MME Form 9
Rev. Mar. 59

UNITED STATES
DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration
GEOLOGICAL SURVEY

OFFICIAL DOCKET FILE

Contract No. 14-23-_____ Docket No. MME-_____

Application
- [ ] Denied
- [x] Withdrawn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

52625

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

RECEIVED NOV 1 1965 INTERIOR

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.)*

Western Exploration Corporation
551 West Greenwood Drive
Brigham City, Utah

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER 6513

DATE RECEIVED 11/1/65

REGION 111

DIVISION CODE

BUSINESS ORGANIZATION *(Check one)*

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

STATE IN WHICH FIRM IS ORGANIZED Utah

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
Blair Sorensen	Brigham City, Utah	President
Steve Anderson	Brigham City, Utah	Secretary

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE
silver

ESTIMATED COST OF PROJECT
$ 325,000.00

PROPERTY NAME	LOCATION COUNTY	STATE
State School Lease	Box Elder	Utah
Mogul Claims	Box Elder	Utah

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.

Oct 27, 1965
DATED

Blair Sorensen
Blair Sorensen BY *(Signature)*

TITLE President

Western [redacted] Exploration Corp.

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

INFORMATION REQUIRED WITH THIS APPLICATION

1. Financial Eligibility:

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

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

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

2. Applicant's Rights in Land:

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

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

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

3. Physical Description:

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

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

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

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

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

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

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

4. Accessibility of Property:

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

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

5. Exploration Work:

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

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

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

6. Experience:

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

7. Estimate of Costs:

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

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

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

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

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

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

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

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

INT.-DUP. SEC., WASH., D.C. 11879

1. FINANCIAL ELGIBILITY

(A) Enclosed are the original letters in triplicate, requesting credit from the First Security Bank of Utah, Brigham City Office and the Bear River State Bank, Tremonton, Utah for the proposed exploration program. These letters are dated 26 July 1965. The reply from the Bear River State Bank was dated 6 Aug. 1965 and from the First Security Bank 7 September 1965. Both were in the negative. Triplicate copies of these letters are enclosed.

(B) There are no affiliated or parent companies or organizations associated with the company submitting this application, nor is there any company or organization which has a controlling interest in the applicant company.

(C) We propose to furnish our share of the cost of exploration work by furnishing equipment and facilities listed in Appendix A with estimated fair rental value, and by working at reduced wages as necessary to cover the balance required to make up the 25% of the total estimated cost. The equipment will be furnished by individual members of the Corporation and not by the Corporation itself, since the Corporation has no assets other than the property where the exploration work is to be done. A schedule of the estimated labor costs is attached as Appendix B. The job positions marked with an asterik will be filled in whole or in part by members of the company applying for this loan.

2. APPLICANTS RIGHTS IN LAND

(A) Two separate properties are included in this application. The first is the SW 1/4 of Section 16 T 10 N, Range 16 West, SLB and M and is held by mineral lease from the State of Utah. The address is State of Utah, Utah State Capitol Building, Salt Lake City, Utah. A copy of subject lease is attached as Appendix C. There are no liens, mortgages or other encumberances on this property so far as the applicant is aware.

The second property consists of seven unpatented mining claims, all of which were filed by Messers Steve Anderson and Blair Sorensen and deeded to the company applying for this loan. This deed was recorded on 23 Aug. 1965 in book 3 (mining), page 601, at the Box Elder County Recorder's Office, Brigham City, Utah.

(B) The first property consists of 160 acres more or less covered by mineral lease ML 20862 with the State of Utah, specifically the SW 1/4 Section 16, T 10 N, R 16 W, SLB and M. This is known as the State School Lease.

The second property consists of seven unpatented mining claims, located in Sec 12, T 10 N, Range 16 W, SLB and M. These claims are listed below along with the name of each claim, the book and page number where recorded and date of recording.

