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REMARKS

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NAME OF REQUESTER: Miss G. Wiegand

TELEPHONE NO.: 703-8606681

DATE: 8/12/77

NAME AND ADDRESS OF AGENCY *(Include building, room no. and Zip Code)*: U. S. Geological Survey
953 Natl Ctr
Reston Va 22092 STP-953

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SURNAME:

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

OCT 27 1955

Mr. Fred E. Olsen
Box 425
Durango, Colorado

Re: Docket No. DMEA-3741 (Lead)
Fred E. Olsen & Ralph V. Shearer
Moly Group of Claims
San Juan County, Colorado

Dear Mr. Olsen:

This is in reference to your letter of October 17, 1955 regarding your application for Government exploration assistance which was denied.

We have again carefully reviewed your application and other information available to us. Based upon the work previously done on your property, there appears to be little chance of making a significant discovery of lead ore. Consequently, we must reaffirm our denial of your request for Government assistance.

I regret that we are unable to furnish you assistance. However, if new work is done on your property and favorable geological information is disclosed, we shall be glad to consider a new application for Government exploration assistance.

Sincerely yours,

Frank E. Johnson

Acting Administrator

JWAlt/FEJohnson/er/bih
10/27/55
cc to: Docket
Admr. Reading File
Operating Committee
Region III (2)
Messrs. Griswold
Alt
Geehan - USBM
Kiilsgaard - USGS

P.C.

File Copy
Surname
J. W.
Griswold
Bishop
Kilsgaard
Selfridge

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

Mr. Fred E. Olsen
Box 425
Durango, Colorado

Re: Docket No. DMEA-3741 (Lead)
Fred E. Olsen & Ralph V. Shearer
Moly Group of Claims
San Juan County, Colorado

Dear Mr. Olsen:

This is to acknowledge your letter of October 17, 1955, regarding the cited application which was denied Government exploration assistance. We have again carefully reviewed your application and other reports available to us, and we are of the same opinion that your application be denied.

Should any work be done on your property which would disclose favorable geological information which would possibly change our opinion, we would be glad to consider a new application for Government exploration assistance.

Sincerely yours,

Administrator

JWAlt/er 10/26/55

Copy to: Docket
Admr R File
Op. Committee
Base Metals
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Region III (2)
Chron.

Silverton, Colo.
Oct. 17, 1955

RECEIVED
OCT 20 1955

United States
Department of Interior
Washington, D.C. / R.E. No.
V.M.E.A
3741- Lead

Dear Sirs, Your letter of Oct. 10.-55 at hand, I accept your decision, altho, I believe the Moly. Group, will be a mine. And I ask, that you Reconsider the Application, For following reasons. The Moly vein, is more of a tunnel sight to contact, cross veins, and is the only, Safe Place for a tunnel, due to Snow Slides and a distance, to Cross Veins. There are four Cross veins, in 1000 ft distance on Moly Vein. The old tunnels. No. 2 + No. 3 are more cross cuts to Cross veins

File Copy
Surname
Swanwick
Nelson
Guhey
Selfridge

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

OCT 10 1955

Messrs. Fred E. Olsen
and Ralph V. Shearer
Box 425
Durango, Colorado

Re: Docket No. DMEA-3741 (Lead)
Fred E. Olsen & Ralph V. Shearer
Moly Group of Claims
San Juan County, Colorado

Gentlemen:

Your application for aid for an exploration project and other reports available to us in Washington concerning your application have been reviewed.

Projects approved by the Defense Minerals Exploration Administration must, in its judgment, show definite promise of yielding materials of acceptable grade in quantities that will significantly improve the mineral supply position for the National Defense Program.

Careful study of all our information, although noting a small amount of ore on your property, indicates to us that the probability of disclosing minable ore reserves by your proposed program is not sufficiently promising to justify Government participation. We regret to advise you, under these circumstances, that your application for exploration assistance is denied.

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

Sincerely yours,

Frank E. Johnson

ACTING Administrator

JWAlt/er 10/7/55
Copy to: Docket
Admr R File
Op. Committee
Base Metals
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Region III (2)
Chron.

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

October 10, 1955

Memorandum

To: The Administrator

From: Chief, Base Metals Division

Subject: Denial of Application, Docket No. DMEA-3741 (Lead), Fred E. Olsen and Ralph V. Shearer, Moly Group of Claims, San Juan County, Colorado

The cited application, dated March 21, 1955, was forwarded by the Executive Officer, Region III, and was received by this office on March 28, 1955.

The Applicants proposed to drift 400 feet along the shear zone exposed in the face of the No. 6 Adit to explore cross veins Nos. 1, 2 and 3 which they believe intersect the shear zone. In addition, they propose to drift 50 feet along vein No. 1 and vein No. 2, and 100 feet along vein No. 3. The Applicants estimate that this proposed work will amount to $22,120.00.

The Applicants' claims were examined by a joint Bureau of Mines and Geological Survey team on July 20, 1955. The second copy of their report was received by this office on September 21, 1955.

The Moly Nos. 1, 2 and 3 claims have been explored by several short adits. Many of the existing workings are caved and were too dangerous for the Field Team to enter. No records of past production are available.

Examination of the ore structures at the surface, and where accessible in Adits 2,3 and 6, shows the mineralized fissures in the quartz monzonite may be classified on the basis of strike and dip into 4 groups. None of the veins were found to contain commercial quantities of minerals at any point, including the intersections available for inspection.

The Field Team states: "From the work already done, it is concluded that there is little chance of making a significant discovery of lead-silver ore on the property".

We concur with the recommendations of the Field Team and the Commodity members of the USGS and the USBM that this application be denied.

W. R. Griswold

W. R. Griswold

File Copy
Surname
Nelson

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

October 10, 1955

Memorandum

To: The Administrator

From: Chief, Base Metals Division

Subject: Denial of Application, Docket No. DMEA-3741 (Lead), Fred E. Olsen and Ralph V. Shearer, Moly Group of Claims, San Juan County, Colorado

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We concur with the recommendations of the Field Team and the Commodity members of the USGS and the USBM that this application be denied.

W. R. Griswold

WAlt/er
Copy to: Docket
Base Metals
Chron.

W. R. Griswold

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

RECEIVED
OCT 6 - 1955

October 5, 1955

Re: DMEA-3741
(Lead-Silver, $21,000)
Fred E. Olsen & Ralph V. Shearer
Moly Group
San Juan County, Colo.

Memorandum

To: W. R. Griswold, DMEA

From: O. M. Bishop,
Branch of Base Metals

Subject: Review of field team report dated September 2, 1955, and received September 16, 1955

I have reviewed the subject application and the engineering-geologic report by C. M. Harrer (USBM) and J. E. O'Rourke (USGS), and agree that the available evidence does not warrant the proposed exploration.

The Moly No. 1, 2 and 3 claims have been developed by several short adits. Examination of the ore structures at the surface, and where accessible in Adits 2, 3 and 6, shows the mineralized fissures in the quartz monzonite may be classified on the basis of strike and dip into 4 groups. None of the veins were found to contain commercial quantities of mineral at any point including the intersections available for inspection.

The extent of past exploration and the limited findings bear out the conclusion of the field examiners that there is little chance for a significant discovery.

O. M. Bishop

O. M. Bishop

Copy to - Division of Minerals
Mr. Kiilsgaard, Room 5222
O. M. Bishop
Files

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

RECEIVED
OCT 6 - 1955

October 5, 1955

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(Lead-Silver, $21,000)
Fred E. Olsen & Ralph V. Shearer
Moly Group
San Juan County, Colo.

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O. M. Bishop

Copy to - Division of Minerals
Mr. Kiilsgaard, Room 5222
O. M. Bishop
Files

IN REPLY REFER TO:

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

September 21, 1955

Memorandum

To: W. R. Griswold, Defense Minerals Exploration Administration

From: W. P. Williams, U. S. Geological Survey

Subject: Review of Field Examination Report, DMEA 3741, F. E. Olson and R. V. Shearer, Moly Claims, San Juan County, Colorado (lead-silver).

In a brief report of field examination, the examining team does not make a very strong case either for or against the proposed exploration but finally concludes that there is small chance of making a significant ore discovery.

While large tonnages of ore have come from the Silverton vicinity the examining team has had the benefit of field examination and has studied the geologic conditions involved. I agree with the recommendation that the application be denied.

W P Williams

W. P. Williams

IN REPLY REFER TO:

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

September 21, 1955

Memorandum

To: W. R. Griswold, Defense Minerals Exploration Administration

From: W. P. Williams, U. S. Geological Survey

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W. P. Williams

WPWilliams:iml
G-9/21/55

cc: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
O. M. Bishop, 3617

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

RECEIVED
SEP 1 - 1955

224 New Customhouse
Denver 2, Colorado

September 12, 1955

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Field Team, Region III

Subject: Report of Examination, DMEA Docket 3741, (Lead), Fred E. Olsen and Ralph V. Shearer, Moly Group of Claims, San Juan County, Colorado.

Enclosed is the original and three copies of a Joint Engineering and Geologic report on the subject application by C. M. Harrier, Mining Engineer, and J. E. O'Rourke, Geologist, with a memorandum of transmittal and comment by John F. Shaw and E. N. Harshman.

The examining team does not believe that a significant discovery of lead ore would be found by exploration of the property and therefore recommend that the application be denied.

We concur with their recommendation.

