MME Form 9
Rev. Mar. 59

UNITED STATES
DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

OFFICIAL DOCKET FILE

Contract No. 14-23-2101 Docket No. MME-6033

Application
- [ ] Denied
- [ ] Withdrawn

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

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

Folder No. 1:

Left Side

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

Right Side

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

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

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

Additional Folders:

Left Side

Folders No. 3 : Reports
- [ ] Analysis of Semiannual Inspection Reports
- [ ] Project Summary (Interim) by MME Engineers

Right Side

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

Folders No. 2 : Maps (Use pocket folder or envelope)

Folders No. _____ : Settlement Sheets

Folders No. _____ : Drill Logs

Folders No. _____ : Royalty Material

52613

Government's copy

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

Murphy
Seller
Talbert
Grossel

EXPLORATION CONTRACT
L. AND G. MINING COMPANY
DOCKET NO. OME-6033

RESCISSION OF EXPLORATION PROJECT CONTRACT

It is agreed this 27th day of May, 1960, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, and L. and G. Mining Company, parties to that certain Exploration Contract No. 2101 (Docket No. OME-6033), dated July 8, 1959, that said contract is hereby rescinded, revoked and cancelled as of the date thereof, without any obligations whatever one party to the other, the same as if the contract had never been entered into.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By George C. Selfridge
Acting Director, Office of
Minerals Exploration

L. AND G. MINING COMPANY

By Rudolph Smith (Partner)

By Gordon Smith (Partner)

By J. J. McCullough (Partner)

AUG 1959
BUREAU OF MINES
DIVISION OF
MINERAL RESOURCES
REGION 11

Government's copy

MME Form
Feb. 1959

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

EXPLORATION CONTRACT
(Short Form)

Received 5/27/60

Docket No.	Commodity	Contract No.	County	State
OME-6033	Fluorspar	14-23-090-2101	Nye	Nevada

It is agreed 6 JUL 1959 (Date), between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and

L. and G. Mining Company, a limited partnership with Lindsay Smith and Gordon Smith as General and I. J. McCullough as limited partners,

whose mailing address is **Gabbs, Nevada**, hereinafter called the "Operator," as follows:

ARTICLE I. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before Aug. 31, 1959 (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 12 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 work is $35,690.00 The Government will contribute 50 percent of the total fixed unit costs of the work performed, not in excess of $17,845.00 in accordance with the provisions of Articles 4 and 5.

(c) Interest computation.--Simple interest computed annually at the rate of 6-3/8 percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

(d) 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 rights in land.--(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 right 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:

See Annex I

(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 Lien Agreement of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached as follows:

See Annex I

(c) The Operator shall preserve and maintain his right, title, or 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 royalty on production and liens for the payment thereof. Two true 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, in a workmanlike manner in accordance with good mining standards, and in compliance with State laws 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 production operations during the period that royalty is payable to the Government. 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. Until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. To the extent that amounts in excess of fixed unit costs or in excess of the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such amounts 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) Monthly reports.--The Operator shall provide the Government with five copies of monthly reports in three sections as follows:

(1) Operator's Monthly Voucher claiming costs for work performed;

(2) Operator's Progress Report showing the number of units of the various types of work performed; 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 monthly report). 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 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 the Government determines that 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 preparation or completion of same 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 mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

(b) Royalty on production.--The Operator, whether or not the producer (for example, if the Operator either transfers or does not retain his interest in the land), shall pay to the Government a royalty on all minerals and metals mined or produced from the land as follows:

(1) irrespective of any certification of possible production--from the date of the contract until the lapse of the time within which the Government may issue such certification or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first; or

(2) if the Government issues a certification of possible production--for a period of ten years from the date of the contract or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first.

(c) Payment of royalty.--(1) The Government's royalty shall be five percent of the XXXXXXXs gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrate, 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 (such as treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight payable 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. No costs of the Operator are deductible in arriving at the "gross proceeds" as that term is here used.

The term "treatment processes" 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.

(2) 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.

(d) Unsold production.--If any production (ore, concentrate, 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, concentrate, 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) Lien for payment.--To secure the payment of royalty (see Article 6(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

(f) 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 Government, and this estimate shall be final and binding upon the Operator.

(g) No obligation to produce.--Nothing in this contract shall be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

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

ARTICLE 7. Termination of the Government's Obligations.--(a) If the Government determines that operations at any time have failed to achieve anticipated results and further work is not justified, the Government may give the Operator written notice thereof, and thereupon:

(1) the Government shall be free of all obligation to pay on account of units of work not then performed; and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

(b) If the Government determines that the Operator is 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:

(1) the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

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 royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

(d) The determinations of the Government are subject to appeal under Article 11.

ARTICLE 8. Notices to be given by the Government may be delivered to the Operator or may be sent by certified mail addressed to the Operator at his 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. Nondiscrimination.--In connection with the performance of work under this contract, the Operator agrees not to discriminate against any employee or applicant for employment because of race, religion, color, or national origin. The aforesaid provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Operator agrees to post hereafter in conspicuous places, available for employees and applicants for employment, notices to be provided by the Government setting forth the provisions of the nondiscrimination clause.

The Operator further agrees to insert the foregoing provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.

ARTICLE 11. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, Office of Minerals Exploration, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, Office of Minerals Exploration, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, Office of Minerals Exploration, a written appeal addressed to the Secretary. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

The term "Director, Office of Minerals Exploration," as used herein includes his duly authorized representative.

ARTICLE 12. Eight-Hour Law of 1912--Overtime compensation.--This contract, to the extent that it is of a character specified in the Eight-Hour Law of 1912, as amended (40 U. S. Code 324—326) and is not covered by the Walsh-Healey Public Contracts Act (41 U. S. Code 35—45), is subject to the following provisions and exceptions of said Eight-Hour Law of 1912, as amended, and to all other provisions and exceptions of said Law:

No laborer or mechanic doing any part of the work contemplated by this contract, in the employ of the Operator or any independent contractor contracting for any part of said work contemplated, shall be required or permitted to work more than eight hours in any one calendar day upon such work, except upon the condition that compensation is paid to such laborer or mechanic in accordance with the provisions of this clause. The wages of every laborer and mechanic employed by the Operator or any independent contractor engaged in the performance of this contract shall be computed on a basic day rate of eight hours per day; and work in excess of eight hours per day is permitted only upon the condition that every such laborer and mechanic shall be compensated for all hours worked in excess of eight hours per day at not less than one and one-half times the basic rate of pay. For each violation of the requirements of this clause a penalty of five dollars shall be imposed for each laborer or mechanic for every calendar day in which such employee is required or permitted to labor more than eight hours upon said work without receiving compensation computed in accordance with this clause, and all penalties thus imposed shall be withheld for the use and benefit of the Government.

ARTICLE 13. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U. S. C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U. S. C. 874) are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions.

J. Lynch
Hoffland
App'd. Sol. Off.
Murphy
Talbert
Minerd
Selfridge

ARTICLE 14. Changes and added provisions.--

Executed in quintuplicate the day and year first above written.

L. and G. Mining Company
~~Operator~~

By J. McCullough (Partner)

By Gordon Smith (Partner)

By Lindsay Smith (Partner)

THE UNITED STATES OF AMERICA

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

I, _____ (Name), certify that I am the _____ secretary of the corporation named as Operator herein; that _____ (Name), who signed this contract on behalf of the Operator, was then _____ (Title) 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]

INT.-DUP. SEC., WASH., D.C. 52375

EXPLORATION PROJECT CONTRACT
L. AND G. MINING COMPANY
DOCKET NO. OME-6033

ANNEX I

The land referred to in Article 2 of the Contract consists of seven (7) unpatented and one (1) patented lode mining claims, in sec. 10, T. 11 N., R. 39 E., M.D.B.M., Union Mining District, Nye County, Nevada. The claims are in a contiguous group as shown on the map entitled "Map No. 2" attached hereto and made part hereof.

The patented claim is named the Chicago Lode and recorded as U. S. Mineral Survey No. 1272-50. The Operator is the owner of this claim.

The unpatented claims are recorded in the Office of the Nye County Recorder at Tonapah, Nevada as follows:

Name of Claim	Page	Book
Allied No. 1	248	104
Allied No. 2	248	104
Allied No. 3	249	104
Allied No. 4	250	104
Allied No. 5	250	104
Allied No. 6	251	104
Allied No. 7	252	104

The Operator has rights of possession of the Allied Nos. 1 through 7 claims under the terms of a contract of sale, dated December 8, 1958, by the owner, Roy C. Ames.

A Lien and Subordination Agreements document covering the above-mentioned claims is attached hereto and made part hereof.

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

AUG 1959 BUREAU OF MINES DIVISION OF MINERAL RESOURCES REGION II

FOR GOVERNMENT USE ONLY
Operator L. and G. Mining Company
Docket No. OME - 6033
Contract No. 14-23-090- 2101
Contract Date

LIEN AND SUBORDINATION AGREEMENTS 1/

To the United States of America:

That certain land in the County of Nye, State of Nevada;

described as follows: 2/ see Annex attached hereto and made part hereof.

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

3/

hereinafter called the "Operator". In consideration for and as an inducement to the Government executing the Contract, the undersigned:

1. (a) Being the owner of an interest in the land, hereby grants to the Government a lien upon all of his right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of the royalty on production provided for by the Contract, and agrees if the Operator's interest should be surrendered or terminated at any time prior to the expiration of the rights of the United States under said Contract to pay royalty to the Government according to the terms of said Contract; or

(b) Being the holder of a claim, lien, or encumbrance against the land, hereby subordinates his claim, lien, or encumbrance 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/

2. 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.

3. 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 blank.)

None

1/ 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 must be inserted above. If the space provided is insufficient, use an Annex and refer to the Annex in the space.

3/ Insert name exactly as it appears in the Application MME Form 40.

4/ Subparagraph 1(a) does not apply to the holder of a claim, lien, or encumbrance.

4. 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 true copies of such notice; and

5. 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.

6. Added provisions _____ (State "None" or "See Annex No._____".)

Dated this 18 day of July, 1959.

Roy C. Ames

Roy C. Ames (Seal) — (Street) Tonopah, Nevada, (City & State)

_____ (Seal) _____ (Street) (City & State)

_____ (Seal) _____ (Street) (City & State)

_____ (Seal) _____ (Street) (City & State)

_____ (Seal) _____ (Street) (City & State)

_____ (Seal) _____ (Street) (City & State)

I, _____ (Name), certify that I am the _____ (Title—Secretary, etc.) of the corporation named herein; that _____ (Name), who signed this agreement was then _____ (Title—Pres., Vice-Pres., 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)

The claims referred to are in sec. 10, T. 11 No., R. 39 E., M.D.B.M., Union Mining District, Nye County, Nevada, and are recorded in the Office of the Nye County Recorder at Tonapah, Nevada, as follows:

Name of Claim	Page	Book
Allied No. 1	248	104
Allied No. 2	248	104
Allied No. 3	249	104
Allied No. 4	250	104
Allied No. 5	250	104
Allied No. 6	251	104
Allied No. 7	252	104

EXPLORATION PROJECT CONTRACT
L. AND G. MINING COMPANY
DOCKET NO. OME-6033

EXHIBIT "A"

The object of this project is to explore, by means of adits, drifts, and crosscuts, for fluorspar ore along a north-trending major fracture zone that cuts dolomite and limestone of the Luning formation of Upper Triassic age.

General Provisions

Mineralized areas in the adits, drifts, and crosscuts shall be sampled by cutting a continuous horizontal channel approximately three inches wide and one inch deep along one wall. No sample shall represent more than a five-foot length of working. The Operator shall have one-half of each sample assayed chemically for its CaF_2, SiO_2, and CO_3 content as specified under Stages I and II below. The remaining half of each sample shall be stored in a suitable container properly numbered and identified as to the location from which it was procured.

The adits, drifts, and crosscuts will be of a minimum dimension of five by seven feet in the clear of timber, and will be timbered where necessary, using standard drift sets of not less than 8" x 8" timber or equivalent round timber.

The Operator shall employ a superintendent-engineer-geologist to provide the necessary technical services and the direction of the work; also, sufficient other personnel shall be employed to complete the project in a satisfactory manner.

The location, direction, extent, and the method of performing the work under this Contract are subject to Government approval.

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

Description of the Work

Stage I

The initial work will consist of bulldozing about 800 feet of access roads and about 85 feet of trenches, with an average width of 8 feet, at the portal sites of adits A, C, and D. The exploration work will consist of driving an adit from each of the portal sites. The

approximate location of the portal sites and the bearing of the adits are shown on the map entitled "Figure 1 - Map Showing Access Roads and Adits and Crosscuts to Explore Chicago Lode and Allied Claims, Docket No. OME-6033", attached hereto and made part hereof. With prior written approval by the Government, drifts or crosscuts may be driven from the adits.

Under this Stage I of the Contract not in excess of 720 feet of adits, crosscuts, or drifts shall be driven, nor more than 120 samples shall be assayed for their CaF_2 content, 12 samples for their SiO_2 content, and 12 samples for their CO_3 content. The assays for SiO_2 and CO_3 may be made on individual samples or a composite of samples taken for CaF_2 assaying.

Stage II

The exploration work will consist of driving an additional 400 feet of drifts or crosscuts to further explore areas adjacent to adits A, C, and D, considered favorable by the Government.

Not in excess of 400 feet of drifting or crosscutting shall be performed, nor more than 50 samples shall be assayed for their CaF_2 content, under this Stage II of the Contract.

Estimated Costs of Project

Fixed Unit Costs

Stage I

Construction of 3 access roads and 3 adit portal sites[1]				$1,192.00
Crosscutting or drifting:				
Adit	Length-Feet	Unit Cost/ft.		
A	120	$30.00	$3,600.00	
C	150	30.00	4,500.00	
D	450	30.00	13,500.00	21,600.00
	720			
Chemical Assays:				
CaF_2 content, 120 @ $5.00/sample			$600.00	
SiO_2 content, 12 @ $2.00/sample			24.00	
CO_3 content, 12 @ $2.00/sample			24.00	648.00
Estimated Total Cost Stage I				$23,440.00

Stage II

400 feet of drifts or crosscuts @ $30.00/ft.	$12,000.00
Chemical assays to determine CaF_2, 50 @ $5.00/sample	250.00
Estimated Total Cost Stage II	$12,250.00

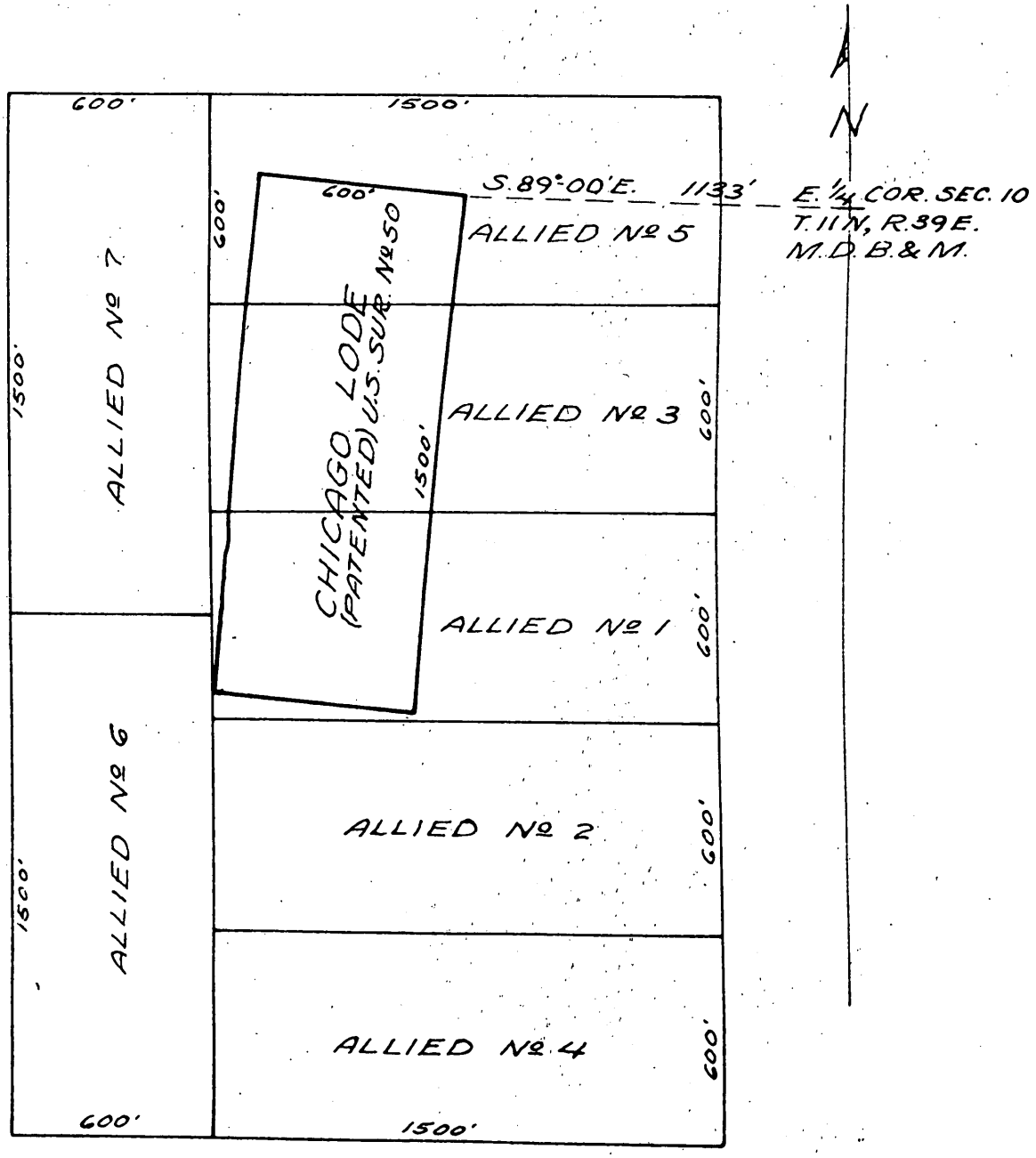
SUMMARY

Estimated Total Cost Stage I	$23,440.00
Estimated Total Cost Stage II	$12,250.00
Estimated Total Cost of Project	$35,690.00
Government Participation @ 50 percent	$17,845.00

1/ The completed work represents the unit.

CHICAGO LODE AND THE ALLIED GROUP OF LODE CLAIMS
UNION MINING DISTRICT
NYE COUNTY, NEVADA.
SCALE: 1" = 500' MARCH 6, 1959
B. YORK MINA, NEV.

ALLIED claims plotted according to description by Roy C. Ames, locator.



MAP № 2

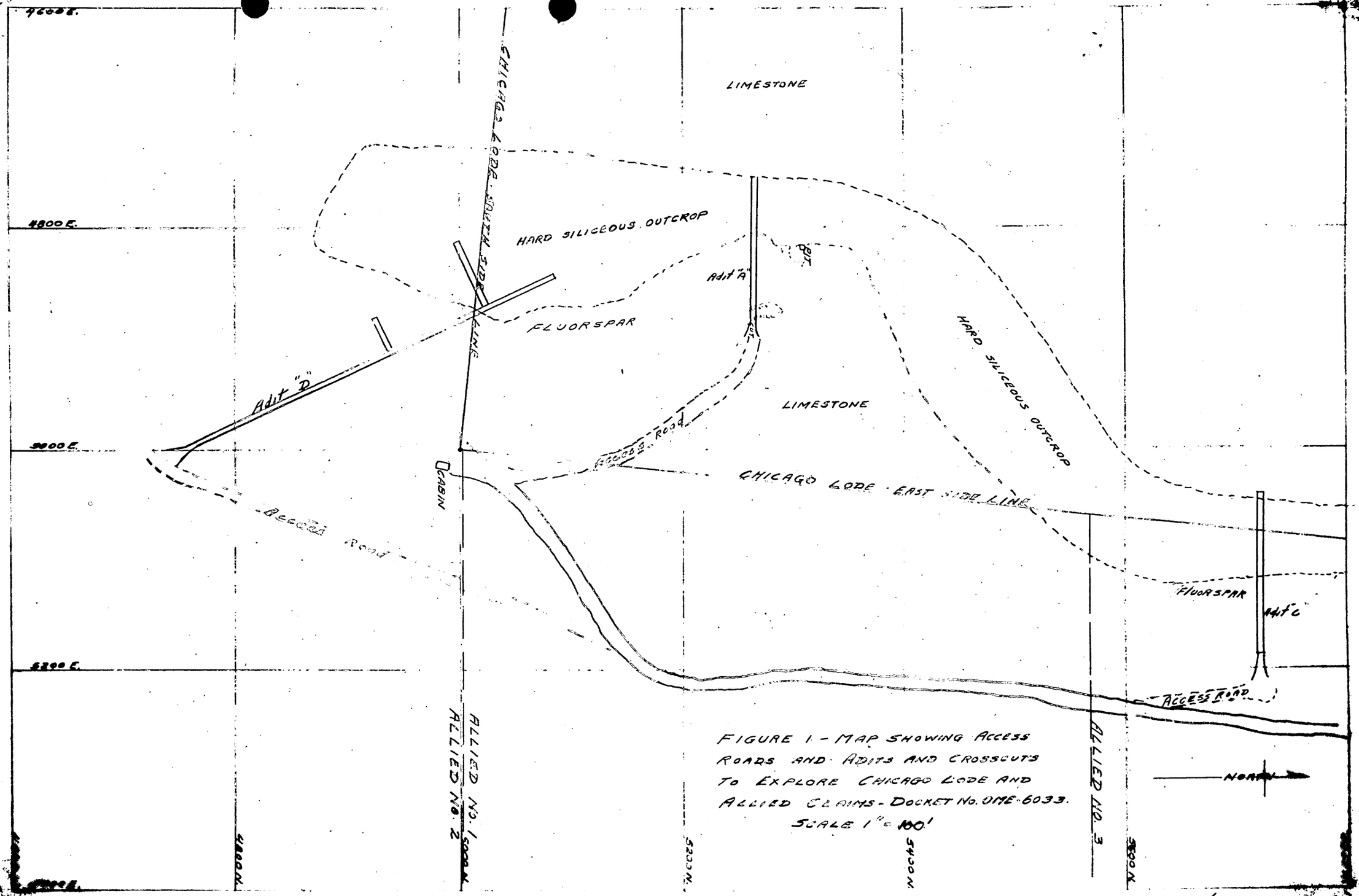


FIGURE 1 - MAP SHOWING ACCESS ROADS AND ADITS AND CROSSCUTS TO EXPLORE CHICAGO LODE AND ALLIED CLAIMS - DOCKET NO. OME-6033.
SCALE 1" = 100'

OME

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
1605 Evans Avenue
Reno, Nevada

June 10, 1959

Memorandum

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

From: Acting Executive Officer, OME Field Team, Region II

Subject: Docket No. OME-6033 (Fluorspar)
L and G. Mining Company
Chicago Lode and Allied 1-7 Lode Claims
Nye County, Nevada

Enclosed are three copies of the applicant's replies to questions raised in your memorandum of May 19, 1959.

