DMA Form 1

DEFENSE MINERALS ADMINISTRATION
Control Slip

CONTROLLED DOCUMENT

DMA Docket No. 3752

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Action on this document is recorded and controlled in Reports and Records Branch. Any movement of this document between divisions or offices of DMA or movement outside DMA must be reported to the Reports and Records Branch. Actions taken that affect status of the case must also be reported.

Cys to USBM and USGS.

This document has been recorded as

Exploration

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.

Routing Slip

To:	500	Date	4/5/55
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UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION 500
WASHINGTON 25, D. C.

November 13, 1956

Memorandum

To: Associate Solicitor, Division of Mineral Resources

From: Chief, Base Metals Division

Subject: Docket No. DMEA-115, Lupton Mining Company, Grizzly Mine, Clear Creek County, Colorado, Contract No. Idm-86, Lead-Zinc.

We refer you to the memorandum dated November 6, from W. M. Traver, Executive Officer, DMEA Field Team, Region III, in which various legal questions are raised.

The legal document referred to is contained in Docket No. DMEA-3752, a denied application.

May we have your opinion.

Sincerely yours,

W. R. Griswold

WRG/er

Copy to: Docket (2)
Base Metals (2)
Chron.

File Copy
Surname
Griswold
Kilsgaard
Gubery
Selfridge
Fishman

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

APR 2 8 1955

Mr. H. A. Eggert, Vice President
and Treasurer
Greater Minerals Corporation
1504, at 111 West Monroe Street
Chicago 3, Illinois

Re: Docket No. DMEA-3752 (Lead-Copper)
Greater Minerals Corporation
Grizzly Mine
Clear Creek County, Colorado

Dear Mr. Eggert:

Your application for aid for an exploration project and other data available to us in Washington concerning the subject property have been reviewed.

We must point out that the Defense Minerals Exploration Administration has already participated, to a substantial degree, in an exploratory program on this mine. Between the years 1951 and 1954 exploration work was carried on with Government assistance.

From time to time, as work progressed, various amendments were made to the original contract to permit of a broader and more comprehensive work program. Such work consisted of drifting, raising, crosscutting, road improvement, mine rehabilitation, etc. In view of such participation, and in view of the limited results obtained from the expenditures which have been made, we feel that further Government participation in the proposed program is not justified. Therefore, we regret to advise you 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,

C. O. Mittendorf

Administrator

WRGriswold/er/bjl
(rewritten 4/20/55, 4/22/55, & 4/26/55)

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

R.C.H.

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

April 20, 1955

Memorandum

To: The Administrator

From: Chief, Base Metals Division

Subject: Docket No. DMEA-3752, Greater Minerals Corporation, Grizzly Mine, Clear Creek County, Colorado, Lead-Copper.

This property has already had a DMEA project (contract, two amended contracts and a total of 17 amendments).

Government disbursements to date have been near $38,000.00, and it is not believed that further DMEA aid is warranted. Obviously, such a possibility could not be ruled out, should a worthy project be presented, but the present proposal is little other than routine mine development work.

Copy

W. R. Griswold

W. R. Griswold

File Copy
Surname

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Gehan

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

500

April 20, 1955

Memorandum

To: The Administrator

From: Chief, Base Metals Division

Subject: Docket No. DMEA-3752, Greater Minerals Corporation, Grizzly Mine, Clear Creek County, Colorado, Lead-Copper.

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W. R. Griswold

W. R. Griswold

WRG/er

Copy to: Docket
Base Metals
Chron.

Project Summary Report

By: Frank E. Johnson

Comments by: W. R. Griswold

Dmel A-3752

March 1st, 1955

RMEA No. 115 (Lead-Zinc)
Contract No. Idm-86
Grizzly Mine
Clear Creek County, Colorado

Lupton Mining Company
Clear Creek County
Colorado

Operator's Property Rights (Owner)

Federal Lien partially discharged

Contract:

Work Authorized:

920 ft. (tunnel) crosscutting and drifting @ $25.00 per ft.		$23,000.00
Road improvement (1/2 mile)		2,000.00
Government's participation $12,500.00	Total	$25,000.00

Amendments:

No. 1 - 6/7/51 - Provides for additional equipment - Chain saw - $100.00
(No increase in total cost of project).

No. 2 - 6/30/51 - Provides for rental of additional equipment - one trammer @ $150.00 per month.
(No increase in total cost of project).

No. 3 - 12/26/51 - Allows for bookkeeper.
(No increase in total cost of project).

Amendments Continued:

No. 4 - 1/21/52 - Adds 226 ft. of raise and increases cost to $40,000.00

No. 5 - 2/15/52 - Changes equipment provisions and wage schedules.
(No increase in total cost of project).

No. 6 - 3/11/52 - Allows 150 ft. of diamond drilling @ $2.50 per ft.
(No increase in total cost of project).

No. 7 - 4/29/52 - Changes diamond drilling to 300 ft. and allows cost of core boxes.
(No increase in total cost of project).

No. 8 - 4/29/52 - Increases work and cost as follows:

1,250 ft. crosscutting and drifting on San Juan Level
250 ft. raising from San Juan Level
Assaying
Road improvement (1/2 mile)

Government participation $25,000.00 - Total cost $50,000.00

No. 9 - 6/16/52 - Extends time of completion from 1 year to 16 months.
(No increase in total cost of project).

No.10 - 7/14/52 - Provides for stoper @ $544.68.
(No increase in total cost of project).

No.11 - 7/30/52 - Provides additional funds to complete work. Total cost increased to $56,075.00 and Government's participation to $28,037.50.

No.12 - 10/6/52 - Amended contract converts remaining work to unit-cost basis. (put on short form contract) and provides additional funds -

Government's participation $33,180.00 - Total cost $66,361.00

Amendments Continued:

No. 13 - 10/22/52 - Changes wage and salary schedules and allows sub-level drifting.
(No increase in total cost of project).

No. 14 - 10/22/52 - Changes equipment provisions.
(No increase in total cost of project).