Claim No.	Name of Claim	Recorded Book	Page	Date
1	Mogul #1	3 (Mining)	546	12 July 1965
2	Mogul #2	3 (Mining)	547	12 July 1965
3	Mogul #3	3 (Mining)	548	12 July 1965
4	Mogul #4	3 (Mining)	549	12 July 1965
5	Mogul #5	3 (Mining)	550	12 July 1965
6	Mogul #6	3 (Mining)	551	12 July 1965
7	Mogul #7	3 (Mining)	552	12 July 1965

All claims were recorded at the Box Elder County Recorder's Office, Brigham City, Utah. These claims are known collectively as the Mogul Claims.

(C) A subordination agreement could not be obtained from the State of Utah on the SW 1/4 of Sec 16. The original and one verifax copy of this letter of refusal are enclosed as Appendix D.

3. PHYSICAL DESCRIPTION

a-1) SW 1/4 Sec 16, T 10 N, R 16 W, SLB and M

A vein of ore can be followed running from approximately the SW corner of said parcel in a north, northeasterly direction. Four prospect holes have been dug along this vein . The first and lowest one is approximately 800 feet from the north line of the quarter section and consists of two parts. The first is an incline shaft (approximately 30° incline from the surface) going in an easterly direction. The second part is a drift going into the hillside, following the general direction of the vein (SSW). Each of these diggings is approximately 25 ft. in length.

The second prospect hole is approximately 500 feet SSW from the first, along the vein and up the hillside. It is a vertical shaft approximately 16 feet deep.

The third prospect hole is approximately 300 feet south southwest from the second hole further along the vein and up the hillside. This is a vertical shaft approximately 10 to 12 feet deep with a 30° incline shaft at the bottom going off in a westerly direction. The incline is about 40 feet in length from the bottom of the vertical shaft.

The fourth prospect hole is approximately 250 south southwest of the third hole further up the hill. This is a small depression in the hillside hardly more than four feet deep. However, some minerals can be observed in the exposed formation.

There are no production facilities on the property and no roads which reach to any of the present diggings.

There is another vein which seems to parallel the first one, which is approximately 500 feet from the first in a southeasterly direction. There is one prospect hole on this vein which is approximately twenty feet deep.

An overlay map marked as Figure 1 shows this property with the approximate positions of the prospect holes indicated.

a-2) Seven unpatented mining claims in Section 12, T 10 N, R 17 W, SLB and M.

A vein or mineralized zone can be followed across Section 12 running in an east northeasterly direction. This outcrops at widely scattered points.

Along this zone are five diggings, three of which might be classed as prospect holes and the other two are connected and may have produced ore at some time in the past.

The first hole begins approximately 350 feet from the west line of Section 12. It goes into the hillside on a level grade in a east northeast direction and intersects hole number two which is a vertical shaft from above. The intersection is approximately 35 feet from the tunnel opening. This tunnel continues on for another 15 feet (approximately) at which point it makes a 90° turn to the left. It goes left (generally NW) for approximately 20 feet, then opens out into a

fairly large room. In the center of the room is a vertical shaft which goes down about 5 feet then inclines (30° down) off to the left (WSW) for about 30 feet. At the bottom of the incline a tunnel goes to the right for a few feet then opens out into a small room. To one side of the room is a vertical shaft which goes down approximately 35 feet.

The third digging is a vertical shaft approximately 70 feet deep. It is along the mineralized zone approximately 100 feet east northeast from the second hole.

The fourth digging is a prospect hole which is approximately 8 feet deep. Five feet wide and 15 to 20 feet along the vein. It is about 200 feet east northeast from #3.

The fifth digging is a prospect hole approximately 6 feet deep. It is along the mineralized zone about 1000 feet east northeast of hole #4.

An overlay map marked as Figure 2 shows this property with the approximate positions of the prospect holes indicated.

3-b) The applicant for this loan has had no interest in the previous exploration or mining work.

3-C) The applicant has no previous knowledge of past production on either of the subject properties.

3-d) The ore reserves on these properties are unknown and in their present state of development there can be no absolute assurance that substantial quantities of ore will be found, however, the possibilities appear very promising.