W. M. Traver

E. N. Harshman

Enclosures

Reviewed by
DMEA ORGANIZATION CHART
9-21-55
(date)

TRANSMITTED

SEP 9 1955

RECEIVED

Building 20
Denver Federal Center
Denver 2, Colorado
September 7, 1955

Region III

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

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: John F. Shaw
E. M. Hawkman

Subject: Docket No. DMEA 3741, Moly Group of Claims, San Juan County, Colorado

Enclosed are the original and eight copies of a joint Engineering and Geologic report by C. M. Harper, Mining Engineer, and J. E. O'Rourke, Geologist covering Docket No. DMEA 3741.

Messrs. Fred E. Olsen and Ralph V. Shearer, owners of the Moly Group of Claims situated in the Animas Mining District, San Juan County, Colorado, made application for exploration assistance in the amount of $21,000.00 to explore their group of claims by 600 feet of drifting.

The applicant's claims were examined by a joint Bureau of Mines and Geological Survey team on July 20, 1955 in company with Mr. Fred E. Olsen, one of the partners.

The examiners conclude that the exploration work would not disclose a significant amount of lead, therefore, they have recommended that the application be denied. We concur in the examiner's recommendations.

West King
W. H. King
for
John F. Shaw
Supervising Mining Engineer

E. M. Hawkman
E. M. Hawkman
Member Field Team

WHK:jv

cc: 8 w/enc.
EMHawkman
DMEA 3741
Chron.

9-21-55

DMEA
Date Rec'd.

SEP 9 1955

BUREAU OF MINES
Denver, Colorado

RECEIVED
SEP 1 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

DMEA 3741

Fred E. Olsen and Ralph V. Shearer

Moly Group of Claims

San Juan County, Colorado

Lead

By

J. E. O'Rourke
Geologist
Geological Survey

C. M. Harrer
Mining Engineer
Bureau of Mines

September 6, 1955

Reviewed by
DMEA OPERATING COMMITTEE
9-21-55
(date)

RECEIVED
SEP 1 3 1955

DMEA 3741

FRED E. OLSEN AND RALPH V. SHEARER
MOLY GROUP OF CLAIMS
SAN JUAN COUNTY, COLORADO

Joint Engineering and Geologic Report

By

C. M. Harrer
Mining Engineer
Bureau of Mines

J. E. O'Rourke
Geologist
Geological Survey

DMEA 3741

FRED E. OLSEN AND RALPH V. SHEARER
MOLY GROUP OF CLAIMS
SAN JUAN COUNTY, COLORADO

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2. Pace and compass sketch of adit no. 2, Moly prospect, San Juan County, Colorado (DMEA 3741)	4
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DMEA 3741

FRED E. OLSEN AND RALPH V. SHEARER
MOLY GROUP OF CLAIMS
SAN JUAN COUNTY, COLORADO

JOINT ENGINEERING AND GEOLOGIC REPORT

By C. M. Harrer and J. E. O'Rourke

INTRODUCTION

Fred E. Olsen of Durango, Colorado and Ralph V. Shearer of Silverton, Colorado are owners of the Moly group of lode locations in the Animas Mining District of Colorado and have applied for Defense Minerals Exploration Administration assistance to explore their claims with 600 feet of drifting at an overall cost of $21,000.00.

The applicant's claims were examined by a joint Bureau of Mines and Geological Survey team on July 20, 1955 in the company of Fred E. Olsen, one of the partners.

ACKNOWLEDGEMENTS

Fred E. Olsen, one of the partners, served as guide during the examination and contributed his knowledge of the property. The team was accompanied by Glen Walker of the Bureau of Mines and Alberto Manrique, Point IV trainee.

LOCATION, TOPOGRAPHY AND PHYSICAL FEATURES

The Moly group of lode locations is on the north slope of Bear Mountain, about 5 miles west of Silverton (fig. 1) by road and in the

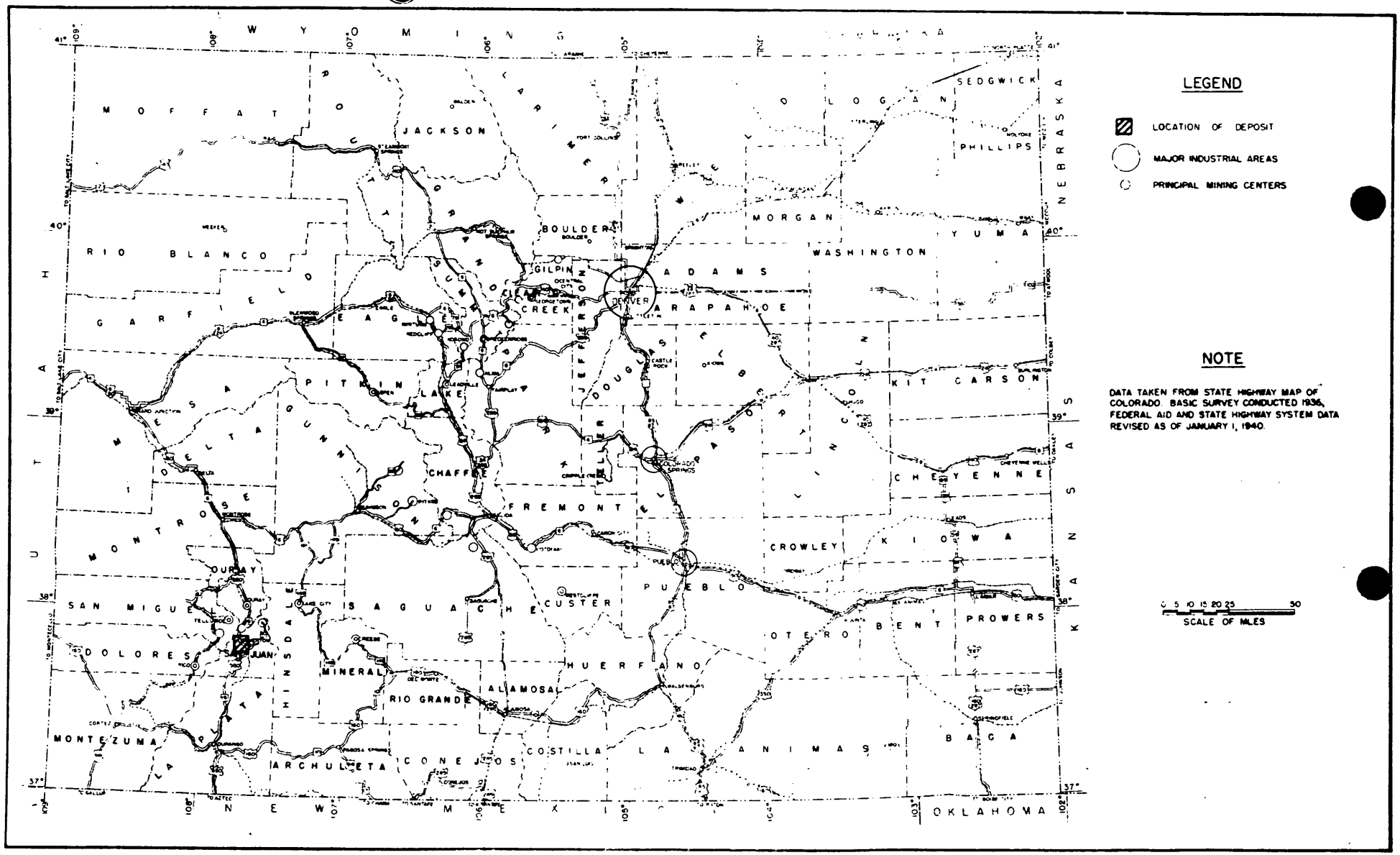


FIGURE 1 - LOCATION MAP, FRED B. OLSEN AND RALPH V. SHEARER MOLY GROUP OF CLAIMS, SAN JUAN COUNTY, COLO. DMEA 3741

vicinity of Snowslide gulch. The lowest adit is just above South Mineral Creek. The claims are in the Animas Mining District of Colorado, at altitudes of 9,500 to 11,500 feet above sea level in heavily forested and steep terrain. The various adit levels of the mine are accessible by narrow foot paths. Water is readily available from nearby South Mineral Creek. Supplies of all kinds and labor are available in Silverton.

HISTORY AND PRODUCTION

The Moly No. 1 lode was originally located by Frank Robbins as the Capital claim in 1880. The Moly claims Nos. 1, 2 and 3 were located by the applicants on September 13 and 20, 1954. Since then, there has been very little if any attempt to develop the property. The property has been operated in the past through 6 adits showing abandoned stopes, however, there is no record of any past production from the property.

OWNERSHIP

The property was originally located in 1880 by Frank Robbins as the Capital claims. Fred E. Olsen and Ralph V. Shearer now own the Moly claims no. 1, 2 and 3 by right of location. The claims are standard 600 x 1500 feet lode locations. The claims are recorded in the San Juan County Courthouse at Silverton, as follows:

Claim	Date of Discovery	Date of Certificate	Recorded Book	Recorded Page
Moly No. 1	7-20-54	8-30-54	142	241
Moly No. 2	8-28-54	9-13-54	172	492
Moly No. 3	8-20-54	10-11-54	172	516

GEOLOGY

The geologic terrain of the Silverton district is comprised of a sequence of Tertiary volcanics, Mesozoic and Paleozoic sedimentary rocks and pre-Cambrian metamorphic rocks that have been intensely faulted. The ore deposits are younger than the quartz monzonite intrusives of late Tertiary age and are found mostly in the volcanic rocks.