1/5/53 - Second Amended contract (new long form contract). Adds 500 ft. drifting on San Juan Level @ $32.00 per ft. - $16,000.00 - completion of other levels, and revokes second contract executed by Region VI on 11/24/52.

No. 1 - 7/8/53 - Grants recess until 6/17/53.

No. 2 - 8/13/53 - Extends completion date to 2/1/54.

No. 3 - 12/24/53 - Permits sublease drifting in lieu of drifting.

Previous work (Excluding that provided for in Amendment No. 12		$56,075.00
<u>Work under Amendment No. 12</u>		
Raise 86 ft. @ $55.00 per ft.	$4,730.00	
Drift San Juan Level 98 ft. @ $32.00 per ft.	3,136.00	
Repair raise - 100 ft. @ $5.00 per ft.	500.00	
Additional drifting on San Juan Level - 60 ft. @ $32.00 per ft.	1,920.00	10,286.00
<u>Additional work 2nd Amended Contract</u>		
Drifting San Juan Level 500 ft. @ $32.00 per ft.		$16,000.00
Government's participation $41,180.50	Total	$82,361.00

Work Completed: (as of 2/1/53)

Original contract (Excluding Amendment No. 12)

Drifting 1,146 ft. @ $31.45 per ft.	$36,041.19
Raising 164 ft. @ $106.84 per ft.	17,522.03
Drilling 299.3 ft. @ $2.50 per ft.	768.75
Road repair	579.00
Equipment purchased	501.80
Balance after settlement for joint owned interest - Total	$55,412.77

Work from September 1, 1953

Drifting 467 ft. @ $32.00 per ft.		$14,944.00
Raising 86 ft. @ $55.00 per ft.		4,730.00
Raise repair 100 ft. @ $5.00 per ft.		500.00
	Total	$20,174.00
Government's participation $37,793.38	Total	$75,586.77

Audit:

Report of Review dated 9/15/54

Actual cost	$55,207.02
Unit cost	20,379.75
Government's participation $37,793.38	$75,586.77

Certification of Discovery: Dated 3/13/53

Issued before completion of project.

Reserves:

Estimated at 6,871 Short Tons - 2.3 wide 0.3 oz. Au, 4.1 oz. Ag, 14.9% Pb, 1.8% Zn, 0.5% Cu.
Modify 30% for dilution in mining.
Additional 2,000 tons - approx. same grade.

Correction for dilution - 10,157 Short Tons - 0.2 oz. Au, 2.8 oz. Ag, 10.1% Pb, 1.2% Zn, 0.3% Cu.
Additional 3,000 tons - corrected for dilution.

Ore shipments made - royalties paid to April 1, 1953 -	$ 959.41
6/30/53 - Production 1,047.38 tons	$119,688.22
Royalties paid	$ 5,748.83

Comments: April 26, 1955

The original contract, dated June 7, 1951, was for a total of $25,000.00 and allowed for 920 feet of crosscutting and drifting, plus half a mile of road improvement. Essentially it provided for exploration for an ore body which had been stoped in the upper mine levels. The San Juan level, 233 feet lower than the previous lowest level, was to be driven to the projected ore position.

On January 21, 1952, since no ore had sofar been found by the San Juan level work, an amendment was given providing for a 226-ft. raise. This raise was supposed to communicate with a short winze from the lowest level above. Good ore was reported as having been encountered in this raise about 50 feet above the San Juan level.

From that point the occurrence of ore in the raise seems to have been of an intermittent nature. The various monthly reports of the Operator are at times contradictory and the Field Team's monthly reports deal largely with financial matters.

The progress of the raise was painfully slow, inefficient, and expensive, until work was finally placed on a unit cost base. The raise was completed in nine months.

During the progress of the raise, and after its completion, additional drifting was done on the San Juan level.

It would appear that a certain amount of sublevel drifting was also done, as allowed by Amendment No. 13. We cannot understand why this sublevel drifting should have been allowed under the contract since it appears obvious that it was done to facilitate the extraction of ore, rather than having much exploratory value.

The over-all results of the project were not impressive. About 320 feet of ore length was found on the San Juan level but apparently the ores are lensy. The field states, "ore . . . occurs in a series of discontinuous deposits along a complex fault structure in pre-Cambrian granite, gneiss and schist."

A stope from the 150 sublevel, when 44 feet above the drift floor, apparently went barren. A stope was also carried up above the San Juan level on the ore exposure there to the sublevel above.

The Field Team final report, section "Final Geologic Report", by D. R. MacLaren, U.S.G.S. states: "It is recommended that no additional Government funds be spend on this project."

The final ore reserve figure, (measured and inferred) is given as 36,000 tons, 0.13 oz Au., 2.54 oz Ag., 6.56% Pb., 0.86% Zn, 0.26% Cu.

The statement is made that "this ore will be mined only when the price of lead is considerably more favorable than at present". (Current lead market is 15¢ per lb.)

The cited ore reserve grade is misleading since there is considerable dilution in mining.

Of the above ore, 9,900 tons have been mined and milled.

The final Field Team Report, section "Final Engineering Report", by Carl Belser, USBM, states: ". . . it is recommended that the project should not be considered for further exploration with Government financial assistance."

To sum up, we see little reason for further Government participation on exploration work at this mine. It is quite possible that other erratic ore occurrences might be found, but it seems illogical to believe that any ore bodies which might be encountered would be of any significant size, or that they would warrant the expenditure involved.

W. R. Griswold
W. R. Griswold

FEJohnson and WRGriswold/er 4/26/55

Copy to: Docket
F. E. Johnson
Base Metals
Chron.

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

224 New Customhouse
Denver 2, Colorado

April 19, 1955

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA Application, (Lead-Copper), Greater Minerals Corporation, Grizzly Mine, Clear Creek County, Colorado,

and

Docket DMEA 115 (Lead-Zinc), Second Amended Contract Idm-E6, Lupton Mining Company, Inc., Grizzly Mine, Clear Creek County, Colorado

In conjunction with material forwarded by our memorandum of March 25, 1955, we are enclosing one copy each of the following material:

1. Memorandum dated April 18 to T. A. Christensen recommending final payment under Docket DMEA 115, Contract Idm-E6.

2. Letter from the operator dated April 9, 1955 authorizing that monies due him be applied as a credit to royalties presently due on past production.

