MME Form 9
Rev. Nov. 65

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey

OFFICIAL DOCKET FILE Contract No. _____ Docket No. 6887

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- [ ] Withdrawn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
- [ ] Owner's Consent to Lien and Subordination Agreement
- [x] Application and Attachments

Right Side

- [ ] Project Summary (final)
- [ ] Work Completed Analysis (final)

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

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

Additional Folders:

Left Side

Folders No. _____: Reports

- [ ] Analysis of Semiannual Inspection Reports
- [ ] Project Summary (Interim) by MME Engineers

Right Side

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

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

Folders No. _____: Settlement Sheets

Folders No. _____: Drill Logs

Folders No. _____: Royalty Material

72195-65

6/6/73
in office

JOHN GOLDSUM

ATTORNEY AT LAW

CLARK, THOMAS, DENIUS, WINTERS & SHAPIRO
P. O. BOX 1148
AUSTIN, TEXAS 78767

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CAPITAL NATIONAL BANK BLDG.

MME Form 40
(Revised Nov. 71)

Form approved
Budget Bureau No. 42-R1368

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)

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 6 1973
INITIALS CODE

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

Eagle Mining Corporation
160 Green Oak Drive
Kerrville, Texas. 78028

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: 6887

DATE RECEIVED: 6-6-73

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
Hildegarde Kostuk	160 Green Oak Drive Kerrville, Texas 78028	President
Alexander Kostuk	160 Green Oak Drive Kerrville, Texas 78028	Executive VicePresident & Sec-Treasurer
Hildegarde Just	160 Green Oak Drive Kerrville, Texas 78028	Second-Vice President

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE: SILVER

ESTIMATED COST OF PROJECT: $34,797.00

PROPERTY NAME	LOCATION COUNTY	STATE
Eagle Mining Corporation	Butte, Silver Bow, Jefferson	Montana 59701

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.

March 28, 1973
DATED

Alexander Kostuk
BY *(Signature)*

Vice-President & Secretary-Treasurer
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

(submit on accompanying pages)

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 on maps also the relation of the proposed work to any existing mine workings and to *claim 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 and mobilization charge. 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, and materials.

(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).]

Eagle Mining Corporation

160 Green Oak Drive
Kerrville, Texas. 78028

1. FINANCIAL ELIGIBILITY:

(a)(1) Enclosed are Two true copies of our letters to credit sources asking for financial assistance. Refer to copies attached.

(2) Enclosed are Two true copies of replies from credit sources refusing our requests. Refer to copies attached.

(b) Non-applicable.

(c) A cash reserve of $3,500.00 in the First National Bank of Kerrville, Texas. 78028.

The Eagle Mining Corporation will also provide as part ofthe total share of the twenty-five per cent of the cost of the exploration work. One Chevrolet 1/2 ton Pickup truck 1972 model, to carry fuel and other necessities. The above piece of equipment has already been purchased at a price of $2,595.00.

The Eagle Mining Corporation will also provide as part of the total share of the twenty-five per cent of the cost of the exploration work. Two dump trucks of approximately 2 to 5 tons capacity, probable cost will be $2,000.00 each, total $4,000.00.

2. APPLICANT'S RIGHTS IN LAND:

(a) We are the legal owners of the mining property known as the Eagle Mining Corporation, for proof of ownership refer to pages one and two of enclosed copy of QUIT CLAIM DEED, also letter from the law offices of Loble, Picotte & Loble of 833 North Main Street, P.O. Box 176, Helena, Montana 59601 pertaining to QUIT CLAIM DEED.

Other proof of ownership refer to WARRANTY DEED dated January 13,1942, also QUIT CLAIM DEED dated November 7,1949, also WARRANTY DEED dated July 29,1941, also WAIVER OF LEINS dated July 29,1941, also CONTRACT FOR SALE OF MINING CLAIMS dated July 29, 1941.

(b) There are nine (9) patented claims all in Township 3 North, Range 7 West Silver Bow and Jefferson counties. Sections 10 and 11, the names and patent numbers follow.

✓	EAST EXTENSION	Survey No.	8110	
×	WOODLAND	" "	7828	— Not necessary
✓	OAKFIELD	" "	6744	
	DIVIDE	" "	7378	— Not necessary
✓	CASCADE	" "	3042	
✓	DUBUQUE	" "	2476	
✓	GOLD LUCK	" "	10796	

Eagle Mining Corporation

160 Green Oak Drive
Kerrville, Texas. 78028

2. APPLICANT'S RIGHTS IN LAND:

(b) MALONE ---------- Survey No. 1102
VICTORY ---------- " " 10795

For legal descriptions of metes and bounds refer to true copies of mineral surveys of patented claims enclosed.

Our unpatented Quartz Lode claims will not be included in this request for financial assistance, they consist of seventeen in number and are as follows.

1 - BANKER quartz lode, ---------- Book 27 of Lodes, page 475
2 - MARGARET quartz lode, ---------- Book 32 of Lodes, page 82
3 - PAYING TELLER quartz lode, ------ Book 32 of Lodes, page 83
4 - HELEN quartz lode, ---------- Book 32 of Lodes, page 91
5 - GOLD CROWN quartz lode, --------- Book 32 of Lodes, page 155
6 - GOLD COIN quartz lode, ---------- Book 32 of Lodes, page 163
7 - WONDER quartz lode, ---------- Book 32 of Lodes, page 162
8 - NEW HOMESTEAD quartz lode, ------ Book 32 of Lodes, page 196
9 - CASHIER quartz lode, ---------- Book 39 of Lodes, page 62
10- GOLD LEAF quartz lode, ---------- Book 32 of Lodes, page 204
11- GOLD BAR quartz lode, ---------- Book 32 of Lodes, page 246
12- LIBERTY quartz lode, ---------- Book 39 of Lodes, page 59
13- VICTORY quartz lode, ---------- Book 39 of Lodes, page 61
14- STARS and STRIPES quartz lode,--- Book 39 of Lodes, page 63
15- DOUGHBOY quartz lode, ---------- Book 39 of Lodes, page 64
16- GOLD WEB quartz lode, ---------- Book 42 of Lodes, page 4
17- LUCKY MONDAY quartz lode, ------- Book 94 of Deeds, page 385

why not ?

All of the aforementioned unpatented quartz lode claims are in Records of Jefferson County, Boulder, Montana. Township 3 North Range 7 West Sections 12 and 13. The above unpatented quartz lode claims will not be subject to Government royalties and leins.

also see.

The amended locations of these unpatented quartz lode claims are as follows.

The BANKER, MARGARET, HELEN, PAYING TELLER, WONDER, GOLD COIN, GOLD CROWN, NEW HOMESTEAD, GOLD BAR, GOLD LEAF are recorded in Book 7 of Representation at page 105.
The LIBERTY, CASHIER, STARS and STRIPES, DOUGHBOY are recorded in Book 7 of Representation at page 104.
The LUCKY MONDAY, VICTORY, GOLD WEB. are recorded in Book 7 of Representation at page 103.

The property in question has been known as the Henry McCloskey claims back in the year 1888. In the period of the 1920's the property was known as the Cotter Butte Mines Inc. In the years 1940 to 1964 the property was known as the Cascade Copper Company and since 1968 the property has been renamed the Eagle Mining Corporation.

2. APPLICANT'S RIGHTS IN LAND:

(c) Non-applicable.

3. PHYSICAL DESCRIPTION:

(a) A detail of the exploration operations on the properties owned by the Eagle Mining Corporation started back in 1898. The founder of these claims, McCloskey and his helper Donahue sunk the Dubuque shaft to the 125 foot level, these operations consisted of "gophering" some of the high grade silver ore above the 100 foot level.

