DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

Idm-E NO._____

ONE ~~DMEA~~ NO. 6543

Application
- [ ] Denied
- [x] Withdrawn

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

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

Folder No. 1:

Left Side

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

Right Side

- [ ] Project summary (final)
- [ ] Work Comoleted analysis (final)

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

- [ ] Field Team Semi-Annual 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 Semi-Annual Inspection Reports
- [ ] Project Summary (Interim) by DMEA Engineers

Right Side

- [ ] Field Team Semi-Annual 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

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
U. S. Geological Survey -- Denver Federal Center
Building 25-Room 2284
Denver, Colorado 80225

OFFICIAL
COPY

March 10, 1966

Memorandum

To: Chief, OME

From: Field Officer, Region III

Subject: Application for financial assistance in Minerals Exploration on the Ontario Mine from Ben F. Billingsley, Duncan, Arizona

Enclosed is the original application for financial assistance in minerals exploration on the Ontario mine, Grand County, New Mexico.

The applicant asks for assistance for silver, gold, copper, lead and zinc. Only the first two metals are eligible for assistance under the OME program. Mr. Billingsley furnishes only two stereotyped letters signed by officials of two banks, namely: The First National Bank, Lordsburg, New Mexico and the Valley National Bank of Arizona, Duncan, Arizona Branch. He does not include copies of his request for financial assistance from these banking institutions.

Ore settlement sheets indicates that the mine has produced 193.64 tons that averaged about 0.32 oz. gold, 24.71 oz Ag, 0.71% Pb, 0.27% Cu per ton. The value of the ore at current prices would be approximately $47.33. The ore is profitable at that price; however, the applicant appears to propose largely an ore development program rather than one of exploration.

Applicant indicates more

J. William Hosler

MME Form 40
Jan. 65

Budget Bureau No. 42-R1308
Approval expires Dec. 31, 1968

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.)*

Ben F. Billingsley
P. O. Box 105
Duncan, Arizona 85534

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: 6543
DATE RECEIVED: 3/14/66
REGION: III
DIVISION CODE:

BUSINESS ORGANIZATION *(Check one)*

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

STATE IN WHICH FIRM IS ORGANIZED:

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
Ben F. Billingsley owner of 2/3 interest	Duncan, Arizona	Partner
Leslie A. Billingsley owner of 1/3 interest	Duncan, Arizona	Partner

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

ESTIMATED COST OF PROJECT: $ 75,000.00 (seventy five thousand)

PROPERTY NAME	LOCATION COUNTY	STATE
Ontario Mine	Grant,	New Mexico

GENERAL INSTRUCTIONS

Before filling out this application, please read the *OME Regulations for Obtaining Federal Assistance in Financing Explorations for Mineral Reserves* (30 CFR Chap. III). To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit two copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 2, existing mine workings and geology in item 3, and the proposed exploration work in item 5. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 3(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals*, of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Office of Minerals Exploration, Department of the Interior,* ~~Washington 25, D. C., or with the nearest OME Field Office.~~ 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.

DATED

Leslie A. Billingsley
BY *(Signature)*

Partner (owner of 1/3 interest)
TITLE

A wilfully false statement or certification to any Department or Agency of the United States Government is a criminal offense. U. S. Code, Title 18, Sec. 1001.

INFORMATION REQUIRED WITH THIS APPLICATION

1. Financial Eligibility:

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

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

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

2. Applicant's Rights in Land:

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

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

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

3. Physical Description:

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

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

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

(d) Describe known ore reserves, giving quantities and grades and sampling methods used. Support your statement with copies of assay certificates and assay maps if available.

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

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

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

4. Accessibility of Property:

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

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

5. Exploration Work:

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

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

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

6. Experience:

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

7. Estimate of Costs:

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

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

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

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

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

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

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

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

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

1. FINANCIAL ELIGIBILITY:

(a) I have recently applied for a loan at two different banking institutions. On the following pages are letters of refusal signed by the representatives of these banking institutions, showing date of loan request, amount requested, and proposed use of loan funds.

(b) The Ontario Mining Claims are owned by myself and my brother, Leslie A. Billingsley, who owns a 1/3 interest.

(c) To furnish my share of the costs of the exploration work, I plan to furnish the equipment listed on page 21, item 7, category (d). I estimate the total value of this equipment at $19600.00 (nineteen thousand, six hundred dollars). I plan for the government to furnish $55400.00 (fifty five thousand, four hundred dollars), which brings the sum of both shares to a total of $75000.00 (seventy five thousand dollars). The Government's share of the costs is equal to aproximately 74% (seventy four per cent) of the total costs of the exploration work.

19,600
55,400
75,000

Date Feb 25, 1966

Ben F. Billingsley
P. O. Box 105
Duncan, Arizona 85534

Dear Mr. Billingsley;

Due to the policy of this bank, I must refuse your request for a loan in the amount of $25,000.00 | ? NC for the purpose of minerals exploration.

Date of loan request Feb 25, 1966.

Signed Fred Ewing, Vice President

Bank First National Bank, Lordsburg, N.M.

Date Feb. 25 1966

Ben F. Billingsley
P. O. Box 105
Duncan, Arizona 85534

Dear Mr. Billingsley:

Due to the policy of this bank, I must refuse your request for a loan in the amount of $25,000.00 for the purpose of minerals exploration.

Date of loan request Feb. 25, 1966.

Signed Norman Cornbett Mgr.

