ELY, NEVADA, April 18 1952.

~~United States~~ Department of The Interior.

Defense Minerals Administration Washington, 25 D. C.

FARNSWORTH, ELY, COMBINED METAL MINES, INC.

SUNNYSIDE MINE -- WORD EXTENSION -- MAGMATIC MINE

FRED FARNSWORTH, PRESIDENT AND MANAGER

BOX 1173

Att.
Mr. D. E. Moulds,
Base Metals Division
Defense Minerals Exploration
Administration.

Re: Docket No. DMEA 2163
Lead~~s~~ Zinc

Dear Sirs:

Recieved your letter of April, 14, 52. regarding Tipple Mine at Lane, Nevada.

We have had an extremely hard winter this winter and the engineer couldnt see the surface for deep snow and the veins were covered so that the dips of them could not be determined.

Will get this done right away and send send in another map and report.

Very truly yours,

Fred Farnsworth

Fred Farnsworth,

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 21 1952

Mr. Fred Farnsworth, President
Farnsworth-Ely, Combined Metal Mines, Inc.
Box 1173
Ely, Nevada

Dmea 2163

Re: Docket No. DMEA 2161
Lead-Zinc

Dear Mr. Farnsworth:

Under date of February 11, 1952 a letter was sent to you by this office requesting additional information necessary to process your application for exploration project assistance for your mine located at Lane, Nevada. We have not, to date, received the data requested or a reply to our letter.

Unless we hear from you within thirty days, we will assume that you are no longer interested in exploration assistance under the requirements of Mineral Order-5, and will consider your application closed.

Sincerely yours,

D. E. Moulds, Chief
Base Metals Division
Defense Minerals Exploration
Administration

DEMoulds/meh
4/11/52
cc to: Adm. R. File
Docket File
Mr. Moulds
Mr. Bishop
Mr. McKnight
Region III

FEB 11 1952

Mr. Fred Farnsworth, President
Farnsworth-Ely, Combined Metal Mines, Inc.
Box 1173
Ely, Nevada

Re: Docket DMA 2163, Lead-Zinc

Dear Mr. Farnsworth:

A review of your application for exploration project assistance for your mine located at Lane, Nevada, indicated that you have furnished only one copy of Form MF-103 instead of the four copies required with all questions applicable definitely answered.

The map previously furnished does not clearly indicate the location and scope of the proposed work of churn drilling, shaft sinking and drifting in relation to plan and section of the fissures. The information you have presented does not indicate sampling data, dip of the fissure, previous workings, or other data on which you based the necessity for churn drilling. Lack of this data precludes evaluation of the possibilities of a discovery of base metal by the proposed work. Also, advise the location from which the 4-ton test lot shipped to International Smelting and Refining Company on October 9, 1951 was mined.

The costs presented in your letter of November 20, 1951, will have to be broken down into the various components such as labor, supplies, rental of equipment, value of equipment owned by you and used on the project, supervision, etc. The Government will participate only in the costs incurred which are allowable and approved in the contract.

We are enclosing a copy of Mineral Order 5, four copies each of Forms MF-103 and MF-100, and an information circular relative to the exploration program. Upon receipt of the completed Forms MF-103 and MF-100, with definite information concerning costs, geology and mining, and explanatory maps or sketches, your application will receive further consideration.

Sincerely yours,

D. E. Moulds

D. E. Moulds, Acting Chief
Base Metals Division
Defense Minerals Exploration
Administration

Enclosures

DEMoulds/hmj 2-11-52
cc to: Adm. R. File Docket File Copy Mr. Moulds
Mr. Bishop Mr. McKnight Region III

DMA Form 1

DEFENSE MINERALS ADMINISTRATION
Control Slip Lead-Zinc-Cu.

CONTROLLED DOCUMENT

DMA Docket No. 2163

DO NOT DETACH THIS SLIP

Action on this document is recorded and controlled in Reports and Records Branch. Any movement of this document between divisions or offices of DMA or movement outside DMA must be reported to the Reports and Records Branch. Actions taken that affect status of the case must also be reported.

This document has been recorded as
EXPLORATION PROJECT

Any action taken to change the type of request for assistance must be promptly reported to the Reports and Records Branch. Use DMA Form 2 for submitting these reports.

Routing Slip

To:	Code 350 Lead-zinc Br.	Date	10/16/51
To:	C.O. Mittendorf (Mr. Gallagher)	Date	11/28/51
To:		Date	
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To:		Date	
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DO NOT DETACH

CONTROLLED DOCUMENT

FILE COPY
SURNAME:

Keating

500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

OCT 1 1952

Mr. Fred Farnsworth, President
Farnsworth-Ely Combined Metal Mines, Inc.
Box 1173
Ely, Nevada

Re: Docket No. DMA-2163 (Lead-Zinc)

Dear Mr. Farnsworth:

Under date of April 14, 1952, Mr. D. E. Moulds, Chief, Base Metals Division of this Administration, wrote you requesting information as to your plans regarding your request for an exploration loan. To date we have received no reply to that letter, and assume that you are no longer interested in receiving exploration assistance from the Government. Therefore, your docket is being removed from the active file and sent to the closed files.