Upon McCloskey's death his nephew Henry C. Cotter took over all the claims belonging to McCloskey. Preliminary samplings on July 21, 1930 of the Dubuque shaft by Mr. Cotter's mining engineer a Mr. Arthur V. Corry E.M. of Butte, Montana shows that sample No. 61 taken from the Dubuque discovery shaft assayed 72.1 ozs. silver, .80 gold and 0.1% lead. Sample No. 7 assayed 27.2 ozs. silver and .80 gold. Sample No. 51 assayed 9.4 ozs. silver and .40 gold.

Upon the advice of his engineer Mr. Cotter proceeded to develop the Dubuque discovery lode by means of constructing a tunnel at the seven thousand foot level into the heart of the mountain aimed at a point under the Dubuque discovery shaft.

At the time of constructing the tunnel in 1928 there were no roads leading to the Dubuque shaft so the tunnel was the most practical way of reaching the ore body. the length of the tunnel excavated was 1232 feet with approximately 1200 feet more to go and then 600 feet up to meet the discovery shaft. However this tunnel was never completed due to the stock market crash in 1929-1930. Henry C. Cotter lost control of these mining properties a short time later.

Francis Just MD. of Newark, New Jersey bought these properties in a sheriff sale including all Quit Claim and Warranty Deeds. He hired a manager from New Jersey to supervise the operations, this manager had more experience in metallurgy than in hard-rock mining. In New Jersey he operated a small smelter supplied by sweeps from dental offices and jewelry shops in which wood floors and benches were burned to extract minute particles of gold or silver imbedded in this equipment through years of use.

3. PHYSICAL DESCRIPTION:

(a) Doctor Just's hired manager spent over eleven years working above ground building a Mill, a Tramway, an Electrical Plant and many other projects instead of going directly after the ore body, work was limited to only six months a year due to the severe weather conditions in the area.

About 1949 Doctor Just demanded to see some results. So the manager dug a zig zag tunnel about one hundred feet east from the Dubuque shaft and reached a depth of 30 feet finding part of the Dubuque vein. The ore that was mined was processed through the mill, almost all the gold and silver was extracted the remaining ore was silica. There followed a misunderstanding and the project was cancelled.

Upon the death of Doctor Just the mining property passed on to his heirs. A few years ago an all year round road has been constructed through the property by the Montana Power & Light Co. and the Federal Communication Commission which enables the present owner to move about the mining area with ease and provides an easier mining operation.

For further information refer to enclosed maps plates numbered 2, 3 and 4.

We have no other knowledge of the operation of the Cotter Butte Mines Inc.

(b) Between the years 1945 to 1964 I was associated with the Cascade Copper Company. During the summer months I worked on the construction of the Tramway from the mill site to the discovery shaft and also helped to erect some of the buildings, then I worked as a driller using sinker drills and later as a miner in the zig zag tunnel and had the opportunity to dig the Dubuque vein so that I have a lasting knowledge of it. However during this period I had no voice in management and was not responsible for the method of operation.

(c) Since the Cascade Copper Company was never in commercial production, there were no mine records.

(d) We have samples, assays, maps and geological reports. However the only way to determine the quantity and grade of the ore reserve is to diamond drill or cross cut the known vein with a traxcavator to see the extent of the vein and the quality of the exposed ore.

(e) The geologic features of the country rock of the Butte district is a dark granite described as quartz monzonite. This formation is a large intrusive mass twenty miles wide by sixty

3.PHYSICAL DESCRIPTION:

(e) miles long, it has been styled the "Boulder Batholith". At Butte and vicinity the quartz monzonite is traversed by several well marked vein systems. The earliest of these, or the east-west series, is known as the Anaconda vein system. Then follows the Butte system, or earliest fault fissures which strike north-west south-east. Next occur the Mountain View faults, the Steward system, the Rarus fault and the Continental fault system.

During the mineralization of the vein systems of Butte, the entire region was a peneplain, evidences of which are abundant from an observation of the physiographic conditions on the East Ridge, Walkerville, Silver Bow and to the south of Butte. During the second cycle of uplift, the volcanic cone of rhyolite known as Big Butte was thrust through the batholith covering the topography with a mantle of rhyolite. During the third cycle, secondary enrichment continued very active throughout the district.

The underground conditions of the mines on Anaconda Hill and those observable in the workings of the Butte main shaft fully demonstrate that the origin, oxidation of the Butte vein system was previous to the occurrence of the Continental Fault. Therefore the veins east of the Continental Fault are the same large copper ore bodies as those west thereof. It is true that a down thrust of from 1000 to 1200 feet has taken place on the west side of the Continental Fault but happening after the mineralization of the veins, the ordinary phenomena of erosion oxidation and enrichment alone have to be contended with. Accordingly the vein mineralization normally to be expected at depths of from 600 to 2000 feet in the East Ridge section, particularly at the Dubuque should correspond with the ores mined at depths of from 1200 to 2800 feet in the Butte camp.

The Dubuque vein is one of the strongest and most persistent veins in this section, equal to the Prospector-Fourth of July vein which is situated a short distance to the south and whose outcrop may be traced two miles.

The physical appearance and mineralization of the Dubuque vein is similar in every particular to the veins throughout the Butte district, moreover; it's outcrop shows equally as good values.

A very distinct dike of quartz porphyry occurs west of the Continental Fault in the Tropic workings of the Anaconda Copper Mining Co. This dike is identified as the Modoc Quartz Porphyry Dike, the presence of this porphyry dike east of the Continental Fault proves beyond doubt that the veins of the Butte productive area. Veins in proximity to this quartz porphyry are favorably situated as has been shown throughout the Butte District, for many of the great ore bodies of the district occur in proximity thereto.

3. PHYSICAL DESCRIPTION:

(e) In as much, as a strong quartz porphyry dike is disclosed upon the Malone claim, the Dubuque vein should make large ore bodies as has been the general experience in Butte under similar conditions.

The group of quartz claims contigious to the Eagle Mining Corporation are of strategic importance to the company, the Gold Luck claim is situated between the Cascade and Dubuque claims, while the Victory and Lucky Monday claims have value as the Dubuque vein strikes through them.

The Banker group is of equal importance. The Jason vein which shows good values in the Birdie claim strikes through the Cashier and Banker locations. Immediately north of the Jason vein is a very strong vein showing good values this is the Muldoon vein and on it's continuation to the east will strike through the Gold Bar and Gold Leaf locations of this group.

On the north boundary of our Victory and Cascade claim lies the Hattie Bell claim, during the early part of this century it produced high grade silver and copper ore.

Suffice to say the result of the early day prospecting in this section shows that veins with commercial ore are identical in physical appearance and geological characteristics to those in the more fully developed portions of Butte. The veins east of the Continental Fault are the continuation easterly of the Butte vein system and are of the same age and origin and that these veins are of great strength and continuity and afford good outcrop values at numerous exposures.

Also refer to Arthur V. Corry's geology report pages 5, 6 and 7 and Arthur V. Corry's maps marked plate 2, 3 and 4.

Also refer to Preliminary Report on the Cascade-Dubuque group by our geologist and mining engineer Malcolm C. Brown pages 2 and 3 and refer to maps marked plates 1 and 2 of Mr. Brown's report.

(f) The proposed areas which we intend to explore are indicated on map Plate 5 marked "A" the first location and "B" the second location. The Dubuque shaft and vein of silver and gold that lies thirty feet below the surface is an indication that perhaps there is only thirty feet of over-burden over the entire area and maybe in some areas even less.

Our mining engineer and geologist Malcolm C. Brown and I took grab samples from the Dubuque shaft dump, the first sample marked DB 101 assayed 24.4 ozs. silver and 0.05 ozs. gold. Grab sample marked DB 102 from an ore bin near the cabin 100 feet from the Dubuque shaft assayed 6.6 ozs. silver and 0.03 gold. Copies

3.PHYSICAL DESCRIPTION:

(f) of these assay certificates are attached.

