MME Form 9
Rev. Mar. 59

UNITED STATES
DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

OFFICIAL DOCKET FILE Contract No. 14-23-_____ Docket No. MME-6494

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- [ ] Withdrawn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
- [ ] Owner's Consent to Lien and Subordination Agreement
- [x] Application and Attachments

Right Side

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

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

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

Additional Folders:

Left Side

Folders No._____: 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

52615

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Bldg. 20, Denver Federal Center
Denver, Colo. 80225
GEOLOGICAL SURVEY

August 27, 1965

Memorandum

To: Frank E. Johnson, Chief
Office of Minerals Exploration
Geological Survey
Washington, D. C. 20240

From: Acting Field Officer, OME, Region III

Subject: Application for OME Aid (Silver ~~Lead-Zinc-Copper~~)
Philip W. Beckley
Diablo & Copper Queen Mines
Culberson County, Texas

Attached is the original of the subject application for an OME project estimated to cost $26,576.00. A copy is retained in the Region III file.

There are no bank letters and the silver content in past shipments of ore were negligible. Cadmium?

It appears that a denial would be better than asking for additional information.

Hugh M. Connors

Hugh M. Connors

H.M.C. (8-27-65)
cc: file
chron

In Diablo draft the Ag and Cd values are less than Cu, Pb, Zn values.

PHILIP W. BECKLEY
CONSULTING GEOLOGIST
MINERAL AND OIL PROPERTIES

311 WASHINGTON S.E.
PHONES: 255-7132 - 256-7436
ALBUQUERQUE, NEW MEXICO

20 AUG. 1965

MR. HUGH M. CONNORS
ACTING FIELD OFFICER, O.M.E.
REGION III, BLDG. 20
DENVER FEDERAL CENTER
DENVER, COLORADO.

RE: O.M.E.
SILVER-CADMIUM
DIABLO & PECOS
MINES.
CULBERSON CO, TEX.

DEAR MR. CONNORS:

I AM SUBMITTING HEREWITH TWO COPIES OF A REQUEST FOR O.M.E. ASSISTANCE ON A DRILLING EXPLORATION PROJECT LOCATED IN WEST TEXAS.

I WILL APPRECIATE YOUR PROCESSING THESE AT YOUR EARLIEST CONVENIENCE, AND I WILL BE READY FOR A FIELD EXAMINATION AS SOON AS YOU HAVE A MAN AVAILABLE.

VERY TRULY YOURS,

PHILIP W. BECKLEY

ENCL: 2 COPIES OF ENGINEERING,
GEOLOGICAL AND REPORT TO
THE O.M.E....

MME Form 40
July 1962

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OFFICIAL COPY O. M. E. RECEIVED AUG 30 1965 ROCKY MTN. CODE

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.)*

PHILIP W. BECKLEY
311 WASHINGTON S.E.
ALBUQUERQUE NEW MEXICO

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER 6494
DATE RECEIVED 8/30/65
REGION 111
DIVISION CODE

BUSINESS ORGANIZATION *(Check one)*

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

STATE IN WHICH FIRM IS ORGANIZED

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE
SILVER, + CADMIUM (~~ZN, PB, CU.~~)

ESTIMATED COST OF PROJECT
$ 26,567.00

PROPERTY NAME	LOCATION COUNTY			STATE
CULBERSON COUNTY				
DIABLO MINE	SEC. 23	BLK	54½	TEXAS
COPPER QUEEN	SEC 18	BLK	54½	TEXAS

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.

10 AUG. 1965
DATED

Philip W. Beckley
BY *(Signature)*

PHILIP W. BECKLEY, LESSEE.
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.

PHILIP W. BECKLEY
1100 JEFFERSON, NE
ALBUQUERQUE, NEW MEXICO

± 100 miles east of El Paso

DIABLO, PECOS AND EUREKA MINES

THESE THREE MINES ARE LOCATED ON A SINGLE MINERALIZED TREND WITHIN PRECAMBRIAN ROCKS IN WESTERN CULBERSON COUNTY, TEXAS. THE EARLY RECORD OF PRODUCTION INDICATE THAT SOME WORK WAS BEING DONE ON THESE MINES PRIOR TO 1917. PRODUCTION RECORDS AT THE A.S. & R. SMELTER IN EL PASO DATE TO 1929. THE PROPERTIES ARE LOCATED IN SECTIONS 18 AND 23 OF PSL BLOCK 54½, BEING 13 MILES N19° W OF THE TOWN OF VAN HORN, TEXAS. in Sierra Diablo Mts. on state route 80 highway.

DIABLO WORKINGS:

THE DIABLO SHAFT, BOTTOMED AT 100 FEET, AND HAS DRIFTS TO THE NORTH AND SOUTH AT THE 50 FOOT AND THE 100 FOOT LEVEL. THE WORKINGS ARE CAVED AND UNSAFE AT THE PRESENT TIME. THE LAST WORK DONE IN THIS SHAFT WAS IN 1943 BY M.F. DRUNZER. THIS SHAFT IS LOCATED ON THE WEST MINERALIZED TREND, THE STRIKE OF WHICH IS N 35° E AND THE VEIN DIPS AT 85° TO THE WEST.

PECOS WORKINGS: ✓

AT A LOCATION 1900 FEET N 35° EAST OF THE DIABLO, ANOTHER SHAFT HAS BEEN SUNK TO 200 FEET. THIS IS THE SITE OF THE PECOS MINE. THIS SHAFT, SUNK IN 1959 IS LOCATED NEAR THE OLD CAVED "PECOS SHAFT" WHICH WAS WORKED IN 1929. AT THIS LOCATION, THE SURFACE VEIN HAS BEEN MINED AND MAY BE EXAMINED NORTHEAST AND SOUTHWEST OF THE SHAFT. THE PECOS SHAFT IS USABLE AND REPORTEDLY HAS SOME DRIFTING AT EACH 50 FOOT LEVEL TO THE 200 FOOT DEPTH. IT IS FULL OF WATER TO THE 40 FOOT LEVEL, BUT CAN BE DEWATERED FOR INSPECTION. A HOIST HOUSE IS STILL PRESENT AND INTACT AT THE SHAFT.

EUREKA WORKINGS.

AT A LOCATION 1 MILE NORTHEAST OF THE PECOS MINE, PROSPECTING HAS BEEN DONE ON THE SAME VEIN. A 10 FOOT PROSPECT PIT IS PRESENT, SHOWING SOME STAINING OF COPPER CARBONATE. THIS IS THE EUREKA MINE. NO ORE HAS EVER BEEN SHIPPED, AND THE PROSPECT ONLY HELPS TO ESTABLISH THE VEIN AT THIS LOCATION.

width?

TWO MINERALIZED VEINS ARE PRESENT ON THESE PROPERTIES, THE WEST VEIN HAVING BEEN PROSPECTED BY AT LEAST TWO SHAFTS. THE SECOND VEIN IS LOCATED ABOUT 500 FEET TO THE EAST OF BOTH THE PECOS AND DIABLO SHAFTS, AND HAS SEVERAL SHALLOW PROSPECT PITS ALONG ITS TRACE WHICH INDICATE THAT COPPER, BARITE AND LEAD ARE PRESENT.

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STRUCTURE:

WEST OF THE PECOS DIABLO PROSPECTS, SEDIMENTARY LIMESTONES OF THE WOLFCAMP PERMIAN ARE OFFSET BY SEVERAL COMPRESSIONAL FAULTS. THE MAJOR FAULT IS KNOWN AS THE COX MOUNTAIN FAULT WHICH APPEARS TO HAVE A DISPLACEMENT OF 40 FEET. THE TRACE OF THIS FAULT EXTENDS FROM THE RIM TO THE SOUTHEAST INTO THE PRE CAMBRIAN SANDSTONES OF THE HAZEL FORMATION. NORTH OF THE PECOS MINE, A DISTANCE OF ABOUT 400 FEET, THE TRACE OF THIS MAJOR FEATURE IS BURRIED BENEATH RECENT ALLUVIAL GRAVELS. NEITHER OF THE MINERALIZED VEIN SYSTEMS HAVE BEEN PROSPECTED AT THE INTERSECTION WITH THE COX MOUNTAIN FAULT TRACE.

