MME Form 9
Rev. Nov. 65

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey

OFFICIAL DOCKET FILE Contract No. _____ Docket No. 6889

Application
- [ ] 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- [ ] Withdrawn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 (1)
- [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. _____: Reports
- [ ] Analysis of Semiannual Inspection Reports
- [ ] Project Summary (Interim) by MME Engineers

Right Side

- [ ] Field Team Semiannual 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

72195-65

United States Department of the Interior

GEOLOGICAL SURVEY
Denver Federal Center
Denver, Colorado 80225

IN REPLY REFER TO:

Office of Minerals Exploration
Builsind 53 Room 28

OFFICIAL COPY
D. M.
RECE
JUN 28
INITIALS

June 26, 1973

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: The Key Chemical Company, Keystone, South Dakota. Application for financial assistance in minerals exploration on the Juniper Claims, Pennington County, South Dakota.

Transmitted herewith is an application for financial assistance from the Key Chemical Company to explore for gold at the Juniper Gold Mine, Pennington County, South Dakota.

I have reviewed the application, requested additional information as well as a revision on some of the applicant's illustrations, some of which has been supplied.

A copy of a letter dated June 11, 1973 from Mr. T. J. Oltmans, President, explains the reasons why there were no copies of the applicant's request to two banking institutions included in the application.

The Keystone district is in the western part of Pennington County, in the vicinity of the town of Keystone. Total gold production has been about 85,000 ounces, most of which has come from the Keystone-Holy Terror mine.

The Keystone district is in the northeast side of the Harney Peak granite batholith near the eastern margin of the core of Precambrian rocks of the Black Hills. Precambrian schist, quartzite, and amphibolite, with many granite and pegmatite dikes, are the predominant rocks of the district. The rocks are tightly folded and are cut by faults and shear zones, some of which are mineralized.

The ore bodies are in quartz veins or lenticular replacement deposits which trend parallel to the foliation of the enclosing schist. The Holy Terror vein was mined for a maximum distance of 1,200 feet and had a width ranging from a few inches to 6 feet. The gangue consists

of white quartz, and the ore mineral was coarse flaky gold. Other deposits contained a wider variety of minerals including arsenopyrite, sphalerite, and native gold as ore minerals, and quartz, hornblende, biotite, ankerite, chlorite, graphite and garnet in the gangue.

The applicant indicates that the gold deposits near the Juniper Mine will be much the same as those in the Holy Terror-Keystone and nearby mines, and that there may be an overall expected average grade of two ounces of gold per ton.

Twenty two samples from the Juniper Mine shown on page 109, U. S. Bureau of Mines Bull. 427, (omitting sample No. 10), shows the vein to average 2.83 feet in width and an average grade of .1257 oz. Au per ton. A review of all the sampling in the immediate area as shown in USBM Bull. 427, shows the average value of gold to be less than 0.5 oz. Au per ton. I think that a 2 oz. gold value is most optimistic, and it would require very selective mining to maintain an average grade of 2 oz. gold ore for any long term operation. At current prices, say $100.00 per oz., 0.45 oz. gold would gross $45.00, and it is questionable whether or not these small veins and the moderate sized stopes, as reported, could be economic in this instance. It would be well to confer with Jim Norton concerning the potential of the subject property.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosure

MME Form 40
(Revised Nov. 71)

OFFICIAL COPY

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

MME Region III
APR 6 - 1973
Denver, Colorado

Form approved
Budget Bureau No. 42-R1368

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.)*

The Key Chemical Company
Keystone, S. Dak. 57751

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: 6889

DATE RECEIVED: 6-28-73

REGION: III

DIVISION CODE:

BUSINESS ORGANIZATION *(Check one)*

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

STATE IN WHICH FIRM IS ORGANIZED: S. Dak.

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
T. J. Oltmans	Box 42 Spearfish, S. D. 57783	President
Melvin Hermanson	Rapid City, S. Dak.	V. President
A. I. Johnson	Keystone, S. Dak.	Secretary
P.O. Box 113		

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

ESTIMATED COST OF PROJECT: 31,880.00

PROPERTY NAME	LOCATION COUNTY	STATE
Juniper Gold mine	Penn.	S. Dak.

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. II). 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 Department of the Interior, U.S. Geological Survey, Office of Minerals Exploration, Washington, D. C., 20242, 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.

April 4, 1973
DATED

T. J. Oltmans
BY *(Signature)*

President
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

(submit on accompanying pages)

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 (1) *true copies of your letters to credit sources* which show date of loan request, amount and terms requested, and proposed use of loan funds and (2) *true copies of 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 of 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 signed by owner on MME Form 52. If the agreements cannot be obtained, state reasons and whether you can furnish a performance bond.

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.

(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) 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. State your reasons for expecting to find ore.

(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, address, and telephone number 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 on maps also the relation of the proposed work to any existing mine workings and to *claim 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 time and materials *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 price 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 and mobilization charge. 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, and materials.

(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).]

Narrative- Purpose of the expenditures.

The purpose of the program of exploration is to outline ore-bodies in the Juniper Mine with Federal financial assistance under a federal assistance of 75% of the total costs. At the time the property was previously operated ore reserves had been outlined on the 100 foot level and stopeing had removed ore in place above that level. During the period of operations the shaft had been continued to the 200 foot level and development work had continued to open up reserves on that level. However, the work encountered a major fault and the high grade quartz vein was not contacted. It was at this time that work started on the Ellsworth Air Force base and the company was unable to compete with the higher wages being paid there and shut down the operations.

The exploration program being considered in this application for Federal assistance expects to explore for the hig-grade vein system by Diamond Drilling on the 200 foot level to be suplemented by drifting the ore zone when exposed by the drilling.

On the basis of previous exploration and development it is felt that there is an excellent chance of encountering more extensive deposits at increased depths. Sections of several free gold quartz deposits that have been producers in the area are included with this application to indicate this. (1) The Holy Terror Mine at Keystone had at the surface and for the 1st two levels a quartz vein 1.5 to 2.0 feet in thicknessand exposed for only a length of some 80 feet maximum. At the 500 foot levelthe vein extended over a length of 740 feet with widths of 3,3',3.7' and 4.2' with values of over two oz, in gold, per ton of ore mined. A production redord of the mine is included to show this. This production is indicqted over an eight year period. (2) A section of the Golden Slipper mine quartz veinsystem is shown indicating an upper level length of of 25 feet and a thickness of one to two feet. On the 353 foot level this length had increased to a total of 50 feet and having a continuous depth of ore to the 700 foot level, where the vein is reported to have faulted. The ore thickness had increased to over 5 feet. (3) The Forest City mine, just south of the Golden Slipper had a surface exposure of only 25 feet in length and on the 550 foot level the vein had a total length of over 400 feet with thickness varying from 2' to 5.5 '. (4) Another vein system, the Columbia mine in the keystone area had a history of faulting between the 200 and 300 foot levels. Sections of this mineare not available.

Hence on the basis of existing information, relative to the geology of the quartz veins in the area and the history of the production in the past from similar known deposits it would appear that an expenditure of $31,880.00

is warranted under present conditions. A section of the Juniper veing is included with this application. A plat of the mining claims belonging to the group and a plan of the underground workings is a part of the application.

It is anticipated that a series of diamond drill holes will be drilled on the 2oo foot level to explore for the vein. The setting of the propos ed drilling program is indicated on the plat of underground workings. Lack of sufficient information on the faulting prevents a complete outline of the direction and depthof the holes. The program will necessarily be determined by conditions encountered in the preliminary drilling.

Key Chemical Company is leasing the mine from the owner, A. I. Johnson, and on the basis of previous experience it is anticipated that A.I. Johnson, a Professional Mining Engineers will direct the work of exploration.

