DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

GEOLOGICAL SURVEY

OMÉ

OFFICIAL DOCKET FILE

Idm-E NO._____

DMEA NO. 6539

Application
- [x] Denied
- [ ] Withdrawn

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

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

Folder No. 1:

Left Side

- [ ] Royalty Audits
- [ ] Certification of Discovery
- [ ] Closing Letter
- [ ] Cost Audits
- [ ] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [ ] Contract Amendments
- [ ] Contract with all exhibits and annexes
- [x] 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 Semi-Annual Report for Certified Project
- [ ] Final Field Team Report (Tab)
- [ ] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [x] On-site Exam Report (Tab) 6-1-66
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No._____: Reports

- [ ] Analysis of Semi-Annual Inspection Reports
- [ ] Project Summary (Interim) by DMEA Engineers

Right Side

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

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

Folders No._____: Settlement Sheets

Folders No._____: Drill Logs

Folders No._____: Royalty material

17863

RECEIVED

MAY 16 1966

OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

1108 Westbrooke Terrace
Norman, Oklahoma
May 11, 1966

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 18 1966
INITIALS | CODE

Mr. H. K. Stager
Field Officer, OME Region II
U. S. Geological Survey
345 Middlefield Road
Menlo Park, California 94025

Re: OME-6539 (Silver)
Klondyke Mine
Esmeralda County, Nevada

Dear Mr. Stager:

Enclosed are two more drilling bids on the Klondyke Silver Project. Also enclosed is a bid by Culverwell Construction for dozer work. From experience I consider Culverwell to be the best in the area.

As to the drill holes you mentioned at Klondyke they were done several years ago for assessment work. The holes are located in the upper, oxidized portion of the vein and have little significance as to our downdip program. However, the assay results according to Louis Meyer were around 12 ounces.

I have never been down the old shaft. It is untimbered and dangerous to enter without proper safety equipment. Mr. Meyer informs me that the shaft only reached a depth of 130 feet and did not reach the vein. Instead, a crosscut was made from that level westerly and encountered the vein below the old workings on the hillside. This shaft did not seem too important to me because the dumps near the shaft show only oxidized vein material. It is my desire to explore the vein downdip in the primary, unleached portions.

My map shows only 5 holes instead of the proposed 8. At the beginning of the program I did not want to locate them all precisely because they are subject to change depending upon results of the preliminary holes. I expect to encounter the vein at about 300 feet in depth in the first hole, but if I am very much off from this estimate I may want to change the location of subsequent holes a few tens of feet. Another factor governing the hole locations is the extent of mineral oxidation in the first hole.

I will be happy to meet you at Tonopah at any time. I have been at Lovelock, Nevada for the past month preparing to drill a porphyry copper prospect. I will probably be on the project all of June, but could take time out to meet with you at any time.

I am hopeful to drill the Klondyke prospect during midsummer. The weather there now is perfect.

Yours very truly,

Earl W. Smith

Earl W. Smith

EWS/cj

P.S. Should you wish to reach me I would suggest you write my Norman, Oklahoma address with a copy to my Lovelock, Nevada address which is in care of the Two Stiffs Motel.

J. G. CULVERWELL CONSTRUCTION

EARTH EXCAVATION, A SPECIALTY

TONOPAH, NEV. P. O. BOX 180

DATE May 5, 1966 TERMS

TO Mr. Earl Smith

SHIP VIA

ITEM NO.	QUANTITY	DESCRIPTION	PRICE
		BID ON KLONDIKE DRILL, ROADS, AND LOCATIONS	
		Moving ---1.00 per mile for 24 miles	
		D 8 tractor and dozer or equal rate per hour	25.00
		D 7 tractor and dozer or equal rate per hour	20.00

BY

P. O. Box 561
Tonopah, Nevada

~~P. O. Box 1371~~
~~Visalia, California~~

HARRIS DRILLING

Diamond Drilling Equipment for Lease or Rent

April 7, 1966

Mr. Earl W. Smith
1108 Westbrooke Terrace
Norman, Oklahoma

Dear sir:

In reference to our phone conversation of last Tuesday evening, the following is the price breakdown for drilling that you asked me to send to you.

BX Core drilling is $6.50 per foot for the first five hundred feet, thereafter it is $6.75 per foot.

Rock Bit drilling (3½") is $3.50 per foot for the first five hundred feet, thereafter it is $3.75 per foot.

Reaming and cementing time or casing is $12.50 per hour. You are to pay for any casing that might need be left in the hole.

All mud and cement used is to be paid for by you at my cost.

The cost of the water truck when used will be $5.00 per day.

If the above information is not complete enough please do not hesitate to contact me and I will be glad to give you whatever additional information you might need.

Hoping to hear from you soon, I remain,

Sincerely Yours,

Carl Harris

Carl Harris

TELEPHONE FAIRVIEW 3-7293

NEVADA PUMP & IRRIGATION CO., INC.

16500 So. VIRGINIA ST. • RENO, NEVADA

May 6, 1966

Mr. Earl Smith
1108 Westbrooke Terrace
Norman, Oaklahoma

Dear Mr. Smith:

After looking over your property known as Klondyke, located near Tonopah, Nevada, the following bid is submitted for your consideration:

a. Air Drilling:

1. Tri Cone hard rock bit - $7.00 per foot, owner to furnish bits.

2. Down the hole air hammer - $9.00 per foot, or $50.00 per hour, owner to furnish bits.

b. Core Drilling:

1. $9.00 per foot, owner to furnish bits.

c. Standby Time:

Standby time at request of owner, $25.00 per hour.

OPTIONAL BID:

Owner may choose to go on a straight $50.00 per hour basis plus bit costs.

Respectfully submitted

Lloyd H. McPherson

LLOYD H. MC PHERSON

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Memorandum

February 28, 1966

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 2 1966
INITIALS | COLL

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
OME, Region II

Subject: New Application (Silver)
Earl W. Smith
Klondyke Silver Prospect
Esmeralda County, Nevada

Enclosed is an Application for Financial Assistance submitted to our office by Mr. Earl W. Smith, in the amount of $39,650.00.

The property is in Sec. 25, T. 1 N., R. 42 E., MDBM, about 15 miles south of Tonopah, Esmeralda County, Nevada.

The applicant proposes to drill about 8 holes totaling about 4,000 feet to explore for downward extensions of ore bodies along a quartz vein, in limestone, that has yielded about $400,000. in gold-silver ore.

The application appears to be well prepared although the relationship of the geology and proposed exploration to property boundaries is not shown. Additional bids from one or two drilling and bulldozer contractors will probably be required before the costs can be determined satisfactorily. Supervisory costs are too high.

I have discussed the area and proposed exploration with John P. Albers, who is familiar with the geology, and in his opinion this is a worthwhile exploration possibility.

H. K. Stager

Enclosures

1108 Westbrooke Terrace
Norman, Oklahoma
JE 4-8371

February 21, 1966

Mr. Harold K. Stager
Office of Mineral Exploration
345 Middlefield Road
Menlo Park, California

Dear Mr. Stager:

Enclosed is my application for O.M.E. assistance in proposed exploration on my Klondyke silver prospect, which is located near Tonopah, Nevada.

I will be available to meet you at Tonopah whenever you wish to make a field examination of the property.

I can be reached at the above listed address and telephone.

Thank you for your consideration.

Yours very truly,

Earl W. Smith

Earl W. Smith

EWS/cj

RECEIVED
FEB 24 1966
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

MME Form 40
Jan. 65

Budget Bureau No. 42-R1508
Approval expires Dec. 31, 1968

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

ORIGINAL COPY U. S. M. E. RECEIVED 2 1966 RECORDS OFFICE

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.)*	APPLICANT DO NOT USE THIS BLOCK
Earl W. Smith 1108 Westbrooke Terrace Norman, Oklahoma	DOCKET NUMBER 6539 DATE RECEIVED 3-2-66 ~~2-24-66~~ REGION II DIVISION CODE

BUSINESS ORGANIZATION *(Check one)*	LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE — NAME / ADDRESS / TITLE
INDIVIDUAL [X] CORPORATION [ ] PARTNERSHIP [ ] OTHER *(Specify)* [ ]	
STATE IN WHICH FIRM IS ORGANIZED	

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE	PROPERTY NAME	LOCATION COUNTY	STATE
Silver	Klondyke	Esmeralda	Nevada
ESTIMATED COST OF PROJECT $ 39.650			

GENERAL INSTRUCTIONS

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

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.