In 1930 Arthur V. Corry mining engineer for the Cotter Butte Mines Inc. took several samples at the 35 foot level of the Dubuque shaft. Three samples were taken from this level. Sample No. 61 was from the face of the east drift, and was a sample of a band of honeycombed iron stained quartz near the center of the breast. It assayed 72.1 ozs. silver and 0.80 gold and 0.1% lead. Sample No. 51 was a sample of a band of quartz on the south side of the east drift in the face. It assayed 9.4 ozs. silver and 0.40 gold. Sample No. 7 was a sample of a band of silicified vein it assayed 27.2 ozs. silver and 0.80 gold.

According to these reports of Arthur V. Corry mining engineer and Malcolm C. Brown mining engineer and geologist the Dubuque vein with it's showings of silver and gold ore becomes a very attractive precious metal prospect, worthy of extensive exploration as they have remained intact through-out these years and today's market prices justify development of this prospect.

(g) The following reports and all maps are to be returned to the Eagle Mining Corporation. We are enclosing two true copies of Malcolm C. Brown's geologic and engineer reports with maps and assay reports. We are also enclosing two true copies of Arthur V. Corry's geologic and engineer reports with maps. We would appreciate all of the afore-mentioned reports and maps being returned to sender.

4.ACCESSIBILITY OF PROPERTY:

(a) To aid the OME representative who may examine the property in question I will be the one who will meet him at his convenience and show him the mining property. My name is Alexander Kostuk, 160 Green Oak Drive, Kerrville, Texas. 78028 vice-president of the Eagle Mining Corporation and our Montana address is Star Route, Elk Park. Butte, Montana. 59701.

To reach the property one takes Highway 15 near the Ramada Inn at Butte, Montana north towards Helena to junction of 291, take underpass and follow XL road.(Road that leads to T.V. tower.) The road is locked by a gate and a key is needed. The XL road is followed to a point approximately 1000 feet beyond the Tramway towers that can be seen right and left off the XL road, then take a sharp right turn and travel 1000 feet

4. ACCESSIBILITY OF PROPERTY:

(a) to the Dubuque mine shaft and cabin and head frame of Tramway tower.

The XL road is accessible all year round and during the winter months with four wheel drive vehicles.

(b) The Dubuque property is located two and a half miles from the rail head at Butte, Montana and the same distance from Anaconda's Weed Concentrator. Mining supplies can also be obtained in the Butte area as it is the heart of the mining district.

5. EXPLORATION WORK:

(a) Our mining engineer and geologist Malcolm C. Brown first presented to us an extensive program of diamond drilling and tunneling which amounted to $245,000.00. We are enclosing this program as a supplement for your information. See Malcolm C. Brown's report pages 1 to 5 inclusive.

We now offer an alternative program which is the exploration of the Dubuque vein and the method we will use is to excavate, marked "A" and "B" on topographic map plate 5, using a traxcavator of approximately one and a half to two and a half yards capacity to remove the over-burden and to open the surface of the Dubuque vein in a ninety degree right angle across the face of the lode, we will dig to a depth of thirty feet and thirty feet wide and fifty feet across with an incline ramp of one hundred feet on one side.

The incline ramp will be used by the traxcavator to load trucks waiting on the upper surface, the trucks when loaded will carry the over-burden to an area designated for such purpose to hold this earth for as long a time as necessary and when needed, this same over-burden will be returned to the open pit to refill the area. Trees will be planted to return the area to it's original state or as near to it's original state as possible, at present the site has open pits and ore dumps and large boulders, the trees are stunted lodge pole pine possibly a fourth or fifth growth area and perhaps thirty years old.

The area across the face of the Dubuque vein will be when opened 1667 cubic yards, the ramp area that will be used by the traxcavator to carry the over-burden to the waiting trucks will be 1000 cubic yards.

5.EXPLORATION WORK:

(a) We will employ a mobile compressor and sinker drills to prepare what ever areas are necessary for explosives to ease the work load and open the project as quickly as possible.

Because of the altitude 7695 feet our machinery and equipment will be working at a derating factor equal to twenty per cent so that our efficiency level will be eighty per cent. The use of a compressor and drilling and the setting of explosives our time factor as we near the target area will be longer than normal, so that we have estimated the project on a fixed unit cost basis.

We will open another area approximately 180 feet west of the Dubuque shaft marked "B" on map plate 5, the open area at this site will be thirty feet wide, thirty feet deep, by one hundred feet long with a one hundred foot ramp. The cubic yard area will be 3334 plus 1000 cubic yard area for the ramp.

At this point we offer an opinion, we feel that this project should be subject to this change only, if we discover the ore body closer to the surface than we had anticipated. Then we will not go deeper but wider and longer across the face of the ore to excavate the amounts of over-burden as stated earlier, this we feel will give us a better picture of how large the ore body may be.

Please refer to maps for other information as needed.

(b) Refer to Malcolm C. Brown's report page 2 on road. Access road is already completed and it needs only minor repairs after heavy winter snows.

(c) If an OME contract is executed we will be at work at the mine site about the 15th of June 1973 and expect to have the first portion marked "A" on map plate 5 finished by the 27th of July 1973. The second phase marked "B" on map plate 5 will be started on the 30th of July 1973 and finished on or about the 20th of October 1973, the above period shall finish this portion of the exploration program. However due to circumstances beyond our control this program may have to be extended for a period of time.

6.EXPERIENCE:

My experience with mining has been gained by practical knowledge through my association with the Cascade Copper Company. My on the job training consisted of using a 55 pound class sinker drill and taking care of the compressor also operated a bulldozer as well as working in the zig zag tunnel with drill, pickaxe and shovel.

6.EXPERIENCE:

I designed and helped in the construction of the Tramway and the Mill as I have many years of experience as an architectural draftsman and am well qualified in mechanical and electronic engineering.

As vice president of the Eagle Mining Corporation it is my duty to perform annual assessment work and to prepare reports for preliminary exploration work. In this capacity I consult with geologists and mining engineers and have kept up with the latest mining journals and allied government publications.

Malcolm C. Brown our mining engineer and geologist is well qualified to supervise our proposed program as he has many years of experience in mining. He has been associated with the Anaconda Company as well as the American Smelter Company in the capacity of a consultant geologist. He is also president of the Sidney Mining Company in Kellogg, Idaho.

It is true his first report for exploration of the Dubuque vein was an ambitious one as he was very much impressed with the results of the assays. He recommended an extensive program of diamond drilling and tunneling as he is convinced that the Dubuque vein is worthy of exploration and will produce a commercial ore body.

7.ESTIMATE OF COSTS:

(a) " NONE "

(b)

Supervision, $6.00 per hr. 180 hrs. ----------	$ 1080.00
Engineering & Geological 5 consultations -----	1000.00
Assayer, 20 assays $35.00 each ----------	700.00
1st Truck driver $2.00 per hr. 18 wks. -------	1440.00
2nd Truck driver $2.00 per hr. 18 wks. -------	1440.00
Traxcavator oper. $4.00 per hr. 18 wks. -------	2880.00
Sinker Drill oper. $3.00 per hr. 18 wks. -----	2160.00
Laborer $2.00 per hr. 18 wks. ----------	1440.00
Total	$ 12,140.00

The above services are available, some of them have already been employed by us at sometime or other such as the engineer and geologist and the assayer. I will operate the traxcavator and my son will drive a truck so that we already have approximately 70% of the labor force necessary for the operation. The remainder can be recruited from the local area it consists of miners and men experienced in this particular type of work.

