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–
Contract Date

LIEN AND SUBORDINATION AGREEMENTS 1/

To the United States of America:

That certain land in the County of Silver Bow, State of Montana, described ~~as follows~~: 2/ in a lease dated the 23 day of October, 1969, and recorded the 7th day of November, 1969, in Book "J" Leases Page 451, official records of said county.

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

KIBBE & CO., a corporation, 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.)

NONE

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 15 day of November, 19 69.

Frank Benich (Seal)	814 Waukesha St.	(Street)
FRANK BENICH	Butte Mont	(City & State)
Mary Benich (Seal)	814 Waukesha St.	(Street)
MARY BENICH	Butte Mont.	(City & State)
Rudy E. Endresse (Seal)	317 N. Excelsior	(Street)
RUDY E. ENDRESSE	Butte Mont	(City & State)
Audrey V. Endresse (Seal)	317 N. Excelsior	(Street)
AUDREY V. ENDRESSE	Butte, Montana	(City & State)
G W Richardson (Seal)	803 W Park	(Street)
GEORGE W. RICHARDSON	Butte Montana	(City & State)
Clarice M. Richardson (Seal)	803 W. Park St.	(Street)
CLARICE M. RICHARDSON	Butte, Montana	(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
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 –
Contract Date

LIEN AND SUBORDINATION AGREEMENTS 1/

To the United States of America:

That certain land in the County of Silver Bow, State of Montana, described as follows: 2/ in a lease dated the 23 day of October, 1969, and recorded the 7 day of November, 1969, in Book "U" Leases Page 457, official records of said county.

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

KIBBE & CO., a corporation, 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.)

NONE

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 15 day of November, 19 69.

Frank Benich (Seal)	814 Waukesha St.	(Street)
FRANK BENICH	Butte Mont.	(City & State)
Mary Benich (Seal)	814 Waukesha St	(Street)
MARY BENICH	Butte, Mont.	(City & State)
Rudy E Endresse (Seal)	317 N. Excelsior	(Street)
RUDY E. ENDRESSE	Butte. Mont	(City & State)
Audrey V. Endresse (Seal)	317 N. Excelsior	(Street)
AUDREY V. ENDRESSE	Butte, Montana	(City & State)
George W. Richardson (Seal)	803 W Park	(Street)
GEORGE W. RICHARDSON	Butte Mont	(City & State)
Clarice M. Richardson (Seal)	803 W. Park St.	(Street)
CLARICE M. RICHARDSON	Butte, Montana	(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
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–
Contract Date

LIEN AND SUBORDINATION AGREEMENTS[1]

To the United States of America:

That certain land in the County of Silver Bow, State of Montana, described ~~xxxxxxxx~~:[2] in a lease dated the 23 day of October, 1969, and recorded the 7th day of November, 1969, in Book "J" Leases Page 451, official records of said county.

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

KIBBE & CO., a corporation,[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.)

NONE

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 November, 1969.

Frank Benich (Seal)	814 Waukesha St	(Street)
FRANK BENICH	Butte Mont	(City & State)
Mary Benich (Seal)	814 Waukesha St.	(Street)
MARY BENICH	Butte Mont.	(City & State)
Rudy E Endresse (Seal)	317 N. Excelsior	(Street)
RUDY E. ENDRESSE	Butte Mont	(City & State)
Audrey V. Endresse (Seal)	317 N. Excelsior	(Street)
AUDREY V. ENDRESSE	Butte, Montana	(City & State)
G W Richardson (Seal)	803 W Park	(Street)
GEORGE W. RICHARDSON	Butte Mont	(City & State)
Clarice M. Richardson (Seal)	803 W. Park St.	(Street)
CLARICE M. RICHARDSON	Butte, Montana	(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
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 –
Contract Date

LIEN AND SUBORDINATION AGREEMENTS[1]

To the United States of America:

That certain land in the County of Silver Bow, State of Montana,

described as follows:[2] ~~xxxxxxx in a lease dated the 23 day of October, 1969, and recorded the 21 day of November, 1969, in Book 41 Leases Page 457, official records of said county.~~

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

KIBBE & CO., a corporation,[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.)

NONE

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 _____ (State "None" or "See Annex No.____".)

Dated this 15 day of _____, 19___.

NONE _____ (Street)
(City &)
Nowember 69 (State)

(Seal)

Frank Benich — 814 Waukesha St. (Street) — Butte Mont (City & State)
~~FRANK BENICH~~ (Seal)

Mary Benich — 814 Waukesha (Street) — Butte, Mont. (City & State)
~~MARY BENICH~~ (Seal)

Rudy E Endresse — 317 N. Excelsior (Street) — Butte Mont (City & State)
~~RUDY E. ENDRESSE~~ (Seal)

Audrey V. Endresse — 317 N. Excelsior (Street) — Butte, Montana (City & State)
~~AUDREY V. ENDRESSE~~ (Seal)

G W Richardson — 803 W Park (Street) — Butte Mont (City & State)
~~GEORGE W. RICHARDSON~~ (Seal)

Clarice M. Richardson (Name), certify that I am the 803 W. Park St. Butte, Mont (Title—Secretary, etc.)
~~CLARICE M. RICHARDSON~~

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)

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

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

LIEN AND SUBORDINATION AGREEMENTS[1]

To the United States of America:

That certain land in the County of Silver Bow, State of Montana,

described as follows:[2] ~~in a lease dated the 23 day of October, 1969, and recorded the 3d day of November, 1969, in Book 41 Lease Page 457, official records of said county.~~

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

[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.)

NONE

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 _____ (State "None" or "See Annex No. ____".)

Dated this 15 day of _____, 19___.

NONE _____ (Street)
(City &)
November 69 (State)

Frank Benich (Seal)	814 Waukesha St	(Street)
FRANK BENICH	Butte Mont	(City & State)
Mary Benich (Seal)	814 Waukesha	(Street)
MARY BENICH	Butte, Mont.	(City & State)
Rudy B. Endresse (Seal)	317 N. Excelsior	(Street)
RUDY B. ENDRESSE	Butte Mont	(City & State)
Audrey V. Endresse (Seal)	317 N. Excelsior	(Street)
AUDREY V. ENDRESSE	Butte, Montana	(City & State)
G. W. Richardson (Seal)	803 W Park	(Street)
GEORGE W. RICHARDSON	Butte Mont	(City & State)

Clarice M. Richardson (Name), certify that I am the Secretary (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.

CLARICE M. RICHARDSON

_____ (Corporate Seal)

MME Form 9
Rev. Nov. 65

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey

OFFICIAL DOCKET FILE Contract No. _____ Docket No. 6809

Application
- [x] Denied
- [ ] Withdrawn

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

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

Folder No. 1:

Left Side

- [ ] Royalty Audits
- [ ] Certification of Discovery
- [ ] Closing Letter
- [ ] Cost Audits
- [ ] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [ ] Contract Amendments
- [ ] Contract with all exhibits and annexes
- [x] Owner's Consent to Lien and Subordination Agreement
- [x] Application and Attachments
  Modified application 12/21/70

Right Side

- [ ] Project Summary (final)
- [ ] Work Completed Analysis (final)
- All other material filed in chronological order including the following reports if checked:
- [ ] Field Team Semiannual Report for Certified Project
- [ ] Final Field Team Report (Tab)
- [ ] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [x] On-site Exam. Report (Tab) 4/21/71
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

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

Right Side

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

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

Folders No. _____: Settlement Sheets

Folders No. _____: Drill Logs

Folders No. _____: Royalty Material

72195-65

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Chief, Office of Minerals Expl.		
2. Re: OME-6809 (Silver) ~~Kibbe and Company~~ Florida Group		
3. ~~Silver Bow County, Montana~~		
4.		
5. Willard P. Puffett		
FROM: Field Officer, Region 1	12/24/70	

FOR: Check items for action desired

____ Action ____ Reply for signature of _____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions X Your information

REMARKS: Attached are documents related to a revised application for exploration of the Florida group. My memorandum of Oct. 19, mentioned that a new proposal would be submitted. I will prepare a report after the holidays.

INT.-DUP. SEC., WASH., D.C. M56300-62

KIBBE & CO.
FIRST SECURITY BUILDING
SALT LAKE CITY, UTAH 84111
PHONE 521-3676

RECEIVED
DEC 24 1970
O. M. E.
SPOKANE, WASH.

OFFICIAL COPY
O. M. E.
RECEIVED
DEC 28 1970

INITIALS	CODE
	130
bel	120
	120
WE	120

December 21, 1970

Mr. Willard P. Puffett
Office of Minerals Exploration
U. S. Department of the Interior
656 U. S. Court House
W. 920 Riverside Avenue
Spokane, Washington 99201

Re: OME-6809 (Silver)
Kibbe & Co.
Florida Group
Silver Bow County, Montana

Dear Mr. Puffett:

We enclose herewith papers pertinent to a modified application for OME assistance to explore the Florida group of claims by diamond drilling, rather than shaft sinking.

Mr. Franklin and Mr. Thornburg understand, as discussed in your conference in Butte, that much of the description, history and miscellaneous items included in the original application should be omitted from the new application. We are, however, resubmitting items mentioned in your letter of December 2, 1970, namely, new letters from the banks. The name of the applicant remains the same.

Yours very truly,

A. P. Kibbe
President

APK:md
Enclosures (In dup.)

MME Form 40
(Revised Nov. 68)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

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

NAME OF APPLICANT (*Full legal name and mailing address as they should appear on contract if one is executed.*)	APPLICANT DO NOT USE THIS BLOCK
KIBBE & CO. **304 First Security Building** **Salt Lake City, Utah 84111**	DOCKET NUMBER
	DATE RECEIVED
	REGION
	DIVISION CODE

BUSINESS ORGANIZATION (*Check one*)	LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE		
	NAME	ADDRESS	TITLE
INDIVIDUAL [ ] CORPORATION [X] PARTNERSHIP [ ] OTHER (*Specify*) [ ]	**A. P. Kibbe**	**304 First Security Bldg.,** **Salt Lake City, Utah 84111**	**President**
STATE IN WHICH FIRM IS ORGANIZED **Utah**			

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE	PROPERTY NAME	LOCATION COUNTY	STATE
Silver			
ESTIMATED COST OF PROJECT **$ 40,000**	**Florida Group**	**Silver Bow County**	**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. II). To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit two copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 2, existing mine workings and geology in item 3, and the proposed exploration work in item 5. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 3(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals*, of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Department of the Interior, U.S. Geological Survey, Office of Minerals Exploration, Washington, D. C., 20242, or with the nearest OME Field Office.*

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief, and that he would not ordinarily undertake the proposed exploration under current conditions and circumstances at his sole expense.

December 21, 1970
DATED

A. P. Kibbe
BY (*Signature*) **A. P. Kibbe**

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 (1) true copies of your letters to credit sources which show date of loan request, amount and terms requested, and proposed use of loan funds and (2) true copies of replies from credit sources. If the loan was offered under terms which you consider unreasonable, state why you consider them so.

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

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

2. Applicant's Rights in Land:

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

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

(c) For all land or mineral rights encumbered or not owned, submit five copies of Lien and Subordination Agreements signed by owner on MME Form 52. If the agreements cannot be obtained, state reasons and whether you can furnish a performance bond.

3. Physical Description:

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

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

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

(d) Describe known ore reserves, giving quantities and grades.

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

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

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

4. Accessibility of Property:

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

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

5. Exploration Work:

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

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

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

6. Experience:

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

7. Estimate of Costs:

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

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

(b) Personal services. The cost of supervision, engineering and geological services, outside consultants, and labor should be itemized by numbers and classes of employees, rates of wages, salaries or fees, and periods of employment. State whether these services are available.

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

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

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

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

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

Following are statements pertaining to the subject specified on the reverse side of MME Form 40.

1. Financial Eligibility

(a) Attached are two copies of letters of application to banking institutions and the replies, relative to the application for financial assistance to carry out the proposed exploration project.

(b) The name of the company under which this work will be done is Kibbe & Co., 304 First Security Building, Salt Lake City, Utah, 84111.

(c) The applicant's share of the cost of the exploration work will be furnished from an account established for this purpose at the First Security Bank of Utah (4th South Branch), Salt Lake City, Utah.

2. Applicant's Rights in Land

(a) Since items 2(a) through 4(b) would be a duplication of the information submitted in the original application, it is our understanding that this material may be omitted here. However, we include item 2(b) for the purpose of identification. //

One addition to the former information is that the drilling results illustrated on the accompanying vertical projection of the Florida vein indicate an ore-bearing section below the Florida shaft. However, we do not consider these results to be complete enough to be classified as an ore reserve.

(b) The property lies in the northeast and southeast quarters of Section 2, Township 3 N, Range 8 W, Silver Bow County, Montana. The land upon which this exploration work will be done consists of the following four contiguous claims: Florida Quartz Lode Mining Claim, Survey 1087; Hecla Quartz Lode Mining Claim, Survey 828; Hecla Fraction Quartz Lode Mining Claim, Survey 1641 and Tyrone Quartz Lode Mining Claim, Survey 2186.

* * * * * * * *

* * * * * * * *

5. Exploration Work

(a) The exploration proposed is to continue the diamond drilling campaign suspended in October, 1970. The minimum amount proposed is 4000 feet, which would be carried out as follows: Tyrone vein, 1500 feet; Florida vein, 1000 feet; Hecla vein, 500 feet, followup, 1000 feet.

(b) Access Roads are already in existence and electric power lines are in close proximity.

(c) The work will be started within a reasonably short period after the OME contract is executed, probably April 1, 1971, weather permitting. It is estimated that the work will be completed in 5 months.

6. Experience

The work will be under the supervision of well qualified operators and geologists.

7. Estimate of Costs

The cost of the drilling project is estimated to be $40,000, the average cost per foot being $10.00.

First Security Bank of Utah
NATIONAL ASSOCIATION
FOURTH SOUTH OFFICE

SALT LAKE CITY, UTAH

December 16, 1970

Mr. A. P. Kibbe, President
Kibbe & Company
304 First Security Building
Salt Lake City, Utah 84111

Dear Mr. Kibbe:

This will acknowledge receipt of your letter dated December 15, 1970, wherein Kibbe & Company requests $40,000 for a period of 10 years to explore and develop certain mining claims near Butte, Silver Bow County, Montana.

Please be advised that First Security Bank is not extending this type credit at this time.

Sincerely yours,

F. R. Lawson
Vice President

FRL:rm

KIBBE & CO.
FIRST SECURITY BUILDING
SALT LAKE CITY, UTAH 84111
PHONE 521-3578

December 15, 1970

Mr. F. R. Lawson, Vice President
First Security Bank of Utah, N. A.
Fourth South Office
Salt Lake City, Utah 84111

Dear Mr. Lawson:

This letter is to be deemed a request for a loan from the First Security Bank to Kibbe & Co., a corporation of which I am President, for use in its capacity as general partner of Butte Minerals Limited, a Utah limited partnership. The purpose of the loan is to provide funds for exploration and development of certain mining claims near Butte, Silver Bow County, Montana. The amount of money requested is Forty Thousand Dollars ($40,000.00) which, together with partnership funds, will be largely expended for a drilling program on the properties.

If such a loan is granted, we would anticipate a pay-out period of ten years, with payment of principal and interest in quarterly installments beginning March 1, 1971 for the interest and January 1, 1972, for the interest and principal combined.

At your request, we shall be pleased to furnish further information regarding the mining properties and the proposed drilling.

Your prompt consideration of this request will be genuinely appreciated.

Very truly yours,

KIBBE & CO.

A. P. Kibbe
President

APK:md

Walker Bank & Trust Company

ROBERT W. BERNICK
VICE PRESIDENT

December 16, 1970

Mr. A. P. Kibbe, President
Kibbe & Company
First Security Building
Salt Lake City, Utah 84111

Dear Mr. Kibbe:

We have received your letter of December 15, 1970 in which you request the Walker Bank and Trust Company lend Kibbe & Company the sum of $40,000 for the purpose of exploring certain mining claims near Butte, Silver Bow County, Montana. You state in your letter that if such a loan is granted, we would anticipate a pay-out period of ten years, with payment of principal and interest in quarterly installments beginning March 1, 1971 for the interest and January 1, 1972, for the interest and principal combined.

While our bank has every confidence in you and your associates, it is a policy of the bank not to lend money solely for purposes of exploration for mineral reserves. I am sure that you will understand the reason for this as the prospect in question has not yet developed sufficient reserves against which a future loan could be made. In fact, the whole purpose apparently of the venture is to find mineral reserves.

I regret that this loan cannot be made but we would be most happy to consider in the future a loan based upon the success that we hope attends your exploration effort.

Yours very truly,

RWB:pw

KIBBE & CO.
FIRST SECURITY BUILDING
SALT LAKE CITY, UTAH 84111
PHONE 521-3575

December 15, 1970

Mr. Robert W. Bernick, Vice President
Walker Bank & Trust Company
2nd South & Main Streets
Salt Lake City, Utah 84111

Dear Mr. Bernick:

This letter is to be deemed a request for a loan from the Walker Bank & Trust Company to Kibbe & Co., a corporation of which I am President, for use in its capacity as general partner of Butte Minerals Limited, a Utah limited partnership. The purpose of the loan is to provide funds for exploration and development of certain mining claims near Butte, Silver Bow County, Montana. The amount of money requested is Forty Thousand Dollars ($40,000.00) which, together with partnership funds, will be largely expended for a drilling program on the properties.

If such a loan is granted, we would anticipate a pay-out period of ten years, with payment of principal and interest in quarterly installments beginning March 1, 1971 for the interest and January 1, 1972, for the interest and principal combined.

At your request, we shall be pleased to furnish further information regarding the mining properties and the proposed drilling.

Your prompt consideration of this request will be genuinely appreciated.

Very truly yours,

KIBBE & CO.

A. P. Kibbe
President

APK:md

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
Office of Minerals Exploration
656 U. S. Court House
W. 920 Riverside Avenue
Spokane, Washington 99201

December 2, 1969

OFFICIAL COPY
O. M. E.
RECEIVED
DEC 5 1969
INITIALS CODE

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: New application (silver)
Kibbe and Co.
Florida Group
Silver Bow County, Montana

Enclosed is an application from Kibbe and Co., Salt Lake City, Utah, for OME assistance to explore a silver-bearing vein on the Florida Claim in the northern part of the Butte district, Montana. The proposed project is to rehabilitate a presently inaccessible shaft for 170 feet, enlarge it from its present 4x5-foot size to two compartments, each 4½x4½ feet in the clear, and to sink it an additional 155 feet. A thousand feet of crosscutting and drifting is planned to explore the vein on the 300 level. Total estimated cost of the work is $148,273.70.

There are some items either incomplete or lacking in the application and, under normal circumstances, I would insist that these be furnished before I forward the application to you. However, as action on the application will probably be postponed due to our fiscal situation, I am sending you the application with these comments.

The applicant is Kibbe and Co.; however, Madison Minerals, a limited partnership, controls the mineral rights of the claims according to the application. The assignment of the lease from Butte Silver and Gold, Inc., and the reassignment to Madison Minerals, Ltd., is missing. I telephoned Mr. Kibbe on November 25, 1969, about this, and he said the documents will be forwarded. He said the operating company will be Madison Minerals, Ltd., who has a partnership agreement with Kibbe and Co., a corporation. Documentation for this is lacking. I wonder if Madison Minerals, Ltd., should be the applicant.

The geological justification for the project is very generalized. There are no assay data to give us some idea of the silver content

of the Florida vein, and there are no maps other than the small-scale claim map showing the general geology in the area. Reference is made to W. H. Weed's Professional Paper 74 and to the Marget Ann mine. Weed (1912, p. 248-249) describes the geology of the Snowdrift-Glengarry mine that is 1,000-1,500 feet southeast of the Florida claim. The Marget Ann mine was the subject of Docket DMEA 3603 and is well described in a DMEA field examination report by J. J. Quinlan and J. S. Vhay (May 4, 1955). The veins in the Marget Ann mine are sub-parallel to those on the Florida claim and contain high silver values. Concentrates from the mine contained as much as 294 ounces silver per ton.

A field examination of the property will not be of much value, for all the several shallow prospect shafts and the main shaft are inaccessible. The application states that some drilling has been done and details of it will be provided. However, I learned from Mr. Kibbe that the drilling was not done on the Florida claim, so the value of the information about the drilling is questionable. The mining lease has an unusual provision in item E under Work Requirements. Work commitments by the Lessee may be terminated if he does not find a vein at least 4 feet wide bearing at least 30 ounces of silver per ton when he rehabilitates the shaft to the 170 level. If this vein is not present, then there is some question about the continuation of the lease.

The estimated costs for rehabilitating and sinking the shaft are quite high and should be more detailed. The total for cleaning out the shaft and enlarging it to a depth of 170 feet is more than $380.00 per foot. Provisions are made to sink the shaft only an added distance of 130 feet under the cost estimate. In another part of the application the proposed work includes sinking the shaft to 325 feet; this means the shaft would be deepened 155 feet. Costs for sinking the additional 130 feet are about $231 per foot.

Engineering, office work management, etc. is estimated at $2,000 per month, but there are no details to support these estimates.

I recommend that the application be denied as it now stands. The applicant should be required to furnish more proof of the existence of a minable vein on his property; this can be done by cleaning out the shaft at his own expense. The application can be further appraised after the existence of a vein is proved.

Reference cited

Weed, W. H., 1912, Geology and ore deposits of the Butte district, Montana: U. S. Geol. Survey Prof. Paper 74, 262 p.

Willard P. Puffett

Willard P. Puffett

Enclosure

KIBBE & CO.
FIRST SECURITY BUILDING
SALT LAKE CITY, UTAH 84111
PHONE 521-3575

RECEIVED
NOV 25 1969
O. M. E.
SPOKANE, WASH.

November 24, 1969

Mr. Willard Puffett
Field Officer Region I
U. S. Geological Survey Office
West 920 Riverside Avenue
Spokane, Washington

Dear Mr. Puffett:

Enclosed herewith are OME application papers pertaining to a project in the Butte area, which I have previously mentioned to you by telephone. (11/10/69)

The following signed papers are included:

2 copies application signed by A. P. Kibbe.
2 copies of letter of application to "bank of account" and corresponding reply.
2 copies of letter to "other banking institution" and reply.
2 copies of OME application narrative and cost estimate.
2 copies of Form FC-7 filed with Montana Secretary of State.
2 copies of Mining Lease.
2 copies of Owners Consent of Assignment.
5 copies of MME Form 52.
2 copies of map of project area.

We trust that this material is sufficiently complete to comply with OME requirements, but if any additional information is required we shall endeavor to provide it as promptly as possible.

Yours very truly,

C. L. Thornburg

C. L. Thornburg

CLT:md
Enclosures

MME Form 40
(Revised Nov. 68)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

OFFICIAL COPY
DEC 5 1969
INITIAL SCREEN

RECEIVED
NOV 25 1969
O. M. E.
SPOKANE, WASH.

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.*)

Kibbe & Co.
304 First Security Bldg.
Salt Lake City, Utah 84111

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: 6809

DATE RECEIVED: 12-5-69

REGION: I

DIVISION CODE:

BUSINESS ORGANIZATION (*Check one*)

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

STATE IN WHICH FIRM IS ORGANIZED: **Utah**

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
A. P. Kibbe	**See Above**	**President**

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE: **Silver**

ESTIMATED COST OF PROJECT: **$148,273.70**

PROPERTY NAME	LOCATION COUNTY	STATE
Florida Group of Butte Silver & Gold, Inc.	**Silver Bow**	**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. II). To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit two copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 2, existing mine workings and geology in item 3, and the proposed exploration work in item 5. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 3(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals*, of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Department of the Interior, U.S. Geological Survey, Office of Minerals Exploration, Washington, D. C., 20242, or with the nearest OME Field Office.*

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief, and that he would not ordinarily undertake the proposed exploration under current conditions and circumstances at his sole expense.

November 17, 1969
DATED

A. P. Kibbe
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 (1) true copies of your letters to credit sources which show date of loan request, amount and terms requested, and proposed use of loan funds and (2) true copies of replies from credit sources. If the loan was offered under terms which you consider unreasonable, state why you consider them so.

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

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

2. Applicant's Rights in Land:

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

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

(c) For all land or mineral rights encumbered or not owned, submit five copies of Lien and Subordination Agreements signed by owner on MME Form 52. If the agreements cannot be obtained, state reasons and whether you can furnish a performance bond.

3. Physical Description:

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

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

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

(d) Describe known ore reserves, giving quantities and grades.

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

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

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

4. Accessibility of Property:

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

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

5. Exploration Work:

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

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

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

6. Experience:

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

7. Estimate of Costs:

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

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

(b) Personal services. The cost of supervision, engineering and geological services, outside consultants, and labor should be itemized by numbers and classes of employees, rates of wages, salaries or fees; and periods of employment. State whether these services are available.

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

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

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

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

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

Following are statements pertaining to the subjects specified on the reverse side of MME Form 40.

1. Financial Eligibility

(a) Attached are two copies of letters of application to banking institutions and the replies, relative to the application for financial assistance to carry out the proposed exploration project.