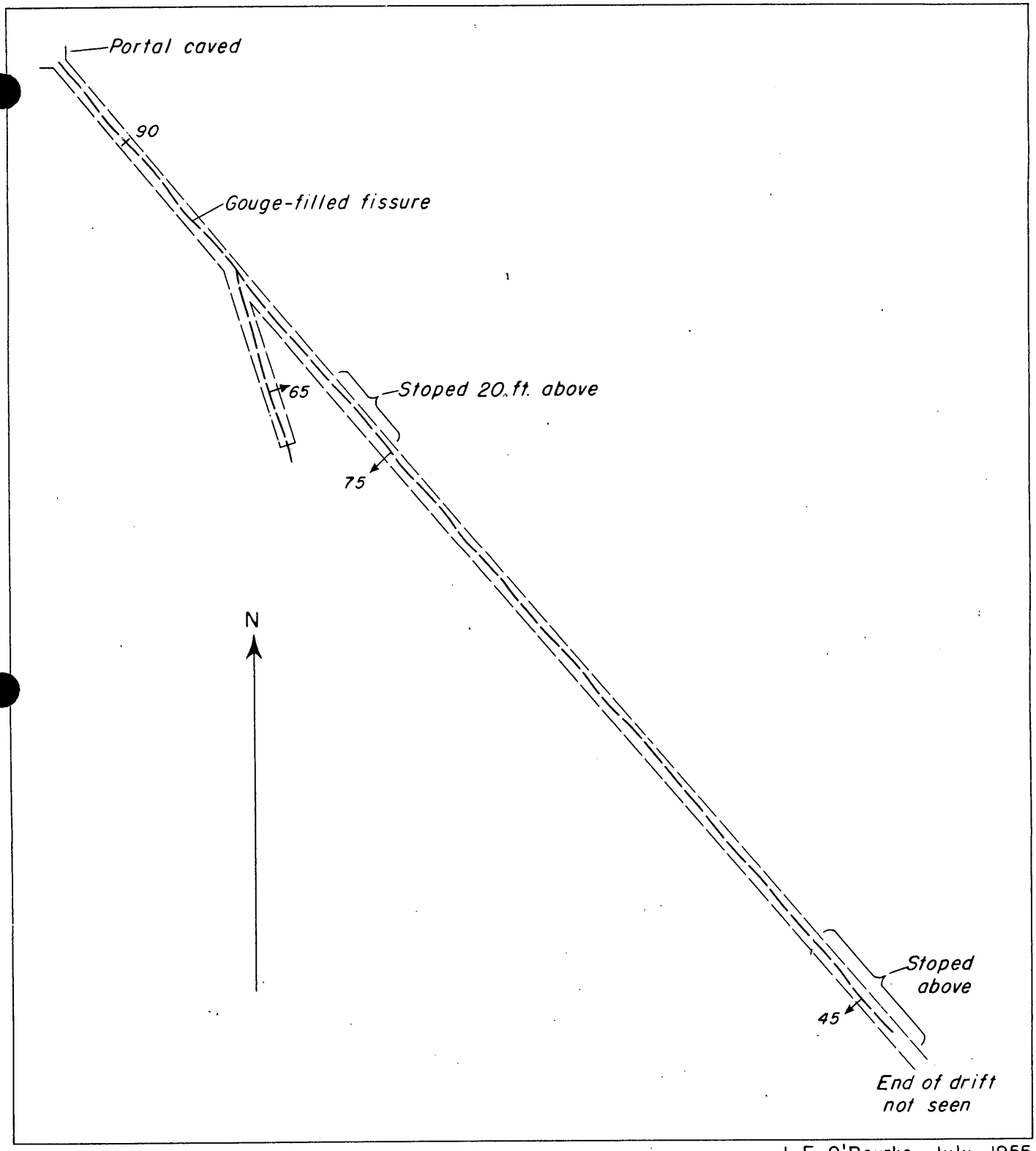
The majority of the deposits occur along veins and in lodes that follow extensive faults and sheeted zones. Ransome (U.S.G.S. Bull. 182, 1901) thought that the displacement on most of the faults does not exceed a few tens of feet, ~~but~~ although many of them have been traced along strike for several miles. Burbank (Proceedings of the Colorado Scientific Society, vol. 13, no. 5, 1933) believes that the distribution and orientation of the faults and associated veins is probably related to the subsidence of a semi-circular block about 8 miles wide bounded by normal faults of as much as two thousand feet displacement. These major faults coincide with the valleys of Mineral Creek and the Animas River.

The ore deposits on the Moly group of claims formed along fissure veins in the quartz monzonite stock that underlies much of Bear Mt., Sultan Mt., and the town of Silverton itself. Only a few deposits of any importance have been found in this intrusive. They are characterized by coarsely crystalline galena, tetrahedrite, chalcopyrite, sphalerite and pyrite in a gangue of quartz and barite. The county rock adjacent to the veins is intensely silicified and pyritized. The most productive mine was the North Star which yielded ore assaying about 40 percent lead and 70 ounces of silver.

The claims held by the applicants include several fissure veins, some of which have been explored and mined by means of adits. Six of the adits are referred to by number in the application; see also figures 2 and 3. Only adits 2, 3, and 6 are accessible, the others are caved, but the size of the dumps indicates that they are relatively short. The most extensive workings are apparently in adit no. 2, the total length of which is not known but exceeds 450 feet (figure 2). The amount of stoped ground suggests that this opening was also the most productive. The shortest adit appears to be no. 1.

The fissure veins may be grouped into four distinct sets according to their dip and strike. Fissures of the most abundant set strike N. 40° W. and usually dip vertically. They are remarkably regular and persistent, and vary only slightly in strike. Variations in dip, though not frequent, are significant. Where the fissures are vertical, they are tight, gouge-filled fractures, but where the dip flattens appreciably the fissure is filled by vein material which constituted ore in some places. In adit no. 2 a fissure of this set is a barren fracture where it dips vertically, but was stoped where it inclined 45° to 75° SW. It is a sub-economic vein 2 feet thick where it dips 60° SW in the gulch to the east. A pyritized and silicified sheeted zone 4 feet thick, striking N. 42° W. and dipping 80° SW was followed for 36 feet in adit no. 6.

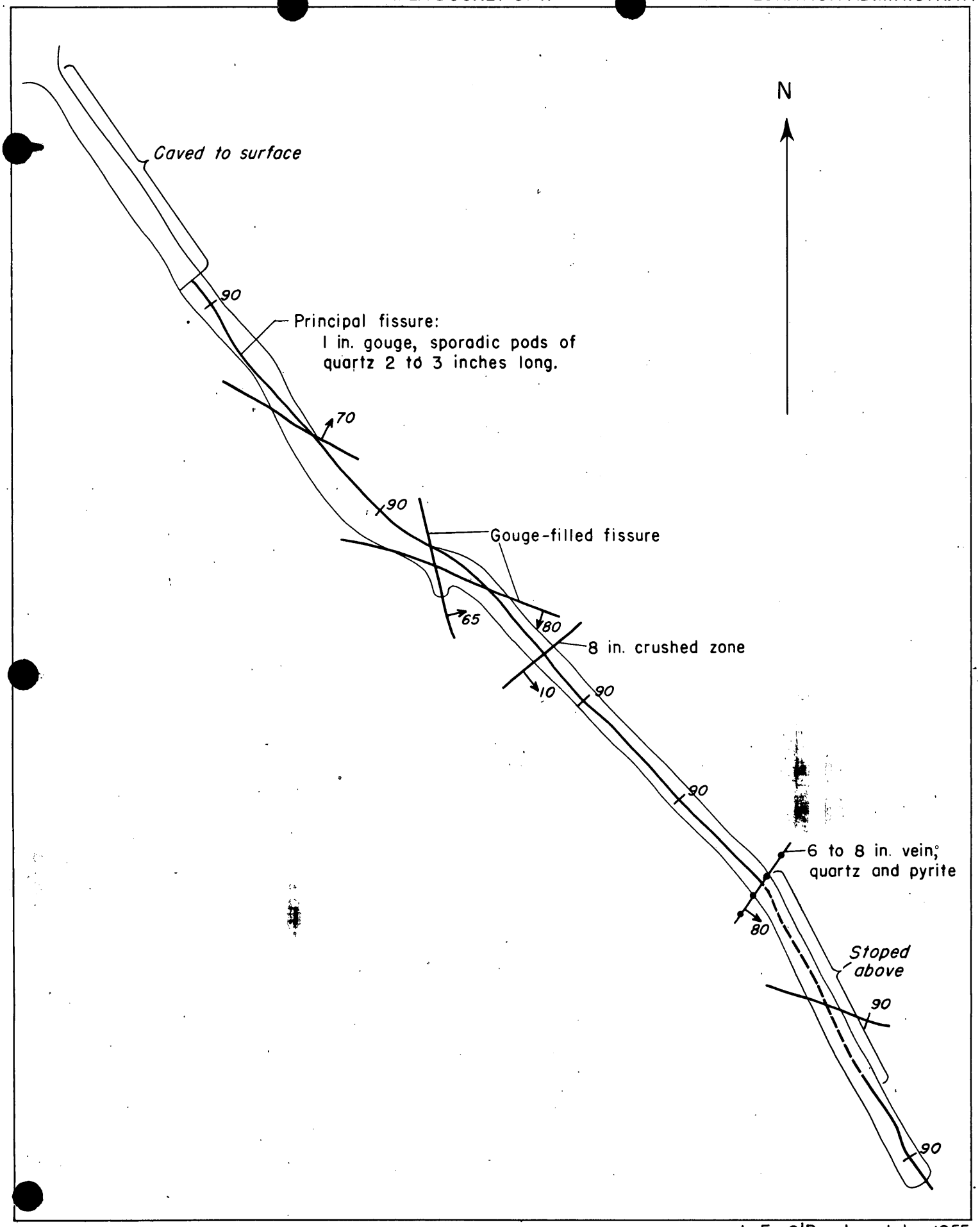
Fissures that strike N. 60° W. and dip 70° NW to 80° SE are numerous and intersect fissures of the N. 40° W. set at many places in the accessible workings. They are not known to contain veins.



