MME Form 9
Rev. Nov. 65

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey

OFFICIAL DOCKET FILE Contract No. _____ Docket No. 6803

Application
- [ ] Denied
- [x] Withdrawn

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

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

Folder No. 1:

Left Side

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

Right Side

- [ ] Project Summary (final)
- [ ] Work Completed Analysis (final)
- All other material filed in chronological order including the following reports if checked:
- [ ] Field Team Semiannual Report for Certified Project
- [ ] Final Field Team Report (Tab)
- [ ] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [ ] On-site Exam. Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No. _____: Reports
- [ ] Analysis of 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. _____: Maps (Use pocket folder or envelope)

Folders No. _____: Settlement Sheets

Folders No. _____: Drill Logs

Folders No. _____: Royalty Material

72195-65

MME Form 40
(Revised Nov. 68)

Budget Bureau No. 42-R1368
Approval expires Dec. 1971

OFFICIAL COPY O. M. E. RECEIVED AUG 15 1969 INITIALS CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

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.)*

Richard Lavender Pankey 908 S. Granger st. Harrisburg, Illinois

Clifford Lavender Stone Rosiclare, Illinois

Harold B. Culley Harrisburg, Illinois

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER 6803

DATE RECEIVED 8-15-69

REGION IV

DIVISION CODE

BUSINESS ORGANIZATION *(Check one)*

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

STATE IN WHICH FIRM IS ORGANIZED

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
Richard L. Pankey	908 S. Granger st.	Pres.
Clifford L. Stone	Rosiclare, Illinois	
Harold B. Culley		

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE

FFLUORSPAR--Zinc, Iron & Limestone Lead & (Kaolin)

ESTIMATED COST OF PROJECT $20,000

PROPERTY NAME	LOCATION COUNTY	STATE
LAVENDER	HARDIN	ILLINOIS

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. II). 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 Department of the Interior, U.S. Geological Survey, Office of Minerals Exploration, Washington, D. C., 20242, 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.

8/10-69
DATED

Richard L Pankey
BY *(Signature)*

Pres
TITLE

Telephone # 618-253-4567

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 (1) true copies of your letters to credit sources which show date of loan request, amount and terms requested, and proposed use of loan funds and (2) true copies of 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 signed by owner on MME Form 52. If the agreements cannot be obtained, state reasons and whether you can furnish a performance bond.

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.

(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) 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. State your reasons for expecting to find ore.

(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, address, and telephone number 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 time and materials *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 price 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).]

280 ACRES
SW¼ SE¼; SE¼ SW¼ SEC. 19
NW¼ NE¼ N½ NW¼ SEC 30
SW¼ NE¼ & SE¼ N¼ SEC 30
TW 12 S R 8E.

Rosiclare, Illinois
July 29, 1969.

Office of Minerals Exploration
Washington D.C.

Gentlemen:

I wish to give you our reasons for making this application.

Only two Fluorspar companies are in operation to-day, in Hardin County, Ill. Consequently, their Mills are running about full capacity.
If they acquired additional property, it is likely it would remain in a statical condition, at least until the remaining deposits are mined.

Our prime objective is to produce Fluorspar, now.
In doing so, on this large piece of property, which is located within the very heart of the Fluorspar district, it would contribute to the exploration and development of the joining property.
Our mines is located in the HUB of a fault complex. From these operations, drilling programs can be plotted and initiated to cover the entire central district of the Fluorspar field.

Now I am sure the day has passed where small operators can operate very long, but they can develope and produce to a point where large companies can continue the work.
Large companies or producers just dont develop, but obtain the developments.

I would like to offer a short review of the district:

The Alcoa works was a continuation of the old Fairview mines, which closed about 1923.
We entered these works in 1936 and by 1941 we had about all the reserve ore developed. Mining continued until the deposits were depleted in about 1965.

The Rosiclare Mines closed in the early twenties, with reserve deposits remaining on the 600 and 700 ft. levels. It was de-watered and mined during the World War II period and later closed.

These were very old operations originating in about 1840 as Lead operations from which the biproduct Fluorspar, was put on the market and sold about 1880.
The World War I period consumed a large portion of the Fluorspar from these works and during the 1930 and early 1940 period the Daisy Mines, on the Rosiclare property and the Hillside Mines, which joins the Rosiclare, was the chief producers of Flurspar.
During the World War II period, the remaining deposits were about all taken out.
And it was during this period that Mahoning and Minervia Companies begin operations.

These two companies begin operations in the so-called Blanket deposits in the far upper end of the Fluorspar district. Fluorspar was recovered by processing the mineral deposits from these blankets of minerals.

The old established Fluorspar Companies, as far as is known, never made an effort to acquire any of this property, and they were certainly in a possition to do so.

What I am attempting to say, and so many things just cant be assumed and written, is that the Companies made no serious attempt to expand into the Hardin County Fluorspar area. Of course, all companies have policies which they follow, many of which are implemented by local management.
For example:
In the past years the major companies were reluctant to buy Fluorspar from small operators, consequently, there was no point in exploration or mining. About all the small operators were financially unable to produce anything but crude ore, from shallow operations. Being unable to mill or process the ore, they could not meet the market specifications, naturally, they were forced out.
Small operations were commonly accepted as being competition that could not be encouraged. Which is nothing new.

