MME Form 9
Rev. Mar. 59

UNITED STATES
DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration
GEOLOGICAL SURVEY

OFFICIAL DOCKET FILE

Contract No. 14-23-2241 Docket No. MME-1524

Application
- [ ] Denied
- [ ] Withdrawn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
- [x] Closing Letter
- [ ] Cost Audits
- [ ] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [x] Contract Amendments 1,2,3,4,5
- [x] Contract with all exhibits and annexes 6-30-67
- [ ] 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 Semiannual Report for Certified Project
- [ ] Final Field Team Report (Tab)
- [x] 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 Semiannual Inspection Reports
- [ ] Project Summary (Interim) by MME Engineers

Right Side

- [ ] Field Team Semiannual Report for Certified Project
- [ ] Field Team Interim Reports
- [ ] Operator's Monthly Reports with Transmittal, Narrative and Maps

Folders No. 2 : Maps (Use pocket folder ~~or envelope~~)

Folders No._____: Settlement Sheets

Folders No._____: Drill Logs

Folders No._____: Royalty Material

52615

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
1/6/72		120
		220

AIRMAIL

JAN 6 1972

Ventura Oil Company
1029 East 8th Avenue
Denver, Colorado 80218

Re: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3 Mines
Ouray and San Miguel Counties, Colorado
Contract 2241

Gentlemen:

Reference is made to your completed exploration contract with the Government.

We sincerely regret that the work performed did not result in a certification of possible production under the provisions of the contract. In the absence of such certification, the Government retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this contract. Your attention, however, is called to the provisions of the contract which require the Operator to keep and preserve certain records for the periods indicated.

We appreciate your interest and participation in the OME exploration program.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Mineral Resources
OME Reading File
Branch of Budget and Finance
OME Region III
OME File
Mr. Kirkemo
130

GLAult/a 1-6-72

I-C-DC-OME-1(a)-72

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~~Kuhlsaid~~
Rivkens

UNITED STATES
DEPARTMENT OF THE INTERIOR

Office of Survey and Review

Audit Operations

OFFICIAL COPY
O. M. E.
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OCT 4 1971

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gla	120
HK	~~120~~

Report of Review - Contract 2241
Docket No. OME-6524 (Silver)
Ventura Oil Company (Operator)
Ouray and San Miguel Counties, Colorado

Washington, D.C.
August 1971

United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

OFFICE OF SURVEY AND REVIEW
Audit Operations, Region I
801 19th Street, N.W., Room 813
Washington, D.C. 20240

SEP 22 1971

Memorandum

To: Director, Geological Survey

From: Regional Director, Region I
Audit Operations, Office of Survey and Review

Subject: Report of Review - Contract 2241
Docket No. OME-6524
Ventura Oil Company (Operator)
Ouray and San Miguel Counties, Colorado

As requested by the Chief, Office of Minerals Exploration we made a cost review of Contract 2241. The results of our review are shown in the attached report.

C. D. Bar

Attachment

We reviewed the contract files of the Office of Minerals Exploration (OME) pertaining to the Minerals Exploration Contract No. 2241 with Ventura Oil Company (Operator) and examined the related disbursement records in the Branch of Budget and Finance, Administration Division, Geological Survey. The review was made during August 1971, at Washington, D.C.

The contract was awarded on June 30, 1967, and subsequently amended seven times. The project period was extended by amendments from June 30, 1967, through November 15, 1970. The period for royalty payments due on the value of any production from the property was extended to cover 13 years, or until 1980.

The estimated contract cost of the work is $81,600 with the amended Government participation of $44,325 to be repaid with simple interest at 6-3/4 percent.

The purpose of this contract was to explore by drifting, cross-cutting, and by diamond drilling from prepared underground drill stations for silver-gold bearing ore bodies and evaluating the results.

Our review disclosed that OME has received no ore production reports or royalty payments on this contract through July 27, 1971. The Operator has not furnished a final report of the completed work as required by Article 5(c) of the contract.

The Chief, Office of Minerals Exploration, advised that a Certification of Possible Production will not be issued. OME has periodically requested the Operator to furnish a final report. The last request was in August 1971.

The Operator submitted three voucher claims totaling $45,981 with Government participation in these costs of $28,236. Voucher number 3 was the Operator's final claim and covered expenditures through December 1970. The contract period ended on November 15, 1970. We were unable to determine the expenditures made from November 16, 1970, through December 1970.

On September 17, 1971, the Chief, Office of Minerals Exploration informed us that the closing date of December 1970 shown on the final voucher was in error and that exploration work ended on October 29, 1970, and that the amount withheld, $200, represents estimated cost to the Government if the OME staff was required to compile the data usually contained in the final report.

The units of work authorized and paid under Contract 2241 are summarized in Exhibit I.

C. D. Barr

Regional Director

SUMMARY OF CONTRACT TERMS, CLAIMED COSTS, AND UNEXPENDED BALANCE

Actual Costs	Authorized Amount	Claimed Costs	Unexpended Balance
Category 1, Independent Contracts			
Drilling equipment mobilization and demobilization	$ 350	$ 350	$ -0-
Moving (16 hrs. @ $10/hr.)	160	160	-0-
Drilling (5 holes)	17,568	13,631	3,937
Casing, lost in hole (est.)	605	103	502
Reaming, cementing, drilling cement and standby	2,800	700	2,100
Additives - 100 sacks	750	-0-	750
Core boxes	275	275	-0-
Total Category 1	$22,508	$15,219	$ 7,289
Category II, Personal Services			
Supervisor (6 mos. @ $700 mo.)	$ 4,200	$ 4,200	$ -0-
Consultant (48 days @ $75)	3,600	2,878	722
Total Category 2	$ 7,800	$ 7,078	$ 722
Category VII, Miscellaneous			
Payroll, taxes, Inc. ($4,200 @ 12%)	$ 504	$ -0-	$ 504
Travel supervisor (9,000 mi. at 10¢ per mi.)	900	739	161
Travel consultant	480	332	148
Per diem	768	424	344
Sample sacks	75	4	71
Freight	125	-0-	125
Assaying, estimated 250	1,750	115	1,635
Office (6 mos. @ $40)	240	240	-0-
Total Category 7	$ 4,842	$ 1,854	$ 2,988
Total Actual Costs	$35,150	$24,151	$10,999

SUMMARY OF CONTRACT TERMS, CLAIMED COSTS, AND UNEXPENDED BALANCE

	Authorized Amounts	Claimed Costs	Unexpended Balance
Fixed Unit Costs			
Rehabilitation of Tunnel and Drift (1350 ft.)	$33,750	$12,500 2/	$21,250
Drifting and crosscutting	7,920	8,880	(960)
Drill stations (3)	675	450	225
Ground support	4,105	-0-	4,105
Total Fixed Unit Costs	$46,450	$21,830	$24,620
Total Cost Estimates	$81,600	$45,981 1/	$35,619

		Gov't. Participation
Claimed Costs @ 75% participation	$33,481	$25,111
2/ Claimed Costs @ 25% participation	12,500	3,125
Total Claimed Costs	$45,981	
Total OME participation		$28,236 1/
1/ Less $200 pending receipt of Operator's final report		200
Total Disbursements made by OME		$28,036

Government's Copy

AEC Region III
RECEIVED
SEP 15 1970
Denver, Colorado

EXPLORATION CONTRACT
VENTURA OIL COMPANY
OME-6524

Amendment No. 7

It is agreed this 11th day of September, 1970, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and Ventura Oil Company, a Nevada corporation, hereinafter called the "Operator," that Exploration Contract 2241 (OME-6524), dated June 30, 1967, as amended, is further amended effective August 15, 1970, as follows:

The provisions in Exhibit A under the heading Description of the Work are further revised to read in their entirety as follows:

"The work shall consist of drifting, crosscutting, rehabilitating sections of the Sunrise Tunnel, Terrible 3 drift, and Humboldt drift, preparing drill stations on the Sunrise Tunnel level and Terrible 3 drift, core drilling from the stations, and evaluating the results.

The northwest drift on the Terrible 3 vein shall be extended by drifting along the vein approximately 198 feet.

Two drill stations shall be excavated, one along the Sunrise Tunnel approximately 800 feet from its portal, and a second one at the western end of the Terrible 3 drift.

Five core drill holes shall be drilled from the two stations. The holes shall be inclined to cut the veins not less than 200 or more than 500 feet below the Sunrise Tunnel and Humboldt drift levels. It is estimated that a total of about 2,740 feet of drilling will be required.

The approximate locations and directions of the drifting and crosscutting, and the approximate locations, directions, and inclinations of the five drill holes are shown on Figure 2 (Revision No. 2), entitled 'Sketch of Suggested Diamond Drilling from Sunrise Tunnel and Terrible 3 drift,' attached and made part hereof."

This amendment shall not be construed to increase the estimated total cost of the contract, the aggregate amount which the Government may be required to contribute, the amount of any item designated as maximum, nor the fixed unit cost of any item of work.

Executed in quadruplicate the date and year first above written.

THE UNITED STATES OF AMERICA

By Harold Kisberno
Chief, Office of Minerals Exploration
U. S. Geological Survey

VENTURA OIL COMPANY

By [illegible]

Title President

App'd. Sol. Off. Martin Wright Kisberno Emerick W Pin

U. S. GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OME- 6524
VENTURA OIL COMPANY

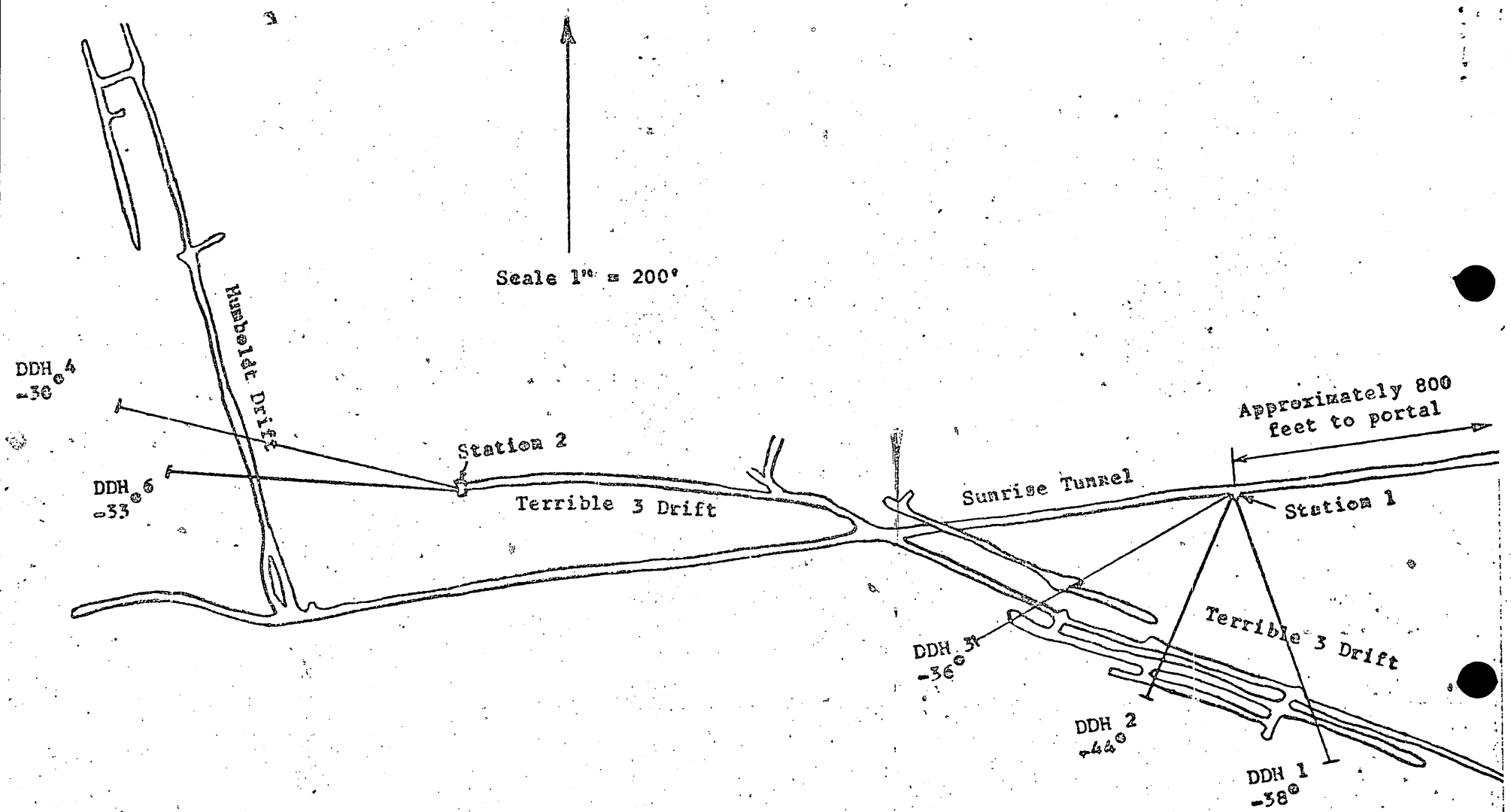

FIGURE 2 (REVISION NO.2). - SKETCH OF SUGGESTED DIAMOND DRILLING FROM SUNRISE TUNNEL AND TERRIBLE 3 DRIFT

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
8/26/70	Emerick	120
8/27	Kirkbenco	120
		220

August 26, 1970

Memorandum

To: The File

From: William L. Emerick
Office of Minerals Exploration

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3 Mines
Ouray and San Miguel Counties, Colorado
Contract 2241

Justification for Amendment No. 7

By the terms of Amendment No. 5, the Operator was to rehabilitate sections of the Sunrise Tunnel and Humboldt drift, prepare two drill stations, and core drill from these stations. One drill station was to be cut about 150 feet from the western end of the Sunrise Tunnel and a second drill station on the west side of the Humboldt drift, approximately 300 feet from its intersection with the Sunrise Tunnel.

A thick concrete bulkhead was encountered in the Sunrise Tunnel rehabilitation about 80 feet past the Humboldt drift. In addition to the cost of removing the bulkhead, the bulkhead may possibly mark the property line and was put there at some time in the past for this reason. If so, the proposed drill station would be off the Operator's property and could not be used. The Humboldt drift was found to be in heavy ground and timbered solid for all of the 300 feet from the Sunrise Tunnel to the site of the proposed drill station. Because of the heavy ground and rotted condition of the timber, the Operator would have to retimber the entire 300 feet of drift at his own expense and end up with probably unsafe drilling conditions.

Because of the unfavorable conditions existing and revealed by the rehabilitation of the Sunrise Tunnel and Humboldt drift, the Operator requested permission to relocate the two drill stations into one drill station to be located at the western end of the Terrible 3 drift. Two holes will be drilled from this station to cut the veins not less than 200 or more than 500 feet below the Sunrise Tunnel and Humboldt drift levels.

Amendment No. 7 provides for relocating the drill stations and drilling the two drill holes from a new drill station at the western end of the Terrible 3 drift. The total cost of the contract remains unchanged.

William L. Emerick

William L. Emerick

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
Mr. Emerick

WLEmerick/gla 8-26-70

Government's copy

OME Region III
RECEIVED
APR 17 1970
Denver, Colorado

EXPLORATION CONTRACT
VENTURA OIL COMPANY
OME-6524

Amendment No. 6

It is agreed this 9th day of April, 1970, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, Office of Minerals Exploration, hereinafter called the "Government," and Ventura Oil Company, a Nevada corporation, hereinafter called the "Operator," that Exploration Contract 2241 (OME-6524), dated June 30, 1967, as amended, is further amended effective November 14, 1969, as follows:

1.(a) Work under the contract may be suspended during the period beginning November 15, 1969, and ending not later than July 15, 1970.

(b) No costs incurred by the Operator during the period of suspension shall be allowable for contribution by the Government.

(c) The Government will not contribute to any cost of rehabilitation or repair which in its opinion would not have occurred had there been no suspension of the work.

(d) The Operator at its own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work.

2. The date fixed in Amendment No. 5 of the contract for completion of the work is further extended from 33 months to 40-1/2 months from the date of the contract, or until November 15, 1970.

3. It is the essence of the contract that the work be resumed on or before the termination or the period herein fixed for suspension, and if not so resumed, the following provisions shall thereupon become effective:

(a) The contract and all obligations of the parties thereunder, except as hereinafter otherwise provided, shall be and are hereby terminated effective October 15, 1967, if the work has not been resumed on or before July 15, 1970.

(b) The Government will contribute only to allowable costs incurred prior to the date set forth in 3(a) above.

(c) The Operator shall promptly perform all winding up and settlement actions provided for in the contract, including the rendering of the final report and final account.

(d) The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer (for example if the Operator either transfers or fails to retain his interest in the land), shall pay to the Government the royalty provided for in the contract in the same manner and amount, for the same period, and subject to the same provisions as provided for in the contract as amended herein as if a certification of possible production had been made, such certification being hereby waived by the Operator. In addition, all rights of the Government provided for in the contract with respect to a certification of possible production, percentage royalty and liens to secure payment thereof, reports (including preservation of Operator's records), accounts, audits, and the right to recover any overpayments are hereby preserved.

This amendment shall not be construed to increase the estimated total cost of the contract, the aggregate amount which the Government may be required to contribute, the amount of any item designated as maximum, nor the fixed unit cost of any item of work.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Harold Kirkemo
Chief, Office of Minerals Exploration
U. S. Geological Survey

VENTURA OIL COMPANY

By [illegible]

Title [illegible]

Long
Appd. Sol. Office
Emerick
Kirkemo
Kulgaard

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
4/8/70	Emerick	120
4/8/70	Kirbemo	120
		220
		120M

April 8, 1970

Memorandum

To: The File

From: William L. Emerick
Office of Minerals Exploration

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3 Mines
Ouray and San Miguel Counties, Colorado
Contract 2241

Justification for Amendment No. 6

Exploration work on the contract began in July 1967 and continued until late in October 1967 when severe winter weather forced a shutdown of the operations. Amendment No. 1 recessed work from October 15, 1967 until June 15, 1968. Prolonged winter weather in the spring of 1968 prevented access to the project area by June 15, 1968 so the Operator requested Amendment No. 2 extending the recess from June 15, 1968 until August 1, 1968.

When access to the project area was possible it was found that considerable repair and rehabilitation would be necessary on the mine roads. This work took most of the summer to complete. Early winter snows again forced the Operator to close down and Amendment No. 3 was requested to recess operations until July 1, 1969.

Based upon a geologic appraisal made by a consulting geologist as a result of additional mapping in the Sunrise tunnel during August 1968, the Operator requested an amendment on January 30, 1969, which would allow rehabilitation of 1110 feet of the Sunrise adit, 320 feet of the Humboldt drift, and the drilling of three core drill holes from underground drill stations to explore the downward extension of the Humboldt vein.

When the Washington office reviewed the proposed amendment it was noted that one of the proposed underground drill stations was not on the Operator's property. The Operator was notified of this by the Field Officer and wrote a letter of acknowledgement on June 26, 1969. Continued bad weather made it impossible to begin clean-up work on the Sunrise tunnel by July 1, 1969, so the Operator requested Amendment No. 4 extending the recess time from July 1, 1969 until August 15, 1969.

By the time the relocation of the drill station was resolved and Amendment No. 5 was prepared (August 27, 1969), sent to the Operator, and signed by him (December 5, 1969) winter conditions were present again. The Operator was out of the country from late summer to early December. Amendment No. 5 also suspended work from August 15, 1969 to November 15, 1969.

Thus, Amendment No. 6 requests a recess of the work described in Amendment No. 5 from November 15, 1969 to July 15, 1970, and a completion date not later than November 15, 1970. The Operator's letter of April 1, 1970 gives a starting date of June 15, 1970 for resumption of work. The letter states that a competent miner has been engaged to undertake the rehabilitation work in the tunnel as soon as possible, and that McPherson Drilling Company had committed a drill crew to the Operator on or about July 20, 1970. The remaining exploration work described in Amendment No. 5 is to explore the downward extension of the Humboldt vein from which there has been good production and on which there has been successful exploration by other mining companies in the area.

Non-performance of work during the summers of 1968 and 1969 appears to have resulted from a combination of weather and circumstances not the fault of the Operator. A review of the docket does not indicate any deliberate attempt by him not to perform.

The remaining target, the downward extension of the Humboldt vein, warrants exploration with the funds remaining in the contract because of its favorable characteristics elsewhere in the mine area.

The Field Officer recommends that Amendment No. 6 be executed so the exploration work in Amendment No. 5 can be in progress no later than July 15, 1970, and the work completed not later than November 15, 1970. I concur with his recommendation.

William L. Emerick

William L. Emerick

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
Mr. Emerick

WLEmerick/bsl 4/8/70

Government's Copy

EXPLORATION CONTRACT
VENTURA OIL COMPANY
OME-6524

Amendment No. 5

It is agreed this 27th day of August, 1969, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, Office of Minerals Exploration, hereinafter called the "Government," and Ventura Oil Company, a Nevada corporation, hereinafter called the "Operator," that Exploration Contract 2241 (OME-6524), dated June 30, 1967, as amended, is further amended effective August 14, 1969, as follows:

1. (a) Work under the contract may be suspended during the period beginning August 15, 1969, and ending not later than November 15, 1969.

(b) No costs incurred by the Operator during the period of suspension shall be allowable for contribution by the Government.

(c) The Government will not contribute to any cost of rehabilitation or repair which in its opinion would not have occurred had there been no suspension of the work.

(d) The Operator at its own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work.

2. The date fixed in Amendment No. 4 of the contract for completion of the work is further extended from 30 months to 33 months from the date of the contract, or until March 31, 1970.

3. It is the essence of the contract that the work be resumed on or before the termination of the period herein fixed for suspension, and if not so resumed, the following provisions shall thereupon become effective:

(a) The contract and all obligations of the parties thereunder, except as hereinafter otherwise provided, shall be and are hereby terminated effective October 15, 1967, if the work has not been resumed on or before November 15, 1969.

(b) The Government will contribute only to allowable costs incurred prior to the date set forth in 3(a) above.

(c) The Operator shall promptly perform all winding up and settlement actions provided for in the contract, including the rendering of the final report and final account.

(d) The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer (for example, if the Operator either transfers or fails to retain his interest in the land), shall pay to the Government the royalty provided for in the contract in the same manner and amount, for the same period, and subject to the same provisions as provided for in the contract as amended herein as if a certification of possible production had been made, such certification being hereby waived by the Operator. In addition, all rights of the Government provided for in the contract with respect to a certification of possible production, percentage royalty and liens to secure payment thereof, reports (including preservation of Operator's records), accounts, audits, and the right to recover any overpayments are hereby preserved.

4. In Exhibit A:

(a) The first and second paragraphs are revised to read as follows:

> "The purpose of the project is to explore by drifting, crosscutting, and by diamond drilling from prepared underground drill stations for silver-gold bearing ore bodies in and along the Terrible 3 (Agnes), Mountain Top (Sweepstakes), and Humboldt veins in tuff-breccia of the San Juan formation of Tertiary age.

"Ore is inferred in and along the downward continuations of the Mountain Top, Terrible 3, and Humboldt veins below areas stoped from the Sunrise Tunnel level. Ore is also inferred on the Sunrise Tunnel level in and along an unexplored segment of the Humboldt vein where it intersects a series of veins and mineralized zones."

(b) Under the heading Description of the Work, the entire section is revised to read as follows:

"The work shall consist of drifting, crosscutting, rehabilitating sections of the Sunrise Tunnel, Terrible 3 drift, and Humboldt drift, preparing drill stations on the Sunrise Tunnel level and Humboldt drift, core drilling from the stations, and evaluating the results.

"The northwest drift on the Terrible 3 vein shall be extended by drifting along the vein to intersect the Mountain Top vein. It is estimated that approximately 198 feet of drifting may be required.

"Three drill stations shall be excavated, one along the Sunrise Tunnel approximately 800 feet from its portal, a second one on the north side of the Sunrise Tunnel about 150 feet from its western end, and a third one on the west side of the Humboldt drift approximately 300 feet from its intersection with the Sunrise Tunnel.

"Five core-drill holes shall be drilled from the three stations. The holes shall be inclined to cut the veins not less than 200 or more than 500 feet below the Sunrise Tunnel and Humboldt drift levels. It is estimated that a total of about 2740 feet of drilling will be required.

"The approximate location and direction of the drifting and crosscutting, and the approximate locations, directions, and inclinations of the five drill holes are shown on Figure 2 (revised), entitled 'Sketch of Suggested Diamond Drilling from Sunrise Tunnel and Humboldt drift,' attached and made part hereof."

(c) Under the heading Estimated Costs of the Work, Fixed Unit Costs, and the Summary are revised to read as follows:

Fixed Unit Costs

Rehabilitation of tunnel and drift, 1350 feet @ $25.00/foot		$33,750.00
Government Participation @ 25 percent	$8,437.50	
Drifting and crosscutting 198 feet @ $40.00/foot 2/		7,920.00
Drill stations (5x5x7 feet), 3 stations @ $225.00/each		675.00
Ground Support, approx. 256 1/2 feet		4,105.00
Timbering $16.00/foot installed		
Rock bolting in lieu of timbering		
5-foot bolts @ $3.00/bolt installed		
6-foot bolts @ $3.25/bolt installed		
8-foot bolts @ $3.50/bolt installed		
		$12,700.00
Government Participation @ 75%		$ 9,525.00
Total Fixed Unit Costs		$46,450.00

S U M M A R Y

Total Estimated Actual Costs	$35,150.00
Total Estimated Fixed Unit Costs	$46,450.00
Total Estimated Cost of Work	$81,600.00
Government Participation @ 25 percent (Rehabilitation - Tunnel and drifts)	$ 8,437.50
Government Participation @ 75 percent	$35,887.50
Total Government Participation	$44,325.00

This amendment shall not be construed to increase the estimated total cost of the contract, the aggregate amount which the Government may be required to contribute, the amount of any item designated as maximum, nor the fixed unit cost of any item of work.

Executed in quadruplicate the date and year first above written.

THE UNITED STATES OF AMERICA

By Harold Kirbens
Chief, Office of Minerals Exploration
U. S. Geological Survey

Long
App'd. Sol. Off.
Peterson

VENTURA OIL COMPANY

By

Title

U. S. GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OME- 6524
VENTURA OIL COMPANY

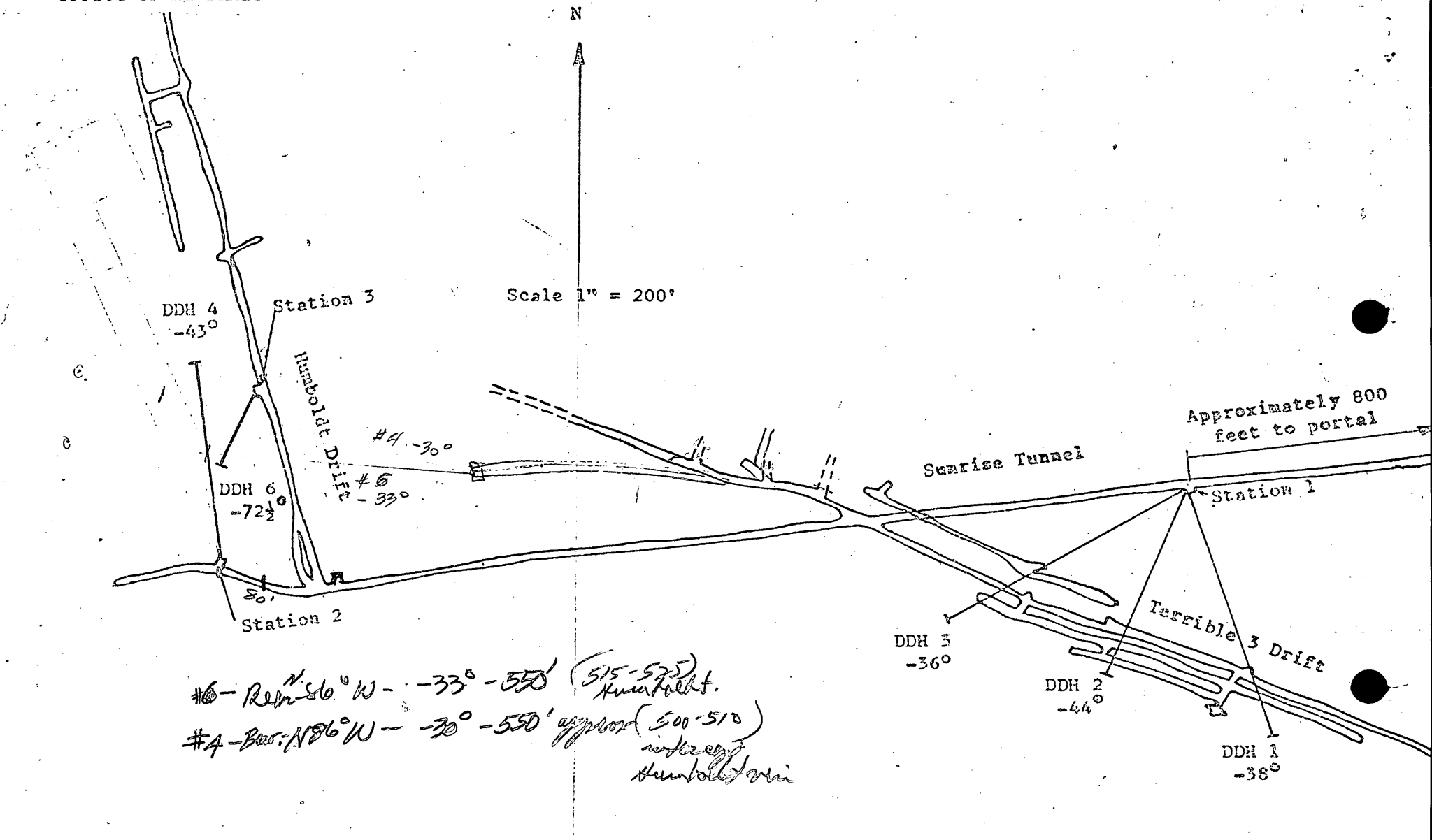

FIGURE 2 (REVISED). - SKETCH OF SUGGESTED DIAMOND DRILLING FROM SUNRISE TUNNEL
Revision #0.2 AND [HUMBOLDT DRIFT]
Terrible 3 drift.

MME Form 7
(2/63)

OFFICIAL FILE Co

Date	Surname	Co
8/12/69	Emerick	120
8/18/69	Kobemic	120
		220
		120M

August 12, 1969

MEMORANDUM

To: The File

From: William L. Emerick
Office of Minerals Exploration

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3 Mines
Ouray and San Miguel Counties, Colorado
Contract 2241

Justification for Amendment No. 5

The Operator's geologist did additional work along the Terrible 3 vein to the north of the Sunrise Tunnel, subsequent to some new drifting, and concluded that the vein rapidly dies out in that direction and any further advance of the drift in that direction would not be justified. However, his overall examination revealed a strong series of veins and mineralized zones intersecting the Humboldt vein north of the Sunrise Tunnel.

This area of intersecting veins appears to have probabilities for ore discovery, therefore, the Operator requests amendment of the contract to provide for the drilling of two inclined diamond drill holes from prepared drill sites in the Sunrise Tunnel and Humboldt drift to explore the veins and mineralized zones at depth. It is recommended that the Operator's request be granted.

Amendment No. 5 provides for an extension of the recess period and completion date of the contract and revises the contract to provide 25 percent Government participation in rehabilitating the Sunrise Tunnel and Humboldt drift to the proposed drill sites. The total estimated cost of the work remains unchanged and the total Government participation is reduced by approximately $17,000.

William L. Emerick

William L. Emerick

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File

WLEmerick/bsl 8/12/69

Government's copy

EXPLORATION CONTRACT
VENTURA OIL COMPANY
OME-6524

Amendment No. 4

It is agreed this 11th day of July, 1969, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, Office of Minerals Exploration, hereinafter called the "Government," and Ventura Oil Company, a Nevada corporation, hereinafter called the "Operator," that Exploration Contract 2241 (OME-6524), dated June 30, 1967, as amended, is further amended effective June 30, 1969, as follows:

1. (a) Work under the contract may be suspended during the period beginning July 1, 1969, and ending not later than August 15, 1969.

(b) No costs incurred by the Operator during the period of suspension shall be allowable for contribution by the Government.

(c) The Government will not contribute to any cost of rehabilitation or repair which in its opinion would not have occurred had there been no suspension of the work.

(d) The Operator at its own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work.

2. The date fixed in Amendment No. 3 of the contract for completion of the work is further extended from 26 months to 30 months from the date of the contract, or until January 1, 1970.

3. The date fixed in Amendment No. 3 of the contract for the maximum period for royalty payments and for the lien to secure the payment thereof provided for in the contract is further extended from twelve (12) years to thirteen (13) years from the date of the contract.

4. It is the essence of the contract that the work be resumed on or before the termination of the period herein fixed for suspension; and if not so resumed, the following provisions shall thereupon become effective:

(a) The contract and all obligations of the parties thereunder, except as hereinafter otherwise provided, shall be and are hereby terminated effective October 15, 1967, if the work has not been resumed on or before August 15, 1969.

(b) The Government will contribute only to allowable costs incurred prior to the date set forth in 4(a) above.

(c) The Operator shall promptly perform all winding-up and settlement actions provided for in the contract, including the rendering of the final report and final account.

(d) The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer (for example, if the Operator either transfers or fails to retain his interest in the land), shall pay to the Government the royalty provided for in the contract in the same manner and amount, for the same period, and subject to the same provisions as provided for in the contract as amended herein as if a certification of possible production had been made, such certification being hereby waived by the Operator. In addition, all rights of the Government provided for in the contract with respect to a certification of possible production, percentage royalty and liens to secure payment thereof, reports (including preservation of Operator's records), accounts, audits, and the right to recover any overpayments are hereby preserved.

This amendment shall not be construed to increase the estimated total cost of the contract, the aggregate amount which the Government may be required to contribute, the amount of any item designated as maximum, nor the fixed unit cost of any item of work.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Harold Kirkemo
Chief, Office of Minerals Exploration
U. S. Geological Survey

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Peterson

VENTURA OIL COMPANY

By Homer Noble

Title pres.

MME Form 7
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Date	Surname	Code
6/30/69	Emerick	120
7/1/69	Kirkemo	120
		120M

June 30, 1969

Memorandum

To: The File

From: W. L. Emerick, Office of Minerals Exploration

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3 Mines
Ouray and San Miguel Counties, Colorado
Contract 2241

Justification for Amendment No. 4

An extension of the current recess was requested by the Operator and recommended by the Field Officer because of prolonged and unseasonable weather conditions (snow late in June) in Colorado, preventing access to the project area. The Field Officer considers that access to the area should be assured between August 1 and 15, 1969.

Amendment No. 4 extends the completion date to compensate for the additional recess; increases the period for royalty payments from twelve (12) to thirteen (13) years; and extends the date for resumption of work from July 1, 1969, to August 15, 1969.

W. L. Emerick

W. L. Emerick

cc: Director's Reading File
Economic Geology File
OME docket
OME Reading File
Mr. Emerick

WLEmerick/gla 6-30-69

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Denver, Colorado

EXPLORATION CONTRACT
VENTURA OIL COMPANY
OME-6524

Amendment No. 3

It is agreed this 13th day of November, 1968, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, Office of Minerals Exploration, hereinafter called the "Government," and Ventura Oil Company, a Nevada corporation, hereinafter called the "Operator," that Exploration Contract 2241 (OME-6524), dated June 30, 1967, as amended, is further amended effective September 30, 1968, as follows:

1. (a) Work under the contract may be suspended during the period beginning August 1, 1968, and ending not later than July 1, 1969.

(b) No costs incurred by the Operator during the period of suspension shall be allowable for contribution by the Government.

(c) The Government will not contribute to any cost of rehabilitation or repair which in its opinion would not have occurred had there been no suspension of the work.

(d) The Operator at its own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work.

2. The date fixed in Amendment No. 2 of the Contract for completion of the work is further extended from 18 to 26 months from the date of the contract, or until August 31, 1969.

3. The date fixed in Amendment No. 1 of the Contract for maximum period for royalty payments and for the lien to secure the payment thereof provided for in the contract is further extended from eleven (11) to twelve (12) years from the date of the contract.

4. It is the essence of the contract that the work be resumed on or before the termination of the period herein fixed for suspension; and if not so resumed, the following provisions shall thereupon become effective:

(a) The contract and all obligations of the parties thereunder, except as hereinafter otherwise provided, shall be and are hereby terminated effective October 15, 1967, if the work has not been resumed on or before July 1, 1969.

(b) The Government will contribute only to allowable costs incurred prior to the date set forth in 4 (a) above.

(c) The Operator shall promptly perform all winding-up and settlement actions provided for in the contract, including the rendering of the final report and final account.

(d) The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer (for example, if the Operator either transfers or fails to retain his interest in the land), shall pay to the Government the royalty provided for in the contract in the same manner and amount, for the same period, and subject to the same provisions as provided for in the contract as amended herein as if a certification of possible production had been made, such certification being hereby waived by the Operator. In addition, all rights of the Government provided for in the contract with respect to a certification of possible production, percentage royalty and liens to secure payment thereof, reports (including preservation of Operator's records), accounts, audits, and the right to recover any overpayments are hereby preserved.

This amendment shall not be construed to increase the estimated total cost of the contract, the aggregate amount which the Government may be required to contribute, the amount of any item designated as maximum, nor the fixed unit cost of any item of work.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
Chief, Office of Minerals Exploration
U. S. Geological Survey

VENTURA OIL COMPANY

By Hans Hobbs

Title President

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Date	Surname	Code
10/31/68	Emerick	120
"	Kirkham	120
"	Johnson	110
		220
		120M

October 31, 1968

Memorandum

To: The File

From: William L. Emerick

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3 Mines
Ouray and San Miguel Counties, Colorado

Justification for Amendment No. 3

The Operator did additional geological work and mapping on its own account in July and August, 1968, during the period of recess authorized by Amendment No. 2. Evaluation of the geological work by the Operator after August 1 indicated that a revised plan of exploration would be desirable. For this reason the contract continued in recess after August 1, 1968. The Field Officer believes that a revised exploration program is in the best interests of the Government and has recommended an additional recess during which a new program will be proposed by the Operator in the area of recent geological study.

The Operator has requested an amendment at this time to further recess the project to July 1, 1969 because severe winter weather conditions in Colorado will prevent access to the project during the interval of recess.

The completion date and the period for royalty payments, therefore, are extended further to compensate for the additional recess and to protect the Government's investment in the work already done.

William L. Emerick

William L. Emerick

cc: Director's Reading File
Economic Geology File
OME Docket
OME Reading File
Mr. Emerick

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Government's Copy

EXPLORATION CONTRACT
VENTURA OIL COMPANY
OME-6524

Amendment No. 2

It is agreed this 24th day of June, 1968, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and Ventura Oil Company, hereinafter called the "Operator," that Exploration Contract 2241 (OME-6524), dated June 30, 1967, as amended, is further amended effective June 14, 1968, as follows:

1. (a) Work under the contract may be suspended during the period beginning June 15, 1968, and ending not later than August 1, 1968.

(b) No costs incurred by the Operator during the period of suspension shall be allowable for contribution by the Government.

(c) The Government shall not contribute to the costs of rehabilitation or repair which in its opinion would not have occurred if there had been no suspension of the work.

(d) The Operator, at its own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work.

2. The date fixed in Amendment No. 1 to the Contract for completion of the work is further extended from 16 to 18 months from the date of the contract, or until December 31, 1968.

This amendment shall not be construed to increase the estimated total cost of the contract, the aggregate amount which the Government may be required to contribute, the amount of any item designated as maximum, nor the fixed unit cost of any item of work.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Chief, Office of Minerals Exploration
U. S. Geological Survey

VENTURA OIL COMPANY

By _____

Title _____

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6/14	Johnson

June 14, 1968

Memorandum

To: The File

From: Roscoe M. Smith

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3 Mines
Ouray and San Miguel Counties, Colorado

Justification for Amendment No. 2

An extension of the current recess was requested by the Operator and recommended by the Field Officer because unforeseen weather conditions in Colorado prevent access to the project area. Access is now (June 14) considered to be assured by no later than August 1.

The completion date is also extended to compensate for the additional recess, but the period for royalty payments is not, inasmuch as an additional year was added by Amendment No. 1.

Roscoe M Smith

Roscoe M. Smith

cc: Director's Reading File
Economic Geology File
OME File
OME Reading File
Mr. Smith

RMSmith/bsl 6/14/68

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Denver, Colorado

EXPLORATION CONTRACT
VENTURA OIL COMPANY
OME-6524

AMENDMENT NO. 1

It is agreed this 7th day of February, 1968, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, Office of Minerals Exploration, hereinafter called the "Government," and Ventura Oil Company, hereinafter called the "Operator," that Exploration Contract 2241 (OME-6524), dated June 30, 1967, is amended effective October 14, 1967, as follows:

1. (a) Work under the contract shall be suspended during the period beginning October 15, 1967, and ending not later than June 15, 1968.

(b) No costs incurred by the Operator during the period of suspension shall be allowable for contribution by the Government.

(c) The Government will not contribute to any cost of rehabilitation or repair which in its opinion would not have occurred had there been no suspension of the work.

(d) The Operator at its own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work.

2. The time fixed by Article I of the contract for the completion of the work is extended from 10 to 16 months from the date of the contract, or until October 31, 1968.

3. The maximum period for royalty payments and for the lien to secure the payment thereof provided for in the contract is extended from ten (10) to eleven (11) years from the date of the contract.

This amendment shall not be construed to increase the estimated total cost of the contract, the aggregate amount which the Government may be required

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Denver Colorado

to contribute, the amount of any item designated as maximum, nor the fixed unit cost of any item of work.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
Chief, Office of Minerals Exploration

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Long
Agrin
Dorothy
Kirkham
Johnson
Hidogoard
Allyn

VENTURA OIL COMPANY

By Lemar Noble

Title Pres.

RM Smith
Kirkham
Johnson

January 26, 1968

Memorandum

To: The File

From: Roscoe M. Smith

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3 Mines
Ouray and San Miguel Counties, Colorado
Contract 2241

Justification for Amendment No. 1

The Operator requested an amendment to recess the project from "late October," 1967 to June 15, 1968, because an early and heavy snowfall prevented completing the project in the time originally estimated by the Operator.

Although the contract allows 10 months to complete the project, which was estimated to require six months, the recess will extend beyond the termination date thereby necessitating an extension of time to complete the work.

Since an amendment is necessary to extend the time, provisions for a recess are also included to protect the Government's investment in the work done, and to limit the duration of the recess. To obviate possible loss of royalties as a result of reducing the time in which possible production is subject to royalty repayments, the royalty period is extended one year.

RM Smith

Roscoe M. Smith

cc: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
Mr. Smith

RMSmith/bsl 1/26/68

Government's Copy

MME Form 50
July 1965

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
U. S. GEOLOGICAL SURVEY

EXPLORATION CONTRACT
(Long Form)

Docket No.	Commodity	Contract No.	County	State
OME -6524	Silver	2241	Ouray and San Miguel	Colorado

It is agreed JUN 30 1967 (Date), between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and

Ventura Oil Company, a Nevada corporation

whose mailing address is 1029 East 8th Avenue, Denver, Colorado 80218, hereinafter called the "Operator," as follows:

ARTICLE 1. Authority and scope.--(a) This contract entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before July 15, 1967 (Date), and, subject to the provisions of Article 9 and Exhibit A, shall either have completed the work within 10 months from the date of the contract or shall have incurred allowable costs (see Article 6) in a sum not less than the total cost set forth in Exhibit A.

(b) The total allowable cost of the work set forth in Exhibit A is $81,600.00. The Government will contribute ~~50~~ 75 percent of the allowable costs as they are incurred, in a total sum not in excess of $61,200.00 in accordance with the provisions of Articles 3, 4, 5, and 6. "Costs incurred" means costs that have been paid or have become due and payable, or that the Government determines have become obligations.

(c) Interest computation.--Simple interest at the rate of 6 - ¾ percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

(d) The Operator shall not transfer or assign this contract or any right or obligation thereunder without the written consent of the Government.

ARTICLE 2. Operator's right in land.--(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's right of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances:

See Annex I

(b) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above and (if the Operator does not hold the legal title) the lien agreement of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached as follows:

See Annex I

(c) The Operator shall preserve and maintain his right, title, or interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 7 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. Performance of the work.--(a) Operator's responsibility.--The work shall be performed diligently, efficiently, in a workmanlike manner in accordance with good mining standards, and in compliance with State laws governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work as specified in Article 1(a).

(b) Independent contracts.--To the extent that the allowable costs are estimated in Exhibit A with express reference to performance by independent contractors on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations), the work may be so performed (see Article 6(a), Category (1)). Any such independent contract shall refer to some specific and identifiable part of the work, and shall be subject to all of the pertinent terms and conditions of this exploration contract; but the Government shall not be considered a party thereto, and its rights under this contract, including the right to terminate its contributions, shall not be affected thereby. Regardless of the provisions of any such independent contract, the Government will participate in payments to the independent contractor only as to work performed in accordance with the provisions of this exploration contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable.

(c) Government may inspect.--The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract and production operations during the period that royalty is payable to the Government. The Operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 4. Contribution by the Government.-- The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5(b), but all payments by the Government are provisional only, subject to audit. Until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. Reports, accounts, audits.--(a) Operator's records.--The Operator shall keep suitable records and accounts of the work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator. If work under this contract is carried on in conjunction with any other operations, or if labor, supervision, services, materials, supplies, equipment, facilities, or other requirements for carrying on the work are also used in connection with other operations, the costs shall be segregated and accounted for on a basis and by methods and accounts that are satisfactory to and approved by the Government.

(b) Monthly reports.--The Operator shall provide the Government with four copies of monthly reports in three sections as follows:

(1) Operator's Monthly Voucher claiming costs for work performed;

(2) Operator's Progress Report showing the number of units of the various types of work performed; and

(3) a narrative report of the work performed during the reporting period, including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground.

(Forms for reporting under (1) and (2) above will be provided by the Government; however, the original of the Operator's Monthly Voucher shall be supported by documentary evidence, such as certified copies or transcripts of payrolls and invoices, for all costs claimed under Article 6 (a) (1).)

(c) Final report.--Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with three copies of a final report (in addition to the final monthly report). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the related costs.

(d) Report of sales.--The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's royalty relates, such as two copies of smelter or concentrator settlement sheets and certified accounts of production and sale or other disposition of production.

(e) Compliance with requirements.--If the Government determines that any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the preparation or completion of the same with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records, or accounts.

ARTICLE 6. Costs.--(a) Allowable costs.--The allowable costs of the work to which the Government will contribute are limited to:

(1) the necessary, reasonable, and direct actual costs that are estimated in Exhibit A by categories as specified in this article; and

(2) fixed costs for units of work to be performed (per foot, per hour, etc.) agreed upon in lieu of actual costs and set forth in Exhibit A.

The Government will not contribute to costs under any category or subcategory omitted from the estimate of costs in Exhibit A. Any excess over any estimate which is indicated as the maximum of any category, subcategory, or item, either as to requirement or related cost; any excess over a fixed unit cost; and any excess over the total allowable cost of the work are not allowable. The Operator shall incur such excesses for his own account without contribution by the Government, but the Operator is not obligated to incur more than his agreed percentage of the total allowable cost of the work.

Any category or subcategory or element thereof not designated as a maximum in this article, or in Exhibit A may be exceeded, provided that the total allowable cost of the work, which is a maximum, is not exceeded.

CATEGORY (1)--INDEPENDENT CONTRACTS.--(See Article 3(b)). The total of this category and the average unit cost estimated for each type of work to be performed under an independent contract are maximums.

CATEGORY (2)--PERSONAL SERVICES.

Subcategory (a)--Supervision and Technical Services--All elements of this subcategory (number of supervisors, technicians, outside consultants, periods of employment, rates of pay, and total) are maximums.

Subcategory (b)--Labor.

CATEGORY (3)--OPERATING MATERIALS AND SUPPLIES.--Includes such items as drill bits and steel, explosives, fuel, pipe, power, timber, rail, and small tools costing less than $50 each.

CATEGORY (4)--OPERATING EQUIPMENT.

Subcategory (a)--Rental.--The number of each rented item [6 mine cars, 1 truck], the rate of rental [$100 per month, $5 per hour], and the total of this subcategory are maximums.

Subcategory (b)--Purchases.--The total of this subcategory is a maximum.

Subcategory (c)--Depreciation.--All elements of this subcategory (time periods, rate of depreciation, and subcategory total) are maximums.

CATEGORY (5)--INITIAL REHABILITATION AND REPAIRS.--Costs of items listed under this category include all requirements, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The total of this category is a maximum.

Subcategory (a)--Initial rehabilitation and repairs of existing buildings, fixtures, and installations (exclusive of mine workings).--The total of this subcategory is a maximum.

Subcategory (b)--Initial rehabilitation and repairs of operating equipment.--The total of this subcategory is a maximum.

CATEGORY (6)--NEW BUILDINGS, FIXTURES, AND INSTALLATIONS (EXCLUSIVE OF MINE WORKINGS).--Costs of items listed under this category include all requirements, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The total of this category is a maximum.

CATEGORY (7)--MISCELLANEOUS.--Includes requirements and costs that do not fall within any of the first six categories, such as repairs other than initial and maintenance of operating equipment, analytical work, prints and other reproductions, accounting, Operator's share of payroll taxes, liability insurance covering employment, travel, and communications.

(b) Nonallowable costs.--In addition to the limitations imposed by paragraph (a) of this Article 6 the Government will not contribute to the following costs:

(1) Costs of the land, such as rental, depreciation, depletion, or other costs of acquiring, owning, or holding possession;

(2) Indirect costs, such as general overhead, corporate management, interest, taxes (other than payroll and sales taxes), insurance (other than liability insurance covering employment), damages to persons, damages to property (other than necessary repairs or replacements of equipment or other property used in the work);

(3) Previous work performed or costs incurred before the date of this contract; and

(4) Deferred payments.--Any costs incurred by the Operator under any rental-purchase agreement, installment-purchase agreement, or any agreement for the purchase of goods under the provisions of which payment of the full purchase price is deferred more than 90 days from the delivery of the goods, unless the purchase agreement is approved by the Government in writing.

(c) Reductions in costs.--The Operator shall account for and give the Government credit for any incidental benefits, credits, or money received in the ordinary course of business in prosecuting the work (as by salvage or sale of materials or equipment, furnishing of room or board, furnishing of power or services to third persons, rebates or discounts on purchases, etc.), in the same ratio in which the Government contributes to costs; and such amounts shall be treated as a reduction in costs incurred so that they are available for use within the limit of the original total cost. The provision does not apply to receipts from production which are subject to the Government's royalty under the provisions of Article 7.

ARTICLE 7. Repayment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

(b) Royalty on production.--The Operator, whether or not the producer (for example, if the Operator either transfers or does not retains his interest in the land), shall pay to the Government a royalty on all minerals and metals mined or produced from the land as follows:

(1) irrespective of any certification of possible production--from the date of the contract until the lapse of the time within which the government may issue such certification or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first; or

(2) if the Government issues a certification of possible production--for a period of ten years from the date of the contract, or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first.

(c) Payment of royalty.--(1) The Government's royalty shall be five percent of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrate, metal or equivalent), at the point of delivery (the f.o.b. point); except, that charges of the buyer arising in the regular course of business and shown as deductions on the buyer's settlement sheets (such as treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight payable by the buyer to a carrier (not the Operator or producer)), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. No costs of the Operator or Producer are deductible in arriving at the "gross proceeds" as that term is here used.

The term "treatment processes" means those processes (such as milling, concentrating, smelting, refining, or equivalent, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(2) The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be.

(d) Unsold production.--If any production (ore, concentrate, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrate, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination or the market value, whichever is greater.

(e) Lien for payment.--To secure the payment of royalty (see Article 7(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

(f) Notice to purchasers.--The Operator or producer shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Government, and this estimate shall be final and binding upon the Operator or producer.

(g) No obligation to produce.--Nothing in this contract shall be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(h) Government not obligated to buy.--Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals and metals mined or produced from the land.

ARTICLE 8. Interests in purchased property.--(a) Title and ownership.--All costs under this contract shall be incurred by the Operator in the Operator's own name and for the Operator's own account; but any property acquired to the cost of which the Government contributes shall belong to the Operator and the Government jointly in proportion to their respective contributions although title thereto shall be taken in the name of the Operator.

(b) Preservation of property.--Until the final disposal of any property in which the Government has an interest, the Operator shall preserve and protect same for the best interest of the Government, and any reasonable and necessary cost thereof will be treated as an allowable cost of the exploration. After the completion of the work, termination of the Government's obligation to contribute, or when such property is not being used for the work, the Operator shall not use it elsewhere without the written consent of the Government and without paying a reasonable rental to be fixed by the Government for its proportionate interest.

(c) Disposal of property.--Upon the completion of the work, termination of the Government's obligation to contribute to costs, or when the property is no longer needed for the work, the Operator shall promptly dispose of salable or salvageable property in which the Government has an interest for the joint account of the Government and the Operator, either by return to the vendor, sale to others, purchase by the Operator, or sale or transfer to the Government at a price at least as high as could be obtained from others, unless the Government in writing waives its interest in any such property. Without advance approval of the sales price by the Government, the Operator shall not sell at any price any item of property that cost more than $500, and shall not sell at less than 25 percent of the purchase price any item of property that cost $500 or less. The Government, in lieu of approving the sales price for any such item, may itself purchase the item at the best price which the Operator is able to obtain or offers. Property remaining upon any termination of the work shall be considered in groups or categories (such as drill steel, explosives, pipe, or rail), and if the original cost of the remaining unexpended portion of any such group or category is less than $50, the Government waives its interest therein. If necessary to accomplish the disposal of any item, the Operator shall dismantle and sever it from the land, the cost thereof to be treated as a cost of the exploration.

(d) Default of the Operator re disposal.--If within 90 days after the completion of the work, termination of the Government's obligation to contribute to costs, or after the property is no longer needed for the work, the Operator has failed to sell or otherwise liquidate or dispose of any property in which the Government has an interest, the Government, at any time prior to final settlement under the contract, may:

(1) in writing extend the time within which the Operator must dispose of or liquidate the property;

(2) by written notice to the Operator, place upon such property what it determines to be a fair valuation thereof, not in excess of the cost less 1.66 percent per month from the date such property was purchased under this contract to the termination of said 90-day period; and such property shall thereupon be considered and accounted for as having been purchased by the Operator at the valuation so fixed by the Government; and

(3) enter and take possession of such property wherever it may be found, and remove and dispose of it for the joint account of the parties.

ARTICLE 9. Termination of the Government's obligations.--(a) If the Government determines that operations at any time have failed to achieve anticipated results and further work is not justified, the Government may give the Operator written notice thereof, and thereupon:

(1) the Government shall be free of all obligation to contribute to costs not then incurred other than such as may be allowable under the provisions of the contract as necessary and incidental to final accounting and reporting; and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

(b) If the Government determines that the Operator is in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon:

(1) the Government shall be relieved of all obligation to contribute to costs not incurred when the notice was given, other than such as may be allowable by the provisions of the contract as necessary and incidental to final accounting and reporting; and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

The Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 9 shall not affect the Government's rights as provided for in the contract with respect to royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

(d) The determinations of the Government are subject to appeal under Article 13.

ARTICLE 10. Notices to be given by the Government may be delivered to the Operator, or may be sent by certified mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 11. Officials not to benefit.--No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 12. Nondiscrimination in Employment. The provisions respecting nondiscrimination in employment which are required by section 301 of Executive Order 10925, dated March 6, 1961 as amended and supplemented are attached hereto as Exhibit B and are hereby incorporated in and made a part of this contract.

ARTICLE 13. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, U. S. Geological Survey, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, U. S. Geological Survey, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, U. S. Geological Survey, a written appeal addressed to the Secretary of the Interior. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

The term "Director, U. S. Geological Survey," as used herein includes his duly authorized representative.

ARTICLE 14. Work Hours Act of 1962 - Overtime Compensation.--This contract, to the extent that it is of a character specified in the Work Hours Act of 1962 (Public Law 87-581, 76 Stat. 357-360) and is not covered by the Walsh-Healey Public Contracts Act (41 U.S.C. 35-45), is subject to the following provisions and to all other provisions and exceptions of said Work Hours Act of 1962.

(a) Overtime requirements.--No Operator or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any laborer or mechanic to be employed on such work in excess of eight hours in any calendar day or in excess of forty hours in any workweek unless such laborer or mechanic receives compensation at a rate of not less than one and one-half times his basic rate of pay for all hours worked in excess of eight hours in any such calendar day or in excess of forty hours in any such workweek, as the case may be.

(b) Violations; liability for unpaid wages; liquidated damages.--In the event of any violation of the clause set forth in subparagraph (a) of this paragraph, the Operator and any subcontractor responsible therefor shall be liable to any affected employee for his unpaid wages. In addition, such Operator and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for

liquidated damages. Such liquidated damages shall be computed, with respect to each individual laborer or mechanic employed in violation of the clause set forth in subparagraph (a) of this paragraph, in the sum of $10 for each calendar day on which such employee was required or permitted to work in excess of eight hours or in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in subparagraph (a) of this paragraph.

(c) Withholding for unpaid wages and liquidated damages.--The U. S. Geological Survey may withhold or cause to be withheld, from any moneys payable on account of work performed by the Operator or subcontractor, such sums as may administratively be determined to be necessary to satisfy any liabilities of such Operator or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (b) of this paragraph.

ARTICLE 15. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U. S. C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U. S. C. 874) are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions.

ARTICLE 16. Changes and added provision.--

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

VENTURA OIL COMPANY
(Operator)

By Homer Noble
HOMER NOBLE

Title PRESIDENT

By
Acting Director, U. S. Geological Survey

Long
Smith
Williams
Johnson
Davis

I, RICHARD C. FACKLER (Name), certify that I am the

secretary of the corporation named as Operator herein; that

HOMER NOBLE (Name), who signed this contract on behalf of the Operator, was then

PRESIDENT (Title) of said corporation; that said contract was duly signed for

and in behalf of said corporation by authority of its governing body, and is within the scope of its

corporate powers.

Richard C. Fackler

[CORPORATE SEAL]

EXPLORATION CONTRACT
VENTURA OIL COMPANY
OME-6524

ANNEX I

The land, including all rights pertaining thereto, referred to in Article 2 of the contract consists of fourteen (14) patented and three (3) unpatented lode mining claims in secs. 16, 17, 18, 19, 20, 21, and 22, T. 43 N., R. 8 W., NMPB&M, Telluride mining district, Ouray and San Miguel Counties, Colorado. It is shown on Figure I entitled "Claim map of the Mountain Top properties ---," attached and made part hereof.

The patented claims are as follows:

Name of Claim	U. S. Survey No.
Mount Sneffels Belle Lode	15191
19/21 Annex Lode	7063
19/21 New Discovery Lode	7559
Winnipeg Lode	12914
Sweepstakes Lode	7735
Mountain Top Lode	7573
New Discovery Lode	17847
Terrible No. 3 Lode	19871
Agnes Lode	19782
Fox Lode	20044
Bear Lode	20044
Badger Lode	20044
Sunrise Lode	20044
19/21 in Maggie D	7063

The unpatented claims are recorded in the San Miguel County Recorders Office, Telluride, Colorado, as follows:

Name of Claim	Book	Page
Kenneth Lode	179	19
Nettie Lode	179	19
Early Sunrise	165	140

The Operator is the owner of the patented and unpatented claims.

EXPLORATION CONTRACT
VENTURA OIL COMPANY
OME-6524

EXHIBIT A

The purpose of the project is to explore by drifting, cross-cutting, and by diamond drilling from prepared underground drill stations for silver-gold bearing ore bodies in and along the Terrible 3 (Agnes) and the Mountain Top (Sweepstakes) veins in tuff-breccia of the San Juan formation of Tertiary age.

Ore is inferred in and along the downward continuations of the Mountain Top and Terrible 3 veins below areas stoped from the Sunrise Tunnel level. Ore is also inferred on the Sunrise Tunnel level in and along an unexplored segment of the Terrible 3 vein near its intersection with the Mountain Top vein.

General Provisions

The Government will not contribute to the cost of any drill hole outside the outer boundary of the project area or closer than 50 feet to the ore intercept in any other hole. //

All drill holes shall be completed not less than standard AX core size.

All drill holes shall be cased as necessary. The Government will not contribute to the cost of casing left in a hole at the Operator's request.

All drill core shall be stored in boxes identified by hole number with markers in the core sections indicating the depths represented.

Facilities shall be provided for recovering drill sludge, and such sludge shall be retained when drilling in significantly mineralized rock.

All drill core shall be logged and significantly mineralized core shall be split and one split assayed. Whenever core recovery is less than 60 percent, a split of the corresponding retained sludge shall be assayed separately. The remaining core shall be stored in proper sequence with the unsampled core, and the remaining sludge shall be stored in suitable containers properly identified as to hole number and depth.

All drifts and crosscuts shall be not less than 5 by 7 feet in cross section inside of timber and shall be timbered or rock-bolted as necessary. Drift sets shall be of not less than 8- by 8-inch timber, or equivalent round timber. Rock bolts shall be not less than 5 feet long.

Mine rails shall be not less than 16-pound size, air lines not less than 2-inch diameter, water lines not less than 1-inch diameter, and vent lines not less than 12-inch diameter.

All significantly mineralized areas traversed by the drifts or crosscuts shall be sampled normal to the trends of the deposits at intervals not exceeding 5 feet. Samples shall be split as necessary and one split assayed. The Operator shall store one split of each sample in a suitable container properly labeled.

All splits of samples for assay, from whatever source, shall be analyzed for gold, silver, copper, lead, and zinc.

True copies of assay certificates, copies of drill logs, and maps of sketches showing the work completed during the reporting period, the location, width, and assay value of all samples assayed and the geological formations and structures traversed by the drill holes and workings shall be furnished monthly to the Government.

Stored samples shall be made available for Government inspection and possible use, and may be disposed of with prior Government approval.

The Operator shall provide such supervision, labor, and technical services as may be required to perform the work in a satisfactory manner.

The location, direction, and extent of each work item shall be subject to Government approval.

Description of the Work

The work shall consist of drifting, crosscutting, and preparing drill stations on the Sunrise Tunnel level, core-drilling from the stations, and evaluating the results.

The northwest drift on the Terrible 3 vein shall be extended by drifting along the vein to intersect the Mountain Top vein. It is estimated that 800 feet of drifting may be required.

From the completed drift near its intersection with the Mountain Top vein, a crosscut shall be driven northerly to a point 200 feet in the footwall of the Mountain Top vein. It is estimated that 250 feet of crosscutting will be required.

Two drill stations shall be excavated, one at the face of the completed crosscut (Sta. B) and the other along the Sunrise Tunnel approximately 800 feet from its portal (Sta. A).

Five core-drill holes shall be drilled from the two stations. The holes shall be inclined to cut the veins not less than 200 or more than 500 feet below the Sunrise Tunnel level. It is estimated that a total of 2,740 feet of drilling will be required.

The approximate locations and directions of the drift and crosscut, and the approximate locations, directions, and inclinations of the five drill holes are shown on Fig. 2 entitled "Sketch of suggested diamond drilling from Sunrise Tunnel," attached and made part hereof.

Estimated Costs of the Work 1/

Actual Costs

Category (1) Independent Contracts

Core drilling

		Paid
Mobilization and demobilization - drilling equipment	$ 350.00	- 1/2 - 175.00
Moving to and between stations, 16 hours @ $10.00/hour	160.00	14 hrs - 140.00
Drilling 5 holes, est. 2,740 feet	17,568.00	1082' - 6575.10

Depth, feet	Rates per foot	
	BX	AX
0 - 300	$6.40	$5.95
300 - 600	$6.95	$6.35

Casing lost in hole, Est. 275 feet @ $2.20/foot	$ 605.00	—
Reaming, cementing, drilling cement, installing and removing casing, standby time, 200 hours @ $14.00/hr.	2,800.00	2800 - 364.00
Additives, 100 sacks @ $7.50/sack	750.00	—
Core boxes, 275 boxes @ $1.00/box	275.00	200 - A 200.00
Total Category (1)		$22,508.00

Category (2) Personal Services

None except:

Subcategory (a) Supervision and Technical Services

1 Supervisor-geologist-engineer, 6 months @ $700.00/month	$ 4,200.00
1 Outside consultant (8 days/month), 48 days @ $75.00/day	3,600.00
Total Category (2)	$ 7,800.00

Category (7) Miscellaneous

None except:

Payroll taxes, insurance, $4,200.00 @ 12% $ 504.00

Company F.I.C.A	4.40%
Colorado Comp. Ins.	4.37%
Fed. Unemp. Tax	0.40%
Colorado Unemp. Tax	2.70%
	11.87%

Travel, Supervisor, 1,500 mi./month - 6 months, 9,000 miles @ $0.10/mile	$ 900.00	
Travel, Consultant, 4 trips/month @ 200 mi./trip - 6 months, 4800 miles @ $0.10/mile	480.00	
Per diem 8 days/mo. - 6 months, 48 days @ $16.00/day	768.00	
Sampling, 500 sacks @ $0.15/sack	75.00	
Freight (bus, Denver) 10 lb./sample, 2,500 lbs. @ $5.00/CWT	125.00	
Assaying, est. 250 samples	$ 1,750.00	
Gold and silver in one sample @ $2.50/sample		
Copper @ $1.50/sample		
Lead @ $1.50/sample		
Zinc @ $1.50/sample		
Office Expense, 6 months @ $40.00/month	$ 240.00	
Total Category (7)		$ 4,842.00
Total Actual Costs		$35,150.00

Fixed Unit Costs

Drifting and crosscutting, 1,050 feet @ $40.00/foot 2/	$42,000.00	
Drill stations (5 x 5 x 7 feet), 2 stations	450.00	
Ground support, est. 250 feet	4,000.00	
Timbering $16.00/foot, installed		
Rock bolting in lieu of timbering		

5-foot bolts @ $3.00/bolt, installed	
6-foot bolts @ $3.25/bolt, installed	
8-foot bolts @ $3.50/bolt, installed	
Total Fixed Unit Costs	$46,450.00
Total Estimated Costs of the Work	$81,600.00
Government Participation @ 75 percent	$61,200.00

1/ The Government retains no equity in any of the equipment or materials used.

2/ Includes all costs whatsoever that would otherwise be allowable under Categories (1), (3), (4), (5), and (6).

EXHIBIT B

NONDISCRIMINATION IN EMPLOYMENT

(Section 202, Executive Order 11246, September 24, 1965)

"During the performance of this contract, the contractor agrees as follows:

'(1) The contractor will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

'(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin.

'(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

'(4) The contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

'(5) The contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

'(6) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be cancelled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

'(7) The contractor will include the provisions of Paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, That in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.'"

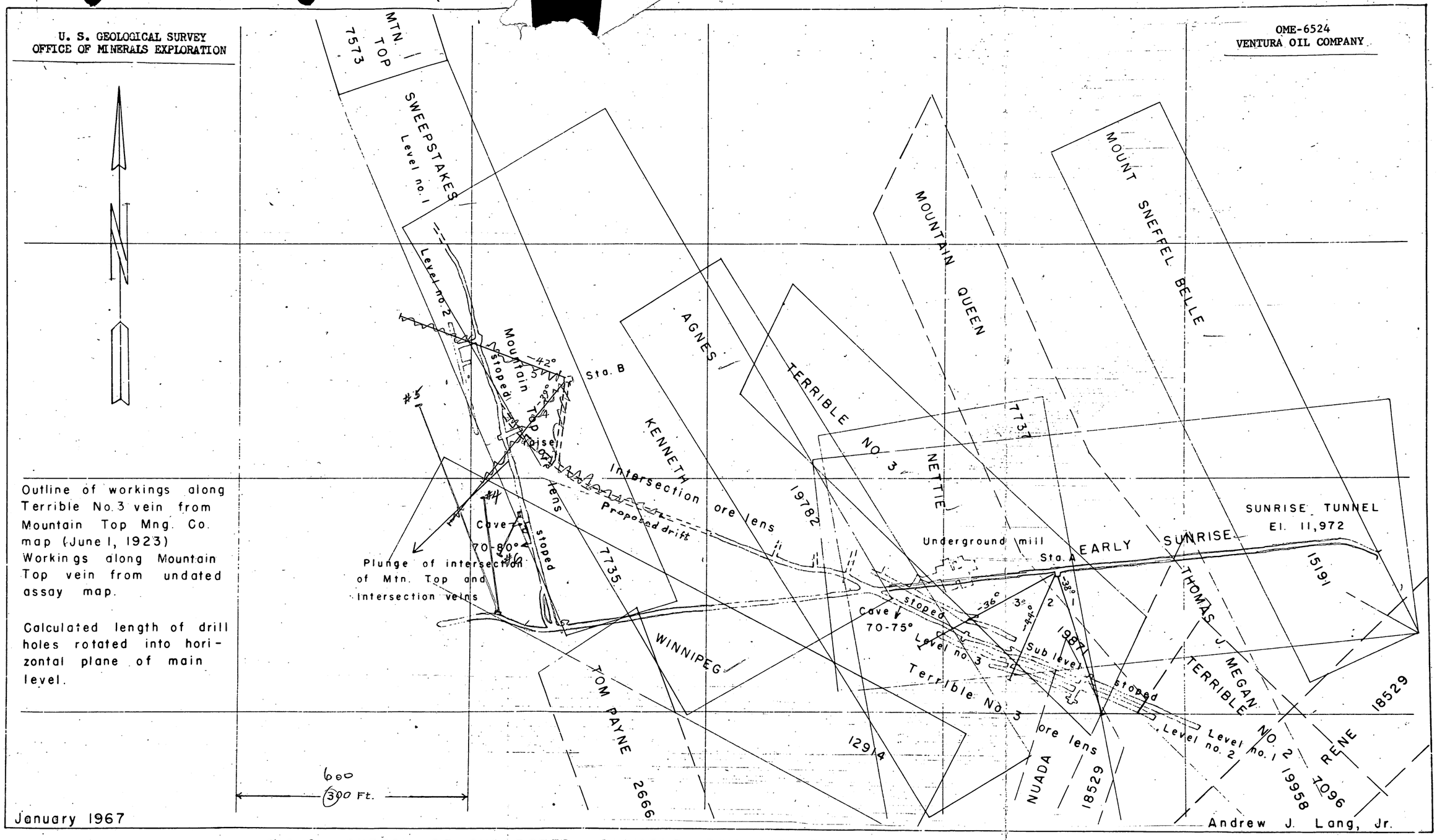


FIG. 2 - SKETCH OF SUGGESTED DIAMOND DRILLING FROM SUNRISE TUNNEL

SCALE 1" = 200'

PROPOSED EXPLORATION PROGRAM OF THE MOUNTAIN TOP AND TERRIBLE NO. 3 VEINS

OURAY COUNTY, COLORADO

Andrew J. Lang, Jr.

