DMA Form 1

DEFENSE MINERALS ADMINISTRATION
Control Slip

CONTROLLED DOCUMENT

DMA Docket No. 3583

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This document has been recorded as

Exploration Assistance

Any action taken to change the type of request for assistance must be promptly reported to the Reports and Records Branch. Use DMA Form 2 for submitting these reports.

Cys to USBM & USGS

Routing Slip

To:	600	Date	11/30/54
To:	Oper Com	Date	12-8-54
To:	Hopkins	Date	4/18/55
To:	Oper Com	Date	5-17-55
To:	Oper Com	Date	5-20-55
To:	Oper Com	Date	6-24-55
To:	Oper Com	Date	7-13-55
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CONTROLLED DOCUMENT

Docket File
Surname:

Hopkins
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UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C. 600

Messrs. Paul B. Lorenz
and R. F. Deike
2123 Carey Avenue
Cheyenne, Wyoming

AUG 24 1955

Re: Docket No. DMEA-3583 - Beryl, Columbium-tantalum
Paul B. Lorenz and R. F. Deike
The Beryl Mine (Bonus Extension and Long's Gulch Groups of Claims)
Chaffee County, Colorado
Contract No. Idm-E828

Gentlemen:

Reference is made to your letter to the Executive Officer, DMEA Field Team, Region III, dated August 8, 1955, requesting cancellation of your application. Receipt of the unexecuted copies of contract No. Idm-E828 is herewith acknowledged.

As requested this case has been withdrawn from our active file effective as of the date of this letter.

We wish to thank you for your interest in the Defense Minerals program and for bringing your property to our attention.

Sincerely yours,

C. O. Mittendorf

Administrator

JHopkins:pk 8/22/55
Copy to: Admr. R. File
Docket
Operating Committee
Field Team, Region III
Mr. Kiilsgaard, 5222
Mr. Reno, 3641A
Mr. Houk
Mr. Hopkins

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C. 600

August 22, 1955

Memorandum

To: R. E. Adams, Chief, Operations Control and Statistics Division

From: Nonmetallic Minerals Division

Subject: Withdrawal of Application - Docket No. DMEA-3583 - Beryl, Columbium-tantalum
Paul B. Lorenz and R. F. Deike
The Beryl Mine (Bonus Extension and Long's Gulch Groups of Claims)
Chaffee County, Colorado
Contract No. Idm-E828

The subject application is being withdrawn by the applicants. Copies of the unexecuted contract have been returned to this office and are attached hereto.

The application, therefore, will be considered in inactive status and placed in our inactive files.

James Hopkins
Nonmetallic Minerals Division

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

August 15, 1955

224 New Customhouse
Denver 2, Colorado

Memorandum

To: Chairman of the Operating Committee

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3583 (Beryl-Columbiun-Tantalum) Lorenz and Deike, Bonus Extension and Long's gulch claims, Chaffee County, Colorado

Enclosed are the Government's, Division, Docket, Finance, Field Team, and Operator's copies of the proposed contract on the subject docket.

The applicant asked to cancel the application in a letter dated August 8, 1955 copy of which was forwarded to your office.

W. M. Traver

RECEIVED
AUG 17 1955

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

August 15, 1955

224 New Customhouse
Denver 2, Colorado

Memorandum

To: Chairman of the Operating Committee

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3503 (Beryl-Columbiun-Tantalum) Lorenz and Deike, Bonus Extension and Long's gulch claims, Chaffee County, Colorado

Enclosed are the Government's, Division, Docket, Finance, Field Team, and Operator's copies of the proposed contract on the subject docket.

The applicant asked to cancel the application in a letter dated August 8, 1955 copy of which was forwarded to your office.

W. M. Traver

W. M. Traver

RECEIVED
AUG 17 1955

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

224 New Customhouse
Denver 2, Colorado

August 10, 1955

RECEIVED
AUG 12 1955

Mr. Paul B. Lorenz
Majestic Building
Cheyenne, Wyoming

Re: Docket DMEA-3583

Dear Mr. Lorenz:

Your letter of August 8, 1955 requesting cancellation of your application for DMEA aid has been forwarded to the Washington office for final action.

Will you please send us by return mail the copies of the contract forwarded you with our letter of July 14, 1955. All copies of this contract must be returned before this docket can be closed.

Very truly yours,

W. M. Traver

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

HMC:sr

cc Subject
Chairman Op. Comm.(2)
Harshman
Shaw (2)
Townsend
Chron

PAUL B. LORENZ
ATTORNEY AT LAW
MAJESTIC BUILDING
CHEYENNE, WYOMING

DMEA
Date Rec'd.
AUG 9 1955
BUREAU OF MINES
Denver, Colorado

August 8, 1955

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

Re: Docket DMEA 3583

Dear Mr. Traver:

With reference to your letter of July 29th last and our conversation of last Friday, I wish to advise you that the parties interested in this matter, including myself, as applicants, have decided to forego any further proceedings with respect to the loan application, and we wish that you would please cancel the application.

On behalf of myself and the other persons interested, we wish to thank you for the promptness and courtesies extended us.

Yours very truly,

Paul B. Lorenz

PBL/ms

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

RECEIVED
AUG - 1 1955

224 New Customhouse
Denver, Colorado

July 29, 1955

Mr. Paul B. Lorenz
Majestic Building
Cheyenne, Wyoming

Re: Docket DMEA 3583

Dear Mr. Lorenz:

Will you please advise the date we may expect a reply to our letter of July 19, 1955 in which we requested the return of the Government, Division, Docket, Finance Office and Field Team copies of the proposed Exploration Project Contract for necessary corrections.

Very truly yours,

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

HMC:dja

cc: Chman.Op.Comm.(2)
Harshman
Shaw (2)
Townsend
Subject
Chron

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

224 New Customhouse
Denver 2, Colorado

July 19, 1955

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-3583 (Beryl-Columbium-Tantalum), Paul B. Lorenz and R. F. Deike, Turret Mines, Inc., Chaffee County, Colorado

Attached is a copy of a letter to Paul B. Lorenz in accordance with your letter of July 13, 1955, to the Executive Officer, DMEA Field Team, Region III. The Operator's copy of this contract is still in this office, and as soon as the other copies have been returned, we will forward all copies to you for the necessary corrections.

W. M. Traver

Enclosure

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

224 New Customhouse
Denver 2, Colorado

July 19, 1955

Mr. Paul B. Lorenz
Majestic Building
Cheyenne, Wyoming

Re: Docket DMEA-3583

Dear Mr. Lorenz:

Will you please return the "Government's," "Division," "Docket," "Finance Office" and "Field Team" copies of the proposed exploration project contract forwarded you with our letter of July 14, 1955 as some corrections are necessary.

The assignment to Turret Mines, Incorporated forwarded with your letter of June 22, 1955 recites that: "the undersigned on January 24, 1955 entered into an agreement by the terms of which they agreed to grant a Colorado corporation . . . the right and option to purchase from them all of the right, title, and interest of each of them in and to a certain mining lease (the mining lease of September 10, 1954 between John Kostelc and Lorenz and Deike) . . ." Without a copy of the January 24, 1955 agreement we are unable to understand how the six individual assignors and the one corporate assignor in addition to Lorenz and Deike, who are also assignors, acquired an interest in the lease and option which is the subject of the assignment to Turret Mines, Incorporated and the exploration project contract.

It is also required that we have copies of the agreement of January 24, 1955 referred to in the assignment, and copies of any other documents which may clarify the relationship of the individual and corporate assignors, other than Lorenz and Deike, mentioned in the assignment.

Enclosed are the original and five copies of form MF-201, Subordination Agreement. Please have all parties named in the assignment who are entitled to an overriding royalty sign all copies of the subordination agreement and return them to this office. Upon receipt of the above information the necessary changes will be made in the contract, and the contract will again be sent to you for signature.

Very truly yours,

W. M. Traver

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

cc Subject
Chairman Op. Comm. (2)
Harshman
Shaw
Townsend
Chron

HMC:sr
Enclosures

Docket File
Surname:
F L Knouse
Hopkins
Selfridge
Johnson
Whitehead

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

600

JUL 13 1955

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

Subject: Docket No. DMEA-3583 - Beryl, Columbium and Tantalum
Paul B. Lorenz and R. F. Deike
The Beryl Mine (Bonus Extension and Long's Gulch Groups of Claims)
Chaffee County, Colorado

Dear Mr. Traver:

Your memorandum of June 24, 1955, submitted a copy of an assignment of a lease-option agreement covering the land in question and inquired whether a Subordination Agreement was required (in addition to the Consent to Lien) to cover a 5-per cent overriding royalty disclosed in the copy of the assignment. We enclose copies of a memorandum dated July 6, 1955 from the Acting Assistant Solicitor covering this question.

Please obtain the documents referred to in the above memorandum and forward them to us with all copies of the contract for review and the necessary corrections in the contract.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

Approved:

/s/ Robert W. Geehan (GCS)
Member, Bureau of Mines

Thor H. Kiilsgaard (GCS)
Member, Geological Survey

Enclosures 2

JHopkins & FLKnouse:pk 7/12/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
~~Mr. Dietrich, 3061~~
Mr. Houk
Mr. Reno, 3641A

R.C.S.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON 25, D. C.

JUL - 6 1955

Memorandum

To: The Administrator, DMEA
Attention: L. G. Houk

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-3583, Lorenz and Dieke

With a reference slip dated June 30 the Non-Metallic Minerals Division requested that we prepare a reply to a memorandum dated June 24 from Mr. Traver to the Operating Committee. Mr. Traver's memorandum submitted a copy of an assignment of a lease-option agreement covering the land in question and inquired whether a Subordination Agreement was required (in addition to the Consent to Lien) to cover a 5-percent overriding royalty disclosed in the copy of the assignment.

Our review of the docket indicates that the applicant, R. F. Dieke and P. B. Lorenz, submitted a copy of a lease-option agreement dated September 10, 1954, covering the claims in question.

With a memorandum dated May 12 a draft of a contract with the subject applicant, prepared in this office, was transmitted for the attention of the Non-Metallic Minerals Division. With a memorandum dated June 7 the Region III Field Team submitted to the Operating Committee copies of a letter from the applicant to the Executive Officer informing him that interests in the land involved were being transferred to Turret Mines, Inc., a Colorado corporation, and presuming that DMEA would want to prepare the contract for execution by the corporation. Notwithstanding this background, with a letter dated June 27 the contract was transmitted to Traver for execution by Dieke and Lorenz, as Operator.

The assignment in question recites that "the undersigned on January 24, 1955, entered into an agreement

by the terms of which they agreed to grant to a Colorado corporation . . . the right and option to purchase from them all of the right, title, and interest of each of them in and to a certain mining lease /the mining lease of September 10, 1954, between John Kostelc and Lorenz and Dieke/ . . . ." Without a copy of the January 24, 1955, agreement we are unable to understand how the six individual assignors and the one corporate assignor, in addition to Dieke and Lorenz who are also assignors, acquired an interest in the lease and option which is the subject of the assignment to Turret Mines, Inc., and the exploration project contract.

We assume from Mr. Traver's question concerning the Subordination Agreement that the contract has not yet been executed. If this assumption is correct, it is suggested that all copies of the contract be returned so that the proper operating party, Turret Mines, Inc., can be named therein as the operator. Mr. Traver should be informed that, in response to his question, a Subordination Agreement is required from the persons named in the assignment as entitled to the overriding royalty. It is also required that we have copies of the agreement of January 24, 1955, referred to in the assignment, and copies of any other documents which may clarify the relationship of the individual and corporate assignors, other than Lorenz and Dieke, mentioned in the assignment.

J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor,
Defense Minerals

P.S. If it is deemed preferable, correction of the contract form could be made in the field, subject, however, to clarification of the corporation's leasehold interest, as discussed above.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON 25, D. C.

JUL - 6 1955

Memorandum

To: The Administrator, DMEA
Attention: L. G. Mouk

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-3583, Lorenz and Dieke

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J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor,
Defense Minerals

HCRubin:gjb 7/6/55
Copy to: DMEA docket
Sol. docket
L. G. Houk (3)
J. L. Hofflund
H. C. Rubin
Chron. File

P.S. If it is deemed preferable, correction of the contract form could be made in the field, subject, however, to clarification of the corporation's leasehold interest, as discussed above.

Butin

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON 25, D. C.

JUL - 6 1955

Memorandum

To: The Administrator, DMEA
Attention: L. O. Kouk

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-3583, Lorenz and Dieke

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J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor,
Defense Minerals

HCRubin:gjb 7/6/55
Copy to: DMEA docket
Sol. docket
L. G. Houk (3)
J. L. Hofflund
H. C. Rubin
Chron. File

P.S. If it is deemed preferable, correction of the contract form could be made in the field, subject, however, to clarification of the corporation's leasehold interest, as discussed above.

Docket Copy
Surname:
Houk
Talbert
Selfridge
Zimmerman

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

600

JUN 27 1955

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

Subject: Docket No. DMEA-3583 - Beryl, Columbite-Tantalite
Paul B. Lorenz and R. F. Deike
Bonus Extension and Long Gulch Groups of Claims
Chaffee County, Colorado

Dear Mr. Traver:

Please find herewith the original and five copies of a contract covering the subject exploration project which have been signed by the Government with register number and effective date as shown.

Reference is made to the joint memorandum from C.M.Harrer and D. R. MacLaren of June 2, 1955, on changing the second stage. In our opinion, it is preferable to sink test pits and gain limited information on the vertical extent of the beryl zone rather than trenching. If the results of the first two stages are satisfactory, we believe that a diamond drilling program would be warranted to explore for continuity of the pegmatites in depth. In such a case a request for an amendment authorizing diamond drilling will be favorably considered.

If the contract meets with your approval present it to the Operators for their approval and signature. Please explain to the Operators that the contract, when executed, is a firm commitment under the terms of which they are obligated to complete the work outlined at the agreed unit cost. If any part of this contract does not have either your approval or that of the Operators and can not be amended within your delegated authority, then the original and all copies of the contract are to be returned to this office, together with the proposed changes for consideration.

After execution of the contract, the copies are to be distributed in the usual manner. Copies of memoranda from N. E. Nelson of the Geological Survey, dated April 22, 1955, and from Horace T. Reno of the Bureau of Mines, dated April 26, 1955, are enclosed.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (SHB)

Approved:

J. H. Hedges (SHB)
Member, Bureau of Mines

Thor H. Kiilsgaard (SHB)
Member, Geological Survey

JHopkins:gad 6/22/55

Enclosures 10

Copy to: Admr. R. File
Docket
Operating Committee
Mr. Reno, 3641A
Mr. Kiilsgaard, 5222
Mr. Houk

R.C.S.

DOCKET FILE
Surname:

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

600

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

Subject: Docket No. DMEA-3583 - Beryl, Columbite-tantalite
Paul B. Lorenz and R. F. Deike
Bonus Extension and Long Gulch Groups of Claims
Chaffee County, Colorado

Dear Mr. Traver:

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If the contract meets with your approval present it to the Operators for their approval and signature. Please explain to the Operators that the contract, when executed, is a firm commitment under the terms of which they are obligated to complete the work outlined at the agreed unit cost. If any part of this contract does not have either your approval or that of the Operators and cannot be amended within your delegated authority, then the original and all copies of the contract are to be returned to this office, together with the proposed changes for consideration.

Since you have requested the applicant to submit executed copies of Owner's Consent to Lien to your office, please have them attached before executing the contract.

Please note in Appendix "A", "Description of the Work", the changes in the work as proposed by the Field Team. This has been done because we regard the Field Team's proposal to be essentially bulk sampling and mining which would provide no reserves.

If all of the work authorized by the contract is completed and has been reasonably successful, we will favorably consider a request to amend the contract to provide diamond drilling to prove extensions of the pegmatites in depth.

After execution of the contract, the copies are to be distributed in the usual manner. Copies of memoranda from N. E. Nelson of the Geological Survey, dated April 22, 1955, and from

Horace T. Rame of the Bureau of Mines, dated April 26, 1955, are enclosed.

Sincerely yours,

Chairman, Operating Committee

Approved:

Member, Bureau of Mines

Member, Geological Survey

Enclosures 10

JHopkins:ad 5/13/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Rame, 3641A
Mr. Kiilsgaard, 5222
Mr. Houk

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

RECEIVED
JUN 2 7 1955

224 New Customhouse
Denver 2, Colorado

June 24, 1955

Memorandum

To: Chairman of the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-3583 (Beryl, Columbium, Tantalum), Paul B. Lorenz and R. F. Deike, Bonus Extension and Long Gulch Groups of Claims, Chaffee County, Colorado

Enclosed is a copy of a letter from Mr. Lorenz, dated June 22, 1955, and the assignment of the applicants' interests to Turret Mines, Inc., a Colorado corporation.

It is noted that this assignment provides for a five percent overriding royalty. Does this necessitate Form MF-201?

W. M. Traver

Enclosures

RECEIVED
JUL 1 1955
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

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

RECEIVED
JUN 27 1955

224 New Customhouse
Denver 2, Colorado

June 24, 1955

Memorandum

To: Chairman of the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-3583 (Beryl, Columbium, Tantalum), Paul B. Lorenz and R. F. Deike, Bonus Extension and Long Gulch Groups of Claims, Chaffee County, Colorado

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It is noted that this assignment provides for a five percent overriding royalty. Does this necessitate Form MF-201?

W. M. TRAVER

Enclosures

W. M. Traver

PAUL B. LORENZ
ATTORNEY AT LAW
MAJESTIC BUILDING
CHEYENNE, WYOMING

RECEIVED
JUN 27 1955

DMEA
Date Rec'd.
JUN 23 1955
BUREAU OF MINES
Denver, Colorado

June 22, 1955

3583

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

Re: Docket DMEA-~~3483~~
(Beryl-Columbium-Tantalum), Bonus Extension and Long Gulch Groups of Claims, Chaffee, County, Colo.

Dear Mr. Traver:

Referring to your letter of June 7th, I enclose herewith a signed copy of the assignment from interested parties to Turret Mines, Inc., a Colorado corporation.

Yours very truly,

Paul B. Lorenz

PBL/dj

Encl.

PAUL B. LORENZ
ATTORNEY AT LAW
MAJESTIC BUILDING
CHEYENNE, WYOMING

DMEA
Date Rec'd.
JUN 23 1955
BUREAU OF MINES
Denver, Colorado

June 22, 1955

3523

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

Re: Docket DMEA-~~3483~~
(Beryl-Columbium-Tantalum), Bonus Extension and Long Gulch Groups of Claims, Chaffee, County, Colo.

Dear Mr. Traver:

Referring to your letter of June 7th, I enclose herewith a signed copy of the assignment from interested parties to Turret Mines, Inc., a Colorado corporation.

Yours very truly,

Paul B. Lorenz

PBL/dj

Encl.

RECEIVED
JUN 24 1955

A S S I G N M E N T

WHEREAS, the undersigned on January 24, 1955 entered into an agreement by the terms of which, among other provisions, they agreed to grant to a Colorado corporation, when and if formed, the right and option to purchase from them all of the right, title, and interest of each of them in and to a certain mining lease hereinafter described, subject to an overriding royalty of five per cent (5%) to be reserved to the parties in said agreement designated, and,

WHEREAS, said agreement contained certain requirements to be fulfilled by said corporation before any exercise of said option could become valid, and which said agreement provided that said option should expire on April 24, 1955, and,

WHEREAS, the undersigned for value received have extended the period for exercising said option to July 24, 1955, and waived other requirements therein contained, except concerning the issuance of stock of said Colorado corporation as therein provided and,

WHEREAS, the Colorado corporation contemplated in said agreement has been formed in compliance with, and is existing under and by virtue of, the laws of the state of Colorado and bears the name Turret Mines, Inc., and,

WHEREAS, said Turret Mines, Inc. has elected to exercise said option pursuant to the terms of the agreement herein referred to as amended,

NOW, THEREFORE, the undersigned hereby:

1. Acknowledge receipt of notice of election of Turret Mines, Inc. to exercise the option contained in the agreement by the undersigned of January 24, 1955.

2. Agree and consent that the election by Turret Mines, Inc. to exercise said option was made within the effective period of said option as extended for such purpose.

3. Acknowledge either compliance with, or their waiver of, all requirements in said agreement herein referred to on the part of said Turret Mines, Inc., to be performed except as to the issuance of stock to the undersigned by said Turret Mines, Inc., which stock of said Turret Mines, Inc., said corporation agrees to issue in the amounts provided, and to the persons named, in said agreement herein referred to, upon acceptance by it of this assignment.

4. Transfer, set over, convey, and assign by this instrument all of their right, title, and interest in and to a certain mining lease wherein John Kostelc of Salida, Colorado is lessor, and Paul B. Lorenz and R. F. Deike, of Cheyenne, Wyoming are lessees, which instrument is dated September 10, 1954, and covers certain mining claims therein described, located in Chaffee County, Colorado, the same being recorded in Book 275, page 377 of the records of Chaffee County, Colorado, Reserving and excepting, however, unto R. F. Deike, Erving Wolf, and Paul B. Lorenz, a five per cent (5%) overriding royalty, as royalty is defined in said lease hereinabove referred to, it being understood and agreed that Turret Mines, Inc. shall be bound by all requirements and obligations of the lessees in said lease.

It is understood and agreed by each of the undersigned and by Turret Mines, Inc., by its acceptance of this instrument, that Ideal-Aerosmith, Inc., a California corporation, is the successor in interest to Ideal Laboratories, Inc., a Wyoming corporation, as respects anything pertaining to this assignment and that Erving Wolf is the owner of all rights formerly owned by W. W. Hench, a party to the option herein previously referred to.

IN WITNESS THEREOF this instrument has been executed

this 7 day of June, 1955.

Accepted this 7 day of June, 1955.

Turret Mines, Inc.

By R F Deike
President

Attest:
R. M. Tinus
Secretary

R. M. Tinus
R. M. Tinus

D D Kallenbach
D.D. Kallenbach

A H Wacker
A. H. Wacker

Dennis Frisbie
Dennis Frisbie

C Cortland Smith
C. Cortland Smith

R F Deike
R. F. Deike

Paul B Lorenz
Paul B. Lorenz

Erving Wolf
Erving Wolf

Ideal-Aerosmith, Inc.

By C Cortland Smith
President

Attest:
Leon L Nokes
Secretary

THE STATE OF WYOMING)
) SS
COUNTY OF LARAMIE)

The foregoing instrument was acknowledged before me this 7th day of June, 1955, by R. M. Tinus, D. D. Kallenbach, A. H. Wacker, R. F. Deike, Paul B. Lorenz, and Erving Wolf.

Witness my hand and official seal.

My commission expires:
MY COMMISSION EXPIRES APR. 25, 1959

Arthur H. Wacker
Notary Public

STATE OF CALIFORNIA)
) SS
CITY AND COUNTY OF LOS ANGELES)

The foregoing instrument was acknowledged before me this 14th day of June, 1955, by Dennis Frisbie and C. Cortland Smith.

Witness my hand and official seal.

My commission expires:
December 28, 1957

Roy C. Oloberg
Notary Public

THE STATE OF WYOMING)
) SS
COUNTY OF LARAMIE)

On this 7th day of June, 1955, before me appeared R. F. Deike, to me personally known, who, being duly sworn, did say that he is the President of Turret Mines, Inc. and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors and said R. F. Deike acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and seal this 7th day of June, 1955.

MY COMMISSION EXPIRES APR. 25, 1959

Arthur H. Wacker
Notary Public

My commission expires

STATE OF CALIFORNIA)
) SS
CITY AND COUNTY OF LOS ANGELES)

On this 14th day of June, 1955, before me appeared C. Cortland Smith, to me personally known, who being duly sworn, did say that he is the president of Ideal-Aerosmith, Inc., and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors and said C. Cortland Smith acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and seal this 14th day of June, 1955.