SIMILAR FAULT-VEIN INTERSECTIONS HAVE RESULTED IN ECONOMIC ORE DEPOSITS IN IDENTICAL ROCKS IN THE AREAS TO THE SOUTH. (HAZEL MINE, MOHAWK, HACKBERRY).

MINERALOGY OF ORE.

ORE MINERALS PRESENT IN THE MINES ARE AS FOLLOWS:

GALENA (PbS)	SPHALERITE (ZnS)
CHALCOPYRITE($CuFeS_2$)	GREENOCKITE (CdS)
BORNITE (Cu_5FeS_4)	BARITE ($BaSO_4$)
CHALCOCITE (Cu_2S)	SILVER (?)

PARAGENESIS:

DIAMOND CUT SECTIONS OF THE VEINS INDICATE THAT AT LEAST TWO STAGES OF MINERALIZATION OCCURED IN THE FORMATION OF THESE ORE BODIES. GALENA AND SPHALERITE, ASSOCIATED WITH BARITE APPEAR TO BE THE FIRST PHASE OF SULPHIDES IN THE VEIN. THESE ARE FOLLOWED BY FINAL FILLING OF THE VEIN BY CHALCOPYRITE AND BARITE, WITH TRACES OF CHALCOCITE IN CLOSE ASSOCIATION. SILVER APPEARS TO BE ASSOCIATED WITH THE GALENA BASED ON SAMPLES OF VEIN ORE. GREENOCKITE IS OFTEN ASSOCIATED WITH THE ZINC MINERALS.

VALUE OF ORE SHIPPED TO SMELTER

SMELTER RECORDS INDICATE THAT OF THE ORE WHICH HAS BEEN SHIPPED, A GROSS VALUE OF THE METALS WOULD BE $107.60 PER TON ON TODAYS MARKET. THE HIGHEST GRADE ORE SHIPPED, IN DOLLAR VALUE, WAS 36.90 TONS IN 1943. THIS ORE WOULD HAVE A GROSS VALUE TODAY OF $157.85 PER TON. THE LOWEST VALUES WERE IN THE SAME YEAR WITH $74.03 PER TON, BUT NO VALUE WAS RUN FOR THE CONTAINED CADMIUM WHICH MAY HAVE BEEN PRESENT.

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SHIPMENTS OF ORE MADE TO A.S.& R. SMELTER, EL PASO TEXAS FROM MINES AS NOTED BELOW

APRIL 16, 1929 TEXAS MINING DEV. CO PECOS SHAFT
ORIG. DISC. SHAFT, NOW CAVED. SURFACE TO 40 FEET IN DEPTH

20.24 TONS	SILVER(oz)	LEAD%	COPPER%	ZINC%	CADMIUM%	BARITE%	IRON%	SILICA%	PER TON GROSS VALUE
	2.90	7.10	7.40	3.0	NOT RUN	42.20			
MAY 1965	$3.75	$21.50	$50.30	$8.70	Note				$84.25
29 JUNE 1935, CHAS RANDAU, DIABLO SHAFT ORE FROM SURFACE TO 35 FOOT LEVEL.									
18.80 TONS	1.9	17.90	5.22	16.0	----	10.0	6.30	14.0	
	$2.45	$52.50	$35.30	$46.40					$136.65
27 APRIL 1943, M.F. DRUNZER, DIABLO SHAFT, 50 FEET DEEP, EAST FROM DUMP.									
48.0 TONS	1.3	1.10	3.90	9.0	0.30 - Usual Average		5.00	35.4	
	$1.68	$3.30	$26.50	$26.10	$16.45				$74.03
4 MAY 1943	M.F. DRUNZER, DIABLO SHAFT 50-100 FEET								
36.90 TONS	1.2	6.60	2.35	7.60	1.80		5.1	28.6	
	$1.55	$19.80	$16.00	$22.00	$98.50				$157.85
2 DEC. 1943, M.F. DRUNZER, DIABLO SHAFT, 100 FOOT DEPTH, DRIFT									
25.0 TONS	0.8	6.60	4.65	5.00	0.50	7.80	6.7	38.0	
	$1.10	$19.80	$31.60	$14.50	$27.40				$94.40
148.94 TONS	.....(AVERAGE VALUE PER TON FOR SHIPMENTS).....								$107.60

MAY 1965 METAL PRICES.

SILVER	$1.293 PER OUNCE
LEAD	$0.15 PER POUND
COPPER	$0.34 PER POUND
ZINC	$0.145 ER POUND
CAD	$2.74 PER POUND (2.28 avg)

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RECOMMENDED DIAMOND DRILL HOLES FOR DIABLO-PECOS MINE PROSPECT.

DRILL HOLE	LINIAR FEET/	ANGLE	REMARKS
1.	280 FT	45 DEG	THIS HOLE WILL PROSPECT THE WEST VEIN AT ABOUT 150 FEET DEEP.
2.	425 FT.	45 DEG	DRILL HOLE WILL TEST THE JUNCTION OF THE WEST VEIN WITH THE COX MT. FAULT.
3.	360 FT	45 DEG	THIS HOLE WILL PROSPECT THE POINT AT WHICH THE WEST VEIN IS INTERSECTED BY A MINERALIZED CROSS VEIN.
4.	280 FT	45 DEG.	THIS HOLE WILL TEST THE VEIN AT A POINT SOUTH OF THE PECOS SHAFT.
5.	280 FT	45 DEG.	HOLE WILL LOCATE AND TEST THE VEIN NORTH OF THE OLD "DIABLO" SHAFT.
6.	360 FT	45 DEG.	THIS HOLE WILL TEST THE WEST VEIN BELOW THE LEVEL OF THE WORKINGS IN THE DIABLO SHAFT.
7.	360 FT	45 DEG.	THIS HOLE WILL TEST THE EAST VEIN AT A LEVEL 200 FEET BELOW THE SURFACE.
8.	420 FT	45 DEG.	HOLE WILL TEST THE JUNCTION OF THE EAST VEIN AND THE CROSS-VEIN.
9.	280 FT	45 DEG.	THIS HOLE WILL EXAMINE THE EAST VEIN BELOW THE PROSPECT SHAFT WHICH SHOWS ABUNDANT COPPER MINERALIZATION.
10.	425 FT	45 DEG.	THIS HOLE WILL PROSPECT THE JUNCTION OF THE EAST VEIN WITH THE COX MT FAULT..
	3,470.0 FEET		

THE INFORMATION DERIVED FROM THE DIAMOND CORES OF THESE TEN HOLES WILL LOCALIZE THE VEIN, ESTABLISH IT'S DIP AT DEPTH, AND DETERMINE VALUES AND TONNAGE. THE PROGRAM IS INTENDED TO DETERMINE THE TYPE OF MINERALIZATION PRESENT AT THE JUNCTIONS OF FAULT AND VEIN, AND AT THE INTERSECTION OF KNOWN CROSS-VEINS.

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COST OF PROJECT, DIABLO, PECOS MINE.

1. 3,470 FEET OF AX DIAMOND DRILLING, INCLUDING WATER CORE BOXES AND CASING.

   3,470 FT X $6.10/FOOT .....$21,167.00 4 months

2. 100 ASSAYS FOR Cu, Zn, Pb, Ag, Cd @ $6.00/EACH .....$ 600.00

3. DRILL SITE PREPARATION, DOZING AND INTERMEDIATE ROADS.

   ..... $ 800.00

4. SUPERVISION, CORE EXAMINATION, DRILL SITE SURVEY, ELEVATIONS AND FINAL REPORT ON THE DRILL RESULTS.

   ..... $ 4,000.00

TOTAL COST OF PROJECT $26,567.00

PHILIP W. BECKLEY
1100 JEFFERSON, NE
ALBUQUERQUE, NEW MEXICO

OWNERSHIP OF PROPERTIES.

SEC 18, 23, BLK $54\frac{1}{2}$, PSL.

PATENTED CLAIMS: TWO PATENTED CLAIMS OCCUR IN THE AREA, BEING THE COPPER QUEEN #206, AND THE DIABLO CLAIM, # 207.
THESE TWO CLAIMS HAVE BEEN LEASED FROM THE OWNERS; MISS GERTBUDE ATTAWAY ET AL.