Feb. 21, 1966
DATED

Earl W. Smith
BY *(Signature)*

Geologist
TITLE

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

INFORMATION REQUIRED WITH THIS APPLICATION

1. Financial Eligibility:

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

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

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

2. Applicant's Rights in Land:

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

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

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

3. Physical Description:

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

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

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

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

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

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

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

4. Accessibility of Property:

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

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

5. Exploration Work:

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

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

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

6. Experience:

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

7. Estimate of Costs:

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

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

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

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

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

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

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

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

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

Application for Financial Assistance in Minerals Exploration

1. Financial Eligibility

   (a) See letters attached (Exhibit I) None in Nevada

   but if he can't borrow money in his home town he sure can't borrow in Nevada

   (b) Not applicable

   (c) In the initial stage I am personally able to arrange for my share of the proposed exploration costs.

2. Applicant's Rights in Land:

   (a) I am the lessee. See attached copy of lease (Exhibit II)

   (b) The property is located at the abandoned mining camp of Klondyke, in approximately Section 25, Township 1 North, Range 42 East, Esmeralda County, Nevada. There are five unpatented lode mining claims, known as: Silver Zone, Book 1-N, Page 399; Silver Zone 1-3, Book 1-N, Page 400; Iron Top #4, Book 1-Q, Page 219; all in Book of Mining Location, recorded at Goldfield, Nevada.

   (c) See attached copies of Form 52 (Exhibit III)

3. Physical Description:

   (a) See attached map (Exhibit IV)

   (b) None

   (c) See attached Geological Report (Exhibit V)

   (d) See attached Geological Report (Exhibit V)

   (e) See attached Geological Report (Exhibit V)

   (f) See attached Geological Report (Exhibit V)

   (g) See attached Geological Report (Exhibit V)

4. Accessibility of Property:

   (a) I can personally meet him, providing 10 days' notice is given so as to arrange my schedule. My address is: Earl W. Smith, 1108 Westbrooke Terrace, Norman, Oklahoma, Phone JE 4-8371.

   The property is readily accessible by auto as described in the attached geological report.

(b) Local supply point is Tonopah, which is about 15 miles distant. Main source of supplies will be Reno, 250 miles distant.

5. Exploration Work:

one Bid

(a) The first stage of exploration consists of approximately eight drill holes drilled to an average depth of 500 feet. This is a total of 4,000 feet. Part of the footage will be plug drilling, and part core drilling. See attached geologic report and map for general plan of exploration. (Exhibits IV and V).

no bids

(b) No access road is required, but some drill site leveling will be required.

(c) If an O.M.E. contract is executed, the first stage of exploration will be started immediately, or as quickly as a drill rig is available. Generally this will take about two weeks. Rate of progress is expected to be one hole per week. Three months should complete the first stage, allowing for weather, breakdowns, etc.

6. Experience:

Educational
B.S. and M.S. degrees in geology from the University of Oklahoma, 1953 and 1954.

Practical
Active uranium exploration in the western states, 1955 and 1956. Active base and precious metal exploration in Nevada from 1961 to present, including supervision of drilling programs.

7. Estimate of Costs:

The overall estimated costs of Stage No. 1 is $39,650.00. If this stage of work is successful in locating commercial ore, Stage No. 2 of O.M.E. Assistance is recommended to determine more fully the existence of an economic and mineable ore body. A request for O.M.E. assistance on Stage No. 2 will be made if Stage No. 1 is a success. The estimated cost of Stage No. 2 will be determined at that time in cooperation with O.M.E. representatives.

(a) Cost of Independent Contracts:

1. Bulldozer (leveling of drill site locations and some trenching for surface sampling)
20 hours @ $16.00 per hour $ 320.00

2. Drilling (See Exhibit VI)

a. 2,000' of rotary drilling @ $3.50/ft.
This includes standby time, casing costs, and cement 7,000.00

b. 2,000' of coring at an average cost of $9.00/ft, which includes casing, reaming, cement, and standby		$18,000.00
3. Assaying		
Estimate 400 samples of Au-Ag @ $3.00 ea. Estimate 300 Pb, 50 Zn, 50 Cu @ $3.00 ea.		2,400.00
(b) Personal Services		
1. Panner-Sampler 5 days/wk @ $20.00/day X 12 weeks		1,200.00
2. Geological Supervisor 3 months @ $1,500.00 per mo. Expenses @ $15.00 per day	$4,500.00 1,350.00	5,850.00
(c) Operating Materials and Supplies		
1. Miscellaneous shovels, sampling picks, pans, geological hammers, assorted hand tools, nails, etc.		75.00
2. Core boxes Cardboard @ $1.00 each		50.00
3. Core splitter will make one		- 0 -
4. Sample splitter will furnish		- 0 -
5. Sample bags Size 5½ x 10½ @ $55.00/1,000		55.00
(d) Operating Equipment		
1. Pickup truck rental for transportation to property and for hauling samples to assay office. Estimated for 3 months' use. Truck Rental 3 mos. @ $150.00/mo. 6,000 mi. @ 10¢	$ 450.00 600.00	1,050.00
(e) Initial Rehabilitation and Repairs		
One of the old buildings on the property will be repaired to store cores, samples, and small tools during exploration. The building needs repair to roof, windows, door, and floor. This is estimated to cost $350.00.		350.00

(f) None

(g) Miscellaneous

Accounting 3 mo	$ 400.00	
Workmen's Compensation and employee's liability ins. 42% ? 8.5%	500.00	
Stenographer	300.00	
Telephone	200.00	
Other (5% of Program) contingency ?	1,900.00	$ 3,300.00
		$39,650.00

List of Exhibits

I Letters of Financial Eligibility

II Lease Agreement

III M.M.E. Form 52

IV Geological Map

V Preliminary Geological Report

VI Drilling Bid

Signed Earl W. Smith

Earl W. Smith

EXHIBIT I

The First National Bank and Trust Company of Oklahoma City

CAPITAL AND SURPLUS THIRTY MILLION DOLLARS
ESTABLISHED 1889

GREG IRETON
VICE-PRESIDENT

February 18, 1966

Mr. Earl W. Smith
1108 Westbrooke Terrace
Norman, Oklahoma

Re: Klondyke Prospect
Tonopah, Nevada

Dear Mr. Smith:

In reply to your recent request for a $40,000.00 loan for the purpose of drilling and testing the Klondyke silver prospect located near Tonopah, Nevada, this is to advise you that we are in no position at this time to make a loan of this nature. From our standpoint, the venture is too speculative and the four-year term you requested, commencing two years hence, is for a longer term than we would wish to make.

Thank you for giving us the opportunity to look at this loan.

Sincerely,

Greg Ireton

Vice President

GI:rj

1108 Westbrooke Terrace
Norman, Oklahoma
February 18, 1966

The First National Bank & Trust Company
Oklahoma City, Oklahoma

Attention: Loan Department

Gentlemen:

I am requesting a loan in the amount of $40,000.00, which I will use in the drilling and testing of my Klondyke silver prospect located near Tonopah, Nevada. I propose to borrow this money at your normal interest rates, with return of capital prorated over a four-year period commencing two years hence.

If this meets with your acceptance, please notify me to discuss details.

Very truly yours,

Earl W. Smith

Earl W. Smith

EWS/cj

THE LIBERTY NATIONAL BANK AND TRUST COMPANY

OKLAHOMA CITY, OKLAHOMA

JIM L. HURLEY
Commercial Officer

February 18, 1966

Mr. Earl W. Smith
1108 Westbrooke Terrace
Norman, Oklahoma

Dear Mr. Smith:

Regarding your application for an unsecured loan of $40,000 for the purpose of drilling and testing the Klondyke Silver Prospect near Tonopah, Nevada, The Liberty National Bank does not feel your request can be honored at this time. The reasons for this are as follows:

1. It being an unsecured loan.

2. Your personal net worth is not of a large enough nature to justify this loan on anything but a secured basis.

Sincerely,

Jim L. Hurley
Commercial Officer

JLH:sr

1108 Westbrooke Terrace
Norman, Oklahoma
February 18, 1966

Liberty National Bank and Trust Company
Oklahoma City, Oklahoma

Attention: Loan Department

Gentlemen:

I am requesting a loan in the amount of $40,000.00, which I will use in the drilling and testing of my Klondyke silver prospect located near Tonopah, Nevada. I propose to borrow this money at your normal interest rates, with return of capital prorated over a four-year period commencing two years hence.

If this meets with your acceptance, please notify me to discuss details.

Very truly yours,

Earl W. Smith

Earl W. Smith

EWS/cj

FIDELITY NATIONAL BANK & TRUST COMPANY

HARVEY AND PARK AVENUE • OKLAHOMA CITY, OKLAHOMA • CENTRAL 2-8811

Jim D. Kutch
Asst. Vice President

February 18, 1966

Mr. Earl W. Smith
1108 Westbrooke Terrace
Norman, Oklahoma

Dear Mr. Smith:

In reply to your letter of February 18, 1966, requesting an unsecured loan in the amount of $40,000.00, proceeds of which to be used in the testing of a silver prospect in Nevada, we do not feel that we are in a position to make a loan of this type.