My commission expires:

December 28, 1957

Roy C. Werbeg
Notary Public

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

RECEIVED
JUN 24 1955

June 23, 1955

Re: DMEA-3583
Paul Lorenz & R. F. Deike
(Turret Mines, Inc.)
Bonus Extension
Chaffee Co., Colo.
$11,462.10
Beryl-Columbium-Tantalum

Memorandum

To: L. G. Houk, Defense Minerals Exploration Administration

From: N. E. Nelson, U. S. Geological Survey

Subject: Review of Field Team report re. suggested changes

The original application asked for $84,700 to be used in exploring what appeared to be a high grade beryl-bearing pegmatite.

The Field Team proposed a two-stage trenching program. Overburden trenching, Stage I, would cost $867.60 and rock trenching, Stage II, $10,594.50. The reduced program was accepted by me.

The details of an alternate 3-stage proposal of the Washington office of DMEA are not with me. The stripping to bedrock would be, approximately, the equivalent of that proposed by the Field Team. With this I agree.

Stage II of the alternate proposal differs materially from that of the Field Team. If the Field Team estimate of the cost, $50.25/ft., of sinking 20-foot pits is about right, the 120 feet of pits would cost $6,030, as against $10,594.50 for rock trenches. The saving is worth while but the pits would not give the information nor the rock, afforded by 20-foot trenches. Since the topography appears to be favorable fewer or shallower trenches costing the $6,030 are to be preferred to pits costing the same.

The Stage III, diamond drilling might be much in order, following the other work.

N. E. Nelson

N. E. Nelson

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UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

RECEIVED
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N. E. Nelson

NENelson:hlm
G-6/23/55

N. E. Nelson

Copy to: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
H. T. Reno, 3641 Interior

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

RECEIVED
JUN 24 1955

June 23, 1955

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G-6/23/55

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DMEA (3)
Docket file
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UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

RECEIVED
JUN 24 1955

June 23, 1955

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Bonus Extension
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G-6/23/55

N. E. Nelson

Copy to: Director's reading, 4212
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DMEA (3)
Docket file
M. T. Reno, 3641 Interior

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

RECEIVED
JUN 13 1955

224 New Customhouse
Denver 2, Colorado

June 7, 1955

Mr. Paul B. Lorenz
Attorney at Law
Majestic Building
Cheyenne, Wyoming

Re: Docket DMEA-3583 (Beryl-Columbium-Tantalum), Bonus Extension and Long Gulch group of claims, Chaffee County, Colorado

Dear Mr. Lorenz:

Thank you for your letter of June 3, 1955. Will you please forward this office a signed copy or a photostat of a signed copy of the assignment from Lorenz and Deike to Turret Mines, Inc., a Colorado Corporation.

Very truly yours,

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

HMC:sr

cc Chairman Op. Comm. (2)
Harshman
Shaw
Subject
Chron

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

RECEIVED
JUN 13 1955

224 New Customhouse
Denver 2, Colorado

June 7, 1955

Memorandum

To: Chairman, Operating Committee, DMEA

From: DMEA Field Team, Region III

Subject: Docket DMEA-3583 (Beryl-Columbite-Tantalite), Paul B. Lorenz and R. F. Deike (Bonus Extension and Long Gulch groups of claims), Chaffee County, Colorado

In reply to your letter of May 23, 1955 on the subject docket, enclosed please find the following:

1. Four copies of a field memorandum report
2. Two copies of a letter from Paul B. Lorenz
3. Two copies of our reply to the applicant

The Field Team believes Stage II should be set up to allow for either trenching or test pitting, whichever appears more applicable after the results of Stage I are known.

In case the pegmatites prove to be narrow, trenches would be advisable, whereas if they are wide, shafts in the outer zone would prove more satisfactory.

Our experience indicates that sinking at $20.00 per foot is too low and $50.00 per foot is too high. It appears that a sinking cost of $35.00 or $40.00 per foot is more realistic.

DMEA FIELD TEAM, REGION III

W. M. Traver

W. M. Traver

E. N. Harshman

E. N. Harshman

Reviewed by
DMEA OPERATING COMMITTEE
6-20-55
(date)

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

DMEA
Date Rec'd
JUN 3 1955
BUREAU OF MINES
Denver, Colorado

Region III

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
June 2, 1955

Memorandum

RECEIVED
JUN 13 1955

To: Executive Officer, DMEA Field Team, Region III

From: E. N Harshman and John F. Shaw

Subject: DMEA 3583, Paul B. Lorenz and R. F. Deike (Bonus Extension and Long Gulch groups of claims) Chaffee County, Colorado

Enclosed are the original and eight copies of a memorandum by C. M. Harrer, Mining Engineer, and D. R. MacLaren, Geologist, regarding the recommendations in the letter from the Chairman of the Operating Committee dated May 23, 1955, to the Executive Officer, DMEA Field Team, Region III.

We believe that trenches would be preferable to test pits in this particular operation.

E. N. Harshman

E. N. Harshman

John F. Shaw

John F. Shaw

enclosures
cc 8
ENHarshman
DMEA 3583
DMEA Chron.

JFS/pah

Reviewed by
DMEA OPERATING COMMITTEE
6-20-55
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

RECEIVED
JUN 13 1955

Region III

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
June 2, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: C. M. Harrer and D. R. MacLaren

Subject: DMEA 3583 (Beryl-columbium-tantalum) Paul B. Lorenz and R. F. Deike (Bonus Extension and Long Gulch groups of claims) Chaffee County, Colorado - Alternate exploration program proposed by DMEA Washington office - Joint memorandum commenting thereon

The Washington office of the Defense Minerals Exploration Administration, in a letter dated May 23, 1955, proposes an alternate exploration program for $3,360.00, that involves stripping pegmatite exposures followed by test pitting at the more favorable locations. A third stage consisting of diamond drilling is favored if Stages I and II are encouraging.

Stage I, as outlined in the letter, consists of exposing pegmatites to bedrock at points P-1, P-2, P-3, and P-4 with a TD-9 bulldozer and blade. The trenches would be made along the strike in both directions from the outcrop to determine the zonal characteristics and lateral extent. The trenches would be hand cleaned and/or air cleaned where necessary. Crosscutting trenches would be cut from wall to wall on each pegmatite to determine the attitude.

Stage I of the above alternate exploration program is essentially the same as that proposed in the examination report and is acceptable. It consists of 120 hours of bulldozing trenches at a total cost of $960.00.

Stage II of the alternate exploration program would consist of sinking a series of test pits or shafts not less than 4 feet by 7 feet in cross section and not more than 20 feet deep, on the most promising pegmatites in the beryl-mica zone. A maximum aggregate of 120 feet of shaft and test pit shall be sunk. Stage II would consist of not more than 120 feet of shafts at $20.00 per foot, or a total of $3,360.00.

A re-examination of the pegmatite exposures, after the completion of Stage I, may indicate dikes in which the ratio of thickness of beryl zone to core is such that test pits would be more satisfactory than trenches, however, on the basis of present knowledge it is believed that trenches would

Reviewed by
DMEA OPERATING COMMITTEE
6-20-55
(date)

be more preferable than test pits or shafts because in the one pegmatite mined, beryl crystals were found in the quartz of the core? as well as in the outer zone. Also, trenches would expose the entire width of the dike to some depth. Trenches or pits may be less than 20 feet deep if the beryl-bearing zones crop out at or near the surface and perhaps the depths of shafts or trenches should be qualified to an exposure of the beryl-bearing zones to a maximum depth of 10 feet.

Costs of $20.00 per foot to sink 120 feet of 4- by 7-foot or larger shaft, in hard pegmatite, and in units up to 20 feet deep, are not realistic for the area. On the basis of costs in the examiners report, the cost per foot is estimated at $50.25, as follows, assuming that Stage II can be completed in 60 days:

Supervision and labor		$3,212.40
Payroll taxes at 5 percent		160.80
Equipment rental (compressor, drills, etc.)		600.00
Drill steel	$60.00	
Tungsten carbide bits	330.00	
40 boxes dynamite	480.00	
800 blasting caps	22.00	
5000 feet of fuse	50.00	
Miscellaneous small tools and windlass	250.00	
Service charge for compressor	336.00	
Service charge for truck	528.00	2,056.00
Total cost of Stage II shaft sinking		$6,029.20
Cost per foot of shaft (4- by 7-foot cross section or larger)		
$\frac{\$6029.20}{120 \text{ feet}}$		$50.25

As a comparison, sinking under somewhat similar conditions was contracted for by DMEA on another contract (DMEA 3078, Contract Idm-E653) at $65.00 per foot. too high

It should be remembered that Stage II is dependent upon the results obtained from Stage I and may be subject to considerable revision.

Diamond drilling for the purpose of determining the depth of a pegmatite is acceptable providing Stages I and II indicate its advisability, but for the purpose of determining the beryl content it is unsatisfactory because of the erratic distribution of beryl crystals in pegmatites.

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

D. R. MacLaren
D. R. MacLaren
Geologist

cc 8
ENHarshman

DMEA
Date Rec'd.
JUN 1955
BMEA
Denver, Colorado

PAUL B. LORENZ
ATTORNEY AT LAW
MAJESTIC BUILDING
CHEYENNE, WYOMING

June 3, 1955

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

Re: Docket DMEA-3483 (Beryl-Columbium-Tantalum), Bonus Extension and Long Gulch groups of claims, Chaffee, County, Colorado.

Dear Mr. Traver:

When I wrote to you on May 31, last, relative to the above, I neglected to inform you that Mr. Deike and myself are transfering our interests to Turret Mines, Inc., a Colorado Corporation, which we, with some associates, formed for the particular purpose of carrying on activities under the lease involved.

Therefore, should the application of Mr. Deike and myself be approved, I presume your department [illegible] a contract executed in the name of Turret Mines, Inc. We shall be glad to furnish any information in respect to this that you may require.

Sincerely yours,

Paul B. Lorenz

Paul B. Lorenz

PBL/is

Reviewed by
DMEA OPERATING COMMITTEE
6-20-55
(date)

PAUL B. LORENZ
ATTORNEY AT LAW
MAJESTIC BUILDING
CHEYENNE, WYOMING

DMEA
Date Rec'd.
JUN 1955
BUREA
Denver, Colorado

June 3, 1955

RECEIVED
JUN 13 1955

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

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PBL/is

RECEIVED
JUN 13 1955

DMEA
Date Rec'd.
JUN 3 1955
BUREAU OF MINES
Denver, Colorado

Region III

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
June 2, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: E. N Harshman and John F. Shaw

Subject DMEA 3583, Paul B. Lorenz and R. F. Deike (Bonus Extension and Long Gulch groups of claims) Chaffee County, Colorado

Enclosed are the original and eight copies of a memorandum by C. M. Harrer, Mining Engineer, and D. R. MacLaren, Geologist, regarding the recommendations in the letter from the Chairman of the Operating Committee dated May 23, 1955, to the Executive Officer, DMEA Field Team, Region III.

We believe that trenches would be preferable to test pits in this particular operation.

E. N. Harshman

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John F. Shaw

John F. Shaw

enclosures
cc 8
ENHarshman
DMEA 3583
DMEA Chron.

JFS/pah

Region III

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
June 2, 1955

Memorandum

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From: C. M. Harrer and D. R. MacLaren

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C. M. Harrer
Mining Engineer

D R MacLaren
D. R. MacLaren
Geologist

cc 8
MHarshman

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

224 New Customhouse
Denver 2, Colorado

June 1, 1955

Mr. Paul B. Lorenz
Attorney at Law
Majestic Building
Cheyenne, Wyoming

RECEIVED
JUN - 6 1955

Re: Docket DMEA-3583 (Beryl-Columbium-Tantalum), Bonus Extension and Long Gulch groups of claims, Chaffee County, Colorado

Dear Mr. Lorenz:

This will acknowledge receipt of your letter dated May 31, 1955 in which you enclosed seven copies of form MF-203, Owner's Consent to Lien, signed by John Kostelc, who you state is the sole owner.

These Owner's Consent to Lien forms are being forwarded to the Washington office, DMEA to enable them to continue to process your application.

Very truly yours,

W. M. Traver

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

HMC:sr

cc Chairman Op. Comm. (2)
Subject
Chron

PAUL B LORENZ
ATTORNEY AT LAW
MASONIC BUILDING
CHEYENNE WYOMING

May 31, 1955

RECEIVED
JUN - 6 1955

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

Re: Docket DMEA-~~3483~~ 3583 (Beryl-Columbium-Tantalum), Bonus Extension and Long Gulch groups of claims, Chaffee County, Colorado.

Dear Mr. Traver:

Referring to your letter of April 7, we have been inadvertently delayed in returning owner's consent to lien forms. However, they have now been executed by John Kostelc, the sole owner, and we enclose herewith original and five copies.

We wish to express our appreciation for your continuing courtesies in this matter.

Sincerely yours,

Paul B. Lorenz

Paul B. Lorenz

PBL/is

Enclosure/6

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

RECEIVED
JUN - 6 1955

224 New Customhouse
Denver 2, Colorado

June 1, 1955

Memorandum

To: Chairman of the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Owner's Consent to Lien, DMEA Docket 3583 (Beryl-Columbium-Tantalum), Lorenz and Deike (Bonus Extension and Long Gulch groups of claims), Chaffee County, Colorado

Enclosed are seven signed copies of form MF-203, Owner's Consent to Lien, on the subject docket.

The Report of Examination recommending a contract was forwarded your office April 8, 1955.

W. M. Traver

Enclosures

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

RECEIVED
JUN - 3 1955

224 New Customhouse
Denver 2, Colorado

May 26, 1955

Memorandum

To: J. F. Shaw W/Brochure
E. N. Harshman

From: DMEA Field Team, Region III

Subject: DMEA-3583 (Beryl-Columbium-Tantalum), Paul B. Lorenz and R. F. Deike (Bonus Extension and Long Gulch groups of claims), Chaffee County, Colorado

Attached is a copy of a letter from the Chairman of the Operating Committee in which he submits an alternate proposal for the exploration program on the subject docket in lieu of the Field Team's recommended project.

Please let us have your comments on the proposed revision and also determine if it will be favorably considered by the applicant.

W. M. Traver

E. N. Harshman

Enclosures

WMT:sr

cc Sec. Op. Comm. (2)
Subject
Chron

DOCKET COPY
Surname:
Hoyer
Hoch
Talbot
Selfridge
Johnson
Rutledge

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C. 600

MAY 23 1955

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

Subject: Docket No. DMEA-3583 - Beryl, Columbite-tantalite
Paul B. Lorenz and R. F. Deike
Bonus Extension and Long Gulch Groups of Claims
Chaffee County, Colorado

Dear Mr. Traver:

Reference is made to the Field Team report on the subject property dated March 10, 1955, in which it is recommended that the Government enter into a contract with the applicant in a two stage exploration program of stripping and trenching at an estimated cost of $11,462.10.

The applicant had proposed to explore the pegmatite locations with eight trenches at an estimated cost of $84,700.00. We believe that the pegmatites can be more effectively explored by the following two stage program that involves stripping to more thoroughly expose the pegmatites followed by test pitting at the most favorable locations. A third stage of diamond drilling will be favorably considered if stages 1 and 2 are encouraging. We are submitting this alternate proposal for your comments and request you obtain the applicant's reaction to such a program.

Stage I

With bulldozer (TD-9) and blade, expose pegmatites to bedrock at points P-1, P-2, P-3, and P-4. The trenches shall be made along the strike in both directions from the outcrop to determine the zonal characteristics and lateral extent. The trenches shall be hand cleaned and/or air cleaned where necessary. Crosscutting trenches may be cut from wall to wall on each pegmatite to determine the attitude.

Cost of Stage I

Bulldozer trenches 120 hours @ $8.00 $960.00

Stage II

Sink a series of test pits or shafts, not less than 7 feet by 4 feet, not more than 20 feet deep on the most promising

R.C.S.

pegmatites in the beryl-mica zone. Not more than an aggregate of 120 feet of shaft and test pit shall be sunk

Cost of Stage II

120 feet of Shafts @ $20.00/ft.	$2,400.00
Estimated Total Cost of Project	$3,360.00

Note: Shafts or test pit need not be 20 feet in depth if desired information is obtained at a shallower depth.

If you and the applicant approve the above outlined work a contract will be prepared along the suggested lines.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

Approved:

J. H. Hedges (JHB)

Member, Bureau of Mines

Thor H. Kiilsgaard (JHB)

Member, Geological Survey

JHopkins:gad 5/20/55

Copy to: Admr. R. File
Docket
Operating Committee
Mr. Reno, 3641A
Mr. Kiilsgaard, 5222
Mr. Houk

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C. 600

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

Subject: Docket No. DMEA-3583 - Beryl, Columbite-tantalite
Paul B. Lorenz and R. F. Deike
Bonus Extension and Long Gulch Groups of Claims
Chaffee County, Colorado

Dear Mr. Traver:

Please find herewith the original and five copies of a contract covering the subject exploration project which have been signed by the Government with register number and effective date as shown.

If the contract meets with your approval present it to the Operators for their approval and signature. Please explain to the Operators that the contract, when executed, is a firm commitment under the terms of which they are obligated to complete the work outlined at the agreed unit cost. If any part of this contract does not have either your approval or that of the Operators and cannot be amended within your delegated authority, then the original and all copies of the contract are to be returned to this office, together with the proposed changes for consideration.

see draft

Since you have requested the applicant to submit executed copies of Owner's Consent to Lien to your office, please have them attached before executing the contract.

Please note in Appendix "A", "Description of the Work", the changes in the work as proposed by the Field Team. This has been done because we regard the Field Team's proposal to be essentially bulk sampling and mining which would provide no reserves.

If all of the work authorized by the contract is completed and has been reasonably successful, we will favorably consider a request to amend the contract to provide diamond drilling to prove extensions of the pegmatites in depth.

After execution of the contract, the copies are to be distributed in the usual manner. Copies of memoranda from N. E. Nelson of the Geological Survey, dated April 22, 1955, and from

ok

Horace T. Reno of the Bureau of Mines, dated April 26, 1955, are enclosed.

Sincerely yours,

Chairman, Operating Committee

Approved:

J. W. Hedges

Member, Bureau of Mines

Noted

Thos. H. Kiesgaard

Member, Geological Survey

Enclosures 10

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON 25, D. C.

MAY 12 1955.

Memorandum

To: The Administrator, DMEA
Attention: Mr. L. G. Houk

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-3583, Lorenz and Deike
Beryl, Columbium-Tantalum

Pursuant to reference slip dated April 28 from Nonmetallic Minerals Division, we have prepared the attached contract, in satisfactory legal form for execution, subject to the attachment of Consent to Lien from the owner, Kostelc.

H. C. Rubin
For J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

Attachments

I have signed the letter forwarding this contract to the field; however, I question the
the changing of the work in Stage II as has been done. It would seem to me that the same information could have been obtained by bulldozer trenches as was proposed by the applicant and the Field Team, even though the bulldozing was deferred from that proposed by the Field.

As now proposed, we are requiring a type of work not asked for by the applicant and not recommended by the Field Team. Assuming the operator is equipped to doze the trenches, there is reason to wonder if he will be interested in hand-dug 20-foot shafts.

Arthur H. Wilsgaard

File to field
(then comments or mailing to operator)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

Defense Minerals Administration
RECEIVED
APR 2 6 1955

April 26, 1955

Memorandum

To: L. G. Houk, Director, Non-Metallic Minerals Division, DMEA

From: Commodity-Industry Analyst, Branch of Rare and Precious Metals

Subject: Report of Examination, DMEA Docket 3583 (Beryl, Columbium, Tantalum) Lorenz and Deike, Bonus Extension and Long Gulch Group of Claims, Chaffee County, Colorado

The above report has been reviewed and I concur with the field teams recommendation that a contract for exploration in two stages be granted.

The copy of the report has been forwarded to the Chief, Division of Minerals in accordance with the routing slip attached thereto.

Frank D Lamb
for Horace T. Reno

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

Defense Minerals Administration
RECEIVED
APR 25 1955

April 22, 1955

Re: DMEA-3583
Paul B. Lorenz and
R. F. Deike
Bonus Extension and
Long Gulch Groups
of claims
Chaffee County, Colo.
$11,462.10 (Original
request $84,700)
Beryl-Columbium-Tantalum

Memorandum

To: L. G. Houk, Defense Minerals Exploration Administration

From: N. E. Nelson, U. S. Geological Survey

Subject: Review of Field Team report

The Field Team recommends a contract for a revised and reduced program of exploration of the pegmatite exposures on this property. The results obtained in the quarry on claim 10 justify the recommendation.

By removing 1,547.5 tons of pegmatite rock a good sample of the pegmatite was obtained. From this rock 21,759 pounds (10.9 tons) of marketable beryl was recovered, indicating a grade of 0.7% , or 14 lbs. per ton for which the operator received 22 cents per pound. Since pegmatite rock containing 1.0% beryl is considered high grade and 0.1% rather above average the 0.7% is noteworthy. The report does not indicate whether or not the good ore may be expected to extend downward and laterally beyond the limits of the quarry.

Most of the beryl used is recovered as a byproduct of feldspar mining since the beryl content, as in this case, will not sustain a small scale mining operation. Thus the feldspar, mica and columbite-tantalite assume importance.

I concur in the recommendation of the Field Team.

N. E. Nelson

N. E. Nelson

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

224 New Customhouse
Denver 2, Colorado

April 8, 1955

Memorandum

To: Secretary to the Operating Committee, D.M.E.A.

From: D.M.E.A. Field Team, Region III

Subject: Report of Examination, DMEA Docket 3583 (Beryl, Columbium, Tantalum) Lorenz and Deike, Bonus Extension and Long Gulch Group of Claims, Chaffee County, Colorado

Enclosed are the original and three copies of the report pertaining to the above application.

We recommend a contract for exploration in two stages, the second of which would be dependent on the results of the first stage.

Owners' Consent to Lien have been requested and will be forwarded you when they are received by this office.

W. M. Traver

W. M. Traver

E. N. Harshman

E. N. Harshman

Encs.

Reviewed by
DMEA OPERATING COMMITTEE
4-20-55
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

TRANSMITTED
APR 8 1955

Region III

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
March 15, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: John F. Shaw, Project Supervisor

Subject: DMEA 3583 (Beryl, columbite-tantalite), Paul B. Lorenz and R. F. Deike (Bonus Extension and Long Gulch groups of claims), Turret Mining District, Chaffee County, Colorado

Enclosed are the original and ten copies of a "Summary, Conclusions, and Recommendations" by C. M. Harrer, mining engineer, and D. R. MacLaren, geologist and ten copies of an engineering report by C. M. Harrer covering docket DMEA 3583. Also enclosed is the brochure covering this docket.

The applicant requested exploration assistance in the amount of $84,700.00 to explore for beryl, columbite-tantalite in pegmatites occurring on 254 acres in the Turret Mining District, Chaffee County, Colorado. The examining team observed the beryl in four outcrops, but the size and shape of the pegmatite dikes could not be determined due to overburden.

It is recommended that the Government enter into an exploration contract with the applicant in two stages. The first stage would consist of stripping with a bulldozer the four locations to determine the extent of the pegmatites. The second stage is dependent upon the results of the first stage and would be subject to prior written approval of the field team. It would consist of an additional 450 feet of trenching. The estimated cost of the proposed work would be $11,462.10. The amount of Government participation at 75 percent would be $8,596.57.

John F. Shaw

John F. Shaw

Enclosures

cc 10
DMEA 3583
DMEA Chron

JFS/cm

Reviewed by
DMEA OPERATING COMMITTEE
4-20-55
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

DMEA 3583, Bonus Extension and Long Gulch Groups of Claims

Paul B. Lorenz and R. F. Deike

Chaffee County, Colorado

Beryl, Columbite-Tantalite

C. M. Harrer, Mining Engineer
Bureau of Mines

D. R. MacLaren, Geologist
Geological Survey

March 10, 1955

Reviewed by
DMEA OPERATING COMMITTEE
4-20-55
(date)

DMEA 3583

BONUS EXTENSION AND LONG GULCH GROUPS OF CLAIMS PAUL B. LORENZ AND R. F. DEIKE CHAFFEE COUNTY, COLORADO

Summary, Conclusions, and Recommendations

By C. M. Harrer
Mining Engineer
Bureau of Mines

D. R. MacLaren
Geologist
Geological Survey

Reviewed by
DMEA OPERATING COMMITTEE
4-20-55
(date)

DMEA 3583

BONUS EXTENSION AND LONG GULCH GROUPS OF CLAIMS PAUL B. LORENZ AND R. F. DEIKE CHAFFEE COUNTY, COLORADO

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

By C. M. Harrer and D. R. MacLaren

Paul B. Lorenz and R. F. Deike of 2123 Carey Avenue, and 409 Majestic Building, Cheyenne, Wyoming, have applied for Defense Minerals Exploration Administration assistance in the amount of $84,700.00 to explore for beryl, columbite, and tantalite in pegmatites on 254 acres of property which they have under lease in secs. 7 and 8, T. 50 N., R. 5 E., in the Turret Mining District of Chaffee County, Colorado.

