MME Form 9
Rev. Mar. 59

UNITED STATES
DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

OFFICIAL DOCKET FILE — Contract No. 14-23-2182 — Docket No. MME-6308

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- [ ] Withdrawn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
- [x] Certification ~~of Discovery~~ Royalty letter
- [x] Closing Letter 5/14/71 4/17/68 R.A.Am.#2 Par. 3(d)
- [x] Cost Audits February 1968
- [ ] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [x] Contract Amendments
- [x] 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
- [x] Final Field Team Report (Tab)
- [x] Operator's Final Report (Tab) 1-25-68
- [x] Interim Field Team Reports
- [x] Operator's monthly reports and all attachments
- [x] On-site Exam. Report (Tab)
- [x] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No. _____: Reports
- [ ] Analysis of Semiannual Inspection Reports
- [ ] Project Summary (Interim) by MME Engineers

Folder 2

Right Side

- [ ] Field Team Semiannual Report for Certified Project
- [ ] Field Team Interim Reports
- [x] 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

United States Department of the Interior

GEOLOGICAL SURVEY
RESTON, VIRGINIA 22092

February 14, 1977

Mr. Robert W. Jack
Resident Counsel
Amco Energy Corporation
540 Meadows Building
Dallas, Texas 75206

Re: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

Dear Mr. Jack:

By the terms of the subject OME contract and the Certification of Possible Production dated April 17, 1968, all minerals mined or produced from January 31, 1964, to January 31, 1977, were subject to payment of royalty. As this period has expired, the Government according to its present records retains no claim or lien against the property subject to the contract or any future production therefrom. Therefore, we are closing our books and records on this contract.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo, Chief
Office of Minerals Exploration

Copies to: Frank and Mary Benich
First National Bank of Butte
Philip and Jane Kountz

AMERICAN REVOLUTION BICENTENNIAL 1776-1976 ©

United States Department of the Interior

GEOLOGICAL SURVEY
RESTON, VIRGINIA 22092

February 14, 1977

Mr. and Mrs. Frank Benich
814 Waukesha
Butte, Montana 59701

Re: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

Dear Mr. and Mrs. Benich:

Enclosed is a self-explanatory letter dated February 14, 1977, to Mr. Robert W. Jack. This relates to the Lien and Subordination Agreements signed by you on September 30, 1963.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo, Chief
Office of Minerals Exploration

Enclosure

AMERICAN REVOLUTION BICENTENNIAL 1776-1976

United States Department of the Interior

GEOLOGICAL SURVEY
RESTON, VIRGINIA 22092

February 14, 1977

Mr. and Mrs. Phillip L. Kountz

Whitehall, Montana 59759

Re: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

Dear Mr. and Mrs. Kountz:

Enclosed is a self-explanatory letter dated February 14, 1977, to Mr. Robert W. Jack. This relates to the Lien and Subordination Agreements signed by you on January 15, 1964.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo, Chief
Office of Minerals Exploration

Enclosure

AMERICAN REVOLUTION BICENTENNIAL 1776-1976

United States Department of the Interior

GEOLOGICAL SURVEY
RESTON, VIRGINIA 22092

February 14, 1977

First National Bank of Butte

Butte, Montana 59701

Re: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

Dear Mr. and Mrs. Benich:

Enclosed is a self-explanatory letter dated February 14, 1977, to Mr. Robert W. Jack. This relates to the Lien and Subordination Agreements signed by Mr. Irving Bolitho, President, on September 13, 1963.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo, Chief
Office of Minerals Exploration

Enclosure

AMERICAN REVOLUTION BICENTENNIAL 1776-1976

MMS Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
4/3/68		~~120~~
4/5/68	Kirkham	120
"	Johnson	110
	Bloss	140
Appd. Sol. Office		
		110
		220

AIRMAIL

Ruby Silver Mines, Inc.
863 First Security Building
Salt Lake City, Utah 84111

APR 17 1968

Re: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

Gentlemen:

Pursuant to Article 6 of the contract, as amended, and paragraph 3(d) of Amendment No. 2, royalties shall be paid to the Government as provided in the contract on all production from the land described in the contract and on all production transported through workings to the cost of which the Government contributed in accordance with the special "Agreement Concerning Royalty" of Annex I of the contract from January 31, 1964, to January 31, 1977, or until the sum of $58,940.00 is fully repaid with interest at the rate of 6-1/4 percent per annum, whichever occurs first. The payment of royalties is secured by liens upon the land and upon any production therefrom.

Royalty payments should be made in favor of the U. S. Geological Survey, and should be mailed or delivered to the Field Officer, Region I, Office of Minerals Exploration, U. S. Geological Survey, U. S. Courthouse, Room 656, West 920 Riverside Avenue, Spokane, Washington 99201. Each payment should be accompanied by two copies of settlement sheets or other suitable sales evidence showing the date of sale, the name of the purchaser, the quantity and grade of the production sold, the price per unit, and the gross proceeds and allowable deductions therefrom. The purchaser should be notified of the Government's royalty on production and directed to pay the royalty, computed as provided in the contract, directly to the Government.

The Field Officer should be promptly notified upon commencement of any production, and upon any extended cessation thereof. Production unsold or unused six months after extraction from the ground should be reported promptly to the Field Officer.

RECEIVED
APR 8 1968
Division of Mineral Resources
General Legal Services

Attention is specifically invited to the provisions of Article 2(c) of the contract referring to preservation of the Government's royalty rights. True copies of any instrument transferring, surrendering, or encumbering any of said rights shall be furnished the Field Officer.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Copies to: Frank and Mary Benich, 814 Waukesha, Butte, Montana 59701
First National Bank of Butte, Butte, Montana 59701
Phillip L. and Jane Kountz, Whitehall, Montana 59759
New Park Mining Company, 3115 Ottawa Street, Butte, Montana 59701
East Utah Mining Company, 863 First Security Building, Salt Lake City, Utah 84111
The Anaconda Company, Hennessy Building, Butte, Montana 59701

cc: Director's Reading File
Division File
Economic Geology File
Branch of Budget & Finance
Mr. Long, Room 6554
OME Docket
OME Region I
OME Reading File
Frank E. Johnson
130 (2)
Mr. Kirkemo

GAult/bsl 4/3/68

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
4/3/68	Kirkemo	120
4/5	John	110
	Bruce Berg	140
Appd. Sol. Office		
		110
		220

AIRMAIL

APR 17 1968

Mr. Phillip L. Kountz and
Mrs. Jane Kountz
Whitehall, Montana 59759

Re: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

Dear Mr. and Mrs. Kountz:

Enclosed is a copy of a self-explanatory letter of today to the Operator under the subject contract. This relates to the Lien or Subordination Agreement signed by you on January 15, 1964.

The Government's prior lien on the land and upon production therefrom, as specified in the letter to the Operator, will continue in existence for the length of time mentioned in the enclosed letter to the Operator. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreement, and to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosure

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
OME Region I - Mr. Kirkemo - 130 (2)

GAult/bsl 4/3/68

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General Legal Serv.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
4/3/68	Kirkemo	120
4/15	Jensen	110
	Bjs Gang	140
Appd. Sol. Office		
		110
		220

APR 17 1968

AIRMAIL

First National Bank of Butte
Butte, Montana 59701

Re: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

Gentlemen:

Enclosed is a copy of a self-explanatory letter of today to the Operator under the subject contract. This relates to the Lien or Subordination Agreement signed on September 13, 1963, by Irving H. Bolitho, president of your bank.

The Government's prior lien on the land and upon production therefrom, as specified in the letter to the Operator, will continue in existence for the length of time mentioned in the enclosed letter to the Operator. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreement, and to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosure

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
OME Region I
Mr. Kirkemo
130 (2)

GAult/bsl 4/3/68

RECEIVED
APR 8 1968
Division of Mineral Resources
General Legal Service

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
4/3/68	Kirkemo	120
4/5	Johnson	110
	Miss Long	140
Appd. Sol. Office		
		110
		220

AIRMAIL

APR 17 1968

Mr. Frank Benich and
Mrs. Mary Benich
814 Waukesha
Butte, Montana 59701

Re: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

Dear Mr. and Mrs. Benich:

Enclosed is a copy of a self-explanatory letter of today to the Operator under the subject contract. This relates to the Lien and Subordination Agreements signed by you on September 30, 1963.

The Government's prior lien on the land and upon production therefrom, as specified in the letter to the Operator, will continue in existence for the length of time mentioned in the enclosed letter to the Operator. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreement, and to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosure

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
OME Region I
Mr. Kirkemo
130 (2)

RECEIVED
APR 8 1968
Division of Mineral Resources
General Legal Services

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(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
4/4/68	Kirkemo	120
4/5	Johnson	110
	Boss Long	140
Appl. Sol. Office		
		110
		220

APR 17 1968

AIRMAIL

The Anaconda Company
Hennessy Building
Butte, Montana 59701

Re: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

Gentlemen:

Enclosed is a copy of a self-explanatory letter of today to the Operator under the subject contract. This relates to the Agreement, dated September 6, 1966, between the Ruby Silver Mines, Inc., and The Anaconda Company.

The Government's prior lien on the land and upon production therefrom, as specified in the letter to the Operator, will continue in existence for the length of time mentioned in the enclosed letter to the Operator. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreement, and to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosure

cc: Director's Reading File
Division File
Economic Geology File
OME File R-I
OME Reading File - OME File/- OME Mr. Kirkemo - 130 (2)

GAult/bsl 4/4/68

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APR 8 1968
Division of Mineral Resources
General Legal Service

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
4/3/68	Kirkemo	120
4/5	Johnson	120
		110
	Miss Perry	140
	Appd. Sol. Office	
		110
		220

APR 17 1968

AIRMAIL

New Park Mining Company
3115 Ottawa Street
Butte, Montana 59701

Re: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

Gentlemen:

Enclosed is a copy of a self-explanatory letter of today to the Operator under the subject contract. This relates to the letter dated December 27, 1963, signed by David H. Clegg, secretary of your company, guaranteeing the Government's royalty payments under the contract.

The Government's prior lien on the land and upon production therefrom, as specified in the letter to the Operator, will continue in existence for the length of time mentioned in the enclosed letter to the Operator. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreement, and to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

RECEIVED
APR 8 1968
Division of Mineral Resources
General Legal Services

Enclosure
Identical letter to East Utah Mining Company, 863 First Security Building
Salt Lake City, Utah 84111

cc: Director's Reading File
Division File
Economic Geology File
OME Docket - OME Reading File
OME Region I - Mr. Kirkemo - 130 (2)

EAult/bsl 4/3/68

Docket copy

UNITED STATES DEPARTMENT OF THE INTERIOR

OFFICE OF SURVEY AND REVIEW
AUDIT OPERATIONS
WASHINGTON, D.C.

Report of Review-Contract 2182
Docket No. OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc. (Operator)
Ruby Mine
Jefferson County, Montana

February 1968

We have examined the disbursement records in the Branch of Budget and Finance, Administrative Division, Geological Survey, and reviewed the Office of Minerals Exploration (OME) contract files pertaining to the subject minerals exploration contract No. 2182. The cost review was performed at Washington, D. C., on February 12, 1968.

The original purpose of this contract was to explore by driving a crosscut adit, drifting, and long-hole drilling, for gold-silver bearing ore bodies on 7 patented and 13 unpatented lode mining claims in the Lowland mining district, Jefferson County, Montana. The exploration work was to be performed by the Operator. The Government agreed to reimburse the Operator for 50 percent of fixed-unit costs of work satisfactorily performed. The Operator was to begin the work on or before June 15, 1964, and complete it by July 31, 1965. Amendment No. 1 to the contract extended the time for completion of the work until January 31, 1966.

A prior review of this exploration project made on October 24, 1966, found that no work had been performed by the Operator under the provisions of the contract subsequent to July 31, 1965; that costs claimed by the Operator and accepted by the Government to that date amounted to $112,585.00; and that no exception was taken to the Government's 50 percent participation therein amounting to $56,292.50.

By Amendments No. 2 and 3, the date for completion of the work was extended to January 31, 1968, if the work was resumed not later than August 15, 1967. These amendments provided for not more than 1,130 linear feet of surface trenching on the claims on the basis of fixed unit costs, as follows:

Mobilization and demobilization, One bulldozen with ripper	$ 75.00
Bulldozing, 180 hours @ $29.00/hr	5,220.00
Drilling and blasting, 532 cubic yards @ $1.75/cu. yd.	931.00

The files do not indicate that the drilling and blasting was performed, however, the Operator has claimed costs of $75.00 for mobilization and demobilization of the bulldozer together with $5,220.00 for 1,130 linear feet of trenching. The Field Officer, OME, Region I, has approved the claimed fixed-unit costs aggregating $5,295.00 and the Operator has been paid $2,447.50, 50 percent of the accepted costs, less $200.00 withheld pending receipt of an acceptable final report provided for in the contract.

Drilling and blast Not necessary to complete project H. Kirkham

58,940.00

No exceptions have been taken to the settlements made with the Operator.

C. E. Fisher, Auditor

W. H. Wilkerson, Jr., Contract and Grant Audit
Audit Operations, Office of Survey and Review

Government's Copy

EXPLORATION CONTRACT
RUBY SILVER MINES, INC.
OME-6308

AMENDMENT NO. 3

It is agreed this 26th day of June, 1967, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and Ruby Silver Mines, Inc., hereinafter called the "Operator," that Exploration Contract 2182 (OME-6308), dated January 31, 1964, as amended, is further amended effective June 15, 1967, as follows:

In Amendment No. 2 to the contract,

1. Item 1(a) is revised to read as follows:

   Work under the contract shall be suspended during the period beginning August 1, 1965, and ending not later than August 15, 1967.

2. Item 3(a) is revised to read as follows:

   The contract and all obligations of the parties thereunder, except as hereinafter otherwise provided, shall be and are hereby terminated effective January 31, 1966, if the work has not been resumed on or before August 15, 1967.

This amendment shall not be construed to change 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 a 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

~~RUBY~~ SILVER MINES, INC.

By [illegible]

Title President

Long
Stirbens
Johnson
Kilsgaard
Allyn

Government's Copy

EXPLORATION CONTRACT
RUBY SILVER MINES, INC.
OMM-6308

AMENDMENT NO. 3

It is agreed this ____ day of _____, 1967, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and Ruby Silver Mines, Inc., hereinafter called the "Operator," that Exploration Contract 2182 (OMM-6308), dated January 31, 1964, as amended, is further amended effective June 15, 1967, as follows:

In Amendment No. 2 to the contract,

1. Item 1(a) is revised to read as follows:

Work under the contract shall be suspended during the period beginning August 1, 1965, and ending not later than August 15, 1967.

2. Item 3(a) is revised to read as follows:

The contract and all obligations of the parties thereunder, except as hereinafter otherwise provided, shall be and are hereby terminated effective January 31, 1966, if the work has not been resumed on or before August 15, 1967.

This amendment shall not be construed to change 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 a 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

RUBY SILVER MINES, INC.

By _____

Title _____

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
6/15/67		120
"	Johnson	110
		120M

June 15, 1967

Memorandum

To: The File

From: Harold Kirkemo, Assistant Chief
Office of Minerals Exploration

Subject: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson Cou nty, Montana
Contract 2182

Justification for Amendment No. 3

Adverse weather conditions in the winter and spring made access impossible to the Ruby mine with heavy equipment in time to meet the deadline of June 15, 1967, for resumption of work. Indications are that the road to the mine will not be in shape for heavy loads until well into the summer.

The delay in reaching the mine by late spring has hindered contracting for a bulldozer required for the work specified in the OME contract. By mid-June, most available contractors have undertaken work elsewhere, and the Operator now has to rely on The Anaconda Company to make arrangements for a bulldozer and operator.

The two problems, accessibility and availability of equipment, should be solved by the middle of the summer, and by extending the period of recess on the contract there is greater assurance that work on the contract can be continued.

I concur with the Field Officer's recommendation to amend the contract.

Harold Kirkemo

Harold Kirkemo

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

HKirkemo/gla 6-15-67

23263

Government's copy

EXPLORATION CONTRACT
RUBY SILVER MINES, INC.
OME-6308

AMENDMENT NO. 2

It is agreed this 23rd day of November 1966, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and Ruby Silver Mines, Inc., hereinafter called the "Operator," that Exploration Contract 2182 (OME-6308), dated January 31, 1964, as amended, is further amended effective January 31, 1966, as follows:

1. (a) Work under the contract shall be suspended during the period beginning August 1, 1965, and ending not later than June 15, 1967.

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

(c) The Government shall not contribute to any 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 Amendment No. 1 for completion of the work is extended from 24 to 48 months from the date of the contract, or to January 31, 1968.

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 January 31, 1966, if the work has not been resumed on or before June 15, 1967.

(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. The maximum period for royalty payments and for the lien to secure payments thereof provided for in the contract is extended from eleven (11) to thirteen (13) years from the date of the contract.

5. In Exhibit A:

(a) The first paragraph is revised to read as follows:

"The purpose of this project is to explore by driving a crosscut adit, drifting, long-hole drilling, and surface trenching for gold-silver-bearing ore bodies in fissure veins traversing a series of Tertiary dacite flows and breccias."

(b) Under the heading General Provisions, the first paragraph is revised to read as follows:

"All significantly mineralized areas traversed by the adit, drifts, and auxiliary crosscuts, or exposed in surface trenches, shall be sampled by cutting channels normal to the trends of the deposits at intervals of not more than 10 feet. In addition, a representative bulk sample shall be taken of each round broken in significantly mineralized areas. During long-hole drilling cuttings showing significant mineralization shall be sampled. No long-hole sample shall represent more than 10 feet of the hole."

(c) A new paragraph is added reading as follows:

"A bulldozer no smaller than a Caterpillar D-8 equipped with ripper or equivalent unit of any other make shall be used for trenching."

(d) Under the heading Description of Work, the following new paragraphs are added:

"Surface trenches totalling not more than 1,130 linear feet shall be bulldozed on the Ruby and Ruby Fraction claims to locate and expose the West, Ruby, and East veins. Drilling and blasting necessary to complete the trenches and to sample shall not involve more than 532 cubic yards of rock. The approximate locations of the trenches are shown on Figure 7 entitled "Map Showing Proposed Surface Exploration, Ruby Silver Mines, Inc., Jefferson County, Montana," which is attached hereto and made part hereof.

"A trench shall extend in a northeasterly direction from a point approximately 1,100 feet north of the Ruby Fraction claim and 100 feet east of the west boundary of the Ruby claim. Aproximately 320 feet of trenching may be required either as a single trench or in a series of trenches with ends overlapping at bedrock and with their center lines not more than 30 feet apart.

"Any target veins exposed in these trenches may be explored further by bulldozing auxiliary trenches each not more than 50 feet long at approximately 100-foot intervals on either side of the initial trenches as shown in yellow color on Figure 7. Not more than two such trenches shall be bulldozed across a vein on each side of the initial trench and none shall be located south of Ruby No. 1 fault.

"On Ruby Fraction claim a trench shall extend in a northeasterly direction approximately as shown on Figure 7 for a distance of about 160 feet. If necessary, not more than three separate trenches may be bulldozed under the same conditions as stated above to explore the same target area. Auxiliary trenches to further explore any target veins exposed in the initial trenches may be bulldozed at the approximate locations shown in green color on Figure 7. The auxiliary trenches shall not extend north of Ruby fault No. 3 or south of Ruby fault No. 4."

(e) Under the heading Estimated Costs of the Work, Fixed Unit Costs, the following items are added:

Mobilization and demobilization,	
one bulldozer with ripper	$ 75.00
Bulldozing, 180 hours @ $29.00/hr.	5,220.00
Drilling and blasting,	
532 cubic yards @ $1.75/cu.yd.	931.00

6. The Government will contribute 50 percent to the cost of work performed which is allowable under this amemdment. Funds for the fixed unit cost items shall be met from funds remaining in the contract.

This amendment shall not be construed to change 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

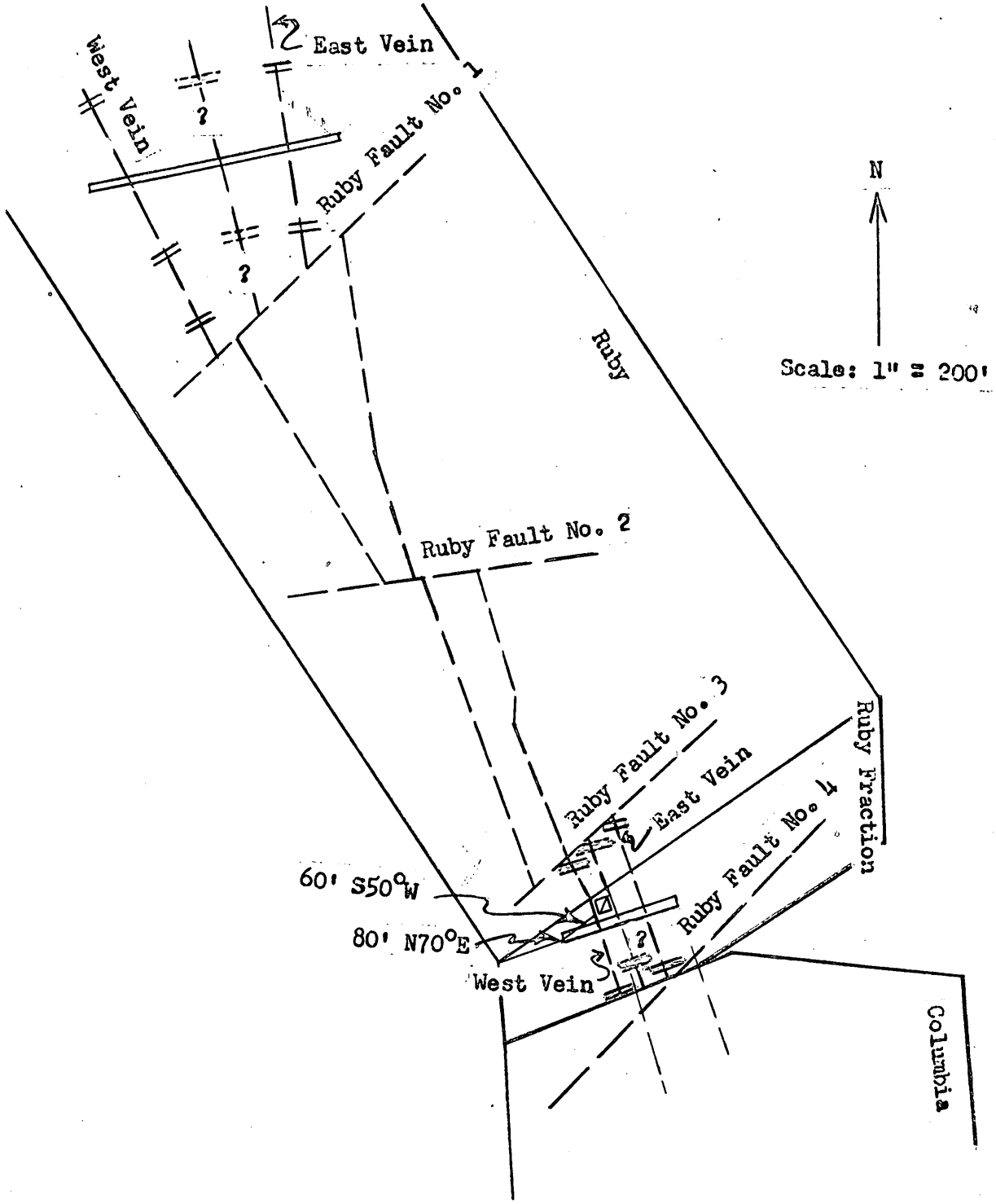
By Frank E. Johnson
Chief, Office of Minerals Exploration
U. S. Geological Survey

RUBY SILVER MINES, INC.

By [illegible]

Title President

Long
Appd. Dir. Gen.
Shirkemo
Johnson
Kilogoard
Nunn



Map Showing
Proposed Surface Exploration
Ruby Silver Mines, Inc.
Jefferson County, Montana

Figure 7

OME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
11/17		120
		110
		220
		120M

November 17, 1966

Memorandum

To: The File

From: Harold Kirkemo, Office of Minerals Exploration

Subject: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

Justification for Amendment No. 2

Amendment No. 2 was prepared following many discussions with the Operator in Spokane and Washington, and the exchange of numerous letters and memoranda since January 1966. The principal proposals submitted by the Operator for additional exploration for the Ruby vein included bulldozer trenching, drilling from the surface, and rehabilitating old workings and driving new crosscuts and drifts on the 150 level. The Government's opinion on the proposals are stated in detail in various letters and memoranda. The modest program of bulldozer trenching specified in the amendment was discussed with the Operator and is acceptable to him. The work can be done with the funds remaining in the contract.

Harold Kirkemo

Harold Kirkemo

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

HKirkemo/gla 11-17-66

23263

UNITED STATES DEPARTMENT OF THE INTERIOR

OFFICE OF SURVEY AND REVIEW
AUDIT OPERATIONS
WASHINGTON, D.C.

REVIEW OF CONTRACT 2182
DOCKET NO. OME-6308 (GOLD-SILVER)
RUBY SILVER MINES, INC. (OPERATOR)
RUBY MINE
JEFFERSON COUNTY, MONTANA

Report Issued: November 1966

An examination of the disbursement records in the Branch of Budget and Finance, Administrative Division, U.S. Geological Survey, and a review of the Office of Minerals Exploration contract files pertaining to the subject minerals exploration project was made at Washington, D.C., on October 24, 1966.

The purpose of this project was to explore by driving a crosscut adit, drifting, and long-hole drilling, for gold-silver bearing ore bodies on 7 patented and 13 unpatented lode mining claims in the Lowland mining district, Jefferson County, Montana. The exploration work was to be performed by the Operator. The Government agreed to reimburse the Operator for 50 percent of fixed-unit costs of work satisfactorily performed. The Operator was to begin the work on or before June 15, 1964, and complete it by July 31, 1965. Amendment No. 1 to the contract extended the time for completion of the work until January 31, 1966.

The contract file does not indicate that any exploration work has been performed under provisions of the contract subsequent to July 31, 1965. However, the Operator has requested that the completion date be extended until June 15, 1967, and that the contract be amended to permit 1900 feet of surface trenching and sampling and 3000 feet of core drilling from the surface. An appropriate amendment to the contract based on the Operator's request is now being processed by OME.

The following is a brief tabulation of the allowable costs provided in the contract, number of units of work reported as performed and accepted by the Field Officer, OME Region I, Spokane, Washington, as complying with the contract, and settlements made to date with the Operator:

	COSTS			
	Authorized by Contract		Accepted by Field Officer	
Items	Units	Amount	Units	Amount
Crosscutting and drifting @ $38/ft.	2,900'	$110,200.00	2,835'	$107,844.00
Timbering @ $8.40/ft.	300'	2,520.00	300'	2,520.00
Slabbing @ $0.50/cu. ft.	29,000'	14,500.00	4,307'	2,153.50
Long-hole drilling @ $1.20/ft.	3,900'	4,680.00	-0-	-0-
Samples assayed @ $2.50/sample	360	900.00	27	67.50
Total Cost		$132,800.00		$112,585.00
Government's share @ 50%		66,400.00		56,292.50
Amount paid to date				56,292.50
Balance due				-0-

No exceptions have been taken to the settlements made with the Operator to this date.

C. E. Fisher

C. E. Fisher, Auditor

Reviewed By:

Dwight E. Savage

D.E. Savage, Office of Survey and Review

AMENDMENT OF LEASE AND OPTION

THIS AGREEMENT, entered into this 26th day of August, 1966, by and between The First National Bank of Butte, a National banking corporation, of Butte, Montana, hereinafter called the Lessor, and Ruby Silver Mines Inc., a Nevada corporation, doing business in the State of Montana, hereinafter called the Lessee,

W I T N E S S E T H:

THAT, WHEREAS, the Lessor on January 30, 1960 entered into a Lease and Option to Frank Benich, of Butte, Montana, of the Ruby, Columbia and Millsite Lode Mining Claims, Mineral Surveys Nos. 2286, 3238 and 5200, and the Ruby Millsite, Survey No. 2286B, in Jefferson County, Montana, for a period of five (5) years from February 1, 1960, with an option of renewal for an additional five (5) year period, expiring on January 31, 1970; and

WHEREAS, the said Frank Benich duly assigned the said lease and option to this Lessee, the name of which was then Butte Gold Mines, Inc., but was thereafter changed to Ruby Silver Mines Inc.; and

WHEREAS, the said lease and option has been renewed in accordance with said option and is now in full force and effect;

NOW, THEREFORE, it is hereby agreed between the parties that the said lease and option be and it is hereby amended to provide for options for two successive extensions of said lease and option, of five (5) years each, after the presently provided termination thereof on January 31, 1970, each subject to notice of election to exercise such option to be given to the Lessor as provided in the said original lease and option;

IT IS FURTHER AGREED that the time for payment of the minimum royalty of Five Thousand Dollars ($5,000.00) which became due on or

Rec'd w/letter 11/25/66

before February 1, 1966, has been extended to February 1, 1967, and that the time for payment of the said minimum royalty of Five Thousand Dollars ($5,000.00) to become due on or before February 1, 1967, has been extended to August 1, 1967; and that each said minimum royalty payment of Five Thousand Dollars ($5,000.00) maturing thereafter shall be paid in accordance with the original lease and option.

IT IS FURTHER AGREED that the Lessee may transfer, assign, sub-lease or otherwise dispose of its interest in said lease and option, in whole or in part, to a responsible mining corporation of good national reputation and ample and sufficient financial and technical means and capabilities, but otherwise only with the prior written consent of the Lessor as provided in the said original lease and option.

IN WITNESS WHEREOF, the parties have executed this agreement the day and year above first mentioned.

THE FIRST NATIONAL BANK OF BUTTE,
A National Banking Corporation,

Lessor

ATTEST:

Cashier

by President

RUBY SILVER MINES INC.,
a Nevada corporation,

Lessee

ATTEST:

Secretary

by President

LEASE AND OPTION

THIS AGREEMENT, entered into this 1st day of May, 1966, by and between PHILLIP W. KOUNTZ, and JANE KOUNTZ, husband and wife, of Whitehall, Montana, the "Lessors", and RUBY SILVER MINES INC., a Nevada Corporation, having a place of business at Butte, Montana, the "Lessee";

WITNESSETH:

1. That for good and sufficient consdieration, the receipt whereof is hereby acknowledged, the Lessors hereby lease to the Lessee for a term of five (5) years, commencing at 12:00 o'clock noon, Mountain Standard Time, on the 1st day of May, 1966, all Lessors' right, title and interest in and to the hereinafter described patented lode mining claims situated in Section 11, in T. 5 N., R. 7 W., M. P. M., in Jefferson County, Montana, described as follows, to-wit:

The Havana lode mining claim, Survey No. 5230

The Adelheid lode mining claim, Survey No. 5199

Together with any and all water, water rights, ditches and ditch rights appurtenant to said lode mining claims, or any part thereof, owned or used in connection there with, and the right to use the same, together with all buildings and other improvements now on said property or owned or used by Lessor in connection therewith, and any and all ore dumps and tailing dumps situated on said property, together with all and singular tenements, hereditaments and appurtenances belonging or in anywise appertaining to said property.

Reserving to the Lessors, however, the right to graze livestock upon the said leased premises, but without any damage to or interference with Lessee's properties or operations, or Lessee's access to said premises.

2. The Lessee shall have the right, under the terms and subject to all the conditions of this agreement, to remove ores, minerals, tailings, waste, water and other materials from the said leased property and to carry on general mining operations pertaining thereto by means of shafts and workings on other properties, and to remove ores, minerals, tailings, waste, water and other materials from other properties and to carryon general mining operations pertaining to such other properties on the surface of or

through shafts and workings on the said leased property; but until weighed and sampled, all ores extracted and removed from the said leased property shall be kept separate from any ores extracted from any other properties; before moving such ores, minerals and tailings from other properties through Lessors' said claims, the Lessee shall notify Lessors thereof.

3. The lessee shall pay or cause to be paid to the Lessors, as rental for the said property, a royalty of Ten Percent (10%) of the net smelter, mill or mint returns upon any and all ores, minerals and tailings extracted from the said property, and upon any and all concentrates manufactured by the Lessee therefrom. In the event ore, minerals or metals are extracted from a portion of the leased premises wherein the Lessors own an interest less than the whole and undivided fee simple estate therein, then the said royalty on such ore shall be paid to Lessors only in the proportion which the Lessors' interest bears to the whole and undivided fee.

Net smelter returns are hereby defined as the cash proceeds of such ores, minerals, tailings and concentrates after the deduction of transportation, smelter, mill and mint charges only; provided, however, that if the Lessee shall mill ore, minerals or tailings from the said property and produce concentrates therefrom it shall be entitled to deduct from the proceeds received from the said concentrates, before the computation of the royalties to be paid hereunder, the cost of transportation to the Lessee's mill and the Lessee's milling costs, not exceeding Four Dollars ($4.00) per ton in all.

The said royalties shall be paid direct to the Lessors at Whitehall, Montana, by the smelter, mill or other purchaser of ores, minerals or concentrates, and the Lessee shall notify the Lessors in writing of each shipment thereof made from the said property, including dates, approximate weights and names of smelter, mill or other purchaser, and shall deliver to the Lessors copies of all assays and mint, smelter and mill returns.

4. During or for each of the first four lease years of this lease, beginning May 1 and ending May 1 of the succeeding year, the Lessee shall pay minimum royalties hereunder of at least FIVE HUNDRED and 00/100 ($500.00) DOLLARS, whenever actual percentage royalties paid Lessors hereunder during any of said first four lease years shall have totalled less than FIVE HUNDRED And 00/100 ($500.00) DOLLARS, then within thirty (30) days

after the end of such lease year the Lessee shall pay to the Lessors the difference between the said sum of FIVE HUNDRED and 00/100 ($500.00) DOLLARS and the said actual percentage royalties paid during such lease year.

5. The Lessee shall keep the property free and clear of liens for labor done or performed thereon, or materials furnished to the Lessee on or for the same, and will save the Lessor harmless from all costs, loss or damage which may arise by reason of injury to any persons employed by the Lessee in or on the said property or any part thereof, or which may arise by reason of injury to any person, livestock or other property thereon during the Lessee's possession or occupancy of the property; in the event of his relinquishment of this lease after active operations on said property Lessee shall leave all workings thereon properly inclosed and protected so as not to endanger persons and livestock going thereon.

6. Lessee shall post or cause to be prominently posted at his headquarters and at all mining entrances upon said property, notices to the effect that the said property is being worked and operated by the Lessee under lease, that the Lessee is in actual control and management of the said operations and that neither the Lessors nor the said property shall be in any way liable for labor, supplies or any other debts contracted by the Lessee, his employees, agents, successors and assigns, in connection with said operations.

7. The Lessors shall have the right, at their own cost and risk, to be present in person or by representatives at all reasonable times during operations, but without any interference with operations, and to examine the workings and operations of the Lessee and to examine the Lessee's maps, plats and records, at reasonable office hours, pertaining to the exploration, mining, milling or shipping of all ores, metals or minerals insofar as the same pertains to the Lessors' property.

8. The Lessee shall pay when due, and before delinquent, all taxes upon any and all personal property of whatsoever nature placed upon the said property by the Lessee during the term of this lease. Lessors and Lessee each agree to pay their respective portion of any and all gross or net product or proceeds taxes, if any, that are or may hereafter be levied against the subject property.

9. The Lessee shall at all times during the term of this lease maintain effective coverage for all its operation and all employees in said operations under this lease, under one of the authorized plans of the Workmen's Compensation Act of the State of Montana, and also public liability insurance for the protection of Lessors as well as Lessee.

10. Time is of the essence of this agreement, and failure of the Lessee to make or cause to be made any payments as herein provided, or to keep or perform any agreement on its part to be kept or performed in accordance with the terms and provisions hereof shall, at the election of the Lessors, cause the termination hereof, and any and all moneys which shall have been paid by the Lessee to the Lessor in royalties or otherwise shall be retained by the Lessors as rent for the possession and use of said premises; provided, however, that in the event of a default on the part of the Lessee and the election of the Lessors as aforesaid to terminate this lease on account thereof, the Lessors shall give the Lessee a written notice thereof, which notice shall specify the particular default or defaults relied upon and the Lessee shall have thirty (30) days after receipt of such written notice from the Lessors in which to remedy said default or defaults, and if the same shall be so remedied there shall be no termination therefor. A waiver by the Lessors of a particular breach of any covenant or agreement shall not be construed as a waiver of any other breach, nor shall it impair the Lessors' rights resulting from such other breach.

11. In the event that the Lessee shall be delayed at any time in keeping or performing any agreement on his part to be kept or performed hereunder by any act or neglect of the Lessors, or by strikes, lockouts, unusual delay in transportation, order of duly constituted governmental authority, unavoidable casualty, act of God or any other cause beyond the control of the Lessee, except for financial reasons, such delay shall not be deemed a breach of this lease or a default on the part of the Lessee constituting a cause for the termination of this lease and option, and during any time said Lessee is so delayed it shall be excused from the performance of the provisions hereof.

12. Any and all machinery, equipment, implements, devices, rails, pipes, tools and other property of whatever nature that may be placed upon the said property or any part thereof for any purpose by the Lessee, shall be and remain its personal property and shall not become a part of the real estate or fixture or fixtures thereon, and may be removed therefrom by the lessee or its successors or assigns, at any time prior to the termination of this lease by lapse of time or otherwise, or any time within ninety (90) days thereafter; provided, however, that all timbering in place in any shaft, drift, tunnel or other underground workings and all buildings and other structures erected thereon shall remain in and upon the premises and become a part thereof.

13. In further consideration of these premises and of the royalties to be paid and covenants and conditions to be performed hereunder, Lessors hereby give and grant the Lessee during the effective period of this lease, the sole and exclusive option to purchase said property for the sum of TWENTY THOUSAND and 00/100 ($20,000.00) DOLLARS, provided, however, that any and all royalties paid and all other payments theretofore made to the lessors hereunder shall apply upon and be credited against said purchase price. Upon exercise of this option by the lessee, and its payment of said purchase price, the Lessors shall execute and deliver to the Lessee a good and sufficient Grant Deed of their interest in the said property, free and clear of all liens and encumbrances, together with all maps, reports and other documents in their possession concerning the same.

14. The Lessors shall furnish and deliver to Lessee for examination, an abstract of title to said mining claims, and such other muniments of title covering said claims as Lessors may have in their possession. If the Lessors fail or neglect to furnish and deliver such abstract, the lessors may procure an abstract of such title, and charge the expense thereof either against royalties due or to become due hereunder, or against the purchase price of said mining claims. Lessee shall cause said abstracts to be examined and shall furnish a copy of the title opinion to Lessors. Should such opinion show defects in title, Lessors agree to take such action, at their own expense, as may be required to perfect title. In the event Lessors shall fail or neglect to cure such defects of title forthwith, then Lessee shall have the right to cure such defects and charge the expense thereof either against

royalties due or to become due hereunder, or against the purchase price of said mining claims.

15. The Lessee hereby grants to the Lessors the right to graze live stock upon any properties now owned or held or hereafter acquired by said Lessee, adjacent to the premises hereby leased, throughout the term of the lease, but without any damage to or interference with Lessee's properties or operations, or Lessee's access to any of said properties; provided, however, that this paragraph shall extend only to properties on which the Lessee shall have the right to grant grazing privileges, and shall not extend to any unpatented mining claim or claims, nor to any property or properties with respect to which any such grazing, or a grant of any such grazing privilege, is or shall be prohibited or restricted by any governmental law, rule, regulation or agreement, or by the terms of any lease, grant, agreement or other document to which the Lessee is or shall be a party, or by which the Lessee is or shall be bound. Lessors, however, agree that all grazing permitted on such properties shall be at their own risk and expense and that Lessees shall not be liable for any damage arising from or out of said grazing.

16. The Lessee shall have the right to cancel, terminate and surrender this lease and relinquish the property to the Lessors at any time during the term hereof, by giving the Lessors written notice of its intention to do so at least thirty (30) days prior to the date when it shall so cancel, terminate and surrender the same; with such notice Lessee shall pay Lessors any unpaid portion of the minimum royalty for the expired portion of said lease year, and shall deliver to Lessors copies of all maps, plats, assay and smelter returns, and other production and geological records of its operations on said property.

17. Upon termination of this lease by lapse of time or otherwise, the Lessee shall surrender peaceable possession of the said property and every part thereof to the Lessors, and the Lessors may take immediate possession thereof; provided, however, that the Lessee shall have ninety (90) days after such termination, as hereinabove provided, within which to remove all property which it is entitled to remove hereunder.

18. Any notice hereunder shall be deemed given when the same shall have been placed in any United States Post Office, securely sealed in an

envelope addressed to the Lessors at Whitehall, Montana, or to the Lessee at 863 First Security Building, Salt Lake City, Utah, with full first class postage prepaid thereon.

19. This agreement shall extend to and be binding upon, and shall inure to the benefit of the successors and assigns of the respective parties hereto.

IN WITNESS WHEREOF, the Lessors have hereunto set their hands and the Lessee has caused these presents to be executed the day and year first above written.

Phillip W. Kountz
Phillip W. Kountz

Jane Kountz
Jane Kountz
LESSORS

RUBY SILVER MINES, INC.

Attest: By
Secretary

David H. Clegg, President
LESSEE

STATE OF MONTANA ss.

County of Jefferson

On this 14th day of June, in the year 1966, before me the undersigned, a Notary Public, personally appeared PHILLIP W. KOUNTZ and JANE KOUNTZ, husband and wife, known to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same.

In Witness Whereof, I have subscribed my name and affixed my Notarial the day and year in this certificate first above written.

Notary Public for the State of Montana
Residing at Whitehall, Montana
My Commission Expires Dec. 15, 1967

STATE OF UTAH
SS.
County of Salt Lake

On this 30 day of June in the year 1966, before me the undersigned, a Notary Public, personally appeared DAVID H. CLEGG, known to me to be the President of the corporation that executed the within istrument and acknowledged to me that he executed the same in behalf of said corporation.

In Witness Whereof, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.

(see Marjorie B Thompson) Marjorie B. Black
Notary Public for the State of Utah
Residing at Salt Lake City, Utah
My Commission Expires 11-20-66

AGREEMENT

THIS AGREEMENT, made and entered into this 6th day of September, 1966, by and between RUBY SILVER MINES, INC., a Nevada corporation, hereinafter referred to as LESSOR, and THE ANACONDA COMPANY, a Montana corporation, having an office and place of business in the Hennessy Building, Butte, Montana, hereinafter referred to as LESSEE, WITNESSETH:

WHEREAS, Lessor represents that it is the sole owner or Lessee with option to purchase under valid, existing agreements with the owners of those certain mining claims located in Jefferson County, Montana, and listed in said Exhibit "A" which is attached hereto and incorporated herein by this reference, together with all of the rights, privileges, and easements thereto incident, which claims and incidents are hereinafter referred to as the "Mining Claims;" and Lessor further represents that said interests are held under titles which are free and clear of any liens or encumbrances except as noted hereinafter, subject however in the case of unpatented claims to the paramount title of the United States of America and to the provisions of the Acts of Congress under which they were located; and

WHEREAS, the Lessee is able and willing to lease, examine, investigate, explore, develop, and mine the Mining Claims in accordance with and subject to the terms and conditions hereinafter set forth at Lessee's sole expense:

NOW, THEREFORE, for and in consideration of the sum of Ten and no/100 Dollars ($10.00) in hand paid by Lessee to Lessor, receipt and sufficiency of which is hereby acknowledged, and in further consideration of the premises and of the covenants herein contained, IT IS HEREBY MUTUALLY AGREED as follows:

Transmittal letter 9/21/66

1. The Lessor does hereby lease and let unto the Lessee all of those certain Mining Claims located in Jefferson County, Montana, and listed in Exhibit "A", together with any and all right, title, and interest of said Lessor in and to all veins, lodes or mineral deposits extending into or contained in said mining claims, and the right to mine such interests in the same, together with all rights of way, easements, water and water rights, ditch and ditch rights, situated on or appurtenant to said property, or any thereof, or owned or used in connection therewith, and the right to use the same together with, all and singular, the tenements, hereditaments, privileges, appurtenances and appropriations of every kind and nature belonging to said Lessor. Lessor further agrees to assign all its interest in and to those certain leases affecting the claims, more fully described in Exhibit "A" which it holds as Lessee.

2. Definitions. For the purpose of this instrument, IT IS EXPRESSLY UNDERSTOOD AND AGREED that:

A. The expression, "Mining Claims," shall mean the mining claims of or held by Lessor situated in the County of Jefferson and listed in Exhibit "A".

B. The expression, "Net Smelter Returns," shall mean the aggregate of the following sums:

(a) The gross proceeds received by Lessee from any smelter, mill, reduction works, refinery, or any other purchaser as a result of the sale of any ores, concentrates or other products and minerals produced from the Mining Claims after deducting therefrom:

(1) All costs of transportation incurred after leaving the Mining Claims of the ores, concentrates and other products or minerals

so produced and sold, including therein the actual cost of truck haulage, whether performed by Lessee or by a third party, or charges made by a common or contract carrier therefor; and

(2) All smelter treatment charges, refinery charges, and other deductions expressly charged by such smelters, mills, reduction works, refineries, or other purchasers of the ores, concentrates, or other products or minerals so produced and sold, including all costs of milling, excluding depreciation, if the same is performed by the Lessee; and

(3) The amount of all severance and sales taxes if any imposed on ore in connection with the severance or sale of the ores, concentrates, and other products or minerals so produced and sold; and the amount of any net proceeds of mines tax pertaining to said ores, concentrates, and other products or minerals, excluding, however, the amount of any such tax paid by Lessor pursuant to assessment against royalties received by Lessor.

(b) All premiums, subsidies or bonuses received from the state or federal government for the production from the mining claims or ores, concentrates, and other products or minerals to the extent that such premiums, subsidies, or bonuses may legally be included in calculating the amounts to be paid as royalties.

C. The expression, "Lease Year," shall mean a yearly period commencing on the 1st day of January, 1967, or any anniversary thereof.

3. Term, Payments and Development Work.

A. The term of this agreement shall be for a period of five (5) years commencing on the date hereof and continuing thereafter so long as royalties are paid or minimum payments are made or work is performed on said mining claims as set forth herein unless sooner terminated as hereinafter provided.

B. During the continuance of this agreement, Lessee agrees to pay to Lessor the following sums:

(1) A royalty of five per cent (5%) based on net smelter returns of all ores produced and sold by Lessee from the Mining Claims hereunder.

(2) Commencing with the sixth (6th) lease year and continuing each year thereafter, Lessee agrees that it will either make minimum royalty payments to Lessor in the sum of Twenty-five Thousand Dollars ($25,000.00) or spend Fifty Thousand Dollars ($50,000.00) in work of the kind described in paragraph 3 D upon said Mining Claims; provided, however, that all payments made in such year to or for the account of Lessor under this agreement will be credited against such minimum royalty or minimum work obligation as Lessee may choose. The decision whether to make such minimum royalty payment or to instead perform work of the value stated shall be at the sole option of Lessee. Such minimum payments may be made or minimum work completed on the last day of the last month following commencement of any lease year.

It is understood that Lessee will assume the minimum rental and royalty payments due under the agreements assigned to it by Lessor commencing with the lease year of 1967; provided, however, that Lessor will make royalty payments on its production to its present Lessors and all

governmental agencies who presently or in the future may be entitled thereto as a result of agreement with Lessor. All minimum royalty or other royalty payments made to or for the account of Lessor by Lessee or made by reason of Lessor's contracts with the United States or to others who may later be entitled thereto as owners of interests in said Mining Claims or any part thereof shall be deemed advance royalty payments to Lessor for which Lessee shall be credited before being required to make any royalty payments to Lessor.

Said royalties, including advance royalties, shall be made until such time as the aggregate of all payments made by Lessee under the provisions of this paragraph 3 B shall equal the sum of Ten Million and no/100 Dollars ($10,000,000.00).

All such royalty payments based upon net smelter returns from the Mining Claims will become due and payable on or before the last day of the calendar month following that in which settlement is made with Lessee by the respective purchasers of the products produced from the Mining Claims; provided, however, that no royalty payments shall be requested to be made to Lessor until Lessee has first recovered from the production and sale of ores hereunder all its direct expenditures incurred in exploring and developing said Mining Claims, in purchasing equipment for said purposes and in building milling facilities to treat the ore produced therefrom. Lessor hereby instructs Lessee to pay direct to New Park Mining Company, of 68 S. Main Street, Salt Lake City, the sum of five per cent (5%) of each royalty payment based upon net smelter returns due and payable to Lessor, and deduct said five per cent (5%) when payment is made to Lessor. This five per cent

(5%) royalty to be paid to New Park Mining Company, based on the portion of the net smelter returns realized by Lessor is hereby assigned as per that certain agreement entered into by and between New Park Mining Company and East Utah Mining Company, dated April 29th, 1964

C. Development Work. During the continuance of this agreement, Lessee agrees to comply with the requirements of the state and federal statutes with respect to assessment work upon the Mining Claims each year beginning with the assessment year 1966-1967; provided, however, in the event Lessee elects to give notice to terminate this agreement, as provided in paragraph 8 herein, between the 1st day of July and the first day of September of any year, Lessee shall be obligated to meet the assessment work requirements for the assessment year ending on that particular first day of September. All expenditures under the terms of this paragraph shall be credited against the expenditures called for by the provisions of paragraph D hereof.

D. During the continuance of this agreement, Lessee agrees to cause to be expended on the investigation, mapping, drilling, exploring and the reasonable development of the Mining Claims in a miner-like fashion or the construction of milling facilities an amount which shall not be less than two hundred thousand and no/100 dollars ($200,000.00) at the end of the fifth year of this agreement, unless this agreement shall be sooner terminated as herein provided. The sworn statement of one of the officers or auditors of the Lessee shall be prima facie evidence of the expenditures made hereunder.

4. Option. In consideration of the additional sum of Ten Dollars ($10.00) paid by Lessee to Lessor, the receipt of which is hereby acknowledged, Lessor does hereby grant to Lessee, so long as Lessee shall not be in default under any terms and provisions of this agreement, the exclusive right, privilege and option to purchase the Mining Claims at any time during the

life of this agreement for the total sum of Ten Million and no/100 Dollars ($10,000,000.00), less deductions set forth below upon the following terms and conditions:

A. Written notice of its election to exercise the within option shall be given by Lessee to Lessor and to the escrow agent designated in paragraph 5 hereof.

B. There shall be deducted from the option price of Ten Million and no/100 dollars ($10,000,000.00) the aggregate amount of all payments made to the date of exercise of the option by Lessee to Lessor under paragraph 3 hereof.

C. It is understood that this is an entire option to purchase all of the Mining Claims held hereunder whether as Lessee or Assignee and the sums to be paid as purchase price pursuant to those agreements assigned by Lessor to Lessee or agreements that may be entered into with other owners of interest in said Mining Claims or any thereof, are to be deducted from the purchase price stated herein.

5. Lessor shall promptly after execution hereof deposit in The Metals Bank, of Butte, Montana, which bank is hereinafter referred to as the "Escrow Agent," good and sufficient executed warranty deeds of the nine (9) patented claims listed in Exhibit "A", quitclaim deeds of the thirty (30) unpatented claims listed in said Exhibit "A" to Lessee, together with instructions for the said deeds to be delivered to Lessee at such time as payment of the total purchase price called for hereinabove shall have been made, and instructions for said deeds to be returned to Lessor or the Grantors named therein upon termination by Lessee of its lease and option hereunder, or upon the running of the term hereof. The Escrow Agent shall be instructed to distribute any payments made by Lessee under the terms of this agreement in accordance with paragraph 3 hereof; provided, however, that Lessee's obligations under this agreement shall be

fully discharged by delivery of its check or checks to said Escrow Agent. Lessor and Lessee shall each pay fifty per cent (50%) of the Escrow Agent's fees.

6. The Lessee may exercise its option hereunder to purchase the Mining Claims any time during the life of this agreement. Within sixty (60) days of the receipt of such notice, Lessor shall deliver to Lessee for its examination a complete abstract of title covering all of the Mining Claims. Lessee shall have a reasonable time within which to examine said abstracts. In the event Lessee notifies the Lessor that, in its opinion, the tendered title is not good and merchantable and specifies the objections of its attorneys, Lessor shall within a reasonable time thereafter, at its expense, remove the basis of such objections to Lessee's satisfaction, or shall notify Lessee of its inability or unwillingness to do so. If the Lessor does not remove such basis then Lessee may:

A. Proceed to do so with no unreasonable delay and notify Lessor promptly when it has done so; or

B. Terminate this agreement as herein provided.

If Lessee proceeds under A hereinabove, it may deduct the expense of so doing from any subsequent payments becoming due to Lessor hereunder. The date specified for any payment to Lessor under the provisions of paragraph 3 B (2) above, which date occurs after Lessee shall have given notice of its exercise of its option to purchase and before Lessee is satisfied that the basis of the objections of its attorneys have been removed, shall be extended until such time (but not to exceed one year) as Lessee gives notice that it is so satisfied. Lessee shall exercise due diligence in any effort to clear title and may at any time prior to exercise of its option hereunder request Lessor to assist Lessee in quieting title in Lessor or other owners of interest in said Mining Claims and Lessor agrees to execute any and all documents and do such things as are reasonably

necessary in order to clear title and which they may be requested by Lessee to execute or do.

7. Lessee undertakes that it will not permit any liens or encumbrances on the Mining Claims to arise during the life of this agreement as a result of its operations and that, if any such liens or encumbrances do arise, Lessee shall promptly, upon notice from Lessor, secure the release of same. Lessee shall save Lessor harmless from any and all damages, claims, costs and expenses arising from or growing out of any or all injuries to the person or property of a third party, which injuries result from the operations of Lessee, or in connection therewith, on the Mining Claims and occurring during the life of this agreement. Any and all taxes levied against the Mining Claims during the life of Lessee's option hereunder shall be paid and discharged by Lessee, except that in those cases in which said taxes cover a period during only a part of which this option is in force Lessee shall pay and discharge only its pro-rata share thereof determined by a comparison of such part with the total period covered.

8. This lease and option agreement may be terminated by Lessee at any time after the date of its execution; said termination to be made by written notice thereof to Lessor, with the effective date of such termination. Upon such termination or upon the running of the term hereof without the exercise by Lessee of its option hereunder, Lessee shall have no further interest or right in the Mining Claims, save the right to remove its property as hereinafter provided, and shall have no obligation or duties with respect to the Mining Claims except as herein specifically provided, and as to obligations which have accrued hereunder prior to such termination.

9. Lessee shall be excused from the performance of its obligations of every kind, except necessary annual assessment work, under this agreement during such period or periods as

performance may be made impossible by litigation relating to said Mining Claims or force majeure. By this it is intended to mean that from the beginning of stoppage of performance by Lessee on account of litigation or force majeure until it is again possible to resume it, performance under this agreement shall be suspended and the term of this agreement shall be extended by the time elapsed during which such performance was suspended by litigation or force majeure.

10. Within a reasonable time, not to exceed six (6) months, following the termination of this agreement for any cause other than the purchase of the Mining Claims by Lessee, Lessee shall furnish to Lessor a copy of its factual maps, drilling records, and assay reports, relating to the Mining Claims.

11. Upon termination of its option hereunder, Lessee shall have the privilege of removing from the Mining Claims, at any time within the year following such termination, all of its machinery, equipment, tools, structures, or other property; provided, however, Lessee shall leave in place all timbering and underground trackage.

12. While this option shall remain in effect, Lessee shall be entitled to exclusive possession of said Mining Claims, except as later qualified in this paragraph, provided that Lessor, at any reasonable time may visit the claims to inspect the operations of Lessee thereon, provided that in so doing it shall not hinder the work in any way. For a period of five (5) years commencing with the lease year of 1967 Lessor shall be entitled to joint possession with Lessee of those claims described in Exhibit "B" attached only above the Lowland Tunnel or six hundred foot level and shall have exclusive right to mine the same.

13. Lessor undertakes that it will not permit any liens or encumbrances on the Mining Claims to arise during the life of this agreement as a result of its operations and that, if

any such liens or encumbrances do arise, Lessor shall promptly, upon notice from Lessee, secure the release of same. Any and all taxes levied on production from said claims or against personal property and improvements placed thereon by Lessor as a result of its operations under paragraph 12 shall be paid by Lessor. Lessor shall save Lessee harmless from any and all damages, claims, costs and expenses arising from or growing out of any or all injuries to the person or property of a third party which may result from the operations of Lessor, or in connection therewith, on the Mining Claims and occurring during the life of this agreement.

14. Upon termination of its right to mine under paragraph 12, Lessor shall have the privilege of removing from the Mining Claims, at any time within the year following such termination, all its machinery, equipment, tools, structures, or other property; provided, however, Lessor shall leave in place all timbering and underground trackage.

15. Lessor covenants that it has not prior to the execution of this agreement and will not during its existence locate any mining claims within a radius of five (5) miles of the demised Mining Claims.

16. In the event that Lessee shall default in the performance of any of the terms and provisions of this instrument, then, after written notice of such default from Lessor to Lessee, if Lessee does not either

A. cure such default within sixty (60) days after given such notice; or

B. commence promptly within said period of sixty (60) days to rectify such default, and continue

thereafter to use due diligence to rectify such default until it is fully remedied or cured, Lessor may terminate this lease and option agreement at any time thereafter during the continuance of such default by giving written notice to Lessee of its election to terminate.

Lessee's failure to make any payment of money due to Lessor hereunder, when the amount due is not in dispute, shall make this agreement subject to termination by Lessor if the amount due is not paid within fifteen (15) days after written notice from Lessor to Lessee of such default.

17. IT IS EXPRESSLY UNDERSTOOD AND AGREED that the sole remedy of Lessor for any default hereunder shall be the termination of this agreement; provided, however, that Lessee shall make payment to Lessor of all sums accrued and unpaid at the date of termination.

18. Any notice required or permitted to be given or served by one of the parties hereto shall be sufficiently given or served by a communication in writing sent by registered mail to the other party at the address given below.

FOR THE LESSOR: Mr. David H. Clegg
% Ruby Silver Mines, Inc.
863 1st Security Building
Salt Lake City, Utah

FOR THE LESSEE: Edward P. Shea
Chief Geologist , Montana Operations
The Anaconda Company
Hennessy Building
Butte, Montana

Either party may change the address by giving written notice of such change to the other party.

19. Time is the essence of this agreement and each obligation set forth herein shall extend to and be binding upon and every benefit inure to the heirs, successors, or assigns of the parties hereto.

20. This agreement shall not be assignable by Lessee without the written consent of the Lessor being first obtained.

21. This lease and option agreement shall be construed as a lease and option to purchase the properties herein referred to and shall not be construed as a contract of sale.

IN WITNESS WHEREOF, the parties hereto have caused this lease and option agreement to be duly executed as of the day and year first above written.

RUBY SILVER MINES, INC.

By [signature]
President

ATTEST:

[signature]
Secretary - Treasurer

THE ANACONDA COMPANY

By [signature]
Gen. Mgr. Montana Ope.

ATTEST:

[signature]
Division Comptroller

EXHIBIT "A"

Demised Mining Claims in Jefferson County, Montana:

Patented Lode Mining Claims:	Survey No.:
Ruby	
Columbia	
Millsite Lode	
Ruby Millsite	
Havana	
Adelheid	
North Ruby	
Princess	
Ruby Fraction	

Unpatented Lode Mining Claims:	Date of Location:
June 1	
June 2	
June 3	
Ruby 2	
Ruby 3	
Ruby 4	
Triplet	
Triplet 2	
Lowland	
Lowland 2	
Lowland 3	
Lowland 4	
Lowland 5	
April 1	
April 2	
April 3	
April 4	
April 5	

EXHIBIT "A" Cont'd.

Unpatented Lode Mining Claims Cont'd.	Date of Location:
April 6	
April 7	
April 8	
May 1	
May 2	
May 3	
May 4	
May 5	
May 6	
May 7	
Pat 1	
Pat 2	

EXHIBIT "B"

Mining Claims shared jointly by parties above Lowland Tunnel on six hundred foot level.

Patented Lode Mining Claims:	Survey No.:
Ruby	
Columbia	
Millsite Lode	
Ruby Millsite	
Havana	
Adelheid	
North Ruby	
Princess	
Ruby Fraction	

Unpatented Lode Mining Claims:	Date of Location:
June 1	
June 2	
June 3	
Ruby 2	
Ruby 3	
Ruby 4	
Triplet	
Triplet 2	
Lowland	
Lowland 2	
Lowland 3	
Lowland 4	
Lowland 5	

Government's Copy

EXPLORATION CONTRACT
RUBY SILVER MINES, INC.
OME-6308

AMENDMENT NO. 1

It is agreed this 18th day of August, 1965, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and Ruby Silver Mines, Inc., hereinafter called the "Operator," that Exploration Contract 2182 (OME-6308), dated January 31, 1964, is amended as follows:

1. The time fixed by the contract for the completion of the work is extended from 18 to 24 months from the date of the contract, or until January 31, 1966.

2. The maximum period for royalty payments and for the lien to secure payments 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, nor the fixed unit cost of any item of work.

THE UNITED STATES OF AMERICA

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

RUBY SILVER MINES, INC.

By [illegible]

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JUN 1 1964
OME
SPOKANE, WASHINGTON

MME Form
June 1963

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Government's Copy

EXPLORATION CONTRACT
(Short Form)

Docket No.	Commodity	Contract No.	County	State
OME -6308	Gold-Silver	14-23-090-2182	Jefferson	Montana

It is agreed JAN 31 1964 (Date), between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and

Ruby Silver Mines, Inc., a Nevada Corporation

whose mailing address is **863 First Security Building, Salt Lake City 11, Utah**, 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 June 15, 1964 (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 18 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the work is $132,800.00 The Government will contribute 50 percent of the total fixed unit costs of the work performed, not in excess of $ 66,400.00 in accordance with the provisions of Articles 4 and 5.

(c) Interest computation.-- Simple interest at the rate of 6 ¼ 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 rights 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 6 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) 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. To the extent that amounts in excess of fixed unit costs or in excess of the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such amounts for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. 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 units of 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.

(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.)

(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 unit costs thereof.

(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 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. 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 retain 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.

(SEE ANNEX I)

(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 6(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 pruchaser 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 7. 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 pay on account of units of work not then performed; 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 pay on account of units of work not performed when the notice was given, 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 7 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 11.

ARTICLE 8. 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 9. 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 10. 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 11. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, Office of Minerals Exploration, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, Office of Minerals Exploration, 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, Office of Minerals Exploration, 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, Office of Minerals Exploration," as used herein includes his duly authorized representative.

ARTICLE 12. 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 Office of Minerals Exploration 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 13. 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 14. Changes and added provisions.--

Executed in quintuplicate the day and year first above written.

Ruby Silver Mines, Inc.
(Operator)

By [signature]

Title President

THE UNITED STATES OF AMERICA

By [signature]

Long
App'd. Sol. Off.
Murphy
Talbert
Johnson

I, Marjorie B. Thompson (Name), certify that I am the Assistant secretary of the corporation named as Operator herein; that David H. Clegg (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.

Marjorie B. Thompson

[CORPORATE SEAL]

INT.-DUP. SEC., WASH., D.C. 31011

EXPLORATION CONTRACT
RUBY SILVER MINES, INC.
OME-6308

ANNEX I

The land referred to in Article 2 of the contract consists of seven (7) patented and thirteen (13) unpatented lode mining claims, including all rights pertaining thereto, in secs. 2, 11, and 12, T. 5 N., R. 7 E. Montana Meridian, Lowland mining district (unorganized), Jefferson County, Montana.

Recording data for the patented claims are as follows:

Claim	Survey No.
Ruby	2286 A
Ruby Millsite	2286 B
Columbia	3238
Millsite Lode	5200
Ruby Fraction	6206
Adelheid	5199
Havana	5230

The unpatented claims are recorded in Jefferson County Courthouse, Boulder, Montana, as follows:

Claim	Book	Page
Triplet	50	179
Triplet No. 2	50	181
Lowland	50	183
Lowland No. 2	50	185
Lowland No. 3	50	387

Claim	Book	Page
Lowland No. 4	50	389
Lowland No. 5	50	391
Ruby No. 2	50	187
Ruby No. 3	50	189
Ruby No. 4	50	385
June	50	177
June No. 2	50	381
June No. 3	50	383

The outer boundary of the claim group is shown in green on Figure 6, entitled, "Ruby Silver Mines, Inc., Ruby Area - - -," attached hereto and made part hereof. The patented Ruby Fraction No. 6206 and the unpatented claims are owned by the Operator.

The Ruby, Ruby Millsite, Columbia, and Millsite patented claims are owned by the First National Bank of Butte, Montana. Under a Lease and Option, dated January 30, 1960, Frank Benich, was granted rights to the claims. This Lease and Option was assigned by Frank Benich and Mary Benich, his wife, on June 20, 1960, to Butte Gold Mines, Inc. (now Ruby Silver Mines, Inc.).

Lien and Subordination Agreements executed by Frank and Mary Benich, and a Lien or Subordination Agreement executed by the First National Bank of Butte are attached hereto and made part hereof. Because the Bank's agreement is limited to a maximum period of twelve (12) years, additional protection of the Government's interest is guaranteed in the form of a letter agreement executed December 27, 1963 by an authorized representative of the New Park Mining Company and the East Utah Mining Company. This guaranty is attached hereto and made part hereof.

The Operator has rights to the Havana and Adelheid patented claims under the terms of a Lease and Option, dated December 30, 1960, granted by Phillip W. Kountz and Jane Kountz, husband and wife.

A Lien or Subordination Agreement executed on January 15, 1964 by Phillip and Jane Kountz is attached.

A special "Agreement Concerning Royalty" is added as follows:

"Notwithstanding the certification provisions of Article 6, and with no further action required on the part of the Government, the Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, or his successor, shall pay to the Government a royalty on any production, regardless of origin, that is transported through any new workings to the cost of which the Government has contributed, or any portion of said workings, for the same period as is described in Article 6(b)(2) of the contract and pursuant to the terms of Article 6(c) et seq. However, in no event shall more than one royalty be due or paid on the same production.

"In the event that production from outside the boundaries of the land described in Article 2 is transported through the workings described above, and neither the Operator nor any subsidiary or affiliate thereof has an interest in said production, the Government shall be paid by the Operator the fixed rate of 5 percent of the total transportation charges received by the Operator."

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

FOR GOVERNMENT USE ONLY	
Operator	
Docket No. OME –	
Contract No. 14-23-090–	2182
Contract Date	JAN 31 1964

LIEN AND SUBORDINATION AGREEMENTS[1]

To the United States of America:

That certain land in the County of Jefferson, State of Montana,

described as follows:[2] situated in Sections 2, 11, 12, T. 5 N., R. 7 W., MPM

Ruby Patented Lode Mining Claim	Survey No.	2286 A
Ruby Millsite Patented Lode Mining Claim	" "	2286 B
Columbia Patented Lode Mining Claim	" "	3238
Mill Site " " " "	" "	5200

hereinafter called the "land", is the subject of a proposed exploration contract, hereinafter called the "Contract", between the United States of America, hereinafter called the "Government" and

Ruby Silver Mines, Inc.[3]

hereinafter called the "Operator". In consideration for and as an inducement to the Government executing the Contract, the undersigned:

1. (a) Being the owner of an interest in the land, hereby grants to the Government a lien upon all of his right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of the royalty on production provided for by the Contract, and agrees if the Operator's interest should be surrendered or terminated at any time prior to the expiration of the rights of the United States under said Contract to pay royalty to the Government according to the terms of said Contract; or

(b) ~~[illegible]~~ hereby subordinates his claim, lien, or encumbrance in or against the land and in any production therefrom to the rights of the Government under the Contract with respect to royalty on production and liens to secure same.[4]

2. Undertakes and agrees that property in which the Government may acquire an interest or equity under the Contract may be dismantled, severed from the land, and removed as may be provided in the Contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned.

3. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none". Do not leave blank.)

Lease and option (1-30-60)

Assigned to Butte Gold Mines, Inc., now Ruby Silver Mines, Inc.

(6-20-60)

1/ Production from the land is not required, and in the absence of production there is no obligation to pay royalty to the Government.

2/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease /or contract, deed, or other document/ dated_____, and recorded in Book_____, Page____, official records of said county". If (b) is used, the book and page of recordation must be inserted above. If the space provided is insufficient, use an Annex and refer to the Annex in the space.

3/ Insert name exactly as it appears in the Application MME Form 40.

4/ Subparagraph 1(a) does not apply to the holder of a claim, lien, or encumbrance.

4. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land or any production therefrom, furnishing the Government with two true copies of such notice; and

5. Consents to all amendments (including an agreement of termination) and assignments of the Contract without notice thereof, and undertakes and agrees that this agreement shall extend and apply thereto.

6. Added provisions none (State "None" or "See Annex No. ____".)

Dated this 30 day of September, 19 63.

Frank Benich		814 Waukesha	(Street)
Frank Benich	(Seal)	Butte, Montana	(City & State)
Mary Benich		814 Waukesha	(Street)
Mary Benich	(Seal)	Butte, Montana	(City & State)
			(Street)
	(Seal)		(City & State)
			(Street)
	(Seal)		(City & State)
			(Street)
	(Seal)		(City & State)
			(Street)
	(Seal)		(City & State)

I, _____ (Name), certify that I am the _____ (Title—Secretary, etc.) of the corporation named herein; that _____ (Name), who signed this agreement was then _____ (Title—Pres., Vice-Pres., etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____
(Corporate Seal)

MME Form 52
June, 1961

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

FOR GOVERNMENT USE ONLY	
Operator	
Docket No. OME –	
Contract No. 14-23-090 –	2182
Contract Date	JAN 31 1964

LIEN OR SUBORDINATION AGREEMENT 1/

To the United States of America:

That certain land in the County of Jefferson, State of Montana;

described as follows: 2/ situated in Sections 2, 11, 12, T. 5 N., R. 7 W., MPM

Ruby Patented Lode Mining Claim	Survey	No.	2286 A
Ruby Millsite Patented Lode Mining Claim	"	"	2286 B
Columbia Patented Lode Mining Claim	"	"	3238
Mill Site " " " "	"	"	5200

hereinafter called the "land", is the subject of a proposed exploration contract, hereinafter called the "Contract", between the United States of America, hereinafter called the "Government" and

Ruby Silver Mines, Inc. 3/

hereinafter called the "Operator". In consideration for and as an inducement to the Government executing the Contract, the undersigned:

1. (a) Being the owner of an interest in the land, hereby grants to the Government a lien upon all of his right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of the royalty on production provided for by the Contract, and agrees if the Operator's interest should be surrendered or terminated at any time prior to the expiration of the rights of the United States under said Contract to pay royalty to the Government according to the terms of said Contract; or

(b) ~~Being the owner of a claim, lien, or encumbrance in or against the land~~, hereby subordinates his claim, lien, or encumbrance in or against the land and in any production therefrom to the rights of the Government under the Contract with respect to royalty on production and liens to secure same. 4/

2. Undertakes and agrees that property in which the Government may acquire an interest or equity under the Contract may be dismantled, severed from the land, and removed as may be provided in the Contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned.

3. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none". Do not leave blank.)

Lease and option (1-30-60)

assigned to Butte Gold Mines, Inc., now Ruby Silver Mines, Inc.

(6-20-60)

1/ Production from the land is not required, and in the absence of production there is no obligation to pay royalty to the Government.

2/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease /or contract, deed, or other document/ dated_____, and recorded in Book_____, Page____, official records of said county". If (b) is used, the book and page of recordation must be inserted above. If the space provided is insufficient, use an Annex and refer to the Annex in the space.

3/ Insert name exactly as it appears in the Application MME Form 40.

4/ Subparagraph 1(a) does not apply to the holder of a claim, lien, or encumbrance.

4. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land or any production therefrom, furnishing the Government with two true copies of such notice; and

5. Consents to all amendments (including an agreement of termination) and assignments of the Contract without notice thereof, and undertakes and agrees that this agreement shall extend and apply thereto; provided that in no event shall the duration of this lien exceed eight years beyond the completion of the project, nor twelve years after the date hereof.

6. Added provisions None (State "None" or "See Annex No. ____".)

Dated this 13th day of September, 1963.

APPLICANT SHOULD NOT SIGN

First National Bank of Butte
(a corporation)

By: Irving H. Bolitho
Irving H. Bolitho, President

(Seal) _____ (Street) (City & State)

(Seal) _____ (Street) (City & State)

(Seal) _____ (Street) (City & State)

(Seal) _____ (Street) (City & State)

(Seal) _____ (Street) (City & State)

I, S. F. Martin (Name), certify that I am the Vice President-Cashier (Title—Secretary, etc.) of the corporation named herein; that Irving H. Bolitho (Name), who signed this agreement was then President (Title—Pres., Vice-Pres., etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

S. F. Martin
(Corporate Seal)
(First National Bank of Butte)

MME Form 52
June, 1961

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

FOR GOVERNMENT USE ONLY
Operator
Docket No. OME –
Contract No. 14-23-090– 2182
Contract Date JAN 31 1964

LIEN OR SUBORDINATION AGREEMENT 1/

To the United States of America:

That certain land in the County of Jefferson, State of Montana,

described as follows: 2/ situated in Section 11, T. 5 N., R. 7 W., M.P.M.

The Havana lode mining claim Survey No. 5230

The Adelheid lode mining claim Survey No. 5199

hereinafter called the "land", is the subject of a proposed exploration contract, hereinafter called the "Contract", between the United States of America, hereinafter called the "Government" and

Ruby Silver Mines, Inc. 3/

hereinafter called the "Operator". In consideration for and as an inducement to the Government executing the Contract, the undersigned:

1. (a) Being the owner of an interest in the land, hereby grants to the Government a lien upon all of his right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of the royalty on production provided for by the Contract, and agrees if the Operator's interest should be surrendered or terminated at any time prior to the expiration of the rights of the United States under said Contract to pay royalty to the Government according to the terms of said Contract; or

(b) ~~Being the holder of a claim, lien, or encumbrance against the land,~~ hereby subordinates his claim, lien, or encumbrance in or against the land and in any production therefrom to the rights of the Government under the Contract with respect to royalty on production and liens to secure same. 4/

2. Undertakes and agrees that property in which the Government may acquire an interest or equity under the Contract may be dismantled, severed from the land, and removed as may be provided in the Contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned.

3. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none". Do not leave blank.)

Lease and option (12-30-60)

with Butte Gold Mines, Inc., now Ruby Silver Mines, Inc.