Bank Valley National Bank of Arizona
Duncan, Arizona Branch

N C

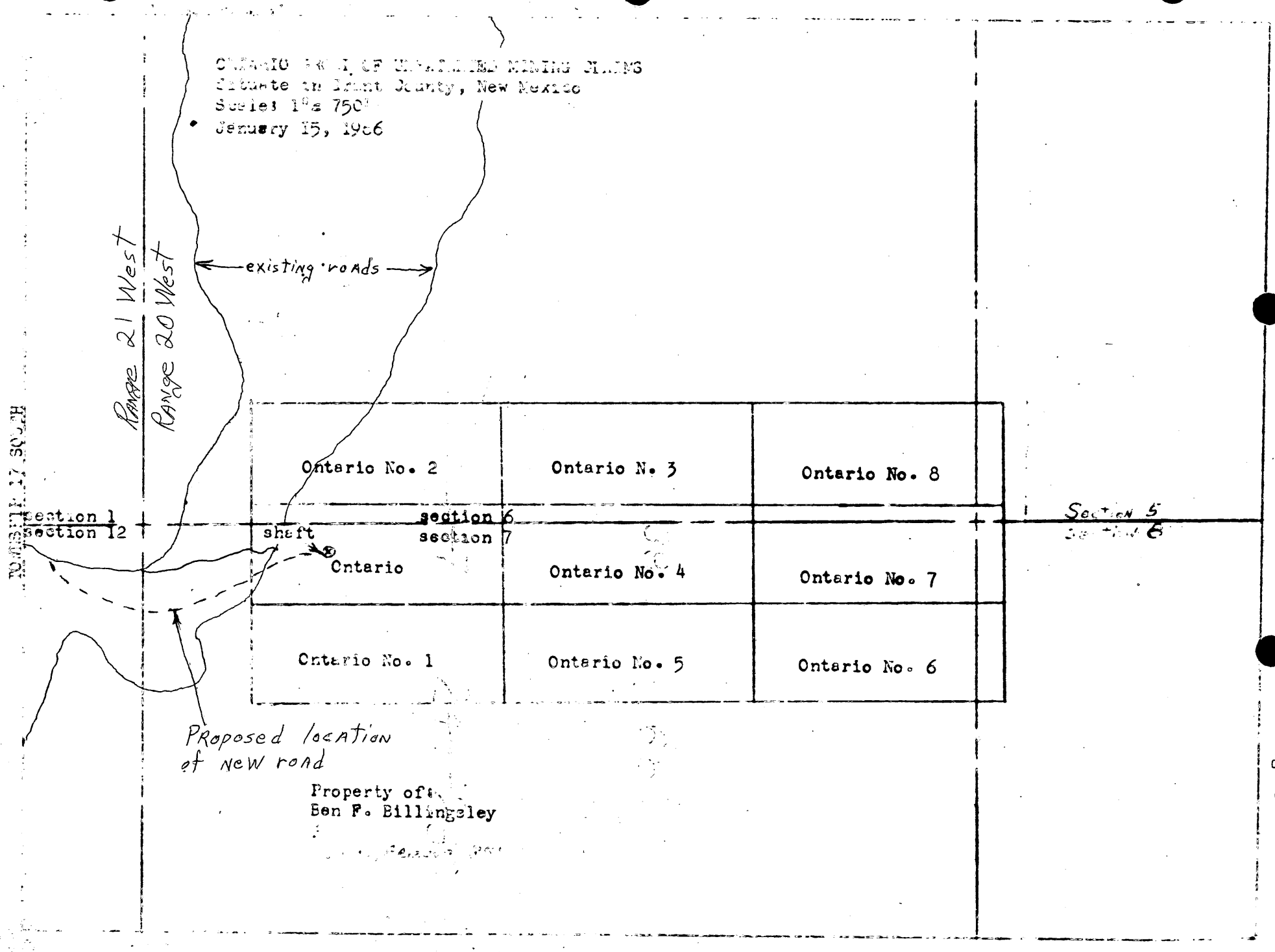
2. APPLICANT'S RIGHTS IN LAND:

(a) I own a 2/3 interest in the Ontario Group of unpatented Mining claims. My brother, Leslie A. Billingsley, owns the remaining 1/3 interest.

(b) The Ontario group lies in sections 5, 6, 7, 8, Township 17 South, Range 20 West, Steeple Rock mining district, Grant County, New Mexico. These claims are shown in the map on the following page. The location notices are recorded in the Grant County Court House in Silver City, New Mexico In the books and page numbers as follows:

NAME OF CLAIM	BOOK	PAGE No.
Ontario	39	68
Ontario No. 1	47	244-250
Ontario No. 2		
Ontario No. 3		
Ontario No. 4		
Ontario No. 5		
Ontario No. 6		
Ontario No. 7		
Ontario No. 8		

(c) All mining and mineral rights are owned by myself and Leslie A. Billingsley.


Range 21 West
Range 20 West
existing roads
Ontario No. 2
Ontario No. 3
Ontario No. 8
section 1
section 12
section 6
section 7
shaft
Ontario
Ontario No. 4
Ontario No. 7
Section 5
Ontario No. 1
Ontario No. 5
Ontario No. 6
Proposed location
of new road
Property of
Ben F. Billingsley

3. PHYSICAL DESCRIPTION:

(a) From 1940 to 1942 I sank a shaft along the vein of ore on the Ontario claim to a depth of aproximately 160 feet. Drifts branck from the shaft at 40 foot, 100 foot, (stoped) and 160 foot levels, (no ore) all of which are shown in the drawing on the following page.

At the collar of the shaft is an old headframe and ore bin. I have recently installed an electrical power plant and air compressor in an etempt to explore and reopen this shaft.

(b) All exploration operations on this property have been conducted by myself.

