DMEA Form 9

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

DMEA NO. 4425

1083
29 APR 1957

Application (Denied
(Withdrawn
(After disposition, delete items not applicable)

Contract (Terminated - not Certified
(Cancelled
(Terminated - Certified
(Royalty Agreement

This is the official contract file containing all official records of the project. The records contained in the files are checked and are arranged in this order:

Left Side

Interim Royalty Audits
Reports of Royalty Review
Certification of Discovery
Certificate of Audit (Final)
Interim Audit(s)
✓Report of Review 11-9-60
Termination Notice or Agreement
Recision Notice
Assignment of Contract
Contract Amendments (latest on top)
✓Contract with all exhibits and annexes
✓Owner's Consent to Lien
Subordination Agreement
✓Leases and assignments of leases
✓Application and attachments
(3) Envelope for maps

Right Side

✓Project summary 11-17-60
✓Work completed analysis 11-17-60
All other material is filed in chronological order with correspondence including the following reports as checked:

✓Final Field Team Report (Tab) 5-6-60
✓Operator's Final Report Recd. in Reg.II on 11/7/60
(2R) Interim Reports
(2R) Operator's monthly reports and all attachments (latest on top)
✓On-site Exam Report(s) (Tab)
(4) Settlement Sheets

When the volume of records is expected to warrant additional folders, or when convenience of reference warrants separate folders for certain records, they should be set up in this order:

Left Side

✓Folder No. 2: (In chron. order) Interim Summary Reports by W. O. Engineers

Right Side

~~Operator's Semi-Annual Report for Certified Project,~~ Field Team Interim Reports, Operator's Monthly Report with transmittal, narrative, maps, and Field Team review.

MF104'd

Folder No. 3: Maps (Use pocket folder or envelope. Fold maps with title block out and show reference to related document or correspondence.)

Folder No. 4: Settlement Sheets

Folder No. 5: Drill Logs

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
4/13	Burnard	500
5/3	Talbot	800
5/4	Selfridge	120
		110
5/4	gad	220

MAY 4 1961

Mr. John H. Uhalde
1975 Palisade Drive
Reno, Nevada

Re: DMEA-4425 (Lead-Copper)
John H. Uhalde
Aladdin Mine
Elko County, Nevada
Contract Ida-81083

Dear Mr. Uhalde:

Reference is made to your terminated exploration contract with the Government.

We sincerely regret that the work performed did not result in a certification of discovery or development under the provisions of the contract. In the absence of such certification, the Government retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this project. Your attention, however, is called to the provisions of the contract which require the operator to keep and preserve certain records for the period indicated.

We appreciate your interest and participation in the DMEA exploration program.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

Copies to:
Henry W. Aplington, President, Thurber Estate Corporation,
c/o T. K. Stevenson, 285 Madison Avenue, New York 17, New York
Mr. Martin L. Reite and Mrs. Esther A. Reite,
1145 Glendora, Danville, California
Mr. Charles B. Evans, Vice President, Aladdin Mines Company,
Elko, Nevada

GLAult/a
4-13-61

Region II (2)

cc to: Director's Reading File
Contract Division

Code 500
Docket

8623

MME FORM 6 [redacted]ENCE SLIP

REV. 2-59 OFFICE [redacted]ERALS EX[redacted]RATION

TO:	DATE	INITIALS
1. Mr. Johnson	11/10	[illegible]
2. Mr. Selfridge		
3. Mr. ~~Griswold~~ [illegible]		
4.		
5.		
FROM: E. D. Talbert [illegible]	11/10	

FOR: Check items for action desired

____ Action ____ Reply for signature of _____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS:

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

John H. Uhalde
1975 Palisade Drive
Reno, Nevada

pertaining to Exploration Project Contract Idm-R1083, DMEA No. 4425, including Amendments Nos. 1 through 3, for August 1957 to April 1959, inclusive, covering a lead-copper project at the Aladdin Mine, Elko County, Nevada.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents, comparison of the claimed costs with the contract and pertinent schedules, confirmation of work performed by reference to Field Office reports and correspondence, and a determination of the reasonableness and propriety of the costs.

This review was made in lieu of a final audit of the Operator's accounts and records for the reason that:

> All of the acceptable costs were under a contract provision for contribution by the Government on the basis of fixed unit costs of work performed.

The findings of this review are stated in the following summary and the attached schedule:

Total cost billed by Operator		$40,728.30
Exceptions:		
Prior to this review	$ -0-	
Herewith	-0-	-0-
Total acceptable cost		$40,728.30

The contract calls for a 50 percent contribution of the allowable costs by the Government. Therefore, if the project is otherwise accepted as having met the terms of the contract, payments as follows are valid and proper:

Payable on audited claim	$20,364.15
Paid to date	20,164.15
Balance due Operator	$ 200.00

to Apr. 12/20/60

E. D. Talbert
E. D. Talbert, OME Auditor

November 9, 1960

Contract Idm-E1083 John H. Uhalde DMEA-4425

Acceptable cost:

Extending adit	800 ft. @ $32.75	$26,200.00
Diamond drilling	2,473.6 ft. @ 5.50	13,604.80
Sample assaying	3 ea. @ 4.50	13.50
Core boxes	60 ea. @ 3.50	210.00
Long-hole drilling	700 ft. @ 1.00	700.00
		$40,728.30

Government's copy

EXPLORATION PROJECT CONTRACT
JOHN H. UHALDE
DOCKET NO. DMEA-4425

AMENDMENT NO. 3

It is agreed this 13th day of February, 1959, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, and John H. Uhalde, that Exploration Project Contract No. Idm-E1083 (Docket No. DMEA-4425), dated April 29, 1957, is further amended, effective February 1, 1959, as follows:

In Exhibit A:

1. Under the Description of the Work, "Stage I", Items 3 and 4 are revised to read as follows:

Diamond drill not to exceed 2,473.6 feet of drill holes. The locations, directions, inclinations, and lengths of all holes are subject to prior Government approval.

For the extended adit and the diamond drilling, assay not to exceed 10 samples for lead, copper, silver, and gold.

2. Under Fixed Unit Costs, "Stage I", Items 3 and 4 are revised to read as follows:

3.	Diamond drilling (item 3), 2,473.6 feet @ $5.50/ft. (rounded to)	$13,605.00
4.	10 samples assayed for lead, copper, zinc, silver and gold (Item 4) @ $4.50/sample	45.00

3. Under Fixed Unit Costs, "Stage I", Item 2 is deleted (See Amendment No. 1).

Burton Langer
App'd. as to form
All
approved
Chambers
Ucantine

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, or the fixed unit cost of any item of work.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
Acting Director, Office of
Minerals Exploration

JOHN H. UHALDE

John H. Uhalde

Government's copy

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 12 1958

DATE	INITIALS	CODE

App'd Col. Off.

EXPLORATION PROJECT CONTRACT
JOHN H. UHALDE
DOCKET NO. DMEA-4425

AMENDMENT NO. 2

It is agreed this 3rd day of November, 1958, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, and John H. Uhalde, that Exploration Project Contract No. Idm-E1083 (Docket No. DMEA-4425), dated April 29, 1957, is further amended as follows:

1. In Article 3, the date for completion is extended from 18 months to 26 months from the date of the Contract.

2. In Article 6, the period ten years is extended to eleven years.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, or the fixed unit cost of any item of work.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
ACTING Director, Office of Minerals Exploration

JOHN H. UHALDE

John H. Uhalde

Government's copy

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 13 1958

DATE	INITIALS	CODE

EXPLORATION PROJECT CONTRACT
JOHN H. UHALDE
DOCKET NO. DMEA-4425

AMENDMENT NO. 1

It is agreed this 15th day of August, 1958, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and John H. Uhalde that Exploration Project Contract No. Idm-E1083 (Docket No. DMEA-4425), dated April 29, 1957, is amended, effective April 29, 1957, as follows:

1. In Exhibit "A", under the heading Description of the Work, "Stage I", the following new work is added as item 5:

5. Drill not in excess of 700 feet of long holes at locations approved in advance by the Government.

2. In Exhibit "A", under the heading Fixed Unit Costs, "Stage I":

(a) Item 2 is revised to read as follows:

2. Extended adit timbering (item 2), 250 feet @ $7.00/ft. $1750.00

(b) A new item 6 is added as follows:

6. Long-hole drilling, 700 feet @ $1.00/ft. $ 700.00

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, or the fixed unit cost of any item of work.

App'd. Sol. Off.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Administrator, Defense Minerals
Exploration Administration

_____
John H. Uhalde

MF-200A
(Rev. April 1956)

OFFICIAL FILE COPY
Government's copy
DMEA
RECEIVED MAY 22 1957

DATE	INITIALS	CODE

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT
(Short Form)

DMEA No.	*Commodity*	*Contract No.*	*County*	*State*
4425	Lead-Copper	*Idm-E* 1083	Elko	Nevada

It is agreed 29 APR 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and JOHN H. UHALDE

whose mailing address is 1975 Palisade Drive
Reno, Nevada
hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority and project.*—(a) This contract is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF–200A), the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed therein. The project work is a search for indicated or undeveloped deposits of the commodity designated above. The Operator shall begin the work on or before August 15 - 1957, and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 18 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the project work is $62,610.00. The Government will contribute 50 percent of the fixed unit cost of the work performed, not exceeding $31,305.00, in accordance with the provisions of Articles 4 and 5.

(c) The Operator shall not transfer or assign this contract or any right or obligation thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's rights of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances: Payments to the owners according to purchase agreements.

(b) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached, as follows: Consent to Lien and Subordination Agreements of the owners.

(c) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing

in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. Two copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. *Performance of the work.*—(a) Operator's responsibility.—The work shall be performed diligently, efficiently, expertly, in a workmanlike manner, and in accordance with good mining standards and State regulations governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work, as specified in Article 1 (a).

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after certification of discovery or development, to inspect production operations and underground workings. The Operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 4. *Contribution by the Government.*—The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5 (b); but all payments by the Government are provisional only, subject to audit, and until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been rendered, the Government may withhold such sums as it sees fit but not in excess of 10 percent of the estimated total cost of the work. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(a) Operator's records.—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records, or accounts.

ARTICLE 6. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after the Operator has rendered a sufficient final report (see Article 5), may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer or as surety if the Operator is not the producer (for example, if the Operator either transfers or fails to retain his interest in the land), shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, for a period of ten years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); *except,* that charges of *the buyer* arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by *the buyer,* sampling and assaying to determine the value of the production sold, and freight paid by *the buyer* to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling, assaying, or transportation performed or paid by the Operator or by anyone other than the buyer are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(d) *Unsold production.*—If any production (ore, concentrates, metal, or equivalent) after the lapse of six months from the date the ore was extracted from the ground remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

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

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this Article.

(g) *Lien for payment.*—To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

(h) *Notice to purchasers.*—The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

(i) *No obligation to produce.*—Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(j) *Government not obligated to buy.*—Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

ARTICLE 7. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and liens to secure the payment thereof, and such rights shall be fully preserved.

ARTICLE 8. *Notices to be given by the Government* may be delivered to the Operator or may be sent by registered mail addressed to the Operator at the mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 10. *Changes and added provisions.*—

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.....

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.....

.....

Executed in sextuplicate the day and year first above written.

John H. Uhalde

JOHN H. UHALDE
(Operator)

THE UNITED STATES OF AMERICA

By C. O. Mittendorf
Administrator, Defense Minerals
Exploration Administration

Long
Dwyer
Appr. on Chk.
AB
Gruenwald
Chambers
Selfridge
Johnson

BY .....

.....

I, ..., certify that I am the ..... secretary of the corporation named as Operator herein; that ....., who signed this contract on behalf of the Operator, was then ..... of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE: 1956—O-383069

EXPLORATION PROJECT CONTRACT
JOHN H. UHALDE
DOCKET NO. DMEA-4425

ANNEX I

The land referred to in Article 2 of the contract is located in Sec. 4, T. 30 N., R. 53 E., M.D.B.&M., Railroad (Bullion) Mining District, Elko County, Nevada; and is shown on the attached map entitled "Figure 2. Aladdin Mine, Elko County, Nevada, DMEA-4425 (Lead-Copper)."

The Operator has possession of the land by virtue of (1) and assignment dated July 15, 1956, from the Aladdin Mines Company of its purchase agreement dated July 1, 1956, with the Thurber Estate Corporation; (2) an agreement to purchase with Aladdin Mines Corporation dated July 15, 1956; and (3) an agreement to purchase with Martin L. Reite and Esther A. Reite, dated February 28, 1957. The property consists of 15 patented and 29 unpatented mining claims as follows:

Thurber Estate Corporation

Patented Claims

Standing Elk	U. S. Survey No. 38
Cleveland	U. S. Survey No. 50
Hoffman	U. S. Survey No. 52

Aladdin Mines Company

Patented Claims

Webfoot	U. S. Survey No. 40
Tripoli	U. S. Survey No. 48
Tripoli East	U. S. Survey No. 49
Sky Blue	U. S. Survey No. 47
Mounted Ledge	U. S. Survey No. 51
Bullion	U. S. Survey No. 39

Unpatented Claims	Book	Page
Storm King	17	102
Spring	17	101
Snowbird	7	597
Portal Fraction	8	263

	Book	Page
Portal	8	262
Owl	7	604
Canary	39	366
Nevada	7	597
Mendota	17	102
Dike No. 1	48	15
Dike No. 2	49	446-447
Dike No. 3	49	446-447
Dike No. 4	49	446-447
Mahogany	21	95
Last Chance	20	413-414
Lark	7	603
Key	20	694-695
Homestake	17	6
Hoffman Fraction	16	101
Holdup	17	5
Eagle	7	596
Burke Fraction	21	94-95
Dike No. 7	49	446-447
Dike No. 8	49	446-447
Dike No. 9	49	446-447
Dike No. 11	49	446-447
Dike No. 6	49	446-447

Martin L. Reite and Esther A. Reite

Patented Claims (U. S. Patent Amended 1924 - No. 1013054. Mineral Survey No. 4608)

Valley View
Vindicator Fraction
Sylvania
Victor Fraction
Kennilworth
Wide West

Owned by Operator

Unpatented Claims	Book	Page
Sweepstakes North	40	103
Sweepstakes South	40	103

The Consent to Lien and Subordination Agreements of the Aladdin Mines Company, the Thurber Estate Corporation, and Martin L. Reite and Esther A. Reite are attached hereto.

MF-205
(Combines and supercedes MF-201 and MF-203)
June 1956

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator
Docket No. DMEA-
Contract No. Idm-E 1083
Contract Date 29 APR [illegible]

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of Elko, State of Nevada, described as follows: 2/

(a) CLEVELAND PATENTED MINE, U. S. Survey Lot No. 50

(b) HOFFMAN PATENTED MINE, U. S. Survey Lot No. 52

(c) STANDING ELK PATENTED MINE AND MILL SITE, U. S. Survey Lots No. 33A and 38B

Said property being more fully described in Annex No. 1,

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom, to secure the payment to the Government of a percentage royalty on production as may be provided for by the Contract;

3. Subordinates the undersigned's right, title, claim, or interest in or against the land and in any production therefrom to the rights of the Government under the contract with respect to royalty on production and liens to secure same;

4. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none." Do not leave lines blank.)

(a) Agreement of purchase and sale dated July 1, 1956 between Thurber Estate Corporation as Seller and Aladdin Mines Company as Purchaser
(b) Local taxes if any for the fiscal years ending June 30, 1956 and June 30, 1957

1/ Mining or production from the land is not required, and in the absence of production there is no obligation to pay royalty to the Government.
2/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in Book _____, Page _____, official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

5. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this Agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land, or any production therefrom furnishing the Government with two copies of such notice; and

6. Consents to all amendments (including an agreement of termination) and assignments of the contract without notice thereof, and undertakes and agrees that this Agreement shall extend and apply thereto.

7. Added provision: See Annex No. 1 (State "None" or "See Annex No.____")

Dated this 31st day of January, 1957.

THURBER ESTATE CORPORATION	[Seal]	c/o T. K. Stevenson	[Address]
By Henry W. Aplington.	[Seal]	285 Madison Avenue,	[Address]
Henry W. Aplington, President		New York 17, N. Y.	
	[Seal]		[Address]
	[Seal]		[Address]
	[Seal]		[Address]
	[Seal]		[Address]

I, T. K. Stevenson certify that I am the Secretary (Secretary, etc.) of the corporation named herein; that Henry W. Aplington who signed this agreement was then President (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

T. K. Stevenson

[Corporate Seal]

T. K. Stevenson
Secretary

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

ANNEX NO. 1 to consent to lien and subordination agreement (Form MP-205) of Thurber Estate Corporation, dated January 31, 1957.

Property Descriptions

The descriptions of properties referred to are contained in patents recorded in the Elko County Recorder's Office as follows:

(a) CLEVELAND PATENTED MINE, U. S. Survey Lot No. 50: Described in patent dated February 6, 1892, United States of America, Grantor, to Horace K. Thurber, Grantee, recorded Vol. 203, pages 461 to 465, G.L.O. Dec. 27, 1893 in Book 1, Mining Patents, pages 102-105, Elko County Recorder's Office.

(b) HOFFMAN PATENTED MINE, U. S. Survey Lot No. 52: Described in patent dated April 9, 1892, United States of America, Grantor, to Horace K. Thurber, Grantee, recorded Vol. 215 Pages 313 to 316, G.L.O. Dec. 27, 1893 in Book 1 of Mining Patents, pages 105-108, Elko County Recorder's Office.

(c) STANDING ELK PATENTED MINE AND MILL SITE, U. S. Survey Lots No. 33A and 38B: Described in patent dated April 30, 1881, United States of America, Grantor, to Horace K. Thurber, Grantee, recorded Vol. 58, pages 78 to 84, G.L.O. April 5, 1882 in Book 1, U.S. Land Patents, pages 160-165, Elko County Recorder's Office.

Added Provision

This consent and subordination is limited to contribution by the Defense Minerals Exploration Administration pursuant to CFR Title 32A, Chapter XII in an amount not exceeding $37,500 to be repaid by the Operator from net smelter returns or other net proceeds realized from ore, concentrates, or metal produced upon the property which is the subject of the exploration project, not in excess of a maximum of 5% thereof.

THURBER ESTATE CORPORATION:

By Henry W. Aplington President
Henry W. Aplington

RECEIVED
MAR 3 1957
Detroit

MF-205
(Combines and supercedes MF-201 and MF-203)
June 1956

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator
Docket No. DMEA-
Contract No. Idm-E 1083
Contract Date 30 APR 1957

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of Elko, State of Nevada, described as follows: 2/

in a deed dated March 3, 1928, as recorded in Book 8, Page 348 to 351 inclusive, County of Elko, State of Nevada. Recorded patent number 1013054.

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom, to secure the payment to the Government of a percentage royalty on production as may be provided for by the Contract;

3. Subordinates the undersigned's right, title, claim, or interest in or against the land and in any production therefrom to the rights of the Government under the contract with respect to royalty on production and liens to secure same;

4. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none." Do not leave lines blank.)

None

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

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

5. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this Agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land, or any production therefrom furnishing the Government with two copies of such notice; and

6. Consents to all amendments (including an agreement of termination) and assignments of the contract without notice thereof, and undertakes and agrees that this Agreement shall extend and apply thereto.

7. Added provision: _____ (State "None" or "See Annex No.____")

Dated this 28 day of February, 1957.

[illegible] [Seal] 1145 Glendora Cr., Danville Calif. [Address]

Esther C. Rieta [Seal] 1145 Glendora, Danville Calif. [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

I, _____ certify that I am the _____ (Secretary, etc.) of the corporation named herein; that _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____

[Corporate Seal]

RECEIVED MAR 6 1957 L.M.E.R.A.

MF-205
(Combines and supercedes MF-201 and MF-203)
June 1956

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator JOHN H. UHALDE
Docket No. DMEA-4425
Contract No. Idm-E 1083
Contract Date 29 APR 1957

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of Elko, State of Nevada, described ~~xxxxxxxxxx~~ 2/ in Lease and Option to Purchase dated July 16, 1956, by and between Aladdin Mines Company, a Nevada Corporation, and John H. Uhalde of Reno, Nevada, which agreement is filed in Docket No. DMEA-4425 and is incorporated herein by reference

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom, to secure the payment to the Government of a percentage royalty on production as may be provided for by the Contract;

3. Subordinates the undersigned's right, title, claim, or interest in or against the land and in any production therefrom to the rights of the Government under the contract with respect to royalty on production and liens to secure same;

4. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none." Do not leave lines blank.)

NONE

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

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

5. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this Agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land, or any production therefrom furnishing the Government with two copies of such notice; and

6. Consents to all amendments (including an agreement of termination) and assignments of the contract without notice thereof, and undertakes and agrees that this Agreement shall extend and apply thereto.

7. Added provision: None (State "None" or "See Annex No.____")

Dated this 20th day of May, 1957.

ALADDIN MINES COMPANY ~~[Seal]~~ _____ [Address]

By Charles B. Evans ~~[Seal]~~ _____ [Address]

Title Vice Pres ~~[Seal]~~ _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

I, S. E. Davis certify that I am the Secretary (Secretary, etc.) of the corporation named herein; that _____ who signed this agreement was then Vice (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

S. E. Davis

[Corporate Seal]

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 22 1957

DATE	INITIALS	CODE

EXPLORATION PROJECT CONTRACT
JOHN H. UHALDE
DOCKET NO. DMEA-4425

EXHIBIT A

Description of the Work

Attached hereto and made a part hereof is map entitled "Figure 2. Aladdin Mine, Elko County, Nevada, DMEA-4425 (Lead-Copper)."

The work is divided into two successive stages. The Operator shall perform the Stage I work, and as much of the Stage II work as is approved in writing in advance by the Government.

All diamond drilling shall be done with AX size, or larger, coring bits. All drill holes shall be logged, and all drill core shall be properly labeled and stored and made available to the Government for examination. All significantly mineralized core, in lengths not to exceed five feet, shall be split, and one half thereof shall be properly sampled and assayed for lead, copper, silver, gold, and zinc.

In the event that core recovery in a significantly mineralized section does not exceed 70 per cent, both core and sludge samples shall be taken, if possible, at intervals not to exceed five feet. Both the core and the sludge shall be split, and one half thereof properly sampled and assayed.

The remaining half of all significantly mineralized core samples, and sludge samples when taken, shall be furnished to the Government upon request.

All assays shall be reported monthly to the Government, together with drill logs and proper plan maps and sections showing the progress of the work and sample locations.

Timber sets shall consist of not less than 8-inch by 8-inch timber or the equivalent in round timber.

Stage I

1. Extend the Davis adit, not to exceed 800 feet, to intersect the principal target. The principal target is on the northeast side of the intersection of two quartz porphyry dikes, each approximately 300 feet thick. The size of the extended adit shall be not less than 5 feet by 7 feet in cross section in the clear of timber. The location, direction, and length of the extended adit shall have prior approval of the Government. The proposed extended adit is shown on Figure 2.

2. The extended adit shall be timbered as necessary. It is estimated that not to exceed 350 feet of timbering will be required.

3. Diamond drill four holes, plus 5 degrees, from the end of the extended adit, with a total combined footage not to exceed 2,000 feet. The hole locations are tentatively shown on Figure 2, but the actual locations, directions, inclinations, and lengths of all holes are subject to prior Government approval.

4. For the extended adit and the diamond drilling, assay not to exceed 200 samples for lead, copper, silver, and gold.

Stage II

1. Depending on the results of the diamond drilling (Stage I, item 3), drift not to exceed 600 feet along the course of one or more drill holes to determine the extent of any ore body encountered. Any unused drifting footage may be applied to raising in favorable locations. The location, direction, and extent of the drifts and raises shall have prior approval of the Government. The size of drifts and raises shall be not less than 5 feet by 7 feet in cross section in the clear of timber.

2. The drifts and raises shall be timbered as necessary. It is estimated that not to exceed 250 feet of timbering will be required for the drifting.

3. Assay not to exceed 100 samples for lead, copper, silver, and gold.

Fixed Unit Costs

Stage I

1. Extend Davis adit (item 1), 800 feet @ $32.75/ft.	$26,200.00	
2. Extended adit timbering (item 2), 350 feet @ $7.00/ft.	2,450.00	→ see Amend #1
3. Diamond drilling (item 3), 2000 feet @ $5.50/ft.	11,000.00	
4. 200 samples assayed for lead, copper, zinc, silver, and gold (item 4) @ $4.50/ sample	900.00	
5. 60 core boxes (wood) @ $3.50/box	210.00	
Estimated Total Cost for Stage I		$40,760.00

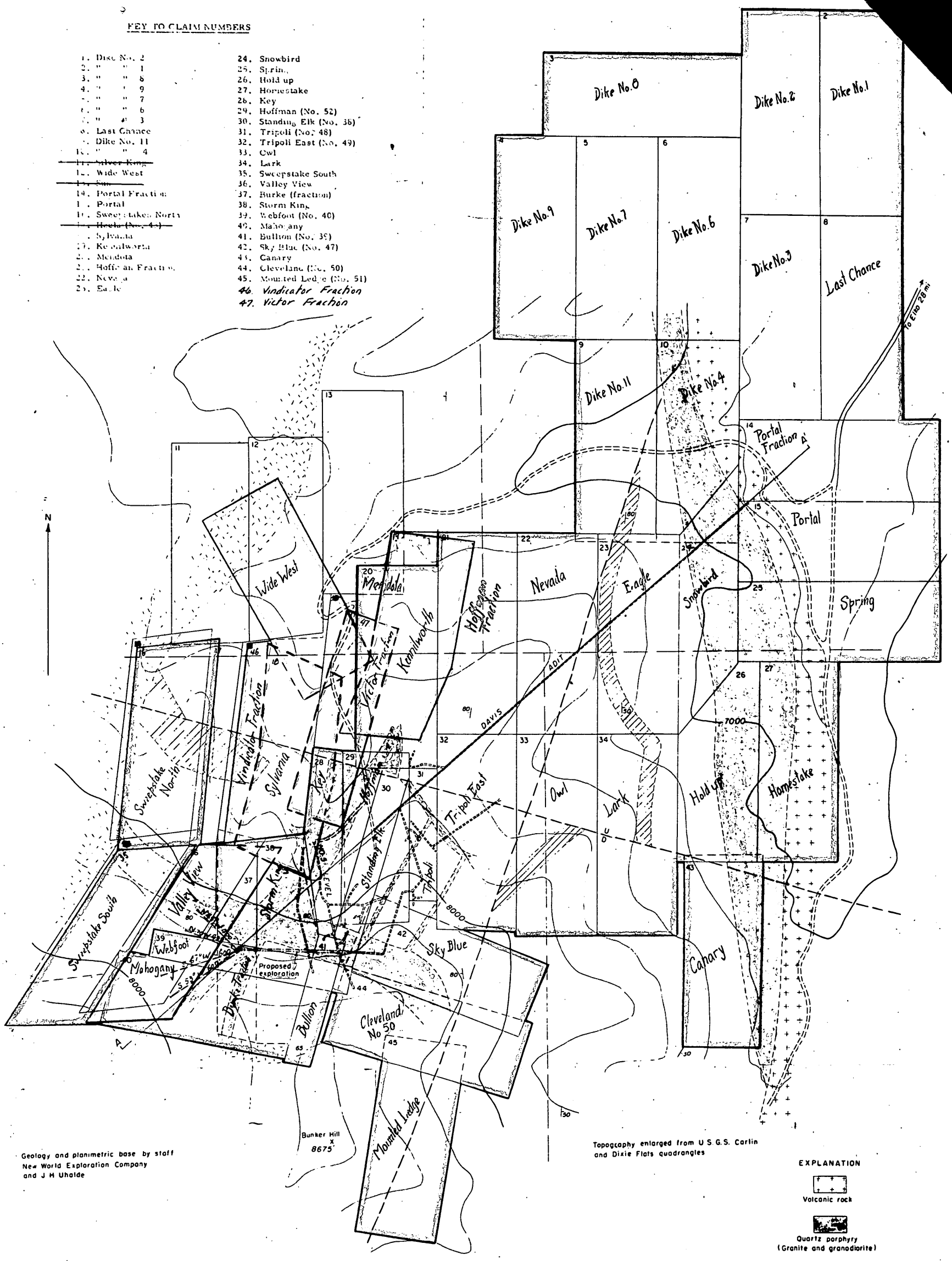
Stage II

1. Drifting and/or raising (item 1) 600 feet @ $32.75/ft.	$19,650.00	
2. Drift timbering (item 2), 250 feet @ $7.00/ft.	1,750.00	
3. 100 samples assayed for lead, copper, zinc, silver, and gold (item 3), @ $4.50/sample	450.00	
Estimated Total Cost for Stage II		$21,850.00
Estimated Total Cost of the Project		$62,610.00
Government's Participation @ 50%		$31,305.00

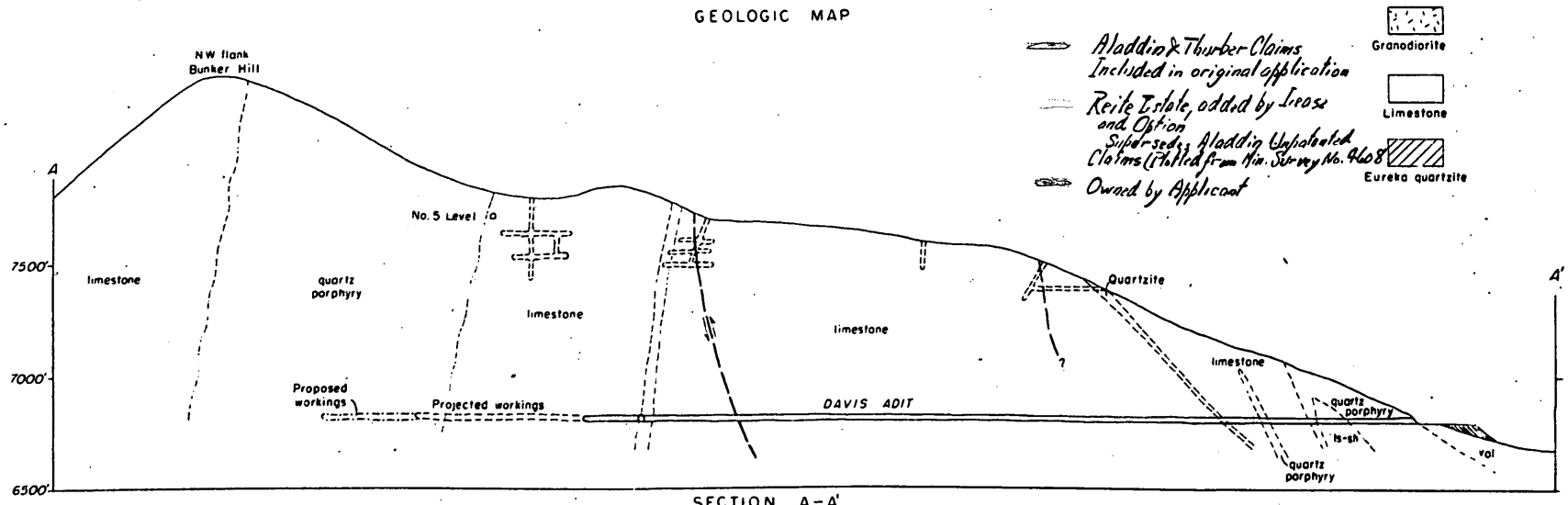
UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

KEY TO CLAIM NUMBERS

1. Dike No. 2
2. " " 1
3. " " 8
4. " " 9
5. " " 7
6. " " 6
7. " " 3
8. Last Chance
9. Dike No. 11
10. " " 4
~~11. Silver King~~
12. Wide West
~~13. Sun~~
14. Portal Fraction
15. Portal
16. Sweepstakes North
~~17. Hecla (No. 44)~~
18. Sylvania
19. Kenilworth
20. Mendota
21. Hoffman Fraction
22. Nevada
23. Eagle
24. Snowbird
25. Spring
26. Hold up
27. Homestake
28. Key
29. Hoffman (No. 52)
30. Standing Elk (No. 38)
31. Tripoli (No. 48)
32. Tripoli East (No. 49)
33. Owl
34. Lark
35. Sweepstake South
36. Valley View
37. Burke (fraction)
38. Storm King
39. Webfoot (No. 40)
40. Mahogany
41. Bullion (No. 39)
42. Sky Blue (No. 47)
43. Canary
44. Cleveland (No. 50)
45. Mounted Ledge (No. 51)
46. Vindicator Fraction
47. Victor Fraction



GEOLOGIC MAP



SECTION A–A'

DMEA-4425
(Lead-Copper)

Figure 2. ALADDIN MINE, ELKO COUNTY, NEVADA

0 400 800 1200 Feet

OFFICIAL FILE COPY
D M E A
RECEIVED MAY 22 1957

DATE	INITIALS	CODE

DMEA 4425
(LEAD-COPPER)

Re-DMEA

LEASE AND OPTION TO PURCHASE

THIS AGREEMENT made and entered into this 28th day of February, 1957, by and between MARTIN L. REITE and ESTHER A. REITE, husband and wife, of Danville, California, hereinafter referred to as First Parties, and JOHN UHALDE, as an individual, of Reno, Nevada, hereinafter referred to as the Second Party,

W I T N E S S E T H :

That for valuable considerations to them in hand paid by Second Party, the receipt whereof is hereby acknowledged, and in further consideration of the terms and conditions hereof, First Parties hereby grant to Second Party the exclusive right and option to purchase, at the price, within the time, and upon the terms and conditions hereinafter specified, all of the right, title and interest of First Parties in and to those certain mining claims situated in the Railroad Mining District, Elko County, Nevada, described as follows, to-wit:

Beginning at Cor. No. 1 of Vindicator Fraction Lode Cor. No. 6 Sylvania Lode, thence S. 1/4 Sec. Cor. of Sec. 33 T. 31 N., R. 53 E.M.D.M. bears S. 85° 58' W. 1074.81 ft.; thence S. 65° 38' E., 284.9 ft. to line 2-3 Wide West Lode; thence N. 28° 08' E., 1039.71 ft. to Cor. No.3 Wide West Lode; thence N. 61° 52' E., 600 ft. to Cor. No.4 Wide West Lode; thence S. 28° 08' E. 241.33 ft. to line 3-4, Kenilworth Lode; thence N. 10° 35' E., 640.84 ft. to Cor. No.4 Kenilworth Lode; thence S. 83° 5' E., 600 ft. to Cor. No.5 Kenilworth Lode; thence S. 10° 35' W. 550 ft. to Cor. No.6 Kenilworth Lode; thence S. 24° 10' E. 570 ft. to Cor. No.1 Kenilworth Lode; thence N. 83° 05' E. 400.2 ft. to Cor. No.2 Victor Fraction Lode; thence 72° 54' W. 122.4 ft. to line 2-3 Sylvania Lode; thence S. 16° 05' W., 441.81 ft. to Cor. No.3 Sylvania Lode; thence N. 65° 59' W., 296.26 ft. to line 3-4 Valley View Lode; thence N. 33° 37' E., 1362.98 ft. to Cor. No.3 Valley View Lode; thence N. 87° 24' W., 611.8 ft. to Cor. No.2 Valley View Lode; thence N. 33° 37' E., 1500 ft. to Cor. No.1 Valley View Lode; thence S. 87° 24' E. 138.88 ft. to Cor. No.4 Vindicator Fraction Lode; thence N. 7° 41' E., 1479.5 ft. to Cor. No.5 Vindicator Fraction Lode; thence N. 87° 24' E., 138.05 ft. to Cor. No.1 Vindicator Fraction Lode; point of beginning.

Together with all water, water rights and other appurtenances including all the dips, spurs and angles, and also all the metals, ores, (metallic and non-metallic), rock and earth therein; and all the rights, privileges and franchises thereto incident, appendant and appurtenant, or therewith usually had and employed; and, also all and singular the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining, and the rents, issues and profits thereof.

1. PRICE AND TERMS OF PAYMENT: The price to be paid First Parties for the said property hereby optioned is the sum of One Hundred Twenty-Five Thousand Dollars ($125,000.00) payable over a period of twenty (20) years from date hereof, as follows:

The sum of Five Thousand Dollars ($5,000.00) for each five (5) years from the date of the execution of this agreement, for the life of this agreement, and the Five Thousand Dollars ($5,000.00) that is to be paid to the First Parties will be paid in the following manner, to-wit: Five Hundred Dollars ($500.00) upon the execution of this agreement, and Five Hundred Dollars ($500.00) on the 28 day of February of each succeeding year thereafter, with an additional Two Thousand Five Hundred Dollars($2,500.00) payment to the First Parties to be made at the termination of each five (5) year period. In the event the royalties hereinafter provided do not amount to Five Hundred Dollars ($500.00) in each calendar year, then, in that event, Second Party will pay to First Parties such amount as may be necessary to make a minimum payment of Five Hundred Dollars ($500.00) for that particular year; it being further understood and agreed that in the event the royalties hereinafter provided do not amount to the Two Thousand Five Hundred Dollars ($2,500.00) payment that is referred to above, then, in that event, Second Party will pay to First Parties such amount as may be necessary to make ~~a minimum~~ same payment of Two Thousand Five Hundred Dollars ($2,500.00) for the five (5) year period, and that in no event will the minimum payments paid to the First Parties in each five (5) year period be less than the total sum of Five Thousand Dollars($5,000.00).

2. PLACE OF PAYMENT: All payments made under this Agreement shall be made to the Nevada Bank of Commerce at Reno, Nevada, payable to the credit of the First Parties.

3. POSSESSION, ETC.: During the life of this Agreement Second Party shall have the right to occupy the property hereby

optioned, and to exercise all rights which First Parties themselves might exercise in mining the ground covered by said mining claims and extracting ores therefrom, and may market such ores crude, including ores from the dumps on said mining claims and belonging to First Parties, and Second Party may mill, or otherwise treat for market, ores so extracted or now upon such dumps and belonging to First Parties, and market the products of such milling or other treatment, and retain the proceeds from such ores, concentrates, or other products, subject to the payment of royalties as hereinafter provided, and agreeable to the other terms and conditions hereof.

4. ROYALTIES: Until said purchase price of One Hundred Twenty-Five Thousand Dollars ($125,000.00) shall have been paid, as herein provided, Second Party shall, in any event, pay to First Parties as royalty, the following percentages of the net smelter returns from, and to the extent not prohibited by law, regulation, presidential directive, the same percentages of all premiums paid or authorized by the United States Government on account of all ores, concentrates, and other products marketed by Second Party from the property hereby optioned, or from the interest of First Parties in the dumps thereon, as follows:

(a) On all crude ores having a net value of $1.00 to $50.00 per ton after all smelting charges and deductions, the First Parties shall receive six per cent (6%) of the net smelter returns.

(b) On all crude ores having a net value of $50.00 to $75.00 per ton after all smelting charges and deductions, the First Parties shall receive seven and one-half per cent (7 1/2%) of the net smelter returns.

(c) On all crude ores having a net value of ~~$100.00~~ $75.00 or more per ton after all smelting charges and deductions, the First Parties shall receive ten per cent (10%) of the net smelter returns.

(d) On all concentrates, after all smelting charges and deductions, the First Parties shall receive ten per cent (10%) of the net smelter returns.

The terms "Net Smelter Returns" as used in this Paragraph Four, means the total amount paid by the smelter, on the basis of the current metal market prices, and after deducting all smelting charges and smelter deductions, railroad freight and trucking.

A copy of this Agreement, or a copy of the pertinent parts hereof, may be deposited by either party hereto with any smelter to which ore, concentrates, or other products of operations hereunder may be shipped, for the guidance of such smelter; and any such smelter is hereby directed to dispose of royalties in accordance herewith.

5. CREDIT OF ROYALTIES: All royalties paid to First Parties hereunder shall be credited as payments on the purchase price herein set forth including the yearly payment of Five Hundred Dollars ($500.00) and the additional payment of Two Thousand Five Hundred Dollars ($2,500.00) that is to be paid at the termination of each five (5) year period.

6. ABSTRACT OF TITLE: Within one year from date hereof Second Party shall prepare an abstract of title to the property hereby optioned, which abstract, after examination by First Parties and their attorneys, shall be deposited in the escrow hereinafter provided for.

7. MANNER AND CHARACTER OF WORKING: It is understood and agreed that when Second Party develops and extracts ore from said mining claims hereby optioned, and in so doing will do all necessary work in good, workmanlike manner befitting good and economical mining, so as to take out the maximum amount of ore possible, with due regard to the development and preservation of the same as a workable mine; and where operations are being conducted to well and sufficiently timber said mines at all points where necessary

in accordance with good mining; and to keep at all times where operations are being conducted, the drifts, tunnels and other workings clear of loose rock and rubbish, unless prevented by extraordinary or unexpected mining casualty; and all underground openings that may be driven by Second Party into First Parties' ground, shall be open to inspection by the First Parties or their agents, who may at all reasonable times enter into said openings and take samples therefrom but with the least possible interference with Second Party's operations.

8. HIGH GRADE: When ore from which the net smelter returns as herein defined would, if such ore were shipped crude, amount to Seventy-Five Dollars ($75.00) or more per ton, not including premiums or "bonuses", is found in quantity and form which will make it feasible to mine such ore separately from lower grade ore, and where the conditions are such as to enable Second Party to mine such ore with a maximum of recovery and consistent with economical and good mining practice, such ore shall be mined and marketed separa tely in crude form.

9. SMELTERS OR MILLS: Second Party may ship ore, concentrates, and other products of his operations hereunder to any smelter or mill within or without the State of Nevada, from which the highest net smelter returns, as such returns are herein defined, may be obtained, but Second Party shall, before making shipment to any given smelter, notify the First Parties named herein, in writing, of the name and address of such smelter, and that shipment of ore, concentrates, or other products is about to be made to such smelter or mill.

10. PAYMENT OF ROYALTIES BY SMELTER OR MILLS: Any smelter or mill to which ore, concentrates, or other products of operations hereunder may be shipped is hereby instructed to deduct

from the net returns from such shipment the royalties herein provided for, and to transmit such royalties to said Nevada Bank of Commerce for the credit of First Parties, and said smelter or mill shall also at the same time, mail to Martin L. Reite and Esther A. Reite, husband and wife, at Danville, California, copies of the settlement sheet for such shipment.

11. GROUPS: It is understood by the parties hereto that the Second Party, John Uhalde, is in the possession of certain mining properties adjacent to the First Parties' mining property described herein and is contemplating a central exploration project from openings that have heretofore been driven on Alladin Mines property, for the purpose of determining the value and extent of the known ore bodies in the upper levels.

The parties hereto agree that the most expeditious, economical and feasible plan to explore the First Parties' property would be by extending the Davis crosscut a distance of Twelve Hundred (1200) feet in a Southwesterly direction towards the boundary line of First Parties' ground and thence project long drill holes from this point towards, and into, First Parties' property, and if in the opinion of the Second Party's engineers and geologists the results obtained from the long hole drilling warrant, Second Party will extend the Davis tunnel opening through First Parties' Valley View Claim a distance of approximately Two Hundred (200) feet.

The Second Party does agree that if commercial ore is encountered belonging to First Parties, in the course of extending the Davis tunnel through the Valley View Claim, the Second Party will proceed to mine said ores in accordance with the provisions set forth in Paragraph Seven of this Agreement, and will notify the First Parties in writing when they have entered

intralimital boundaries of First Parties' claims.

12. WORK REQUIREMENTS: Second Party shall be considered to be performing the minimum work requirements on First Parties' property during the life of this Agreement so long as not less than Four Hundred Fifty (450) man days labor are performed each calendar year on the adjoining and adjacent properties now under contract to Second Party.

IT IS FURTHER AGREED that all man days labor performed in any one year in excess of the minimum requirements of Four Hundred Fifty (450) shifts per year, plus all expenditures on long hole drilling, geologic mapping, assaying, stripping, bulldozing, cook and watchman expenses, shall be cumulated and shall be applied towards labor requirements on the basis that each Twenty Dollars ($20.00) thus expended shall constitute one man days labor and the same may be carried forward and applied towards the succeeding year, or years minimum labor requirements, but said carryover shall not exceed five years.

IT IS FURTHER UNDERSTOOD between the parties hereto that the character of the exploration work which shall be performed by Second Party in First Parties' property, and the place or places where said work shall be performed, shall be left entirely to the judgment of Second Party, and shall be of such character as in the judgment of Second Party will determine whether any commercial ore body, or bodies, exist in First Parties' property, and it is not the intent of this Agreement to specify what work shall be performed by Second Party, nor where said work shall be done, except that it is expressly understood and agreed that the first underground work to be performed by Second Party under the terms of this Agreement shall be to extend the Davis tunnel opening in Alladin property a distance of approximately Twelve Hundred

(1200) feet from its present face in a Southwesterly direction towards First Parties' property and to project long drill holes paterned and directed to explore the downward extension of any veins which may be owned by and in First Parties' property.

13. CO-MINGLING OF ORES: IT IS FURTHER AGREED between the parties hereto that in the event ore is encountered as a result of the exploration work to be performed by the Second Party on First Parties' ground and that such ores would not be commercial unless processed by milling, or other benefication, and that economics would be effected that would enure to the benefit of both parties, then and in that event First Parties agree to allow such ores to become co-mingled with other ores and perhaps the same character and values in order that benefication and milling costs be reduced to a minimum, provided however, that Second Party will keep separate records reflecting the result of the assay value and tonnage of First Parties' ores, and the cutting of samples or car samples shall be taken in a manner consistent with good mining practices and the values contained in such ore, if co-mingled with other ores, shall be calculated on the value of the concentrates produced, and instructions shall be given to the smelter to pay to First Parties, for such percentage of the concentrates as the crude ore owned by First Parties shall bear to the whole in accordance with the royalty payment schedule herein provided.