We shall transmit a field examination report in a few days in which is recommended a project about half the size of the one proposed by the applicant.

Roscoe M Smith

Roscoe M. Smith

Attachments

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 15 1959

DATE	INITIALS	CODE
6/15	a	220
		600
6/18	[illegible]	700

BUREAU OF MINES
WASHINGTON, D.C.
JUN 15 10 14 AM '59

May 27, 1959

United States Department of the Interior
Office of Minerals Exploration
1605 Evans Avenue
Reno, Nevada

Attention: Roscoe M. Smith,
Acting Executive Officer
OME Region 11

RE: Docket OME-6033 (Fluorspar)
L & G Mining Co.
Nye County, Nevada

Dear Mr. Smith:

In response to your letter of May 25, 1959, requesting additional information to establish financial elegibility, we hereby issue the following statements:

1.- We have requested a loan in the amount of $25,000.00 from the Security National Bank of Reno and were refused.

2.- We have requested a loan in the amount of $25,000.00 from the First National Bank of Nevada, and were refused.

3.- In both of the above-referred to loan applications, for the purpose of doing the work proposed in our OME-6033 application, we offered to put up the mining company properties as collateral. We have sent you prior to this date, the letters of refusal from the above-mentioned banks.

4.- The partners signing these statements below are willing to contribute 50% of the cost of the work proposed in the application, but that they are not willing to contribute further unless the exploration is successful.

Respectfully submitted,

L & G MINING CO.

Gordon H. Smith
Gordon H. Smith

Lindsay Smith
Lindsay Smith

I. J. McCullough
I. J. McCullough

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 15 1959

DATE	INITIALS	CODE
6/18	[illegible]	700

GHS:he

OFFICIAL FILE COPY
RECEIVED JUN 15 1989

DATE	INITIALS	CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
1605 Evans Avenue
Reno, Nevada

April 8, 1959

Memorandum

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

From: Executive Officer, OME Field Team, Region II

Subject: Loan Application (Fluorspar)
L. and G. Mining Company
Chicago Lode & Allied 1-7 Lode Claims
Nye County, Nevada

Enclosed are three sets of MME 40, Application for Assistance forms, relative to above subject. The fourth set has been retained in our files.

S. Ricker

Attachments

OFFICIAL FILE COPY
O. M. E.
RECEIVED APR 10 1959
DATE

MME Form 40
Dec. 1958

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Budget Bureau No. 42-R1368
Approval expires Dec. 31, 1963

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

Pursuant to Public Law 85-701 (72 Stat. 700; 30 U.S.C. 641)

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

L. and G. MININ G COMPANY
GABBS, NEVADA

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: 6033

DATE RECEIVED: 4-10-59

REGION: II

DIVISION CODE: 600

BUSINESS ORGANIZATION *(Check one)*

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

STATE IN WHICH FIRM IS ORGANIZED

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
LINDSAY SMITH,	GABBS, NEVADA	PARTNER
GORDON SMITH,	GABBS, NEVADA	PARTNER
I. J. Mc CULLOUGH,	5820 S. ALAMEDA ST. LOS ANGELES 58, CALIFORNIA	PARTNER

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

ESTIMATED COST OF PROJECT: $ $52,596.00

PROPERTY NAME	LOCATION COUNTY	STATE
CHICAGO LODE & ALLIED 1-7 LODE CLAIMS	NYE	NEVADA

GENERAL INSTRUCTIONS

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

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief, and that he would not ordinarily undertake the proposed exploration under current conditions and circumstances at his sole expense.

March 31st 1959
DATED

Gordon Smith
BY *(Signature)*

Partner
TITLE

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

INFORMATION REQUIRED WITH THIS APPLICATION

1. Financial Eligibility:

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

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

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

2. Applicant's Rights in Land:

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

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

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

3. Physical Description:

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

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

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

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

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

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

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

4. Accessibility of Property:

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

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

5. Exploration Work:

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

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

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

6. Experience:

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

7. Estimate of Costs:

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

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

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

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

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

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

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

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

INT.-DUP. SEC., WASH., D.C. 48740

MME FORM 40, L&G MINING CO. GABBS, NEV.
APPENDIX "E"

REPORT ON AN ENGINEERING AND GEOLOGICAL STUDY OF THE CHICAGO LODE AND THE ALLIED GROUP OF LODE MINING CLAIMS

TO

LINDSAY AND GORDON H. SMITH

GABBS, NEVADA

by
Bernard York

Mina, Nevada

Location of the Property

The property is approximately twenty miles, air miles, easterly from the town of Gabbs, Nevada, in the Union Mining District, Nye County, Nevada. It is approximately one mile southerly from the mining camp of Grantsville and is situated on the east slope of Grantsville Ridge, a part of the Shoshone Mountain Range. (See U.S.G.S., Ione Nevada Quadrangle Map, also map No. 1 of my report.)

The property is accessible by improved dirt roads from Gabbs, being a distance of 23 miles via the Brunton Pass road, and 46 miles via the Burnt Cabin Summit road. Gabbs is 31 miles via black-top highway (Nevada Highway No. 23) from Luning, a shipping point on the Southern Pacific Railway System. The property, therefore, is 56 miles from a rail shipping point, 25 miles being over improved dirt road. The remainder,

31 miles, being black-top highway. At the time of this writing the Nye County Road Maintenance crews are working on the Brunton Pass route, grading and gravelling, so this should soon become an all-weather road.

The elevation of the property ranges from 7300 at the east boundary to over 7700 feet at the west boundary. This is a rather well watered section of Nevada so the land supports a good growth of Pinon Pine and Juniper trees but there are no trees on the ground suitable for mine timber. During a severe winter the snow fall may be sufficient to encumber mining activities for a few weeks but ordinarily year-round operations should be practicable.

Power and Water

Electric power from a utility source now serves the community of Gabbs. The power line extends across country from near Tonopah to Gabbs. From your property to the nearest point on this line, a point near Pactolis, is a distance of approximately 18 miles.

Water, in the small quantity needed to carry out an exploration program, is available from several near-by sources. The nearest being an artesian well at the camp of Grantsville, a distance of about one mile. The next nearest being either of two mine shafts having water standing within a few feet of the surface. These shafts are at the camp of Grantsville and about one and one-half miles from the property. Another is, Union Spring, at a road distance of about 4½ miles where the water flows into a cattle watering trough.

Water, in the quantity required for a mill, can be obtained by drilling wells in Ione Valley. The distance from the property would be about six miles. Or, it is probable that the mine shafts at Grantsville will produce sufficient water for milling.

The Mining Claims

Eight lode mining claims in a contiguous group, covering an area of approximately 140 acres, comprise the mining property. One of these, the Chicago Lode, is a patented claim and was recently acquired by you through outright purchase. The other seven claims, namely, Allied 1-7, inclusive, are unpatented claims being held by you under a purchase contract from Mr. Roy C. Ames.

The property boundaries of the Chicago Lode claim were re-established by Mr. L.B. Spencer, land surveyor, in June, 1950. The corner posts are standing, and though not re-surveyed by me, seem to me to be in proper order. The Allied claims have not, according to Mr. Roy C. Ames, been surveyed. I have not surveyed them, but I have sought out some of the boundary posts and from doing so gained the feel that the claim boundaries are in fairly good order. (See Map No. 2 for a layout of the claims.)

For the purpose that I have faced so far, that of establishing the position of mine workings and drill holes relative to the property boundaries, I have used corner No. 4 (the south-east corner) of the Chicago Lode claim as point reference and the south end line of the Chicago Lode claim as direction reference. As elevation datum I chose ground level (top of a steel

pin) at corner No. 4, Chicago Lode claim as having an elevation of 7500.0 feet above sea level. The elevations given on my maps are all referred to this datum.

Regional Geology

Appraisal of the ore potential of the Chicago Lode-Allied Group is the main issue here. However, the fluorspar deposits on these claims are not the only ones extant in the district. And further, fluorspar deposition seems to have taken place under similar structural conditions and to exhibit evidence of having taken place through a rather uniform chemical sequence throughout the district. In fact, the areal distribution and the mineralogical similarities suggest that the deposits are scattered along one main structural zone and that they all owe their origin to the same source of solutions. If this be a valid postulate, a knowledge of regional conditions should aid in appraising the potential of each deposit. A brief description of the regional geology will, therefore, be given space here, but limiting the discussion to an area on the west front of the Shoshone Range extended from about two miles south of Grantsville, north to Berlin.

The oldest rocks of the region, according to Fuller and Ferguson (Geological Survey Professional Paper 216) are (Permian?) meta-andesites, locally called green-stones or andesite. These old volcanics are overlain by a Triassic series of slates, conglomerates, and limestones. The latest rocks are Tertiary flows of rhyolite and andesite. In the vicinity of the Chicago

Lodo-Allied Group a rather massive outcrop of rhyolite contains prominent phenocrysts of feldspar (up to several millimeters in diameter) a textural feature which suggest that the mass may be intrusive. Furthermore, the mass butts against the Triassic sediments at a steep angle, a condition that also suggest intrusion. The contact of this rhyolite against the sediments strikes approximately, north-south, conforming with the alignment of the main structural feature of the area.

Post-Triassic deformation is in the form of faulting and tilting. The major alignment of the faulting is north-south, but minor to major cross faulting is apparent. Tilting is downward toward the east giving the sediments an easterly dip. Locally, blocks are highly contorted and do not conform with the main attitude in the area.

Post-Tertiary (probably recent) faulting has taken place along the west front of the Shoshone Range and locally has contributed to the development of considerable relief. Whether this faulting played a part in the development of the fluorspar deposits is not known at this time. I presume not. Therefore, our chief concern in this faulting is how and to what extent it may complicate the search for mineral bodies.

The fracture zone (fault zone) of primary interest here, because it is the axis along which fluorspar deposits occur, extends from Milton Canyon on the south to near Berlin on the north, a length of 4 to 4½ miles. The southern portion, from Milton Canyon to Grantsville, a distance of about 2 miles strikes about north-south. North from Grantsville the alignment is

north 20 degrees to 30 degrees west. Its attitude, from my present state of knowledge of it, appears to be rather steep, in places near vertical, in others dipping steeply easterly or westerly. Since this appears to be a zone of fracturing rather than a discrete fault, and this notion is borne out by its complexity, we should expect to find variations in width, in intensity and in attitude, also divergences from its main alignment. These features are manifest during field observations.

Bold siliceous outcrops mark the alignment of this fracture zone. Fluorspar is, almost without exception, associated with these siliceous outcrops. In places composing as much as one-half of the hard outcrop, in other places occurring under, along side of, or near the siliceous mass. Field observation of the silica-fluorspar ore shows evidence (fluorspar as a filling around granules and fragments of silica) that the introduction of most of the silica, the strong silicification, preceded the introduction of fluorspar. Furthermore, that fluorspar entered the silicified mass only where the silica was shattered or brecciated and thus permeable. Fluorspar lying under or along side of the siliceous mass occurs as replacement of limestone or as filling along fissures. Silica forms part of the ore gangue in the replacement bodies and in the fissures. Whether the deposition of this silica was concurrent with the fluorspar is not yet known.

This intimate association of the fluorspar with the siliceous masses together with the fact that both the siliceous masses and the fluorspar are aligned along the north-south

fracture zone leads to certain conclusions regarding the origin and the channeling of the mineralizing solutions and the order of deposition.

1. The mineral bearing solutions responsible for the heavy silicification and fluorspar deposition seem to have risen along the same channels. This is manifest by the close special relationship of fluorspar bodies to masses of silicified rock.

2. The solutions in the early stage deposited much silica and but little fluorspar. Later the reverse seems to have been the case for much of the fluorspar was deposited without the concurrent deposition of silica. This is manifest by th occurrence of fluorspar as filling in fractured and brecciated portions of the silica masses and by fluorspar as replacement ore and as fissure filling under and along side of the silica mass. (The sections in map no. 6 depict the conditions to the extent that they are now known in the Chicago Lode area.)

3. The silica masses appear to be tabular, indeed, from inspections so far they are tabular, and lie across the top of the fissure or fissures. An idealized cross section would show a mushroom top of silica, slightly tilted or nearly horizontal, spread out over a stalk that is the fissure. A truer picture would probably show several stalks. What conditions and what sequence of events could lead to such a deposit? In my opinion, the solutions rising along the fissures encountered a layer of easily replaceable rock;

easily replaceable because of its chemical composition or because it was shattered and, therefore, permeable, where the solutions spread out and deposited their load of silica. As deposition of the silica proceeded portions of the channels became completely dammed, other portions only partially so. Following this, the surge of the solutions carrying principally fluorine deposited fluorspar in the portions of the channels that remained open or replaced the fissure walls and the bottom portion of the silica mass with fluorspar.

I can't help but have the impression that the mineralization that I have been describing here bears close resemblance to the action in a hot spring that is rising in a fissure vent of considerable length. The siliceous sinter top of the hot spring having as its counterpart the silica mass. The most obvious difference being the physical features of the silica. The silica masses in this fluorspar region are of dense, cherty material and not the least bit porous and friable. Perhaps the simillitude would seem more acceptable if we disregarded the upper several hundred feet of the hot spring, for I believe that erosion has removed at least several hundred feet since mineralizing activity ceased near Grantsville.

The mineralogy of these deposits is relatively simple. Silica, fluorspar, and some calcite, with residual carbonates and clay are the only minerals present in abundance. Traces of barite are suspected, though not as yet observed. The iron-stained decay product at the surface suggests that some siderite may be present. These do not show manganese oxide so

rhodochrosite and rhodonite are certainly not abundant. Metallic minerals, except for traces of pyrite, are conspicuously absent. A spectroscopic examination of several specimens shows some lithium but no strontium.

My comments about the geometry, supposed mode of occurrence, and mineral composition are for the portion of the deposit to a depth of fifty feet or less. Mine openings and drilling have not yet penetrated them to greater depth. What conditions are to be found at greater depth remains to be explored.

Exploration Work

Prior to December, 1958 the property owners did shallow exploring by digging pits, trenches, and shallow shafts and by stripping and trenching with a bulldozer. The exploring that was done on the Chicago Lode-Allied ground is shown on maps No. 3, 4, and 5. Exploration by drilling was undertaken by you beginning in December, 1958 and carried on until March 25, 1959. Considerable thought was given to the choice of drilling equipment. Boyles Bros. Drilling Company's field representatives joined in the deliberations to aid in appraising the problems of drilling and to submit prices for drilling under contract. The fractured, fissured, and rugy condition of the rock, particularly the hard siliceous masses would, we were sure, make core drilling with a diamond drill impractical and excessively expensive. In fact, Boyles Bros. men declined to make any commitment for core drilling, except to say that they might contract to do the drilling provided that we, the operators, agreed to assume all of the bit costs. Apparently these men,

men with a long and varied background of experience in drilling, anticipated slow drilling, many delays for running casing or cementing, and the destruction of diamond bits on hard, loose granules. So, dilliberations turned to a consideration of what other equipment might successfully drill the ground.

Boyles Bros. had done exploratory drilling on deposits of silica sand and of barite with wagon-drill (percussion drill) equipment. They had been fairly successful in completing holes to a depth of 100 feet. The equipment, consisting of a 4½ inch percussion drill on a 12 foot carriage mounted, along with a sample collector, on the back of a small caterpillar tractor, was still in tact and available. A 600 cu. ft., portable, air compressor was also available. The men thought that they could drill the fluorspar ground with this equipment and were willing to attempt to do so at a contract price of $2.15 per foot of hole. We, the contractee, were to do what ever grading was necessary to provide access to drilling site. The agreement was consumated and the drilling began on December 16, 1958. Holes, 1 through 47, and 99 through 107, were drilled near Berlin and Union Canyon. Holes, 48 through 98, were drilled on the Chicago Lode-Allied ground.

I had hoped that many of the holes could be drilled inclined at about 45 degrees from the vertical so as to cut across any steep structures. Hole No. 1 was drilled inclined at 45 degrees. The drill runner insisted that the equipment would not blow the cuttings out of an inclined hole. I insisted that an attempt be made, even though it be a failure, as an experiment to determine whether inclined drilling was possible

with the equipment. The troubles experienced in drilling hole No. 1 convinced me that the driller was right. For the first 10 feet all went well, from 10 feet to 15 feet about half of the cuttings were blown from the hole, from 15 feet to 20 feet less than one-tenth of the cuttings could be blown from the hole. The bit was thoroughly buried in cuttings and it was only after a considerable struggle that the driller succeeded in removing the bit from the hole. After this attempt all holes were drilled vertical.

Difficulties were experienced, even in vertical holes. Some of the holes could not be carried beyond a depth of ten feet and only a few, particularly those within the ore zone, could not be put down to a depth of more than thirty-five to forty feet. Any condition that prevented flushing the cuttings out of the hole stopped progress in the hole. Caving of the walls of the hole was a troublesome factor. Caving at depths under twenty-five feet delayed drilling rate but ordinarily did not prohibit further drilling. Caving at depths greater than twenty-five feet prevented any further advance. The cuttings simply would not be flushed out of the hole by the quantity of air that could be sent down through the drill rods. Vugs, cavities or crevices, at what ever depth encountered, and they are numerous in the ore zone, prohibited advancing the hole. As soon as the bit entered one of these openings return of cuttings ceased, thus no sample was obtained and nothing could be gained by continuing the drilling.

You will note in the drill hole data exhibited on maps No. 3, 4, 5 and 6 that at some sites several holes were drilled but a few feet apart. This represents an attempt to get a hole down. If the first attempt failed, the rig was moved over a few feet and a new attempt made. At some sites the scheme was successful, at others a failure.

Topography together with bare-rock surfaces limited a choice of drilling sites. A caterpillar tractor simply can't be walked around on a 20 degree to 30 degree slope of bare, jagged rock. This condition prevented the drilling of holes in the outcrop section between hole 69 and 51. No holes were drilled to the west of the row of holes, 62-69, because of the same condition. There was just no practical way of getting the drill rig into position.

Inspite of difficulties in the drilling and limitations on drill sites, fifty holes, having an aggregate depth of 2,254 feet, were drilled on the Chicago Lode-Allied ground. While depth of drilling, except out in the limestone wall rock, left much to be desired, much useful information regarding the geometry of the ore and its position and possible extent was gained. Further exploring, both as to method and position can be guided by what has been learned.

Sampling

A one and seven-eigth inch, tungsten carbide, cross-bit was used for the main drilling. A 3 inch bit was used in collaring the hole so that a 2 to 3 foot length of 2½ inch pipe, containing the sample pick-up head, could be installed in the top of the

hole. Cuttings were collected for a run of 5 feet, then bagged as one sample. This gave a sample weighing from 16 to 19 pounds which was then split in a riffle type sample splitter. The two parts of the last split were bagged, one for assay, the other for panning. The rejects were bagged and are being held for what ever uses they may have, metallurgical tests, mineralogical study, or re-assay if that seems adviseable.

Panning of one of the split out portion of the sample was the first step in investigating the composition of the sample. The material was first washed down a bit, then inspected under a hand lense in order to identify the principal constituents. After additional washing the concentrates were examined and an estimate of the grade, in CaF_2, was made. This work was done in the field and as promptly after the sample was available as was practical. A record was kept for each hole. By prompt attention, this "rough and ready" classification kept pace with the drilling and, therefore was available in time to aid in the choice of site for the next hole. If we had waited for assays, our guidance information would have lagged to five days behind the drilling.

The sample splitting was done by my helper, and done very conscientiously and systematically. The panning, classifying, and estimating were done by me. When I could devote my full attention to this activity, our guidance information kept pace with the drilling. Decisions could be made on the moment, whether to continue or to quit a hole.

After a hole was completed and the cuttings from each five foot section were classified by panning, I combined the

"assay-split portions into one composite sample where several contiguous sections appeared to be of about equal quality. This composite, in some cases representing a five foot interval, in other cases as much as twenty-five feet, was sent out for assay. When classification by panning showed little or no fluorspar, no sample went for assay. Complete reliance has been placed on the panning estimate and the grade put down as "nil." This is the case in the hole data shown on maps No. 4, 5, and 6.

Frank H. Jones, operator of the Gabbs Assay Office, did our assaying. He has, through the years, established himself as a very reliable and competent assayer. Furthermore, he voluntarily sent the pulp from several samples that he had assayed to Union Assay Office, of Salt Lake City, just to have confirmation of his work. I had the opportunity to compare to two reports and find the agreement to be very close. We need not, therefore feel any uncertainty about our assays.