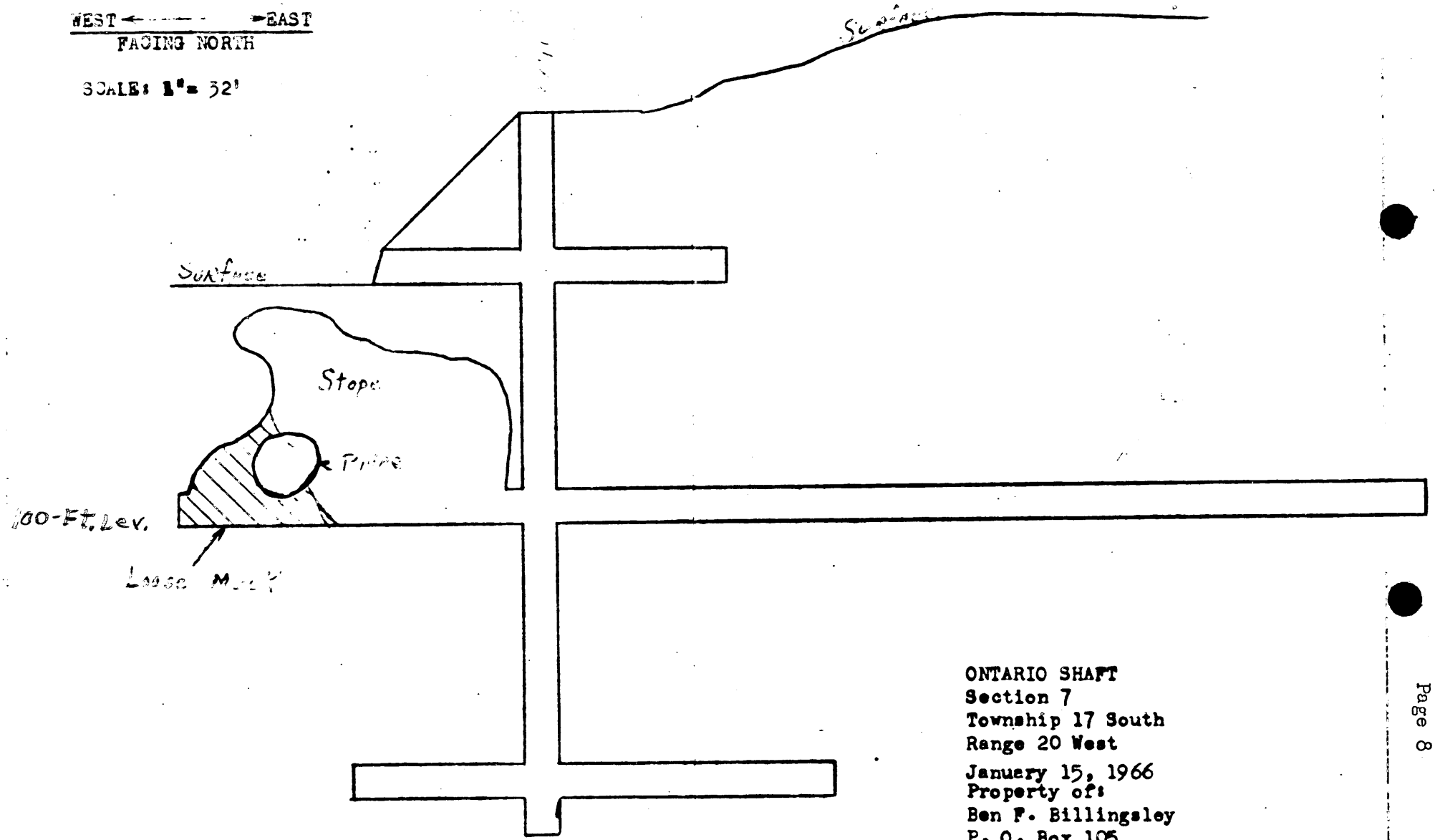
(c) From 1940 to 1942 I operated the mine with considerable success, but was forced to close it down due to complications of World War II. On the following pages are a few 3 copies of settlement sheets which I still have. These sheets represent an average of all ore shipped. Ore was also shipped to the International Smelting and Refining Company of Inspiration, Arizona.

A S & R
El Paso
Au. 3.32 = $11.20
Ag. 24.71 = $31.88
(@ $1.29)

(d) I know little about ore reserves, but on the following pages are copies of certificates of assays which I have recently taken from the stope in the west drift of the 100 foot level.

stope = 9600 ft³ ±
= 800 tons

(e) Silver, gold, copper, lead and zinc are the principle valuable minerals in this mine. They occur in fissure veins.



ONTARIO SHAFT
Section 7
Township 17 South
Range 20 West

January 15, 1966
Property of:
Ben F. Billingsley
P. O. Box 105
Duncan, Arizona 85534

FORM 2A 20M 7-41 CAIRNS

AMERICAN SMELTING AND REFINING COMPANY
EL PASO SMELTING WORKS

ORE SETTLEMENT

EL PASO, TEXAS 12-26-41
SMELTER LOT 3551
SHIPPER'S LOT
CLASSIFICATION Ore

BOUGHT OF Billingsley Brothers,
ADDRESS Duncan, Arizona.
SHIPPING POINT " "

CAR		WEIGHT IN AVOIRDUPOIS POUNDS					
No.	Initial	Gross	Sacks No.	Sacks Weight	Net Weight	Moisture %	Dry Weight
169249	AT	73920 78900			152820	6.8	142428

Provisional

N. Y. METAL QUOTATIONS

Settlement Date 12-17-41
B/L Date 12-15-41

Silver	.70625	Cts. per oz.
F'gn Silver	.35125	
Lead	$5.85	Per 100 lbs.
E. & M. J. Copper	.11650	Cts. per lb.

LONDON LEAD PER 2240 LBS.
£ s d

EXCHANGE N. Y.

PAYMENTS FOR METALS

Elements	Assay per ton 2000 lbs.		Deducted	Net Assay	Equivalent in lbs	Per cent paid for	Net paid for		Rate	Value Amount per ton	Value Amount total
Gold	.41	oz.					.41	oz.	32.31825	13.25	
Silver	21.7	oz.				95	20.615	oz.	.69125	14.25	
Lead	.7	%						lbs.			
Copper	.30	%						lbs.			
TOTAL PAYMENTS FOR METALS											27.50

DEDUCTIONS

	Debits	Credits
BASE CHARGE: F. O. B. El Paso, for Metal Payments, not exceeding 10.00 per ton	2.50	
10 % of $ 17.50 excess over $ 10.00 per ton	1.75	
Handling Sacks		
Copper Deficiency 8.0 - 6.0 = 2.0 @ .0909	.18	

Analysis			Deduction	Net		Rate	
Insoluble	79.0	%			%	@	Cts.
Silica	70.2	%			%	@	Cts.
Iron	5.8	%			%	@	Cts.
Mn		%			%	@	Cts.
Lime	.8	%			%	@	Cts.
Zinc	.6	%			%	@	Cts.
Sulphur	3.4	%			%	@	Cts.
Alumina	8.6	%			%	@	Cts.
As	.25	%			%	@	Cts.
Sb		%			%	@	Cts.
Bi		%			%	@	Cts.

