DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE Idm-E NO._____ DMEA NO. 5071

Application
- [ ] Denied
- [x] Withdrawn

Contract
- [ ] Terminated - Not Certified
- [ ] Terminated - Certified
- [ ] Cancelled
- [ ] Royalty Agreement

The records contained in this file are marked (x) and arranged in this order:

Folder No. 1:

Left Side

- [ ] Royalty Audits
- [ ] Certification of Discovery
- [ ] Closing Letter
- [ ] Cost Audits
- [ ] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [ ] Contract Amendments
- [ ] Contract with all exhibits and annexes
- [ ] Owner's Consent to Lien and Subordination Agreement
- [x] Application and attachments

Right Side

- [ ] Project summary (final)
- [ ] Work Completed analysis (final)

All other material filed in chronological order including the following reports if checked:

- [ ] Field Team Semi-Annual Report for Certified Project
- [ ] Final Field Team Report (Tab)
- [ ] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [ ] On-site Exam Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No._____: Reports
- [ ] Analysis of Semi-Annual Inspection Reports
- [ ] Project Summary (Interim) by DMEA Engineers

Right Side

- [ ] Field Team Semi-Annual Report for Certified Project
- [ ] Field Team Interim Reports
- [ ] Operator's Monthly Reports with transmittal, narrative and maps.

Folders No._____: Maps (Use pocket folder or envelope)

Folders No._____: Settlement Sheets

Folders No._____: Drill Logs

Folders No._____: Royalty material

Rec'd 6/30/58

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
224 New Customhouse
Denver 2, Colorado

June 30, 1958

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Alternate Acting Executive Officer, DMEA Field Team, Region III

Subject: Application for DMEA Aid (Copper-Lead-Zinc)
Gold Eagle Mining Corporation (Silver Bead claims)
Chaffee County, Colorado

Enclosed are the original and two copies of the subject application. One copy is being retained in our file.

The applicant proposed to drive a 680 foot adit and complete 3,500 feet of AX drilling at a total estimated cost of $43,200.00. No bids accompanied the application.

J. W. Townsend

J. W. Townsend

Encls.

Form MF–103
Revised Oct. 1957

UNITED STATES
DEPARTMENT OF THE INTERIOR

Budget Bureau No. 42–R1035.3
Approval expires June 30, 1958

DEFENSE MINERALS EXPLORATION ADMINISTRATION

APPLICATION FOR AID IN AN EXPLORATION PROJECT

PURSUANT TO DMEA ORDER I, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

NAME OF APPLICANT (Full legal name and mailing address as it should appear on contract if one is executed)

Gold Eagle Mining Corporation
1522 East 33rd South
Salt Lake City, Utah

DMEA
DEPARTMENT OF THE INTERIOR
JUN 30 1958
REGION III
DENVER, COLORADO

APPLICANT NOT TO USE THIS BLOCK

Docket Number: DMEA-5071
Date Received: 6-30-58
Government Participation %:
Region: III
Division Code: 500

BUSINESS ORGANIZATION (Check one)

- Individual [ ]
- Corporation [X]
- Partnership [ ]
- Other (Specify) [ ]

State in which firm is organized: Utah

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

Name	Address	Title
Clayton Blank, Sr.	Salt Lake City, Utah	President
Robert M. Overby	Salt Lake City, Utah	Vice-President
Wallace S. Toma	Salt Lake City, Utah	Secretary-Treas.
Gilbert Bradshaw	C/O Mr. Henry Deluca Salida, Colorado	General Manager

Mineral(s) for which you wish to explore: Lead, Copper, Zinc, Silver, & Gold

Estimated Cost of Project: $ 43,200.00

LOCATION OF PROPERTY

Name	County	State
Silver Bead	Chaffee,	Colorado

GENERAL INSTRUCTIONS

Before filling out this application, please read DMEA Order–I, Revised, "Government Aid in Defense Exploration Projects." To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit four copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 1, existing mine workings and geology in item 2, and the proposed exploration project in item 4. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 2(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals*, of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest DMEA Field Office.*

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.

30 June 1958
Dated

Gilbert L Bradshaw
BY *(Signature)*

General Manager
Title

A wilfully false statement or certification to any Department or Agency of the United States Government is a criminal offense. U. S. Code, Title 18, Sec. 1001.

INFORMATION REQUIRED WITH THIS APPLICATION

1. *Applicant's Property Rights:*

(a) State the legal description (section, township, and range; metes and bounds; patent number of claims) of the land upon which you wish to explore and all land adjacent to the proposed project area which you own or control. Describe any part of the project land or workings which should not be subject to Government lien for royalty payments. If the land consists of unpatented claims, state the book and page number for each recorded location notice, including amended locations, and the place where recorded (courthouse, recorder's office, county, and state).

(b) State all the names by which you know the property.

(c) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise. If you are not the owner, submit with this application one exact copy of the lease, contract, or other document (with address of owner) under which you control the property.

(d) Describe all liens, mortgages, or other encumbrances on the property.

2. *Physical Description:*

(a) Describe in detail and illustrate with maps or sketches all mining or exploration operations which you know have been or are being conducted upon the lands, including existing mine workings. Describe all production facilities.

(b) State your interest, if any, in operations stated in 2*(a)*.

(c) State, as far as you know, the past and current production, supporting your statement with copies of settlement sheets, mine records, or published data if available.

(d) Describe known ore reserves on the property giving quantities and grades and sampling methods used, supporting your statement with copies of assay certificates and assay maps if available.

(e) Describe by narrative and maps or sketches the geologic features of the property, including ore minerals, geologic formations if known, and type of deposit (vein, bedded, etc.).

(f) State your reasons for expecting to find ore, and if you have sampled the area you propose to explore, show where the samples were taken, describe sampling methods used, and provide copies of assay certificates.

(g) Send with your application at least *two* copies of all geologic or engineering reports, assay maps, or technologic information which you may have, indicating on each whether you require its return to you.

3. *Accessibility of Project:*

(a) To aid DMEA representatives who may be required to examine the property, state the name and address of the person who will meet the DMEA representative; give directions for reaching the property; and describe accessibility of the property including the mine workings.

(b) Name the shipping and supply points and places where employees reside and state the distances between them and the property.

4. *The Exploration Project:*

(a) Describe fully the proposed exploration project giving individual footages and sizes of openings *for each item of work*. Use narrative, maps, plans, and longitudinal and cross sections as necessary. Show the location of the proposed work as related to geologic features such as veins, ore-bearing beds, contacts of rock formations, etc. Show also the relation of the proposed work to any existing mine workings and to *property boundaries* or to the closest identifiable corner.

(b) If an access road to the project must be built, show the location on the property map and state the length, type, and construction methods proposed.

(c) In the event that an exploration contract with DMEA is executed, how soon will the work start and how many months will be required to complete it? State your anticipated average daily or monthly rate of progress for each type of work.

5. *Experience:*

State your operating experience and background with relation to your ability to carry out this exploration project, and also that of the person or persons who will supervise the operations.

6. *Estimate of Costs:*

Furnish detailed estimates of the costs *for each item of the work proposed in 4(a)* under the headings listed below with a total for each heading and the estimated total cost of the project. Costs for any work to be performed by an independent contractor should be shown separately under category *(a)* below. Costs for any work that is not to be performed by an independent contractor should be given in detail under categories *(b)* through *(g)*.

(a) Independent contracts. State the cost of any proposed independent contract for the performance of all or any part of the work, expressed in units of work, such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved. Cost estimates should be supported by bids from three contractors if possible. *(Note* – If none of the work is to be contracted, write "none" after this item.)

(b) Personal services. For necessary supervision, engineering and geological services, and labor, include an itemized schedule of numbers, classes, rates of wages, salaries or fees, and periods of employment. State whether these technicians and employees are available.

(c) Operating materials and supplies. List items of material and supplies with their cost. Include under this heading power, water, and fuel, and units of equipment and tools costing less than $50 each.

(d) Operating equipment. List items of operating equipment to be used giving specifications and indicating how each item is to be acquired – i.e., rented, purchased, or provided by the applicant. If it is rented or purchased, state the estimated rental or purchase price. If it is to be furnished by the applicant, give its present fair market value.

(e) Initial rehabilitation and repairs. Describe the type and the cost of necessary *initial* rehabilitation or repair of existing buildings, fixtures, installations (exclusive of mine workings), and movable operating equipment now owned by the applicant, which will be used on the exploration project.

(f) New buildings, fixtures, installations. Describe each building, fixed improvement, and installation to be purchased, constructed, or installed for the exploration project stating specifications and cost including labor, materials and supervision.

(g) Miscellaneous. For the operating equipment listed in 6*(d)*, describe the type and estimate the cost of repairs and maintenance expected during project operations. Do not repeat initial repairs listed in 6*(e)*. Show also the costs of analytical work, accounting, workmen's compensation and employees' liability insurance, payroll taxes, and other required costs that do not fall within the previous categories.

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)* State whether you are prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation stated in Sec. 7 of DMEA Order–I, Revised.

(b) Explain to what extent you propose to furnish your share of the costs by providing money, by use of equipment owned by you, or otherwise.

* * * * *

INT.-DUP. SEC., WASH., D.C. 25960

Gold Eagle Mining Corporation
1522 East 33rd South
Salt Lake City, Utah

APPLICATION FOR AID

in an

EXPLORATION PROJECT

Silver Bead Claim Group
Chaffee County, Colorado

1. APPLICANT'S PROPERTY RIGHTS.-

(a) The property to be explored consists of a single block of nine unpatented lode mining claims located approximately in Sections 8, 9, 16, and 17, T 50 N, R 7 E; Monarch (?) Mining District, Chaffee County, Colorado. The following is a list of these claims together with the date filed, reception number, book, and page. All are recorded in the Chaffee County Court House, Salida, Colorado.

CLAIM	DATE FILED	RECEPTION NO.	BOOK	PAGE
Silver Bead #1	9/3/57	85896	295	155
Silver Bead #2	9/3/57	85897	295	156
Silver Bead #3	9/3/57	85898	295	157
Silver Bead #4	9/3/57	85899	295	158
Silver Bead #5	9/3/57	85900	295	159
Silver Bead #6	9/3/57	85901	295	160
Silver Bead #7	9/3/57	85902	295	161
Silver Bead #8	9/3/57	85903	295	162
Silver Bead #9	9/3/57	85904	295	163

In February and March, 1958, 20 additional claims were staked to the east and southeast. The area of interest, and that to be explored, lies in the center of the above nine claims, and all exploration and development work to be done under a DMEA contract will be within the above group.

(b) The recognized property name is the Silver Bead Group. The name of the original property was the Gold Eagle Mine.

(c) The Gold Eagle Mining Corporation is the sole owner of the Silver Bead Claim Group. The company holds a deed and conveyance from the locators.

(d) There are no liens, mortgages, or other encumbrances on the property.

2. PHYSICAL DESCRIPTION.-

(a) During the 1930's a Mr. Blank (now deceased), of Salida, Colorado, completed a vertical shaft to approximately 165 feet and reported encountering a high-grade gold ore (about $20,000 per ton) in the shaft bottom. His son, Mr. Clayton Blank Sr., president of the company, stated that a heavy flow of water, inadequate pumping equipment, and an apparent unwillingness on the part of his father to part with any substantial interest for capital, resulted in the operation being closed down.

The present group of nine claims, centered over the original shaft, were staked by company stockholders during the fall of 1957, and conveyed to the company during the same period.

Because the original shaft was caved, a new, two-compartment, 4' X 8' vertical shaft was collared in October. This shaft is located approximately 35 feet SW of the original shaft. Work on the new shaft progressed throughout the winter of 1957-1958, and was completed to a depth of 167 feet during April, 1958. See Plate 2.

At the 167-foot level, a heavy flow of water was encountered. A gasoline driven pump was installed during May and an attempt made to de-water the shaft sufficiently to carry on exploration. With only one shift operating and a constantly increasing water problem hampering operations, all work at the shaft bottom was suspended during the latter half of May. A short, 42 foot crosscut was driven northeast off the 100-foot level in an attempt to intersect a reported drift from the old workings but failed to do so. The crosscut did, however, intersect a caved portion of the original shaft.

Because of a thick mantle of glacial till and soil, drilling estimates were considered prohibitive. Upon completion of the new shaft to the 167 foot level, however, the Boyles Brothers Drilling Company placed a string of casing in the shaft and diamond drilled 23 feet, bottoming in granite (?).

During the latter half of May the firm of Melbye and Merwin, Geological Engineers of Golden, Colorado, were asked to evaluate the results of the exploration and to suggest further steps, if warrented. As a result of the initial examination, a geophysical resistivity survey was completed during the first week of June, and recommendations made which are incorporated in this application for aid. The results of the geological and geophysical work will be found under Section 2, Paragraph (e).

(b) The Gold Eagle Mining Corporation completed all work in the new shaft described above.

2. PHYSICAL DESCRIPTION (CONTINUED).-

(c) In so far as is known there has never been any production from the property. No known productive mines are located within several miles of the claims.

(d) As stated previously, Mr. Blank reported that he had encountered a "vein" of gold ore which ran $20,000 per ton. It was on the basis of this reported sample that the Gold Eagle Mining Corporation sank the new shaft.

