division, Region IV

enclosures

cb

cc: WHKing
E558
DMEA Chron.

RDB.

224 New Customhouse
Denver 2, Colorado

July 30, 1953

Mr. Edwin Larson
Shenandoah-Dives Mining Co.
Silverton, Colorado

Re: DMEA 2991, Contract No. Idm-E558

Dear Mr. Larson:

This will confirm the statement of our engineer, W. L. Dare, to the effect that any ore produced from the property listed in Article 2 of the contract form after the date of the contract, is subject to DMEA Royalty.

Very truly yours,

W. H. King

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

JFS:es

cc: Contract
Chron.
Traver
Koschmann (2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Mining Division
Date Rec'd.
JUL 15 1953
BUREAU OF MINES
Denver, Colorado

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
July 27, 1953

Memorandum

To: Executive Officer, Field Team, Region IV

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

Subject: DMEA 2991, Contract Idm-E558 (Lead-zinc-copper), Shenandoah-Dives Mining Company, San Juan County, Colorado

Please find the original and one copy of W. L. Dare's memorandum concerning the establishment of the starting point for the subject project.

The company has not received your standard form letter transmitting and instructing them regarding progress reports and forms. They requested Dare to have the forms sent them at Silverton, Colorado.

Also, they request that checks on the contract be mailed to their Kansas City, Missouri office. You should probably advise them, if Dare is correct, about his statement to Larson concerning royalty payments on 3220 stope ore.

W. M. Traver

W. M. Traver

WMT/pam

enclosures

cc WHKing
E558
DMEA Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
July 27, 1953

Memorandum

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

From: W. L. Dare

Subject: DMEA 2991, Contract Idm-E558 (Lead-zinc-copper), Shenandoah-Dives Mining Company, San Juan County, Colorado

Drifting under contract Idm-E558 began on July 6, 1953. A measuring plug was located at breast height in the right wall and represents a distance of 34 feet to the face where the DMEA contract work began. This plug is at a point where the company's designated July footage began and is approximately 600 feet from the 200-L raise.

At the time of the visit, no vein structure was noted in the face. The operator is using two crews for advancing the contract drift.

E. A. Larson questioned the company's responsibility of royalty payments on broken ore and old stope fill in the 3220 stopes. He was informed that because this ground was listed in the contract, royalty payments on all production were due the Government.

The operator has not received any monthly progress report forms for their first progress report and requested that eight copies be sent to the company office at Silverton. Larson also asked that all Government checks covering participation in the exploration costs be mailed to the company officials at Kansas City, Missouri.

F. A. Everett, for
W. L. Dare
Mining Engineer

WLD/pam

cc WHKing (1)
E558
DMEA Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
July 27, 1953

Memorandum

To: Executive Officer, Field Team, Region IV

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

Subject: DMEA 2991, Contract Idm-E558 (Lead-zinc-copper), Shenandoah-Dives Mining Company, San Juan County, Colorado

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Also, they request that checks on the contract be mailed to their Kansas City, Missouri office. You should probably advise them, if Dare is correct, about his statement to Larson concerning royalty payments on 3220 stope ore.

W. M. Traver

W. M. Traver

WMT/pam

enclosures

cc WHKing
E558
DMEA Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
July 27, 1953

Memorandum

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

From: W. L. Dare

Subject: DMEA 2991, Contract Idm-E558 (lead-zinc-copper), Shenandoah-Dives Mining Company, San Juan County, Colorado

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F. A. Everett for,
W. L. Dare
Mining Engineer

WLD/pam

cc WHKing (2)
E558
DMEA Chron.

224 New Customhouse
Denver 2, Colorado

July 22, 1953
AIR MAIL
SPECIAL DELIVERY

Memorandum

To: C. O. Mittendorf, Administrator
Defense Minerals Exploration Administration

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 2991, Contract Mm-2558, Shenandoah-Dives Mining Company

Enclosed is a copy of an Easement and Agreement dated July 14, 1953, and one copy of Amendment to Easement and Agreement dated July 16, 1953, between Norman E. Maxwell and Shenandoah-Dives Mining Company, with respect to American Boy Mining Claim, Survey No. 7244, San Juan County, Colorado.

Please advise us by teletype if this document satisfies the requirements laid down in the letter dated July 16, 1953 from the Chairman of the Operating Committee and if we may release the contract to the operator.

Shenandoah-Dives has returned to us six copies of Owner's Consent to Lien, Form MF-203, properly executed by the American Smelting and Refining Company.

The Shenandoah-Dives Company agrees to accept the responsibility for royalty payments for the one-third interest in the American Boy Claim owned by Norman E. Maxwell. Please prepare an amendment to Contract Mm-2558, which will provide for this royalty payment.

W. H. King
W. H. King

Enclosures
J. Field
Mechanman
Sal
Chron
Frances

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

Mining Division
Date Rec'd
JUL 20 1953
BUREAU OF MINES
Denver, Colorado

JUL 16 1953

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

Re: Docket No. DMEA-2991 (lead-zinc-copper)
Shenandoah-Dives Mining Co.
Silver Lake Mine
San Juan County, Colorado
Contract No. Idm-E558

Dear Mr. King:

Referring to your letter of July 3, 1953, regarding the above docket, we are not concerned over the matter of possible royalty payments from ores which may be encountered in the American Boy Claim. It is our understanding that this claim has little relationship to the target area and there is little likelihood that ores would be encountered therein. However, in such an event, it would be satisfactory that the American Smelting and Refining Company accept responsibility for the two-thirds interest which they own and the Shenandoah-Dives Company assume the responsibility for possible royalty payments for the other one-third interest, as you suggest.

Our main concern is the matter of right-of-way for the cross-cut tunnel in its penetration through the American Boy Claim. It very well could be that an owner of a minority interest in this claim might be in a position to create a difficult situation. Therefore, we phoned you a few days ago that the Shenandoah-Dives Company would have to furnish us with good and sufficient proof that this right-of-way matter had been resolved.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

APPROVED:

See letter to Mr. King 7-22-53

T. N. Hedges
Member, Bureau of Mines

A. B. Kinkel
Member, Geological Survey

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

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

JUL 16 1953

Re: Docket No. DMEA-2991 (lead-zinc-copper)
Shenandoah-Dives Mining Co.
Silver Lake Mine
San Juan County, Colorado
Contract No. Idm-E558

Dear Mr. King:

Referring to your letter of July 3, 1953, regarding the above docket, we are not concerned over the matter of possible royalty payments from ores which may be encountered in the American Boy Claim. It is our understanding that this claim has little relationship to the target area and there is littlelikelihood that ores would be encountered therein. However, in such an event, it would be satisfactory that the American Smelting and Refining Company accept responsibility for the two-thirds interest which they own and the Shenandoah-Dives Company assume the responsibility for possible royalty payments for the other one-third interest, as you suggest.