Office of Minerals Exploration
Application - 6524
Mountain Top and Terrible No. 3
Mines

March 3, 1967

INTERNATIONAL MINERAL ENGINEERS

Transmitted with Haslin's memo 5/19/67

INTERNATIONAL MINERAL ENGINEERS, inc.
EAKER BUILDING ● P. O. BOX 591
GOLDEN, COLORADO 80401
CABLE: MINERALS
Phone 303—279-6641

March 3, 1967

Mr. Frank E. Johnson
Chief, Office of Minerals Exploration
U. S. Department of Interior
Washington 25, D. C.

Re: OME - 6524
Ventura Oil Company
Mountain Top and
Terrible no. 3 Mines
Ouray County, Colorado

Dear Mr. Johnson:

We are hereby submitting a revised program, as suggested by Mr. William Hasler of your Denver office, pertaining to the exploration of the Mountain Top and Terrible no. 3 veins. Mr. Hasler, in company with Andrew J. Lang, Jr. of International Mineral Engineers, Inc., Golden, Colorado, visited the mine on October 11, 1966.

Accompanying this revised program are copies of all bid requests and letters from Ventura Oil Company to the Bank of Denver, The Denver-U.S. National Bank, and their replies. Accompanying also is a plan map of the Sunrise tunnel showing the proposed drifting and diamond drilling. This map, and the large claim map, show a newly staked claim by Ventura Oil Company, The Early Sunrise Claim, to cover the open ground along the tunnel between the Mount Sneffel Belle and Mountain Queen patented claims. This claim was not included in the original proposal.

The remaining salient points in the application are covered in the previously submitted formal application, and subsequent letters to your office.

Very truly yours,

INTERNATIONAL MINERAL ENGINEERS, INC.

Andrew J. Lang, Jr.

Andrew J. Lang, Jr.
AJL/ph

PROPOSED EXPLORATION PROGRAM OF THE MOUNTAIN TOP AND TERRIBLE NO. 3 VEINS
OURAY COUNTY, COLORADO

INTRODUCTION

The program to evaluate the Terrible No. 3 and Mountain Top veins from the Sunrise tunnel level is as follows:

1. Terrible No. 3 vein

   a. The downward continuation of the ore shoot beneath the old Terrible no. 3 workings (refer map) can be explored by 3 diamond drill holes that will intersect the vein at a calculated depth of 300 feet below the Sunrise tunnel level.

   b. The Terrible no. 3 vein, northwest of the Sunrise tunnel, has been drifted over a distance of about 450 feet. It is suggested that the drift be extended to explore this vein to its intersection with the Mountain Top vein.

2. Mountain Top vein

   The vein will be explored at a depth of 300 feet below the Sunrise tunnel level by means of two diamond drill holes from sta. B (refer map). The southwest-trending drill hole was calculated to explore the intersection of the Terrible no. 3 and Mountain Top veins. The northwest-trending drill hole explores the downward continuation of the ore shoot that was so extensively mined above the main drift level.

The Sunrise tunnel (elev. 11,972 feet) is a cross-cut that was driven to intersect the Terrible no. 3 vein (sometimes called Agnes vein), which it does, at a distance of about 1,250 feet from the portal (refer map).

The tunnel was subsequently extended to intersect the northern continuation of the Humboldt-Smuggler-Union vein, beneath the Sweepstakes claim, which it also does, at a distance of about 2,050 feet from the Sunrise tunnel portal.

A map and section (dated June 1, 1923) of the Terrible no. 3 vein indicates that the vein has been rather extensively mined southeast of the Sunrise tunnel. The vein has been mined two levels below and apparently two levels above the main or Sunrise level. Presently, a cave about 70 feet southeast of the Sunrise tunnel prevents inspection of the Terrible workings. The Terrible vein northwest of the Sunrise tunnel has been explored over a distance of about 450 feet. An inspection of this portion of the workings indicates that the Terrible vein continues northwest and is usually less than about 2 feet thick. The vein has been mined in several places along this interval. The northwest-trending drift was extended about 50 feet during the summer of 1966, and it appears that the southeast edge of an oreshoot has been encountered. The vein is about a foot thick and contains excellent quantities of galena and tetrahedrite, and thus high values of lead and silver. It is therefore highly recommended that the drift is extended to explore this probable oreshoot. Further, the drift should be extended to explore the intersection of the Terrible and Mountain Top veins, a feature that is often of considerable economic interest.

The Mountain Top drift is open a distance of about 300 feet north of the Sunrise tunnel. At this point lagging has broken allowing loose muck from an overhead stope to partically fill the drift. The drift was not inspected north of the cave. The Mountain Top vein has been continuously

stoped from a point 75 feet north of the Sunrise tunnel an unknown distance past the cave (see map). An undated claim map shows that the drift continues at least 500 feet north of the northmost point shown on the accompanying map. The extension was not shown because the length and orientation are not clear. An unfinished mine map indicates that there is a drift about 300 feet long about 100 feet beneath the main level of the Mountain Top workings. There is no information available regarding the amount of stoping along this lower level. The Mountain Top vein was not explored south of the Sunrise tunnel inasmuch as this point is exactly along the south end of the Sweepstakes claim, and on Tom Payne claim not owned by A. ground further south was not owned by the then operating company.

The Mountain Top vein is exposed in the south wall of the Sunrise tunnel, where it is about 4 to 5 feet thick, and north along the back of the Mountain Top drift to the stoped area. Within the stoped area only portions of the vein are exposed along the west wall of the drift. The vein gangue is largely quartz, and the sulphides are galena, tetrahedrite, and much less sphalerite.

The proposed exploration involves extending the Terrible no. 3 drift northwest to its intersection with the Mountain Top vein, and drilling a total of 5 diamond drill holes to explore both veins about 300 feet below the Sunrise tunnel level. The total amount of drilling appears to be at least 2,365 feet. Tabulation of the proposed drilling is as follows:

Drill Sta.	Hole	Orientation	Angle	Calculated Length	Depth
A	1	S. 17° E.	-38°	485 feet +75	300 ft.
	2	S. 24° W.	-44°	430 feet +75	300 ft.
	3	S. 61° W.	-36°	510 feet +75	300 ft.
B	1	S. 39° W.	-39°	480 feet +75	280 ft.
	2	N. 70° W.	-42°	460 feet +75	300 ft.
				2365 + 375	

The Terrible no. 3 vein generally dips between 70 to 75 degrees southwest, and the Mountain Top vein dips between 70 to 80 degrees west. In calculating the length of the proposed drill holes, a dip angle of 75 degrees was used for both veins. Because the dip of the veins varies from place to place it is suggested that an additional 75 feet is added to the length of each drill hole in an effort to insure that the vein is intersected. This will add an additional 375 feet, giving a total of 2,740 feet of drilling length.

ESTIMATED COSTS

Drifting

Summarily, the costs involve extending the 5 feet by 7 feet drift along the intersection ore lens of the Terrible no. 3 vein, from the present breast to the Mountain Top drift, an estimated distance of about 500 feet; and driving a tunnel about 200 feet east of the Mountain Top vein, N. 15° W. 300 feet, to (250 is enough) provide drill station B, for exploration drilling to the Mountain Top vein (plate 1). In the event there is a change in strike toward the north of the Terrible no. 3 vein from the present breast to the intersection of the Mountain Top vein, the estimated distance to intersect the latter vein would be loo low. Therefore, a possible total drift length of 800 feet should be considered.

300
1100

Drill station A will be cut about 800 feet from the Sunrise portal, and drill station B will be cut at the end of the 300 foot tunnel referred above.

Bids have been solicited for driving the drift and tunnel, and cutting the drill stations according to the following schedules:

Bid: Mr. Andy Sutyak (see attached letter)
Box 172
Ouray, Colorado

$67.50 / 16 = $4.20/hr. — $15.00 per foot - Mr. Sutyak, plus one helper
3.00
7.20 $3.00 per hour x 8 hours - one "outside" man & trammer?
Ventura Oil Company will provide all equipment and Supplies.

Labor (Estimated 1,000 ft., advance 4.5 ft/shift, 2 shifts, 6 days/week, estimated 112 working days) = 6 mo.

	$15.00/ft. x 1,000 ft. 2 (miners)	$ 15,000.00
$7.00/hr	$3.00/hr. x 16 hrs. x 94 days (helper)	4,512.00
= $56/day-2 sets	$4.50/hr. x 16 hrs. x 18 days (helper)?	1,296.00
= 5.60/ft.	+ Timbering	$ 20,808.00

Taxes and insurance

State Unemployment Tax	2.70%
Federal Unemployment Tax	0.40%
Company F.I.C.A. Tax	4.40%
State Compensation Ins.	4.37%
	11.87%

11.87% x $20,808.00 = $ 2,469.91

Total Labor (1,000 ft. drift) $ 23,277.91

Supplies

	Blasting supplies (per round of 4.5 ft)	
	20 electric primers @ $0.32	$6.40 ✓
120 sticks	Est. 120 lbs. 45% gelation powder @ $0.205/lb.	24.60 10.31
	Lead & connecting wire	0.75 ✓
		$ 31.75

Track (per round of 4.5 ft.)

	16 lb. rail @$225.00/ton del.	$ 5.40 ✓
	Spikes 7.5 lbs @ $0.30/lb. = 20 spikes/tie	2.25 0.225
	Track bolts 1.5 lbs/$0.30/lb. = 8 bolts/10'	0.45 0.225
	Fish plats 0.5 @ $1.10/pr. = 2 plates/20'	0.55 ✓
	Ties $26.51 bdft. @$80/1,000 ft. = 1 tie/ft.	2.12 0.90
	8.5 = 5.9/ft. use 2.5 b.f/ft	$ 10.77

INTERNATIONAL MINERAL ENGINEERS

Drilling (per round of 4.5 ft.)

Drill steel & bits (120 ft. @ $0.04/ft.) 24 holes @ 5' ?	$ 4.80	9.36
Drills & mucking machine maintenance & repairs	5.00 ✓	
Compressor maintenance & lubrication	2.00 ✓	
	$ 11.80	

Supplies (total)

12 in. galvanized ✓ rent pipe @ $1.90/ft. - Hangers & wire, 1,500 ft.	$ 2,850.00	salv.
Air ? 1½ in. pipe @$0.45/ft., 2" ? 1,500 ft.	675.00	salv.
Est. 25% timbering (250 ft.) 6020 bdft. @$80/1,000 ft.	481.60 ✓	(no lagging)
water 1500' 1" pipe @	$ 4,006.60	salv.

Summary-Direct Mining Costs:

Labor		$ 23,277.91
Supplies:	Blasting $31.75/round	7,048.50
	Track $10.77/round	2,390.94
	Drilling $11.80/round	2,619.60
	Misc. total	4,006.60
		$ 39,343.55

Cut 2 drill stations (5'x 5' x 7')

Labor	$148.50	
Supplies	43.55	
		$ 192.05

Transportation (24 miles round trip from Ouray, 2 shifts, 10¢/mile, 1 vehicle) 48 miles x 10¢/mile x 112 days $ 537.60

Summary - Sutyak Bid:

Labor and supplies, 1,000 ft. drifting	$39,343.55
Labor and supplies, 2 drill stations	192.05
Transportation	537.60
	$40,073.20
	372.50 depr.
	675.00 pipe
	41,120.70
	192.05

(1,000 ft. at $40.07 ft.)
1 000 ft @ $41.00/ft.

Under the conditions of Mr. Sutyak's bid, Ventura Oil Company would be required to purchase the following equipment. This is not included as a

cost item in the loan application:

10 - 1 ton mine cars @ $65/car, purchased in Silverton	$ 650.00
transportation of cars to mine	75.00
2 - Drifters @ $1,200/each, available Campbird mine	2,400.00
1 - Receiver tank & transportation	600.00
+ 6 X 3725 x 1/60 = 372.50 depr.	$3,725.00

Bid: C. W. Bunker & Co. (see attached letter)
P. O. Box 27
Nucla, Colorado

labor $56.50/ft. drifting 5 ft. x 7 ft. X
" $55.00 for 5 ft. timber set ($11.00 per ft.) X 5.60/ft.
" $5.00/ft. drifting under conditions of excessive water
" $225.00 each for drill stations

Labor (est. 1,000 ft. drifting)
$56.50/ft. x 1,000 ft. drifting X $ 56,500.00

Supplies (left in mine, refer above detailed costs)
Track, etc., $2.39/ft. x 1,000 ft. Salv. 2,390.00
Misc. pipe, and est. 25% timbering Salv. 4,006.60

Extra Labor (if timbering required)
X $55.00/set, estimated 50 sets = 250' @ [illegible] 2,750.00

Drill Stations
2 stations, 5' x 5' x 7' @ $225.00 450.00

$ 66,096.60

(1,000 ft. at $66.10 per foot)

Bid: R. L. Fluere (see attached letter)
Ouray, Colorado

$87.47/ft. and includes wages and supplies, and materials left in the mine after drifting and cross-cutting.

$87.47/ft. x 1,000 ft. $ 87,470.00

(1,000 ft. at $87.47 per foot)

Bid Summary

Bid	Cost per foot
Andy Sutyak	$ 40.07 low
C. W. Bunker & Co.	66.10
R. L. Fluere	87.47

It is the considered opinion that C. W. Bunker and Company is the most qualified bidder for the current project. Mr. Andy Sutjak was the lowest bidder; however, Mr. Sutyak operates as an individual and has been active mostly as a leasee and employee for various mining companies. He is well-qualified as a supervisor and he is thus recommended for this position during the preliminary exploration (see below). C. W. Bunker and Company has been active for a number of years in exploratory drifting, has the necessary equipment, etc., and is therefore recommended to undertake the current project.

Additional Costs

The following costs will be required during the drifting and diamond drilling:

Assaying

Drift (sample every 10 ft. but some 5 ft. intervals, est. 70 samples) 800' ÷ 5 = 160

160 160

70 sample bags @ $0.15	$ 10.50		24.00
Transportation to Denver, bus, $4.95 per 100 lbs. av. 10lbs/sample 1000 lb @ 0.0495	34.65		
		$ 45.15	49.50

Drilling 2740 ft 90 % rec. 247	Est. 262 core boxes@$1.00 plus postage	$ 282.00	
	50 sample bags @$0.15	7.50	
	Transportation to Denver	24.75	
			$ 314.25

Assaying (120 samples, Au, Ag, Cu, Pb, Zn) (See attached letters)
250

INTERNATIONAL MINERAL ENGINEERS

Herbert M. Ochs, $9.00/sample
C.O. Parker & Co., 7.00/sample
Colo. Assaying 8.50/sample

C.O. Parker & Company
120 samples @ $7.00/sample $ 840.00 1750.00
250

Total assays & supplies $ 1,199.40

Administrative & supervisory

Period (3 months)

1 Supervisory engineer	$ 700.00/month
1 Consulting engineer (IME)	
8 days/month @$75/day	600.00/month
Est. 1,488 miles/month @$0.10/mile	148.80/month
8 days/month @$16/day/per diem	128.00/month
	$1576.80/month

4.25 months x $1576.80/month $ 6,701.40

Mobilization and demobilization costs
mining equipment

Estimated $ 2,000.00

Summary, additional costs

Assaying and supplies	$ 1,199.40
Administrative and supervisory	6,701.40
Mobilization and demobilization	2,000.00
	$ 9,900.80

Diamond Drilling

Boyles Bros. Drilling Co. (see attached letters)

		Bx size, per ft.
Schedule: From	0 to 300 feet in depth	$ 6.90
from	300 to 600 feet in depth	7.50

Holes	Length	Cost
A-1	485 ft.	$ 3,457.50
A-2	430 ft.	3,045.00
A-3	510 ft.	3,645.00
B-1	480 ft.	3,420.00
B-2	460 ft.	3,270.00
		$ 16,837.50

2365
375
40

INTERNATIONAL MINERAL ENGINEERS

Safety factor 75 ft/hole (375 ft.)	$ 2,812.50
Mobilization Cost	300.00
Standby time @$11.50/hr. est. 30 hrs.	345.00
Est. 250 ft. casing at $2.16 per ft.	540.00
Est. 250 ft. reaming at $3.60 per ft.	900.00
Cementing @$12/hr. plus cost of cement, est.	250.00
Drill mud additives, est.	100.00
Total costs	$ 22,085.00

Boyles Bros. Drilling Company indicated (see attached letter) there were no changes in the bids from their original letter dated June 15, 1966.

MacPherson Drilling Co. (see attached letter)

		Bx size, per ft.
Schedule:	From 0 to 300 feet in depth	$ 6.10
	From 300 to 600 feet in depth	6.60

Holes	Length	Cost
A-1	485 feet	$ 3,051.00
A-2	430 feet	2,688.00
A-3	510 feet	3,216.00
B-1	480 feet	3,018.00
B-2	460 feet	2,886.00
		$ 14,859.00

Safety factor 75 ft/hole (375 ft.)	$ 2,475.00
* Estimated 5% increase in above	866.70
Mobilization costs	350.00
Installation of equipment [& standby] $10/hr. est. 30 hrs. 16	300.00
Est. 250 ft. casing at $2.16 per ft.	540.00
Est. 250 ft. reaming at $14.00/hr, est. 65 hrs.	910.00
Cementing @$14.00/hr, plus cost of cement, est.	260.00
Drill mud additives, estimated	100.00
+ install casing, drill cement	$ 20,660.70

* Mr. MacPherson suggested (per telephone conversation February 21, 1966) to increase his bid by 5 percent to cover increased cost of bits, etc.

Summary of exploration costs:

The following summary of costs recommends C. W. Bunker and Company for the proposed exploratory drifting and the MacPherson Drilling Company for the exploratory diamond drilling:

Drifting

C. W. Bunker and Company

Labor	$ 56,000.00	
Supplies	6,396.60	
Timbering	2,750.00	
Drill stations (2)	450.00	
		$ 66,096.60

Diamond Drilling

MacPherson Drilling Company

Diamond drilling 2,740 feet, Bx-size, plus miscellaneous costs.		$ 20,660.70

Additional Costs

Assaying (C.O. Parker & Co.) and supplies	$ 1,199.40	
Administrative & supervisory	6,701.40	
Mobilization & demobilization	2,000.00	
		$ 9,900.80
	Total	$ 96,658.10

Respectfully submitted by:

INTERNATIONAL MINERAL ENGINEERS, INC.

Andrew J. Lang, Jr.

Andrew J. Lang

INTERNATIONAL MINERAL ENGINEERS

February 21, 1967

Bank of Denver
1534 California Street
Denver, Colorado, 80202

Attention: Lester Hall
Mining Loan Division, Loan Applications

Gentlemen:

Ventura Oil Company hereby makes application to the Bank of Denver for a loan in the amount of $35,000.00.

The proceeds of this loan will be used to prepare underground drill stations and to drill core holes on Mountain Top group of claims in Ouray,County, Colorado. We have prepared and will furnish to you if required, an engineering and geological report.

We would like to have this loan, if granted, payable at the end of five years.

Very truly yours,

VENTURA OIL COMPANY

Richard C. Fackler
Secretary-Treasurer

RCF:sp

BANK OF DENVER
1534 CALIFORNIA ST. · DENVER, COLORADO 80202 · 244-8121

February 23, 1967

Ventura Oil Company
1029 East 8th Ave.
Denver, Colorado 80218

Gentlemen:

This will acknowledge receipt of your loan application in the amount of $35,000.00 under date of February 21, 1967, to be repaid at the end of five years.

I am sorry to inform you that we will be unable to take care of this loan request at this time.

Very truly yours,

Lester W. Hall

Lester W. Hall,
Vice President

LWH/b

February 21, 1967

Denver U. S. National Bank
Denver U. S. National Center
Denver, Colorado

Attention: John Ferry
Mining Loan Division

Gentlemen:

Ventura Oil Company hereby makes application to the Denver U. S. National Bank for a loan in the amount of $35,000.00.

The proceeds of this loan will be used to prepare underground drill stations and to drill core holes on Ventura's Mountain Top group of mining claims in Ouray County, Colorado. We have prepared and will furnish to you if required, an engineering and geological report.

We would like to have this loan, if granted, set up on a long term basis, interest due annually, with a moratorium of four years and the final interest and principal due in the fifth year.

Very truly yours,

VENTURA OIL COMPANY

Richard C. Fackler
Secretary-Treasurer

RCF:sp

DENVER UNITED STATES NATIONAL BANK

DENVER U. S. CENTER • DENVER, COLORADO 80217 • 244-8811

February 23, 1967

Mr. Richard C. Fackler
Secretary-Treasurer
Ventura Oil Company
1029 East 8th Ave., Suite 104
Denver, Colorado 80218

Dear Mr. Fackler:

Your request of February 21, 1967, for a five-year term loan to develop Ventura's Mountain Top mining claims in Ouray County, Colorado, is impossible for us to consider. Your proposal for a four-year moratorium on principal does not fit our lending policy.

Very truly yours,

J. T. Reagan

J. T. Reagan
Assistant Vice President

JTR/mlj

Cheyenne colo
Dec 24.

Mr Tang,
Dear Sir,

In answer to your letter concerning the "Mt Top" I would have to get no less than 15-00 per foot for myself & one man. Also there will have to be one "days pay" man outside etc. Timbering will be in addition to this.

Thanks for your letter

Sincerely

Andy Sutyak

Labor only

25
20
8

JAN 16 REC'D

January 11, 1967

International Mineral Engineers Inc.

Golden, Colorado

Dear Sirs:

I submit my bid for driving a tunnel at the Mountain Top Mine. It to be a 5' X 7' tunnel, 800' long, with Mr. Noble furnishing all permanent installations at mine, such as: air and water line, timber, rail, ~~roofs, bolts~~ Roof Bolts, Matting, etc.

$56.50/foot drifting 5' X 7' drift.

$ 225.00 each for 5X5X7 foot drill stations.

$55.00 for 5' timber set when required.

$ 2.00 each for 6' roof bolts installed.

$ 5.00/foot extra for drifting in case excessive water is encountered.

labor only i.e. this is not an Ind. Contractor

Thankyou.

Sincerely,

Cecil W. Bunker

C. W. Bunker & Co.

P.O. Box 27

Nucla, Colorado 81424

JAN 26 REC'D

Jan 24, 1967

International Mineral Eng., Inc.
Coker Building
P.O. Box 591
Golden, Colorado 80401

AV

Dear Sirs:

Mr. Lutyak has asked me to bid on an overall price per foot on driving a tunnel. This price includes powder, primers, steel, track, pipe, vent line and labor, also transportation to and from mine plus all fuels and oils, and all non powered hand tools.

Price per foot will be $87.47.

Respectfully,
P. L. Thuere

JUN 17 REC'D

DIAMOND CORE DRILLING
DIAMOND DRILLING EQUIPMENT
GROUTING
FOUNDATION TESTING
MINING
QUARRYING
SHAFT SINKING
TUNNEL DRIVING
MINE PLANT DESIGN
AND FABRICATION

Boyles Bros.
DRILLING COMPANY
CONTRACTORS-ENGINEERS-GEOLOGISTS

General Offices and Plant
1624 Pioneer Road P. O. Box 58
SALT LAKE CITY, UTAH 84110
Phone 487-7595

BRANCH OFFICES
PHOENIX
RENO
SPOKANE
DENVER
SACRAMENTO
SANTIAGO, CHILE
LIMA, PERU

15865 W. 5th. Ave.
Golden, Colorado 80401
Phones: 255-9244
255-0855

June 15, 1966

Mineral Industries Engineers, Inc.
Eaker Building
P. O. Box 591
Golden, Colorado 80402

Attention: Mr. Andrew J. Lang, Jr.

Gentlemen:

We estimate the following rates for your core drilling program in the Mountain Top mine, near Ouray, Colorado.

Mobilization of men and equipment - Lump sum		$ 300.00
	NKWL	BXWL
0 - 300 feet	$ 7.50	$ 6.90
300 - 600 feet	8.20	7.50
Reaming, if required	per linear foot	$ 3.60
Cementing time plus cost of cement	per hour	12.00
Standby time and delays	per hour	11.50

Drill stations of adequate size, ample compressed air and water to be furnished at no cost to Boyles Bros.

This schedule is subject to a physical inspection of the property.

Thank you for calling on our company. If you have any questions, please feel free to call me.

Very truly yours,

BOYLES BROS. DRILLING COMPANY

George E. Lensch

George E. Lensch - District Manager

GEL:bf

JAN 20 REC'D

DIAMOND CORE DRILLING
DIAMOND DRILLING EQUIPMENT
GROUTING
FOUNDATION TESTING
MINING
QUARRYING
SHAFT SINKING
TUNNEL DRIVING
MINE PLANT DESIGN
AND FABRICATION

Boyles Bros. DRILLING COMPANY

CONTRACTORS - ENGINEERS - GEOLOGISTS

15865 W. 5th. Ave.
Golden, Colorado 80401
Phones: ALpine 5-9244
ALpine 5-0855

General Offices and Plant
1624 Pioneer Road P. O. Box 58
SALT LAKE CITY 10, UTAH
HUnter 7-7595

BRANCH OFFICES
PHOENIX
RENO
SPOKANE
DENVER
SACRAMENTO
ST. LOUIS

January 19, 1967

Mr. Andrew J. Lang Jr.
Minerals Industries Engineers, Inc.
P. O. Box 591
Golden, Colorado 80402

Dear Sir:

This will advise you, the rates and conditions in my letter of June 15, 1966 still apply to your request for a quotation, for diamond drilling in your letter of June 11, 1966.

Very truly yours,

BOYLES BROS. DRILLING COMPANY

George E. Lensch

George E. Lensch, District Manager

GEL/bf

Consideration Schedule
Underground core drilling
Mountain Top Mine
Near, Ouray, Colorado

To: Mineral Industries Engineer's, Inc.
Loker Building
P. O. Box 591
Golden, Colorado 80402

From: MacPherson Drilling Company
601 N. 2nd, Street
P. O. Box 1167
Montrose, Colorado 81401

Gentlemen:

I hereby submit my proposal to core drilling approximately 5000 feet of BX & AX size cores from underground drill stations located in the Mountain Top Mine near Ouray, Colorado.

MacPherson Drilling Company undertakes to perform such drilling under the terms and for the fees setforth herein. And, the owner agrees to accept such terms and fees for the services of MacPherson Drilling Company which follow for the purpose indicated.

Core drilling rates

Footage		Rate per ft. BX-size	Rate per ft. AX-size	
From 0 to 300 ft. in depth	@	$ 6.10	$ 5.65	+5%
From 301 to 600 ft. in depth	@	6.60	6.05	see p. 10

Contractor's labor and equipment furnished for cementing, drilling out cement, reaming for and installing casing, recovery of casing on completion of drilling, surveying of holes or other work owner may request contractor to perform with his equipment and labor shall be charged to owner at an hourly rate of $14.00 per hr. so used.

Mobilization and demobilization of drilling equipment and drill personnel from Montrose to portal of mine shall be at a lump sum of $350.00. Moving of equipment underground and installing of drilling equipment at each drill station shall be charged to owner at an hourly rate of $10.00 per crew hr. so used.

Supplies used to complete holes to the required depth, such as drilling mud, cement, or cement substitutes, or other additives shall be charged to owner at contractor's cost F.O.B. job site. Core boxes for storing of cores may be furnished by contractor at cost to owner F.O.B. job site.

Casings or drill steel left in holes and not recoverable shall be charged to owner at contractor's replacement cost.

Contractor shall furnish all drilling equipment, drill personnel, diamonds, tools, supervision, and all auxiliary equipment necessary to complete the holes to the required depth.

Owner shall furnish air and water at each drill location for drilling, provide suitable small stations for the installing of drilling equipment, engineering services in connection with drilling operations when required and make available to contractor it's underground facilities for the the moving of drilling equipment.

August 20, 1966

Respectfully submitted,

By Malcolm MacPherson
Malcolm MacPherson

JAN 10 REC'D

CHARLES O. PARKER & CO.

CHEMISTS • ASSAYERS • ENGINEERS

TELEPHONE MAIN 3-1852
2114 CURTIS STREET
DENVER 5, COLORADO

Jan. 9, 1966.

International Mineral Engineers, Inc.,
P. O. Box 591,
Golden, Colorado. 80401.

Attention: Mr. Andrew J. Lang, Jr.,

Gentlemen:

Re yours of the 5th inst., wish to advice that our charges on 120 samples (vein and sludge), to be assyed for gold, silver, copper, lead and zinc, is $7.00 per sample. The individual determinations are as follows:

Gold and silver (on one sample)	$2.50 per sample.
Copper,	$1.50 per sample
Lead,	$1.50 per sample
Zinc,	$1.50 per sample.
	$7.00 per sample.

We wish to thank you for your inquiry, and shall be pleased to be of service to you.

Very truly yours,

CHARLES O. PARKER & CO.,

By Charles O Parker

CP-a

HERBERT M. OCHS
CHEMIST & SPECTROGRAPHER
81 South Elati Street -:- 722-8565
DENVER, COLORADO 80223

January 9, 1967

Mr. Andrew J. Lang, Jr.
International Mineral Engineers, Inc.
Eaker Building
P. O. Box 591
Golden, Colorado 80401

Dear Mr. Lang:

In response to your request for a bid on the following:

120 samples (vein and sludge)
assay gold, silver, copper, lead, and zinc
sample weight about 5 to 10 lbs.
samples to be delivered to this laboratory.

The assay cost for these five metals on the same sample is $9.00. This price includes sample preparation.

Sincerely yours,

H. M. Ochs

H. M. OCHS

INTERNATIONAL MINERAL ENGINEERS, inc.
EAKER BUILDING ⊙ P. O. BOX 591
GOLDEN, COLORADO 80401
CABLE: MINERALS
Phone 303—279-6641

January 5, 1967

Colorado Assaying Co.
2244 Broadway
Denver, Colorado

Dear Sirs:

I would like to request a bid from your firm regarding the following:

120 samples (vein and sludge)
assay gold, silver, copper, lead, and zinc
sample weight about 5 to 10 lbs.
samples will be delivered to your lab.

This is in regards to an O.M.E. loan application. May we have a per assay quote.

Might we hear from you as soon as possible on this matter.

Thank you.

Very truly yours,

Andrew J. Lang Jr.

Andrew J. Lang, Jr.

Jan. 10, 1967

Dear Mr. Andrew J. Lang, Jr.,

We wish to advise that single determinations for Gold, Silver, Copper, Lead and Zinc on a sample are $8.50 per sample, where Gold is reported to the nearest 0.01 ounces per ton, Silver to 0.1 ounce, Copper, Lead and Zinc to the nearest 0.1 percent. If Copper determination sensitivity is increased to 0.02 to 0.03 percent, the charge is $10.00 per sample. Any other specifications can be quoted. Terms are: cash in advance. These terms are standard for all.

Thank you for the inquiry. Will look forward to serving you.

Yours very truly,
THE COLORADO ASSAYING COMPANY

BY Edmund E. Phillips

PHONE 623-7238

VENTURA OIL COMPANY

[redacted]
SUITE 1000
[redacted] COLORADO 80213

510 MIDLAND SAVINGS BUILDING
DENVER, COLORADO 80202

April 5, 1967

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 20 1967

INITIALS	CODE
dg	120 M
~~[illegible]~~	~~[illegible]~~
RMS	120 S

Mr. J. William Hasler
Field Officer, Region 3
Office of Minerals Exploration
United States Geological Survey
Denver Federal Center
Building 25, Room 2284
Denver, Colorado, 80225

OME 6524

RE: Mountain Top

Dear Mr. Hasler:

Attached is the map and Location Certificate of Early Sunrise that you requested I send to you.

Very truly yours,

VENTURA OIL COMPANY

Homer Noble

Homer Noble

HN:sp

Enclosures

No. 112132 Filed for record at 1:05 o'clock P.M., March 29, 1967.
Duly recorded in Book 165, Page 140. Addie A. Sim, Recorder

KNOW ALL MEN BY THESE PRESENTS, That Ventura Oil Company
510 Midland Savings Bldg. Denver, Colorado
has located the Early Sunrise lode mining claim, and by this certificate, and by right of discovery and location, claim 1500 feet, linear and horizontal measurement along the vein thereof, with all its dips, angles and variations as allowed by law feet on said vein running from the center of the discovery and feet running from the center of the discovery, together with 300 feet on each side of the middle of said vein at the surface, and all veins, lodes, ledges, deposits and surface ground within the lines of said claim, situate in Mt. Sneffels Mining District, County of Ouray, and State of Colorado and described by metes and bounds as follows, to-wit:

Beginning at Corner No. 1., which is common to the southeast corner of the Mt. Sneffels Belle patented claim no. 15101, go S. 84 W., 725 feet to the south side center stake, thence S.84 W., 725 feet to corner no. 2; thence N.6 W., 600 feet to corner no. 3; thence N.84 E., 725 feet to the north side center stake; thence N.84 E., 750 feet to corner 4; thence S.6 E., 600 feet to corner no 1. or point of beginning.

Said lode was discovered on the 21 day of March, A. D. 1967
and located on the 21 day of March, A. D. 1967
Dated this 21 day of March, A. D. 1967

[illegible] [SEAL]
[illegible] [SEAL]
[SEAL]
[SEAL]
[SEAL]
[SEAL]

Duly recorded in Book 165, Page 140

Filed for record the 29th day of March, A. D. 19 67, at 1:05 o'clock P. M.

Reception No. 112132 Addie A. Sim RECORDER

(THIS MAP MUST BE ATTACHED TO LOCATION CERTIFICATE)

MAP OF EARLY SUNRISE LODE

attached to and hereby made a part of the Location Certificate, which map is prepared from an actual field survey of said Lode Claim.

1. Name and Address of Discoverer of Claim:

   Name Ventura Oil Company

   Address 510 Midland Savings Bldg.

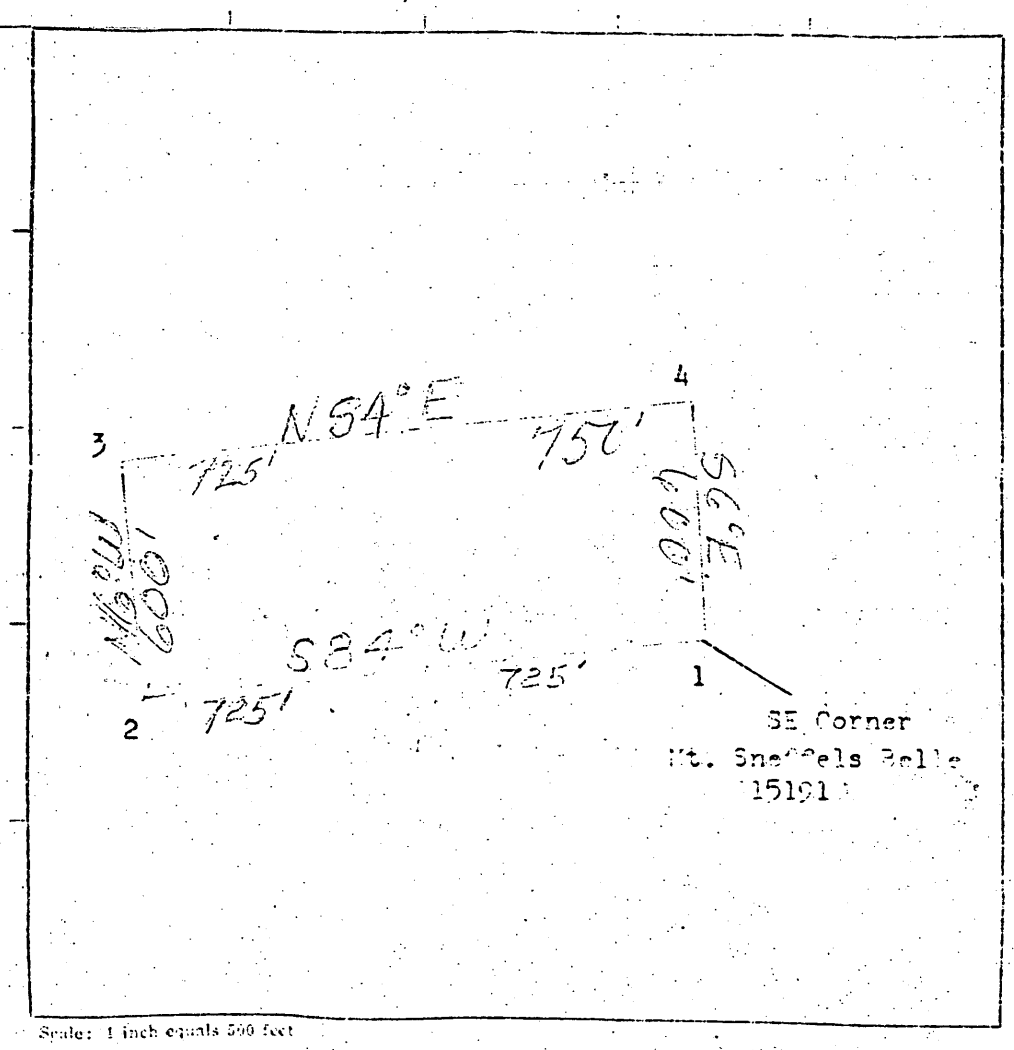
   Denver, Colorado

2. Legal Subdivision of the land upon which the claim is located, if such land is surveyed:

   SW Quarter of Section 20, Township 43N, Range 8W

   of the Meridian, in the County of Ouray, State of Colorado.

3. The claim pattern with courses and distances of the boundary lines is as follows:



Scale: 1 inch equals 500 feet

Dated at Denver, Colorado, this 28 day of March, 19 67

Homer Noble (SEAL)

Ventura Oil Co (SEAL)

(SEAL)

(SEAL)

(SEAL)

(SEAL)

LOCATOR

(THE CLAIM PATTERN MUST REFER TO THE NEAREST SECTION OR QUARTER SECTION CORNER OF PUBLIC LAND SURVEY, IF SURVEYED, OR TO A PERMANENT MONUMENT, IF NOT SURVEYED, BY WHICH THE CLAIM ON THE GROUND CAN BE READILY AND ACCURATELY ASCERTAINED.)

92-22-6A—Colorado Revised Statutes, 1953

PHONE 255-3643

VENTURA OIL COMPANY
1029 EAST 8TH AVENUE
SUITE 104
DENVER, COLORADO 80218

OFFICIAL
COPY
O. M. E.
RECEIVED
SEP 22 1966

INITIALS	CODE
✓	120 M
JJ	~~110~~
RMS	120 S

September 20, 1966

Mr. Frank E. Johnson
Chief, Office of Minerals Exploration
U. S. Department of the Interior
Washington 25, D. C.

RE: OME-6524 (Silver-Gold)
Ventura Oil Company
Mountain Top and Terrible 3 Mines
Ouray and San Miguel Counties,
Colorado

Dear Mr. Johnson:

Enclosed is a copy of the additional bid required by the above referenced application. Although this application has been referred to the Denver Field Center, they requested that we also submit to your office a copy of this additional bid. The Denver Field Center will also receive a copy.

If there are any further questions concerning this submittal or any additional documents or information needed, please do not hesitate to call upon us.

Very truly yours,

VENTURA OIL COMPANY

Homer Noble

HN:sp

Enclosure

~~Government's Copy~~

EXPLORATION CONTRACT
~~W. S. MOORE CO.~~ VENTURA OIL COMPANY
OME-~~6344~~ 6524

TERMINATION AGREEMENT

It is agreed this ~~3rd~~ day of ~~July~~ , 1968, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and ~~W. S. Moore Co.~~, hereinafter called the "Operator," parties to that certain Exploration Contract No. ~~2109~~ 2524 (OME-~~6344~~), 6524 dated ~~May 22, 1964~~, as amended, hereinafter called the "Contract," that: June 30, 1967

1. Effective ~~May 24, 1967~~ July 1968, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute only to the allowable costs incurred prior to said effective date.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including furnishing to the Government three copies of a final report (in addition to the final monthly report) which shall include a geological and engineering evaluation of the results of the work performed under the Contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the related costs thereof.

4. The Operator, as principal if the Operator is the producer, or as ~~surety~~ co-principal with the producer if the Operator is not the producer (for example, if the Operator either transfers or fails to retain its interest in the land), shall pay to the Government the royalty on production provided for in the Contract in the same manner and amount, for the same period, and subject to the same conditions provided for in the Contract, as amended, as if certification of possible production had been made, such certification being hereby waived by the Operator. In addition, all rights of the Government provided for in the Contract with respect to a certification of possible production, percentage royalty and liens to secure payment thereof, reports (including preservation of Operator's records), accounts, audits, and the right to recover any overpayments are hereby preserved.

5. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract except as otherwise provided in this termination agreement.

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

THE UNITED STATES OF AMERICA

By Frank E. Johnson
Chief, Office of Minerals Exploration
U. S. Geological Survey

VENTURA OIL COMPANY
~~U. S. MOORE CO.~~

By Warren D Moore

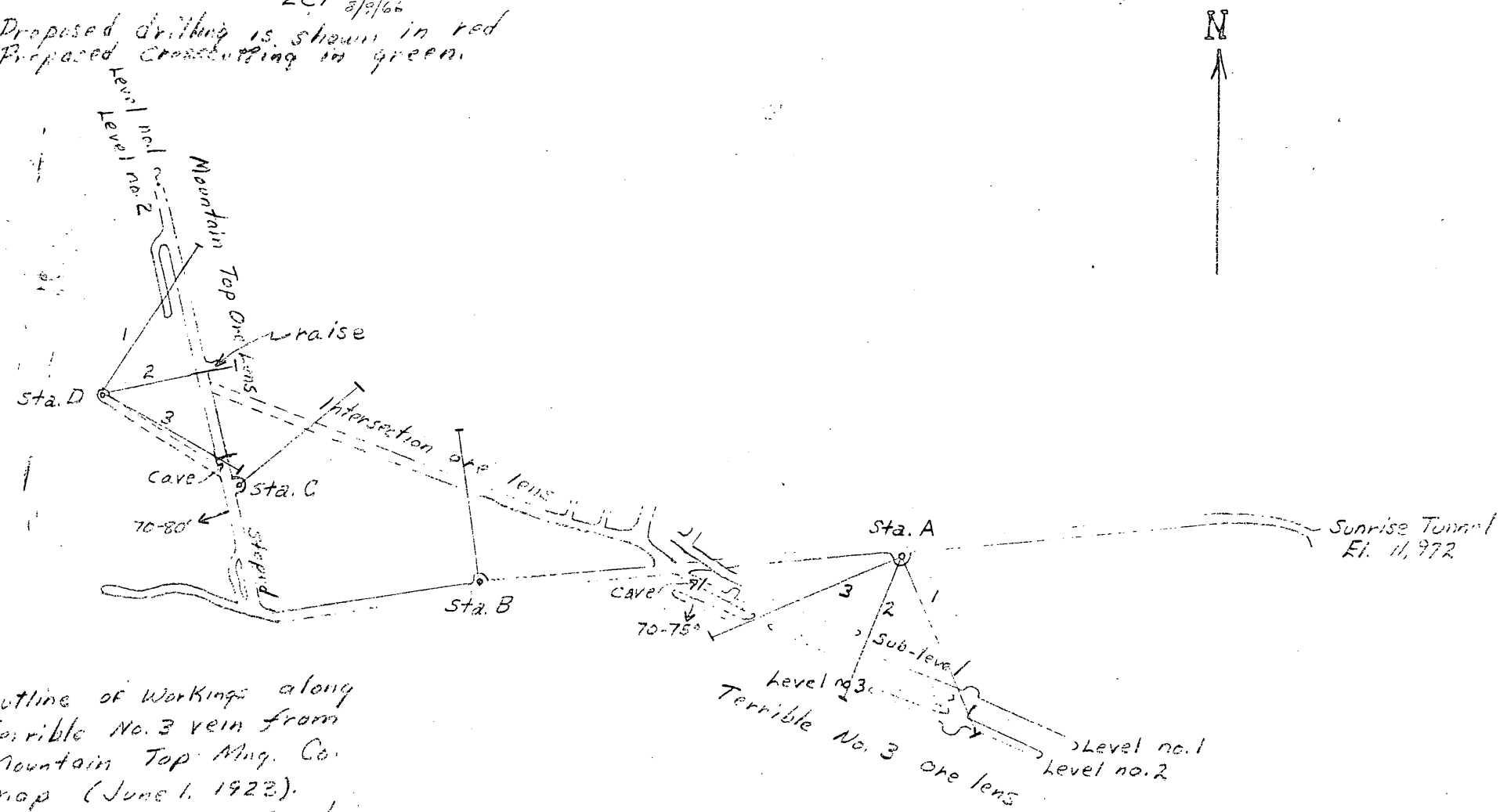
Title President

Long
Smith
Shibano
Johnson
Dover
Regan

Plate 1

Note:
This sketch was reduced in Scale from a 1"=200' drawing Submitted by The Applicant.
ECP 8/9/66

Proposed drilling is shown in red
Proposed Crosscutting in green.



Outline of Workings along Terrible No. 3 vein from Mountain Top Mng. Co. map (June 1, 1923).
Workings along Mountain Top vein from undated assay map.

Calculated length of drill holes rotated into horizontal plane of main level.
May 1966

Sketch of Suggested Diamond Drilling
From Sunrise Tunnel
Scale 1"= 300'

Consideration Schedule
Underground core drilling
Mountain Top Mine
Near Ouray, Colorado

To: Mineral Industries Engineer'c, Inc.
Eaker Building
P. O. Box 591
Golden, Colorado 80402

From: MacPherson Drilling Company
601 N. 2nd, Street
P. O. Box 1167
Montrose, Colorado 81401

Gentlemen:

I hereby submit my proposal to core drilling approximately 3000 feet of BX & AX size cores from underground drill stations located in the Mountain Top Mine near Ouray, Colorado.

MacPherson Drilling Company undertakes to perform such drilling under the terms and for the fees setforth herein. And, the owner agrees to accept such terms and fees for the services of MacPherson Drilling Company which follow for the purpose indicated.

Core drilling rates

Footage				Rate per ft. BX-size	Rate per ft. AX-size
From 0	to	300 ft. in depth	@	$ 6.10	$ 5.65
From 301	to	600 ft. in depth	@	6.60	6.05

Contractor's labor and equipment furnished for cementing, drilling out cement, reaming for and installing casing, recovery of casing on completion of drilling, surveying of holes or other work owner may request contractor to perform with his equipment and labor shall be charged to owner at an hourly rate of $14.00 per hr. so used.

Mobilization and demobilization of drilling equipment and drill personnel from Montrose to portal of mine shall be at a lump sum of $350.00. Moving of equipment underground and installing of drilling equipment at each drill station shall be charged to owner at an hourly rate of $10.00 per crew hr. so used.

Supplies used to complete holes to the required depth, such as drilling mud, cement, or cement substitutes, or other additives shall be charged to owner at contractor's cost F.O.B. job site. Core boxes for storing of cores may be furnished by contractor at cost to owner F.O.B. job site.

Casings or drill steel left in holes and not recoverable shall be charged to owner at contractor's replacement cost.

Contractor shall furnish all drilling equipment, drill personnel, diamonds, tools, supervision, and all auxiliary equipment necessary to complete the holes to the required depth.

Owner shall furnish air and water at each drill location for drilling, provide suitable drill stations for the installing of drilling equiment, engineering services in connection with drilling operations when required and make avaiable to contractor it's underground facilities for the the moving of drilling equipment.

August 20, 1966

Respectfully submitted,

By M. MacPherson
Malcolm MacPherson

PHONE 255-3643

VENTURA OIL COMPANY
1029 EAST 8TH AVENUE
SUITE 104
DENVER, COLORADO 80218

OFFICIAL COPY
O. M. E.
RECEIVED
JUL 15 1966
INITIALS | CODE
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July 13, 1966

Mr. Frank E. Johnson
Chief, Office of Minerals Exploration
U. S. Department of the Interior
Washington 25, D. C.

RE: OME-6524 (Silver-Gold)
Ventura Oil Company
Mountain Top and Terrible 3 Mines
Ouray and San Miguel Counties,
Colorado

Dear Mr. Johnson:

In reply to your letter of June 30, enclosed please find one true copy of our letters to two banks requesting a mining loan and one copy each of their replies. Also enclosed is a copy of Ventura Oil Company's Balance Sheet as of June 30, 1966.

In regard to the additional bids mentioned in my letter of June 20, I have enclosed a copy of a letter from Joy Manufacturing Company, one of the original three firms from which we requested bids. The third firm, Golden Drilling Company, answered by phone that they were too busy at this time to submit a bid. We are attempting to secure additional bids and as they are received we will forward them to your office.

If you have any further questions concerning this submittal or need any additional documents or information, please do not hesitate to call upon us.

Very truly yours,

VENTURA OIL COMPANY

Homer Noble

Homer Noble
President

HN:sp
Enclosures

VENTURA OIL COMPANY

BALANCE SHEET
June 30, 1966

A S S E T S

CURRENT ASSETS:		
Cash on hand and in banks	$ 116,728.58	
Accounts receivable	89,247.17	
Notes receivable	119,724.58	
Total current assets		$ 325,700.33
PROPERTY AND EQUIPMENT: (at cost)		
Production properties and equipment	$ 217,001.27	
Undeveloped oil and gas leases	868,470.84	
Pipeline	9,888.79	
Real estate	12,219.77	
Mining	65,402.34	
Other	28,388.92	
	$ 1,201,371.93	
Less: Accumulated depreciation and depletion	28,149.95	
Total property and equipment (net)		1,173,221.98
OTHER ASSETS:		
Investments	$ 50,000.00	
Deferred charges and prepaid expense	2,426.07	
Miscellaneous	2,075.00	
Total other assets		54,501.07
TOTAL ASSETS		$ 1,553,423.38

VENTURA OIL COMPANY

BALANCE SHEET
June 30, 1966

LIABILITIES

CURRENT LIABILITIES:		
Accounts payable - trade	$ 61,015.54	
Notes payable	193,482.09	
Withheld revenue	19,756.85	
Accrued liabilities	38,247.66	
Total current liabilities		$ 312,502.14
LONG TERM DEBT:		
Notes payable	$ 1,150,000.00	
Mortgage payable	12,074.32	
Total long term debt		1,162,074.32
STOCKHOLDERS' EQUITY:		
Common stock (authorized 2,000,000 shares of 10¢ par value; issued and outstanding 335,945 shares)	$ 33,594.50	
Paid in surplus	143,100.00	
Retained earnings (deficit)	(97,847.58)	
Total stockholders' equity		78,846.92
TOTAL LIABILITIES		$ 1,553,423.38

(219) 872-7221

JOY MANUFACTURING COMPANY
900 WOODLAND AVENUE • MICHIGAN CITY, INDIANA 46360

June 17, 1966

Mineral Industrial Engineers, Inc.
P. O. Box 591
Golden, Colorado 80402

Attention: Mr. Andrew J. Lang, Jr.

Gentlemen:

Thank you for your letter of June 11, inviting us to bid on your underground core drilling project southwest of Ouray, Colorado.

I regret to advise that we do not have qualified men nor suitable machines available for this work. Drilling activity is at an all time high. Our crews and machines have all been committed to contracts to which we previously committed ourselves.

Yours truly,

J. M. Murray, Manager
Contract Drill Division

JMM:hs

PHONE 255-3643

VENTURA OIL COMPANY
1029 EAST 8TH AVENUE
SUITE 104
DENVER, COLORADO 80218

July 6, 1966

Denver United States National Bank
Denver U. S. National Center
Denver, Colorado

Attention: John Ferry
Mining Loan Division

Gentlemen:

Ventura Oil Company hereby makes application to the Denver United States National Bank for a loan in the amount of $35,000.00.

The proceeds of this loan will be used to prepare underground drill stations and to drill core holes on Ventura's Mountain Top group of mining claims in Ouray County, Colorado. We have prepared and will furnish to you if required, an engineering and geological report.

We would like to have this loan, if granted, set up on a long term basis, interest due annually, with a moratorium of four years and the final interest and principal due in the fifth year.

Very truly yours,

VENTURA OIL COMPANY

Homer Noble
President

HN:sp

DENVER UNITED STATES NATIONAL BANK

DENVER U. S. CENTER • DENVER, COLORADO 80217 • 244-8811

JOHN H. FERRY
VICE PRESIDENT

Mr. Homer Noble, President
Ventura Oil Company
1029 East 8th Avenue, Suite 104
Denver, Colorado 80218

Dear Mr. Noble:

Thank you very kindly for your letter of July 6, 1966, requesting a loan of $35,000, the proceeds of which will be used to prepare underground drill stations and to drill core holes on your Mountain Top group of mining claims in Ouray County, Colorado.

We appreciate very much your giving us the opportunity to consider your application. We do consider and make loans on mine ore production. Such loans usually are term loans based upon a record of profitable operations supported by a history of integrated exploration, mine development, mining, milling, transportation, sales, and sufficient blocked-out ore reserves to amortize the loan over its contemplated term. Usually, a year to 18 months' history of profitable operations is adequate for support of such a loan, the purpose of which frequently is to carry new exploratory and development work, or for expansion of plant and milling facilities.

From an examination of your application, it would appear that at this time you are not far enough along in your program to justify commercial bank term debt; however we would be glad to consider your needs on the basis of a loan secured by high quality listed stocks or bonds, or upon a guaranty of an individual or a corporate entity acceptable to us. If the mine operation does demonstrate a profitable history at some time in the future, then it would be possible for us to consider transfer of the security position from marketable securities or guaranty to a straight mine production loan.

We would suggest that at this time you pursue either equity or subordinated-debt type of financing, or perhaps contact one of several Federal Government agencies which provide semi-risk type financing. For your convenience, I am enclosing an application form for financing mineral exploration through the Office of Minerals Exploration, Geological Survey, Department of the Interior. Also, I am enclosing a form containing

suggested information in evaluation reports submitted to the Denver United States National Bank with applications for mine production loans.

We trust these suggestions will be of some help to you, and we look forward to following your activities and the progress of your mining program with much interest.

Very truly yours,

J. H. Ferry
Vice President

JHF/mlj

Enclosures

PHONE 255-3643

VENTURA OIL COMPANY
1029 EAST 8TH AVENUE
SUITE 104
DENVER, COLORADO 80218

July 6, 1966

Bank of Denver
1534 California Street
Denver, Colorado, 80202

Attention: Lyle F. Meyer
Mining Loan Division, Loan Applications

Gentlemen:

Ventura Oil Company hereby makes application to the Bank of Denver for a loan in the amount of $35,000.00.

The proceeds of this loan will be used to prepare underground drill stations and to drill core holes on Mountain Top group of claims in Ouray County, Colorado. We have prepared and will furnish to you if required, an engineering and geological report.

We would like to have this loan, if granted, payable at the end of five years.

Very truly yours,

VENTURA OIL COMPANY

Homer Noble

Homer Noble
President

HN:sp

BANK OF DENVER
1534 CALIFORNIA ST. · DENVER, COLORADO 80202 · 244-8121

July 12, 1966

Mr. Homer Noble, President
Ventura Oil Company
1029 East 8th Avenue, Suite 104
Denver, Colorado 80218

Dear Mr. Noble:

Your application for a loan of $35,000.00, for the purpose of preparing underground drill stations and to drill core holes on Mountain Top group of claims in Ouray County, Colorado, has been reviewed by the Bank of Denver.

We are unable to grant a loan of this type payable at the end of five years. We appreciate your request, and please contact us if we can be of any assistance on other business.

Very truly yours,

Lyle F. Meyer
Loan Applications
Mining Loan Division

LFM:ay

PHONE 255-3643

VENTURA OIL COMPANY
1029 EAST 8TH AVENUE
SUITE 104
DENVER, COLORADO 80218

June 20, 1966

OFFICIAL
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O. M. E.
RECEIVED
JUN 22 1966
INITIALS | CODE
RMG | 120 8

Mr. Frank E. Johnson
Chief, Office of Minerals Exploration
U. S. Department of the Interior
Washington 25, D. C.

Re: OME-6524 (Silver-Gold)
Ventura Oil Company
Mountain Top and Terrible 3 Mines
Ouray and San Miguel Counties, Colo.

Dear Mr. Johnson:

In reply to your letter of June 9, enclosed please find a proposed drilling program as an alternate to the original plan outlined in our application, accompanied by a drawing labeled "Plate 1".

You will note there is only one bid attached to this proposed program. More bids are presently being awaited and will be forwarded to you immediately on receipt.

If you have any questions concerning this submittal, please do not hesitate to call upon us.

Very truly yours,

VENTURA OIL COMPANY

Homer Noble

Homer Noble

HN:vs
Enclosures

MOUNTAIN TOP AND TERRIBLE NO. 3 MINES

Proposed Drilling Program

The original proposal (OME-6524) was to explore the Mountain Top vein (or Sweepstakes vein), which is the northern continuation of the Humboldt-Smuggler-Union vein, and the Terrible No. 3 vein, by means of extending the Stillwell cross-cut northeast to intersect the above (refer original plate 4). The Mountain Top and Terrible No. 3 veins would have been intersected at an elevation of approximately 10,500 feet. The cost of cross-cutting to these veins was nearly equal to the allowable maximum permitted in the O.M.E. application, and therefore the cost of exploration, once the veins had been encountered, was left solely to Ventura Oil Company. This was not satisfactory for several reasons.

As an alternate proposal, it is suggested that the Mountain Top and Terrible No. 3 veins may be tested by means of diamond drilling at a relatively smaller cost. The drilling will be undertaken from various stations cut along the Sunrise cross-cut tunnel and the Mountain Top drift (pl. 1). The proposed diamond drilling will intersect the veins at a maximum depth of 300 feet below the level of the Sunrise tunnel (portal, 11,972), or at an elevation of about 11,670 feet. This elevation is somewhat in excess of 1,000 feet higher than the original proposal through extension of the Stillwell tunnel.

The Sunrise tunnel is a cross-cut that was driven to intersect the Terrible No. 3 vein (sometimes called Agnes vein), which it does, at a distance of about 1,250 feet from the portal (pl. 1). The tunnel was subsequently extended to intersect the northern continuation of the Humboldt-Smuggler-Union vein, beneath the Sweepstakes claim, which it also does at atdistance of about 2,050 feet from the Sunrise tunnel portal (pl. 1).

A map and section (dated June 1, 1923) of the Terrible No. 3 vein indicates that the vein has been rather extensively mined southeast of the Sunrise tunnel. The vein has been mined 2 levels below and apparently 2 levels above the main or Sunrise level. Presently a cave about 70 feet southeast of the Sunrise tunnel prevents inspection of the Terrible workings. The Terrible vein northwest of the Sunrise tunnel has been explored over a distance of about 400 feet. An inspection of this portion of the workings indicates that the Terrible vein continues northwest, but it averages less than 1 foot thick. The vein has not been mined northwest of the Sunrise tunnel. During the 1965 field season, the northwest drift was being extended. Beyond the intersection of the Terrible No. 3 drift, the Sunrise tunnel contains as much as 1 foot of water, mostly because of damming by old timbers piled along the tunnel, and locally from the spalling of rock. Track is in the Sunrise tunnel, the Terrible, and the Mountain Top workings. There is no forced ventilation past the intersection of the Terrible drift.

The Mountain Top drift is open a distance of about 300 feet north of the Sunrise tunnel (pl. 1). At this point, lagging has broken, allowing loose muck from an overhead stope to partially fill the drift. The drift was not inspected north of the cave. The Mountain Top vein has been continuously stoped from a point 75 feet north of the Sunrise tunnel an unknown distance past the cave. Track has been mostly removed from the Humboldt drift. The air is extremely bad along these workings and before any activity is begun, ventilation pipe would have to be extended to and along the open portion of the Humboldt drift. An undated claim map shows that the Humboldt drift continues at least 500 feet north of the northwest point shown on plate 1. The extension was not shown because the length and orientation are not clear. An incomplete mine map indicates that there is a drift (level 2), about 300 feet long, beneath the main level of the

of the Humboldt workings (level 1). There is no information regarding the amount of stoping along the lower level. The Mountain Top vein was not explored south of the Sunrise tunnel inasmuch as this point is located along the south end line of the Sweepstakes claim, and ground further south was not owned by the Mountain Top Mining Co. The Mountain Top vein is exposed in the south wall of the Sunrise tunnel, where it is about 4 to 5 feet thick, and north along the back of the Mountain Top drift to the stoped area. Within the stoped area, only portions of the vein are exposed along the west wall of the drift.

The proposed exploration of the Terrible No. 3 vein and the Humboldt vein involves diamond drilling 8 holes, below the Sunrise tunnel level, from 4 drill stations (pl. 1). The total amount of drilling appears to be at least 2,985 feet. A tabulation of the proposed drilling schedule follows:

Drill Station	Hole	Orientation	Angle	Calculated Length	Depth
A	1	S17°E	-38°	485'	300'
	2	S24°W	-44°	430'	300'
	3	S61°W	-36°	510'	300'
B		N 9°W	-75°	310'	300'
C		N50°E	-75°	310'	300'
D	1	N45°E	-56°	365'	300'
	2	N75°E	-62°	280'	250'
	3	S62°E	-44°	295'	200'

The Terrible No. 3 vein generally dips between 70 and 75 degrees southwesterly, and the Humboldt vein dips between 70 and 80 degrees west. In calculating the lengths of the proposed drill holes, a dip angle of 75 degrees

was used for both veins. Because the dip of the veins varies from place to place, it is suggested that at least an average of 50 feet is added to the length of each drill hole in an effort to insure the intersection of the vein in each hole. This procedure will add an additional 400 feet, for a total drilling length of 3,385 feet.

MINERAL INDUSTRIES ENGINEERS

By: Andrew J. Lang, Jr.
Andrew J. Lang, Jr.

Mining Cost Data

Summarily, the costs involve cutting drill stations A, B, and C; cross-cutting 300 feet to drill station D from the Humboldt drift; cleanup the Sunrise tunnel from the Terrible vein to the Humboldt drift; cleanup, lay track, timber the open 300 feet of the Humboldt drift; ventilate available Humboldt workings; and diamond drilling.

Cleanup Sunrise tunnel from Terribe vein to Humboldt drift (estimated time: 2 weeks, length 800 feet)

Labor (1 shift)		
2 miners @ $3.50/hr. x 8 hrs.	$56.00	
1 helper @ $3.00/hr. x 8 hrs.	24.00	
	$80.00	
Taxes and insurance ( )	8.68	
	$88.68	
Total, 10 days		$ 886.80
Supplies		
12 in. galvanized vent pipe plus hangers and hanger wire, $1.75/ft.		
Total, 800 ft.		$1,400.00
		$2,286.80

Cleanup, timber, track, etc., 300 feet Humboldt drift

Labor (75 ft. drift, adjacent to Sunrise tunnel)		
2 miners @ $3.50/hr. x 8 hrs.	$56.00	
1 helper @ $3.00/hr. x 8 hrs.	24.00	
Taxes and insurance (10.85%)	8.68	
	$88.68	
Total, 4 days		$ 354.72
Supplies (75 ft. drift)		
20 lb. rail @ $160.00/ton del.	$64.00	
Spikes 110 lbs. @ $0.20/lb.	22.00	
Track bolts 24 lbs. @ $0.25/lb.	6.00	
Fish plates @ $1.00/pr.	9.00	
Ties and ditch lagging @ $75.00/1,000 bdft.	33.80	
	$134.80	
12" galvanized vent pipe, etc., $1.75/ft.	131.25	
Total		$ 266.05

Labor (225 ft. of drift)		
2 miners @$$3.50/hr. x 8 hrs.	$56.00	
1 helper @ $3.00/hr. x 8 hrs.	24.00	
Taxes and insurance (10.85%)	8.68	
Total 22.5 shifts		$ 1,995.30
Supplies (225 ft. of drift, beneath stope)		
10" x 10" (44) caps and (88) posts, 8" x 8" (308) top lagging and (88) sprags (5 ft. sets) @ $75.00/1,000 bdft.		
Total, 18,304 bdft.		1,372.80
		$ 3,988.87

Driving 300 feet cross cut (5' x 7') for drill station D
(advance 4.5 ft./shift, envisage no timbering)

Labor		
2 miners @ $3.50/hr. x 8 hrs.	56.00	
1 helper @ $3.00/hr. x 8 hrs.	24.00	
Taxes and insurance (10.85%)	8.68	
Total 66.6 shifts		5,906.08
Supplies (per 4.5 ft.)		
24 electric primers @ $0.28 each	6.72	
Est. 120 lbs. powder per round @ $0.185/lb.	22.20	
Lead and connecting wire	0.50	
Drill, steel and bits (120 ft. @ $0.03/ft.)	3.60	
Maintenance drills, etc.	3.00	
Maintenance compressor and lub.	1.25	
	37.27	
Total, 300 ft.	$2,482.18	
Rail, spikes, bolts, etc., figured from previous data @ $1.79/ft.	402.75	
12" galvanized vent pipe, etc., @ $1.75/ft.	393.75	
12" galvanized vent pipe, etc., @ $1.75/ft. 1,420 ft. (Sunrise tunnel, from Terrible vein, and Humboldt drift)	2,485.00	
1½" compressed air pipe @ $0.38/ft. for 1,420 ft.	539.60	
Total, 300 ft.		6,303.28
		$12,209.36

Cutting drill stations A, B, and C. (5' x 5' x 7')

3 drill stations (2 shifts each) @ $268.30/station (based on above costs)	798.90
All totals	$19,283.93

Diamond Drilling Cost Data

Boyles Bros. (see attached letter)

Schedule

	NXWL
0 - 300 feet	$7.50
300 - 600 feet	8.20

Holes	Length, ft.	Cost per hole
A-1	485	$$3,767.00
-2	430	3,316.00
-3	510	3,972.00
B	310	2,332.00
C	310	3,332.00
D-1	365	2,783.00
-2	280	2,100.00
-3	295	2,212.50
		$22,814.50
Safety factor of 50 ft. per hole (400 ft.)		3,265.50
Mobilization costs		300.00
Standby time @ $11.50, est. 20 hrs.		230.00
TOTAL		$26,610.00

Note: Character of country rock and veins suggests the use of NX-sized hole for best recovery. Cementing probably will not be required.

JUN 17 REC'D

DIAMOND CORE DRILLING
DIAMOND DRILLING EQUIPMENT
GROUTING
FOUNDATION TESTING
MINING
QUARRYING
SHAFT SINKING
TUNNEL DRIVING
MINE PLANT DESIGN
AND FABRICATION

Boyles Bros. DRILLING COMPANY

CONTRACTORS-ENGINEERS-GEOLOGISTS

General Offices and Plant
1624 Pioneer Road P. O. Box 58
SALT LAKE CITY, UTAH 84110
Phone 487-7595

BRANCH OFFICES
PHOENIX
RENO
SPOKANE
DENVER
SACRAMENTO
SANTIAGO, CHILE
LIMA, PERU

~~2860 W. 7th Avenue~~ 15865 W. 5th. Ave.
~~DENVER, COLORADO 80204~~ Golden, Colorado 80401
Phones: 255-9244
255-0855

June 15, 1966

Mineral Industries Engineers, Inc.
Eaker Building
P. O. Box 591
Golden, Colorado 80402

Attention: Mr. Andrew J. Lang, Jr.

Gentlemen:

We estimate the following rates for your core drilling program in the Mountain Top mine, near Ouray, Colorado.

Mobilization of men and equipment - Lump sum		$ 300.00
	NXWL	BXWL
0 - 300 feet	$ 7.50	$ 6.90
300 - 600 feet	8.20	7.50
Reaming, if required	per linear foot	$ 3.60
Cementing time plus cost of cement	per hour	12.00
Standby time and delays	per hour	11.50

Drill stations of adequate size, ample compressed air and water to be furnished at no cost to Boyles Bros.

This schedule is subject to a physical inspection of the property.

Thank you for calling on our company. If you have any questions, please feel free to call me.