We base our decision on several factors, the most important being that there is no security offered for the credit. We would have to charge at least eight percent interest on a six-year commitment, and lastly, the highly speculative nature of the venture does not enhance the quality of the proposed loan.

Sincerely,

Jim D. Kutch
Assistant Vice President

JDK:sb

1108 Westbrooke Terrace
Norman, Oklahoma
February 18, 1966

Fidelity National Bank and Trust Company
Oklahoma City, Oklahoma

Attention: Loan Department

Gentlemen:

I am requesting a loan in the amount of $40,000.00, which I will use in the drilling and testing of my Klondyke silver prospect located near Tonopah, Nevada. I propose to borrow this money at your normal interest rates, with return of capital prorated over a four-year period commencing two years hence.

If this meets with your acceptance, please notify me to discuss details.

Very truly yours,

Earl W. Smith

EWS/cj

EXHIBIT II

MINING LEASE AND OPTION

THIS AGREEMENT, made and entered into this 28th day of July, 1965, by and between PHILIP V. MEYER and LOUIS G. MEYER, both unmarried persons, of Post Office Box 462, Tonopah, Nevada, the parties of the first part, hereinafter referred to as the "Lessors", and EARL W. SMITH, of 1108 Westbrooke Terrace, Norman, Oklahoma, party of the second part, hereinafter referred to as the "Lessee",

WITNESSETH:

That said Lessors, for and in consideration of the rents, royalties, covenants and agreements hereinafter reserved and set forth and by the Lessee to be kept and performed, have leased, let and demised unto the said Lessee for the purpose of mining, all that certain piece or parcel of mining ground and appurtenances situate, lying and being in the Klondyke Mining District of the County of Esmeralda, State of Nevada, to-wit:

> The SILVER ZONE, SILVER ZONE NO. 1, SILVER ZONE NO. 2, SILVER ZONE NO. 3, and the IRON TOP #4 unpatented lode mining claims, situated in the County of Esmeralda, State of Nevada.
>
> TOGETHER with all dips, spurs, angles and ore dumps appurtenant thereto.

TO HAVE AND TO HOLD unto the said Lessee said demised premises for the purpose of mining for a term of thirty-one (31) years, commencing August 1, 1965 and ending on July 31, 1996.

IN CONSIDERATION THEREOF, the said Lessee does hereby covenant and agree with the said Lessors as follows, to-wit:

1. To enter upon said leased premises forthwith and, commencing on the effective date of this agreement, to begin working on said premises and to work the same in proper, skillful and miner-like fashion, and in manner necessary to good and economical mining so as to take out the greatest amount

of ore possible with due regard to the safety, preservation and development of said premises as a workable mine.

2. To immediately record in the office of the Esmeralda County Recorder due and proper notices relieving Lessors from any and all liability or responsibility for work done on said premises or from any injuries to persons or damages to property occurring or committed on said premises.

3. To promptly pay all wages for work done and to comply with all laws, federal, state and local, pertaining to mining and mining operations, including the carrying and maintaining of industrial accident insurance on employees.

4. To permit Lessors, their agents or representatives, to have access to said demised premises at any reasonable time for the purpose of inspecting the same.

5. To pay to Lessors a royalty of five per cent (5%) of the net mill or smelter returns on each and every ton of ore, metal or other property taken, milled or extracted from said property. It is specifically understood and agreed that the term "net smelter or mill returns" as used within this lease is defined as being the total proceeds of the sale of ore, concentrates or other products after deducting therefrom the actual cost of milling or smelting the ore and transportation of ore from the mine to mill or smelter. During each calendar month hereof, for the first six months hereof, the Lessee shall pay to the Lessors, at Tonopah, Nevada, an advance payment of $100.00 per month, and ~~$150.00~~ $200.00 per month thereafter, or the royalty hereinabove reserved, whichever is the greater. In this regard, it is understood that the Lessee shall be granted the privilege of accumulating royalties, that is to say, that during any calendar month where the production royalty exceeds the advance payment, that amount in excess of the advance payment may be applied against any subsequent advance payment in which the production royalty does not exceed the advance payment.

BEKO & LEMON
ATTORNEYS AT LAW
TONOPAH, NEVADA

6. It is acknowledged by the parties hereto that the claims above described are situated at an elevation of approximately 6,000 feet, as a result of which it is further acknowledged that weather conditions may seriously handicap the Lessee in the exploration, development and mining of the said claims. By reason thereof, all of the obligations and conditions hereof, required to be performed by the Lessee, shall be suspended during a period not to exceed 90 days during any calendar year during the term hereof when extreme, adverse weather conditions prevent the Lessee from working or gaining access to said mining properties and, further, when the Lessee is prevented from performing by strikes, Acts of God, or national war emergency or government restrictions.

7. It is understood and agreed that copies of original settlement invoices on all ores extracted and treated from the property, including the smelting thereof as hereinabove provided, shall be filed monthly with the Lessors, such settlement invoices to be filed with Lessors on or before the 15th day of each month covering all milled or smelted ores from the property for the preceding calendar month, accompanied in each case by check in payment of the royalties or rent hereinabove provided for.

8. At the termination of this lease by lapse of time, forfeiture or otherwise, to deliver up to said Lessors the said premises in as good condition as when received, allowing for the mining and development thereon by the Lessee. In the event of the forefeiture or termination of this agreement as hereinafter set forth, it is understood and agreed that all improvements, including rail in place, made in or about said property by the Lessee and affixed to the realty and constituting a part thereof, together with operational maps, assays, and reports, shall remain the property of the Lessors; but all property of a personal nature, including machinery, tools or equipment, subject to removal without damage to the real estate or improvements, may

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be removed therefrom by the Lessee within sixty (60) days from the date of the said forfeiture or cancellation of this agreement, failing which, the same shall revert to the Lessors.

9. To promptly pay all costs of operation and maintenance of said premises, including taxes of any kind whatsoever assessed thereon, and at all times to keep said property free and clear of any and all liens or encumbrances of any nature or kind whatsoever.

10. To do and perform any necessary annual assessment work that may be required on the demised property during the term of this lease, or any extension thereof. A timely notice of the completion of said assessment work and the filing of a notice or proof of completion of same shall be made and filed by the Lessee in accordance with the statute pertaining thereto, said filing to be completed at least fifteen (15) days prior to the date required by law for such filings to be made.

11. Time is of the essence of this agreement, and in the event that Lessee shall fail to make any payment or payments as herein provided or shall fail to perform each and every covenant, term and condition as herein provided, the Lessors may, after twenty-five (25) days' notice in writing given to Lessee within which to cure said default or violation, and provided said default or violation has not been cured during said 25-day period, declare said lease forfeited, cancelled and terminated, and enter and repossess all of the property herein demised.

12. Lessors hereby represent that title to the premises hereinabove referred to is good and merchantable, subject only to the paramount interest of the United States, and free and clear from all encumbrances or liens by them suffered or committed.

13. All written notices provided for in the foregoing lease agreement to be served upon the respective parties shall be sent by registered mail,

return receipt requested, through a United States Postoffice, postage prepaid, and addressed to the said parties at their respective addresses, and the date of mailing shall constitute the date of delivery, the addresses of the parties being as hereinabove set forth unless or until either of said parties shall furnish notice of change of address to the other party.

14. Lessors do hereby give and grant to the Lessee a period of thirty (30) days in which to examine title to the premises above describ ed. At the expiration of said 30-day period and the Lessee being satisfied with such record title, the Lessors shall execute a deed of conveyance of the above claims to the Lessee and shall deposit it with the First National Bank of Nevada, as escrowee, with instructions to said bank to deliver the same to the Lessee upon completion of the payments under the option to purchase hereinbelow set forth. At the same time, Lessee shall deposit a quitclaim deed to the mining claims hereinabove set forth in favor of the Lessors upon the abandonment or forfeiture of said escrow. All escrow charges shall be borne by the Lessee; however, any collection charges levied by the escrowee on payments made through escrow shall be deducted from payments due to the Lessors.

15. Lessee shall furnish to the Lessors a written progress report reciting in detail any engineering data, assay reports, drill reports and any other information pertinent to the exploration and development of said property as a workable mine.

16. For the further and additional consideration of $10.00, paid by the Lessee to the Lessors, the receipt whereof is hereby acknowledged, the Lessors do hereby given and grant to the said Lessee the option to purchase all of the above-described mining property and appurtenances for the sum of SEVENTY-FIVE THOUSAND DOLLARS ($75,000.00), payable in strict accordance with the terms of the foregoing lease relating to advance payments

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TONOPAH, NEVADA

and payments of royalty, both of which shall apply against the purchase price. Any balance due at the conclusion of the 31-year term of this agreement shall be paid in cash prior to said time.