THESE CLAIMS BEAR A 10% ROYALTY TO THE LESSOR

PROSPECT PERMITS SEC 18, 23, BLK $54\frac{1}{2}$, PSL
260 ACRES OF SECTION 18, AND 180 ACRES OF SECTION 23 ARE HELD ON PROSPECT PERMITS NO'S M-56100 AND M-56101 RESPECT. DATED 10 FEB '64.

THESE PERMITS ARE FOR ONE YEAR, AFTER WHICH TIME THEY MAY BE RENEWED OR CONVERTED TO LEASE WITH THE STATE OF TEXAS UNDER A $6\frac{1}{4}$% ROYALTY.

RIGHT OF WAY: THE SURFACE IN THE ADJOINING AREA IS LEASED BY MR. J.A. NEAL OF VAN HORN. I HAVE AGREED TO PAY HIM $0.50 PER TON FOR INGRESS AND EGRESS BASED ON SMELTER TONNAGE OR ON ACTUAL ORE WEIGHTS. THIS IS A WAIVER OF SURFACE DAMAGE.

ON STARTING A DRILLING OPERATION, A SURFACE DAMAGE PAYMENT OF $500.00 IS ANTICIPATED.

** THE PLAT OF THE OWNERSHIP IS SHOWN ON THE LEFT.

PHILIP W. BECKLEY
1100 JEFFERSON, NE
ALBUQUERQUE, NEW MEXICO

EXPLORATION AND MINING LEASE

THIS INDENTURE MADE THIS 7TH DAY OF FEBRUARY, 1964, BY AND BETWEEN ALMA HARLAN, LESLEE HARLEN, LENORE HARLAN, ALICE ATTAWAY, ETHEL ATTAWAY WELCH, GERTRUDE ATTAWAY. ~~AND OTHERS AS FOLLOWS~~ _____

_____, SOMETIMES HEREINAFTER CALLED "LESSORS", WHETHER ONE OR MORE, AND PHILIP W. BECKLEY, 1100 JEFFERSON N.E., ALBUQUERQUE NEW MEXICO, SOMETIMES HEREINAFTER CALLED "LESEE",

WITNESSETH:

THAT FOR AND IN CONSIDERATION OF THE SUM OF $10.00 IN HAND PAID, THE RECEIPT AND SUFFICIENCY OF WHICH IS HEREBY ACKNOWLEDGED BY LESSOR, AND IN FURTHER CONSIDERATION OF THE COVENANTS, AGREEMENTS AND CONDITIONS HEREINAFTER CONTAINED TO BE FAITHFULLY OBSERVED, KEPT AND PERFORMED BY THE LESSEE, THE LESSOR HAS DEMISED, LEASED AND LET AND BY THESE PRESENTS DOES DEMISE, LEASE AND LET, FOR THE PURPOSES HEREINAFTER SET FORTH, TO THE SAID LESSEE, THE FOLLOWING LANDS AND PREMISES SITUATED, LYING AND BEING IN THE COUNTY OF CULBERSON AND STATE OF TEXAS.:

MINING ~~PATENT~~ SUR. #206, "COPPER QUEEN CLAIM" LOCATED IN SECTIONS
MINING PAT. #761 18 AND 23 OF PSL BLK 54½, CULBERSON CO. TEX.

MINING ~~PATENT~~ SUR. #207, "DIABLO CLAIM" LOCATED IN SECTION 23, PSL BLK
MINING PAT. #760 54½, CULBERSON COUNTY, TEXAS.

TO HAVE AND TO HOLD THE SAME FOR A PERIOD OF 5 YEARS FROM DATE (HEREINAFTER CALLED PRIMARY TERM) AND SO LONG THEREAFTER AS ORE IS BEING PRODUCED AND SOLD FROM THE LEASED PREMISES OR MINING OPERATIONS ARE BEING CONDUCTED THEREON WITH REASONABLE DILIGENCE; WITH THE EXCLUSIVE RIGHT AND PRIVELEGE, DURING THE TERM HEREOF, OF ENTERING INTO AND UPON SAID LANDS AND TO EXPLORE FOR, MINE, REMOVE AND SHIP, MILL, ANY ORES AND SUCH OTHER MINERALS AND METALS ENCOUNTERED, WHICH THE LESSEE MAY DESIRE, TOGETHER WITH FULL RIGHT, PRIVILEGE AND AUTHORITY OF CONSTRUCTING, ERECTING, OPERATING, USING, MAINTAINING AND REMOVING ANY ADN ALL BUILDINGS, STRUCTURES, MACHINERY, EXCAVATIONS, OPENINGS, DITCHES, DRAINS, WATER PIPES, ROADS, RAILROADS, AND OTHER IMPROVEMENTS, PROPERTY AND FIXTURES AS MAY BE REASONABLEAND NECESSARY, CONVENIENT OR SUITABLE FOR MINING, REMOVING, CONCENTRATING, BENEFICIATING AND SHIPPING ANY OF SUCH ORE. LESSEE SHALL HAVE AUTHORITY TO DRILL, CAVE, SUBSIDE, DIG OR BLAST INTO SAID LANDS AND TO DESTROY THE SURFACE THEREOF INSOFAR AS REASONABLY NECESSARY TO SUCH OPERATIONS AND MINING. THE LESSOR WARRANTS TITLE TO THE SAID PREMISES AND HEREBY RELEASES AND WAIVES ALL RIGHTS UNDER THE HOMESTEAD EXEMPTION LAWS OF THE STATE OF TEXAS THEREIN.

ROYALTY: THE LESSEE SHALL, SO LONG AS THIS INDENTURE CONTINUES IN FORCE, PAY A ROYALTY TO THE LESSOR AT THE RATE OF 10% OF THE NET MILL, SMELTER, MINT OR REFINERY SETTLEMENT. SAID ROYALTY IS TO BE PAID DIRECTLY TO THE LESSOROR BY DEPOSIT TO THE CREDIT OF THE LESSOR IN THE DEPOSITORY BANK HEREINAFTER NAMED, ON OR BEFORE THE TWENTIETH DAY OF EACH CALANDER MONTH NEXT SUCCEEDING THE DATE OF RECEIPT OF PAYMENTS BY THE LESSEE FOR ORES MINED AND SHIPPED FROM THE LEASED PREMISES.

PHILIP W. BECKLEY
1100 JEFFERSON, NE
ALBUQUERQUE, NEW MEXICO

LESSEE SHALL DO OR CAUSE TO BE DONE A MINIMUM OF WORK, MINING, DRILLING ENGINNEERING, EXPLORATION, SINKING, DRIFTING AS A CONDITION OF MAINTAINING THIS LEASE. SUCH WORK WILL BE ON A CALANDER YEAR BASIS, AND WILL NOT BE LESS THAN $2,000.00 PER CALANDER YEAR FOR THE PRIMARY TERM OF THIS LEASE. LESSOR SHALL BE FURNISHED A TABULATED LIST OF SUCH WORK FOR EACH YEAR DURING THE MONTH OF JANUARY FOR THE PRECEEDING YEAR, TOGETHER WITH DRILL HOLE INFORMATION, MINERALS FOUND OR MINED AND OTHER ENGINEERING DATA THAT MAY BE AVAILABLE.

TITLE: LESSOR AGREES TO LOAN LESSEE FOR EXAMINATION ABSTRACTS OF TITLE SHOWING LESSOR TO HAVE GOOD AND MERCHANTABLE TITLE TO SAID PREMISES, BOTH SURFACE AND MINERALS, FREE OF LIENS OR ENCUMBRANCES, ~~EXCEPT AS~~ FOLLOWS: (NONE).

REPORTS ON WEIGHTS AND ANALYSIS: LESSEE SHALL SUBMIT SWORN STATEMENTS SHOWING THE CERTIFIED WEIGHTS, ANALYSES, AND VALUE OF ANY AND ALL ORES, CONCENTRATES, MINERALS AND METALS SHIPPED DURING THE PRECEDING ROYALTY PERIOD, AND THE AMOUNT OF CHARGE FOR TREATMENT, ASSAYING, SAMPLING, MILLING SMELTING AND TRANSPORTATION, THAT THE METHODS OF DETERMINING THE ANALYSIS AND GRADES OF ORES MINED AND OF CONCENTRATES, MINERALS AND METALS TAKEN FROM ORES MINED FROM THE LEASED PREMISES AND SHIPPED THEREFROM, SHALL BE IN ACCORDANCE WITH ESTABLISHED AND CUSTOMARY PRACTICES.