14. EASEMENT FOR ACCESS TO OTHER PROPERTIES: While this Agreement is in force Second Party shall have free passage for ore and waste, men and materials transferred from mining properties acquired or controlled by Second Party adjacent to the mining claims of First Parties through the underground workings on said mining claims of First Parties, or over the surface thereof; and

PROVIDED FURTHER, that any openings driven by Second Party from the Davis tunnel level of Alladin Mines through First Parties' Valley View Claim, the Second Party shall have an easement to use such openings to explore and develop other properties that may be acquired by Second Party even though this Agreement may not be in force and effect, provided however, Second Party is in control, exploring or operating other properties in the mining district.

15. INDUSTRIAL ACCIDENT INSURANCE: Second Party shall at all times during the life of this Agreement, comply with one of the plans of the Nevada Workmens' Compensation Act, so that all accidental injuries to employees will be compensated under said Act.

16. NON-LIABILITY OF FIRST PARTIES: Second Party is not in any sense the agent or partner of First Parties but is an independent operator and First Parties shall not be liable to any person for any debts or other obligations incurred or contracted by Second Party, or by any other person than First Parties, nor shall First Parties be liable for damages caused by, or arising out of, any operations hereunder, and Second Party hereby agrees to hold First Parties, and the property hereby optioned, harmless of and from any and all such debts, obligations and liability, and all costs and expenses arising therefrom; and Second Party shall post, and keep posted, in at least three conspicuous places upon said property hereby optioned, written notices to the effect that Second Party is operating said property as lessee, and that First Parties hereto are not liable or responsible for any debts or other obligations, or for damages contracted or incurred by any person other than First Parties, in, or in connection with, any operations hereunder.

17. ESCROW: Simultaneously with the execution and delivery hereof First Parties shall execute and acknowledge and deposit in escrow in the Nevada Bank of Commerce, at Reno, Nevada, together with an executed copy of this Agreement, a Bargain and Sale Deed of all of the right, title and interest of First Parties in the property hereby optioned, naming Second Party as grantee therein; and said Bank is hereby instructed to hold said Deed and deliver the same, together with said Abstract of Title, to Second Party upon, and only upon, the full payment of said purchase price as and when herein required; but if this option and lease shall be terminated, other than by a purchase and the payment of the full purchase price as herein provided, said escrow holder shall hold said Deed and Abstract subject to the order of First Parties. Second Party shall pay the escrow fee charged by said Bank for the deposit of such Deed, but shall be entitled to recoup one-half (1/2) of such fee out of the first royalties accruing hereunder.

18. FORFEITURE: Time is of the essence of this Agreement. If Second Party shall fail to make any payment of purchase price as and when herein required, this option and lease shall thereupon become null and void, without notice; but if Second Party shall fail to keep, observe, or perform any term or condition of this Agreement other than the payment of installments of the purchase price, First Parties may at their election declare a forfeiture hereof, but if they so elect to declare a forfeiture hereof, First Parties shall give Second Party notice in writing of their intention to declare a forfeiture because of such default, specifying in such notice the grounds of forfeiture; and if Second Party shall within sixty (60) days after service of such notice, cure and correct all such defaults, then this option and

lease shall continue in force as though such defaults had not occurred; but if Second Party shall not, within said sixty (60) day period, cure and correct all such defaults, then this option and lease shall become null and void at the expiration of said sixty (60) day period; and any such notice, when given as hereinabove provided, shall be binding upon Second Party, his heirs, personal representatives, successors and assigns, as the case may be, unless any person or corporation holding an assignment from Second Party shall deposit with said escrow holder the original Assignment, or an executed duplicate thereof, together with an address to which the holder of such Assignment shall desire notice to be mailed, in which event notice shall be given the holder of such Assignment in the same manner as is provided in the case of Second Party himself.

The forfeiture of this option and lease shall not affect the obligation of Second Party to pay royalties, or any other obligation which shall accrue prior to such forfeiture, but as to such obligations the applicable provisions of this agreement shall continue in force.

19. DISPOSAL OF MONIES PAID: In the event of the forfeiture or other termination of this option and lease all monies theretofore paid by Second Party shall be retained by First Parties as liquidated damages and as rental.

20. REMOVAL OF MACHINERY, ETC.: In case of the termination of this Agreement by forfeiture, Second Party shall have ninety (90) days after such forfeiture is complete in which to remove from the property hereby optioned, any machinery or other personal property placed thereon by him except buildings and similar structures, and any such machinery or other personal property not so removed shall belong to First Parties; and Second

Party shall also, before the removal of any such personal property, execute and deliver to First Parties a release of this option and lease, or a Quit Claim Deed to the property hereby optioned.

21. TAXES: That all real property taxes upon the mining claims hereby optioned shall be paid by Second Party, and also all State, County and Federal taxes, and the First Parties will pay their proportionate share of the State of Nevada's Net Proceeds of Mines taxes; all other taxes in connection with the property hereby optioned will be paid by Second Party, with the exception of federal income taxes that are owed or assessed to the First Parties.

22. DEPLETION: It is further agreed that deduction for depletion of ore reserves in connection with the operating costs of Second Party under this Agreement shall be equitably apportioned between First Parties and Second Party in such manner that Second Party shall take deduction for depletion on the value of the ore after deducting the royalty paid thereon to First Parties, while First Parties may take deduction for depletion on the amount of royalty received from Second Party hereunder, provided such arrangement does not reduce the amount of depletion either party may legally take, in which event the respective parties shall take such depletion allowance as may be permitted by law.

23. ENFORCED SUSPENSION OF OPERATIONS: It is further agreed between the parties that if Second Party is prevented from mining, milling or selling ores from First Parties' property above set forth by reason of, or on account of metal prices declining to a point where operations would be marginal and in the opinion of either party unprofitable, or any insurrection, strike, war or governmental restriction of any nature, whether national, state or other governmental agency, or by act of God,

or by any other act of circumstances beyond the control of Second Party, that no default shall exist because thereof, and the work requirements contained in Paragraph 12 shall be extended for a period equal to the period of such enforced suspension plus six months thereafter, it being further agreed between the parties hereto that during the course of any suspension for any reason, the minimum payments referred to in Paragraph I will continue to be paid to the First Parties.

24. NOTICE, SERVICE OF: Second Party may be served with notice by personal delivery, or by registered letter addressed to him at Suite 304-306 Gazette Building, Reno, Nevada, and a copy thereof addressed to him at Boullion, Nevada; and First Parties may be served with notice by personal delivery or by registered mail addressed to them at 1145 Glendora Circle, Danville, California. Service by mail shall be complete upon deposit of such notice in the United States Post Office, securely sealed in an envelope, addressed as above provided and bearing the necessary postage.

25. ASSIGNMENT: Second Party intends to assign this Agreement in whole to the Sweepstake Mines, Inc., a Nevada corporation, and the assignor Sweepstake Mines, Inc., may assign this Agreement in whole, or in part, to a responsible corporation or corporations, or other responsible persons, as long as this Agreement is in full force and effect, and First Parties do hereby agree and consent to any future assignments in whole, or in part, to responsible corporations or responsible persons, of this Agreement by the Second Party or his assignor, but assignor shall immediately notify First Parties in writing, of the fact of any such assignment and the name and address of the corporation or corporation s, or persons to which such assignment is made.

26. ARBITRATION: The parties appreciate that unforeseen contingencies in the exploration and operations contemplated by this Agreement and not specifically covered by its terms and conditions, and questions of construction and performance may arise. Each party covenants and agrees to approach such questions and differences in a spirit of fairness and cooperation.

In the event the parties are unable to agree upon any questions of construction, performance, or other contingency not specifically covered by this Agreement, they agree to submit the differences to arbitration within thirty (30) days after such failure to agree, each to select one arbitrator and those two to select a third, the expenses of such arbitration to be borne equally. Each party covenants and agrees not to resort to legal action over any question or difference arising out of this Agreement until the same has been submitted first to arbitration as herein provided.

27. SUBROGATION: While this Agreement is not conditioned upon Second Party obtaining a United States Government loan to assist it in financing the work contemplated by this Agreement, it is understood that Second Party has applied for and is endeavoring to obtain such a loan.

IT IS FURTHER UNDERSTOOD that if Second Party's application for such a loan is granted, it will very likely be necessary in connection with such application for Second Party to obtain the written consent thereto of First Parties who may have an interest in the ore which may be discovered and mined in First Parties' property, and the exploration and development of any ores discovered would be partially financed by means of such loan.

IT IS FURTHER UNDERSTOOD that such a loan would necessarily have to be made repayable to the Government at a fixed royalty

rate based upon the entire production from such property; in this connection it is agreed that if said Government loan is granted to Second Party, First Parties will, if and when called upon by Second Party so to do, give their written consent thereto, provided however, that Second Party shall, and does hereby agree that he will, promptly refund to First Parties any and all monies which may thereafter be repaid to the Government out of First Parties' share of the production of ores, if any, from their property.

28. ACCELERATION OF PAYMENTS: It is understood and agreed by and between the parties hereto that the Second Party or his assigns may at any time, as long as this Agreement is in full force and effect, pay in full any unpaid balance remaining on said contract; and

IT IS FURTHER EXPRESSLY UNDERSTOOD between the parties hereto that unless the purchase price stated herein has been fully paid by the Second Party on or before the 28 day of February, 1977, this Agreement shall be fully terminated and at an end.

29. The First Parties expressly covenant to the Second Party that they are the sole and absolute owners of the property herein optioned and leased to the Second Party.

30. This Agreement shall be binding upon and inure to the benefit of the heirs, personal representatives and assigns of the respective parties hereto.

IN WITNESS WHEREOF this instrument has been executed by the parties hereto the day and year herein first above written.

Walter J. Reitz

Esther C. Reitz

First Parties

John Uhelde

Second Party

No. 102-182 10M 5-55

COUNTY CLERK'S CERTIFICATE AS TO NOTARY PUBLIC

№ 77149

STATE OF CALIFORNIA,
COUNTY OF ALAMEDA. } ss.

I, Jack G. Blue, County Clerk of the County of Alameda, State of California, and ex-officio Clerk of the Superior Court of the State of California in and for the County of Alameda, which is a court of record of the State of California, having by law a seal, do hereby certify that

E. M. Fitzgerald

whose name is subscribed to the attached certificate of proof, acknowledgment or affidavit, was at the time of taking such proof, acknowledgment or affidavit a Notary Public in and for said Alameda County, duly commissioned and qualified and residing in said county, and was as such an officer of the State of California, duly authorized by the laws thereof to administer oaths or affirmations and to take and certify the proof and acknowledgment of deeds and other instruments in writing to be recorded in said State, and that full faith and credit are and ought to be given all his official acts as such Notary Public, and that I am well acquainted with the handwriting of said Notary Public and verily believe that the signature to the attached certificate is his genuine signature and that the annexed instrument is executed and acknowledged according to the laws of the State of California; and I further certify that an impression of the seal of said Notary Public is not required by law to be filed in my office.

In witness whereof I have hereunto set my hand, and affixed my official seal

February 28, 1957.

Jack G. Blue

County Clerk of the County of Alameda and ex-officio Clerk of the Superior Court of the State of California in and for the County of Alameda.

STATE OF CALIFORNIA)
: ss.
County of Alameda

On this 28 day of February, in the year One Thousand Nine Hundred and Fifty-seven, before me E M Fitzgerald a Notary Public in and for the County of Alameda State of California, duly commissioned and sworn, personally appeared Martin L. Reite and Esther A. Reite, husband and wife, known to me to be the persons described in and whose names are subscribed to the within instrument as First Parties, and they acknowledged to me that they executed the same as their free and voluntary act and deed, and for the uses and purposes therein mentioned.

E M Fitzgerald
Notary Public, in and for the
State of California,
residing at _____

STATE OF NEVADA)
: ss.
County of Washoe)

On this 26 day of February, in the year One Thousand Nine Hundred and Fifty-seven, before me Lyle Thomas a Notary Public in and for the County of Washoe, State of Nevada, duly commissioned and sworn, personally appeared JOHN UHALDE known to me to be the person described in and whose name is subscribed to the within instrument as Second Party, and he acknowledged to me that he executed the same as his free and voluntary act and deed, and for the uses and purposes therein mentioned.

Lyle Thomas
Notary Public, in and for the
State of Nevada, residing at
Reno, Nevada.
My Com exp 1/27/58

A G R E E M E N T

THIS AGREEMENT, made and entered into this 15th day of July, 1956, by and between ALADDIN MINES COMPANY, a Nevada Corporation, having its principal office at ~~Reno~~ Elko, Nevada, the Party of the First Part, and JOHN M. UHALDE, a resident of Reno, Washoe County, Nevada, the Party of the Second Part,

W I T N E S S E T H:

WHEREAS, on the 1st day of July, 1956, the THURBER ESTATE CORPORATION, a Delaware Corporation, entered into an Agreement in writing, for the purchase and sale of certain mining property with ALADDIN MINES COMPANY, a copy of said Agreement being attached hereto and made a part hereof and marked "Exhibit A", and

WHEREAS, the said ALADDIN MINES COMPANY is desirous of Assigning and transferring the said "Exhibit A" to JOHN M. UHALDE and the said JOHN M. UHALDE desires to accept the said assignment and transfer,

NOW, THEREFORE, know all men by these presents, that for and in consideration of the sum of ONE DOLLAR ($1.00) and of other good and valuable considerations, the receipt whereof is hereby acknowledged, and of other good and valuable considerations moving from each of the parties hereto, one to the other, the existence of which is hereby acknowledged, and of the mutual covenants herein contained, said parties agree as follows:

1. The said Party of the First Part hereby assigns, transfers and sets over to the said Party of the Second Part said Agreement between the Thurber Estate Corporation, a Delaware corporation, and Aladdin Mines, Company, a Nevada Corporation, dated July 1, 1956, a copy of which is attached hereto and made

ROBERT L. MCDONALD
ATTORNEY AT LAW
RENO, NEVADA

a part hereof and marked "Exhibit A" to the said JOHN H. UHALDE, the Party of the Second Part together with all of the benefits of said agreement and all of the covenants and stipulations set forth in the said Agreement and all of the remedies for enforcing the same, upon conditions that all of the stipulations and provisions of the said agreement ("Exhibit A") are to remain in full force and effect.

2. The said Party of the Second Part hereby accepts said Assignment to him and agrees to assume all of the obligations and liabilities imposed by the said agreement ("Exhibit A") and agrees to carry out and perform the same as fully to all intents and purposes as if he had been the Party of the Second Part to the said Agreement.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals the day and year in this agreement first above written.

ALADDIN MINES COMPANY

By Charles B. Evans
Vice-President

Attest
S. E. Davis
Secretary

John H. Uhalde
JOHN H. UHALDE

ROBERT L. McDONALD
ATTORNEY AT LAW
RENO, NEVADA

STATE OF NEVADA)
COUNTY OF WASHOE) SS.

On this 23rd day of October, 1956, personally appeared before me, the undersigned a Notary Public, in and for the said County and State aforesaid, Charles B. Evans and S. E. Davis, known to me to be the Vice-President and Secretary of the corporation that executed this instrument, and upon oath, each did depose and say that he is the officer of said corporation as above designated; that he is acquainted with the seal of said corporation and that the seal affixed to this instrument is the corporate seal of said corporation; that the signatures to said instrument were made by officers of said corporation as indicated after said signatures; and that the said corporation executed the said instrument freely and voluntarily and for the uses and purposes therein mentioned.

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

Lila McFarlane
Notary Public

STATE OF NEVADA)
COUNTY OF WASHOE) SS.

On this 29 day of October, 1956, personally appeared before me, the undersigned a Notary Public in and for the said County and State aforesaid, JOHN H. UHALDE, known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

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

Lila McFarlane
Notary Public

ROBERT L. McDONALD
ATTORNEY AT LAW
RENO, NEVADA

AGREEMENT OF PURCHASE AND SALE
OF MINING PROPERTY IN
ELKO COUNTY, NEVADA

THIS AGREEMENT made as of the 1st day of July, 1956 by and between THURBER ESTATE CORPORATION, a Delaware corporation, having its principal office at New York, N. Y. (herein referred to as "Thurber") and ALADDIN MINES COMPANY, a Nevada corporation, having its principal office at Reno, Nevada (herein referred to as "Aladdin"),

W I T N E S S E T H :

WHEREAS, Thurber is the owner of certain mining property in Elko County, Nevada, referred to herein as "the property", hereinafter more particularly described; and

WHEREAS, Aladdin has examined copy of abstract of title certified by Kenneth L. Mann, Elko, Nevada, dated March 1, 1956, showing that Thurber is the owner of the property, and Aladdin relies upon such abstract and certificate and Thurber makes no representation or warranty with respect to such title except as hereinafter set forth; and

WHEREAS, Thurber, by successive agreements dated May 16, 1928, June 30, 1949 and June 30, 1953 agreed to sell said property to Aladdin upon the terms and conditions therein stated; and

WHEREAS, said agreement of June 30, 1953 was terminated in accordance with its provisions; and

WHEREAS, Thurber has granted no other rights in respect of said premises which are now outstanding; and

WHEREAS, Thurber and Aladdin wish to enter into a new agreement for the sale of said property by Thurber and its purchase by Aladdin;

Now therefore, in consideration of the sum of $1.00 paid to Thurber by Aladdin, receipt whereof is hereby acknowledged, and of the promises and covenants hereinafter set forth, the parties agree as follows:

1. Thurber shall sell to Aladdin and Aladdin shall purchase from Thurber, for the sum of Fifty Thousand Dollars ($50,000), the following described property situated in Railroad Mining District, Elko County, State of Nevada:

Cleveland Patented Mine; U. S. Survey Lot No. 50

Hoffman Patented Mine; U. S. Survey Lot No. 52

Standing Elk Patented Mine and Mill Site,
U. S. Survey Lots No. 38A and 38B

The property shall include all the surface area included within the lines of the above described mining locations and all veins, lodes and ledges throughout their entire depth, the top or apex of which lies inside of such surface lines extended downward vertically, to the extent defined in the Act of Congress of May 10, 1872, Chapter 152, Section 3 (17 United States Statutes at Large, 91; Title 30, United States Code, Section 26).

2. Aladdin shall pay the purchase price in annual installments, without interest, at the rate of One Thousand Dollars ($1,000) or a sum equal to ten per cent (10%) of the value of ores, metals and minerals extracted from the property, whichever sum is greater, reckoning from the date of this agreement (less, in the first year, the $1.00 paid upon the execution and delivery of this agreement and subject to waiver of the one thousand dollar minimum as provided in Article 4 hereof) until the purchase price is paid in full; provided that, regardless of the amount payable as aforesaid, the entire balance of the purchase price shall be paid at the time of the accounting for the third year hereunder unless Aladdin shall, at its option, either

(1) elect to terminate this agreement pursuant to Article 9 hereof, or

(2) elect to renew this agreement for one further period of three years upon the same terms and conditions except as to further renewal, this second option to be available only upon condition that Aladdin shall have worked the property during the preceding year to the extent required by Article 4 hereof and shall not then be in default in respect of any other provision of this agreement whether or not notice of default has been given under Article 10 hereof.

"Value" as herein used shall be defined as net mill or smelter returns of all mineral extracted from the property, after deducting costs of carriage, assays, mill and smelting charges and none other.

Aladdin shall render an annual accounting to Thurber, until such time as the said purchase price has been paid in full, of all ores, metals and minerals shipped from said mines during the preceding year. Said accounting shall be made on or before the 30th day following the anniversary of this agreement, and contemporaneously therewith Aladdin shall pay Thurber the installment payable in respect of the said preceding year. All accountings and payments hereunder shall be made to Thurber at its address as provided in Article 14 hereof.

Nothing herein shall prevent Aladdin from prepaying the minimum installments, or any portion thereof, and such prepayments may, at the election of Aladdin, be allocated to the payment of moneys found to be owing upon subsequent accountings.

3. Upon payment in full of the purchase price Thurber shall execute and deliver to Aladdin its bargain and sale deed of the property, without special warranties. Aladdin shall not be required to take title if the property is found to be subject to liens, encumbrances, defects or exceptions arising subsequent to March 1, 1956, the date of the aforementioned abstract of title, but in that event Aladdin shall give notice to Thurber of such liens, encumbrances, defects or exceptions and Thurber shall have the right to an adjournment of the closing for a period not exceeding ninety (90) days from the date of such notice to remove such liens, encumbrances, defects or exceptions; and if Thurber shall not have removed them by the end of such period and Aladdin shall be unwilling to waive them, this agreement shall be automatically cancelled and become null and void and neither party shall have any further right against the other by reason of anything herein contained except that Thurber shall be liable to repay Aladdin as liquidated damages, an amount equal to the portion, if any, of the amounts theretofore paid by Aladdin to Thurber on account of the purchase price of the property which shall exceed ten per cent (10%) of the value of ores, metals and minerals extracted from the property by Aladdin.

4. Aladdin shall enter upon the property and remain in full possession and have the use, enjoyment and control thereof so long as this agreement shall remain in force. Aladdin shall have the right to extract ores, metals and minerals of every kind and to sell or otherwise dispose of them, subject only to its obligation to account to Thurber for ten per cent (10%) of their value as provided in Article 2 hereof. Aladdin shall do, or cause to be done, at its cost, upon the property or in any tunnel being driven by it through its own property to develop

the property of Thurber at depth, at least four hundred (400) shifts of work in each year, reckoning from the date of this agreement. Aladdin shall work the property in manner necessary to good and economical mining, so as to take out the greatest amount of ore possible, with due regard to the development and preservation of the same as a workable mine. Concurrently with each annual accounting under Article 2 hereof, Aladdin shall furnish Thurber with a verified report of the number of shifts worked upon the property of Thurber or in any tunnel as aforesaid during the preceding year. If the number of shifts shall equal or exceed four hundred (400), payment of the one thousand dollar ($1,000) minimum annual installment for that year required under Article 2 hereof shall be waived; but there shall be no waiver of any portion of any annual installment based upon a percentage of the value of ores, metals or minerals, nor any reduction of the purchase price by reason of any work done on the property.

5. Aladdin shall pay all taxes, assessments or governmental charges which shall become due on or with respect to the property during the term of this agreement or which shall be payable by reason of the extraction of minerals or any other thing done by it pursuant to this agreement or on account of the production of any minerals on the property during the term of this agreement, including (without limitation thereto) any State, County or local tax imposed under the laws of Nevada upon that portion of the proceeds payable to Thurber under this agreement, but excluding any tax payable by Thurber to any State other than Nevada or any net income tax or corporation franchise tax imposed by the United States or the State of Nevada.

6. Aladdin shall pay all debts contracted for labor and materials in the prosecution of the work hereinbefore agreed to be done, and no liens or encumbrances of any nature, kind or description shall be allowed to attach to said premises while this agreement shall remain in force and effect.

Aladdin shall cause notices to be posted in a conspicuous place or places, upon said property, setting forth that neither Thurber nor the said property shall be liable for any materials furnished or labor performed in or upon said premises.

7. Aladdin shall accept the provisions of the Nevada Industrial Insurance Act and shall at all times comply therewith and shall also comply with all other laws of Nevada relating to Workmen's Compensation and to safeguarding of employees or other persons on or about the premises. Aladdin shall save Thurber harmless and indemnify it against all claims and liabilities arising out of the work being done on or about the premises and shall, at its own expense, procure and maintain insurance policies insuring against all liability to its employees under the Nevada Industrial Insurance Act including liability for medical, surgical, hospital and other treatment.

8. Thurber shall have the right to enter upon said property at reasonable hours and times to view and inspect the operations of Aladdin and shall have the right to inspect any and all books kept by Aladdin recording the extraction, shipment and smelter receipts of ores, metals or minerals from the said property.

9. Aladdin shall have the right to terminate this agreement at any time prior to payment in full of the purchase price, upon fifteen (15) days notice to Thurber, and the failure either to tender the balance of the purchase price or to elect to renew this agreement, as provided in Article 2 hereof, shall be deemed an election to terminate in which event no notice or other action by Aladdin shall be required. In the event of such termination Aladdin shall vacate the property on or before the effective date of termination, except that it may thereafter remove tools and equipment as herein provided; and it shall within thirty (30) days after the effective date of termination pay to Thurber all amounts due under Article 2 hereof. The minimum annual payment shall be prorated. Thereupon all debts and obligations imposed hereunder upon Aladdin shall, subject to the provisions of Articles 11 and 12 hereof, cease and determine.

10. In the event that Aladdin shall be in default in performance of any of its obligations hereunder, Thurber may give Aladdin notice of such default and demand its correction within thirty (30) days. Should such default remain uncorrected upon the expiration of the 30-day period, time being of the essence, such default shall operate forthwith and without notice as a forfeiture of this agreement and all rights of Aladdin hereunder and Thurber shall be entitled to retain all sums therefofore received under this agreement and also to receive from Aladdin the same payments which it would receive upon voluntary termination under Article 9 hereof. Thereupon all debts and obligations imposed hereunder upon Aladdin shall, subject to the provisions of Articles 11 and 12 hereof, cease and determine.

11. Upon the termination of this agreement for any reason, Aladdin shall redeliver possession of the property to Thurber with the appurtenances and all improvements in good order, with all drifts, shafts, tunnels and other passages clear of loose rock and rubbish and drained, and any mine therein ready for continued working, except to the extent made impossible by causes beyond Aladdin's control. However, nothing herein shall give Thurber the right in such event to have access to its property through any tunnel entering from the property of Aladdin; but Thurber shall have only such rights as shall be allowed by law in the absence of agreement.

Upon the termination of this agreement for any reason, Aladdin shall have the right within one hundred eighty (180) days to remove its tools and equipment which it shall have placed upon the property and if not so removed, such tools and equipment shall be forfeited to Thurber and the value thereof, if any, shall not be applied as an offset to any liability of Aladdin to Thurber under this agreement.

12. In addition to all other obligations or liabilities of Aladdin under this agreement, Aladdin shall indemnify and save Thurber harmless from all claims, demands and liabilities arising from Aladdin's operations on the property prior to the date hereof, during the term of this agreement or after its termination, and no payment by Aladdin of any amount in liquidation or settlement of any obligation to Thurber under this agreement shall be a bar to any further claim of Thurber under this Article 12 until final settlement and execution and delivery of written release by Thurber to Aladdin. In no event shall Aladdin be liable to Thurber upon termination of this agreement for damages for breach of contract to purchase the property.

13 The failure of Thurber to give Aladdin notice as provided in Article 10 hereof of any default which is disclosed in any annual accounting rendered by Aladdin pursuant to Article 2 hereof or any verified report furnished pursuant to Article 4 hereof or in any other written notice served by Aladdin upon Thurber or by reason of any failure of Aladdin to furnish either such annual accounting or such verified report or to pay the $1,000 minimum under Article 2 hereof, shall constitute a waiver by Thurber of its right to terminate this contract because of such default unless the notice of such default provided by Article 10 hereof is given within sixty (60) days after the service of the notice disclosing the default or after the due date of the annual accounting, verified report or payment. Notwithstanding the loss by Thurber of its right to terminate by reason of any default, Aladdin shall remain obligated to perform this agreement according to its terms and make good such default. The failure of Thurber to enforce any provision of this agreement or the waiver of any default of Aladdin shall not operate as a waiver of any subsequent default.

-4-

14. Notices required to be given hereunder shall be in writing and shall be served by registered mail upon the parties hereto at their respective addresses shown below, provided that either party may at any time, by notice to the other, designate a different address to which notices shall thereafter be served upon him, and said designation shall govern in the case of any notices given after its receipt.

Thurber Estate Corporation
c/o T. Kennedy Stevenson
205 Madison Avenue, New York 17, N. Y.

Aladdin Mines Company
Attention S. L. Ewin, Manager
P. O. Box 2361
Reno, Nevada

15. Either party hereto shall have the right to assign this agreement, or to assign any or all claims thereunder against the other party. Each and every assignee of the agreement shall by accepting the assignment become and remain liable, jointly and severally with the assignor, for all the obligations of the assignor under this agreement and shall succeed to all the rights and privileges of the assignor. Wherever reference is made herein to "Aladdin" or "Thurber" it shall be deemed to include their respective successors and assigns.

16. This agreement shall not be considered in force, binding or in effect until duly signed and delivered by both parties hereto and Thurber shall at all times prior to such signing and delivery of this agreement be at liberty to negotiate for the sale of the property to any other prospective purchaser.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals as of the date first above written.

[illegible]

By [illegible]

[illegible]

Attest:

[illegible]

Secretary

[illegible]

By [illegible]

Vice President

Attest:

[illegible]

Secretary

ACKNOWLEDGMENT

STATE OF NEW YORK }
} ss.:
COUNTY OF NEW YORK }

On this [illegible] day of [illegible], A.D. 1956, personally appeared before me, , a Notary Public in and for the State and County of New York, Henry W. Aplington and T. K. Stevenson, known to me to be the President and Secretary respectively, of THURBER ESTATE CORPORATION, one of the corporations that executed the foregoing instrument, and upon oath, each did depose and say that he is the officer of said corporation as above designated; that he is acquainted with the seal of said corporation and that the seal affixed to said instrument is the corporate seal of said corporation; that the signatures to said instrument were made by officers of said corporation as indicated after said signatures; and that the said corporation executed the said instrument freely and voluntarily for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, at my office in the County of New York the day and year in this Certificate first above written.

Notary Public

ACKNOWLEDGMENT

STATE OF NEVADA }
COUNTY OF } ss.:

On this 31st day of July, A.D. 1956, personally appeared before me, , a Notary Public in and for Elko County, Nevada, Charles B. Evans and S. E. Davis, known to me to be the Vice-President and Secretary respectively, of ALADDIN MINES COMPANY, one of the corporations that executed the foregoing instrument, and upon oath, each did depose and say that he is the officer of said corporation as above designated; that he is acquainted with the seal of said corporation and that the seal affixed to said instrument is the corporate seal of said corporation; that the signatures to said instrument were made by officers of said corporation as indicated after said signatures; and that the said corporation executed the said instrument freely and voluntarily for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, at my office in the County of the day and year in this Certificate first above written.

Notary Public

LEASE AND OPTION TO PURCHASE

THIS INDENTURE OF LEASE WITH OPTION TO PURCHASE, made and entered into at Reno, Washoe County, Nevada, this 15th day of July, 1956, by and between ALADDIN MINES COMPANY, a Nevada corporation, the party of the first part, and hereinafter called Seller, and JOHN H. UHALDE, 1975 Palisade Drive, Reno, Nevada, the party of the second part, and hereinafter called Buyer,

W I T N E S S E T H:

WHEREAS, Seller is the owner of that certain mining property, known as ALADDIN MINE, located in the Railroad Mining District, Elko County, Nevada, and more particularly described as follows:

PORTAL	DIKE NO. 8	STORM KING
PORTAL FRACTION	DIKE NO. 9	LAST CHANCE
HOMESTAKE	DIKE NO. 11	BULLION
EAGLE	TRIPOLI EAST	MOUNTED LEDGE
NEVADA	TRIPOLI	SPRING
KEY	SKY BLUE	LARK
MAHOGANY	HOLDUP	OWL
DIKE NO. 1	SNOWBIRD	BURKE FRACTION
DIKE NO. 2	HOFFMAN	WEBFOOT
DIKE NO. 3	CANARY	[illegible]
DIKE NO. 4		DIKE NO. 7
DIKE NO. 6		

TOGETHER with all the dips, spurs and angles, and also all the metals, ores, (metallic and non-metallic), rock and earth therein, and all the rights, privileges and franchises thereto incident, appendant and appurtenant, or therewith usually had and employed, and, also all and singular the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining, and the rents, issues and profits thereof.

Abstract of title to the above properties may be inspected by the Buyer at any convenient time. Abstract of title to be delivered upon final payment of amount subsequently appearing herein, and

ROBERT L. McDONALD
ATTORNEY AT LAW
RENO, NEVADA

WHEREAS, Buyer is desirous of securing a lease with option to purchase all of the aforesaid mining property, upon the terms and conditions hereinafter set forth;

NOW, THEREFORE, this Indenture Witnesseth:

That Seller, for and in consideration of the sum of ONE DOLLAR ($1.00) to him in hand paid by the said Buyer, the receipt whereof is hereby acknowledged, and for and in the further consideration that the covenants and conditions as hereinafter set forth are kept and performed, hereby covenants and agrees, as follows:

1. The total consideration and purchase price of the said mining property shall be TWO HUNDRED FIFTY THOUSAND DOLLARS ($250,000), payable as follows:

a). On all crude ores having a net value of from $1.00 to $50.00 per ton after all smelting charges, the Seller shall receive six percent (6%) of the net smelter returns.

b). On all crude ores having a net value of from $50.00 to $75 per ton after all smelting charges, the Seller shall receive seven and one-half percent (7½%) of the net smelter returns.

c). On all crude ores having a net value of $75.00 to $100 per ton after all smelting charges, the Seller shall receive ten percent (10%) of the net smelter returns.

d). On all concentrates, the Seller shall receive ten percent (10%).

2. In consideration of the above, the Seller agrees that within five years from the date hereof, to:

a). Extend the Davis Tunnel an additional 1200 feet, or

b). Do sufficient long hole drilling either in the Davis Tunnel or from the upper workings of the Aladdin Mine to determine the possible downward extension of any ore zones to the Davis Tunnel level.

3. Seller agrees, at Buyer's expense and upon request

ROBERT L. McDONALD
ATTORNEY AT LAW
RENO, NEVADA

of Buyer, to deposit with the Nevada Bank of Commerce at Reno, Nevada, an abstract of title of said mine, and to show a good and merchantable title, free and clear of all liens and encumbrances. The unpatented claims to be conveyed shall be subject, however, to the paramount title of the United States.

Seller further agrees that upon payment in full of the aforesaid purchase price to deliver to Buyer a valid and merchantable mining deed conveying said mine to Buyer, as set forth in the preceding paragraph.

4. Seller agrees that Buyer shall have the sole exclusive free use of all machinery, building, structures, equipment, maps, reports, records, and supplies now on or about said mine, and also free use of water, timber, wood, stone and rock; Seller further agrees to grant to Buyer all water rights of every kind and description, appurtenant to or used with or in connection with said mine. Also, all rights-of-way over all roads, trails, ditches, flumes, water lines, dam sites, and reservoir sites, and the right to ingress and egress to and from said mine.

5. Buyer, for and in consideration of the sum of One Dollar ($1.00) to them in hand paid by the said Seller, the receipt of which is hereby acknowledged, and for and in the further consideration that the covenants and conditions as herein undertaken to be kept and performed by the Buyer will be kept and performed, covenants and agrees as follows, to-wit:

a). That upon the execution of this instrument, Buyer will (as further set forth) enter into possession of said mining premises and will commence actual work upon said mine and thereafter work said mine in a minerlike fashion, according to accepted standards of effective and sound mining, with due regard to the preservation of said mine and its further development as a

ROBERT L. McDONALD
ATTORNEY AT LAW
RENO, NEVADA

a workable mine. Said "work" may consist of surface and/or underground surveys and mapping, sampling and assays, geological studies, surface trenching, prospecting, exploration, development work, mining, milling, refining, blocking out ore and such other work connected with any and all appurtenant requirements to perform said aforesaid work.

b). Buyer agrees to do not less than 450 man days labor per year of work on the property;

Buyer agrees that during the continuance in force of this instrument that they will pay all property and bullion taxes or other taxes of whatever kind or nature levied or assessed against said mining premises and or against any and all improvements, tools, machinery or equipment constructed or placed on saidmining premises. It is understood that the Buyer assume full obligation to pay all taxes of whatever kind or nature, but that Seller, for his protection, may pay all or any of said taxes prior to delinquency and if he does pay any taxes, Buyer agrees to promptly reimburse Seller.

Buyer agrees to keep said premises and every part thereof at all times free and clear of all mechanics, miners' and/or other labor liens and encumbrances of every other nature and description and to pay all indebtedness and liabilities incurred by the Buyer which may or might become a lien on said premises before said indebtedness and/or liabilities shall become a lien, and to post and to keep posted in not less conspicuous places upon said demised premises notice that the interest of the Seller therein shall not be subject to any lien for services, labor materials furnished upon or used in connection with this instrument or said mine by the Buyer, said notice to be on behalf of and in the name of the Seller.

ROBERT L. MCDONALD
ATTORNEY AT LAW
RENO, NEVADA

Buyer will do or cause to be done the necessary assessment work on the unpatented claims or on or before May 15th of each year and advise the Seller to that effect in order that the necessary record thereof may be made.

Buyer agrees to assume all responsibility for, and to save Seller harmless from any and all accidents to themselves or any of their employees, sub-lessees, licences, agents or associates upon the demised premises and to post, and at all times to keep posted upon the demised premises a conspicuous notice in the name and on behalf of the Seller, stating in substance that the Seller will not be liable for any damages on account of any accident or accidents.

Buyer agrees to permit Seller, or his duly authorized agents or representatives, at Seller's sole risk and responsibility, at regular business hours (a) to enter upon and visit all parts of the said leased premises whether now or later constructed, and maintained thereon for the purpose of taking samples and of observing whether the terms of this instrument are being fully and faithfully complied with by the Buyer; (b) to take samples from any ores awaiting milling, reduction or treatment or in place; and (c) to have surveys made of the workings, whether under or above ground, or both, and the Buyer further agrees to furnish Seller, as and when requested by the Seller, a copy of the blueprints of all surveys or maps made by the Buyer and generally to facilitate in every way such inspections, surveys, and samplings, as above specified, and to furnish Seller, or his duly authorized agent with full, true and accurate information not heretofore furnished with regard to the condition of the workings, or any part thereof, or the quality and/or character of the minerals therein, and upon request, furnish the Seller records of all ores

ROBERT L. MACDONALD
ATTORNEY AT LAW
RENO, NEVADA

and ore concentrates shipped for Buyer's account.

Buyer shall make payments in accordance with the schedule set forth in Paragraph I-a through d which in no event shall exceed ten percent (10%) of the net smelter return value, whether sold to smelter ot other purchaser, of any mineral or product sold by Buyer from said demised premises. Payments made on the basis of any mineral or product sold shall be paid direct to Seller. Net returns shall mean the price paid by any smelter or other purchaser of said minerals or product sold, without any deduction therefrom for transportation of any nature whatsoever, or mining charges. Smelter or other purchaser to be instructed by Buyer to transmit Seller's remittance as Seller may direct. Copy of smelter return or other record of sale and determination of value furnished to Buyer shall also be furnished to Seller. Buyer shall instruct smelter or other purchaser of any mineral product to furnish Seller with a "pulp' of each lot purchased from Seller.

Buyer agrees during the life of this instrument to comply with all of the laws of the United States and the State of Nevada with reference to the employment and payment of workman employed by Buyer upon said mining premises and agrees to carry Workmens' compensation insurance on all workmen employed upon said mining premises in some responsible company doing business within the State of Nevada, satisfactory to the Seller, and to pay all premiums thereon; it being expressly understood that the Seller is not the employer of any workmen or any other person employed or to be employed upon the said demised premises, and Seller is not and will not be responsible in any degree for any personal injury suffered or to be suffered by any employee within the time or scope of his employment as construed by the Nevada Industrial Commission.

ROBERT L. MOORHEAD
ATTORNEY AT LAW
RENO, NEVADA

Each and every agreement, covenant, term or condition herein contained, on the part of the Buyer to be kept and performed, shall be kept and it is hereby made a condition of this instrument, but in the event the Buyer shall fail to keep or perform any agreement, covenant term or condition herein set forth, and Seller desires to terminate this instrument because of said violation, Seller may give Buyer written notice by registered mail, of the violation complained of by Seller, said notice to be mailed to Buyer and if such violation or default is not removed or corrected within thirty days after date of mailing of said notice, then this instrument, at the election of Seller, may thereupon be terminated. In the event of such termination, as herein provided for, Buyer agrees to surrender and deliver possession of said mine to Seller within the time provided for herein.

Buyer shall have the right to abandon this agreement at any time upon ten days written notice to Seller by registered mail.

In case of surrender by Buyer, as described in Paragraph hereinabove set forth, then and in such event, Seller may, at his option with written notice to Buyer, expel, remove and put out Buyer from the possession of said mine. However, such termination shall not release the Buyer from any obligation or liability theretofore incurred by Buyer under the provisions hereof.

In the event of termination of this instrument for any reason, including the abandonment or surrender of said mine as herein provided, Buyer shall have the right to remove from the said mine all personal property of any kind, character or description, whether affixed to the realty or not, with the sole exception

ROBERT L. McDONALD
ATTORNEY AT LAW
RENO, NEVADA

of timber in place underground, track steel, track ties and underground pipe used for pumping water from underground workings or furnishing compressed or ventilating air, Buyer must remove all of said property within one hundred and eighty (180) days from date of termination or abandonment of this instrument.

All payments made to Seller by or on behalf of the Buyer shall apply on the purchase price.

In the event Buyer does not complete payment of the purchase price within thrity years (30) from date hereof, then and in that event Buyer shall return the property to Seller in accordance with the forms hereof and all sums paid to Seller are to be retained by Seller.

It is MUTUALLY AGREED AND UNDERSTOOD between the Seller and Buyer that operations under this instrument are subject to acts of God, war, insurrection and acts of the public enemy, or any governmental regulation or directive, or should metal prices prohibit the economical and/or profitable operation, then any discontinuance under any of these conditions shall not operate as a forfeiture of this instrument, or be considered as a violation of the covenants to work said mine as hereinabove provided.

In the event of dispute regarding performance hereunder, Seller shall appoint one arbitrator at his expense and Buyer shall appoint one arbitrator at Buyer's expense and these two shall appoint one arbitrator and the majority decision of the three arbitrators shall govern the dispute. The third party is to be paid equally by both Seller and Buyer.

Time is of the essence of this Agreement.

Whenever notice is required under the terms of this instrument, letters addressed, properly stamped, registered and mailed with the following addresses thereon shall be considered proper notice:

ROBERT L. McDONALD
ATTORNEY AT LAW
RENO, NEVADA

TO BUYER: JOHN H. UHALDE
1975 Palisade Drive
Reno, Nevada

TO SELLER: ALADDIN MINES COMPANY
C/o Stanley Davis, Secretary-Manager
P. O. Box 2361,
Reno, Nevada.

This instrument shall be binding upon and inure to the benefit of the heirs, assigns and legal representatives of the Seller and Buyer hereto. Buyer has the right to sell, transfer and assign this instrument to any other party or corporation.

IN WITNESS WHEREOF, the parties hereto have hereunto executed this instrument the day and year first above written.

ALADDIN MINES COMPANY
a Nevada Corporation

ATTEST:

S. E. Davis
Secretary-Manager

By Lawrence E. Evans
Vice President

SEAL

SELLER

John H. Uhalde
JOHN H. UHALDE

Buyer

BERT L. McDONALD
ATTORNEY AT LAW
RENO, NEVADA

STATE OF NEVADA)
: SS.
COUNTY OF ELKO)

On this 30th day of July, 1956, personally appeared before me, the undersigned, a Notary Public in and for the County of Elko, State of Nevada CHARLES B. EVANS, known to me to be the President of the corporation that executed the foregoing instrument, and upon oath did depose and say that he is the officer of the said corporation as above designated; that he is acquainted with the seal of the corporation, and that the seal affixed to said instrument is the corporate seal of the said corporation; that the signatures to said instrument were made by the officers of the said corporation as indicated after their signatures; and that the said corporation executed the same instrument freely and voluntarily and for the uses and purposes therein mentioned.

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

NOTARY PUBLIC

STATE OF NEVADA)
: SS.
COUNTY OF WASHOE)

On this ____ day of _____, 1956, personally appeared before me a notary public in and for the county and state aforesaid JOHN H. UHALDE, known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

RECEIVED
SEP 21 1956

DmEa

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

1605 Evans Avenue,
Reno, Nevada

Aug. 14, 1956

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Loan Application (Lead-Copper)
John H. Uhalde
Aladdin Mines
Elko County, Nevada

Attached are three sets of MF-103, Application for Aid forms relative to above subject. The fourth set has been retained in our files.

S. Ricker

Attach.

RECEIVED
AUG 16 1956

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Form Approved.
Budget Bureau No. 42-R1085.2.

APPLICATION FOR AID IN AN EXPLORATION PROJECT, PURSUANT TO DMEA ORDER 1, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Not to be filled in by applicant

Docket No. 4425
Metal or Mineral Lead - Copper
Date Received 8/16/56
Estimated Cost $59,000.00
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: John H. Uhalde
1975 Palisade Dr.,
Reno, Nevada

(*b*) If other than an individual, add to your name above whether a corporation, partnership, etc., and the name of the State in which incorporated or otherwise organized.

(*c*) If a corporation, add to above statement, titles, names and addresses of officers.

(*d*) If a partnership, add to the above statement the names and addresses of all partners.

2. *General.*—Read DMEA Order 1, "Government Aid in Defense Exploration Projects," before completing this application. Submit this application and all accompanying papers in quadruplicate (four copies), with your name and address on each sheet of the application and on all accompanying papers. Where sufficient space is not provided on the form for all required information, state it on an accompanying paper, with a reference in each case to the instruction to which it refers by number. Comply with all applicable instructions; or, if not applicable, so state. File the application with Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest field executive officer thereof.