7.ESTIMATE OF COSTS:

(c)	Fuel for traxcavator, lube, grease etc. ------	$ 2160.00
	Fuel, lube, grease etc. 1st. truck ----------	1440.00
	Fuel, lube, grease etc. 2nd. truck ----------	1440.00
	Fuel, lube, grease etc. pickup truck ---------	1000.00
	Fuel for compressor, lube grease etc. --------	800.00
	Fuel for water pump, $1.65 per day 3 mo. -----	150.00
	Fuel for gas saw ----------	25.00
	Fuel for electric power unit ----------	150.00
	Total	$ 7,165.00

Operating materials and supplies will be an emergency power plant of 3000 watts (refer to 7d for more detailed information.)

Water is available at our near-by stream that will be pumped to location (refer to 7d for more detailed information.)

Fuel will be trucked to location from Butte by the pick-up for all the machinery units to be used on the project.

There are numerous shovels, bits, steel drills, hammers etc. costing less than fifty dollars each that are owned by the Eagle Mining Corporation and will be supplied on the project.

(d)	Emergency power plant ----------	$ 480.00
	Water pump ----------	248.00
	Compressor (leased) ----------	764.00
	Traxcavator ----------	12,000.00
	Miscellaneous ----------	2,000.00
	Total	$ 15,492.00

The total of the completed sums of 7b, 7c and 7d are ----

7b ----------	$ 12,140.00
7c ----------	7,165.00
7d ----------	15,492.00
Completed Total	$ 34,797.00

Power to be a 3000 watt capacity portable electric emergency unit, a Briggs & Stratton 7HP engine. This unit to be purchased and the total cost to be $480.00 brand new condition.

A gas driven centrifugal pump to obtain water for operation area by means of pumping water into a storage tank to be used for compressor driller. A Briggs & Stratton 3HP engine. This unit to be purchased and the total cost to be $248.00 brand new condition.

7.ESTIMATE OF COSTS:

(d) Traxcavator to be from one and a half cubic yards to two and a half cubic yards bucket capacity. To be a deisel engine with possible rippers and to be a name brand such as Catapillar, Massey-Ferguson or Michigan. This unit to be purchased and the estimated cost is approximately $12,000.00 the equipment is in good condition.

The compressor and sinker drill will be a Chicago Pneumatic or Joy portable air model 125 RG-1, the sinker drill model CP-69W standard hex steel shank and one and a half bits. The compressor is leased at $76.40 weekly or $764.00 for the ten weeks of operation the sinker drill is leased at $24.75 weekly or $247.50 for the ten weeks of operation.

The Eagle Mining Corporation will provide two dump trucks of approximately two to five tons capacity in fair condition that the corporation will purchase as part of their twenty-five per cent of the share of the cost of exploration work. Probable cost will be approximately $2,000.00 each, total $4,000.00.

The Eagle Mining Corporation will also provide one Chevrolet 1/2 ton pick-up 1972 model, almost new to carry fuel for the traxcavator, the compressor and the two dump trucks. Also fuel for the water pump and will be used for other chores pertaining to the program outlined in number 5 of this application titled Exploration Work. The above piece of equipment has already been purchased at a price of $2,595.00 and will also be part of the twenty-five per cent of the total share of the cost of the exploration work.

The Eagle Mining Corporation will also provide one gas driven saw to be used to clear some areas of scrub trees and for what ever other use it is needed, valued at $100.00 in good condition it has already been purchased and will also be part of the twenty-five per cent of the total share of the cost of the exploration work.

The Eagle Mining Corporation also owns several ore cars, track, ore bin and cabin with garage space for equipment.

(e) Non applicable

(f) Non applicable

(g) Repairs are an operating cost. Since certain parts of the machine either wear or fail under load, these parts must be replaced to keep the machine working. The cost of repairs must be estimated as a percentage of the depreciation cost. This percentage factor depends on the conditions in which the unit is working.

7.ESTIMATE OF COSTS:

(g) Actual depreciation is high initially and is lower towards the end of the useful life of the machine. Repairs on the other hand, are low initially and higher towards the end of the useful life of the machine. Since depreciation and repairs compensate each other over the life of the machine an average percentage is established as ninety per cent of the purchase price or for the total price of $12,000.00 the estimated cost of repairs and depreciation will be $10,800.00.

When the project is completed the Eagle Mining Corporation will consider the purchase of part of the equipment used for it's own use at a fair market value.

In ESTIMATE OF COSTS (d) we have an item marked Miscellaneous $2,000.00. This amount we feel will take care of the analytical work the accounting, workmen's compensation and employees liability, insurance, payroll taxes and other required costs that may occur. However if these items above are larger than expected the Eagle Mining Corporation will take care of the added expense as part of their own costs.

EAGLE MINING CORPORATION

STAR RTE. ELK PARK, BUTTE, MONTANA 59701
~~P.O. BOX 4266 IDYLLWILD, CALIFORNIA 92349~~
160 Green Oak Drive
Kerrville, Texas. 78028

March 12,1973

Charles Schreiner Bank
Post Office Box 1030
Kerrville, Texas. 78028

Dear Mr. Rees, Jr:

We are interested in obtaining a Twenty-Five Thousand Dollar ($25,000.00) loan for the purpose of exploring and developing our mining properties located in Butte, Montana.

We will offer as collateral our mining properties that consist of patented and quartz lode claims amounting to approximately Five Hundred acres.

We are interested in terms of ten years amortization at 8%. A reply by mail is requested.

Yours truly,

Alexander Kostuk

Alexander Kostuk

Chas. Schreiner Bank
Kerrville, Texas 78028

March 14, 1973

Mr. Alexander Kostuks
Eagle Mining Corporation
160 Green Oak Drive
Kerrville, Texas 78028

Dear Mr. Kostuks:

Thank you for your letter of March 12,1973 applying for a $25,000.00 loan for the purpose of exploring and developing mining property in Butte, Montana.

We have reviewed your loan application and find we cannot accommodate your request since the collateral being offered is located outside of our trade territory.

Your considering the Chas. Schreiner Bank in making this loan application is most appreciated.

Very truly yours,

W. H. Rees, Jr.
Vice-President

WR/lr

EAGLE MINING CORPORATION

STAR RTE. ELK PARK, BUTTE, MONTANA 59701
~~P.O. BOX 2267, DUBLIN, CALIFORNIA 94568~~
160 Green Oak Drive
Kerrville, Texas. 78028

March 12,1973

First National Bank of Kerrville
806 Water Street
Kerrville, Texas. 78028

Dear Mr. Miller, Jr:

We are interested in obtaining a Twenty-Five Thousand Dollar ($25,000.00) loan for the purpose of exploring and developing our mining properties located in Butte, Montana.

We will offer as collateral our mining properties that consist of patented and quartz lode claims amounting to approximately Five Hundred acres.

We are interested in terms of ten years amortization at 8%. A reply by mail is requested.

Yours truly,

Alexander Kostuk

Alexander Kostuk

FIRST NATIONAL *Bank of Kerrville*
MEMBER F.D.I.C.
KERRVILLE, TEXAS 78028

March 12, 1973

Mr. Alexander Kostuk
Eagel Mining Corporation
160 Green Oak Drive
Kerrville, Texas

Dear Mr. Kostuk,

In reply to your letter of March 12th, requesting a loan for $25,000.00 at 8% amortized in 10 years, using as collateral your nining properties that consist of patented and quartz lode claims.