3. Letter to the operator dated April 19, 1955 advising him of the balance of Government participation in the cost of work performed under Contract Idm-E6.

We now withdraw the recommendations in the next to the last paragraph of our memorandum of March 25, 1955.

W. M. Traver

W. M. Traver

Enclosures

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

RECEIVED
APR 22 1955

224 New Customhouse
Denver 2, Colorado

April 19, 1955

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA Application, (Lead-Copper), Greater Minerals Corporation, Grizzly Mine, Clear Creek County, Colorado,

and

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Enclosures

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

Minerals Administration
RECEIVED
APR 22 1955

224 New Customhouse
Denver 2, Colorado

April 18, 1955

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 115 (Lead-Zinc), Second Amended Contract Idm-E6, Lupton Mining Company, Inc., Grizzly Mine, Clear Creek County, Colorado -- FINAL PAYMENT

Reference is made to our memorandum of March 17, 1954 whereby we transmitted the final Form MF-104 Operator's Monthly Report and Voucher for the month of January 1954 and instructed you to withhold the amount of $100.00 from reimbursement to the operator pending receipt of the operator's final report and release to this office of the final Report of Review by the Contract Administration and Audit Division.

The operator's final report has been received, therefore we now recommend that final payment to the operator be made on the following basis, which is in conformance with the Report of Review by the Contract Administration and Audit Division dated September 15, 1954, which was released to this office November 3, 1954.

Basis for Final Payment

Total Accepted Cost.....	$75,586.77
Government Participation at 50%.....	37,793.38
Total Prior Payments.....	37,693.38
Balance due the operator.....	$ 100.00

In lieu of making payment to the operator of the above amount, and in conformance with the attached copy of lett r from the operator dated April 9, 1955, please have the check in the amount of $100.00 drawn in favor of the Defense Minerals Exploration Administration and forwarded to this office for disposition as a credit to royalties due the Government under the terms of the contract.

The credit to royalties due will affect a partial payment of the amount durrently due on past production in conformance with the First Royalty Audit Report and Certificate by the Contract Administration and Audit Division dated September 24, 1954, which was released to this office October 26, 1954.

W. M. Trever

JWT: jp
cc Subject
Chron
Sec. to Op. Comm. (2)
Chairman, Op. Comm.
Shaw
Townsend

Enclosures

ANTMEN

will be back
his office in
about 20 minutes

Received by—
end

U. S. GOVERNMENT PRINTING OFFICE 16—65931-1

MILL
GEORGETOWN, COLO

Telephone 2141

MINES
GEORGETOWN, COLO
BAKERVILLE, COLO.

LUPTON MINING CO., INC.

GEORGETOWN, COLO.

1021 Monroe Street
Denver, 6, Colorado
April 9, 1955

DMEA
Data Rec'd.

APR 13 1955

BUREAU OF MINES
Denver, Colorado

Mr. W. M. Fraver
Defense Minerals Exploration Adm.,
224 New Customhouse Building,
Denver, 2, Colorado

Re: Lupton Mining Co., Inc.,
Georgetown, Colorado
Contract Idm-E6
Docket No. DMEA - 115

Gentlemen:

After your auditor completed his audit of the Lupton Mining Company smelter returns, he disallowed certain items that amounted to $241.00 net to DMEA.

Therefore, this letter is your authority to credit the $100.00 due us and withheld from our last Progress Report, Form MF-104, for January, 1954, on this item.

After this and all other credits are given, I would appreciate a statement from your office as to the exact balance due DMEA by Lupton Mining Company as of this date, since; we have an agreement with Greater Minerals to work the mine and assume the DMEA balance.

Thanking you, I remain

Yours very truly,

Ellis P. Lupton

Ellis P. Lupton,
President.

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

RECEIVED
APR 22 1955

224 New Customhouse
Denver 2, Colorado

April 19, 1955

Mr. Ellis P. Lupton
1021 Monroe Street
Denver 6, Colorado

Re: Docket DMEA 115 (Lead-Zinc)
Second Amended Contract Idm-E6
Lupton Mining Company, Inc.
Clear Creek County, Colorado

Dear Mr. Lupton:

Reference is made to your letter of April 9, 1955 wherein you authorize this office to apply the balance of monies due you under the referenced contract to the account of royalties presently due the Government on past production, and you request to be advised as to the unrepaid amount of Government participation in the costs of work performed under Contract Idm-E6.

Final payment was processed by this office and the amount due as authorized in your letter has been credited to the royalty repayment account.

Records in this office indicate the following balance of Government participation in the costs of work performed under the contract:

Total Accepted Cost	$75,586.77
Government Participation at 50%	37,793.38
Credit for Royalties Paid	5,848.81
Balance.....	$31,944.57

Very truly yours,

W. M. TRAVER

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

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

IN REPLY REFER TO:

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

Defense Minerals Administration
RECEIVED
APR 14 1955

April 14, 1955

Re: DMEA-3752
Greater Minerals Corp.
(Grizzly Mine)
Clear Creek Co., Colo.
$81,109 - Lead-Copper

Memorandum

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

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

Subject: Review of application

The applicant has proposed to deepen an existing shaft 160 feet, raise 160 feet, and drift and crosscut 900 feet on the San Juan tunnel level and the 160 foot level below the tunnel.

The Grizzly mine has been previously explored with DMEA assistance under dockets DMEA-115 and 2759, and was certified as a discovery. The discovery ore block consists of a vein with an inclined length of 336 feet, a strike length of 158 feet and an average width of 2.3 feet. Reserves in this block were estimated to contain 6,871 tons of ore averaging 0.3 oz./ton gold, 4.1 oz./ton silver, 14.9 percent lead, 1.8 percent zinc and 0.5 percent copper. The bottom limit of the reserve block has been restricted to the San Juan tunnel level.