Our main concern is the matter of right-of-way for the cross-cut tunnel in its penetration through the American Boy Claim. It very well could be that an owner of a minority interest in this claim might be in a position to create a difficult situation. Therefore, we phoned you a few days ago that the Shenandoah-Dives Company would have to furnish us with good and sufficient proof that this right-of-way matter had been resolved.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

APPROVED:

J. H. Hedges
Member, Bureau of Mines

A. R. Kinkel, Jr.
Member, Geological Survey

224 New Customhouse
Denver 2, Colorado

July 27, 1953

REGISTERED

Mr. Charles Kentor
Attorney at Law
First National Bank Building
Denver, Colorado

Dear Mr. Kentor:

Enclosed herewith is your copy of Exploration Project Contract No. Idm-E558, Docket No. DMEA-2991.

Also enclosed is one copy of Form MF-104 "Operator's Monthly Report and Voucher" and one copy of Form MF-104A "Operator's Unit Cost and Progress Report". At the completion of the first full calendar month of operation and monthly thereafter, you are required to submit five copies of the forms to Mr. W.M. Traver, U.S. Bureau of Mines, Building 20, Denver Federal Center, Denver 14, Colorado. The sixth form is for your records. Please note that the monthly report requires a narrative report which should be accompanied by maps or sketches. The narrative report must be signed by the operator. The monthly report will not be processed for payment unless accompanied by a narrative report. Additional copies of Forms MF-104 and 104A will be forwarded to you as required.

For your information and in reply to many questions that have been asked, after Forms MF-104 and 104A are received an engineer will check progress and approve your accounts, after which it will be sent to the Regional Office, Region IV, U.S. Bureau of Mines, 224 New Customhouse, Denver 2, Colorado, for auditing and vouchering. If the report is in order a check will be issued by the Treasury Department for the Government's portion of the costs.

Your attention is directed to the regulation that provides that reimbursement for the cost of work accomplished prior to the date of the contract will not be allowed. This contract is prepared on the short form under the terms of which the Government reimburses you for 50 percent of the agreed estimated costs as they accrue for units of work actually performed. Please advise this office in writing the date work actually starts under the contract.

If you have any difficulty in completing these forms and the reports, please call on Mr. Traver or this office for assistance.

Yours very truly,

W. H. King

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

cc WMTraver
AHKoschmann
Contract
Chron

JFS:jp
Enclosures
cc EALarson w/8 copies MF-104 & 104A

224 New Customhouse
Denver 2, Colorado

July 27, 1953

REGISTERED

Memorandum

To: C.O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Contract Idm-E558, Docket DMEA-2991, Shenandoah-Dives Mining Company, San Juan County, Colorado (Lead, Copper, Zinc)

Enclosed are the original and two copies of Contract Idm-E558. 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

JFS:jp
cc Contract
Chron
AHKoschmann

224 New Customhouse
Denver 2, Colorado

July 27, 1953

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: Contract Idm-E558, Docket DMEA-2991, Shenandoah-Dives Mining Company, San Juan County, Colorado (Lead, Copper, Zinc)

Enclosed is your copy of Contract Idm-E558.

The operator has requested that checks for reimbursement be sent to the General Office of the Shenandoah-Dives Mining Company, 616 Finance Building, Kansas City, Missouri.

W. H. King
W. H. King

Enclosure

JFS:jp
cc Contract
Chron
WMTraver
AHKoschmann w/copies of contract

CHARLES KENTOR
ATTORNEY AT LAW
FIRST NATIONAL BANK BUILDING
DENVER, COLORADO

July 27, 1953

Mr. W. H. King
Executive Officer
U. S. Department of the Interior
224 New Customhouse
Denver, Colorado

Dear Mr. King:

In re-Docket No. DMEA-2991 and
Contract No. IDM-E 558
Shenandoah-Dives Mining Company

As requested in your letter of July 24, 1953, herewith the original and four copies of Exploration Project Contract IDM-E 558 between the Government and the Shenandoah-Dives Mining Company fully executed by both parties.

Very sincerely yours,

Charles Kentor

Charles Kentor

Encl.

CC - S. D. M. Co. Kansas City
S. D. M. Co. Silverton
Mr. F. V. Richard-A. S. &R. Co.
Salt Lake City.

mile office
Salvator 24

Mr. Chase
TA 4/201
New House Hotel
Kenton
atty
Ha 5847

T
DR 235 BUREAU MINES GA PLS

WASH DC BU MINES 310 7-24-53 2-53 PM

W H KING,

REURLET JULY 22 DOCKET DMEA-2991, CONTRACT IDM-E558, SHENANDOAH DIVES MINING COMPANY. DOCUMENT SUBMITTED IS CONSIDERED TO BE SATISFACTORY AND CONTRACT MAY BE RELEASED IF FOLLOWING ADDED BY YOU TO ANNEX II OF CONTRACT QUOTE BY INSTRUMENT DATED JULY 14, 1953, AS AMENDED, NOMXXX NORMAN E. MAXWELL OWNRXX OWNER OF A ONE-THIRD INTERSXX INTEREST IN THE AFOREMENTIONED AMERICAN BOY CLAIM GRANTED THE OPERATOR A 15 YEAR EASEMENT FOR A CROSSCUT MINING TUNNEL AND TRACKS AND THE NECESSARY RIGHT OF INGRESS AND EGRESS END-QUOTE. NO CONTRACT AMENDMENT REQUIRED.

GEORGE C SELFRIDGE, CHAIRMAN, OPERATING COMM.

HAVE ANOTHER

224 New Customhouse
Denver 2, Colorado

July 24, 1953

Memorandum

To: W. M. Traver

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA-2991, Contract Idm-E558, Shenandoah-Dives Mining Company, San Juan County, Colorado

Contract Idm-E558 has been released to the operator for signature. The Washington office has requested us to make the following change in the contract, which should be added to Annex II:

> "By instrument dated July 14, 1953, as amended, Norman E. Maxwell, owner of a one-third interest in the aforementioned American Boy claim, granted the operator a 15 year easement for a crosscut mining tunnel and tracks and the necessary right of ingress and egress."

Please make the above change in your copy of the contract and attach the enclosed copy of Owner's Consent to Lien.

We will notify you when the operator has returned the executed copies of the contract.

W. H. King

W. H. King

Enclosure

JFS:jp
cc Subject
Chron
AHKoschmann

224 New Customhouse
Denver 2, Colorado

July 24, 1953

Mr. Charles Kentor
Attorney at Law
First National Bank Building
Denver, Colorado

Dear Mr. Kentor:

Enclosed are the original and four copies of Exploration Project Contract IDM-E 558 between the Government and the Shenandoah-Dives Mining Company.

All copies of this contract should be signed by an authorized official of the company, the signature certified by the secretary, the corporate seal affixed, and returned to this office. We will then forward you the operator's copy of the contract.