Report on the Juniper Group of Mining Claims

Keystone, S. Dak.

A. I. Johnson, P.E.

Location and Extent

The Juniper Gropu of Mining Claims is located in the Keystone Mining District some one andone half miles northwest of Keystone. It is easily reached from highway 16 being located about one half mile from the highway. A Plat of the Juniper Group of Claims is included with the report. The mine is located some 3600 feet northwest of the Holy Terror Mine, well known from its production of high grade gold ore. A section of this mine is included with the report. A section of the Golden Slipper mine, the Forest City Mine are also included to indicate the nature of the occurrence of the gold quartz veins in the area. All have Small occurrences of quartz in the early stages of development but with depth have increased both in width and length.

The group includes the following mining claims all amended locations and unpatented: Juniper Fraction Lode, Blue Bird No. 2 Lode, Blue Bird Lode, Lou Lode, Southern Star Lode, Conewango Lode, Bertchey Lode. They are located in Sections 5 and 8 Township 2 South, Range 6 East, B.H.M. The property was first located in 1884 by Mr. Phinney, later acquired by Mr. Snowie and Mr. Graham. During this early period ore was hauled to a local custom mill in Keystone. Southern Mines Inc. acquired the mine in 1948 and operated it until 1952. A. I. Johnson acquired the property thru a sheriff's sale and is now in possession of the property. During 1933 and 1934 it was operated by the Juniper Mining Company, which company did the work on the winze level but did not continue due to lack of proper financing.

Geology

The orebody is located on a shear zone in an area of pre-Cambrian schists, consisting of quartzites, micand Staurolite schits and intruded pegmatites. The ore occurs as a quartz vein along the contact of the shear zone. The highgrade values occur in the quartz vein but sampling along the shear zone at the surface indicates some mineralization along the shear zone. An assay map of the 100 foot level, the surface tunnel level and open cut as well as the winze area 50 feet below the tunnel level is included with this report. The two hundred foot level is shown but due to the heavy shearing in this area the high grade quartz vein was not encountered at the time the work was being done. A diamond

drilling program was contemplated at the time the property closed down to find the quartz vein and explore its condition at depth. The property shut down due to lack of labor at the time as Ellsworth Air Force Base was under construction and the company could not compete with the higher wages being paid at the base. The plat of the underground workings indicates the quartz vein on three levels.

Development

When the property was controlled by the Suther Mines Inc it sank a 200 foot shaft on the property, developed the 100 foot level and the two hundred foot level as indicated on the map. As a result of the work on the 100 foot level they built a 50 ton mill and operations in the mine on the 100 foot level and surface levels carried the mill operations at the time. The company expended over $100,000.00 in mine development and some $70,000.00 on the milling plant. The production records on file in the company office were destroyed and lost when the mine office was broken into and vandalized. Hence it is impossible to determine the amout of production from Southern Mines Inc. operations. Vanguard Chemical Company acquired the property in 1961 and it was sold to satisfy liens against this company at a sheriff's sale. At the time Southern Mines shut down its operations a diamond drilling program was being considered to explore the deposit in view of the extensive faulting on the 200 foot level. In view of the nature of the deposit, the conditions encountered on the 100 foot level and the surface indications the deposit compares favorable with the early indications on the other three major quartz mines in the area. The sections of these mines are included in order to indicate this.

A. I. Johnson
Professional Mining Engineer

Estimated cost of preliminary repairs.

Juniper Mine- Keystone, S. D.

(1) Hoist Building- materials and Labor	$235.00	
(2) Change room and storage	240.00	
(3) Shop Building	160.00	
(4) Supplies and equipment building	150.00	
(5) Head Frame repairs	250.00	
(6) Sheave wheel	120.00	
(7) Office Building and Laboratory	175.00	
(8) Shaft repairs and reconditioning estimate	3,500.00	
(9) Pump and well repairs	500.00	
Road Repairs- due to flood of June 9th 1972	600.00	$5,930.00

Diamond Drill Program- Estimate 6 months

500 feet of diamond drilling at $9.80 per ft.	4,900.00	
Compressor rental -365 cu.ft. Diesel operated 5 months @ 500.00 per month	2,500.00	
Maintenance- diesel fuel etc @ $150.00 per mo.	750.00	
Hoist rental for 5 mo. @ $100.00 per mo.	500.00	
Power for 5 months @ $130.00 per mo.	650.00	
Labor $800.00 permonth	4,000.00	
Truck or pickup rental @ $210.00 per mo.	1,050.00	
Supplies and maintenance for truck	450.00	
Insurance- employers Liability and compensation	550.00	
Accounting	600.00	
100 ft. of drifting @ 55.00 per ft	5,500.00	
Supervision @ $750.00 per mo.	4,500.00	$25,950.00
Total		$31,880.00

FIRST NATIONAL BANK
OF THE BLACK HILLS

RAPID CITY Main Office Mountain View Robbinsdale BELLE FOURCHE DEADWOOD
HOT SPRINGS LEAD NEWELL SPEARFISH STURGIS VILLA RANCHAERO

Affiliated with Northwest Bancorporation

SPEARFISH, SOUTH DAKOTA 57783

March 23, 1973

Mr. T. J. Oltmans, President
Key Chemical Company
P. O. Box 42
Spearfish, South Dakota
57783

Dear Mr. Oltmans:

Thank you for giving us the opportunity to consider your application for a loan to be used for gold exploration in your gold mine near Keystone, South Dakota.

After careful consideration of your application, we find that we must refuse this application. Funds for exploratory purposes of a nature required for your project simply do not fit into the type of credit program which we provide to our community.

We do appreciate the opportunity you have given us to consider this application, and we hope that if in the future you have need for other sources of credit that do fit within the loan program of our bank, that you will again give us a chance to consider those loan requests.

Very truly yours,

James D. Jelbert
Vice President and Manager

JDJ/jp

Spearfish Branch
BANK OF BELLE FOURCHE
A FRIENDLY HOME TOWN BANK
SPEARFISH, SOUTH DAKOTA 57783
1-605-642-2726

March 23, 1973

MR. T. J. Oltmans, President
Key Chemical Company
P. O. Box 42
Spearfish, South Dakota 57783

Dear MR. Oltmans,

The Spearfish Branch, Bank of Belle Fourche handles all types of farm, ranch, real estate, instalment, personal, and business loans. However, we do not have a department or arrangment whereby loans for exploration of a gold mine can be processed.

We therefore regret that we must decline your application for a loan for gold exploration.

Anytime in the future when you have need of a loan for business purposes that would come under the general line of loans that we service in our bank, please contact us so we may be of assistance.

Very truly yours

Ronald J. Pasco

Ronald J. Pasco
Vice President &
Branch Manager

ARTHUR I. JOHNSON

410 FRONT ST.

KEYSTONE, SOUTH DAKOTA 57751

PHONE: 666-4622

OME Region
RE D
JUN 12 1973
Denver, Colorado

June 8, 1973

Mr. J. William Hasler
Field Officer, Region 111
Office of Mineral ExplorationU. S. Department of the Interior
Geological Survey, Denver Federal Center
Building 53, Room 28
Denver, Colorado 80225

Dear Mr. Hasler:

Replying to your letter of May 18th relative to the application of The Key Chemical Company- Juniper Mine we are supplying the additional information you have requested. Inclosed are prints showing the sections of the Juniper Mine locations, prints of the more detailed maps of the Mining District showing the exact location of the Juniper mine with reference to the other producing mines of the area.

As the ore body is dipping to the East the veingsystem will be farther away from the sideline in question and the work will be located on the 200 foot level at a distace of some 325 feet east of the adjacent property line. The shaft is some 325 feet easterly from the property line.