	Debits	Credits
TOTAL DEDUCTIONS	4.43	4.43
NET VALUE PER TON		23.07

				Debits	Credits
Total Value on	71.214	Dry Tons @ 23.07	Per Ton		1642.91
Less Freight on	76.410	Wet Tons @ 2.50	Per Ton	191.03	
Less Freight on Sacks Returned		Hauling Charge			
Less Demurrage		Switching		2.48	
Less Representation		Umpires			
Less Duty and Brokerage					
Amount withheld pending receipt of Silver Affidavit				521.29	
Royalty					
BALANCE DUE SHIPPER				928.11	
				1642.91	1642.

Valuation for freight
$21.50 per wet ton

Made by _____ Checked _____ Correct _____ Approved 1449 :1 D

FORM 2A 20M 7-41 CAIRNS

AMERICAN SMELTING AND REFINING COMPANY
EL PASO SMELTING WORKS

ORE SETTLEMENT

EL PASO, TEXAS 1-31-42
SMELTER LOT 241
SHIPPER'S LOT
CLASSIFICATION Ore

BOUGHT OF Billingsley Bros.
ADDRESS Duncan, Ariz.
SHIPPING POINT " "

CAR No.	CAR Initial	Gross	Sacks No.	Sacks Weight	Net Weight	Moisture %	Dry Weight
188614	RI				126920	3.7	122224

PROVISIONAL

N. Y. METAL QUOTATIONS

Settlement Date 1-23-42
B/L Date 1-15-42

Silver	.70625	Cts. per oz.
F'gn Silver		
Lead	$ 6.50	Per 100 lbs.
E. & M. J. Copper	.11650	Cts. per lb.

LONDON LEAD PER 2240 LBS.
£ s d

EXCHANGE N. Y.

PAYMENTS FOR METALS

Elements	Assay per Ton 2000 lbs.		Deducted	Net Assay	Equivalent in lbs.	Per Cent Paid For	Net Paid For		Rate	Value Amount per Ton	Value Amount Total
Gold	.415	oz.					.415	oz.	32.31825	13.41	
Silver	20.2	oz.				95	19.19	oz.	.69125	13.27	
Lead	.9	%						lbs.			
Copper	.32	%						lbs.			
TOTAL PAYMENTS FOR METALS											26.68

DEDUCTIONS

	Debits	Credits
BASE CHARGE: F. O. B. El Paso, for Metal Payments, not exceeding 10.00 per ton	2.50	
10 % of $ 16.68 excess over $ 10.00 per ton	1.67	
Handling Sacks		
Copper Deficiency 8.0 - 6.4 = 1.6 @ .0909	.15	

Analysis			Deduction	Net		Rate	
Insoluble	79.0	%			%	@	Cts.
Silica	70.8	%			%	@	Cts.
Iron	5.7	%			%	@	Cts.
Mn	.5	%			%	@	Cts.
Lime	1.0	%			%	@	Cts.
Zinc	3.3	%			%	@	Cts.
Sulphur	8.2	%			%	@	Cts.
Alumina	.27	%			%	@	Cts.
As	.17	%			%	@	Cts.
Sb		%			%	@	Cts.
Bi		%			%	@	Cts.

	Debits	Credits
TOTAL DEDUCTIONS	4.32	4.32
NET VALUE PER TON		22.36

				Debits	Credits
Total Value on	61.112	Dry Tons @	22.36 Per Ton		1366.46
Less Freight on	63.460	Wet Tons @	2.50 Per Ton		
Less Freight on Sacks Returned		Hauling Charge		158.65	
Less Demurrage		Switching		2.48	
Less Representation		Umpires			
Less Duty and Brokerage					
Amount withheld pending receipt of Silver Affidavit			Custom Assay Co.	5.00	
Royalty					
BALANCE DUE SHIPPER				1200.33	
				1366.46	1366.46

Valuation for freight
$21.53 per wet ton

Made by _____ Checked _____ Correct _____ Approved _____

CAIRNS

AMERICAN SMELTING AND REFINING COMPANY
EL PASO SMELTING WORKS

ORE SETTLEMENT

EL PASO, TEXAS 7-11-42
SMELTER LOT 1721
SHIPPER'S LOT
CLASSIFICATION Ore

BOUGHT OF Billingsly Bros
ADDRESS Duncan, Arizona
SHIPPING POINT " "

CAR No.	CAR INITIAL	GROSS	SACKS NO.	SACKS WEIGHT	NET WEIGHT	MOISTURE %	DRY WEIGHT
94511	SP				126560	3.1	122637
	PROV.						

WEIGHT IN AVOIRDUPOIS POUNDS

N. Y. METAL QUOTATIONS		
Settlement Date	7-6-42	
B/L Date	7-3-42	
Silver	.70625	Cts. per oz.
F'gn Silver		
Lead	$ 6.50	Per 100 lbs.
E. & M. J. Copper	.11650	Cts. per lb.

PAYMENTS FOR METALS

ELEMENTS	ASSAY PER TON 2000 LBS.		DEDUCTED	NET ASSAY	EQUIVALENT IN LBS.	PER CENT PAID FOR	NET PAID FOR		RATE	VALUE AMOUNT PER TON	VALUE AMOUNT TOTAL
Gold	.555	oz.					.555	oz.	32.31825	17.94	
Silver	32.25	oz.				95	30.6375	oz.	.69125	21.18	
Lead	.55	%						lbs.			
Copper	.20	%						lbs.			
TOTAL PAYMENTS FOR METALS											39.12

DEDUCTIONS

	DEBITS	CREDITS
BASE CHARGE: F. O. B. El Paso, for Metal Payments, not exceeding 15.00 per ton	2.75	
10 % of $ 24.12 excess over $ 15.00 per ton	2.25 Max.	
Handling Sacks		
Copper Deficiency		

ANALYSIS			DEDUCTION	NET		RATE	
Insoluble	80.4	%			%	@	Cts.
Silica	73.2	%			%	@	Cts.
Iron	5.0	%			%	@	Cts.
Mn		%			%	@	Cts.
Lime	.7	%			%	@	Cts.
Zinc	1.7	%			%	@	Cts.
Sulphur	3.3	%			%	@	Cts.
Alumina	7.1	%			%	@	Cts.
As	.15	%			%	@	Cts.
Sb	.15	%			%	@	Cts.
Bi		%			%	@	Cts.