At about 160 feet in the new shaft a number of rounded boulders containing lead, zinc, and copper sulphides were encountered. In all, approximately 1½ tons of these boulders were recovered, and a number left in place. Several of these boulders consisted of almost pure sulphides. They range in size from a few inches to over two feet in diameter. One assay report gave: 19.9% copper; 15.5% lead; in excess of 25% zinc; and 42 ounces of silver. The character of these boulders is self-evident. In several, the only gangue consists of a minor amount of secondary vein quartz. Some are almost pure sulphides. Very little pyrite can be seen.

The source of these boulders is the target of the proposed exploration program. Until this source can be found and evaluated no ore reserve estimate can be made.

(e) Geology:

The new, 167-foot shaft has been sunk in a suspected northeast-trending thrust fault, typical of the type that parallel the Sawatch Range. This fault dips into the mountain, or to the north, at an unknown angle. Although the exact angle is not evident because of the intense fracturing, clay fault gouge, and the tight timbering in the shaft which hinders observation, its presence is readily apparent from the stratigraphy. The upper part of the shaft is in the oldest formation, the pre-Cambrian granite gneiss; at 120 feet it passes into the intense zone of fault gouge; and at least the bottom 10 feet is in younger black, gray, and light green to pinkish shales which dip 20°-30° S. These shales are probably of the Pennsylvanian Belden or Minturn formations.

On the mountain slopes above the shaft pre-Cambrian granite and Tertiary quartz monzonite outcrop, but on a level with the shaft and below this level no outcrops were observed. The upper 65 feet of the new shaft is in glacial till and soil.

The presence of the fault was probably suspected by the old time prospectors from the break in slope. Numerous trenches, prospect pits, and the old shaft attest to extensive exploration, but the extreme thickness of till was apparently too

2. (e) Continued (Geology)

much cover for the methods then used. The only known work within several miles which disclosed any mineralization is the old shaft of the Gold Eagle mine located 35 feet NW of the new shaft.

The high-grade massive sulphide boulders encountered in the new shaft are definitely fault drag since they are slickensided and rounded from being transported by the suspected thrust fault. They probably originated in a vein or replacement below the thrust which may be localized within the Leadville formation. The presence of the Leadville limestone is suspected because of the unusually high lime content of several samples and a megascopic examination of a number of hand specimens.

A number of the boulders are composed almost entirely of sphalerite, chalcopyrite, and galena. Several display minor amounts of vein quartz and calcite. It is believed that the high-grade gold reported from the old shaft is also fault drag from a vein in either the granite gneiss, quartz monzonite, or one of the possible underlying sedimentary formations.

Geophysics: (See Plate 2)

Based on a preliminary evaluation, an electrical resistivity and topographic survey was completed to aid in the location of the deposit from which the fault drag boulders of sulphides originated.

A direct-current resistivity survey was run at 100-foot spacings along and at right angles to a N 40° E baseline, using an applied voltage of 270 volts. It is believed that the baseline closely follows the strike of the inferred thrust fault.

Because of the steep terrain above the baseline, 50-foot rise in 100 feet, and with the Wenner 4-electrode configuration used, it was not deemed advisable to run stations any further to the northwest, because of the uncertain topography effects. Copper stakes were used for the current electrodes and porous pots as potential electrodes. Ohm-foot values were calculated using the Wenner formula:

$$\text{Ohm-feet} = 2\,a\,\frac{E}{I} = 2\,(\text{spacing})\,\frac{\text{potential drop}}{\text{current}}$$

The ohm-feet values are plotted and contoured on Plate 2. A 200 ohm-foot contour or interval was used. Separate contouring was done for the 200-foot and 300-foot values, as each set reflects the electrical properties of the ground at different depths.

2. (e) Continued (Geophysics)

A very pronounced east-west trending low anomaly is evident in the vicinity of Stations 4E, 5E, and 6E. (See red cross-hatching on Plate 2). This low varies from 175-683 ohm-feet, compared to highs on either side of 1637-8120 ohm-feet. This substantial anomaly indicates the presence of a good linear conductor, the most likely of which would be a sulphide vein or ore body. The presence of substantial linear anomalies with both spacings indicates that the conductor is vertical or steeply dipping rather than an isolated pod of limited extent. Based on the westward shift of the 300-foot anomaly it further indicates a westward dipping conductor. Furthermore, the northwest trending gully just east of Station 5E is possibly the expression of a fault which would intersect the thrust fault near the low anomaly.

Another low anomaly northeast of the shaft at Stations 1E + 1N and 2E + 1N, probably joins with the major east-west low, but stations were not run further northwest because of the excessive slope.

If the vein or zone is striking east-west and if the interpretation of a northward-dipping thrust fault is correct, this would put the vein down dip from the shaft and account for the presence of the sulphide boulders in the fault zone.

(f) The presence of the massive sulphide boulders in the fault zone and the strong, linear conductor indicated by the electrical survey, give evidence of a nearby vein or replacement orebody.

Since the sulphides of lead, zinc, and copper are friable, and no evidence of extreme abrasion was noted on the boulders, it is felt that the zone containing the sulphides cannot be too far down dip. With the proposed exploration program we feel that an excellent chance exists to uncover the boulders source.

An assay of the sulphides is included under (d) above.

(g) The results of the geological and geophysical studies made to date are included in the body of this application.

3. (a) ACCESSIBILITY OF PROJECT.-

The Silver Bead Claim Group may be reached from Salida, Colorado, the nearest city, by travelling west on U.S.Highway 50 approximately 6½ miles (past the junction of 50 & 285) and turning north opposite the Antero Beryllium Company's mill. Local directions should be obtained for the Henry Deluca ranch which lies approximately 3/4 mile north and ½ mile west of the Highway 50 turnoff.

3. (a) Continued

A fair to good graded dirt road leads from the Deluca ranch to the claim group. In five miles the road rises approximately 2000 feet and in some places the grade is believed excessive for two wheel drive vehicles. The company maintains two jeeps for men and equipment haulage and will be available to transport the government engineers.

Mr. Gilbert Bradshaw, general manager of the company, will meet the DMEA representative. He may be reached at the Deluca ranch. Mr. Deluca has a telephone under the Salida exchange.

(b) Salida is the nearest shipping and supply point. Several of the employees reside in a cabin at the Deluca ranch, but it is probable that additional employees will live in Salida, located approximately 13 miles from the property.

Mining equipment is available in Denver and experienced miners live in the nearby communities of Leadville, Buena Vista, and Salida.

4. THE EXPLORATION PROJECT:-

(a) Because of excessive water and very bad ground at the bottom of the shaft, further work from from this point is considered too costly even though it is already down 167 feet. Drilling efforts by Boyles Brothers have proved too costly and, from the surface, impossible due to the concentration of granitic boulders in the overlying glacial till.

Essentially, three phases are proposed.

1- The driving of a 680 foot adit.
2- 2000 feet of underground diamond drilling under drilling phase 1.
3- 1500 feet of underground diamond drilling under drilling phase 2.

The portal of the adit is shown on Plate 2. It is located approximately 200 feet vertically below the collar of the new shaft and has been planned to intersect a vertical plane beneath the baseline at a point approximately 50 feet southwest of the low geophysical anomaly. From the heading at this point it will be possible to drill a fan-like pattern of diamond drill holes.

The adit will be 5' X7' in the clear. The grade will be held to about ½%. It is felt that only the glacial till will give any problems in the driving of the adit. At the present time the company has started this work and it will continue until the objective is reached.

It is proposed that all drill holes be AX in size since the drilling

4. (a) Continued

platform will be underground. The exact locations of each drill hole should be matter for approval upon completion of the adit.

(b) No access roads to the project are required.

(c) The work on the adit is already underway. If a contract is executed it will be used to finish the remaining footage of the adit and complete the diamond drilling program.

The contractors expect to be able to drive 10 feet of adit per 2-shift day. Underground drilling is expected to progress at the average rate of 25 feet per day.

5. EXPERIENCE.-

The Gold Eagle Mining Corporation has already completed 167 feet of shaft sinking and approximately 42 feet of crosscutting. It feels that the miners and manager under its employ are qualified to undertake the exploration project.

Technical supervision of the project will be under the firm of Melbye and Merwin, Geological Engineers of Golden, Colorado. For the past four years Melbye and Merwin have been successfully engaged in geological-geophysical exploration and in mine management, both in the western United States and in Mexico. The partners in this firm have each had 6-8 years of experience for such companies as: The New Jersey Zinc Company; Anaconda Company; and Kennecott Copper Corporation. They have been consultants for: Phelps-Dodge Copper Corporation; Southern Pacific Rail Road; Wyoming Uranium Corporation; Colorado Fuel and Iron Corporation; and many other companies and individuals. In addition, Mr. Melbye instructed in geology for several years at the Colorado School of Mines.

6. ESTIMATE OF COSTS.-

It is contemplated by the company that all work will be performed under contract. At the present time the company owns or will acquire the necessary equipment and supplies to complete the adit, and, when completed, contemplates acquiring a diamond drill for underground exploration.

The miners driving the adit will be paid $12 per foot of advance. This price includes the work of timbering. The company will furnish timber, water, rail, cars, and all other fixed and movable equipment and supplies.

It is felt that a cost of $27.50 per foot of adit will complete this phase. This cost will include engineering supervision.

Gold Eagle Mining Corporation
1522 East 33rd South
Salt Lake City, Utah

6. Continued

The diamond drilling will be under contract. An estimate of the cost of such drilling is $7.00 per foot. This cost includes geological evaluation of the results.

(a) The fact that the company has already started the proposed program is felt justification for altering the form of application. All work has been and will be on a low bid basis. The miners contracting the adit have many years experience, and work is progressing at a rapid rate. If the adit is completed before a DMEA contract is executed, the remaining phase 1 & 2 drilling programs will be let on a bid basis.

A recapitulation of the contract costs follows:

680 feet of 5' X 7' adit @ $27.50 per foot	$18,700.00
2000 feet AX drilling-phase 1 @ $7.00 per foot	14,000.00
1500 feet AX drilling-phase 2 @ $7.00 per foot	10,500.00
TOTAL ESTIMATED COST OF PROJECT	$43,200.00

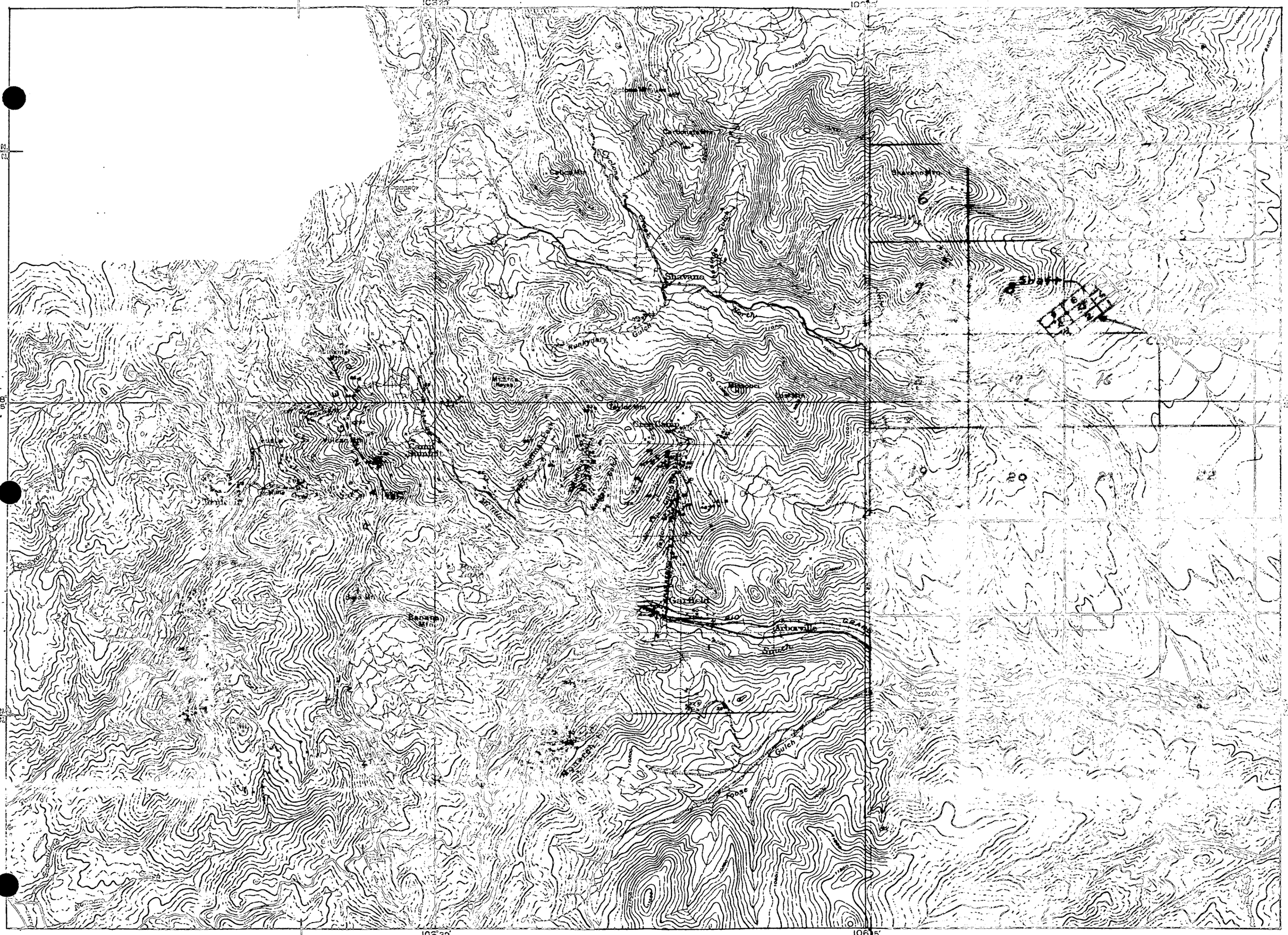
7. (a) The Gold Eagle Mining Corporation is prepared to furnish 50% of the cost of the proposed project.