The operator's proposed work is essentially development in preparation for mining. A large amount of exploration has been done on the Grizzly with DMEA funds and further work of the type proposed by the operator is not justified.

I recommend the proposed project be denied.

E. L. Newcomb
E. L. Newcomb

IN REPLY REFER TO:

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

Defense Minerals Administration
RECEIVED
APR 14 1955

April 14, 1955

Re: DMEA-3752
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(Grizzly Mine)
Clear Creek Co., Colo.
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I recommend the proposed project be denied.

E. L. Newcomb

ELNewcomb:hlm
G-4/14/55

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.

April 6, 1955

Defense Minerals Administration
RECEIVED
APR 13 1955

Memorandum

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

From: J. H. Hedges, Bureau of Mines

Subject: DMEA-3752 (Lead-Copper) Greater Minerals Corp., Grizzly Mine, Clear Creek County, Colorado

The applicant proposes to extend the San Juan Tunnel about 400 feet to the north to explore for the downward extension of a possible vein junction indicated north of the stoped area on the Sussex Tunnel level; and to explore for the downward extension of the present ore shoot by sinking a shaft 160 feet below the San Juan Tunnel level and drifting north and south from the bottom of the shaft a total of 500 feet.

Extension of the tunnel appears to be legitimate exploration of the vein in an unknown area. Its merit doubtless could be better evaluated by an on-site examination.

If the ore shoot is as strong and persistent as the map seems to indicate, sinking a shaft and drifting on the vein 160 feet below the present stopes might conceivably be development rather than exploration. This likewise would require an examination for proper determination. The estimated costs also should be checked.

I recommend that the application be referred to the field team for investigation.

J. H. Hedges

J. H. Hedges

Copy to: Division of Minerals
O. M. Bishop, Room 3617
J. H. Hedges

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 13 1955

April 6, 1955

Memorandum

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

From: J. H. Hedges, Bureau of Mines

Subject: DMEA-3752 (Lead-Copper) Greater Minerals Corp., Grizzly Mine, Clear Creek County, Colorado

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J. H. Hedges
J. H. Hedges

Copy to: Division of Minerals
O. M. Bishop, Room 3617
J. H. Hedges

Greater Minerals Corporation
1504, at 111 West Monroe Street
Chicago 3, Illinois

April 5, 1955
Subject: DMEA 3752
Re: Exploration Assistance
The Grizzly Mine

Gentlemen:

The receipt of your application dated March 15, 1955 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA 3752 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

April 5, 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- 3752 Greater Minerals Corporation

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 25, 1955

Memorandum

To: Chairman of the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Application (Lead-Copper), Greater Minerals Corp., Grizzly mine, Clear Creek County, Colorado

Enclosed are the original and two copies of the subject application.

The applicant proposes to perform 160 feet of shaft sinking, 150 feet of raise, and 935 feet of drifts at a total estimated cost of $81,109.00.

The land involved in the application includes all the land described under Article 2 of Docket DMEA 115, Second Amended Contract IDM-E6, Lupton Mining Company, plus five additional unpatented mining claims.

Item 3(e) of the application form and Article 3(b) of the purchase agreement attached to the application indicates that the prior DMEA lien amounts to $31,118.30. However, records in this office indicate the following status of Government participation in the costs of work performed under Amended Contract IDM-E6:

Disbursements to date.....	$37,693.38
Withheld pending receipt of Operator's Final Report.....	100.00
Total allowable participation....	$37,793.38
Credits	
Royalties paid.....	5,748.81
Balance.....	$32,044.57
Additional royalty is due and payable in the amount of..... which is in accordance with the Report of Audit by the Contract Administration and Audit Division dated October 24, 1954, which amount if paid would decrease the total unrepaid Government participation to the amount of	241.71
Balance.....	$31,802.86

Repeated attempts to obtain the prior operator's Final Narrative Report and payment of additional royalties due have been unsuccessful. We recommend that this application not be considered to the extent of awarding additional work authorization until all matters relative to the prior contract have been cleared up.

One copy of the subject application has been retained in our files.

W. M. Traver

W. M. Traver

Enclosures

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

224 New Customhouse
Denver 2, Colorado

March 25, 1955

Memorandum

To: Chairman of the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Application (Lead-Copper), Greater Minerals Corp., Grizzly mine, Clear Creek County, Colorado

Enclosed are the original and two copies of the subject application.

The applicant proposes to perform 160 feet of shaft sinking, 150 feet of raise, and 935 feet of drifts at a total estimated cost of $81,109.00.

The land involved in the application includes all the land described under Article 2 of Docket DMEA 115, Second Amended Contract IDM-E6, Lupton Mining Company, plus five additional unpatented mining claims.

Item 3(e) of the application form and Article 3(b) of the purchase agreement attached to the application indicates that the prior DMEA lien amounts to $31,118.30. However, records in this office indicate the following status of Government participation in the costs of work performed under Amended Contract IDM-E6:

Disbursements to date.....	$37,693.38
Withheld pending receipt of Operator's Final Report.....	100.00
Total allowable participation....	$37,793.38
Credits	
Royalties paid.....	5,748.81
Balance.....	$32,044.57
Additional royalty is due and payable in the amount of..... which is in accordance with the Report of Audit by the Contract Administration and Audit Division dated October 24, 1954, which amount if paid would decrease the total unrepaid Government participation to the amount of	241.71
Balance.....	$31,802.86

Repeated attempts to obtain the prior operator's Final Narrative Report and payment of additional royalties due have been unsuccessful. We recommend that this application not be considered to the extent of awarding additional work authorization until all matters relative to the prior contract have been cleared up.

One copy of the subject application has been retained in our files.

W. M. Traver

W. M. Traver

Enclosures

GREATER MINERALS CORPORATION

GEORGETOWN, COLORADO

March 24, 1955

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR - 1 1955

Chicago Office
111 W. MONROE STREET
ANDOVER 3-6150

Mr. William Traver
Exc. Officer
D.M.E.A. Field Team
224 New Customs House
Denver, Colorado

Gentlemen:

Attached herewith is our application for a D.M.E.A. Grant on the Grizzly Mine.

