DMA Form 1

DEFENSE MINERALS ADMINISTRATION
Control Slip

## CONTROLLED DOCUMENT

DMA Docket No. 2774

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COPIES TO USGS, USBM, REG. III

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| To: | Oper Com | Date | 12-19-52. |
| To: | Oper Com | Date | 6-29-53 |
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## DO NOT DETACH

## CONTROLLED DOCUMENT

INT.-DUP. SEC., WASH., D.C. 98868

File Copy
Surname
Griswold
Selfridge

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

NOV - 2 1955

Mr. Fred G. Risley, President
Grey Eagle Development Co., Inc
Tonopo via Beowawe, Nevada

Re: Docket No. DMEA-277h (Lead-Zinc)
Grey Eagle Development Company
Grey Eagle Mine
Lander County, Nevada

Dear Mr. Risley:

We have your letter of October 26 asking about our records on the cited property.

We refer you to our letter of July 1, 1953, copy of which is enclosed. As stated in this letter, we were unable to enter into a contract for exploration of your property.

However, if since the date you have done a significant amount of additional work on the mine, and if important additional information has thereby been made available, you may again apply for exploration assistance. If you feel a new application is warranted please refer to the original docket number. You may be assured that any new application will be given careful consideration.

Sincerely yours,

Frank E. Johnson

ACTIG Administrator

Enclosure
WRGriswold/er 11/1/&2/55
Copy to: Docket
Admr R File
Op. Committee
Base Metals
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Region II (2)
Chron.

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

October 31, 1955

Memorandum for the Files

From: Chief, Base Metals Division

Subject: Docket No. DMEA-2774 (Lead-Zinc), Grey Eagle Development Company, Grey Eagle Mine, Lander County, Nevada

Mr. Taylor of Senator Bible's office phoned today regarding Mr. Fred G. Risley, President, Grey Eagle Development Company. He stated this Company desired Government assistance in financing a mill for the mine. We advised that DMEA could not participate in such a loan, but perhaps it would be well to apply to the Small Business Administration.

W. R. Griswold

W. R. Griswold

WRG/er 11/1/55

Copy to: Docket
Base Metals
Chron.

RECEIVED
OCT 28 1955

Grey Eagle Development Company
Beowawe, Nevada

October 26, 1955

Mr. C. O. Mittendorf, Administrator
Defense Minerals Exploration Administration
U. S. Department of the Interior
Washington 25, D. C.

Dear Mr. Mittendorf:

With reference to your letter of May 19, 1953 regarding the Defense Minerals Loan, Docket No. DMEA-2744 (Lead-Zinc), you stated that during the period the application was pending lead and zinc was taken off the emergency list and there was no funds available for the exploration of our property. This action, you stated, was taken without prejudice to the merits of our proposed project and not turned down by the field team report, as you further stated, in your letter of September 27, 1955.

It would be appreciated if this matter could be cleared up in your records. I would appreciate your advice as to action taken by yourself to so straighten out these records.

Kindest regards.

Sincerely,

Fred G. Risley

Fred G. Risley
President

FGR:mjg

File Copy
Surname
Griswold

500

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

SEP 27 1955

Mr. Fred G. Risley, President
Grey Eagle Development Co., Inc.
Tonopah via Beatty, Nevada

Dear Mr. Risley:

We have been advised by the office of Senator Alan Bible that you desire to make an application for an exploration loan under the Defense Minerals Exploration program.

We are therefore enclosing six copies of the application form, together with a copy of DMEA Order 1, amended, and a copy of a booklet entitled "The Defense Minerals Exploration Program".

The application should be submitted in quadruplicate (four copies), giving all of the information requested in the form as far as it is possible to do so.

We note that we wrote you on July 1, 1953, advising that a review of the Field Team report on the Grey Eagle mine, together with other related data, caused us to deny your application for DMEA assistance. We do not know whether the application you now propose to make covers the same mine or another property. However, if it is for the same mine, you should advise us, in detail, as to what work has been done since the previous Field Team examination. If no significant amount of work has been done, there would be little reason for the Field Team to reexamine the property.

Sincerely yours,
G. O. Mittendorf

Administrator

Enclosures

WRGriswold/bjl (9/26/55)

Copy to: Mails & Files
Admr. R. File
Op. Committee
Base Metals
Mr. Bishop
Mr. Kiilsgaard
Region II (2)
Chron.

500

FILE COPY
SURNAME:

FEJohnson

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

JUL 1 1953

Mr. Fred G. Risley, President
Grey Eagle Development Company
Tonabo via Beowawe, Nevada

Re: Docket No. DMEA-2774 (Lead-Zinc)
Grey Eagle Development Company
Grey Eagle Mine
Lander County, Nevada

Dear Mr. Risley:

Reference is made to your letter of June 19, 1953, to Senator Malone, concerning the application of Grey Eagle Development Company for Government aid in an exploration project.

Since writing to you on June 8, 1953, we have had an opportunity to review the Field Team report on their recent examination of your property, together with your application and other related data. The results of this review, although indicating the presence of a small amount of lead-zinc mineralization, with gold and silver, reveal there exists little possibility that exploration would lead to a significant discovery of lead and zinc.

Under the circumstances, I regret to advise that we are unable to enter into a contract for exploration of your property. Your interest in the exploration program and cooperation during the period in which your application has been under consideration is greatly appreciated.

Sincerely yours,

C. O. Mittendorf

Administrator

WRGriswold/FEJohnson/bjl/bih
6/30/53
cc to: Docket
Admr. Reading File
Region III (2)
Operating Committee
Messrs. Kinkel
Bishop
Griswold
FEJohnson

7-1-53

FILE COPY
SURNAME:

500

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

Transmit
Hedges
Griswold
Kinkel
Schlecht
Johnson

Mr. Fred G. Risley, President
Grey Eagle Development Company
Tonabo via Beowawe, Nevada

Re: Docket No. DMA-2774 (Lead-Zinc)
Grey Eagle Development Company
Grey Eagle Mine
Lander County, Nevada

Dear Mr. Risley:

Reference is made to your letter of June 19, 1953, concerning the application of Grey Eagle Development Company for Government aid in an exploration project.

Since writing to you on June 8, 1953, we have had an opportunity to review the Field Team report on their recent examination of your property, together with your application and other related data. The results of this review, although indicating the presence of a small amount of lead-zinc mineralization, with gold and silver, reveal there exists little possibility that exploration would lead to a significant discovery of lead and zinc.

Under the circumstances, I regret to advise that we are unable to enter into a contract for exploration of your property. Your interest in the exploration program and cooperation during the period in which your application has been under consideration is greatly appreciated.

Sincerely yours,

WRGriswold/bjl (6/26/53)

Administrator

Copy to: Docket
Admr. R. File
Op. Committee
Base Metals
Mr. Kinkel
Mr. Bishop
Mr. F. E. Johnson
Region III (2)
Chron.

500

FILE COPY
SURNAME:

FEJohnson

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

JUL 1 1953

Hon. George W. Malone
United States Senate
Washington 25, D. C.

Re: Docket No. DMEA-2774 (Lead-Zinc)
Grey Eagle Development Company
Grey Eagle Mine
Lander County, Nevada

My dear Senator Malone:

This is in reply to your letter of June 24, 1953, concerning the application of Grey Eagle Development Company for Government aid in an exploration project, and enclosing copies of my letters of May 19 and June 8, 1953, to Mr. Fred G. Risley, President of Grey Eagle Development Company and his letter of June 19, 1953 to you.

Since writing to Mr. Risley on June 8, 1953, we have reviewed his application, the report made on his property by our Field Team, and other available data. As a result of this review we have concluded that the evidence of finding a significant quantity of lead-zinc ore on Mr. Risley's property is not sufficiently promising to justify the expenditure of Government funds. Consequently, we have written to Mr. Risley that we are unable to approve an exploration project for his property. A copy of my letter of this date to Mr. Risley is enclosed.

I regret that we are unable to be of assistance in the exploration of the property of the Grey Eagle Development Company.

Sincerely yours,

C. C. Mittendorf

Administrator

Enclosure

WRGriswold/FEJohnson/bjl/bih
6/30/53
cc to: Docket
Admr. Reading File
Region III (2)
Operating Committee
Messrs. Kinkel
Bishop
FEJohnson
Griswold

7-1-53

FILE COPY
SURNAME:

500

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

Forward Hedges Memorandum for Kinkel Self-Image.

Hon. George W. Malone
United States Senate
Washington, D. C.

Re: Docket No. DMA-2774 (Lead-Zinc)
Grey Eagle Development Company
Grey Eagle Mine
Lander County, Nevada

My dear Senator Malone:

This is in reply to your letter dated June 24, 1953, regarding the above application. We have written Mr. Bisley that we cannot consider this property as being eligible for Government assistance.

A copy of our letter to Mr. Bisley is enclosed.

Sincerely yours,

Administrator

Enclosure

WRGriswold/bjl (6/26/53)

Copy to: Docket
Admr. R. File
Op. Committee
Base Metals
Mr. Kinkel
Mr. Bishop
Chron.

Region III (2)

UNITED STATES
DEPARTMENT OF THE INTERIOR 500
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

June 26, 1953

Memorandum

To: Administrator

From: Chief, Base Metals Division

Subject: Denial of Docket No. DMEA-2774 (Lead-Zinc), Grey Eagle Development Company, Grey Eagle Mine, Lander County, Nevada

In accordance with the recommendations of the Commodity members and the instructions from Mr. Frank Johnson, this application has been denied.

W R Griswold

W. R. Griswold

FILE COPY
SURNAME:

500

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

June 26, 1953

Memorandum

To: Administrator

From: Chief, Base Metals Division

Subject: Denial of Docket No. DMEA-2774 (Lead-Zinc), Grey Eagle Development Company, Grey Eagle Mine, Lander County, Nevada

In accordance with the recommendations of the Commodity members and the instructions from Mr. Frank Johnson, this application has been denied.

W. R. Griswold

WRGriswold/bjl

Copy to: Docket
O p. Committee
Base Metals
Chron.

EUGENE D. MILLIKIN, COLO., CHAIRMA[illegible]
HUGH BUTLER, NEBR.
EDWARD MARTIN, PA.
JOHN J. WILLIAMS, DEL.
RALPH E. FLANDERS, VT.
GEORGE W. MALONE, NEV.
FRANK CARLSON, KANS.
WALLACE F. BENNETT, UTAH
WALTER F. GEOR[illegible]A.
HARRY FLOOD BYRD, VA.
EDWIN C. JOHNSON, COLO.
CLYDE R. HOEY, N. C.
ROBERT S. KERR, OKLA.
J. ALLEN FREAR, JR., DEL.
RUSSELL B. LONG, LA.

# United States Senate

COMMITTEE ON FINANCE

June 24, 1953

[illegible]

Mr. C. O. Mittendorf
Administrator
Defense Minerals Exploration
Administration
Washington 25, D. C.

Dear Mr. Mittendorf:

Reference is made to our previous correspondence regarding the application submitted by the Grey Eagle Development Company, Inc., Docket No. DMEA-2774 (lead-zinc).

Enclosed is copy of a self-explanatory letter received from Mr. Fred Risley, President of the above named Company. Also enclosed for ready reference are two letters written by you to Mr. Risley, dated May 19, and June 8.

Any information you may be able to furnish me relative to the progress of this loan application will be appreciated.

Thanking you for your continued cooperation, I am

Sincerely,

George W. Malone

Enclosures
GWM:rkk

COPY COPY

Grey Eagle Development
Tenabo
via Beowawe, Nevada

June 19, 1953

The Honorable Senator George Malone
United States Senate
Washington 25, D. C.

Dear Senator Malone:

I am enclosing copies of letters from C.O. Mittendorf of May 18 and June 8, 1953 regarding the loan to the Grey Eagle Development Company, Inc.

If you will give this matter your immediate attention following through to see if you can expedite the loan in any way, as the good working weather is here, and will be gone soon and now is the time that we need the loan.

With best regards.

Sincerely yours,

GREY EAGLE DEVELOPMENT COMPANY

/s/ Fred G. Risley
President

COPY COPY

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

June 8, 1953

Mr. Fred G. Risley, President
Grey Eagle Development Company
Tenabo via Beowawe, Nevada

re: Docket No. DMEA-2774(lead-zinc)
Grey Eagle Development Company
Grey Eagle Mine
Lander County, Nevada

Dear Mr. Risley:

On May 18, 1953, you were informed that a restricted program directive had obliged this Administration to deny your application for Government assistance in an exploration project.

However, a modifying directive dated June 1, 1953 has given us authority to continue processing your application. Therefore, we are reactivating your case. If you no longer desire to pursue your application, kindly advise accordingly.

Sincerely yours,

/s/ C. O. Mittendorf

Administrator

C O P Y C O P Y

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

May 19, 1953

Mr. Fred G. Risley, President
Grey Eagle Development Company
Tenabo via Beowawe, Nevada

re: Docket No. DMEA-2774(lead-zinc)
Grey Eagle Development Company
Grey Eagle Mine
Lander County, Nevada

Dear Mr. Risley:

This is to inform you that, effective April 15, 1953, the commitment of funds allocated to the DMEA for exploration assistance under the Defense Production Act was restricted to certain specified metals and minerals still in short supply. Lead and zinc were not specified, and consequently were automatically removed from the list of metals or minerals eligible for exploration assistance.

I regret to advise you that, since your application relates to lead-zinc and was pending on the date of the restrictive order, we are without authority or funds to enter into a contract for exploration, and your application is accordingly denied. This is taken without prejudice to the merits of your proposed project.

The staff of the DMEA wishes to express its appreciation for your interest in the exploration program and for your cooperation during the period your application has been under consideration.

Sincerely,

/s/ C. O. Mittendorf

Administrator

Surprise:

Griswold is inclined to go along with Field Team & approve.
Kinkel & Bishop recommend denial.

Kinkel would supply dissent in Exec Comm — & Hedges would probably concur. Means we would have to override them. My first reaction is that case does not warrant the establishment of precedent to "bounce thru" committee.

What are your reactions?

M

Field Team ~~[illegible]~~ original proposal to transfer [illegible] ~~does not state~~ [illegible]
~~finding~~ [illegible] question [illegible] Continuity of [illegible] zones in Jackson & other [illegible] policy [illegible]

IN REPLY REFER TO:

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

June 22, 1953

Memorandum

Re: Docket DMEA-2774

To: Mr. W. R. Griswold, DMEA

From: A. R. Kinkel, Jr., USGS
O. M. Bishop, USBM

Subject: DMEA-2774 (lead-zinc) Gray Eagle Development Company, Lander County, Nevada

In reviewing the field team report of May 27 on this docket and the earlier data submitted as DMEA Docket No. 2033, we can find no real justification for recommending exploration on this property. The 4,210 tons of ore produced between 1906 and 1950, although a good grade, was predominantly a gold-silver ore having recoverable values of but 0.5 per cent copper and 4.4 per cent lead while gold and silver recovered per ton were 0.52 and 53.1 ounces respectively. The ore occurs in a northeasterly trending shear zone in granitic rocks, the shear zone being parallel to and about 100 feet north of a granodiorite-metamorphic contact zone. The ore occurs as disseminations in the altered granitic rock or as small discontinuous lenses within the shear zone.

The exploration necessary to explore the shear zone, part of which has been exploited, seems out of proportion to the base metal target. The two samples taken from the vein in the 12-foot winze from the Hovenden tunnel averaged 7.3 per cent lead and 6.5 per cent zinc over an average width of 2.0 feet, but when the vein and adjacent barren rock is included to make a 5-foot stoping width, the grade is cut to 3 per cent lead and 2.7 per cent zinc.

We recommend that the application be denied as there appears to be little chance that exploration will lead to a significant discovery of lead and zinc.

A. R. Kinkel Jr.

A. R. Kinkel, Jr.
Geologist

O. M. Bishop

O. M. Bishop
Base Metals Branch

IN REPLY REFER TO:

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

June 22, 1953

Memorandum

Re: Docket DMEA-2774

To: Mr. W. R. Griswold. DMEA

From: A. R. Kinkel, Jr., USGS
O. M. Bishop, USBM

Subject: DMEA-2774 (lead-zinc) Gray Eagle Development Company, Lander County, Nevada

In reviewing the field team report of May 27 on this docket and the earlier data submitted as DMEA Docket No. 2033, we can find no real justification for recommending exploration on this property. The 4,210 tons of ore produced between 1906 and 1950, although a good grade, was predominantly a gold-silver ore having recoverable values of but 0.5 per cent copper and 4.4 per cent lead while gold and silver recovered per ton were 0.52 and 53.1 ounces respectively. The ore occurs in a northeasterly trending shear zone in granitic rocks, the shear zone being parallel to and about 100 feet north of a granodiorite-metamorphic contact zone. The ore occurs as disseminations in the altered granitic rock or as small discontinuous lenses within the shear zone.

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We recommend that the application be denied as there appears to be little chance that exploration will lead to a significant discovery of lead and zinc.

A. R. Kinkel, Jr.
Geologist

O. M. Bishop
Base Metals Branch

Grey Eagle Development Company
Tenabo
via Beowawe, Nevada

June 19, 1953

Mr. C. O. Mittendorf, Administrator
United States Department of the Interior
Defense Minerals Exploration Administration
Washington 25, D.C.

Dear Mr. Mittendorf:

I have been away from the property the past two weeks, thus the delay in answering your letter of June 8, 1953 regarding DMEA 2774 to the Grey Eagle Development Company Inc.

The Company is very desirous of continuing with the application for the loan and will appreciate any action that will expedite the approval of same. I am sending copies of your letter of May 18, also June 8, 1953 to Senator Malone. Thanking you, I am very

Sincerely yours,

GREY EAGLE DEVELOPMENT COMPANY

Fred G. Risley

Fred G. Risley
President

FGR:h

FILE CO500
SURNAME:

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

JUN 8 1953

Mr. Fred G. Risley, President
Grey Eagle Development Company
Tonabo via Beowawe, Nevada

Re: Docket No. DMEA-2774 (Lead-Zinc)
Grey Eagle Development Company
Grey Eagle Mine
Lander County, Nevada

Dear Mr. Risley:

On May 18, 1953, you were informed that a restricted program directive had obliged this Administration to deny your application for Government assistance in an exploration project.

However, a modifying directive dated June 1, 1953 has given us authority to continue processing your application. Therefore, we are reactivating your case. If you no longer desire to pursue your application, kindly advise accordingly.

Sincerely yours,

C. O. Mittendorf

Administrator

WRGriswold/hmj (6/5/53)
CC to: Docket
Adm. R. File
Op. Committee
Base Metals
Region III (2)
Mr. Bishop
Mr. Kinkel
Chron.

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

Greenwalt
Betty

Office of
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

May 27, 1953

Memorandum

To: Operating Committee, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-2774 (Lead-Zinc)
Grey Eagle Development Company, Grey Eagle Mine
Lander County, Nevada

Relative to the above subject, we are enclosing the original and three copies of the report by John D. Warne, Mining Engineer, U. S. Bureau of Mines, and J. F. Robertson, Geologist, U. S. Geological Survey, dated May 5, 1953. In addition there are attached the original and three copies of a letter by J. F. Robertson written to A. C. Johnson subsequent to the report and suggesting proposed changes to the recommendations in the report.

These are being sent so that your files on this subject will be complete. As zinc and lead deposits are no longer subject to exploration aid, we do not intend to do any more work on the docket.

We note that you have already notified the applicant that no further consideration can be given to their request for aid.

S. Ricker for
H. C. Miller, Executive Officer
DMEA Field Team, Region III

Attachments

Copy to: E. H. Bailey, USGS

2- C O P Y

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey
102 Old Mint Building
San Francisco 3, California

May 8, 1953

Mr. A. C. Johnson
Mining Div., Bureau of Mines
P. O. Box 1551
Reno, Nevada

Subject: DMEA 2774, Grey Eagle Mine, Lander County, Nevada (Lead-zinc)

Dear Mr. Johnson:

Warne's proposed exploration program at the Grey Eagle mine is one of several possible approaches to the problem. I am not, however, entirely in agreement with him.

I had considered, when first writing up my part of the report, the same plan as Warne presents in his Stage I, but discarded it in favor of limited cross-cutting and drifting for the following reasons:

1. Considerable diamond drilling of the property did not seem worthwhile; contracting for drilling a small amount would not be practicable.

2. Mr. Risley was emphatically opposed to diamond drilling.

3. Cross-cutting, then drifting would develop possible vein structures better than drilling, and would give more information about ore occurrance.

4. Inasmuch as the operator appeared to have limited funds, cross-cutting would help in possible later development of vein structures. Obviously, the cost of diamond drilling is less per foot than the cost of cross-cutting, and for that reason drilling should be considered. A broader scale of exploration work than I proposed is necessary to justify drilling, however. Warne and I agreed earlier that only a small amount of exploration is warranted at the Grey Eagle mine.

I am agreeable to the general outline of Warne's program of exploration, so have not attempted to re-write the section on proposed exploration. Under that title in my report, I deleted the original proposals, but have left some generalized statements that can be incorporated in the final section. Warne can alter his proposals somewhat, incorporating the following suggestions as seems best.

COPY

Looking at Stage I of Warne's proposal, suppose either of the first 2 diamond drill holes encounters a mineralized vein. I agree that drifting on such a vein should follow, but Warne has not allowed any footage for cross-cutting to reach it first. Although diamond drilling preliminary to driving workings reduces the amount of cross-cutting, it cannot eliminate it altogether. Some cross-cutting is still necessary.

Warne proposes, I gather, that the drift in Adit No. 6 should be extended on the same heading it now has in Stage I. The vein that was exposed at the face of Adit No. 6 when Warne and I examined the mine, and along which the operator supposedly has since drifted for 100 feet, could hardly be called a "favorable mineralized structure". I object to drifting in poor or barren ground if a better mineralized vein is encountered in the diamond drill holes.

To make exploration more efficient and possibly cheaper, I suggest that the 4 holes of Stage I be drilled from the same set up in Adit No. 6, approximately 400 feet from the portal. The first 2 would remain the same as Warne suggests, with bearings approximately N 10° W and S 20° E and lengths of 125 feet each. The other 2 would have the same targets as the second pair of drill holes proposed by Warne, but in lieu of them. They would each be 200 feet long, and would bear N 50° E and S 70° E respectively. They would give more information about possible mineralized structures before drifting was undertaken, and might obviate any cross-cutting or drifting. Should the drill holes indicate ore, then cross-cutting and drifting on mineralized vein structures, not to exceed 200 feet of work, would be justified.

If Stage I indicates enough ore to warrant mine development, I agree that a Stage II exploration program is warranted. Underground exploration, I presume, is favored by the operator over surface diamond drilling, and for this reason I will acquiesce. However, the figure of 450 feet proposed by Warne should include cross-cutting as well as drifting, certainly not all drifting. Part of the 500 feet of diamond drilling proposed should be undertaken at a point midway in Stage II with subsequent cross-cutting and drifting dependent on the results of the drilling. A statement to this effect should be included in the proposal.