1/ Production from the land is not required, and in the absence of production there is no obligation to pay royalty to the Government.

2/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease /or contract, deed, or other document/ dated_____, and recorded in Book_____, Page____, official records of said county". If (b) is used, the book and page of recordation must be inserted above. If the space provided is insufficient, use an Annex and refer to the Annex in the space.

3/ Insert name exactly as it appears in the Application MME Form 40.

4/ Subparagraph 1(a) does not apply to the holder of a claim, lien, or encumbrance.

4. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land or any production therefrom, furnishing the Government with two true copies of such notice; and

5. Consents to all amendments (including an agreement of termination) and assignments of the Contract without notice thereof, and undertakes and agrees that this agreement shall extend and apply thereto.

6. Added provisions None (State "None" or "See Annex No._____".)

Dated this 15th day of January, 1964.

Phillip L. Kountz (Seal)		(Street) (City & State)
Phillip L. Kountz	Whitehall, Montana	(Street) (City & State)
Jane Kountz (Seal)		
Jane Kountz	Whitehall, Montana	(Street) (City & State)
(Seal)		
(Seal)		(Street) (City & State)
(Seal)		(Street) (City & State)
(Seal)		(Street) (City & State)

ARTIST SHOULD NOT SIGN

I, _____ (Name), certify that I am the _____ (Title—Secretary, etc.) of the corporation named herein; that _____ (Name), who signed this agreement was then _____ (Title—Pres., Vice-Pres., etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____
(Corporate Seal)

EXPLORATION CONTRACT
RUBY SILVER MINES, INC.
OME-6308

EXHIBIT A

The purpose of this project is to explore by driving a crosscut adit, drifting, and long-hole drilling, for gold-silver bearing ore bodies in fissure veins traversing a series of Tertiary dacite flows and breccias.

or exposed in surface trenches,

General Provisions

All significantly mineralized areas traversed by the adit, drifts, and auxiliary crosscuts, shall be sampled by cutting channels normal to the trends of the deposits at intervals of not more than 10 feet. In addition, a representative bulk sample shall be taken of each round broken in significantly mineralized areas. During long-hole drilling cuttings showing significant mineralization shall be sampled. No long-hole sample shall represent more than 10 feet of the hole.

Samples from whatever source shall be split as necessary and then assayed for gold and silver. The Operator shall store one split of each sample in a suitable container properly identified as to source and location for Government inspection and possible use. With prior Government approval, the Operator may dispose of the stored samples.

True copies of assay certificates of all samples shall be submitted with the Operator's monthly reports, which shall also include maps or sketches showing the work completed during the reporting period. The maps should show the location and value of the samples and the general geological formations and structures traversed by the adit and drifts.

The Operator shall provide such supervisory and technical services as may be required to complete the work in a satisfactory manner.

No work under this contract shall be performed closer than 100 feet to the outer boundary of the project area.

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

Description of the Work

From the present face of the 600 Level adit, continue the adit an estimated 1920 feet along the same bearing to traverse the Ruby vein structure at the projected center of the Ruby ore shoot. From the crosscut adit drift southeasterly to explore first the extent of the Ruby ore shoot and then the Dowling ore shoot. To reach the projected north end of the Dowling ore shoot from the adit crosscut will require an estimated 600 feet of drifting. The Dowling vein structure is in the hanging wall and parallel to the Ruby vein at distances ranging from 20 to 60 feet on the upper levels. It is anticipated these two vein structures may join at depth; however, if they have not formed a single vein structure on the 600 Level, the drift along the Ruby structure may be turned into the hanging wall to traverse and then follow the Dowling vein structure for an estimated 380 feet. The approximate location of the work is shown on Figure 6 referred to in Annex I.1/

To further explore for additional ore in the Ruby and Dowling vein structures, and possibly traverse other parallel veins, stations shall be excavated at 75-foot centers into each wall of the drift. From these stations an estimated 26 long holes shall be percussion drilled to an average depth of not more than 150 feet.

Under this contract not more than 2900 feet of crosscutting and drifting, 300 lineal feet of timbering, 29,000 cubic feet of slabbing for long-hole stations,2/ and 3900 feet of long-hole percussion drilling shall be performed and, not more than 360 samples shall be assayed for their gold and silver content.

Estimated Costs of the Work

Fixed Unit Costs

2900 feet crosscutting and drifting @ $38.00/ft.	$110,200.00
300 feet timbering in crosscut and drift @ $8.40/ft.	2,520.00

1/ Add: Crosscuts and drifts shall be not less than 7' x 7' in the clear. [illegible]

2/ Add: And car pass turnouts. [illegible]

29,000 cubic feet of slabbing @ $0.50/cu. ft.	$14,500.00
3900 feet long hole drilling @ $1.20/ft.	4,680.00
360 samples assayed for gold and silver @ $2.50/sample	900.00
Total Estimated Cost of the Work	$132,800.00
Government Participation @ 50%	$66,400.00

EXHIBIT B

NONDISCRIMINATION IN EMPLOYMENT

(Section 301, Executive Order 10925, March 6, 1961, as amended)

'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 non-discrimination 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 said labor union or workers' representative of the contractor's commitments under this section, 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. 10925 of March 6, 1961, as amended, and of the rules, regulations, and relevant orders of the President's Committee on Equal Employment Opportunity created thereby.

'(5) The contractor will furnish all information and reports required by Executive Order No. 10925 of March 6, 1961, as amended, and by the rules, regulations, and orders of the said Committee, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Committee 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 the said 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. 10925 of March 6, 1961, as amended, and such other sanctions may be imposed and remedies invoked as provided in the said Executive Order or by rule, regulation, or order of the President's Committee on Equal Employment Opportunity, 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 President's Committee on Equal Employment Opportunity issued pursuant to section 303 of Executive Order No. 10925 of March 6, 1961, as amended, 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.'"

EAST UTAH MINING COMPANY

NEW PARK MINING COMPANY

~~KEETLEY, UTAH~~

SALT LAKE CITY OFFICE
~~XXXXXXXXXXXXXX~~
863 First Security Building
Salt Lake City, Utah 84111

December 27, 1963

United States Department of the Interior
Office of Minerals Exploration
Washington 25, D. C.
Attention: Mr. George Fumick, Acting Director

Re: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana

Gentlemen,

In reply to your letters of November 6 and December 12, 1963, re the above, please be advised that New Park Mining Company and East Utah Mining Company hereby guarantee the Government's royalty payments under the contract that may be executed, including amendments.

Yours very truly,

David H. Clegg
Secretary
New Park Mining Company
East Utah Mining Company

cc: Mr. D. R. MacLaren, OME Acting Field Officer

OFFICIAL FILE COPY
O. M. E
RECEIVED DEC 30 1963

DATE	INITIALS	
12/30	Murphy	500

XXXXXXXX
XXXXXXXXXXXXX
863 First Security Building
Salt Lake City 11, Utah

OFFICIAL
O. M.
RECEIVED
DATE

May 28, 1963

Mr. D. R. MacLaren
Office of Minerals Exploration
So. 157 Howard Street
Spokane 4, Washington

Dear Mr. MacLaren,

I recently had the pleasure of meeting with you at your office and at that time indicated that we would shortly present applications for assistance on two projects in the Butte, Montana area.

In separate envelopes we are mailing said applications and pertinent supporting documents, as follows:

I. Ruby area: Application, evidence of financial eligibility and project as required by Form 40

II. Ruby area: Copies of leases

III. Ruby area: Maps and geological report

IV. Butte, S.W.: Application, evidence of financial eligibility and project as required by Form 40

V. Butte, S.W.: Copies of leases

VI. Butte, W.W.: Maps

Corresponding lien and subordination agreements will be duly forwarded later, according to your suggestion.

Kindly advise us whether there is any other information you desire. If so, we shall be happy to forward same at once.

Yours very truly,

David H. Clegg
President
Ruby Silver Mines, Inc.

RECEIVED
MAY 31 1963
U. S. G. S.
SPOKANE, WASH.

MME Form 40
Dec. 1958

OFFICIAL FILE COPY
RECEIVED

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Budget Bureau No. 42-R1368
Approval expires Dec. 31, 1963

RECEIVED
MAY 31 1963
U. S. G. S.
SPOKANE, WASH.

DATE

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.)*

RUBY SILVER MINES, INC.
863 First Security Bldg.
Salt Lake City 11, Utah

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER 6308

DATE RECEIVED 6-3-63

REGION I

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
David H. Clegg	863 First Security Bldg. Salt Lake City 11, Utah	President
Carl D. Harper	857 First Security Bldg. Salt Lake City 11, Utah	Vice-Pres.
Marjorie B. Thompson	863 First Security Bldg., Salt Lake City 11, Utah	Sec'y-Treas.

~~MINERAL(S)~~ FOR WHICH YOU WISH TO EXPLORE
Silver, Gold

ESTIMATED COST OF PROJECT
$ 318,053.10

PROPERTY NAME	LOCATION COUNTY	STATE
Ruby-Columbia et al.	Jefferson	Montana

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 four copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 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.

May 28, 1963
DATED

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).]

INT.-DUP. SEC., WASH., D.C. 50399

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xxxxxxxxxxxxx
863 First Security Building
Salt Lake City 11, Utah

May 10, 1963

Continental Bank & Trust Company
200 South Main Street
Salt Lake City 1, Utah
Attention: Mr. Edward Arthur

Gentlemen,

In line with our previous discussions, Ruby Silver Mines, Inc. hereby makes application for a loan in the amount of $159,000 to assist us in a program of exploration on a property leased to our company and known as the Ruby Silver property, located some 20 miles north of Butte, Montana.

Our exploration program will require a total expenditure of approximately $318,000. The balance over and above the loan requested from your institution will be made available by New Park Mining Company and East Utah Mining Company. The terms necessary would require that no repayment be made by Ruby Silver Mines, Inc. for approximately 18 months after the loan is made. We would like, if possible, a minimum of five years for repayment of the loan in full.

As mentioned previously, this property is considered an excellent prospect for gold ore and our specific program consists of extending a tunnel from the lower levels some 2,000 feet, this extension to be accompanied by a diamond drilling program. The geology and engineering indicate this property to be an excellent risk venture. We have carefully determined the overall costs and feel that the program warrants your consideration.

Ruby Silver Mines, Inc. at present has no cash and is indebted on open account for approximately $15,000. Its assets consist entirely of the lease on this property and the leases on other properties which are also considered good risks for an exploration program.

We would appreciate prompt action on our request and if there is any additional information you desire, we will be happy to meet with you or to supply the information by letter.

Yours very truly,

David H. Clegg, President
Ruby Silver Mines, Inc.

THE CONTINENTAL BANK AND TRUST COMPANY

SALT LAKE CITY 10, UTAH

May 22, 1963

Mr. David H. Clegg
Ruby Silver Mines, Inc.
863 First Security Building
Salt Lake City, Utah

Dear Mr. Clegg:

Your letter of May 10 addressed to us has requested our consideration of a loan in the amount of $159,000.00, in a total expenditure of approximately $318,000.00, to Ruby Silver Mines, Inc., to be used in the development of the Ruby Silver property located some twenty miles north of Butte, Montana. We understand that your needs would require that if we were to grant such a loan, the company would not be required to commence reduction on the loan for 18 months with a minimum repayment schedule of five years thereafter.

Your request has been considered. This bank, for policy reasons, has not engaged in the financing of mining ventures and we have found demand for credit for enterprises in and around Salt Lake to be sufficient to occupy our loanable funds. Our policy, again, is to restrict loaning activities to our particular trade area which would preclude granting your request assuming the needs of your activities were within the scope of our loan portfolio. The terms requested on your credit presents a third problem to us since we have tended to restrict to a maximum payout of three years or less.

We sincerely appreciate your offering us the opportunity to assist you in this instance. While we are unable to do so now, the future may change our situation and we hope you would feel free to call on us again if an occasion arises for you to do so.

Very truly yours,

Edward E. Arthur

Edward E. Arthur
Vice President

EEA/jc

XXXXXXX
XXXXXXXXXXXXXX
863 First Security Building
Salt Lake City 11, Utah

May 10, 1963

First Security Bank of Utah
Main at First South Branch
Salt Lake City, Utah
Attention: Mr. Roscoe Grover

Gentlemen,

In line with our previous discussions, Ruby Silver Mines, Inc. hereby makes application for a loan in the amount of $159,000 to assist us in a program of exploration on a property leased to our company and known as the Ruby Silver property, located some 20 miles north of Butte, Montana.

Our exploration program will require a total expenditure of approximately $318,000. The balance over and above the loan requested from your institution will be made available by New Park Mining Company and East Utah Mining Company. The terms necessary would require that no repayment be made by Ruby Silver Mines, Inc. for approximately 18 months after the loan is made. We would like, if possible, a minimum of five years for repayment of the loan in full.

As mentioned previously, this property is considered an excellent prospect for gold ore and our specific program consists of extending a tunnel from the lower levels some 2,000 feet, this extension to be accompanied by a diamond drilling program. The geology and engineering indicate this property to be an excellent risk venture. We have carefully determined the overall costs and feel that the program warrants your consideration.

Ruby Silver Mines, Inc. at present has no cash and is indebted on open account for approximately $15,000. Its assets consist entirely of the lease on this property and the leases on other properties which are also considered good risks for an exploration program.

We would appreciate prompt action on our request and if there is any additional information you desire, we will be happy to meet with you or to supply the information by letter.

Yours very truly,

David M. Clegg, President
Ruby Silver Mines, Inc.

First Security Bank of Utah
NATIONAL ASSOCIATION
MAIN AT FIRST SOUTH OFFICE
SALT LAKE CITY, UTAH

May 24, 1963

Mr. David H. Clegg
President
Ruby Silver Mines, Inc.
863 First Security Building
Salt Lake City 11, Utah

Dear Mr. Clegg:

We have given consideration to your letter of May 10, 1963 requesting a loan to your company for $159,000.00 to assist in an exploration program on your Ruby Silver property, north of Butte, Montana. You explained that the property is leased and requested that no repayment be made for approximately 18 months, with a minimum repayment period of five years.

We are unable to consider an unsecured loan for exploration purposes to a company without a record of satisfactory earnings, and without assets other than its leased properties.

We regret that we are unable to be of assistance in this case.

Sincerely,

Roscoe Grover

Roscoe Grover
Vice President and Manager

RG:hy

OFFICIAL FILE COPY
O. R.
RECEIVED JU. 19
DATE

8

LEASE AND OPTION

THIS AGREEMENT, entered into this 30th day of January, 1960, by and between The First National Bank of Butte, a corporation of Butte, Montana, the lessor, and Frank Benich, of Butte, Montana, the lessee,

W I T N E S S E T H:

That for good and sufficient consideration, the receipt whereof is hereby acknowledged, the lessor hereby leases to the lessee for a term of Five (5) years, commencing at 12:00 o'clock noon, Mountain Standard Time, on the first day of February, 1960, all lessor's right, title and interest in and to the hereinafter described patented lode mining claims situated in Sections 2, 11 and 12, in T. 5 N., R. 7 W., M.P.M., in Jefferson County, Montana, described as follows, to wit:

> The Ruby, Columbia and Millsite Lode Mining Claims, Mineral Surveys Nos. 2286, 3238 and 5200, and Ruby Millsite, Survey No. 2286B.

Together with any and all water, water rights, ditches and ditch rights appurtenant to said lode mining claims or any part thereof, owned or used in connection therewith, and the right to use the same, together with all buildings and other improvements now on said property or owned or used by lessor in connection therewith, and any and all ore dumps and tailing dumps situated on said property, together with all and singular tenements, hereditaments and appurtenances belonging or in any wise appertaining to said property.

The lessee shall, on or before July 1, 1960, enter upon the said property and commence actual exploratory and mining operations thereon and shall at all times thereafter during the period thereof pursue said operations continuously, working the said claims in a proper manner consistent with the practice in the mining industry so as to develop the same with

due regard to the development and preservation thereof as a producing mine.

The lessee shall have the right, under the terms and subject to all the conditions of this agreement, to remove ores, minerals, tailings, waste, water and other materials from the said leased property and to carry on general mining operations pertaining thereto by means of shafts and workings on other properties, and to remove ores, minerals, tailings, waste, water and other materials from other properties and to carry on general mining operations pertaining to such other properties on the surface of or through shafts and workings on the said leased property; but until weighed and sampled, all ores, extracted and removed from the said leased property shall be kept separate from any ores extracted from any other properties, before moving such ores, minerals and tailings from other properties through lessor's said claims, the lessee shall notify lessor thereof.

The lessee shall pay or cause to be paid to the lessor, as rental for the said property, a royalty of ten per cent (10%) of the net smelter, mill or mint returns upon any and all ores, minerals and tailings extracted from the said property, and upon any and all concentrates manufactured by the lessee therefrom. In the event ore, minerals or metals are extracted from a portion of the leased premises wherein the lessor owns an interest less than the whole and undivided fee simple estate therein, then the said royalty on such ore shall be paid to lessor only in the proportion which the lessor's interest bears to the whole and undivided fee.

Net smelter returns are hereby defined as the cash proceeds of such ores, minerals, tailings and concentrates after the deduction of transportation, smelter, mill and mint charges only, provided, however, that if the lessee shall mill ore, minerals or tailings from the said property and produce concentrates therefrom he shall be entitled to deduct from the proceeds

received from the said concentrates, before the computation of the royalties to be paid hereunder, the cost of transportation to the lessee's mill and the lessee's milling costs, not exceeding Four Dollars ($4.00) per ton in all.

The said royalties shall be paid direct to the lessor at its banking premises at Butte, Montana, by the smelter, mill or other purchaser of ores, minerals or concentrates, and the lessee shall notify the lessor in writing of each shipment thereof made from the said property, including dates, approximate weights and name of smelter, mill or other purchaser, and shall deliver to the lessor copies of all assays and mint, smelter and mill returns.

On or before the 1st day of February, 1961, and on or before the 1st day of February of each year thereafter, the lessee shall pay minimum royalties to lessor during the period of this lease as follows:

During the first year thereof, $1,000.00;

During the second year thereof, $2,000.00;

During each of the remaining ~~five~~ three years thereof, $5,000.00;

Any deficit in such royalty for any lease year shall be paid within ten days after the same shall become due.

The lessee shall keep the said property free and clear of liens for labor done or performed thereon, or materials furnished to the lessee on or for the same, and will save the lessor harmless from all costs, loss, or damage which may arise by reason of injury to any persons employed by the lessee in or on the said property or any part thereof, or which may arise by reason of injury to any person, livestock or other property thereon during the lessee's possession or occupancy of the property; in the event of his relinquishment of this lease after active operations on said property lessee shall leave all workings thereon properly inclosed and protected so as not to endanger persons and livestock going thereon.

Lessee shall post or cause to be prominently posted at his headquarters and at all mining entrances upon said property, notices to the effect that the said property is being worked and operated by the lessee under lease, that the lessee is in actual control and management of the said operations and that neither the lessor nor the said property shall be in any way liable for labor, supplies or any other debts contracted by the lessee, his employees, agents, successors and assigns, in connection with said operation.

The lessor shall have the right at its own cost and risk to be present in person or by representatives at all reasonable times during operations, but without any interference with operations, and to examine the workings and operations of the lessee and to examine the lessee's books, maps, plats and other records of his operations hereunder.

The lessee shall pay when due and before delinquent all taxes upon any and all personal property of whatsoever nature placed upon the said property by the lessee during the term of this lease. Lessor and lessee each agree to pay their respective portionof any and all gross or net product or proceeds taxes, if any, that are or may hereafter be levied against the subject property.

The lessee shall at all times during the term of this lease maintain effective coverage for all his operation and all employees in said operations under this lease, under one of the authorized plans of the Workmen's Compensation Act of the State of Montana, and also public liability insurance for the protection of lessor as well as lessee.

Time is of the essence of this agreement, and failure of the lessee to make or cause to be made any payments as herein provided, or to keep or perform any agreement on his part to be kept or performed in accordance with the terms and provisions hereof shall, at the election of the lessor, cause the termination hereof, and any and all moneys which shall have been paid by the lessee to the lessor in royalties or otherwise shall be retained

J. B.

by the lessor as rent for the possession and use of said premises; provided, however, that in the event of a default on the part of the lessee and the election of the lessor as aforesaid to terminate this lease on account thereof, the lessor shall give the lessee a written notice thereof, which notice shall specify the particular default or defaults relied upon and the lessee shall have thirty days after receipt of such written notice from the lessor in which to remedy said default or defaults, and if the same shall be so remedied there shall be no termination therefor. A waiver by the lessor of a particular breachof any covenant or agreement shall not be construed as a waiver of any other breach, nor shall it impair the lessor's rights resulting from such other breach.

In the event that the lessee shall be delayed at any time in keeping or performing any agreement on his part to be kept or performed hereunder by any act or neglect of the lessor, or by strikes, lockouts, unusual delay in transportation, order of duly condtituted governmental authority, unavoidable casualty, act of God or any other cause beyond the control of the lessee, except for financial reasons, such delay shall not be deemed a breach of this lease or a default on the part of the lessee constituting a cause for the termination of this lease and option, and during any time said lessee is so delayed it shall be excused from the performance of the provisions hereof.

Any and all machinery, equipment, implements, devices, rails, pipes, tools and other property of whatever nature that may be placed upon the said property or any part thereof for any purpose by the lessee, shall be and remain his personal property and shall not become a part of the real estate or a fixture or fixtures thereon, and may be removed therefrom by the lessee or his successors or assigns at anytime prior to the termination of this lease by lapse of time or otherwise, or at any time within ninety days thereafter; provided, however, that all timbering in place in any shaft, strip, tunnels or other underground workings and all buildings and other structures erected thereon shall remain in and upon the premises and become a part thereof.

In further consideration of these premises and of the royalties to be paid and covenants and conditions to be performed hereunder, lessor hereby gives the lessee during the effective period of this lease, the sole and exclusive option to purchase said property for the sum of One Hundred Fifty Thousand Dollars ($150,000.00), provided, however, that any and all royalties paid and all other payments theretofore made hereunder shall apply upon and be credited against said purchase price. Upon exercise of this option by the lessee, and his payment of said purchase price, the lessor shall execute and deliver to the lessee a good and sufficient grant deed of its said interest in the said property, free and clear of all liens and encumbrances, together with all maps, reports and other documents in its possession concerning the same.

Upon request of lessee, lessor shall furnish and deliver to lessee for examination, any and all Abstracts of Title and such other muniments of title covering the above described claims as lessor may have in its possession. Lessee shall cause said abstracts to be examined and shall furnish a copy of the Title Opinion to lessor. Should such opinion show defects in title, lessor agrees to take such action, at its own expense, as may be required to perfect title. In the event lessor shall fail or neglect to cure such defects of title, then lessee shall have the right to cure such defects and charge the expense thereof either against royalties due or to become due hereunder, or against the purchase price of said mining claims.

In further consideration of these premises, and of the royalties to be paid and covenants and conditions to be performed hereunder, the lessor hereby grants the lessee the option to renew this lease for an additional period of five years from and after the termination thereof under the same terms and conditions except that the minimum royalty for each year thereof shall be Five Thousand Dollars ($5,000.00) untilthe purchase price shall have been paid in full; provided, that in the event the lessee shall

elect to avail himself of this option to renew, he shall give the lessor notice in writing of his intention so to do, at least thirty days before the date of termination hereof.

The lessee shall have the right to cancel, terminate and surrender this lease and relinquish the property to the lessor at any time during the term hereof, by giving the lessor written notice of his intention so to do at least thirty days prior to the date when he shall so cancel, terminate and surrender the same; with such notice lessee shall pay lessor any unpaid portion of the minimum royalty for the expired portion of said lease year, and shall deliver to lessor copies of all maps, plats, assay and smelter returns, and other production and geological records of his operations on said property.

Upon termination of this lease by lapse of time or otherwise, the lessee shall surrender peaceable possession of the said property and every part thereof to the lessor, and the lessor may take immediate possession thereof; provided, however, that the lessee shall have ninety days after such termination, as hereinabove provided, within which to remove all property which he is entitled to remove hereunder.

This lease and option may be assigned to Butte Gold Mines, Inc, or to any corporation or partnership formed by lessee or his associates for the operation thereof, or to any corporation or partnership resulting from a reorganization or other internal change, but otherwise is not assignable and said property is not subject to sublease in whole or in part, without the prior written consent of lessor. Any notice hereunder shall be deemed given when the same shall have been placed in any United States Post Office, securely sealed in an envelope addressed to the lessor at its banking premises at Butte, Montana, or to the lessee at 38 North Main Street, Butte, Montana, with full first class postage prepaid thereon.

This agreement shall extend to and be binding upon, and shall inure to the benefit of the successors and assigns of the respective parties hereto.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands the day and year first above written.

ATTEST:

THE FIRST NATIONAL BANK OF BUTTE,
a corporation,

LESSOR

S. F. Martin
Cashier

By Irving H. Goetho
President

Frank Benich
LESSEE

OFFICIAL FILE COPY
C. M.
RECEIVED
DATE

LEASE AND OPTION

THIS AGREEMENT, entered into this 30th day of Dec., _____, 1960, by and between PHILLIP W. KOUNTZ and JANE KOUNTZ, husband and wi fe, of Whitehall, Montana, the "Lessors", and BUTTE GOLD MINES INC., a Nevada corporation, having a place of business at Butte, Montana, the "Lessee";

WITNESSETH:

1. That for good and sufficient consideration, the receipt whereof is hereby acknowledged, the Lessors hereby lease to the Lessee for a term of five (5) years, commencing at 12:00 o'clock noon, Mountain Standard Time, on the First day of November, 1960, all Lessors' right, title and interest in and to the hereinafter described patented lode mining claims situated in Section 11, in T. 5 N., R. 7 W., M.P.M., in Jefferson County, Montana, described as follows, to-wit:

The Havana lode mining claim, Survey No. 5230
The Adelheid lode mining claim, Survey No. 5199

Together with any and all water, water rights, ditches and ditch rights appurtenant to said lode mining claims, or any part thereof, owned o r used in connection therewith, and the right to use the same, together with all buildings and other improvements now on said property or owned or used by Lessor in connection therewith, and any and all ore dumps and tailing dumps situated on said property, together with all and singular tenements, hereditaments and appurtenances belonging or in anywise appertaining to said property.

Reserving to the Lessors, however, the right to graze livestock upon the said leased premises, but without any damage to or interference with Lessee's properties or operations, or Lessee's access to said premises.

2. The Lessee shall have the right, under the terms and subject to all the conditions of this agreement, to remove ores, minerals, tailings, waste, water and other materials from the said leased property and to carry on general mining operations pertaining thereto by means of shafts and workings on other properties, and to remove ores, minerals, tailings, waste, water and other materials from other properties and to carry on general mining operations pertaining to such other properties on the surface of or through shafts and workings on the said leased property; but until weighed and sampled, all ores extracted and removed from the said leased property shall be kept separate from any ores extracted from any other properties; before moving such ores, minerals and tailings from other properties through Lessors' said claims, the Lessee shall notify Lessors thereof.

3. The lessee shall pay or cause to be paid to the Lessors, as rental for the said property, a royalty of Ten Percent (10%) of the net smelter, mill or mint returns upon any and all ores, minerals and tailings extracted from the said property, and upon any and all concentrates manufactured by the Lessee therefrom. In the event ore, minerals or metals are extracted from a portion of the leased premises wherein the Lessors own an interest less than the whole and undivided fee simple estate therein, then the said royalty on such ore shall be paid to Lessors only in the proportion which the Lessors' interest bears to the whole and undivided fee.

Net smelter returns are hereby defined as the cash proceeds of such ores, minerals, tailings and concentrates after the deduction of transportation, smelter, mill and mint charges only; provided, however, that if the Lessee shall mill ore, minerals or tailings from the said property and produce concentrates therefrom it shall be entitled to deduct from the proceeds received from the said concentrates, before the computation of

the royalties to be paid hereunder, the cost of transportation to the Lessee's mill and the Lessee's milling costs, not exceeding Four Dollars ($4.00) per ton in all.

The said royalties shall be paid direct to the Lessors at Whitehall, Montana, by the smelter, mill or other purchaser of ores, minerals or concentrates, and the Lessee shall notify the Lessors in writing of each shipment thereof made from the said property, including dates, approximate weights and name of smelter, mill or other purchaser, and shall deliver to the Lessors copies of all assays and mint, smelter and mill returns.

4. During or for each of the first four lease years of this lease, beginning November 1 and ending November 1 of the succeeding year, the Lessee shall pay minimum royalties hereunder of at least Five Hundred Dollars ($500.00); whenever actual percentage royalties paid Lessors hereunder during any of said first four lease years shall have totalled less than Five Hundred Dollars ($500.00), then within thirty (30) days after the end of such lease year the Lessee shall pay to the Lessors the difference between the said sum of Five Hundred Dollars ($500.00) and the said actual percentage royalties paid during such lease year.

5. The Lessee shall keep the property free and clear of liens for labor done or performed thereon, or materials furnished to the Lessee on or for the same, and will save the Lessor harmless from all costs, loss or damage which may arise by reason of injury to any persons employed by the Lessee in or on the said property or any part thereof, or which may arise by reason of injury to any person, livestock or other property thereon during the Lessee's possession or occupancy of the property, in the event of his relinquishment of this lease after active operations on said property Lessee shall leave all workings thereon properly inclosed and protected so as not to endanger

persons and livestock going thereon.

6. Lessee shall post or cause to be prominently posted at his headquarters and at all mining entrances upon said property, notices to the effect that the said property is being worked and operated by the Lessee under lease, that the Lessee is in actual control and management of the said operations and that neither the Lessors nor the said property shall be in any way liable for labor, supplies or any other debts contracted by the Lessee, his employees, agents, successors and assigns, in connection with said operation.

7. The Lessors shall have the right, at their own cost and risk, to be present in person or by representatives at all reasonable times during operations, but without any interference with operations, and to examine the workings and operations of the Lessee and to examine the Lessee's maps, plats and records, at reasonable office hours, pertaining to the exploration, mining, milling or shipping of all ores, metals or minerals insofar as the same pertains to the Lessors' property.

8. The Lessee shall pay when due, and before delinquent, all taxes upon any and all personal property of whatsoever nature placed upon the said property by the Lessee during the term of this lease. Lessors and Lessee each agree to pay their respective portion of any and all gross or net product or proceeds taxes, if any, that are or may hereafter be levied against the subject property.

9. The Lessee shall at all times during the term of this lease maintain effective coverage for all its operation and all employees in said operations under this lease, under one of the authorized plans of the Workmen's Compensation Act of the State of Montana, and also public liability insurance for the protection of Lessors as well as Lessee.

10. Time is of the essence of this agreement, and failure of the Lessee to make or cause to be made any payments as herein provided, or to keep or perform any agreement on its part to be kept or performed in accordance with the terms and provisions hereof shall, at the election of the Lessors, cause the termination hereof, and any and all moneys which shall have been paid by the Lessee to the Lessor in royalties or otherwise shall be retained by the Lessors as rent for the possession and use of said premises; provided, however, that in the event of a default on the part of the Lessee and the election of the Lessors as aforesaid to terminate this lease on account thereof, the Lessors shall give the Lessee a written notice thereof, which notice shall specify the particular default or defaults relied upon and the Lessee shall have thirty (30) days after receipt of such written notice from the Lessors in which to remedy said default or defaults, and if the same shall be so remedied there shall be no termination therefor. A waiver by the Lessors of a particular breach of any covenant or agreement shall not be construed as a waiver of any other breach, nor shall it impair the Lessors' rights resulting from such other breach.

11. In the event that the Lessee shall be delayed at any time in keeping or performing any agreement on his part to be kept or performed hereunder by any act or neglect of the Lessors, or by strikes, lockouts, unusual delay in transportation, order of duly constituted governmental authority, unavoidable casualty, act of God or any other cause beyond the contrd of the Lessee, except for financial reasons, such delay shall not be deemed a breach of this lease or a default on the part of the Lessee constituting a a cause for the termination of this lease and option, and during any time said Lessee is so delayed it shall be excused from the performance of the provisions hereof.

12. Any and all machinery, equipment, implements, devices, rails, pipes, tools and other property of whatever nature that may be placed upon the said property or any part thereof for any purpose by the Lessee, shall be and remain its personal property and shall not become a part of the real estate or a fixture or fixtures thereon, and may be removed therefrom by the lessee or its successors or assigns, at any time prior ro the termination of this lease by lapse of time or otherwise, or at any time within ninety (90) days thereafter; provided, however, that all timbering in place in any shaft, drift, tunnel or other underground workings and all buildings and other structures erected thereon shall remain in and upon the premises and become a part thereof.

13. In further consideration of these premises and of the royalties to be paid and covenants and conditions to be performed hereunder, Lessors hereby give and grant the Lessee during the effective period of this lease, the sole and exclusive option to purchase said property for the sum of Twenty Thousand Dollars ($20,000.00); provided, however, that any and all r oyalties paid and all other payments theretofore made to the lessors hereunder shall apply upon and be credited against said purchase price. Upon exercise of this option by the Lessee, and its payment of said purchase price, the Lessors shall execute and deliver to the Lessee a good and sufficient grant deed of their said interest in the said property, free and clear of all liens and encumbrances, together with all maps, reports and other documents in their possession concerning the same.

14. The Lessors shall furnish and deliver to Lessee for examination, an abstract of title to said mining claims, and such other muniments of title covering said claims as Lessors may have in their possession. If the Lessors shall fail or neglect to furnish and deliver such abstract, the

lessors may procure an abstract of such title, and charge the expense thereof either against royalties due or to become due hereunder, or against the purchase price of said mining claims. Lessee shall cause said abstracts to be examined and shall furnish a copy of the title opinion to Lessors. Should such opinion show defects in title, Lessors agree to take such action, at their own expense, as may be required to perfect title. In the event Lessors shall fail or neglect to cure such defects of title forthwith, then Lessee shall have the right to cure such defects and charge the expense thereof either against royalties due or to become due hereunder, or against the purchase price of said mining claims.

15. The Lessee hereby grants to the Lessors the right to graze livestock upon any properties now owned or held or hereafter acquired by said Lessee, adjacent to the premises hereby leased, throughout the term of this lease, but without any damage to or interference with Lessee's properties or operations, or Lessee's access to any of said properties; provided, however, that this paragraph shall extend only to properties on which the Lessee shall have the right to grant grazing privileges, and shall not extend to any unpatented mining claim or claims, nor to any property or properties with respect to which any such grazing, or a grant of any such grazing privilege, is or shall be prohibited or restricted by any gove nmental law, rule, regulation or agreement, or by the terms of any lease, grant, agreement or other document to which the Lessee is or shall be a party, or by which the Lessee is or shall be bound. Lessors, however, agree that all grazing permitted on such properties shall be at their own risk and expense and that Lessees shall not be liable for any damage arising from or out of said grazing.

16. The Lessee shall have the right to cancel, terminate and surrender this lease and relinquish the property to the Lessors at any time during

the term hereof, by giving the Lessors written notice of its intention so to do at least thirty (30) days prior to the date when it shall so cancel, terminate and surrender the same; with such notice Lessee shall pay Lessors any unpaid portion of the minimum royalty for the expired portion of said lease year, and shall deliver to Lessors copies of all maps, plats, assay and smelter returns, and other production and geological records of its operations on said property.

17. Upon termination of this lease by lapse of time or otherwise, the Lessee shall surrender peaceable possession of the said property and every part thereof to the Lessors, and the Lessors may take immediate possession thereof; provided, however, that the Lessee shall have ninety (90) days after such termination, as hereinabove provided, within which to remove all property which it is entitled to remove hereunder.

18. Any notice hereunder shall be deemed given when the same shall have been placed in any United States Post Office, securely sealed in an envelope addressed to the Lessors at Whitehall, Montana, or to the Lessee at 901 Walker Bank Building, Salt Lake City, Utah, with full first class postage prepaid thereon.

19. This agreement shall extend to and be binding upon, and shall inure to the benefit of the successors and assigns of the respettive parties hereto.

IN WITNESS WHEREOF, the Lessors have hereunto set their hands and the Lessee has caused these presents to be executed the day and year first above written.

Phillip W. Kountz

Jane Kountz

LESSORS

BUTTE GOLD MINES INC.

Attest:

By

Clark L. Wilson, President

Robert L. Cranmer, Secretary

LESSEE

STATE OF MONTANA)
: ss.
COUNTY OF Jefferson)

On this 30th day of Dec., in the year 1960, before me John H. Jardine, a Notary Public, personally appeared PHILLIP W. KOUNTZ and JANE KOUNTZ, husband and wife, known to me to be the persons whose names are subscribed to the within instrument and acknowledged that they executed the same.

John H. Jardine
Notary Public,

NOTARY PUBLIC for the State of Montana
Residing at Whitehall, Montana
My Commission Expires December 15, 1961

STATE OF UTAH)
: ss.
COUNTY OF SALT LAKE)

On this 1st day of December, in the year 1960, before me Jacqueline B. Wille, a Notary Public, personally appeared CLARK L. WILSON, known to me to be the President of the corporation that executed the within instrument and acknowledged to me that such corporation executed the same.

Jacqueline B. Wille
Notary Public

OFFICIAL FILE
O. M.
RECEIVED
DATE

ASSIGNMENT OF LEASE AND OPTION

THIS ASSIGNMENT Made and entered into by and between Frank Benich and Mary Benich, his wife, of 814 Waukcesha Street, Butte, Montana, hereinafter called "Assignor", and Butte Gold Mines Inc., a Nevada Corporation duly licensed to do business and owning property in the State of Montana, with its principal office at 901-907 Walker Bank Building, Salt Lake City, Utah, hereinafter referred to as "Assignee".

WITNESSETH, THAT, WHEREAS, The First National Bank of Butte, Montana, under date of January 30, 1960, granted Frank Benich, Assignor, a Mining Lease covering the hereinafter described real property, together with an option to purchase said real property, which property is situated in Sections 2, 11 and 12, Township 5 North, Range 7 West, M.P.M., Jefferson County, Montana, and which is more particularly described as follows, to-wit:

> The Ruby, Columbia and Millsite Lode Mining Claims, Mineral Surveys Nos. 2286, 3238 and 5200, and Ruby Millsite, Survey No. 2286 B.

NOW, THEREFORE, in consideration of the premises and of the sum of Ten Dollars and other good and valuable consideration in hand paid to the Assignor by the Assignee, the receipt whereof is hereby acknowledged, said Assignor does hereby grant, transfer, assign and set over unto said Assignee, its successors and assigns, all of his right, title and interest in and to said lease and to the lands described above, subject to the conditions hereof.

ASSIGNEE agrees to pay Assignor, quarterly, a sum equal to Two and one-half (2½%) percent of the net smelter returns on all ore or concentrates shipped from the above described mining claims until such time as the total sum of Fifteen Thousand ($15,000.00) Dollars has been paid to Assignor. Upon payment in full of the said Fifteen Thousand ($15,000.00) Dollars, all payments due Assignor hereunder shall terminate and thereafter there shall be no further payments of any kind whatsoever paid to Assignor.

All payments due hereunder to the Assignee shall be deposited to the Assignors credit in The First National Bank of Butte, Montana, at Butte, Montana, which bank is Assignor's agent.

ASSIGNOR hereby warrants that they are the sole legal and equitable owners of the rights under the above designated Lease and Option and that they have not in any manner encumbered said rights. Without limiting or impairing the foregoing warranty in any respect, Assignor agrees that Assignee may pay and discharge any encumbrances created or permitted against the rights herein assigned out of any sums due and payable to the Assignor pursuant to this assignment.

The rights, benefits and obligations hereunder shall inure to and extend to and shall be binding on the successors in interest of the respective parties hereto.

IN WITNESS WHEREOF, the Assignor and Assignee have executed this Agreement as of the date hereof.

Dated this 20th day of June, 1960.

WITNESS:

ASSIGNOR:

Frank Benich

Frank Benich

Mary Benich

Mary Benich

ATTEST:

Secretary

BUTTE GOLD MINES, INC.

By

President

STATE OF MONTANA)
: SS.
COUNTY OF Silver Bow)

On this 20th day of June, 1960, before me personally appeared Frank Benich and Mary Benich, his wife, known to me to be the persons whose name is subscribed to the within instrument and acknowledged that they executed the same.

Notary Public for the State of Montana
residing at Butte, Montana
My Commission Expires June 26, 1962

Title

STATE OF UTAH)
: SS.
COUNTY OF SALT LAKE)

On the 24 day of June, 1960, before me, Jacqueline Wille, a Notary Public, personally appeared [illegible], known to me to be the president of the corporation that executed the within instrument and acknowledged to me that such corporation executed the same.

Jacqueline L. Wille
Notary Public
Title

CONSENT TO ASSIGNMENT

The undersigned hereby consents to the foregoing Assignment of Lease and Option this 14th day of ~~June~~ July, 1960.

ATTEST:

THE FIRST NATIONAL BANK OF BUTTE MONTANA

By [illegible] President

STATE OF MONTANA)
: ss.
COUNTY OF SILVER BOW)

On the 14th day of July, 1960, before me, Keith P. Johnson, a Notary Public for the State of Montana, personally appeared I. H. Bolitho, known to me to be the president of the corporation that executed the above Consent to Assignment, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this Certificate above written.

Keith P. Johnson
Notary Public for the State of Montana
Residing at Butte, Montana
My commission expires June 25, 1963

RUBY SILVER MINES, INC.

OME REPORT

PROJECT I: RUBY MINE EXPLORATION
(Jefferson County, Montana)

1. Financial Eligibility

a. Evidence related to efforts made to obtain loan from banking institutions

(1) Letter dated May 10, 1963, addressed to First Security Bank of Utah, Main at First South Branch, Salt Lake City, Utah, requesting loan.

Letter dated May 10, 1963, addressed to Continental Bank & Trust Company, 200 South Main Street, Salt Lake City, Utah, requesting loan.

a) Loan requested in amount of $159,000.

b) Terms: no repayments by Ruby Silver Mines, Inc. during first 18 months and, if possible, a five-year period for full repayment.

c) Moneys from loan to be used in exploration program of the Ruby Silver property.

(2) Letter from First Security Bank of Utah, dated May 24, 1963

Letter from Continental Bank & Trust Company, dated May 22, 1963

In both cases, requested loan has not been granted.

b. Affiliated companies

(1) New Park Mining Company
863 First Security Building
Salt Lake City 11, Utah

Owns 39.78% of the capital stock issued and outstanding of Ruby Silver Mines, Inc., represented by ownership of 413,806 shares.

(2) East Utah Mining Company
863 First Security Building
Salt Lake City 11, Utah

Owns 39.78% of the capital stock issued and outstanding of Ruby Silver Mines, Inc., represented by ownership of 413,806 shares.

c. New Park Mining Company and East Utah Mining Company will each furnish 50% of the estimated needs of Ruby Silver Mines, Inc. to cover its share of the cost of exploration work: approximately $80,000 each.

2. Claims involved

a. Five patented lode mining claims are held by lease and option: (attached)

Ruby.....Survey No. 2286 A and 2286 B Ruby Millsite Patented lode

Columbia.....Suvey No. 3238

Mill Site Lode.....Survey No. 5200

Adelheid.....Survey No. 5199

Havana.....Survey No. 5230

} Lack Lien & sub. agreements 11/19 Page 44

The Ruby Fraction #6206 is owned by Ruby Silver Mines, Inc.

Thirteen unpatented lode locations in the area are located by Ruby Silver Mines, Inc.

All claims are shown on the enclosed Fig. 6 of Project I.

b. This property is in Sections 11 and ~~15~~ 2, 11, & 12, T5N, R7W, Jefferson County, Montana. The lode mining claims are as follows:

Patented Lode Claims:

Ruby #2286-A, Columbia #3238, Mill Site Lode #5200, Adelheid #5199, Havana #5230

Unpatented Lode Claims:

Name	Book	Page	Jefferson County, Montana
Triplet	50	179	
Triplet No. 2	50	181	
Lowland	50	183	
Lowland No. 2	50	185	
Lowland No. 3	50	387	
Lowland No. 4	50	389	
Lowland No. 5	50	391	
Ruby No. 2	50	187	
Ruby No. 3	50	189	
Ruby No. 4	50	385	
June	50	177	
June No. 2	50	381	
June No. 3	50	383	

c. Lien and subordination agreements will be supplied.

3. Physical Description

a. Production Summary; Past and Present Workings

The ore at the Ruby Mine was discovered in 1883. From 1883 through 1927 it is estimated that a total of 19,636 tons of $61.20 ore was mined from above the 300' level for a gross of $1,185,000.

A. V. Corry's report (enclosed) gives a portion of the settlement sheets and the most detailed record of the known production and history of this mine.

Montana Bureau of Mines, Bulletin 16, pp. 100-101, reports 6,202 tons of ore mined from 1906 through 1927 having an average of 1.83 oz. Au, and 31.1 oz. Ag..

The workings on the Ruby-Columbia claims are shown on Figures 2, 4, and 5, and the 50 scale Barker and Wilson composite level map. The latter gives the most detail on the position of the old workings as well as the relative position of the 50, 150, 200, 300 and 400 foot levels.

At the present time, the western 510 feet of the 150 tunnel has been reopened, timbered, and rail and air pipe installed. Some mining equipment has also been installed on the 150 mine yard. The 600 level tunnel site has been reopened, the portal timbered and a large mine building placed on the dump.

We do not know to what extent the old mine workings have caved. Corry reports the Ruby shaft is caved below the 150 level. Our experience with the western part of the 150 level indicates that, except for major alteration areas, the drifts hold up fairly well. There is a tendency for minor spalling from the back and walls of the drifts.

b. Present Company's Activity in the Area

In 1960, a geological and geophysical program was initiated to study the post-ore Ruby fault and, if possible, to determine the position of the faulted Ruby ore body. Results of this study are summarized in Fig's. 1 through 5 of this report. The faulted ore was apparently located by one of the geophysical lines. This position is indicated by a circled X on Fig's. 4 and 5.

In 1961, the original 600' level tunnel site was dozed to open the caved portal. In doing so, we found that the original 385 feet of tunnel was still open and very definitely usable. The portal was retimbered and a large mine building installed.

At the 150 Ruby tunnel, the portal was opened, timbered, and rail and pipe installed to portal plus 510 feet.

Butte Gold Mines

All of the above recent work was done under the direction of Mr. Bauer, as an employee of Butte Gold Mines, Inc., Salt Lake City, Utah. This company has since been reincorporated as Ruby Silver Mines, Inc., Reno, Nevada and Salt Lake City, Utah.

c. Past Production

As noted in 3a. above, total production from the Ruby mine is estimated from all available sources to be 19,636 tons for a gross production of $1,185,000. This information is further detailed as follows:

Ruby History and Production

This claim was located in 1883. By 1887 the two original owners had mined an estimated $140,000 in gold and silver ores by mining down to the 50 level on the Ruby ore shoot.

Marcus Daly leased the claim in 1887, sunk the Ruby shaft to the 150 level, drove some tunnel and dropped his lease after a tiff with the owners.

In 1896, Hewitt, Graves and Spriggs leased the property, opened up the Ruby ore shoot on the 150 level and mined it down to where it was cut off by a post ore fault above the 300 level (see Fig. 4). From 1896 to 1899 the Ruby ore shoot produced an estimated $610,000 in gold and silver ores to bring the total production from this ore shoot to $750,000.

In 1906, P. F. Dowling leased the Ruby claim and discovered ore on the Dowling vein by 1907. During the next 4 years he mined the major portion of the $275,000 produced from the Dowling ore shoot.

To summarize, the Ruby claim had a production of $1,025,000 during the period from 1883 to 1921.

Columbia History and Production:

This claim was located in 1884. It is reported that lessors shipped ore from the Dowling-Ruby veins prior to 1904 but there is no record of the gross amount. A. V. Corry, in a report noted below, commented that considerable shipments were made prior to 1904 but that he could not obtain additional data.

During 1904-1907, A. C. Ray leased the claim, discovered ore on the Ray vein, and mined $110,000 in ore similar to that mined from the Ruby claim.

Additional Data:

In 1909, Barker and Wilson, Engineers, Butte, Montana, surveyed the mine and made a composite 50 scale map of the principal workings.

In 1920, A. V. Corry, Consultant Mining Engineer, Butte, Montana, examined the property. His report is the most detailed information available. (See enclosed copy.)

Other sources of information are:

U.S.G.S. Bulletin 527 (1913a)

U.S.G.S. Bulletin 842 (1933)

Montana Bureau of Mines, Bulletin 16 (1960), pp. 71, 72, 101

Data contained in the files of the Anaconda Copper Company, Geological Dept., Butte, Montana

All production data given above is summarized from the above reports. Gross value stated above is based on metal values at that time.

d. Ore Reserves

Mr. Corry estimated a broken ore reserve above the 150 level of:

Vein	Tons	Oz/ton Au	Oz/ton Ag
Dowling	3,000	.60	9.0*
Ray	2,000	.60	9.0*

*There is a gold-silver ratio of about 1 to 30 at the Ruby Mine area. The estimated 9 ounces per ton is ½ of what this ratio would indicate for .60 Au.

There is no known ore reserve on the property at the present time. Mr. Corry indicated a "fair tonnage" of milling ore above the 150 level but gave little additional data.

e. General and Mining Geology

The country rock in the area is composed of a series of Tertiary dacite flows and breccias at least 2500 feet thick. In the area of the Ruby Mine these flows and breccias are cut by a series of veins generally striking about N. 20 degrees W and dipping steeply to the northeast. The Ruby, Dowling and Ray are the three prominent veins.

The Ruby ore shoot was a pipe-like body having the Dowling for the hanging wall and the Ruby structure for the footwall. It was 40 feet long and 20 feet wide on the 150 level, 70 feet long and 20 feet wide on the 200 level. A fault cut off the ore between the 200 and 300 levels. Details are shown on Fig. 4.

Fig's. 1, 2, 3 and 5 suggest that the Dowling and Ruby are very closely related structures that more or less join at depth to form a single strong vein.

Fig. 4 and the history of the production both suggest that only the tops of the ore shoots have been mined to date and that a single ore body 1000 to 1800 feet long may develop on the downward extensions of the shoots, perhaps somewhere between the 600 and 1000 levels.

Very little is known about the North Ray vein (Fig's. 1 and 5) but it is probably a companion vein to the Ray.

The few specimens of Ruby ore remaining suggest a total replacement by a grey to bluish-grey chalcedonic and porcelainic quartz containing adularia, calcite and pyrite. Ore minerals were the various silver sulphides with argentite predominating. Petrographic work would be needed for additional identification.

The Dowling ore shoot was 170 feet long and 4 feet wide on the 150 level. Breccia was common in the vein. Ore and gangue minerals are similar to the Ruby ore body.

There are at least 6 premineral cross faults in the Ruby-Columbia area. They are later than the initial fracturing of the fissures, are of very moderate movement, and were a definite aid to the ore solutions. The ones known at present are shown in Figs. 1 through 4.

f. Ore Expectations or Potential

In the following analysis, metal prices at the time of production are assumed to be $20 per ounce of gold, 60 cents per ounce of silver. Present smelter values are calculated at $31.82 per ounce of gold, $1.13 per ounce of silver (less one ounce), no treatment charge (Anaconda smelter), and $4.00 haulage charge deducted. All calculations are by slide rule.

1) Broken ore reserves: This would have a present smelter value of $14.77 a ton and $73,500 gross for the 5,000 tons after haulage.

2) From Fig's. 4 and 5, it is possible to calculate that 9,100 tons of ore were mined from the Ruby ore body from below the 50 level. Since it produced $610,000, the ore had a value of $66 per ton. This is similar in value to the ore shipped from the Dowling stopes (1907-1911) of 2.03 oz. Au, 31.9 oz. Ag. Assuming that the faulted Ruby ore body has a value similar to what Dowling shipped, it is then possible to estimate the potential smelter value of the faulted Ruby ore body above the proposed 600 level from Fig's. 4 and 5 of:

Tons	$/ton	Smelter value
57,000	$89.34	$5,100,000

3) The Dowling stopes produced (MBM Bull. 16, pp. 101, 1907-1913) 5086 tons at 2.03 Au, 31.9 Ag from 300 feet of vertical ore. The above has a net smelter value of $440,000, or $1,450 per foot of height. This does not consider the lower grade ores left in the Dowling stopes.

By combining the above with Corry's data and calculating a tonnage from Figs. 4 and 5, it is possible to obtain a more complete analysis of the Dowling stopes:

The 150 Dowling stope contained:

2800 tons @ 2.03 Au, 31.9 Ag (which he shipped)
3,000 tons @ .60 Au, 9.0 Ag (gobbed)
800 tons @ .15 Au, 6.0 Ag. (left as pillars and casing)

This 6,600 tons has a present smelter value of $48.00 per ton, is $1,980 per foot of height, and 41.3 tons of ore per foot of height.

4) From the above data the tonnage remaining in the 300 Dowling stope is estimated to be:

2,900 tons @ $17.00 per ton net smelter value, or $45,000 net smelter value.

5) The above is exclusive of the following which is the Dowling block that would be prospected by driving the 600 level tunnel. Assuming that the Dowling ore shoot remains fairly constant to this depth, maintains a 4 foot width, and has the strike length indicated on Fig. 4, this block will have 12,000 tons at $48.00 for a present smelter value of $550,000.

6) A summary of all potential, including the broken ore reserve, is as follows:

Vein	Tons	Smelter $ Grade/ton	Total $ Smelter
Ray	2,000	22.53	$ 45,000
Dowling 150	3,800	18.79	71,400
300	2,900	17.00	45,000
600	12,000	48.00	550,000
Ruby 600	57,000	89.34	5,100,000
TOTAL:	77,700	$75.00	$5,811,400

This does not include the Ray stope and ore shoot below the 150 level or 3 to 4 ore shoots on the Columbia claim (see Fig. 4). These are withheld in order to reduce any possible risk factor in the above estimate.

The above is the basic reason an exploration program is contemplated.

Mr. Corry must have arrived at a similar conclusion for he wrote (page 6): "The former owners and lessees of the Ruby-Columbia have had only a faint appreciation of the latent possibilities of the property."

g. Enclosed Maps and Reports

Two copies of Fig's. 1 through 5, Mr. Corry's report and the Barker and Wilson map are enclosed. They need not be returned.

4.a. Accessibility of Property.

The above property is in Lowland (Unorganized) Mining District, Jefferson County, Montana. It is about 14 miles N 20 degrees E of Butte, Montana, at an elevation of 6,000 to 6,800 feet, and is accessible from two directions by good Forest Service roads.

The 7-mile northern route is an all-weather road from the Bernice Junction on U.S. Highway 91. The southern route normally drifts in during the winter, is known as the Task road, and is a partly improved Forest Service road. Via this road, it is 20 miles from Butte, Montana, to the Ruby Mine. By the northern route, the mine is 7½ miles from Bernice, Montana, or 11 miles from Basin, Montana.

Mr. Bauer lives at 3115, Ottawa Street, Butte, Montana; phone:792-7296. He will take the OME representative to the property at any time.

The 150 level is open to portal plus 510 feet. The Lowland tunnel (600 level) is at portal plus 300 feet. All other workings are inaccessible.

b. Shipping points

Both Butte and Basin, Montana, are shipping points. Bute has two major railroads, two main highways and a main air terminal. Basin has one highway and one railroad and is thirteen miles from the property. Butte is 20 miles via the Task road and 37 miles via Bernice Junction.

5. Exploration.

a. The proposed exploration program is indicated in Fig's. 2 and 3 and consists of the following:

150 level:

To advance the drift repair, now at 510 feet, another 250 feet in order to free the drift around the Ruby shaft and make it possible to examine the milling and low grade direct shipping ore possibilities.

To map and sample the Ruby and Dowling areas on this level. See Fig. 2 for location.

600 level:

To drive 2,000 feet of adit and 1,000 feet of drift on the 600 level. This will crosscut possible veins from the portal to the Ruby vein, cut through the Ruby and Dowling ore shoots and provide drainage for the mine waters.

Both the adit and drift will be 7 X 7 in the clear and have a 2-foot wide, 1-foot deep water ditch.

The tunnel will be driven on a two-shift basis, using 20" vent pipe and 4" air line. Large sub tanks will be used to supply drill water.

b. No access road is planned.

c. When the OME contract is approved, work can begin immediately. We estimate it will take two years to complete the program.

150 level:

We plan to complete this portion of the project in two months.

600 level:

The first six months will be used to convert a large mine building at the tunnel site into a change room, shop and mine office, establish an all-season water supply and install the necessary equipment.

Rate of advance for the tunnel is estimated at 170 feet per month.

6. Experience (Company and individuals).

The geological work involved in the above program will be conducted under the supervision of Walter E. Bauer, geologist for Ruby Silver Mines, Inc.

Mr. Bauer has had 17 years of experience at this type of work in Montana and Utah. He was Mine Geologist (1948-1952) and Chief Geologist and Geophysist (1962-1960) for New Park Mining Company, Salt Lake City, Utah. From 1960-1963 he has supervised the exploration program in the Ruby area.

Mr. William Wittmeyer will be the supervisor for this project. He has had more than 14 years of experience as a mining engineer and geological engineer which is briefed as follows:

1948-1950: Mine foreman, Guayana Mines, Peru, Venezuela

1950-1959: Vanadium Corp. of America

1950-1953: Mine sup't., Marysvale, Utah
1953-1955: General sup't., Mina Ragra, Peru
1955-1959: Mine sup't, Durango, Colorado

1959-1960: Self-employed: uranium leasing

1960-1961: Geological engineer, Atomic Energy Commission, Grand Junction, Colorado

1961-1962: Ass't. sup't., Utex Mining Co., Moab, Utah

1962-Present: Gen. sup't., New Park Mining Company, Salt Lake City, Utah.

7. Estimate of Cost

a. Independent contracts

None

b. Personal services

150 Ruby:

Foreman: 2 hrs./day, 2 mos. @ $700/mo...$	350.00
Geologist: 2 hrs./day, 2 mos. @$690/mo..	345.00
Miners: @$21.20/shift; 112 shifts (including overtime): 2 miners, 2 mos. @ 30 days/mo.).....	2,374.40
	$ 3,069.40

out

600 Ruby:

Foreman: $700/mo., 24 mos., less $350 above.....$	16,450.00
Geologist: $690/mo, 24 mos., less $345 above.....	16,215.00
Supervisor: $870/mo., 24 mos.....	20,880.00
Miners: 3360 shifts @ $21.20, including overtime.....	71,232.00
Mechanics: 1120 shifts @ $24, including overtime (30 days/mo., 20 mos., 2 men)	26,880.00
	$151,657.00

Vacation pay:

Title	1st yr.	2nd yr.	Amount	
Supervisor (1)	2 wks.	2 wks.	$ 870.00	
Geologist (1)	2 wks.	2 wks.	690.00	
Foreman (1)	1 wk.	2 wks.	475.00	
Miners (2)	1 wk.	2 wks.	826.80	
(5)	1 wk.	1 wk.	1,378.00	
Mechanics (2)	1 wk.	1 wk.	900.00	
Bookkeeper (1)	1 wk.	1 wk.	250.00	
			$5,389.80	$ 5,389.80

$160,116.20

c. Operating materials and supplies

150 Ruby

Axes, miners: 4@ $7.60	$ 30.40	
Bars, scaling: (2) 6 ft. @ $5	10.00	
Fuel, diesel: 30 gal./day,50 days,@17¢	255.00	
Hammers: 8#, 2 @ $8.25	16.50	
Picks, miners: 6 @ $8.35	50.10	
Pipe: 250', 2", @ 80¢ ft	200.00	
Rails: 2 ton, 30#, @ $230	460.00	
Rail spikes: 100#, ¼x4" @ $17/cwt	17.00	
Splice bars: 34 @ 92¢	31.28	
Shovels: rd. point, 4 @ $5.10	20.40	
Shovels: sq. point, 2 @ $7.80	15.60	
Saws, miners: 3 @ $8.65	25.95	
Timber, fir:		
Drift sets, @ 260 bd. ft/set, 20 sets, 5200 bd. ft. @$75/m	390.00	
Ties:150 @ 6 bd. ft.,900@$75/m	67.50	
Track bolts: 50#, 2½x5/8" @ $24.85/cwt	12.43	
Wedges: 40 bundles @ 90¢	36.00	
Wrenches, pipe:		
(2) 24" @ $12.45	24.90	
(2) 8" @ $3.15	6.30	
Wire, galvanized:#16, 3 stones@ $6.20.	18.60	
	$1,687.96	$ 1,687.96

(Other items required are on hand)

600 Ruby

Explosives and supplies:

Powder: 40%, 16.7#/rd., 600 rds., 10,000# @$23/cwt	$2,300.00
Ammonium Nitrate prills: 600 rds, 1 bag/rd,$5.75/bag	3,450.00
Caps, electric: 29/rd, 600 rds, @ 31.5¢	5,481.00
Wire:	
Trunk line, 4000' @ $80/m	320.00
Connecting, 40# @ $2/lb	80.00

Fuel:

Gasoline, diesel fuel, oil, grease, etc., est.@ $20/day, 468 days.....$9,360.00

Pipe and fittings

4" Vic., 2400' @ $1.85/ft.....	4,440.00
2" @ 80¢, 1,000 ft.....	800.00
4" valves, 2, @ $70.....	140.00
4" Vic couplings, 120 @ $3.75.....	450.00
4" elbows, 6 @ $10.95.....	65.70
4" tees, 1 @ $14.45.....	14.45
4" to 2" bushing, 1 @ $4.51.....	4.51
4" to 2" Vic. reducer, 1 @ $2.50.....	2.50
2" nipples, 2 @ 41¢.....	.82
2" to 1" reducers, 2 @ $1.49.....	2.98
1" tee, 2 @ 88¢.....	1.76
1" nipple, 4 @ 35¢.....	1.40
1" valves, 3 @ $10.90.....	32.70
1" 90 degree elbow, 1 @ 60¢.....	.60
1" drain valve, 1 @ $5.70.....	5.70
Air hose couplings, 3/4", 12@ $3.16..	37.92
Water hose couplings, ½", 12 @ $1.83..	21.96
Female spud, 3/4", 6 @ 95¢.....	5.70
Female spud, ½", 6 @ 55¢.....	3.30

Small Tools:

Axes complete, miners: 10 @ $7.60....	76.00
Axe handles, 24 @ $1.60.....	38.40
Brooms, 6 @ $1.85.....	11.10
Hammers, 8#, 4 @ $8.25.....	33.00
Hammers, 3", 2 @ $4.75.....	9.50
Hammer handles for 8#, 12 @ $1.74....	20.88
Picks, miners, 12 @ $8.35.....	100.20
Pick handles, 24 @ $1.90.....	45.60
Pipe cutter, 1 @ $13.90.....	13.90
Pipe vise, 1 @ $25.25.....	25.25
Shovels, rd. point, 8 @ $5.10.....	40.80
Shovel handles, 12 @ $2.10.....	25.20

Shovels, sq. pt., 4 @ $7.80.....$ 31.20

Scaling bars, 6', 8 @ $5.00..... 40.00

Nail hammers, 4 @ $5.50..... 22.00

Nails, 80 penny, 100# @ $17.55.... 17.55

Nails, 60 penny, 1000# @ $15.30/cwt 153.00

Nails, 40 penny, 500# @ $15.40/cwt. 77.00

Nails, 20 penny, 200# @ $15.40/cwt. 30.80

Nails, 10 penny, 100# @ $15.40/cwt. 15.40

Pipe threader with dies (to 2").... 50.90

Pipe wrenches, 24", 4@ $12.55..... 50.20

Pipe wrenches, 18", 2 @ $7.95..... 15.90

Pliers, slip joint, 24 @ $1.55..... 37.20

Pliers, crescent, side cutting,
3 @ $4.00..... 12.00

Pliers, needle nose, 2 @ $3.60..... 7.20

Safety valve, 2", 1 @ $12.00..... 12.00

Saws, electric, 8" blade, complete. 69.95

Saws, miners, 5 @ $8.65..... 43.25

Timber, mine

Ties, 6"x6", 2200 @ 10.5 bd. ft.,
23,100 bd. ft.

176 lead sets @ 260 bd. ft./set,
45,760 bd. ft.
68,860 bd. ft. @ $75/m.....5,164.50

Wedges, 520 bundles @ 90¢..... 468.00

Roofbolts with shells & plates
1,000 @ $3.25.....3,250.00

Drilling and Ventilation

Drill steel @ $2/ft., 3,000'.....6,000.00

Drill bits @ 400'/bit, 225@ $4.60..1,035.00

Vent. pipe, 2,700', 20 gauge, 20"
@ $2.80/ft.....7,560.00

Rail and supplies

6,600',30#, 33 tons @ $230/ton.....7,590.00

Splice bars, 880 @ 92¢..... 809.60

Track bolts, 2½"x5/8",800#@$24.85/cwt198.80

Track spikes,4½"x½", 34 kegs @
$15.30/keg..... 520.20

Shop

Heating:

Oil heaters (used) 3 @ $50.....$	150.00
Fuel oil @ 400 gal/mo., 18 mos., 17¢/gal; 7,200 gal @ 17¢.....	1,224.00
Fuel tank & install,2,000 gal. 1 @ $250.....	250.00

General:

Soldering iron: 1 @ $8.40.....	8.40
Galvanometer: 1 @ $43.60.....	43.60
Switch box, 110 v, used, 2@ $5...	10.00
Switch main, 675v, 30 amp., used.	15.00
Welding rod, mild steel	
1/16", 10# @ 33¢/lb.....	3.30
3/32", 10# @ 31¢/lb.....	3.10
1/8", 10# @ 30¢/lb.....	3.00
3/16", 50# @ 28¢/lb.....	14.00
¼", 50# @ 28¢/lb.....	14.00
Welding rod, high test	
1/16", 10# @ 36¢.....	3.60
3/16", 10# @ 34¢.....	3.40
1/8", 10# @ 33¢.....	3.30
5/32", 50# @ 32¢.....	16.00
3/16", 50# @ 33¢.....	16.50
Welding rod, electric	
3/32", 1 box @ $21.50.....	21.50
1/8", 1 box @ $20.57.....	20.57
3/16", 3 boxes @ $20.57.....	61.71
Acetylene, 20 tanks @ $4.95.....	99.00
Cylinder truck, 1 @ $25.00.....	25.00
Flints, 4 boxes @ 50¢.....	2.00
Flux, York #77, 2 boxes @ $1.50....	3.00
Oxygen, 24 @ $6.77.....	162.48
Welding and cutting outfit (1)...	196.00
Helmemt, electric (1).....	13.25

Welders' gloves, 2 pr. @ $2.53..$	5.06
Welding hammers, 2 @ $2.75.....	5.50
	$63,140.75
	$ 64,828.71

d. Operating equipment

150 Ruby:

Locomotive, diesel, 2 mos. rent @ $250/mo.....$	500.00

600 Ruby:

Timber trucks, 2 @ $100.....	200.00
Arc welder, 1, complete.....	235.00
Bench vise, 9" opening, 1.....	180.00
Bench grinder, 8" wheels, ½ h.p. complete, 1.....	102.00
Come-along chain block, 1 ton capacity.....	90.00
Come-along chain block, 3/4 ton capacity.....	65.00
Chain tongs, #3½ (2), @ $55.70.....	111.40
Fan, 15 h.p. (1).....	1,200.00
Forge (1).....	85.00
Jim Crow (1).....	60.50
Locomotive, diesel, used (1).....	5,000.00
Diesel compressor, 600 cu. ft. (1)..	15,000.00
Chain block, 3 ton (1).....	372.00
Mine cars, 41 cu. ft., 5th wheel, Granby, used, 10 @ $800.....	8,000.00
Mucking machine, 21B, used (1).....	3,000.00
Machines, drilling:	
Jackhammers & Jacklegs, 2 ea., (45#).....	2,330.00
Front end loader (used).....	9,000.00
Miners' lamps, (15), rented.....	450.00
Receiving tank, 4'x10', (1), used...	200.00
Rail punch (1).....	77.00
Prill loading gun (1).....	150.00
Saw, electric chain.....	165.00
Stoper (1).....	1,000.00
Sliding Granby dump (used).....	400.00

Tap and die set, 1" max. (1).....$	104.40	
Tool set, complete with bos (1)...	136.95	
Water tank, 1,000 gal. (1).....	200.00	
Water pump (1).....	120.00	
Wire, rubber insulated, 3 cord, 600 v, (used), 3,000' @ 25¢/ft..	750.00	
(approx.)	$48,784.25	$48,784.25
		$49,284.25

e. Initial rehabilitation and repairs

150 Ruby

Diesel generator, items to change starting battery:		
12 volt voltage regulator.....	14.00	
Electrician, 8 hrs. @ $30.....	30.00	
12 volt generator.....	45.00	
Gardner-Denver mucking machine		
Repairs on forward cable ass'y..	100.00	
Compressor building		
Windows, 2 @ $10.....	20.00	
Window frames (2) & installing, @ $7.50.....	15.00	
Door, door frame (1) & install..	25.00	
	249.00	249.00

600 Ruby

Shop building improvements:		
Concrete footings, 6"x8", 4 yds. @ $18.....	72.00	
Concrete foundations, 8"x12", 4 yds. @ $18.....	72.00	
Concrete floor, 25'x41'x6", 19 yds. @ $18.....	342.00	
Doors, outside with glass & lock, 6'8"x 36" (1).....	13.77	
Doors, inside, 2, @ $10.98.....	21.96	
Doors, 12'by14', sliding door & track, 16' @ $1.10/ft.....	17.60	
Door rollers, 2 pr., @ $5.50....	11.00	
Door sheet metal, 7 sheets @$5.40	37.80	
Hardware, locks, hinges, etc....	25.00	

Lumber, partitions, 2"x4"x12' 400 ft./.08.....$	32.00	
Lumber, plates, headers, framing, 2"x8"x12', 300 ft./.08.....	24.00	
Lumber, flooring, storage attic, 2"x12", 700 ft./.18.....	126.00	
Lumber, work bench, 2"x12"x16', 160 ft/.08.....	12.80	
Sheeting, galvanized (for partitions) 10 @ $5.40.....	54.00	
Windows, 4' (3) @ $9.50.....	28.50	
$	890.43	$ 890.43
		$ 1,139.43

f. New buildings, fixtures & installations

Powder house, 15'x10'x8':

Excavation (front endloader)		
Fuel, grease and labor.....	200.00	
Danger sign (1).....	3.00	
Labor, 2 men, 1 wk., 13 shifts @ $21.20	275.60	
Lock (1).....	1.50	
Steel door, ¼" x4'x7' (1).....	71.20	
Timber:		
8"x8"x190', 950 bd. ft.) 2,909 bd. ft. 3"x12"x653', 1959 bd. ft.) @ $75/m..	218.18	
$	769.48	$ 769.48

g. Miscellaneous

150 Ruby

365 cu. ft. compressor @ $60/mo. 2 mos.....	120.00	
Diesel 25 KVA generator @ $30/mo. 2 mos.....	60.00	
Mucking machine, Gardner-Denver @ $40/mo., 2 mos.....	80.00	
$	260.00	$ 260.00

600 Ruby:

Compressor, 600 cu. ft. diesel @ $125/mo., 18 mos.	$ 2,250.00
Generator, 25 KVA diesel @ $30/mo. 18 mos.	540.00
Locomotive, diesel, @$80/mo.,18 mos.	1,440.00
Mucker, 21B, @$60/mo., 18 mos.	1,080.00
Rock drills, @ $40/mo., 18 mos.	720.00
Bookkeeper, @ $500/mo., 18 mos.	9,000.00
Assaying:	
150 Level: 150 samples (Au, Ag) @ $2.50	375.00
600 Level: 300 samples (Au, Ag) @ $2.50	750.00
	$16,415.00
F.I.C.A., Workmen's Compensation, Industrial Insurance and fringe benefits @ 15% of wages and salary (latter approximating $170,000)	25,500.00
	$41,915.00

RUBY SILVER MINES, INC.

OME: Project 1

Summary: Costs

7. a. None

b. $160,116.20

c. $64,828.71

d. $49,284.25

e. $1,139.43

f. $769.48

g. $41,915.00

$318,053.07

United States Department of the Interior

GEOLOGICAL SURVEY
RESTON, VIRGINIA 22092

February 14, 1977

Memorandum

To: Branch of Financial Management

From: Chief, Office of Minerals Exploration

Subject: Recording of Realized Loss under OME contract

Write-off of the following realized loss is hereby authorized:

Contract	Docket	Operator	Write-off
2182	6308	Ruby Silver Mines, Inc.	$58,757.38

Harold Kirkemo

Enclosures

AMERICAN REVOLUTION BICENTENNIAL 1776-1976

United States Department of the Interior
GEOLOGICAL SURVEY
Denver Federal Center
Denver, Colorado 80225

IN REPLY REFER TO:

P. O. Box 25046 - Building 53 - MS-953

June 17, 1976

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: Royalty Inspection
OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

I visited the Ruby mine on Thursday, June 10, 1976, to learn if there had been any recent production. The gate to the property was locked, but I could see the mine portal area from the highway. The mine is obviously deserted and I could see no evidence that any new work had been done since my last visit in October, 1975. I could see the small amount of broken rock in the ore bin that had been there when I first visited the mine in 1968.

The period for royalty payments on production from the mine ends on January 31, 1977. There are no unpaid royalties now due to the Government from the past production at the mine.

Willard P. Puffett

Willard P. Puffett

Scoggins Petroleum Corporation
540 Meadows Building
SUITE 514 NORTHPARK BLDG. • DALLAS, TEXAS 75206
(214) 369-5200 691-6081

March 15, 1976

United States Dept. of the Interior
Geological Survey
Reston, Virginia 22092

Attn: Office of Minerals Exploration

Re: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson Co., Montana
Contract 2182

Dear Sirs:

Examination of the files of Scoggins Petroleum Corporation reveals that it is the owner of the leasing rights and that the mine has caved in and is filled with water.

Submitted by the undersigned as Resident Counsel of Amco Energy Corporation, major stockholder of Scoggins Petroleum Corporation.