(b) The name of the company under which this work will be done is Kibbe & Co., a Utah corporation qualified to do business in Montana, through Madison Minerals, Ltd., a Utah limited partnership of which Kibbe & Co. is the general partner.

(c) The applicant's share of the cost of the exploration work will be furnished from an account established for this purpose at the First Security Bank of Utah (4th South Branch), Salt Lake City, Utah.

2. Applicant's Rights in Land

(a) The Madison Minerals limited partnership controls the mineral rights of the claims listed in the following, as evidenced in the original lease between the owners and Butte Silver & Gold, Inc. and assignment by Butte Silver & Gold, Inc. to Kibbe & Co. and reassignment to Madison Minerals, Ltd., copies of which are attached. In brief, the lease from the owners is subject to a five percent royalty for 10 years, renewable for successive 10-year periods, and grants the rights to subordinate the property to the government financing herein applied for.

(b) The property lies in the northeast and southeast quarters of Section 2, Township 3 N, Range 8 W, Silver Bow County, Montana. The land upon which this exploration work will be done consists of the following four contiguous claims: Florida Quartz Lode Mining Claim, Survey 1087; Hecla Quartz Lode Mining Claim, Survey 828; Hecla Fraction Quartz Lode Mining Claim, Survey 1641; and Tyrone Quartz Lode Mining Claim, Survey 2186. The accompanying map shows the property constituting the project area outlined by a blue border.

All claims involved in this project are patented, patent numbers of which are shown on the accompanying map.

(c) The statement pertaining to Subordination Agreement is submitted herewith in Article XIII, Page 5 of the mining lease, and on attached MME Forms 52.

3. Physical Description

(a) Geologically, the project area consists of Butte quartz monzonite. In the outlying, bordering country there are intergradational, irregular masses of aplite similar to those near the Butte mines north and west of the Anselmo and Mountain Con shafts. Numerous veins, made conspicuous by croppings and near-surface workings, particularly those of easterly trend, persist throughout the area. The country is roughly the same elevation as Butte, with no outstanding topographic features other than rolling hills and shallow gulleys.

All old mine workings are inaccessible but information regarding early development in this section of Butte is found in Professional Paper 74 by Walter Harvey Weed. However, even when that paper was being prepared for publication in 1911, the shallow workings referred to were only partially accessible. It appears that several of the earlier prospects were started to the east of what is now indicated to be the strongest belt of mineralization, and this might account, at least in part, for the lack of sustained success in these developments. On the other hand, it required an unusually good silver prospect to succeed during the adverse price trend which prevailed before and after the turn of the century. The anti-silver sentiment expressed so sharply in 1896 was followed by twenty years of descent in the price of the metal. The grade and nature of ore shoots in the older operations is not known, but certainly ore of the type found in the Marget Ann mine, which was worked in the 1950's, would be profitable today.

In the 1950's development of the Florida vein was started by sinking the Florida shaft to a depth of 170 feet in a locality well within the more intensely mineralized belt. It is reported that ore was exposed in the lower part of the shaft but that it was not possible to finance the project further at that time. The Florida shaft is the focal point of the proposed project. The most recent operation in any adjacent locality was that conducted in the Marget Ann claim which lies near the eastern limit of what appears to be the most intensively mineralized belt. At the Marget Ann mine, the vein croppings are similar to those in the project area. Ore shoots in that property showed marked improvement down to the 550' level where work was suspended. Workings of this mine are inaccessible but maps and details as to veins and ore shoots may be provided.

The Ryan shaft of the Anaconda Copper Company lies about one-half mile south of the project area and serves as a convenient reference point in describing location. Another general feature

for location reference is the northwest edge of the Berkeley pit, which lies two miles to the southeast.

An accompanying map shows veins, old shafts, prospect holes and claims. The Florida shaft, which is the central point of the exploration project proposed, is centrally located within a belt which geological examination has revealed to be the favorable zone for exploration in this northwestern area. This shaft is now inaccessible because of seepage water and partial caving. Having been sunk on the Florida vein, which strikes easterly and dips steeply southerly, the shaft is inclined. This work was done by the Mitchel Mining Company in the mid-1950's. The dump shows mineralization typical of the northwestern Butte area, which tends to support the claim that the vein shows ore over a width of several feet in the lower part of the shaft.

(b) The present enterprise, which now controls the property, was not involved in the former development project.

(c) There was no production from the past project as it was not carried to completion.

(d) There are no known ore reserves.

(e) In this section of the Butte district there are numerous parallel easterly-striking veins. Dips are invariably steep and usually to the south. These constitute the dominant vein system, although there are also associated branch veins and cross veins identified with faults which offset the easterly-striking veins. The fracture pattern illustrates the extension of the Butte system into this northwestern area. The mineralization shown in vein croppings consists of quartz, iron oxide, rhodonite, rhodochrosite, manganese oxides and, locally, oxidized compounds of silver, lead, zinc and copper. Dump ores show pyrite, chalcopyrite and base metals in a gangue of quartz, rhodonite and rhodochrosite. Alteration of the prevailing Butte quartz monzonite is conspicuous locally.

(f) The general reasons for expecting to find ore in this area are mainly the intensity of fracturing and the persistence of the type of mineralization commonly associated with ore in the Butte district. Local alteration of the country rock, continuity of individual veins, vein intersections, offsetting of veins by mineralized faults and local intensity of mineralization all present indications which should be investigated in the process of locating ore bodies. Exploration work of the past has been limited and sporadic, and was carried out

while former lower silver prices prevailed. During the earlier work, silver was declining toward the 55¢-65¢ bracket. Even during the more recent operation of the Marget Ann mine, silver was in the 80¢-90¢ range.

In addition to these general reasons for expecting to find ore, there is the more specific reason based on the previously mentioned favorable belt. This feature may be roughly described as an area 2500 to 3500 feet wide extending northwesterly far beyond the main Butte confines. The new Ryan shaft, where the Anaconda Copper Company is holding sinking in abeyance, is situated well within this zone. The zone continues on northwest of the Ryan shaft locality for thousands of feet and well beyond the project area. The easterly-striking veins are roughly normal to this zone, and they show their greatest intensity of mineralization where they traverse it. Thus, it is strongly indicated that exploration in the locality of the Florida shaft has an excellent chance of success.

The limited drilling which has been done in the locality has shown encouraging mineralization. Details of this drilling will be provided insofar as records are available.

(g) Attached herewith are two copies of a map showing the property involved, geology and the location of the proposed work. At present no geologic or engineering reports are known to be available.

4. Accessibility of Property

(a) The property lies on the outskirts of the town of Butte and is of easy access by country roads. Qualified persons will be available on short notice to accompany the OME representative who may examine the property. Notice may be sent to Kibbe & Co., First Security Building, Salt Lake City, Utah, and Telephone Area 801, No. 521-3575.

It will not be possible to examine the several shallow prospect shafts on the property as all are inaccessible.

(b) The railroad shipping point is Butte, Montana, or shipping may be done by trucking 65 miles to East Helena.

5. Exploration Work

(a) The exploration work proposed is first to enlarge and sink the Florida shaft. This shaft on the Florida vein was formerly sunk

to a depth of 170 feet. Present dimensions are 5 feet along the vein by 4 feet normal to the vein. The proposal is to enlarge the shaft to two compartments, each 4'6" x 4'6" in the clear, and to sink it to a depth of 325 feet. At a depth of 300 feet approximately 500 feet of drifting is proposed on the Florida and associated veins. Additional contingent drifts, crosscuts and raises, locations of which can be specified more conveniently after work gets underway, is estimated to amount to 500 feet.

(b) Access roads are already in existence and electric power lines are in close proximity.

(c) The work will be started within a reasonably short period after the OME contract is executed, probably April 1, 1970, weather permitting. It is estimated that the work will be completed in 10 months.

6. Experience

The work will be under the supervision of well qualified operators and geologists.

7. Estimate of Costs

The total cost, estimated to be $148,273.70, is shown in detail in the following attached memo labeled "Estimated Project Costs":

ESTIMATED PROJECT COSTS

Part 1

Excavating for Compressor & Hoist House, and Road to Shaft Site		$ 800.00
Concrete Floor and Curb, & Foundations for Hoist, Compressor and Head Frame		3,000.00
Hoist & Compressor House and Change Room, 20' x 40' x 8' sidewall All-steel Building, completely erected on job		5,000.00
Reactivating Power Line, Transformer Sub-Station, complete with Switches		1,000.00
Installing Hoist, Compressor, & Electric Switches, Conduits & Fixtures		1,500.00
Powder Magazine		500.00
Timber Head Frame - 30 ft. high		2,500.00
Equipment:		
36" Sheave Wheel, complete with Shaft & Bearings		300.00
1 - 18 cu. ft. Mine Shaft Bucket		75.00
40-hp Vulcan-Denver Single-drum Hoist	$ 345.00 per mo.	3,450.00
75-hp 360 C. F. M. Ingersoll-Rand Air Compressor	372.50 " "	3,725.00
28-hp Flygt Shaft Pump	700.00 " "	2,950.00
Discharge Hose		100.00
5-hp Ventilating Fan		250.00
300 ft. of 16" Ventilating Pipe		600.00
500 ft. of 5/8" Hoist Cable		250.00
Electric Cable & Wiring for Pump and Lighting in Shaft and Mine Signal System		1,000.00
Air Rec., Water Tanks, Air Drills, Drill Steel, Hoses, Pipe & Misc., Small Tools, Mine Lamps		6,000.00
	Total Page 1	$ 33,000.00

Rehabilitating Caved Area at Collar and 40 feet of Shaft:

Timber: 12,000 bd. ft. @ 100.00	$ 1,200.00	
Labor	2,000.00	
Front-end Loader	300.00	$ 3,500.00

Enlarging Present Shaft to two 4'6" x 4'6" Compartments: One Compartment to be used for Hoisting, the other to be used for Manway, Ladders, Pipes, Electric Cables and Ventilation Lines. Balance of 130 ft. of Shaft to reach the Bottom of Shaft at 170 feet.

Labor: @ 75.00 per ft.		$ 9,750.00	
Payroll Tax: 15% -	11.00 per ft.	1,430.00	
Timber:	17.00 " "	2,210.00	
Ironwork:	3.25 " "	422.00	
Power & Misc.:	6.00 " "	780.00	
Ammunition:	7.50 " "	975.00	$ 15,567.00
			$ 52,067.00
Contingencies - 10%			5,206.70
			$ 57,273.70

Estimated Time for Completing Part 1: 4 months.

Management, Salary, Travel, Office Expense @ 1,000.00 per month:	$ 4,000.00
Geology, Engineering & Travel, @ 1,000.00 per month:	4,000.00
Total for Part 1:	$ 65,273.70

Part 2

Sinking Florida Shaft an Additional 130 ft. @ 200.00 per ft: $ 26,000.00

Estimated Time for Completing Part 2: 2 months.

Management, Salary, Travel, Office Expense, @ 1,000.00 per month:	$ 2,000.00
Geology, Engineering & Travel, @ 1,000.00 per month:	2,000.00
Total for Part 2:	$ 30,000.00

Part 3

1000 ft. of Drifting and Crosscutting @ 45.00 per ft:	$ 45,000.00
Estimated Time for Completing Part 3: 4 months.	
Management, Salary, Travel, Office Expense, @ 1,000.00 per month:	4,000.00
Geology, Engineering & Travel, @ 1,000.00 per month:	4,000.00
Total for Part 3:	$ 53,000.00

LUMBER LIST FOR MINE SHAFT TIMBERING: Cutting List

Sept. 25, 1969

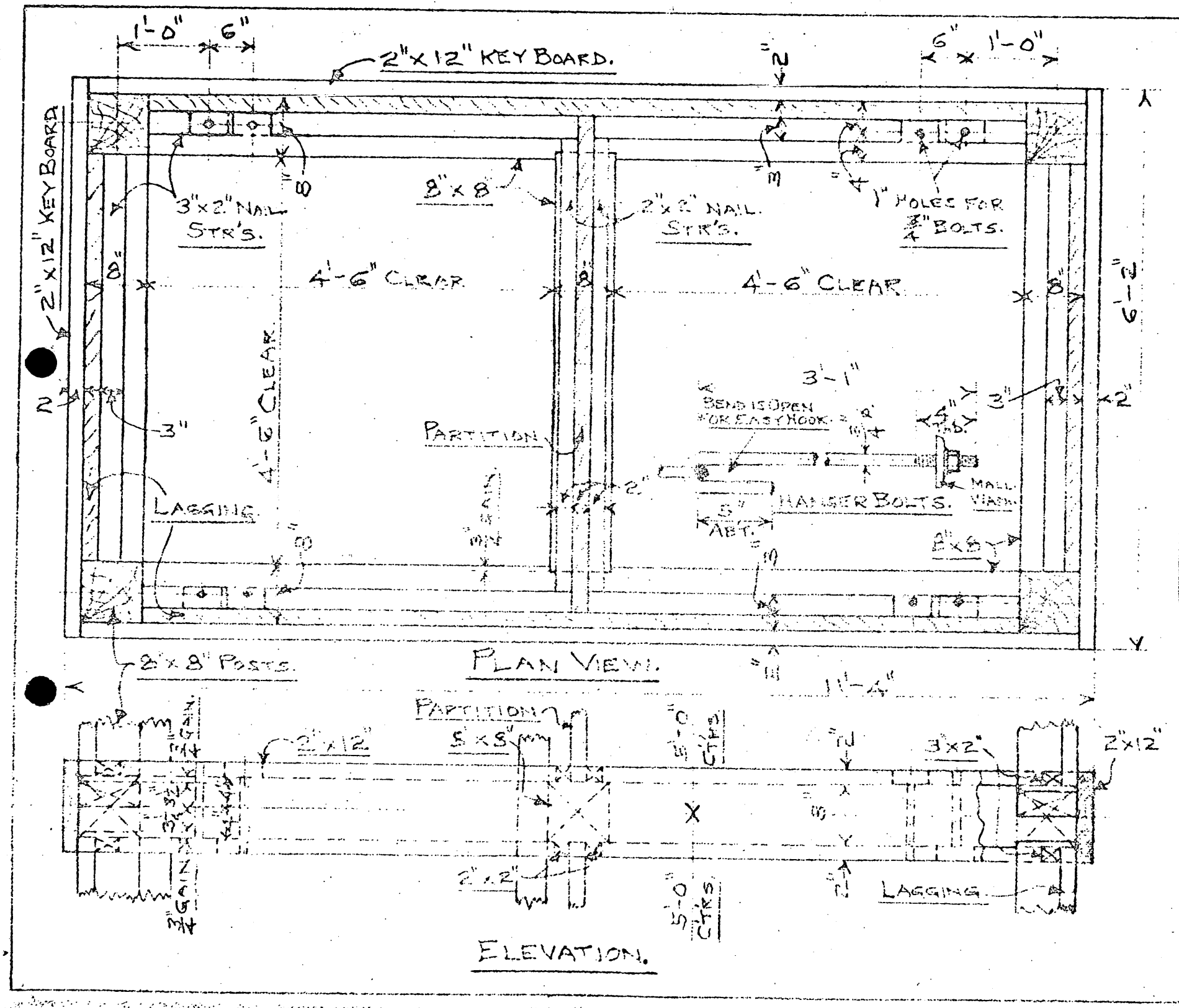
Description	No. Reqd.	Dimensions
Wall Plates	122	8" x 8" x 11'0" long
End Plates	122	" x 5'10" "
Dividers	61	" x 4'7-1/2" "
Posts	244	" x 4'5-1/2" "
Key Boards	122	2" x 12" x 11'0" "
"	122	" x 6'2" "
Nailing Strips	122	3" x 2" x 9'8" "
"	122	" x 4'6" "
"	122	2" x 2" x 5'0" "
Lagging Mat'l. &)	840	2" x 12" x 10'0" "
Partition Mat'l.)	480	2" x 6" x 10'0" "

LUMBER LIST FOR MINE SHAFT TIMBERING: Ordering List

Pieces Required	Dimensions	Board Feet	
184	8" x 8" x 12'0" long	11,800	
153	" x 10'0" "	8,100	
122	2" x 12"x12'0" "	2,950	
61	" x 14'0" "	1,720	
183	3" x 2" x 10'0" "	920	
61	2" x 2" x 10'0" "	210	25,700
840	2" x 12"x10'0" "	16,800	
480	2" x 6" x 10'0" "	4,800	21,600
			47,300

HANGER - BOLTS, etc:

1,000 - 3/4" dia. Hanger Bolts as detailed, with 1 - Hex. Nut and 1 - Malleable Washer each. Cutting Length 3'4".


1'-0"
6"
2"x12" KEY BOARD.
6" x 1'-0"
2"x12" KEY BOARD
3"x2" NAIL STR'S.
8"x8
2"x2" NAIL STR'S.
1" HOLES FOR 3/4" BOLTS.
4'-6" CLEAR
4'-6" CLEAR
6'-2"
8"
3'-1"
BEND IS OPEN FOR EASY HOOK
PARTITION
HANGER BOLTS.
MALL. VIAD.
LAGGING
8"x8
2"x8" POSTS.
PLAN VIEW.
11'-4"
PARTITION 5x8"
2"x12"
3"x2"
2"x12"
2"x2"
LAGGING
ELEVATION.
SCALE: 3/4" = 1-FT
FLORIDA SHAFT.
TIMBER DETAIL.
DRAWN: J.E.I.
SEP. 25, 1969

KIBBE & CO.
FIRST SECURITY BUILDING
SALT LAKE CITY, UTAH 84111
PHONE 521-3575

November 14, 1969

Mr. Robert W. Bernick, Vice President
Walker Bank & Trust Company
2nd South & Main Streets
Salt Lake City, Utah 84111

Dear Mr. Bernick:

This letter is to be deemed a request for a loan from the Walker Bank & Trust Company to Kibbe & Co., a corporation of which I am President, for use in its capacity as general partner of Madison Minerals, Ltd., a Utah limited partnership, or its nominee. The purpose of the loan is to provide funds for exploration and development of certain mining claims near Butte, Silver Bow County, Montana. The amount of money requested is One Hundred Thousand Dollars ($100,000.00) which, together with partnership funds, will be largely expended for labor and equipment in accordance with the schedule of proposed expenditures enclosed herewith.

If such loan is granted, we would anticipate a pay-out period of ten years, with payment of principal and interest in quarterly installments beginning January 1, 1970, for the interest and January 1, 1971. for the interest and principal combined.

At your request, we shall be pleased to furnish further information regarding the mining properties and the proposed exploration.

Your prompt consideration of this request will be genuinely appreciated.

Very truly yours,

KIBBE & CO.

A. P. Kibbe

A. P. Kibbe
President

APK:md
Enclosure

WALKER BANK & TRUST COMPANY

ESTABLISHED 1859 MEMBER FEDERAL RESERVE SYSTEM

ROBERT W. BERNICK
VICE PRESIDENT

SALT LAKE CITY, UTAH

November 21, 1969

Mr. A. P. Kibbe
President
Kibbe & Company
First Security Building
Salt Lake City, Utah 84111

Dear Mr. Kibbe:

We have received your letter of November 14, 1969 in which you request the Walker Bank and Trust Company lend Madison Minerals, Ltd. the sum of $100,000 for the purpose of exploring certain mining claims near Butte, Silver Bow County, Montana. You state in your letter that if such a loan is granted, we would anticipate a payoff period of ten years beginning January 1, 1971.

While our bank has every confidence in you and your associates, it is a policy of the bank not to lend money solely for purposes of exploration for mineral reserves. I am sure that you will understand the reason for this as the prospect in question has not yet developed sufficient reserves against which a future loan could be made. In fact, the whole purpose apparently of the venture is to find mineral reserves.

I regret that this loan cannot be made but we would be most happy to consider in the future a loan based upon the success that we hope attends your exploration effort.

Yours very truly,

Robert W. Bernick

Robert W. Bernick
Vice President

RWB:db

KIBBE & CO.
304 First Security Bldg.
Salt Lake City, Utah 84111

November 14, 1969

Mr. John N. Pike, Vice President
First Security Bank of Utah, N.A.
405 South Main Street
Salt Lake City, Utah 84111

Dear Mr. Pike:

This letter is to be deemed a request for a loan from the First Security Bank to Kibbe & Co., a corporation of which I am President, for use in its capacity as general partner of Madison Minerals, Ltd., a Utah limited partnership, or its nominee. The purpose of the loan is to provide funds for exploration and development of certain mining claims near Butte, Silver Bow County, Montana. The amount of money requested is One Hundred Thousand Dollars ($100,000.00) which, together with partnership funds, will be largely expended for labor and equipment in accordance with the schedule of proposed expenditures enclosed herewith.

If such loan is granted, we would anticipate a pay-out period of ten years, with payment of principal and interest in quarterly installments beginning January 1, 1970, for the interest and January 1, 1971, for the interest and principal combined.

At your request, we shall be pleased to furnish further information regarding the mining properties and the proposed exploration.

Your prompt consideration of this request will be genuinely appreciated.

Very truly yours,

KIBBE & CO.

A. P. Kibbe
President

APK:md
Enclosure

First Security Bank of Utah

NATIONAL ASSOCIATION

FOURTH SOUTH OFFICE

SALT LAKE CITY, UTAH

November 19, 1969

Mr. A. P. Kibbe, President
Kibbe & Company
304 First Security Building
Salt Lake City, Utah 84111

Dear Mr. Kibbe:

This is in response to your letter dated November 14, 1969, requesting a loan for $100,000.00 to Kibbe & Company to provide funds for a mining exploration project in Butte, Montana. This is to advise that at the present time the bank is unable to extend this type of credit.

Sincerely yours,

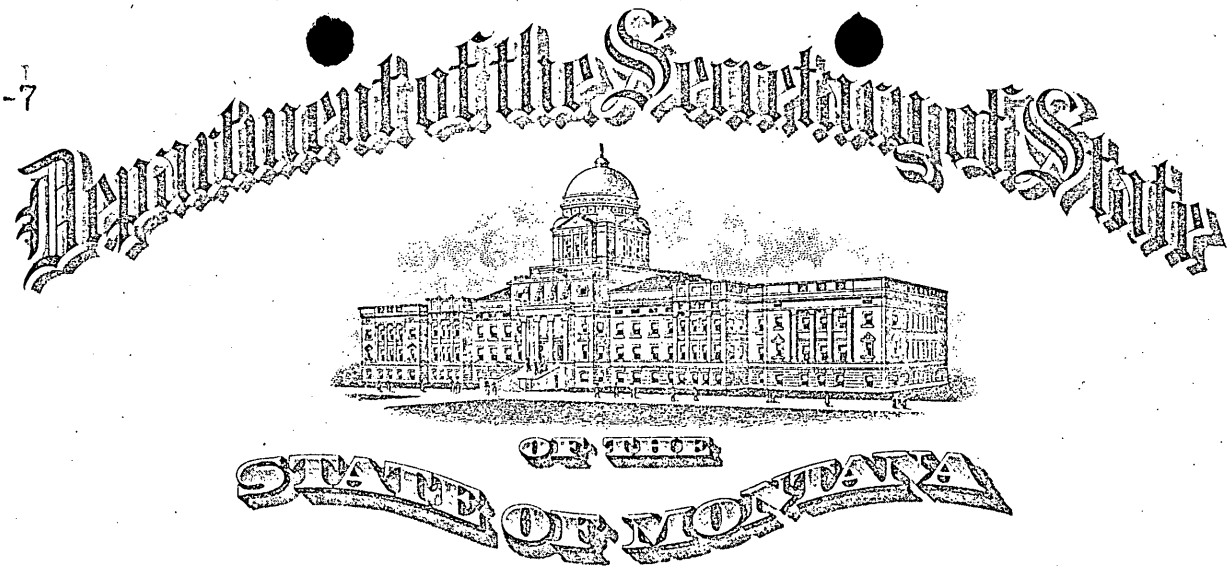
F. R. Lawson
Vice President

FRL:rm

MISC. 2—1M 4-68 97832

TRIBUNE PRINTING

FC-7



UNITED STATES OF AMERICA
STATE OF MONTANA } SS

I, FRANK MURRAY, Secretary of State of the State of Montana, do hereby certify that

KIBBE & CO.

a foreign corporation organized and existing under the laws of the State of Utah has this day filed a duly certified copy of its Articles of Incorporation, together with a Statement, Appointment and Acceptance of Agent, as required by law, in the office of the Secretary of State of the State of Montana.

MINING LEASE

THIS INDENTURE, made this 23d day of October, 1969, between FRANK BENICH and MARY BENICH, his wife, RUDY E. ENDRESSE, and AUDREY ENDRESSE, his wife, GEORGE W. RICHARDSON and CLARICE M. RICHARDSON, his wife, of Butte, Montana, Lessors, and BUTTE SILVER & GOLD, INC., whose post office address is P.O. Box 312, Butte, Montana, Lessee;

W I T N E S S E T H :

That the said Lessors, for and in consideration of the royalties hereinafter reserved, and the covenants and agreements hereinafter expressed, and by the said Lessee to be kept and performed, have granted, demised and let, and by these presents do grant, demise and let, unto the said Lessee, all the following described patented mining claims situated in Section 2, T. 3 N., R. 8 W., M.P.M., Silver Bow County, Montana:

Florida Quartz Lode Mining Claim, Survey 1087
Hecla Quartz Lode Mining Claim, Survey 828
Hecla Fraction Quartz Lode Mining Claim, Survey 1641, and
Tyrone Quartz Lode Mining Claim, Survey 2186

with the right to mine and extract ores from the said leased premises and to explore and prospect for ore therein, on the terms and conditions herein stated, together with the appurtenances, to have and to hold unto the said lessee for the term of ten years from the date hereof, expiring at noon on the 23d day of October, 1979, unless sooner forfeited or determined through the violation of any covenant hereinafter against the said Lessee reserved.