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract Aladdin Mines
10 Pat. Claims
30 Unpatented Claims - Railroad Mining District
Elko County, Nevada

(*b*) State any mine name by which the property is known. - Aladdin

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise
Contract purchase 15 years with 15 year option

(*d*) If you are not the owner, submit with this application a copy of the lease, contract, or other document under which you control the property.

(*e*) If you own the land, describe any liens or encumbrances on it none

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice.

4. *Physical description.*—(*a*) Describe in detail any mining or exploration operations which have been or now are being conducted upon the land, including existing mine workings and production facilities. State your interest, if any, in such operations. Also describe accessibility of mine workings for examination purposes.

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades.

(*c*) Describe the geologic features of the property, including mineralization, type of deposit (vein, bedded, etc.), and your reasons for wishing to explore. Illustrate with maps or sketches. Send with your application (but not necessarily as a part of it) any geologic or engineering report, assay maps, or other technologic information you may have, indicating on each whether you require its return to you.

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points.

(*e*) State the availability of manpower, materials, supplies, equipment, water, and power.

16—66551-1

RECEIVED
AUG 16 1956

5. *The exploration project.*—(a) State the mineral or minerals for which you wish to explore Lead, Copper, Silver

(*b*) Describe fully the proposed work, including a map or sketch of the property showing a plan (and cross sections if needed) of any present mine workings, and the location of the proposed exploration work as related to such features as contacts, veins, ore-bearing beds, etc.

(*c*) The work will start within 30 days and be completed within 18 months from the date of an exploration project contract.

(*d*) State the operating exp ience and background of the applicant with relation to the ability to carry out such explo- ration project, and also that of t person or persons who will supervise the operations.

6. *Estimate of costs.*—Furn a detailed estimate of the costs of the proposed work (you will have to use a separate sheet), under the following headings. dd the totals under all headings to give the estimated total cost of the project:

(*a*) *Independent contracts.*- (Note.—If the applicant does not intend to let any of the work to contractors, write "none" after this item. To the extent at the work is to be contracted, do not repeat the cost of the contract-work in subsequent items.) State the cost of any p posed independent contracts for the performance of all or any part of the work, expressed in terms of units of work (such a per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved, etc.).

(*b*) *Labor, supervision, con ltants.*—Include an itemized schedule of numbers, classes and rates of wages, salaries or fees for necessary labor, supervision nd engineering and geological consultants.

(*c*) *Operating materials a l supplies.*—Furnish an itemized list, including items of equipment costing less than $50 each, and power, water and fuel.

(*d*) *Operating equipment.*- Furnish an itemized list of any operating equipment to be rented, purchased, or which is owned and will be furnished by the C erator, with the estimated rental, purchase price, or suggested use-allowance based on present value, as the case may be.

(*e*) *Rehabilitation and rep rs.*—Furnish a detailed list showing the cost of any necessary initial rehabilitation or repairs of existing buildings, installati s, fixtures, and movable operating equipment, now owned by the Operator and which will be devoted to the exploration proje

(*f*) *New buildings, impro nents, installations.*—Furnish a detailed list showing the cost of any necessary buildings, fixed improvements, or installations be purchased, installed or constructed for the benefit of the exploration project.

(*g*) *Miscellaneous.*—Furni a detailed list showing the cost of repairs to and maintenance of operating equipment (not including initial rehabilitation repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insura e, and payroll taxes.

(*h*) *Contingencies.*—Give estimate of any necessary allowances for contingencies not included in the costs stated above.

NOTE.—No items of gener overhead, corporate management, interest, taxes (other than payroll and sales taxes), or any other indirect cost or work performed or costs incurred before the date of the contract, should be included in the estimate of costs.

7. (*a*) Are you prepared furnish your share of the cost of the proposed project in accordance with the regulations on Government participation (Se 7, DMEA No. 1)? Yes

(*b*) How do you propose t furnish your share of the costs?

[X] Money [X] Use of equipment owned by you [ ] Other

Explain in detail on acom nying paper.

CERTIFICATION

The undersigned, whether s an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief.

Dated 20 July, 195[illegible]

John H. Whalde
(Applicant)

By John H. Whalde

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—66551-1

4. (a). Now operating the No. 5 level. We have opened 4 levels and are now shipping from the No. 5 level. We have mapped all levels, to and including the No. 5 level, showing size and the extent of the ore bodies.

(b). Present production approximately 20 tons per day. Present ore reserves approximately 2,000 tons 7.1% Pb; 1.6% Copper 13 ozs. Silver.

Past production 8,000 tons average value net smelter returns $30.00 per ton by present operator

Past production total in excess $3,000,000

(c). Property has copper of replacement and contact metamorphic. Lead, copper, silver ore bodies of replacement type.

We wish to explore the mineralized zone at depth to insure year around operation and determining downward extension of mineralized zone.

(d). Properties accessible by dirt road 28 miles South and West of the Railhead at Elko, Nevada, in Elko County.

(e). Sufficient

5. (b). 1,200 ~~tons~~ feet cross cut lower Davis Tunnel as per map, and 2,000 feet diamond drilling after cross cut intersects porphyry

(c).

(d). Applicant will be supervisor - presently operating property. Has operated the property for 6 years. Supervised and operated Stormy Day Mine, tungsten producer. 13 years underground experience at Kimberly, Nevada, Aladdin Mines, Star Gold Mine and Stormy Day Mine

6. (a). Drifting - $48,000 1,200 feet at $40.00 per foot.

(b). Diamond drilling by contract furnish air water, $5.50 per foot $11,000.

(c)

(d). Mining equipment to be furnished by operator at AGCT rental rate, compressors, muckers, motor, cars, etc.

(e). By operator - not under Dmea.

(f). Same

(g). None

(h). 300 foot raise - $12,000 to be adjusted during contract.

TOTAL COST OF THE PROJECT -	$ 48,000	
	11,500	$ 59,000

	DEEDS BOOK	PAGE	DEEDS BOOK	PAGE	LOCATIONS BOOK	PAGE
SPRING	48	15	49	447		
HOMESTAKE	"	"	"	"		
HOLDUP	"	"	"	"		
LARK	"	"	"	"		
DIKE NO. 1	"	"	"	"	21	534-5
DIKE NO. 2	49	446-7	47	429-30	21	535
" " 3	"	"	"	"	21	535-6
" " 4	"	"	"	"	21	536
" " 6	"	"	"	"	21	536-7
" " 7	"	"	"	"	21	537
" " 8	"	"	"	"	21	537-8
" " 9	"	"	"	"	21	538
" " 11	"	"	"	"	21	538-9
LOCATIONS						
STORMKING	17	102	33	418	5	294
SPRING	17	101				
SNOWBIRD	7	597	28	486		
PORTAL FRACTION	8	263	29	232		
PORTAL	8	262	28	486	7	598
OWL	7	604	33	352		
NEVADA	7	597	33	352	7	85
MENDOTA	17	102			16	452
MAHOGANY	21	95	32	179-80	20	693
"	8	308				
LAST CHANCE	20	413-4	33	352		
LARK	7	603	29	277		
KEY	20	694-5	45	323	8	378
HOME STAKE	17	6				
HOLDUP	17	5	35	579		
HOFFMAN FRACTION	17	101	28	486	7	598
EAGLE	7	596	33	352	7	86
BURKE FRACTION	21	94-5	32	179-80	20	694
" "	17	552-3			8	300
PATENTS			(15	(282-3		
WEBFOOT	4	201	--(34	--(145-6		
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TRIPOLI EAST	1A	99-101				
TRIPOLI	1A	74	36	328		
SKY BLUE			36	441		
MOUNTED LEDGE	1A	282	36	441		
CANARY						
BULLION	1	97-101	29	261-2		
STANDING ELK	1	97-101		No. 38		
CLEVELAND	1	97-101		No. 50		
HOFFMAN	1	97-101		No. 52		

RECEIVED
AUG 16 1956

EXPLORATION COSTS:
Drifting

Labor	12.00/ft
Insurance, Social Security tax, etc-12%	1.44 "
Powder, fuse, detonators	6.00 " ?
Timber	3.76 " ?
Compressor Supplies	3.00 "
Steel & Bits	2.00 "
Repairs	1.50
Engineering & Accounting	2.50
Rental & Repair:	
HOUSING:	2.00 ?
* Rental as Below	5.80
TOTAL	40.00 /ft.

The operator will furnish all equipment.

	Cost
Compressor Diesel-465 Cfm Ing-Rand	12,800.00
Drills 2EaJr 38B's - Driffer type	1,480.00
Air, Water Hoses	400.00
Water pressures tank	75.00
Mine Rails, Spikes, Fish plates, ties, 30 # Rail	2,970.00
Air Lines	600.00
Water Lines	360.00
Mine Cars (5 Each)	2,000.00
Ventilation Pipe	1,200.00
Blowers	250.00
1 Eimco 12B Mucker	2,875.00
Tools	300.00
One charging panel for Electric Mule	2,650.00
One Electric 2½ton Jeffery complete with batteries	3,750.00
Truck 4X4	1,000.00
Truck Pickup	2,200.00
Monthly Rental= $\frac{34,910}{60}$ =580.00	34,910.00

Rental for 12 months = 12 X 580 = $6,960 = 5.80/ft.

vernment Messenger Envelope

65 (Rev. 1/46)

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Docket

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PROJECT SUMMARY REPORT

By: J. W. Alt November 17, 1960

1. DMEA-4425 (Lead-Copper)
   Contract Idm-E1083

   Operator - John H. Uhalde
   1975 Palisade Drive
   Reno, Nevada

   Property - Aladdin Mine
   Elko County, Nevada

   Operator's Property Rights -

   Payments to the Owners according to Purchase Agreements and owner of two unpatented claims.

   Lease and Option to Purchase - Martin L. Reite and Esther A. Reite, dated February 28, 1957.

   Lease and Option to Purchase - Aladdin Mines Company, dated July 15, 1956.

   Assignment from the Aladdin Mines of its Purchase Agreement with the Thurber Estate Corporation dated July 15, 1956.

   Consent to Lien and Subordination Agreement, Thurber Estate Corporation, dated January 31, 1957.

   Consent to Lien and Subordination Agreement, Martin L. Reite and Esther A. Reite, dated February 28, 1957.

   Consent to Lien and Subordination Agreement, Aladdin Mines Company, dated May 20, 1957.

2. Contract (Form MF-200A, April 1956) dated April 29, 1957
   Work to start on or before August 15, 1957.
   Work to be completed within 18 months from date of the contract.

   Description of the Work -

   The work is divided into two successive stages. The Operator shall perform the Stage I work, and as much of the Stage II work as is approved in writing in advance by the Government.

STAGE I

1. Extend the Davis adit, not to exceed 800 feet, to intersect the principal target. The principal target is on the northeast side of the intersection of two quartz porphyry dikes, each approximately 300 feet thick.

2. Not to exceed 350 feet of timbering for the extended adit.

3. Diamond drill four holes from the end of the extended adit, and not to exceed 2,000 feet of drilling.

4. For the extended adit and the diamond drilling, assay not to exceed 200 samples for lead, copper, silver, and gold.

STAGE II

1. Depending on the results of the diamond drilling (Stage I, item 3), drift not to exceed 600 feet along the course of one or more drill holes to determine the extent of any ore body encountered. Any unused footage may be applied to raising in favorable locations.

2. Not to exceed 250 feet of timbering for the drifting and raising.

3. Assay not to exceed 100 samples for lead, copper, silver and gold.

Fixed Unit Costs

STAGE I

1.	Extend Davis adit (item 1) 800 feet @ $32.75/ft.	$26,200.00	
2.	Timbering (item 2) 350 feet @ $7.00/ft.	2,450.00	
3.	Diamond drilling (item 3) 2,000/ft @ $5.50/ft.	11,000.00	
4.	200 samples assayed for lead, copper, zinc, silver, and gold (item 4) @ $4.50/sample	900.00	
5.	60 core boxes (wood) @ $3.50/box	210.00	
	Estimated Total Cost for Stage I		$40,760.00

(Continued..... $40,760.00)

STAGE II

1. Drifting and/or raising (item 1) 600 feet @ $32.75/ft.	$19,650.00	
2. Drift timbering (item 2) 250 feet @ $7.00/ft.	1,750.00	
3. 100 samples assayed for lead, copper, zinc, silver, and gold (item 3) @$4.50/sample	450.00	
Estimated Total Cost for Stage II		$21,850.00
Estimated Total Cost of the Project		$62,610.00
Government Participation @ 50%		$31,305.00

Amendments

No. 1 - Agreed August 15, 1958, effective April 29, 1957. Change in the description of the work. Adds 700 feet of long-hole drilling.

No. 2 - Agreed November 3, 1958. Completion time extended from 18 months to 26 months from the date of the contract. Royalty payment period increased from 10 to 11 years.

No. 3 - Agreed February 13, 1959, effective February 1, 1959. Change in the description of work. Increases amount of diamond drilling from 2,000 feet to 2,473.6 feet.

Work Completed

STAGE I

Extending adit, 800 feet @ $32.75/ft.	$26,200.00
Diamond drilling, 2,473.6 feet @ $5.50/ft	13,604.80
Sample assaying, 3 samples @ $4.50/ea.	13.50
Core boxes, 60 @ $3.50/box	210.00
Long-hole drilling, 700 feet @ $1.00/ft.	700.00
Total Cost of Work Completed	$40,728.30

STAGE II

No work approved under this stage.

Final Reports

Operator's final report, not dated, received by Field Officer November 7, 1960.
Field Officer's final report, dated May 6, 1960.
Work under the terms of the contract was started on August 18, 1957, and work under Stage I was completed during March 1959.

3. Audit Report of Review - made in lieu of a final audit, dated November 9, 1960.

Total cost billed by Operator	$40,728.30
Exceptions	-0-
Total Acceptable Cost	$40,728.30
Government Participation @ 50%	$20,364.15

4. Certification of Discovery - None Issued.

5. Comments -

The purpose of the project was to explore an area on the northeast side of the projected intersection of two large quartz porphyry dikes by extending the Davis Adit Level. However, the work done under the terms of the contract indicated that the porphyry dikes are narrow, irregular, have short lengths and cannot be projected with assurance. The target area was explored by extending the Davis Adit and six diamond drill holes but no ore bodies or significant mineralized zones were discovered. No ore was mined during the period of the contract.
The Operator at his own expense, completed nine diamond drill holes.
Due to the unsatisfactory results of Stage I work, Stage II work was not approved and the contract was terminated.
A certification of Discovery is not warranted and is not recommended.

J. W. Alt

JWAlt:kb - November 18, 1960
cc: Director's reading file
Mr. Alt
Chron.
Docket

DMEA Form 17
Feb. 58

DEFENSE MINERALS EXPLORATION ADMINISTRATION

WORK COMPLETED ANALYSIS

After final audit or review report is received, prepare original only and file in official docket

Operator John H. Uhalde		Actual Cost	
State Nevada		Agreed Unit Cost	X
Final Report of Audit		Commodity Lead-Copper	Docket No. DMEA-4425
Final Report of Review	X		Contract No. Idm-E 1083

Operation	Authorized by Contract and Amendments		Completed		Net cost after sale of Government Property
	Units	Cost	Units	Cost	
Stage I Drifting & Crosscutting	800 ft. @ $32.75/ft	$26,200.00	800 ft.	$26,200.00	
Stage II Raising or Drifting	600 ft. @ $32.75/ft.	$19,650.00			
~~Shafts~~ Timbering - Stage II	250 ft. @ $7.00/ft.	1,750.00			
~~Winzes~~ Long-hole drilling Stage I	700 ft. @ $1.00/ft.	700.00	700 ft.	700.00	
Drilling (Specify) Diamond - Stage I	2,473.6 ft. @ $5.50/ft.	13,605.00	2,473.6	13,604.80	
Stage I - 10 samples assayed ~~Surface Exploration~~ @ $4.50/sample		45.00	3	13.50	
Stage II - 100 samples assayed ~~Underground Exploration~~ @ $4.50/sample		450.00			
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify) Stage I - 60 core boxes @ $3.50 each (wooden)		210.00	60	210.00	
Totals		$62,610.00		$40,728.30	*

* Net cost total must agree with final report of audit or review.

Prepared by J. W. Lee Date 11/17/60

31398

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
3/12	Johnson	110
		120
		100
		220

MAR 1 5 1965

Hon. Alan Bible
United States Senate
Washington, D. C. 20510

Attention: Mr. Jack Carpenter

Re: IMEA-4425 (Lead-Copper)
John M. Uhalde
Aladdin Mine
Elko County, Nevada
Contract Idm-X1083

Dear Senator Bible:

In response to the telephone request from your office on March 10, 1965, we are enclosing two copies of the application of Mr. John M. Uhalde for exploration assistance filed with the former Defense Minerals Exploration Administration.

We understand that Mr. Uhalde desires to replace his lost copy of the application. We are not including copies of maps or lease and option agreements submitted by Mr. Uhalde, as we presume they are available to him since they were submitted subsequent to the application.

Sincerely yours,

George Fumich, Jr.

Acting Director

Enclosures

FEJohnson/bih/gla (3-12-65)
cc to: Director's Reading File
Docket
Mr. Johnson

23263

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
4/13	[illegible]	500
5/3	Talbert	800
5/4	Selfridge	120
		110
		220

MAY 4 1961

Mr. Charles B. Evans
Vice President
Aladdin Mines Company
Elko, Nevada

Re: DMEA-4425 (Lead-Copper)
John H. Uhalde
Aladdin Mine
Elko County, Nevada
Contract Idm-E1083

Dear Mr. Evans:

Enclosed is a copy of a self-explanatory letter of today to the Operator under the subject contract.

This correspondence relates to the Consent to Lien and Subordination Agreement signed by you on May 20, 1957, under the DMEA program which has now been succeeded by the Office of Minerals Exploration program.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

Enclosure

GLAult/a
4-13-61
cc to: Director's Reading File
Region II (2)
Code 500
Docket

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
4/13	Drumm	500
5/3	Talbert	800
5/4	Selfridge	120
		110
		220

MAY 4 1961

Mr. Martin L. Reite and
Mrs. Esther A. Reite
1145 Glendora
Danville, California

Re: DMEA-4425 (Lead-Copper)
John H. Uhalde
Aladdin Mine
Elko County, Nevada
Contract Idm-E1083

Dear Mr. and Mrs. Reite:

Enclosed is a copy of a self-explanatory letter of today to the Operator under the subject contract.

This correspondence relates to the Consent to Lien and Subordination Agreement signed by you on February 28, 1957, under the DMEA program which has now been succeeded by the Office of Minerals Exploration program.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

Enclosure

GLAult/a
4-13-61
cc to: Director's Reading File
Region II (2)
Code 500
Docket

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
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5/3	Talbot	800
5/4	Selfridge	120
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MAY 4 1961

Mr. Henry W. Aplington
President
Thurber Estate Corporation
c/o T. K. Stevenson
285 Madison Avenue
New York 17, New York

Re: DMEA-4425 (Lead-Copper)
John H. Uhalde
Aladdin Mine
Elko County, Nevada
Contract Idm-E1083

Dear Mr. Aplington:

Enclosed is a copy of a self-explanatory letter of today to the Operator under the subject contract.

This correspondence relates to the Consent to Lien and Subordination Agreement signed by you on January 31, 1957, under the DMEA program which has now been succeeded by the Office of Minerals Exploration program.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

Enclosure

GLAult/a
4-13-61
cc to: Director's Reading File
Region II (2)
Code 500
Docket

8623

OFFICIAL FILE COPY
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UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
555 Battery Street
San Francisco 11, California

November 15, 1960

Memorandum

To: Fiscal Section, Division of Administrative Services, OME, Office of the Secretary, Department of the Interior, Washington, D. C.

From: Acting Field Officer, OME, Region II

Subject: Docket No. DMEA-4425 (Lead-Copper)
John H. Uhalde
Aladdin Mine
Elko County, Nevada
Contract No. Idm-E-1083

This office concurs in the facts presented in the Report of Review for the subject contract and returned is the original copy of the report.

Margaret A. Flowers

GLENN G. GENTRY

Attachment

cc: Contract Administration and Audit Division, OME, Washington, D. C.

Copy to: OME File, Region II

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
11/10	gad	220
"	aet	500

NOV 10 1960

Memorandum

To: Acting Field Officer, Region II

From: E. D. Talbert, Acting Chief (Signed) E. D. Talbert
Contract Administration and Audit Division

Subject: DMEA-4425 (Lead-Copper)
John H. Uhalde
Aladdin Mine
Elko County, Nevada
Contract Idm-E1083

As requested by your November 7 memorandum a Report of Review, in lieu of a final audit, on the subject contract has been prepared. The original and two copies are attached.

If you concur in the facts as stated in this Report of Review, please make the distribution authorized by section 4 of OME Circular 2, dated February 17, 1960. If for any reason you do not concur, please return the original and both copies to this Division with your comments.

The copies of the final (April 1959) MF-104, MF-104A, and narrative submitted with your memorandum are returned.

Attachments

EDTalbert/ama
November 10, 1960

Copy to: Docket
Director's Reading File
CA & A Division
Mr. Rothrock

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
555 Battery Street
San Francisco 11, California

Official
~~EXTRA~~ COPY
O. M. E
RECEIVED NOV 9 1960
DATE IN
11/9 alt 500

November 7, 1960

Memorandum

To: Contract Administration and Audit Division, OME, Washington, D.C.

From: Acting Field Officer, OME, Region II

Subject: Docket No. DMEA-4425 (Lead-Copper)
John H. Ubalde
Aladdin Mine
Elko County, Nevada
Contract No. Idm-E-1083

Work under the subject contract was terminated effective March 23, 1960, by letter to the operator advising that work proposed in Stage II of the contract would not be approved by the Government.

The number of units of work completed by the operator and accepted by the Field Team as conforming to contract specifications were:

Stage I: 800 feet of crosscutting
700 feet of longhole drilling
2,473.6 feet of diamond drilling
Purchase of 60 core boxes
3 samples were analyzed.

An acceptable final engineering and geological report was received from the operator on November 7, 1960.

A report of review, in lieu of a final audit, is in order and requested. For this purpose, the copies of the final (April, 1959) MF 104 and MF 104A together with the operator's narrative are attached.

GLENN G. GENTRY

Attachments

cc: Chief, Division of Field Operations, OME, Washington, D. C.

Copy to: OME File, Region II

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

555 Battery Street
San Francisco 11, California

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 9 1960

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November 7, 1960

Memorandum

To: Contract Administration and Audit Division, OME, Washington, D.C.

From: Acting Field Officer, OME, Region II

Subject: Docket No. DMEA-4425 (Lead-Copper)
John H. Uhalde
Aladdin Mine
Elko County, Nevada
Contract No. Idm-E-1083

Enclosed herewith is a copy of the operator's undated final report on the cited contract, received on November 7, 1960.

The report is believed to be in accord with the requirements of the contract and acceptance is recommended.

Therefore, subject to audit, the sum of $200.00 withheld from the operator's March, 1959 voucher is due and payable.

GLENN G. GENTRY

Attachments

cc: Chief, Division of Field Operations, OME, Washington, D. C.

Copy to: OME File, Region II

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

555 Battery Street
San Francisco 11, California

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 9 1960

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		~~VVO~~
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Memorandum

To: Chief, Division of Field Operations, Washington, D. C.

From: Acting Field Officer, OME, Region II

Subject: Docket No. DMEA-4425 (Lead-Copper)
John H. Uhalde
Aladdin Mine
Elko County, Nevada
Contract No. Idm-E-1083

Enclosed are the original and two copies of the operator's final report on the subject contract received on November 7, 1960. Only the three enclosed maps, Exhibits A, B and C were submitted with the report.

We recommend the report be accepted and consider it is in accord with the contract.

GLENN G. GENTRY

Attachments

Copy to: OME File, Region II

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

555 Battery Street
San Francisco 11, California

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 9 1960

DATE	INITIALS	CODE
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11/9	[illegible]	VO
		800
		500

November 7, 1960

Mr. John H. Uhalde
1975 Palisade Drive
Reno, Nevada

Re: Docket No. DMEA-4425 (Lead-Copper)
John H. Uhalde
Aladdin Mine
Elko County, Nevada
Contract No. Idm-E-1083

Dear Mr. Uhalde:

We wish to acknowledge receipt of your final report on the cited contract as of this date, together with the accompanying three maps, namely, Exhibits A, B and C.

Thank you for this information.

Very truly yours,

GLENN G. GENTRY
Acting Field Officer, OME
Region II

cc: Chief, Division of Field Operations, OME, Washington, D. C.

Copy to: OME File, Region II

TERMINATION OF DMEA 4425 (Lead-Copper)
Aladdin Mine, Elko County, Nev.
Contract No. Idm-E 1083

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 9 1960

DATE	INITIALS	CODE

Work on this contract started the 15th day of August, 1957. After considerable rehabilitation on the existing low tunnel, we started cross-cutting under the contract, termed Phase I.

Upon completing the cross-cutting, we diamond-drilled our total allocation under Phase I.

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS:

The Bullion (Railroad) Mining District is situated 28 miles southwest of Elko, Nevada, by dirt road, discovered in the late 1860s. The district has produced nearly $4,000,000 in silver, lead, copper and zinc. Most of this production was during the period 1870 to 1890 with second high period 1905 to 1920. The major properties in the district are now owned or controlled by the Aladdin Mines Company, Uhalde Lease.

The mines are located high on the slopes of Bunker Hill, one of the main peaks of the Pinon Range. The climate is semi-arid with most of the precipitation occurring as winter snowfall.

The ore bodies occur in paleozoic limestones, or in the intrusive igneous rocks which have invaded the sediments. Contact metamorphic copper ore bodies and replacement-type silver-lead ore bodies account for the major production of the district. Halloysite clay and tungsten mineralization occurring in the district may also have importance. The major control

determining the location of the important ore bodies appears to be the intersection of two large quartz porphyry dikes.

A low, level cross-cut tunnel (Davis Tunnel) driven to intercept extensions of the ore bodies at depth, has penetrated 5,175 feet towards the intersection area and 2,500 feet of diamond drilling has been completed attempting to place the dikes.

The potential of the district, if the ore bodies can be found on the David Tunnel level, is inferred to be nearly $5,000,000 gross.

The cost of the proposed exploration program was $62,610.00, of which Phase I only was used.

The great potential of the district plus the good possibility of success of the exploration far outweighs the cost of the project.

After completion of the exploration of this project, we feel a number of quartz porphyry dikes or rhyolite dikes, extend from a mass of igneous rock origin, these dikes at depth are clustered in a manner which suggests that they radiate from a small local vent.

Considerable exploration must be accomplished to differentiate the ages of the intrusives and their position in the favorable sedimentary block before we will locate the ore bodies.

We are, at the present, eliminating each intrusive and with

more successful shows of commercial mineralization.

DESCRIPTION OF WORK COMPLETED:

800 feet of cross-cutting

700 feet of long-hole drilling

2,473.6 feet of diamond drilling - work started August 15, 1957 - work under contract completed April 29, 1959.

DESCRIPTION OF GEOLOGY:

Maps enclosed - Exhibits "A", "B" "C"

FINANCIAL:

Expenditures allowed by contract	$ 62,610.00
Expended approximately on a 50-50 basis	40,728.50
Unexpended approximately	21,881.50

Three amendments allowed under contract.

Sincerely yours,

John H. Uhalde

JOHN H. UHALDE

NOV 1960
BUREAU OF MINES
OFFICE OF
MINERALS EXPLORATION
REGION 11

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 3 1960
DATE
11/3 Cal 210
11/3 [illegible] 800
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UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
555 Battery Street
San Francisco 11, California

November 1, 1960

Mr. John H. Uhalde
1975 Pulitzer Drive
Reno, Nevada

Re: Docket No. IMEA-4425 (Lead-Copper)
John H. Uhalde
Aladdin Mine
Elko County, Nevada
Contract No. Ida-E-1083

Dear Mr. Uhalde:

Reference is made to our letter of September 21, 1960 relative to the closing of this project account if the Operator's Final Report has not been received in this office by November 23, 1960.

We will appreciate receiving your Final Report prior to the expiration date.

Very truly yours,

GLENN G. GENTRY
Acting Field Officer, OME
Region II

cc: John H. Uhalde, P. O. Box 2670, Reno, Nevada
Chief, Division of Field Operations, OME, Washington, D. C.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
555 Battery Street
San Francisco 11, California

OFFICIAL FILE COPY
O. M. E.
RECEIVED SEP 26 1960

DATE	INITIALS	CODE
9-26	gad	VVO
	JET	800
10/3	~~[illegible]~~	100
	~~[illegible]~~	

September 21, 1960

Mr. John H. Uhalde
1975 Palisade Drive
Reno, Nevada

Re: Docket No. DMEA-4425 (Lead-Copper)
John H. Uhalde
Aladdin Mine
Elko County, Nevada
Contract No. Idm-E-1083

Dear Mr. Uhalde:

Reference is made to our various letters of May 18, June 15, July 20 and August 17, 1960 requesting your final report on the cited and terminated contract. We will appreciate receiving your final report on this project as soon as possible and for your further convenience we have extended the period for receipt of the report in this office for 45 days or to November 23, 1960.

If the report is not received within 45 days, (ending November 23, 1960) from the date of this letter, the project account will be closed by disallowance of $400.00 from the otherwise acceptable costs, and the Government's 50 percent contribution of $200.00, heretofore withheld, will be retained by the Government in lieu of a final report.

Very truly yours,

GLENN G. GENTRY
Acting Field Officer, OME
Region II

cc: John H. Uhalde, P. O. Box 2670, Reno, Nevada
Chief, Division of Field Operations, OME, Washington, D. C.

OFFICIAL FILE COPY

Date	Surname	Code
9/14	Swanson	500
9/15	Talbert	800
9/15	ECL	130
"	Johnson	110
9/15	Cae	220
		500

SEP 15 1960

Memorandum

To: Acting Field Officer, Region II

From: Chief, Division of Field Operations

Subject: DMEA-4425 (Lead-Copper)
John H. Uhalde
Aladdin Mine
Elko County, Nevada
Contract Idm-K1083

This is with reference to letters of Region II to the Operator, dated March 23, May 18, June 15, July 20, and August 17, 1960, and to your memorandum of September 8.

If the report has not been received to date, you should advise the Operator that, if the report is not received within 45 days from the date of your letter, the project account will be closed by disallowance of $400.00 from the otherwise acceptable costs, and the Government's 50 percent contribution of $200.00, heretofore withheld, will be retained by the Government in lieu of a final report.

When this matter has been concluded, the Field Officer should request an audit review in accordance with the procedures set forth in OME Circular 2, dated February 17, 1960.

/s/ George C. Selfridge (SAL)

JWAlt/EDTalbert/gla
9-14-60
cc to: Director's Reading File
Review Committee
Docket
Chron
Mr. Alt
Code 500
Code 800

43683

Form 7
58)

OFFICIAL FILE COPY

Date	Surname	Code
9/14		500
		500
		800
		130
		110
		220
		500

Memorandum

To: Acting Field Officer, Region II

From: Chief, Division of Field Operations

Subject: DMEA-4425 (Lead-Copper)
John H. Uhalde
Aladdin Mine
Elko County, Nevada
Contract Idm-E1083

This is with reference to letters of Region II to the Operator, dated March 23, May 18, June 15, and August 17, 1960, and to your memorandum of September 8.

If the report has not been received to date, you should advise the Operator that, if the report is not received within 45 days from the date of your letter, the project account will be closed by disallowance of $400.00 from the otherwise acceptable costs, and the Government's 50 percent contribution of $200.00, heretofore withheld from payment to the Operator, will be retained by the Government.

When this matter has been concluded, the Field Officer should request an audit and, thereafter, submit its final report and recommendations regarding certification as soon as possible.

JWAlt/gla
9-14-60
cc to: Director's Reading File
Review Committee
Code 500
Docket
Chron

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
555 Battery Street
San Francisco 11, California

OFFICIAL FILE COPY
O. M. E.
RECEIVED SEP 12 1960

DATE	INITIALS	CODE
9-12	gad	VVO
9/13	[illegible]	800
	Brought	
	alf	500

September 8, 1960

Memorandum

To: Chief, Division of Field Operations, OME, Washington, D.C.

From: Acting Field Officer, OME, Region II

Subject: OPERATOR'S FINAL REPORT
Docket No. DMEA-4425 (Lead-Copper)
John H. Uhalde
Aladdin Mine
Elko County, Nevada
Contract No. Idm-E-1083

Beginning on March 23, 1960, and continuing at approximately monthly intervals we have endeavored, without success, to obtain a final report from the operator on the cited contract work.

As nearly six months time has elapsed it would seem that a sufficient period has been allowed the operator in which to submit the report.

I will appreciate having any suggestions and/or instructions you may wish to issue regarding the closure of this contract.

Glenn G. Gentry

GLENN G. GENTRY

Copy to: OME File, Region II

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
555 Battery Street
San Francisco 11, California

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 22 1960

DATE	INITIALS	CODE
8-22	gad	220
8/22	[illegible]	800
August 17, 1960		
"	[illegible]	500

Mr. John H. Uhalde
1975 Palisade Drive
Reno, Nevada

Re: Docket No. DMEA-4425 (Lead-Copper)
John H. Uhalde
Aladdin Mine
Elko County, Nevada
Contract No. Idm-E-1083

Dear Mr. Uhalde:

Reference is made to our letters of May 18, June 15 and July 20, 1960 all of which request your Final Report on the subject contract.

We will appreciate receiving your Final Report as soon as possible in order that we may conclude all matters pertaining to the contract.

Very truly yours,

Glenn G. Gentry
Acting Field Officer, OME
Region II

cc: Chief, Division of Field Operations, OME, Washington, D. C.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
555 Battery Street
San Francisco 11, California

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUL 22 1960

DATE	INITIALS	CODE
7-22	gad	220
7/22	[illegible]	800
July 20, 1960		
4	alt	500

Mr. John H. Uhalde
1975 Palisade Drive
Reno, Nevada

Re: Docket No. DMEA-4425 (Lead-Copper)
John H. Uhalde
Aladdin Mine
Elko County, Nevada
Contract No. Idm-E-1083

Dear Mr. Uhalde:

Reference is made to my letter of June 15, 1960 and your telephone call on May 23, 1960, both regarding your Final Report on the cited terminated contract.

We will indeed appreciate receiving your Final Report as soon as possible in order to expedite conclusion of all matters pertaining to the project.

Very truly yours,

Glenn G. Gentry
Acting Field Officer, OME
Region II

cc: Chief, Division of Field Operations, OME, Washington, D. C.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
555 Battery Street
San Francisco 11, California

June 15, 1960

Mr. John H. Uhalde
1975 Palisade Drive
Reno, Nevada

Re: Docket No. DMEA-4425 (Lead-Copper)
John H. Uhalde
Aladdin mine
Elko County, Nevada
Contract No. Idm-E 1083

Dear Mr. Uhalde:

This letter will acknowledge receipt of your voucher for April 1959 which claims reimbursement for an additional 14.6 feet of drill hole, together with the attached operator's narrative for that period.

Please submit your Final Report, as itemized in Article 5 (c) of the contract, as soon as possible in order that we may expedite conclusion of all matters pertaining to the termination of the project.

To assist you in preparation of the Final Report we enclose a suggested outline which may be of interest.

Very truly yours,

Glenn G. Gentry
Acting Field Officer, OME
Region II

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 17 1960

DATE	INITIALS	CODE
6-17	gad	VVO
6/17	[illegible]	800
"	[illegible]	500

Attachment

Copy to: Chief, Division of Field Operations, OME
OME File

Suggested Outline of
Final Report on Completed Contract
by the Operator

This report should include:

1. Summary

   History of Project Operations

2. Conclusions and Recommendations

3. Description of Work Completed

   Feet of drifting

   Feet of drill hole (refer to drill logs submitted with monthly progress reports)

   Date Contract Work Started and Completed

4. Description of Geology

   Estimate of ore reserves
   (Submit copies of map as attached to your April 1959 voucher.)

5. Financial

   Expenditures allowed by contract

   Expended

   Unexpended

Number of amendments issued during the period of the contract. Production, if any, and value thereof, during period of contract.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
555 Battery Street
San Francisco 11, California

Official
EXTRA COPY
O. M. E
RECEIVED JUN 17 1960

DATE	INITIALS	CODE
6/20	WLT	100
June 15, 1960		

Memorandum

To: Fiscal Section, Division of Administrative Services, Office of the Secretary, Department of the Interior, Washington, D. C.

From: Acting Field Officer, OME, Region II

Subject: Docket No. DMEA-4425 (Lead-Copper)
John M. Umalde
Aladdin mine
Elko County, Nevada
Contract No. Idm-E 1083

Reference is made to the attached original and two copies of the operator's final voucher for the month of April, 1959 claiming reimbursement for 14.6 feet of additional drilling and amounting to $30.30.

The sum of $200.00 has been withheld from the operator's voucher of March, 1959 and is considered sufficient to ensure receipt of his final report.

Glenn G. Gentry

Attachments 3

Copy to: Chief, Contract Administration Audit Division, OME
Chief, Division of Field Operations, OME
OME File

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
555 Battery Street
San Francisco 11, California

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 25 1960

DATE	INITIALS	CODE
5-25	gad	VVO
5/25	[illegible]	800
5/25	[illegible]	500
	alt	
May 23, 1960		

Memorandum

To: Chief, Division of Field Operations, OME, Washington, D. C.

From: Acting Field Officer, OME, Region II

Subject: Docket No. DMEA-4425 (Copper-Lead)
John H. Uhalde
Aladdin Mine
Elko County, Nevada
Contract No. Idm-E 1083

Reference is made to my letter of March 23, 1960 to the operator of the subject contract, requesting his Final Report in order to conclude the project.

Mr. Uhalde informed me today, via telephone, that he would immediately prepare and submit his final voucher and report.

Glenn G. Gentry

Glenn G. Gentry

Copy to: H. K. Stager, U.S.G.S.
OME File

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
555 Battery Street
San Francisco 11, California

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 20 1960

DATE	INITIALS	CODE
5-20	gad	120
5/20	[illegible]	800
5/23	[illegible]	500
~~May 18, 1960~~		

Memorandum

To: Chief, Division of Field Operations, OME, Washington, D. C.

From: Acting Field Officer, Region II

Subject: DMEA-4425 (Lead-Copper)
John H. Uhalde
Aladdin mine
Elko County, Nevada
Contract No. Idm-E 1083

Reference is made to your letter of May 13, 1960 relative to the cited contract and the footage of diamond drilling completed under the terms of the contract.

Amendment No. 3, dated February 13, 1959, allows 2473.6 feet of diamond drilling. The May 11, 1959 Interim report: six drill holes totaling 2513.4 feet were completed by the operator; the excess 39.8 feet drilled at his expense.

On his March 1959 MF 104-104A vouchers, the operator claimed reimbursement for 2,459 feet of drilling. He is therefore entitled to claim reimbursement for an additional 14.6 feet of drilling whenever he submits the final report and accounting.

The Final Report by the Field Team should therefore be corrected to show 2473.6 feet of drilling as that allowable footage was actually completed.

Glenn G. Gentry

Copy to: OME File

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
555 Battery Street
San Francisco 11, California

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 20 1960

DATE	INITIALS	CODE
5-20	gad	520
5/20	[illegible]	800
5/23	[illegible]	500
May 18, 1960		

Mr. John H. Uhalde
P. O. Box 2670
Reno, Nevada

Re: Docket No. DMEA-4425 (Lead-Copper)
John H. Uhalde
Aladdin Mine
Elko County, Nevada
Contract No. Idm-E 1083

Dear Mr. Uhalde:

Reference is made to our letter of March 23, 1960 advising you that work proposed in Stage II of the cited contract would not be approved by the Government and requesting you to submit your final account and final report to this office.

In order to expedite closure of this contract account, we will appreciate receiving your final voucher and final report as soon as possible.

Very truly yours,

Glenn G. Gentry
Acting OME Field Officer
Region II

Copy to: Chief, Division of Field Operations, Washington, D. C.
OME File

OFFICIAL FILE COPY

Date	Surname	Code
	GCS	500
	Friewald	500
5/13	Tallant	800
5/13	GCS	130
	Jones	110
5-13	gad	220
		500

MAY 13 1960

Memorandum

To: Acting Field Officer, Region II

From: Chief, Division of Field Operations

Subject: DMEA-4425 (Lead-Copper)
John Uhalde
Aladdin Mine
Elko County, Nevada
Contract Idm-E1083

With reference to the cited terminated contract, we note there is a discrepancy in the amount of diamond drilling completed under the terms of the contract.

The Final Field Team Report states that 2,459 feet of drilling were completed. The Interim Report dated May 11, 1959, states 2,473.6 feet were completed, but on page 2 of the same report it shows a total of 2,513.4 feet. Please advise us as to the correct amount of diamond drilling actually performed.

(3) George C. Selfridge (GCS)

JWAlt/GCSelfridge/gls/fw-5/12/60

cc: Director's Reading File
Review Committee
CA&A Division
Docket
Chron.

43683

OFFICIAL FILE COPY

Date	Surname	Code
5/11		500
		500
		800
		130
		110
		220
		500

Memorandum

To: Acting Field Officer, Region II

From: Chief, Division of Field Operations

Subject: IMEA-4425 (Lead-Copper)
John Uhalde
Aladdin Mine
Elko County, Nevada
Contract No. Idm-E1083

With reference to the cited terminated contract, we note there is a discrepancy in the amount of diamond drilling completed under the terms of the contract.

The final Field Team report states that 2,459 feet of drilling were completed. The Interim Report, dated May 11, 1959, states 2,473.6 feet were completed, but on page 2 of the same report it shows a total of 2,513.4 feet. Please advise us as to the correct amount of diamond drilling that the Operator should be paid for.

Of course, you realize that under the terms of the contract the amount of allowable diamond drilling is 2,473.6 feet.

JWAlt/gla
5-11-60
cc to: Director's Reading File
Review Committee
CA&A Division
Docket
Chron

43683

DMEA FORM 6 REFERENCE SLIP

REV. 12-56 DEFENSE MINERALS EXPLORATION ADMINISTRATION

TO:	INITIALS	DATE
1. 500 Mr. Alt		
2.		
3.		
4.		
5.		
FROM: 800		

FOR: Check items for action desired

____ Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS: Re: DM8a-4425

Final Fld. Inv. Report states 2,459' drilling completed. Interim Report 5/11/59 states 2,473.6' completed, but lists logs aggregating 2,513.4' What is correct?

Talbut
5/10/60

INT.-DUP. SEC., WASH., D.C. M25803

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
555 Battery Street
San Francisco 11, California

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 9 1960

DATE	INITIALS	CODE
5-9	gad	220
5-9 ~~May 6, 1960~~	LHB	130
		~~120~~
5/9	JAA	110
5/9	[illegible]	800
5/10	[illegible]	500
D. C.		

Memorandum

To: Operating Committee, OME, Washington, D. C.

From: Acting Field Officer, OME, Region II

Subject: Final Report
Docket No. DMEA-4425 (Lead-Copper)
John H. Uhalde
Aladdin Mine
Elko County, Nevada
Contract Idm-E 1083

Attached are the original and three copies of a final report on the subject property.

Also attached are two copies of Review of Examination Report.

Glenn G. Gentry
Acting OME Field Officer
Region II

Attachments

Copy to: H. K. Stager, U.S.G.S.
OME File

F.T. Final Report

5/9/60 - 1 cy to ea P.F. Yopes, USBM, & Harold Fukuno, USBS
Extra copy of report attached
LBerry

6-993

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Report Nos.

REVIEW OF EXAMINATION REPORT

State Nevada *County* Elko *Mineral products* Lead-Copper

Name of property Aladdin Mine (Docket No. DMEA-4425)

Owner *Address*

Lessee or Operator John H. Uhalde *Address* 1975 Palisade Drive, Reno, Nevada

Location Sec. 4, T. 30 N., R. 53 E., M.D.B. & M., Railroad or Bullion mining district on the northeast slopes of Bunker Hill at altitudes ranging from 6700 to 8490 feet.

Examined by Glenn G. Gentry, A. C. Johnson, USBM and H. K. Stager, U.S.G.S. *Date* August 4, 1959

Apparent quality of examination and report Good

Discussion and review: Inferred ore reserves in the old, upper mine workings are estimated at about 50,000 tons averaging about 11 percent lead, 4 percent copper and 15 ounces of silver per ton. These ore deposits are replacement bodies of lead, zinc, copper and silver ores in marbelized limestone. The ore bodies are chimneys at the intersection of faults or dikes. However, the DMEA work indicated that the porphyry dikes are narrow, irregular, have short strike lengths and cannot be projected with assurance. The extension of the Davis adit level and the diamond drilling from that level adequately explored the target area.

No ore was found by the DMEA exploration and certification of a discovery is not recommended.