Very truly yours,

W. H. King

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

Enclosures

JFS:jp
cc Contract
Chron
WMTraver
AHKoschmann

W.H.K

CHARLES KENTOR
ATTORNEY AT LAW
FIRST NATIONAL BANK BUILDING
DENVER, COLORADO

July 22, 1953

Mr. W. H. King
Executive Officer
U. S. Department of the Interior
224 New Customhouse
Denver, Colorado

Dear Mr. King:

In re Docket No. DMEA-2991 -
Shenandoah-Dives Mining Company

Herewith the following documents:

1. Six copies of Form MF-203, Owners Consent to Lien, executed by American Smelting and Refining Company.

2. Two copies of Easement and Agreement, dated July 14, 1953, and two copies of Amendment to Easement and Agreement, dated July 16, 1953, between Norman E. Maxwell and Shenandoah-Dives Mining Company with respect to American Boy Mining Claim - Survey No. 7244, San Juan County, Colorado.

I trust these documents will enable your office to complete and release the Exploration Contract with the Shenandoah-Dives Mining Company.

With many thanks for your cooperation, I am

Very sincerely yours,

Charles Kentor

Charles Kentor

CK/mb
Enclosures

Copies to
William C. Lucas, Kansas City
F. V. Richard, Salt Lake City
Frazer Arnold, Denver
Edwin A. Larson, Silverton

EASEMENT AND AGREEMENT

THIS CONTRACT AND AGREEMENT, made and entered into between NORMAN E. MAXWELL of Midland County, Texas, hereinafter called Maxwell, and SHENANDOAH-DIVES MINING COMPANY, a corporation having its principal office in Denver, Colorado, acting through its officers hereunto duly authorized, and hereinafter called Shenandoah,

W I T N E S S E T H:

1.

Maxwell hereby grants to Shenandoah the right, power and authority to construct and maintain, at the sole risk, cost and expense of Shenandoah, a crosscut mining tunnel and tracks through and across the American Boy Mining Claim, Survey No. 7244, San Juan County, Colorado, as an extension of the present drift of Shenandoah in the Melville Vein, which extension is to be constructed in an endeavor to explore what is known as the Letter G Vein; Maxwell grants to Shenandoah the right of ingress and egress through and across the American Boy Claim and through the proposed crosscut mining tunnel for all purposes incident to mining operations by Shenandoah upon claims owned or under lease by it covering the Letter G Vein and which are reached by access through the proposed crosscut mining tunnel; the easement and incidental rights here granted shall be for a term of 15 years and as long thereafter as mining operations are prosecuted by Shenandoah in the Letter G Vein necessitating the use of the mining tunnel mentioned above.

2.

Promptly following completion of the proposed mining tunnel across the American Boy Claim, Shenandoah agrees to furnish

Maxwell full information relative to any veins of mineral ore encountered in the driving and construction of the said tunnel and to furnish to Maxwell a map correctly reflecting the location, strike and dip of each such vein, together with a copy of all assays of ore taken from each such vein.

3.

If any mineral ore of commercial value is encountered and recovered in the driving and construction of the proposed tunnel, Shenandoah agrees to pay to Maxwell as a royalty on the said mineral ore, free of all cost and expense of mining and transportation to the mill, ten per cent (10%) of the gross market value of the said mineral ore as determined by sampling the ore at the head of the mill; by reason of the fact that the interest of Maxwell in the American Boy Claim is an undivided interest, Maxwell shall be entitled to receive that portion of the royalty above provided for as conforms to his undivided interest in the said claim. In addition to payment to Maxwell of the royalty specified above, Shenandoah agrees to pay such other royalties as have been heretofore reserved or created with respect to mineral production from the said American Boy Claim.

4.

If a vein of commercial ore is encountered on the American Boy Claim in the driving and construction of the proposed tunnel, it is agreed that the parties hereto shall enter into a joint operating agreement for the working and development of the vein or veins on the American Boy Claim, the terms and provisions of such agreement to be negotiated between the parties hereto promptly following any such discovery of commercial ore on the American Boy Claim. Development of any veins of commercial ore encountered on the American Boy Claim shall be commenced and prosecuted as promptly as is consistent with the primary objective

of Shenandoah in the construction of the proposed crosscut mining tunnel so that if reasonably possible, development on the American Boy Claim shall commence and proceed contemporaneously with the construction of the proposed mining tunnel; however, if the commitments of Shenandoah are such that the two operations may not be carried on simultaneously, then development of any commercial ore on the American Boy Claim shall be commenced within a reasonable time following the completion of Shenandoah's primary objective in driving a crosscut tunnel to the Letter Q Vein.

5.

Shenandoah grants to Maxwell and his duly authorized representatives the right at all safe and reasonable times to enter through the workings of Shenandoah for the purpose of inspection of all operations of every character through, upon or affecting the American Boy Claim.

6.

The covenants and agreements hereinabove shown to be kept and performed by the parties hereto constitute full consideration for this contract, the terms and provisons of which shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors, assigns and legal representatives; however, the rights of Shenandoah under this easement and agreement shall not be transferred or assigned without the written consent of Maxwell.

WITNESS THE EXECUTION HEREOF this the 14th day of July, 1953.

Norman E. Maxwell
Norman E. Maxwell

SHENANDOAH-DIVES MINING COMPANY

By: William C Lucas
Vice President

ATTEST:

E. B. Kane
Secretary

THE STATE OF TEXAS }
COUNTY OF MIDLAND }

The foregoing instrument was acknowledged before me this 14th day of July, 1953, by NORMAN E. MAXWELL.

Witness my hand and official seal.

Jan Morrison

My commission expires:

June 1, 1955

Notary Public, Midland County, Texas

THE STATE OF MISSOURI
COUNTY OF JACKSON

The foregoing instrument was acknowledged before me this 21st day of July, 1953, by William C. Lucas Vice-President of SHENANDOAH-DIVES MINING COMPANY.

Witness my hand and official seal.

Gladys M. Eu

My commission expires:

September 26, 1956

Notary Public, Jackson County, ~~Colorado~~ Missouri

AMENDMENT TO EASEMENT AND AGREEMENT

THIS AMENDMENT entered into between NORMAN E. MAXWELL, of Midland County, Texas, hereinafter called Maxwell, and SHENANDOAH-RIVER MINING COMPANY, a Colorado corporation, acting through its officers hereunto duly authorized, and hereinafter called Shenandoah,

WITNESSETH:

1. That paragraph 3 of the Easement and Agreement between the parties dated July 14, 1953, is hereby superseded and amended to read as follows:

"3.

"(a) If any mineral or ore of commercial value, shall be encountered, recovered and saved in the driving and construction of the proposed tunnel, Shenandoah shall pay to Maxwell a royalty of 15% of one-third (1/3) of the net smelter returns on all crude ore sold to a smelter, and 10% of one-third (1/3) of the net smelter returns on all concentrates. Such net smelter returns to be calculated after deducting freight, hauling, and treatment charges.

"(b) All such ores shall be sold in the name of Shenandoah, and duplicate settlement sheets shall be forthwith furnished to Maxwell. Each settlement shall be accompanied by a duplicate of the smelter returns for each lot of such ore or concentrates sold to a smelter.

"(c) Shenandoah shall indemnify and hold Maxwell harmless from any claim for royalties on such ore asserted by any owner or owners of the remaining undivided two-thirds (2/3) or other interest in said American Boy claim."