17. The Lessors give and grant to the Lessee the right to assign or sub-lease the interest created herein, providing that said assignment or sub-lease shall be void unless, within twenty (20) days after the execution thereof, the Lessee shall give written notice thereof to the Lessors, setting forth the names and addresses of the assignees.

18. Time is of the essence of each and every term, covenant and condition of the foregoing lease agreement, and the same shall be binding upon the heirs, executors, administrators, successors and assigns of all the parties hereto.

19. Lessee hereby reserves the privilege of abandoning any interest created herein by giving notice of such intention to the escrowee and instructions directing said escrowee to terminate said escrow and return the quitclaim deed executed by Lessee to the Lessors, after which the Lessee shall be under no further liability to the Lessors except for any material or labor claims incurred during his occupation of said mining property, and royalties earned but not paid prior to said abandonment.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands the day and year first above written.

LESSORS: Philip V. Meyer
Philip V. Meyer

By: Louis G. Meyer
Louis G. Meyer, Attorney in Fact

Louis G. Meyer
Louis G. Meyer

LESSEE: Earl W. Smith
Earl W. Smith

BEKO & LEMON
ATTORNEYS AT LAW
TONOPAH, NEVADA

STATE OF NEVADA)
) ss.
COUNTY OF NYE)

On the 22nd day of July, 1965, before me, the undersigned Notary Public in and for the county and state aforesaid, personally appeared LOUIS G. MEYER and EARL W. SMITH, known to me to be the persons named in and who executed the within and foregoing instrument, and they acknowledged to me that they 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

WILLIAM P. BEKO
Notary Public — State of Nevada
Nye County
My Commission Expires Dec. 12, 1968

STATE OF NEVADA)
) ss.
COUNTY OF NYE)

On the 22nd day of July, 1965, before me, the undersigned Notary Public in and for the county and state aforesaid, personally appeared LOUIS G. MEYER, known to me to be the person whose name is subscribed to the within instrument as the attorney in fact of PHILIP V. MEYER, and acknowledged to me that he subscribed the name of Philip V. Meyer thereto as principal, and his own name as attorney in fact, 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

WILLIAM P. BEKO

File No. 30739

Recorded at request of Grant Huntley

December 17 A. D. 1965 at 45 Minutes Past 1:00 o'clock, P. M.

in Book 4-C of Agreements, Pages 48-50

in Docket Number ....., Page .....

Records of Esmeralda County, Nevada

By Lenore B. Mullen, County Recorder — SEAL — Norah M. Baird, Deputy Recorder

COUNTY RECORDER ESMERALDA COUNTY, NEVADA

INDEXED NB
COPIED NB
VERIFIED NB

EXHIBIT V

PRELIMINARY GEOLOGICAL REPORT

KLONDYKE SILVER PROSPECT

ESMERALDA COUNTY, NEVADA

Earl W. Smith

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PRELIMINARY GEOLOGICAL REPORT

of the

KLONDYKE SILVER PROSPECT

Esmeralda County, Nevada

by

Earl W. Smith

Location and Accessibility

The Klondyke Silver prospect is located in the abandoned Klondyke mining district in Township 1 North, Range 42 East, Esmeralda County, Nevada. The prospect is easily accessible by automobile, and can be reached by driving south from Tonopah on U. S. Highway 95 about ten miles, then three miles E over dirt road to the property.

Topography

The property is at an elevation of about 5,800 feet. Locally the terrain consists of rolling hills and ridges with differences of elevation of less than 200 feet. Klondyke Peak, located to the southeast about one mile, has a height of several hundred feet. It is the most prominent landmark within a radius of several miles. All the washes are dry, draining southwesterly towards Alkali Flats. Rock outcrops predominate over much of the prospect, but in the presence of soil cover there is sagebrush and grass.

Climate

The climate is considered excellent and suitable for all-year working conditions. The area generally escapes heavy winter snows and hot summer temperatures. The area is semi-arid and precipitation is generally light.

Water

There is no surface water on the property, but drilling water can be secured from a nearby well. The large gravel and alluvial basin to the southwest contains unlimited water at shallow depths.

Claims

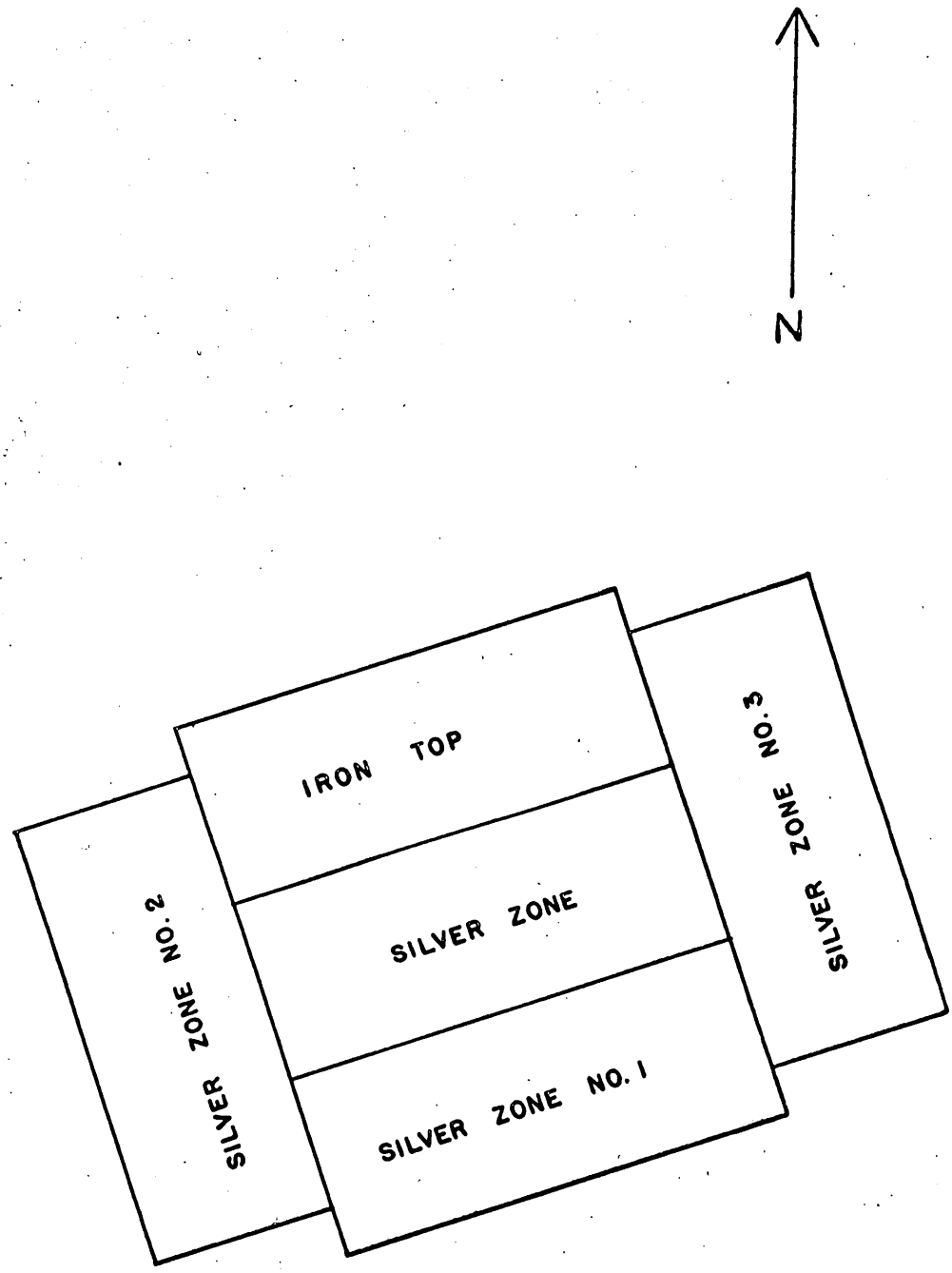
There are five unpatented lode mining claims under lease option and agreement. These are known as the Iron Top, Silverzone, Silverzone No. 1, 2, and 3.

The claims were located by Louis and Philip Meyer of Tonopah, and subsequently leased to Earl W. Smith in July, 1965.

Mining History and Production

According to an item printed in the Divide Mining Directory, July, 1919, the Klondyke properties produced in excess of $400,000.00 in gold-silver ore, running from $20.00 to $200.00 per ton in carload shipments (at today's metal prices this would exceed $1,000,000.00 in total production). The newsprint also stated that several hundred thousand tons of ore were left on the dumps and in the mine that could be milled at a good profit.