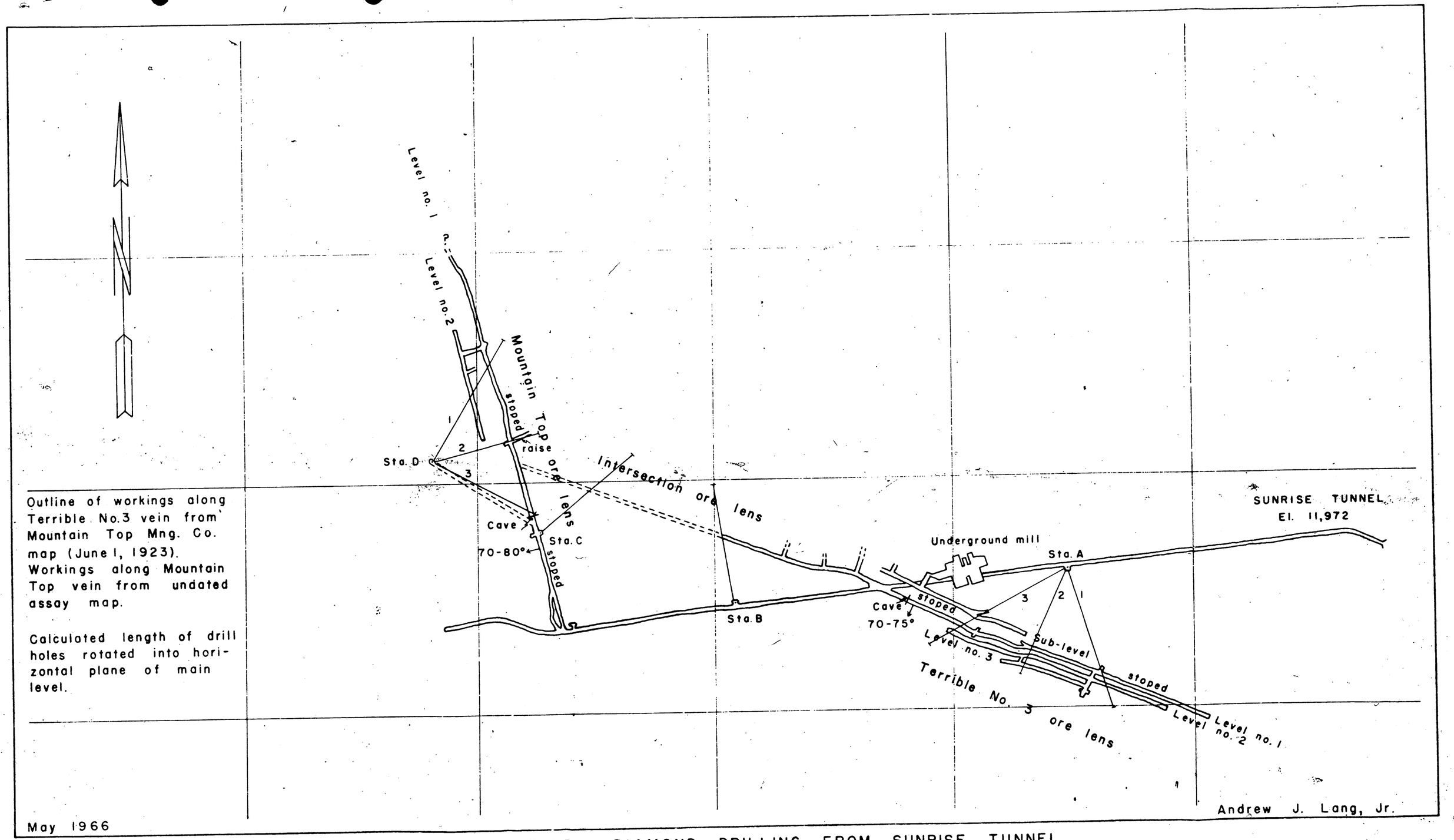
Very truly yours,

BOYLES BROS. DRILLING COMPANY

George E. Lensch

George E. Lensch - District Manager

GEL:bf



Outline of workings along Terrible No.3 vein from Mountain Top Mng. Co. map (June 1, 1923). Workings along Mountain Top vein from undated assay map.

Calculated length of drill holes rotated into horizontal plane of main level.

May 1966

Andrew J. Lang, Jr.

SKETCH OF SUGGESTED DIAMOND DRILLING FROM SUNRISE TUNNEL

SCALE 1" = 200'

March 30, 1966

Mr. Frank E. Johnson
Chief, Office of Minerals Exploration
U. S. Department of Interior
Washington 25, D. C.

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O. M. E.
RECEIVED
APR 6 1966
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FJ | 110
| 120
| 130

Re: OME-6524 (Silver-Gold)
Ventura Oil Company
Mountain Top and Terrible 3 Mines
Ouray and San Miguel Counties,
Colorado

Dear Mr. Johnson:

The following lists the supplemental information you requested in your letter of January 20, 1966 to Ventura Oil Company.

2. (b) The Tom Payne claim, survey no. 2666, is owned by the Idarado Mining Co., Ouray, Colorado. This company also controls the ground between the portal of the Stillwell tunnel to the Tom Payne claim. The proposed continuation of the Stillwell tunnel by Ventura Oil Company therefore lies within ground controlled by Idarado. The Ventura Oil Co. has obtained an easement from Idarado along the Stillwell tunnel to the Humboldt vein, and beyond as necessary to intersect the downward continuation of the Terrible 3 vein (Plate 4). An easement has also been obtained from Idarado to drift along the Humboldt vein, on the Stillwell tunnel level beneath the Tom Payne claim. See 5(a)

Concerning extralateral rights the Humboldt vein apexes along the Tom Payne, Sweepstakes, and Mountain Top claims. Thus the downward extension of the Humboldt vein to the Stillwell tunnel level is controlled by the surface claim owners along the vein.

2. (c) The Idarado Mining Co. controls the property rights to the Stillwell tunnel. Ventura Oil Co. has obtained an easement along the tunnel from Idarado.

The Madison lode, survey no. 1855, and the Nelson lode, survey no. 17847, are located outside of the area of interest and should not be included in the present project.

The Fox lode, survey no. 20044, abuts at the north end of the Bear lode (see Plate 4); and the Sunrise lode, survey no. 20044, abuts at the north end of the Fox lode. In a series from south to north are found the Badger, Bear, Fox and Sunrise lodes. The end lines of adjacent claims are common.

The Kenneth and Nettie lodes are unpatented claims. The Kenneth lode appears to have been staked to cover the open ground between the Agnes (19782), Sweepstakes (7735), and Winnipeg (12914) claims. The Nettie lode includes the small triangle of ground between the Agnes (19782), Terrible no. 3 (19871), and the Nuada (18529) claims.

3. (e) A literature search provided very little information concerning the Liberty Belle mine. The only specific reference found was in "Mineral Resources of Colorado", by John W. Vanderwilt, p. 423, who makes the following statement: "In veins far to the northwest such as the Liberty Belle, very little sulphide was present in the ore. The silver was contained chiefly in the argentiferous tetrahedrite, stephanite, and argentite. Gold was a late mineral associated with quartz and carbonate. Much of the vein was oxidized and contained a Mn-stained gouge. Native silver and argentite are probably of secondary origin."

In "Mining in Colorado", by C. W. Henderson, U. S. Geol. Survey Prof. Paper 138, several references are made to the cyaniding method used to process Liberty Belle ore, but no specific information is given concerning mineralogy and grade.

The Denver division of the U. S. Bureau of Mines likely records production of the Liberty Belle mine subsequent to 1901. However, such production figures are available only to the mine owners.

3. (f) Production so far from the Telluride conglomerate is lead, zinc, copper, silver, and gold. The value of the silver and gold are subordinate to the other metals.

5. (a) Plate 4 illustrates an extension of the Stillwell tunnel to intersect the Humboldt vein, then a change in its direction to intersect the Terrible 3 vein. The Humboldt vein is encountered within a segment controlled by the Idarado Mining Co. An easement across and along the vein has been obtained by Ventura. However, permission to mine the vein within the Tom Payne claim has not been obtained.

It is alternately suggested that the Stillwell tunnel may be driven in a N. 5 E. direction from the present face to intersect the Humboldt vein where extralateral rights are controlled by Ventura. The length of this crosscut would probably be about 3,500 feet. A further extension of about 500 feet should intersect the northwest extension of the Terrible 3 vein at the Stillwell tunnel level.

The projected crosscutting to the Humboldt and Terrible 3 veins very nearly equals the maximum amount permitted for an Q.M.E application. Drifting along the veins after they are encountered would be undertaken at the expense of Ventura.

N.G.

The projection of the Humboldt vein (Plate 4) from the nearest point on the map (level 6 at 11,958 ft.) to the Stillwell tunnel level (10,400 ft.) and using the nearest dip angle of 70 degrees calculates a distance of 532 feet which, when plotted on Plate 4, gives a distance of 2,150 ft. from the face of the Stillwell tunnel to the projection of the Humboldt vein. This data was used to sketch the northerly extension of the Humboldt vein on the Stillwell level. The position of the vein is important whether the Stillwell tunnel is continued straight from its present face, or if the direction is changed to N. 5 E., as an alternate.

The horizontal distance between the Terrible 3 vein on the Sunrise tunnel level (11,972 ft.) and Stillwell (10,400 ft.) is about 410 ft. and not 720 ft. as shown on Plate 4. The total crosscutting as shown on Plate 4, or by the alternate proposal suggested above, would be approximately 4,000 ft.

5. (c) It is feasible to test two of the three oreshoots by diamond drilling. To test the third (Sweepstakes) it would be necessary to drive a 200-foot crosscut into the hanging wall at station D (see sketch). All holes are figured to cut vein about 300 feet below the Sunrise tunnel level. See sketch of suggested Diamond Drilling from Sunrise Tunnel.

not actually proposed

By cutting a drill station at point "A" in the Sunrise tunnel, and drilling three down holes (-35 to -50 degrees) the Terrible 3 ore lens could be tested from the footwall side at a depth of about 300 feet below the level. The three holes would approximate 1,400 feet of drilling.

The intersection ore lens could be tested by cutting stations "B" and "C" and drilling at -75 degrees, 325 feet, for a total of 650 feet of drilling.

To test the Sweepstakes ore lens a 200-foot crosscut into the hanging wall would have to be driven. An estimate of the cost of this crosscut is $40 per foot, or $8,000. From the face (station "D") 3 holes at -55 to -75 degrees would total about 1150 feet.

A rough estimate for drilling the necessary eight holes is as follows:

Basis: $8 to $12 per foot for contract diamond drilling 3,200 feet.
Cutting 3 drill stations at $2.50 per cu. ft.

5' x 5' x 7' or 175 cu. ft. x $2.50 x 3	-	$ 1,312.50
200 ft. crosscutting at $40 per ft.	-	8,000.00
Total rockwork		$ 9,312.50
Drilling at $8 per ft. x 3,200 ft.		$25,600.00
Drilling at $12 per ft. x 3,200 ft.		$38,400.00

Total cost of drilling estimated to be between $34,900 to $47,700.

Comments on winzing:

1. Location of the winze made contingent to results of diamond drilling
2. The following factors are pertinent.
   a. The Sunrise tunnel lies at an elevation of 11,972 ft. Mining at this altitude is difficult and work efficiency is substantially decreased.
   b. Roads may be kept open only about 6 months per year.
   c. Mine drainage. Winze would make up to 1,500 gallons of water per minute during summer, and about 500 gallons during winter months. The problem involves getting rid of water during winter months when temperatures are low for long periods.

These factors all point toward a higher cost per ton of ore mined from a winze as compared to extraction via the Stillwell tunnel.

5. (d) In October 1965, the Stillwell tunnel was examined and it was estimated that the tunnel discharged about 500 gallons of water per minute. The discharge was nearly at a seasonal minimum. During summer months the discharge would be 2 to 3 times this amount, and all from the Liberty Belle workings. If the crosscut is extended to the Terrible 3 vein the amount of water discharged from the Stillwell tunnel may be doubled, making a possible 3,000 gallons of water per minute. With this amount of water to be handled, it is necessary to have a drainage ditch in the crosscut of ample size to take care of the water.

This cross section is illustrated on the sketch attached:

1' x 1.5' x 2' equals 3 cu. ft./section

$\frac{3{,}000 \text{ gal/min}}{60 \text{ sec/min}}$ equals 50 fal/sec

velocity 2 ft/sec for 0.5% grade

3 cu. ft. x 2 ft/sec x 7.48 gal/cu.ft. equals 44.88 gal/sec

6. Mineral Industries Engineers is retained by Ventura Oil Company as consultants on mineral exploration, development, and exploitation. They would be responsible for the engineering and supervision for the project to Ventura Oil and O.M.E.

Ventura Oil Co. offers to contract this project for a price of $65.00 per foot, by either company day pay men or by an independent contractor.

7. (a) Attached.

(b) See Page 11 of application.

Per shift basis

1 compressor man-duties, watching compressor and fans, grind drill steel, repairing and lubricating equipment.
1 leadman-timberman-duties, timekeeper, supervision of shift, issuing supplies, make up primers for blasting, helping miners at face, helping motorman dump loaded cars, helping timbering, going to town for supplies, etc.

2 motormen
2 motormen helpers

Mucking time estimated 4 hrs. per shift. Distance at start of project 2,950 feet, and end of project 6,750 feet. Two motors are necessary - one motor at face changing cars during mucking cycle from mucking machine to cherry picker, while other motor is going to or returning from dumping loaded cars. During drilling period motorman and helpers hand muck out drainage ditch, lagg ditch, repair and balast track, hand muck out slab round for cherry picker, move track on dump for dumping waste, help leadman timber, help hand muck out face that mucker cannot reach, install pipe, etc.

2 miners.
1 miner helper

Drilling time estimated 4 hours per shift. During drilling cycle 2 machines drilling with one miner per machine, and 1 helper for two machines. During muck cycle helping change cars with cherry picker, hand mucking drainage ditch, slab round for cherry picker, install piping, ventilation pipe, helping timber, etc.

9 men total

As pointed out in the original application, with a tram of over 1 mile, an average advance of one and one-half cycles per shift carrying an 8' x 7' heading with a 1.5' x 2' ditch which must be hand mucked, an estimated 5 percent timbering, plus moving the cherry picker each 200 feet of advance, there will be plenty of work to keep 9 men busy per shift if the proposed schedule is kept.

Very truly yours,

VENTURA OIL COMPANY

Homer Noble
President

HN:b
enc.

Strike vein Co.
Bonden

RAYMOND G. SULLIVAN
CONSULTING MINING AND GEOLOGICAL ENGINEER
2335 NORTH TWELFTH STREET
GRAND JUNCTION, COLORADO

March 7, 1966

Ventura Oil Company
1029 East 8th Avenue
Denver, Colorado 80218

ATTENTION: Mr. L. J. Brewer

Gentlemen:

We hereby tender a bid for the driving of approximately 3800 ft. of tunnel in the Telluride, Colorado area which is intended to strike the Smuggler Union and Terrible Veins. Our bid is subject to inspection of the site and a more detailed study of the Geology.

It is our understanding that the present tunnel (approximately 3000 ft. in length) will be thoroughly rehabilited with room provided for Compressor station, bench room and repair shop at or near the face. Also Electric Service will be available at this location.

The general specification of the tunnel are 8' wide x 7' high, with 18" deep x 24"wide ditch from top of ties. Carried on one rib, rail to be 40 - 45# on 24" gauge. Grade of tunnel to be approximately 1/2 of one percent.

We will furnish all labor, payroll taxes, insurance, explosives, equipment, material and supplies, electric power charges and other expenses incidental to the driving of the tunnel.

In Rock section only 83.50 per ft.

Support timber and steel, etc. will be installed in this 8 x 7 rock section at the following rates:

Timbers @ $256.00 per M board feet
Steel @ $ 0.40 per lb.

The above work will be performed in as efficient and expeditious manner as possible. If we are awarded this work we will require normal "Act of God" clauses as well as "bad ground" and normal water clauses.

Inflation and gouging

We are presently in the last stages of completing a 6000 ft. extension of a tunnel at Aspen, Colorado and anticipate much of this equipment and personnel would be available for transfer next summer.

We would welcome any further inquires on your part and would require a 30 - 45 day notice prior to proceeding with the work.

Yours very truly,

R. G. Sullivan

R. G. Sullivan

MINING CONSULTANTS
Engineering
Appraisals
Management

E. E. LEWIS, INC.
P. O. Box 1481
GRAND JUNCTION, COLORADO
Phone 243-1729

UNDERGROUND CONTRACTORS
Leasing
Mining
Tunnels & Shafts

February 28, 1966

Ventura Oil Company
1029 E. 8th Avenue
Denver, Colorado 80218

Attention: Mr. Homer Noble

Dear Mr. Noble:

Reference your request for bid on Stillwell Tunnel. As you can appreciate, it is impossible to make a firm bid on the work you have outlined without an on-the-site examination and examination of all the geological data that may be available on the area. We submit the following to you as an estimate for your use in connection with your OME application. From our experience in this area, these figures will be within ten percent of a final bid.

With you furnishing all air and power and permitting the use of used rail, used pipe, and used vent line, and us furnishing all necessary mine equipment, operating supplies, labor and supplies, we estimate our prices as follows:

1. Mobilization and move-in (and out).. $7500
2. 3800 feet crosscut, 7'x 8'; 6'x 7' in the clear for the timbered sections ... $62 per ft.
3. 18"x 24" water ditch to be carried at the side of the drift... $2.50 per ft.
4. Maximum water to be handled 200 GPM. Excess water $1.00 per one hundred gallons per minute; if corrosive water $2.00 per one hundred gallons per minute. These water prices apply per foot of crosscut.
5. The above price includes the maximum five percent timbered section. In the event more timber is required, or in the event 8"x 8" maximum dimentional timber is inadequate, all additional timber will be at the rate of $500 per MBD.

Please advise us when you are ready for a more detailed estimate and when we can visit the work site. We trust these figures will serve your present needs.

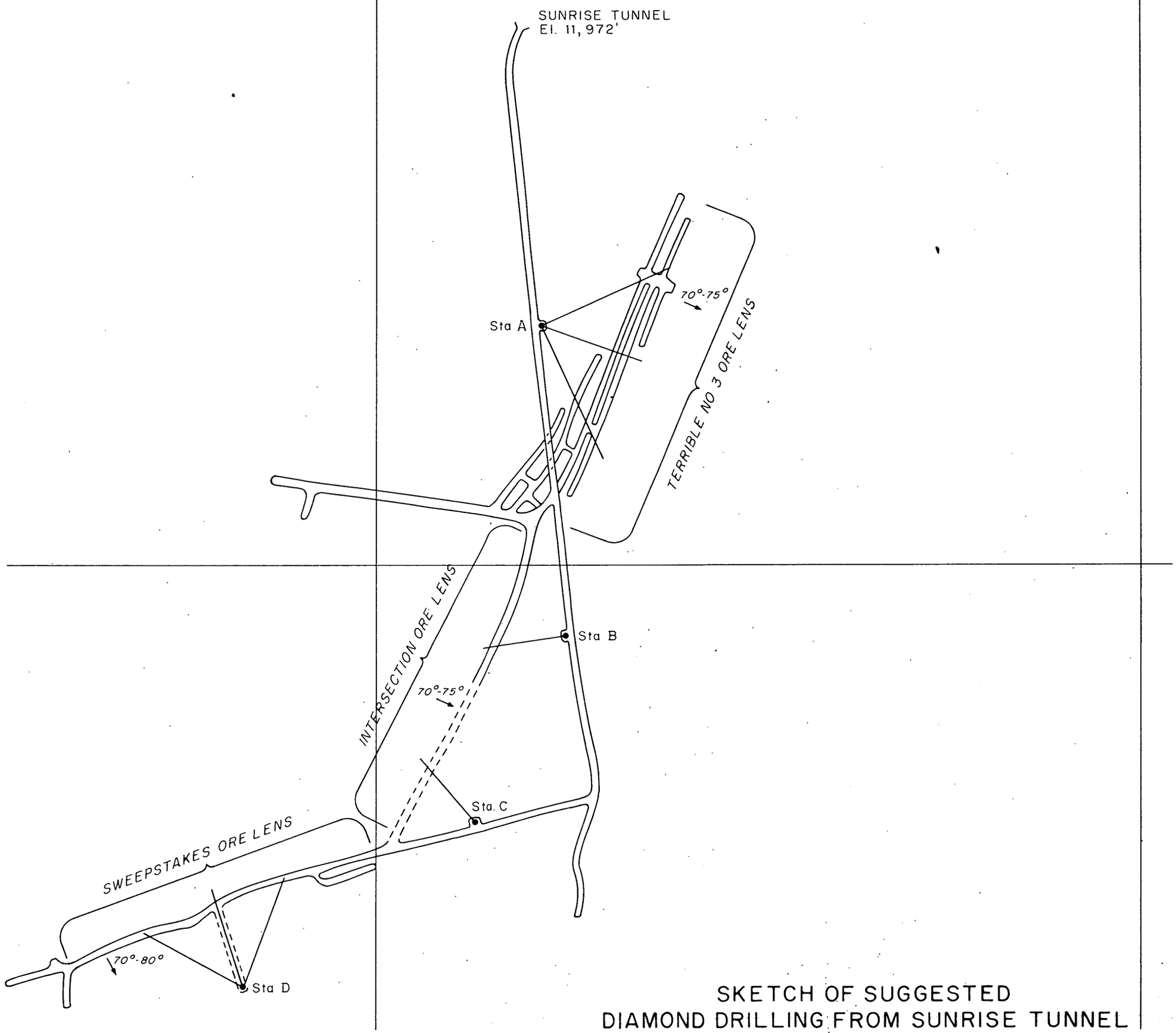
Very truly yours,

E. E. LEWIS, INC.

Elbert E. Lewis

Elbert E. Lewis, President

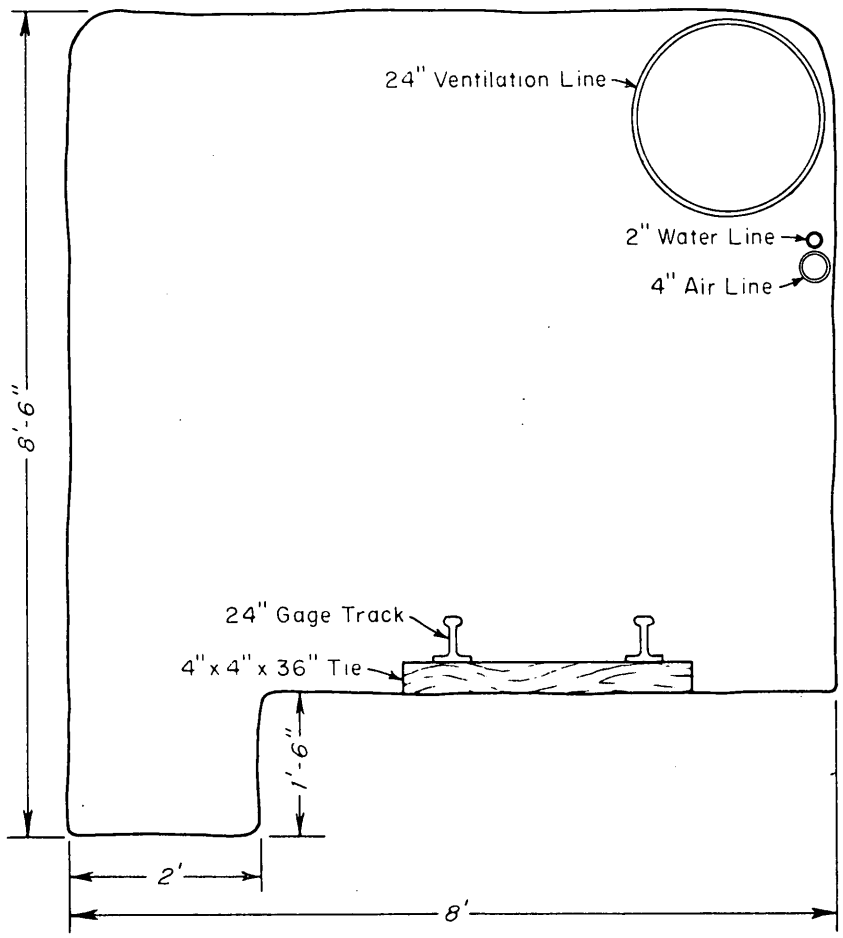
EEL/d



SKETCH OF SUGGESTED
DIAMOND DRILLING FROM SUNRISE TUNNEL

SCALE: 1" = 300'

L. J. B. MARCH 1, 1966



SKETCH OF CROSSCUT

Scale: ½" = 1'

OFFICIAL COPY
C. H. E.
RECEIVED
APR 6 1965
INITIALS | CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Denver Federal Center- Building 20
Room D2211
Denver, Colorado 80225

OFFICIAL COPY
INTERIOR CODE

November 22, 1965

Memorandum

To: Chief, OME

From: Field Officer, Region III

Subject: Application for financial assistance in Minerals Exploration by Ventura Oil Company, 1029 East 8th Avenue, Denver, Colorado 80218

Enclosed, and (maps under separate cover), is an application for financial assistance in Minerals Exploration by Ventura Oil Company, 1029 East 8th Avenue, Denver, Colorado, 80218.

Mr. Noble, Mr. Goudy, applicants, and Prof. Robert H. Carpenter, their consultant geologist, submitted the application and discussed the project with me at some length. The program, I believe, is a well prepared and thought out project, though very expensive.

Some of the work may appear as development but I believe the object is primarily exploration involving the intersecting of the Liberty Belle vein, Humbolt vein and the Terrible veins at depth, as well as to test mineralization in the underlying Telluride conglomerates, which is a rather recent development.

I recommended that the applicant submit two more bids as this was their own; they originally were going to include rehabilitation of the Stillwell tunnel, until I informed them that OME would allow no such cost items.

J. William Hasler

MME Form 40
Jan. 65

Budget Bureau No. 42-R1368
Approval expires Dec. 31, 1968

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

NOV 24

Pursuant to Public Law 85–701 (72 Stat. 700; 30 U.S.C. 641)

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

VENTURA OIL COMPANY
1029 East 8th Avenue
Denver, Colorado, 80218

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: 6524

DATE RECEIVED: 11.24.65

REGION: III

DIVISION CODE:

BUSINESS ORGANIZATION *(Check one)*

- INDIVIDUAL [ ]
- CORPORATION [X]
- PARTNERSHIP [ ]
- OTHER *(Specify)* [ ]

STATE IN WHICH FIRM IS ORGANIZED: Nevada

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
Homer Noble	Denver, Colo.	President
L. W. Goudy	Englewood, Colo.	Vice Pres.
R. C. Fackler	Littleton, Colo.	Sec. & Treas

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE: Silver - Lead - Zinc - Gold - Copper

ESTIMATED COST OF PROJECT: $ 250,000.00

PROPERTY NAME	LOCATION COUNTY	STATE
Mountain Top	Ouray	Colo.

GENERAL INSTRUCTIONS

Before filling out this application, please read the *OME Regulations for Obtaining Federal Assistance in Financing Explorations for Mineral Reserves* (30 CFR Chap. III). 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 two 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 2, existing mine workings and geology in item 3, and the proposed exploration work in item 5. 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 3(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 Office of Minerals Exploration, Department of the Interior, Washington 25, D. C., or with the nearest OME 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, and that he would not ordinarily undertake the proposed exploration under current conditions and circumstances at his sole expense.

November 15, 1965
DATED

Homer Noble
BY *(Signature)*

President
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. Financial Eligibility:

(a) Submit evidence of efforts made within 90 days preceding the filing of this application to obtain credit from your bank of account and at least one other banking institution or other private source of credit. Such evidence shall include true copies of correspondence which show: (1) date of loan request, (2) amount and terms requested, (3) proposed use of loan funds, and (4) the replies from credit sources. If the loan was offered under terms which you consider unreasonable, state why you consider them so.

(b) List names and addresses of affiliated, parent, or controlling companies or organizations and state extent and nature of their interest.

(c) State how you propose to furnish your share of the cost of the exploration work.

2. Applicant's Rights in Land:

(a) State your interest in the land and mineral rights, whether owner, lessee, purchaser under contract, or other. If you are not the owner, submit one true copy of the lease, contract, or other document (with address of owner) under which you control the property. Describe all liens, mortgages, or other encumbrances on the land and state book and page number and official place where recorded.

(b) 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 adjacent land which you own or control. Describe any part of the land or workings which should not be subject to Government royalty and liens. If the land consists of unpatented claims, state book and page number for each recorded location notice, including amended locations, and official place where recorded. State all the names by which you know the property.

(c) For all land or mineral rights encumbered or not owned, submit five copies of Lien and Subordination Agreements on MME Form 52. If the agreements cannot be obtained, state reasons and provide copies of letters of refusal.

3. 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 land. Include existing mine workings and all production facilities.

(b) State your interest, if any, in operations described in (a).

(c) State, if 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, giving quantities and grades and sampling methods used. Support 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 have, indicating whether you require their return.

4. Accessibility of Property:

(a) To aid the OME representative who may examine the property, state name and address of person who will meet him; give directions for reaching the property; and describe accessibility of property and of any mine workings.

(b) Name the shipping and supply points and state the distances to the property.

5. Exploration Work:

(a) Describe fully the proposed exploration work giving individual footages and sizes of openings *for each item of work.* Use narrative, maps, plans, and sections as necessary. Show 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 *land boundaries* or to the closest identifiable corner.

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

(c) If an OME contract is executed, state how soon thereafter work would be started and finished. State your anticipated average daily or monthly rate of progress for each type of work.

6. Experience:

State your operating experience and background to conduct this exploration work and also that of the person who will supervise the work.

7. Estimate of Costs:

Furnish detailed estimates of the necessary costs *for each item of the work proposed in 5(a)* under the headings listed below with a total for each heading and the estimated total cost of the work. Costs for any work to be performed by an independent contractor should be listed separately under category (a) below. Costs for any work that is not to be performed by an independent contractor should be listed under categories (b) through (g).

(a) Independent contracts. State the total cost of any proposed independent contract for all or any part of the work, and the number of units and the unit cost for each type of work, such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, or 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. The cost of supervision, engineering and geological services, outside consultants, and labor should be itemized by numbers and classes of employees; rates of wages, salaries or fees; and periods of employment. State whether these services are available.

(c) Operating materials and supplies. List items of material and supplies giving quantity and cost of each. 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 equipment and tools costing $50 or more per unit. Give specifications and indicate how each item is to be acquired—i.e., rented, purchased or provided by the applicant. If rented or purchased, state the estimated rental or purchase price. If furnished by the applicant, state condition and present fair market value.

(e) Initial rehabilitation and repairs. Describe the type and the cost of *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 in the exploration work.

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

(g) Miscellaneous. Describe the type and estimate the cost of repairs and maintenance of the operating equipment listed in 7(d). Do not repeat initial repairs listed in 7(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*—The Government will not contribute to costs incurred before the date of the contract, or to costs of or incident to: (1) acquiring, using, or possessing land and any existing improvements, facilities, buildings, installations, and appurtenances, or the depreciation and depletion thereof; (2) general overhead, corporate management, interest and taxes (other than payroll and sales taxes); (3) insurance (other than employees' liability insurance); and (4) damages to persons or property (other than authorized repair to or replacement of equipment or other property used in the work).]

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Ventura Oil Company
Loan Application Information
MME Form 40, January, 1965

1. Financial Eligibility

a. Pages 1-A represent true copies of all correspondence relating to efforts made to obtain credit from two banking institutions.

b. Ventura Oil Company is a single entity and has no affiliated parent or controlling companies or organizations.

c. Ventura Oil Company will furnish their share of the cost of the exploration work in addition to the items under 7 d, f and g out of company working capital.

2. Applicants Rights in Land

a. & b. Ventura Oil Company is the owner of the mineral rights. Pages 1-B represent true copies of the deeds conveying the claims to Homer Noble from Eugene Schwend, trustee, and thence from Homer Noble to Ventura Oil Company. These deeds are recorded in Book 179, pages 18 and 19, in the recorders' office, County of Ouray, State of Colorado. Both recordings dated June 10, 1965. Portal of Stallcup Tunnel no [illegible]

c. Not required.

3. Physical Description

a. & b. Enclosed plan, Plate 4 and section with the proposed exploration work in dashed lines. Plan also shows claims (in solid black lines) owned or leased by the Ventura Oil Company.

c. From copies of old reports furnished by the Ventura Oil Company, the following production record has been obtained:

November 10, 1965

Bank of Denver
1534 California Street
Denver, Colorado

Attention: Mining Loan Division

Re: Loan Application

Gentlemen:

Ventura Oil Company hereby makes application to your bank for a loan in the amount of $250,000. The proceeds of this loan will be used to extend a presently existing tunnel to provide access to the Mountain Top Group of claims. We have prepared and will furnish to you, if required, an engineering and geological report.

We would like to have this loan, if granted, set up to extend over a period of ten years.

Very truly yours,

VENTURA OIL COMPANY

Homer Noble
President

HN:vs

BANK OF DENVER
1534 CALIFORNIA ST. · DENVER, COLORADO 80202 · 244-8121

November 15, 1965

Ventura Oil Company
1029 E. 8th Avenue, Suite 104
Denver, Colorado 80218

Mining Loan Division
Loan Application

Gentlemen:

Your application for a loan of $250,000, to be amortized over a ten-year period, has been reviewed by the Bank of Denver.

We are unable to accommodate you on a loan of this size in the extended period for which it would be necessary to repay the loan.

We appreciate your request and please contact us if we can be of any assistance on other business.

Very truly yours,

Lyle F. Meyer
Assistant Cashier

LFM:mp

November 10, 1965

Denver U. S. National Bank
1701 Broadway
Denver, Colorado

Attention: Mining Loan Division

Re: Loan Application

Gentlemen:

Ventura Oil Company hereby makes application to your bank for a loan in the amount of $250,000. The proceeds of this loan will be used to extend a presently existing tunnel to provide access to the Mountain Top Group of claims. We have prepared and will furnish to you, if required, an engineering and geological report.

We would like to have this loan, if granted, set up to extend over a period of ten years.

Very truly yours,

VENTURA OIL COMPANY

Homer Noble
President

HN:vs

DENVER UNITED STATES NATIONAL BANK

DENVER U. S. NATIONAL CENTER • DENVER 17, COLORADO • CH 4-8811

November 12, 1965

G. W. PHELAN
VICE PRESIDENT

Mr. Homer Noble
President
Ventura Oil Company
1029 East 8th Avenue, Suite 104
Denver, Colorado 80218

Dear Mr. Noble:

We are in receipt of your letter of November 10, 1965, in which you request a mine development loan of $250,000 for a term of approximately ten years.

I am sorry to advise that we would be unable to accommodate you for a loan of this type and term. We appreciate your consideration in this application and hope that we might have an opportunity to be of some service in the future.

Very truly yours,

G. W. Phelan

Vice President

Duly recorded in Book 179, Page 18

Filed for record the 10th day of June, A. D. 19 65, at 9:05 o'clock A. M.

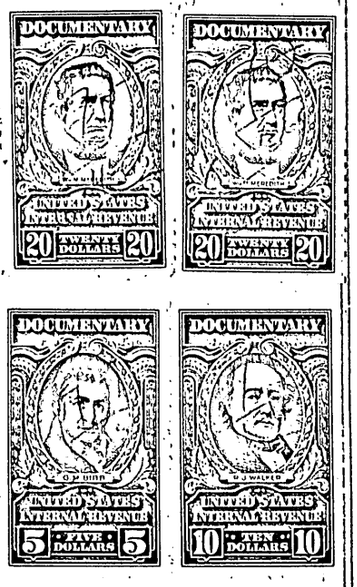
No. 12907 Addie A. Sim RECORDER.

This Indenture,

Made this 15th day of January in the year of our Lord one thousand nine hundred and sixty-five between EUGENE T. SCHWEND, TRUSTEE of the County of Ouray and State of Colorado, party of the first part, and HOMER E. NOBLE of the County of Denver and State of Colorado, party of the second part;

Witnesseth, That the said party of the first part, for and in consideration of the sum of TEN DOLLARS AND OTHER GOOD AND VALUABLE CONSIDERATIONS.....DOLLARS of the United States of America to him in hand paid by the said party of the second part, the receipt whereof is hereby acknowledged, has granted, bargained, sold, conveyed and confirmed, and by these presents does grant, bargain, sell, convey and confirm unto the said party of the second part and to his heirs and assigns the following described patented and unpatented lode mining claims, situated in Ouray County, Colorado:

NAME OF CLAIM	U. S. SURVEY NUMBER
MOUNT SENFFELS BELLE LODE.	15191
? MADISON LODE	1855
B F REQUA LODE	2191 *
* 19/21 ANNEX LODE.x	7063
* 19/21 NEW DISCOVERY LODE.x	7559
WINNIPEG LODE.	12914
SWEEPSTAKES LODE.	7735
MOUNTAIN TOP LODE.	7573
? NELSON LODE	17847
NEW DICOVERY LODE	17847
TERRIBLE No. 3 LODE.	19871
AGNES LODE.	19782
? FOX LODE	20044
BEAR LODE.	20044
BADGER LODE.	20044
? SUNRISE LODE	20044
* 19/21 in MAGGIE D.x	7063
MORNING STAR	2384-A *
MORNING STAR	2384-B
? KENNETH LODE, UNPATENTED	
? NETTIE LODE, UNPATENTED	



* north group
? - not illustrated

* east group

Together with all the dips, spurs and angles, and also all the metals, ores, gold and silver-bearing quartz, rock and earth therein; and all the rights, privileges and franchises thereto incident, appendant and appurtenant, or therewith usually had and enjoyed; and also all and singular the tenements, hereditaments and appurtenances thereto belonging or in any wise appertaining, and the rents, issues and profits thereof; and also all the estate, right, title, interest, property, possession, claim and demand whatsoever, as well in law as in equity, of the said party of the first part, of, in or to the said premises, and every part and parcel thereof, with the appurtenances;

To Have and to Hold, The said premises above bargained and described, with the appurtenances, unto the said party of the second part, his heirs and assigns forever. And the said EUGENE T. SCHWEND, TRUSTEE party of the first part, for himself, his heirs, executors and administrators, does covenant, grant, bargain and agree, to and with the said party of the second part, his heirs and assigns, that at the time of the ensealing and delivery of these presents, he is well seized of the premises above conveyed, as of good, sure, perfect, absolute and indefeasible estate of inheritance, in law, in fee simple, and has good right, full power and lawful authority to grant, bargain, sell and convey the same, in manner and form aforesaid, and that the same are free and clear from all former and other grants, bargains, sales, liens, taxes, assessments and incumbrances of whatever kind or nature soever; and the above bargained premises, in quiet and peaceable possession of the said party of the second part his heirs and assigns, against all and every person or persons lawfully claiming or to claim the whole or any part thereof, the said party of the first part shall and will warrant and forever defend, always saving and excepting the same provisions, reservations and limitations contained in the patent of the United States, issued or to be issued for said survey lot.

In Witness Whereof, The said party of the first part has hereunto set his hand and seal the day and year above written.

Signed, Sealed and Delivered in the Presence of

Eugene T. Schwend, Trustee (Seal)
Eugene T. Schwend, Trustee

(Seal)

(Seal)

(Seal)

STATE OF Colorado } ss.

Duly Recorded In Book 179, Page 19

Recorded at 9:0[illegible] o'clock A M. June 10, 1965

Reception No. [illegible] Addie A. Sim Recorder.

THIS INDENTURE, Made this 8th day of June in the year of our Lord one thousand nine hundred and five (65) between HOMER NOBLE

of the County of DENVER and State of Colorado, party of the first part, and

VENTURA OIL COMPANY, a Nevada Corporation,

of the County of DENVER and State of Colorado, party of the second part;

WITNESSETH, That the said party of the first part, for and in consideration of the sum of Ten Dollars ($10.00) and other good and valuable consideration ~~XXXXX Dollars~~ 100

to him in hand paid by the said party of the second part, the receipt whereof is hereby acknowledged, has granted, bargained, sold, conveyed and confirmed, and by these presents does grant, bargain, sell, convey and confirm unto the said party of the second part, its heirs and assigns, the following described ~~property~~ ~~XXXXXX~~ patented and unpatented lode mining claims situate, lying and being in

Mining District, in the County of Ouray and State of Colorado, to-wit:

Name of Claim	U. S. Survey No.	Name of Claim	U. S. Survey No.
Mount Sneffels Belle Lode	15191	Agnes Lode	19782
Madison Lode	1855	Fox Lode	20044
B F Requa Lode	2191	Bear Lode	20044
19/21 Annex Lode	7063	Badger Lode	20044
19/21 New Discovery Lode	7559	Sunrise Lode	20044
Winnipeg Lode	12914	19/21 in Maggie D	7063
Sweepstakes Lode	7735	Morning Star	2384-A
Mountain Top Lode	7573	Morning Star	2384-B
Nelson Lode	17847	Kenneth Lode, Unpatented	
New Discovery Lode	17847	Nettie Lode, Unpatented	
Terrible No. 3 Lode	19871	(Consideration less than $100.00 - no IRS required)	

together with all the dips, spurs and angles, and all the metals, ores, gold and silver-bearing quartz, rock and earth therein; and all the rights, privileges and franchises thereto incident, appendant and appurtenant, or therewith usually had and enjoyed; and all and singular the tenements, hereditaments and appurtenances thereto belonging or in any wise appertaining, and the rents, issues and profits thereof; and all the estate, right, title, interest, claim and demand whatever, as well in law as in equity of the said party of the first part, of, in or to the said premises, and every part and parcel thereof, with the appurtenances;

TO HAVE AND TO HOLD the said premises above bargained and described, with the appurtenances, unto the said party of the second part, its heirs and assigns forever. And the said Homer Noble party of the first part, for himself his heirs, executors and administrators, does covenant, grant, bargain and agree, to and with the said party of the second part, its heirs and assigns, that at the time of the ensealing and delivery of these presents, he is well seized of the premises above conveyed, as of good, sure, perfect, absolute and indefeasible estate of inheritance, in law, in fee simple, and has good right, full power and lawful authority to grant, bargain, sell and convey the same, in manner and form aforesaid, and that the same are free and clear from all former or other grants, bargains, sales, liens, taxes, assessments and incumbrances of whatever kind or nature soever; and the above bargained premises, in the quiet and peaceable possession of the said party of the second part its heirs and assigns, against all and every person or persons lawfully claiming or to claim the whole or any part thereof, the said party of the first part, shall and will warrant and forever defend, always saving and excepting the same provisions, reservations and limitations contained in the patent of the United States, issued or to be issued for said property.

IN WITNESS WHEREOF, The said party of the first part has hereunto set his hand and seal the day and year first above written.

Signed, sealed and delivered in the presence of

Homer Noble (SEAL)

(SEAL)

(SEAL)

(SEAL)

Period June 25, 1915 to October 31, 1923 (see attached sheet 3-(1)

Claim		Tons	Ozs Au	Ozs Ag	% Pb	Net Smelter Receipts
Sweepstake	(Concentrates)	822.7	0.115	123.5	15.05	$ 93,775.44
Terrible	(Concentrates)	2,515.0	0.125	219.5	33.95	493,663.88
Terrible	(Crude)	1,450.0	0.06	236.0	38.30	351,691.16
		4,787.7				$939,130.48

Attached sheets 3-(13) are assay results reported by Davis Foerster to the Mountain Top Mining Company for the period January 5, 1921 to December 20, 1921.

During this period the highest mill heads ranged from 44.4 ozs. Ag., and 3.65% Pb to a low of 12.1 ozs Ag., and 3.65% Pb. In as much as tonnages treated on the individual day are not given, only a visual inspection of the results is possible, and on this basis the average heads appear to be 20.0 ozs Ag and 3.0% Pb.

Using random head, tail and concentrate assays for individual days, it appears that the mill recovery was about 70% of the silver and 65% lead, with a concentration ratio of 12 to 1. Applying this concentration ratio to the production of concentrates above, approximately 40,000 tons of mill ore, plus 1,450 tons of crude ore was mined for an average recovery of over $20.00 per ton at 1921 prices. Of this 41,450 tons approximately 24% was mined from the Humbolt-Smuggler Union vein and 76% from the Terrible vein.

d. Reserves of proved ore are not clearly defined by old maps and reports of the Mountain Top properties; old mine workings are inaccessible except for short intervals and could not be inspected. It seems probable, however, that substantial amounts of ore are

present along the Smuggler-Union Humbolt vein and the Terrible vein, particularly at depth.

Plate No. 5, a long section of the Terrible vein, shows both mined blocks with accompanying production data, and unmined blocks, which unfortunately, have no supporting vein widths and grades to indicate reserves.

The plan map of the Humbolt vein, Plate No. 6, as developed in the Mountain Top properties through the Sunrise tunnel, indicates good mineralization below the main area of stoping which begins about 75 feet north of the Sunrise tunnel intersection. The drift to the north along the Humbolt vein is caved at 300 feet; very few exposures of the vein remain because of the stoping. No records are available of the widths and values in the stoped area above the Sunrise tunnel level, although these stopes are known to exist several hundreds of feet above the Sunrise level, and for a known distance along strike.

e. The ore shoots in the Mountain Top properties consist of base metal, silver, gold veins in the San Juan Tuff and younger volcanic units. Galena, sphalerite, minor chalcopyrite and silver-bearing tetrahedrite are accompanied by quartz, pyrite and carbonates as the main gangue minerals. These veins are a part of the composite network of northwest-trending structures common to the Telluride district. The steep, westerly southerly dipping Humbolt vein, which trends N 15-20° W is a continuation of the well known Smuggler Union vein; the Agnes is a continuation of the N 70° W, southerly dipping Terrible vein which has been highly productive both in the Terrible No. 3 claim in the Mountain Top, Mine and to the southeast in the old

Terrible mine. These two veins intersect in the Sweepstake claim on the Sunrise tunnel level. [illegible]

The ore occurs in distinct ore shoots from a few inches to 3 to 4 feet in width and several hundred feet along strike and on dip in locations where tensional forces have caused more extensive openings along the individual structure.

Plate No. 7 is a long section illustrating the ore shoot which occurs in the adjacent Idarado properties on the Smuggler Union-Humbolt vein southeast of the Stillwell tunnel, and the type of ore shoot which may be expected in the Mountain Top properties. [illegible] Ore reserve data (1000 feet) are listed for each block at the bottom of the sketch.

f. Additional ore should be present on downward extensions of known ore shoots such as the Sweepstakes (Target) shoot on the Humbolt vein north of the Sunrise tunnel, and the Agnes (Target) ore shoot on the Terrible vein on Terrible No. 3 claim. These may extend to and below the Stillwell tunnel level. Additional ore shoots may occur between the Sunrise tunnel and the Stillwell tunnel, an interval of over 1500 feet. Still others may occur at and below the Stillwell tunnel level, as in the case of the "Possible" ore shoot illustrated by Plate No. 7 on the Smuggler Union-Humbolt vein in the adjacent Idarado property to the southeast of the Mountain Top. [illegible] Plate 3

Substantial Pb-Zn-Cu mantos (?) ore reserves have been developed in the Telluride conglomerate recently, Plate 3 adjacent to the Argentine vein in the Idarado mine about 3 miles southeast of the Mountain Top properties. See Plate 4. This

References: Burbank, W.S., 1941, Colo. Sci. Soc. Proc. v. 14, no. 5, p. 141-261 (Structural control)
——— 1935, E and M. J. v. 136, p. 386-392 (Geol. guides to ore)

See Dave Varnes bibliography – also Jack Vhay USGS Bull. 1112 G.

lead-zinc-copper sulphide ore occurs for a distance of 20 to 40 feet outward from the vein, totals about 120 feet in thickness, and extends for some 1200 feet along the vein on a 10 degree southeast rake. Enclosed are zonal and paragenetic charts A and B illustrating the distribution of mineralization and alteration in space and time. irrelevant Similar ore recently was discovered in the Telluride conglomerate adjacent to the Cross fault which offsets the Argentine vein. The same type of ore was reported adjacent to the Camp Bird vein, Post 2 as a result of the U. S. Bureau of Mines drilling in the Camp Bird properties in 1947. Mineralization also was reported in the Telluride conglomerate in the Smuggler west shaft, located about 4300 feet southeast of the Stillwell tunnel.

According to Dr. Robert H. Carpenter* and Andrew J. Lang,** who are completing a research study of the Telluride conglomerate mineralization, the ore has formed in altered porphyry and silicified limestone cobbles, pebbles and debris in preference to limestone outwash detritus. Much of the altered porphyry debris appears to have been derived from Late Cretaceous intrusive porphyries which occur in the vicinity of Ouray, and which is believed to have been washed westward and southward into the conglomerate which is found in the Telluride district. If this is true, ore bodies may be present in the Telluride conglomerate beneath the Stillwell tunnel and Mountain Top properties along the Humbolt and Terrible veins. The Telluride conglomerate probably occurs a few hundred feet beneath

* Professor of Geology, Colorado School of Mines
** Consulting Geologist, Denver.

the Stillwell tunnel. See Plate No. 3. Drilling from the proposed extension of the Stillwell tunnel and related drifts and crosscuts would establish its position and the presence or absence of economic mineralization.

g. Return of all information, reports and maps is required by the Company as soon as convenient.

4. Accessibility of Property

a. OME representative should contact Mr. Homer Noble, Ventura Oil Company, 1029 East 8th Avenue, Denver, Colorado, phone 255-3643, who will arrange for the representative to be met at the mine location.

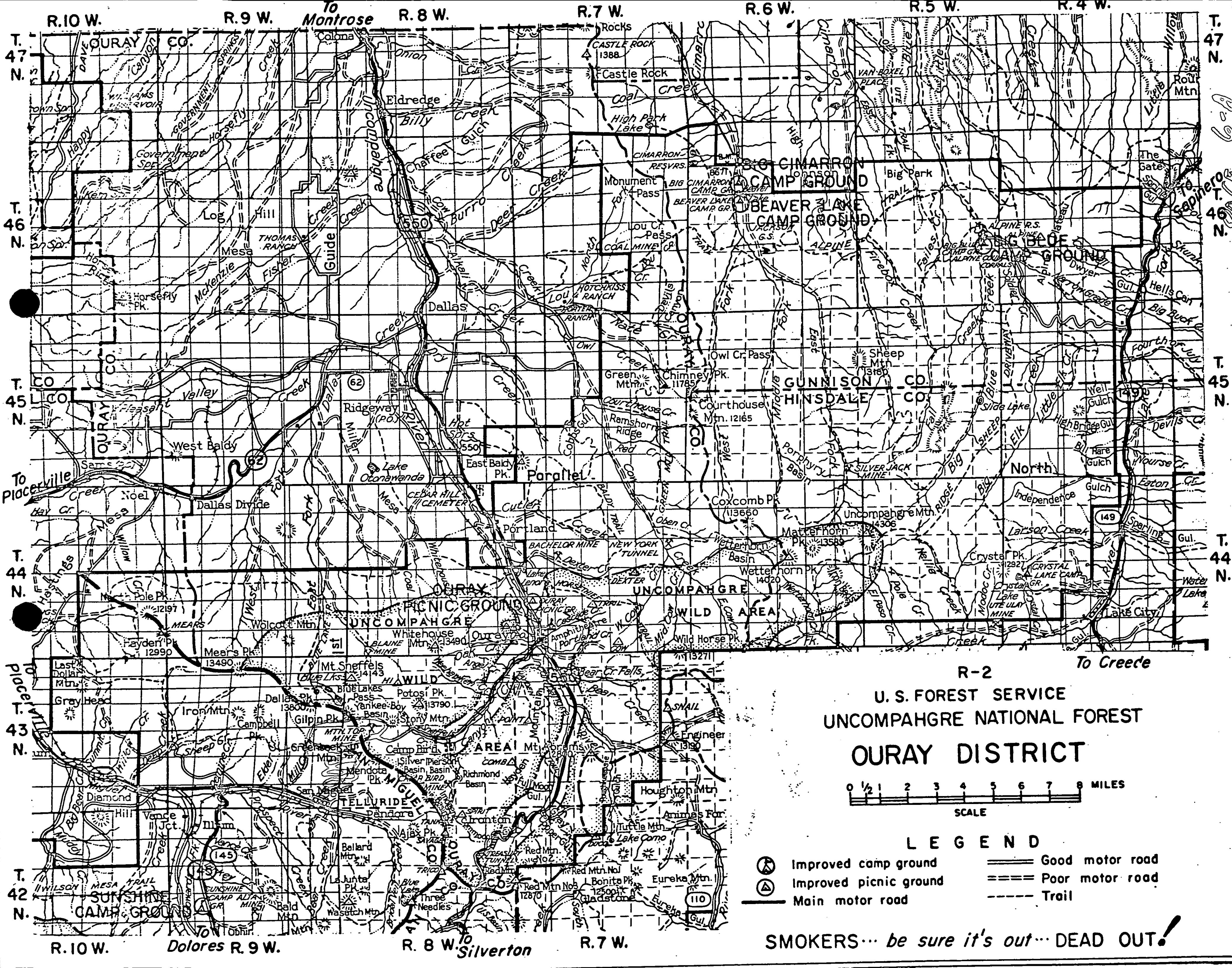
Stillwell Tunnel is approximately 1¼ miles N. 40° E of Telluride, Colorado. There is an access road to the tunnel from the San Migael valley. There is an access road to the Mountain Top-Sunrise Tunnel from the Revenue Tunnel (Ouray drainage) area. See area map on page 6-A.

b. Shipping and supply points are Ridgeway, Colorado, 50 miles; Grand Junction, Colorado, 125 miles; Montrose, Colorado, 65 miles. All mileages are approximate.

5. Exploration Work

a. 1 - From the northeast face of the Stillwell (Liberty Bell) tunnel, drive an additional 3,000 2,150 feet N 45° E to intersect projection of the Humbolt-Smuggler Union vein. This crosscut to be 8 feet wide and 7 feet high with drainage ditch 2 feet wide and 18 inches deep carried on left hand side of crosscut going in.

a. 2 - From the intersection of the Humbolt-Smuggler Union vein


R-2
U. S. FOREST SERVICE
UNCOMPAHGRE NATIONAL FOREST
OURAY DISTRICT
0 ½ 1 2 3 4 5 6 7 8 MILES
SCALE
LEGEND
Improved camp ground
Improved picnic ground
Main motor road
Good motor road
Poor motor road
Trail
SMOKERS… be sure it's out… DEAD OUT!
R.10 W.
R.9 W.
R.8 W.
R.7 W.
R.6 W.
R.5 W.
R.4 W.
T. 47 N.
T. 46 N.
T. 45 N.
T. 44 N.
T. 43 N.
T. 42 N.
To Montrose
To Placerville
To Sapinero
To Creede
To Silverton
To Ophir
Dolores
OURAY CO.
GUNNISON CO.
HINSDALE CO.
Colona
Eldredge
Dallas
Ridgeway (P.O.)
Portland
Ouray
Telluride
Pandora
San Miguel
Lake City
Dallas Divide
Noel
Log Hill Mesa
West Baldy
East Baldy Pk.
Lake Otonawanda
Castle Rock
High Park Lake
Cimarron Resvrs.
BIG CIMARRON CAMP GROUND
BEAVER LAKE CAMP GROUND
BIG BLUE CAMP GROUND
OURAY PICNIC GROUND
SUNSHINE CAMP GROUND
UNCOMPAHGRE WILD AREA
Big Park
The Gate
Sheep Mtn 13185
Courthouse Mtn. 12165
Chimney Pk. 11785
Coxcomb Pk 113660
Uncompahgre Mtn 14306
Matterhorn Pk 13589
Wetterhorn Pk 14020
Wetterhorn Basin
Crystal Pk. 12927
Crystal Lake
Mt. Sneffels 14143
Hayden Pk 12990
Mears Pk 13490
Whitehouse Mtn. 13490
Potosi Pk. 13790
Dallas Pk 13800
Gilpin Pk.
Stony Mtn.
Wild Horse Pk.
Engineer 13190
Houghton Mtn
Mt. Abrams 12800
Red Mtn. No 1
Red Mtn No 3 12870
Bonita Pk 12500
Gladstone
Eureka Mtn.
Camp Bird
Ironton
Ajax Pk.
Three Needles
Vance Jct.
Ilium
Diamond Hill
Gray Head
Last Dollar Mtn.
Iron Mtn
Wolcott Mtn
North Pole Pk. 12197
Porphyry Basin
Silver Jack Mine
Independence Gulch
Larson Creek
Uncompahgre River
Parallel
North

with the Stillwell Tunnel drive N 25° E, 1650 feet to the Terrible vein.

1200 2150 1650 3800 3000 1200

The 7' x 8' crosscut to be carried on line and grade points with the grade being 0.50% in favor of the load.

b. Bulldoze out old road. Widen the road at the switchbacks.

c. Rehabilitation of tunnel, 6 weeks to complete.

Driving of Stillwell tunnel extension (2150 feet) 13.5 ft/day average, 25 work days per month = 337.5 feet/month, 6½ months.

Driving of crosscut to Terrible vein (1650 feet) 15 ft/day average, 25 work days per month - 375 feet/month, 4½ months.

Total estimated time from date contract is signed to complete project, 11 months. no drifting

6. Experience

All work will be contracted to consulting engineering firm, Mineral Industries Engineers, a group with world wide experience. Their brochure is attached. ?

7. Estimate of Costs

Crosscut - 3800 feet

Section - 7' high x 8' wide, 2' x 1.5' ditch

Basis: 2 shifts/day

Advance 3 - 4½ ft. rounds per day, or 13.5 feet

Electric blasting

Burn cut

29 holes per round

0 - 6 delays - electric blasting caps

Estimate 160 lbs. powder per round

Labor - 1 Leadman, 2 miners, 2 motormen and 3 helpers per shift

30 lb. rail, 18" galvanized vent pipe, 4" air line, ties 2.0' apart, ditch lagged with 2" x 12" lagging next to track to hold balast.

Drift on vein - 5,000 feet. Not included in cost est.

Section 7' high x 5' wide, 1' x 1' ditch

Basis: 2 shifts/day

Advance 3 - 5 ft. round/day, or 15 feet

Electric blasting

Burn cut

24 holes per round

0 - 6 delays - electric blasting caps

Estimate 120 lbs. powder per round.

Labor - 2 miners, 2 motormen, and 2 helpers per shift No leadman?

30 lb. rail, 18" galvanized vent pipe, 4" air line, ties 2.0' apart, ditch lagged with 2" x 12" lagging next to track to hold balast.

Rehabilitation of Stillwell Tunnel

Length from portal to fact 2,950 feet

Tunnel is straight, 30 lb. rail, 24" gauge.

Size of Tunnel: 7' high x 8' wide, with 2' wide x 18" deep ditch on L.H. side going in toward face.

Remarks:

Back needs scaling down.

From the portal in to approximately 1,600 feet - one side of the track has slumped into the ditch. This is mostly due to the balast having been washed from under the L.H. side of the track. Lagging

to retain the balast under the track gone.

Ties have started rotting, and an estimated 25% of the total ties will have to be replaced for good haulage.

Approximately 100 feet of drift needs to be retimbered in five locations. The hitches in the walls are in good condition, and stulls to the back will make these areas safe. The ground is not heavy, but tends to slab.

Muck out caves in tunnel, clean ditch, remove all loose timber from tunnel, and build flume from portal across edge of dump for ditch discharge.

Muck out 50 feet of waste stored in L.H. side on Liberty Bell vein for compressor station. Timber this section, and install compressor, receiver, and air and water line to the northeast face of the crosscut. Install underground power line. Note: Old trolly line hangers in crosscut can be used to suspend the power line.

Bring in mucking machine and muck out R.H. drift on Liberty Bell vein. To be used for switching cars. Muck out northeast face of the tunnel.

Estimated Costs

Bulldozer: Three days work. Cut down high side of road. Widen switchbacks for a 4 wheel drive truck. Extend road to dump. Level dump, and pull up ore cars from over the side.

T D 18 at $15.00 per hour plus $50.00 transportation cost from Placerville to mine and return.

3 x 8 - 24 hrs. x $15.00/hr. =	$360.00
Plus transportation	50.00
Total	$410.00

Power: One mile power line, plus transformers to handle 150 H.P. 3 phase, 440 volts.

$3,653.00 (Estimated by Western Colorado Power Company)

3,000 feet underground power cable, 3 wires, aluminum wire, size 4 nought, neoprene covered, with splicers, plus insulators.

$3,250.00

Labor: 4 Experienced men for a 6 week period working 40 hours per week at $2.75/hr. plus 10% for social security, compensation insurance and unemployment insurance.

4 x 6 x 4 x $2.75	=	$2,650.00
Plus 10%	=	265.00
		$2,915.00

Timber: Priced at $60.00/1000 bdft. delivered at the Idarado mine. Add $5.00 extra for delivering at the portal of the Stillwell tunnel. Total $65.00 /1000 bdft. 16 ft. 4" round timber at $1.00 each.

		Bdft.
Drift Stulls		
25 pcs. 8" x 8" x 10 ft.	=	1,335
Ditch Lagging		
1600 running feet 2" x 12" x 2	=	6,400
Ties (25% spaced at 2 ft. - 2950 ft.)		
2950 = 357 ties		
360 x 4" x 6" x 3 ft.	=	2,160
Underground Compressor Station		
(40 ft. long x 8 ft. wide x 7 ft. high)		
18 pcs. 8" x 8" posts x 10 ft. long	=	962
9 pcs. 8" x 8" caps x 10 ft. long	=	481
640 feet 2" x 12" lagging (back and floor)	=	1,280
Total		12,618 Bd. Ft.

13,000 bdft. x $65.00/100 = $ 845.00

Cribbing

240 pcs. 4" round at $1.00 = 240.00

Total Timber Cost $1,085.00

Tools and Supplies

Nails, wedges, carbide, rail spikes, shovels, picks, axes, saws, doublejacks, 4 lb. hammers, tapes, cresent wrenches, etc., Estimated $310.00.

Recapitulation of Rehabilitation

Install power line	$ 3,653.00
Underground cable and insulators	3,250.00
Labor	2,915.00
Timber	1,085.00
Bulldozer	410.00
Tools and Supplies	310.00
Total	$ 11,623.00

a. Independent Contractors. Ventura Oil Company will contract the 3800 foot crosscut in the Stillwell Tunnel at $65.00 per foot, for a total price of $247,000.00. Form 40 is for $250,000 Rehabilitation of the Stillwell Tunnel would be charged against company account.

Estimated Cost of Crosscut - (Per foot basis)

Labor: (2 shifts)

2 Leadmen - timbermen @ $3.50/hr. x 8 hrs. = $ 56.00

4 Miners @ $3.25/hr x 8 hrs. = 104.00

4 Motormen @ $3.25/hr x 8 hrs. = 104.00

6 Helpers @ $3.00/hr x 8 hrs.	=	144.00
2 Compressor men @ $3.25/hr x 8 hrs.	=	52.00
Total 18 men (9 men/shift)		$ 460.00

The excessive number of men listed above is necessary for the following reasons (1) The tram from the face to the portal is now 2,950 feet and when the project is completed the tram will be over 6,000 feet. (2) The drainage ditch must be kept clean and the track side lagged off with support for the track. (3) A cherry picker to change cars must be within 200 feet, and (4) An estimated 5% of the crosscut will have to be timbered (190 ft.)

1 mechanic
1 fireman
2 brakemen
1 full time?
1 hand tram
1 operator?
+ 2 [illegible]

Plus Taxes and Insurance

State unemployment tax	=	2.700 %
Federal unemployment tax	=	0.400 %
Company FICA tax	=	3.625 %
State compensation insurance	=	4.120 %
		10.845 %
$460.00 x 10.845 %	=	$ 49.89
		$ 460.00
		49.89
Total Labor/Day		$ 509.89
$ 509.89 / 13.5	=	$ 37.77/ft.

Supplies:

Blasting Supplies - (Per round of 4.5 ft.)

28 Electric primers @ $0.28 ea.	=	$ 7.84	
160 lbs. 45% gelatin powder @ 0.185 lb.	=	29.60	
Lead and connecting wire	=	.60	$ 38.04

Track (Per round of 4.5 ft.)

90 lb. rail @ $250/ton del.	=	$ 11.25	
Spikes 7.5 lbs @ $0.20 lb.	=	1.50	
Track Bolts 1.5 lbs @ $0.25 lb.	=	.38	
Fishplates 0.5 @ $1.00/pr.	=	.50	
Ties and ditch lagging 35 bdft. @ $65.00/1000	=	1.86	$ 15.49

Drilling (Per round of 4.5 ft.)

Drill steel & bits (160 ft. hole @ $.03/ft	=	$ 4.80	
Drills and mucking machine maintenance and repairs including lubericents	=	5.00	
Compressor maintenance and lubricents	=	2.00	
			11.80
Total			$ 65.33
Plus 2% tax			1.31
			$ 66.64

$ 66.64 / 4.5 ft. = $ 14.82/ft.

Supplies

18" galvanized vent pipe plus hangers and hanger wire (per foot)	=	$ 2.75
4" Aluminum pipe with vitallic fittings (Per foot)	=	1.45
1½" Black water pipe (per foot)	=	.38
		$ 4.58
Plus 2% tax		.09
Total		$ 4.67

Power

Power:

100 HP for 500 cu. ft. compressor	20 hrs.	=	2,000 HP hr.
10 HP for blower	24 hrs.	=	240 HP hr.
25 HP Motor-generator for batteries	24 hrs.	=	600 HP hr.
5 HP Misc. - lights, etc.	8 hrs.	=	40 HP hr.
	Total		2,880 HP hr.

2,880 HP hrs. x 0.75 = 2,160 Kw hr.

2160 kw x $0.03/kw = $ 64.80/day

$\frac{\$\ 64.80}{13.5}$ = $ 4.80/ft

Dead Work:

Slabbing drift to move up cherry picker to within 200 feet of face.

Length of crosscut 3800 feet ÷ 200 ft. = 19 times slab rounds must be drilled, blasted and mucked out.

Estimate:

10 ft. long x 5 ft. deep x 8 ft. high = 400 cubic feet

400 cu. ft. x 19 stations x $1.00/cu.ft. =

$\frac{\$7600.00}{3800\ ft.}$ = $2.00/ft.

Timbering an estimated 190 ft. (5%) of crosscut.

100 pcs 8" x 8" x 10'	=	5,300 bdft.
5,300 bdft x $65.00/1000 bdft.	=	$ 344.50
100 pcs 4" round cribbing x 16 ft. long @ $1.00 each	=	$1,000.00
		$ 1,344.50
Plus 2% tax		26.89
Total		$ 1,371.39

$\frac{\$1,371.39}{3,800}$ = $0.36/ft.

Administrative & Supervisory

Period - 11 months

1 Accountant for payroll, etc. @ $200.00/mo.	=	$ 2,200.00
1 Mine engineer - supervisor part time @ $250.00/mo. 1/2?	=	2,750.00
Total		$ 4,950.00

$\frac{\$4,950.00}{3,800 \text{ ft.}}$ = $1.30/ft.

Recapitulation of Costs of 3,800 ft. Crosscut

Item	Cost/ft.
Labor	$ 37.77
Blasting, track & drilling	14.82
Pipe, vent tube	4.67
Power	4.80
Slabbing for Cherry Picker	2.00
Timbering	0.36
Administrative	1.30
Depreciation not included	
Total	$ 65.72 ?

b. Personal services

Furnished by contractor

c. Operations

Furnished by contractor

d. Operating Equipment

If Ventura Oil Company contracts the drifting crosscutting and rehabilitation of the Stillwell Tunnel, the company will place the following equipment on the job:

1 - 500 cu. ft./min. compressor, driven by a 100 HP electric motor

1 - 10 HP blower for ventilation

3 - Jackhammers and jacklegs

2 - 1½ ton Mancha trammers with good batteries and a 25HP motor generator set for charging batteries

15 - 2 Ton side dump cars

1 - 12B Eimco mucking machine

1 - Portable power saw - air drive

1 - 4 Wheel drive Power wagon

First aid equipment, inclucing baskets.

Wheat
Wheel lamps and chargers

All necessary work shop repair tools and equipment

The estimated fair market value of the above equipment is $45,500.00 ÷ 60 = 758 and the equipment is in working condition.

758 × 11 mo. = 758 + 758 = $8338

e. Initial rehabilitation and repair.

All existing buildings, fixtures, installations and equipment are in good condition at Mountain Top operation.

f. New buildings, fixtures and installations.

Any new buildings, fixtures or installations will be purchased and/or constructed by the company.

g. Miscellaneous.

All cost of repairs and maintenance will be furnished by the company as needed.