But as of to-day the old established companies have closed, and wishful thinking will not replace the deposits.
The very heart of the district, where we are located, is still un-developed, I mean, that before very much production can ocur many provisions must be made, which take time and money.
Over a period of years, we have succeded in doing much to develope the area. It is actually, a continuation of the work implemented by the Hillside Fluorspar Co. , one of the largest of the Fluorspar companies, which was seriously effected by the accidental death of the Superintendent, Mr. E.C. Reeder, in 19-34, and who had attempted to acquire the property.
Our family refused an option, but wanted a royalty contract, offered by Mr. Reeder, which I later refer to.
The Hillside company was new and had many years of mining ahead, so the property would have only been considered reserve ore, with little chance of being developed for several years.

I have attempted to give you a little more information concerning the property and would be glad to give any and all the information I have regarding this area.
We would certainly appreciate your advice and most welcome your co-operation in this work.

Respectfully

Clifford Stone

Clifford Stone
Rosiclare, Illinois.

ROSICLARE, ILLINOIS
July 25, 1969

Gentlemen:

This is a rather lengthily description of the condition of a very large block of property, located within the very heart of the Fluorspar district. We as owners and operaters of a small operation have decided to ask your advice before continuation of any work. There are many reasons for this. First, To get into production. The district is at a very low stage, the lowest in many years.

As you know Operators and producers are not developers. My years with the Rosiclare and Hillside Fluorspar Companies convinced me of this.
My Father and I were the prime contractors in the development of Alcoa property from 1936 until 1941.
I later served a term as State Inspector of Metal Mines for this State.
I feel as though I have a very good knowledge of the district.

Our property is known as the Lavender property. It consists of about 300 acres, located mid-way between the Rosiclare Belt and Grandpier belt. It was proven about 1909 by operations on the joining property: DESCRIBEB AS FOLLOWS:

STATE GEOLOGICAL SURVEY
Bulletin No. 58
"THE FLUORSPAR DEPOSITS OF HARDIN AND POPE COUNTIES, ILLINOIS"
By-Edson Bastin

INDIANA OR HILLSIDE NO. 2 MINE
(SW. ¼ sec.19,T.12 S., R 8 E.)

The Indiana or Hillside No. 2 mine lies two and a half miles north and rotthwest of Rosiclare. The mine is owned by the Indiana Fluorspar and Lead Company and from 1923 to 1925 was operated under lease by the Hillside Fluorspar Mines.

The property developes two nearly parallel veins about 130 ft. apart at the surface. They strike N. 18 E. and dip steeply to the west, the west one more steeply than the east one. The west vein is developed by a vertical shaft about 100 ft. deep. Drifts have been run northward at 30 and 100 ft. levels. A cross-cut from the 100 ft. level taps the eastern vein but little mining has been done on it.

The dump shows abundant coarse calcite and white, gray, and purple fluorite. At some places galena accurs in the Calcite

While the Indiana mines was operated by the Hillside Fluor spar Company it produced 5308 short tons of Spar. Its output prior to this period was probably about 600 tons.

Now at this period the Hillside Company made a very attractive offer to buy the Lavender Property. It was rejected. In fact, an attempt to acquire the property was still being made by Mr. E.C. Reeder, Gen. Manager of Hillside operations at the time of his accidental death in 1934.

During the operations, pumping water was a problem, NO power was available, except Steam, Coal was hauled from the ohio river over very poor roads, a distance of about 5 miles. Also, The Fairview (Alcoa) Mines were new, as were The Blue-Diggings, Daisy, Argo and Hillside No. I. There was no shortage of Fluorspar and the Lavender property was considered the choice property of the district. Nothing has changed to-day as very, very little work has occured within this entire district.

NOW, We have Electrical power (REA) to the mines, We have a very good road and only one quarter (¼) mile off State hi-way 34.
Our mine shaft is 100 ft. deep, we have driven a cross-cut about 55 ft. to the Indiana fault. (Bastin). Our shaft being within about 200 ft. of the Indiana property line and from all indications the contents of the fault has been removed at this depth, and where we entered it.

FOUR FAULTS ARE PRESENT.