Frank Jones makes a charge of $5.00 for a calcium fluoride assay. This is in line with the prices of other assayers. Furthermore, there were no costs for packaging and shipping, and time lost in transit was avoided.

Rocks of the Chicago Lode-Allied Group

From the top of Grantsville Ridge, eastward down the slope almost to the bottom of the ridge, the rock is limestone or dolomitic limestone, in places thin bedded. The eastern base of the ridge is a rhyolite containing coarse phenochrysts, a texture which suggests that it could be intrusive. I have not

yet spent much time on an observation of the thickness or attitude of the limestone mass, but have the impression that the thickness is in excess of 500 feet and that the bedding strikes some what west of north and dips 30 degrees to 40 degrees east.

Hard siliceous outcrops, elongated north-south, are a prominent surface feature. One can be observed near the crest of the ridge, another about half way down the eastern slope, and a third near the eastern base of the ridge. From their texture and composition, I identify them as being masses of silica that has replaced limestone.

Ore Occurrences on the Chicago Lode-Allied Group

Two ore (fluorspar) bearing structures are now known. One, which for the purpose of this discussion we shall call the East Zone, strikes roughly, north-south, and is just west of or astraddle of the east side line of the Chicago Lode claim. The other, which we shall call the West Zone, strikes roughly, north-south, and is approximately 100 feet westerly from the west side line of the Chicago Lode claim. Both of these structures, together with the exploratory digging and drilling that has been done, are shown in plan on map No. 3.

The East Zone is marked by a hard siliceous rock outcrop that stands out in prominent topographic relief. This siliceous rock mass is continuous for a length of about 1500 feet, and extends from coordinate 4870 on the south to and beyond coordinate 5920 on the north. For much of its length the width is 150 to 200 feet. Observations at its southern terminus suggests

that it does not extend for many tens of feet into the limestone. Or, if it does, narrows down sharply. This impression is supported by surface observations and by information from drill holes. This shallowness may be but a terminus feature. Near its center the mass may extend to considerable depth. Exploring so far has not been such as to reveal this.

Both the eastern and western boundaries of this siliceous mass appear to form steep contacts with the limestone with, here and there, thin tabular extension out into the limestone. This abruptness of walls suggests that silica replacement took place within the limits of the fracture zone. If this be so, we should find the fissure or fissures extending below the silica mass. Drill holes, 31 and 33, appear to be along the alignment of a fissure but could not be drilled deep enough to reveal the information that I wanted.

A belt containing fluorspar, that has a surface exposure varying in width from 20 to 100 feet, forms the eastern border of this hard siliceous mass. Portions of this belt are now known to be of ore grade. The largest, and the one most thoroughly explored, is at the south end of the zone and is known to extend from coordinate 4865 north to 5020 north (see plan map No. 3 and 4, and sections, 1, 2 and 3, of map No. 6). Another extends from coordinate 5265 north to 5350 north, (see plan maps No. 3 and 4, and section 4, of map No. 6). A third extends from coordinate 5625 north to 5800 north (see plan maps No. 3 and 4, and section 5, of map No. 6). The intervening portions show considerable promise.

The segment from coordinate 5020 north to 5265 north shows considerable fluorspar in the outcrop and, therefore, warrants exploration. Difficult topography preventing us from moving the wagon drilling equipment up onto it, else we would have attempted some drilling there. The segment from coordinate 5350 north, to 5625 north shows some fluorspar, here and there, along the eastern margin of the siliceous mass. Exploration should be done to determine whether ore lies under the hard siliceous top.

The western margin of this belt rises up as a bluff, a condition which suggests that the hard siliceous rock once extended out over it in the form of a cap. Drilling at the south end, particularly the row of holes 61-69 that are along the face of the bluff, seems to indicate, rather conclusively, that the ore extends under the bluff, and suggests that the hard siliceous rock once capped the ore in that area. This same condition seems some what apparent at holes 49-51, also. A similar condition could exist at holes 88-98, though the holes in that segment are not in position to reveal it.

Evidence that the hard siliceous rock once formed a cap completely covering the ore plus the evidence, obtained so far, that the outcroping ore extends back under the hard siliceous remnant leads me to the conclusion that we have an excellent criterion for guiding additional exploration work. Furthermore, if this supposition be correct the bodies of ore should be large and readily accessible for mining. My proposals on additional exploring will be given later, after a description of the "west zone."

The West Zone is a discrete fracture or shear zone, in limestone, striking, north-south, and dipping 30 degrees, east. Surface cuts have opened it at several points. At the most northerly cut, the ore, having a fairly siliceous gangue, is 5 to 7 feet thick, and rests on a coherent and well defined footwall of limestone. The hangingwall, which is limestone also, is shattered, some what decomposed, and rather indefinite. The ore, here, assays about 50% contained CaF_2. At the southernmost cut, the Zone terminates against or is displaced by a northwesterly trending fracture. Inspection of these cuts reveals a zone of shearing 40 to 50 or more feet in width with the fractures several feet to 5 or 10 feet apart. These fractures contain some fluorspar and much calcite. No samples were taken here by me. Hard siliceous rock forms the outcrop of this zone at its south end. This appears to be a remnant of what was once a much larger mass. I would speculate that it once extended all along the length of the fracture zone. If this be so, this west zone had, at one stage, an appearance resembling that now seen at the East Zone. Unlike the East Zone, however, its ore potential lies in the fissure, exclusively, for the siliceous top, if it ever existed, has been removed by erosion. My proposal for exploring the West Zone will be discussed later.

Developed Ore

Exploration work done so far has produced information that permits speculation on "possible" ore, but only at the south end of the East Zone, has sufficient exploring been done to prove the ore. Even here, the ore has not been completely delineated.

Several holes, 56, 57, 58, 61, 62, and 64, did pass on through the ore and thus find its bottom near its southerly fringe. Other holes, 59, 60, 66, 73, 81, and 82 bottomed in ore, and thus did not establish the ore thickness at those points. We do have, though, 30,000 tons of proven ore of 45% to 50% grade in this south ore body. No speculative extensions, laterally or in depth, are included in this estimate.

Exploring done at the other two segments, the central outcrop and the northern outcrop, has been insufficient as a basis for tonnage estimate. Hole data does, however, indicate that the tenor of the ore is about the same as that in the south ore body. Likewise, there is no ore in the West Zone that can be considered as having been proven.

Proposed Additional Exploration

Our exploring with a wagon drill reveals, with no uncertanty, that the rock in the ore zone is a most incoherent mass. Crevices, cavities, and vugs, large and small, are the prevailing characteristics. The wagon drill, certainly, as we have learned, can not do a good job of drill-sampling such cavernous ground. Experienced drillers from the Boyler Bros. Drilling Company were reluctant to recommend, yes even opposed, to any attempt at core drilling with a diamond bit. So, we have no choice but to conclude that any additional exploring by drill-sampling is just not practical. We are left, then, with the driving of adits (tunnels) as the only feasible method. Adits, driven for the sole purpose of exploring are, per unit of length, rather expensive but do give, as

compensation, superior information over drilling. Geology can be studied by direct observation and samples can be taken from a much larger and more representative portion.

You can expect the cavernous condition of the ground to give trouble in drilling and in loading blast holes in the adits. This is no mere matter of conjecture based on difficulties experienced in drill-sampling with the wagon drill, but from actual experience in attempting to drill and blast the outcrops. An air-leg mounted "jackhammer" with Sandvic-Coromant drill rods was used in drilling 15 to 20 holes. None of these holes could be put down beyond a depth of 3 to 4 feet. Drilling to even this shallow depth was a considerable struggle. Then, following the drilling, much time and no little patience was required to load dynamite into the hole. From this experience, it is my opinion that optimum progress will be had by using a three foot drill round. Rather poor breakage may be expected, even with this short round, because of dissipation of blasting energy into the cavities. Working under these difficulties, a two man crew, even with good equipment, will have to hustle to maintain an average advance of three feet per shift in a 5 by 7 foot heading. The cost per foot will, therefore, be expensive. Even so, the geological probabilities for a large quantity of ore justify the expenditure for exploration.

I am proposing six adits (tunnels), which should, even though they penetrate the ore zone at moderate depth, rather thoroughly explore the upper portion of the ore zone. Four of

these, adits, A, B, C, and E, are layed out so as to crosscut the ore structure of the East Zone. Adit, D, is layed out, drift fashion to penetrate the ore body known to exist near the south end of the East Zone. The horizon chosen will place it below the bottom of your drill holes. Furthermore, it will extend beyond the area explored by drilling and thus serve to prospect new ground out under the hard, silicous cap. Some crosscutting should be done from adit, D, to explore the width of the ore. Adit, F, is layed out as a drift on the West Zone structure. Here, too, some crosscutting would seem advisable.

These proposed adits are shown in plan on map No. 3 and in elevation, where the adit fits the section, on section map No. 6. Of the six proposed adits, F, only, now has an access road over which equipment and supplies can be moved easily. The road to, A and B, needs improvement. Access roads to, C, D, and E, will be new construction.

Since the purpose of these access roads is to serve the exploration work, a minimum of expense should be put into their construction, and yet have a road over which small trucks can move loads of equipment, water, etc. They will be along the hill side where, in this area, the mantle of soil is but one or two feet thick. Therefore, considerable drilling and blasting of rock will be required in providing a desirable grade width (8 to 10 feet). Your air compressor and rock drill, that will be on the job for the driving of the adits, can be used in the road construction. The grading can be done with your, D-C, bulldozer-equipped, caterpillar tractor. The four access roads

will require the construction of approximately, 1050 feet of road. The road to adits, A and B, 340 feet, is a matter of improvement of the existing roadway, but the "turn-around" area at the cabin should be enlarged. If this is done, the cost per foot of length for this whole task should be about the same as for the construction of the new roads. The approximate position of these proposed access roads is shown on map No. 3.

Suggestions on the Driving of the Adits

The width and height dimensions of the adits should be large enough to provide for optimum working conditions during their construction. A mucking machine, Eimco-312 or similar size, can work conveniently in a heading that is five feet wide by seven feet high. These dimensions are adequate for all of the other elements of the work, also, so I suggest that the adit be of this size. The drilling of blast holes is expected, for the reasons given earlier, to be a difficult and lengthy task, I believe, therefore, that you should provide a mucking machine for loading the broken rock, for it will hasten that element of the work and thus leave a larger part of the shift for drilling. Too, modern miners are unaccustomed to heavy hand mucking assignments. None of the proposed adits are very long so the rock can be moved out by hand tramming. The track can be removed from each adit as soon as the adit is completed and will, therefore, be available throughout the job. Twelve pound rail is sufficiently heavy for the tramming section of track, But lengths of twenty pound rail must be used under the mucking machine at the heading. Two hand tram-size mine cars will be needed for the tramming. Your, 315 cu. ft. per minute, air compressor unit has sufficient capacity

to furnish power for an Eimco-512 or similar size muckling machine. It, too, will be needed on the job. Water, to be used with the rock drills and in the wetting of muck piles, must be hauled from Grantsville. One-hundred gallons, or so, should be plenty to meet the requirements of one day, therefore, it is my suggestion that the crew use a pickup truck for their transportation and take several barrels of water with them each day as they travel to the job site. A pressure tank having a capacity of 50 to 100 gallons or more is needed to provide a pressure-storage source for the drilling water. Pipe, about 500 feet of each size; 2 inch for compressed air, 3/4 inch for water, is essential. Approximately one-thousand feet of twelve pound rail, with the appropriate quantity of track ties must be available for the track. Ventilating equipment, eight inch diameter or larger ventilating pipe, a fan and a motor, should be available, also. Rock drills, air-legs, hoses, and line-oilers are necessary. A variety of small tools, picks, shovels, hammers, saws, pipe dies, wrenches, forging equipment, rock bit grinder, etc., will be needed.

The property is approximately twenty-five miles from Gabbs. You will, therefore, meet with considerable expense in the mobilization and demobilization of crew and equipment. Haulage of supplies and the travel of a supervisor (supervisor-engineer-geologist) will mean considerable vehicle expense. The crew should not attempt to travel, daily, to and from Gabbs. If they do not, living facilities must be found for them elsewhere. The buildings in Grantsville, all of which are unoccupied, have possibilities. Two of these, if they can be rented from the owners and given some repair, repair broken windows and the like,

could house the crew. In any event you must anticipate some expense in the providing of living space and a sheltered shop near the work site.

Sampling and Assaying

The whole purpose of the exploration work is to discover and delineate ore. Your work so far has removed many uncertainties and considerably reduced the risk factor. In fact, your venture on the Chicago Lode-Allied ground has been successful so far. The geological possibilities are encouraging and indicate that additional exploring should be done. This additional exploring, like that already done, must include much sampling and assaying. At this stage in the exploring, all of the samples taken should be assayed for their $Ca\ F_2$ content. Some of the samples, one in ten perhaps, should be assayed for the $Si\ O_2$ and the total carbonates content. The exploring by adit program, that I have proposed, could produce as many as, 240 samples for $Ca\ F_2$ assay and, employing the ratio mentioned above, 24 to be assayed for $Si\ O_2$ and carbonates.

A grab sample should be taken as each round is being mucked out. The mining crew can, and must, do this as a regular and essential part of their work. Then, the muck pile sample, after being crushed and split, can be combined with others, much as was done with the drill samples, to make a composite for assay. Later, some sampling of the adit walls will undoubtedly be advisable. The 240 samples should obtain the desired information on the quality of the rock penetrated by the adits.

Conclusions

The geological potential of the Chicago Lode-Allied group, as evaluated from a study of the surface conditions and from information gained in the exploratory drilling done so far, seems excellent. The conditions of ore occurrence are such that the ore bodies could and should be of a size, attitude and grade that would permit profitable mining. Part of one ore body has been fairly well delineated by exploration. But, much more exploring must be done before you will have sufficient proven ore to justify the construction of a mill.

Exploration by drill, from the lessons learned on the ground, appears to be impractical. I, therefore, am proposing that a program of exploring by the driving of adits be undertaken. The program that I propose calls for six adits having an aggregate length of, 1460 feet.

Respectfully submitted,

Bernard York

Bernard York
Nevada Registered Engineer, No. 161.

Wine, Nevada
March 30, 1959

1. Financial Eligibility:
(a) The applicant has conferred with the officials of two Nevada banks and submitted to them a request for a loan. The money to be expended in exploring for fluorspar and other minerals on the Chicago Lode and Allied Mining properties, Nye County, Nevada.
The replies are attached to this application as appendix A-1, and A-2, which see.

(b) See first page of application, MME Form 40, Officers or Partners, etc... See also, Appendix B, "Articles of Partnership, attached hereto. Recorded at Tonopah, Nevada, Jan. 28, 1959, book 30, Pg. 7.

(c) By purchase of labor (including supervision, engineering, sampling, assaying, etc.) and materials and supplies in money, and by providing for use in performing the work, all machinery, equipment, i.e., air compressor, rock drills, hoses, slusher scraper, caterpillar tractor, 3/4 ton truck, air and water pipe, rail, mine cars, ventillation fan, ventillation pipe, tanks, and tools necessary and appropriate.

2. Applicants Rights in Land
(a) Owner, in the case of the Chicago Lode claim, a patented lode mining claim, U.S. Mineral Survey No. 1272-50. See copy of Deed of Conveyance here attached as, Appendix C-1.
Lessee with option to purchase contract, in the case of the Allied Group of seven (Allied Nos. 1-7 inclusive) lode mining claims. (Unpatented) See reproduction of lease and option to purchase contract appended hereto, Appendix C-2.
There are no liens, mortgages, or other encumberances on the land.

(b) The Chicago Lode claim and the Allied Group of seven claims cover completely an area approximating, 140 acres in Section 10, T. 11 N., R. 39 E., M.D.B. & M. (See map No. 2 of report by B. York, here appended.)
No part of the land is excepted as being subject to Government royalty and liens.

Name of Unpatented Claim	Recorded Page	Recorded Book	Place Recorded	
Allied No. 1	248	104	Tonopah,	Nevada
" No. 2	248	104	"	"
" No. 3	249	104	"	"
" No. 4	250	104	"	"
" No. 5	250	104	"	"
" No. 6	251	104	"	"
" No. 7	252	104	"	"

The applicants know of no other names by which the property is or has been known.

2. (Cont'd)
(c) See "Owner's Consent to Lien," endorsed by, Roy C. Ames, seller of the Allied Group of seven unpatented lode mining claims, appended hereto, as appendix D.

3. Physical Description
(a) The Chicago Lode claim was located during the early silver "boom" in the Grantsville area and was, apparently, patented shortly thereafter. The "Ancient Shaft" near the center of the claim, (see map No. 3) , seems to have been the only ambitious digging done on this claim during the early period. This is a steeply inclined prospect shaft having a depth (estimated) of approximately 50 feet.

Roy C. Ames was among the first to recognize the presence of fluorspar in this area and located his Allied Group of seven claims. Work done from the discovery of fluorspar to December, 1958, the date when the present operators acquired the ground, consisted of shallow trenches, cuts, pits, and road construction. These are shown on map No. 3. It is reported, though there are no records to substantiate it, that approximately 100 tons of acid grade fluorspar was shipped from this ground. Part of it from the cut on the Chicago Lode and part from the cuts on the Allied No. 6 and No. 7 claims.

The present operators did exploratory drilling with wagon drill equipment (drilling done by Boyles Bros. Drilling Co. under contract) during the period, January 20, to Feb. 20, 1959, drilling 50 holes, with an aggregate depth of 2,254 feet. These were all vertical holes. Their positions and data on depth, assay, etc., are shown on maps No. 3, 4, 5, and 6 of the report by B. York, appendix E, hereto.

Preparatory to drilling, four days work was done with a bulldozer-equipped caterpillar tractor grading access ways and set-up sites for the drill.

For additional information and detail, see report by B. York, appendix E, to this application.

(b) The applicants participated as operator in exploration work following the execution of a sales contract to them by Roy C. Ames, on December 10, 1958. The applicants had no part in work done prior to this date. Nor did they hold any proprietary interest.

(c) It is reported (hearsay) that 100 tons of acid-grade fluorspar have been shipped from these claims but the applicants have not seen settlement sheets to substantiate such a report.

(d) See report by B. York appended to and being a part of this application.

(e) See report by B. York appended to and being a part of this application.

(f) See report by B. York appended to and being a part of this application.

3. (Cont'd)
(g) Four copies of the report by B.York, one with each application form, are being submitted. This report contains geological and engineering observations, maps, assay reports and interpretations. None of these reports or their maps need be returned.

4. Accessibility of Property
(a) OME representatives who may wish to examine the property may make arrangements to do so by contacting, Gordon H. Smith. If contact is to be made by phone, call, Gabbs, 4811. If by letter, address correspondence to, Gabbs, Nevada. The representative will be guided to and over the ground by a person thoroughly acquainted with the property.
The position of the property, with access roads to it are shown on map No. 1 of the report by B. York. All mine workings, except the "Ancient Shaft" are open and in condition for inspection.

(b) Railway shipping points are at Fallon, Churchill County, Nevada, and Luning, Mineral County, Nevada. Both are on branches of the Southern Pacific Railroad System. Luning, a distance of 56 miles is nearer than Fallon, at a distance of approximately 110 miles.
Gabbs, on Nevada Highway No. 23, is 25 miles, via Brunton Summit, from the property and has regular truck-freight service.
Some supplies are available in the markets at Gabbs. Small pipe fittings and small tools, also petroleum products (lubricating oil, grease, diesel oil, and gasoline) are always available. The markets at Fallon stock most of the supplies that will be needed, or orders placed in Reno or San Francisco will bring delivery at Gabbs in two to four days.

5. Exploration Work
(a) See report by B. York, which accompanies this application. (Appendix E) His report gives a general description of the proposed exploration work and shows its position on the property.
A tabulation of work by items follows, including entrance preparation and road construction.

Item	Length of Adit, ft.	Entrance Prep.	Access Road to be Constructed, ft.
Adit A	120	30' of cut	340
" B	160	25' of cut	Included with Adit A
" C	150	25' of cut	130
" D	350 adit & 100 x-cut	30' of cut	400
" E	200	30' of cut	180
" F	300 adit & 80 x-cut	Timber entrance with two sets	none
TOTALS	1460 feet	140' of cut	1,050' of road construction

Dimensions of the adits, 5 feet wide, 7 feet high.

5. (Cont'd)
(b) Four short stretches of road must be constructed to provide access to the proposed adits. The length of each stretch is listed in the table of 5 a.) with the adit or adits that it will serve. The total length of access road that must be constructed is, 1,050 feet. See report by B. York, appendix F, for the position of these roads.

(c) Work will commence within ten days after execution of the contract, weather permitting, one shift per day, five or six days per week, until completed. Anticipated rate of progress in driving the adits is 2½ to 3 feet per day. The work will be completed in two years.

6. Experience
The applicants have been engaged in mine-exploration, mining and mine financing for a period in excess of 20 years. A mining engineer (an engineer licensed as a Registered Prof. Engineer in Nevada) will supervise the work and take care of engineering and geological services.

7. Estimate of costs
(a) Independent Contracts - None.
(b) Personal services
2-miners @ $2.25 per hour working 5 to 6 days per week.
1-part time, supervisor-engineer-geologost, working 6 to 8 days per month at a retainer salary of $300.00 per month.
1-part time accountant @ $30.00 per month for actual services.
These services are available.

(c) See tabulation

(d) Operating equipment.
See tabulation. All of the items will be furnished by the applicant.

(e) Initial rehabilitation and repairs. None.

(f) None.

(g) Miscellaneous
Repair and maintenance of operating equipment. See tabulation with 7 d.