Representative Shipments from Mountain Top Mining Company

CRUDE ORE
Assay Value per Ton

Lot	Date	Dry Tons	Gold Ozs.	Silver oz.	Lead %	Net Proceeds
1	6/25/15	23.25		133.3	37.2	$ 1,683.53
3	12/20/15	13.6	0.[illegible]	2[illegible].5	34.9	3,086.46
6	6/30/17	20.6	.04	264.4	42.1	5,399.16
16	4/25/18	27.8	.06	407.7	25.3	10,922.18
26	5/16/19	25.7	.10	3[illegible].8	32.0	9,077.31
36	10/22/19	19.4	.05	172.3	39.2	4,113.70
46	2/13/20	21.9	.16	377.6	20.7	10,341.35
56	5/21/20	7.2	.23	373.6	24.8	2,498.32
66	4/30/21	24.6	.05	196.7	49.2	4,570.52
76	4/13/22	15.0	.05	281.5	38.5	3,988.86
78	4/2/23 (last)	1.4	.04	195.2	48.2	287.36

CONCENTRATES FROM SWEEPSTAKES (Smuggler Vein)

101	7/11/17 (first)	23.2	.09	113.0	15.9	2,257.17
110	4/4/18	18.1	.11	92.0	11.4	1,505.62
120	10/14/18	16.9	.09	134.2	18.4	2,104.87
130	4/11/19	18.2	.24	118.0	12.7	1,791.42
139	8/25/19(last)	18.9	.24	183.5	22.8	3,705.92

CONCENTRATES FROM TERRIBLE #3 VEIN

140	9/20/19(first)	20.1	.24	190.8	31.2	4,410.85
150	4/14/20	14.7	.17	172.3	32.2	2,971.54
160	12/17/20	17.6	.08	115.2	25.0	1,680.83
170	5/28/21	24.4	.11	120.6	28.5	2,640.74
180	9/25/21	24.5	.13	176.4	30.5	3,916.74
190	2/4/22	23.6	.14	236.0	34.7	5,104.61
200	5/17/22	24.8	.06	122.0	44.5	3,100.29
220	9/16/22	19.8	.14	1[illegible].3	25.0	2,843.59
230	12/2/22	23.6	.13	206.4	33.7	4,827.81
240	2/25/23	24.3	.10	214.9	41.5	5,399.75
247	5/21/23	24.1	.15	344.8	37.3	8,096.23
250	6/17/23	20.3	.24	447.9	42.8	5,660.96
260	10/16/23	18.9	.12	435.0	26.7	4,884.05
261	10/31/23(last)	12.8	.10	344.8	21.6	3,096.23

SUMMARY OF ALL SHIPMENTS

Sweepstakes Concentrates	822.7	tons @	$114.00	net	$ 93,775.44 Rec.
Terrible Concentrates	2,515.0	"	196.00	"	493,663.88
Terrible Crude	1,450.0	"	242.41	"	351,691.16
	4,788.55	"			$939,130.48

AVERAGE ASSAY VALUE OF SHIPMENTS

	Gold	Silver	Lead%
Sweepstakes Concentrates	.115	123.5	15.05
Terrible Concentrates	.125	219.5	33.95
Terrible Crude	.56 (.06)	236.0	38.3 (38.3)

3-(2)

Assays by David Foerster for The Mountain Top Mining Co.

		Oz. Silver	% Lead	% Silica	% Copper
1921 Jan. 5	heads	20.20	3.70		
	tails	5.40	.90		
	conc.	196.20	37.90	15.10	
Jan. 6	heads	15.10	3.75		
	tails	3.16	.60		
	conc.	191.40	36.90	15.40	
Mine sample #12/50		282.60	43.30	33.30	1.85
Jan. 7	heads	17.20	3.25		
	tails	3.60	.70		
	conc.	189.30	39.30	12.40	
Jan. 11	heads	21.50	3.50		
	tails	4.34	.70		
	conc.	226.20	38.30	13.70	
Jan. 12	heads	20.30	4.05		
	tails	4.04	.67		
	conc.	184.50	40.60	9.40	
Jan. 13	heads	19.40	3.70		
	tails	3.06	.55		
	conc.	189.30	38.20	12.50	
Jan. 17	heads	19.90	3.55		
	tails	3.72	.72		
	conc.	186.90	30.50	20.20	
Jan. 18	heads	16.10	3.20		
	tails	3.08	.65		
	conc.	161.40	33.40	19.40	
Jan. 19	heads	18.80	3.30		
	tails	3.26	.61		
	conc.	218.10	37.20	17.20	
Mine sample #14/52		280.20	45.70	30.40	1.75
5-1		82.80	21.80		
#53/15		198.30	47.90	29.60	1.40
Jan. 23	heads	16.70	3.45		
	tails	2.54	.58		
	conc.	159.90	31.90	24.60	
Jan. 24	heads	16.80	3.55		
	tails	2.84	.53		
	conc.	119.10	26.40	26.80	
Jan. 25	heads	19.30	3.45		
	tails	3.76	.60		
	conc.	167.60	32.30	22.80	
Mine sample #16/54		174.60	47.60	30.20	1.56

3-(3)

Assays by David Foerster for the Mountain Top MiningCo.

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		Oz. Silver	% Lead	% Silica	% Copper
Feb. 3	heads	24.80	3.30		
	tails	4.40	.50		
	conc.	168.30	23.20	30.20	
Mine Sample #19/58		215.40	32.30	25.30	1.65
Feb. 12	heads	24.70	3.90		
	tails	5.20	.82		
	conc.	237.90	35.30	17.60	
Feb. 13	heads	32.60	4.35		
	tails	7.60	.97		
	conc.	219.60	36.30	15.60	
Feb. 17	heads	27.90	4.40		
	tails	6.76	1.00		
	conc.	222.60	37.90	18.30	
Feb. 18	heads	27.90	3.55		
	tails	6.90	.90		
	conc.	192.60	28.80	18.60	
Feb. 18 special conc.		149.70	25.20	25.70	
Mine sample #63/24 s		117.30	15.70		1.12
Mine sample #64/25		125.20	10.45		
Feb. 21	heads	26.20	3.15		
	tails	6.54	.80		
	conc.	201.30	23 .90	24.40	
Feb. 22	heads	25.40	3.35		
	tails	8.20	.95		
	conc.	188.40	25.70	25.60	
Feb. 23	heads	16.90	2.60		
	tails	4.04	.60		
	conc.	161.40	24.20	27.40	
Feb. 24	heads	20.80	2.90		
	tails	4.80	.70		
	conc.	206.10	28.80	22.80	
Feb. 27	heads	18.90	2.60		
	tails	6.10	.77		
	conc.	179.40	25.20	19.60	
Feb. 28	heads	32.60	3.25		
	tails	9.70	1.01		
	conc.	252.60	25.60	22.60	

3 - (4)

Assays by David Foerster for The Mountain Top Mining Co.

		Oz. Silver	% Lead	% Silica	% Copper
March 1	heads	29.70	3.05		
	tails	12.30	1.08		
	conc.	309.30	31.40	16.90	
March 2	heads	44.40	3.65		
	tails	16.30	1.45		
	conc.	361.90	33.20	14.60	
March 3	heads	30.30	3.25		
	tails	9.90	1.02		
	conc.	263.50	27.30	17.90	
March 7	heads	18.10	2.70		
	tails	5.86	.70		
	conc.	191.70	24.20	26.00	
March 8	heads	24.20	2.90		
	tails	5.40	.55		
	conc.	217.50	22.20	24.70	
March 9	heads	23.60	3.15		
	tails	5.06	.57		
	conc.	176.40	25.70	22.30	
March 15	heads	26.40	3.05		
	tails	7.80	.95		
	conc.	267.60	25.60	23.20	
March 16	heads	43.90	3.65		
	tails	11.60	1.15		
	conc.	269.10	19.70	35.60	
March 17	heads	30.10	3.25		
	tails	10.40	1.02		
	conc.	322.80	31.70	16.20	
March 25	heads	18.90	2.75		
	tails	4.26	.62		
	conc.	169.20	26.40	24.70	
March 26	heads	24.20	2.80		
	tails	7.10	.85		
	conc.	227.40	24.90	23.90	
Mine #70/31 S		59.70	5.60		.75
Mine #71/32 S		66.30	23.40		1.05
March 27	heads	24.20	3.25		
	tails	7.40	.80		
	conc.	193.80	24.90	26.20	

Assays by David Foerster for The Mountain Top Mining Co.

		Oz. Silver	% Lead	% Silica	% Copper
April 1	heads	30.50	2.95		
	tails	9.40	1.10		
	conc.	190.50	17.90	38.60	
April 2	heads	23.40	2.45		
	tails	11.30	1.60		
	conc.	225.90	17.20	34.60	
April 3	heads	22.60	2.90		
	tails	5.90	.80		
	conc.	168.70	20.90	30.20	
April 7	heads	24.80	3.50		
	tails	7.50	1.05		
	conc.	240.80	33.60	21.10	
April 8	heads	25.60	3.90		
	tails	6.80	1.00		
	conc.	188.70	28.30	24.60	
April 9	heads	23.10	2.55		
	tails	3.80	1.05		
	conc.	216.60	23.80	30.40	
April 15	heads	25.90	4.45		
	tails	7.30	1.25		
	conc.	167.10	30.80	25.80	
April 16	heads	17.40	3.30		
	tails	4.80	.85		
	conc.	139.80	27.70	26.60	
April 17	heads	16.10	3.15		
	tails	3.80	.72		
	conc.	136.80	25.60	27.80	
April 25	heads	13.60	4.10		
	tails	3.06	.85		
	conc.	99.30	29.70	24.60	
April 26	heads	12.80	4.15		
	tails	3.80	.97		
	conc.	103.80	35.50	19.20	
April 27	heads	13.50	3.80		
	tails	3.30	.95		
	conc.	108.30	29.80	24.80	

Assays by David Foerster for The Mountain Top Mining Co.

		oz. Silver	% Lead	% Silica	% Copper
May 1	heads	[illegible]	[illegible]		
	tails	[illegible]	.73		
	conc.	141.60	30.50	21.10	
May 2	heads	18.70	3.65		
	tails	4.04	.83		
	conc.	[illegible]	29.20	21.40	
May 3	heads	18.70	3.75		
	tails	4.34	.65		
	conc.	130.80	29.20	20.10	
May 7	heads	16.30	4.45		
	tails	3.60	.85		
	conc.	109.20	31.70	22.80	
May 8	heads	18.50	4.50		
	tails	3.70	.77		
	conc.	124.20	30.60	26.20	
May 9	heads	16.10	3.95		
	tails	3.26	.70		
	conc.	107.90	28.60	26.80	
Company High-grade #76/37		129.50	57.50	20.60	1.35
May 15	heads	20.10	4.50		
	tails	5.40	1.03		
	conc.	156.60	39.60	22.10	
May 16	heads	22.60	4.20		
	tails	6.04	1.02		
	conc.	177.30	34.10	16.80	
May 17	heads	22.70	4.15		
	tails	5.60	.98		
	conc.	195.60	36.80	16.10	
"Ruby" mine sample		116.80			
May 24	heads	19.00	5.05		
	tails	3.56	.80		
	conc.	125.70	35.20	21.60	
May 25	heads	19.10	4.95		
	tails	4.40	.92		
	conc.	123.90	33.10	21.80	
May 25	heads	12.90	3.65		
	tails	3.80	1.05		
	conc.	122.40	34.40	15.90	

Assays by David Foerster for The Mountain Top Mining Co.

		oz. Silver	% Lead	% Silica	% Copper
June 1	heads	14.30	3.95		
	tails	5.40	1.35		
	conc.	[illegible]	[illegible]	11.15	
June 2	heads	12.10	3.05		
	tails	3.30	.92		
	conc.	110.70	36.80	14.90	
June 3	heads	12.70	4.05		
	tails	4.60	1.15		
	conc.	117.60	31.80	22.80	
June 7	heads	16.90	3.45		
	tails	5.50	1.35		
	conc.	155.40	28.80	22.40	
June 8	heads	18.60	3.90		
	tails	7.40	1.00		
	conc.	156.30	27.60	18.30	
June 9	heads	19.20	3.85		
	tails	7.60	1.65		
	conc.	205.20	36.80	10.30	
June 13	heads	17.80	3.80		
	tails	6.20	1.27		
	conc.	181.80	36.80	11.80	
June 23	heads	14.20	3.65		Conc ratio
	tails	4.20	1.12		13.7 : 1
	conc.	137.10	35.30	15.40	
June 24	heads	15.20	5.60		Ag Pb
	tails	4.70	1.13		
	conc.	141.60	37.30	14.60	
June 25	heads	18.10	3.85		
	tails	6.10	1.40		
	conc.	180.30	34.70	16.60	
June 26	heads	17.30	3.80		
	tails	6.10	1.40		
	conc.	164.10	34.30	19.40	
June 27	heads	16.40	3.25		
	tails	6.30	1.30		
	conc.	189.30	38.20	12.30	
Mine sample #2		8.10	1.70		
#3		15.60	11.15		

Assays by David Foerster for The Mountain Top Mining Co.

		oz. Silver	% Lead	% Silica	% Copper
July 1	heads	17.20	2.55		
	tails	5.70	.55		
	conc.	306.70	27.40	18.60	
July 2	heads	15.40	2.55		
	tails	3.90	.70		
	conc.	208.20	29.70	16.20	
July 6	heads	21.20	4.35		
	tails	6.10	1.10		
	conc.	195.90	46.70	9.70	
July 8	heads	21.60	4.40		
	tails	8.30	1.75		
	conc.	204.30	37.40	13.70	
July 9	heads	23.20	4.65		
	tails	6.50	1.60		
	conc.	204.00	35.40	15.50	
July 10	heads	20.90	4.45		
	tails	4.56	1.20		
	conc.	189.60	38.30	12.20	
July 15	heads	28.40	5.55		
	tails	6.90	1.60		
	conc.	157.80	30.30		
July 16	heads	28.30	5.40		
	tails	7.40	1.57		
	conc.	243.50	39.40	12.60	
Mine #79/40, 7/18		276.60	17.40		1.95
July 17	heads	26.40	5.90		
	tails	8.10	1.75		
	conc.	182.40	44.20	9.80	
July 24	heads	35.10	5.70		
	tails	11.90	2.05		
	conc.	237.90	36.70	18.80	
July 25	heads	33.70	5.95		
	tails	14.90	2.90		
	conc.	231.60	38.20	14.40	
July 27	heads	24.80	4.70		
	tails	8.70	1.70		
	conc.	221.40	40.20	9.10	

Assays by David Foerster for The Mountain Top Mining Co.

		oz. Silver	% Lead	% Silica	% Copper
August 1	heads	25.40	4.55		
	tails	8.60	1.65		
	conc.	[illegible]	34.80	14.20	
August 2	heads	26.90	4.55		
	tails	7.20	1.42		
	conc.	168.30	29.90	18.20	
August 3	heads	31.70	5.15		
	tails	9.90	2.22		
	conc.	200.40	35.20	20.40	
August 7	heads	25.30	4.60		
	tails	10.30	2.05		
	conc.	210.60	35.40	16.40	
High-grade #84/45		269.40	55.80	26.20	1.30
August 8	heads	22.50	3.75		
	tails	7.40	1.37		
	conc.	201.60	32.10	16.80	
August 9	heads	25.90	4.30		
	tails	9.40	1.55		
	conc.	200.50	33.60	15.10	
August 15	heads	23.10	3.25		
	tails	6.90	1.15		
	conc.	185.90	27.40	20.50	
August 16	heads	23.80	3.05		
	tails	8.50	1.15		
	conc.	260.40	30.20	20.30	
High-grade #86/47		328.50	42.30	36.20	2.55
August 17	heads	19.60	2.80		
	tails	6.70	1.07		
	conc.	191.20	29.80	24.30	
August 25	heads	20.40	3.69	18.40	
	tails	5.20	.88		
	conc.	176.80	31.80	17.80	
High-grade #87/48		195.60	44.30	32.70	1.65
August 26	heads	17.10	3.20		
	tails	5.20	.97		
	conc.	166.50	32.90	15.20	
August 27	heads	17.20	3.15		
	tails	5.10	.95		
	conc.	174.40	30.60	18.40	

Assays by David Foerster for The Mountain Top Mining Co.

		oz. Silver	% Lead	% Silica	% Copper
Sept. 1	heads	18.30	3.30		
	tails	2.40	1.02		
	conc.	208.70	35.40	16.90	
Sept. 2	heads	14.[illegible]	3.10		
	tails	3.90	.90		
	conc.	198.90	34.80	18.80	
Sept. 3	heads	16.40	2.90		
	tails	2.10	.95		
	conc.	220.20	36.10	16.10	
Sept. 7	heads	19.10	3.25		
	tails	4.60	.98		
	conc.	222.60	33.70	20.30	
Sept. 8	heads	20.80	3.70		
	tails	5.50	1.05		
	conc.	179.70	30.20	23.60	
High-grade #88/49		224.40	42.70	34.90	1.65
Sept. 9	heads	20.10	4.10		
	tails	6.10	1.23		
	conc.	237.60	48.40	8.60	
Special conc.		36.40	71.40	1 .60	
Sept. 15	heads	26.20	4.80		
	tails	4.70	.85		
	conc.	187.20	34.80	16.70	
High grade #90/51		168.90	43.20	37.40	1.55
Sept. 29	heads				
High-grade #91/52		192.60	41.60	40.30	1.65

Assays by David Foerster for The Mountain Top Mining Co.

		oz. Silver	% Lead	% Silica	% Copper
Oct. 16	heads	21.20	2.75		
	tails	7.10	.95		
	conc.	233.70	28.20	19.90	
Oct. 17	heads	21.80	2.65		
	tails	8.40	1.27		
	conc.	226.80	23.50	24.10	
Oct. 18	heads	20.60	2.80		
	tails	6.30	1.10		
	conc.	151.50	19.20	28.60	
Oct. 19	heads	16.90	3.15		
	tails	7.20	1.23		
	conc.	204.30	40.10	12.30	
Oct. 20	heads	23.40	3.20		
	tails	7.30	.97		
	conc.	255.90	32.10	18.30	
Oct. 21	heads	23.10	3.80		
	tails	7.20	1.10		
	conc.	198.90	41.60	9.60	
Oct. 22	heads	20.80	3.25		
	tails	5.80	.85		
	conc.	194.20	35.60	11.30	
Oct. 28	heads	26.10	3.30		
	tails	8.20	1.05		
	conc.	225.60	29.80	22.60	
Oct. 29	heads	20.90	2.80		
	tails	6.80	.85		
	conc.	251.70	30.60	26.80	
Oct. 30	heads	22.40	3.35		
	tails	7.90	.98		
	conc.	222.60	29.40	23.40	

Assays by David Foerster for The Mountain Top Mining Co.

		oz. Silver	% Lead	% Silica	% Copper
Nov. 4	heads	21.10	3.40		
	tails	5.[illegible]	.90		
	conc.	21[illegible].[illegible]	31.50	17.90	
Nov. 5	heads	19.40	2.85		
	tails	6.20	.80		
	conc.	198.60	31.40	19.20	
Nov. 8	heads	21.20	2.55		
	tails	8.10	1.05		
	conc.	274.20	39.70	19.80	
Overflow from settling tank, Nov. 9		135.30	23.20	35.70	
Nov. 14	heads	19.50	2.90		
	tails	4.40	1.10		
	conc.	158.40	19.80	26.20	
Nov. 15	heads	24.70	2.80		
	tails	8.90	1.12		
	conc.	245.90	25.60	24.20	
Nov. 16	heads	33.10	3.75		
	tails	12.[illegible]0	1.60		
	conc.	24[illegible].40	24.20	25.90	
Nov. 17	heads	36.50	4.30		
	tails	9.90	1.20		
	conc.	285.60	31.90	21.40	
Nov. 18	heads	28.20	3.45		
	tails	10.60	1.55		
	conc.	254.10	28.30	19.30	

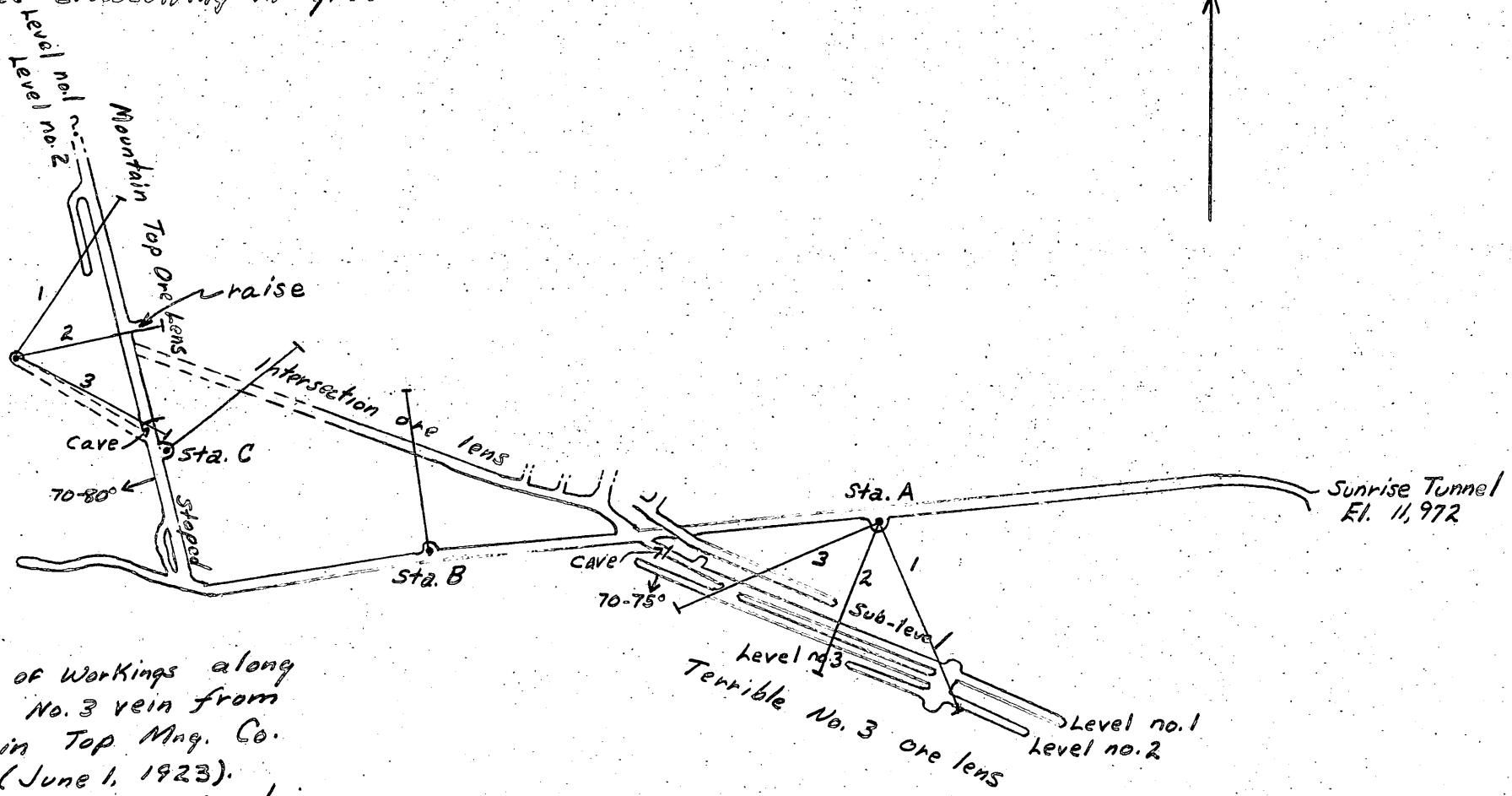
Assays by David Foerster for The Mountain Top Mining Co.

		oz. Silver	% Lead	% Silica	% Copper
Dec. 8	heads	25.20	2.55		
	tails	8.60	.80		
	conc.	294.90	35.40	20.20	
Dec. 9	heads	25.40	2.65		
	tails	5.90	.85		
M	conc.	272.40	27.50	17.60	
Mine sample "drift"		59.70	3.95		
conc. tailings retreating machine, 1-/10 ##		280.50	28.40	28.60	
##weight 88.6 grams, or one ten-thousandth of a ton					
Dec. 10	heads	34.60	4.50		
	tails	6.60	.50		
	conc.	281.50	34.20	20.70	
Dec. 11	heads	27.10	4.20		
	tails	5.80	.73		
	conc.	216.50	34.10	20.80	
Dec. 12	heads	27.00	4.75		
	tails	4.90	.78		
	conc.	210.60	36.40	18.50	
Dec. 13	heads	26.10	4.35		
	tails	6.30	.98		
	conc.	208.70	37.30	18.30	
Dec. 14	heads	24.90	2.95		
	tails	7.70	.90		
	conc.	322.20	35.70	13.20	
Dec. 15	heads	27.40	3.30		
	tails	7.60	.95		
	conc.	282.60	33.90	18.60	
Dec. 16	heads	26.90	3.95		
	tails	7.40	1.20		
	conc.	242.40	35.40	18.10	
Dec. 17	heads	27.90	3.95		
	tails	7.60	1.15		
	conc.	246.30	32.70	19.50	
Special tails		5.80	.95		
Dec. 20	heads	24.80	3.10		
	tails	7.10	.85		
	conc.	241.80	33.10	14.20	
Dec. 21 special tails		7.00	.95		
High-grade sample 12/28		205.20	60.80	18.10	1.30

Plate 1

Note:
This sketch was reduced in Scale from a 1"=200' drawing Submitted by The Applicant.
ECP 8/9/66

Proposed drilling is shown in red.
Proposed crosscutting in green.



Outline of Workings along Terrible No. 3 vein from Mountain Top Mng. Co. map (June 1, 1923).
Workings along Mountain Top vein from undated assay map.

Calculated length of drill holes rotated into horizontal plane of main level.
May 1966

Sketch of Suggested Diamond Drilling From Sunrise Tunnel
Scale 1"= 300'

STARK, HOCHSTADT, KARK & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

WESLEY N. STARK, CPA
ROBERT W. HOCHSTADT, CPA
MARVIN Z. KARK, CPA

JOHN H. HOESCHELE, CPA

1301 EAST 9 OLIVE AVE
DENVER, COLORADO 80
303-[illegible]-[illegible]21

OIL & GAS DIVISION
FEB 22 1973
Colorado

February 21, 1973

Mr. J. William Hasler
Field Officer, Region 3
Office of Minerals Exploration
United States Geological Survey
Denver Federal Center - Building 53
Denver, Colorado 80225

Gentlemen:

In connection with an examination of the accounting records of our client Ventura Resources, Inc. as of December 31, 1972, please indicate the following information with respect to all notes due you:

1. Your customer account number _____.
2. Original amount of note $_____ dated _____.
3. Balance as of above date $_____.
4. Tax and insurance escrow balances as of above date $_____.
5. Terms of note (interest rate and monthly payment)

   _____.
6. Collateral securing note _____.
7. Date of last payment _____.
8. Interest paid to _____.

For your convenience, a stamped, self-addressed envelope is enclosed for reply. Your prompt attention to this matter will avoid any need for further correspondence.

Client's Authorization

_____

Signed _____

By _____

Date

Note Enclosed copy of closing letter dated January 6, 1972 to Ventura Oil Company

United States Department of the Interior

GEOLOGICAL SURVEY
Denver Federal Center
Denver, Colorado 80225

IN REPLY REFER TO:

Office of Minerals Exploration
Building 53 Room 28

March 1, 1973

R 5 1973
CODE
HR 120

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3
Ouray County, Colorado
Contract 2241

Transmitted herewith is a form from Stark, Hochstadt, Kark and Company, Certified Public Accountants, Denver, Colorado, concerning the subject contract, however, their clients new title is Ventura Resources, Inc. instead of Ventura Oil Company. I transmitted a like form to you on February 11, 1972. A telephone conversation with Stark, Hochstadt, Kark and Company this morning confirmed that Ventura Oil Company is now Ventura Resources, Inc. and is principally owned by Homer Noble, Denver, Colorado. This form can best be completed by your office.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosure

HOCHSTADT & COMPANY
ED PUBLIC ACCOUNTANTS

EY N. STARK, C.P.A.
ERT W. HOCHSTADT, C.P.A.

METROPOLITAN INDUSTRIAL BANK BUILDING
1301 EAST COLFAX AVENUE
DENVER, COLORADO 80218
303-892-6221

RECEIVED
FEB 3 - 1972

Mr. J. William Hasler
Field Officer, Region 3
Office of Minerals Exploration
United States Geological Survey
Denver Federal Center, Building 53
Denver, Colorado, 80225

February 2, 1972

Gentlemen:

In connection with an examination of the accounting records of our client Ventura Oil Company as of December 31, 1971, please indicate the following information with respect to all notes due you:

1. Your customer account number OME-6524, Contract 2241
2. Original amount of ~~note~~ contract $44,325 Govt share (*$91,600 total value) dated 6-30-67.
3. * Balance as of above date $28,236.19 – principal; *$4,502.86 accrued interest.
4. Tax and insurance escrow balances as of above date $ —.
5. Terms of note (interest rate and monthly payment) 6¾%. 5% royalty on production.
6. Collateral securing note —.
7. Date of last payment —.
8. Interest paid to —.

For your convenience, a stamped, self-addressed envelope is enclosed for reply. Your prompt attention to this matter will avoid any need for further correspondence.

Signed Harold Kirkham

By

Date Feb. 14, 1972

Client's Authorization

SH&CO-NP1

* Ventura Oil Company was informed on Jan. 6, 1972 that the Government retained no claim or lien against the property or any future production therefrom because the work did not result in a certification

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 28

February 11, 1972

OFFICIAL COPY
O. M. E.
RECEIVED
FEB 14 1972

INITIALS	CODE
Cac	207
	120

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6524 (Silver)
Ventura Oil Company
(Mountain Top and Terrible 3)
Ouray County, Colorado
Contract 2241

Transmitted herewith is a form, from Stark, Hochstadt & Company, Certified Public Accountants, Denver, Colorado, concerning the subject contract, which would best be completed by your office.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosure

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 200

F.T. Final Report

December 17, 1971

OFFICIAL COPY
O. M. E.
RECEIVED
DEC 27 1971

INITIALS	CODE
Col	120 YU
	~~120~~
HK	~~130~~
gla	130

Memorandum

To: Chief, Office of Minerals Exploration

From: Assistant Chief, Office of Minerals Exploration

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3 Mine
Ouray County, Colorado
Contract 2241

Transmitted herewith is the final field report on the above-stated OME exploration project.

William L. Emerick

William L. Emerick
Assistant Chief
Office of Minerals Exploration

Enclosure

FINAL FIELD REPORT - OME EXPLORATION PROJECT

By W. L. Emerick

December 17, 1971

1. OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3 Mine
Ouray County, Colorado
Contract 2241

Operator: Ventura Oil Company
1029 East 8th Avenue
Denver, Colorado 80218

Property: Consisted of fourteen (14) patented and three (3) unpatented lode mining claims, including all rights pertaining thereto, in secs. 16, 17, 18, 19, 20, 21, and 22, T. 43 N., R. 8 W., NMPB&M, Telluride mining district, Ouray and San Miguel Counties, Colorado. A map showing the area of these seventeen (17) claims was attached to the contract.

Ownership: The Operator was in possession of the patented and unpatented claims by right of ownership.

2. Purpose of Project: The purpose of the project was to explore by drifting, crosscutting, and diamond drilling from prepared underground drill stations for silver-gold-bearing ore bodies in and along the Terrible 3 (Agnes), Mountain Top (Sweepstakes), and Humboldt veins in tuff-breccia of the San Juan formation of Tertiary age.

3. Contract: Dated June 30, 1967, for a term of 10 months, later extended by amendments to 40-1/2 months.
Original contract amount - $81,600.00
Government participation - 75 percent - $61,200.00

Amendments - No. 1 - February 7, 1968, to suspend work under the contract for 8 months, to extend the time for completion of the work from 10 to 16 months, and to extend the maximum period for royalty payments from 10 to 11 years.

No. 2 - June 24, 1968, to suspend work under the contract for an additional 1-1/2 months beyond the period set forth in Amendment No. 1, and to extend the time for completion of the work from 16 to 18 months.

No. 3 - November 13, 1968, to suspend work under the contract for an additional 11 months beyond the period set forth in Amendment No. 2, to extend the time for completion of the work from 18 to 26 months, to extend the maximum period for royalty payments from 11 to 12 years, and to stipulate provisions of the contract that become effective if work is not resumed on or before termination of the period fixed for suspension.

No. 4 - July 11, 1969, to suspend work under the contract for an additional 1-1/2 months beyond the period set forth in Amendment No. 3, to extend the time for completion of the work from 26 to 30 months, to extend the maximum period for royalty payments from 12 to 13 years, and to stipulate the provisions of the contract that become effective if work is not resumed on or before termination of the period fixed for suspension.

No. 5 - August 27, 1969, to suspend work under the contract for an additional 3 months beyond the period set forth in Amendment No. 4, to extend the time for completion of the work from 30 to 33 months, to stipulate the provisions of the contract that become effective if work is not resumed on or before termination of the period fixed for suspension, to revise the first and second paragraphs in Exhibit A, to revise in Exhibit A the entire section under the heading Description of the Work, and to revise in Exhibit A under the heading Estimated Costs of the Work the Fixed Unit Costs and the Summary.

No. 6 - April 9, 1970, to suspend work under the contract for an additional 8 months beyond the period set forth in Amendment No. 5, to extend the time for completion of the work from 33 to 40-1/2 months, and to stipulate the provisions of the contract that become effective if work is not resumed on or before termination of the period fixed for suspension.

No. 7 - September 11, 1970, to further revise in Exhibit A the entire section under the heading Description of the Work.

4. Project Work: Started during July 1967. Ended October 29, 1970.

Cost Items

Actual Costs	Authorized Units	Authorized Rate	Authorized Amount	Completed Units	Completed Amount
Mobilization and demobilization drilling equipment	-----	-----	$350.00	-----	$350.00
Moving to and between stations	16 hours	$10.00/hour	$160.00	16 hours	$160.00
Drilling 5 holes	2,740 feet	Various	$17,568.00	2,241 feet	$13,631.15
Casing lost in hole	275 feet	$2.20/foot	$605.00	47 feet	$103.40
Reaming, cementing, drilling cement, installing and removing casing, standby	200 hours	$14.00/hour	$2,800.00	50 hours	$700.00
Additives	100 sacks	$7.50/sack	$750.00	-----	-----
Core boxes	275 boxes	$1.00/box	$275.00	275 boxes	$275.00
Supervisor-geologist-engineer	6 mos.	$700.00/month	$4,200.00	6 months	$4,200.00
Outside Consultant	48 days	$75.00/day	$3,600.00	20 days	$2,878.13
Payroll taxes, insurance @ 12% of $4,200.00	-----	-----	$504.00	-----	-----
Travel, supervisor	9,000 miles	$0.10/mile	$900.00	7,393 miles	$739.30
Travel, consultant	4,800 miles	$0.10/mile	$480.00	3,320 miles	$332.00
Per diem, consultant	48 days	$16.00/day	$768.00	26-1/2 days	$424.00
Sample sacks	500 sacks	$0.15/sack	$75.00	24 sacks	$3.60
Freight, samples	2,500 pounds	$5.00/CWT	$125.00	-----	-----
Assaying for gold, silver, lead, copper, zinc	250 samples	Various	$1,750.00	46 samples	$115.00
Office expense	6 months	$40.00/month	$240.00	6 months	$240.00
Total Actual Costs			$35,150.00		$24,151.58

Fixed Unit Costs	Authorized Units	Authorized Rate	Authorized Amount	Completed Units	Completed Amount
Rehabilitation of tunnel and drift	1,350 feet	$25.00/foot	$33,750.00	500 feet	$12,500.00 1/
Drifting and crosscutting	198 feet	$40.00/foot	$7,920.00	222 feet	$8,880.00
Drill stations	3 stations	$225.00/each	$675.00	2 stations	$450.00
Ground support	256-1/2 feet	Various	$4,105.00	-----	-----
Total Fixed Unit Costs			$46,450.00		$21,830.00
Total Estimated Cost of Work			$81,600.00		$45,981.58
Completed Costs @ 75% Government participation			$33,481.58		
Government participation					$25,111.19
1/ Completed Costs @ 25% Government participation			$12,500.00		
Government participation					$3,125.00
Total Government participation					$28,236.19
Paid to the Operator					$28,236.19

The Government retained no equity in any of the material used.

Effectiveness of the Work - The target area on the Terrible 3 vein was adequately explored but the target area on the Humboldt vein may not have been.

Efficiency of Operation - The overall performance was poor on this project. From July 1967 to November 1970, a period of more than 3 years, a total of 7 months work was accomplished. Delays by the Operator, poor supervision, lack of confidence by the Operator in his several consultants, and winter weather conditions contributed greatly to the poor performance and numerous recesses of work.

5. Reports:

Operator's Final Report - An acceptable Final Report was received on December 8, 1971 with adequate supporting maps.

Cost Review - A Report of Review issued by the Office of Survey and Review in August 1971.

Final Audit - A final audit was not requested because no additional vouchers were submitted or paid after the Report of Review. The final voucher was paid on July 2, 1971.

Royalty Review - There was no production sold and no royalty was due the Government. A Royalty Review was not requested.

6. Project Results:

Discoveries - The project work did not result in the discovery of a minable silver ore body.

Certification - No certification of possible production was recommended or issued.

Production - There was no production of ore as a result of the OME work.

Royalties - In the absence of any production no royalties have been paid or due the Government.

7. Geologic Summary - The ore shoots in the Mountain Top and Terrible 3 mine occur in veins in the San Juan tuff and younger volcanic rocks of Tertiary age. The veins are a part of the composite network of northwest-trending and steeply-dipping structures common to the district. The two principal veins in the mine dip 78° - 80° west or southwest. The ore occurs in distinct ore shoots ranging in width from a few inches to as much as 3 or 4 feet. Ore minerals are galena, sphalerite, minor chalcopyrite, and silver-bearing tetrahedrite. Gangue minerals are mainly quartz, pyrite, and carbonates. Previous production from the property amounted to approximately 31,500 tons of ore, averaging about 20.0 ounces silver, 0.08 ounces gold and 3.65 percent lead, with a value of about $630,000.00.

ndard Form No. 1047
7 GAO 5000
1047-104

PUBLIC VOUCHER FOR REFUNDS

Voucher No. 22909

U. S. Interior, Geological Survey
(Department or Establishment, Bureau or Office)

Location: Washington, D. C. 20242

Appropriation or Fund: 14X6875 (08)

To Address: Ventura Oil Co.
1029 E. 8th Street
Denver, Colo. 80218

OFFICIAL COPY
O. M. E.
PAID BY
RECEIVED
DEC 22 1971

INITIALS	CODE
CAC	120
[illegible]	130
HK	120

Amount withheld
~~Deposit received~~ from the above-named ~~depositor~~ on July 2, 1971, 19

for pending submission of final report in connection with contract #2241

has been applied as herein stated and the balance indicated is returned herewith:

Amount of deposit Sch. #20034 - 10/67-12/70 Vo. 200.00

Applied as explained in "Remarks" below

Balance authorized to be refunded $ 200.00

Remarks: Acceptable final report has been submitted per memo from Chief, Office of Minerals Exploration, 12/16/71.

(Sign original only)

Title

Refund by
Check No.
Cash, $ on (Signature of payee)
(Sign original only)
Other method, $,
(Describe)

* U.S. GOVERNMENT PRINTING OFFICE : 1960 O—572727

OME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
12/16/71		120
		220
		120M

December 16, 1971

Memorandum

To: Chief, Branch of Budget and Finance

From: Chief, Office of Minerals Exploration

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3 Mines
Ouray and San Miguel Counties, Colorado
Contract 2241

The Operator under the subject contract has submitted an acceptable final report. It is recommended that the $200.00 withheld from the Operator's last voucher (10/67 - 12/70) be paid to the Operator.

Harold Kirkemo

Harold Kirkemo

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
OME Region III
Mr. Kirkemo

GLAult/a 12-16-71

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office Of Minerals Exploration
Building 53 Room 28

DEC 16 1971

December 14, 1971

Memorandum

To: Chief, Office of Minerals Exploration

Through: Assistant Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3 Mines
Ouray and San Miguel Counties, Colorado
Contract 2241

The Operator of the subject contract submitted on December 9, 1971 an original and two copies of a final report pursuant to regulations set forth in Article 5(c) of the subject contract. We are transmitting the original and one copy to you and retaining one copy in this office. The final report includes an adequate geological and engineering evaluation of the results of the work performed under the contract, with descriptions, assay data, and a summary of the related costs.

The results of the exploration work completed by the Operator indicated that there were zones containing silver-bearing sulfide material some of which may be ore grade, but there was not enough of this grade of material penetrated to calculate any ore reserves. The material occurring in the drill holes and along the drift on the Terrible 3 (Agnes) vein was poddy and irregular and did not occur in widths wide enough to constitute ore grade material over any significant length. The drilling performed on the Humbolt vein (Holes 4 and 6) was designed to explore the vein not less than 50 feet nor more than 500 feet below the Sunrise Tunnel level, and the intersecting mineralized zone not less than 125 feet nor more than 325 feet below the Sunrise Tunnel and Humbolt drift. A total of 575 feet of drilling was completed in hole No. 6. It is possible that hole No. 6 intercepted the vein below the plunge of the intersection since the intensity of sulfide mineralization does not correspond to that previously reported to have come from the old stopes on the Humbolt drift.

Drill hole No. 4 was not completed to the proposed depth of 550 feet due to the arrival of intense fall snowstorms which caused the operation to close down.

The exploration work completed under the subject contract indicated the presence of silver-bearing sulfide material in narrow stringers and in pods, in the Terrible 3 (Agnes) and Humbolt veins but there was no material discovered from which to calculate any ore reserves or to indicate the discovery of ore grade material in any significant amount. It is therefore recommended that the contract be terminated, that the Operator be refunded the $200.00 presently being withheld pending the submittal of a final report, and that the contract be closed without the certification of a discovery. The results do not preclude the possibilities of significant reserves occurring on the Humbolt vein since the drilling target objectives may not have been entirely achieved. To explore these possibilities would require additional work and funds. The Operator has not, nor will not, request additional funds.

W. L. Emerick

for J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

SUMMARY REPORT ON THE MOUNTAIN
TOP PROPERTIES, TELLURIDE DISTRICT, COLORADO
OME DOCKET 6524, CONTRACT NUMBER 2241

NOVEMBER 4, 1971

INTRODUCTION

Ventura Oil Company, a Nevada Corporation, hereinafter called the "Operator", negotiated an exploration contract, (Docket Number OME-6524, Contract Number 2241) with the Office of Mineral Exploration on June 30th, 1967. The purpose of this contract was to explore by drifting, crosscutting, and by diamond drilling from prepared underground drill stations for silver-gold bearing base-metal ore bodies in and along the Terrible 3 (also known as the Agnes) and the Mountain Top (also known as the Humbolt or Sweepstakes) veins in tuff-breccia of the San Juan formation of Tertiary age. The above mentioned veins are located within the Mountain Top Properties, Mt. Sneffels District, Ouray and San Miguel Counties, Colorado. (See appendices to Contract Number 2241.)

OPERATOR'S
FINAL REPORT

GEOLOGY

The following statement briefly summarizes the geologic setting of the Mountain Top Properties which was described by several writers during the course of the exploration program.

Known ore shoots within the Mountain Top Properties consist of base-metal, silver, and gold minerals in veins in the San Juan tuff and younger volcanic rocks. The more common sulfide minerals are galena, sphalerite, pyrite, minor chalcopyrite, and silver-bearing sulfides. Quartz and carbonates comprise the more abundant gangue minerals. Tectonically, these veins are a part of the composite network of northwest-trending structures common to the Telluride district. The Humbolt (Mountain Top) vein is the northward extension of the north-northwest-trending Smuggler-Union vein and the Terrible 3 is a continuation of the westerly trending Terrible vein which strikes approximately N70 W.

Movement within the structural network has produced openings along certain individual structures forming distinct ore shoots

ranging from a few inches to 3 or 4 feet wide and extending several hundred feet along strike and on dip in the more favorable volcanic units. Recent development of ore-grade material along similar vein systems within the underlying sedimentary units, particularly the Telluride conglomerate, has been reported within the Telluride district.

EXPLORATION

The actual exploration of the Mountain Top Properties can be divided into two phases within the four year span of activity conducted by the Operator. The time span needed for exploration developed as a direct result of the location of the access tunnel (Sunrise Tunnel) leading to the underground workings of the Mountain Top Properties. The portal of the tunnel is at an elevation of 11,972 feet, and access to the property is by means of an unimproved gravel road. Several amendments (nos. 1, 2, 3, 4, 6) to the original contract were requested asking for recesses due to the difficult and often hazardous conditions existing within the area during the fall, winter, and spring seasons.

Phase I

Exploration began during July, 1967 under the direction of the Operator and his consultants Messrs. Walter Verner and Louis Gaz. This work included drilling three diamond drill holes (nos. 1, 2, and 3; fig. 1) intended to explore the downward extension of the Terrible 3 vein from the Sunrise Tunnel level, and drifting northward along the Terrible 3 vein at the same level. The drilling was performed by MacPherson Drilling Company of Montrose, Colorado, and the tunneling operations were handled by Bunker and Company of Norwood, Colorado.

Between July and November, 1967, the Operator completed diamond drill holes 1, 2, and 3 having a total drill length of 1365 feet. Mineralized material was penetrated some 293 feet below the level in drill hole number 1, at a distance of 476-480 feet down the hole. The mineralization consisted of narrow stringers of ore-grade material having an average assay of 0.01 oz. Au, 32.43 oz. Ag,

0.319% Cu, 6.213% Pb, and 0.630% Zn per ton (table A). Material recovered from a mineralized zone at a depth of 265 feet, drill hole interval 372-378 feet, contained the following over a 9 inch width: 0.006 oz. Au, 40.52 oz. Ag, 54.48% Pb, 0.15% Cu, and 2.82% Zn. The drilling program did substantiate the existence of narrow high grade stringers of silver-bearing and base metal sulfides.

Drifting and crosscutting, totalling 198 feet, along the northward extention of the Terrible 3 vein was also completed during the same time period. Mineralization consisted of narrow pods of galena in a highly altered zone. The stringers and vein system trended more westerly and it was questioned whether or not the structures being followed actually belonged to the Terrible 3 vein. At that time it was deemed advisable to map the underground workings of the Mountain Top properties in greater detail before proceeding with additional drifting along the Terrible 3 vein.

Extensive preparation and rehabilitation of the access road was required in the spring and early summer of 1968. Consequently little additional exploration work was accomplished during the summer of 1968.

Messrs. Verner and Gaz were retained by the Operator as consultants during the early summer months of 1968. However, they did not provide any new geologic data, in that their work consisted primarly of a transit survey of the Sunrise Tunnel.

Phase II

During August 1968, Mr. Maynard Ayler, consulting geologist, Golden, Colorado was hired by the Operator to complete the work begun by Messrs. Verner and Gaz - that of detailed geologic mapping of the Sunrise level of the Mountain Top Properties. Mr. Ayler's work, shown on figure 2, revealed two conclusions which required a revision of target priorities as petitioned in amendment number 5. The first recommendation involved the discontinuation of drifting along the Terrible 3 vein. Mr. Ayler felt that the vein itself was rapidly dying out northward from the Sunrise Tunnel and that additional work related to the discovery of economically significant ore shoots along the Terrible 3 vein was not justified.

The second conclusion was based on the discovery of weakly mineralized andesite dike and a major sheeted zone containing sulfides that intersect the Humbolt vein. The intersections on the Sunrise level are just north of the Sunrise Tunnel/Humbolt Drift intersection as shown on figure 2. Ayler's work suggested that there is an interesting relationship between the newly recognized zones and the Humbolt vein in that the old stopes on the Humbolt vein occur north of the intersection indicating that the best chance for the occurrence of additional ore would be found north of the plunge of this intersection on dip.

With these new concepts in mind, the Operator felt that a change in the contract should be allowed to explore areas now considered to have greater discovery potential. The revision would include testing the downward extension of the Humbolt vein by diamond drilling north of the newly discovered intersection. Data pertaining to the proposed drill stations, attitude of the drill hole, and footages are shown on figure 2. Mr. Ayler's proposals were suggested to the Operator, and were subsequently accepted by the government in amendment number 5.

The newly proposed diamond drill holes were inclined to cut the Humbolt vein not less than 50 feet nor more than 500 feet below the Sunrise Tunnel level, and the intersecting mineralized zone not less than 125 feet nor more than 325 feet below the Sunrise Tunnel. Rehabilitation of portions of the Sunrise Tunnel and Humbolt Drift were required to gain access to the proposed drill stations 2 and 3. Additional cost figures for the revised work scheduled are given in the appendices to amendment 5.

Delays brought about by a question of property ownership of one of the drill station sites, and the Operator being out of the country on business, required petitioning for a winter recess. Amendment number 6 granted that recess.

During the Operator's examination of the old workings in the summer of 1970 problems developed in the attempt to rehabilitate the Humbolt drift for access to drill station number 2. It soon became apparent that the old workings were extremely hazardous and that rehabilitation would require more time than anticipated, such that work on the drift would continue into the fall and thus the drilling operations would be again delayed until the following summer (1971).

In order to avoid additional delays, which undoubtedly were becoming frustrating to all parties concerned, the Operator relocated the prime drill station to the now abandoned heading of the Terrible 3 vein (figure 3). The drill target was the same, however the attitude of the drill holes had to be recalculated as shown in figure 3.

The new drilling program called for two holes (nos. 4 and 6) having a total length of 1100 feet. Drilling commenced in September, 1970 after approval of amendment number 7. A total of 575 feet of diamond drilling was completed in hole number 6. A description of the core is given in table B, and values obtained from mineralized intercepts are shown in table C. It is possible that drill hole number 6 intercepted the vein below the plunge of the intersection recognized by Ayler since the intensity of sulfide mineralization does not correspond to that previously reported to have come from the old stopes on the Humbolt drift.

Drill hole number 4 was not completed to the proposed depth of 550 feet due once again to the arrival of the fall snowstorms. A brief description of the core recovered from hole number 4 is given in table B.

COSTS

Total cost of the project to date is $46,758.58 of which $46,726.58 was allowable by the government. The government has disbursed $28,036.19 with $200.00 remaining outstanding pending completion of the summary report by the Operator. Detailed cost figures are presented in Operator's Reports dated September 25, 1967, October 13, 1967 and May 26, 1971. A copy of the final project voucher is attached. (See table D). The actual costs incurred by the Operator amounted to $58,731.79. This higher amount being primarily due to unanticipated expenditures.

CONCLUSIONS

The limited data obtained during the period June 1967 through October 1970 indicated to the Operator and the Operator's consultants that though the drilling programs did indeed show the presence of

silver-bearing sulfide mineralization, the occurrence of significant reserves of ore-grade material were not found in those drill holes completed, nor in the drifting and or crosscutting conducted along the northward extension of the Terrible 3 vein. The results do not preclude the possibilities of significant reserves occurring on the Humbolt vein since the drilling target objectives may not have been entirely achieved.

Ventura Oil Company

Homer Noble
President

TABLE A

HAZEN RESEARCH, INC.

4601 INDIANA STREET
GOLDEN, COLORADO • 80401
TELEPHONE 279-4549

REPORT OF ANALYSIS

To: Mr. Homer Noble
Ventura Oil Company
510 Midland Savings Building
Denver, Colorado 80202

Date: December 15, 1967

HRI Project No. 313
HRI Series No. 941

Analysis No.	Sample Designation	Pb %	Cu %	Zn %	Au oz/ton	Ag oz/ton	
		1.50	1.50	1.50		2.50	
941-1	T-2-1	0.018	0.01	0.02	ND	ND	2'
2	T-2-2	0.035	0.02	0.04	ND	ND	2
3	T-2-3	0.23	0.01	0.47	Tr	0.82	1.5"
4	T-2-4	54.48	0.15	2.82	0.006	40.52	9"
5	T-2-5	0.47	0.02	1.09	Tr	2.36	1.1"
6	T-2-6	0.11	0.01	0.13	ND	ND	1.8"
7	T-2-7	0.30	0.01	0.05	ND	ND	1.3"

Note: These samples are drill core submitted by Walter Verner on November 13. The cores have been split and one-half retained.

#2
372
378

7 x 7.2 = 49.0

By Delmer L. Brown
Delmer L. Brown
Geological Engineer

cc: Mr. Walter Verner

162 91

TABLE B

SKYLINE LABS, INC.
SPECIALISTS IN GEOCHEMICAL EXPLORATION
12090 WEST 50TH PLACE • WHEAT RIDGE, COLORADO 80033 • TEL.: (303) 424-7718

December 11, 1970

Summary

I. Mountain Top Mine, Ouray County, Colorado
Diamond Drill Hole Number 6 -- AXWL
Bearing: N86°W, Inclination: -33°.

Drill Hole Interval (in feet)	Description
General	
0 to 575	Greenish-gray to purple andesite latite flow(?) breccia of the San Juan formation. Breccia fragments are 1/8 to 3 inches in diameter. The host rock has undergone prophylitic alteration with calcite (1 to 3%), chlorite (1 to 5%), and magnetite (<1%) occurring as common secondary minerals throughout the entire section of core examined. Plagioclase phenocrysts have been kaolinized. Transition into zones of more intense hydrothermal alteration are accompanied by bleaching of the flow breccia, kaolinization, pyritization, and silicification. Chlorite is abundant in both the altered and unaltered zones, magnetite and disseminated calcite disappear as the intensity of hydrothermal alteration increases.
0 to 94	In the interval from the drill collar to a drill depth of 94 feet, the core contains a one-half to one inch wide quartz/carbonate veinlet containing fine-grained galena, sphalerite, and pyrite. The strike of the veinlet, which is exposed in the heading of the drill station, nearly parallels the bearing of the drill hole. Sections of the veinlet were cut at 43 to 46 feet, 65 to 69 feet, and 70 to 85 feet. It is possible that these intercepts are related to separate parallel veinlets.
94 to 405	Dark grayish purple andesite/latite flow breccia. Breccia fragments range from 1/8 to 10 inches in diameter. Hairline to 1/2 inch wide calcite stringers occur at random intervals.

Drill Hole Interval (in feet)	Description
405 to 415	From 409 to 415 feet -- increasing effects of hydrothermal alteration: bleaching kaolinization, pyritization, and slicification.
415 to 420.6	Sulfide vein. Flow breccia has been sheared and recemented with silica containing disseminated pyrite. At 420 to 421 feet the core contains a narrow (1/2 to 3/4 inch) veinlet of quartz containing fine-grained galena, sphalerite, pyrite, and an unidentified sulfide mineral. The veinlet nearly parallels the long axis of the core, however the core is badly broken and the exact attitude of the sulfide mineralization in relation to the core section is not clear. It appears that some, but probably not more than 10 percent of the vein material has been washed out of the interval 420 to 420.6 feet.
420.6 to 425	Decreasing effects of hydrothermal alteration and loss of sulfide minerals.
425 to 525	Dark gray to purple andesite/latite flow breccia of the same general character described in the interval 94 to 425 feet.
526	Change from andesite/latite flow breccia to a light grayish green andesite porphry dike (?). Feldspar phenocyrsts are kaolinized, local stringers of quartz and pyrite.
526 to 544	Light gray-green andesite porphyry increasing silicification and pyritization. Minor occurrences of fine-grained galena and sphalerite.
544 to 556	Possible intercept of the Humbolt vein (apparent dip in core 65° W). Alternating veinlets of quartz and fine-grained pyrite with minor amounts of galena and sphalerite. The andesite has been highly sheared with quartz and sulfide minerals filling and recementing the zone. Galena and sphalerite represent less than one percent of the sulfide minerals present.
556 to 558	Light gray-green andesite containing minor amounts (1 to 3 percent) of disseminated pyrite.

Drill Hole Interval (in feet)	Description
558 to 575	Change back to the andesite/latite flow breccia at 558 feet. Effects of hydrothermal alteration decrease from 558 to 561 feet. Some bleaching and increasing hydrothermal alteration from 565 to 575 feet.
	Total Length of Drill Hole -- 575 feet

II. Mountain Top Mine, Ouray County, Colorado
Diamond Drill Hole Number 4 -- AXWL
Bearing N76° W, Inclination -30°

Drill Hole Interval (in feet)	Description
0 to 298	The core recovered from drill hole number 4 (0 to 298 feet) is of the same general character as that described under the general category in the description of core obtained from drill hole number 6. Unfortunately, due to inclement weather the drill hole was not completed to its planned drill depth of 550 feet. No significant sulfide mineralization was noted in the actual core recovered and no analyses of the material were requested.

TABLE C

SKYLINE LABS, INC.
SPECIALISTS IN GEOCHEMICAL EXPLORATION
12090 WEST 50TH PLACE • WHEAT RIDGE, COLORADO 80033 • TEL.: (303) 424-7718

REPORT OF ANALYSIS

Job No. 20089
December 15, 1970

Ventura Minerals, Inc.
1029 E. 8th Avenue
Denver, Colorado 80218

Attention: Homer Noble

12 Drill Core Samples - Mountain Top Mine, DDH No. 6

Item	Sample No.	Au (oz/T)	Ag (oz/T)	Pb (%)	Zn (%)
1.	410-415 ft.	<.01	.07	.03	.15
2.	415-420.6	<.01	7.2	.69	.725
3.	420.6-425	<.01	.07	.03	.09
4.	519.6-525	<.01	<.01	<.005	.01
5.	525-529	<.01	<.01	<.005	.02
6.	529-534	<.01	.03	<.005	.025
7.	534-539	<.01	.12	<.005	.015
8.	539-544	<.01	.01	<.005	.015
9.	544-549	<.01	.48	.18	.345
10.	549-554	.01	1.76	.65	.75
11.	554-556	<.01	.26	.22	.30
12.	556-561 ft.	<.01	.01	<.005	.037

for Charles E. Thompson
Chief Chemist

MME FORM 60
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

TABLE D

Docket No. OME -6524
Contract No.
14-23-090- 2241
Contract Amount $81,600.00
Gov't. Participation % $44,325.00
Mineral(s) Silver

OPERATOR'S MONTHLY VOUCHER

For Month of 10/67 - 12/70

Operator's Name Ventura Oil Company
Address

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
~~Building~~ Moving	20.00	140.00	160.00			
Drifting cross cutting	960.00	7,920.00	8,880.00			
~~Cobbling~~ Standby	294.00	364.00	658.00			
Drilling	7,056.05	6,575.10	13,631.15			
Drill Station	450.00	225.00	675.00			
Mobilization	175.00	175.00	350.00			
(2) Personal Services:						
Supervision & Technical	2,450.00	1,750.00	4,200.00			
Outside Consultants	1,410.13	1,500.00	2,910.13			
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
~~Pipe~~ Ground Support	520.00	-o-	520.00			
~~Rod~~ Core boxes	75.00	200.00	275.00			
Office	140.00	100.00	240.00			
Sample Sacks		3.60	3.60			
Lost Casing	103.40		103.40			
Reaming&Installing Casings	42.00		42.00			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.	12,500.00		12,500.00			
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Travel-Consultant	132.00	200.00	332.00			
~~Repairs to Equipment~~						
Analytical Work	115.00	-0-	115.00			
PerDiem-Consultant	104.00	320.00	424.00			
Employee's Liability Ins.						
Travel-Supervision	431.00	308.30	739.30			
TOTALS	26,977.58	19,781.00	46,758.58			

I certify that the above bill is correct and just and that payment therefor has not been received.

Date _____ *Payee _____

Per _____ Title _____

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ _____

Signature _____
(Authorized Certifying Officer)

Date _____ Vou. No. _____

(SEE OTHER SIDE)

MME FORM 61
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

TABLE 0 - continued

OPERATOR'S PROGRESS REPORT

For Month of 10/67 - 12/70 Docket No. OME-6524

Operator's Name Ventura Oil Company Contract No. 14-23-090- 2241

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting (2)	Ft	24	222	8,880.00			
~~Crosscutting~~ Moving	Hr	2	16	160.00			
~~Raising~~ Standby	Hr	21	47	658.00			
~~Shafts~~ Drill Station	Ea	2	3	675.00			
~~Winzes~~ Mobilization	Ea	1	2	350.00			
~~Other Underground~~ Support	Ft	80	80	520.00			
Drilling, Core-Diamond	Ft	1,159	2,241	13,631.15			
Lost Casing ~~Rotary~~	Ft	47	47(1)	103.40			
Supervision Drilling, Non-core-Diamond	Mo	3.5	6.0	4,200.00			
Consulting ~~Rotary~~	Day	20,375	40,375	2,910.13			
Travel-Consultant ~~Diam.~~	Mile	1,320	3,320	332.00			
Per Diem Consultant ~~Preparation~~	Day	6.5	265	424.00			
~~Miscellaneous~~ Core Boxes	Ea	75	275	275.00			
Sample Sacks	Ea		24	3.60			
~~Roads and Trails~~ Office	Mo	3.5	6.0	240.00			
Reaming & Instl ~~Stripping~~ Casing	Hr	3.0	3.0	42.00			
~~Trenching~~ Travel-Super	Mile	4310	7,393	739.30			
~~Test Pitting~~							
~~Other Surface Work~~							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings 500ft @ 25.00				12,500.00			
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work				115.00			
TOTAL TO DATE *(per MME Form 60)*				46,758.58			

REMARKS In October, 1967 an additional 24 feet of drift was driven on the Tervvile #3 vein subsequently the vein narrowed and pinched out. A decision was then made to abandon the drift and to relocate the drill stations. Attached to this sheet is a full report bringing the work up to date.

(Continue on back)

REMARKS (1) The casing was not left at the operator's request (2) 24 feet completed in Oct. '67 pviw to Amendment #5

(Continue on back)

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date _____ Operator _____

Per _____ Title _____

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature _____

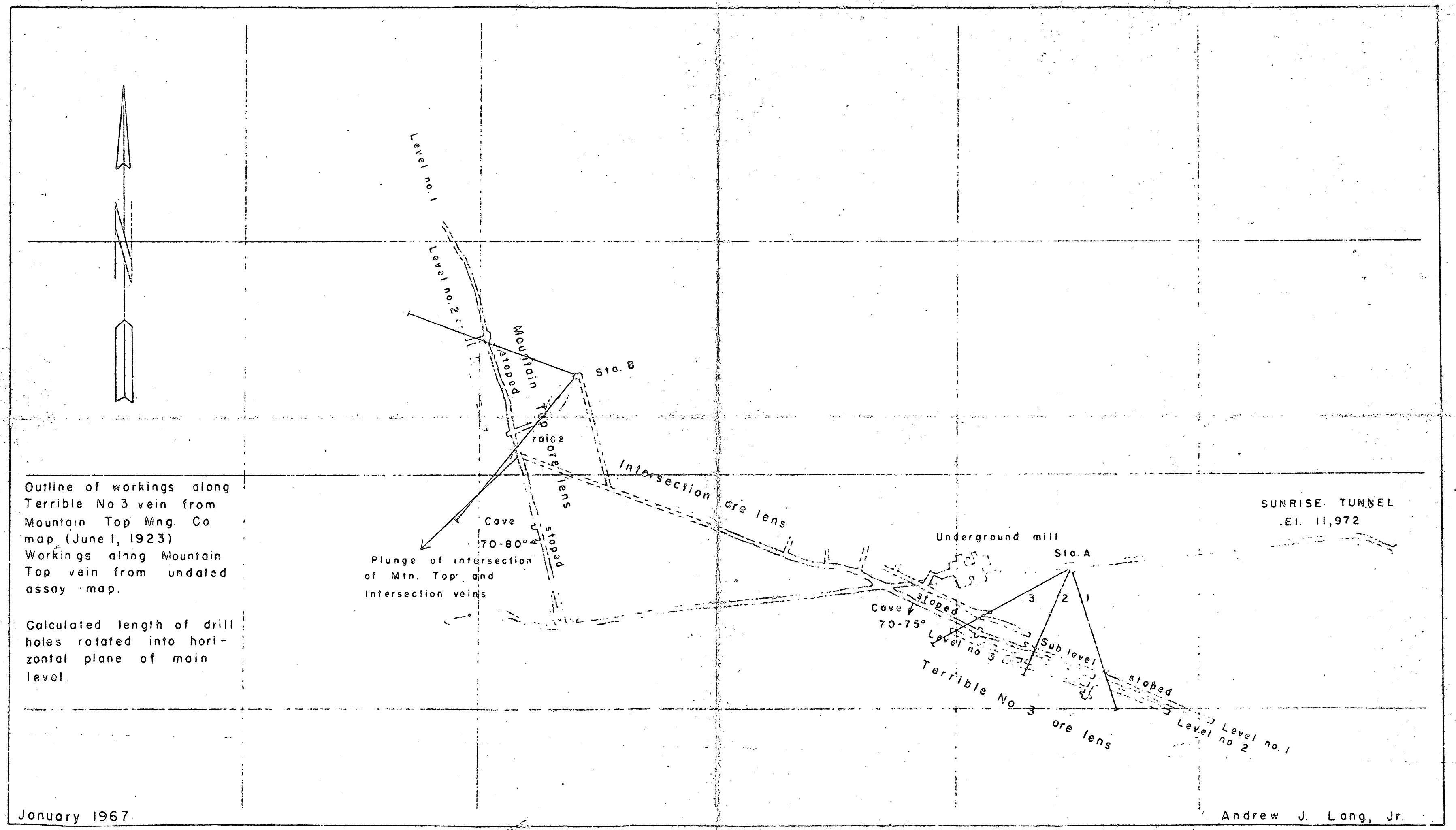
Title _____
Government Representative

Date _____

(INSTRUCTIONS ON REVERSE)

FIGURE 3

FIGURE 1



SKETCH OF SUGGESTED DIAMOND DRILLING FROM SUNRISE TUNNEL

SCALE 1" = 200'

Operator's final report, November 4, 1971, Maps, Figures 1, 2, and 3

orm 7
)

OFFICIAL FILE COPY

Date	Surname	Code

OCT 18 1971

Memorandum

To: Branch of Budget and Finance

From: Chief, Office of Minerals Exploration

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top Mine
Ouray and San Miguel Counties, Colorado
Contract 2241

Enclosed is a copy of the Field Officer's letter of October 8, 1971, forwarding a copy of the Report of Review issued in August 1971 to the subject Operator. Also enclosed is a copy of the report for your files.

Harold Kirkemo

Harold Kirkemo

Enclosures

cc: Director's reading file
Mineral Resources
OME reading file
OME region III
Mr. Kirkemo

CaCurtin/cac 10-12-71

Office of Minerals Exploration
Building 53 Room 28

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 12 1971
INITIALS CODE
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gla 120
120

October 8, 1971

Mr. Homer Noble, President
Ventura Oil Company
1029 East 8th Street
Denver, Colorado 80218

Re: OME-6524 (Silver)
Ventura Oil Company
Mountain Top Mine
Ouray and San Miguel Counties, Colorado
Contract 2241

Dear Mr. Noble:

Enclosed herewith is an Operator's copy of a Report of Review on the subject contract, issued in August, 1971 and received in this office October 7, 1971.

I have reviewed the report and concur in the facts stated therein. The Operator's copy is for your files and use. If for any reason you do not concur, the report should be returned to this office with appropriate comments.

Sincerely yours,

J. William Hasler

J. William Hasler
Field Officer, Region III
Office of Minerals Exploration

Enclosure

cc: Chief, OME
Mr. Hasler
OME chron
OME-6524

E Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code

OCT 5 1971

Memorandum

To: Field Officer, Region III

From: Chief, Office of Minerals Exploration

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3 Mine
Ouray County, Colorado
Contract 2241

Enclosed are the Field Office's and Operator's copies of the Report of Review issued in August 1971 on the subject contract.

If you concur in the facts as stated in this report, one copy should be sent to the Operator with any comments you may care to make, and the other copy retained for your files. As evidence of your concurrence, two copies of your letter transmitting the Operator's copy of the report should be furnished this office. If for any reason you do not concur, both copies of the report should be returned to this office with appropriate comments.

Harold Kirkemo

Harold Kirkemo

Enclosures

cc: Director's reading file
Mineral Resources
OME reading file
Mr. Kirkemo
130

HKirkemo/cac 10-5-71

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225
Office of Minerals Exploration
Building 53 Room 28

ORIGINAL COPY

September 20, 1971 SEP 22 1971

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Through: Assistant Chief, Office of Minerals Exploration

Cle 120 ~~130~~
HK ~~120~~

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3 Mine
Ouray County, Colorado
Contract 2241

This memorandum is in reply to your telephone request of September 16, 1971 concerning the justification of Office Expense indicated to have been incurred during December 1970. The date ending the contract was November 15, 1970.

My review of the Vouchers and accompanying material shows that actual exploration work required (7) months as follows:

		Office Expense	
July-August	1967	1.5 month	$ 60.00
September	1967	1.0 month	40.00
July-November	1970	4.5 months	180.00
Total		7.0	$280.00

I approved the maximum amount for Office Expense of $240.00 for 6 months on their final voucher, which is certainly an allowable cost, considering the extremely difficult weather conditions that hampered the operation during September and October of 1970.

The enclosed statement, dated October 1967 was updated by their account and should not have included December 1970.

A letter from the Operator, dated August 17, 1971, to this office informed us that a final geologic and engineering report would be submitted. Mr. Bill Lehmbeck their geologist is a most reputable consulting geologist employed by Skyline Laboratories, an equally reliable consulting firm in Denver, Colorado, and I am certain an adequate final report will be submitted in the not too distant future.

I believe the $200.00 being withheld pending the submittal of a Final Geologic and Engineering report by the Operator is a fair amount.

J. William Hasler

J. William Hasler
Field Officer, Region III
Office of Minerals Exploration

Enclosure

PHONE 623-7238

VENTURA OIL COMPANY

510 MIDLAND SAVINGS BUILDING
DENVER, COLORADO 80202

To:

Ventura Oil Company
Mountain Top Mine Division
510 Midland Savings Building
Denver, Colorado, 80202

Date: October, 1967
Invoice No. 3
Lease: Mountain Top Mine

Office expense including costs for maps, printing, telephone, etc.	$ 40.00
Same as above for November, 1967	$ 40.00
Same as above for period December, 1967, through December, 1970 - 1.5 months	$ 60.00
TOTAL	$ 140.00

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
9/17/71		120
		220
		120M

September 17, 1971

Memorandum

To: C. D. Bare, Regional Director,
Audit Operations, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3 Mines
Ouray and San Miguel Counties, Colorado
Contract 2241

This is in reply to the comments on the proposed memorandum transmitting the draft of the subject Report of Review.