OPERATIONS: ALL MINES ON SAID PREMISES SHALL BE OPENED, USED AND WORKED IN SUCH MANNER ONLY AS IS USUAL AND CUSTOMARY IN SKILLFUL AND PROPER MINING OPERATIONS OF SIMILAR CHARACTER WHEN CONDUCTED BY THE PROPRIETORS OR OTHER PRUDENT OPERATORS, AND SO AS NOT TO DO, CAUSE OR PERMIT ANY UNNECESSARY OR UNUSUAL PERMANENT INJURY TO THE MINE OR ANY IMPROPER INTERFERENCE OR HINDRANCE IN THE SUBSEQUENT OPERATION OF SAID MINE OR MINES.

TAXES, LIENS AND REGULATIONS: THE LESSOR AGREES TO PAY THE USUAL TAXES AND ASSESSMENTS ASSESSED AGAINST THE LEASED PREMISES AND ARISING OUT OF THE USE THEREOF BY THE LESSOR; BUT THE LESSEE SHALL PAY ALL OTHER LAWFUL PUBLIC TAXES AND ASSESSMENTS, WHETHER GENERAL, SPECIFIC OR OTHERWISE, ASSESSED AND LEVIED UPON OR AGAINST THE LEASED PREMISES INSOFAR AS HIS OPERATIONS ARE DIRECTLY CONCERNED, OR ON ANY ORES OR OTHER PRODUCT THEREFROM, OR ON ANY IMPROVEMENTS PLACED BY LESSEE IN ASSOCIATION WITH NORMAL MINING, MILLING OR PRODUCING FROM LEASED PREMISES. LESSEE AGREES TO ACCOMPLISH ALL OF HIS WORK AND OPERATIONS HEREUNDER FREE AT ALL TIMES FROM LIENS OF HIS LABORERS, CONTRACTORS, AND OTHERS AND TO COMPLY FULLY AT ALL TIMES WITH ALL APPLICABLE STATE AND FEDERAL LAWS AND REGULATIONS RELATIVE TO EMPLOYMENT, WORKMAN'S COMPENSATION, SOCIAL SECURITY, TAX WITHHOLDINGS, AND MINING LAWS, ARISING OUT OF HIS OPERATIONS HEREUNDER; AND TO SAVE LESSOR HARMLESS FROM ALL THEREOF.

TERMINATION: IT IS AGREED THAT THIS LEASE MAY BE TERMINATED AT ANY TIME BY THE LESSEE AS TO ALL OR ANY PORTION THEREOF BY GIVING LESSOR WRITTEN NOTICE OF SUCH INTENTION AT LEAST 60 DAYS PRIOR TO SUCH TERMINATION OR SURRENDER DESCRIBING THE LANDS TO BE SURRENDERED, AND LESSEE SHALL HAVE 90 DAYS FROM SUCH TERMINATION IN WHICH TO REMOVE ALL ENGINES, TOOLS, MACHINERY, BUILDINGS, STRUCTURES, RAILROADS OR MINE TRAMWAYS AND ALL OTHER PROPERTY OF EVERY NATURE AND DESCRIPTION ERECTED, PLACED OR SITUATED UPON SAID PREMISES BY THE LESSEE.

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ALBUQUERQUE, NEW MEXICO

DEFAULT: IT IS FURTHER AGREED THAT TIME IS OF THE ESSENCE OF THIS INDENTURE AND THAT IF THE ROYALTY HEREBY RESERVED, OR ANY PART THEREOF, BE AND REMAIN UNPAID AFTER THE DAYS AND TIMES ABOVE SPECIFIED, OR IF THE LESSEE SHALL FAIL TO KEEP ANY OF THE OTHER CONDITIONS HEREIN EXPRESSED, OR IF ANY FAILURE SHALL CONTINUE FOR 60 DAYS AFTER WRITTEN NOTICE FROM THE LESSOR SPECIFYING ANY SUCH DEFAULT, THEN AND IN THAT EVENT THE LESSOR MAY IMMEDIATELY ENTER UPON AND TAKE POSSESSION OF SAID PREMISES AND ANY ORES THEREON, AND DECLARE THIS LEASE TERMINATED. IT IS, HOWEVER, EXPRESSLY AGREED THAT ANY DEFAULT CLAIMED AND NOTED AGAINST LESSEE AS RESPECTS THE PAYMENT OF MONEY MAY BE CURED BY THE DEPOSIT IN A REPUTABLE BANK OR TRUST COMPANY OF THE AMOUNT IN CONTROVERSY IN ESCROW, SUBJECT TO NOTICE OF SUCH DEPOSIT TO LESSOR, AND TO REMAIN IN ESCROW UNTIL DECISION BY COURT OR ARBITRATORS AS THE PARTIES MAY ELECT.

EASMENT AND ACCESS ROADS: LESSOR HEREBY GRANTS TO THE LESSEE THE RIGHTS OF INGRESS AND EGRESS OVER LANDS SUBJECT TO LESSOR'S CONTROL IN THE VICINITY OF THE LEASED PREMESIS. LESSEE SHALL HAVE THE RIGHT AND PRIVELEDGE OF USING AND MAINTAINING THE ACCESS ROADS OF LESSOR AND ESTABLISHING NEW ROADS AND ROUTES.

DEPOSITORY BANK: THE STATE NATIONAL BANK OF EL PASO TEXAS IS HEREBY DESIGNATED AND ACCEPTED AS AGENT FOR RECEIPT OF ALL ROYALTY, AND OTHER PAYMENTS DUE FROM THE LESSEE TO THE LESSOR. SAID BANK OR ITS SUCCESSORS SHALL CONTINUE AS THE DEPOSITORY OF ALL OF SAID MONEYS, REGARDLESS OF CHANGES OF OWNERSHIP OF THE ROYALTY.

COUNTERPARTS: THIS LEASE MAY BE EXECUTED IN ANY NUMBER OF COUNTERPARTS EACH COUNTERPART TO BE SUFFICIENT AS AN ORIGINAL, WHETHER THE SAME IS EXECUTED BY ONE OR MORE OF THE PARTIES HERETO.

IN WITNESS WHEREOF THE PARTIES HERETO HAVE EXECUTED THIS INDENTURE THE DAY AND YEAR FIRST HEREINBEFORE WRITTEN.

"LESSEE"

PHILIP W. BECKLEY

"LESSOR"

Gertrude Attaway
Alice F. Attaway
Ethel Attaway Peck
Lessie Harlan
Vida Harlan
Leslie Harlan
Ulena Harlan

PHILIP W. BECKLEY
1100 JEFFERSON, NE
ALBUQUERQUE, NEW MEXICO

STATE OF NEW MEXICO
COUNTY OF _____

ON THIS _____ DAY OF _____, 1964, BEFORE ME PERSONALLY APPEARED PHILIP W. BECKLEY, 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 MY HAND AND SEAL THE DATE ABOVE WRITTEN

MY COMMISSION EXPIRES August 22 1964 William M. Batsel
NOTARY PUBLIC

STATE OF Texas
COUNTY OF El Paso

ON THIS 13th DAY OF February 1964, BEFORE ME PERSONALLY APPEARED Alice F. Hilaway, TO ME KNOWN TO BE THE PERSON(OR PERSONS) DESC= RIBED IN AND WHO EXECUTED THE FOREGOING INSTRUMENT, AND ACKNOWLEDGE THAT HE (SHE OR THEY) EXECUTED AS THE SAME AS HIS FREE ACT AND DEED.

MY COMMISSION EXPIRES 6-1-65 Beatrice Mial
NOTARY PUBLIC
BEATRICE MIAL
Notary Public
El Paso County, Texas

STATE OF Texas
COUNTY OF El Paso

ON THIS 13 DAY OF February, 1964, BEFORE ME PERSONALLY APPEARED Alice F. Hilaway, TO ME KNOWN TO BE THE PERSON DESCRIBED IN AND WHO EXECUTED THE FOREGOING INSTRUMENT, AND ACKNOWLEDGED THA HE, SHE, EXEC= UTED THE SAME AS HIS OR HER FREE ACT AND DEED.