J. E. O'Rourke, July 1955

FIGURE 2 – PACE AND COMPASS SKETCH OF ADIT NO. 2, MOLY PROSPECT, SAN JUAN COUNTY, COLORADO

0 50 100 FEET



J. E. O'Rourke, July 1955

FIGURE 3—PLAN OF ADIT NO. 3, MOLY PROSPECT, SAN JUAN CO., COLORADO

0 20 40 FEET

Fissure veins of the set N. 10° to 20° W. with a dip of 65° NE were apparently explored in adits 4 and 5. Veins of this set are visible in adits 2 and 3 where they were followed by short drifts branching from the main entry. The veins are usually from 6 to 8 inches wide and filled with drusy quartz and small amounts of sphalerite, galena, and pyrite.

Adit no. 1 has a bearing of S. 60° W. It is completely caved, but the dump contains less than 50 tons of rock. A low-grade vein 8 inches wide striking N. 30° E. and dipping 80° SE is exposed in adit no. 3. No other fissures with a northeast orientation were found.

The relative ages of the fissure sets is not known. At no place is one fissure seen to offset another. Ransome (p. 56) suggests that the fractures formed simultaneously and were filled by one process of vein deposition; but this explanation ignores the evidence of repeated movement in the composite veins or lodes of the district.

No ore shoots formed at any of the fissure intersections exposed in the workings. Instead, ore shoots seem to be controlled by changes in the dip or strike of the fissures.

MINABLE ORE RESERVES

There is no basis on which to calculate any ore reserves since no exposures or stope faces in ore were accessible. Many of the existing workings are caved or too dangerous to enter. No records of past production were obtainable.

PRESENT STATUS

Exploration and Development

Since their first discovery in 1880, the Moly group of claims remained as standard 600 x 1,500 feet mineral locations and were developed by a series of short adits at different horizons on the Moly No. 1 claim. No. 6 adit was driven 36 feet just above the level of South Mineral creek. No. 5 adit is about 100 feet above the level of no. 6 adit and is reported as 100 feet long. The adit was caved 20 feet from its portal and therefore is inaccessible. No. 4 adit is about 100 feet above the level of no. 5 adit and is reportedly driven 50 feet on a vein. It was caved at the portal and inaccessible. No. 3 adit (fig. 3) is about 100 feet above the level of no. 4 adit and was difficultly accessible for examination. It was reported as 250 feet long with about 70 feet of its length stoped to the surface. The level was mapped for its length of 228 feet. No. 2 adit (fig. 2) is about 100 feet above the level of no. 3 adit and is reported about 100 feet long. It was mapped for about 450 feet with the end not in sight. No. 1 adit was caved at portal but was reported to be about 25 feet long. It is about 280 feet above the level of no. 2 adit.

Mining, Milling, and other Equipment

There is no mining, milling, or other equipment on the property, and the state of disrepair of adit portals and trails indicates that no work has been done on the property for a considerable time.

APPLICANTS' PROJECT PROPOSAL AND COSTS

Fred E. Olsen and Ralph V. Shearer propose to explore their Moly group of claims with 600 feet of drifting. They propose to drift 400 feet along the shear zone exposed in the face of the no. 6 adit to explore the cross veins nos. 1, 2, and 3 they believe intersect the shear zone. In addition, they propose to drift 50 feet along vein no. 1 and vein no. 2, and 100 feet along vein no. 3. The total cost of the project has been estimated at $21,000.00, or $35.00 per foot, which is not excessive for the region.

CONCLUSIONS

The geologic interpretations of the applicant, particularly the belief that all six adits are on the Moly vein, were not verified by the examining team. It is apparent that vein intersections have not controlled ore deposition in the accessible workings, and a program to explore such intersections is not well founded. From the work already done, it is concluded that there is little chance of making a significant discovery of lead-silver ore on the property.

RECOMMENDATIONS

It is not believed that a significant amount of lead ore would be discovered by exploration on this property, and it is recommended that the application be denied.

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

224 New Customhouse
Denver 2, Colorado

September 2, 1955

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Field Team, Region III

Subject: Report of Examination, DMEA Docket 3741, (Lead), Fred E. Olsen and Ralph V. Shearer, Moly Group of Claims, San Juan County, Colorado.

Enclosed is the original and three copies of a Joint Engineering and Geologic report on the subject application by C. A. Harrier, Mining Engineer, and J. E. O'Rourke, Geologist, with a memorandum of transmittal and comment by John F. Shaw and E. N. Harshman.

The examining team does not believe that a significant discovery of lead ore would be found by exploration of the property and therefore recommend that the application be denied.

We concur with their recommendation.

W. M. Traver

E. N. Harshman

Enclosures

TRANSMITTED

SEP 9 1955

Building 20
Denver Federal Center
Denver 2, Colorado
September 7, 1955

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

Region III

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: John F. Shaw
E. N. Harshman

Subject: Docket No. DMEA 3741, Moly Group of Claims, San Juan County, Colorado

Enclosed are the original and eight copies of a joint Engineering and Geologic report by C. M. Harrer, Mining Engineer, and J. E. O'Rourke, Geologist covering Docket No. DMEA 3741.

Messrs. Fred E. Olsen and Ralph V. Shearer, owners of the Moly Group of Claims situated in the Animas Mining District, San Juan County, Colorado, made application for exploration assistance in the amount of $21,000.00 to explore their group of claims by 600 feet of drifting.

The applicant's claims were examined by a joint Bureau of Mines and Geological Survey team on July 20, 1955 in company with Mr. Fred E. Olsen, one of the partners.

The examiners conclude that the exploration work would not disclose a significant amount of lead, therefore, they have recommended that the application be denied. We concur in the examiner's recommendations.

W H King
W. H. King
for
John F. Shaw
Supervising Mining Engineer

E. N. Harshman
E. N. Harshman
Member Field Team

WHK:jw

cc: 8 w/orig.
ENHarshman
DMEA 3741
Chron.

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

DMEA 3791

Fred A. Olsen and Ralph V. Shearer

Holy Grump of Claims

San Juan County, Colorado

Lead

By

J. G. O'Toole
Geologist
Geological Survey

C. H. Meyer
Mining Engineer
Bureau of Mines

September 6, 1955

DMEA 3741

FRED E. OLSEN AND RALPH V. SHEARER
MOLY GROUP OF CLAIMS
SAN JUAN COUNTY, COLORADO

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1. Location map, Fred E. Olsen and Ralph V. Shearer, Moly group of claims, San Juan county, Colorado (DMEA 3741) 1

2. Face and compass sketch of adit no. 2, Moly prospect, San Juan County, Colorado (DMEA 3741) 4

3. Plan of adit no. 3, Moly prospect, San Juan County, Colorado (DMEA 3741) 4

DALA 3741

FRED E. OLSEN AND RALPH V. SHARRER
HOLY GROUP OF CLAIMS
SAN JUAN COUNTY, COLORADO

Joint Engineering and Geologic Report

By

C. M. Harvey
Mining Engineer
Bureau of Mines

J. A. O'Rourke
Geologist
Geological Survey

DMIA 3741

FRED E. GLEEN AND RALPH V. SHEARER
HOLY GROUP OF CLAIMS
SAN JUAN COUNTY, COLORADO

JOINT ENGINEERING AND GEOLOGIC REPORT

By C. M. Barker and J. E. O'Rourke

INTRODUCTION

Fred E. Gleen of Durango, Colorado and Ralph V. Shearer of Silverton, Colorado are owners of the Holy group of lode locations in the Animas Mining District of Colorado and have applied for Defense Minerals Exploration Administration assistance to explore their claims with 600 feet of drifting at an overall cost of $21,000.00.

The applicant's claims were examined by a joint Bureau of Mines and Geological Survey team on July 20, 1953 in the company of Fred E. Gleen, one of the partners.

ACKNOWLEDGMENTS

Fred E. Gleen, one of the partners, served as guide during the examination and contributed his knowledge of the property. The team was accompanied by Glen Walker of the Bureau of Mines and Alberto Henrique, Point IV trainee.