And in consideration of the said demise the said Lessee does covenant and agree with said Lessors as follows, to-wit:
To enter upon said mine or premises, and work the same in the manner necessary to good and economical mining, so as to take out the greatest amount of ore possible, with due regard to the development and preservation of the said premises as a workable mine, and to the special covenants hereinafter reserved.

SPECIAL COVENANTS

1. ROYALTIES.

A. Lessee shall pay to Lessors on all ores extracted from the leased premises and sold, a royalty of an amount per ton of ore based upon the net mint, smelter or customer mill returns of the ore (hereinafter referred to as "net smelter returns") which royalty rate shall be determined in the following manner:

1. On all ores that are shipped from said property and treated at a smelter the Lessee shall pay to said Lessor a royalty of 5% of net smelter returns, as hereinafter defined, said royalties to be deducted at the smelter and, at the option of Lessors, paid to Lessors or paid directly to First National Bank of Butte, Montana, as hereinafter provided.

2. 5% of the net smelter returns as hereinafter defined less $3.00 per crude dry ton for milling charges on concentrates.

3. "Net Mint, smelter or custom mill returns" as used herein shall mean the gross value as figured by the mint, smelter or custom mill, less mint, smelter or custom mill treatment charges or deductions for transportation, control and umpire assaying, witnessing, and freight charges. J.B.

All royalties payable hereunder by Lessee to Lessors shall be paid by depositing the same to the credit of the Lessors in the First National Bank, Butte, Montana.

II. WORK REQUIREMENTS.

A. Lessee will work and mine the leased premises in a diligent and continuous manner during the life of this Lease and any extension thereof, and except as hereinafter provided shall, during each and every month of such period or periods, in the performance of such work and mining operations perform not less than one hundred (100) eight-hour (8) shifts of mining labor per month, this work requirement to commence May 1, 1970.

B. During each one year period of the Lease after the work requirements become effective, Lessee may elect, for any reason, on written notice to Lessors, to effect a suspension of the work requirements, without penalty of any nature, for up to three calendar months.

C. In the event Lessee shall exceed such work requirement in any monthly period, such excess may be accummulated and credited against any future and prospective lease year work requirements.

D. Lessee shall conduct all operations and work hereunder in a manner necessary to good miner-like and economical mining so as to develop and take out ore with due regard to the preservation of the same as a workable mine and to the special covenants herein reserved, and to properly and safely timber said property, and in keeping with the mining laws of Montana and of the United States and the applicable rules and regulations thereunder.

E. Lessee agrees to clean out the present shaft on the Florida Quartz Mining claim to the extent required for exploration thereof to the present bottom of the shaft, estimated approximately to be 170 feet below the surface. If Lessee does not there intersect and find a vein of ore at least 4 feet wide bearing at least 30 ounces of silver per ton, then all work commitments above described may be terminated and suspended for up to one year from the date of notice to Lessors. At the end of such period Lessee shall elect in writing to surrender this Lease or continue the work requirements hereunder.

F. Lessee agrees to report to Lessors quarterly with regard to the work performed and money expended on the property during the past quarter.

III. STATEMENTS TO BE FURNISHED.

Lessee shall, with each payment of royalties, furnish to the designated depository, a statement setting out the basis upon which the royalty rate and amount of royalties due was computed.

IV. BOOKS AND RECORDS.

Lessors and Lessors' authorized agent shall, at any and all reasonable times, be permitted to inspect all books and records, including assay reports, of the Lessee, relating to the leased premises, in order to ascertain the correct amount of royalties due Lessors or to determine whether or not the provisions of this Lease are being complied with.

V. LESSORS' RIGHT OF INSPECTION.

Lessee shall allow Lessors and Lessors' agents from time to time, at their own risk, to enter upon and into all parts of said leased premises for purposes of inspection, surveys or the taking of samples therefrom at such reasonable times as shall not interfere with the regular operations of the leased premises.

It is understood and agreed that Lessee shall assume no responsibility for the safety of Lessors or Lessors' agents when and while upon the leased premises for such purposes, provided, however, that Lessee shall render to Lessors and Lessors' agents any proper and reasonable assistance necessary for the making of such inspections.

VI. ORES NOT TO BE COMMINGLED.

A. Lessee shall not mix any ores from the leased premises with ores, minerals or products produced or derived from any other property and shall not adulterate any ores produced from said leased premises unless mixing or blending shall be necessary to make a saleable product.

B. The tunnels, drifts, shafts or other haulage ways pertaining to the leased property can be used by Lessee for transporting other ores from adjacent properties, without payment of any royalty whatever to Lessors; provided, however, that Lessee shall not commingle said ores from adjacent properties with ores extracted from the leased properties.

VII. STATE AND FEDERAL ENACTMENTS - INDEMNIFICATION OF LESSORS.

Lessee, in the operation and development of the property hereby leased shall be subject to all applicable Federal enactments, laws of the State of Montana, all Federal or State rules and regulations regarding employees' liability, workmens' compensation and workmens' old age and unemployment insurance, and said Lessee covenants and agrees to indemnify and hold harmless Lessors from and against the payment of any and all damages, claims, losses and expenses due to the existance of such enactments, rules and regulations, and also from all claims, costs, and expenses in connection therewith under any claim or subrogation provided for by such enactments or otherwise.

Lessee shall further indemnify and hold harmless Lessors from and against any and all damages, claims, costs and expenses arising out of damage to property or any injuries to or death of the employees of Lessee or any other person whomsoever other than the Lessors and those acting under them.

VIII. PROPERTY TO BE KEPT FREE FROM LIENS.

Lessee shall pay and satisfy all claims for materials, supplies and labor used or employed in connection with the working of said mine and mining property hereby leased and shall keep said mine and mining property free of liens or encumbrances of any and every kind except such as may result from the acts of others than the Lessee, or such as may be created with the express written consent or agreement of Lessors.

IX. COVENANT AS TO ADVERSE CLAIMS.

Lessee acknowledges that there may be liens filed and adverse claims made against the property as the result of operations conducted by the Butte Silver & Gold, Inc., corporation, or any assignee of the Lessee and Lessee agrees that it will pay and properly dispose of any liens filed or adverse claims made and will secure a release of any such liens at its expense and it agrees to hold Lessors harmless from liability as to any liens or adverse claims made as a result of its operation of the property.

X. REPRESENTATION OF CONDITION.

A. Lessee covenants and represents that Lessee has examined and knows the condition of the leased premises and except as specifically provided herein that no representation as to the condition or repair of the premises or value thereof has been made by the Lessors or their agents prior to or at the issuance of this Lease.

B. Lessors warrant and represent that Lessors have taken no action or permitted any omission allowing a lien, title or boundary conflict, tax deficiency or other encumbrance to exist against said mining claim and if any such does exist or arise Lessee may, at its option, pay, discharge or cure such defect and the costs reasonably incurred for such purposes may be deducted from any royalties due Lessors.

XI. TAXES.

Lessee will, during the life of this agreement, pay all taxes levied upon said property, including all gross metals mines tax, all net proceeds of mines tax, and all royalties tax levied and assessed to both of the parties hereto against the proceeds from the operations of said premises hereby leased. Notwithstanding anything herein contained to the contrary, Lessors agree to pay all taxes assessed against Lessors on account of their receipt of royalties hereinabove provided to be paid to them by Lessee.

XII. LEASE NOT ASSIGNABLE.

This lease shall not be assignable by Lessees, without written consent of Lessors, but which shall not be refused if reasonable and beneficial to Lessors; provided, however, that work may be contracted out to other parties over whom Lessee shall retain supervision.

XIII. SUBORDINATION OF PROPERTY FOR FEDERAL LOANS.

Lessors consent and agree that Lessee may subordinate its rights and claims to the property herein for the purpose of obtaining such loans, grants and subsidies as may be obtainable from the Federal Government for funds actually invested into the property, limited to a priority for royalty due Lessors.

XIV. FORFEITURE AND TERMINATION.

This lease is made upon the conditions that Lessee shall perform all of the covenants and agreements herein set forth to be performed by Lessee, and, if at any time there shall be any default on the part of Lessee due to other than Acts of God, strikes, walkouts, or the actions of a public enemy, and if such default shall continue for a period not to exceed six (6) months for work requirements, then and in such event this Lease shall terminate and the leased premises shall revert to Lessors, and Lessee shall deliver to Lessors, and Lessee shall deliver to Lessors the leased premises in good order and condition, unless a specific waiver or extension has been granted Lessee; provided further that no default shall be deemed to exist until written notice thereof has been given Lessee by Lessors, and Lessees shall have sixty (60) days thereafter in which to remedy such default.

XV. REMOVAL OF EQUIPMENT.

It is mutually understood and agreed that, in the case of forfeiture, surrender or other termination of this Lease, all underground timber, shafts, linings and other fixtures necessary for the preservation of the mine shall be and remain a part of the realty and shall revert to Lessors without further consideration or compensation.

Upon full compliance with and performance of such conditions and obligations with respect to payment of royalties, preservation of the property and operation of the properties for mining purposes by reason of expiration of this Lease, Lessee shall be entitled to and may, within ninety (90) days after such date, or within such extension of time as may be granted by Lessors, remove from the leased premises, such tools, buildings of a temporary nature, tool sheds, and personal property used in the mining operation but not attached to the mine, shaft or operations thereof.

XVI. OPTION TO RENEW LEASE.

At the expiration of this Lease by reason of time, the Lessee shall have an option and right to a renewal of this Lease for an additional period of ten (10) years from 1979 to 1989 for and on the same terms and conditions as in this Lease, provided Lessee gives written notice of such election to exercise this option for renewal at least sixty (60) days prior to the expiration hereof; and thereafter Lessee shall have a similar right to renew on sixty (60) days notice for successive ten (10) year periods on the same terms and conditions.

XVII. MANNER OF GIVING NOTICE.

Any notice contemplated herein to be served upon the Lessee shall be in writing and shall be sufficiently given if deposited in the United States mail, postage prepaid and registered and addressed to the Lessee as follows:

W. J. Franklin, President
Butte Silver and Gold, Inc.
c/o 304 First Security Building
Salt Lake City, Utah 84111

or at such other address as the Lessee may from time to time in writing designate.

Any notice contemplated herein to be served upon the Lessors shall be in writing and shall be sufficiently given if deposited in the United States mail, postage prepaid, and registered and addressed to the Lessors as follows:

Frank Benich, Agent
c/o George W. Richardson
216 Medical Arts Building
Butte, Montana

or at such other address as the Lessors may from time to time in writing designate.

Service of notice by mail shall be deemed effective and complete upon the date of posting and mailing in accordance herewith.

Personal service of written notice upon any of the parties shall be deemed sufficient service of notice and registered or certified mailing of notice in the case of personal service shall be necessary only when any officer of Lessee cannot be personally located or served in the State of Montana.

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

Butte Silver & Gold, Inc.

by W. J. Franklin
President

Corporate Seal

Attest

G. Richardson
Secretary

Frank Benich

Mary Benich

Rudy E. Endresse

Audrey V. Endresse

G. W. Richardson

Elsie M. Richardson

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

On this 23d day of October, in the year A.D. One Thousand Nine Hundred and Sixty-Nine before me the undersigned, a Notary Public for the State of Montana, personally appeared Frank Benich and Mary Benich, his wife, Rudy E. Endresse and

Audrey Endresse, his wife, and George W. Richardson and Clarice M. Richardson, his wife, known to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they each of them respectively, executed the same.

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

William N. Geagan
Notary Public for the State of
Montana, residing at Butte,
Montana, my commission expires
November 24, 1971

(NOTARIAL SEAL)

STATE OF MONTANA)
) ss
COUNTY OF SILVER BOW)

On this 23rd day of October, 1969, before me, the undersigned, a Notary Public for the State of Montana, personally appeared W. L. FRANKLIN, known to me to be the President of the corporation that executed the within instrument on behalf of the corporation named 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 first above written.

William N. Geagan
Notary Public for the State of
Montana, residing at Butte, Montana,
My Commission expires Nov. 24,1971

(NOTARIAL SEAL

OWNERS' CONSENT TO ASSIGNMENT OF LEASE OF MINING PROPERTY

KNOW ALL MEN BY THESE PRESENTS: That we, the undersigned, being the owners of certain real property situate in Silver Bow County, State of Montana, particularly described in that certain lease made and executed by us under date of October 23, 1969, at Butte, Montana in favor of BUTTE SILVER & GOLD, INC., a Montana corporation; in consideration of agreement of assignees so named herein and in their participation in the development and mining thereof, do hereby CONSENT that said lease may be assigned to KIBBE & CO, a Utah corporation, and further, at their discretion, they may reassign said lease to MADISON MINERALS, LTD. a Limited partnership, providing such assignees by acceptance and reassignment thereof agree to be bound by all covenants and conditions thereto as if such lease had originally been made to them and agreed to by them specifically;

IN WITNESS WHEREOF the parties have set their hands this 23rd day of October, 1969, at Butte, Montana.

Frank Benich
Frank Benich

Rudy E. Endresse
Rudy Endresse

George W. Richardson
George W. Richardson

STATE OF MONTANA)
) ss
COUNTY OF SILVER BOW)

On this 23rd day of October, 1969, before me the undersigned, a Notary Public for the State of Montana, personally appeared Frank Benich, Rudy E. Endresse and George W. Richardson, 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 hereunto set my hand and a ffixed my Notarial Seal and day and year first above written.

William M. Gagnon
Notary Public for the State of Montana, residing at Butte, Montana,
My commission expires Nov. 24, 1971

(NOTARIAL SEAL)

ME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
4/27/71	(on leave)	120
	Emerick	120
4/27	Kielsgard	
		220

AIRMAIL

Mr. A. P. Kibbe
President
Kibbe and Co.
First Security Building
Salt Lake City, Utah 84111

Re: OME-6809 (Silver)
Kibbe and Co.
Florida Group
Silver Bow County, Montana

Dear Mr. Kibbe:

A careful review of your application for financial assistance to explore the subject property and other information available to us indicates that the probability of disclosing significant reserves of silver on your property is not sufficiently promising to justify Government participation in the proposed exploration. Accordingly, we regret to inform you that your application for assistance is denied.

We wish to thank you for your interest in the minerals exploration program and for bringing your property to our attention.

Sincerely yours,

William L. Emerick

William L. Emerick
Assistant Chief
Office of Minerals Exploration

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
OME Region I
Mr. Emerick
130

WLEmerick/bsl 4/27/71

M[redacted]7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
4/27/71	(on leave)	120
	Emerick	120
		220

April 27, 1971

Memorandum

To: The File

From: William L. Emerick
Office of Minerals Exploration

Subject: OME-6809 (Silver)
Kibbe and Co.
Florida Group
Silver Bow County, Montana

Justification for Denial of Application

The Applicant proposed to explore several steeply-dipping quartz-manganese veins for silver-bearing ore deposits by diamond core drilling from surface sites. Total estimated cost of the work amounted to $40,000.

Previous drilling in 1970, on two of the claims included in the proposed drilling program, showed that the veins were persistent to a depth of at least 350 feet but narrow and generally weakly and erratically mineralized with silver. The drilling did not provide information as to possible location of ore shoots in the veins, or about any structural controls of richer parts of the veins that could be used to direct exploration toward possible higher grade portion of a vein.

The drilling data from core samples did show some high silver values at depth, generally in veins less than 2-1/2 feet thick, but most of the data show values of much less than 5 ounces of silver per ton. Assay data included with the application showed some assays of surface samples as much as 35 ounces of silver per ton across widths of 1-1/2 feet but nearby samples assayed less than 5 ounces of silver per ton. The data indicate silver values are not consistent along the strike of the vein and that the silver values from core drill samples are as erratic as those from surface samples.

Based on his field examination and all available information from the application the Field Officer, Region I, concluded that the geologic probability of discovering a significant quantity of silver ore by the proposed exploration was unfavorable and therefore, he recommended denial of the application. I concur with his recommendation.

William L. Emerick

William L. Emerick

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

WLEmerick/bsl 4/27/71

E Form 7
/63)

OFFICIAL FILE COPY

Date	Surname	Code
4/21/71	Emerick	120
		120
		130
4/21	cac	220

120M

APR 21 1971

AIRMAIL
CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: Application Examination Report
OME-6809 (Silver)
Kibbe and Co.
Florida Group
Silver Bow County, Montana

Enclosed are three copies of the application report on the subject docket. Please sign the enclosed original copy of the last page and return it to this office.

Your draft copy of the report is returned herewith.

Harold Kirkemo
for

Harold Kirkemo

Enclosures

cc: Director's Reading File
Mineral Resources File
OME Docket
OME ReadingFile
Mr. Kirkemo
130

BSLong/1 4/21/71

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
April 21, 1971

AIRMAIL

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: Application Examination Report
OME-6809 (Silver)
Kibbe and Co.
Florida Group
Silver Bow County, Montana

On-Site Exam Report

INTRODUCTION

Kibbe and Co. has submitted two applications for OME assistance to explore manganiferous quartz veins for silver ore bodies northwest of Butte, Montana. Only shallow exploration has been conducted on the veins which are in an area peripheral to the rich copper deposits of Butte.

The first application, dated November 17, 1969, requested help in financing the rehabilitation and extension of a shaft on the Florida claim. Crosscutting and drifting, totalling 1,000 feet, was planned from near the bottom of the extended shaft. Estimated cost of this work was $148,273.70.

I examined the property on October 8, 1970, and conferred with Mr. Bill Franklin and Mr. C. L. Thornburg, representatives of the applicant. We agreed that it might be better to plan to continue a diamond drilling program that the applicant had started during the summer of 1970, rather than to do any undergroud work.

Kibbe and Co. submitted a second application on December 21, 1970, in which the proposed work is to drill 4,000 feet from surface drill-sites. The holes will explore veins on the Hecla, Florida, and Tyrone claims. Total estimated cost of the work is $40,000.

Several letters have been written to the applicant in an effort to clarify legal arrangements between the applicant and other companies with whom he is a general partner. No satisfactory answers have been received for some of the questions.

RECOMMENDATION

I recommend that the application be denied. Completed drilling on the Hecla and Florida claims has shown the veins to be persistent in depth but narrow and generally weakly mineralized with silver. No drilling has been done on the Tyrone claim; however, this claim is only 400 feet long and only a small tonnage could be indicated even if the drilling were successful. The proposed work has less than a fair chance of indicating a significant quantity of silver ore.

APPLICANT

Kibbe and Co.
304 First Security Building
Salt Lake City, Utah 84111

This is a corporation organized in Utah and qualified to do business in Montana and is a general partner of a limited partnership known as Butte Minerals, Ltd. The president of Kibbe and Company is A. P. Kibbe; names of other officers are not listed in the application.

PROPERTY

The property consists of four contiguous patented claims as follows:

Claim name	Survey No.
Florida	1087
Hecla	828
Hecla Fraction	1641
Tyrone	2186

Claims are shown on figure 1 (Figure 1 - Plan and section maps showing drill holes and assay data, Florida group, sec. 2, T. 3 N., R. 8 W., Butte district, Silver Bow County, Montana.) The Tyrone claim has essentially a point contact with the Florida claim; the fraction between the two claims is not listed in the application. Mr. Kibbe, in a telephone conversation with me, stated that his company controlled the fraction between the Tyrone and Florida claims, but he did not want to include it in the application.

The claims are in sec. 2, T. 3 N., R. 8 W., Butte Mining district, Silver Bow County, Montana. They are at an altitude of about 6100 feet and are about 1-1/2 miles northwest of the central part of the city of Butte. The topography is gently rolling; vegetation consists of sparse grass; there are no trees. In dry weather the dirt roads crossing the claims can be easily traversed in an ordinary passenger car.

Underground workings on the Florida claim include an inclined shaft about 170 feet deep, from which 150 feet of drift has been driven to the northeast and southwest (figure 1). A shallow shaft and some prospect pits have explored the veins on the Hecla claim. There are no underground workings on the Tyrone claim.

GEOLOGY

Ore deposits on the Florida Group are in quartz-manganese veins that cut Butte Quartz Monzonite. The veins trend northeasterly and dip steeply southeast; some have definite horse-tail structure (figure 1). The monzonite is medium grained, light gray, and biotite-rich. Feldspars have been slightly altered adjacent to the veins.

Some of the veins crop out as conspicuous ribs, white to light gray; in places black manganese minerals have stained the quartz. Unoxidized parts of the veins consist of pink manganese minerals--rhodonite or rhodochrosite with quartz--quartz, and sparse sulfides. In many places the sulfides consist of a mixture of galena, sphalerite, and pyrite, in isolated clots less than 1/2-inch in diameter. Presumably the silver occurs with the sulfides, but this has not been proved.

The veins are persistent along strike; some can be traced on the surface for several hundred feet and in many places they form conspicuous ribs projecting above the surface. Thicknesses are as much as five feet; however, the average thickness of the Florida vein is about three feet. The horse-tail structures are splits of veins from the main vein; one such structure is well exposed on the Tyrone claim (Figure 1).

Assay data included with the application indicate that the silver values are not consistent along the strike of the vein. Gold values are generally a trace or less. Some assays of surface samples indicate as much as 35 ounces of silver per ton across widths of 1.5 feet; nearby samples, however, assayed less than 5 ounces of silver per ton. Assay data from diamond drill core samples are as erratic as those from surface samples. Drill holes 3 and 4 on the Hecla claim intersected a

vein that assayed 20.32 ounces of silver per ton across an intersection of 2.0 feet, at a depth of about 350 feet below the surface. Drill holes 5, 6, and 7 intersected the Florida vein at depths of 270, 320, and 350 feet; assays of parts of the vein indicated as much as 34.21 ounces of silver across an intersected width of 2.5 feet. However, most of the assay data from drill core samples show values of much less than 5 ounces of silver per ton.

The applicant cites some evidence of silver increasing with depth, and mentions that ore in the nearby Marget Ann mine (DMEA-3603) being low grade above the 200 level but containing nearly 30 ounces silver per ton down to the 550 level. The drill data in the application do show some high silver values at depth, but there seems no consistency in the assay data and the high grade values found are generally in veins less than 2-1/2 feet thick.

APPLICANT'S PROPOSAL

The applicant originally proposed to explore the Florida vein by rehabilitating and extending the Florida shaft to a depth of about 300 feet, and then drifting and crosscutting, 1,000 feet from near the bottom of the extended shaft. He started a diamond drill program in the summer of 1970, the results of which suggested that more drilling should be completed before any underground work is done. The proposed work in the December 21, 1970, application is to diamond drill 1500 feet on the Tyrone claim, 1,000 feet on the Florida claim, and 500 feet on the Hecla claim. An additional 1,000 feet of drilling is planned contingent on results of the other drilling.

Cost estimates include an overall average of ten dollars per foot, or forty thousand dollars for the complete project. More detailed cost estimates, submitted after the application, include bids from three diamond drill contractors, and estimates for supervision and assay work. Bids from diamond drill contractors are as follows:

Footage	Smith Drilling Nucla, Colorado	Justice Core Drilling Meridian, Idaho	Fritz-Erickson
0-300	$8.00/ft,		$9.25/ft.
0-250 (NQWL)		$7.50/ft.	
(BQWL)		$7.00/ft.	
250-500 (NQWL)		$8.00/ft.	
(BQWL)		7.50/ft.	
300-500	$9.00/ft.		$10.50/ft.

500-750 (NQWL) (BQWL)		$8.50 8.00	
Mobilization and demobilization	$900	$1,000	$1,050
Cementing	$20.00/hr.	$18.00/hr.	$22.50/hr.

The applicant, in a letter dated March 17, 1971, estimated that administrative costs will be $1,000 per month, which includes car rental and telephone. Mr. Bill Franklin, who would be in charge of the work, will be given a salary of $500 per month and the rest of the costs will be his hotel lodging, food, etc. Apparently his modest salary of $500 per month is because he has a participating interest in the applicant company. The March 17 letter also suggested that the project would take 6 months to complete.

Assay costs are listed in the applicant's April 7, 1971, letter, in which it is stated that the Frontier Lab at Melrose, Montana, charges $3.75 per gold and silver assay.

The low bidder for the drilling is Justice Core Drilling of Meridian, Idaho. However, Mr. Bill Franklin, in a telephone conversation, said that the applicant preferred to have Smith Drilling do the work for they did not always charge for cementing, etc.

The total estimated costs, using the contract bid figures for drilling and the applicant's figures for assaying and administration, can be over a wide range. Assuming that a total of 3,500 feet is drilled and that there will be 30 hours of cementing, and that there will be 50 assays, the total cost can range from $35,315 if Justice Core Drilling does the work to $43,500, if Fritz-Erickson does the work. If Smith Drilling did the work the cost would be $38,550.