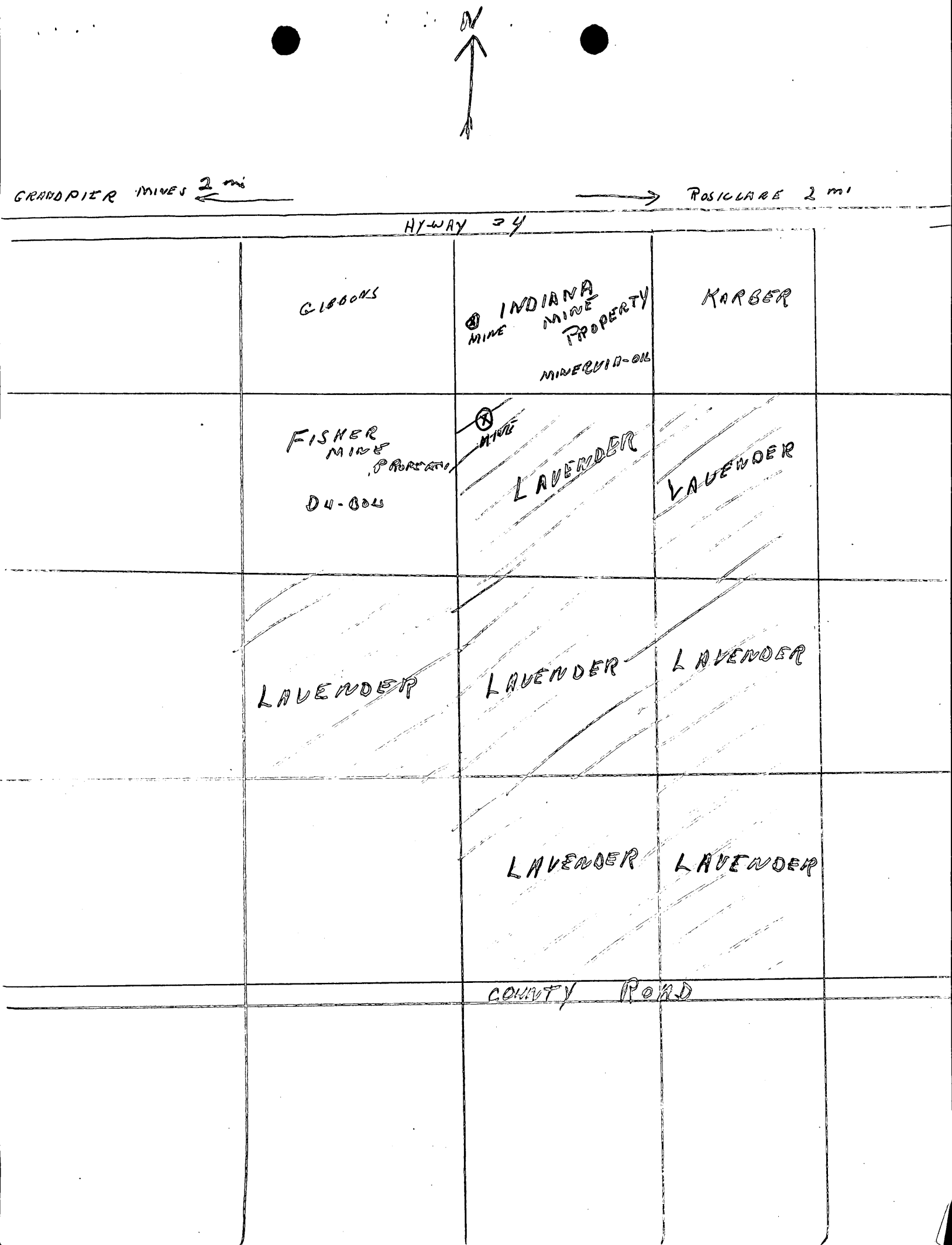
Not being financially able to sink deeper and with continuous pumping of over 125 gal. of water per min. we drove north on the Ill. Furnace fault for a distance of about 30 ft. to a cross-fault striking east to west. We followed this fault, driving to the east, trying to reach the east Indiana fault, refered to in the Bastin report, We were unable to reach this fault. The power single phased a number of times, causing the mine to flood which was an additional expence. We finally let the mines fill with water, and during the heave rains, last Month, a top portion of the shaft broke, Our Hoist, engine and other equipment went with it. That is about the way it stands to-day. The shaft was timbered with 8 by 8 white oak ring sets on 4 foot centers with 2 inch white oak legging and 4 by 4 in. studdles between sets.
The shaft needs to be sunk to the depth of at least 200 ft. or 100 feet deeper, the deposits of ore should continue to the depth of over 1000 ft. in this geology. and with over 300 acres to cover is larger than the combined Rosiclare, Hillside area. and I believe Alcoa could be included.