2. Except as so amended, said Easement and Agreement of July 14, 1953, shall be and remain in full force and effect.

Executed this 16th day of July, 1953.

Norman E. Maxwell
Norman E. Maxwell

SHENANDOAH-RIVER MINING COMPANY

By William C. Lucas
President

ATTEST:

E. B. Kane
Secretary

STATE OF TEXAS)
) ss.
County of Midland)

The foregoing instrument was acknowledged before me this 17th day of July, 1953, by NORMAN E. MAXWELL.

My commission expires: June 1, 1955

Witness my hand and official seal.

Geta Buchanan
Notary Public

STATE OF MISSOURI)
) ss.
County of Jackson)

The foregoing instrument was acknowledged before me this 21st day of July, 1953, by WILLIAM C. LUCAS, Vice President of Shenandoah-Dixie Mining Company, a Colorado corporation.

My commission expires: September 26, 1956

Witness my hand and official seal.

Gladys M. Eaton
Notary Public

221 New Customhouse
Denver 2, Colorado

July 3, 1953

SPECIAL DELIVERY

Memorandum

To: C. P. Mittendorf, Administrator
Defense Minerals Exploration Administration

From: Executive Officer, DMEA Field Team, Region IV

Subject: Shenandoah-Dives Mining Company, Docket 2991, (Lead-Zinc)
Silverton, San Juan County, Colorado

Mr. Kentor, the local representative of the Shenandoah-Dives Mining Company, notified us today that the American Smelting and Refining Company refused to sign the Owner's Consent to Lien form prepared by the Washington office.

They objected to being responsible for 100 percent of the royalties from the American Boy claim, inasmuch as they only own a two-thirds interest in this claim.

We recommend that a new Owner's Consent to Lien form be prepared, which would only obligate the American Smelting and Refining Company for two-thirds of any royalty due the Government on the American Boy claim. The Shenandoah-Dives Mining Company is willing to assume the responsibility for payment to the Government of the other one-third of any royalty due on the claim.

We also recommend that the Owner's Consent to Lien on this one-third royalty be waived and the contract be amended to hold the Shenandoah-Dives Mining Company responsible for this royalty.

W. H. King
W. H. King

JWH:ld

cc: Lowstrom
Traver
sub
circ

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

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

JUN 26 1959

Re: Docket No. DMEA 2991 (Lead-Copper-Zinc)
Shenandoah Dives Mining Co.
Silver Lake Mine
San Juan County, Colorado

Dear Mr. King:

Enclosed are the original and five copies of the subject contract, which has been prepared in accordance with your recommendations. If it meets with your approval will you kindly present it for signature and distribute in the usual manner.

Since the ground covered by the project is not owned by the Applicant, it must of course secure the Owner's Consent to Lien, which should be attached to the contract forms prior to distribution for signature. You will note that such Owner's Consent to Lien also contains a clause protecting the Government in the case of the American Boy Claim, number 7244, which is only two-thirds owned by the American Smelting & Refining Company. You will find these forms enclosed.

We call to your attention the statement in the report by Hazen and Varnes as follows:

> "Near the 1,400-foot point of the proposed drifting on the letter "G" vein, the work will progress onto "open" ground unless the old system of apex rights will hold valid at this time. Vertical side lines of claims would not cover the exploration drifting beyond the 1,400-foot point."

Until the above question is clarified the Government could not participate in the expense of work in such area.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

Enclosures - 6
APPROVED:

J. H. Wedow
Member, Bureau of Mines

V. E. Shelf
Member, Geological Survey

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

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

MAR 2 6 1953

Re: Docket No. DMEA 2991 (Lead-Copper-Zinc)
Shenandoah Dives Mining Co.
Silver Lake Mine
San Juan County, Colorado

Dear Mr. King:

Enclosed are the original and five copies of the subject contract, which has been prepared in accordance with your recommendations. If it meets with your approval will you kindly present it for signature and distribute in the usual manner.

Since the ground covered by the project is not owned by the Applicant, it must of course secure the Owner's Consent to Lien, which should be attached to the contract forms prior to distribution for signature. You will note that such Owner's Consent to Lien also contains a clause protecting the Government in the case of the American Boy Claim, number 7244, which is only two-thirds owned by the American Smelting & Refining Company. You will find these forms enclosed.

We call to your attention the statement in the report by Hazen and Varnes as follows:

> "Near the 1,400-foot point of the proposed drifting on the letter "G" vein, the work will progress onto "open" ground unless the old system of apex rights will hold valid at this time. Vertical side lines of claims would not cover the exploration drifting beyond the 1,400-foot point."

Until the above question is clarified the Government could not participate in the expense of work in such area.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

Enclosures - 6
APPROVED:

J. H. Hedges
Member, Bureau of Mines

A. R. Kinkel, Jr.
Member, Geological Survey

JAMES W. OLDHAM, *President*
E. B. KANE, *Secretary-Treasurer*

SHENANDOAH-DIVES MINING CO.

GENERAL OFFICE
616 FINANCE BUILDING
KANSAS CITY, MO.

CHARLES A. CHASE, *Executive V. P.*
EDWIN A. LARSON, *Chief Clerk*
Silverton, Colorado

June 26, 1953

Mining Division
Date Rec'd.
JUN 29 1953
BUREAU OF MINES
Denver, Colorado

Bureau of Mines,
New Customs House
Denver, Colorado

Gentlemen:

Re: Docket DMA-2991
Defense Mineral Exploration Adm.

We have been advised of favorable action upon our application for Government cooperation in exploration in our mining property in San Juan County, Colorado.

Recent changes have been made in the Executive Department of our Company and we take this opportunity to advise you that Mr. James W. Oldham, of Kansas City, Missouri, former President, and Mr. Charles A. Chase, former Executive Vice President and General Manager in charge of operations in Silverton, have retired and are no longer connected with the Company in any executive capacities.

We have just telephoned Mr. Charles Kentor, our Denver representative, requesting that he communicate with you and advise us of any action that should be taken now or in the near future respecting the contract to be executed between our Company and the proper Government Department.

Mr. Edwin A. Larson is now in charge of Company operations at Silverton, Colorado, as Resident Manager, and we would be pleased to have you advise with him from time to time upon any matters that should have attention other than matters to be referred to the Company at this office in Kansas City.

Very truly yours,

William C. Lucas

WILLIAM C. LUCAS, VICE PRES.
SHENANDOAH-DIVES MINING CO.

WCL:EBK

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

W.H.K.

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
June 11, 1953

Mining Division
Date Rec'd
JUN 11 1953
BUREAU OF MINES
Denver, Colorado

Mr. Edwin Larson
Shenandoah-Dives Mining Company
Silverton, Colorado

Re: DMEA 2991, Silver Lake Mine
San Juan County, Colorado

Dear Mr. Larson:

We are returning the three maps we borrowed for preparing our report. They are being sent by registered mail, return receipt requested.

1 Composite map, Silver Lake mines
1 Longitudinal projection, Letter "C" vein
1 Plan and section of the proposed raise

The use of these maps is appreciated and it has helped in preparing our report.