On the question regarding the billing period for final voucher number 3, the Operator showed 10/67 - 12/70 as the period covered by the voucher. The closing date, 12/70, was in error as claims were not made for work beyond the expiration date, November 15, 1970, of the contract. Actual exploration work ended on October 29, 1970, and no further work was done due to inaccessibility following a snow storm. Although operations under the contract were in progress for 7 months (2.5 months in 1967 and 4.5 months in 1970), the Operator claimed office expenses and supervision only for 6 months, the period provided for under the contract. Therefore, if any claims for these services beyond November 15, 1970, had been submitted by the Operator, they would not have been approved by the Government.

The enclosed copies of correspondence dated after the docket was picked up on August 2 for review by your staff show that an Operator's final report will be prepared. The Field Officer assures us that the Operator's geologic consultant is a dependable individual.

The amount withheld from an Operator's final voucher pending receipt of an Operator's final report is based on our judgment of the cost to the Government if our staff compiled the information usually contained in such reports. The Operator of the subject contract submitted adequate vouchers and narrative reports, and only three vouchers were submitted so the summary information for a final report could be readily compiled by our staff if necessary. For these reasons, we believe that $200 is a reasonable amount to withhold from the subject final voucher.

Your proposed memorandum and the draft of the Report of Review are returned herewith. I have already mentioned to Mr. Savage a minor correction on page I of Exhibit I.

Harold Kirkemo

Harold Kirkemo

Enclosures

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
OME Region III
Mr. Kirkemo

HKirkemo/gla 9-17-71

PHONE 623-7238

VENTURA OIL COMPANY

1029 EAST 8TH AVENUE

DENVER, COLORADO 80218

OMS Region III
RECEIVED
AUG 18 1971
Denver, Colorado

RECEIVED
AUG 25 1971
INITIALS
Cac 120 M
HK

August 17, 1971

Mr. J. William Hasler
Field Officer, Region III
Office of Minerals Exploration
United States Department of the Interior
Building 53, Room 200
Federal Center
Denver, Colorado 80225

Subject: OME-6524 (Silver)
Mountain Top and
Terrible 3
Ouray County, Colorado
Contract 2241

Dear Mr. Hasler:

Our mining geologist, Bill Lehmbeck, is presently in Alaska doing exploration work. He is expected to be back in his office in about one month, and as soon as his time becomes available to me, I shall complete the Operator's Report as has been requested by your department.

Very truly yours,

VENTURA OIL COMPANY

Homer Noble

Homer Noble
President

HN;pm

Office of Minerals Exploration
Building 53 Room 200

August 10, 1971

OFFICIAL
RECEIVED
AUG 12

INITIALS	CODE
Cal	120
Cal	120
HK	120

Mr. Homer Noble, President
Ventura Oil Company
1029 E. 8th Avenue
Denver, Colorado 80218

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3
Ouray County, Colorado
Contract 2241

Dear Mr. Noble:

According to our records, your last Operator's Monthly Report was processed by our Branch of Budget and Finance July 2, 1971, and included a suspension statement which stated two hundred dollars is being withheld pending submission of an acceptable final report.

As of this date, we have not received a final report. Will you please inform us when we can expect three copies of a final report? Page 3, Article 5 (c) of the contract states: "Final report. -- Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with three copies of a final report (in addition to the final monthly report). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the related costs."

Sincerely yours,

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

cc: Chief, OME
OME-6524
OME chron
Mr. Hasler
Mr. Emerick

JWHasler/mc/8/10/71

Form DI-535
(Rev. 2-71)

UNITED STATES
Department of the Interior
ROUTING SLIP

Indicate routing order by number—Strike out office when cleared, enter date received and forwarded in space provided.

	To		Date	
___	S	SECRETARY		
___	US	UNDER SECRETARY		
___	SA	Office of the Science Adviser		
___	OI	Office of Information		
___	CL	Congressional Liaison Office		
___	PR	Office of Policy Planning & Research		
___	HA	Office of Hearings & Appeals		
___	IA	Office of International Activities		
___	PA	Office of Program Analysis		
___	EO	Office for Equal Opportunity		
___	OIAB	Oil Import Appeals Board		
___	SCCO	Secretarial Corres. Coord. Office		
___	SO	SOLICITOR		
___	SOL	Office of the Solicitor		
___	DL	Division of Legislation		
___	AA	ASST. SECY. FOR ADMINISTRATION		
___	AJC	Office of Job Corps Coordination		
___	AMO	Office of Management Operations		
___	ASR	Office of Survey and Review		
___	AOB	Office of Budget		
___	AMR	Office of Management Research		
___	APM	Office of Personnel Management		
___	ALS	Office of Library Services		
___	FW	ASST. SECY. FOR FISH & WILDLIFE & PARKS		
___	FSF	Bur. of Sport Fisheries & Wildlife		
___	FNP	National Park Service		

	To		Date	
___	MR	ASST. SECY.—MINERAL RESOURCES		
___	MCR	Office of Coal Research		
___	MSF	Office of Minerals and Solid Fuels		
___	MOG	Office of Oil & Gas		
___	MOI	Oil Import Administration		
___	MBM	Bureau of Mines		
X	MGS	Geological Survey Room 4461		
___	LM	ASST. SECY.—PUBLIC LAND MANAGEMENT		
___	LIA	Bureau of Indian Affairs		
___	LLM	Bureau of Land Management		
___	LOT	Office of Territories		
___	LOR	Bureau of Outdoor Recreation		
___	WP	ASST. SECY.—WATER & POWER RESOURCES		
___	WRS	Water Resources Council Rep. Staff		
___	WSA	Office of Saline Water		
___	WWR	Office of Water Resources Research		
___	WBR	Bureau of Reclamation		
___	WBP	Bonneville Power Administration		
___	WSE	Southeastern Power Administration		
___	WSW	Southwestern Power Administration		
___	WDE	Defense Electric Power Administration		
___	WAP	Alaska Power Administration		

Remarks:

To: Mr. H. Kurkemo

From: Asst. Dir., Contract & Grant Audit, ASR/AO
Room 5226, Ext. 39421 (IDS Code 183)

Phone: 39421

Date: 7-12-71

GPO 904-970

United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

JUL 12 1971

Memorandum

To: Regional Director, Audit Operations, Region I

From: Assistant Director, Contract and Grant Audit
Audit Operations, Office of Survey and Review

Subject: Assignment No. 1-C-DC-OME-1(a)-72
Review of OME Contract
Docket No. OME-6524
Ventura Oil Company
Contract No. 2241

You are assigned to make a review of the subject OME contract.

The same basic audit assignment number will be used during FY 1972 for all OME contract reviews. A different suffix letter will be added to the basic assignment number for each contract.

/s/ Donald R. Moysey

cc: Mr. H. Kirkemo, MGS, Room 4461 Interior Bldg.

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Date	Surname	Code
7/2/71		120
		220
		120M

July 6, 1971

Memorandum

To: Assistant Director, Audit Operations
Contract and Grant Audit
Office of Survey and Review, Room 5228

From: Chief, Office of Minerals Exploration

Subject: Report of Review

Please prepare a Report of Review on the following OME contract:

Docket No.	Operator	Contract No.
OME-6524	Ventura Oil Company	2241

Harold Kirkemo
Harold Kirkemo

Copy to: C. D. Bare, Rm. 812 - 801 19th Street, N. W.

cc: Director's Reading File
Mineral Resources
OME File
OME Reading File
Mr. Kirkemo
130

GLAult/a 7/2/71

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 200

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June 14, 1971

20 B & 7.

Memorandum

To: Chief, Office of Minerals Exploration

Through: William L. Emerick, Assistant Chief, OME

From: Field Officer, Region III, Office of Minerals Exploration

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3
Ouray County, Colorado
Contract 2241

Enclosed is an original and two copies of the Operator's final voucher with supporting statements and geologic report and diamond drill logs on holes 4 and 6, completed during the fall of 1970.

The costs submitted are recommended for payment as shown.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosures

OK-WRE
6/14/71

FORM 60
SEPT. 1959

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UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. OME -6524
Contract No.
14-23-090- 2241
Contract Amount $81,600.00
Gov't. Participation % $44,325.00
Mineral(s) Silver

OPERATOR'S MONTHLY VOUCHER

For Month of 10/67 - 12/70

Operator's Name Ventura Oil Company
Address 1029 E. 8th St., Denver, Colo. 80218

COST CATEGORIES	FOR OPERATOR'S USE: MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	FOR GOVERNMENT APPROVAL ONLY: MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
~~Bulldozing~~ Moving	20.00	140.00	160.00	20.00	140.00	160.00
Drifting & crosscutting	960.00	7,920.00	8,880.00	960.00	7,920.00	8,880.00
~~Crosscutting~~ Standby	294.00	364.00	658.00	294.00	364.00	658.00
Drilling	7,056.05	6,575.10	13,631.15	7,056.05	6,575.10	13,631.15
Drill Station	450.00	225.00	675.00	450.00	225.00	675.00
Mobilization	175.00	175.00	350.00	175.00	175.00	350.00
(2) Personal Services:						
Supervision & Technical	2,450.00	1,750.00	4,200.00	2,450.00	1,750.00	4,200.00
Outside Consultants	1,410.13	1,500.00	2,910.13	1,378.13	1,500.00	2,878.13
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives				-0-		-0-
~~Pipe~~ Ground Support	520.00	-0-	520.00	~~520.00~~	-0-	~~520.00~~
~~Rail~~ Core Boxes	75.00	200.00	275.00	75.00	200.00	275.00
Office	140.00	100.00	240.00	140.00	100.00	240.00
Sample Sacks		3.60	3.60		3.60	3.60
Lost Casing	103.40		103.40	103.40	—	103.40
Reaming & Installing Casing	42.00		42.00	42.00	—	42.00
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.	12,500.00		12,500.00	12,500.00	-0-	12,500.00
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Travel-Consultant	132.00	200.00	332.00	132.00	200.00	332.00
~~Repairs to Equipment~~	115.00	-0-	115.00	115.00	-0-	115.00
Analytical Work	104.00	320.00	424.00	104.00	320.00	424.00
Per diem-consultant ~~Payroll Taxes~~						
Employee's Liability Ins.						
Travel-Supervision	431.00	308.30	739.30	431.00	308.30	739.30
				26,945.58		46,725.58
TOTALS	26,977.58	19,781.00	46,758.58	26,945.58	19,781.00	46,725.58

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 5-26-71 *Payee C. H. Scobom
Per _____ Title Treasurer

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
13,400.44 (63)14X0804
-200.00 14X6875
$13,200.44

Signature _____ (Authorized Certifying Officer)
Date JUL 2 1971 Vou. No. 20034

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2241

Signature J. William Hasler Title Field Officer Date 6/14/71

Approved by OME Executive Officer or Alternate:

Signature J. William Hasler Title Field Officer Date 6/14/71

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

OK-WRL 6/14/71

DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of 10/67 - 12/70 Docket No. OME -6524

Operator's Name Ventura Oil Company Contract No. 14-23-090- 2241

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drilling (2)	FT	24	222	8,880.00	24	222	8,880.00
~~Crosscutting~~ Moving	Hr	2	16	160.00	2	16	160.00
~~Raising~~ Standby	Hr	21	47	658.00	21	47	658.00
~~Shafts~~ Drill Station	Ea	2	3	675.00	~~2~~ 1	~~3~~ 1	~~675.00~~ 450.00 1) MK
~~Winzes~~ Mobilization	Ea	1	2	350.00	1	2	350.00
~~Other Underground~~ Support	Ft	80	80	520.00	~~80~~ 0	0 ~~80~~	0 ~~520.00~~ 3) MK
Drilling, Core-Diamond	Ft	1,159	2,241	13,631.15	1,159	2,241	13,631.15
Lost Casing Rotary	Ft	47	47(1)	103.40	47	47(1)	103.40
Supervision Drilling, Non-core-Diamond	Mo	3.5	6.0	4,200.00	3.5	6.0	4,200.00 2)
Consulting Rotary	Day	20.375	40.375	2,910.13	20	20	2,878.13
Travel-consultant	Mile	1,320	3,320	332.00	1,320	3,320	332.00
Per Diem Percussion Consultant	Day	6.5	26.5	424.00	6.5	26.5	424.00
Miscellaneous core boxes	Ea	75	275	275.00	75	275	275.00
Sample Sacks	Ea		24	3.60		24	3.60
~~Roads and Trails~~ Office	Mo.	3.5	6.0	240.00	3.5	6.0	240.00
Reaming & Installing ~~Stripping~~ casing	Hr	3.0	3.0	42.00	3.0	3.0	42.00
~~Trenching~~ Travel Sup.	Mile	4310	7,393	739.30	4,310	7,393	739.30
~~Test Pitting~~							
~~Other Surface Work~~							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings 500ft @ 25.00				12,500.00			12,500.00 4)
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work				115.00			115.00
TOTAL TO DATE (per MME Form 60)				46,758.58	subtotals for: Govt. particip. @ 75%		33,481.58
					Govt. particip. @ 25%		12,500.00
					To tal		45,981.58 MK

REMARKS In October, 1967 an additional 24 feet of drift was driven on the Terrible #3 vein. Subsequently the vein narrowed and pinched out. A decision was then made to abandon the drift and to relocate the drill stations. Attached to this sheet is a full report bringing the work up to date.

(Continue on back)

REMARKS (1) the casing was not left a at the operator's request. (2) 24 feet completed in Oct '67 ~~pviw~~ prior to Amendment #5

1 see reverse side

(Continue on back)

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date 5-26-71 Operator Homer Noble

Per _____ Title President

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature J. William Hasler

Title Field Officer
Government Representative

Date June 14, 1971

(INSTRUCTIONS ON REVERSE)

REMARKS (Cont.)

REMARKS (Cont.)

4. Disallowed $32.00 for Consultants assistance contract allows for no such item. JHA

1) Disallowed $225.00. Amendment No. 7 allows only 2 drill stations @ $225.00 each. Allow $450.00 HR

2) Disallowed $520. May be reclaimed if number and ~~depth~~ quality of such bolts used is reported as per Amendment No. 5 — Fiscal Unit Costs. HR

3) This item is subject only to 25% Govt participation (See Amendment No. 5) HR

5) $13,700.58 subject to 75% Govt participation
$12,500.00 subject to 25% Govt participation HR

6) Withhold $200.00 pending receipt of Operator's final report. HR

H. Kikkawa
6/24/71

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

20034

UNITED STATES
DEPARTMENT OF THE INTERIOR
U. S. Geological Survey
Branch of Budget and Finance
Washington, D. C. 20242

ADMINISTRATIVE SUSPENSION STATEMENT

Name and Address of Payee: Ventura Oil Co.
1029 E. 8th St.
Denver, Colo. 80218

Amount Claimed:	Differences (Explained Below)	Amount Approved
26,977.58	777.00	26,200.58 13,400.44 Govt. Part. Less 200.00 * 13,200.44
Bu. Voucher No.	**Payee's Invoice No.**	**Period**
	Docket #6524 Contract #2241	10/67 - 12/70

EXPLANATION

Claimed	Allowed	Disallowed
$675.00 - 3Drill Station	450.00 - 2 Drill Stations (Amend #7 only allowed 2)	225.00
1,410.13 - Outside Consultants	1,378.13 - Contract does not allow for assistant.	32.00
520.00 - Ground Support	None - No supporting documents per Amend. #5.	520.00
		777.00

*Withholding $200.00 pending receipt of final report.

Any reclaim for items deducted must be supported by the original of this statement and submitted to the office shown above.

Branch of Budget and Finance

OPERATOR'S PROGRESS REPORT

The rehabilitation work aimed at establishing diamond drill hole stations in the Sunrise level of the Mountain Top mine began in early July, 1970 with a crew of three men. This work consisted of removing the old timber and debris as well as laying track and air line along the Sunrise tunnel to the intersection of the Humbolt vein and extending approximately 200 feet beyond the intersection. In addition, approximately 300 feet of drift northward from the Sunrise tunnel was cleaned out along the Humbolt vein. The purpose here being to reach the proposed location of the drill station for drill hole number 6. After close inspection of the back and old support timbers along the Humbolt vein, the tunnel was deemed too hazardous to allow further work and this station as well as drill station for holes number 4 and 5 were abandoned. In order to complete the objectives of the drilling program as was presented in the amendment of September 19, 1970, the drill station site for drill holes number 4, 5, and 6 was transferred to the drift heading along the Terrible #3 vein (See attached map). Rehabilitation work in the Terrible #3 vein commenced on August 22, 1970. This work consisted of hanging air line from the intersection of the Sunrise tunnel and the Terrible #3 vein to the Terrible #3 heading, cleaning out caved material in the drift, and cutting the drill station. The work was completed on September 10, 1970. Upon completion of the preparatory work drilling began on diamond drill holes number 4 and number 6.

Diamond Drill Hole Number 6 Drilling on drill hole number 6 began on September 12, 1970 and was completed on October 4, 1970 -- bearing N86^{o}W, inclination -33°. The objective of hole number 6 was to intersect the Humbolt vein at a drill depth of 500 to 510 feet. Mineralization was encountered in the intervals 40 to 85 feet (narrow stringers of galena, sphalerite, and pyrite, no analysis performed), 415 to 425 feet, and 519 to 558 feet. The strongest mineralization occurred in the interval 544 to 558 feet -- apparent dip of mineralization in the drill core to 65°W. The core recovered from the intervals 415 to 425 feet and 519 to 558 feet was submitted to a commercial laboratory for analysis. The results of the analysis (See attached forms) indicates that the values in the mineralized zones sampled are economically insignificant at the present time.

Diamond Drill Hole Number 4 The objective of drill hole number 4 (bearing N76^{o}W, inclination -30°) was to cut the Humbolt vein north of drill hole number 6 along the strike projection of the vein structure. Drilling commenced on October 5, 1970 and was terminated at a depth of 298 feet on October 29, 1970. The total drill depth planned for this hole was 550 feet; however, inclement weather forced termination of the

work and removal of equipment from the Sunrise adit. Efforts were made to maintain access to the Sunrise adit but continued heavy snowfall forced termination of the drilling program.

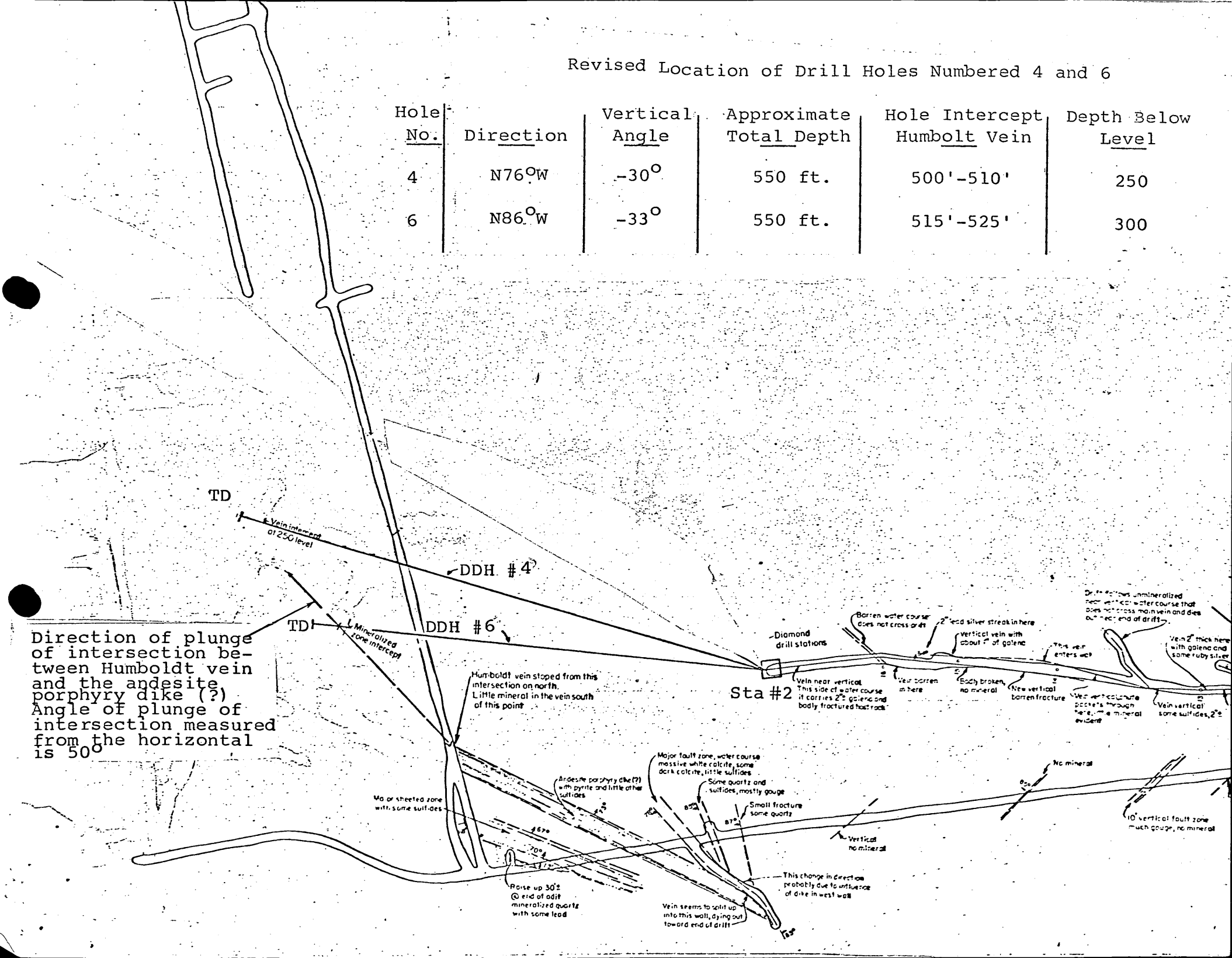
A description and analysis of the core recovered from both diamond drill holes number 4 and number 6 are attached to this report.

During the period October, November and December, 1967, office expenses covering telephone, rent, clerical, mapping, blueprinting and drafting exceeded the budget of $40.00 per month. In 1970, the remaining budget for time and cost was expended.

Supervision and mileage budgeted for a remaining 3½ months was expended during the period covered by this report. (?) HK

Revised Location of Drill Holes Numbered 4 and 6

Hole No.	Direction	Vertical Angle	Approximate Total Depth	Hole Intercept Humbolt Vein	Depth Below Level
4	N76°W	-30°	550 ft.	500'-510'	250
6	N86°W	-33°	550 ft.	515'-525'	300



SKYLINE LABS, INC.
SPECIALISTS IN GEOCHEMICAL EXPLORATION
12090 WEST 50TH PLACE • WHEAT RIDGE, COLORADO 80033 • TEL.: (303) 424-7718

December 14, 1970

Mr. Homer Noble
Ventura Minerals, Inc.
1029 East 8th Avenue
Denver, Colorado 80218

Dear Mr. Noble:

Enclosed herein are the analytical results of core samples recovered from diamond drill hole number 6, Mountain Top Mine, Ouray County, Colorado. Analyses were performed on those intervals of core (415 to 425 feet, and 525 to 558 feet) which contained apparently significant amounts of sulfide minerals as determined by visual examination of the total drill core recovered.

Core from the two intervals was split in half and one-half was submitted for quantitative determination for gold, silver, lead, and zinc (Skyline Job Number 20089). The material sampled includes both the hydrothermally altered wall rock as well as sulfide-bearing vein material. Most of the samples represent 5 foot core intervals although some are shorter in length. The true thickness of the sampled zones was calculated from the average known dip of the Humbolt vein, inclination of the drill hole and the intercept interval. The results are presented in the following table.

Mountain Top Mine, Ouray County, Colorado
Diamond Drill Hole #6, AXWL
Bearing N 86° W, Inclination -33° TD= 575 feet

Item	Drill Hole Interval in feet	Approximate True Thickness in feet	Au (oz/T)	Ag (oz/T)	Pb (%)	Zn (%)
1.	410-415	2.6	<.01	.07	.03	.15
2.	415-420.6	2.9	<.01	7.2	.69	.725
3.	420.6-425	2.3	<.01	.07	.03	.09
4.	519.6-525	2.8	<.01	<.01	<.005	.01
5.	525-529	2.1	<.01	<.01	<.005	.02
6.	529-534	2.6	<.01	.03	<.005	.025
7.	534-539	2.6	<.01	.12	<.005	.015
8.	539-544	2.6	<.01	.01	<.005	.015
9.	544-549	2.6	<.01	.48	.18	.345
10.	549-554	2.6	.01	1.76	.65	.75
11.	554-556	1.0	<.01	.26	.22	.30
12.	556-561	2.6	<.01	.01	<.005	.037

The core recovered from drill hole number 4 did not contain any appreciable amounts of sulfide minerals, therefore none of the material was submitted for analyses.

The general character (as determined by visual examination) of the core recovered from both diamond drill holes number 4, and number 6 is summerized on the enclosed pages.

Sincerely yours,

Wm. L. Lehmbeck

W. L. Lehmbeck

SKYLINE LABS, INC.
SPECIALISTS IN GEOCHEMICAL EXPLORATION
12090 WEST 50TH PLACE • WHEAT RIDGE, COLORADO 80033 • TEL.: (303) 424-7718

REPORT OF ANALYSIS

Job No. 20089
December 15, 1970

Ventura Minerals, Inc.
1029 E. 8th Avenue
Denver, Colorado 80218

Attention: Homer Noble

12 Drill Core Samples - Mountain Top Mine, DDH No. 6

Item	Sample No.	Au (oz/T)	Ag (oz/T)	Pb (%)	Zn (%)
1.	410-415 ft.	<.01	.07	.03	.15
2.	415-420.6	<.01	7.2	.69	.725
3.	420.6-425	<.01	.07	.03	.09
4.	519.6-525	<.01	<.01	<.005	.01
5.	525-529	<.01	<.01	<.005	.02
6.	529-534	<.01	.03	<.005	.025
7.	534-539	<.01	.12	<.005	.015
8.	539-544	<.01	.01	<.005	.015
9.	544-549	<.01	.48	.18	.345
10.	549-554	.01	1.76	.65	.75
11.	554-556	<.01	.26	.22	.30
12.	556-561 ft.	<.01	.01	<.005	.037

for Charles E. Thompson
Chief Chemist

SKYLINE LABS, INC.
SPECIALISTS IN GEOCHEMICAL EXPLORATION
12090 WEST 50TH PLACE • WHEAT RIDGE, COLORADO 80033 • TEL.: (303) 424-7718

December 11, 1970

Summary

I. Mountain Top Mine, Ouray County, Colorado
Diamond Drill Hole Number 6 -- AXWL
Bearing: N86°W, Inclination: -33°.

Drill Hole Interval (in feet)	Description
General	
0 to 575	Greenish-gray to purple andesite latite flow(?) breccia of the San Juan formation. Breccia fragments are 1/8 to 3 inches in diameter. The host rock has undergone prophylitic alteration with calcite (1 to 3%), chlorite (1 to 5%), and magnetite (<1%) occurring as common secondary minerals throughout the entire section of core examined. Plagioclase phenocrysts have been kaolinized. Transition into zones of more intense hydrothermal alteration are accompanied by bleaching of the flow breccia, kaolinization, pyritization, and silicification. Chlorite is abundant in both the altered and unaltered zones, magnetite and disseminated calcite disappear as the intensity of hydrothermal alteration increases.
0 to 94	In the interval from the drill collar to a drill depth of 94 feet, the core contains a one-half to one inch wide quartz/carbonate veinlet containing fine-grained galena, sphalerite, and pyrite. The strike of the veinlet, which is exposed in the heading of the drill station, nearly parallels the bearing of the drill hole. Sections of the veinlet were cut at 43 to 46 feet, 65 to 69 feet, and 70 to 85 feet. It is possible that these intercepts are related to separate parallel veinlets.
94 to 405	Dark grayish purple andesite/latite flow breccia. Breccia fragments range from 1/8 to 10 inches in diameter. Hairline to 1/2 inch wide calcite stringers occur at random intervals.

Drill Hole Interval (in feet)	Description
405 to 415	From 409 to 415 feet -- increasing effects of hydrothermal alteration: bleaching kaolinization, pyritization, and slicification.
415 to 420.6	Sulfide vein. Flow breccia has been sheared and recemented with silica containing disseminated pyrite. At 420 to 421 feet the core contains a narrow (1/2 to 3/4 inch) veinlet of quartz containing fine-grained galena, sphalerite, pyrite, and an unidentified sulfide mineral. The veinlet nearly parallels the long axis of the core, however the core is badly broken and the exact attitude of the sulfide mineralization in relation to the core section is not clear. It appears that some, but probably not more than 10 percent of the vein material has been washed out of the interval 420 to 420.6 feet.
420.6 to 425	Decreasing effects of hydrothermal alteration and loss of sulfide minerals.
425 to 525	Dark gray to purple andesite/latite flow breccia of the same general character described in the interval 94 to 425 feet.
526	Change from andesite/latite flow breccia to a light grayish green andesite porphry dike (?). Feldspar phenocyrsts are kaolinized, local stringers of quartz and pyrite.
526 to 544	Light gray-green andesite porphyry increasing silicification and pyritization. Minor occurrences of fine-grained galena and sphalerite.
544 to 556	Possible intercept of the Humbolt vein (apparent dip in core 65° W). Alternating veinlets of quartz and fine-grained pyrite with minor amounts of galena and sphalerite. The andesite has been highly sheared with quartz and sulfide minerals filling and recementing the zone. Galena and sphalerite represent less than one percent of the sulfide minerals present.
556 to 558	Light gray-green andesite containing minor amounts (1 to 3 percent) of disseminated pyrite.

Drill Hole Interval (in feet)	Description
558 to 575	Change back to the andesite/latite flow breccia at 558 feet. Effects of hydrothermal alteration decrease from 558 to 561 feet. Some bleaching and increasing hydrothermal alteration from 565 to 575 feet.
	Total Length of Drill Hole -- 575 feet

II. Mountain Top Mine, Ouray County, Colorado
Diamond Drill Hole Number 4 -- AXWL
Bearing N76° W, Inclination -30°

Drill Hole Interval (in feet)	Description
0 to 298	The core recovered from drill hole number 4 (0 to 298 feet) is of the same general character as that described under the general category in the description of core obtained from drill hole number 6. Unfortunately, due to inclement weather the drill hole was not completed to its planned drill depth of 550 feet. No significant sulfide mineralization was noted in the actual core recovered and no analyses of the material were requested.

1-44

November 2o, 1967

STATEMENT:

TO:

Ventura Oil Company
Midland Savings Bldg
Denver, Colorado

Mountain Top Mine

Drifting twenty four feet (24')	@ $40.00	$960.00
Roof Bolting with chain link Matting eighty feet (80) of drift in lieu of timbering same. Eighty Feet (80) at $6.50		520.00
	TOTAL	$1,480.00

REMIT TO:

C.W. BUNKER COMPANY
P.O. BOX 463
Norwood, Colorado

Cecil Bunker

November 24, 1970

To:

Ventura Oil Company
1029 East 8th Avenue
Denver, Colorado 80218

From:

MacPherson Drilling Co., Inc.
Box 1167
Montrose, Colorado 81401

Underground Drilling
Mountain Top Mine
Ouray, Colorado

Hole #	FROM	TO	FOOTAGE	TYPE	Allowable Rate	RATE	Total	TOTAL
6	0	300	300	AXWL	5.95	6.95	1,785.00	2,085.00
6	300	575	275	AXWL	6.35	7.10	1,746.25	1,952.50
4	0	298	298	AXWL	5.95	6.95	1,773.10	2,071.10
							5,304.35	

Not allowable Mobilization & Demobilization Drilling Equipment 350.00

100 Core Boxes @ $1.00 each 100.00

6,558.60

Core Boxes

Prior paid	200
Credit	(22)
	178
Current	97
Allowable Total	275

CORE DRILLING FOUNDATION TESTING SOIL SAMPLING, ETC.

MacPherson Drilling Company, INC.

MONTROSE, COLORADO 81401

TELEPHONE 249-3501 P. O. BOX 1167

FOR CUSTOMER'S USE ONLY	
Register No.	Voucher No.
Terms Approved	Rate Approved
Calculations Checked	
Footage Checked	
Adjustments	
Accounting Distributions	
Audited	Final Approval

INVOICE DATE: October 30, 1967. October Drilling
INVOICE NUMBER: 3, Final
CONTRACT: Ventura Oil Company
TERMS: Contract
LOCATION: Underground, Mountain Top Mine, Ouray, Colorado

HOLE NO.	FROM	TO	FOOTAGE	RATE	TOTAL
3	139	300	161 AX WL Core	5.95	957.95
	300	425	125 " "	6.35	793.75
	Standby time: noair wating for compressor to be repaired, 21 - hrs. @ $14.00 per hr.				294.00
	Moving equipment from drill station to portal, 2 - hrs. @ $10.00 per hr.				20.00
	Reaming & installing casing, 3 - hrs. @ $14.00 per hr.				42.00
	Last half of mobilization				175.00
					2,282.70
	Casing left in hole, 47 ft. @ $2.20 per ft.				103.40
					2,386.10
	CREDIT on core boxes, 22 - boxes @ $1.00 per box				- 22.00
			Total.....	$	2,364.10

PHONE 623-7238

VENTURA OIL COMPANY

510 MIDLAND SAVINGS BUILDING
DENVER, COLORADO 80202

To:

Ventura Oil Company
Mountain Top Mine Division
510 Midland Savings Building
Denver, Colorado, 80202

Date October, 1967
Invoice No. 3
Lease Mountain Top Mine

Office expense including costs for maps, printing, telephone, etc.	$ 40.00
Same as above for November, 1967	$ 40.00
Same as above for period December, 1967, through December, 1970 - 1.5 months	$ 60.00
TOTAL	$ 140.00

Form H505 buff, Form G505 Green

	Initials	Date
Prepared By		
Approved By		

Ventura Oil Co.

Summary of geological consultants & sample analysis charges at Mountain Top
10/67 - 12/70

	(1)	(2)	(3)	(4)
Sample analysis:				
Hazen Research - 12/15/67				49.00
Skyline Labs. Inc - 12/15/70				66.00
				115.00
Consultants	Allowable Fees	Per Diem	Travel	
12/15/70 - Skyline Labs. Lehmbeck	196.88			
7/1/68 - Maynard F. Ayler	112.50	(1.5) 24.00	39.00	
8/1/68 - " "	337.50		9.20	
8/30/68 - " "	369.50	(2.5) 56.00	43.90	
10/4/68 - " "	112.50	(1.5) 24.00	39.90	
11/14/68 - " "	56.25			
1/24/69 - " "	112.50			
7/30/69 - " "	75.00			
8/31/69 - " "	37.50			
	1410.13	104.00	132.00	

HAZEN RESEARCH, INC.

4601 INDIANA STREET
GOLDEN, COLORADO • 80401
TELEPHONE 279-4549

REPORT OF ANALYSIS

To: Mr. Homer Noble
Ventura Oil Company
510 Midland Savings Building
Denver, Colorado 80202

Date: December 15, 1967

HRI Project No. 313
HRI Series No. 941

Analysis No.	Sample Designation	Pb %	Cu %	Zn %	Au oz/ton	Ag oz/ton	
		1.50	1.50	1.50		2.50	
941-1	T-2-1	0.018	0.01	0.02	ND	ND	2'
2	T-2-2	0.035	0.02	0.04	ND	ND	2
3	T-2-3	0.23	0.01	0.47	Tr	0.82	1.5"
4	T-2-4	54.48	0.15	2.82	0.006	40.52	9"
5	T-2-5	0.47	0.02	1.09	Tr	2.36	11"
6	T-2-6	0.11	0.01	0.13	ND	ND	1'8"
7	T-2-7	0.30	0.01	0.05	ND	ND	1.3"

Note: These samples are drill core submitted by Walter Verner on November 13. The cores have been split and one-half retained.

2
372
378

7 x 7.00 = 49.00

By Delmer L. Brown
Delmer L. Brown
Geological Engineer

cc: Mr. Walter Verner

#162 91

#16-5
$351.30

#10846 000
$351.30

SKYLINE LABS, INC.
SPECIALISTS IN GEOCHEMICAL EXPLORATION
12090 WEST 50TH PLACE • WHEAT RIDGE, COLORADO 80033 • TEL.: (303) 424-7718

INVOICE

No. 4698
December 15, 1970

Terms: Net 30 days

Sold To: Ventura Minerals, Inc.
1029 E. 8th Avenue
Denver, Colorado 80218

Attention: Mr. Homer Noble

Subject: Examination and analysis of selected intervals of drill core recovered from diamond drill holes 4 and 6, Mountain Top Mine, Ouray County, Colorado.

1. Professional Services @ $12.50/hour, 21 hours $262.50

2. Analytical Services, Job No. 20089

12 Gold @ $2.00	$24.00	
12 Silver @ $1.50	18.00	
12 Lead and Zinc (quant) @ $2.40	28.80	
12 Samples pulverized @ $1.50	18.00	
		88.80

Total $351.30

12 Gold+silver @ 2.50 = 30.00
12 Lead @ 1.50 = 18.00
12 Zinc @ 1.50 = 18.00
66.00

ORIGINAL

- ① Professional services - 75.00/day rate = 9.375/hr. x 21 = 196.88

Form G505 Green

	Initials	Date
Prepared By		
Approved By		

VENTURA OIL COMPANY
10/67 - 12/70
Docket No. # OME-6524
Contract # - 14-23-090-2241

	(1)	(2)	(3)	(4)	(5)
SUMMARY OF COSTS AND AMOUNT DUE			VENTURA	OIL CO.	
Form 60 - Monthly total			2697758		
Less rehabilitation work (25% reimbursement)			125000		
Subject to 75% reimbursement			1447758		
Costs subject to 75% reimbursement		1447758	@ 75%	108581 8	
Cost subject to 25% reimbursement (Amendment 5)		125000	@ 25%	3125 00	
TOTAL REIMBURSENT DUE				139831 8	

MAYNARD F. AYLER
CONSULTING GEOLOGIST
1315 NORMANDY ROAD
GOLDEN, COLORADO
80401

PHONE ~~[illegible]~~
238 2063

July 1, 1968

Ventura Oil Company
1029 East 8th Avenue
Apt 104
Denver, Colorado 80218

For services rendered and expenses incurred in geologic studies at your Bergen Park titanium property and the Mountain Top property.

Bergen Park titanium

7½ days @ $150.00/day	$1087.50	
301 miles @ $.10/mile	30.10	
Map prints	1.43	
		$1119.03

Mountain Top.

1½ days @ $150.00/day	225.00	
390 miles @ $0.10/mile	39.00	
Room, 2 nights	11.33	
Meals	10.50	
		285.83
Total due		$1404.86

Allowable
1.5 days @ 75.00 = 112.50

Maynard F. Ayler
Maynard F. Ayler

aa

Rec'd 7-5-68
3860

MAYNARD F. AYLER
CONSULTING GEOLOGIST
1315 NORMANDY ROAD
GOLDEN, COLORADO
80401

PHONE ~~XXXXXX~~
238 2063

August 1, 1968

Ventura Oil Company
1029 East 8th Ave.
Apt. 104
Denver, Colorado 80218

For services rendered and expenses incurred during July 1968 in geologic studies at your Bergen Park titanium property and the Mountain Top Mine.

Bergen Park titanium	
3 days @ $150.00/day	$ 450.00
180 miles @ $0.10/mile	18.00
Sub- Total	468.00
Mountain Top	
4½ days @ $150.00.day	675.00
92 miles @ $0.10/mile	9.20
Sub- Total	684.20
Total due	$1152.20

Maynard F. Ayler

Maynard F. Ayler

Allowable
4.5 days @ 75.00
= 337.50

aa

Paid 8-13-68
#3912

MAYNARD F. AYLER
CONSULTING GEOLOGIST
1315 NORMANDY ROAD
GOLDEN, COLORADO
80401

PHONE
238 2063

Aug. 30, 1968

Ventura Oil Company
1029 East 8th Ave.
Apt. 104
Denver, Colorado 80218

For services rendered and expenses incurred during August 1968 as indicated below.

Bergen Park Titanium		
1 day @ $150.00/day	$150.00	
32 miles @ $0.10/mile	3.20	
		$ 153.20
Mountain Top		
4½ days @ $150.00/day	675.00	
2 days assistant @ $16.00/day	32.00	
Per Diem 3½ days @ $16.00/day	56.00	
439 miles @ $0.10/mile	43.90	
		806.90
Euridice Mine		
6½ days @ $150.00/day	975.00	
2 days assistant @ $16.00/day	32.00	
Per Diem 6½ days @ $16.00/day	104.00	
596 miles @ $0.10/mile	59.60	
		1170.60
Total due		$2130.70

Maynard F. Ayler
Maynard F. Ayler

aa Allowable
4.5 days x 75.00 = 337.50
Assistant 32.00
369.50

Pd 9-25-68 #39882

MAYNARD F. AYLER
CONSULTING GEOLOGIST
1315 NORMANDY ROAD
GOLDEN, COLORADO
80401

PHONE ~~XXXXXX~~
238 2063

October 4, 1968

Ventura Oil Company
1029 East 8th Avenue
Apt. 104
Denver, Colorado 80218

For expenses incurred and services rendered during the month of September, 1968.

Bergen Park rutile deposit. Field checking optioned property, work on marketing, and report preparation.

2 days @ $150.00/day	$300.00	
32 Miles @ $.10/mile	3.20	
Refractories Institute directory	7.00	
Long distance telephone calls	7.39	$317.59

Mtn Top Mine, preparation for going through the mine with Bill Hasler of O.M.E. and making the trip to demonstrate the mine is now mapped geologically and to permit consideration of changes in the exploration program at the mine.

1½ days @ $150.00/day	$225.00	
Map prints	3.00	
Plane ticket to Montrose & return	39.90	
Car rental, Montrose (4 wheel drive)	33.79	
Meals	2.75	$304.44

Examination of rutile-topaz submitted by Bill Reed, et al. This deposit is near Morrison.

¼ day @ $150.00/day	$37.50	$ 37.50
Total due....		$659.53

All paid
1.5 days @ 75.00
= 112.50

Paid
10-29-68
#4026

Maynard F. Ayler
Maynard F. Ayler

aa

MAYNARD F. AYLER
CONSULTING GEOLOGIST
1315 NORMANDY ROAD
GOLDEN, COLORADO
80401

PHONE
238 2063

November 14, 1968

Ventura Oil Company
1029 East 8th Ave.
Apt. 104
Denver, Colorado 80218

For expenses incurred and services rendered during the month of October 1968.

Bergen Park rutile		
1/2 day report preparation @ $150.00/day....	$ 75.00	
Drafting.....	12.50	$ 87.50
Mountain Top Mine		
Arranging change in exploration plan with Bill Hasler of O.M.E. and preliminary work in re-planning diamond drill hole locations.		
3/4 day @ $150.00/day.....	$112.50	
Drafting.....	17.50	
Map prints.....	5.16	135.16
Euridice prospect		
Calculation of survey notes preparatory to drafting of map of dump.		
3/4 day @ $150.00/day.....	$112.50	112.50
Total due.....		$335.16

Allowable
3/4 day @ 75.00 = 56.25

Maynard F. Ayler
Maynard F. Ayler

aa

Paid
11-20-68
H. Yoo

MAYNARD F. AYLER
CONSULTING GEOLOGIST
1315 NORMANDY ROAD
GOLDEN, COLORADO
80401

PHONE XXXXXX
238 2063

January 24, 1969

Ventura Oil Company
1029 East 8th Ave.
Apt. 104
Denver, Colorado 80218

For services rendered and expenses incurred during the month of January, 1969.

U.M. Consultation concerning Ecuador with Mr. Noble and Ed Post, 1/4 day @ $150.00/day..... $ 37.50

U.O. Working on O.M.E. contract for the Mountain Top Mine, 1 1/2 days @ $150.00/day..... 225.00
Drafting--Mtn Top map..... 4.00

Assays at Euridice Mine..... 80.50
Total due..... $347.00

Allowable
1.5 days @ 75.00 = 112.50

Maynard F. Ayler
Maynard F. Ayler

aa

Paid 2-14-69 $309.50
#4185 - $37.50
#1255 -
UOC
UMS

MAYNARD F. AYLER
CONSULTING GEOLOGIST
1315 NORMANDY ROAD
GOLDEN, COLORADO
80401

PHONE XXXXXXX
238 2063

July 30, 1969

Ventura Oil Company
1029 East 8th Avenue
Denver, Colorado 80218

For services rendered and expenses incurred during the month of July 1969. Work was divided as follows:

Ecuador exploration. Report rewrite and preparation and reviewing contract requirements.

½ day @ $150.00/day.....	$ 75.00	$ 75.00

Mountain Top Mine. Replanning drill hole locations, map preparation, and time spent at O.M.E. office.

1 day @ $150.00/day-.....	$150.00	
Map prints.....	2.01	
		$152.01

Drafting of Euridice map.

Drafting.....	$ 10.00	$ 10.00
Total due.....		$237.01

Paid
$162.01
8-11-69
#11408

Allowable
75.00

Maynard F. Ayler
Maynard F. Ayler

aa

MAYNARD F. AYLER
CONSULTING GEOLOGIST
1315 NORMANDY ROAD
GOLDEN, COLORADO
80401

PHONE ~~XXXXXX~~
238 2063

August 31, 1969

Ventura Oil Company
1029 East 8th Avenue
Denver, Colorado 80218

For services rendered and expenses incurred during the month of August, 1969. Work was divided as follows:

Trying to make connections with Mr. Wecherly and finally meeting with him in Golden.
1/2 day @$150.00/day.....$ 75.00

Work on new drill hole planning for the Mountain Top and presentation to Bill Hassler of OME.
1/2 day @ $150.00/day..... 75.00

Total due.....$150.00

Allowable
37.50

Maynard F. Ayler
Maynard F. Ayler

aa

Paid
9-18-69
#4454

Office of Minerals Exploration
Building 53 Room 200

JUN 24
INITIALS
Cole 1:20 PM
1:30
HK 1:40

June 21, 1971

Mr. Homer Noble, President
Ventura Oil Company
1029 E. 8th Avenue
Denver, Colorado 80218

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3
Ouray County, Colorado
Contract 2241

Dear Mr. Noble:

The final Operator's Monthly Voucher for October 10, 1967 to December 12, 1970 that you submitted has been processed and forwarded to our Washington Office with recommendations for payment. However, $200.00 is being withheld pending the submittal of a final geologic and engineering report, pursuant to Article 5(c) of the subject contract, that states: (c) Final Report -- Upon completion of the work, or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with three copies of a final report (in addition to the final monthly report). This report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed under the contract."

We have reports from your consulting geologists on various phases of the work, but we do not have a report that includes the material requested in Article 5(c) of the subject contract. None of the reports or recommendations completely reviews the project as a whole, from beginning to end. If we can be of help to you, please feel free to call on us.

bcc: Chief, OME
OME chron
OME-6524
Mr. Hasler
Mr. Emerick

Sincerely yours,

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 200

September 22, 1970

OFFICIAL COPY
O. M. E.
RECEIVED
SEP 24 1970
INITIALS | CODE
Ocf/BDM
HK/20
WE/20

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3 Mines
Ouray and San Miguel Counties, Colorado
Contract 2241

Transmitted herewith are the Government's Copy and Budget and Finance's Copy of Amendment No. 7 on the above-stated subject, signed for the Government and by the Operator. The Operator's Copy has been retained by the Operator; and the Field Office's Copy and Extra Copy for Field Use have been retained in the Field Office, Region III.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosures

See left side of docket

PHONE 623-7238

VENTURA OIL COMPANY

1029 EAST 8TH AVENUE

DENVER, COLORADO 80218

September 16, 1970

OME Region III
RECEIVED
SEP 18 1970
Denver, Colorado

Mr. J. William Hasler
Field Officer, Region III
United States Department of the Interior
Office of Minerals Exploration
Building 53, Room 200
Federal Center
Denver, Colorado 80225

Re: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3 Mines
Ouray and San Miguel Counties, Colo.
Contract 2241

Dear Mr. Hasler:

As requested in your letter of September 15, we have signed proposed Amendment No. 7 of the subject contract and are herewith enclosing original and two copies for your distribution.

Yours truly,

VENTURA OIL COMPANY

Homer Noble

Homer Noble

ag

Enclosures

Office of Minerals Exploration
Building 53 Room 200

OFFICIAL
COPY
O. M. E.
RECEIVED
SEP 17 1970
INITIAL CODE
bol / 20 YW
HK / 20
WE / 20 E

September 15, 1970

Mr. Homer Noble, President
Ventura Oil Company
1029 East 8th Avenue
Denver, Colorado 80218

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3 Mines
Ouray and San Miguel Counties, Colorado
Contract 2241

Dear Mr. Noble:

Enclosed are the original and three copies of proposed Amendment No. 7 (two pages) and one map (Figure 2), to the subject contract, signed for the Government.

If the proposed amendment is satisfactory to you, all four copies should be signed by you or a duly authorized representative of Ventura Oil Company. Retain the Operator's Copy and return the other copies to this office for distribution.

If any part of the proposed amendment does not have your approval the original and all copies are to be returned to this office together with the proposed changes for consideration.

Sincerely yours,

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosures

cc: Chief, OME ✓
OME-6524
OME chron
Mr. Hasler

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
9/9/70	Kirkemo	120
9/	Emquck	
9/11	[illegible]	
9/11	Cee	120
		120

SEP 11 1970

AIRMAIL

Memorandum

To: Field Officer, Region III

From: Chief, Office of Minerals Exploration

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3 Mines
Ouray and San Miguel Counties, Colorado
Contract 2241

Enclosed are the original and three copies of proposed Amendment No. 7 (two pages) and one map (Figure 2), to the subject contract, signed for the Government. An extra copy of the amendment is also enclosed for field use.

If the proposed amendment is satisfactory to you and the Operator, all four copies should be signed by an authorized representative of the Operator and distributed as usual.

If any part of the proposed amendment does not have your approval or that of the Operator, the original and all copies are to be returned to this office together with the proposed changes for consideration.

Harold Kirkemo (bsl)

Harold Kirkemo

Enclosures

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
Mr. Kirkemo
130

HKirkemo/bsl 9/9/70

PHONE 255-3643

VENTURA OIL COMPANY
1029 EAST 8TH AVENUE
SUITE 104
DENVER, COLORADO 80218

August 27, 1970

OME Region III
RECEIVED
AUG 28 1970
Denver, Colorado

ORIGINAL
COPY
O. & G.
SEP 3 1970
INITIAL CODE
HK 1/20

Mr. J. William Hassler
Field Officer, Region 3
Office of Minerals Exploration
U.S. Geological Survey
Building 53, Room 200
Denver Federal Center
Denver, Colorado 80225

Dear Bill:

During your absence we found it impossible to move ahead with the Mountain Top program and, after some discussion with your assistant here in Denver, I called and spoke with Mr. Emerick in Washington.

Mr. Emerick suggested that I draft an amendment along with a map showing the new proposed program. I am enclosing with this letter a copy of the letter to Mr. Emerick as well as our new proposal.

Yours truly,

VENTURA OIL COMPANY

Homer Noble

Homer Noble

HN:ag

Enclosures

120E Emerick

120 Kirkemo

130

to Legal 8/27

DRAFT 8/26/70
WLEmerick/gla

EXPLORATION CONTRACT
VENTURA OIL COMPANY
OME-6524

Amendment No. 7

It is agreed this _____ of _____, 1970, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and Ventura Oil Company, a Nevada corporation, hereinafter called the "Operator," that Exploration Contract 2241 (OME-6524), dated June 30, 1967, as amended, is further amended effective August 15, 1970, as follows:

1. In Exhibit A:

(a) Under the heading Description of the Work, the entire section is revised to read as follows:

"The work shall consist of drifting, crosscutting, rehabilitating sections of the Sunrise Tunnel, Terrible 3 drift, and Humboldt drift, preparing drill stations on the Sunrise Tunnel level and Terrible 3 drift, core drilling from the stations, and evaluating the results.

"The northwest drift on the Terrible 3 vein shall be extended by drifting along the vein ~~to intersect the Mountain Top vein. It is estimated that~~ approximately 198 feet ~~of drifting may be required.~~

"Two drill stations shall be excavated, one along the Sunrise Tunnel approximately 800 feet from its portal, and a second one at the western end of the Terrible 3 drift.

"Five core drill holes shall be drilled from the two stations. The holes shall be inclined to cut the veins not less than 200 or more than 500 feet below the Sunrise Tunnel and Humboldt drift levels. It is estimated that a total of about 2,740 feet of drilling will be required.

"The approximate locations and directions of the drifting and crosscutting, and the approximate locations, directions, and inclinations of the five drill holes are shown on Figure 2 (Revision No. 2), entitled "Sketch of Suggested Diamond Drilling from Sunrise Tunnel and Terrible 3 drift," attached and made part hereof."

This amendment shall not be construed to increase the estimated total cost of the contract, the aggregate amount which the Government may be required to contribute, the amount of any item designated as maximum, nor the fixed unit cost of any item of work.

Executed in quadruplicate the date and year first above written.

THE UNITED STATES OF AMERICA

By_____
Chief, Office of Minerals Exploration
U. S. Geological Survey

VENTURA OIL COMPANY

By_____

Title_____

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 200

September 2, 1970

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Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3 Mines
Ouray and San Miguel Counties, Colorado
Contract 2241

Enclosed is a letter dated September 1, 1970 confirming verbal approval given the subject Operator on August 28, 1970 to relocate the drilling site of two diamond drill holes, Nos. 4 and 6, from the Humboldt drift to a location at the end of the new drift along the Terrible 3 vein, as requested in the Operator's letter dated August 19, 1970 to Mr. Emerick. The reasons for the requested new drill hole site location are described in the Operator's letter of August 19, 1970.

Mr. Emerick informed the Operator that an amendment to the contract could, and would be made, however, no verbal approval to prepare the new drill sites were given the Operator at that time. Because of the short summer season, in the San Juan Mountains at elevations above 10,000 feet above sea level, it was deemed advisable to give the Operator as much time as possible to complete the diamond drilling this work season, before bad weather sets in, possibly during October. If the Operator waits until the amendment is executed to commence drilling he may not be able to complete the work this summer, consequently I gave the Operator verbal approval to drill holes Nos. 4 and 6 from the face of the Terrible 3 drift Friday August 28th, upon the recommendation of Mr. Emerick.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Office of Minerals Exploration
Building 53 Room 200

September 1, 1970

Mr. Homer Noble, President
Ventura Oil Company
1029 East 8th Avenue
Denver, Colorado 80218

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3 Mines
Ouray and San Miguel Counties, Colorado
Contract 2241

Dear Mr. Noble:

This letter constitutes confirmation of verbal approval given you on August 28, 1970 to relocate drill sites for diamond drill holes Nos. 4 and 6 from the Humboldt drift to the present face of the Terrible 3 drift as requested in your letter of August 19, 1970 to our Mr. Emerick. (Map enclosed.) The amendment to the subject contract concerning this change is in preparation.

Sincerely yours,

J. William Hasler

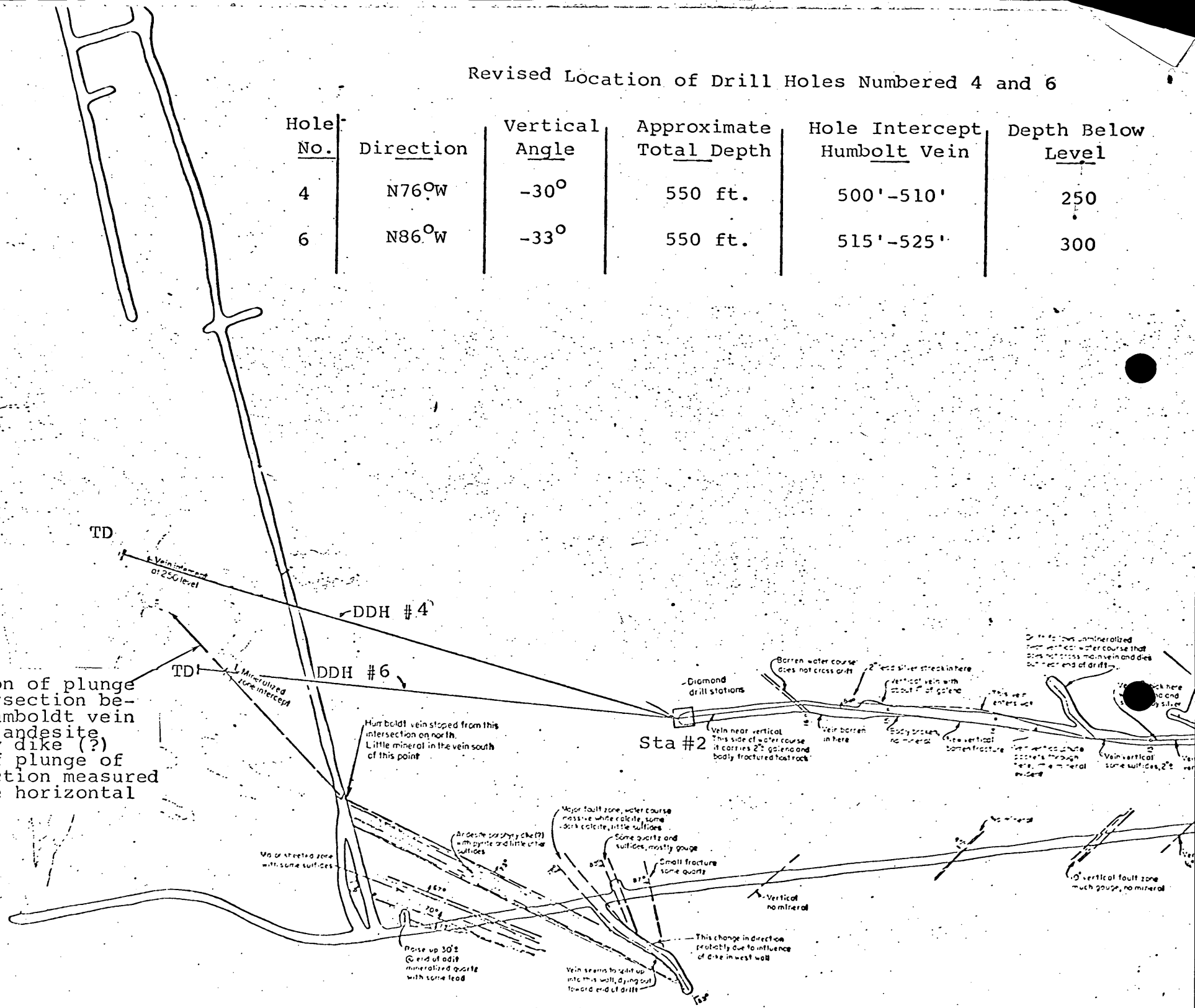
J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosure

cc: Chief, OME
OME-6524
OME-chron
Mr. Hasler

Revised Location of Drill Holes Numbered 4 and 6

Hole No.	Direction	Vertical Angle	Approximate Total Depth	Hole Intercept Humbolt Vein	Depth Below Level
4	N76°W	-30°	550 ft.	500'-510'	250
6	N86°W	-33°	550 ft.	515'-525'	300



PHONE 255-3643

VENTURA OIL COMPANY
1029 EAST 8TH AVENUE
SUITE 104
DENVER, COLORADO 80218

OFFICIAL
COPY
O. M. E.
RECEIVED
AUG 21 1970
INITIAL CODE

August 19, 1970

United States Department of the Interior
Geological Survey
Washington, D. C. 20242

Attention: Mr. Bill Emerick

RE: OME-6524 (Silver)
Mountain Top and Terrible 3 Mines
Ouray and San Miguel Counties
Colorado
Contract 2241

Gentlemen:

The purpose of this letter is to inform you of recent difficulties which we encountered while trying to rehabilitate the drift on the Humbolt vein as well as the drift leading on west of the Humbolt where station number two is located.

The back of the drift along the Humbolt vein has been timbered the full distance out to station number three. This timber was put in many years ago and even though it presently is holding the back, we found many places where the timber was dry rotted and had taken on a lot of weight. It does appear that a minimum amount of disturbance would cause the full length of this drift to cave in. In order to make it presently safe we would have to put in timber sets for the full 300 feet distance. In our opinion, the cost of this would be prohibitive.

The problems we encountered in the west drift toward station number two are costly ones. Most of this area is already caved in and there would have to be timber sets for a distance of 40 feet. At approximately 80 feet past the Humbolt vein there is a concrete bulkhead. This bulkhead appears to be about three feet thick, and it was impossible for us to see beyond this point. Here again, we feel the cost of cutting station number two would also be prohibitive.

Copy to P-III

U.S. Department of the Interior August 19, 1970

It is because of the foregoing described problems that we would like to amend our O.M.E. contract and ask permission to cut a drill station on the Terrible Number Three vein drift. I am enclosing with this letter a plat showing the new revised drill station and drill holes. Hole number six will cut the same zone it would originally cut from station number three. Hole number four will cut the Humbolt vein and will also cut the vein intersect and accomplish the same purpose.

I would appreciate your recognizing our problems and granting our request.

Very truly yours,

VENTURA OIL COMPANY

Homer Noble

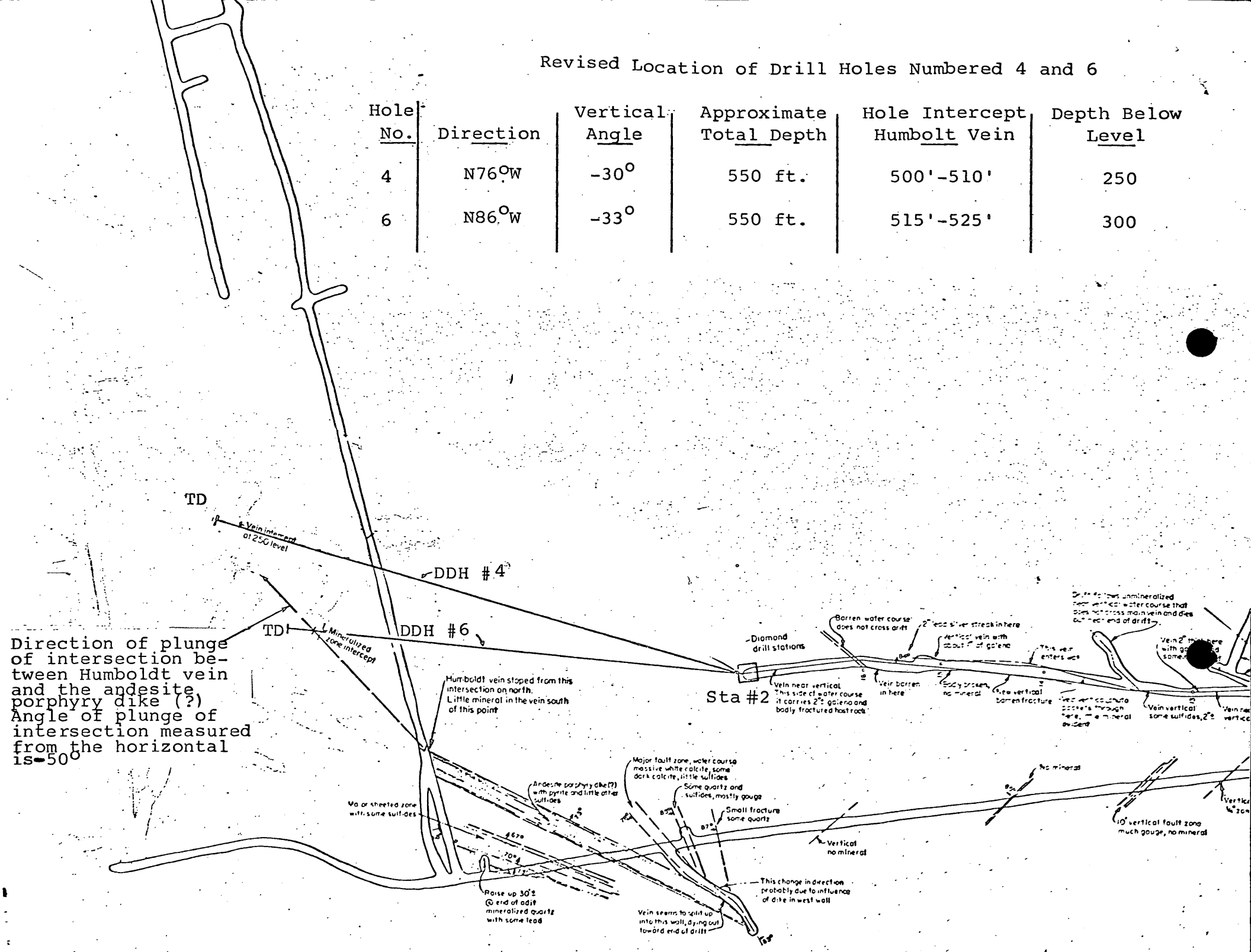
Homer Noble

HN:ag

Enclosure

Revised Location of Drill Holes Numbered 4 and 6

Hole No.	Direction	Vertical Angle	Approximate Total Depth	Hole Intercept Humbolt Vein	Depth Below Level
4	N76°W	-30°	550 ft.	500'-510'	250
6	N86°W	-33°	550 ft.	515'-525'	300



MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
7/7/70	Emerick	120
		120
7/7	CLC	220
		120M

AIRMAIL

JUL 7 1970

Mr. Homer Noble
President
Ventura Oil Company
1029 East 8th Avenue
Denver, Colorado 80218

Re: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3 Mines
Ouray and San Miguel Counties, Colorado
Contract 2241

Dear Mr. Noble:

This is in reply to your letter of June 29, 1970, enclosing a license from the Idarado Mining Company giving you permission to drill from that portion of the Sunrise tunnel that extends into Idarado's Bank of San Juan claim. You request permission from the Government to drill on the OME contract from the Bank of San Juan claim.

The Government will not contribute to any cost of work proposed on lands not included in the OME contract. The license granted to Ventura Oil Company by Idarado Mining Company to enter upon and to conduct drilling operations from Idarado's Bank of San Juan mining claim (1) does not protect the Government's right to royalty in the event of production from the claim, (2) does not give the Operator possessory right, title, or interest in the claim, and (3) does not provide for inclusion of the claim, by amendment, into the OME contract under provisions of Article 2 and Annex I thereto.

Therefore, work under the contract should proceed as set forth in Amendment No. 5, dated August 27, 1969, and Amendment No. 6, dated April 9, 1970.

Sincerely yours,

Harold Kirkemo (gla)

Harold Kirkemo
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
OME Region III
Mr. Emerick
130

WLEmerick/HKirkemo/gla 7-7-70

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225
Office of Minerals Exploration
Building 53 Room 200

July 2, 1970

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O. M. E.
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Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3 Mines
Ouray and San Miguel Counties, Colorado
Contract 2241

Enclosed is a copy of a letter dated June 29, 1970 from the subject Operator informing this office that work is progressing at the Mountain Top mine. During a telephone conversation with the Operator on June 29, 1970, he informed me that the total snow depth at the Camp Bird mine was some 368 inches, or 30-2/3 feet.

The elevation at the main Camp Bird workings is approximately 9,800 feet above sea level, some 2,240 feet below the Mountain Top mine whose portal is about 12,040 feet above sea level. Local residents of the Ouray-Telluride, Colorado area report this winter's snow depth as being one of the deepest in many years, with most of the heavy snows coming during March and April.

A copy of a letter also dated June 29, 1970 from the Operator addressed to the Attention: Mr. Harold Kirkemo, Chief, Office of Minerals Exploration, reached my desk July 1, 1970. This letter concerns the Operator's having received an agreement from the Idarado Mining Company allowing access to the Bank of San Juan Claim. None of the enclosures noted were enclosed and I requested them from the Operator this morning. I indicated that we would probably not now consider another amendment to the contract because of the lateness of the approval, and that the diamond drilling would likely have to be drilled according to the specifications in Amendment No. 5.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

cc: Enclosure

PHONE 623-7238

VENTURA OIL COMPANY

1029 EAST 8TH AVENUE

DENVER, COLORADO 80218

Rec'd 7/1/70 Dept.

June 29, 1970

Mr. J. William Hassler
Field Officer Region 3
Office of Minerals Exploration
U. S. Geological Survey
Building 53, Room 200
Denver Federal Center
Denver, Colorado 80225

Dear Mr. Hassler:

This letter is to inform you that work is now in progress at the Mountain Top Mine.

Our road has been opened to the Portal and our crew is now installing blower and vent equipment in preparation for rehabilitation of the Sunrise Tunnel.

Very truly yours,

Homer Noble

Homer Noble

HN:mlr

PHONE 623-7238

VENTURA OIL COMPANY

1029 EAST 8TH AVENUE

DENVER, COLORADO 80218

OME
6524

OFFICIAL COPY
D. G. S.
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June 29, 1970

United States Department of the Interior
Geological Survey
Washington, D. C. 20242

Attention: Mr. Harold Kirkemo
Chief, Office of Minerals Exploration

Gentlemen:

I have recently received an agreement from the Idaho Mining Company giving us access to the tunnel on the Bank of San Juan Claim. I am enclosing a map showing the Sunrise Tunnel that extends onto the Bank of San Juan Claim.

You will recall that our original amendment, drafted by Maynard Ayler, was to locate the drill station at the end of this drift. We now have received the easement and we would like for your office to give us permission to locate our drill station, and drill holes as we had described in our amendment.