	DEBITS	CREDITS
TOTAL DEDUCTIONS	5.00	5.00
NET VALUE PER TON		34.12

				DEBITS	CREDITS
Total Value on	61.3185	Dry Tons @	Per Ton		2092.19
Less Freight on	63.280	Wet Tons @ 34.12	Per Ton		
Less Demurrage		Hauling Charge 2.97		187.94	
Less Representation		Switching	Demurrage	4.40	
Less Duty and Brokerage		Umpires		2.63	
Amount withheld pending receipt of Silver Affidavit					
Royalty		Custom Assay Co.		5.00	
		BALANCE DUE SHIPPER		1892.22	
Valuation for freight per wet ton $ 33.06				2092.19	2092.19

Made by _____ Checked _____ Correct _____ Approved _____

SILVER CITY LABORATORIES

Phone 53 8-[redacted]
Box 801

ENGINEERING AND ASSAY OFFICE [redacted] W. YANKEE STREET

[redacted]

SILVER CITY, NEW MEXICO

ASSAY CERTIFICATE

M Hughey - Billingsby

YOUR SAMPLES WERE ASSAYED WITH THE FOLLOWING RESULTS:

DESCRIPTION OF SAMPLE	GOLD OZ.	SILVER OZ.	COPPER %	LEAD %	ZINC %			
No. 1 Pillar Ontario	.200	8.50	.85	1.20		This may be a Precious		
No. 2 West Stope Ontario	2.315	209.40	.90	.90		Metals Group of Tellurides.		
No. 3 Exhit Shaft Ontario	3.310	117.80	.87	.45				
No. 4 Wet Bag	.115	7.5	.83	5.10		from Silver Prince dump		
No. 5 Rock sample Ontario	10.320	3.65		16.40				
Average of five samples	3.255	206.5	27 lbs.	4161 lbs.				
Value of ore as sampled Avg	112.13	268.40	9.72	.75				

Average value of samples: $392.80 per ton

DATE 1-26-66

CHEMIST

Page 12

SILVER CITY LABORATORIES

Phone 538-9691
Box 801

ENGINEERING AND ASSAY OFFICE 106 W. YANKEE STREET

SILVER CITY, NEW MEXICO

Dr. C. A. Lamb, Owner
Dr. R. Geo. Kirby, Chemist
and Metallurgist

ASSAY CERTIFICATE

M Ben Billingsly

Box 105, Duncan, Arizona

YOUR SAMPLES WERE ASSAYED WITH THE FOLLOWING RESULTS:

DESCRIPTION OF SAMPLE	GOLD OZ.	SILVER OZ.	COPPER %	LEAD %	ZINC %		Assay Price	
#740 Your # G 621	1.35	57.55					$ 4.50	

DATE January 5, 1965

Dr. Clarence A. Lamb
CHIEF CHEMIST

NO. 34551

Date December 1, 1965

WALTER ASSAY COMPANY

CHARLES WALTER
P. O. Box 160
Lordsburg, New Mexico

Phone No. 542-9514
Office at
320 West A St.

THIS CERTIFIES
That samples submitted for assay by Ben Billingsley The following results were obtained

Marks	Silver		Gold		Percentages		Remarks
	ozs.	10ths.	ozs.	100ths.			
Sample No. 6 622	9.40		0.425				
Sample No. 6 623	175.60		0.775				
Sample No. 6 624	27.50		0.135				

Charges $ 7.50

Assayer Charles Walter

Page 14

(f) The reason I expect to find ore is because I have mined this property successfully and was mining along the vein of ore whin I was forced to close down the mine.

On the preceeding pages are certificates of assays taken in the old stope on the 100 foot level. These samples were taken about 5 feet in width across the vein of ore.

4. ACCESSIBILITY OF PROPERTY:

(a) To aid the representative who may examine the property, I would be happy to assist him in every way I could. I may be reached by telephone in Duncan, Arizona.

The Ontario mine lies about 17 miles North East of Duncan, Arizona and about one mile East of the Carlisle Mine.

The road to the Ontario Mine is an improved light duty dirt road.

(b) The nearest shipping and supply point is in Duncan, Arizona, about 17 miles from the mine.

5. EXPLORATION WORK:

(a) I plan to build a new headframe, ore bin, hoist building and a building for small equipment and tools on the Ontario mining claim. I propose to install a hoist and repair and retimber the existing shaft. I also propose to sink the shaft an additional 100 feet along the vein of ore, and drift 50 feet to the East and 50 feet to the West along the vein of ore on the 160 foot level. I plan to crosscut the vein a total of 100 feet in various places on the 160 foot level. The size of the Shaft will be 6 feet by 10 feet and the size of the drifting and crosscutting will be 5feet by 7 feet. This exploration work is shown in the drawing on the following page.

accessible?

poor plan

(b) I plan to build aproximately 500 yards of dirt road with bulldozer to aid in access to mine. This proposed road is shown on page 6.

not needed?