In an area of granite and schist there are at least nine outcrops of pegmatite, only one of which is being quarried. The latter is a dike that strikes N. 70° E. and dips 85°-90° northwest between walls of granite. This pegmatite consists of an outer zone of perthite, mica and garnet, from which most of the beryl has come, and a core of feldspar and quartz. Beryl was seen at four of the other outcrops but the size and shape of these pegmatites could not be determined due to overburden; however, they merit some exploration.

Quarrying operations resulted in the removal of an estimated 1,547.5 tons (18,570 cu. ft.) of pegmatite rock from which 21,795 pounds of beryl and 118 pounds of columbite-tantalite were recovered.

Because the pegmatites are insufficiently exposed to determine their extent or quality, a two stage program of exploration is recommended as follows:

Stage I: From the applicant's beryl bearing pegmatite outcrops P-1, P-2, P-3, and P-4, (fig. 2) bulldoze shallow trenches along the strike of the pegmatites in each direction and also across the strike at about 150-foot intervals. The trenches should be only deep enough to remove overburden and expose bedrock structure. Those along the strike should stop when they are 600 feet long or when they expose the ends of the pegmatites, whichever occurs first. Trenches across the pegmatites should only be long enough to expose the pegmatites from wall to wall. This can be accomplished in about 3 weeks at an estimated cost of $867.60.

Stage II: This part of the program is tentative and should be subject to prior written approval of the Government based on the results obtained in Stage I. For purposes of evaluation, 450 feet of trenches 10 feet wide and 20 feet deep with a 1/4:1 slope are tentatively suggested at an estimated cost of $10,594.50 or $0.078 per cubic foot of excavation.

Total cost of the project would not exceed $11,462.10. Government participation at 75 percent would be $8,596.57.

Stage II Test pitting 6 to 10 feet deep

Stage III Shaft sinking
Not more than two - ~~one on~~ .
At the most favorable locations on two pegmatites - each 40 to 50 feet deep.

DMEA 3583

BONUS EXTENSION AND LONG GULCH GROUPS OF CLAIMS
PAUL B. LORENZ AND R. F. DEIKE
CHAFFEE COUNTY, COLORADO

Engineering Report

By C. M. Harrer
Mining Engineer
Bureau of Mines

Reviewed by
DMEA OPERATING COMMITTEE
4-20-55
(date)

DMEA 3583

BONUS EXTENSION AND LONG GULCH GROUPS OF CLAIMS PAUL B. LORENZ AND R. F. DEIKE CHAFFEE COUNTY, COLORADO

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ILLUSTRATIONS

Figure — Follows page

1. Location Map, Paul B. Lorenz and R. F. Deike Lease, Chaffee County, Colorado..... 1
2. Property map and proposed exploration, Paul B. Lorenz and R. F. Deike Lease (Beryl, Columbite, Tantalite), Chaffee County, Colorado..... 1

DMEA 3583

BONUS EXTENSION AND LONG GULCH GROUPS OF CLAIMS PAUL B. LORENZ AND R. F. DEIKE CHAFFEE COUNTY, COLORADO

ENGINEERING REPORT

By C. M. Harrer

INTRODUCTION

Paul B. Lorenz and R. F. Deike of 2123 Carey Avenue, and 409 Majestic Building, Cheyenne, Wyoming, have applied for Defense Minerals Exploration Administration assistance in the amount of $84,700.00 to explore for beryl, columbite, and tantalite in pegmatite structures on property which they have under lease in Chaffee County, Colorado. The property was examined for the Region III Defense Minerals Exploration Administration by the writer and D. R. MacLaren of the Geological Survey on February 1, 1955.

ACKNOWLEDGMENTS

R. F. Deike, lessee and John Kostelc, lessor, were contacted at Salida and guided the examining team over the property. Mr. Kostelc made all records on the property available.

LOCATION, TOPOGRAPHY, AND PHYSICAL FEATURES

The John Kostelc property under lease to Paul B. Lorenz and R. F. Deike is in secs. 7 and 8, T. 50 N., R. 5 E., Turret Mining District, in Chaffee County, Colorado (figs. 1 and 2) at about 8,000 feet altitude. The property is in rugged mountain terrain on the

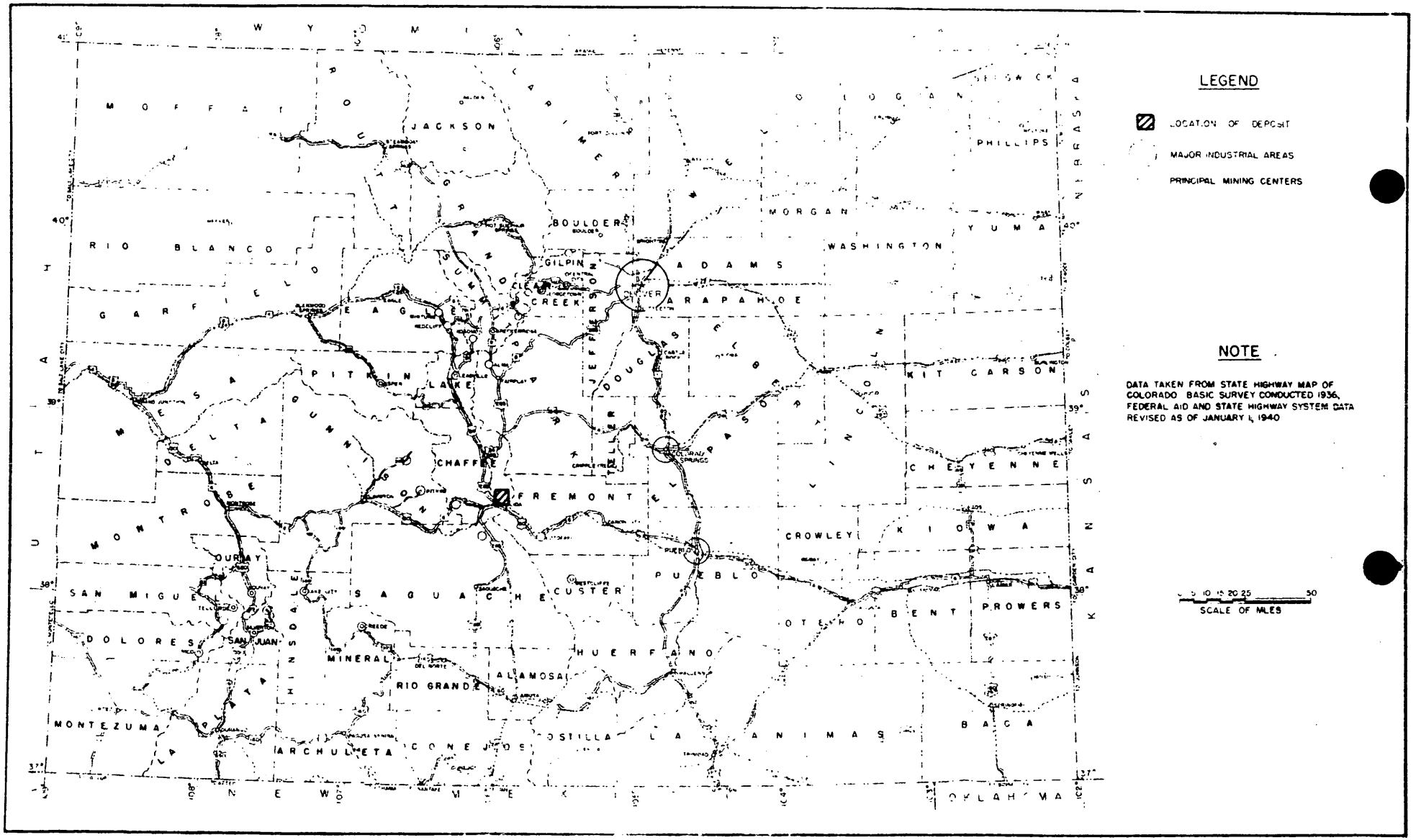

FIGURE 1 - LOCATION MAP, PAUL B. LORENZ AND R. F. DEIKE LEASE, CHAFFEE COUNTY, COLO. DMEA 3583
(BERYL - COLUMBITE - TANTALITE)

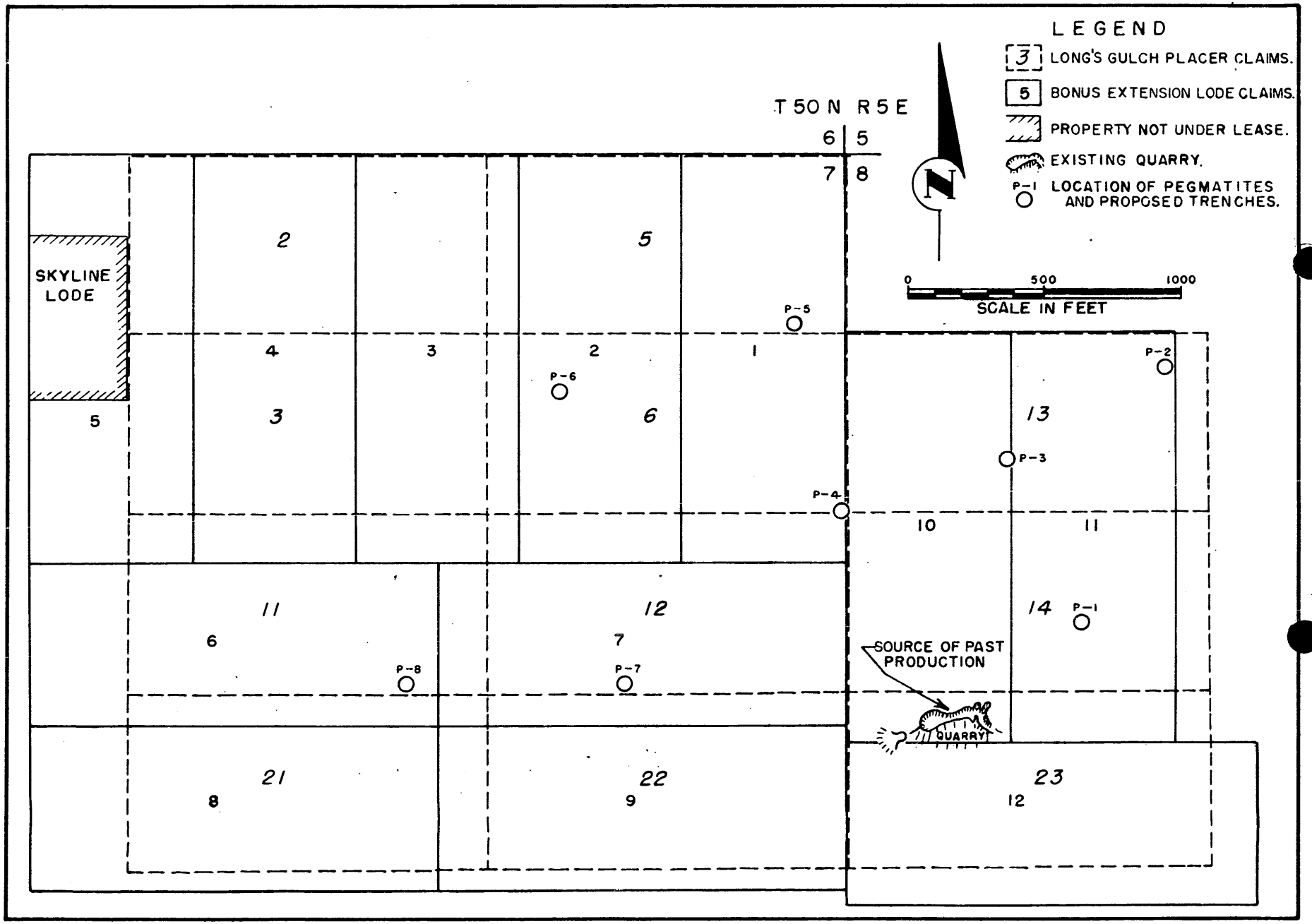

FIGURE 2 - PROPERTY MAP AND PROPOSED EXPLORATION, PAUL B. LORENZ AND R.F. DEIKE LEASE, CHAFFEE COUNTY, COLO. DEMA 3583 (BERYL-COLUMBITE-TANTALITE)

south slope of Long Gulch and is reached by driving 1 mile west of Salida on paved Colorado State Highway 291; thence 7.6 miles northeasterly along gravelled Chaffee County Highway 180 in Railroad Gulch to its intersection with Long Gulch; thence westerly along the south slope of Long Gulch on a steep and rough access road for 4.3 miles to the property and existing quarry.

There is no water or power closer than Salida, 5-air miles to the south. Salida is about 142 miles southwest of Denver. Industry in the Turret Mining District is served by the Denver, Rio Grande, and Western Railroad passing through Salida. The Arkansas River is about 6-air miles to the west of the property.

HISTORY AND PRODUCTION

Little is known of the property prior to 1950. During 1951, a quarry was started on a pegmatite structure on the Long Gulch placer claim No. 23 and the coincident lode location, Bonus Extension No. 10. The property was then under lease to the Colorado Western Land Co., of Salida, who made shipments of beryl and columbite-tantalite to the Beryl Ores Co., of Arvada, Colorado, during 1951 and 1952. Financial difficulties resulted in cancellation of the lease. John Kostelc made a small shipment of beryl during 1951, prior to leasing the property, and small shipments during 1954. The property was leased to R. F. Deike and Paul B. Lorenz of Cheyenne, Wyoming, for 5 years, dating from September 10, 1954.

Lessee, R. F. Deike and lessor, John Kostelc, estimate the total production from the property as about 18 tons of beryl and 400 pounds of columbite-tantalite. Through the cooperation of Michael D. Lyons,

proprietor of Beryl Ores Co., of Arvada, minimum production from the property, based on sales records, was established in the following tabulation and since no other purchaser is known, it is assumed to be complete:

Production from J. Kostelc Bonus Extension lode claim No. 10 and overlapping Long Gulch Placer claim No. 23.

Beryl--sold to Beryl Ores Co., of Arvada, Colorado.

Date	Pounds shipped	Dollar value	Shipper
1-17-51	53	$ 11.00	J. Kostelc, Salida, Colo.
10-8-51	5,400	1,117.96	Colorado Western Land Co., Salida, Colo.
11-19-51	6,810	1,464.10	Colorado Western Land Co., Salida, Colo.
12-17-51	4,240	876.72	Colorado Western Land Co., Salida, Colo.
5-1-52	2,248	472.08	Colorado Western Land Co., Salida, Colo.
6-1-52	1,474	294.80	Colorado Western Land Co., Salida, Colo.
1-14-54	612	153.12	J. Kostelc, Salida, Colo.
1-24-54	958	239.50	J. Kostelc, Salida, Colo.
Total	21,759	$4,629.28	(10.8975 tons)

Columbite-tantalite--sold to Beryl Ores Co., of Arvada, Colorado.

11-19-51	88	$110.00	Colorado Western Land Co., Salida, Colo.
2-1-55	30±	--	J. Kostelc--stored at home.
	118	--	

Recovered beryl crystals ranged in size from a minimum of 1/4-inch diameter across flats and 1/2-inch long, to a maximum of 12 inches across flats and 3 feet long. Columbite-tantalite was recovered in grains and lumps up to 3 inches in diameter.

OWNERSHIP AND EXTENT

R. F. Deike and Paul B. Lorenz of 2123 Carey Avenue, and 409 Majestic Building, Cheyenne, Wyoming, hold about 254 acres of land under lease in secs. 7 and 8, T. 50 N., R. 5 E., in the Turret Mining District of Chaffee County, Colorado (figs. 1 and 2). The property consists

of unpatented locations held both as lode and placer claims, recorded at the Chaffee County Courthouse as follows:

Name	Book	Page	Date recorded	Mining District
Bonus Extension lode No. 1	165	302	7-12-54	Brown's Canyon
Bonus Extension lode No. 2	165	303	7-12-54	Brown's Canyon
Bonus Extension lode No. 3	165	304	7-12-54	Brown's Canyon
Bonus Extension lode No. 4	236	532	7-12-54	Brown's Canyon
Bonus Extension lode No. 5	236	532	7-12-54	Brown's Canyon
Bonus Extension lode No. 6	236	533	7-12-54	Brown's Canyon
Bonus Extension lode No. 7	236	533	7-12-54	Brown's Canyon
Bonus Extension lode No. 8	236	534	7-12-54	Brown's Canyon
Bonus Extension lode No. 9	236	534	7-12-54	Brown's Canyon
Bonus Extension lode No. 10	236	535	7-12-54	Brown's Canyon
Bonus Extension lode No. 11	236	535	7-12-54	Brown's Canyon
Bonus Extension lode No. 12	236	536	7-12-54	Brown's Canyon
Long Gulch placer No. 2	233	219	7-5-51	Turret
Long Gulch placer No. 3	233	220	7-5-51	Turret
Long Gulch placer No. 5	233	223	7-5-51	Turret
Long Gulch placer No. 6	233	223	7-5-51	Turret
Long Gulch placer No. 11	233	223	11-2-51	Turret
Long Gulch placer No. 12	233	234	11-2-51	Turret
Long Gulch placer No. 13	233	235	11-2-51	Turret
Long Gulch placer No. 14	233	236	11-2-51	Turret
Long Gulch placer No. 21	276	9	7-12-54	Brown's Canyon
Long Gulch placer No. 22	276	10	7-12-54	Brown's Canyon
Long Gulch placer No. 23	276	11	7-12-54	Brown's Canyon

All the claims are in the Turret Mining District and are defined by section, range and township in an abstract of title witnessed by the Clerk and Recorder of Chaffee County, dated July 19, 1954, and a map by R. F. Harrison, registered engineer and surveyor, dated July 7, 1954. All claims recorded as in the Brown's Canyon District are actually in the Turret Mining District.

John Kostelc of Salida has given a 5-year lease on the property to R. F. Deike and Paul B. Lorenz, dating from September 10, 1954, with option to purchase for $25,000.00

DESCRIPTION OF THE DEPOSITS

Within the bounds of the property at least nine pegmatite exposures crop out at the approximate locations P-1 to P-8 and the quarry, (figure 2). The outcrops are too widely spaced and insufficiently exposed to determine their structural and zonal relationships, extent and quality. It was impossible to determine whether they existed as several continuous dikes or as a series of small, interrupted lenses, or as dikes en echelon. The small exposures available infer thicknesses of less than 50 feet. Pegmatite outcrops at locations P-1 to P-4 contained visible crystals of beryl. No beryl or columbite-tantalite was noted in the small outcrops at locations P-5 to P-8.

Only one pegmatite, on the Bonus Extension lode claim No. 10 (fig. 2), has been quarried for beryl and columbite-tantalite and it is the source of all past production. This pegmatite dike has been quarried, over widths of 10 to 12 feet, for a combined length of 155 feet, and for depths of 8 to 15 feet. The total quarry excavation, estimated as 1,547.5 tons, has resulted in a verified recovery of about 11 tons of beryl and 118 pounds of columbite-tantalite, which infers values of 0.7 percent beryl and 0.004 percent columbite-tantalite for that part of the pegmatite quarried.

Beryl crystals of many sizes have been quarried and were noted, ranging in size from less than 1/4-inch diameter to over 12 inches between flats, and from 1/2 inch to 3 feet in length. Average price obtained was about 22 cents a pound. Columbite-tantalite as minute grains and also as large lumps, sheets, and plates up to 3-inch size were recovered in the quarry and were sold for about $1.25 a pound.

The beryl and columbite-tantalite are erratically distributed. Part of the columbite-tantalite is radioactive, probably due to their rare-earth content. Feldspar occurs both as a constituent in very coarse granite in the pegmatite and as large masses which could be cobbed and sorted into a clean, white product acceptable to the ceramic industry at $4.50 per ton F.O.B. Salida. Muscovite mica occurs as small, irregular and warped blocks which can be cobbed and sorted into a product acceptable as scrap mica at $21.00 per ton F.O.B. Salida. Waste products from the quarry consist of schist and gneiss fragments, coarse granite, feldspar so intermixed with quartz as to be inseparable economically, white quartz and garnet; and beryl, columbite-tantalite, and mica crystals too small to cob out by hand.

MINEABLE ORE RESERVES

Of nine pegmatite exposures visited, none were sufficiently exposed to form a basis on which to estimate ore reserves, and none were mapped.

PRESENT STATUS

Exploration and Development

Exploration of the property is limited to a pegmatite near the south end of the Bonus Extension lode claim No. 1 and the northwest part of the overlapping Long Gulch placer claim No. 23 (fig. 2). This pegmatite has been developed by a quarry bench and two cuts totalling 155 feet in length, with widths of 10 to 12 feet and depths of 10 to 15 feet, from which an estimated 1,547.5 tons of

rock has been removed. It is the source of all past production of beryl and columbite-tantalite.

Mining and Milling Equipment

Quarrying operations are concentrated on the aforementioned pegmatite. The property is equipped with a small, combination tool and change house and the following equipment is rented from the Wilson Equipment Co., of Cheyenne, Wyoming, for $1,020.00 per month:

one 125-cfm Worthington Blue Brute portable air compressor.
one International TD-9 tractor with Bucyrus-Erie loader.
one Worthington jackhammer, model WB-34.
one Worthington jackhammer, model WB-50.

Additional equipment includes 200 feet of 2-inch airline, four 50-foot lengths of 1-inch airhose, drill steel in 2, 4, 6, and 8-foot lengths and assorted tungsten carbide-insert rock drill bits.

Transportation

All market contacts would be by truck transportation to Salida, 13 miles distant, over Long Gulch access roads and Chaffee County Highway 180 (Ute Trail), and thence either by truck or the Denver and Rio Grande Western Railroad.

Manpower

Labor is readily available at Salida for this small operation.

APPLICANTS' PROJECT PROPOSAL WITH COSTS

The applicants propose to explore further the pegmatite outcrops on their group of claims (fig. 2) with eight trenches at the locations P-1 to P-8, to determine their quality, zonal characteristics, and extent. The trenches are estimated at about 1,100 cubic feet each;

100 to 150 feet long, 10 to 15 feet wide, and 20 feet deep. The proposed exploration project comprising eight trenches totalling 8,800 cubic yards is estimated to cost $84,700.00 or $9.625 per cubic yard.

EXAMINING TEAM'S PROJECT PROPOSAL WITH COSTS

Because the beryl-columbite-tantalite bearing pegmatites are insufficiently exposed to determine their extent or quality, a two stage program of exploration is recommended as follows:

Stage I: From the applicants' outcrops P-1, P-2, P-3, and P-4 (fig. 2) bulldoze shallow trenches along the strike of the pegmatites in each direction, and also across the strike at about 150-foot intervals. The trenches should be only deep enough to remove overburden and expose bedrock. Those along the strike should stop when they are 600 feet long or when they expose the ends of the pegmatites, whichever occurs first. Trenches across the pegmatites should only be long enough to expose them from wall to wall. This work can be accomplished with the equipment already on the property in 3 weeks and at an estimated cost of $867.60, computed as follows:

Items	Cost per hour	
Service charge for TD-9 tractor	$2.20	
Rental of tractor	1.60	
Blade rental	.70	
Power control rental	.25	
Operator-labor	2.36	
Payroll taxes at 5 percent	.12	
Total	$7.23	
Cost for 15 operating days of 8 hours is		$867.60

Because of the small sum involved and the necessity for further study and evaluation by Defense Minerals Exploration Administration field representatives, no allowance for supervision or engineering by the applicant is included. The work would probably be accomplished by the owner, John Kostelc.