We would appreciate hearing from you regarding your decision.

Very truly yours,

VENTURA OIL COMPANY

Homer Noble

Homer Noble

HN:mlr

Enclosures

CC: William Hassler
Office of Minerals Exploration
Denver, Colorado

IDARADO MINING COMPANY
OFFICE OF THE SECRETARY
300 PARK AVENUE
NEW YORK, N.Y. 10022

June 12, 1970

Ventura Oil Company
1029 East 8th Avenue
Denver, Colorado 80218

Attention: Mr. Homer Noble

Gentlemen:

Mr. T. C. Hedlund, our Resident Manager, reports that your Company has requested permission from Idarado to enter that portion of the Sunrise Tunnel which lies within the vertical boundaries of Idarado's Bank of San Juan Mining Claim, Survey No. 1681, located in Ouray County, Colorado, for the purpose of establishing and operating a diamond drill station therein adjacent to the present face of the said Tunnel in order to conduct core drilling operations in a northerly direction to intersections with your Company's Mountain Top Vein.

Idarado is willing to give, and upon the acceptance by your Company of the terms and conditions of this license does hereby give, a license to your Company to enter that portion of the said Tunnel lying within the vertical boundaries of the Bank of San Juan Mining Claim for the purpose of conducting said drilling operations, subject to the following terms and conditions:

1. That your Company will indemnify and hold Idarado harmless from and against any and all claims, liens, damages, liabilities, costs and expenses for or on account of any death, personal injury, property damage, or otherwise resulting from anything done under this license by your Company or any of its agents, employees or contractors;

2. That your Company and any of its contractors will (a) conduct said drilling operations in a workmanlike manner conforming in all respects with all applicable laws,

rules and regulations, (b) maintain workmen's compensation and occupational disease disability insurance under the terms and provisions of the applicable Colorado statutes, and (c) post and keep posted all notices in the form required by law to protect the said Tunnel and Mining Claim and any other property or property rights of Idarado from all liens for labor or materials;

3. That core samples taken in any drilling through ground within the Bank of San Juan Mining Claim or any other mining claim owned by Idarado will be made available for inspection and assay by Idarado; and

4. That the period of this license will be from June 1, 1970, to December 31, 1970, unless further extended in writing by Idarado.

If you agree to accept this license subject to the above terms and conditions, and agree to comply in all respects with such terms and conditions, kindly so indicate by signing the enclosed copy of this letter and returning it to our office at 300 Park Avenue, New York, New York 10022. Upon receipt of the signed copy of this letter, we will notify Mr. Hedlund to permit your Company to enter that portion of the said Tunnel lying within the vertical boundaries of the Bank of San Juan Mining Claim for the purpose of conducting said drilling operations.

Very truly yours,

IDARADO MINING COMPANY

By David M. Koogler

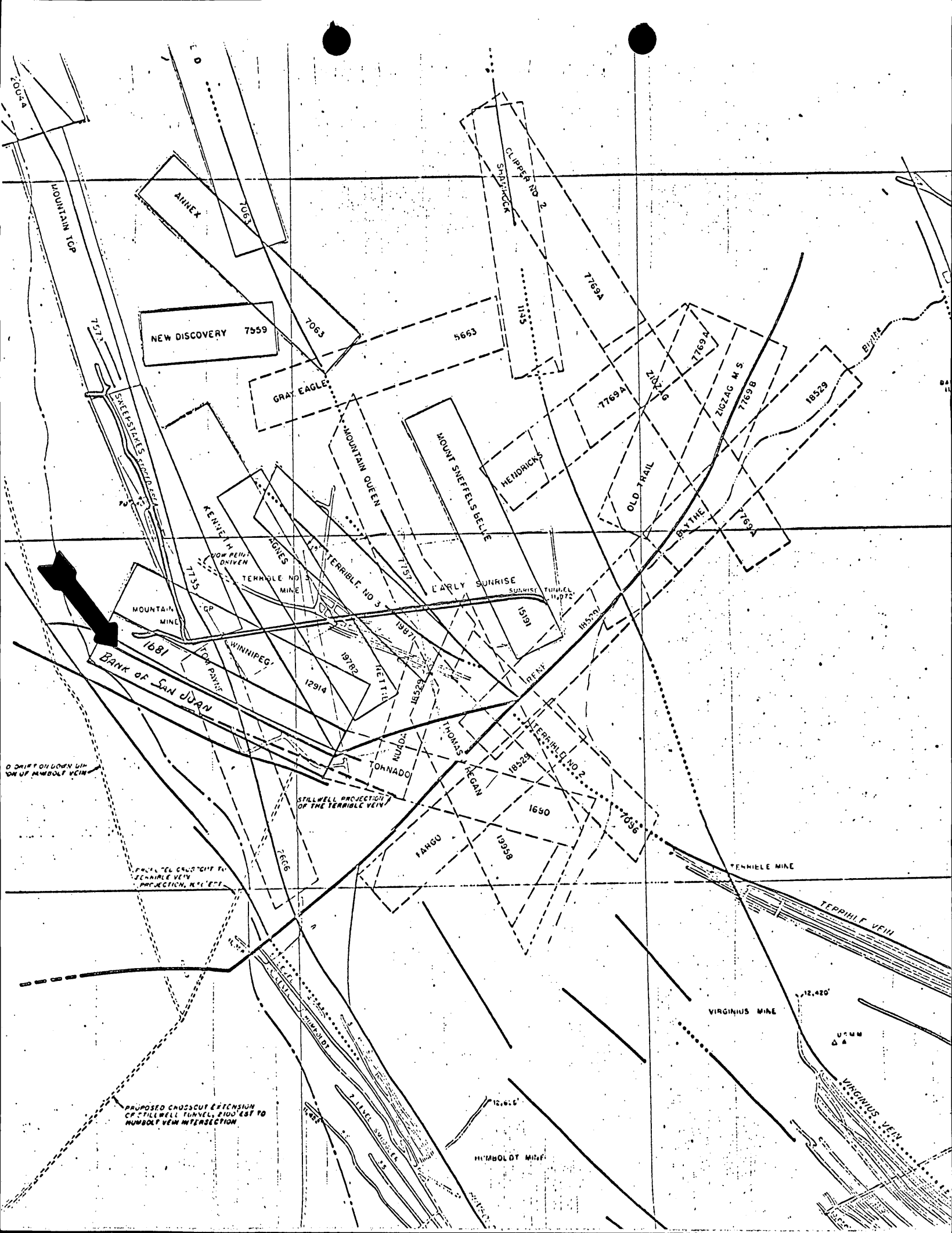
David M. Koogler
Vice President

ACCEPTED:

VENTURA OIL COMPANY

By Thomas Hills President

DATE: 6/22/70


MOUNTAIN TOP
ANNEX
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NEW DISCOVERY 7959
7063
5663
GRAY EAGLE
SHEEPSTAKES
CLIPPER NO 2
SHIPHOCK
1145
7769A
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ZIGZAG
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18529
BLYTHE
OLD TRAIL
HENDRICKS
MOUNT SNEFFELS BELLE
MOUNTAIN QUEEN
KENNETH
AGNES
TERRIBLE NO 3
TERRIBLE NO 3 MINE
LOW PETTIT DRIVEN
7757
EARLY SUNRISE
SUNRISE TUNNEL
15191
18529
MOUNTAIN MINE
7735
CP
1681
BANK OF SAN JUAN
LOW PAYNE
WINNIPEG
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IRENE
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STILLWELL PROJECTION OF THE TERRIBLE VEIN
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VIRGINIUS MINE
12,420'
VIRGINIUS VEIN
HUMBOLDT
2 LEVEL
HUMBOLDT MINE
PROPOSED CROSSCUT EXTENSION OF STILLWELL TUNNEL, 2100' EST TO HUMBOLDT VEIN INTERSECTION

PHONE 623-7238

VENTURA OIL COMPANY
1029 EAST 8TH AVENUE
DENVER, COLORADO 80218

OME Region III
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APR 17 1970
Denver, Colorado

April 15, 1970

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Mr. J. William Hasler
Field Officer, Region III
Office of Minerals Exploration
Building 53, Room 200, Federal Center
Denver, Colorado, 80225

RE: OME-6524 (Silver)
Mountain Top and Terrible 3 Mines
Ouray and San Miguel Counties, Colo.
Contract 2241

Dear Mr. Hasler:

Enclosed are the original and two copies of proposed Amendment No. 6 to the subject contract, all fully executed.

Very truly yours,

VENTURA OIL COMPANY

Homer Noble

Homer Noble

HN:sp

Enclosures

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 200

GENERAL
CHIEF
O. M. E.
RECEIVED
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DIVISION

April 17, 1970

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3 Mines
Ouray and San Miguel Counties, Colorado
Contract 2241

Transmitted herewith are the "Government's Copy" and "Budget and Finance's Copy" of Amendment No. 6 on the above-stated contract, signed for the Government and by the Operator. The "Operator's Copy" has been retained by the Operator, and the "Field Office Copy" and "Extra Copy for Field Use" have been retained for the OME, Region III field office files.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosures

See left side

OFFICIAL COPY
RECEIVED
APR 15 1970
MINERALS MGT

Office of Minerals Exploration
Building 53 Room 200

April 13, 1970

Mr. Homer Noble, President
Ventura Oil Company
1029 East 8th Avenue
Denver, Colorado 80218

Re: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3 Mines
Ouray and San Miguel Counties, Colorado
Contract 2241

Dear Mr. Noble:

Enclosed are the original and three copies of proposed Amendment No. 6 (two pages) to the subject contract, signed for the Government.

If the proposed amendment is satisfactory to you, all four copies should be signed by you or an authorized representative of Ventura Oil Company. The Government's copy, Budget and Finance's copy and the Field Office's copy should be returned to this office. The Operator's copy should be retained by you for your files.

If any part of the proposed amendment does not have your approval the original and all copies are to be returned to this office together with the proposed changes for consideration.

I hope this proposed amendment can be executed by you and returned to this office without undue delay, and that work can begin at the Mountain Top Mine as quickly as weather permits, prior to July 15, if possible.

Sincerely yours,

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosure
cc: Chief, OME ✓ OME-6524 OME chron Mr. Hasler chron

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
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	Kirkemo	120
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APR 9 1970

Memorandum

To: Field Officer, Region III

From: Chief, Office of Minerals Exploration

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3 Mines
Ouray and San Miguel Counties, Colorado
Contract 2241

Enclosed are the original and three copies of proposed Amendment No. 6 (two pages) to the subject contract, signed for the Government. An extra copy of the amendment is also enclosed for field use.

If the proposed amendment is satisfactory to you and the Operator, all four copies should be signed by an authorized representative of the Operator, and distributed in the usual manner.

If any part of the proposed amendment does not have your approval or that of the Operator, the original and all copies are to be returned to this office together with the proposed changes for consideration.

Performance on this project has been very poor and proposed Amendment No. 6 was prepared only after receipt of the Operator's letter dated April 1, 1970, stating that:

1. A competent miner had been engaged to undertake the rehabilitation work in the tunnel as soon as possible in the spring; and

2. McPherson Drilling Company had committed to the Operator a drill crew on or about July 20, 1970.

We note that the Operator mentions a heavy snowfall in the Camp Bird area. We hope this is not intended as an early excuse for not resuming work on this contract on or before the date established in the proposed amendment.

Harold Kirkemo (gla)
Harold Kirkemo

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
Mr. Kirkemo

Enclosures Mr. Emerick
130

HKirkemo/gla 4-7-70

PHONE 623-7238

VENTURA OIL COMPANY
1029 EAST 8TH AVENUE
DENVER, COLORADO 80218

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no 6

April 1, 1970

United States Department of the Interior
Geological Survey
Washington, D. C. 20242

Attention: Mr. Harold Kirkemo
Chief, Office of Minerals Exploration

RE: OME-6524 (Silver)
Mountain Top and Terrible 3 Mines
Ouray and San Miguel Counties,
Colorado
Contract 2241

Gentlemen:

In reference to your letter of March 6, 1970, I would like to inform you that McPherson Drilling Company, located in Montrose, Colorado, has committed to me that they will have a drill crew available on or about July 20, 1970. I have also engaged Merle King, a competent miner from this district, for the rehabilitation work in the tunnel. He has agreed to furnish men necessary to complete this work and has stated that he will be available as soon as work can begin in the spring. I have been informed, however, that a tremendous amount of snow is in the Camp Bird area and it is estimated that June 15 might be the target date.

I hope this information, as outlined above, will meet your request.

Very truly yours,

VENTURA OIL COMPANY

Homer Noble

Homer Noble

HN:sp

CC: William Hasler
Office of Minerals Exploration
Denver, Colorado

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
3/6/70		120
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AIRMAIL

Mr. Homer Noble
President
Ventura Oil Company
1029 East 8th Avenue
Denver, Colorado 80218

MAR 6 1970

Re: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3 Mines
Ouray and San Miguel Counties, Colorado
Contract 2241

Dear Mr. Noble:

This is to confirm our telephone conversation today regarding the current unauthorized suspension of work and possible extension of the subject contract.

I understand that you do not now have firm plans either to engage miners or a drilling crew and equipment to complete work outlined in Amendment No. 5 to the contract. We cannot consider again allowing another period of work recess or extension of the contract, as you requested on December 5, 1969, without a written statement from you advising that you have engaged miners to rehabilitate the Humboldt drift, the Sunrise Tunnel, and to excavate two drill stations, and a drilling crew and equipment to complete the drilling required.

Amendment No. 5 provided that if the work was not resumed by November 15, 1969, the contract would be terminated effective October 15, 1967. We have not exercised the right to terminate the contract in the hope that you would resume work as soon as possible in 1970 and complete the work described in Amendment No. 5. In view of the long period of nonperformance on this contract, we must have assurance that you plan to diligently prosecute the work if the contract is amended again.

You agreed to notify this office in writing in the very near future that you have commitments with a crew of miners to rehabilitate workings and excavate drill stations and with a drilling firm to conduct the drilling. We look forward to receipt of your letter in the next two or three weeks.

Sincerely yours,

Harold Kirkemo (gla)

Harold Kirkemo
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading file
OME Region III

Mr. Kirkemo
HKirkemo/gla 3-6-70

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 200

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FEB 13 1970
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HK 120
WE 120 E

February 9, 1970

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3
Ouray County, Colorado
Contract 2241

The subject Operator's request for an amendment to the contract to recess operations from November 15, 1969 until July 15, 1970 was sent to you on December 18, 1969 recommending that the amendment be prepared, and that the work as prescribed in Amendment No. 5 be completed not later than November 15, 1970.

During a telephone conversation with you on January 6, 1970 you asked justification concerning the advisability of preparing a sixth amendment to the subject contract. A review of the application and subsequent work completed under the subject contract is detailed below with pertinent recommendations.

The Operator applied to the Office of Minerals Exploration on November 15, 1965 for financial assistance to explore veins at depth that are exposed on the Mountain Top Properties through the Stillwell Tunnel near Telluride, Colorado in Ouray County, Colorado.

The ore shoots in the Mountain Top properties consist of base metal, silver, gold veins in the San Juan tuff and younger volcanic rock units. Galena, sphalerite, minor chalcopyrite and silver bearing tetrahedrite are accompanied by quartz, pyrite and carbonates as the main gangue minerals. These veins are a part of the composite network of northwest-trending structures common to the Telluride district. The steep, southerly dipping Humboldt vein, which trends N. 15 - 20° W. is a continuation of the well-known Smuggler Union vein: the Agnes at the Mountain Top mine is a con-

tinuation of the N. 70° W. southerly dipping Terrible vein which has been highly productive both in the Terrible No. 3 claim in the Mountain Top mine and to the southeast in the old Terrible mine. These two veins intersect on the Sweepstakes claim on the Sunrise Tunnel level.

The ore occurs in distinct ore shoots ranging from a few inches wide to 3 and 4 feet in width and several hundred feet along strike and on dip in locations where tensional forces have caused more extensive openings along the individual structure.

A long section (Plate 7 in original application) illustrates the ore shoot which occurs in the adjacent Idarado properties on the Smuggler Union-Humboldt vein southeast of the Stillwell tunnel. This type of ore shoot may be expected at depth in the Mountain Top properties.

Additional ore should be present on the downward extensions of known ore shoots such as the Sweepstakes shoot on the Humboldt vein north of the Sunrise tunnel, and the Agnes ore shoot on the Terrible vein on the Terrible No. 3 claim. These may extend to and below the Stillwell tunnel level, the applicant's former consulting geologist (R. H. Carpenter) believes, that additional ore shoots may occur between the Sunrise tunnel and the Stillwell tunnel at intervals of over 1500 feet. Still other ore shoots may occur at and below the Stillwell tunnel level as shown by Plate 7 on the Smuggler Union-Humboldt vein in the adjacent Idarado property southeast of the Mountain Top mine.

Substantial ore reserves have been recently developed adjacent to the Argentine vein in the Telluride conglomerate on the Idarado property. This lead-zinc-copper sulfide ore occurs for a distance of 20 to 40 feet outward from the vein, totals about 120 feet in thickness, and extends for some 1200 feet along the vein on a 10-degree southeast rake. Ore has also been discovered in previously unexplored sedimentary rocks below the volcanic section (Hedlund, 1966). The Idarado Mining Company maintains a measured 10-year reserve of about 4 million tons of ore, according to the 1967 annual report of the Newmont Mining Corporation. Reported unpublished information indicates that ore reserves extending the life of the Idarado mine in excess of 20 years have been discovered. During 1969, newly discovered reserves have been developed and reported (Mining Record, Denver, Colorado mining newspaper) along the Camp Bird vein, also in the Telluride conglomerate. Prior drilling by the U. S. Bureau of Mines in the Camp Bird Mine indicated that the Telluride conglomerate contained significant mineralized material.

Studies of the Telluride conglomerate indicates that the ore has formed in altered porphyry and silicified limestone cobbles, (Carpenter, R. H. and Lang, Andrew, in application) pebbles, and debris in preference to limestone outwash detritus, and indications are that much of the altered porphyry debris appears to have been derived from Late Cretaceous intrusive porphyries which occur in the vicinity of Ouray, Colorado and

which is believed to have been washed westward and southward into the conglomerate which is found in the Telluride district. If this is true, as Carpenter believes, ore bodies may be found in the Telluride conglomerate beneath the Stillwell Tunnel and Mountain Top properties along the Humboldt and Terrible veins.

"The Telluride conglomerate (R. P. Fischer, and R. G. Luedke, U. S. Geological Survey, Bulletin 1261-C, page C-11), the Tertiary sedimentary unit beneath the thick volcanic sequence consisting of the San Juan Formation, the Silverton Volcanic Group, and the Potosi Volcanic Group, consists of pebbles, cobbles, and boulders of many rock types in a sandy and silty matrix. The materials comprising the Telluride, were derived by erosion from highlands, mostly to the southeast, and deposited locally around the flanks of these highlands. The unit ranges considerably in the thickness in the primitive area; it is as much as a few hundred feet thick in places to absent elsewhere. These variations are due partly to the irregular erosional surface on which it was deposited and partly to erosion of the unit itself." Geologic cross section A-A', Plate 1, Geologic Map of the Uncompahgre Primitive Area, Colorado (USGS, Bull. 1261-C) shows the Telluride conglomerate to thicken appreciably to the west, which lends greater strength to the fact that the possibility of discovering additional mineralized material at greater vein depths, and in thickened areas of the Telluride conglomerates are enhanced. The Operator's original application was based on sound geologic reasoning with good possibilities of discovering new reserves of silver, gold, lead, copper and zinc. Mines in the general area of the Mountain Top mine namely those operated by the Idarado Mining Company, and the Camp Bird Mine, operated by Federal Resources Corporation and others have yielded about $332 million worth of metals, mostly gold, silver, copper, lead and zinc. This represents about 10 percent of the total metal production of Colorado and nearly one-half the total metal production of the San Juan Mountain Region.

In 1965, mines in Ouray and San Miguel Counties yielded $9,437,919 worth of these precious and base metals or 32 percent of the total Colorado production for that year.

Recent exploration work by these two mining Companies have greatly increased the reserve potential both vertically and horizontally along the various vein systems, which includes the veins intersecting within the Mountain Top Mine area.

A review of the original application indicated there were many problems involved, both geologically as well as legally, involving access through another company's ground, that were far too difficult to solve in time, as well as cost. The applicant was then requested in a letter dated April 11, 1966, to propose a less costly exploration program, that was suggested by the applicant in his letter to the Chief, Office of Minerals Exploration, March 30, 1966.

An alternate diamond drilling program was presented to the Office of

Minerals Exploration June 20, 1966. A field examination of the Sunrise Tunnel of Mountain Top Mine was made by J. William Hasler, examining geologist on October 11, 1966, in company with Mr. Andrew J. Lang, Jr. of International Minerals Engineers, Inc., Golden, Colorado. Mr. Lang was killed in a mine accident a few months after the date of the field examination. An exploration program was recommended and a contract was executed June 30, 1967 between the Government and the Ventura Oil Company, to explore by drifting, cross-cutting, and by diamond drilling from prepared underground drill stations for silver-gold bearing ore bodies in and along the Terrible 3 vein (Agnes) and the Mountain Top (Sweepstakes) veins in the tuff-breccia of the San Juan formation of Tertiary age.

Exploration work commenced during July, 1967. Between July and late October, 1967 the Operator completed diamond drill hole Nos. 1, 2 and 3 totalling 1,365 feet in an effort to explore the downward extension of the Terrible 3 (Agnes) vein. Mineralized material was penetrated some 293 feet below the level in drill hole No. 1, at a distance of 476 - 480 feet down the hole. Samples showed the Terrible 3 (Agnes) vein to contain narrow high grade stringers of ore grade material having an average assay of 0.01 oz. Au, 32.43 oz. Ag, 0.319% Cu, 6.213% Pb and 0.630% Zn per ton.

Drill hole No. 2 penetrated mineralized material at a depth of 265 feet below the level, between 372 - 378 feet down the hole. This material sampled the following over a width of some 9 inches, assayed 0.006 oz. Au, 40.52 oz. Ag, 54.48% Pb, 0.15% Cu, and 2.82% Zn thus substantiating the fact that the Terrible 3 (Agnes) vein contains narrow high grade stringers of silver bearing galena with some copper and zinc. Drifting and crosscutting totalling some 198 feet was also completed during the same period of time, the drifting was completed along a northwesterly extension of the Terrible 3 vein. The structures were essentially vertical, and contained pods with as much as 2 inches of galena in a highly altered zone. The stringers and vein trended more westerly and it was questioned whether or not the structures being followed actually belonged to the Terrible 3 vein (Agnes).

It was deemed advisable to map the Mountain Top workings in greater detail in the spring of 1968 before progressing with additional drifting along the Terrible 3 vein.

A second amendment was requested as heavy spring snows in the miner area prevented early access to the Mountain Top (Sunrise Tunnel) mine, whose portal is at an elevation of 11,972 feet above sea level. Roads to the mine had to be extensively repaired and rehabilitated, consequently little additional work was accomplished during the summer of 1968. New geologic consultants were hired and they failed to provide adequate new geologic data, in that their map consisted of a transit survey of the Sunrise Tunnel level of the Mountain Top mine, and that it was not completely finished. The consultants failed to provide the Operator with

the maps necessary to appraise the work completed during 1967. By the time this work was completed no further work under the contract was done and winter snows again forced the Operator to close down necessitating an additional amendment to recess operations until the spring of 1968. 1969?

During August, 1968 Mr. Maynard Ayler, consulting geologist, Golden, Colorado was hired by the Operator to complete the work begun earlier by Mr. Louis Gaz and Mr. Walter Verner. Mr. Ayler's geologic mapping led to the conclusion that the Terrible No. 3 vein (Agnes) is rapidly dying out north of the Sunrise Adit, and therefore discovery of mineral deposits by additional drifting would have little chance of success.

Mr. Ayler's mapping shows another strong series of veins and mineralized zones that intersect the Humboldt vein. This intersection on the Sunrise level is just north of the position where the Sunrise adit intersects the Humboldt vein (See Ayler's geologic map). It was interesting to note that the old stopes on the Humboldt vein start just north of this intersection suggesting there may be a relationship between this newly recognized vein zone and the Humboldt vein. With this in mind, and recognizing the relative unimportance of the Terrible No. 3 (Agnes) vein system, at least as it is now mapped, it was thought that a change in the contract should be made to allow for exploration of areas now thought to have a much greater discovery potential. That is, to now test the downward extension of the Humboldt vein, by preparing two diamond drill stations, one near the end of the Sunrise tunnel on the north side and a second station on the west side of the Humboldt drift about 310 feet from its intersection with the Sunrise Tunnel.

Three core drill holes would be drilled from the two drill stations. The holes shall be inclined to cut the Humboldt vein not less than 50 feet nor more than 500 feet below the Sunrise tunnel level, and the intersecting mineralized zone not less than 125 feet nor more than 325 feet below the Sunrise tunnel level. During a Washington review of the proposal it would be found that one of the drill stations and consequently two of the holes off the end of the Sunrise tunnel would not be on the Operator's property. This was brought to the attention of the Operator in June of 1969. By the time this problem was resolved and Amendment No. 5 was prepared, sent to the Operator and signed by him (December 5, 1969) working time during good weather conditions were again gone as winter conditions had again set in. The Operator had been out of the States during late summer consequently Amendment No. 5 was not executed by the Operator until December, 1969. The drill hole stations and drill site locations were changed and a map attached to Amendment No. 5 shows the new drill hole locations as has been signed both by the Government and by the Operator.

It is now necessary to amend the contract to allow for a recess for the present winter months, or from November 15, 1969 through July 15,

1970 to permit the necessary rehabilitation of the Sunrise tunnel to prepare the drill station sites, to complete the drilling an estimated 2,740 feet of diamond drill hole in two holes to explore the Humboldt vein and associated mineralized zone below the Sunrise tunnel level.

The exploration targets have not yet been fully explored under the subject contract. With the successful exploration having been completed by other mining companies on the Humboldt-Smuggler Union and other northwest trending veins in the mine area. It is advisable to more thoroughly explore the Humboldt-Smuggler vein system from the Sunrise Tunnel level of the Mountain Top Mine, as outlined in Amendment No. 5 of the subject contract. To do any less exploration work than is now specified would only be a waste of Government funds.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

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EXPLORATION CONTRACT
VENTURA OIL COMPANY
OME-6524

Amendment No. 6

It is agreed this _____ day of _____, 1969, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, Office of Minerals Exploration, hereinafter called the "Government," and Ventura Oil Company, a Nevada corporation, hereinafter called the "Operator," that Exploration Contract 2241 (OME-6524), dated June 30, 1967, as amended, is further amended effective November 14, 1969, as follows:

1.(a) Work under the contract may be suspended during the period beginning November 15, 1969, and ending not later than July 15, 1970.

(b) No costs incurred by the Operator during the period of suspension shall be allowable for contribution by the Government.

(c) The Government will not contribute to any cost of rehabilitation or repair which in its opinion would not have occurred had there been no suspension of the work.

(d) The Operator at its own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work.

2. The date fixed in Amendment No. 5 of the contract for completion of the work is further extended from 33 months to 40-1/2 months from the date of the contract, or until November 15, 1970.

3. It is the essence of the contract that the work be resumed on or before the termination of the period herein fixed for suspension, and if not so resumed, the following provisions shall thereupon become effective:

(a) The contract and all obligations of the parties thereunder, except as hereinafter otherwise provided, shall be and are hereby terminated effective October 15, 1967, if the work has not been resumed on or before July 15, 1970.

(b) The Government will contribute only to allowable costs incurred prior to the date set forth in 3(a) above.

(c) The Operator shall promptly perform all winding up and settlement actions provided for in the contract, including the rendering of the final report and final account.

(d) The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer (for example, if the Operator either transfers or fails to retain his interest in the land), shall pay to the Government the royalty provided for in the contract in the same manner and amount, for the same period, and subject to the same provisions as provided for in the contract as

amended herein as if a certification of possible production had been made, such certification being hereby waived by the Operator. In addition, all rights of the Government provided for in the contract with respect to a certification of possible production, percentage royalty and liens to secure payment thereof, reports (including preservation of Operator's records), accounts, audits, and the right to recover any overpayments are hereby preserved.

This amendment shall not be construed to increase the estimated total cost of the contract, the aggregate amount which the Government may be required to contribute, the amount of any item designated as maximum, nor the fixed unit cost of any item of work.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Chief, Office of Minerals Exploration
U. S. Geological Survey

VENTURA OIL COMPANY

By_____

Title_____

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 200

December 18, 1969

OFFICIAL COPY
O. M. E.
RECEIVED
DEC 22 1969

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3
Ouray County, Colorado
Contract 2241

Transmitted herewith is a request by the Operator requesting a recess of operations for the winter months or until July 15, 1970. I recommend that an amendment be executed to recess the operation until July 15, 1970, as Amendment No. 5 was just executed and drilling was not possible due partly to the lateness of the preparation of the amendment as well as the signature of the applicant.

Exploration work as outlined in the contract, and Amendment No. 5 of the subject contract should be in progress not later than July 15, 1970, and the work should be completed not later than November 15, 1970.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosures

PHONE 623-7238

VENTURA OIL COMPANY
1029 EAST 8TH AVENUE
DENVER, COLORADO 80218

December 5, 1969

OME Region III
RECEIVED
DEC 8 - 1969
Denver, Colorado

Mr. J. William Hasler
Field Officer, Region 3
Office of Minerals Exploration
United States Geological Survey
Denver Federal Center, Building 53, Room 203
Denver, Colorado, 80225

RE: Contract No. 2241 (OME-6524)

Dear Mr. Hasler:

I would like to request an extension of our OME contract to extend through November 15, 1970.

I also would like to request a shut-down of operations and would like this shut-down period to run until July 15, 1970.

I will appreciate your consideration in this matter.

Very truly yours,

VENTURA OIL COMPANY

Homer Noble

HN:sp

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 200

December 10, 1969

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Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3
Ouray County, Colorado
Contract 2241

Enclosed are the Government's Copy and the Fiscal Section's Copy of Amendment No. 5 executed by the Government and by the Operator. The delay in receiving the executed Amendment No. 5 was due to the Operator's having been out of the country for an extended period of time.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosures

See left side

Office of Minerals Exploration
Building 53 Room 200

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September 8, 1969

Mr. Homer Noble, President
Ventura Oil Company
1029 East 8th Avenue
Denver, Colorado 80218

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3
Ouray County, Colorado

Dear Mr. Noble:

Enclosed are the original and three copies of proposed Amendment No. 5 (five pages), and one map (Figure 2, revised), to the subject contract, signed for the Government.

If the proposed amendment is satisfactory to you, all four copies should be signed and the Operator's copy retained by you, and the other copies returned to this office for distribution.

If any part of the proposed amendment does not have your approval, the original and all copies are to be returned to this office together with the proposed changes for consideration.

Sincerely yours,

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosures

cc: Chief, OME ✓
OME-6524
OME chron
Mr. Hasler

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 200

August 26, 1969

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3
Ouray County, Colorado
Contract 2241

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 29 1969

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HK	130

Transmitted herewith are the "Government's copy" and ~~the "Budget~~ and Finance's copy" of Amendment No. 4 signed for ~~the Government~~ and by the applicant on the above-stated subject. The Operator retained the "Operator's Copy" and the "Field Office's copy" and "Extra Copy for field use" have been retained for use in the OME Region III field office files.

J. William Hasler
mc

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Form 7
53)

OFFICIAL FILE COPY

Date	Surname	Code
8/25/69	(on leave)	120
8/25/69	Kirkemo	120
8/26	Peterson	
8/26	[illegible]	
8/27	CAC	220
		120M

AIRMAIL

AUG 27 1969

MEMORANDUM

To: Field Officer, Region III

From: Chief, Office of Minerals Exploration

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3 Mines
Ouray and San Miguel Counties, Colorado
Contract 2241

Enclosed are the original and three copies of proposed Amendment No. 5 (five pages), and one map (Figure 2, revised), to the subject contract, signed for the Government. An extra copy of the amendment is also enclosed for field use.

If the proposed amendment is satisfactory to you and the Operator, all four copies should be signed by the Operator and distributed in the usual manner.

If any part of the proposed amendment does not have your approval or that of the Operator, the original and all copies are to be returned to this office together with the proposed changes for consideration.

Harold Kirkemo (bl)

Harold Kirkemo

Enclosures

cc: Director's Reading File
Economic Geology File
OME Docket
OME Reading File
Mr. Emerick
130

BSLong/1 8/25/69

REFERENCE SLIP
OF MINERALS EXPLORATION

		DATE	INITIALS
1.	Sol. MR, Room 6554, (Through Room 6042)		
2.	Mr. Emerick, Rm. 4457, Interior		
3.			
4.			
5.			

19645-3123

FROM: Chief, OME

INTERIOR DEPT.
AUG 20 1969
SOLICITOR

FOR: Check items for action designated

x	Action		Reply for signature of		Surname
x	Approval		Investigate		Signature
	Comment		Recommendations		File
	Conference	x	Rewrite		
	Instructions		Your information		

REMARKS:
OME-6524 ~~XXXXX~~ VENTURA OIL COMPANY

Proposed Amendment No. 5

M50943

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

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To Regional 8/18

EXPLORATION CONTRACT
VENUTRA OIL COMPANY
OME-6524

Amendment No. 5

It is agreed this _____ day of _____, 1969, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, Office of Minerals Exploration, hereinafter called, the "Government," and Ventura Oil Company, a Nevada corporation, hereinafter called the "Operator," that Exploration Contract 2241 (OME-6524), dated June 30, 1967, as amended, is further amended effective August 14, 1969, as follows:

1.(a) Work under the contract may be suspended during the period beginning August 15, 1969, and ending not later than November 15 ~~September 30~~, 1969.

(b) No costs incurred by the Operator during the period of suspension shall be allowable for contribution by the Government.

(c) The Government will not contribute to any cost of rehabilitation or repair which in its opinion would not have occurred had there been no suspension of the work.

(d) The Operator at its own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work.

2. The date fixed in Amendment No. 4 of the contract for completion of the work is further extended from 30 months to 33 months from the date of the contract, or until March 31, 1970.

3. It is the essence of the contract that the work be resumed on or before the termination of the period herein fixed for suspension, and if not so resumed, the following provisions shall thereupon become effective:

(a). The contract and all obligations of the parties thereunder, except as hereinafter otherwise provided, shall be and are hereby terminated effective October 15, 1967, if the work has not been resumed on or before November 15, 1969.

(b). The Government will contribute only to allowable costs incurred prior to the date set forth in 3(a) above.

(c). The Operator shall promptly perform all winding up and settlement actions provided for in the contract, including the rendering of the final report and final account.

(d) The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer (for example, if the Operator either transfers or fails to retain his interest in the land), shall pay to the Government the royalty provided for in the contract in the same manner and amount, for the same period, and subject to the same provisions as provided for in the contract as amended herein as if a certification of possible production had been made, such

certification being hereby waived by the Operator. In addition, all rights of the Government provided for in the contract with respect to a certification of possible production, percentage royalty and liens to secure payment thereof, reports (including preservation of Operator's records), accounts, audits, and the right to recover any overpayments are hereby preserved.

4. In Exhibit A:

(a) The first and second paragraphs are revised to read as follows:

"The purpose of the project is to explore by drifting, crosscutting, and by diamond drilling from prepared underground drill stations for silver-gold bearing ore bodies in and along the Terrible 3 (Agnes), Mountain Top (Sweepstakes), and Humboldt veins in tuff-breccia of the San Juan formation of Tertiary age."

"Ore is inferred in and along the downward continuations of the Mountain Top, Terrible 3, and Humboldt veins below areas stoped from the Sunrise Tunnel level. Ore is also inferred on the Sunrise Tunnel level in and along an unexplored segment of the Humboldt vein where it intersects a series of veins and mineralized zones."

5. In Exhibit A:

(a) Under the heading Description of the Work, the entire section is revised to read as follows:

"The work shall consist of drifting, crosscutting, rehabilitating sections of the Sunrise Tunnel, Terrible 3 drift, and Humboldt drift, preparing drill stations on the Sunrise Tunnel level and Humboldt drift, core drilling from the stations, and evaluating the results."

"The northwest drift on the Terrible 3 vein shall be extended by drifting along the vein to intersect the Mountain Top vein. It is estimated that approximately 198 feet of drifting may be required."

"Three drill stations shall be excavated, one along the Sunrise Tunnel approximately 800 feet from its portal, a second one on the north side of the Sunrise Tunnel about 150 feet from its western end, and a third one on the west side of the Humboldt drift approximately 300 feet from its intersection with the Sunrise Tunnel."

"Five core-drill holes shall be drilled from the three stations. The holes shall be inclined to cut the veins not less than 200 or more than 500 feet below the Sunrise Tunnel and Humboldt drift levels. It is estimated that a total of about 2740 feet of drilling will be required."

"The approximate location and direction of the drifting and crosscutting, and the approximate locations, directions, and inclinations of the five drill holes are shown on Figure 2 (revised), entitled, "Sketch of Suggested Diamond Drilling from Sunrise Tunnel and Humboldt drift," attached and made part hereof."

Do not underline. Place in quotes.

6. In Exhibit A:

(a) Under the heading Estimated Costs of the Work, Fixed Unit Costs is revised to read as follows:

Phase I		
Rehabilitation of tunnel and drift,		
1350 feet @ $25.00/foot	$33,750.00	
Total Fixed Unit Costs Phase I		$33,750.00
Government Participation @ 25 percent		8,437.50
Phase II		
Drifting and crosscutting 2/		
198 feet @ $40.00/foot	7,920.00	
Drill stations (5x5x7 feet),		
3 stations @ $225.00 each	675.00	

Ground Support, approx. 256½ feet	$ 4,105.00
Timbering $16.00/foot, installed	
Rock bolting in lieu of timbering	
5-foot bolts @ $3.00/bolt installed	
6-foot bolts @ $3.25/bolt installed	
8-foot bolts @ $3.50/bolt installed	
Total Fixed Unit Costs Phase II	$12,700.00
Government Participation @ 75 percent	$ 9,525.00
Total Fixed Unit Costs	$46,450.00

S U M M A R Y

Total Estimated Actual Costs	$35,150.00
Total Estimated Fixed Unit Costs	$46,450.00
Total Estimated Cost of Work	$81,600.00
Government Participation @ 25 percent.	$ 8,437.50
Government Participation @ 75 percent.	$35,887.50
Total Government Participation	$44,325.00

This amendment shall not be construed to increase the estimated total cost of the contract, the aggregate amount which the Government may be required to contribute, the amount of any item designated as maximum, nor the fixed unit cost of any item of work.

Executed in quadruplicate the date and year first above written.

THE UNITED STATES OF AMERICA

By_____
Chief, Office of Minerals Exploration
U. S. Geological Survey

VENTURA OIL COMPANY

By_____

Title_____

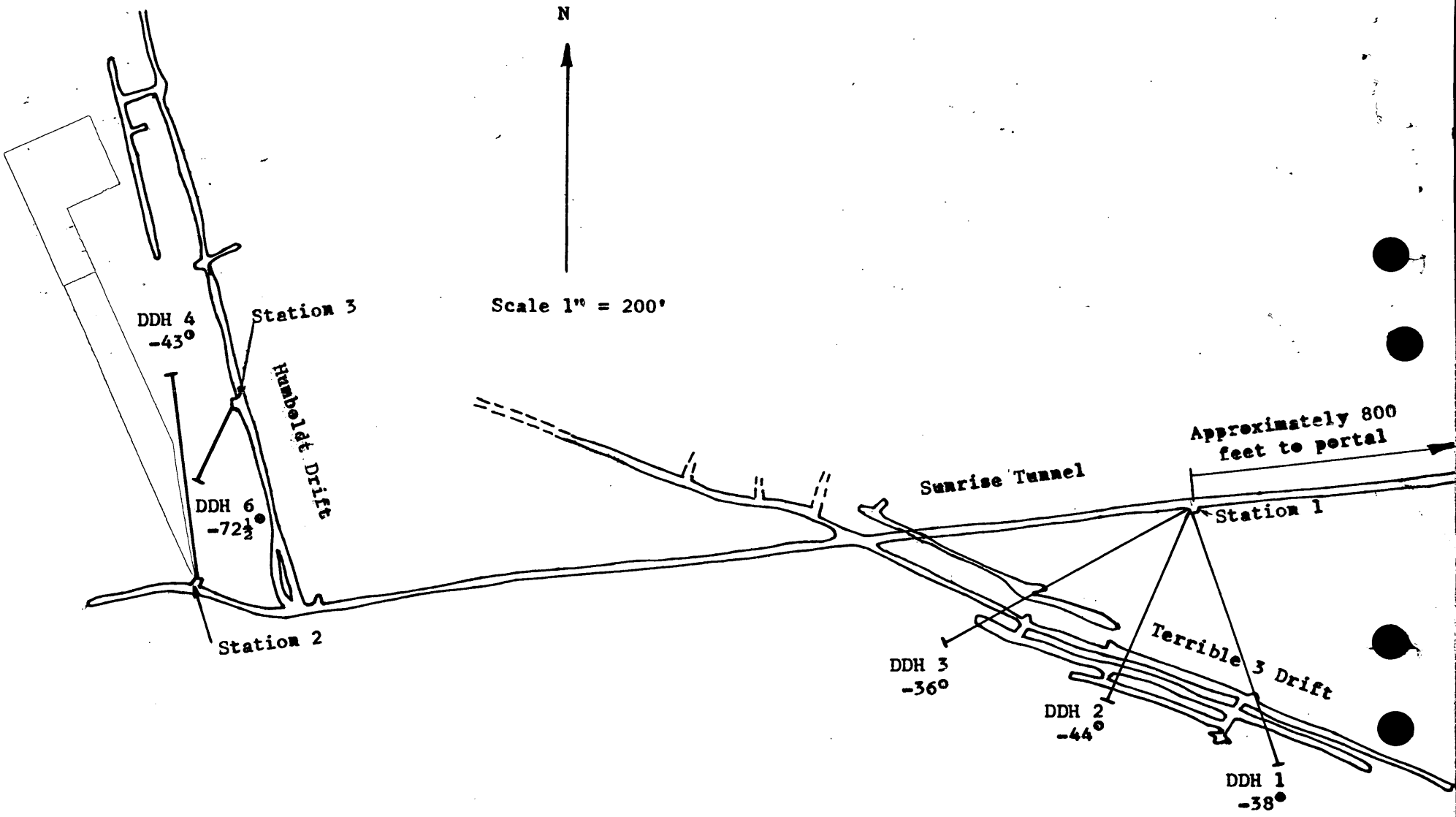

FIGURE 2 (REVISED). - SKETCH OF SUGGESTED DIAMOND DRILLING FROM SUNRISE TUNNEL AND HUMBOLDT DRIFT

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 200

August 18, 1969

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 20 1969
INITIALS CODE

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top Mine
Ouray and San Miguel Counties, Colorado
Contract 2241

Transmitted herewith is a request by the Operator to extend the recess period from August 15, 1969 to November 15, 1969. I have talked with Bill Emerick about this and am in agreement with the Operator to extend the recess date until November 15, 1969, rather than the September 30, 1969 date Bill and I first discussed.

J. William Hasler
mc

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

PHONE 623-7238

VENTURA OIL COMPANY

1029 EAST 8TH AVENUE
DENVER, COLORADO 80218

August 12, 1969

OME R
RECEIVED
AUG 13 1969
Denver, Colorado

Mr. J. William Hasler
Field Officer, Region 3
Office of Minerals Exploration
U.S.G.S.
Denver Federal Center, Building 53, Room 203
Denver, Colorado, 80225

Dear Mr. Hasler:

RE: Contract #6524

I would like to request an extension to our OME Contract #6524, extension date to run from August 15, 1969 to November 15, 1969.

Your attention to this matter will be greatly appreciated.

Very truly yours,

VENTURA OIL COMPANY

Homer Noble

Homer Noble

HN:sp

Office of Minerals Exploration
Building 53 Room 200

OFFICIAL COPY
RECEIVED
JUL 30 1969

INITIALS	CODE
	120
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LJK	120
WE	20

July 29, 1969

Mr. Homer Noble, President
Ventura Oil Company
1029 East 8th Avenue
Denver, Colorado 80218

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3
Ouray County, Colorado

Dear Mr. Noble:

Enclosed are the original and three copies of proposed Amendment No. 4 (two pages), to the subject contract, signed for the Government.

If the proposed amendment is satisfactory, all four copies should be signed, retain the "Operator's Copy" and return the other copies to this office for distribution.

If any part of the proposed amendment does not have your approval, the original and all copies are to be returned to this office together with the proposed changes for consideration.

Sincerely yours,

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

cc: Chief, OME
cc: OME-6524
OME chron
Mr. Hasler

Revised Diamond Drill Hole Locations

Mountain Top Mine

July 15, 1969

Hole No.	Direction	Vertical Angle	Approximate Total Depth	Hole Intercept, Humboldt Vein	Depth below level	Hole intercept Mineralized zone	Depth below level
4	N 77½° W	-43°	395'	360' - 370'	250'	155' - 295'	105-200'
5	N 21½° W	-43°	770'	640' - 650'	475'	200' - 390'	135-265'
6	S 25½° W	-72½°	335'	60' - 70'	60'	215' - 303'	200-290'

150.0'

Suggested Revision
Text 1.2.1.5

Mr. J. William Hasler
Field Officer, Region III
Office of Minerals Exploration
U. S. Geological Survey
Building 53, Room 200
Federal Center
Denver, Colorado 80225

RE: Contract No. 2241
Docket No. 6524
Mountain Top Lode
Ouray and San Miguel Counties
Colorado

Dear Mr. Hasler:

During August 1968, Mr. Maynard Ayler, consultant to Ventura Oil Co. completed geologic mapping of the Mountain Top Mine. Copies of this map have been submitted to your office.

This mapping led to the conclusion, by Mr. Ayler, that the Terrible #3 vein is rapidly dying out north of the Sunrise Adit, and therefore discovery of mineral deposits through the exploration program as now proposed in our contract would have little, if any, chance of success. Briefly the remaining part of this program previously approved as follows:

1. Driving 602 feet of new drift along the Terrible #3 vein.

2. Driving 250 feet of crosscut into the hanging wall of the Mountain Top vein and preparation of drill stations.

3. Drilling two diamond drill holes for a total of 1368 feet.

Recent geologic mapping shows another strong series of veins and mineralized zones that intersect the Humboldt vein. This intersection on the Sunrise level is just north of the position where the Sunrise adit intersects the Humboldt vein. (See Geologic Map.) It was very interesting to note that the old stopes on the Humboldt vein start just north of this intersection, suggesting there may be a strong relationship between this newly recognized vein zone and the Humboldt vein. With this in mind, and recognizing the relative unimportance of the Terrible #3 vein system, it was suggested a change should be made in this contract to permit exploration

of areas with a much greater discovery potential. Mr. Ayler has discussed this with you and has indicated his ideas during his trip through the mine with you last October. Since that time the following program has been worked out and is now submitted for your approval.

1. Cleanup 1110 feet of adit and 320 feet of drift along the Humboldt vein to permit access to two new diamond drill stations as shown on the accompanying map.

2. Prepare two new diamond drill stations, 10 x 20 feet, one at the side of the adit and one at the side of the drift as shown on the accompanying map.

3. Drill three diamond drill holes at the locations indicated. These would be called holes #4, 5, and 6 under this contract in that holes #1, 2, and 3 have been completed. Holes #4 and 5 would first pass through the wide mineralized zone, then pass through the Humboldt vein. Hole #6 would first pass through the Humboldt vein then through the mineralized zone. Data on these holes would be as follow:

See Attached Amended Locations & Map

Hole No.	Direction	Vertical Angle	Approximate Total Depth	Hole Intercept, Humboldt Vein	Depth below level	Hole intercept Mineralized Zone	Depth below level
4	N 18° E	-40	420'	385-395'	250'	218-335'	140-215'
5	N 8° W	-42	780'	710-720'	475'	282-435'	190-290'
6	S 25°31'W	-72°30'	335'	60- 70'	60'	215-303'	200-290'

It is requested that our present OME contract be amended to permit the following revised ddescription of work.

Description of Work

The work shall consist of rehabilitating the last 1110 feet of the Sunrise Tunnel and the first 320 feet along the Humboldt drift, preparing two diamond drill stations on the Sunrise Tunnel level, core drilling from the stations, and evaluating the results.

Two drill stations will be excavated, one near the end of the Sunrise Tunnel on the north side, and the second on the west side of the Humboldt drift about 310 feet from its intersection with the Sunrise Tunnel.

Three core drill holes shall be drilled from the two stations. The holes shall be inclined to cut the Humboldt vein not less than 50 feet nor more than 500 feet below the tunnel level and the intersecting mineralized zone not less than 125 feet nor more than 325 feet below the Sunrise Tunnel level.

The approximate locations of the diamond drill stations and the approximate locations, directions, and inclinations of the three drill holes are shown on attached Figure 1 entitled "Proposed New Locations of Diamond Drill Holes #4, 5, and 6."

It is estimated that costs for each of the three drill holes will be as follows:

Hole #4			
0-300	@ $6.40/ft	$ 1,920.00	
300-420	@ $6.95/ft	834.00	
			$ 2,754.00
Hole #5			
0-300	@ $6.40/ft..	1,920.00	
300-780	@ $6.95/ft., ...	3,336.00	
			5,265.00
Hole #6			
0-300	@ $6.40/ft..	1,920.00	
300-335	@ $6.95/ft..	243.25	
			2,163.25
	Drill Total. . .		$10,173.25

We believe rehabilitation of the Sunrise Tunnel will not be too difficult. Since the section along the Humboldt drift will be through ground that has been stoped above we expect this to be fairly difficult and expensive. We feel then that an estimate cost figure of $25.00 per foot over all is reasonable. On this basis costs would be

Tunnel rehabilitation	1110' @ $25.00/ft.		$27,750.00
Drift rehabilitation	320' @ 25.00/ft.		8,000.00
		Total	$35,750.00

Cost of these two items then is estimated to be $45,923.25.

We request that remaining monies previously approved for diamond drilling and drifting and crosscutting which should total $60,067.30 be transferred to permit the newly suggested exploration.

Sincerely yours,

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
7/9/69	Emerick	120
7/10/69	Kirkemo	120
7/10	Peterson	
		120
7/11	cal	220
		120M

AIRMAIL

Memorandum

JUL 1 1 1969

To: Field Officer, Region III

From: Chief, Office of Minerals Exploration

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3 Mines
Ouray and San Miguel Counties, Colorado
Contract 2241

Enclosed are the original and three copies of proposed Amendment No. 4 (two pages), to the subject contract, signed for the Government. An extra copy of the amendment is also enclosed for field use.

If the proposed amendment is satisfactory to you and the Operator, all four copies should be signed by the Operator and distributed in the usual manner.

If any part of the proposed amendment does not have your approval or that of the Operator, the original and all copies are to be returned to this office together with the proposed changes for consideration.

Harold Kirkemo (gfe)

Harold Kirkemo

Enclosures

cc: Director's Reading File
Economic Geology File
OME Docket
OME Reading File
Mr. Emerick
130

~~WKM~~
BSLong/1 7/9/69

FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Assoc. Sol.--Rm. 6554, Interior (Through Room 6042 Interior)		
2. Mr. Emerick, Rm. 4460 Interior		
3. SOLICITOR 17278 3128		
4. JUL 2- 1969		
5. INTERIOR DEPT.		
FROM: Chief, OME		

FOR: Check items for action desired

____ Action ____ Reply for signature of ____

x Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS:

OME-6524 Ventura Oil Company -

Proposed Amendment No. 4

INT.-DUP. SEC., WASH., D.C. M56300-62

120E Emerick

120 Kirkemo

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DRAFT 6/30/69
WLEmerick/gla

Exploration Contract (All Caps)
VENTURA OIL COMPANY
OME-6524

Amendment No. 4

It is agreed this _____ day of _____, 1969, between the United States of America, acting through the Department of the Interior, U.S. Geological Survey, Office of Minerals Exploration, hereinafter called the "Government," and Ventura Oil Company, a Nevada corporation, hereinafter called the "Operator," that Exploration Contract 2241 (OME-6524), dated June 30, 1967, as amended, is further amended effective June 30, 1969, as follows:

1. (a) Work under the contract may be suspended during the period beginning July 1, 1969, and ending not later than August 15, 1969.

(b) No costs incurred by the Operator during the period of suspension shall be allowable for contribution by the Government.

(c) The Government will not contribute to any cost of rehabilitation or repair which in its opinion would not have occurred had there been no suspension of the work.

(d) The Operator at its own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work.

2. The date fixed in Amendment No. 3 of the contract for completion of the work is further extended from 26 months to 30 months from the date of the contract, or until January 1, 1970.

3. The date fixed in Amendment No. ~~1~~ 3 of the contract for the maximum period for royalty payments and for the lien to secure the payment thereof provided for in the contract is further extended from twelve (12) years to thirteen (13) years from the date of the contract.

4. It is the essence of the contract that the work be resumed on or before the termination of the period herein fixed for suspension; and if not so resumed, the following provisions shall thereupon become effective:

(a) The contract and all obligations of the parties thereunder, except as hereinafter otherwise provided, shall be and are hereby terminated effective October 15, 1967, if the work has not been resumed on or before August 15, 1969.

This amendment shall not be construed to increase the estimated total cost of the contract, the aggregate amount which the Government may be required to contribute, the amount of any item designated as maximum, nor the fixed unit cost of any item of work.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Chief, Office of Minerals Exploration
U. S. Geological Survey

VENTURA OIL COMPANY

By_____

Title_____

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 200

June 27, 1969

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3
Ouray County, Colorado
Contract 2241

Transmitted herewith is a copy of a letter from the subject Operator requesting the date for suspension of work be moved from July 1, 1969 to August 15, 1969. I concur with this request, and recommend that the request be granted.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 30 1969

INITIALS	CODE
	120
	120
HK	120
MS	~~120~~

PHONE 623-7238

VENTURA OIL COMPANY
1029 EAST 8TH AVENUE
DENVER, COLORADO 80218

June 26, 1969

OME Region III
RECEIVED
JUN 27 1969
Denver, Colorado

Mr. J. William Hasler
Field Officer, Region 3
Office of Minerals Exploration
United States Geological Survey
Denver Federal Center, Building 53, Room 203
Denver, Colorado, 80225

RE: Contract No. 2241
Docket No. 6524
Mountain Top Lode
Ouray and San Miguel Counties,
Colorado

Dear Mr. Hasler:

Our recent proposed drill program that was submitted to your office showed one of our drill stations slightly off of our property line. We subsequently received a letter from you bringing this to our attention. In order to correct this, we plan to re-locate the drill station by moving it back inside our property line. We will submit to you a sketch of the proposed drill holes showing the angle and depth of each one needed to intersect the Mountain Top vein.

Due to adverse weather conditions it has been impossible for us to begin clean-up work on the Sunrise Tunnel and because of this continued bad weather, we would like to request that our deadline date be extended to August 15, 1969.

Very truly yours,

VENTURA OIL COMPANY

Homer Noble

Homer Noble

HN:sp

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JUN 5 1969
INITIALS | CODE
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20E

LAW OFFICES OF
Martin P. Miller
2009 WEST LITTLETON BLVD.
LITTLETON, COLORADO 80120
PHONE: 798-2525

JAMES J. MORAN

DENVER OFFICE
208 CLAYTON STREET
DENVER, COLORADO 80206
PHONE: 377-8857

O.M.E. Region III
RECEIVED
MAY 23 1969
Denver, Colorado

May 22, 1969

Mr. J. William Hasler
Field Officer, Region III
Office of Minerals Exploration
U.S. Geological Survey
Federal Center, Building 53, Room 203
Denver, Colorado 80225

Re: Contract No. 2241
Docket No. 6524
Mountain Top Lode
Ouray and San Miguel Counties,
Colorado

Dear Mr. Hasler:

This letter is to apprise you of the fact that I am the attorney for Ventura Oil Company and will be calling your office Monday of next week to make an appointment to visit with you concerning the present problem with respect to the location of the drill station.

I feel that the position of Ventura Oil Company as presented to you will be such that we can fully protect the government against any possible liability of any nature whatsoever.

I look forward to discussing this with your office shortly.

Sincerely,

MARTIN P. MILLER

MPM:sf
CC: Mr. Homer Noble
1029 E. 8th Avenue
Denver, Colorado

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 200

February 24, 1969

OFFICIAL COPY
O. M. E.
RECEIVED
FEB 25 1969

INITIALS	CODE
	~~120~~
glg	120

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3
Ouray County, Colorado
Contract 2241

In a letter dated January 10, 1969, a copy of which was forwarded to you on January 31, 1969, the Operator requested an amendment to the subject contract to allow for rehabilitation of the last 1110 feet of the Sunrise Tunnel and the first 320 feet along the Humboldt drift, prepare two diamond drill stations on the Sunrise Tunnel and diamond core drill proposed hole Nos. 4, 5 and 6 to explore the downward extension of the Humboldt vein at depth of varying depths below the Sunrise Tunnel level.

Geologic mapping by the applicant's consulting geologist during August 1968 indicates that the work requested in his letter of January 30, 1969 should be done to adequately explore for ore on the Humboldt vein.

Previous diamond core drilling and drifting under the contract and to date has not obtained the required objectives. It is therefore recommended that the subject contract be amended to complete the work as outlined. The costs involved will not increase the total cost of the project and will more adequately explore the Humboldt vein system.

Jerome F. Gustafson for

J. William Hasler, Field Officer, Region III
Office of Minerals Exploration

PHONE 623-7238

VENTURA OIL COMPANY

1029 EAST 8TH AVENUE

DENVER, COLORADO 80218

January 30, 1969

OFFICIAL COPY
O. M. E.
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FEB 3 1969

INITIALS	CODE
[illegible]	130
[illegible]	120
[illegible]	110
[illegible]	120

OME Region III
RECEIVED
JAN 31 1969
Denver, Colorado

Mr. J. William Hasler
Field Officer, Region III
Office of Minerals Exploration
U. S. Geological Survey
Federal Center, Building 53, Room 203
Denver, Colorado, 80225

RE: Contract No. 2241
Docket No. 6524
Mountain Top Lode
Ouray and San Miguel Counties,
Colorado

Dear Mr. Hasler:

During August, 1968, Mr. Maynard Ayler, consultant to Ventura Oil Company, completed geologic mapping of the Mountain Top Mine. Copies of this map have been submitted to your office.

This mapping led to the conclusion by Mr. Ayler, that the Terrible #3 vein is rapidly dying out north of the Sunrise Adit, and therefore discovery of mineral deposits through the exploration program as now proposed in our contract would have little, if any, chance of success. Briefly the remaining part of this program previously approved is as follows:

1. Driving 602 feet of new drift along the Terrible #3 vein.

2. Driving 250 feet of crosscut into the hanging wall of the Mountain Top vein and preparation of drill stations.

3. Drilling two diamond drill holes for a total of 1368 feet.

Recent geologic mapping shows another strong series of veins and mineralized zones that intersect the Humboldt vein. This intersection on the Sunrise level is just north of the position where the Sunrise adit intersects the Humboldt vein. (see Geologic Map) It was very interesting to note that the old stopes on the Humboldt vein start just north of this intersection, suggesting there may be

Copy to Washington with one copy of map 1/31/69

a strong relationship between this newly recognized vein zone and the Humboldt vein. With this in mind, and recognizing the relative unimportance of the Terrible #3 vein system, it was suggested a change should be made in this contract to permit exploration of areas with a much greater discovery potential. Mr. Ayler has discussed this with you and has indicated his ideas during his trip through the mine with you last October. Since that time the following program has been worked out and is now submitted for your approval.

1. Cleanup 1110 feet of adit and 320 feet of drift along the Humboldt vein to permit access to two new diamond drill stations as shown on the accompanying map.

2. Prepare two new diamond drill stations, 10 x 20 feet, one at the side of the adit and one at the side of the drift as shown on the accompanying map.

3. Drill three diamond drill holes at the locations indicated. These would be called holes #4, 5 and 6 under this contract in that holes #1, 2 and 3 have been completed. Holes #4 and 5 would first pass through the wide mineralized zone, then pass through the Humboldt vein. Hole #6 would first pass through the Humboldt vein then through the mineralized zone. Data on these holes would be as follows:

le o.	Direction	Vertical Angle	Approximate Total Depth	Hole Intercept, Humboldt Vein	Depth Below Level	Hole intercept Mineralized Zone	Depth Below Level
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	N 8° W	-42	780'	710-720'	475'	282-435'	190-290'
	S 25°31' W	-72°30'	335' 1535	60-70'	60'	215-303'	200-290'

It is requested that our present OME contract be amended to permit the following revised description of work.

Description of Work

The work shall consist of rehabilitating the last 1110 feet of Sunrise Tunnel and the first 320 feet along the Humboldt drift, preparing two diamond drill stations on the Sunrise Tunnel level, core drilling from the stations and evaluating the results.

Two drill stations will be excavated, one near the end of the Sunrise Tunnel on the north side and the second on the west side of the Humboldt drift about 310 feet from its intersection with the Sunrise Tunnel.

Three core drill holes shall be drilled from the two stations. The holes shall be inclined to cut the Humboldt vein not less than 50 feet nor more than 500 feet below the tunnel level and the intersecting mineralized zone not less than 125 feet nor more than 325 feet below the Sunrise Tunnel level.

The approximate locations of the diamond drill stations and the approximate locations, directions and inclinations of the three drill holes are shown on attached Figure 1 entitled "Proposed New Locations of Diamond Drill Holes #4, 5 and 6."

It is estimated that costs for each of the three drill holes will be as follows:

Hole #4			
0-300	@ $6.40/ft - - - - -	$ 1,920.00	
300-420	@ $6.95/ft - - - - -	834.00	
			$ 2,754.00
Hole #5			
0-300	@ $6.40/ft - - - - -	$ 1,920.00	
300-780	@ $6.95/ft - - - - -	3,336.00	
			5,256.00
Hole #6			
0-300	@ $6.40/ft - - - - -	$ 1,920.00	
300-335	@ $6.95/ft - - - - -	243.25	
			2,163.25
1535	Drill Total		$10,173.25

We believe rehabilitation of the Sunrise Tunnel will not be too difficult. Since the section along the Humboldt drift will be through ground that has been stoped above we expect this to be fairly difficult and expensive. We feel then that an estimate cost figure of $25.00 per foot over all is reasonable. On this basis costs would be:

Tunnel rehabilitation	1110' @ $25.00/ft	$27,750.00
Drift rehabilitation	320' @ $25.00/ft	8,000.00
	Total	$35,750.00

?

We request that remaining monies previously approved for diamond drilling and drifting and crosscutting which should total $60,067.30 be transferred to permit the newly suggested exploration.

Very truly yours,

VENTURA OIL COMPANY

Homer Noble

Homer Noble

HN:sp

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 200

OFFICIAL COPY
O. M. E.
RECEIVED
JAN 31 1969

INITIALS	CODE
gla	131
bd	120
gb	110
MRC	160

January 29, 1969

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3
Ouray County, Colorado
Contract 2241

Transmitted herewith are the "Government's Copy" and the "Budget and Finance's Copy" of Amendment No. 3 on the above-stated subject. The Operator has retained the "Operator's Copy"; and the "Field Office Copy" and "Extra Copy for Field Use" have been retained in the OME Region III files.

J. William Hasler
mc

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosures

PHONE 623-7238

VENTURA OIL COMPANY

1029 EAST 8TH AVENUE

DENVER, COLORADO 80218

January 23, 1969

OME Region III
RECEIVED
JAN 27 1969
Denver, Colorado

Mr. J. William Hasler
Field Officer, Region III
Office of Minerals Exploration
United States Geological Survey
Denver Federal Center, Building 53, Room 203
Denver, Colorado, 80225

RE: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3
Ouray County, Colorado
Contract 2241

Dear Mr. Hasler:

Enclosed are fully executed original and two copies of proposed Amendment No. 3 (3 pages), to the subject contract. I have retained the "Operator's Copy" for our files.

Very truly yours,

VENTURA OIL COMPANY

Homer Noble/sp

Homer Noble

HN:sp

Enclosures

Office of Minerals Exploration
Building 53 Room 203

NOV 25 1968

November 22, 1968

Mr. Homer Noble, President
Ventura Oil Company
1029 East 8th Avenue
Denver, Colorado 80218

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3
Ouray County, Colorado
Contract 2241

Dear Mr. Noble:

Enclosed are the original and three copies of proposed Amendment No. 3 (3 pages), to the subject contract, signed for the Government.

If the proposed amendment is satisfactory to you, all four copies should be signed by a duly authorized representative, you should retain the "Operator's Copy" and return the other copies to this office for distribution.

If any part of the proposed amendment does not have your approval, the original and all copies are to be returned to this office together with the proposed changes for consideration.

Sincerely yours,

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosures

cc: Chief, OME
OME-6524
OME chron
Mr. Hasler

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
11/7/68	Emerick	120
		120
11/8	Johnson	110
	Kielgood	
11/11	Cryan	
11/13	Cal	220
		120M

AIRMAIL

NOV 13 1968

Memorandum

To: Field Officer, Region III

From: Chief, Office of Minerals Exploration

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3 Mines
Ouray and San Miguel Counties, Colorado
Contract 2241

Enclosed are the original and three copies of proposed Amendment No. 3 (3 pages), to the subject contract, signed for the Government. An extra copy of the amendment is also enclosed for field use.

If the proposed amendment is satisfactory to you and the Operator, all four copies should be signed by a duly authorized representative of the Operator and distributed in the usual manner.

If any part of the proposed amendment does not have your approval or that of the Operator, the original and all copies are to be returned to this office together with the proposed changes for consideration.

FRANK E. JOHNSON (gla)

Frank E. Johnson

Enclosures

cc: Director's Reading File
Economic Geology File
OME Docket
OME Reading File
130
Mr. Emerick

WLEmerick/bsl 11/7/68

REFERENCE SLIP

FICE OF MINERALS [illegible]RATION

ol.--MR, Room=6554

	DATE	INITIALS
1. (Through Room 6042)		
2. Mr. Kirkemo, Room 4459		
3.		
4.		
5.		
FROM: Chief, OME		

FOR: Check items for action desired

____ Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS: J-68-247.3192

FROM SOLICITOR

5

FOR SIGNATURE

RECEIVED

OCT 30 1968

Division of Mineral Resources

and General Legal Services

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

M56300-62

120 Emerick

120 Kirkemo

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WLEMERICK/bsl

In Legal
10/30

EXPLORATION CONTRACT
VENTURA OIL COMPANY
OME-6524

Amendment No. 3

It is agreed this _____ day of _____, 1968, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, Office of Minerals Exploration, hereinafter called the "Government," and Ventura Oil Company, hereinafter called the "Operator," that Exploration Contract 2241 (OME-6524), dated June 30, 1967, as amended, is further amended effective September 30, 1968, as follows:

1(a) Work under the contract shall may be suspended during the period beginning October 1, 1968, and ending not later than July 1, 1969.

(b) No costs incurred by the Operator during the period of suspension shall be allowable for contribution by the Government.

(c) The Government will not contribute to any cost of rehabilitation or repair which in its opinion would not have occurred had there been no suspension of the work.

(d) The Operator at its own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work.

Perry

4. It is the essence of the contract that the work be resumed on or before the termination of the period herein fixed for suspension; and if not so resumed, the following provisions shall thereupon become effective.

(a) The contract and all obligations of the parties thereunder, except as hereinafter otherwise provided, shall be and are hereby terminated effective October 15, 1967, if the work has not been resumed on or before July 1, 1969.

(b) The Government will contribute only to allowable costs incurred prior to the date set forth in 4 (a) above.

(c) The Operator shall promptly perform all winding-up and settlement actions provided for in the contract, including the rendering of the final report and final account.

(d) The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer (for example, if the Operator either transfers or fails to retain his interest in the land), shall pay to the Government the royalty provided for in the contract in the same manner and amount, for the same period, and subject to the same provisions as provided for in the contract as amended herein as if a certification of possible production had been made, such certification being hereby waived by the Operator. In

Retype to Legal 11/81 + Returned

addition, all rights of the Government provided for in the contract with respect to a certification of possible production, percentage royalty and liens to secure payment thereof, reports (including preservation of Operator's records), accounts, audits, and the right to recover any overpayments are hereby preserved.

This amendment shall not be construed to increase the estimated total cost of the contract, the aggregate amount which the Government may be required to contribute, the amount of any item designated as maximum, nor the fixed unit cost of any item of work.

Executed in quadruplicate the date and year first above written.

THE UNITED STATES OF AMERICA

By_____
Chief, Office of Minerals Exploration
U. S. Geological Survey

VENTURA OIL COMPANY

By_____

Title_____

This amendment shall not be construed to increase the estimated total cost of the contract, the aggregate amount which the Government may be required to contribute, the amount of any item designated as maximum, nor the fixed unit cost of any item of work.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Chief, Office of Minerals Exploration
U. S. Geological Survey

Long
App'd. Sol. Off.
Emerick
Shishemo

VENTURA OIL COMPANY

By _____

Title _____

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 203

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 28 1968
INITIALS CODE

October 24, 1968

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3 Mine
Ouray County, Colorado
Contract 2241

An interim examination was made on the subject property on September 18, 1968 by J. W. Hasler accompanied by Mr. Maynard Ayler, the Operator's consulting geologist. A geologic map of the Mountain Top Mine was made and prepared by Mr. Ayler during July and August, 1968. The exploration work completed to date was inspected September 18, 1968. The Operator was requested to submit a request to:

1. Amend the contract to be recessed from October 1, 1968 until July 1, 1969 and:

2. To request an amendment to the contract to further explore the intersection of the Humboldt Vein and the Terrible Vein from 200 to 500 feet below the Sunrise Tunnel level by diamond drilling, as indicated from the recently obtained geologic data.