APPRAISAL OF APPLICANT'S PROPOSAL

The applicant drilled ten holes in 1970 that totalled 3,664 feet. Direct cost of this drilling, including cost of core boxes, was $29,644 or an average of $8.09 per foot. Administrative costs are not known but they can be assumed to be approximately $10,000. Results of the nearly $40,000 expenditures show that the veins on the Hecla and Florida claims persist to depths of at least 350 feet but that the silver values are erratic and generally quite low.

The applicant computed a possible tonnage of 15,000 or 22,500 tons of ore with a gross value of $20/ton, assuming gold at $35 an ounce and silver at $2.50 per ounce. This tonnage was indicated by the drilling on the Florida claim, and was measured between the No. 6 and No. 5 drill holes (includes the No. 7 hole) (see Figure 1). The gross value of 20,000 tons of such ore, based on the applicant's figures, is $400,000. Thus, for each dollar spent on exploration, there was found an indicated reserve of about $10.00.

Currently the price of silver is $1.70 or only 68 percent of the value used by the applicant in calculating his reserves. As the main value in the ore is silver, one can justifiably multiply the above factor of $10.00 per ton by 0.68; the answer of $6.80 will more truly reflect the value of the ore found by each dollar spent in exploration.

The drilling in 1970 did not provide information as to possible plunge of ore shoots in the vein or about any structural controls of the richer parts of the vein. The silver values are erratic with seemingly no systematic variation; hence additional exploration cannot be directed toward any known plunge of the higher grade portions of the vein, but must assume that the ore shoots are parallel to the dip of the vein.

The known veins might be richer in silver at depth than near the surface. The applicant mentions this possibility and indeed there are a few high silver assays from the drill core at about 350 feet below the surface. There is not enough information to conclusively prove a consistent increase of silver with depth. Perhaps a significant increase will be found at 1,000 or 2,000 feet below the surface, but none of the planned holes will penetrate to such depths.

Nothing is known about the silver values in the Tyrone vein except for samples taken in surface trenches. The intersections of the branching veins might be loci of ore shoots at depth. The Tyrone claim, however, is only 400 feet long and if exploration is to be confined to an area 100 feet from the claim boundaries, only 200 feet along the vein can be explored. It seems unreasonable to expect to find significant reserves in such a short strike length.

CONCLUSIONS

The recent drilling on the applicant's property has proved that the Florida and Hecla veins persist to a depth of at least 350 feet below the surface and contain widely scattered high values in silver; on average, however, the veins contain less than 5 ounces silver per ton. Surface samples of the Tyrone vein also show a wide variance in values with the average below 5 ounces silver per ton. Gold is not an important part of the veins. The planned exploration to drill more holes will not test the veins below the 350 level and will not test for an increase in silver values at greater depth than 350 feet. There is less than a fair chance that the planned exploration will find a significant quantity of silver-rich ore.

The application should be denied.

Willard P. Puffett

Willard P. Puffett

Enclosures:

Figure 1 - Plan and section maps showing drill holes and assay data, Florida Group, sec. 2, T. 3 N., R. 8 W., Butte district, Silver Bow County, Montana.

Figure 2 - Proposed diamond drill program, Florida group, Butte district, Silver Bow County, Montana.

FORM 6 REFERENCE SLIP

REV. 2-59 · OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Chief, OME		
2. ~~Re: OME-6809 (Silver)~~ Kibbe and Co.		
3. Florida Group Silver Bow County, Montana		
4.		
5. Willard P. Puffett		
FROM: Field Officer, Region I	4/13/71	WPP

FOR: Check items for action desired

____ Action ____ Reply for signature of _____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions X Your information

REMARKS: Attached is drill bid information for the cited application. I will now prepare my report and recommendation.. Chances are slim that I'll recommend a contract.

INT.-DUP. SEC., WASH., D.C. M56300-62

KIBBE & CO.
FIRST SECURITY BUILDING
SALT LAKE CITY, UTAH 84111
PHONE 521-3575

April 7, 1971

RECEIVED
APR 13 1971
SPOKANE, WASH.
CODE

Mr. Willard P. Puffett
Office of Minerals Exploration
U. S. Department of the Interior
656 U. S. Court House
W. 920 Riverside Avenue
Spokane, Washington 99201

Re: OME 6809 (Silver)
Kibbe & Co.
Florida Group
Silver Bow County, Mont.

Dear Mr. Puffett:

Following is additional information relevant to the above request:

Unit Cost per Assay

The Frontier Lab at Melrose, Montana, which we recommended on the basis of their past work, charges $3.75 per determination, which includes gold assay and silver assay.

Drilling

We are forwarding herewith copies of three drilling bids. We definitely favor and recommend the Smith Drilling of Nucla, Colorado. This choice is based on our experience with these people last year in this same area.

Drilling Within 100 Ft. of Boundaries

As regards the positions of the proposed holes with respect to the boundary line, the hole on the Florida claim may be located to the north and west of the indicated position on the map, to comply with the regulation of not locating holes within 100 ft. from the boundary.

The eastern most proposed hole on the Tyrone claim may be moved to the west to a position between the indicated proposed holes in the south central part of the Tyrone claim.

RECEIVED
APR 13 1971
SPOKANE, WASH.

Proposed Drilling

The bearings and inclinations of the proposed holes are listed below. In some cases we prefer to withhold these data because the initial holes in a given area may reveal data which suggests modification of the probable inclination of a succeeding hole.

Hecla area:

First hole, N15°W, down 55°
Second hole pending

Florida area:

First hole, North, down 65°
Second hole pending

Tyrone area:

First hole, North, down 55° (125 ft. W of E boundary)
Second hole, North, down 45° (225 ft. W of E boundary)
Third hole pending

Should there be any additional information needed, please contact us.

Sincerely,

A. P. Kibbe
President

APK:ps
Enclosures

Telephone 864-7412

Smith Drilling
P. O. Box 417
NUCLA, COLORADO 81424

March 22, 1971

RECEIVED
APR 13 1971
O. M.
SPOKANE, WASH.

BID QUOTATION

Mr. A. P. Kibbe, President
Kibbe & Company
First Security Building
Salt Lake City, Utah 84111

Dear Sir:

We would like to bid the following prices on the drilling in the Butte, Montana area:

DRILLING PER FOOT: 0 - 300 ft. $8.00 - 300 - 500 Ft. $9.00

LOST CASING PER FOOT: PRESENT REPLACEMENT COST.

CEMENTING PER HOUR: $20.00

MOVE-IN COST: $900.00

CARDBOARD CORE-BOXES: $1.00 each

Sincerely yours,

SMITH DRILLING

Jack R. Smith

Jack R. Smith

JRS/gm

"Paper Patented by NCR Co."

Proposal

JUSTICE CORE DRILLING COMPANY
Diamond Core Drilling - Rotory Drilling
Route #1 Ustick Road
MERIDIAN, IDAHO 83642

RECEIVED APR 13 1971 SPOKANE WASH

PROPOSAL SUBMITTED TO: Kibbe & Company		PHONE: 521-3575	DATE: March 22, 1971
STREET: First Security Building		JOB NAME:	
CITY, STATE AND ZIP CODE: Salt Lake City, Utah 84111		JOB LOCATION: Three miles northwest of the Finlin Hotel, Butte Montana	
ARCHITECT:	DATE OF PLANS:		JOB PHONE:

We hereby submit specifications and estimates for:

(1) Mobilization	Lump sum	$500.00
(2) Demobilization:	Lump sum	$500.00
(3) Core Drilling NQWL :	per foot	
0 to 250 ft.		7.50
250 to 500		8.00
500 to 750		8.50
(4) Core Drilling BQWL:	Per Foot	
0 to 250		7.00
250 to 500		7.50
500 to 750		8.00
(5) Plug drilling:	per foot	5.00
(6) Casing and removing casing:	per. hour	18.00
(7) Cementing:	per hour	18.00
(8) Reaming:	per hour	20.00
(9) Casing left in hole by request:	per foot	3.00

(continued on page two)

We Propose hereby to furnish material and labor — complete in accordance with above specifications, for the sum of:

_____ dollars ($ _____).

Payment to be made as follows:

~~Each monthly payment to be payed in full with in two weeks upon receiving monthly~~ billing.

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workmen's Compensation Insurance.

Authorized Signature [signature]

Note: This proposal may be withdrawn by us if not accepted within _____ days.

Acceptance of Proposal — The above prices, specifications

"Paper Patented by NCR Co."

Proposal

JUSTICE CORE DRILLING COMPANY

Diamond Core Drilling - Rotory Drilling
Route #1 Ustick Road
MERIDIAN, IDAHO 83642

RECEIVED APR 13 1971 SPOKANE, WASH

(Continued from page one)

PROPOSAL SUBMITTED TO	PHONE	DATE
Kibbe and Company		March 22, 1971
STREET: First Security Building	JOB NAME	
CITY, STATE AND ZIP CODE: Salt Lake City, Utah 84111	JOB LOCATION: Butte, Montana	
ARCHITECT	DATE OF PLANS	JOB PHONE

We hereby submit specifications and estimates for:

(10) Core Boxes: per box $1.10

(11) Set up and moves: per hour 14.00

(12) Kibbe & Company to pay our cost deliveded to job site the following items: Drill mud and additives, cement, water soluble oil and lost circulation material.

Kibbe & Company to build all drill sites and roads to same.

We Propose hereby to furnish material and labor — complete in accordance with above specifications, for the sum of:

_____ dollars ($ _____).

Payment to be made as follows:

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workmen's Compensation Insurance.

Authorized Signature [signature]

Note: This proposal may be withdrawn by us if not accepted within 60 days.

Acceptance of Proposal — The above prices, specifications

KIBBE & CO.
FIRST SECURITY BUILDING
SALT LAKE CITY, UTAH 84111
PHONE 521-3675

RECEIVED
APR 13 1971
SPOKANE, WASH.

March 16, 1971

Dear Sirs:

We expect to start a drilling project in the Butte area in the near future, B-X core, with three to four thousand feet of drilling.

The location of the area is three miles northwest of the Finlin Hotel, Butte, one mile off the highway on a good dirt road.

We would like to have you bid on the following:

Drilling per foot	0 - 300 -$9.25 Per Foot, 300 - 500 $10.50 per f
Lost casing per foot	Our Cost plus 15%
Cementing per hour	$22.50 per hour plus all material
Move-in cost	~~$10x50~~ $1050.00 Or $1.50 per mile.
Cardboard Core-boxes	$1.00 per 10 foot box.

Water is no problem, as you will not have to haul water over a mile to any of the drill sites. We will prepare roads and drill sites. All drilling will be surface drilling.

Very truly yours,

A. P. Kibbe
President

APK:md

Above prices submitted by:

THE FRITZ-ERICKSON MINING COMPANY

By Clyde C. Fritz Pres.

Date March 25-71

8

MME FORM 8 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS E[illegible]RATION

TO:	DATE	INITIALS
1. Chief, Office of Minerals Explora		
2. Re: OME 6809 (Silver) ~~Kibbe and Co.~~ Florida Group		
3. ~~Silver Bow County, Montana~~		
4.		
5. Willard P. Puffett ~~Field Officer, Region I~~	3/19/71	WPP
FROM:		

FOR: Check items for action desired

____ Action	____ Reply for signature of ____	
____ Approval	____ Investigate	____ Surname
____ Comment	____ Recommendations	____ Signature
____ Conference	____ Rewrite	____ File
____ Instructions	X Your information	

REMARKS: Some more data giving locations of proposed drill holes, administration costs, assay cost, preparation of drill hole locations, and pay for geologist. Not in the exact form I'd prefer but will wait until I get the drill bids before making further inquiry from [illegible]ibbe and Co. I can find nothing in the lease [illegible] refers to the fraction between the Florida Tyrone claim. I discussed this with [illegible]olin and Thornburg in Butte on 10/8/70

[illegible]EC., WASH., D.C. M56300-62

KIBBE & CO.
FIRST SECURITY BUILDING
SALT LAKE CITY, UTAH 84111
PHONE 521-3575

March 17, 1971

RECEIVED
MAR 19 1971
O. M. E.
SPOKANE, WASH.

COPY
O. M. E.
RECEIVED
MAR 22 1971
INITIALS | CODE
7/20
6-2 | 20M
4K on Land | ~~20~~
WE | 20

Mr. Willard P. Puffett
Office of Minerals Exploration
420 Riverside, Room 656
Spokane, Washington

Re: O. M. E. 6809 (Silver)
Kibbe & Co.
Florida Group
Silver Bow County, Montana

Dear Mr. Puffett:

We are enclosing two copies of the map prepared by Mr. Chauncey Thornburg, our geologist, showing the location of the proposed drill holes on our Florida group of claims.

The estimated drilling time for this project will be six months, on a one-shift basis.

Administrative costs for this period will be $1,000.00 per month, which includes car rental and telephone. The cost for the geologist to log holes will be $500.00, which includes expenses. The cost of assaying will be $50.00 per month. Bulldozing roads and preparing drill locations will cost $1,000.00.

We have put out three invitations to bid. As soon as the bids are received, we will mail you copies.

If we can be of any further assistance, please feel free to call on us at any time.

Very truly yours,

A. P. Kibbe
President

APK:md
Enclosures

KIBBE & CO.
FIRST SECURITY BUILDING
SALT LAKE CITY, UTAH 84111
PHONE 521-3575

March 16, 1971

RECEIVED
MAR 19 1971
O. M. E.
SPOKANE, WASH.

Mr. Willard P. Puffett
Office of Minerals Exploration
420 Riverside, Room 656
Spokane, Washington

Re: O. M. E. 6809 (Silver)
Kibbe & Co.
Florida Group,
Silver Bow County, Montana

Dear Mr. Puffett:

Listed below is our estimate of the proposed diamond drilling on the Florida Group:

Diamond Drilling Holes Proposed

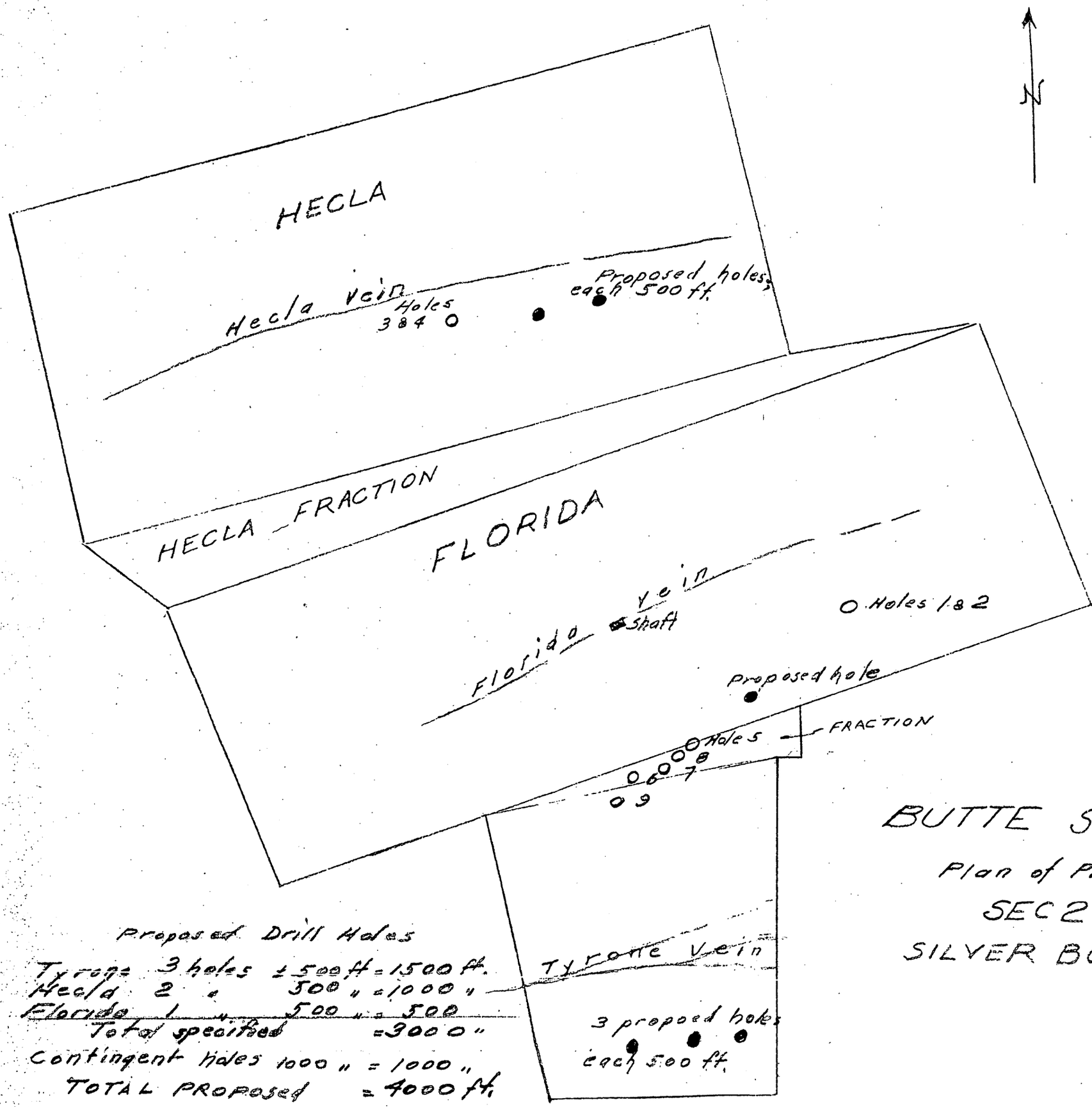
Tyrone Area		
3 holes each 500 feet	=	1500 ft.
Hecla Area		
2 holes each 500 feet	=	1000 ft.
Florida Area		
1 hole - 500 ft.	=	500 ft.
Contingent Holes - 1000 ft.	=	1000 ft.
Total proposed drilling	=	4000 ft.

Very truly yours,

A. P. Kibbe
President

APK:md

RECEIVED
MAR 19 1971
O. M. E.
SPOKANE, WASH.



Proposed Drill Holes

Tyrone	3 holes	± 500 ft	= 1500 ft.
Hecla	2 "	500 "	= 1000 "
Florida	1 "	500 "	= 500
Total specified			= 3000 "
Contingent holes	1000 "		= 1000 "
TOTAL PROPOSED			= 4000 ft.

BUTTE SILVER & GOLD, Inc.

Plan of Proposed Diamond Drilling

SEC 2 T.3N. R.8W.

SILVER BOW COUNTY, MONTANA

Scale 1" = 200 ft.

Legend

Holes already drilled ○

" Proposed ●

Locations are marked by stakes in field.

United States Department of the Interior

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

March 16, 1971

OFFICIAL
MAR 18 1971
INITIALS CODE
130
Col 120 NW
On leave 120

Memorandum

To : Chief, Office of Minerals Exploration

From : Field Officer, Region I

Subject: OME-6809 (Silver)
Kibbe and Company
Florida Group
Silver Bow County, Montana

Mr. Bill Franklin, engineer for Kibbe and Co., telephoned me from Los Angeles, California, on March 11, 1971, and again from Salt Lake City, Utah, on March 16, 1971, to discuss information needed for the cited application.

Mr. Franklin is preparing a map showing the location of the proposed drill holes, and has requested bids from contractors for the diamond drilling.

My application report is partially prepared but cannot be completed until the information from Mr. Franklin arrives.

Willard P. Puffett

Willard P. Puffett

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
3/4/71	(on leave)	120
	Emerick	120
		130
3/5	cal	220
		120M

MAR 5 1971

AIRMAIL

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6809 (Silver)
Kibbe and Co.
Florida Group
Silver Bow County, Montana

The subject application is referred to you for further study, a field examination if warranted, and recommendations.

Enclosed are copies of a letter dated February 26, 1971 from counsel for Kibbe, Memorandum of Dissolution of Madison Minerals, Ltd., and Assignment between Madison Minerals, Ltd., and Butte Minerals, Ltd. A map showing the location, direction, and depth of drill holes on the modified proposal was requested but not received. The map, and an evaluation of the legal problems by the Solicitor's office, will be needed only if a contract is recommended.

Harold Kirkemo (gl.)

Harold Kirkemo

Enclosures

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
Mr. Emerick
130

WLEmerick/bsl 3/4/71

MMS Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
3/4/71		120
	Emerick	120
		130
		220
		120M

MAR 5 1971

AIRMAIL

Mr. A. P. Kibbe
President
Kibbe and Co.
First Security Building
Salt Lake City, Utah 84111

Re: OME-6809 (Silver)
Kibbe and Co.
Florida Group
Silver Bow County, Montana

Dear Mr. Kibbe:

The application for assistance in exploring the subject property has been reviewed by the Washington office and referred to Mr. Willard P. Puffett, Field Officer, Region I, Office of Minerals Exploration, U. S. Geological Survey, 656 U. S. Court House, W. 920 Riverside Avenue, Spokane, Washington, 99201.

Mr. Puffett will notify you if he requires additional information concerning the application and possibly to make arrangements for an on-site examination of the property.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

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

WLEmerick/bsl 3/4/71

PAUL H. RAY (1893-1967)
S. J. QUINNEY
A. H. NEBEKER
ALBERT R. BOWEN
W. J. O'CONNOR, JR.
C. PRESTON ALLEN
MARVIN J. BERTOCH
ALONZO W. WATSON, JR.
RAMON M. CHILD
STEPHEN B. NEBEKER
HUGH C. GARNER
L. RIDD LARSON
DON B. ALLEN
MERLIN O. BAKER
STEPHEN H. ANDERSON
CLARK P. GILES
JAMES W. FREED
THOMAS A. QUINN
JAMES L. WILDE
M. JOHN ASHTON
HERBERT C. LIVSEY
WILLIAM A. MARSHALL

RAY, QUINNEY & NEBEKER
ATTORNEYS AT LAW
SUITE 400 DESERET BUILDING
SALT LAKE CITY, UTAH 84111

TELEPHONE
364-7742

OFFICIAL
COPY
O. M. E.
RECEIVED
MAR 2 1971
INITIALS | CODE
130
120
120
120

February 26, 1971

Copy to Region

Harold Kirkemo, Chief
Office of Minerals Exploration
U.S. Department of Interior
Washington, D.C. 20242

RE: OME - 6809 (Silver)
Kibbe & Co.
Florida Group
Silver Bow County, Montana

Dear Mr. Kirkemo:

Reference is made to your letter of January 22, 1971, addressed to Mr. A. P. Kibbe. As counsel for Mr. Kibbe and some of the business entities with which he is involved, we respectfully request that your office process the captioned application for financial assistance on the basis of the documents now in your possession, together with additional information provided herewith, all of which we believe to be in good order. The requests in your letter of January 22nd would result in documentation nearly identical to that which you already have, and there has been absolutely no change whatever in the beneficial interests pertaining to the property or the operating and managing personnel. Your request for a new application in the name of Butte Minerals, Ltd. should not be necessary and does not add any substance whatever to the application as now on file in the name of Kibbe & Co.

Your file already contains a copy of the underlying mining lease between Benich, Endresse and Richardson, lessors, and Butte Silver & Gold, Inc., lessee. You also have a copy of the assignment of lease and exploration agreement by which Butte Silver & Gold, Inc. assigns the lease to Kibbe & Co., a Utah corporation qualified to do business in Montana. That instrument evidences that Kibbe & Co. is acting in its capacity as general partner of a limited partnership.

Originally, Madison Minerals, Ltd. was to be named as the operating partnership but subsequently it was determined that Butte Minerals, Ltd. would be the operating partnership. However, Kibbe & Co. is general partner of Butte Minerals, Ltd. and said partnership is operating as the nominee and assignee of Madison Minerals, Ltd. in strict conformance with the terms of the assignment of lease and exploration agreement. Therefore, the change of the operating partnership to Butte Minerals, Ltd. is solely a matter of form and not of substance. Moreover, the State of Montana required corporate qualification of Kibbe & Co. by reason of its function as a general partner of a limited partnership, and this fact adds continuity for Butte Minerals, Ltd. in the subject loan application. We respectfully suggest that your request for an entirely new set of documents is a technical matter which, in reality, would provide your office with nothing more than it has already.

You have already been furnished with a copy of the partnership agreement for Butte Minerals, Ltd. In further conformation of the transfer of interest, we enclose herewith a Xerox copy of the executed agreement dissolving Madison Minerals, Ltd. which expressly requires assignment of the subject mining lease to Butte Minerals, Ltd. That assignment was further confirmed in a document of assignment, a copy of which is also enclosed.

Please proceed to process the loan application at once. This letter should provide all the clarification your office realistically needs. However, we shall be happy to communicate further if we can assist in expediting the loan. Please do not put us to the burden of going back to all of the individuals in Montana to obtain signatures on documents which, in substance, only duplicate those which are already executed and which are in your file.

Your consideration in this matter is appreciated.

Very truly yours,

RAY, QUINNEY & NEBEKER

Don B. Allen

Don B. Allen

DBA:kh

Enclosures

MEMORANDUM OF DISSOLUTION

MADISON MINERALS, LTD.

A. Pursuant to Paragraph 18 of the Limited Partnership Agreement of Madison Minerals, Ltd., the undersigned, being all of the partners thereof, hereby declare by unanimous consent the dissolution of said partnership.