Stage II: This part of the program is tentative and should be subject to prior written approval of the Government depending upon the results of Stage I. For evaluation purposes, a total of 450 feet of trenches, 10 feet wide and 20 feet deep with a 1/4 to 1 slope are tentatively suggested at an estimated cost of $0.078 per cubic foot, or a completed cost of $10,594.50, computed as follows:

Assumptions: Trenches totalling 450 linear feet are 10 feet wide at the bottom and 20 feet deep with a 1/4:1 slope. Estimated time of completion is 60 days at 5 days per week. Volume of trenches is 135,000 cubic feet or 11,250 tons.

Supervision-labor (22 days per month)	Cost per day	Total cost
One foreman--bulldozer operator at $450.00 per month	$20.45	
Two drillers at $364.00 per month	33.09	
	$53.54	
		$ 3,212.40
Payroll taxes at 5 percent	2.68	160.80
Equipment rental ($1,120.00 per month)		
One Dodge truck One 125-cfm Worthington Blue Brute compressor One TD-9 International tractor, front end loader and blade Two Worthington WS-45E sinker rock drills	$37.33	2,239.80
Supplies		
Five sets 4, 6, 8, and 10-foot drill steel at $34.00 per set		170.00
25 sets tungsten carbide bits at $50.00		1,250.00

	Cost per day	Total cost
135 boxes dynamite at $12.00		$1,620.00
1,200 blasting caps at $2.75 per hundred		33.00
14,000 feet of fuse at $0.01 per foot		140.00
Miscellaneous small tools and supplies		112.50
Service charge for compressor at $0.70 per hour		336.00
Service charge for tractor and equipment at $2.20 per hour and operating an average of 6 hours per day.		792.00
Service charge for truck at $2.20 per hour and operating an average of 4 hours per day		528.00
	$90.00	$ 4,981.50
Total cost of 450 feet of trenching in 60 days		$10,594.50
Total cost per cubic foot of excavation		$ 0.078

Total cost of Stages I and II combined would be $11,462.10. No allowance is made for sorting out and cobbing beryl and columbite-tantalite.

CONCLUSIONS

The applicants' proposal is too extensive and part of it is in the nature of prospecting.

The only pegmatites containing visible crystals of beryl were incompletely exposed at the applicants' approximate locations P-1, P-2, P-3, P-4, and the operating quarry.

Since the extent of the pegmatites is in question and presently unknown, surface exploration is considered necessary to trace their continuity and zonal arrangement. This is best accomplished by a series of shallow trenches to remove overburden and expose the pegmatite structures at bedrock as presented in the examining team's proposal. Any further exploration, as Stage II of the examining team's proposal, is purely hypothetical and should be subject to a review and possibly the contract should be terminated on the basis of the above work or any succeeding work.

The quarrying of pegmatites solely for beryl and columbite-tantalite, without utilizing their feldspar and mica content has not proven particularly profitable to date in the Turret Mining District of Colorado. Quarries are generally very small and operate at irregular intervals.

RECOMMENDATIONS

Since the presence of beryl and columbite-tantalite has been established in the pegmatite at the present quarry location and the presence of beryl has been determined in outcrops at locations P-1 to P-4 (fig. 2), a two stage exploration program costing not more than $11,462.10 is recommended. The first stage of exploration would consist of stripping the surface of pegmatites with bulldozer trenches at the applicants' approximate locations P-1 to P-4 at a cost of $867.60 to determine their extent and structure. The second stage of exploration is hypothetical and should be subject to revision and possibly the contract should be terminated on the basis of information developed by Stage I. Stage II tentatively allows for a maximum of 450 feet of trenches across the pegmatites for evaluation. Trenches would be 10 feet wide and 20 feet deep, with a 1/4 to 1 slope, would cost $10,594.50 and would be completed in 60 working days. Unit cost would be $0.078 per cubic foot.

Total cost of the exploration program would be $11,462.10. Unit cost would be $0.078 per cubic foot.

Government participation of 75 percent would be $8,596.57.

/cm

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Defense Minerals Exploration Administration

Date Rec'd
MAR 7 1955
BUREAU OF MINES
Denver, Colorado

March 4, 1955

TRANSMITTED
APR 8 1955

Memorandum

To: Field Team, Region III

From: E. N. Marshman

Subject: DMEA Docket 3583 (Beryl, Columbium, Tantalum), Paul B. Lorenz and R. F. Deike, Beryl Mine, Bonus Extension and Long Gulch group of claims, Chaffee County, Colorado

Enclosed are the original and eight copies of a geologic report by D. R. MacLaren, U. S. Geological Survey, on the above subject property.

MacLaren concludes that beryl is present in a quantity sufficient to warrant exploration on four of the nine pegmatite outcrops that exist on the applicant's property. He recommends a two-stage program of stripping and trenching to determine the lateral extent of the pegmatite dikes and their beryl content.

I concur with MacLaren's recommendation.

E. N. Marshman

E. N. Marshman
Member, Field Team

Enclosure (9)

Reviewed by
DMEA OPERATING COMMITTEE
4-20-55
(date)

PAUL B. LORENZ and R. F. DEIKE

BERYL MINE

CHAFFEE COUNTY, COLORADO

DMEA DOCKET 3583

Geologic Report

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

Reviewed by
DMEA OPERATING COMMITTEE
4-20-55
(date)

BERYL MINE
PAUL B. LORENZ AND R. F. DEIKE
CHAFFEE COUNTY, COLORADO
DMEA Docket 3583

INTRODUCTION

Paul B. Lorenz and R. F. Deike, partners, of 2123 Carey Avenue, Cheyenne, Wyoming, have applied to the Defense Minerals Exploration Administration for assistance to explore for beryl, columbite, and tantalite in Chaffee County, Colorado. The applicants propose to explore by trenching across 8 pegmatite outcrops and constructing access roads to each trench site, at an estimated total cost of $84,700 of which the Government's share will be 75 percent or $63,525.

An examination of the property was made February 1, 1955, in the company of C. M. Harrer of the U. S. Bureau of Mines, R. F. Deike, one of the applicants, and John J. Kostelc, claim owner and foreman for the applicants. The property consists of 12 lode claims that have been superimposed on 11 placer claims, both types of claim being filed by Kostelc. Located in secs. 7 and 8, T. 50 N., R. 9 E., N.M.P.M., the property is accessible throughout most of the year and is reached from Salida by following 7 miles of the Ute Trail road, thence 5 miles of the Long Gulch Trail road, both of which are gravel surfaced and are partially maintained by the County, and thence by about 3 miles of fair to poor mine road.

It is concluded that 4 of the 8 proposed trenches will explore outcrops that contain beryl crystals of sufficient size and in

sufficient amount to justify the work. However, since the lateral extent of the pegmatites cannot be determined due to overburden, it is recommended that a two-stage program be approved, stage I to allow shallow trenching to trace the pegmatites laterally, stage II to allow deeper trenching across the pegmatites for evaluation if stage I shows that they are of significant size. The cost of the recommended program is given in the Engineering Report.

GEOLOGY

In the Turret District the rocks are pre-Cambrian granite and quartz-biotite-hornblende schist that have been intruded by dikes and lenses of pegmatite. With few exceptions the dikes strike N. 70° - 80° E. and dip vertically or nearly so. Since 1942 attempts have been made to mine potash feldspar, scrap mica, beryl, and tantalite from at least eight dikes that have an average length of about 350 feet and an average width of about 40 feet. Most of the pegmatites contain considerable amounts of potash feldspar and scrap mica but the beryl content has not been large and the tantalite content has been negligible.

On the applicants' claims there are at least 9 outcrops of pegmatite, those in the southern part of the group occurring in granite, those elsewhere occurring in schist. The location of the contact between the schist and the granite could not be determined exactly, due to overburden and locally drifted snow.

Near the south end of claim No. 10 a pegmatite dike at least 150 feet long and 10 to 15 feet wide has been partially mined. The dike strikes N. 70° E. and dips 85° - 90° NW. between walls of granite. It is composed of an outer zone and a core. The outer zone, about 4 feet thick, contains albite-microcline-perthite, quartz, muscovite, and garnet, while the core contains albite, orthoclase, and quartz. The quartz and feldspar in the core are in masses several feet on a side as well as in graphic intergrowths. Mica in books up to 4 inches across occurs in the outer zone. Beryl is most abundant in the outer zone, where it occurs in crystals up to 1-1/4 inches across, near the contact with the core, although a few crystals of near gem quality are found in the quartz of the core. A few small black fragments that may be tantalite occur in the outer zone.

Mr. Kostelc stated that 21,759 pounds of beryl and 88 pounds of tantalite bought by Beryl Ores Company, Arvada, Colorado, and 30 pounds of tantalite at his house came from the portion of this dike from which it is estimated that 1,547 tons of pegmatite were mined. This would indicate a beryl to pegmatite ratio of 1 to 140, or 0.7 percent.

Beryl crystals up to 1-1/2 inches in section were seen in four of the eight pegmatite outcrops that the applicants propose to explore. Due to overburden it could not be determined whether the pegmatite exposures represent parts of a continuous dike or a series of lenses.

CONCLUSIONS AND RECOMMENDATIONS

It is concluded that the beryl content of the dike being mined is sufficient to justify some exploration of the four pegmatite exposures

in which beryl is found, but that the tantalite content of the pegmatites is insignificant and can only be considered as a by-product, along with the feldspar and scrap mica for which the applicants say they have a market. Because it is not possible to estimate the size of the pegmatites represented by the outcrops, it is recommended that a program, set up on two stages, be approved. Stage I is recommended to determine the size of the pegmatites, and if they are of significant size, stage II is recommended to evaluate the deposits.

Stage I. From outcrops P 1, P 2, P 3, and P 4 (fig. 2, Engineer's Report) bulldoze shallow trenches along the strike of the pegmatite, in each direction, and across the strike at intervals of about 150 feet. The trenches should be only deep enough to remove overburden and expose bed-rock. Trenches along the strike should be stopped when they expose the end of the pegmatite, or when they reach a length of 600 feet, whichever occurs first, while those across the strike should only be long enough to expose both walls of the pegmatite.

Stage II. This stage will depend entirely upon the results of stage I. If one or more of the pegmatites is shown by stage I to be of significant size, stage II should allow a maximum of 450 feet of deeper trenching for the purpose of evaluating the deposit. The details regarding the location, depth, and length of stage II trenches cannot be given until stage I has been completed and an examination has been made. No work under stage II should be started until written authorization has been given by the Field Team.

The estimated cost of the recommended program is given in the Bureau of Mines report.

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

224 New Customhouse
Denver 2, Colorado

April 7, 1955

Mr. Paul B. Lorenz and
Mr. R. F. Deike
2123 Carey Avenue
Cheyenne, Wyoming

Re: Docket DMEA-3583 (Beryl-Columbium-Tantalum), Bonus Extension and Long Gulch groups of claims, Chaffee County, Colorado

Gentlemen:

Enclosed are seven copies of form MF-203, Owner's Consent to Lien.

Will you please have the owners of the property sign all copies and return the original and five copies to this office so that we may continue to process your application.

Very truly yours,

W. M. TRAVER,

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

Enclosures

HMC:sr

cc Administrator, DMEA (2)
Harshman
Subject
Chron

Cheyenne, Wyoming

December 16, 1954

Department of the Interior
Defense Minerals Administration
RECEIVED
DEC 21 1954

Mr. C. O. Mithendorf, Administrator
United States Department of the Interior
Defense Minerals Exploration Administration
Washington, D. C.

Re: Docket No. DMEA-3583 - Beryl, Columbite-tantalite
Paul B. Lorenz and R. F. Deike
The Beryl Mine (Bonus Extension and Long's Gulch Groups of Claims)
Chaffee County, Colorado

Dear Mr. Mithendorf:

I appreciate very much receiving your letter of December 9, last; and you may be assured that any assistance that either myself or Mr. Deike can render members of the field team will be gladly furnished.

Yours very truly,

Paul B. Lorenz

Paul B. Lorenz

PBL/is

cc: Mr. W. K. King, Executive Officer
Denver, Colorado

Docket Copy
Surname:
Houk
Selfridge
Kilsgaard

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C. 600

DEC - 9 1954

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

Subject: Docket No. DMEA-3583 - Beryl, Columbite-tantalite
Paul B. Lorenz and R. F. Deike
The Beryl Mine (Bonus Extension and Long's Gulch Groups of Claims)
Chaffee County, Colorado

Dear Mr. King:

Please review the subject application and arrange for a field examination if you deem it necessary.

Copies of memoranda from the Geological Survey, dated December 6, 1954, and from the Bureau of Mines, dated December 1, 1954, are enclosed for your information.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (24B)

Approved:

J. H. Hedges
Member, Bureau of Mines (24B)

Thor H. Kiilsgaard
Member, Geological Survey (24B)

Enclosures 4

LGHouk:gad 12/8/54
Copy to: Admr. R. File
Docket
Operating Committee
Mr. H. T. Reno, 3641A
Mr. Kiilsgaard, 5222
Mr. Houk

Docket Copy
Surname:
Houk
Kiilsgaard
Hedges
Selfridge
Johnson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C. 600

DEC - 9 1954

Mr. Paul B. Lorenz
409 Majestic Building
Cheyenne, Wyoming

Re: Docket No. DMEA-3583 - Beryl,
Columbite-tantalite
Paul B. Lorenz and R. F. Deike
The Beryl Mine (Bonus Extension and
Long's Gulch Groups of Claims)
Chaffee County, Colorado

Dear Mr. Lorenz:

Your application for assistance in exploring the subject property has been reviewed by the Nonmetallic Minerals Division of the Defense Minerals Exploration Administration and has been referred to Mr. W. H. King, Executive Officer, DMEA Field Team, Region IV, Bureau of Mines, 224 New Customhouse Building, Denver 2, Colorado, for further consideration and possibly a field examination.

The Regional Office will contact you at an early date if an examination is to be made. Any assistance that you may give the members of the field team during the examination will be appreciated.

Sincerely yours,

C. O. Mittendorf

Administrator

LGHouk:gad 12/8/54

Copy to: Admr. R. File
Docket
Field Team, Region IV
Operating Committee
Mr. Dietrich, 3061
Mr. Kiilsgaard, 5222
Mr. Houk

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

Defense Minerals Administration
RECEIVED
DEC 6 1954

December 6, 1954

Re: DMEA-3583
P. B. Lorenz & R. F. Deike
(Brown's Canon & Turret Claims)
Chaffee Co., Colorado
$84,700
Beryl-Columbium-Tantalum

Memorandum

To: L. G. Houk, Defense Minerals Exploration Administration

From: E. L. Newcomb, U. S. Geological Survey

Subject: Recommendation for field referral

The applicant proposes a program of trenching to explore a pegmatite dike and if favorable evidence is disclosed several cross-cuts will be driven.

In Exhibit 6, T. L. Johnston reports that during 1952 the Western Land Co. produced 400 pounds of tantalite (ore) and $10,000 worth of beryl.

The present development on the property consists of several trenches, one of which is 100 feet long and 25 feet deep at one end.

We do not have any specific information on the applicant's property. However, the claims are in an area known to contain beryl-bearing pegmatites and quartz veins. In general, the beryl-bearing quartz veins are more persistent and extend with greater continuity than the associated pegmatites.

I recommend this application be referred to the Field Team for their examination and recommendations.

E. L. Newcomb

E. L. Newcomb

DMEA-3583

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 2 1954

December 1, 1954

Memorandum

To: Lawrence G. Houk, Defense Minerals Exploration Administration

From: Horace T. Reno, Commodity-Industry Analyst, Rare and Precious Metals Branch, Bureau of Mines

Subject: Review of application for DMEA assistance (Beryl, Columbium, Tantalum) Paul B. Lorenz and R. F. Deike, Lode and Placer group of claims, Brown's Canyon and Turret Mining District, Chaffee County, Colorado

It is recommended that subject application be referred to the Field Team for an examination of the property.

Judging from the description in the application, the property might be extensive enough to warrant consideration, by the Field Team, of including sampling in the proposed project to determine the possibility of exploitation of the deposit by beneficiation.

Horace T. Reno

Horace T. Reno

Enclosures

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

November 30, 1954

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 - 3583 Paul B. Lorenz & R. F. Deike

Robert E. Adams,
Chief, Operation's Control
and Statistics Division

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

November 30, 1954
Subject: DMEA-3583
Re: Exploration Assistance

Messrs. Paul B. Lorenz
& R. F. Deike
2123 Carey Avenue
Cheyenne, Wyoming

Gentlemen:

The receipt of your application dated November 8, 1954 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-3583 and referred to the Non-Metallic Minerals Division.

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

Sincerely yours,

Robert E. Adams, Chief
Operations Control and
Statistics Division

60932

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

224 New Customhouse
Denver 2, Colorado

November 22, 1954

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region lV

Subject: Application for DMEA assistance (Beryl, Columbium, Tantalum)
Paul B. Lorenz and R. F. Deike, Lode and Placer group of claims
Brown's Canyon and Turret Mining District
Chaffee County, Colorado

Enclosed are three copies of an application for exploration assistance in the amount of $84,700.00 submitted by Paul B. Lorenz and R. F. Deike.

Additional information was requested from the applicant relative to ownership of the claims. Copies of our letter and the applicant's answer are enclosed.

John F. Shaw
For W. H. King

Enclosures

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

224 New Customhouse
Denver 2, Colorado

November 22, 1954

Paul B. Lorenz and R. F. Deike
2123 Carey Avenue
Cheyenne, Wyoming

Re: Application for DMEA assistance
(Beryl, Columbium, Tantalum)
Paul B. Lorenz and R. F. Deike
Lode and Placer groups of claims
Brown's Canyon and Turret Mining
District, Chaffee County, Colo.

Gentlemen:

We acknowledge receipt of a certification that Lawrence Sage has no interest in the claims included in the subject application, as requested in our letter dated November 10, 1954.

Your application has been forwarded to the Washington Office of the Defense Minerals Exploration Administration for their appropriate action.

Yours very truly,

John F. Shaw

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

RDB:mn

cc: Docket
Chron.
Sec. to Oper. Comm. (2)

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

224 New Customhouse
Denver 2, Colorado

November 22, 1954

Paul B. Lorenz and R. F. Deike
2123 Carey Avenue
Cheyenne, Wyoming

Re: Application for DMEA assistance
(Beryl, Columbium, Tantalum)
Paul B. Lorenz and R. F. Deike
Lode and Placer groups of claims
Brown's Canyon and Turret Mining
District, Chaffee County, Colo.

Gentlemen:

We acknowledge receipt of a certification that Lawrence Sage has no interest in the claims included in the subject application, as requested in our letter dated November 10, 1954.

Your application has been forwarded to the Washington Office of the Defense Minerals Exploration Administration for their appropriate action.

Yours very truly,

John F. Shaw

John F. Shaw
For W. H. King
Executive Officer, DMEA
Field Team, Region 1V

RDB:mn

cc: Docket
Chron.
Sec. to Oper. Comm. (2)

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

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

Not to be filled in by applicant

Docket No. 3583
Metal or Mineral Beryl-Columbium-Tanta
Date Received
Estimated Cost $84,700
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: Paul B. Lorenz & R. F. Deike 2123 Carey Avenue
Partnership, Wyoming
Paul B. Lorenz 409 Majestic Building Cheyenne, Wyoming
R. F. Deike 2123 Carey Avenue Cheyenne, Wyoming

(*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 See 3 attached.

(*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
Lessee

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

(*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. See 3f attached.

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 .....
Beryl and Columbite-tantalite

(*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)? Yes

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

[X] 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 Nov 8, 1957

P. F. Nuke
(Applicant)

By .....

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.

3. (a)

Bonus Extension	Mining District
Lode No. 1	Brown's Canon
Lode No. 2	Brown's Canon
Lode No. 3	Brown's Canon
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Lode No. 5	Brown's Canon
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Placer No. 2	Turret
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All in Chaffee County, Colorado.

(f)

These are the dated of recording and the page and book numbers of the Chaffee County records.

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B-276,P-10	7/12/54
B-276,P-11	7/12/54

4. (a) During the latter part of 1951, a company, in no way connected with applicants, conducted minor operations on a portion of the within described claims; and their operations resulted in a trench about 100 feet long by 15 feet wide, with a 20 foot working face. (See Exhibit 1).

Operations are presently being conducted on the premises by applicants, which are largely exploratory and adjacent to the trench worked in 1951. Operations are on a quarry basis; and at the present time, benching is being done both below and above pit A (Exhibit 1). A lower bench, about 25 feet below pit A, with upper workings being driven into quartzite and spar zones. The operation at present, because of the vast area involved, will not be extensive enough to prove or disprove the beryl situation throughout the area. Present operations are conducted on a quarry basis.

Applicants are lessees. (See Exhibit 4).

Accessibility is described in answer to question No. 4 herein.

(b) Past production as established on the basis of (a) receipts for beryl being sold and (b) information reliably obtained by the foreman. Our past information is that approximately eighteen tons of beryl were produced and approximately 400 pounds of columbite-tantalite. There has been no production since the abortive attempt made in 1951, because present operations are exploratory. There is no present stock piling. For an estimate of ores reserve, see Exhibits 6 and 8, and in regard to grades, see Exhibits 5 and 7 and Reports 6 and 8. (Exhibits)

(c) The subject area covers several pegmatite dikes and outcrops in an area approximately one-half mile wide and one mile long. The dikes are composed mostly of granite, quartz, feldspar, mica with beryl being found in close proximity with the quartz zone in the heterogeneous pegmatite. The columbite-tantalite is found in the spar and quartz in small nodules. The beryl crystals are found in columnar pieces and occur in nests and clusters, running in size from a few ounces to several pounds. Beryl is exposed on the surface in spar and quartz, with outcroppings throughout the claims.

Reasons for wishing to explore are to establish the amount of such ore and the feasibility of producing it commercially. Favorable reports have been made by engineers and geologists concerning the property. (See Exhibits 6 and 7 for example).

Referring to illustrations see Exhibit 1. It is not necessary that any of the enclosed be returned.

(d) Access to the area is by means of the Ute Trail Road, a county road maintained by the county and extending from Salida, Colorado for seven miles in the general direction of the claims. On the road seven miles from town, access continues along the Long Gulch Trail, which is a county road likewise, but only partially maintained. A total distance from Salida to the mine by means of the present road is twelve miles. Salida is a shipping point, being served by the Rio Grande Rail Road through its main line, with sufficient docks and dump areas. Salida is also a supply and residence point.

(e) We believe that such manpower, materials, supplies, equipment, water, and power are available in or immediately adjacent to the town of Salida.

5. (b) The proposed work includs the digging of eight trenches with preparatory construction of roads to the various trenches, the latter of which in turn would include the removal of trees and etc. The proposed trenches are suggested as being the most satisfactorily located for purposed geological exploration. Perhaps after work has begun, there might be occasion to alter somewhat the general plan for the trenches. The basic purpose, of course, being to enable us to place a proper evaluation with a minimum of cost in so doing.

It is also planned to cross cut the dike in various points to determine the strike and the course of the main vein. (As to the foregoing, see Exhibit 1).

(c) The proposed work will begin as quickly as practicable and will be completed within eighteen months from the date of the exploratory project contract.

(d) Applicants are presently conducting operations in the area; and while their back ground does not show experience to any great extent in this particular type of proposed operation, applicants have had considerable business experience, particularly with reference to oil operation. They are conducting thier present operations with the aid and assistance of persons who are well trained both by education and experience and considered to be experts in their field, and they would expect to continue with such assistance under the

including the foreman,

proposed operations, he being a person with a great many years of experience in mining operation of such nature, embracing all of its phases.

Present Costs

6. (a) None

(b) Engineering & geological consultants, including assays, reports, etc. $300 a month

Supervision of Operations 400 a month

Foreman 450 a month

1 Bulldozer Operator 416 a month

1 Driller 364 a month

Helper and Driver 312 a month

(c) 1. Drill steel 7/8-3¼x"'-4'6'8'10'

Hi Duty Moil Pt.