The Juniper Group of Mining claims has been amended andsurveyed since the Bulleting No. 427 was published and it is the same mine referred to on theplat but more specificatly located. I believe the plat shown in Bulleting 427 was a generalized plat of the several properties in the area. Additional claims have also been added.

It is rather difficult to set out a detailed program of drilling until a more detailed study of the geology of the 200 foot level can be completed. The first intention is to drill a horizontal hole in the direction of the drift indicated (proposed). On the basis of information from this work further drilling could be outlined.

It appears to us that the shaft and surface repairs would have to be completed as a first portion of the project as funds would not be available until then. The mine workings in their present condition cannot be inspected. The sample data presented and the information relative to therother mines would have to be the basis for proposal.

We would agree that 25% of the 31,880 would be our commitment to the project and hence are requesting $25,910.00 in federal assistance.

Very truly yours,

Key Chemical Company by A. I. Johnson

Key Chemical Company

MAIN OFFICE
P.O. BOX 42
SPEARFISH, SOUTH DAKOTA
57783

June 11, 1973

OME Region III
RECEIVED
JUN 18 1973
BRANCH OFFICE
DENVER COLORADO 80202
Denver Colorado

Mr. J. William Hasler, Field Officer, Region III
OFFICE OF MINERAL EXPLORATION - U. S. Geological Survey
Denver, Federal Center -- Building 57 -- Room 28
Denver, Colorado 80225

SOBJECT; Key Chemical Company
Loan application

Dear Mr. Hasler:

Mr. A. I. Johnson of Keystone , South Dakota has mailed to you the additional information requested in a letter which by the time the present letter arrives should be in your office.

Mr. Johnson asked me to inform you how the request for the initial application for a bank loan was handled.

I called the Vice President of the Bank Of Belle Fourche, the Spearfish Branch office, Mr. Pasco, and arranged for an appointment and I also called Mr. Jelbert, Vice President of the First National Bank of the Black Hills, Spearfish Office and made an appointment.

During the month of March 1973 I met with each of the gentlemen mentioned above , in person, and explained to each man that the Key Chemical Company wanted to borrow $75,000 and that said funds would be used for mineral exploration in and on the Juniper Mine, which is located about 1½ miles Northwest of Keystone, South Dakota. The Juniper Mine is a gold mine and at one time had produced gold.

Mr. Pasco of the Bank of Belle Fourche advised me that he would give me a letter as to their position in relation to my request for a loan for the Key Chemical Company. Letter was picked up from the bank and you have a copy of the Bank's decision.

Mr. Jelbert of the First National Bank also wrote their decision with respect to my application for a loan for the Key Chemical Company. You have a copy of the letter.

Each Bank explained in their letter why a loan for mineral exploration was not in line with the regular type of banking they handle.

Yours very truly
KEY CHEMICAL COMPANY

T. J. Oltmans

T. J. Oltmans, President

c:c to: Mr. A. I. Johnson
Keystone, South Dakota

4

L E A S E

THIS AGREEMENT, Made and entered into this 1st day of March, 1973, by and between A.I. JOHNSON of P.O. Box 113, Keystone, Pennington County, South Dakota, Party of the First Part, hereinafter called the Lesser, and the KEY CHEMICAL COMPANY, a corporation, of P.O. Box 42, Spearfish, Lawrence County, South Dakota, Party of the Second Part, hereinafter called Lessee, in manner and form following:

WITNESSETH:

That the Lessor, in consideration of the royalties, covenants and agreements hereinafter reserved and expressed to be paid and performed by the Lessee, hereby leases and hires unto the said Lessee, and the Lessee hereby hires and rents from the Lessor, the following described mining property situated in the County of Pennington and State of South Dakota, to-wit:

JUNIPER FRACTION LODE,	Amended	Recorded	Book	52, P. 412
BLUE BIRD NO. 2 LODE	Amended	"	"	52, P. 413
BLUE BIRD LODE,	Amended	"	"	52, P. 416
LOU AMENDED LODE,		"	"	52, P. 417
SOUTHERN STAR AMENDED LODE,		"	"	52, P. 415
CONEWANGO LODE,	Amended	"	"	52, P. 414
BERTCHEY LODE,	Amended	"	"	52, P. 411

All of above claims are located in Section 5 and 8, T. 2 S., R. 6 E., B.H.M., Pennington County, South Dakota.

These claims have been Recorded by the Register of Deeds of Pennington County, South Dakota,

together with the right to enter upon, develop and operate the said mining property, and to extract and remove therefrom any and all ores and minerals which may be found therein.

TO HAVE AND TO HOLD UNTO the said Lessee for the period of one (1) year commencing on the date hereof, unless sooner abandoned by the Lessee pursuant to the terms hereof:

IT IS MUTUALLY AGREED AS FOLLOWS:

1. That if the Lessee is in possession of the said premises under this Lease on the expiration date hereof, and is conducting mining operations of the said premises at that time, then the Lessee shall have the option to renew this lease upon the same

terms and conditions contained herein for the further period of five (5) years from said expiration date, provided that the said Lessee has fully and satisfactorily complied with each and all of the covenants herein stated.

2. That the Lessee covenants and agrees to pay to the said Lessor as royalty Ten Per Cent (10%) of the gross sales price of all minerals and mineral substances mined, removed and sold from said premises, said royalty payment to be made within fifteen (15) days after payment for said minerals and mineral substances has been received by said Lessee.

3. That the Lessee hereby covenants and agrees to commence work on the said mining claims within ninety (90) days from the date of this Lease, and to mine and work the same in a manner necessary to good and economical mining, so as to take out the greatest amount of ore possible with due regard to safety, development and preservation of said mining premises as a workable mine.

4. To work said mine steadily and continuously from the date of beginning, it being expressly agreed that failure to work the said premises for a period of ninety (90) days unless prevented by sickness or elements or acts of God over which the Lessee has no control, shall be deemed a breach of this covenant.

5. The Lessee agrees to indemnify and held harmless the Lessors from any and all loss or damage from all claims for injury, death, loss or damage of any kind or character whatsoever by and by whom suffered or asserted or occasioned by or in connection with any work performed by the Lessee, his agents or employees. And the Lessee agrees to indemnify and to hold harmless the Lessors from any claims for labor,wages, materials and supplies, and to at all times comply with the Workmen's Compensation Regulation in accordance with the Statues of the State of South Dakota and to comply with the Laws of the State of South Dakota and the United States.

6. It is hereby agreed by the Lessors that the Lessee may at any time during the continuance or within thirty (30) days after termination or cancellation of this lease, move or caused to be removed from said premises, any buildings, fixtures, machinery or materials which shall have been placed upon the premises by the

Lessee other than such as are essential to the good order and condition of all tunnels, shafts and passages, provided that no payments are due Lessor for royalties herein.

7. It is specially agreed by the Lessee that in the event they are in default for failure to work the said premises for a period of ninety (90) days, or in the event they determine that the mine is not profitable to operate and wishes to abandon same, or in the event that they are in default for non-payment of royalty for a period of more than ninety (90) days, that a release will be executed by Lessee and delivered to Lessor.

8. The Lessee hereby agrees to complete all assessment work required by government regulations either for the State of South Dakota or the United States of America on or before August 1st of each year to enable the Lessor to file the Affidavit of Value of Labor and Improvements for said claim before September 1st of each year.

9. The Lessee hereby agrees to abide by all mining regulations of the State of South Dakota dn of the United States and to file with proper authorities any mining plans required and to obtain any permits required in mining operations.

10. The Lessee hereby agrees not to assign this lease to any third party without first obtaining the written consent of the Lessor to such agreement.