Personally, I would favor surface diamond drilling along the strike of the ore structures instead of underground work in Stage II. The deposit could be evaluated along a greater strike length more cheaply and quickly by this means than by underground work.

Sincerely yours,

/s/ Jacques F. Robertson
Jacques F. Robertson
Geologist

Enclosure 1

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

# DMEA-2774, Grey Eagle Mine

## Lander County, Nevada

(lead-zinc)

John D. Warne, Mining Engineer
U. S. Bureau of Mines

J. F. Robertson, Geologist
U. S. Geological Survey

May 5, 1953

# EXAMINATION REPORT

Docket No.: DMEA-2774 (lead-zinc)

Name and address of applicant: Fred G. Risley, Pres. & Gen. Mgr., Grey Eagle Development Co., Inc., Tenabo via Beowawe, Nevada

Name and location of property: Grey Eagle Mine, located about 30 miles southeast of Battle Mountain; in secs. 13 and 14, T. 29 N., R. 26 E., M.D.B.&M., Lander County, Nevada

## SUMMARY

The Grey Eagle mine was examined by an engineer[1] of the Bureau of Mines of Region III and a geologist[2] of the U. S. Geological Survey on January 24, 1953. This examination of the property was made in connection with an application for an exploration loan (DMEA-2774) by Fred G. Risley, President and General Manager of the Grey Eagle Development Co., Inc.

Mining of gold and silver ores from the property was done perhaps as early as 1880. Production records show that intermittent mining since 1906 has produced 4,210 tons of ore containing gold, silver, copper, lead and zinc.

The Grey Eagle mine is located in the Bullion Mining District, on the western flank of Granite Mountain in Lander County, Nevada (fig. 1).

Mine openings which are now accessible consist of Adit No. 6 (which is now being extended at about 400 feet from its portal), and

1/ John D. Warne.
2/ J. F. Robertson.

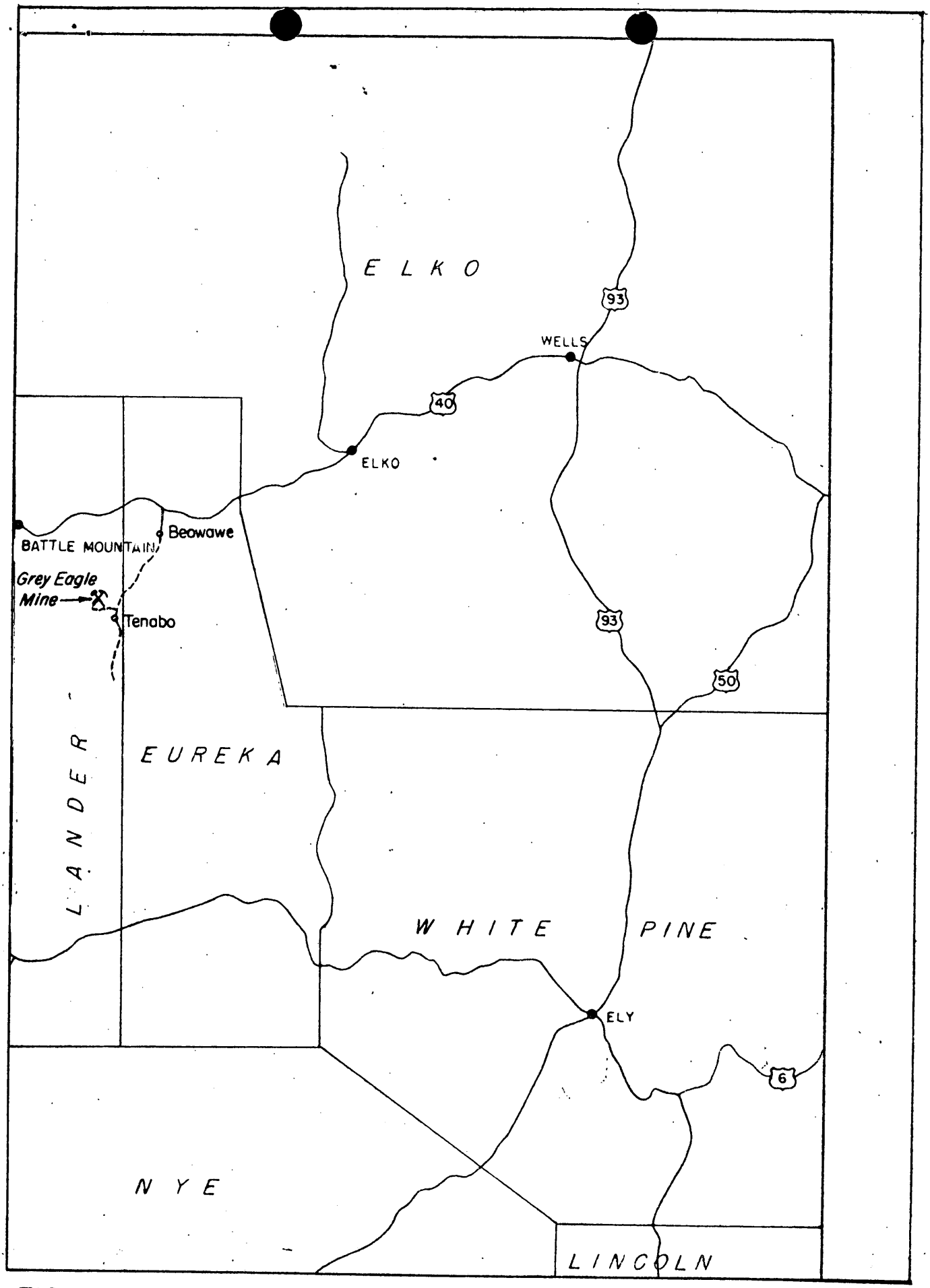



FIG. 1 LOCATION MAP

the Hovenden tunnel which is situated at 253 feet above Adit No. 6 - it is open for about 200 feet from the portal. Locations of samples taken during this examination are shown in figure 2.

The applicant originally proposed to extend Adit No. 6 a distance of 1200 feet; but his final, or amended, proposal includes 1,000 feet of diamond drilling and extending Adit No. 6 eastward for 575 feet. The diamond drilling and drifting work will explore mineralized structure exposed in Adit No. 6, possible parallel mineralized structures, and for continuation of mineralization downward of ore shoots developed in the Hovenden tunnel.

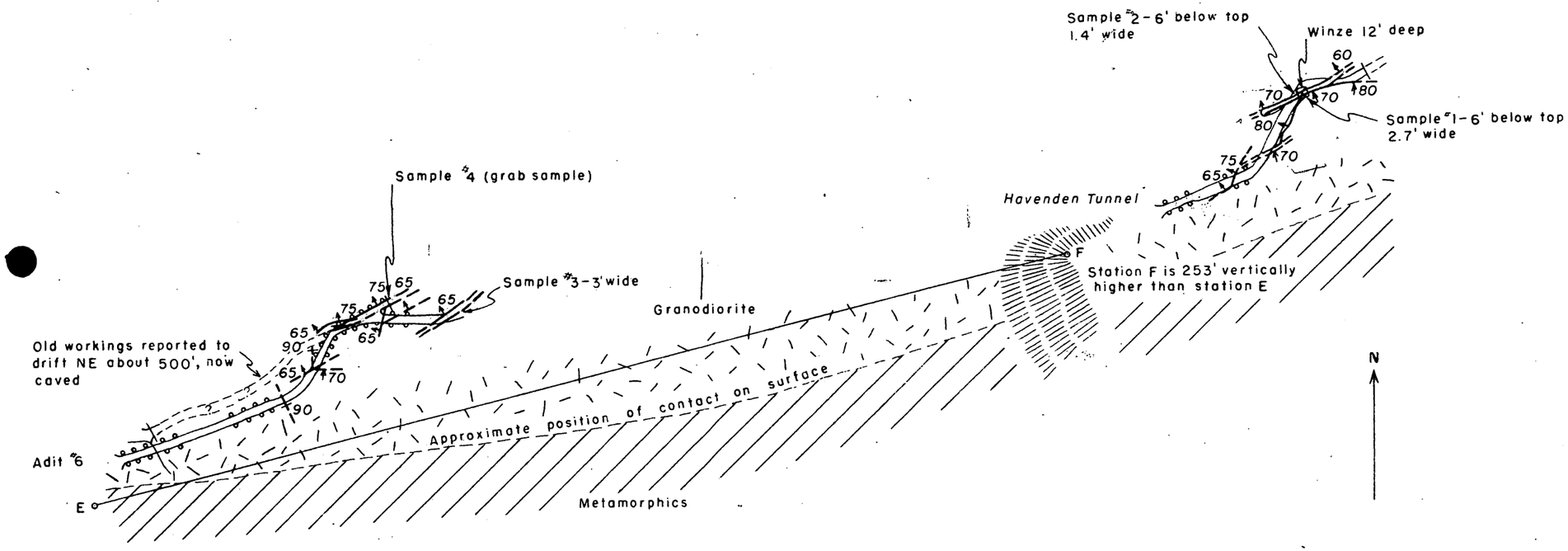
This report recommends exploration work based on a final verbal proposal made by Mr. Risley to the Mining Division, Region III, at Reno, Nevada, on April 24, 1953.

## CONCLUSIONS

The applicant's final proposal for exploration work is reasonable and the mine is presently equipped to proceed with the project.

All of the necessary equipment is on hand, and owned by the company with the exception of a diamond drill; the operator is negotiating for the purchase of this item of equipment. A minimum of 500 feet of diamond drilling under Stage I of the project will justify the acquisition of a diamond drill and this method of exploration for parallel mineralized structures is deemed satisfactory.

Costs estimated to perform the exploration project are essentially the same as those finally requested by the applicant.




EXPLANATION

Granodiorite

Metamorphics
(quartzite, schist, lime silicates)

Lead-zinc
Mineralization

70
Fault, snowing dip
(Dashed where approximately located)

Caved workings

Lagging and cribbing along drift

| Sample No. | % Pb | % Zn | Oz Au/T | Oz Ag/T |
|---|---|---|---|---|
| 1 | 4.7 | 6.9 | 0.07 | 7.15 |
| 2 | 12.3 | 6.1 | 0.12 | 18.70 |
| 3 | 0.1 | 0.4 | 0.01 | 0.40 |
| 4 | 0.1 | 0.6 | 0.02 | 0.80 |

Workings and geology mapped by brunton compass and tape
By J. F. Robertson and J.D. Warne, January 1953

ADIT #6 AND HOVENDEN TUNNEL OF THE GREY EAGLE DEVELOPMENT COMPANY
LANDER COUNTY, NEVADA

100 0 100 200 FEET

Fig 2

## RECOMMENDATIONS

Four holes are recommended to be diamond drilled from stations located approximately 400 and 525 feet from the portal of Adit No. 6 to explore for mineralized structures parallel to those exposed in the Adit No. 6 and the Hovenden tunnel. These holes should be drilled nearly horizontal at about 90 degrees to the general direction of Adit No. 6, and shall not aggregate more than 500 feet in length. It is also recommended that Adit No. 6 drift be extended eastward a distance of 125 feet (from approximately 400 to 525 feet) to follow the most favorable mineralized structure encountered by drilling or that which is now exposed at the face of Adit No. 6. The general plan of this work, to be done under Stage I, is shown in fig. 3.

If the above exploration work is successful, it is recommended, under Stage II, that Adit No. 6 be further extended 450 feet (from approximately 525 to 975 feet) to explore the most favorable mineralized structure encountered by Stage I and, additional diamond drilling to explore for the continuation of ore structures downward below the Hovenden tunnel is recommended. This drilling will consist of one or more holes, not to exceed 500 feet in aggregate length.

The locations of diamond drill holes and drifts should be subject to approval by the Government, and this work should be closely inspected.

A resume of the recommended exploration and costs of the project follows:

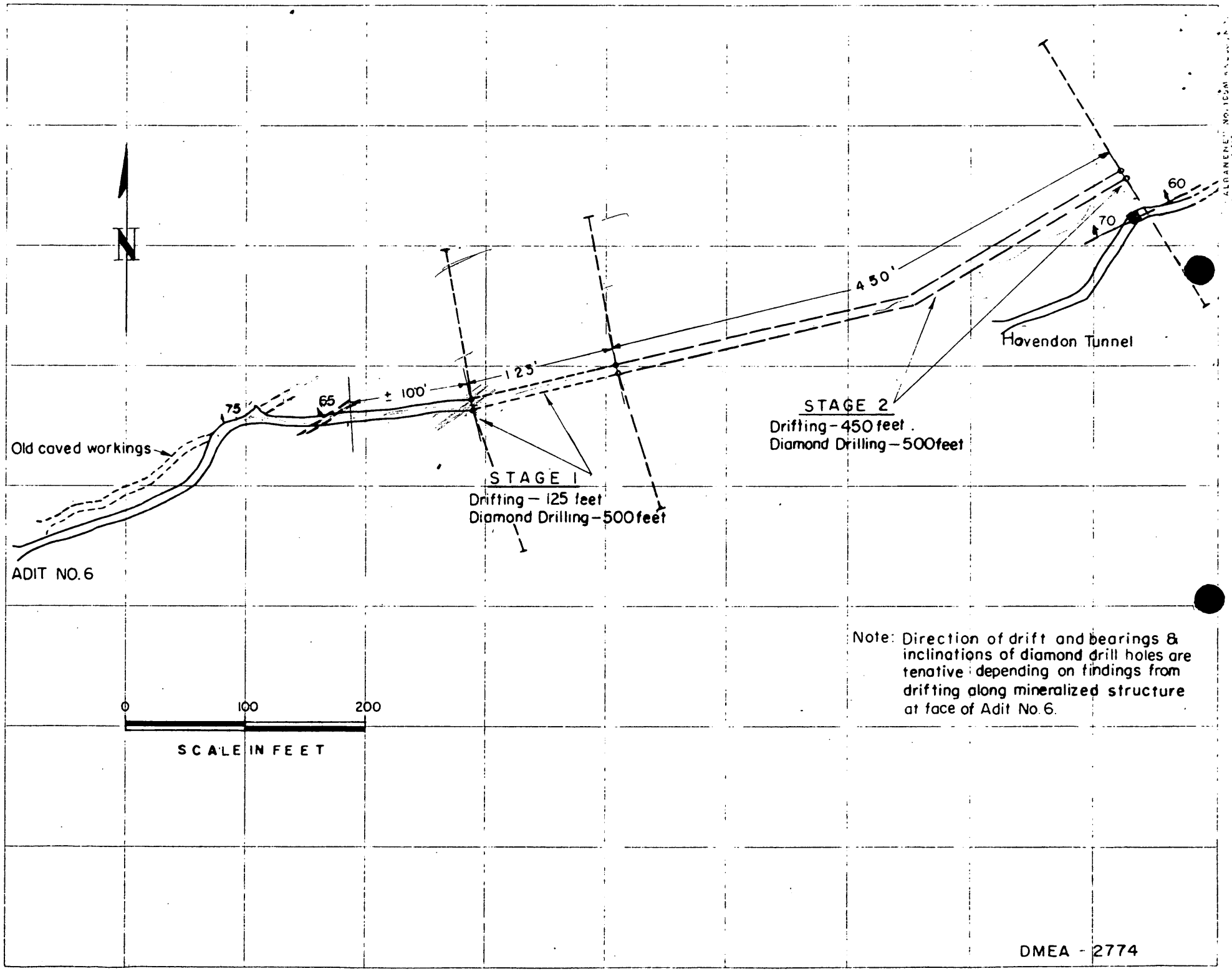



FIG. 3 LOCATION OF PROPOSED EXPLORATION WORK – GREY EAGLE MINE – LANDER COUNTY, NEVADA

Stage I:

| | |
|---|---|
| Diamond drilling - 500 feet @ $6.00/ft. . . . | $3,000.00 |
| Drifting - 125 feet @ $35.00/ft. . . . . | 4,375.00 |

Stage II:

| | |
|---|---|
| Drifting - 450 feet @ $35.00/ft. . . . . | 15,750.00 |
| Diamond drilling - 500 feet @ $6.00/ft. . . . | 3,000.00 |
| Total estimated cost of project | $26,125.00 |

## LOCATION AND ACCESSIBILITY

The Grey Eagle mine is situated within the Bullion Mining District, on the western flank of Granite Mountain, in Lander County, Nevada.

The claims are located within secs. 13 and 14, T. 29 N., R. 26 E., M.D.B.&M. Altitudes at the mine range from 7400 to 7800 feet above sea level.

The property is accessible by automobile from Battle Mountain, Nevada via U. S. Highway No. 40 a distance of 31 miles east, six miles south on a paved road to Beowawe, 23 miles south on a gravel road leading to Tenabo, and finally ten miles northwest along a dirt and mountain road which follows Indian Creek for most of the distance to the mine (see fig. 1).

The mine is accessible throughout most of the year. However, a moderate winter snowfall in the region hinders travel over the final ten miles of access road. This portion of the road is poorly drained and has steep grades which generally require the use of a low-geared vehicle to reach the property.

## HISTORY AND PRODUCTION

Little is known regarding the history of this property; however, gold and silver ores are stated to have been mined as early as 1880. Production records furnished by present operators indicate that the mine has been worked at least intermittently since 1906. Ores previously mined contained gold, silver, copper and lead in commercial quantities, and a small amount of zinc.

A compilation of production records from 1906 to 1950 shows the following production:

| Crude Ore (Dry Tons) | Gold (oz) | Silver (oz) | Copper (lbs) | Lead (lbs) | Zinc (lbs) |
|---|---|---|---|---|---|
| 4,210 | 2,224 | 223,613 | 43,368 | 368,137 | 2,092 |
| | .5% | 50% | .5% | 50% | |

The Grey Eagle Development Co. acquired the mine property from Mr. Charles E. Roberts of Elko, Nevada in 1951 after leasing the property during 1950. This company has shipped only a few tons of ore containing essentially gold and silver values; and records of this small production are incomplete.

Most of the work recently done by the applicant has involved driving a new drift adit (Adit No. 6) to explore previous mine workings near the Hovenden tunnel level (fig. 2).

## PROPERTY OWNERSHIP

The property consists of the following patented mining claims:

| | | |
|---|---|---|
| Eagle | MS No. 493 ) | |
| Wilson | MS No. 4669 ) | Recorded in Lander County |
| Hovenden | MS No. 4669 ) | Courthouse. |
| Sunnyside | MS No. 4676 ) | |

These claims are jointly owned by Ewald Goering and Edward Kirschenman of 1624 Crestmont Drive, Bakersfield, Calif. The Grey Eagle Development Company, Inc. operates the property under management of the following officers: Fred G. Risley, President and General Manager; Edward Kirschenman, Vice President; G. S. Heflin, Secretary and Treasurer. Mr. P. O. Liebel, J. P. McGlynn, L. V. Cirac and Ewald Goering are listed as Directors of the corporation.

DESCRIPTION OF THE PROPERTY

Almost complete surface and underground facilities are owned by the Grey Eagle Development Company, Inc. for performing exploration drifting and crosscutting work. An inventory of surface plant, underground, and miscellaneous operating equipment as furnished by the applicant follows:

Camp facilities:

1 20' x 20' - 3 room cabin
1 14' x 16' - 1 room cabin
1 16' x 18' - Change room and bath house
1 20' x 20' - Compressor house and shop
1 8' x 12' - Tool house

Mining and miscellaneous equipment:

1 160 cu.ft. portable Rix Compressor
1 120 cu.ft. semi-portable Rix compressor
1 3' x 10' air receiver
1 3 3000 watt - 110 volts light plant
1 C11 - Eimco mucking machine
4 18 cu.ft. mine cars
1200' 12 lb. rail
1 3/4 ton Chevrolet pickup 1947 model
2 Thor Cochise #75 drifters
1 Thor Cochise #475 stoper
1 Ingersol jack leg
700' of 2-inch black pipe air line
1 Chicago pneumatic #8 drill

2 50' lengths 3/4-inch air hose
2 50' lengths 1/2-inch water hose
1 10-inch blower with engine
1200' 8-inch air duct for ventilation
1 1000 gal. water tank
1 Worthington triplex pump with engine for water system
6 sets of drill steel 2' 4' 6'
1 600 gal. gasoline tank
1 600 gal. stove oil tank

## DEVELOPMENT

The only accessible mine workings at the present time are Adit No. 6 drift which follows a mineralized structure eastward approximately 400 feet from its portal; and the Hovenden tunnel (or adit) which develops ore deposits at 253 feet higher in elevation than Adit No. 6 (fig. 2). The Hovenden tunnel is accessible for 200 feet from the portal. A 12-foot winze exposes an ore deposit at about 150 feet from the portal of the Hovenden tunnel. Several other adits, shafts, stopes and other mine workings which are located at higher elevations than the Hovenden tunnel are now inaccessible.

## GEOLOGY

The Grey Eagle mine is on the west side of a prominent ridge in a granodiorite mass near the south contact with Paleozoic rocks, that have been metamorphosed to quartzites and schists. Lead and zinc sulfides are exposed underground in fissure veins or shears in the granodiorite. The mineralized shears strike uniformly N. 70° E., parallel to the contact, and dip about 70° NW. They are exposed in two adits, the upper No. 4 or Hovenden Tunnel and the lower Adit No. 6. Higher old workings are inaccessible. The Hovenden Tunnel, which is about 250 feet above Adit No. 6, reportedly explored for a distance

of 1400 feet to the northeast ground below the old workings, but at the time of examination was open for only 200 feet. Adit No. 6 has been driven by the present operators for 320 feet, but it closely parallels old caved workings that are reported to extend 500 feet to the northeast.

Lithology.--The adits are entirely in massive granodiorite containing a few plagioclase phenocrysts in a medium grained matrix. There is no apparent alignment of minerals. Most of the granodiorite is fresh, except in the proximity of mineralized veins or shears where the feldspars are argillized and the biotite is bleached. Quartz forms the core of a few small veinlets, and with altered granodiorite and clay gouge is the only gangue in most of the fissures and shear zones.

A westerly trending gully marks the approximate position of the contact between granodiorite and metamorphic rocks. The contact is not exposed, but the metamorphic rocks crop out within 25 feet south of the gully, and the portals to the adits are in granodiorite 20 to 50 feet north of the gully.

The metamorphic rocks are mainly brown stained quartzite with thin interbeds of fine-grained biotite schist and lime silicate rock. Near the contact are some thin layers of granitic rock that are parallel to the bedding planes. The metamorphic rocks were only casually examined, but loose rocks in the gully bottom appear to be more coarsely crystalline, and some rock fragments contain scattered bunches of sphalerite, pyrite, and epidote. Although this material is not in place, its position in the gully and its character suggest

that it originated close to the granodiorite contact.

Structure.--The contact between granodiorite and metamorphic rocks closely follows the trend of the gully, which strikes roughly N. 70° E. Bedding in the metamorphics strikes north and dips gently eastward into the ridge. The granodiorite is massive except for widely spaced joint sets in several planes.