Robert W. Jack

RWJ/nw
Enclosure

United States Department of the Interior

GEOLOGICAL SURVEY
RESTON, VIRGINIA 22092

IN REPLY REFER TO: Office of Minerals Exploration

February 25, 1976

Re: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

Mr. John T. Mullany
Vice President
Ruby Silver Mines, Inc.
101 West Granite Street
Butte, Montana 59701

RECEIVED
MAR - 3 1976

Dear Mr. Mullany:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo, Chief
Office of Minerals Exploration

Form MME 63
(May 1970)

REQUEST FOR INFORMATION ON CERTIFIED PROJECT
OR PROJECT UNDER ROYALTY AGREEMENT

1. Since April 14, 1975, has there been a change in ownership, lease, or sublease? *If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before.* Yes ☐ No ☒

Is the lease and operating agreement on the mining properties in Montana still in effect? If not, please explain. Yes ☒ No ☐

Lessees owned by Scoggin Petroleum Corporation
Mine caved in and is full of water; equipment is worthless

2. Since April 14, 1975, has there been any production from the land subject to the contract? Yes ☐ No ☒

A. If so and it was shipped, give quantity, value, and name and address of purchaser.

Purchaser (*name and address*)	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity (*tons*)	Estimated Grade	Location
Ore			
Concentrates			
Other			

3. Since workings (*see* , has any production been transported through *of contract*)? Yes ☐ No ☐

If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name Robert W. Jack	Title Resident Counsel, Amco Energy Corporation
Address 910 Meadows Bldg. Dallas, Texas 75206	Date 3-10-76

Form MME 63
(May 1970)

REQUEST FOR INFORMATION ON CERTIFIED PROJECT
OR PROJECT UNDER ROYALTY AGREEMENT

1. Since April 14, 1975, has there been a change in ownership, lease, or sublease? *If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before.* Yes ☐ No ☒

Is the lease and operating agreement on the mining properties in Montana still in effect? If not, please explain. Yes ☒ No ☐

Leases owned by Scoggin Petroleum Corporation
Mine caved in and is full of water; equipment is worthless

2. Since April 14, 1975, has there been any production from the land subject to the contract? Yes ☐ No ☒

A. If so and it was shipped, give quantity, value, and name and address of purchaser.

Purchaser (*name and address*)	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity (*tons*)	Estimated Grade	Location
Ore			
Concentrates			
Other			

3. Since workings (*see* , has any production been transported through *of contract*)? Yes ☐ No ☐

If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name Robert W. Jack	Title Resident Counsel, Amco Energy Corporation
Address 820 Meadows Bldg. Dallas, Texas 75206	Date 3-10-76

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
RESTON, VIRGINIA 22092

OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE, $300

953

AN EQUAL OPPORTUNITY EMPLOYER

RETURNED TO WRITER

FROM 75206
ADDRESSEE UNKNOWN

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF THE INTERIOR
INT-413

U.S.MAIL

AIRMAIL

Mr. Jack L. Lamberson, President
Scoggins Petroleum Corporation
421 Meadows Building
Dallas, Texas 75206

RETURN TO WRITER
20

DALLAS, TX 752
AM
5 FEB
1976

United States Department of the Interior

GEOLOGICAL SURVEY
RESTON, VIRGINIA 22092

IN REPLY REFER TO: Office of Minerals Exploration

January 30, 1976

Re: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

Mr. Jack L. Lamberson, President
Scoggins Petroleum Corporation
421 Meadows Building
Dallas, Texas 75206

Dear Mr. Lamberson:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo, Chief
Office of Minerals Exploration

Form MME 63
(May 1970)

REQUEST FOR INFORMATION ON CERTIFIED PROJECT OR PROJECT UNDER ROYALTY AGREEMENT

1. Since April 14, 1975, has there been a change in ownership, lease, or sublease? *If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before.* Yes ☐ No ☐

Is the lease and operating agreement on the mining properties in Montana still in effect? If not, please explain. Yes ☐ No ☐

2. Since April 14, 1975, has there been any production from the land subject to the contract? Yes ☐ No ☐

A. If so and it was shipped, give quantity, value, and name and address of purchaser.

Purchaser *(name and address)*	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity *(tons)*	Estimated Grade	Location
Ore			
Concentrates			
Other			

3. Since workings *(see* , has any production been transported through *of contract)*? Yes ☐ No ☐

If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name	*Title*
Address	*Date*

United States Department of the Interior

GEOLOGICAL SURVEY
RESTON, VIRGINIA 22092

IN REPLY REFER TO: Office of Minerals Exploration
953 National Center

April 7, 1975

Re: OMR-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

Mr. M. C. Godbe III
c/o Scoggins Petroleum Corp.
Noel Page Bldg.
6400 N. Central Expressway
Dallas, Texas 75206

Dear Mr. Godbe:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo, Chief
Office of Minerals Exploration

OFFICIAL COPY
O. M. E.
RECEIVED
APR 16 1975

INITIALS	CODE

Copy to F.O. I

Form MME 63
(May 1970)

REQUEST FOR INFORMATION ON CERTIFIED PROJECT
OR PROJECT UNDER ROYALTY AGREEMENT

1. Since April 26, 1974, has there been a change in ownership, lease, or sublease? *If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before.* Yes ☐ No ☒

Is the lease and operating agreement on the mining properties in Montana still in effect? If not, please explain Yes ☒ No ☐

2. Since April 26, 1974, has there been any production from the land subject to the contract? Yes ☐ No ☒

A. If so and it was shipped, give quantity, value, and name and address of purchaser.

Purchaser *(name and address)*	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity *(tons)*	Estimated Grade	Location
Ore			
Concentrates			
Other			

3. Since workings *(see* , has any production been transported through *of contract)*? Yes ☐ No ☐

If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name Jack L. Lamberson Jack L. Lamberson	*Title* President Scoggins Petroleum Corporation
Address 421 Meadows Building Dallas, Texas 75206	*Date* April 14, 1975

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
Spokane, Wash., 99201

May 14, 1974

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: Annual royalty inspection
OME-6308 (gold-silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

The Ruby mine appeared abandoned when I visited it on Friday, May 10, 1974. A chain blocked entrance to the mine road and a small lot of ore, previously reported, remains in the ore bin.

There are no unpaid royalties due to the Government from production at the Ruby mine. The Government's lien on future production extends until January 31, 1977.

Willard P. Puffett

Willard P. Puffett

United States Department of the Interior

GEOLOGICAL SURVEY
~~WASHINGTON, D.C. 20242~~
RESTON, VIRGINIA 22092

IN REPLY REFER TO: Office of Minerals Exploration

January 29, 1974

Re: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

Mr. Stanley L. Perkins
President
Ruby Exploration Co.
A-125 Petroleum Center
San Antonio, Texas 78209

Dear Mr. Perkins:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo, Chief
Office of Minerals Exploration
U.S. Geological Survey
National Center, Mail Stop 920
12201 Sunrise Valley Drive
Reston, Virginia 22092

For your records.
Letter cc record sec.

Thanks - can you comply?
Bob

Form MME 63
(May 1970)

REQUEST FOR INFORMATION ON CERTIFIED PROJECT OR PROJECT UNDER ROYALTY AGREEMENT

1. Since February 15, 1973, has there been a change in ownership, lease, or sublease? *If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before.* Yes ☐ No ☒

Is the lease and operating agreement on the mining properties in Montana still in effect? If not, please explain Yes ☒ No ☐

2. Since February 15, 1973, has there been any production from the land subject to the contract? Yes ☐ No ☒

A. If so and it was shipped, give quantity, value, and name and address of purchaser.

Purchaser *(name and address)*	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity *(tons)*	Estimated Grade	Location
Ore			
Concentrates			
Other			

3. Since workings *(see of contract)*? has any production been transported through Yes ☐ No ☒

If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name	Title
M C Bullman	director
Address	**Date**
Please note change of address c/o Scoggins Petroleum Corp. Noel Page Bldg. 6300 N. Central Expressway Dallas Tex. 75206	4/26/74

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
Spokane, Wash., 99201

OFFICIAL
COPY
O. M. E.
RECEIVED
JUN 28 1973
INITIALS CODE
Cie 120
HR 120

June 25, 1973

MEMORANDUM

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: Annual Royalty Inspection
OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

I visited the Ruby mine on Thursday morning, June 21, 1973. The property was deserted and there were no signs of recent mining activity. A few tons of ore remain in the ore bin and have been there since at least August 19, 1969.

The Government's lien on future mine production extends until January 21, 1977.

Willard P. Puffett
Willard P. Puffett

United States Department of the Interior

GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

IN REPLY REFER TO: Office of Minerals Exploration

January 31, 1973

AIRMAIL

Re: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

Mr. Stanley L. Perkins
President
Ruby Exploration Co.
A-125 Petroleum Center
San Antonio, Texas 78209

Dear Mr. Perkins:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

Copy to Region I

Form MME 63
(May 1970)

REQUEST FOR INFORMATION ON CERTIFIED PROJECT OR PROJECT UNDER ROYALTY AGREEMENT

1. Since May 8, 1972, has there been a change in ownership, lease, or sublease? *If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before.* Yes ☐ No ☒

Is the lease and operating agreement on the mining properties in Montana still in effect? If not, please explain. Yes /X/ No /__/

2. Since May 8, 1972, has there been any production from the land subject to the contract? Yes ☐ No ☒

A. If so and it was shipped, give quantity, value, and name and address of purchaser.

Purchaser (*name and address*)	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity (*tons*)	Estimated Grade	Location
Ore			
Concentrates			
Other			

3. Since workings (*see* [illegible] *of contract*)? has any production been transported through Yes ☐ No ☐

If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name Stanley L. Watkins	*Title* President
Address A-125 Petroleum Center San Antonio Tx. 78209	*Date* 15 Feb. 1973

United States Department of the Interior

GEOLOGICAL SURVEY

OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
Spokane, Wash., 99201

September 19, 1972

OFFICIAL COPY
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INITIALS	CODE
gla	130
HK	120
Rew	Weeks
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MEMORANDUM

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: Annual Royalty Inspection
OME-6308 (gold-silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

I visited the Ruby mine on Tuesday, Sept. 12, 1972, and found it to be deserted and in essentially the same condition as when I visited it last year on Sept. 15. The few tons of ore were still in the bin and the access road to the mine was blocked with a locked cable. There was no sign that any ore had been produced during the past year.

The Government's lien on future production from the mine extends until Jan. 21, 1977.

Willard P. Puffett

Willard P. Puffett

EAST UTAH MINING COMPANY
INCORPORATED 1922
721 FIRST SECURITY BUILDING
SALT LAKE CITY, UTAH 84111
TELEPHONE 363-1111
AREA CODE 801

DAVID H. CLEGG
CHAIRMAN OF THE BOARD

M. C. GODBE, III
PRESIDENT

May 8, 1972

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gla | 130
DHK | 120
220

Mr. Harold Kirkemo, Chief
Office of Minerals Exploration
United States Department of the Interior
Geological Survey
Washington, D. C. 20242

Re: OME-6308
Ruby Silver Mines, Inc.

Dear Mr. Kirkemo,

We enclose Form MME 63: Request for Information, which was forwarded to this office (the office of East Utah Mining Company) by Mr. John T. Mullany, of Butte, Montana, who is still a director of Ruby but not an officer. You will note that I am Vice President of Ruby Exploration Co., formerly Ruby Silver Mines, Inc., as well as President of East Utah.

On July 28, 1971 Ruby signed an agreement with Azul Petroleum, Inc., of Dallas, Texas, to purchase for cash and lettered investment stock of Ruby Azul's percentage interest in oil and gas leases in Texas and Louisiana on which were located three producing gas wells and one producing oil well.

On October 28, 1971 a special stockholders' meeting of Ruby was held at which the agreement with Azul was ratified, certain amendments to the Articles were adopted and the name changed to Ruby Exploration Co.

Ruby Exploration Co. is now being operated out of Texas. Its president is Mr. Stanley L. Perkins
A-125 Petroleum Center
San Antonio, Texas 78209

The lease on the mining properties in Montana is still held, as at the time of the OME loan, subject now to an operating agreement which will earn no percentage ownership in the properties. There has been no operation to date under this operating agreement, since access to the properties is not yet possible because of the weather. The operator has been informed of, and recognizes, the royalty obligation applicable to the property.

Sincerely,

M. C. Godbe, III, Vice Pres.
Ruby Exploration Co.

copy to R-I
with 63

United States Department of the Interior

GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

IN REPLY REFER TO: Office of Minerals Exploration

May 3, 1972

Mr. John T. Mullany
Vice President
Ruby Silver Mines, Inc.
101 West Granite Street
Butte, Montana 59701

Re: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

Dear Mr. Mullany:

This refers to a similar request sent to you on January 31, 1972, which was not completed and returned.

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

Form MME 63
(May 1970)

REQUEST FOR INFORMATION ON CERTIFIED PROJECT OR PROJECT UNDER ROYALTY AGREEMENT

1. Since April 20, 1971, has there been a change in ownership, lease, or sublease? *If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before.* Yes ☐ No ☒

2. Since April 20, 1971, has there been any production from the land subject to the contract? Yes ☐ No ☒

A. If so and it was shipped, give quantity, value, and name and address of purchaser.

Purchaser *(name and address)*	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity *(tons)*	Estimated Grade	Location
Ore			
Concentrates			
Other			

3. Since April 20, 1971, has any production been transported through OME workings *(see* Annex I, pg. 3, *of contract)*? Yes ☐ No ☒

If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name M.C. Godbe, III	*Title* Vice President
Address 721 First Security Bldg Salt Lake City, Utah 84111	*Date* 5/8/72

United States Department of the Interior

GEOLOGICAL SURVEY

OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
Spokane, Wash., 99201

September 21, 1971

MEMORANDUM

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: Annual royalty inspection
OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

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Jla 130
HR ~~120~~
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The Ruby mine was deserted when I visited it on Wednesday, Sept. 15, 1971. The few tons of sulfide-rich ore about which I reported on Aug. 19, 1969, are still in the ore bin. All buildings are locked and the road to the mine is blocked by a locked cable. There does not appear to have been any production during the past year.

The Government's lien on production from the mine extends until Jan. 31 1977.

Willard P Puffett

Willard P. Puffett

cc: Director

7

OFFICIAL FILE COPY

Date	Surname	Code
5/5/71		120
		220

AIRMAIL

MAY 5 1971

Mr. John T. Mullany
Vice President
Ruby Silver Mines, Inc.
101 West Granite Street
Butte, Montana 59701

Re: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

Dear Mr. Mullany:

Thank you for your reply to our letter of April 1, 1971, and the copies of pertinent documents affecting the status of the property.

We have a copy of the Agreement dated September 6, 1966, between Ruby Silver Mines, Inc., and The Anaconda Company. In view of the Notice of Termination of that agreement effective November 15, 1970, we consider the agreement as being no longer valid or in force.

The Government's interest in royalty on production from the property continues to be protected by the Lien and Subordination Agreements signed by Frank and Mary Benich, Phillip and Jane Kountz, and by the First National Bank of Butte, and by the letter agreement executed December 27, 1963, by David H. Clegg on behalf of New Park Mining Company and East Utah Mining Company.

Sincerely yours,

Harold Kirkemo gla

Harold Kirkemo
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Mineral Resources
OME File
OME Reading File
OME Region I w/3 enclosures
Mr. Kirkemo
130

HKirkemo/gla 5-5-71

United States Department of the Interior

GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

IN REPLY REFER TO: Office of Minerals Exploration

April 1, 1971

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INITIALS	CODE
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	120
	220

Mr. John T. Mullany
Vice President
Ruby Silver Mines, Inc.
101 West Granite Street
Butte, Montana 59701

Re: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

Dear Mr. Mullany:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

Copy Form 63, Notice of Termination, and Reinstatement + Renewal of Lease + Option to R-I

Form MME 63
(May 1970)

REQUEST FOR INFORMATION ON CERTIFIED PROJECT OR PROJECT UNDER ROYALTY AGREEMENT

1. Since February 2, 1970 has there been a change in ownership, lease, or sublease? *If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before.* Yes [X] No [ ]

Notice of Termination of lease with the Anaconda Company of September 6, 1966.
Reinstatement and Renewal of Lease and Option with First National Bank of February 19, 1971.
If copy of Agreement of September 6, 1966, with Anaconda Company has not been previously submitted, please advise.

2. Since February 2, 1970, has there been any production from the land subject to the contract? Yes [ ] No [X]

A. If so and it was shipped, give quantity, value, and name and address of purchaser.

Purchaser (*name and address*)	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity (*tons*)	Estimated Grade	Location
Ore			
Concentrates			
Other			

3. Since February 2, 1970, has any production been transported through OME workings (*see* Annex I, pg. 3, *of contract*)? Yes [ ] No [XX]

If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by: Ruby Silver Mines, Inc.

Name John T. Mullany

Title Vice-President

Address 101 W. Granite Street
Butte, Montana 59701

Date April 20, 1971

THE ANACONDA COMPANY
600 HENNESSY BUILDING
P. O. BOX ~~1321~~ 689, BUTTE, MONTANA 59701

LEGAL DEPARTMENT

November 10, 1970

Mr. David H. Clegg
c/o Ruby Silver Mines, Inc.
863 First Security Building
Salt Lake City, Utah 84111

Dear Sir:

NOTICE OF TERMINATION

Please be advised that The Anaconda Company is terminating and by means of this letter does hereby terminate, as of November 15, 1970, that certain Agreement entered into on September 6, 1966, between Ruby Silver Mines, Inc., as Lessor and The Anaconda Company, as Lessee, a copy of which Agreement is attached hereto.

Yours very truly,

Douglas D. Dasinger

Douglas D. Dasinger
Counsel

DDD:ph
Enc.
cc - Mr. Charles C. Goddard, Jr.

REINSTATEMENT AND RENEWAL OF LEASE AND OPTION

This Agreement, entered into this 19th day of February, 1971, by and between the First National Bank, a national banking corporation, of Butte, Montana, the Lessor, and Ruby Silver Mines, Inc., a Nevada corporation, having a place of business at 101 West Granite Street, Butte, Montana, the Lessee,

W I T N E S S E T H:

1. THAT, WHEREAS, on January 30, 1960, the Lessor duly executed a lease and option to Frank Benich, of Butte, Montana, for a period of five years from February 1, 1960 to January 31, 1965, renewable at the option of the said lessee for an additional period of five years as therein provided, of all Lessor's right, title and interest in and to that certain patented mining property in Sections 2, 11 and 12, Township 5 North of Range 7 West of the Montana Meridian, in Jefferson County, Montana, described as follows, to-wit:

> The Ruby, Columbia and Millsite Lode Mining Claims, Mineral Surveys Nos. 2286, 3238 and 5200, and Ruby Millsite, Survey No. 2286B;
>
> Together with any and all water, water rights, ditches and ditch rights appurtenant to said lode mining claims or any part thereof, owned or used in connection therewith, and the right to use the same, together with all buildings and other improvements now on said property or owned or used by Lessor in connection therewith, and any and all ore dumps and tailing dumps situated on said property, together with all and singular tenements, hereditaments and appurtenances belonging or in any wise appertaining to said property; and

2. WHEREAS, on June 20, 1960, the said Frank Benich, with the consent of the Lessor as therein provided, assigned the said lease and option to Butte Gold Mines Inc., a Nevada corporation, the name of which has since been changed to Ruby Silver Mines, Inc.; and

3. WHEREAS, the said Ruby Silver Mines, Inc., the Lessee therein and herein, duly exercised its option to extend the said lease and option for a further period of five years from February 1, 1965 to January 31, 1970; and

4. WHEREAS, on August 26, 1966, the said lease and option was amended to provide for options for two further successive extensions

thereof for periods of five years each after January 31,1970; and

5. WHEREAS, on October 3,1966, Ruby Silver Mines, Inc., with the Lessor's consent, as therein provided, assigned the said lease and option to The Anaconda Company, a Montana corporation; and

6. WHEREAS, on January 12, 1970, The Anaconda Company duly exercised its option of renewal thereof for a further period of five years expiring on January 31, 1975; and

7. WHEREAS, on November 10, 1970, The Anaconda Company exercised its right to terminate the said lease and option, and all its right, title and interest in said mining property thereunder, as of December 15, 1970, and therewith paid to Lessor the sum of $4,383.75, being the unpaid portion of the minimum royalty for the expired part of the lease year ending on January 31, 1971.

NOW, THEREFORE, in consideration of payment by the Lessee of $616.25, being the balance of the unpaid minimum royalty for the said lease year ending on January 31, 1971, the receipt of which is hereby acknowledged, and the Lessee's agreement to pay all taxes hereafter accruing upon the said mining claims and millsite, commencing with the taxes to become due on or before May 31, 1971, the Lessor, as of December 15, 1970, hereby reinstates and renews to the Lessee the said lease and option, as heretofore so amended and extended, for the period ending on January 31, 1975, subject to all the terms thereof, including the said option of renewal for a further period of five years from and after said last named date.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

ATTEST: R. E. McClellan
Cashier

First National Bank, a national banking corporation, Lessor

by [signature]
President

ATTEST: [signature]
Secretary

Ruby Silver Mines, Inc., a Nevada corporation, Lessee

by John T. Mullaney
Vice President

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
W. 920 Riverside Ave.
Spokane, Wash. 99201

September 3, 1970

OFFICIAL COPY
O. M. E.
RECEIVED
SEP 8 1970

INITIALS	CODE
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gla	130
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Memorandum

To : Chief, OME

From : Field Officer, Region I

Subject: Royalty inspection
OME 6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

I visited the Ruby mine on Friday morning, August 28, 1970, and found it to be deserted with no evidence of recent mining activity. A carpenter repairing a nearby cabin told me that all underground work had ceased in November 1969. Mr. John T. Mullany, Vice President, Ruby Silver Mines, Inc., had visited the mine recently and had told the carpenter that the company did not have funds available to do any underground work this summer.

The few tons of sulfide-rich ore mentioned in my report of August 19, 1970, are still in the ore bin near the portal of the OME adit.

The Government's lien on production from the mine extends until January 31, 1977.

Willard P. Puffett
Willard P. Puffett

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Office of Minerals Exploration
656 U. S. Court House
W. 920 Riverside Avenue
Spokane, Wash. 99201

OFFICIAL COPY
O. M. E.
RECEIVED
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February 12, 1970

Memorandum

To : Chief, Office of Minerals Exploration

From : Field Officer, OME, Region I

Subject: Summary final report

OME 6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

INTRODUCTION

This report summarizes an OME contract to explore for gold-silver ores in dacite below old known ore shoots at the Ruby mine, Jefferson County, Montana. The Contract, No. 2182, dated January 31, 1964, was for a total of $132,800.00 of which the Government would contribute 50 percent or $64,400.00. The Contract, amended three times, was completed in August 1967. Work completed under the Contract included 2,838 feet of crosscutting and drifting, 300 feet of timbering, 4,307 cubic feet of slabbing, 180 hours of bulldozing, and 27 assays. Total cost of the completed work was $117,880.00 of which the Government contributed $58,940.00. There was no Certification of Possible Production. However, pursuant to Article 6 of the Contract, and paragraph 3(d) of Amendment No. 2, royalties shall be paid to the Government as provided in the contract on all production from the land described in the Contract, and on all production transported through workings to the cost of which the Government contributed, in accordance with the special "Agreement Concerning Royalty" of Annex I of the Contract, from January 31, 1964, to January 31, 1977, or until the sum of $58,940.00 is fully repaid with interest at the rate of $6\frac{1}{2}$ percent per annum, whichever occurs first. Production up to October 1969, was 179.484 tons of crude ore from which $182.62 in royalties was paid to OME.

FINAL FIELD RPT.

OPERATOR

Ruby Silver Mines, Inc., a Nevada Corporation
863 First Security Building
Salt Lake City, Utah 84111

Officers of the corporation included the following:
David H. Clegg, President
Carl D. Harper, Vice-President
Marjorie B. Thompson, Secretary-Treasurer

Correspondence with the corporation in 1969 revealed that the Vice-President was John T. Mullany, 101 Granite Street, Butte, Montana 59701

Affiliated companies:
New Park Mining Company
863 First Security Building
Salt Lake City, Utah 84111
Owns 39.78 percent of the capital stock issued and outstanding of Ruby Silver Mines, Inc., represented by ownership of 413,806 shares.

East Utah Mining Company
863 First Security Building
Salt Lake City, Utah 84111
Owns 39.78 percent of the capital stock issued and outstanding of Ruby Silver Mines, Inc., represented by ownership of 413,806 shares.

PROPERTY

The property consists of 7 patented and 13 unpatented lode mining claims in secs. 2, 11, and 12, T. 5 N., R. 7 E., MM, Lowland Mining District (unorganized), Jefferson County, Montana (fig. 1).

Recording data for the patented claims are as follows:

Claim	Survey No.
Ruby	2286A
Ruby Millsite	2286B
Columbia	3238
Millsite Lode	5200
Ruby Fraction	6206
Adelheid	5199
Havana	5230

The unpatented claims are recorded in the Jefferson County Courthouse, Boulder, Montana, as follows:

Claim	Book	Page
Triplet	50	179
Triplet No. 2	50	181
Lowland	50	183
Lowland No. 2	50	185
Lowland No. 3	50	387
Lowland No. 4	50	389
Lowland No. 5	50	391
Ruby No. 2	50	187
Ruby No. 3	50	189
Ruby No. 4	50	385
June	50	177
June No. 2	50	381
June No. 3	50	383

The claims are on the hillslope east of Lowland Creek at altitudes between 6,100 and 7,000 feet.

The property can be reached from two directions. From Butte, Montana, drive northeasterly about 9 miles on U. S. Highway 91 to Trask, thence northwesterly on a light-duty road to Lowland Creek, and thence northerly along Lowland Creek. The total distance from Butte, Montana, is 20 miles. Another approach is west and southwest from Basin, Montana, along U. S. Highway 91 for 4.2 miles and turn west and drive 3.5 miles to the junction with the Lowland Creek road; drive southerly along Lowland Creek for 4.9 miles, thence east across the creek and up the slope to the portal of the 600 level. The distance from Basin, Montana, is 13 miles.

Old underground workings that existed prior to the OME work include a shaft that is 400 feet deep, an adit about 2,500 feet long which connects to the shaft 150 feet below the surface, and 4 other levels that were turned from the shaft. The longest levels are the 150 and the 300 levels. All workings were flooded below the 150 level. The only accessible workings were the first 510 feet of the 150 level and 385 feet of crosscut driven on the 600 level. The locations of the 150 and 600 levels are shown on Figures 1 and 2.

OWNERSHIP

The Ruby, Ruby Millsite, Columbia, and Millsite patented claims are owned by the First National Bank of Butte, Montana. Under a Lease and Option dated January 30, 1960, Frank Benich was granted rights to the claims. Lease and Option was assigned by Frank Benich and Mary Benich, his wife, on June 20, 1960, to Butte Gold Mines, Inc. (now Ruby Silver Mines, Inc.).

Ruby Silver Mines, Inc. had rights to the Havana and Adelheid patented claims under terms of a Lease and Option, dated December 30, 1960, granted by Phillip W. Kountz and Jane Kountz, husband and wife.

The unpatented claims were held by right of location by Ruby Silver Mines, Inc.

According to a memorandum from Harold Kirkemo, dated January 31, 1968, the Anaconda Company has leased the Ruby claims on and below the 600 level for continued exploration. If any ore is found and mined above the 600 level as a result of Anaconda's work, it would be taken out through the 600 level crosscut. In this case, payment of royalty appears to be secured by a special "Agreement Concerning Royalty" in Annex I of the contract.

PURPOSE OF PROJECT

The purpose of the project was to explore by driving a crosscut adit and drifting for gold-silver bearing ore bodies in fissure veins traversing a series of Tertiary dacite flows and breccias.

GEOLOGIC JUSTIFICATION

Known ore shoots at the Ruby mine have been found in northwesterly-trending fissures that dip steeply northwest or northeast. The country rock, light gray porphyritic dacite, locally is intensely brecciated. Three known ore shoots are the Ruby, Dowling, and Ray. The largest of these, the Ruby, is reported by Knopf (1913, p. 126) to have been 260 feet deep, 40 feet long, and 20 feet wide. A shaft was sunk on it from the surface to a depth of 400 feet; the ore terminated against a fault a few feet above the 300 foot level. About $600,000.00 worth of ore was mined from the Ruby between 1885 and 1911; the main value was in gold, and only 30 percent of the value was in silver. The other ore shoots were probably smaller than the Ruby, but the combined production from them is about the same as from the Ruby. Total production from the property was between $1,250,000.00 and $1,500,000.00. The ore consisted of angular fragments of dacite cemented by quartz, calcite, and adularia. Sulfides include pyrite and argentite; native silver was reported to be present locally (Knopf, 1913, p. 127). The value of the ore decreases with increase of size of the dacite fragments.

The Butte Gold Mines, Inc. (later reincorporated as the Ruby Silver Mines, Inc.) conducted a geological and geophysical program at the property, starting in 1960, to determine the position of the Ruby ore shoot that was offset along the fault near the 300 level. This work indicated to the Operators that the three known ore shoots are closely related, only their tops have been mined, and that a single ore body 1,000 to 1,800 feet long might be developed somewhere between the 600 foot and 1,000 foot levels. Extending the 600 level should intersect the projected Ruby ore shoot at 1,920 feet and the Dowling ore shoot at 2,520 feet.

CONTRACT

The Contract, No. 2182, dated January 31, 1964, required work to be completed within 18 months. The estimated costs of the original contract work were as follows:

Fixed unit costs

2,900 feet crosscutting and drifting at $38.00/ft	$110,200.00
300 feet timbering in crosscut and drift at $8.40/ft	2,520.00
29,000 cubic feet of slabbing at $0.50/ft	14,500.00
3,900 feet long hole drilling at $1.20/ft	4,680.00
360 samples assayed for gold and silver at $2.50/sample	900.00
Total estimated cost	$132,800.00
Government participation 50 percent	66,400.00

Description of the work

From the present face of the 600 level adit, continue the adit an estimated 1,920 feet along the same bearing to traverse the Ruby vein structure at the projected center of the Ruby ore shoot. From the crosscut adit, drift southeasterly to explore first the extent of the Ruby ore shoot and then the Dowling ore shoot. To reach the projected north end of the Dowling ore shoot from the adit crosscut will require an estimated 600 feet of drifting.

To further explore for additional ore in the Ruby and Dowling vein structures, and possibly traverse other parallel veins, stations shall be excavated at 75-foot centers into each wall of the drift. From these stations an estimated 26 long holes shall be percussion drilled to an average depth of not more than 150 feet.

Amendments

The contract was amended three times as follows:
Amendment No. 1, dated August 18, 1965, extended the time for completion of the contract from 18 to 24 months and extended the period for royalty payments from 10 to 11 years from the date of the contract.

Amendment No. 2, dated November 23, 1966, made the following changes:

1. Suspended work under the Contract from August 1, 1965, to not later than June 15, 1967.

2. Extended the time for completion of the Contract work from 24 to 48 months.

3. Extended the maximum period for royalty payments from 11 to 13 years.

4. Revised the purpose of the project to include surface trenching with a bulldozer no smaller than a Caterpillar D-8 equipped with ripper or equivalent unit of any other make. The trenching would include not more than 1,130 linear feet on the Ruby and Ruby Fraction claims and was to locate and expose the West, Ruby, and East veins. Drilling and blasting necessary to complete the trenches and to sample was to involve no more than 532 cubic yards of rock.

Under the heading Estimated Costs of the Work, Fixed Unit Costs, the following were added:

Mobilization and demobilization,	
One bulldozer with ripper	$ 75.00
Bulldozing, 180 hours at $29.00/hr	5,220.00
Drilling and blasting,	
532 cubic yards at $1.75/cubic yard	931.00

Funds for the fixed unit cost items were to be deducted from funds remaining in the Contract.

Amendment No. 3, dated June 26, 1967, revised Amendment No. 2 as follows:

1. Work was to be suspended beginning August 1, 1965, and ending not later than August 15, 1967.

2. The contract and all obligations of the parties thereunder, except as otherwise provided, were to be terminated effective January 31, 1966, if work has not been resumed on or before August 15, 1967.

PROJECT WORK

Work under the Contract started in June 1964. The starting point for the crosscut was 325 feet from the portal. The crosscut was extended on a heading of about S. 78° E. (fig. 2). Tuff and dacite breccia were the two types of rock exposed in the new work.

A zone of faulting was encountered 644 feet from the portal. The crosscut was extended into this zone for 13 feet when the walls began to slough. In spite of timbering, the ground was impossible to hold for there was a strong flow of water in the eastern part of the zone. A bypass to the north was extended about 65 feet, but once again the heading had to be abandoned because of wet runny ground. A new bypass to the south was finally successful in getting through the heavy ground. A total of 101 feet of crosscut had been wasted in getting through the area.

Sheared and mineralized rock was encountered in April 1965 at a point 2,317 feet in from the portal. This was on the hangingwall of a zone of shearing that is 80 feet thick and dips about 60° W. A sample, 4.6 feet wide across the mineralized zone, assayed a trace of gold, 5.2 ounces silver per ton, 12.4 percent lead, 1.1 percent copper, and 7.3 percent zinc. Grab samples from 10 carloads assayed about the same as the cut sample.

The crosscut was continued to the east and a zone of faulting at 2,785 feet was tentatively correlated with the Ruby fault. The crosscut was extended to 3,057 feet from the portal. Except for the base metal sulfides found at 2,317 feet from the portal, no mineralized vein was exposed in the crosscut. The crosscutting was completed in July 1965.

Contract work was recessed while the Operator decided how best to use the funds remaining in the Contract. During this time he was exploring the zone of sulfides at portal plus 2,317. He drove a raise for 90 feet where the ore terminated against a fault. Extensive exploration by drifting and drilling failed to locate the ore on the upper side of the fault. A winze was sunk 30 feet and the ore was followed about 20 feet to the north where the ore became too narrow to mine. This work produced four cars of ore that were shipped to the Anaconda smelter. The Operator then resumed drifting to the northeast along the strike of the mineralized zone on the 600 level. He reports that at one point the mineralized structure assayed 24 percent zinc with fair values in copper, lead, and zinc across 4 feet. The Operator did a total of 509 feet of drifting and crosscutting at his own expense (fig. 2) between September 1, 1965, and May 13, 1966. His geologists believed that the mineralized zone followed by this work was the downward extension of the Ruby ore shoot.

The Operator reported in March 1966 that results of intensive geological mapping indicated that faults that formerly had been considered pre-mineral were in fact, post-mineral. Hence, the ore shoots that formerly had been called the Ray, Dowling, and Ruby, were not three distinct and separate shoots but are, instead, segments of the same ore shoot, offset by post-mineral faults. It was concluded that another segment of the ore shoot exists on or above the middle or upper tunnel levels but that not enough prospecting had been done to search for it. Surface work was requested to find the additional segment of the Ruby ore shoot. Amendment No. 2 permitted this.

The surface work was done between July 18 and August 24, 1967. A total of 1,130 linear feet of trench was excavated; 620 feet was on the Ruby claim and 510 feet on the Ruby Fraction (fig. 1). All assay results were either negative or "diminished to negative with greater trench depth" (Operator's report).

The accepted units of work and their costs are as follows:

Items	Costs
Crosscutting and drifting, 2,838 feet at $38.00/ft	$107,844.00
Timbering, 300 feet at $8.40/ft	2,520.00
Slabbing, 4,307 cubic feet at $0.50/cu ft	2,153.50
Samples assayed, 27 at $2.50/sample	67.50
Mobilization and demobilization, One bulldozer with ripper	75.00
Bulldozing, 180 hours at $29.00/hr	5,220.00
Total cost of project	$117,880.00
Government participation at 50 percent	58,940.00

The chronological sequence of completed work is as follows:

Year	Month	Cross-cutting Feet	Timber-ing Feet	Slabbing cubic feet	Trench-ing Feet	Assays cost
1964	July	208.0	37.0			
	August	151.0	7.0	796.0		$10.00
	September	144.0	60.0	0.0		
	October	249.0	36.5	566.0		2.50
	November	261.5	6.0	456.0		
	December	230.0	0.0			
1965	January	269.0	0.0	340.0		5.00
	February	273.5	22.0	628.0		5.00
	March	261.0	0.0	304.0		15.00
	April	148.0	26.5	374.0		7.50
	May	196.0	24.0	377.0		5.00
	June	294.0	63.5	466.0		5.00
	July	153.0	17.5	0.0		12.50
1967	July and August				1,130	
		2,838.0	300.0	4,307.0	1,130	$67.50

The Government has no equity in any equipment or supplies at the property.

The completed work explored unsuccessfully on the surface for an offset segment of the Ruby vein and underground for the downward extension of the Ruby ore shoot. A vein structure underground that contains values in base metals might be the Ruby vein but if so, it is different in character than the Ruby vein near the surface.

REPORTS

The Operator submitted an acceptable final report on January 25, 1968.

There were two Reports of Review prepared; one in November 1966 and one in February 1968.

There have been no Royalty Reviews.

PROJECT RESULTS

The completed work failed to find gold-silver ore on the 600 level. A vein containing important amounts of lead, zinc, and copper sulfides was found from which 179.484 tons of crude ore were shipped to the Anaconda Smelter. This vein might be the Ruby vein, but the correlation is not certain. The vein was followed upward from the level for 90 feet where it is cut off by a fault, and followed in a winze for about 30 feet where it became too narrow to mine.

Ore reserves indicated by the completed work must be confined to a block of ground that extends upward from the 600 level for 90 feet, downward from the level for 30 feet, and north and south from the 600 level crosscut a maximum of 500 feet. The Operator reports that the vein structure is 60 feet wide; however, the mineralized part of it is no more than 4 feet thick. Hence, assuming a vein averaging 4 feet thick in the above designated block of ground and assuming a tonnage factor of 12 cubic feet per ton, there is a total indicated ore reserve of 20,000 tons. The values to be assigned these reserves is difficult to determine for the drift was not systematically sampled. There are essentially no values in gold and silver, the combined lead-zinc content is not more than 5 percent and the copper content is about one percent. Under present conditions, it is doubtful that this kind of ore can be mined economically.

Further exploration underground is not warranted.

Certification of Possible Production

The Government did not issue a Certification of Possible Production. There is a special "Agreement Concerning Royalty" in Annex I of the contract that assures the Government that the Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, shall pay to the Government royalties as set forth in the Contract regardless of whether a Certification of Possible Production is issued. The New Park Mining Company and the East Utah Mining Company, in a letter of December 27, 1963, guaranteed the Government's royalty payments under the Contract.

PRODUCTION

Four truck loads of crude ore were shipped to the Anaconda Smelter in November 1965. Settlement assays of the shipment were as follows:

0.0020 ounces gold and 4.30 ounces silver per ton, 5.19 percent zinc, 7.6 percent lead, 1.31 percent copper, 64.4 percent insoluble, and 5.0 percent iron. Net weight was 358.969 pounds or 179.484 tons. Net smelter returns were $3,652.36. There are no other known ore sales from the property since the start of the OME Contract. About 5 tons of ore with an estimated value of $20.00 per ton are in the ore bin near the portal of the 600 level.

ROYALTIES

Total royalties paid are $182.62.

SUMMARY

The completed work failed to find downward extensions of gold-silver-bearing structures that could be mined. It is now doubtful if the Ruby vein extends to the level of the 600 crosscut adit. The work was well supervised and the narrative reports with maps were adequate. Government participation in further exploration at the property is not warranted unless new evidence is found.

REFERENCE CITED

Knopf, Adolph, 1913, Ore deposits of the Helena mining region, Montana: U. S. Geol. Survey Bull. 527, 143 p.

Enclosures

Willard P. Puffett

Willard P. Puffett

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
1/70		120
		220

FEB 11 1970

AIRMAIL

Mr. John T. Mullany
Vice President
Ruby Silver Mines, Inc.
101 West Granite Street
Butte, Montana 59701

Re: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

Dear Mr. Mullany:

Thank you for the prompt reply to our letter of January 30, 1970, requesting to be informed about the status of the subject property and production therefrom.

We note in this reply and in the reply dated February 11, 1969, to a similar request that 5 tons of ore with an estimated net value of $20.00 per ton is stockpiled and awaiting sale.

This is a reminder to refer you to the provisions of Article 6(d) Unsold Production in the subject contract. While the Government could require that royalty be paid on this ore, we will not ask for payment at this time pending additional production sufficient to warrant a truckload or carload shipment. However, if you do not intend to accumulate enough ore to make up a shipment, we would appreciate being so notified and, in that event, we would expect royalty to be paid on the value as determined by assay of a representative sample of the 5-ton stockpile.

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 I w/cy Form 63 completed 2/2/70
Mr. Kirkemo

130
HKirkemo/gla 2-11-70

IN REPLY REFER TO:
Office of Minerals Exploration

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

AIRMAIL

January 30, 1970

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Mr. John T. Mullany
Vice President
Ruby Silver Mines, Inc.
101 West Granite Street
Butte, Montana 59701

Re: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

Dear Mr. Mullany:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

Copy to P-I

MME Form 63
Revised 7-65

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since February 11, 1969, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes [ ] No [X]

2. Since February 11, 1969, has there been any production from the land subject to the contract? Yes [ ] No [X]

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore	5	Tons	$20.00/Ton (net)	Ore bin at Ruby Mine Lowlands, N of Butte, Mont
Concentrates		Tons		
Other		Tons		

3. Since February 11, 1969, has any production been transported throughOME workings (see Annex I, pg. 3 of contract)? Yes [ ] No [X]

   If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name John T. Mullany Title V. Pres.

Address 101 W. Granite, Butte, Montana 59701 Date Feb 2, 1970

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
U.S. Court House, Rm. 656
West 920 Riverside Avenue
Spokane, Washington 99201
August 19, 1969

OFFICIAL COPY
O. M. E.
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AUG 21 1969
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HR | 120
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Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, OME, Region I

Subject: Royalty Inspection
OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

I visited the Ruby mine on Tuesday afternoon, August 12, 1969, to learn if there has been recent production. According to the "Agreement Concerning Royalty" of Annex I of the contract, the royalty period on production from the mine extends to January 31, 1977, or until the total amount of Government participation with interest at 6-1/4 percent per annum is paid.

Two miners were working at the property. I did not enter the mine but learned from them that they were driving a crosscut and following some kind of a "slip." The broken rock they were tramming to the dump was not ore. A few tons of sulfide-rich rock were in the ore bin and probably are the 5 tons listed on MME Form 63, signed by Mr. John T. Mullany, vice-president of Ruby Silver Mines, Inc., on February 11, 1969. There were no recently made truck tracks leading to the ore bin and the general appearance of the area suggests that no ore has been hauled away for at least several months.

The two miners, Messrs. Walter Kennerly and Terry Snowberger, had been working at the mine for 3 to 4 weeks and had been hired in Butte, Montana, by Mr. Mullany. They did not know of any recent ore shipments from the mine.

Willard P. Puffett

Willard P. Puffett

Distribution:
OME(Orig.&1)
Docket
CPF

IN REPLY REFER TO:
Office of Minerals Exploration

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

January 31, 1969

Ruby Silver Mines, Inc.
863 First Security Building
Salt Lake City, Utah 84111

Re: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

Gentlemen:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

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Copy to R-I 2/13/69

MME Form 63
Revised 7-65

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since November 25, 1966, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes [ ] No [X]

2. Since November 1965, has there been any production from the land subject to the contract? Yes [X] No [ ]

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore	5	Tons	$20.00/ton (Net)	Ore Bin at Ruby Mine Lowlands N. of Butte, Mont
Concentrates		Tons		
Other		Tons		

3. Since January 31, 1964, has any production been transported through workings (see Annex I, pg. 3, of contract)? Yes [X] No [ ]

   If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value
See 2 B		

Submitted by:

Name John T. Mullany Title V. Pres.

Address 101 W. Granite St.
Butte, Montana 59701 Date Feb. 11, 1969

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
7/2/68		110
		220

JUL 2 1968

AIRMAIL

Mr. Cecil A. Pogatchnik
Vice President
First National Bank
Butte, Montana 59701

Re: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

Dear Mr. Pogatchnik:

In response to your letter of June 27, 1968, we are enclosing a copy of the Lien or Subordination Agreement executed by representatives of your bank on September 13, 1963.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosure

cc: Director's Reading File
Economic Geology File
OME docket
OME Reading File
OME Region I w/cy incoming letter

FEJohnson/gla 7-2-68

FIRST NATIONAL Bank
Butte, Montana
Affiliated with NORTHWEST BANCORPORATION

June 27, 1968

OFFICIAL COPY
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Mr. Frank E. Johnson
Chief, Office of Minerals Exploration
United States Department of the Interior
Geological Survey
Washington, D. C. 20242

Re: OME-6308 (Gold Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

Dear Mr. Johnson:

We would appreciate it very much if you would send us a copy of the Lien and Subordination Agreement signed by this bank on September 13, 1963 as we are unable to find our copy at this time.

Yours very truly,

Cecil A. Pogatchnik
Vice President

CAP/dg

orm 7
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OFFICIAL FILE COPY

Date	Surname	Code
3/20/68	Kirkemo	120
		110
		220
		120M

March 20, 1968

Memorandum

To: Chief, Branch of Budget and Finance

From: Chief, Office of Minerals Exploration

Subject: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

Enclosed is a copy of a letter dated March 14, 1968, from the Field Officer, Region I, transmitting to the Operator a copy of the Report of Review issued in February 1968, together with a copy of said review, on the subject contract.

A satisfactory Operator's final report has been received; therefore, the $200.00 withheld from the Operator's July 18 - August 24, 1967, voucher may now be paid.

FRANK E. JOHNSON

Frank E. Johnson

cc: Director's Reading File
Division File
Economic Geology File
OME docket
OME Reading File
OME Region I
Mr. Kirkemo

GLAult/a 3-20-68

Ome
(2)

GEOLOGICAL SURVEY
U. S. Court House, Rm. 656
W. 920 Riverside Avenue
Spokane, Washington 99201
March 14, 1968

COPY
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Air Mail

Mr. David H. Clegg
President
Ruby Silver Mines, Inc.
863 First Security Building
Salt Lake City, Utah 84111

Re: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

Dear Mr. Clegg:

We are enclosing the Operator's copy of a Report of Review issued in February 1968 on the project costs under the subject contract. The $200.00 being withheld from your July 18 - August 24, 1967 voucher will be received by you in the near future.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

Enclosure

cc: OME(2)
Voucher File
Director's Reading File

MLSmelser/mls

Form 7
3)

OFFICIAL FILE COPY

Date	Surname	Code
3/12/68	Kirkemo	120
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3/12	CAC	220
		120M

AIRMAIL

MAR 12 1968

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

Enclosed are the Field Office's and Operator's copies of a Report of Review issued in February 1968 on the project costs under 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 have, 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.

Upon receipt of your concurrence, we will request the Branch of Budget and Finance to pay the $200.00 withheld from the Operator's July 18 - August 24, 1967, voucher.

FRANK E. JOHNSON

Frank E. Johnson

Enclosures

cc: Director's Reading File
Division File
Economic Geology File
OME docket
OME Reading File
Mr. Kirkemo
130

GLAult/a 3-12-68

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

FEB 21 3 00 PM 1968
OFFICE OF THE DIRECTOR

February 19, 1968

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Memorandum

To: Director, Geological Survey

From: Assistant Director, Contract and Grant Audit
Audit Operations, Office of Survey and Review

Subject: Review of Contract 2182
Docket No. OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc. (Operator)
Ruby Mine
Jefferson County, Montana

Pursuant to a request dated November 16, 1967, from the Chief, Office of Mineral Exploration (OME), we have made a cost review of Contract 2182, examining the contract and accounting records and files of OME and the Branch of Budget and Finance, Administrative Division, Geological Survey. Four copies of the report of review are attached.

Enclosures

Donald R. Mayer

MME FORM 6 REFERENCE SLIP
REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Mr. D. R. MacLaren, OME F.O., R-I Spokane, Washington		
2.		
3.		
4. (W. O. Copy)		
5.		
FROM: Grace Ault	2/1/68	

FOR: Check items for action desired

____ Action	____ Reply for signature of ____	
____ Approval	____ Investigate	____ Surname
____ Comment	____ Recommendations	____ Signature
____ Conference	____ Rewrite	____ File
____ Instructions	Your information	

REMARKS: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

After careful proofreading, Mr. Kirkemo signed the original of this memorandum "Harold Kirkem for D. R. MacLaren", and it has been retained in W.O. for action . Enclosed are 4 carbons for distribution by you, together with your draft.

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Chief OME	1/29/68	[illegible]
2. OME-6586 and 6308		
3. Silver Queen Ruby Silver Mines		
4 Coll 2243 2182		
5.		

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JAN 31 1968

FROM:

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FOR: Check items for action desired

____ Action ____ Reply for signature of
____ Approval ____ Investigate
____ Comment ____ Recommendations
____ Conference ____ Rewrite
____ Instructions ____ Your information

____ Surname
____ Signature
____ File

REMARKS:

For typing as discussed with Kirk 1/29/68 – Mary is going into the hospital for a few days in case of pneumonia, and in any case for better medical treatment

INT.-DUP. SEC., WASH., D.C. M56300-62

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
U. S. Geological Survey
U. S. Courthouse, Room 656
West 920 Riverside Avenue
Spokane, Washington 99201

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January 31, 1968

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, OME Region I

Subject: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

Work under the subject contract was completed August 29, 1967, and the termination date of January 31, 1968, has passed. The Operator's final (7/18/67 - 8/24/67) MME Forms 60 and 61 have been received and $200.00 has been withheld pending receipt of an acceptable Operator's final report, which was received January 26, 1968, copy enclosed. A Termination Agreement is in order and recommended.

Rec'd. 1/31 separately

A Report of Review is recommended when convenient. The number of units of work completed by the Operator and accepted by the Field Officer as conforming to contract specifications were:

Crosscutting and drifting	2,840.5 feet
Timbering in crosscut and drift	300.0 "
Slabbing	4,307.0 cu. feet
Samples assayed for gold and silver	27 samples
Mobilization and demobilization, bulldozer	1 job
Bulldozing	180 hours

At a distance of 1,996.5 feet from the start of the OME work, exclusive of 65 feet driven in left bypass and 33 feet in original crosscut beyond right bypass, a fault zone about 10 feet wide striking N. 35° E. and dipping 58° NW. was cut by the 600 level crosscut. The footwall is clay gouge up to 3 feet thick overlain by a crushed and sheared zone up to 5 feet wide and a hanging wall of quartz up to 2 feet wide. At his own expense, the Operator turned a drift southerly from the crosscut and intersected the same structure. He took three samples from the structure which assayed:

Width (feet)	Ounces/Ton Au	Ag	Percent Pb	Cu	Zn
6.5	Tr	5.6	16.2	1.2	3.1
6.0	Tr	2.4	4.2	0.7	4.1
4.6	Tr	5.2	12.4	1.1	7.3

A trial shipment of about 179 tons of this material was shipped to the Anaconda Sampler. Settlement, on which royalty in the amount of $182.62 has been paid, was based on:

Ounces/tons Au	Ag	Pb	Percent Cu	Zn
0.002	4.30	7.6	1.31	5.19

Further development in this area at the Operator's expense pretty well proved that this is a drag ore of somewhat limited tonnage. However, its find and character induced the Anaconda Company to lease the Ruby claims on and below the 600 level for continued exploration. If any ore is found and mined above the 600 level as a result of Anaconda's work, it would be taken out through the 600 level crosscut. In this case, payment of royalty appears to be secured by a special "Agreement Concerning Royalty" in Annex I of the contract. However, should a discovery of considerable size result, a working shaft or shafts might be put down and the 600 level abandoned as an ore pass. The time required for large-scale exploration and development would probably be in the order of 5 years, so that such production could begin 6 years before the end of the royalty period. These considerations might warrant issuance of a Certificate of Discovery, even though the actual discovery resulting from the contract is too small to warrant it.

/No

when RA

Harold Skrdlemo

for D. R. MacLaren

REFERENCE SLIP

OFFICE OF MINERALS EXPLORATION

	DATE	INITIALS
f OME	1/29/68	[illegible]
OME-6308 (Gold-Silver		
Ruby Mines Inc.		
Ruby Mine		
Jefferson County, Montana		
Contract 2182		
5.		
FROM:		

FOR: Check items for action desired

____	Action	____	Reply for signature of ____		
X	Approval	____	Investigate	____	Surname
____	Comment	____	Recommendations	____	Signature
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REMARKS: Forwarding acceptable Operator's Final Report

INT.-DUP. SEC., WASH., D.C. M56300-62

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January 25, 1968

Office of Minerals Exploration
U. S. Court House, Room 656
W. 920 Riverside Avenue
Spokane, Washington 99201
Attention: Mr. D. R. MacLaren, Field Officer, OME, Region I

Re: OME 6308, Ruby Mine; Contract 2182
Final Report

Gentlemen,

The original operators of the Ruby mine drove the so-called Lowland tunnel about 300 feet from the portal on the 600-foot level and abandoned it in 1924. Under the current OME contract, in mid 1964 work was begun on an extension of this tunnel which was subsequently driven a total distance from portal of 3,067 feet.

The only mineralization of any significance encountered at the Ruby mine during the entire OME program was that reported by the then superintendent, Mr. Wittmeyer, in a progress report dated May 6, 1965 which covered the period from April 1 - April 15, 1965. He reported the intersection of a vein at portal plus 2,337.5 feet carrying high-grade values in silver, lead, copper and zinc.

Subsequent drifting, raising and sinking proved the ore to be a very small shoot within the structure. A slusher drift driven north and south on the ore proved the shoot to have a strike length of only 25 feet. The ore pinched out in both headings but the structure persisted.

A raise was driven 90 feet but the oreshoot was cut off at 60 feet by a fault striking N70°W and dipping 43° southwest. (See enclosed copy of original notes: Raise above Exploration XC.) The ore remained fairly constant in vertical extent to the fault but, like the sill, pinched out in both ends of the raise with the structure persisting. A shaft was sunk 30 feet on the oreshoot but had to be abandoned because of extremely high costs due to the fact that the ore raked sharply to the north and there was a high influx of water.

Between July, 1965 and October, 1965 the 600-foot level crosscut (Lowland tunnel) at the Ruby mine was advanced five feet to portal plus 3,067 feet, the present total. At the breast, a very fine-grained, near fresh rock was encountered

Operator's Final Report

which looks megascopically like quartz porphyry. A breast sample assayed 0.0005 Au and 0.01 Ag.

From September 1, 1965 through May 13, 1966, two crosscuts and a drift were advanced an aggregate of 509 feet. No. 1 crosscut was started from the main 600-foot level crosscut at Station 38 plus 115 feet and driven 89 feet N58°E. No. 2 crosscut was started from No. 1 crosscut at 55 feet northeast of the main 600-foot level crosscut and advanced 30 feet N23°E, then 53 feet N67°E for a total of 83 feet. No. 3 drift was started from No. 2 crosscut at 65 feet northeast of No. 1 crosscut and advanced 337 feet approximately N30°W along a shear zone with very weak to locally weak mineralization. Cut samples showed weak gold, silver, lead and copper values from 245 feet to 265 feet with higher zinc values. Geology and sample values for the drift and two crosscuts are shown on sheets No. 2, 3, 4, 5 and 6 of the enclosed copies of the original geological notes.

All the above-described work from September, 1965 through May 16, 1966 was done at the expense of Ruby Silver Mines, Inc. with no reference to OME 6308, Contract 2182.

From July 18 through August 24, 1967, in accordance with Exploration Contract 2182 as amended effective 1/31/66 and 6/26/67 Ruby Silver Mines, Inc. placed 620 feet of bulldozer trench on the Ruby claim and 510 feet on the Ruby Fraction claim for an aggregate of 1,130 linear feet. All assay results were either negative or diminished to negative with greater trench depth. For trench locations, geology and assay results, see attached geological map and sample overlay map. Also attached are copies of the Operator's Monthly Voucher and Operator's Progress Report dated 7/18/67 - 8/24/67.

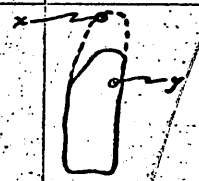
Yours very truly,

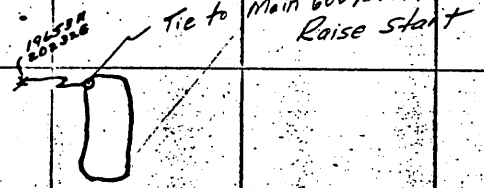
David H. Clegg

David H. Clegg, President
by

Marjorie B. Black

(Mrs.) Marjorie B. Black
Assistant Secretary-Treasurer


x
y


19639N
20932E
Tie to Main 600 level X-C.
Raise start

MME FORM 61
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of 7/18/67-8/24/67 Docket No. OME-6308

Operator's Name Ruby Silver Mines, Inc. Contract No. 14-23-090-2182

OPERATION	UNITS	FOR OPERATOR'S USE			FOR GOVERNMENT USE		
		UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting							
Crosscutting							
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous Mobilization & demobilization				75.00			
Roads and Trails							
Stripping							
Trenching	1.ft.	1,130	1,130	5,220.00			
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)*				5,295.00			

REMARKS

See Narrative Reports

(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 9-15-67 Operator Ruby Silver Mines, Inc.

Per /s/ David H. Clegg Title President

David H. Clegg

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)

MME FORM 60
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. OME 6308
Contract No. 14-23-090-2182

OPERATOR'S MONTHLY VOUCHER

For Month of 7/18/67-8/24/67

Contract Amount $6,226.00
Gov't. Participation %50 $3,113.00
Mineral(s) Gold & silver

Operator's Name Ruby Silver Mines, Inc.
Address 863 First Security Bldg., Salt Lake City, Utah 84111

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:						
Bulldozing Trenching	$5,295.		$5,295.			
Drifting						
Crosscutting						
Drilling						
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(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.						
TOTALS	$5,295.		$5,295.00			

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 9-15-67 *Payee Ruby Silver Mines, Inc.
By David H. Clegg
Per David H. Clegg 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:

$ _____

Signature _____
(Authorized Certifying Officer)

Date _____ Vou. No. _____

(SEE OTHER SIDE)

MME FORM 61
SEPT. 1959

COPY

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of 7/18/67-8/24/67 Docket No. OME 6308

Operator's Name Ruby Silver Mines, Inc. Contract No. 14-23-090- 2182

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.	0	2,838.	107,844.			
Raising							
Shafts							
Winzes							
Other Underground Timber	Ft.	0	300.	2,520.			
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous Slabbing	Cu.Ft.	0	4,307.	2,153.50			
Mobiliz.& Demobiliz				75.			
Roads and Trails							
Stripping							
Trenching Linear	Ft.	1,130	1,130.	5,220.			
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work				67.50			
TOTAL TO DATE *(per MME Form 60)*				117,880.			

REMARKS

Trenching for 1,130 linear feet represents 217½ hours of bulldozing at $24.00 per hour.

(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 10/30/67 Operator Ruby Silver Mines, Inc.

Per DAVID H. CLEGG 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

Title
Government Representative

Date

(INSTRUCTIONS ON REVERSE)

COPY

MME FORM 60
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. OME 6308
Contract No. 14-23-090-2182
Contract Amount $132,800.
Gov't. Participation %50 $ 66,400.
Mineral(s)

OPERATOR'S MONTHLY VOUCHER

For Month of 7/18/67-8/24/67

Operator's Name Ruby Silver Mines, Inc.
Address 863 First Security Bldg., Salt Lake City, Utah 84111

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:						
Bulldozing Trenching	5220.00	0	5,220.			
Drifting						
Crosscutting	0	107,844.	107,844.			
Drilling						
Timbering	0	2,520.	2,520.			
Slabbing	0	2,153.50	2,153.50			
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous: Mobiliz. & Demobilizing	75.00	0	75.00			
Repairs to Equipment						
Analytical Work	0	67.50	67.50			
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	5,295.	112,585.	117,880.			

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 10/30/67 *Payee Ruby Silver Mines, Inc.

Per DAVID H. CLEGG 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:

$

Signature
(Authorized Certifying Officer)

Date Vou. No.

(SEE OTHER SIDE)

GEOLOGICAL SURVEY
U. S. Court House, Rm. 656
W. 920 Riverside Avenue
Spokane, Washington 99201
December 6, 1967

AIRMAIL

Mr. David H. Clegg
President
Ruby Silver Mines, Inc.
863 First Security Building
Salt Lake City, Utah 84111

Re: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

Dear Mr. Clegg:

We have gone through our files and the enclosed Thermo-Fax copy of the July 1965 Progress Report dated August 11, 1965, is the report mentioned on the OME Form 61, Operator's Progress Report.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

Enclosure

DRMacLaren/mls
cc: OME w/cpy incoming

Director's Reading File

RUBY SILVER MINES, INC.
[illegible] FIRST SECURITY BUILDING
SALT LAKE CITY, UTAH 84111
TELEPHONE (801) [illegible]

DAVID H. CLEGG
PRESIDENT

REGIONAL OFFICE
BUTTE, MONTANA

December 5, 1967

Mr. D. R. MacLaren, Field Officer, OME, Region I
U. S. Courthouse, Room 656
W. 920 Riverside Avenue
Spokane, Washington 99201

Re: OME 6308, Ruby Mine; Contract 2182

Dear Don,

Upon my return from Spokane I found a letter from Frank Johnson (copy enclosed) according to my understanding of which (and in line with my conversation with you) it appears that Ruby must submit a final report covering the entire contract, not alone the performance of the work authorized under the last two amendments.

Unfortunately we have no copy of the final report on the crosscut submitted by Mr. Wittmeyer, at that time superintendent of the project. When he left our employment, some files were mislaid and have never been found. You sent us some time ago Mr. Wittmeyer's last monthly voucher and progress report sheet for July, 1965, dated August 11, 1965. The progress report sheet mentions a narrative report enclosed which we do not have.

We would much appreciate your providing us with a copy of the final report made by Mr. Wittmeyer. When this is received, we should be able to submit shortly a complete and acceptable final report on Contract 2182.

Best regards.

Sincerely,

David H. Clegg

DEC 5
U.M.
SPOKANE, WASH.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
11/29/67	[illegible]	120
		110
11/29	[illegible]	220
		120M

AIRMAIL

Mr. David H. Clegg
President
Ruby Silver Mines, Inc.
863 First Security Building
Salt Lake City, Utah 84111

NOV 30 1967

Re: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

Dear Mr. Clegg:

This is in reply to your letter dated November 22, 1967, to Mr. J. D. McAlister, Branch of Budget and Finance, U. S. Geological Survey, concerning Administrative Suspension Statement No. 83577. We recommended to the Branch of Budget and Finance that $200.00 be withheld from the payment on the voucher for the period July 18, 1967-August 24, 1967, in accordance with Article 5(c) of the contract, which states as follows:

> "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 unit costs thereof."

The narrative report submitted with the voucher for the period July 18, 1967-August 24, 1967, was not an acceptable summary report of work accomplished on this contract and, therefore, the disallowance of $200.00 was recommended. The report for the period would not have been satisfactory without the accompanying monthly voucher and progress report wherein costs were reported.

References may be made in your final report to maps previously submitted providing identifications are stated clearly.

23263

We will recommend payment of the amount presently withheld upon receipt of an acceptable final report. The Suspension Statement will be retained in our files in the meantime.

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 Reading File
Br. of Budget & Finance
OME Region I
Mr. Kirkemo

HKirkemo/gla 11-29-67

RUBY SILVER MINES, INC.
863 FIRST SECURITY BUILDING
SALT LAKE CITY, UTAH 84111
TELEPHONE (801) 363-1111

DAVID H. CLEGG
PRESIDENT

REGIONAL OFFICE
BUTTE, MONTANA

November 22, 1967

United States Department of the Interior
U. S. Geological Survey
Branch of Budget and Finance
Washington, D. C. 20242
Attention: Mr. J. D. McAlister

Re: Docket #6308, Contract #2182

Gentlemen,

We received today a U. S. Treasury check in the amount of $2,447.50 together with Administrative Suspension Statement #83577 (enclosed) indicating that $200.00 had been withheld "pending receipt of final report".

On October 30, 1967, we sent to the Office of Minerals Exploration in Spokane, attention Mr. D. R. MacLaren, our "Amended (Final) Second Narrative Report" with covering letter and corrected voucher for the period 7/18/67--8/24/67. Since the figures on that corrected voucher have been approved (on the enclosed Suspension Statement), we assume that our final narrative report was likewise approved and know of nothing further we can add in the way of a "final" report.

No additional work was authorized under our OME contract and all authorized work has been completed. Please be good enough to advise what, if any, additional information should be supplied in order that we may receive the $200.00 now being withheld.

Yours very truly,

David H. Clegg
President

cc: Mr. D. R. MacLaren, OME
Field Officer, Region I

83577

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: Ruby Silver Mines, Inc.
863 First Security Bldg.
Salt Lake City, Utah 84111

Amount Claimed:	Differences (Explained Below)	Amount Approved
$5,295.00	$200.00	$5,295.00 $2,647.50 Government Share - 200.00 Less $2,447.50
Bu. Voucher No.	Payee's Invoice No.	Period
	Docket # 6308 Contract # 2182	7/18/67 - 8/24/67

EXPLANATION

Witheld $200.00 pending receipt of final report $200.00

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

RUBY SILVER MINES, INC.
863 FIRST SECURITY BUILDING
SALT LAKE CITY, UTAH 84111

SALT LAKE CITY
PM
22 NOV
1967

ALWAYS USE
ZIP CODE
8¢
U.S. AIR MAIL

United States Department of the Interior
U. S. Geological Survey
Branch of Budget and Finance
Washington, D. C. 20242

Attention: Mr. J. D. McAlister

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
11/7/67	Kirkemo	120
		110
		220

NOV 7 1967

Memorandum

To: Chief, Branch of Budget and Finance

From: Chief, Office of Minerals Exploration

Subject: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

Enclosed are the original and two copies of the Operator's Monthly Voucher for the period July 18 - August 24, 1967. Please withhold $200.00 from payment of this voucher pending receipt of an acceptable Operator's Final Report.

FRANK E. JOHNSON (gla)
Frank E. Johnson

Enclosures

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
Mr. Kirkemo
OME - Region I

HKirkemo/bsl 11/7/67

23263

OME (2)

RUBY SILVER MINES, INC.
[illegible] FIRST SECURITY BUILDING
SALT LAKE CITY, UTAH [illegible]
TELEPHONE [illegible]

DAVID H. CLEGG
PRESIDENT

REGIONAL OFFICE
BUTTE, MONTANA

IN	E
gla	130
BR	120
BJ	110
HK	130

October 3[illegible]

Mr. D. F. Maclaren, OME
Field Officer, Region I
U. S. Court House, Room 656
W. 920 Riverside Avenue
Spokane, Washington 99201

Re: OME 6308, Contract 2182
Ruby Mine
Your letter, 10/23/67

Dear Don,

[illegible] your letter of the above date and using the same sub-numbering used by you:

1. The figures submitted for the period 7/18/67--8/24/67 covered only the work done under Amendments #2 and #3 and did not include the previous work. Corrected figures are submitted herewith.

   The price of the bulldozing for [illegible] linear feet, the total amount permitted us under Contract [illegible], was charged against the trenching for the period 7/18/67--8/24/67. Stripping beyond the 1,130 linear feet was done at our own expense. Under our contract we have reported 217½ hours of bulldozing at $24.00 per hour, as indicated under "Remarks" on the corrected Progress Report. An Amended Second Narrative Report is likewise submitted herewith.

Yours very truly,

/S/ David H. Clegg
David H. Clegg
President

GEOLOGICAL SURVEY
U. S. Court House, Rm. 656
W. 920 Riverside Avenue
Spokane, Washington 99201
October 23, 1967

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 25 1967

INITIALS	CODE
[illegible]	130
[illegible]	120
[illegible]	140
HK	120

AIRMAIL

Mr. David H. Clegg
President
Ruby Silver Mines, Inc.
863 First Security Building
Salt Lake City, Utah 84111

Re: OME-6308 (Gold-Silver)
Ruby Mine
Jefferson County, Montana
Contract 2182

Dear Mr. Clegg:

I returned from the field October 1, 1967, and on the 6th was told our office was to be moved to the new U. S. Court House on the 16th. As a result for about 10 days things were in a state of confusion what with packing, moving, unpacking, and getting sorted out.

I regret the delay and the necessary return of all copies of MME Forms 60 and 61 and your narrative report for corrections and additions as follows:

1. Entries for crosscut, timber, slabbing, and analytical work are omitted. As a result, your figures for "Totals to Date" are about $107,290.00 less than they were for July.

2. The units of work and unit price for bulldozing are in terms of hours and per hour, respectively. At the top of page 3 of Amendment No. 2, in item 2, is a statement to the effect that trenching shall not exceed 1,130 feet.

When I visited the property, it was impossible to check the amount of trenching that conforms to the specifications and intent of the contract because so much of the ground in the north area had been stripped. Was this done after Mr. Degner prepared his map? The Government cannot pay for dozer work other than that actually done in the trenches. You should make a statement in your narrative report clarifying this point and indicating how many hours of dozing were charged to each type of work.

A new set of MME Forms 60 and 61 are enclosed so you can make the additions and corrections indicated above. We will hold the maps pending receipt of the corrected forms and report.

Sincerely yours,

D. R. MacLaren, OME
Field Officer, Region I

Enclosures

DRMacLaren/mls
cc: OME(2) w/cpys incoming letr. 10/13/67.
Director's Reading File

RUBY SILVER MINES INC.

SALT LAKE CITY UTAH

REGIONAL OFFICE
BUTTE, MONTANA

October [illegible]

Mr. [illegible] Ma[illegible]are
[illegible] [illegible] Section 1
[illegible] Mineral Exploration
[illegible] Market
Spokane Washington 99204

Dear [illegible]

We [illegible] again but on my [illegible] this you reported to our substitute secretary and she left me a note--that you would contact me after October [illegible] with regard to the Ruby voucher after your visit to the Ruby property.

I have heard nothing further since then and am mentioning this only in case there is something we should be doing to expedite matters.

Best regards.

Sincerely,

/s/ David H. Clegg
David H. [illegible]

[illegible]
[illegible]

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO: Chief, OME	DATE 8/18/67	INITIALS
1.		
Re: OME-6308 (Gold-Silver) Ruby Silver Mines, Inc.		
2.		
Ruby Mine Jefferson County, Montana		
3.		
Contract 2182		
4.		
D. R. MacLaren		
5.		
FROM: Fld. Officer, Reg. I		

FOR: Check items for action desired

X Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS: Attached are Operator's Monthly Report; no vouchers included.

OFFICIAL
COPY
O. M. E.
RECEIVED
AUG 21 1967
INITIALS | CODE
cy to B & F

August 8, 1967

Mr. D. R. MacLaren, Field Officer OME Region I
Office of Minerals Exploration
So. 157 Howard Street
Spokane, Washington 99204

RE: OME 6308

Dear Don:

From July 18, 1967 thru August 8, 1967, both dates inclusive, Ruby Silver Mines, Inc., has, in accordance with Exploration Contract 2182 (OME - 6308) as amended effective January 31, 1966, caused to be placed on the Ruby claim an aggregate of 620 feet of trench.

One trench extends 250 feet in a northeasterly direction from a point approximately 1,100 feet north of the Ruby Fraction claim and 100 feet east of the west boundary of the Ruby claim. Two veins, one of which consists of two strands, and one vein segment were exposed in this trench. The vein segment assayed 0.02 oz. Au. and 12.2 oz. Ag. but proved to be small and discontinuous. The two other veins assayed Trace Au. and maximum 0.4 oz. Ag.

Four trenches, two on the west vein and two on the east vein consisting of two strands, each 50 feet long and aggregating 200 feet were place southeast of the original trench. Samples showed only Trace Au. and maximum 0.6 oz. Ag.

Three 50 foot trenches aggregating 150 feet were placed across the east vein consisting of two strands (these trenches exposed three strands). Assay results of the veins in these trenches are not yet available. These trenches are north of the original trench.

A 20 foot trench was placed across the west vein at a distance of 150 feet north of the original trench. Samples from the vein in this trench assayed 0.12 oz. Au. and 24.1 oz. Ag.

Approximate locations of trenches, as described, are showned in green on Figure 7 entitled "Map Showing Proposed Surface Exploration, Ruby Silver Mines, Inc., Jefferson County, Montana", which is attached hereto and made part hereof.

Geological mapping of the exploration areas is currently in progress. When the work is completed and the final report is submitted, a geological map and sample map will accompany it.

Yours very truly;

RUBY SILVER MINES, INC.

By Norman L. Degner

Norman L. Degner, Consultant
for
Ruby Silver Mines, Inc.

cc: Mr. David Clegg

RECEIVED
Via
AUG 18 1967
Airmail
Spec. Delivery

MME FORM 6 REFERENCE SLIP

REV. 2- OFFICE OF MINERALS EXPLORATION

TO:		DATE	INITIALS
1.	Chief, OME	6/30/67	
2.	Re: OME-6308 (Gold-Silver) Ruby Silver Mines, Inc. Ruby Mine		
3.	Jefferson County, Montana Contract 2182		
4.			
5.	D. R. MacLaren		
FROM:	Fld. Officer, Reg. I		

OFFICIAL COPY O. M. & S. RECEIVED JUL 3 1967

INITIALS CODE

gla 120 ML
Rel 110
ZLK 120
Surname
Signature
File

FOR: Check items for action desired

X Action ____ Reply for signature of
____ Approval ____ Investigate
____ Comment ____ Recommendations
____ Conference ____ Rewrite
____ Instructions ____ Your information

REMARKS: Transmittal of the Gov't. and Budget and Finance's copies of Amendment No. 3.

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
June 28, 1967

gla 130
gla 120 NW
gla 110
HK 130

AIRMAIL

Mr. David H. Clegg
President
Ruby Silver Mines, Inc.
863 First Security Building
Salt Lake City, Utah 84111

Re: OME-6308 (Gold-Silver)
Ruby Mine
Jefferson County, Montana
Contract 2182

Dear Mr. Clegg:

In accordance with your request of June 7, 1967, enclosed are the original and three copies of a proposed Amendment No. 3 (one page) to the subject contract signed by the Chief, Office of Minerals Exploration, for the Government.

If the proposed amendment is satisfactory to you, please sign all five copies, retain the Operator's copy, and return the other copies to this office.

If the amendment is not satisfactory, please return all copies unsigned to this office with a statement of your proposed changes for consideration.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

Enclosures

MLSmelser/mls

cc: OME

Director's Reading File

RUBY SILVER MINES, INC.
[illegible] FIRST SECURITY BUILDING
SALT LAKE CITY UTAH [illegible]
TELEPHONE [illegible]

DAVID H. CLEGG
PRESIDENT

REGIONAL OFFICE
[illegible] NO. EXCELSIOR AVE.
[illegible] MONTANA [illegible]
TELEPHONE (406) [illegible]

June 26, [illegible]

Office of Mineral Exploration
[illegible]
[illegible]
Attention: [illegible] A. McLaren, [illegible]

Re. [illegible]
[illegible] Mines, Inc.
[illegible]

Gentlemen:

[illegible] reply to our [illegible]

[illegible] extension as [illegible] as [illegible]

[illegible] rules and [illegible] we [illegible]

Y[illegible]

Very truly yours,

/S/ David H. Clegg

[illegible]

[illegible] Office of Mineral Exploration
Washington, D. C.