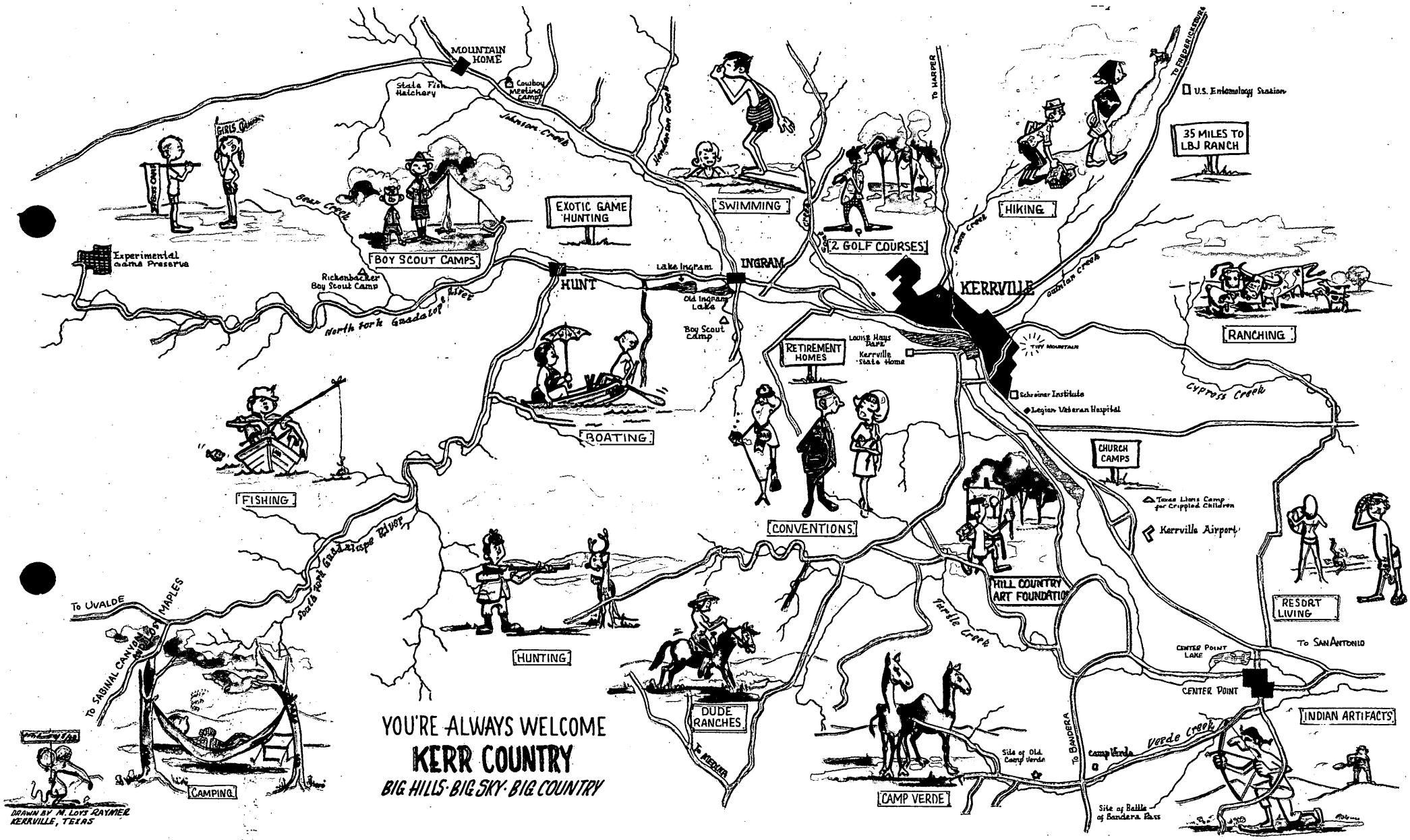
I am sorry we are unable to grant you the loan, because the collateral is not located in our area.

Sincerely,

A. B. Miller Jr.

A. B. Miller, Jr.
Vice President

ABM:km


YOU'RE ALWAYS WELCOME
KERR COUNTRY
BIG HILLS · BIG SKY · BIG COUNTRY
DRAWN BY N. LOYS RAYNER
KERRVILLE, TEXAS
MOUNTAIN HOME
State Fish Hatchery
Cowboy Meeting Camp
Johnson Creek
Experimental Game Preserve
BOY SCOUT CAMPS
Rickenbacker Boy Scout Camp
North Fork Guadalupe River
EXOTIC GAME HUNTING
HUNT
Lake Ingram
Old Ingram Lake
Boy Scout Camp
INGRAM
SWIMMING
2 GOLF COURSES
TO HARPER
KERRVILLE
Town Creek
Cypress Creek
HIKING
TO FREDERICKSBURG
U.S. Entomology Station
35 MILES TO LBJ RANCH
RANCHING
RETIREMENT HOMES
Louise Hays Park
Kerrville State Home
TOY MOUNTAIN
Schreiner Institute
Legion Veteran Hospital
BOATING
FISHING
CONVENTIONS
CHURCH CAMPS
Texas Lions Camp for Crippled Children
Kerrville Airport
HILL COUNTRY ART FOUNDATION
South Fork Guadalupe River
To UVALDE
MAPLES
To SABINAL CANYON
HUNTING
DUDE RANCHES
TO MEDINA
Turtle Creek
RESORT LIVING
CENTER POINT LAKE
To SAN ANTONIO
CENTER POINT
INDIAN ARTIFACTS
Verde Creek
Site of Old Camp Verde
CAMP VERDE
TO BANDERA
Site of Battle of Bandera Pass
CAMPING

FILE COPY

July 10, 1973

Eagle Mining Corporation
160 Green Oak Drive
Kerrville, Texas 78028

Re: OME-6887 (Silver)
Eagle Mining Corporation
Dubuque Lode
Silver Bow and Jefferson Counties, Montana

Gentlemen:

In accordance with the request stated in your application, we enclose one copy each of the material listed below.

Preliminary report on the Cascade-Dubuque Group, Butte, Montana, by Malcolm C. Brown, 5 pages, 2 maps, 1 assay sheet.
Mineral surveys of patented claims, 9 plats.
Quit claim deed of April 29, 1968, 3 pages.
Warranty deed of January 13, 1942, 3 pages.
Quit claim deed of November 7, 1949, 2 pages.
Warranty Deed of July 29, 1941, 3 pages.
Declaration of waiver of liens, July 29, 1941, 3 pages.
Contract for sale of mining claims, July 29, 1941, 2 pages.
Report on the property of the Cotter Butte Mines, Inc., Butte, Montana, by Arthur W. Corry, July 21, 1930, 13 pages.
Section area map, Dubuque Group, Plate 1.
Map of surface and underground workings, Dubuque Group, Plate 2.
Longitudinal Section A-A, Dubuque Group, Plate 3.
Plan map, Cotter-Butte tunnel, Dubuque Group, Plate 4.
Topographic map of surface and underground workings and proposed excavations, Eagle Mining Corporation, Plate 5.

The Field Officer, OME Region I, also is returning material to you.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo, Chief
Office of Minerals Exploration

Enclosures
cc:
DRF
MR Rdg.
OME Rdg./OME File/
Mr. Kirkemo/Region I
HKirkemo/gpw

July 6, 1973

Eagle Mining Corporation
160 Green Oak Drive
Kerrville, Texas 78028

Re: OME-6887 (Silver)
Eagle Mining Corporation
Dubuque Lode
Silver Bow and Jefferson Counties, Montana

Gentlemen:

Careful study of your application for financial assistance in exploring the Dubuque Lode and of other information available to us indicates that the probability of disclosing significant silver ore reserves is not sufficiently promising to justify Government participation in the proposed exploration project. Accordingly, we regret to inform you that your application is denied.

This denial is without prejudice to your property. If subsequent work reveals evidence of specific exploration targets, we would be pleased to consider a new application based on such evidence.