MY COMMISSION EXPIRES 6-1-65 Beatrice Mial
NOTARY PUBLIC
BEATRICE MIAL
Notary Public
El Paso County, Texas

STATE OF California
COUNTY OF Los Angeles

ON THIS DAY, 19 OF THE MONTH OF February 1964, BEFORE ME PERSONALLY APPEARED Ethel Hawey Welch, TO ME KNOWN TO BE THE PERSON DESCRIBED IN AND WHO EXECUTED THE FOREGOING INSTRUMENT, AND ACKNOW= LEDGED THAT HE(SHE OR THEY) EXECUTED THE SAME AS HIS(HER ~~OR THEIR~~) FREE ACT AND DEED.

MY COMMISSION EXPIRES MARY ZYGLER, Notary Public in and for the County of Los Angeles, State of California My Commission Expires Feb. 2, 1967

Mary W. Zygler
NOTARY PUBLIC.

MARY W. ZYGLER
NOTARY PUBLIC-CALIFORNIA
PRINCIPAL OFFICE IN
LOS ANGELES COUNTY

STATE OF _____
COUNTY OF _____

ON THIS _____ DAY OF _____ 1964, BEFORE ME PERSONALLY APPEARED _____ TO ME KNOWN TO BE THE PERSON DESCRIBED IN AND WHO EXECUTED THE FOREGOING INSTRUMENT, AND ACKNOWLEDGED THAT HE EXECUTED THE SAME AS HIS OR HER FREE ACT AND DEED.

MY COMMISSION EXPIRES _____

NOTARY PUBLIC.

STATE OF _____
COUNTY OF _____

PHILIP W. BECKLEY
1100 JEFFERSON, NE
ALBUQUERQUE, NEW MEXICO

STATE OF California

COUNTY OF Santa Clara

On this 21st day of Feb., 1964, before me personally appeared Hilda Harlan & Leslie Harlan, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

Given under my hand and seal the date above written.

My Commission Expires: 7/9/65.

Notary Public

STATE OF California

COUNTY OF Santa Clara

On this 21st day of Feb., 1964, before me personally appeared Lenore Harlan, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that she executed the same as her free act and deed.

Given under my hand and seal the date above written.

My Commission Expires: 7/9/65.

Notary Public

STATE OF California

COUNTY OF Santa Clara

On this 21st day of Feb., 1964, before me personally appeared Elma Harlan, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that she executed the same as her free act and deed.

Given under my hand and seal the date above written.

My Commission Expires: 7/9/65.

Notary Public

PHILIP W. BECKLEY
1100 JEFFERSON, NE
ALBUQUERQUE, NEW MEXICO

PERMIT NO. M-57802 TO PROSPECT

Date March 3, 1965

WHEREAS, Philip W. Beckley of

Albuquerque, New Mexico, on the 8th day of February, 1965, filed in this office his application to prospect the following area for minerals other than oil, gas, coal, lignite, sulphur, salt, potash, shell, sand and gravel in accordance with the provisions of Article 5421c-7, V. C. S., as amended by Senate Bill 348, Acts of the 55th Legislature, 1957, and has paid the amount of $110.00 as rental provided by law.

Part	Sec.	Blk.	Tsp.	Cert.	Grantee	Acres	County
NW/4, NW/4 of NE/4, E/2 of NE/4, SE/4, SE/4 of SW/4	23 & 18	54 1/2		PSL		180 260	Culberson
					Total	440	

NOW THEREFORE, I, JERRY SADLER, Commissioner of the General Land Office of the State of Texas, do hereby issue to the applicant a permit to enter upon said land to prospect for minerals other than those herein named, for a period of one year from and after February 11, 1965.

None of the minerals shall be removed in commercial quantities from the area covered by this permit before a lease is issued.

If the owner of this permit should fail or refuse to prospect the area embraced herein within a reasonable time and in good faith, or if the owner or his authorized agent should make any false report concerning such prospecting, or should fail or refuse to furnish information concerning such prospecting or development of such area to the Commissioner of the General Land Office, or his representative, this permit shall become subject to forfeiture.

IN TESTIMONY WHEREOF, I hereunto set my hand and cause to be affixed the seal of said office on this the date first above written.

ACTING

JERRY SADLER, COMMISSIONER OF THE GENERAL LAND OFFICE

Approved
Audit
Legal
Geology
Execution
Engineering

PHILIP W. BECKLEY
1100 JEFFERSON, NE
ALBUQUERQUE, NEW MEXICO

AMERICAN SMELTING AND REFINING COMPANY

SOUTHWESTERN DEPARTMENT
BEN D. ROBERTS, MANAGER
K. D. LOUGHRIDGE, ASSISTANT MANAGER

P. O. BOX 1111
EL PASO 22, TEXAS
79999

EL PASO SMELTING WORKS
T. J. WOODSIDE, SUPERINTENDENT
ANDREW LIEBERT, ACCOUNTING MANAGER
R. E. REDMAN, SUPPLY AGENT

April 16, 1964

Mr. Philip W. Beckley
1100 Jefferson N.E.
Albuquerque, New Mexico

Dear Sir:

Attached is our Schedule No. 1071 covering the trial lot of ore from the Pecos and Diablo Mines. Also attached is a sample schedule to use for figuring in your tentative production of copper precipitates, and one for copper ore from the Hazel mine.

As mentioned to you, if you have a dependable tonnage of silicious copper ore for fluxing use, the base charge may be reduced as much as $2 per ton.

A copy of our standard release form is also attached, which should be filled out by you and forwarded to us at the time of making your trial shipment.

If we may be of any further help to you please feel free to call upon us.

Yours truly,

K. D. Loughridge

K. D. LOUGHRIDGE.

enc. 4

PHILIP W. BECKLEY
1100 JEFFERSON, NE
ALBUQUERQUE, NEW MEXICO

2

MATHIS AND MATHIS

MINING AND EXPLORATION
P. O. Box 452 — Phone 538-9453
SILVER CITY, NEW MEXICO

July 2, 1965

Mr. Philip Beckley
1100 Jefferson NE
Albuquerque, N. M.

Dear Mr. Beckley:

Our quotation for diamond drilling for AX core at the Hazel mine near Van Horn, Texas, is as follows:

0 to 300 feet	$8.00 per foot
300 to 500 feet	8.25 " "
500 to 700 feet	8.50 " "
Cementing and drilling out cement	10.00 per hour
Reaming and casing cost of casing if it is left in hole.	2.50 per foot, plus

It is our understanding that you will provide the drill sites and that water is available for drill use on the property.

We will post no bond and may withdraw without penalty in the event that the first 30 days operation produces a financial loss.

This quotation is higher than our usual bid. This difference is due to our experience with formations similar to the Hazel sandstone.

Respectfully submitted,

P. W. Mathis

Mathis & Mathis

NOTE: IN TELEPHONE CONVERSATION, MR. MATHIS INDICATED THAT THE BID FOR DRILLING ON THE PECOS-DIABLO PROPERTIES WOULD BE THE SAME AS SUBMITTED FOR THE HAZEL PROJECT.

PHILIP W. BECKLEY

PHILIP W. BECKLEY
1100 JEFFERSON, NE
ALBUQUERQUE, NEW MEXICO

BYRL BINKLEY
Drilling Contractor
PIER HOLES · BELL BOTTOMS · FOUNDATION TESTING · CORE DRILLING
PHONE 598-7592 8026 NORTH LOOP ROAD EL PASO, TEXAS - 79915

July 12,1965

To:
Mr. Phillip Beckley
311 Washington St. (SE)
Albuquerque, New Mexico.

Subject:
CORE DRILLING
PECOS MINE
Near Van Horn, Texas.

I have figured this job very carefully and will undertake the work on the following basis.

1. WORK - will furnish drilling rig, labor, tools, materials, bits and supervision to do job. Will operate rig Six (6) days per week.