11. It is further understood and agreed by and between the Parties hereto that the Lessee shall at any time during the term of this Agreement, have the right, option, and privilege to purchase the above described mining property for the sum of One Hundred Thousand Dollars ($100,000.00), and upon full payment of said One Hudnred Thousand Dollars ($100,000.00) by said Lessee to Lessor shall execute and deliver a good and sufficient Deed of conveyance, conveying said property to the Lessee, it, however, being understood and agreed by and between the parties hereto that all royalty payments made hereunder shall apply on the purchase price of said mining property.

12. It is agreed by all parties hereto that this Agreement

shall become and be binding upon and inure to the benefit of the parties, hereto, their heirs, successors, administrators and/or assigns.

IN WITNESS WHEREOF the parties hereto have hereunto affixed their signatures the day and year first above written.

A.I. Johnson

KEY CHEMICAL COMPANY

By: T.J. Oltmans - President

STATE OF SOUTH DAKOTA)
) ss
COUNTY OF Pennington)

On this 4 day of April, 1973, before me personally appeared A.I. Johnson to me known to be the person described in and who executed the foregoing instrument and acknowledged that he executed the same as his free act and deed.

Given under by hand and notarial seal this 4 day of April, A.D., 1973.

Kathryn L. Dyrig
Notary Public

My Commission Expires:

July 3, 1974

(SEAL)

STATE OF SOUTH DAKOTA)
) ss
COUNTY OF LAWRENCE)

On this 4th day of April, 1973, before me the undersigned officer, personally appeared T.J. Oltmans, who acknowledged himself to be the President of Key Chemical Company, and that he, as such officer, being authorized so to do, executed the foregoing instrument for the purpose therin contained.

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

Sterling H. Clark
Notary Public

My Commission Expires:

Oct. 21, 1974

(SEAL)

ASSAY PLAN

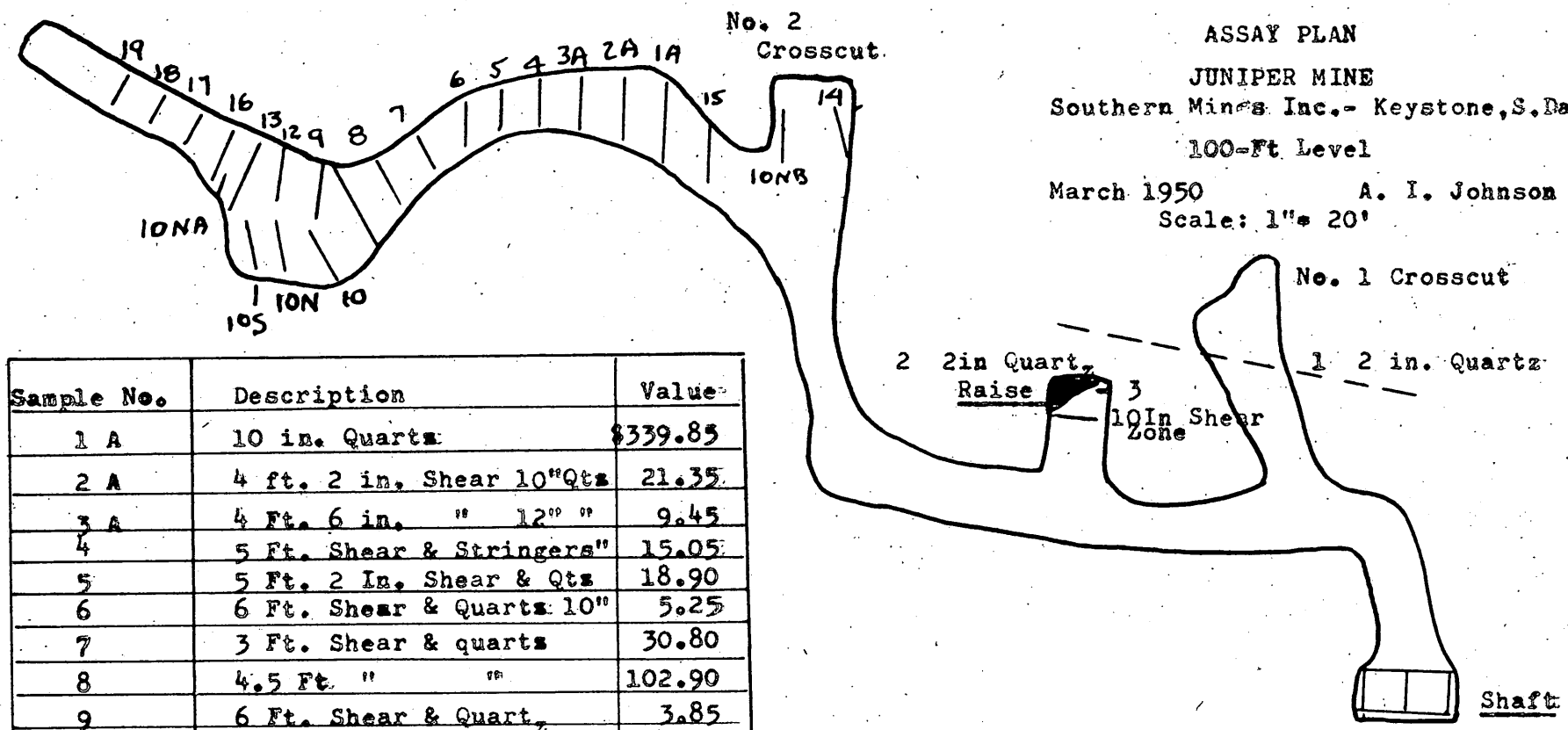
JUNIPER MINE

Southern Mines Inc.- Keystone, S. Dak.

100-Ft Level

March 1950 A. I. Johnson

Scale: 1" = 20'



Sample No.	Description	Value
1 A	10 in. Quartz	$339.85
2 A	4 ft. 2 in. Shear 10" Qtz	21.35
3 A	4 Ft. 6 in. " 12" "	9.45
4	5 Ft. Shear & Stringers"	15.05
5	5 Ft. 2 In. Shear & Qtz	18.90
6	6 Ft. Shear & Quartz 10"	5.25
7	3 Ft. Shear & quartz	30.80
8	4.5 Ft. " "	102.90
9	6 Ft. Shear & Quartz	3.85
10	4.0 Ft Quartz	49.70
10 NA	3.0 Ft. "	11.90
10 NB	3.0 Ft Shear and Quartz	7.00
10 S	6.0 Ft " "	4.20
11	Schist 10 Ft.	2.10
12	4.0 Ft Schist	1.40
13	6.0 Ft. Schist	.70
14	6.0 Ft Shear Zone	1.40
15	2.0 Ft Quartz and Shear	7.00
16	4.0 Ft. Schist	.70
17	4.5 Ft. Shear and Quartz	7.35
18	5.0 Ft. Shear and Quartz	6.65
19	5.0 Ft. " "	3.85
1	2 in. Quartz Stringer	3.85
2	2 in. " "	4.90
3	10 in. Shear Zone (Raise)	1.75

Key Chemical Co. - OMB 69-89

Standard Form No. 65
November 1961
General Services Administration
FPMR (41 CFR) 101-11.6

U.S. Government Messenger Envelope

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2. Identify Agency of Addressee
3. Write Clearly
4. Send Surplus Envelopes to Supply Room for Reissue

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Frank Lesure Bldg. 10	STOP		STOP
~~Lu Jennings Rm 4228 GSA Bldg~~	STOP		STOP
W. B. Roberts Rm. 4241, GSA	STOP		STOP
~~4230 GSA~~	STOP		STOP
~~Raymond 801 - 19th St. NW~~	STOP		STOP
Geo. Ericksen Bldg. 10	STOP		STOP
	STOP		STOP
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	STOP		STOP
	STOP		STOP

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65-107

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	STOP		STOP

Use other side first

☆ U. S. GOVERNMENT PRINTING OFFICE: 1971—484-402/2

October 30, 1973

Mr. A. I. Johnson
410 Front Street
Keystone, South Dakota 57751

Re: OME-6889 (Gold)
The Key Chemical Company
Juniper Gold Mine
Pennington County, South Dakota

Dear Mr. Johnson:

This is in reply to your letter of October 23, 1973, concerning the proposed project to explore the Juniper Gold mine.