Mail

OFFICIAL
COPY
O. M. E.
RECEIVED
JUN 28 1967
INITIALS | DATE
rch | 120 M
JS | 110
HK | 120

June 26, 1967

Office of Minerals Exploration
So. 157 Howard Street
Spokane, Washington 99204
Attention: Mr. D. R. MacLaren, Field Officer Region I

Re: OME-6308
Ruby Silver Mines, Inc.
Contract #2182

Gentlemen,

We have not as yet had an acknowledgment of or reply to our letter of June 7, 1967, copy of which is enclosed.

We would appreciate your granting the requested extension as soon as possible in order that we can proceed as soon as weather conditions permit.

For your further information, the extremely heavy rains and snow have not abated and at the very least the six weeks' extension requested in our letter of June 7 is proving absolutely essential.

Your prompt reply will be much appreciated.

Yours very truly,

/s/ David H. Clegg

David H. Clegg
President

cc: Office of Minerals Exploration
Washington, D. C.

June 7, 1967

Office of Minerals Exploration
So. 157 Howard Street
Spokane, Washington 99204
Attention: Mr. D. R. MacLaren, Field Officer, Region I

Re: OME-6308
Ruby Silver Mines, Inc.
Contract #2182

Gentlemen,

In line with my phone conversation of yesterday from Butte, Montana, to Mr. MacLaren, I must advise that the most severe winter in Montana's history has made it impossible for us to commence our trenching program by June 15, 1967, as specified under our present OME contract (#2182) as amended. (Amendment #2.)

Equipment some eight to ten miles from our property which might have been available to us has been completely bogged down and is being moved tomorrow to another state where spring weather will permit constructive use of the equipment.

Physical inspection of our Ruby property indicates that it will be possibly three weeks or more before we can hope to break through the roads and make them passable for heavy equipment, especially the back roads leading to the top where our trenching program is scheduled.

The delay now throws us into the middle of a normal summer when available equipment will be even more difficult to come by. Fortunately I was able to obtain a commitment yesterday from The Anaconda Company whereby they will help us in obtaining equipment to meet the emergency. They agreed to assist in the rental of equipment for us and with their position of strength among equipment lessors in Montana, this arrangement will assure us of necessary equipment when the weather permits us to commence the program. Anaconda's sole requirement was that we give leeway of a week or two once we know that the area has dried out and the back roads have been worked over so as to permit passage.

We therefore ask for an extension of date for commencement of work for six (6) weeks: from June 15, 1967 to August 1, 1967. Three weeks, possibly four, will be necessary for the area to

dry out; one to two weeks will be required to rework the back roads and provide for the equipment to be on site. Yesterday there were three inches of fresh hail and sleet on the streets of Butte and several inches of fresh snow at the mine site.

Your cooperation on the above request will be much appreciated.

Yours very truly,

David H. Clegg
President

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
6/23/67	Kirkemo	120
		110
6/26	Kuyper	220
		110
		220

120M

JUN 28 1967

AIRMAIL

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

In reference to your memorandum of June 9, 1967, and the Operator's letter to you of June 7, enclosed are the original and three copies of a proposed Amendment No. 3 (one page) to the subject contract, signed for the Government. Also enclosed is an extra copy 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. Thereafter, please distribute the copies in the usual manner.

If 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
Division File
Economic Geology File
OME Docket
OME Reading File
Mr. Kirkemo
130

GLAult/a 6-23-67

23263

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. ~~Assoc. Sol.--MR, Rm. 6554 Through Room 6042~~		
2. Mr. ~~Kirkemo, Rm. 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:

3-19-67 H-65-2045.11

FROM SOLICITOR INTERIOR DEPT.

Jun 21, 1967 JUN 16 1967

FOR SIGNATURE SOLICITOR

RECEIVED

JUN 19 1967

Division of Mineral Resourc
and Genenral Legal Servic

INT.-DUP. SEC., WASH., D.C. M56300-62

DRAFT 6/15/67
HKirkemo/gla

To Legal 6/16

120 HK

~~110~~ FEJ

120M

EXPLORATION CONTRACT
RUBY SILVER MINES, INC.
OME-6308

AMENDMENT NO. 3

It is agreed this _____ day of _____, 1967, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and Ruby Silver Mines, Inc., hereinafter called the "Operator," that Exploration Contract 2182 (OME-6308), dated January 31, 1964, as amended, is further amended effective June 15, 1967, as follows:

In Amendment No. 2 to the contract,

1. Item 1(a) is revised to read as follows:

Work under the contract shall be suspended during the period beginning August 1, 1965, and ending not later than August 15, 1967.

2. Item 3(a) is revised to read as follows:

The contract and all obligations of the parties thereunder, except as hereinafter otherwise provided, shall be and are hereby terminated effective January 31, 1966, if the work has not been resumed on or before August 15, 1967

This amendment shall not be construed to change 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 a 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

RUBY SILVER MINES, INC.

By_____

Title_____

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
June 9, 1967

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 12 1967

INITIALS	CODE
glr	110 M
JKJ	110
	120

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

The enclosed copy of a letter from the subject Operator is self-explanatory. On my recent trip into Montana I did not get closer to the Ruby mine than the town of Boulder, but from the high water in all streams and several spates of rain encountered, I can well accept the Operator's description of the access road to the mine. I recall running into drifted snow and low boggy detours May 15, 1965, when I tried to get to the mine. Snow this year has been much later melting.

That the Operator would have more difficulty finding an unoccupied dozer than would Anaconda at this time of year is also probably true.

Therefore, it is recommended that the mandatory termination set forth in item 3(a) of Amendment No. 2 be waived and the requested recess extension be approved.

D. R. MacLaren

D. R. MacLaren

Enclosure (in duplicate)

June 7, 1967

Office of Minerals Exploration
So. 157 Howard Street
Spokane, Washington 99204
Attention: Mr. D. R. MacLaren, Field Officer, Region I

Re: OME-6308
Ruby Silver Mines, Inc.
Contract #2182

Gentlemen,

In line with my phone conversation of yesterday from Butte, Montana, to Mr. MacLaren, I must advise that the most severe winter in Montana's history has made it impossible for us to commence our trenching program by June 15, 1967, as specified under our present OME contract (#2182) as amended. (Amendment #2.)

Equipment some eight to ten miles from our property which might have been available to us has been completely bogged down and is being moved tomorrow to another state where spring weather will permit constructive use of the equipment.

Physical inspection of our Ruby property indicates that it will be possibly three weeks or more before we can hope to break through the roads and make them passable for heavy equipment, especially the back roads leading to the top where our trenching program is scheduled.

The delay now throws us into the middle of a normal summer when available equipment will be even more difficult to come by. Fortunately I was able to obtain a commitment yesterday from The Anaconda Company whereby they will help us in obtaining equipment to meet the emergency. They agreed to assist in the rental of equipment for us and with their position of strength among equipment lessors in Montana, this arrangement will assure us of necessary equipment when the weather permits us to commence the program. Anaconda's sole requirement was that we give leeway of a week or two once we know that the area has dried out and the back roads have been worked over so as to permit passage.

We therefore ask for an extension of date for commencement of work for six (6) weeks: from June 15, 1967 to August 1, 1967. Three weeks, possibly four, will be necessary for the area to

dry out; one to two weeks will be required to rework the back roads and provide for the equipment to be on site. Yesterday there were three inches of fresh hail and sleet on the streets of Butte and several inches of fresh snow at the mine site.

Your cooperation on the above request will be much appreciated.

Yours very truly,

/s/ David H. Clegg

David H. Clegg
President

RECEIVED
JUN 8 1967
Via Air Mail
SPOKANE, WASH.

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:		DATE	INITIALS
1.	Chief, OME	5/17/67	
2.	Re: OME-6308 (Gold-Silver) Ruby Silver Mines, Inc.		
3.	Ruby Mine Jefferson County, Montana		
4.	Contract 2182		
5.	D. R. MacLaren		
FROM:	Fld. Officer, Reg. I		

FOR: Check items for action desired

____ Action ____ Reply for signature of ____

____ Approval ____ Investigate

____ Comment ____ Recommendations

____ Conference ____ Rewrite

____ Instructions X Your information

Surname

Signature

OFFICIAL COPY

O. M. E.

RECEIVED

MAY 19 1967

INITIALS	CODE

REMARKS:

INT.-DUP. SEC., WASH., D.C. M56300-62

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER DENVER COLORADO 80225

May 16, 1967

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 19 1967

INITIALS	CODE
	12044
HB	
map HK	12044

Mr. D. R. MacLaren
Field Officer, OME, Region 1
So 157 Howard Street
Spokane, Washington 99204

Dear Don:

I came to with a start this morning to realize [illegible] Friday was history and the Ross Silver docket was still with me [illegible] 1 and 2, a map folder and the roll of maps are being sent [illegible] separate cover.

Both the maps and the docket material have been most helpful. My sincere thanks to you and to OME for their [illegible]

If I should get to the Coeur d'Alenes this field season I will certainly attempt to contact you. If and when such an expedition seems likely I will drop you a line.

Sincerely yours,

/s/ Brad

W. Bailey Myers, Geologist
Branch of Heavy Metals

RECEIVED
[illegible]

OME

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
March 14, 1967

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 16 1967

INITIALS	CODE
	120
	110
	120

AIRMAIL

Mr. B. W. Meyers
Heavy Metals Branch
U. S. Geological Survey
Denver Federal Center, Bldg. 25
Denver, Colorado 80225

Re: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

Dear Brad:

In accordance with our telephone conversation of March 14, 1967, we are sending you under separate cover Folders 1 and 2 of the entire docket material and another folder with most of the maps relative to the Ruby Silver project. The remaining maps are being sent in a mailing tube.

Were I to attempt to extract items that might be of interest to you, I could easily overlook something, and in addition, it would be an unnecessary chore to reassemble the file chronologically. In this way, you can go through the whole works, either noting or copying such material as you find of interest.

As I told you over the telephone, this is an active file, although for the time being in recess, so please get the material back to us as soon as possible.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

cc: Separate cover

DRMacLaren/mls
cc: OME
Director's Reading File

OME

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
February 15, 1967

OFFICIAL COPY
O. M. E.
RECEIVED
2 17 1967
INITIALS CODE
120 M
110
1208
for Kirk

AIRMAIL

Mr. David H. Clegg
President
Ruby Silver Mines, Inc.
863 First Security Building
Salt Lake City, Utah 84111

Re: OME-6308 (Gold-Silver)
Ruby Mine
Jefferson County, Montana
Contract 2182

Dear Mr. Clegg:

This acknowledges receipt of your letter of February 13, 1967. There never was any question regarding the September 6, 1966 agreement. The newspaper article in question suggested that possibly a subsequent agreement had been made.

Thank you for clarifying this matter for us and best of luck. Enclosed is a Thermo-Fax copy of the newspaper clipping referred to.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

Enclosure

DRMacLaren/mls

cc: OME w/cpy incoming

Director's Reading File

EAST UTAH MINING COMPANY
INCORPORATED
BOX [illegible]
SALT LAKE CITY, UTAH

TELEPHONE [illegible]
AREA CODE [illegible]

[illegible] the
[illegible]
[illegible] #
[illegible] 28,
[illegible]

[illegible] washing-
[illegible] conditions
[illegible] #2

/s/ Dave

[illegible] the article
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[illegible] places.

Via

air

Ome

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
February 10, 1967

OFFICIAL COPY
O. M. E.
RECEIVED
FEB 13 1967

INITIALS	CODE

AIRMAIL

Mr. David H. Clegg
President
Ruby Silver Mines, Inc.
863 First Security Building
Salt Lake City, Utah 84111

Re: OME-6308 (Gold-Silver)
Ruby Mine
Jefferson County, Montana
Contract 2182

Dear Mr. Clegg:

An item in The Spokane Chronicle of February 8, 1967, attributes the following to Leonard B. Lively, President of the Southwestern Montana Mining Association, relative to claims staked in the Lowland Mining District by The Anaconda Company:

> "The claims surround holdings of Ruby Silver Mines, Inc., with which Anaconda recently concluded an exploration and development agreement, he said.
>
> "Under the Agreement, Anaconda can purchase the Ruby Silver claims for $10 million, payable out of a 5 percent royalty on production.
>
> "Anaconda reportedly will start an extensive drilling program this spring, Lively said."

We know that news items can at times be a bit garbled and less than 100 percent accurate. However, in view of the above-quoted statements, we would appreciate your informing us whether the "exploration and development agreement" mentioned is the one dated September 6, 1966, between Ruby Silver Mines and The Anaconda Company, copies of which you have sent us, or whether it is another agreement executed since September 6, 1966.

The item suggests another point on which we request clarification: Will Anaconda or Ruby Silver be responsible for carrying out the trenching provided for in Amendment No. 2?

Because the item states that, should Anaconda elect to purchase the claims, the purchase price is "payable out of a 5 percent royalty on production," yourattention is directed to Annex I of the contract, particularly page 3, to Contract Article 6(a) and (b), and to Amendment No. 2, item 4.

Your usual prompt attention to clarifying these points will be greatly appreciated.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

DRMacLaren/mls

cc: OME w/Thermo-Fax copy of newspaper clipping

MacLaren

Director's Reading File

Claims Stu
by Anaconda

MME FORM 6 REFERENCE SLIP

REV. 2-5 OFFICE OF MINERALS EXPLORATION

TO:		DATE	INITIALS
1.	Chief, OME	12/22/66	
	Re: OME-6308 (Gold-Silver)		
2.	Ruby Silver Mines, Inc.		
	Ruby Mine		
3.	Jefferson County, Montana		
	Contract 2182		
4.			
	D. R. MacLaren		
5.			
FROM:	Fld. Officer, Reg. I		

FOR: Check items for action desired

X	Action	____	Reply for signature of		
____	Approval	____	Investigate	____	Surname
____	Comment	____	Recommendations	____	Signature
____	Conference	____	Rewrite	____	File
	Instructions		Your information		

REMARKS:

Transmittal of the Gov't. and Budget and Finance's copies of Amendment No. 2.

RUBY SILVER MINES, INC.
[illegible] FIRST SECURITY BUILDING
SALT LAKE CITY, UTAH [illegible]
TELEPHONE (801) [illegible]

DAVID H. CLEGG
PRESIDENT

REGIONAL OFFICE
[illegible] EXCELSIOR AVE
BUTTE, MONTANA [illegible]
TELEPHONE (406) [illegible]

December 20, [illegible]

120 M
NK ~~120~~
110
120M

Mr. [illegible] B. MacLaren
Field Officer, OMA, Region I
Sp. [illegible] Howard Street
Spokane, Washington 99204

Re: OMA-[illegible] B, Ruby Mine
Contract [illegible]

Dear Mr. MacLaren,

Enclosed please find the original and two copies of Amendment No. 2 to the subject contract, signed by me in behalf of Ruby Silver Mines, Inc. We have retained the Operator's copy, in line with your letter of November 28, 1966.

Yours very truly,

David H. Clegg
President
Ruby Silver Mines, Inc.

22,[illegible]

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
12/7/66	Kirkham	120
		116
12/1	Cole	320
		117

DEC 7 1966

Memorandum

To: Chief, Branch of Budget and Finance

From: Chief, Office of Minerals Exploration

Subject: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

Enclosed for your files are a copy of the Field Officer's memorandum of December 2, 1966, acknowledging receipt of the Review of Contract 2182 and a copy of said Review of Contract.

FRANK E. JOHNSON

Frank E. Johnson

Enclosure

cc: Director's Reading File
Division File
Economic Geology File
OME Reading File
OME Docket
Region I

MMerrithew/mm (12/7/66)

23263

IN REPLY REFER TO:

H-65-2045.11

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON, D.C. 20240

OFFICIAL COPY
O. M. E.
RECEIVED
DEC 8 1966

INITIALS	CODE
Fg	110
	120 m
	120

December 6, 1966

Memorandum

To: Chief, Office of Minerals Exploration

From: Assistant Solicitor, Oil and Gas and Minerals Exploration

Subject: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

We have reviewed the Amendment of Lease and Option executed August 26, 1966 by the First National Bank of Butte and Ruby Silver Mines, Inc., and the Lease and Option executed May 1, 1966 by Phillip W. and Jane Kountz and Ruby Silver Mines, Inc. and find them to be satisfactory for the purposes of the subject contract.

The leases and the docket are returned herewith.

Robert W. Long

Robert W. Long
Assistant Solicitor
Oil and Gas and Minerals Exploration

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
December 2, 1966

OFFICIAL
COPY
O. M. E.
RECEIVED
DEC 5 1966

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

This acknowledges receipt of the financial review of Contract 2182 issued November 1966 and forwarded with your memorandum of November 28, 1966.

D. R. MacLaren

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
12/2	Kirkemo	120
		110
		220
		120M

DEC 2 1966

Memorandum

To: Associate Solicitor, Mineral Resources

From: Chief, Office of Minerals Exploration

Subject: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

Enclosed are two lease documents for your information. You brought to our attention in your memorandum of November 16, 1966, reviewing proposed Amendment No. 2 and the Agreement dated September 6, 1966, between Ruby Silver Mines, Inc., and The Anaconda Company, that the two original leases had expired and that there was nothing in the docket to indicate they had been renewed or extended.

Pursuant to these findings and in response to our subsequent request, the Operator sent us a copy of an Amendment of Lease and Option between The First National Bank of Butte and Ruby Silver Mines, Inc., and a copy of a new Lease and Option between Phillip W. Kountz and Jane Kountz and Ruby Silver Mines, Inc. The first document extends the Lease and Option to January 31, 1970, with option for two successive 5-year extensions. The second document is a new lease which is effective until May 1, 1971.

Please inform us if these are satisfactory from the Government's standpoint. Please return the enclosures with your comments.

FRANK E. JOHNSON

Frank E. Johnson

Enclosures

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Region I
OME Reading File
Mr. Kirkemo
HKirkemo/gla 12-2-66

23263

RUBY SILVER MINES, INC.
863 FIRST SECURITY BUILDING
SALT LAKE CITY, UTAH 84111
TELEPHONE (801) 363-1111

DAVID H. CLEGG
PRESIDENT

REGIONAL OFFICE
3 SO. EXCELSIOR AVE.
BUTTE, MONTANA 59701
TELEPHONE (406) 782-2717

O. M. E.
RECEIVED
NOV 30 1966
CODE
#20 VII
#10
120K

November 25, 1966

Mr. Frank E. Johnson, Chief
Office of Minerals Exploration
Washington 25, D. C.

Re: OME-6308
Ruby Silver Mines, Inc.
Contract 2182

Dear Mr. Johnson,

Mr. MacLaren has advised that the new OME loan for Ruby has been held up while a legal interpretation of ownership of the various properties was obtained. It was ascertained that an amendment of lease and option between First National Bank of Butte and Ruby was necessary, together with new lease between Phillip and Jane Kountz and Ruby, covering the Havana and the Adelheid claims.

left-hand side

Enclosed herewith please find copies of both mentioned documents which we are sending directly to you at Mr. MacLaren's suggestion.

Sincerely,

David H. Clegg
President
Ruby Silver Mines, Inc.

cc: Mr. D. R. MacLaren

OFFICIAL COPY
O. M. E.
RECEIVED

November 29, 1966

Mr. D. R. MacLaren
Field Officer, OME, Region I
So. 157 Howard Street
Spokane, Washington 99204

Re: OME-6308, Ruby Mine
Contract 2182

Dear Mr. MacLaren,

We acknowledge herewith receipt this date of your letter of November 28, 1966, enclosing the original and three copies of a proposed Amendment No. 2 to the subject contract and requesting that the copies, if satisfactory, be executed by Ruby Silver Mines, Inc., by its president. (Although one original and three copies only were received, Ruby is requested to execute "all five copies" which we assume to be an inadvertent error in the covering letter.)

Please be advised that Mr. Clegg is away probably until about mid-December and cannot currently be reached. The matter of the proposed Amendment No. 2 will be brought to his attention immediately upon his return to this office and you will have word from him at that time.

Yours very truly,

Marjorie B. Black

(Mrs.) Marjorie B. Black
Assistant Secretary-Treasurer
Ruby Silver Mines, Inc.

cc: Mr. Frank E. Johnson, Chief
Office of Minerals Exploration

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
November 28, 1966

OFFICIAL COPY
O. M. E.
RECEIVED
DEC 29 1966
COPY

AIRMAIL

Mr. David M. Clegg
President
Ruby Silver Mines, Inc.
863 First Security Building
Salt Lake City, Utah 84111

Re: OME-6308 (Gold-Silver)
Ruby Mine
Jefferson County, Montana
Contract 2182

Dear Mr. Clegg:

Enclosed are the original and three copies of a proposed Amendment No. 2 (four pages) to the subject contract, signed by the Chief, Office of Minerals Exploration, for the Government.

If the proposed amendment is satisfactory to you, please sign all five copies, retain the Operator's copy, and return the other copies to this office.

If the amendment is not satisfactory, please return all copies unsigned to this office with a statement of your proposed changes for consideration.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

Enclosures

MLSmelser/mls

cc: OME
MacLaren

Director's Reading File

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
11/28/66	Kirkemo	

NOV 28 1966

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

The enclosed copy of a financial review of Contract 2182 issued November 1966, is for your information only because the statement in the third paragraph of the narrative is not correct. Amendment No. 2 does not provide for core drilling, the period of work suspension is extended to June 15, 1967, and the completion date is extended to January 31, 1968. We were awaiting final request from the Operator to draft this amendment when Mr. Fisher started his audit. Our indecision as to the Operator's plans no doubt is reflected in Mr. Fisher's statement.

We will hold the copy you normally forward the Operator after your concurrence. Please acknowledge receipt of your copy.

FRANK E. JOHNSON

Frank E. Johnson

Enclosure

cc: Director's Reading File
Division File
Economic Geology File
OME Reading File
OME Docket
130
Kirkemo
HKirkemo/mm (11/25/66)

23263

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

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NOV 16 1966

Memorandum

To: Director, U. S. Geological Survey

From: Assistant Director, Contract and Grant Audit
Audit Operations, Office of Survey and Review

Subject: Review of Contract 2182
Docket No. OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc. (Operator)
Ruby Mine
Jefferson County, Montana

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Pursuant to a request dated September 27, 1966, from Chief, Office of Minerals Exploration, we have made a financial review of Contract 2182, examining the contract and accounting records and files of OME and the Branch of Budget and Finance, U.S. Geological Survey. Four copies of our report of the review are attached.

The purpose of this project was to explore for gold and silver-bearing ore bodies at an estimated total cost of $132,800 with the Government participating in 50 percent of fixed-unit costs of work performed, not to exceed $66,400. Through July 1965, total costs of $112,585 were reported by the Operator and the Government has paid $56,292.50 as its share of such costs. OME is now drafting an Amendment to the contract which would extend the completion date to June 15, 1967, and permit certain surface trenching and core drilling with necessary sampling as requested by the Operator.

No exceptions have been taken to the financial settlements made with the Operator with respect to the work reported as completed through July 1965.

Donald R. Morgan

Enclosures

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
11/17	Kirkemo	120
11/21	Johnson	110
11/22	Pulsgard	220
11/22	Kupp	
		110
11/23	Coe	220

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NOV 2 3 1966

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc,
Ruby Mine
Jefferson County, Montana
Contract 2182

Enclosed are the original and three copies of a proposed Amendment No. 2 (four pages) to the subject contract, signed for the Government. Also enclosed is an extra copy 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. Thereafter, please distribute the copies in the usual manner.

If 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.

Enclosed is a copy of the Assistant Solicitor's memorandum dated November 16, 1966, which Mr. Kirkemo discussed with you by telephone on November 17.

FRANK E. JOHNSON

Frank E. Johnson

Enclosures

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
Mr. Kirkemo
130

GLAult/a 11-17-66

23263

IN REPLY REFER TO:
H-65-2045.11

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON, D.C. 20240

NOV 16 1966

Memorandum

To: Assistant Chief, Office of Minerals Exploration

From: Assistant Solicitor--Oil and Gas and Minerals Exploration

Subject: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182
Proposed Amendment No. 2

Pursuant to your request of November 4, 1966 we have reviewed the proposed Amendment No. 2 and the agreement dated September 6, 1966 between Ruby Silver Mines, Inc. and the Anaconda Company.

The original leases under which the Operator is in possession of the property, from the First National Bank of Butte and from Phillip W. Kountz and Jane Kountz are dated January 30, 1960 and December 30, 1960 respectively, and were for terms of 5 years with options to purchase. Accordingly, in view of the September 6, 1966 Agreement between Ruby Silver Mines, Inc. and Anaconda we assume that the options to purchase have been exercised or that the leases have been renewed or extended. However there is nothing in the docket to indicate such is the case.

Article 2 (c) of the contract provides that the Operator shall preserve and maintain his right, title, or interest in the land and his right to possession thereof for the purposes of the contract; that the Operator shall neither transfer, convey, nor surrender the land nor right, title, or interest therein, nor permit nor suffer any claim, lien or encumberance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumberance for the preservation of the Government's right to a royalty on production and liens for the payment thereof.

This requirement, of course, pertains to all of the property described in Annex I of the contract and not just to the surface or the portion of the mine between the surface and the 600 level. Article 3.B of the Agreement of September 6, 1966, while it could have been stated in more specific language, does in general terms provide for royalty payments to the United States.

We have prepared Amendment No. 2 in final form.

The Agreement is returned with the docket.

Robert W. Long

Robert W. Long
Assistant Solicitor--
Oil and Gas and Minerals
Exploration

MME FORM 6 REFERENCE SLIP

REV. [redacted]9 OFFICE OF MINERALS EXPLORATION [redacted]

TO:	DATE	INITIALS
1. ~~Assoc. Sol. - MR, Rm. 6554~~ ~~Through Room 6042~~		
2. Mr. Kirkemo, Rm. 4459		
3. H-65-2045.11		
4. INTERIOR DEPT.		
5. NOV 7 1966		
FROM: Chief, OME SOLICITOR		

FOR: Check items for action desired

____ Action ____ Reply for signature of _____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

Instructions Your information

REMARKS:

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code

November 4, 1966

Memorandum

To: Robert W. Long, Assistant Solicitor

From: Assistant Chief, Office of Minerals Exploration

Subject: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182
Proposed Amendment No. 2

In reviewing this proposed amendment, your attention is directed also to an Agreement entered into September 6, 1966, between Ruby Silver Mines, Inc., and The Anaconda Company whereby The Anaconda Company as lessee may explore, develop, and mine the property under the terms stated. We are concerned whether the interests of the Government are preserved.

We were informed on September 19, 1966, by Mr. Clegg, President, Ruby Silver Mines, Inc., that the Agreement with The Anaconda Company does not include that portion of the Ruby mine above the 600 level. Proposed Amendment No. 2 to the OME contract provides for work on the surface. If the results of this work are favorable, the Operator may request additional funds under another amendment to provide for drilling from the surface and possibly underground work on the 150-foot level.

Please return the Agreement with the docket.

Harold Kirkemo

Harold Kirkemo

Enclosures

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

HKirkemo/gla 11-4-66

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HKirkemo/gla

EXPLORATION CONTRACT
RUBY SILVER MINES, INC.
OME-6308

AMENDMENT NO. 2

It is agreed this _____ day of November 1966, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and Ruby Silver Mines, Inc., hereinafter called the "Operator," that Exploration Contract 2182 (OME-6308), dated January 31, 1964, as amended, is further amended effective January 31, 1966, as follows:

1. (a) The work suspension period fixed in Amendment No. 1 is extended from January 31, 1966, to June 15, 1967.

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

(c) The Government shall not contribute to any 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 Amendment No. 1 for completion of the work is extended from 24 to 48 months from the date of the contract, or to January 31, 1968.

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 January 31, 1966, if the work has not been resumed on or before June 15, 1967.

(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. The ~~xxxxxxxxxxxx~~ maximum period for royalty payments and for the lien to secure payments thereof provided for in the contract is extended from eleven (11) to thirteen (13) years from the date of the contract.

5. In Exhibit A:

(a) The first paragraph is revised to read as follows:

"The purpose of this project is to explore by driving a crosscut adit, drifting, long-hole drilling, and surface trenching for gold-silver-bearing ore bodies in fissure veins traversing a series of Tertiary dacite flows and breccias."

(b) Under the heading General Provisions, the first paragraph is revised to read as follows:

"All significantly mineralized areas traversed by the adit, drifts, and auxiliary crosscuts, or exposed in surface trenches, shall be sampled by cutting channels normal to the trends of the deposits at intervals of not more than 10 feet. In addition, a representative bulk sample shall be taken of each round broken in significantly mineralized areas. During long-hole drilling cuttings showing significant mineralization shall be sampled. No long-hole sample shall represent more than 10 feet of the hole."

(c) A paragraph is added which reads as follows:

"A bulldozer no smaller than a Caterpillar D-8 equipped with ripper or equivalent unit of any other make shall be used for trenching."

(d) Under the heading Description of Work, the following paragraphs are added:

"Surface trenches totalling not more than 1,130 linear feet shall be bulldozed on the Ruby and Ruby Fraction claims to locate and expose the West, Ruby, and East veins. Drilling and blasting necessary to complete the trenches and to sample

shall not involve more than 532 cubic yards of rock. The approximate locations of the trenches are shown on Figure 7 entitled "Map Showing Proposed Surface Exploration, Ruby Silver Mines, Inc., Jefferson County, Montana," which is attached hereto and made part hereof.

"A trench shall extend in a northeasterly direction from a point approximately 1,100 feet north of the Ruby Fraction claim and 100 feet east of the west boundary of the Ruby claim. Approximately 320 feet of trenching may be required either as a single trench or in a series of trenches with ends overlapping at bedrock and with their center lines not more than 30 feet apart.

"Any target veins exposed in these trenches may be explored further by bulldozing auxiliary trenches each not more than 50 feet long at approximately 100-foot intervals on either side of the initial trenches as shown in yellow color on Figure 7. Not more than two such trenches shall be bulldozed across a vein on each side of the initial trench and none shall be located south of Ruby No. 1 fault.

"On Ruby Fraction claim a trench shall extend in a northeasterly direction approximately as shown on Figure 7 for a distance of about 160 feet. If necessary, not more than three separate trenches may be bulldozed under the same conditions as stated above to explore the same target area. Auxiliary trenches to further explore any target veins

exposed in the initial trenches may be bulldozed at the approximate locations shown in green color on Figure 7. The auxiliary trenches shall not extend north of Ruby fault No. 3 or south of Ruby fault No. 4."

(e) Under the heading Estimated Costs of the Work, Fixed Unit Costs, the following items are added:

Mobilization and demobilization,	
one bulldozer with ripper	$ 75.00
Bulldozing, 180 hours @ $29.00/hr.	5,220.00
Drilling and blasting,	
532 cubic yards @ $1.75/cu.yd.	931.00

6. The Government will contribute 50 percent to the cost of work performed which is allowable under this amendment. Funds for the fixed unit cost items shall be met from funds remaining in the contract.

This amendment shall not be construed to change 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

RUBY SILVER MINES, INC.
By_____
Title_____

RUBY SILVER MINES, INC.
863 FIRST SECURITY BUILDING
SALT LAKE CITY, UTAH 84111
TELEPHONE (801) 363-1111

DAVID H. CLEGG
PRESIDENT

REGIONAL OFFICE
3 SO. EXCELSIOR AVE.
BUTTE, MONTANA 59701
TELEPHONE (406) 792-9717

October 5, 1966

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Mr. Frank E. Johnson, Chief
Office of Minerals Exploration
Washington 25, D. C.

Re: OME-6308
Ruby Silver Mines, Inc.
Contract 2182

Dear Mr. Johnson,

In reply to your letter of October 3, we feel it would be best for you to proceed with an estimate of costs based on the bids now available to you. We will plan on going ahead under the present bids, doing the best we can and, if the weather continues to hold as it is doing currently, it is still conceivable that we could get the work done this year.

Thank you for your cooperation and promptness.

Sincerely,

David H. Clegg
President
Ruby Silver Mines, Inc.

cc: Mr. D. R. MacLaren

Allowed $ 132,800
Accepted 112,585
Balance $ 20,215

MME Form 7
(2/63)

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Date	Surname	Code
10/3	Kirkemo	120
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10/3	cal	220
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AIRMAIL

Mr. David H. Clegg
President
Ruby Silver Mines, Inc.
863 First Security Building
Salt Lake City, Utah 84111

OCT 3 1966

Re: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

Dear Mr. Clegg:

This will acknowledge receipt of a copy of the Agreement, dated September 6, 1966, between Ruby Silver Mines, Inc., and The Anaconda Company, and of your letter, dated September 23, 1966, requesting an extension of the recess period of the contract from January 31, 1966, to June 15, 1967.

In our discussion here with you on September 19, 1966, you stated that bulldozer costs had increased appreciably since July 1966 when you submitted an amended application for the proposed additional work. We, therefore, requested that you submit new bids to support a new estimate of costs.

We await receipt from you of new bids from contractors or your instruction to proceed with an estimate of costs based on the bids now available to us before drafting an amendment to extend the recess period, and to provide for the bulldozing work under proposed phase 1. Diamond drilling under a proposed phase 2 would be considered for a subsequent amendment to the contract if warranted by the results of bulldozing completed under phase 1.

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 Reading File
OME Region I
Mr. Kirkemo

HKirkemo/gla 10-3-66

23263

RUBY SILVER MINES, INC.
863 FIRST SECURITY BUILDING
SALT LAKE CITY, UTAH 84111
TELEPHONE (801) 363-1111

DAVID H. CLEGG
PRESIDENT

REGIONAL OFFICE
3 SO. EXCELSIOR AVE.
BUTTE, MONTANA 59701
TELEPHONE (406) 792-9712

September 23, 1966

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United States Department of the Interior
Office of Minerals Exploration
New Interior Building
Washington, D. C. 20242
Attention: Mr. Frank Johnson, Deputy Director

Re: OME-6308, Contract 2182
Ruby Mine, Jefferson County, Montana

Gentlemen,

In accordance with our conference at your offices with Messrs. Johnson and Kirkemo on Tuesday of this week, September 20, 1966, we hereby request a recess on the commencement of our proposed work on phase 1 at the Ruby mine until no later than June 15, 1967, inasmuch as weather conditions may not permit earlier activity there. The actual work should not exceed 60 days after date of commencement.

This present amended application consists only of surface work to be carried out in two phases. Phase 1 consists of 1,900 feet of trenching and sampling with the necessary drilling and blasting as may be required. Phase 2 will consist of 3,000 feet of core drilling from the surface, to be carried out in part, in total or not at all, based on the results of the trenching and sampling. Phase 2 should be completed in a maximum of nine months after clearance with your office of the loan required to carry out this work.

If developments in phases 1 and 2 appear to justify additional work on the 150-foot level, we will then review with the Office of Minerals Exploration the possibility of a contract for this additional work.

With the information and maps that have been forwarded to you in the past in connection with the performance of this work, we assume that this letter plus the enclosure will permit the granting of the loan.

Again many thanks for your kind consideration during my visit with you.

Yours very truly,

David H. Clegg
President
Ruby Silver Mines, Inc.

cc: Mr. D. R. MacLaren

MEMORANDUM OF WORK DONE-RUBY MINE.-JEFFERSON COUNTY. MONTANA.

OME (Gold-Silver) Docket No. 6308
Contract No. 2182.

This crosscut (Lowland Tunnel) project was started July 1st., 1964 and finished July 31st., 1965. It was advanced to portal plus 3,062 feet.

Office of Minerals Exploration funds were used for the following work: Crosscutting 2,840.5 feet. Timber 300.0 feet and Slabbing 4,307.0 cubic feet.

Out of the approved OME participation of $66,400.00 the operator received $56,292.50, which was the total OME contribution to the project.

During the course of this work Ruby Silver Mines Inc., acquired a larger trammer and mine cars, a compressor, installation was made of a car turnout, and a larger motor for fan ventilation. Electric power was brought in at a cost of $10,293.00. All of these expenditures were not included in the OME program, and were fully absorbed by Ruby.

By February 1965 the Lowland Tunnel had been advanced to portal plus 1,736.5 feet. From this point to 1,766.0 feet a shear zone was encountered, containing small amounts of galena and sphalerite, with abundance of pyrite and calcite.

To 1,931.0 feet advance was made through dacite of a tuffaceous character. Water at bottom at portal plus 1,925.0 feet. Little water in the back of the drift.

Through March 7, 1965 advance was to 2.057.5 feet. A 0.8 feet zone of breccia cemented with pyrite was found. Assay results were negative.

By April, 1965 advanced to 2,337.5 feet. On April 9th. at portal plus 2,316.0 feet a vein was intersected carrying high grade values in silver, lead, copper and zinc. This vein measured from 4.6 ft. to 5.5 ft. in width. Grab samples of the muck taken from two rounds while crossing the vein assayed:

From	To	Cars	Au.	Ag.	Pb.	Cu.	Zn.	Gross Value
2312.0'	2317.5'	10	Tr.	5.6	16.2	1.2	3.1	$ 76.21
2318.5'	2324.5'	14	Tr.	2.4	4.2	0.7	4.1	33.19
Select grab sulphides.			Tr.	20.6	44.2	3.9	7.0	214.87

By May 15th. the tunnel was advanced to portal plus 2,546.5 ft. A slusher drift was driven to 9.0 ft. north and 13.0 ft. south on the ore intersected at 2,316.0 ft. The zone proved to have a strike length pf 25.0 ft. The ore played out in both headings. However, the structure continued.

By the end of July 1965 advance was to portal plus 3,062.0 feet.

At portal plus 2,785.0 feet a fault was encountered striking S. 30 degrees E. and dipping northeasterly. The crosscut was continued through increasingly crushed ground to portal plus 3,057 feet where the crushed zone ends along a fault striking S. 20 degrees E. and dipping 34 degrees northeasterly.

The following work was done by Ruby Mines Inc. using own funds.

The high grade ore shoot encountered at portal plus 2,316.0 ft. was raised for approximately 90 feet, at this point the ore was cut off by a fault, and intensive exploration by drifting to the side as well as drilling failed to locate the continued extension upwards. A winze was sunk for about 30 feet and the ore followed about 20 feet to the north, and dipping sharply to the north became too narrow to mine.

Four cars of ore were shipped to the Anaconda smelter. A royalty of $182.62 was paid to the OME.

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This operation was discontinued and return was made to the 600 ft. level for drifting to the north.

Crosscutting and drifting was done to the northeast and northwest for an approximate distance of 350 feet.

A strong structure was encountered in the northwest section of this work, with good walls and weak to strong mineralization. At one point assays indicated 24 per cent zinc with fair values in copper and lead and some silver. This ore zone was up to 4 feet wide.

The main Ruby ore shoot may occur to the east of this ore, some 250 feet.

A hidden ore shoot is probable between number three and number four faults.

Based on surface geology it is believed that there are two veins and that this work was done in the westerly vein.

Because of the encouragement of these results surface exploration is planned to find the unfaulted section of the Ruby ore shoot on the surface. This should be high grade gold silver ore, and even where lower grade ore is found, it quite likely would be of such a high silica content as to be acceptable at the Anaconda smelter.

RUBY SILVER MINES, INC.

September 23, 1966.

RUBY SILVER MINES, INC.
863 FIRST SECURITY BUILDING
SALT LAKE CITY, UTAH 84111
TELEPHONE (801) 363-1111

DAVID H. CLEGG
PRESIDENT

REGIONAL OFFICE
3 SO. EXCELSIOR AVE.
BUTTE, MONTANA 59701
TELEPHONE (406) 792-0312

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September 21, 1966

Mr. Frank Johnson
Deputy Director, OME
Room 4460, New Interior Building
Washington, D. C.

filed left-hand side

Dear Mr. Johnson,

As requested by a telephone conversation earlier this morning with Mr. Clegg, who is still in New York, we enclose a photocopy of the Agreement, 9/6/66, between Ruby Silver Mines, Inc. and The Anaconda Company.

Yours very truly,

Marjorie B. Black

(Mrs.) Marjorie B. Black
Assistant Secretary-Treasurer
Ruby Silver Mines, Inc.

MME Form 7
(2/63)

OFFICIAL FILE COPY

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"	Johnson	110
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SEP 21 1966

Memorandum

To: The File

From: Assistant Chief, Office of Minerals Exploration

Subject: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

Mr. David H. Clegg, President, Ruby Silver Mines, Inc., visited Mr. F. E. Johnson, Chief, OME, and me on September 19, 1966, to report that his company had recently entered into a contract with the Anaconda Company whereby the latter will explore and develop the Ruby mine below the 600 level. Announcement of the contract will be withheld pending completion of certain details involved with the land.

Ruby Silver Mines, Inc., is interested in continuing with OME assistance in exploring the property above the 600 level, particularly the trenching and drilling project discussed with us on June 23, 1966. In order to proceed with the proposal for more OME work, Mr. Clegg was asked to submit the following material:

1. A request for a recess in the current contract. The contract, dated January 31, 1964, was for 18 months, and was extended by Amendment No. 1 an additional 6 months, or until January 31, 1966. Mr. Clegg hopes to undertake work this fall, but if equipment is not available, will start work late in the spring of 1967.

2. A copy of the contract with the Anaconda Company.

3. A statement of the new work proposed with OME assistance.

4. New bids for the work proposed.

A total of $112,585.00 (Government's share $56,292.50--subject to audit) had been expended on this contract through July 1965, the last month of work on the contract, leaving $20,215.00 (Government share $10,107.50) for additional work.

23263

The Field Officer, Region I, by memorandum dated August 3, 1966, recommended a modified program of exploration consisting of two stages as follows:

Stage I - Surface trenching, drilling, and blasting at a total cost of $7,083.00. This work could be conducted on funds remaining in the contract.

Stage II- Diamond drilling from the surface at a cost of $27,221.37. Funds for this work would necessitate an amendment increasing the funds in the current contract, or a new contract.

Harold Kirkemo

Harold Kirkemo

cc: Director's Reading File
Division File
Economic Geology File
OME File
OME Region I
OME Reading File
Mr. Kirkemo

HKirkemo/gla 9-20-66

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UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
August 3, 1966

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: Supplement to June 17, 1966 Memorandum
OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

INTRODUCTION

Our memorandum of June 17, 1966, was the result of a proposal for additional work dated June 6, 1966, from the Operator. Since that date he and John Cone, his Consulting Engineer, conferred with Messrs. Johnson and Kirkemo in the Washington, D. C. office. As a result of that conference, the Operator under the date July 16, 1966, submitted a revised proposal. This memorandum will be limited to discussion of the latest proposal with recommendations for a modified program and a cost estimate.

OPERATOR'S PROPOSAL

The applicant proposes a two-stage project as follows:

Stage I.--North of Ruby No. 1 fault bulldoze 3 trenches, 2 of them crossing the projected areas of the 2 known veins, the third to cross the east vein. Between Ruby No. 3 and No. 4 faults bulldoze 3 trenches, 2 of them crossing the projected areas of 2 known veins, the third crossing the east vein. He does not give specific lengths for any of the proposed trenches, but scaled from the map they aggregate 1,070 feet north of Ruby No. 1 fault and 750 feet between Ruby No. 3 and No. 4 faults for a total of 1,820 feet of trenching. In his costs he indicates a total of 1,900 feet of trench. He estimates that 1,200 feet or 63 percent of the trenched ground will require drilling and blasting.

Stage II.--Depending entirely upon favorable results being obtained by Stage I trenching, a total of not to exceed 3,000 feet of AX core

size holes will be diamond drilled from stations to be determined later.

The Operator's estimate of costs is: Stage I - $24,265.00; Stage II - $29,850.00, total $54,115.00.

DISCUSSION OF OPERATOR'S PROPOSAL

Assays of 12 surface samples are shown on the map accompanying the Operator's July 16th request. Of these, 8 indicate principal values in silver and 4 indicate principal values in gold; gold assays have an average value of 0.078 ounce or $2.73 per ton, and silver assays have an average value of 7.03 ounces or $9.06 per ton. Early day settlements from ore mined, for the most part, above the 150 level show that silver constituted over 50 percent of the dollar value. Whether these facts warrant a change from a gold-silver project at 50 percent Government support to one at 62½ percent, or to a silver project at 75 percent, or whether, being an amendment to an existing contract for a gold-silver project at 50 percent support, it should remain in that category, are policy decisions. However, it would seem that in effect this is a "new" application; the contract was executed just prior to the raising of silver support to 75 percent.

The questions raised in a footnote to the Region I copy of your July 21st letter to the Operator and questions regarding the amount of trenching, drilling and blasting that occurred to me were brought to the Operator's attention by a telephone call July 25. He was unable to answer them and arrange for Norman Degner, his Consulting Geologist, to call me.

It is Degner's opinion that the rock surface profile is generally a smooth curved surface, as he put it "like the upper third of a watermellon," although there are probably some low spiney ridges of quartz in the vein zones. He is of the opinion that a cat with ripper should be able to handle them without any drilling and blasting to speak of. However, also in the vein zone, it might be necessary for best sampling results to drill a few pop holes, 2 to 3 feet deep.

Another point that bothered me concerned the necessity for two long trenches in each target area. The actual targets are the approximate locations of the west and the east veins and of any unknown veins that may occur between them. One long trench in each area started 50 feet west of the west vein and bulldozed to a point 50 feet east of the east vein should be sufficient (fig. 1). If vein material is encountered, auxiliary trenches, not more than 50 feet long, bulldozed at 100-foot intervals along the strike of the vein, should be sufficient for surface exploration north of the Ruby No. 1 fault. Between the Ruby No. 3 and No. 4 faults, because of the

limited distances along each vein between the faults, the 100-foot interval between the long trench and the secondary trenches would, for practical purposes, have to be shortened to say 85 feet south of the long trench on the east vein and north of the long trench on the west vein, and to 90 feet south of the long trench of the west vein.

When I mentioned this possibility to the Operator, a Cuban engineer who was on the phone with him agreed that this was more practical than the Operator's proposal. Later, this idea was discussed with Degner who also agreed that it made better sense. Degner could not comment on the higher than usual bids for bulldozing other than to say that there is a considerable demand for dozers in the Butte area at the present time.

RECOMMENDATIONS

The following two-stage program is recommended (fig. 1):

Stage I

North Area.--Starting approximately 20 feet S. 20° W. of surface Sample No. 931, bulldoze a trench at an approximate bearing of N. 75° E. for a total distance of about 320 feet. If necessary to avoid having to push too large a muck pile for the entire distance, the trench may be broken into not more than five segments. However, the ends of the segments must overlap at bedrock and their center lines should not be more than 15 feet north or south of the center line of the first segment projected. After the center line of the trench or its first segment has been established and marked on the ground, dozing may start from either end.

Any vein material that is exposed in the first trench may be further explored by dozing, at approximately 100-foot intervals, auxiliary trenches each 50 feet long and centered on the projection of the exposed vein. However, not more than two auxiliary trenches shall be dozed across each vein on each side of the main trench and none shall be so located as to cross either vein south of the Ruby No. 1 fault.

South Area.--Starting about 60 feet S. 50° W. of the SW corner of the shaft on the Ruby Fraction claim near the common boundary of the Ruby-Ruby Fraction claim, or about 80 feet N. 70° E. of the SW corner of the Ruby claim, bulldoze a trench at an approximate bearing of N. 70° E. for a distance of 160 feet. If necessary to avoid pushing too large a muck pile for the entire distance, the trench may be broken into not more than three segments, under the same conditions as stipulated in the first paragraph under "North Area" above. Also under the conditions stated above, the work may start at either end.

Any vein material that is exposed in the first trench may be further explored by auxiliary trenches each 50 feet long centered on the exposed vein. The approximate distances between the first trench and the auxiliary trenches are:

E. vein: 100 feet to the north and 85 feet to the south

W. vein: 85 feet to the north and 90 feet to the south

Not more than one auxiliary trench shall be dozed on each vein on each side of the main trench and none shall be so located as to cross either vein north of Ruby Fault No. 3 or south of Ruby Fault No. 4.

Stage II

Depending entirely upon the results of Stage I trenching, at locations, attitudes, and to depths to be mutually agreed upon and confirmed in writing by the Government up to 12 holes may be diamond drilled to a total combined depth of 3,000 feet.

COSTS

Trenching.--All three bids submitted are unusually high for this area, the lowest being from Kiely Construction Company. The applicant has been advised that a D-8 Cat with ripper will do the job and states in the last paragraph on page 1 of his July 16th letter: "Kiely Construction Co. states that they could . . . provide this equipment at a price of $29.00 per hour. They are forwarding a letter to this end." No such letter has been received, but the Operator re-asserted this during our July 25th telephone conversation.

A fair cost for drilling and blasting a few pop holes for sampling is difficult to estimate. As a basis on which to start, assume that each long trench exposes the two indicated veins and a third unknown vein, justifying 6 or possibly 7 auxiliary trenches in the north area and 6 auxiliary trenches in the south area, and that each required drilling and blasting either to expose the veins sufficiently for sampling or to get through hard ribs that might interfer with the dozing. Assume that in all 20 zones, one more than indicated, will require blasting a volume 20 feet long by 3 feet wide by 3 feet deep, then the total volume would be:

$$\frac{20 \times 20' \times \overset{12'}{\cancel{3'}} \times 3'}{27} = \overset{533}{\cancel{133}} \text{ yds}^3$$

Although not expected by Degner, assume that there may be other ribs to be blasted, it is believed that ~~150~~ 533 yds^3 should be more than sufficient allowance for this purpose.

To allow for the possible exposure of 3 veins by each of the 2 long trenches, allowance should be made for a maximum of 7 auxiliary trenches in the north area and 6 in the south area or 13 in all. The total linear feet of trenching would therefore be 1,130 feet. At the bid price of $1.75 per cubic yard, the maximum foreseeable cost for drilling and blasting would be $262.50. This could be set up on either an actual cost or a fixed unit cost basis of ~~150~~ 533 yds^3 at $1.75 per yd^3, or on a fixed unit cost basis of $0.23 per linear foot of trench bulldozed. A fixed unit cost provision for ~~150~~ 533 yds^3 at $1.75 per yd^3 is recommended for the following reasons:

1. The amount of drilling and blasting that may be necessary cannot be accurately predetermined; it could be negligible or it could possibly be more than the ~~150~~ 533 yds^3. Therefore, it should not be tied to the number of feet of trench bulldozed.

2. On a fixed unit cost basis this work could be done without a contract amendment, either by the Operator with rented equipment or by an independent contractor, whichever method the Operator finds more practical when the time comes. ?

STAGE I

Bulldozing 1,130 linear feet of trench by D-8 or HD-24 Catapillar dozer with ripper or the equivalent size of another make. Drilling and blasting 150 cubic yards of siliceous ribs or veins for sampling. Trenching at 30 linear feet per day, drilling and blasting at 10 cubic yards per day: time required, 37.6, say 38 days or at 22 days per month, 1.7, say 2 months.

Actual Cost

1. Independent Contracts

Dozing not more than 1,130 linear ft 180 hrs at $29/hr		$ 5,220.00
2. Personal Services		
1 Geologist-Supervisor 10 days at $750/mo or $25/day	$250.00	
FICA and other insurance at 17.1%	42.75	292.75
3. through 6.		None

Actual Cost (Cont'd.)

7. Miscellaneous

75 samples assayed for:

Au-Ag only at $4 each Au-Ag-Pb at $6 each Au-Ag-Pb-Cu at $8.50	$ 637.50
Total actual cost	$6,150.25

Fixed Unit Cost

533-150 yds^3 drilling and blasting at $1.75 per yd^3	$ 262.50
Total fixed unit cost	$ 262.50
Total cost - Stage I	$6,412.75 $7,033.00

STAGE II

Twelve holes drilled AX(AXWL) core size to an average depth of 250 feet or a total depth of 3,000 feet. At an average rate of advance of 40 feet per shift, one shift per day, 22 days per month and 11 moves at 1 day per move, time required: 86 days or 3.9, say 4 months.

Letters from Twedt and Boyles Bros. clarifying their respective bids were promised in the next to last paragraph of the Operator's July 16th letter but have not been received. In a telephone conversation August 1 the Operator said he had received the Twedt letter in which Twedt agreed to prepare drill stations, access roads for water haulage, haul water and furnish core boxes for a charge of $1.50 per foot. Also in a telphone conversation E. T. Tucker of Boyles Bros., Spokane, said that, without having someone visit the property, he considered the estimate submitted by R. F. Durfee of Boyles, Salt Lake, to be close to accurate. However, he quoted $10.50 per hour for cementing and $3.75 for redrilling and reaming. On this basis, Twedt's bid is considerably lower, but his preparation of drill sites and water haulage trails will cost $3,600.00 more than it would if done by D-8 Cat without ripper as bid by Kiely Construction Company. Cardboard core boxes at $1.00 is realistic. On this basis preparation of drill sites and trails will total $0.40 per foot, leaving a charge of $1.10 per foot for water haulage. This seems high and an allowance of $0.50 per foot drilled is recommended.

Actual Cost

1. Independent Contracts

Bulldozing up to 12 drill stations and access trails, 40 hrs at $22.50/hr		$ 900.00
Diamond drilling		
Mobilization and demobilization	$ 800.00	
11 moves at $75.00 each	825.00	
3,000 ft. AX or AXWL hole at $6.70/ft	20,100.00	
Reaming and casing or cementing and redrilling, 75 hrs at $8/hr	600.00	
75 sacks cement, drill mud, etc. at $1.75	131.25	
Casing left in hole1/, 180 ft at $1.95/ft	351.00	
Cardboard core boxes, 300 at $1.00	300.00	$23,107.25

2. Personal Services

1 Geologist-Supervisor 15 days at $750/mo or $25/day	$375.00	
FICA and other insurance 17.1%	64.12	$ 439.12

3. through 6. None

7. Miscellaneous

Hauling water at $0.50/ft of hole drilled	$1,500.00	
150 samples assayed for:		
Au-Ag only at $4 each		
Au-Ag-Pb at $6 each		
Au-Ag-Pb-Cu at $8.50 each	1,275.00	$ 2,775.00
Total cost - Stage II		$27,221.37

1/ The Government will not contribute to the cost of casing left in any hole at the Operator's request.

RECAPITULATION

Total cost - Stage I	$6,412.75
Government participation at 50%	$3,206.38
(75%	$4,809.56)
Total cost - Stage II	$27,221.37
Government participation at 50%	$13,610.68
(75%	$20,416.03)
Total cost of project	$33,634.12
Government participation at 50%	$16,817.06
(75%	$25,225.59)

D. R. MacLaren

D. R. MacLaren

Enclosure
Distribution:
OME
USGS(SRO)
Docket
MacLaren

OKE

RUBY SILVER MINES, INC.

[illegible] FIRST SECURITY BUILDING

SALT LAKE CITY, UTAH [illegible]

TELEPHONE ([illegible]) [illegible]

DAVID H. CLEGG
PRESIDENT

PERSONAL OFFICE
[illegible] SO. [illegible] AVE.
BUTTE, MONTANA [illegible]
TELEPHONE ([illegible]) [illegible]

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D. M. E.
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August 2nd., 1966.-

Mr. D. R. MacLaren,
Field Officer, OME Region 1.
So. 137 Howard St.
Spokane, Washington 99204,

Dear Mr. MacLaren:

As per our conversation of yesterday we are enclosing bid (two copies) from Mr. Marcus A. Tweedt for possible core drilling under the proposed exploration program.

This bid modifies the previous bid dated July 11th. 1966.-

You will receive, direct from Butte, new bid from Kiely Construction Co., for the service of a D8 Cat, fully operated, with ripper, at $29.00 per hour.

Let me thank you again for your very kind cooperation.

Very truly yours,

/s/ David H. Clegg

David H. Clegg
President

RECEIVED
AUG 3 [illegible]

816 4th Avenue
Salt Lake City, Utah
July 21, 1966

Ruby Silver Mining Company
863 First Security Bank Building
405 South Main Street
Salt Lake City, Utah

Gentlemen:

Re: Core Drilling Proposal
Butte, Montana Property

To drill 15 vertical holes at an approximate depth of 200 feet each, pull AX core, and furnish drilling machines, labor, materials and supplies. I agree to perform the above drilling project at the rates as listed below:

Moving Charge	$ 800.00
15 set ups @ $75.00 each	1,125.00
3,000 feet of drilling at $6.70 per foot from top of collar	20,100.00
Prepare drill stations, water sumps, access roads for water haul, and furnish core boxes @ $1.50 per foot.	4,500.00
	$26,525.00

and pro-rated charges of:

Drill collar left in hole	$1.95 per foot
Delay by request	8.00 per hour

A 2% discount allowable if paid within 10 days after completion of each 1,000 feet.

Yours truly,

Marcus A. Twedt

Marcus A. Twedt

RECEIVED
AUG 3 1966

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
7 21	Kirkemo	120
		110
7/21	CAC	220
		120M

AIRMAIL

Mr. David H. Clegg
President
Ruby Silver Mines, Inc.
863 First Security Building
Salt Lake City, Utah 84111

Re: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

Dear Mr. Clegg:

Thank you for your letter dated July 16, 1966, outlining proposed plans for trenching, sampling, and drilling the Ruby Silver property.

A preliminary review of your proposal indicates general concurrence with the conclusions reached in our meeting with you here on June 17. Our joint understanding then was to consider surface work before expending much larger sums on underground work.

We question the need for the extensive excavation (4,300 cubic yards) by drilling and blasting that you propose. Trenching with a large bulldozer equipped with a ripper should adequately expose the rocks and any significant veins that may be present. If samples larger than those obtained by the conventional chip or channel cut method are desired, a few shallow blast holes should shatter the rock enough to provide satisfactory samples.

Mr. D. R. MacLaren, OME Field Officer, Region I, is in the field this week and has not had an opportunity to study your proposal. As soon as we have received his recommendations we will advise you of our decision regarding your application.

Thank you for your prompt preparation of an alternate plan of exploration.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

NOTE TO MR. MacLAREN (Airmail)
Is the rock surface profile likely to be so irregular that a large bulldozer with ripper could not excavate a trench which is satisfactory for mapping and sampling purposes?

HKirkemo/gla 7-21-66
cc: Director's Reading File
Division File
Economic Geology File
OME File
OME Region I
OME Reading File
Mr. Kirkemo

23263

RUBY SILVER MINES, INC.
863 FIRST SECURITY BUILDING
SALT LAKE CITY, UTAH 84111
TELEPHONE (801) 363-1111

DAVID H. CLEGG
PRESIDENT

REGIONAL OFFICE
3 SO. EXCELSIOR AVE.
BUTTE, MONTANA 59701
TELEPHONE (406) 792-9717

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July 16th., 1966.-

Chief of Office of Minerals Exploration,
Department of the Interior,
Washington, D. C. 20242.

Gentlemen:-

Since our application of June 6, 1966 we have met in conference in Washington, D.C. with Messrs. Johnson and Kirkemo. Based on the understanding reached at that time we have finally been able to obtain some bids so as to submit this amended application in the light of the suggestions made at the conference.

A new map showing the intended surface trenching is enclosed. To expedite the application, the original of this letter, map and bids are being sent directly to the Office of Minerals Exploration in Washington, D.C., with copies to the regional office at Spokane, Washington.

This amended application shall consist only of surface work, to be carried out in two phases. Phase one consists of 1,900 feet of trenching and sampling, as indicated on the enclosed map. Phase two constitutes 3,000 feet of core drilling from the surface and shall be carried out in part, total, or possibly not at all, based on the results of the trenching and sampling.

In order to accomplish the work of phases one and two during this summer and fall, we feel it imperative that approval be obtained now for phase two as well as phase one. At this time we are submitting nothing further on work to be done on the 150 foot level. If developments on phases one and two appear to justify the additional work on said level, we will then review with the Office of Minerals Exploration the possibility of a contract for this additional work. The basis for doing this work was covered in the report submitted June 6, 1966, captioned "Surface Work". A copy of the report is enclosed to facilitate review.

As to phase one, our best estimate and advice is that the trenching will average 8 feet in depth and 12 feet in width, and will require 45 working days. A DC 8 Cat with ripper is required. We are enclosing bids received. Kiely Construction Co. states that they could be in a position to provide this equipment at a price of $29.00 per hour. They are forwarding a letter to this end. Bids from F & S, and Naranche and Konda are self explanatory. We are using the $29.00 per hour in the figures herein submitted.

It was extremely difficult to obtain bids, and there remains an element of uncertainty as to performance as far as commencing work because of the unusually large amount of construction work in Montana, and the limited equipment available. In order to assure performance this working year, we ask 1) permission to employ other contractors at the same price, if necessary and possible, and 2) permission for the Company itself to perform the work at the approved price, there being the possibility of renting equipment if we supply the operator, maintenance, fuel, etc.-

As to drilling and blasting, we estimate that approximately 1,200 feet of the 1,900 feet of trenching (about 4,300 cubic yards) will require drilling and blasting. This work will be performed as necessary and could prove less than the estimated total. Equipment and personnel must be available at site throughout the operation, as demanded by the hour-by-hour problems of the trenching. Due to these circunstances we plan to do this work ourselves and are using a figure of $1.75 cubic yard. We are enclosing bid from E.H. Batterman for this work at the mentioned price of $1.75, but there still remains the problem of delays or waiting time charges, and that is why we feel safer doing the work ourselves.

As to phase two; core drilling, depending upon results of trenching and sampling, this work may be done in part, in total, or not at all. We have finally obtained two bids for this work. One from Boyles Bros. which adds up to $9.95 per foot, and includes moving cost and an estimated $1.75 per foot covering item four of their bid; and another bid from Marcus A. Twedt which according to further information comes up to $8.96 per foot excluding delay or waiting time at the rate of $8.00 per hour. In both cases, letters clarifying these bids shall be sent to us. We are inclined to accept the bid from Boyles Bros., because they are a large outfit doing work within twenty five miles of our property, and therefore have personnel, equipment and supervision right there, while Mr. Twedt is rather new in the field and we do not believe offers the same degree of dependability as the Boyles outfit. Therefore, we have used the $9.95 figure in our cost projection. We have a fair assurance of obtaining another bid in the next few days, and if successful shall forward same inmediately to you.

Your prompt consideration of this application will be appreciated.

Yours very truly,

RUBY SILVER MINES, INC.

David H. Clegg
President

Enc.-
1 Map.
1 Report "Surface Work"
6 Bids.-

cc to: Office of Minerals Exploration,
Spokane, Washington.-
(Att: Mr. D.R.MacLaren)

COST PROJECTION

PHASE ONE:

a) 1,900 feet trenching by bulldozer, DC 8 with ripper. Estimated 8 feet deep and 12 feet wide.-

Fully operated equipment for 45 days, 8 hours per day, @ $29.00 per hour. . . . . .$ 10,440.00

b) Drilling and blasting.- approx. 1,200 feet, 8 feet deep and 12 feet wide.- About 4,300 cubic yards @ $1.75 c.y.- 7,525.00

c) Two laborers, sampler and geologist, (part time). 45 working days 4,800.00

d) 300 assays @ $5.00 each. 1,500.00

Total estimated cost phase one . . . . $ 24,265.00

PHASE TWO:

3,000 feet of core drilling.-

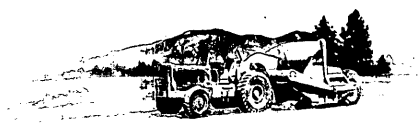
Moving: $600.00.	$ 0.20	per foot.
Drilling AX holes. . . .	7.50	per foot.
Water haul	.50	per foot.
Cementing, reaming, etc.	1.75	per foot.
3,000 feet @	$ 9.95	per foot.

Estimated cost of phase two. . . . . $ 29,850.00

Total estimated cost of phases one and two $ 54,115.00

KIELY CONSTRUCTION COMPANY

GENERAL CONTRACTORS



POST OFFICE BOX 246 · BUTTE, MONTANA

TELEPHONES: OFFICE 792-0478 - RESIDENCE 723-3722

July 1, 1966

Ruby Silver Mines, Inc.
863 1st Security Building
Salt Lake City, Utah

Gentlemen:

As you have requested please find below our quote on the rental of the type of equipment you are interested in:

1. D9 Catapillar fully operated with ripper $35.00 per hr.
2. D8 Catapillar fully operated w/o ripper 22.50 per hr.

Please let us know if we can be of further assistance.

Very Truly Yours,
KIELY CONSTRUCTION COMPANY

By W. F. Anderson
W. F. Anderson

F. & S. Contracting Co.

GENERAL CONTRACTORS

1300 CHICAGO STREET

BUTTE, MONTANA

ROBERT J. HOFMANN
ENGINEER

June 30, 1966

Ruby Silver Mines, Inc.
863 First Security Bldg.
Salt Lake City, Utah

Gentlemen:

Regarding your request we submit the following information on our rental rates for fully operated and maintained equipment:

D-9 Cat with ripper	$36.00 per hour
D-8 Cat with ripper	24.00 per hour

We will not have any cats available to rent until sometime after the first of next year.

Sincerely yours,

F. & S. CONTRACTING COMPANY

By Robert J. Hofmann
Robert J. Hofmann

RJH/mb

NARANCHE & KONDA CONSTRUCTION CO.

HIGHWAY AND HEAVY CONSTRUCTION

2801 SOUTH MONTANA STREET
BUTTE, MONTANA, 59701

PHONE 792-4288

July 6, 1966

Ruby Silver Mines Inc.
863 First Security Bldg.
Salt Lake City, Utah

Attn: John Mullany 101 West Granite St. Butte, Montana

Dear Sir:

The following is our estimate on equipment rental as requested by Mr. Mullany.

D8H Cat. Dozer Fully Operated with ripper attachment	$45.00 Per Hour
D9G Cat. Dozer Fully Operated with ripper attachment	$65.00 " . "

The above prices do not include servicing equipment or transporting to the job site.

Service Truck and Service Man incl. fuel oil grease	$12.00 Per Hour
Transporting equipment to and from Job sites incl. permits	$1.75 Per loaded mile

Yours truly

Naranche & Konda Construction Co.

John V. Paul

John V. Paul

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 Phone 487-7595
SALT LAKE CITY, UTAH 84110

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

R. F. DURFEE
Assistant Manager—Drilling Division

July 14, 1966

Ruby Silver Mines Inc.
863 1st Security Building
405 So. Main St.
Salt Lake City, Utah

Gentlemen:

Responding to your telephoned request to our Mr. Stevens for cost estimates for Drilling approximately 3000 ft. of AX Size drill holes at a location described as 14 miles north of Butte Montana the following is offered as a preliminary estimate.

1. - Mobilization of men and equipment $600.00.

2. - Drilling AX size holes to depths of 200 ft. per ft. $750.

3. - Water haul per ft. drilled .50¢

4. - Cementing, reaming, casing as required at an hourly rate of $16.00 plus list price of materials expended.

A Firm figure for this work would have to come from our Spokane District office after making a physical inspection of the property.

Very truly yours,

R F Durfee

R. F. Durfee

RFD/rmv

816 4'th Ave.
Salt Lake City, Utah
July 11, 1966

Ruby Silver Mining Company
863 First Security Bank Building
405 South Main Streett
Salt Lake City, Utah

Gentlemen:

Re: Core Drilling Proposal
Butte,Montana Property

To drill 20 vertical holes @ 200 feet each and pull AX core, machines, drilling labor, materials and supplies furnished by drilling contractor,

prepared drill stations, water sumps, access roads for water haul and core boxes furnished by Ruby Silver Mining Company,

I agree to perform the proposed drilling project at the rate of

Moving Charge	$ 800.00
20 set ups @ $75.00 each	1,500.00
4,000 feet drilling @ 5.50 per foot from top of collar	22,000.00
	$24,300.00

and pro-rated charges of

Drill collar left in hole	$1.95/ft.
Water Truck driver	2.00/hr.
Water Truck	.08/mile
Cementing and delay by request	8.00/hr.

A 2% discount allowable if paid with in 10 days after completion of each 1,000 feet.

Yours truly,

Marcus A Twedt

Marcus A Twedt

Leggat Hotel
Butte, Montana
July 15, 1966

Ruby Silver Mines, Inc.
863 First Security Building
Salt Lake City, Utah

Sirs:

I have a LeRoi 210 compressor; Thor Jackleg; and a CP Jackhammer available for exploration work in the Basin, Montana area.

I will furnish equipment, labor, and blasting powder for drilling, and blasting surface trenching at your property in Jefferson County, Montana, for $1.75 per cu. yard.

Very truly yours,

E. H. Battermann

E H Battermann

SURFACE WORK

When we took the samples shown on the map, "Surface Workings", we took bearings on the most easterly vein at every exposure. Also, we noted that it was an east dipping vein, as was the general consensus of opinion from old reports--Corry's report and others. Using the composite plan from Corry's report and the vein positions shown by him and the mine workings themselves, which indicate structure positions, we have prepared a composite plan of the "Surface Workings", "70 Level" and "Upper Tunnel Level", (Note: the 70 level is approximately 70 feet higher than the Upper Tunnel level), "150 or Middle Tunnel Level" and the "600 Level".

By studying the information itself, using that information in conjunction with information from the original 200-scale composite plan from Corry's report, and the 400-scale long section "B-B", we have plotted the known and projected vein and fault positions on their respective levels, using old workings to corroborate, and have arrived at the following conclusions:

1. There are two major veins exposed on surface and shown in underground workings at the Ruby mine.

2. They strike generally NW-SE.

3. The east vein is steeply east dipping and is the one from along which all three major ore bodies have been mined: Ruby, Dowling, Ray.

4. The west vein is a west dipper at the north end of the Ruby claim, steepens to near vertical near the south end of the Ruby and Ruby Fraction, and changes to east dipping on the Columbia claim.

5. The west vein splits into two or more veins from near the middle of the Columbia claim toward the south. Perhaps this part of the vein is en echelon.

6. The two veins diverge in strike toward the north end of the Ruby claim. This fact becomes apparent by comparing a strike mapped on the east vein on surface between the Ruby #2 and Ruby #1 faults and a strike mapped on the west vein about 180 feet inside the 150 level north adit. If the change of strike was an effect of the offset by the Ruby #1 and Ruby #2 faults, exactly the opposite would be expected.

   Also, the resultant offset on the Ruby #4, #3, and #2 faults respectively averaged about 60 feet. To conclude that the west vein (mapped about 180 feet inside the 150 level north adit) is the same as the segment of the east vein mapped in the discovery shaft and the main working shaft on surface between Ruby #1 and Ruby #2 faults is to conclude that the throw across the Ruby #1 fault is at least 220 feet and further refutes such a conclusion.

7. No work has been done on surface north of the Ruby #1 fault that was far enough south to cut the faulted downward extension of the Ruby oreshoot.

8. No work has been done north of the Ruby #1 fault that was far enough east to cut the faulted downward extension of the Ruby oreshoot.

9. At no horizon except the surface and 600 level has any work been done to prospect for the faulted downward extension of the Ruby oreshoot. (Both of these in the wrong location as noted in No. 7 and 8.)

10. A 500-foot long dozer cut (or 5 100-foot long dozer cuts arranged in an en echelon manner to prevent pushing dirt for 500 feet and leaving one gigantic mound of debris) should be made as shown on the surface sheet near the north end of the Ruby claim to prospect the projected position of the faulted and unrecovered downward extension of the Ruby oreshoot, to prospect

the projected position of the unrecovered upward extension of the oreshoot exposed by the 600 level north crosscut, and to prospect any parallel hanging wall, intermediate, and footwall veins.

11. A 300-foot long dozer cut or three 100-foot long dozer cuts (for the same reason as described in No. 10) should be made on the vein as shown on the surface sheet near the north end of the Ruby claim to expose the limits of the projected position of the faulted unrecovered downward extension of the Ruby oreshoot after the vein has been found.

12. An aggregate of an additional 300 feet of dozer cuts should be planned to explore any other veins uncovered by the 500-foot or five 100-foot dozer cuts. These cuts should be placed in either the hanging wall, intermediate, and/or footwall veins as dictated by original results.

13. No surface work has been done between the Ruby #3 and #4 faults that was far enough east to cut the faulted unrecovered downward extension of the Ray oreshoot.

14. No work has been done from the "70 level" far enough south or east to cut the faulted downward unrecovered extension of the Ray oreshoot.

15. On the "Upper Tunnel Level" one crosscut west of the Ruby #4 fault was driven east to cut the faulted extension of the same vein on which the Ray oreshoot occurred. In this crosscut, an unfortunate miscalculation by past operators is apparent. The east vein was faulted to the west in line with the west vein, which the old-timers no doubt mistook for a continuation of the west vein. This is further evidenced by the near straight line of pits and shafts shown on surface across the Ruby #3 fault. Also, it is evident that they thought the east vein was above them (to their east) and that they would raise up into it when they put the vertical raise to surface from the most westerly crosscut at the north end of the "Upper Tunnel Level".

16. Three 150-foot long dozer cuts should be made as shown on surface sheet between the Ruby #3 and #4 faults to prospect the projected position of the faulted and unrecovered downward extension of the Ray oreshoot.

17. A 250-foot long dozer cut should be made on the vein as shown on the surface sheet between the Ruby #3 and #4 faults to expose the limits of the projected position of the faulted, unrecovered (downward) extension of the Ray oreshoot after the vein has been found.

18. An additional 100 feet of dozer cut should be allowed to expose any other vein exposed.

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Date	Surname	Code

AIRMAIL

Mr. David M. Clegg
Ruby Silver Mines, Inc.
863 First Security Building
Salt Lake City, Utah 84111

Dear Mr. Clegg:

Thank you for your letter dated July 6, 1966, inquiring about further information on the "silver snooper," and advising us that you will submit a revised OMM application in the near future.

I am referring your request about the "silver snooper" to Mr. F. N. Senftle, U. S. Geological Survey, U. S. Bureau of Standards, Building 14, Washington, D. C. 20240. Dr. Senftle and associates developed the device, and are now revising the first model for testing under actual field conditions. The original experimental testing was done across artificially "seeded" areas. I am sure that Dr. Senftle can bring you up-to-date on the present stage of development of the device.

We will be glad to review your amended application for OMM assistance.