LOCATION, TOPOGRAPHY AND PHYSICAL FEATURES

The Holy group of lode locations is on the north slope of Bear Mountain, about 5 miles west of Silverton (fig. 1) by road and in the

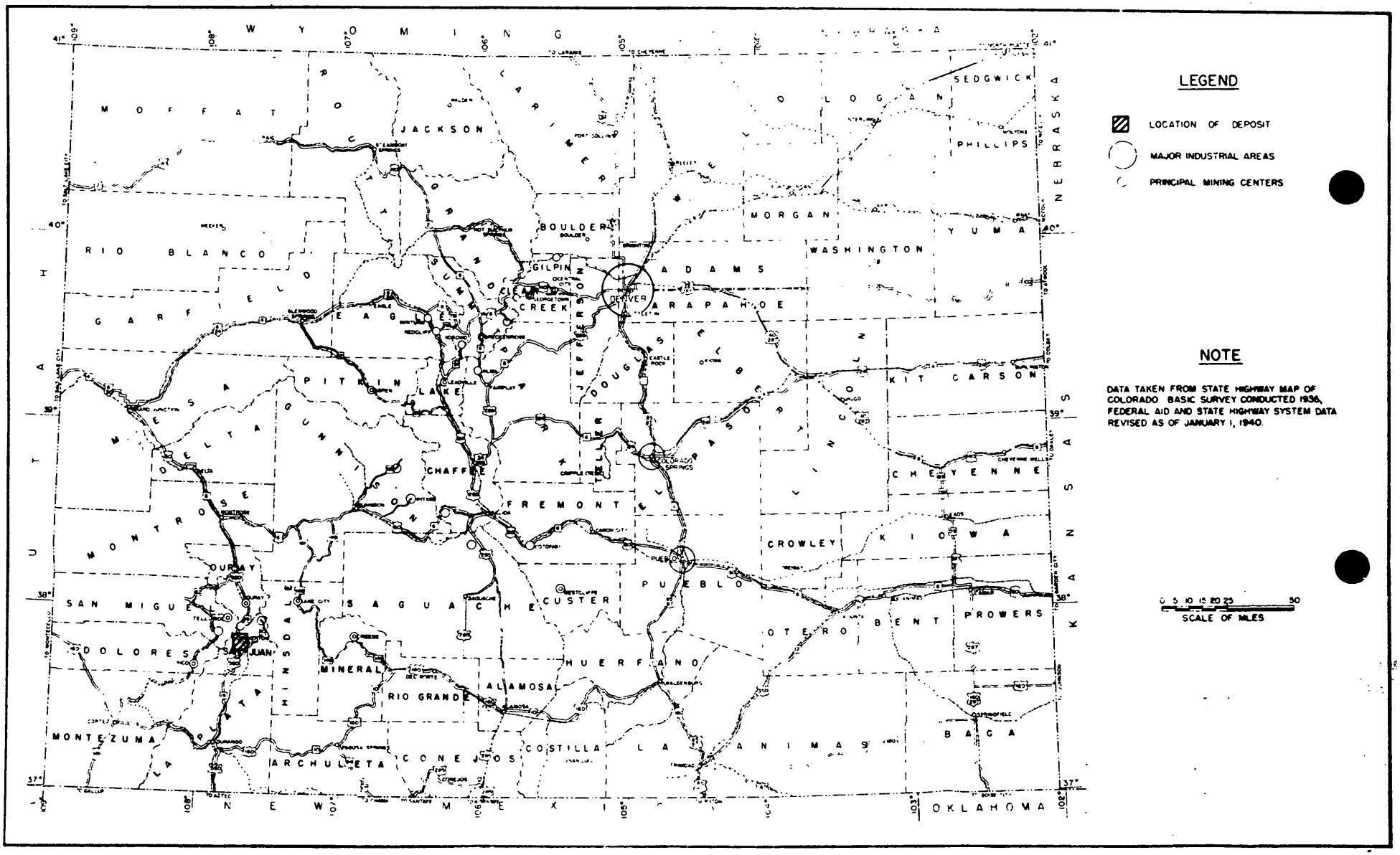


FIGURE 1 - LOCATION MAP, FRED B. OLSEN AND RALPH V. SHEARER MOLY GROUP OF CLAIMS, SAN JUAN COUNTY, COLO. DMEA 3741

RECEIVED
SEP 16 1955

vicinity of Snowslide gulch. The lowest adit is just above South Mineral Creek. The claims are in the Animas Mining District of Colorado, at altitudes of 9,500 to 11,500 feet above sea level in heavily forested and steep terrain. The various adit levels of the mine are accessible by narrow foot paths. Water is readily available from nearby South Mineral Creek. Supplies of all kinds and labor are available in Silverton.

HISTORY AND PRODUCTIONS

The Maly No. 1 lode was originally located by Frank Robbins as the Capital claim in 1880. The Maly claims nos. 1, 2 and 3 were located by the applicants on September 13 and 20, 1954. Since then, there has been very little if any attempt to develop the property. The property has been operated in the past through 6 adits showing abandoned stopes, however, there is no record of any past production from the property.

OWNERSHIP

The property was originally located in 1880 by Frank Robbins as the Capital claims. Fred S. Olsen and Ralph V. Shumate now own the Maly claims no. 1, 2 and 3 by right of location. The claims are standard 600 x 1500 feet lode locations. The claims are recorded in the San Juan County Courthouse at Silverton, as follows:

Claim	Date of Discovery	Date of Certificate	Recorded Book	Recorded Page
Maly No. 1	7-20-54	8-30-54	142	541
Maly No. 2	8-28-54	9-13-54	172	492
Maly No. 3	8-20-54	10-11-54	172	515

GEOLOGY

The geologic terrain of the Silverton district is comprised of a sequence of Tertiary volcanics, Mesozoic and Paleozoic sedimentary rocks and pre-Cambrian metamorphic rocks that have been intensely faulted. The ore deposits are younger than the quartz monzonite intrusives of late Tertiary age and are found mostly in the volcanic rocks.

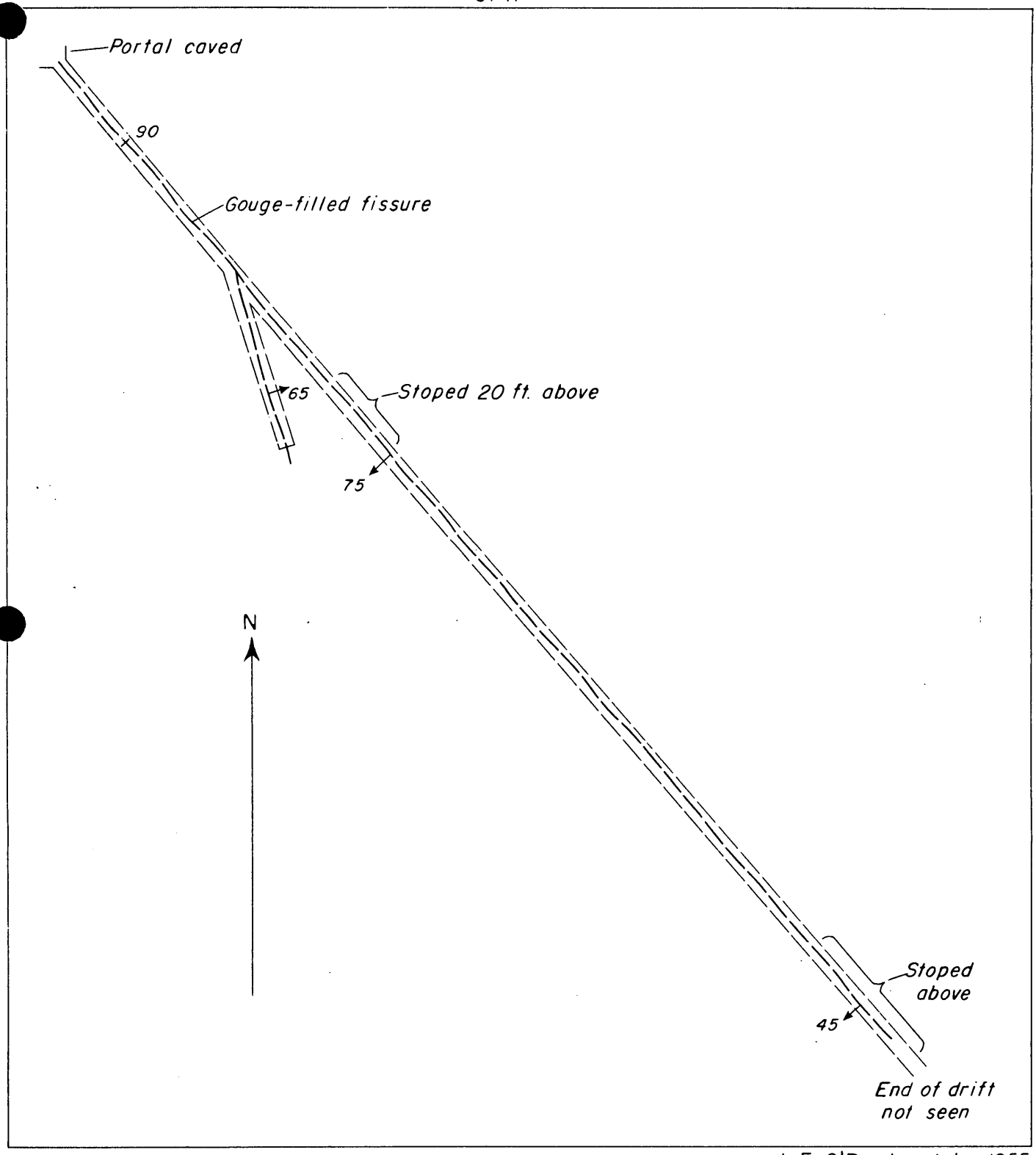
The majority of the deposits occur along veins and in lodes that follow extensive faults and sheared zones. Ransome (U.S.G.S. Bull. 182, 1901) thought that the displacement on most of the faults does not exceed a few tens of feet, but many of them have been traced along strike for several miles. Burbank (Proceedings of the Colorado Scientific Society, vol. 13, no. 5, 1933) believes that the distribution and orientation of the faults and associated veins is probably related to the subsidence of a semi-circular block about 8 miles wide bounded by normal faults of as much as two thousand feet displacement. These major faults coincide with the valleys of Mineral Creek and the Animas River.