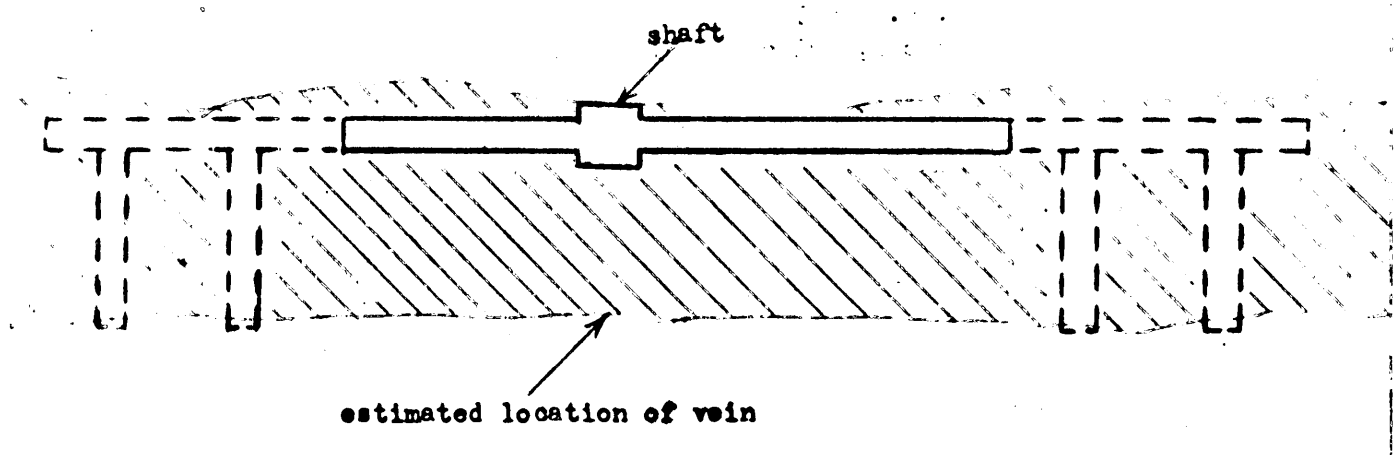
(c) Exploration work would begin immediately upon execution of an OME contract. I plan for the exploration work to be finished within 8 months of beginning.

I estimate the rates of progress as follows:

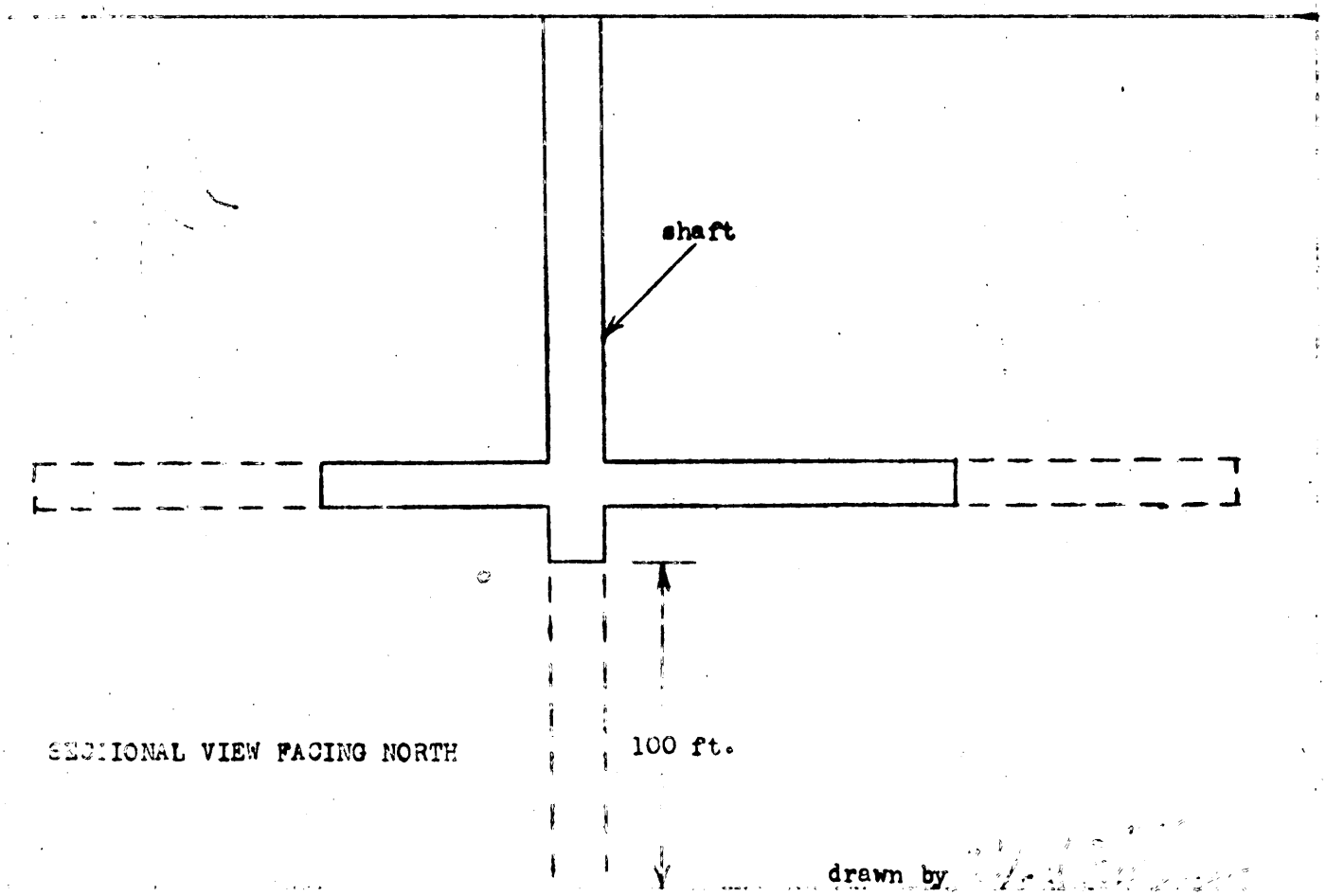
ITEM	MONTHLY RATE OF PROGRESS
Sinking of shaft	50 feet
Drifting and crosscutting	100 feet
Headframe, Hoist and Ore Bin	45 days to complete
Hoist Building	7 days to complete
Equipment Building	7 days to complete
Repairing and retimbering shaft	45 days to complete

ONTARIO SHAFT
160 foot level
proposed exploration work shown in broken lines
February 15, 1966
Scale: 1" = 32'

NORTH



TOP VIEW



SECTIONAL VIEW FACING NORTH

drawn by

6. EXPERIENCE:

My experience consists of operating a flourspar mine in the Mayflower mining district of Greenlee County, Arizona during 1938, 39, and 40, operating the Ontario mine from 1940 to 42, and operating a manganese mine located on the Gila river about six and one half miles South West of Red Rock, New Mexico from 1952 through 1955. I was quite successful in operating each of these three properties.