The most prominent structures in both adits of the mine are the well defined, mineralized faults in granodiorite that strike persistently N. 70° E. and dip about 70° N. They display clayey gouge zones from 2 to 5 feet thick. Two of these faults, 30 feet apart, are exposed in adit No. 6. The mineralized shear zone in the higher Hovenden tunnel coincides approximately with the upward projection of these faults, but it may be a parallel fault. Lesser faults and fractures that strike in other directions are not mineralized, which suggests they may be post-mineral in age. No sign of any fault was found on the surface.

The mineralized faults parallel the granodiorite-metamorphics contact which is roughly 100 feet to south. A genetic relationship between these faults and the contact is suggested; possibly similar structures exist parallel and near by in the granodiorite.

## ORE DEPOSIT

The lead-zinc ore occurs as medium to fine-grained disseminations and massive lenticular concentrations of sphalerite and galena in the N. 70° E. trending faults. At some places ore minerals occur a few feet into the walls of altered granodiorite and in veinlets, but for

the most part are in the fault zones. Pyrite is associated with the ore minerals, but copper minerals are sparse. Mineralization along the contact is suggested by the specimens of contact metamorphic rocks containing galena, sphalerite, and pyrite observed as float in the gully separating granodiorite and metamorphics. The operators did not know whether the old inaccessible workings had exposed the contact or not.

One fault in the Hovenden tunnel is mineralized for its exposed length of 70 feet, and contains discontinuous lenses of ore 1 to 3 feet thick and as much as 15 feet long. The two mineralized faults in the lower adit have disseminated mineralization, but no lenses of solid ore had been encountered in them at the time of examination. No oxidized or enriched zones were exposed.

## ORE RESERVES

Samples 1 and 2 from the ore lens, exposed by the 12 foot deep winze in the Hovenden tunnel, give good assays of lead and zinc (see fig. 2). The assays, averaged and weighted for a mining width of 5 feet, however, give values of:

| | |
|---|---|
| 2.99% lead | 0.036 oz. gold |
| 2.72% zinc | 4.57 oz. silver |

These are poor, considering the small amount of ore exposed. Samples 3 and 4 indicate that mineralization of ore grade is not exposed in adit No. 6.

Measured reserves are restricted to the lens from which samples 1 and 2 were taken. The lens is about 15 feet long and is exposed down the winze for 12 feet. Using a width of 5 feet, measured re-

serves equal 90 tons having the average grade listed above.

Indicated reserves of ore are 910 tons, computed for 40 feet of lenses exposed along the Hovenden tunnel and for a mining width of 5 feet. The assumption is made that the ore has a down dip extent of 50 feet and a grade close to that of samples 1 and 2.

If the Hovenden tunnel has 1400 feet of workings as reported, the mineralized fault zone extending to northeast may have been stoped out above this level. It is believed that no mining was done below this level; it is probably safe, therefore, to estimate inferred ore for not greater than 30 feet along strike of the fault beyond the exposed workings and for 50 feet down dip. Inferred ore reserves from this zone are estimated at 750 tons.

Ore may occur in the faults on the No. 6 adit level beyond the present face, and in unknown faults parallel to the exposed N. 70° E. trending fault zones. In addition, the contact between granodiorite and metamorphic rocks is a prospective ore zone.

## SAMPLING

Four samples were taken in connection with this examination. Samples Nos. 1 and 2 were taken of mineralized material exposed in a 12-foot winze about 150 feet within the Hovenden tunnel; and samples Nos. 3 and 4 were taken from Adit No. 6 (see fig. 2). Analysis of these samples by the Bureau of Mines[3/] and descriptions of each sample follow:

| Sample No. | Percent Pb | Percent Zn | Oz/T Au | Oz/T Ag | Description |
|---|---|---|---|---|---|
| 1 | 4.7 | 6.9 | 0.07 | 7.15 | Channel cut, northeast end winze, 2.6 feet in length, taken 6 feet below Hovenden tunnel level. |
| 2 | 12.3 | 6.1 | 0.12 | 18.70 | Channel cut, southwest end of winze, 1.4 feet in length, taken 6 feet below Hovenden tunnel level. |
| 3 | 0.1 | 0.4 | 0.01 | 0.40 | Specimen sample across a 3-foot width at face of Adit No. 3, 320 feet from portal. |
| 4 | 0.1 | 0.6 | 0.02 | 0.80 | Specimen grab sample of caved material from old tunnel workings - 250 feet from portal of Adit No. 6. |

## STATEMENT OF APPLICANT'S PROPOSAL

The applicant originally requested a loan of $25,000 (or $20.83 per foot) to extend Adit No. 6 a distance of 1200 feet to explore for ore shoots which may extend 250 feet or more below the Hovenden tunnel level. He also proposed by this application (Docket No. DMEA-2774) that this loan of $25,000.00 match a previous expenditure of $35,000.00 on the property. This application was improperly prepared and the proposed exploration project was poorly conceived.

No further consideration of the above proposals are given in this report.

3/ Hydrometallurgical and Ore Dressing Branch, Reno, Nev.

A previous loan application (Docket No. DMEA-2033) to accomplish the same type of exploration work had been cancelled by the Government and used for reference in connection with the final application.

At the time of examination of the mine by an engineer and geologist, the applicant was advised that 1200 feet of additional drifting was not considered warranted, nor practical, to properly explore or evaluate the deposit. He was also advised to reconsider his application as to costs and quantity of exploration work requested. Instructions for completing or supplementing his application were given. Exploration by crosscutting to explore for adjacent mineralized structure together with a moderate amount of drifting were suggested to the applicant. Mr. Risley indicated that he would perhaps confer with the Reno office of the Bureau of Mines before a final decision or proposal was made.

On April 24, 1953 Mr. Risley visited the Mining Branch, Region III office at Reno, Nevada, and he made a definite and acceptable proposal for exploring the Grey Eagle mine property.

The applicant now proposes to explore for parallel mineralized structures adjacent to that being followed by Adit No. 6 by diamond drilling and to continue drifting northeastward toward the Hovenden tunnel along the most favorable structure to explore for downward extension of ore shoots previously mined from the Hovenden tunnel upward. The applicant prefers to explore for adjacent parallel structures by diamond drilling in lieu of crosscutting. Two horizontal diamond drill holes of 125 feet in length, are planned from near the present

face of Adit No. 6 at about 90 degrees to the direction of the adit as the initial mode of exploration; followed by drifting 125 feet; and and additional 250 feet of drilling to be planned after the 125 feet of drifting is completed. If further exploration work is warranted, an additional 450 feet of drifting and 500 feet of diamond drilling is requested. The applicant's present proposal for an exploration project (see fig. 3) is summarized as follows:

Stage I:

Diamond drilling - 500 feet (from locations about 400 feet and 525 feet from portal of Adit No. 6)

Drifting - 125 feet (from about 400 feet to 525 feet from portal of Adit No. 6)

Stage II:

Drifting - 450 feet (from about 525 feet to 975 feet from portal of Adit No. 6)
Diamond drilling - 500 feet (from locations about 975 feet, or less, from portal of Adit No. 6)

GENERAL INFORMATION

The applicant states that he is now engaged in advancing Adit No. 6. He states that he can begin exploration work under a Government contract as soon as the project is approved. The formation being followed in Adit No. 6 drift is wet and fractured and will require continuous timber supports.

Mr. Risley is negotiating to purchase a small underground diamond drill and he prefers exploration for adjacent parallel mineralized structure by drilling rather than crosscutting from Adit No. 6 drift which has been driven about 400 feet from the portal. If the drill

is not obtained, Mr. Risley plans to contract the diamond drilling work. A maximum of 500 feet of diamond drilling under Stage I, and 500 feet additional drilling if Stage II is undertaken, is considered warranted and a minimum requisite for sustantiating the purchase of a drill or for contracting this type of work.

The applicant has had very little previous mining experience. However, most of the underground work is performed by Mr. P. O. Liebel (one of the officers in the company) who is a competent miner. He is believed to be capable of supervising the proposed exploration project. Close inspection and suggestions to the operators pertaining to the work to be done on this project is recommended.

A more favorable and wider mineralized structure is reported by the applicant to have been encountered at the face of Adit No. 6 at about 385 feet from the portal. The adit has been advanced to about 400 feet from the portal.

## EXPLORATION PROJECT

It is recommended that this exploration project be set up in two stages with 500 feet of diamond drilling to be done to explore for adjacent parallel mineralized structure to that now being explored by drift Adit No. 6. In addition, the drift Adit No. 6 will be extended 125 feet to further explore this mineralized structure.

An additional 450 feet of drifting and 500 feet of diamond drilling will be done under Stage II if exploration work under Stage I is successful. Figure No. 3 indicates in general the proposed exploration work to be done on this project.

## ALLOWABLE COSTS OF PROJECT

Estimated costs of Stage I of this recommended project are based on 500 feet of diamond drilling from Adit No. 6 - with 250 feet to be drilled at the present face of the adit (approximately 400 feet from portal) and an additional 250 feet of diamond drilling to be done at 525 feet from the portal, and, 125 feet of drifting to be done in extending Adit No. 6 from 400 to 525 feet in length (see fig. 3).

Estimates for continuation of Adit No. 6 from 525 to 975 feet, and for an additional 500 feet of diamond drilling to explore for parallel mineralized structures are also made as Stage II if work done under Stage I is successful.

## DETAILED COST ESTIMATE

### Stage I

Diamond drilling:

From Adit No. 6 - 4 holes averaging 125 feet each - total 500 feet, 5-day week; complete 125 feet weekly - 4 weeks; at an estimated cost of $6.00 per foot, of EX size or larger as required; including labor, supervision, and other expenses.

Diamond drilling:

Total estimated cost per foot . . . . $6.00

Drifting:

Extending Adit No. 6 drift a distance of 125 feet from approximately 400 feet to 525 feet from portal total 125 feet, 5-day week; advance 4.166 feet per day = 30 work days, or 1.5 months.

Supervision and labor:

| | |
|---|---|
| 1 Mine engineer, supt. @ $500/month (allow 1.5 months) | $750.00 |
| 2 Miners @ $14/shift, 32 working days | 896.00 |
| 1 Mechanic and compressor operator - 32 days @ $14/da. | 448.00 |
| | $2,094.00 |
| Add 15.2 percent insurance, etc. | 318.29 |
| Total | $2,412.29 |

| | Per foot |
|---|---|
| Supervision and labor | $19.30 |
| Powder, fuse, detonators | 3.50 |
| Timber | 5.50 |
| Compressor supplies | .50 |
| Steel and bits | 1.25 |
| Repairs | 1.00 |
| Office and accounting | .50 |
| Electric power (lights for camp) | .20 |
| Installing air and water lines, etc. | .50 |
| Assaying | .25 |
| Transportation (supplies to camp etc.) | .75 |
| Rental of equipment furnished by operator | 1.75 |
| Total estimated cost per foot | $35.00 |

The operator will furnish all equipment

| | Estimated value |
|---|---|
| Compressors | $3,000.00 |
| Air receiver | 200.00 |
| Light plant | 300.00 |
| Eimco mucking machine, No. B11 | 2,000.00 |
| Mine cars | 200.00 |
| 125 feet of 12 lb. rail | 60.00 |
| 3/4 ton Chevrolet pickup | 800.00 |
| 1 Thor Cochise drifter, No. 75 | 750.00 |
| Column and arm | 100.00 |
| Air and water pipe, 125 Feet | 75.00 |
| Air and water hose | 150.00 |
| Blower, motor, vent pipe | 300.00 |
| Water tank, 1,000 gallon | 300.00 |
| Water pumping equipment | 150.00 |
| Miscellaneous tools | 200.00 |
| Engineering and office equipment | 150.00 |
| | $8,735.00 |

$\frac{\$8,735.00}{60}$ = $145.58 per month; 1.5 months drifting = $218.37 = $1.75 per foot

## Stage II

Diamond drilling:

From Adit No. 6, drilling one or more holes not to exceed a total of 500 feet - 500 feet, 5-day week, 125 feet weekly - 4 weeks - locations and directions of holes subject to approval by the Government - EX size cores or larger as required; including labor, supervision, and other expenses.

Total estimated cost per foot . . . . . $6.00

Drifting:

Extending Adit No. 6 drift a distance of 450 feet from approximately 525 feet to 975 feet from portal - 450 feet, at 4.166 feet per day, 108 work days.

Total estimated cost per foot . . . . . $35.00

## Resume of estimated costs

| | | |
|---|---|---|
| **Stage I:** | | |
| Diamond drilling | 500 feet @ $6.00/ft. . . . . | $3,000.00 |
| Drifting | 125 feet @ $35.00/ft. . . . . | 4,375.00 |
| | Total | $7,375.00 |
| **Stage II:** | | |
| Diamond drilling | 500 feet @ $6.00/ft. . . . . | $3,000.00 |
| Drifting | 450 feet @ $35.00/ft. . . . . | 15,750.00 |
| | Total | $18,750.00 |
| | Total cost of project . . . . | $26,125.00 |
| | Government participation 50% | $13,062.50 |

It is estimated that diamond drilling work under Stage I could be completed within four weeks; and drifting work within six weeks (70 days). Ninety days should be allowed to complete this stage.

Work under Stage II is estimated to require four weeks for diamond drilling; and 21.6 weeks for drifting (179 days). Seven months or 210 days should be allowed to complete this work if some delays are encountered.

A total of 300 days from the date of the contract should be allowed to complete the exploration project.

OTHER CONTRACT DATA

The following data should be incorporated in the contract:

Stage I:

1. Diamond drill four holes of approximately 125 feet each in length at stations located approximately 400 and 525 feet from the portal of Adit No. 6 (two holes at each station). These holes to be drilled as indicated in figure 3 to explore for parallel mineralized structures. The locations, directions, and lengths of these holes are subject to the Government's approval. Figure 3 indicates the general plan of diamond drilling. Total diamond drilling not to exceed 500 feet.

2. Extend the Adit No. 6 drift from approximately 400 to 525 feet from the portal in an eastward direction to follow the mineralized structure for a distance of 125 feet.

Stage II:

1. Diamond drill 500 feet (one or more holes) to explore for parallel mineralized structure to that followed by drifting, or for extensions downward of mineralized structures exposed in the Hovenden tunnel. Locations, directions, and lengths of holes are subject to the approval of the Government.

2. Extend the Adit No. 6 drift from approximately 525 feet to 975 feet to explore for mineralized structure encountered by diamond drill holes or by the 125 feet of drifting done under Stage I.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration

JUN 1 1953

Office of
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

May 27, 1953

Memorandum

To: Operating Committee, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-2774 (Lead-Zinc)
Grey Eagle Development Company, Grey Eagle Mine
Lander County, Nevada

Relative to the above subject, we are enclosing the original and three copies of the report by John D. Warne, Mining Engineer, U. S. Bureau of Mines, and J. F. Robertson, Geologist, U. S. Geological Survey, dated May 5, 1953. In addition there are attached the original and three copies of a letter by J. F. Robertson written to A. C. Johnson subsequent to the report and suggesting proposed changes to the recommendations in the report.

These are being sent so that your files on this subject will be complete. As zinc and lead deposits are no longer subject to exploration aid, we do not intend to do any more work on the docket.

We note that you have already notified the applicant that no further consideration can be given to their request for aid.

S. RICKER
~~H. C. MILLER~~

S. Ricker for
H. C. Miller, Executive Officer
DMEA Field Team, Region III

Attachments

Copy to: E. H. Bailey, USGS

Reviewed by
DMEA OPERATING COMMITTEE
6-5-53
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

# DMEA-2774, Grey Eagle Mine

## Lander County, Nevada

(lead-zinc)

John D. Warne, Mining Engineer
U. S. Bureau of Mines

J. F. Robertson, Geologist
U. S. Geological Survey

May 5, 1955

Reviewed by
DMEA OPERATING COMMITTEE
6-5-53
(date)

# EXAMINATION REPORT

Docket No.: DMEA-2774 (lead-zinc)

Name and address of applicant: Fred G. Risley, Pres. & Gen. Mgr., Grey Eagle Development Co., Inc., Tonabo via Beowawe, Nevada

Name and location of property: Grey Eagle Mine, located about 30 miles southeast of Battle Mountain; in secs. 13 and 14, T. 29 N., R. 26 E., M.D.B.&M., Lander County, Nevada

## SUMMARY

The Grey Eagle mine was examined by an engineer[1] of the Bureau of Mines of Region III and a geologist[2] of the U. S. Geological Survey on January 24, 1953. This examination of the property was made in connection with an application for an exploration loan (DMEA-2774) by Fred G. Risley, President and General Manager of the Grey Eagle Development Co., Inc.

Mining of gold and silver ores from the property was done perhaps as early as 1880. Production records show that intermittent mining since 1906 has produced 4,210 tons of ore containing gold, silver, copper, lead and zinc.

The Grey Eagle mine is located in the Bullion Mining District, on the western flank of Granite Mountain in Lander County, Nevada (fig. 1).

Mine openings which are now accessible consist of Adit No. 6 (which is now being extended at about 400 feet from its portal), and

1/ John D. Warne.
2/ J. F. Robertson.

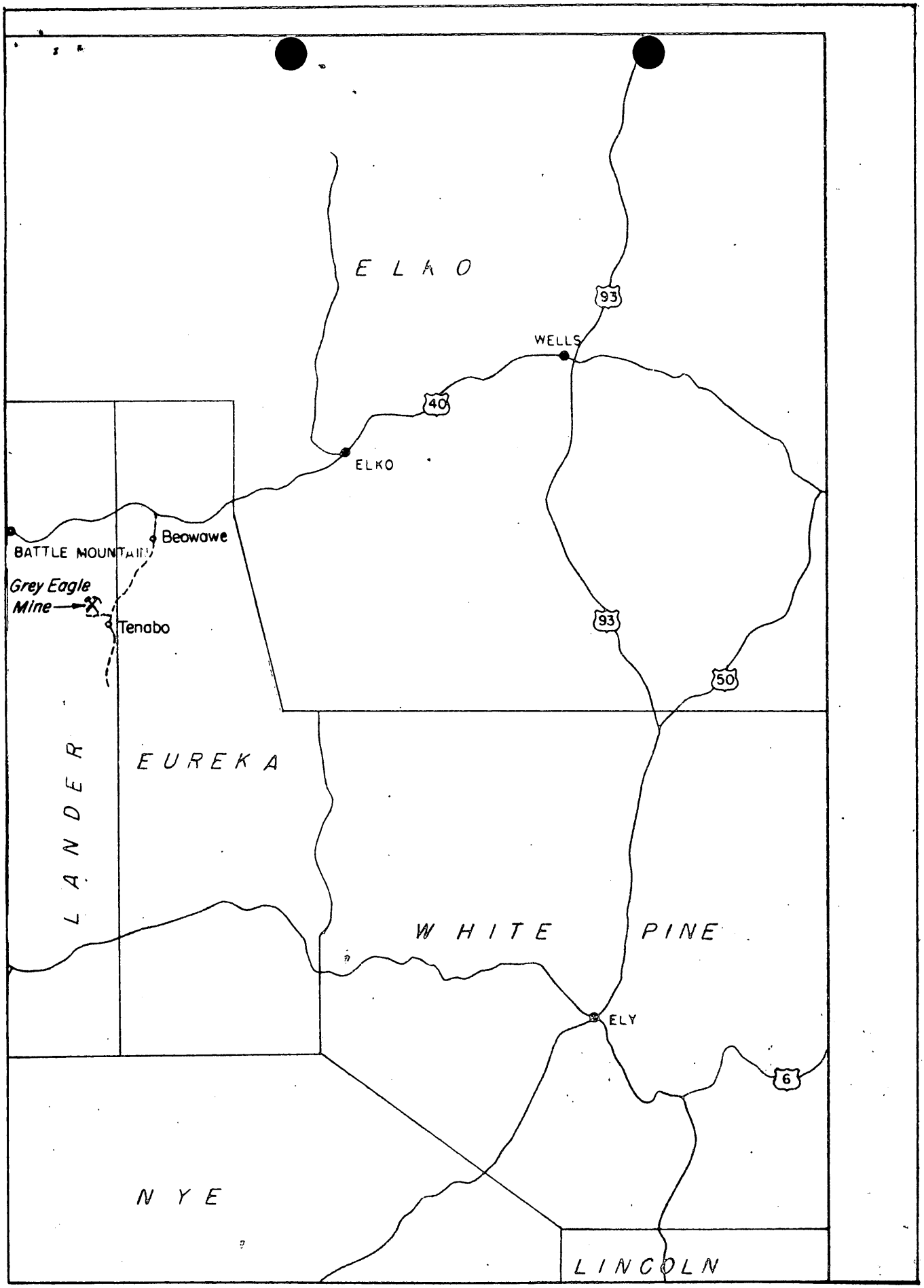



FIG. 1 LOCATION MAP

the Hevenden tunnel which is situated at 253 feet above Adit No. 6 - it is open for about 200 feet from the portal. Locations of samples taken during this examination are shown in figure 2.

The applicant originally proposed to extend Adit No. 6 a distance of 1200 feet; but his final, or amended, proposal includes 1,000 feet of diamond drilling and extending Adit No. 6 eastward for 575 feet. The diamond drilling and drifting work will explore mineralized structure exposed in Adit No. 6, possible parallel mineralized structures, and for continuation of mineralization downward of ore shoots developed in the Hevenden tunnel.

This report recommends exploration work based on a final verbal proposal made by Mr. Risley to the Mining Division, Region III, at Reno, Nevada, on April 24, 1953.

## CONCLUSIONS

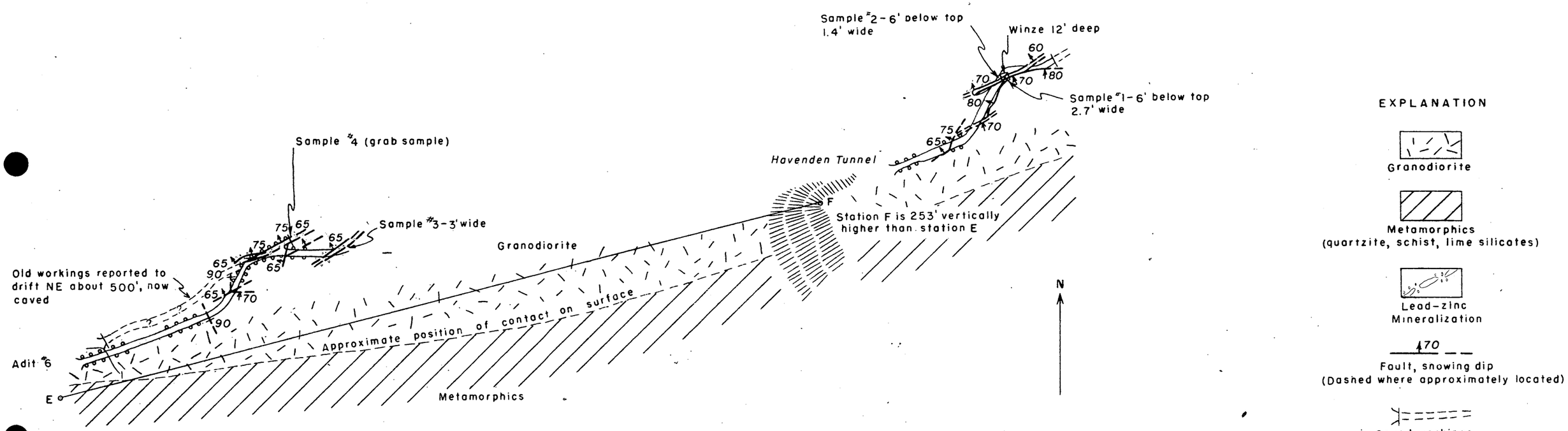
The applicant's final proposal for exploration work is reasonable and the mine is presently equipped to proceed with the project.