200' 3/4'' 14B Air Hose

All couplings and connectors

200' 2" black pipe

1 rubber-tired wheelborrow

1 internation motor 5 HP

1 steel vise

Use Rate

$150 a Month

Sledge hammers, rock hammers

Hand saws

Small hand tools and equipment

Shovels and picks

Log Chains

Grinders & wheels

Fuel barrels and spickets

Bars

Present Costs

2. Fuel, oil & gas @ $300

Powder & caps 175 $575 a Month

Carbide bits 100

(e) None

(f) None

(g) Estimated cost of repairs and maintenance of equipment $65 a month; estimated cost of liability insurance, workmen's compensation and pay roll taxes $150 a month; estimated cost office work and accountant $50.

(d) (Omitted Above)

Rental Equipment

1 2-Ton Dodge truck $ 200 a month

1 WB-34 Worthington Hammer

1 WB-50 Worthington Hammer

2 WS-45E Rock Drills

1 125' Worthington Compressor Total Rate $1020 a month

1 TD 9 Crawler Tractor with front end loader

Proposed Cost Factor Per Explorations

TOTAL YARDS Moved Average Per Pit - 1100 yds

8 - Pits - TOTAL Yds 8,800 yds

Average Weight per Yd 2 3/4 TONS

Cost Per TON @ $ 3.50 per TON

TOTAL Cost OF Exploration $84,700.00

R T Clarke

Received

224 New Customhouse
Denver 2, Colorado

September 10, 1954

Paul D. Lorenz and R. F. Dalbo
2123 Carey Avenue
Cheyenne, Wyoming

Re: Application for RMEA assistance (Beryl, Columbium, Tantalum) lode and Placer groups of claims, Brown's Canyon and Turret Mining District, Chaffee County, Colorado

Gentlemen:

A preliminary examination of your application indicates that you are at the present time conducting exploration work on the subject property under Lease and Option dated September 10, 1954, between yourselves and John J. Kostele.

The Geologic report prepared for Grafe-Callahan Construction Company by L. D. Crawford and dated September 6, 1954, which was also submitted as part of your application, states that the owners of the property are John Kostele and Lawrence Sage, both of Salida, Colorado.

Your lease and Option was not signed by Lawrence Sage. If Mr. Sage is still one of the property owners, his name will have to appear as a signer to the lease and option, or else John J. Kostele would have to be granted the Power of Attorney to act for him in the signing of the lease and option. In this case, the effective date of the Power of Attorney would have to be prior to September 10, 1954. If, on the other hand, Mr. Sage is not part owner of the claims in question, we will require a formal certification to this effect (4 copies).

Your application will be held in abeyance pending receipt of the above requested information.

Yours very truly,

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

MD:nm

cc: Docket
R.J.Dellenbarger
Chron.

R. F. DEIKE
TELEPHONE 2-6313
Planning & Designing
FRANGOS BUILDING - 2123 CAREY AVENUE - CHEYENNE, WYO.

November 18 1954

Mining Division
Date Rec'd
NOV 19 1954
BUREAU OF MINES
Denver, Colorado

United States Department of the Interior
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado.

Re: Application for DMEA assistance. Browns Canyon, and Turret Mining, District Chaffee County, Colorado. Paul B. Lorenz & R.F. Deike

Gentlemen:

As to your letter of the 10th of November regarding the question of property owners on the claims we have leased from Mr. John Kostelc. I the application of which a report was made by Grafe- Callahan, They showed a Lawrence Sage as part owner of which was and error.

I am enclosing a copy of the certification by Lawrence Sage that he in no way has and interest in these claims. Also a plat showing where Mr. Sage does have and interest with other parties in ajoining overlap placier, shown as the Sky Line Lode.

I hope that this clears up the situation regarding ownership and if there are any further questions we will be glad to help in any way.

Yours very truly

Robert F. Deike

Robert F. Deike

Salida, Colorado.
November 15, 1954

TO WHOM IT MAY CONCERN:-

This is to certify that I do-not own any interest in the Mining Claims in Chaffee County, Colorado known as Bonus Extension No. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, and 13 Nor any interest in Long's Gulch Placer Claims No. 2, 3, 5, 6, 11, 12, 13, 14, 22 and 23 with the exception of that portion of Bonus Extension No. 5 which lies in the North West Quarter of Section 7, Township 50 North, Range 9 East of the N. M. P. M.

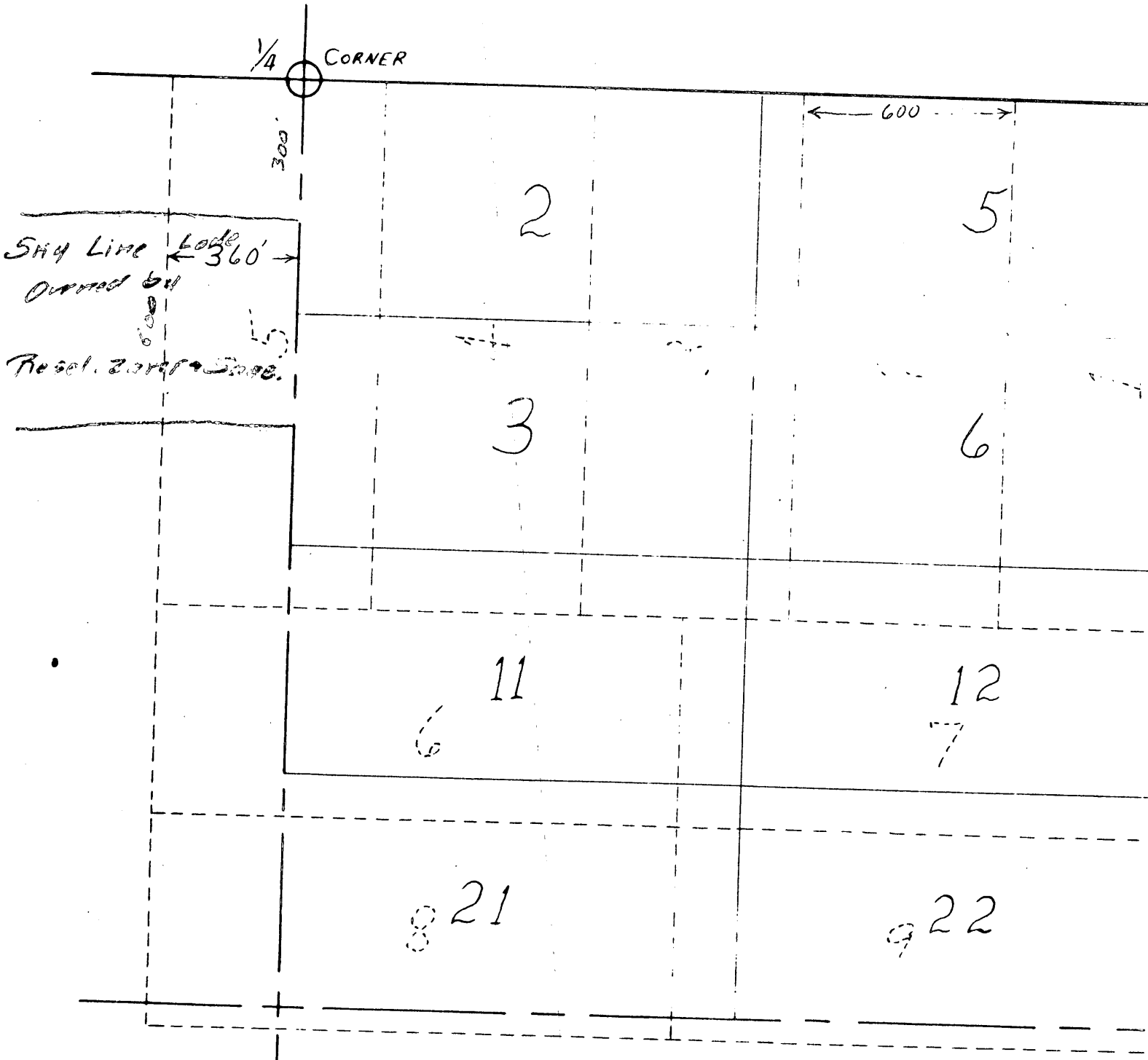
Lawrence Page

Subscribed and sworn to before me this 15th day of November 1954.

J. S. T. McDonough

County Clerk of Chaffee
County Colorado.

JOHN KOSTELC



NOTE:

SOLID LINES INDICATE "LONGS GULCH" PLACER CLAIMS
BROKEN LINES INDICATE "BONUS EXTENSION" LODE CLAIMS

⊕ — GOVERNMENT SURVEY CORNERS
⊞ — CORNERS LOCATED AND STAKED ON THIS SURVEY

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

Defense Minerals Administration
RECEIVED

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. 3583
Metal or Mineral Beryl-Columbium-Tanta.
Date Received
Estimated Cost $84,700
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: Paul B. Lorenz & R. F. Deike 2123 Carey Avenue
Partnership, Wyoming
Paul B. Lorenz 409 Majestic Building Cheyenne, Wyoming
R. F. Deike 2123 Carey Avenue Cheyenne, Wyoming

(*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.

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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 Nov 8, 1954

Paul L Lorenz
P L Lorenz
(Applicant)

By .....

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INT.-DUP. SEC., WASH., D.C. 64941

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Reasons for wishing to explore are to establish the amount of such ore and the feasibility of producing it commercially. Favorable reports have been made by engineers and geologists concerning the property. (See Exhibits 6 and 7 for example).

Referring to illustrations see Exhibit 1. It is not necessary that any of the enclosed be returned.

(d) Access to the area is by means of the UteTrail Road, a county road maintained by the county and extending from Salida, Colorado for seven miles in the general direction of the claims. On the road seven miles from town, access continues along the Long Gulch Trail, which is a county road likewise, but only partially maintained. A total distance from Salida to the mine by means of the present road is twelve miles. Salida is a shipping point, being served by the Rio Grande Rail Road through its main line, with sufficient docks and dump areas. Salida is also a supply and residence point.

(e) We believe that such manpower, materials, supplies, equipment, water, and power are available in or immediately adjacent to the town of Salida.

5. (b) The proposed work includs the digging of eight trenches with preparatory construction of roads to the various trenches, the latter of which in turn would include the removal of trees and etc. The proposed trenches are suggested as being the most satisfactorily located for purposed geological exploration. Perhaps after work has begun, there might be occasion to alter somewhat the general plan for the trenches. The basic purpose, of course, being to enable us to place a proper evaluation with a minimum of cost in so doing.

It is also planned to cross cut the dike in various points to determine the strike and the course of the main vein. (As to the foregoing, see Exhibit 1).

(c) The proposed work will begin as quickly as practicable and will be completed within eighteen months from the date of the exploratory project contract.

(d) Applicants are presently conducting operations in the area; and while their back ground does not show experience to any great extent in this particular type of proposed operation, applicants have had considerable business experience, particularly with reference to oil operation. They are conducting thier present operations with the aid and assistance of persons who are well trained both by education and experience and considered to be experts in their field, and they would expect to continue with such assistance under the

proposed operations, including the foreman he being a person with a great many years of experience in mining operation of such nature, embrassing all of its phases.

Present Cost

6. (a) None

(b) Engineering & geological consultants, including assays, reports, etc. $300 a month

Supervision of Operations 400 a month

Foreman 450 a month

1 Bulldozer Operator 416 a month

1 Driller 364 a month

Helper and Driver 312 a month

(c) 1. Drill steel 7/8-3½x"'-4'6'8'10'

Hi Duty Moil Pt.

20
200' 3/4'' 14B Air Hose

All couplings and connectors

200' 2" black pipe

1 rubber-tired wheelborrow

1 internation motor 5 HP

Use Rate
$150 a Month

1 steel vise

Sledge hammers, rock hammers

Hand saws

Small hand tools and equipment

Shovels and picks

Log Chains

Grinders & wheels

Fuel barrels and spickets

Bars

2. Fuel, oil & gas @ $300

Powder & caps	175	$575 a Month
Carbide bits	100	

Present Cost-

(e) None

(f) None

(g) Estimated cost of repairs and maintenance of equipment $65 a month; estimated cost of liability insurance, workmen's compensation and pay roll taxes $150 a month; estimated cost office work and accountant $50.

(d) (Omitted Above)

Rental Equipment

1 2-Ton Dodge truck	$ 200 a month
1 WB-34 Worthington Hammer	
1 WB-50 Worthington Hammer	
2 WS-45E Rock Drills	Total Rate $1020 a month
1 125' Worthington Compressor	
1 TD 9 Crawler Tractor with front end loader	

Proposed Cost Factor Per Exploration

TOTAL Yards Moved Average Per Pit 1100 yards

" " " 8 Pits 8800 "

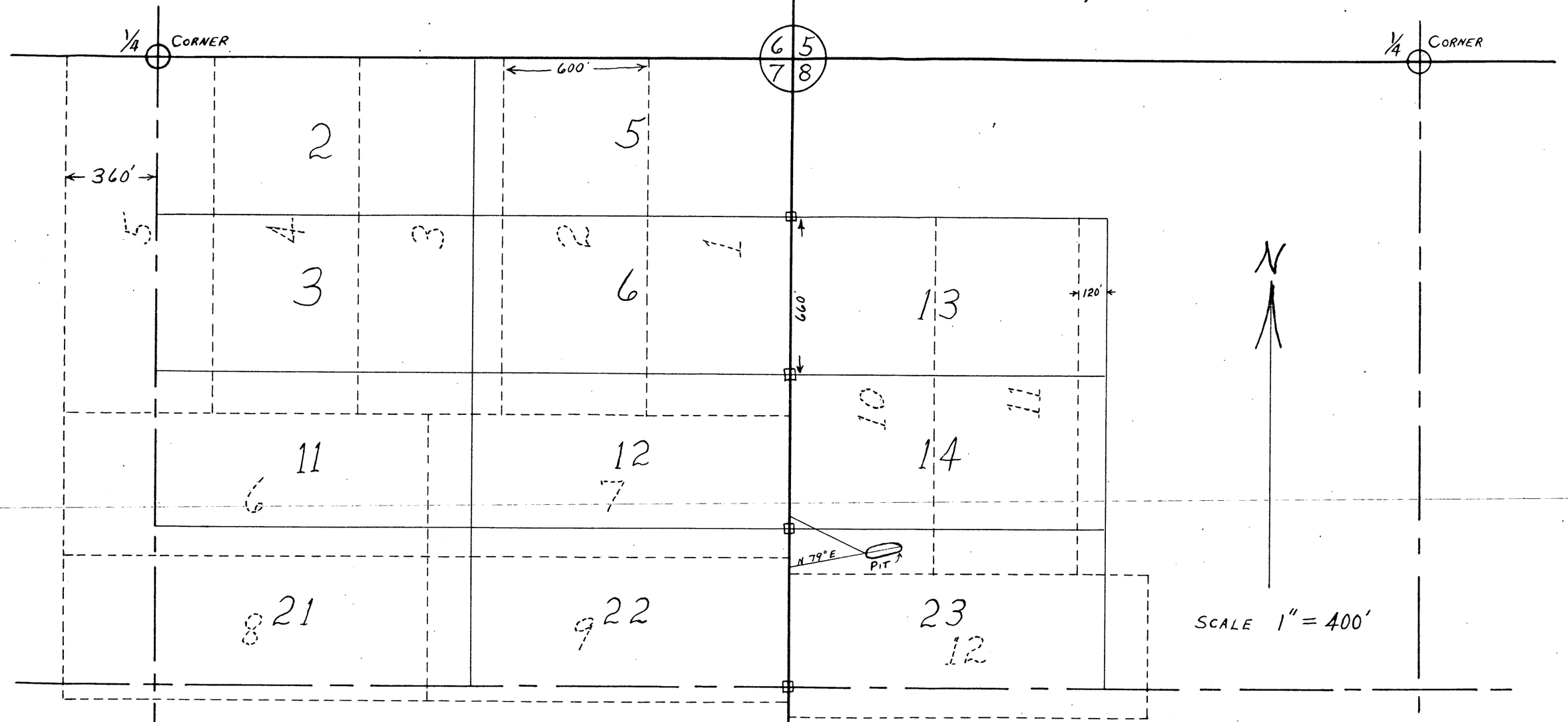
Average Weight Per Ton 2 3/4 Tons

Cost Per Ton @ 35¢

TOTAL Cost OF Exploration $84,700

JOHN KOSTELC

TWP. 50 N., RANGE 9 E.



NOTE:

SOLID LINES INDICATE "LONGS GULCH" PLACER CLAIMS
BROKEN LINES INDICATE "BONUS EXTENSION" LODE CLAIMS

⊕ — GOVERNMENT SURVEY CORNERS
⊞ — CORNERS LOCATED AND STAKED ON THIS SURVEY

ROBERT F. HARRISON
REGISTERED ENGINEER & LAND SURVEYOR
SALIDA, COLORADO
7-7-54

LEASE AND OPTION

This Indenture made this 10th day of September, 1954 between JOHN J. KOSTELO of Chaffee County, Colorado, Lessor and Optionor and L. F. BAIKE and PAUL S. LORENZ, both of Cheyenne, Wyoming, Lessees and Optionees, WITNESSETH:

That the said Lessor and Optionor for and in consideration of the royalties hereinafter reserved, and the covenants and agreements hereinafter expressed and by the said Lessees and Optionees to be kept and performed, has granted, demised and let, and by these presents does grant, demise and let unto the said Lessees and Optionees, all the following described mines and mining property situate in Turret and Brown's Canon Districts, Chaffee County, Colorado, viz.:

Bonus Extension	Mining District	Below are the dates of recording and the page and book nos. of the Chaffee County records.	
Lode No. 1	Brown's Canon	B-165, P-302	7/12/54
Lode No. 2	Brown's Canon	B-165, P-303	7/12/54
Lode No. 3	Brown's Canon	B-165, P-304	7/12/54
Lode No. 4	Brown's Canon	B-236, P-532	7/12/54
Lode No. 5	Brown's Canon	B-236, P-532	7/12/54
Lode No. 6	Brown's Canon	B-236, P-533	7/12/54
Lode No. 7	Brown's Canon	B-236, P-533	7/12/54
Lode No. 8	Brown's Canon	B-236, P-534	7/12/54
Lode No. 9	Brown's Canon	B-236, P-534	7/12/54
Lode No. 10	Brown's Canon	B-236, P-535	7/12/54
Lode No. 11	Brown's Canon	B-236, P-535	7/12/54
Lode No. 12	Brown's Canon	B-236, P-536	7/12/54
Longs Gulch	**Mining District**		
Placer No. 2	Turret	B-233, P-219	7/5/51
Placer No. 3	Turret	B-233, P-220	7/5/51
Placer No. 5	Turret	B-233, P-223	7/5/51
Placer No. 6	Turret	B-233, P-223	7/5/51
Placer No. 11	Turret	B-233, P-233	11/2/51
Placer No. 12	Turret	B-233, P-234	11/2/51
Placer No. 13	Turret	B-233, P-235	11/2/51
Placer No. 14	Turret	B-233, P-236	11/2/51
Placer No. 21	Brown's Canon	B-276, P-9	7/12/54
Placer No. 22	Brown's Canon	B-276, P-10	7/12/54
Placer No. 23	Brown's Canon	B-276, P-11	7/12/54

TO HAVE AND TO HOLD Unto the said Lessees and Optionees from the date hereof to and including twelve o'clock noon on the 10th day of September, A. D., 1959, and as long thereafter as said claims are mined and operated as herein provided, unless sooner forfeited or terminated through violation of any covenant hereinafter against the said Lessees and Optionees reserved. And in consideration of such demise, the said Lessees and Optionees covenant and agree with the said Lessor and Optionor as follows, to-wit:

1. To enter upon said mines and mining premises on or before December 10, 1956, and to work the same mine fashion in manner necessary to good and economical mining, so as to take out the greatest amount of ore possible with due regard to the development and preservation of the same as a workable mine, and to the special covenants hereinafter reserved.

2. To work said mine and premises, as aforesaid, steadily and continuously, performing at least fifty (50) man shifts of work of eight (8) hours each for at least ten (10) months in each annual period of the life of the within Lease and Option.

3. To well and sufficiently timber said mine at all points where proper in accordance with good mining, and to repair all old timbering wherever it may become necessary, in any tunnels, drifts, shafts or inclines being worked by said Lessees and Optionees.

4. To allow said Lessor and Optionor and his officers and agents, from time to time to enter upon and into all parts of said mine or mining premises for the purpose of inspection.

5. To convey and hold all crows or parallel lodes, spurs, mineral cleavage, non-metallics or deposits of any kind, which may be discovered by the said Lessees and Optionees, or any person under them in any manner, by working within or from the demised ground as the property of said Lessor and Optionor with privilege to the said Lessees and Optionees of working the same as parcel of said demised premises and of purchasing the same under the Option hereinafter contained.

6. To keep at all times the drifts, shafts, tunnels and other workings thoroughly drained, and clear of loose rock and rubbish, unless prevented by extraordinary mining casualty.

7. To make all shafts seven feet long by four feet wide in the clear, and all drifts six feet high by four feet wide in the clear, and to perform the necessary amount of work required

to be performed each year under either state or federal laws on unpatented mining claims, and to file the requisite proof of labor or other such document as may be required by law to protect the title of Lessor and Optionor.

5. To pay to the said Lessor and Optionor as royalty, twelve and one-half per cent (12½%) of the net value of all ores mined and sold from said premises, said royalties to be paid on all ore produced from said demised premises during the life of the within Lease and Option.

9. To carry or cause to be carried necessary Workmen's Compensation and to take all steps as may be necessary towards protecting Lessor's title to said premises, by filing proof of Labor or Notices of Intention to Hold, should the Lessor for any reason be unable to do so. To post a notice in at least three (3) conspicuous places upon said property to the effect that the owner thereof or said property shall not be liable for any debts contracted by Lessees or Optionees.

10. To deliver to said Lessor and Optionor the said premises with the appurtenances, and all improvements in good order and condition with all drifts, shafts, tunnels and other passages thoroughly clear of loose rock and rubbish and drained, and the mine ready for immediate continued working (accident not arising from negligence alone excusing) without demand or further notice upon termination of this lease, or at any time previous upon demand for forfeiture.

11. Lessees and Optionees shall have the right to transfer and assign or sublet the within lease and option, or any part thereof.

12. Lessees and Optionees shall have the right to remove from the surface of said mining claims such timber as may be necessary for mining operations under the provisions of the within Lease and Option, and said Lessees and Optionees agree that they will remove said timber from said property without unnecessary waste and in a workmanlike manner and in accordance with good timber practices.

13. And finally, that upon violation of any covenant or covenants hereinbefore reserved, the terms of this Lease shall, at the option of said Lessor and Optionor expired after Lessor's and Optionor's first giving notice of any default hereunder to Lessees and Optionees and their failure within thirty days after notice of such to ~~cancel~~ correct the same; and the same and said premises, with the appurtenances, shall become forfeit to said Lessor and Optionor, and the said Lessor and Optionor, or his Agent, may thereupon, after demand for possession in writing, enter upon said premises and dispossess all persons occupying the same, with or without force, and with or without process of law, or at the option of said Lessor and Optionor, the said Lessees and Optionees and all persons found in occupation may be proceeded against as guilty of unlawful detainer, and upon forfeiture or surrender of the within Lease and Option, the said Lessees and Optionees shall have thirty (30) days within which to remove any machinery, tools or equipment which can be removed without damage or injury to any permanent structure upon said mining premises, and should the said Lessees and Optionees fail to remove said machinery, tools and equipment within said thirty (30) day period, then the same shall become the property of Lessor and Optionor.

O P T I O N

And in consideration of the acceptance of the foregoing Lease and the expenditures to be made thereunder, and the well and faithful keeping of the covenants thereof, the said Lessees shall have the right to purchase the said demised premises by a payment of TWENTY-FIVE THOUSAND ($25,000) DOLLARS, at anytime during the primary term of the within Lease, and should the said Lessees and Optionees exercise the right of option hereby given, all the terms of the foregoing Lease shall be considered as extending to and applying to the operation of said premises, pending operations under the option, provided, however, that if said Option is exercised, all royalties paid under the within Lease shall apply on the purchase price, and the said Lessees and Optionees shall be given credit therefor.