I will personally supervise the proposed exploration work on the Ontario property.

7. ESTIMATE OF COSTS:

(a) I have planned that there will be no independent contracts.

(b) Here is an estimate of costs which lie in this category:

ITEM	AMOUNT PER MONTH	FOR 8 MONTHS
Payroll:		
1 Supervisor @ 800.00	$ 800.00	$ 6400.00
4 Miners @ 600.00	2400.00	19200.00
4 Laborers @ 400.00	1600.00	12800.00
TOTAL	$4800.00	$38400.00

These services are all available.

(c) Estimate of Operating Materials and Supplies:

50%

ITEM	QUANTITY		PRICE
2½ inch Pipe	300 feet @	$ .80	$ 240.00
2 inch Pipe	500 feet @	.65	325.00
1 inch Pipe	500 feet @	.30	150.00
Mine Rail	600 feet @	aprox.	850.00
3/4 inch Air Hose	300 feet @	aprox.	200.00
Picks	5 @	5.00	25.00
Shovels	5 @	5.00	25.00
Axes	3 @	6.00	18.00
Sledge Hammers	3 @	7.00	21.00
Lumber	20000 b. feet @	.12	2400.00
Gasoline	6000 gal. @	.33	1980.00
Diesel Fuel	4000 gal. @	.20	800.00
Nails	200 lbs. @	.22	44.00
Wedges		aprox.	50.00
Bolts & Nuts		aprox.	50.00
Miscellaneous			500.00
TOTAL			$7678.00

(d) Here is a list of the operating equipment required, all of which will be furnished by myself:

ITEM	PRESENT FAIR MARKET VALUE
D7 Caterpillar Tractor	$ 3000.00
Ford Tractor Loader	1000.00
315 cu. ft. Air Compressor	3000.00
105 cu. ft. Air Compressor	1500.00
1955 Ford Dump Truck	2000.00
1960 International 4 X 4 Pickup Truck	2000.00
Gasoline Slusher with Dipper	1100.00
Pneumatic Slusher with Dipper	600.00
Hoist with Gasoline Engine	900.00
9.5 kw Electric Power Plant	1200.00
3 inch Turbine Pump	900.00
4 Pneumatic Rock Drills @ $300.00	1200.00
3 Pneumatic Water Pumps @ $400.00	1200.00
TOTAL	$19600.00

(e) Here is a list of repairs of operating equipment now owned by me, to be used in the exploration work:

ITEM	REPAIR	COST
D7 Tractor	Clutch	$150.00
	Engine Bearings	225.00
Ford Tractor Loader	Engine Oil Pump	75.00
Ford Dump Truck	Differential, (replacement of)	250.00
TOTAL		$700.00

(f) Here is a list of new buildings, fixtures and installations to be constructed for the exploration work:

ITEM	COST
Installing Hoist	$1100.00
Head Frame	2500.00
Ore Bin	1800.00
Hoist Building	600.00
Small Equipment and Tools Building	800.00
TOTAL	$6800.00

(This category shall not be applied to total cost of exploration work as it has been covered in categories (b) and (c).)

(g) I estimate the maintenance of the equipment as follows:

Lubrication of equipment for 8 month period		$2000.00
Costs allowed for unexpected repairs		2000.00
Analytical work and accounting		1600.00
Employees' liability insurance		1500.00
Workmen's compensation	@ 3 per cent	1152.00
Payroll taxes	@ 3 per cent	1152.00
TOTAL		$9404.00

ESTIMATED TOTAL COST OF EXPLORATION WORK:

CATEGORY	AMOUNT
(a) No independent contracts	
(b) Personal services (Payroll)	$38400.00
(c) Operating materials and supplies	7678.00
(d) Operating equipment	19600.00
(e) Initial rehabilitation and repairs	700.00
(f) This category shall not be applied to total cost as it has been covered in categories (b) and (c).	
(g) Miscellaneous	9404.00
TOTAL COST OF EXPLORATION WORK	$75782.00

Submitted by:

Ben Billingsley

Ben F. Billingsley
P. O. Box 105
Duncan, Arizona 85534

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
5/9	RM Smith	1208
5/9	Kirkpatrick	120K
		110
		220

May 6, 1966

Memorandum

To: The File

From: Chief, Office of Minerals Exploration

Subject: OME-6543 (Silver-Gold)
Ben F. Billingsley
Ontario Mine
Grant County, New Mexico

The Applicant has not replied to our letter of April 5, 1965. Accordingly, the subject docket is referred to the inactive file and considered as having been withdrawn.

Frank E. Johnson

Frank E. Johnson

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
Region III
120M

MMerrithew/mm (5/6/66)

23263

MME [illegible] 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
4/5	R McGrath	1208
"	Kirkemo	1208
		110
4/5	[illegible]	330
		1207

AIRMAIL

Mr. Ben F. Billingsley
P. O. Box 105
Duncan, Arizona 85534

APR 5 1966

Re: GME-6543 (Silver-Gold)
Ben F. Billingsley
Ontario Mine
Grant County, New Mexico

Dear Mr. Billingsley:

Thank you for your letter of March 26, 1966, in which you reply to our request of March 21 for additional information. Although you have answered all of our questions, your replies raise two problems that prevent our reaching a decision on your financial eligibility under the GME regulations.

1.(a) Your suggestion that we write for information to the two banks that denied your oral requests for loans would be accepted if this would satisfy the requirement. However, it is not information that is needed, but the actual copies of letters from you to the banks. This is a requirement of the regulations under which the GME operates and we are not authorized to waive it. If you decide to proceed with the application, we know of no way to meet the requirement except to request the loans from the banks by mail.

1.(e) You state that if you had funds to cover the exploration costs for two months you would not have applied for GME assistance. We wish to give you every possible chance, however, to make the necessary arrangements for financing your share of the costs. If you wish additional time to make these arrangements, we shall be pleased to hold the application in our inactive files and consider it as having been withdrawn for your convenience. At some later time the application could be reopened, if you wish, by filing a new GME Form 40, referring to this GME docket number, and furnishing letters to and from two banks dated within 90 days of filing. Any new information about the mine should be submitted, but information already submitted need not be repeated.