The ore deposits on the Maly group of claims formed along fissure veins in the quartz monzonite stock that underlies much of Bear Mt., Sultan Mt., and the town of Silverton itself. Only a few deposits of any importance have been found in this intrusive. They are characterized by coarsely crystalline galena, tetrahedrite, chalcopyrite, sphalerite and pyrite in a gangue of quartz and barite. The country rock adjacent to the veins is intensely silicified and pyritized. The most productive mine was the North Star which yielded ore averaging about 40 percent lead and 70 ounces of silver.

The claims held by the applicants include several fissure veins, some of which have been explored and mined by means of adits. Six of the adits are referred to by number in the application; see also figures 2 and 3. Only adits 2, 3, and 6 are accessible, the others are caved, but the size of the dumps indicates that they are relatively short. The most extensive workings are apparently in adit no. 2, the total length of which is not known but exceeds 450 feet (figure 2). The amount of stoped ground suggests that this opening was also the most productive. The shortest adit appears to be no. 1.

The fissure veins may be grouped into four distinct sets according to their dip and strike. Fissures of the most abundant set strike N. 40° W. and usually dip vertically. They are remarkably regular and persistent, and vary only slightly in strike. Variations in dip, though not frequent, are significant. Where the fissures are vertical, they are tight, gouge-filled fractures, but where the dip flattens appreciably the fissure is filled by vein material which constituted ore in some places. In adit no. 2 a fissure of this set is a barren fracture where it dips vertically, but was stoped where it inclined 45° to 75° SW. It is a sub-economic vein 2 feet thick where it dips 60° SW in the gulch to the east. A pyritized and silicified sheared zone 4 feet thick, striking N. 42° W. and dipping 80° SW was followed for 36 feet in adit no. 6.

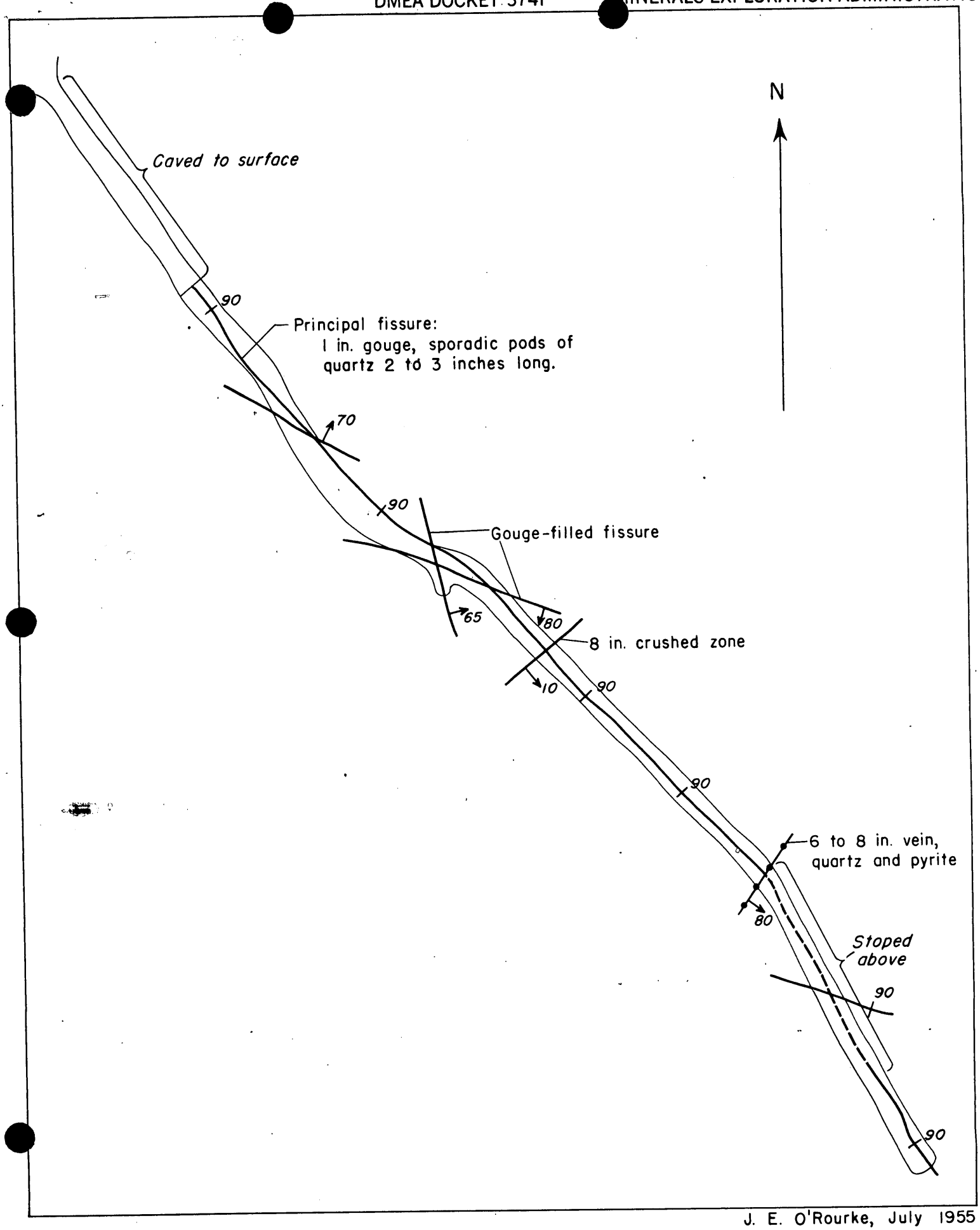
Fissures that strike N. 60° W. and dip 70° NW to 80° NE are numerous and intersect fissures of the N. 40° W. set at many places in the accessible workings. They are not known to contain veins.



J. E. O'Rourke, July 1955

FIGURE 2 – PACE AND COMPASS SKETCH OF ADIT NO. 2, MOLY PROSPECT, SAN JUAN COUNTY, COLORADO

0 50 100 FEET



J. E. O'Rourke, July 1955

FIGURE 3—PLAN OF ADIT NO. 3, MOLY PROSPECT, SAN JUAN CO., COLORADO

0 20 40 FEET

Fissure veins of the set N. 10° to 20° W. with a dip of 65° NE were apparently explored in adits 4 and 5. Veins of this set are visible in adits 2 and 3 where they were followed by short drifts branching from the main entry. The veins are usually from 6 to 8 inches wide and filled with drusy quartz and small amounts of sphalerite, galena, and pyrite.

Adit no. 1 has a bearing of S. 60° W. It is completely caved, but the dump contains less than 50 tons of rock. A low grade vein 8 inches wide striking N. 30° E. and dipping 80° SE is exposed in adit no. 3. No other fissures with a northeast orientation were found.

The relative ages of the fissure sets is not known. At no place is one fissure seen to offset another. Ransome (p. 56) suggests that the fractures formed simultaneously and were filled by one process of vein deposition; but this explanation ignores the evidence of repeated movement in the composite veins or lodes of the district.

No ore shoots formed at any of the fissure intersections exposed in the workings. Instead, ore shoots seem to be controlled by changes in the dip or strike of the fissures.

MINABLE ORE RESERVES

There is no basis on which to calculate any ore reserves since no exposures or stope faces in ore were accessible. Many of the existing workings are caved or too dangerous to enter. No records of past production were obtainable.

PRESENT STATUS

Exploration and Development

Since their first discovery in 1880, the Moly group of claims remained as standard 600 x 1,500 feet mineral locations and were developed by a series of short adits at different horizons on the Moly No. 1 claim. No. 6 adit was driven 36 feet just above the level of South Mineral creek. No. 5 adit is about 100 feet above the level of no. 6 adit and is reported as 100 feet long. The adit was caved 20 feet from its portal and therefore is inaccessible. No. 4 adit is about 100 feet above the level of no. 5 adit and is reportedly driven 50 feet on a vein. It was caved at the portal and inaccessible. No. 3 adit (fig. 3) is about 100 feet above the level of no. 4 adit and was difficultly accessible for examination. It was reported as 250 feet long with about 70 feet of its length stoped to the surface. The level was mapped for its length of 228 feet. No. 2 adit (fig. 2) is about 100 feet above the level of no. 3 adit and is reported about 100 feet long. It was mapped for about 450 feet with the end not in sight. No. 1 adit was caved at portal but was reported to be about 25 feet long. It is about 280 feet above the level of no. 2 adit.

Mining, Milling, and other Equipment

There is no mining, milling, or other equipment on the property, and the state of disrepair of adit portals and trails indicates that no work has been done on the property for a considerable time.