Production came from a quartz vein five to 20 feet thick over a distance of about 2,500 feet. There are over 25 adits and shafts, but none apparently exceeded 200 feet in depth. Obviously, a study of the dumps and underground workings indicate that the vein was "chlorided," that is, its higher grade portions were selectively mined and sorted. The lower grade portions were left in the mine and in the dumps. Because of scant production records it is therefore difficult to determine what the average value of the ore was during its early history. See Lincoln p. 76



MAP OF CLAIMS

During the 1940's and 1950's, several operators reworked the dumps and the better portions of the old mines. Available settlement sheets on 199 tons show an average grade of 30.3 ounces of silver, 0.32 ounces of gold, and several percent lead; which at today's prices would exceed $50.00 per ton in combined values.

Numerous samplings of those dumps that have been reworked at least twice indicate a present silver content of about five ounces per ton. The upper dumps which consists of reject material from the original mining averages about 12 ounces of silver per ton. These upper dumps have been hand sorted to some extent, but not reworked as extensively as the lower dumps. The lower dumps seem to have had some dilution by wall rock shale. The combined value of all the surface dumps based upon 50 or more samples indicate an average silver content of close to ten ounces per ton.

Sampling of the underground unmined portions of the vein indicate a silver content of over ten ounces per ton, plus some recoverable values in gold. If the mined-out portions of the vein were restored, the overall value of the vein would exceed 20 ounces of silver per ton, plus some lead and about 0.10 ounces of gold. This is a rough estimate based upon the value of the original ore that was "chlorided," size of underground workings, sampling of remaining vein portions, and sampling of surface dumps.

The importance of all this sampling of vein and dumps is <u>not</u> to necessarily establish ore from the old workings, but rather as a guide on what to be expected if this vein is followed to depths below the old workings. It must be remember that the vein in its upper portions

was highly oxidized and that the ore minerals were mostly secondary. Therefore, continued depth on the vein may encounter large enriched sections that may exceed $100.00 per ton in silver and gold values. Eventually, protore will be encountered with depth. It should be of commercial grade without the benefit of secondary enrichment.

Regional and Local Geology

The regional setting geographically is very favorable for the occurrence of a large deposit of silver and gold. Klondyke lies about half-way between two fabulous mining camps - Tonopah (silver) and Goldfield (gold). However, the host rocks and mineral suite are completely different. Ores from Tonopah and Goldfield occurred mainly in Tertiary volcanic rocks, whereas Klondyke ore is associated with Cambrian limestones intruded by Jurassic quartz monsonite.

At Klondyke, Cambrian limestones and limy black shales have been intruded by a large sill of monzonite. The contact is characterized by specularite and tactites. Above this contact 50 to 150 feet is a bedding plane quartz vein containing iron gossan and secondary minerals of lead, copper, and silver. This vein, from which the production came, varies in thickness up to 20 feet and greater. It parallels the monzonite and can be traced continuously on the surface for over 2,000 feet.

The footwall section, that is, between the vein and monzonite, has been well mineralized in places and is now capped over relatively large zones by iron gossan. This has never been explored, but it could contain large replacement type ore bodies.

Above the main quartz vein there appears to be little mineralization although the limes have been faulted and distorted in places. In places it has also been intruded by stringers of monzonite.

Several post-mineral dikes of white rhyolite porphyry have obliquely cut the limestones and the main quartz vein. The dikes at places exceed ten feet in thickness. They appear to be related to Klondyke Peak to the southeast which is a Tertiary flow with a nearby source. This flow covers the limestones to the north and east, and at one time it probably covered the whole Klondyke area.

The monzonite sill at its widest exposure is about 600 feet across. It is elongate northeast - southwest, extending to the southwest as a pediment with a shallow cover of alluvial. Generally the monzonite where exposed is coarse-grained, white except where stained with iron and manganese, containing abundant muscovite, some sericite and large amounts of quartz. At places the monzonite is highly altered both by hydrothermal and supergene action. A sample from the dump at the shaft which has a head frame assayed 0.30 ounces of silver, 0.30 percent lead, and 0.50 percent zinc, with traces of gold and copper. These values may all be a result of leaching from the above values along the contact, but any drilling project should include at least one hole into the monzonite below the water level. At several places considerable specularite containing some copper is noted within the monzonite.

Ore Reserves

Proven ore reserves at this time is confined to that portion of the vein now remaining in the old workings, along with several thousand tons of low-grade material in dumps on the surface. Altogether, this would amount to about 200,000 tons. This tonnage by itself is not the main

exploration objective because it represents only the discarded portion of the vein in the old workings. It could be quite valuable as mill rock if more reserves are subsequently proven. This material was left as waste by the original miners because there was no mill nearby to treat these oxidized ores, and consequently the miners had to ship only high-grade ore directly to the smelters which paid only on the silver content.

The main objective is to explore the down-dip continuation of this vein for virgin ores of higher grade.

Potential Ore Reserves

The potential ore reserves in this prospect are large, and the chances of success are excellent. At this time no potential reserves are given to the monzonite, even though at least one hole should ultimately be drilled into it for possibilities of a porphyry deposit. = prospecting = molybdenum-Cu.

more info to establish tonnage

The main potential is in the down-dip extension of the quartz vein and in the footwall section lying between the vein and the monzonite sill.

Assuming the vein extends downdip 600 feet below the present workings with an average thickness of ten feet and a strike length of 2,000 feet, the reserve calculation is:

$$\frac{600' \times 10' \times 2{,}000'}{12 \text{ cu. ft./ton}} = 1{,}000{,}000 \text{ tons}$$ 100% ore

Assuming a replacement ore body in the footwall section of 600 feet long, 500 feet wide, and 50 feet thick, the reserve calculation would be:

$$\frac{500' \times 600' \times 50'}{12 \text{ cu. ft./ton}} = 1{,}250{,}000 \text{ tons}$$ 100% ore

This gives a combined tonnage of 2,250,000 tons. If the average gross value were $40.00 per ton in silver, gold and certain base metals, uncertain? the gross value is $90,000,000.00.

Exploration Program and Costs

The first stage of exploration is five to ten holes drilled to an average depth of 500 feet per hole. These will be located downdip or to the east of the old workings. They will be located such to intersect the main quartz vein 300 feet to 600 feet below the surface in either primary sulphides or in a zone of enrichment. Each hole will be cored through the main vein and through the footwall section to the monzonite sill. This stage of the program will require about 4,000 feet of drilling spread over a distance of 1500 feet along the strike. This is estimated to cost $40,000.00, or $10.00 per foot, including assaying, supervision, etc.

Depth of [illegible]?

This stage of exploration should initially test the property. In other words, $40,000.00 is considered the risk capital. If these initial holes are successful, more drilling is recommended to block out tonnage and grade. The extent of this second stage will depend upon many factors, including size of desired mining program, etc.

Summary and Recommendation

Recommendation is hereby made to enter the initial exploration stage to test primarily the silver potential of the Klondyke prospect. This program consists mainly of five to ten drill holes to an average depth of 500 feet. This will cost an estimated $40,000.00. Stage No. 2 is recommended if Stage No. 1 is successful. Its cost cannot be estimated

at this time. Stage No. 1, of $40,000.00, represents the risk capital.

The objective vein at the surface is long and continuous, and it therefore should persist to a great depth. Chances of success are very strong that large, rich replacement-type ore bodies lie below this vein in the footwall section above the monzonite contact.

inexperienced Reserve expectations exceed two million tons, having a gross value of $40.00 per ton or more. This would represent a very good profit picture with a relatively small investment.

Respectfully submitted,

Earl W. Smith

Earl W. Smith

EXHIBIT VI

Telephone 864-7412

Smith Drilling
P. O. Box 417
NUCLA, COLORADO

January 28, 1966

Earl W. Smith
1108 Westbrook Terrace
Norman, Oklahoma

Dear Sir:

Enclosed is a confirmation of our telephone conversation of Sunday evening.

Rotary Drilling

0 - 300 feet ----- $2.60
300 - 500 feet ----- $3.40

Core Drilling	B-X per ft.	N-X per ft.
0 - 100 feet -----	$6.50	$7.10 per ft.
100 - 200 feet -----	$6.90	$7.60 per ft.
200 - 300 feet -----	$7.40	$8.00 per ft.
300 - 400 feet -----	$8.00	$8.60 per ft.
400 - 500 feet -----	$8.60	$9.20 per ft.
Reaming	$6.50	$7.00 per ft.