DATE	ACTION	BY

Reviewed by Acting Field Officer, Region II

Date May 6, 1960

16—53871-1 U. S. GOVERNMENT PRINTING OFFICE

UNITED STATES

DEPARTMENT OF THE INTERIOR

FRED A. SEATON, SECRETARY

OFFICE OF MINERALS EXPLORATION

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 9 1960

DATE	INITIALS	CODE
5-9	gad	vvo
		130

REPORT OF EXAMINATION BY FIELD TEAM
REGION II

FINAL REPORT

DMEA-4425, CONTRACT Idm-E1083(Lead-Copper)
John H. Uhalde
Aladdin Mine
Elko County, Nevada

by

Glenn G. Gentry
U. S. Bureau of Mines

H. K. Stager
U. S. Geological Survey

May 3, 1960

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Sampling 12	
Ore Reserves 13	

ILLUSTRATIONS

Figure 1. . . . . Index map

2. . . . . Geologic map

INTRODUCTION

The Aladdin Mine, Elko County, Nevada, was explored by John H. Uhalde, 1975 Palisade Drive, Reno, Nevada. Part of the work was done in cooperation with the Defense Minerals Exploration Administration, Docket DMEA-4425, Contract IDM-E1083, dated April 29, 1957.

The cost of the project was $40,648. of which the Government's share at 50 per cent was $20,324. (subject to audit). Work was begun on August 18, 1957 and work under Stage 1 was completed during March 1959. An examination to evaluate the completed work was made on August 4, 1959 by Glenn G. Gentry and A. C. Johnson, U. S. Bureau of Mines, H. K. Stager, U. S. Geological Survey, accompanied by John H. Uhalde.

Prior to the Present contract, three previous applications, DMA-872, DMEA-2531, and DMEA-3005, were denied on the basis of inadequate, indicated and inferred reserves.

SUMMARY

The purpose of the project was to explore an area on the northeast side of the projected intersection of two large quartz porphyry dikes by extending the Davis Adit Level. This Level was inferred to intersect the principal target area about 700 feet below the lowest known mine workings.

The project was justified by mineralized exposures in the upper workings of the old mine; by a favorable geologic setting projected to the Davis Adit Level; inferred ore reserves totaling 175,000 tons estimated to average 11.0 per cent Lead, 9.0 per cent Zinc, 4.0 per cent Copper and 15.0 ounces of Silver per ton; and past production of approximately 75,000 tons of ore valued at about $4,506,425.

? 8473.6' See Dunes 5/18/60

Project work consisted of 800 feet of Cross Cutting; 2,459 feet of diamond drilling; 700 feet of long hole drilling; and the analyses of 3 samples.

The target area was explored by extending the Davis Adit and 6 diamond drill holes but no ore bodies or significant mineralized zones were discovered. No ore was mined during the period of the contract, 175 [illegible] [illegible] [illegible] [illegible] [illegible] [illegible].

CONCLUSIONS AND RECOMMENDATIONS

Neither the work completed under Stage 1 of the DMEA Contract nor the subsequent work done by the operator justified approval of work provided in Stage 2. The target area was adequately explored but no ore was found.

We recommend denial of Government assistance, if requested, in additional exploration on the Davis Adit Level.

Certification of a discovery is not recommended.

LOCATION, ACCESSIBILITY AND LOCAL FACILITIES

The Aladdin mine is in Sec. 4, T. 30N., R 53E., M.D.B. & M., Railroad (Bullion) Mining district, Elko County, Nevada, 31 miles South Westerly from Elko, Nevada (Fig. 1). Roads to the mine, on the northeast slopes of Bunker Hill at altitudes ranging from 6,700 to 8,490 feet, are unimproved desert roads subject to closure by snow storms. No milling facilities are available at the mine and crude ore is hauled by truck to the Southern Pacific Railroad or Western Pacific Railroad loading ramps in Elko for transhipment to smelters in the Salt Lake City, Utah area or Selby, California.

Water for domestic use is obtained from springs adjacent to the mine camp and for mining use is obtained either from the Davis adit or from springs about 1/2 mile north of the mine camp.

Mine labor, equipment and supplies are usually obtained in Elko. Telephone, mail, trucking and railroad freight services are available in Elko. Mine equipment is operated by diesel and/or gasoline powered engines.

Housing facilities at the mine can accomodate about ten men.

THE PROPERTY

History and Ownership

Ore was discovered in the late 1860's. Development and production began in 1869 when the Railroad mining district was officially organized. By 1873 two furnaces had been erected to smelt the Silver-rich ores and nearly 300 people inhabited the camp. Production continued during the 1870's and 1880's mostly by the Empire Mining Company of New York City. In 1905 the Nevada Bunker Hill Mining Company was formed, and the principal mines of the district were consolidated. Various ore bodies were opened for lease and production continued to 1920. The Davis low level adit was driven during this period. The property was idle from 1920 to 1928 when the Bunker Hill Mining Company was reorganized and the Aladdin Mines Company was formed. This company extended the Davis Adit sereral hundred feet and in 1946 the Newmont Mining Corporation completed a small amount of drifting and cross cutting off the Davis adit. In 1949 John H. Uhalde and Ben Parker of Reno, Nevada obtained a lease and option to the Aladdin Mines Company property and operated it under the name of Lead-Copper Mines, Incorporated. Production under this lease was continued to May 1952, when the New World Exploration, Research and Development Corp. of Seattle, Washington, obtained an assignment of the Lead-Copper Mines Lease and option. However, the lease was dropped and the property reverted to Uhalde who continued operations until about 1955.

The property consists of 15 patented and 29 unpatented mining claims, leased to John H. Uhalde in July 15, 1956. The claims pertinent to the exploration contract are:

Patented:

Webfoot	U.S.S. No. 40	U. S. Pat. Amended 1924
Tripoli	U.S.S. No. 48	No. 1013054, Mineral Survey No. 4608
Tripoli East	U.S.S. No. 49	Valley View; Vindicator Fraction
Sky Blue	U.S.S. No. 47	Sylvania; Victor Fraction
Mounted Ledge	U.S.S. No. 51	Kennilworth; Wide West
Bullion	U.S.S. No. 39	Unpatented
Standing Elk	U.S.S. No. 38	
Cleveland	U.S.S. No. 50	
Hoffman	U.S.S. No. 52	

	Book	Page
Sweepstakes North	40	103
Sweepstakes South	40	103

Unpatented:

	Book	Page		Book	Page
Storm King	17	102	Mahogany	21	95
Spring	17	101	Last Chance	20	413-414
Snowbird	7	597	Lark	7	603
Portal Fraction	8	263	Key	20	694-695
Portal	8	262	Homestake	17	6
Owl	7	604	Hoffman Fraction	17	101
Canary	39	366	Holdup	17	5
Nevada	7	597	Eagle	7	596
Mendota	17	102	Dike No. 7	49	446-447
Burke Fraction	21	94-5	Dike No. 8	49	446-447
Dike No. 1	48	15	Dike No. 9	49	446-447
Dike No. 2	49	446-447	Dike No. 11	49	446-447
Dike No. 3	49	446-447	Dike No. 6	49	446-447
Dike No. 4	49	446-447			

The claims are recorded at the Elko County Court House, Elko, Nevada and all claims listed are included in the projecgt

Development:

The Bullion District is developed by several mines totaling more than two miles of underground workings. The portion above the Davis Adit target area was developed principally by the Standing Elk and Webfoot workings. About 5,000 feet of rehabilitated old and new workings were accessible at the time of the application examination and included the 400-, 500- and 600-levels which were then in production.

The Webfoot tunnel, driven from the same level as the Standing Elk, is developed by a 900-foot drift and several hundred feet of cross cuts. The Davis Adit is 700 feet below the lowest level of the Standing Elk mine and has been extended a total distance of about 6,040 feet.

The Davis Adit cross cut and the DMEA workings were all in good condition and accessible at the time work on the project was discontinued.

Production:

Years	Tons	Percent Lead	Percent Copper	Ozs./Ton Silver	Estimated Value
1869-1884	29,350	31.7	5.5	25.6	$3,000,000
1885-1888	6,736	6.5	1.8	12.8	218,424
1888-1904		No Production			
1905-1910	2,263	8.9	4.4	17.2	86,992
1910-1911		No Production			
1912-1948	24,420	6.4	5.3	12.4	978,009
1923-1941		Intermittent Production			
1949-1951	3,000	---	---	----	80,000
1952	2,475	8.1	1.32	14.7	54,300
1953	1,680	12.1	2.12	18.24	38,800
1954-1955	1,527	7.8	1.51	14.25	22,900
1956	2,640	---	----	-----	27,000
1957-Present		No Production			

The DMEA Project:

The contract work was divided into two successive stages. The operator was to perform the Stage I work, and as much of the Stage II work as approved in writing in advance by the Government.

Authorized work under Stage I comprised:

1. Extend Davis adit 800 feet.
2. Extend adit timbering 350 feet.
3. Diamond drilling, 2000 feet.
4. 200 samples assayed for lead, copper, zinc, silver and gold.
5. 60 core boxes (Weed).

During the period of the contract three amendments were issued:

Amendment No. 1, dated August 15, 1958, added item No. 5 to include under Stage I, 700 feet of long hole drilling at locations approved in advance by the Government. Item 2 of Stage I, costs were revised to reduce the allowed timbering from 350 feet to 250 feet. A new item 6 was added to provide for 700 feet of long hole drilling at $1.00/foot or $700.000.

Amendment No. 2, dated November 3, 1958, extended the date of completion from 18 months to 26 months from the date of the contract and extended the period of royalty payments from 10 years to 11 years.

Amendment No. 3, dated February 13, 1959, revised the work to specify 2,473.6 feet of diamond drilling and 10 samples to be assayed for lead, copper, zinc, silver and gold.

The completed work is itemized as follows:

Stage I:

Item Units	Davis Adit (1) Cross cut	(2)Timbering	Diamond (3)drilling	Long hole (4)drilling	Samples
Authorized	800 Ft.	250 Ft.	2,473.6 Ft.	700 Ft.	10
Completed	800 "	None	2,459.0 "	700 "	3

2473.6

See F.T. Memo 5/18/60

The Stage I work was completed during March 1959 and the operator submitted a request for an extension of the contract time and additional diamond drilling. The period from March 1959 to March 23, 1960 was required principally to obtain necessary data from the operator, to make other examinations and reports and a general detailed study and review of the project. On March 23, 1960, the operator was informed that Stage II of the project would not be approved and he was requested to submit his final account and final report.

Expenditures:

Total approved cost of the project	$62,610.00

Units, Unit Costs and Total Expenditures:

800 feet of cross cut at $32.75/ft.	$26,200.00
2473.6 See memo 5/18/60 2,459 feet of diamond drilling at $5.50/ft.	13,524.50
700 feet of long-hole drilling at $1.00/ft.	700.00
60 core boxes at $3.50/each	210.00
3 samples analyzed	13.50
Total expended (subject to audit)	$40,648.00
Government's share of total expenditures at 50%	$20,324.00
Unexpended funds	$21,962.00
Value of production during operations	$0.00
Royalty paid to the Government	None
Royalty due the Government from production	None

Equipment:

Work performed under the contract was on a unit cost basis and the Government has no interest in equipment, materials or supplies, with the exception of $105.00 expended in the purchase of 60 wood core boxes.

No interest; unit cost contract.
Talbert 5/10/60

Geology

Geology of the district has been described by Granger, Bell, Simmons, and Lee 1/ and by Reeves and Jones 2/. Much of the following brief descriptions have been taken from these reports.

1/ Granger, A. E., Bell, M. M., Simmons, G. C., and Lee, F. J., 1957, Geology and Mineral Resources of Elko County, Nevada; Nevada Bureau of Mines Bulletin 54, p. 126-132.

2/ Reeves, R. G., and Jones, H. W., DMEA Application Report, DMEA-4425, December 3, 1956.

The mine area is underlain by sedimentary rocks of Ordovician age that have been folded, faulted, and intruded by granitic stocks and dikes. The rocks are well exposed and the relief is steep.

The sedimentary rocks consist of massive 2- to 5-foot thick-bedded limestone, separated from overlying thin-bedded limestone by a 100 foot thick quartzite unit. The lowermost limestone is tentatively correlated with the Pogonip group; the quartzite with the Eureka quartzite; and the overlying limestone with the Hanson Creek limestone.

The structure of the sedimentary rocks in the Aladdin mine area is complicated by the intrusion of the granitic stocks and dikes and by faulting. On the east flank of Bunker Hill the rocks dip moderately to steeply east, and on the west flank gently west, suggesting an anticlinal fold trending about N. 25° W. However, faulting has probably been the chief determining factor in the attitude of the rocks.

The sedimentary rocks have been intruded by a stock of granodiorite and related quartz porphyry dikes. Near the igneous rocks the limestone has been metamorphosed to tactite composed chiefly of garnet, epidote,

quartz, amphibole, and pyroxene; farther from the igneous rocks, the limestone has been changed to marble.

Two prominent faults and numerous minor faults and fractures cut the rocks in the mine area. One major fault trends N. 20° E. and dips steeply east, and the other trends N. 75° W. and is nearly vertical. The displacement on the N. 75° W. fault is about 800 feet.

Ore Deposits:

The ore deposits are replacement bodies of lead, zinc, copper, and silver minerals in marbleized limestone. The ore bodies are thought to be genetically related to the quartz porphyry dikes, to which they are adjacent.

The primary ore minerals are argnetiferous galena, chalcopyrite, bornite, and sphalerite. The principal secondary minerals are cerusite, cerargyrite, pyromorphite, malchite, azurite, chrysocolla, cuprite, and chalcocite. The most abundant gangue minerals are quartz, calcite, and iron and manganese oxides. The ore deposit is exposed to a maximum depth of 500 feet below the surface, and is almost completely oxidized. The ore bodies are chimneys at the intersections of faults or dikes. The largest chimney of ore was at the intersection of the two large quartz porphyry dikes, on the Storm King claim, which was developed by the Standing Elk workings. The exact length and width of the Standing Elk ore body is not known, and inaccessibility of the workings prevents measurement. However, over 50,000 tons of high-grade lead-copper-silver ore averaging 18.2 percent lead, 5.4 percent copper, 19 ounces of silver and 0.04 ounce of gold per ton was produced through a vertical range of about 400 feet. Mining by the operator prior to the DMEA contract, indicates that at least one ton of lower-grade

material averaging about 5.0 percent lead, 9.0 percent zinc, 3.0 percent copper, and 10 ounces of silver per ton was left for every ton of higher grade ore mined. The Standing Elk ore body thus contained 100,000 tons of ore, or about 250 tons of ore per foot of depth.

Ore shoots on the 400-, 500-, and 600-foot levels are from 50 to 100 feet long, and 10 to 30 feet wide. The vertical extent is unknown, but several are found on both the 400- and 500-levels, a slope distance of about 125 feet. About 8,700 tons of ore averaging 9.6 percent lead, 1.53 percent copper, 6.0 percent zinc, and 15.6 ounces of silver per ton was produced from ore shoots in those levels from 1949 to the end of 1955.

The DMEA work indicated that the porphyry dikes are narrow, irregular, have short strike lengths, and cannot be projected with assurance. They are cut by many faults, most of which also cannot be projected very far. The halloysite zone on the No. 5 level, which was mapped by earlier geologists as altered dike rock and which was part of the basis for the projected ore zone on the Davis adit level, is a hydrothermal alteration product of limestone. The downward continuation of the mineralized zone may follow the alteration zone which may ormay not everywhere follow the narrow dikes. Alteration products in the DMEA crosscut are metamorphic rather than hydrothermal. The area of most intense argillic alteration on the Davis level is the breccia zone near the end of the Davis crosscut and may correlate with the halloysite zone on the upper levels. The alteration zone appears therefore to dip north.

The structural control may or may not be related to the dikes. Most likely the ore-control faults follow dikes only in a few places where they happen to have the same attitudes. The ore bodies on the 5-level

are along faults that dip south but do not persist to the Davis level. The only mineralized fault that is apparently continuous between the two levels is at the south drift near the start of the DEEA work, but it is not mineralized where it cuts the end of the Davis crosscut. Several diamond-drill holes were drilled to explore for downward continuations of the dikes but none were found. Several holes were drilled to explore for the downward continuation of the hyrothermal zones, but only metamorphic alteration was found. The presence of these large zones of intensely silicified limestone with abundant wollastonite on the Davis adit level is indicative of high temperatures unfavorable to lead and copper deposition.

Sampling:

The operator took 7 samples during the period of the contract and reported the assay results as follows:

Sample No.	Width	Lead	Percent Copper	Zinc	Ozs./Ton Silver	Ozs./Ton Gold	Location
1.	1'	None	0.3	0.2	1.60	0.02	D.D.H.5,109'-110'
2.	31"	"	3.8	0.3	29.00	0.02	70' up Raise
3.	4'	"	Tr.	0.2	Tr.	Tr.	D.D.H.5,209'-213'
---	2"	Nil	0.25	Nil	4.0	0.01	D.D.H.10, 505'
---	-	"	0.3	"	Tr.	Tr.	D.D.H.10, 515'
---	12"	"	1.5	"	4.0	Nil	D.D.H.13, 612'
---	31"	0.5	2.6	11.95	3.3	"	Back of Raise, 100' above level.

Eight samples were taken by the DMEA engineers and assayed as follows:

Sample No.	Width	Percent Lead	Percent Copper	Percent Zinc	Ozs./Ton Silver	Ozs./Ton Gold	Location
526	18"	0.1	0.13	--	---	---	26' from start of DMEA work
589	?	13.2	0.36	3.5	26.10	0.005	By H.W. Jones
609	?	0.1	0.03	---	Tr.	Tr.	By ?
789	?	---	0.05	---	0.05	0.02	By B.H. Sheahan
2543	18"	---	7.92	---	3.10	0.005	Face of Operators Rs in So. crosscut
2544	12"	---	0.59	---	3.55	Tr.	No. side of DMEA crosscut 42' West of Sta. 43
2545	12"	7.1	0.14	---	24.80	Tr.	Across back of DMEA crosscut 97' east of Sta. 45
2546	Grab	---	0.14	---	0.40	Tr.	Grab from bottom of operators Rs. in So. X-cut

Ore Reserves:

At the time of the DMEA application examination about 2,000 tons of measured and indicated ore reserves, averaging 9.5 percent lead, 1.5 percent copper, 6.0 percent zinc, and 15.5 ounces of silver per ton, were estimated by the operator and geologists of the A. S. & R. Co. These reserves have not been mined and are still valid.

As a result of the exploration the ore shoots have been proven to be limited in downward extent. Instead of the projection to at least 700 feet below known ore exposures in the old upper workings it is now inferred that the ore zone probably does not extend more than a few hundred feet. Using the past production figure of about 250 tons of ore per foot of depth inferred reserves are now about 50,000 tons of ore that averages about 11 percent lead, 9 percent zinc, 4 percent copper, and 15 ounces of silver per ton.

The logs of drill holes No's. 1 to 6 inclusive, in which the Government participated, were attached to the operator's monthly reports from September 1958 to March-April 1959.

Drill logs for holes No's. 7-8-9A-9B-10-11-12-13-14, drilled by the operator at his sole expense, were attached to the DMEA examiners' interim report dated August 12, 1959.

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEM-4425
(Lead-Zinc-Copper)
Idm-E1083

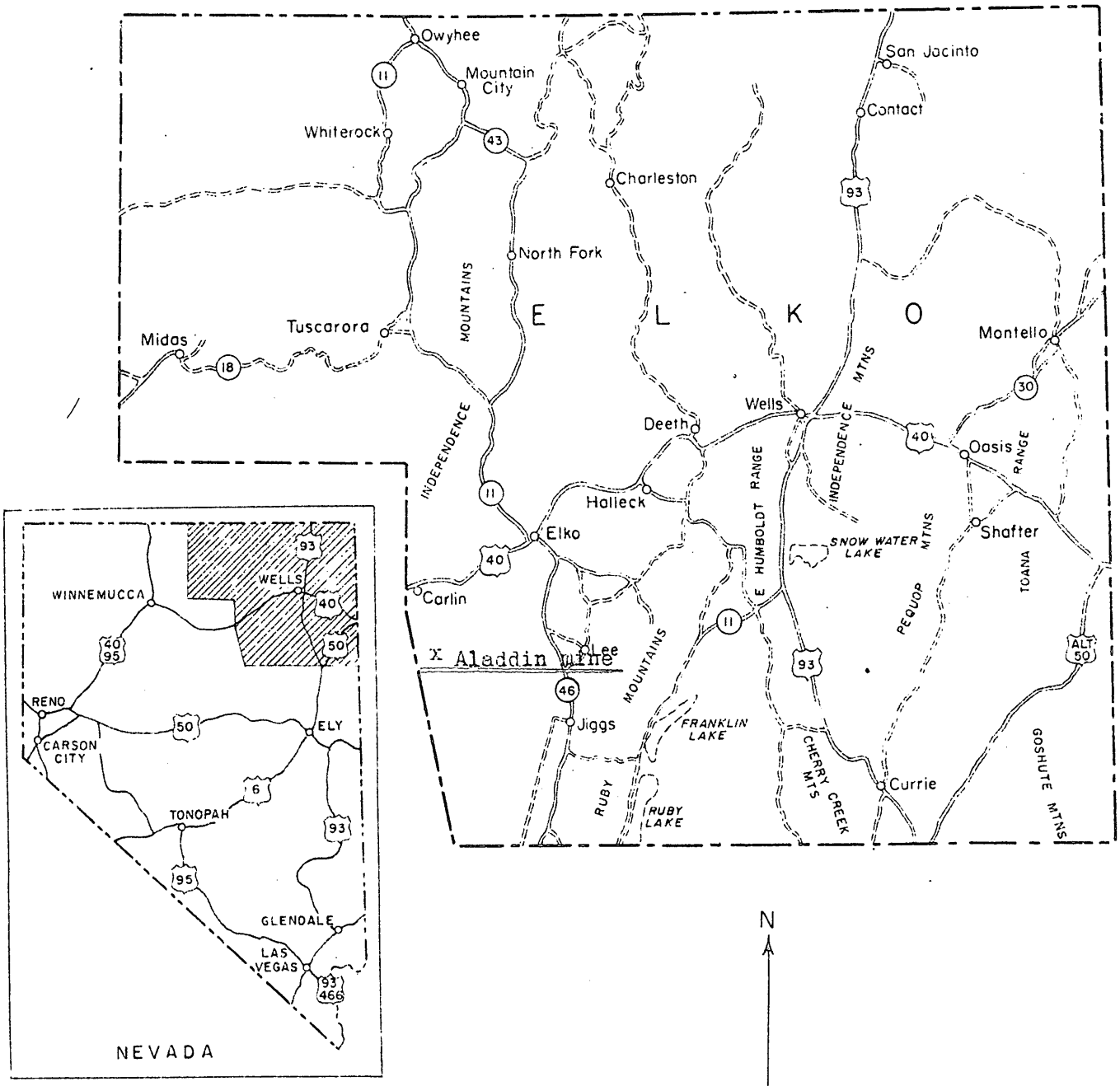


Figure 1. INDEX MAP OF ELKO COUNTY, NEVADA

0 25 50 75 MILES

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 9 1960

DATE	INITIALS	CODE

MME Form 7
(10-58)

Docket No. DMEA-4425

MAR 29 1960

OFFICIAL FILE COPY

Date	Surname	Code
3/29	gad	220
3/30	[illegible]	500
4/	[illegible]	120

Memorandum

To: Executive Officer, OME Field Team, Region II
/s/ C. E. Fisher for

From: E. D. Talbert, Acting Chief
Contract Administration and Audit Division

Subject: Proposed visit of C. E. Fisher to Region II

Thanks for your memorandum dated March 23, 1960. Mr. Fisher will contact Mr. Walker Monday morning April 18, 1960, for the purpose of performing the cost audit.

If, in your opinion, the salvage offer by Shasta Minerals & Chemical Company, Contract Idm-E1006, Docket DMEA-4092, is acceptable to the Government, it is suggested that you proceed in the manner outlined in DMEA Circular 30, January 28, 1953, as supplemented. Section 2(e) of Acting Secretary of the Interior Order No. 2834, September 22, 1958, as promulgated by OME Operating Committee Memorandum No. 1, dated September 30, 1958, delegates to Executive Officers authority to "approve in writing of the sale and join in the sale for the joint account of the Operator and the Government" within limitations not exceeded in this instance.

An amount sufficient to cover the Government's share of the value of salvage, possible audit disallowances, and value of engineering reports and maps required under the terms of the contract should have been withheld from payment. (See Questions and Answers Nos. 20 and 21 of Memorandum No. 8, June 25, 1952, and Special Notice in Minutes of Operating Committee, No. 219, May 22, 1953.) Apparently, the balance due to Shasta Minerals as the Government's share of exploration costs will be found by the audit to be substantially less than the offer for the salvage so that the net result will be a determination of a balance due to the Government.

There are returned herewith the original and three copies of the MF-104 and original and two copies of the MF-104A, together with attachments, relating to February 1960 exploration work by Shasta Minerals which you sent to the Fiscal Section with memorandum dated March 15, 1960. One copy of the MF-104A has been retained in line with provisions of Special Notice in Minutes of Operating Committee No. 192, dated March 20, 1953. Upon receipt of Mr. Fisher's audit report and certificate forms MF-104 and MF-104A should be submitted to the Fiscal Section for handling in accordance with the procedure prescribed by OME Circular 1 and Section 4 of OME Circular 2.

43683

I have also secured from the Fiscal Section and am returning herewith the forms MF-104 and MF-104A (except for one copy of form MF-104A) pertaining to the following contracts:

Combined Metals Reduction Co. - April/May 1959, Idm-E1161, DMEA-4815
Hamilton Corporation - February 1960, Idm-E1212, DMEA-4924

These vouchers should be handled in the manner prescribed in OME Circular 2; that is, if the work is terminated or completed request for cost review should be made in the manner provided.

Mr. Fisher's time in San Francisco will be limited. He will complete the cost audit report pertaining to Shasta Minerals, arrange for disposition of audit work-paper files now in the custody of the authorized Certifying Officer, and make royalty reviews as deemed appropriate. It is not intended that he should make cost reviews. Thus, he will not review the contracts with New Idria Mining and Chemical Company, Idm-E1137, DMEA-4654, and John H. Ubalde, Idm-E1083, DMEA-4423, which should be handled in accordance with the procedure set forth in OME Circulars I and 2.

Attachments

CEFisher/ama
March 29, 1960

Copy to: Docket - DMEA-4425
Director's Reading File
CA & A Division
Mr. Fisher

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

555 Battery Street
San Francisco 11, California

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAR 25 1960

DATE	INITIALS	CODE
3/25	RCW	225
3/25	[illegible]	800
3/28	[illegible]	500

March 23, 1960

Mr. John H. Uhalde
P. O. Box 2670
Reno, Nevada

Re: Docket No. DMEA-4425 (Lead-Copper)
John H. Uhalde
Aladdin mine, Elko County, Nevada
Contract No. Idm-E 1083

Dear Mr. Uhalde:

Because of the unfavorable results of Stage I work, the work proposed in Stage II of the subject contract will not be approved by the Government.

A review of the contract, as amended, and the work performed indicate that a Termination Agreement is not required since essentially all of the authorized work has been completed.

Therefore, pursuant to Article 5 (c) of the contract, please submit your final account and final report to this office as promptly as possible.

Very truly yours,

W. F. Dietrich
Executive Officer
OME Field Team, Region II

Copy to: Operating Committee, OME
H. K. Stager, U.S.G.S.
A. C. Johnson, Reno
OME File

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
3/14		500
		500
3/14		800
3/15		130
3/15		110
3/16		220
		500

MAR 16 1960

Memorandum

To: Executive Officer, OME Field Team, Region II

From: Chairman, Operating Committee, OME

Subject: Docket No. BMRA-4425 (Lead-Copper)
John H. Uhalde
Aladdin Mine
Elko County, Nevada
Contract No. Idm-E1083

With reference to your memorandum, dated February 25, 1960, please proceed according to our memorandum of January 26, and request Mr. Uhalde to submit his final account and final report.

/s/ George C. Selfridge

APPROVED:

P. F. Yopes
Member, Bureau of Mines

W. P. Williams
Member, Geological Survey

JWAlt/gla 3-14-60
cc to: Director's Reading File
Operating Committee
H. M. Callaway, USBM
Harold Kirkemo, USGS
Docket
Chron

43683

IN REPLY REFER TO:

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

March 9, 1960
Re: DMEA 4425 (Lead-Copper)
John H. Uhalde
Aladdin Mine
Elko County, Nevada

Memorandum

To: W. R. Griswold, Office of Minerals Exploration

From: Harold Kirkemo, U. S. Geological Survey

Subject: Review of request for extension of contract

Information in Mr. Uhalde's letter of February 23, 1960, does not justify reinstatement and extension of the contract.

I pointed out in a previous review (August 20, 1959) of this request the uncertainity of establishing a target from long projections of the geologic elements involved. The X, Y, Z area is perhaps as logical a drilling target as any that could be planned from work completed to date; however, it does not seem attractive enough to justify Government participation in exploration.

More than six months have passed since the Operator drilled diamond drill holes 10, 11, and 13, which are reported to have intersected mineralized material. Apparently other targets were more attractive because the Operator reports work has been done elsewhere. The Operator has made no effort to evaluate the results obtained from drill holes 10, 11, and 13. No assays of core, no geologic maps or cross sections are available to support the request to drill into the X, Y, Z area. The lack of interest to assess the information already accummulated tends to discourage further exploration.

Harold Kirkemo

Harold Kirkemo

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
555 Battery Street
San Francisco 11, California

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 29 1960

DATE	INITIALS	CODE
2-29	gad	200
2/29	[illegible]	800
3/7	[illegible]	500

February 25, 1960

Memorandum

To: Chairman, Operating Committee, OME, Washington, D. C.

From: Executive Officer, OME Field Team, Region II

Subject: Docket No. DMEA-4425 (Lead-Copper)
John H. Uhalde
Aladdin mine
Elko County, Nevada
Contract No. Idm-E 1083

Yesterday we forwarded to you a copy of a letter from John H. Uhalde in reply to our letters to him of December 9 and 17, 1959. Although we do not believe that Mr. Uhalde's reply is adequate, we will await your advice as to whether or not to proceed in accordance with the third paragraph of your memorandum to me of January 26, 1960, and advise Mr. Uhalde that Stage 2 will not be approved and request that he submit his final account and final report.

W. F. Dietrich

W. F. Dietrich

Copy to: H. K. Stager, U.S.G.S.
A. C. Johnson, Reno, Nevada
OME File

Copy to Mr. Kokomo - 3/8/60

BUREAU OF MINES
DIVISION OF
MINERAL RESOURCES
REGION II

OFFICIAL FILE COPY
O M E
RECEIVED FEB 26 1960

DATE	INITIALS	CODE
2-26	gad	220
2/26		800
"		500

P. O. Box 2670
Reno, Nevada
February 22, 1960

W. F. Dietrich, Executive Officer,
OME Field Team, Region II,
U. S. Department of the Interior,
555 Battery Street,
San Francisco, California.

RE: DOCKET NO. DMEA 4425 (Lead-Copper)
ALADDIN MINE, ELKO COUNTY, NEVADA
CONTRACT NO. Idm-E 1083

Dear Mr. Dietrich:

Reference is made to your letter of February 2, 1960.

All the work done on the property since March of 1959 to date has not been under the Contract. The work completed, however, consists of some 123 feet of raising, 193 feet of cross-cutting and 2,600 feet of ax-core drilling.

Knowing the Contract would expire in July, we submitted a limited drilling proposal to extend the time on the Contract without disrupting the main structure of Phase II for potential future use. In August, we met with the OME Field Team and made available all the logs from our drilling on Holes 6 through 14. At this time we discussed what we felt these holes disclosed geologically. The Field Team had a copy of our proposed extension and drilling program and they assured me that the information we presented was sufficient for consideration.

As to the amount of work done after the visit of the Field Team, when the Field Team arrived we were in the process of drilling a series of 200-foot holes at various declinations on a fractural zone. We found copper mineralization varying from 31 inches down to 18 inches with very poor core recovery. These samples have not been sent for assay as yet. We intend to drill two more holes on this zone in an attempt to obtain additional length to the mineralized structure. Drilling will be resumed as soon as our water problem has been resolved.

We have not made a geological map showing conclusions regarding the rock formations to be expected in the drilling of Holes X, Y, and Z. We took the information from drill holes 6 through 14 and made a distance correction to our original geologic target and projection. We feel that the X, Y, Z area contains the local vent from which the porphyry dikes radiate and cut the sedimentary formations.

February 23, 1960

The relationship of mineralization in the district is contiguous and simultaneous to the igneous intrusives. Our exploration is confined to locating the intrusives on this level.

Sincerely yours,

John H. Uhalde

JOHN H. UHALDE

JHU:H
A I R

Operating Committee, OME

2/29/60 - Send copy to Mr. Kerkman, USGS.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
555 Battery Street
San Francisco 11, California

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 17 1960

DATE	INITIALS	CODE
2/17	RCW	225
2/17		800
"		600
February	15, 1960	~~225~~

Memorandum

To: Chairman, Operating Committee, OME, Washington, D. C.

From: Executive Officer, OME Field Team, Region II

Subject: Docket No. DMEA-4425 (Lead-Copper)
John H. Uhalde
Aladdin mine
Elko County, Nevada
Contract No. Idm-E 1083

Reference is made to your letter of February 9, 1960 regarding the subject contract.

Enclosed are verifax copies of a letter and attached maps, from the operator, dated June 21, 1959 and a copy of my letter to the operator on July 29, 1959.

W. F. Dietrich

W. F. Dietrich

Attachments:

Copy to: H. K. Stager, U.S.G.S.
A. C. Johnson, Reno, Nevada
OME File

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 17 1960

DATE	INITIALS	CODE

555 Battery Street
San Francisco 11, California

July 29, 1959

Mr. John E. Unalde
1975 Palisade Drive
Reno, Nevada

Re: DMEA-Nev5 (Lead-Copper)
John E. Unalde
Aladdin Mine
Elko County, Nevada
Contract Idm-E 1083

Dear Mr. Unalde:

In order that we may properly appraise your request for additional diamond-drilling under Stage II of the above cited DMEA contract, the following information is required:

1. Complete logs of holes 6 through 13.

2. A geologic sketch map showing your interpretation of the geologic structures revealed by this drilling.

3. A detailed description of the "sulfide ore" intersected by hole 13 including assays, where available, or visual estimates of the thickness, grade, and mineralogy of the metal-bearing zone.

On receipt of this information we will be pleased to give further consideration to your request. Mr. Glenn O. Gentry will be in Reno this coming weekend and will contact you with reference to answering the above questions and to arrange a visit to the property early next week.

Very truly yours,

W. P. Dietrich
Executive Officer
OME Field Team, Region II

Copy to: H. K. Stager, Menlo Park
OME File
Chron.

WPDietrich:mf

June 21, 1959

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 17 1960

DATE	INITIALS	CODE

PROPOSAL
RE: DMEA 4425
IDME 1083

TO: W. F. Dietrich
Executive Officer
OME Field Team, Region II

1. Operator requests four (4) months extension in time.
   a. To complete 1600 feet of diamond drillings to satisfy termination of contract or full commitment of Phase II.

2. Operator has drilled seven (7) diamond drill holes at operators' expense to clarify the geology on Davis Tunnel level, aggregate footage 2,486 feet.

3. Diamond drill holes Numbers X and XIII showed the first presence of sulfide ore. Both holes intersected quartz porphyry. Hole XIII confirmed the extent and content of the intrusive quartz intersected in the Davis Tunnel.

4. Hole XIII discloses a variation and error in our original projection. The mineralization in the district is controlled by the intersection of two main porphyry dikes.

This area was our primary target for exploration. It is evident now that we reached the North fringe of this area in our tunnel.

We feel from drill hole Number XIII the favorable limestone series lies in the plane of holes x, y, and z now proposed for drilling.

   a. Diamond drill hole x--South 5° West four hundred feet.

W.F. Dietrich

b. Diamond drill hole y south 25° West Six hundred feet.

c. Diamond drill hole z South 45° West Six hundred feet.

Total footage for participation, Sixteen hundred feet.

CONCLUSIONS:

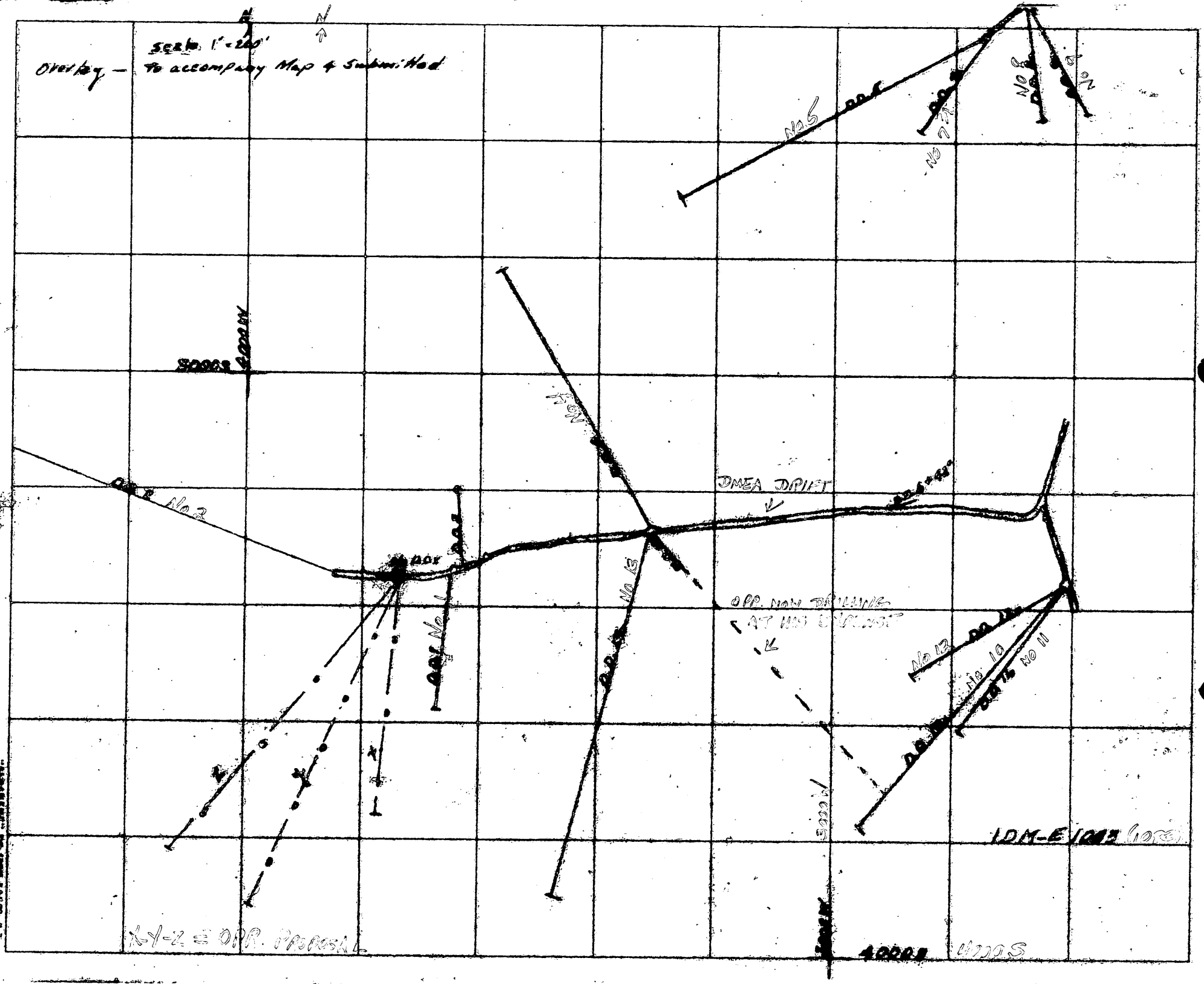
The great potential of the district plus the good possibility of a successful exploration program far outweigh the costs of committing a revised Phase II of the present DMEA Contract.

Very truly yours,

John H. Uhalde

JOHN H. UHALDE
Operator

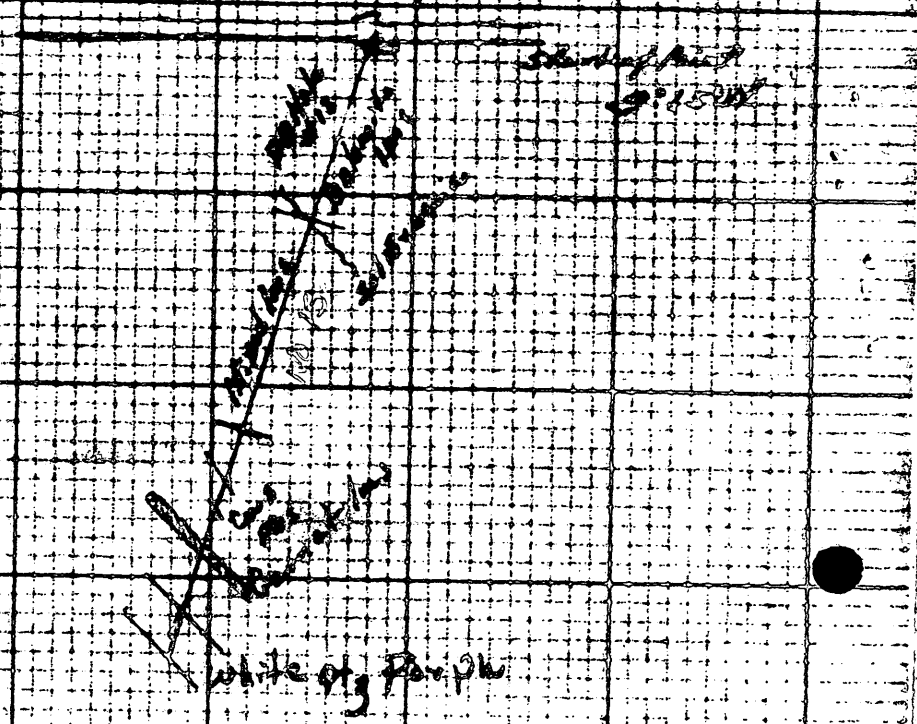
JHU:ld


Scale 1" = 200'
Overlay — To accompany Map & Submitted
N
No 6
No 7
No 8
No 9
No 2
No 13
DMEA DRIFT
OPP. NOW DRILLING
AT HIS EXPLORAT
No 10
No 11
No 12
1DM-E
4000S
X-Y-Z = OPR. PROPOSAL

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 17 1960

DATE	INITIALS	

1" = 200'



IDM-E 1088

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 17 1960

DATE	INITIALS	CODE

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
2/8	Alt	500
	Kirkemo	500
2/9	Talbert	800
2/9	[illegible]	130
2/9	Johnson	110
2-9	gad	220
		500

FEB 9 1960

Memorandum

To: Executive Officer, OME Field Team, Region II

From: Chairman, Operating Committee, OME

Subject: Docket No. IMEA-4425 (Lead-Copper)
John M. Dhalde
Aladdin Mine
Elko County, Nevada
Contract No. Idm-E1083

With reference to your memorandum of February 2, 1960, if the above-cited Operator does not submit the requested additional information by February 23, please advise him in accordance with our memorandum of January 26.

A review of our docket file indicates that we do not have a copy of the letter, dated June 21, 1959, to you from the Operator, as stated in the interim report, dated August 12 by Glenn G. Gentry. Also, we do not have a copy of the letter of July 29 from you to the Operator. Please furnish us with copies of these letters.

(S) George C. Selfridge (JHB)

APPROVED:

P. F. Yopes (JHB)
Member, Bureau of Mines

Harold Kirkemo (JHB)
Member, Geological Survey

JWAlt/gla 2-8-60
cc to: Director's Reading File
Operating Committee
H. M. Callaway, USBM
Harold Kirkemo, USGS
Docket
Chron

Block Style

see memo 2/15/60 from Reg. II

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
555 Battery Street
San Francisco 11, California

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 4 1960

DATE	INITIALS	CODE
2/5	RCW	225
2/5	[illegible]	800
2/5	alt	500
		~~225~~

February 2, 1960

Memorandum

To: Operating Committee, OME, Washington, D. C.

From: Executive Officer, OME Field Team, Region II

Subject: Docket No. DMEA-4425 (Lead-Copper)
John H. Uhalde - Aladdin Mine
Elko County, Nevada
Contract No. Idm-E 1083

Reference is made to your letter of January 26, 1960 regarding termination of the subject contract.

Enclosed is a copy of a letter dated January 17, 1960, received from the operator on February 1, 1960, relative to his proposal for additional drill holes and stating that no further work had been done under the contract. A copy of our reply to this letter, dated February 2, 1960, also is enclosed.

The Interim Report by the Field Team, dated August 12, 1959, together with the attached copies of drill hole logs for holes Nos. 7-14, reported in the previous work under Stage I of the contract and the additional drilling by the operator at his expense. Reference is also made to our letter of October 26, 1959 detailing available drill hole information reported by the operator.

Inasmuch as a decision on the operator's request to drill holes X, Y and Z was dependent upon additional information to be submitted by him and as he now states "no further work has been done under the contract", we infer that the request has been or will be denied. However, we recommend allowing the operator a time interval ending February 23, 1960 during which he has the opportunity to submit geological maps and/or other data to substantiate his request for the additional drill holes.

If the operator fails or neglects to submit the additional data requested, shall we then advise him as per your letter of January 26, 1960?

W. F. Dietrich

W. F. Dietrich

Attachments

Copy to: H. K. Stager, U.S.G.S.
A. C. Johnson, Reno, Nevada

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
555 Battery Street
San Francisco 11, California

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 4 1960

DATE	INITIALS	CODE

February 2, 1960

Mr. John H. Uhalde
1975 Palisade Drive
Reno, Nevada

Re: Docket No. DMEA-4425 (Lead-Copper)
John H. Uhalde - Aladdin Mine
Elko County, Nevada
Contract No. Idm-E 1083

Dear Mr. Uhalde:

Reference is made to your letter of January 17, 1960, relative to the subject contract, received in this office on February 1, 1960.