APPLICANTS' PROJECT PROPOSAL AND COSTS

Fred E. Olsen and Ralph V. Shearer propose to explore their Moly group of claims with 600 feet of drifting. They propose to drift 400 feet along the shear zone exposed in the face of the no. 6 adit to explore the cross veins nos. 1, 2, and 3 they believe intersect the shear zone. In addition, they propose to drift 50 feet along vein no. 1 and vein no. 2, and 100 feet along vein no. 3. The total cost of the project has been estimated at $21,000.00, or $35.00 per foot, which is not excessive for the region.

CONCLUSIONS

The geologic interpretations of the applicant, particularly the belief that all six adits are on the Moly vein, were not verified by the examining team. It is apparent that vein intersections have not controlled ore deposition in the accessible workings, and a program to explore such intersections is not well founded. From the work already done, it is concluded that there is little chance of making a significant discovery of lead-silver ore on the property.

RECOMMENDATIONS

It is not believed that a significant amount of lead ore would be discovered by exploration on this property, and it is recommended that the application be denied.

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

224 New Customhouse
Denver 2, Colorado

April 19, 1955

Docket

Betty

Memorandum

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

From: DMEA Field Team, Region III

Subject: DMEA-3741 (Lead), Fred B. Olsen and Ralph V. Shearer, Partnership (Holy group of claims), San Juan County, Colorado

Enclosed are copies of the subject application, its transmittal from the Chairman of the Operating Committee with memoranda from J. H. Hedges, USBM, and E. L. Newcomb, USGS.

As noted by the Chairman, field investigation appears to be the best means of determining the program intended by the applicant, the funds involved and its merit. After the field investigation is made, suitable covering reports will be in order.

W. M. TRAVER,
W. M. Traver

E. N. Harshman
E. N. Harshman

Enclosures

WMT:sr

cc Chairman Op. Comm. (2)
Subject
Chron

File Copy
Surname
J. W. Alt
Kilsgaard
Hedges
Selfridge
Fergusson

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

APR 15 1955

Messrs. Fred E. Olsen and
Ralph V. Shearer
Box 425
Durango, Colorado

Re: Docket No. DMEA-3741 (Lead)
Fred E. Olsen and Ralph V.
Shearer, Partnership
Moly Group of Claims
San Juan County, Colorado

Gentlemen:

Your application for Government assistance to explore your property has been reviewed by the Base Metals Division of the Defense Minerals Exploration Administration and has been referred for a field examination to:

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

The Regional Office will contact you at an early date as to when 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

JWAlt/er 5/14/55

Copy to: Docket
Admr R. File
Op. Committee
Base Metals
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Region III (2)
Chron.

R.C.H.

File Copy
Surname
J. W. Alt
Williams
Selfridge
H. Johnson

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

APR 15 1955

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

Re: Docket No. DMEA-3741 (Lead)
Fred E. Olsen and Ralph V.
Shearer, Partnership
Moly Group of Claims
San Juan County, Colorado

Dear Mr. Traver:

A review of the cited application, of which you have a copy, indicates that an examination of the property is necessary.

The application is, as you realize, poorly prepared and much information is necessary which probably only the Field Team can obtain.

In the event that you consider this application favorably, a property map showing the location of the claims and where the work is to be done will be required.

For your information, we are enclosing the memorandums from J. H. Hedges, USBM, dated April 4, 1955 and E. L. Newcomb, USGS, dated April 6, 1955.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GLB)

Enclosures

APPROVED:

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

Thor H. Kiilsgaard (GLB)
Member, Geological Survey

JWAlt/er 5/14/55
Copy to: Docket
Admr R File
Op. Committee
Base Metals
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Chron.

R.C.B.

IN REPLY REFER TO:

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR - 7 1955

April 6, 1955

Re: DMEA-3741
F. E. Olsen and
R. V. Shearer
(Moly Claims)
San Juan Co., Colo.
$22,120
Lead-Silver

Memorandum

To: W. R. Griswold, Defense Minerals Exploration Administration

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

Subject: Review of application

The operator has proposed to drift 600 feet on a series of parallel veins which are reported to carry substantial amounts of lead and silver ore.

We do not have any information on the Moly claims in our files. Although the operator's claims are in the favorable San Juan area, there is insufficient information in the application to justify a field referral at this time.

I recommend the applicants be requested to submit more substantiating data, i.e. old reports, mine maps, assay certificates or records of ore shipments. If additional information is provided by the operators, further consideration of a possible field examination should be made.

E. L. Newcomb
E. L. Newcomb

IN REPLY REFER TO:

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

April 6, 1955

Re: DMEA-3761
F. E. Olsen and
R. V. Shearer
(Moly Claims)
San Juan Co., Colo.
$22,120
Lead-Silver

Memorandum

To: W. H. Griswold, Defense Minerals Exploration Administration

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

Subject: Review of application

The operator has proposed to drift 600 feet on a series of parallel veins which are reported to carry substantial amounts of lead and silver ore.

We do not have any information on the Moly claims in our files. Although the operator's claims are in the favorable San Juan area, there is insufficient information in the application to justify a field referral at this time.

I recommend the applicants be requested to submit more substantiating data, i.e. old reports, mine maps, assay certificates or records of ore shipments. If additional information is provided by the operators, further consideration of a possible field examination should be made.

E. L. Newcomb

ELNewcomb:hlm
G-4/6/55

Copy to: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
O. M. Bishop, 3617 Interior

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

ace

April 4, 1955

Memorandum

To: W. R. Griswold
Chief, Base Metals Division, DMEA

From: J. H. Hedges, Bureau of Mines

Subject: DMEA-3741 (Lead) Fred E. Olsen and Ralph V. Shearer, Moly Group, San Juan County, Colorado

Data submitted with the application are too meager to indicate the merits of the proposed project. It is doubtful if the applicants are competent to provide additional information needed.

I suggest referral to the field team for review and on-site examination if they consider it necessary to supplement information they may have in the field office.

J. H. Hedges
J. H. Hedges

Copy to: Division of Minerals
O. M. Bishop, Room 3617
J. H. Hedges
F I L E S

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

April 4, 1955

Memorandum

To: L. M. Griswold
Chief, Rose Bowl Division, FMSA

From: J. H. Hedges, Bureau of Mines

Subject: BMA-3/11 (Lease) Fred L. Olson and Ralph V. Shearer, Holy Group, San Juan County, Colorado

Data submitted with the application are too meager to indicate the merits of the proposed project. It is doubtful if the applicants are competent to provide additional information needed.

I suggest referral to the field team for review and on-site examination if they consider it necessary to supplement information they may have in the field office.

J. H. Hedges

J. H. Hedges

Copy to: Division of Minerals
C. H. Bishop, Room 3617
J. H. Hedges
F I L E

March 30, 1955
Subject: DMEA 3741
Re: Exploration Assistance
Moly Lode No. 1; Moly
No. 2; and Moly No. 3

Messrs. Fred E. Olsen
and Ralph V. Shearer
Box 425
Durango, Colorado

Gentlemen:

The receipt of your application dated March 21, 1955 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA 3741 and referred to the Base Metals 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

March 30, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

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 III.

DMEA - 3741 Fred E. Olsen and Ralph V. Shearer

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

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

224 New Customhouse
Denver 2, Colorado

March 24, 1955

Memorandum

To: Secretary to the Operating Committee, Defense Minerals Exploration Administration

From: Executive Officer, DMEA Field Team, Region III

Subject: Application for DMEA Assistance (Lead), Fred E. Olsen and Ralph V. Shearer, partnership, Moly group of claims, San Juan County, Colorado

Enclosed are the original and two copies of the subject application for Government assistance under the DMEA program in the amount of $21,150.00. One copy of the application has been retained in this office.

W. M. Traver

W. M. Traver

Enclosures

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

/DMEA
Date Rec'd.

MAR 22 1955
BUREAU OF
Denver, Colo.

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. 3741
Metal or Mineral Lead, Silver
Date Received 3-28-55
Estimated Cost $22,120
Participation (Government 75%)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 28 1955

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: Fred E. Olsen, Box 425, Durango Colorado.
Ralph V. Shearer, Silverton, Colorado.
Owners and Partners of Moly Lode-Moly No. 2, and Moly No.3

(*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 Owners by Location. Moly Lode, Moly No. 2, and Moly No. 3. Located about 4 miles S.W. of Silverton Colorado on So. Mineral Creek.

(*b*) State any mine name by which the property is known. Moly Lode, Moly No. 2, and Moly No. 3.

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

(*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 None

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice. Moly Lode, Bk 142-pp. 241. Moly 2, Bk 172-pp492. Moly No. 3, Bk. 172, pp. 516

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. (See separate sheet)

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

(*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. (Separate sheet)

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points. 4 Mi. to Silverton Colo., Good road. Supply Point.

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

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Fred E Olsen Bx 425 Durango Colo
Ralph V Shearer Silverton Colo

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

(*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. (Separate sheet)

(*c*) The work will start within 30 days and be completed within 24 Mo 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. (Separate sheet)

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.). Contract Drifting at $15.00 per ft. (5 X 7 drift)

(*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. (Separate Sheet)

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

(*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. (Separate sheet)

(*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. (Separate sheet)

(*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. Separate Sh.