Casing loss ----- 50% of current price

Cementing ----- $16.50 per hour plus cement

Stand-by ----- $14.00 per hour

Running second string of casing ----- $16.50 per hour

Jack R. Smith

Jack R. Smith (owner)

EXHIBIT III

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

FOR GOVERNMENT USE ONLY
Operator
Docket No. OME –
Contract No. 14-23-090–
Contract Date

LIEN AND SUBORDINATION AGREEMENTS[1]

To the United States of America:

That certain land in the County of Esmeralda, State of Nevada, described as follows:[2] Iron Top No. 4, Silver Zone, Silver Zone No. 1, Silver Zone No. 2, Silver Zone No. 3; all unpatented lode mining claims located in the Klondyke Mining District, Township 1 North, Range 43 East, Esmeralda County, Nevada

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

Earl W. Smith [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 7-28-65, and recorded in Book 4-C, Page 48-50 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. Silver Zone, Bk 1-N, P. 399; Silver Zone 1-3, Bk 1-N P. 400, Iron Top #4, Bk 1-Q, P. 219, All in Book of Mining Location

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 None (State "None" or "See Annex No.____".)

Dated this 14th day of December, 19 65.

Louis G. Meyer (Seal) _____ (Street) (City & State)

Philip V. Meyer (Seal) _____ (Street) (City & State)

By Louis G. Meyer (Seal) _____ (Street) (City & State)
Power of Attorney

_____ (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)

Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

June 24, 1966

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 27 1966
INITIALS CODE
120 ~~110~~ 120 8 221

Mr. Earl W. Smith
c/o Two Stiffs Motel
Lovelock, Nevada

Re: OME-6539 (Silver)
Earl W. Smith
Klondyke Mine
Esmeralda County, Nevada

Dear Mr. Smith:

In reply to your letter of June 22, 1966, enclosed is a copy of a letter sent to you, at your Norman, Oklahoma address, by the Office of Minerals Exploration on June 17, 1966.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

Enclosure

cc: Chief, OME, WDC
D RF
ACG RF
MP RF
File 6539
HKStager:mlb

RECEIVED

JUN 23 1966

OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

1108 Westbrooke Terrace
Norman, Oklahoma
June 22, 1966

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 27 1966
MINERALS CODE
120 110 120 220

Re: OME-6539 (Silver)
Klondyke Mine
Esmeralda County, Nevada

Mr. H. K. Stager
Field Officer, OME Region II
U. S. Geological Survey
345 Middlefield Road
Menlo Park, California 94025

Dear Mr. Stager:

Please refer to my letter to you dated May 11, 1966 in regard to the subject project.

I am anxious to move forward on this project. Please Please advise as to the present status with OME.

Very truly yours,

Earl W. Smith

Earl W. Smith

EWS/cj

P. S. You may contact me at the present time at the Two Stiffs Motel, Lovelock, Nevada - Telephone A.C. 702 273-2191.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
6/13	R M Smith	120
6/14/66	Kirkemo	120
"	Johnson	110
6/15	Kulsgaard	220
6/16	Meyer	
		110
		220

Mr. Earl W. Smith
1108 Westbrooke Terrace
Norman, Oklahoma

JUN 17 1966

Re: OME-6539 (Silver)
Earl W. Smith
Klondyke Mine
Esmeralda County, Nevada

Dear Mr. Smith:

Your application for financial assistance in exploring the Klondyke mine, and other information relating to the property have been carefully reviewed.

This review indicates that the probability of making a significant discovery of silver on your property is not sufficiently promising to justify Government participation in the proposed work. We regret to inform you, therefore, that your application for exploration assistance is denied.

This action is taken without prejudice to your property. At any time in the future, if significant new information that could materially alter this decision becomes available, we shall be pleased to consider a new application.

We wish to thank you for your interest in the minerals exploration program and for bringing your property to our attention.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
OME docket
OME Region II
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Mr. Smith

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June 13, 1966

Memorandum

To: The File

From: R. M. Smith

Subject: OME-6539 (Silver)
Earl W. Smith
Klondyke Mine
Esmeralda County, Nevada

Justification for Denial of Application

The purpose of the project proposed by the Applicant is to explore by vertical drill holes from the surface for silver ore in the primary zone in and along the downward continuation of the 45° southeast-dipping Klondyke quartz-jasperoid vein which is a silicified shear zone 1-20 feet wide nearly parallel with the bedding in limestone of the Cambrian Emigrant formation about 100 feet above its bedding-plane contact with a Jurassic (?) granitic sill or stock.

The Applicant expects to find silver ore in the primary zone at a depth of about 500 feet because the oxide zone has yielded approximately $400,000 in silver chloride-gold ore from numerous small enriched bodies to a depth of about 100 feet.

The grade of the ore that was mined ranged from a few ounces to several thousand ounces of silver per ton, and may have averaged 25 ounces. The principal ore zone was between 20 and 60 feet below the surface and evidently no ore was found in the lower workings, the deepest of which is about 200 feet, and still in the oxide zone. Tenor of the vein in areas not enriched by supergene processes is about half an ounce to three ounces silver and Tr. to 0.1 ounce gold per ton.

The Field Officer concluded from his examination of the property that while there may be small undiscovered silver-bearing ore shoots in the oxide zone, it is not probable that they could be found by drilling. He concluded also that there is no evidence to indicate a reasonable probability that ore shoots of economic grade and size exist in the vein below the depth already explored. He recommended, therefore, that the application be denied.

23263

Because the deepest workings are not accessible for inspection and because no information is available on the tenor of the primary sulfide zone, I recommend that the application be denied without prejudice to the property.

R. M. Smith

R. M. Smith

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
Mr. Smith

RMSmith/gla 6-13-66

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
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Memorandum

June 1, 1966

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
Region II

Subject: OME-6539 (Silver)
Earl W. Smith
Klondyke Mine
Esmeralda County, Nevada

Enclosed is my Application Report on the subject property, recommending that the application for financial assistance be denied.

H. K. Stager

Enclosure

UNITED STATES

DEPARTMENT OF THE INTERIOR

STEWART L. UDALL, SECRETARY

OFFICE OF MINERALS EXPLORATION

REPORT OF EXAMINATION

REGION II

APPLICATION REPORT

OME-6539 (Silver)
Earl W. Smith
Klondyke Mine
Esmeralda County, Nevada

By

H. K. Stager
Field Officer
OME, Region II

June 1, 1966

FIELD
EXAM REPT.

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ILLUSTRATIONS

Figure 1. Index map of Esmeralda County, Nevada.

INTRODUCTION

Mr. Earl W. Smith, 1108 Westbrooke Terrace, Norman, Okla., applied to the Office of Minerals Exploration for Government assistance in a $39,650 program, Docket OME-6539, to explore for silver at the Klondyke Mine, Esmeralda County, Nevada. The applicant infers the presence of large primary silver ore bodies in a bedding-plane quartz vein in limestone, below old near-surface workings on the vein, and wishes to explore for these ore bodies by drilling from surface sites.

A field examination was requested by the Office of Minerals Exploration, and was made by H. K. Stager, Field Officer, Region II, on March 16, 1966, accompanied by Mr. Grant H. Huntley, representing the applicant. The surface exposures and accessible shallow mine workings were carefully examined and compared with maps supplied by the applicant. Four samples were taken and the assays are included in this report.

SUMMARY

The Klondyke Mine property contains a persistent well-defined quartz vein in limestone. This vein has yielded about $400,000 in gold-silver ore from small, high-grade, oxidized ore shoots that occurred within about 100 feet of the surface. The average tenor of the vein, however, is only about 1 to 2 ounces of silver per ton with a trace of gold and lead. Past exploration has indicated that although the quartz vein continues to an unknown depth the metal content is insignificant below about 100 feet. The depth to the water table in the area is not known. The results of the examination indicate that the ore shoots are of limited near-surface extent and the average grade of the vein is too low to be of economic interest.

The applicant proposed to explore the vein by about 4,000 feet of rotary- and diamond-drilling in about eight holes to test the quartz vein at a depth of about 500 feet below the surface.

RECOMMENDATIONS

It is recommended that the application for Government assistance in an exploration project at the Klondyke Mine be denied on the basis that past mining and exploration of the deposit indicate that the silver ore bodies are of limited near-surface extent and no evidence has been presented to indicate a reasonable probability that ore shoots of economic grade and size exist in the vein at the depth proposed to be explored.

LOCATION, ACCESSIBILITY, AND LOCAL FACILITIES

The Klondyke property is in Sec. 25, T. 1 N., R. 42 E., MDBM, in the Klondyke mining district, at an altitude of about 5,600 feet, Esmeralda County, Nevada (Fig. 1).

To reach the property, that is about 12 miles southeast of Tonopah, Nevada, go south on Highway 95 for 9.6 miles, then turn southeast on an unimproved dirt road 2.4 miles to the property. The dirt road is sometimes impassable because of rain or snow but is generally passable to ordinary two-wheel drive vehicles. The drive from Tonopah usually requires about 30 minutes.