We appreciate the situation with respect to conditions in this mine, and the problems with regard to locating specific exploration targets to explore by drilling or with new underground work. Our concern has been and will continue to be the consideration of these problems within the regulations of the OME program.

OME applications cannot be approved or contracts executed unless there is a geologic probability of making a significant discovery by the proposed work based on sound geologic evidence. The geologic factors on the 200-foot level of the Juniper Gold mine are not sufficiently known to plan a specific exploration program. Unfortunately, an OME application cannot be approved solely to rehabilitate a mine, and a commitment cannot be made to grant a contract in the event the applicant rehabilitates the mine solely at his own expense. The major consideration depends upon the geologic factors, mainly the vein-fault relationship, that may be seen once the mine is accessible for examination. This relationship has not been shown on the surface, either, so the proposed surface drilling project is not supported by geologic facts.

Because of constraints on the OME budget in the present fiscal year, modest assistance can be offered to only a few of the most promising proposals we have under consideration. Funds available for the balance of the fiscal year ending June 30, 1974, total about $20,000. Two new contracts, each for $15,000 in Government funds, have been approved on funds available since July 1, 1973.

Aside from the financial restrictions on the OME program, the limitations imposed by the regulations are shown in Title 30--Regulations, a copy of which is enclosed for your information. Items pertaining to the above comments are indicated with red marks. The major concerns now are the lack of specific geologic information, and the limited financing available if an exploration project is warranted once the information has been gathered and evaluated.

I hope this letter helps to explain the reasons for our views to date on the application.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo, Chief
Office of Minerals Exploration

Enclosure

Copy to: Mr. T. J. Oltmans

cc:
DRF
MR Rdg.
OME Rdg.
OME Files
Mr. Kirkemo
Region III

HKirkemo/gpw

OFFICIAL
COPY
O. A. E.
RECEIVED
OCT 19 1973
INITIALS CODE
HK

ARTHUR I. JOHNSON
410 FRONT ST.
KEYSTONE, SOUTH DAKOTA 57751
PHONE: 666-4622

October 23, 1973

Re: OME 6889 Gold

Mr. Harold Kirkemo, Chief
Office of Minerals Exploration
U. S. Dept. of the Interior
Geological Survey
Washington, D. C. 20242

Dear Mr. Kirkemo:

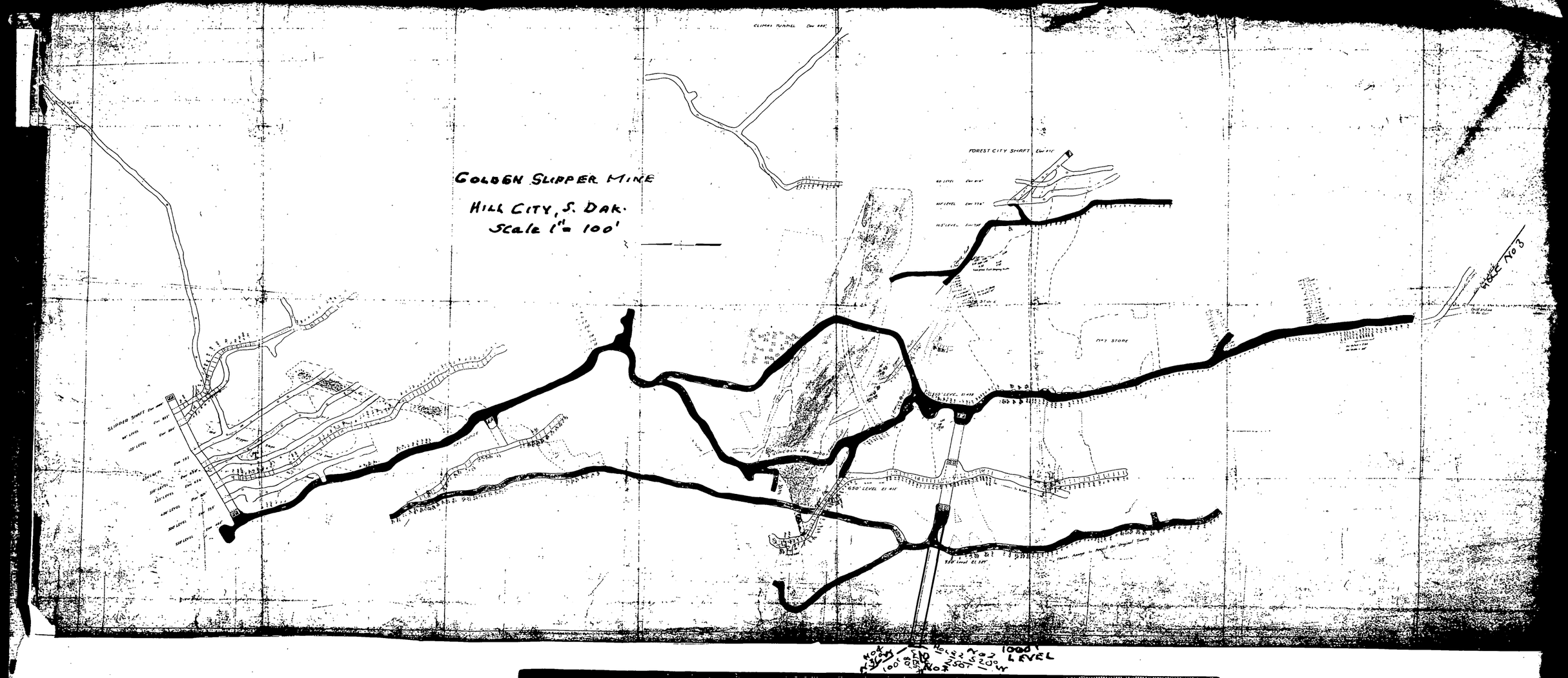
This will reply to your letter of Oct. 11, 1973. You point out there is little basis for evaluating the potential effectiveness of the drilling we have prposed. We have furnished all of the information that is available on the deposit to date. In the original presentation of the report we included sections on the major gold quartz deposits of the Black Hills, Particularly in the vicinity of the Juniper Mine to point out the limited extent of the deposit in the surface andupper levels. On the basis of information we had in the Juniper Mine we felt thatconditions were similar. As you can see from a study of these sections the quartz veins withing a few hundred feet became several hundred feet in length. The Holy Terror Quartz vein on the five hundred foot level was over 500 feet in length and produced over a half a million dollars in gold at $20.67 an ounce. On the 100 foot level this vein was more limited than the Juniper 100 foot level. In the Golden Slipper Mine the vein was about the same as that of the Juniper vein on the 100 foot level. The Golden Slipper vein which was only 25 feet in length on the100 foot level produced over 150,000.00 from one stope on the 550 foot level and the vein system was several hundred feet in lenth. I am inclosing a copy of the plan of this particular vein system.