(b) The company's share of the project costs will be met by furnishing money.

Gold Eagle Mining Corporation

Gilbert Bradshaw

Gilbert Bradshaw, General Manager



Topography by P. G. Worcester, R. C. Coffin, R. M. Butters, and G. B. Werner

TOPOGRAPHIC MAP OF THE MONARCH AND TOMICHI MINING DISTRICTS, COLORADO

Scale $\frac{1}{62500}$ or approximately inch to mile

U. S. Government Messenger Envelope

NAME OR TITLE OF PERSON, DEPARTMENT, ADDRESS, AND ROOM		NAME OR TITLE OF PERSON, DEPARTMENT, ADDRESS, AND ROOM	
Mr. Mitchell 44579	RUN STOP		RUN STOP
	RUN STOP		RUN STOP
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Use simplex envelopes to
apply room for reissue.

the other side.

Use RUN and STOP only when messenger service between Government buildings in the Employee
RUN and STOP information.

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

EXTRA COPY
O. M.
RECEIVED JAN 8 1959

DATE	INITIALS	CODE

January 7, 1959

Memorandum

To: W. R. Griswold, Office of Minerals Exploration

From: Commodity Specialist, Branch of Base Metals

Subject: Review of application, Docket No. DMEA-5071, (copper, lead, zinc), Gold Eagle Mining Corporation, Silver Bead claims, Chaffee County, Colorado, $43,200.00.

The applicant requests Government assistance in financing an exploration program consisting of 680 feet of adit and 3,500 feet of diamond drilling designed to test favorable areas indicated by pronounced geophysical anomalies that suggest the presence of a sulphide vein or orebody.

It is recommended that the application be referred to the Field Team for appraisal and an examination of the property if warranted.

A. D. McMahon

A. D. McMahon

Copy to: Division of Minerals
Branch of Base Metals (2)
Thor Kiilsgaard, U.S.G.S.
F. D. Lamb
Files

EXTRA COPY
O. M.
RECEIVED JAN 8 1959

DATE	INITIALS	CODE

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

January 7, 1959

Memorandum

To: W. R. Griswold, Office of Minerals Exploration

From: Commodity Specialist, Branch of Base Metals

Subject: Review of application, Docket No. DMEA-5071, (copper, lead, zinc), Gold Eagle Mining Corporation, Silver Bead claims, Chaffee County, Colorado, $43,200.00.

The applicant requests Government assistance in financing an exploration program consisting of 600 feet of adit and 3,500 feet of diamond drilling designed to test favorable areas indicated by pronounced geophysical anomalies that suggest the presence of a sulphide vein or orebody.

It is recommended that the application be referred to the Field Team for appraisal and an examination of the property if warranted.

A. D. McMahon
A. D. McMahon

Copy to: Division of Minerals
Branch of Base Metals (2)
Thor Kiilsgaard, U.S.G.S.
F. B. Lamb
Files

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

EXTRA COPY
O. M. E.
RECEIVED JAN 8 1959

DATE	INITIALS	CODE

January 7, 1959

Memorandum

To: W. R. Griswold, Office of Minerals Exploration

From: Commodity Specialist, Branch of Base Metals

Subject: Review of application, Docket No. DMEA-5071, (copper, lead, zinc), Gold Eagle Mining Corporation, Silver Bond claims, Chaffee County, Colorado, $43,200.00.

The applicant requests Government assistance in financing an exploration program consisting of 680 feet of adit and 3,500 feet of diamond drilling designed to test favorable areas indicated by pronounced geophysical anomalies that suggest the presence of a sulphide vein or orebody.

It is recommended that the application be referred to the Field Team for appraisal and an examination of the property if warranted.

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Copy to: Division of Minerals
Branch of Base Metals (2)
Thor Kiilsgaard, U.S.G.S.
F. D. Lamb
Files

DMEA-5071

Bldg New Customhouse
Denver 2, Colorado

June 25, 1956

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Alternate Acting Executive Officer, DMEA Field Team, Region III

Subject: Application for DMEA Aid (Copper-Lead-Zinc)
Gold Eagle Mining Corporation (Silver Shed claims)
Chaffee County, Colorado

Enclosed are the original and two copies of the subject application. One copy is being retained in our file.

The applicant proposes to drive a 450 foot adit and complete 3,500 feet of DH drilling at a total estimated cost of $43,200.00. No bids accompanied the application.

Original signed by
J. W. TOWNSEND

J. W. Townsend

Encls.

JWT:bh

cc: Harshman
DMEA/DFC
Docket
Chron.

Form MF–103
Revised Oct. 1957

UNITED STATES
DEPARTMENT OF THE INTERIOR

Budget Bureau No. 42–R1035.3
Approval expires June 30, 1958

DEFENSE MINERALS EXPLORATION ADMINISTRATION

APPLICATION FOR AID IN AN EXPLORATION PROJECT

PURSUANT TO DMEA ORDER I, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

NAME OF APPLICANT (Full legal name and mailing address as it should appear on contract if one is executed)

Gold Eagle Mining Corporation
1522 East 33rd South
Salt Lake City, Utah

DMEA
DEPARTMENT OF THE INTERIOR
JUN 30 1958
REGION III
DENVER, COLORADO

APPLICANT NOT TO USE THIS BLOCK

Docket Number	DMEA-5071
Date Received	6-30-58
Government Participation %	
Region	III
Division Code	500

BUSINESS ORGANIZATION (Check one)

- Individual [ ]
- Corporation [X]
- Partnership [ ]
- Other (Specify) [ ]

State in which firm is organized: Utah

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

Name	Address	Title
Clayton Blank, Sr.	Salt Lake City, Utah	President
Robert M. Overby	Salt Lake City, Utah	Vice-President
Wallace S. Toma	Salt Lake City, Utah	Secretary-Treas.
Gilbert Bradshaw	C/O Mr. Henry Deluca Salida, Colorado	General Manager

Mineral(s) for which you wish to explore: Lead, Copper, Zinc, Silver, & Gold

Estimated Cost of Project: $43,200.00

LOCATION OF PROPERTY

Name	County	State
Silver Bead	Chaffee,	Colorado

GENERAL INSTRUCTIONS

Before filling out this application, please read DMEA Order–I, Revised, "Government Aid in Defense Exploration Projects." To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit four copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 1, existing mine workings and geology in item 2, and the proposed exploration project in item 4. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 2(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals,* of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest DMEA Field Office.*

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.

30 June 1958
Dated

Gilbert J. Bradshaw
BY *(Signature)*

General Manager
Title

A wilfully false statement or certification to any Department or Agency of the United States Government is a criminal offense. U. S. Code, Title 18, Sec. 1001.

INFORMATION REQUIRED WITH THIS APPLICATION

1. *Applicant's Property Rights:*

(a) State the legal description (section, township, and range; metes and bounds; patent number of claims) of the land upon which you wish to explore and all land adjacent to the proposed project area which you own or control. Describe any part of the project land or workings which should not be subject to Government lien for royalty payments. If the land consists of unpatented claims, state the book and page number for each recorded location notice, including amended locations, and the place where recorded (courthouse, recorder's office, county, and state).

(b) State all the names by which you know the property.

(c) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise. If you are not the owner, submit with this application one exact copy of the lease, contract, or other document (with address of owner) under which you control the property.

(d) Describe all liens, mortgages, or other encumbrances on the property.

2. *Physical Description:*

(a) Describe in detail and illustrate with maps or sketches all mining or exploration operations which you know have been or are being conducted upon the lands, including existing mine workings. Describe all production facilities.

(b) State your interest, if any, in operations stated in 2*(a)*.

(c) State, as far as you know, the past and current production, supporting your statement with copies of settlement sheets, mine records, or published data if available.

(d) Describe known ore reserves on the property giving quantities and grades and sampling methods used, supporting your statement with copies of assay certificates and assay maps if available.

(e) Describe by narrative and maps or sketches the geologic features of the property, including ore minerals, geologic formations if known, and type of deposit (vein, bedded, etc.).

(f) State your reasons for expecting to find ore, and if you have sampled the area you propose to explore, show where the samples were taken, describe sampling methods used, and provide copies of assay certificates.

(g) Send with your application at least *two* copies of all geologic or engineering reports, assay maps, or technologic information which you may have, indicating on each whether you require its return to you.

3. *Accessibility of Project:*

(a) To aid DMEA representatives who may be required to examine the property, state the name and address of the person who will meet the DMEA representative; give directions for reaching the property; and describe accessibility of the property including the mine workings.

(b) Name the shipping and supply points and places where employees reside and state the distances between them and the property.

4. *The Exploration Project:*

(a) Describe fully the proposed exploration project giving individual footages and sizes of openings *for each item of work.* Use narrative, maps, plans, and longitudinal and cross sections as necessary. Show the location of the proposed work as related to geologic features such as veins, ore-bearing beds, contacts of rock formations, etc. Show also the relation of the proposed work to any existing mine workings and to *property boundaries* or to the closest identifiable corner.

(b) If an access road to the project must be built, show the location on the property map and state the length, type, and construction methods proposed.

(c) In the event that an exploration contract with DMEA is executed, how soon will the work start and how many months will be required to complete it? State your anticipated average daily or monthly rate of progress for each type of work.

5. *Experience:*

State your operating experience and background with relation to your ability to carry out this exploration project, and also that of the person or persons who will supervise the operations.

6. *Estimate of Costs:*

Furnish detailed estimates of the costs *for each item of the work proposed in 4(a)* under the headings listed below with a total for each heading and the estimated total cost of the project. Costs for any work to be performed by an independent contractor should be shown separately under category *(a)* below. Costs for any work that is not to be performed by an independent contractor should be given in detail under categories *(b)* through *(g)*.

(a) Independent contracts. State the cost of any proposed independent contract for the performance of all or any part of the work, expressed in units of work, such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved. Cost estimates should be supported by bids from three contractors if possible. *(Note* – If none of the work is to be contracted, write "none" after this item.)

(b) Personal services. For necessary supervision, engineering and geological services, and labor, include an itemized schedule of numbers, classes, rates of wages, salaries or fees, and periods of employment. State whether these technicians and employees are available.

(c) Operating materials and supplies. List items of material and supplies with their cost. Include under this heading power, water, and fuel, and units of equipment and tools costing less than $50 each.

(d) Operating equipment. List items of operating equipment to be used giving specifications and indicating how each item is to be acquired – i.e., rented, purchased, or provided by the applicant. If it is rented or purchased, state the estimated rental or purchase price. If it is to be furnished by the applicant, give its present fair market value.

(e) Initial rehabilitation and repairs. Describe the type and the cost of necessary *initial* rehabilitation or repair of existing buildings, fixtures, installations (exclusive of mine workings), and movable operating equipment now owned by the applicant, which will be used on the exploration project.

(f) New buildings, fixtures, installations. Describe each building, fixed improvement, and installation to be purchased, constructed, or installed for the exploration project stating specifications and cost including labor, materials and supervision.

(g) Miscellaneous. For the operating equipment listed in 6*(d)*, describe the type and estimate the cost of repairs and maintenance expected during project operations. Do not repeat initial repairs listed in 6*(e)*. Show also the costs of analytical work, accounting, workmen's compensation and employees' liability insurance, payroll taxes, and other required costs that do not fall within the previous categories.

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)* State whether you are prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation stated in Sec. 7 of DMEA Order–I, Revised.

(b) Explain to what extent you propose to furnish your share of the costs by providing money, by use of equipment owned by you, or otherwise.

* * * * *

INT.-DUP. SEC., WASH., D.C. 25960

Gold Eagle Mining Corporation
1522 East 33rd South
Salt Lake City, Utah

APPLICATION FOR AID
in an
EXPLORATION PROJECT

Silver Bead Claim Group
Chaffee County, Colorado

1. APPLICANT'S PROPERTY RIGHTS.-

(a) The property to be explored consists of a single block of nine unpatented lode mining claims located approximately in Sections 8, 9, 16, and 17, T 50 N, R 7 E; Monarch (?) Mining District, Chaffee County, Colorado. The following is a list of these claims together with the date filed, reception number, book, and page. All are recorded in the Chaffee County Court House, Salida, Colorado.

CLAIM	DATE FILED	RECEPTION NO.	BOOK	PAGE
Silver Bead #1	9/3/57	85896	295	155
Silver Bead #2	9/3/57	85897	295	156
Silver Bead #3	9/3/57	85898	295	157
Silver Bead #4	9/3/57	85899	295	158
Silver Bead #5	9/3/57	85900	295	159
Silver Bead #6	9/3/57	85901	295	160
Silver Bead #7	9/3/57	85902	295	161
Silver Bead #8	9/3/57	85903	295	162
Silver Bead #9	9/3/57	85904	295	163

In February and March, 1958, 20 additional claims were staked to the east and southeast. The area of interest, and that to be explored, lies in the center of the above nine claims, and all exploration and development work to be done under a DMEA contract will be within the above group.