If in the future it should develop that you again wish to make application for exploration assistance, we will be pleased to consider your request.

Sincerely yours,

C. O. Mittendorf

Administrator

10-1-52

AGKeating/bjl (written 9/30/52)

Copy to: Docket
Admin. R. File
Op. Committee
H. F. Keller (2)
Mr. Keating
Mr. Bishop
Mr. McKnight
Region III (2)
Chron.

FILE COPY
SURNAME:

Moulds

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

APR 14 1952

Mr. Fred Farnsworth, President
Farnsworth-Ely, Combined Metal Mines, Inc.
Box 1173
Ely, Nevada

Re: Docket No. DMEA 2161
Lead-Zinc

Dear Mr. Farnsworth:

Under date of February 11, 1952 a letter was sent to you by this office requesting additional information necessary to process your application for exploration project assistance for your mine located at Lane, Nevada. We have not, to date, received the data requested or a reply to our letter.

Unless we hear from you within thirty days, we will assume that you are no longer interested in exploration assistance under the requirements of Mineral Order-5, and will consider your application closed.

Sincerely yours,

D. E. Moulds (meh) 4/14

D. E. Moulds, Chief
Base Metals Division
Defense Minerals Exploration
Administration

DEMoulds/meh
4/11/52
cc to: Adm. R. File
Docket File
Mr. Moulds
Mr. Bishop
Mr. McKnight
Region III

Docket

FILE COPY
SURNAME:

Moulds

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

FEB 11 1952

Mr. Fred Farnsworth, President
Farnsworth-Ely, Combined Metal Mines, Inc.
Box 1173
Ely, Nevada

Re: Docket DMA 2163, Lead-Zinc

Dear Mr. Farnsworth:

A review of your application for exploration project assistance for your mine located at Lane, Nevada, indicated that you have furnished only one copy of Form MF-103 instead of the four copies required with all questions applicable definitely answered.

The map previously furnished does not clearly indicate the location and scope of the proposed work of churn drilling, shaft sinking and drifting in relation to plan and section of the fissures. The information you have presented does not indicate sampling data, dip of the fissure, previous workings, or other data on which you based the necessity for churn drilling. Lack of this data precludes evaluation of the possibilities of a discovery of base metal by the proposed work. Also, advise the location from which the 4-ton test lot shipped to International Smelting and Refining Company on October 9, 1951 was mined.

The costs presented in your letter of November 20, 1951, will have to be broken down into the various components such as labor, supplies, rental of equipment, value of equipment owned by you and used on the project, supervision, etc. The Government will participate only in the costs incurred which are allowable and approved in the contract.

We are enclosing a copy of Mineral Order 5, four copies each of Forms MF-103 and MF-100, and an information circular relative to the exploration program. Upon receipt of the completed Forms MF-103 and MF-100, with definite information concerning costs, geology and mining, and explanatory maps or sketches, your application will receive further consideration.

Sincerely yours,
D. E. Moulds
meh

D. E. Moulds, Acting Chief
Base Metals Division
Defense Minerals Exploration
Administration

F.H.
2-11-52

Enclosures
DEMoulds/hmj 2-11-52
cc to: Adm. R. File Docket File Copy Mr. Moulds
Mr. Bishop Mr. McKnight Region III

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

February 7, 1952

Memorandum

To: Mr. D. E. Moulds, DMEA

From: Mr. Erwin J. Lyons, USGS

Subject: Docket DMA-2163, Farnsworth, Ely Combined Metal Mines, Inc. Ely, Nevada

Mr. Farnsworth, president of the Farnsworth, Ely, Combined Metal Mines, Inc., submitted an application for an exploration grant to explore his property at Lane, about three miles west of Ely, Nevada.

The project consists of 2,000 ft. of churn drilling and, if sufficient ore is blocked out, sinking of a 300 ft. shaft and driving of 500 ft. of drift. Total estimated cost is $25,000, the applicant's share, apparently, to be in the form of equipment rental and labor.

The information submitted by the applicant to date has been extremely meager. A request for more data resulted in little additional material. According to a rough sketch map drawn by the applicant a tongue of porphyry with a maximum width of about 1,100 ft. extends eastward into the limestone country rock about 4,500 ft. Within this porphyry tongue are two fissures - the Hidden Treasure, about 3,200 ft. long near the north margin of the porphyry and the Rex, about 2,000 ft. long near the south margin. About 500 ft. north of the Hidden Treasure fissure are mine workings in limestone, one drift, however, extending southward about 80 ft. into the porphyry and to within about 170 ft. of the fissure.

The proposed locations of six drill holes are shown adjacent to and between the two fissures in the porphyry and presumably are to explore the fissures. The seventh hole is spotted about 700 ft. north of the Hidden Treasure fissure and 700 ft. west of the mine workings in the limestone. No explanation is given for the location of this hole. The site of the shaft and of the 500 ft. of drift are not indicated.