Sincerely yours,

Harold Kirkemo (gla)

Harold Kirkemo

Copy to: Dr. F. N. Senftle
with copy Mr. Clegg's letter

cc: Director's Reading File
Division File
Economic Geology File
OME Docket 6308
OME Region I w/cy Mr. Clegg's letter
OME Reading File
Mr. Kirkemo

HKirkemo/gla 7-11-66

RUBY SILVER MINES, INC.
863 FIRST SECURITY BUILDING
SALT LAKE CITY, UTAH 84111
TELEPHONE (801) 363-1111

DAVID H. CLEGG
PRESIDENT

REGIONAL OFFICE
3 SO. EXCELSIOR AVE.
BUTTE, MONTANA 59701
TELEPHONE (406) 723-8717

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July 6, 1966

Mr. Harold Kirkemo
U. S. Geological Survey
Department of the Interior
Washington, D.C. 20242

Dear Mr. Kirkemo,

I have just finished reading your article in Research, Exploration and Development--1965 and am intrigued with the comments you make as to the "silver snooper". I am wondering whether equipment of this sort would be practical for a small company in exploring various prospects and, of course, today we are primarily interested in silver ore bodies. If you have any further information on this equipment and its results in practical usage, I would certainly appreciate having it.

Both John Cone and I appreciated very much the consideration you and Mr. Johnson gave us. We feel that we will have worked out the right approach for both the OME and our company and will be submitting a revised request in the next few days. Unfortunately I was delayed in New York for eight or nine days. Otherwise I would have had the new request on your desk by now.

I'll hope to be seeing you soon again and again many thanks.

Best regards.

Sincerely,

David H. Clegg

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(2/63)

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June 23, 1966

Memorandum

To: The File

From: Frank E. Johnson and Harold Kirkemo

Subject: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 218V

Mr. ~~Daniel~~ Daniel H. Clegg, president of Ruby Silver Mines, Inc., and Mr. John Cone, consulting mining engineer, visited our offices June 17 and discussed with Mr. Frank E. Johnson and Mr. Harold Kirkemo the application for financial assistance to further explore the Ruby mine.

All aspects of the proposed exploration program were reviewed. We stated that the extent of bulldozing between the No. 3 and No. 4 faults was excessive, and that the probable cost to rehabilitate old workings and to drive new access workings on the 150 level to the site for the start of exploration would be in excess of a fair share of the contract total. We mentioned the need for a geologic map of the surface where work is planned.

After the conference with Mr. Clegg and Mr. Cone, the former discussed with Mr. Johnson the further revision of the Ruby Silver application for additional work on its property. Mr. Clegg said he was going to New York to discuss the proposed work on the property with his associates and wanted to be certain as to what work might be acceptable to OME.

Mr. Johnson advised Mr. Clegg that OME would consider participation in the costs of surface trenching in the two areas as discussed previously, to be followed by some surface diamond drilling if warranted by the results of the trenching. Also, that if Mr. Clegg opened up the 150 level to the target area between faults Nos. 3 and 4, OME could participate in crosscutting and drifting in this area. Mr. Clegg repeated that he preferred to open up the 150 level as this would give access to other favorable areas and possibly find additional ore, and again asked to what extent OME would help in this work.

Mr. Johnson again suggested that OME might consider an alternate approach to the surface drilling between faults Nos. 3 and 4, depending upon the trenching results, such as participating to the extent of possibly 25 percent in the cost of rehabilitation and excavation on the 150 level to reach the target area, and to the extent of 50 percent in the cost of drifting, crosscutting and drilling, in the target area between faults Nos. 3 and 4 on this level.

Mr. Johnson also advised Mr. Clegg that his cost estimates were high and mentioned some items that should be revised.

Mr. Clegg said he would prefer the alternate plan and might add some additional trenching. Mr. Johnson said we would consider additional trenching but it would have to be justified.

Mr. Clegg seemed more interested in setting up work for the full amount of his proposal rather than limiting the work to the least cost to adequately explore the target areas.

Frank E. Johnson

Frank E. Johnson

Harold Kirkemo

Harold Kirkemo

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
Harold Kirkemo

FEJohnson/HKirkemo/gla 6-23-66

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(2/63)

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Date	Surname	Code
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4	Johnson	110
6/22	Kilgoyne	220
6/22	Lewis	
		110
		220
		120M

JUN 23 1966

Hon. Mike Mansfield
United States Senate
Washington, D. C. 20510

Dear Senator Mansfield:

This is in reply to your letter of June 13, 1966, on behalf of Mr. David R. Clegg, President, Ruby Silver Mines, Inc., and enclosures relating to his application for additional financial assistance to explore his mining property.

Mr. Clegg and Mr. John Gunn, mining engineer, visited the Geological Survey's Office of Mineral Exploration in Washington on June 17, 1966, and reviewed in detail the amended application for OME assistance to continue exploration of the Ruby mine. All aspects of the program were discussed with our OME representatives, and a mutually satisfactory understanding was reached with respect to further processing of the application.

A disproportionate share of the work proposed in the amended application is ineligible for OME assistance. The cost of rehabilitation relative to exploration is excessive, the total dollar value of metals in some of the target areas is expected to be in lead and zinc which are ineligible for OME assistance, and the nature of work on the surface is more nearly development than exploration.

Changes in the program to meet OME regulations were considered. If these changes are acceptable to Mr. Clegg's associates, a revised amended application may be submitted. We assured Mr. Clegg that prompt consideration would be given to a revised program.

As requested, Mr. Clegg's letter of June 13, 1966, and accompanying report are returned.

Sincerely yours,

Acting Director

Enclosures

cc: General Files
Division Copy
Director's Chron
Economic Geology File
HKirkemo/gla 6-20-66

OME File
OME Reading File
OME Region I w/cy
2 incoming letters
Mr. Kirkemo

172991

23263

MIKE MANSFIELD
MONTANA

United States Senate
Office of the Majority Leader
Washington, D. C.

June 15, 1966

Mr. W. T. Pecora
Director
Geological Survey
Department of the Interior
Washington, D. C.

Dear Mr. Pecora:

On May 6 you provided me with a report concerning David H. Clagg's interest in OME assistance in the exploration of the Ruby Silver Mines, Inc.

I now have the enclosed letter and attachments, indicating that Mr. Clagg has submitted the necessary applications and supporting evidence. In view of my interest in this matter, I would appreciate having an up-to-date report on his application and anything that can be done to favorably expedite the proposal would, of course, be most helpful.

Thank you for a report, and please return the enclosures.

With best personal wishes, I am

Sincerely yours,

/s/ Mike Mansfield

Enclosures

172991

RUBY SILVER MINES, INC.
863 FIRST SECURITY BUILDING
SALT LAKE CITY, UTAH 84111
TELEPHONE (801) 363-[illegible]

DAVID H. CLEGG
PRESIDENT

REGIONAL OFFICE
3 SO. ENGLEDOW AVE.
BUTTE, MONTANA [illegible]
TELEPHONE (406) [illegible]

June 8, 1966

Office of the Majority Leader
Senate Office Building
Washington, D. C.
Attention: Miss Peggy DeMichele, Administrative Assistant to
Senator Mike Mansfield

Dear Miss DeMichele,

To keep you apprised of our efforts to obtain a loan from the Office of Minerals Exploration for our Ruby mine in Jefferson County, Montana, I am enclosing letters and other material mailed to the Office of Minerals Exploration in Washington, D. C., with copies to their field office in Spokane, Washington.

I believe that we will have a favorable recommendation from the field office. I have indicated that I will be in Washington, D. C. some time during the week commencing June 13, at which time I will take the liberty of calling at your office to learn of any assistance or further action that you might recommend.

I doubt that it will be necessary to take any action until I meet with you in Washington and I believe we are going to be successful on this program. I can only express my thanks for your efforts to date and I will hope to expand on that when I meet you personally.

Kindest regards

Sincerely,

/s/ David H. Clegg

David H. Clegg
President
Ruby Silver Mines, Inc.

(Enclosures the same as attached to
Mr. Clegg's two letters dated June 6, 1966,
to Chief of Office of Minerals Exploration
United States Geological Survey
Department of the Interior
Washington, D. C. 20242)

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : Chief, Office of Minerals Exploration

DATE: June 20, 1966

Dispatched JUN 21 1966

FROM : D. R. MacLaren DMLS

SUBJECT: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

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I am leaving for Montana to examine the Bennett property and drop in at Mascot and American Mining. It will be a couple of weeks before I can finish this report but as you have met with the applicant, I am sending on this much and will resume completing the report as soon as possible after I return.

Enclosure

OMC

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
June 17, 1966

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O. M. E.
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JUN 23 1966
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Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: Supplement to May 5, 1966 Memorandum
OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

INTRODUCTION

With his letter of March 30, 1966, the Operator requested additional aid to continue exploration at the Ruby mine. An analysis of the proposed new work was presented in a memorandum dated May 5, 1966. It was recommended that that proposal be denied. The proposed surface bulldozing was so loosely defined that it was believed to be essentially pure prospecting that could conceivably become preparation for small open-cut mining operations. The proposed 150 level work consisted of a disproportionate amount of rehabilitation relative to the amount of actual exploration. The proposed 600 level work would be done at a horizon at which available sample assays strongly indicated that more than 70 percent of the total dollar value of any discovery would be in base metals.

On May 28, 1966, a conference requested by Mr. David H. Clegg, president of Ruby Silver Mines, Inc., and attended by the Field Officer, Mr. Clegg, and two company consultants, Mr. John Cone, Mining Engineer, and Mr. Norman Degner, Geologist, was held in the Spokane office. During a full and frank discussion, the need for presenting a specific trenching program based on specific geologic justification, the need to support the precious metal eligibility, and the problem presented by the request for an excessive amount of rehabilitation were clarified for Clegg and his consultants; the geologic reasoning on which the request for additional work was based was clarified for the Field Officer. It was emphasized several times during the conference that nothing that was said should be construed as any assurance that the request for additional work

would be either approved or denied and that all comments and statements were to illustrate the various factors that OME was obliged to consider in processing any application. At the close of the conference the applicant asked that an attempt be made to have further action on his request held in abeyance pending preparation of a new presentation. This was done and a new presentation with more specific trenching and underground proposals and geologic justification was received in a letter from the Operator dated June 6, 1966. The new proposal is the subject of this memorandum.

GEOLOGY

A summary discussion of the geology, presented in the original application examination report dated November 13, 1963, will be referred to but not repeated. It was drawn from the following:

Knopf, Adolph, 1913, Ore deposits of the Helena mining region, Montana: U. S. Geol. Survey Bull. 527, p. 125-127.

Pardee, T. J., and Schroeder, F. C., 1933, Metalliferous deposits of the greater Helena mining region, Montana: U. S. Geol. Survey Bull. 842, p. 296-297.

Roby, R. N., et al., 1960, Mines and mineral deposits (except fuels), Jefferson County, Montana: State of Montana Bur. Mines and Geology Bull. 16, p. 72, 101.

Corry, Arthur V., 1920, Report on the Ruby-Columbia lodes, Jefferson County, Montana: Private report with Ruby Silver Mines, Inc., application.

These investigators all pretty well agree that within a cemented breccia zone from 40 to 150 feet wide ore occurs in "shoots, or more properly in parallel veins" (Knopf) or "three well-defined portions * * * named the Ray, Dowling, and Ruby veins respectively"(Corry). Knopf and Pardee say the veins dip westward. Corry does not mention the dip but his maps indicate that the Ray and Dowling veins dip eastward and that the Ruby, where it was stoped, is nearly vertical. They are also in agreement that the breccia zone is cut by three or more cross faults. Of the Ruby ore shoot, Knopf says:

> "To the north the ore body is terminated by a southward dipping fault zone * * *. South of the Ruby shoot another vein is found * * *. Toward the north (i.e. second) fissure is apparently cut off by a cross fault * * *. The (second) fissure is traceable * * * south of the productive portion where it is terminated by a cross fault dipping south."

Corry states flatly that the cross faults are premineral. Knopf is more conservative stating that "it is not impossible that some of

the cross faults are fractures contemporaneous with the major fissuring." Pardee for the most part paraphrases Knopf whom Roby quotes. Thus, Knopf and Corry are the principal authorities for the earliest known geologic descriptions and interpretations.

During the past year the Operator has been fortunate in gaining the unofficial cooperation of The Anaconda Mining Company whose exploration geologists Mr. Roland B. Mulchay, Assistant Chief Geologist (recently retired), and Mr. Norman L. Degner have been available for consultation and mapping. Most of the latter has been done by Degner. He has traced, by observation and projection between shallow shafts, pits and openings near the surface, two main veins and has taken strike and dip readings supporting an easterly dip indicated by Corry's maps. When his surface map is oriented on a light table with Corry's maps of the Upper Tunnel and 150 or Middle Tunnel level, it is strongly indicated that the Ray, Dowling, and Ruby ore shoots are on faulted segments of one vein.

From both Degner's surface map and his projections on Corry's level maps the south side of each of the four Ruby faults, has moved easterly with respect to the north side. The strikes of three of the faults range from about N. 37° E. to N. 40° E., that of Ruby No. 2 is N. 80° E.; the dips range from 45° to 65° SE. A fifth fault cut on the 600 by the OME crosscut strikes N. 40° E. but dips 58° NW. As the latter fault has not been found in any of the upper workings, it would appear that it is older than the Ruby faults.

The 600 level fault contains considerable drag ore showing it to be postmineral in age. Knopf merely states that it is not impossible that some of the cross faults are contemporaneous with the major fissuring but otherwise he does not relate them to the period of mineral deposition. However, he says that the fault zone terminating Ruby ore shoot at the north end "is brecciated and mineralized through a width of 40 feet or more" suggesting that it is premineral in age. These two observations suggest that it is more probable that the faults are postmineral than premineral as Corry contends.

Based largely on the above evidence as presented in the Operator's new request and during the Spokane conference, a general summary of the conclusions of the Operator's consultants is:

1. There are two major veins exposed on the surface, the easterly one dipping steeply to the east, the westerly one dipping westerly in the northern part, steepening to nearly vertical in the center part and dipping easterly in the southern part.

2. The Ruby, Dowling, and Ray ore shoots are all on the easterly vein, and are faulted segments of the same ore shoot. The northerly portion of the faulted vein or mineralized zone cut by the 600 level crosscut is on the westerly vein.

3. North of the Ruby 1 fault there has been no surface work far enough south or far enough east to explore for the downward faulted segment of the Ruby ore shoot on the east vein or the upward projection of the 600 level "ore shoot" on the west vein. Between Ruby faults 3 and 4 no surface work has been done far enough east, nor has any work on the 70 level been done far enough south and east to explore for the downward faulted segment of the Ray ore shoot (or upward faulted segment of the Dowling ore shoot). Apparently, the portion of the 150 or Middle Tunnel Level driven between Ruby faults 3 and 4 was too far away from either the east or the west vein. An attempt to explore for the faulted segment of the Ray shoot on the Upper Tunnel Level was done too far east. (See applicant's conclusion 15.)

4. There are three prime target areas for exploration, the down-faulted portion of the Ruby ore shoot on the east vein, the upward extension of the 600 level "ore shoot" on the west vein, and an apparent missing segment of the Dowling-Ray ore shoot between Ruby faults 3 and 4.

APPLICANT'S PROPOSAL

Following his consulting geologist's suggestions the applicant proposes to explore each of the prime target areas by bulldozing trenches aided by some surface drilling and blasting where the rock is too hard to be removed by simply dozing. He considers that priority should be given trenching the vein area between Ruby 3 and 4 faults. Here he proposes three northeasterly trenches at intervals of approximately 60 feet apart, each trench to be about 100 feet long and up to 10 feet deep. If these trenches expose the east and/or west veins, he proposes trenches along the veins, about 200 feet along the east vein and about 100 feet along the west vein to determine the lengths of ore shoots that may occur at the surface.

To explore the east and west veins north of Ruby 1 fault he proposes either one 500-foot trench or five 100-foot trenches overlapping en echelon, bearing northeasterly. If the west vein is discovered at the surface, he proposes to drive a 100-foot trench along the strike to test the length and grade of any ore shoot it might contain. If the east or Ruby vein is exposed, he proposes to open it up along the strike by a trench 300 feet long. On his map of the 150 or Middle Tunnel Level he indicates two more trenches each 100 feet long, presumably to follow other unknown veins that may be found.

If ore is found on the east vein between 3 and 4 faults, the applicant proposes to drive drifts around the caved areas in the Ruby and Dowling stopes and to crosscut from the existing 150 level workings to the target or targets indicated in the east and/or west veins found by the surface trenching. To allow for possible flattening of the dip of the east vein he proposes to crosscut about 100

feet easterly from the 150 level and put out long holes to explore the ground farther east. This was the plan suggested by Degner in the Spokane office, but apparently in the rush to prepare his sketches he shows the exploratory crosscut and drilling between Ruby 2 and 3 faults instead of between the 3 and 4 faults; he also has included two southerly holes suggesting that he was being diagrammatical instead of precisely indicating where the holes should actually be drilled.

No work is proposed to follow up any of the trenching of the veins if found north of Ruby 1 fault. Indeed a notation on the 150 level map indicates that there are very little backs between the 150 level and the surface in this trench area. From what was said in the Spokane office, if predominantly gold-silver ore were found in the trenches, a proposal might be made to raise from the 600 level to explore for the gold-silver ore.

CONCLUSIONS

It is concluded that the trenching proposed for the area between Ruby 3 and 4 faults has merit and, if successful, so does the proposed exploration of this area from the 150 level. I do not believe that the three segments of bypass rehabilitation drift can be much reduced. A composite map prepared by J. T. Holleran at a scale of 1" = 100' was sent to you with our memorandum of August 2, 1965, and shows the 150 level adit to be caved about where the first bypass drift is shown as starting. From the size of the mined portions, spiling through the caves could be much more costly than the proposed bypass drifts, and could be impossible except at very high cost.

D. R. MacLaren
D. R. MacLaren DRM

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USGS(SRO)
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MacLaren

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June 16, 1966

Memorandum

To: The File

From: Harold Kirkemo

Subject: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

Mr. Frank C. Memmott, Deputy Director, and Mr. Paul Zinner, Assistant Director, Mineral Resource Development, U. S. Bureau of Mines, were briefed this morning in our offices by Mr. Frank Johnson and me regarding the application submitted by Ruby Silver Mines, Inc. Mr. Memmott was scheduled to meet later in the day with Representative Lawrence J. Burton, Utah, to discuss the application.

Harold Kirkemo
Harold Kirkemo

cc: Director's Reading File
Division File
Economic Geology File
OME Reading File
OME Docket
Kirkemo

HKirkemo/mm (6/16/66)

23263

June 9, 1966

Telephone conversation with Mr. MacLaren

OME-6308 (Gold-Silver)
Ruby Silver Mines

See: MacLaren's memo of 5/5/16

Possibly -- two areas may favor potential ore deposits. There may be three different veins in area.

1) Surface trenching between Faults #3 and #4. If results are favorable -- crosscutting and long hole drilling on 150' level in same block.

   Rehabilitation and new drifts needed to reach area under ground.

   Cost estimates are high.

2) Surface trenching - possibly north of Fault #1.

If approved -- do only crosscut trenching as deemed pertinent, followed by some underground work.

Must know more about the amount of rehabilitation and costs, or operator to do it at own expense to reach target area.

Need Operator's Final Report on terminated contract.

Frank E. Johnson

RUBY SILVER MINES, INC.
863 FIRST SECURITY BUILDING
SALT LAKE CITY, UTAH 84111
TELEPHONE (801) 363-1111

DAVID H. CLEGG
PRESIDENT

REGIONAL OFFICE
3 SO. EXCELSIOR AVE.
BUTTE, MONTANA 59701
TELEPHONE (406) 792-9717

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June 6, 1966

Chief of Office of Minerals Exploration
United States Geological Survey
Department of the Interior
Washington, D. D. 20242

Gentlemen,

It has been brought to my attention that, in connection with the material submitted to you by letter earlier today, the Cost Sheet was inadvertently omitted.

Enclosed please find Cost Sheet covering request for additional financial assistance for work on the upper levels of the Ruby property.

We regret exceedingly the failure to include this sheet with the other material.

Yours very truly,

David H. Clegg
President
Ruby Silver Mines, Inc.

cc: Mr. D. R. MacLaren

Surface Work Costs

1,900' trenching by bulldozer, average of 10' depth plus 600' of drilling and blasting (three bids for bulldozer to be supplied)

DC8 Cat and operator, 30 days @ $225.00/day.....$ 6,750.00

600' drilling and blasting @ $4.05/ft..... 2,434.00

2 laborers, sampler, geologist (part time)..... 3,250.00

300 assays @ $5.00/assay..... 1,500.00

$13,934.00

Costs of Work at 150' Level

Road work to north portal of 150' level to make possible winter usage

DC8 Cat and operator, 4 days @ $225.00/day..... 900.00
2 helpers, 4 days @ $30.00/day each helper..... 240.00

Extension to 150' portal from present operation: 2,600' extension

Air line, air receiver
Electric power line & electric power line hookup
Telephone line
Air fan
Water tank
Cost of moving trammer, cars, etc.
Set-up time 7,500.00

First 500' of 150' level drift now open: 200' of track and 500' of air line, air vent and water line..... 7,800.00

650' drifting @ $57.00/ft..... 37,050.00

6,500' slabbing @ .75/ft..... 4,875.00

130' timbering @ $12.60/ft..... 1,638.00

520' of opened drift: track, airline, air vent, water line @ $19.00/ft..... 9,880.00

1500' long hole drilling @ $1.50/ft..... 2,250.00

Sampler and geologist (part time)..... 3,600.00

Assays: 800 @ $5.00/assay..... 4,000.00

$79,733.00

TOTAL $93,667.00

RUBY SILVER MINES, INC.
863 FIRST SECURITY BUILDING
SALT LAKE CITY, UTAH 84111
TELEPHONE (801) 363-1111

DAVID H. CLEGG
PRESIDENT

REGIONAL OFFICE
3 SO. EXCELSIOR AVE.
BUTTE, MONTANA 59701
TELEPHONE (406) 792-9717

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June 6, 1966

Chief of Office of Minerals Exploration
United States Geological Survey
Department of the Interior
Washington, D. C. 20242

Gentlemen,

We enclose a request directed to your office at Spokane, Washington, for additional financial assistance for work on the upper levels of the Ruby property. Enclosures as listed at the bottom are also included herewith.

In reviewing this matter by telephone with Mr. MacLaren this morning, I indicated that I would be in Washington beginning June 13, at which time I hope to be able to discuss this matter with you in greater detail. As a result of this, Mr. MacLaren suggested that I send all information directly to you with a complete set of copies to him in Spokane.

We feel that the project as outlined will result in a successful mining operation exclusively in silver and gold. Financial assistance to carry out this program is imperative and your favorable consideration will be much appreciated.

Yours very truly,

David H. Clegg
President
Ruby Silver Mines, Inc.

Encl.: 4 maps
Copy of Corry report
Report: "Surface Work"
Copy Union Assay sheet

cc: Mr. D. R. MacLaren

June 6, 1966

U. S. Department of the Interior
Office of Minerals Exploration
So. 157 Howard Street
Spokane, Washington 99204
Attention: Mr. D. R. MacLaren, Field Officer, OME, Region I

Gentlemen

On Saturday, May 28, 1966, our mining engineer, John Cone, our geologist from Butte and I met with Mr. D. R. MacLaren in Spokane. The cooperation of Mr. MacLaren in meeting with us on a Saturday is very much appreciated. We reviewed thoroughly all past and present workings at the Ruby operation plus projections for additional exploration.

From May 28 to date we have fully covered as a team all surface workings and geological features, including sampling and assaying for base metal as well as gold and silver, assays enclosed and also placed on enclosed maps. Previous samples on the surface had been limited to gold and silver assays only. We also entered and studied carefully all drifts, tunnels and shafts that were open or could be opened.

As a result of the conference in Spokane and our efforts for the past eight days, the following changes from our proposal of March 30 are submitted.

1. We request financial assistance to enable us to do on the surface 1,900 feet of bulldozer work for an average of ten feet in depth plus 600 feet of drilling and blasting. The drilling and blasting will consist of 60 holes averaging 10 feet per hole and is necessary after studying the overburden and vein material that is to be explored. Priority on the bulldozer work would be first between the #3 and #4 faults and secondly at the north end of the Ruby claim to find the faulted and unrecovered extension of the Ruby oreshoot. The recent sampling on the surface as shown by the assays on the maps and copies of assays enclosed shows a negligible base metal content which is further verified by old smelter shipment records as reported in the enclosed Corry report and from other sources, It should be further noted that the vein material at the surface is extremely silicious and with the gold and silver content indicated in the high silica, a very ready market is available at the Anaconda works at Anaconda, Montana, where this type of ore is in great demand.

2 The location of the areas to be explored on the surface and the basis for doing this work is covered in the attached report marked "Surface Work" and the areas are outlined on the maps enclosed.

2. We request financial assistance to open the 150 foot level commencing at the north portal of the 150 foot level drift, at a point beginning 500 feet from the portal, as indicated on the enclosed map. This drifting will consist of 650 feet of new drift and 1,170 feet of installation of rail plus air, vent and water lines. This work will also include 1,500 feet of long hole drilling as further indicated on the enclosed maps.

The extent of the lateral drifting has been modified in accordance with Mr. MacLaren's suggestion to make use of what is expected from exploration to be open drifts, thus avoiding unnecessary lateral drifting through virgin ground. In this connection, the recent geological mapping on the surface shows a strong probability that there is a missing ore segment between the Ruby #3 and Ruby #4 faults. The operators of the early 1900's had done extensive test pitting and cutting in an attempt to find this ore body. However, this was not done in the proper location. There is a strong likelihood that this missing ore body will be some distance below the surface. Thus the number one target for the 150 foot level reopening is to prospect for this ore.

This oreshoot would be the farther downward extension of the Ray ore body. No work has been done from the 70 foot level to find this shoot. The proposed long hole drilling would be done from the

crosscut north and east from the reopened 150 foot level and between #3 and #4 faults.

Exploration from the north portal of the 150 foot level instead of from the south portal is logical because the road to the north portal can be maintained during the winter months and also because of its closer distance to the power line and compressor facilities.

The opening of the first 500 feet of the 150 foot level and our opening and entering drifts from the south end of the property indicate that existing drifts and tunnels should be in good condition except where past stoping and mining operations took place. It should further be noted that no work has been done far enough east on the 150 foot level between the Ruby #3 and #4 faults to expose the faulted downward extension of the Ray oreshoot. Our number one target on this program should open this new oreshoot. Both shoots, judging from the faulted shoots above and below, in the case of the Ray and the Dowling, and the shoot above in the case of the Ruby, should be of at least equal size and comparable values.

The history of the mine indicates that only high-grade ore could be shipped in the early days because of ineffective milling and the distance from railroad points. It is reasonable to believe that present metal prices and transportation facilities would make mining possible of what was not ore at that time in the Ruby, Dowling and Ray structures. The missing segments between the #3 and #4 faults, if found, would permit mining upward.

The enclosed report by Mr. Corry, with reference to Mr. Boyer's conclusions, mentions several low-grade ore deposits in the vicinity of both the Ruby and the Dowling ore bodies on the 150 foot level. This program would make possible exploration for these reported ore bodies. It is our studied opinion that the work as outlined, on the surface and on the 150 foot level, will find sufficient silver and gold ore to permit a more than modest mining program of exclusively precious metals.

3. Exploration on the 600 foot level will be discontinued and no request for financial assistance on the program is requested. This decision is due to the predominance of base metal as compared with silver and gold as found in the two small ore bodies located at the 600 foot level. It is our opinion that these two ore bodies are not a part of known oreshoots from the upper levels and could quite possibly change to a predominance of gold and silver at higher levels and also that known silver and gold oreshoots when located on the upper levels could extend to and below the 600 foot level and continue thusly with a predominance of gold and silver.

The review of operations and helpful comments allowed us in our conference in Spokane has been extremely helpful and is much appreciated. For your consideration we enclose original plus one of this letter, of a cost sheet for work to be performed, of four maps, of the Corry report and of the sheet from Union Assay where the assays were made.

Yours very truly,

David H. Clegg
President
Ruby Silver Mines, Inc.

Telephone 363-3302

Hand Sample Serial a31897-31908

ASSAY REPORT

UNION ASSAY OFFICE, Inc.

W. C. WANLASS, President
L. G. HALL, Vice President
G. P. WILLIAMS, Treasurer
LILY M. HOTTINGER, Secretary
P. O. Box 1528
Salt Lake City, Utah 84110

Mine Ruby Silver Mines

RESULTS PER TON OF 2000 POUNDS

June 2, 1966

NUMBER	GOLD Ozs. per Ton	SILVER Ozs. per Ton	LEAD Wet on Ore	COPPER Per Cent	INSOL. Per Cent	ZINC Per Cent	SULPHUR Per Cent	IRON Per Cent	LIME Per Cent	Per Cent	Per Cent
931	0.265	26.44	0.15	0.006		None					
932	0.010	0.20	Trace	None		None					
933	0.150	0.25	Trace	None		None					
934	0.030	7.00	0.20	None		None					
935	0.020	2.60	0.20	None		None					
936	0.075	9.73	0.15	0.012		None					
937	0.010	0.20	0.25	0.037		None					
938	0.010	0.20	0.15	0.006		None					
939	0.308	29.80	0.25	0.012		None					
940	0.015	4.40	0.15	0.012		None					
941	0.020	0.90	0.30	0.006		None					
942	0.025	2.70	0.25	0.006		None					

Wirthy (?)

Remarks

Charges $ 105.00

Glen P. Williams

SURFACE WORK

When we took the samples shown on the map, "Surface Workings", we took bearings on the most easterly vein at every exposure. Also, we noted that it was an east dipping vein, as was the general consensus of opinion from old reports--Corry's report and others. Using the composite plan from Corry's report and the vein positions shown by him and the mine workings themselves, which indicate structure positions, we have prepared a composite plan of the "Surface Workings", "70 Level" and "Upper Tunnel Level", (Note: the 70 level is approximately 70 feet higher than the Upper Tunnel level), "150 or Middle Tunnel Level" and the "600 Level".

By studying the information itself, using that information in conjunction with information from the original 200-scale composite plan from Corry's report, and the 400-scale long section "B-B", we have plotted the known and projected vein and fault positions on their respective levels, using old workings to corroborate, and have arrived at the following conclusions:

1. There are two major veins exposed on surface and shown in underground workings at the Ruby mine.

2. They strike generally NW-SE.

3. The east vein is steeply east dipping and is the one from along which all three major ore bodies have been mined: Ruby, Dowling, Ray.

4. The west vein is a west dipper at the north end of the Ruby claim, steepens to near vertical near the south end of the Ruby and Ruby Fraction, and changes to east dipping on the Columbia claim.

5. The west vein splits into two or more veins from near the middle of the Columbia claim toward the south. Perhaps this part of the vein is en echelon.

6. The two veins diverge in strike toward the north end of the Ruby claim. This fact becomes apparent by comparing a strike mapped on the east vein on surface between the Ruby #2 and Ruby #1 faults and a strike mapped on the west vein about 180 feet inside the 150 level north adit. If the change of strike was an effect of the offset by the Ruby #1 and Ruby #2 faults, exactly the opposite would be expected.

   Also, the resultant offset on the Ruby #4, #3, and #2 faults respectively averaged about 60 feet. To conclude that the west vein (mapped about 180 feet inside the 150 level north adit) is the same as the segment of the east vein mapped in the discovery shaft and the main working shaft on surface between Ruby #1 and Ruby #2 faults is to conclude that the throw across the Ruby #1 fault is at least 220 feet and further refutes such a conclusion.

7. No work has been done on surface north of the Ruby #1 fault that was far enough south to cut the faulted downward extension of the Ruby oreshoot.

8. No work has been done north of the Ruby #1 fault that was far enough east to cut the faulted downward extension of the Ruby oreshoot.

9. At no horizon except the surface and 600 level has any work been done to prospect for the faulted downward extension of the Ruby oreshoot. (Both of these in the wrong location as noted in No. 7 and 8.)

10. A 500-foot long dozer cut (or 5 100-foot long dozer cuts arranged in an en echelon manner to prevent pushing dirt for 500 feet and leaving one gigantic mound of debris) should be made as shown on the surface sheet near the north end of the Ruby claim to prospect the projected position of the faulted and unrecovered downward extension of the Ruby oreshoot, to prospect

the projected position of the unrecovered upward extension of the oreshoot exposed by the 600 level north crosscut, and to prospect any parallel hanging wall, intermediate, and footwall veins.

11. A 300-foot long dozer cut or three 100-foot long dozer cuts (for the same reason as described in No. 10) should be made on the vein as shown on the surface sheet near the north end of the Ruby claim to expose the limits of the projected position of the faulted unrecovered downward extension of the Ruby oreshoot after the vein has been found.

12. An aggregate of an additional 300 feet of dozer cuts should be planned to explore any other veins uncovered by the 500-foot or five 100-foot dozer cuts. These cuts should be placed in either the hanging wall, intermediate, and/or footwall veins as dictated by original results.

13. No surface work has been done between the Ruby #3 and #4 faults that was far enough east to cut the faulted unrecovered downward extension of the Ray oreshoot.

14. No work has been done from the "70 level" far enough south or east to cut the faulted downward unrecovered extension of the Ray oreshoot.

15. On the "Upper Tunnel Level" one crosscut west of the Ruby #4 fault was driven east to cut the faulted extension of the same vein on which the Ray oreshoot occurred. In this crosscut, an unfortunate miscalculation by past operators is apparent. The east vein was faulted to the west in line with the west vein, which the old-timers no doubt mistook for a continuation of the west vein. This is further evidenced by the near straight line of pits and shafts shown on surface across the Ruby #3 fault. Also, it is evident that they thought the east vein was above them (to their east) and that they would raise up into it when they put the vertical raise to surface from the most westerly crosscut at the north end of the "Upper Tunnel Level".

16. Three 150-foot long dozer cuts should be made as shown on surface sheet between the Ruby #3 and #4 faults to prospect the projected position of the faulted and unrecovered downward extension of the Ray oreshoot.

17. A 250-foot long dozer cut should be made on the vein as shown on the surface sheet between the Ruby #3 and #4 faults to expose the limits of the projected position of the faulted, unrecovered (downward) extension of the Ray oreshoot after the vein has been found.

18. An additional 100 feet of dozer cut should be allowed to expose any other vein exposed.

(1-4)

APPENDIX B

REPORT
ON THE
RUBY-COLUMBIA LODES
JEFFERSON COUNTY, MONTANA

LOCATION

The Ruby-Columbia group of lode claims is situated in the Lowland (unorganized) Mining District, Jefferson County, Montana.

They extend in a south and north direction across Ruby Mountain, a smooth hill of regular contour, which rises some 800 feet above the bed of Lowland Creek, which skirts its slope upon the west. The elevation of the collar of the main working shaft upon the Ruby claim is 6660 feet above sea level. The kodak views appearing as frontis pages in this report disclose the general character of the country.

The above property is located 14 miles from Butte, Montana, the nearest center of trade, in a N 20° E direction. The nearest shipping point is Bernice, a station on the Great Northern Railway, 10 miles distant by a good wagon road. Bernice is 3½ miles distant from Basin, a convenient supply point for both labor and material.

An adequate supply of timber, suitable for mining purposes, is near at hand upon some of the claims comprising the group.

Power for the operation of the property has been obtained from boilers generating steam from coal hauled from Bernice, or from cord wood cut near by.

For mining operations of magnitude, electric power is necessary. The nearest present source of electric power is the Genevieve Mine of the Butte and Great Falls Mining Company. This is 9 miles distant in a S 13°30' W direction from the Ruby. The Butte and Elk Park Mining Company contemplates connecting with the Missouri Power Company's line through Little Boulder Park. If this be done, the terminus will be but 3½ miles distant from the Ruby.

The property comprising this group consists of the following quartz claims, mill site and placer claim, to-wit:-

Survey No. 2285-A, Ruby Lode, U.S. Patent No. 16110
Survey No. 3238, Columbia Lode, U.S. Patent No. 21653
Survey No. 5200, Millsite Lode, U.S. Patent No. 30921
Survey No. 2286-B, Ruby Millsite, U.S. Patent No. 16110
Survey No. 1461, Lot 37, Placer - 5 acres of surface, U. S. Patent No. 12991

Together with the following quartz locations, namely: Uncle Sam, United States, Saratoga, North Star, Gold Mountain, Pearl, Ernest, Aurous, Paymaster, and Golden Eagle.

B

HISTORY

RUBY LODE

Subsequent to its location, the Ruby Lode, which is the principal claim in the Ruby group, experienced many vicissitudes of fortune. It was located July 7, 1883. Nicholas Moldenham and Graft, the owners, extracted $140,000.00 in high grade ore from the Ruby shoot above the 50 foot level. In 1887 a lease and bond was given to Marcus Daly, who ~~sand~~ sank the Ruby shaft 100 feet. At the same time he drove the Amazon tunnel several hundred feet. On account of personal differences with the owners over some trivial question, he abandoned this lease and bond. For several years the property remained idle. In 1895, Messrs. Hewitt, Graves and Spriggs took over the property and incorporated the Gold Mountain Mining and Milling Company, paying $90,000.00 for the claim out of the ore extracted. In 1896 this company built a ten stamp mill at the foot of Ruby Mountain, as shown in the accompanying Kodak views. This company opened the Ruby ore shoot on the 150 foot or tunnel level, which Daly had missed by a few feet. The stamp mill operated continuously for two years, during which time the Ruby shaft was sunk to the 400 foot level, besides some crosscutting and drifting on the 300 foot level. In 1899 the Ruby shaft caved. At about this time the management borrowed $12,000.00 from the Clark-Montana Realty Company and failed to repay the loan. Title passed under a Sheriff's sale to the Clark-Montana Company. This property remained idle practically till 1906 when P. F. Dowling took a lease and bond thereon. I am creditably informed that previous to 1906 the Ruby ore shoot produced in excess of $750,000.00. Within the time at my disposal it was impossible for me to search the old records to verify this statement, but I give it full credence. This shoot extended from the surface to a point 20 feet above the 300 foot level, where it was cut off by a fault striking N 35° E, dipping 50° to the southeast. This shoot reached its greatest dimension on the 200 foot level, where it was 70 feet long by 20 feet in width.

Dowling operated the property continuously for several years but his work was confined principally to developing the Dowling vein, which lies immediately north of the Ruby vein. He encountered an ore shoot upon this vein at the 70 foot level, which he later on developed through the 150 and 300 foot Ruby levels. This shoot was 150 feet long on the 150 foot level and extended from the surface to the underhand stopes below the 300 foot level, below which point the water prevented further work. The average grade of the ore mined from the Dowling shoot compared favorably to that from the Ruby shoot. On 8/8/07 he shipped 43 tons of ore which returned 168 oz. of silver and 10.8 oz. of gold per ton, netting $13,078.84. On 8/15/07 he shipped 39 tons assaying 128.6 oz. of silver and 10.85 oz. of gold netting $10,975.28. On 9/14/07 and again on 10/10/07, he shipped cars netting better than $10,000.00 each. A record of these, together with a copy of other shipments by him and other lessees upon both the Ruby and Columbia claims appears as Exhibit "A" accompanying this report. This list was made from the original smelter returns but is by no means complete. In addition to the ore mined by Dowling from the Ruby shoot, he extracted $275,000.00 from the Dowling shoot.

B

COLUMBIA LODE

The Columbia was located by J. Conan in 1884. Shortly afterwards it was sold to Judge E. A. Nichols, Geo. H. Casey, etal., who incorporated the Columbia Mining Company. This company operated in a desultory manner for years, the principal output being derived from lessees working the property. From 1904 to 1907 A. C. Ray of Basin leased the Columbia. Ray discovered a shoot of ore upon the property on what is now known as the Ray vein. During this lease he extracted $110,000.00 from this shoot of ore. The grade and general character of the ore was identical with that found in both the Ruby and Dowling shoots. In July 1906 he shipped 3-7/10 tons which returned 112.96 oz. in gold and 3314.5 oz. in silver, netting $15,528.82 for the shipment. An abstract of the incomplete list of his shipments discloses a total of approximately $78,000.00 shipped. In addition to the lessees previously mentioned, numerous others were known to have made considerable shipments, but unfortunately, it is impossible at this remote date to obtain a complete record. Suffice it to say that very possibly the sum total of these would reach $50,000.00.

In September 1910, P. F. Dowling purchased the Columbia lode and commenced mining operations therein. For several years he prospected the property in a small way, and through lessees, without encountering any large ore bodies. In March 1917, he incorporated his entire ownership of the Ruby-Columbia group as the Lowland Ruby Mining Co., under the laws of the State of Montana. The incorporation was for 500,000 shares of a par value of $1.00. Approximately 269,000 shares of this capitalization had been issued, all except possibly 5,000 shares being owned by P. F. Dowling. The remainder was in the treasury. During 1911 Dowling reconstructed the Ruby mill and milled portions of the old dumps. The last mill records, dated Nov. 4, 1911, show heads running 0.40 ~~0.04~~ oz. gold and 4.04 oz. silver. A discussion of the mill will follow hereinafter.

TITLE

It is represented by Mr. P. F. Dowling that the title to the above property rests wholly in the Lowland Ruby Mining Company. The opinion of Attorney Homer C. Murphy of Helena, Montana, who has in hand the abstract of title for examination, accompanies this report as a separate exhibit, as likewise the legality and sufficiency of the easement through the Amazon lode for the lower Columbia tunnel.

AREAL GEOLOGY

The Lowland Mining District embraces all the country tributary to Lowland Creek, while that portion of this stream's drainage area in the vicinity of the Ruby-Columbia mine is for convenience styled the Ruby District. So far as developed, the Ruby District comprises a limited productive area of approximately two miles in length north and south by one mile in width.

The softly contoured hills in this locality are characteristic of the erosion of comparatively soft rock formations such as the country rock of this area. Locally it is designated rhyolite. More properly speaking, it is dacit. It is a felsitic, bluish-gray to white rock, whose ground mass shows minute crystals of glassy feldspars with small flakes of biotite and rounded masses of quartz. This rock is the typical, late Tertiary extrusive volcanic so prevalent throughout the mountainous region of the western United States.

Underlying this formation there occurs the great, early Tertiary intrusive granite mass known as the Boulder Batholith, to whose presence is primarily attributed the productivity of the numerous mines in western Montana and Idaho.

B

LOCAL GEOLOGY

Ruby Mountain, which rises to an elevation of about 800 feet above the floor of the gulch through which Lowland Creek flows, is composed wholly of dacite. The hill slopes disclose fragments of this formation, together with blocks showing masses of brecciated dacite cemented with the same material. Underground development shows a main system of N 20° W fractures which are cut by two later series of N 45° E and N 85° E faults, respectively.

VEIN SYSTEM

The vein system upon these claims consists of a cemented breccia zone one hundred and fifty feet in width and practically parallel to the joining planes of the formation, and extending at least 4500 feet in length. Within this zone or lode appears bands and plating of brecciated country rock along the strike of which ore has been deposited. Three well defined portions of this lode have proven productive and have been named the Ray, Dowling and Ruby veins respectively.

The veins have been cut by four major faults, as shown upon Plate IV, accompanying this report. These faults are pre-mineral and do not greatly displace the veins; invariably, the ore bodies have been found lying on the upper side of the faults.

The ore minerals in the vein are pyrites, quartz, silver sulphides and very finely divided native gold. The ratio of gold to silver is approximately as 1:30.

Decomposition products of the feldspars are present in the gangue together with a sacchraroidal quartz.

Characteristic of this form of mineral deposit is the formation of individual lenses, pipes or shoots of high grade ore rather than the general and continuous low-grade mineralization of the entire vein. These pay shoots are reticulated in occurrence, and extensive prospecting alone is the sole method of discovery. Genetically, a re-currence of these ore shoots may be anticipated in the Ruby-Columbia lode, not only in the dacite, but in the adjacent underlying granite as well, as, this lode is evidently a fissure due to the regional adjustment of the earth's crust, and necessarily, of considerable magnitude. The origin of the ore was due to the circulation and precipitation within the fissure of mineralized solutions originating in the Boulder Batholith.

Three such bonanza ore shoots have been developed thus far in the property, their total output exceeding $1,000,000.00.

These ore bodies are similar in physical appearance and geological occurrence to the bonanzas found in Nevada in the Goldfield Consolidated Mine.

Plate IV shows the distribution of the principal ore shoots, together with the veins and faults intersections on the various levels.

B

EQUIPMENT

For several years, and more particularly since the collar of the shaft caved, mining operations in the property have been confined to surface workings and the territory above the 150 foot or tunnel level. Consequently the surface equipment has deteriorated. The shaft house is in poor state of repair; with in this building there is one 70 H.P. internal fire box, Scotch Marine boiler, and one 40 H. P. Aimes boiler. Also, one 12 x 14 single stage, one 7 x 10 double cylinder hoist, hoist with cage. In addition to numerous cabins sufficient to accomodate a small working force, there is a boarding house. There is also a blacksmith shop, ore bins, etc., together with numerous cars and other small mining equipment, tools, etc.

At the mill ample quarters are available for all employees. In addition there is a suitable office building, store house etc.

DEVELOPMENT

Plate 111, prepared on a scale of 1 inch to 140 feet, is adapted from a 50 foot scale plan working map made by Barker & Wilson. Accessible workings were checked by the writer and found accurate. Accordingly, the entire survey was accepted. This map, together with Plate V, which is a longitudinal section along the line A-A, gives a fair idea of the development of the property.

Chronologically, the work progressed as follows: The shaft was sunk to the 50 foot level by the original owner. Marcus Daly sunk to the 150 level and drove the 150 foot or tunnel level. The Gold Mountain Mining Company sunk to the 400 foot level, doing a small amount of drifting and crosscutting on the 300 and 400 foot levels. Dowling extended the 150 foot level south through the claim and connected with the Middle Columbia tunnel. He also drove 300 level south through the claim, as shown upon Plate 111. Both this level and the one above traverses the Ruby Fraction lode which is not owned by the Lowlands Ruby Mining Company. At various times Dowling had this fraction under option, but never completed its purchase. The owner of this claim has never molested him in trespassing underground so long as he mined no ore therein. It would be very desirable to obtain ownership of this fraction, but no immediate necessity now requires this being done. In addition to these workings, Dowling drove a level from the 70 foot mark in the whim shaft on the Ruby. He also sank several shallow shafts, as shown. Upon the Columbia claim several tunnels have been run as shown. The lower tunnel has its portals upon the Amazon claim, permission for which is protected by an agreement with the Amazon owners. The workings upon the Columbia are drained to the level of the lower tunnel by the Amazon tunnel. Several fair prospects for ore bodies in this claim can easily be explored from these tunnels, without interfering with the development of the Ruby property. This latter is more important. Unfortunately, the writer was unable to examine the Ruby workings below the 150 foot or tunnel level, as they were filled with water. However, through personal inquiry of miners who worked in the bottom levels, and after a thorough study of all surface openings, stopes and accessible workings a fairly safe appraisal of the development possibilities of the property is possible. I find the statements made by parties interested fairly well substantiated, while the physical and geological conditions observable warrant more extensive exploratory work.

The former owners and lessees of the Ruby-Columbia have had only a faint appreciation of the latent possibilities of the property. All exploratory work has been done in a empirical manner, conducted along the line of least resistance. Neglecting wholly the safeguards of competent technical supervision, mine workings were extended regardless of the occurrence of faults, slips, break or change of physical conditions of the rock, and the valuable evidence thus afforded obliterated, necessitating a repetition of the work at another point. The outcome of this method of development is invariably suspension.

Future development possibilities of the Ruby-Columbia lode are reassuring. Exploratory work thus far conducted, has demonstrated a strong well mineralized lode, containing a type of mineral deposit that elsewhere has uniformly afforded a large production. The extraction of over one million dollars from three separate ore shoots further strengthens this confidence.

Exploratory work through the present main working shaft is costly, and withall, unsatisfactory. The only practical method is to develop the Ruby-Columbia lode through a crosscut tunnel. The advantages of such a plan are manifold. Any parallel vein will be intersected, water encountered will drain through the tunnel and the ore and waste material cheaply hauled by gravity, and the low grade ore existing in the property made commercially available. The cost per foot of driving such a tunnel will be less than one-fourth that of shaft sinking, and its cost of maintenance many times less.

There are two such possible tunnel sites, each obtaining practically the same depth. The first is a drift tunnel through the Princess Claim, which would have to be purchased. The second, and more desirable location, is a crosscut tunnel from the North Star claim, near the mill. Upon Plates 11, 111 and V the location of this proposed tunnel is shown. Detailed field study will determine the most faborable location of this tunnel. Such a tunnel will be approximately 2600 feet long and give a vertical depth at the shaft of 640 feet, or 250 feet below the 400 foot level. The cost of such a tunnel should not exceed $12.50 per foot, with adequate equipment. Such a tunnel can be advantageously located with respect to the mill site.

METALLURGY AND MILL

The major portion of the Ruby-Columbia output has been shipped direct to the smelter for treatment. This was necessary on account of the crude and inadequate treatment plant upon the property. Originally, this was a ten stamp mill with plates and tables. A poor recovery was achieved which was but slightly improved by the addition of a percolation cyanide annex. The result was but slightly improved, and after an indifferent experiment, the plant was closed. With proper metallurgical investigation, the treatment of the low grade ore can be solved. the ore contains no cyanides insuperable of neutralization, while the improvements in silver Cyanidization insure a satisfactory recovery.

The planning of a treatment plant is however, a matter for further consideration as it is impossible to forecast positively the character, grade or amount of milling ore available. There is without doubt, a fair tonnage of this ore through out the summerged workings. Upon the 150 foot level there is a body of low grade ore approximately 12 feet thick and possibly twenty feet long which has extensions above and below. This assays from six to twelve dollars per ton in gold and silver.

B

MILL

The Kodaks appearing as frontis pages in this report show the mill. This is an ancient affair. It has however, salvage value. The mill consists of ten, one thousand and fifty pound stamps, in new mortars; two twelve foot copper plate tables; two Wilfley concentrating tables; one 35 H.P. engine; one 35 H.P. and one 40 H.P. boiler; one Gates crusher and two ore feeders; tools, equipment and small supplies. The Cyanide Annex contains two 5 x 30 foot percolating tanks, solution and storage tanks, precipitation boxes, etc.

The mill building is in fair state of preservation. It is conveniently located for economic mining operation, through the proposed crosscut tunnel. There are ample accommodations at the mill in the way of bunk house, store room, office, etc. for the mine and mill crew.

SYNOPSIS

The Ruby-Columbia property is situated in the Lowland Mining District, Jefferson County, Montana.

The country rock is dacite of late Tertiary Period overlying quartz monsonite of the Boulder Batholith.

The vein system consists of three or more mineralized bands within a strong, well developed fissure zone or lode, within which the ore occurs as reticulated masses; three of these ore shoots upon the Ruby and Columbia have produced in excess of $1,000,000.00.

Unestimated tonnage of ore of milling grade are indicated by exposures on the 150 foot level.

The vein extends in depth at least through the dacite and into the granite, thus insuring one thousand feet depth or more beneath the present bottom levels.

The problem of economical exploration of the Property is solved by development through a proposed crosscut tunnel.

Geological considerations and physical appearance of vein warrant not only exploratory work in the present workings, but at greater depths.

Under proper terms of price and conditions, the property is recommended as a meritorours venture.

RECOMMENDATIONS

Amendment of the North Star location is advised so as to provide ample dump facilities for the proposed crosscut tunnel. The construction of the crosscut tunnel proposed is recommended on the plea of affording more thorough exploration of the vein system and lessened operating costs.

Patent the various lode locations embraced in the group as soon as possible.

Concentrate all development efforts upon the Ruby claim, leaving the Columbia vein take secondary position. The work in the latter claim can best be done through lessees temporarily.

CONCLUSIONS

From an analysis of the physical appearance of the Ruby-Columbia vein and a study of the geological data observable we submit the following findings:-

Mine development at the property has demonstrated the presence of a strong, well mineralization lode which, with in the limits of the Ruby and Columbia claims, has produced in excess of $1,000,000.00.

The Ruby type of ore deposit is one that is often a prolific producer.

The probabilities are excellent for the existence of numerous other ore bodies similar to the Ruby. Dowling and Ray shoots in the territory above the present bottom levels, while the virgin territory possible of exploration through the projected crosscut tunnel warrants the necessary expenditure for its construction.

We accordingly advise that the Ruby-Columbia property justifies deep exploration with a fair certainty of developing a valuable mine, and under reasonable terms of purchase, it is a most attractive venture.

Respectfully submitted,
Harper, MacDonald & Co.

per Arthur V. Corry E.M.

Butte, Montana
Feb. 17, 1920

RUBY MINE SHIPMENTS [redacted]IED FROM SMELTER RETURNS. D.[redacted].

B

DATE 1906	DRY WT. Pounds	OZ. GOLD	OZ. AG.	NET VAL.
9/6	54692	1.09	42.3	$1,160.83
10/11	65418	.46	18.5	560.63
11/9	71579	.86	26.6	1,060.78
12/3	71187	.60	15.3	631.36
12/6	72067	3.60	38.8	2,830.75
1907				
1/18	46619	.63	23.2	599.41
"	83937	.67	23.6	1,030.42
"	77990	.70	27.0	1,062.22
2/6	77268	1.70	37.7	2,037.55
2/23	90344	1.22	27.5	1,631.61
3/23	86275	1.46	29.4	1,848.69
3/30	72482	2.56	53.0	2,849.99
8/8	86387	10.8	168.0	13,078.84
8/15	78153	10.85	128.6	10,975.28
8/20	66396	5.18	68.5	4,425.29
	60748	9.02	123.7	7,337.14
	74266	10.42	128.0	10,067.24
	73523	6.30	88.7	6,164.45
	86709	10.61	117.0	11,568.14
	73496	2.30	39.0	2,167.03
	71574	4.08	60.7	3,749.76
	78296	3.71	64.5	3,829.45
	71470	8.80	93.8	7,556.88
	85052	6.21	47.0	5,762.27
	78511	2.52	58.0	2,819.72
11/16	83214	2.52	36.2	2,254.68
11/26	86950	2.07	26.7	1,997.68
1908				
9/15	61296	1.85	39.8	1,555.39
"	9893	1.26	269.3	733.02
10/2	43728	2.16	58.9	1,431.22
10/15	53913	1.72	47.0	1,392.57
				$116,131.29

B

DATE	DRY WT.	OZ. GOLD	OZ. AG.	NET VAL.
				$116,131.29
10/23	55126	1.44	35.0	1,117.68
10/29	66778	1.24	27.5	1,110.52
10/31	66129	1.34	25.3	1,134.11
11/14	134755	1.90	34.4	3,281.28
11/21	73972	2.04	32.7	1,870.01
12/1	155613	1.98	31.5	3,795.40
"	74287	1.99	34.5	2,103.80
12/8	166352	1.65	28.9	3,411.05
12/15	78736	1.71	26.5	1,622.36
"	67460	2.08	33.6	1,732.71
12/16	89274	1.62	26.0	1,754.23
12/22	87936	1.42	28.3	1,597.36
12/29	74349	1.32	22.4	1,187.73
1909				
1/9	77093	1.42	14.6	1,180.29
1/12	79617	1.67	19.0	1,491.23
2/23/06	76963	2.54	53.4	3,021.18
12/6/07	72067	3.60	28.8	2,830.75
1909 Cont.				
1/22	80918	1.68	25.1	1,648.30
1/23	79894	1.42	20.6	1,337.83
1/30	74487	1.48	21.9	1,313.58
"	82158	1.52	23.9	1,521.16
2/9	62815	.77	19.0	617.16
2/11	72238	1.37	23.5	1,230.57
2/20	78890	.98	22.1	975.87
2/26	73809	.93	21.0	854.71
3/5	86991	1.21	28.4	1,431.87
3/13	77293	1.09	28.9	1,173.69
3/16	74275	.87	28.1	938.09
3/20	85757	.98	36.6	1,322.37
3/27	65561	.76	21.3	688.07
3/31	81598	.76	19.6	795.99
7/9	55517	.46	16.1	358.08
7/13	80992	.33	14.9	404.56
7/24	91194	1.02	22.5	1,219.26
7/31	85588	1.14	31.8	1,415.21
8/17	75077	.35	14.0	363.75
8/24	74929	.71	15.2	628.28
8/31	72019	.38	19.1	459.84
9/8	90246	.45	16.5	586.15
10/8	66420	.31	13.8	298.89
11/5	39912	2.86	46.4	1,431.64
11/12	103651	5.48	82.5	7,527.34
11/15	112148	3.77	68.9	5,590.58
11/18	75209	2.72	43.3	2,553.35
11/27	75967	3.34	46.0	3,079.32
1910				
1/28	55539	4.56	49.5	2,950.23
2/2	151686	3.47	41.0	6,181.96
2/3	86297	2.16	28.1	2,178.57

B

DATE	DRY WT.	OZ. GOLD	OZ. AG.	NET VAL.
2/9	72221	1.41	25.9	1,444.21
2/15	90997	1.39	20.2	1,457.32
2/18	103077	1.52	20.5	1,793.54
2/23	85285	1.54	28.9	1,669.58
2/26	111403	2.52	42.7	3,571.02
3/4	93078	2.51	43.5	2,976.17
3/8	75166	2.19	35.5	2,030.61
3/12	81046	2.45	38.3	2,447.99
"	80767	2.50	38.5	2,483.59
5/17	82162	1.42	17.7	1,306.79
5/24	105015	2.01	24.7	2,439.50
				$227,062.93
1910 Cont.				
6/1	80360	3.09	42.4	3,034.39
6/4	85008	2.88	45.1	3,085.37
6/21	93192	1.96	36.2	2,385.20
7/26	85211	2.08	43.9	2,448.00
8/9	79488	1.98	33.3	1,970.00
8/12	82914	1.09	13.1	940.00
"	79307	1.40	18.8	1,228.47
8/24	73463	2.39	24.9	2,228.47
8/25	91057	2.00	28.6	2,173.08
9/17	75256	1.88	28.7	1,714.33
10/26	80421	2.50	35.25	2,394.54
1911				
1/6	45971	1.68	45.1	1,106.52
1912				
1/17	14059	.59	54.1	269.65
"	34806	1.38	28.0	255.30
10/18	37542	1.14	9.6	397.01
"	29038	1.01	48.9	597.31
11/13	59801	.44	16.2	329.20
12/21	74613	.69	10.0	452.90
				$256,093.11

COLUMBIA

1907				
3/13	54989	2.10	71.5	2,256.20
3/7	20515	1.13	40.9	450.51
3/2	76520	0.37	10.9	439.22
2/13	59085	0.13	5.2	104.88
1/31	78529	1.89	24.6	1,142.19
1/11	86868	1.01	24.3	1,367.74
1906				
12/28	81334	0.87	21.2	1,085.57
12/12	104479	0.81	20.2	1,314.87
11/20	69155	0.74	18.5	802.20
11/6	82292	0.82	17.4	980.10
10/30	75462	1.00	20.0	1,078.35
10/5	82825	0.42	13.1	564.04
9/12	74967	0.43	11.4	477.16
8/23	88911	0.48	12.2	621.04
8/2	64084	0.38	8.0	305.30
7/26	66420	1.61	42.3	1,777.00

13

#1 North of Ruby shaft 1500 tons on dump reputed .60 Au by Boyer

#2 Raise 30' north of shaft - 25' high with 2' of $25 ore in back probably on 150' level (uncertain) 75

#3 Gob in Dowling stope above tunnel 3000 tons of .60 Au

#4 South of Dowling winze on 150' level bottom of drift and back

#5 2000 tons of gob in Ray stope on Columbia .60 Au by Boyer

#6 Boyer mentions second class dump upper Columbia tunnel .50 Au

#7 75' from portal middle tunnel. Boyer mentions x-cut showing ore

#8 Boyer mentions good vein in x-cut from upper Columbia tunnel about 100' from portal

#9 Near north end Columbia claim Boyer mentions ore on east side of drift

OME

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane, Washington 99204
May 5, 1966

OFFICIAL COPY O. M. E. RECEIVED MAY 9 1966	
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Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: Request for additional work
OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

The question of amending this contract to provide for additional exploration was first raised by the Operator's superintendent in a letter dated July 26, 1965, and has been pending since then while attempting to get more up-to-date and reliable geologic data and maps. These were being prepared by various members of The Anconda staff "as a favor" to the Operator and for that reason he was in no position to exert any pressure to speed the work along.

With his letter of March 30, 1966 (copy with maps were forwarded by Reference Slip March 31, 1966), the Operator presented an outline of the geologist's findings and recommendations for additionalwork and submitted geologic maps and sections on which their conclusions and recommendations were based. The Anaconda geologists, under the circumstances, could not sign any of the maps or the discourse, but from initials on the maps, I know one of them was Roland B. Mulchay, Assistant Chief Geologist (recently retired), and I believe another one was J. F. McAleer, geologist on the Butte staff. I can find little to question regarding the broad interpretation of the structure as these men present it. However, a single unfaulted ore shoot 80 to 160 feet "long" and some 3,000 feet "high" is difficult to imagine although that is what must be inferred if their reasoning is correct as it well may be. ?

The following program in two stages is proposed:

Stage I

150 level.--Reopen 170 feet of the adit which is now caved at 500 feet from the portal; or, at the Operator's discretion, drive a

170-foot crosscut parallel to the presently caved portion of the adit to bypass the cave. From the reopened adit or from the new parallel crosscut, drive 1,000 feet of crosscut and drill a total of 1,000 feet of long holes from sites to be selected from either the reopened or new workings to search for and explore an offset portion of the Dowling or Ray ore shoot between Ruby No. 3 and No. 4 faults. The proposed parallel drift and the 1,000 feet of crosscut are indicated by dashed lines on the map of the 150 level, scale 1" = 140'.

600 level.--Extend the present northwesterly workings 440 feet within the vein zone to cut the downward projection of the faulted segment of the Ruby ore shoot, and drill 10 to 20 long holes, each 50 feet or more deep, from the proposed 440-foot crosscut.

Surface.--Two thousand two hundred feet trenching or stripping with D-8 cat with ripper to aid in the interpretation of structural relations of known ore shoots and in searching for new ore shoots.

Stage II

600 level.--Drive 430 feet of crosscut and drift to recover and explore the faulted segment of vein southeast of the 600 level main crosscut. Drill a total of 1,000 feet of long holes from sites to be selected in this crosscutting and drifting.

The original application was deemed acceptable as a gold-silver project on the basis of production from 1906 through 1927 as given by R. N. Roby, et al., in Mines and mineral deposits (except fuels), Jefferson County, Montana: State of Montana Bur. Mines and Geology Bull. 16 (1960), p. 71-72, 101. Pertinent paragraphs from this bulletin are summarized on pages 6-9 in an application examination memorandum dated November 13, 1963. However, a shipment from the 600 level crosscut of some 179 tons of drag ore found in the fault shown on sheets 2 and 3 accompanying the Operator's March 30 letter, and the assays of the 600 level samples run for gold, silver, and copper make necessary a reappraisal of the gold-silver to copper ratio at the 600 level.

Prices used for the following discussion are: $35.00 per ounce for gold, $1.29 per ounce for silver, $0.36 per pound for copper, $0.158 per pound for lead, and $0.145 per pound for zinc. The settlement sheet indicates an average value of $54.12 per ton for the 179 tons shipped, of which values for gold comprised about 10 percent, for silver 1.3 percent, for lead 44.4 percent, for zinc 27.8 percent, and for copper 17.4 percent.

89.6% 1 value - base metals.

Although a total of 31 channel samples were assayed for gold and silver, only 10 were also assayed for copper; 13 were also assayed for lead and zinc, the former ranging from nil to 0.02 percent, the latter from nil to trace. For computation of the ratio of gold-silver to base metal value only the 10 samples assayed for gold,

silver, and copper will be considered. The 10 samples are considered in three combinations: (1) six samples for which a sample width is given and for which a weighted average grade can be calculated; (2) four samples for which no width of sample is given and for which only an arithmetical average can be calculated; and (3) an arithmetical average grade of all 10 samples. The results for these combinations are:

Group	Ounces/T Au	Ounces/T Ag	Percent Cu
1	0.0009	0.0896	0.085
2	0.0009	0.03	0.26
3	0.0008	0.059	0.15

Group	Dollar value/T Au	Dollar value/T Ag	Dollar value/T Cu	Total
1	$0.03	$0.12	$0.61	$0.76
2	$0.03	$0.06	$1.87	$1.96
3	$0.03	$0.08	$1.08	$1.19

Group	Percentage of total dollar value Au	Ag	Cu	Total
1	3.9	15.8	80.3	100.0
2	1.5	3.1	95.4	100.0
3	2.5	6.7	90.8	100.0

Thus, the combined gold-silver values on the 600 level make up 9.2 percent of the total dollar value indicated by an arithmetical average grade of 10 samples, 11.3 percent of the total dollar value indicated by the smelter assays of 179 tons of drag ore, and 19.7 percent of the total dollar value indicated by a weighted average grade of six samples.

Roby (1960, p. 101) accounts for shipments from the upper levels of the Ruby and the adjacent Columbia mine totaling 6,202 tons having an average grade of 1.84 ounces gold and 31.30 ounces silver per ton and 0.004 percent copper, and an average value of $103.07 per ton of which gold values comprise 61.3 percent, the silver values

38.4 percent and the copper values a little less than 0.3 percent.

The assay data now available strongly suggests that at the 600 level silver and gold values dollar wise have decreased from 99.7 percent of the total value to less than 20 percent of the total value of the mineral content and the base metal (copper) values have increased from almost nil to 80 percent or more of the total value. Although there are no assay data for the upper levels of the mine, Roby's figures probably include production from above and below the 150 level and it is probably safe to assume that at least from the 150 level up gold and silver comprise well over 50 percent of the dollar value of the ore.

It is concluded that the applicant's proposal to "include 2,200 feet of surface work or stripping exposure of some type . . . since it will be highly indicative and helpful in interpreting past known ore shoots and uncovering any unknown ore shoots" has no specific locations in mind but rather is requesting a free hand to prospect for ore shoots at the surface as the Operator may choose. If this were approved as proposed, it could even end up with stripping for small open-pit mining operations. It is recommended that this proposal be denied unless possibly it is to be considered as preliminary to the rehabilitation and exploration proposed for the 150 level. This is not recommended.

It is also concluded that the targets for the proposed work on the 600 level can only be expected to have principal values in copper to the northwest and in lead, zinc, and copper to the southeast. It is recommended that these proposals be denied.

If the dashed lines shown on the 150 level map represent the proposed work on this level, and the target is the ore shoot indicated on Section A-A, scale 1" = 400' as lying between Ruby faults No. 3 and No. 4, the area has been explored over a N-S width of about 280 feet on the footwall side of the No. 4 fault on the Upper Tunnel level. Apparently, either no structure leading to an ore shoot was found, and if found and followed by the 100-foot drift westerly ending in 100 feet of N-S crosscutting was not of ore grade; or the hypothetical offset ore shoot is south of these workings. In any case it is concluded that, even though this area might contain an ore shoot, a much more practical and less costly approach would be to long hole the walls of the existing drift and if an ore shoot is found, follow up the drilling by crosscutting and drifting. Getting to that portion of the 150 level is the problem.

Judging from the heavy ground in and near faults on the 600 level, it is concluded that the stoped areas of the Ruby, Dowling, and Ray ore shoots are probably caved. How badly and to what extent the stoped areas and ground between them may be caved is anybody's guess. The portal of the 150 level at the Ray end is on the other side of

the mountain from the Ruby 150 and 600 portals and would require some access road work, and some surface plant installation, or at least very long air and water lines from the present plant. There might be as much as 180 feet of rehabilitation in the Ray stoped area. From the Ruby portal the Ruby cave might require as much as 170 feet of rehabilitation and the Dowling, as much as 200 feet. It is concluded that none of these estimated minimum amounts of rehabilitation could be considered as "limited rehabilitation." All but about 243 feet of the proposed 1,170 feet of "parallel" crosscut and drift would be in lieu of rehabilitation, and must be considered as being in that category. It is therefore recommended that the work proposed on the 150 level be denied. However, should the applicant at his own expense reopen the 150 level either by rehabilitating caved areas or by drifting around them, a program of long hole drilling followed by crosscutting and drifting to explore for an ore body between Ruby No. 3 and No. 4 faults would be recommended.

In summary, denial is recommended for:

1. The proposed surface work because it is essentially either pure prospecting or could conceivably become preparation for small open-cut mining operations.

2. The proposed 150 level work because it consists of a disproportionate amount of rehabilitation relative to actual exploration.

3. The proposed 600 level work because the evidence strongly indicates that more than 70 percent of the total dollar value of any discovery will be in base metals.

D. R. Maclaren

Distribution:
CML
USGS(SRO)
Docket
Maclaren

MME Form 7
(2/63)

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Date	Surname	Code
4/26/66	Kirkemo	120
		110
4/26	Cal	220
		120

Mr. David H. Clegg
President
Ruby Silver Mines, Inc.
863 First Security Building
Salt Lake City, Utah 84111

APR 26 1966

Re: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

Dear Mr. Clegg:

This is to inform you that we are reviewing the material on the Ruby mine which you sent recently to Mr. MacLaren, OME Field Officer, Region I. We will advise you as soon as we have reached a decision regarding possible future exploration assistance.

Sincerely yours,
FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
OME Reading File
Region I
Mr. Kirkemo

HKirkemo/mm (4/26/66)

MME FORM 6 REFERENCE SLIP
REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO: Chief, OME	DATE	INITIALS
1.	3/31/66	
Re: OME-6308 (Gold-Silver) Ruby Silver Mines, Inc.		
2. (Ruby Mine)		
3. Jefferson County, Montana		
Contract 2182		
4.	1 20 K	
5. D. R. MacLaren		
FROM: Field Officer, Region I		

FOR: Check items for action desired

X Action ____ Reply for signature of ____
____ Approval ____ Investigate ____ Surname
____ Comment ____ Recommendations ____ Signature
____ Conference ____ Rewrite ____ File
Instructions X Your information

REMARKS: The attached letter of 3/30/66 from David H. Clegg, president of the above-cited company, and maps presenting a request for more work are being forwarded to you so that you can read it over. As soon as I finish the report I am writing, I will forward my comments and recommendations.

March 30, 1966

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O. M. E.
RECEIVED
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FILE CODE
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United States Department of the Interior
Office of Minerals Exploration
South 157 Howard Street
Spokane, Washington 99204
Attention: Mr. D. R. MacLaren, Field Officer, OME

Gentlemen,

In order for you to consider the granting of a new OME contract to Ruby Silver Mines, Inc., it is necessary for you to have some knowledge of the activities at the Ruby mine during the past months. Accordingly we submit herewith (enclosed under separate cover and in duplicate) a set of maps conveying a record of past exploration work and projections of our geologists, further confirmed by mining engineers, all of whom have served us at no cost to the OME program. We are very much encouraged by developments on our property and feel that it would be a grave mistake both for the government's investment and our own future not to carry out the program as prescribed herewith.

Our property is one of the few in the country which has an excellent record of production in gold and silver during past years and, of course, we feel that the same ore, once located, will be developed in quantity and value.

It should be mentioned that we are operating in an isolated area and that the actual costs as compared with the estimated costs for obtaining the previous OME loan were exceeded by no less than fifty percent. Since ceasing work on the program as outlined under the OME contract, at our own expense we have brought in a power line a distance of some five miles, installed an electric compressor and made other changes that should make future operation more economical. Nevertheless we are trying to be practical and realistic in our considered appraisal of the costs to carry out the program which has been recommended as outlined by topflight experts in the mining business in the Butte, Montana and Rocky Mountain area.

The following is a brief resumé of the events of the past ten months at the Ruby mine on Lowland Creek.

During the past ten months intensive geological mapping has taken place in every possible accessible working place. By the use of this mapping to make cross sections and by the study of these cross sections to reconstruct the mine as it was before any faulting occurred, we have come to several important conclusions.

The most evident conclusion is that the RUBY #1, #2, #3 and #4 faults are not, as Corry stated in his report, pre-mineral faults but rather post-mineral. Consequently another conclusion follows: that the RAY, DOWLING and RUBY, sometimes called "Company", ore-shoots are not three separate and distinct shoots, each bottoming on three pre-mineral faults, respectively, RUBY #4, #2 and #1, but are instead segments of the same ore-shoot, offset by the same-numbered post-mineral faults.

Conclusion #3 follows: that another segment probably exists between the RUBY #3 and RUBY #4 faults on or above the middle or upper tunnel levels but that not enough prospecting has been done laterally from the workings on these levels to find the ore-shoot. See Section A-A, included.

Composite plans, shown by levels, show the surface outcrop of the RAY, DOWLING and RUBY vein system. It also shows the position by level of the RUBY #1, #2, #3 and #4 faults. It shows also the RAY, DOWLING and RUBY ore-shoots.

An examination of cross-sections A-A shown on this plan-set and also on Sections A-A, should clarify the position of the ore shoots above RUBY #4 fault between each successive fault to the west and below #1 fault.

The 600 foot level shows what work has been done on that level, plus that which is proposed for Stage #1 for new exploration work. A proposed cross-cut of 440 feet to the northwest within the vein zone will cut the downward projection of the faulted segment of the RUBY ore-shoot. If ore is encountered on the downward projection, then a raise (in development rather than exploration) above the level to the surface within the ore zone should recover the high-grade silver-gold values that were mined at the lower extremities of the ore-shoot on top of the #1 fault.

Also to be included in Stage #1 work are ten to twenty long drill holes from the proposed 440 foot cross-cut northwest. These are shown on 600 foot level plans, scale 1"= 100' and will be 50 feet or more in length, each.

The first stage will also include 2200 feet of surface work or stripping exposure of some type by a machine that is capable of doing stripping work in a surface outcrop of this nature. It would be our intent to use a D-8 "Cat" with a ripper which we feel would be amply qualified to do this chore. This work on the surface should be commenced as soon as weather permits (estimated to be some time in May) since it will be highly indicative and helpful in interpreting past known ore-shoots and uncovering any unknown ore- shoots.

Stage #1 exploration at the Ruby should also include 170 feet of re-opening the 150 foot level and 1,000 feet of cross-cut. The 150 foot level is accessible for approximately 500 feet into the RUBY #1 fault. Upon completion of the re-opening or at our discretion parallel cross-cutting of comparable length, the faulted extension of the DOWLING to the northwest or the RAY to the southeast should be encountered. Since both of these shoots were in good silver-gold ore, it is reasonable to expect that this segment to be recovered should also be in good silver-gold ore.

1,000 feet of long-hole drilling should also be included in #1 Stage in sites to be selected from either the reopening or new work as shown on the Composite Plan 150 foot level.

Stage #2 exploration work at the Ruby mine should include 430 feet of cross-cut and drift to recover the faulted segment southeast of the main 600 foot level cross-cut, as indicated by the drag ore in the main 600 foot level cross-cut. Approximately 1,000 feet of long-hole drilling should also be included at sites to be selected after the cross-cutting.