(b) The recognized property name is the Silver Bead Group. The name of the original property was the Gold Eagle Mine.

(c) The Gold Eagle Mining Corporation is the sole owner of the Silver Bead Claim Group. The company holds a deed and conveyance from the locators.

(d) There are no liens, mortgages, or other encumbrances on the property.

Gold Eagle Mining Corporation
1522 East 33rd South
Salt Lake City, Utah

2. PHYSICAL DESCRIPTION.-

(a) During the 1930's a Mr. Blank (now deceased), of Salida, Colorado, completed a vertical shaft to approximately 165 feet and reported encountering a high-grade gold ore (about $20,000 per ton) in the shaft bottom. His son, Mr. Clayton Blank Sr., president of the company, stated that a heavy flow of water, inadequate pumping equipment, and an apparent unwillingness on the part of his father to part with any substantial interest for capital, resulted in the operation being closed down.

The present group of nine claims, centered over the original shaft, were staked by company stockholders during the fall of 1957, and conveyed to the company during the same period.

Because the original shaft was caved, a new, two-compartment, 4' X 8' vertical shaft was collared in October. This shaft is located approximately 35 feet SW of the original shaft. Work on the new shaft progressed throughout the winter of 1957-1958, and was completed to a depth of 167 feet during April, 1958. See Plate 2.

At the 167-foot level, a heavy flow of water was encountered. A gasoline driven pump was installed during May and an attempt made to de-water the shaft sufficiently to carry on exploration. With only one shift operating and a constantly increasing water problem hampering operations, all work at the shaft bottom was suspended during the latter half of May. A short, 42 foot crosscut was driven northeast off the 100-foot level in an attempt to intersect a reported drift from the old workings but failed to do so. The crosscut did, however, intersect a caved portion of the original shaft.

Because of a thick mantle of glacial till and soil, drilling estimates were considered prohibitive. Upon completion of the new shaft to the 167 foot level, however, the Boyles Brothers Drilling Company placed a string of casing in the shaft and diamond drilled 23 feet, bottoming in granite (?).

During the latter half of May the firm of Melbye and Merwin, Geological Engineers of Golden, Colorado, were asked to evaluate the results of the exploration and to suggest further steps, if warrented. As a result of the initial examination, a geophysical resistivity survey was completed during the first week of June, and recommendations made which are incorporated in this application for aid. The results of the geological and geophysical work will be found under Section 2, Paragraph (e).

(b) The Gold Eagle Mining Corporation completed all work in the new shaft described above.

2. PHYSICAL DESCRIPTION (CONTINUED).-

(c) In so far as is known there has never been any production from the property. No known productive mines are located within several miles of the claims.

(d) As stated previously, Mr. Blank reported that he had encountered a "vein" of gold ore which ran $20,000 per ton. It was on the basis of this reported sample that the Gold Eagle Mining Corporation sunk the new shaft.

At about 160 feet in the new shaft a number of rounded boulders containing lead, zinc, and copper sulphides were encountered. In all, approximately 1½ tons of these boulders were recovered, and a number left in place. Several of these boulders consisted of almost pure sulphides. They range in size from a few inches to over two feet in diameter. One assay report gave: 19.9% copper; 13.5% lead; in excess of 25% zinc; and 42 ounces of silver. The character of these boulders is self-evident. In several, the only gangue consists of a minor amount of secondary vein quartz. Some are almost pure sulphides. Very little pyrite can be seen.

The source of these boulders is the target of the proposed exploration program. Until this source can be found and evaluated no ore reserve estimate can be made.

(e) Geology:

The new, 167-foot shaft has been sunk in a suspected northeast-trending thrust fault, typical of the type that parallel the Sawatch Range. This fault dips into the mountain, or to the north, at an unknown angle. Although the exact angle is not evident because of the intense fracturing, clay fault gouge, and the tight timbering in the shaft which hinders observation, its presence is readily apparent from the stratigraphy. The upper part of the shaft is in the oldest formation, the pre-Cambrian granite gneiss; at 120 feet it passes into the intense zone of fault gouge; and at least the bottom 10 feet is in younger black, gray, and light green to pinkish shales which dip 20°-30° S. These shales are probably of the Pennsylvanian Belden or Minturn formations.

On the mountain slopes above the shaft pre-Cambrian granite and Tertiary quartz monzonite outcrop, but on a level with the shaft and below this level no outcrops were observed. The upper 65 feet of the new shaft is in glacial till and soil.

The presence of the fault was probably suspected by the old time prospectors from the break in slope. Numerous trenches, prospect pits, and the old shaft attest to extensive exploration, but the extreme thickness of till was apparently too

Gold Eagle Mining Corporation
1522 East 33rd South
Salt Lake City, Utah

2. (e) Continued (Geology)

much cover for the methods then used. The only known work within several miles which disclosed any mineralization is the old shaft of the Gold Eagle mine located 35 feet NW of the new shaft.

The high-grade massive sulphide boulders encountered in the new shaft are definitely fault drag since they are slickensided and rounded from being transported by the suspected thrust fault. They probably originated in a vein or replacement below the thrust which may be localized within the Leadville formation. The presence of the Leadville limestone is suspected because of the unusually high lime content of several samples and a megascopic examination of a number of hand specimens.

A number of the boulders are composed almost entirely of sphalerite, chalcopyrite, and galena. Several display minor amounts of vein quartz and calcite. It is believed that the high-grade gold reported from the old shaft is also fault drag from a vein in either the granite gneiss, quartz monzonite, or one of the possible underlying sedimentary formations.

Geophysics: (See Plate 2)

Based on a preliminary evaluation, an electrical resistivity and topographic survey was completed to aid in the location of the deposit from which the fault drag boulders of sulphides originated.

A direct-current resistivity survey was run at 100-foot spacings along and at right angles to a N 40° E baseline, using an applied voltage of 270 volts. It is believed that the baseline closely follows the strike of the inferred thrust fault.

Because of the steep terrain above the baseline, 30-foot rise in 100 feet, and with the Wenner 4-electrode configuration used, it was not deemed advisable to run stations any further to the northeast, because of the uncertain topography effects. Copper stakes were used for the current electrodes and porous pots as potential electrodes. Ohm-foot values were calculated using the Wenner formula:

$$\text{Ohm-feet} = R \times \frac{W}{I} = 2\,(\text{spacing})\,\frac{\text{potential drop}}{\text{current}}$$

The ohm-feet values are plotted and contoured on Plate 2. A 200 ohm-foot contour or interval was used. Separate contouring was done for the 200-foot and 500-foot values, as each set reflects the electrical properties of the ground at different depths.

Gold Eagle Mining Corporation
1522 East 33rd South
Salt Lake City, Utah

2. (e) Continued (Geophysics)

A very pronounced east-west trending low anomaly is evident in the vicinity of Stations 4E, 5E, and 6E. (See red cross-hatching on Plate 2). This low varies from 175-683 ohm-feet, compared to highs on either side of 1637-8120 ohm-feet. This substantial anomaly indicates the presence of a good linear conductor, the most likely of which would be a sulphide vein or ore body. The presence of substantial linear anomalies with both spacings indicates that the conductor is vertical or steeply dipping rather than an isolated pod of limited extent. Based on the westward shift of the 300-foot anomaly it further indicates a westward dipping conductor. Furthermore, the northwest trending gully just east of Station 5E is possibly the expression of a fault which would intersect the thrust fault near the low anomaly.

Another low anomaly northeast of the shaft at Stations 1E + 1N and 2E + 1N, probably joins with the major east-west low, but stations were not run further northwest because of the excessive slope.

If the vein or zone is striking east-west and if the interpretation of a northward-dipping thrust fault is correct, this would put the vein down dip from the shaft and account for the presence of the sulphide boulders in the fault zone.

(f) The presence of the massive sulphide boulders in the fault zone and the strong, linear conductor indicated by the electrical survey, give evidence of a nearby vein or replacement orebody.

Since the sulphides of lead, zinc, and copper are friable, and no evidence of extreme abrasion was noted on the boulders, it is felt that the zone containing the sulphides cannot be too far down dip. With the proposed exploration program we feel that an excellent chance exists to uncover the boulders source.

An assay of the sulphides is included under (d) above.

(g) The results of the geological and geophysical studies made to date are included in the body of this application.

3. (a) ACCESSIBILITY OF PROJECT.-

The Silver Bead Claim Group may be reached from Salida, Colorado, the nearest city, by travelling west on U.S.Highway 50 approximately 6½ miles (past the junction of 50 & 285) and turning north opposite the Antero Beryllium Company's mill. Local directions should be obtained for the Henry Deluca ranch which lies approximately 3/4 mile north and ½ mile west of the Highway 50 turnoff.

Gold Eagle Mining Corporation
1522 East 33rd South
Salt Lake City, Utah

3. (a) Continued

A fair to good graded dirt road leads from the Deluca ranch to the claim group. In five miles the road rises approximately 2000 feet and in some places the grade is believed excessive for two wheel drive vehicles. The company maintains two jeeps for men and equipment haulage and will be available to transport the government engineers.

Mr. Gilbert Bradshaw, general manager of the company, will meet the DMEA representative. He may be reached at the Deluca ranch. Mr. Deluca has a telephone under the Salida exchange.

(b) Salida is the nearest shipping and supply point. Several of the employees reside in a cabin at the Deluca ranch, but it is probable that additional employees will live in Salida, located approximately 13 miles from the property.

Mining equipment is available in Denver and experienced miners live in the nearby communities of Leadville, Buena Vista, and Salida.

4. THE EXPLORATION PROJECT:-

(a) Because of excessive water and very bad ground at the bottom of the shaft, further work from from this point is considered too costly even though it is already down 167 feet. Drilling efforts by Boyles Brothers have proved too costly and, from the surface, impossible due to the concentration of granitic boulders in the overlying glacial till.

Essentially, three phases are proposed.

1- The driving of a 600 foot adit.
2- 2000 feet of underground diamond drilling under drilling phase 1.
3- 1500 feet of underground diamond drilling under drilling phase 2.

The portal of the adit is shown on Plate 2. It is located approximately 200 feet vertically below the collar of the new shaft and has been planned to intersect a vertical plane beneath the baseline at a point approximately 50 feet southwest of the low geophysical anomaly. From the heading at this point it will be possible to drill a fan-like pattern of diamond drill holes.

The adit will be 5' X7' in the clear. The grade will be held to about 3%. It is felt that only the glacial till will give any problems in the driving of the adit. At the present time the company has started this work and it will continue until the objective is reached.

It is proposed that all drill holes be AX in size since the drilling

4. (a) Continued

platform will be underground. The exact locations of each drill hole should be matter for approval upon completion of the adit.

(b) No access roads to the project are required.

(c) The work on the adit is already underway. If a contract is executed it will be used to finish the remaining footage of the adit and complete the diamond drilling program.

The contractors expect to be able to drive 10 feet of adit per 8-shift day. Underground drilling is expected to progress at the average rate of 25 feet per day.

5. EXPERIENCE.-

The Gold Eagle Mining Corporation has already completed 167 feet of shaft sinking and approximately 48 feet of crosscutting. It feels that the miners and managers under its employ are qualified to undertake the exploration project.

Technical supervision of the project will be under the firm of Melbye and Marvin, Geological Engineers of Golden, Colorado. For the past four years Melbye and Marvin have been successfully engaged in geological-geophysical exploration and in mine management, both in the western United States and in Mexico. The partners in this firm have each had 6-8 years of experience for such companies as: The New Jersey Zinc Company; Anaconda Company; and Kennecott Copper Corporation. They have been consultants for: Phelps-Dodge Copper Corporation; Southern Pacific Rail Road; Wyoming Uranium Corporation; Colorado Fuel and Iron Corporation; and many other companies and individuals. In addition, Mr. Melbye instructed in geology for several years at the Colorado School of Mines.

6. ESTIMATE OF COSTS.-

It is contemplated by the company that all work will be performed under contract. At the present time the company owns or will acquire the necessary equipment and supplies to complete the adit, and, when completed, contemplates acquiring a diamond drill for underground exploration.

The miners driving the adit will be paid $12 per foot of advance. This price includes the work of timbering. The company will furnish timber, water, rail, cars, and all other fixed and movable equipment and supplies.

It is felt that a cost of $27.50 per foot of adit will complete this phase. This cost will include engineering supervision.

Gold Eagle Mining Corporation
1522 East 33rd South
Salt Lake City, Utah

6. Continued

The diamond drilling will be under contract. An estimate of the cost of such drilling is $7.00 per foot. This cost includes geological evaluation of the results.

(a) The fact that the company has already started the proposed program is felt justification for altering the form of application. All work has been and will be on a low bid basis. The miners contracting the adit have many years experience, and work is progressing at a rapid rate. If the adit is completed before a DMEA contract is executed, the remaining phase 1 & 2 drilling programs will be let on a bid basis.