The applicant has shipped four tons of ore for testing. The average grade was 0.05% Cu, 14.15% Pb, 3.0% Zn, 0.065 oz. Au, and 3.9 oz. Ag. Where this ore was obtained - the mine workings or the fissures - and whether it is mine run or sorted is not stated.

The Ely district, in which this prospect is located, is primarily a copper producer especially from porphyry-type deposits. Fissure veins usually are precious metal deposits.

In view of the fact that the applicant has given such meager information and that, so far as is known, fissure deposits of the type he apparently wishes to investigate are not base-metal producers in this area, it is recommended that the application be denied.

Erwin J. Lyons

Erwin J. Lyons
Geologist

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

February 7, 1952

Memorandum

To: Mr. D. E. Moulds, DMEA

From: Mr. Erwin J. Lyons, USGS

Subject: Docket DMA-2163, Farnsworth, Ely Combined Metal Mines, Inc. Ely, Nevada

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Erwin J. Lyons
Geologist

, NEVADA, November 20, 1951.

UNITED STATES DEPARTMENT of INTERIOR
WASHINGTON, D, C.

DEFENSE MINERALS ADMINISTRATION.

FARNSWORTH, ELY, COMBINED METAL MINES, Inc.

SUNNYSIDE MINE -- WORD EXTENSION -- MAGMATIC MINE

FRED FARNSWORTH, PRESIDENT AND MANAGER

BOX 1173

350

LEAD-ZINC

Re: IMA-2163

Dear Sirs:

Enclosed is proposed exploration data on the Tipple Mine of The Farnsworth-Ely Combined metal Mines, Inc., located at Lane, Nevada.

2,000 ft. churndrilling $6.00 per ft. . . . $12,000

New Shaft 300 ft. If drilling develops sufficient ore 300 ft. shaft at $30.00 . . . . $9,000

500 ft. drifting $20.00 . . . .$10,000

Farnsworth-Ely Comb. Metals will furnish churn drill and 2 men against government pipe and supplies.

Farnsworth-Ely Comb. Metals will furnish compressor, hoist, lines, and jackhammers and trucks against government fuel and timber, powder, half labor.

I hope that this information is sufficient.

Yours truly,

FARNSWORTH-ELY COMBINED METAL MINES

Fred Farnsworth

Fred Farnsworth, President

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D.C.
NOV 26 1 45 PM '51

DEPARTMENT OF THE INTERIOR
RECEIVED
NOV 2 7 1951
Defense Minerals Administration,
Production Expansion Division

FILE COPY
SURNAME:

350

Newcomb (ETM)
McKnight
Johnson
Bishop

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

OCT 24 1951

Re: DMA-2163

G.E.J.

Mr. Fred Farnsworth
Farnsworth-Ely Combined Metal
Mines, Incorporated
Box 1173
Ely, Nevada

Dear Mr. Farnsworth:

Your application for an exploration loan on claims located near Ely, Nevada, has been reviewed by the Defense Minerals Administration.

We are unable to fully appraise the merit of your project, because your application does not contain sufficient information. The following points should be carefully presented:

1) Description of the proposed work and a map showing its relation to geology and any older workings.

2) Detailed listing of all items included under estimated costs.

We wish to advise that by following the outline on MF-103 you will be able to supply the information now lacking in your application.

Very truly yours,

G. E. Johnson, Acting Chief
Lead-Zinc Branch

EINewcomb:emp
G 10-22-51
Copies to: H. C. Miller, Region III (2)
Chief, Lead-Zinc Br.
E. T. McKnight 4204 GSA
O. M. Bishop
Directors r. files 4214 GSA
Br. r. files 4214 GSA
Administrators r. files DMA docket files

October 16, 1951

Mr. Fred Farnsworth
Farnsworth-Ely Combined Metal Mines
Box 1173
Ely, Nevada

Subject: DMA-2163
Re: Exploration

My dear Mr. Farnsworth:

This will acknowledge receipt of your application dated October 10, 1951 for a loan under the Defense Production Act of 1950.

Your application was assigned Docket Number DMA- 2163 and referred to the Lead-zinc Branch.

Kindly refer to DMA- 2163 in any future correspondence relating to your application.

Sincerely yours,

Robert E. Adams

Robert E. Adams, Chief
Reports and Records Unit

2463

4

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

DEFENSE MINERALS ADMINISTRATION
WASHINGTON, D. C.
OCT 15 9 09 AM '51

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. dma 2163

Date received 10-15-51

Participation

Name and address of applicant

Farnsworth-Ely Combined Metal Mines
Box 1173, Ely, Nevada.

Date October 10, 1951.

FILL IN THIS BLOCK

Date of application October 10, 1951.

Estimated cost $25000.00

Mineral or metal Lead & zinc, Copper

Percentage of Government participation 50%

Location of mine Lane City, 3 miles west Ely, Nevada.

Date of filing MF-100 10 mo 10th day 1951.