As I pointed out in my last letter the previous operators missed the q uartz vein and contacted the fault which comes to the surface and to which the quartz vein is tangent. We have tried to show that we anticipate the vein to be east of their workings. We had hoped to drill from the 200 foot level but as you do not allow any costs for rehabilitation and there was no recommendation that the project would be o.ked even if we did unwater and rehabilitate and , and this is substantiated by your present attitude to the project. In view of this we set up a drilling program from the surface and did further field work to set this up. Now we find that a project of this kind, in your estimation , is not warrented. It was the feeling of the directors of Key Chemical Company that the Minerals Exploration program was set up to assist in the development of possible deposits of mineral values. If all of the facts were available that you suggest I feel the company could finance the project themselves. Mr. Oltmans pointed out that perhaps the project is too small for consideration by the Minerals Exploration Branch. They have tried to keep the cost of the project to an amount only necessary to verify facts and they felt that onece having this information they could finance the further development themselves.

cc: Mr. Oltmans

Very truly yours,

A. I. Johnson, P.E.


GOLDEN SLIPPER MINE
HILL CITY, S. DAK.
SCALE 1" = 100'
CLIMAX TUNNEL
FOREST CITY SHAFT
SLIPPER SHAFT
HOLE NO 3
650' LEVEL
750' LEVEL
1000' LEVEL

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code

OCT 2 1973

Mr. A. I. Johnson
410 Front Street
Keystone, South Dakota 57751

Re: OME-6889 (Gold)
The Key Chemical Company
Juniper Gold Mine
Pennington County, South Dakota

Dear Mr. Johnson:

Thank you for your letter of October 1, 1973, and the assay plan of the 100-ft. level of the Juniper mine. The same assay plan had been furnished with the original loan request so we have no additional information on which to base further consideration of the application.

We have little basis for evaluating the potential effectiveness of the proposed drilling because of the sparse information on the geology exposed on the 200-ft. level. Specifically, there should be information on the location, strike, and dip of the vein and fault on the 200-ft. level, and an assay plan of the level. As now presented, the proposed drilling program is more nearly a prospecting venture than an exploration project to test a specific target.

The mine offers little potential for significant reserves because the vein has been stoped to the surface from the 100-ft. level, and although the 200-ft. level appears to have extended across the projected extension of the vein, no stopes are indicated from that level. This suggests that the vein was not found there.

Please refer again to our letters of August 1 and September 27, 1973, and requests for additional information in the event you can furnish the data mentioned in this letter.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

Copy to: Mr. T. J. Oltmans

cc: Director's reading file
Region III
Mineral Resources
Mr. Kirkemo
OME reading file
HKirkemo/cac 10/11/73

ARTHUR I. JOHNSON

410 FRONT ST.

KEYSTONE, SOUTH DAKOTA 57751

PHONE: 666-4622

Oct. 1, 1973

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OCT 5 1973

INITIALS	CODE
Cac	120
HK	120

Mr. Harold Kirkomo, Chief
Office of Mineral Exploration
U. S. Department of the Interior
Geological Survey
Washington, D. C. 20242

Dear Mr. Kirkomo:

In reply to your letter of Sept. 27 to Mr. T. J. Oltmans, president The Key Chemical Company, Spearfish, S. Dak. referring to OME 6889 I would like to point out that since the Bureau of Mines Bulletin No. 427 was published in 1940 a 200 foot shaft has been driven and exploration completed on the vein on the 100 foot level and they found the vein system considerably more prounced than on the surface outcrops. I am inclosing a map of the 100 foot level sampling of the vein which you can readily determine as much more pronounced than that on the surface level. In view of this the Company operating the property in 1950 drove the shaft to the 200 foot level but in their exploration program contacted the Major fault in the area which threw them off of the vein system which is tangent to the fault. Because of the nature of the deposit several examples of similar vein systems, the Holy Terror, the Golden Slipper where inclosed with the original application to indicate developments at depth. In the Holy Terror Mine no extensive expansion of the vein occurred above the 300 foot level, yet at the 500 foot level it had lengthened and widened several times. The same was true of the Golden Slipper Vein.

I do not feel it is logical to use the surface ampling of the Bulletin as the basis for making a determination of the possibilities of the Juniper vein system. We have tried to point out the various possibilities based on all of the information we have and hence feel that the information is sufficient to warrant this further exploration.

Very truly yours,

A. I. Johnson P E

cc: T. J. Oltmans

cc: Hasler

ASSAY PLAN

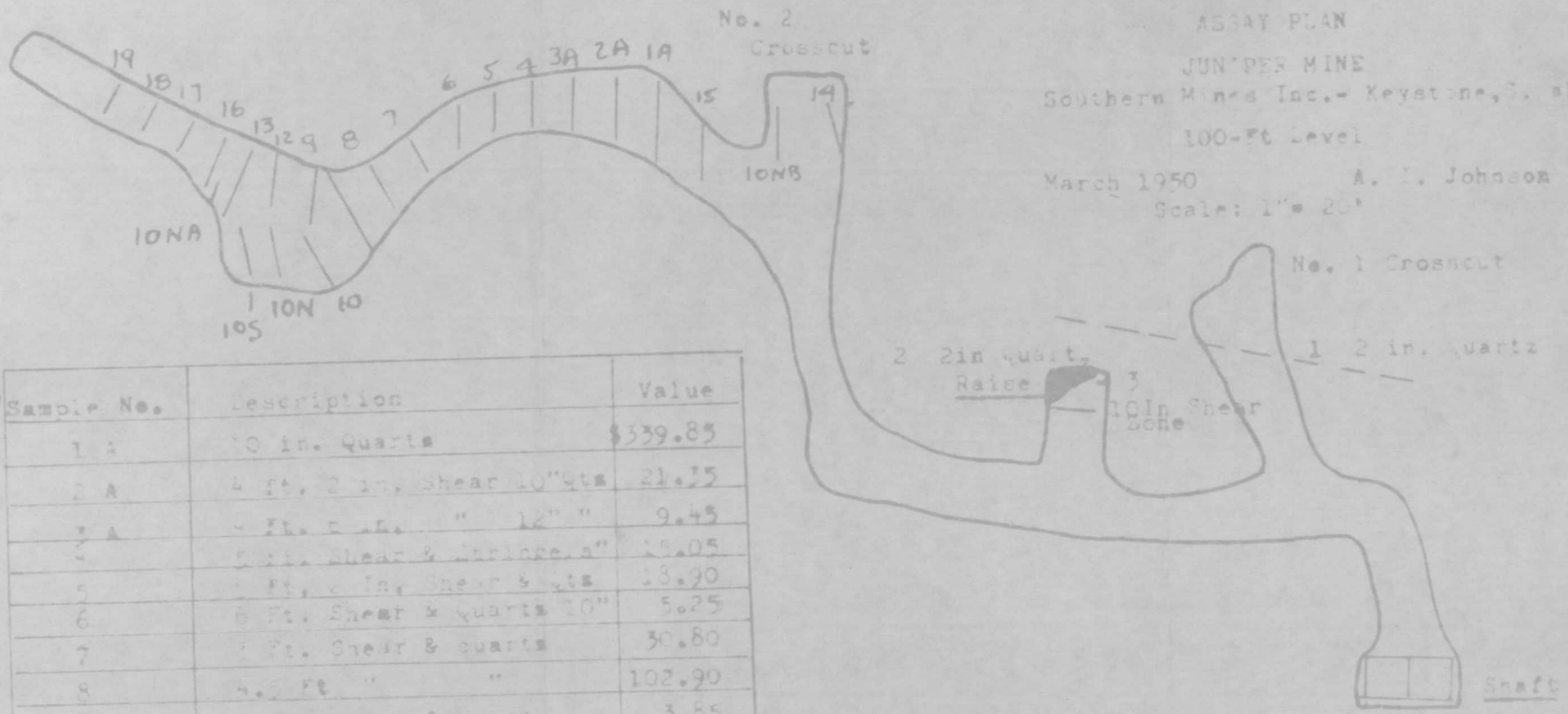
JUNIPER MINE

Southern Mines Inc.- Keystone, S. Dak.