A recapitulation of the contract costs follows:

680 feet of 5' X 7' adit	@ $27.50 per foot	$18,700.00
2000 feet AX drilling-phase 1	@ $7.00 per foot	$14,000.00
1500 feet AX drilling-phase 2	@ $7.00 per foot	10,500.00
	TOTAL ESTIMATED COST OF PROJECT	$43,200.00

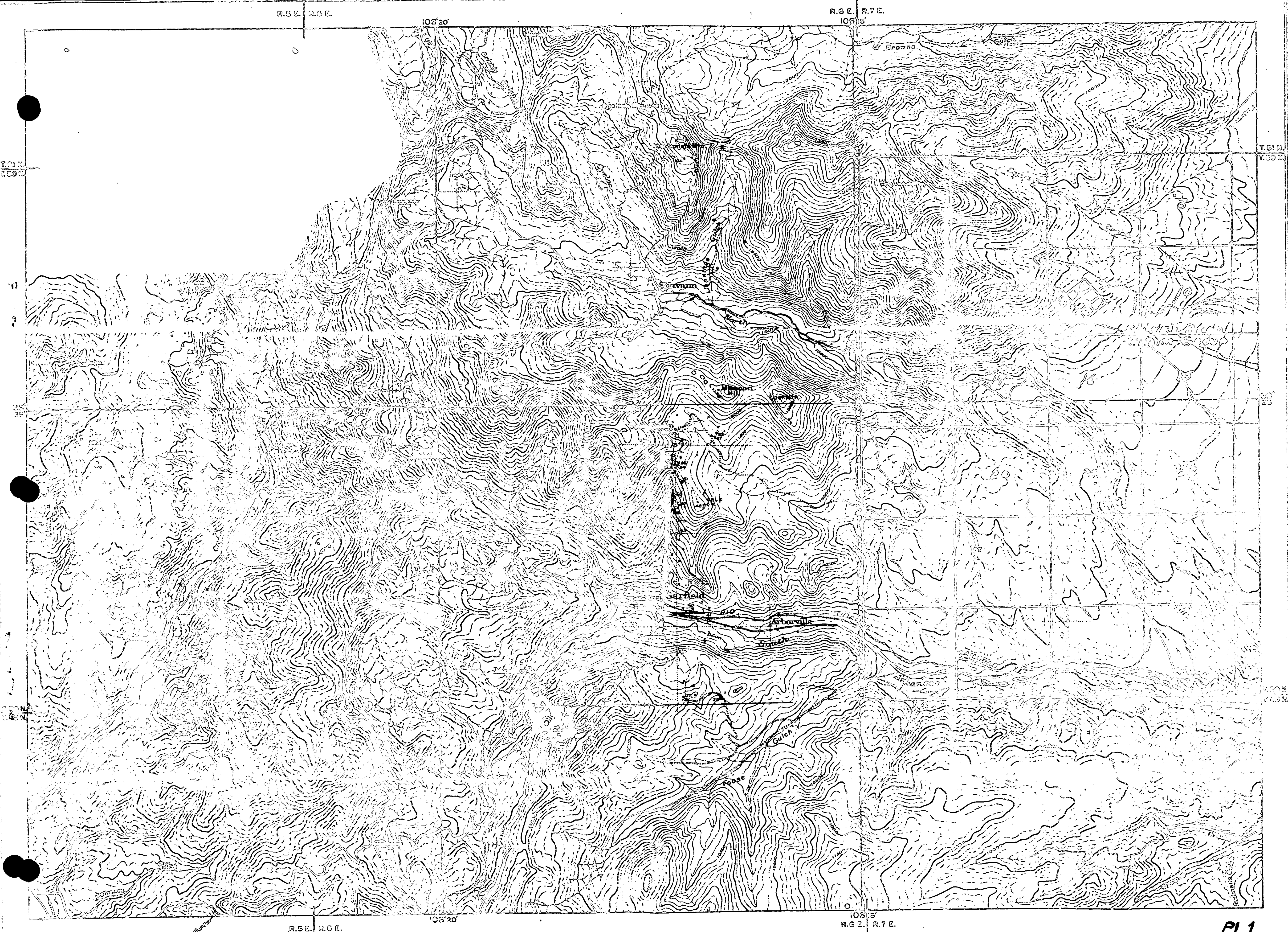
7. (a) The Gold Eagle Mining Corporation is prepared to furnish 50% of the cost of the proposed project.

(b) The company's share of the project costs will be met by furnishing money.

Gold Eagle Mining Corporation

Gilbert L. Bradshaw

Gilbert Bradshaw, General Manager



Pl 1

Topography by P. G. Worcester,
R. C. Coffin, R. M. Butters, and

TOPOGRAPHIC MAP OF THE MONARCH AND TOMICHI MINING DISTRICTS, COLORADO

Scale $\frac{1}{62500}$ or approximately 1 inch to 1 mile

A. Hoen & Co. Baltimore.

December 31, 1958
Re: [illegible]-3071
Gold Eagle Mining Co.
Silver Bend
Chaffee County, Colorado
Appl. Ext. $43,000
Lead-Copper-Zinc

Memorandum

To: W. E. Griswold, Office of Minerals Exploration

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

Subject: Review of application

The applicant requested assistance in searching for the origin of sulfide boulders encountered in fault gouge near the bottom of a 167-foot shaft. The shaft was sunk on the strength of reported findings in another nearby 167-foot shaft now caved.

At the time of filing the request, June 1958, the applicant was engaged in driving a 680-foot crosscut to the area to be explored. Perhaps the crosscut has been completed and its driving justified. At any rate, up-to-date information concerning the operation should be obtained.

Referral of the application to the Field Team is recommended.

E. E. Nelson

E. E. Nelson

cc: OME (3)
O.M. Bishop, 3617
Director's reading
Branch reading
Chron. file
Docket file
EENelson/mm
G-MB-12-31-58

EXTRA COPY O. M. E. RECEIVED JAN 2 1959		
DATE	INITIALS	CODE

December 31, 1958
Re: [illegible]
Gold Eagle Mining Co.
Silver Bend
Chaffee County, Colorado
Appl. Amt. $43,200
Lead-Copper-Zinc

Memorandum

To: W. R. Griswold, Office of Minerals Exploration

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

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H. E. Nelson

H. E. Nelson

cc: OME (3)
O.M. Bishop, 3617
Director's reading
Branch reading
Chron. file
Docket file
HENelson/mm
G-MD-12-31-58

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DATE	INITIALS	CODE

December 31, 1958
Re: GMS-3071
Gold Eagle Mining Co.
Silver Bend
Chaffee County, Colorado
Appl. Ext. $43,800
Lead-Copper-Zinc

Memorandum

To: W. H. Griswold, Office of Minerals Exploration

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

Subject: Review of application

The applicant requested assistance in searching for the origin of sulfide boulders encountered in fault gouge near the bottom of a 167-foot shaft. The shaft was sunk on the strength of reported findings in another nearby 167-foot shaft now caved.

At the time of filing the request, June 1958, the applicant was engaged in driving a 600-foot crosscut to the area to be explored. Perhaps the crosscut has been completed and its driving justified. At any rate, up-to-date information concerning the operation should be obtained.

Referral of the application to the Field Team is recommended.

H. E. Nelson

H. E. Nelson

cc: GMS (3)
G.M. Bishop, 3617
Director's reading
Branch reading
Chron. file
Docket File

HENelson/mm
6-MD-12-31-58

FILE COPY
O. M. E.
REC'D JAN 2 1959
DATE INITIALS CODE

5071

224 New Customhouse
Denver 2, Colorado

June 30, 1958

DMEA-5071

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Alternate Acting Executive Officer, DMEA Field Team, Region III

Subject: Application for DMEA Aid (Copper-Lead-Zinc)
Gold Eagle Mining Corporation (Silver Bond claims)
Chaffee County, Colorado

Enclosed are the original and two copies of the subject application. One copy is being retained in our file.

The applicant proposes to drive a 680 foot adit and complete 3,500 feet of AX drilling at a total estimated cost of $43,200.00. No bids accompanied the application.

Original signed by
J. W. TOWNSEND

J. W. Townsend

Encls.

JWT:bh

cc: Harshman
DMEA/DFC
Docket
Chron.

Form MF–103
Revised Oct. 1957

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42–R1035.3
Approval expires June 30, 1958

APPLICATION FOR AID IN AN EXPLORATION PROJECT

PURSUANT TO DMEA ORDER I, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

NAME OF APPLICANT (Full legal name and mailing address as it should appear on contract if one is executed)

Gold Eagle Mining Corporation
1522 East 33rd South
Salt Lake City, Utah

DMEA
DEPARTMENT OF THE INTERIOR
JUN 30 1958
REGION III
DENVER, COLORADO

APPLICANT NOT TO USE THIS BLOCK

Docket Number	DMEA-5071
Date Received	6-30-58
Government Participation %	
Region	III
Division Code	500

BUSINESS ORGANIZATION (Check one)

- Individual [ ]
- Corporation [X]
- Partnership [ ]
- Other (Specify) [ ]

State in which firm is organized: Utah

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

Name	Address	Title
Clayton Blank, Sr.	Salt Lake City, Utah	President
Robert M. Overby	Salt Lake City, Utah	Vice-President
Wallace S. Toma	Salt Lake City, Utah	Secretary-Treas.
Gilbert Bradshaw	C/O Henry Deluca Salida, Colorado	General Manager

Mineral(s) for which you wish to explore: Lead, Copper, Zinc, Silver, & Gold

Estimated Cost of Project: $43,200.00

LOCATION OF PROPERTY

Name	County	State
Silver Bead	Chaffee,	Colorado

GENERAL INSTRUCTIONS

Before filling out this application, please read DMEA Order–I, Revised, "Government Aid in Defense Exploration Projects." To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit four copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 1, existing mine workings and geology in item 2, and the proposed exploration project in item 4. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 2(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals,* of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest DMEA Field Office.*

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.

30 June 1958
Dated

Gilbert L Bradshaw
BY *(Signature)*

General Manager
Title

A wilfully false statement or certification to any Department or Agency of the United States Government is a criminal offense. U. S. Code, Title 18, Sec. 1001.

INFORMATION REQUIRED WITH THIS APPLICATION

1. *Applicant's Property Rights:*

(a) State the legal description (section, township, and range; metes and bounds; patent number of claims) of the land upon which you wish to explore and all land adjacent to the proposed project area which you own or control. Describe any part of the project land or workings which should not be subject to Government lien for royalty payments. If the land consists of unpatented claims, state the book and page number for each recorded location notice, including amended locations, and the place where recorded (courthouse, recorder's office, county, and state).

(b) State all the names by which you know the property.

(c) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise. If you are not the owner, submit with this application one exact copy of the lease, contract, or other document (with address of owner) under which you control the property.

(d) Describe all liens, mortgages, or other encumbrances on the property.

2. *Physical Description:*

(a) Describe in detail and illustrate with maps or sketches all mining or exploration operations which you know have been or are being conducted upon the lands, including existing mine workings. Describe all production facilities.

(b) State your interest, if any, in operations stated in 2*(a)*.

(c) State, as far as you know, the past and current production, supporting your statement with copies of settlement sheets, mine records, or published data if available.

(d) Describe known ore reserves on the property giving quantities and grades and sampling methods used, supporting your statement with copies of assay certificates and assay maps if available.

(e) Describe by narrative and maps or sketches the geologic features of the property, including ore minerals, geologic formations if known, and type of deposit (vein, bedded, etc.).

(f) State your reasons for expecting to find ore, and if you have sampled the area you propose to explore, show where the samples were taken, describe sampling methods used, and provide copies of assay certificates.

(g) Send with your application at least *two* copies of all geologic or engineering reports, assay maps, or technologic information which you may have, indicating on each whether you require its return to you.

3. *Accessibility of Project:*

(a) To aid DMEA representatives who may be required to examine the property, state the name and address of the person who will meet the DMEA representative; give directions for reaching the property; and describe accessibility of the property including the mine workings.

(b) Name the shipping and supply points and places where employees reside and state the distances between them and the property.

4. *The Exploration Project:*

(a) Describe fully the proposed exploration project giving individual footages and sizes of openings *for each item of work.* Use narrative, maps, plans, and longitudinal and cross sections as necessary. Show the location of the proposed work as related to geologic features such as veins, ore-bearing beds, contacts of rock formations, etc. Show also the relation of the proposed work to any existing mine workings and to *property boundaries* or to the closest identifiable corner.

(b) If an access road to the project must be built, show the location on the property map and state the length, type, and construction methods proposed.

(c) In the event that an exploration contract with DMEA is executed, how soon will the work start and how many months will be required to complete it? State your anticipated average daily or monthly rate of progress for each type of work.

5. *Experience:*

State your operating experience and background with relation to your ability to carry out this exploration project, and also that of the person or persons who will supervise the operations.

6. *Estimate of Costs:*

Furnish detailed estimates of the costs *for each item of the work proposed in 4(a)* under the headings listed below with a total for each heading and the estimated total cost of the project. Costs for any work to be performed by an independent contractor should be shown separately under category *(a)* below. Costs for any work that is not to be performed by an independent contractor should be given in detail under categories *(b)* through *(g)*.

(a) Independent contracts. State the cost of any proposed independent contract for the performance of all or any part of the work, expressed in units of work, such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved. Cost estimates should be supported by bids from three contractors if possible. *(Note* – If none of the work is to be contracted, write "none" after this item.)