DMA Docket Number, if available

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation? Nevada Corporation
*2. If a partnership, state names and addresses of partners.
*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders.
*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project.
*5. Are you the owner or the lessee of the property? Yes
6. If owner, state what claims, liens, or encumbrances, if any, are against the property. None
7. If lessee, attach a copy of the lease and state if it is in good standing.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement.
9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)?

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.

(*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any.

*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads.

*13. State source and quantity of water available for operations and its sufficiency at all seasons.
State amount of power to be used, rate per hour or other cost, and source.

*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work.

15. State in detail how the ore could be shipped and how and where milled.

*16. History:

(*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.

(*b*) State briefly the known history and production of adjoining and neighboring properties.

(*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

*17. Production:

(*a*) If mine is in production, furnish the following information:

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining				
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.)

(*a*) Describe the ore or mineral deposits briefly. Sulphide lead zinc.

(*b*) Submit available maps and assay data. previously sent in

(*c*) Give estimated tonnage and grade of each class of ore reserves. should revolon in to the engineer.

19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted?

21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it.

NOTE.—The Government will not participate in a project that will require more than 2 years to complete.

22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data.

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:

(*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.

(*b*) Supervisors, by numbers and positions, with salaries of each.

(*c*) Cost of necessary repairs to existing facilities, structures, and buildings.

(*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.

(*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.

(*f*) Cost of rental for equipment which the operator proposes to rent.

(*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.

(*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.

(*i*) Cost of power, water, utilities, and any other items not provided for above.

24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

Furnworth Combined Metal Mines Inc. (Name of company) By J. J. Farnworth (Signature of authorized official)

October 10, 1951. (Date) President & Manager (Title)

Title 18, U. S. Code (Crimes), Section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

MF-202

DEFENSE MINERALS
ADMINISTRATION
WASHINGTON, D. C.

OCT 15 9 09 AM '51

LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the owner in fee simple of that certain parcel of ground in the county of WHITE PINE, State of NEVADA., described in a certain Exploration Project Contract dated OCTOBER 10, 1951, between THE FARNSWORTH-ELY COMBINED METAL MINES, INC., the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated OWNER, does by these presents subordinate all of his right, title, and interest under the provisions of said lease to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights to rentals or royalties under the terms of said lease; and

The undersigned further agrees that if said leasehold interest should be surrendered or if said lease should terminate at any time prior to the expiration of the rights of the United States of America under said Exploration Project Contract, the undersigned shall assume and does hereby assume all of the obligations of the Lessee under said Exploration Project Contract to make repayment to the United States of America according to the terms of said contract; and

The undersigned agrees to commit no act, nor assert any claim under judicial process or otherwise that may contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this 10th. day of OCTOBER, 1951.

FARNSWORTH-ELY COMBINED METAL MINES, INC.

Fred Farnsworth, President

U. S. GOVERNMENT PRINTING OFFICE 16—64532-1

MF-200
(April 1951)

Docket No. DMA _____
Commodity _____

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

EXPLORATION PROJECT CONTRACT [1]

It is agreed this 10th. day of October, 1951, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] THE FARNSWORTH-ELY COMBINED METEL MINES, INC.

hereinafter called the "Operator," as follows:

1. *Authority for contract.* This agreement is entered into under the authority of the Defense Production Act of 1950, pursuant to Mineral Order 5, entitled "Regulations Governing Government Aid in Defense Exploration Projects."

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of NEVADA, County of WHITE PINE described as follows: [3] TIPPLE, TIPPLE NO. 1. TIPPLE NO.2. HOAN NO.1. NOAH, & NUCO.

with respect to which the Operator represents and undertakes: [4]

(*a*) That he is the sole owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached: THE FOLLOWING CLAIMS ARE UNPATENTED AND ARE RECORDED IN THE WHITE COUNTY, NEVADA.RECORDERS OFFICE.

(*b*) That he is a lessee, in possession and entitled to possession, and the subordination agreement of the lessor is attached.

3. *Exploration project.* The Operator, within THIRTY days from the date of this contract shall commence work on a project of exploration for [5] TWO YEARS; shall prosecute the work efficiently, expertly, in a workmanlike manner, in accordance with good mining standards, with suitable and adequate equipment, materials, and labor, all properly designed to bring the project to completion within a period of [6] TWO YEARS from the date of this contract. The exploration project and the work to be performed are more fully described on Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, is made a part of this contract.

4. *Performance of the work.* The work shall be performed by the Operator, under his sole direction and control: *Provided,* That with the consent of the Government and its written approval of the contract or contracts, all or any part of the work may be performed by the Operator through contract or contracts with independent contractors. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

5. *Fixtures and improvements.* The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof. Attached hereto, marked "Exhibit 'B'," is a detailed list of additional facilities, buildings, and fixtures, to be purchased, installed, or erected by the Operator, with the estimated cost of each, to which the Government will contribute its agreed pro-rata share of the cost. The difference between the cost of such additional facilities, buildings, or fixtures, and the salvage value thereof at the conclusion of the work, shall be charged as a cost of the project to which the Government has contributed its pro-rata share.