We note that no further work has been done under the contract. From that statement, are we to assume that you have no new information or data to report that is relevant to the continuation of the contract.

see attachments to 2/15/60 memo Reg II

On July 29, 1959 we requested a geologic sketch map showing your interpretation of the geologic formations revealed by drill holes 10, 11, 12, 13, 14 and on December 9 and 17, 1959 we inquired as to the amount of and results obtained from work conducted after completion of these drill holes.

We will appreciate receiving copies of the log of the 200-foot drill hole which you reported by telephone on August 31, 1959 and the analyses of samples of the drill core, if any. We also request copies of your geological map showing your conclusions regarding the rock formations to be expected in the drilling of holes X, Y and Z.

In order to justify further consideration of your request for the additional work, we should receive the above information requested not later than February 23, 1960.

Very truly yours,

W. F. Dietrich
Executive Officer
OME Field Team, Region II

Copy to: Operating Committee, OME
H. K. Stager, U.S.G.S.
A. C. Johnson, Reno, Nevada
ome file

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 4 1960

DATE	INITIALS	CODE

P. O. Box 2670
Reno, Nevada
January 17, 1960

H. F. Dietrich, Executive Officer,
OME Field Team, Region II,
U. S. Department of the Interior,
555 Battery Street,
San Francisco, California.

RE: Docket No. DMEA-4425 (Lead-Copper)
Aladdin Mine, Elko County, Nevada
Contract, No. Idm-E 1083

Dear Mr. Dietrich:

Reference is made to your letter of December 9, 1959 requesting additional information relative to the subject contract.

In August of 1959, we submitted a proposal for additional drilling for more information under Contract Idm-E 1083.

No further work has been done under Contract Idm-E 1083 as I have been awaiting definite information to my August, 1959 request in order to complete the additional holes.

When I have been informed by your office that these holes have been disapproved, I will consider a mutual termination agreement.

Sincerely yours,

John H. Uhalde
JOHN H. UHALDE

JHU:H

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
1/25/60	Murphy	500
	Fusnold	500
1/26	Talbut	800
1/26	GCS	130
"	Johnson	110
1-26	gad	220
		500

JAN 26 1960

Memorandum

To: Executive Officer, OME Field Team, Region II

From: Chairman, Operating Committee, OME

Subject: Docket No. DMEA-4425 (Lead-Copper)
John N. Uhalde
Aladdin Mine
Elko County, Nevada
Contract No. Idm-E1083

This is with reference to our letter of December 4, 1959, wherein it was stated, in part, that this office would prepare a mutual termination agreement to the subject contract.

A review of the contract, as amended, and the work performed indicate that such an agreement is not required since essentially all the authorized work has been completed.

Accordingly, if the Field Team has not received an answer to its letters of December 9 and 17, 1959, it should advise Mr. Uhalde that as a result of the unfavorable results of Stage I work, Stage II will not be approved and, also, request him to submit his final account and final report.

/s/ George C. Selfridge (GCS)

APPROVED:

P. F. Yopes (GCS)
Member, Bureau of Mines

Harold Kirkemo (GCS)
Member, Geological Survey

JWAlt/FMMurphy/gla (1-18-60)
1-25-60

cc to: Director's Reading File
Operating Committee
H. M. Callaway, USBM
Harold Kirkemo, USGS
Docket
Chron

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
555 Battery Street
San Francisco 11, California

OFFICIAL FILE COPY
O. M. E.
RECEIVED DEC 21 1959

DATE	INITIALS	CODE
12/21	RCW	225
"	EEF	800
12/21	ALP	500
December 17, 1959		

Mr. John H. Uhalde
1975 Palisade Drive
Reno, Nevada

Re: Docket No. DMEA-4425 (Lead-Copper)
Aladdin Mine
Elko County, Nevada
Contract No. Idm-E 1083

Dear Mr. Uhalde:

Reference is made to our letter of December 9, 1959 requesting additional information relative to the subject contract. In this letter you were informed that "if no further word was received from you within the next two weeks, that a mutual termination agreement would be prepared."

As we have not received a reply to the referenced letter, we are again bringing the matter to your attention.

Very truly yours,

W. F. Dietrich
Executive Officer
OME Field Team, Region II

Copy to: Operating Committee, OME, Washington, D. C.
H. K. Stager, U.S.G.S.
A. C. Johnson, Reno, Nevada
OME File

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
555 Battery Street
San Francisco 11, California

OFFICIAL FILE COPY
O. M. E.
RECEIVED DEC 16 1959

DATE	INITIALS	CODE
12-16	gad	VVO
12/16	[illegible]	800
12/17	[illegible]	500

December 9, 1959

Jr. John H. Uhalde
1975 Palisade Drive
Reno, Nevada

Re: Docket No. DMEA-4425 (Lead-Copper)
Aladdin Mine
Elko County, Nevada
Contract No. Idm-E 1083

Dear Mr. Uhalde:

Reference is made to our letter of October 26, 1959, requesting information relative to any exploration work you have done in the contract area since the last Field Team inspection on August 4, 1959, copies of the drill logs, if any, analyses obtained from any samples taken and whether or not there has been any change in your proposed plan of exploration.

The Operating Committee, Washington, D. C. advised us today that if no further word is received from you within the next two weeks, that a mutual termination agreement will be prepared.

I would appreciate receiving any pertinent information from you as soon as possible.

W. F. Dietrich
Executive Officer
OME Field Team, Region II

Copy to: Operating Committee, OME ✓
A. C. Johnson, Reno, Nevada
H. K. Stager, U.S.G.S.
OME Files

rm 7
3)

OFFICIAL FILE COPY

Date	Surname	Code
2/2	[illegible]	500
	[illegible]	500
12/4	Selfridge	130
12/4	Johnson	110
12/4	gad	220
		500

DEC 4 1959

Memorandum

To: Executive Officer, OME Field Team, Region II

From: Chairman, Operating Committee, OME

Subject: Docket No. DMEA-4425 (Lead-Copper)
John H. Uhalde
Aladdin Mine
Elko County, Nevada
Contract No. Idm-E1085

With reference to our memorandum to you, dated October 20, 1959, your reply thereto and your letter to Mr. John H. Uhalde, both dated Octobrr 26, we have been holding this docket open waiting for further data from the Operator.

Mr. Uhalde certainly has had sufficient time to supply the information. Therefore, we wish you would advise him that if this information is not received within two weeks, a (mutual) termination agreement will be prepared.

/s/ George C. Selfridge (JHB)

APPROVED:

Frank D. Lamb (JHB)
Member, Bureau of Mines

Harold Kirkemo (JHB)
Member, Geological Survey

JWAlt/gla 12-2-59
cc to: Director's Reading File
Operating Committee
O. M. Bishop, USBM
Harold Kirkemo, USGS
Docket
Chron

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

555 Battery Street
San Francisco 11, California

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 2 1959

DATE	INITIALS	AMOUNT
11-2	gad	200
11/2	[illegible]	800
11/3	[illegible]	500
October 30, 1959		

Mr. John H. Uhalde
1975 Palisade Drive
Reno, Nevada

Re: Docket No. DMEA-4425 (Lead-Copper)
John H. Uhalde, Aladdin mine
Elko County, Nevada
Contract No. Idm-E 1083

Dear Mr. Uhalde:

In reply to your letter to G. G. Gentry dated September 2, 1959 (received on October 29, 1959) inquiring as to the status of the amount of two hundred dollars ($200.00) withheld by this office from your March 1959 voucher.

Pursuant to instructions from the Executive Officer, OME Field Team, Region II on April 8, 1959, this amount is withheld under authority of Article 5 (c) and (e) of the contract, pending completion or termination of the contract and receipt of the final report from the operator.

We find no evidence in our files indicating that Mr. Sheahan was authorized to promise payment of the withheld funds.

We hope the above explanation will be of value to your accountant in bringing your records up to date.

Very truly yours,

W. F. Dietrich
Executive Officer
OME Field Team, Region II

Copy to: Operating Committee, OME, Washington
H. K. Stager, U.S.G.S.
A. C. Johnson, Reno, Nevada
OME FILE

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
555 Battery Street
San Francisco 11, California

October 26, 1959

Memorandum

To: Chairman, Operating Committee, OME, Washington, D. C.

From: Executive Officer, OME Field Team, Region II

Subject: Docket No. DMEA-4425 (Lead-Copper)
John H. Uhalde, Aladdin Mine
Elko County, Nevada
Contract No. Idm-E 1083

Pursuant to your letter of October 20, 1959 relative to the present status of work under the subject contract:

On August 31, 1959 via telephone, Mr. Uhalde advised that he was proceeding with diamond drilling, at his expense, in the contract area. The drill hole had reached a depth of 200 feet and encountered brecciated limestone and porphyry at 130 feet which showed copper sulfides and carbonates. No assay results were available.

Since the above telephone message we have received no further information or communications from Mr. Uhalde. As the contract expired on June 29, 1959, the four months period of extension requested has now been reached. Enclosed is a copy of our letter to Mr. Uhalde of October 26, 1959.

W. F. Dietrich

W. F. Dietrich

Copy to: H. K. Stager, U.S.G.S.
A. C. Johnson, Reno, Nevada
OME File

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 28 1959

DATE	INITIALS	CODE
10-28	gad	220
"	~~[illegible]~~	500

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

555 Battery Street
San Francisco 11, California

October 26, 1959

Mr. John H. Uhalde
1975 Palisade Drive
Reno, Nevada

Re: Docket No. DMEA-4425 (Lead-Copper)
Aladdin Mine
Elko County, Nevada
Contract No. Idm-E 1083

Dear Mr. Uhalde:

Reference is made to your proposal of June 21, 1959, in which you requested four months extension of the contract period and Government approval of drilling three additional diamond drill holes, Nos. X - Y and Z, totalling approximately 1,600 feet as designated on your map attached to the proposal.

We will appreciate being advised relative to any exploration work you have done in the subject contract area since the last Field Team inspection on August 4, 1959, copies of the drill logs, if any, analyses obtained from any samples taken and whether or not there has been any change in your proposed plan of exploration.

The information is required so that further disposition of the contract may not be too long delayed.

Very truly yours,

W. F. Dietrich
Executive Officer
OME Field Team, Region II

Copy to: Operating Committee, OME, Washington, D. C.✓
H. K. Stager, U.S.G.S.
A. C. Johnson, Reno, Nevada
OME File

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
	Klugescheid	500
	Lamb	500
10/20	GCS	130
10/20	Johnson	110
10/20	gad	220
		500

OCT 20 1959

Memorandum

To: Executive Officer, OME Field Team, Region II

From: Chairman, Operating Committee, OME

Subject: Docket No. DMEA-4425 (Lead-Copper)
John H. Uhalde
Aladdin Mine
Elko County, Nevada
Contract No. Idm-E1083

On September 4, 1959, we received a letter from Senator Bible requesting that we hold up any decision concerning this project until Mr. Uhalde could submit additional data on his application for extension of completion time and approval of further work on his contract.

To date we have received no information from any source on the results that the Operator is alleged to have obtained on further work.

Will you kindly advise him that we are awaiting the required data so that some further disposition of this contract may not be too long delayed.

George C. Selfridge

APPROVED:

Frank D. Lamb
Member, Bureau of Mines

Harold Kirkemo
Member, Geological Survey

cc: Docket
Director's Reading File
Operating Committee
O. M. Bishop, USBM
Harold Kirkemo, USGS
Chron.

WPKlugescheid/GMcC
October 16, 1959

43683

Government's copy

T. Lynch
Hoffman
Seller
Appl. Sol. Off.

TERMINATION AGREEMENT

It is agreed this _____ day of _____, 1959, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and John H. Uhalde, hereinafter called the "Operator," parties to Exploration Project Contract Idm-E1083 (Docket No. DMEA-4425), dated April 29, 1957, as amended, hereinafter called the "Contract," that:

1. Effective June 29, 1959, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government will contribute only to the allowable costs of work performed prior to said effective date.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including the rendering of the final report and the final account.

4. All rights of the Government respecting certification of discovery or development, percentage royalty and liens to secure the payment thereof, reports (including preservation of the Operator's records), accounts, audits, and the right to recover any overpayment are hereby preserved.

5. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract, except as otherwise provided in this termination agreement.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Acting Director, Office of
Minerals Exploration

JOHN H. UHALDE

_____

EA Form 7
12-56)

OFFICIAL FILE COPY

Date	Surname	Code
9/9		500
	Friends	500

September 4 and 5, 1959

Memorandum

To: The File

From: W. P. Klugescheid, Mining Engineer
Division of Minerals, OME

Subject: Telephone conversation with Mr. Joe McDonald of Senator Bible's office concerning
Docket No. DMEA-4425 (Lead-Copper)
John H. Uhalde
Aladdin Mine
Elko County, Nevada
Contract No. Idm-E1083

Mr. McDonald called to ask what was the progress on the request for extension made by Mr. Uhalde. Mr. Klugescheid informed him that the request was still to go to the Operating Committee, but that from the information received by OME on the results of the work that the decision might be a denial of the request. Mr. McDonald said that further work had been done and that he would see what he could do. This call was received on September 4, 1959.

Mr. McDonald again called on September 5 to inform me that Uhalde had done further drilling and that mineralization had been found in the present drill hole. He requested that the decision be held up and said that Senator Bible would write a letter requesting that the decision be deferred pending receipt of the new information from the Operator.

W. P. Klugescheid

W. P. Klugescheid

WPKlugescheid/gla
cc to: Docket
Chron

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
555 Battery Street
San Francisco 11, California

OFFICIAL FILE COPY
O. M. E.
RECEIVED SEP 8 1959

DATE	INITIALS	CODE
9-8	gad	VVO
		170
9-9	Stage	500

September 4, 1959

DM File-4425

Memorandum

To: The Operating Committee, OME, Washington, D. C.

From: Executive Officer, OME Field Team, Region II

Subject: Telephone call from Joe McDonald of Senator Bible's office, Washington, D. C. at 2:30 P.M. yesterday.

Attached is a copy of the memorandum from Glenn G. Gentry regarding subject telephone call, which I discussed with Frank D. Lamb today by telephone.

I would appreciate being kept informed as to the status of this situation.

W. F. Dietrich

W. F. Dietrich

Copy to: H. K. Stager, U.S.G.S.
OME File
Chron.

OFFICIAL FILE COPY
O. M. E.
RECEIVED SEP 8 1959
DATE | INITIALS | CODE
PRO
500

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
555 Battery Street
San Francisco 11, California

September 4, 1959

Memorandum

To: W. F. Dietrich, Executive Officer, OME Field Team, Region II

From: Glenn G. Gentry, Mining Engineer, OME Field Team

Subject: Telephone call from Joe McDonald of Senator Bible's office, Washington, D. C. at 2:30 P. M. today

Joe McDonald of Senator Bible's office called me from Washington, D. C. regarding the pending request for additional drilling from John Uhalde, Aladdin Mine, Contract Idm-E 1083.

McDonald stated that he had conferred with Walter Klugescheid, Mining Engineer, OME Office, Minerals Branch, Washington, D. C., who advised it seemed probable the Uhalde request would be denied from present information available to OME.

I informed Mr. McDonald that this office had no official information relative to OME decision.

McDonald expects to ask OME Operating Committee to hold decision in abeyance until Uhalde can supply further information and/or submit data substantiating mineralization found in the present drill hole.

I also advised Mr. McDonald that 800 feet of cross-cutting and about 3,000 feet of drilling had failed to disclose any significant mineralization.

Glenn G. Gentry

Glenn G. Gentry

Copy to: H. K. Stager
Operating Committee
Chron.

CARL HAYDEN, ARIZ., CHAIRMAN
RICHARD B. RUSSELL, GA.
DENNIS CHAVEZ, N. MEX.
ALLEN J. ELLENDER, LA.
LISTER HILL, ALA.
JOHN L. MC CLELLAN, ARK.
A. WILLIS ROBERTSON, VA.
WARREN G. MAGNUSON, WASH.
SPESSARD L. HOLLAND, FLA.
JOHN STENNIS, MISS.
LYNDON B. JOHNSON, TEX.
JOHN O. PASTORE, R.I.
ESTES KEFAUVER, TENN.
A. S. MIKE MONRONEY, OKLA.
ALAN BIBLE, NEV.
ROBERT C. BYRD, W. VA.
THOMAS J. DODD, CONN.
GALE W. MC GEE, WYO.

STYLES BRIDGES, N. H.
LEVERETT SALTONSTALL, MASS.
MILTON R. YOUNG, N. DAK.
KARL E. MUNDT, S. DAK.
MARGARET CHASE SMITH, MAINE
HENRY DWORSHAK, IDAHO
THOMAS H. KUCHEL, CALIF.
ROMAN L. HRUSKA, NEBR.
GORDON ALLOTT, COLO.

EVERARD H. SMITH, CLERK
THOMAS J. SCOTT, ASST. CLERK

B. Yuma Dd.

United States Senate

COMMITTEE ON APPROPRIATIONS

September 4, 1959

Mr. George Selfridge
Acting Director
Office Minerals Exploration
Department of the Interior
Washington, D. C.

Re: John H. Uhalde
DMEA - 44-25
IDME - 1083

Dear Mr. Director:

I have just received word from Mr. Uhalde by telephone that he would like to submit some additional data to the OME on his application for extension of his exploration loan.

It is my understanding that his loan is now pending before your Committee and it would be appreciated very much if you could hold up any decision until receipt of the new information from Mr. Uhalde.

Cordially,

Alan Bible

ALAN BIBLE

OFFICIAL FILE COPY
O. M. E.
RECEIVED SEP 4 1959

DATE	INITIALS	CODE
9-4	gad	VVO
		~~VVO~~
~~9-4~~	~~Kluge~~	~~VVO~~

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
9/2	GCS	120
9-3	gad	225
9/3	Kluge	500

September 2, 1959

Memorandum

To: Acting Director, Office of Minerals Exploration

From: Special Assistant to the Director, OME

Subject: Docket No. DMEA-4425 (Lead-Copper)
John H. Uhalde
Aladdin Mine
Elko County, Nevada
Contract No. Idm-E1083

On September 1, 1959, Mr. Dietrich telephoned to ask the status of the additional work requested by the subject operator. Mr. Dietrich stated that the operator was calling him quite often by telephone. The writer told Mr. Dietrich that he thought the work would be denied, based on a memorandum he had seen from one of the commodity men. The writer promised Mr. Dietrich that he would expedite an answer.

A termination agreement has been sent to Legal.

George C. Selfridge

GCSelfridge/hb (9/2/59)
Copy to: Director's Reading File
G. C. Selfridge

8623

MEA
(12-56)

SOLICITOR

SEP 2 1959

INTERIOR DEPT.

RECEIVED
SEP 1959
ASSOC. SOLICITOR
MINERAL RESOURCES

OFFICIAL FILE COPY

Date	Surname	Code
9/1	Klugershard	500
		500
9/3	J. Lynch	140
	Hoffland	

Memorandum

To: Associate Solicitor, Division of Minerals Resources

From: W. R. Griswold, Chief, Division of Minerals, OME

Subject: Preparation of Termination Agreement
Docket No. DMEA-4425 (Lead-Copper)
John H. Uhalde
Aladdin Mine
Elko County, Nevada
Contract No. Idm-E1083

FROM SOLICITOR

FOR SIGNATURE

Will you kindly prepare a Termination Agreement for the cited Contract in accordance with the following draft.

TERMINATION AGREEMENT

It is agreed this _____ day of _____, 1959, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government", and John H. Uhalde, hereinafter called the "Operator", parties to Exploration Project Contract Idm-E1083 (Docket No. DMEA-4425), dated April 29, 1957, as amended, hereinafter called the "Contract", that:

1. Effective June 29, 1959, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government will contribute only to the allowable costs of work performed prior to said effective date.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including the rendering of the final report and the final account.

8623

4. All of the rights of the Government provided for in the Contract with respect to a certification of discovery or development, percentage royalty and liens for its payment, records, and audits, and all rights to recover any overpayment, are preserved.

5. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract, except as otherwise provided in this termination agreement.

In WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Acting Director, Office of
Minerals Exploration

JOHN H. UHALDE

By _____

WPKlugescheid/GMcC
September 1, 1959

cc: Docket
~~Director's Reading File~~
Chron.

Approved

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

September 1, 1959

Memorandum

To: The OME Files

From: W. P. Klugescheid, Mining Engineer, Division of Minerals, OME

Subject: Reinstatement of Docket No. DMEA-4425 (Lead-Copper)
John H. Uhalde
Aladdin Mine
Elko County, Nevada
Contract No. Idm-E1083

After completion of the work authorized in Stage I of the project, the Operator drilled 8 diamond drill holes totaling 3,000 feet at his own expense. The logs of these holes are too brief and fail to give much of the information necessary to properly appraise the areas drilled.

The Operator postulates a rake of the ore bodies, mined on the upper levels, to the southwest and infers that ore shoots will be found in the area where he has requested the drilling of 3 holes under Stage II. There is little evidence to support the Operator's theory. Drilling to date has not indicated quartz-porphyry dikes or highly mineralized ground southwest of the DMEA workings. The presence of large zones of intensely silicified limestone with abundant wollastonite is indicative of high temperatures ordinarily unfavorable to lead and copper deposition.

The Field Team states: "Neither the work completed under Stage I of the contract nor the work done by the Operator justifies approval of the 600 feet of drifting provided for by Stage II".

The Field Team suggests drilling one more hole approximately 550 to 600 feet in length to test the area to the southwest of the Davis adit.

Mr. O. M. Bishop, Bureau of Mines, in his review of the request for additional work states: "It is my opinion that the work completed under Stage I plus the drilling subsequently done by the Operator has reduced the possibility of a significant ore strike to so small a value that no further work is justified. I, therefore, recommend the contract be terminated".

Mr. Harold Kirkemo, Geological Survey, states: "I recommend denial of the request to reinstate and extend this contract to December 31, 1959, because of the geologic improbability of making a significant discovery by drilling one more hole from the Davis level."

"The traces of copper, lead, and zinc minerals cut in the drill holes 10, 11, and 13 do not warrant drilling another hole in this area."

The drilling of an extra hole in an area that has shown nothing to date does not seem promising. One more hole will not give enough information so that any ore body would be defined and a certification would be warranted. It would be different if the structures which were expected had been found but this is not the case, and the mineralization has not been found either in the desired area.

This Division, therefore, agrees with the findings of the commodity members of the Bureau of Mines and the Geological Survey that the request for more work and a reinstatement of the contract be denied.

W. P. Klugescheid

W. P. Klugescheid

Memorandum for the files.

From: W. P. Klugescheid, Mining Engineer, OME, Division of Minerals

Subject: Telephone call - Docket No. DMEA-425, John H. Uhalde, Aladdin Mine, Elko County, Nevada, Contract No. Idm-E1083, Lead-Copper.

Mr. Joe McDonald, administrative assistant to Senator Bible, called at 4.10 on August 19, 1959 concerning the requested extension to the contract which has expired. He was informed that the papers had just arrived and that they would be processed as soon as possible. He wished to be informed as to the decision which would be arrived at. We told him that we would advise as soon as we had any definite information.

W. P. Klugescheid

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 25 1959
DATE INITIALS CODE
8/25 gad vvo
vvo
8/26 vvo

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

August 24, 1959

Re: DMEA 4425 (Lead-Copper)
John H. Uhalde
Aladdin Mine
Elko County, Nevada

Memorandum

To: W. R. Griswold, Office of Minerals Exploration

From: O. M. Bishop, U. S. Bureau of Mines

Subject: Review of request for additional work, and of field examination covering such work.

Mr. John H. Uhalde has requested a four-month extension of his contract (Idm-E1083) and an amendment to permit drilling of three diamond drill holes under stage II of the contract. In justification he points to a possible southwest rake to orebodies mined on the upper levels. Glenn Gentry, examining engineer recommended the contract be extended and so amended as to permit drilling of one 600-foot hole, at plus 15°, the hole bearing southwest from a position near the end of the DMEA crosscut.

The crosscut driven under stage I of the contract failed to intersect the quartz-porphyry with which sulfide mineralization was believed to have been spatially associated. Lateral drilling of the crosscut walls did not disclose data indicative of ore or of the intrusive contract.

Rather extensive, but apparently unrelated, recrystallization and silicification of the limestone and scattered patches of sulfide in the target area suggests the lack of a simple and interpretable ore control. The porphyry is obviously distributed irregularly and the sulfide mineralization is quite weak. In view of this demonstrated discontinuity of all the geologic features relating to mineralization I see no support for the viewpoint that orebodies of the upper levels continue to depth with a southwest rake.

It is my opinion that the work completed under stage I plus the drilling subsequently done by the operator has reduced the

possibility of a significant ore strike to so small a value that no further work is justified.

I, therefore, recommend the contract with Mr. Uhalde be terminated.

O. M. Bishop

O. M. Bishop

Copy to Division of Minerals
Branch of Base Metals (3)
Mr. Kiilsgaard
Mr. Lamb
F I L E S

OFFICIAL FILE COPY
M. E.
REC'D AUG 20 1959
DATE | INITIALS | CODE
8-20 gad 220
500
Memorandum

IN REPLY REFER TO:

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

August 20, 1959
Re: DMEA 4425 (Lead-Copper)
John H. Uhalde
Aladdin Mine
Elko County, Nevada

To: W. R. Griswold, Office of Minerals Exploration

From: Harold Kirkemo, U. S. Geological Survey

Subject: Geologic aspects of proposed drilling on subject property

I recommend denial of the request to reinstate and extend this contract to December 31, 1959, because of the geologic improbability of making a significant discovery by drilling one more hole from the Davis level. I believe several geologic factors support my recommendation.

The target area shown in Figure 3 C of the Field Team Report of December 3, 1956, is overly simplified considering the absence of so simple a relationship of dikes and ore bodies in the upper workings of the mine. The projected vertical distance of 700 feet is nearly twice the known vertical extent of the largest chimney of ore. Also, the continuity of porphyry dikes is usually unpredictable for even short distances.

I have plotted the target area shown in Figure 3 C of the cited Field Team Report on Figure 4 of Mr. Gentry's Interim Report of August 12, 1959. I note that none of the DMEA exploratory workings disclosed what was expected in the target area. Drill hole 3 was directed into the projected position of an ore body but no ore was found. The remaining drill holes and the crosscut were not directed into the projected positions of the ore bodies. The presence in the crosscut of a dike 20 feet wide where a dike 300 feet wide was expected points up the erratic habit of these igneous masses.

The traces of copper, lead, and zinc minerals cut in drill holes 10, 11, and 13 do not warrant drilling another hole in this area. Drill holes directed upward half way or more toward the largest ore body in the upper workings might be more rewarding as a last-chance effort to discover ore if the DMEA contract is reinstated.

Harold Kirkemo

Harold Kirkemo

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
1605 Evans Avenue
Reno, Nevada

March 5, 1959

Memorandum

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

From: Executive Officer, OME Field Team, Region II

Subject: Docket No. DMEA-4425 (Lead-Copper)
John H. Uhalde
Aladdin Mine
Elko County, Nevada
Contract No. Idm-E 1083

Enclosed are the Government's and Audit copies of Amendment No. 3 to subject contract, executed by the Operator The remaining copies have been distributed in the usual manner.

S. Ricker

Attachments

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAR 9 1959

DATE	IN	COL
3-9	C	220
3-10	wh	500

BUREAU OF MINES
WASHINGTON, D. C.
MAR 9 8 57 AM '59

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
2/11	Alt	500
	Irvine	500
2-13	Chambers	800
2/13	Martin	130
"	Johnson	110
		~~100~~
		~~110~~
2/16	C	220
		500

500

FEB 16 1959

Mr. Spangler Ricker
Executive Officer
OME Field Team, Region II
1605 Evans Avenue
Reno, Nevada

Re: Docket No. DMA-4425 (Lead-Copper)
John H. Uhalde
Aladdin Mine
Elko County, Nevada
Contract No. Idm-E1083

Dear Mr. Ricker:

With reference to your memorandum of January 27, 1959, we are enclosing the original and four copies of a proposed Amendment No. 3 (2 pages) to the cited contract. All copies have been signed by the Acting Director, for the Government. Also enclosed are two extra copies for the use of the Field Team.

If the amendment meets with your approval, kindly present it to the Operator for approval and signature and, when completed, distribute all the copies in the usual manner. Otherwise, and if any proposed change should lie beyond your delegated authority, return all copies to us with your recommendations.

Sincerely yours,

W. S. Martin

ACTING Chairman, Operating Committee (WS)

JWAlt/er 2/12/59
Copy to: Docket
Dir Read File
Op. Committee
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Chron.

Enclosures
APPROVED:

H. G. Iverson (HG)
Member, Bureau of Mines

N. E. Nelson (NE)
Member, Geological Survey

43683

Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code

February 12, 1959

Memorandum for the Docket

From: J. W. Alt, Division of Base Metals

Subject: Justification for Amendment No. 3 for Docket No. DMEA-425, John Uhalde, Aladdin Mine, Elko County, Nevada, Contract No. 1dm-E1083, Lead-Copper.

Amendment No. 3 to the cited contract to allow the Operator to further explore by diamond drilling from the Davis level. The results to date have been negative and if the results from this allowed additional drilling are negative, the work under Stage II will not be approved and the contract will be terminated.

The work to December 31, 1958 consisted of extending the Davis Adit 800 feet, 1,927 feet of diamond drilling and 200 feet of long hole drilling. This work was done under Stage I of the contract and Amendment No. 1. The amount expended was $37,208.50. At his own expense the Operator extended the Davis Adit 106 feet, drifted 170 feet south along the dike and has driven a raise approximately 50 feet above the drift.

We concur with the recommendation of the Field Team that the Operator be allowed to do an additional 473.6 feet of diamond drilling.

Please refer to the memorandum, dated January 27, 1959, to the Operating Committee from the Executive Officer, OME Field Team, Region II.

J. W. Alt

J. W. Alt

WWAlt/eh
CC: Docket
Dir Read File
Chron.

43683

DMEA Form 1
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
2/4	J. Alb.	500

500

February 4, 1959

Memorandum

To: Associate Solicitor, Division of Minerals Resource

From: Chief, Division of Base Metals

Subject: Preparation of Amendment No. 3 for Docket No. DMEA-4425, John H. Uhalde, Aladdin Mine, Elko County, Contract No. Idm-E1083, Lead-Copper.

Will you please prepare Amendment No. 3 for the cited contract will be as following:

Amendment No. 3

It is agreed this day _____ of _____1959, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, and John H. Uhalde, that Exploration Project Contract No. Idm-E1083 (Docket No. DMEA-4425), dated April 29, 1957, is further amended as follows:

In Exhibit A, under the Description of the Work, "Stage I", delete Items 3 and 4 and substitute:

3. Diamond drill not to exceed 2,473.6 feet of drill holes. The locations, directions, inclinations, and lenghts of all holes are subject to prior Government approval.

4. For the extended adit and the diamond drilling, assay not to exceed 10 samples for lead, copper, silver, and gold.

8623

In Exhibit A, under the heading Fixed Unit Costs, "Stage I", items 3 and 4 are revised to read as follows:

3.	Diamond drilling (item 3), 2,473.6 feet @ $5.50 (rounded to)	$13,605.00
4.	10 samples assayed for lead, copper, zinc, silver and gold (item 4) @ $4.50/sample	45.00

In Amendment No. 1, delete item 2(a).

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, or the fixed unit cost of any item of work.

Executed in quintuplicate the day and year first above written.

W. R. Griswold

W. R. Griswold

JWAlt/er
CC Docket
Dir Read File
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
1605 Evans Avenue
Reno, Nevada

Jan. 27, 1959

O.M.E.
RECEIVED JAN 29 1959

DATE	INITIALS	CODE
1/29	C	220
		130
1/30	alb.	500

2/2/59

Memorandum

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

From: Executive Officer, OME Field Team, Region II

Subject: Docket No. DMEA-4425 (Lead-Copper)
Contract No. Idm-E 1083
John H. Uhalde
Aladdin Mine
Elko County, Nevada

Enclosed are two copies of the Operator's narrative report for the month of December 1958, in which he requests additional diamond drilling footage to be made up from conversion of monies allotted for other purposes in Stage I and Stage II.

We have advised the Operator that we would suggest that conversion be allowed from timbering under Stage I and portion of assaying allotment under same Stage. Sufficient negative material is now available to confine any significant target to one of two areas. Please refer to interim report by G. G. Gentry and R. M. Smith, U.S.G.S., dated December 17, 1958.

Under Fixed Unit Costs, Item 4, original contract would be changed to read "ten assays at $4.50 -- $45.00." Item 2, Amendment No. 1, would be eliminated entirely. Balance of funds would be $2,605.00 which, converted to diamond drilling, would allow 473.63 feet at $5.50 per foot.

We believe this amount of diamond drilling will amply explore the last remaining target area. Remaining long hole drilling should be retained for possible exploration that may be justified along the fracture zone now being explored by the Operator at his own expense by raising and drifting or at other points that may be approved by the Government.

We do not intend to approve any part of Stage II unless much more attractive results of the current work are forthcoming.

S. Ricker

Attachments

OFFICIAL FILE COPY
O. M. E.
RECEIVED JAN 29 1959

DATE	INITIALS	CODE

) Operator's Narrative Report for Month of December 1958

Re: DMEA 4425-Idm-E1083

We are drilling hole number five (station 19 plus 185 feet south 47° 30' west.) Bearing south 65° west plus 5°.

The operator requests further drilling on completion of hole number five, use the remainder of monies left on phase one and an adequate amount of phase two to insure a complete geologic picture at the Davis level.

We are in a position now of necessarily eliminating formations by negative information. To adequately accomplish evaluation of the remining structure we request additional drilling.

Number of feet and geologic targets to be decided mutually by the project engineer OME and operator.

No unusual circumstances were encountered in the work.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
1605 Evans Avenue
Reno, Nevada

OME
OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 12 1958

DATE	INITIALS	CODE
11/12	C	220
11/13	alt.	500

Nov. 10, 1958

Memorandum

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

From: Executive Officer, OME Field Team, Region II

Subject: Docket No. DMEA-4425 (Lead-Copper)
John H. Uhalde
Aladdin Mine
Elko County, Nevada
Contract No. Idm-E 1083

Enclosed are the Government's and Audit copies of Amendment No. 2 to subject contract, executed by the operator. The remaining copies have been distributed in the usual manner.

S. Ricker

Attachments

BUREAU OF MINES
WASHINGTON, D. C.
Nov 12 9 14 AM '58

Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
10/31	[illegible]	500
	Miranda	500
10-31	[illegible]	130
11/3	Johnson	110
		~~110~~
		225
11/3	[illegible]	500
10-31	Chambers	800

500

NOV 3 1958

Mr. Spangler Ricker
Executive Officer
OME Field Team, Region II
1605 Evans Avenue
Reno, Nevada

Re: Docket No. DMA-4425 (Lead-Copper)
John M. Ubalde
Aladdin Mine
Elko County, Nevada
Contract No. Idm-81083

Dear Mr. Ricker:

With reference to your memorandum of October 15, 1958, we are enclosing the original and four copies of a proposed Amendment No. 2 to the cited contract. All copies have been signed by the Acting Director, for the Government. Also enclosed are two extra copies for the use of the Field Team.

If the amendment meets with your approval, kindly present it to the Operator for approval and signature and, when completed, distribute all the copies in the usual manner. Otherwise, and if any proposed change should lie beyond your delegated authority, return all copies to us with your recommendations.

Sincerely yours,

George C. Selfridge

ACTING Chairman, Operating Committee (JB)

JWAlt/er 10-31-58
Copy to: Docket
Dir. Read.File
Op. Committee
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Chron.

Enclosures

APPROVED:

Richard H. Mote (JB)
Member, Bureau of Mines

N. E. Nelson (JB)
Member, Geological Survey

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code

November 3, 1958

Memorandum for the Docket

From: J. W. Alt, Division of Base Metals

Subject: Justification for Amendment No. 2 for Docket No. DMEA-4425, John Uhalde, Aladdin Mine, Elko County, Nevada, Contract No. Idm-E1083, Lead-Copper.

Amendment No. 2 to the cited contract to allow the Operator an extension of completion time is necessary in order that he may complete the work of the project, due to the delays caused by severe winter conditions.

The Field Team, Region II has recommended an extension of eight (8) months of completion time and we concur in their recommendation. With this extension of completion time, the time for completion with this amendment will be twenty-six (26) months from the date of the contract. Therefore, the royalty payment period is to be increased from ten years to eleven years.

The work through September 1958 (last MF-104 Report) consisted of 800 feet of crosscutting on the Davis Adit level. The Operator extended the crosscut an additional 106 feet at his own expense and 221 feet of diamond drilling was completed. Diamond drilling and long hole drilling remain to be done in Stage I.

Total expenditures to October 1, 1958 are $27,545.50. Unexpended balance, Stage I as of October 1, $13,214.50.

The last 106 feet is in dolomitic limestone cut by an east-trending dike 6-10 feet wide. North-striking faults that cut the limestone and dike rock are not mineralized. The diamond drilling is to explore for the downward continuation of dikes inferred to be the principal ore control.

To date the results have been negative.

J. W. Alt

J. W. Alt

JWA/er
Copy to: Docket
Dir Read File
Chron.

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code

October 23, 1958

Memorandum for the Files

From: J. W. Alt, Mining Engineer,
Division of Base Metals

Subject: Justification for Amendment No. 2 for Docket No. DMEA-4425, John Uhalde, Aladdin Mine, Elko County, Nevada, Contract No. Idm-E1083, Lead-Copper.

Amendment No. 2 to the cited contract to allow the Operator an extension of completion time is necessary in order that he may complete the work of the project, due to delays caused by severe winter conditions.

The Field Team, Region II has recommended an extension of eight (8) months of completion time and we concur in their recommendation. With this extension of completion time, the time for completion with this amendment will be twenty-six (26) months from the date of the contract. Therefore, the royalty period is to be increased from ten years to eleven years.

J. W. Alt
J. W. Alt

JWA/er
Copy to: Docket
Dir.Read.File
Chron.

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code

500

October 23, 1958

Memorandum

To: Associate Solicitor, Division of Mineral Resources

From: W. R. Griswold, Chief,
Base Metals Division

Subject: Preparation of Amendment No. 2 for John H. Uhalde, Docket No. DMEA-4425, Aladdin Mine, Elko County, Nevada, Contract No. Idm-E1083, Lead-Copper.

Will you please prepare Amendment No. 2 for the cited contract.

This amendment will allow an 8 months extension of completion time or extends the completion time to 26 months from the date of the contract which would make the completion time June 29, 1959.

The royalty payment period is to be increased from ten years to eleven years.

Please refer to the memorandum, dated October 15, 1958, to the Operating Committee from the Executive Officer, OME Field Team, Region II.

W. R. Griswold

W. R. Griswold

JWALT/er 10/23/58

Copy to: Docket
Dir. Read File
Chron.

8623

OME

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

1605 Evans Avenue
Reno, Nevada

Oct. 15, 1958

Memorandum

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

From: Executive Officer, OME Field Team, Region II

Subject: Docket No. DMEA-4425 (Lead-Copper)
John H. Uhalde
Aladdin Mine
Elko County, Nevada
Contract No. Idm-E 1083

Completion date on subject contract expires October 19, 1958. Operator has requested an eight months' extension of which we recommend approval.

Inclement weather caused a delay in operations last winter and the same slow-up can be expected during the coming winter. In addition, the operator has had difficulty making the expected progress in diamond and long hole drilling due to the character of formation.

S. Ricker

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 17 1958

DATE	INITIALS	CODE
10/17	C	220
		130
10/20	wps	500

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
1605 Evans Avenue
Reno, Nevada

Oct. 10, 1958

O. M. E.
RECEIVED OCT 13 1958

DATE	INITIALS	CODE
10/13	C	220
10/13	~~WRB~~	500

Memorandum

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

From: Executive Officer, OME Field Team, Region II

Subject: Docket No. DMEA-4425 (Lead-Copper)
John H. Uhalde
Aladdin Mine
Elko County, Nevada
Contract No. Idm-E 1083

Enclosed are the Government's and Audit copies of Amendment No. 1 to subject contract executed by the operator. The remaining copies have been distributed in the usual manner.

Glenn F. Fenty
/for/ S. Ricker

Attachments

BUREAU OF MINES
WASHINGTON, D. C.
OCT 13 9 06 AM '58

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8/12	Swanwold	500
8-13	Chambers	800
8/15	[illegible]	130
"	Solomon	110
"	[illegible]	100
8/18	W.g.	220
		500

AUG 15 1958

Mr. Spangler Ricker, Executive Officer
DMEA Field Team, Region II
1605 Evans Avenue
Reno, Nevada

Re: Docket No. DMEA 4425, Lead - Copper
John N. Uhalde
Aladdin Mine
Elko County, Nevada
Contract No. Idm-E1083

Dear Mr. Ricker:

As recommended in your July 2 letter, we have prepared a proposed Amendment No. 1 to the cited contract. The original and four copies (two pages each), which have been signed by the Administrator for the Government are enclosed.

If the Amendment meets with your approval, please present it to the Operator for signature and, thereafter, distribute in the usual manner. Otherwise, and if any proposed change should be beyond the range of your delegated authority, all copies should be returned to us with your comments.

Two extra copies of the Amendment are enclosed for Field Team use.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

Enclosures

APPROVED:

P. F. Yopes (GCS)
Member, Bureau of Mines

N. E. Nelson (GCS)
Member, Geological Survey

WRG/dl 8/12/58
cc to: Docket
Admr. R. File
Oper. Comm.
FT. REG. II
Mr. Killsgaard, USGS
Mr. Bishop, USBM
Chron.

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8/1	WR Griswold	500
		140

MEMORANDUM:

To: Associate Solicitor, Division of Mineral Resources

From: Director, Division of Base Metals

Subject: Preparation of Amendment No. 1
Docket No. DMEA 4425, Lead - Copper
John H. Uhalde
Aladdin Mine
Elko County, Nevada
Contract No. Idm-E1083

Will you kindly prepare an Amendment No. 1 to the cited contract which will amend the contract as follows (effective as of contract date):

Add an item 5 under "Stage I" of Exhibit A as follows:

5. 700 feet of long hole drilling will be done at locations approved in advance by the Government.

Under Fixed Unit Costs "Stage I," item 2 is changed to read as follows:

2. Extended adit timbering item (2) 250 feet @ $7.00 per foot $1750

Also add an item 6 as follows:

6. 700 feet long hole drilling at $1.00 per foot $700

No overall cost change.

RECEIVED
AUG - 1 1958
ASSOC. SOLICITOR
MINERAL RESOURCES

W. R. Griswold, Director
Division of Base Metals

WRGriswold/dl 8-1-58
cc to: Docket
Chron.

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DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
7/30	Griswold	500
7-30	Chamber	900
	Martin	130
7/30	Johnson	110
7/30	Rutledge	100
7/31	C	2200
		500

JUL 30 1958

Telegram

Department of Interior

DMEA - Base Metals Division
14X4401(01)
Revolving Fund, Defense
Production Act, Interior,
(Transfer to Office of Secy.)

To: MR. SPANGLER RICKER
EXECUTIVE OFFICER
DMEA FIELD TEAM, REGION II
1605 EVANS AVENUE
RENO, NEVADA

REURTEL JULY 29 DOCKET DMEA 4425 JOHN H. UHALDE CONTRACT IDM-E1083 WE ARE IN ACCORD WITH YOUR PROPOSED LONG HOLE DRILLING AS OUTLINED IN JULY 2 LETTER. WE SHALL PREPARE NECESSARY AMENDMENT.

W. S. Martin
(esf)
ACTING CHAIRMAN, OPERATING COMMITTEE

WRGRISWOLD/dl 7-30-58
cc to: Docket
Admr. R. File
Oper. Comm.
Base Metals
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Chron.
Confirmation Copy

8623

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

July 30, 1958

Memorandum for the Docket

From: Director, Division of Base Metals

Subject: Justification for Amendment No. 1
DMEA 4425, John H. Uhalde
Aladdin Mine
Elko County, Nevada
Contract No. Idm-E1083

The Operator requests, and Field Team endorses, six hundred feet of long hole drilling at $1.00 per foot. The purpose is to probe to be sure as to porphyry - limestone nearby contacts. The work seems worthwile as a guide to Stage II work, to follow.

W. R. Griswold

CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION TELEGRAM

W. P. MARSHALL, PRESIDENT

1201

SYMBOLS

DL=Day Letter

NL=Night Letter

LT=International Letter Telegram

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

OB258

JUL 29 [illegible] 43

O REA469 NL PD=RENO NEV 29=

OPERATING COMMITTEE DEFENSE MINERALS EXPLORATION

ADMIN=INTERIOR BLDG WASH DC=

RE DOCKET DMEA-4425 CONTRACT IDM-E 1083 JOHN H UHALDE, ALADDIN MINE PLEASE ADVISE BY TELEGRAM IF YOU AGREE TO OUR PROPOSAL JULY 2ND RELATIVE TO PRELIMINARY LONG HOLE DRILLING UNDERSTAGE ONE OF CONTRACT=

S RICKER=

DMEA-4425 IDM-E 1083 2ND=.