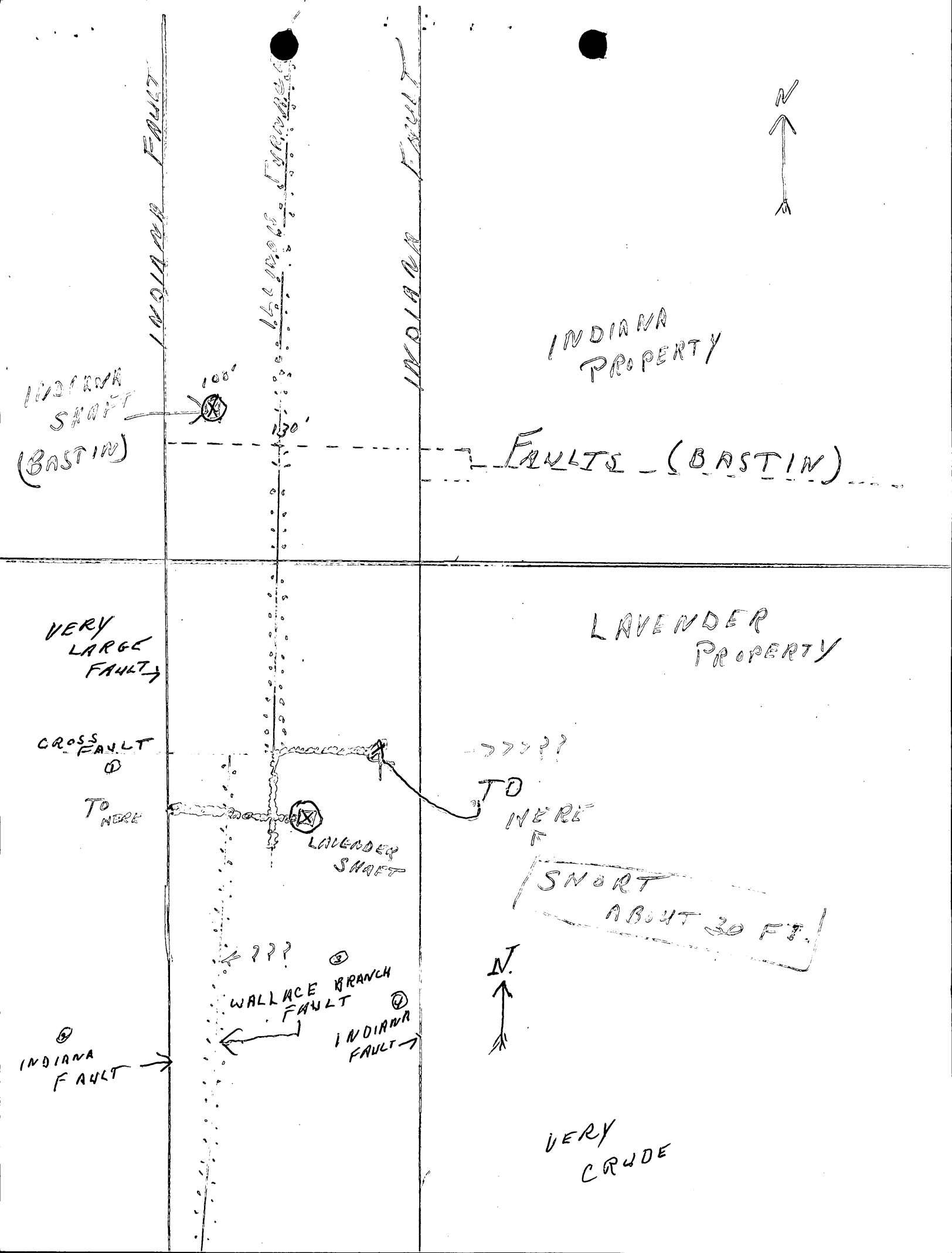
No drilling has occured and little or no mining is present on this property and very little in the entire district. As no Major company would attempt to prospect any 40 acre tract with this large 300 acre tract laying in the center.

We are willing to lease to a reliable company, or go ahead with our work. This district is only about 5 mi. in width and length. The Rosiclare, Alcoa and Hillside operations are depleted. Any future mining must be here in this central area of the district.

We would certainly appreciate your advice.

Clifford Stone
Clifford Stone
Rosiclare, Illinois


N
GRANDPIER MINES 2 mi
ROSICLARE 2 mi
HYWAY 34
GIBBONS
INDIANA MINE PROPERTY
MINE
MINERVIN-OIL
KARBER
FISHER MINE PROPERTY
MINE
DU-BOIS
LAVENDER
LAVENDER
LAVENDER
LAVENDER
LAVENDER
LAVENDER
LAVENDER
COUNTY ROAD


INDIANA FAULT
LAVENDER FORMERLY
INDIANA FAULT
N
INDIANA PROPERTY
INDIANA SHAFT (BASTIN)
100'
130'
FAULTS (BASTIN)
VERY LARGE FAULT
LAVENDER PROPERTY
CROSS FAULT
TO HERE
LAVENDER SHAFT
TO HERE
SHORT ABOUT 30 FT.
???
WALLACE BRANCH FAULT
INDIANA FAULT
INDIANA FAULT
N.
VERY CRUDE

1. Financial:

We find it necessary to Concrete the Mine shaft:

A. We own the concrete mixer. Need materials.

Core drilling:

A. This is a very large area. We have made the exact fault locations from below the surface, where-by a drilling program can be planned, which is absolutely necessary if any degree of success is expected in any drilling program.

A. We are located in the hub of 4 (Four) large faults, No drilling or prospecting has occured on this large block of property.
Zinc Car. is present, on the surface is one area, Iron ore on another.
At a depth of only 30 ft., and which is about 5 ft. above the water pan, we, at one time, mined over 100 tons of acid grade fluorspar. (1934) We delivered it to a buyer for $5.00 five dollars per ton.

A. We need a log washer:
We were forced to throw away many tons of high grade Fluorspar, because some joint clay was present in the ore which was removed from near the surface. If it was sold you were paid for the course ore recovered from a worn-out washer, the fines were later recovered by the buyer and processed. This happened to many small operators, as no custom mills were ever located in this dictrict, and if you hauled it to Kentucky, you couldn't afford to haul it back.