3-e) The geologic features of the two properties are shown in Figures 1 and 2. The geologic formations are taken from GEOLOGIC MAP OF NORTHWEST UTAH Complied by W. L. Stokes and published in 1963.

3-f) The ore outcrops on the surface at several places on both properties, so the presence of ore is definitely established. However, whether there is sufficient ore of commercial grade to make an economic mining operation has never been determined.

Some sampling of the old diggings has been done. The locations from where these samples were taken are shown on the maps of Figures 1 and 2.

Two assay sheets marked Assay #1 and Assay #2 are attached. Assay #1 is from a grab sample taken from prospect hole number 3 on the State School Lease. Assay #2 is from a grab sample taken from prospect hole number 4 on the Mogul #1 claim (Mogul Mine).

Other assays have been obtained from various samples from both properties over the past two years, but have been lost or misplaced. In general the assays show 8 to 30 oz. of silver per ton and 2 to 12 percent lead.

In addition to the regular fire assays made by commercial assay offices, Mr. Blair Sorensen has had access to an Emission Spectrograph and has run many different samples from both properties. The silver results were generally too high to be considered seriously, whereas, the lead results were comparable with those from the fire assay. However, other metals which showed up on the Spectrograph and could have a significant bearing on the economics of a mining operation were tin and bismuth.

3-g) Two copies of a geologic report prepared by Russell Rasumssen of Perry, Utah are enclosed. This report gives the general geology of both areas as well as a few specific details concerning each property. This report is marked as Appendix E.

4. ACCESSIBILITY OF PROPERTY

a) The contact man for this company will be Blair Sorensen, 551 West Greenwood Drive, Brigham City, Utah. The phone number is 723-7860.

To reach the property follow highway 30S northwest toward Snowville, Utah. Go 18 miles past Snowville, Utah to where Highway 70 branches off the main highway at Curlew Junction. Follow Utah Highway 70 south and west towards the Nevada border. Go past Park Valley, Utah 21 miles to a small sign on the right side of the road marked "Rosebud Ranch" with an arrow to the right. Beyond this point it would probably be best to have a guide, however, a rough map is attached as Appendix F.

Both properties are accessible throughout the major part of the year. Exceptionally heavy snow could limit access to Section 16 for short periods during the winter. Normal amounts of snow would probably prohibit access to Section 12 during the months of December, January and February.

A rough jeep trail leads to both properties that is passable by a four wheel drive vehicle during most of the year.

b) The nearest railrod shipping point to the properties is Lucin, Utah, which is approximately thirty-five miles by jeep trail and road. The normal supply point would be Tremonton, Utah, which is approximately 105 miles from Section 16 and 120 miles from Section 12.

5. EXPLORATION WORK

5-a) The proposed exploration work consists of thirty three thousand five hundred (33,500) of diamond drill hole with minimun size of 1-1/8 inch; six hundred (600) feet of shaft six by six (6x6) feet; and eighteen hundred (1800) feet of trenching six feet wide by ten feet deep. The proposed work is shown on the attached maps of Appendix G. While specific locations and depths are shown for each drill hole it is planned to use this as a general pattern only. The exact location of each hole will be determined by the geological features encountered. The depth of the drill holes may vary, depending upon the geological or mineralized formations which are encountered during the course of the drilling. However, a total of thirty three thousand five hundred (33,500) feet of drill hole will be completed on the two properties.

The eighteen hundred feet of trenching is intended to explore only the upper surface of the two properties. It will traverse a section on each property where one or more outcrops are presently known. Therefore, it will be started as shown, but after the known outcrops have been cut it may be necessary to change the location of the outer portions of the trench to obtain the greatest amount of useful information.

The vertical shafts will be dug, beginning at the points shown on the attached layout of Appendix G. However, the purpose of this work is to follow the changing dip of the mineralized zone which outcrops at the surface. For that reason some of the shaft may vary somewhat from the vertical. If the mineralized zone or vein is lost during the course of the shaft excavation, a new location would be chosen along the mineralized zone at the surface and the remaining shaft footage would be completed.