6. *Operating equipment.* Attached hereto, marked "Exhibit 'C'," is a detailed list of operating equipment divided into categories of items to be rented, purchased, or furnished by the Operator, with the allowable rental, purchase price, or rental value, as the case may be, annexed to each. As to equipment purchased for the project, the Government will contribute its agreed pro-rata share of the cost thereof, and the difference between the cost and the salvage value at the conclusion of the work shall be charged as a cost of the project to which the Government has contributed its pro-rata share.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property.
[4] Strike out the provision not applicable.
[5] Name of mineral.
[6] Not in excess of 2 years.

7. *Title to and disposition of property.* All facilities, buildings, fixtures, equipment and other items costing more than $50 each, paid for or purchased with funds contributed jointly by the Operator and the Government, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the termination of the contract, if they have any salvage value, shall be disposed of for their joint account unless the Government, in writing, waives its interest in any such items. The Government may require the dismantling, severance from land, and removal of any such items in order to realize its interest in the salvage value thereof, and the cost of any such removal and of the disposal of the items shall be for the joint account of the parties in proportion to their respective interests.

8. *Labor and supervision.* Attached hereto, marked "Exhibit 'D'," is an itemized schedule of labor, by numbers and classes (miners, muckers, millmen, etc.), and of supervisors, by numbers and positions, with the maximum wages or salaries that may be paid to each as an allowable cost of the project.

9. *Rehabilitation and repairs.* Attached hereto, marked "Exhibit 'E'," is a detailed schedule of existing facilities, buildings, installations, and fixtures, with a statement of the cost of any necessary rehabilitation or repairs to put into useful and operable condition, which cost shall be allowed as a cost of the project.

10. *Allowable costs of the project.* The allowable costs of the project in which the Government will participate are limited to the necessary, reasonable, direct costs of performing the exploration work, including the costs of materials, supplies, engineering, power, water, and utilities, including items of equipment costing less than $50 each; and the costs referred to in Articles 5, 6, 8, and 9, and the exhibits annexed to and referred to in the contract. Although the Government may pay part of the cost of new or additional facilities, structures, buildings, and equipment, only the depreciation on such items, computed as indicated in Articles 5 and 6, will be charged as a cost of the project. No items of general overhead, corporate management, interest, or any other indirect costs not expressly allowed by these regulations, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

11. *Participation by the Government.* At the end of the first full calendar month after the Operator has commenced work under the project, and at the end of each succeeding calendar month, the Operator shall submit to the Government a voucher for payment with a detailed statement of work done and allowable costs (as defined in Article 10 of this agreement) incurred, in a form and with supporting data acceptable to the Government. After approving the voucher, the Government shall pay to the Operator 50% percent of the sum of such costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $ $12,500.00, which is 50% percent of the agreed estimated total cost of this project, $ $25,000.00

12. *Accounts and audits.* The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract.

13. *Progress reports.* The Operator shall provide the Government with monthly reports of progress in form and content satisfactory to the Government, and upon the completion of the project or termination of the contract shall provide the Government with a comprehensive geologic and engineering report, including an estimate of ore reserves, to the best of his ability. Four copies of all reports shall be furnished to the Government.

14. *Repayment by Operator.* If, upon the completion of the exploration project or termination of the contract, the Government considers that a discovery or development has resulted from the work from which commercial production of ore may be made, the Government, within 6 months thereafter shall so certify to the Operator, particularly describing and delimiting its estimate of the discovery or the development. Thereafter, if and as ore is produced as a result of such discovery or development, the Operator and his successor in interest shall be and become obligated to pay to the Government a percentage royalty on the net smelter returns or other net proceeds realized from such ore, concentrates, or metal produced within ten (10) years from the date of this contract, until the total amount contributed by the Government, without interest, is fully repaid or said 10 years have elapsed, whichever occurs first, as follows:

Of net smelter returns or other net proceeds not in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent.

Of net smelter returns or other net proceeds in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent, plus one-half (½) percent additional for each full fifty cents ($0.50) in excess of eight dollars ($8.00) per ton of ore, but not in excess of a maximum of five (5) percent.

This obligation to repay from net returns or proceeds shall be and remain a claim and lien upon the property which is the subject of the exploration project and upon any production resulting from such discovery or development, in favor of the Government, until fully paid, or until said 10-year period has elapsed; and this claim and lien and the Government's right to repayment shall survive any termination of the contract, whether by completion of the exploration project or otherwise. This article is not to be construed as imposing any obligation on the Operator or his successor in interest to produce ore from any such discovery or development.

15. *No assignment of contract.* Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder.

16. *Termination and completion.* The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worthwhile discovery and in the opinion of the Government further operations are not justified. Upon the completion of the project or any termination of the contract the Operator shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; shall dispose of any unused materials, supplies, and equipment for the joint account of the Operator and the Government in the proportion of their respective interests; and shall pay to the Government its pro-rata share of any money remaining.

Executed in triplicate the day and year first above written.