Until the requirements for financial eligibility are met, we cannot continue the processing of your application. Meeting these requirements should not be construed as a commitment by the Government to

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grant an exploration contract since the next step in processing an application, normally, is to request the OME Field Officer to make an examination of the property.

For your added convenience, if we do not receive a reply from you within thirty days from the date of this letter, we shall assume that you do not wish to proceed with the application at this time, and we shall consider it as having been withdrawn.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
Region III w/cy of incoming Correspondence
Mr. Smith

RMSmith/mm (4/5/66)

March 26, 1966

OFFICIAL COPY

United States Departement of the Interior
Frank E. Johnson Chief,
Office of Minerals Exploration
Washington 25, D.C.

Re: OME-6543 (Silver-Gold)
Ben F. Billingsley
Ontario Mine
Grant County, New Mexico

Dear Mr. Johnson:

In regard to your letter of March 21, 1966, I have prepared the following reply.

1. (a) Financial Eligibility: When I applied for these bank loans, I applied in person and therfore do not have letters of request to these banks. I have never considered borrowing money by mail, If you must have this information, I suggest you write to these banks. First National Banks of Lordsburg, Lordsburg, New Mexico and the Valley National bank, Duncan Arizona.

1. (c) As I have recently spent considerable amount in an etempt to open this mine, I have become completely financially unable to proceed. The equipment I own and the mine is all I have left to proceed with operations. If I had funds on hand to cover all costs for two months, I would be able to open this mine, begin shipping ore, make a prosperous business, and would never have applied for assistance.

Expl for

3. (e) Physical Description: This vein is at least 30 feet in width and on an incline of aproximately 72°. On a property adjoining the Ontario property on the same vein, I can clearly show the vein of ore aproximately 40 feet in width. This vein is sporadically mineralized, and the proposed work is all in the vein. The ore occurs in lenses or chutes throughout the vein. The drifting and crosscutting on the 160 foot level is to explore the vein for ore chutes. As depth shows greater values on this property and adjoining claims, I plan to sink to varify this indication. If while sinking, the ore indicated drifting and crosscutting to further explore, then I would do so.

Expl

4. At present all of the shaft and workings are accessable but are in need of repair in order to make them sufficiently safe for mining operations.

1 copy for senator?

5. (b) Exploration Work: The proposed road would aid in access to shaft but would not be entirely essential for exploration work and could be eliminated.

If necessary, I could reduce the costs of exploration by eliminating projects such as proposed road, buildings and reducing shaft repair, etc.

If your office must refuse this application, please state this refusal with signature on both copies of this application and return them to me.

Thank you for your imediate attention regarding this matter.

Sincerely yours,

Ben F. Billingsley

Ben F. Billingsley

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
3/21	Smith	120
	Selfridge	120
		110
3/21	C.L.C.	220
		120M

Mr. Ben F. Billingsley
P. O. Box 105
Duncan, Arizona 85534

MAR 21 1966

Re: GME-6543 (Silver-Gold)
Ben F. Billingsley
Ontario Mine
Grant County, New Mexico

Dear Mr. Billingsley:

A preliminary review of your application for financial assistance in exploring the referenced mine indicates that additional information is needed in support of Items 1, 3, 4, and 5 on the application form.

1.(a) Financial Eligibility: Although letters from two banks denying your requests for loans accompanied the application, copies of your letters to the banks are not included. True copies of these letters stating (1) date of loan request, (2) amount and terms requested, and (3) proposed use of loan funds, are required by our regulations and cannot be waived by GME. Will you please submit signed copies of the letters you sent to the banks.

1.(c) You state that you propose to finance your share of the costs by furnishing equipment. Our experience has shown that depreciation of equipment will not normally cover an applicant's share of the total exploration costs. The total value of operating equipment is not an allowable cost in an GME contract. Depreciation on equipment is allowed to the extent of 1/60th of its fair market value or its book value, whichever is less, for each month used.

For your information, Government participation in exploration for ores valued for both silver and gold in roughly equal proportions is 62½ percent of the total estimated costs. However, the Government does not advance funds for its share of the costs under a contract. An operator pays all of the first month's costs and then submits a voucher on forms furnished by the Government. After approval, the operator is reimbursed for the Government's share of the costs. As it usually takes from two to three weeks to reimburse an operator, he should have sufficient funds at hand

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to cover all costs for at least two months. Thereafter, normally, reimbursement is received by an operator at monthly intervals. In these circumstances, please explain in detail how you plan to finance your share of the costs.

3.(a) Physical Description: It is not clear from data in the application whether the vein is 5 feet or 30 feet wide, vertical or inclined, uniformly or sporadically mineralized, and whether the proposed work is in the vein or parallel to it in one of the walls. Your proposal to drift on the 160-foot level parallel with the vein, and then to crosscut about 30 feet in each of four locations to cut the vein, suggests that its location and tenor are well known by projection from the 100-foot level, and that the proposed work is development in preparation for mining. Similarly, the proposed shaft sinking without any drifting on the vein in depth suggests that ore is assured and that the purpose of the shaft also is to prepare the vein for mining. Please clarify these questions by describing the vein, the occurrence and extent of the ore, and the purpose of each item of work proposed.

4. Accessibility of Property: The OME does not participate in opening mine workings for examination. Please describe the present condition and accessibility of the shaft and levels.

5.(b) Exploration Work: The OME does not assist in building new roads for the purpose of improving the property. However, if a new road is required to gain access to the shaft site in order to conduct the proposed exploration, please explain why it is to be rerouted.

This request for additional information should not be construed as a commitment by the Government to grant an exploration contract. We shall hold the further processing of your application in abeyance until the requested data are received.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

RMSmith/gla 3-21-66

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

March 14, 1966

Mr. Ben F. Billingsley
P. O. Box 105
Duncan, Arizona 85534

Subject: OME - 6543

Dear Mr. Billingsley:

Your application for exploration assistance, undated, submitted to our office at Denver, Colorado, has been assigned Docket No. OME - 6543.

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

Sincerely yours,

Frank E. Johnson
Chief, Office of
Minerals Exploration

Copy to Region III