2. Physical Description:
About 300 acres in the very heart of the Fluorspar district.
The faults: Indiana east and Indiana west, Illinois furnace, Wallace branch (sometimes called) Central fault.
Two cross faults, Solid Fluorspar visable on the surface.
One quater mile from State HighWay 34, very good gravel road to Mines, well kept.
OTHER ASSETS:
REA power Hi-Line to the mines.
Abundant Water.
One quater mile to NATURAL GAS PIPE LINE.
High head Cent. pump.
Two or three jack legs.
Two or three Air machines (Drifters)
Hitch cutters
Drill bits
Track steel, and cars.
Large cement mixer.
Timber
Electrical equip. Line, Starters etc. Shovels, Picks, saws and the general run of equipment.
Very good head frame, 10"#10"(one in.)tie rods, All bolts at joints.
Arranged so that the Hoistman can dump into a dump truck from the hoist scaffold in one minute.
100 ft. mine shaft 5 ft. by 7 ft. over 125 ft. of drifs (hard rock) driven. 6ft. by 7 ft.
Limestone waste rock 99 % plus.(anyl. Ozark Mahoning.)

A. As far as known No debts are owed to anyone.

2. Applicants rights to land.

A. I (Clifford Stone) own (Heir) one third of land. and one third of Corporation.

Richard Pankey, shares ownership of one third of Land.
Ownes one third of Corporation.

Harold Culley, Ownes one third of Corporation.

3. Experience:

A. Cliford Stone
Begin with the old Lead hill Co. to Hill side Fluorspar mines, sunk three shafts to recover ore. Aluminum ore co. (Alco) De-watering old works and developing additional areas 1936 to 1941. Then to Rosiclare Mining Co. Drift driving to develop additional deposits, at Daisy works. Back to Hillside to sink and develope newly acquired property. (Dimmick) Back to Rosiclare Mining Company. Where we de-watered and entered the main Rosiclare Works and mined Fluorspar Short period with Sahara Coal Co. (Electrican).
One term as State Inspector of Metal Mines, State of Illinois.
Contractor.

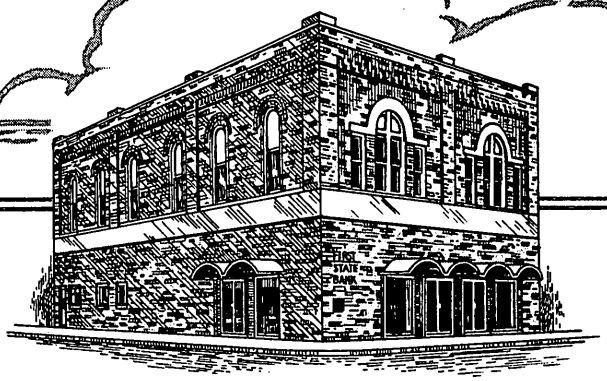
4. WORK;

<u>The Mine Shaft needs to be repaired Now.</u>

Each of the faults should be drilled ahead of our work. (We have three quaters of a mile)
We can drill it ourselves, if we have a machine.
Not less than two holes on the displacement, At least two to find the depth of St. Louis Limestone.
There is a very good possability of a large body of ore on the Indiana and very near the surface just a short way south of the works. Shale to Lime is present. Comparable to surface of Hillside and Daisy Mines.
Solid Spar is visable on the surface, near by.
Three open cuts are present on joining property. Much Fluorspar is visable and has been removed.
A jij mill has been built on the joining property, the builder died and the present owner operated it a very short while.

I would like very much to repair the shaft, De-water and drive the additional 30 ft. to the west Indiana fault, where I hope enough ore could be mined to finance the sinking to a deeper level. ATTHE SAME TIME Do the Much Needed Core Drilling on the surface. The hoistman and helper would do all the preliminary drilling on the surface. We need to produce ore and at the same time do all the exploration work needed to advance the work in to a profitable stage.
This isn't union work. Each man does many jobs.

I-A.



OFFICERS
J. R. BARTON, PRESIDENT
C. A. McDONALD, VICE-PRESIDENT
DENA SUTTON, ASST. CASHIER
GENEVIEVE McCOY, ASST. CASHIER

DIRECTORS
J. R. BARTON
C. A. McDONALD
J. CECIL SULLIVAN
EUGENE CHOISSER
RALPH W. CHOISSER
CHARLES R. VESSELL
BILL FRANKS
F. M. SULLIVAN

THE FIRST STATE BANK

ELDORADO, ILLINOIS 62930

January 30, 1969

Office of Minerals and Explorations
Washington, D. C.

Gentlemen:

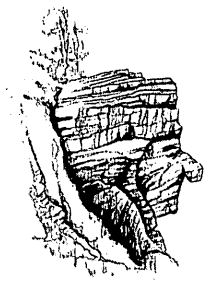
At this time, our bank is unable to make the type of loan this gentlemen has requested; therefore, we will be unable to grant the loan request in the amount of $20,000.00 to the Lavender Mining Company.