To show the basis of our recommendations, we have included a copy of the original forty-scale notes of the cross-cutting on the 600 foot level north from the main 600 foot level cross-cut. We have also included Section A-A, as shown on the hundred-and-forty-scale composite map. This map shows the geology on the 600 foot level and on the 150 foot level and those portions that are accessible for mapping, plus projections we have put on from the results of our mapping. It shows also Section A-A'. Section A-A' is shown primarily to indicate that ore from the segment north of the fault cut in the main 600 foot level cross-cut is dragged to the south and consequently prospecting should be continued as recommended in Stage #2, southeast of this fault.

Composite plan by individual level, we reiterate, shows the vein outcrop on the surface and in conjunction shows the projected vein zone on the 600 foot level and the projection of the faulted extension of the RUBY ore-shoot. Each of these items is cross-filed, cross-referenced one to the other.

The estimated costs for each part of the program as outlined is shown on the enclosure. These costs have not been itemized with

the breakdown as required on a formal application for a loan. However, they are based on the experience we have had to date during our almost two years of work on this property. A detailed breakdown will, of course, be supplied when we have heard from you further.

Yours very truly,

David H. Clegg
President
Ruby Silver Mines, Inc.

RECEIVED
Air Mail
MAR 31 1966
Spec. Delivery
OME
Spokane

ESTIMATE OF COSTS

Stage 1

A. 600' level: proposed 440' cross-cut to cut downward projection of faulted segment of Ruby ore-shoot

Drifting: 440' @ $57/ft.....	$25,080.00
Slabbing: 4400 cu. ft. @ .75/cu. ft.....	3,300.00
Assays: 100 @ $5/assay.....	500.00
Timbering: 88' @ $12.60/ft.....	1,108.80
	$29,988.80

B. 600' level: long-hole drilling

Drilling: 1,000' @ $1.50/ft.....	1,500.00
Sampling: 1 man.....	150.00
Assays: 40 @ $5/assay.....	200.00
	$ 1,850.00

C. 2200' surface work: to explore for outcrop of faulted extension of Ruby shoot; also for unrecovered faulted extension of Ruby shoot between RUBY #3 and #4 faults on surface. SE 1000 feet of surface will be between RUBY #1 and RUBY #4 faults.

D-C 8 Cat & operator: 30 days @ $200/day..	6,000.00
Extra labor, including sampler.....	1,200.00
Assays: 400 @ $5/assay.....	2,000.00
	$ 9,200.00

D. 150' level: 170' parallel drifting or re-opening; 1,000' cross-cutting; 1,000' long-hole drilling: to recover the faulted vein segment between the RAY and DOWLING, RUBY #3 and #4 faults. (See Sec. A-A)

The 150' level is presently accessible for 500'. In order to operate from this level, it is contemplated that we would extend approximately 3300' from the present operation an air pipe from the present compressor plus a small power line. From the opened area of the present drift (approx. 500') additional track would be required for about 200', though the ties are in place. For the entire 500' we would run an airline and a vent pipe. A water line and fan for the vent pipe would also be required.

Drifting 170' plus preliminary costs to begin operations at this location.....	$24,000.00
Slabbing: 1700' @ .75/cu. ft.....	1,275.00
Timbering: 34' @ $12.60/ft.....	428.40
Assays: 40 @ $5/assay.....	200.00
1,000' cross-cutting @ $57/ft.....	57,000.00
Slabbing: 10,000 cu. ft. @ .75/cu. ft.....	7,500.00
Timbering: 200' @ $12.60/ft.....	2,520.00
Assays: 750 @ $5/assay.....	3,750.00
Drilling: 1000' (long-hole) @ $1.50/ft....	1,500.00
Sampling: one extra man.....	150.00
Assays: 40 @ $5/assay.....	200.00
	$ 98,523.40

Total Stage 1.....$139,562.20

Stage 2 Exploration 600' level to recover faulted segment southeast of main 600' cross-cut.

Drifting & cross-cutting: 430' @ $57/ft.....	$ 24,510.00	
Slabbing: 4300 cu. ft. @ .75/cu. ft.....	3,225.00	
Timbering: 86' @ $12.60/ft.....	1,083.60	
Assays: 50 @ $5/assay.....	250.00	
Long-hole drilling: 1,000' @ $1.50/ft.....	1,500.00	
Sampling: one extra man.....	150.00	
Assays: 40 @ $5/assay.....	200.00	
Total Stage 2.....		$ 30,918.60
TOTAL STAGES 1 and 2.....		$170,480.80

OFFICIAL FILE COPY

Date	Surname	Code
4/22		110
4/22	[illegible]	120
4/22	[illegible]	220
		120M

APR 22 1966

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

The last information we have on the status of the subject contract is a copy of your letter of January 31, 1966, to the Operator.

We feel that the Operator has had sufficient time in which to reach a decision on the future course of operations. The last work performed under the contract was in July 1965, and the completion date was January 31, 1966. The results of the work performed under the contract to date and the settlement for the ore shipped do not indicate that further exploration assistance for gold and silver is warranted.

Under the circumstances, it appears that the Operator should be informed that we cannot maintain a contract indefinitely in an inactive status and that he should request termination of the contract.

FRANK E. JOHNSON

Frank E. Johnson

cc: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
130

FEJohnson/bih/gla 4-22-66

4/25/66 [illegible]

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code

Memorandum

To: Bureau Compliance Officer

From: Chief, Office of Minerals Exploration

Subject: Equal Employment Opportunity under Government Contracts

Enclosed are two copies each of Parts I and II and one copy of Part III, Standard Form 41, Compliance Report--Construction, submitted by L-D Mines, OME-6460, Contract 2210, for the last quarter of 1965. Formerly, one copy of each of the parts was sent to the President's Committee on Equal Employment Opportunity.

Listed below are the contracts which are in excess of $100,000 and to which Standard Form 41 should probably be sent for the first quarter of 1966:

OME-6460 Contract 2210 L-D Mines
OME-6436 Contract 2203 Cortez Joint Venture
OME-6288 Contract 2166 Bulldog Mountain, Inc.
OME-6289 Contract 2169 Richmond Hill Exploration Company, Inc.

The exact status of OME-6308, Contract 2182, Ruby Silver Mines, Inc., is not presently known. Should further work be approved, it would also be necessary to send Standard Form 41 to the company. It is believed that you have the addresses of these companies.

(signed) FRANK E. JOHNSON

Frank E. Johnson

Enclosures

cc to: Director's Reading File
Division File
Economic Geology File
OME Docket 6460
OME Reading File
Mr. Selfridge

GCSelfridge/gla 2-2-66

(sys also: Dockets OME-6288, 6289, 6436, 6308, and OCS EEO File)

23263

Spokane, Washington 99204
January 31, 1966

OFFICIAL COPY
O. M. E.
RECEIVED
FEB 3 1966
INITIALS | CODE
120
120

Air Mail

Mr. David H. Clegg
President
Ruby Silver Mines, Inc.
863 First Security Building
Salt Lake City, Utah 84111

Re: OME-6308 (Gold-Silver)
Ruby Mine
Jefferson County, Montana
Contract 2182

Dear Mr. Clegg:

Thank you for your letter of January 27, 1966, outlining recent work at the Ruby mine and the thinking of your technical advisers. However, without a map showing what work you have done and more specifically where, I cannot offer any comment or suggestion as to what you should do relative to the OME contract.

I can say, however, that OME can only contribute to the cost of that work which conforms to the terms of the contract. Any radical departure such as you indicate would require an amendment. Also, as the dollar value of silver contained in the shipment from the base metal vein does not make up half of the value of that vein, any work here would probably not be eligible for OME aid.

According to my last measurement made September 1, 1965, with Bill Wittmeyer, no more than 39.5 feet of crosscutting and/or drifting remain to be driven. In view of the above, and without a map to see specifically what your proposal is, I cannot say whether an amendment could be approved or whether it would be better to terminate the contract by mutual agreement. I would appreciate receiving two copies of your latest mine map so I can keep one here and forward one to D.C. if an amendment is indicated.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

DRMacLaren/mls

cc: OME w/cy incoming
Voucher File
MacLaren

Director's Reading File

OMB

RUBY SIL R MINES, INC.
[illegible] ECURITY BUILDING
SALT LAKE CITY, UTAH [illegible]
TELEPHONE ([illegible]) [illegible]

DAVID H. CLEGG
PRESIDENT

REGIONAL OFFICE
[illegible] SO. EXCELSIOR AVE.
BUTTE, MONTANA [illegible]
TELEPHONE (406) [illegible]

January 27, 1966

Mr. D. R. MacLaren
Field Officer OME, Region 1
So. 157 Howard Street
Spokane, Washington 99204

Re: OME-6308, Ruby Mine
Contract 2182

Dear Mr. MacLaren,

In reply to your letter of January 21, I wish to advise that we have been studying very carefully the progress of our drifting to the north and west of the area in which we encountered the sulphide ore in order to determine whether drilling from the face of the crosscut ahead and in a southwesterly direction, as outlined in your letter, would be justified.

During the past two weeks we have reached a vein zone at least sixty feet in width which our technicians advise is most likely the area of the Ruby shoot. Our problem now, of course, is to locate the Ruby or other shoots within this main zone. Our technical advisors have not been too enthusiastic about drilling in the areas outlined in your letter because of the encouragement furnished by our present activities. It is their thinking that beginning from the Ray shoot at the southeast part of the property and working toward the Ruby, the veins have all had a steeper dip and that the Ruby vein could either be vertical or have a westerly dip which would place it in the area where we are now located.

It is of interest to recall that during the last week before he left our employment, after studying the surface indications, Bill Wittmeyer also reached the conclusion that the Ruby shoot is in the area which we have now reached.

I have assumed from our previous conversations that the work we are doing where we are would likely not be acceptable to you as contract work, even though we ourselves feel that we are making good progress in exploring for the Ruby vein and that the vein zone we have located is the main vein zone running roughly north and south throughout the property. If you feel that this work could be applied in some way to the present contract, including the small amount of drilling we will be doing in the very near future, I would appreciate immediate word from you to that effect.

Since we have done no work at the face of the crosscut and no drilling, as mentioned above, we felt that a monthly report would

not be necessary. The feeling both of our men and of the excellent advisors, whom I have mentioned to you before, is that we are making encouraging progress. In the area where we hit the rich sulphide ore, though the ore was rich and strong, the structure was far too weak. Now we have an excellent structure with extremely high iron pyrite and small amounts of mineralization. But it seems to be the history of this property that the ore is very much concentrated in pay zones with little value in any surrounding area.

While we are certainly encouraged on the prospects, as usual in a program like this, the money problem gets to be serious. I would appreciate hearing from you at your earliest convenience as to the possibility of applying any part of the present contract on the work we are now doing and your thoughts as to our applying for an additional contract.

Frankly, I thought I had mailed the check for the government royalty but my secretary reminds me that I said we would hold off until we sent in this report on the present status of our development work. In any case, we enclose our check in the amount of $182.62 with copy of the settlement sheet.

Best regards.

Sincerely,

/s/ David H. Clegg

David H. Clegg
President
Ruby Silver Mines, Inc.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
January 28, 1966

OFFICIAL COPY

Cae 800 P.
120 M
720

Memorandurm

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: Collections--Transmittal of Royalty Check
Contract 2182
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
OME-6308 (Gold-Silver)

Appropriation Symbol: OME-142039

Attached is a check as follows:

Check No.: 510

Date: 1/26/66

Amount: $182.62

From: Ruby Silver Mines, Inc. (Drawn on Fourth South Office, First Security Bank of Utah, Nat'l. Assn., Salt Lake City, Utah)

Period: November 1965

Lot No.: Sampler Lot RS ZO - 363 (Anaconda Sampler)

D. R. MacLaren

D. R. MacLaren

Attachment
Distribution:
Operator
OME w/sample lot sheet RS ZO - 363
CPF
Chrono

[illegible] 300 Standard

THE ANACONDA COMPANY, ANACONDA SAMPLER

RECEIVED FROM Ruby Silver Mines, Inc.
c/o David H. Clegg, President

ADDRESS 863 1st Security Building-Salt Lake City, Utah 84111

MINE Ruby Silver Zinc Ore

ANACONDA, MONTANA
November 12, 1965

SAMPLER LOT RS 20 - 363

ASSAYS	OZS SILVER	OZS GOLD	PER CENT ZINC	PER CENT LEAD	PER CENT COPPER	PER CENT INSOLUBLE	PER CENT IRON	TREATMENT CHARGE $	PRICE PER TON $	VALUE $	DRAFT
Sampler											
Shipper											
Umpire											
Settlement	4.30	.0020	5.19	7.6	1.31	64.6	[illegible]	[illegible].00	23.45	$ 4,216.09	
BAF Ry Freight										563.73	
										$ 3,652.36	

Ox Zinc: .01%

Ox Lead: .065%

COPY

PAYMENT FOR METALS

Zinc— less 1 % @ 50% of remainder @ 7.975¢

Silver— 70% % @ 128.900¢

Gold— % @

Lead— 75 % [redacted] @ 16.000¢ less [illegible]

Copper less .15% @ 50% of remainder @ 29.784¢

TREATMENT CHARGES

	CR	DR
Base		3.00
[redacted]		
[redacted]		
[redacted]		
[redacted]		
[redacted]		
TOTAL $		3.00

NET TREATMENT CHARGE

SHIPPER'S LOT NO.	CAR NUMBER	WEIGHTS LBS GROSS	% MOISTURE	LBS. DRY	DATE OF [redacted]	DATE OF QUOTATIONS
	73533	109,000			11/ 3/65	E & M J Average for Week Ending 10/29/65
	73206	117,100				
	73617	110,800				
	70030	49,420				
	TOTAL	386,320	7.08	358,969	RAILROAD VALUE	

The Anaconda Company, Anaconda Sampler

By J. J. Dougherty

O Me

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
January 21, 1966

OFFICIAL COPY
O. M. E.
RECEIVED
JAN 24 1966
INITIALS CODE
130
130

Air Mail

Mr. David H. Clegg
President
Ruby Silver Mines, Inc.
863 First Security Building
Salt Lake City, Utah 84111

Re: OME-6308 (Gold-Silver)
Ruby Mine
Jefferson County, Montana
Contract 2182

Dear Mr. Clegg:

In my letter of September 27, 1965, in which I requested a copy of a map in order to determine what would be the best course to follow the possibility of diamond drilling two holes was mentioned. In your reply of September 28, you said that you were leaving for New York and that when you returned you would review the matter with your associates and be in touch with me.

During a telephone conversation early in December, we further discussed the possibility of drilling two holes, one from the face of the crosscut to explore ahead, the other to be drilled southwesterly from near the crosscut face to explore along the hanging wall of the Ruby fault. It was suggested that I postpone writing up a Work Authorization for that drilling pending further word from your technical advisers, when you would submit a proposal. To date, I have heard nothing further from you.

The completion date of the contract is January 31, 1966, and if you wish that consideration be given to further work under this contract, your proposal should be received by that date.

We have received no monthly reports since your Voucher and Progress Report for July. Kindly advise us what, if any, contract work has been done since then.

I may have been misinformed, but I seem to recall hearing that some ore was stoped and shipped from the base metal vein exposed by the

OME crosscut. Please advise me if any ore has been shipped and, if so, when we may expect to receive the royalty due the Government.

An early reply will be appreciated.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

DRMacLaren/mls

cc: OME
Voucher File
MacLaren

Director's Reading File

OFFICIAL FILE COPY

Date	Surname	Code
	Selfridge	150
1/14	Johnson	120
		110
1/14	cac	220
		150

JAN 14 1966

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

The completion date of the period in which to do the work under the subject contract is January 31, 1966. The last voucher which we have received is for July 1965. In our memorandum of August 18, 1965, to you, you were informed that further consideration for amending the contract would be given when more concrete information concerning the vein was available.

Will you please determine the status of the project. If the work has been completed, for all practical purposes, will you please request a final audit review of the subject contract in accordance with the instructions of OME Circular No. 2 and our recent discussions in Washington. Also please recommend the sum which should be withheld in lieu of a final report should the audit show that funds are due the Operator. Will you also please give us your recommendation concerning certification.

(signed) FRANK E. JOHNSON (GLR)

Frank E. Johnson

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
Mr. Selfridge (2)

GCSelfridge/mm (1/14/66)

23263

Orre

RUBY SILVER MINES, INC.

600 FIRST SECURITY BUILDING
SALT LAKE CITY, UTAH 84111
TELEPHONE (801) 363-8811

DAVID H. CLEGG
PRESIDENT

REGIONAL OFFICE
3 SO. EXCELSIOR AVE.
BUTTE, MONTANA 59701
TELEPHONE (406) 782-0717

September 28, 1965

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 1 1965

INITIALS	CODE
	120 M
	120

Mr. D. R. MacLaren, Field Officer OME
So. 157 Howard Street
Spokane, Washington 99204

OME-6308

Dear Don,

I am sending under separate cover the map you requested in your letter of September 27. We also are turning our geologists and mining engineers loose to determine the best approach for drilling and/or drifting.

I am leaving for New York today but when I get back I'll review the matter with our people and be in touch with you.

Best regards.

Sincerely,

/S/ David H. Clegg

David H. Clegg
President
Ruby Silver Mines, Inc.

RECEIVED
SEP 29 1965
OME
SPOKANE, WASHINGTON

MME FORM 6 REFERENCE SLIP

REV. 2 OFFICE OF MINERALS EXPLORATION

TO: Chief, OME	DATE	INITIALS
1.	9/27/65	
2.		
3.		
4.		
5.		

D. R. MacLaren

FROM: Field Officer, Reg. I

OFFICIAL COPY
O. M. E.
RECEIVED
SEP 29 1965

INITIALS	CODE
gha	120 M
	120

FOR: Check items for action desired

X Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

Transmittal of the Gov't., Audit, and Fiscal Section's copies of Amendment No. 1.

OMe

OFFICIAL COPY
O. M. E.
RECEIVED
SEP 29 1965

INITIALS	CODE
	120M
	120

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
September 27, 1965

Air Mail

Mr. David H. Clegg
President
Ruby Silver Mines, Inc.
863 First Security Building
Salt Lake City, Utah 84111

Re: OME-6308 (Gold-Silver)
Ruby Mine
Jefferson County, Montana
Contract 2182

Dear Mr. Clegg:

Through July 1965 the monthly narrative reports and the July voucher indicate a total advance under the OME contract of 2,858 feet. This includes the original segment of crosscut that caved at the face, the left bypass attempt which also caved at the face, and the right bypass which is now the remaining portion of the crosscut.

A check of his measurements was made with Bill Wittmeyer September 1, 1965, and indicated a total advance of 2,840.5 feet. Thus, there remain 59 feet of crosscutting. Whether this or some long hole drilling should be done I cannot now determine.

A fault striking S. 30° E. and dipping northeasterly at portal plus 2,785 feet was once thought to be the Ruby fault. The crosscut was continued through increasingly crushed ground to portal plus 3,057 feet where the crushed zone ends along a fault striking S. 20° E. and dipping 34° northeasterly. On the basis of a recently completed company survey, it is now believed that this may be the Ruby fault. With his letter of July 26, 1965, Bill sent only one copy of the new map, scale 1" = 100', which shows the OME workings correctly tied in with the 150 level. This map was sent to Washington with the request for additional work. During a telephone conversation he was asked to send us another copy but apparently it was overlooked. Will you kindly send me another print of this map. I have a copy of the 150 level geology map which you sent with your letter of July 28 and which I returned August 2.

Now that there has been an extension of time within which to complete the contract, I will need the new map in order to determine whether the crosscut should be driven further or whether some long hole

drilling might locate the vein, and, if so, where they should be drilled. Only after such a determination can I prepare the necessary work authorization, should long holes appear feasible or the remainder of the crosscut appear advisable.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

DRMacLaren/mls
cc: OME ✓
MacLaren
Voucher File

Director's Reading File

Ore

RUBY SILVER MINES, INC.

[illegible] FIRST SECURITY BUILDING

SALT LAKE CITY, UTAH [illegible]

TELEPHONE (801) [illegible]

DAVID H. CLEGG
PRESIDENT

REGIONAL OFFICE
[illegible] SO EXCELSIOR AVE.
BUTTE, MONTANA [illegible]
TELEPHONE (406) [illegible]

OFFICIAL COPY
O. M. E.
RECEIVED
SEP 29 1965

INITIALS	CODE
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	~~120~~

September [illegible], [illegible]

Mr. D. R. MacLaren
So. 157 Howard Street
Spokane, Washington [illegible]

Dear Mr. MacLaren,

Mr. Clegg is currently out of town for a few days but I have secured his signature on the enclosed Amendment No. 1 to the Exploration Contract, Ruby Silver Mines, Inc.-OME-[illegible], which he asked me to return to you with [illegible] for your cooperation.

Yours very truly,

b/ Marjorie B. Black
(Mrs.) Marjorie B. Black
Assistant Secretary
Ruby Silver Mines, Inc.

RECEIVED
SEP [illegible]
OME
SPOKANE, WASHINGTON

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane, Washington 99204

OFFICIAL COPY O. M. E. RECEIVED SEP 10 1965	
INITIALS	CODE
	720
	120 M

Date: 9/ 1/65

Memorandum

To: Compliance Officer

From: Acting Field Officer, Region I

Subject: Equal Employment Opportunity Under Government Contracts
OME-6308 (Gold-Silver)
Operator: Ruby Silver Mines, Inc.
Name of Property: Ruby Mine
County-State: Jefferson County, Montana
Contract No. 2182

I have obtained the following information from my visit to the operating project under the subject contract:

1. Number of all employees 7
2. Number of women employees 0
3. Number of Negro employees 0
4. Number of other minority groups (Indian, Latin, Oriental, etc.) 0
5. Was employment through a union? No
6. Distance to the closest union headquarters 20
7. Are the discrimination posters prominently displayed? Yes
8. If employment was through a union, was the union furnished Standard Form 38? --
9. If employment was not through a union, in what manner was employment made? Locally
10. Acts of intimidation matter has been discussed with Yes

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Chief, OME	9/ 7/65	
2.		
3.		
4. MLS		
5. Mary L. Smelser for D. R. MacLaren		
FROM: Acting Fld. Officer, Reg. I		

FOR: Check items for action desired

X Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS: If inadvertently the letters dated 7/26 from William W. Wittmeyer, Superintendent, and dated 7/28 from Mr. Clegg, President, were sent to you with Mr. MacLaren's memo of 8/2 would you mind running off a Thermo-fax copy of each for our files as I can't seem to locate them. Thanks you.

Sent 9/9/65 ✓
mm

INT.-DUP. SEC., WASH., D.C. M56300-62

OME

OFFICIAL COPY O. M. E. RECEIVED SEP 9 1965	
INITIALS	CODE
	120 M
	120

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
September 7, 1965

Air Mail

Mr. David H. Clegg
President
Ruby Silver Mines, Inc.
863 First Security Bldg.
Salt Lake City, Utah 84111

Re: OME-6308 (Gold-Silver)
Ruby Mine
Jefferson County, Montana
Contract 2182

Dear Mr. Clegg:

In accordance with your request of July 28, 1965, enclosed are the original and four copies of Amendment No. 1 signed by the Chief, Office of Minerals Exploration, for the Government.

If the proposed amendment is satisfactory to you, please sign all five copies, retain the Operator's copy, and return the other copies to this office.

If the amendment is not satisfactory, please return all copies unsigned to this office with a statement of your proposed changes for consideration.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

Enclosures

MLSmelser/mls
cc: OME
MacLaren

Director's Reading File

E Form 7
/63)

OFFICIAL FILE COPY

Date	Surname	Code
8/12	Selfridge	130
8/13	Johnson	110
8/16	Weeks	220
8/17	Clapp	90
		110
8/18	Cal	220
		120M

AUG 18 1965

Memorandum

To: Acting Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

In accordance with your memorandum of August 2, 1965, we are enclosing the original and four copies of a proposed Amendment No. 1 (one page) to the subject contract, signed for the Government. An extra copy of the proposed amendment is enclosed for field use.

If the proposed amendment is satisfactory to you and the Operator, all five copies should be signed by an authorized representative of the Operator. Thereafter, please distribute the copies in the usual manner.

If any part of the proposed amendment does not have your approval or that of the Operator and cannot be altered within your delegated authority, the original and all copies are to be returned to this office together with the proposed changes for consideration.

Further consideration for amending the contract will be given when we have more concrete information concerning the vein.

(signed) FRANK E. JOHNSON
GEOLOGICAL SURVEY

Frank E. Johnson

Enclosures

GCSelfridge/gla (8-12-65)
cc to: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
Mr. Selfridge (2)

23263

MME FORM 6 REFERENCE SLIP

REV. 2-5 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. ~~Assoc. Solicitor - MR 6042~~		
2. Mr. Selfridge, Rm. 4459		
3.		
4.		
5.		
FROM: George C. Selfridge		

FOR: Check items for action desired

____ Action ____ Reply for signature of _____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS:

H-65-2045.11

INTERIOR DEPT.

AUG 9 - 1965

SOLICITOR

FROM SOLICITOR

AUG 11 1965

FOR SIGNATURE

RECEIVED

AUG 9 1965

Division of Mineral Resources

and General Legal Services

INT.-DUP. SEC., WASH., D.C. M56300-62

DRAFT
8/6/65
GCSelfridge/gla

Docket copy

EXPLORATION CONTRACT
RUBY SILVER MINES, INC.
OME-6308

AMENDMENT NO. 1

It is agreed this _____ day of _____, 1965, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and Ruby Silver Mines, Inc., hereinafter called the "Operator," that Exploration Contract 2182 (OME-6308), dated January 31, 1964, is amended as follows:

1. The time fixed by the contract for the completion of the work is extended from 18 to 24 months from the date of the contract, or until January 31, 1966.

2. The maximum period for royalty payments and for the lien to secure payments 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, nor the fixed unit cost of any item of work.

THE UNITED STATES OF AMERICA

By_____
Chief, Office of Minerals Exploration, U. S. Geological Survey

RUBY SILVER MINES, INC.

By_____

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane, Washington 99204
August 2, 1965

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 5 1965

INITIALS	CODE
	120
	120

To: Chief, Division of Exploration Operations

From: Acting Field Officer, Region I

Subject: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

The enclosed letter dated July 26, 1965, from William W. Wittmeyer, Superintendent, is self-explanatory, as is the one dated July 28, 1965, from David H. Clegg, President. Upon receipt of your memorandum dated July 19, 1965, I discussed the situation with Wittmeyer. He said a recent survey had been made by independent surveyors, tying the portals of the 150 and 600 levels with each other and with claim corners, that their map had just been received, and he was plotting on it his survey of the 600 level. We had previously discussed the fact that the 600 crosscut had gone way beyond the expected location of the Ruby No. 1 fault and Wittmeyer suggested that we await completion of the map before requesting additional time and probably additional funds. Also enclosed is a copy of the map showing what is believed to be the Ruby No. 1 fault on the 600 level and the additional work requested. Before I could check the supposed Ruby fault it was necessary to know its location on the 150 level. Clegg sent the map with that information, a copy of which is also enclosed.

From the geologic map, scale 1 in.=140 ft., I have located the Ruby fault in pencil on the Operator's map, scale 1 in.=100 ft., at its position on the 150 level, and its projected position on the 600 level. There is little doubt that the badly crushed zone cut on the 600 level 2785 feet in from the portal is the Ruby fault, and it is apparent that Figure 6 which accompanied the application is considerably in error.

From map 1 f, scale 1 in.=50 ft., which accompanied the application, the Ruby vein dips about 70° NE between the Dowling 70-foot and 150-foot levels, and about 80° NE between 150-foot and 300-foot levels. Therefore, it should be found in the footage remaining under the contract. If it is not, and there were sufficient time remaining, I would be inclined to authorize one long hole to the maximum depth it could be drilled ahead of the face before recommending additional work. Then if the Ruby vein is found I would recommend that additional work be authorized by amendment in order to protect the Government's investment.

Under the circumstances of insufficient time and in order to try to avoid a possible second amendment right away it is recommended that an amendment be prepared to extend the contract 6 months, or until January 31, 1966, and, only in the event that the Ruby vein is found in the crosscut or by a long hole or holes therefrom, to increase the allowable crosscutting and drifting from 2900 feet to 3500 feet at the same unit cost, and to increase the amount of timbering from 300 feet to 900 feet at the same unit cost. This would increase the total cost of the contract from $138,800.00 to $161,600.00 and the Government's participation at 50 percent, from $66,400.00 to $80,800.00.

The time extension would permit the long hole drilling, or would give the Operator time to extend the crosscut at his own expense, and would permit Government participation in drifting on the vein. Without some such provision the Government will not be entitled to any return on its investment should the operator carry on and make a discovery, yet it would have put him in an excellent position to do just that.

Sincerely yours,

D. R. MacLaren

D. R. MacLaren

Enclosures

cc: MacLaren
Docket
Voucher
Director's Reading File

RUBY SILVER MINES, INC.
863 FIRST SECURITY BUILDING
SALT LAKE CITY, UTAH 84111
TELEPHONE (801) 363-1111

DAVID H. CLEGG
PRESIDENT

REGIONAL OFFICE
3 SO. EXCELSIOR AVE.
BUTTE, MONTANA 59701
TELEPHONE (406) 792-9717

RECEIVED
JUL 29 1965
OME
SPOKANE, WASHINGTON

July 28, 1965

Mr. Donald McClaren
Office of Mineral Exploration
Dept. of Interior
South 157 Howard St.
Spokane, Washington

envelope

Dear Mr. McClaren:

Mr. Wittmeyer mentioned yesterday that you need a map that shows, in particular, the number one Ruby fault as located at the 150 ft. level. These maps have been with Anaconda here in Salt Lake and I have just picked them up and am sending copies to you. I am also enclosing the original of the smaller map as the copy is not too legible. Please make certain that the original of this map is returned to me as soon as it has served your purpose and, of course, you may keep the other two maps that are forwarded herewith.

I hope these maps will meet your needs.

Hope to see you soon.

Yours very truly,

David H. Clegg
President
Ruby Silver Mines, Inc.

DHC/sc

RECEIVED
JUL 27 1965
O.M.E.
SPOKANE, WASHINGTON

RUBY SILVER MINES, INC.
863 FIRST SECURITY BUILDING
SALT LAKE CITY, UTAH 84111
TELEPHONE (801) 363-1111

DAVID H. CLEGG
PRESIDENT

REGIONAL OFFICE
3 SO. EXCELSIOR AVE.
BUTTE, MONTANA 59701
TELEPHONE (406) 792-9717

July 26, 1965

Mr. D. R. MacLaren, Acting Field Officer
Office of Minerals Exploration
South 157 Howard Street
Spokane, Washington 99204

Re: OME-6308 (Gold-Silver)
Ruby Mine
Jefferson County, Montana
Contract 2182

Dear Mr. MacLaren:

This letter is a brief resume' of the status of OME-6308, Contract 2182, at the Ruby Mine, Jefferson County, Montana.

This project called for the continuing the 600 level crosscut (Lowland Tunnel) approximately 1920 feet to intersect the projected, faulted offset of the Ruby ore shoot. From the crosscut, a drift would then be driven southeasterly along the Ruby structure and eventually explore the Dowling structure. Upon the completion of this work, an estimated 26 long holes were to be percussion drilled to an average depth of 150 feet to explore for additional ore in the Ruby and Dowling structures and to explore for possible parallel structures.

Due to winter conditions, Ruby Silver Mines was not able to begin the project until June 1964. Twenty days were consumed installing equipment and rehabilating the mine yard and existing tunnel. On July 1, 1964 crosscutting was started and by June 30, 1965, the crosscut had advanced to a point 2909.0 feet from the portal.

The projected, faulted offset of the Ruby vein has not been intersected in the 600 level crosscut. The fault, that was believed to have been post ore, and to have offset the Ruby vein to the west, was found very close to its projected position, at portal plus 2785.0 feet. The crosscut has been continued through the fault so as to intersect the downward and unfaulted, projection of the Ruby vein below the old mine workings. As of July 1, 1965 approximately 200 more feet of crosscutting are necessary to reach this projection.

Upon reaching the projection of the Ruby vein, essentially all of the footage allotted to crosscutting and drifting will have been completed. As no drifting will have been done on the vein, the proposed longhole percussion drilling would not be practical.

Ruby Silver Mines, Inc. would like to request an amendment to the present OMB 6308, Contract No. 2182, to increase the footage of crosscutting and drifting from the original 2900 feet to 3500 feet. An additional 600 lineal feet of timbered drift is also requested, as the present nature of the ground indicates that timbered support will be necessary. An extension of the completion date of the contract from July 31, 1965 to December 31, 1965 will be necessary to complete the proposed work. No increase in other items of the contract will be necessary.

In June 1965, Ruby Silver Mines, Inc. employed an independent engineer to survey the surface expression of the old Ruby Mine and tie this survey to the present 600 level crosscut. This survey checked the work of company engineers. The enclosed 100 scale map shows the position of the 600 level crosscut with regard to the 150 level of the Ruby Mine. The proposed increase in crosscutting and drifting is outlined on this map in red.

Sincerely yours,

William W. Wittmeyer

William W. Wittmeyer
Superintendent

envelope

Enclosure: 100 scale map Ruby Mine

cc: Mr. David H. Clegg, Pres.
Ruby Silver Mines, Inc.

So. 157 Howard Street
Spokane, Washington 99204
August 2, 1965

OFFICIAL COPY
O. M. & E.
RECEIVED
4 1965

INITIALS	CODE
	120
	120

Mr. David H. Clegg,
President
Ruby Silver Mines, Inc.
863 First Security Bldg.
Salt Lake City, Utah 84111

Re: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

Dear Mr. Clegg:

Returned herewith is the tracing of the map you sent with your letter of July 28, 1965. It has been most helpful. Thanks for being so prompt.

As you are aware, the time for completion of the OME contract is July 31. Probably all of the crosscutting and drifting provided in the contract will be used up by that date. I have forwarded to our Washington D. C. office your request for additional work and an extension of the contract period. Until and unless the contract is amended, any work will be at the risk of being for the sole expense of the Company.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

Enclosure

cc: OME
MacLaren
Docket
Chrono

MacLaren:et

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
	Selfridge	120
7/19	Johnson	110
7/19	Cal	220
		1207

JUL 19 1965

Memorandum

To: Acting Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OMX-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

Please call the Operator's attention to the fact that the period in which to do the work terminates July 31, 1965.

(signed, FRANK E. JOHNSON

Frank E. Johnson

GCSelfridge/mm (7/19/65)
cc: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
Mr. Selfridge (2)

23263

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane, Washington 99204

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 4 1965
INITIALS | CODE
120
120 M
cy 120

Date: 5/14/65

Memorandum

To: Compliance Officer

From: Acting Field Officer, Region I

Subject: Equal Employment Opportunity Under Government Contracts
OME-6308 (Gold-Silver)
Operator: Ruby Silver Mines, Inc.
Name of Property: Ruby Mine
County-State: Jefferson County, Montana
Contract No. 2182

I have obtained the following information from my visit to the operating project under the subject contract:

1. Number of all employees — 7
2. Number of women employees — 0
3. Number of Negro employees — 0
4. Number of other minority groups (Indian, Latin, Oriental, etc.) — 1 (1/2 Indian)
5. Was employment through a union? — No
6. Distance to the closest union headquarters — 20 miles
7. Are the discrimination posters prominently displayed? — Yes
8. If employment was through a union, was the union furnished Standard Form 38? — --
9. If employment was not through a union, in what manner was employment made? — Locally
10. Acts of intimidation matter has been discussed with — W. W. Wittmeyer, Superintendent

So. 157 Howard Street
Spokane, Washington 99204
May 6, 1965

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 10 1965

INITIALS	CODE
	800
	120
	120

Mr. William W. Wittmeyer
Superintendent
Ruby Silver Mines, Inc.
3 So. Excelsior Avenue
Butte, Montana

Re: OME-6308 (Gold-Silver)
Ruby Mine
Jefferson County, Montana
Contract 2182

Dear Mr. Wittmeyer:

Due to an unavoidable change in itinerary it will be necessary for me to inspect the Ruby Silver project Sunday, May 16, 1965. I hope this will not inconvenience you too greatly and will phone you when I arrive in Butte.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

cc: OME

Director's Reading File
Resources Research Branch Chief

DRMacLaren/mls

Once (2)

RUBY SILVER MINES, INC.

[redacted]
[redacted]
3 South Excelsior Ave.
Butte, Montana 59701

OFFICIAL COPY
O. M. E.
RECEIVED
APR 28 1965

INITIALS	CODE
[illegible]	800
	120
	120

April 28, 1965

Mr. R. R. Maclaren
Acting Field Officer
Office of Minerals Exploration
Rm. 137 Howard Street
Spokane, Washington

Dear Mr. Maclaren;

You are absolutely correct in stating that sample #907 should be sample #905 on the March 1965 sketch map of the advance at the Ruby Mine. I'm sorry I made this error but thank you for bringing it to my attention.

I also need to know the proper procedure to request a three month extension for our [illegible] contract. The latter part of March and April have been full of equipment troubles plus having to release one shift and as yet, not finding satisfactory replacements. I had figured on making sufficient advance during April, May, and June to leave July for longhole drilling but I've lost most of April and now find that we won't make our target on time.

Would you also send me a supply of Operator's Monthly Voucher form [illegible] 60 and Operator's Progress Report form [illegible] 61.

Sincerely,

William N. Wittmeyer

William N. Wittmeyer

RECEIVED
APR 2[illegible]
OME

Ome(2)

So. 157 Howard Street
Spokane, Washington 99204
April 19, 1965

OFFICIAL COPY
O. M. E.
RECEIVED
APR 21 1965

INITIALS	CODE
[illegible]	800
	120
	120

Mr. William W. Wittmayer
Superintendent
Ruby Silver Mines, Inc.
3 So. Excelsior Avenue
Butte, Montana

Re: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

Dear Mr. Wittmayer:

From tabulations on both the March 1965 narrative report and the sketch it is clear that you are claiming reimbursement for assays of samples nos. 905, 906, 908, 910, 911, and 912. These and no. 909, which you apparently are not claiming, are supported by Goodall's Assay Report. However, on the sketch you show nos. 906 and 907 as being taken next to each other, but there is no assay report for 907, nor is it mentioned in either table. Just to keep the record straight, should not 907 on the sketch be 905?

This will not hold up the voucher as six assays are supported, but I would like to correct my map if it is incorrect.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

cc: OME(2)
Voucher File
MacLaren

Director's Reading File
Resources Research Branch Chief

DRMacLaren:mls

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
4/12	GCS	120
"	Johnson	110
"	[illegible]	100
"	[illegible]	220
		120M

APR 13 1965

President's Committee on Equal
Employment Opportunity
Washington, D. C. 20210

Re: Office of Minerals Exploration
Contracts - Equal Employment Opportunity

Gentlemen:

Enclosed for your information and files is a copy each of Standard Form 41 - Compliance Report - Construction relating to the following OME contracts, Part I executed by the prime contractor, and Parts II and III executed by either the prime contractor or the contractor:

Docket	Contract	Contractor
OME-6288	2166	Bulldog Mountain, Inc.
OME-6289	2169	Richmond Hill Exploration Company, Inc.
OME-6308	2182	Ruby Silver Mines, Inc.
OME-6350	2195	Gortex Joint Venture
OME-6356	2194	Sonoma International, Inc.

Sincerely yours,

George C. Selfridge (gla)

George C. Selfridge
Compliance Officer, OME
Code 183 5371

Enclosures

GCSelfridge/gla (4-12-65)
cc to: Director's Reading File
5 dockets
Mr. Selfridge (6)
Region I (OME-6308)
Region II (OME-6350, OME-6356)
Region III (OME-6288 w/1 cy each Parts I&II; OME-6289 w/1cy Part I)

23263

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:		DATE	INITIALS
1.	Chief, Div. of Exploration Operations	3/31/65	
	Re: OME-6308 (Gold-Silver)		
2.	Ruby Silver Mines, Inc.		
	Ruby Mine		
3.	Jefferson County, Montana		
	Contract 2182		
4.	D. R. MacLaren		
5.	D. R. MacLaren		
FROM:	Acting Fld. Officer, Reg. I	INITIALS	CODE
			120

OFFICIAL COPY
O. M. E.
RECEIVED
APR 2 1965

FOR: Check items for action desired

X Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS: Transmittal of Standard Form 41 (Parts I, II, and III), in duplicate, for the period ending March 31, 1965, as completed by William W. Wittmeyer, Superintendent, in accordance with the request in your letter of March 9 to the Operator.

STANDARD FORM 41
(PART 1)
January 1963
PRESIDENT'S COMMITTEE ON EQUAL EMPLOYMENT OPPORTUNITY
41 CFR CH. 60 41-102

COMPLIANCE REPORT —CONSTRUCTION
(Construction, Alteration and Repair Contracts)
NONDISCRIMINATION PROVISIONS OF U.S. GOVERNMENT CONTRACTS

IMPORTANT. — Please read the accompanying instruction sheet which tells you how to prepare and when to submit each part of this report.

SUBMIT REPORT IN TRIPLICATE TO

CONTRACTING AGENCY	ADDRESS
Department of the Interior	Washington, D. C. 20240
Office of Minerals Exploration	Washington, D. C. 20240
Care Acting Field Officer OME Region I	South 157 Howard Street, Spokane, Washington 99204

Part I. — COMPANY-WIDE POLICIES AND EMPLOYMENT DATA

Section A. — CONTRACTOR AND PROJECT IDENTIFICATION

1. CONTRACTOR'S REPORTING STATUS *(Check one block only to indicate your status for the project covered by this report)* [X] a. PRIME CONTRACTOR [ ] b. SUBCONTRACTOR

CROSS REFERENCE IDENTIFICATION	EMPLOYER IDENTIFICATION NO.	CODE (Leave blank)
2. NAME AND ADDRESS OF CONTRACTOR SUBMITTING THIS REPORT Ruby Silver Mines, Inc. 3 South Excelsior Ave. Butte, Montana	81-0287697	
3. NAME AND ADDRESS OF PRINCIPAL OFFICE OF THE COMPANY Ruby Silver Mines, Inc. 3 South Excelsior Ave. Butte, Montana		
4. NAME AND ADDRESS OF PARENT COMPANY IF AN AFFILIATED COMPANY East Utah Mining Co. 863 First Security Bldg. Salt Lake City, Utah		

5. PROJECT NAME, LOCATION, AND CONTRACT NO.
Ruby Mine Jefferson County, Montana
Contract No. 14-23-090-2182

6. PRIME CONTRACTOR'S NAME AND ADDRESS *(Complete only when block 1b above is checked)*

Section B. — PREVIOUS COMPLIANCE REPORT CROSS REFERENCE (See Instructions 4a and 4d)

7. Have you filed a completed Part I of this report in connection with any other contract or subcontract during the current reporting period? [ ] YES [X] NO

7a. If "Yes," give the following and then complete only item 18 on reverse. N/A

(1) NAME AND ADDRESS OF CONTRACTING AGENCY WITH WHOM FILED	(2) PROJECT NAME AND LOCATION	
N/A	N/A	
	(3) CONTRACT NO.	(4) DATE FILED
	N/A	N/A

7b. If "No," complete the balance of Part I.

Section C. — COMPANY EMPLOYMENT POLICY	YES	NO
8. Have you established a company-wide employment policy to assure that equal employment opportunity is given to all persons without regard to race, creed, color, or national origin?	X	
9. Have you communicated such policy in writing to all departments, offices, and facilities? *(If communicated by other means, explain.)*	Verbal	
10. Have you assigned responsibility and put into effect procedures to assure that company-wide employment policy is understood and implemented by managerial, administrative, and supervisory personnel?	X	
11. If you sponsor or finance educational or training programs for the benefit of any employees, or prospective employees, are all such persons given the opportunity to participate without regard to race, creed, color, or national origin? N/A		

(Continue on reverse)

Section D. — RECRUITMENT AND ADVERTISEMENT	YES	NO
12. Have all of the company's recruitment sources (other than unions) been notified that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin?	X	
12a. Has this been done in writing?	X	X
13. Has each such recruitment source advised the company that it will refer all qualified applicants for employment to the company without regard to race, creed, color, or national origin?	X	
14. If the company recruits employees through advertising, does such advertising make clear that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin? N/A		

Section E. — COMPANY EMPLOYMENT DATA SUMMARY

This section pertains ONLY to employment at the employer's principal office and branch establishments and employment data furnished should include ALL employees at such office and establishments.

15. EMPLOYMENT BY WORK CLASSIFICATIONS, RACE, AND SEX
(For pay period nearest 15th of month preceding that in which this report is due.)

WORK CLASSIFICATIONS (See Instruction 3)	TOTAL ALL EMPLOYEES	MALE EMPLOYEES				FEMALE EMPLOYEES			
		TOTAL MALES	MINORITY GROUPS (See Inst. 7)			TOTAL FEMALES	MINORITY GROUPS (See Inst. 7)		
			NEGRO	OTHER ____	OTHER ____		NEGRO	OTHER ____	OTHER ____
OFFICIALS AND MANAGERS	1	1							
PROFESSIONAL									
TECHNICAL									
OFFICE AND CLERICAL									
SALES WORKERS									
JOURNEYMEN AND MECHANICS	6	6							
APPRENTICES									
LABORERS									
SERVICE WORKERS									
TOTALS	7	7							

16. EMPLOYMENT STATISTICS WERE OBTAINED FROM WHICH SOURCE: ☐ RECORDS (If available) ☐ VISUAL CHECK ☐ OTHER (Specify) ____

17. REMARKS

18. DATE	SIGNATURE AND TITLE	ADDRRESS
March 20, 1966	[illegible]	3 South Excelsior Ave.

(Willfully false statements on this Report are punishable by law (U.S. Code, Title 18, Section 1001)

STANDARD FORM 41
(PART II)
January 1963
PRESIDENT'S COMMITTEE ON EQUAL EMPLOYMENT OPPORTUNITY
41 CFR CH. 60 41-202

COMPLIANCE REPORT—CONSTRUCTION
(Construction, Alteration and Repair Contracts)
NONDISCRIMINATION PROVISIONS OF U.S. GOVERNMENT CONTRACTS

IMPORTANT.—Please read the accompanying instruction sheet which tells you how to prepare and when to submit each part of this report.

SUBMIT REPORT IN TRIPLICATE TO

CONTRACTING AGENCY	ADDRESS
Department of the Interior	Washington, D. C. 20240
Office of Minerals Exploration	Washington, D. C. 20240
Care Acting Field Officer OME Region I	South 157 Howard Street Spokane, Washington 99204

Part II.—EMPLOYMENT CONDITIONS AT THE PROJECT SITE

Section A.—CONTRACTOR AND PROJECT IDENTIFICATION

1. CONTRACTOR'S REPORTING STATUS (Check one block only to indicate your status for the project covered by this report) [X] a. PRIME CONTRACTOR [ ] b. SUBCONTRACTOR

CROSS REFERENCE IDENTIFICATION	EMPLOYER IDENTIFICATION NO.	CODE (Leave blank)
2. NAME AND ADDRESS OF CONTRACTOR SUBMITTING THIS REPORT Ruby Silver Mines, Inc. 3 South Excelsior Ave. Butte, Montana	81-0287697	

3. PROJECT NAME, LOCATION, AND CONTRACT NO.
Ruby Mine Jefferson County, Montana
Contract No. 14-23-090-2182

4. PRIME CONTRACTOR'S NAME AND ADDRESS (Complete only when block 1b above is checked)

Section B.—ORGANIZATIONS OF WORKERS	YES	NO
5. Has a collective bargaining agreement or other contract or understanding been made with a labor union (or unions) which covers the performance of any work on this project?		X
6. Has the notice (Standard Form 38) advising the union of the company's obligations under the nondiscrimination provisions of Government contracts been sent to each such union by you or your trade representative?	N/A	
7. Has each such union notified you or your trade representative that its policies and practices are consistent with the nondiscrimination provisions?	N/A	
8. If "No," identify such union(s) and describe efforts made to obtain such information.		
9. Are any workers for the project covered by this report being recruited through union locals?		X
10. If "Yes," identify such unions and indicate those unions with which you have collective bargaining agreements or other understandings involving the use of hiring halls.		

Section C.—APPRENTICESHIP TRAINING	YES	NO
11. Do you employ or intend to employ apprentices on this project?		X
12. If "Yes," are applicants for such employment employed without regard to race, creed, color, or national origin? N/A		
13. Is your apprenticeship program registered with a State Apprenticeship Agency or the Bureau of Apprenticeship and Training, U.S. Department of Labor? N/A		
14. Does your apprenticeship program contain an equal employment opportunity provision? N/A		

Section D.—RECRUITMENT SOURCES	U.S. EMPL. SERV.	STATE EMPL. SERV.	DIRECT HIRING	UNION	OTHER
15. CHECK PRINCIPAL SOURCES FOR: a. CONSTRUCTION WORKERS					
b. OTHER WORKERS			X		

Section E.—SUBCONTRACTS	YES	NO
16. Have you awarded any subcontracts for work covered by your contract or subcontract for this project?		X
17. Has the nondiscrimination clause been included in all of your subcontracts subject to Executive Order 10925? N/A		
18. Have all such subcontractors covered by these reporting requirements been instructed to file compliance reports and been furnished with report forms and instructions? N/A		

(Continue on reverse)

Section F.—GENERAL

19. (Optional.) Describe briefly any actions other than those referred to in this report that have been taken which affect this project to assure that equal employment opportunity is given to all employees and applicants for employment without regard to race, creed, color, or national origin. Use this page if additional space is needed to fully answer the foregoing questions.

20. DATE	SIGNATURE AND TITLE	ADDRESS
March 27, 1965	William W. Wittmeyer William W. Wittmeyer, Supt.	3 South Excelsior Ave. Butte, Montana

(Willfully false statements on this Report are punishable by law (U.S. Code, Title 18, Section 1001)

☆ U.S. GPO: 1963—O—653281

STANDARD FORM 41
(PART III)
January 1963
PRESIDENT'S COMMITTEE ON EQUAL EMPLOYMENT OPPORTUNITY
41 CFR CH. 60 41-301

COMPLIANCE REPORT—CONSTRUCTION

(Construction, Alteration and Repair Contracts)

NONDISCRIMINATION PROVISIONS OF U.S. GOVERNMENT CONTRACTS

IMPORTANT.—Please read the accompanying instruction sheet which tells you how to prepare and when to submit each part of this report.

SUBMIT REPORT IN DUPLICATE TO

CONTRACTING AGENCY	ADDRESS
Department of the Interior	Washington, D. C. 20240
Office of Minerals Exploration	Washington, D. C. 20240
Care Acting Field Officer OME Region I	South 157 Howard Street Spokane, Washington 99204

Part III.—EMPLOYMENT DATA SUMMARY AT THE PROJECT SITE

Section A.—CONTRACTOR AND PROJECT IDENTIFICATION

1. CONTRACTOR'S REPORTING STATUS (*Check one block only to indicate your status for the project covered by this report.*) ☒ a. PRIME CONTRACTOR ☐ b. SUBCONTRACTOR

CROSS REFERENCE IDENTIFICATION	EMPLOYER IDENTIFICATION NO.	CODE (Leave blank)
2. NAME AND ADDRESS OF CONTRACTOR SUBMITTING THIS REPORT Ruby Silver Mines, Inc. 3 South Excelsior Ave. Butte, Montana	81-0287697	

3. PROJECT NAME, LOCATION, AND CONTRACT NO.
Ruby Mine Jefferson County, Montana
Contract No. 14-23-090-2182

4. CONSTRUCTION DATES (Estimated or Actual)

a. STARTING	b. COMPLETION
~~2-1-64~~ 6-15	7-31-65

5. PRIME CONTRACTOR'S NAME AND ADDRESS (*Complete only when block 1b above is checked*)

6. CONTRACTOR'S SCOPE OF WORK (*Major activity*) UNDER CONTRACT AT THIS PROJECT
2900 feet of tunnel and drift at Ruby Mine.

CODE (Leave blank)

Section B.—CURRENT EMPLOYMENT AT THE PROJECT SITE

	7. BY RACE AND WORK CLASSIFICATIONS	TOTAL EMPLOYEES	MINORITY GROUPS (See Instruction 7) TOTAL NEGRO	TOTAL OTHER _____	TOTAL OTHER _____	CODE (Leave blank)
OTHER EMPLOYEES (See Instructions 2h & 3)	SUPERVISORS	1				
	PROFESSIONAL					
	TECHNICAL					
	OFFICE AND CLERICAL					
	SERVICE WORKERS					
CONSTRUCTION WORKERS (See Instruction 2g)	FOREMEN*					
	JOURNEYMEN AND MECHANICS*	6				
	HELPERS*					
	APPRENTICES*					
	LABORERS					
	GRAND TOTALS	7				

If more than one trade is employed, separately tabulate each trade in item 8 on the reverse.

(Continue on reverse)

8. CONSTRUCTION WORKERS BY RACE AND TRADE (*Excluding Laborers*)

WORK CLASSIFICATIONS (Tabulate each trade separately and specify the applicable trade in each case)		TOTAL EMPLOYEES	MINORITY GROUPS (See Inst. 7)			CODE (Leave blank)
TRADE	LEVEL		TOTAL NEGRO	TOTAL OTHER _____	TOTAL OTHER _____	
a. Millwrights	FOREMEN					
	JOURNEYMEN & MECHANICS	6				
	HELPERS					
	APPRENTICES					
b.	FOREMEN					
	JOURNEYMEN & MECHANICS					
	HELPERS					
	APPRENTICES					
c.	FOREMEN					
	JOURNEYMEN & MECHANICS					
	HELPERS					
	APPRENTICES					
d.	FOREMEN					
	JOURNEYMEN & MECHANICS					
	HELPERS					
	APPRENTICES					
e.	FOREMEN					
	JOURNEYMEN & MECHANICS					
	HELPERS					
	APPRENTICES					
f.	FOREMEN					
	JOURNEYMEN & MECHANICS					
	HELPERS					
	APPRENTICES					
g.	FOREMEN					
	JOURNEYMEN & MECHANICS					
	HELPERS					
	APPRENTICES					
h.	FOREMEN					
	JOURNEYMEN & MECHANICS					
	HELPERS					
	APPRENTICES					
i.	FOREMEN					
	JOURNEYMEN & MECHANICS					
	HELPERS					
	APPRENTICES					
j.	FOREMEN					
	JOURNEYMEN & MECHANICS					
	HELPERS					
	APPRENTICES					

9. DOES THE EMPLOYMENT REPORTED ABOVE REPRESENT PEAK EMPLOYMENT? ☐ YES ☒ NO

10. IF "NO," GIVE THE ACTUAL DATE PEAK EMPLOYMENT WAS REACHED OR THE ESTIMATED DATE PEAK EMPLOYMENT WILL BE REACHED.

a. ACT. DATE 7/15/64

b. EST. DATE

11. MINORITY GROUP EMPLOYMENT STATISTICS WERE OBTAINED FROM WHICH SOURCE: ☐ RECORDS (*If available*) ☒ VISUAL CHECK ☐ OTHER (*Specify*) _____

12. GIVE CLOSING DATE OF PAYROLL PERIOD ENDING NEAREST THE 15TH OF THE MONTH IN WHICH THIS REPORT IS DUE march 15 19 65

13. REMARKS

14. DATE March 27, 1965

SIGNATURE AND TITLE William V. Murphy

ADDRESS 3 South Excelsior Ave. Butte, Montana

(Willfully false statements on this Report are punishable by law (U.S. Code, Title 18, Section 1001))

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
3/9	GCS	120
3/9	Jman	110
		100
3/9	Cal	220
		120M

MAR 9 1965

Ruby Silver Mines, Inc.
3 South Excelsior Avenue
Butte, Montana

Re: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

Gentlemen:

All Operators under current OME exploration contracts are required to file Standard Form 41, Compliance Report - Construction, by March 31 of each year. Will you please execute, in duplicate, each of Parts I, II, and III of the form and return them through the Acting Field Officer as indicated.

Please be reminded that the completion date under the contract is July 31, 1965.

Sincerely yours,

George C. Selfridge/gla

George C. Selfridge
Compliance Officer

Enclosures

GCSelfridge/gla (3-9-65)
cc to: Director's Reading File
Docket
Region I
Mr. Selfridge/(2)

23263

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane, Washington 99204
January 19, 1965

OFFICIAL COPY
O. M. E.
RECEIVED
JAN 22 1965
INITIALS | CODE
ama | 800
~~Fmm~~ | ~~120~~
| ~~120~~

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

The evening of January 13, 1965, I talked by telephone to Bill Wittmeyer, superintendent of the subject project. The last inspection was made November 13, 1964. As there were no problems, no significant structure to see and/or sample, and as the weather was threatening, it was decided to skip an inspection in favor of getting a start toward Spokane. OK

Wittmeyer had measured to the face that day and reported the advance to be 1,543 feet from the portal, or 394 feet since the last inspection. Two shifts are working, involving six men plus Wittmeyer.

DRMacLaren
D. R. MacLaren

So. 157 Howard Street
Spokane, Washington 99204
October 21, 1964

OFFICIAL FILE COPY
O. M. E
RECEIVED OCT 23 1964

DATE	INITIALS	CODE
10/26	[illegible]	800
10/27	[illegible]	120 m
		120

Air Mail

Mr. David H. Clegg
President
Ruby Silver Mines, Inc.
863 First Security Building
Salt Lake City, Utah 84111

Re: OME-6308 (Gold-Silver)
Ruby Mine
Jefferson County, Montana
Contract 2182

Dear Mr. Clegg:

During the last visit to the property I should have called Mr. Wittmeyer's attention to the fact that the completion date of the contract is July 31, 1965, or "18 months from the date of the contract."

When you completed Part III of Standard Form 41, Equal Employment Opportunity, you indicated that the completion date is December 15, 1965. Apparently, you interpreted the contract period as beginning on June 15, 1964.

I am calling this to your attention now so that there will be no misunderstanding as to the completion date.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

cc: OME

Director's Reading File
Resources Research Branch Chief

DRMacLaren:mls

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
10/20	Murphy	1207m
	GCS	130
10/20	Fisher	800
10/20	Johnson	110
		100
10/20	Cal	220
		1207m

OCT 20 1964

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Exploration Operations

Subject: CME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

This is with reference to our memorandum of October 2 and yours of October 14, 1964.

In view of your explanation relating to the fault zone and the Operator's attempts to crosscut through it on the main adit and on the west (south?) side of the adit, we must agree that the Operator should not be held responsible for the lost footage involved.

According to our calculations, based on the information in your memorandum, the lost footage would be 39 feet in the main adit and 65 feet in the first attempt to traverse the fault zone to the west for a total of 104 feet of lost footage.

The Operator, if it has not already done so, should submit a map with its next monthly report showing the location and extent of the attempted west crosscut.

George C. Selfridge (gla)

FMMurphy/mm (10/20/64)
cc: Director's Reading File
Review Committee
Docket

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
	Selfridge	120
10/15	[illegible]	110
[illegible]	[illegible]	100
10/15	[illegible]	220
		120 m

OCT 1 5 1964

Mr. David H. Clegg
President
Ruby Silver Mines, Inc.
863 First Security Building
Salt Lake City, Utah, 84111

Re: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

Dear Mr. Clegg:

In reply to your inquiry of October 8, 1964, to Mr. MacLaren, I regret to inform you that the Government's maximum percentage participation of 75 percent for silver exploration applies and will apply only to contracts executed on and subsequent to September 30, 1964. None of the contracts for silver exploration executed prior to that date can be renegotiated at the higher percentage.

Sincerely yours,

George Fumich, Jr.

Acting Director

GCSelfridge/mm
10/15/64
cc: Director's Reading File
Region I
Docket
Mr. Selfridge

23263

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 12 1964

DATE	INITIALS	CODE
10/12	LEF	800
		120 M
		120

So. 157 Howard Street
Spokane, Washington 99204
October 9, 1964

Mr. David H. Clegg, President
Ruby Silver Mines, Inc.
863 First Security Building
Salt Lake City, Utah 84111

Re: OME-6308 (Gold-Silver)
Ruby Mine
Jefferson County, Montana
Contract 2182

Dear Mr. Clegg:

We have forwarded a copy of your letter of October 8, 1964, to our Washington office for reply to the first paragraph.

With regard to the second paragraph, OME does not give financial assistance for exploration of properties outside the United States, its territories or possessions.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

cc: OME w/cy incoming

Director's Reading File
Resources Research Branch Chief

DRMacLaren:mls

RUBY SILVER MINES, INC.
[illegible] FIRST SECURITY BUILDING
SALT LAKE CITY, UTAH [illegible]
TELEPHONE [illegible]

DAVID H. CLEGG
PRESIDENT

REGIONAL OFFICE
[illegible] EXCELSIOR AVE.
BUTTE, MONTANA [illegible]
TELEPHONE [illegible]

October 5, 1974

Mr. D. R. MacLaren, Acting Field Officer, OMB
Sc 157 Howard Street
Spokane, Washington 99204

Dear Mr. MacLaren,

We are delighted to see the increase in government participation on silver properties to 75%. I would like to know from you whether there is any chance that we could re-negotiate our contract whereby the government would pay 75% instead of 50% on the Ruby Silver property.

In addition, I would like to know whether the government guarantee would hold for properties in Canada as well as in the United States.

Kindest personal regards.

Sincerely,

/s/ David H. Clegg

David H. Clegg
President
Ruby Silver Mines, Inc.

OFFICIAL FILE COPY
O. M. E
RECEIVED OCT 8 1964

DATE	INITIALS	
		120

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane, Washington 99204

Date: 9/29/64

Memorandum

To: Compliance Officer

From: Acting Field Officer, Region I

Subject: Equal Employment Opportunity Under Government Contracts
OME-6308 (Gold-Silver)
Operator: Ruby Silver Mines, Inc.
Name of Property: Ruby Mine
County-State: Jefferson County, Montana
Contract No. 2182

I have obtained the following information from my visit to the operating project under the subject contract:

1. Number of all employees — 7
2. Number of women employees — 0
3. Number of Negro employees — 0
4. Number of other minority groups (Indian, Latin, Oriental, etc.) French Canadian — 1
5. Was employment through a union? — No
6. Distance to the closest union headquarters — 20 miles
7. Are the discrimination posters prominently displayed? — Yes
8. If employment was through a union, was the union furnished Standard Form 38? — --
9. If employment was not through a union, in what manner was employment made? — Locally
10. Acts of intimidation matter has been discussed with — Yes

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
	GS	130
10/1	Johnson	110
		100
10/2	Cal	220
		120

Memorandum OCT 2 1964

To: Acting Field Officer, Region I

From: Chief, Division of Exploration Operations

Subject: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

Memorandum No. 16 to all field teams dated February 20, 1953, touches upon work lost through no fault of the operator. Judging from the narrative report submitted with the August voucher, it appears that the caving and loss of some 50 feet of drift might have been avoided with a little better judgment. It is one thing to make footage and another to sacrifice possible safety to do so. No fault zone should be entered for 13 feet, especially when the rock is composed of soft, highly altered dacite or other granitic rocks which can be found throughout Idaho and Montana.

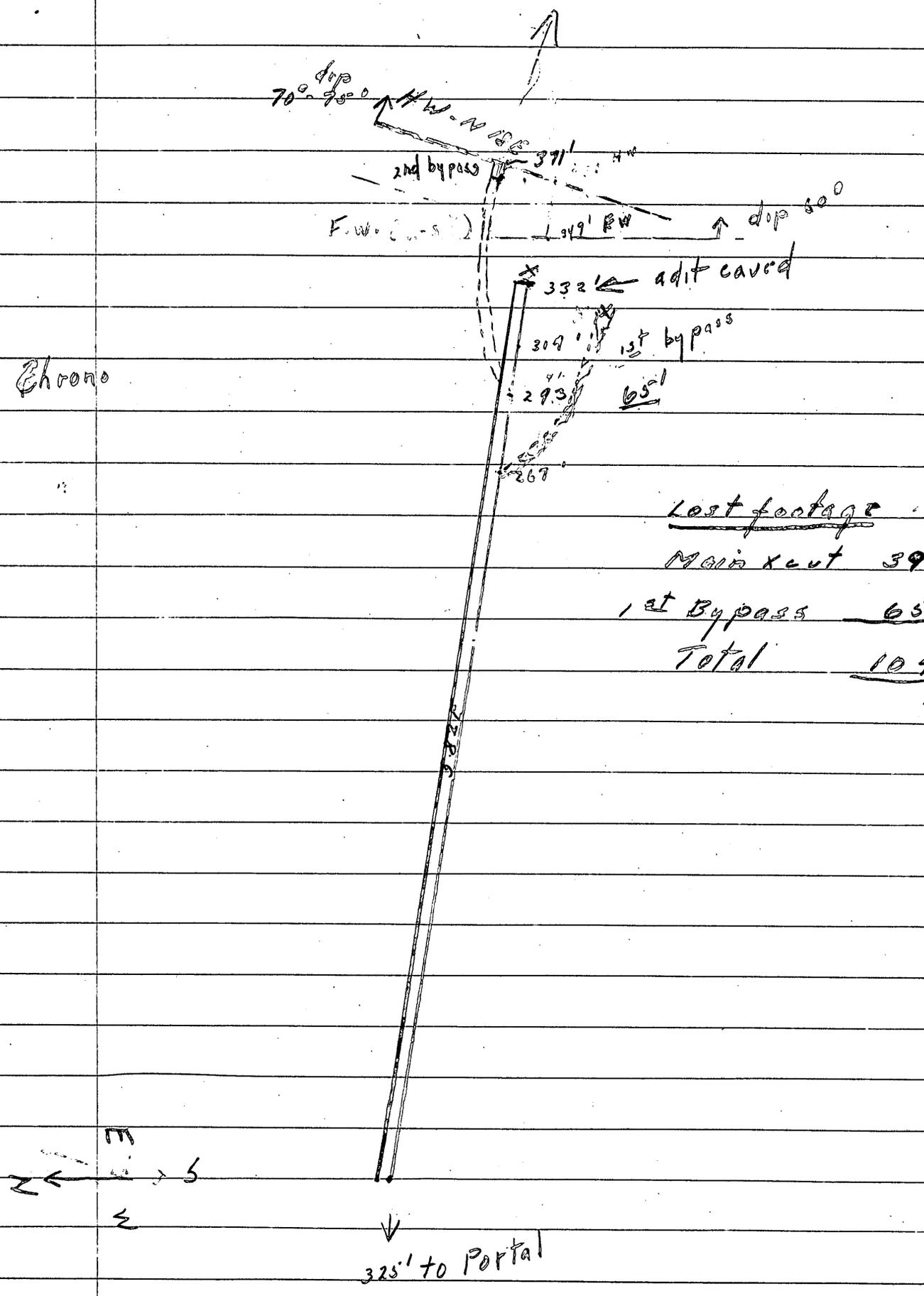
I believe it would be well to caution the operator that advance lost for the lack of timber might not be eligible for Government participation. I am wondering why after getting in the first timber set behind the fault, the operator couldn't have boomed to the face using either railroad rails or long 12 x 12's supported by steel hooks or cradles. I have seen this type of timbering used in the Butte mines and have used it myself at other operations.

George C. Selfridge
mm

GCSelfridge/mm
10/1/64
cc: Director's Reading File
Review Committee
Docket
~~XXXXXXX~~
GCSelfridge

23263

6308 scale 1" = 50'



Lost footage

Main xcut	39'
1st Bypass	65'
Total	104'

Orne

OFFICIAL FILE COPY
RECEIVED
DATE 1964
4/14 on line 120 m
+20

So. 157 Howard Street
Spokane, Washington 99204
September 10, 1964

Mr. William W. Wittmeyer
Superintendent
Ruby Silver Mines, Inc.
3 So. Excelsior Avenue
Butte, Montana

Re: OME-6308 (Gold-Silver)
Ruby Mine
Jefferson County, Montana
Contract 2182

Dear Mr. Wittmeyer:

As nearly as I can tell, I will arrive in Butte the late afternoon of Tuesday, September 29, 1964, and upon my arrival I will telephone you to see about making an interim inspection the next morning.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

cc: OME ✓

Director's Reading File
Resources Research Branch Chief

DRMacLaren:mls

OME

OFFICIAL FILE COPY O. M. E. RECEIVED AUG 21 1964		
DATE	INITIALS	CODE
8/21	[illegible]	800
~~8/21~~	~~[illegible]~~	~~120~~ OME
8/21	on leave	120

So. 157 Howard Street
Spokane, Washington 99204
August 18, 1964

Mr. William W. Wittmayer
Superintendent
Ruby Silver Mines, Inc.
3 So. Excelsior Avenue
Butte, Montana

Re: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

Dear Mr. Wittmayer:

We are returning herewith all copies of MME Forms 60 and 61 for the corrections discussed over the telephone this morning.

Enclosed is a three-months' supply of MME Forms 60 and 61.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

ures

ME
ucher file

's Reading File
Research Branch Chief

:mls

ME Form 7
2/63)

OFFICIAL FILE COPY

Date	Surname	Code
7/21	[illegible]	100
7/21	Johnson	110
		120
7/22	cae	210
		120M

JUL 22 1964

Mr. A. C. Fisher
1520 Phillips Avenue
Butte, Montana

Re: OME-6307 (Silver-Gold)
Ruby Silver Mines, Inc.
Hancock, et al., Claims
Silver Bow County, Montana

and

OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

Dear Mr. Fisher:

In reply to your letter of July 16, 1964, concerning the two applications for exploration assistance made by Ruby Silver Mines, Inc., as no contracts had been executed with that company at the time we wrote to Congressman James F. Battin on May 11, 1964, we were not in a position to state any amounts for contracts still being negotiated.

On May 27, 1964, the Ruby Silver Mines, Inc., withdrew its application No. OME-6307 for exploration assistance on the Hancock, et al., Claims in Silver Bow County, Montana, and forwarded to this office the executed contract on its application No. OME-6308 for exploration assistance on the Ruby Mine in Jefferson County, Montana. The total amount of this contract is $132,800, of which the Government's participation is $66,400.

We trust the foregoing information will be helpful to you in solving your problem.

Sincerely yours,

George Fumich, Jr.

(pt)

Acting Director

FEJohnson/bih
7/21/64

cc to: Files
Dir. reading file, Region I, Mr. Johnson, 500

23263

OFFICIAL FILE COPY
O. M. E
RECEIVED JUL 21 1964

DATE	INITIALS	CODE
		110

1520 Phillips Ave
Butte , Montana
July I6, I964

Mr. Frank E Johnson
Office of Mineral Exploration
Washington 25. D. C.

Dear Mr. Johnson :

I amcallint your attention ~~to your letter~~ between you and Mr. James F Battin of Maythe I, 1964 inreferance tothe information Mr. Battin was seeking the information on a loan being granted, or not being granted to The Ruby Silver mines Company Inc on their Butte properties that was accquired for the Ruby Silver mines through me, and my sevices to the said Company.

In referance tolour reply to Mr. Battin thatc according to the contents of your letter to Mr. Battin and your file, a loan had been granted on the Ruby Silver mines company properties of Jefferson County state of Montana . under docket No6308, not mentioning the amount of the loan and like wise O.M.E loan hed been Granted under docket No 6307 on Butte Properties in the State of Montana like wise failing tomention the said sum moneies or the amount of the Loan .

As there was 15 patented mine claims of Miss Macarthy includee in the number of properties covered by insorbtion signed papers, I received the information fom the said party that Her propeties were released to her from that loan and also from the Ruby Silver mines Company.

Which she is on the verge of leaseingthem toanother party or may be toame party inorder to eliminate my intrest from her and the Parties As Mr. Clegg Pres, of East Utah mines Company inc of Salt lake, Utah

It was my understanding that once a O.M.E. mine loan had been granted on certain mine properties or to mines Company the Company was to so safe guard against the lossof that property for the lenghh life erm of the lease on the properties Ifthis ~~ne~~ true then how can certain roperties be released to the property owner inorder that she may grant econd parties a lease on so that the present partyas my self be defrauded ut of my interest.

I will appreciate and confidential information your office may grant on this matter so that I may actto protect my earned owned interest in id Ruby Silver Mines Company for my pastand devoted services rendered th to Miss Mcarthy, and the Ruby Silver Mines company. By doing so y prevent any unesarry move made on my part to safeguard my interest ad eauseing anyunessary embarrasment to iether Miss Mcarthy or to M Clegg and officals of his company. Trusting your office will provide a favor me this information so that I may act to my best interest and Mining industry , I remain

Sincerl your's
Al C. Fisher
Al C. Fisher.

ME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
7/16	GCS	120
"	Johnson	110
"	[illegible]	100
7/17	Cal	220
		120M

JUL 1 7 1964

President's Committee on Equal
Employment Opportunity
Washington, D. C. 20210

Re: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

Gentlemen:

Enclosed for your information and files is a copy of Standard Form 41, Parts I, II, and III, executed by Ruby Silver Mines, Inc., a small company exploring for gold and silver.

Sincerely yours,

George C. Selfridge (gla)

George C. Selfridge
Compliance Officer, OME
Code 183 5372

Enclosures

GCSelfridge/gla (7-16-64)
cc to: Director's Reading File
Docket
Region I
Mr. Selfridge

Note to Acting Field Officer, Region I

When the Operator executed Part III of this form, he filled in December 15, 1965, as the completion date under the contract. Thus he interpreted it 18 months from the starting date rather than from the date of the contract. The next time you communicate with the company, please call this to their attention so there will be no misunderstanding concerning the completion date.

23263

MME FORM 6 REFERENCE SLIP

REV. 2- OFFICE OF MINERALS EXPLORATION

	DATE	INITIALS
TO: Chief, Div. of Exploration Operations 1.	7/13/64	
Re: OME-6308 (Gold-Silver) 2. Ruby Silver Mines, Inc.		
Ruby Mine 3. Jefferson County, Montana		
Contract 2182 4.		
(signature) 5. D. R. MacLaren		

FROM: Acting Field Officer, Reg. I

OFFICIAL FILE COPY
O M E
RECEIVED JUL 16 1964

DATE	INITIALS	CODE
		120

FOR: Check items for action desired

X Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS: **Transmittal of Standard Form 41 (Parts I, II, and III) in duplicate as completed by William W. Wittmeyer, Superintendent.**

INT.-DUP. SEC., WASH., D.C. M56300-62

STANDARD FORM 41
(PART 1)
January 1983
PRESIDENT'S COMMITTEE ON EQUAL EMPLOYMENT OPPORTUNITY
41 CFR CH. 60 41-102

COMPLIANCE REPORT —CONSTRUCTION
(Construction, Alteration and Repair Contracts)
NONDISCRIMINATION PROVISIONS OF U.S. GOVERNMENT CONTRACTS

IMPORTANT. — Please read the accompanying instruction sheet which tells you how to prepare and when to submit each part of this report.