THE UNITED STATES OF AMERICA

FARNSWORTH-ELY COMBINED METAL MINES, INC.
(Operator)

By _____

By Fred Farnsworth, President

U. S. GOVERNMENT PRINTING OFFICE 16—64066-1

NAME OF MINE	LOCATION OF MINE (*Mining District, County, State*)	MINE SERIAL NUMBER UNDER ORDER P-56
TIPPLE MINE	ROBINSON, WHITE PINE THREE MILES WEST OF ELY, NEV.	

DISTANCE AND DIRECTION FROM NEAREST TOWN	DISTANCE FROM MINE TO SHIPPING POINT AND CONDITION OF ROAD	DISTANCE FROM MINE TO SMELTER, IF ORE IS TRUCKED DIRECT TO SMELTER
ELY, NEVADA. THREE MILES DUE WEST	1/4 MILE BLACK TOP	350 MILES SALT LAKE.
NAME AND ADDRESS OF OWNER	**NAME AND ADDRESS OF OPERATOR**	**NAME OF OFFICIAL, TITLE AND ADDRESS**
FARNSWORTH-ELY COMBINED METAL MINES, INC.	BOX 1173 ELY, NEVADA.	FRED FARNSWORTH, PRESIDENT & MANSGER.

***SECTION I* - ORE RESERVE** - LATEST ESTIMATE AS OF (*Specify*) Tonnages unknown.

CLASSIFICATION	TONS OF ORE	AVERAGE GRADE								
		PERCENT			OZ. PER TON		PERCENT			
		COPPER (a)	LEAD (b)	ZINC (c)	GOLD (d)	SILVER (e)	SILICA (f)	IRON (g)	LIME (h)	SULPHUR (i)
PROVEN	FOUR TONS TEST	.05	14.15	3.0	.065	3.9	55.45	9.7	.85	.575
PROBABLE										

STATE THE BASIS UPON WHICH THE ABOVE ORE RESERVE ESTIMATE WAS MADE, SUCH AS DRILL HOLE SAMPLES, CUT SAMPLES, OR SHIPMENTS OF ORE.

FOUR TON TEST SHIPMENT SENT TO INTERNATIONAL SMELTING & REFINING CO. TOOLE, UTAH.
Copper ore can be shipped to Kennicott Copper Corporation plant 17 miles east of mine . loading facilities are on the property.

***SECTION II* - ORE BODIES**

THE ORE OCCURS IN [X] VEINS [X] BEDS [ ] CHIMNEYS [ ] IRREGULAR BODIES

[X] STEEP DIP
[X] FLAT DIP

AVERAGE WIDTH OF VEIN 3 to 5 FT.
AVERAGE STOPING WIDTH 5 FT.
LENGTH ? FT.

MINE IS OPENED BY
[X] SHAFTS [X] TUNNELS

WHAT STOPING METHOD WILL BE USED
SQUARE SETS

ORE STOCKPILED FOR SHIPMENT OR MILLING	TONS	% Cu (a)	% Pb (b)	% Zn (c)	OZ. Au (d)	OZ. Ag (e)	% SiO_2 (f)	% FeO (g)	% CaO (h)	% S (i)
	NONE									

NUMBER OF MEN REQUIRED TO PREPARE FOR PRODUCTION	FIVE		
NUMBER OF MEN REQUIRED FOR PROPOSED OPERATION			

SECTION VII - INVESTMENT ESTIMATES

SPECIFY BELOW THE CASH INVESTMENTS REQUIRED. INCLUDE ONLY CASH INVESTMENTS SINCE JANUARY 1, 1942. OMIT CENTS.

ITEM	CASH INVESTMENTS		FURTHER EXPECTED INVESTMENTS	
	TO DATE SINCE JANY 1, 1942 (a)	SALVAGE VALUE JULY 31, 1945 (b)	AMOUNT (c)	SALVAGE VALUE JULY 31, 1945 (d)
EXPLORATION AND DEVELOPMENT	3,000 feet of churndrilling at least is			
SAMPLING AND ORE TESTING	neccassary to find extent of ore body.			
TOTAL PRELIMINARY	Cost of 6 dollars per foot.			
MINE MACHINERY AND EQUIPMENT	We Have churndrill & tools, Air compressor			
BUILDINGS	mine cars, trucks, hoists, air hammers and			
OTHER	mine rail, Are lacking in water pumps & pipe.			
TOTAL MINING PLANT				
MILL MACHINERY AND EQUIPMENT				
BUILDINGS	Prattically no buildings are on the property.			
OTHER	power line runs through thr property.			
TOTAL MILLING PLANT	No milling plant on the property.			
OTHER *(Specify)*				
TOTAL				

SECTION VIII - FINANCIAL CONDITION

IF YOU HAVE AN RFC LOAN OR OTHER TYPE OF LOAN, STATE BELOW THE AMOUNT OWED AND DATE LOAN IS DUE

RFC LOAN	AMOUNT OWED	DATE DUE	OTHER LOAN	AMOUNT OWED	DATE DUE
	none		none	none	none

ATTACH TO THESE PAPERS A RECENT STATEMENT OF CURRENT ASSETS AND LIABILITIES

SECTION IX - PAST OPERATIONS

CHECK ANSWERS BELOW AND GIVE DATES WHERE INDICATED:

1. HAS THE MINE BEEN IDLE SINCE JANUARY 1, 1943? partly ☐ YES ☐ NO
2. HAS THE MINE BEEN DEVELOPING ONLY SINCE JANUARY 1, 1943? ☐ YES ☐ NO
3. HAS THE MINE BEEN PRODUCING SINCE JANUARY 1, 1943? some ☐ YES ☐ NO

IF THE ANSWER IS "YES", GIVE DATES.