Sincerely yours,

Phillip Kane

Phillip Kane
Cashier

PK:sw



OLD STONEFACE
IN
SHAWNEE NATIONAL FOREST

The BANK of HARRISBURG

2 WEST WALNUT STREET ✦ HARRISBURG, ILLINOIS

January 27, 1969

Office of Minerals and Explorations
Washington, D. C.

Gentlemen:

Since we are not experienced in loaning money for small mining operations, we will be unable to grant a loan request in the amount of $20,000.00 to the Lavender Mining Company.

Very truly yours,

Thomas A. Clore
Executive Vice President

TAC:pm

Fl rspar District

1. Area is about 5 miles in width and 5 miles in length.

2. The area is divided into three sections or belts.

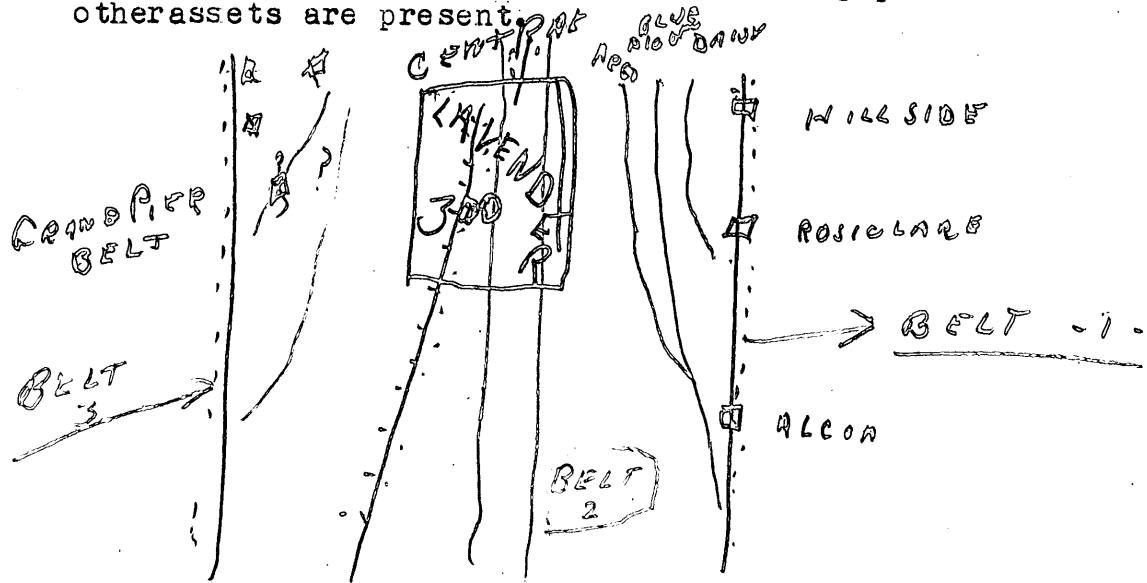
3. East section or belt one consists of Rosiclare, Hillside and Alcoa (Fairview).
Daisy, Bluediggings and Argo are related to and are joined to this section or belt, and mined by the Rosiclare, Alcoa Mines.
THIS AREA OR BELT IS DEPLETED AND CLOSED AFTER OVER 125 yrs of mining.

4. West section or Belt 3 or Grandpier district with limited operations has produced many tons of ore in the past yrs. It is largely un-developed, but in recent yrs. exploration work has put it into condition where production can increase.

5. Central Area or mid-way between the East and West sections has also produced many tons of high-grade ore in the past yrs.
It is un-developed, but exploration work has put it into a condition where production can begin and increase year by year.

We are located within this Central area on a 300 acre block of property;
Larger than the combined Rosiclare and Hillside mines and with additional faults located in the central district the actual faulted area on this block of property is probably larger than the combined mined area on the entire east section.
Both sides of the Central fault is fractured and fluorspar is found on both sides, Whereas: On both East and West sections are considered Boundry Faults with fractures on <u>one side only</u>.
The ore is very high grade, (96% plus) mine run.
The lime stone (99%)
Zinc Car. is present.
Lead is present.
Iron Ore is present.
Shales are present and now marketable for Chips.
(State Bulletin No. 58.) by Edson Bastin (1931)
Over 7000 tons produced from above 100 ft. depth. in one very small area. Very high -grade.

6. Very little or no exploration work in the entire area or section.
7. Very good roads, REA power, Natural Gas pipe line and many otherassets are present.



Fluorspar
11 cu. ft per ton

The conditions that exist is the Coal Fields to-day, are parallel to those in the Fluorspar fields.

Many tons of high-grade coal was produced from shaft mines, which lasted for many years, and when these mines were mined out, they closed.
The companies did not acquire additional property, some of which joined the operations, in many cases, the underground haulage was too far, and they were reluctant to sink new mine shafts on the property.
So they invested their money in machinery to strip large areas, the tonnage acquired this way was much larger than underground mining. But, much of the tonnage was waste, and of no value.
A separation process was necessary, which additional cost of the product was added to the price of coal per ton.
The initial cost of the machinery was high, and the maintain ance never decreases, but increases as it gets older.
Of course this is figured in the operations, but it is figured only to last as long as the deposits last.
Then the Coal industry will return to underground recovery, just as it did in the past, with some very minor changes.