Time is of the essence of this Option as to such payment of TWENTY-FIVE THOUSAND ($25,000) DOLLARS, and upon the tender of such payment as hereinabove provided, the Lessor and Optionor shall make, execute, acknowledge and deliver, at his own expense, a good and sufficient Quit-Claim Mining Deed to be delivered to the said Lessees and Optionees, or such person or company as they shall nominate, conveying the said premises clear of all encumbrances, subject to the paramount title of the United States of America, or the said Lessor and Optionor, upon the written request of the Lessees and Optionees, shall make, execute, acknowledge and deposit in such bank as said Optionees may designate, a good and sufficient deed to be held subject to the terms of the within Lease and Option.

The forfeiture, surrender or termination of the above Lease for any cause shall render this Option void, and the above mentioned payments may not thereafter be tendered.

Each and every clause, covenant and paragraph of this Indenture shall extend to the heirs, legal representatives and assigns of each and all of the parties hereto.

IN WITNESS WHEREOF, The parties hereto have hereunto set their hands and seals in triplicate the day and year herein first above written.

x John Kostela (SEAL)
Lessor and Optionor

Paul B. Lorenz (SEAL)

R F Weiler (SEAL)
Lessees and Optionees.

THE STATE OF COLORADO)
COUNTY OF [illegible]) SS:

The foregoing Lease and Option was acknowledged before me this 20th day of Sept 1954, by JOHN J. KOSTELA.

Witness my hand and Notarial Seal the day and year first above written.

~~My commission expires~~ _____.

Jno. T. McDonough
~~Notary Public~~ Co. Clerk

THE STATE OF WYOMING)
COUNTY OF LARAMIE) SS:

The foregoing Lease and Option was acknowledged before me this 16 day of Sept. 1954, by R. F. DEIKE AND PAUL B. LORENZ.

Witness my hand and Notarial Seal the day and year first above written.

My commission expires _____.

Esther Kellams
Notary Public

2114 CURTIS STREET

TELEPHONE MAin 1852

CHEMISTS • ASSAYERS • ENGINEERS

DENVER 2, COLORADO

Folio 6191

Date April 29, 1954.

Robert F. Duke,
320 Majestic Bldg.,
Cheyenne, Wyoming.

We hereby Certify, that the samples assayed for you gave the following results:

DESCRIPTION	GOLD OUNCES PER TON	SILVER OUNCES PER TON	COPPER PER CENT (WET)	LEAD PER CENT (WET)	ZINC PER CENT	IRON PER CENT	INSOLUBLE PER CENT	VALUE PER TON
Sample No. 1: Enstaite, hypersthene, Hornblende, Quart and Biotite. Nothing of value observed.								
2: Feldspar, orthoclase: Beryllium oxide (BeO): none.								
3: Beryl, quartz: Beryllium oxide (BeO): 9.78%								

Gold at _____ per ounce Copper at _____ per unit

Silver at _____ per ounce Zinc at _____ per unit Charge $ 10.00

Lead at _____ per unit

CHARLES O. PARKER & CO.
CHEMISTS, ASSAYERS and ENGINEERS

May 30, 1954

BERYL MINE
near
Salida, Colo.

This mine was visited May 27th accompanied by Robert Dolke of Cheyenne.

Location.

The property is situated in the hills about 5 miles northwest of Salida, Colo. and is reached by 16 miles of dirt road from Salida. Salida is 158 miles southwest of Denver. The mine elevation is about 500 feet higher than the town of Salida.

The Mine.

The mine consists of several surface trenches where small scale mining has been done during the last two years. No mining is being done at present. One trench about 100 feet long across the formation to a depth of about 25 feet at the far end.

The vein is a pegmatite dike in granite and outcrops in an area 1/2 mile wide and 1 mile long. Ten claims have been located, filed and the assessment work up to date.

The dike is composed mostly of quartz and feldspar containing beryl, mica, tantalite and some schorlite. The most valuable mineral is beryl which occurs in crystals from peanut size up to 250 lbs. White mica which occurs in small books is plentifull. Small amounts of tantalite are found occasionally. White, crystalline, potash feldspar may be a valuable by-product.

Ownership.

The mine is owned by John Kostelo of Salida. Robert Dolke of Cheyenne and Ward Finch of Pueblo have an option on it and would like to have some one operate it. No definite figure was mentioned but the owner and option holders would be willing to lease it and set a purchase price on it if we are interested. The owner thought his claims worth about $25,000.

During 1952 the Western Land Co. of Denver worked the mine on a small scale and recovered $10,000 worth of beryl from the main trench. About 400 pounds of tantalite were also recovered and sold. Their lease was cancelled for non-payment of royalty.

Evaluation.

The property appears to have considerable merit. It can be worked by quarry methods without any drilling or exploring for ore. The most valuable mineral, beryl, is scattered thru the quartz and feldspar and seems more abundant than seen in other pegmatites.

Beryl is a strategic mineral very much in demand and is presently quoted at $46.00 per unit or $4600 per ton. Mica, which currently sells for about $30 a ton is also in demand and is found with the beryl. The amount of tantalite is small but it sells for $3.00 per pound so is valuable by-product. There may also be a market for potash feldspar which is quoted at $18.00 to $20.00 a ton. Some tungsten and lithium minerals may also be found.

Possible Operation.

The mine could be worked as a quarry; the broken ore crushed to 2 to 3 inches and hand sorted to start, later a concentrating mill might be included. A compressor of sufficient capacity to operate two air drills would be needed; also a small power shovel, cars and track, bins, a crusher and a picking belt. A crew of about 6 men would be necessary to get started. Some bulldozer work on the road and at the mine would also be needed.

There is no water nor power nearer than Salida. Cedar trees, unfit for timber, sparsely cover the property.

Market.

Unlike uranium the minerals in this mine do not have a stabilized price; however, beryl is scarce and always has a high price; tantalite the same so they are not in the class of lead, zinc or copper which have their ups and downs. Both of these minerals could be sold to the Government or to private consumers. It would be worthwhile to investigate the possibility of contracting with the Government for a definite tonnage of each.

Mica and feldspar usually have a ready market. The price depends on the quality produced and varies widely. Investigation of markets for these minerals should also be undertaken.

Opinion.

This mine looks like a good thing. There will be some expense in getting started besides providing equipment but there is no need of exploring for ore as in some of the uranium prospects that have come to our attention. Operation should pay for itself almost from the start and the possibility of growing into something big looks good.

T. L. Johnston

TRINITY 4791

FORM 50

SMITH-EMERY COMPANY

CHEMICAL ENGINEERS AND CHEMISTS
METALLURGICAL AND TESTING ENGINEERS
920 SANTEE STREET
LOS ANGELES 15
CALIFORNIA

OUR NEW ADDRESS
781 E. WASHINGTON BLVD.
LOS ANGELES 21, CALIFORNIA

LABORATORY

No. 389542

Date September 9, 1954

RECEIVED SEP 1954

Sample Rock

Received 9/7/54 *Marked*

Submitted by Grafe-Callahan Construction Company,
714 West Olympic Boulevard,
Los Angeles 15, California.

Attn.: E. Mohler.
Copy: L.D. Crawford, Colorado.

RE: JOHN KOSTELC PROPERTY, SALIDA, COLO.

REPORT OF QUALITATIVE SPECTROGRAPHIC EXAMINATION

Element	*Approximate Quantity*
Silicon, aluminum	Major Constituents
Sodium, Potassium	Intermediate Constituents
	Minor Constituents
Beryllium	0.5%
Iron	0.5%
Calcium	0.5%
Manganese	0.05%
Magnesium	0.05%
Titanium	0.01%
Boron	0.005%
Gallium	0.005%
Vanadium	0.005%
Copper	0.005%
Barium	0.005%
Chromium	0.001%
Nickel	0.001%
Lithium	None found
Rare Earths	None found
Columbium	None found
Tantalum	None found
Tungsten	None found
Zirconium	None found

Respectfully submitted

CHEMISTS AND ENGINEERS

All reports are submitted as the confidential property of clients. Authorization for publication of our reports, conclusions, or extracts from or regarding them is reserved pending our written approval—as a mutual protection to clients, the public and ourselves.

(See statements on reverse side regarding qualitative spectrographic examination)

Grand Junction, Colorado
September 6, 1954

Mr. Everett Seabury
President & General Manager
Grafe-Callahan Construction Co.
714 West Olympic Boulevard
Los Angeles 15, California

Dear Everett:

The Beryl Mine, on which data was submitted to you by Mr. R. F. Deike, of 320 Majestic Building, Cheyenne, Wyoming, (thru Mr. C. B. Morganthaler, 669 South Union Ave., Los Angeles 17, California) was inspected last week, and the following report on this property is submitted:

1. LOCATION OF THE PROPERTY is in Twp. 50 N.; R. 9 E.; N.M.P.M. Secs. 5, 6, 7 & 8, about five miles North of the town of Salida, Colorado, and is reached from Salida by eight miles of good gravelled road plus four miles of dirt road (see map enclosed). Salida is about 160 miles Southwest of Denver, 20 miles East of the Continental Divide.

2. ELEVATION AT MINE is about 8,000 feet. The Arkansas River is six miles (airline) from the mine.

3. OWNERS OF THE PROPERTY are John Kostelc, of Salida, Colorado, P. O. Box 104, and Lawrence Sage of Salida. The claims are under option to R. F. Deike, Paul Lorenz and others, of Cheyenne, Wyoming.

(a) The owners, Kostelc and Sage, think their claims are worth about $25,000.00, and are willing to take payment in royalty on sliding scale as follows:

10% royalty on gross sales revenue on mine run ore running below $20.00 per ton;
15% royalty on gross revenue on mine run ore with value above $20.00 per ton.

(b) Messrs. Deike, Lorenz ~~et al~~ AND WARD HINCH OF PUEBLO, COLORADO, (brokers) want $30,000.00 for their equity, payable in overriding royalty at 5% of gross sales.

(c) Deike and Lorenz are paying Kostelc and Sage $300.00 per month while they have an option on the properties. They are willing to give us an exclusive option for six weeks for $400.00.

4. THE MINE.

(a) Several surface trenches were excavated during 1952 by hand methods on a small scale by the Western Land Company of Denver, who recovered $10,000.00 worth of Beryl from the main trench; and also 400 lbs. of Tantalite which was sold. Their lease was concelled for non-payment of royalty. About 600 tons of mine run material were excavated from this trench.

(81)

(b) The ore values are found in a pegmatite dike composed of Quartz and Feldspar, and containing:

(1) Beryl (Beryllium Oxide)
(2) Mica
(3) Tantalite
(4) Feldspar
(5) Some Garnet, in small negligible quantity.

(c) Beryl is found in the form of crystals scattered in the ore formation in sizes varying in size from the diameter of a lead pencil up to a thickness of 7 inches by 18 inches in length. The crystals are hexagon in shape and green in color. (See Beryl crystal in ore sack sample #7.)

(d) Eight sacks containing samples of ore from the open pit were shipped to Grafe-Callahan Construction Company by express September 4th.

No. 1	sample contains	Quartz and Mica;
No. 2	" "	Sheet Mica;
No. 3	" "	Beryl, Feldspar, Mica and Tantalite;
No. 4	" "	Tantalite and Feldspar;
No. 5	" "	Feldspar;
No. 6	" "	Sodaspar;
No. 7	" "	Beryl in Quartz;
No. 8	" "	Garnet Crystal.

These samples are sent for your examination before they are assayed. After you have seen them, please cull out sacks Nos. 2, 6 and 8. Then empty into the large ore sack the contents of sacks Nos. 1, 3, 4, 5 and 7 (mixed). These latter samples (combined) should give us an average sample of mine run ore. It is requested that the large sack containing ore samples Nos. 1,3,4,5 & 7 then be sent to Smith-Emery Company with instructions that they assay the ore and give us a report indicating the following:

(1) Percentage of each element found in the pit run raw ore;
(2) Number of pounds " " " " 1 ton of raw ore;

List of ores on which analysis is required: Beryl, Mica, Tantalite and Feldspar.

(e) Attention is invited to the current market prices for minerals published in the last edition of "The Mining Record" (enclosed herewith). Subject minerals are indicated in red.

5. OPERATION.

This property can be mined as an open pit or surface operation. The ore is exposed on the surface, and there are millions of tons of ore. The equipment from Davis Dam could be used here. Hoppers, belt conveyors, and a crusher would be needed also. The operation would be profitable without a mill; but a mill would increase the profit materially. (Wet ground Mica sells for $140.00 per ton. Beryl sells for $2.15 per pound. Feldspar -- Potash Feldspar -- $18.50 per ton.)

6. OPTIONED TO OTHERS.

The Nugget Construction and Timber Company of Denver, have had an option on the property. Their geologist, T. L. Johnston, reported favorably on the mine (copy of his report enclosed). The above company is trying to obtain a reduction in the amount of royalty payments. Their option has expired, but they are still negotiating on the deal.

7. SUMMARY AND RECOMMENDATION.

(a) The Smith-Emery Company should be requested to expedite their analysis and report on the values of the ore per ton.

(b) The fact that the quantity of available ore is so large, and that it can be worked as an economical surface operation, using some equipment which the company now has at Davis Dam, it is recommended that:

(1) If the report from Smith-Emery indicates as much as $8.00 per ton (on Beryl, Mica and Feldspar combined), an option should be taken for a period of six weeks. (The values may run as much as $12.00 to $15.00 per ton)

(2) That if convenient Mr. Everett Seabury could make an inspection; and if the project looks favorable to him, that a lease be negotiated on the property. (The possibilities for a long, profitable operation on this project look good).

Respectfully submitted,

L. D. Crawford

M
Enclosures

[illegible] Rio Grande Building
Denver 2, Colorado

[illegible] 19[illegible]

Paul D. Lorenz and R. [illegible] Deere
2149 Carey Avenue
Cheyenne, Wyoming

Re: Application for DMEA assistance (Beryl, Columbium, Tantalum) Lode and Placer groups of claims, Brown's Canyon and Turner Mining District, Chaffee County, Colorado

Gentlemen:

A preliminary examination of your application indicates that you are at the present time conducting exploration work on the subject property under lease and option dated September 10, 1954, between yourselves and John J. Kostelc.

The Geologic report prepared for Grace-Chilcott Construction Company by L. D. Crawford and dated September 6, 1954, which was also submitted as part of your application, states that the owners of the property are John Kostelc and Lawrence Sage, both of Salida, Colorado.

Your Lease and Option was not signed by Lawrence Sage. If Mr. Sage is still one of the property owners, his name will have to appear as a signer to the Lease and Option, or else John J. Kostelc would have to be granted the Power of Attorney to act for him in the signing of the Lease and Option. In this case, the effective date of the Power of Attorney would have to be prior to September 10, 1954. If, on the other hand, Mr. Sage is not part owner of the claims in question, we will require a formal certification to this effect (4 copies).

Your application will be held in abeyance pending receipt of the above requested information.

Yours very truly,

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

[illegible]

cc: [illegible]
R. J. Parkhurst
Chron.

R. F. DEIKE
TELEPHONE 2-6313
Planning & Designing
FRANGOS BUILDING - 2123 CAREY AVENUE - CHEYENNE, WYO.

November 16 1954

Mine Inspection
Date Rec'd
NOV 19 1954
BUREAU OF MINES
Denver, Colorado

United States Department of the Interior
Defense Minerals Exploration Administration
226 New Customhouse
Denver 2, Colorado.

Re: Application for DMEA assistance. Browns Canyon, and Turret Mining, District Chaffee County, Colorado. Paul B. Lorenz & R.F. Deike

Gentlemen:

As to your letter of the 10th of November regarding the question of property owners on the claims we have leased from Mr. John Kostelo. I the application of which a report was made by Grafe- Callahan, They showed a Lawrence Sage as part owner of which was and error.

I am enclosing a copy of the certification by Lawrence Sage that he in no way has and interest in these claims. Also a plat showing where Mr. Sage does have and interest with other parties in ajoining overlap placier, shown as the Sky Line Lode.

I hope that this clears up the situation regarding ownership and if there are any further questions we will be glad to help in any way.

Yours very truly,

Robert F. Deike

Robert F. Deike

[illegible] CONSIDERATION.

[illegible] to be [illegible], [illegible] [illegible]
[illegible] are hereby [illegible] to the Bookeye Mine, in Gunnison County,
[illegible] Lode Mining Claims [illegible], 4, 5, 6, 7, 8, 9, 10, 11, 12, and 13 [illegible] any interest in Bright Star
Placer Claims No. 7, 8, 9, 10, 11, 12, 13, 14, 22, 23, 24, 32 and 33
with the exception of that portion of Blue Valley No. 3
Placer Mine in the Northwest Quarter of Section 7, Township
13 North, Range 9 East of the N. M. P. M.

Lawrence Dwyer

Acknowledged and sworn to before me this 15th day of
November 1900.

W. T. M. Cleaveland

County Clerk of Gunnison
County Colorado.

NOTE:

SOLID LINES INDICATE "BONNIE BOY" PLACER CLAIMS.
BROKEN LINES INDICATE "BONNIE EXTENSION" LODE CLAIMS

⊕ - GOVERNMENT SURVEY CORNERS

⊗ - CORNERS LOCATED AND STAKED IN THIS SURVEY

LEASE AND OPTION

This Indenture made this 10th day of September, 1954 between JOHN J. KOSTELC of Chaffee County, Colorado, Lessor and Optionor and W. F. DEIKE and PAUL S. LORENZ, both of Cheyenne, Wyoming, Lessees and Optionees, WITNESSETH:

That the said Lessor and Optionor for and in consideration of the royalties hereinafter reserved, and the covenants and agreements hereinafter expressed and by the said Lessees and Optionees to be kept and performed, has granted, demised and let, and by these presents does grant, demise and let unto the said Lessees and Optionees, all the following described mines and mining property situate in Turret and Brown's Canon Districts, Chaffee County, Colorado, viz.:

Bonus Extension	Mining District	Below are the dates of recording and the page and book nos. of the Chaffee County records.	
Lode No. 1	Brown's Canon	B-165, P-302	7/12/54
Lode No. 2	Brown's Canon	B-165, P-303	7/12/54
Lode No. 3	Brown's Canon	B-165, P-304	7/12/54
Lode No. 4	Brown's Canon	B-236, P-532	7/12/54
Lode No. 5	Brown's Canon	B-236, P-532	7/12/54
Lode No. 6	Brown's Canon	B-236, P-533	7/12/54
Lode No. 7	Brown's Canon	B-236, P-533	7/12/54
Lode No. 8	Brown's Canon	B-236, P-534	7/12/54
Lode No. 9	Brown's Canon	B-236, P-534	7/12/54
Lode No. 10	Brown's Canon	B-236, P-535	7/12/54
Lode No. 11	Brown's Canon	B-236, P-535	7/12/54
Lode No. 12	Brown's Canon	B-236, P-536	7/12/54
Long's Gulch	Mining District		
Placer No. 2	Turret	B-233, P-219	7/5/51
Placer No. 3	Turret	B-233, P-220	7/5/51
Placer No. 5	Turret	B-233, P-223	7/5/51
Placer No. 6	Turret	B-233, P-223	7/5/51
Placer No. 11	Turret	B-233, P-233	11/2/51
Placer No. 12	Turret	B-233, P-234	11/2/51
Placer No. 13	Turret	B-233, P-235	11/2/51
Placer No. 14	Turret	B-233, P-236	11/2/51
Placer No. 21	Brown's Canon	B-276, P-9	7/12/54
Placer No. 22	Brown's Canon	B-276, P-10	7/12/54
Placer No. 23	Brown's Canon	B-276, P-11	7/12/54

TO HAVE AND TO HOLD Unto the said Lessees and Optionees from the date hereof to and including twelve o'clock noon on the 10th day of September, A. D., 1959, and as long thereafter as said claims are mined and operated as herein provided, unless sooner forfeited or terminated through violation of any covenant hereinafter against the said Lessees and Optionees reserved. And in consideration of such demise, the said Lessees and Optionees covenant and agree with the said Lessor and Optioner as follows, to-wit:

1. To enter upon said mines and mining premises on or before December 10, 1954, and to work the same mine fashion in manner necessary to good and economical mining, so as to take out the greatest amount of ore possible with due regard to the development and preservation of the same as a workable mine, and to the special covenants hereinafter reserved.

2. To work said mine and premises, as aforesaid, steadily and continuously, performing at least fifty (50) man shifts of work of eight (8) hours each for at least ten (10) months in each annual period of the life of the within Lease and Option.

3. To well and sufficiently timber said mine at all points where proper in accordance with good mining, and to repair all old timbering wherever it may become necessary, in any tunnels, drifts, shafts or inclines being worked by said Lessees and Optionees.

4. To allow said Lessor and Optioner and his officers and agents, from time to time to enter upon and into all parts of said mine or mining premises for the purpose of inspection.

5. To secure and hold all crops or parallel lodes, spurs, mineral cleavage, non-metallics or deposits of any kind, which may be discovered by the said Lessees and Optionees, or any person under them in any manner, by working within or from the demised ground as the property of said Lessor and Optioner with privilege to the said Lessees and Optionees of working the same as parcel of said demised premises and of purchasing the same under the Option hereinafter contained.

6. To keep at all times the drifts, shafts, tunnels and other workings thoroughly drained, and clear of loose rock and rubbish, unless prevented by extraordinary mining casualty.

7. To make all shafts seven feet long by four feet wide in the clear, and all drifts six feet high by four feet wide in the clear, and to perform the necessary amount of work required

to be performed each year under either state or federal laws on unpatented mining claims, and to file the requisite proof of labor or other such document as may be required by law to protect the title of Lessor and Optionor.

8. To pay to the said Lessor and Optionor as royalty, twelve and one-half per cent (12½%) of the net value of all ores mined and sold from said premises, said royalties to be paid on all ore produced from said demised premises during the life of the within Lease and Option.

9. To carry or cause to be carried necessary Workmen't Compensation and to take all steps as may be necessary towards protecting Lessor's title to said premises, by filing proof of Labor or Notices of Intention to Hold, should the Lessor for any reason be unable to do so. To post a notice in at least three (3) conspicuous places upon said property to the effect that the owner thereof or said property shall not be liable for any debts contracted by Lessees or Optionees.

10. To deliver to said Lessor and Optionor the said premises with the appurtenances, and all improvements in good order and condition with all drifts, shafts, tunnels and other passages thoroughly clear of loose rock and rubbish and drained, and the mine ready for immediate continued working (accident not arising from negligence alone excusing) without demand or further notice upon termination of this lease, or at any time previous upon demand for forfeiture.

11. Lessees and Optionees shall have the right to transfer and assign or sublet the within lease and Option, or any part thereof.

12. Lessees and Optionees shall have the right to remove from the surface of said mining claims such timber as may be necessary for mining operations under the provisions of the within Lease and Option, and said Lessees and Optionees agree that they will remove said timber from said property without unnecessary waste and in a workmanlike manner and in accordance with good timber practices.

13. And finally, that upon violation of any covenant or covenants hereinbefore reserved, the terms of this Lease shall, at the option of said Lessor and Optionor expire, after Lessor's and Optionor's first giving notice of any default hereunder to Lessees and Optionees and their failure within thirty days after notice of such to correct the same; and the same and said premises, with the appurtenances, shall become forfeit to said Lessor and Optionor, and the said Lessor and Optionor, or his Agent, may thereupon, after demand for possession in writing, enter upon said premises and dispossess all persons occupying the same, with or without force, and with or without process of law, or at the option of said Lessor and Optionor, the said Lessees and Optionees and all persons found in occupation may be proceeded against as guilty of unlawful detainer, and upon forfeiture or surrender of the within Lease and Option, the said Lessees and Optionees shall have thirty (30) days within which to remove any machinery, tools or equipment which can be removed without damage or injury to any permanent structure upon said mining premises, and should the said Lessees and Optionees fail to remove said machinery, tools and equipment within said thirty (30) day period, then the same shall become the property of Lessor and Optionor.