B. The General Partner is hereby directed to transfer the remaining assets and liabilities of the partnership to Butte Minerals, Ltd., on receipt of $2,813.55.

C. All money thereafter remaining, constituting the entire assets of the partnership, shall be distributed to the Limited Partners, 10% to A. P. Kibbe and 90% to Oppenheimer and Co.

D. The General Partner is hereby further directed to take such other steps and execute and file such other documents as may be necessary or convenient for winding up the affairs of the partnership and removing notice of the same from any public records.

IN WITNESS WHEREOF, we have hereunto set our hands this 27 day of March, 1970.

GENERAL PARTNER:

KIBBE & CO.

By A. P. Kibbe
A. P. Kibbe, President

LIMITED PARTNERS:

A. P. Kibbe
A. P. KIBBE

OPPENHEIMER & CO.

By /s/ Leon Levy
Leon Levy

A S S I G N M E N T

For valuable consideration, the receipt of which is hereby acknowledged, MADISON MINERALS, LTD., a limited partnership, hereby assigns, sets over and transfers to BUTTE MINERALS, LTD., a limited partnership, nominee, all of its right, title and interest in and to that Assignment of Lease and Exploration Agreement between Butte Silver & Gold, Inc., a corporation, and Kibbe & Co., a corporation, it being the intent of this instrument that BUTTE MINERALS, LTD. obtain all of the rights and obligations of MADISON MINERALS, LTD. under the aforesaid agreement and that Kibbe & Co. serve as General Partner of BUTTE MINERALS, LTD. in furtherance of and as contemplated by Paragraph 3 of the aforesaid Assignment of Lease and Exploration Agreement.

DATED this 27 day of March, 1970.

MADISON MINERALS, LTD.

By A. P. Kibbe
A. P. KIBBE, President
Kibbe & Co., General Partner

SURNAME COPY

1/22/71 Emerick 120E

1/22 120

220

120M

AIRMAIL

Mr. A. P. Kibbe
President
Kibbe & Co.
First Security Building
Salt Lake City, Utah 84111

JAN 22 1971

Re: OME-6809 (Silver)
Kibbe & Co.
Florida Group
Silver Bow County, Montana

Dear Mr. Kibbe:

This will acknowledge receipt of your modified application, dated December 21, 1970, for financial assistance to explore the Florida Group of claims by diamond core drilling.

We have reviewed the modified application carefully in this office and conclude that certain new conditions have been imposed concerning rights in the land. The modified application submitted under the above date makes no change in item 2(a) of the original application, dated November 17, 1969, which states that Madison Minerals, Ltd., controls the mineral rights of the claims. Later, a letter from your legal counsel, Ray, Quinney & Nebeker, dated August 25, 1970, states that Madison Minerals, Ltd., was dissolved and a new limited partnership formed known as Butte Minerals, Ltd. Further, the agreement effective March 27, 1970, between Kibbe & Co., and Butte Minerals, Ltd., states under item 7 that Kibbe & Co. shall contribute its property interests to the capital of the Partnership. These are the same property interests earlier assigned to Madison Minerals, Ltd.

It appears now that Butte Minerals, Ltd., should be the applicant rather than Kibbe & Co., because by item 7 of the Limited Partnership Agreement of March 27, 1970, the land rights are vested in Butte Minerals, Ltd., by Kibbe & Co., the General Partner. A new application should be submitted with Butte Minerals, Ltd., as the applicant, and at the same time the withdrawal of the original and modified applications should be requested. The new application also should include revised information for item 2(a) of the application to reflect the rights of Butte Minerals, Ltd., in the land.

Before we can proceed further with processing the application, the following additional documents should be furnished OME in order to chronologically clarify the applicant's rights in the land:

1. A document assigning lease to Madison Minerals, Ltd.

2. A document dissolving Madison Minerals, Ltd., and/or indicating reassignment or restoration of lease to Kibbe & Co.

3. A new consent to assignment of lease of mining property from the owners to Kibbe & Co., permitting reasignment of lease to Butte Minerals, Ltd.

4. A new assignment of Lease and Exploration Agreement between Butte Silver and Gold, Inc., and Kibbe & Co. with Kibbe & Co., in its capacity as General Partner of Butte Minerals, Ltd.

5. New Lien and Subordination Agreements signed by the owners, and showing Butte Minerals,Ltd., as the Operator.

We are enclosing three sets of the application form and six copies of the Lien and Subordination Agreements for your use in making the changes requested above. In addition, please include a map showing the location, direction, and depth of the proposed drill holes.

Sincerely yours,

Harold Kirkemo
Chief, Office of
Minerals Exploration

Enclosures

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

WLEmerick/HKirkemo/gla 1-22-71

KIBBE & CO

SALT LAKE CITY UTAH 84111

December 4, 1970

OFFICIAL COPY
O. M. E.
RECEIVED
DEC 9 1970
INITIALS | CODE
[illegible] | 120
[illegible] | 120
[illegible] | 120
Re:

Mr. Willard P. Puffett
Office of Minerals Exploration
U. S. Department of the Interior
656 U. S. Court House
W. 920 Riverside Avenue
Spokane Washington 99201

OME-6809 (Silver)
Kibbe & Co.
Florida Group
Silver Bow County, Montana

Dear Mr. Puffett

I very much appreciated receiving your letter of December 2. Mr. Thornburg has been working on the application and we will be submitting to you the material to which you referred, as we are quite anxious to go forward with this application and program.

Again thanking you,

Sincerely,

APK.md

A. P. Kibbe
President

cc. Mr. C. L. Thornburg

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

OFFICIAL COPY

INITIALS

December 2, 1970

Mr. A. P. Kibbe, President
Kibbe and Company
First Security Building
Salt Lake City, Utah 84111

Re: OME-6809 (Silver)
Kibbe and Company
Florida Group
Silver Bow County, Montana

Dear Mr. Kibbe:

Mr. Franklin and Mr. Thornburg agreed, in our conference in Butte, Montana, on October 8, 1970, that it would be best if the cited application were withdrawn and a new one submitted which would include new letters from the bank, a new name for applicant, and plans for exploring by diamond drilling rather than shaft-sinking. I assume that they transmitted these conclusions to you. New application forms were mailed to you after I returned from Butte.

I have heard nothing further from you in regard to the above and wonder if you are still interested in seeking OME assistance to explore the Florida Group of claims. It does take some time to prepare an application, but I believe that by now you will have arrived at a decision regarding plans for future work.

If you decide against submitting a new application, please let me know, so that I can take appropriate action on your present one.

Sincerely,

Willard P. Puffett
Field Officer, OME
Region I

cc: OME

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

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 23 1970

INITIALS	CODE
[illegible]	120
[illegible]	[illegible]
HK	120
WEH	20

October 19, 1970

Memorandum

To : Chief, OME

From : Field Officer, Region I

Subject: Field examination
OME-6809 (Silver)
Kibbe and Company
Florida Group
Silver Bow County, Montana

On-site Exam

I examined the Florida Group in the company of Mr. Bill Franklin and Mr. C. L. Thornburg, on Thursday, October 8, 1970. We visited the outcrops on the property and then drove to Melrose, Montana, to examine diamond drill core from holes drilled recently on the Florida claim. Late in the day we discussed the application, proposed new work, and the problems concerning the many different companies mentioned in the application.

The newly proposed work departs considerably from that in the original application; new work requested is diamond drilling from the surface on the Tyrone and Hecla claims, and does not include shaft rehabilitation and shaft sinking on the Florida claim.

As a result of the conference, Mr. Franklin and Mr. Thornburg agreed that the best procedure to follow would be to submit a new application with plans and cost for the drilling, to be accompanied by bids from drilling contractors and new letters from the banks. In all probability the name of the applicant would not be Kibbe and Company, but would be the name of a limited partnership that would reflect the true ownership of the applicant's property. The applicant, upon submitting a new application, will request the withdrawal of the one we now have.

Willard P. Puffett

Willard P. Puffett

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
8/22/70	Emerick	120
		120
9/15	CRC	220
		120M

AIRMAIL

SEP 15 1970

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6809 (Silver)
Kibbe and Company
Florida Group
Silver Bow County, Montana

The subject application is referred to you for further study, a field examination if warranted, and recommendations.

We are enclosing copies of additional, or new, geologic information and maps, a copy of the Articles of Incorporation of Kibbe and Company, a copy of the Assignment of Lease and Exploration Agreement between Butte Silver and Gold, Inc., and Kibbe and Company and a copy of the Limited Partnership Agreement between Butte Minerals, Ltd. and Kibbe and Company. All of this material was submitted directly to this office so you probably would not have copies.

There are still some legal problems to take care of if a contract is approved, for example items 3 and 4 of our letter to the applicant dated August 14, 1970, but if the application is denied we can forget them.

Harold Kirkemo (bsl)

Harold Kirkemo

Enclosures

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
Mr. Emerick
130

WLEmerick/bsl 9/11/70

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
9/11/70	Emerick	120
		120
		220
		120M

AIRMAIL

SEP 15 1970

Mr. A. P. Kibbe
President
Kibbe and Co.
First Security Building
Salt Lake City, Utah 84111

Re: OME-6809 (Silver)
Kibbe and Company
Florida Group
Silver Bow County, Montana

Dear Mr. Kibbe:

Thank you for the additional information furnished in your letter of August 25, 1970 in support of your application for financial assistance in exploring the Florida Group of claims.

We are now referring the application for further consideration to Mr. Willard P. Puffett, Field Officer, Region I, Office of Minerals Exploration, U. S. Geological Survey, Room 656, West 920 Riverside Avenue, Spokane, Washington 99201.

Mr. Puffett will notify you if additional information concerning the application is needed and possibly to make arrangements for an on-site examination of the property. Nothing in this letter should be construed as a commitment by the Government to grant an exploration contract.

Sincerely yours,

Harold Kirkemo (bsl)

Harold Kirkemo
Chief, Office of
Minerals Exploration

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

WLEmerick/bsl 9/11/70

PAUL H. RAY (1893-1967)
S. J. QUINNEY
A. H. NEBEKER
ALBERT R. BOWEN
W. J. O'CONNOR, JR.
C. PRESTON ALLEN
MARVIN J. BERTOCH
ALONZO W. WATSON, JR.
RAMON M. CHILD
STEPHEN B. NEBEKER
L. RIDD LARSON
DON B. ALLEN
MERLIN O. BAKER
STEPHEN H. ANDERSON
CLARK P. GILES
JAMES W. FREED
THOMAS A. QUINN
JAMES L. WILDE
M. JOHN ASHTON
HERBERT C. LIVSEY

RAY, QUINNEY & NEBEKER
ATTORNEYS AT LAW
SUITE 400 DESERET BUILDING
SALT LAKE CITY, UTAH 84111

TELEPHONE
364-7742

OFFICIAL
COPY
O. & G.
AUG 27 1970
SERIAL CODE
1130
bal 1120
1120
UE 1120
Copies to region

August 25, 1970

William L. Emerick, Assistant Chief
Office of Minerals Exploration
United States Department of the Interior
Washington, D.C. 20242

RE: OME-6809 (Silver)
Kibbe & Co.
Florida Group
Silver Bow County, Montana

Dear Mr. Emerick:

As counsel for Kibbe & Co., we are responding to your letter of August 14, 1970, and are pleased to furnish the following documents:

1. A copy of the Articles of Incorporation of Kibbe & Co., together with a copy of the certificate from the Secretary of State of Montana evidencing qualification in that state as of August 14, 1968.

2. A copy of the Assignment of Lease and Exploration Agreement by which Butte Silver & Gold, Inc. agrees with Kibbe & Co., for itself and as general partner of the exploration partnership, that the mining claims covered by the mining lease will be operated by the partnership. This document incorporates the items specified in numbers 2 and 3 of your letter. You will note that Paragraph 3 of the Assignment of Lease and Exploration Agreement provides that Kibbe & Co. is acting as general partner of Madison Minerals, Ltd. or any nominee of Madison. In fact, Madison Minerals, Ltd. was dissolved and a new limited partnership was formed known as Butte Minerals, Ltd.

3. A copy of the Limited Partnership Agreement of Butte Minerals, Ltd. showing Kibbe & Co. as general partner.

We trust this information fully answers your inquiry but we will be pleased to provide additional information, if needed.

Very truly yours,

RAY, QUINNEY & NEBEKER

Don B. Allen

DBA:kc

Enclosures

cc: A. P. Kibbe

KIBBE & CO.
FIRST SECURITY BUILDING
SALT LAKE CITY, UTAH 84111
PHONE 521-3575

August 10, 1970

Mr. William Emerik, Assistant Chief,
Office of Minerals Exploration
United States Department of the Interior
Geological Survey
Washington, D. C. 20242

Re: OME-6809 (Silver)
Kibbe & Co.
Florida Group
Silver Bow County, Montana

To region

Dear Mr. Emerik:

The following information is submitted in compliance with the request from your office that we amplify certain subjects discussed or mentioned in our original application, submitted in November, 1969. In Mr. Kirkemo's letter of March 26, 1970, it was pointed out that the application lacks much of the geologic information needed for your evaluation of the proposed program, so further discussion is included here. Understandably, more detailed information was requested for diamond drilling and sampling results which were incomplete at that time.

In keeping with the outline prescribed for OME applications, the following supplementary information is added to that formerly discussed under Item 3, "Physical Description".

3(a) As heretofore stated, there are no accessible mine workings in the project area or in adjacent property. However, since submitting the original application, we have acquired maps which show the Florida shaft to have reached a depth of 170 feet, and that east and west drifts were driven from the shaft about 125 feet each way on the 125 foot level. A section shows results of shaft sampling. Copies of these maps accompany this letter.

3(b) No underground operations.

3(c) We have no information as to any past production. Some could have come from old workings west of the Florida shaft.

3(d) No known ore reserves.

3(e) In expanding the geological comment originally submitted, it should be explained that the Butte surface geology has a remarkable uniformity in that the dominant rock is Butte quartz monzonite. In the northwestern part of

the district, bordering on the project area, there are irregular masses of aplite intergradational to quartz monzonite. Where the rock is altered by bleaching and iron staining distinction becomes difficult. In the western part of the district there is a blanket of rhyolite covering the quartz monzonite.

Both aplite and granodiorite are cut by numerous fractures, a number of which show mineralization of varying intensity. In the absence of other known reliable guides, the intensity and extent of mineralization in outcrops are considered the most helpful indicators in exploration work. The veins in the project area strike northeasterly to easterly and may dip steeply either south or north. Characteristic mineralization at the surface consists of quartz, calcite, rhodonite, rhodochrosite, iron and manganese oxides. The zone of oxidation extends only to about 50 feet below the surface. Late faults of northerly trend are observed. In general, the structural picture is that of an extension of the Butte vein system. Although these veins are not as strong as the larger ones of the main Butte area, they are persistent and locally well mineralized. The accompanying assay map, made to a scale of one inch equal 200 feet, provides the data requested on sampling of outcrops. Assay certificates are not available.

In the recent publication, "Graton-Sales Volume Two, Ore Deposits of the United States," edited by John D. Ridge, on page 1380 there is a plan of the Butte surface geology. The Florida shaft is roughly 4000 feet northwest of the Alice Pit shown on the drawing. The Marget Ann mine, referred to in the original application, lies about 3000 feet northerly from the Alice Pit. This reference illustrates the proximity to the Butte vein system. It appears that qualified observers do not believe that the Anaconda copper zone extends to the part of the district under discussion, but this project area and adjacent properties do offer possibilities for silver ore shoots. Little information as to the nature of the silver mineralization has been acquired during the long period of mining activity in the Butte district.

The project area contains three principal veins, namely from north to south, the Hecla, the Florida and the Tyrone. We have considered the Florida vein the logical one to develop first because of the shaft and old workings west of the shaft. Moreover, former sampling showed appreciable silver assays in the shaft, no assays plans of the drifts being available.

The first hole of the drilling initiated in May of this year was located 380 feet east of the Florida shaft in the hanging wall of the Florida vein. The

object of drilling in this locality was to explore the vein well to the east of the shaft below a strong outcrop. At 200 feet below the surface the hole cut a 12-foot vein consisting mainly of quartz and calcite. Silver assays were low, the highest being 1.68 ounces per ton. Hole No. 2 was drilled vertically, cutting the vein at 300 feet below the surface, again showing largely barren quartz and calcite. A narrow, one-foot segment in the footwall, which assayed 1.72 ounces silver per ton, was the highest assay. These unfavorable results indicate this section of the eastern part of the Florida vein to be barren in the vertical range drilled.

It was from the outset considered preferable to drill the Florida vein in the shaft area, but in order to do so a road had to be constructed across Oro Fino Gulch. While this was being done the Hecla vein was drilled at Hole No. 3, located about 300 feet southwest east of the old caved Hecla shaft. This hole cut vein mineralization at 200 feet below the surface, the better part of which showed three feet of quartz, rhodonite and minor sulphides assaying 5.2 ounces silver per ton. This was followed by Hole No. 4 which cut the vein at 380 feet below the surface and showed an improvement in grade, a two-foot segment of quartz with prominent pyrite assaying 20.32 ounces silver per ton.

The drill was then moved a point opposite the Florida shaft, in the hanging wall of the Florida vein and on the south side of Oro Fino Gulch. At a point 300 feet below the surface this hole cut 30 inches of well-defined, solid vein material showing quartz, pyrite and black sulphides assaying 34.21 ounces of silver per ton. The above segment of vein is adjoined by an additional 3.5 feet of vein consisting mainly of quartz and of lower grade. Following are the assays:

Feet	Au oz/ton	Ag oz/ton
287 - 288.5	Tr	2.96
310 - 312.5	.07	34.21
312.5 - 315	.01	1.71
315 - 316	.01	2.55
323 - 325	.06	11.54

The average of the continuous segment from 310 to 316 feet is 15.4 ounces silver per ton.

These drilling results show an increase in silver assays in depth on both the Hecla and the Florida veins. This evidence of an increase in silver

in depth in this area is supported by the Marget Ann mine to the southeast (about 3000 feet) which showed but little ore above the 200 level, and in which records indicate the development of about 20,000 tons of approximately 30 ounces per ton silver ore down to the 550 foot level.

The diamond drilling referred to in the original application is almost entirely outside of the project area and on property of other ownership. The drilling consisted of only a few holes in this section of the district. The holes were drilled to great depth (several thousand feet) so that the aggregate footage was large, even though there were only a few holes. Our statement in the original application that "the limited drilling which has been done in the locality has shown encouraging mineralization" was based on our knowledge that mineralization was shown in appreciable segments at widely scattered points and various depths. The sections of these holes can be obtained for study and inspection but it is not feasible to submit them with this application. Two of these deep holes border on the western extremity of the project area. They show silver mineralization on the Fortuna and Hecla veins, which may be summarized as follows: Hole No. 9 showed 5 feet assaying 4.0 ounces silver per ton west of our Tyrone claim, 4.2 feet assaying 2.19 ounces of silver on the far western extension of the Florida vein at 800 feet depth, roughly 700 feet west of the Florida shaft. Hole No. 11 showed 6 feet of quartz-rhodonite vein mineralized with pyrite, assaying 3.19 ounces of silver per ton at a point 300 feet deep which appears to be the western continuation of the Hecla vein.

The following maps accompany this letter: Assay section of Florida shaft, assay plan of surface samples on the Hecla, Florida and Tyrone veins and a composite map showing the Florida workings on the 125-foot level. The latter has been reproduced from an old print. It was reduced to a scale of 1" = 200 feet for convenient comparison with the surface assay plan. The Florida outcrop is indicated by the red coloring and the new diamond drill ore in hole No. 5 is shown as a red dot.

As shown on the surface assay plan, the strongest mineralization on the property is in the Tyrone outcrop. We believe the Tyrone vein to have good possibilities in depth. The Tyrone fissure system is aligned with known silver-bearing fissures to the east which can be traced into the fissure complex of the Marget Ann area.

We hope these additional data will provide the needed information for

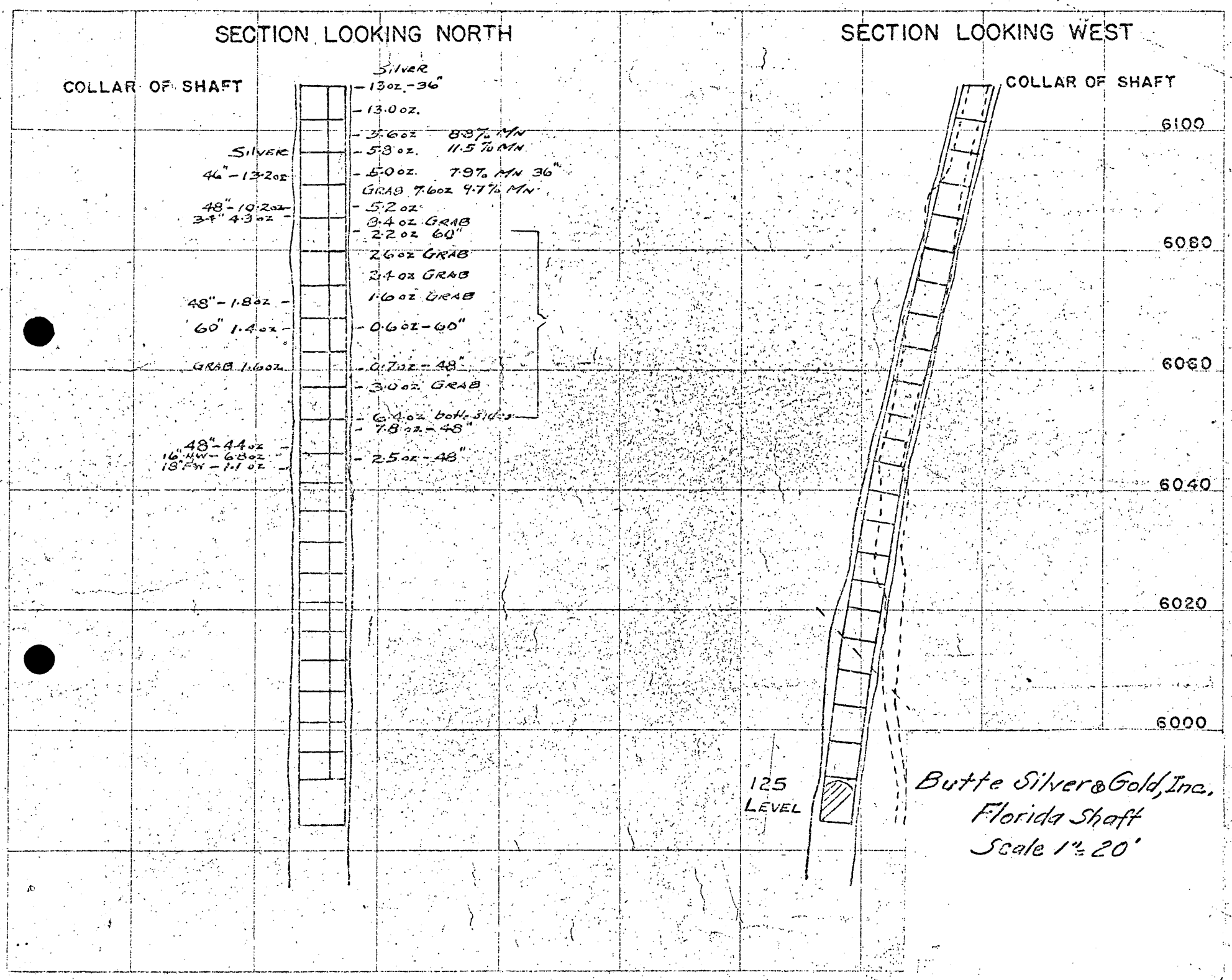
your further consideration of this application, and we shall be glad to cooperate in trying to obtain any additional items you may need.

The results of our current diamond drilling are adding information which may be of great significance. The evidence of the persistence of silver ore in depth, well below the zone of oxidation, and therefore not due to secondary enrichment, warrants considerable additional work in this part of the Butte district.