In the Fluorspar fields, about the same thing has ocured. No new developments have been made, although they are actually known. The vast amount of high-grade Fluorspar, remaining below the surface is much greater than that which has been removed.

Through the use of machinery a large tonage can me removed, but just as coal stripping, a low grade is recovered, which requires processing. These Fluorspar operations follow the past operations, which only mined and recovered the pure Fluorspar, leaving the low grades.
If there is no high-grade production, then these low grade deposits can be recovered by mechanical means,in large volumes, and processed out.
Of course, this is also limited, as the cost of the equipment, being very high, is so designed and built, that it will last about as long as the low grade deposits that were bi-passed, during the long period of time that high -grade ores were being produced.

If the ore is to be produced, which it will be, then new operations will begin to appear in the reserve deposits than remain in the district.
Much of the equipment used to-day is about worn out, and has served its purpose, it is not needed for future work. The investments in much of the equipment being used to-day is useless in high-grade mining, as the methods are altogether different.
The equipment and deposits will"Deplete"about the same time.
New operations, requires new and different equipment, which Companies are reluctant to make. Different methods are used, which they are not familiar, so the operators try to make the operations last as long as possable, regardless.

MME Form 7
(2/63)

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Date	Surname	Code
8/25/70	Emerick	120
8/26	Kirkpatrick	120
		220

August 25, 1970

Memorandum

To: The File

From: William L. Emerick
Office of Minerals Exploration

Subject: OME-6803 (Fluorspar, Iron and Zinc)
Richard L. Pankey
Lavender property
Hardin County, Illinois

The Applicant has not replied to our letter of July 22, 1970. Accordingly, the subject docket is transferred to the inactive file and the application considered as having been withdrawn.

William L. Emerick
William L. Emerick

cc: Director's Reading File
Minerals Resources File
OME Docket
OME Reading File
OME Region IV
Mr. Emerick
130

WLEmerick/bsl 8/25/70

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7/22/70	Emerick	120
7/22	Cac	220
		120M

JUL 22 1970

AIRMAIL

Mr. Richard Lavender Pankey
908 South Granger Street
Harrisburg, Illinois 62946

Re: OME-6803 (Fluorspar, Iron and Zinc)
Richard L. Pankey
Lavender property
Hardin County, Illinois

Dear Mr. Pankey:

On April 3, 1970, we requested additional information which is necessary for the processing of your application.

We wish to cooperate fully in allowing you ample time to secure the information, however, for administrative and fiscal reasons this office cannot indefinitely defer action on an application. If we do not receive the data within 30 days from the date of this letter, we shall consider the application as having been withdrawn.

Sincerely yours,

William L. Emerick

William L. Emerick
Assistant Chief
Office of Minerals Exploration

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

WLEmerick/bsl 7/22/70

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(2/63)

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Date	Surname	Code
4/2/70	Paterson	120
		1120
4/3	Lee	220
		120M

AIRMAIL

Mr. Richard Lavender Pankey
908 South Granger Street
Harrisburg, Illinois 62946

APR 3 1970

Re: OME-6803 (Fluorspar, Iron and Zinc)
Richard L. Pankey
Lavender property
Hardin County, Illinois

Dear Mr. Pankey:

This will acknowledge your letter of March 23 requesting that we keep your application for exploration assistance in an active status. However, before we can proceed further it will be necessary for you to provide the following additional information to complete the application. The material needed is listed below under the same headings as listed on the back of the application form (MME Form 40).

1. Financial Eligibility:

(a) Furnish copies of your correspondence to two banks requesting an exploration loan and their letters of reply. Your letters to the banks should state the amount of the loan, purpose, date, and terms requested. This requirement cannot be waived.

(c) As the Government will participate only to the extent of 50 percent of the allowable costs of the proposed project, state how the company proposes to furnish its share of the costs in the event of an exploration contract. It should be noted that funds are not paid in advance to the Operator under an OME contract. Rather, the Government pays its share of the cost at the end of each month after a voucher for the expenses incurred has been submitted and approved. It usually takes two or three weeks to process such a voucher. An Applicant, therefore, should have sufficient funds readily available to pay for all the costs of the work for the first two or three months.

2. Applicant's Right in Land:

(b) State the legal description (section, township, and range) of the land upon which you wish to explore.

3. Physical Description:

(f) The information furnished is insufficient for us to determine whether eligible minerals may occur in the areas you wish to explore, therefore, we suggest that representative samples be taken of the target veins and assayed. Information as to the location of samples taken, how sampled, sample widths, and copies of the assay certificates should be forwarded for our evaluation.

5. Exploration Work:

(a) The proposed work should be described fully, indicating the specific geologic targets you wish to test, how you propose to explore them, and give individual locations and footage for each item of work.

7. Estimate of Costs:

Supply detailed estimates of the necessary costs for the proposed work. These costs should be distributed as follows for the work to be performed: (1) supervision and engineering, (2) labor, (3) supplies and materials, and (4) equipment.

If the work is to be contracted, cost estimates should be supported by bids from three independent contractors if possible.