Very truly yours,

W.M. Traver

W. M. Traver, Chief
Mineral Resources Branch
Mining Division, Region IV

SWH/amh

cc: WHKing (2)
DMEA 2991
DMEA Chron.

[illegible] New Customhouse
Denver 2, Colorado

June 10, 1953.

Memorandum

To: Secretary to the Operating Committee, Defense Minerals Exploration Administration

From: Field Team, Region IV

Subject: Final Report, DMEA Docket 2991 (Lead-Zinc), Shenandoah-Dives Mining Company, San Juan County, Colorado.

Enclosed are the original and three copies of the final report on Docket No. DMEA-2991.

The proposed project consists of crosscutting 1300 feet to cut the Letter # vein, drifting 1700 feet on the vein, and raising 300 feet on the vein.

The estimated cost of the project is $211,900.00. The amount of Government participation would be $105,950.00.

We recommend that this application be approved and an exploration project contract be prepared.

W. H. King
W. H. King

A. H. Koschmann
A. H. Koschmann

Enclosures
JFS:cwm

cc: WMTraver w/copy of Final Report
AHKoschmann w/copy of Final Report
Mining Division w/copy of Final Report
DMEA w/copy of Final Report
Subject
AHKoschmann (2)
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

C
O
P
Y

Mining Division
Region IV

June 12, 1953.

Memorandum

To: Field Team, Region IV

From: Chief, Mining Division, Region IV

Subject: Final Report, DMEA Docket 2991 (Lead-Zinc), Shenandoah-Dives Mining Company, San Juan County, Colorado.

Enclosed are nine copies of the final report on Docket No. DMEA-2991 by Scott W. Hazen, Jr., Mining Engineer, United States Bureau of Mines, and D. J. Varnes, Geologist, United States Geological Survey.

The proposed work consists of crosscutting 1300 feet to cut the Letter "G" vein, drifting 1700 feet on the vein, and raising 500 feet on the vein.

The estimated cost of the work is $211,900.00.

We agree with the examining team that this application be approved.

/s/ W. J. King

Enclosures

Griswold

Department of the Interior

Office [illegible]
Administrative
[illegible] - 770 [illegible]
Interior

Mining Division
Date Rec'd
JUN 5 - 1953
BUREAU OF MINES
Denver, Colorado

June 2, 1953

[illegible]

[illegible] 15 [illegible] 2991, [illegible]
[illegible], [illegible] 15,
[illegible] JUN. 1 [illegible]

C. O. Mittendorf

C. O. MITTENDORF, DIRECTOR
[illegible]

Griswold/hmj
(6/2/53)
CC to: Docket
Adm. R. File
Op. Committee
Base Metals Division
Region IV (2)
Mr. Kinkel
Mr. Bishop
Chron.

[illegible]

[illegible]

Department of the Interior

Defense Minerals Exploration Administration
Rm. 3021 - 970 Building [illegible]
Interior

June 2, 1953

[illegible]

[illegible]
[illegible] IX
[illegible]

[illegible] 15 [illegible] 2791, [illegible] 15, [illegible]

C. O. Mittendorf

[illegible]
[illegible]

[illegible]Griswold/hmj
(6/2/53)
CC to: Docket
Adm. R. File
Op. Committee
Base Metals Division
Region IV (2)
Mr. Kinkel
Mr. Bishop
Chron.

224 New Customhouse
Denver 2, Colorado

June 1, 1953

Memorandum

To: W. M. Traver
A. H. Koschmann

From: Field Team

Subject: Docket No. DMEA 2991 (Lead-Copper-Zinc), Shenandoah-Dives Company, Silver Lake Mine, San Juan County, Colorado

Enclosed is a copy of a letter dated May 29, 1953 from the Chairman of the Operating Committee to the Executive Officer, requesting that a field examination be made of Docket DMEA 2991.

Also enclosed is a copy of a memorandum from E. L. Newcomb, Geologist and O. M. Bishop, Engineer, to W. R. Griswold, Chief of the Base Metals Division, DMEA, giving their recommendations.

A field examination should be made, and a suitable report submitted.

W. H. King
W. H. King

W. H. K.

A. H. Koschmann
A. H. Koschmann

Enclosures

JFS:es
cc: Docket
Chron.
Koschmann (2)

500

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

Mining Division
Date Rec'd
JUN 1 - 1953
BUREAU OF MINES
Denver, Colorado

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

MAY 29 1953

Re: Docket No. DMEA 2991 (Lead-Copper-Zinc)
Shenandoah-Dives Company
Silver Lake Mine
San Juan County, Colorado

Dear Mr. King:

This refers to your letter of April 16, 1953, with which you submitted the application of the above company for an exploration project contract.

On May 15, we had advised the Applicant by telegram that we were forced to deny his application due to the deletion of lead, zinc and other minerals from our eligible list.

However, we have just been advised that applications which were received prior to May 15 may now be considered. Hence, will you please arrange for the necessary field examination and recommendations for the above proposed project. We enclose a copy of the recommendation of the commodity members of the U. S. Geological Survey and the Bureau of Mines. You will note their suggestion as to Mr. David Varnes, geologist in the Denver office.

May we request that we receive your recommendations as promptly as possible. It is our understanding that the town of Silverton, Colorado is, to quite an extent, dependent upon the activities of the applicant company, and naturally we wish to do everything which can properly be done to assist the mining communities.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

Enclosure

7-6971

APPROVED:

J. H. Hedges
Member, Bureau of Mines

A R Kinkel
Member, Geological Survey

IN REPLY REFER TO:

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

April 28, 1953

Memorandum

Re: DMEA-2991
Shenandoah-Dives Mining Co.
Animas District
San Juan County, Colorado
$229,630
Lead-zinc

To: Mr. W. R. Griswold

From: E. L. Newcomb - O. M. Bishop

Subject: Recommendation for field referral

The applicant requests assistance to explore downdip extension of the Letter "G" vein on the Silver Lake group of claims. The proposal involves 1300 feet of crosscutting and drifting to the Letter "G" vein from the 4177 Main Level, then drifting 1700 feet westerly on the vein and raising 500 feet to the Unity tunnel level.

Shenandoah-Dives was in continuous operation from 1928-1952 and produced about 4,200,000 tons of lead-zinc-silver-gold-copper ore worth about 26,280,000. The mine recently closed down presumably because of falling metal prices and a lack of presently minable ore reserves. According to the applicant, the property produced 70% of the total ore mined in San Juan County, and 11% of the ore mined in Colorado for the period 1928-1952.

The Silver Lake group of claims have about 90,000 feet of underground workings and about 23,000 feet of drill hole exploration have been done.

For the years 1942-1952, the total mine production was 1,800,000 tons averaging .086 oz. of gold, 1.89 oz. of silver, 1.5% lead, 0.68% zinc, and 0.26% copper. Average value of the ore, based on 60% of the gross market price, is 4.99 per ton. The averaging stoping width has ranged from 9.1 feet in 1928 to 6.7 feet in 1952. Although the ore is low grade, continuous production during the last 25 years was made possible by very efficient mine management.