OFFICIAL FILE COPY
DMEA
RECEIVED
JUL 29 1958

DATE	INITIALS	CODE
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		5 00

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

m 7

OFFICIAL FILE COPY

Date	Surname	Code
7-18	Martin	400
7/18	Isaacson	500
7/18	Martin	130
"	Johnson	110
"	[illegible]	100
7/21	[illegible]	220
		500

JUL 18 1958

Mr. Spangler Ricker, Executive Officer
DMEA Field Team, Region II
1605 Evans Avenue
Reno, Nevada

Re: Docket No. DMEA 4425 - Lead--Copper
John H. Uhalde
Aladdin Mine
Elko County, Nevada
Contract No. Idm-F1083

Dear Mr. Ricker:

Please inform Mr. John H. Uhalde that we have no objection to the agreement with the Bureau of Mines (under project authorization 3411) which you reported in your letter of July 9, 1958, regarding the subject property.

Halloysite was not on our list of eligible minerals, and our definition of an "exploration project" excluded mineral dressing and metallurgical testing. Consequently, the duplication in the sampling of the underground workings, and the preparation of a manuscript for publication, may not be at all significant.

We appreciate, however, your having called this instance to our attention.

Sincerely yours,

W. S. Martin
ACTING Chairman, Operating Committee (HB)

APPROVED:

Frank D. Lamb (HB)
Member, Bureau of Mines

N. E. Nelson (HB)
Member, Geological Survey

WSMARTIN/dlm 7-18-58
cc to: Code 400
Admr. R. File
Oper. Comm.
REGION II
Messrs. Bishop, USBM
T. H. Kiilsgaard, USGS

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
1605 Evans Avenue
Reno, Nevada

July 9, 1958

ORIGINAL FILE COPY
DMEA
RECEIVED
1 1958

DATE	INITIALS	CODE
7/11	C	220
7/11	WPB	500
"	JEJ	110
		120
	WSM	400

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-4425 (Lead-Copper)
John H. Uhalde
Aladdin Mine
Elko County, Nevada
Contract No. Idm-E 1083

The operator on subject contract has informed me that the Bureau of Mines is contemplating an exploration project for halloysite on subject property.

In reviewing the matter, it was learned that under project authorization 3411 the project is directed "to evaluate the halloysite deposit in the Bullion District, Elko County, Nevada. The work is scheduled to include (a) bulldozer trenching to delineate the ore body, (b) sampling of the surface trenches and underground workings to obtain samples for mineral dressing and metallurgical tests, (c) mineral dressing and metallurgical testing, and (d) preparation of a manuscript for publication." Your attention is particularly called to the underlined item of the Bureau program.

The halloysite area is evidently a phase of the monzonite porphyry which we are exploring 1,600 feet below the surface under subject contract and which has been intersected on the Standing Elk 500-foot level.

Mr. Uhalde has inquired if the DMEA had any objection to their agreement with the Bureau for the proposed exploration work. As far as I know, there would be no objection from the DMEA viewpoint but I thought you should be advised of the apparent duplication of government interests, one for "free" and the other on a participating basis.

S. Ricker

cc: R. B. Maurer, Reg. II

ORIGINAL - FILE COPY
DMEA
RECEIVED 1958
DATE CODE
7-7 220
130
7/10 500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
1605 Evans Avenue
Reno, Nevada

July 2, 1958

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-4425 (Lead-Copper)
John H. Uhalde
Aladdin Mine
Elko County, Nevada
Contract No. Idm-E 1083

The crosscut adit on this project has intersected the east-west porphyry limestone contact approximately at the projected location. Balance of footage will follow contact toward the projected point of intersection with the north-south porphyry limestone contact. In case the intersection is not yet reached, we, as well as the Operator, request that 600 feet of long hole drilling be undertaken from the face at a cost of $1.00 per foot. The $600 cost would be deducted from the timber allocation of $2450. under Stage I which has not yet been required. Balance of allotment for timbering would be held in abeyance awaiting developments.

The purpose of the long hole drilling is to more definitely establish location of face of crosscut in respect to north-south, east-west porphyry intersection before diamond drilling.

The two copies of enclosed maps show general idea of proposed work. The hole to the south would determine if the porphyry along which we are now drifting is the large dike or only an off-shoot.

S. Ricker

Attachments

DMEA

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Office of
Executive Officer
DMEA Field Team
Region II

1605 Evans Avenue
Reno, Nevada

Date June 27, 1957

Memorandum

To: Operating Committee, DMEA, Interior Bldg., Wash., D.C.

From: Executive Officer, DMEA Field Team, Region II

Subject: Interim Inspection Report

Attached are four copies of Interim Report on

Docket No. DMEA-4425

Contract No. Idm-E 1083

Commodity Lead-Copper

Operator John H. Uhalde

Property Aladdin Mine

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 1 1957

DATE	REMARKS	CODE
7/1	C	220
11	Com	100
7/1	all	500.

By Henry W. Jones,
Mining Engineer

Dated June 26, 1957

S. Ricker
S. Ricker
Executive Officer
DMEA Field Team, Region II

Attachments

Copy to: R. M. Smith, USGS (w/copy of report)
Finance Officer, Region II (w/copy of report)
File

BUREAU OF MINES
WASHINGTON, D. C.

JUL 1 9 26 AM '57

June 26, 1957

INTERIM REPORT

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 1 1957
DATE | CODE

Docket No. DMEA-4425 (Lead-Copper)
John H. Uhalde
Aladdin Mine
Elko County, Nevada
Contract No. Idm-E 1083

Exploration contract forms were submitted to the Applicant for signature by the Washington office. The signed contract, dated April 29, 1957, was approved and returned. The contract starting date was set at August 15, 1957.

Preliminary work started on the Davis Tunnel May 27, 1957. A 20 ft. x 40 ft. shed on the dump was rebuilt and machinery installed. Several rotted timber sets were replaced at the portal. During the inspection on June 19, 1957 a 6-man crew was installing a large portal vent fan, placing electrical power lines into the mine, repairing mine cars, and retimbering a caved area at the 1,800-foot point in the tunnel. Approximately 500 rotted ties will be replaced in the dry areas of the mine, and a caved section at the 3900-foot point will be caught up and retimbered before crosscutting starts. Vent line will be installed to the face and two booster fans set up. Air and water lines placed by mining operations in 1946 were tested and found to be

sound. Water, sufficient for drilling purposes, is available from a sump near the 3100-foot mark of the tunnel.

Electrical power is supplied by a stationary Diesel caterpillar 8800 powering a 50 kilowatt self-regulating generator. Air is furnished by a stationary Atlas Copco 380 c.f.m. compressor mounted in tandem with a portable Ingersol-Rand 465 c.f.m. compressor. Tramming is done with an electric Mancha 5-1/2 ton Trammer pulling twelve 2-1/2 ton side-dump cars.

The Operator expects to start crosscutting about August 1, 1957.

Henry W. Jones

Henry W. Jones,
Mining Engineer

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
1605 Evans Avenue
Reno, Nevada

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 22 1957

DATE	INITIALS	CODE
5/23	JWD	220
5/24	B	215
5/27	alh.	500

May 20, 1957

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-4425 (Lead-Copper)
John H. Uhalde
Aladdin Mine
Elko County, Nevada

Reference is made to your letter of April 29, 1957 relative to subject docket.

Contract has been executed by the Operator and the revised Consent to Lien forms from the Aladdin Mines Company have been attached.

Enclosed are the Government's, Audit, and Division copies. The remaining copies have been districuted in the usual manner. Copies of a letter from S. E. Davis, confirming that the Mendota and Dike No. 7 claims are a part of the Aladdin group, are also enclosed.

S. Ricker

S. Ricker

Encls.

May 20, 1957

Mr. S. Ricker, Executive Officer
DMEA Field Team, Region II
1605 Evans Avenue
Reno, Nevada

Re: Ownership of Claims, DMEA-4425.

Dear Mr. Ricker:

In accordance with your request, the following statement is made regarding the ownership of the Mendota and Dike No. 7 claims, which were inadvertently omitted from the list of claims owned by Aladdin Mines Company in the contract dated July 15, 1956.

These two claims were omitted from the list of claims in error and the omission was not noted. When the omission was noted, these two claims were written in by Mr. John Uhalde and the undersigned.

Very truly yours,

S. E. Davis

S. E. Davis, Secretary
Aladdin Mines Company.

John H. Uhalde

John H. Uhalde

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 22 1957

DATE	INITIALS	CODE
5/23	JWS	220
		215
		500

DMEA Form-7
(12-56)

OFFICIAL FILE COPY

500

Date	Surname	Code
4/19	[illegible]	500
	[illegible]	500
4-19	Chamber	800
4/26	Selfridge	130
"	Johnson	110
29	Whitenday	100
4-29		225
		800

APR 29 1957

Mr. Spangler Ricker
Executive Officer
DMEA Field Team, Region II
1605 Evans Avenue
Reno, Nevada

Re: Docket No. DMEA-4425 (Lead-Copper)
John H. Uhalde
Aladdin Mine
Elko County, Nevada

Dear Mr. Ricker:

Enclosed are the original and five copies of a proposed short-form contract, signed by the Administrator, for the Government. It consists of the form, Annex I (two pages), Exhibit A (three pages), Consents To Lien and Subordination Agreement (two), and one map.

The Consent to Lien by the Aladdin Mines Company dated December 6, 1956, has not been executed by the Vice President, as certified by the Secretary-Mgr. We are enclosing new Consent to Lien forms which should be properly executed by the company.

In the Lease and Option to Purchase between the Aladdin Mine Company and John Uhalde, the last two claims (Mendota and Dike No. 7) have been added in indelible pencil. Before the contract is signed, there should be verification that these two claims are included in the property description.

It will be necessary to insert in the contract, in the space provided under Article 1, the date when the Operator shall commence work on the contract.

Upon receipt of the properly excuted Consent To Lien and Subordination Agreement, if the proposed contract meets with your approval, kindly present it to the Applicant for approval and signature and, when completed, distribute the copies in the usual manner. In the event that the proposed contract is not satisfactory, and cannot be amended within your delegated authority, return all copies with your recommendation concerning any modification.

8623

We are also returning the original and five copies of the Consent to Lien and Subordination Agreement which were not executed by the Vice-President.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (HB)

Enclosures

APPROVED:

Frank D. Lamb (HB)

Member, Bureau of Mines

W. P. Williams (HB)

Member, Geological Survey

P.S. Two extra copies of Annex I, Exhibit A, and one map are enclosed for use of the Field Team.

JWAlt/er 4/18/57

Copy to: Docket
Admr R File
Op. Committee
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Chron.

EXPLORATION PROJECT CONTRACT
JOHN H. UHALDE
DOCKET NO. DMEA-4425

EXHIBIT A

Description of the Work

Attached hereto and made a part hereof is map entitled "Figure 2. Aladdin Mine, Elko County, Nevada, DMEA-4425 (Lead-Copper)."

The work is divided into two successive stages. The Operator shall perform the Stage I work, and as much of the Stage II work as is approved in writing in advance by the Government.

All diamond drilling shall be done with AX size, or larger, coring bits. All drill holes shall be logged, and all drill core shall be properly labeled and stored and made available to the Government for examination. All significantly mineralized core, in lengths not to exceed five feet, shall be split, and one half thereof shall be properly sampled and assayed for lead, copper, silver, and gold.

In the event that core recovery in a significantly mineralized section does not exceed 70 per cent, both core and sludge samples shall be taken, if possible, at intervals not to exceed five feet. Both the core and the sludge shall be split, and one half thereof properly sampled and assayed.

The remaining half of all significantly mineralized core samples, and sludge samples when taken, shall be furnished to the Government upon request.

All assays shall be reported monthly to the Government, together with drill logs and proper plan maps and sections showing the progress of the work and sample locations.

Timber sets shall consist of not less than 8-inch by 8-inch timber or the equivalent in round timber.

Stage I

1. Extend the Davis adit, not to exceed 800 feet, to intersect the principal target. The principal target is on the northeast side of the intersection of two quartz porphyry dikes, each approximately 300 feet thick. The size of the extended adit shall be not less than 5 feet by 7 feet in cross section in the clear of timber. The location, direction, and length of the extended adit shall have prior approval of the Government. The proposed extended adit is shown on Figure 2.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON 25, D. C.

APR 8 1957

Memorandum

To: The Administrator, DMEA
Attention: Chief, Base Metals Division

From: Associate Solicitor, Division of Mineral Resources

Subject: Docket No. DMEA-4425, John H. Uhalde (Copper-Lead)

As requested in Mr. Griswold's memorandum dated March 29, 1957, we have prepared the attached contract.

The Consent to Lien by the Aladdin Mines Company dated December 6, 1956, has not been executed by the Vice-President, as certified by the Secretary-Mgr. We have prepared a new Consent-to-Lien form which should be properly executed by the Company.

In the Lease and Option to Purchase between the Aladdin Mines Company and John Uhalde the last two claims (Mendota and Dike No. 7) have been added in indelible pencil. Before the contract is signed there should be a verification of the fact that these two claims are included in the property description.

Robert P. Dwyer

Attachments

EA Form 7
(12-56)

500

OFFICIAL FILE COPY

Date	Surname	Code
3/28	ALD.	500.

March 29, 1957

Memorandum

To: Associate Solicitor, Division Of Mineral Resources

From: Chief, Base Metals Division

Subject: Preparation of contract for Docket No. DMEA-4425, John H. Uhalde, Aladdin Mine, Elko County, Nevada Copper-Lead.

Will you please prepare a contract for the cited contract. A draft of the contract, Exhibit A, and Annex I are attached to this memorandum. The necessary copies of the map will be forwarded to your office within a few days. Copies of the Consents To Lien are also attached.

W. R. Griswold

W. R. Griswold

JWAlt/er 3/29/57

Copy to: Docket
Chron.

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
1605 Evans Avenue
Reno, Nevada

March 20, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 22 1957

DATE	INITIALS	CODE
3/23	C	220
3/28	Jwa	500

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-4425 (Lead-Copper)
John H. Uhalde
Aladdin Mine
Elko County, Nevada

Reference is made to your telegram of March 15, 1957 relative to Reite Lease. I believe we have clarified the puzzle and I am enclosing our work map, Figure 2, and six copies of Figure 2 which outlines in brown the boundaries of the area which should be included in the project area.

All claims in red (Reite Estate) supercede Aladdin unpatented claims. The following are the Reite Estate claims covered by U.S. Patent Amended 1924 - No. 1013054. Mineral Survey No. 4608: - Valley View, Vindicator Fraction, Sylvania, Victor Fraction, Kennilworth, and Wide West. These should be included in the list of patented claims, page 7 of our application report.

The Sweepstakes North, Book 40, page 103, and Sweepstake South, Book 40, page 103, owned by the Applicant should be listed under the unpatented claim, page 7 of our application report.

The Reite claims have been placed on work map from Mineral Survey No. 4608. To conform to Mineral Survey,

the first page on Lease and Option to Purchase should be corrected as follows:

Opposite line marker 22 to 24 should be changed to read:

"thence S. 28° 08' E., 1500 ft. to line 3-4 Kennilworth lode; thence, N. 10° 35' E., 930 ft. to cor."

Opposite line marker 26 should be changed to read:

Lode: thence N. 72° 54' W., 122.4 ft. to line 2-3 Sylvania"

Sorry there has been so much bungling on this but hope this additional information will straighten it out.

S. Ricker

Encls.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/15	Alt.	500
	[illegible]	500
3/15	Selfridge	130
"	Johnson	110
"	Mattenday	100
3/18	C	225

MAR 15 1957

JWAlt/er Rm. 4444, Ext. 2690

500.
3/15 Bishop (130)
3/15 Kiilsgaard (130)

T E L E G R A M

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

DMEA- Base Metals Division
14X4401(01)
Revolving Fund, Defense
Production Act, Interior (allocated
Working fund to Office of Secy.)

Date:

To: Mr. Spangler Ricker
Executive Officer
DMEA Field Team, Region II
1605 Evans Avenue
Reno, Nevada

Re: Docket No. DMEA-4425, John H. Uhalde. Traverse as given in the Reite lease must be incorrect as it will not plot. Please send us map showing the claims and corrected traverse, claims to be shown on map Figure 2 - Aladdin Mine.

George C. Selfridge

Chairman, Operating Committee

JWAlt/er 3/15/57
Copy to: Docket
Admr R File
Op. Committee
Base Metals
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Chron.
Confirmation Copy

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
1605 Evans Avenue
Reno, Nevada

March 4, 1957

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-4425 (Lead-Copper)
John H. Uhalde
Aladdin Mine
Elko County, Nevada

Reference is made to your telegram dated January 11, 1957.

I believe we have finally received all the necessary documents required to process the application on subject project. Enclosed are six copies each of the following:

1. Lease and Option to Purchase between Martin L. Reite and Esther A. Reite and John Uhalde.
2. Consent to Lien - Martin L. Reite, et al.
3. Consent to Lien - Thurber Estate Corporation.
4. Consent to Lien - John H. Uhalde.

We hope the documents are in order.

S. Ricker

Encls.

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 6 1957

DATE	INITIALS	CODE
3-6	C	220
3/6	jwa	500

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
1/11/57	[illegible]	500
	Griswold	500
1/11	Selfridge	130
1/11	[illegible]	110

JAN 11 1957

WRGriswold/er Rm 4444, Ext. 3669 ~~100~~ ~~225~~ 500
1/4 cw

TELEGRAM

DMEA - Base Metals Division

14X4401(01) Revolving Fund, Defense Production Act, Interior (allocated Working Fund to Office of Secy.)

Lamb
Kiilsgaard

Date:

To: Mr. Spangler Ricker
Executive Officer
DMEA Field Team, Region II
1605 Evans Avenue
Reno, Nevada

Re Docket No. DMEA-4425, John H. Uhalde. Proposed drilling as shown on property map, Figure 2, of the Field Team report, extends into the Valley View claims. To continue processing the application, we will need lease and Consents to Lien from the Reite estate.

George C. Selfridge

Chairman, Operating Committee

JWAlt/er 1/11/57
Copy to: Docket
Admr R File
Op. Committee
Base Metals
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Chron.
Confirmation Copy

RGG.

8623

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 7 1957
DATE | REMARKS | CODE
1/8 | Jwa | 500

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

1605 Evans Avenue
Reno, Nevada

January 4, 1957

Docket

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-4425 (Lead-coppper)
John H. Uhalde
Aladdin Mine
Elko County, Nevada

Reference is made to Mr. Alt's telephone conversation of January 4, 1957 relative to the following points on proposed contract on subject docket:

1. Size of drifts and crosscuts should be 6 feet wide by 7 feet high in the clear.

2. Pages 16 and 17 (Report) Most items of equipment are new; a few are quoted at second hand prices.

3. Page 17 (Report) Miners wages are based on local rates of $2.50 per hour. Two miners at $260.00/week include work on Saturdays at time and a half. This is customary in isolated mining camps of Nevada.

4. Page 17 (Report) Supervision at $700.00 per month appears high. This supervision will be a working supervisor and should get at least as much as the miners, or around $500.00 per month. However, we

do not believe the applicant would object to the $350.00 per month for this item as suggested by Mr. Alt.

5. Page 18 (Report) Assays will include gold and can be adjusted to $4.50 as per attached schedule as of March 1, 1954. ? 3.50

We expect to have the required Consent to Lien forms within the next ten days.

S. Ricker

BUREAU OF MINES
WASHINGTON, D. C.
JAN 7 10 18 AM '57

UNION ASSAY OFFICE, INC.

ASSAYERS & CHEMISTS

152-154 S. West Temple St.
P. O. BOX 1528
Salt Lake City 10, Utah

Price List **March 1, 1954**

HAND SAMPLE ASSAYS

Gold and Silver	1.50
Lead	1.00
Gold, Silver and Lead	2.50
Copper	1.00
Gold, Silver and Copper	2.50
Gold, Silver, Lead and Copper	3.50
Zinc	1.00
Gold, Silver, Lead and Zinc	3.50
Gold, Silver, Lead, Copper and Zinc	4.50
Gold, Silver, Lead, Copper, Zinc, Insoluble and Iron	6.00
Aluminum	3.00
Antimony	3.00
Arsenic	3.00
Barium	4.00
Bismuth	4.00
Cadmium	5.00
Chronium	4.00
Cobalt	5.00
Iron	1.00
Insoluble	1.00
Lime	1.00
Magnesium	3.00
Manganese	2.00
Mercury	3.00
Molybdenum	3.00
Nickel	4.00
Silica	3.00
Phosphorus	3.00
Sulphur Elemented	3.00
Sulphur in Ores	1.00
Tin	4.00
Titanium	5.00
Tungsten	4.00
Vanadium	3.00

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

January 4, 1957

Memorandum for the Files

From: J. W. Alt, Base Metals Division

Subject: Phone conversation about Docket No. DMEA-4425, John H. Uhalde, Aladdin Mine, Elko County, Nevada

On this date, I phoned Mr. Spangler Ricker, Executive Officer, DMEA Field Team, Region II, regarding costs as submitted in the Field Team report pertaining to the cited application and to the other listed subjects.

I told Mr. Ricker that we will need to know the size of the drift and crosscuts and also we should have Consents to Lien and Subordination Agreements. This was stated in our letter of November 20, 1956. Mr. Ricker stated that he had received just recently one set of Consents to Lien and was waiting for the other one.

In regard to costs, I referred Mr. Ricker to Operating Materials & Supplies as listed on page 17 of the report. It was agreed that the item, Track, fishplates, bolts, crossties because of the their salvage value should be reduced from $2.30/ft. to $1.15. Also, the item, Airline, water line, vent tubing should be reduced from $2.00/ft. to $1.00.

I referred Mr. Ricker to pages 16 and 17 of the report where equipment furnished by the Operator is listed and inquired of him if this is new or used equipment. Mr. Ricker said that he thought that it is new equipment but that he would check this.

On page 17 of the report under Labor and Supervision, I told Mr. Ricker that we thought that the allowance for labor is too high. He agreed that it was high. I also told him that $700.00 per month for a supervisor for a job of one heading, is excessive and that we could not go along with such an allowance.

We discussed the allowance for assays for lead-copper and silver at $5.00 per assay and stated that in our opinion we think that this is an excessive cost for the three determinations. Mr. Ricker said that he would investigate the cost.

Mr. Ricker stated that he would send us a memorandum on the above subject and he thought that he could get it out today. I informed him that as soon as we received his memorandum, we would expedite the processing of the application.

J. W. Alt

J. W. Alt

JWAlt/er 1/7/57

Copy to: Docket
Base Metals
Chron.

all
Betty

1/2/57 Received by Dow Co.

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

December 31, 1956

Re: DMEA 4425; Pb-Cu; $70,600
John H. Uhalde
Aladdin Mine
Elko County, Nevada

Memorandum

To: W. R. Griswold, DMEA

From: O. M. Bishop, Branch of Base Metals

Subject: Review of Field Team recommendation December 13, 1956 on application of July 20, 1956, received December 26, 1956

The orebodies of the Aladdin Mine are lead-zinc-copper sulfide replacement-chimneys in marblized limestone adjacent to quartz porphyry dikes, and appear to be localized by fault or dike intersections. A total of some 75,000 tons of ore with a value of about $4,500,000 have been produced from 1869 to date from workings above the Davis Adit level. The Davis Adit level is 700 feet below the lowest development in the Standing Elk orebody which is inferred to extend downward.

The applicant proposes to extend the Davis Adit 1,200 feet to intersect the northeast side of two 300-foot thick quartz porphyry dikes, as this is the locus of the Standing Elk replacement. Three diamond drill holes and 300 feet of raising were also planned but sites were not chosen. The field examiners and the applicant in reviewing the proposal together agreed that an 800-foot extension of the Davis Adit should be ample to reach the target area. They mutually agreed to a 4-stage program to consist of:

1) Driving Davis Adit 800 feet west to target area
2) Four diamond drill holes totaling 2,000 feet to explore other sides of the dike intersection
3) Up to 600 feet of drifting on favorable findings shown in diamond drilling subject to Government approval at the time, and
4) Any unused footage to be used in raising, subject to approval of Government.

The project appears to have merit in that a worthwhile target area can be explored at costs which are moderate.

I concur with the examiners and Field Team in recommending preparation of a contract on a unit-cost basis for the work outlined in the field examiners report.

O. M. Bishop

O. M. Bishop

Copy to: Division of Minerals
Mr. Kiilsgaard
Mr. Lamb
Mr. Bishop
Files

IN REPLY REFER TO:

alh
Betty
1/2/57 Received by W.R.G.

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

RECEIVED
DEC 28 1956
D.M.E.A.

December 26, 1956

Re: DMEA 4425
Aladdin Mine
Elko Co., Nevada
(Lead-zinc)

Memorandum

To: W. R. Griswold, Defense Minerals Exploration Administration

From: T. H. Kiilsgaard, U. S. Geological Survey

Subject: Review of Field Team Report.

Field examiners have visited the applicant's property and after thoroughly studying the applicant's proposal have recommended approval of a DMEA contract.

Recommendations are based on the probability of finding a continuation of ore shoots mined from overlying workings. A total production figure of 89,211 tons valued at $4,506,425 is given in the report, although it is not clear whether this represents production from the mine to be explored or production from the Railroad Mining district. From the field examiners map, it would appear that ore must have been produced from other workings in addition to those shown. By assuming a downward continuation of ore from the overlying workings, an ore reserve of 175,000 tons at 11% Pb, 9.0% Zn, 4.% Cu, and 15 ozs. Ag is inferred as the target.

At first glance this would appear to be another of those long, low-level crosscuts which have been so unsuccessful in past DMEA projects. However, in this instance most of the dead work has been completed. The face of the Davis Adit is believed to be within 800 feet of the target area. Furthermore, the adit is in good repair and will need but a minor amount of rehabilitation. It herefore would seem that the proposed work is a logical way of testing the target and that it warrants Government participation.

I concur with field examiners and recommend approval of the application.

T. H. Kiilsgaard

T. H. Kiilsgaard

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

RECEIVED
DEC 17 1956
D.M.E.A.

1605 Evans Avenue
Reno, Nevada

December 13, 1956

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-4425 (Lead-Copper)
John H. Uhalde
Aladdin Mine
Elko County, Nevada

Enclosed are four copies of a report on subject property by H. W. Jones, Bureau of Mines, and R. G. Reeves, Geological Survey, in which a DMEA exploration project is recommended. The total estimated cost is $70,600.00, of which the Government's participation will be $35,300.00.

Roscoe Smith and I concur in the recommendation.

S. Ricker

Encls.

Reviewed by
DMEA OPERATING COMMITTEE
12-21-56
(date)

BUREAU OF MINES
WASHINGTON, D. C.
DEC 17 8 37 AM '56

ON-Site Report

UNITED STATES
DEPARTMENT OF THE INTERIOR
FRED A. SEATON, SECRETARY

RECEIVED
DEC 17 1956

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION II

APPLICATION REPORT

DMEA-4425 (Lead-Copper)
John H. Uhalde
Aladdin mine
Elko County, Nevada

by

H. W. Jones
U. S. Bureau of Mines

R. G. Reeves
U. S. Geological Survey

December 3, 1956

Reviewed by
DMEA OPERATING COMMITTEE
12-21-56

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INTRODUCTION

Mr. John H. Uhalde, 1975 Palisade Drive, Reno, Nevada, applied for Government assistance in a $59,000.00 program under the Defense Minerals Exploration Administration, docket DMEA-4425, to explore for lead and copper at the Aladdin mine, Elko County, Nevada. The mine is producing approximately 20 tons of ore daily that averages 7.1 percent lead, 1.6 percent copper, and 13 ounces of silver per ton. The applicant proposes to explore the ore bodies at depth by extending a lower adit, the Davis tunnel, and by diamond drilling.

Three previous applications, DMA-872, DMEA-2531, and DMEA-3005, were denied on the basis of inadequate indicated and inferred reserves. At the time those applications were submitted, the underground workings were largely inaccessible, and there was less geological information on which to base ore reserves estimates.

A field examination was made by Henry W. Jones, U. S. Bureau of Mines, and Robert G. Reeves, U. S. Geological Survey, accompanied by the applicant, on October 9 and 10, 1956.

The applicant's mine maps and geological data were studied and sample information in various localities was verified by duplicate sampling.

CONCLUSIONS AND RECOMMENDATIONS

The Aladdin mine contains attractive copper-lead-zinc-silver deposits controlled in part by the intersection of two large quartz porphyry dikes. Based on the examination of the geological structures there is an excellent possibility that the ore extends from the present working to the Davis adit level. A total of 175,000 tons of ore averaging 11.0 percent lead, 9.0 percent zinc, 4.0 percent copper and 15.0 oz. silver per ton can be inferred. It is therefore recommended that the Government enter into a DMEA contract with Mr. John Uhalde for exploration of the Aladdin mine.

It was mutually agreed with the applicant during the examination that the following work was the most suitable for exploring the property: (1) crosscut 800 feet; (2) diamond drill 4 holes for a maximum of 2,000 feet; and (3) drift and raise 600 feet, depending on results of drill information.

The project site is readily accessible and most of the necessary equipment is available. The revised program will require 14 months to complete and the Government's share of the estimated total cost of $70,600 will be $35,300.

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LOCATION, ACCESSIBILITY, AND LOCAL RESOURCES

The Aladdin mine claims are in sec. 4, T. 30 N., R. 53 E., M.D.B.&M., Railroad (Bullion) mining district, Elko County, Nevada (fig. 1), on the northeast slopes of Bunker Hill at an altitude ranging from 6,700 to 8,490 feet. Bunker Hill is one of the highest peaks in the Pinyon range.

The district is reached from the Lamoille highway in Elko by turning southwest on Wilson street, just south of the Humboldt River bridge, then taking the right fork of the graveled road 2 miles beyond town. Continue along the main traveled road an additional 27.5 miles through low foothills to the mine camp. The Davis adit portal is just above camp. The main workings are located 1.5 miles beyond camp, up an increasingly steep mine road with a maximum grade of 28 percent.

The higher altitudes of the district are almost completely blocked by snow three months of the year, but the Davis adit and the mine camp are almost always accessible. Labor is available in Elko and surrounding mining camps. Sufficient water for camp and limited mine usage is obtained from nearby springs. Additional water can be obtained from a spring in the canyon one mile below camp.

Power is obtained from gasoline and diesel engines. Lumber, equipment, and supplies are obtainable in Elko. The present shipping

point is Elko, which is located on the main lines of the Southern Pacific and Western Pacific Railroads. A nearer shipping point could be made available at Palisade, 12 miles from the mine, by improving the Bullion - State Highway 20 road.

HISTORY AND PRODUCTION

Ore was discovered in the late 1860's. Development and production began in 1869, and the Railroad mining district was officially organized. By 1873 nearly 300 persons lived in the area and two furnaces had been erected to smelt the silver rich ores. Production continued during the 70's and 80's, but finally came to a standstill in the 90's when the price of silver dropped. During this period unofficial records indicate that about $3,000,000 in silver, lead, copper, and gold was produced from the district, mostly by the Empire Mining Co. of New York City.

In 1905 the Nevada Bunker Hill Mining Co. was formed, and the main silver-lead mines of the district were consolidated. Various ore bodies were opened for lease, and production continued to 1920. The Davis low level adit was driven during this period. The cost of this adit exhausted the capital and lease royalty income of the company, and all activity ceased. For the period 1907-1920, Mineral Resources of the U. S. Geological Survey records gross production of 17,588 tons of ore yielding 269,584 ozs. silver, 6,918 ozs. gold, 2,647,859 lbs. lead, 2,536,405 lbs. copper, and

37,000 lbs. zinc, valued at $894,973. The above figures are a composite of several distinct types of ore. The silver-lead ore averaged approximately 20 ozs. silver, 15 percent lead, 3 percent copper, and little or no gold. The zinc content of all the ores was held low to avoid smelter penalties.

In 1928 the Bunker Hill Mining Co. was reorganized and the Aladdin Mines Co. was formed. The Aladdin Mines Company extended the Davis tunnel several hundred feet and with the exception of a small amount of work done by the Newmont Mining Corporation in 1946 not much additional work had been accomplished until 1949.

John Uhalde and Ben Parker of Reno, Nevada obtained a lease and option to the Aladdin Mines Co. property in 1949, and operated it under the name of Lead-Copper Mines, Incorporated. To January 1952 this company produced about 3,000 tons of ore with a gross value of $80,000.

The New World Exploration, Research and Development Corp. commissioned by R. T. Miller of Seattle, Washington, obtained an assignment of the Lead-Copper Mines lease and option on the Aladdin Mines Company's holdings in May 1952. The lease was dropped and the property reverted to Uhalde. Parker left the company

late in 1950. Operations have continued on the upper level workings, and approximately 5,682 tons of ore was produced from 1952 through 1955. The average grade was 9.3 percent lead, 15.73 ounces silver, 6.0 percent zinc, and 1.65 percent copper.

Three men and the operator are presently engaged in mining operations.

Total Production to Date

Years	Tons	% Pb	% Cu	Ozs. Ag/ton	Value
1869-1884	29,350	31.7	5.5	25.6	$3,000,000
1885-1888	6,736	6.5	1.8	12.8	218,424
1888-1904		No production.			
1905-1910	2,263	8.9	4.4	17.2	86,992
1910-1911		No production.			
1912-1948	24,420	6.4	5.3	12.4	978,009
(1923-1941: Intermittent production)					
1949-1951	3,000	----	----	----	80,000
1952	2,475	8.1	1.32	14.7	54,300
1953	1,680	12.1	2.12	18.24	38,800
1954-1955	1,527	7.8	1.51	14.25	22,900
1956	2,640				27,000 (Estimated)

Production figures for the years 1952 through 1956 were submitted by the applicant.

PROPERTY AND OWNERSHIP

The applicant plans to supervise the project personally, furnishing his share of the costs in equipment and money. He is exceptionally well qualified in a supervisory capacity as he has worked and supervised operations in several mines throughout Nevada.

The application stated the Aladdin Mines Co.'s holdings include 10 patented claims and 31 unpatented claims; however, only 36 claims are listed. They were leased and optioned to the applicant July 15, 1956. The lease and option agreement, signed by Charles B. Evans, vice president of the Aladdin Mines Co., a Nevada corporation, was submitted with the application. The listed claims are as follows:

Patented:

Webfoot	U.S.S. No. 40	Bullion	U.S.S. No. 39
Tripoli	U.S.S. No. 48	Standing Elk	U.S.S. No. 38
Tripoli East	U.S.S. No. 49	Cleveland	U.S.S. No. 50
Sky Blue	U.S.S. No. 47	Hoffman	U.S.S. No. 52
Mounted Ledge	U.S.S. No. 51		

Unpatented:

	Book	Page		Book	Page
Storm King	17	102	Mahogany	21	95
Spring	17	101	Last Chance	20	413-414
Snowbird	7	597	Lark	7	603
Portal Fraction	8	263	Key	20	694-695
Portal	8	262	Homestake	17	6
Owl	7	604	Hoffman Fraction	17	101
Canary	39	366	Holdup	17	5
Nevada	7	597	Eagle	7	596
Mendota	17	102	Dike No. 7	49	446-447
Burke Fraction	21	94-5	Dike No. 8	49	446-447
Dike No. 1	48	15	Dike No. 9	49	446-447
Dike No. 2	49	446-447	Dike No. 11	49	446-447
Dike No. 3	49	446-447	Dike No. 6	49	446-447
Dike No. 4	49	446-447			

The claims are recorded at the Elko County courthouse, Elko, Nevada. All patented and unpatented claims listed are included in the project.

x Thurber Estate
✓ Aladdin

Edmund T. Fritz

Edmund T. Fritz
Acting Solicitor

11170

DEVELOPMENT

Surface facilities consist of two bunkhouses, a cookhouse, an office building and wash room, all in good repair; two large buildings in need of repair, on the Davis tunnel dump; a compressor shed and 50-ton ore bin at the 500 level portal.

Equipment consists of a 465 c.f.m. stationary Diesel compressor, 5 mine cars, Eimco mucker, drill equipment, and assorted hand tools, an old 4-wheel drive army type truck, jeep pick-up and a 1-ton GMC pick-up.

The Bullion area is developed by several mines containing more than 10,000 feet of underground workings. The portion above the Davis adit target area was developed principally by the Standing Elk and Webfoot workings. About 5,000 feet of rehabilitated old and new workings are accessible and include the 400-, 500-, and 600-levels, from which production is now being made. The Webfoot tunnel, driven from the same level as the Standing Elk and sharing the same dump, is developed by a 900-foot drift and several hundred feet of crosscuts. The Davis adit is 700 feet below the lowest level of the Standing Elk mine. The main crosscut has been extended a total distance of 5,240 feet

to within a maximum 800 feet of the downward extension of the ore bodies. The adit is in good repair, and would require only a minor amount of retimbering and rehabilitation. Heavy gauge track, 4-inch airline and water lines, all in good condition, extend to near the face of the heading. Work could be started by installing a compressor, drill equipment, and additional cars for tramming.

GEOLOGY

Bunker Hill is composed of sedimentary rocks of Ordovician age that have been folded, faulted, and intruded by granitic stocks and dikes. Outcrops are numerous. The sedimentary rocks are massive 2- to 5-foot thick bedded limestone, separated from overlying thin-bedded limestone by a quartzite unit 100 feet thick. This quartzite is tentatively correlated with the Eureka quartzite of upper Middle Ordovician age, the beds underlying the quartzite with Pogonip group limestone, and the beds overlying the quartzite with Hanson Creek limestone.

The structure of the sedimentary rocks at the Aladdin mine is complicated by the intrusion of the stock and dikes and by faulting. On the east flank of Bunker Hill the rocks dip moderately to steeply eastward, and on the west flank gently westward, suggesting an anticlinal fold trending N 25° W. However, reconnaissance

mapping by Simmons, Arnold, and Bell[1/] "suggests faulting to be

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1/ Granger, A. E., Bell, M. M., Simmons, G. C., and Lee, F. J., Geology and Mineral Resources of Elko County, Nevada: Nevada Bureau of Mines Bulletin 54 (in press).

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the chief factor in the attitude of the sedimentary rocks in the district."

The sedimentary rocks have been intruded by a stock of granodiorite and related quartz porphyry dikes. Near the igneous rocks the limestone has been metamorphosed to tactite composed chiefly of garnet, epidote, quartz, amphibole, and pyroxene; farther from the igneous rocks, the limestone has been changed to marble.

Two prominent faults and numerous minor faults and fractures cut the rocks in the vicinity of the mine. One major fault trends N 20° E and dips steeply east, and the other trends N 75° W and is nearly vertical. The displacement on the N 75° W fault is about 800 feet.

ORE DEPOSITS

The ore deposits are replacement bodies of lead, zinc, copper, and silver ores in the marbleized limestone. The ore

bodies are thought to be genetically related to the quartz porphyry dikes, to which they are adjacent.

The primary ore minerals are argentiferous galena, chalcopyrite, bornite, and sphalerite. The principal secondary minerals are cerusite, cerargyrite, pyromorphite, malachite, azurite, chrysocolla, cuprite, and chalcocite. The most abundant gangue minerals are quartz, calcite, and iron and manganese oxides. The ore body is exposed to a maximum depth of 500 feet below the surface, and is almost completely oxidized.

The ore bodies are chimneys at the intersections of faults or dikes. The largest chimney of ore was at the intersection of the two large quartz porphyry dikes, on the Storm King claim, which was developed by the Standing Elk workings. The exact length and width of the Standing Elk ore body is not known, and inaccessibility of the workings prevents measurement. However, over 50,000 tons of high grade lead-copper-silver ore averaging 18.2 percent lead, 5.4 percent copper, 19 ozs silver, and 0.04 oz. gold was produced through a vertical range of about 400 feet. Recent mining by the operator indicates that at least one ton of lower grade material averaging about 5.0 percent lead, 9.0 per-

cent zinc, 3.0 percent copper, and 10 ozs. silver per ton was left for every ton mined. The Standing Elk ore body thus contained about 100,000 tons of ore, or 250 tons of ore per foot of depth.

Ore shoots on the 400-, 500-, and 600-foot levels are from 50 to 100 feet long, 10 to 30 feet wide. The vertical extent is unknown, but several are found on both the 400- and 500-levels, a slope distance of about 125 feet. About 8,700 tons of ore averaging 9.6 percent lead, 1.53 percent copper, 6.0 percent zinc, and 15.6 ozs. silver per ton has been produced from ore shoots in those levels from 1949 to the end of 1955.

A scheelite-bearing tactite body was cut at about 3,000 feet from the portal in the Davis adit. The body is 2 to 3 feet wide and is exposed for 30 feet. A 30-foot sample along the strike assayed 0.37 percent WO_3 [2/]. According to New World Exploration Co., "apparently the same deposit can be traced through the Tripoli

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2/ New World Exploration Company sample.

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workings to the surface, for a total vertical range of 1,000 feet." Other small tungsten bodies are found in the porphyry dikes, "especially near the fractures which have also controlled the silver-lead mineralization in the adjacent limestone." The grade is from 0.3 to 4.3 percent WO_3, and "by selective mining the grade can possibly be held between 1 and 2 percent." Continuity of the scheelite deposits with depth supports the projections made of the silver-lead deposits.

SAMPLING

A map of the present working level that was submitted with the application showed a considerable number of assays. This map and the records of shipments during the past several years presents a comprehensive analyses of the ore being mined. Six check samples were taken by the field team to verify submitted assays.

Sample No.	Width, feet	% Pb	% Cu	% Zn	Ozs. Ag/ton	Description
371	14.0	4.2	0.60	10.9	9.40	Across present working stope, 35 ft. above track level, Standing Elk 500 level.
372	10.0	4.0	1.11	7.5	5.10	East drift 500 level.
373	5.0	7.5	0.95	18.0	4.20	East drift, 500 level, duplicate sample of No.5434.
374	5.0	3.8	2.78	9.3	8.30	Standing Elk, 600 level face small raise.
375	2.4	4.7	1.77	6.8	19.70	Northeast drift 500 level, crossfault at small raise.
376	2.1	0.6	1.58	16.6	5.30	Adjacent to present working stope, 500 level.

ORE RESERVES

About 2,000 tons of measured and indicated ore averaging 9.5 percent lead, 1.5 percent copper, 6.0 percent zinc, and 15.5 ozs. silver per ton is contained between the 400 and 600 levels, according to the operator and the American Smelting and Refining Company geologists. This is considered by the examiners to be a conservative figure, based on an examination of the mine and a check of the operator's and American Smelting and Refining Company's maps.

The Standing Elk ore body is inferred to continue at least to the Davis adit level, about 700 feet below the lowest workings. Using the figure of 250 tons per foot of depth, the target contains an inferred 175,000 tons of ore averaging 11 percent lead, 9 percent zinc, 4 percent copper, and 15 ozs. silver per ton.

PROPOSED EXPLORATION

The principal target of the proposed exploration is on the northeast side of the intersection of two quartz porphyry dikes each 300 feet thick. Other targets are on other sides of the intersection (fig. 3C). The Davis adit level will cut the principal target area about 1,000 feet below the No. 6 level, and about 700 feet below the lowest known Standing Elk workings.

The applicant proposed to extend the Davis adit 1,200 feet to intersect the target and to diamond drill three holes for a total length of 2,000 feet to explore other targets. An additional 300 feet of raise was to be selected during the contract. Total cost was estimated to be $59,000.00.

Only 800 feet is needed to reach the target area. The applicant proposed 1,200 feet to have extra footage that he could use at his own discretion. He did not allow drifting footage to deliniate ore bodies discovered in drill holes, nor did he allow for more than one hole per target area. After the examination a larger but more effective program was suggested by the examiners and accepted by the applicant. The following stages are recommended:

1. Extend the Davis adit 800 feet due west to intersect the principal target. Submitted maps indicate a maximum distance of 800 feet between the present face and the target area.

2. Diamond drill four plus 5 degree holes from the end of the adit for a total length of 2,000 feet, to explore other sides of the intersection.

3. Drift 600 feet along the strike of the drill holes. Depending on results of drill information, drift along the course of one or more drill holes to determine the extent of any ore body encountered, as agreed upon in advance by the Government.

4. Any unused footage may be applied to raising in favorable locations agreed to in advance by the Government.

The project has considerable merit. The modified proposal is the logical method for adequately exploring the targets. Most of the preliminary work of reaching the targets has been completed during previous exploration attempts. It is recommended that the exploration project be set up on a unit-cost basis.

EXPLORATION COSTS

The following equipment will be furnished by the operator to be used for the proposed project:

		Estimated Value
1	Compressor, 465 c.f.m. diesel Ingersoll-Rand	$12,800
2	Drills, drifter type, complete at $740 each	1,480
1	Mucking machine, Eimco 12B	2,875
1	Electric trammer, Jeffery 2-1/2 ton with batteries	3,750
1	Charging panel for trammer	2,650
5	Mine cars, 2-1/2 ton rocker type at $400 each	2,000
300 ft.	Airhoses at $1.00/ft.	300
200 ft.	Waterhoses at $0.50/ft.	100

		Estimated Value
2	Ventilating fans at $250 each	$ 500
1200 ft.	Ventilating pipe, 12 inch	1,200
1	Truck, GMC, 4X4 army type	1,000
1	Truck, pick-up, GMC, 1 ton	2,200
Total chargeable to project:		$30,855

$\frac{\$30,855.00}{60 \text{ mos.}}$ = $514/month depreciation

A detailed cost breakdown of the proposed exploration follows:

Diamond drilling contract - 2,000 feet @ $5.50/ft. $11,000

20 ft./day est. 12 weeks completion time.