5-b) In order to move equipment onto the property without great difficulty some portions of the present roads or trails would have to be improved. These sections are shown in red and blue on the map of Appendix F. This would involve a total distance of approximately 24,000 feet and would involve bulldozing and/or grader work. Nearly 5 miles

In addition to the construction work necessary to provide good access to the property, approximately 40,000 feet of road will have to be roughed out of the mountaineous area to provide access to the drill and shaft sites and trenching area. Nearly 8 miles

5-c) If an O. M. E. contract is executed for this exploration work, it would be commenced within thirty days unless held up by extremely adverse weather conditions (winter). But since initial camp preparation would be necessary this could be done in the interim.

It is estimated that the work will take twenty seven months to complete from the starting date.

The estimated rate of progress for each type of work is as follows:

Diamond Drilling - 1760 feet per month

Trenching (6' wide by 10' deep) - 300 linear feet per month

Shaft digging (6' x 6') - 300 feet per month

To accomplish the above work, extensive preliminary effort must be expended such as surface examination and surveying, drill site layout and site access road work. Except for the initial effort required to set up the equipment on the first drill site the above work will be done concurrently with the actual drilling or digging. Naturally each site must be surveyed and an access road built prior to moving in with the drilling or blasting equipment.

6. EXPERIENCE

The members of the company applying for this Exploration Loan have had extensive experience in mining, geology and construction work, primarily in the construction field.

Mr. Steve Anderson has worked in a mine and quarry as operator and owner for over five years.

Mr. Blair Sorensen who will supervise and have over-all responsibility for the exploration work, has owned and operated a clay pit, rock quarry and mine. The latter two in conjunction with Mr. Anderson. He has also been a private contractor and has been directly responsible for land development and subdivision layout including street development, water and sewer line installation and road and sidewalk paving. He is presently employed at Thiokol Chemical Corporation as an Engineer.

Mr. Russell Rasmussen is a graduate geologist.

7. ESTIMATE OF COST

7-a) At the present time no contracts with independent operators are anticipated.

7-b) Personal Services - (27 months employment)

*1.	Consulting geologist (part time)	500.00/month
2.	General Supersivor (full time)	1500.00/month
3.	Driller, blaster, dozer operator lead man (full time)	1000.00/month
4.	Drillers helper, dozer operator (full time)	700.00/month
*5.	Bookkeeper, supply chaser (full time)	500.00/month
6.	Handyman, welder, cook, mechanic (full time)	600.00/month
7.	Assayer (full time)	1200.00/month
8.	Truck driver for water truck (full time)	500.00/month
	Total monthly labor	6500.00

*Supervision-available-27 month requirement

1 man full time - general supervisor 1500.00/month

Geological service - available 27 month requirement

1 man part time (consulting geologist) 500.00/month

Engineering (assayer and chemist) 27 month requirement

1 man full time 1200.00/month

Man for this job not presently available. He would have to be hired out of a large population center.

Labor (including bookkeeping) - 27 month requirement

5 men

The bookkeeper is available

The other four men would have to be hired (except for part time help, from other members of the corporation)

7-c) Operating Material and Supplies

1.	Food and misc. supplies	460.00/month
2.	Gas, oil, grease, etc.	350.00/month
3.	Drill bits, drill rod, dynamite (drilling, blasting, digging supplies)	1150.00/month
4.	Maintenance supplies for crawler w/dozer 3 trucks compressor, drill, rig, etc.	325.00/month
	Total Operating Supplies	2285.00/month

7-d) Operating Equipment	Rental
T.D. 9 International Crawler w/dozer and loader	450.00
1-1/2 ton flat bed truck w/ [illegible] ([illegible])	120.00