The proposed exploration was discussed with Mr. A. S. Burbank of the Survey, and he suggested that the application be referred to Mr. David Varnes, USGS geologist in the Denver office. Mr. Varnes has recently completed mapping in the area of the Letter "G" vein. This work has not been published, and the report is not available to us in Washington.

We recommend that the application be referred to the field for review by the Survey and Bureau members of the field team. It should be noted that the characteristics of the structures vary at depth, with changes in the nature of the volcanics, and with changes in the strike and dip of the mineralized zones. Final judgment of the proposal should be based on underground evidence on the Mayflower, Iowa and other nearby veins at the horizons to be prospected.

E. L. Newcomb
Geologist

O. M. Bishop
Base Metals Branch

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

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

MAY 29 1953

Re: Docket No. DMEA 2991 (Lead-Copper-Zinc)
Shenandoah-Dives Company
Silver Lake Mine
San Juan County, Colorado

Dear Mr. King:

This refers to your letter of April 16, 1953, with which you submitted the application of the above company for an exploration project contract.

On May 15, we had advised the Applicant by telegram that we were forced to deny his application due to the deletion of lead, zinc and other minerals from our eligible list.

However, we have just been advised that applications which were received prior to May 15 may now be considered. Hence, will you please arrange for the necessary field examination and recommendations for the above proposed project. We enclose a copy of the recommendation of the commodity members of the U. S. Geological Survey and the Bureau of Mines. You will note their suggestion as to Mr. David Varnes, geologist in the Denver office.

May we request that we receive your recommendations as promptly as possible. It is our understanding that the town of Silverton, Colorado is, to quite an extent, dependent upon the activities of the Applicant company, and naturally we wish to do everything which can properly be done to assist the mining communities.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Enclosure

APPROVED:

J. H. Hedges
Member, Bureau of Mines

A. R. Kinkel, Jr.
Member, Geological Survey

224 New Customhouse
Denver 2, Colorado

May 20, 1953.

Memorandum

To: A. H. Koschmann

From: Executive Officer, DMEA Field Team, Region IV

Subject: Cancellation of DMEA Applications
Docket Nos. DMEA-2549 Earnest Vanderhoff
2991 Shenandoah-Dives Mining Company

Enclosed are two copies of telegrams from the Administrator to each of the two above applicants notifying them that their applications for exploration assistance have been denied.

W. H. King

Enclosures

JFS:cwm

cc: Subject
WMTraver w/copy of Encls.
Docket (Earnest Vanderhoff)
Docket (Shenandoah-Dives Mining Co.)
Chron.

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

Mining Division
Date Rec'd
MAY 18 1953
BUREAU OF MINES
Denver, Colorado

[illegible] 15, 1953

Light Letter

[illegible]

[illegible] 2791, [illegible] - [illegible]. [illegible] 15, 1953 [illegible]

[illegible]

C. O. Mittendorf

MGriswold/hmj
(5/15/53)

CC to: Docket
Adm. R. File
Op. Committee
Base Metals Division
Region IV
Mr. Kinkel
Mr. Bishop
Chron

Houk
Ext 2971

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

Department of the Interior
Defense Minerals Exploration Administration

143923.970 Working Fund,
Interior, Defense Minerals Exploration
Administration

Night Letter

April 15, 1953

Mining Division
Date Rec'd
MAY 18 1953
BUREAU OF MINES
Denver, Colorado

Mr. Earnest Vanderhoff
234 South Knox Court
Denver, Colorado

RE YOUR EXPLORATION APPLICATION DOCKET NUMBER DMEA 2549, KYANITE. THIS IS TO ADVISE YOU THAT EFFECTIVE APRIL 15, 1953 EXPLORATION FUNDS RESTRICTED TO ASSISTANCE ONLY FOR SPECIFIED MINERALS STILL IN SHORT SUPPLY. KYANITE NO LONGER INCLUDED. CONSEQUENTLY WE DO NOT HAVE AUTHORITY OR FUNDS TO EXECUTE CONTRACT FOR EXPLORATION PROJECT ON YOUR PROPERTY AND YOUR APPLICATION THEREFORE IS DENIED. THIS IS WITHOUT PREJUDICE TO THE MERITS OF YOUR PROPOSED PROJECT. WE REGRET THE NECESSITY OF THIS ACTION AND EXPRESS APPRECIATION FOR YOUR INTEREST IN THE EXPLORATION PROGRAM AND COOPERATION DURING PERIOD YOUR APPLICATION UNDER CONSIDERATION.

C. O. Mittendorf

C. O. MITTENDORF, ADMINISTRATOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

LGHouk:gad 5/15/53

Copy to: Admr. R. File
Docket File
Field Team, Region IV
Mr. Gunsallus, 3522
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

Confirmation Copy

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

Mining Division
Date Rec'd
APR 24 1953
BUREAU OF MINES
Denver, Colorado

April 21, 1953

Memorandum

To: Executive Officer, DMEA Field Team, Region IV

From: Chief, Operation's Control and Statistics Division

Subject: Assignment of Docket Number

There is listed below the assigned docket number to an application recently received from Region IV

DMEA-2991 **Shenandoah-Dives Mining Company**

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

Hme

38226

224 New Customhouse
Denver 2, Colorado

April 16, 1953.

Memorandum

To: Secretary to the Operating Committee, Defense Minerals Exploration Administration.

From: Field Team, Region IV

Subject: Application for exploration assistance. Shenandoah-Dives Mining Company, Silverton, Colorado (Lead-Copper-Zinc).

Enclosed are three copies of application for exploration assistance submitted by the Shenandoah-Dives Mining Company, Silverton, Colorado. The estimated cost of the exploration project is $229,630.00.

It is suggested that this application be referred to W. S. Burbank, who has a vast knowledge of this particular area.

W. H. King
W. H. King

Enclosures

JFS:cwm

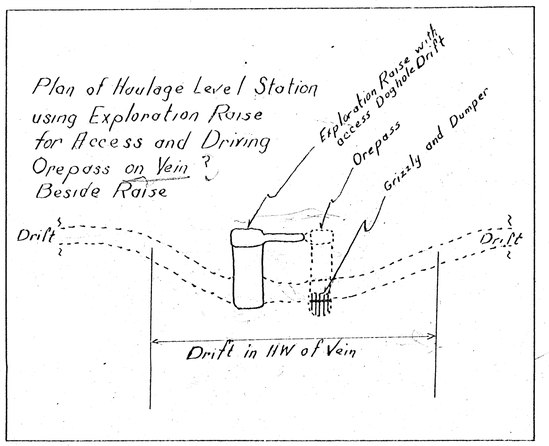
cc: Subject
Chron.
Koschmann (2)