Analytical work
Assaying for CaF_2, 240 @ $5.00
" for SiO_2, 24 @ 2.00
Assaying for carbonates, 24 @ 2.00
Crushing samples 240 @ 0.50
Accounting-part time. @ 30.00 per month

7. (Cont'd)

(g) Workmen's Compensation Insurance--- 3%
State and Federal O.A.B. ---------- 2%
State Unemployment Insurance------- 3%

MME Form 40, L and G Mining Co., Gabbs, Nevada

Tabulation of Cost for Complete Job
Supplies (7c)

Track ties	$240.00
Spikes and bolts	37.00
Dynamite	1,980.00
Caps	175.00
Fuse	460.00
Timber	196.00
Carbide	80.00
Drill rods	2,200.00
Loading sticks	6.00
Grinding wheels	75.00
Gasoline	480.00
Lube oil	640.00
Diesel oil	3,600.00
	$10,369.00 for consumable supplies

Depreciation and maintenance of Equipment (7g)

Maintenance of equipment	$ 2,750.00
Depreciation of equipment	6,050.00
Labor (direct)	21,395.00
	$40,564.00

Miscellaneous Expenses

Mobilization transportation	$ 100.00
Mobilization labor	120.00
Demobilization transportation	100.00
Demobilization labor	120.00
Supervisor, engineer-geologist	7,200.00
Travel expense	1,296.00
Accounting	720.00
Crushing samples	120.00
Assaying	1,296.00
Rent on shop & housing at Grantsville	960.00
	$52,595.00

Cost Distribution by Work Elements

Construction of Access Roads	$ 1,600.00
Preparation of Adit Entrance (Trenching, etc.)	1,500.00
Driving the Adits (All costs not entered above are charged here; sampling, supervision, etc.)	49,496.00
	$52,596.00

Distribution of the Cost to Each Adit
(Distributed in proportion to length of each adit)

Adit	Length in feet	Distributed cost
A -	120	$ 4,324.00
B -	160	5,760.00
C -	150	5,410.00
D -	450	16,200.00
E -	200	7,210.00
F -	380	13,690.00
Totals	1460	$52,595.00

Cost per foot is, $35.05, approximately
(All costs)

MME FORM 300, L & G MINING CO., GIBBS, NEVADA.

(7c)

COST OF OPERATING MATERIALS & SUPPLIES

QUAN.	ITEM	COST PER UNIT	TOTAL COST
2000 bd. ft	4x6 TIMBER, for ties	120/M	240 00
65 lb.	TRACK SPIKES	30¢	19 50
60 lb.	TRACK BOLTS	30¢	18 00
9000 lb.	DYNAMITE	22.00/100	1,980 00
7000	No 6 BLASTING CAPS	2.50/100	175 00
11 ROLLS of 3000 ft.	SAFETY FUSE	42.00/ROLL	460 00
1630 bd. ft.	MINE TIMBER 4 pcs. 8x8-16 6 " 4x6-16 18 " 2x12-16 6 " 6x6-16 4 " 4x4-16 4 " 2x6-16 4 " 2x8-16	120/M	196 00
400 lb.	CARBIDE	20¢	80 00
110 RODS	DRILL RODS SANDVIC COROMANT	20.00/ROD	2,200 00
40 ft.	1" RND LOADING STICK	15¢	6 00
30	BIT GRINDING WHEELS	2.50	75 00
1500 gal.	GASOLINE	32¢	480 00
400 gal.	LUB. OIL	1.60	640 00
15,000 gal.	DIESEL OIL	24¢	3,600 00
	NAILS		
	MINE WEDGES		
	BLACKSMITH COAL		

MME FORM 4 L & G MINING CO., GABBS, NEVADA.

(7d) OPERATING EQUIPMENT
(7g) MAINTENANCE AND DEPRECIATION

QUAN.	ITEM	d. COST WHEN NEW $	d. PRESENT VALUE $	g. DEPRECIATION PER SHIFT $	g. MAINTENANCE PER SHIFT $	COST OF OPERATING SUPPLIES, $ PER SHIFT: DIESEL OIL	LUB. OIL	GASOLINE	TIRES	COST PER SHIFT
1	1R, 315 GYRO-FLO AIR COMPRESSOR ON WHEELS	9,600 -	5,000 -	6 00	1 00	6 00	1 00			14 00
2	ROCK DRILLS WITH AIR LEGS AND HOSES	1,600 -	1,200 -	1 00	1 00		30			2 30
1	DOUBLE DRUM SCRAPER HOIST	1,200 -	1,200 -	80	50		40			1 70
1	SCRAPER BUCKET	300 -	300 -	20	50					70
4	SNATCH BLOCKS		100 -	10	10					20
300 ft.	CABLE	50 -	50 -		1 00					1 00
1000 ft.	12 lb. RAIL		200 -							
80 ft.	20 lb. RAIL		27 -							
500 ft.	2" PIPE		350 -							
500 ft.	3/4" PIPE		125 -							
500 ft.	8" VENT. PIPE		350 -							
1	FAN AND ENGINE		300 -	50			10	70		1 30
2	MINE CARS		200 -							
1	MUCKING MACHINE	3,600 -	1,500 -	2 00	1 00		30			3 30
1	PICKUP TRUCK	2,400 -	2,400 -	1 50	50		10	1 40	30	3 80
1	TD-9 INTERNATIONAL TRACTOR WITH LOADER	11,600 -	9,000 -	AVAILABLE, BUT MAY NOT BE USED						
1	D-6 CATERPILLAR TRACTOR WITH BULLDOZER	15,000 -	7,500 -	8 00	8 00	8 00	2 00	10		26 10
1	GMC, 3 AXLE TRUCK WITH WATER TANK		2,400 -	AVAILABLE, BUT MAY NOT BE USED						
1	PRESSURE TANK		100 -							
1	ROCK BIT GRINDER		100 -							
1	750 WATT LIGHT PLANT		700 -							
	SMALL TOOLS PIPE DIES, BARREL PUMP, PIPE WRENCHES, PICKS, SHOVELS, AXES, SAWS, WRENCHES, ETC.		300 -							

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O. M. E.
RECEIVED APR 10 1959
DATE | INITIALS | CODE

MINERAL COUNTY BRANCH

14406

THE SECURITY NATIONAL BANK

OF RENO

DEPOSITARY AND FINANCIAL AGENT, UNITED STATES GOVERNMENT
NAVAL AMMUNITION DEPOT HAWTHORNE
BABBITT, NEVADA

IRENE GRAHAM, BRANCH MANAGER
FRANCES RIEL, ASST. BRANCH MANAGER

April 1, 1959

L and G Mining Company (A Partnership)
Gabbs, Nevada

Dear Sirs:

The above, L and G Mining Company, composed of the following officers, Lindsay Smith, Gordon Smith, and I.J. McCullough, would like to make a loan with this branch, for the purpose of exploration of mine lands.

This type of a loan can not be made in accordance with the policy of our bank. We would suggest that the loan be made some where else.

Very truly yours,

Asst. Mgr.

MME FORM 40, L & G MINING Co., GABBS, NEV.

APPENDIX "A-1"

FIRST NATIONAL BANK
OF NEVADA

April 1, 1959

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O. M. E.
RECEIVED APR 10 1959

DATE	INITIALS	NOTE

L and G Mining Company (A Partnership)
Gabbs, Nevada

Gentlemen:

We have your request for a loan of $25,000 to the L and G Mining Company composed of the following partners:

Lindsay Smith (General Partner)

Gordon Smith (General Partner)

E. J. McCullough (Limited Partner)

COPY

The proceeds of said loan to be used for the purpose of exploration of mine lands.

We regret that it is necessary for us to reject this application as it is not in accordance with the policy of this bank to extend loans for this purpose.

We trust that it will be possible for you to obtain the necessary financing through some other source.

Very truly yours,

A. R. ANDREWS,
Assistant Cashier

ARA:by

MME FORM 40, L & G MINING Co., GABBS, NEV.

APPENDIX "A-2"

Quires 57 9-60

NME FORM [illegible], L & G MINING Co., GABBS, NEV.

APPENDIX "B"

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O. M. E.
RECEIVED APR 10 1959
DATE | INITIALS | CODE

AGREEMENT AMENDING

ARTICLES OF LIMITED PARTNERSHIP

AGREEMENT made this 8th day of November, 1958, by and between LINDSAY SMITH and GORDON SMITH, both of Gabbs, Nevada, and I. J. McCULLOUGH, of Los Angeles, California.

This agreement is made with reference to the following facts and circumstances:

(a) On September 3, 1955, the parties hereto, together with Ray Hall of Gabbs, Nevada, formed a limited partnership pursuant to the provisions of the Uniform Limited Partnership Act of the State of Nevada under the name of L. & G. Mining Company. The written Articles of Limited Partnership of said partnership were recorded in Book 6, page 314, of Official Records of Nye County, State of Nevada. In said Articles Lindsay Smith and Gordon Smith were named General Partners and Ray Hall and I. J. McCullough were named Limited Partners.

(b) On February 22, 1956, said Ray Hall assigned all of his right, title and interest in said limited partnership to Stanley Chiatovich. By document dated February 22, 1956, said assignment was consented to by all other partners.

(c) The Articles of Limited Partnership of said L. & G. Mining Company were amended by Agreement dated February 22, 1956. Said amendment was not recorded.

(d) On January 15, 1957, said Stanley Chiatovich assigned all of his interest in said limited partnership to I. J. McCullough.

(e) The parties now desire to amend the entire Articles of said limited partnership so that from and after November 8, 1958, said Articles of Limited Partnership shall contain the provisions hereinafter set forth.

NOW, THEREFORE, the parties do hereby agree that from and after November 8, 1958, the Articles of Limited Partnership of L. & G.

Mining Company shall be as follows:

1. Name and Business. The parties do hereby form a limited partnership under the name of L. & G. Mining Company for the purpose of developing and mining those certain mining claims and/or leases more fully set forth on Schedule A attached hereto and any other mining claims and/or leases as may be subsequently acquired by the partnership.

2. Term. The limited partnership commenced the 3rd day of September, 1955, and shall continue, as amended November 8, 1958, until terminated by agreement of the partners or as otherwise herein provided.

3. Location and Principal Place of Business. The location of the principal place of business of this limited partnership shall be at Gabbs, Nevada. Such location may be changed from time to time as may be desired by this limited partnership.

4. Name and Residence of Partners. The name and place of residence of this limited partnership's members and their designation as to status of membership are as follows:

Name	Place of Residence	Status
Lindsay Smith	Post Office Box No. 2 Gabbs, Nevada	General
Gordon Smith	Post Office Box No. 2 Gabbs, Nevada	General
I. J. McCullough	5820 South Alameda Street Los Angeles 58, California	Limited

5. Contributions of Members. The members have heretofore contributed the following amounts of cash to this limited partnership:

Lindsay Smith	-	$ 2,500.00
Gordon Smith	-	2,500.00
I. J. McCullough	-	25,000.00.

6. Additional Contributions. The limited partners shall not be called upon to make any additional contributions, provided, however, that by mutual agreement of all partners, both general and limited, additional cash contributions may be made from time to time by either general or limited partners.

7. Return of Contributions. No profits shall be paid to any of the partners until the respective capital contributions have been repaid from the funds of the partnership.

8. Profit and Loss. To the extent of the amount of funds supplied to the partnership by the partners, either general or limited, by way of capital contributions or otherwise subsequent to November 3, 1958, all development and/or mining expenditures shall be charged to such partners in the ratio that they have supplied cash funds to the partnership. Until such time as the partners shall have received from their share of income the full amount of all development and/or mining expenditures and said partner's share of any partnership operating losses, the partners shall divide the profits and losses of the partnership in the ratio of the funds supplied to the partnership by the partners, both general and limited. After such time the partnership profits and losses shall be divided between the partners as follows:

Lindsay Smith	-	33-1/3%
Gordon Smith	-	33-1/3%
I. J. McCullough	-	33-1/3%

Notwithstanding anything contained herein to the contrary, the liability of the limited partner for the losses of the partnership shall in no event exceed in the aggregate the amount of his contributions to the capital of the partnership.

9. General Partners. The general partners shall have equal rights in the management of the partnership business, but shall not be required to devote their entire time to the conduct of the business. Without the consent of the other general partner, no general partner shall on behalf of the partnership borrow or lend money, or make, deliver or accept any commercial paper, or execute any mortgage, bond or lease, or purchase or contract to purchase, or sell or contract to sell, any property for or of the partnership other than the type of property bought and sold

in the regular course of its business.

No partner (either general or limited) shall assign, mortgage or sell his share in the partnership or in its capital assets or property, without first offering said interest for sale to the other partners in proportion to their respective interests in the partnership. If any partner elects not to acquire his proportionate interest, said interest must then be offered to and may be acquired by any other partner. In the event none of the partners elect to purchase within a period of thirty days from the date of such offer, then said interest in the partnership may be sold to a third person, but such sale shall immediately terminate this partnership.

10. Limited Partners. A limited partner shall not have the right to substitute an assignee as a contributor in his place except in the manner provided in paragraph 9. There shall be no priority between limited partners as to contributions, compensation or income from this partnership. The partnership shall not be dissolved upon the death or retirement of a limited partner. Additional limited partners may not be admitted into the partnership. In the event of dissolution, a limited partner shall have the right to demand or receive property other than cash in return for his contribution. A limited partner shall not become liable as a general partner unless, in addition to his rights as a limited partner, he takes part in the control and management of the business.

11. Salaries and Drawings. Each partner may receive a salary for services rendered to the partnership. Such salary or salaries shall be determined from time to time by the mutual consent of the partners. Each partner may from time to time withdraw the credit balance in his income account. No additional share of profits shall inure to a partner by reason of his capital or income account being in excess of the capital or income account of the other, except as otherwise provided in paragraph 8 above.

12. Interest. No interest shall be paid on the initial contributions to the capital of the partnership or on any subsequent contributions of capital.

13. Banking. All funds of the partnership shall be deposited in its name in such checking account or accounts as shall be designated by the partners. All withdrawals therefrom are to be made upon checks signed by any or all of the partners, as the partners shall from time to time determine.

14. Books of Account. The partnership books shall be maintained at the principal office of the partnership, and each partner shall at all times have access thereto. The books shall be kept on a calendar year basis, shall be closed and balanced at the end of each calendar year, and shall be kept on a cash basis of accounting. An audit shall be made as of the closing date.

15. Voluntary Termination. The partnership may be dissolved at any time by agreement of the partners, in which event the partners shall proceed with reasonable promptness to liquidate the business of the partnership. The assets of the partnership business shall be used and distributed in the following order: (a) to pay or provide for the payment of all partnership liabilities and liquidating expenses and obligations; (b) to equalize the income accounts of the partners; (c) to discharge the balance of the income accounts of the partners; (d) to equalize the capital accounts of the partners; and (e) to discharge the balance of the capital accounts of the partners. Any assets remaining shall be sold and the proceeds distributed, or such assets may be distributed in kind as the partners shall determine. In either event such distribution shall be made in the partners' profit and loss sharing ratio.

16. Death of a Partner. Upon the death of a partner (either general or limited), the surviving partners shall have the right either to purchase the interest of the decedent in the partnership or to terminate and liquidate the partnership business. If the surviving partners elect to purchase the decedent's interest, they shall serve notice in writing of such election, within three months after the death of the decedent, upon

the executor or administrator of the decedent, or, if at the time of such election no legal representative has been appointed, upon any one of the known legal heirs of the decedent at the last known address of such heir.

-- (a) If the surviving partners elect to purchase the interest of the decedent in the partnership, the purchase price shall be equal to the decedent's capital and income accounts as shown on the partnership books as at the end of the prior calendar year, increased by his share of partnership profits or decreased by his share of partnership losses for the period from the beginning of the calendar year in which his death occurred until the end of the calendar month in which his death occurred, and decreased by withdrawals during such period, plus an amount equal to the deceased partner's share of the value of the assets of the partnership, including the mining claims and/or leases constituting a portion of the assets of the partnership and of the minerals contained therein. Such value shall be determined by appraisal as of the date of death. No allowance shall be made for good will, trade name, patents or other intangible assets, except as those assets have been reflected on the partnership books immediately prior to the decedent's death; but the survivor shall nevertheless be entitled to use the trade name of the partnership. The purchase price shall be paid without interest in four semi-annual installments beginning six months after the end of the calendar month in which the decedent's death occurred.

(b) If the surviving partners do not elect to purchase the interest of the decedent in the partnership, they shall proceed with reasonable promptness to liquidate the business of the partnership. The surviving partners and the estate of the deceased partner shall share equally in the profits and losses of the business during the period of liquidation, except that the decedent's estate shall not be liable for losses in excess of the decedent's interest in the partnership at the time of his death. No

SCHEDULE A

Chicago Lode Patended Claim - optioned from Berryman

Alameda Patented Claim
Alameda #2 Patented Claim - optioned from Berryman & Cicilini

Vulture Patended Claim
Morton Patented Claim - optioned from the Nevada Co., Neal Easton agent

Spar #1, Spar #2, Spar # 3 - optioned from N & M Co., Newman Agent

Allied Group of Claims #1 through 7, excluding therefrom the Chicago Lode patented claim, optioned from Roy Ames

Properties owned by Tiefel, Smith, Murray & Porter, optioned 11 mining locations.

compensation shall be paid to the surviving partners for their services in liquidation. Except as herein otherwise stated, the procedure as to liquidation and distribution of the assets of the partnership business shall be the same as stated in paragraph 15 with reference to voluntary termination.

17. Arbitration. Any controversy or claim arising out of or relating to this contract, or the breach thereof, shall be settled by arbitration in accordance with the rules, then obtaining, of the American Arbitration Association, and judgment upon the award rendered may be entered in any court having jurisdiction thereof.

IN WITNESS WHEREOF, the parties have signed this Agreement.

Lindsay Smith

General Partner

Gordon Smith

General Partner

I. J. McCullough

Limited Partner

STATE OF NEVADA)
) ss
County of Nye)

On _____, 1959, before me, the undersigned, a Notary Public in and for said County and State, personally appeared LINDSAY SMITH, known to me to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same.

WITNESS my hand and official seal.

_____
NOTARY PUBLIC in and for
said County and State.

STATE OF NEVADA)
) ss
County of Nye)

On _____, 1959, before me, the undersigned, a Notary Public in and for said County and State, personally appeared GORDON SMITH, known to me to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same.

WITNESS my hand and official seal.

_____
NOTARY PUBLIC in and for
said County and State.

STATE OF CALIFORNIA)
) ss
County of Los Angeles)

On _____, 1959, before me, the undersigned, a Notary Public in and for said County and State, personally appeared I. J. McCULLOUGH, known to me to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same.

WITNESS my hand and official seal.

_____
NOTARY PUBLIC in and for
said County and State.

MME FORM 40, L&G MINING Co, GABBS, NEV.
"APPENDIX C-1"

DEED

THIS INDENTURE made the 19th day of January, 1959, between Mary B. Berryman, a widow, of the town of Hawthorne, County of Mineral, State of Nevada, the party of the first part, and Lindsay Smith and Gordon Smith, of the city of Gabbs, Nye County, Nevada, the parties of the second part.

WITNESSETH: That the said party of the first part, in consideration of the sum of Ten and no/100 dollars ($10.00), lawful money of the United States of America, to her in hand paid by the parties of the second part, the receipt whereof is hereby acknowledged, does by these presents grant, bargain and sell unto the said parties of the second part, and to their heirs and assigns forever, all that certain lot, piece or parcel of land situate in the county of Nye, State of Nevada, and bounded and described as follows, to-wit:

> All the right, title and interest of the party of the first part, in and to the following patented mining claim situate in the Union Mining District, Nye County, Nevada, to-wit:
>
> Chicago Lode Patented mining claim, survey No. 1272-50;

TOGETHER with all the dips, spurs, and angles, and also all the metals, ores, gold, and silver bearing quartz, rock and earth therein; and all rights, privileges, and franchises thereto incident, appendant, and appurtenant, or therewith usually had and enjoyed; and also all dumps, plants, fixtures, and improvements, if any.

TOGETHER with the tenements, hereditaments, and appurtenances, thereunto belonging or appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

TO HAVE AND TO HOLD the said premises, together with the appurtenances, unto the said parties of the second part, and to their heirs and assigns forever.

IN WITNESS WHEREOF the said party of the first has hereunto set

L. E. BLAISDELL
DISTRICT ATTORNEY
MINERAL COUNTY
HAWTHORNE, NEVADA

her hand the day and year first above written.

_____

-----o-----

STATE OF NEVADA)
) ss
COUNTY OF MINERAL)

On this 19th day of January, 1959, before the undersigned, a Notary Public in and for said county and state, personally appeared Mary B. Berryman, a widow, known to me to be the person described in and who executed the foregoing instrument, and who acknowledged to me that she 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, at Hawthorne, Nevada, the day and year in this certificate first above written.

_____
Notary Public, State of Nevada

My Commission expires: _____

L. E. BLAISDELL
DISTRICT ATTORNEY
MINERAL COUNTY
HAWTHORNE, NEVADA

NME FORM 40, L&G MINING Co., GABBS, NEV.

APPENDIX "C-2"

CONTRACT OF SALE

THIS INDENTURE, made as of the 8th day of December, 1958, by and between ROY C. AMES, of Ione, Nye County, Nevada, hereinafter referred to as the Seller, and GORDON SMITH and LINDSAY SMITH, of Gabbs, Nye County, Nevada, hereinafter referred to as the purchasers,

WITNESSETH:

That for and in consideration of the mutual promises hereinafter set forth, to be kept and performed by the parties hereto, it is mutually agreed as follows:

1. The Seller hereby promises to sell to the purchasers, and the purchasers hereby promise to purchase from the seller, under the terms and conditions hereinafter stated, the following described unpatented lode mining claims, situated in the Union Mining District of the County of Nye, State of Nevada, bounded and described as follows:

> The ALLIED group of seven (7) unpatented lode mining claims consisting of the ALLIED NO. 1 through ALLIED No. 7, inclusive, excluding therefrom that area included within the exterior boundaries of the CHICAGO patented lode mining claim.