(b) Personal services. For necessary supervision, engineering and geological services, and labor, include an itemized schedule of numbers, classes, rates of wages, salaries or fees, and periods of employment. State whether these technicians and employees are available.

(c) Operating materials and supplies. List items of material and supplies with their cost. Include under this heading power, water, and fuel, and units of equipment and tools costing less than $50 each.

(d) Operating equipment. List items of operating equipment to be used giving specifications and indicating how each item is to be acquired – i.e., rented, purchased, or provided by the applicant. If it is rented or purchased, state the estimated rental or purchase price. If it is to be furnished by the applicant, give its present fair market value.

(e) Initial rehabilitation and repairs. Describe the type and the cost of necessary *initial* rehabilitation or repair of existing buildings, fixtures, installations (exclusive of mine workings), and movable operating equipment now owned by the applicant, which will be used on the exploration project.

(f) New buildings, fixtures, installations. Describe each building, fixed improvement, and installation to be purchased, constructed, or installed for the exploration project stating specifications and cost including labor, materials and supervision.

(g) Miscellaneous. For the operating equipment listed in 6*(d)*, describe the type and estimate the cost of repairs and maintenance expected during project operations. Do not repeat initial repairs listed in 6*(e)*. Show also the costs of analytical work, accounting, workmen's compensation and employees' liability insurance, payroll taxes, and other required costs that do not fall within the previous categories.

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)* State whether you are prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation stated in Sec. 7 of DMEA Order–I, Revised.

(b) Explain to what extent you propose to furnish your share of the costs by providing money, by use of equipment owned by you, or otherwise.

* * * * *

INT.-DUP. SEC., WASH., D.C. 25960

Gold Eagle Mining Corporation
1522 East 3300 South
Salt Lake City, Utah

APPLICATION FOR AID
in an
EXPLORATION PROJECT

Silver Bead Claim Group
Chaffee County, Colorado

1. APPLICANT'S PROPERTY RIGHTS.-

(a) The property to be explored consists of a single block of nine unpatented lode mining claims located approximately in Sections 8, 9, 16, and 17, T 50 N, R 7 E; Monarch (?) Mining District, Chaffee County, Colorado. The following is a list of these claims together with the date filed, reception number, book, and page. All are recorded in the Chaffee County Court House, Salida, Colorado.

CLAIM	DATE FILED	RECEPTION NO.	BOOK	PAGE
Silver Bead #1	9/3/57	85896	295	155
Silver Bead #2	9/3/57	85897	295	156
Silver Bead #3	9/3/57	85898	295	157
Silver Bead #4	9/3/57	85899	295	158
Silver Bead #5	9/3/57	85900	295	159
Silver Bead #6	9/3/57	85901	295	160
Silver Bead #7	9/3/57	85902	295	161
Silver Bead #8	9/3/57	85903	295	162
Silver Bead #9	9/3/57	85904	295	163

In February and March, 1958, 20 additional claims were staked to the east and southeast. The area of interest, and that to be explored, lies in the center of the above nine claims, and all exploration and development work to be done under a DMEA contract will be within the above group.

(b) The recognized property name is the Silver Bead Group. The name of the original property was the Gold Eagle Mine.

(c) The Gold Eagle Mining Corporation is the sole owner of the Silver Bead Claim Group. The company holds a deed and conveyance from the Locators.

(d) There are no liens, mortgages, or other encumbrances on the property.

Gold Eagle Mining Corporation
1522 East 33rd South
Salt Lake City, Utah

2. PHYSICAL DESCRIPTION.-

(a) During the 1930's a Mr. Blank (now deceased), of Salida, Colorado, completed a vertical shaft to approximately 165 feet and reported encountering a high-grade gold ore (about $20,000 per ton) in the shaft bottom. His son, Mr. Clayton Blank Sr., president of the company, stated that a heavy flow of water, inadequate pumping equipment, and an apparent unwillingness on the part of his father to part with any substantial interest for capital, resulted in the operation being closed down.

The present group of nine claims, centered over the original shaft, were staked by company stockholders during the fall of 1957, and conveyed to the company during the same period.

Because the original shaft was caved, a new, two-compartment, 4' X 8' vertical shaft was collared in October. This shaft is located approximately 35 feet SW of the original shaft. Work on the new shaft progressed throughout the winter of 1957-1958, and was completed to a depth of 167 feet during April, 1958. See Plate 2.

At the 167-foot level, a heavy flow of water was encountered. A gasoline driven pump was installed during May and an attempt made to de-water the shaft sufficiently to carry on exploration. With only one shift operating and a constantly increasing water problem hampering operations, all work at the shaft bottom was suspended during the latter half of May. A short, 42 foot crosscut was driven northeast off the 100-foot level in an attempt to intersect a reported drift from the old workings but failed to do so. The crosscut did, however, intersect a caved portion of the original shaft.

Because of a thick mantle of glacial till and soil, drilling estimates were considered prohibitive. Upon completion of the new shaft to the 167 foot level, however, the Boyles Brothers Drilling Company placed a string of casing in the shaft and diamond drilled 23 feet, bottoming in granite (?).

During the latter half of May the firm of Melbye and Merwin, Geological Engineers of Golden, Colorado, were asked to evaluate the results of the exploration and to suggest further steps, if warrented. As a result of the initial examination, a geophysical resistivity survey was completed during the first week of June, and recommendations made which are incorporated in this application for aid. The results of the geological and geophysical work will be found under Section 2, Paragraph (e).

(b) The Gold Eagle Mining Corporation completed all work in the new shaft described above.

Gold Eagle Mining Corporation
1522 East 33rd South
Salt Lake City, Utah

2. PHYSICAL DESCRIPTION (CONTINUED).-

(c) In so far as is known there has never been any production from the property. No known productive mines are located within several miles of the claims.

(d) As stated previously, Mr. Black reported that he had encountered a "vein" of gold ore which ran $20,000 per ton. It was on the basis of this reported sample that the Gold Eagle Mining Corporation sank the new shaft.

At about 160 feet in the new shaft a number of rounded boulders containing lead, zinc, and copper sulphides were encountered. In all, approximately 75 tons of these boulders were recovered, and a number left in place. Several of these boulders consisted of almost pure sulphides. They range in size from a few inches to over two feet in diameter. One assay report gave: 19.9% copper; 13.5% lead; in excess of 25% zinc; and 42 ounces of silver. The character of these boulders is self-evident. In several, the only gangue consists of a minor amount of secondary vein quartz. Some are almost pure sulphides. Very little pyrite can be seen.

The source of these boulders is the target of the proposed exploration program. Until this source can be found and evaluated no ore reserve estimate can be made.

(e) Geology:

The new, 167-foot shaft has been sunk in a suspected northeast-trending thrust fault, typical of the type that parallel the Wasatch Range. This fault dips into the mountain, or to the north, at an unknown angle. Although the exact angle is not evident because of the intense fracturing, clay fault gouge, and the tight timbering in the shaft which hinders observation, its presence is readily apparent from the stratigraphy. The upper part of the shaft is in the oldest formation, the pre-Cambrian granite gneiss; at 120 feet it passes into the intense zone of fault gouge; and at least the bottom 10 feet is in younger black, gray, and light green to pinkish shales which dip 20°-30° S. These shales are probably of the Pennsylvanian Belden or Minturn formations.

On the mountain slopes above the shaft pre-Cambrian granite and Tertiary quartz monzonite outcrop, but on a level with the shaft and below this level no outcrops were observed. The upper 63 feet of the new shaft is in glacial till and soil.

The presence of the fault was probably suspected by the old time prospectors from the break in slope. Numerous trenches, prospect pits, and the old shaft attest to extensive exploration, but the extreme thickness of till was apparently too

Gold Eagle Mining Corporation
1322 East 33rd South
Salt Lake City, Utah

2. (a) Continued (Geology)

much cover for the methods then used. The only known work within several miles which disclosed any mineralization is the old shaft of the Gold Eagle mine located 35 feet NW of the new shaft.

The high-grade massive sulphide boulders encountered in the new shaft are definitely fault drag since they are slickensided and rounded from being transported by the suspected thrust fault. They probably originated in a vein or replacement below the thrust which may be localized within the Leadville formation. The presence of the Leadville limestone is suspected because of the unusually high lime content of several samples and a megascopic examination of a number of hand specimens.

A number of the boulders are composed almost entirely of sphalerite, chalcopyrite, and galena. Several display minor amounts of vein quartz and calcite. It is believed that the high-grade gold reported from the old shaft is also fault drag from a vein in either the granite gneiss, quartz monzonite, or one of the possible underlying sedimentary formations.

Geophysics: (See Plate 2)

Based on a preliminary evaluation, an electrical resistivity and topographic survey was completed to aid in the location of the deposit from which the fault drag boulders of sulphides originated.

A direct-current resistivity survey was run at 100-foot spacings along and at right angles to a N 40° E baseline, using an applied voltage of 270 volts. It is believed that the baseline closely follows the strike of the inferred thrust fault.

Because of the steep terrain above the baseline, 50-feet rise in 100 feet, and with the Wenner 4-electrode configuration used, it was not deemed advisable to run stations any further to the northeast, because of the uncertain topography effects. Copper stakes were used for the current electrodes and porous pots as potential electrodes. Ohm-foot values were calculated using the Wenner formula:

$$\text{Ohm-feet} = 2\pi\frac{E}{I} = 2\,(\text{spacing})\,\frac{\text{potential drop}}{\text{current}}$$

The ohm-feet values are plotted and contoured on Plate 2. A 250 ohm-foot contour or interval was used. Separate contouring was done for the 200-foot and 300-foot values, as each set reflects the electrical properties of the ground at different depths.

2. (e) Continued (Geophysics)

A very pronounced east-west trending low anomaly is evident in the vicinity of Stations 4E, 5E, and 6E. (See red cross-hatching on Plate 2). This low varies from 175-683 ohm-feet, compared to highs on either side of 1637-8130 ohm-feet. This substantial anomaly indicates the presence of a good linear conductor, the most likely of which would be a sulphide vein or ore body. The presence of substantial linear anomalies with both spacings indicates that the conductor is vertical or steeply dipping rather than an isolated pod of limited extent. Based on the westward shift of the 300-foot anomaly it further indicates a westward dipping conductor. Furthermore, the northwest trending gully just east of Station 5E is possibly the expression of a fault which would intersect the thrust fault near the low anomaly.

Another low anomaly northeast of the shaft at Stations 1E + 1N and 2E + 1N, probably joins with the major east-west low, but stations were not run further northeast because of the expensive slope.

If the vein or zone is striking east-west and if the interpretation of a northward-dipping thrust fault is correct, this would put the vein down dip from the shaft and account for the presence of the sulphide boulders in the fault zone.

(f) The presence of the massive sulphide boulders in the fault zone and the strong, linear conductor indicated by the electrical survey, give evidence of a nearby vein or replacement orebody.

Since the sulphides of lead, zinc, and copper are friable, and no evidence of extreme abrasion was noted on the boulders, it is felt that the zone containing the sulphides cannot be too far down dip. With the proposed exploration program we feel that an excellent chance exists to uncover the boulders source.

An assay of the sulphides is included under (d) above.

(g) The results of the geological and geophysical studies made to date are included in the body of this application.

3. (a) ACCESSIBILITY OF PROJECT.-

The Silver Band Claim Group may be reached from Salida, Colorado, the nearest city, by travelling west on U.S.Highway 50 approximately 6½ miles (past the junction of 50 & 285) and turning north opposite the Antero Beryllium Company's mill. Local directions should be obtained for the Henry Deltas ranch which lies approximately 3/4 mile north and ½ mile west of the Highway 50 turnoff.

Gold Eagle Mining Corporation
1522 East 33rd South
Salt Lake City, Utah

3. (a) Continued

A fair to good graded dirt road leads from the Deluca ranch to the claim group. In five miles the road rises approximately 2000 feet and in some places the grade is believed excessive for two wheel drive vehicles. The company maintains two jeeps for men and equipment haulage and will be available to transport the government engineers.

Mr. Gilbert Bradshaw, general manager of the company, will meet the DMEA representative. He may be reached at the Deluca ranch. Mr. Deluca has a telephone under the Salida exchange.

(b) Salida is the nearest shipping and supply point. Several of the employees reside in a cabin at the Deluca Ranch, but it is probable that additional employees will live in Salida, located approximately 13 miles from the property.

Mining equipment is available in Denver and experienced miners live in the nearby communities of Leadville, Buena Vista, and Salida.

4. THE EXPLORATION PROJECT:-

(a) Because of excessive water and very bad ground at the bottom of the shaft, further work from from this point is considered too costly even though it is already down 167 feet. Drilling efforts by Boyles Brothers have proved too costly and, from the surface, impossible due to the concentration of granitic boulders in the overlying glacial till.

Essentially, three phases are proposed.

1- The driving of a 680 feet adit.
2- 2000 feet of underground diamond drilling under drilling phase 1.
3- 1500 feet of underground diamond drilling under drilling phase 2.

The portal of the adit is shown on Plate 2. It is located approximately 200 feet vertically below the collar of the new shaft and has been planned to intersect a vertical plane beneath the baseline at a point approximately 50 feet southwest of the low geophysical anomaly. From the heading at this point it will be possible to drill a fan-like pattern of diamond drill holes.