100-Ft Level

March 1950 A. L. Johnson

Scale: 1" = 20'



Sample No.	Description	Value
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5	2 Ft. 6 In. Shear & Qtz	13.90
6	6 Ft. Shear & Quartz 10"	5.25
7	2 Ft. Shear & quartz	30.80
8	5.5 Ft " "	102.90
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16	4.0 Ft. Schist	.70
17	4.5 Ft. Shear and Quartz	7.35
18	5.0 Ft. Shear and Quartz	6.65
19	5.0 Ft. " "	3.85
1	2 in. Quartz Stringer	3.85
2	2 in. " "	4.90
3	10 in. Shear Zone (Raise)	1.75

FILE COPY

September 27, 1973

Mr. T. J. Oltmans, President
The Key Chemical Company
P.O. Box 42
Spearfish, South Dakota 57783

Re: OME-6889 (Gold)
The Key Chemical Company
Juniper Gold Mine
Pennington County, South Dakota

Dear Mr. Oltmans:

This is to acknowledge receipt of a letter of September 21, 1973, from Mr. A. I. Johnson, Consulting Mining Engineer, enclosing two sets of a map and cross sections of the Juniper mine.

The revised project to diamond drill from the surface rather than reopening the presently inaccessible mine workings offers a less expensive program, but would it provide enough information on the gold content of the vein to warrant subsequent reopening of the mine?

It would be fortuitous to intersect economic grade gold ore with a few drill holes, particularly so if the vein is not well mineralized. According to Bureau of Mines Bulletin 427, an average grade of about 0.12 ounces gold per ton was shown by the assays of 22 samples from the vein which averaged 2.83 feet in width. Would discovery of similar width and grade material by the proposed drill holes justify the expense of reopening the mine, and could the mine be operated profitably on ore valued at about $12 per ton? Better grade ore may be present but in considering the over-all contingencies of a mine operation, the average value of "mine run" ore must be the basis for deciding whether or not to undertake the project. Present information suggests that it would not be prudent for the Government to enter into a contract to explore the property.

If additional information is obtained which indicates more favorable values and conditions, we would be pleased to further consider the application. In such event, you also should furnish the information requested on the second page of our letter to you dated August 1, 1973.

Please advise us of your plans with respect to the application.

Sincerely yours,

Harold Kirkemo, Chief
Office of Minerals Exploration

Copy to: A. I. Johnson

cc:
DRF
MR Rdg.
OME Rdg.
OME Files
Mr. Kirkemo
Region III

HKirkemo/gpw

Key Chemical Company

MAIN OFFICE
P.O. BOX 42
SPEARFISH, SOUTH DAKOTA
57783

BRANCH OFFICE
SUITE A
1447 STOUT STREET
DENVER COLORADO 80202

Re: OME- 6889 Gold

OFFICIAL
COPY
O. M. E.
RECEIVED
SEP 25 1973
INITIALS CODE
CAC 120 M
120

Keystone, S. Dak.
September 21, 1973

Mr. Harold Kirkemo, Chief
Office of Minerals Exploration
United States Department of the Interior
Geological Survey
Washington, D. C. 20242

Dear Mr. Kirkemo:

At the instance of Mr. T. J. Oltmans, President of Key Chemical Company the program previously outlined has been reviewed. In view of the probable additional expenditures that might arise in the work of rehabilitation, unwater and equiping the facilities at the Juniper Mine the Company decided to determine if the same results could be attained with a drilling program from the surface. Since receipt of your letter of August 1st survey work has been completed a contour map has been prepared and the necessary information developed to outline a suplementary program to replace the one previously set up. Mr. Oltmans has asked me to forward this information to you with the estimate of costs. Two copies of each of the plats is included and below is an estimate of the costs that would be involved:

Site preparation	$300.00
Analyses	500.00
Water	900.00
Supervision and Geology	1500.00
2000' D.Drilling	30000.00
Total	$33200.00

Correspondence would also reach Key Chemical Company at Keystone, P.O. Box 113.

Very truly yours,

A. I. Johnson P.E.
Consulting Mining Engineer

COPY TO R-III with 1 set of 2 maps.
C.C.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code

August 1, 1973

Mr. T. J. Oltmans, President
The Key Chemical Company
P.O. Box 42
Spearfish, South Dakota 57783

Re: OME-6889 (Gold)
The Key Chemical Company
Juniper Gold Mine
Pennington County, South Dakota

Dear Mr. Oltmans:

Your application for exploration assistance, dated April 4, 1973, and received in this office on June 28, 1973, has been assigned Docket No. 6889. Please identify all future correspondence relating to the application by this number.

We enclose for your information a copy of Exhibit A, entitled "Notice to Prospective Federally Assisted Construction Contractors," which describes certain additional regulations and requirements. This should be filed with your copy of the application.

In your letter of June 8, 1973, to Mr. J. W. Hasler you mention that "the mine workings in their present condition cannot be inspected." One of the factors we consider in reviewing an application is the accessibility of the project area. The site of a proposed project should be accessible for inspection before we ask the Field Officer to examine a property. The Field Officer must be able to examine the mine workings in the area of the proposed exploration, and to sample and map these workings as necessary. The cost of rehabilitating shafts and caved mine workings is difficult to estimate in advance because the condition of the timbers, stability of the wall rock, and quantity of water that may be encountered is unknown. Such costs often are greater than originally estimated, and when rehabilitation is completed, an applicant may be unable to undertake much, if any, exploration work with his remaining funds. OME offers no assistance for work solely for the purpose of gaining access into workings for inspection purposes. Our limited funds must be applied to exploration work as much as possible.

Under the circumstances, we suggest that you consider withdrawing the application. If sometime in the future, you reopen the shaft and workings and decide that an exploration project is warranted, we will be glad to consider an amended application. You would need to refer to this docket number, and to furnish all up-to-date information which would be applicable. Please advise us at your earliest convenience whether or not you wish to withdraw the application.

In the event you do not withdraw the application, you should furnish true copies of your letters to two banks requesting a loan and stating the amount, terms requested, and proposed use of the loan funds. The amount requested should be equal to the Government's share of the costs of the exploration work in the event of a contract. Do not include the estimated cost of rehabilitation in the amount requested because this type of work is not eligible for OME assistance.

How would you furnish your share of the costs of the exploration work proposed in your application? What is the street or box number address in Keystone, South Dakota, of the Key Chemical Company?

The Lien and Subordination Agreements (MME Form 52) submitted with your application is enclosed. Please answer Item 6 as appropriate on the back of the form, and return 5 copies as required by Item 2(c) of the application. Since you are not the co-owner of the claims, you should not sign the agreement.

The statements in this letter should not be construed as indications that the Government would offer a contract in the event the mine is reopened and examined.