(*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. (Separate Sheet)

(*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. (Separate sheet)

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 [X] Use of equipment owned by you [X] Other Work

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 May 21, 1956

Fred E. Olson
(Applicant)

By Ralph V. Keane

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

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

(4)-A MOly No. 1 Lode-Moly N. 2, and Moly No. 3, With map of Claims, Showing Old workings. Formation is Monzanite Granite, Moly vein is 3½ feet wide. Pay Streak-6 inches to 14 inches where opened on Tunnel No. 1. Was Staked in 1880 under name of Capital. Was held until 1952 by original Owners. Tunnel No. 2-300 feet lower, Estimated 300 foot drift not accessible. Tunnel No. 3- is loo feet lower than (Tunnel No. 2) Drift in 200 feet. Stoped 100 feet long.-4 feet wide plus-to Surface. Tunnel No. 4-100 feet Lower than (Tunnel No. 3) drift in estimate 50 feet-not accessible. Tunnel No. 5-100 feet lower than (Tunnel No. 4) Drift 100 feet, Estimated not accessible. Tunnel No. 6, 150 feet lower than(Tunnel No. 5) Drift in 40 feet cross cut accessible.

(4)-B Production not known-Possibility of Ore Good-Due to cross veins.

(4)-C Formation-Granite-Near Vertical Vein. Four Cross Veins 3½ to 8 feet wide. From Old report-Cross Vein No. 3-8feet wide. Pay Streak 4 feet, 70% Lead-30 oz Silver. Cross Veins No. 1 and No.2, 45% Lead-25 oz Silver. These Cross Cut veins are shown on Map of Claims.

(4)-D 4 miles to Silverton Colorado. Good road to Tunnel No. 6.

(4)-E Ample Man Power-Water and Power, Materials Gas Power now-Electrical Power-1 mile from Lower Tunnel.

(5)-A Mineral-to Explore-Lead-Silver.

(5)-B -On Map of Claims we plan to Drift of Moly Vein 400 feet, or to Cross Cut Vein No. 1. Drift 50 feet on Cross Veins 1 and 2-Drift 100 feet on Cross vein No. 3. The Exploration Work marked in Red on Map of Claims.

(5)-D Fred E. Olsen has worked in Silverton Telluride Mines-Twenty years as Miner, General Mine and Mill Works, Heavy Construction Foreman-Western Colorado Power Co. Fred E. Olsen will Supervise work. C.W. Fleming of Silverton, Consultant.

(6)-A Drifting will be by Contract @$15.00 per foot. Signed Contract not available.

(6)-B Two laborers @ 12.50 per 8 hr. Supervisor by Month at $500.00 per Month.

(6)-C Powder $23.70 per one hundred pounds-Fuse 3,00ofeet $40.00; Caps per box $2.70; 2 inch Air Pipe $50.00 per 100 feet; Rails $140.00 per ton; Gasoline-Oil.

(6)-D Air Compressor-Drills-Machines-Bits Furnished complete-by Owners.

(6)-E Cabin needs new roof-repairs-$50.00-Track and Foot bridge across creek $100.00.

(6)-F, New Building-12X18 feet. Frame-iron roof. To be supplied by owners.

(6)-G Workmen Compensation-$120.00

(6)-H Contingencies-$1 .00, 00

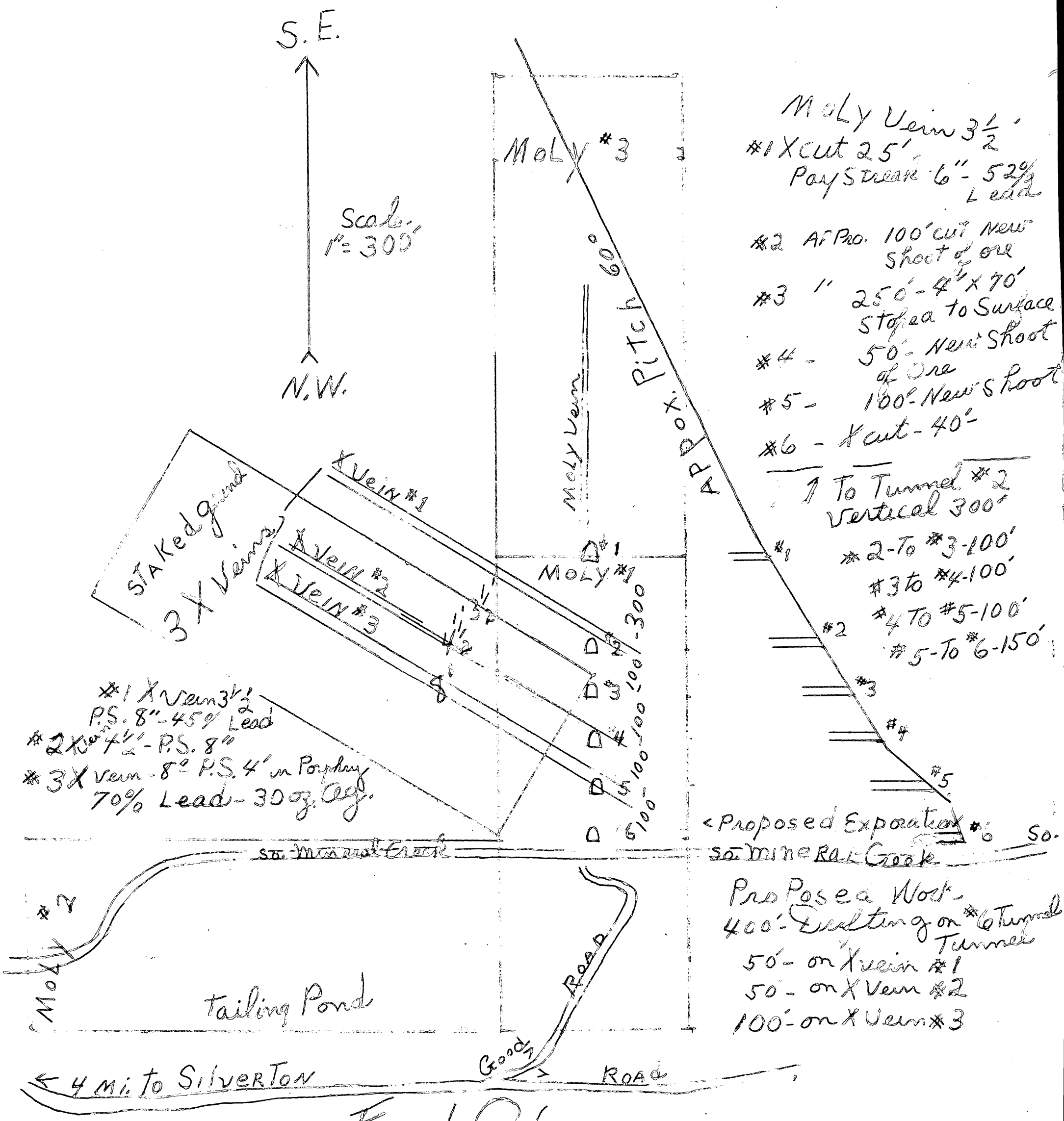
(7)-A Yes-

(7)-B-Money-Use of Equipment owned by Applicant.-Compressor-Mine cars-Pickup Truck-Drilling Machine-Complete.

(6)- Cost of Drifting 600 feet at $30.00 per ft.	$18,000.00	
800 feet of 2 inch pipe and fittings at $50.00 per hundred feet	480.00	400
1600 feet of Track Rails at $140.00 per ton	200.00	
Rental on equipment furnished, per Month	150.00	900
Powder-Fuse-Caps, Estimate per Month	200.00	1200
Gasoline-Oil-Per Month	200.00	1200
	~~21,150.00~~	

6 months'

Compensation Ins.	120
Contingencies	100
600' drifting @ 30	18000
800' pipe @ $50 per hundred ft	400
Rails	200
Equipment rental, 6 months @ 150	900
Explosives 6 month @ 200	1200
Gas & Oil 200 @ 6 month	1200
	22120



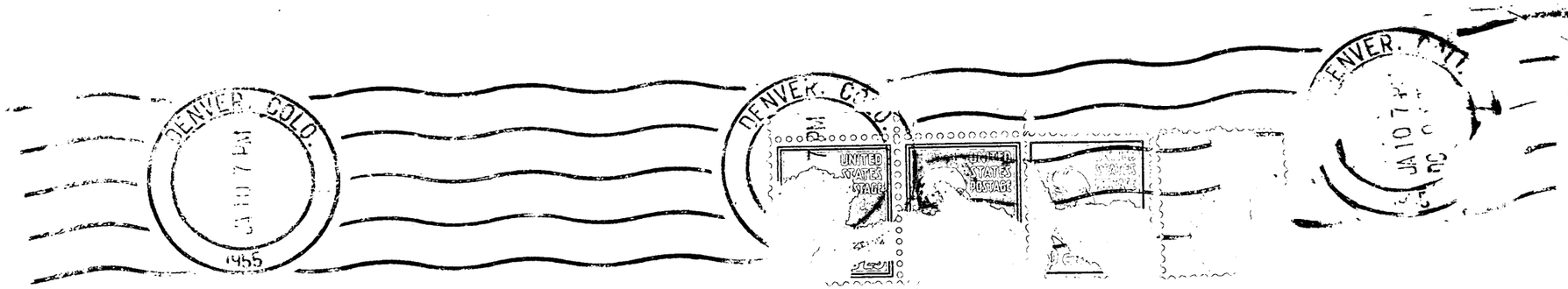
Fred Olsen
Ralph S Pearce
Owners
Silverton Colo

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
MAR 28 1955

~~BUREAU OF MINES~~

OFFICIAL BUSINESS

~~221 NEW CUSTOMHOUSE~~
~~DENVER 2, COLORADO~~



Map

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

map