All of the necessary equipment is on hand, and owned by the company with the exception of a diamond drill; the operator is negotiating for the purchase of this item of equipment. A minimum of 500 feet of diamond drilling under Stage I of the project will justify the acquisition of a diamond drill and this method of exploration for parallel mineralized structures is deemed satisfactory.

Costs estimated to perform the exploration project are essentially the same as those finally requested by the applicant.

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA 2774
(LEAD-ZINC)




| Sample No. | % Pb | % Zn | Oz Au/T | Oz Ag/T |
|---|---|---|---|---|
| 1 | 4.7 | 6.9 | 0.07 | 7.15 |
| 2 | 12.3 | 6.1 | 0.12 | 18.70 |
| 3 | 0.1 | 0.4 | 0.01 | 0.40 |
| 4 | 0.1 | 0.6 | 0.02 | 0.80 |

Workings and geology mapped by brunton compass and tape
By J. F. Robertson and J.D. Warne, January 1953

ADIT #6 AND HOVENDEN TUNNEL OF THE GREY EAGLE DEVELOPMENT COMPANY
LANDER COUNTY, NEVADA

100 0 100 200 FEET

Fig 2

## RECOMMENDATIONS

Four holes are recommended to be diamond drilled from stations located approximately 400 and 525 feet from the portal of Adit No. 6 to explore for mineralized structures parallel to those exposed in the Adit No. 6 and the Hovenden tunnel. These holes should be drilled nearly horizontal at about 90 degrees to the general direction of Adit No. 6, and shall not aggregate more than 500 feet in length. It is also recommended that Adit No. 6 drift be extended eastward a distance of 125 feet (from approximately 400 to 525 feet) to follow the most favorable mineralized structure encountered by drilling or that which is now exposed at the face of Adit No. 6. The general plan of this work, to be done under Stage I, is shown in fig. 3.

If the above exploration work is successful, it is recommended, under Stage II, that Adit No. 6 be further extended 450 feet (from approximately 525 to 975 feet) to explore the most favorable mineralized structure encountered by Stage I and, additional diamond drilling to explore for the continuation of ore structures downward below the Hovenden tunnel is recommended. This drilling will consist of one or more holes, not to exceed 500 feet in aggregate length.

The locations of diamond drill holes and drifts should be subject to approval by the Government, and this work should be closely inspected.

A resume of the recommended exploration and costs of the project follows:

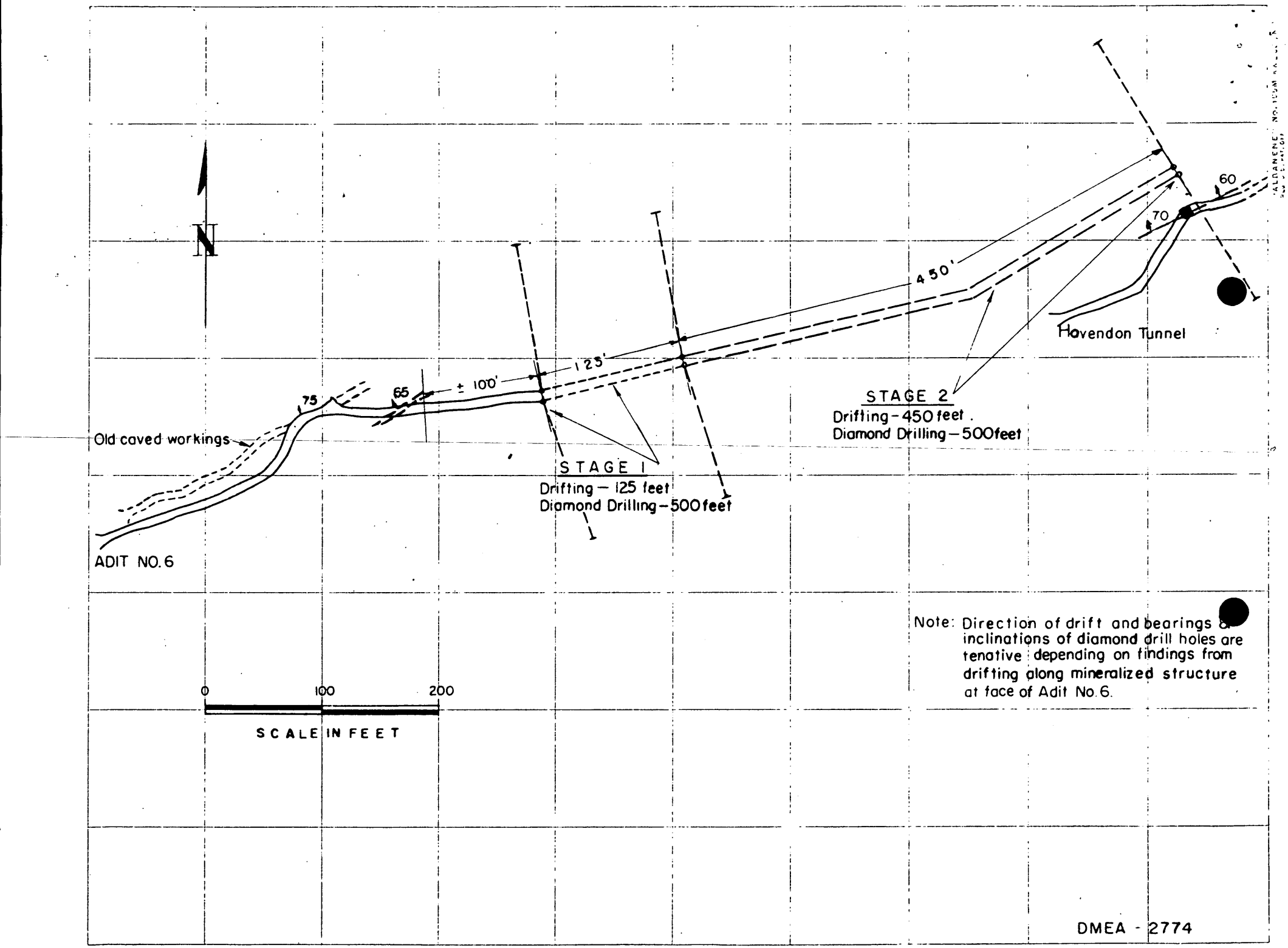



FIG. 3 LOCATION OF PROPOSED EXPLORATION WORK – GREY EAGLE MINE – LANDER COUNTY, NEVADA

Stage I:

| | |
|---|---|
| Diamond drilling - 500 feet @ $6.00/ft. . . . | $3,000.00 |
| Drifting - 125 feet @ $35.00/ft. . . . . | 4,375.00 |

Stage II:

| | |
|---|---|
| Drifting - 450 feet @ $35.00/ft. . . . . | 15,750.00 |
| Diamond drilling - 500 feet @ $6.00/ft. . . . | 3,000.00 |
| Total estimated cost of project | $26,125.00 |

## LOCATION AND ACCESSIBILITY

The Grey Eagle mine is situated within the Bullion Mining District, on the western flank of Granite Mountain, in Lander County, Nevada.

The claims are located within secs. 13 and 14, T. 29 N., R. 26 E., M.D.B.&M. Altitudes at the mine range from 7400 to 7800 feet above sea level.

The property is accessible by automobile from Battle Mountain, Nevada via U. S. Highway No. 40 a distance of 31 miles east, six miles south on a paved road to Beowawe, 23 miles south on a gravel road leading to Tenabo, and finally ten miles northwest along a dirt and mountain road which follows Indian Creek for most of the distance to the mine (see fig. 1).

The mine is accessible throughout most of the year. However, a moderate winter snowfall in the region hinders travel over the final ten miles of access road. This portion of the road is poorly drained and has steep grades which generally require the use of a low-geared vehicle to reach the property.

## HISTORY AND PRODUCTION

Little is known regarding the history of this property; however, gold and silver ores are stated to have been mined as early as 1880. Production records furnished by present operators indicate that the mine has been worked at least intermittently since 1906. Ores previously mined contained gold, silver, copper and lead in commercial quantities, and a small amount of zinc.

A compilation of production records from 1906 to 1950 shows the following production:

| Crude Ore (Dry Tons) | Gold (oz) | Silver (oz) | Copper (lbs) | Lead (lbs) | Zinc (lbs) |
|---|---|---|---|---|---|
| 4,810 | 2,224 | 223,613 | 43,368 | 368,137 | 2,092 |

The Grey Eagle Development Co. acquired the mine property from Mr. Charles E. Roberts of Elko, Nevada in 1951 after leasing the property during 1950. This company has shipped only a few tons of ore containing essentially gold and silver values; and records of this small production are incomplete.

Most of the work recently done by the applicant has involved driving a new drift adit (Adit No. 6) to explore previous mine workings near the Hovenden tunnel level (fig. 2).

## PROPERTY OWNERSHIP

The property consists of the following patented mining claims:

| | | |
|---|---|---|
| Eagle | MS No. 493 ) | |
| Wilson | MS No. 4669 ) | Recorded in Lander County |
| Hovenden | MS No. 4669 ) | Courthouse. |
| Sunnyside | MS No. 4676 ) | |

These claims are jointly owned by Ewald Goering and Edward Kirschenman of 1624 Crestmont Drive, Bakersfield, Calif. The Grey Eagle Development Company, Inc. operates the property under management of the following officers: Fred G. Risley, President and General Manager; Edward Kirschenman, Vice President; G. S. Heflin, Secretary and Treasurer. Mr. P. O. Liebel, J. P. McGlynn, L. V. Cirac and Ewald Goering are listed as Directors of the corporation.

DESCRIPTION OF THE PROPERTY

Almost complete surface and underground facilities are owned by the Grey Eagle Development Company, Inc. for performing exploration drifting and crosscutting work. An inventory of surface plant, underground, and miscellaneous operating equipment as furnished by the applicant follows:

Camp facilities:

1 20' x 20' - 3 room cabin
1 14' x 16' - 1 room cabin
1 16' x 18' - Change room and bath house
1 20' x 20' - Compressor house and shop
1 8' x 12' - Tool house

Mining and miscellaneous equipment:

1 160 cu.ft. portable Rix Compressor
1 120 cu.ft. semi-portable Rix compressor
1 3' x 10' air receiver
1 3 5000 watt - 110 volts light plant
1 C11 - Eimco mucking machine
4 18 cu.ft. mine cars
1200' 12 lb. rail
1 3/4 ton Chevrolet pickup 1947 model
2 Thor Cochise #75 drifters
1 Thor Cochise #475 stoper
1 Ingersol jack leg
700' of 2-inch black pipe air line
1 Chicago pneumatic #8 drill

2 50' lengths 3/4-inch air hose
2 50' lengths 1/2-inch water hose
1 10-inch blower with engine
1200' 8-inch air duct for ventilation
1 1000 gal. water tank
1 Worthington triplex pump with engine for water system
6 sets of drill steel 2' 4' 6'
1 600 gal. gasoline tank
1 600 gal. stove oil tank

## DEVELOPMENT

The only accessible mine workings at the present time are Adit No. 6 drift which follows a mineralized structure eastward approximately 400 feet from its portal; and the Hovenden tunnel (or adit) which develops ore deposits at 255 feet higher in elevation than Adit No. 6 (fig. 2). The Hovenden tunnel is accessible for 200 feet from the portal. A 12-foot winze exposes an ore deposit at about 150 feet from the portal of the Hovenden tunnel. Several other adits, shafts, stopes and other mine workings which are located at higher elevations than the Hovenden tunnel are now inaccessible.

## GEOLOGY

The Grey Eagle mine is on the west side of a prominent ridge in a granodiorite mass near the south contact with Paleozoic rocks, that have been metamorphosed to quartzites and schists. Lead and zinc sulfides are exposed underground in fissure veins or shears in the granodiorite. The mineralized shears strike uniformly N. 70° E., parallel to the contact, and dip about 70° NW. They are exposed in two adits, the upper No. 4 or Hovenden Tunnel and the lower Adit No. 6. Higher old workings are inaccessible. The Hovenden Tunnel, which is about 250 feet above Adit No. 6, reportedly explored for a distance

of 1400 feet to the northeast ground below the old workings, but at the time of examination was open for only 200 feet. Adit No. 6 has been driven by the present operators for 320 feet, but it closely parallels old caved workings that are reported to extend 500 feet to the northeast.

Lithology.--The adits are entirely in massive granodiorite containing a few plagioclase phenocrysts in a medium grained matrix. There is no apparent alignment of minerals. Most of the granodiorite is fresh, except in the proximity of mineralized veins or shears where the feldspars are argillized and the biotite is bleached. Quartz forms the core of a few small veinlets, and with altered granodiorite and clay gouge is the only gangue in most of the fissures and shear zones.

A westerly trending gully marks the approximate position of the contact between granodiorite and metamorphic rocks. The contact is not exposed, but the metamorphic rocks crop out within 25 feet south of the gully, and the portals to the adits are in granodiorite 20 to 50 feet north of the gully.

The metamorphic rocks are mainly brown stained quartzite with thin interbeds of fine-grained biotite schist and lime silicate rock. Near the contact are some thin layers of granitic rock that are parallel to the bedding planes. The metamorphic rocks were only casually examined, but loose rocks in the gully bottom appear to be more coarsely crystalline, and some rock fragments contain scattered bunches of sphalerite, pyrite, and epidote. Although this material is not in place, its position in the gully and its character suggest

that it originated close to the granodiorite contact.

Structure.--The contact between granodiorite and metamorphic rocks closely follows the trend of the gully, which strikes roughly N. 70° E. Bedding in the metamorphics strikes north and dips gently eastward into the ridge. The granodiorite is massive except for widely spaced joint sets in several planes.

The most prominent structures in both adits of the mine are the well defined, mineralized faults in granodiorite that strike persistently N. 70° E. and dip about 70° N. They display clayey gouge zones from 2 to 5 feet thick. Two of these faults, 30 feet apart, are exposed in adit No. 6. The mineralized shear zone in the higher Hovenden tunnel coincides approximately with the upward projection of these faults, but it may be a parallel fault. Lesser faults and fractures that strike in other directions are not mineralized, which suggests they may be post-mineral in age. No sign of any fault was found on the surface.

The mineralized faults parallel the granodiorite-metamorphics contact which is roughly 100 feet to south. A genetic relationship between these faults and the contact is suggested; possibly similar structures exist parallel and near by in the granodiorite.

## ORE DEPOSIT

The lead-zinc ore occurs as medium to fine-grained disseminations and massive lenticular concentrations of sphalerite and galena in the N. 70° E. trending faults. At some places ore minerals occur a few feet into the walls of altered granodiorite and in veinlets, but for

the most part are in the fault zones. Pyrite is associated with the ore minerals, but copper minerals are sparse. Mineralization along the contact is suggested by the specimens of contact metamorphic rocks containing galena, sphalerite, and pyrite observed as float in the gully separating granodiorite and metamorphics. The operators did not know whether the old inaccessible workings had exposed the contact or not.

One fault in the Hovenden tunnel is mineralized for its exposed length of 70 feet, and contains discontinuous lenses of ore 1 to 3 feet thick and as much as 15 feet long. The two mineralized faults in the lower adit have disseminated mineralization, but no lenses of solid ore had been encountered in them at the time of examination. No oxidized or enriched zones were exposed.

ORE RESERVES

Samples 1 and 2 from the ore lens, exposed by the 12 foot deep winze in the Hovenden tunnel, give good assays of lead and zinc (see fig. 2). The assays, averaged and weighted for a mining width of 5 feet, however, give values of:

| | |
|---|---|
| 2.99% lead | 0.036 oz. gold |
| 2.72% zinc | 4.57 oz. silver |

These are poor, considering the small amount of ore exposed. Samples 3 and 4 indicate that mineralization of ore grade is not exposed in adit No. 6.

Measured reserves are restricted to the lens from which samples 1 and 2 were taken. The lens is about 15 feet long and is exposed down the winze for 12 feet. Using a width of 5 feet, measured re-

serves equal 90 tons having the average grade listed above.

Indicated reserves of ore are 910 tons, computed for 40 feet of lenses exposed along the Hovenden tunnel and for a mining width of 5 feet. The assumption is made that the ore has a down dip extent of 50 feet and a grade close to that of samples 1 and 2.

If the Hovenden tunnel has 1400 feet of workings as reported, the mineralized fault zone extending to northeast may have been stoped out above this level. It is believed that no mining was done below this level; it is probably safe, therefore, to estimate inferred ore for not greater than 30 feet along strike of the fault beyond the exposed workings and for 50 feet down dip. Inferred ore reserves from this zone are estimated at 750 tons.

Ore may occur in the faults on the No. 6 adit level beyond the present face, and in unknown faults parallel to the exposed N. 70° E. trending fault zones. In addition, the contact between granodiorite and metamorphic rocks is a prospective ore zone.

## SAMPLING

Four samples were taken in connection with this examination. Samples Nos. 1 and 2 were taken of mineralized material exposed in a 12-foot winze about 150 feet within the Hovenden tunnel; and samples Nos. 3 and 4 were taken from Adit No. 6 (see fig. 2). Analysis of these samples by the Bureau of Mines[3/] and descriptions of each sample follow:

| Sample No. | Percent Pb | Percent Zn | Oz/T Au | Oz/T Ag | Description |
|---|---|---|---|---|---|
| 1 | 4.7 | 6.9 | 0.07 | 7.15 | Channel cut, northeast end winze, 2.6 feet in length, taken 6 feet below Hovenden tunnel level. |
| 2 | 12.3 | 6.1 | 0.12 | 18.70 | Channel cut, southwest end of winze, 1.4 feet in length, taken 6 feet below Hovenden tunnel level. |
| 3 | 0.1 | 0.4 | 0.01 | 0.40 | Specimen sample across a 3-foot width at face of Adit No. 3, 320 feet from portal. |
| 4 | 0.1 | 0.6 | 0.02 | 0.80 | Specimen grab sample of caved material from old tunnel workings - 250 feet from portal of Adit No. 6. |

## STATEMENT OF APPLICANT'S PROPOSAL

The applicant originally requested a loan of $25,000 (or $20.83 per foot) to extend Adit No. 6 a distance of 1200 feet to explore for ore shoots which may extend 250 feet or more below the Hovenden tunnel level. He also proposed by this application (Docket No. DMEA-2774) that this loan of $25,000.00 match a previous expenditure of $35,000.00 on the property. This application was improperly prepared and the proposed exploration project was poorly conceived.

No further consideration of the above proposals are given in this report.

3/ Hydrometallurgical and Ore Dressing Branch, Reno, Nev.

A previous loan application (Docket No. DMSA-2033) to accomplish the same type of exploration work had been cancelled by the Government and used for reference in connection with the final application.

At the time of examination of the mine by an engineer and geologist, the applicant was advised that 1200 feet of additional drifting was not considered warranted, nor practical, to properly explore or evaluate the deposit. He was also advised to reconsider his application as to costs and quantity of exploration work requested. Instructions for completing or supplementing his application were given. Exploration by crosscutting to explore for adjacent mineralized structure together with a moderate amount of drifting were suggested to the applicant. Mr. Risley indicated that he would perhaps confer with the Reno office of the Bureau of Mines before a final decision or proposal was made.

On April 24, 1953 Mr. Risley visited the Mining Branch, Region III office at Reno, Nevada, and he made a definite and acceptable proposal for exploring the Grey Eagle mine property.

The applicant now proposes to explore for parallel mineralized structures adjacent to that being followed by Adit No. 6 by diamond drilling and to continue drifting northeastward toward the Hovenden tunnel along the most favorable strunture to explore for downward extension of ore shoots previously mined from the Hovenden tunnel upward. The applicant prefers to explore for adjacent parallel structures by diamond drilling in lieu of crosscutting. Two horizontal diamond drill holes of 125 feet in length, are planned from near the present

face of Adit No. 6 at about 90 degrees to the direction of the adit as the initial mode of exploration; followed by drifting 125 feet; and and additional 250 feet of drilling to be planned after the 125 feet of drifting is completed. If further exploration work is warranted, an additional 450 feet of drifting and 500 feet of diamond drilling is requested. The applicant's present proposal for an exploration project (see fig. 3) is summarized as follows:

Stage I:

Diamond drilling - 500 feet (from locations about 400 feet and 525 feet from portal of Adit No. 6)

Drifting - 125 feet (from about 400 feet to 525 feet from portal of Adit No. 6)

Stage II:

Drifting - 450 feet (from about 525 feet to 975 feet from portal of Adit No. 6)
Diamond drilling - 500 feet (from locations about 975 feet, or less, from portal of Adit No. 6)

GENERAL INFORMATION

The applicant states that he is now engaged in advancing Adit No. 6. He states that he can begin exploration work under a Government contract as soon as the project is approved. The formation being followed in Adit No. 6 drift is wet and fractured and will require continuous timber supports.

Mr. Risley is negotiating to purchase a small underground diamond drill and he prefers exploration for adjacent parallel mineralized structure by drilling rather than crosscutting from Adit No. 6 drift which has been driven about 400 feet from the portal. If the drill

is not obtained, Mr. Risley plans to contract the diamond drilling work. A maximum of 500 feet of diamond drilling under Stage I, and 500 feet additional drilling if Stage II is undertaken, is considered warranted and a minimum requisite for sustantiating the purchase of a drill or for contracting this type of work.

The applicant has had very little previous mining experience. However, most of the underground work is performed by Mr. P. O. Liebel (one of the officers in the company) who is a competent miner. He is believed to be capable of supervising the proposed exploration project. Close inspection and suggestions to the operators pertaining to the work to be done on this project is recommended. A

A more favorable and wider mineralized structure is reported by the applicant to have been encountered at the face of Adit No. 6 at about 385 feet from the portal. The adit has been advanced to about 400 feet from the portal.

EXPLORATION PROJECT

It is recommended that this exploration project be set up in two stages with 500 feet of diamond drilling to be done to explore for adjacent parallel mineralized structure to that now being explored by drift Adit No. 6. In addition, the drift Adit No. 6 will be extended 125 feet to further explore this mineralized structure.

An additional 450 feet of drifting and 500 feet of diamond drilling will be done under Stage II if exploration work under Stage I is successful. Figure No. 3 indicates in general the proposed exploration work to be done on this project.