At the suggestion of your Denver office we are also attaching to each copy of the application a photostat of our purchase agreement with Lupton Mining Co. on the above Mine.

In connection with the loan from R F C in the amount of $10,488.34 which we are assuming under the terms of our contract, this sum is not a lien against the Grizzly Mine but is covered by a chattel mortgage on the Commonwealth Mill.

Very truly yours,
GREATER MINERALS CORPORATION

H. A. Eggert

by H. A. Eggert,
Ass't. Secretary

Enc.

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR - 1 1955

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. 3752
Metal or Mineral Lead, Copper
Date Received 4-1-55
Estimated Cost $81,109
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: Greater Minerals Corporation, a Colorado corporation, 1404 at 111 West Monroe St, Chicago 3, Ill. Officers, Geo E. Eisermann, Pres., H.A.Eggert, vice-Pres., Chester G. Frees, Secretary, address same as that for corporation. H.A. Eggert also is Treasurer.

(*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 Patented Claims, National No.115, Sussex No.20037, New Castle No. 20255, locations unpatented; International Grizzly, Book 205 P.32, National Grizzly Book 227 P. 307, Colorado Grizzly, book 205 P. 440, Little Grizzly Book 205, P 324, Old Grizzly Book 205 P. 325, all in Clear Creek County, Colo.

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

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

(*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 Previous DMEA loan now totalling $31,118.30 dated Jan 1, 1953, Contract IDM-E6, Docket No DMEA 115.

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

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

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

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

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

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

16—66551-1

Sufficient manpower, materials, supplies, equipment (including 100-ton mill on another property) water and power is available locally.

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

(*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 30 days and be completed within 8 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 [X] Use of equipment owned by you [X] Other Some rented equipment

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 March 15, 1955

GREATER MINERALS CORPORATION
(Applicant)

By George B. Fisenmann
Pres.

H. A. Eggert, Vice Pres.-Treas.

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

DMEA Application, Greater Minerals Corporation. Supplemental Sheet #1

4 (a). Map No. 1, attached, shows the underground workings, both in plan and longitudinal section. The property has been inactive for 14 months. This corporation will reactivate mining operations above the San Juan Tunnel on or about April 15th, 1955.

Workings are accessible for examination.

4 (b). Past production, since 1947, has been approximately $671,250 from 23,887 tons of ore. Current average values are 8.0% lead, 0.3 to 0.5% copper, 4 oz silver and 0.08 to 0.12 oz. gold. Early day production is unknown but probably amounted to at least 50% of that given. Present ore reserves approximate 40,000 tons proven ore and 17,000 tons partially proved.

4 (c). The ore is contained in a fissure vein, averaging 3'6" in width, enclosed in a granite-gneiss formation. It strikes generally north-south, dipping east 80°. The main shoot of ore, developed at San Juan Tunnel level, has a stopelength of 540 feet. This shoot probably rakes slightly to the south, though this is somewhat obscure. On the Sussex level and the National level above there was ore well to the north of the San Juan tunnel breast. The vein on the above levels split, and at the junction the ore was excellent. This junction rakes south crossing the raise between Sussex and San Juan levels. It "made" good ore there.

There is evidence the two veins may again join to the north and possibly make another good ore shoot in virgin ground. For this reason and on this hypothesis it is desired to explore the San Juan tunnel to the north for some 400 feet as shown on map No. 1.

Also it is desired to to explore the present ore shoot at greater depth with a shaft 160 feet deep, with drifts to north and south for a total length of 500 feet. This is shown on Map No. 1.

Shaft and raise are planned, timbered, with rock section of 6.5 x 11.5 feet, Drifts and crosscuts 6 x 8 feet.

Vein junctions are shown on Map No.1, both actual and expected.

4 (d). The Grizzly Mine is reached by 2 miles of good county road north from Highway U.S. 6 at Bakerville. From Bakerville via Highway 6 it is 6 miles to the Company mill, just south of the town of Georgetown. From the mill concentrate may be trucked to Leadville, 70 miles, over paved highway.

Georgetown is a residence point.

The Company currently is spending about $30,000 rehabilitating the mill and increasing its capacity.

5 (b). The proposed work with relation to existing workings is shown on Map No. 1.

5 (d) Applicant Company is a new organization. The manager, Mr. Charles Fetterhoff, has engaged in hard rock mining operations, including supervisory work on the Grizzly Mine during the years 1947-1949. He left a position as mine superintendent for Wah Chang Corp., at Tempiute, Nevada, to take charge again of Grizzly operations.

Consulting Engineer is Mr. Sewell Thomas, a graduate of Columbia University School of Mines in 1906, and with nearly 50 years now of active mining and consulting work.

6 (a) None

6 (b) Day Shift

1/3 Compressor man at $1.85/hr	4.90	
1/3 Trammer at $1.75/hr.	4.50	
1/3 Trammer helper @ $1.50/hr.	4.00	
3 Miners @ $1.85/hr.	44.40	
1 Hoistman @ $1.85/hr.	14.80	$72.60

Night Shift

1 Compressor man	14.80	
1 Trammer, 1 helper	26.00	
3 Miners	44.40	
1 Hoistman	14.80	100.00
Total mine labor per day		$172.60

200 days to complete work

Total mine labor	$ 34,520.00
½ Mine manager @ $550/mo.- 8 mo.	2,200.00
Cons. geologist. 8 mo.	1,600.00
Total wages & salaries	38,320.00

6 (c) Materials & Supplies

Powder, caps and fuse	$4,115
Timber	4,400
Diesel Fuel	6,500
Oil & grease	800
Gasoline	1,000
Oil fuel for heat	200
Track	3,000
Ventube, flexible	1,200
Vent Pipe	900
Drill steel & bits	1,000
	$ 23,115