We wish to thank you for your interest in the mineral exploration program.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo, Chief
Office of Minerals Exploration

cc: Region I
DRF
MR Rdg.
OME Rdg.
OME File
Kirkemo chron

HKirkemo/gpw

OFFICIAL FILE COPY

July 6, 1973

Memorandum

To: The File

From: Chief, Office of Minerals Exploration

Subject: OME-6887 (Silver)
Eagle Mining Corporation
Dubuque Lode
Silver Bow and Jefferson Counties, Montana

On-site Application Report

Justification for Denial of Application

The applicant proposed to explore a silver-bearing silicified zone of pegmatite or aplite referred to as the Dubuque Lode on a property about four miles east of Butte, Montana. The proposed exploration program would consist of two surface trenches, each about 30 feet deep, across the mineralized zone. The estimated cost of the project was $34,797.

The Field Officer, Region I, examined the property on June 21, 1973, with the vice president of the applicant company. Although the property had been developed by two shafts from which some drifting had been done, an adit tunnel reported to be 1,232 feet long, and some shallow surface cuts, all were inaccessible for entry or examination. Rocks on the dumps near the shafts and in an ore bin were only sparsely mineralized. However, assays of four samples of the material indicated a silver content ranging from 3.4 to 19.5 oz. per ton.

The applicant's trenching proposal is more in the nature of prospecting because the purpose is to expose the vein zone for inspection and sampling in order to determine the best exploration program. Also, the trenches would afford a means of access for mining if the zone was sufficiently mineralized to warrant exploitation. Neither prospecting nor mining is eligible for OME assistance.

The applicant's representative was told by the Field Officer that there were not sufficient exposures of the vein zone to enable the Field Officer to evaluate the proposed work or any other proposal. If the zone could be exposed in one or more places for inspection and sampling, there would be a better basis for judging whether further work is warranted.

I concur in the Field Officer's recommendation to deny the application without prejudice to the property.

Harold Kirkemo

Harold Kirkemo

cc: DRF
MR Reading
OME Reading
Kirkemo

HKirkemo/gpw

OFFICIAL
COPY
O. M. E.
RECEIVED
JUL 2 1973
INITIALS CODE
HK

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

June 28, 1973

MEMORANDUM

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: Application examination
OME-6887 (Silver)
Eagle Mining Corporation
Dubuque Lode
Silver Bow and Jefferson Counties,
Montana

INTRODUCTION

Eagle Mining Corporation applied for OME assistance to explore its Dubuque claim, about 4 miles east of the central part of Butte, Montana, by excavating two surface cuts about 180 feet apart near two old vertical shafts. The estimated cost for this work is $34,797. I examined the property on Thursday morning, June 21, 1973, in company with Alexander Kostuk, vice president of Eagle Mining Corporation. We visited the old workings, discussed the property's history and the proposed exploration. I spent about two hours on the property, collected 4 samples for assay, but did not make any maps as those included with the application were adequate.

RECOMMENDATION

The application should be denied without prejudice to the property. Lack of adequate exposures of the mineralized zone prevented a meaningful evaluation of the zone's potential.

APPLICANT

The applicant is a corporation organized in the State of Utah:

Eagle Mining Corporation
160 Green Oak Drive
Kerrville, Texas 78028

Officers include:

President: Hildegarde Kostuck

Executive Vice President and
Secretary-Treasurer: Alexander Kostuck

Second Vice President: Hildegarde Just

all at 160 Green Oak Drive, Kerrville, Texas

The applicant does not have a telephone.

PROPERTY

The property subject of the application includes 9 patented claims in Secs. 10 and 11, T. 3 N., R. 7 W., Silver Bow and Jefferson Counties, Montana. The claims are listed in the application as follows:

Claim Name	Survey Number
East Extension	8110
Woodland	7828
Oakfield	6744
Divide	7378
Cascade	3042
Dubuque	2476
Gold Luck	10796
Malone	1102
Victory	10795

Locations of the claims are shown on figure 1 (Figure 1 - Plan and claim maps -- Eagle Mining Corporation, Sec. 11, T. 3 N., R. 7 W., Silver Bow and Jefferson Counties, Montana).

Development work includes an adit reported to be 1,232 feet long extending from the Cascade claim southwesterly toward the Dubuque claim. The portal of this adit is at an approximate altitude of 7,000 feet. Two vertical shafts have been sunk on the Dubuque claim, one 125 feet deep and the other 35 feet deep. Some drifting was done on the 35-foot level in the deeper shaft. There are other shallow cuts on the Dubuque claim. An old cabin, ore bin, and dilapidated towers of an aerial tramway remain on the surface. A more elaborate camp was near the portal of the adit but the buildings and equipment have been removed. None of the underground workings on the Dubuque claim are accessible as the shafts are caved near the surface.

LOCATION AND ACCESSIBILITY

The applicant's claims are astride the Continental Divide and about 4 miles due east from the central part of Butte, Montana. Altitudes range from 7,000 to 7,700 feet. Hillslopes are steep and heavily wooded.

To reach the property one should follow Highway 15 from Butte northerly to the junction with Highway 291, turn sharp left and then take the unsurfaced road that leads east through the underpass that goes under Highway 15. This unsurfaced road leads up the hill to a TV tower and crosses the applicant's property. In fair weather the road can be traversed easily in a two-wheel drive vehicle.

GEOLOGY

The applicant's property is underlain by porphyritic Butte Quartz Monzonite that contains randomly spaced masses of pegmatite or aplite (Smedes, H. W., et al, 1962). Silicified portions of this rock apparently contain important quantities of precious metals, mainly silver. One such zone crosses the applicant's property in an east-northeasterly direction and has been prospected by several shallow surface cuts and an adit. Outcrops are few, the hillslopes are heavily wooded, and the underground workings are inacccessible, so this discussion of the geology is abstracted from reports contained in the application.

Although the Dubuque claim is near to the fabulous Butte Mining area, it is separated from the main Butte mines by the Continental Fault, on the west side of which the rocks have been downdropped for more than 1,000 feet. There's a general tendency to relate mineralized zones peripheral to the Butte Mining District to richly mineralized zones within the district. Hence, the east-northeast trending Dubuque mineralized zone might be considered a continuation of one of the veins in the Butte district. Recent work in the Butte district indicates some fairly widespread mineralization east of the Continental Fault, as evidenced by the planned East Pit of Anaconda. Hence, continued exploration might be successful in finding productive vein deposits east of the Continental Fault.

Corry's report, with the application, states that the leached zone on Anaconda hill extends to a depth of 400 feet, and the enriched zone is below this. He intimates that near-surface evidence east of the Continental Fault might not give true indication of values to be found at depth because of oxidation and leaching. M. C. Brown's report with the application also suggests that deep drilling might be necessary to fully explore below the oxidized zone on the Dubuque claim.

Corry reports that there were several small producers of high grade silver ore from mines near the Dubuque claims. According to him there might have been as much as half million dollars worth of ore produced. I cannot, however, verify this from any published reports available to me. I did visit the shaft site of the Clinton mine, from which August P. Heinze was supposed to have "maintained considerable shipments of copper ore till he sold his Butte interests to the Anaconda Company" (Corry, 1930, p. 3). Much sulfide-bearing rock was in the dump around the old shaft, but I could get no idea of the amount of ore that might have been produced.

The rock on the dumps near the Discovery shaft and the New shaft and in the ore bin on the Dubuque claim (figure 1), is a faintly yellow-stained siliceous material that contains few sulfides. There is little if any boxwork that indicates the former presence of sulfides. The material in the ore bin does not look significantly different from that on the dumps and I could not tell why some was stored as ore and other was not.