Yours very truly,

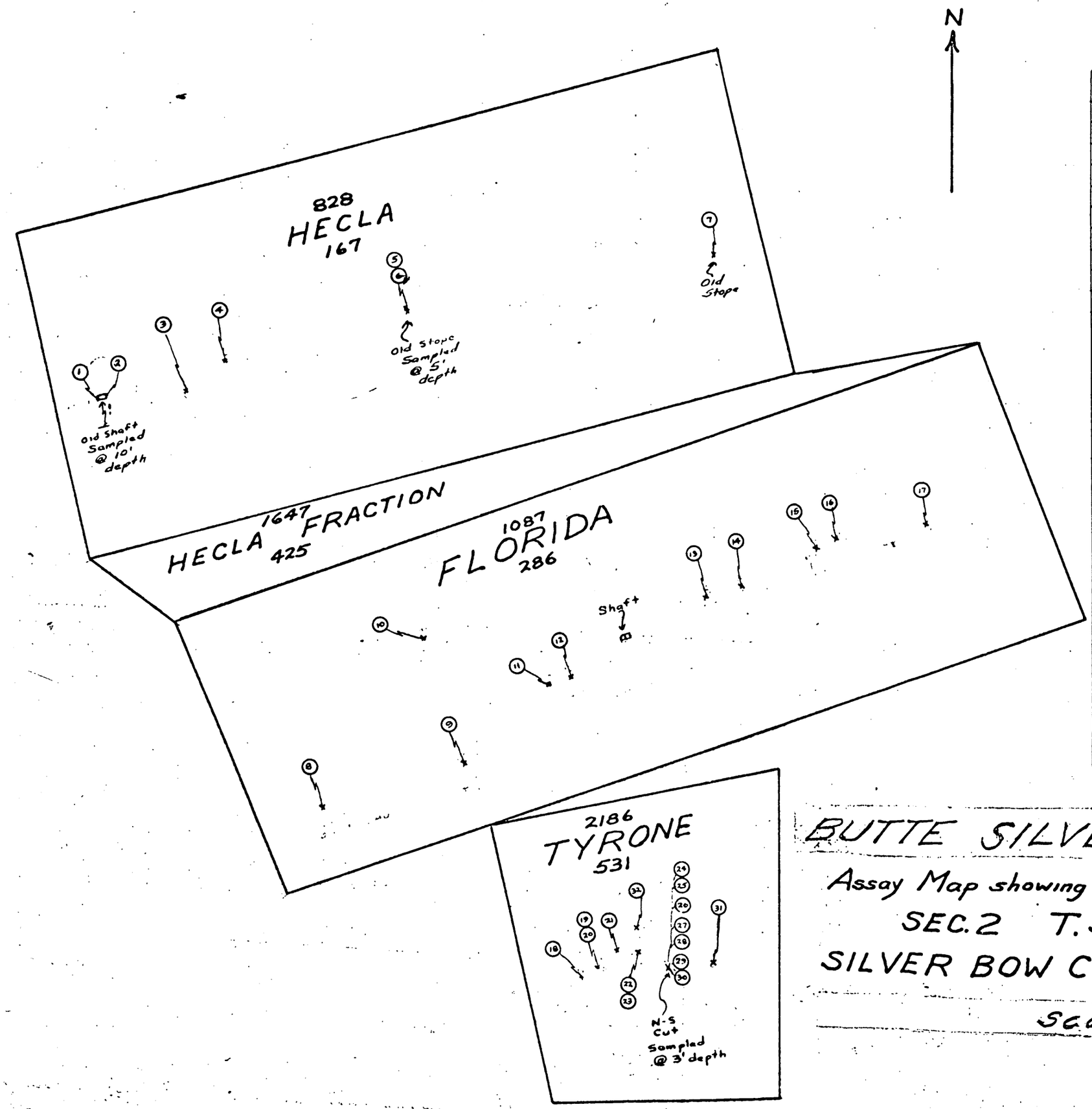
C. L. Thornburg

CLT:ps


SECTION LOOKING NORTH
COLLAR OF SHAFT
Silver
13oz.-36"
13.0oz.
3.6oz 88% MN
5.8oz. 11.5% MN
5.0oz. 7.9% MN 36"
GRAB 7.6oz 9.7% MN
5.2oz
3.4oz GRAB
2.2oz 60"
2.6oz GRAB
2.4oz GRAB
1.6oz GRAB
0.6oz-60"
0.7oz-48"
3.0oz GRAB
6.4oz bottle sides
7.8oz-48"
2.5oz-48"
Silver
46"-13.2oz
48"-10.2oz
34" 4.3oz
48"-1.8oz
60" 1.4oz
GRAB 1.6oz
48"-4.4oz
16" HW-6.8oz
18" FW-1.1oz
SECTION LOOKING WEST
COLLAR OF SHAFT
6100
6080
6060
6040
6020
6000
125 LEVEL
Butte Silver & Gold, Inc.
Florida Shaft
Scale 1" = 20'

U. S. & R. FORM 16-G

Mr. Emerson



Sample No	Width	Oz. Au	Oz. Ag	Descrip
1	6.6	0.005	2.8	Vn.
2	9.9	Trace	2.1	Vn.
3	1.5	0.010	34.8	Vn.
4	1.0	Trace	0.8	Vn.
5	4.2	Trace	6.0	Vn.
6	1.1	Trace	1.3	Vn.
7	1.6	0.010	8.8	Vn.
8	1.5	0.015	0.8	Vn.
9	1.5	Trace	0.3	Vn.
10	2.5	Trace	1.5	Vn.
11	3.0	Trace	2.3	Vn
12	3.5	0.005	6.4	Vn
13	3.5	0.005	5.1	Vn
14	4.4	0.005	3.0	Vn
15	6.0	Trace	0.4	Vn
16	7.0	0.005	0.3	Vn
17	3.5	0.005	13.4	Vn
18	3.7	Trace	4.2	Vn
19	4.0	0.005	0.2	Stringered
20	2.5	0.010	20.6	Vn
21	1.5	0.005	2.3	Stringered
22	3.5	Trace	0.2	Vn
23	2.3	Nil	Nil	Stringered Qtz.
24	0.8	0.020	7.7	Vn.
25	0.8	Trace	0.7	Vn
26	0.3	Trace	1.0	Vn
27	2.5	Trace	0.2	Vn
28	2.5	0.005	2.5	Vn.
29	6.0	Trace	0.7	Stringered
30	2.5	Trace	0.3	Vn
31	2.5	0.005	1.7	Vn
32	1.2	0.005	8.4	Vn

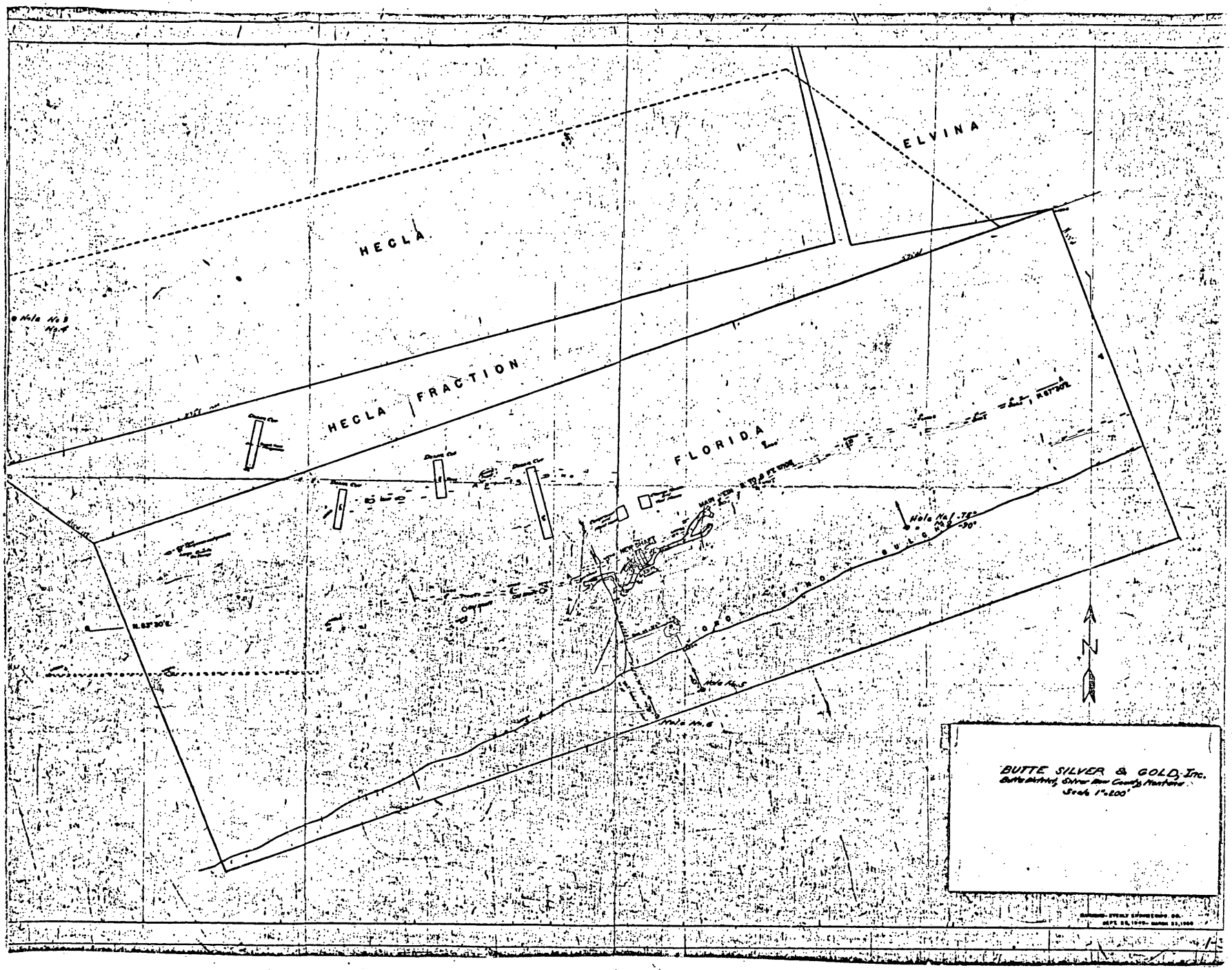
BUTTE SILVER & GOLD, Inc.

Assay Map showing locations of Assays

SEC. 2 T. 3 N. R. 8 W.

SILVER BOW COUNTY, MONTANA

Scale 1" = 200'

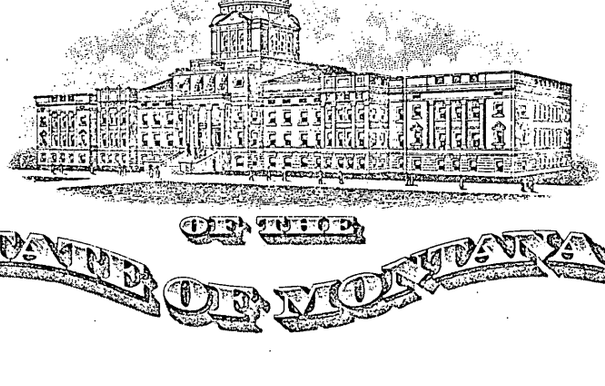

HECLA
ELVINA
HECLA FRACTION
FLORIDA
N
BUTTE SILVER & GOLD, Inc.
Butte District, Silver Bow County, Montana
Scale 1"=200'

MISC. 2—1M 4-68 97832

TRIBUNE PRINTING

FC-7

Department of the Secretary of State



OF THE STATE OF MONTANA

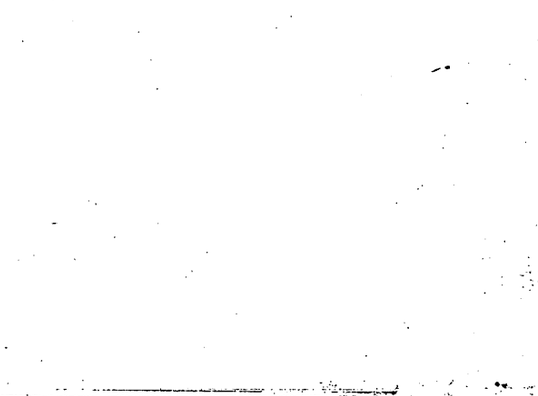
to begin.

UNITED STATES OF AMERICA
STATE OF MONTANA } SS

I, FRANK MURRAY, Secretary of State of the State of Montana, do hereby certify that

KIBBE & CO.

a foreign corporation organized and existing under the laws of the State of Utah has this day filed a duly certified copy of its Articles of Incorporation, together with a Statement, Appointment and Acceptance of Agent, as required by law, in the office of the Secretary of State of the State of Montana.



IN TESTIMONY WHEREOF, I have hereunto subscribed my hand and caused the Great Seal of the State of Montana to be affixed at Helena, the Capital, this fourteenth day of August A. D. 1968.

Frank Murray
FRANK MURRAY
Secretary of State

By: Gail M. DeWalt
Chief Deputy

STATE OF UTAH

Executive Department

THE GREAT SEAL OF THE STATE OF UTAH — INDUSTRY — 1847 — 1896

Office of Secretary of State

Certificate of Incorporation

of

KIBBE & CO

I, Clyde L. Miller, as Secretary of State of Utah, hereby certify that duplicate originals of Articles of Incorporation for the incorporation of

KIBBE & CO.

duly signed and verified pursuant to the provisions of the Utah Business Corporation Act, have been received in this office and are found to conform to law.

Accordingly, the undersigned, as such Secretary of State, and by virtue of the authority vested in him by law, hereby issue this Certificate of Incorporation of

KIBBE & CO

and attaches hereto a duplicate original of the Articles of Incorporation.

In Testimony Whereof, I have hereunto set my hand and affixed the Great Seal of the State of Utah at Salt Lake City, Utah, this 22nd day of March A.D. 19 66.

Clyde L. Miller
SECRETARY OF STATE

By [illegible]
DEPUTY

FILED in the office of the Secretary of State, of the State of Utah, on the 22nd day of March A.D. 1966
CLYDE L. MILLER
Secretary of State
Filing Clerk EO Fees 15.00

RECEIVED
OFFICE OF
SECRETARY OF STATE

1966 MAR 22 PM 4 06

ARTICLES OF INCORPORATION

OF

KIBBE & CO.

We, the undersigned, natural persons of the age of 21 years or more, acting as incorporators of a corporation under the Utah Business Corporation Act, do hereby adopt the following Articles of Incorporation for such corporation:

ARTICLE I

Name

The name of the corporation hereby created shall be:

KIBBE & CO.

ARTICLE II

Duration

The corporation shall continue in existence perpetually unless sooner dissolved according to law.

ARTICLE III

Purposes

The nature of the business and the objectives and purposes proposed to be transacted, promoted and carried on by the corporation are as follows:

A. To engage in the investment and securities business both as principal and as broker or agent.

B. To purchase or otherwise acquire, for the purpose of holding, operating or disposing of same, real and personal property of every kind and description, including the good will, stock, rights and property of any person, firm, association or corporation, paying for the same in cash, stock, debentures or bonds of this corporation, and to conduct in any lawful manner the whole or any part of any business so acquired and to exercise all the powers and rights necessary or convenient to the conduct and management of such business.

C. To draw, make, accept, indorse, discount, execute, underwrite and issue promissory notes, bills of exchange, warrants, bonds, debentures and other negotiable or transferable instruments, or obligations of the corporation, from time to time, for any of the objects or purposes of the corporation.

D. To purchase and invest in and to hold, sell and otherwise deal in stocks, shares, bonds, debentures or securities of governments, states, municipalities or corporations, public or private, including both common or preferred stock.

E. The corporation shall have the power, through its Board of Directors, to purchase or otherwise

acquire and own its own stocks, debentures and bonds, or to accept the same as security for any obligation to the corporation, and shall have the right to receive the same at its or their cash value in payment of obligations or debts to the corporation.

F. The corporation shall be entitled to engage in any other business not specified hereinabove, designed to be profitable to the corporation and in conformity with the laws of the State of Utah and generally to do all things necessary or convenient which are incident to or connected with the purposes above mentioned which a natural person might or could do.

It is the intention that the objects and purposes specified in the foregoing clauses of this Article shall be construed as powers, and that the foregoing enumeration of specific purposes and objects shall not be held to limit or restrict in any manner the powers of the corporation, but shall be in furtherance of and in addition to and not in limitation of the general powers conferred by the laws of the State of Utah

It is also the intention that except where otherwise expressed herein, the objects, purposes and powers specified in any of the foregoing clauses shall not in any way be limited or restricted by reference to, or inference from, the terms of any other clause or clauses and that the objects, purposes and powers specified in each clause shall be regarded as

independent objects, purposes and powers.

ARTICLE IV

Capitalization

The aggregate number of shares which the corporation shall have the authority to issue is Twenty Five Thousand (25,000) shares of common stock, having a par value of One Dollar ($1.00) per share, making a total authorized capital of Twenty Five Thousand Dollars ($25,000.00). Said shares shall be fully paid and nonassessable. Each share shall have equal rights as to voting and in the event of dissolution or liquidation.

ARTICLE V

Paid-In Capital

The corporation will not commence business until at least One Thousand Dollars ($1,000.00) has been received by it as consideration for the issuance of its stock.

ARTICLE VI

Registered Office and Agent

The address of the initial registered office of the corporation is:

1369 Military Way
Salt Lake City, Utah

and the name of its initial registered agent at such address is:

A. P. KIBBE

ARTICLE VII

Directors

The corporation shall have a variable number of directors of from three (3) to nine (9) as the Board of Directors shall from time to time direct. There shall be three (3) directors until the Board of Directors shall provide otherwise. The names and addresses of the persons who are to serve as directors until the first annual meeting of shareholders and until their successors are elected and shall qualify, are as follows:

NAME	ADDRESS
A. P. Kibbe	1369 Military Way Salt Lake City, Utah
Evelyn R. Kibbe	1369 Military Way Salt Lake City, Utah
M. Scott Woodland	141 East 1st South Street Salt Lake City, Utah

ARTICLE VIII

Incorporators

The name and address of each of the incorporators is:

NAME	ADDRESS
A. P. Kibbe	1369 Military Way Salt Lake City, Utah
Evelyn R. Kibbe	1369 Military Way Salt Lake City, Utah
M. Scott Woodland	141 East 1st South Street Salt Lake City, Utah

DATED this 22nd day of ~~February~~ March, 1966.

INCORPORATORS:

A. P. Kibbe

A. P. Kibbe

Evelyn R. Kibbe

Evelyn R. Kibbe

M. Scott Woodland

M. Scott Woodland

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

I, Noah Dolan, a Notary Public, hereby certify that on the 22nd day of ~~February~~ March, 1966, personally appeared before me A. P. KIBBE, EVELYN R. KIBBE and M. SCOTT WOODLAND, who, being by me first duly sworn, severally declared that they are the persons who signed the foregoing document as incorporators, and that the statements therein contained are true.

Noah Dolan
Notary Public
Residing at Salt Lake City, Utah

My Commission Expires:

April 16, 1969

ASSIGNMENT OF LEASE AND EXPLORATION AGREEMENT

1. ASSIGNMENT

BUTTE SILVER & GOLD, INC., a Montana corporation, ("Assignor") hereby assigns, sets over and transfers to KIBBE & CO., a Utah corporation, ("Assignee") all of its interests, rights and privileges, as Lessee under that certain Mining Lease dated the 23rd day of October, 1969, with Frank Benich, et al., as Lessors, together with all obligations and covenants provided thereunder. A copy of said lease is attached as Exhibit "A".

2. ACCEPTANCE

By acceptance of this Assignment, KIBBE & CO., and all partnerships or other entities for which it acts in any capacity in connection herewith, agree to be bound by all covenants and conditions thereto as if said lease had originally been made to them and agreed to by them specifically.

3. PARTIES

It is understood and agreed that KIBBE & CO. take this Assignment and the obligations evidenced hereby in its capacity as general partner of Madison Minerals, Ltd., a Utah limited partnership, or any nominee of Madison of which KIBBE & CO. is also the general partner, all of which are collectively termed "Assignee" herein.

4. QUALIFICATION

Assignee KIBBE & CO. certifies that it is a corporation of the State of Utah in good standing and is duly qualified to transact business in the State of Montana.

5. EXPLORATION

In fulfillment of the work requirements and other obligations provided under the aforesaid Mining Lease, Assignee, through Madison Minerals, Ltd., agrees to commence exploration of the claims described in said lease, using partnership funds and such funds as can be obtained by Assignee through loans, grants or otherwise. Assignee shall have the full responsibility of conducting operations in exploring and developing the described mining properties using its own discretion as to the manner in which such work will be conducted, provided, however, that such work will be conducted consistent with the provisions of the Mining Lease and applicable law. The Assignee partnership shall be entitled to all benefits, including exploration expense deductions and depletion allowances normally incident to such mining exploration projects.

6. PROFITS

After ore is shipped from said mining properties which results in sales income, Assignee shall pay or cause to be paid all of the royalties and other obligations provided under said Mining Lease and thereafter, Assignee shall be entitled to retain all of the net profits from operations until Assignee has received a return of an amount equivalent to its original investments and advances pertaining to said properties. After recovering such investment, Assignee shall pay or cause to be paid any loans from the U. S. Government or otherwise which Assignee has incurred in connection with the subject exploration project. After repayment of all of such obligations, the net profits from operations shall thereafter be divided between the parties hereto so that Assignor herein shall be entitled to receive forty per cent (40%) of the net profits

from operations and Assignee shall be entitled to receive sixty per cent (60%) of such net profits. For the purposes of this Agreement, the term "net profits" shall be computed by determining the gross receipts from the sale of ores and other income, and deducting therefrom all expenses, including the costs of mining, milling, transportation, amortization of capital expenses or depreciation, administrative costs, royalties and other overhead costs related to the exploration and mining project.

7. ANNUAL ASSESSMENT WORK

For each mining year from and after September 2, 1969, and to the extent required under the aforesaid Mining Lease, Assignee shall perform all annual assessment work required by state and federal law pertaining to any claims which are unpatented and which may now or hereafter become part of, contiguous to, or contractually related to the exploration, development and mining project contemplated by this Agreement, it being understood that the basic claims made the subject of the aforesaid Mining Lease are patented claims not requiring such work, but that additional claims may be added to the project.

8. TERMINATION OF AGREEMENT

In the event of the default of Assignee or any partnership for which it serves under this Agreement, and upon failure to remedy such default within thirty (30) days after receiving written notice thereof from Assignor hereunder, the rights of Assignee under this Agreement shall be terminated and all of the right, title and interest pertaining to the above described Mining Lease shall automatically revert to Assignor. If for reasons other than default Assignee desires to terminate this Agreement, it may do so upon thirty (30) days

written notice to Assignor and all right, title and interest under said Mining Lease shall thereupon revert to Assignor. In any event, Assignor shall have no recourse or claim against Assignee for any purposes relating to this Agreement except return of all of the rights and privileges under said Mining Lease.

DATED this 16th day of January, 1970.

ATTEST:

Secretary

BUTTE SILVER & GOLD, INC.

By W. J. Franklin
President

ATTEST:

Secretary

KIBBE & CO.

By
President
for itself and as general partner of Madison Minerals Ltd.

BUTTE MINERALS LTD.

LIMITED PARTNERSHIP AGREEMENT

THIS AGREEMENT, effective as of the 27th day of March, 1970, by and between KIBBE & CO., a Utah corporation ("General Partner"), and A. PAYNE KIBBE of Salt Lake City, Utah, and LUDWIG BRAVMANN, JACK NASH, CHARLES H. BRUNIE, JOHN C. LIGHFOOT and LEON LEVY, all of New York City, New York ("Limited Partners").

1. Formation. The parties do hereby form a Limited Partnership (hereinafter called the "Partnership") pursuant to the provisions of Chapter 2 of Title 48, Utah Code Annotated, and in accordance with the provisions of this Agreement.

2. Name. The Partnership shall be conducted under the firm name and style of "BUTTE MINERALS LTD."

3. Purpose. The business of the Partnership shall be the acquisition and development of potential mineral-bearing properties, or interests therein, and any and all other business related to such properties and interests, in any state or country. The specification of a particular business shall not be deemed a limitation on the general powers of the Partnership in the acquisition of additional properties, the operation of other business or otherwise.

4. Term. The term of the Partnership shall begin on the effective date of this Agreement hereinabove mentioned and shall continue thereafter for a period of twenty-three (23) years unless otherwise terminated or amended by law or as hereinafter provided.

5. Principal Office. The principal office of the Partnership shall be at Suite 304, First Security Building, Salt Lake City, Utah, unless and until it is changed by the

General Partner. The General Partner shall notify the Limited Partners in writing of any change of the principal office of the Partnership.

6. Residence of Partners. The place of residence of each General and Limited Partner is shown at the end of this Agreement.

7. Contributions of General Partner. Concurrently with the execution of this Agreement, the General Partner shall contribute to the capital of the Partnership the property interests described in Schedule A, attached hereto and made a part hereof, in consideration of which he shall receive the percentage Partnership interest shown at the end of this Agreement.

need document of transfer.

8. Contributions of Limited Partners. The Limited Partners shall each contribute to the capital of the Partnership the cash amount and shall acquire the percentage interest in the Partnership shown in Schedule A. Said contributions shall be made in part or in full upon demand therefor by the General Partner.

9. Management. The General Partner shall be solely responsible for all management and similar duties necessary to the operation of the partnership, and the Limited Partners shall not be obligated for any such duties in any manner whatsoever. All funds of the Partnership shall be used for the exploration, development, improvement and exploitation of the properties and business of the Partnership. All actual costs and expenses thereof, including salaries, improvements, overhead and general operating expenses, shall be paid from funds of the Partnership, and the partners shall be reimbursed for any funds advanced at any time for such expenses.

10. General Partner's Powers. The General Partner is hereby empowered to perform any and all acts and functions it reasonably deems necessary in furtherance of the business

of the Partnership, including but not limited to the following:

(a) To negotiate, purchase, enter into and execute leases and other contracts and to transfer, assign and convey Partnership property for legal consideration in connection with its business.

(b) To incur obligations for and on behalf of the Partnership in connection with its business, and to acquire or contract for such tools, equipment and machinery as may be required from time to time.

(c) To borrow moneys for and on behalf of the Partnership upon such terms and conditions as the General Partner deems advisable and proper.