The geologic data to date indicates that no more drifting from the present OME face is warranted.

Enclosed is a letter from the Operator dated September 26, 1968, requesting a recess period. The letter was retained in this office pending submittal of a new geologic map which has now been forwarded to the Washington office (September 17, 1968).

The Operator will subsequently submit a request for the amended work, as well as a voucher for some completed diamond drill footage, from which I will recommend withholding $200.00 pending the beginning of exploration work next summer.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

PHONE 623-7238

VENTURA OIL COMPANY

1029 EAST 8TH AVENUE
DENVER, COLORADO 80218

September 26, 1968

OME Region III
RECEIVED
SEP 27 1968
Denver, Colorado

Mr. J. William Hasler
Field Officer, Region 3
Office of Minerals Exploration
United States Geological Survey
Denver Federal Center, Building 53, Room 203
Denver, Colorado, 80225

Dear Mr. Hasler:

The past few months Ventura Oil Company has been doing geological work at the Mountain Top mine and the results of this work indicate a possible change in our present program.

We have recently encountered some bad weather at the mine and the company would like to request a shut-down of operations beginning October 1, 1968. We would like this shut-down period to run until July 1, 1969.

We will appreciate your consideration of this matter.

Very truly yours,

VENTURA OIL COMPANY

Homer Noble

Homer Noble

HN:sp

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225
Office of Minerals Exploration
Building 53 Room 203

August 9, 1968

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 12 1968
INITIALS | CO.
~~130~~
Cal 120 M
RS ~~110~~
RG 120 S

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top & Terrible 3 Mines
Ouray and San Miguel Counties, Colorado
Contract 2241

Enclosed are two letters from the Operator, one dated August 6, 1968 and one dated August 7, 1968 concerning an error in drift-footage reported on the subject contract. Statements from the operator's contractor, Mr. Cecil Bunker, support the 198 feet of drifting and cross-cutting paid for by the Government in the operator's voucher for the month of September, 1967.

An interim examination on the property will be made during September, to appraise the work completed to date and the Operator's request for further work, that will be made as a result of new geologic mapping presently being done by the Operator.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosure

8/13/68 Phone F.O.,
should this contract be extended? yes
or terminated with royalty agreement? No
what is current outlook for a discovery? We don't know
We should pressure him to furnish info.
F.O. will phone Operator :-
"We will defer amendment-to-extend until
new info. received - as soon as possible"

PHONE 623-7238

VENTURA OIL COMPANY
1029 East 8th Avenue
DENVER, COLORADO 80202

OME Region III
RECEIVED
AUG 9 - 1968
Denver, Colorado

August 7, 1968

Mr. J. William Hasler
Field Officer, Region III
Office of Minerals Exploration
U. S. Geological Survey
Building 53, Room 200
Federal Center
Denver, Colorado, 80225

RE: Contract No. 2241
Docket No. 6524
Mountain Top Lode
Ouray and San Miguel Counties,
Colorado

Dear Mr. Hasler:

This letter is being directed to you to correct statements in a letter to you of July 15, 1968.

The letter of July 15 stated that approximately 93.4 feet of the required 800 feet of drifting on the Terrible #3 vein has been completed. This statement should be corrected to read 199 feet along with a total of 23 feet of cross-cutting.

The paragraph that follows the above statement should be corrected to read 601 feet of drifting instead of 706.6 feet.

I am sorry for the mistake made in my letter to you on July 15 and I hope this information will correct same.

Very truly yours,

VENTURA OIL COMPANY

Homer Noble

Homer Noble

HN:sp

PHONE 623-7238

VENTURA OIL COMPANY
510 MIDLAND SAVINGS BUILDING
DENVER, COLORADO 80202

OME Region III
RECEIVED
AUG 9 - 1968
Denver, Colo.

August 6, 1968

Mr. J. William Hasler
Field Officer, Region III
Office of Minerals Exploration
U. S. Geological Survey
Building 53, Room 200
Federal Center
Denver, Colorado, 80225

RE: Contract No. 2241
Docket No. 6524
Mountain Top Lode
Ouray and San Miguel Counties,
Colorado

Dear Mr. Hasler:

Per your telephone request, enclosed are two copies each of the C. W. Bunker Company statements pertaining to the above captioned OME contract.

The invoice dated November 20, 1967 has not been submitted to the OME for payment as we have been waiting for the engineering geologic data to be compiled.

Very truly yours,

VENTURA OIL COMPANY

Homer Noble

HN:sp

Enclosures

P-44

November 20, 1967

STATEMENT:

TO:

Ventura Oil Company
Midland Savings Bldg
Denver, Colorado

Mountain Top Mine

Drifting twenty four feet (24')	@ $40.00	$960.00
Roof Bolting with chain link Matting eighty feet (80) of drift in lieu of timbering same. Eighty Feet (80) at $6.50		520.00
	TOTAL	$1,480.00

REMIT TO:

C.W. BUNKER COMPANY
P.O. BOX 463
Norwood, Colorado

Cecil Bunker

P-42

October 16, 1967

STATEMENT:

TO:

Ventura Oil Company
Midland Savings Bldg
Denver, Colorado

Mountain Top Mine

Drifting one hundred four feet (104') @ $40.00	-	$4,160.00
Cross-cut twenty three feet (23') @ $40.00		920.00
TOTAL		$5,080.00

REMIT TO:

C.W. BUNKER & COMPANY
P.O. BOX 463
Norwood, Colorado 81423

P-42

September 8, 1967

STATEMENT:

To:

Ventura Oil Company
Denver, Colorado

Mountain Top Mine

Drifting Seventy one feet (71') @	$40.00	=	2,840.00
Cutting Drill Station		=	250.00
	Total	=	$ 3,090.00

Remit to: Cecil Bunker

C. W. BUNKER & COMPANY
P. O. Box 463
Norwood, Colorado.

PHONE 623-7238

VENTURA OIL COMPANY
1029 East 8th Avenue
DENVER, COLORADO 80218

OME Region III
RECEIVED
JUL 29 1968
Denver, Colorado

July 26, 1968

SPECIAL COPY
O. M. E.
RECEIVED
AUG 5 1968

INITIALS	CODE
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	120 S

Mr. J. William Hasler
Field Officer, Region III
Office of Minerals Exploration
U. S. Geological Survey
Building 53, Room 200
Federal Center
Denver, Colorado, 80225

RE: Contract No. 2241
Docket No. 6524
Mountain Top Lode
Ouray and San Miguel Counties,
Colorado

Dear Mr. Hasler:

Our recent geologic work has indicated a need for additional study and possibly a change in the exploration plan before continuing with the contract work at the Mountain Top Lode. This was discussed with you today during a meeting in your office.

Since more detailed data is needed before a reasonable presentation to you can be made, may I request that our present August 1, 1968 deadline be extended to October 15, 1968, to give us time to complete our studies and put them in a reasonable form for presentation.

Very truly yours,

VENTURA OIL COMPANY

Homer Noble

Homer Noble

HN:sp

SURNAME COPY

7/30/68 RM Smith 120

Kirberm 120

110

AIRMAIL

To: Field Officer, Region III

From: Chief, Office of Minerals Exploration

220

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3 Mines
Ouray and San Miguel Counties, Colorado

120M

The Operator's request of July 15, 1968, for an additional recess of one year has been reviewed. Before a decision can be made, the amount of drifting done to date should be determined. In the letter of July 15 cited above, the Operator reports that "approximately 93.4 feet of drifting has been completed." In the two monthly vouchers 175 feet of drifting and 23 feet of crosscutting were reported by the Operator. A total of 198 feet of drifting and crosscutting was approved and paid by the Government.

Accordingly, please arrange an on-site inspection of the project as soon as possible and determine the amount of work performed under the contract.

FRANK E. JOHNSON

Frank E. Johnson

cc: Director's Reading File
Economic Geology File
OME docket
OME Reading File
Mr. Smith
130

RMSmith/gla 7-30-68

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 203

July 18, 1968

OFFICIAL COPY
O. M. E.
RECEIVED
JUL 19 1968

INITIALS	CODE
gla	130
bal	120
JD	110
RA	120

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3
Ouray and San Miguel Counties, Colorado
Contract 2241

Transmitted herewith are the "Government's Copy" and the "Budget and Finance's Copy" of Amendment No. 2 signed for the Government and by the applicant on the above-stated subject.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosures

PHONE 623-7238

VENTURA OIL COMPANY
510 MIDLAND SAVINGS BUILDING
DENVER, COLORADO 80202

July 15, 1968

OFFICIAL COPY
O. M. E.
RECEIVED
JUL 25 1968
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OME Region III
RECEIVED
JUL 16 1968
Denver, Colorado

Mr. J. William Hasler
Field Officer, Region III
Office of Minerals Exploration
U. S. Geological Survey
Building 53, Room 200
Federal Center
Denver, Colorado, 80225

RE: Contract No. 2241
Docket No. 6524
Mountain Top Lode
Ouray and San Miguel Counties,
Colorado

Dear Mr. Hasler:

During the summer season of 1967, work was initiated on exploration of the Mountain Top Lode, O.M.E. Contract No. 2241. In effect, the work under this contract could be divided into 4 parts as follows:

1. Completion of three diamond drill holes to intersect the Terrible #3 vein. The estimated hole lengths were 485, 430 and 510 feet fot a total of 1425 feet.

2. Driving 800 feet of new drift along the Terrible #3 vein.

3. Driving 250 feet of crosscut into the hangingwall of the Mountain Top vein and preparation of drill stations.

4. Completion of [five] Two diamond drill holes to intersect the Mountain Top vein. Estimated hole lengths are 310, 310, 365, 280 and 295 feet for a total of 1560 feet.

Total 2,740 ft

As things now stand, the drilling of three holes to intersect the Terrible #3 vein has been completed. The mineralization found consisted of three inches of lead-silver

mineralization in one of the holes. The other two cores were barren.

Drift 71
104
175
XC 23
Paid 198

Approximately 175 93.4 feet of the required 800 feet of drifting on the Terrible #3 vein has been completed. Through the first part of this drifting the vein material consists of not more than 2 inches of lead-silver-copper mineralization on the east wall. This thin streak was lost in the last 50 feet of the drift. The ground here in broken, does not stand well, and is devoid of any mineralization.

Under terms of our current contract, an estimated 706.6 feet of drifting, 250 feet of crosscutting, cutting two diamond drill stations and 1560 feet of diamond drilling remains to be completed. 852'

In view of the very poor results obtained to date, we feel that continuation of the present program is not in the best interest of Ventura Oil Company or the Office of Minerals Exploration. The program so far has not resulted in the discovery of anything of interest. If the Terrible #3 continues to deteriorate to the west, no mineralization of interest could be expected. The present Terrible #3 workings are a maximum of 130 feet north of the older Sunrise Tunnel which is still in good condition through this interval. If kept on the present course following the Terrible #3 vein, the new drift would intersect the Humboldt vein about 200 feet north of the present Sunrise tunnel-Humboldt vein intersection. The old drift continues considerably to the north of the proposed intersection and is thought to still be open at least 100 feet north of the proposed intersection.

It seems to us then, that any prospecting of the Terrible #3 vein between the end of the present drift and the Humboldt vein can more cheaply be done by diamond drilling from the Sunrise tunnel. We seriously doubt that this is worth doing at all. It seems too, that exploration of the Humboldt vein can better be done by cleaning the old Humboldt drift, turning diamond drill stations from this, or developing by raises or winzes.

We therefore request that the present O.M.E. contract for exploration at the Mountain Top mine be amended to permit review of all present data and working out of a more feasible exploration program during the winter months and to permit renewed exploration under an amended agreement to start early in the summer of 1969.

Very truly yours,

VENTURA OIL COMPANY

Homer Noble

Homer Noble

HN:sp

CC: Maynard F. Ayler

PHONE 623-7238

VENTURA OIL COMPANY
510 MIDLAND SAVINGS BUILDING
DENVER, COLORADO 80202

VENTURA OIL CO.
1029 E. 8th Ave.
DENVER, COLORADO 80218

July 10, 1968

OME Region III
RECEIVED
JUL 18 1968
Denver, Colorado

Mr. J. William Hasler
Field Officer, Region III
Office of Minerals Exploration
United States Geological Survey
Denver Federal Center
Building 53, Room 203
Denver, Colorado, 80225

RE: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3
Ouray and San Miguel Counties,
Colorado
Contract 2241

Dear Mr. Hasler

Enclosed are the original and two copies of proposed Amendment No. 2 (two pages) to the subject contract, all signed for the Company.

Very truly yours,

VENTURA OIL COMPANY

Homer Noble

OFFICIAL COPY
O. M. E.
RECEIVED
JUL 23 1968
INTERIM COPY

HN:sp

Enclosures

ME Form 7
2/63)

OFFICIAL FILE COPY

Date	Surname	Code
6/20/68	Kirkemo	
"	Johnson	
7/31	Ruggeroni	
9/11	Hoff	

JUN 24 1968

AIRMAIL

Memorandum

To: Field Officer, Region III

From: Chief, Office of Minerals Exploration

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3 Mines
Ouray and San Miguel Counties, Colorado
Contract 2241

Enclosed are the original and three copies of proposed Amendment No. 2 (two pages) to the subject contract, signed for the Government. An extra copy of the amendment is also enclosed for field use.

If the proposed amendment is satisfactory to you and the Operator, all four copies should be signed by a duly authorized representative of the Operator and distributed in the usual manner.

If any part of the proposed amendment does not have your approval or that of the Operator, the original and all copies are to be returned to this office together with the proposed changes for consideration.

FRANK E. JOHNSON

Frank E. Johnson

Enclosures

cc: Director's Reading File
Economic Geology File
OME docket
OME Reading File
Mr. Smith
130

GLAult/a 6-20-68

120 RMS.

120 (On leave)

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120M

To Legal 6/14

DRAFT - 6/14/68
RMSmith/bsl

EXPLORATION CONTRACT
VENTURA OIL COMPANY
OME-6524

AMENDMENT NO. 2

It is agreed this _____ day of _____ 1968, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and Ventura Oil Company, hereinafter called the "Operator," that Exploration Contract 2241 (OME-6524), dated June 30, 1967, as amended, is further amended effective June 14, 1968, as follows:

1.(a) Work under the contract may be suspended during the period beginning June 15, 1968, and ending not later than August 1, 1968.

(b) No costs incurred by the Operator during the period of suspension shall be allowable for contribution by the Government.

(c) The Government shall not contribute to the costs of rehabilitation or repair which in its opinion would not have occurred if there had been no suspension of the work.

(d) The Operator, at its own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work.

2. The time fixed by Article I for completion of the work is extended from 16 to 18 months from the date of the contract, or until December 31, 1968.

This amendment shall not be construed to increase the estimated total cost of the contract, the aggregate amount which the Government may be required to contribute, the amount of any item designated as maximum, nor the fixed unit cost of any item of work.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Chief, Office of Minerals Exploration
U. S. Geological Survey

VENTURAL OIL COMPANY

By_____

Title_____

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 203

June 14, 1968

ORIGINAL COPY
O. M. E.
RECEIVED
JUN 17 1968
INITIALS CODE
120
120
110
Rmd 120 S

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3
Ouray County, Colorado
Contract 2242

Enclosed is a copy of a request from the subject operator asking for an extension of suspension of time, due to heavy spring snows at elevations above 11,000 feet above sea level. I recommend an extension of time to begin on or before August 1, 1968, and a corresponding extension of time allowed for the completion of the contract.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosure

PHONE 623-7238

VENTURA OIL COMPANY

510 MIDLAND SAVINGS BUILDING
DENVER, COLORADO 80202

June 6, 1968

OME Region III
RECEIVED
JUN 7 - 1968
Denver, Colorado

Mr. J. William Hasler
Field Officer, Region 3
Office of Minerals Exploration
United States Geological Survey
Denver Federal Center, Building 53, Room 203
Denver, Colorado, 80225

Dear Mr. Hasler:

Due to the heavy spring snows that have fallen this spring it will be impossible for us to actually begin operations by June 15. We would appreciate it if you could extend our starting date to July 1.

Your attention to this matter will be very appreciated.

Very truly yours,

VENTURA OIL COMPANY

Homer Noble

Homer Noble

HN:sp

IN REPLY REFER TO:

See left side of letter

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 203

OFFICIAL COPY
C. M. E.
RECEIVED
FEB 15 1968

INITIALS	CODE
glu	130
psf	173
~~fg~~	~~110~~
RMS	130

February 14, 1968

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3 Mines
Ouray and San Miguel Counties, Colorado

Transmitted herewith are the "Government's copy" and "Budget and Finance's Copy" of Amendment No. 1 on the above-stated subject, signed for the Government and by the applicant. The applicant retained the "Operator's Copy" and the "Field Copy" and "Extra Copy for Field Use" are in the files of Region III field office.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

PHONE 623-7238

VENTURA OIL COMPANY
510 MIDLAND SAVINGS BUILDING
DENVER, COLORADO 80202

February 13, 1968

OME RECEIVED
FEB 14 1968
Denver, Colorado

OFFICIAL COPY
O. M. E.
RECEIVED
FEB 16 1968

INITIALS	CODE
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bsl	120
	~~130~~
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Mr. J. William Hasler
Field Officer, Region III
Office of Minerals Exploration
United States Geological Survey
Denver Federal Center
Building 53, Room 203
Denver, Colorado, 80225

Dear Mr. Hasler:

Enclosed are signed original and two copies of proposed Amendment No. 1 to Contract 2241. The Operator's Copy is being retained for our files.

amendment from Reg 2/14/68

Very truly yours,

VENTURA OIL COMPANY

Homer Noble

Homer Noble

HN:sp

Enclosure

Office of Minerals Exploration
Building 53 Room 203

OFFICIAL COPY
O. M. E.
RECEIVED
FEB 13 1968
INITIALS | CODE
Jea | 130
Bal | 120
RMS | 120

February 9, 1968

Mr. Homer Noble, President
Ventura Oil Company
1029 East 8th Avenue
Denver, Colorado 80218

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3
Ouray County, Colorado
Contract 2241

Dear Mr. Noble:

Enclosed are the original and three copies of proposed Amendment No. 1 (two pages), to the subject contract, signed for the Government.

If the proposed amendment is satisfactory, all four copies should be signed by a duly authorized representative, retain the "Operator's Copy" and return the other copies to this office.

If any part of the proposed amendment does not have your approval the original and all copies are to be returned to this office unsigned with the proposed changes for consideration.

Sincerely yours,

J. William Hasler
mc

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosures

cc: Chief, Office of Minerals Exploration
Hasler chron
OME chron
OME-6524

120
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2/6

FEB 7 1968

110

AIRMAIL

220

Memorandum

120M

To: Field Officer, Region III

From: Chief, Office of Minerals Exploration

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3 Mines
Ouray and San Miguel Counties, Colorado
Contract 2241

Enclosed are the original and three copies of proposed Amendment No. 1 (two pages), to the subject contract, signed for the Government. An extra copy of the amendment is also enclosed for field use.

If the proposed amendment is satisfactory to you and the Operator, all four copies should be signed by a duly authorized representative of the Operator and distributed in the usual manner.

If any part of the proposed amendment does not have your approval or that of the Operator, the original and all copies are to be returned to this office together with the proposed changes for consideration.

FRANK E. JOHNSON
Frank E. Johnson

Enclosures

cc: Director's ReadingFile
Division File
Economic Geology File
OME Docket
OME ReadingFile
Mr. Smith
130

RMSmith/bsl 2/5/68

MME FORM 6 REFERENCE SLIP
REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Assoc. Sol.--MR, Room 6554 (Through Room 6042)		
2. Mr. Smith, Room 4459		RB
3. INTERIOR DEPT. JAN 29 1968 SOLICITOR	F-67-2112.3	192
4.		
5.		

FROM: Chief, OME

FOR: Check items for action desired

____ Action	____ Reply for signature of ____	
____ Approval	____ Investigate	____ Surname
____ Comment	____ Recommendations	____ Signature
____ Conference	____ Rewrite	____ File
____ Instructions	____ Your information	

REMARKS:

FROM SOLICITOR
JAN 2 1968
FOR SIGNATURE

RECEIVED
JAN 30 1968
Division of Mineral Resources
General Legal Services

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

M56300-62

Go Legal 1/29/68

120 RMSmith
120 Kikuno
~~120~~ ~~110~~

120M

DRAFT 1/24/68
RMSmith/bsl

EXPLORATION CONTRACT
VENTURA OIL COMPANY
OME-6524

AMENDMENT NO. 1

It is agreed this _____ day of _____, 1968, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, Office of Minerals Exploration, hereinafter called the "Government," and Ventura Oil Company, hereinafter called the "Operator," that Exploration Contract 2241 (OME-6524), dated June 30, 1967, is amended effective October 14, 1967, as follows:

1. (a) Work under the contract shall be suspended during the period beginning October 15, 1967, and ending not later than June 15, 1968.

(b) No costs incurred by the Operator during the period of suspension shall be allowable for contribution by the Government.

(c) The Government will not contribute to any cost of rehabilitation or repair which in its opinion would not have occurred had there been no suspension of the work.

(d) The Operator at its own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work.

2. The time fixed by the contract for the completion of the work is extended from 10 to 16 months from the date of the contract, or until October 31, 1968.

3. The maximum period for royalty payments and for the lien to secure the payment thereof provided for in the contract is extended from ten (10) to eleven (11) years from the date of the contract.

This amendment shall not be construed to increase the estimated total cost of the contract, the aggregate amount which the Government may be required to contribute, the amount of any item designated as maximum, nor the fixed unit cost of any item of work.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Chief, Office of Minerals Exploration

VENTURA OIL COMPANY

By_____

Title_____

Copy to Washington 1-16-68

PHONE 623-7238

VENTURA OIL COMPANY

510 MIDLAND SAVINGS BUILDING
DENVER, COLORADO 80202

January 8, 1968

RECEIVED JAN 22 1968

INITIALS	CODE
gla	130
JAB	120
RG	110
RMA	130 S

Mr. J. William Hasler
Field Officer, Region III
Office of Minerals Exploration
U. S. Geological Survey
Denver Federal Center
Building 53, Room 203
Denver, Colorado, 80225

OME-6524
Ventura Oil Co.

Dear Mr. Hasler:

We incurred extremely heavy snow fall at the Mountain Top Mine in late October and because of this early snow fall, we were forced to curtail our operations for the winter months.

It is, therefore, that I wish to request an ammendment to our O.M.E. Contract No. ~~6524,~~ 2-21 to recess this operation until June 15, 1968. Your appreciation to this matter will be greatly appreciated.

Very truly yours,

VENTURA OIL COMPANY

Homer Noble

Homer Noble

HN:sp

Office of Minerals Exploration
Building 53 Room 203

CHECKED
COPY
O. M. E.
RECEIVED
JAN 8 1968
INITIALS | CODE
gla | 130
| 120
| 110
RMA | 130 S

January 5, 1968

Mr. Homer Noble, President
Ventura Oil Company
1029 East 8th Avenue
Denver, Colorado 80218

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3
Ouray County, Colorado
Contract 2241

Dear Mr. Noble:

Your narrative report for September 1967 included a statement that weather was becoming inclement and that operations could not be carried on much longer, and that work would have to be recessed for the winter months.

Will you please request that an amendment be made to recess the contract from the date you last worked on the property, under the current contract, to say, June 1, 1968 or a date that you think you can start again in the Spring. An original and one copy is required. Please mail to:

Mr. J. William Hasler, Field Officer, Region III
Office of Minerals Exploration -- U. S. Geological Survey
Denver Federal Center -- Building 53 -- Room 203
Denver, Colorado 80225

No contract is allowed to remain in an unauthorized recess.

Sincerely yours,

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

cc: Chief, OME ✓
OME chron
OME-6524
Mr. Hasler

PHONE 623 7218

VENTURA OIL COMPANY
510 MIDLAND SAVINGS BUILDING
DENVER, COLORADO 80202

O.M.E. RECEIVED
NOV 13 1967
Denver, Colorado

November 8, 1967

Mr. J. William Hassler
Field Officer, Region 3
Office of Minerals Exploration
United States Geological Survey
Denver Federal Center, Building 25, Room 2284
Denver, Colorado, 80225

Dear Mr. Hassler:

Enclosed are Ventura's invoices covering office expenses for the months of August and September, 1967, as per your request.

Very truly yours,

VENTURA OIL COMPANY

Homer Noble

HN:sp

Enclosures

Original to BTF 11/27/67

VENTURA OIL COMPANY

510 MIDLAND SAVINGS BUILDING
DENVER, COLORADO 80202

RECEIVED
PHONE 623-1236
NOV 18 1967
Denver, Colorado

To:

Ventura Oil Company
Mountain Top Mine Division
510 Midland Savings Building
Denver, Colorado, 80202

Date: August, 1967
Invoice No.: 1
Lease: Mountain Top Mine

Office expense including costs for maps, printing, telephone, etc.	$ 40.00

VENTURA OIL COMPANY

510 MIDLAND SAVINGS BUILDING
DENVER, COLORADO 80202

PHONE 623 7[illegible]

NOV 18 1967
Denver, Colorado

To:

Ventura Oil Company
Mountain Top Mine Division
510 Midland Savings Building
Denver, Colorado, 80202

Date September, 1967
Invoice No. 2
Lease Mountain Top Mine

Office expense including costs for maps, printing, telephone, etc.	$ 40.00

VENTURA OIL COMPANY

510 MIDLAND SAVINGS BUILDING
DENVER, COLORADO 80202

PHONE 623-7238

OME Region III
RECEIVED
NOV 13 1967
Denver, Colorado

To:

Ventura Oil Company
Mountain Top Mine Division
510 Midland Savings Building
Denver, Colorado, 80202

Date September, 1967
Invoice No. 2
Lease Mountain Top Mine

Office expense including costs for maps, printing, telephone, etc.	$ 40.00

OME- 6524
Cont. - 2241

OFFICIAL COPY
O. M. E.
RECEIVED
NOV 22 1967

INITIALS	CODE
Blk	120 M
~~Hj~~	~~110~~
Rmd	120 S

To Budget and Finance
c/o Dean McAllister
RMJ

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration

October 25, 1967

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 26 1967

INITIALS	CODE
	130
RMS	130 S

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6524 (Silver-Lead-Zinc-Gold-Copper)
Ventura Oil Company
Mountain Top and Terrible 3 Mines
Ouray and San Miguel Counties
Contract 2241

Transmitted herewith are the original and two copies of the September, 1967 voucher on the above-stated contract.

I certify that the foregoing is correct and just; and recommend that payment be made.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosures

MME FORM 60
SEPT. 1959

OFFICIAL COPY O. H. F.
RECEIVED NOV 9 1967

CODE	INITIALS
210	Cae
130	Jl
120	[illegible]
140	[illegible]
5	[illegible]

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OME-6524

Docket No.
Contract No. 2241
14-23-090-
Contract Amount $ ~~61,600.00~~
Gov't. Participation * 75 $ ~~61,200.00~~
Mineral(s) Silver

OPERATOR'S MONTHLY VOUCHER

For Month of September, 1967

Operator's Name VENTURA OIL COMPANY
Address ~~510 Midland Savings Bldg., Denver, Colo.~~

COST CATEGORIES	FOR OPERATOR'S USE: MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	FOR GOVERNMENT APPROVAL ONLY: MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
~~xxxxxx~~ Moving	60.00	80.00	140.00			
Bulldozing & Crosscutting	~~5080.00~~	~~2840.00~~	~~7920.00~~			
Drilling ~~xxxxxxx~~ Standby	~~140.00~~	~~224.00~~	~~364.00~~			
Crosscutting AK WL	~~4903.15~~	~~1671.95~~	6575.10			
Drilling Drill Station	-	225.00	225.00			
Mobilization	-	175.00	175.00			
(2) Personal Services:						
Supervision & Technical	700.00	1050.00	1750.00			
Outside Consultants	600.00	900.00	1500.00			
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
Core Boxes	-	200.00	200.00			
Office	40.00	60.00	100.00			
Sample Sacks	7.50	-	7.50			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
Travel-Superv.	116.50	191.80	308.30			
Travel-Consult	80.00	120.00	200.00			
Per Diem-Consult	128.00	192.00	320.00			
TOTALS	11855.15	7929.75	19784.90			

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 10/18/67 *Payee VENTURA OIL COMPANY

Per HOMER NOBLE Title PRESIDENT

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 8,888.44 14X0804

Signature [illegible] (Authorized Certifying Officer)

Date NOV 7 1967 Vou. No. 83392

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 22 C/1.

Signature J. William Hasler Title Field Officer Date 10/25/67

Approved by OME Executive Officer or Alternate:

Signature J. William Hasler Title Field Officer Date 10/25/67

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

10/31/67/R MS

MME FORM 61
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of September, 1967 Docket No. OME 6524

Operator's Name VENTURA OIL COMPANY Contract No. 14-23-090-2241

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting & Crosscutting	FT	127	198	7920.00	127	198	7,920.00
Moving	HR	6	14	140.00	6	14	140.00
Standby	HR	10	26	364.00	10	26	364.00
Drill Station	EA	-	1	225.00	—	1	225.00
Mobilization	EA	-	1	175.00	—	1	175.00
Other Underground							
Drilling, Core-Diamond AXWL	FT	801	1082	6575.10	801	1082	6,575.10
Rotary							
Supervision	Month	1	2.5	1750.00	1	2.5	1,750.00
Consulting	Day	8	20	1500.00	8	20	1,500.00
Core Box	EA	-	200	200.00	—	200	200.00
Office	Month	1	2.5	100.00	1	2.5	100.00
Travel Supervision	Mile	1165	3083	308.30	1165	3083	308.30
Travel Consultant	Mile	800	2000	200.00	800	2000	200.00
Per Diem Consultant	Day	8	20	320.00	8	20	320.00
Sample Sacks	EA	24	24	7.50	24	24	360
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE (per MME Form 60)				19784.90			19,781.00

REMARKS

(Continue on back)

REMARKS

24 sample sacks allowed at 0.15¢ ea. $3.60
Disallow $3.90

(Continue on back)

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date Oct. 18, 1967 Operator VENTURA OIL COMPANY

Per Homer Noble Title PRESIDENT

Homer Noble

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature J. William Hasler

Title Field Office Government Representative

Date October 25, 1967

(INSTRUCTIONS ON REVERSE)

REMARKS (Cont.)

REMARKS (Cont.)

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

INT.DUP.,D.C.59- 27162

UNITED STATES
DEPARTMENT OF THE INTERIOR
U. S. Geological Survey
Branch of Budget and Finance
Washington, D. C. 20242

ADMINISTRATIVE SUSPENSION STATEMENT

Name and Address of Payee: Ventura Oil Co.
510 Midland Savings Bldg.
Denver, Colorado 80202

Amount Claimed:	Differences (Explained Below)	Amount Approved
$11,855.15	$3.90	$11,851.25 $ 8,888.44 Government Participation
Bu. Voucher No.	Payee's Invoice No.	Period
	Docket # 6524 Contract # 2241	September 1967

EXPLANATION

Claimed 24 samples sacks	7.50
Allowed (per contract) 24 samples sacks @ 15¢ ea.	3.60
Disallowed	3.90

Any reclaim for items deducted must be supported by the original of this statement and submitted to the office shown above.

J. D. McAlister
Branch of Budget and Finance

OPERATOR'S MONTHLY NARRATIVE REPORT

For the month ending September 30, 1967

Docket No. OME 6524
Contract No. 2241
Contract Amount $81,600
Govt. Participation 75% $61,200
Mineral Silver

Operator's Name Ventura Oil Company
Address 510 Midland Savings Building, Denver, Colorado, 80202

Fwd, 281 — 0

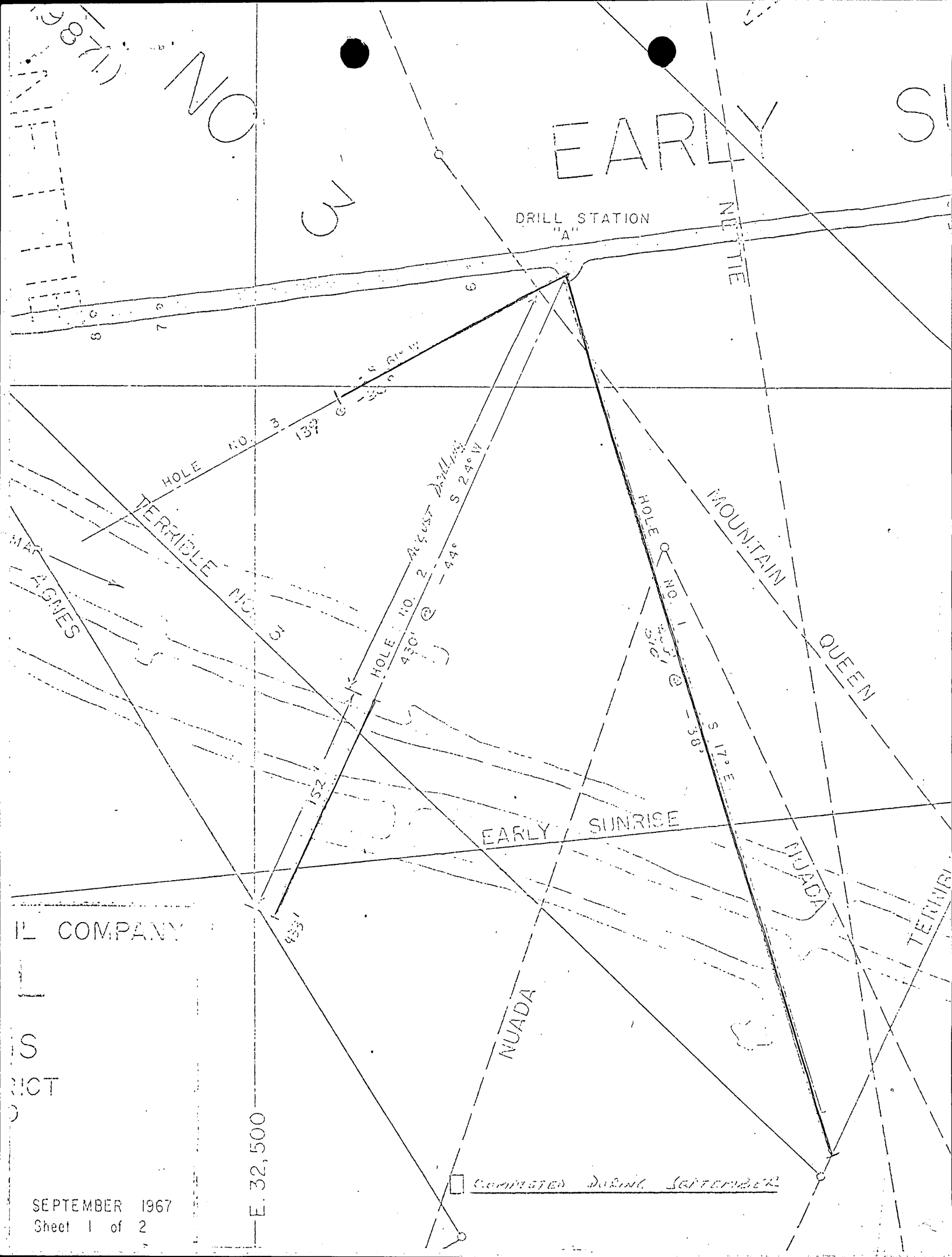
MacPherson Drilling Company continued core drilling during the month, finishing hole number 2 to a depth of 433 feet S24°W at an angle of -44°. (Vein thickness was approximately 3 feet at approximately 380 feet). Hole number 1 was completed to a depth of 510 feet S17°E at an angle of -38°. Hole number 3 has been drilled to a depth of 139 feet S61°W at an angle of -36°. We are presently awaiting reports from the geologist and engineer giving results on core assay analysis, vein thickness and hole distance to vein intersection. This report is expected in the next few days and will be forwarded together with a detailed mine geologic map.

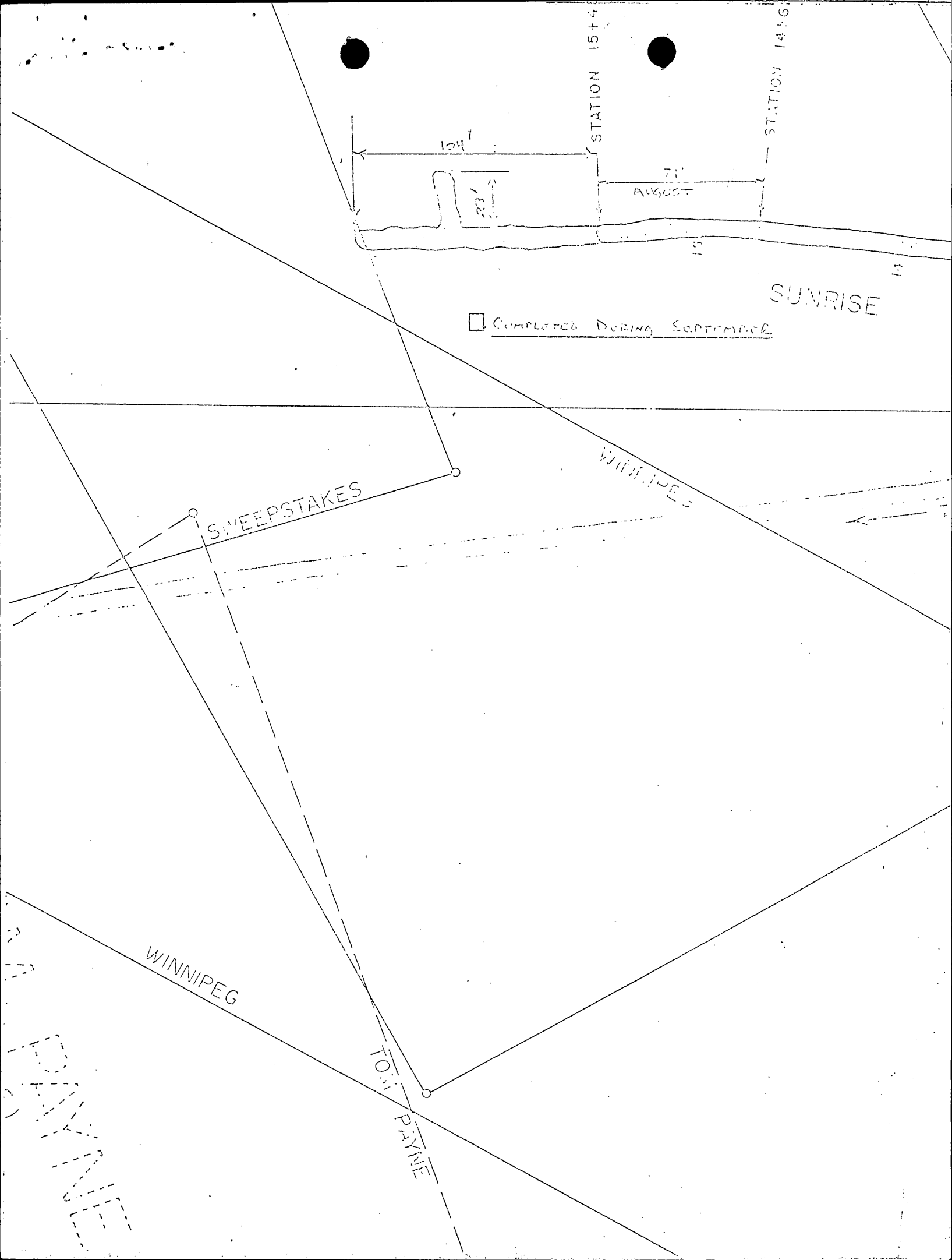
@ $5.95 @ 6.35
300 133
300 210
139
739 343
2178.05
4397.05
$6575.10

Bunker and Company proceeded with drifting, advancing a total of 104 feet. A crosscut was driven after 60 feet to a distance of 23 feet. This was deemed necessary for the switching of cars.

During the month, the office had expenditures in excess of $40.00 including costs for maps, printing, telephone, etc.

The weather continues to be a factor in the operation, as frequent light snow falls have already commenced at the location. We expect hole number 3 to be completed the first part of October and drifting will continue so long as weather permits. It is felt that since snows have begun in the area, that October will be the last month of operations this year.


EARLY
DRILL STATION "A"
HOLE NO. 3
132'
S 61° W
TERRIBLE NO. 1
HOLE NO. 2
August Drilling
430' @ -44°
S 24° W
152'
433'
HOLE NO. 1
@ -38°
S 17° E
MOUNTAIN QUEEN
EARLY SUNRISE
NUADA
MAR AGNES
E. 32,500
COMPLETED DURING SEPTEMBER
SEPTEMBER 1967
Sheet 1 of 2


STATION 15+4
STATION 14+6
104'
71'
AUGUST
23'
15
14
SUNRISE
COMPLETED DURING SEPTEMBER
WINNIPEG
SWEEPSTAKES
WINNIPEG
TOM PAYNE

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225
Office of Minerals Exploration

October 6, 1967

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 9 1967

INITIALS	CODE
BLP	120 M
JJG	120
RMS	120 S

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3 Mines
Ouray and San Miguel Counties, Colorado
Contract 2241

Transmitted herewith is a map of the Mountain Top Mine of Ventura Oil Company, Sunrise Tunnel and Associated Workings, Mt. Sneffels Mining District, Ouray County, Colorado, Sheet 1 of 2, dated September, 1967, prepared by Walter Verner and Louis A. Gaz in connection with the above-stated subject. The map was referred to in our memorandum of September 27, 1967 transmitting Ventura Oil Company's monthly vouchers for July and August, 1967.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosure

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration

OFFICIAL COPY
O. M. E.
RECEIVED
SEP 29 1967

INITIALS	CODE
	130
	170
	110
	120

September 27, 1967

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3 Mines
Ouray and San Miguel Counties, Colorado
Contract 2241

Transmitted herewith are the original and two copies of the Operator's vouchers for the months of July and August, 1967 on the above-stated subject. The monthly report maps are presently being drafted. As soon as they are received in this office, they will be transmitted to Washington.

I certify that this account is correct and proper for payment and recommend that payment be made.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

MME FORM 60
SEPT. 1959

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 11 '67
INITIALS/CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. OME 6524
Contract No. 14-23-090-2241
Contract Amount $ 81,600.00
Gov't. Participation % 75 $ 61,200.00
Mineral(s) Silver

OPERATOR'S MONTHLY VOUCHER

For Month of July & August, 67

Operator's Name Ventura Oil Company
Address 510 Midland Savings Bldg., Denver, Colo.

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
~~Surveying~~ Moving	80.00	-	80.00			
Drifting	2840.00	-	2840.00			
~~Grouting~~ Standby	224.00	-	224.00			
Drilling AX WL	1671.95	-	1671.95			
Cutting Drill Station	225.00	-	225.00			
Mobilization	175.00	-	175.00			
(2) Personal Services:						
Supervision & Technical	1050.00	-	1050.00			
Outside Consultants	900.00		900.00			
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
Core Boxes	200.00	-	200.00			
Office	60.00	-	60.00			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
Travel Supervisor	191.80	-	191.80			
Travel Consultant	120.00	-	120.00			
Per Diem Consultant	192.00	-	192.00			
TOTALS	7929.75		7929.75			

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Sept. 25, '67 *Payee Ventura Oil Company

Per Richard C. Pacison Title Treasurer

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTION ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 5,947.31 / 14X0804

Signature JDM
(Authorized Certifying Officer)

Date OCT 6 1967 Vou. No. 82711

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 224

Signature J. William Hasler Title Field Officer Date 9/27/67

Approved by OME Executive Officer or Alternate:

Signature J. William Hasler Title Field Officer Date 9/27/67

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of July & August, 1967 Docket No. OME 6524

Operator's Name Ventura Oil Company Contract No. 14-23-090- 2261

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting	FT	71	71	2,840.00	71	71	2840.00
Moving	HR	8	8	80.00	8	8	80.00
Standby	HR	16	16	224.00	16	16	224.00
Cutting Drill Station	EA	1	1	225.00	1	1	225.00
Mobilization	EA	1	1	175.00	1/2	1/2	175.00
Other Underground							
Drilling, Core-Diamond AX WL	FT	281	281	1,671.95	281	281	1671.95
Rotary							
Supervision	Month	1.5	1.5	1,050.00	1.5	1.5	1050.00
Consulting	Day	12	12	900.00	12	12	900.00
Core Boxes	EA	200	200	200.00	200	200	200.00
Office	Month	1.5	1.5	60.00	1.5	1.5	60.00
Travel Supervision	Mile	1918	1918	191.80	1918	1918	191.80
Travel Consultant	Mile	1200	1200	120.00	1200	1200	120.00
Roads and Trails Consultant	Day	12	12	192.00	12	12	192.00
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE *(per MME Form 60)*				7,929.75			7929.75

REMARKS

AX WL Core of MacPherson Drilling Company is larger than standard. A special tool designed by Mr. MacPherson pulls a core slightly over 1 3/16'.

(Continue on back)

REMARKS

(Continue on back)

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date Sept. 25, '67 Operator Ventura Oil Company

Per Richard C. Pacler Title Treasurer

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature R. M. Smith

Title Geologist
Government Representative

Date Sept. 26, 1967

(INSTRUCTIONS ON REVERSE)

REMARKS (Cont.)

REMARKS (Cont.)

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

OPERATOR"S MONTHLY NARRATIVE REPORT

For the period ending August 31, 1967

Docket No. OME 6524
Contract No. 2241
Contract Amount $81,600
Govt. Participation 75%, $61,200
Mineral Silver

Operator's Name Ventura Oil Company
Address 510 Midland Savings Building, Denver, Colorado, 80202

Ventura Oil Company started preparatory work at the Mountain Top Mine during the second week of July. Work consisted of rebuilding track and rehabilitating the tunnel. Work was slow during the last two weeks of July and the month of August due to heavy rains that caused considerable damage not only to the road but also caused the washout of culverts and bridges.

On July 20, the mining contractor, Cecil Bunker was notified to move in equipment and August 12, drilling site Station A had been cut to a size of 7' x 7' x 9'. The recommended size was 5' x 5' x 7' which had to be increased to allow tunnel access and was necessary for the length of steel change.

Work continued on rehabilitating the tunnel to its face and drifting started to advance. The rehabilitation problems were more severe than had been anticipated, as over 30% of the track ties and 15% of the rails had to be replaced.

MacPherson Drilling Company moved their core drilling equipment in August 13 and set up at Station A on Hole No. 2. On August 31, Drill Hole No. 2 had been drilled to 281' S24^{o}W and at an angle of -44°. As of August 31 the drift had been advanced 71'.

OFFICIAL COPY

Office of Minerals Exploration

INITIALS CODE
Ja 130
GH 120
JS 110
HR 120
(Direct)

September 15, 1967

Mr. Richard C. Fackler, Secretary and Treasurer
Ventura Oil Company
510 Midland Savings
Denver, Colorado 80202

Subject: OME-6524 (Silver-Lead-Zinc-Gold-Copper)
Ventura Oil Company
Mountain Top and Terrible 3 Mines
Ouray and San Miguel Counties

Dear Mr. Fackler:

Transmitted herewith is a supply of monthly report forms and two samples, one of MME Form 60 (Operator's Monthly Voucher) and MME Form 61 (Operator's Progress Report).

Your appointment is herewith confirmed with Mr. Roscoe Smith, Denver Federal Center, Building 25 - Room 2284 at 9:30 AM, September 19, 1967.

Sincerely yours,

mc

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

cc: Chief, OME
Hasler chron
OME chron
Contract 2241

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225
Office of Minerals Exploration

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 30 1967

INITIALS	CODE
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RMS	120 S

August 28, 1967

Memorandum

To: Chief, OME

From: Field Officer, Region III

Subject: OME-6524 (Silver-Gold)
Ventura Oil Company
Mountain Top Property
Ouray County, Colorado

Contract 2241

Transmitted herewith is an original of a report of examination on the subject property.

The excessively heavy work load in the Region III office prohibited the field officer from completing a report of examination before a contract was prepared and executed, however, frequent telephone conversations between Denver and Washington concerning the subject application led to the approval and preparation of a contract.

Figures 1 and 2 accompanying the contract should be attached to this report of examinatio to prevent duplication of efforts in drafting new illustrations.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

UNITED STATES

DEPARTMENT OF THE INTERIOR

STEWART L. UDALL, SECRETARY

U. S. GEOLOGICAL SURVEY

OFFICE OF MINERALS EXPLORATION

REPORT OF EXAMINATION

REGION III

OME-6524 (SILVER-GOLD)

VENTURA OIL COMPANY

MOUNTAIN TOP PROPERTY

OURAY COUNTY, COLORADO

By

J. WILLIAM HASLER

GEOLOGIST

AUGUST 1967

ON-SITE
EXAM.RPT.

CONTENTS

Introduction and summary---------- 1

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History and Past Production---------- 3

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Estimated Costs of the Work---------- 13

Proposed Exploration---------- 16

Conclusions and Recommendations---------- 18

Introduction and Summary

The Ventura Oil Company, 1029 East 8th Avenue, Denver, Colorado, applied to the Office of Minerals Exploration on November 15, 1965 for financial assistance in minerals exploration to explore for silver and gold at the Mountain Top Property, Ouray County, Colorado at an estimated cost of $250,000.00. The applicant originally proposed to explore the Mountain Top property from the northeast face of the Stillwell (Liberty Bell) tunnel, by driving an additional 2,150 feet N. 45° E. to intersect the projection of the Humboldt-Smuggler Union vein, then from the intersection of the Humboldt-Smuggler Union vein with the Stillwell Tunnel, drive N. 25° E., 1650 feet to the Terrible vein, a total distance of some 3,800 feet. A review of the application revealed that, extra lateral rights to the downward continuation of the Humboldt vein below the Tom Payne claim were not specified, and a request was made from the applicant whether or not the first 2,000 feet of property drilling was located in property controlled by the applicant.

Applicant replied on March 30, 1966 supplying requested information and proposing an alternate suggestion for exploration. The applicant then proposed a possible drilling program at a much smaller cost. The application was referred to the field and an examination was made by J. W. Hasler on October 10 and 11, 1966 in company with Mr. Andrew Lang and Andy Soutyak, representatives of the applicant.

A combined drifting and diamond drilling program was suggested to explore the Terrible and/or the Agnes Vein and the Humboldt vein

intersection at an estimated cost of $96,658.10, through the Mountain Top workings. It is thought that the considerably reduced exploration program as proposed by the applicant may result in the discovery of new and undiscovered reserves of silver and it is recommended that a contract be prepared to complete the revised exploration program herein outlined with accompanying proposed costs.

The Property

The Mountain Top property is located in T. 43 N., R. 8 W., N.M.P.M., and may be reached by travelling southwestward from the town of Ouray, Colorado up Canyon Creek to the Camp Bird mine, then up Sneffel Creek, and turn left on a Jeep-truck road into Governor Basin, at an elevation of about 12,000 feet, a distance of some 12 miles, Figure 1.

Shipping and supply points are Ridgeway, Colorado a distance of 25 miles, Montrose, Colorado, 50 miles.

Ventura Oil Company is the owner of the mineral rights, Page 1B, accompanying original application represents true copies of the deeds conveying the claims to Homer Noble from Eugene Schwend, trustee, and thence from Homer Noble to Ventura Oil Company. The deeds are recorded in Book 179, pages 18 and 19, in the recorder's office, County of Ouray, State of Colorado. Both recordings dated June 10, 1965.

Name of Claim	Survey No.
Mount Sneffells Belle Lode	15191
Winnepeg Lode	12914
Sweepstakes Lode	7735
Mountain Top Lode	7573
Terrible No. 3 Lode	19871

Agnes Lode	19782
19/21 Annex Lode	7036
19/21 New Discovery Lode	7559
New Discovery Lode	17847
Fox Lode	20044
Bear Lode	20044
Sunrise Lode	20044
Morning Star	2384-A
Morning Star	2384-B

Kenneth Lode, Unpatented

Nettie Lode, Unpatented

(Consideration less than $100.00--no IRS required)

Early Sunrise Lode, Recorded in Book 165, Page 140, County Recorder's Office, Ouray County, Colorado. The Early Sunrise claim is unpatented. The Early Sunrise Claim was located to insure coverage along the Terrible No. 3 ore lens, as the Mountain Queen 7737, The Thomas J. Megan, 19938, and Terrible No. 2 claims 7096 are not controlled by the applicant. The Tom Payne claim is covered by the Winnepeg patented claim 12914. The above listed claims completely cover the ones included in the revised proposed exploration program.

The Ventura Oil Company will furnish their share of the cost of exploration work in addition to items under 7d, f and g of company working capital.

History and Past Production

The applicant reports production from the Sweepstakes, and Terrible claims during June 25, 1915 and October 31, 1923 as follows:

Claim	Tons	Oz. Au	Oz. Ag	%Pb	Net Smelter Receipts
Sweepstake (Concentrates)	822.7	0.115	123.5	15.05	$ 93,775.44
Terrible (Concentrates)	2,515.0	0.125	219.5	33.95	493,663.88
Terrible (Crude)	1,450.0	0.06	236.0	38.30	351,691.16
	4,787.7				$ 939,130.48

Assay sheets reported by Mr. Davis Foerster from the Mountain Top Mining Company records for the period January 5, 1921 to December 1921, showed the highest mill heads and ranged from 44.4 oz. Ag and 3.65% Pb per ton to a low of 12.1 oz Ag, and 3.65% Pb per ton. The average grade appears to be 20.0 oz. Ag and 3.0% Pb per ton.

Using random head, tail and concentrate assays the mill recovery was about 70% of the silver and 65% lead, within concentration of 12-1. Applying the concentration ratio to the production of concentrates above, approximately 40,000 tons of mill ore, plus 1,450 tons of crude ore was mined for an average recovery in excess of $20.00 per ton at 1921 prices. Of this 41,450 tons approximately 24% was mined from the Humboldt-Smuggler Union vein and 76% from the Terrible vein.

A map and section (dated June 1, 1923) of the Terrible No. 3 vein indicates that the vein has been rather extensively mined southeast of the Sunrise tunnel. The vein has been mined 2 levels below and apparently 2 levels above the main or Sunrise level. Presently a cave about 70 feet southeast of the Sunrise tunnel prevents inspection of the Terrible workings. The Terrible vein northwest of the Sunrise tunnel has been explored over a distance of about 400 feet. An

inspection of this portion of the workings indicates that the Terrible Vein continues northwest, but it averages less than 1 foot thick. The vein has not been mined northwest of the Sunrise tunnel. During the 1965 field season, the northwest drift was being extended. Beyond the intersection of the Terrible No. 3 drift, the Sunrise tunnel contains as much as 1 foot of water, mostly because of damming by old timbers piled along the tunnel, and locally from the spalling of rock. Track is in the Sunrise tunnel to the Mountain Top workings. There is no forced ventilation past the intersection of the Terrible drift.

The Mountain Top drift is open a distance of about 300 feet north of the Sunrise tunnel (pl. 1). At this point, lagging has broken, allowing loose muck from an overhead stope to partially fill the drift. The drift was not inspected north of the cave. The Mountain Top vein has been continuously stoped from a point 75 feet north of the Sunrise tunnel an unknown distance past the cave. Track has been mostly removed from the Humboldt drift. The air is extremely bad along these workings and before any activity is begun, ventilation pipe would have to be extended to and along the open portion of the Humboldt drift. An undated claim map shows that the Humboldt drift continues at least 500 feet north of the northwest point shown on plate 1. The extension was not shown because the length and orientation are not clear. An incomplete mine map indicates that there is a drift (level 2), about 300 feet long, beneath the main level of the Humboldt workings (level 1). There is no information regarding the amount of stoping along the lower level. The Mountain Top vein was not explored south of the

of the Sunrise tunnel inasmuch as this point is located along the south end line of the Sweepstakes claim, and ground further south was not owned by the Mountain Top Mining Co. The Mountain Top vein is exposed in the south wall of the Sunrise tunnel, where it is about 4 to 5 feet thick, and north along the back of the Mountain Top drift to the stoped area. Within the stoped area, only portions of the vein are exposed along the west wall of the drift.

Geology[1/]

of

Telluride and Sneffels Districts

San Miguel and Ouray Counties

The Telluride district is part of the Upper San Miguel mining area and the principal source of past production from San Miguel County. The Sneffels district adjoins it across the divide separating the upper San Miguel and Uncompahgre drainages. For convenience in description because it makes a better geologic unit the Telluride district as discussed here will be confined to its northern division north of the San Miguel River. The districts together cover about 30 square miles and comprise the northwest swarm of veins and dikes between the margin of the Silverton caldera northwest of Red Mountain Creek and the intrusive stocks of the Mt. Sneffels and Stony Mountain center. The mines are developed from portals in the volcanic rocks within the high glacial basins of several creeks tributary to the main valleys and are interconnected by tunnels that penetrate the mountain divide between the two counties.

In the valley of the San Miguel River at Telluride the Paleozoic and Mesozoic sedimentary rocks beneath the Telluride conglomerate are exposed generally below 10,000 feet altitude. They include the strata from the Cutler formation to the Dakota sandstone. In the Sneffels district to the northeast, also, the Paleozoic and Mesozoic rocks are exposed in Canyon Creek below 9,500 feet altitude.

The mines of these two districts have been productive for many years and, with deeper transportation tunnels now either being driven or under consideration near and below the base of the volcanic series, the districts may be expected to produce for many years in the future. The more famous mines include the Smuggler Union at Telluride, closed in 1928 after a production record of 52 years. This mine and some adjoining properties have been reorganized as the Telluride Mines, Incorporated, which will continue deeper level work. The Tomboy group of mines, operated by an English company and famous for their gold, silver, and lead production, were closed in 1927 and the company liquidated; they are now included in the reorganized Telluride Mines, Incorporated. The Liberty Bell mine, which produced only silver and gold, was operated from 1898 to 1921; it employed amalgamation and cyanidation. In the Sneffels district the Camp Bird mine is the most famous, having been operated by the Camp Bird, Limited, an English company still owning the property, from 1896 to 1916. The mine was reopened under the King Lease, Inc., in 1926, and has operated continuously since then, recovering much lead in addition to gold and silver. Zinc contained in the concentrates was not recovered until 1942, when the mill was redesigned. Other well known mines producing silver

lead ores include the Virginius, Humboldt, Terrible, Atlas, and Klondyke, but with the exception of the Atlas and Klondyke these mines are partly in San Miguel County. Gold was produced also by these mines, particularly from the Atlas vein.

The lowest ebb in the production of the Telluride and Sneffels districts occurred in the early thirties, but beginning in 1936 the Smuggler Union group was taken over by the La Veta Mines, Inc., which in 1939 acquired the Tomboy holdings in 1940 organized as the Telluride Mines, Inc. With the installation in their 550-ton mill of a flotation unit in 1940 to recover zinc the production of the districts has gradually increased. The latest large mine development was in 1943 when the Metals Reserve Company, a government agency, loaned the Idarado Mining Company as a war-time measure the capital necessary to extend the Treasury tunnel from Red Mountain westward under the divide and beneath the Old Black Bear mine in San Miguel County. This venture was successful in tapping a substantial vein of ore 900 feet vertically below the old workings. The production which was started in 1945 is accredited to San Miguel County, though the mine portal and 800-ton mill are in Ouray County. The lead, copper, and zinc concentrates which are produced contain precious metal values.

Allowing an estimated $12,000,000 from San Miguel County to be credited to areas south of the San Miguel River, and nearly twice this amount from Ouray County credited to the Uncompahgre and Red Mountain districts, the Sneffels and Telluride districts have yielded over 80 percent of the total production of the two counties, which is somewhat more than one-half of the total production from all

districts of the Silverton volcanic center. It seems unlikely that this advantage will be overtaken by other districts in the near future, although ultimately a large proportion of production may be made from other parts of the area.

The production of the area has come principally from veins within the San Juan tuff, although the uppermost levels of a number of mines were within the Silverton volcanic series which, in this part of the region, ranges between 200 and 800 feet in thickness. The Potosi volcanic series caps only the highest ridges. Where the veins cross ridges capped by the Potosi rocks their position may be marked only by vague sheeting and alteration. Some dikes of pre-mineral age, however, cut up through the capping rhyolite where their course may become irregular, but they help to establish clearly that the main ore deposition was later than the Potosi flows.

Structurally the veins of the area fall into three principal types though there also are some other local types. The vein swarm is characterized by curving fractures that converge at their northwest ends about the Mt. Sneffels intrusion and at their southeast ends they terminate against or interlace with the bounding faults and fractures of the Silverton caldera. In point of origin the oldest fissures are those occupied by dikes, and they generally follow curving courses. Some dikes do not reach the surface. A number of important veins such as the Smuggler Union and the Argentine and Montana veins of the Tomboy group follow the walls of these dikes and form one of the main productive classes. Some of these veins in favorable places

have yielded a good grade of ore down into the sedimentary strata beneath the volcanic rocks. Another set of vein fissures, somewhat later in origin have a more uniformly straight northwest course, at places cutting diagonally across or terminating against the curved fissures and dikes. These vein fissures commonly dip outward away from the center of the fissure swarm at lower angles of dip than the others; they are termed "flat veins," although their dips are not generally less than 50 degrees. They also tend to steepen upward and flatten somewhat in depth. The Flat vein of the Smuggler Union, the Black Bear, the Humboldt, and possibly the Liberty Bell are representative veins belonging to this class. They are believed to have originated by tensional rupture chiefly of the San Juan tuff, and consequently may not be expected to yield much ore below the base of this formation or of the Telluride conglomerate. A few veins follow the walls of dikes that are concentric to or which spiral outward from the volcanic center. They strike northerly or northeasterly across the other fissures and may be considered to form a third class, but other than the Camp Bird which is a fault fissure, the production from them has been small.

The mineralogy of the ores is comparatively simple, a few of the common sulfides, pyrite, sphalerite, galena, and chalcopyrite forming the bulk of the veins in a gangue of quartz with some rhodonite, rhodochrosite, and calcite. Repetition of the common sulfides in several stages of vein formation is common. In general base metal sulfides decrease in quantity in later vein stages, the final stages being nearly barren quartz or calcite. The gold-bearing quartz of the

Camp Bird contains adularia and minor amounts of the common sulfides. It fills fissures alongside or breaking through the earlier more massive sulfide vein. In some earlier operations in the mine the sulfide vein matter was not mined where it was easily left in the wall. In veins far to the northwest such as the Liberty Bell, very little sulfide was present in the ore. The silver was contained chiefly in argentiferous tetrahedrite, stephanite, and argentite. Gold was a late mineral associated with quartz and carbonate. Much of the vein was oxidized and contained a manganese-stained gouge. Native silver and argentite are probably of secondary origin. In veins such as the Virginius that were chiefly silver producers the principal ore minerals were galena and argentiferous tennantite, which were associated with a quartz-carbonate base metal mineralization; but ruby silver such as proustite formed small bunches of high-grade ore.

As the Telluride and Sneffels districts are fairly well developed by underground workings, some freedom may be allowed in estimating the proportion of undeveloped ground remaining beneath ore shoots that have already produced appreciably in excess of $1,000,000. Assuming the Telluride erosion surface as the bottom, undeveloped ground beneath the principal ore shoots amounts to about 40 percent of total ground from the tops of the mined ore shoots to the Telluride erosion surface. This means roughly 60 percent depletion of the most favorable ground. But if partly developed and possibly favorable ground is added to this, the depletion of the districts is nearer 50 percent. Furthermore as less than 20 percent of the total vein length of the

stronger veins is actually developed at all and as some ore shoots are known to extend below the Telluride erosion surface, there remains also some opportunity for discovery of ore shoots not indicated either by underground or surface developments. The tonnages in undepleted favorable ground would amount to 20 or 30 million tons, not allowing for selective mining. While these figures do not by any means represent an exhaustive consideration of individual ore bodies and the economic factors involved in their development, they give from the geologic viewpoint a rough estimate of the future of the district as compared to its past.

Purington, C. W., Preliminary report on the mining industries of the Telluride quadrangle, Colorado: U. S. Geol. Survey 18th Ann. Rept., pt. 3, pp. 751-848, 1898.

Cross, W., and Purington, C. W., U. S. Geol. Survey Geol. Atlas, Telluride folio no. 57, 1899.

Spurr, J. E. , The Camp Bird compound vein-dike: Econ. Geol., v. 22, pp. 126-137, 1925.

Bastin, E. S., Silver enrichment in the San Juan Mountains, Colorado: U. S. Geol. Survey Bull. 737, 1923.

Purington, C. W., Ore horizons in the veins of the San Juan Mountains, Colorado, Econ. Geol., vol. 1, pp. 129-133, 1925.

Moehlman, R. S., Ore deposition south of Ouray, Colorado: Econ. Geol., vol. 31, pp. 377-397, 488-504, 1936.

Burbank, W. S., Structural control of ore deposition in the Red Mountain, Sneffels, and Telluride districts of the San Juan Mountains, Colorado: Colorado Sci. Soc. Proc., vol. 14, no. 5, 1941.

1/ Mineral Resources of Colorado, State of Colorado Mineral Resources Board, p. 421-424, 1947.

Proposed Exploration

The applicant was advised to propose a much less costly and more feasible exploration program that would involve more specific and immediately accessible exploration targets, consequently he proposed the following exploration program:

Explore by drifting, crosscutting, and by diamond drilling from underground drill stations for silver-gold bearing ore bodies in and along the Terrible 3 (Agnes) and the Mountain Top (Sweepstakes) veins in tuff-breccia of the San Juan formation of Tertiary age.

Ore is inferred in and along the downward continuation of the Mountain Top and Terrible 3 veins below areas stoped from the Sunrise Tunnel level. Ore is also inferred on the Sunrise Tunnel level in and along an unexplored segment of the Terrible 3 vein near its intersection with the Mountain Top vein.

The work shall consist of drifting, crosscutting and preparing drill stations on the Sunrise level, Figure 2, core-drilling from the stations.

The northwest drift on the Terrible 3 vein shall be extended by drifting along the vein to intersect the Mountain Top vein. It is estimated that 800 feet of drifting may be required.

From the completed drift near its intersection with the Mountain Top vein, a crosscut shall be driven northerly to a point 200 feet in the footwall of the Mountain Top vein. It is estimated that 250 feet of crosscutting will be required.

Two drill stations shall be excavated, one at the face of the completed crosscut (Station B) and the other along the Sunrise Tunnel approximately 800 feet from its portal (Station A).

Five core-drill holes shall be drilled from two stations. The holes shall be inclined to cut the veins not less than 200 feet or more than 500 feet below the Sunrise Tunnel level.

It is estimated that a total of 2,740 feet of drilling will be required.

The approximate locations and directions of the drift and the crosscut, and the approximate locations, directions, and inclinations of the five drill holes are shown on figure 2 entitled "Sketch of suggested diamond drilling from the Sunrise Tunnel," attached.

Two drill stations shall be excavated, one at the face of the completed corsscut (Station B) and the other along the Sunrise Tunnel approximately 800 feet from its portal (Station A).

Five core-drill holes shall be drilled from two stations. The holes shall be inclined to cut the veins not less than 200 feet or more than 500 feet below the Sunrise Tunnel level.

It is estimated that a total of 2,740 feet of drilling will be required.

The approximate locations and directions of the drift and the crosscut, and the approximate locations, directions, and inclinations of the five drill holes are shown on fig. 2 entitled "Sketch of suggested diamond drilling from the Sunrise Tunnel," attached.

Estimated Costs of the Work[1/]

Actual Costs

Category (1) Independent Contracts

Core drilling

Mobilization and demobilization - drilling equipment	$350.00
Moving to and between stations, 16 hrs. @$10.00/hour	160.00
Drilling 5 holes, est. 2,740 feet	17,568.00

Depth, feet	Rates per foot BX	Rates per foot AX
0 - 300	$6.40	$5.95
300 - 600	6.95	6.35

Casing lost in hole

Estimated 275 feet @ 2.20/foot	$605.00
Reaming, cementing, drilling cement, installing and and removing casing, standby time, 200 hrs. at 14.00 per hour	2,800.00

Additives, 100 sacks @ $7.50 / sack	750.00	
Core boxes, 275 boxes @$1.00/box	275.00	
Total Category (1)		$22,508.00

Category (2)

None except:

Subcategory (a) Supervision and Technical Services

1 Supervisor-geologist-engineer, 6 months @ $700.00/mo.	$4,200.00	
1 Outside consultant (8 day/month), 48 days at $75.00/day	3,600.00	
Total Category (2)		7,800.00

Category (7) Miscellaneous

None except:

Payroll taxes, insurance $4,200.00 @ 12%	504.00	
Company F.I.C.A. 4.40%		
Colorado Comp. Ins. 4.37%		
Fed. Unemp. Tax 0.40%		
Colorado Unemp. Tax 2.70%		
11.87%		
Travel, Supervisor, 1,500 mi./month- 6 months, 9,000 miles @ $0.10/mile	900.00	
Travel, Consultant, 4 trips/month @ 200 mile/trip 6 months, 4,800 miles @ $0.10/mile	480.00	
Per diem 8 days/mo. - 6 months, 48 days @ $16.00/day	768.00	
Sampling, 500 sacks @ $0.15/sack	75.00	
Freight (bus, Denver) 10 lb. / sample, 2,500 lbs. at $5.00/ CWT	125.00	

Assaying, est. 250 samples			
Gold and silve in one sample @ $2.50			
Copper	@ $1.50/sample		
Lead	@ $1.50/sample		
Zinc	@ $1.50/sample		
Office Expense, 6 months @ $40.00/month		$240.00	
Total Category (7)			$ 4,842.00
Total Actual Costs			$35,150.00
Fixed Unit Costs			
Drifting and crosscutting,[1/] 1,050 feet @ $40.00/foot		$42,000.00	
Drill stations (5 x 5 x 7 feet), 2 stations		450.00	
Ground Support, est. 250 feet		4,000.00	
Timbering $16.00/foot, installed			
Rock bolting in lieu of timbering			
5-foot bolts @ $3.00/bolt, installed			
6-foot bolts @ $3.25/bolt, installed			
8-foot bolts @ $3.50/bolt, installed			
Total Fixed Unit Costs			$46,450.00
Total Estimated Costs of the Work			$81,600.00
Government Participation @ 75 percent			$61,200.00

1/ The Government retains no equity in any of the equipment or materials used.