We shall be pleased to continue the processing of your application upon receipt of the requested information. As our funding situation has not changed, further action will follow the outline mentioned in our letter to you of December 19, 1969. Nothing in this letter should be construed as a commitment by the Government to grant an exploration contract.

Sincerely yours,

Harold Kirkemo (gla)

Harold Kirkemo
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
OME Region IV
Mr. Peterson

ECPeterson/bsl 4/2/70

Lavender Mining Co.
HARRISBURG, ILLINOIS 62946

March 23

Dear Sir

We wish to go ahead with our application. We are in need of financial assistance in the exploration of our land which consists of 280 acres.

Yours truly
Richard L Pankey
OME-6803 (Thompson, Iron + Zinc
telephone 253-4567

Copy typed for Region IV
sent 3/26/70

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O. M. E.
RECEIVED
MAR 25 1970

INITIALS	CODE
gla	30
gla	20 M
HK	20
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(2/63)

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Date	Surname	Code
3/16/70	Peterson	120
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3/17	cal	220
		120M

AIRMAIL

Mr. Richard Lavender Pankey
908 South Granger Street
Harrisburg, Illinois 62946

MAR 17 19

Re: OME-6803 (Fluorspar, Iron and Zinc)
Richard L. Pankey
Lavender property
Hardin County, Illinois

Dear Mr. Pankey:

On December 19, 1969, we wrote you outlining the current situation regarding the processing of pending applications for OME financial assistance. Will you please inform us of your plans regarding your application. If you have decided not to pursue it further, will you please so inform us.

If we do not receive a reply from you within 30 days from the date of this letter, we will assume that you are no longer interested in your application and we shall consider it as having been withdrawn.

Sincerely yours,

Harold Kirkemo (glo)

Harold Kirkemo
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
OME Region IV
Mr. Peterson

ECPeterson/bsl 3/16/70

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		120M

AIRMAIL

Mr. Richard Lavender Pankey
908 South Granger Street
Harrisburg, Illinois 62946

Re: OME-6803 (Fluorspar, Iron and Zinc)
Richard L. Pankey
Lavender property
Hardin County, Illinois

Dear Mr. Pankey:

This is in further response to your application for financial assistance to explore the Lavender property.

Applications received since July 1, 1969, have not been processed because of budgetary constraints on the OME program. With funds now available we will be able to execute only a few new contracts in the fiscal year ending June 30, 1970. These contracts are being prepared on applications received and approved in previous fiscal years but which could not be executed earlier because of lack of funds. The extent of future contracting will depend on availability of funds.

Owing to curtailment of the program, the processing of applications is being delayed. Therefore, field examinations necessary to reach decisions on applications are being made largely in connection with other field work of the program. In due course of time we will inform you whether or not your application can be approved for a contract when funds are available. Priority on available funds will be given to approved applications offering the best opportunities for making significant discoveries.

Under these circumstances, should you wish to withdraw your application, please so advise. If you wish to keep your application in active status, we will process it as explained above.

We regret that this action is necessary, but under present funding circumstances, we cannot offer better service at this time.

Sincerely yours,

Harold Kirkemo (gfa)

Harold Kirkemo
Chief, Office of
Minerals Exploration

ctor's Reading File
ral Resources File
Docket
Region IV
Reading File
Peterson
/bsl 12/19/69

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Date	Surname	Code
8/19/69	Peterson	120
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8/20	Cee	220
		120M

AIRMAIL

AUG 19 1969

Mr. Richard Lavender Pankey
908 South Granger Street
Harrisburg, Illinois 62946

Re: OME-6803 (Fluorspar, Iron and Zinc)
Richard L. Pankey
Lavender property
Hardin County, Illinois

Dear Mr. Pankey:

Reference is made to your application for exploration assistance dated August 10, 1969.

We have postponed processing applications received recently pending information regarding availability of funds for the fiscal year beginning July 1, 1969. Although appropriations have not yet been made for the current year, we understand that funds will be much less than were available for the year that ended June 30, and we are authorized to operate only at the level of the anticipated reduced funds. Under this situation, action on pending applications must be postponed, as proposed contracts already drafted and awaiting execution will require more funds than are available. When we can again process new applications, first priority will be given to those offering the best opportunities for making significant discoveries.

We regret that we cannot make a decision on your application at present and we are unable to estimate when we may be of possible assistance to you. When circumstances permit, we will process your application within the limitations stated above.

Sincerely yours,

Harold Kirkemo (gla)

Harold Kirkemo, Chief
Office of Minerals Exploration

cc: Director's Reading File
Economic Geology File
OME Docket
OME Reading File
Region IV
Mr. Peterson

ECPeterson/bsl 8/19/69

August 15, 1969

Mr. Richard Lavender Pankey
908 South Granger Street
Harrisburg, Illinois 62946

Subject: OME-6803

Dear Mr. Pankey:

Your application for exploration assistance, dated August 10, 1969, submitted to our office at Washington, D. C., has been assigned Docket No. OME-6803.

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

Sincerely yours,

Harold Kirkemo
Chief, Office of
Minerals Exploration

Copy to Region IV with copy
of application