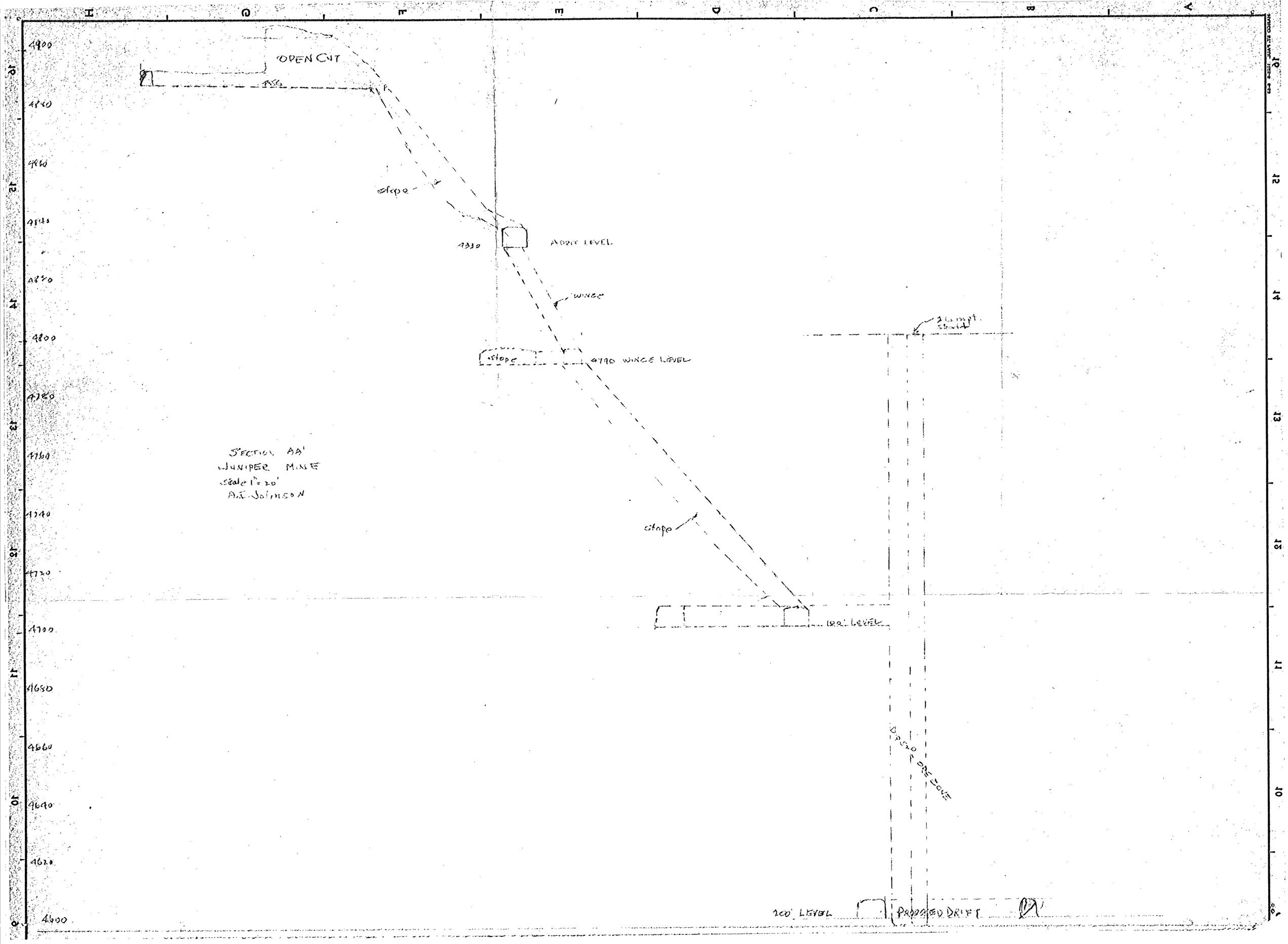
Sincerely yours,

Harold Kirkemo, Chief
Office of Minerals Exploration

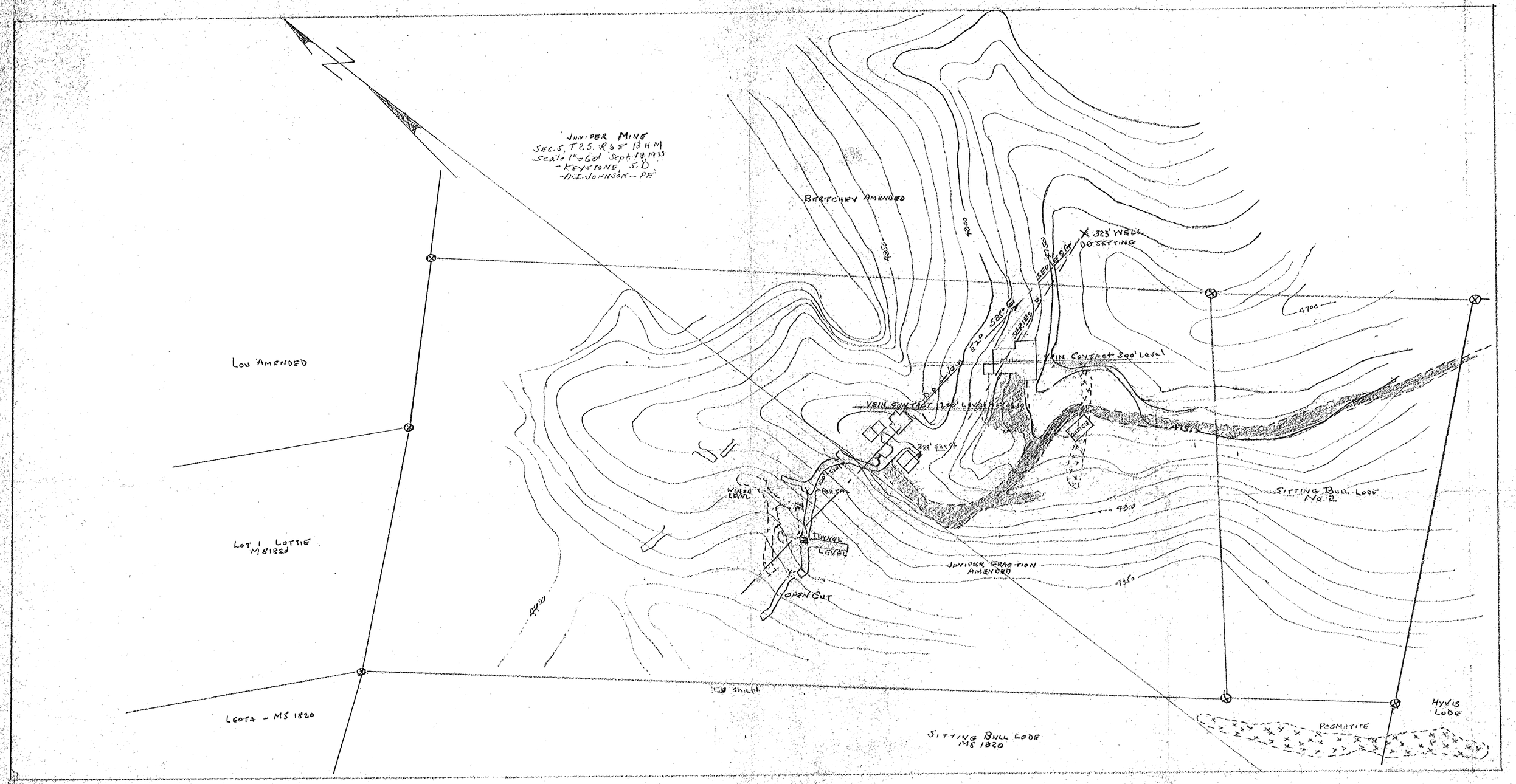
Enclosures

cc:
DEF
MR Rdg.
OME File
OME Rdg.
Mr. Kirkemo
Region III

HKirkemo/gpw



SECTION AA'
JUNIPER MINE
scale 1" = 20'
A.T. Johnson


JUNIPER MINE
SEC. 5 T2S. R5E 13 HM
Scale 1"=60' Sept. 19, 1933
-KEYSTONE, S.D.
-D.E. JOHNSON -- PE
BERTCHEY AMENDED
LOU AMENDED
LOT 1 LOTTIE
MS 1820
LEOTA - MS 1820
SITTING BULL LODE
MS 1820
JUNIPER FRACTION
AMENDED
SITTING BULL LODE
No 2
HYVIS
LODE
PEGMATITE
X 323' WELL
DD SETTING
VEIN CONTACT 300' Level
VEIN CONTACT 200' LEVEL
MILL
ROAD
Period
200' Shaft
WINZE
LEVEL
TUNNEL
LEVEL
OPEN CUT
Shaft
4700
4800
4900
4950