2/ Includes all costs whatsoever that would otherwise be allowable under Categories (1), (3), (4), (5) and (6).

Conclusions and Recommendations

It is concluded that the exploration program herein outlined has a good chance of finding a significant discovery of silver and it is recommended that a contract be prepared and executed to complete the work herein outlined.

The excessively heavy work load in the Region III office prohibited the field officer from completing a report of examination before a contract was prepared and executed, however, frequent telephone conversations between Denver and Washington concerning the subject application led to the approval and preparation of a contract.

Figures 1 and 2 accompanying the contract should be attached to this report of examination to prevent duplication of efforts in drafting new illustrations.

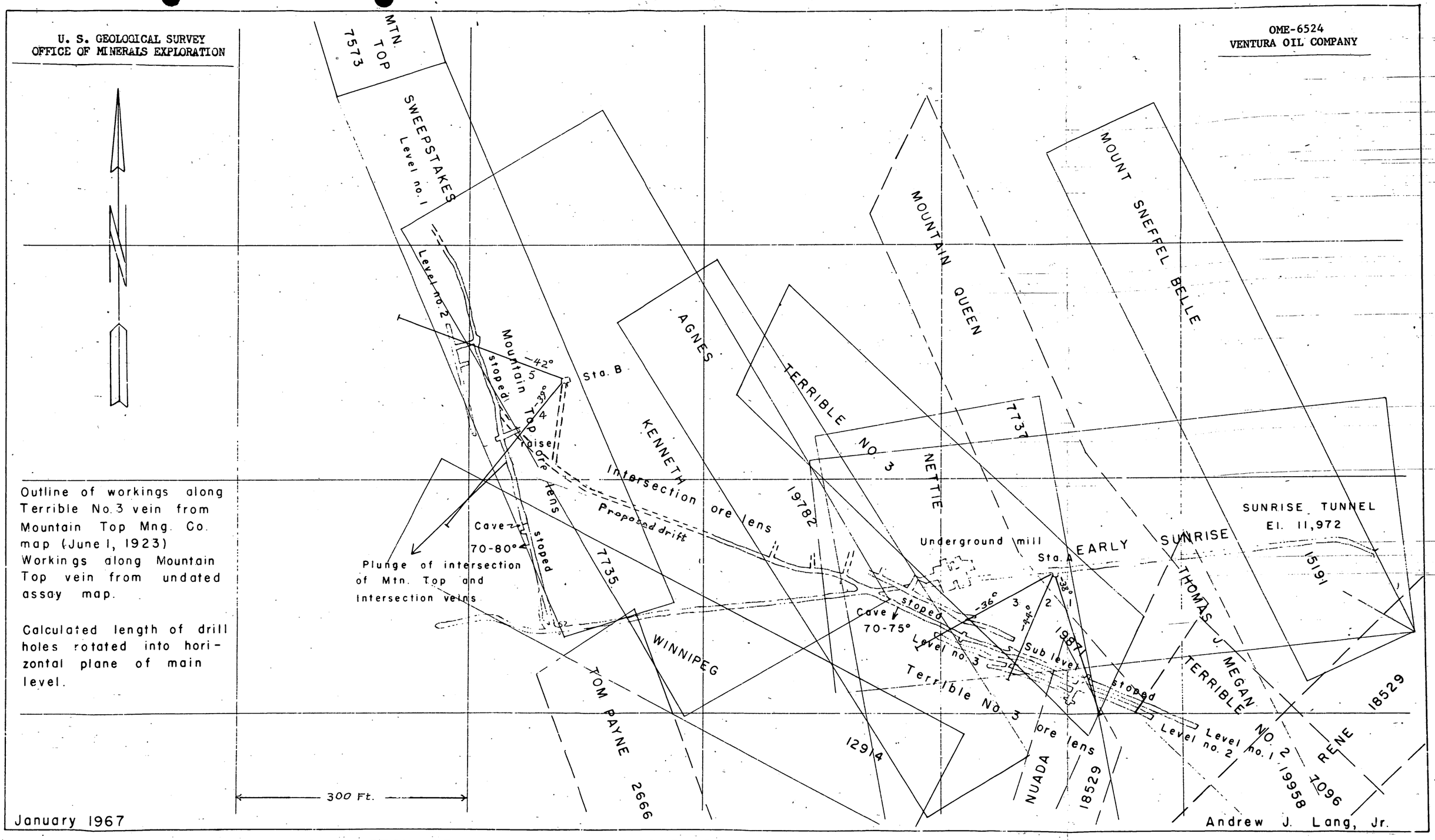

FIG. 2 – SKETCH OF SUGGESTED DIAMOND DRILLING FROM SUNRISE TUNNEL

SCALE 1" = 200'

Office of Minerals Exploration

July 7, 1967

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120
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Mr. Homer Noble, President
Ventura Oil Company
1029 East 8th Avenue
Denver, Colorado 80218

Reference: OME-6524 (Silver)
Ventura Oil Company
Mountain Top & Terrible No. 3 Mines
Ouray and San Miguel Counties, Colorado
Contract 2241

Dear Mr. Noble:

Enclosed are the original and three copies of the proposed contract for the subject property. The contract consists of MME Form 50 (7 pages), and Annex 1 (2 pages), exhibit A (6 pages), exhibit B (1 page), and 2 maps (figures 1 and 2). You should insert the date for commencement of the work.

If the proposed contract is satisfactory to you, all four copies should be signed by an authorized representative of your company. Please be advised that the 6 3/4% interest accrues from the date on which individual payments are made by the Government and like the principal is repayable from royalty on production.

If any part of the proposed contract does not have your approval the original and all copies should be returned to this office together with the proposed changes for consideration.

Sincerely yours,

J. William Hasler

J. William Hasler
Field Officer, Region III
Office of Minerals Exploration

cc: Chief, OME
Hasler chron
OME chron
2241

THE DENVER POST -- July 27, 1967

S.W. Colorado Hunt To Begin for Silver

The U.S. Geological Survey (USGS) disclosed Thursday that an intensive search will begin "in the very near future" for deposits of much-needed silver in two southwestern Colorado counties.

The announcement followed by two weeks action of the Treasury Department in lifting the $1.29 price ceiling on silver.

However, J. William Hasler, in charge of the Geological Survey's Office of Minerals Exploration, said abandonment of the government price peg on silver had nothing to do with the new endeavor.

The exploration project, expected to cost $81,000 and center in Ouray and San Miguel Counties, was decided upon simply because there's an acute shortage of silver, he said.

The search for silver in an area where some of the country's greatest silver mining operations once flourished is under arrangement between Ventura Oil Co. of Denver and the USGS.

The work will be on what is known as the Mountain Top property in the two counties acquired by the company.

Under terms of the agreement, USGS will pay 75 per cent of the cost and the remainder will be assumed by Ventura.

Hasler said Ventura would repay the government from production if sufficient silver is found. If not, the government's share of the prospecting costs will be written off.

Richard Fackler, treasurer of Ventura, said the project will take about six months to complete and that exploration for the new deposits would be conducted by drifting, cross-cutting and diamond drilling in the veins of the San Juan formation.

He said the exploration would be concentrated on 20 different sites on which his company presently holds all the mining claims.

The Federal Resources Corp. and Idarado Mining Co. have been mining in the general area of the Mountain Top property for some years. The property is in the Ouray-Telluride region.

OPTIONAL FORM NO. 10
5010-108

UNITED STATES GOVERNMENT

Memorandum

TO : Chief Geologist

DATE : July 28, 1967

FROM :

SUBJECT :

Hasler

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225
Office of Minerals Exploration

July 10, 1967

Memorandum

To: Chief, OME

From: Field Officer, Region III

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top & Terrible No. 3 Mines
Ouray and San Miguel Counties, Colorado
Contract 2241

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Enclosed is the original and one copy of the above subject contract which has been executed by the Government and the Operator. The original is the Government's copy, the other one is the Budget and Finance copy. The Operator has retained one copy and I have retained one copy, as well as the extra field copy.

The Operator has been advised that the 6-3/4 percent interest accrues from the date on which individual payments are made by the Government and like the principal is repayable on royalty on production. The date for commencement of the contract is July 15, 1967.

J. William Hasler
J. William Hasler
Field Officer, Region III
Office of Minerals Exploration

Enclosures

Work to start July 15.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
6/29/67	FM Smith	120
6/29/67	Kirkham	120
"	Johnson	110
6/30	Power	220
6/29	Hyp	
		110
6/30	Ce	220
	mch	120M

AIRMAIL

Memorandum

To: Field Officer, Region III

From: Chief, Office of Minerals Exploration

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible 3 Mines
Ouray and San Miguel Counties, Colorado

Enclosed are the original and three copies of a proposed contract for the subject property. The contract consists of MME Form 50 (seven pages), Annex I (two pages), Exhibit A (six pages), Exhibit B (one page), and two maps (Figs. 1 and 2). You should insert the date for commencement of the work. Also enclosed is an extra copy of the contract for field use.

If the proposed contract is satisfactory to you and the Applicant, all four copies should be signed by an authorized representative of the Applicant. Thereafter, please distribute the copies in the usual manner.

Please advise the Applicant that the 6-3/4 percent interest accrues from the dates on which individual payments are made by the Government and like the principal is repayable from royalty on production.

If any part of the proposed contract does not have your approval or that of the Applicant, the original and all copies should be returned to this office together with the proposed changes for consideration.

FRANK E. JOHNSON

Frank E. Johnson

Enclosures

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
Mr. Smith
130

GLAult/a 6-29-67

23263

MME FORM 6 REFERENCE SLIP
REV. 2- OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. ~~Assoc. Sol., MR, Rm. 6554~~ ~~Through Room 6554~~		
2. Mr. Smith, Rm. 4459		
3.		
4.		
5.		

FROM: Chief, OME

RECEIVED JUN 27 1967 Division of Mineral Resources General Legal Services

FOR: Check items for action desired

____ Action ____ Reply for signature of ____
____ Approval ____ Investigate ____ Surname
____ Comment ____ Recommendations ____ Signature
____ Conference ____ Rewrite ____ File
____ Instructions ____ Your information

REMARKS: 3192

F-67-2112.11

Please call extension 5372 when contract and docket are ready, will pick up.

INTERIOR DEPT.
JUN 26 1967
SOLICITOR

INT.-DUP. SEC., WASH., D.C. M56300-62

DRAFT 6/15/67
RMSmith/bih

MME Form 50
July 1965

6/23/67
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UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
U. S. GEOLOGICAL SURVEY

EXPLORATION CONTRACT
(Long Form)

Docket No.	Commodity	Contract No.	County	State
OME -6524	Silver		Ouray and San Miguel	Colorado

It is agreed _____ (Date), between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and

Ventura Oil Company

whose mailing address is 1029 East 8th Avenue, Denver, Colorado 80218, hereinafter called the "Operator," as follows:

ARTICLE 1. Authority and scope.--(a) This contract entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before _____ (Date), and, subject to the provisions of Article 9 and Exhibit A, shall either have completed the work within 10 months from the date of the contract or shall have incurred allowable costs (see Article 6) in a sum not less than the total cost set forth in Exhibit A.

(b) The total allowable cost of the work set forth in Exhibit A is $81,600.00. The Government will contribute ~~50~~ 75 percent of the allowable costs as they are incurred, in a total sum not in excess of $61,200.00 in accordance with the provisions of Articles 3, 4, 5, and 6. "Costs incurred" means costs that have been paid or have become due and payable, or that the Government determines have become obligations.

(c) Interest computation.--Simple interest at the rate of _____ percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

(d) The Operator shall not transfer or assign this contract or any right or obligation thereunder without the written consent of the Government.

ARTICLE 2. Operator's right in land.--(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's right of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances:

See Annex I

(b) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above and (if the Operator does not hold the legal title) the lien agreement of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached as follows:

See Annex I

(c) The Operator shall preserve and maintain his right, title, or interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 7 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. Performance of the work.--(a) Operator's responsibility.--The work shall be performed diligently, efficiently, in a workmanlike manner in accordance with good mining standards, and in compliance with State laws governing health, safety, and liability **insurance** covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work as specified in Article 1(a).

(b) Independent contracts.--To the extent that the allowable costs are estimated in Exhibit A with express reference to performance by independent contractors on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations), the work may be so performed (see Article 6(a), Category (1)). Any such independent contract shall refer to some specific and identifiable part of the work, and shall be subject to all of the pertinent terms and conditions of this exploration contract; but the Government shall not be considered a party thereto, and its rights under this contract, including the right to terminate its contributions, shall not be affected thereby. Regardless of the provisions of any such independent contract, the Government will participate in payments to the independent contractor only as to work performed in accordance with the provisions of this exploration contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable.

(c) Government may inspect.--The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract and production operations during the period that royalty is payable to the Government. The Operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 4. Contribution by the Government.-- The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5(b), but all payments by the Government are provisional only, subject to audit. Until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. Reports, accounts, audits.--(a) Operator's records.--The Operator shall keep suitable records and accounts of the work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator. If work under this contract is carried on in conjunction with any other operations, or if labor, supervision, services, materials, supplies, equipment, facilities, or other requirements for carrying on the work are also used in connection with other operations, the costs shall be segregated and accounted for on a basis and by methods and accounts that are satisfactory to and approved by the Government.

(b) Monthly reports.--The Operator shall provide the Government with four copies of monthly reports in three sections as follows:

(1) Operator's Monthly Voucher claiming costs for work performed;

(2) Operator's Progress Report showing the number of units of the various types of work performed; and

(3) a narrative report of the work performed during the reporting period, including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground.

(Forms for reporting under (1) and (2) above will be provided by the Government; however, the original of the Operator's Monthly Voucher shall be supported by documentary evidence, such as certified copies or transcripts of payrolls and invoices, for all costs claimed under Article 6 (a) (1).)

(c) Final report.--Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with three copies of a final report (in addition to the final monthly report). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the related costs.

(d) Report of sales.--The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's royalty relates, such as two copies of smelter or concentrator settlement sheets and certified accounts of production and sale or other disposition of production.

(e) Compliance with requirements.--If the Government determines that any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the preparation or completion of the same with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records, or accounts.

ARTICLE 6. Costs.--(a) Allowable costs.--The allowable costs of the work to which the Government will contribute are limited to:

(1) the necessary, reasonable, and direct actual costs that are estimated in Exhibit A by categories as specified in this article; and

(2) fixed costs for units of work to be performed (per foot, per hour, etc.) agreed upon in lieu of actual costs and set forth in Exhibit A.

The Government will not contribute to costs under any category or subcategory omitted from the estimate of costs in Exhibit A. Any excess over any estimate which is indicated as the maximum of any category, subcategory, or item, either as to requirement or related cost; any excess over a fixed unit cost; and any excess over the total allowable cost of the work are not allowable. The Operator shall incur such excesses for his own account without contribution by the Government, but the Operator is not obligated to incur more than his agreed percentage of the total allowable cost of the work.

Any category or subcategory or element thereof not designated as a maximum in this article, or in Exhibit A may be exceeded, provided that the total allowable cost of the work, which is a maximum, is not exceeded.

CATEGORY (1)--INDEPENDENT CONTRACTS.--(See Article 3(b)). The total of this category and the average unit cost estimated for each type of work to be performed under an independent contract are maximums.

CATEGORY (2)--PERSONAL SERVICES.

Subcategory (a)--Supervision and Technical Services--All elements of this subcategory (number of supervisors, technicians, outside consultants, periods of employment, rates of pay, and total) are maximums.

Subcategory (b)--Labor.

CATEGORY (3)--OPERATING MATERIALS AND SUPPLIES.--Includes such items as drill bits and steel, explosives, fuel, pipe, power, timber, rail, and small tools costing less than $50 each.

CATEGORY (4)--OPERATING EQUIPMENT.

Subcategory (a)--Rental.--The number of each rented item [6 mine cars, 1 truck], the rate of rental [$100 per month, $5 per hour], and the total of this subcategory are maximums.

Subcategory (b)--Purchases.--The total of this subcategory is a maximum.

Subcategory (c)--Depreciation.--All elements of this subcategory (time periods, rate of depreciation, and subcategory total) are maximums.

CATEGORY (5)--INITIAL REHABILITATION AND REPAIRS.--Costs of items listed under this category include all requirements, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The total of this category is a maximum.

Subcategory (a)--Initial rehabilitation and repairs of existing buildings, fixtures, and installations (exclusive of mine workings).--The total of this subcategory is a maximum.

Subcategory (b)--Initial rehabilitation and repairs of operating equipment.--The total of this subcategory is a maximum.

CATEGORY (6)--NEW BUILDINGS, FIXTURES, AND INSTALLATIONS (EXCLUSIVE OF MINE WORKINGS).--Costs of items listed under this category include all requirements, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The total of this category is a maximum.

CATEGORY (7)--MISCELLANEOUS.--Includes requirements and costs that do not fall within any of the first six categories, such as repairs other than initial and maintenance of operating equipment, analytical work, prints and other reproductions, accounting, Operator's share of payroll taxes, liability insurance covering employment, travel, and communications.

(b) Nonallowable costs.--In addition to the limitations imposed by paragraph (a) of this Article 6 the Government will not contribute to the following costs:

(1) Costs of the land, such as rental, depreciation, depletion, or other costs of acquiring, owning, or holding possession;

(2) Indirect costs, such as general overhead, corporate management, interest, taxes (other than payroll and sales taxes), insurance (other than liability insurance covering employment), damages to persons, damages to property (other than necessary repairs or replacements of equipment or other property used in the work);

(3) Previous work performed or costs incurred before the date of this contract; and

(4) Deferred payments.--Any costs incurred by the Operator under any rental-purchase agreement, installment-purchase agreement, or any agreement for the purchase of goods under the provisions of which payment of the full purchase price is deferred more than 90 days from the delivery of the goods, unless the purchase agreement is approved by the Government in writing.

(c) Reductions in costs.--The Operator shall account for and give the Government credit for any incidental benefits, credits, or money received in the ordinary course of business in prosecuting the work (as by salvage or sale of materials or equipment, furnishing of room or board, furnishing of power or services to third persons, rebates or discounts on purchases, etc.), in the same ratio in which the Government contributes to costs; and such amounts shall be treated as a reduction in costs incurred so that they are available for use within the limit of the original total cost. The provision does not apply to receipts from production which are subject to the Government's royalty under the provisions of Article 7.

ARTICLE 7. Repayment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

(b) Royalty on production.--The Operator, whether or not the producer (for example, if the Operator either transfers or does not retains his interest in the land), shall pay to the Government a royalty on all minerals and metals mined or produced from the land as follows:

(1) irrespective of any certification of possible production--from the date of the contract until the lapse of the time within which the government may issue such certification or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first; or

(2) if the Government issues a certification of possible production--for a period of ten years from the date of the contract, or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first.

(c) Payment of royalty.--(1) The Government's royalty shall be five percent of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrate, metal or equivalent), at the point of delivery (the f.o.b. point); except, that charges of the buyer arising in the regular course of business and shown as deductions on the buyer's settlement sheets (such as treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight payable by the buyer to a carrier (not the Operator or producer)), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. No costs of the Operator or Producer are deductible in arriving at the "gross proceeds" as that term is here used.

The term "treatment processes" means those processes (such as milling, concentrating, smelting, refining, or equivalent, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(2) The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be.

(d) Unsold production.--If any production (ore, concentrate, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrate, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination or the market value, whichever is greater.

(e) Lien for payment.--To secure the payment of royalty (see Article 7(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

(f) Notice to purchasers.--The Operator or producer shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Government, and this estimate shall be final and binding upon the Operator or producer.

(g) No obligation to produce.--Nothing in this contract shall be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(h) Government not obligated to buy.--Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals and metals mined or produced from the land.

ARTICLE 8. Interests in purchased property.--(a) Title and ownership.--All costs under this contract shall be incurred by the Operator in the Operator's own name and for the Operator's own account; but any property acquired to the cost of which the Government contributes shall belong to the Operator and the Government jointly in proportion to their respective contributions although title thereto shall be taken in the name of the Operator.

(b) Preservation of property.--Until the final disposal of any property in which the Government has an interest, the Operator shall preserve and protect same for the best interest of the Government, and any reasonable and necessary cost thereof will be treated as an allowable cost of the exploration. After the completion of the work, termination of the Government's obligation to contribute, or when such property is not being used for the work, the Operator shall not use it elsewhere without the written consent of the Government and without paying a reasonable rental to be fixed by the Government for its proportionate interest.

(c) Disposal of property.--Upon the completion of the work, termination of the Government's obligation to contribute to costs, or when the property is no longer needed for the work, the Operator shall promptly dispose of salable or salvageable property in which the Government has an interest for the joint account of the Government and the Operator, either by return to the vendor, sale to others, purchase by the Operator, or sale or transfer to the Government at a price at least as high as could be obtained from others, unless the Government in writing waives its interest in any such property. Without advance approval of the sales price by the Government, the Operator shall not sell at any price any item of property that cost more than $500, and shall not sell at less than 25 percent of the purchase price any item of property that cost $500 or less. The Government, in lieu of approving the sales price for any such item, may itself purchase the item at the best price which the Operator is able to obtain or offers. Property remaining upon any termination of the work shall be considered in groups or categories (such as drill steel, explosives, pipe, or rail), and if the original cost of the remaining unexpended portion of any such group or category is less than $50, the Government waives its interest therein. If necessary to accomplish the disposal of any item, the Operator shall dismantle and sever it from the land, the cost thereof to be treated as a cost of the exploration.

(d) Default of the Operator re disposal.--If within 90 days after the completion of the work, termination of the Government's obligation to contribute to costs, or after the property is no longer needed for the work, the Operator has failed to sell or otherwise liquidate or dispose of any property in which the Government has an interest, the Government, at any time prior to final settlement under the contract, may:

(1) in writing extend the time within which the Operator must dispose of or liquidate the property;

(2) by written notice to the Operator, place upon such property what it determines to be a fair valuation thereof, not in excess of the cost less 1.66 percent per month from the date such property was purchased under this contract to the termination of said 90-day period; and such property shall thereupon be considered and accounted for as having been purchased by the Operator at the valuation so fixed by the Government; and

(3) enter and take possession of such property wherever it may be found, and remove and dispose of it for the joint account of the parties.

ARTICLE 9. Termination of the Government's obligations.--(a) If the Government determines that operations at any time have failed to achieve anticipated results and further work is not justified, the Government may give the Operator written notice thereof, and thereupon:

(1) the Government shall be free of all obligation to contribute to costs not then incurred other than such as may be allowable under the provisions of the contract as necessary and incidental to final accounting and reporting; and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

(b) If the Government determines that the Operator is in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon:

(1) the Government shall be relieved of all obligation to contribute to costs not incurred when the notice was given, other than such as may be allowable by the provisions of the contract as necessary and incidental to final accounting and reporting; and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

The Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 9 shall not affect the Government's rights as provided for in the contract with respect to royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

(d) The determinations of the Government are subject to appeal under Article 13.

ARTICLE 10. Notices to be given by the Government may be delivered to the Operator, or may be sent by certified mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 11. Officials not to benefit.--No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 12. Nondiscrimination in Employment. The provisions respecting nondiscrimination in employment which are required by section 301 of Executive Order 10925, dated March 6, 1961 as amended and supplemented are attached hereto as Exhibit B and are hereby incorporated in and made a part of this contract.

ARTICLE 13. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, U. S. Geological Survey, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, U. S. Geological Survey, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, U. S. Geological Survey, a written appeal addressed to the Secretary of the Interior. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

The term "Director, U. S. Geological Survey," as used herein includes his duly authorized representative.

ARTICLE 14. Work Hours Act of 1962 - Overtime Compensation.--This contract, to the extent that it is of a character specified in the Work Hours Act of 1962 (Public Law 87-581, 76 Stat. 357-360) and is not covered by the Walsh-Healey Public Contracts Act (41 U.S.C. 35-45), is subject to the following provisions and to all other provisions and exceptions of said Work Hours Act of 1962.

(a) Overtime requirements.--No Operator or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any laborer or mechanic to be employed on such work in excess of eight hours in any calendar day or in excess of forty hours in any workweek unless such laborer or mechanic receives compensation at a rate of not less than one and one-half times his basic rate of pay for all hours worked in excess of eight hours in any such calendar day or in excess of forty hours in any such workweek, as the case may be.

(b) Violations; liability for unpaid wages; liquidated damages.--In the event of any violation of the clause set forth in subparagraph (a) of this paragraph, the Operator and any subcontractor responsible therefor shall be liable to any affected employee for his unpaid wages. In addition, such Operator and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for

liquidated damages. Such liquidated damages shall be computed, with respect to each individual laborer or mechanic employed in violation of the clause set forth in subparagraph (a) of this paragraph, in the sum of $10 for each calendar day on which such employee was required or permitted to work in excess of eight hours or in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in subparagraph (a) of this paragraph.

(c) Withholding for unpaid wages and liquidated damages.--The U. S. Geological Survey may withhold or cause to be withheld, from any moneys payable on account of work performed by the Operator or subcontractor, such sums as may administratively be determined to be necessary to satisfy any liabilities of such Operator or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (b) of this paragraph.

ARTICLE 15. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U. S. C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U. S. C. 874) are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions.

ARTICLE 16. Changes and added provision.--

_____

_____

_____

_____

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

VENTURA OIL COMPANY
(Operator)

By _____

By _____
Acting Director, U. S. Geological Survey

Title _____

_____

I, _____, certify that I am the
(Name)

_____ secretary of the corporation named as Operator herein; that

_____, who signed this contract on behalf of the Operator, was then
(Name)

_____ of said corporation; that said contract was duly signed for
(Title)

and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

_____

 [CORPORATE SEAL]

DRAFT
RMSmith/bih
6/15/67

EXPLORATION CONTRACT
VENTURA OIL COMPANY
OME-6524

ANNEX I

The land, including all rights pertaining thereto, referred to in Article 2 of the contract consists of fourteen (14) patented and three (3) unpatented lode mining claims in secs. 16, 17, 18, 19, 20, 21, and 22, T. 43 N., R. 8 W., NMPB&M., Telluride mining district, Ouray and San Miguel Counties, Colorado. It is shown on Figure I entitled "Claim map of the Mountain Top properties ---," attached and made part hereof.

The patented claims are as follow:

Name of Claim	U. S. Survey No.	Name of Claim	U. S. Survey No.
Mount Sneffels Belle Lode	15191	Terrible No. 3 Lode	19871
19/21 Annex Lode	7063	Agnes Lode	19782
19/21 New Discovery Lode	7559	Fox Lode	20044
Winnipeg Lode	12914	Bear Lode	20044
Sweepstakes Lode	7735	Badger Lode	20044
Mountain Top Lode	7573	Sunrise Lode	20044
New Discovery Lode	17847	19/21 in Maggie D	7063

The unpatented claims are recorded in the San Miguel County Recorders Office, Telluride, Colorado, as follows:

Name of Claim	Book	Page
Kenneth Lode	179	19
Nettie Lode	179	19
Early Sunrise	165	140

The Operator is the owner of the patented and unpatented claims.

EXPLORATION CONTRACT
VENTURA OIL COMPANY
OME-6524

EXHIBIT A

The purpose of the project is to explore by drifting, cross-cutting, and by diamond drilling from prepared underground drill stations for silver-gold-bearing ore bodies in and along the Terrible 3 (Agnes) and the Mountain Top (Sweepstakes) veins in tuff-breccia of the San Juan formation of Tertiary age.

Ore is inferred in and along the downward continuations of the Mountain Top and Terrible 3 veins below areas stoped from the Sunrise Tunnel level. Ore is also inferred on the sunrise Tunnel level in and along an unexplored segment of the Terrible 3 vein near its intersection with the Mountain Top vein.

General Provisions

The Government will not contribute to the cost of any drill hole outside the outer boundary of the project area or closer than 50 feet to the ore intercept in any other hole.

All drill holes shall be completed not less than standard AX core size.

All drill holes shall be cased as necessary. The Government will not contribute to the cost of casing left in a hole at the Operator's request.

All drill core shall be stored in boxes identified by hole number with markers in the core sections indicating the depths represented.

Facilities shall be provided for recovering drill sludge, and such sludge shall be retained when drilling in significantly mineralized rock.

All drill core shall be logged and significantly mineralized core shall be split and one split assayed. Whenever core recovery is less than 60 percent, a split of the corresponding retained sludge shall be assayed separately. The remaining core shall be stored in proper sequence with the unsampled core, and the remaining sludge shall be stored in suitable containers properly identified as to hole number and depth.

All drifts and crosscuts shall be not less than 5 by 7 feet in cross section inside of timber and shall be timbered or rock-bolted as necessary. Drift sets shall be of not less than 8- by 8- inch timber, or equivalent round timber. Rock bolts shall be not less than 5 feet long.

Mine rails shall be not less than 16-pound size, air lines not less than 2-inch diameter, ~~and~~ water lines not less than 1-inch diameter, and vent lines not less than 12-inch diameter.

All significantly mineralized areas traversed by the drifts or crosscuts shall be sampled normal to the trends of the deposits at intervals not exceeding 5 feet. Samples shall be split as necessary and one split assayed. The Operator shall store one split of each sample in a suitable container properly labeled.

All splits of samples for assay, from whatever source, shall be analyzed for gold, silver, copper, lead, and zinc.

True copies of assay certificates, copies of drill logs, and maps of sketches showing the work completed during the reporting period, the location, width, and assay value of all samples assayed and the geological formations and structures traversed by the drill holes and workings shall be furnished monthly to the Government.

Stored samples shall be made available for Government inspection and possible use, and may be disposed of with prior Government approval.

The Operator shall provide such supervision, labor, and technical services as may be required to perform the work in a satisfactory manner.

The location, direction, and extent of each work item shall be subject to Government approval.

Description of the Work

The work shall consist of drifting, crosscutting, and preparing drill stations on the Sunrise Tunnel level, core-drilling from the stations, and evaluating the results.

The northwest drift on the Terrible 3 vein shall be extended by drifting along the vein to intersect the Mountain Top vein. It is estimated that 800 feet of drifting may be required.

From the completed drift near its intersection with the Mountain Top vein, a crosscut shall be driven northerly to a point 200 feet in the footwall of the Mountain Top vein. It is estimated that 250 feet of crosscutting will be required.

Two drill stations shall be excavated, one at the face of the completed crosscut (Sta. B) and the other along the Sunrise Tunnel approximately 800 feet from its portal (Sta. A).

Five core-drill holes shall be drilled from the two stations, The holes shall be inclined to cut the veins not less than 200 or more than 500 feet below the Sunrise Tunnel level. It is estimated that a total of 2,740 feet of drilling will be required.

Rewritten 6/23/67
RMSmith/bih/gla

The approximate locations and directions of the drift and crosscut, and the approximate locations, directions, and inclinations of the five drill holes are shown on Fig. 2 entitled "Sketch of suggested diamond drilling from Sunrise Tunnel," attached and made part hereof.

Estimated Costs of the Work 1/

Actual Costs

Category (1) Independent Contracts

Core drilling

Mobilization and demobilization - drilling equipment	$ 350.00
Moving to and between stations, 16 hours @ $10.00/hour	160.00
Drilling 5 holes, est. 2,740 feet	17,568.00

Depth, feet	Rates per foot BX	Rates per foot AX
0 - 300	$6.40	$5.95
300 - 600	6.95	6.35

Casing lost in hole, Est. 275 feet @ $2.20/foot	605.00
Reaming, cementing, drilling cement, installing and removing casing, standby time, 200 hours @ $14.00/hour	2,800.00
Additives, 100 sacks @ $7.50/sack	750.00
Core boxes, 275 boxes @ $1.00/box	275.00
Total Category (1)	$22,508.00

Category (2) Personal Services

None except:

Subcategory (a) Supervision and Technical Services

1 Supervisor-geologist-engineer,

6 months @ $700.00/month $4,200.00

1 Outside consultant (8 days/month),

48 days @ $75.00/day 3,600.00

Total Category (2) $ 7,800.00

Category (7) Miscellaneous

None except:

Payroll taxes, insurance, $4,200.00 @ 12% $ 504.00

Company F.I.C.A.	4.40%
Colorado Comp. Ins.	4.37%
Fed. Unemp. Tax	0.40%
Colorado Unemp. Tax	2.70%
	11.87%

~~Travel~~

~~Travel~~

Travel, Supervisor, 1,500 mi./month - 6 months,

9,000 miles @ $0.10/mile $ 900.00

Travel, Consultant, 4 trips/month @ 200 mi./trip - 6 months

4,~~0~~800 miles @ $0.10/mile 480.00

Per diem 8 days/mo. - 6 months,

48 days @ $16.00/day 768.00

Sampling, 500 sacks @ $0.15/sack 75.00

Freight (bus, Denver) 10 lb./sample~~s~~,

2,500 lbs. @ $5.00/CWT 125.00

(continued)

Assaying, est. 250 samples	$1,750.00	
Gold and silver in one sample @ $2.50/sample		
Copper @ $1.50/sample		
Lead @ $1.50/sample		
Zinc @ $1.50/sample		
Office Expense, 6 months @ $40.00/month	240.00	
Total Category (7)		$ 4,842.00
Total Actual Costs		$35,150.00
Fixed Unit Costs		
Drifting and crosscutting, 2/		
1,050 feet @ $40.00/foot	$42,000.00	
Drill stations (5 x 5 x 7 feet), 2 stations	450.00	
Ground support, est. 250 feet	4,000.00	
Timbering @ $16.00/foot, installed		
Rock bolting in lieu of timbering		
5-foot bolts @ $3.00/bolt, installed		
6-foot bolts @ $3.25/bolt, installed		
8-foot bolts @ $3.50/bolt, installed		
Total Fixed Unit Costs		$46,450.00
Total Estimated Costs of the Work		$81,600.00
Government Participation @ 75 percent		$61,200.00

1/ The Government retains no equity in any of the equipment or materials used.

2/ Includes all costs whatsoever that would otherwise be allowable under Categories (1), (3), (4), (5), and (6).

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225
Office of Minerals Exploration

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 22 1967
INITIALS

May 19, 1967

Memorandum

To: Chief, OME

From: Field Officer, Region III

Subject: OME-6524 (Silver)
Ventura Oil Company
Mountain Top and Terrible No. 3 Mines
Ouray County, Colorado

Enclosed is a copy of the revised proposed exploration program essentially as I propose for an OME contract.

I am in the process of preparing a report of examination on the subject docket.

Dr. Robert Carpenter, consulting geologist for the applicant plans to be in Washington, D. C. during the week of May 22nd on A.I.M.E. business, with Harold Kirkemo and wishes to discuss the program with Mr. Kirkemo. I hope to submit the report on my return from South Dakota, however, there should be enough material in the revised program, as well as on file from which to prepare a contract. Roscoe Smith has been assigned this particular docket.

J. William Hasler
J. William Hasler
Field Officer, Region III
Office of Minerals Exploration

OFFICIAL
COPY
O. M. E.
RECEIVED
JAN 6 1967

Office of Minerals Exploration

~~120 M~~
Ref 110
RMH 120 B

January 4, 1967

Mr. Homer Noble
Ventura Oil Company
1029 East 8th Avenue
Denver, Colorado 80218

Subject: OME-6524 (Silver-Gold)
Ventura Property
Mountain Top and Terrible 3 Mines
Ouray and San Miguel Counties
Colorado

Dear Mr. Noble:

As of today we have not yet received the geological data nor the bids for the proposed work pertaining to the above mentioned docket which I discussed with you in the early part of December. I am unable to complete my report and transmit it to Washington until I receive the data requested. Will you please give this your earliest attention?

Sincerely yours,

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

cc: Chief, OME
Hasler chron
OME chron
OME-6524

Office of Minerals Exploration -- Building 25

OFFICIAL
COPY
O. M. E.
RECEIVED
SEP 2 1966
CODE
120
110
120.8

August 30, 1966

Ventura Oil Company
1029 East 8th Avenue
Denver, Colorado

Re: OME-6524 (Silver-Gold)
Ventura Oil Company
Mountain Top and Terrible 3 Mines
Ouray and San Miguel Counties, Colorado

Gentlemen:

The application to the Office of Minerals Exploration for financial assistance for mineral exploration referred to above has been referred to the field for a field examination.

Due to previous commitments and a heavy work load it will be impossible to set a field examination on the subject property before the week of September 25, 1966.

I have been informed that you have been asked to obtain two additional bids from diamond drilling contractors, which have not been obtained as yet, consequently, it might be advisable to discuss your currently revised program with us prior to a field examination. Kindly inform me of a date suitable to you soon after your additional bids have been received. One copy of each bid should be furnished this office and one copy should be sent to Washington.

The maps you originally submitted to this office were forwarded to Washington for their use. Could you please supply us with a duplicate set of maps at the time of your visit.

Sincerely yours,

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

cc: Chief, OME
Hasler chron
OME chron
OME-6524

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
8/12	Patrson	
8/12/66	Kirkemo	
8/12	Cal	

AIRMAIL

AUG 12 1966

Ventura Oil Company
1029 East 8th Avenue
Denver, Colorado 80218

Re: OME-6524 (Silver-Gold)
Ventura Oil Company
Mountain Top and Terrible 3 Mines
Ouray and San Miguel Counties, Colorado

Gentlemen:

The application for assistance in exploring the subject property has now been reviewed by the Washington Office and referred to Mr. J. William Hasler, Field Officer, Region III, U. S. Geological Survey, Office of Minerals Exploration, Building 25, Federal Center, Denver, Colorado 80225.

The Regional Office will notify you in case additional information concerning the application is needed.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
Region III
MMerrithew/mm (8/12/66)

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
8/12	Peterson	
8/12/66	Kirkham	

AIRMAIL

AUG 12 1966

Memorandum

To: Field Officer, Region III

From: Chief, Office of Minerals Exploration

Subject: OME-6524 (Silver-Gold)
Ventura Oil Company
Mountain Top and Terrible 3 Mines
Ouray and San Miguel Counties, Colorado

The subject application is referred to you for further consideration and field examination if warranted.

The Applicant has furnished us with additional information requested in our letter of June 30, and all items are now in order except for the receipt of two additional bids from drilling contractors. An examination of the Applicant's current financial statement substantiates his eligibility for OME assistance.

We are enclosing a reduced scale sketch of the drawing labeled "Plate 1" submitted by the Applicant, who now proposes a program consisting principally of 3,385 feet of diamond drilling and 300 feet of crosscutting costing an estimated $45,895. This proposal developed for the Applicant by Mineral Industries Engineers, Inc., is well prepared and appears to take a more realistic approach to the project than outlined in the original application submitted.

FRANK E. JOHNSON

Frank E. Johnson

Enclosure

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
130
E. Peterson

EPeterson/mm (8/12/66)

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
6/30	RMSmith	120D
6/30/66	Kirkemo	120K
		110
6/30	CAC	120
		120M

JUN 30 1966

AIRMAIL

Ventura Oil Company
1029 East 8th Avenue
Denver, Colorado 80218

Re: GME-6524 (Silver-Gold)
Ventura Oil Company
Mountain Top and Terrible 3 Mines
Ouray and San Miguel Counties, Colorado

Gentlemen:

Your letter of June 20, 1966, and the accompanying revised proposal for a drilling project has been reviewed.

Before we can proceed with your application, additional documents as requested in our letter of April 11 are required to establish your financial eligibility. Will you please submit one true copy each of your letters to two banks requesting a loan of about the same amount as the proposed Government participation in the revised project, and one copy each of the replies from the banks. Because of Ventura Oil Company's rating in Dunn and Bradstreet, a recent statement of the Company's financial condition is also required. For your convenience these documents could be submitted at the same time as the additional bids mentioned in your letter.

This request for additional information should not be construed as a commitment by the Government to grant an exploration contract. We shall hold the further processing of your application until the requested data are received.

Sincerely yours,

FRANK E. JOHNSON (gla)

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Region III w/cy of incoming letter and enclosures
Mr. Smith
OME Reading

RMSmith/mm (6/29/66)

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
6/9	A M Smith	120
6/9/66	Kirkemo	120
		110
6/9	[illegible]	220
		120

JUN 9 1966

Ventura Oil Company
1029 East 8th Avenue
Denver, Colorado 80218

Re: OME-6524 (Silver-Gold)
Ventura Oil Company
Mountain Top and Terrible 3 Mines
Ouray and San Miguel Counties, Colorado

Gentlemen:

To date, we have not received an answer to our letter of April 11, 1966, to you. Will you please inform us what your plans are regarding the subject application.

If we do not receive a reply from you within thirty days from the date of this letter, we must assume that you are no longer interested in proceeding with your application and we shall consider it as having been withdrawn.

Sincerely yours,

FRANK E. JOHNSON

(pt)

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
Region III

MMerrithew/mm (6/9/66)

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MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
4/8	R M Smith	120
4/8/66	Nielsen	120
		110
4/11	Cox	220
		120M

AIRMAIL

Ventura Oil Company
1029 East 8th Avenue
Denver, Colorado 80218

APR 1 1 1966

Re: OME-8524 (Silver-Gold)
Ventura Oil Company
Mountain Top and Terrible 3 Mines
Ouray and San Miguel Counties, Colorado

Gentlemen:

Thank you for your letter of March 30, 1966, in which you list information supplemental to the referenced application. Your reply provides satisfactory solutions to the questions in most of the items, but compounds the problems in others.

Your reply to Item 5(a) indicates that any ore discovered along the Idarado segment of the Humboldt vein below the Tom Payne claim would be owned by Idarado and would not be subject to Government royalties on production, if any. The suggested alternative exploration, which would bypass the Idarado segment of the vein, would add about 850 feet of crosscutting to reach the Humboldt vein and at least 200 feet to the over-all crosscut, which would then total about 4,000 feet. Since the estimated cost of the crosscutting is, as you pointed out, nearly equal to the maximum allowable size of an OME contract, you propose to do the subsequent drifting at your own expense.

We concur that of the two locations proposed for the crosscut, the location planned in your original application is better mining practice. Under the conditions imposed by adverse ownership, however, we could not grant an OME contract. In either location, the conditions imposed by the magnitude of the project and the lack of provision for OME drifting reduce the probability of a significant discovery by the OME work to a point where we could not justify the expenditure of public funds. In these circumstances, we would have no choice but to deny your application.

Under Item 5(c) you indicate that it is feasible to test two of the three ore shoots by diamond drilling at relatively small cost, and the third at a greater cost, but you do not indicate your intention

23263

to perform this work. A project of this nature side steps the problems of the original proposal and we would be pleased to consider an amended application.

Should you decide to undertake a drilling project, we would require new bank letters conforming to the amount of Government participation in the proposed work. A detailed cost estimate would also be required as well as bids from three drilling contractors, if possible.

In the event that you submit an amended application, would Ventura Oil Company be willing to furnish a recent financial statement?

Nothing in this letter should be construed as a commitment by the Government to grant an exploration contract. We shall hold your application in our active file pending your reply.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
OME File
OME Region III w/cy incoming letter and attachments
OME Reading File
Mr. Smith

RMSmith/gla 4-7-66

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
3/21	RM Smith	120S
		110
3/21	Cal	220
		120 M

MAR 2 1 1966

Ventura Oil Company
1029 East 8th Avenue
Denver, Colorado 80218

Re: OME-6524 (Silver-Gold)
Ventura Oil Company
Mountain Top and Terrible 3 Mines
Ouray and San Miguel Counties, Colorado

Gentlemen:

We have not received a reply to our letter of January 20, 1966, requesting additional information necessary to continue the processing of your application.

Will you please inform us when we may expect the necessary data.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
Region III
Mr. Smith
RMSmith/mm (3/21/66)

see reply 3/30/66
Left - Land Office

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
1/20	R M Smith	120
	Selfridge	120
1/20	Johnson	110
		220
		120M

JAN 2 0 1966

Ventura Oil Company
1029 East 8th Avenue
Denver, Colorado 80218

Re: OME-6524 (Silver-Gold)
Ventura Oil Company
Mountain Top and Terrible 3 Mines
Ouray and San Miguel Counties, Colorado

Gentlemen:

Please accept our apologies for the abnormal delay in reviewing your application, which was due partly to a heavy backlog of work, but mainly to the untraceable loss in the mails of the maps which accompanied the application. Mr. J. W. Haaler, Field Officer for Region III, has now sent us his copies. If you have an extra set, he will appreciate your favor of completing his file.

Our review of the referenced application indicates that to continue its processing, the following additional information is required item for item as requested in the application form.

2. (b) Extralateral rights to the downward continuation of the Humboldt vein below the Tom Payne claim are not specified in the application. Is the first 2,000 feet of proposed drifting located on property controled by the Applicant?

2. (c) Property rights to the Stillwell Tunnel are not stated. Also, the locations of the following six claims are not illustrated on Plate 4: Madison Lode, Nelson Lode, Fox Lode, Sunrise Lode, Kenneth Lode, and Nettie Lode. Can Lien and Subordination Agreements be obtained for all land to be explored which is not owned?

3. (e) The workings of the Liberty Belle Mine are at elevations comparable to those of the proposed exploration. Please comment on the mineralogy and production of this mine.

3. (f) Recent discoveries of ore in the Telluride conglomerate are of base metals which are not eligible under the OME program. Do these ores contain appreciable amounts of gold and silver?

23263

5. (a) The proposed exploration includes crosscutting to the Terrible 3 vein but does not include drifting along the vein. Although 5,000 feet of proposed drifting along the Humboldt vein is illustrated on Plate 4, no drifting is included in the cost estimate. Why? Without some drifting, the probability of making a significant discovery, which is one OME criterion, is extremely small.

The projections of the Humboldt and Terrible 3 veins illustrated on Plate 4 appear to have been computed at a dip of about 62° from the Sunrise Level to the Stillwell Level. The dip arrows on the same map are labeled 75° to 80°. In addition, the horizontal distance from the face of the Stillwell Tunnel to the surface position of the Humboldt vein measures 3,000 feet on Plate 4, but it measures 3,450 on Plate 2. If the two veins are projected downward at 75° according to their positions on Plate 2, then the proposed crosscut would have to be 3,000 feet long to the Humboldt vein and an additional 1200 feet to the Terrible 3 vein, or a total of 4200 feet rather than 3,800 feet as stated in the application. Please clarify these discrepancies.

We consider that exploration 1500 feet below ore shoots that were not very productive borders on prospecting, and we wonder whether it is feasible to test the mineralization at intermediate points by drilling. The Sunrise Tunnel would appear to offer such a possibility. Your comments should include an appraisal of winzing near the intersection of the two veins.

While we appreciate the desirability of exploratory openings large enough for later production needs, we can allow only the costs of openings suitable for the exploration itself. If an 8 x 7-foot crosscut is warranted, its justification should be supported by estimates and illustrations.

6. Experience. The application (page 7) states that all work will be contracted to Mineral Industries Engineers, and also (page 11) that the Applicant will contract the crosscut. Please clarify. The brochure mentioned on page 7 was not included in the application.

7. Estimate of Costs:

(a) Independent Contracts. Please submit two bids for crosscutting from contractors other than the Applicant.

(b) Personal Services. The excessive number of nine men per shift (page 12) needs additional justification. Periods of employment for each class of labor should be itemized.

Submittal of the requested additional information should not be construed as a commitment by the Government to grant an exploration contract. Before a contract could be granted, however, we would require a recent financial statement to determine the Company's financial eligibility.

Sincerely yours,

(Signed) FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc to: Director's Reading File
Division File
Economic Geology
OME File
OME Reading File
OME Field Officer, Region III
Mr. Smith

RMSmith/gla (1-20-66)

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Denver Federal Center-Building 25
Room 2284
Denver, Colorado 80225

January 14, 1966

6524

OFFICIAL COPY
O. M. E.
RECEIVED
JAN 17 1966

INITIALS	CODE
	~~120~~ m
	~~170~~
1/18 RMA.	~~120~~ Smith

Memorandum

To: Chief OME

From: Field Officer, Region III

Subject: Ventura Oil Company
Mountain Top property
Ouray County, Colorado
OME docket 6524 (Silver-Gold)

The application for financial assistance in Minerals Exploration submitted by the subject applicant, was transmitted to the Chief, OME on November 22, 1965, with the maps having been sent under separate cover.

The maps should have arrived shortly after the application. However, we will send you our copies of the maps and if necessary obtain another set from the Applicant. Please try and locate the original maps sent you on November 22, 1965.

J. William Hasler

JWH:mc:1/13/66

cc: Chief OME
File
Chron

Orig. maps not rec'd.
Bids (p.11) " "
Brochure (p.7) " "
Field copies of maps rec'd 1/17/66 (Plates 1, 2, 3, 4, 5, 6, 7, Charts A, B)

November 24, 1965

Ventura Oil Company
1029 East 8th Avenue
Denver, Colorado, 80218

Subject: OME-6524

Gentlemen:

Your application for exploration assistance, dated November 15, 1965, submitted to our office at Denver, Colorado, has been assigned Docket No. OME-6524.

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

Sincerely yours,

Frank E. Johnson
Chief, Office of
Minerals Exploration

Copy to Region III

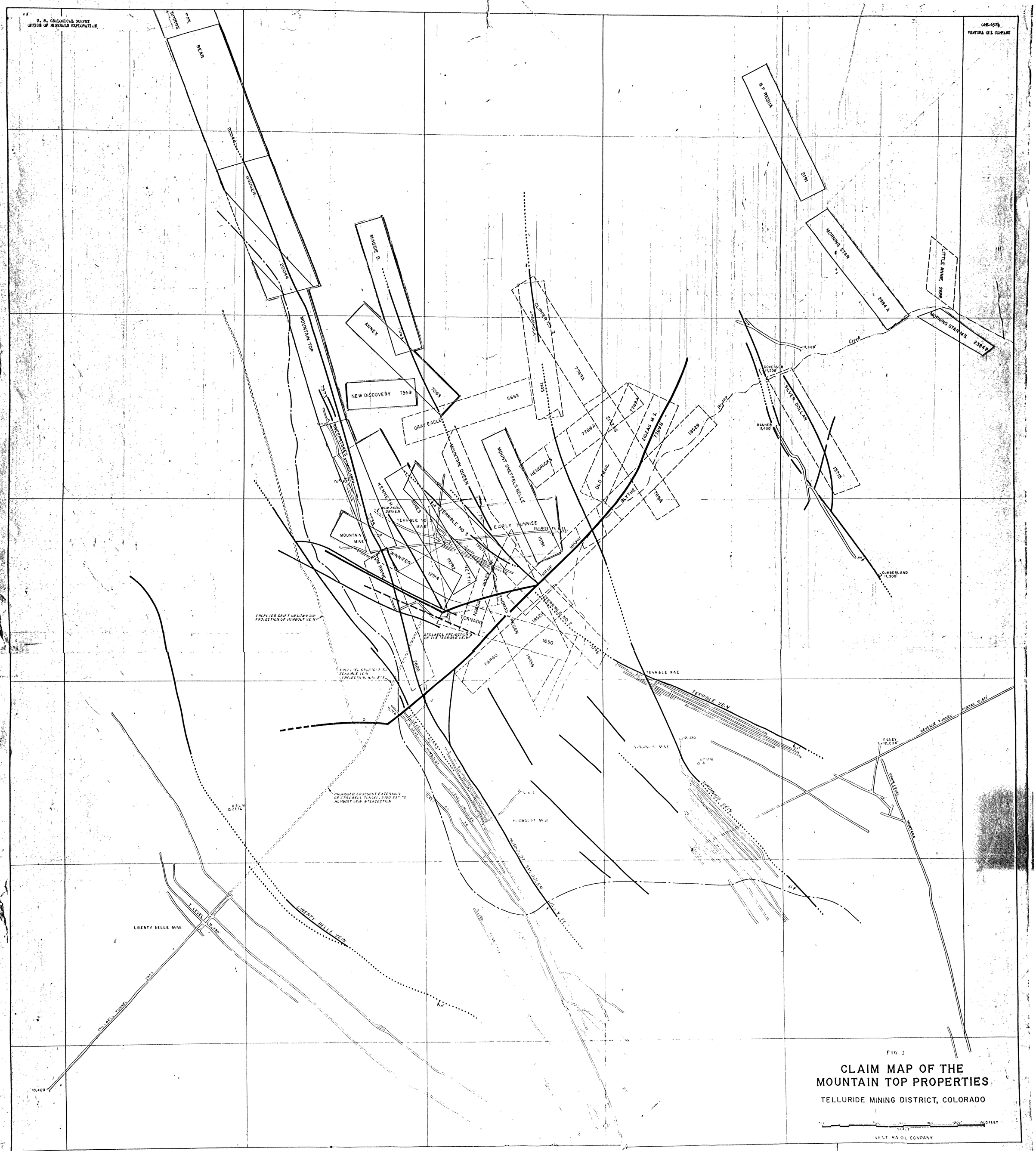


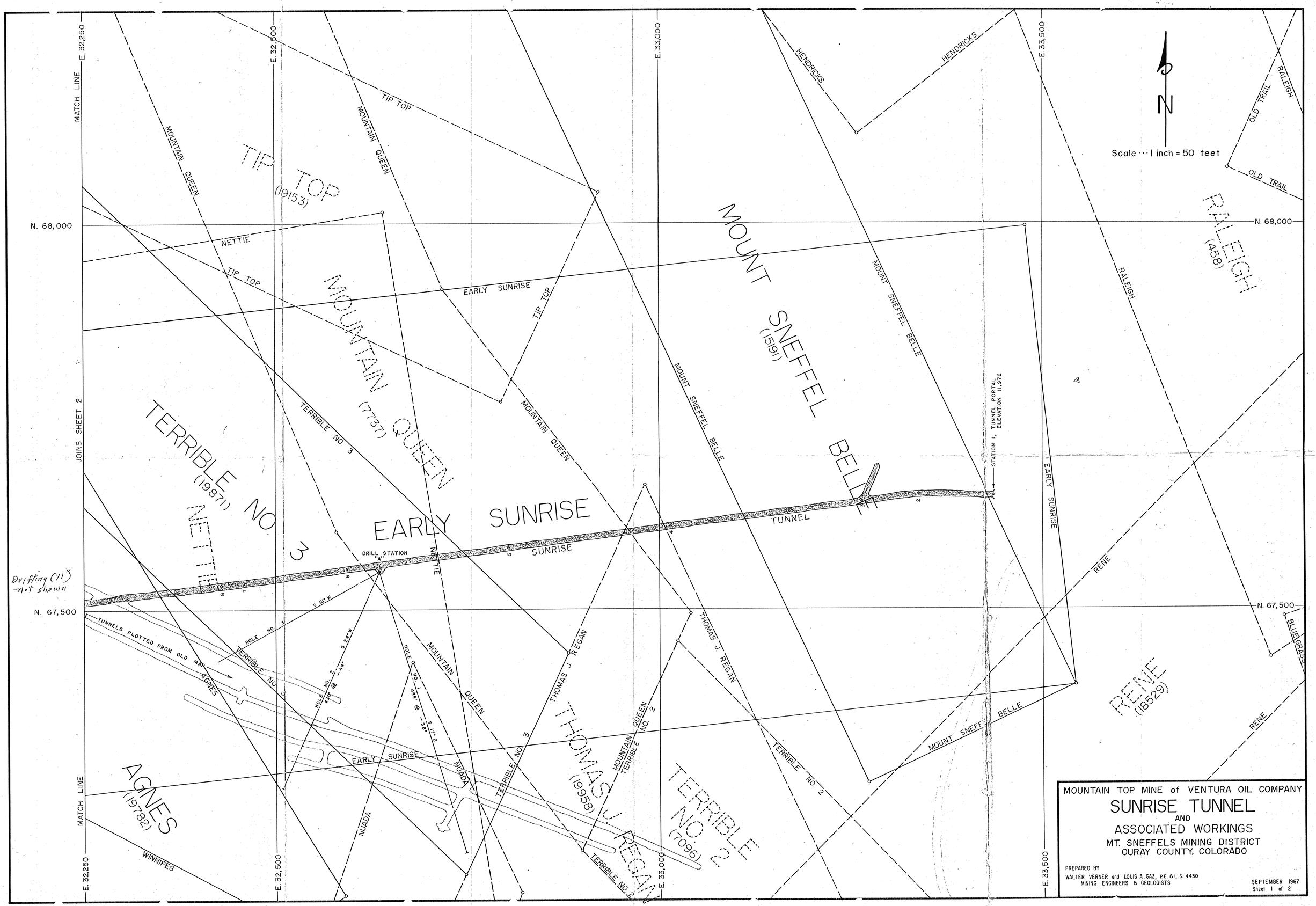
FIG 1

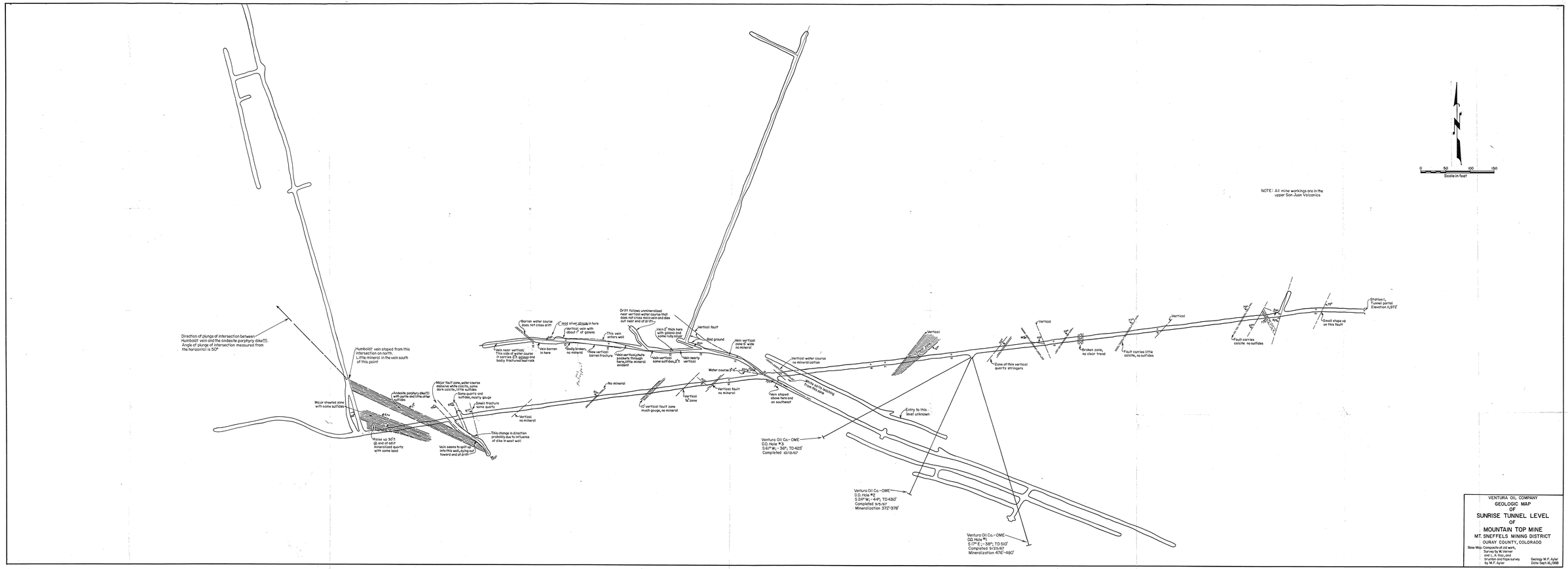
CLAIM MAP OF THE MOUNTAIN TOP PROPERTIES

TELLURIDE MINING DISTRICT, COLORADO

SCALE

VENTURA OIL COMPANY


MOUNTAIN TOP MINE of VENTURA OIL COMPANY
SUNRISE TUNNEL
AND
ASSOCIATED WORKINGS
MT. SNEFFELS MINING DISTRICT
OURAY COUNTY, COLORADO
PREPARED BY
WALTER VERNER and LOUIS A. GAZ, P.E. & L.S. 4430
MINING ENGINEERS & GEOLOGISTS
SEPTEMBER 1967
Sheet 1 of 2
Scale ··· 1 inch = 50 feet
N
MATCH LINE
JOINS SHEET 2
E. 32,250
E. 32,500
E. 33,000
E. 33,500
N. 68,000
N. 67,500
TIP TOP (19153)
MOUNTAIN QUEEN (7737)
TERRIBLE NO. 3 (19871)
NETTIE
EARLY SUNRISE
MOUNT SNEFFEL BELLE (15191)
HENDRICKS
OLD TRAIL
RALEIGH (458)
RENE (18529)
BLUEGRASS
THOMAS J. REGAN (19958)
TERRIBLE NO. 2 (7096)
AGNES (19782)
NUADA
WINNIFEG
TUNNELS PLOTTED FROM OLD MAP
DRILL STATION "A"
HOLE NO. 3
HOLE NO. 2
HOLE NO. 1
S 61° W
S 24° W
S 17° E
STATION 1, TUNNEL PORTAL
ELEVATION 11,972
Drifting (71') -not shown



VENTURA OIL COMPANY

GEOLOGIC MAP OF

SUNRISE TUNNEL LEVEL OF

MOUNTAIN TOP MINE

MT. SNEFFELS MINING DISTRICT

OURAY COUNTY, COLORADO

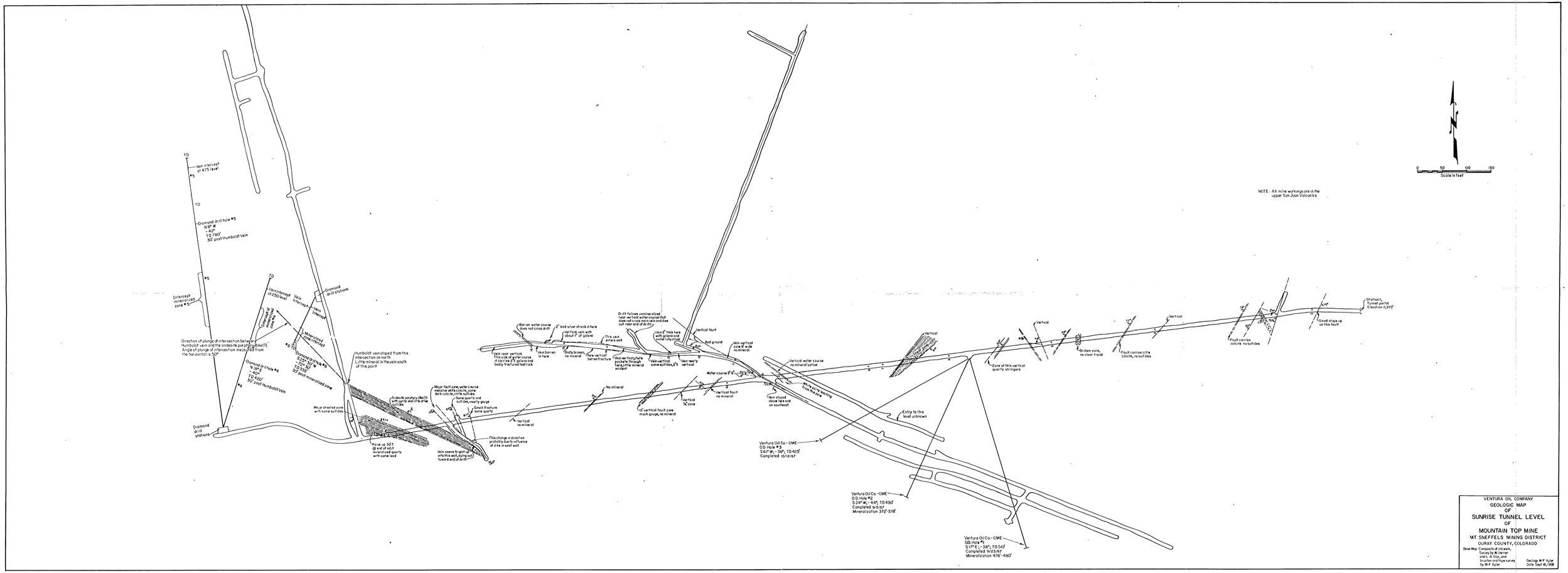
Base Map: Composite of old work, Survey by W. Varner and L. A. Gaul, and brunton and tape survey by M. F. Ayler

Geology: M. F. Ayler
Date: Sept. 16, 1968

Mountain Top & Sneffels Vein
TD
Vein intercept at 475 level
#5
TD
Diamond drill hole #5
N 8° W
-42°
TD 780'
30' past Humboldt Vein
Alternate #5
N 21½° W
-43°
770' TD
Vein intercept @ 645'
Intercept on mineralized zone is 200 to 390'
Depth below level is 135' to 265'
Alternate #4
N 7½° W
-43°
395' TD
Vein intercept @ 365'
Intercept on mineralized zone is 155 to 295'
Depth below level is 105' to 200'
Diamond drill stations
Vein intercept at 250 level
Vein intercept
Intercept mineralized zone #5
Intercept of mineralized zone #4
Intercept of mineralized zone #4
Intercept mineralized zone #5
Mineralized zone intercept
Direction of plunge of intersection between Humboldt vein and the andesite porphyry dike(?)
Angle of plunge of intersection measured from the horizontal is 50°
Diamond drill hole #4
N 18° E
-40°
TD 420'
30' past Humboldt Vein
#6 TD
Diamond drill hole #6
S 25° 30' W
-72° 30'
TD 335'
30' past mineralized zone
Humboldt vein stoped from this intersection on north
Little mineral in the vein south of this point
Diamond drill stations
Mainly sheeted zone with some sulfides
Raise up 30'± @ end of adit mineralized quartz with some lead
Andesite porphyry dike(?) with pyrite and little other sulfides
Major fault zone, water course massive white calcite, some dark calcite, little sulfides
Some quartz and sulfides, mostly gouge
Small fracture some quartz
This change in direction probably due to influence of dike in west wall
Vein seems to split up into this wall, dying out toward end of drift
Vertical no mineral
No mineral
10' vertical fault zone much gouge, no mineral
Vertical ¼" zone
Vertical fault no mineral
Barren water course does not cross drift
2" lead silver streak in here
Vertical vein with about 1" of galena
This vein enters wall
Vein near vertical
This side of water course it carries 2"± galena and badly fractured host rock
Vein barren in here
Badly broken, no mineral
New vertical barren fracture
Vein vertical, chute pockets through here, little mineral evident
Drift follows unmineralized near vertical water course that does not cross main vein and dies out near end of drift
Vein 2" thick here with galena and some ruby silver
Vein vertical some sulfides, 2"±
Vein nearly vertical
Vertical fault
Bad ground
Vein vertical zone 6" wide no mineral
Water course 3'-6"
Vein stoped above here and on southeast
Vertical water course no mineralization
White salts leaching from this zone
Terrible Vein
Entry to this level unknown
Sunrise Tunnel
Vertical
Shear zone
Zone of thin vertical quartz stringers
Vertical
Broken zone, no clear trend
Fault carries little calcite, no sulfides
Vertical
Fault carries calcite, no sulfides
Small stope up on this fault
Station 1, Tunnel portal Elevation 11,972'
Ventura Oil Co - OME
DD Hole #3
S 65° W, -36°, TD 425'
Completed 10/12/67
Ventura Oil Co - OME
DD Hole #2
S 24° W, -44°, TD 430'
Completed 9/5 67
Mineralization 372'-378'
Ventura Oil Co - OME
DD Hole #1
S 17° E; -38°; TD 510'
Completed 9/25/67
Mineralization 476'-480'
NOTE All mine workings are in the upper San Juan Volcanics
0 50 100 150
Scale in feet
VENTURA OIL COMPANY
GEOLOGIC MAP
OF
SUNRISE TUNNEL LEVEL
OF
MOUNTAIN TOP MINE
MT SNEFFELS MINING DISTRICT
OURAY COUNTY, COLORADO
Base Map Composite of old work, Survey by W. Verner and L. A. Gaz, and brunton and tape survey by M F Ayler
Geology M F Ayler
Date Sept 16, 1968

OME-6524

FIGURE 2



VENTURA OIL COMPANY
GEOLOGIC MAP
OF
SUNRISE TUNNEL LEVEL
OF
MOUNTAIN TOP MINE
MT. SNEFFELS MINING DISTRICT
OURAY COUNTY, COLORADO

Base Map Compiled of old work, Survey by W. Verner and L. A. Cox, and brunton and tape survey by M.F. Ayler

Geology M.F. Ayler
Date Sept 16, 1968

FIG. 1

CLAIM MAP OF THE MOUNTAIN TOP PROPERTIES

TELLURIDE MINING DISTRICT, COLORADO

SCALE

VENTURA OIL COMPANY