SUBMIT REPORT IN TRIPLICATE TO

CONTRACTING AGENCY	ADDRESS
Department of the Interior	Washington, D. C. 20240
Office of Minerals Exploration	Washington, D. C. 20240
Care Acting Field Officer OME Region I,	South 157 Howard Street, Spokane, Washington 99204

Part I. — COMPANY-WIDE POLICIES AND EMPLOYMENT DATA

Section A. — CONTRACTOR AND PROJECT IDENTIFICATION

1. CONTRACTOR'S REPORTING STATUS *(Check one block only to indicate your status for the project covered by this report)* [X] a. PRIME CONTRACTOR [ ] b. SUBCONTRACTOR

CROSS REFERENCE IDENTIFICATION	EMPLOYER IDENTIFICATION NO.	CODE (Leave blank)
2. NAME AND ADDRESS OF CONTRACTOR SUBMITTING THIS REPORT Ruby Silver Mines, Inc. 3 South Excelsior Ave. Butte, Montana	81-0287697	
3. NAME AND ADDRESS OF PRINCIPAL OFFICE OF THE COMPANY Ruby Silver Mines, Inc. 3 South Excelsior Ave. Butte, Montana		
4. NAME AND ADDRESS OF PARENT COMPANY IF AN AFFILIATED COMPANY East Utah Mining Company 863 First Security Building Salt Lake City, Utah		

5. PROJECT NAME, LOCATION, AND CONTRACT NO.
Ruby Mine Jefferson County, Montana

Contract No. 14-23-090-2182

6. PRIME CONTRACTOR'S NAME AND ADDRESS *(Complete only when block 1b above is checked)*

Section B. — PREVIOUS COMPLIANCE REPORT CROSS REFERENCE (See Instructions 4a and 4d)

7. Have you filed a completed Part I of this report in connection with any other contract or subcontract during the current reporting period? [ ] YES [X] NO

7a. If "Yes," give the following and then complete only item 18 on reverse. N/A

(1) NAME AND ADDRESS OF CONTRACTING AGENCY WITH WHOM FILED	(2) PROJECT NAME AND LOCATION	
N/A	N/A	
	(3) CONTRACT NO. N/A	(4) DATE FILED N/A

7b. If "No," complete the balance of Part I.

Section C. — COMPANY EMPLOYMENT POLICY	YES	NO
8. Have you established a company-wide employment policy to assure that equal employment opportunity is given to all persons without regard to race, creed, color, or national origin?	X	
9. Have you communicated such policy in writing to all departments, offices, and facilities? *(If communicated by other means, explain.)*	Verbal	
10. Have you assigned responsibility and put into effect procedures to assure that company-wide employment policy is understood and implemented by managerial, administrative, and supervisory personnel?	X	
11. If you sponsor or finance educational or training programs for the benefit of any employees, or prospective employees, are all such persons given the opportunity to participate without regard to race, creed, color, or national origin? N/A		

(Continue on reverse)

Section D. — RECRUITMENT AND ADVERTISEMENT	YES	NO
12. Have all of the company's recruitment sources (other than unions) been notified that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin?	X	
12a. Has this been done in writing?		X
13. Has each such recruitment source advised the company that it will refer all qualified applicants for employment to the company without regard to race, creed, color, or national origin?	X	
14. If the company recruits employees through advertising, does such advertising make clear that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin?		

Section E. — COMPANY EMPLOYMENT DATA SUMMARY

This section pertains ONLY to employment at the employer's principal office and branch establishments and employment data furnished should include ALL employees at such office and establishments.

15. EMPLOYMENT BY WORK CLASSIFICATIONS, RACE, AND SEX
(For pay period nearest 15th of month preceding that in which this report is due.)

WORK CLASSIFICATIONS (See Instruction 3)	TOTAL ALL EMPLOYEES	MALE EMPLOYEES				FEMALE EMPLOYEES			
		TOTAL MALES	MINORITY GROUPS (See Inst. 7)			TOTAL FEMALES	MINORITY GROUPS (See Inst. 7)		
			NEGRO	OTHER ____	OTHER ____		NEGRO	OTHER ____	OTHER ____
OFFICIALS AND MANAGERS	1	1							
PROFESSIONAL	2	2							
TECHNICAL									
OFFICE AND CLERICAL									
SALES WORKERS									
JOURNEYMEN AND MECHANICS	6	6							
APPRENTICES									
LABORERS									
SERVICE WORKERS									
TOTALS	9	9							

16. EMPLOYMENT STATISTICS WERE OBTAINED FROM WHICH SOURCE: ☐ RECORDS (If available) ☒ VISUAL CHECK ☐ OTHER (Specify) _____

17. REMARKS

18. DATE	SIGNATURE AND TITLE	ADDRESS
July 9, 1964	William W. Wittmeyer, Supt. William W Wittmeyer	3 South Excelsior Ave. Butte, Montana

(Willfully false statements on this Report are punishable by law (U.S. Code, Title 18, Section 1001)

STANDARD FORM 41
(PART II)
January 1963
PRESIDENT'S COMMITTEE ON EQUAL EMPLOYMENT OPPORTUNITY
41 CFR CH. 60 41-202

COMPLIANCE REPORT—CONSTRUCTION
(Construction, Alteration and Repair Contracts)
NONDISCRIMINATION PROVISIONS OF U.S. GOVERNMENT CONTRACTS

IMPORTANT.—Please read the accompanying instruction sheet which tells you how to prepare and when to submit each part of this report.

SUBMIT REPORT IN TRIPLICATE TO

CONTRACTING AGENCY	ADDRESS
Department of the Interior	Washington, D. C. 20240
Office of Minerals Exploration	Washington, D. C. 20240
Care Acting Field Officer OME Region I,	South 157 Howard Street, Spokane, Washington 99204

Part II.—EMPLOYMENT CONDITIONS AT THE PROJECT SITE

Section A.—CONTRACTOR AND PROJECT IDENTIFICATION

1. CONTRACTOR'S REPORTING STATUS (Check one block only to indicate your status for the project covered by this report) [X] a. PRIME CONTRACTOR [ ] b. SUBCONTRACTOR

CROSS REFERENCE IDENTIFICATION	EMPLOYER IDENTIFICATION NO.	CODE (Leave blank)
2. NAME AND ADDRESS OF CONTRACTOR SUBMITTING THIS REPORT Ruby Silver Mines, Inc. 3 South Excelsior Ave. Butte, Montana	81-0287697	

3. PROJECT NAME, LOCATION, AND CONTRACT NO.
Ruby Mine Jefferson County, Montana

Contract No. 14-23-090-2182

4. PRIME CONTRACTOR'S NAME AND ADDRESS (Complete only when block 1b above is checked)

Section B.—ORGANIZATIONS OF WORKERS

	YES	NO
5. Has a collective bargaining agreement or other contract or understanding been made with a labor union (or unions) which covers the performance of any work on this project?		X
6. Has the notice (Standard Form 38) advising the union of the company's obligations under the nondiscrimination provisions of Government contracts been sent to each such union by you or your trade representative? N/A		
7. Has each such union notified you or your trade representative that its policies and practices are consistent with the nondiscrimination provisions? N/A		
8. If "No," identify such union(s) and describe efforts made to obtain such information. N/A		
9. Are any workers for the project covered by this report being recruited through union locals?		X
10. If "Yes," identify such unions and indicate those unions with which you have collective bargaining agreements or other understandings involving the use of hiring halls. N/A		

Section C.—APPRENTICESHIP TRAINING

	YES	NO
11. Do you employ or intend to employ apprentices on this project?		X
12. If "Yes," are applicants for such employment employed without regard to race, creed, color, or national origin? N/A		
13. Is your apprenticeship program registered with a State Apprenticeship Agency or the Bureau of Apprenticeship and Training, U.S. Department of Labor? N/A		
14. Does your apprenticeship program contain an equal employment opportunity provision? N/A		

Section D.—RECRUITMENT SOURCES

	U.S. EMPL. SERV.	STATE EMPL. SERV.	DIRECT HIRING	UNION	OTHER
15. CHECK PRINCIPAL SOURCES FOR: a. CONSTRUCTION WORKERS					
b. OTHER WORKERS			X		

Section E.—SUBCONTRACTS

	YES	NO
16. Have you awarded any subcontracts for work covered by your contract or subcontract for this project?		X
17. Has the nondiscrimination clause been included in all of your subcontracts subject to Executive Order 10925? N/A		
18. Have all such subcontractors covered by these reporting requirements been instructed to file compliance reports and been furnished with report forms and instructions? N/A		

(Continue on reverse)

STANDARD FORM 41
(PART III)
January 1963
PRESIDENT'S COMMITTEE ON EQUAL EMPLOYMENT OPPORTUNITY
41 CFR CH. 60 41-301

COMPLIANCE REPORT—CONSTRUCTION

(Construction, Alteration and Repair Contracts)

NONDISCRIMINATION PROVISIONS OF U.S. GOVERNMENT CONTRACTS

IMPORTANT.—Please read the accompanying instruction sheet which tells you how to prepare and when to submit each part of this report.

SUBMIT REPORT IN DUPLICATE TO

CONTRACTING AGENCY	ADDRESS
Department of the Interior	Washington, D. C. 20240
Office of Minerals Exploration	Washington, D. C. 20240
Care Acting Field Officer OME Region I,	South 157 Howard Street, Spokane, Washington 99204

Part III.—EMPLOYMENT DATA SUMMARY AT THE PROJECT SITE

Section A.—CONTRACTOR AND PROJECT IDENTIFICATION

1. CONTRACTOR'S REPORTING STATUS (*Check one block only to indicate your status for the project covered by this report.*) [x] a. PRIME CONTRACTOR [ ] b. SUBCONTRACTOR

CROSS REFERENCE IDENTIFICATION	EMPLOYER IDENTIFICATION NO.	CODE (Leave blank)
2. NAME AND ADDRESS OF CONTRACTOR SUBMITTING THIS REPORT Ruby Silver Mines, Inc. 3 South Excelsior Ave. Butte, Montana	81-0287697	
3. PROJECT NAME, LOCATION, AND CONTRACT NO. Ruby Mine Jefferson County, Montana Contract No. 14-23-090-2182	4. CONSTRUCTION DATES (Estimated or Actual) a. STARTING 6-15-64	b. COMPLETION ~~12-15-65~~

5. PRIME CONTRACTOR'S NAME AND ADDRESS (*Complete only when block 1b above is checked*)

6. CONTRACTOR'S SCOPE OF WORK (*Major activity*) UNDER CONTRACT AT THIS PROJECT
2900 feet of tunnel and drift at Ruby Mine.

CODE (Leave blank)

Section B.—CURRENT EMPLOYMENT AT THE PROJECT SITE

7. BY RACE AND WORK CLASSIFICATIONS		TOTAL EMPLOYEES	MINORITY GROUPS (See Instruction 7) TOTAL NEGRO	TOTAL OTHER _____	TOTAL OTHER _____	CODE (Leave blank)
OTHER EMPLOYEES (See Instructions 2h & 3)	SUPERVISORS	1				
	PROFESSIONAL	2				
	TECHNICAL					
	OFFICE AND CLERICAL					
	SERVICE WORKERS					
CONSTRUCTION WORKERS (See Instruction 2g)	FOREMEN*					
	JOURNEYMEN AND MECHANICS*	6				
	HELPERS*					
	APPRENTICES*					
	LABORERS					
GRAND TOTALS		9				

If more than one trade is employed, separately tabulate each trade in item 8 on the reverse.

(Continue on reverse)

8. CONSTRUCTION WORKERS BY RACE AND TRADE (*Excluding Laborers*)

WORK CLASSIFICATIONS (Tabulate each trade separately and specify the applicable trade in each case)		TOTAL EMPLOYEES	MINORITY GROUPS (See Inst. 7)			CODE (Leave blank)
TRADE	LEVEL		TOTAL NEGRO	TOTAL OTHER _____	TOTAL OTHER _____	
a. Miners	FOREMEN					
	JOURNEYMEN & MECHANICS	6				
	HELPERS					
	APPRENTICES					
b.	FOREMEN					
	JOURNEYMEN & MECHANICS					
	HELPERS					
	APPRENTICES					
c.	FOREMEN					
	JOURNEYMEN & MECHANICS					
	HELPERS					
	APPRENTICES					
d.	FOREMEN					
	JOURNEYMEN & MECHANICS					
	HELPERS					
	APPRENTICES					
e.	FOREMEN					
	JOURNEYMEN & MECHANICS					
	HELPERS					
	APPRENTICES					
f.	FOREMEN					
	JOURNEYMEN & MECHANICS					
	HELPERS					
	APPRENTICES					
g.	FOREMEN					
	JOURNEYMEN & MECHANICS					
	HELPERS					
	APPRENTICES					
h.	FOREMEN					
	JOURNEYMEN & MECHANICS					
	HELPERS					
	APPRENTICES					
i.	FOREMEN					
	JOURNEYMEN & MECHANICS					
	HELPERS					
	APPRENTICES					
j.	FOREMEN					
	JOURNEYMEN & MECHANICS					
	HELPERS					
	APPRENTICES					

9. DOES THE EMPLOYMENT REPORTED ABOVE REPRESENT PEAK EMPLOYMENT? [X] YES [ ] NO

10. IF "NO," GIVE THE ACTUAL DATE PEAK EMPLOYMENT WAS REACHED OR THE ESTIMATED DATE PEAK EMPLOYMENT WILL BE REACHED.

a. ACT. DATE

b. EST. DATE

11. MINORITY GROUP EMPLOYMENT STATISTICS WERE OBTAINED FROM WHICH SOURCE: [ ] RECORDS (*If available*) [X] VISUAL CHECK [ ] OTHER (*Specify*) _____

12. GIVE CLOSING DATE OF PAYROLL PERIOD ENDING NEAREST THE 15TH OF THE MONTH IN WHICH THIS REPORT IS DUE June 15, 19 64

13. REMARKS

14. DATE July 9, 1964

SIGNATURE AND TITLE William W. Wittmeyer, Supt.

William W. Wittmeyer

ADDRESS 3 South Excelsior Ave. Butte, Montana

(Willfully false statements on this Report are punishable by law (U.S. Code, Title 18, Section 1001))

Ohe

OFFICIAL FILE COPY
O. M. E
RECEIVED JUN 8 1964

DATE	INITIALS	CODE
6/9	[illegible]	800
	Directed	500
		✓

So. 157 Howard Street
Spokane, Washington 99204
June 4, 1964

Mr. David H. Clegg, President
Ruby Silver Mines, Inc.
863 First Security Building
Salt Lake City, Utah 84111

Re: OME-6308 (Gold-Silver)
Ruby Mine
Jefferson County, Montana
Contract 2182

Dear Mr. Clegg:

We are enclosing a three-month supply of Operator's Monthly Voucher and Progress Report, MME Forms 60 and 61. The original and three copies of the completed report forms, as well as the narrative, maps, assays, and all technical data, should be submitted for each month in which costs have been incurred under the contract. However, in the event that you do not wish to submit a voucher for any month, the narrative report for the work done in that month is required. Delay in processing can be avoided if reports are submitted promptly to this office.

Also enclosed are three copies of Standard Form 38, entitled "Notice to Labor Unions or Other Organizations of Workers--Nondiscrimination in Employment." In accordance with Executive Order 10925, which is Exhibit B of your contract, you should complete one copy and send it to any labor union that may be involved in your OME contract work and should post one or more copies in conspicuous places available to employees or applicants for employment. The enclosed poster should be kept exhibited in a conspicuous place available to both employees and applicants for employment.

Finally, there is enclosed Standard Form 41 in three parts. Each part should be completed and submitted <u>in duplicate</u> as indicated when you submit your first voucher. You are urged to review carefully the pertinent instructions prior to completing each form. Should you have any questions concerning the completion of this form, it would be best that you write directly to Mr. George C. Selfridge, Chief, Division of Field Operations, Office of Minerals Exploration, Washington, D. C. 20240.

Sincerely yours,

D. H. Maclaren
Acting Field Officer, OME
Region I

Enclosures

DHMaclaren:mls cc: OME
Maclaren Director's Reading File
Resources Research Branch Chief

MME FORM 6 REFERENCE SLIP
REV. 2-5 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Chief, Div. of Fld. Operations	6/ 1/64	
2.	Cal	
3.		
4. Mary L. Smelser		
5. Mary L. Smelser For: D. R. MacLaren		
FROM: Acting Fld. Officer, Reg. I		

FOR: Check items for action desired

X Action ____ Reply for signature of ____
____ Approval ____ Investigate ____ Surname
____ Comment ____ Recommendations ____ Signature
____ Conference ____ Rewrite ____ File
____ Instructions ____ Your information

REMARKS: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana
Contract 2182

Transmittal of the Gov't., Audit, and Fiscal Section's copies of the above-cited contract, signed by David H. Clegg, president of the company.

OFFICIAL FILE COPY
O. M.
RECEIVED JUN 1 1964

DATE	INITIALS	CODE
		200

JUN 1 2 46 PM '64
RECEIVED
REGION 3
MINERALS EXPLORATIONS

AXXXXXXXK117

XDXXXXXXK118

FWB-048

SF074 WWAF FSP 22 I-MME

SPOKANE WASH 6-1-64 1100U

MR GEROGE C SELFRIDGE CHIEF

DIV OF FIELD OPERATIONS OFFICE OF MINERALS EXPLORATION WASHINGTON DC

RE OME-6308 (GOLD-SILVER), RUBY SILVER MINES INC, RUBY MINES

JEFFERSON COUNTY MONTANA SIGNED CONTRACT RECEIVED THIS OFFICE

JUNE 1, 1964.

D R MACLAREN ACTING FIELD OFFCCER OME REGION 1

OME-6308 1 1964

BJR 1101U

J.V. 132.800 G.P. 66.400

Ruby Silver Mines Inc
863-1 First Security Bldg.
Salt Lake City 11. Utah

One

EAST UTAH MINING COMPANY
INCORPORATED 1928
800 FIRST SECURITY BUILDING
SALT LAKE CITY, UTAH 84111

DAVID H. CLEGG
PRESIDENT

TELEPHONE 328-1128
AREA CODE 801

OFFICIAL FILE COPY
O. M.
RECEIVED JUN 3 1964

DATE	INITIALS	CODE
	Braswold	500

May 27, 1964

United States Department of the Interior
Office of Minerals Exploration
So. 157 Howard Street
Spokane, Washington 99204
Attention: Mr. D. W. MacLaren, Acting Field Officer

Re: OME-6308 ~~(Gold-Silver)~~
Ruby Mine
Jefferson County, Montana

Gentlemen,

We enclose herewith four completed copies of OME-6308, signed and executed according to our previous understanding. We are retaining for our files the Operator's copy.

With reference to our application for an OME loan on the southwest Butte properties (your file OME-6307: Hancock et al. Claims, Silver Bow County, Montana), please be advised that we have decided for the time being to drop the processing of this application. At such time as we may decide to proceed further in this area, we will renew our application.

Yours very truly,

David H. Clegg
President
Ruby Silver Mines, Inc.

One

OFFICIAL FILE COPY

RECEIVED 6 4

DATE

Grained 500

Bo. 157 Howard Street
Spokane, Washington 99204
May 22, 1964

Mr. David H. Clegg, President
Ruby Silver Mines, Inc.
863 First Security Building
Salt Lake City, Utah 84111

Re: OME-6308 ~~(Gold-Silver)~~
Ruby Mine
Jefferson County, Montana

Dear Mr. Clegg:

Returned herewith are the original and four copies of the proposed exploration contract which you left with us May 22, 1964.

As we agreed, two additions by footnote have been made to the specifications on page 2 of Exhibit A and have been initialed by me for the Government.

If the terms and conditions of the proposed contract are satisfactory, insert in Article 1(a) the date on or before which work will commence; sign all copies and add your initials to the additions on page 2 of Exhibit A; keep the Operator's copy and return all the other copies to this office.

If any part of the proposed contract is not satisfactory, please return all copies unsigned to this office with a statement of your proposed changes for consideration.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

Enclosures

cc: OME
MacLaren

Director's Reading File
Resources Research Branch Chief

DRMacLaren:mls

Orme

OFFICIAL FILE COPY
O. M. E
RECEIVED MAY 21 1964

DATE	INITIALS	CODE
5/21	Grunwald	500

So. 157 Howard Street
Spokane, Washington 99204
May 19, 1964

Air Mail

Mr. Donald H. Clegg, President
Ruby Silver Mines, Inc.
863 First Security Building
Salt Lake City, Utah 84111

Re: OMX-6308 (Gold-Silver)
Ruby Mine
Jefferson County, Montana

Dear Mr. Clegg:

I am sorry you were unable to visit the office during the week of May 11 - 15. However, I have received from OME clarification of certain questions raised by you and Mr. Wittmeyer during our telephone conversation of May 9.

The specification regarding the size of crosscut and drift openings was inadvertently omitted from Exhibit "A" and is to be added on page 2 by a footnote at the end of the first paragraph under Description of the Work as follows:

1/ "Crosscuts and drifts shall be not less than 7' x 7' in the clear." (To be initialed by you as signer of the contract.)

A second footnote is to be added on page 2 in the third paragraph under Description of the Work, following the phrase "29,000 cubic feet of slabbing for long-hole stations" as follows:

2/ "And car pass turnouts." (Also to be initialed by you.)

The cost for drifting was, with one exception, computed as I outlined for you. The cost of pipe and rail is reduced 50 percent so as to dispose of the Government's equity in those items to be purchased. However, in the case of operating equipment to be purchased, amortization of the cost of the equipment based on 5 years, or 1/60 per month, is allowed for the estimated time that will be required to complete the contract work.

Based on two shifts per day and an advance of 5 feet per shift, for labor and supervision, provision was made for 4 miners, 2 helpers, 1 trammer operator, 1 mechanic-electrician, and 1 geologist-engineer-supervisor. There was some discussion as to the need for the trammer

operator as there would be 2 miners and 1 helper on each shift, but he was included in the final computation. The wages are those shown in your application.

Kindly return unsigned the original and all four copies of the proposed contract so that the footnotes can be added and initialed for the Government. If the proposed contract will then be acceptable to you, we will return it to you for signature.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

cc: OME
MacLaren

Director's Reading File
Resources Research Branch Chief

DRMacLaren:mls

One

OFFICIAL FILE COPY

5/12 Received 500.

No. 157 Howard Street
Spokane, Washington 99204
May 8, 1964

Mr. Donald H. Clegg, President
Ruby Silver Mines, Inc.
865 First Security Building
Salt Lake City, Utah 84111

Re: CMX-6308 (Gold-Silver)
Ruby Mine
Jefferson County, Montana

Dear Mr. Clegg:

On March 20, 1964, we sent you the original and four copies of a proposed CMX contract but have not heard from you since except for a telephone call.

If the terms and conditions of the proposed contract are satisfactory, insert in Article 1(a) the date on or before which work will commence. This date must not be prior to the date of the contract. Then sign all copies, keep the Operator's copy, and return the other copies to this office.

If any part of the proposed contract is not satisfactory, please return all copies unsigned to this office with a statement of your proposed changes for consideration.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, CMX
Region I

DRMacLaren:mls

cc: CMX
MacLaren

Director's Reading File
Resources Research Branch Chief

MME Form 7
(10-58)

OME-6308
OFFICIAL FILE COPY

Date	Surname	Code

MAY 1 1 1964

Hon. James F. Battin
House of Representatives
Washington, D. C., 20515

Re: OME-6307 (Silver-Gold)
Ruby Silver Mines, Inc.
Hancock, et al., Claims
Silver Bow County, Montana

and

OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana

Dear Mr. Battin:

This is in reference to your memorandum of May 7, 1964, enclosing a letter to you dated April 15, 1964, from Mr. Al C. Fisher regarding two applications for exploration assistance from Ruby Silver Mines, Inc. (OME-6307 and OME-6308).

The two applications referred to were received in the Spokane office of OME on May 31, 1963. Both were incomplete and lacked necessary information concerning ownership and the applicant's interest in the property. After part of the information was submitted and some clarification of titles made, the applications were referred to the field for an on-site examination on July 11, 1963. Unfortunately, there was some delay in forwarding the reports of these examinations because of the heavy backlog of prior applications in the Spokane office. Delay in processing these applications was compounded by the applicant's procrastination in furnishing necessary data and documents.

However, on February 4, 1964, an alternate program to explore the property under Docket No. 6307 was suggested to the applicant but no reply has been received to date.

43683

On March 20, 1964, a proposed contract to explore the property under Docket No. 6308 was sent to the applicant for signing, but it has not been executed as of this date.

As requested, correspondence enclosed with your inquiry is returned herewith.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

Enclosure

FEJohnson/bih/mm
5/11/64
cc: Director's Reading File
Region I 2 copies w/2 copies of incoming correspondence
Docket OME-6307
Docket OME-6308

MMF

Congress of the United States

House of Representatives

Washington, D.C.

May 7, 1964

O'Me 3369

Sir:

The attached communication is sent for your consideration. Please investigate the statements contained therein and forward me the necessary information for reply, returning the enclosed correspondence with your answer.

Yours truly,

James F. Battin

M. C.

[illegible]0 Phillips Ave
Butte , Montana
April 15, 1964

Mr James F. Battin
State Representive of Congress

Capital Bldg, Helena , Montana

Dear Mr Battin :

With your permission taken as granted, I am writing to you on asubject I deem sboulf be of great interest to your office and our people, and more sp to the best interest of our state small mining dustry. which field and industry I given the greater years of my lifework, and which my interest down throught the many years as mine manger et c tra for diffrent Companies and my good fortune in the discovry of several ore bodies more so of our Butte District. My knowledge in this fiel has considered to be very broad and trust worthy, for me to speak on this subject.

It was from the contnious in paid revenue from the many small mines of our State that made the state to be recogonized to be on eof the wealth-stte of the union and from which it arrived itname as the Treasure State. and will again if the poper encouragement is given to this industry .

It may interest you to know that it was through myself and my knowledge in thisfield I interdouced by my reccomendation to two of the Largest Mining industry of State of Utah to come in to our District for the purpose to accquire and develope several of our Known vein structures and ore bodies of this district, which I accquired for them 60 Patented mine claims under lease and bond option agreement and where the properties could be paid off under the lease bond and option agreement by paying to the property owners 10% of net mine product sales . this group of 60 mine claims was Incorporate in to a Company to become known asthe Ruby Silver mines Co Inc. under the St te of Nevada . this expence was at the cost and expence of these two well known and re ogonized mining companies of State of Utah, they being the New Park Mining Company and the East Utah Mines Company formerly know as Heckla.

Added to the expence of the incorporating of the Company , a large sum of monies was spent by the two compnies to clear their title's in additional to making a thourghl phic survey to determine the ore and vein stru ctures possibilites which findin proved to be very satisfactory, When this work was accomplished immedicate request was made through the office of the OME mine loan assistance of the Government to aid in there developmnt, and where by the Government through the OME office would provide 50% of the cost and where by the company woud provide the other 50% of the cost, The compan was to provide the cost of the first 60 days to three months cost of mining operations untill the loan grant monies was forth comming at which time from on untill the amount of the sum monies granted or asked for by the Company was exhausted .

As being the instagator of this Mining enterprise undertaking I was kept wellinformed by the officals of the two compnies what was being done et cetra for the best interest of the Property owners as clients of mine. according to the information I received from time to time of the company progres to where they had received word that the loan had been granted. which was ovr a year ago if not more and which time sincethen the company had been

ntiapating o receiv that loan
help Deray the cost of mining operations and the sinking of several deep mine shafts. It now appears tome the loan was not granted if granted i it was delayed for some unknown reason , sufficent tp permitt the Company to be falling apart, By the propertyowners with drawing there properties by failur of work performances et cetra . This loss if something is not done toprevent it and to hold the interest of the twoMining companies I have re fered to to encourage them to carry on mining operations in our State the loss of their Capital investment in the mining industry of our State and the their large capital investment into our State Will prove to have been a Great loss to our state and the mining industry, is this reason that I

It is for this reason I call on your office that an investigation be be made or inquiry of the OME office both of Spokane and Washington D. C. as to why the mine loan was not granted to the Ruby Silver mines Company under the office of New Park mining company of Of 1790 East plumb Lane . Reno Nevada . or to Presidentof new park mining Company office Mr. Charles A Steen at said address. added to this I reccomend a letter of welcome for his mining industry in toour State which such a letter may have great bear ing as well as encouragement to him and his company assureing him that our State will highly recogonizehis mining industry in to our State . and will doanything that is in reason to encourage his mining operations here in our State , In doing so will make him feel unwelcome here in our State it will show him our State does highly and welcome his mining industry in to our State , Offering him state protection and assurance that his mining enterprise will not be intefeared as long as he applies to the State Mining laws under the State Juruisdiction .

Added to this I erge that a inquiry be made through your office to why the OMe . Mine loan was not granted to the Ruby Silver Mines Company Inc and in the event it was granted and delayed why was it dealayed.

In the event your office is nor nor versed on the requirments of the Applicant to be granted Ome. mine loan assistance , as I have correspondanc both from the OMe. Office of Sokane Washington , and like wise from the office of Secretary of Interior of Washington D. C. which have given suffic- ent information for me to know that the ruby Silvermines company through the aid of New Park Mining Company and the East Utah mining company the ruby Silver mines company could meet up with all the requirments of the OME. It is my conviction there is more to then just qualification that has del- ayed the loangrant and if so the truth shouls be made,both to the best inter of the Ruby Silvermines Company and the b est interest of our State,

Trusting that this matter is checked into by your Office , with my kindest regards to our Friend and Govenor Mr Babcock as was through him i had the honor in making your accquiances whck happened through his introduct to me to you some back at a rally meeting of the Republican pary at the Finlen Hotel , thrustin of having the pleasuerto renew our accquiances in near future . I remain

Vary Sincerly your's

Al C. Fisher.

Congress of the United States
House of Representatives

OFFICIAL BUSINESS

WASHINGTON, D.C. 48
MAY 7
-PM
1964

James H. Battin
M.C.

STRIKE BACK AT CANCER
GIVE
AMERICAN CANCER SOCIETY

Mr. George Fumich, Jr.
Acting Director
Office of Mineral Exploration
Department of Interior
Washington 25, D. C.

OME

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAR 23 1964

DATE	INITIALS	CODE
	Approved	300

So. 157 Howard Street
Spokane, Washington 99204
March 20, 1964

Mr. Donald H. Clagg, President
Ruby Silver Mines, Inc.
863 First Security Building
Salt Lake City, Utah 84111

Re: OME-6308 (Gold-Silver)
Ruby Mine
Jefferson County, Montana

Dear Mr. Clagg:

Enclosed are the original and four copies of a proposed OME contract for exploration at the subject mine. The contract consists of MMS Form 51 (5 pages), Annex I (3 pages), 3 Lien and/or Subordination Agreements, New Park Mining Company letter dated December 27, 1963, Exhibit A (3 pages), Exhibit B (1 page), and 1 map (fig. 6). All copies have been signed by the Acting Director for the Government.

You or whoever will be in charge of carrying out the project work under this contract are urged to read carefully all the specifications set forth in Exhibit A. Without prior Government approval subsequently confirmed in writing, the Government may refuse to contribute to the cost of any work that does not conform to those specifications. Also your attention is specifically directed to Article 10 and Exhibit B. When the contract is accepted and has been returned, appropriate forms for compliance reports will be sent along with forms for reporting monthly progress and vouchering.

If the terms and conditions of the proposed contract are satisfactory, insert in Article 1(a) the date on or before which work will commence. This date must not be prior to the date of the contract. Then sign all copies, keep the Operator's copy, and return the other copies to this office.

If any part of the proposed contract is not satisfactory, please return all copies unsigned to this office with a statement of your proposed changes for consideration.

The 6½ percent interest accrues from the dates on which the individual payments are made by the Government and like the principal is repayable from royalty on production.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

Enclosures

DRMacLaren:mls
cc: OME
MacLaren
Director's Reading File
Resources Research Branch Chief

Certi mail
385056

NEW PARK MINING COMPANY
1790 East Plumb Lane
Reno, Nevada

EAST UTAH MINING COMPANY
863 First Security Bldg.
Salt Lake City, Utah, 84111

OFFICIAL FILE COPY
U. M. & E.
RECEIVED MAR 20 1964

DATE	INITIALS	CODE
3/23	Murphy	500

February 29, 1964

United States Department of the Interior
Office of Minerals Exploration
Washington 25, D. C.

Re: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana

Gentlemen,

This letter is to advise that New Park Mining Company and East Utah Mining Company would not undertake the total cost as proposed for the Ruby Mine venture nor will New Park and East Utah together be able financially to consider advancing more than a combined total of fifty percent (50%) of the exploration costs of this venture.

Your prompt cooperation in processing this proposed contract will be much appreciated.

Yours very truly,

Charles A. Steen, President
NEW PARK MINING COMPANY

David H. Clegg, President
EAST UTAH MINING COMPANY

cc: United States Department of the Interior
Office of Minerals Exploration
So. 157 Howard Street
Spokane, Washington 99204

EAST UTAH MINING COMPANY

East Utah Mining Company
863 First Security Building
Salt Lake City, Utah 84111

OFFICIAL FILE COPY
O. M. E
RECEIVED FEB 28 1964

DATE	INITIALS	CODE
2/28	Murphy	500

February 27, 1964

United States Department of the Interior
Office of Minerals Exploration
Washington 25, D. C.

Re: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana

Gentlemen,

We understand that the proposed contract for exploration at the Ruby Mine provides for "not more than 2,900 feet of cross-cutting and drifting, 300 lineal feet of timbering, 29,000 cubic feet of slabbing for long hole stations, 3,900 feet of long hole percussion drilling, and 360 samples to be assayed for gold and silver". The total cost of the proposed contract is $132,800.00, of which the Government participation is $66,400.00.

In accordance with your instructions, East Utah Mining Company by this letter agrees to furnish Ruby Silver Mines, Inc. not more than a combined total of 50 percent of the exploration costs. By letter of this same date New Park Mining Company also agrees to this OME requirement.

Your prompt cooperation in processing this contract will be much appreciated.

Yours very truly,

David H. Clegg
President
East Utah Mining Company

cc: United States Department of the Interior
Office of Minerals Exploration
So. 157 Howard Street
Spokane, Washington 99204

One (2)

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 7 1964
DATE CODE
Mr. Murphy 500

So. 157 Howard Street
Spokane, Washington 99204
February 5, 1964

Air Mail

Mr. Donald H. Clegg, Secretary
New Park Mining Company
405 South Main Street
Salt Lake City, Utah

Re: OME-6308 (Gold Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana

Dear Mr. Clegg:

We have received a proposed contract for exploration at the Ruby mine. The contract provides for "not more than 2,900 feet of cross-cutting and drifting, 300 lineal feet of timbering, 29,000 cubic feet of slabbing for long hole stations, 3,900 feet of long hole percussion drilling, and 360 samples to be assayed for gold and silver." The total cost of the proposed contract is $132,800.00, of which the Government participation is $66,400.00.

I have been instructed that OME requires letters from New Park Mining Company and East Utah Mining Company stating that they will furnish Ruby Silver Mines, Inc., not more than a combined total of 50 percent of the exploration costs.

As soon as this office receives the required letters, we will forward the proposed contract to you for your consideration.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

cc: OME(2)

Director's Reading File
Resources Research Branch Chief

DRMacLaren:mls

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
1/29	Murphy	500
1/30	Talbot	800
	GCS	130
1/30	Johnson	110
9	Young	100
1/30	CAC	220
		500

JAN 31 1964

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana

Enclosed are the original and four copies of a proposed contract for the subject mine. The contract consists of MME Form 51 (5 pages), Annex I (3 pages), 3 Lien and/or Subordination Agreements, New Park Mining Company letter dated December 27, 1963, Exhibit A (3 pages), Exhibit B (1 page), and 1 map (Figure 6). An extra copy of the contract is also enclosed for field use. All copies have been signed by the Acting Director for the Government. You should insert the date for commencement of the work.

If the proposed contract is satisfactory to you and the Applicant, all five 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 6¼ percent interest accrues from the dates on which the 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 and cannot be altered within your delegated authority, the original and all copies are to be returned to this office together with the proposed changes for consideration.

Enclosures

George C. Selfridge (gla)

MMerrithew/mm (1/28/64)
cc: Director's Reading File
Review Committee
Docket

P. S. We require letters from New Park Mining Company and East Utah Mining Company stating that they will not furnish more than a combined total of 50 percent of the exploration costs. You should not release the contract until these letters are received.

43683

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
1/30	GCS	120
"	Johnson	110
"	Finch	100
		220
1/30	Murphy	500

JAN 30 1964

Memorandum

To: Acting Field Officer, Region I

From: Compliance Officer, OME

Subject: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana

As the amount of the proposed contract under the subject application exceeds $100,000, the Applicant will be subject to submitting Standard Form 41 Compliance Report - Construction if the proposed contract is executed.

At the time the proposed contract is submitted to the Applicant, will you please call attention to Article 10 and to Exhibit B relative to nondiscrimination in employment which is attached to the proposed contract. If the contract is executed, it will be necessary that the enclosed three parts to Standard Form 41 be completed and submitted in duplicate as indicated. Pertinent instructions should be carefully reviewed prior to completing each part. On completion, Standard Form 41 should be returned to Washington through you. This will give you an opportunity to see what is involved.

As our contracts do not require weekly payroll reports, probably Standard Form 41 should be submitted with the first voucher sent you. It is hard to anticipate what additional instructions should be given concerning the filing of Standard Form 41 with the limited background available. Should the Applicant have any questions concerning the completion of the form, it would be best that it write directly to me concerning them.

George C. Selfridge (gla)

Enclosures

GCSelfridge/gla (1-30-64)
cc to: Director's Reading File
Review Committee
Docket
Mr. Selfridge (2)

23263

One

NEW PARK MINING COMPANY

[redacted]

COPY
O. M. E
RECEIVED JAN 22 1964

DATE	INITIALS	CODE
1/23	Murphy	500

SALT LAKE CITY OFFICE
[redacted]
863 First Security Building
Salt Lake City, Utah

Mr. D. W. McLaren
Department of the Interior
Office of Mineral Exploration
Spokane, Washington

January 17, 1964

OME-6308
Re: Ruby Silver Mines, Inc.

Dear Mr. MacLaren,

Walter Bauer advised me by phone yesterday that he had sent you the signed liens on the Montana claims of Phillip and Jane Kountz which are leased to Ruby Silver Mines, Inc.

I talked today to Mr. Fred Murphy of the OME office in Washington, D.C., advising him that you would send these liens on to him. He assured me that our OME application would be processed as soon as he received the liens and the indication was that its prospects are favorable.

Since we are very anxious to have the matter cleared as soon as possible, I would much appreciate it if you could send these liens to Mr. Murphy at your earliest convenience, if they are not already in transit.

With many thanks for the help you have given us and kindest personal regards,

Sincerely,

David H. Clegg

OME: Subject liens were forwarded to your office on 1/17/64.

DRAFT 12/19/63
FMMurphy/mm
MME Form 51
June 1963

~~$00~~
~~120~~
500

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

EXPLORATION CONTRACT
(Short Form)

Docket No.	Commodity	Contract No.	County	State
OME -6308	Gold-Silver	14-23-090-	Jefferson	Montana

It is agreed _____ (Date), between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and

Ruby Silver Mines, Inc., a Nevada Corporation

whose mailing address is **863 First Security Building, Salt Lake City 11, Utah**, 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 7 and Exhibit A, shall complete the work within **18** months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the work is **$132,800.00** The Government will contribute 50 percent of the total fixed unit costs of the work performed, not in excess of **$66,400.00** in accordance with the provisions of Articles 4 and 5.

(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 rights 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 6 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) 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. To the extent that amounts in excess of fixed unit costs or in excess of the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such amounts for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. 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 units of 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.

(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.)

(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 unit costs thereof.

(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 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. 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 retain 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. See Annex I

(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 6(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 pruchaser 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 7. 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 pay on account of units of work not then performed; 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 pay on account of units of work not performed when the notice was given, 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 7 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 11.

ARTICLE 8. 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 9. 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 10. 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 11. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, Office of Minerals Exploration, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, Office of Minerals Exploration, 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, Office of Minerals Exploration, 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, Office of Minerals Exploration," as used herein includes his duly authorized representative.

ARTICLE 12. 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 Office of Minerals Exploration 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 13. 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 14. Changes and added provisions.--

_____

_____

_____

_____

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

_____
(Operator)

By_____

Title_____

By_____

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]

INT.-DUP. SEC., WASH., D.C. 31011

DRAFT FMMurphy/mm

12/19/63

EXPLORATION CONTRACT
RUBY SILVER MINES, INC.
OME-6308

ANNEX I

The land referred to in Article 2 of the contract consists of ~~XXXXXX~~ seven (7) patented and thirteen (13) unpatented lode mining claims, including all rights pertaining thereto, in secs. 2, 11, and 12, T. 5 N., R. 7 E. Montana Meridian, Lowland mining district (unorganized), Jefferson County, Montana.

Recording data for the patented claims are as follows:

Claim	Survey No.
Ruby	2286 A
Ruby Millsite	2286 B
Columbia	3238
Millsite Lode	5206
Ruby Fraction	6206
Adelhied	5199
Havana	5230

The unpatented claims are recorded in Jefferson County Courthouse, Boulder, Montana, as follows:

Claim	Book	Page
Triplet	50	179
Triplet No. 2	50	181
Lowland	50	183
Lowland No. 2	50	185
Lowland No. 3	50	387
Lowland No. 4	50	389
Lowland No. 5	50	391
Ruby No. 2	50	187
Ruby No. 3	50	189
Ruby No. 4	50	385

June	50	177
June No. 2	50	381
June No. 3	50	383

The outer boundary of the claim group is shown in green on map Figure 6, entitled, "Ruby Silver Mines, Inc., Ruby Area - - -," attached hereto and made part hereof. The patented Ruby Fraction No. 6206 and the unpatented claims are owned by the Operator.

The Ruby, Ruby Millsite, Columbia, and Millsite patented claims are owned by the First National Bank of Butte, Montana. Under a Lease and Option, dated January 30, 1960, Frank Benich, was granted rights to the claims. This Lease and Option was then assigned by Frank Benich and Mary Benich, his wife, on June 20, 1960, to Butte Gold Mines, Inc. (now Ruby Silver Mines, Inc.).

Lien or Subordination Agreements executed by Frank and Mary Benich, and a Lien or Subordination Agreement executed by the First National Bank of Butte are attached hereto and made part hereof. Because the Bank's agreement is limited to a maximum period of twelve (12) years, additional protection of the Government's interest is guaranteed by the agreement executed by authorized representatives of New Park Mining Company and East Utah Mining Company. This guaranty is attached hereto and made part hereof.

The Operator has rights to the Havana and Adelheid patented claims under the terms of a Lease and Option, dated December 30, 1960, granted by Phillip W. Kountz and Jane Kountz, husband and wife.

A Lien or Subordination Agreement executed on January 25, 1961 by [illegible] and [illegible] as [illegible]

DRAFT FMMurphy/mm
12/19/63

EXPLORATION CONTRACT
RUBY SILVER MINES, INC.
OMR-6308

EXHIBIT A

The purpose of this project is to explore by driving a crosscut adit, drifting, and long-hole drilling, for gold-silver bearing ore bodies in fissure veins traversing a series of Tertiary dacite flows and breccias.

General Provisions

All significantly mineralized areas traversed by the adit, drifts, and auxiliary crosscuts shall be sampled by cutting channels normal to the trends of the deposits at intervals of not more than 10 feet. In addition, a representative bulk sample shall be taken of each round broken in significantly mineralized areas. During long-hole drilling cuttings showing significant mineralization shall be sampled. No long-hole sample shall represent more than 10 feet of the hole.

Samples from whatever source shall be split as necessary and then assayed for gold and silver. The Operator shall store one split of each sample in a suitable container properly identified as to source and location for Government inspection and possible use. With prior Government approval, the Operator may dispose of the stored samples.

True copies of assay certificates of all samples shall be submitted with the Operator's monthly reports, which shall also include maps or sketches showing the work completed during the reporting period. The maps should show the location and value of the samples and the general geological formations and structures traversed by the adit and drifts.

The Operator shall provide such supervisory and technical services as may be required to complete the work in a satisfactory manner.

No work under this contract shall be performed closer than 100 feet to the outer boundary of the project area.

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

Description of the Work

From the present face of the 600 Level adit drive an estimated 1920 feet along the same bearing to traverse the Ruby vein structure at the projected center of the Ruby ore shoot. From the crosscut adit drift southeasterly to explore first the extent of the Ruby ore shoot and then the Dowling ore shoot. To reach the projected north end of the Dowling ore shoot will require an estimated 600 feet of drifting from the adit crosscut. The Dowling vein structure is in the hanging wall and parallel to the Ruby vein at distances ranging from 20 to 60 feet on the upper levels. It is anticipated these two vein structures may join at depth; however, if they have not formed a single vein structure on the 600 Level, the drift along the Ruby structure may be turned into the hanging wall to traverse and then follow the Dowling vein structure for an estimated 380 feet. The approximate location of the work is shown on Figure 6, referred to in Annex I.

To further explore for additional ore in the Ruby and Dowling vein structures, and possibly traverse other parallel veins, stations shall be excavated at 75-foot centers into each wall of the drift. From these stations an estimated 26 long holes shall be percussion drilled to an average depth of not more than 150 feet.

Under this contract not more than 2900 feet of crosscutting and drifting, 300 lineal feet of timbering, 29,000 cubic feet of [redacted] for long-hole stations, and 3900 feet of long-hole percussion drilling shall be performed, and not more than 360 samples shall be assayed for their gold and silver content.

Estimated Costs of the Work

Fixed Unit Costs

2900 feet crosscutting and drifting @ $38.00/ft.	$110,200.00
300 feet timbering in crosscut and drift @ $8.40/ft.	2,520.00
29,000 cubic feet [redacted] @ $0.50/cu.ft.	14,500.00
3900 feet long hole drilling @ $1.20/ft.	4,680.00
360 samples assayed for gold and silver @ $2.50/sample	900.00
Total Estimated Cost of the Work	$132,800.00
Government Participation @ 50%	$ 66,400.00

January 16, 1964

Mr. D. R. MacLaren
Office of Mineral Exploration
So. 157 Howard Street
Spokane, Washington

Dear Mac,

Enclosed is the liens for the Adelheid and Havana claims for our OME Ruby project. This should complete the data Ruby Silver is supplying for the OME application.

Sinderely,

/S/ Walter E. Bauer

Walter E. Bauer, Geologist
New Park Mining Company
3115 Ottawa St.
Butte, Montana

OFFICIAL FILE COPY
O. M. E
RECEIVED JAN 30 1964

DATE		CODE
		500

RE[illegible]
JAN [illegible] 1964

Ome

OFFICIAL FILE COPY
O. M. E.

RECEIVED JAN 2 1964		
DATE	INITIALS	CODE
1/2/64	Murphy	500

December 26, 1963

Mr. D. R. MacLaren
Office of Mineral Exploration
South 157 Howard Street
Spokane, Washington

Dear Mac,

Regarding the lien and subordination agreement on the Adelheid and Havana claims of our proposed OME Ruby project, the owners have decided not to include their ground in the program. These people are cattlemen, and can see no point to being involved--via the lien--in a program that is not of vital interest to them.

This will have no adverse effect on the outcome of our proposed program since neither the main target area nor the access to it is effected at all.

There is the minor possibility that either Ruby Silver Mines, or the OME may want to follow ore cutting the tunnel for striking toward the Adelheid or Havana claims. If this is important to the OME, I suggest that the proposed program permit approved OME work to within 200 feet of the ground excluded from the program. This will be more than enough drifting room to investigate ore as far from the principal mineralization of the Ruby-Silver area, for it will be narrow and have a short strike length.

Yes - Fay M.

allows only 200' North of 1920' Xcut

Such ore, if it is present, will help to validate an ore discovery and will be important to us for that reason.

Sincerely,

/s/ Walter E. Bauer

Walter E. Bauer, Geologist
New Park Mining Company
3115 Ottawa St.
Butte, Montana

cc: Charles A. Steen
David H. Clegg

Via
Air Mail

Form 7
(10-58)

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Date	Surname	Code
12/12	Murphy	500
12/12	[illegible]	500
	Selfridge	220
12/12	Johnson	140
	[illegible]	100
12/12	[illegible]	220
		500

DEC 12 1963

Mr. Donald H. Clegg, Secretary
New Park Mining Company
405 South Main Street
Salt Lake City, Utah

Re: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana

Dear Mr. Clegg:

Please advise the approximate date we may expect a reply to our letter of November 6, 1963.

Sincerely yours,

George Fumich, Jr.

Acting Director

FMMurphy/mm
12/12/63
cc: Director's Reading File
Region I
Docket

43683

One

308

December 5, 1963

Mr. D. F. Maclaren
Office of Mineral Exploration
South 127 Howard St.
Spokane, Washington

Dear Mac,

Please send me 3 sets of the lien blanks for use in our S. W. Butte area.

I have contacted both Mr. Kountz and his lawyer for the missing Kountz lien and should have results in the near future.

Sincerely,

/S/ Walter E. Bauer

Walter E. Bauer, Geologist
New Park Mining Co.

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DATE

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200
220

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AME Form 7
(10-58)

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Date	Surname	Code
11/20	Murphy	500
11/30	on leave	500
11/30	Talbot	800
	GCS	130
11/20	Johnson	110
	G. Flynn	100
11/20	cal	220
		500

NOV 20 1963

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OMX-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana

We have received two sets of Lien and Subordination Agreements pertaining to the subject property; however, we lack a set covering the two patented claims, Havana (Survey No. 5230) and Adelheid (Survey No. 5199), owned by Phillip W. Kountz and Jane Kountz, husband and wife, of Whitehall, Montana.

If you have not requested the Applicant to submit this agreement, will you kindly do so.

FMMurphy/mm
11/20/63

George C. Selfridge (gla)

cc: Director's Reading File
Review Committee
Docket

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane, Washington 99204
November 13, 1963

OFFICIAL FILE COPY
O. M. E
RECEIVED NOV 18 1963
DATE
130
500
1 cy to 130

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: Application examination
OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana

Lack P.M. and Sans Hounds ock on Havana and Adelaide claims

INTRODUCTION

Ruby Silver Mines, Inc., Salt Lake City, Utah, applied for OME aid to explore for gold-silver ore at the Ruby mine, Jefferson County, Montana. The proposed project comprises 250 feet of drift repair on the 150 level and on the 600 level 2,000 feet of crosscut and 1,000 feet of drift. The applicant estimated that the total cost of his proposal would be $318,053.07, of which the Government's share would be $159,026.53.

The property was visited the afternoon of July 24, 1963, in the company of Walter E. Bauer and William Wittmeyer, respectively geologist and engineer-supervisor for the applicant. Prior to visiting the property a discussion of accessible workings revealed that the 150 level was caved and inaccessible about 100 feet short of the Ruby shaft and vein and that the 600 level crosscut had been driven 385 feet. The possibility of sampling the full width of the breccia zone in which the veins lie was also discussed. Bauer doubted the practicability of this because the hardness of the breccia at the surface would require blasting a trench before sampling could be done.

The inspection of the property was limited to a visit to the breccia zone where it crops out on the Columbia Claim as shown on figure 1 accompanying the application, and to the 600 level portal site where the applicant proposes to convert a large mine building into a change room, shop, and mine office. According to Bauer, the site of the breccia which was visited is the best exposure; elsewhere the breccia is for the most part covered by soil and rock overburden, and where it was formerly exposed in trenches, the latter have now caved obliterating those exposures.

FIELD EXAM. REPT.

It is recommended that a program reduced to 2,900 feet of crosscut and drift and 3,900 feet of long hole drilling on the 600 level be approved. The total estimated cost of project will be $168,117.70, of which the Government's share would be $84,058.85 or 50 percent.

PROPERTY, LOCATION, AND ACCESSIBILITY

The property comprises 19 claims held by lease and ownership as follows:

Held by lease and option

Patented Claims

Claim	Survey No.
Ruby	2286A
Columbia	3238
Mill Site Lode	5200
Adelheid ~~Adelirad~~	5199
Havana	5230

Owned by Ruby Silver Mines, Inc.

Patented Claims

Claim	Survey No.
Ruby Fraction	6206

Unpatented Claims

Claim	Book	Page
Triplet	50	179
Triplet No. 2	50	181
Lowland	50	183
Lowland No. 2	50	185
Lowland No. 3	50	387
Lowland No. 4	50	389
Lowland No. 5	50	391
Ruby No. 2	50	187
Ruby No. 3	50	189
Ruby No. 4	50	385
June	50	177
June No. 2	50	381
June No. 3	50	383

The claims directly involved in the proposed project are:

Lowland	Ruby No. 3
Lowland No. 3	Ruby Fraction
Ruby	Columbia
Ruby No. 2	

Two veins, the Ruby and the Dowling, have been developed by connected workings which comprise a 400-foot shaft, an adit about 300 feet long which intersects the shaft on the 150 level and 4 other levels which were turned from the shaft. The longest levels are the 150 and the 300 which between them give access to the Ruby ore shoot and the Dowling ore shoot. The shaft and the other workings are inaccessible due to caving except for the first 510 feet of the 150 level adit and the 385 feet of crosscut driven on the 600 level.

At the portal of the 600 level crosscut is a galvanized iron building about 25 feet wide and 40 feet long without footings, floor, window sashes or doors.

The property is situated in the Lowland Mining District (Unorganized) in secs. 2, 11, and 12, T. 5 N., R. 7 E., Jefferson County, Montana. It is easily accessible from Butte, Montana, by proceeding north on U. S. Highway 91 to Basin, thence following an all-weather gravel road westerly for about 11 miles to the property. A shorter route usually closed by snow during the winter leaves U. S. Highway 91 about 3 miles north of Butte and follows the Task road which is a partly improved Forest Service road.

GEOLOGY

The geology of the area is described by the following:

Knopf, Adolph, 1913, Ore deposits of the Helena mining region, Mont.: U. S. Geol. Survey Bull. 527, 143 p., 7 pls.

Pardee, T. J., and Schroeder, F. C., 1933, Metalliferous deposits of the greater Helena mining region, Mont.: U. S. Geol. Survey Bull. 842, 318 p., 47 pls.

The Ruby mine is described by:

Roby, R. N., et al., 1960, Mines and mineral deposits (except fuels) Jefferson County, Montana: State of Montana Bur. Mines and Geology Bull. 16, 122 p., 1 pl.

The rocks at the mine are part of a series of dacite lavas, locally called rhyolite, that make up an area extending southward to Butte. The dacite is porphyritic with quartz crystals and glassy plagioclase feldspars in a dense light-grey groundmass. Fissures developed in a zone of weakness striking about N. 20° W. and dipping 60° to 75° or steeper to the northeast.

Two major fissures, the Ruby and the Dowling, are nearly parallel and range from about 20 to 60 feet apart at the surface. About 80 to 180 feet northeasterly from the Dowling is a third major fissure, the Ray.

There are at least 7 cross faults that strike from about N. 39° E. to N. 81° E. and dip from 50° to 65° SE. Knopf (1913) says that it is possible that most of the cross faults are fractures contemporaneous with the major fissuring. This may be true as, at present, only one is known to have offset the major fissures to any extent. There is some indication that they may control the location of some of the ore shoots. The composite map of the workings which accompanies the application shows that the three major fissures dip to the northeast.

The 400-foot shaft was sunk on the Ruby ore shoot until a fault striking N. 43° E. and dipping 65° SE. cut off the shoot near and below the 200 level. Geophysical exploration conducted by the applicant during 1960 indicated that the major component of movement along the fault shifted the lower part of the ore shoot westerly about 330 feet at the surface, 300 feet on the 150 level and 250 feet at the proposed 600 level; the latter distance is based on the location of the ore shoot determined by geophysical methods, the others are scaled from the applicant's maps and sections. This suggests a steepening of the fissure below the 150 level.

On the 150 level, just south of the Ruby ore shoot the drift apparently crossed over to the Dowling vein and at about 390 feet southeasterly of the Ruby shoot encountered the Dowling ore shoot. Eventually, the 150 level was extended southeasterly connecting with the Middle Tunnel driven northwesterly from an adit on the Columbia Claim. About 620 feet southeasterly from the Dowling shoot a small shoot of unknown size and grade was encountered and about 460 feet farther, after crosscutting to the Ray vein, the 150 level gave access to the Ray ore shoot.

Knopf (1913) describes the Ruby and Dowling veins and ore shoots as follows:

> "The ore-bearing zone extends from the main shaft to the Columbia Claim, a distance of several thousand feet (Applicant's fig. 1 indicates that the distance from the shaft to the

southerly end of the Columbia Claim is about 1,700 feet, however, the zone continues northerly from the shaft and southerly beyond the Columbia unknown distances. Ed), the general trend being S. 20° E. Within this zone the ore occurs in shoots, or more properly in parallel veins, dipping steeply westward and apparently disposed roughly in echelon fashion. The Ruby shaft was sunk on a shoot of ore which, as shown on the stope map, was 260 feet deep, 40 feet long and 20 feet wide. The maximum length was on the 200-foot level. This shoot of ore, or pipe, as it is termed locally, yielded $600,000. The country rock in the vicinity of this shoot is extremely sheared and shattered. To the north the ore body is terminated by a southward dipping fault zone, which is brecciated and mineralized through a width of 40 feet or more.

"South of the Ruby shoot another vein was found, in which the productive portion was 170 feet long and 4 feet wide. The walls of this vein are generally well defined. A marked vertical undulation is a characteristic feature of the hanging wall. In places the vein is filled with fault breccia, some fragments of which are 20 inches long. Toward the north the fissure is apparently cut off by a cross fault dipping 45° S., although the fissure is here so small as hardly to be recognized. The fissure is traceable by a well-defined footwall for a distance of 60 feet south of the productive portion, where it is terminated by a cross fault dipping south. It is not impossible that some of the cross faults are fractures contemporaneous with the major fissuring. The ore consists of angular dacite fragments cemented by quartz calcite, and minor adularia . . . The quartz is commonly clear, glassy and drusy, but where it is solid it is of compact saccharoidal texture. Some of the siliceous veinlets show a porcelain-like texture, but such cryptocrystaline quartz is far less common at the Ruby mine than at the surrounding properties. The sulfides, which are confined to the gangue material that cements the dacite fragments, comprise pyrite, argentite, and possibly others that because of their fine sub-division are not readily recognizable. Native silver is common locally. The grade of the ore decreases with increase in size of the dacite fragments filling the fissure."

As all of the workings in the ore zone were caved, a sloughed pit in the breccia zone at the southerly end of the Columbia Claim was visited. The pit was about 20 feet long by 10 feet wide and 8 to 10 feet deep and contained many large breccia boulders that had sloughed or more probably had been blasted down. The breccia was composed of dacite fragments from an inch or so to over 5 inches across that were tightly cemented with silica. Several quartz-lined

vugs and a few glassy dark-colored quartz veinlets were seen, however, there were no identifiable sulfides. The breccia was too hard to cut a sample but two had been moiled by Bauer. One, a composite grab sample from several boulders, assayed 0.32 ounce gold and 2.0 ounces silver per ton; the other cut from the pit wall about 7 feet below the surface assayed 0.03 ounce gold and 1.7 ounces silver per ton.

NG

PRODUCTION

In Corey's report, which accompanied the application, a tabulation of shipments from the Ruby and Columbia mines indicates a total of 5,021 tons were shipped between 1906 and 1912. Roby, et al. (1960), on page 101 tabulate shipments from both mines totaling 6,202 tons from 1906 through 1927. A year-by-year comparison of the two tabulations shows some discrepancies, but in most cases the Roby, et al., figure is higher. Further discussion of production will be based on their bulletin as their tabulation is compiled from more complete records than were available to Corey.

Referring to the Columbia mine Roby, et al., say on page 71:

> "Production records cover the years from 1906 to 1927. This production is combined with that of the Ruby and aggregates 6,202 tons ore from which were recovered 11,387 ounces gold, 194,100 ounces silver and 524 pounds copper. Work has been done at the property in recent years, but details of the recent work are not available."

Relative to production from the Ruby mine they say on page 72:

> "Production was reported each year from 1906 through 1917, but that total production is combined with Columbia mine totals. The last year of reporting was in 1920. The total of the recorded production is 5,522 tons ore from which were recovered 10,796 ounces gold and 176,292 ounces silver."

Presumably these figures refer only to the Ruby and Dowling shoots.

Knopf (1913) and Pardee and Schroeder (1933), the latter apparently taken from the former, say of production at the Ruby mine:

> "The production is estimated to be $1,250,000--70 percent in gold, the remainder in silver. Rich ore was sent to the smelter and netted from $17 to $302 a ton in carload lots. The mine has been operated only intermittently, having several times been considered as worked out. In September, 1911, the mill was again started and commenced crushing a dump of some

1,200 tons of second-class ore which had accumulated during recent exploratory work."

Knopf says further on page 126: "The shoot of ore, or pipe (sic Ruby shoot Ed.), as it is termed locally yielded $600,000."

As Knopf makes no reference to the Columbia mine, presumably from 1883 to 1911 (inclusive), the Ruby shoot produced $600,000 worth of ore and the Dowling shoot produced $650,000.

As Knopf gives no tonnage figures and Roby, et al., on page 72, give no dollar values except as a quote from Knopf, combining the pre-1912 production of Knopf which includes that from 1883 through 1911 with the post-1911 production of Roby, et al., is of questionable accuracy. The total ounces of gold and silver reported from the Ruby-Columbia mine 1912-1920, inclusive, are respectively 589 ounces and 18,885. At $20 per ounce gold and 71.266 cents per ounce silver (average of E.&M.J. quotations for those years), the value of production 1912-1920 is $11,780 in gold and $13,458 in silver, totaling $25,238. Thus, a reasonable approximate maximum value of production from the Ruby mine from 1883 through 1920 is $1,275,238, of which ore worth $341,556 was produced since 1906, and ore worth $933,682 was produced prior to 1906. As there are no tonnage figures available for the pre-1906 production, the difference in total values do not necessarily indicate a drop in grade as mining progressed.

The following table is taken from Roby, et al., page 101, except that the ounces per ton, value per ton, and a footnote have been added:

Year	Tons	Ounces gold	Ounces gold/ton	Ounces silver	Ounces silver/ton	Value per ton
1906	841	720	0.856	23,717	28.200	$ 37.22
1907	924	4,374	4.734	56,569	61.222	78.31
1908	817	1,363	1.668	24,447	29.923	54.68
1909	1,205	1,751	1.453	34,518	28.646	49.47
1910	1,099	2,420	2.202	35,507	32.309	67.07
1911*	784	159	0.203	325	0.415	4.36
1912	149	128	0.859	3,653	24.517	30.65
1913	108	113	1.046	7,134	66.056	68.00
1914	17	10	0.588	524	30.824	33.73
1915	35	28	0.800	865	24.714	33.61
1916	94	261	2.777	6,051	64.373	101.42
1917	5	3	0.600	279	55.800	51.77
1920	98	46	0.469	379	3.867	12.14
1925	1	2	2.000	8	8.000	45.10
1926	1	3	3.000	6	6.000	64.28
1927	24	6	0.250	118	4.917	8.50
Total	6,202	11,387	1.836	194,100	31.296	33.13

*Includes 1,200 tons secondary class ore reported by Knopf (1913)

Most of the production in the above table was from 1906 through 1917.

The average grades for each 4-year period in this span are:

1906 - 1909	$54.92 per ton
1910 - 1913	$42.52 " "
1914 - 1917	$55.19 " "

These are fairly constant grades, however, during the last 4 years reported, production was small and the average grade drops to $32.50 per ton. This could be, and probably is, due to the ore coming from stope fringes although this is evidenced only by the small tonnage produced.

POTENTIAL DISCOVERY

There is little doubt that the fissures* into the underlying rocks of the Boulder batholith and that the latter is the source of the mineralizing solutions that formed the known ore shoots. It is therefore probable that the ore shoots will extend well below the proposed 600 level exploratory work. It is also probable, though to a lesser degree, that there are other shoots in the Ruby-Dowling fissure zone.

The total value of the ore produced from the Ruby and Dowling shoots above the 300 level is accepted as being in the order of $1,275,000. It is concluded that the chance of finding both these shoots worth at least as much on the 600 level is good and that the chance of finding other shoots and/or a large tonnage of mill-grade rock associated with them is fair.

Considering only the Ruby and Dowling shoots, the greatest length of the former was on the 200 level above the fault where it was reported by Knopf to be 40 feet long and 20 feet wide; the latter shoot is 170 feet long by 4 feet wide, also as reported by Knopf. The Ruby shoot showed an increase in length as it was followed downward; the latter had a fairly constant length. Assuming the lengths and widths of the 2 ore shoots hold constant from the 300 to the 600 levels and that the average grade will be the same as it was above the 300 level, the potential discovery by the proposed work is:

Ruby shoot:	$\frac{40 \times 20 \times 300}{12}$	=	20,000 tons
Dowling shoot:	$\frac{170 \times 4 \times 300}{12}$	=	17,000 tons
Total			37,000 tons

At an average grade of 1.8 ounces gold and 31.2 ounces silver per ton the potential ore will contain 66,600 ounces gold and 1,154,400 ounces silver. At current prices of $35.00 per ounce for gold and $1.29 per ounce for silver, the value of the potential discovery is $3,820,176.

CONCLUSIONS AND RECOMMENDATIONS

It is concluded that the chance of discovering at least 37,000 tons of ore worth approximately $3,800,000 is excellent and it is recommended that a slightly reduced program including long-hole drilling be approved.

The map scaled distance from the face of the 600 level crosscut to the projected position of the Ruby vein on the footwall side of the offsetting fault is 1,920 feet. From this point to the projected start of the Dowling shoot is about 600 feet. An additional 380 feet of drifting should thoroughly explore the Dowling shoot and allow for flattening of the apparent rake. It is therefore recommended that 2,900 feet of crosscut and/or drift be approved.

To check the drift walls for additional milling-grade ore and to explore for parallel veins it is recommended that long holes be drilled at 75-foot centers into each wall not to exceed an average depth of 150 feet per hole. For this, allowance should be made for 26 holes totaling 3,900 feet.

A raise on the Ruby shoot for exploratory purposes and ventilation is not recommended as the 400 level workings are some 250 to 300 feet northeasterly of the expected location of the 600 level. Also, Bauer and Wittmeyer advised the examiner that the company expected to raise on its own in the Dowling shoot from the 600 to the 300 levels if ore is found and prefer that raising be omitted from the contract.

COSTS

2,900 feet crosscut and drift, 7' x 7' in rock or timbered section with 1' x 2' drainage ditch, 2 shifts/day, 22 days/mo, 5 ft/shift or 10 ft/day, 220 ft/mo will require 13.2, say 14 months to complete. Water will be taken from a stream 1,000 feet from portal; therefore 3,800 feet of 1" water line is provided in item 3.

1. Independent Contracts — None

2. Labor and Supervision (per day)

4 miners at $21.20	$84.80
2 helpers at $19.59	39.18
1 trammer operator at $19.59	19.59
1 mechanic-electrician at $24	24.00
1 geologist-engineer-supervisor at $750/mo, say $34.09	34.09
Total	$201.66
FICA and other insurance at 15%	30.25
	$231.91

At 10 feet per day — $23.19/ft

3. Operating Materials & Supplies (per 5-foot round)

17 lbs, 40% powder at $24.25 cwt	$ 4.12
50 lbs Ammonium Nitrate prills at $5.75 cwt	2.88
2,000 ft, 4" air line w/fittings at $1.40/ft (less 50% - no salvage)	2.48
800 ft, 2" air line w/fittings at $0.80/ft (less 50% - no salvage)	0.57
300 ft, 1" air hose w/fittings at $0.98/ft	0.51
3,800 ft, 1" water line at $0.22/ft (less 50% - no salvage)	0.72
300 ft, 3/4" water hose at $0.90	0.50
2,700 ft, 20" ventline at $2.25/ft (less 50% - no salvage)	5.22
25# rail at $160/T (less 50% - no salvage)	3.33

3. Operating Materials & Supplies (per 5-foot round) - cont'd.

3 ties at $0.40 each	$ 1.20
Spikes, fish plates, bolts, etc. at $0.50/ft	2.50
40 gal, diesel oil at $0.195	7.80
7 gal, gasoline at $0.31/gal	2.17
Oil and grease 10% of fuel ($9.97)	1.00
Steel, 1 replaced/300 ft at $18 ea 168 ft/round	10.08
Bits, 1 replaced/300 ft at $4.60 168 ft/round	2.58
Small tools and repair parts at $0.60/ft	3.00
28 electric caps at $0.315 ea	8.82
2,900 ft, trunk line blasting wire at $0.08/ft	0.40
29# connecting wire at $2/lb	0.10
Total	$59.98

At 5 feet per round $12.00/ft

4. Operating Equipment

Owned by Applicant	Present fair market value	Allowed deprec./mo
25 KVA gas driven generator	$5,000.00	$83.33
315 cf compressor (diesel)	$6,000.00	100.00
Total per month		$183.33

for 14 mos $2,566.62 / 2900' = $0.885/ft

4. Operating Equipment - cont'd.

To be purchased	~~Cost less 50% no salvage~~
1 Air receiver (in mine)	$ 100.00
1 Prill loading gun	75.00
1 Galvenometer, switches, etc.	34.30
2 Gardner-Denver S-63's	900.00
2 Long tom jacklegs	1,275.00
1 B-12 Eimco mucker	1,500.00
1 Diesel trammer	2,500.00
6 41 cf-2T mine cars Granby type at $800 ea	2,400.00
1 15 hp electric ventfan	400.00
1 acetylene welder cutter	75.00
1 2,000 gal water tank	100.00
1 100 gpm electric pump	50.00
Total operating equipment	~~$9,409.30~~
At 2,900 feet	~~$11,975.92~~

Value = $18,818.60
Depreciation 60 months = $313.64/mth
14 months = $4390.96 / 2900' = $1.52/ft
.88
$2.40

$18,818.60 / 60 = 496.97/mth
14 months = $6957.58 / 2900' = $2.40/ft diff

~~$4.13/ft~~ $1.73/ft

5. Rehabilitation and Repairs

Convert single room 25' x 41' G.I. building to compressor unit, change room-dry unit, warehouse-lamp unit, and engineer's office unit. Involves laying concrete footings, foundations, and floor, and installing doors and windows. The applicant's estimate is reasonable.

Improvements to shop building $890.00

6. New Buildings, etc.

Powder house (15'x10'x8') $750.00

7. Miscellaneous

Assaying, 330 samples for gold and silver at $2.50 ~~ea~~ sample $825.00

$37.30 (see new calculations)

Total cost for drifting $39.32/ft

Less. Depreciation on Equipment difference shown above: 1.73

37.59

samples = $825.00 / 2900' = .29

$37.30

TIMBERING

It is estimated that 10 percent of the drifting and crosscutting may require timbering and that 1 shift will stand, block, and lag 3 sets or 15 ft/shift. Two hundred ninety feet of timbering will require 19.3, say 20 shifts.

1. Independent Contracts — None

2. Labor and Supervision (per shift)

1 miner at $21.20	$21.20	
1 helper at $19.59	19.59	
Total	$40.79	
FICA and other insurance at 15%	6.12	
	$46.91	
At 15 feet per shift		$3.13/ft

3. Operating Materials and Supplies

116 posts, 8"x8"x7'	= 4,330 bf		
58 caps, 8"x8"x8'6"	= 2,625 bf		
1,000 lagging 2"x12"x5'10"	= 11,667 bf		
	18,622 bf		
at $75/M	$1,396.65		
Plus 10% (blocks, wedges, etc.)	139.67	$1,536.32	
At 290 feet of timber			$5.30/ft

4, 5, 6, and 7 — None

Total cost for timbering — $8.43/ft

7' x 7' adit & drifts.

RECAPITULATION

2,900 ft crosscut and drift	at $~~39.32~~ 38.00	$114,028.00
290 ft crosscut and drift timbering at	at $ 8.40	2,444.70
3,900 ft long hole drilling	at $ 1.20/ft	4,680.00
Rehabilitation and Repairs		~~890.00~~
New Buildings, etc.		~~750.00~~
Assaying 360 samples @ $2.50/sample		~~825.00~~
29,000 cu ft side swiping at $0.50/cu ft		14,500.00
Total cost of project should be $138,117.70		$168,117.70
Government's share at 50%		~~$ 84,058.85~~

charge to drifting

$132,800.00
66,400.00

If ore worth only one-half of the expected value, or $1,910,088, is found and 85 percent is recovered, royalty at 5 percent would repay ~~all but $2,888 of~~ more than the Government's share.

D. R. MacLaren

Distribution:
OME(Orig.&2)
SRO
Docket
MacLaren

$1640/2900 = $0.56
37.32
$37.88
say $38.00/ft.

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
11/6	Murphy	500
11/6	Oakleaf	500
	Jeffrey	120
11/6	Johnson	110
	[illegible]	100
11/6	Cac	220
		500

AIRMAIL

Mr. Donald H. Clegg, Secretary
New Park Mining Company
405 South Main Street
Salt Lake City, Utah

NOV 6 1963

Re: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana

Dear Mr. Clegg:

This is in response to your telephone call on November 5, 1963, to Mr. Frank E. Johnson of this office regarding the acceptability of the Lien and Subordination Agreements executed by the First National Bank of Butte, Montana.

Ordinarily, we do not accept any changes in the prescribed form for Lien or Subordination Agreements. Our position was explained in letters to Mr. Walter E. Bauer of your company from Mr. Johnson and Mr. D. R. MacLaren, OME Acting Field Officer, dated August 9, 1963, and August 30, 1963, respectively. In the circumstances, however, we could accept the Bank's Lien and Subordination Agreements with additional protection for the Government's interest. This could be in the form of an agreement signed by New Park Mining Company and East Utah Mining Company guaranteeing the Government's royalty payments under any contract that might be executed, including amendments.

This letter should in no way be construed that a contract will be granted. Because of the press of work we have not yet received the Acting Field Officer's report on his examination of the Ruby Silver Mine. We have requested him to expedite his report so that an early decision can be reached.

Sincerely yours,

George Fumich, Jr.