(d) To prepay in whole or in part, refinance, recast, modify or extend any contracts or agreements affecting the property or business owned by the Partnership, and to execute any and all documents and instruments necessary or convenient thereto.

(e) To open, operate, and use bank accounts in the name of the Partnership, upon such term or terms as the General Partner deems advisable.

(f) To employ agents, counsel, accountants, independent contractors, or any other person or entity deemed appropriate to the conduct of the Partnership business, and to delegate such powers and duties as may be permitted by law.

(g) To make contracts with miners, truckers, railroads or others for mining and hauling, and with mills, smelters or refineries for processing, of all minerals produced in the business.

(h) To perform all other functions deemed necessary by the General Partner to further the business of the Partnership.

(i) The other businesses and assets of the General Partner shall be kept and maintained separately from those of the Partnership. The General Partner shall not be liable, responsible or accountable in damages or otherwise to any other partner for any acts performed by it in good faith or within the scope of the authority conferred upon it by this Agreement, except for acts of malfeasance. The General Partner, as a corporation, may act by and through any of its duly authorized corporate officers.

11. Activities of Limited Partners. The Limited Partners shall have no part in the conduct or control of the Partnership business and shall have no right or authority to act for or bind the Partnership in any respect except as specifically required by this Agreement or by law.

12. Rights, Powers and Privileges Generally.

(a) Any of the partners, General or Limited, may engage in other business ventures of every nature and description, independently or with others, including but not limited to the mining business in all its phases, and neither this Partnership nor the partners thereof shall have any rights in or control over such independent ventures or the income or profits derived therefrom.

(b) The General Partner, or any of its officers, shall be required to devote only so much time to the affairs of the Partnership as it may deem necessary for the proper management of Partnership affairs.

(c) Nothing contained in this Agreement shall require any Grantee or person dealing with the Partnership to investigate the authority of the General Partner to sell or convey any Partnership property or otherwise conduct business affairs of the Partnership.

13. Profits and Losses.

(a) The terms "net profits" and "net losses" as used in this Agreement shall mean the net profits or net losses determined by the accountants employed by the firm at the close of each fiscal year. For the purpose of computing the same, the operating expenses shall be deemed to include any royalty payments and percentage profit payments made or incurred to any Lessor, manager, employee or other persons with whom the Partnership is bound by contract in regard to such payments. The General Partner shall maintain adequate accounting records for all purposes of the Partnership which shall be available for inspection by any partner. Accepted accounting methods shall be used which, when consistently applied, shall accurately reflect the profits, losses, expenses and deductions of the Partnership.

(b) To the extent allowable under Section 704 of the Internal Revenue Code of 1954, or other provisions of law, all costs, losses and deductions, including but not limited to exploration and development costs, operating costs, depreciation, and depletion, shall be allocated to the Limited Partners and apportioned among them in the ratio that each Limited Partner's capital contribution bears to the capital contributions of all the Limited

Partners. Such allocation is made to enable the Limited Partners, as the only cash investors, to recoup the cash invested by them in the Limited Partnership. In connection with any exploration and development expenditures of the Partnership, the Partnership may elect to deduct such costs currently as an expense in accordance with the provisions of Section 615 of the Internal Revenue Code of 1954, or other provisions of law.

(c) At the direction of the General Partner, portions of the income from mining operations may be distributed from time to time among the Limited Partners in the ratio that the capital contribution of each bears to the capital contributions of all the Limited Partners. After the total of such cash distributions to the Limited Partners shall reach an amount equal to the total cash capital contribution of each Limited Partner, the foregoing allocation of expenses, and deductions shall cease; thereafter all expenses, deductions and losses, and net profits as hereinabove defined, shall be apportioned among all partners in accordance with their respective Partnership percentages set forth in Schedule A.

(d) Notwithstanding any of the foregoing, the General Partner, in its sole discretion, may elect to retain any and all profits of the Partnership for working capital or reinvestment in the Partnership business when it determines that the interests of the Partnership would be furthered thereby.

14. Additional Contributions.

(a) No partner shall be required to make

additional contributions to the Partnership. However, upon consent of all the partners, such additional contributions may be made, with appropriate adjustments to Partnership percentages when necessary. In the event the agreed capital contributions described in Schedule A shall be insufficient to pay for proper exploration and development of the mineral interests of the Partnership, the partners shall consult among themselves with respect to additional contributions.

(b) In the event one or more Limited Partners decline to make such additional needed contributions, then the remaining Limited Partner or Partners who do make such contributions shall be entitled to receive the percentage interests, pro-rata, of the declining partners and the initial cash contributions of the respective Limited Partners who decline to go forward which have not been recovered from prior distributions shall be repaid from 30% of the annual net earnings of the Partnership thereafter until all of such contributions have been recovered and the Partnership interests terminated.

(c) The remaining Limited Partner or Partners who have elected to go forward with additional contributions shall be entitled to recover in cash both their original contribution and an amount equal to 150% of their additional contributions made under subparagraph (b) above before the General Partner is entitled to any share in the net profits under the percentages shown in Schedule A.

15. Distributions Upon Termination. Upon termination or dissolution of the Partnership as provided by law or in this Agreement, and payment of creditors as required by law, the assets of the Partnership shall be distributed to the partners. The Limited Partners shall first receive an amount equal to their initial capital accounts if such amounts have not already been recouped as distributions under the provisions of Paragraph 13 hereof. Thereafter, all profits and other assets of the Partnership will be distributed to all partners in accordance with their respective Partnership percentage interests at the time of such termination.

16. Transfer of Interests. No party hereto may pledge, hypothecate, or otherwise encumber, sell, assign, transfer or terminate his interest in the Limited Partnership, except as otherwise expressly provided in this Agreement. A Limited Partner may transfer his interest in the Partnership only upon receiving the consent of the General Partner to such transfer. The General Partner may transfer its interest hereunder only upon receiving the consent of all Limited Partners. No transfer or assignment of any Partnership interest hereunder without such consent shall in any way alter or lessen the obligations of the parties hereto, or act to release them of any of such obligations.

17. Death of Limited Partners. In the event of the death of a Limited Partner, his interest in the Partnership shall become part of his estate, and his executor, administrator or other personal representative shall have all the rights of a Limited Partner for the purpose of settling his estate, and shall have the right (notwithstanding the provisions of Paragraph 16 hereof) to distribute the deceased partner's interest in accordance with the will of such deceased partner, or in accordance with the laws governing the distribution of the property of an intestate applicable to

the estate of such deceased Limited Partner. The death of a Limited Partner shall not terminate or in any way alter the business of the Partnership.

18. Dissolution of Partnership. Dissolution of the Limited Partnership shall occur only upon:

(a) The expiration of its term; or

(b) The written declaration of dissolution of the General Partner and all Limited Partners; or

(c) Operation of law.

No Limited Partner shall be entitled to withdraw from the Partnership except upon receipt of the written consent of all other parties hereto, or of their successors in interest.

19. Amendments. This Agreement may not be modified, altered or amended in any manner except by agreement in writing, duly executed by all parties hereto. This Agreement and all modifications thereof shall be construed in accordance with the laws of the State of Utah.

20. Notices. All notices as may be provided for herein to be mailed to any partner shall be mailed to the address shown herein or to such new address as such partner may from time to time specify by notice mailed to all other partners.

21. Counterparts. This Agreement may be executed in several counterparts, all of which, when taken together, shall be deemed to be one original but each of which shall be deemed to be valid and binding although all others are not produced.

22. Invalidity. In the event that any provision of this Agreement shall be held to be invalid, or may not be carried into effect for any reason other than the lack of diligence of any party hereto, the same shall not affect in

any respect whatsoever the validity or binding effect of the remainder of this Agreement.

23. Power of Attorney. Each of the Limited Partners constitutes and appoints the General Partner the true and lawful attorney for him, and in his name, place and stead, to make, execute, sign, acknowledge and file a Certificate of Limited Partnership under the laws of the State of Utah, and also to make, execute, sign, acknowledge and deliver such other instruments as may be required for signature of Limited Partners under the laws of the State of Utah, or of any other governmental division or entity, or as may be appropriate to the conduct of the business of the Limited Partnership.

IN WITNESS WHEREOF, the parties have hereunto set their hands and duly executed this instrument effective the day and year first above written.

GENERAL PARTNER:

Kibbe & Co., a corporation
304 First Security Building
Salt Lake City, Utah

By /s/ A. Payne Kibbe

NAMES, SIGNATURES AND RESIDENCE ADDRESSES
OF LIMITED PARTNERS:

/s/ A. Payne Kibbe
A. Payne Kibbe
2012 Arbor Lane
Salt Lake City, Utah

/s/ Ludwig Bravmann
Ludwig Bravmann

/s/ Jack Nash
Jack Nash

/s/ Charles H. Brunie
Charles H. Brunie

/s/ John C. Lightfoot
John C. Lightfoot

/s/ Leon Levy
Leon Levy

SCHEDULE A

TO LIMITED PARTNERSHIP AGREEMENT

BUTTE MINERALS, LTD.

1. Contributions of Limited Partners		Partnership Percentage
A. Payne Kibbe	$ 6,500.00	7½%
Ludwig Bravmann	11,700.00	13½%
Jack Nash	11,700.00	13½%
Leon Levy	11,700.00	13½%
Charles H. Brunie	11,700.00	13½%
John C. Lightfoot	11,700.00	13½%
	$ 65,000.00	

2. Contributions of General Partner 25%

(a) That certain lease dated October 23, 1969, by and between Frank Benich, et al., as Lessors, and Butte Silver & Gold Inc., Lessee (Kibbe & Co., Lessee by Assignment of January 16, 1970) covering certain patented mining claims in Silver Bow County, Montana, described as:

Florida
Hecla
Hecla Fraction
Tyrone

(b) All other leases or mining interests in the same mining district as above of which Kibbe & Co. has control at the effective date of the partnership.

100%

OME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
8/14/70	Emerick	120
8/14	cac	220
		120M

AIRMAIL

AUG 14 1970

Mr. A. P. Kibbe
President
Kibbe and Co.
First Security Building
Salt Lake City, Utah 84111

Re: OME-6809 (Silver)
Kibbe and Company
Florida Group
Silver Bow County, Montana

Dear Mr. Kibbe:

Thank you for the supplemental geologic information submitted with your letter of August 11, 1970. We note, however, that all of the information requested in our letter to you dated March 26, 1970, was not included.

To continue processing your application we will need, in addition, the following information:

(1) a copy of the Articles of Incorporation which were filed with the Secretary of State, Montana, on 14 August 1968,

(2) a copy of the mining lease assignment from Butte Silver and Gold, Inc. to Kibbe and Co.

(3) a copy of the lease reassignment from Kibbe and Co. to Madison Minerals, Ltd.,

(4) a copy of the partnership agreement between Kibbe and Co. and Madison Minerals, Ltd.

We shall be pleased to resume processing your application upon receipt of the requested information. Nothing in this letter should be construed as a commitment by the Government to grant an exploration contract.

Sincerely yours,

William L. Emerick

William L. Emerick
Assistant Chief
Office of Minerals Exploration

cc: Director's Reading File
Mineral Resources
OME Docket
OME Reading File
OME Region w/cy of incoming
Mr. Emerick

WLEmerick/bsl 8/14/70

KIBBE & CO.
FIRST SECURITY BUILDING
SALT LAKE CITY, UTAH 84111
PHONE 521-3575

OFFICIAL
COPY
O. M. E.
RECEIVED
AUG 14 1970
INITIAL CODE
Copy to R-I

August 11, 1970

Mr. William L. Emerick
Office of Minerals Exploration
U. S. Department of the Interior
Washington, D. C. 20242

Re: OME-6809 (Silver)
Kibbe & Co.
Florida Group
Silver Bow County, Montana

Dear Mr. Emerick:

In accordance with Mr. Thornburg's letter of August 3 to you, there is enclosed a letter from him, with attached material, concerned with the subject project.

We trust that this additional information will give you the basis for favorable consideration of participating in furthering our effort in this area.

Thanking you for your patience and consideration,

Sincerely,

A. P. Kibbe
President

APK:md
Enclosures

KIBBE & CO.
FIRST SECURITY BUILDING
SALT LAKE CITY, UTAH 84111
PHONE 521-3575

OFFICIAL
COPY
O. M. E.
RECEIVED
AUG 5 1970
INITIALS CODE
~~130~~
bal 120 M-
NE 120 E

August 3, 1970

Mr. William L. Emerick, Assistant Chief
Office of Minerals Exploration
United States Department of the Interior
Geological Survey
Washington, D. C. 20242

Re: OME-6809 (Silver)
Kibbe & Co.
Florida Group
Silver Bow County, Montana

Dear Mr. Emerick:

Referring to your letter of July 23rd, we are pleased to advise you that we have acquired considerable information pertinent to the request in your letter of March 26, 1970. This information is being prepared for submittal to you within the next week or ten days.

We have been pursuing this matter for months, but for several reasons the acquisition of the specific data has been slow. Meanwhile, Kibbe & Co. have been doing diamond drilling at critical points to serve as a guide for subsequent development work. Results are beginning to show considerable encouragement.

This letter will serve to advise you of our cooperation in Mr. Kibbe's absence.

Yours very truly,

C. L. Thornburg

C. L. Thornburg

CLT:md

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
7/22/70	Emerick	120
7/22	Cac	220
		120M

AIRMAIL

JUL 23 1970

Mr. A. P. Kibbe
President
Kibbe and Co.
First Security Building
Salt Lake City, Utah 84111

Re: OME-6809 (Silver)
Kibbe and Company
Florida Group
Silver Bow County, Montana

Dear Mr. Kibbe:

Your letter of April 27, 1970 indicated that you would submit in the near future the additional information requested in our letter to you of March 26, 1970.

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

Sincerely yours,

William L. Emerick

William L. Emerick
Assistant Chief
Office of Minerals Exploration

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

WLEmerick/bsl 7/22/70

KIBBE & CO.
FIRST SECURITY BUILDING
SALT LAKE CITY, UTAH 84111
PHONE 521-3575

April 27, 1970

OFFICIAL COPY
O. M. E.
RECEIVED
APR 30 1970
INITIALS DATE
Bol 1/30
HK 1/20
JJP 1/20 P

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

Re: OME-6809 (Silver)
Kibbe and Company
Florida Group
Silver Bow County, Montana

Dear Mr. Kirkemo:

Mr. Kibbe has asked me to advise you as to the status of the subject project.

We have deferred acknowledging your letter of March 26th because of delays in assembling the material you have specified.

While we hope to provide these pending data in the near future, we regret that this work is being delayed by adverse weather. The diamond drill core and records are stored in a place of inconvenient access during winter months but we shall proceed with the job of assembling all pertinent material as soon as conditions permit.

Noted 6/4/70 WE

Yours very truly,

C. L. Thornburg

CLT:md

KIBBE & CO.
FIRST SECURITY BUILDING
SALT LAKE CITY, UTAH 84111
PHONE 521-3575

March 30, 1970

OFFICIAL
COPY
O. M. E.
RECEIVED
APR 2 1970
INITIALS CODE
120
bal 120 MW
HK 120
120 P

Mr. Harold Kirkemo
Chief, Office of Minerals Exploration
U. S. Department of the Interior
Washington, D. C. 20242

Re: OME-6809 (Silver)
Kibbe & Co.
Florida Group
Silver Bow County, Mont.

Dear Mr. Kirkemo:

This is to acknowledge your considered reply in regard to our application for exploration assistance and to inform you that we are gathering the information you requested. We will respond as soon as it is available.

Thanking you for your attention to this matter,

Sincerely,

A. P. Kibbe
President

APK:md

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
3/26/70	Peters	120
		120
3/26	CAC	220
		120M

AIRMAIL

Mr. A. P. Kibbe
President
Kibbe & Co.
First Security Building
Salt Lake City, Utah 84111

MAR 26 1970

Re: OME-6809 (Silver)
Kibbe and Company
Florida Group
Silver Bow County, Montana

Dear Mr. Kibbe:

This will acknowledge your letter of March 21 requesting that we keep your application for exploration assistance in an active status. However, before we can proceed further it will be necessary for you to provide the following additional information to complete the application.

Furnish copies of the assignment of the lease from Butte Silver and Gold, Inc., and also the reassignment to Madison Minerals, Ltd. A copy of the partnership agreement between Madison Minerals, Ltd., and Kibbe and Company is required.

The application lacks much of the geologic data needed for us to properly evaluate the proposed program. The results of the drilling program mentioned in the application should be furnished. Outcrops of the target vein should be sampled and assayed. The location of samples taken, how sampled, sample widths, and copies of the assay certificates should be forwarded for our consideration. In the event of a field examination, the bottom of the Florida Shaft and/or the prospect pits should be accessible to the field examiner for inspection and sampling purposes, unless other representative surface indications of the target vein are available for examination. Please note that the Government does not participate in the cost of dewatering and reopening old workings for examination purposes.

We shall be pleased to continue the processing of your application upon receipt of the requested information. As our funding situation has not changed, further action will follow the outline mentioned

in our letter to you of December 19, 1969. Nothing in this letter should be construed as a commitment by the Government to grant an exploration contract.

Sincerely yours,

Harold Kirkemo (gla)

Harold Kirkemo
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
OME Region I
Mr. Peterson

ECPeterson/gla 3-26-70

KIBBE & CO.
FIRST SECURITY BUILDING
SALT LAKE CITY, UTAH 84111
PHONE 521-3575

COPY
O. M. E.
RECEIVED
MAR 26 1970
INITIALS | CODE
A 30
bal A 20
HK A 30
SP A 20 P

March 21, 1970

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

Re: OME-6809 (Silver)
Kibbe and Company
Florida Group
Silver Bow County, Montana

Dear Mr. Kirkemo:

This is to inform you that we are planning to continue the program related to the above application and should be breaking ground on the initial effort during the next thirty to sixty days. Therefore, we would very much appreciate your keeping our application for assistance on an active basis.

Thanking you for your attention,

Sincerely,

A. P. Kibbe
President

APK:md

Thermofax copy to OME Region I 3/25/70

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
3/17/70	Peterson	120
		120
3/17	cor	220
		120M

AIRMAIL

MAR 17 1970

Kibbe & Co.
304 First Security Building
Salt Lake City, Utah 84111

Re: OME-6809 (Silver)
Kibbe and Company
Florida Group
Silver Bow County, Montana

Dear Mr. Kibbe:

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

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

Sincerely yours,

Harold Kirkemo (glc)

Harold Kirkemo
Chief, Office of
Minerals Exploration

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

ECPeterson/bsl 3/17/70

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
12/18/69	Peterson	120
		120
12/19	Cae	220
		120M

AIRMAIL

Kibbe & Co.
304 First Security Building
Salt Lake City, Utah 84111

Re: OME-6809 (Silver)
Kibbe and Company
Florida Group
Silver Bow County, Montana

Dear Mr. Kibbe:

Reference is made to your application for exploration assistance dated November 17, 1969.

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

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

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

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

Sincerely yours,

Harold Kirkemo (gle)

Harold Kirkemo
Chief, Office of
Minerals Exploration

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

Peterson/bsl 12/18/69

December 5, 1969

Kibbe & Co.
304 First Security Building
Salt Lake City, Utah 84111

Subject: OME-6809

Dear Mr. Kibbe:

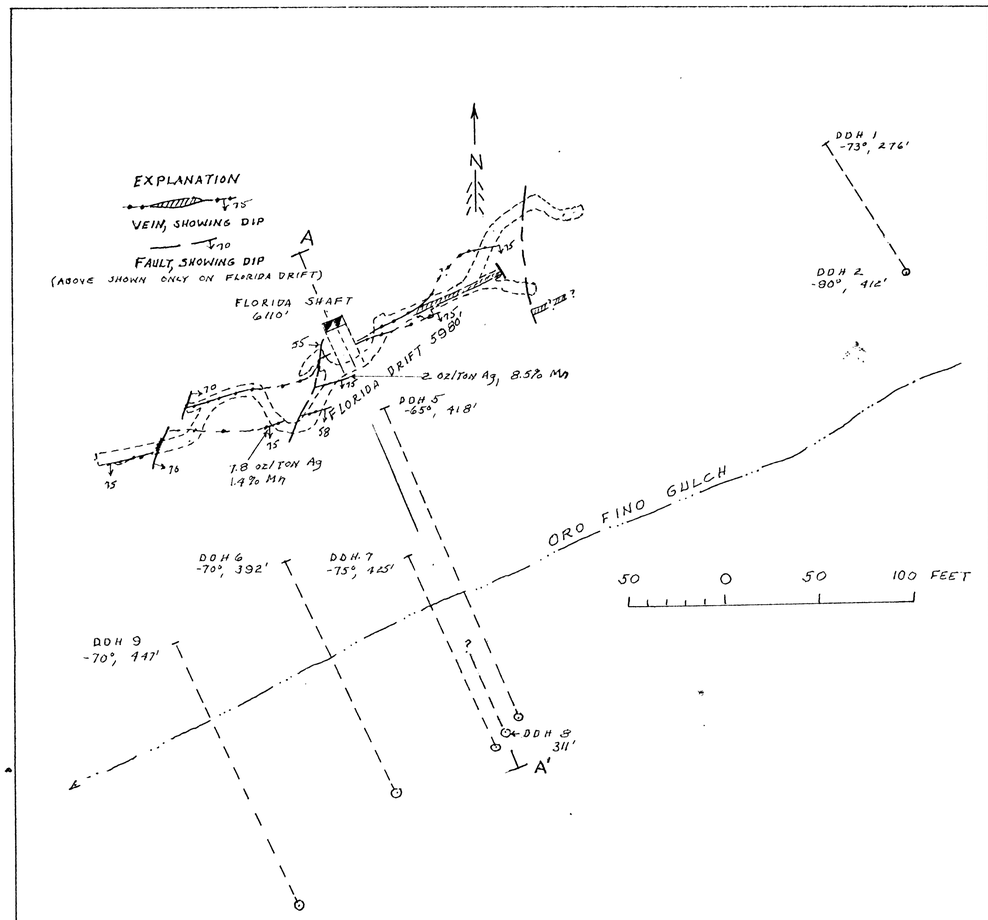
Your application for exploration assistance, dated November 17, 1969, submitted to our office at Spokane, Washington, has been assigned Docket No. OME-6809.