2. In full consideration and payment therefor, the purchasers promise to pay to the seller, in the manner as hereinafter set forth, the sum of FIFTEEN THOUSAND DOLLARS ($15,000.00), in installments, in strict accordance with the following schedule of payments:

a. The sum of ONE THOUSAND TWO HUNDRED DOLLARS, on December 8, 1958, the receipt whereof by the seller is hereby acknowledged; and

b. Commencing on April 8, 1959, and on or before the 8th day of each and every calendar month thereafter until the total purchase price has been received by the seller, the minimum monthly payment of $300.00 or a royalty of 10% of the gross amount of receipts of all ores, minerals, metals, or other products removed and sold from the premises hereinabove described, whichever is the greater.

c. All payments of principal and/or royalty shall be applied against and be credited upon the total purchase price.

3. Concurrently with the execution of this Contract, the seller shall execute and deposit with the First National Bank of Nevada, Tonopah Branch,

WILLIAM P. BEKO
ATTORNEY AT LAW
COURT HOUSE
TONOPAH, NEVADA

Tonopah, Nevada, as escrow, a good and sufficient deed of conveyance conveying all of the right, title and interest of the seller in and to the mining property hereinabove described to the purchasers, with instructions to the said escrow to deliver the said deed of conveyance to the purchasers upon receipt by the said escrow of the full purchase price as hereinabove set forth, and deducting from the final payment thereof the amount necessary to affix and cancel the required amount of Internal Revenue Documentary stamps on the said deed of conveyance. All escrow charges of any nature and kind whatsoever shall be paid by the sellers.

4. The purchasers covenant to perform all of the annual assessment work on said premises during the term of this contract, and to record due and proper notice of the completion of the same within the time prescribed by law.

5. The seller hereby gives and grants to the purchasers, subject to the performance of the terms and conditions of this contract, the exclusive right and privilege of entering said mining property and to perform exploration, drilling and development work thereon, and to remove samples therefrom, and to ship and remove ores therefrom, subject to the conditions that (1) the purchasers shall carry and maintain Industrial Accident Insurance on all employees, (2) the purchasers shall pay any and all wages and salaries of employees performing work on said premises when due, and shall comply with all laws, both federal and state, relating to employees and mining operations, and (3) shall hold the seller free and harmless from any and all labor liens, materialmen's liens, and for any and all accidents or deaths incurred or occurring on said premises during the term of this contract. Seller reserves the right to record a due and proper notice of non-responsibility in accordance with the applicable Nevada law governing the same.

6. Purchasers reserve the right to terminate their liability under this contract by giving notice thereof, in writing, together with a full quitclaim deed conveying all of their right, title and interest in and to the said mining property to the seller, to the purchaser, and they shall thereafter be free from any liability for the performance of this contract,

WILLIAM P. BEKO
ATTORNEY AT LAW
COURT HOUSE
TONOPAH, NEVADA

except for such bills, charges, royalties or claims which may have been incurred on the property while the same was in possession of the purchasers. In the event that the purchaser's further liability under this contract is terminated in the manner aforesaid, all payments made prior to said termination shall remain the property of the seller and may be retained as reasonable rental of the premises.

7. Time is of the essence of this contract, and all of the terms and conditions hereof, and the same shall be binding upon all of the heirs, administrators, executors and assigns of the parties hereto. Purchasers reserve the right to assign this contract, in whole or in part, without the consent of the seller, however, they shall within ten days of said assignment, give written notice thereof to the seller.

8. Purchasers further covenant to furnish and deliver to the seller copies of all settlement sheets, engineer's reports, and assay returns relating to said property.

In witness whereof, the parties hereto have set their hands on the day and year first above written.

Roy C. Ames
Roy C. Ames

Gordon Smith
Gordon Smith

Lindsay Smith
Lindsay Smith

STATE OF NEVADA)
: ss
COUNTY OF NYE)

On this 31st day of December, 1958, personally appeared before me, the undersigned Notary Public in and for the State and County aforesaid, ROY C. AMES, GORDON SMITH and LINDSAY SMITH, known to me to be the persons who executed the within and foregoing CONTRACT OF SALE, and they acknowledged to me that they executed the same freely and voluntarily and for the uses and purposes therein mentioned.

William P. Beko
Notary Public, Nye County, Nevada
My commission expires December 13, 1960

WILLIAM P. BEKO
ATTORNEY AT LAW
COURT HOUSE
TONOPAH, NEVADA

MME FORM 40, L & G MINING Co., GABBS, NEV.

APPENDIX "D"

OWNER'S CONSENT TO LIEN

KNOW ALL MEN BY THESE PRESENTS:

THAT I, the undersigned, am the owner of the following unpatented lode mining claims in the Union Mining District of the County of Nye, State of Nevada, to-wit:

> The ALLIED group of seven (7) unpatented lode mining claims consisting of the ALLIED No. 1 through ALLIED No. 7, inclusive, situated within the Union Mining District of the County of Nye, State of Nevada, excluding therefrom that area included within the exterior boundaries of the CHICAGO patented lode mining claim.

and that I, as Seller, did, on the 10th day of December, 1958, enter into a Contract of Sale for the sale of the above described claims to GORDON SMITH and LINDSAY SMITH of Gabbs, Nye County, Nevada.

That the said GORDON SMITH and LINDSAY SMITH, or their assigns or nominees, have evidenced the intention of applying for aid in an exploration project pursuant to DMEA ORDER 1, under the Defense Production Act of 1950, as amended, the said exploration project to be located on the above-described mining claims;

That I, as the owner of said mining claims hereinabove described, and as the Seller under that certain Contract of Sale agreement hereinabove described, in consideration of the covenants and conditions in said Contract of Sale contained, and other good and valuable consideration, the receipt whereof is hereby acknowledged, do hereby consent to a lien being filed against the above-described unpatented lode mining claims by the United States of America, or any subdivision or department thereof, to the extent necessary to complete said exploration project, and to the extent necessary to comply with said DMEA ORDER 1, as amended.

DATED: This 6th day of March, 1959.

Roy C. Ames

Roy C. Ames.

WILLIAM P. BEKO
ATTORNEY AT LAW
COURT HOUSE
TONOPAH, NEVADA

STATE OF NEVADA)
) SS.
COUNTY OF N Y E)

ON THE 6th day of March, 1959, before me, the undersigned Notary Public in and for the County and State aforesaid, personally appeared ROY C. AMES, known to me to be the person named in and who executed the within and foregoing instrument, and he 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 at my office on the day and year in this Certificate first above written.

William P. Beko

Notary Public, Nye County, Nevada.
My Commission Expires Dec. 12, 1960.

WILLIAM P. BEKO
ATTORNEY AT LAW
COURT HOUSE
TONOPAH, NEVADA

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/20	Murphy	500
	Fursnell	500
6/21	Talbert	800
6/21	Selfridge	120
		110
6/21	gad	220
		225

JUN 21 1960

Mr. Gordon Smith
President
L. and G. Mining Company
Gabbs, Nevada

Re: OME-6033 (Fluorspar)
L. and G. Mining Company
Chicago Lode and Allied Group
Nye County, Nevada
Contract 2101

Dear Mr. Smith:

Enclosed is the "Operator's copy" of the Rescission of Exploration Project Contract, dated May 27, 1960, for your files.

Sincerely yours,

(Signed) FRANK E. JOHNSON
Acting Director

Enclosure

FMMurphy/gla
6-20-60
cc to: Director's Reading File
Region II (2)
Docket
Code 500
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 JUN 17 1960

DATE	INITIALS	CODE
6-17	gad	VRO
6/17	[illegible]	800
6/20	Murphy	500
June 15, 1960		

Memorandum

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

From: Acting Field Officer, OME, Region II

Subject: Docket No. OME-6033 (Fluorspar)
L. and G. Mining Company
Chicago Lode and Allied Group
Nye County, Nevada
Contract No. 2101

Re: Rescission of the cited contract

This agreement, which cancelled the said contract as of May 27, 1960, has been executed by all parties thereto.

Pursuant to your letter of May 27, 1960, we enclose the Government's and operator's copies of the contract, the original and three copies of the Rescission agreement and your copy of the letter to Mr. Gordon Smith.

The Field Team's copy of the contract may be in the U.S.G.S. files in Menlo Park, and if so, will be forwarded to you upon Mr. Stager's return from a field trip.

Glenn G. Gentry

Glenn G. Gentry

Attachments

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

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
5/26	Murphy	500
	[illegible]	500
	[illegible]	140
	App'd. Sol. Off.	~~140~~
5/27	Talbert	800
5/27	Selfridge	130
	Absent	110
5-27	gad	220
		500

555 Battery Street
San Francisco 11, California

May 31, 1960

Mr. Gordon Smith
President
L. and G. Mining Company
Gabbs, Nevada

SOLICITOR
MAY 26 1960
INTERIOR DEPT.

Re: OME-6033 (Fluorspar)
L. and G. Mining Company
Chicago Lode and Allied Group
Nye County, Nevada
Contract No. 2101

Dear Mr. Smith:

This is to acknowledge your letter of May 11, 1960, relating to the legal status of the subject claims.

Our Washington office has advised us that in view of the status of the subject contract it should be rescinded. Therefore, we are enclosing the original and four copies of a mutual rescission agreement for execution by the limited and general partners of the company. Kindly return the original and three executed copies of the agreement to this office, as well as the company's copy of the contract.

In the event the property rights to the subject claims are clarified and you wish to request Government aid in exploring them, a new application will have to be submitted. In this case, only the signed application form, information on the legal status of the claims, and reference to the subject contract need be submitted, with new bank letters.

Very truly yours,

Glenn G. Gentry
Acting Field Officer, OME
Region II

Enclosures

FROM SOLICITOR
MAY 27 1960
FOR SIGNATURE

FMMurphy/gla
5-26-60
cc to: Director's Reading File
Review Committee
Docket
Chron
Region II (2)

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
5/23	Murphy	500
	[illegible]	500
	Seller	140
		~~140~~
5/27	Talbitt	800
5/27	[illegible]	130
	Absent	110
5-27	gad	220
		500

MAY 27 1960

SOLICITOR

MAY 24 1960

INTERIOR DEP
RECEIVED
MAY 24 1960
ASSOC. SOLICITOR
MINERAL RESOURCES

Memorandum

To: Acting Field Officer, Region II

From: Chief, Division of Field Operations

Subject: OME-6033 (Fluorspar)
L. and G. Mining Company
Chicago Lode and Allied Group
Nye County, Nevada
Contract No. 2101

With reference to your memorandum of May 18, 1960, relating to the subject contract, enclosed are self-explanatory copies of a rescission agreement and a covering letter to the Operator for dating and your signature.

All copies of the rescinded contract should be returned to the Washington office; also our copies of the letter to Mr. Smith.

SOLICITOR

MAY 26 1960

INTERIOR DEPT.

/s/ George C. Selfridge

(FS)

Enclosures

FMMurphy/gla
5-23-60
cc to: Director's Reading File
Review Committee
Docket
Chron

43683

Mail Room:

Please note that this letter is prepared for Mr. Gentry's signature and is to be forwarded with Rescission agreement to Region II.

This letter is <u>not</u> to be date stamped in Washington

Date Rec'd - Agree - Sign & Done!

ME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
5/23	Murphy	500
	Fowler	500
		140
		140
		800
		130
		110
		220
		500

555 Battery Street
San Francisco 11, California

Mr. Gordon Smith
President
L. and G. Mining Company
Gabbs, Nevada

SOLICITOR

MAY 24 1960

INTERIOR DEPT.

Re: OME-6033 (Fluorspar)
L. and G. Mining Company
Chicago Lode and Allied Group
Nye County, Nevada
Contract No. 2101

Dear Mr. Smith:

This is to acknowledge your letter of May 11, 1960, relating to the legal status of the subject claims.

Our Washington office has advised us that in view of the status of the subject contract it should be rescinded. Therefore, we are enclosing the original and four copies of a mutual rescission agreement for execution by ~~an authorized representative of the~~ the limited and general partners of the company. Kindly return the original and three executed copies of the agreement to this office, as well as the company's copy of the contract.

In the event the property rights to the subject claims are clarified and you wish to request Government aid in exploring them, a new application will have to be submitted. In this case, only the signed application form, information on the legal status of the claims, and reference to the subject contract need be submitted.

Very truly yours,

RECEIVED

MAY 24 1960

ASSOC. SOLICITOR
MINERAL RESOURCES

Glenn G. Gentry
Acting Field Officer, OME
Region II

FMMurphy/gla
5-23-60
cc to: Director's Reading File
Review Committee
Docket
Chron
Region II (2)

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 MAY 20 1960

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

Memorandum

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

From: Acting Field Officer, OME, Region II

Subject: Docket No. OME-6033 (Fluorspar)
L and G Mining Company
Chicago Lode and Allied Group
Nye County, Nevada
Contract No. OME-2101

Reference is made to your letter of March 15, 1960 to this office relative to the subject contract and our letters of March 22 and May 4, 1960 to the operator of the contract.

We enclose copies of letters from the Operator dated May 11, 1960 and October 27, 1959 respectively. As there has been no change in the status of the title suit to the Allied Group of claims, I assume that your office will prepare the Recission of the Contract.

I believe that Mr. Gordon H. Smith is anxious to carry out the work approved by the contract as he was very much disappointed when the filing of the title suit delayed his plans.

Perhaps a new contract can be executed upon satisfactory settlement of the suit.

Glenn G. Gentry

Glenn G. Gentry

Attachments

Copy to: OME File

EL CAPITAN MINING COMPANY

GABBS, NEVADA
May 11, 1960

Mr. Glenn G. Gentry, Acting Field Officer, OME,
Region 11,
555 Battery Street,
San Francisco 11, California.

Re: Docket No. OME-6033 (Fluorspar)
L & G Mining Company
Chicago Lode & Allied Group
Nye County, Nevada
Contract No. OME-2101

Dear Sir:

In reply to your letter of May 4, 1960, we are enclosing a copy of our letter to Mr. Dietrich, Executive Officer, on October 27, 1959, explaining why we have suspended work on these claims. The situation remains the same as then.

We trust this will answer your questions concerning this matter. If there should be a settlement in this action we shall notify you at once.

Yours very truly,

Gordon H. Smith

Gordon H. Smith, President
L. & G. Mining Company

GHS:mj
Encl.

COPY

Gabbs, Nevada,
October 27, 1959.

Mr. W. F. Dietrich, Executive Officer,
OME Field Team, Region 11,
555 Battery Street,
San Francisco 11, California.

Re: Docket No. OME-6033 (Fluorspar)
Chicago Lode & Allied Group
of Claims
Nye County, Nevada
Contract No. OME-2101

Dear Mr. Dietrich:

In reply to your letter of October 13, 1959, please be advised that a "quiet title" suit, initiated by Mr. Roy C. Ames, locator of the Allied Group of lode mining claims, is now pending in the courts of Nye County. He is seeding to quiet title on the Allied Group of claims.

Be also advised that there exists no conflict between the L. & G. Mining Company and Mr. Roy C. Ames regarding their purchase contract on the Allied Group of claims. The conflict, if indeed one exists, is between Mr. Roy C. Ames and outside parties.

Mr. William P. Becko, Attorney for Mr. Ames, has advised me that, in his opinion, we of L. & G. Mining Company are being rather fussy when we suspend work while "quiet title" action is pending. I, however, feel that the interest of L. & G. Mining Company and those of Mr. Ames may best be served by suspending work on the exploration project until such time as the outcome of this legal action is definite.

Very truly yours,

(S) Gordon Smith
President
L. & G. Mining Company

GS:mj

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 6 1960

DATE	INITIALS	CODE
5-6	gad	1170
5/6	[illegible]	800
~~5/9~~	~~Murphy~~	~~500~~
May 4,	1960	

Mr. Gordon Smith, President
L. and G. Mining Company
Gabbs, Nevada

Re: Docket No. OME-6033 (Fluorspar)
L. and G. Mining Company
Chicago Lode & Allied Group
Nye County, Nevada
Contract No. OME-2101

Dear Mr. Smith:

Reference is made to our letter of March 22, 1960, inquiring as to the status of the title suit on the Allied Group of Claims and advising you of the possible recission of the contract on May 22, 1960.

As we have not received a reply to our letter, we are again calling the matter to your attention. We hope the recission will not be necessary and shall appreciate hearing from you as soon as possible.

Very truly yours,

Glenn G. Gentry
Acting Field Officer, OME
Region II

Copy to: Operating Committee, 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 MAR 24 1960

DATE	INITIALS	CODE
3/24	RCW	225
3/24	[illegible]	800
~~3/25~~	~~[illegible]~~	~~300~~
March 22, 1960		

Mr. Gordon Smith, President
L. and G. Mining Company
Gabbs, Nevada

Re: Docket No. OME-6033 (Fluorspar)
L. and G. Mining Company
Chicago Lode & Allied Group
Nye County, Nevada
Contract No. OME-2101

Dear Mr. Smith:

Reference is made to the subject contract, including the status of the Title Suit of the Allied group of claims and the dates of starting and completion of the work.

Because contract obligations cannot be carried on the accounts for an indefinite period, we wish to advise you that, unless title to the Allied group of claims is settled and you are able to begin the authorized work within sixty (60) days from the date of this letter, it will be necessary for the Office of Minerals Exploration to rescind the contract.

Such rescission will be without prejudice to the execution of a new contract upon the settlement and indication of your ability to start the work.

You are also advised that, if work can be started within the 60 day period, in addition to changing the dates in Article 1 (a) for beginning and completion of the work, the interest rate in Article 1 (c) must also be changed to that in effect on the date of the amendment.

We shall appreciate a prompt reply and any information available regarding the above matters.

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
OME File

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
3/15	Murphy	500
"	[illegible]	500
3/15	Talbert	800
3/15	GCS	130
3/15	Johnson	110
3/15	gad	220
		500

MAR 15 1960

Memorandum

To: Executive Officer, OME Field Team, Region II

From: Chairman, Operating Committee, OME

Subject: Docket No. OME-6033 (Fluorspar)
L. and G. Mining Company
Chicago Lode and Allied Group
Nye County, Nevada
Contract No. OME-2101

We have reviewed the correspondence between you and the subject Operator relating to the subject contract which was executed July 8, 1959.

As contract obligations cannot be carried on the accounts for an indefinite period, the Field Team should advise the Operator that, unless title to the Allied Group of claims is settled and the Operator is able to start work within 60 days from the date of the Field Team's letter, the contract will have to be rescinded. Such rescission will be without prejudice to the execution of a new contract upon title settlement and indication of the Operator's ability to start the work.

The Operator also should be advised that, if work can be started within the 60 days, in addition to changing the dates in Article 1(a) for beginning and completing the work, the interest rate in Article 1(c) must also be changed to that in effect on the date of the amendment.

/S/ George C. Selfridge (GHB)

APPROVED:

P. F. Yopes (GHB)
Member, Bureau of Mines

W. P. Williams (GHB)
Member, Geological Survey

FMMurphy/EDTalbert/gla/kb - 3-15-1960
cc to: Director's reading file
Operating Committee
R. B. McDougas, USBM
Harold Kirkemo, USGS
Docket
Chron.

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON 25, D. C.

March 10, 1960

Memorandum

To: Acting Director
Office of Minerals Exploration

From: Associate Solicitor
Division of Mineral Resources

Subject: Docket No. OME-6033 (Fluorspar)
L. and G. Mining Company (a partnership)
Chicago Lode and Allied Group
Nye County, Nevada
Contract No. OME-2101

This will respond to your memorandum dated February 25, 1960, which requested the opinion of this office regarding default by the Operator on the above-named contract.

There appears to be no question that the Operator is in default and that the contract may be terminated by the Government at this time. However, it also appears that the letter from the Executive Officer, OME Field Team, Region II, dated February 4, 1960, has informed the Operator that an extension of time may be granted by an amendment to the Contract.

As the title to the property is the question in the litigation in the Nye County, Nevada, court it would appear to be in the best interest of the Government to disallow commencement of the work until such time as the title may be perfected. Whether this is done by extension or by rescission is for administrative determination.

We are returning the file.

Charles M. Soller
Associate Solicitor
Division of Mineral Resources

Attachment

MME Form 7
(10-58)

SCHON

FEB 25 1960

INTERIOR DEPT.

RECEIVED

FEB 25 1960

ASSOC. SOLICITOR
MINERAL RESOURCES

February 25, 1960

OFFICIAL FILE COPY

Date	Surname	Code
2/25	Murphy	500
		500
		140
		500

Memorandum

To: Associate Solicitor, Division of Mineral Resources

From: W. R. Griswold, Chief, Division of Minerals

Subject: Docket No. OME-6033 (Fluorspar) /L. and G. Mining Company
Chicago Lode and Allied Group
Nye County, Nevada
Contract No. OME-2101

No work has been performed under the subject contract pending a "quiet title" suit initiated by Roy C. Ames, the signer of the Lien and Subordination Agreement attached to the contract.

The Operator is now in default as work should have started August 31, 1959, and the interest rate of 6-3/8 percent may have to be increased. Also, a new Lien and Subordination Agreement may be necessary if and when the title suit is completed.

It is suggested that the subject contract be rescinded and a new contract be prepared, if requested, when the status of the subject claims is clarified. Will you kindly give us your opinion on this matter?

W. R. Griswold

FMMurphy/gla
cc to: 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 FEB 8 1960

DATE	INITIALS	CODE
2-8	gad	220
2/8	[illegible]	800
	Murphy	500
February 4, 1960		

Mr. Gordon Smith, President
L. and G. Mining Company
Gabbs, Nevada

Re: Docket No. OME-6033 (Fluorspar)
Chicago Lode & Allied Group
Nye County, Nevada
Contract OME-2101

Dear Mr. Smith:

Reference is made to our letter of December 17, 1959 and to your telephone conversation with Mr. Gentry on January 19, 1960, regarding the status of title suit of the Allied Group of claims.