O P T I O N

And in consideration of the acceptance of the foregoing Lease and the expenditures to be made thereunder, and the well and faithful keeping of the covenants thereof, the said Lessees shall have the right to purchase the said demised premises by a payment of TWENTY-FIVE THOUSAND ($25,000) DOLLARS, at anytime during the primary term of the within Lease, and should the said Lessees and Optionees exercise the right of option hereby given, all the terms of the foregoing Lease shall be considered as extending to and applying to the operation of said premises, pending operations under the option, provided, however, that if said Option is exercised, all royalties paid under the within Lease shall apply on the purchase price, and the said Lessees and Optionees shall be given credit therefor.

Time is of the essence of this Option as to such payment of TWENTY-FIVE THOUSAND ($25,000) DOLLARS, and upon the tender of such payment as hereinabove provided, the Lessor and Optionor shall make, execute, acknowledge and deliver, at his own expense, a good and sufficient Quit-Claim Mining Deed to be delivered to the said Lessees and Optionees, or such person or company as they shall nominate, conveying the said premises clear of all encumbrances, subject to the paramount title of the United States of America, or the said Lessor and Optionor, upon the written request of the Lessees and Optionees, shall make, execute, acknowledge and deposit in such bank as said Optionees may designate, a good and sufficient deed to be held subject to the terms of the within Lease and Option.

The forfeiture, surrender or termination of the above Lease for any cause shall render this Option void, and the above mentioned payments may not thereafter be tendered.

Each and every clause, covenant and paragraph of this Indenture shall extend to the heirs, legal representatives and assigns of each and all of the parties hereto.

IN WITNESS WHEREOF, The parties hereto have hereunto set their hands and seals in triplicate the day and year herein first above written.

x John Kostela (SEAL)
Lessor and Optionor

Paul R. Lorenz (SEAL)

R F Deike (SEAL)
Lessees and Optionees

THE STATE OF COLORADO)
COUNTY OF ORTEZ) ss:

The foregoing Lease and Option was acknowledged before me this 20th day of Sept 1954, by JOHN J. KOSTELA.

Witness my hand and Notarial Seal the day and year first above written.

~~My commission expires~~ _____.

Jno. T. McDonough
~~Notary Public~~ Co. Clerk

THE STATE OF WYOMING)
COUNTY OF LARAMIE) ss:

The foregoing Lease and Option was acknowledged before me this 16 day of Sept. 1954, by R. F. DEIKE and PAUL R. LORENZ.

Witness my hand and Notarial Seal the day and year first above written.

My commission expires _____.

Esther Kellams

2114 CURTIS STREET

TELEPHONE MAin 1852

CHEMISTS • ASSAYERS • ENGINEERS

DENVER 2, COLORADO

Folio 6191

Date April 29, 1954.

Robert F. Luke,
320 Majestic Bldg.,
Cheyenne, Wyoming.

We hereby Certify, that the samples assayed for you gave the following results:

DESCRIPTION	GOLD OUNCES PER TON	SILVER OUNCES PER TON	COPPER PER CENT (WET)	LEAD PER CENT (WET)	ZINC PER CENT	IRON PER CENT	INSOLUBLE PER CENT	VALUE PER TON
Sample No. 1: Enstaite, hypersthene, Hornblende, Quart and Biotite. Nothing of value observed.								
2: Feldspar, orthoclase: Beryllium oxide (BeO): none.								
3: Beryl, quartz: Beryllium oxide (BeO): 9.78%								

Gold at_____per ounce Copper at_____per unit

Silver at_____per ounce Zinc at_____per unit

Lead at_____per unit _____

Charge $ 10.00

CHARLES O. PARKER & CO.
CHEMISTS, ASSAYERS and ENGINEERS

[illegible] 1954

[illegible]

[illegible] of Cheyenne.

Location.

The property is situated in the [illegible] about [illegible] miles [illegible] of [illegible]. [illegible] is reached by [illegible] miles [illegible]. [illegible] is 15 [illegible] southeast of [illegible]. The [illegible] is about 500 feet [illegible] than the [illegible].

The Mine.

The [illegible] consists of several [illegible] trenches [illegible] which have been [illegible] during the last two years. [illegible] is being [illegible]. [illegible] about 100 feet [illegible].

The [illegible] 1/[illegible] [illegible] feet [illegible].

The [illegible] is [illegible] quartz [illegible] beryl, mica, [illegible] lithium [illegible]. The [illegible] is beryl which occurs in [illegible]. [illegible] mica which occurs [illegible]. [illegible] of [illegible].

[illegible]

The [illegible] of [illegible] have [illegible] it. [illegible] about [illegible] about $3,000.

[illegible] 1950 [illegible] mine [illegible].

[illegible] about [illegible] pounds of [illegible].

[illegible]

[illegible] be [illegible] ore. [illegible] quartz [illegible] tites.

[illegible] mineral [illegible] currently [illegible] which currently [illegible] found with the beryl. [illegible] for 3.00 per pound [illegible] for [illegible] 20.00 a ton. Some [illegible] also be [illegible].

[illegible]: [illegible] the broken ore crushed to [illegible] the concentrating mill [illegible] capacity to operate [illegible] level, cars and [illegible] of about 6 men [illegible] on the road [illegible].

[illegible] other trees, [illegible] over the property.

[illegible]:

While [illegible] the mine [illegible] have a stable [illegible] price; [illegible] of lead, zinc or copper [illegible]. Both of these minerals could be sold [illegible] to [illegible]. It would be worthwhile to [illegible] the possibility of [illegible] with the Government for a [illegible].

[illegible] The price de- [illegible] varies widely. Investigation of [illegible] also be undertaken.

[illegible] the [illegible] time. There will be some ex- [illegible] but there is [illegible] of the uranium [illegible] itself [illegible] possibility of [illegible] into something big [illegible].

T. L. Johnston

TRINITY 4791

FORM 80

SMITH-EMERY COMPANY

CHEMICAL ENGINEERS AND CHEMISTS
METALLURGICAL AND TESTING ENGINEERS
920 SANTEE STREET
LOS ANGELES 15
CALIFORNIA

OUR NEW ADDRESS
781 E. WASHINGTON BLVD.
LOS ANGELES 21, CALIFORNIA

LABORATORY

No. 389542 *Date* September 9, 1954

Sample Rock

Received 9/7/54 *Marked*

Submitted by Grafe-Callahan ConstructionCompany,
714 West Olympic Boulevard,
Los Angeles 15, California.

Attn.: E. Mohler. REIGHAN [illegible], [illegible], [illegible], [illegible]
Copy: L.D.Crawford, Colorado.

REPORT OF QUALITATIVE SPECTROGRAPHIC EXAMINATION

Element	*Approximate Quantity*
Silicon, aluminum	Major Constituents
Sodium, Potassium	Intermediate Constituents
	Minor Constituents
Beryllium	0.5%
Iron	0.5%
Calcium	0.5%
Manganese	0.05%
Magnesium	0.05%
Titanium	0.01%
Boron	0.005%
Gallium	0.005%
Vanadium	0.005%
Copper	0.005%
Barium	0.005%
Chromium	0.001%
Nickel	0.001%
Lithium	None found
Rare Earths	None found
Columbium	None found
Tantalum	None found
Tungsten	None found
Zirconium	None found

Respectfully submitted,

CHEMISTS AND ENGINEERS

All reports are submitted as the confidential property of clients. Authorization for publication of our reports, conclusions, or extracts from or regarding them is reserved pending our written approval as a mutual protection to clients, the public and ourselves.

Grand Junction, Colorado
September 6, 1954

Mr. Everett Seabury
President & General Manager
Grafe-Callahan Construction Co.
714 West Olympic Boulevard
Los Angeles 15, California

Dear Everett:

The Beryl Mine, on which data was submitted to you by Mr. R. F. Deike, of 320 Majestic Building, Cheyenne, Wyoming, (thru Mr. C. B. Morganthaler, 669 South Union Ave., Los Angeles 17, California) was inspected last week, and the following report on this property is submitted:

1. LOCATION OF THE PROPERTY is in Twp. 50 N.; R. 9 E.; N.M.P.M. Secs. 5, 6, 7 & 8, about five miles North of the town of Salida, Colorado, and is reached from Salida by eight miles of good gravelled road plus four miles of dirt road (see map enclosed). Salida is about 160 miles southwest of Denver, 20 miles East of the Continental Divide.

2. ELEVATION AT MINE is about 8,000 feet. The Arkansas River is six miles (airline) from the mine.

3. OWNERS OF THE PROPERTY are John Kostelc, of Salida, Colorado, P. O. Box 104, and Lawrence Sage of Salida. The claims are under option to R. F. Deike, Paul Lorenz and others, of Cheyenne, Wyoming.

(a) The owners, Kostelc and Sage, think their claims are worth about $25,000.00, and are willing to take payment in royalty on sliding scale as follows:

10% royalty on gross sales revenue on mine run ore running below $20.00 per ton;
15% royalty on gross revenue on mine run ore with value above $20.00 per ton.

(b) Messrs. Deike, Lorenz ~~et al~~ AND WARD HINCH OF PUEBLO, COLORADO, (brokers) want $30,000.00 for their equity, payable in overriding royalty at 5% of gross sales.

(c) Deike and Lorenz are paying Kostelc and Sage $300.00 per month while they have an option on the properties. They are willing to give us an exclusive option for six weeks for $400.00.

4. THE MINE.

(a) Several surface trenches were excavated during 1952 by hand methods on a small scale by the Western Land Company of Denver, who recovered $10,000.00 worth of Beryl from the main trench; and also 400 lbs. of Tantalite which was sold. Their lease was concelled for non-payment of royalty. About 600 tons of mine run material were excavated from this trench.

(b) The ore values are found in a pegmatite dike composed of Quartz and Feldspar, and containing:

(1) Beryl (Beryllium Oxide)
(2) Mica
(3) Tantalite
(4) Feldspar
(5) Some Garnet, in small negligible quantity.

(c) Beryl is found in the form of crystals scattered in the ore formation in sizes varying in size from the diameter of a lead pencil up to a thickness of 7 inches by 18 inches in length. The crystals are hexagon in shape and green in color. (See Beryl crystal in ore sack sample #7.)

(d) Eight sacks containing samples of ore from the open pit were shipped to Grafe-Callahan Construction Company by express September 4th.

No. 1	sample contains	Quartz and Mica;
No. 2	" "	Sheet Mica;
No. 3	" "	Beryl, Feldspar, Mica and Tantalite;
No. 4	" "	Tantalite and Feldspar;
No. 5	" "	Feldspar;
No. 6	" "	Sodaspar;
No. 7	" "	Beryl in Quartz;
No. 8	" "	Garnet Crystal.

These samples are sent for your examination before they are assayed. After you have seen them, please cull out sacks Nos. 2, 6 and 8. Then empty into the large ore sack the contents of sacks Nos. 1, 3, 4, 5 and 7 (mixed). These latter samples (combined) should give us an average sample of mine run ore. It is requested that the large sack containing ore samples Nos. 1, 3, 4, 5 & 7 then be sent to Smith-Emery Company with instructions that they assay the ore and give us a report indicating the following:

(1) Percentage of each element found in the pit run raw ore;
(2) Number of pounds " " " " 1 ton of raw ore;

List of ores on which analysis is required: Beryl, Mica, Tantalite and Feldspar.

(e) Attention is invited to the current market prices for minerals published in the last edition of "The Mining Record" (enclosed herewith). Subject minerals are indicated in red.

5. OPERATION.

This property can be mined as an open pit or surface operation. The ore is exposed on the surface, and there are millions of tons of ore. The equipment from Davis Dam could be used here. Hoppers, belt conveyors, and a crusher would be needed also. The operation would be profitable without a mill; but a mill would increase the profit materially. (Wet ground Mica sells for $140.00 per ton. Beryl sells for $2.15 per pound. Feldspar -- Potash Feldspar -- $18.50 per ton.)

6. OPTIONED TO OTHERS.

The Nugget Construction and Timber Company of Denver, have had an option on the property. Their geologist, T. L. Johnston, reported favorably on the mine (copy of his report enclosed). The above company is trying to obtain a reduction in the amount of royalty payments. Their option has expired, but they are still negotiating on the deal.

7. SUMMARY AND RECOMMENDATION.

(a) The Smith-Emery Company should be requested to expedite their analysis and report on the values of the ore per ton.

(b) The fact that the quantity of available ore is so large, and that it can be worked as an economical surface operation, using some equipment which the company now has at Davis Dam, it is recommended that:

(1) If the report from Smith-Emery indicates as much as $8.00 per ton (on Beryl, Mica and Feldspar combined), an option should be taken for a period of six weeks. (The values may run as much as $12.00 to $15.00 per ton)

(2) That if convenient Mr. Everett Seabury could make an inspection; and if the project looks favorable to him, that a lease be negotiated on the property. (The possibilities for a long, profitable operation on this project look good).

Respectfully submitted,

L. D. Crawford

M
Enclosures

BUREAU OF MINES

OFFICIAL BUSINESS

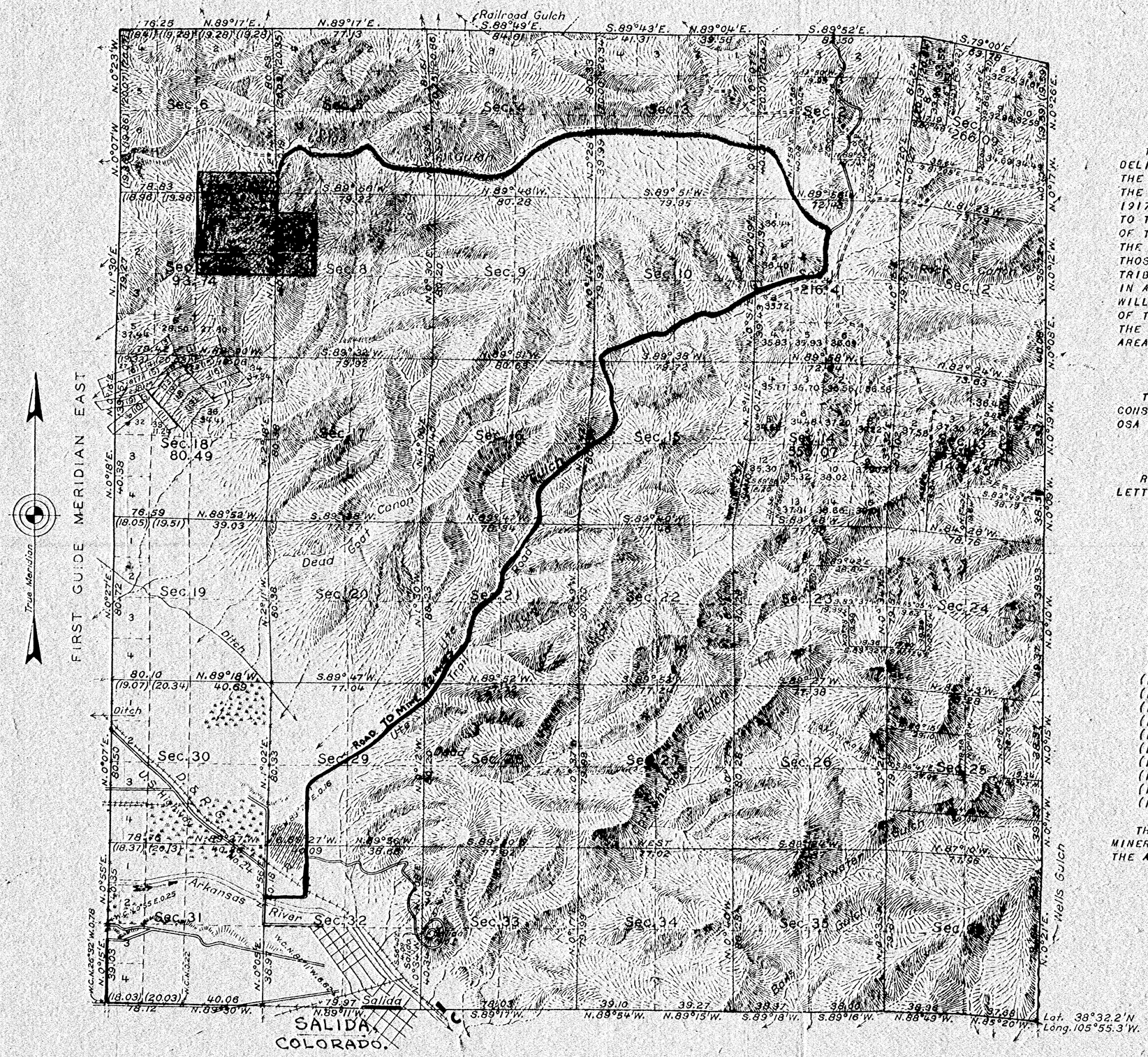
224 NEW CUSTOMHOUSE
DENVER 2, COLORADO

1954
COLO.

Defense Minerals Exploration Administration
U.S. Dept. of the Interior
Interior Bldg.
Washington 25, D.C.

TOWNSHIP NO. 50 NORTH, RANGE NO. 9 EAST OF THE NEW MEXICO PRINCIPAL MERIDIAN, COLORADO.

DEPENDENT RESURVEY



THIS PLAT OF THE RESURVEY OF T. 50 N., R. 9 E., DELINEATES A RETRACEMENT AND REESTABLISHMENT OF THE LINES OF THE ORIGINAL SURVEY AS SHOWN UPON THE PLAT APPROVED MARCH 2, 1877, AND JAN. 29, 1917, IN THEIR TRUE ORIGINAL POSITION ACCORDING TO THE BEST AVAILABLE EVIDENCE OF THE POSITION OF THE ORIGINAL CORNERS; ALL DIFFERENCES BETWEEN THE MEASUREMENTS SHOWN ON THE ORIGINAL PLAT AND THOSE DERIVED IN THE RETRACEMENT HAVE BEEN DISTRIBUTED PROPORTIONALLY BETWEEN ACCEPTED CORNERS IN ACCORDANCE WITH SURVEYING RULES; REFERENCE WILL BE MADE TO THE ORIGINAL PLAT FOR THE SHOWING OF THE AREAS AND MORE DETAILED DESCRIPTIONS OF THE VARIOUS SMALLER SUBDIVISIONS EXCEPT WHERE NEW AREAS ARE SHOWN HEREON.

THE AREA IS COVERED WITH A GROWTH OF TIMBER CONSISTING OF PINON, JUNIPER, DOUGLAS FIR, PONDEROSA PINE, AND ASPEN ON THE HIGHER NORTH SLOPES.

RESURVEY AUTHORIZED BY GENERAL LAND OFFICE LETTER "E" DATED MARCH 23, 1937.

LIST OF MINERAL CLAIMS

(1)	SURVEY NO. 19319		CRAWFORD	LODE
(2)	"	"	HEATH	"
(3)	"	"	CAMP BIRD NO. 1	"
(4)	"	"	" " NO. 2	"
(5)	"	"	" " NO. 3	"
(6)	"	"	" " NO. 5	"
(7)	"	"	" " NO. 4	"
(8)	"	"	5332 FLORENCE	"
(9)	"	"	15815 GARNET	"
(10)	"	"	17696 SEDALIA NO. 3	"
(11)	"	"	" " NO. 2	"
(12)	"	"	5330 COPPER PRINCE	"
(13)	"	"	3710 SEDALIA	"
(14)	"	"	5770 SARAH JANE	"
(15)	"	"	5769 HIDDEN TREASURE	"
(16)	"	"	20104 MILDRED NO. 1	"
(17)	"	"	" " NO. 2	"
(18)	"	"	SUNSET	"
(19)	"	"	SUNRISE	"

THE NUMBERS (1) TO (19) APPEARING IN THE MINERAL CLAIMS ON THIS PLAT HAVE REFERENCE ONLY TO THE ABOVE TABULATIONS.

10 5 0 10 20 40 80

Mean Magnetic Declination, 15°00'E. Scale: 40 Chains to an inch

Area of tract segregations	189.69 Acres
Area exclusive of tract segregations	22663.59
Total area of township	22853.28

LINES DESIGNATED	BY WHOM SURVEYED	GROUP No.	GROUP DATE	MILEAGE MLS.	MILEAGE CHS.	WHEN SURVEYED BEGUN	WHEN SURVEYED COMPLETED
Exterior	Thomas W. Crawford	322	March 25 1939	23	44.29	July 24 1939	Oct. 17, 1939
Subdivisional				70	77.35		

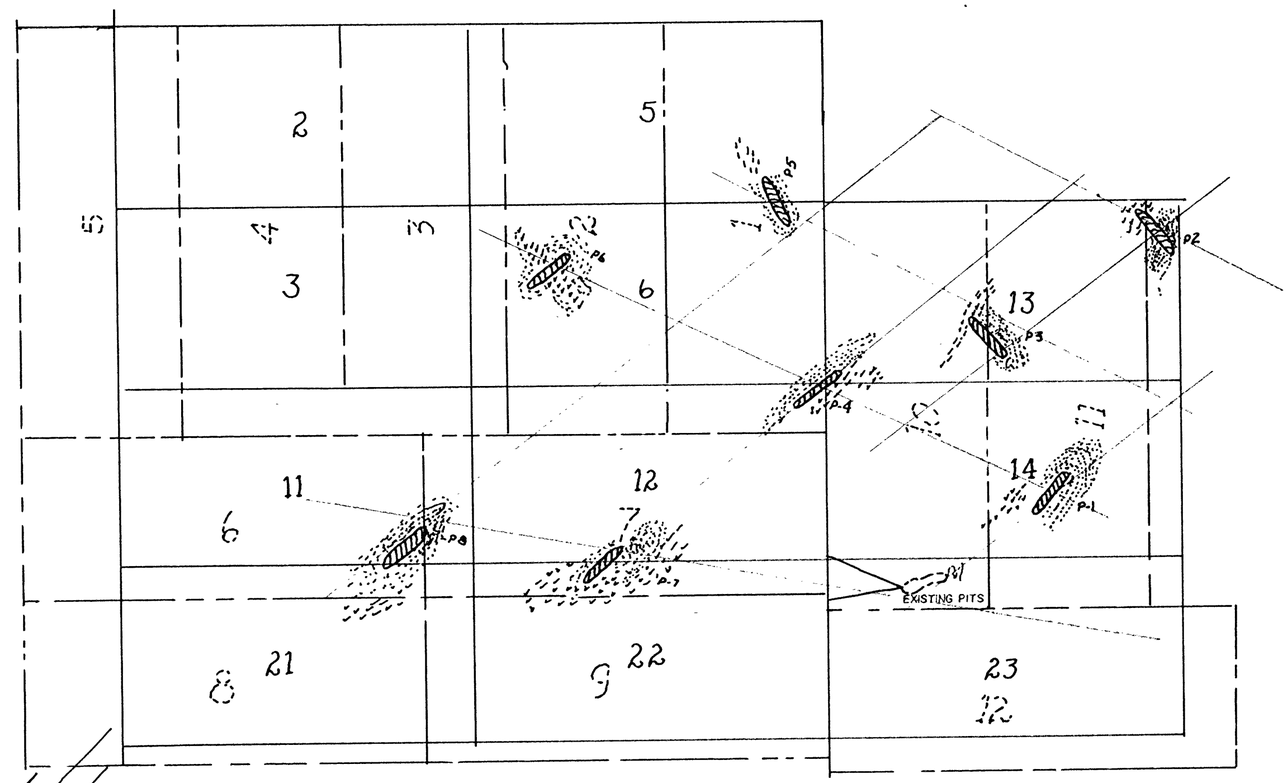
H.E.G.

OFFICE OF THE SUPERVISOR OF SURVEYS
DENVER, COLORADO, JULY 19, 1941.
THE ABOVE PLAT OF TOWNSHIP NO. 50 NORTH, RANGE NO. 9 EAST OF THE NEW MEXICO PRINCIPAL MERIDIAN COLORADO, IS STRICTLY CONFORMABLE TO THE FIELD NOTES OF THE SURVEY THEREOF WHICH HAVE BEEN EXAMINED AND APPROVED.