2. PERIOD - will begin work within Ten (10) days from the date of notification of acceptance of this proposal.

3. TERMS of PERFORMANCE: Per Lin Ft.
Core Drilling - AX (1-1/8 core) ---------- $ 6.10

The above price includes , boxes for core, hauling water, setting up rig, dismantling rigto move, and moving from hole to hole. Also all cement, drilling cement, reaming, setting and removing casing, and lost casing. Also Mobilization & Demobilization.

4. Phillip Beckley guarantees a minimum of 3,500 feet of drilling. Also, no one drill hole will exceed a depth of 750 feet.

5. Byrl Binkley - Drilling Contractor has the option of withdrawing from this contract after a total of 4,000 feet has been drilled.

6. No information regarding the records and results of this drilling will be given to any party, by Byrl Binkley, Drilling Contractor.

7. PAYMENTS - The payments for the described work are to be made on the 10 of each month for all invoices rendered for work done up to the end of the previous month.

Yours very truly

Byrl Binkley

Byrl Binkley

PHILIP W. BECKLEY
1100 JEFFERSON, NE
ALBUQUERQUE, NEW MEXICO

INFORMATION FILE 22 NOV. '64

PHILIP WESLEY BECKLEY

BIRTH: 12 Nov. 1921 Hood River, Oregon
SCHOOL: Alamo Heights High School, San Antonio, Texas
COLLEGE: Texas A. and M. College, College Station, Texas
DEGREE: B.S. In Geology, 1947.

MILITARY: Entered service Jan. 1943, Tank Destroyer O.C.S., Pacific Theater, Phillipine Isl., Japanese occupation.
Rank: Captain, Field Artillery Reserve

LANGUAGE: Read, write and speak fluent Spanish
Read some German.

EMPLOYMENT: From 1947 thru 1951, Gulf Oil Corporation, Fort Worth Division, under H. M. Bayer, Vice President.
From 1951 to present, consulting geologist, working in both minerals and oil. The following companies or individuals have been clients in the past:

UNION OIL COMPANY OF CALIFORNIA, ABILENE DISTRICT,
Mapping areas of West Texas and Southeastern New Mexico under supervision of Mr. Sam Geisey, General Manager.

WESTEX OIL COMPANY (SHELL DISTRIBUTOR)
Evaluation of oil and gas reserves in various West Texas counties. A. Groebl.

RICHARDSON AND BASS OIL CO., FORT WORTH NTL.BANK BLDG., FT. WORTH
Detail mapping of areas of Osage County, Oklahoma and mineral work in Gunnison County, Colorado.

NEVILLE G. PENROSE, FAIR BLDG., FORT WORTH, TEXAS
Evaluation of the reserves of New England Fuel Oil in the Panuco Field, Estado de VeraCruz and Tamaulipas, Mexico.

J. M. HUBER CORPORATION, 2401 E. 2nd Street, DENVER, COLORADO
Evaluation of minerals and oil possibilities concerning certain properties of West Texas. Phil Dana, V. Pres.

T.X.L. OIL CORPORATION
Valuation and recommendation of 4 million acres of West Texas concerning oil and hard minerals (Texas and Pacific Land Sur.) Under Supervision of Wayne Z. Burkhead, V. President.
The T.X.L. is now owned by Texaco, Inc.

PHILIP W. BECKLEY
1100 JEFFERSON, NE
ALBUQUERQUE, NEW MEXICO

VANCE THORNBURG [illegible] AL., GUNNISON, COLORADO
Oversee and supervision of drilling operation in area of Western Colorado, concerning drilling of wild cat wells.

ASHMUND AND HILLIARD, LTD., MIDLAND, TEXAS
Supervision of gas well in Big Piney field of Western Wyoming.

AMBASSADOR OIL CORPORATION, FORT WORTH, TEXAS
Geological work in reference to well drilled in the Huelet Area of Northeastern Wyoming (Black Hills).

HEALD PROJECT LTD: 611 Continental Life Bldg., Fort Worth, Texas
Exploration and development in most of the Rocky Mountain States concerning minerals, acquisition and valuation.

CONTINENTAL MINERALS INC., FORT WORTH, TEXAS
Valuation of Talc, Barite and other minerals in West Texas concerning erection of mill and operation of mining operation.

FRANK H. CARPENTER ENTERPRISES, SOUR LAKE STATE BANK, SOUR LAKE, TEX.
Valuation and examination of mining properties in the states of Chihuahua, Durango, and Zacatexas, Mexico.

REFERENCES:

Mr. George Wilson, President, Lone Star Steel, Dallas, Texas

Mr. H. B. Fuqua, Chairman of the Board, Texas and Pacific Oil Co., Fort Worth National Bank Bldg., Fort Worth, Texas.

Dr. K. C. Heald, Petroleum Consultant, 611 Continental Life Building, Fort Worth, Texas.

Dr. Peter T. Flawn, Director of Bureau of Economic Geology, University of Texas, Austin, Texas

Mr. Phil Dana, Vice President, J. M. Huber Corporation, 2401 East 2nd Street, Denver, Colorado

Mr. Bob Adams, President of Western Nuclear Corporation, Denver, Colorado

Mr. Hunter Ackard, General Agent, Texas and Pacific Land Trust, Davis Building, Dallas, Texas

Mr. Henry McCabe, Vice President, Heart of Texas Mining Company, Fidelity Union Tower, Dallas, Texas

Mr. John McNabb, Chief Mining Engineer, Texaco Inc., Midland Savings Building, Midland, Texas

PHILIP W. BECKLEY
1100 JEFFERSON, NE
ALBUQUERQUE, NEW MEXICO

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
9/8	Murphy	120
	Sir says	130
9/9	Johnson	110
	Weeks	220
9/10	Cryer	
		110
		220

SEP 13 1965

Mr. Philip W. Beckley
311 Washington S. E.
Albuquerque, New Mexico

Re: OME-6494 (Silver-Cadmium)
Philip W. Beckley
Diablo and Copper Queen Claims
and State Lands
Culberson County, Texas

Dear Mr. Beckley:

Careful study of your application for financial assistance in exploring the subject property and of other information available to us indicates that the probability of disclosing significant silver-cadmium ore reserves on the property is not sufficiently promising to justify Government participation in the proposed exploration. Accordingly, we regret to inform you that your application for exploration assistance is denied.

Sincerely yours,

(signed) FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

H.M.Murphy/mm (9/8/65)
cc: Director's Reading File
Division File
Economic Geology File
✓OME File
OME Reading File
Region III
Mr. Selfridge
120M

23263

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
		L
	KL	

September 8, 1965

Memorandum

To: The File

From: F. M. Murphy, Mining Engineer

Subject: OME-6494 (Silver-Cadmium)
Philip W. Beckley
Diablo and Copper Queen Claims
and State Lands
Culberson County, Texas

Justification for Denial of Application

The Applicant proposes a program of 10 diamond drill holes totaling 3,470 feet from the surface to explore two parallel veins for silver, cadmium, lead, copper, and zinc. The total cost is estimated at $26,567.00.

One vein was explored by a 20-foot shaft, the other vein by two shafts about 1,900 feet apart. These two shafts are 100 feet and 200 feet deep, respectively. Some drifting was done from each shaft on levels spaced at 50-foot intervals. The widths of the veins were not given.

The Applicant did not submit copies of liquidations for ore shipments but did submit assays for 5 small shipments totaling 148.94 tons. In regard to cadmium, the assays for only three lots were given. Excluding cadmium, the averages for these 5 shipments show values of $71.40 per ton for lead, copper, and zinc, and $1.91 per ton for silver. The three cadmium assays show 0.30, 1.80, and 0.50 percent or an average of 0.63 percent.

At smelters and refineries where cadmium is paid for the contract usually deducts 0.25 percent from the head assay and liquidates the remainder at the market price less 50 cents per pound. Calculated at the market price for August 1965 ($2.45), cadmium would be paid for at $1.95 per pound, or an average of $14.82 per ton of ore in

the above mentioned shipments. The combined average value of the silver and cadmium is $16.73 per ton of ore. This is a ratio of 1 to 4.3 in comparison to the value of the base metals in the ore; hence, the application must be denied because the principal values in the ore are represented by ineligible metals.