The applicant reports the following assay data:

From the 35-foot level in the Discovery Shaft:

Sample No.	Width-inches	Au	Ag oz/ton	Pb %
51	14	$ 0.40	9.4	
61	4	0.80	72.1	0.1
7	26	0.80	27.2	
5	Dump sample	tr.	1.0	

From the New shaft

8	14	0.60	15.8	

I do not know what the selling price of gold was at the time that Corry valued the gold in his sample.

I collected 4 samples for assay from the dumps and the ore bin. The samples consisted of several small chunks of silicified rock taken from scattered locations on the dumps and in the ore bin. I probably selected the more quartzose rock but none of the pieces appeared to be obviously richer than the general dump or ore-bin material. Assays of these are as follows:

Sample No.	Location	Au oz/ton	Ag oz/ton
922CC	Dump near New shaft	tr.	6.8
923C	Dump near open cut north of New shaft	tr.	3.4
924C	Dump near Discovery Shaft	0.01	19.5
925C	Ore Bin	0.02	14.1

These results indicate that some of the rock must contain a high amount of silver. However, it cannot be seen from the surface how wide the zones of mineralized rock area

The application contains a geologic map of the adit on the Cascade claim that reportedly was to be extended to below the Dubuque claim. No. 3 crosscut in this adit went through a 60-foot wide zone of sheared and altered rock that contained narrow bands of quartz, pyrite, and in some places chalcopyrite

and sphalerite. This zone might be the northeast extension of the zone explored on the surface on the Dubuque claim; however, there are no assay data giving the precious metal content of the shear zone in the adit.

The applicant also reports that a distinctive quartz porphyry dike cuts across his property sub-parallel to the mineralized zone and he correlates this dike with the Modoc dike in the greater Butte District. The economic significance of this is moot.

APPLICANT'S PROPOSAL

The applicant proposes to explore the Dubuque claim by making two surface cuts near the Discovery shaft and the New Shaft (figure 1). At the Discovery shaft, he plans to dig to a depth of 30 feet over an area of 30 by 50 feet, and will excavate an inclined ramp of 100 feet. The area across the face of the Dubuque vein will be opened for 1,667 cubic yards (applicant's figures and terms). At the New shaft, some 180 feet west of the Discovery shaft, he will make a cut 30 feet deep over an area 30 by 100 feet, with a ramp 100 feet long. The area will be 3,334 cubic yards plus 1,000 cubic yards for the ramp (applicant's figures and terms). Total cost of this work is as follows:

Labor, supervision and assays	$ 12,140.00
Operating materials and supplies	7,165.00
Equipment and miscellaneous	15,492.00
TOTAL:	$ 34,797.00

Included in the equipment will be an emergency power plant, water pump, leased compressors and a traxcavator.

The applicant will provide two dump trucks of 2 to 5 tons capacity and a ½-ton pickup truck.

Mr. Alexander Kostuk, Vice-President of Eagle Mining Company, will operate the traxcavator and his son will operate a truck. Other labor will be locally recruited. Mr. Malcom Brown will be the geologist, engineer, and consultant.

APPRAISAL OF APPLICANT'S PROPOSAL

The assay data submitted by the applicant and that from OME samples suggests strongly that silver-bearing veins are present on the Dubuque claim. The applicant's information suggests that the veins are narrow but it does not give any hint as to whether there might be several narrow veins in a broad zone that could be minable at present-day silver prices. The applicant's proposal has some merit in that it will expose the vein or zone of veins by making open cuts across the zone at two different places. The cuts that he proposes are more in the nature of preparing for mining rather than exploration cuts. Therefore, the applicant's proposed work cannot be favorably considered.

I suggested to Mr. Kostuck that perhaps he could contract some bulldozing to make one or several narrow cuts across the vein zone. Perhaps two weeks' work would be sufficient to expose the veins in several places and information in these cuts could be a guide as to what next to do in the nature of exploration. Mr. Kostuck believed that it would be better for him to buy a bulldozer and do the work himself and did not seem agreeable to my suggestion of contracting the work.

I told Mr. Kostuck that at the present time there were not sufficient exposures of the Dubuque vein or vein zone for me to evaluate his proposed work or, for that matter, any exploration proposal. If the veins could be exposed in one or more places where they could be measured and sampled, one would have a better basis for judging whether further work is justified. Perhaps it would be best to diamond drill some inclined holes to test the vein zone at depth; this drilling would not necessarily have to reach the depths proposed in Malcolm Brown's report that accompanies the application.

COMPETENCY OF APPLICANT

Mr. Alexander Kostuck, vice-president of Eagle Mining Company, would be in charge of any exploration and probably would conduct much of the work. He is by profession a cartoonist but has worked at the Dubuque property over a period of years because it was owned by Dr. Francis Just, his father-in-law. Mr. Kostuck's knowledge of geology is rather rudimentary and I doubt that he is much better experienced as a miner. I believe that he would need the services of a qualifiedminer or bulldozer operator to successfully complete his planned exploration.

There is some doubt that the applicant is financially competent to carry out an exploration program. Mr. Kostuck's father-in-law spent about $180,000 at the property and now his heirs are hoping to recoup the spent money. They would like to get the property in shape to sell it but do not want to market it until they have more positive evidence of its mineral potential. They seemingly have somewhat limited financial resources, the exact amount I could not ascertain.

CONCLUSIONS

A silver-bearing vein or veins apparently cross the applicant's Dubuque claim. Sample data indicate as much as 72 ounces of silver over narrow widths. The mineralized zone should be better exposed, either in surface cuts or underground workings, before a fair evaluation can be made of its potential. The applicant's proposal cannot be justified as exploration.

The application for OME assistance should be denied without prejudice to the property.

Reference Cited

Corr, A. V., 1930, Report on the property of the Copper Butte Mines, Inc., Butte, Montana: unpublished report accompanying application.

Smedes, H. W., Klepper, M. R., Pinckney, D. M., Becraft, G. E., and Ruppel, E. T., 1962, Preliminary geologic map of the Elk Park quadrangle, Jefferson and Silver Bow Counties, Montana: U. S. Geological Survey Mineral Invest. Map MF-246.

Willard P. Puffett

Willard P. Puffett

Enclosure: Figure 1-Plan and claim map-Eagle Mining Corporation, Sec. 11, T. 3 N., R. 7 W., Silver Bow and Jefferson Counties, Montana

Office of Minerals Exploration
656 U. S. Court House
Spokane, Wash., 99201

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O. M. E.
RECEIVED
JUN 15 1973

INITIALS	CODE
HK	20

June 12, 1973

Mr. Alexander Kostuk
Eagle Mining Corporation
160 Green Oak Drive
Kerrville, Texas 78028

Re: OME-6887 (silver)
Dubuque Lode
Silver Bow and Jefferson Counties, Mont.

Dear Mr. Kostuk:

I have unsuccessfully attempted to contact you by telephone to arrange an examination of the Dubuque lode and to discuss with you the exploration for which you've asked OME assistance. I am planning on being in the Butte, Montana, area next week, probably on Thursday, June 21, 1973. I will not leave here until Tuesday morning, June 19.

My office telephone number is 509-456-4677. If possible, I would like to hear from you before I leave for Montana. If this is not possible, it will be necessary for me to schedule an examination of your property sometime in July.

Sincerely,

Willard P. Puffett
Field Officer, Region I

cc: OME
DRF

Puffett/at

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code

Memorandum

JUN 8 1973

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6887 (Silver)
Eagle Mining Corporation
Dubuque Lode
Silver Bow and Jefferson Counties, Montana

The subject application is referred to you for further study, a possible field examination, and your recommendation.

Mr. John Goldsum, an attorney from Austin, Texas who apparently represents the applicant, brought two copies of the application to this office. We discussed the proposal briefly, especially the lack of adequate funds to meet the operator's share of the costs in the event of a contract. One copy of the mineral surveys of the patented claims also was delivered. Because of the size of the folder, we will retain it here. In the event you should need it, we can send it to you later.