We understand that the date for the trial of said suit has not yet been established by the District Court of Nye County, Nevada and therefore the date for beginning contract exploration work is unknown.

Please keep this office advised by letter regarding the status of title suit and when determined, the approximate date of starting and completing the work. The changes of these dates and extension of contract time, will require an amendment.

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 21 1959

DATE	INITIALS	CODE
12/21	RCW	225
"	EEF	800
~~12/24~~	~~Murphy~~	~~500~~
December	17, 1959	

Mr. Gordon Smith, President
L. and G. Mining Company
Gabbs, Nevada

Re: Docket No. OME-6033 (Fluorspar)
Chicago Lode & Allied Group
Nye County, Nevada
Contract OME-2101

Dear Mr. Smith:

Reference is made to our letter of October 29, 1959 regarding the status of title of the Allied Group of claims, and advising you of the contract date for the beginning of the work. As we have received no reply to this letter, we are again calling the matter to your attention.

If possible, we will also appreciate receiving three copies of the Decision of the Court whenever such decision has been rendered.

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 NOV 2 1959

DATE	INITIALS	CODE
11-2	gad	200
11/2		800
		~~500~~

October 29, 1959

Memorandum

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

From: Executive Officer, OME Field Team, Region II

Subject: Docket No. OME-6033 (Fluorspar)
Chicago Lode and Allied Group of Claims
Nye County, Nevada
Contract No. OME-2101

Enclosed is copy of a letter of October 27, 1959 from Mr. Gordon Smith, President, relative to the subject contract and explaining the present status of the Quiet Title suit on the Allied Group of lode mining claims.

We are also enclosing a copy of our reply to Mr. Smith's letter.

For: W. F. Dietrick

Attachments 2

Copy to: A. C. Johnson, Reno, Nevada
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 NOV 2 1959

DATE	INITIALS	
11-2	gad	VVO
11/2	[illegible]	800
11/4	Murphy	500
October 29, 1959		

Mr. Gordon Smith, President
L. and G. Mining Company
Gabbs, Nevada

Re: Docket No. OME-6033 (Fluorspar)
Chicago Lode and Allied Group of Claims

Nye County, Nevada
Contract No. OME-2101

Dear Mr. Smith:

We wish to acknowledge receipt of your letter of October 27, 1959 regarding the status of title of the Allied Group of claims and thank you for the information contained therein.

We would like to be informed of the decision of the Nye County, Nevada Court, whenever said decision is rendered.

Your attention is directed to Article 1 (a) of the contract which states that the work shall begin on or before August 31, 1959.

Inasmuch as work has not been started, you should write this office requesting an extension of time for the beginning of the work. The date of starting the work to be extended from August 31, 1959 to the date on which you now expect to receive a decision from the court.

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

OCT 1959
BUREAU OF MINES
DIVISION OF
MINERAL RESOURCES
REGION II

Route to:	Ini
DIETRICH	

Gabbs, Nevada,
October 27, 1959.

Mr. W. F. Dietrich, Executive Officer,
OME Field Team, Region II,
555 Battery Street,
San Francisco 11, California.

Re: Docket No. OME-6033 (Fluorspar)
Chicago Lode & Allied Group
of Claims
Nye County, Nevada
Contract No. OME-2101

Dear Mr. Dietrich:

In reply to your letter of October 13, 1959, please be advised that a "quiet Title" suit, initiated by Mr. Roy C. Ames, locator of the Allied Group of lode mining claims, is now pending in the courts of Nye County. He is seeking to quiet title on the Allied Group of claims.

Be also advised that there exists no conflict between the L. & G. Mining Company and Mr. Roy C. Ames regarding their purchase contract on the Allied Group of claims. The conflict, if indeed one exists, is between Mr. Roy C. Ames and outside parties.

Mr. William P. Becko, Attorney for Mr. Ames, has advised me that, in his opinion, we of L. & G. Mining Company are being rather fussy when we suspend work while "quiet title" action is pending. I, however, feel that the interest of L. & G. Mining Company and those of Mr. Ames may best be served by suspending work on the exploration project until such time as the outcome of this legal action is definite.

Very truly yours,

Gordon Smith

Gordon Smith, President.
L. & G. Mining Company.

GS:mj

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

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 15 1959

DATE	INITIALS	CODE
10-15	gad	220
10/15	[illegible]	800
10/16	Murphy	500

October 1, 1959

Mr. Gordon Smith, President
L and G Mining Company
Gabbs, Nevada

Re: Docket No. OME-6033 (Fluorspar)
Chicago Lode & Allied Group of Claims
Nye County, Nevada
Contract No. OME-2101

Dear Mr. Smith:

We have not received an answer to our letter of September 3, 1959 in which we requested information relative to the title status of the Allied Group of claims which are a part of the land in the subject contract.

Your attention is directed to Article 2 (a) of the contract and Article 3 of the Lien and Subordination Agreement, referring to the rights and ownership of the land.

Will you therefore promptly advise this office relative to the above matter.

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

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

August 10, 1959

Memorandum

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

From: Executive Officer, OME Field Team, Region II

Subject: Docket No. OME-6033 (Fluorspar)
L. and G. Mining Company
Allied Claims # 1 - 7
Nye County, Nevada
Contract 14-23-090-2101

The subject contract has been executed on the part of the Operator and one copy retained by him for his files. Distribution has been made of Finance Office and Field Team copies, and the original and two remaining copies are being returned to you herewith.

W. F. Dietrich

W. F. Dietrich

Enclosures

Copy to: Finance Office, Region II
H. K. Stager, U.S.G.S.
Donald T. Finch, Auditor, Denver, Colorado
OME File
Chron.

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 12 1959

DATE	INITIALS	CODE
8-12	gad	110
8-12	Cal	110
		500

OFFICE OF MINERALS EXPLORATION July 8, 1959

Report on Exploration Assistance Application

Applicant

L. and G. Mining Company
Nye County, Nevada

Docket No. OME-6033 (Fluorspar)

Application dated March 31, 1959

Application received April 10, 1959

Chicago Lode and Allied 1-7 Lode Claims

Proposed Exploration and Estimated Cost

Six adits aggregating 1,460 feet, preparation of adit entrances and construction of access roads as follows:

1.	Construction of access roads	$1,600.00
2.	Preparation of adit entrances	1,500.00
3.	Driving the adits	49,496.00
	Total amount requested	$52,596.00

Analysis and Evaluation of Proposal

1. Financial Eligibility:

A - Bank letters of decline:

Name of Bank	Amount Requested	Purpose	Reason for Refusal
The Security National Bank of Reno, Nevada	$25,000	Explore for fluorspar	Policy
First National Bank of Nevada	$25,000	Explore for fluorspar	Policy

B - Financial statement:

See 3. Action, Item (b) of this report.

Comments

A request from the Applicant of a statement on his assets and liabilities and net worth is in order.

2. Reviews:

By Geological Survey:

They cite that the larger siliceous zone, in which three ore bodies have been partially outlined, is 1,200 feet long and up to 200 feet wide.

The smaller showing has a thickness from 5 to 7 feet and probably underlies the larger zone down dip. They point out that no structural control is evident, but fluorspar mineralization is related to certain beds in the limestone.

Recommend referral to the field.

By Bureau of Mines:

Recommend denial on the basis there is no market for fluorspar.

By OME Engineer:

(a) Geological probability: Previous work including a 50-foot shaft, shallow trenches, cuts, and pits, apparently was not productive of significant tonnages of fluorspar. However, this work explored only one small section of the extensive fracture zone at shallow depths. The proposed work will explore a lateral extension of about 1,200 feet along the zone, and if successful, would indicate a significant tonnage of fluorspar ore.

(b) Estimated cost to explore target: The cost of $52,596 is too excessive to explore an area for fluorspar consisting of 140 acres, including the Chicago Lode claim and the Allied Group of seven claims.

(c) Applicant plans six adits from the hillside totaling 1,460 feet and averaging 243 feet in length.

(d) Mine workings are open except the Ancient Shaft and in condition for inspection at any time.

(e) Applicant's background and experience: Twenty years of mine exploration, mining, and mine financing. A registered professional engineer (Nevada) will supervise the work.

(f) Applicant's title to property: Owner in the case of the Chicago Lode claim, lessee, with option to purchase contract, in the case of the Allied Group of seven (Allied Nos. 1-7, inclusive) lode mining claims (unpatented). Subordination agreements will be required.

3. Action:

Referral to the field:

(a) Field Team - recommends contract, memorandum dated June 12, 1959, one stage - $26,041.90.

(b) Letters re financial responsibility:
Assets of L. and G., December 31, 1958, shows current assets of $26,416.91.

3. Action (continued)

(c) After conference with Acting Director, OME, it was decided that an additional second stage should be added to the contract since the proposed 3 adits recommended by the Field Team would not adequately explore the strike length of the fracture zone.

The second stage will be approved only if the Stage I work indicates that additional work is required to prove that a significant ore body exists in a particular area adjacent to the adits.

F. M. Murphy

LGHouk/FMMurphy/gla/kb
cc to: Director's reading file

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

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUL 16 1959

DATE	INITIALS	CODE
7-16	gad	220
7/16		800
~~7-16~~	~~M~~	~~500~~

July 14, 1959

Mr. Gordon H. Smith
L. and G. Mining Company
P. O. Box 2
Gabbs, Nevada

Re: Docket OME 6033 (Fluorspar)
L. and G. Mining Company
Chicago Lode and Allied 1-7
Lode Claims
Nye County, Nevada
Proposed Contract 2101

Dear Mr. Smith:

Enclosed are the original and four copies of a proposed short-form contract for an exploration program at the Chicago Lode and Allied 1-7 Lode Claims signed by the Acting Director subject to Lien and Subordination Agreements, duly executed. Five copies of these agreements prepared for the signature of Roy C. Ames are attached hereto.

If the terms and conditions of the proposed contract are satisfactory to you, all five copies should be signed by Messrs. I. J. McCullough, Lindsay Smith, and Gordon Smith. The copy marked "Operator's Copy" is for your file and the others should be returned to this office.

Under Article 1, the starting date has been left blank and is to be filled in at a time after the Consent to Lien and Subordination Agreements have been signed by Mr. Roy C. Ames.

If any part of the contract does not meet with your approval, the original and all copies should be returned with your suggested changes. Minor changes, such as changes in the exact location of the work, can be made by amendment to the contract as the work proceeds.

Very truly yours,
W. F. DIETRICH

W. F. Dietrich
Acting Alternate Executive Officer
Region II

Copy to: Opr. Com , OME,
Washington, D. C.
OME Auditor,
Denver, Colorado
R. M. Smith, U.S.G.S., Menlo Park, California
Files

BHSheahan:mf

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
7/6	Murphy	700
	Brown	500
7/7	Halfhill	800
7/8	Selfridge	~~130~~
"	Johnson	110
		~~130~~
		~~110~~
		~~100~~
7-8	gad	220

7/8/59 C

210
100

JUL 8 1959

Memorandum

To: Alternate Acting Executive Officer
OME Field Team, Region II

From: Chairman, Operating Committee

Subject: Docket No. OME-6033 (Fluorspar)
L. & G. Mining Company
Chicago Lode and Allied 1-7 Lode Claims
Nye County, Nevada

Enclosed are the original and four copies of a proposed short-form contract signed by the Acting Director subject to the attachment of the Consent to Lien and Subordination Agreements, duly executed. Five copies of these agreements prepared for the signature of Roy C. Ames are attached hereto. The execution date should be prior to the contract date. Attached to each contract form MME-51, Feb. 1959, are Annex I (one page), Exhibit "A" (3 pages), and maps Figures 1 and 2. Also enclosed are two extra copies of Annex I, Exhibit "A", and maps Figures 1 and 2 for Field Team use.

If you and the Applicant find the proposed contract in order, please have Messrs. I. J. McCullough, Lindsay Smith, and Gordon Smith sign the original and all copies. Thereafter, kindly distribute the copies in the usual manner. The Applicant may, at its own risk, start the project work any time after the contract date, subject to the submission of the executed Consent to Lien and Subordination Agreements.

If any part of the proposed contract does not meet with your approval and the Applicant's and cannot be amended within your delegated authority, then the original and all copies, including the extra copies, are to be returned to this office with the proposed changes for consideration.

In preparing the proposed contract we concurred in the Field Team's recommendation to place the work on a fixed unit cost basis. However, a study of the estimated costs submitted indicates that the cost of some of the items may be out of line. For example, an advance of 2.75 feet per shift in the adits, where a mucking

machine is being used, appears to be very low. It is not clear whether or not consideration was given to the salvage value of the mine track, air and waterpipe, ventilation pipe, etc., when arriving at their costs. Also, the cost of $8.00 and $5.60 per shift for equipment maintenance appears high. In view of the above, we have reduced the Field Team's recommendation of $34.51 per foot of drifting to $30.00 per foot.

You will note that a second stage has been incorporated into the proposed contract. After due consideration of the Field Team's proposal it was decided that, if the adit work was successful in finding potential fluorspar ore bodies, it would be to the Government's interest to do a minimum amount of additional exploration to determine their approximate size.

Although the applicant has submitted an Owner's Consent to Lien signed by Roy C. Ames, we require that the enclosed Lien and Subordination Agreements should be executed and attached to the proposed contract.

/s/ George C. Selfridge

(FLB)

APPROVED:

Frank D. Lamb (FLB)
Member, Bureau of Mines

Harold Kirkemo (FLB)
Member, Geological Survey

Enclosures

FMMurphy/fw-7/6/59
cc: Docket
Dir.Read.File
Operating Committee
Mr. Kirkemo, USGS
Mr. McDougal, USBM
Mr. Murphy
Chron.

P.S. We have added the sixth copy of Lion and Subordination Agreements so the lessor may have one.

ME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
7-7	gad	220
7-7	Murphy	500

JUL 7 1959

Memorandum

To: Mr. W. R. Griswold, Chief
Division of Minerals

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

Subject: OME-6033

On the basis of the subject applicant's submission of correspondence with The Security National Bank of Reno and the First National Bank of Nevada, and a December 31, 1958, balance sheet, it appears that funds for a $35,690.00 exploration project are unavailable on reasonable terms from commercial sources.

The bank correspondence does not indicate that collateral was offered, but the balance sheet confirms that the applicant has only a minor amount of collateral assets in the form of machinery and equipment. Also, according to the balance sheet, the applicant's principal assets consist of cash and receivables aggregating $26,416.91, an insufficient amount for undertaking the project at his sole expense.

Attachments

EDTalbert/ama
July 7, 1959

Copy to: Docket
Director's Reading File
Mr. Talbert

43683

IN REPLY REFER TO:

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

June 25, 1959

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 26 1959

DATE	INITIALS	CODE
6/26	a	220
		600

Memorandum

To: L. G. Houk, Office of Minerals Exploration

From: H. Kirkemo, U. S. Geological Survey

Subject: Review of Field Team recommendation for an OME contract on the Chicago Lode and Allied Lode Claims, L & G Mining Company, Nye County, Nevada, OME 6033 (Fluorspar)

The Field Team recommends an OME contract to explore the subject property with three adits totalling 720 feet plus 85 feet of open cut portal preparation and 800 feet of access roads. Total cost is estimated to be about $26,050.

The proposed project is intended to determine the size and grade of a fluorspar ore body that cannot be accurately appraised by drilling because of the fractured and cavernous nature of the silicified carbonate host rocks. The target of the proposed exploration may contain about 150,000 tons of ore averaging about 35 percent CaF_2. Total indicated reserves are estimated at about 40,000 tons averaging about 35 percent CaF_2.

The proposed adits "A", "C", and "D" do not attain much depth beneath the outcrop (maximum about 100 feet) but the topography of the project area does not permit better locations. Intersections of the ore zone at greater depth would be desirable but this can be accomplished only at much greater expense than the proposed exploration.

The applicant's engineering report (page 24) states, "A grab sample should be taken as each round is mucked out". I suggest that grab samples from each car of muck be combined into one sample for each round. The combined sample (40 - 50 pounds) from each round should yield a fairly representative unit for assay. The ore content (about 35% CaF_2) estimated for this deposit is not high so the Operator should sample systematically as the work progresses in order to appraise the possibility of developing a minable deposit.

I concur with the Field Team in its recommendation to explore the property.

H. Kirkemo

H. Kirkemo

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 23 1959

DATE	INITIALS	CODE
6/23	a	220
6/24	alf	600

Memorandum ✓

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

Date June 23, 1959

OME
~~XXX~~ Docket No. 6033
OME~~XXX~~ Contract No.
Commodity Fluorspar
Name of applicant L & G Mining Co.
Name of property Chicago Lode & Allied 1-7 Lode Claim
Location of property Nye County, Nevada
Estimated cost of project $26,041.90

To: Lawrence G. Houk, Chief, Nonmetallic Division, Office of Minerals Exploration

From: Robert B. McDougal, Commodity Specialist, Branch of Construction and Chemical Materials

Subject: Review of Field Team Report
(Application, Field Team Report, etc.)

1. Date of subject document: 6/12/59. 2. Date received by reviewer: 6/15/59.

3. Prior reports on this property known to reviewer: Yes ☐ No ☐

4. Prior reports on nearby properties known to reviewer: Yes ☐ No ☐

5. Information available on past production: Yes ☐ No ☐

6. Other pertinent factors known to reviewer: Yes ☐ No ☐

7. Explain items marked yes above:

8. Factors needing special consideration:
   a. Location ☐
   b. Ownership ☐
   c. Evidence of mineralization ☐
   d. Geology ☐
   e. Proposed exploration method ☐
   f. Alternate exploration method ☐
   g. Costs ☐
   h. _____ ☐

9. Action advised:
   a. Obtain information from applicant ☐
   b. Refer to Field Team ☐
   c. Denial ☐
   d. Agree with Field Team [X]
      i. Consult with Mr. _____ at _____ AEC office.
   e. Disagree with Field Team ☐
   f. Suggest alternate plan ☐
   g. Request another examination ☐
   h. Approval ☐

10. Remarks: (Use back of page if necessary)

Robert B. McDougal

Robert B. McDougal

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Office of Minerals Exploration
4 Homewood Place
Menlo Park, California

June 12, 1959

Memorandum

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

From: Acting Executive Officer, OME Field Team, Region II

Subject: Docket No. OME-6033 (Fluorspar)
L. & G. Mining Company
Chicago Lode and Allied Lode Claims
Nye County, Nevada

Enclosed are three copies of an application report by B. H. Sheahan, Bureau of Mines, and H. K. Stager, Geological Survey, in which it is recommended that an OME contract to explore the property be approved.

Mr. Dietrich and I concur in the recommendation.

Roscoe M. Smith

Roscoe M. Smith
Acting Executive Officer
OME Field Team, Region II

Attachments

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 15 1959

DATE	INITIALS	CODE
6/15	a	220
6/19	HB	130
6/19	a	220
6/19	gad	600

Reviewed by
OPERATING COMMITTEE
6-19-59
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
FRED A. SEATON, SECRETARY

OFFICE OF MINERALS EXPLORATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION II

APPLICATION REPORT

OME-6033 (Fluorspar)
L. & G. Mining Company
Chicago Lode & Allied 1-7 Lode Claims
Nye County, Nevada

by

B. H. Sheahan
U. S. Bureau of Mines

H. K. Stager
U. S. Geol. Survey

June 12, 1959

Reviewed by
OME OPERATING COMMITTEE
6-19-59
(date)

Exam. rpt.

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ILLUSTRATIONS

Figure 1 . . . . . Index map

INTRODUCTION

The L. and G. Mining Company, Box 2, Gabbs, Nevada, applied to the Office of Minerals Exploration, for Government assistance in a program to explore for fluorspar at the Chicago Lode and Allied 1-7 Lode Claims, Union Mining District, Nye County, Nevada. The applicant wishes to explore the deposit to determine if sufficient reserves can be assured to justify development, mill construction, and open-pit mining operations.

A field examination was requested by the Operating Committee and was made by B. H. Sheahan, U. S. Bureau of Mines, and H. K. Stager, U. S. Geological Survey, on April 15, 1959, accompanied by Bernard York, consulting mining engineer representing the applicant.

The applicant's maps, attached to the application, and existing State and Federal publications[1/] describing the area were carefully studied and were compared with geologic exposures on the surface and in shallow surface cuts and workings. Fifteen samples were taken by the engineer and assayed by the U. S. Bureau of Mines.

1/ Kral, Victor E., 1951, Mineral Resources of Nye County, Nevada, Univ. of Nevada Bull., v. 45, no. 3, p. 203.
Ferguson, Henry G., and Muller, Siemon W., 1949, Structural Geology of the Hawthorne and Tonopah quadrangles, Nevada, U. S. Geol. Survey Prof. Paper 216.

SUMMARY

The deposit consists of fluorspar-rich ore shoots localized along fracture zones in silicified dolomite and limestone on the east slope of Grantsville ridge. Reserves are 190,000 tons of indicated and inferred ore that averages about 35 percent CaF_2. The ore can probably be milled to yield acid grade fluorspar. The applicant proposed to explore the deposit by driving 6 crosscut adits and drifts totaling 1,460 feet, with 140 feet of open cuts for portal preparation and 1,050 feet of access roads. The potential of the deposit can be adequately tested by a less extensive program and the examiners have recommended a project consisting of about half the work proposed by the applicant.

CONCLUSIONS AND RECOMMENDATIONS

It is recommended that the Government enter into an OME contract with the L. and G. Mining Company to provide 50 percent of the costs of the revised program consisting of three adits having an aggregate length of 720 feet plus 85 feet of open cut portal preparation and 800 feet of access roads. Total cost is estimated to be $26,041.90 of which the Government's share would be $13,020.85. To facilitate administration of the contract the work should be based on unit costs insofar as possible.