## ALLOWABLE COSTS OF PROJECT

Estimated costs of Stage I of this recommended project are based on 500 feet of diamond drilling from Adit No. 6 - with 250 feet to be drilled at the present face of the adit (approximately 400 feet from portal) and an additional 250 feet of diamond drilling to be done at 525 feet from the portal, and, 125 feet of drifting to be done in extending Adit No. 6 from 400 to 525 feet in length (see fig. 3).

Estimates for continuation of Adit No. 6 from 525 to 975 feet, and for an additional 500 feet of diamond drilling to explore for parallel mineralized structures are also made as Stage II if work done under Stage I is successful.

## DETAILED COST ESTIMATE

### Stage I

Diamond drilling:

From Adit No. 6 - 4 holes averaging 125 feet each - total 500 feet, 5-day week; complete 125 feet weekly - 4 weeks; at an estimated cost of $6.00 per foot, of EX size or larger as required; including labor, supervision, and other expenses.

Diamond drilling:

Total estimated cost per foot . . . . $6.00

Drifting:

Extending Adit No. 6 drift a distance of 125 feet from approximately 400 feet to 525 feet from portal total 125 feet, 5-day week; advance 4.166 feet per day = 30 work days, or 1.5 months.

Supervision and labor:

| | |
|---|---|
| 1 Mine engineer, supt. @ $500/month (allow 1.5 months) | $750.00 |
| 2 Miners @ $14/shift, 32 working days | 896.00 |
| 1 Mechanic and compressor operator - 32 days @ $14/da. | 448.00 |
| | $2,094.00 |
| Add 15.2 percent insurance, etc. | 318.29 |
| Total | $2,412.29 |

| | Per foot |
|---|---|
| Supervision and labor | $19.30 |
| Powder, fuse, detonators | 5.50 |
| Timber | 5.50 |
| Compressor supplies | .50 |
| Steel and bits | 1.25 |
| Repairs | 1.00 |
| Office and accounting | .50 |
| Electric power (lights for camp) | .20 |
| Installing air and water lines, etc. | .50 |
| Assaying | .25 |
| Transportation (supplies to camp etc.) | .75 |
| Rental of equipment furnished by operator | 1.75 |
| Total estimated cost per foot | $35.00 |

| The operator will furnish all equipment | Estimated value |
|---|---|
| Compressors | $3,000.00 |
| Air receiver | 200.00 |
| Light plant | 300.00 |
| Eimco mucking machine, No. B11 | 2,000.00 |
| Mine cars | 200.00 |
| 125 feet of 12 lb. rail | 80.00 |
| 3/4 ton Chevrolet pickup | 800.00 |
| 1 Thor Cochise drifter, No. 75 | 750.00 |
| Column and arm | 100.00 |
| Air and water pipe, 125 Feet | 75.00 |
| Air and water hose | 150.00 |
| Blower, motor, vent pipe | 300.00 |
| Water tank, 1,000 gallon | 300.00 |
| Water pumping equipment | 150.00 |
| Miscellaneous tools | 200.00 |
| Engineering and office equipment | 150.00 |
| | $8,755.00 |

$\frac{\$8,755.00}{60}$ = $145.58 per month; 1.5 months drifting = $218.37 = $1.75 per foot

## Stage II

Diamond drilling:

From Adit No. 6, drilling one or more holes not to exceed a total of 500 feet - 500 feet, 5-day week, 125 feet weekly - 4 weeks - locations and directions of holes subject to approval by the Government - EX size cores or larger as required; including labor, supervision, and other expenses.

Total estimated cost per feet . . . . . $6.00

Drifting:

Extending Adit No. 6 drift a distance of 450 feet from approximately 525 feet to 975 feet from portal - 450 feet, at 4.166 feet per day, 108 work days.

Total estimated cost per foot . . . . . $35.00

## Resume of estimated costs

| | | | |
|---|---|---|---|
| **Stage I:** | | | |
| Diamond drilling | 500 feet @ $6.00/ft. . . . . | | $3,000.00 |
| Drifting | 125 feet @ $35.00/ft. . . . . | | 4,375.00 |
| | | Total | $7,375.00 |
| **Stage II:** | | | |
| Diamond drilling | 500 feet @ $6.00/ft. . . . . | | $3,000.00 |
| Drifting | 450 feet @ $35.00/ft. . . . . | | 15,750.00 |
| | | Total | $18,750.00 |
| | Total cost of project . . . . | | $26,125.00 |
| | Government participation 50% | | $13,062.50 |

It is estimated that diamond drilling work under Stage I could be completed within four weeks; and drifting work within six weeks (70 days). Ninety days should be allowed to complete this stage.

Work under Stage II is estimated to require four weeks for diamond drilling; and 21.6 weeks for drifting (179 days). Seven months or 210 days should be allowed to complete this work if some delays are encountered.

A total of 300 days from the date of the contract should be allowed to complete the exploration project.

OTHER CONTRACT DATA

The following data should be incorporated in the contract:

Stage I:

1. Diamond drill four holes of approximately 125 feet each in length at stations located approximately 400 and 525 feet from the portal of Adit No. 6 (two holes at each station). These holes to be drilled as indicated in figure 3 to explore for parallel mineralized structures. The locations, directions, and lengths of these holes are subject to the Government's approval. Figure 3 indicates the general plan of diamond drilling. Total diamond drilling not to exceed 500 feet.

2. Extend the Adit No. 6 drift from approximately 400 to 525 feet from the portal in an eastward direction to follow the mineralized structure for a distance of 125 feet.

Stage II:

1. Diamond drill 500 feet (one or more holes) to explore for parallel mineralized structure to that followed by drifting, or for extensions downward of mineralized structures exposed in the Hovenden tunnel. Locations, directions, and lengths of holes are subject to the approval of the Government.

2. Extend the Adit No. 6 drift from approximately 525 feet to 975 feet to explore for mineralized structure encountered by diamond drill holes or by the 125 feet of drifting done under Stage I.

COPY

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey
102 Old Mint Building
San Francisco 3, California

May 8, 1953

Mr. A. C. Johnson
Mining Div., Bureau of Mines
P. O. Box 1551
Reno, Nevada

Subject: DMEA 2774, Grey Eagle Mine, Lander County, Nevada (Lead-zinc)

Dear Mr. Johnson:

Warne's proposed exploration program at the Grey Eagle mine is one of several possible approaches to the problem. I am not, however, entirely in agreement with him.

I had considered, when first writing up my part of the report, the same plan as Warne presents in his Stage I, but discarded it in favor of limited cross-cutting and drifting for the following reasons:

1. Considerable diamond drilling of the property did not seem worthwhile; contracting for drilling a small amount would not be practicable.

2. Mr. Risley was emphatically opposed to diamond drilling.

3. Cross-cutting, then drifting would develop possible vein structures better than drilling, and would give more information about ore occurrance.

4. Inasmuch as the operator appeared to have limited funds, cross-cutting would help in possible later development of vein structures. Obviously, the cost of diamond drilling is less per foot than the cost of cross-cutting, and for that reason drilling should be considered. A broader scale of exploration work than I proposed is necessary to justify drilling, however. Warne and I agreed earlier that only a small amount of exploration is warranted at the Grey Eagle mine.

I am agreeable to the general outline of Warne's program of exploration, so have not attempted to re-write the section on proposed exploration. Under that title in my report, I deleted the original proposals, but have left some generalized statements that can be incorporated in the final section. Warne can alter his proposals somewhat, incorporating the following suggestions as seems best.

C O P Y

Looking at Stage I of Warne's proposal, suppose either of the first 2 diamond drill holes encounters a mineralized vein. I agree that drifting on such a vein should follow, but Warne has not allowed any footage for cross-cutting to reach it first. Although diamond drilling preliminary to driving workings reduces the amount of cross-cutting, it cannot eliminate it altogether. Some cross-cutting is still necessary.

Warne proposes, I gather, that the drift in Adit No. 6 should be extended on the same heading it now has in Stage I. The vein that was exposed at the face of Adit No. 6 when Warne and I examined the mine, and along which the operator supposedly has since drifted for 100 feet, could hardly be called a "favorable mineralized structure". I object to drifting in poor or barren ground if a better mineralized vein is encountered in the diamond drill holes.

To make exploration more efficient and possibly cheaper, I suggest that the 4 holes of Stage I be drilled from the same set up in Adit No. 6, approximately 400 feet from the portal. The first 2 would remain the same as Warne suggests, with bearings approximately N 10° W and S 20° E and lengths of 125 feet each. The other 2 would have the same targets as the second pair of drill holes proposed by Warne, but in lieu of them. They would each be 200 feet long, and would bear N 50° E and S 70° E respectively. They would give more information about possible mineralized structures before drifting was undertaken, and might obviate any cross-cutting or drifting. Should the drill holes indicate ore, then cross-cutting and drifting on mineralized vein structures, not to exceed 200 feet of work, would be justified.

If Stage I indicates enough ore to warrant mine development, I agree that a Stage II exploration program is warranted. Underground exploration, I presume, is favored by the operator over surface diamond drilling, and for this reason I will acquiesce. However, the figure of 450 feet proposed by Warne should include cross-cutting as well as drifting, certainly not all drifting. Part of the 500 feet of diamond drilling proposed should be undertaken at a point midway in Stage II with subsequent cross-cutting and drifting dependent on the results of the drilling. A statement to this effect should be included in the proposal.

Personally, I would favor surface diamond drilling along the strike of the ore structures instead of underground work in Stage II. The deposit could be evaluated along a greater strike length more cheaply and quickly by this means than by underground work.

Sincerely yours,

/s/ Jacques F. Robertson
Jacques F. Robertson
Geologist

Enclosure 1

FILE COPY
SURNAME:

500

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

MAY 1 9 1953

Mr. Fred G. Risley, President
Grey Eagle Development Company
Tenabo via Beowawe, Nevada

Re: Docket No. DMFA-2774 (Lead-Zinc)
Grey Eagle Development Company
Grey Eagle Mine
Lander County, Nevada

Dear Mr. Risley:

This is to inform you that, effective April 15, 1953, the commitment of funds allocated to the DMFA for exploration assistance under the Defense Production Act was restricted to certain specified metals and minerals still in short supply. Lead and zinc were not specified, and consequently were automatically removed from the list of metals or minerals eligible for exploration assistance.

I regret to advise you that, since your application relates to lead-zinc and was pending on the date of the restrictive order, we are without authority or funds to enter into a contract for exploration, and your application is accordingly denied. This action is taken without prejudice to the merits of your proposed project.

The staff of the DMFA wishes to express its appreciation for your interest in the exploration program and for your cooperation during the period your application has been under consideration.

Sincerely yours,

S. O. Mittendorf
Administrator

WRGriswold/bjl (5/18/53)

Copy to: Docket
Admr. R. File
Op. Committee
Base Metals
Region III (2)
Mr. Bishop
Mr. Kinkel
Chron.

FILE COPY
SURNAME:

500

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

Hon. George W. Malone
United States Senate
Washington, D. C.

APR 23 1953

Re: Docket No. DMPA-2774 (Lead-Zinc)
Grey Eagle Development Company
Lander County, Nevada

My dear Senator Malone:

R. C. 4/24/53

This is in reply to your letter of April 16, 1953, inquiring as to the status of the application of the subject company. Immediately upon receipt of your letter a teletype was sent to our San Francisco field office.

The field office replied that their report of examination was being withheld pending a visit by Mr. Fred Risley, President of the Grey Eagle Development Company, to the Reno office. Mr. Risley had suggested a date of April 15 for this meeting.

In a telepone conversation with the San Francisco office on April 23, we requested that they clear this matter as soon as possible.

You may be sure that we shall keep you informed.

Sincerely yours,

C. O. Mittendorf (for)
Administrator

WRGriswold/bjl (written 4/23/53)

Copy to: Docket
Admr. R. File
Op. Committee
Base Metals Div.
Region III, (2)
Mr. Kinkel
Mr. Bishop
Chron.

5

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 22 1953

5$2UT

272 WA SFS /I-BOM/

SAN FRANCISCO CALIF 4-21-53 309P

W R GRISWOLD, CHIEF

BASE METALS DIVISION, DMEA, INTERIOR BLDG WA

REURTT APRIL 21. REPORT ON GREY EAGLE DIVELOPMENT COMPANY, DMEA 2774, BEING WITHHELD UNTIL FRED RISLEY VISITS RENO OFFICE TO DISCUSS PROPOSED EXPLORATION PROJECT. MR. RISLEY ADVISED OF SUGGESTED MEETING ON APRIL 15.

S. RICKER FOR H C MILLER EXECUTIVE OFFICER, DMEA FIELD TEAM, REGION III

21 2774 15

EW 310P

EUGENE D. MILLIKIN, COLO., CHAIRMAN

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ROBERT S. KERR, OKLA.
J. ALLEN FREAR, JR., DEL.
RUSSELL B. LONG, LA.

# United States Senate

COMMITTEE ON FINANCE

April 16, 1953

Rec 16. 1954
Vmc Ec.

Mr. C. O. Mittendorf
Administrator
Defense Minerals Exploration
Administration
Department of Interior
Washington 25, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 20 1953

Dear Mr. Mittendorf:

Further reference is made to your February 16, 1953, letter regarding Docket No. DMEA-2774 (Lead-Zinc) Grey Eagle Development Company, Lander County, Nevada.

Enclosed is copy of a self-explanatory letter just received from Fred G. Risley, President, of the above mentioned company.

I shall appreciate a report on the status of this application as soon as may be convenient to you.

Thanking you for your past cooperation, I am

Sincerely,

George W. Malone

George W. Malone

Enclosure
GWM:rkk

COPY

Beowawe, Nevada
April 6, 1953

Department of the Interior
Defense Minerals Administration
RECEIVED
APR 20 1953

The Honorable Senator George Malone
The United States Senate
Washington, D. C.

Dear Senator Malone:

Reference is made to your letter of February 17, 1953 regarding the field examination of the Grey Eagle Development Company, property, also C. O. Mittendorf's letter to you February 16, 1953.

I regret very much to inform you that I haven't received any notice of any action being taken on the application for the DMEA #2774 Lead-Zinc loan for the Grey Eagle Development Co., Inc.

Anything you can do to speed up the action on our loan will be greatly appreciated. The field team examined the property latter part of January.

Kindest regards.

Sincerely yours,

GREY EAGLE DEVELOPMENT CO., INC.

/s/ Fred G. Risley
President

FILE COPY
SURNAME:

Surnamel
Keating

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

FEB 16 1953

Hon. George W. Malone
United States Senate
Washington, D. C.

Re: Docket No. DMEA-2774 (Lead-Zinc)
Grey Eagle Development Company
Lander County, Nevada

My dear Senator Malone:

This will acknowledge receipt of your letter dated February 6, 1953, regarding the cited project, which has been delayed in transit due to its being misdirected to 3700 Massachusetts Avenue.

On December 22, 1952, in response to a telephone call from Mrs. Mills of your office regarding the status of this project, Mr. Keating of the Base Metals Division informed her that the application had been referred to the field office for examination on December 19, 1952, and that we had written to the Applicant advising him of this.

On December 22, 1952, a letter was sent to Mr. Risley, President of the company, requesting an answer from him as to our inquiry regarding the willingness and ability of his company to match the Government's participating funds. Mr. Risley replied favorably to this inquiry on January 5, 1953.

We have not yet received the required report from the Field Team, but as soon as it is received the matter will be given immediate attention.

Sincerely yours,

C. O. Mittendorf

Administrator

(for) J.H. 2-16-53

AGKeating/bjl (written 2/13/53)

Copy to: Docket
Admr. R. File
Op. Committee
Base Metals Div.
Mr. Bishop
Mr. Kinkel
Region III (2)
Chron.

DENNIS CHAVEZ, N. MEX., CHAIRMAN
JOHN L. MCCLELLAN, ARK.
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GEORGE W. MALONE, NEV.
HENRY C. DWORSHAK, IDAHO
FRANK CARLSON, KANS.
FRANCIS CASE, S. DAK.
FRANK BURNETT, CHIEF CLERK

# United States Senate

COMMITTEE ON PUBLIC WORKS

February 6th, 1953

Mr. C. O. Mittendorf, Administrator,
Defense Minerals Exploration Administration,
3700 Massachusetts Avenue,
Washington, D. C.

Dear Mr. Mittendorf:

The enclosed copy of letter from Mr. Fred G. Risley is self explanatory.

Will you please advise me what action has been taken on Mr. Risley's request?

Very truly yours,

GEORGE W. MALONE

GWM:mam
Encl.

COPY

Tenabo, via Beowawe, Nevada
February 2, 1953

Honorable Senator George W. Malone
United States Senate
Washington 25, D. C.

Dear Senator Malone:

On January 23, 1953, Mr. Robertson, a geologist, from San Francisco, and Mr. Warne, a mining engineer, with the Bureau of Mines, Reno, Nevada, made an examination of our property relative to the D.M.E.A. loan for the exploration of lead and zinc.

They spent three to four hours examining and mapping the workings. They only saw a small portion of the property, and seemed to be satisfied, but not seeing the property in its entirety, seemed unfair to its merits. However, we'll wait for the report from the Examining Staff. They informed me it would be approximately two or three weeks before they could send their report to Mr. C. O. Mittendorf, Administrator.

I am sending you this information in advance, to keep you informed of the action that is being taken.

Anything you can do to assist me with the loan, I will be greatly appreciative. With best regards, I am

Sincerely yours,

GREY EAGLE DEVELOPMENT COMPANY, INC.

(s) FRED G. RISLEY, President

FGR:h

Believe this is DMEA 2774
Region III report Jan says
"joint report in preparation"

SPECIAL

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

# REFERENCE SLIP

DATE 7/12

REFERRED TO:
1. Griswold
2.
3. Code 500
4.

FOR:

- ---- Action
- ---- Approval
- ---- Comment
- ---- Conference
- ---- Consideration
- ---- Filing
- ---- Instructions
- ---- Investigation
- ---- Initials
- ---- Mailing
- ---- Previous correspondence
- ---- Recommendation
- ---- Record of ----
- ---- Referring to ----
- X Reply for signature of CDM
- ---- Rewriting
- ---- Signature
- ---- Suggestions
- ---- Your information

REMARKS:
Note letter dated 7/6 & misaddressed

Check (X) before the items needing attention.

CDM
*Initials of sender.*

GPO 16—63815-1

**United States Senate**

COMMITTEE ON
INTERIOR AND INSULAR AFFAIRS

FREE

WASHINGTON D.C. FEB 8 1953

Mr. Mittendorf

U. S. S.

Mr. C. O. Mittendorf, Administrator,
~~Defense Minerals Exploration Administration,~~
~~3700 Massachusetts Avenue,~~
Washington, D. C.

4631 Brandywine St N.W.

dmea 2794

GREY EAGLE DEVELOPMENT COMPANY
Tenabo via Beowawe
Nevada

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 8 1953

January 5, 1953

Mr. C. O. Mittendorf, Administrator
United States Department of the Interior
Defense Minerals Exploration Administration
Washington 25, D. C.

Dear Mr. Mittendorf:

Referring to your letter of December 22, 1952, I wish to apologize for failing to inform you of the Company's decision at our last meeting of voting to match Government funds on our loan to the amount of $15,000. This was purely an oversight and hope you will recognize it as such.

My delay in answering your letter has been due to the fact that I have been out of town and having just returned January 4, I am taking care of this immediately.

To date we have not had any examination of the property. Rest assured you will take care of this immediately.

Sincerely yours,

GREY EAGLE DEVELOPMENT CO INC

Fred G. Risley

Fred G. Risley, President

FGR:h

500

FILE COPY
SURNAME:

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

DEC 22 1952

Hon. Walter S. Baring
House of Representatives
Washington 25, D. C.

Re: Docket No. DMA-2774 (Lead-zinc)
Grey Eagle Development Company
Lander County, Nevada

My dear Mr. Baring:

I have your letter of December 15, concerning the letter you received from Mr. Fred G. Hisley, pertaining to the agreement of the board of directors of the applicant corporation, to match the Government to the extent of $15,000.00, if and when an exploration project contract is approved.

On November 20 a letter was written to Mr. Hisley requesting additional information and assurance that his company would match funds with the Government on the proposed exploration project if a contract is approved.

On December 15, Mr. Hisley's answer to our letter was received giving information on his equipment, but neglecting to advise us as to his company's willingness and ability to match funds.

A letter requesting a definite statement on this point is now being sent the applicant. In the meantime, the application is being studied, and a field examination will be requested shortly.

The exploration project proposed by Mr. Hisley is similar, in some respects, to that proposed in his application DMA-2033X which now will be closed and used for reference in connection with this new application.

Until the report on the examination of the property by the Field Team is received, no decision can be made as to the merits of the subject application.

Sincerely yours,

C. O. Mittendorf (fw)
Administrator

12-22-52

HFKeller/hmj
(12-19-52)
CC to: Adm. Reading File
Operating Committee
Mr. Keller (2)
Region II (2)
Mr. Kinkle
Mr. Bishop
Docket

Enclosure

FILE COPY
SURNAME:

Keating

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

Memo for Files

December 22, 1952

Memorandum re Grey Eagle Mining Co. DMEA 2774

Telephone inquiry from Mrs. Mills in Senator Malone's office regarding status of above named company. Base Metals Division advised Mrs. Mills by telephone that the application had been referred 12/19/52 to the Field for examination and a letter had been written to the applicant advising him of this.

Mrs. Mills was also told of a letter to Congressman Walter S. Barry from this office 12/15/52 on same subject.

A A Jr.
Keating

500

FILE COPY
SURNAME:

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

DEC 22 1952

Mr. Fred G. Risley, President
Grey Eagle Development Company
Tonabe via Beowawe, Nevada

Re: Docket No. DMEA-2774 (Lead-Zinc)
Grey Eagle Development Company
Lander County, Nevada

Dear Mr. Risley:

Reference is made to your letter of December 11, and the attached list of equipment with its evaluation. Depreciation allowance is not allowed on permanent installations such as cabins, buildings, air ducts, air or water pipe lines, etc.

You did not answer the last paragraph of our letter of November 20. We have heard from Representative Walter S. Baring that you had a directors' meeting to discuss matching funds of the Government on an exploration project. If your directors agreed to match funds in accordance with DMEA Order No. 1, of which a copy is enclosed, kindly advise us to that effect. Also, please inform us the name of the state in which your company is incorporated.

We are referring your application to our Field Team at the following address:

Mr. H. C. Miller
Executive Officer, Region III
DMEA Field Team
1012 Flood Building
870 Market Street
San Francisco 2, California

You should hear from that office in the near future, in case an examination of your property is considered necessary.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

12-22-52

HFKeller/hmj
(12-18-52)
CC to: Adm. Reading File
Operating Committee
Enclosure - Keller (2)
Region II (2)
Mr. Kinkle
Mr. Bishop
Docket
CC. sent to Rept. Baring

500 FILE COPY
SURNAME:

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

DEC 22 1952

Mr. H. C. Miller
Executive Officer, Region III
DMA Field Team
1012 Flood Building
870 Market Street
San Francisco 2, California

Re: Docket No. DMA-2774 (Lead-Zinc)
Grey Eagle Development Company, Inc.
Lander County, Nevada

Dear Mr. Miller:

Kindly order a field examination of the property of the applicant. This application is similar, in most respects, to that of Docket No. DMA-2033, which now will be closed and used for reference in connection with this new application.