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

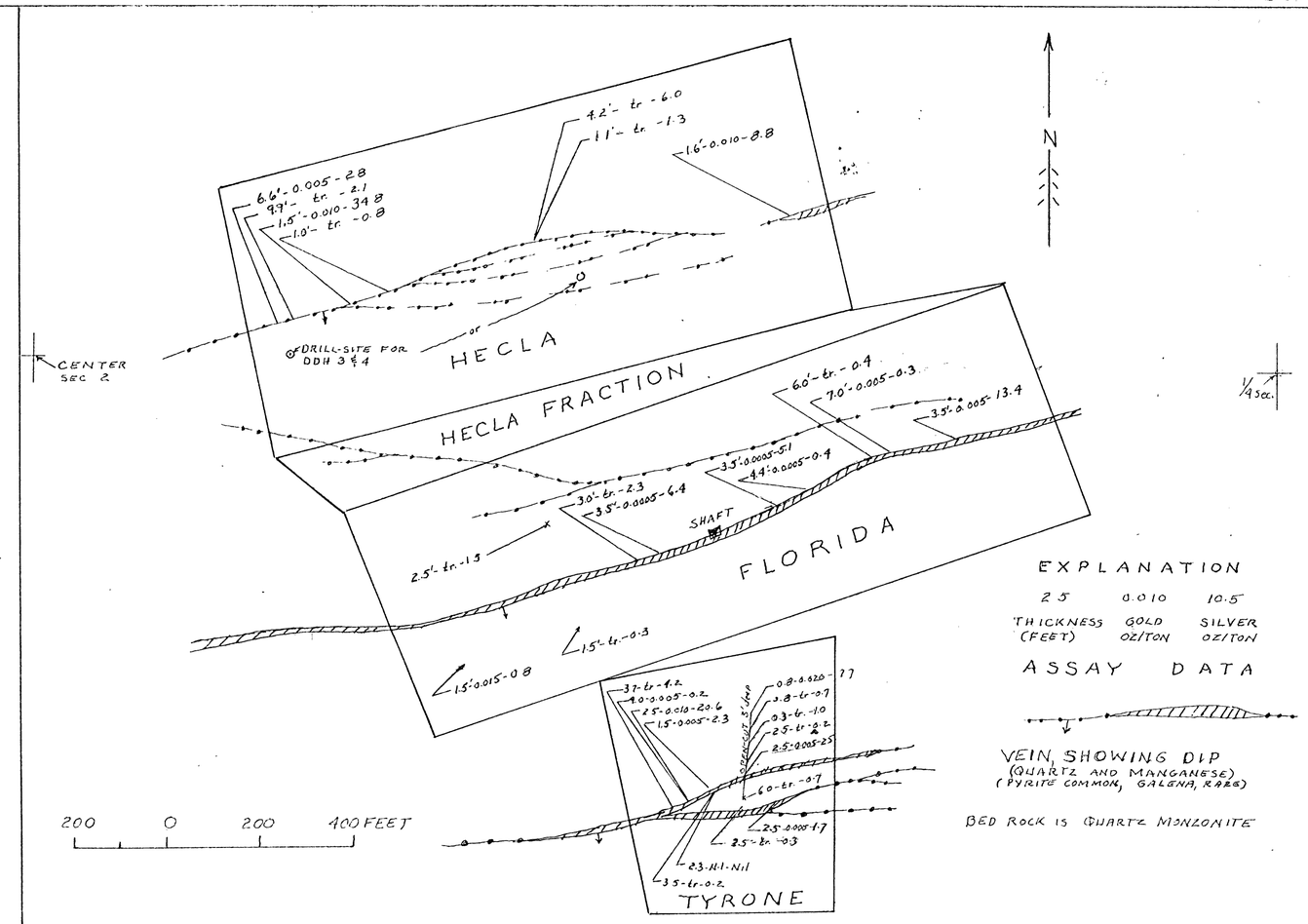
Sincerely yours,

Harold Kirkemo
Chief, Office of
Minerals Exploration

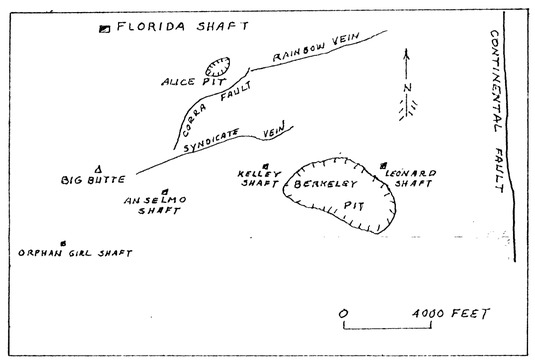
Copy to Region I



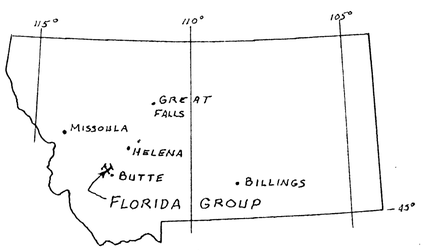
COMPOSITE PLAN MAP OF UNDERGROUND WORKINGS AND DIAMOND DRILL HOLES ON FLORIDA CLAIM



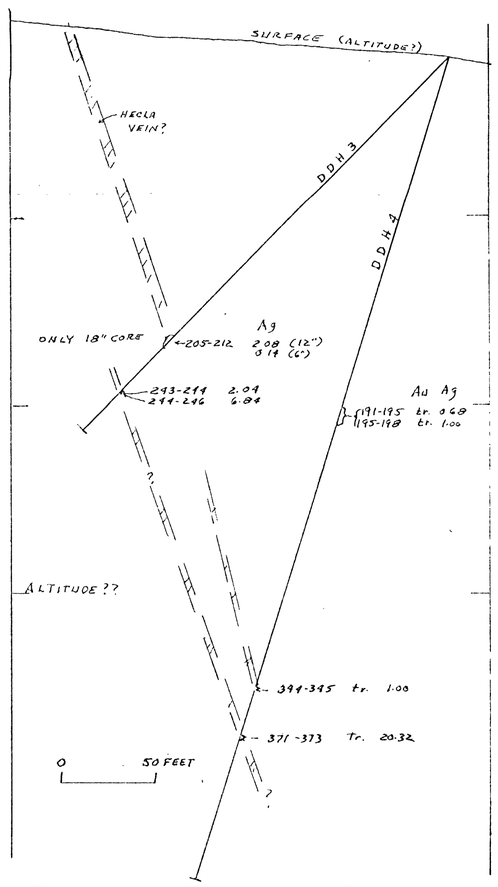
SURFACE MAP SHOWING VEINS AND ASSAY DATA



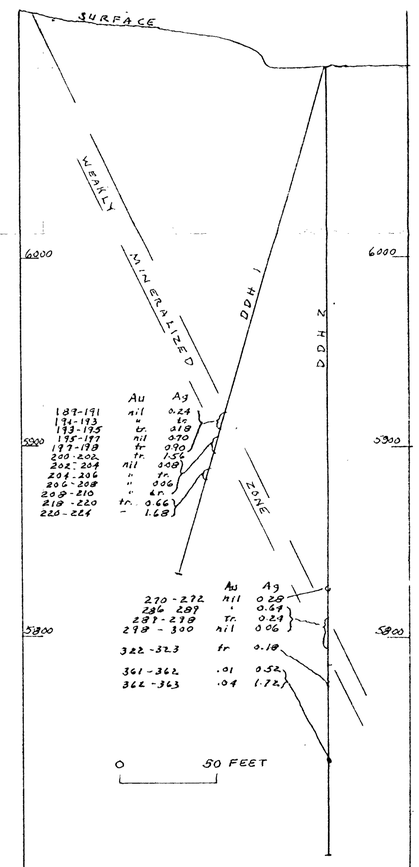
INDEX MAP OF BUTTE DISTRICT



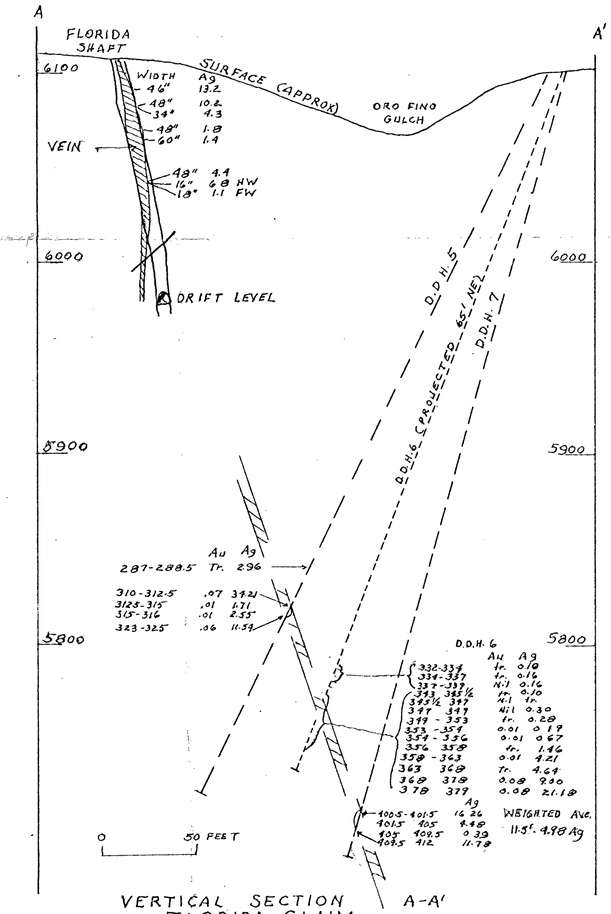
INDEX MAP OF MONTANA



VERTICAL SECTION THROUGH DDH 3 & 4
HECLA CLAIM



VERTICAL SECTION THROUGH DDH 1 & 2
FLORIDA CLAIM



VERTICAL SECTION A-A'
FLORIDA CLAIM

COMPILED 3/71 by W.P.P.

ALL ASSAY DATA FROM APPLICATION

FIGURE 1 - PLAN AND SECTION MAPS SHOWING DRILL HOLES AND ASSAY DATA, FLORIDA GROUP, SEC. 2, T. 3 N., R. 8 W., BUTTE DISTRICT, SILVER BOW COUNTY, MONTANA

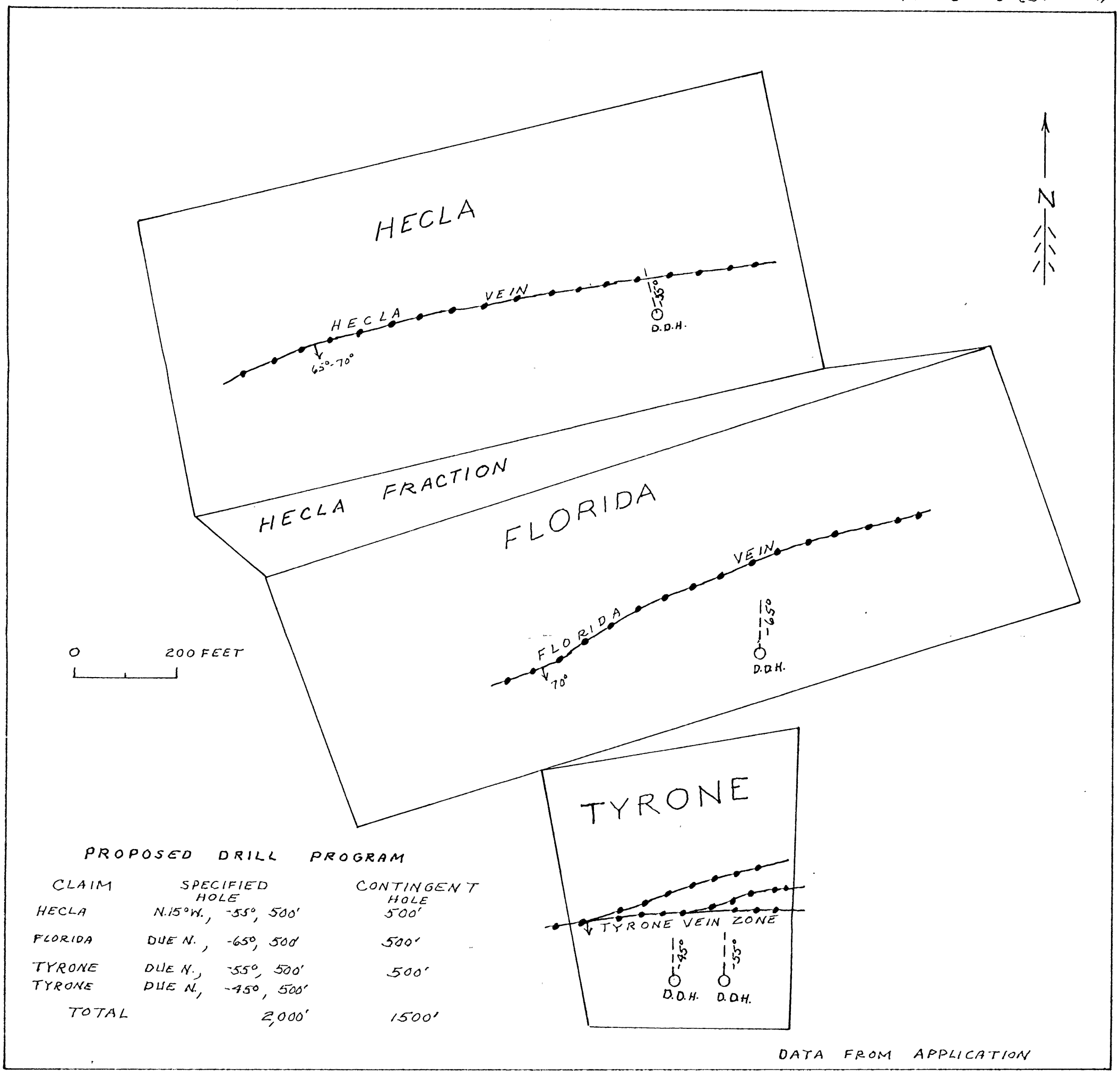
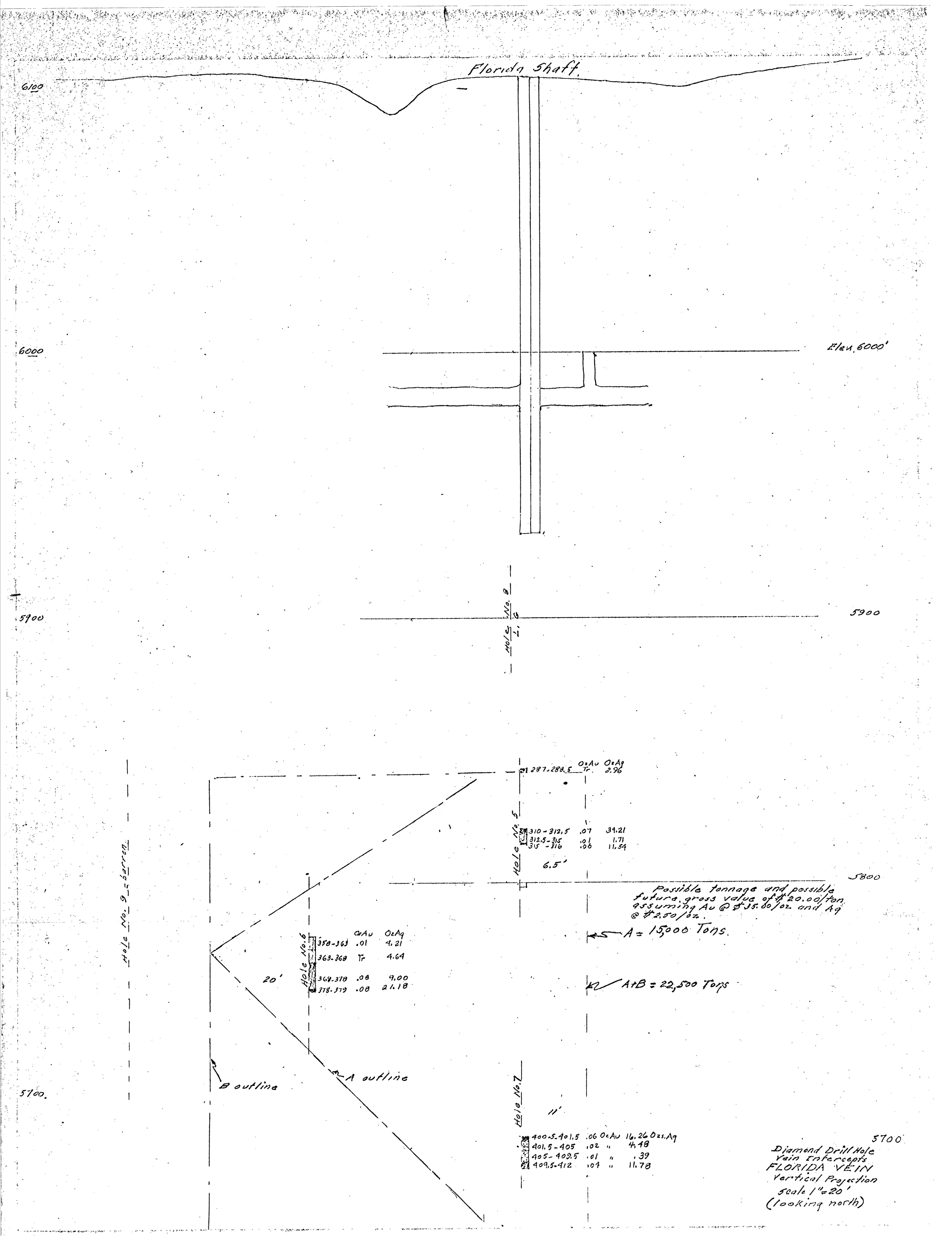
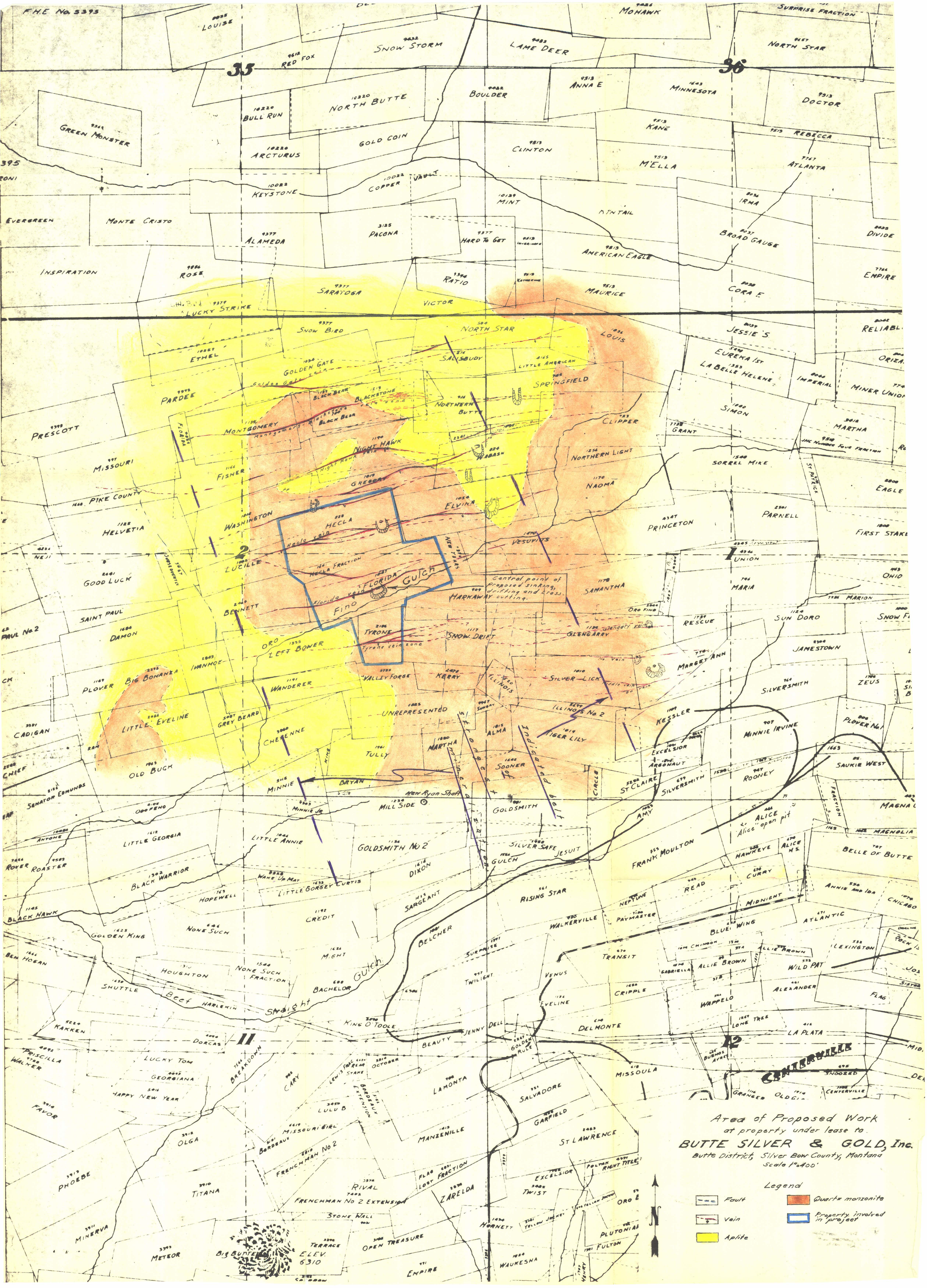


FIGURE 2- PROPOSED DIAMOND DRILL PROGRAM, FLORIDA GROUP, BUTTE DISTRICT, SILVER BOW COUNTY, MONTANA


Florida Shaft.
6100
6000
Elev. 6000'
5900
5900
Hole No. 8
Hole No. 1
Hole No. 9 - barren
287-288.5 OzAu Tr. OzAg 2.96
Hole No. 5
310-312.5 .07 39.21
312.5-315 .01 1.71
315-316 .06 11.54
6.5'
5800
Possible tonnage and possible future gross value of $20.00/ton assuming Au @ $35.00/oz and Ag @ $2.50/oz.
A = 15,000 Tons.
A+B = 22,500 Tons
Hole No. 6
OzAu OzAg
358-363 .01 4.21
363-368 Tr 4.64
368-378 .08 9.00
378-379 .08 21.18
20'
B outline
A outline
5700.
Hole No. 7
11'
400.5-401.5 .06 OzAu 16.26 Ozs. Ag
401.5-405 .02 " 4.48
405-409.5 .01 " .39
409.5-412 .04 " 11.78
5700
Diamond Drill Hole Vein Intercepts
FLORIDA VEIN
Vertical Projection
Scale 1" = 20'
(looking north)


F.H.E. No. 5395
LOUISE
RED FOX
SNOW STORM
LAME DEER
MOHAWK
SURPRISE FRACTION
NORTH STAR
35
36
BULL RUN
NORTH BUTTE
BOULDER
ANNA E
MINNESOTA
DOCTOR
GREEN MONSTER
GOLD COIN
ARCTURUS
CLINTON
KANE
REBECCA
M'ELLA
ATLANTA
KEYSTONE
COPPER VAULT
MINT
IRMA
EVERGREEN
MONTE CRISTO
ALAMEDA
PACONA
HARD TO GET
MINTAIL
BROAD GAUGE
DIVIDE
AMERICAN EAGLE
INSPIRATION
ROSE
RATIO
MAURICE
CORA E
EMPIRE
SARATOGA
VICTOR
LUCKY STRIKE
SNOW BIRD
NORTH STAR
LOUIS
JESSIE S
RELIABLE
ETHEL
GOLDEN GATE
SALISBURY
LITTLE AMERICAN
EUREKA 1ST
LA BELLE HELENE
IMPERIAL
ORIZA
MINER UNION
PARDEE
SPRINGFIELD
BLACK BEAR
BLACKSTONE
NORTHERN BUTTE
SIMON
PRESCOTT
FLORIDA
MONTGOMERY
CLIPPER
GRANT
MARTHA
NIGHT HAWK
WABASH
NORTHERN LIGHT
SORREL MIKE
MISSOURI
FISHER
GREGORY
NAOMA
EAGLE
PIKE COUNTY
ELVINA
WASHINGTON
HECLA
PRINCETON
PARNELL
HELVETIA
FIRST STAKE
VESUVIUS
NEW YEARS
2
1
UNION
LUCILLE
HECLA FRACTION
FLORIDA
GULCH
FINO
Central point of Proposed sinking, drifting and cross-cutting.
HARKAWAY
SAMANTHA
OHIO
GOOD LUCK
MARIA
MARION
SAINT PAUL
BENNETT
ORO FINO
RESCUE
SUN DORO
SNOW FL
PAUL No. 2
DAMON
TYRONE
SNOW DRIFT
GLENGARRY
ORO
LEFT BOWER
JAMESTOWN
IVANHOE
MARGET ANN
VALLEY FORGE
KERRY
ILLINOIS
SILVER LICK
PLOVER
BIG BONANZA
WANDERER
SILVERSMITH
ZEUS
UNREPRESENTED
ILLINOIS No. 2
KESSLER
LITTLE EVELINE
GREY BEARD
CHEYENNE
ALMA
TIGER LILY
MINNIE IRVINE
PLOVER No. 1
CADIGAN
TULLY
MARTHA
Strongest mineralization
Indicated belt
SOONER
EXCELSIOR
ARGONAUT
OLD BUCK
CHIEF
MINNIE
BRYAN
New Ryan Shaft
MILL SIDE
GOLDSMITH
ST CLAIRE
SILVERSMITH
ROONEY
SAUKIE WEST
SENATOR EDMUNDS
OBO FENO
MINNIE JR
AMY
ALICE
"Alice" open pit
MAGNA
ANTONE
LITTLE GEORGIA
LITTLE ANNIE
GOLDSMITH No. 2
SILVER SAFE
JESUIT
GULCH
FRANK MOULTON
HAWKEYE
ALICE M.S.
BELLE OF BUTTE
ROVER
ROASTER
BLACK WARRIOR
WAKE UP MAT
LITTLE GORGEY CURTIS
DIXON
CURRY
READ
ANNIE AND IDA
CHICAGO
HOPEWELL
RISING STAR
MIDNIGHT
BLACK HAWK
SARGEANT
NEPTUNE
PAYMASTER
WALKERVILLE
ATLANTIC
CREDIT
GOLDEN KING
NONE SUCH
BLUE WING
BELCHER
MIGHT
TRANSIT
ALLIE BROWN
LEXINGTON
HOGAN
HOUGHTON
NONE SUCH FRACTION
SURPRISE
WILD PAT
SHUTTLE
BACHELOR
Straight Gulch
TWILIGHT
VENUS
CRIPPLE
ALEXANDER
HARLEKIN
WAPPELO
FLAG
EVELINE
KAKKEN
KING O'TOOLE
JENNY DELL
DELMONTE
LONE TREE
LA PLATA
DORCAS
11
12
BEAUTY
GOLDEN RULE
PRISCILLA
WALKER
LUCKY TOM
BREAKDOWN
OCTOBER
MISSOULA
CENTERVILLE
GEORGIANA
CARY
LAMONTA
SNOOZED
HAPPY NEW YEAR
LULU B
BORDEAUX EXTENSION
SALVADORE
GRANGER
CENTERVILLE
FAVOR
MISSOURI GIRL
GARFIELD
OLGA
BORDEAUX
MANZENILLE
ST LAWRENCE
FRENCHMAN No. 2
PHOEBE
TITANA
RIVAL
FLAG
LOST FRACTION
ZARELDA
EXCELSIOR
POLTAK
RIGHT TITLE
TWIST
FRENCHMAN No. 2 EXTENSION
STONE WALL
MINERVA
HORNETT
YELLOW JACKET
PLUTONIA
OPEN TREASURE
TERRACE
ELEV. 6310
FULTON
METEOR
BIG BUNTER
EMPIRE
WAUKESHA
Area of Proposed Work
at property under lease to
BUTTE SILVER & GOLD, Inc.
Butte District, Silver Bow County, Montana
Scale 1" = 400'
Legend
Fault
Vein
Aplite
Quartz monzonite
Property involved in project
N