In regard to marketing cadmium ore, in some cases the smelters do not pay for this element; and if so, in addition to the deductions listed above, it is paid for at only 70 percent of the market price.

F M Murphy

F. M. Murphy

FMMurphy/mm
cc: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File

Work sheet - Denial

OME-6494 - ore shipments

Tons year	Ag. oz	Pb. %	Cu. %	Zn. %	Cd. %
20.24	2.90	0.710	7.40	03.0	not run.
18.80	1.9	17.90	5.22	16.0	" "
48.00	1.3	21.10 ✓	3.90	09.0	0.30
36.90	1.2	06.60	2.35	27.6	1.80
25.00	0.8	06.60	4.65	35.0	0.50
Averages	1.48 oz.	6.32%	4.28% +	8.05%	0.63%
Tons (148.94)	221.00	941564	638077	1198.96	93.32
			93.32		
			109.90+		

0.63
- 0.25
0.3 Ag. pay
Ag 7.6 lbs. Cd.

	lbs		$		
					16.10
Pb.	126.5	x	0.15	=	$18.96
Cu.	85.6	x	0.34	=	29.10
Zn.	161.0	x	0.145	=	23.34
			Avg.		$71.40

Cadmium

Sly ore averages 0.50% Cd.

most smelter contracts deduct 0.25% from assay leaving 0.38% or 7.6 lbs./ton values.

Pay rate is market value less 50 cents/lb.

E.M.J., Aug 30, 1965 — $2.45/lb. less 50¢ = $1.95/lb.

Cd value = $1.95 x 7.6 lbs = $14.82/ton of ore

Ag value = $1.293 x 1.48 oz = $1.91/ton of ore.

Cadmium & silver Total $16.73/ton

Base metals " $71.40/ton.

ratio # 1 to 4.3

September 2, 1965

Mr. Philip W. Beckley
311 Washington S. E.
Albuquerque, New Mexico

Subject: OME - 6494

Dear Mr. Beckley:

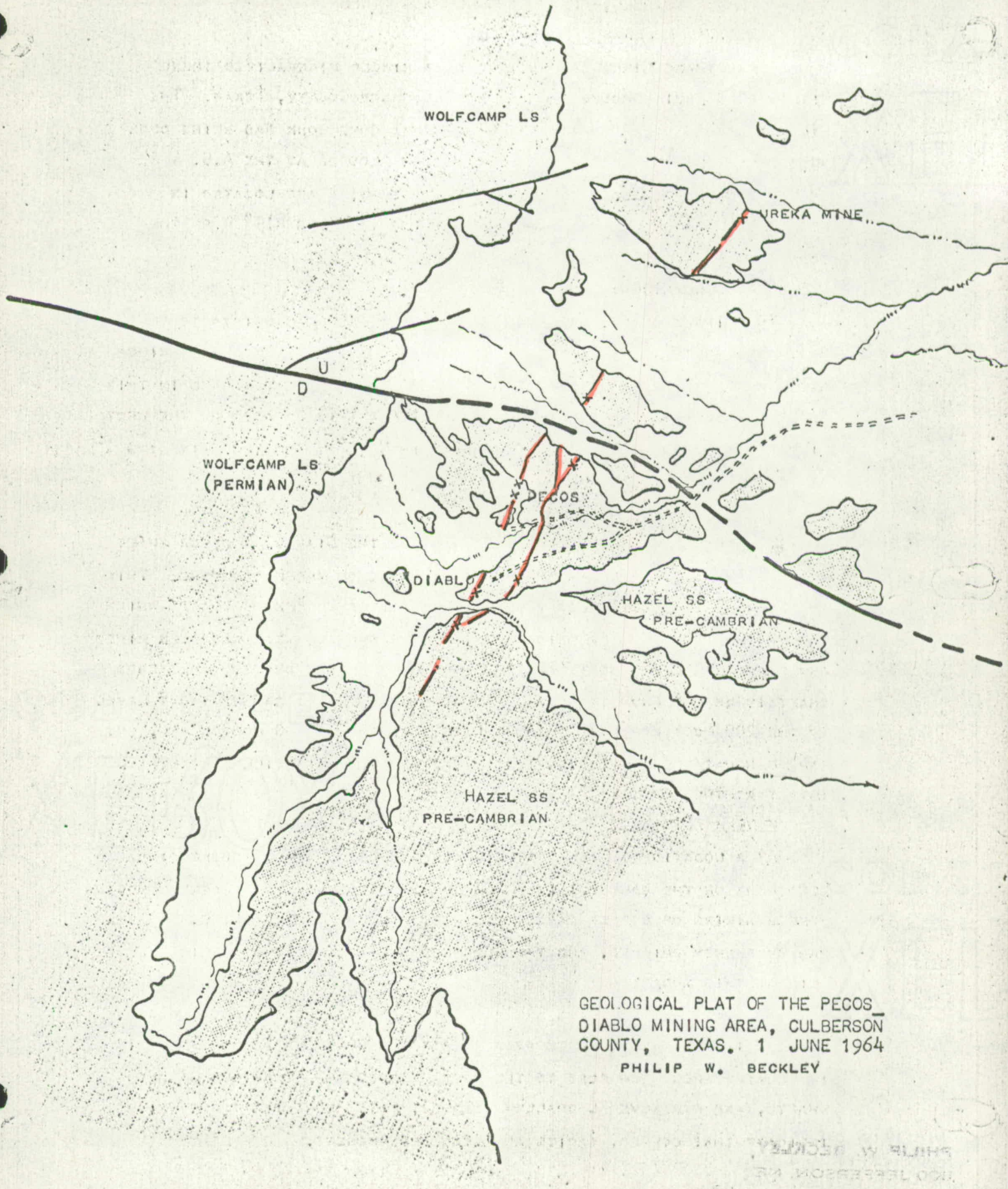
Your application for exploration assistance, dated August 10, 1965, submitted to our office at Denver, Colorado, has been assigned Docket Number OME - 6494.