6 (d) Equipment

Rental

50 KW diesel generator set	2,800
40 HP hoist	1,600
½ locomotive & cars @ $180/mo.	720
Total rental	$5,120

Owned- Depreciation

2" pump	320
Skip	600
Mucking machine	160
½ Compressor	800
½ pick-up truck	280
3 Air drills	200
2 Blowers	80
Total depreciation	$2,440

6 (e) None

6 (f) None

6 (g)	Repairs & maintenance, rented equipment		
	Cars & locomotive	$2.00 per day	
	Generator set	4.00	
	Hoist	3.00	
	Grinding bits	3.00	
		$ 12.00	
	200 days		$2,400
	Assays, $10/ day, 200 days		2,000
	Accounting, $100/ mo., 8 mo.		800
	Workmens comp. @ $3.99/$100		1,532
	Soc. Sec. @ 2%		766
	Insurance on rented equip.		616
	Total Miscellaneous		$ 8,114
6 (h)	Contingencies		4,000
7 (a)	Equipment furnished by company, Depreciation		2,440
	Equipment rentals, paid by company		5,120
	Balance cash, which, with above two items totaled, equals 50% of grand total		32,994
			$40,554

SUMMARY

Personnel	$38,320
Supplies	23,115
Operating equipment, rental	5,120
" owned, depreciation	2,440
Miscellaneous	8,114
Contingencies	4,000
Total Costs	$81,109

Proper division of costs for obtaining unit cost per foot.

Shaft, 26%, 160 feet	$21,060	$131.60/ ft.
Shaft & hoist station galleries 9.5%, 120 ft.	7,695	64.10/ft
Upraise, 11.8%, 150 ft.	9,558	63.70/ft
Drifts & crosscuts 52.7%, 935 ft.	42,796	45.77/ft
	$81,109	

PURCHASE AGREEMENT

THIS AGREEMENT Made in duplicate between LUPTON MINING COMPANY, INC., a Colorado Corporation, hereinafter referred to as the "Seller", and GREATER MINERALS CORPORATION, a Colorado corporation, hereinafter referred to as the "Purchaser";

W I T N E S S E T H:

For and in consideration of the mutual promises and covenants herein contained, the parties do hereby agree as follows:

1. The Seller agrees to sell and the Purchaser agrees to buy all of the following described property, subject, however, to the liens (which are not assumed by Purchaser unless herein specifically stated to the contrary) and the royalties set forth in paragraphs 4 and 5 hereof, all upon the terms and conditions hereinafter set forth:

(a) the property located in Clear Creek County, Colorado described in Exhibits A and B which are attached hereto and made a part hereof.

(b) All personal property described in the inventory which is set forth in Exhibit C, which is attached hereto and made a part hereof, provided, however, that the trucks described in said inventory are to be sold by the Seller and purchased by the Purchaser only in the event that, prior to the closing date, the Purchaser pays or agrees to assume any encumbrances in favor of National City Bank of Denver thereon.

THURSDAY

OCTOBER						1956
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

8

NOV. 1956

DECEMBER						1956
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

APPOINTMENTS

7 A. M. .....

8 A. M. .....

9 A. M. .....

10 A. M. .....

11 A. M. .....

12 Noon .....

1 P. M. .....

2 P. M. .....

3 P. M. .....

4 P. M. .....

5 P. M. .....

6 P. M. .....

(c) All maps, reports, assays, and other geological, engineering and production data which Seller has in its possession applicable to the property being sold under the terms hereof.

2. The purchase price for the property described in paragraph 1 shall be as follows:

(a) On the closing date, subject to the terms of paragraphs 10 and 12 hereof, the sum of Twenty Six Thousand Five Hundred Dollars ($26,500.00) shall be paid by the Purchaser to the Seller, or at the election of the Purchaser, any part or all thereof may be paid to one or more of the creditors (other than in settlement of the claims of National City Bank of Denver on the trucks described in Exhibit C and other than in settlement of the claims referred to in paragraphs (b) through (d) inclusive, of this paragraph 2) of the Seller in satisfaction of the Seller's obligations. The method of payment shall be at the option of the Purchaser.

(b) On the closing date the Purchaser shall pay the Seller the sum of Four Thousand Dollars ($4,000.00) which sum shall then either be immediately deposited with the U. S. District Director of Internal Revenue at Denver to apply on the tax claims against the Seller, or paid to any person having already advanced this sum for this purpose.

(c) The Purchaser shall, to the extent possible, settle all taxes due to Clear Creek County, Colorado, for 1953 and prior years which are a lien upon any and all properties assessed to the Sellers (whether or not being sold pursuant hereto), provided that the total sum which the Purchaser is required to pay pursuant to this subparagraph shall not exceed Ten Thousand Dollars ($10,000.00) and, if this sum is insufficient, then Purchaser may, in full discharge of its obligations under this subparagraph, make payments aggregating this amount on whichever taxes of Seller and covering whatever properties (including those being sold hereunder) that Purchaser desires.

(d) The Purchaser shall assume and pay all taxes due to Clear Creek County, Colorado, for the year 1954 on, and only on, the properties being acquired by the Purchaser pursuant to the terms of this agreement.

(e) The Purchaser shall discharge the indebtedness due from the Seller to Stuart W. Cochran and Company.

3. The assets conveyed to the Purchaser shall be free and clear of all liens and encumbrances (including but not limited to labor claims) except for,

(a) the lien of the Reconstruction Finance Corporation in the amount of Ten Thousand Four Hundred Eighty Eight Dollars and Thirty Four Cents ($10,488.34) plus interest thereon at the rate of four percent (4%) per annum

from February 23, 1954; and taxes to Clear Creek, Colorado, as provided by 2 (c) above.

(b) the lien of the Defense Minerals Exploration Administration in the sum of Thirty One Thousand One Hundred Eighteen Dollars and Thirty Cents ($31,118.30) which is payable out of production only;

(c) liens filed by the U. S. District Director of Internal Revenue in the amount of $20,399.47 as of December 15, 1954.

(d) liens in favor of National City Bank in the event the Purchaser elects to acquire the trucks referred to in paragraph 1(b) hereof.