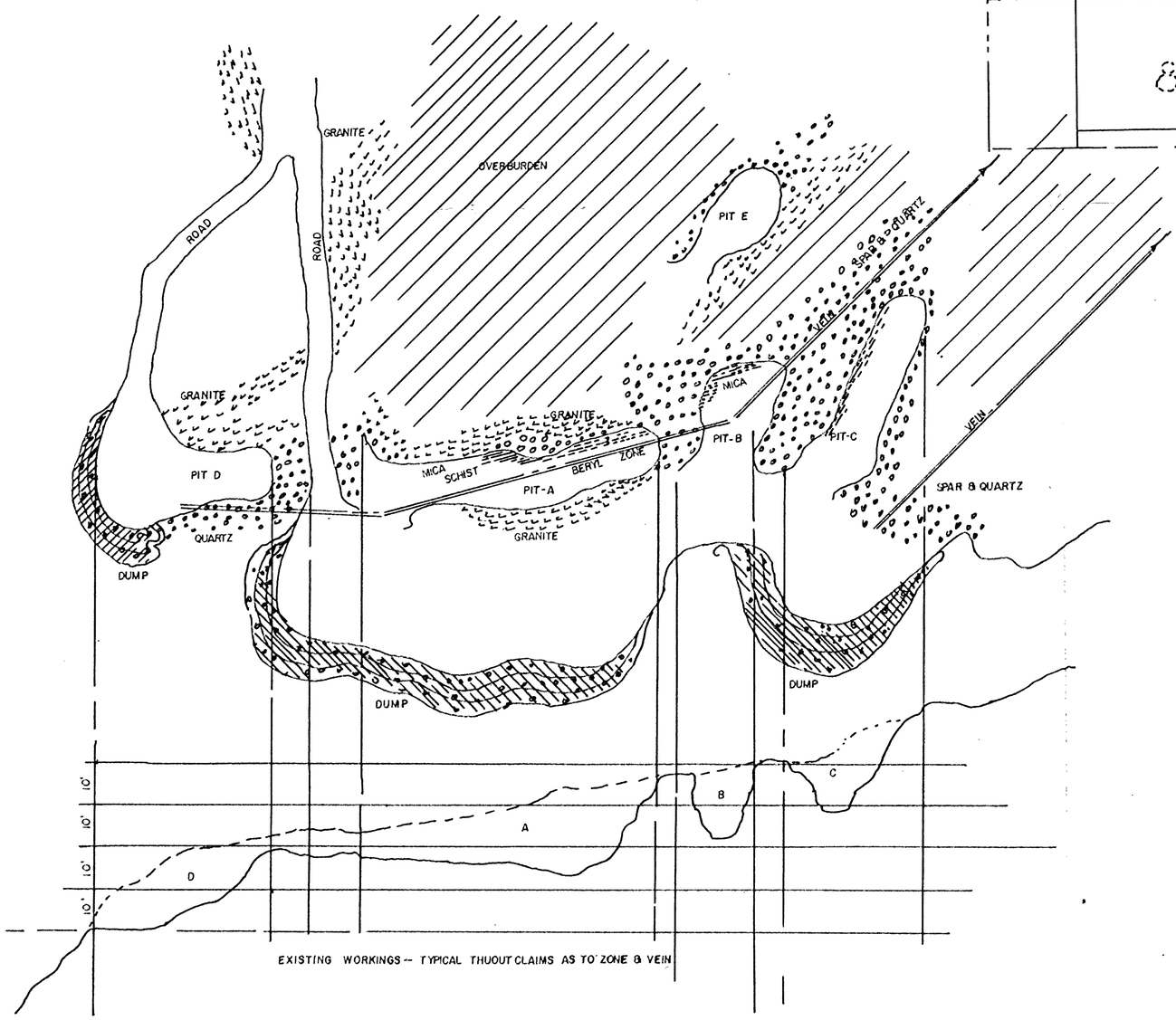
Smith Phinney
SUPERVISOR OF SURVEYS

UNITED STATES
DEPARTMENT OF THE INTERIOR
GENERAL LAND OFFICE
WASHINGTON, D.C., OCTOBER 23, 1941.
THE SURVEY REPRESENTED BY THIS PLAT HAVING BEEN CORRECTLY EXECUTED IN ACCORDANCE WITH THE REQUIREMENTS OF LAW AND THE REGULATIONS OF THIS OFFICE, IS HEREBY ACCEPTED.

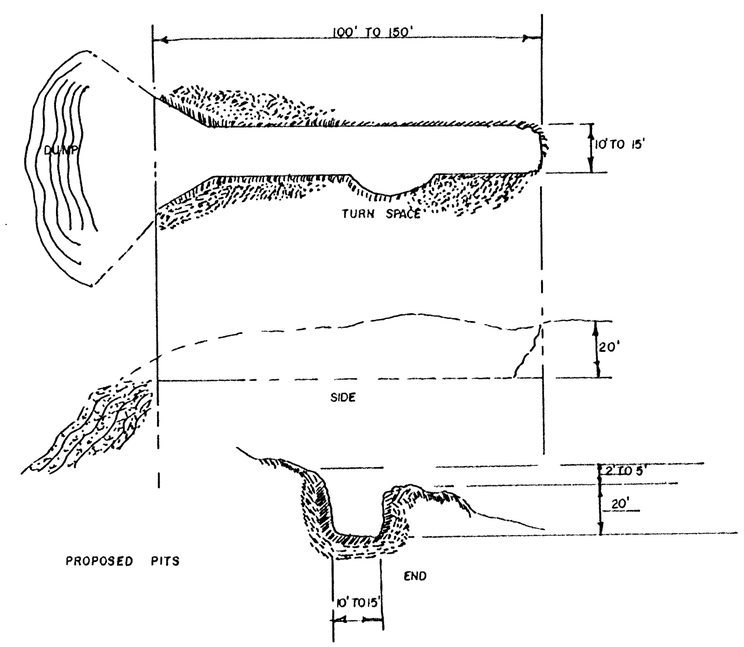
Joel David Wolfsohn
ASSISTANT COMMISSIONER



LOCATION OF CLAIMS & PROPOSED PITS P-1 TO P-8
ESTIMATED TONAGE ___ 5,000,000 TONS ORE PER 10 CLAIMS
" 1100 YDS ROCK PER TRENCH WGT 2 3/4 TON PER YD.

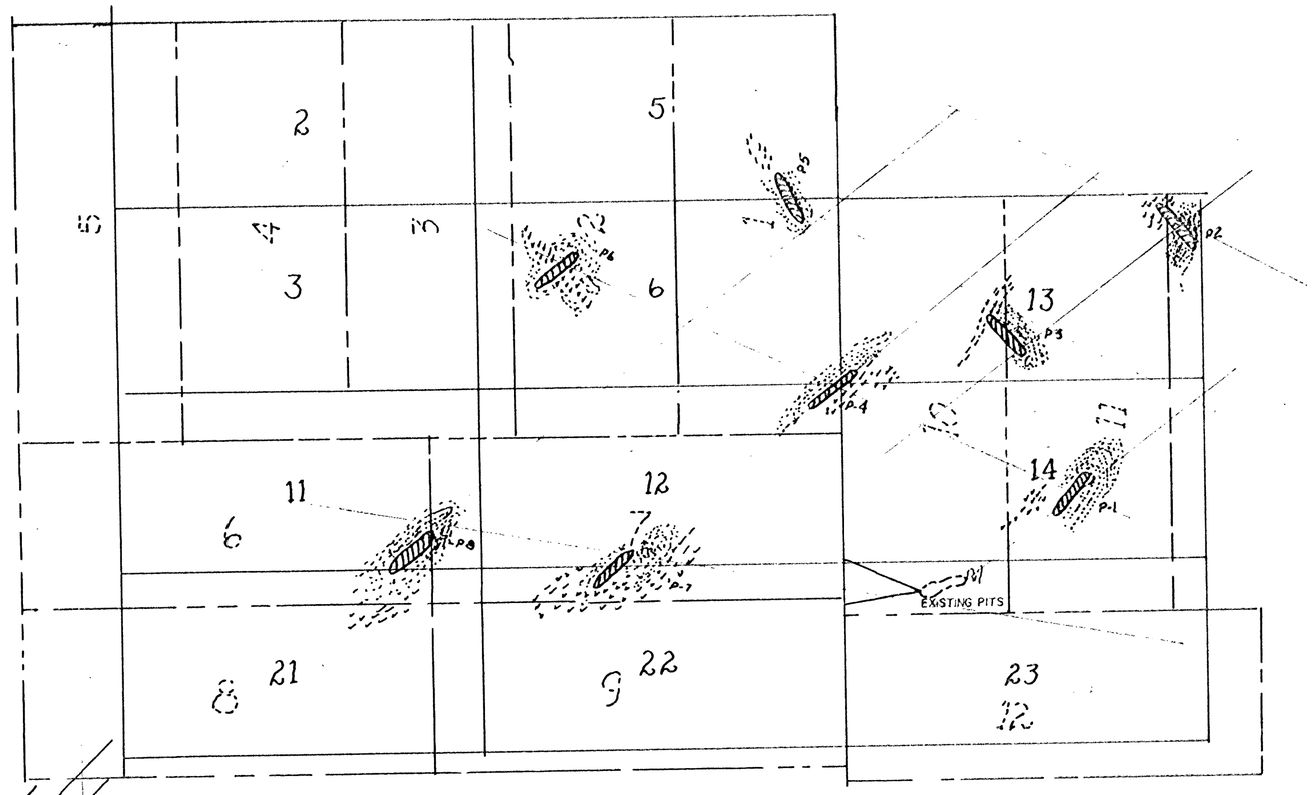


EXISTING WORKINGS -- TYPICAL THUOUT CLAIMS AS TO ZONE & VEIN

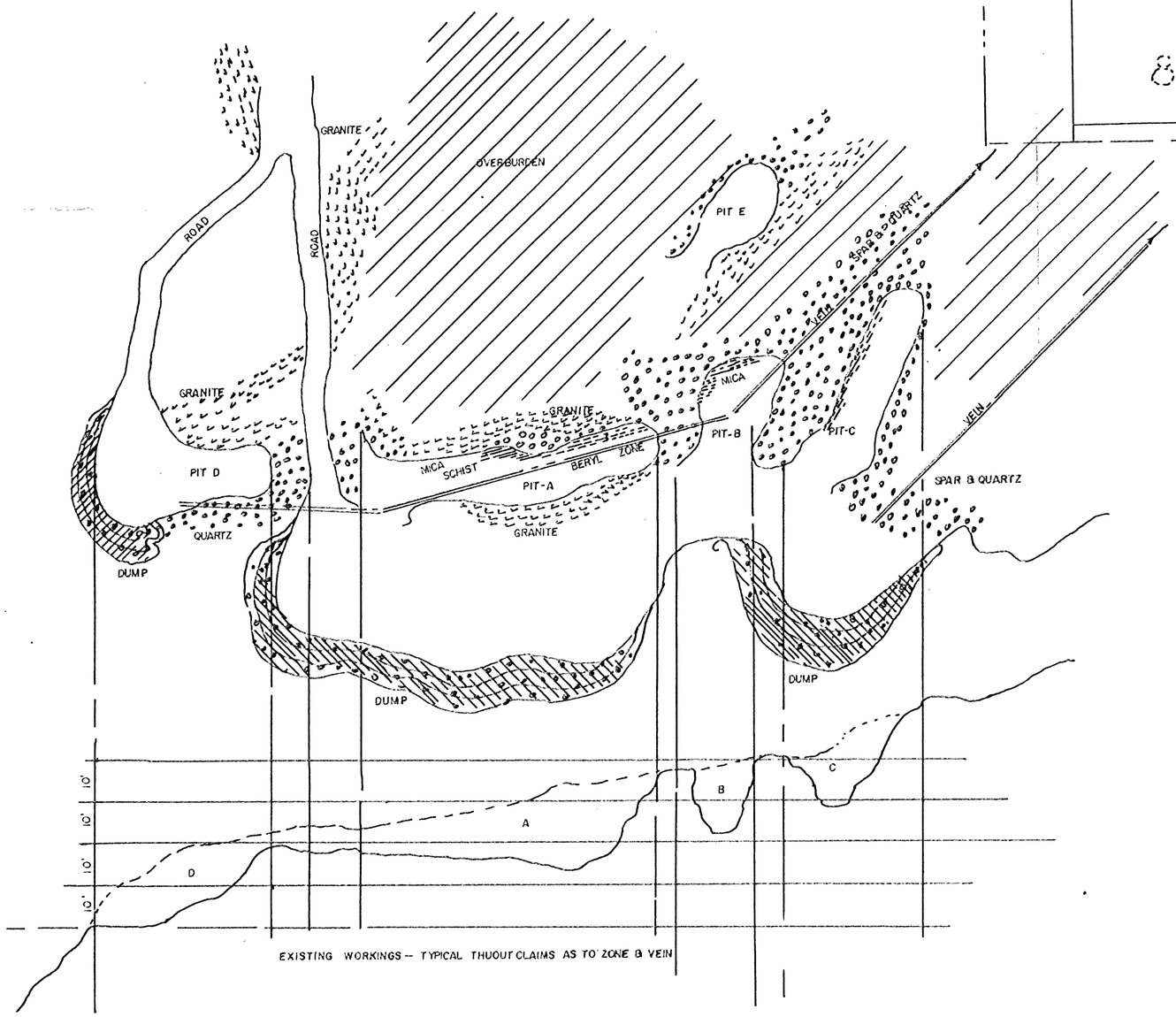


PROPOSED PITS

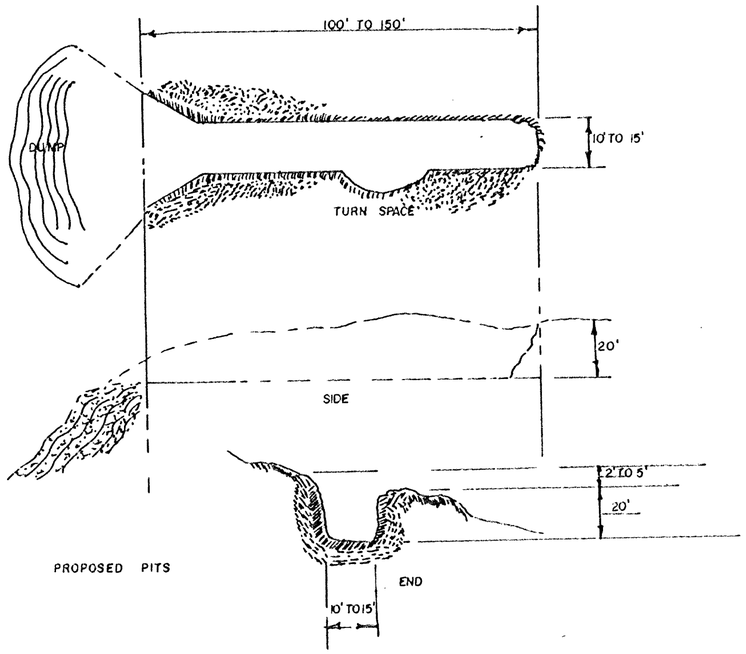
REVISIONS			FOR P. B. LORENZ & R. F. DEIKE		
NO	DATE	BY			
1					
2					
3			DRAWN BY	SCALE	MATERIAL
4			CHK'D	DATE	DRAWING NO.
5			TRACED	APP'D	



LOCATION OF CLAIMS & PROPOSED PITS P-1 TO P-8
ESTIMATED TONAGE ___ 5,000,000 TONS ORE PER 10 CLAIMS
" 1100 YDS ROCK PER TRENCH WGT 2.3/4 TON PER YD.



EXISTING WORKINGS -- TYPICAL THUOUT CLAIMS AS TO ZONE & VEIN



REVISIONS			FOR P. B. LORENZ & R. F. DEIKE		
NO	DATE	BY			
1					
2					
3			DRAWN BY	SCALE	MATERIAL
4			CHK'D	DATE	DRAWING NO.
5			TRACED	APP'D	

TOWNSHIP NO. 50 NORTH, RANGE NO. 9 EAST OF THE NEW MEXICO PRINCIPAL MERIDIAN, COLORADO.

DEPENDENT RESURVEY

THIS PLAT OF THE RESURVEY OF T.50 N., R.9 E., DELINEATES A RETRACEMENT AND REESTABLISHMENT OF THE LINES OF THE ORIGINAL SURVEY AS SHOWN UPON THE PLAT APPROVED MARCH 2, 1877, AND JAN. 29, 1917, IN THEIR TRUE ORIGINAL POSITION ACCORDING TO THE BEST AVAILABLE EVIDENCE OF THE POSITION OF THE ORIGINAL CORNERS; ALL DIFFERENCES BETWEEN THE MEASUREMENTS SHOWN ON THE ORIGINAL PLAT AND THOSE DERIVED IN THE RETRACEMENT HAVE BEEN DISTRIBUTED PROPORTIONALLY BETWEEN ACCEPTED CORNERS IN ACCORDANCE WITH SURVEYING RULES; REFERENCE WILL BE MADE TO THE ORIGINAL PLAT FOR THE SHOWING OF THE AREAS AND MORE DETAILED DESCRIPTIONS OF THE VARIOUS SMALLER SUBDIVISIONS EXCEPT WHERE NEW AREAS ARE SHOWN HEREON.

THE AREA IS COVERED WITH A GROWTH OF TIMBER CONSISTING OF PINON, JUNIPER, DOUGLAS FIR, PONDEROSA PINE, AND ASPEN ON THE HIGHER NORTH SLOPES.

RESURVEY AUTHORIZED BY GENERAL LAND OFFICE LETTER "E" DATED MARCH 23, 1937.

LIST OF MINERAL CLAIMS

(1)	SURVEY	NO. 19319		CRAWFORD	LODE
(2)	"	"	"	HEATH	"
(3)	"	"	"	CAMP BIRD NO. 1	"
(4)	"	"	"	" " NO. 2	"
(5)	"	"	"	" " NO. 3	"
(6)	"	"	"	" " NO. 5	"
(7)	"	"	"	" " NO. 4	"
(8)	"	"	5332	FLORENCE	"
(9)	"	"	15815	GARNET	"
(10)	"	"	17696	SEDALIA NO. 3	"
(11)	"	"	"	" NO. 2	"
(12)	"	"	5330	COPPER PRINCE	"
(13)	"	"	3710	SEDALIA	"
(14)	"	"	5770	SARAH JANE	"
(15)	"	"	5769	HIDDEN TREASURE	"
(16)	"	"	20104	MILDRED NO. 1	"
(17)	"	"	"	" NO. 2	"
(18)	"	"	"	SUNSET	"
(19)	"	"	"	SUNRISE	"

THE NUMBERS (1) TO (19) APPEARING IN THE MINERAL CLAIMS ON THIS PLAT HAVE REFERENCE ONLY TO THE ABOVE TABULATIONS.

10 5 0 10 20 40 80

Mean Magnetic Declination, 15°00'E. Scale: 40 Chains to an inch

Area of tract segregations	189.69 Acres
Area exclusive of tract segregations	22663.59
Total area of township	22853.28

LINES DESIGNATED	BY WHOM SURVEYED	GROUP		MILEAGE		WHEN SURVEYED	
		Nº	DATE	MI.S.	CHS.	BEGUN	COMPLETED
Exterior	Thomas W. Crawford	322	March 25 1939	23	44.29	July 24 1939	Oct. 17, 1939
Subdivisional				70	77.35		

H.E.G.

OFFICE OF THE SUPERVISOR OF SURVEYS
DENVER, COLORADO, JULY 19, 1941.
THE ABOVE PLAT OF TOWNSHIP NO. 50 NORTH, RANGE NO. 9 EAST OF THE NEW MEXICO PRINCIPAL MERIDIAN COLORADO, IS STRICTLY CONFORMABLE TO THE FIELD NOTES OF THE SURVEY THEREOF WHICH HAVE BEEN EXAMINED AND APPROVED.

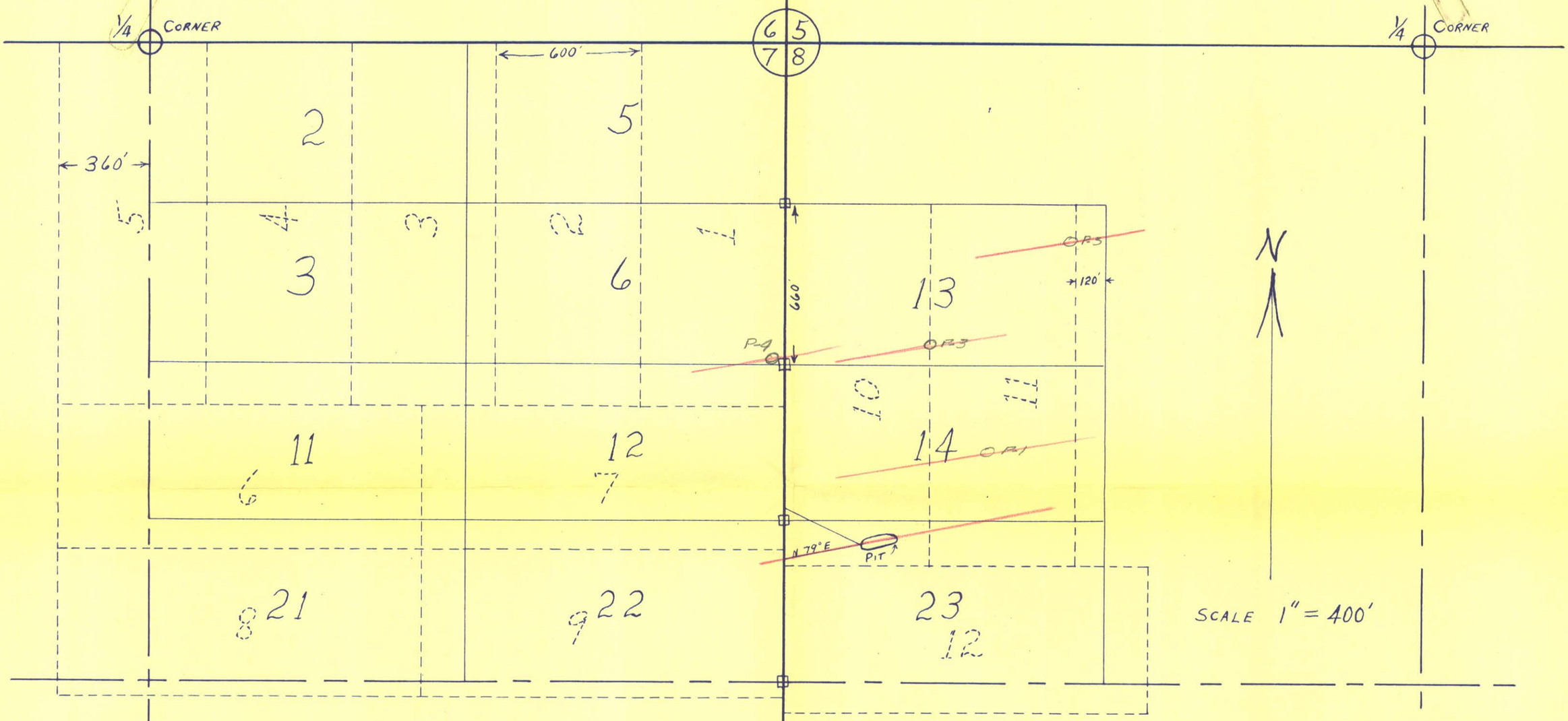
Dwight R. Johnson
SUPERVISOR OF SURVEYS

UNITED STATES
DEPARTMENT OF THE INTERIOR
GENERAL LAND OFFICE
WASHINGTON, D.C., OCTOBER 23, 1941.
THE SURVEY REPRESENTED BY THIS PLAT HAVING BEEN CORRECTLY EXECUTED IN ACCORDANCE WITH THE REQUIREMENTS OF LAW AND THE REGULATIONS OF THIS OFFICE, IS HEREBY ACCEPTED.

Joel David Wolfsohn
ASSISTANT COMMISSIONER

JOHN KOSTELC

TWP. 50 N., RANGE 9 E.



NOTE:

SOLID LINES INDICATE "LONGS GULCH" PLACER CLAIMS
BROKEN LINES INDICATE "BONUS EXTENSION" LODE CLAIMS

⊕ — GOVERNMENT SURVEY CORNERS
⊞ — CORNERS LOCATED AND STAKED ON THIS SURVEY

ROBERT F. HARRISON
REGISTERED ENGINEER & LAND SURVEYOR
SALIDA, COLORADO
7-7-54