Labor, mining supplies, mail, telephone, assaying, and freight services are available in Tonopah. Railroad service is available at Mina, 110 miles. The local wage scale for miners is about $2.50 per hour. Water is available from a well about 4 miles southwest of the property.

PROPERTY

History and Production

The Klondyke district was discovered by two prospectors, named Court and Bell, in 1899, and in the next 5 years yielded about $50,000 in gold and silver ores. Between 1908 and 1921 a total of 11,236 tons of ore was produced that yielded about 277,466 ounces of silver, 1,823 ounces of gold, 217,147 pounds of lead, and 3,472 pounds of copper, with a total value of $263,700. Production since 1921 has come mainly from reworked dumps. During the 1940's and 1950's about 200 tons of ore was produced from the dumps and old workings and averaged about 30 ounces of silver and 0.32 ounce of gold per ton with several percent of lead. Total production from the district is about $400,000.

Ownership

The property consists of five unpatented claims, the Silver Zone, the Silver Zone Nos. 1, 2, and 3, and the Iron Top. They are recorded in Goldfield, Nevada, as follows: Silver Zone Claim, Book 1-N, p. 399; Silver Zone Nos. 1-3 Claims, Book 1-N, p. 400; and Iron Top Claim, Book 1-Q, p. 219. These claims are owned by Louis and Philip Meyer of Tonopah and leased to the applicant. The Mining Lease and Option, dated July 28, 1965, is recorded in Book 4-C, p. 48-50, at Goldfield, Nevada.

Financial Eligibility

The applicant furnished evidence, accompanying the application, that he was unsuccessful in securing a loan for exploration purposes from three banking institutions. He proposed to furnish his share of exploration costs from personal funds.

Development

The property is developed by many shallow workings along the outcrop, consisting of numerous open pits, stopes, and short crosscut adits. There is a vertical shaft reported to be 130 feet in depth, with a crosscut to the vein, on the Silver Zone No. 1 Claim.

There are several old houses and sheds on the property--all in need of extensive repairs. The shaft head-frame and hoist house appear in fair condition, but the ladders and timbering in the shaft are badly weathered and not safe.

GEOLOGY

Geologic Setting

The Silver Zone Claims are in a range of gently rolling hills in an area of low relief. The area is almost devoid of vegetation and outcrops are abundant. Rocks exposed in the vicinity of the mine are chiefly dark-gray limestones and black limy shales of the Emigrant Formation of Middle and Late Cambrian age. These rocks are intruded by granitic rocks of undetermined age that are younger than Ordovician but older than the Tertiary volcanic rocks that cover most of the surrounding area. They are also cut by rhyolite dikes of probable Tertiary age.

A detailed description of the rock types and a general description of the geology is given by J. E. Spurr.[/]

[/] Spurr, Josiah Edward, 1906, The Southern Klondike District, Esmeralda County, Nevada--A study in metalliferous quartz veins of magmatic origin: Econ. Geology, v. 1, no. 4, p. 369-382.

The sedimentary rocks strike northeast and dip 30°-40° SE. They are metamorphosed to marble and tactite adjacent to the granitic intrusive. About 75 feet from the granitic intrusive is a prominent quartz vein. This vein is essentially a silicified shear zone that cuts across the stratification at a low angle. It is partly white granular vein quartz and partly jasperoid, and it is within this quartz vein that the silver deposit occurs.

Ore Deposits

The silver ore bodies are sporadic near-surface concentrations of gold and secondary silver minerals in the quartz vein. The vein strikes northeast and dips about 45° SW. It crops out over a strike length of more than 3,000 feet, but the richest concentrations of silver-bearing material were in the southern 2,000 feet. It ranges from about 1 foot to 20 feet in thickness and probably averages about 5 feet thick. Principal ore values were mostly in silver chloride with some gold. Gold was more abundant a short distance below the surface. The principal ore zone was from about 20 or 30 feet to 50 or 60 feet below the outcrop. The grade of the ore that was mined ranged from a few ounces to several thousand ounces of silver per ton but probably averaged about 25 ounces. Spurr noted that the average tenor of the ore was exceedingly low, running from 2 or 3 ounces down to half an ounce of silver per ton. Although the quartz vein continues down dip below the ore zone no ore-grade material has been found below about 200 feet below the highest outcrop. The depth to the water table on the property is not known but judging from the depth to water in nearby (4 miles) wells it is more than 600 feet.

Sampling

Although the applicant mentions numerous samples having been taken from dumps and underground exposures, assays of these samples are conspicuously absent from the application. No assay map was included in the report accompanying the application.

Four samples were taken during the examination. The results of assaying of these samples were as follows:

Sample No.	Gold Ounces	Silver per ton	Lead Percent	Description
1	0.01	7.40	0.20	Grab sample from 7 barrels of screened dump ore at NE end of Silver Zone Claim
2	Tr	0.40	Tr	6' chip sample across vein exposed in short adit at NE end of Silver Zone Claim
3	0.01	2.40	Tr	Grab sample of quartz vein material at shaft on Silver Zone No. 1 Claim
4	Tr	1.20	Tr	2' chip sample across vein in shallow open stope at south end Silver Zone Claim.

Ore Reserves

The applicant estimates 200,000 tons of proven ore reserves, exposed in old workings and in dumps on the surface, that average about 10 ounces of silver per ton. The tonnage may be correct but the estimate of grade is too high. The average grade of this material is probably between 1 and 2 ounces of silver per ton. Large cyanide mills operated in the Tonopah area for many years and any quantity of 10-ounce silver ore, as readily available as the Klondyke ores, would have been mined and shipped years ago.

The applicant's estimates of 2,250,000 tons of ore containing $40 per ton in silver, gold, and base metals between the bottom of the present workings and a depth of 600 feet is also so naive as to cast doubt on the applicant's competence as an economic geologist.

There may be other undiscovered silver-bearing ore shoots, of the type that have been mined, at the Klondyke Mine but it is not probable that they will be found by the kind of exploration proposed by the applicant.

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

OME - 6539
(Silver)

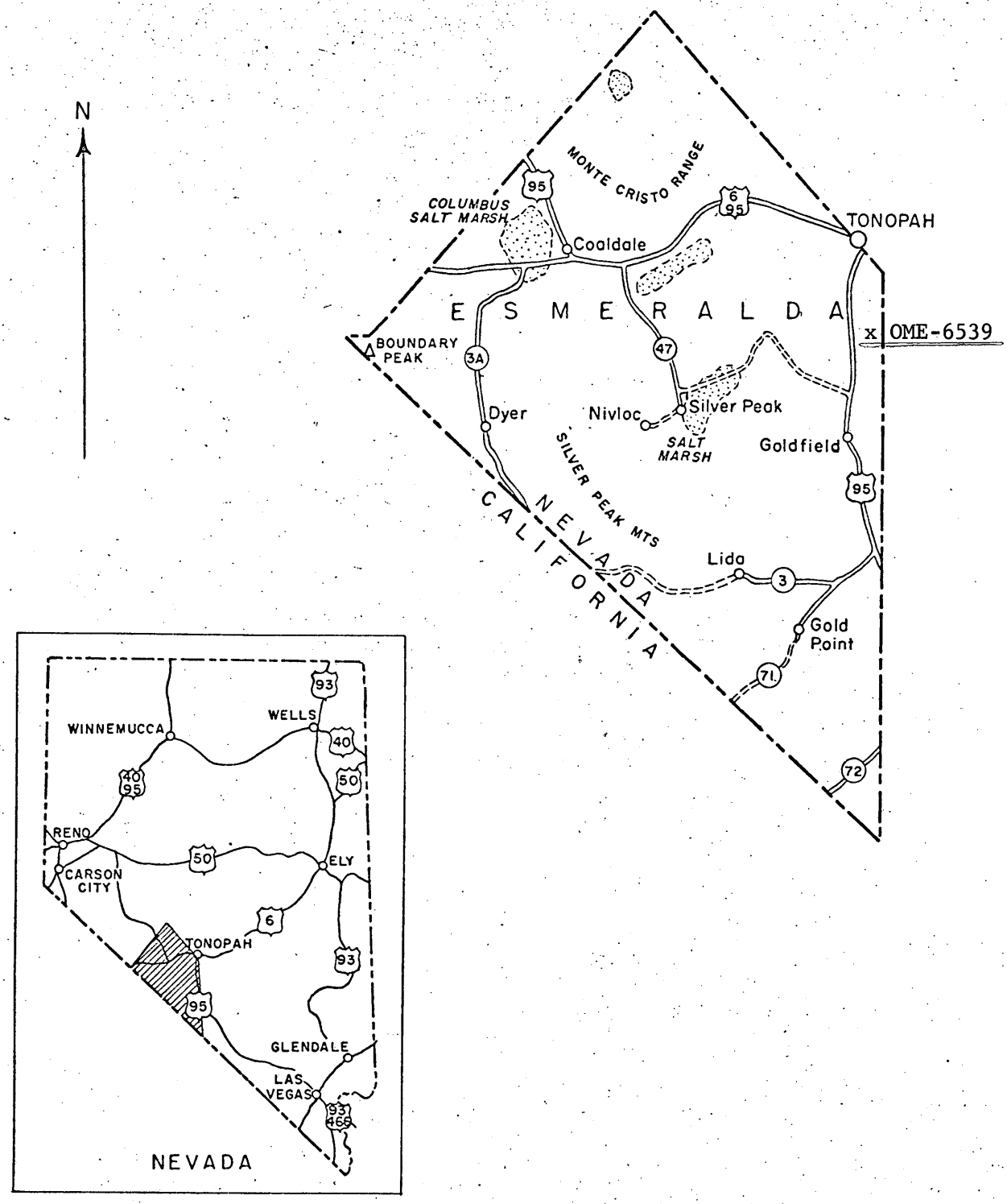

Figure I. INDEX MAP OF ESMERALDA COUNTY, NEVADA

0 20 40 60 Miles

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MENLO PARK, CALIF.