For your information are enclosed copies of memorandums by O. M. Bishop and E. L. Newcomb, and a list of the equipment owned by the applicant. We would appreciate it if the Field Team would take into consideration the recommendations outlined in those memorandums. In reference to point (3) of Mr. Bishop's memorandum, we have requested the applicant that he inform this office as to his company's willingness to match funds in an exploration project. If the Field Team recommends the proposed exploration project, they should furnish us sufficient information on which to draw up a contract on the short form.

Sincerely yours,

(signed) FRANK E. JOHNSON
(JHB)
Chairman, Operating Committee

12-22-52

Enclosures - 3

APPROVED:

J. H. Hedges (JHB)
Member, Bureau of Mines

A. R. Kinkel, Jr. (JHB)
Member, Geological Survey

HFKeller/hmj
12/19/52

CC to: Adm. Reading File
Operating Committee
Docket
Mr. Keller(2)
Mr. Bishop
Mr. Kinkle

C
O
P
Y

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Washington 25, D. C.

December 17, 1952

Memorandum

To: H. F. Keller

From: O. M. Bishop

Subject: Recommendation that Docket No. DMEA-2774 (Grey Eagle Development Company, Beowawe, Nevada) be referred to field

We have reviewed the subject docket. We note the applicant wishes to borrow $25,000 from DMEA to match $35,000 he has already expended. With the loan he proposes to drive a 1,200 foot adit to check whether ore shoots exposed in the old workings extend 400 feet lower.

He expects to drive the adit at a cost of about $20 a foot and gives a computation of labor costs and labor distribution, and refers us to Docket No. DMA-2033 for further details.

Inasmuch as there are insufficient data to evaluate the proposal or alternates in either Dockets 2033 or 2774, I can make no statement as to the merit of the proposed exploration. We would therefore request a field referral with the recommendation that the field team determine (1) geologic merit of the program (2) whether low costs indicated are attainable and (3) whether applicant is aware of the regulations concerning matching funds and is able to meet them.

/s/ O. M. Bishop

O. M. Bishop

COPY

| | | |
|---|---|---|
| 1 | compressor | 1500 |
| 1 | compressor | 1000 |
| 1 | light plant | 1000 |
| 1 | mucking machine | 2000 |
| 2 | 50' 3/4" air hose | |
| 2 | 50' 1/2" water hose | 200 |
| 1 | stoper | 200 |
| 1 | air drill | 100 |
| 1 | jack leg | 150 |
| 1 | blower and engine | 400 |
| 1 | 3" Tri Plex Pump | 150 |
| 1 | 20' x 20' compressor house | 500 |
| 1 | bath house 16' x 18' and change room | 1000 |
| 1 | 20' x 20' - 3 room cabin | 1000 |
| 1 | cabin 14' x 16' | 800 |
| 1200' | air duct | 1200 |
| 6 sets | Steel 2, 4, 6 feet | 150 |
| | Chevrolet Pickup | 1200 |
| 3 | 1 ton mine cars | 300 |
| | Plus all general mining tools | 200 |
| | | $13050 |

Should not be included

IN REPLY REFER TO:

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

December 18, 1952

Memorandum

To: Mr. H. F. Keller

From: E. L. Newcomb

Subject: Recommendation for field referral

Re: DMEA-2774
Greyeagle Mine
Bullion District
Lander County, Nevada
$25,000
Pb-Zn-Cu

The applicant requests Government assistance to extend a 300-foot adit an additional 1,200 feet on strike of a mineralized fissure vein. The project will test for possible downdip extensions of ore shoots which are reported to have been mined in workings 400 feet above the proposed adit work.

The old workings consist of several adits, two shafts and a number of sub-levels that are now largely inaccessible. Apparently a part of the No. 4 adit level (300 feet above proposed work) and 300 feet of No. 6 adit level are accessible for examination.

Our available geological information on the Grey Eagle mine is limited. The mine is developed in a banded quartz-sulfide fissure vein which strikes N 70° E and dips 70° N. The vein is in granodiorite with strong alteration along both walls of the mineralized fissure. The upper portion of the vein has been thoroughly oxidized, and it is from this ground that most of the past production has been obtained.

Although the mine has produced some lead, zinc and copper, a large part of past production has been in gold and silver values. The reported value of total past production is about $750,000 in silver, gold, lead and copper. According to Bureau of Mines records, the Grey Eagle has produced a total of 4,000 tons of crude ore from 1906 to 1950.

The No. 4 adit has explored all of the ground below the upper workings for a distance of 1400 feet. The applicant states that several ore shoots were mined from this level. However, if the total tonnage produced from the mine is only 4,000 tons, these ore shoots must be rather small. Further information about the width, grade and size of the ore shoots on the No. 4 adit level should be obtained before final action is taken on this application.

I recommend that the application be referred to the field team for their review and appraisal. It is quite possible that sufficient data is available in the field team office to determine the feasibility of further exploration on the property without resorting to an actual field examination.

E. L. Newcomb
E. L. Newcomb
Geologist

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

December 17, 1952

Memorandum

To: H. F. Keller

From: O. M. Bishop

Subject: Recommendation that Docket No. DMEA-2774 (Gray Eagle Development Company, Beowawe, Nevada) be referred to field

We have reviewed the subject docket. We note the applicant wishes to borrow $25,000 from DMEA to match $35,000 he has already expended. With the loan he proposes to drive a 1,200 foot adit to check whether ore shoots exposed in the old workings extend 400 feet lower.

He expects to drive the adit at a cost of about $20 a foot and gives a computation of labor costs and labor distribution, and refers us to Docket No. DMA-2033 for further details.

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O. M. Bishop

O. M. Bishop

Form MF-103
Revised June 1951)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 14 1952

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.1.

MF-103 Should Be Filed With General Technical Data Form MF-100

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

*Not To Be Filled in by Applicant*

Docket No. Dmea-2774
Metal or Mineral
Date Received 11-14-52
Amount $
Participation (Government %)

Name and address of applicant

Grey Eagle Development Company Inc
Tonopah via
Goldfield, Nevada

10-16-52

Date 10/16/52

If you have already filed MF-100, give date filed 3/10/52, type of assistance requested ~~25000.00 loan~~, to date 3000.00 already spent on bldgs, roads, driving 300' of tunnel
DMA Docket Number (if available) D-2033
~~of the 1st project, moving in equip, installing same, while we all for the exploration project.~~

## INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four copies each, of the signed application form, General Technical Data Form MF-100, and answers to questions as specified, to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive office thereof, with your name and address on each sheet of the application and all accompanying papers. If you have previously filed MF-100, it is not necessary to file it again. However, you should indicate in space provided above the type of assistance previously applied for (loans, procurement contracts, etc.) and DMA Docket Number, if available. *When a question is inapplicable it should be so stated in the form.* Additional sheets should be attached in answering any questions or in supplying additional information. IF YOU CANNOT ANSWER A QUESTION, SO STATE.

1. (*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*) If you are not the owner of the property, submit a copy of the lease, purchase option, or other agreements under which you are authorized to operate the property with each copy of your application. You have a copy of the purchase option and lease in your files.

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

   NOTE: (1) 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 (*c*) 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.

   (2) If applicant is not the owner of the property or if there are any liens or encumbrances against the property, copy of agreements of claimants, lienors, encumbrances, and lessors subordinating their interests in the property to the interest of the Government under the Exploration Project Contract will be required for attachment to the Contract. No liens on the property - title clear

2. (*a*) What metals or minerals do you expect to find? pb zn cu au ag

   (*b*) Furnish statement of the geologic features of your property, giving type of ore deposit and reasons for expecting to find commercial ore bodies. Illustrate with maps or sketches. If you have a geologic or engineering report, or assay maps showing width and grade, please send them with application, stating whether or not you wish to have them returned.

16—64067-2

All maps and report were mailed with 1st application which you have in your files - DMA 2033 - when finished with same, please return.

The information requested in questions 3, 4, 5, 6, 7, 8, and 9 below should be answered specifically and in detail, as the information will be attached to and incorporated as part of the Exploration Project Contract, if such contract is entered into with you by the Government.

ANSWER EACH QUESTION ON SEPARATE SHEETS OF PAPER AND SUBMIT A COPY OF EACH ANSWER FOR EACH COPY OF YOUR APPLICATION.

3. (*a*) Describe fully the proposed work and give the total cost of the project.

   (*b*) State the time required to start the project and to complete it.

4. Submit a map or sketch of the property involved showing a plan (and cross section, if needed) of the present mine workings and the *location of the proposed exploration work* as related to geologic features, such as contacts, veins, ore-bearing beds, etc.

5. Furnish an itemized list 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.

6. Furnish a detailed list of additional facilities, buildings, and fixtures to be purchased, installed, or erected by you, with the estimated cost of each item. Trailor - 1000.00 or may be rented

7. Furnish a detailed list of operating equipment, separated into items to be—

   (*a*) Rented

   (*b*) Purchased

   (*c*) Furnished by you The equipment owned by Grey Eagle Dev Co Inc, no liens

   with the rental, purchase price, or depreciation of each item, as the case may be, to be charged as a cost of the project. no

8. Furnish an itemized schedule of labor, by numbers and classes (miners, muckers, etc.) and of supervisors by numbers and positions, with the maximum wages or salaries to be paid to each.

9. Furnish a detailed list with estimated cost of each item for materials, supplies, engineering, assaying, accounting, power, water, utilities, and any other items not provided for above.

10. (*a*) How much are you prepared to invest in the proposed project?

    (*b*) Is this amount sufficient to pay your part of the cost of the project, in accordance with the regulations on Government participation (Sec. 9 of MO–5)? yes

11. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions. none

## 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.

Grey Eagle Dev. Co. Inc
(Name of company)

By Fred G. Risley
(Signature of authorized official)
Fred G. Risley

3/12/52
(Date)

President and General 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.**

U. S. GOVERNMENT PRINTING OFFICE 16—64067-2

#3 - a - Drive 1200' of tunnel on the vein approximately 400' below old w to prove the projection of the ore shoots from the old workings to the new t. level. The cost of this project will be $20.00 per ft or $24,000.00 for the 12. of tunnel. This is an over-all estimate. You will find the breakdown in #8.

b - The time required to start and complete this project will be 6 to 8 months with two shifts, allowing for unforseen trouble, will not exseed one year working time.

#4 - You have a sketch of the property in your files under my application, DMA 2033, which will give you a fair picture of our proposed plans. There are also other maps and reports in your files regarding the property. The work will be done on the Hovenden claim.

#5 - All in good condition

1 20' x 20' - 3 room cabin
1 14' x 16' - 1 room cabin
1 16' x 18' - Change room and bath house
1 20' x 20' - Compressor House and Shop
1 8' x 12' - Tool House

#6 - Will need trailer for second shift, cost of same approximately $1000.00 or may be rented.

#7 - 1 160 cu ft Port Rix Compressor
1 120 cu ft Semi Port Rix Compressor
1 3' x 10' Air Receiver
1 3 3000 watt - 110 volts light plant
1 B11 - Eimco Mucking Machine
4 18 cu ft mine cars
1200' 12 lb rail
1 3/4 Ton Chev Pickup '47 Model
2 Thor Cochise #75 Drifters
1 Thor Cochise $475 Stoper
1 Ingersol Jack leg
700' of 2" black pipe air line
1 Chicago Pneumatic #8 drill
2 50' lengths 3/4" air hose
2 50' lengths 1/2" water hose
1 10" Blower with engine
1200' 8" air duct for ventilation
1 1000 gal water tank
1 Worthington Triplex Pump with engine for water system
6 sets of drill steel 2' 4' 6'
6000' blasting fuse
500 caps
2000 lbs of powder
1 600 gal gasoline tank
1 600 gal stove oil tank

#7 - c - All the above listed equipment is owned by the Grey Eagle Dev Co Inc with no liens.

#8 2 - 8 hr shifts per da. - 2 men per shift

| | | |
|---|---|---|
| 2 miners @ $14.00 per shift each | 28.00 | |
| 2 muckers @ $12.00 per shift each | 24.00 | |
| | 52.00 | per day |

6 day working week
8 hr shifts

mining labor per week

| | | | |
|---|---|---|---|
| 6 da x 28 - - - - - - - - - - - - - - - - - - - - - - - - | miners | 168.00 | |
| 6 da x 24 - - - - - - - - - - - - - - - - - - - - - - - - | muckers | 124.00 | |
| | | 292.00 | per week |

labor for month

| | | |
|---|---|---|
| 4 wks x 168 - - - - - - - - - - - - - - - - - - - - - - - - | miners | 672.00 |
| 4 wks x 124 - - - - - - - - - - - - - - - - - - - - - - - - | muckers | 576.00 |
| | | 1248.00 |

Salary per month

| | | |
|---|---|---|
| 1 mgr and supt - - - - - - - - - - - - - - - - - - - - - - - - | | 450.00 |
| | Total salaries and wages | 1698.00 per mo |

8 months to complete 1200' of tunnel

8 x 1698.00 - - - - - - - - - - - - - - - - - - - - - - - - - - 13,584.00 8 months

#9

| | |
|---|---|
| gasoline - - - - - - - - - - - - - - - - | $1500.00 |
| timber - - - - - - - - - - - - - - - - - | 1500.00 |
| powder - - - - - - - - - - - - - - - - - | 750.00 |
| fuse - - - - - - - - - - - - - - - - - - | 200.00 |
| caps - - - - - - - - - - - - - - - - - - | 100.00 |
| 16 lb rail - - - - - - - - - - - - - - - | 1600.00 |
| accounting - - - - - - - - - - - - - - - | 800.00 |
| assaying - - - - - - - - - - - - - - - - | 200.00 |
| trucking - - - - - - - - - - - - - - - - | 600.00 |
| maintenance - - - - - - - - - - - - - - | 1000.00 |
| industrial ins - - - - - - - - - - - - - | 1500.00 |
| | $9750.00 |

#10 We have spent $35,000.00 building camp roads, installing machinery, installing water system for camp and mine, driving 300' of tunnel which has all been for and pertaining to the exploration of the mine. We are asking for the $25,000.00 loan from the D.M.E.A. to match our $35,000.00 so that we may continue our exploration project. We have at present a working capital of $17500.00 . This will be the receipts from the sale of the remaining stock.

| | | |
|---|---|---|
| 1 | compressor | 1500 |
| 1 | compressor | 1000 |
| 1 | light plant | 1000 |
| 1 | mucking machine | 2000 |
| 2 | 50' 3/4" air hose | [illegible] |
| 2 | 50' 1/2" water hose | 200 |
| 1 | stoper | 200 |
| 1 | air drill | 100 |
| 1 | jack leg | 150 |
| 1 | blower and engine | 400 |
| 1 | 3" Tri Plex Pump | 150 |
| 1 | 20' x 20' campressor house | 500 |
| 1 | bath house 16' x 18' and change room | 1000 |
| 1 | 20' x 20' - 3 room cabin | 1000 |
| 1 | cabin 14' x 16' | 800 |
| 1200' air duct | | 1200 |
| 6 sets Steel 2, 4, 6 feet | | 150 |
| Chevrolet Pickup | | 1200 |
| 3 | 1 ton mine cars | 300 |
| Plus all general mining tools | | 200 |
| | | $13050 |

Not allowable items for a depreciation allowance.

— 4500

Allowable $8550 / 60 = $142.50 per month

WALTER S. BARING
CONGRESSMAN
NEVADA (A. L.)

OFFICE ADDRESS:
SUITE 1509
HOUSE OFFICE BUILDING

# Congress of the United States
## House of Representatives
### Washington, D. C.

INTERIOR AND INSULAR AFFAIRS COMMITTEE

SUBCOMMITTEES:
PUBLIC LANDS
MINES AND MINING
IRRIGATION-RECLAMATION

COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

SUBCOMMITTEES:
PUBLIC ACCOUNTS
GOVERNMENT OPERATIONS

December 15, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 16 1952

Mr. C. O. Mittendorf
Acting Administrator
Defense Minerals Exploration Administration
Department of the Interior
Washington, D. C.

Dear Mr. Mittendorf:

With further reference to your letter of November 20, 1952, relating to the application for a loan made by Mr. Fred G. Risley, President of the Grey Eagle Development Company, Inc., I have today received another communication from Mr. Risley relative to this matter.

I am informed that a meeting of the Board of Directors of the above named Company met to discuss matching the Federal funds. It was agreed to match the Government to the amount of $15,000 which will give them a total of $30,000 to accomplish their exploration program. I understand that Mr. Risley is furnishing you an estimate of their existing equipment on their property, and also informing you of their decision.

Anything that you may do, personally, to expedite this loan, will be deemed a real favor.

With kind personal regards, I am

Sincerely yours,

Walter S. Baring

WALTER S. BARING
Congressman from Nevada

WSB/ss

Form MF-103
(April 1951)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 14 1952

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

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

# 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. Dmea-2774

Date received 11-14-52

Participation

Name and address of applicant

Date 10/16/52

FILL IN THIS BLOCK

Date of application

Estimated cost

Mineral or metal

Percentage of Government participation

Location of mine

Date of filing MF-100

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?

*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?

6. If owner, state what claims, liens, or encumbrances, if any, are against the property.

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 28 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.
    (*b*) Submit available maps and assay data.
    (*c*) Give estimated tonnage and grade of each class of ore reserves.

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.

| | |
|---|---|
| (Name of company) | By Fred G. Rusler (Signature of authorized official) |
| (Date) | Pres. Gen. Mgr. (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

#3 - a - Drive 1200' of tunnel on the vein approximately 400' below old workings to prove the projection of the ore shoots from the old workings to the new tunnel level. The cost of this project will be $20.00 per ft or $24,000.00 for the 1200' of tunnel. This is an over-all estimate. You will find the breakdown in #8.

b - The time required to start and complete this project will be 6 to 8 months with two shifts, allowing for unforseen trouble, will not exceed one year working time.

#4 - You have a sketch of the property in your files under my application, DVA 2033, which will give you a fair picture of our proposed plans. There are also other maps and reports in your files regarding the property. The work will be done on the Hovenden claim.

#5 - All in good condition

1 20' x 20' - 3 room cabin
1 14' x 16' - 1 room cabin
1 16' x 18' - Change room and bath house
1 20' x 20' - Compressor House and Shop
1 8' x 12' - Tool House

#6 - Will need trailer for second shift, cost of same approximately $1000.00 or may be rented.

#7 - 1 160 cu ft Port Rix Compressor
1 120 cu ft Semi Port Rix Compressor
1 8' x 10' Air Receiver
1 3 3000 watt - 110 volts light plant
1 B11 - Eimco Mucking Machine
4 18 cu ft mine cars
1200' 12 lb rail
1 3/4 Ton Chev Pickup '47 Model
2 Thor Cochise #75 Drifters
1 Thor Cochise $475 Steper
1 Ingersol Jack leg
700' of 2" black pipe air line
1 Chicago Pneumatic #8 drill
2 50' lengths 3/4" air hose
2 50' lenghhs 1/2" water hose
1 10" Blower with engine
1200' 8" air duct for ventilation
1 1000 gal water tank
1 Worthington Triplex Pump with engine for water system
6 sets of drill steel 2' 4' 6'
6000' blasting fuse
500 caps
2000 lbs of powder
1 600 gal gasoline tank
1 600 gal stove oil tank

#7 - c - All the above listed equipment is owned by the Grey Eagle Dev Co Inc with no liens.

#8 2 - 8 hr shifts per da. - 2 men per shift

| | | |
|---|---|---|
| 2 miners @ $14.00 per shift each | 28.00 | |
| 2 muckers @ $12.00 per shift each | 24.00 | |
| | 52.00 | per day |

6 day working week
8 hr shifts

mining labor per week

| | | | |
|---|---|---|---|
| 6 da x 28 - - - - - - - - - - - - - - - - - - - - - - - - | miners | 168.00 | |
| 6 da x 24 - - - - - - - - - - - - - - - - - - - - - - - - | muckers | 124.00 | |
| | | 292.00 | per week |

labor for month

| | | |
|---|---|---|
| 4 wks x 168 - - - - - - - - - - - - - - - - - - - - - - - - | miners | 672.00 |
| 4 wks x 124 - - - - - - - - - - - - - - - - - - - - - - - - | muckers | 576.00 |
| | | 1248.00 |

Salary per month

| | | | |
|---|---|---|---|
| 1 mgr and supt - - - - - - - - - - - - - - - - - - - - - - - - | | 450.00 | |
| | Total salaries and wages | 1698.00 | per mo |

8 months to complete 1200' of tunnel

8 x 1698.00 - - - - - - - - - - - - - - - - - - - - - - - - - - 13,584.00 8 months

#9

| | |
|---|---|
| gasoline - - - - - - - - - - - - - - - - | $1500.00 |
| timber - - - - - - - - - - - - - - - - - | 1500.00 |
| powder - - - - - - - - - - - - - - - - - | 750.00 |
| fuse - - - - - - - - - - - - - - - - - - | 200.00 |
| caps - - - - - - - - - - - - - - - - - - | 100.00 |
| 16 lb rail - - - - - - - - - - - - - - - | 1600.00 |
| accounting - - - - - - - - - - - - - - - | 800.00 |
| assaying - - - - - - - - - - - - - - - - | 200.00 |
| trucking - - - - - - - - - - - - - - - - | 600.00 |
| maintenance - - - - - - - - - - - - - - | 1000.00 |
| industrial ins - - - - - - - - - - - - - | 1500.00 |
| | $9750.00 |

#10 We have spent $35,000.00 building camp roads, installing machinery, installing water system for camp and mine, driving 300' of tunnel which has all been for and pertaining to the exploration of the mine. We are asking for the $25,000.00 loan from the D.M.E.A. to match our $35,000.00 so that we may continue our exploration project. We have at present a working capital of $17500.00 . This will be the receipts from the sale of the remaining stock.

GREY EAGLE DEVELOPMENT COMPANY INC
Tenabo via Beowawe, Nevada
December 11, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 15 1952

Mr. C. O. Mittendorf, Administrator
Defense Minerals Exploration Administration
Department of the Interior
Washington, D. C.

Dear Mr. Mittendorf:

This is in reference to your letter of November 20, 1952 regarding Docket No. DMEA 2774 lead-zinc, Grey Eagle Development Company, Inc Lander County, Nevada

As requested in your letter, I have made an estimate of the equipment involved upon which you will allow 1/60 of the estimated valuation of equipment.

Hoping this will meet with your approval and that you will have the property inspected as soon as possible, I am

Sincerely yours,

GREY EAGLE DEVELOPMENT COMPANY INC

Fred G. Risley

Fred G. Risley
President

FGR:h

FILE COPY
SURNAME:

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

NOV 26 1952

Hon. George W. Malone
United States Senate
Washington 25, D.C.