Acting Director

FEJohnson/bih/mm
11/6/63
cc: Director's Reading File
Region I
Docket

43683

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Chief, Div. of Field Operations	10/11/63	
2.		
3.		
4. Mary L. Smelser Mary L. Smelser		
5. For: D. R. MacLaren		
FROM: Acting Field Officer, Region I		

FOR: Check items for action desired

X Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby-Columbia, et al., Claims
Jefferson County, Montana

Transmittal of 2 sets of Lien & Subordination Agreements executed respectively by Mr. & Mrs. Benich and by the 1st Nat'l. Bank of Butte.

Received

INT.-DUP. SEC., WASH., D.C. M56300-62

OFFICIAL FILE COPY
O. M. E
RECEIVED OCT 14 1963

DATE	INITIALS	CODE

October 10, 1963

Mr. D. R. MacLaren
Office of Minerals Exploration
So. 157 Howard St.
Spokane, Washington

Dear Mac,

Enclosed is another copy of the lien agreements required for the OME-6308 application.

Sincerely,

Walter E. Bauer

Walter E. Bauer, Geologist
3115 Ottawa St.
Butte, Montana

Via
Air Mail

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 7 1963
DATE
Grawold 500

So. 157 Howard Street
Spokane, Washington 99204
October 3, 1963

Mr. Walter E. Bauer
New Park Mining Company
3115 Ottawa Street
Butte, Montana

Re: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby-Columbia, et al., Claims
Jefferson County, Montana

Dear Mr. Bauer:

We have received four copies each of Lien and Subordination Agreements executed respectively by Mr. and Mrs. Banich and by the First National Bank of Butte. However, five copies of each are required as specified in item 2(c) on the reverse side of the application. Of the 12 copies comprising two sets of the form we sent you, one copy is for the executor of the form. The applicant or Operator's copy will be included as part of his copy of the contract should one be offered.

In view of the Director's letter of August 9, 1963, to you, I doubt that the provision added to item 5 by the bank will be acceptable. However, as soon as we receive the extra copy of each set of forms, we will forward them to Washington for determination of their acceptability.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

DRMacLaren:mls
cc: OME w/cy incoming
Reading copies to:
Nolan
Kiilsgaard

October 2, 1957

Mr. D. R. Maclaren
Office of Mineral Exploration
South 107 Howard St.
Spokane, Washington

Dear Mac,

Enclosed are the 2 items for the Ruby (DMS 6398).

I suggest that this project be a 24 month program to give us a modest safety factor for the original contract.

Sincerely,

/s/ Walter E. Bauer

Walter E. Bauer, Geologist
3115 Ottawa St.
Butte, Montana

OME (2)

OFFICIAL FILE COPY
O. M. E.
RECEIVED SEP 3 1963
CODE
Arnold 500

So. 157 Howard Street
Spokane, Washington 99204
August 30, 1963

Mr. Walter K. Bauer
New Park Mining Company
2115 Ottawa Street
Butte, Montana

Re: OME-6508 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby-Columbia, et al., Claims
Jefferson County, Montana

Dear Mr. Bauer:

This is in further reference to your letter of August 19, 1963, and my reply relative to the statement that the First National Bank at Butte, Montana, wishes to insert after Item 5 on the Lien and Subordination Agreement.

The position of OME in this respect is the following: Suppose a contract provided that a project be completed within 2 years, but, and this often happens, unexpected delays are encountered and the Operator requests another 6 months or a year to finish the job. Usually, the contract is amended to grant the requested time extension. However, regulations require that the royalty period also be extended accordingly (in this hypothetical case from 10 to 11 years). This is in order to maintain the same approximate time interval between work completion and royalty expiration.

Should the bank's limitation of 10 years for royalty lien be accepted, it would mean that an operator's request for an extension of the time within which to complete the work could not be granted and the contract would have to be closed out prematurely. The net result would be that every dollar contributed by the Government would be wasted merely because the target had not been reached due to lack of time.

Please explain to the bank OME's position and assure them that OME does not wish to be arbitrary and fully understands their position but is sure they are not in favor of the Government wasting money in futile, incomplete projects.

Sincerely yours,

D. R. Maclaren
Acting Field Officer, OME
Region I

cc: OME(2)

DRMaclaren:mlPending copies to: Nolan; Kiilagaard

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
8/26		500
8/26	Fahlint	800
"	On leave	130
"	On leave	110
		100
8/27	Cal	220
		500

AUG 2 6 1963

Memorandum

To: Acting Field Officer, Region I

From: Acting Chief, Division of Field Operations

Subject: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana

We have the copy of your August 21 letter to Mr. Walter E. Bauer, New Park Mining Company, with attachment, concerning the referenced proposed project.

Please write the Applicant and ask Mr. Bauer to explain our position to the bank. Let us suppose that a contract provided that a project be completed within two years but, as so often happens, unexpected delays are encountered and the operator requests another six-months' or a year to finish the job. Usually, under such conditions, we amend the contract and grant the requested time extension. Our regulations require that we also extend the royalty period accordingly (from 10 to 11 years) so that about the same time interval is maintained between work completion and royalty expiration.

Now suppose we had accepted the bank's limitation of 10 years for the royalty lien; that would mean that we could not grant an operator's request for an extension of work completion time and we would have to close out the contract prematurely. The net result would be that every dollar which the Government had put into the project would have been thrown away and wasted, merely because the target had not been reached due to lack of time.

Please explain to the bank that we do not wish to be arbitrary and we fully understand their position, but we are sure they do not want the Government to waste money in futile, incomplete projects.

WRGriswold/gla
8-26-63

W. R. Griswold (gla)

cc to: Director's Reading File
Review Committee
Docket

23263

Ome (2)

OFFICIAL FILE COPY
O. M. E
RECEIVED AUG 23 1963

DATE	INITIALS	CODE
	Griswold	500

No. 157 Howard Street
Spokane, Washington 99204
August 21, 1963

Mr. Walter E. Bauer
New Park Mining Company
2115 Ottawa Street
Butte, Montana

Re: OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby-Columbia, et al., Claims
Jefferson County, Montana

Dear Mr. Bauer:

I am forwarding your letter of August 19, 1963, to our Washington, D. C. office for consideration of the statement the First National Bank at Butte, Montana, wishes to insert after Item 5 on the Lien and Subordination Agreement.

I doubt that such a provision will be acceptable to OME in view of the statements made in the second paragraph of Mr. Johnson's letter to you dated August 9, 1963. I believe a similar question was raised not very long ago relative to another application and was not in, that case, acceptable.

I will reply more definitely as soon as I receive a decision unless you are advised directly by our Washington office.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

DRMacLaren:mls

cc: OME(2) w/cy incoming

Reading copies to:
Balan
Killingsard

Ome (2)

NEW PARK MINING COMPANY

August 19, 1963

Mr. D. R. MacLaren
U. S. Department of Interior
Office of Minerals Exploration
South 157 Howard Street
Spokane, Washington

Dear Mr. MacLaren,

The First National Bank, at Butte informs me that they will sign the Lien and Subordination agreement providing the O. M. E. will permit them to append the following to Item 5 of the above lien:

"Providing however, that in no event shall this lien extend beyond ten years from date of contract without further express agreement by the undersigned."

All of the above refers to the OME application 6308.

Please advise.

Sincerely,

Walter E. Bauer, Geologist
3115 Ottawa St.
Butte, Montana

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
	Finnell	500
8/9	Talbott	800
	Jeffordz	120
		110
		100
		220
		500

Mr. Walter E. Bauer
New Park Mining Company
3115 Ottawa Street
Butte, Montana

AUG 9 1963

Re: OME-6307 and OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Hancock-Ruby, et al., Claims
Silver Bow and Jefferson
Counties, Montana

Dear Mr. Bauer:

Mr. MacLaren has forward to us a copy of your letter to him dated August 1 concerning our Lien and Subordination Agreements.

To answer the penultimate paragraph of your letter--our contracts clearly state that the time period for royalty payment is ten years from contract date. Now and then, if an Operator has been delayed and needs an extension of time to complete the project an amendment is made granting such extension and likewise extending the royalty period from ten to eleven years; in essence, to maintain the same time interval between project completion and royalty termination. Occasionally further delays are encountered by the Operator which force him to again request an extension of the time period for project completion, with again the equivalent royalty period extension.

To sum up, the contract is written to provide for a royalty period of ten years from the date of the contract. If delays occur this period might be increased to eleven years and even possibly to twelve years.

Referring to your last paragraph, in very large projects we may increase the royalty period to fifteen years or more, up to a maximum of twenty-five years. This is done only in projects of a much greater magnitude than that contemplated in your two applications and need cause you no concern.

Sincerely yours,

(signed) FRANK E. JOHNSON

ACTING Director

WRGriswold/mm
8/9/63
cc: Director's Reading File
Region I (2)
Docket OME-6307
Docket OME-6308

43683

So. 157 Howard Street
Spokane, Washington 99204
August 2, 1963

EXTRA COPY
O. M. E
RECEIVED AUG 7 1963
DATE | CODE

Air Mail

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: OME-6307 and OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Hancock-Ruby, et al. Claims
Silver Bow and Jefferson
Counties, Montana

Enclosed are two Thermo-fax copies of a self-explanatory letter dated August 1, 1963, from Walter E. Bauer, Geologist, New Park Mining Company of Butte, Montana, and my reply.

In a telephone conversation August 2, 1963, Mr. Bauer elaborated somewhat on the last two paragraphs of his letter. The claim owners' attorney is concerned that his clients are bound to the terms of a contract which they have not seen and to all future amendments thereto. They are also concerned at the indefinite period for which their clients will be bound to royalty obligations.

I told Bauer that the basic principle behind the Liens was to protect the Government's right to royalty should the claims revert to their control. However, as a written reply is requested to clarify matters for the attorney, I feel it would be better if it came from your office.

D. R. MacLaren

Enclosures

See OME 6307 for enclosures

So. 157 Howard Street
Spokane, Washington 99204
August 2, 1963

EXTRA COPY
O. M. E
RECEIVED AUG 7 1963
DATE | CODE

Air Mail

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: OME-6307 and OME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Hancock-Ruby, et al. Claims
Silver Bow and Jefferson
Counties, Montana

Enclosed are two Thermo-fax copies of a self-explanatory letter dated August 1, 1963, from Walter E. Bauer, Geologist, New Park Mining Company of Butte, Montana, and my reply.

In a telephone conversation August 2, 1963, Mr. Bauer elaborated somewhat on the last two paragraphs of his letter. The claim owners' attorney is concerned that his clients are bound to the terms of a contract which they have not seen and to all future amendments thereto. They are also concerned at the indefinite period for which their clients will be bound to royalty obligations.

I told Bauer that the basic principle behind the Liens was to protect the Government's right to royalty should the claims revert to their control. However, as a written reply is requested to clarify matters for the attorney, I feel it would be better if it came from your office.

D. R. MacLaren

Enclosures

See OME 6307 for enclosures

Received

File

So. 157 Howard Street
Spokane, Washington 99204
July 15, 1963

Air Mail

Mr. David H. Clegg
President
Ruby Silver Mines, Inc.
863 First Security Bldg.
Salt Lake City 11, Utah

Re: CME-6307 (Silver-Gold)
Hancock, et al., Claims
Silver Bow County, Montana
and
CME-6308 (Gold-Silver)
Ruby Mine
Jefferson County, Montana

Dear Mr. Clegg:

I plan to arrive in Butte, Montana, between 10:00 and 11:30 a.m., July 24, and will stay at the Finlen Hotel. If you or a representative who should be authorized to discuss the projects and costs will meet me there, I will examine one property that afternoon and the other one the next day.

If these dates are not convenient, please wire me at the Mint Hotel, Townsend, Montana.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, CME
Region I

DRMacLaren:mls

cc: CME(2)
Sending copies to:
Nolan
Killegaard

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
	Griswold	500
7/11	Talbot	800
	Selfridge	130
7/11	Johnson	110
	Henry	100
7/11	Coe	220
		500

JUL 11 1963

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: CMK-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana

Now that title matters are in order (except for Lien or Subordination Agreements) we are referring the subject application to Region I for review, a field examination if deemed advisable, and recommendations.

We find it difficult to generate much wild enthusiasm concerning the project in question; while past ore grades have been good yet the tonnages produced are pathetically small. Furthermore, the higher grade secondary ores probably have been pretty well depleted.

Nevertheless, we are a little bit intrigued by Corry's remark "the continuous low grade mineralization of the entire vein". We have also wondered whether Corry's 150 ft. wide breccia zone (within which all veins occur) might not be worth sampling across its full width.

In any event, we shall leave all such matters up to your good judgment. We would not be interested in any near-surface work; apparently the only thing that could be of interest would be the 400 level. Perhaps the Applicant's proposal at this level should have a supplement/2-200 ft. raise, both for exploratory purposes and to connect with the 400 level workings, to afford ventilation.

The suggested costs are wildly out of line; anything which you might propose should be on an agreed unit cost base.

In the event you might decide to recommend favorably, please tell the Applicant to get us the required Lien or Subordination Agreements.

George C. Selfridge (gla)

WRGriswold/mm
7/11/63
cc: Director's Reading File
Review Committee
Docket

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
	Franco	500
7/11	Talbot	800
	Selfridge	130
7/11	Johnson	110
	Fumich	100
		220
		500

JUL 11 1963

Mr. David H. Clegg
President
Ruby Silver Mines, Inc.
863 First Security Bldg.
Salt Lake City 11, Utah

Re: GME-6308 (Gold-Silver)
Ruby Silver Mines, Inc.
Ruby Mine
Jefferson County, Montana

Dear Mr. Clegg:

The subject application for assistance in exploring the property has been reviewed by the Division of Minerals of the Office of Minerals Exploration. It has now been referred to Mr. D. R. MacLaren, Acting Field Officer, Region I, Office of Minerals Exploration, South 157 Howard Street, Spokane 4, Washington.

The Regional Office will contact you in case any additional information is required.

Sincerely yours,

George Fumich, Jr.

Director

(pt)

MMerrithew/mm
7/11/63
cc: Director's Reading File
Region I
Docket

7/11/43

In view of the outstanding
[illegible] of Miss Parker
and Miss [illegible] in
appointment, and statement
that such could furnish
so to do, see first applicant
[illegible] of the act of
registration, & a written
[illegible] the [illegible] and
[illegible] financial eligibility
and perhaps require further
[illegible] the above [illegible]
[illegible]

[illegible]

Also see 6307.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON 25, D.C.

July 9, 1963

Memorandum

To: Chief, Division of Minerals
Office of Minerals Exploration

From: Assistant Solicitor
Branch of Mineral Defense Activities

Subject: OME-6307 and 6308, Ruby Silver Mines, Inc.

The Certification by the Secretary of State, State of Nevada of Amendment of Articles of Incorporation of Butte Gold Mines, Inc. changing name to Ruby Silver Mines, Inc. and the Assignment of Leases and Options dated July 27, 1960, executed by the Fishers and Endresses and the Assignment dated July 5, 1963 by New Park Mining Company, have cleared up the title questions we had in connection with the subject dockets and have established the applicant's property rights.

ROBERT W. LONG

Robert W. Long
Assistant Solicitor
Branch of Mineral Defense Activites

Enclosure

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code

July 8, 1963

Memorandum

To: Associate Solicitor, Division of Mineral Resources

From: Chief, Division of Minerals

Subject: OME-6307 and 6308, Ruby Silver Mines, Inc.

You were recently kind enough to prepare a letter on title matters covering the two referenced dockets (letters mailed June 12).

We now have the attached reply from the Applicant. Would you be kind enough to advise us if your requirements have properly been met?

Attachment

WRGriswold/mm
7/8/63
cc: Director's Reading File
Docket 6307
Docket 6308

43683

RUBY SILVER MINES, INC.

[redacted]

[redacted]

863 First Security Building
Salt Lake City, Utah 84111

July 5, 1963.

United States Department of the Interior
Office of Minerals Exploration
Washington 25, D. C.
Attention: Mr. George Fenwick, Jr., Director

Re: OME-6307
OME-6308
Your letter, 6-18-63

Gentlemen,

Enclosed please find the following:

1. Certification by John Koontz, Secretary of State, State of Nevada, dated Dec. 5, 1961, of original certificate of Amendment of Articles of Incorporation of BUTTE GOLD MINES, INC., changing name to RUBY SILVER MINES, INC.

2. Assignment of leases and options, dated July 27, 1960, over signatures of Audrey V. Endresse, Rudy E. Endresse, Al C. Fisher and Marie E. Fisher, assigning to Butte Gold Mines, Inc., the Southwest Butte Area leases and options (2-15-59): Referee, Surveyor, Surveymaster, etc., as itemized in your second paragraph, second group of claims.

3. Assignment, dated July 5, 1963, of lease and option dated Jan. 31, 1963, over signature of New Park Mining Company assigning to Ruby Silver Mines, Inc. the Hancock and Ryde Park Extension claims as itemized in your second paragraph, third group of claims.

Since Butte Gold Mines, Inc., is thus shown duly and legally to have changed its name to Ruby Silver Mines, Inc., and since proper assignments are enclosed, completing assignment of all claims in OME-6307 and OME-6308 to Butte Gold Mines, now Ruby Silver Mines, Inc. and/or to Ruby Silver Mines, Inc. directly, we have submitted herewith, according to requirements of your letter, evidence to the effect that Ruby Silver Mines, Inc., in fact has the right of possession of all mentioned claims as owner, lessee or otherwise.

Please advise if any further information is necessary to enable you to proceed further with processing of our applications OME-6307 and OME-6308.

Yours very truly,

See matl in
left side
Docket 6307

David M. Clegg, President
Ruby Silver Mines, Inc.

OME-6308

6/12 Murphy 500
Selfridge 120
6/12 Johnson 110
6/12 Friend 100
220
500

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

JUN 12 1963

Mr. David E. Clegg
Ruby Silver Mines, Inc.
863 First Security Building
Salt Lake City, Utah

Dear Mr. Clegg:

The OME regulations provide that the Operator must have and preserve the right to possession of the land (as owner, lessee, or otherwise) for a term at least sufficient to complete the exploration work.

Your applications for exploration assistance on the Southwest Butte Area (OME-6307) and the Ruby Mine (OME-6308) state that Ruby Silver Mines, Inc. holds the patented lode mining claims involved under leases and options. In reviewing the leases and assignment submitted with the applications, we note the following:

Southwest Butte Area (OME-6307)

Montana No. 1 Montana No. 4 Montana No. 5 Strike No. 1 War	Lease and Option dated August 31, 1959 from Butte Independent Mines Company as lessor to Clark Wilson, Gale Hanson, Walter Bauer, Rudy Endresen and Al Fisher as lessees
Referendum Tamarack Irvine Bonita M. S. McAuliffe National Union Frontier Highball Minnesota Manhattan Deer Lodge Lenox Burgomaster	Lease and Option dated February 15, 1959 from Bonita McCarthy, John McAuliffe and Marie McAuliffe, lessors to Clark Wilson, Gale Hanson, Walter Bauer, Rudy Endresen and Al Fisher as lessee
Hancock Hyde Park Extension	Lease and Option dated January 31, 1963 from Ross Rueger, lessor to New Park Mining Company, as lessee

Assignment of Leases and Options executed July 25, 1960 executed by Clark Wilson and Virginia Wilson, Gale Hansen and Norma Hansen, Walter Bauer and Bernice Bauer as ASSIGNORS to Butte Gold Mines, Inc. as ASSIGNEE conveying the Assignor's interest in the first two above-identified leases. The Messrs. Rudy Endresse and Al Fisher were not parties to the Assignment nor is there any evidence that they executed separate assignments.

Ruby Mine OSE-6308

Ruby Columbia Mill Site Lode	Lease and Option dated January 30, 1960 from The First National Bank of Butte as lessor, to Frank Banich as lessee

Assignment of Lease and Option, executed June 20, 1960 by Frank and Mary Banich of their interest in the above Lease and Option to Butte Gold Mines, Inc. as Assignee

Havana Adelheid	Lease and Option dated December 30, 1960 from Phillip and June Kounts, lessors, to Butte Gold Mines, Inc. lessees

None of the leases or assignments submitted vests any title to the claims in Ruby Silver Mines, Inc.

In the application submitted for the Ruby Mine, we have noted a statement on page 3 thereof to the effect that Butte Gold Mines, Inc. has been reincorporated as Ruby Silver Mines, Inc. However, aside from this incidental statement the applications contain no mention of such reincorporation nor any evidence of such or that the leases in question have in fact been acquired by Ruby Silver Mines, Inc.

From the record submitted we must conclude that:

(a) the Hancock and Hyde Park Extension Claims are held by the New Park Mining Company,

(b) the Butte Gold Mines, Inc. holds Ruby, Columbia, Mill Site Lode, Havana, and Adelheid; and

(c) Butte Gold Mines, Inc. and the Messrs. Rudy Endresse and Al Fisher jointly hold all of the other claims.

Accordingly, before we can proceed further with the processing of your applications we will require evidence to the effect that Ruby Silver Mines, Inc. in fact has the right to possession of the claims as owner, lessee, or otherwise.

Sincerely yours,

George Fumich, Jr.

Director

RWKong/jfg:6/11/63

CC: Secy's files
OME files Docket OME-6307
XXXXXXXXXX- OMEDocket-6308
Mr. Robert Long- Rm. 6554
Director's Reading File
Region I (2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON 25, D.C.

IN REPLY REFER TO:

June 11, 1963

Memorandum

To: Acting Chief, Division of Minerals
Office of Minerals Exploration

From: Assistant Solicitor, Branch of Mineral
Defense Activities

Subject: OME-6307 and 6308, Ruby Silver Mines, Inc.

In response to your memorandum of June 7, 1963 regarding ownership of the mining claims in the above-identified application, we have prepared the attached letter addressed to the applicant for the Director's signature.

Robert W. Long
Robert W. Long
Assistant Solicitor
Branch of Mineral Defense Activities

Attachment

MME Form 7
(10-58)

OFFICIAL FILE CO

Date	Surname	Code

June 7, 1963

Memorandum

To: Associate Solicitor, Division of Mineral Resources

From: Acting Chief, Division of Minerals

Subject: OME-6307 and 6308, Ruby Silver Mines, Inc.

In reviewing the copies of the leases and options and assignment of same that were submitted with the referenced applications, we note that in most cases Butte Gold Mines, Inc., is named as the "Lessee."

In the second paragraph of page 3 in application OME-6308, mention is made that Butte Gold Mines, Inc. has been reincorporated as Ruby Silver Mines, Inc. This is the only reference in either docket to this matter. Also, no documents were submitted that show Butte Gold Mines, Inc. had assigned the claims to Ruby Silver Mines, Inc. (if such are necessary).

Will you kindly advise what instruments we should ask the Applicant to submit as proof that it has rights of possession to the claims listed in the applications.

F. M. Murphy

FMMurphy/mm
6/7/63
cc: Director's Reading File
Docket 6307
" 6308

43683

June 3, 1963

Ruby Silver Mines, Inc.
863 First Security Building
Salt Lake City 11, Utah

Subject: OME - 6308

Gentlemen:

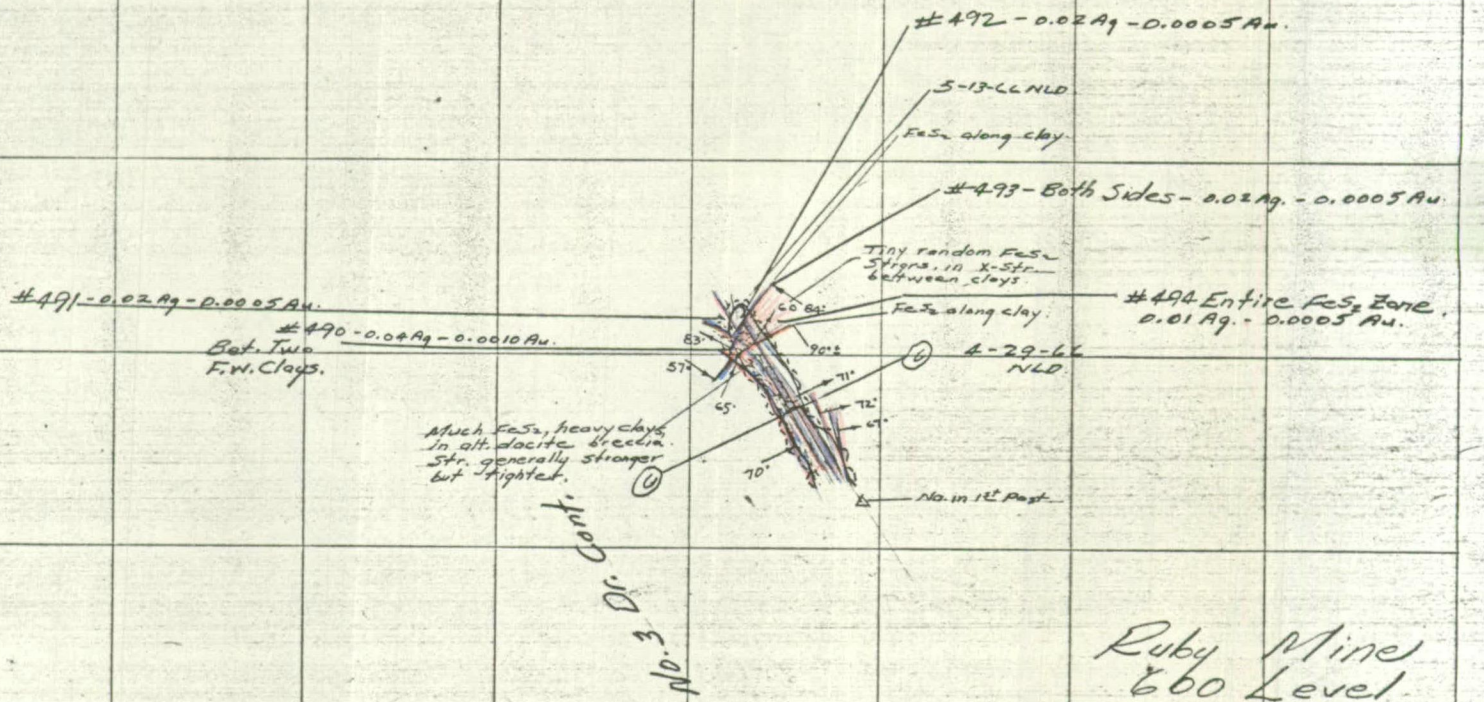
Your application for exploration assistance, dated May 28, 1963 submitted to our office at Spokane, Washington has been assigned Docket Number OME - 6308.

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

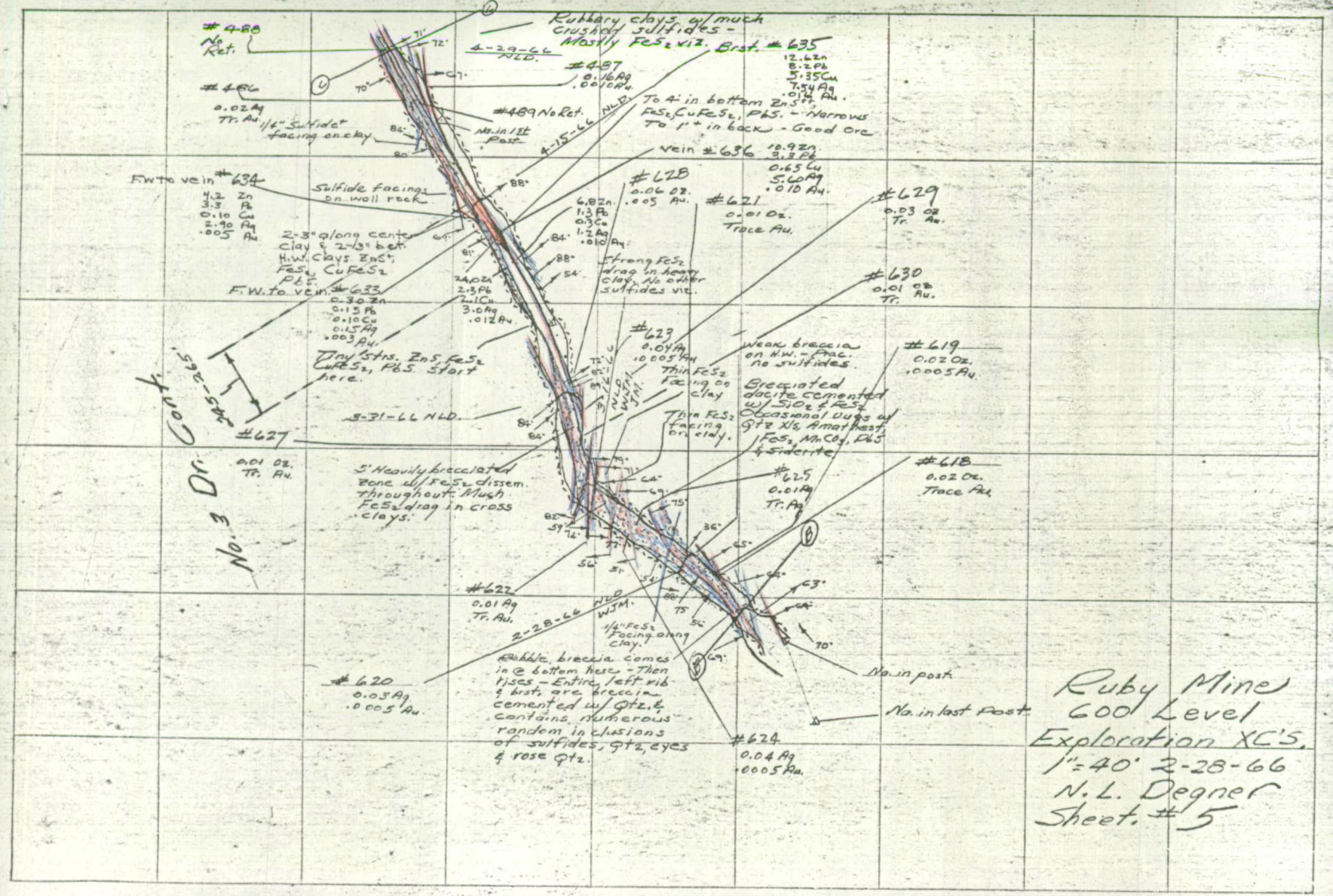
Sincerely yours,

Allen S. Dakan, Chief
Division of Administrative
Management

Copy to: R-I



Ruby Mine
660 Level
Exploration XC's
1" = 40' 4-29-66
N.L. Degner
Sheet #6


Ruby Mine
600 Level
Exploration XC's.
1"=40' 2-28-66
N. L. Degner
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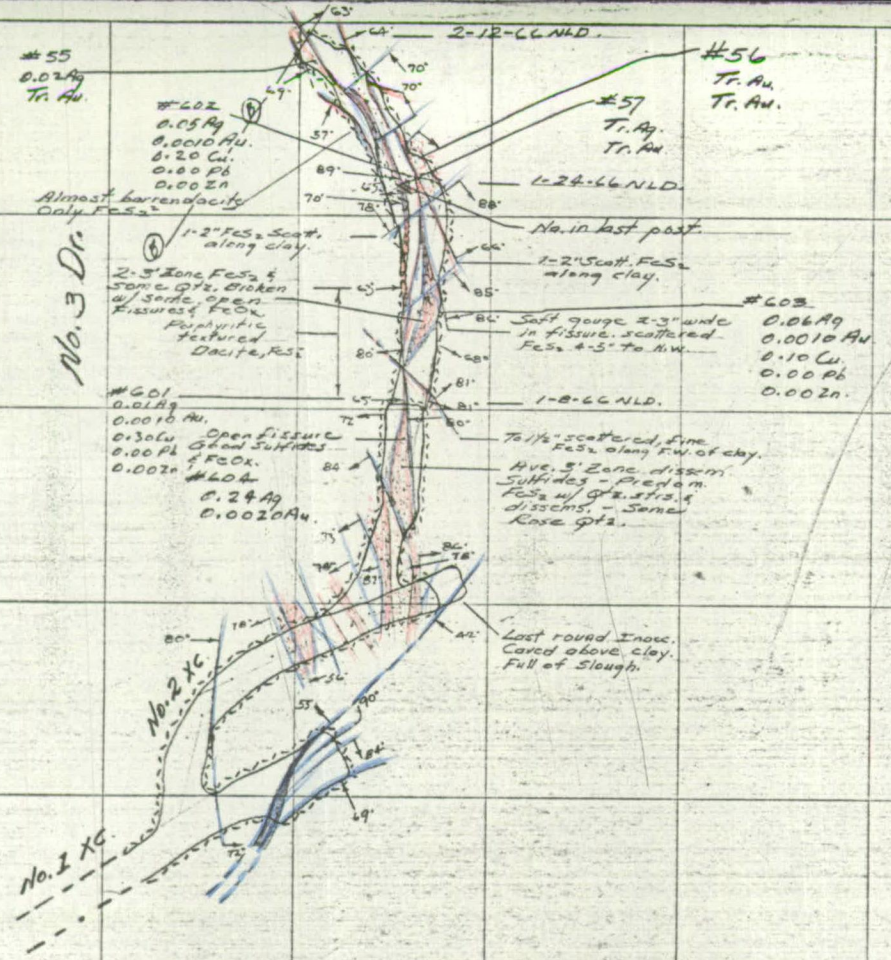
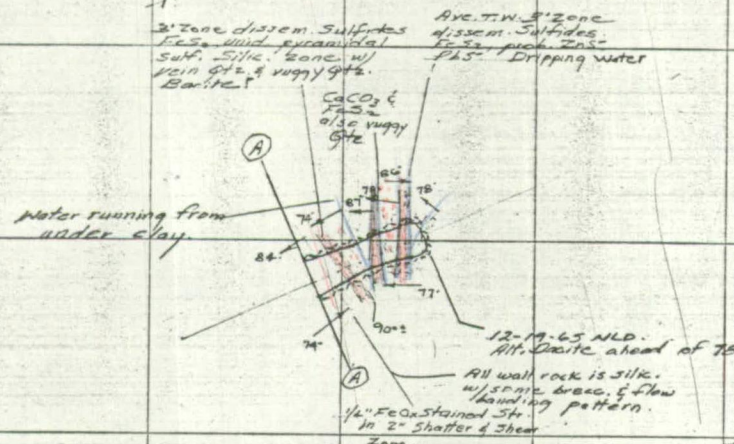
No. 3 Dr.
Cont'd
#480 No Ret.
#486 0.02 Ag Tr. Au.
1/4" Sulfide facing on clay
#487 0.16 Ag .010 Au.
4-29-66 NLD.
#489 No Ret.
No. in 1st Post.
4-15-66 NLD.
Rubbery clays w/ much crushed sulfides - Mostly FeS2 viz. Brst.
#635 12.6 Zn 8.2 Pb 5.35 Cu 7.54 Ag .015 Au.
To 4' in bottom Zn.Sft. FeS2, CuFeS2, PbS. - Narrows To 1' + in back - Good Ore
vein #636 10.9 Zn 3.3 Pb 0.65 Cu 5.60 Ag .010 Au.
F.W. to vein #634 4.2 Zn 3.3 Pb 0.10 Cu 2.90 Ag .005 Au.
Sulfide facings on wall rock
2-3" along center clay & 2-3" bet. H.W. Clays. ZnS+, FeS2, CuFeS2 PbS.
F.W. to vein #633 0.30 Zn 0.13 Pb 0.10 Cu 0.15 Ag .003 Au.
Tiny Strs. ZnS, FeS2 CuFeS2, PbS start here.
#628 0.06 Oz. .005 Au.
6.8 Zn. 1.3 Pb 0.3 Cu 1.7 Ag .010 Au.
#621 0.01 Oz. Trace Au.
#629 0.03 Oz Tr. Au.
Strong FeS2 drag in heavy clay. No other sulfides viz.
#630 0.01 Oz Tr.
24.0 Zn 2.3 Pb 2.1 Cu 3.0 Ag .012 Au.
#623 0.04 Ag .0005 Au.
Weak breccia on H.W. - Frac. no sulfides.
#619 0.02 Oz. .0005 Au.
Thin FeS2 facing on clay
Thin FeS2 facing on clay.
Brecciated dacite cemented w/ SiO2 & FeS2 Occasional vugs w/ Qtz Xs, Amethest, FeS2, MnCO3, PbS & Siderite
3-31-66 NLD.
#627 0.01 Oz. Tr. Au.
5' Heavily brecciated zone w/ FeS2 dissem. throughout. Much FeS2 drag in cross clays.
#625 0.01 Ag Tr. Au.
#618 0.02 Oz. Trace Au.
#622 0.01 Ag Tr. Au.
2-28-66 NLD
1/4" FeS2 facing along clay.
Rubble breccia comes in @ bottom here - Then pinches - Entire left rib & brst. are breccia cemented w/ Qtz. & contains numerous random inclusions of sulfides, Qtz, eyes & rose Qtz.
#620 0.03 Ag .0005 Au.
No. in post.
No. in last Post.
#624 0.04 Ag .0005 Au.



Ruby Mine
60'o Level
Exploration XC's.
1" = 40' 1-8-66
N. L. Degner
Sheet #4

No. 2 XC Cont.

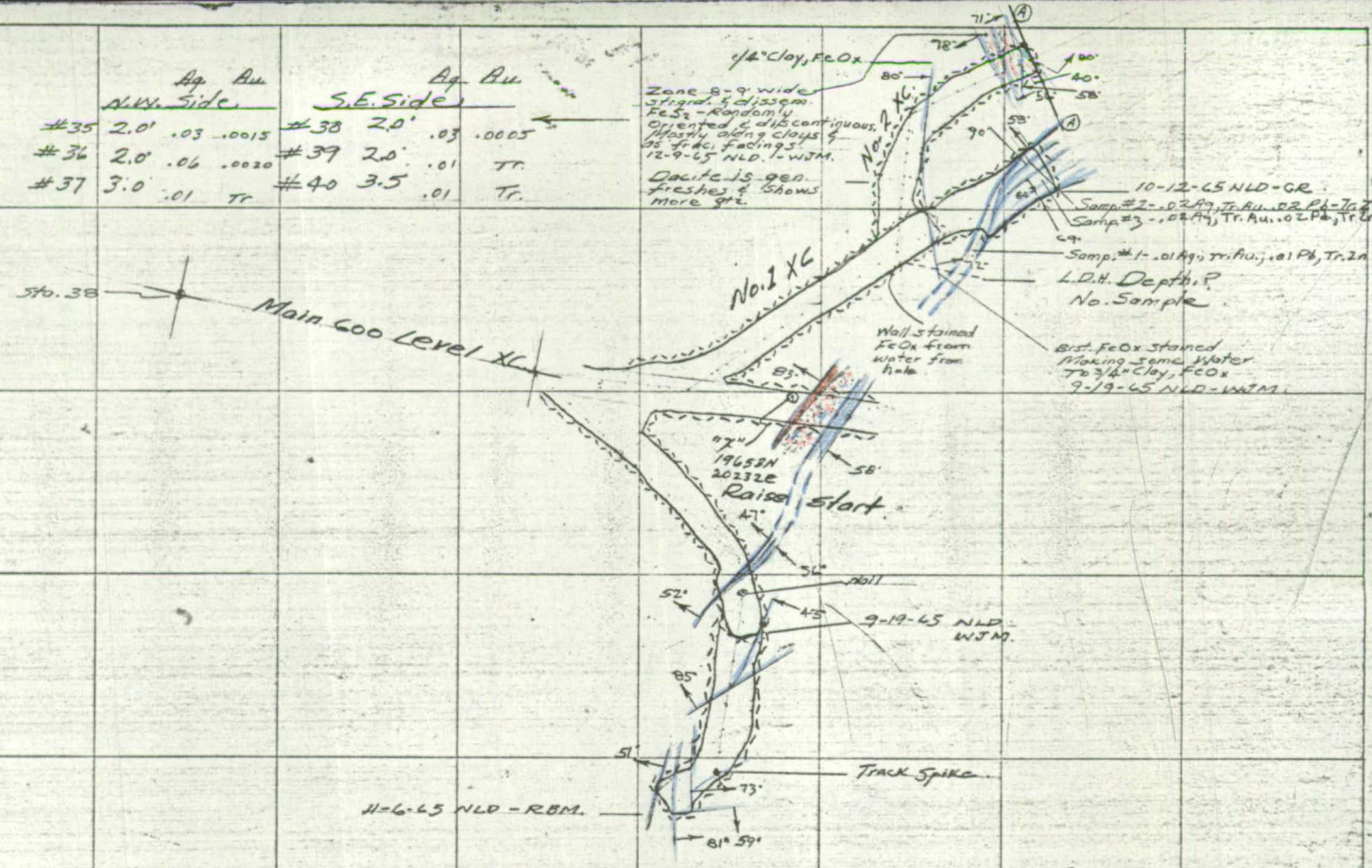


N.W. Side

		Cu	Zn	Pb	Ag	Au
#41	30.0 - 36.0	0.15	0.0	0.0	0.18	0.0015
42	36.0 - 41.0	0.10	0.0	0.0	0.09	0.0010
43	41.0 - 47.0	0.05	0.0	0.0	0.05	0.0005
44	47.0 - 49.5	0.05	0.0	0.0	0.07	0.0010
45	49.5 - 51.5	0.05	0.0	0.0	0.01	0.0005
46	51.5 - 54.0	0.05	0.0	0.0	0.05	0.0005
47	S.E. Brst.	0.45	0.0	0.0	0.02	0.0005

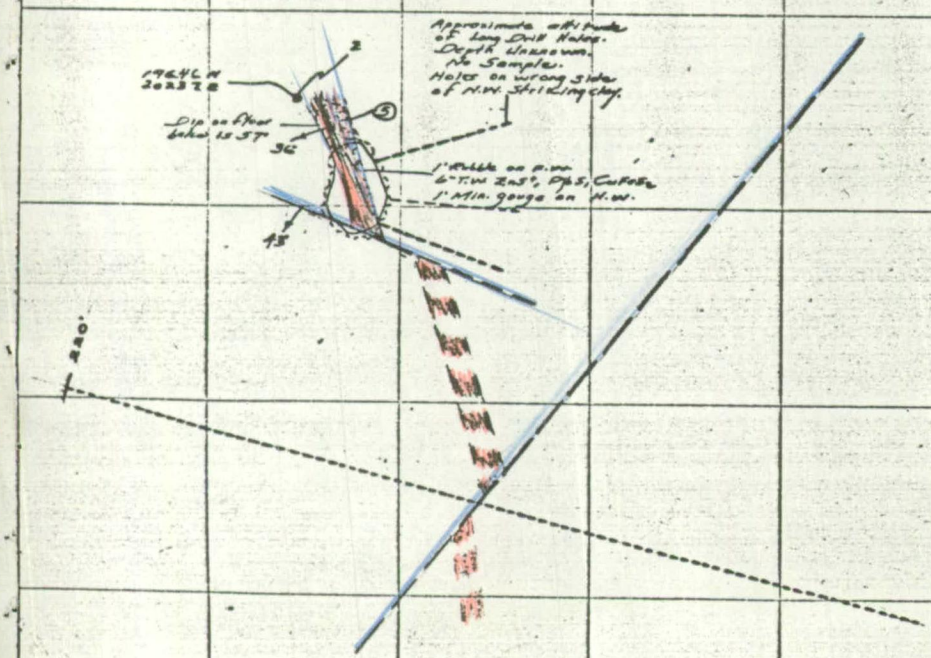
Ruby Mine
600 Level
Exploration XCN
1" = 40' 12-19-65
N.L. Degner
Sheet #3

	N.W. Side	Ag.	Au.		S.E. Side	Ag.	Au.
#35	2.0'	.03	.0015	#38	2.0'	.03	.0005
#36	2.0'	.06	.0020	#39	2.0'	.01	Tr.
#37	3.0'	.01	Tr	#40	3.5	.01	Tr.



Ruby Mine
600 Level
Exploration XC's
600 Level
1" = 40'
9-19-65
N.L. Degner
Sheet #2

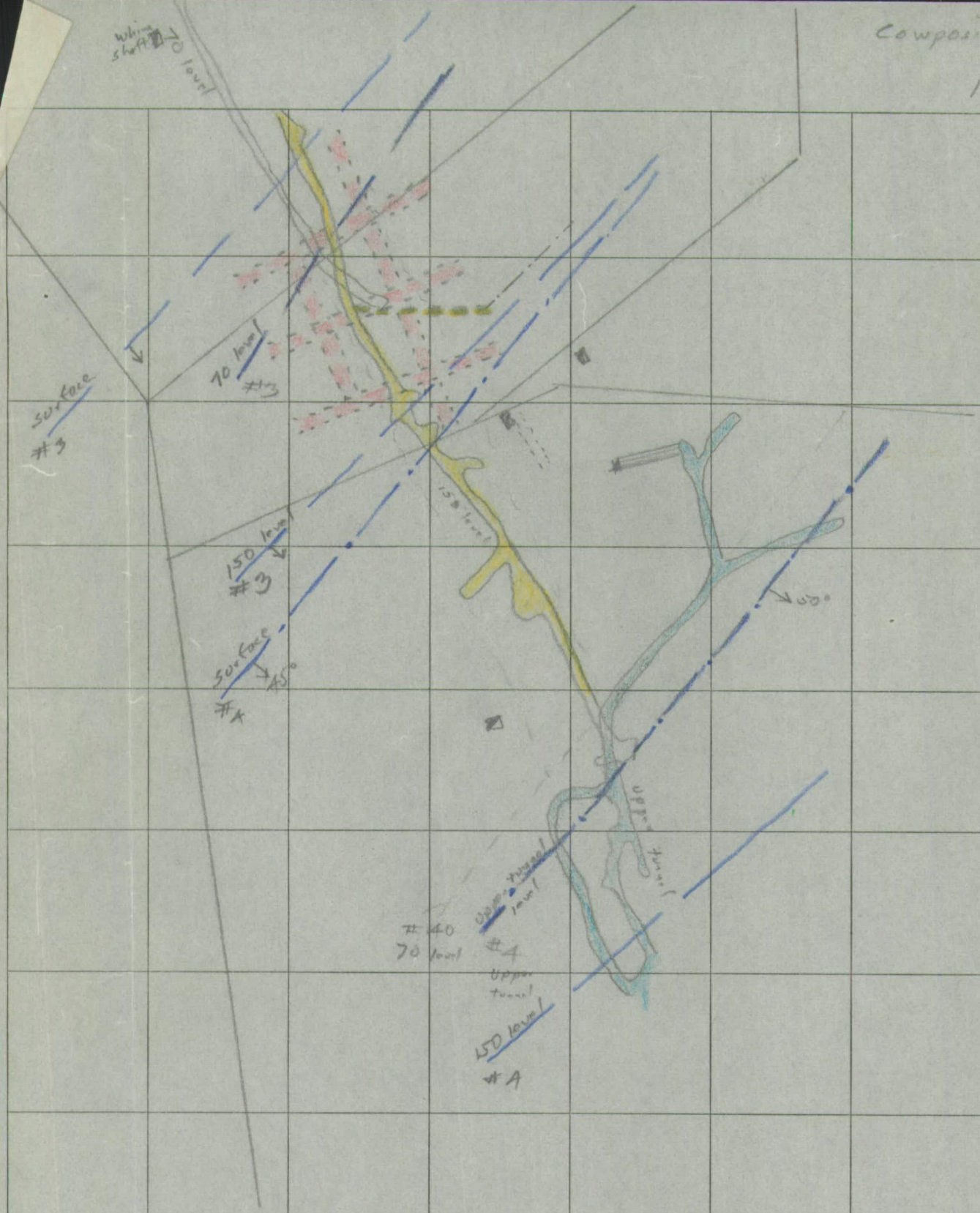
Ruby Mine
600 Level
Raise above
Exploration XC.
1"=20' 9-20-65
N.L. Degner



-7-

Composite Plan Map

1" = 100'



"ALBANENE
REG. U.S. PAT.

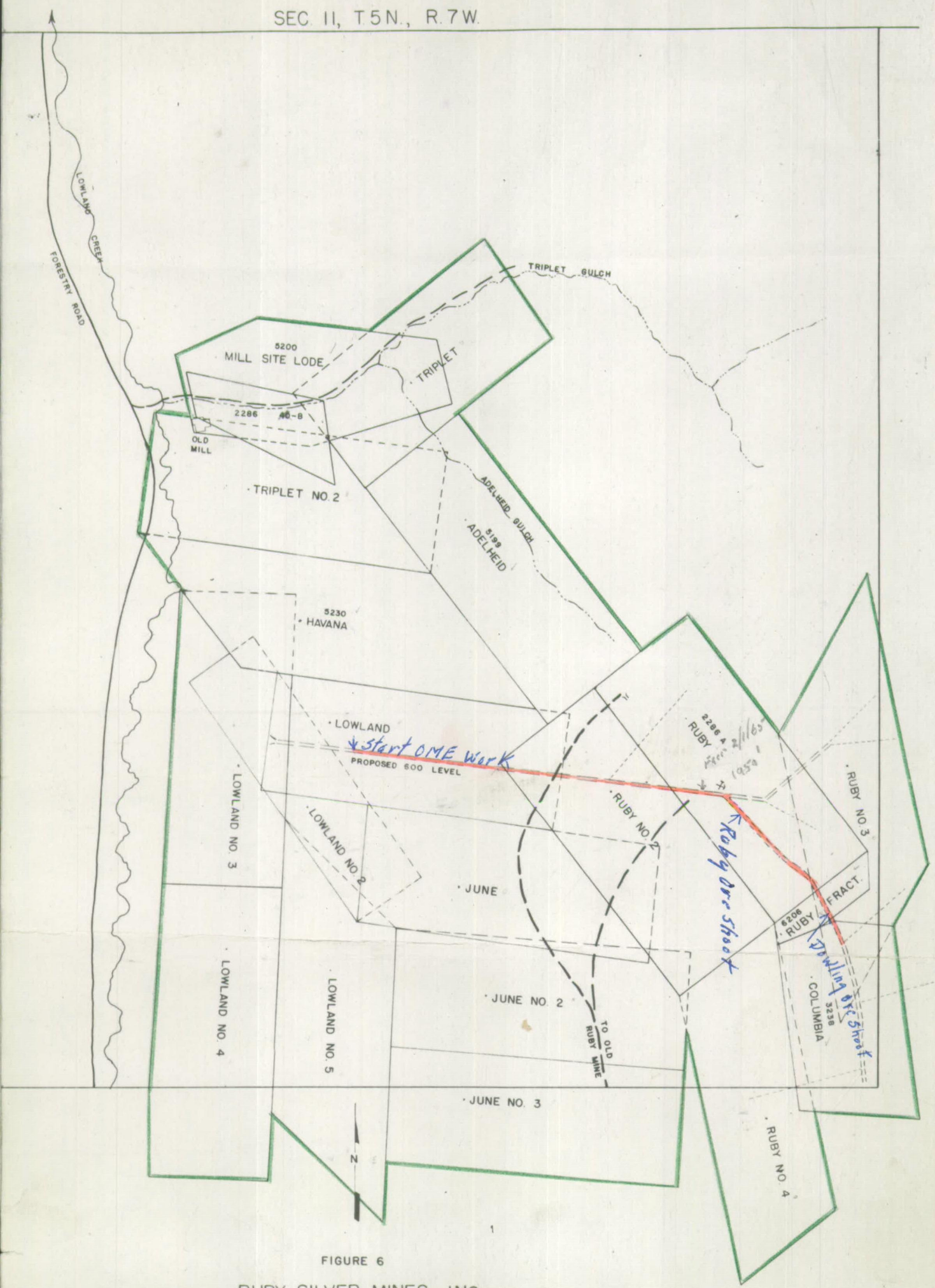


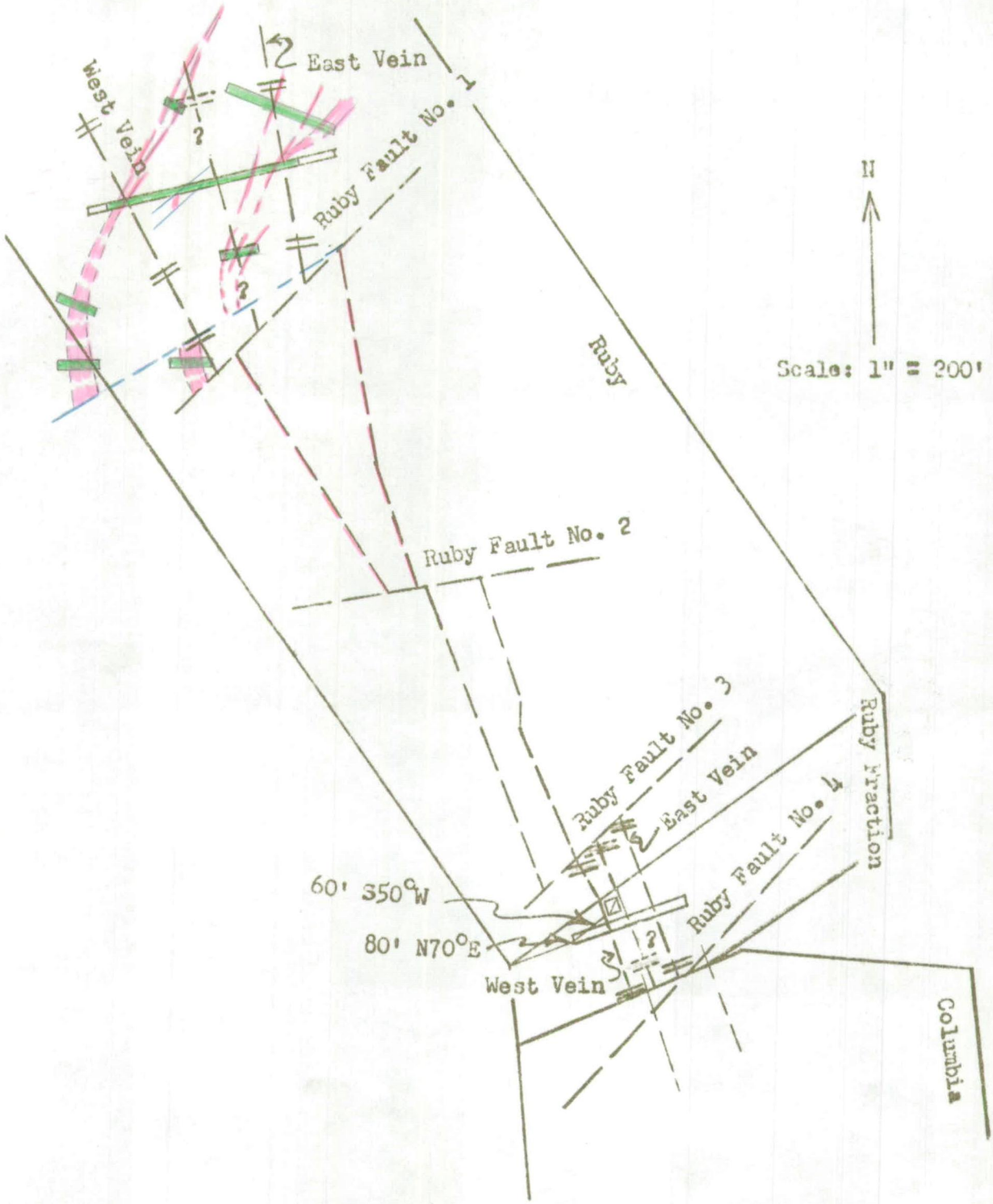
FIGURE 6

RUBY, SILVER MINES, INC.

RUBY AREA

JEFFERSON CO., MONTANA

1 INCH = ~~300~~ 600 FEET

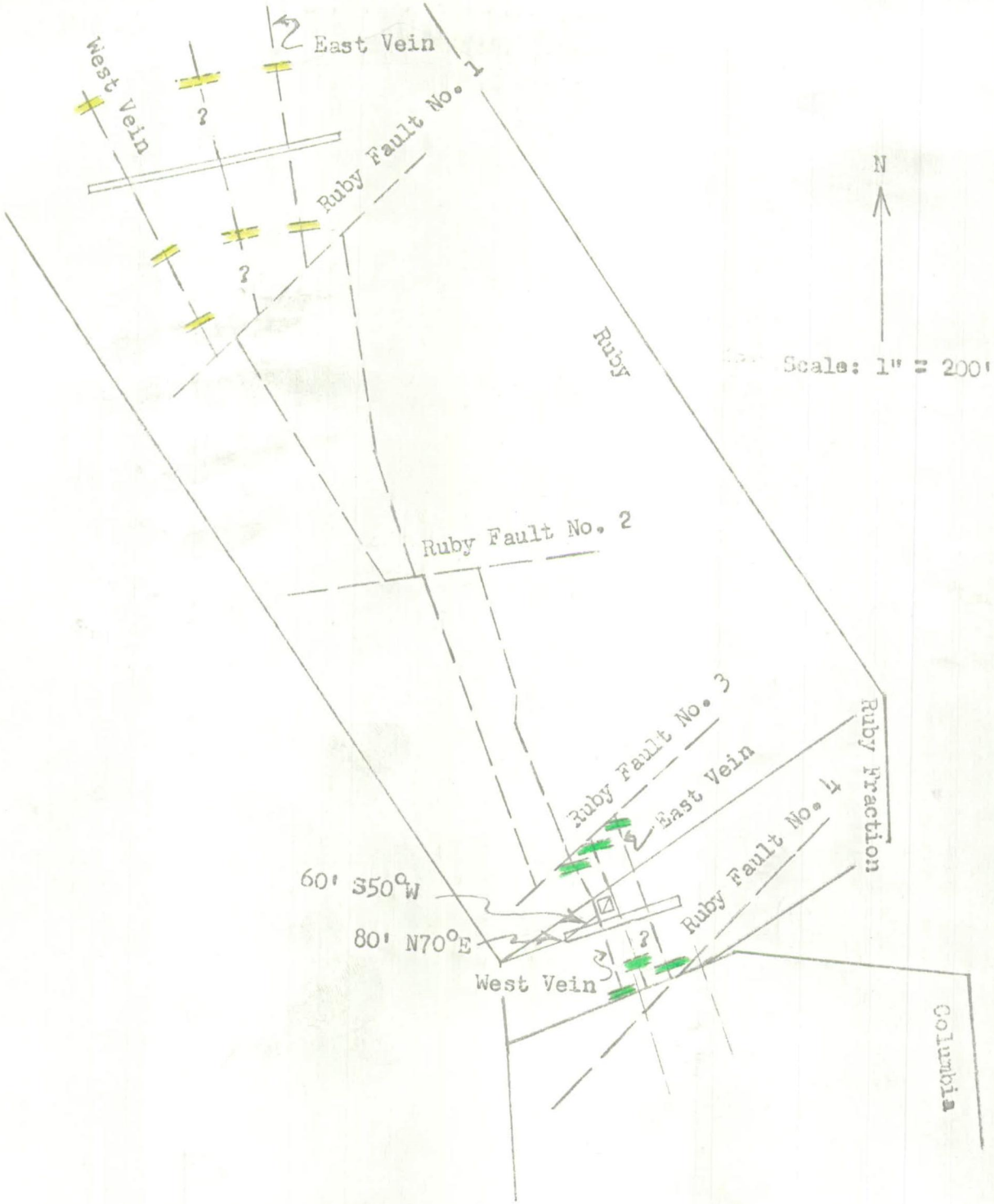


Map Showing
Proposed Surface Exploration
Ruby Silver Mines, Inc.
Jefferson County, Montana

Figure 7

U. S. Geological Survey
Office of Minerals Exploration

Ruby Silver Mines, Inc.
OME-6308

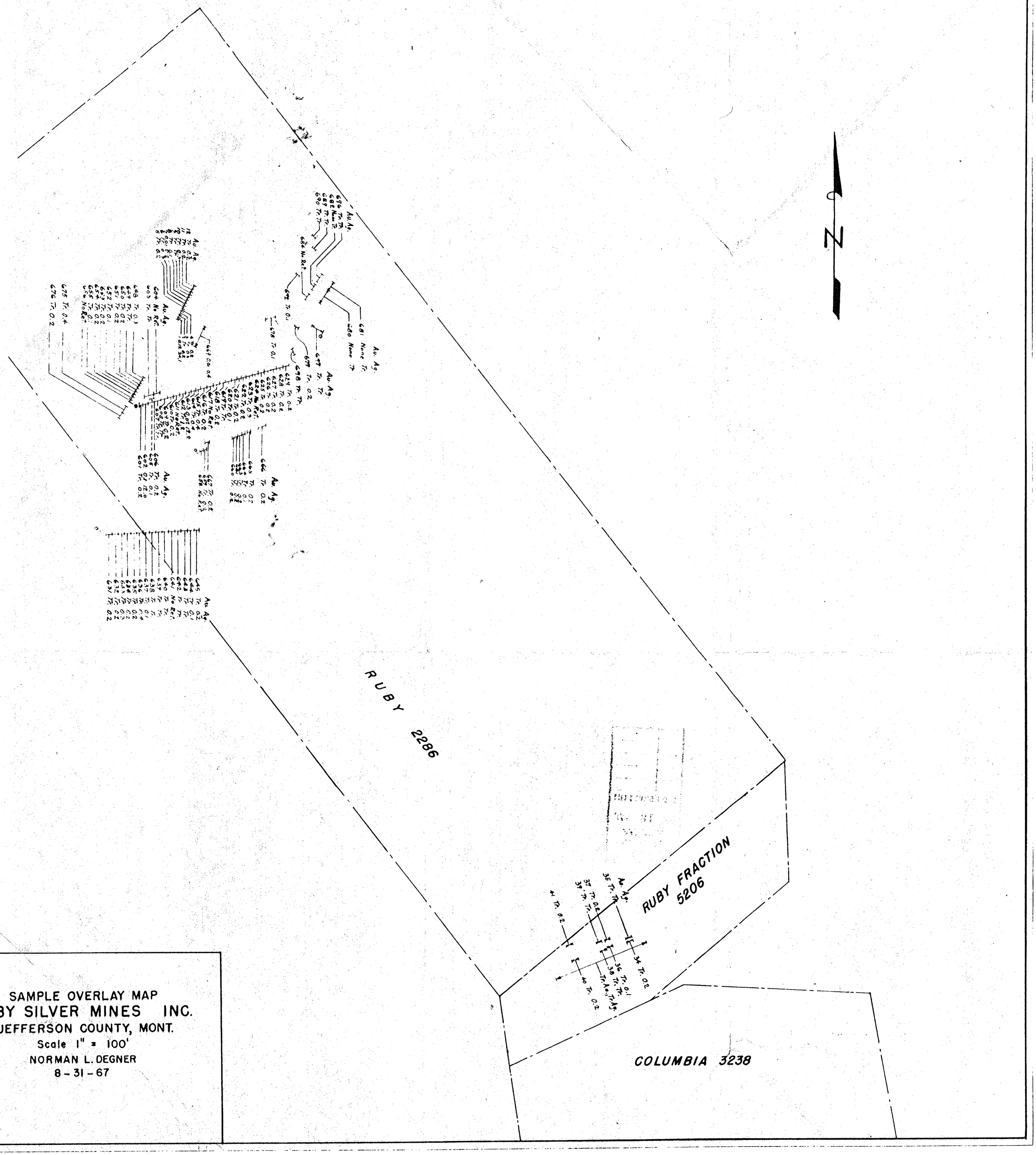


Map showing
Proposed surface Exploration
Ruby Silver Mines, Inc.
Jefferson County, Montana

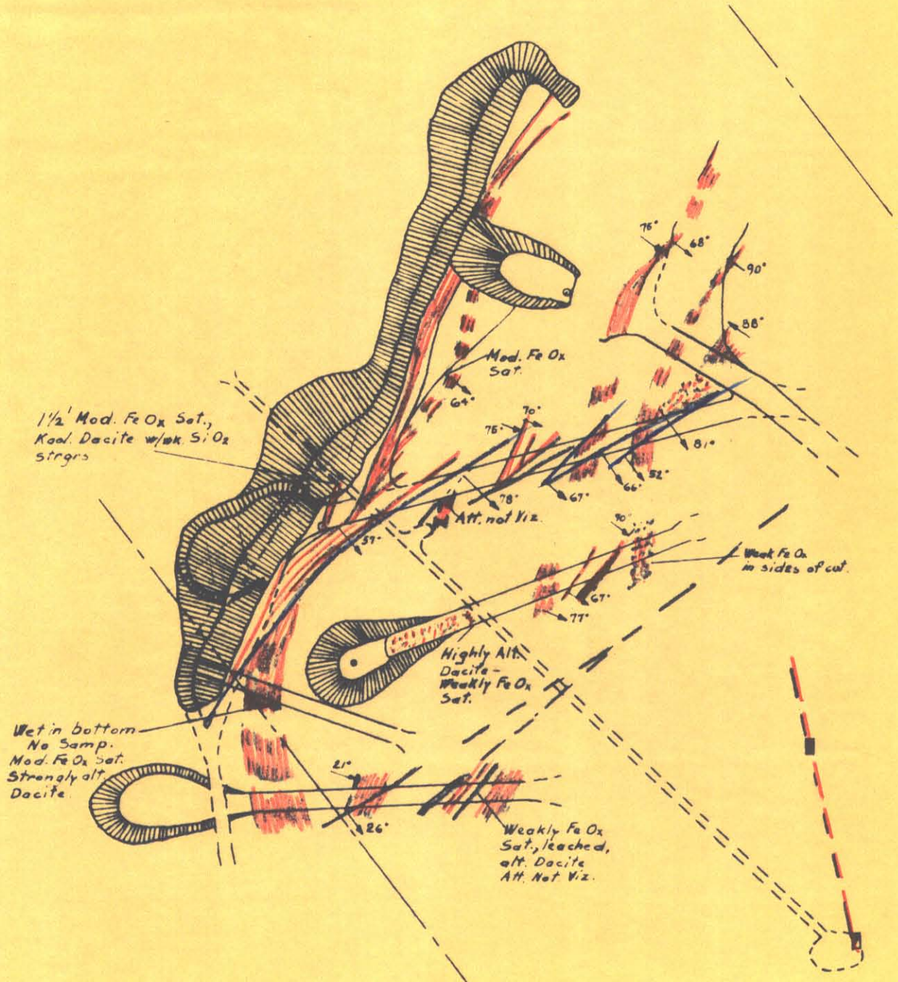
Figure 7

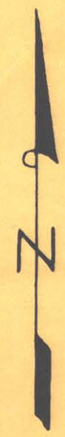
Mine dump at OME level, Ruby Silver Mine, Jefferson County, Montana. Old placer piles in foreground.

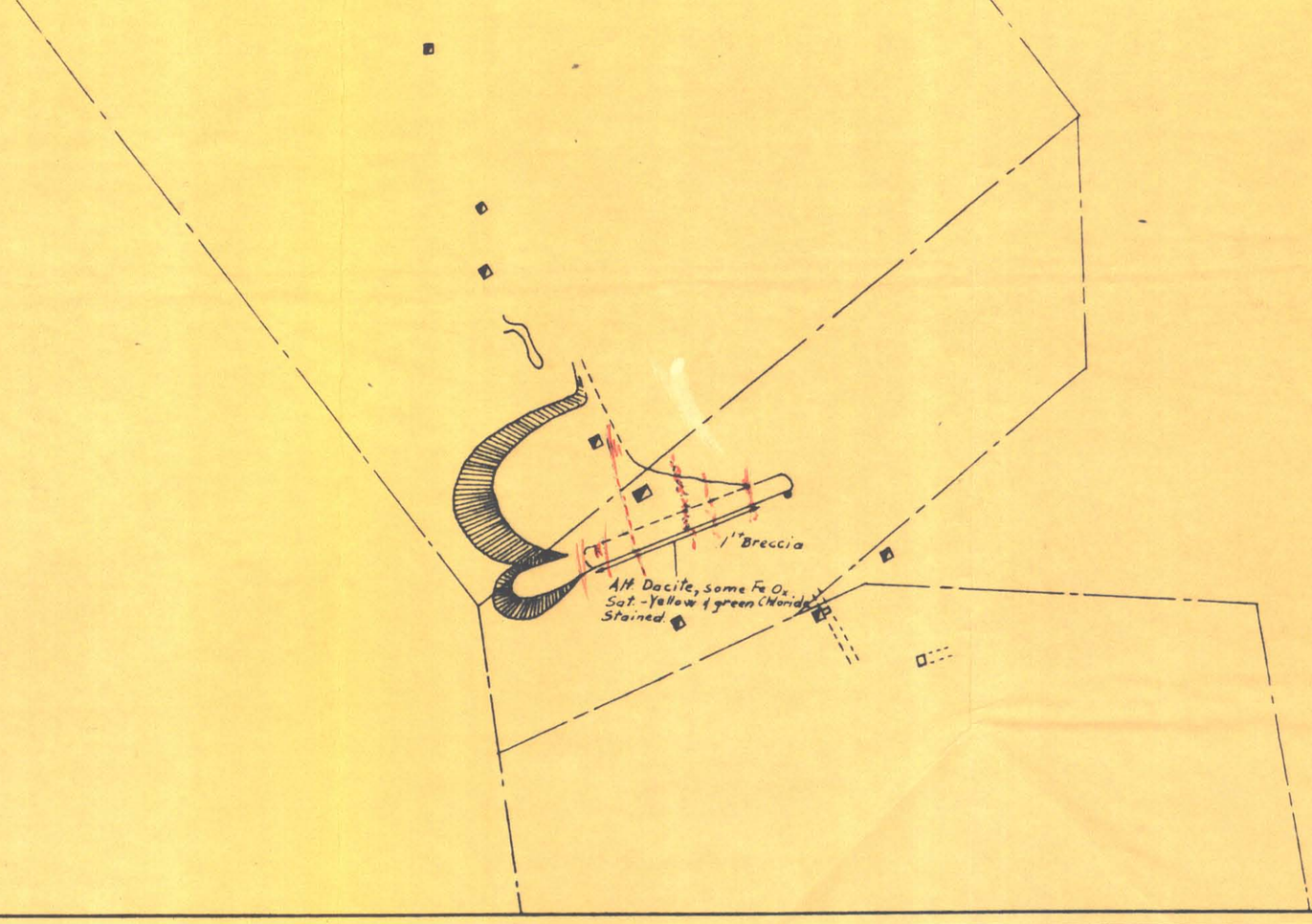
Old placer piles along road to Ruby Silver Mine.



SAMPLE OVERLAY MAP
RUBY SILVER MINES INC.
JEFFERSON COUNTY, MONT.
Scale 1" = 100'
NORMAN L. DEGNER
8 - 31 - 67



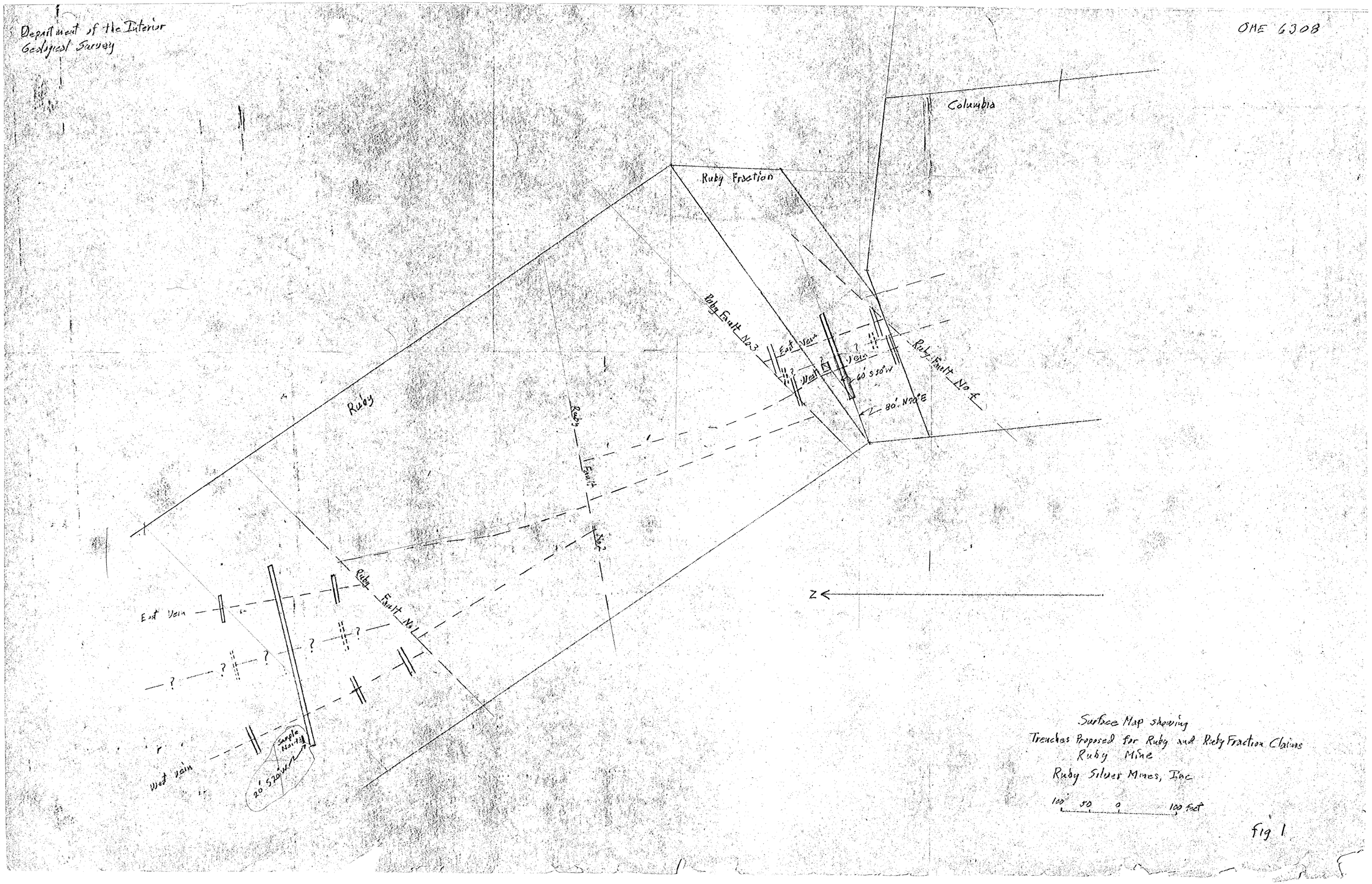




GEOLOGIC MAP
RUBY SILVER MINES INC.
JEFFERSON COUNTY, MONT.
Scale 1" = 100'
NORMAN L. DEGNER
8-31-67

Department of the Interior
Geological Survey

OME 6308



Surface Map showing
Trenches Proposed for Ruby and Ruby Fraction Claims
Ruby Mine
Ruby Silver Mines, Inc.

100 50 0 100 feet

Fig 1