The adit will be 5' X7' in the clear. The grade will be held to about 1%. It is felt that only the glacial till will give any problems in the driving of the adit. At the present time the company has started this work and it will continue until the objective is reached.

It is proposed that all drill holes be AX in size since the drilling

4. (a) Continued

platform will be underground. The exact locations of each drill hole should be matter for approval upon completion of the adit.

(b) No access roads to the project are required.

(c) The work on the adit is already underway. If a contract is executed it will be used to finish the remaining footage of the adit and complete the diamond drilling program.

The contractors expect to be able to drive 10 feet of adit per 2-shift day. Underground drilling is expected to progress at the average rate of 25 feet per day.

5. EXPERIENCE.-

The Gold Eagle Mining Corporation has already completed 167 feet of shaft sinking and approximately 42 feet of crosscutting. It feels that the miners and managers under its employ are qualified to undertake the exploration project.

Technical supervision of the project will be under the firm of Melbye and Merwin, Geological Engineers of Golden, Colorado. For the past four years Melbye and Merwin have been successfully engaged in geological-geophysical exploration and in mine management, both in the western United States and in Mexico. The partners in this firm have each had 6-8 years of experience for such companies as: The New Jersey Zinc Company; Anaconda Company; and Kennecott Copper Corporation. They have been consultants for: Phelps-Dodge Copper Corporation; Southern Pacific Rail Road; Wyoming Uranium Corporation; Colorado Fuel and Iron Corporation; and many other companies and individuals. In addition, Mr. Melbye instructed in geology for several years at the Colorado School of Mines.

6. ESTIMATE OF COSTS.-

It is contemplated by the company that all work will be performed under contract. At the present time the company does not will acquire the necessary equipment and supplies to complete the adit, and, when completed, contemplates acquiring a diamond drill for underground exploration.

The miners driving the adit will be paid $12 per foot of advance. This price includes the work of timbering. The company will furnish timber, water, rail, ware, and all other fixed and movable equipment and supplies.

It is felt that a cost of $27.50 per foot of adit will complete this phase. This cost will include engineering supervision.

Gold Eagle Mining Corporation
1522 East 33rd South
Salt Lake City, Utah

6. Continued

The diamond drilling will be under contract. An estimate of the cost of such drilling is $7.00 per foot. This cost includes geological evaluation of the results.

(a) The fact that the Company has already started the proposed program is felt justification for altering the form of application. All work has been and will be on a low bid basis. The miners contracting the adit have many years experience, and work is progressing at a rapid rate. If the adit is completed before a BMA contract is executed, the remaining phase 1 & 2 drilling programs will be let on a bid basis.

A recapitulation of the contract costs follows:

640 feet of 5' X 7' adit @ $27.50 per foot	$18,700.00
2000 feet AX drilling-phase 1 @ $7.00 per foot	14,000.00
1300 feet AX drilling-phase 2 @ $7.00 per foot	10,500.00
TOTAL ESTIMATED COST OF PROJECT	$43,200.00

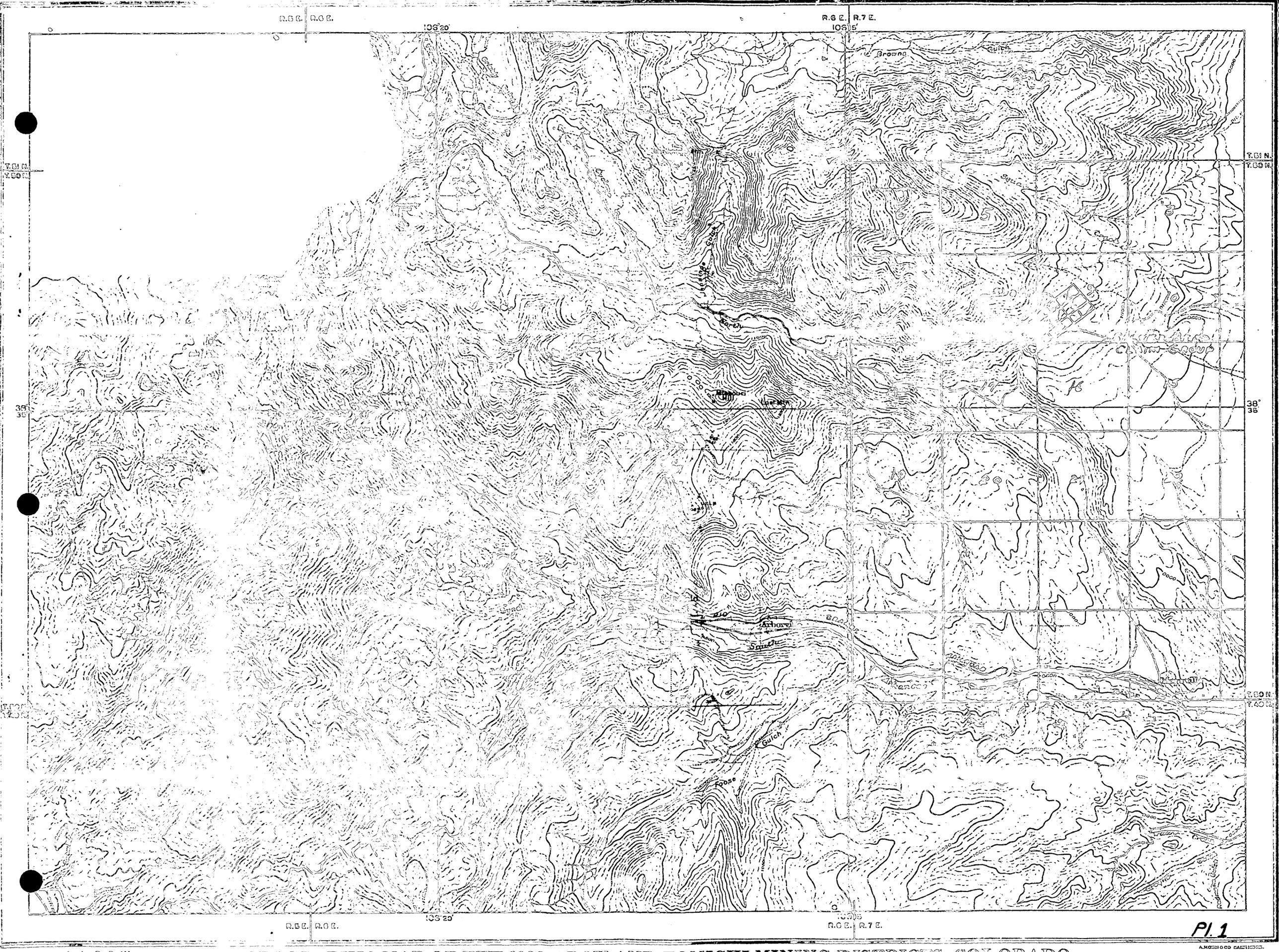
7. (a) The Gold Eagle Mining Corporation is prepared to furnish 30% of the cost of the proposed project.

(b) The company's share of the project costs will be met by furnishing money.

Gold Eagle Mining Corporation

Gilbert Bradshaw

Gilbert Bradshaw, General Manager



Topography by P. G. Worcester, R. C. Coffin, R. M. Buttorp, and

TOPOGRAPHIC MAP OF THE MONARCH AND TOMICHI MINING DISTRICTS, COLORADO

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
3/10	[illegible]	500
	[illegible]	500
3/10	[illegible]	1206
		~~110~~
		~~100~~
3/10	[illegible]	220
		500

MAR 10 1959

Mr. Clayton Blank, Sr., President
Gold Eagle Mining Corporation
1522 East 33rd South
Salt Lake City, Utah

Re: Docket No. DMEA-5071 (Copper-Lead-Zinc)
Gold Eagle Mining Corporation
Silver Bead Claims
Chaffee County, Colorado

Dear Mr. Blank:

Reference is made to our letter of January 29, 1959, regarding action required to make your DMEA application eligible for consideration under the OME regulations.

We wish to cooperate with you in allowing ample time to complete such action, but, if we do not hear from you within 30 days from the date of this letter, we will assume that you are no longer interested in proceeding with your application, and we will consider it as having been withdrawn.

Sincerely yours,

Frank E. Johnson (Lew)

Acting Director

JWAlt/er 3/10/59
CC: Docket
Dir Read File
Region III (2)
Chron.

43683

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
1-13	[illegible]	500
	[illegible]	500
1/22	Selfridge	120
		~~110~~
		~~100~~
1/30	C	225
		500

JAN 29 1959

Mr. Clayton Blank, Sr., President
Gold Eagle Mining Corporation
1522 East 33rd South
Salt Lake City, Utah

Re: Docket No. DMEA-5071 (Copper-Lead-Zinc)
Gold Eagle Mining Corporation
Silver Bead Claims
Chaffee County, Colorado

Dear Mr. Blank:

Enclosed is a copy of the regulations for obtaining Federal assistance in financing mineral exploration under which the new Office of Minerals Exploration will operate.

If you wish that your partly-processed DMEA application be considered under the OME regulations, please complete and return four of the copies of the attached application, MME Form 40.

Your attention is called especially to the certification which when signed declares that you would not ordinarily undertake the proposed exploration under current conditions and circumstances at your sole expense, and to Item 1(a) - and 1(b) if applicable - which relates to information used to determine your financial eligibility under the new exploration program. Information that is included in your DMEA application need not be repeated in the OME application, but you can add new information if you so desire.

In addition to the information you submitted with the application, we will need a property map showing the claims that are listed, and on this map should be shown where the proposed work is to be done. Please submit, if possible, three independent bids for the diamond drilling. Also, we should have an estimated detailed cost per foot for the driving of the 680 feet of adit.

If you do not wish to participate in the OME program, we shall appreciate being so informed.

Sincerely yours,

Frank E. Johnson (for)
Acting Director

JWAlt/er 1-13-59
CC: Docket
Dir Read File
Mr. McMahon, USBM
Mr. Kiilsgaard, USGS
Region III (2)
Chron.

Enclosures

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF INDIAN AFFAIRS
Washington 25, D. C.

January 31, 1959

Memorandum for Docket

Subject: Withdrawal of Pending DMEA Application

Effective this date, this pending DMEA application is considered withdrawn for statistical purposes.

If, at a later date, the applicant requests reconsideration under the OMB program, all pertinent material in the DMEA file should be transferred to the new OMB docket.

Frank B. Johnson
Acting Director

OFFICIAL FILE COPY
O. M.
RECEIVED JAN 8 1959

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1-13	alr	500

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

January 7, 1959

Memorandum

To: W. R. Griswold, Office of Minerals Exploration

From: Commodity Specialist, Branch of Base Metals

Subject: Review of application, Docket No. DMEA-5071, (copper, lead, zinc), Gold Eagle Mining Corporation, Silver Bead claims, Chaffee County, Colorado, $43,200.00.

The applicant requests Government assistance in financing an exploration program consisting of 680 feet of adit and 3,500 feet of diamond drilling designed to test favorable areas indicated by pronounced geophysical anomalies that suggest the presence of a sulphide vein or orebody.

It is recommended that the application be referred to the Field Team for appraisal and an examination of the property if warranted.

A. D. McMahon

A. D. McMahon

Copy to: Division of Minerals
Branch of Base Metals (2)
Thor Kiilsgaard, U.S.G.S.
F. D. Lamb
Files

IN REPLY REFER TO:

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

December 31, 1958
Re: OME-5071
Gold Eagle Mining Co.
Silver Bead
Chaffee County, Colorado
Appl. Est. $43,200
Lead-Copper-Zinc

Memorandum

To: W. R. Griswold, Office of Minerals Exploration

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

Subject: Review of application

The applicant requested assistance in searching for the origin of sulfide boulders encountered in fault gouge near the bottom of a 167-foot shaft. The shaft was sunk on the strength of reported findings in another nearby 167-foot shaft now caved.

At the time of filing the request, June 1958, the applicant was engaged in driving a 680-foot crosscut to the area to be explored. Perhaps the crosscut has been completed and its driving justified. At any rate, up-to-date information concerning the operation should be obtained.

Referral of the application to the Field Team is recommended.

N. E. Nelson

N. E. Nelson

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
9/19	Dokum	
"	DOM	100
		825

September 19, 1958

SEP 19 1958

Mr. Clayton Blank, Sr., President
Gold Eagle Mining Corporation
1522 East 33rd South
Salt Lake City, Utah

Re Docket No. DMEA-5071 (Lead-Zinc-Copper)
Gold Eagle Mining Corporation
Chaffee County, Colorado

Dear Mr. Blank:

As you have an application for exploration aid pending in our office, perhaps you may wish to study the proposed regulations and comment on them before October 17 as provided in the first paragraph of the enclosed notice printed from the Federal Register of September 17, 1958.

Some time after October 17, when the final regulations become effective, we will send you the new application form so you may furnish any additional information necessary to process your application for aid under the new program.

Sincerely yours,

C. O. Mittendorf

ACTING Director

Enclosure
W. R. Griswold:kb-9-19-58
cc to: Dir. R. File
Mr. Griswold

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
7/11	Dakan	200
		225

JUL 11 1958

Gold Eagle Mining Corporation
1522 East 33rd South
Salt Lake City, Utah

Gentlemen:

Please disregard the statement in my letter of July 8 that your application could not be accepted. Since your application was filed in the Defense Minerals Exploration Administration Office in Denver on June 30, it should have been accepted and docketed as usual when received in the Washington Office.