1108 Westbrooke Terrace
Norman, Oklahoma
April 15, 1966

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Mr. H. K. Stager
Field Officer OME Region II
U. S. Geological Survey
345 Middlefield Road
Menlo Park, California

Re: OME-6539 (Silver)
Klondyke Mine
Esmeralda County, Nevada

Dear Mr. Stager:

Thank you for your letter of March 25, 1966, in regards to my Klondyke silver prospect located south of Tonopah, Nevada.

I will write you again soon when I am in Nevada, furnishing you with two more drilling bids, a bulldozer bid, and answers to your other questions concerning some specifics about the prospect.

I now have two drilling bids, but not the third one yet. Drilling activity in Nevada is really picking up, and consequently contractors are getting scarce. This summer looks like it will be a very active one in exploration for minerals in general.

I will be in Nevada next week and will write to you just as soon as I get the third drilling bid. If you should be in Tonopah please let me know. I usually stay at the Silver Queen Motel, but if I'm not there they will know my whereabouts.

Yours very truly,

Earl W. Smith

Earl W. Smith

EWS/cj

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

U. S. Geological Survey
345 Middlefield Road
Menlo Park, California 94025

March 25, 1966

Mr. Earl W. Smith
1108 Westbrooke Terrace
Norman, Oklahoma

Re: OME-6539 (Silver)
Earl W. Smith
Klondyke Mine
Esmeralda County, Nevada

Dear Mr. Smith:

On March 16, 1966 I made an on-site examination of your Klondyke property, accompanied by your representative Mr. Grant H. Huntley. During the course of the examination several questions were raised that Mr. Huntley could not answer and I told him I would write to you regarding them.

Your application map (Exhibit IV) shows the location of five drill hole sites, but your proposed work (p. 2) indicates eight holes. Where are the other three holes to be drilled? The old shaft on the Silver Zone No. 1 claim apparently reached the quartz vein. Have you been down this shaft, have you mapped or sampled the workings, what is the depth of the shaft and the depth to the quartz vein in the shaft? I noted several places on the claims where large diameter holes had been drilled, with piles of drill cuttings, etc. When were they drilled, by whom, do you have logs, assays, depths to the vein and other horizons?

Under cost estimates in your applications we should have bids from several contractors for both the bulldozing and drilling. Mr. Huntley stated that he would contact several contractors in the area for bids. The OME does not allow contingency costs, therefore your item of 5 percent of program for "other" miscellaneous costs would not be included in the cost estimates. Accounting, stenographic, telephone, and all other office expenses are normally grouped under a small fixed unit cost, usually about $50 to $75 per month. Your estimate of $1,500 per

month for a geological supervisor is about twice what is allowed under most contracts for a full-time supervisor. No per diem expense would be permitted except for an outside consultant that might be allowed for one or two days per month if necessary. Mr. Huntley thought perhaps you intended to supervise the work yourself.

Your proposed Stage II, to block out tonnage and grade, would be classed as development and not eligible for OME assistance.

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

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

cc: Chief, OME, WDC

cc: D RF
ACG RF
MP RF
OME 6539
HKStager:mlb

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3/7	R M Smith	120
	Jelfrodge	120
		110
3/8	Ca C	220
		120M

Mr. Earl W. Smith
1108 Westbrooke Terrace
Norman, Oklahoma

March 8 1966

Re: OME-6539 (Silver)
Earl W. Smith
Klondyke Mine
Esmeralda County, Nevada

Dear Mr. Smith:

The application for assistance in exploring the subject property has been reviewed by the Washington Office and referred to Mr. Harold K. Stager, Field Officer, Region II, Office of Minerals Exploration, U. S. Geological Survey, Building 2, 345 Middlefield Road, Menlo Park, California 94025.

The Regional Office will notify you in case additional information concerning the application is needed.

Sincerely yours,

(Signed) FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

RMSmith/gla 3-7-66
cc to: Director's Reading File
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Economic Geology File
OME File
OME Region II
OME Reading File
Mr. Smith

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3/7	R M Smith	120
	Selfridge	120
		110
		220
		120M

MAR 8 1966

Memorandum

To: Field Officer, Region II

From: Chief, Office of Minerals Exploration

Subject: OME-6539 (Silver)
Earl W. Smith
Klondyke Mine
Esmeralda County, Nevada

The subject application is referred to Region II for a field examination and recommendations.

This well prepared application and very lucid geologic report are, as you noted, wanting in several items, most important of which are details of the mineralization and a realistic estimate of inferred ore reserves.

In the geologic report (p. 5) the vein which is the primary target is described only as a bedding quartz vein up to 20 feet wide that can be traced for 2,000 feet along the strike. On the strength of this showing, it is projected 700 feet down the dip. There is no mention of the kind of quartz--jasperoid, epithermal, mesothermal--so we cannot evaluate the reliability of the projection. Spurr (USGS Bull. 213, p. 87) may be referring to the same quartz vein where he reports ". . . the quartz has continued in full strength downward, but the values have become insignificant."

Lead and "certain" base metals are mentioned by the Applicant (Smith, p. 4, 8), but no assays or percentages are stated. We wonder whether the principal metal in the vein in the sulfide zone is expected to be silver or lead. There may be no question that the principal metal sought in the oxide zone is silver, but the proposed drill holes are to ". . . intersect the main quartz vein 300 feet to 600 feet below the surface in either primary sulphides or in a zone of enrichment." The depth of oxidation is not estimated. If there are sulfides on the dump, the proportions of the various metals might be helpful in determining the eligibility of a target in the sulfide zone. According to Lincoln (p. 75), the silver-base metal ratio of the early near surface production was about 1:1.

23263

Limestone in the footwall of the vein is the second target and is described (Smith, p. 5) as being well mineralized and capped with iron gossan. No mention is made of ore minerals or of assays, so we cannot determine that the limestone might contain silver as well as lead, or even that it constitutes a target. Spurr (p. 87) noted that ". . . a tunnel driven to the contact of granite and limestone, beneath the iron-ore deposits of the surface, shows nothing."

Monzonite in the footwall of the limestone is said to contain large amounts of quartz and some copper (Smith, p. 6), but it is not stated whether the quartz is in phenocrysts or veinlets or whether the copper is oxidized in place or introduced from outside. In any case, exploration for copper is not eligible.

Potential ore reserves are computed (p. 7) on the "expectation" (p. 9) that 100 percent of both reserve blocks, one of them 2,000 feet long, is ore averaging $40.00 a ton. This assumption is so naive that we cannot assess the probability of a significant discovery.

If you recommend a contract, the items mentioned in your letter of February 28, 1966, should be obtained. These include bids for drilling and bulldozing, and a map showing the relation of the proposed work to the land boundaries. You may wish to inform the Applicant that we would not approve contingency costs, and that his estimates for supervision and base metal assays are high. He should be informed that his proposed Stage II ". . . to block out tonnage and grade." (p. 8) is development which is not eligible for OME assistance.

(signed) FRANK E. JOHNSON

Frank E. Johnson

cc to: Director's Reading File
Division File
Economic Geology File
OME File ✓
OME Reading File
Mr. Selfridge
Mr. Smith

RMSmith/gla 3-8-66

March 2, 1966

Mr. Earl W. Smith
1108 Westbrooke Terrace
Norman, Oklahoma

Subject: OME - 6539

Dear Mr. Smith:

Your application for exploration assistance, dated February 21, 1966, submitted to our office at Menlo Park, California, has been assigned Docket No. OME-6539.

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

Sincerely yours,

Frank E. Johnson
Chief, Office of
Minerals Exploration

Copy to Region II