GIVE ANY INFORMATION YOU MAY HAVE ABOUT THE LAST OPERATION, NAME OF THE OPERATOR, AND TONNAGE AND GRADE OF THE ORE SHIPPED, OR MILLED. ALSO GIVE BRIEFLY ANY READILY AVAILABLE INFORMATION ON PAST HISTORY AND TOTAL PRODUCTION. IF INSUFFICIENT SPACE, PLEASE ACCOMPANY THIS REPORT WITH A LETTER, GIVING ANY ADDITIONAL INFORMATION PERTINENT TO THIS PROPERTY.

INTERNATIONAL SMELTING AND REFINING COMPANY
TOOELE PLANT

Salt Lake City, Utah 10/9/51

Bought of Fred Farnsworth
Box 1173
Ely, Nevada

Shipped from Lane City, Nevada

Sampled 9/28 By Class Crude Mine Lot 1 Smelter Lot 2611

ASSAYS	COPPER PER CENT	LEAD PER CENT	ZINC PER CENT	SILVER OZ. PER TON	GOLD OZ. PER TON	INSOLUBLE PER CENT	IRON PER CENT	SULPHUR PER CENT	LIME PER CENT	MANGANESE PER CENT	PER CENT
T. G. & R. CO.	.05	15.5	3.1	3.6	.065	53.7	9.4	.5	1.2		
MINING CO.	.6	15.8	3.0	4.0	.08	53.2	10.0	.65	.5		
UNITED CON				3.9s	.063m						
		-1.5									
SHIPMENT	.325	14.15	3.05	3.9	.065	53.45	9.7	.575	.85		

E. & M. J. METAL QUOTATIONS

Copper (Average for Week Ending)			
Lead (Average for Week Ending)	9/26	17	000
Zinc (Average for Week Ending)			
Silver		90	000
Gold		035	000

VALUES PER TON

Copper		@		
Lead	90%	@.14793	37	652
Zinc		@		
Silver	-.5 Oz.	@.90000	3	060
Gold	91%	@35.000	2	070
Gross Metal Payment			42	782
Less Treatment			12	518
Net Value Per Ton			30	264

TREATMENT

Base		6	170
Chg lead under 30% @ .10		1	585
		7	755
Insoluble	% @ .10	5	345
Sulphur	% @		
Zinc	% @		
		13	100
Iron	% @ .06		582
Lime	% @		
Manganese	% @		
Net Treatment		12	518

DATE	CAR NUMBER	WEIGHT
	Truck	
Total Freight Weight		8740
Less Weight of Sacks		
Net Weight		
Deduct 3.41		
Net Weight		8442

PAYMENT

4.221 Dry Tons@ 30.264 Per Ton		127 74
Handling charge, under ten tons		10 00
		117 74
A. F. Burdwell & Co., assaying	7 00	
Crisman & Nichols, Umpire	3 00	
Freight @ Per Ton (R. R. Value)		
Shipped By		
Mine Lot	Total	10 00
Smelter Lot Voucher No. 54429	Net Proceeds	107 74

No extra charge made for sampling all lots less than carload. Sales, except on contracts for specified time or specified tonnage, subject to change without notice.

No assent, express or implied, by this Company to any breach or waiver of any covenant contained in any agreement shall be deemed a waiver of any succeeding breach of the same covenant.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

SEP 14 1951

Mr. Fred Farnsworth
Farnsworth, Ely, Combined Metals Mines, Inc.
Box 1173
Ely, Nevada

Dear Mr. Farnsworth:

Your letter of September 7 has been received and noted. Attached thereto we find a map of your property and an exploration project contract which you signed for the Farnsworth Ely Combined Metal Mines, Inc.

This contract does not show a DMA docket number and in view of the fact that we have made a search here for an application for an exploration loan submitted by you and have failed to find anything related to such an application, we are wondering if you have filed an application for an exploration loan on the forms provided for such a loan. I wish you would help us clear up this matter.