Docket No. 5071 has been assigned to your application and that number should be used when referring to the application in any future correspondence.

Your application will be held until we know whether aid is to be continued as stated in the last paragraph of the July 8 letter.

Sincerely yours,

Allen S. Dakan, Director
Operations Control and
Statistics Division

ASDakan:kb - July 11, 1958
Copy to: Executive Officer, Region III
Admin. Reading File
Chron.

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
7/8	Dakan	200
		225

JUL 8 1958

Gold Eagle Mining Corporation
1522 East 33rd South
Salt Lake City, Utah

Gentlemen:

We are sorry that we cannot accept your application for exploration aid. It was received after June 30th, the last day for accepting new applications for Defense Minerals Exploration Administration assistance, and we can do nothing with it until the Congress acts on proposed legislation to continue exploration aid.

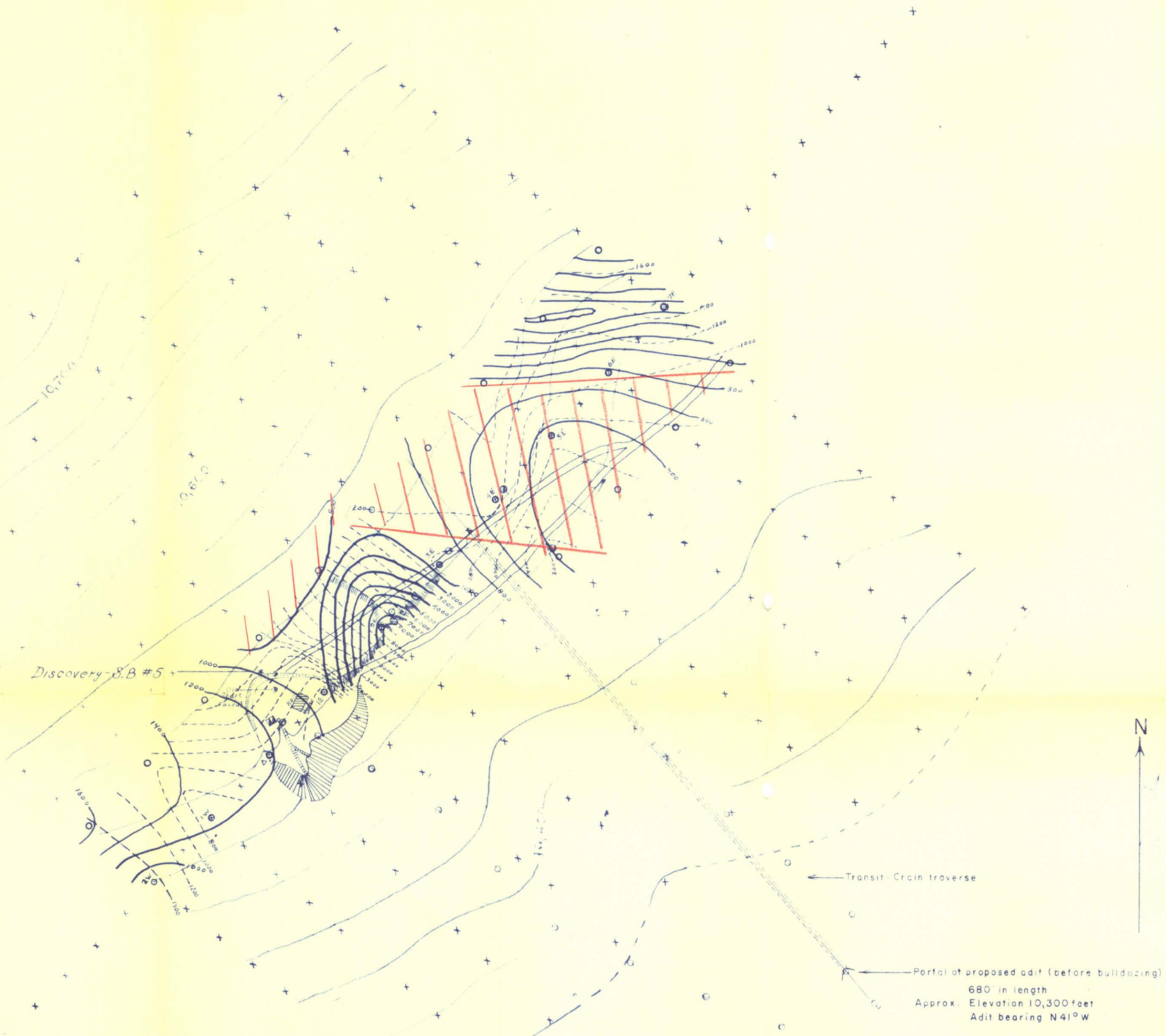
If you have no objection, we will hold your application until we know whether the aid is to be continued. If the aid is continued, we will then explain the terms of the new program and you may decide whether we should consider your application under these terms. If aid is not continued, your application will be returned.

Sincerely yours,

Allen S. Dakan, Director
Operations Control and
Statistical Division

Allen S. Dakan:kvb - July 8, 1958
Copy to: Executive Officer, Region III
Admin. Reading File

8623



LEGEND

- Shaft
- Road
- Dump
- Resistivity Station
- Electrode Position
- Resistivity Contour -200' (ohm-feet)
- Resistivity Contour -300' (ohm-feet)

RESISTIVITY & TOPOGRAPHIC MAP

of the

GOLD EAGLE MINE

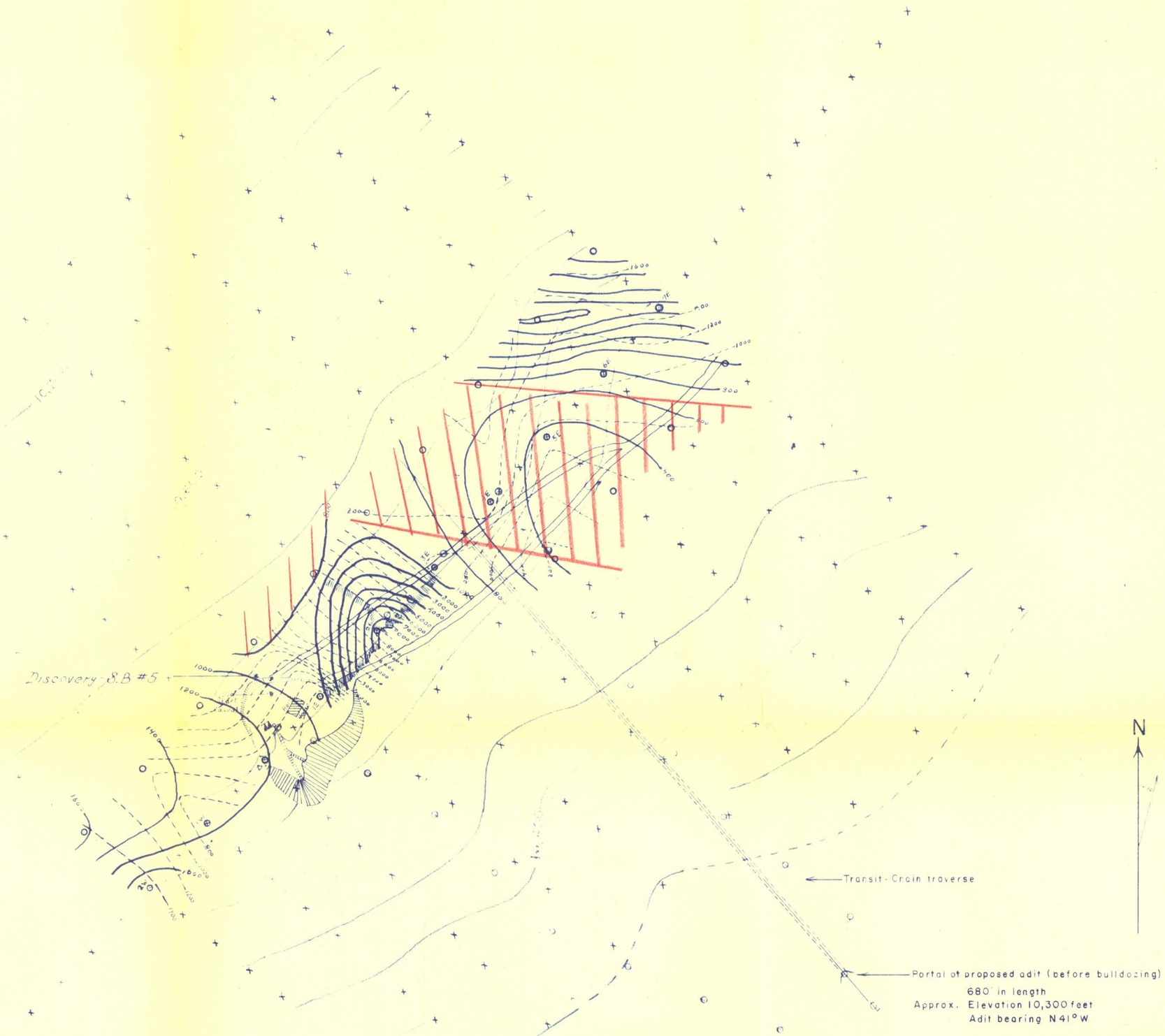
Chaffee County, Colorado

Scale 1" = 100' June 1958

Contour Interval 25 feet

P12

MELBYE & MERWIN



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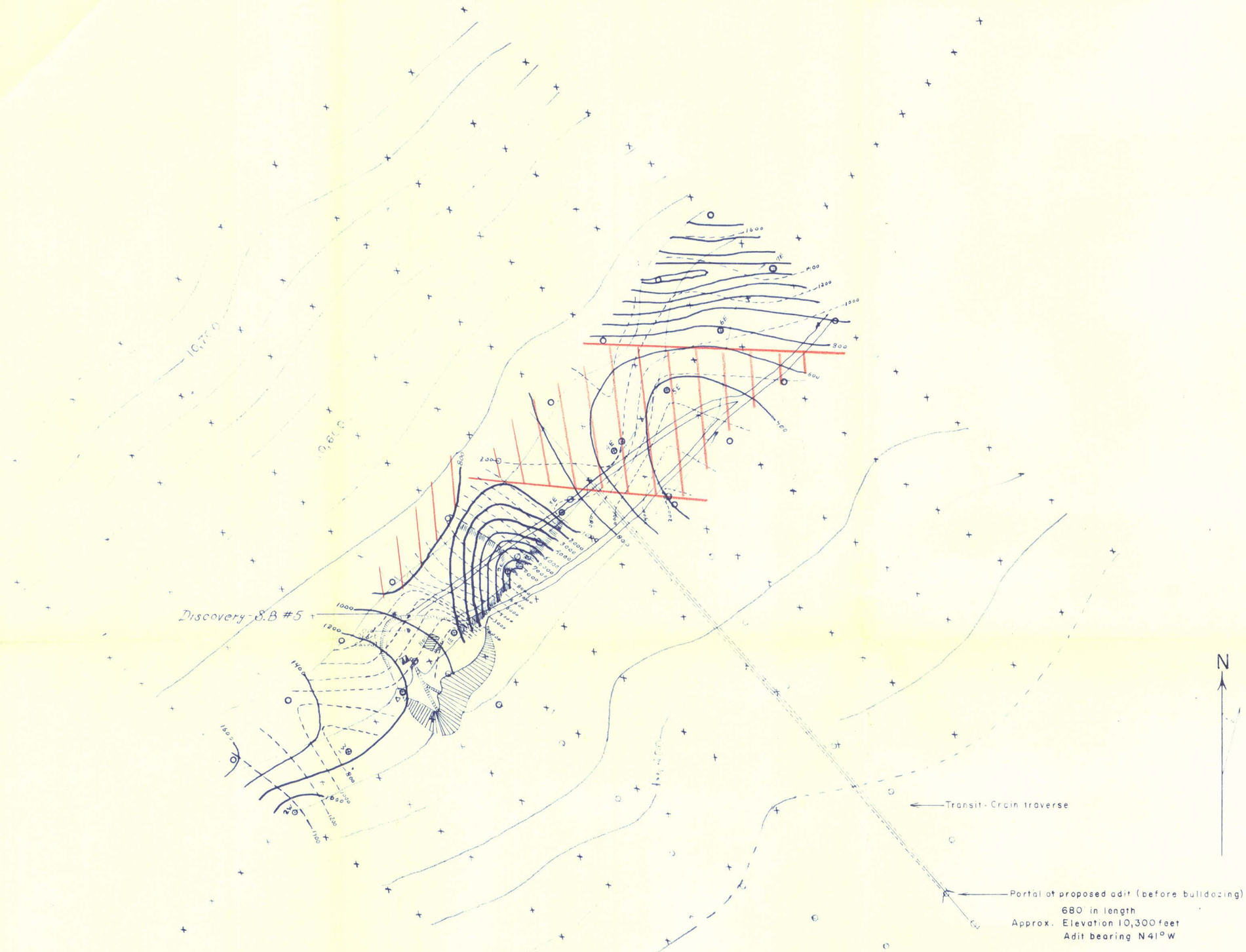
Pl. 2

MELBYE & MERWIN



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