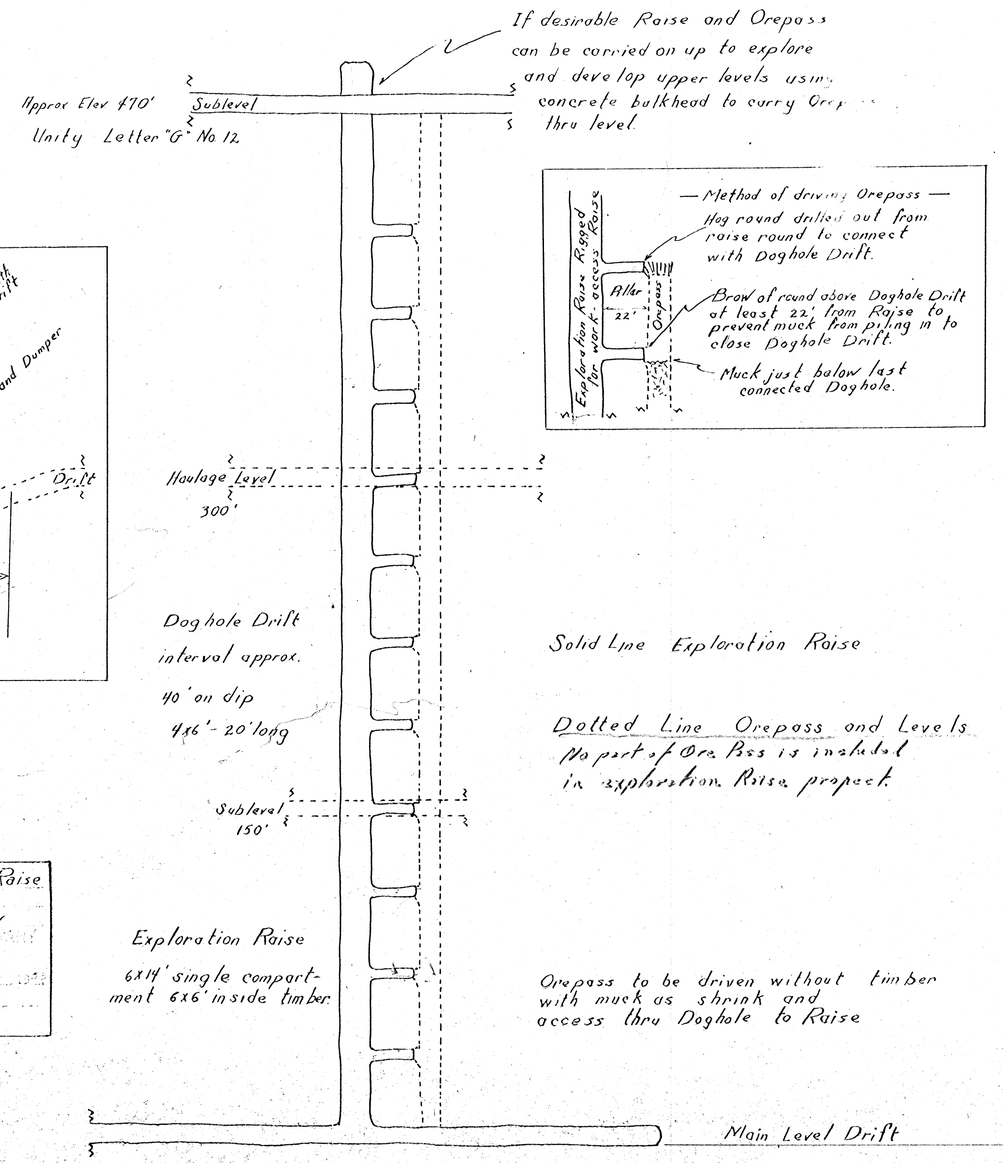
MF 103

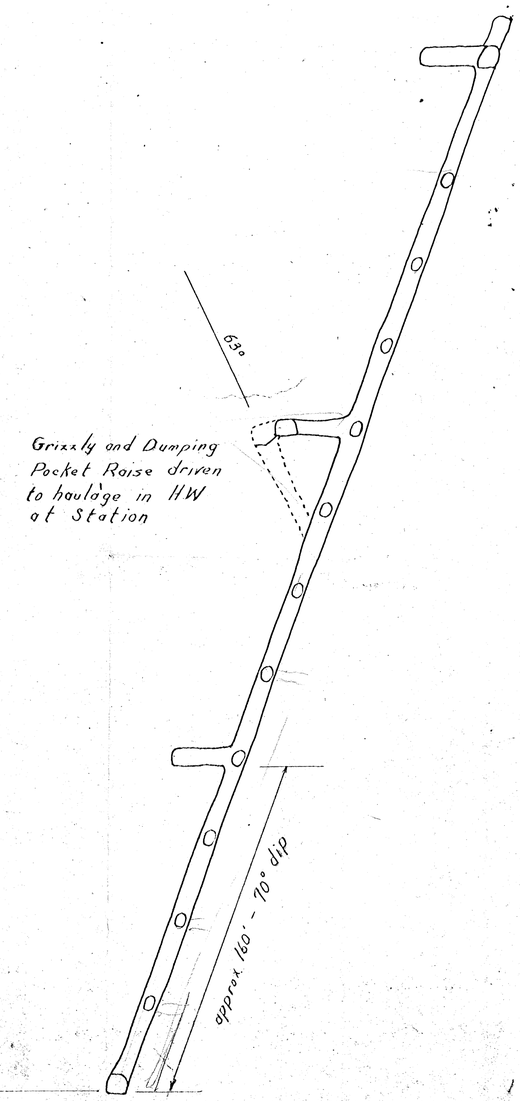
5 b (Part 4)