4. The royalty reserved by the Seller pursuant to paragraph 1 hereof shall be an amount equal to:

(a) 12-1/2% of the gross proceeds received by the Purchaser or its assigns for all timber sold from the properties described in Exhibits A and B hereto,

plus

(b) 12-1/2% of the net smelter returns received by the Purchaser or its assigns after deduction of treatment and transportation costs for all minerals sold from the properties described in Exhibits A and B hereto. For this purpose only such deductions which are as of the date hereof permitted by Defense Minerals Exploration Administration to be deducted in computing the sum paid to it in

504-

satisfaction of its lien as described in paragraph 3 (b) hereof shall be properly allowable deductions in computing the royalties hereunder. The above royalties shall be paid on or before the 15th day of the month with respect to gross proceeds and net smelter returns received by the Purchaser during the immediately preceding calendar month.

5. Beginning May 1, 1955, Seller shall be entitled to a minimum monthly amount of Two Hundred Fifty Dollars ($250.00) as advance royalties against the royalties due to it under the provisions of paragraph 4 hereof. With respect to the calendar year 1955 therefore Seller shall be entitled to receive a minimum of Two Thousand Dollars ($2,000.00) as royalties under this agreement. With the exception of the foregoing minimum royalties Seller shall receive, as royalties, no more than the amounts determined under paragraph 4 hereof. During the calendar year 1955, Purchaser is hereby authorized to make the payments of royalties under paragraph 4 and advances under this paragraph so as to meet these requirements.

During the calendar year 1956 and each calendar year thereafter, Purchaser shall direct its ore buyer or concentrate buyer to pay direct to the Seller the royalties due hereunder.

With respect to the calendar year 1956 and subsequent calendar years, Seller shall be entitled to receive a minimum of Three Thousand Dollars ($3,000.00) as

royalties under this agreement, but no monthly payments need to be made by Purchaser during these years.

In the event that Seller fails to receive the aforesaid minimum royalties of Three Thousand Dollars ($3,000.00) during any calendar year beginning 1956, Purchaser shall, by January 15 of the next year, pay to Seller whatever amount may be necessary to make up the said minimum royalties.

Purchaser may at any time sell, lease, exchange, or otherwise dispose of water or water rights described herein and any real and personal property required for the water facilities, provided that in such event Purchaser shall retain or have the right to obtain from any source enough water to operate the Commonwealth Mill. In such event Seller shall receive 12½% of the net proceeds from such sale, lease, exchange or other disposition, and shall waive any rights to minimum royalties on the property so sold, leased, exchanged or disposed of.

In the event Purchaser fails to pay the minimum royalties provided for under Paragraph 5 hereof, and titles to the real property described in Exhibit A and Exhibit B hereof revert to seller, as provided in Paragraph 8 (a) and (b) hereof, Purchaser notwithstanding may retain title to any water or water rights described herein and any real and personal property required for the water facilities, provided that at the time of such reversion of title, Seller shall have received total, accumulated royalty payments hereunder in the amount of Fifteen Thousand Dollars ($15,000.00), and provided that Purchaser shall make available sufficient water to operate the Commonwealth Mill.

6. Seller hereby irrevocably grants and assigns

 OK. EJM Cg

5C6 —

to Purchaser the right to apply against all royalties reserved by Seller under the terms of Paragraphs 4 and 5 hereof the sum of any and all amounts paid by the Purchaser,

(a) in excess of the amount specified in paragraph 2 (b) hereof to apply on or to discharge federal tax claims against the Seller; and

(b) for the protection of its rights to the properties described in Exhibit A hereto where such amounts were not specifically assumed or agreed to be paid by the Purchaser pursuant to the terms of paragraphs 2 (b), 2 (d), or

OR LMG Palo. EM. by Ed E B.

2(e); or referred to in paragraphs 3(a) or 3(b) hereof.

7. The Purchaser's obligation to make royalty payments pursuant to this agreement shall cease in the event that Purchaser or its assigns shall execute a conveyance to the Seller of the real property described in Exhibits A and B hereto.

8. On the closing date the Seller shall deliver to the Purchaser:

(a) A warranty deed conveying to the Purchaser the real property described in Exhibit A, subject only to the liens described in paragraph 3 hereof. Such deed shall contain provisions to the effect that the title conveyed shall revert to the Seller in the event any default in the payment of the minimum royalties herein provided for is not cured within ninety (90) days after written demand therefore is mailed by registered mail to the Purchaser. Such deed shall show that no third party shall be under obligation to check into such things unless a notice thereof shall have been filed with the Recorder of Deeds of Clear Creek County, Colorado.

(b) A quit claim assignment conveying to the Purchaser the real property described in Exhibit B, with the same provisions as to reversion as set forth in paragraph 8 (a) above.

(c) A bill of sale with warranty for ~~the personal~~ [illegible]

[illegible]

5C8 -

at E.M. Co. O.K. E.M.G. by Sec. & P.

substantially all of the

property described in Exhibit C hereto.

(d) An opinion of Frederick P. Cranston, or such other attorney as is acceptable to the Purchaser, to the effect that,

(i) the abstracts covering such property, together with other documents recorded subsequent thereto, show title to said patented and unpatented property is acceptable and free and clear of all liens and encumbrances, except such as are excepted from Seller's warranty;

(ii) the public records and the records of the Seller indicate the Seller is a corporation in good standing, authorized to do business in Colorado, and that the conveyance of the above described property to the Purchaser as hereinabove provided has been duly authorized by proper corporate action, and that the proceedings relative thereto are regular and that the officers executing the above described conveyance appear by the minutes of said corporation to be the duly authorized and acting officers of said corporation.

(e) Certified copies of all corporate resolutions and other corporate actions relating to the sale herein contemplated.

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9. Seller hereby represents and warrants that, subject to minor differences in the case of portable tools, the inventory set forth in Exhibit C is correct and that all such assets are in existence and are located on the property referred to in paragraph 1(a) hereof. Seller also warrants that the list of secured and unsecured creditors set out in Exhibit D, which is attached to and made a part hereof, is complete to the best of its knowledge and belief.