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

Sincerely yours,

Frank E. Johnson
Chief, Office of
Minerals Exploration

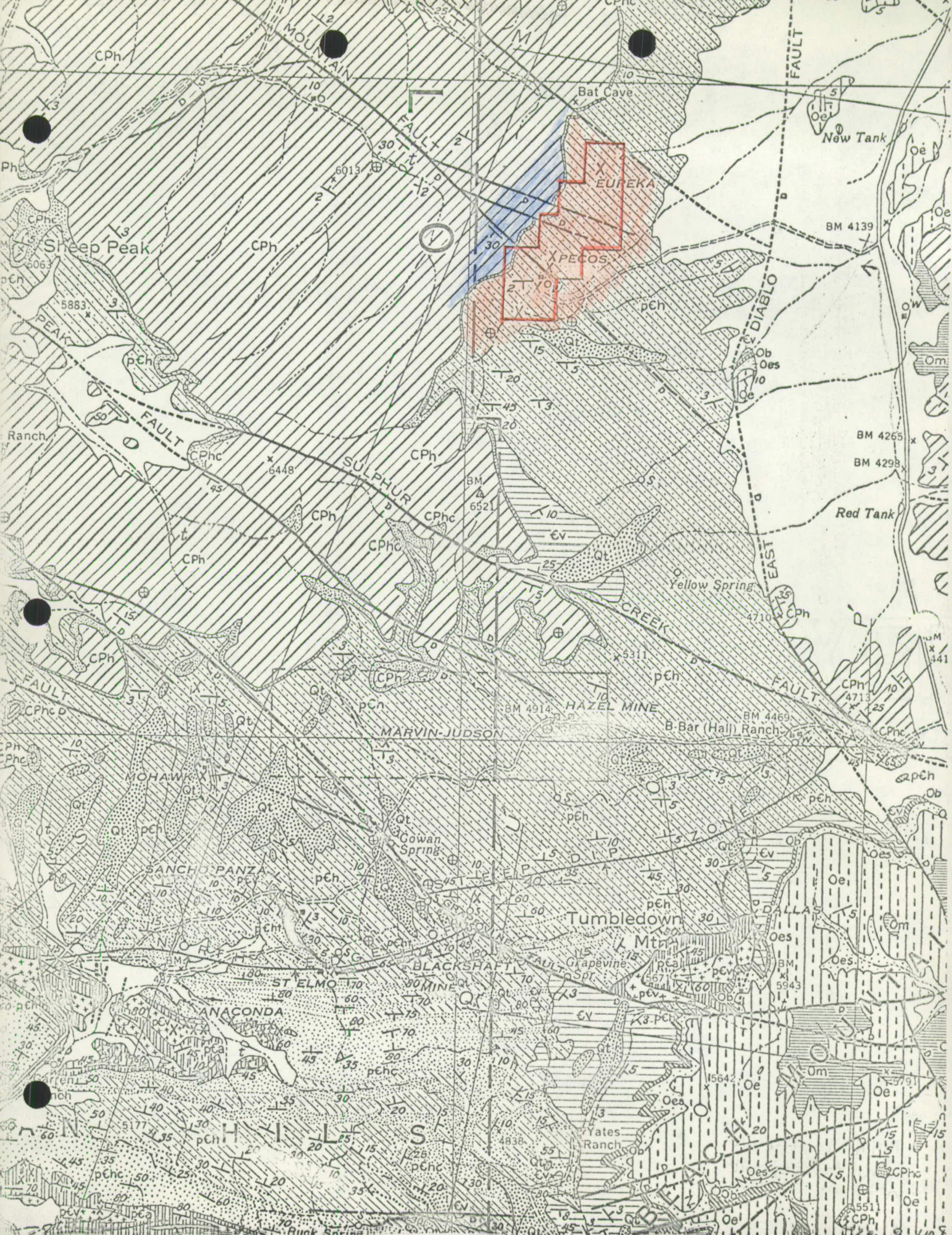
Copy to Region III



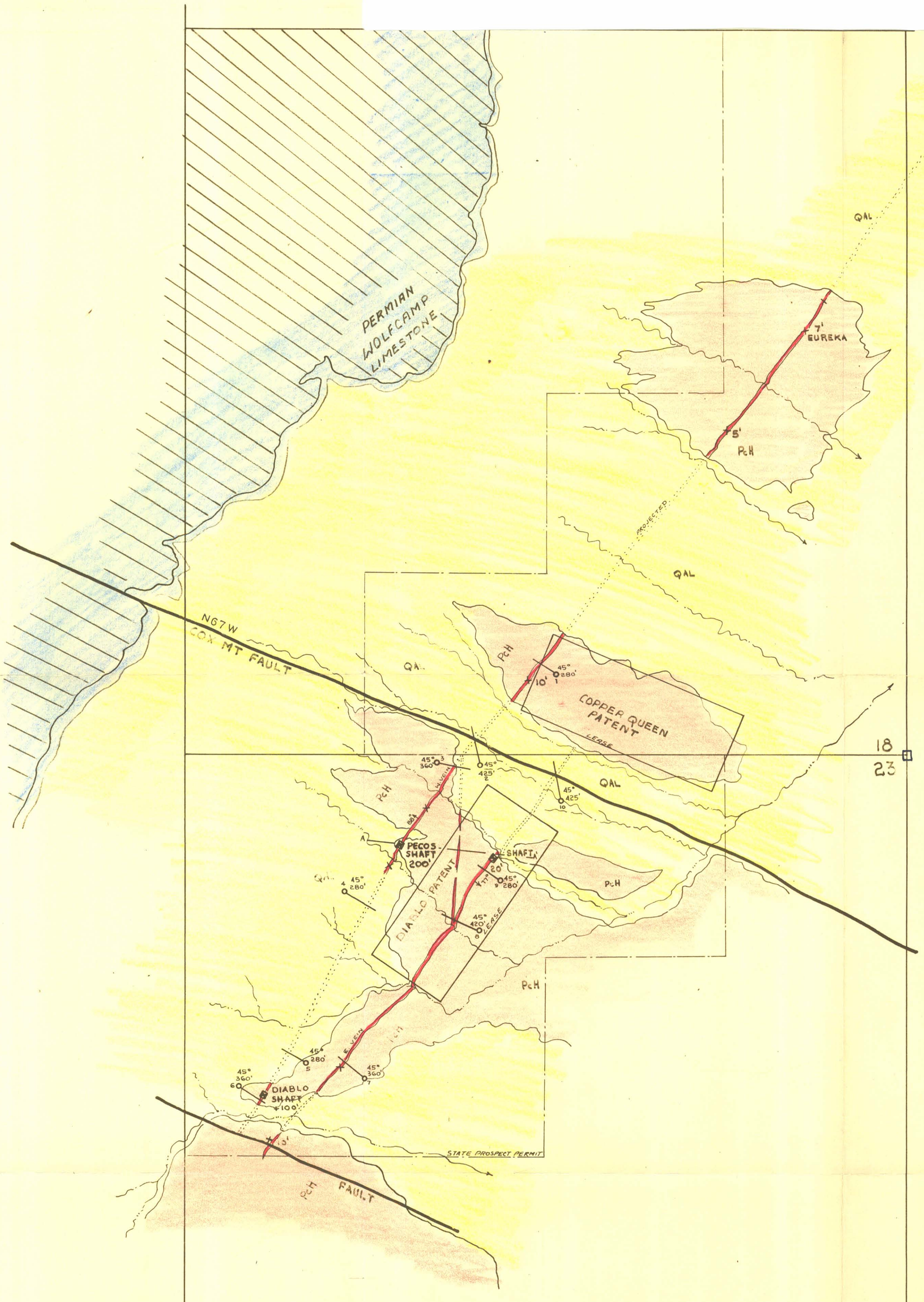
GEOLOGICAL PLAT OF THE PECOS-DIABLO MINING AREA, CULBERSON COUNTY, TEXAS. 1 JUNE 1964

PHILIP W. BECKLEY

PHILIP W. BECKLEY
1100 JEFFERSON, NE
ALBUQUERQUE, NEW MEXICO

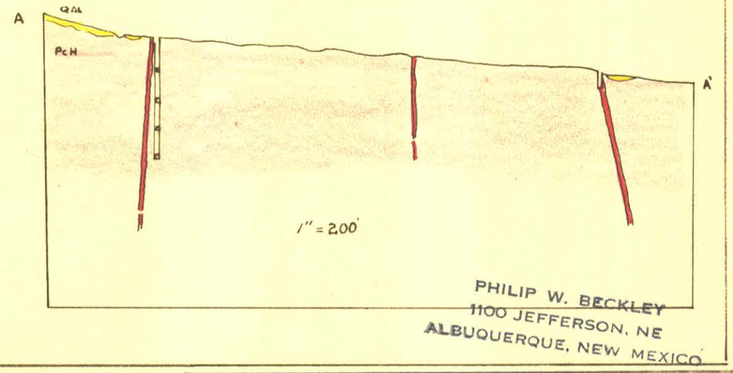

MOUNTAIN
FAULT
Bat Cave
New Tank
EUREKA
PECOS
BM 4139
Sheep Peak
6063
5883
PEAK
DIABLO
FAULT
EAST
Ranch
FAULT
SULPHUR
6448
BM 6521
BM 4265
BM 4298
Red Tank
Yellow Spring
CREEK
4710
5311
FAULT
FAULT
BM 4914
HAZEL MINE
BM 4469
B-Bar (Hall) Ranch
MARVIN-JUDSON
MOHAWK
Cowan Spring
SANCHO PANZA
Tumbledown Mtn
DALLAS
BLACKSHAFT
MINE
Grapevine Spr
ST ELMO
ANACONDA
5671
5943
5642
5177
4838
Yates Ranch
5511

PHILIP W. BECKLEY
1100 JEFFERSON, NE
ALBUQUERQUE, NEW MEXICO



GEO MAP OF SECTIONS
18 23 BLK 54 1/2 IN
CULBERSON CO, TEXAS
LEGEND
PROPOSED DRILL HOLE
45° 300'
SHAFT
PROSPECT PIT
SCALE 1 IN = 500 FEET
7 JUNE 1965
PHILIP W BECKLEY
GEOLOGIST

OFFICIAL COPY
O. M. E.
RECEIVED
SEP 20 1965
INITIALS | CODE



PHILIP W. BECKLEY
1100 JEFFERSON, NE
ALBUQUERQUE, NEW MEXICO