Shenandoah-Dives Mining Co.
Silverton, Colorado

Shenandoah-Dives Mining Company,
Silverton, Colorado







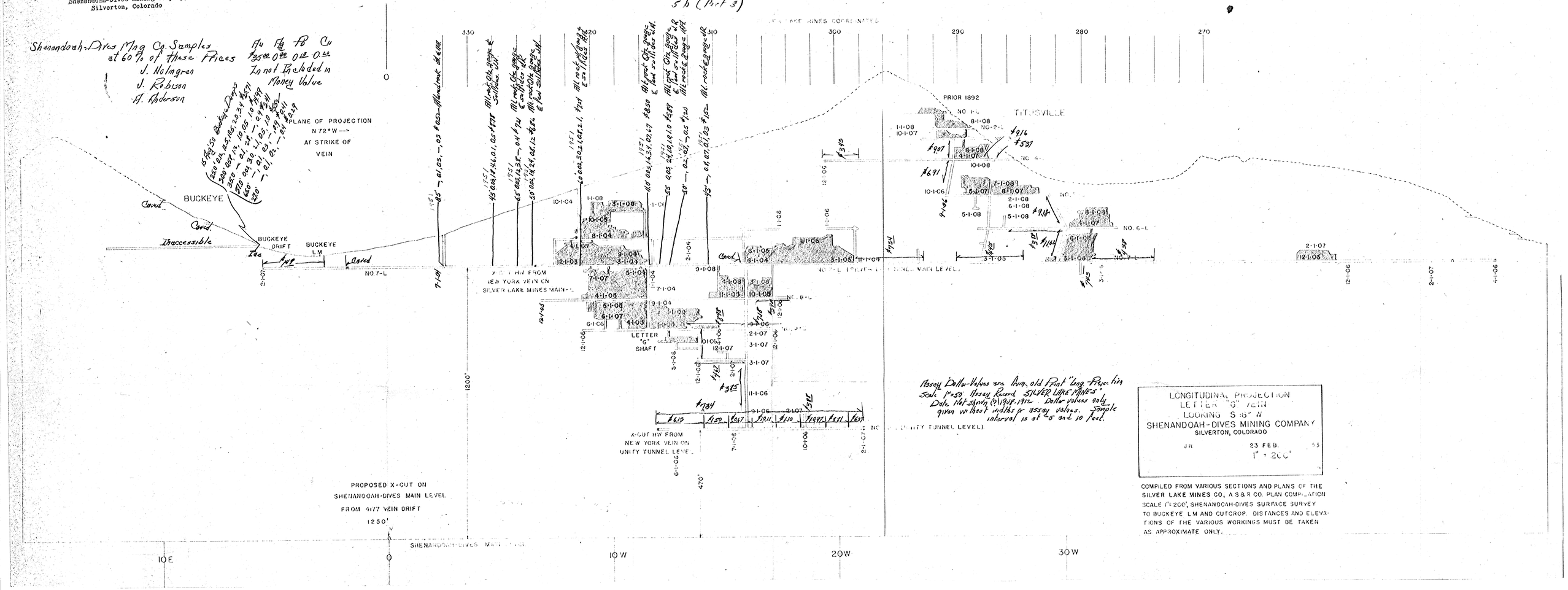
Proposed Letter "G" Exploration Raise
with a Plan of Development for an
Orepass and Level Stations to Follow

SHENANDOAH-DIVES MINING COMPANY
SILVERTON, COLORADO

Drawn	J R	6 April
Traced	J R	1" = 10'
No.		

Shenandoah-Dives Mining Company,
Silverton, Colorado

MF 103
5b (Part 3)



Assay Dollar-Values are Avg. old Print "Long Projection Scale 1"=50' Assay Record SILVER LAKE MINES" Data Not starting (?) 1908-1912 Dollar values only given without widths or assay values. Sample interval is at 5 and 10 feet.

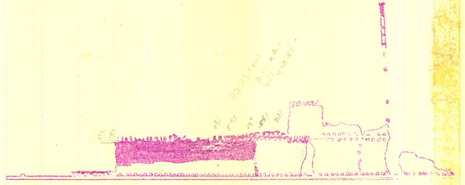
LONGITUDINAL PROJECTION
LETTER "G" VEIN
LOOKING S 88° W
SHENANDOAH-DIVES MINING COMPANY
SILVERTON, COLORADO

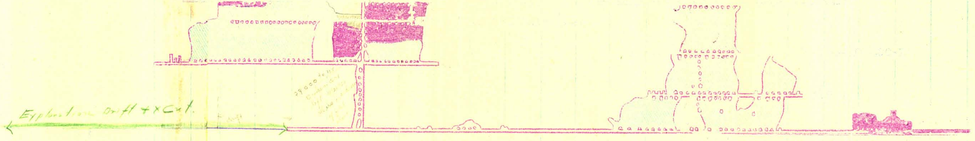
JR 23 FEB. 53
1" = 200'

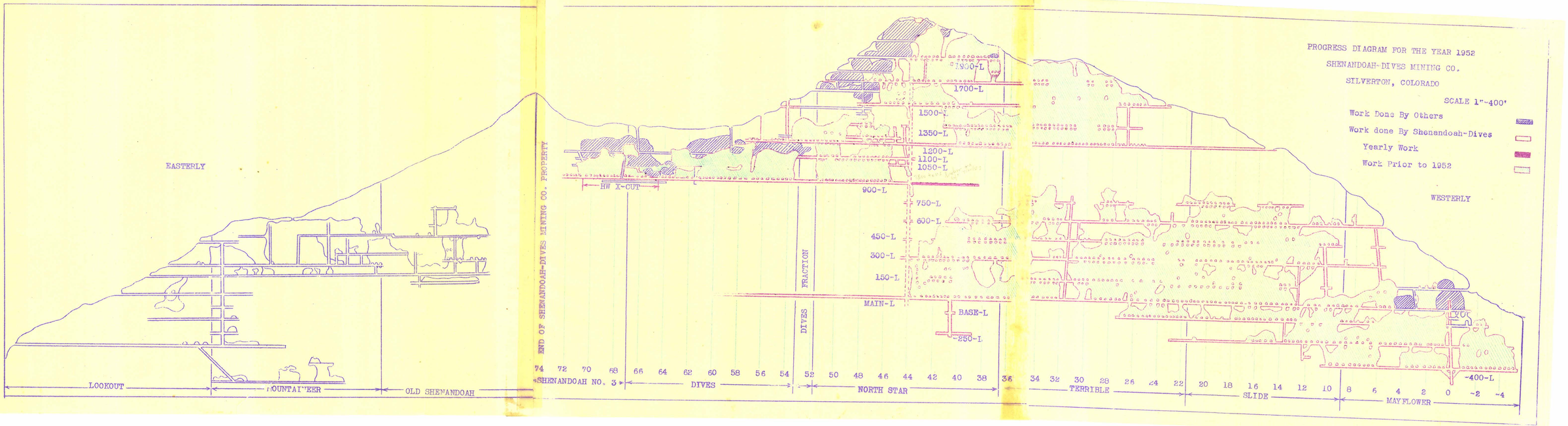
COMPILED FROM VARIOUS SECTIONS AND PLANS OF THE SILVER LAKE MINES CO, A S & R CO. PLAN COMPILATION SCALE 1"=200', SHENANDOAH-DIVES SURFACE SURVEY TO BUCKEYE LM AND OUTCROP. DISTANCES AND ELEVATIONS OF THE VARIOUS WORKINGS MUST BE TAKEN AS APPROXIMATE ONLY.

Shenandoah-Dives Mining Company
Silverton, Colorado

ME 113
Sec. Part 1






PROGRESS DIAGRAM FOR THE YEAR 1952
SHENANDOAH-DIVES MINING CO.
SILVERTON, COLORADO
SCALE 1"=400'
Work Done By Others
Work done By Shenandoah-Dives
Yearly Work
Work Prior to 1952
EASTERLY
WESTERLY
END OF SHENANDOAH-DIVES MINING CO. PROPERTY
HW X-CUT
FRACTION
DIVES
1900-L
1700-L
1500-L
1350-L
1200-L
1100-L
1050-L
900-L
750-L
600-L
450-L
300-L
150-L
MAIN-L
BASE-L
-250-L
-400-L
74 72 70 68 66 64 62 60 58 56 54 52 50 48 46 44 42 40 38 36 34 32 30 28 26 24 22 20 18 16 14 12 10 8 6 4 2 0 -2 -4
LOOKOUT
MOUNTAINEER
OLD SHENANDOAH
SHENANDOAH NO. 3
DIVES
NORTH STAR
TERRIBLE
SLIDE
MAYFLOWER