The work proposal is a rather large surface excavation to expose the Dubuque vein. Aside from the environmental considerations, such work possibly would not be as effective for exploration purposes as would a few diamond drill holes.

Other problems relating to the application are noted in our letter to the applicant.

Harold Kirkemo

Harold Kirkemo

Enclosures

cc: Director's reading file
Mineral resources
OME reading file
Mr. Kirkemo
HKirkemo/cac 6/8/73

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code

JUN 5 1973

Eagle Mining Corporation
160 Green Oak Drive
Kerrville, Texas 78028

Re: OME-6887 (Silver)
Eagle Mining Corporation
Dubuque Lode
Silver Bow and Jefferson
Counties, Montana

Gentlemen:

Your application dated March 28, 1973, for financial assistance to explore the Dubuque lode was delivered to us on June 6, 1973, by Mr. John Goldsum, attorney, Austin, Texas. The application has been assigned Docket No. OME-6887. Please identify all future correspondence relating to your application by this docket number.

We enclose for your information a copy of Exhibit A, entitled "Notice to Prospective Federally Assisted Construction Contracts" which describes certain additional regulations and requirements. This should be filed with your copy of the application.

I mentioned to Mr. Goldsum that allowance for use of the trucks mentioned under Item 1(c) of the application would not be sufficient together with the listed cash reserve to meet the operator's share of the costs in the event of a contract. Depreciation is allowed on operator-owned equipment to the extent of 1/60th of its fair market value or its book value, whichever is less, for each month used on the project. Assuming a total value of $6,595 for the trucks, this formula would permit an allowance of about $110 per month. On a 6-month project this would total only $660 which* is about $4,500 less than the amount ($8,700) necessary to meet your share of the estimated costs.

I mentioned to Mr. Goldsum that the value of operating equipment owned by the operator was considered to be one half of its book or fair market value in the above formula. This was an erroneous statement. It is only in the event that the operator purchases equipment specifically for use on a project that we apply the 50 percent deduction before calulating the allowable depreciation. This avoids the problem of Government interest in jointly-owned equipment when a project is completed, and the equipment is disposed of by sale.

*together with $3,500 in cash

The rights of Eagle Mining Corporation in the land are not established by any of the documents accompanying the application. The latest transaction appears to have been the Quit Claim Deed of April 29, 1968 between Hildegard Just and Hildegard Kostuk, now president of the corporation. A letter from the law offices of Loble, Picotte & Loble of Helena, Montana, mentioned in the application, is not among the documents received. We would need copies of the document transferring the property from Hildegard Kostuk to Eagle Mining Corporation in the event the application is approved for a contract.

The application has been referred for further review to Mr. Willard P. Puffett, Field Officer, Region I, Office of Minerals Exploration, U. S. Geological Survey, 656 U. S. Courthouse, Spokane, Washington 99201. Mr. Puffett will contact you if additional information is needed or possibly to arrange an examination of the property.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

Enclosure

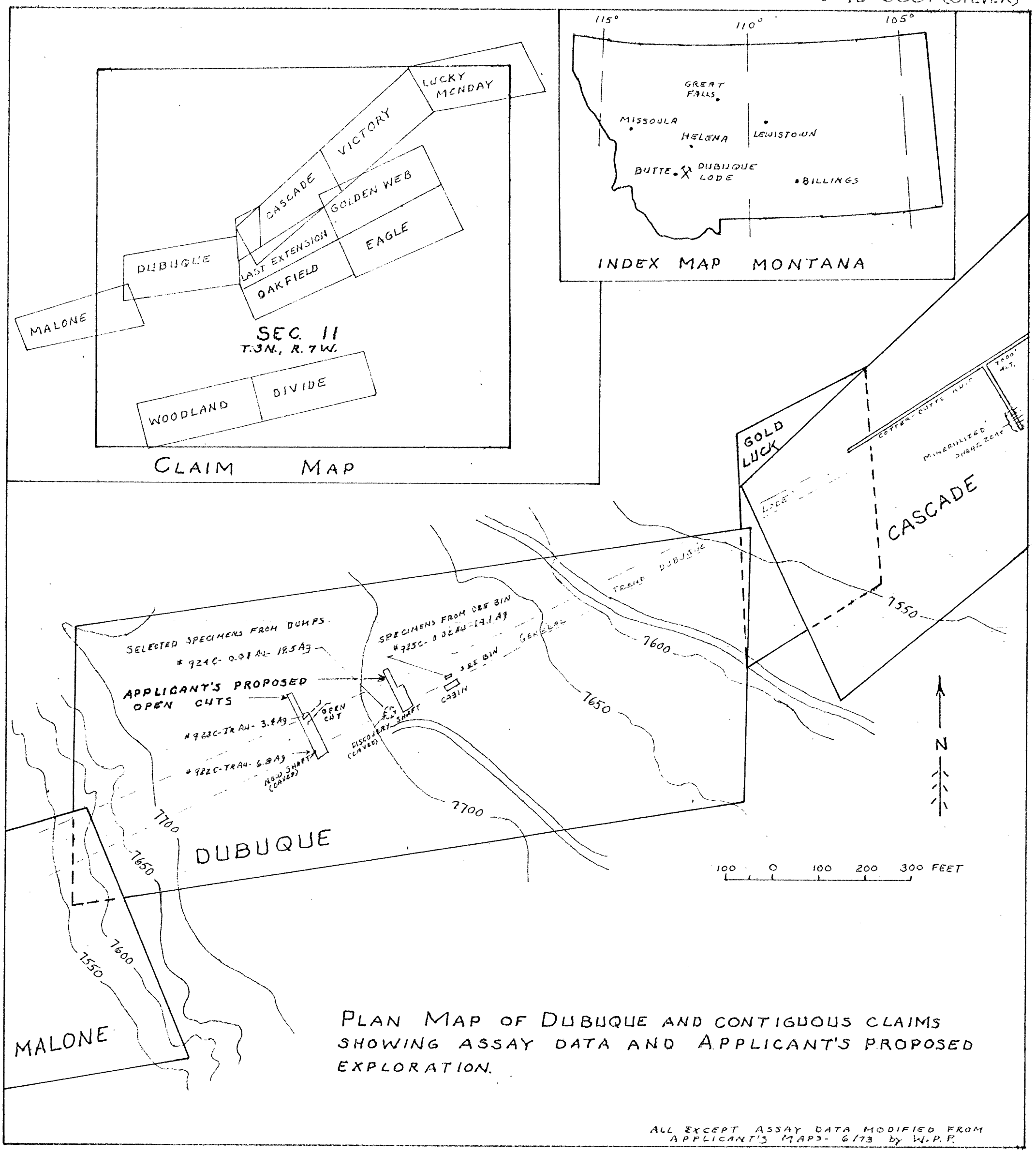
Copy: John Goldsum
P. O. Box 1148
Austin, Texas 78767

cc: Director's reading file
Mineral Resources
OME reading file
Region I
Mr. Kirkemo

HKirkemo/cac 6/8/73

U.S. GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OME 6887 (SILVER)



PLAN MAP OF DUBUQUE AND CONTIGUOUS CLAIMS SHOWING ASSAY DATA AND APPLICANT'S PROPOSED EXPLORATION.

ALL EXCEPT ASSAY DATA MODIFIED FROM APPLICANT'S MAPS- 6/73 by W.P.P.

FIGURE 1- PLAN AND CLAIM MAP- EAGLE MINING CORPORATION, SEC. 11, T. 3 N., R. 7 W., SILVER BOW AND JEFFERSON COUNTIES, MONTANA