Re: Docket DMEA-2774 (Lead-Zinc)
Grey Eagle Development Co., Inc.
Lander County, Nevada

My dear Senator Malone:

I wish to acknowledge your letter of November 19, 1952, concerning the subject application of Mr. Fred G. Risley and to inform you of the present status of the application.

The revised application was received on November 14 and acknowledged on November 18, on which date it was also delivered to the Base Metals Division of this Administration for processing. On November 18 we received a letter from Congressman Walter S. Baring, who had also been requested to assist in expediting the loan.

On November 20 a letter was written to Mr. Risley requesting additional information, and a letter was also written to Congressman Baring informing him of the status of the application.

The exploration project proposed in the application would cost approximately $25,000. The applicant states in the application that some $35,000 which has been spent to date on the property by the company should be considered as their proportionate part of the estimated cost of the proposed exploration project. This procedure is not permitted under our regulations, which prohibit the inclusion of expenditures incurred prior to the date of execution of the contract in the cost of the project to which the Government will contribute its proportionate part.

Mr. Risley was informed of this regulation and requested to advise this agency as to whether his company would be willing and able to finance 50 percent of the costs of the proposed exploration project if a contract were approved. A field examination of the applicant's property will not be made until assurance has been received that he is willing to finance his proportionate part of the costs of such a project.

I shall be pleased to keep you informed of any important change in the status of this application.

Sincerely yours,

C. O. Mittendorf (fw)

Administrator

F.H. 11-26-52

HFKeller/COMittendorf/bjl/fw
11-24-52/ 11-25/52

cc: Mails & Files
Admr. R. File
H. F. Keller (2)
Mr. Bishop
Mr. Kinkle
Reg. III (2)
Chron.

DENNIS CHAVEZ, N. MEX., CHAIRMAN
JOHN L. MCCLELLAN, ARK.
SPESSARD L. HOLLAND, FLA.
JOHN C. STENNIS, MISS.
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FRANK CARLSON, KANS.
FRANCIS CASE, S. DAK.
FRANK BURNETT, CHIEF CLERK

# United States Senate

COMMITTEE ON PUBLIC WORKS

November 19, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 21 1952

Mr. C. O. Mittendorf
Administrator
Defense Minerals Exploration Administration
Washington, D. C.

Attention: Base Metals Division

Dear Mr. Mittendorf:

Pursuant to telephone conversation, I am enclosing a copy of a letter just received from Mr. Fred G. Risley, president, Grey Eagle Development Company, Inc.

I shall appreciate it very much if you will give me a report on this matter as soon as it may be convenient with you.

Sincerely,

GeoWMalone

George W. Malone

Enclosure

COPY

GREY EAGLE DEVELOPMENT CO., INC.
Tenabo via Beowawe, Nevada

October 15, 1952

The Honorable George W. Malone
The United States Senate
Washington D. C.

Dear Senator Malone:

Since our last meeting in Tonopah, Nevada in the latter part of September 1952, I have been able to consummate a deal on the property of the Grey Eagle Mine from Chas. E. Roberts transferring title to Ed Kirschenman and Ewald Goering.

Mr. Kirschenman is Vice President and Director of the Grey Eagle Development Company, Inc., also a heavy stockholder. Mr. Goering is also a stockholder. They are the new landlords and they have signed the Landlord Subordination Agreement, so that we may continue with our loan.

I am enclosing a copy of the deed which has been through escrow in Reno showing clear title to the property. This is being enclosed with my application.

Anything that you can do to expedite the loan will be greatly appreciated.

Sincerely yours,

GREY EAGLE DEVELOPMENT COMPANY, INC.

Fred G. Risley /s/

Fred G. Risley
President

FGR:h

FILE COPY
SURNAME:

HFKeller

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION 500
WASHINGTON 25, D. C.

Mr. Fred G. Aisley, President
Grey Eagle Development Company
Tonabo Via Beowawe, Nevada

NOV 20 1952

Re: Docket No. DMEA 2774 (Lead-Zinc)
Grey Eagle Development Company
Lander County, Nevada

Dear Mr. Aisley:

In reviewing the subject application for aid for an exploration project, it has been noted that you are proposing a project estimated to cost approximately $25,000. You ask that the Government provide all these funds to match the $35,000 that you have already spent on your property. We regret to advise you that no work or costs incurred before the date of the contract shall be allowed as costs of the project in which the Government will participate. Therefore, if the Government approves an exploration project contract for the work that you now propose to do on your property, it will be necessary for your company to defray fifty percent of the cost of the project, either in cash, services, equipment allowance or supplies.

A depreciation allowance of one-sixtieth of the used value of the equipment is chargeable to the costs of the project for each month that the equipment is used on the project. Kindly furnish us with an estimated used value for each item of equipment listed under #7 of the subject application, with the exception of the pipe, rail, fuse, caps, powder, and tanks for which no depreciation is allowed. For example, if your equipment had a total used value of $12,000, the depreciation allowance would be $200 per month if all the equipment was used each month.

We would appreciate it if you would advise us as soon as possible if your company would be willing and able to finance fifty percent of the costs of an exploration project if a contract is approved.

Sincerely yours,

C. O. Mittendorf
Administrator

HFKeller/bw
(written 11/19/52)
Copy to: Docket
Adm R. File
Op. Comm.
HFKELLER (2)
Mr. Bishop
A. R. Kinkle, Jr.
Reg. III (2)
Chron.

11-20-52

FILE COPY
SURNAME:

500

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

NOV 20 1952

Hon. Walter S. Baring
House of Representatives
Washington, D. C.

Re: Docket No. DMEA-2774 (Lead-Zinc)
Grey Eagle Development Company
Louder County, Nevada

My dear Mr. Baring:

I wish to acknowledge receipt of your letter of November 17, 1952, in reference to the subject application. The same day that we received your letter, we also received the revised application of the Grey Eagle Development Company proposing an exploration project with an estimated cost of $25,000.00.

In the application the Applicant states that the $35,000.00 which had been spent previously on the property by the company should be considered as their proportionate part of the estimated exploration cost. This procedure is not acceptable under our regulations, as no costs incurred prior to the execution of a contract can be charged to it. I have written Mr. Risley concerning this point, asking him to inform us if his company will be able to enter into a contract on a participating basis. For your information, I am enclosing a copy of that letter.

In the meantime, the application will be studied by our staff and the commodity specialists, who will determine whether a field team examination is necessary in order to evaluate completely the application. If such an examination is recommended, it will be ordered upon the receipt of Mr. Risley's assurance that the company is willing to enter into a contract on a participating basis.

I shall be pleased to keep you informed as to the status of this application whenever there is a new development.

Sincerely yours,

C. O. Mittendorf

Administrator

HFKeller/bjl (written 11/19/52)

Copy to: Docket
Admr. R. File
Op. Committee
H. F. Keller (2)
Mr. Bishop
Mr. Kinkle
Reg. III (2)
Chron.

Enclosure

WALTER S. BARING
CONGRESSMAN
NEVADA (A. L.)

OFFICE ADDRESS:
SUITE 1509
HOUSE OFFICE BUILDING

# Congress of the United States
## House of Representatives
Washington, D. C.

INTERIOR AND INSULAR AFFAIRS COMMITTEE
SUBCOMMITTEES:
PUBLIC LANDS
MINES AND MINING
IRRIGATION-RECLAMATION

COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS
SUBCOMMITTEES:
PUBLIC ACCOUNTS
GOVERNMENT OPERATIONS

November 17, 1952

Mr. C. O. Mittendorf
Acting Administrator
Defense Minerals Exploration
Administration
Department of the Interior
Washington, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 18 1952

Dear Mr. Mittendorf:

With reference to previous correspondence in regard to Docket 2033, Grey Eagle Development Company, I am now in receipt of a letter from Mr. Fred G. Risley, President of that company, stating that a deal has been consummated on the property of the Grey Eagle Mine transfering title from Chas. E. Roberts to Ed Kirschenman and Ewald Goering.

I am informed that Mr. Kirschenman is Vice President and Director of the Grey Eagle Development Company, Incorporated, and also a heavy stockholder. Mr. Goering is also a stockholder. They are the new landlords and they have signed the Landlord Subordination Agreement, so that all concerned may continue with the loan.

It is my understanding that the proper application papers are on file with your office since this transfer has occurred, and I shall appreciate anything that you can do personally to expedite this loan. You informed me on February 29 of this year that the Defense Minerals Administration was willing to consider the property for a direct loan. You also stated that Mr. Risley replied to the denial by letter on October 4, 1951, requesting that the project be reconsidered as an exploration participation loan to drive only the #6 tunnel which would require considerably less assistance. It was stated, however, that if the work did not qualify as exploration, the direct loan would be considered.

A copy of a letter from the Supply Division of D.M.A., stating that the Administration would be willing to consider a proposal involving exploration for new ore below the old working levels if a new application covering such work was submitted, and provided that the applicant was prepared to match funds on an equal participation basis, was submitted by you for my information.

The matter, as you know, was thus placed on an inactive basis by DMA. Following correspondence from me, the Docket was reopened and previous action reviewed.

Your letter of February 29, 1952, further stated that the case was put in the active file and you were awaiting information from the applicant as to his desire to pursue the exploration application, or his request to withdraw the case, in the event a direct loan application was to be filed with the DMPA.

In view of Mr. Risley's recent request for my assistance in expediting the loan, I trust that the proper application forms have been submitted. I shall appreciate hearing the exact status of this Docket, and I shall await your early reply.

Sincerely yours,

Walter S. Baring

WALTER S. BARING
Congressman from Nevada

WSB/ss

November 18, 1952

Mr. Fred G. Risley, Pres. & Gen. Mgr.
Grey Eagle Development Co., Inc.
Tenabo via Beowawe, Nevada

Subject: DMEA-2774
Re: Exploration Assistance
Hovenden, Sunnyside, Eagle
and Wilson Lodes

My dear Mr. Risley:

The receipt of your application dated October 16, 1952 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-2774 and referred to the Base Metals Division.

Kindly refer to DMEA-2774 in any future correspondence relating to your application.

Sincerely yours,

R. E. ADAMS

Robert E. Adams, Chief
Operation's Control and
Statistics Division

25451

GREY EAGLE DEVELOPMENT CO., INC.
Tenabo via Beowawe, Nevada

October 15, 1952

Amea-2774

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 14 1952

Mr. C. O. Mittendorf, Acting Administrator
United States Department of the Interior
Defense Minerals Administration
Washington 25, D. C.

Dear Mr. Mittendorf:

With reference to my letter to you on September 2, 1952, in which I stated that we were trying to buy the Grey Eagle property from Chas E. Roberts so that we would be able to continue with our DMA Loan, Docket No. 2033, this deal has been consummated and as soon as all papers can be placed in order, they will be mailed to you immediately.

Enclosed is title from Chas E. Roberts which has been through escrow in Reno, Nevada, showing transfer of title to Ed Kirschenman and Ewald Goering and also the Landlord Subordination Agreement signed by them. Mr. Kirschenman is Vice President and Director of the Grey Eagle Development Company, Inc., also a heavy stockholder. Mr. Goering is also a stockholder.

Anything that you can do to expedite the loan will be greatly appreciated.

Sincerely yours,

GREY EAGLE DEVELOPMENT CO., INC.

Fred G. Risley

Fred G. Risley
President

FGR:h

Form MF-103
(Revised June 1951)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 14 1952

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.1.

MF-103 Should Be Filed With General Technical Data Form MF-100

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

*Not To Be Filled in by Applicant*

Docket No. Dmea-2774
Metal or Mineral
Date Received 11-14-52
Amount $
Participation (Government %)

Name and address of applicant

Grey Eagle Development Company Inc
Tonabo via
Beowawe, Nevada

Date 10/16/52

If you have already filed MF-100, give date filed 3/10/52, type of assistance requested 25000.00 loan, to match 35000.00 already spent on bldgs, roads, driving 300' of tunnel

DMA Docket Number (if available) DM 2033

of the 1500' project, moving in equip, installing same, which was all for the exploration project.

## INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four copies each, of the signed application form, General Technical Data Form MF-100, and answers to questions as specified, to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive office thereof, with your name and address on each sheet of the application and all accompanying papers. If you have previously filed MF-100, it is not necessary to file it again. However, you should indicate in space provided above the type of assistance previously applied for (loans, procurement contracts, etc.) and DMA Docket Number, if available. *When a question is inapplicable it should be so stated in the form.* Additional sheets should be attached in answering any questions or in supplying additional information. IF YOU CANNOT ANSWER A QUESTION, SO STATE.

1. (*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*) If you are not the owner of the property, submit a copy of the lease, purchase option, or other agreements under which you are authorized to operate the property with each copy of your application. You have a copy of the purchase option and lease in your files.

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

   NOTE: (1) 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 (*c*) 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.

   (2) If applicant is not the owner of the property or if there are any liens or encumbrances against the property, copy of agreements of claimants, lienors, encumbrances, and lessors subordinating their interests in the property to the interest of the Government under the Exploration Project Contract will be required for attachment to the Contract. No lions on the property - title clear

2. (*a*) What metals or minerals do you expect to find? pb zn cu au ag

   (*b*) Furnish statement of the geologic features of your property, giving type of ore deposit and reasons for expecting to find commercial ore bodies. Illustrate with maps or sketches. If you have a geologic or engineering report, or assay maps showing width and grade, please send them with application, stating whether or not you wish to have them returned.

   All maps and report were mailed with 1st application which you have in your files - DMA 2033 - when finished with same, please return.

The information requested in questions 3, 4, 5, 6, 7, 8, and 9 below should be answered specifically and in detail, as this information will be attached to and incorporated as part of the Exploration Project Contract, if such contract is entered into with you by the Government.

ANSWER EACH QUESTION ON SEPARATE SHEETS OF PAPER AND SUBMIT A COPY OF EACH ANSWER FOR EACH COPY OF YOUR APPLICATION.

3. (*a*) Describe fully the proposed work and give the total cost of the project.

   (*b*) State the time required to start the project and to complete it.

4. Submit a map or sketch of the property involved showing a plan (and cross section, if needed) of the present mine workings and the *location of the proposed exploration work* as related to geologic features, such as contacts, veins, ore-bearing beds, etc.

5. Furnish an itemized list 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.

6. Furnish a detailed list of additional facilities, buildings, and fixtures to be purchased, installed, or erected by you, with the estimated cost of each item. Trailor - 1000.00 or may be rented

7. Furnish a detailed list of operating equipment, separated into items to be—

   (*a*) Rented

   (*b*) Purchased

   (*c*) Furnished by you The equipment owned by Grey Eagle Dev Co Inc, no lions

   with the rental, purchase price, or depreciation of each item, as the case may be, to be charged as a cost of the project. no

8. Furnish an itemized schedule of labor, by numbers and classes (miners, muckers, etc.) and of supervisors by numbers and positions, with the maximum wages or salaries to be paid to each.

9. Furnish a detailed list with estimated cost of each item for materials, supplies, engineering, assaying, accounting, power, water, utilities, and any other items not provided for above.

10. (*a*) How much are you prepared to invest in the proposed project?

    (*b*) Is this amount sufficient to pay your part of the cost of the project, in accordance with the regulations on Government participation (Sec. 9 of MO–5)? yes

11. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions. none

## 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.

Grey Eagle Dev. Co. Inc
(Name of company)

By Fred G. Risley
(Signature of authorized official)
Fred G. Risley

3/10/52
(Date)

President and General 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.**

U. S. GOVERNMENT PRINTING OFFICE 16—64067-2

#3 - a - Drive 1200' of tunnel on the vein approximately 400' below old workings to prove the projection of the ore shoots from the old workings to the new tunnel level. The cost of this project will be $20.00 per ft or $24,000.00 for the 1200' of tunnel. This is an over-all estimate. You will find the breakdown in #8.

b - The time required to start and complete this project will be 6 to 8 months with two shifts, allowing for unforseen trouble, will not exceed one year working time.

#4 - You have a sketch of the property in your files under my application, DMA 2033, which will give you a fair picture of our proposed plans. There are also other maps and reports in your files regarding the property. The work will be done on the Hovenden claim.

#5 - All in good condition

1 20' x 20' - 3 room cabin
1 14' x 16' - 1 room cabin
1 16' x 18' - Change room and bath house
1 20' x 20' - Compressor House and Shop
1 8' x 12' - Tool House

#6 - Will need trailer for second shift, cost of same approximately $1000.00 or may be rented.

#7 - 1 160 cu ft Port Rix Compressor
1 120 cu ft Semi Port Rix Compressor
1 3' x 10' Air Receiver
1 3 3000 watt - 110 volts light plant
1 B11 - Eimco Mucking Machine
4 18 cu ft mine cars
1200' 12 lb rail
1 3/4 Ton Chev Pickup '47 Model
2 Thor Cochise #75 Drifters
1 Thor Cochise $475 Stoper
1 Ingersol Jack leg
700' of 2" black pipe air line
1 Chicago Pneumatic #8 drill
2 50' lengths 3/4" air hose
2 50' lengths 1/2" water hose
1 10" Blower with engine
1200' 8" air duct for ventilation
1 1000 gal water tank
1 Worthington Triplex Pump with engine for water system
6 sets of drill steel 2' 4' 6'
6000' blasting fuse
500 caps
2000 lbs of powder
1 600 gal gasoline tank
1 600 gal stove oil tank

#7 - c - All the above listed equipment is owned by the Grey Eagle Dev Co Inc with no liens.

#8 2 - 8 hr shifts per da. - 2 men per shift

| | | |
|---|---|---|
| 2 miners @ $14.00 per shift each | 28.00 | |
| 2 muckers @ $12.00 per shift each | 24.00 | |
| | 52.00 | per day |

6 day working week
8 hr shifts

mining labor per week

| | | | |
|---|---|---|---|
| 6 da x 28 - - - - - - - - - - - - - - - - - - - - - - - - | miners | 168.00 | |
| 6 da x 24 - - - - - - - - - - - - - - - - - - - - - - - - | muckers | 124.00 | |
| | | 292.00 | per week |

labor for month

| | | |
|---|---|---|
| 4 wks x 168 - - - - - - - - - - - - - - - - - - - - - - - - | miners | 672.00 |
| 4 wks x 124 - - - - - - - - - - - - - - - - - - - - - - - - | muckers | 576.00 |
| | | 1248.00 |

Salary per month

| | | | |
|---|---|---|---|
| 1 mgr and supt - - - - - - - - - - - - - - - - - - - - - - - - | | 450.00 | |
| | Total salaries and wages | 1698.00 | per mo |

8 months to complete 1200' of tunnel

8 x 1698.00 - - - - - - - - - - - - - - - - - - - - - - - - - - - - 13,584.00 8 months

#9

| | |
|---|---|
| gasoline - - - - - - - - - - - - - - - - | $1500.00 |
| timber - - - - - - - - - - - - - - - - - | 1500.00 |
| powder - - - - - - - - - - - - - - - - - | 750.00 |
| fuse - - - - - - - - - - - - - - - - - - | 200.00 |
| caps - - - - - - - - - - - - - - - - - - | 100.00 |
| 16 lb rail - - - - - - - - - - - - - - - | 1600.00 |
| accounting - - - - - - - - - - - - - - - | 800.00 |
| assaying - - - - - - - - - - - - - - - - | 200.00 |
| trucking - - - - - - - - - - - - - - - - | 600.00 |
| maintenance - - - - - - - - - - - - - - | 1000.00 |
| industrial ins - - - - - - - - - - - - - | 1500.00 |
| | $9750.00 |

#10 We have spent $35,000.00 building camp roads, installing machinery, installing water system for camp and mine, driving 300' of tunnel which has all been for and pertaining to the exploration of the mine. We are asking for the $25,000.00 loan from the D.M.E.A. to match our $35,000.00 so that we may continue our exploration project. We have at present a working capital of $17500.00 . This will be the receipts from the sale of the remaining stock.

ASSIGNMENT OF INTEREST IN MINING LEASE AND OPTION

FOR VALUE RECEIVED I, the undersigned, Charles E. Roberts, an unmarried man, hereby sell, transfer and assign to Ewald J. Goehring and Magdalena Goehring, husband and wife, as joint tenants, as to an undivided 1/2 interest, and Edward Kirschenmann and Freda Kirschenmann, husband and wife, as joint tenants, as to an undivided 1/2 interest, all my right, title and interest in and to that certain mining lease and option dated April 24, 1950 executed by and between said Charles E. Roberts, Lessor, and Fred G. Risley, Louis V. Cirac, J. P. McGlynn and Phil O. Liebel, Lessees, covering that certain parcel of mining ground in the Bullion Mining District, County of Lander, State of Nevada, described as:

> Group of four (4) patented lode mining claims commonly known as Hovenden Lode, Survey No. 4669, Sunnyside Lode, Survey No. 4675, Eagle Lode (also known as Silver Grey) and Wilson Lode

a copy of which mining lease and option is hereto attached and made a part hereof.

Dated at Bakersfield, California, this 27th day of August, 1952.

Charles E Roberts

The above Assignment is hereby accepted.

STATE OF CALIFORNIA
COUNTY OF KERN } SS.

On August 27, 1952 before me, the undersigned, a Notary Public in and for said County and State, personally appeared

Charles E. Roberts

known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

WITNESS my hand and Official Seal,

Sarah L Brown
Notary Public in and for Said County and State.

523

ASSIGNMENT OF WATER RIGHTS

APPURTENANT TO MINING CLAIMS

FOR VALUE RECEIVED, I, the undersigned, Charles E. Roberts, an unmarried man, hereby sell, transfer and assign to Ewald J. Goehring and Magdalena Goehring, husband and wife, as joint tenants, as to an undivided 1/2 interest, and Edward Kirschenmann and Freda Kirschenmann, husband and wife, as joint tenants, as to an undivided 1/2 interest, all my right, title and interest to all water rights appurtenant to the following mining claims:

Hovenden Lode Survey No. 4669 and the Sunnyside Lode Survey No. 4675, Patented Mining Claims, Eagle Lode, also known as the Silver Grey, and the Wilson Lode, Patented Lode Mining Claims; said mining claims being and lying in the Buillion Mining District, County of Lander, State of Nevada;

and also in and to that certain amended application for permit, Serial #13802, to appropriate the public waters of the State of Nevada first dated August 20, 1951, bearing approval of Nevada State Engineer dated March 24, 1952 a copy of which amended application is attached hereto and made a part hereof.

Dated at Bakersfield, California, this 27th day of August, 1952.

Charles E Roberts

The above assignment is hereby accepted.

STATE OF CALIFORNIA
COUNTY OF Kern } SS.

On August 27, 1952 before me, the undersigned, a Notary Public in and for said County and State, personally appeared

Charles E. Roberts

known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

WITNESS my hand and Official Seal,

Sarah L Brown
Notary Public in and for Said County and State.

523

STATE OF California
County of Kern } ss.

ON THIS 11th day of October, A. D., 19 52, before me, Clara J. Schnaidt a Notary Public in and for said County and State, personally appeared Edward Kirschenmann and Freda Kirschenmann, his wife, known to me, to be the person s whose names are subscribed to the within Instrument, and acknowledged to me that t hey executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Clara J. Schnaidt
Notary Public in and for said County and State.