LOCATION, ACCESSIBILITY AND LOCAL FACILITIES

The claims are in the Shoshone Range on the east slope of Grantsville Ridge at an altitude of 7,300 to 7,700 feet, in Sec. 10, T. 11 N, R. 39 E. M. D. B. & M., Union Mining District, Nye County, Nevada (Fig. 1).

The property is accessible by way of dirt roads from either Gabbs, Ione, or Tonopah, Nevada. To reach the property from the U. S. Post Office, Gabbs, Nevada, travel 23.5 miles easterly by way of improved dirt road through Brunton Pass and across Ione valley to Grantsville, Nevada. Follow narrow dirt road 1.5 miles southerly to the property. The road is passable, when dry, with a passenger car, and the drive from Gabbs usually requires 45 minutes.

Climate Precipitation averages 10 inches per year, most of which falls as snow.

Timber	Pinon Pine and Juniper
Water	1 mile to spring and well
Work Season	8 months - April through November
Electric Power	Gabbs, Nevada-California Electric Power Co.
Assay Office	Gabbs, Nevada
Supplies	Gabbs, Nevada; Fallon, Nevada 110 miles
Railroad	Luning, Nevada - 56 miles
Freight rates	via truck to Luning, $0.07 per ton mile; via railroad from Luning to San Francisco, $8.00 to $12.00 per ton depending on value
Telephone	Gabbs, Nevada

THE PROPERTY

History and Production:

The Chicago lode claim was located and patented in the 1880's when Grantsville was an active boom silver-lead mining camp. Fluorspar was found in the district during this early period but it was of slight interest until the late 1930's.

In 1938, E. H. Berryman purchased the Chicago lode patented claim and several other patented claims in the district from Nye County by paying delinquent taxes. In 1941, Roy C. Ames located the Allied group of seven claims over and around the Chicago lode. That year he mined 29 tons of acid grade fluorspar. Jim Corlett, a mine lessee from Gabbs, Nevada, mined about 100 tons of acid grade fluorspar from the deposit in 1948. The material was selectively mined and the product was hand-sorted.

Lindsay and Gordon Smith, business men of Gabbs, Nevada, leased and purchased this property and several other fluorspar properties in the district late in 1958. Preliminary exploration was done on several of the deposits early in 1959. This work was supervised by Bernard York, consulting mining engineer of Mina, Nevada. Expenditures, including property acquisition and exploration expenses, amounted to approximately $40,000. The exploration work was done efficiently by experienced workmen.

Ownership:

The property consists of eight lode mining claims in a contiguous group, covering an area of approximately 140 acres. One of the claims, the Chicago lode, is a patented claim and was recently purchased by Lindsay and Gordon Smith. The other seven claims, Allied 1-7, are unpatented and are held by a purchase contract from Roy C. Ames, of Ione, Nevada. A map showing the claims is attached to the application. Copies of deeds and conveyances are included with the application docket. A list of these claims follows:

	Recorded in Tonopah, Nevada	
Name of Claim	Page	Book
Allied No. 1	248	104
Allied No. 2	248	104
Allied No. 3	249	104

Allied No. 4	250	104
Allied No. 5	250	104
Allied No. 6	251	104
Allied No. 7	252	104
Chicago Lode	U. S. Mineral Survey No. 1272-50	

The L. & G. Mining Company is a partnership of Lindsay Smith, Gordon Smith, and I. J. McCullough. Each partner holds a one-third interest in the company.

Financial Eligibility:

The applicant has submitted evidence of efforts made to secure a loan for exploration purposes from two sources. Copies of letters, dated April 1, 1959, in reply to their request, are attached to the OME application. These letters are from (1) The Security National Bank of Reno, Mineral County Branch, Babbit, Nevada; (2) First National Bank of Nevada, A. B. Andrews, Assistant Cashier. Both banking institutions have suggested that the loan be obtained from some other source.

Lindsay Smith and Gordon Smith own several business enterprises and properties at Gabbs and Hawthorne, Nevada.

Development:

There are only a few shallow development workings on the claims. An incline shaft, size 4' x 6', was sunk to a depth of about 50 feet on the Chicago claim in search of silver ore during the early period of activity. The shaft is now inaccessible.

The fluorspar deposits are developed by a few shallow trenches, open cuts, and an adit crosscut 80 feet in length. Total volume of open cut excavations amounts to about 600 cubic yards. The deposit has recently been

explored with 51 vertical wagon drill holes to an average depth of 44 feet. A combination gravity and floatation mill, that could be adapted to treat the ore, is available in Gabbs and will be utilized if sufficient ore is not found to warrant construction of a mill at the property or in nearby Grantsville. There are two small storage sheds on the property. The nearest housing facilities suitable to accommodate an exploration crew are at Gabbs, Nevada.

Equipment owned by the applicant and available for use on an exploration project is listed as follows:

Quantity	Item	Present value
1	Air compressor - 315 cfm.	$5,000.00
2	Pneumatic rock drills and accessories	1,200.00
1	Tugger - double drum hoist - air	1,200.00
1	Scraper bucket	300.00
4	Snatch blocks	100.00
300 ft.	Cable 7/16 - 5/8 inch	50.00
1000 ft.	Mine rail 12 lb/yd.	200.00
80 ft.	Mine rail 20 lb/yd.	27.00
500 ft.	Iron pipe - 2 inch dia., G. I.	350.00
500 ft.	Iron pipe - 3/4 inch dia., G. I.	125.00
500 ft.	Ventilation pipe - metal - 8" dia.	350.00
1	Fan-with gasoline - 1 1/2 hp eng.	300.00
2	Mine cars - 1 ton	200.00
1	Mucking machine	1,500.00
1	Pickup truck - nearly new 3/4 Ton	2,400.00
1	Tractor - TD-9 with loader	9,000.00*

1	Tractor - D-6 with dozer blade	7,500.00
1	Truck - 2 ton, flat bed with water tank	2,400.00*
1	Water pressure tank - air	100.00
1	Rock bit grinder	100.00
1	Electric light plant 750 watt	700.00
1	Miscellaneous small tools, etc.	300.00
	Present value of operating equipment	$22,002.00

* Available, but not intended for use on exploration project, and not included in total estimated present value.

GEOLOGY

Geologic Setting:

The claims are on the east slope of Grantsville Ridge in an area of moderate relief. The oldest rocks exposed in the area are dolomite and limestone of the Luning formation of Upper Triassic age. These rocks are part of a thrust plate that has been thrust over shales and limestones of the Upper Triassic Gabbs formation and the Lower Jurassic Sunrise formation by the pre-Tertiary Shoshone thrust fault. Along the east base of the ridge, and along the top of the ridge in the south part of the area, the sedimentary rocks are intruded or covered by volcanic rocks of Tertiary age.

The rocks of the Luning formation consist of massive gray dolomite and minor amounts of dark gray limestone. The thickness of these rocks have not been determined but exceeds 3,000 feet. At least part of the dolomite is considered by Ferguson and Muller to be secondary in origin, and is the result of dolomitization of limestone along the underlying thrust fault. In the claim area the beds strike north, are overturned, and dip 50° to 70° east. The Luning formation rocks have been thrust over the younger thin-bedded limestones and shales of the Gabbs and Sunrise formations. These younger sedimentary rocks are not exposed in the claim area but are exposed about one mile to the southwest in Milton Canyon. The Gabbs formation is about 400 feet thick and the Sunrise formation is about 1,200 feet thick. The volcanic rocks consist of flows and small intrusive plugs of andesite and rhyolite. The rhyolite exposed in the claim area is porphyritic and contains prominent phenocrysts of feldspar.

A major fracture zone, several hundred feet wide and several miles long, cuts the dolomite and limestone of the Luning formation through the middle of the claim area. It strikes about north and is vertical or dips steeply east. The dolomite and limestone has been intensely silicified along this zone and prominent masses of the silicified material, resistant to erosion, crop out along the strike of the zone. It is within this fracture zone, and intimately associated with the silicified rocks, that the fluorspar deposits occur.

Ore Deposits:

The deposits are of hydrothermal origin and consist of ore shoots of fluorspar-rich brecciated and silicified carbonate rocks of the Luning formation along fracture zones in the Shoshone thrust plate.

Fluorite is the only ore mineral and occurs chiefly as botryoidal masses that fill cavities between breccia fragments or coat fracture surfaces within the silicified zone. The fluorite content ranges from a few percent to as much as 98.3 percent and averages about 35 percent in the ore bodies. Gangue minerals are calcite, secondary silica, unreplaced dolomite, and traces of pyrite. Field evidence indicates that the fluorite was deposited after the carbonate rocks were fractured, silicified, and fractured again, as nearly all of the fluorite occurs as surface coatings on the silicified material in open voids that are commonly several inches to several feet in diameter. Assays of the fluorite indicate less than 0.1 percent contained silica. Locally the carbonate rocks have been replaced by fluorite but this material makes up only a small part of the ore.

The 129 tons of ore that has been shipped from the property was mined from high-grade fluorspar exposed on the Chicago Lode and the Allied Nos. 6 and 7 claims and was hand-sorted to yield acid grade (97% CaF_2) material. The size of these ore bodies is not known but surface exposures in outcrops, shallow pits and drill holes, indicate that they range in size from small pods a few feet in diameter and containing a few hundred pounds of ore to large masses several hundred feet long, about 100 feet wide, extending down dip at least 50 feet and probably containing about 100,000 tons of ore. The attempts to more adequately determine their size and grade by drilling have not been successful because of the fractured, hard siliceous and cavernous nature of the host rocks. The proposed project is intended to yield this type of information and permit a more accurate appraisal of their tonnage and grade.

Sampling:

Fifteen check samples were taken and assayed for CaF_2 by the U. S. Bureau of Mines. The samples represent fluorspar-bearing material exposed in shallow cuts, trenches, and outcrops. A few check samples were taken of the split of drill hole cuttings and assay pulps. Sample locations are referred to drill holes indicated on the Operator's map attached to the application. A list of these sample assays follow:

Sample Number	Type Sample	Feet Width	% CaF_2 U.S.B.M.	% CaF_2 Applicant's Assay	Remarks
S-829	Spec	-	98.3	-	Select specimens of fluorspar from east outcrop zone <0.1% S_iO_2
S-830	Horiz. Chip.	10.0	80.9	-	Fluorspar from shallow surface cut, 10 feet north of hole 58. One foot below natural surface. 12.4% S_iO_2
S-831	Horiz. Chip	6.0	70.2		Fluorspar from south end of open trench between holes 48 and 54 - 3 feet above floor 22.0% S_iO_2
S-832	Horiz. Chip.	6.0	81.5	-	Fluorspar from north end of open trench between holes 45 and 54, 4 feet above floor. 12.4% S_iO_2
S-833	Vertical Chip.	3.0	19.1	-	Siliceous clay material under fluorspar from west side of open trench between holes 48 and 54 38.6% S_iO_2
S-834	Horiz. Chip.	15.0	57.8	-	Surface outcrop 10 feet north of drill hole 90 28.9% S_iO_2
S-835	Drill hole cuttings	5.0	48.8	40.7%	Cuttings from drill hole 98 Interval 0-5 feet Applicants Assay 0'-15'
S-836	Drill hole cuttings	5.0	33.6		Cutting from drill hole 98 Interval 5-10 feet
S-837	Grab sample	-	66.0	-	Grab sample from 20 ton stock pile of fluorspar on road west side of mineralized area
S-838	Split of assay pulp	25.0	13.2	24.2	Hole 73, Interval 0'-25'. Rerun assay by U.S.B.M. yielded 24 percent CaF_2
S-839	"	10.0	29.0	33.6	Hole 73, Interval 25'-35'

S-840	Split of assay pulp	5.0	37.1	45.5	Hole 73, Interval 35'-40'
S-841	"	5.0	21.0	40.7	Hole 81, Interval 35'-40', Rerun assay by USBM yielded 15.4 percent CaF_2.
S-842	"	15.0	28.8	35.6	Hole 82, Interval 60'-75'
S-843	"	15.0	10.3	23.9	Hole 84, Interval 0-15'. Rerun assay by USBM yielded 9.3 percent CaF_2.

Samples, taken by the Operator, of drill hole cuttings were collected for a run of 5 feet and bagged as one sample. This gave a sample weighing from 16 to 19 pounds which was then split several times. The two parts of the last split were bagged, one for assay, the other for panning. The rejects were bagged and are being held for whatever use they may have. This sampling was done under the supervision of the applicant's consulting engineer and is fully described in his report included with the application. The assaying was done by Frank W. Jones, Operator of the Gabbs Assay Office, and several of his assay results were checked and confirmed by the Union Assay Office in Salt Lake City (see page 14 of engineer's report with application). However, check assays on six (Nos. S-837 to S-843) of the Operator's assay pulps, by the Bureau of Mines, indicate a lower grade than was reported by the Gabbs assayer. Three of these pulps were rerun (Nos. S-838, S-841, and S-843) by the Bureau of Mines and one (No. 838) yielded a CaF_2 content closer to the Operator's assay, but the other two yielded an even lower grade than the first Bureau assays. From these results it must be assumed that the Operator's assays may average about 10 percent more CaF_2 than is actually contained.

Ore Reserves:

The applicant estimates 30,000 tons of proven (indicated) reserves that average about 45 percent CaF_2 in the ore body, partly delimited by drilling at the southeast end of the mineralized area. A study of the maps, cross sections, and drill hole assays indicate that this estimate of tonnage is reasonable but check assays by the Bureau of Mines of some of the drill hole samples indicates that the grade is probably about 10 percent high and that the average grade is about 35 percent CaF_2.

In addition to the applicant's estimated 30,000 tons of reserves, about 6,000 tons of ore of the same average grade is indicated in the vicinity of the proposed "C" adit and another 4,000 tons is indicated along the west side of the mineralized area. Total indicated reserves are therefore about 40,000 tons of ore that averages about 35 percent CaF_2.

Inferred reserves are estimated to total about 150,000 tons of ore that averages about 35 percent CaF_2. These reserves are in ore shoots along the east side of the mineralized area, between coordinates 4,800 N and 5,800 N, in a block of ground about 1,000 feet long, 200 feet wide, and 200 feet deep. These reserves are the target of the proposed exploration.

EXPLORATION

Applicant's Proposal:

The applicant proposed to explore the downward and lateral extent of the deposit by driving six adit crosscuts or drifts having an aggregate length of 1,460 feet and requiring 1,050 feet of access road construction and 140 feet of open cuts for portal preparation.

Examiners' Proposal:

It is considered by the examiners that a smaller project would be sufficient to adequately explore this deposit. The revised exploration program consists of adits at sites A, C, and D as proposed by the applicant. These would have an aggregate length of 720 feet and would require 800 feet of access roads, and 85 feet of portal preparation. The cost of the revised project would amount to less than half that proposed by the applicant.

Consideration was given to other methods of exploration, such as trenching, pits, wagon drilling, churn drilling, and diamond drilling but because of the extremely brecciated, silicified, and cavernous nature of the ore zone it was agreed that short drifts and crosscuts would yield the most useful and reliable information at the least cost.

Proposed Exploration Costs:

The applicant has provided detailed cost data. He intends to furnish all operating equipment that is required. Depreciation allowance is based on the estimated time of use and present value at a rate of 5 year complete depreciation of equipment.

Exploration work proposed by the examiners can be started within ten days after execution of a contract and can be completed in one year. The work should be done on an agreed unit cost per foot basis if a contract is granted.

Cost Estimate:

Construction of 800 feet of access road to adit sites A, C, and D and preparation of three portal sites requiring 85 lineal feet of open cut trenching. Driving three adit crosscuts size 5' x 7' in clear of timber, with an aggregate length of 720 feet.

Estimated average rate of progress for drifting and crosscutting: 2.75 feet per shift. Time required to complete project 262, 8 hour shifts or approximately one year.

		Estimated Amount
(a) Supervision, labor and accounting		$13,812.00
1 Superintendent-engineer-geologist part time as needed 12 months at $300.00 per month	$3,600.00	
2 Miners, rate $2.25 per hour 262 shifts at $36.00 per day	$9,432.00	
1 Bulldozer operator, rate $3.00 per hour 80 hours at $3.00	240.00	
1 Laborer-miner, rate $18/day, 10 days	180.00	
1 Accountant, part time, 12 months at $30.00 per month	360.00	
(b) Operating material and supplies		
Power - fuel oil, gasoline, lubricants	1,929.60	
Explosives, fuse, blasting caps and carbide	1,252.80	
Track - complete 12 lb. rail, 4" x 6" ties fish plates, bolts, spikes, switches	300.00	
Pipe 2 inch compressed air and 3/4 inch water - and valves	475.00	
Ventilation pipe and tube - 8 inch dia.	350.00	
Timber at $120/m. $7.00 per ft. of crosscut - 30 feet at portals	210.00	
Transportation	280.00	
(c) Operating equipment		5,064.90

$\frac{720}{262} = 2.74$ ft/shift

(1) Depreciation on equipment to be furnished by Operator		
1. Bulldozer - D-6 value $7,500.00 allowance for 1/2 month		
2. Mining equipment - value $14,502.00 allowance for 12 months	2,962.90	
(2) Equipment maintenance		
1. $8.00 per shift, 10 shifts	2400.00	
2. $5.60 per shift, ~~262~~ shifts	~~2,102.00~~	
(d) Initial rehabilitation and repair	none	none
(e) Equipment to be purchased	none	none
(f) Miscellaneous		2,367.60
(1) Assays for CaF_2, 120 at $5.00 each		
Assays for SiO_2, 12 at $2.00 each		
Assays for Carbonates 12 at $2.00 each	648.00	
(2) Insurance and taxes		
Nevada State Industrial $7.25/100		
Federal 5.5., OAB - employer 2.5%		
Nevada State Unemployment 2.7%		
Subtotal 12.45% of $13,812.00	$1,719.60	
Total cost		$26,041.90

COST DISTRIBUTION SUMMARY

(1) Construction of 800 feet of access roads and 3 adit portal sites requiring 85 feet of open cut trenches - average width 8 feet

Estimated Cost $ ~~1,193.50~~ 1,192.80

(2) Crosscutting or drifting

Adit	Feet Length	Estimated Unit Cost
A	120	$34.51 38.61
C	150	$34.51 "
D	450	$34.51 "
Subtotal	720 ft.	~~$34.51~~ 33.61

A 33 ging

~~$24,848.40~~ 24,199.20

648.00

Total estimated cost of project ~~$26,041.90~~ 26,040.00

Government's share at 50% ~~$13,020.85~~ 13,020.00

Applicant's share at 50% ~~$13,020.85~~ 13,020.00

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

OME-6033
(Fluorspar)