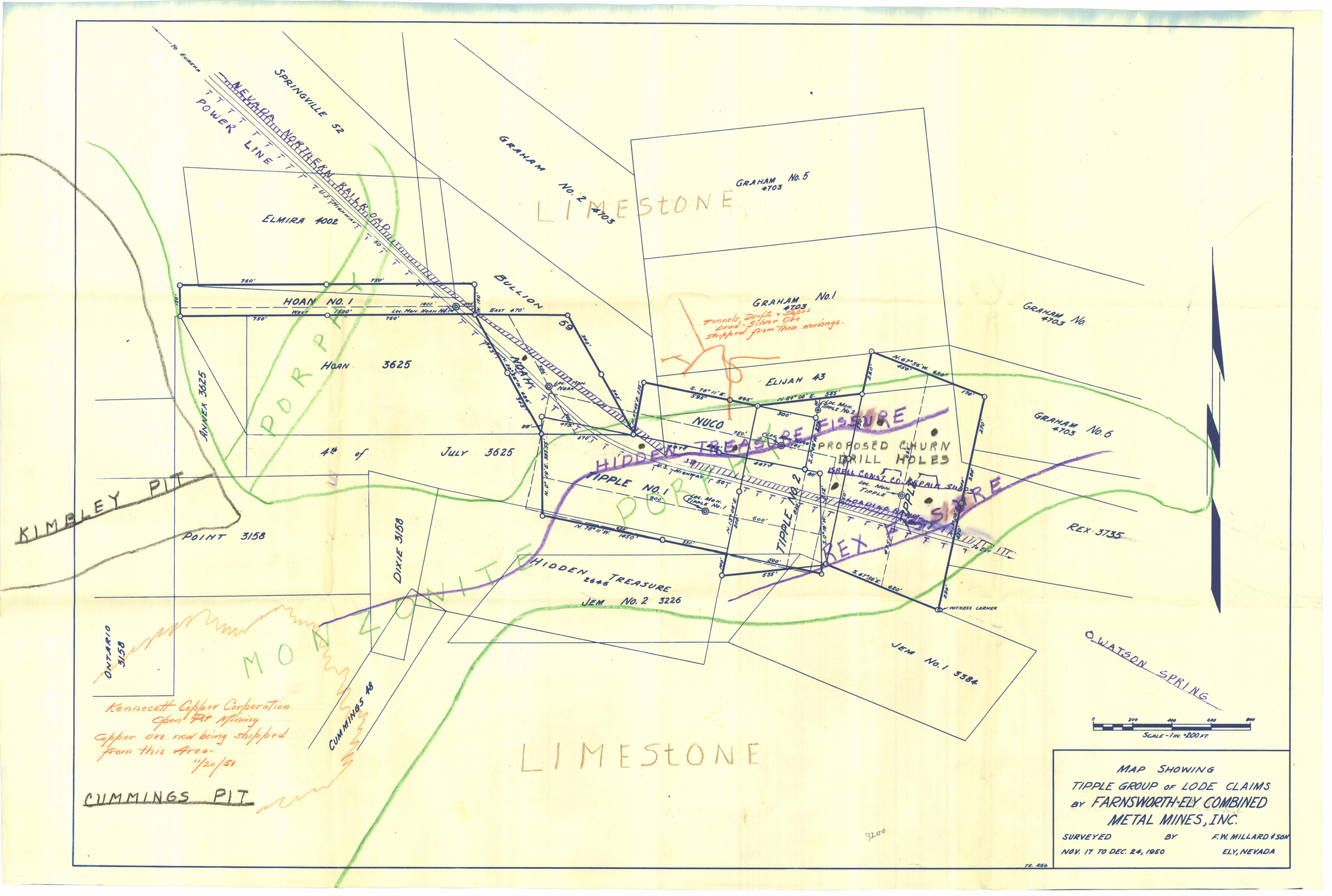
It is necessary before you can get a contract to fill out and file your application on the enclosed forms.

Yours very truly,

T. P. Billings, Chief
Lead-Zinc Branch

Enclosures

The letter above was sent, but later letter dated 10/3/51 requested same information


To Eureka
Nevada Northern Railroad
Power Line
U.S. Highway 50
Springville 52
Graham No. 2 4703
Graham No. 5 4703
Graham No. 1 4703
Graham No. 4703
Graham No. 6 4703
Elmira 4002
Hoan No. 1
Hoan 3625
Annex 3625
Bullion 59
Elijah 43
Nuco
4th of July 3625
Tipple No. 1
Tipple No. 2
Proposed Churn Drill Holes
Spell Const. Co. Repair Shop
Loading Ramp
Hidden Treasure
Hidden Treasure 2646
Jem No. 2 3226
Jem No. 1 3384
Rex 3735
Point 3158
Dixie 3158
Ontario 3158
Cummings 48
Kimbley Pit
Cummings Pit
Watson Spring
Witness Corner
Limestone
Limestone
Tunnels, Drifts & Stopes
Lead - Silver Ore
Stripped from these workings.
Kennecott Copper Corporation
Open Pit Mining
Copper ore now being shipped
from this Area.
11/20/51
Scale - 1 in. = 200 ft.
Map Showing
Tipple Group of Lode Claims
by Farnsworth-Ely Combined
Metal Mines, Inc.
Surveyed by F.W. Millard & Son
Nov. 17 to Dec. 24, 1950
Ely, Nevada