Labor and Supervision

Crosscutting and drifting 1,400 ft.
@ 30 ft./wk. - 47 weeks, employing
2 miners @ $260/wk.
1 trammer @ $117/wk.

Total labor $377/wk. - 47 weeks $17,719.00

Supervisor - $700/mo. - 14 mos. $ 9,800.00 4,900.00
allowance 350.00

Total, Labor and Supervision $27,519.00 = $19.66/ft. 16.46

Operating Materials and Supplies

Explosives (powder, caps, fuse) based on average 5-foot round/day		$ 3.04/ft.
Drill steel & bit replacement		1.40/ft.
Track, fishplates, bolts, crossties	Salvage value 50% - 1.15	2.30/ft. 1.15
Airline, waterline, vent tubing	" " - 1.00	2.00/ft. 1.00
Power, diesel fuel, gasoline, oil		2.00/ft.

Operating Equipment

Depreciation on equipment owned by Operator, $514/mo. or	$ 5.15/ft.

Miscellaneous

Maintenance and repairs	$ 0.47/ft.
Payroll taxes, insurance, S.S.	2.35/ft.
Total cost per foot	$38.37
	(rounded to: $38.50)

Summary of Exploration Costs

1.	Crosscut not in excess of 800 ft. to porphyry contact @ $38.50/ft.	$30,800
2.	Diamond drill 4 holes AX size at approximate directions as indicated on map, fig. 3C, for a total distance of 2,000 ft. (independent contract) est. $5.50/ft.	$11,000
3.	Drift 600 ft. along one or more drill holes that shows favorable mineralization @ $38.50/ft.	$23,100
	Provide 600 ft. of timber sets as needed @ $7.00/ft.	$ 4,200
	Provide 300 assays for Pb, Cu, Ag @ $5.00/assay	$ 1,500
	Total cost of project:	$70,600
	Government participation at 50 percent:	$35,300

FIG. 1. LOCATION MAP NEVADA

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Surname

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

500

NOV 23 1956

Mr. Spangler Ricker
Executive Officer
DMEA Field Team, Region II
1605 Evans Avenue
Reno, Nevada

Re: Docket No. DMEA-4425 (Lead-Copper)
John H. Uhalde
Aladdin Mines
Elko County, Nevada

Dear Mr. Ricker:

The cited application is being referred to your office for consideration, a field examination of the property if warranted, and recommendation.

For your information we are enclosing a copy of the Agreement between Aladdin Mines Company and John H. Uhalde which was recently received from the Applicant. Attached to the Agreement is a copy of the Agreement Of Purchase and Sale Of Mining Property In Elko County, Nevada between the Thurber Estate Corporation and Aladdin Mines Company.

We realize that the application is poorly prepared and that the information is very meager and incomplete but, rather than write again to the Applicant for additional information and so delay the processing of the application, we are referring it to you.

In the event that you should consider the application favorably, the Applicant should be requested to obtain Consents to Lien and Subordination Agreements from the Thurber Estate Corporation and from the Aladdin Mines Company.

Copies of memoranda dated August 17 and August 21, 1956, by N. E. Nelson, Geological Survey, and O. M. Bishop, Bureau of Mines, respectively, relating to the project, are enclosed for your information.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Enclosures
APPROVED:

Frank D. Lamb
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Chron.

JWAlt/er 11/20/56
Copy to: Docket
Admr R File
Op. Committee
Base Metals

File Copy
Surname
J. Lee
Howard
Lamb
Kiilsgaard
Selfridge
Fishman

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

NOV 23 1956

Mr. John H. Uhalde
1975 Palisade Drive
Reno, Nevada

Re: Docket No. DMEA-4425 (Lead-Copper)
John H. Uhalde
Aladdin Mines
Elko County, Nevada

Dear Mr. Uhalde:

This is to acknowledge your letter, received by this office on November 13, 1956, and five copies of the Agreement between the Aladdin Mines Company and John H. Uhalde, and the Agreement Of Purchase and Sale of Mining Property In Elko County, Nevada.

As we may not need the Reite lease, we are referring your application for Government assistance to explore the above-mentioned property to:

Mr. Spangler Ricker
Executive Officer
DMEA Field Team, Region II
1605 Evans Avenue
Reno, Nevada

If additional information concerning your application is needed, the Field Team will get in touch with you at an early date.

Sincerely yours,

C. O. Mittendorf

Administrator

JWALT/er 11/20 &21/56
Copy to: Docket
Admr R File
Op. Committee
Base Metals
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Region II (2)
Chron.

R.P.B.

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NOV 13 1955
D.M.E.A.

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

Mr W. R. Griswold, Chief,
Base Metals Division

Re: Docket No. [illegible]

Dear Mr Griswold:

This is with reference to your request for copies of the over estate Claims Red.

You requested copies of the Reid's estate. We did not include these Claims in our application. We have been waiting for the changes we requested in the Reid's Lease. As soon as these changes are made we will forward copies to you.

We are very anxious to expedite the processing of our loan.

Our abstract of title shows the Lark, Spring, Hornstake, Holdup and Mahogany Claims - listed in two parts - : Pearson - Original locations and Transfer to Aladdin -

Sincerely yours
[illegible]

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

NOV - 5 1956

Mr. John H. Uhalde
1975 Palisade Drive
Reno, Nevada

Re: Docket No. DMEA-4425 (Lead-Copper)
John H. Uhalde
Aladdin Mines
Elko County, Nevada

Dear Mr. Uhalde:

Reference is made to our letter of October 1, 1956, requesting additional information concerning the subject application for exploration assistance.

Will you please advise us at your earliest convenience as to whether you are still interested in your application for Government exploration assistance.

Sincerely yours,

W. R. Griswold, Chief
Base Metals Division

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NOV 13 1956
D.M.E.A.

Yes We are very interested.
The delay has been
on the adjustment of the Rate terms.
We would like to proceed
with out this document, Until we
can iron out our terms.
Sincerely yours
John H. Uhalde

File Copy
Surname

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

NOV - 5 1956

Mr. John H. Whalde
1975 Palisade Drive
Reno, Nevada

Re: Docket No. DMEA-4425 (Lead-Copper)
John H. Whalde
Aladdin Mines
Elko County, Nevada

Dear Mr. Whalde:

Reference is made to our letter of October 1, 1956, requesting additional information concerning the subject application for exploration assistance.

Will you please advise us at your earliest convenience as to whether you are still interested in your application for Government exploration assistance.

Sincerely yours,

SIGNED

W. R. Griswold, Chief
Base Metals Division

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Op. Committee
Base Metals
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Region II (2)

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

OCT - 1 1956

Mr. John H. Whalde
1975 Palisade Drive
Reno, Nevada

Re: Docket No. DMEA-4425 (Lead-Copper)
John H. Whalde
Aladdin Mines
Elko County, Nevada

Dear Mr. Whalde:

This is with reference to the maps and copies of a lease-option agreement submitted by you to Mr. S. Ricker, Executive Officer, DMEA Field Team, Region II, in response to our letter to you, dated August 27, 1956.

We noted that the lease and option agreement with Aladdin Mines Company covers claims (colored in yellow on the claim map) constituting the Aladdin Mines. The map also indicated, however, "Thurber Estate" claims (red) and "Reite Estate" claims (blue), but no lease agreement was submitted for these claims. As these claims are listed in the application for inclusion in the exploration project, we require that you submit to us copies of these agreements.

We note that the Lark claim is listed in two places in your attachment to your application with different recording data in each place. We assume from this that there is only one Lark claim but that the recording data represents several transactions concerning the claim. We have the same question as to the Spring, Homestake (Home Stake), Holdup and Mahogany claims. As there is no explanation regarding the data submitted with respect to the other claims on the attachment to the application, both patented and unpatented, we are not clear as to what they represent. Accordingly it is requested that you clarify the recording information.

We would appreciate receiving the cited agreements and information at your earliest convenience as we are anxious to expedite the processing of your application.

Sincerely yours,

W. R. Griswold

W. R. Griswold, Chief,
Base Metals Division

JWAlt/er 10/1/56
Copy to: Docket
Admr R File
Op. Committee
Base Metals
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Region II (2)

R.C.S.

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

RECEIVED
SEP 21 1956

1605 Evans Avenue
Reno, Nevada

September 19, 1956

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-4425 (Lead-Copper)
John H. Uhalde
Alladin Mines
Elko County, Nevada

Enclosed are three copies of the following data which Mr. Uhalde submitted to this office for forwarding to you in compliance with your letter to him, dated August 27, 1956:

1. Claim map.
2. Map showing relation of mine workings to Claim map.
3. Assay map.
4. Section through tunnel (2 sheets).
5. Lien and option agreement.

The fourth set has been retained for our files.

S. Ricker

Encls.

File Copy
Surname
J. Alb
H. Johnson

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

Mr. John H. Whalde
1975 Palisade Drive
Reno, Nevada

AUG 27 1956

Re: Docket No. DMEA-4425 (Lead-Copper)
John H. Whalde
Aladdin Mines
Elko County, Nevada

Dear Mr. Whalde:

Your application, dated July 20, 1956, for Government exploration assistance for the cited property has been received and reviewed by the Base Metals Division of the Defense Minerals Exploration Administration.

In order to expedite the processing of your application, we would appreciate receiving the following:

A copy of the Contract Purchase Agreement you have with the owners of the property.

In your application under Item 3, you state that there are 10 patented claims and 31 unpatented claims, but you list the names of 32 unpatented claims. Which is correct?

The property map submitted with your application does not show all of the claims you have listed and the boundries of the claims. We would appreciate receiving a good print of this map.

Under Item 4(a) of your application, you state: "We have mapped all levels, to and including the No. 5 level, showing size and extent of the ore bodies." A copy of this map would be appreciated.

A longitudinal section showing where this work is to be done and showing what work has been done.

Assays of samples taken on the property showing where they were taken and the width of the sample. To evaluate your property, copies of assay reports are essential.

C

If you have any geological information with map showing the geology of your property, such information would be appreciated.

Please submit all information in quadruplicate at your earliest convenience.

Sincerely yours,

W. R. Griswold

W. R. GRISWOLD, Chief
Base Metals Division

JWAlt/er 8/24/56

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
BUREAU OF MINES
WASHINGTON 25, D. C.

August 21, 1956

Re: DMEA-4425; Lead-Zinc
$ 59,000
John H. Uhalde
Aladdin Mines,
Elko County, Nevada

Memorandum

To: W. R. Griswold, DMEA

From: O. M. Bishop, Branch of Base Metals

Subject: Application for assistance dated July 20, 1956 and received August 16, 1956

The applicant has acquired a 15-year lease with option to purchase on 10 patented and 31 unpatented mining claims and is mining about 20 tons a day from the No. 5 level.

The applicant proposes to drive the lower Davis crosscut adit 1,200 feet westerly and to further prospect with 2,000 feet of diamond drilling. The application does not however demonstrate the geologic and physical relationships of the proposed work with known data that would permit evaluation of his proposal.

I recommend that the application be referred to the field team for recommendation with a field examination if warranted.

O. M. Bishop

O. M. Bishop

Copy to: Division of Minerals
Mr. Kiilsgaard
Mr. Geehan
Mr. Bishop
Files

RECEIVED
AUG 21 1956

IN REPLY REFER TO:

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

August 17, 1956

Re: DMEA 4425
John H. Uhalde
Aladdin Mine
Elko Co., Nevada
$59,000 - Lead, Copper

Memorandum

To: W. R. Griswold, Defense Minerals Exploration Administration

From: N. E. Nelson, U. S. Geological Survey

Subject: Review of application.

The applicant requests assistance in exploring a mineralized zone at depth by 1,200 feet of crosscutting and 2,000 feet of diamond drilling.

The property is presently in production at the rate of 20 tons per day and the applicant credits it with a past production of $3,000,000 worth of metals.

Referral of the application to the Field Team is recommended.

N. E. Nelson

N. E. Nelson

RECEIVED
AUG 20 1956

August 16, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region II

From: Chief, Operation's Control and Statistics Division

Subject: Assignment of Docket Number

There is listed below the assigned docket number to an application recently received from Region II.

DMEA -4425 John H. Uhalde

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

August 16, 1956

Mr. John H. Uhalde
1975 Palisade Dr.
Reno, Nevada

Subject: DMEA-4425
Re: Exploration Assistance
Aladdin Mines

Dear Mr. Uhalde

The receipt of your application dated July 20, 1956 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-4425 and referred to the Base Metals Division.

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

Sincerely yours,

(Sgd) Allen S. Dakan
Allen S. Dakan
~~Executive Adviser~~ Chief
Operations Control and
Statistics Division

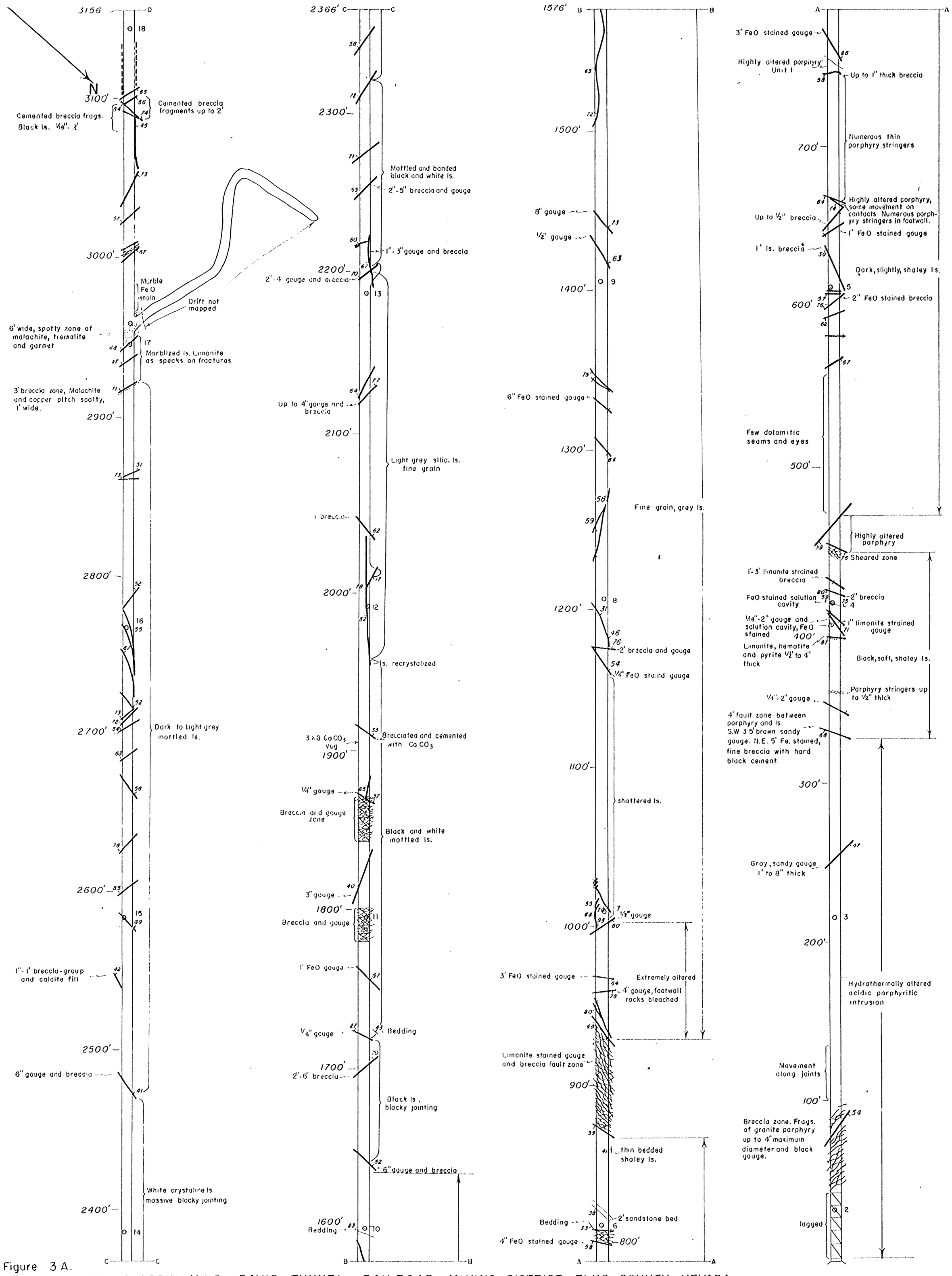


Figure 3 A.
GEOLOGIC MAP, ALADDIN MINE, DAVIS TUNNEL, RAILROAD MINING DISTRICT, ELKO COUNTY, NEVADA

0 40 80 120 FEET
Scale

by G.C. Simmons
D.C. Arnold
August 1951

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA 4425
(LEAD-COPPER)
Idm - E 1083

Figure 2. DAVIS LEVEL ALADDIN MINE, ELKO COUNTY, NEVADA

0 200 400 600 800 Feet

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA-4425
(Lead-Zinc)

RECEIVED
DEC 17 1956
D.M.E.A.

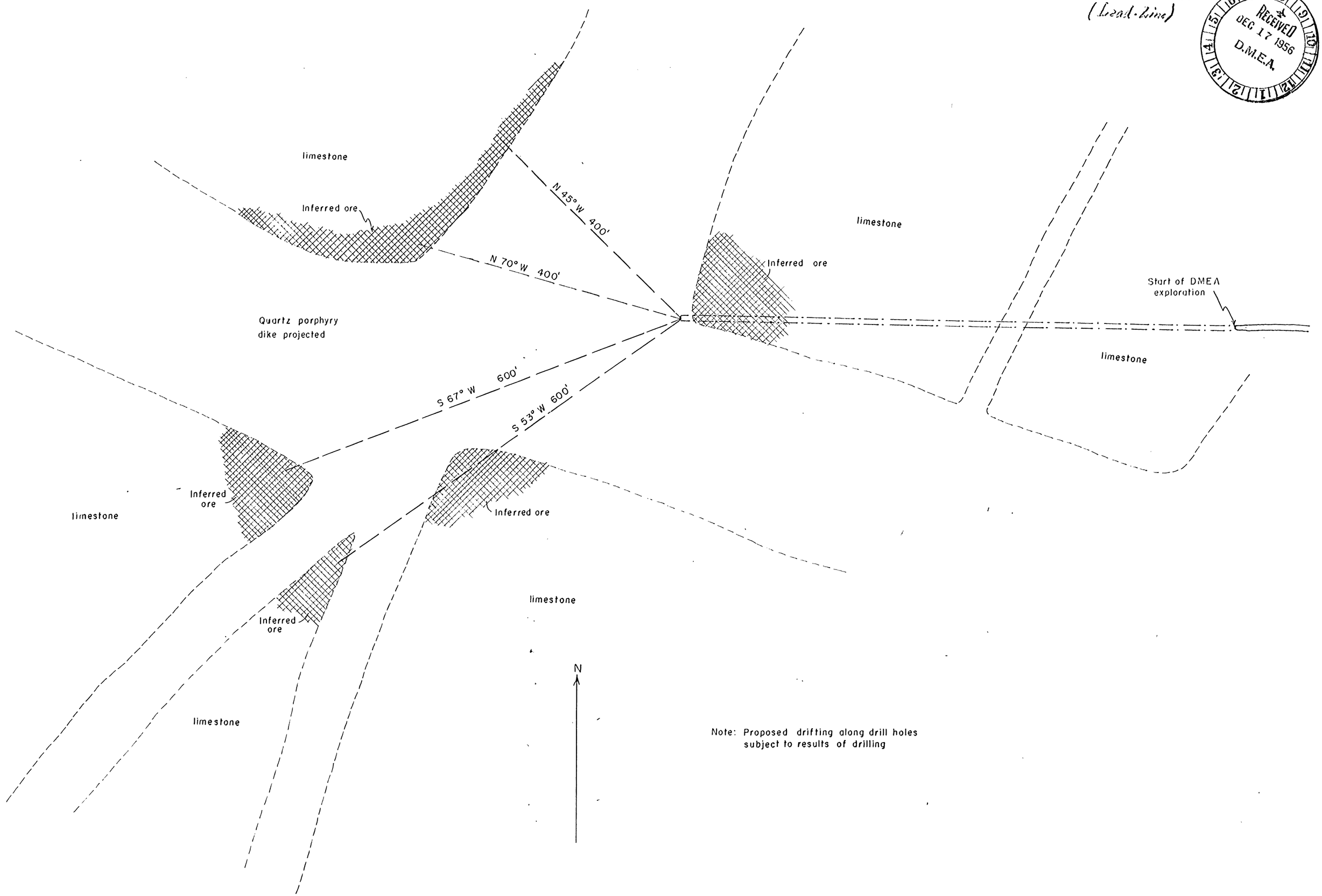
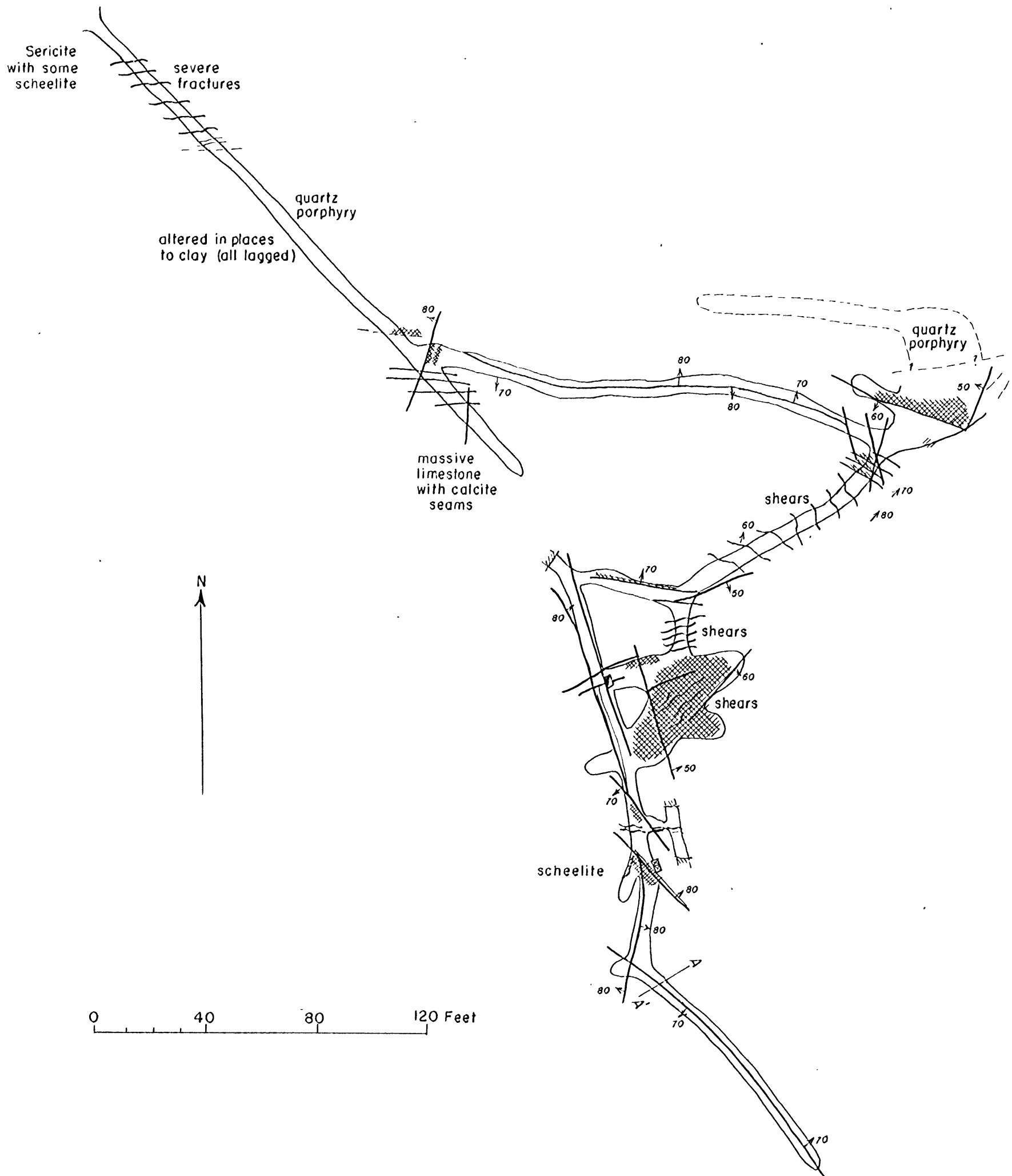


Figure 3C. PROPOSED WORKINGS, DAVIS ADIT, ALADDIN MINE, ELKO COUNTY, NEVADA

0 100 200 300 Feet

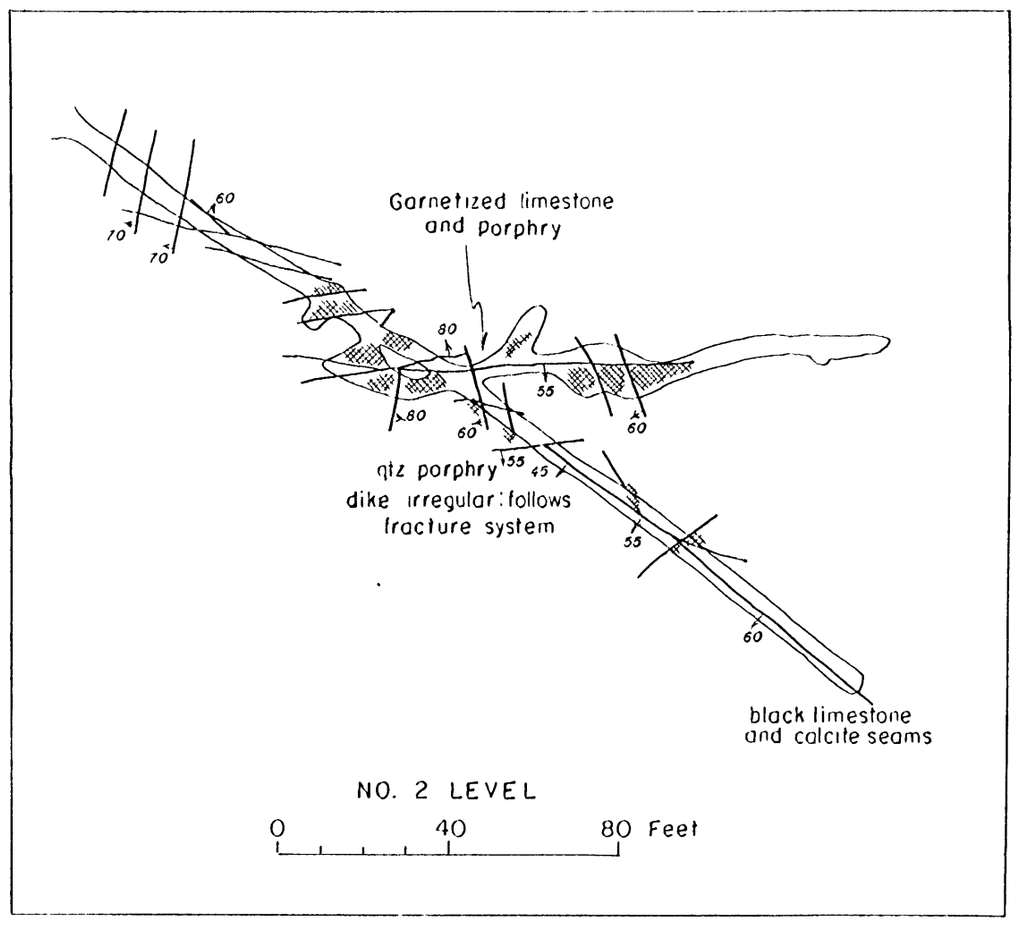
UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

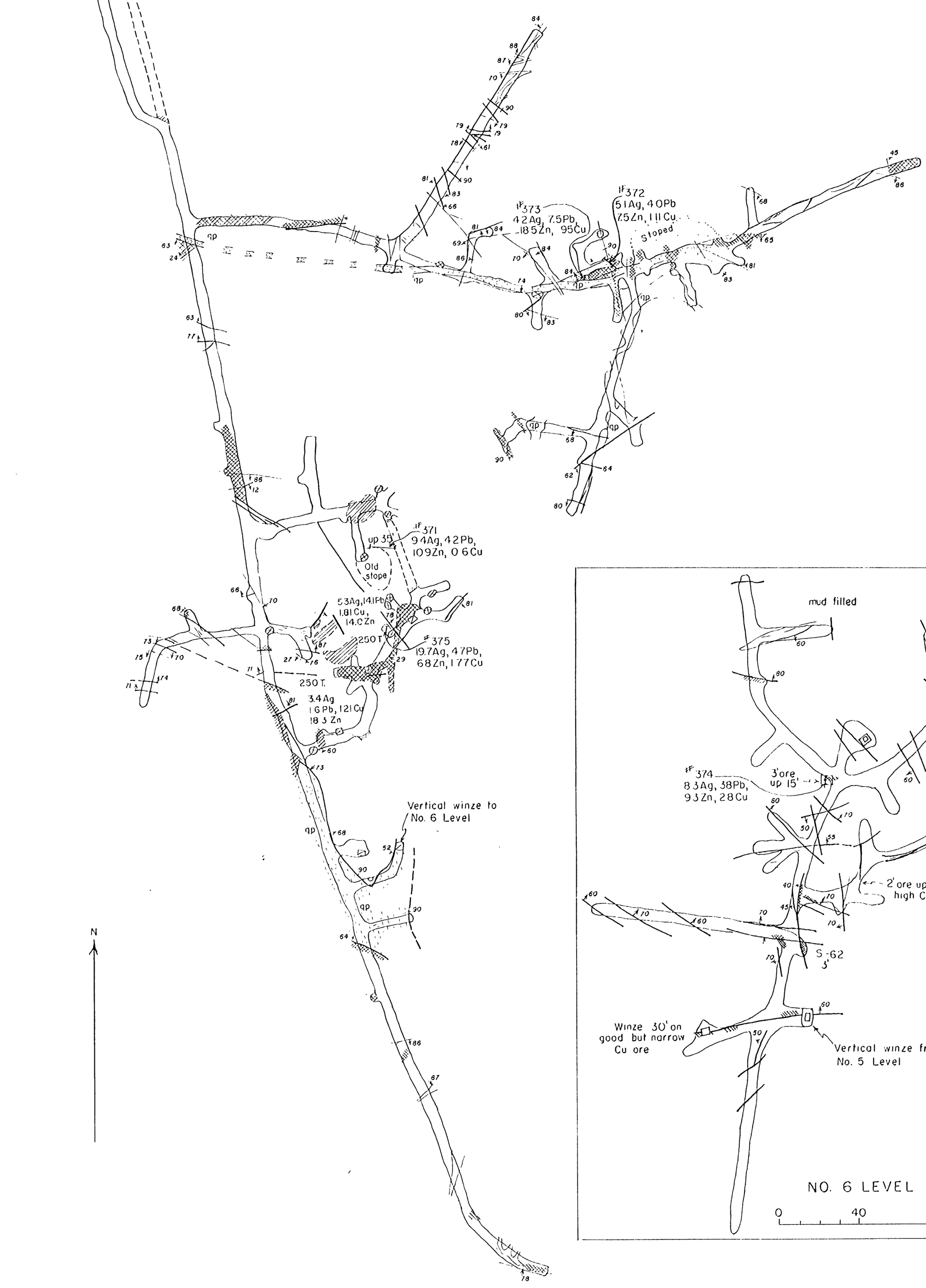
DMEA 4425
(LEAD-COPPER)



GEOLOGIC MAP

Figure 5. NO. 4 LEVEL, ALADDIN MINE, ELKO COUNTY, NEVADA





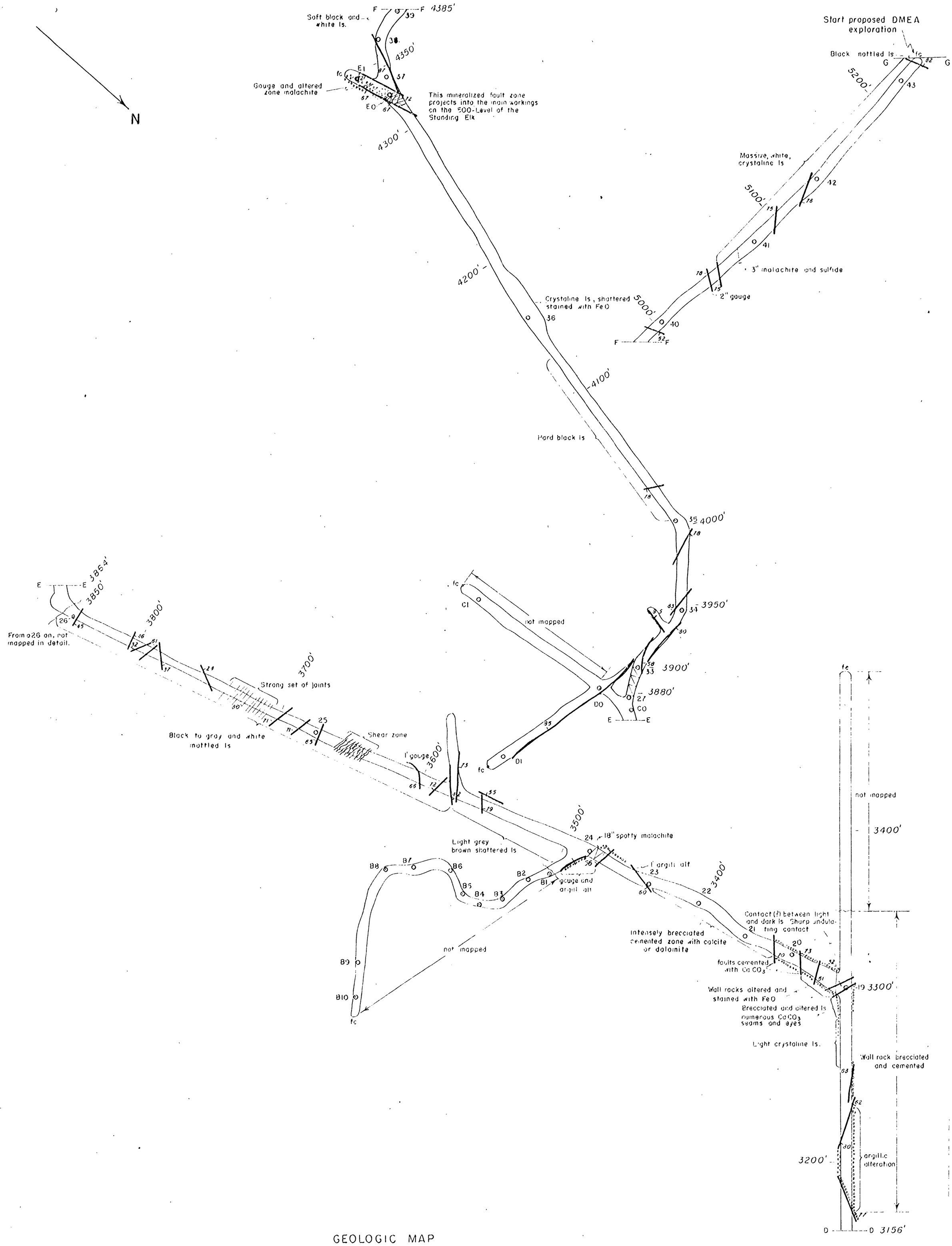
GEOLOGIC MAPS

Figure 4. ALADDIN MINE, ELKO COUNTY, NEVADA

0 50 100 150 200 Feet

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

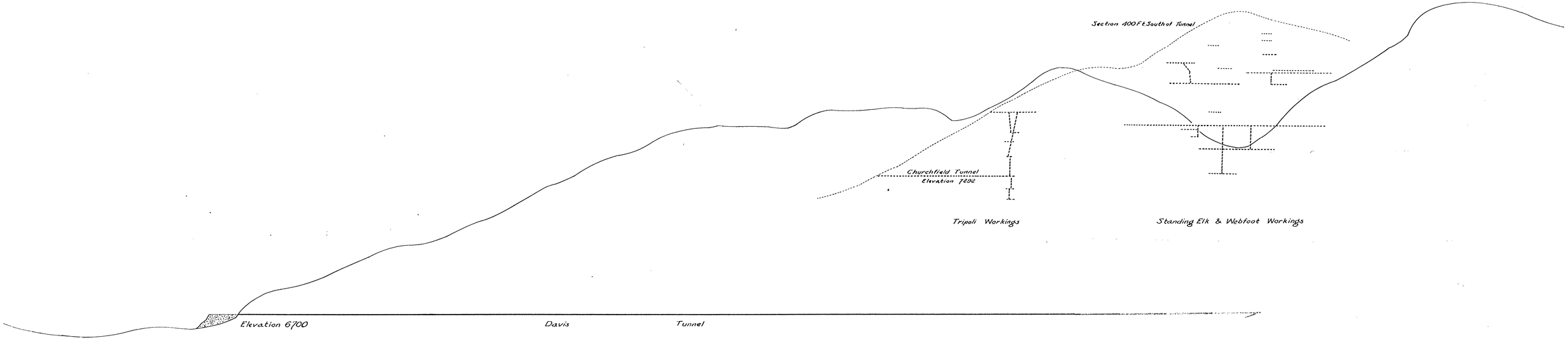
DMEA 4425
(COPPER-LEAD)



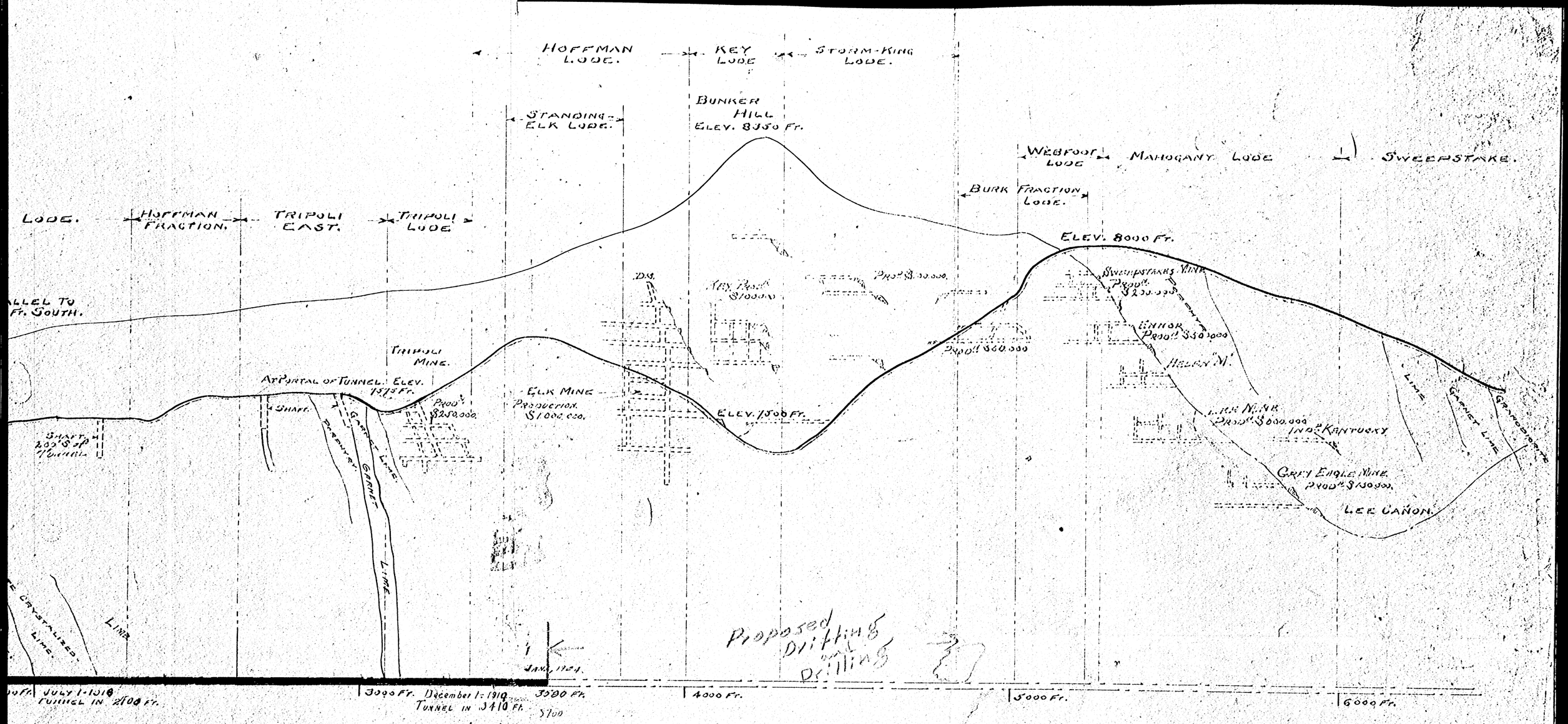
GEOLOGIC MAP

Figure 38 ALADDIN MINE, DAVIS TUNNEL, RAILROAD MINING DISTRICT, ELKO COUNTY, NEVADA

by G.C. Simmons
D.C. Arnold
August 1951



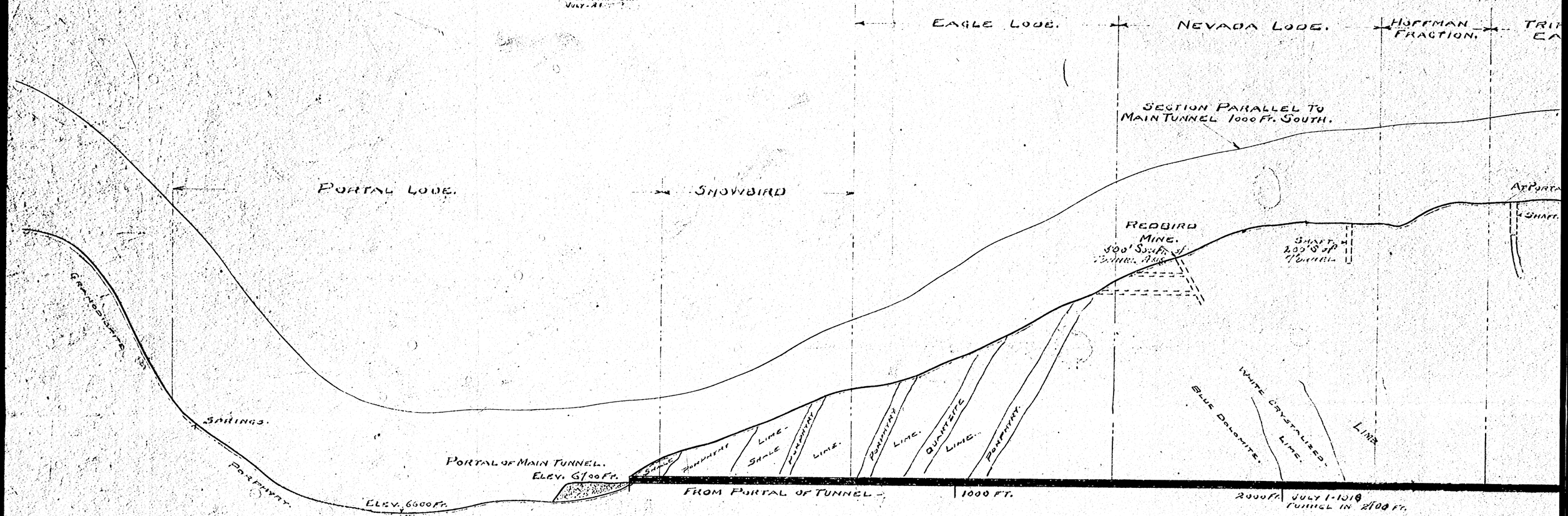
ALADDIN MINES COMPANY
Elko County, Nevada.
LONGITUDINAL SECTION ALONG DAVIS TUNNEL
SCALE 200'=1"
LINE OF SECTION S68½°W "C"

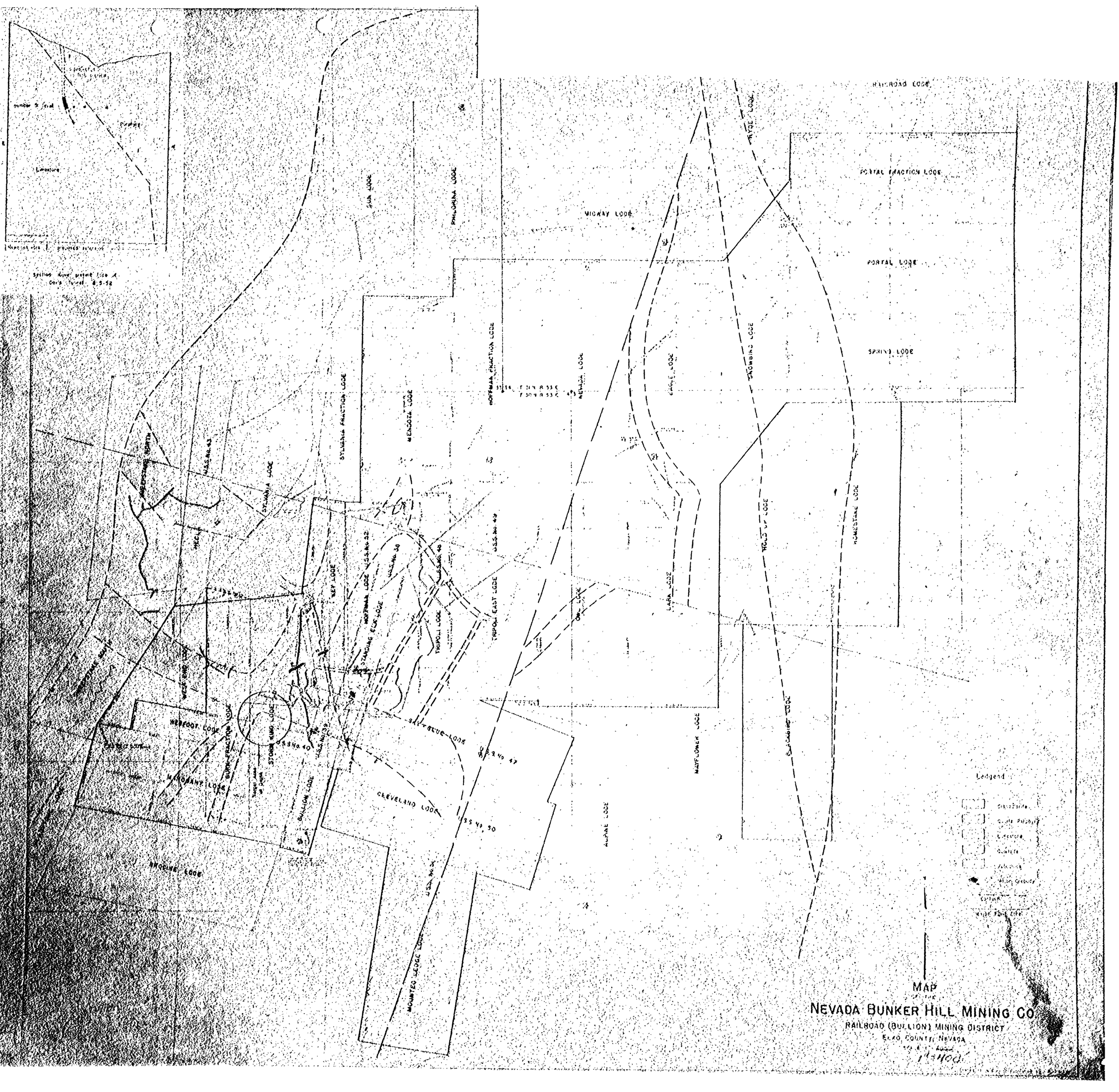

HOFFMAN LODE.
KEY LODE
STORM-KING LODE.
BUNKER HILL
ELEV. 8350 FT.
STANDING ELK LODE.
WEBFOOT LODE
MAHOGANY LODE
SWEEPSTAKE.
BURK FRACTION LODE.
LODE.
HOFFMAN FRACTION.
TRIPOLI EAST.
TRIPOLI LODE
ELEV. 8000 FT.
ALLEL TO
FT. SOUTH.
D.S.
KEY Prod.
$10000
Prop. $3.00.000.
SWEEPSTAKES MINE
Prod.
$230.000
ENNOR
Prod. $350.000
Prod. $60.000
HELEN "M"
TRIPOLI MINE.
AT PORTAL OF TUNNEL. ELEV.
1575 FT.
SHAFT.
PROPERTY.
GARNET LINE.
LIME
Prod.
$250.000.
ELK MINE
PRODUCTION.
$1000.000.
ELEV. 7500 FT.
LINE
GARNET LINE
GRANDSTAFF
LINE NINK
Prod. $600.000
IN DR. KANTUCKY
GREY EAGLE MINE
PROD. $150.000.
LEE CANON.
SHAFT
200' S of
TUNNEL
LINE
CRYSTALIZED
LINE.
Proposed
Drifting
Drilling
JAN. 1924.
0 FT. JULY 1-1918
TUNNEL IN 2100 FT.
3000 FT. December 1-1919
TUNNEL IN 3410 FT.
3500 FT.
3700
4000 FT.
5000 FT.
6000 FT.