ACKNOWLEDGMENT — GENERAL — WOLCOTTS FORM 231

My Commission Expires Mar. 18 [illegible]

STATE OF CALIFORNIA,
County of Kern } ss.

ON THIS 13 day of October, A. D., 19 52, before me, Carrie Nelson a Notary Public in and for said County and State, personally appeared Gerald J. Loehring and Magdalena Loehring, known to me, to be the persons whose names are subscribed to the within Instrument, and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Carrie Nelson
Notary Public in and for said County and State.

ACKNOWLEDGEMENT—GENERAL—WOLCOTTS FORM 233

MF-203

# OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Nevada, County of Lander, described as follows:1/

Eagle Lode Mining Claim Lot #37, Mineral Entry #493, Unsurveyed Public Domain - Wilson and Hoveden Lode Mining Claim, Section 14, Township 29 North of Range 46, East of Mount Diablo Meridian, Sunny Side Lode Mining Claim, Sec 13 and 14, Township 29 North Range 46 East M.D.M.

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

2/ Grey Eagle Development Company Incorporated
Tenabo via Beowawe, Nevada

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 25000.00, or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this _____ day of _____, 195 ___.

Edward Hirschemann
Ueda Hirschemann [Seal]
Ewald J. Goehring [Seal]
Magdalena Goehring [Seal]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

Repayment by Operator. (a) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

(b) As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

(c) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(d) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

Title to and disposition of property. All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

STATE OF [illegible]
County of [illegible] } ss.

ON THIS [illegible] day of [illegible], A. D., 19[illegible], before me, [illegible] a Notary Public in and for said County and State, personally appeared [illegible], known to me, to be the person[illegible] whose name[illegible] [illegible] subscribed to the within Instrument, and acknowledged to me that [illegible] he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Clara J. Schmadt
Notary Public in and for said County and State.

ACKNOWLEDGMENT — GENERAL — WOLCOTTS FORM 231

My Commission Expires Mar. 15, 1953

STATE OF CALIFORNIA,
County of Kern } ss.

ON THIS 13 day of October, A. D., 19[illegible], before me, Carrie Nelson a Notary Public in and for said County and State, personally appeared Ewald J. Gueding and Magdalena Gueding, known to me, to be the person[s] whose name[s] are subscribed to the within Instrument, and acknowledged to me that ~~they~~ executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Carrie Nelson
Notary Public in and for said County and State.

ACKNOWLEDGEMENT—GENERAL—WOLCOTTS FORM 233

MF-203

# OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Nevada, County of Lander, described as follows:1/

Eagle Lode Mining Claim Lot #37, Mineral Entry #493, Unsurveyed Public Domain - Wilson and Hoveden Lode Mining Claim, Section 14, Township 29 North of Range 46, East of Mount Diablo Meridian, Sunny Side Lode Mining Claim, Sec 13 and 14, Township 29 North Range 46 East M.D.M.

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

2/ Grey Eagle Development Company Incorporated
Tenabo via Beowawe, Nevada

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 25000.00, or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this _____ day of _____, 195 ___.

Edward Hirschemann
Nieda Hirschemann [Seal]

Ewald L. Hoehning [Seal]

Maydalene Hoehning [Seal]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

Repayment by Operator. (a) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

(b) As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

(c) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(d) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

Title to and disposition of property. All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

STATE OF California
County of Kern } ss.

ON THIS 11th day of October, A. D., 19 52, before me, Clara J. Schnaidt a Notary Public in and for said County and State, personally appeared Edward Kirschenmann and Freda Kirschenmann, his wife, known to me, to be the person s whose name s are subscribed to the within Instrument, and acknowledged to me that t hey executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Clara J Schnaidt
Notary Public in and for said County and State.

ACKNOWLEDGMENT — GENERAL — WOLCOTTS FORM 231

My Commission Expires Mar. 15, 1953

STATE OF CALIFORNIA,
County of Kern } ss.

ON THIS 13 day of October, A. D., 19 52, before me, Carrol Nelson a Notary Public in and for said County and State, personally appeared Ewald J Tiehing and Magdalena Tiehing, known to me, to be the person s whose name s are subscribed to the within Instrument, and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Carrol Nelson
Notary Public in and for said County and State.

ACKNOWLEDGEMENT—GENERAL—WOLCOTTS FORM 233

MF-203

# OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Nevada, County of Lander, described as follows:1/

Eagle Lode Mining Claim Lot #37, Mineral Entry #493, Unsurveyed Public Domain - Wilson and Hoveden Lode Mining Claim, Section 14, Township 29 North of Range 46, East of Mount Diablo Meridian, Sunny Side Lode Mining Claim, Sec 13 and 14, Township 29 North Range 46 East M.D.M.

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

2/ Grey Eagle Development Company Incorporated

Tenabo via Beowawe, Nevada

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 25000.00, or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this _____ day of _____, 195 ___.

Edward Kruschemann
Hilda Kruschemann [Seal]

Ewald J. Goehring [Seal]

Magdalena Goehring [Seal]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

Repayment by Operator. (a) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

(b) As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

(c) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(d) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

Title to and disposition of property. All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

STATE OF California
County of Kern } ss.

ON THIS 11th day of October, A. D., 1952, before me, Clara J. Schmidt a Notary Public in and for said County and State, personally appeared Edward Kirschermann and Freda Kirschermann, his wife, known to me, to be the persons whose names are subscribed to the within Instrument, and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Clara J. Schmidt
Notary Public in and for said County and State.

ACKNOWLEDGEMENT — GENERAL — WOLCOTTS FORM 233

STATE OF CALIFORNIA,
County of Kern } ss.

ON THIS 13 day of October, A. D., 1952, before me, Carrol Nelson a Notary Public in and for said County and State, personally appeared Ewald J. Goehring and Magdalena Goehring, known to me, to be the persons whose names are subscribed to the within Instrument, and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Carrol Nelson
Notary Public in and for said County and State.

ACKNOWLEDGEMENT—GENERAL—WOLCOTTS FORM 233

MF-203

# OWNER'S CONSENT TO LIEN

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2/ Grey Eagle Development Company Incorporated
Tenabo via Beowawe, Nevada

hereinafter called the "Operator"; and

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NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

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3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this _____ day of _____, 195 ___.

Edward Kirschenmann
Rude Kirschenmann [Seal]

Erwald J. Goehring [Seal]

Magdalena Goehring [Seal]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

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RELEVANT CONTRACT PROVISIONS

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STATE OF California
County of Kern } ss.

ON THIS 13th day of October, A. D., 19 52, before me, Clara J. Schmidt, a Notary Public in and for said County and State, personally appeared Ewald Haeberlein and Frida Haeberlein, who also, known to me, to be the persons whose names are subscribed to the within Instrument, and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Clara J. Schmidt
Notary Public in and for said County and State.

ACKNOWLEDGMENT — GENERAL — WOLCOTTS FORM 231

My Commission Expires Mar. 15, 1953

STATE OF CALIFORNIA,
County of Kern } ss.

ON THIS 13 day of October, A. D., 19 52, before me, Carol Nelson, a Notary Public in and for said County and State, personally appeared Ewald Haeberlein and Magdalena Haeberlein, known to me, to be the persons whose names are subscribed to the within Instrument, and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Carol Nelson
Notary Public in and for said County and State.

ACKNOWLEDGEMENT—GENERAL—WOLCOTTS FORM 233

MF-203

# OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Nevada, County of Lander, described as follows:1/

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Tenabo via Beowawe, Nevada

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NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

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Dated this _____ day of _____, 195 ___.

Edward Stroeckenmann [Seal]

Theda Stroeckenmann [Seal]

Ewald J. Koehring [Seal]

Magdalena Koehring [Seal]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

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STATE OF [illegible]
County of [illegible] } ss.

ON THIS [illegible] day of [illegible], A. D., 19[illegible], before me, [illegible] a Notary Public in and for said County and State, personally appeared [illegible], known to me, to be the person[illegible] whose name[illegible] [illegible] subscribed to the within Instrument, and acknowledged to me that [illegible] he[illegible] executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Clara J. Schmidt
Notary Public in and for said County and State.

ACKNOWLEDGMENT — GENERAL — WOLCOTTS FORM 231

My Commission Expires Mar. 15, 1953

STATE OF CALIFORNIA,
County of Kern } ss.

ON THIS 13 day of October, A. D., 19 51, before me, Carrie Nelson a Notary Public in and for said County and State, personally appeared Ewald J. Goehring and Magdalena Goehring, known to me, to be the person s whose name s are subscribed to the within Instrument, and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Carrie Nelson
Notary Public in and for said County and State.

ACKNOWLEDGEMENT—GENERAL—WOLCOTTS FORM 233

MF-203

# OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Nevada, County of Lander, described as follows:1/

Eagle Lode Mining Claim Lot #37, Mineral Entry #493, Unsurveyed Public Domain - Wilson and Hoveden Lode Mining Claim, Section 14, Township 29 North of Range 46, East of Mount Diablo Meridian, Sunny Side Lode Mining Claim, Sec 13 and 14, Township 29 North Range 46 East M.D.M.

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

2/ Grey Eagle Development Company Incorporated
Tenabo via Beowawe, Nevada

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 25000.00, or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this _____ day of _____, 195 ___.

Edward Kirschenmann
Reda Kirschenmann [Seal]
Ewald J. Goehring [Seal]
Magdalene Goehring [Seal]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

Repayment by Operator. (a) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

(b) As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

(c) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(d) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

Title to and disposition of property. All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

# Policy of Title Insurance

issued by

# Washoe Title Insurance Company

Reno, Nevada,

WASHOE TITLE INSURANCE COMPANY, a corporation of Nevada, herein called the Company, for a valuable consideration paid for this policy of title insurance, the number, date, and amount of which are shown in Schedule A, does hereby insure the parties named as Insured in Schedule A, together with the persons and corporations included in the definition of "the insured" as set forth in the stipulations of this policy, against loss or damage not exceeding the amount stated in Schedule A which the insured shall sustain by reason of:

1. Title to the land described in Schedule A being vested, at the date hereof, otherwise than as herein stated; or
2. Unmarketability, at the date hereof, of the title to said land of any vestee named herein, unless such unmarketability exists because of defects, liens, encumbrances, or other matters shown or referred to in Schedule B; or
3. Any defect in, or lien or encumbrance on, said title, existing at the date hereof, not shown or referred to in Schedule B; or
4. Any defect in the execution of any mortgage or deed of trust shown in Schedule B securing an indebtedness, the owner of which is insured by this policy, but only insofar as such defect affects the lien or charge of such mortgage or deed of trust upon said land; or
5. Priority, at the date hereof, over any such mortgage or deed of trust, of any lien or encumbrance upon said land, except as shown in Schedule B, such mortgage or deed of trust being shown in the order of its priority in Part Two of Schedule B;

all subject, however, to Schedules A and B and the Stipulations herein, all of which schedules and stipulations are hereby made a part of this policy.

**In Witness Whereof,** Washoe Title Insurance Company has caused its corporate name and seal to be hereunto affixed by its duly authorized officers on the date shown in Schedule A.

WASHOE TITLE INSURANCE COMPANY

by

President

Attest Mildred B. McKernon

Assistant Secretary

## SCHEDULE A

Amount $ 5,000.00 Date September 25, 1952, 3:13p.m. Policy No. 50403

INSURED

EWALD J. GOEHRING and MAGADALENA GOEHRING
EDWARD KIRSCHENMANN and FREDA KIRSCHENMANN

1. The title to said land is, at the date hereof, vested in: EWALD J. GOEHRING and MAGADALENA GOEHRING, husband and wife, as joint tenants, as to an undivided one-half interest, and EDWARD KIRSCHENMANN and FREDA KIRSCHENMANN, husband and wife, as jointtenants, as to an undivided one-half interest, by deed to them dated August 27, 1952.

2. Description of land in the county of Lander, State of Nevada, title to which is insured by this policy:

All those certain Patented Mining Claims situate in the Bullion Mining District, more particularly described as follows, to-wit:

HOVENDON and WILSON LODES, Survey No. 4669, as shown in Patent dated April 1, 1931, recorded in Book 58,page 292, Lander County deed records.

SUNNYSIDE LODE, Survey No. 4675, as shown in Patent dated October 5, 1931, recorded in Book 58, page 343, Lander County Deed records.

EAGLE LODE, Survey No. 37, as shown in Patent dated March 16, 1882, recorded in Book 50, page 407, Lander County deed records.

## SCHEDULE B

This policy does not insure against loss by reason of the matters shown or referred to in this Schedule except to the extent that the owner of any mortgage or deed of trust shown in Part Two is expressly insured in Paragraphs numbered 4 and 5 on Page 1 of this policy.

PART ONE: This part of Schedule B refers to matters which, if any such exist, may affect the title to said land, but which are not shown in this policy:

1. Easements, liens or encumbrances not shown by either (a) those public records in the county in which said land or any part thereof is situated which impart constructive notice of matters relating to such land, or (b) those public records in the county or city in which said land or any part thereof is situated which disclose existing tax or assessment liens on such land.
2. Rights or claims of persons in possession of said land which are not shown by those public records in the county in which said land or any part thereof is situated which impart constructive notice of matters relating to such land.
3. Any facts, rights, interests, or claims which are not shown by those public records in the county in which said land or any part thereof is situated which impart constructive notice of matters relating to such land, but which could be ascertained by an inspection of said land, or by making inquiry of persons in possession thereof, or by a correct survey.
4. Mining claims, reservations in patents, water rights, claims or title to water.
5. Any laws, governmental acts or regulations, including but not limited to zoning ordinances, restricting, regulating or prohibiting the occupancy, use or enjoyment of the land or any improvement thereon, or any zoning ordinances prohibiting a reduction in the dimensions or area, or separation in ownership, of any lot or parcel of land; or the effect of any violation of any such restrictions, regulations or prohibitions.
6. Community interest of the husband if the vestee is in fact a married woman.

PART TWO: This part of Schedule B shows liens, encumbrances, defects and other matters affecting the title to said land or to which said title is subject:

1. Taxes for the year 1952, including any secured personal property taxes, now a lien but not yet due or payable.

2. Bullion Tax for the year 1952, if any.

3. Rights of way for any existing roads, ditches, pipe, pole or transmission lines traversing said premises.

# STIPULATIONS

**1. SCOPE OF COVERAGE**

This policy does not insure against, and the Company will not be liable for loss or damage created by or arising out of any of the following: (a) defects, liens, claims, encumbrances, or other matters which result in no pecuniary loss to the insured; (b) defects, liens, encumbrances, or other matters created or occurring subsequent to the date hereof; (c) defects, liens, encumbrances, or other matters created or suffered by the insured claiming such loss or damage; or (d) defects, liens, claims, encumbrances, or other matters existing at the date of this policy and known to the insured claiming such loss or damage, either at the date of this policy or at the date such insured claimant acquired an estate or interest insured by this policy, unless such defect, lien, claim, encumbrance or other matter shall have been disclosed to the Company in writing prior to the issuance of this policy or appeared at the date of this policy on those public records referred to in Part One of Schedule B which impart constructive notice. Any rights or defenses of the Company against a named insured shall be equally available against any person or corporation who shall become an insured hereunder as successor of such named insured.

**2. DEFENSE OF ACTIONS. NOTICE OF ACTIONS OR CLAIMS TO BE GIVEN BY THE INSURED**

The Company at its own cost shall defend the insured in all litigation consisting of actions or proceedings against the insured, or defenses, restraining orders, or injunctions interposed against a foreclosure or sale of said land in satisfaction of any indebtedness, the owner of which is insured by this policy, which litigation is founded upon a defect, lien, encumbrance, or other matter insured against by this policy, and may pursue such litigation to final determination in the court of last resort. In case any such litigation shall become known to any insured, or in case knowledge shall come to any insured of any claim of title or interest which is adverse to the title as insured or which might cause loss or damage for which the Company shall or may be liable by virtue of this policy, such insured shall notify the Company thereof in writing. If such notice shall not be given to the Company at least two days before the appearance day in any such litigation, or if such insured shall not, in writing, promptly notify the Company of any defect, lien, encumbrance, or other matter insured against, or of any such adverse claim which shall come to the knowledge of such insured, in respect to which loss or damage is apprehended, then all liability of the Company as to each insured having such knowledge shall cease and terminate; provided, however, that failure to so notify the Company shall in no case prejudice the claim of any insured unless the Company shall be actually prejudiced by such failure. The Company shall have the right to institute and prosecute any action or proceeding or do any other act which, in its opinion, may be necessary or desirable to establish the title, or any insured lien or charge, as insured. In all cases where this policy permits or requires the Company to prosecute or defend any action or proceeding, the insured shall secure to it in writing the right to so prosecute or defend such action or proceeding, and all appeals therein, and permit it to use, at its option, the name of the insured for such purpose. Whenever requested by the Company the insured shall assist the Company in any such action or proceeding, in effecting settlement, securing evidence, obtaining witnesses, prosecuting or defending such action or proceeding, to such extent and in such manner as is deemed desirable by the Company, and the Company shall reimburse the insured for any expense so incurred. The Company shall be subrogated to and be entitled to all costs and attorneys' fees incurred or expended by the Company, which may be recoverable by the insured in any litigation carried on by the Company on behalf of the insured. The word "knowledge" in this paragraph means actual knowledge, and does not refer to constructive knowledge or notice which may be imputed to the insured by reason of any public record.

**3. NOTICE OF LOSS. LIMITATION OF ACTION**

A statement in writing of any loss or damage for which it is claimed the Company is liable under this policy shall be furnished to the Company within sixty days after such loss or damage shall have been ascertained. No action or proceeding for the recovery of any such loss or damage shall be instituted or maintained against the Company until after full compliance by the insured with all the conditions imposed on the insured by this policy, nor unless commenced within twelve months after receipt by the Company of such written statement.

**4. OPTION TO PAY, SETTLE, OR COMPROMISE CLAIMS**

The Company reserves the option to pay, settle, or compromise for, or in the name of, the insured, any claim insured against or to pay this policy in full at any time, and payment or tender of payment of the full amount of this policy, together with all accrued costs which the Company is obligated hereunder to pay, shall terminate all liability of the Company hereunder, including all obligations of the Company with respect to any litigation pending and subsequent costs thereof.

**5. SUBROGATION UPON PAYMENT OR SETTLEMENT**

Whenever the Company shall have settled a claim under this policy, it shall be subrogated to and be entitled to all rights, securities, and remedies which the insured would have had against any person or property in respect to such claim, had this policy not been issued. If the payment does not cover the loss of the insured, the Company shall be subrogated to such rights, securities, and remedies in the proportion which said payment bears to the amount of said loss. In either event the insured shall transfer, or cause to be transferred, to the Company such rights, securities, and remedies, and shall permit the Company to use the name of the insured in any transaction or litigation involving such rights, securities, or remedies.

**6. OPTION TO PAY INSURED OWNER OF INDEBTEDNESS AND BECOME OWNER OF SECURITY**

The Company has the right and option, in case any loss is claimed under this policy by an insured owner of an indebtedness secured by mortgage or deed of trust, to pay such insured the indebtedness of the mortgagor or trustor under said mortgage or deed of trust, together with all costs which the Company is obligated hereunder to pay, in which case the Company shall become the owner of, and such insured shall at once assign and transfer to the Company, said mortgage or deed of trust and the indebtedness thereby secured, and such payment shall terminate all liability under this policy to such insured.

**7. PAYMENT OF LOSS AND COSTS OF LITIGATION. INDORSEMENT OF PAYMENT ON POLICY**

The Company will pay, in addition to any loss insured against by this policy, all costs imposed upon the insured in litigation carried on by the Company for the insured, and in litigation carried on by the insured with the written authorization of the Company, but not otherwise. The liability of the Company under this policy shall in no case exceed, in all, the actual loss of the insured and costs which the Company is obligated hereunder to pay, and in no case shall such total liability exceed the amount of this policy and said costs. All payments under this policy shall reduce the amount of the insurance pro tanto, and payment of loss or damage to an insured owner of indebtedness shall reduce, to that extent, the liability of the Company to the insured owner of said land. No payment may be demanded by any insured without producing this policy for indorsement of such payment.

**8. MANNER OF PAYMENT OF LOSS TO INSURED**

Loss under this policy shall be payable, first, to any insured owner of indebtedness secured by mortgage or deed of trust shown in Schedule B, in order of priority therein shown, and if such ownership vests in more than one, payment shall be made ratably as their respective interests may appear, and thereafter any loss shall be payable to the other insured, and if more than one, then to such insured ratably as their respective interests may appear. If there be no such insured owner of indebtedness, any loss shall be payable to the insured, and if more than one, to such insured ratably as their respective interests may appear.

**9. DEFINITION OF TERMS**

The term "named insured" when used in this policy refers to and includes the persons and corporations named as insured in Schedule A of this policy; and the term "the insured" when used in this policy refers to and includes such named insured together with (a) each successor in ownership of any indebtedness secured by any mortgage or deed of trust shown in Schedule B the owner of which indebtedness is named herein as an insured, (b) any such owner or successor in ownership of any such indebtedness who acquires the land described in Schedule A, or any part thereof, by lawful means in satisfaction of said indebtedness or any part thereof, (c) any governmental agency or instrumentality acquiring said land under an insurance contract or guaranty insuring or guaranteeing said indebtedness or any part thereof, and (d) any person or corporation deriving an estate or interest in said land as an heir or devisee of a named insured or by reason of the dissolution, merger, or consolidation of a corporate named insured.

The term "land" when used herein shall be construed to include the land described specifically or by reference in Schedule A and improvements affixed thereto which by law constitute real property.

The term "date" when used herein means (unless the context clearly requires a different meaning) the exact day, hour and minute specified in the first line of Schedule A.

**10. WRITTEN INDORSEMENT REQUIRED TO CHANGE POLICY**

No provision or condition of this policy can be waived or changed except by writing indorsed hereon or attached hereto signed by the President, a Vice-President, the Secretary, or an Assistant Sceretary of the Company.

**11. NOTICES, WHERE SENT**

All notices required to be given the Company and any statement in writing required to be furnished the Company shall be addressed to it at the office which issued this policy.

# Washoe Title Insurance Company

**Washoe Title Insurance Company**

RENO, WASHOE COUNTY, NEVADA
27 East First Street
Telephone 5184

CHURCHILL COUNTY
Fallon

DOUGLAS COUNTY
Minden

ELKO COUNTY

EUREKA COUNTY

HUMBOLDT COUNTY
Winnemucca

LANDER COUNTY
Austin

LYON COUNTY
Yerington

MINERAL COUNTY
Hawthorne

ORMSBY COUNTY
Carson City

PERSHING COUNTY
Lovelock

STOREY COUNTY
Virginia City

## Policy of Title Insurance

Operates Under Supervision

of

State Insurance Commissioner

RENO, NEVADA

**Washoe Title Insurance Company**

RENO, WASHOE COUNTY, NEVADA
27 East First Street
Telephone 5184

CHURCHILL COUNTY
Fallon

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