10. All cash out of pocket expenses of negotiating and performing this agreement as are normally paid by a Seller shall be discharged by the Seller.

11. The closing date as referred to herein shall be such date on or before January 31, 1955, as shall be set by the Purchaser on at least five (5) days' advance written notice to the Seller.

12. If the Purchaser shall make any advance for the purpose of procuring abstracts or defraying expenses connected with the negotiation or performance of this agreement, the amount thereof may be deducted from the cash payment provided for by paragraph 2(a) hereof.

13. This agreement may, at the option of the Purchaser, be canceled and declared to be of no force and effect in the event that:

(a) There are recorded liens on any of the properties being sold hereunder other than those described in paragraph 3 hereof on the closing date; or

5010 —

(b) The Seller does not deliver to the Purchaser all the items referred to in paragraph 8 hereof; or

(c) On or before the closing date the Seller files a voluntary petition in bankruptcy, or to seek reorganization under the Federal bankruptcy laws or any other similar applicable statute, or makes an assignment for the benefit of its creditors, or consents to the appointment of a receiver, trustee or liquidating agent for its property, or there is an adjudication of the Seller as a bankrupt by a court of competent jurisdiction, or the entry of an order approving a petition seeking reorganization of Seller under the Federal Bankruptcy Act or any other similar applicable statute, or the appointment of a receiver, trustee or liquidating agent in connection with Seller's property.

14. All notices pursuant hereto shall be sent to the parties hereto by registered mail addressed as follows:

Seller:
Lupton Mining Company, Inc.
Georgetown, Colorado

Purchaser:
c/o Stuart W. Cochran & Company
111 West Monroe Street
Chicago, Illinois

5C11-

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals this 29th day of December, 1954

LUPTON MINING COMPANY, INC.

By Ellis P. Lupton Pres

ATTEST:

J. C. Luptonberg

GREATER MINERALS CORPORATION

By George F. Eisenmann Pres.

ATTEST:

Herbert A. Egert
Asst Secretary

5012 -

PROPERTIES TO BE CONVEYED UNDER THAT CERTAIN AGREEMENT BETWEEN LUPTON MINING COMPANY, INC. AND GREATER MINERALS CORPORATION DATED December 29, 1954, (WHICH AGREEMENT IS HEREIN REFERRED TO AS "SAID AGREEMENT")

It is the intent of the Seller to transfer to the Purchaser all rights, title to claims, locations, tax titles, or any other interests that Seller may own adjacent to the Commonwealth Mine and Mill, the Mineral Chief Mine and the Grizzly Chief Mine, specifically including but not limited to the following properties:

(i) Royal Lode Mining Claim No. 2208A, and Royal or Tunnel No. 3, Millsite No. 2208B, together with certain water rights on Bard Creek; together with the following locations: Clara B. Lode, Book 163, page 416; Chicago Lode, Book 77, page 48; patented millsite 817B; and any interest of Seller in patented millsite 1655B; and Georgetown Tunnel and Millsite 1 and 2, in Griffith Mining District.

(ii) The Grizzly Group of Mining Claims, being described as National Lode No. 115, Sussex Lode No. 20037, Newcastle Lode No. 20255, and the following described locations: International Grizzly, Book 205, Page 32; National Grizzly, Book 227, Page 307; Colorado Grizzly,

Book 205, Page 440; Little Grizzly, Book 205, Page 324; and Old Grizzly, Book 205, Page 325, in Argentine Mining District.

(iii) Mineral Chief property, Mineral Chief Lode No. 6332, Spartan Lode No. 16195, U. P. Lode No. 10249, in Griffith Mining District.

(iv) All machinery, equipment, buildings, including cabins, and other assets, other than household goods, located upon the property described in subparagraphs (i) through (iii) of this Exhibit A, other than for those items covered by paragraph 1 (b) of said agreement.

(v) All water and timber rights appurtenant to the above described property whether or not enumerated herein.

excepting from the above described properties Seller's interest in the New Boston Tunnel.

G.M.C.

EXHIBIT B

PROPERTIES TO BE CONVEYED BY QUIT CLAIM DEED
BY LEPTON MINING COMPANY, INC.

Dated December 29, 1954

Mayfield Lode in Book 177, Page 408.

Mud Slide Lode in Book 205, Page 52.

Bonnytown Lode in Book 177, Page 23.

Ad Astra in Book 159, Page 453.

Georgetown Tunnel Right of Way six thousand feet long and three thousand feet wide, together with the dips, spurs and angles, and all the metals, ores, gold and silver bearing quartz therein.

Hildebrand Mill Site

Century Mill Side in Book 97, Page 473

McKirahan No. 1 Mill Side in Book 97, Page 486

McKirahan No. 2 Mill Site in Book 97, Page 487

McKirahan No. 3 Mill Site in Book 97, Page 488.

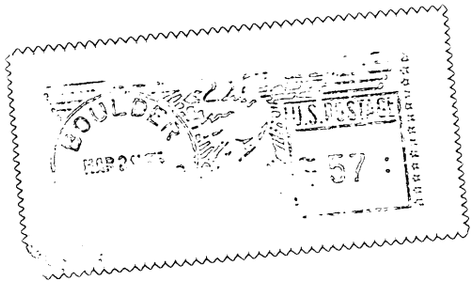
Georgetown No. 3 Tunnel and Tunnel Site in Book 137, Page 585

O.K. G.M.C.
by [illegible]
L.M. Co. for
[illegible]

5C15-

(FROM)
~~J. L. STARNES~~
~~P. O. BOX 151~~
~~% A. N. RUNDQUIST~~
~~Lusk, Wyoming~~

57



Map

(((TO)))

THE DEFENSE MINERALS EXPLORATION
ADMINISTRATION,
DEPARTMENT of the INTERIOR
WASHINGTON 25, D. C.

Grizzly Mine of

Greater Minerals Corporation.

July 1953

Revised: Mar. 10 1955

Map No 1

B453