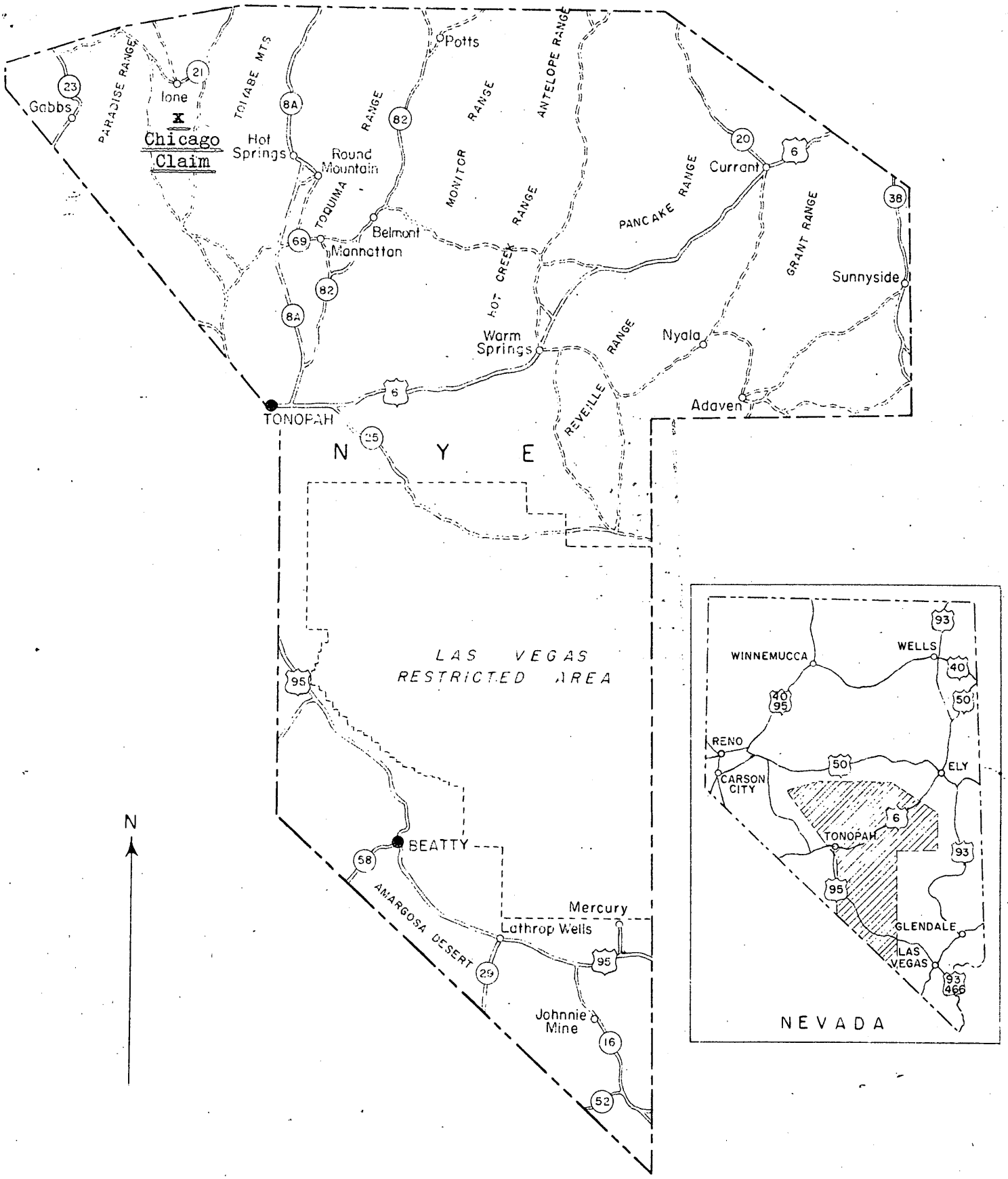


Figure 1. INDEX MAP OF NYE COUNTY, NEVADA

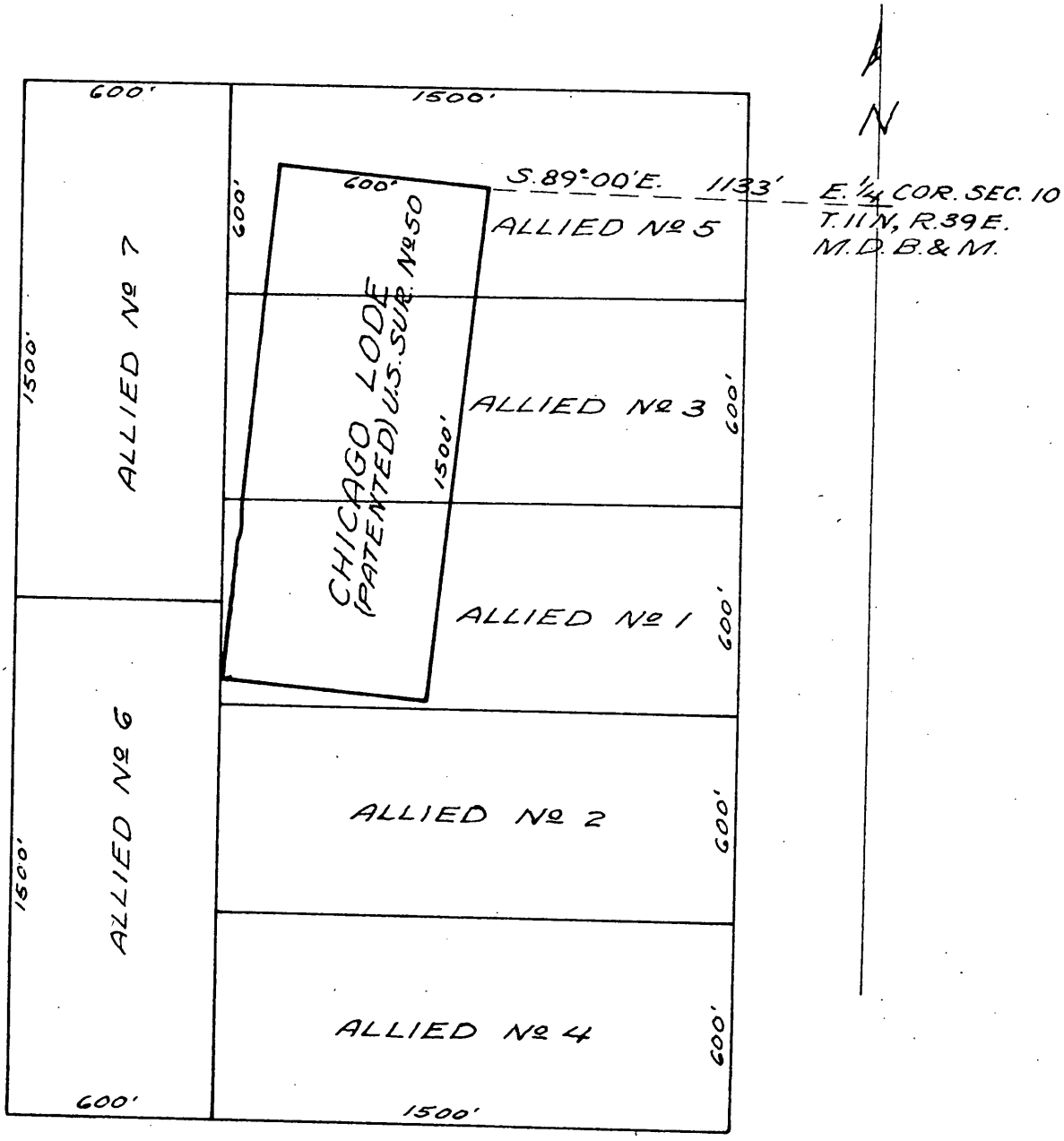
0 25 50 75 Miles

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 15 1959

DATE	INITIALS	CODE

CHICAGO LODE AND THE ALLIED GROUP OF LODE CLAIMS
UNION MINING DISTRICT
NYE COUNTY, NEVADA.
SCALE: 1" = 500' MARCH 6, 1959
B. YORK MINA, NEV.

ALLIED claims plotted according to description by Roy C. Ames, locator.



MAP Nº 2

CHICAGO LODE AND THE ALLIED GROUP OF LODE CLAIMS
UNION MINING DISTRICT
NYE COUNTY, NEVADA.
SCALE: 1" = 500' MARCH 6, 1959
B. YORK MINA, NEV.

ALLIED claims plotted according to description by Roy C. Ames, locator.

MAP Nº 2

FIGURE 1 - MAP SHOWING ACCESS ROADS AND [illegible] TO EXPLORATORY [illegible] AND ADIT [illegible] DOLLY NO. 6033.

MME Form 7
(10-58)

OFFICIAL FILE C

Date	Surname	C
5/14	Hand	600
5/19	GCS	130
"	Johnson	110
5/20	a	220
		600

MAY 19 1959

600

Memorandum

To: Alternate Acting Executive Officer, OME Field Team, Region II

From: Chairman, OME Operating Committee

Subject: Docket No. OME-6033-Fluorspar
L. and G. Mining Company
Chicago Lode and Allied 1-7 Lode Claims
Nye County, Nevada

Reference is made to your memorandum of May 14, 1959, forwarding the recent financial statement of the L. and G. Mining Company.

Please have the L. and G. Mining Company provide this office with a signed statement that they requested $25,000.00 from the Security National Bank of Reno and the First National Bank of Nevada to do the work proposed in their application, OME-6033, that they offered the mining property as collateral, and that the banks refused to make such a loan on any terms. The three partners should submit a signed statement that they are willing to contribute their 50% of the cost of the work proposed under the application, but that each is not willing to commit himself further unless the exploration is successful.

Please submit the field examination report and your recommendations as soon as possible.

/s/ George C. Selfridge

(JHB)

Approved:

(sgd.) G. W. Josephson (JHB)
Member, Bureau of Mines

Thor H. Kiilsgaard (JHB)
Member, Geological Survey

LGHouk:gad 5/19/59
Copy to: Dir. R. File
Operating Committee
Mr. Kiilsgaard, USGS
Mr. McDougal, USBM

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
1605 Evans Avenue
Reno, Nevada

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 18 1959

DATE	INITIALS	CODE
5/18	G	220
5/19	Houk	600

May 14, 1959

Memorandum

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

From: Acting Executive Officer, OME Field Team, Reg. II

Subject: Docket OME-6033 (Fluorspar
L. and G. Mining Company
Chicago Lode and Allied 1-7 Lode Claims
Nye County, Nevada

In response to your memorandum of April 28, 1959, a field examination of the property has been completed and a report recommending a contract is in preparation.

So that we can speed the processing of the application, I am forwarding now the original and two copies of the most recent financial statement of the L. and G. Mining Company, which were received from the applicant May 11, 1959.

Mr. Gordon Smith informed me by telephone today that his requests to the banks were oral and that

1. The amount requested was $25,000.
2. The work he planned to do was the same work proposed in the application.
3. The collateral offered to the banks was the mining property, and
4. Terms were not discussed since the banks flatly refused to make a loan of this nature on any terms.

Mr. Smith stated also that while the company is willing to contribute its share of the costs under an OME loan, the partners are not willing to commit themselves further unless the exploration is successful.

BUREAU OF MINES
WASHINGTON, D. C.
MAY 18 12 54 PM '59

I have not yet asked Mr. Smith to submit these statements in writing because I am not sure that his financial eligibility would be resolved by them.

Your early advice in this respect would be appreciated.

Roscoe M Smith

R. M. Smith
Acting Executive Officer
OME Field Team, Region II

Attachment

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 18 1959
DATE | INITIALS | CODE

L & G MINING CO.

BALANCE SHEET

December 31, 1958

ASSETS		$	$	$
Current Assets				
Petty Cash Fund		25.00		
Nevada Bank of Commerce		19,562.12	19,587.12	
Accounts Receivable-Equipment Sold			3,829.79	
Loan Receivable-El Capitan Mining Co.			3,000.00	
Total Current Assets				26,416.91
Fixed Assets	Cost	Depr. Res.	Book Value	
Machinery & Equipment	5,845.50	3,367.69	2,477.81	
Truck Equipment	2,485.00	500.00	1,985.00	
Total	8,330.50	3,867.69		4,462.81
Deferred Charges				
Ames Lease Option (Fluorspar)			1,200.00	
N. I. C. Insurance Deposit			144.00	1,344.00
TOTAL ASSETS				32,223.72
LIABILITIES				
Current Liabilities				
Accrued W/H & Soc. Sec.			436.08	
Accrued S. U. I.			29.46	
Total Liabilities				465.54
NET WORTH				

Represented by	L. Smith	G.H.Smith	McCullough	Total
Net Worth 12-31-57	597.19	597.19	14,983.28	16,177.66
Add'l Investment	-0-	-0-	25,000.00	25,000.00
Current Year Loss	141.29	141.29	9,136.90	9,419.48
Total Net Worth	455.90	455.90	30,846.38	31,758.18

TOTAL LIABILITIES and NET WORTH 32,223.72

EXHIBIT "A"

SERVICE LINE FORM 606 L.W.
Member of NATIONAL SOCIETY OF PUBLIC ACCOUNTANTS

EXTRA COPY
O. M. E.
RECEIVED MAY 18 1959

DATE	INITIALS	CO

L & G MINING CO.

BALANCE SHEET

December 31, 1958

ASSETS				
Current Assets				
Petty Cash Fund			25.00	
Nevada Bank of Commerce			[illegible]	29,987.32
Accounts Receivable-Equipment Sold				[illegible]
Loan Receivable-El Capitan Mining Co.				[illegible]
Total Current Assets				36,416.91
Fixed Assets	Cost	Depr. Res.	Book Value	
Machinery & Equipment	[illegible]	[illegible]	[illegible]	
Truck Equipment	[illegible]	[illegible]	[illegible]	
Total	[illegible]	[illegible]	[illegible]	4,442.[illegible]
Deferred Charges				
Mine Lease Option (Fitzsimmons)			1,200.00	
N. I. C. Insurance Deposit			[illegible]	1,[illegible]
TOTAL ASSETS				[illegible]
LIABILITIES				
Current Liabilities				
Accrued W/H & Soc. Sec.			436.08	
Accrued S. U. I.			[illegible]	
Total Liabilities				465.54
NET WORTH				
Represented by	L. Smith	R.L. Smith	McCullough	Total
Net Worth 12-31-57	397.19	397.19	14,983.28	16,177.66
Add'l Investment	-0-	-0-	25,000.00	25,000.00
Current Year Loss				
Total Net Worth	[illegible]	[illegible]	[illegible]	[illegible]
TOTAL LIABILITIES and NET WORTH				32,223

EXHIBIT "A"

EXTRA COPY
O. M. E.
RECEIVED MAY 18 1959

DATE	INITIALS	CODE

L & G MINING CO.

BALANCE SHEET

December 31, 1958

ASSETS		$	$	$
Current Assets				
Petty Cash Fund			25.00	
Nevada Bank of Commerce			19,562.12	19,587.12
Accounts Receivable-Equipment Sold				3,829.79
Loan Receivable-El Capitan Mining Co.				3,000.00
Total Current Assets				26,416.91
Fixed Assets	Cost	Depr. Res.	Book Value	
Machinery & Equipment	5,863.50	3,367.69	2,477.81	
Truck Equipment	2,485.00	500.00	1,985.00	
Total	8,348.50	3,867.69		4,462.81
Deferred Charges				
Ames Lease Option (Fluorspar)			1,200.00	
N. I. C. Insurance Deposit			144.00	1,344.00
TOTAL ASSETS				32,223.72

LIABILITIES

Current Liabilities				
Accrued W/H & Soc. Sec.			436.08	
Accrued S. U. I.			29.46	
Total Liabilities				465.54

NET WORTH

Represented by	L. Smith	G.H. Smith	McCullough	Total
Net Worth 12-31-57	597.19	597.19	14,983.28	16,177.66
Add'l Investment	-0-	-0-	25,000.00	25,000.00
Current Year Loss				
Total Net Worth	155.50	155.50	[illegible]	[illegible]

TOTAL LIABILITIES and NET WORTH 32,223.72

EXHIBIT "A"

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
1605 Evans Avenue
Reno, Nevada

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 8 1959

DATE	INITIALS	CODE
5/8	G	220
5/10	[illegible]	600

May 5, 1959

L. and G. Mining Company
Gabbs
Nevada

Re: Docket OME-6033 (Fluorspar)
L. and G. Mining Company
Chicago Lode and Allied 1-7 Lode Claims
Nye County, Nevada

Gentlemen:

Your application for Government assistance in exploring the referenced property has been referred to this office for additional information.

So that we may proceed further will you please supply us with a financial statement of the assets and liabilities of the L. and G. Mining Company, showing the net worth? Because the letters of refusal from the banks do not furnish the full information requested in the application form (question 1 a), will you please advise also the type and percentage interest of each partner in the company and whether the individual partners would be willing to make any further commitment to the company?

Sincerely yours,

R. M. Smith
Acting Executive Officer
OME Field Team, Region II

RMS:ft
cc: Opr. Com., OME, Wash., D.C.
RMSmith
File
Chron

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
4/27	Houk	600
4/28	Martin	130
"	Johnson	110
4/28	a	220
		600

600

APR 2[illegible]

Memorandum

To: Executive Officer, OME Field Team, Region II

From: ACTING Chairman, Operating Committee, OME

Subject: Docket No. OME-6033 - Fluorspar
L. and G. Mining Company
Chicago Lode and Allied 1-7 Lode Claims
Nye County, Nevada

Please review the subject application and arrange for a field examination if you deem it necessary.

Copies of memoranda dated April 22 and 23, 1959, by Mr. Robert B. McDougal, USBM, and Mr. N. E. Nelson, USGS, respectively, relating to the project are attached. There is also attached a copy of the application for the use of the Field Team.

If a contract is recommended, please have the Applicant supply us with a financial statement of the assets and liabilities of the L. and G. Mining Company showing the net worth. We may require financial statements from the partners as individuals, since letters of refusal from the banks do not furnish the full information requested in the application form.

/s/ W. S. Martin (242)

Approved:

(sgd.) G. W. Josephson
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

Attachments 5

WCAnderson:gad 4/24/59
Rewritten
FEJohnson/LGHouk:gad 4/27/59
Copy to: Dir. R. File
Operating Committee
Mr. Kiilsgaard, USGS
Mr. McDougal, USBM

43683

MMF Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
4/24	Anderson	600
4/24	Hirsch	600
4/24	Martin	130
		110
		220
4/24	Josephson	130

600

Memorandum

To: Executive Officer, OME Field Team, Region II

From: ACTING Chairman, Operating Committee, OME

Subject: Docket No. OME-6033 - Fluorspar
L. and G. Mining Company
Chicago Lode and Allied 1-7 Lode Claims
Nye County, Nevada

Please review the subject application and arrange for a field examination if you deem it necessary.

Copies of memoranda dated April 22 and 23, 1959, by Mr. Robert B. McDougal, USBM, and Mr. N. E. Nelson, USGS, respectively, relating to the project are attached. There is also attached a copy of the application for the use of the Field Team.

See Partnership agreement

If a contract is recommended, please have the Applicant supply us with a financial statement of the assets and liabilities of the L. and G. Mining Company showing the net worth. We ~~cannot~~ may require financial statements from the partners as individuals. Also, ~~we need the percentage participation of each of the partners in the company.~~ since letters of support from banks do not furnish the full information requested in the application form

/s/ W. S. Martin

(246)

Approved:

(sgd.) G. W. Josephson (246)
Member, Bureau of Mines

Thor H. Kiilsgaard (246)
Member, Geological Survey

Attachments 5

WCAnderson:gad 4/24/59
Copy to: Dir. R. File
Operating Committee
Mr. Kiilsgaard, USGS
Mr. McDougal, USBM

43683

If a contract is recommended, please have the Applicant supply us with a financial statement of the assets and liabilities of the L. and G. Mining Company showing the net worth. We may require financial statements from the partners as individuals, since letters of refusal from bank do not furnish the full information requested in the application form.

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
4/24	Anderson	600
4/24	Hoch	600
4/29	Martin	130
		~~100~~
		~~110~~
		~~115~~
4/28	G	220
		600
4/24	Simpson	130

600

APR 28 1959

L. and G. Mining Company

Gabbs, Nevada

4/24 Kiilsgaard (130

Re: Docket No. OME-6033 - Fluorspar
L. and G. Mining Company
Chicago Lode and Allied 1-7
Lode Claims
Nye County, Nevada

Gentlemen:

The application for assistance in exploring your property, under the captioned docket number, has been reviewed by the Division of Nonmetallic Minerals of the Office of Minerals Exploration. It has been referred to the Executive Officer, OME Field Team, Region II, 1605 Evans Avenue, Reno, Nevada.

The Regional Office will contact you in regard to your project if additional information is required. Any assistance you may give the members of the Field Team will be appreciated.

Sincerely yours,

Frank E. Johnson (for)

Acting Director

WCAnderson:gad 4/24/59
Copy to: Dir. R. File
Operating Committee
Region II
Mr. Kiilsgaard, USGS
Mr. McDougal, USBM

43683

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

OFFICIAL FILE COPY
IN REPLY REFER TO:
O. M. E.
RECEIVED APR 23 1959

DATE	INITIALS	CODE
4/23	a	220
		600

April 23, 1959
Re: OME 6033
L & G Mining Co.
Chicago & Allied 1-7 Lode Claims
Nye County, Nevada
Appl. Est. $52,596 - Fluorspar

Memorandum

To: L. G. Houk, Office of Minerals Exploration

From: N. E. Nelson, U. S. Geological Survey

Subject: Review of application

The applicant requests assistance in exploring by cross-cutting and drifting two fluorspar-bearing silicified zones in limestone in which, as now indicated by wagon drilling, are sizable bodies of ore grade material.

The larger silicious zone, in which three ore bodies have been partially outlined is 1,200 feet long and up to 200 feet wide. The smaller showing is a low easterly dipping silicified fracture or shearzone in limestone. The thickness is 5 to 7 feet. It is 600 feet west of the larger zone and on dip, if continuous would underly the larger silicious zone.

As yet, no precise structural control appears to be evident, but it seems possible the fluorspar mineralization is related to certain beds in the limestone. Faulting, none of which has been noted, could account for sudden cutoffs where continuity of ore might be expected.

If the sampling of the drill cuttings was done as well as the consultants says, it was, and there is no reason to question it, further work is warranted.

I recommend that the application be referred to the Field Team.

N. E. Nelson

N. E. Nelson

OFFICIAL FILE COPY
O. M. E.
RECEIVED APR 22 1959

DATE	INITIALS	CODE
4/23	G	220
4/23	Houk	600

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

Date April 22, 1959

DMEA Docket No. 6033
DMEA Contract No. ----
Commodity Fluorspar
Name of applicant L & G Mining Co.
Name of property Chicago Lode & Allied 1-7 Lode Claims
Location of property Nye County, Nevada
Estimated cost of project $52,596.00

Memorandum ✓

To: Lawrence G. Houk, Chief, Nonmetallic Division, Office of Minerals Exploration

From: Robert B. McDougal, Commodity Specialist, Branch of Construction and Chemical Materials

Subject: Review of Application
(Application, ~~Xxxxx Xxxxx Xxxxxxxxxx~~.)

1. Date of subject document: 4/10/59. 2. Date received by reviewer: 4/17/59.

3. Prior reports on this property known to reviewer: Yes ☐ No ☐

4. Prior reports on nearby properties known to reviewer: Yes ☐ No ☐

5. Information available on past production: Yes ☐ No ☐

6. Other pertinent factors known to reviewer: Yes ☐ No ☐

7. Explain items marked yes above:

8. Factors needing special consideration:
   a. Location ☐
   b. Ownership ☐
   c. Evidence of mineralization ☐
   d. Geology ☐
   e. Proposed exploration method ☐
   f. Alternate exploration method ☐
   g. Costs ☐
   h. _____ ☐

9. Action advised:
   a. Obtain information from applicant ☐
   b. Refer to Field Team ☐
   c. Denial ☒
   d. Agree with Field Team ☐
      i. Consult with Mr. _____ at _____ AEC office.
   e. Disagree with Field Team ☐
   f. Suggest alternate plan ☐
   g. Request another examination ☐
   h. Approval ☐

10. Remarks: (Use back of page if necessary) Denial is recommended because of the condition of the fluorspar market at present. There is no market for new fluorspar production anywhere in the country so it would be difficult for the L & G Mining Co. to obtain a return on investment.

April 10, 1959

L. and G. Mining Company
Gabbe, Nevada

Subject: OME-6033

Gentlemen:

Your application for exploration assistance, dated March 31, 1959 submitted to our office at Reno, Nevada has been assigned Docket Number OME-6033 and referred to the Non Metallics Minerals Division in the Washington Office. Kindly identify all future correspondence relating to your application by this Docket Number.

Sincerely yours,

Allen S. Dakan, Chief
Operations Control and
Statistics Division

Copy to: Region II