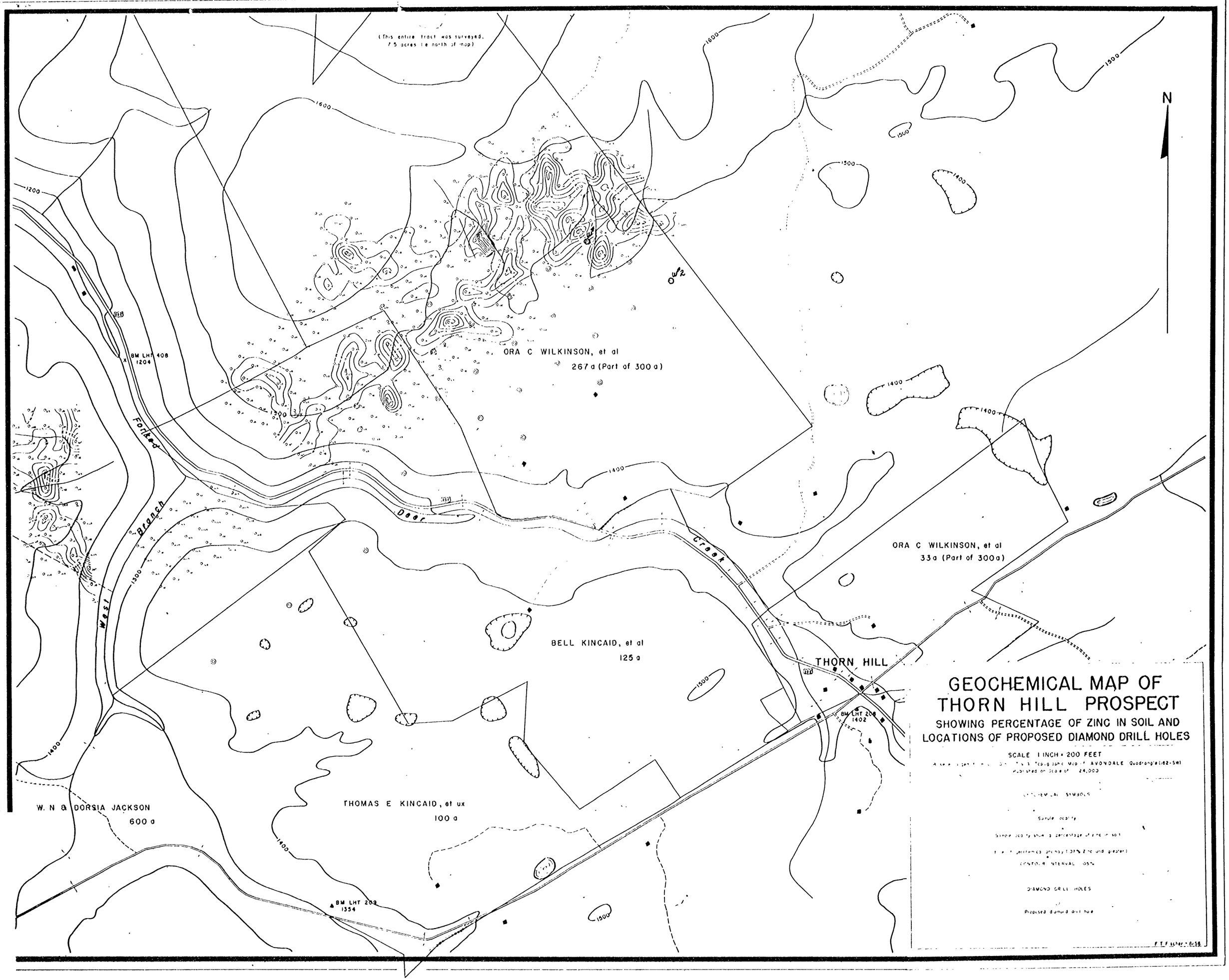
SECTION
THROUGH AXIS OF MAIN TUNNEL.
OF THE
NEVADA BUNKER HILL MINING CO.
ELKO COUNTY-NEVADA.

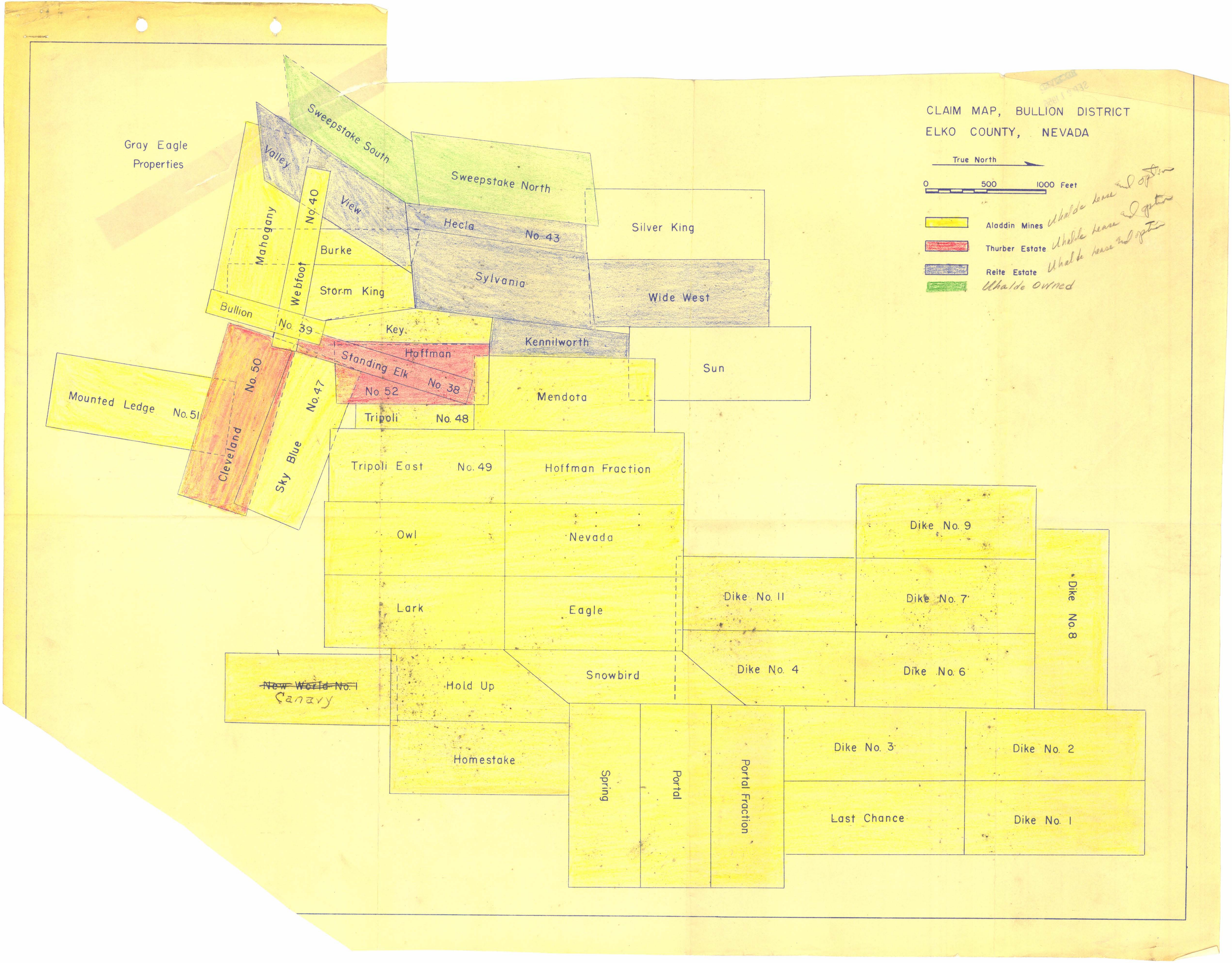
Scale 1" = 200'

Drawn by W.W. Mason
July-A[illegible]




RAILROAD LODE
HYDE LODE
PORTAL FRACTION LODE
MICKAY LODE
PORTAL LODE
SUN LODE
PHILOPENA LODE
SPRING LODE
HOFFMAN FRACTION LODE
NEVADA LODE
EAGLE LODE
CROWBING LODE
SYLVANIA FRACTION LODE
MENDOZA LODE
SYLVANIA LODE
WOLF LODE
HOMESTAKE LODE
KEY LODE
HOFFMAN LODE
STANDING ELK LODE
TRIPOLI LODE
TRIPOLI EAST LODE
LARA LODE
MAYFLOWER LODE
BLACKBIRD LODE
WEST END LODE
REDFOOT LODE
BURR FRACTION LODE
STOCK KING LODE
BULLION LODE
SILVER BLUE LODE
CLEVELAND LODE
ALPINE LODE
MOUNTED LEDGE LODE
CROWBING LODE
Legend
MAP
OF THE
NEVADA BUNKER HILL MINING CO.
RAILROAD (BULLION) MINING DISTRICT
ELKO COUNTY, NEVADA


(This entire tract was surveyed, 7.5 acres lie north of map)
N
1600
1500
1400
1300
1200
ORA C WILKINSON, et al
267 a (Part of 300 a)
ORA C WILKINSON, et al
33 a (Part of 300 a)
BELL KINCAID, et al
125 a
THOMAS E KINCAID, et ux
100 a
W. N & DORSIA JACKSON
600 a
THORN HILL
BM LHT 408
1204
BM LHT 209
1354
BM LHT 208
1402
West Branch
Deer Creek
GEOCHEMICAL MAP OF
THORN HILL PROSPECT
SHOWING PERCENTAGE OF ZINC IN SOIL AND
LOCATIONS OF PROPOSED DIAMOND DRILL HOLES
SCALE 1 INCH = 200 FEET
Sample locality
DIAMOND DRILL HOLES
Proposed diamond drill hole


CLAIM MAP, BULLION DISTRICT
ELKO COUNTY, NEVADA
True North
0
500
1000 Feet
Aladdin Mines Uhalde lease and option
Thurber Estate Uhalde lease and option
Reite Estate Uhalde lease and option
Uhalde owned
Gray Eagle Properties
Sweepstake South
Sweepstake North
Valley
View
Mahogany
No. 40
Webfoot
Burke
Storm King
Hecla
No. 43
Silver King
Sylvania
Wide West
Bullion
No. 39
Key
Hoffman
Kennilworth
Sun
Standing Elk
No. 38
No. 52
Mounted Ledge
No. 51
No. 50
Cleveland
No. 47
Sky Blue
Mendota
Tripoli
No. 48
Tripoli East
No. 49
Hoffman Fraction
Owl
Nevada
Lark
Eagle
Dike No. 9
Dike No. 11
Dike No. 7
Dike No. 8
Dike No. 4
Dike No. 6
~~New World No. 1~~
Canary
Hold Up
Snowbird
Homestake
Spring
Portal
Portal Fraction
Dike No. 3
Dike No. 2
Last Chance
Dike No. 1

ELK ADIT NO. 5
ALADDIN MINE

NEVADA BUNKER HILL MINING CO.

RAILROAD (BULLION) MINING DISTRICT

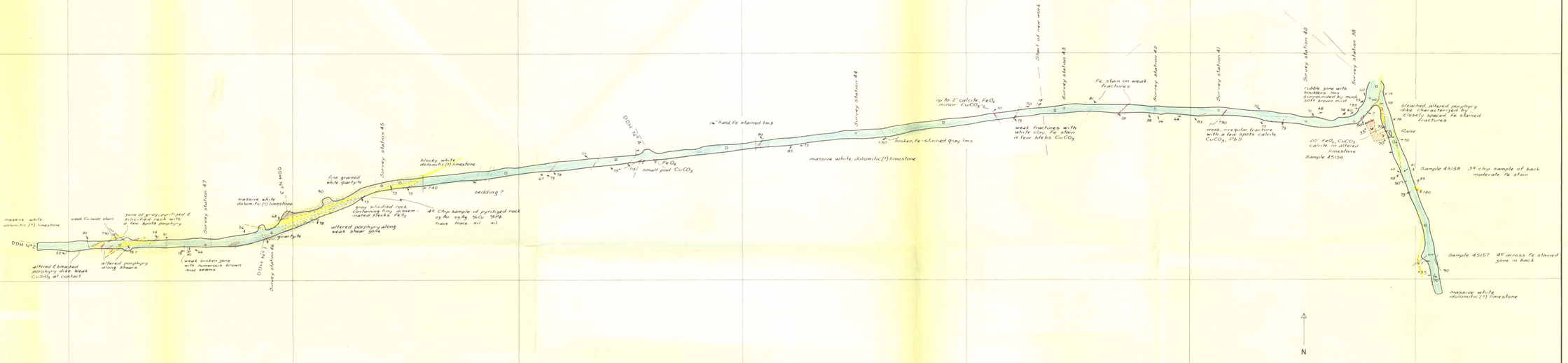
ELKO COUNTY, NEVADA

SCALE 1" = 50'

Assay Order: Oz Au, Oz Ag, % Pb, % Zn, % Cu.

Q. F. Treseder - R. C. Thomas December 1955

number 5 level
Porphyry
Limestone
Newmont work
proposed extension
Section above present face of Davis Tunnel 8-5-52
RAILROAD LODE
HYDE LODE
PORTAL FRACTION LODE
PORTAL LODE
SPRING LODE
SNOWBIRD LODE
HOLD UP LODE
HOMESTAKE LODE
BLACKBIRD LODE
MAYFLOWER LODE
ALPINE LODE
LARK LODE
OWL LODE
EAGLE LODE
NEVADA LODE
MIDWAY LODE
PHILOPINA LODE
SUN LODE
HOFFMAN FRACTION LODE
T 31 N R 53 E
T 30 N R 53 E
33 34
4 3
MENDOTA LODE
SYLVANIA FRACTION LODE
SYLVANIA LODE
U.S.S. No. 43
MECCA
KEY LODE
U.S.S. No. 52
U.S.S. No. 38
U.S.S. No. 49
U.S.S. No. 48
HOFFMAN LODE
STANDING ELK LODE
TRIPOLI LODE
TRIPOLI EAST LODE
WEST END LODE
WEBFOOT LODE
BURR FRACTION LODE
STORM KING LODE
U.S.S. No. 40
U.S.S. No. 39
SKY BLUE LODE
U.S.S. No. 47
MAHOGANY LODE
Target Area at Depth
Proposed Drifting
Proposed Drifting
BULLION LODE
CLEVELAND LODE
U.S.S. No. 50
BRODINE LODE
U.S.S. No. 51
MOUNTED LEDGE LODE
0
400
800
1200
Ledgend
Granodiorite
Quartz Porphyry
Limestone
Quartzite
Volcanics
Major Orebody
Contact
Major Fault Zone
MAP
OF THE
NEVADA BUNKER HILL MINING CO.
RAILROAD (BULLION) MINING DISTRICT



DAVIS TUNNEL

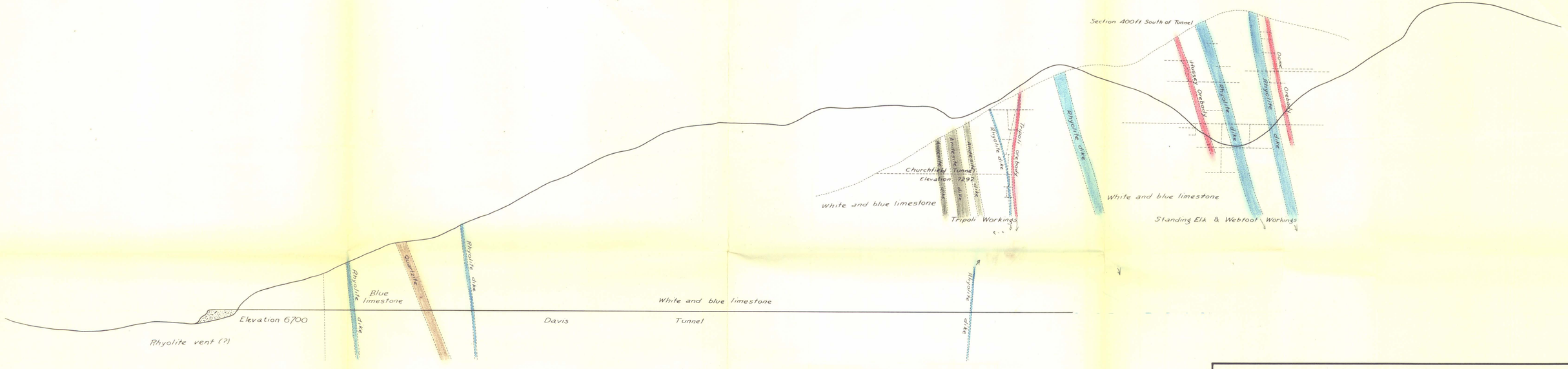
ALADDIN MINE

BULLION (RAILROAD) MINING DISTRICT

ELKO COUNTY, NEVADA

1" = 40'

A'



ALADDIN MINES COMPANY
Elko County, Nevada
LONGITUDINAL SECTION ALONG DAVIS TUNNEL
SCALE 200'=1"
LINE OF SECTION S 48½°W

Exhibit B

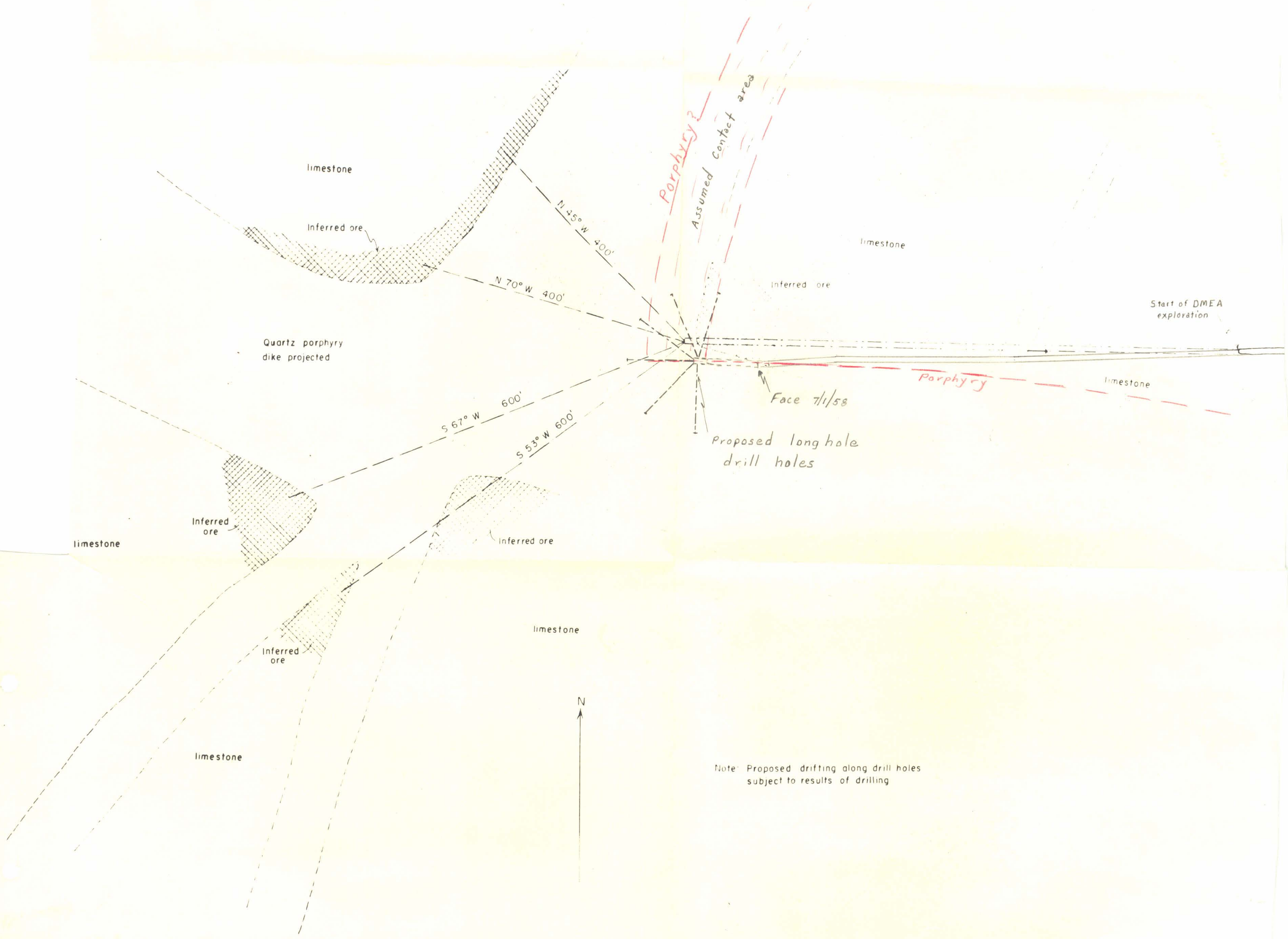


Figure 3C. PROPOSED WORKINGS, DAVIS ADIT, ALADDIN MINE, ELKO COUNTY, NEVADA

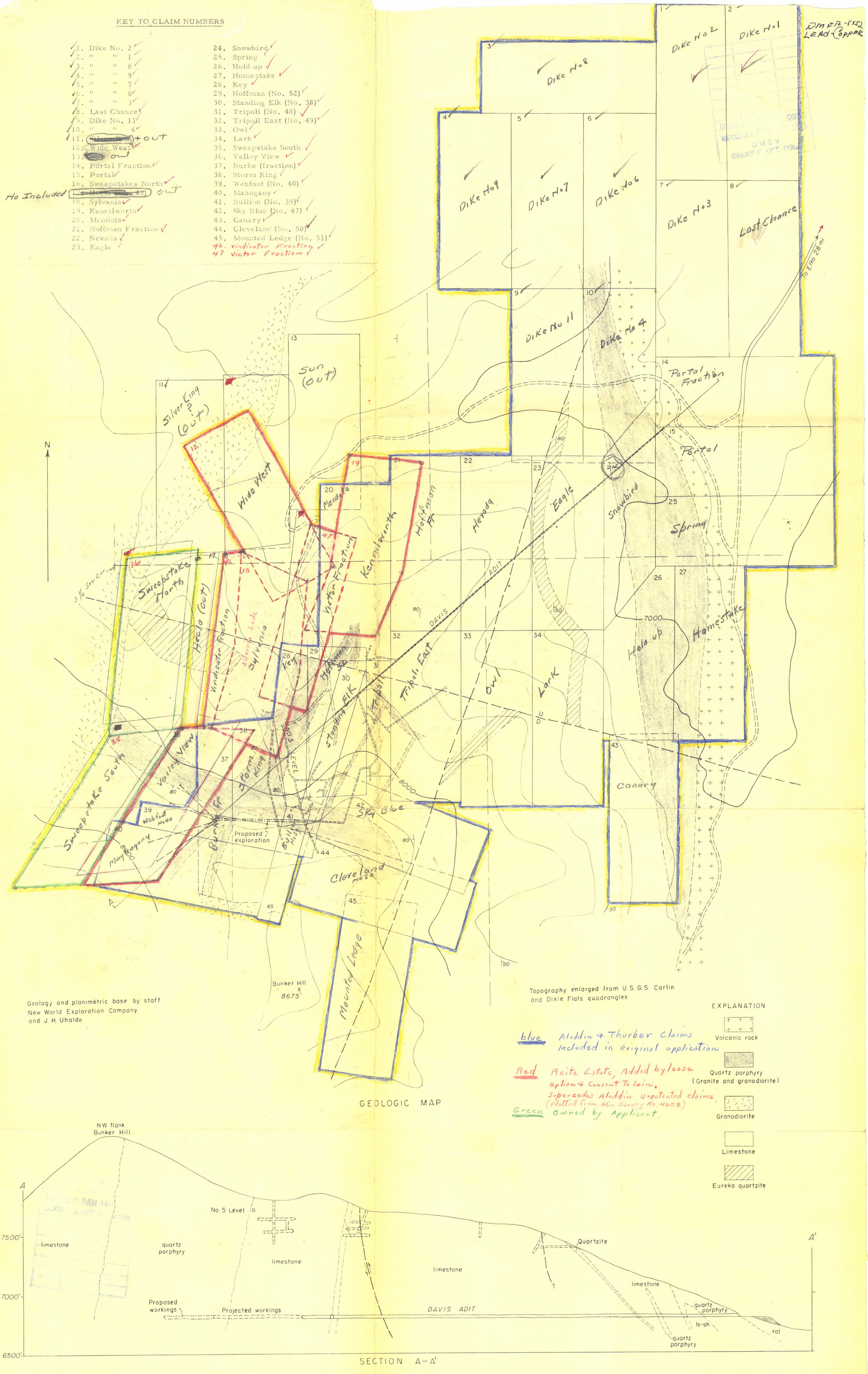
0 100 200 300 Feet

D STATES DEPARTMENT OF E INTERIOR
GEOLOGICAL SURVE

KEY TO CLAIM NUMBERS

1. Dike No. 2
2. " " 1
3. " " 8
4. " " 9
5. " " 7
6. " " 6
7. " " 3
8. Last Chance
9. Dike No. 11
10. " " 4
11. [redacted] + out
12. Wide West
13. [redacted] out
14. Portal Fraction
15. Portal
16. Sweepstakes North
17. Hecla [redacted] 43) out
18. Sylvania
19. Kennilworth
20. Mendota
21. Hoffman Fraction
22. Nevada
23. Eagle
24. Snowbird
25. Spring
26. Hold up
27. Homestake
28. Key
29. Hoffman (No. 52)
30. Standing Elk (No. 38)
31. Tripoli (No. 48)
32. Tripoli East (No. 49)
33. Owl
34. Lark
35. Sweepstake South
36. Valley View
37. Burke (fraction)
38. Storm King
39. Webfoot (No. 40)
40. Mahogany
41. Bullion (No. 39)
42. Sky Blue (No. 47)
43. Canary
44. Cleveland (No. 50)
45. Mounted Ledge (No. 51)
46. Vindicator Fraction
47 Victor Fraction

Ho Included



Geology and planimetric base by staff
New World Exploration Company
and J. H. Uhalde

Topography enlarged from U.S.G.S. Carlin
and Dixie Flats quadrangles

EXPLANATION

Volcanic rock

Quartz porphyry
(Granite and granodiorite)

Granodiorite

Limestone

Eureka quartzite

blue Aladdin & Thurber Claims
Included in original application

Red Reite Estate, Added by lease
option & Consent To lain.
Supersedes Aladdin Unpatented claims.
(plotted from Min Survey No. 4608)

Green Owned by Applicant.

GEOLOGIC MAP

SECTION A–A'

Figure 2. ALADDIN MINE, ELKO COUNTY, NEVADA

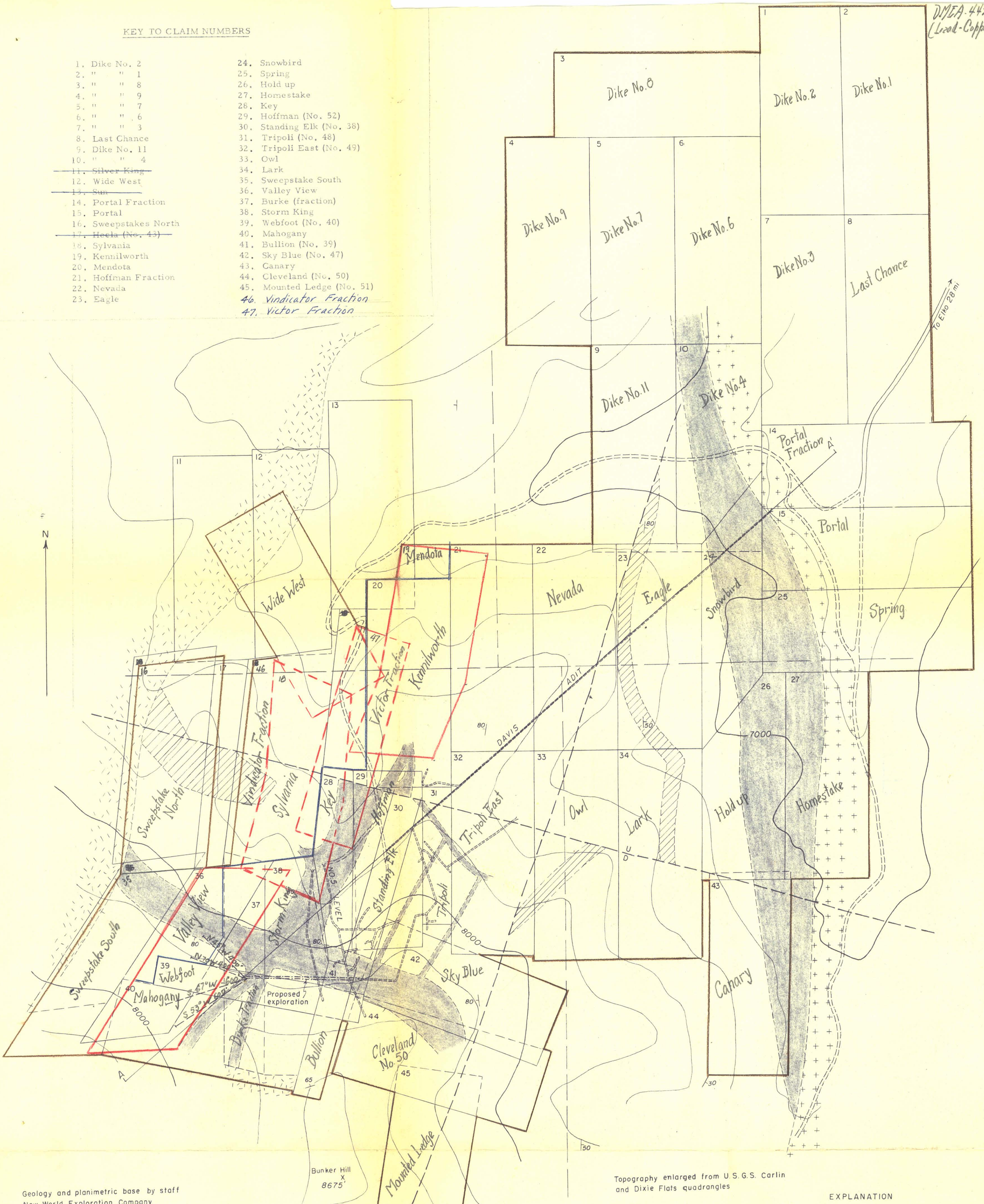
0 400 800 1200 Feet

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA-4425
(Lead-Copper)

KEY TO CLAIM NUMBERS

1. Dike No. 2
2. " " 1
3. " " 8
4. " " 9
5. " " 7
6. " " 6
7. " " 3
8. Last Chance
9. Dike No. 11
10. " " 4
~~11. Silver King~~
12. Wide West
~~13. Sun~~
14. Portal Fraction
15. Portal
16. Sweepstakes North
~~17. Heela (No. 43)~~
18. Sylvania
19. Kennilworth
20. Mendota
21. Hoffman Fraction
22. Nevada
23. Eagle
24. Snowbird
25. Spring
26. Hold up
27. Homestake
28. Key
29. Hoffman (No. 52)
30. Standing Elk (No. 38)
31. Tripoli (No. 48)
32. Tripoli East (No. 49)
33. Owl
34. Lark
35. Sweepstake South
36. Valley View
37. Burke (fraction)
38. Storm King
39. Webfoot (No. 40)
40. Mahogany
41. Bullion (No. 39)
42. Sky Blue (No. 47)
43. Canary
44. Cleveland (No. 50)
45. Mounted Ledge (No. 51)
46. Vindicator Fraction
47. Victor Fraction



Geology and planimetric base by staff
New World Exploration Company
and J. H. Uhalde

Topography enlarged from U.S.G.S. Carlin
and Dixie Flats quadrangles

EXPLANATION

Volcanic rock

Quartz porphyry
(Granite and granodiorite)

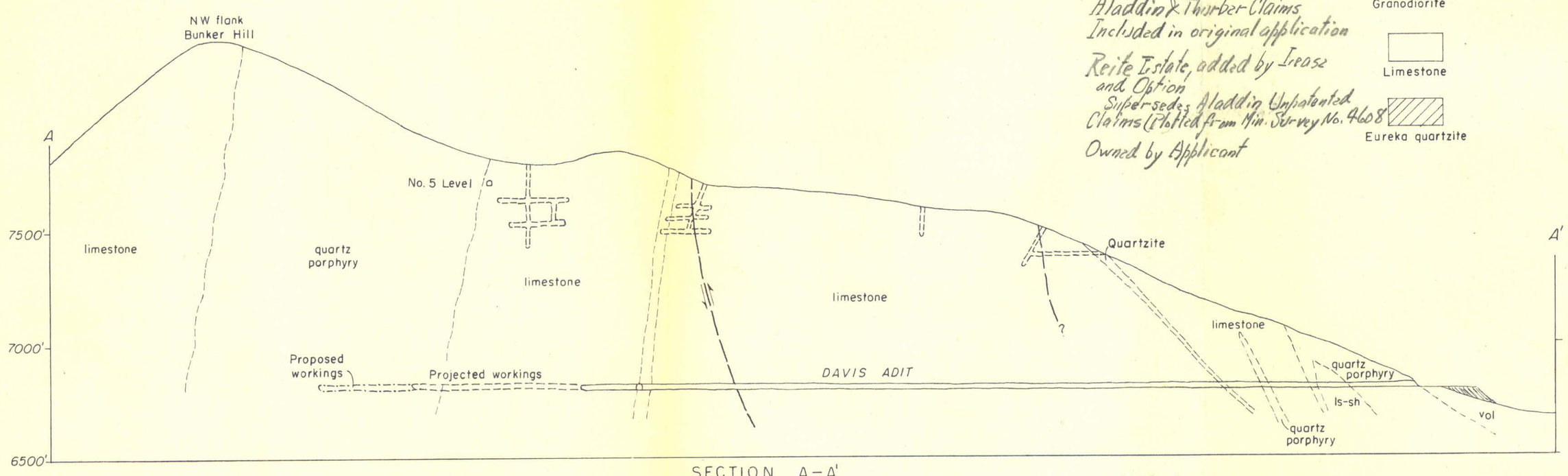
Granodiorite

Limestone

Eureka quartzite

GEOLOGIC MAP

Aladdin & Thurber Claims
Included in original application
Reite Estate, added by Lease
and Option
Super-sedes Aladdin Unpatented
Claims (Plotted from Min. Survey No. 4608
Owned by Applicant



SECTION A–A'

DMEA-4425
(Lead-Copper)

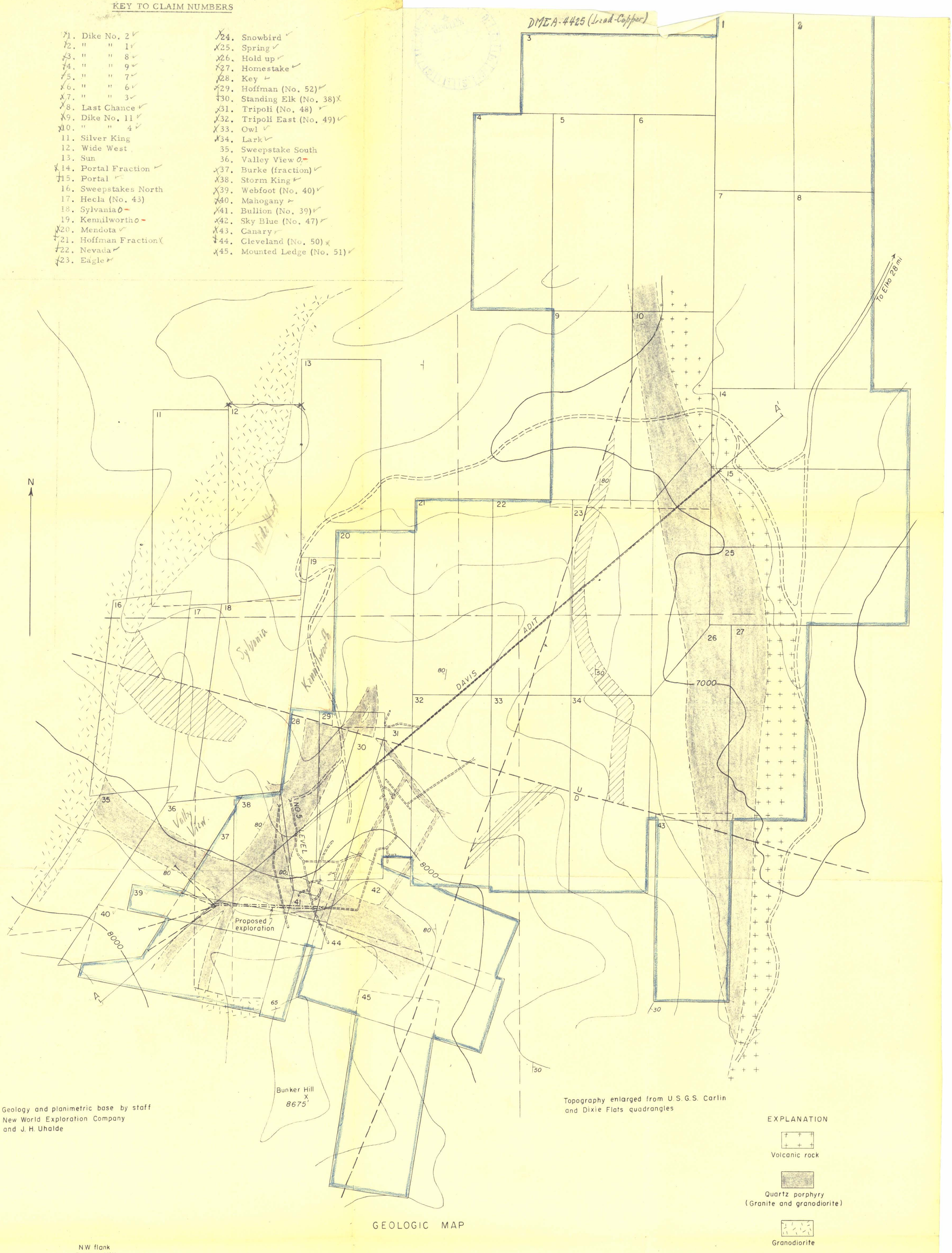
Figure 2. ALADDIN MINE, ELKO COUNTY, NEVADA

0 400 800 1200 Feet

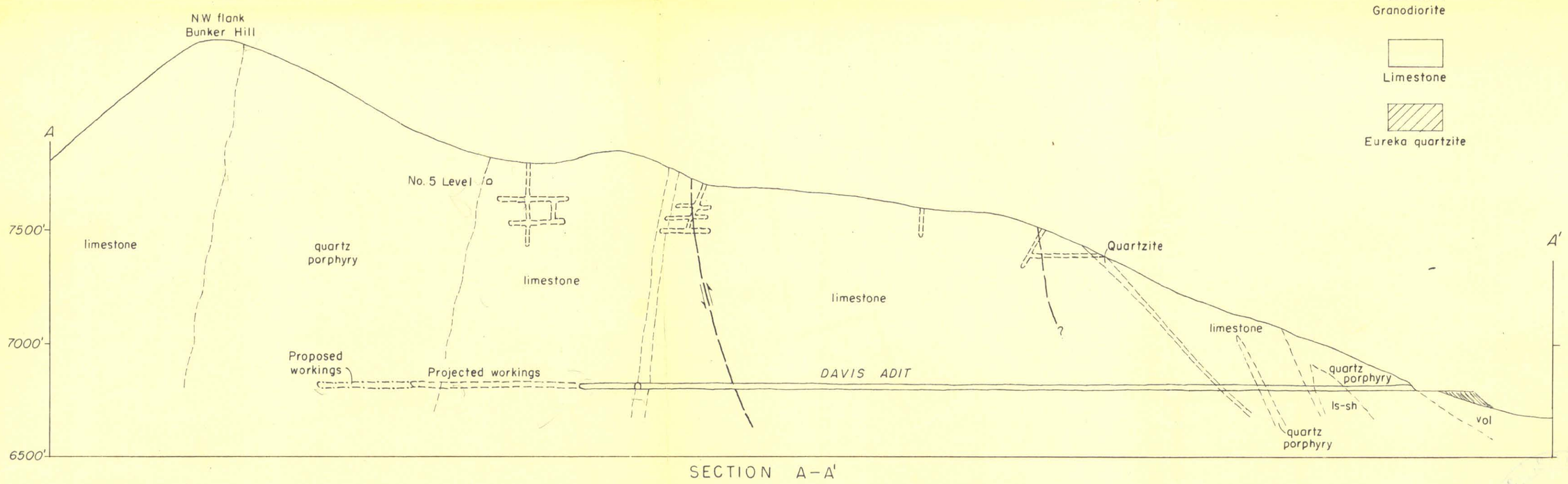
UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

KEY TO CLAIM NUMBERS

1. Dike No. 2
2. " " 1
3. " " 8
4. " " 9
5. " " 7
6. " " 6
7. " " 3
8. Last Chance
9. Dike No. 11
10. " " 4
11. Silver King
12. Wide West
13. Sun
14. Portal Fraction
15. Portal
16. Sweepstakes North
17. Hecla (No. 43)
18. Sylvania
19. Kennilworth
20. Mendota
21. Hoffman Fraction
22. Nevada
23. Eagle
24. Snowbird
25. Spring
26. Hold up
27. Homestake
28. Key
29. Hoffman (No. 52)
30. Standing Elk (No. 38)
31. Tripoli (No. 48)
32. Tripoli East (No. 49)
33. Owl
34. Lark
35. Sweepstake South
36. Valley View
37. Burke (fraction)
38. Storm King
39. Webfoot (No. 40)
40. Mahogany
41. Bullion (No. 39)
42. Sky Blue (No. 47)
43. Canary
44. Cleveland (No. 50)
45. Mounted Ledge (No. 51)



GEOLOGIC MAP



SECTION A–A'

Figure 2. ALADDIN MINE, ELKO COUNTY, NEVADA

0 400 800 1200 Feet