50

3/4 ton 4 x 4 International or equivalent	150.00
Compressor w/jack hammer	250.00
Drill rig	600.00
Assayers outfit (complete)	400.00
Electric light plant (for trailers or cabins)	50.00
Power unit, electric (for equipment oper.)	50.00
Welding outfit, portable	45.00
Greaser unit w/gas powered compressor	40.00
Trailer mounted water tank (culinary water)	40.00
1-1/2 Ton Truck with water tank (drilling water)	150.00
Trailer mounted fuel tank	80.00
Mechanics Tools & Maint. stands	75.00
Air tugger	50.00
Cabin with cooking, eating and sleeping equipment for 6 men or two 10' x 50' house trailers	200.00

Office equipment

Electric typewriter	25.00
Adding Machine	15.00
Filing cabinet	10.00
Office Desk	15.00
Secretarial Desk	12.00
Misc. Supplies	23.00

Total Equipment Rental 2850.00/month

7-e) None

7-f) (1) Tool and storm shelter and equipment shed, skid mounted $500.00

This would be a metal and lumber shed, approximately 10' x 14' mounted on skids so that it could be moved to the most covenient spot on either property.

7-f) (2) Steel head frame with power winch (for shaft digging) 800.00

7-g) MISCELLANEOUS

The following listed equipment would require the maintenance as indicated

2 ea 1-1/2 ton Chevrolet Truck (or equivalent) (one for general trailing and one for water truck

1 ea. 3/4 ton 4 x 4 International (or equivalent)

Tire replacement, brake and clutch work, generators, starter and ignition, broken rods, axle repairs and/or replacement. Normal preventative maintenance and minor repair. The rough mountainous terrain would accelerate break downs and wear of all kinds. Before twenty seven months use is completed it is quite likely that they would require major overhaul.

TD9 Crawler w/loader and dozer:

In addition to the normal preventative maintenance, other repair that could be expected would be welding of cleats on track, engine overhaul as required, clutch and brake repair as required, generator, starter and ignition repair or replacement as required.

Compressor and Jack Hammer

Normal preventative maintenance. Emergency repair as required which could possibly include any of the following: minor or major engine overhaul, minor or major compressor overhaul.

Core Drilling Rig:

Normal preventative maintenance. Emergency repairs or maintenance as required which could include any of the following:

Minor or major engine overhaul, (2) work on hydraulic drive mechanism, (3) repair or maintenance on transmission, drill rod, clamps, or ignition, (4) welding or replacement structural members as required.

Electric Power Unit - Gas Driven To be used at job site

Electric Light Power Plant - Gas Driven To be used at living quarters

(1) Normal preventative maintenance, (2) emergency repairs as required which could include any of the following:

a. Major or minor engine overhaul, b. generator repair or replacement, c. carborator or ignition repair.

Portable Electric Welder

(1.) Normal preventative maintenance, (2) emergency repair as required

which could include any of the following:

a. major or minor repair on engine, b. carborator or ignition repair, c. generator repair or replacement.

Water and fuel tanks - trailer mounted

(1) normal preventative maintenance, (2) repair or replacement of tires and tubes.

Assayers Outfit-Including:

Precision gold balance, assayers, furnace, laboratory crusher and mill beakers, bunsen burners, crucible, and other expendable laboratory supplies.

(1) normal calibration of precision equipment

Grease Unit with Gasoline Engine Drive Compressor

(1) Normal preventative maintenance, (2) emergency repairs which may include:

a. minor or major engine overhaul
b. minor or major compressor repair

Compressed Air Tugger

(1) Normal preventative maintenance, (2) emergency repairs to air motor as required.

Electric Typewritter and Adding Machine

(1) Normal cleaning and preventative maintenance, (2) replacement of minor parts as required

The separate accounting effort required will be minimized if a unit cost contract is specified. It could be quite extensive if any other method is required. For this estimate it will be assumed that a unit cost contract will be used. This effort is estimated at $1100.

The cost of workman's compensation for the twenty-seven month period is estimated to be $1263. Additional employee liability insurance is estimated to be $600.

Utah State Unemployment insurance will come to $5589, for the twenty seven month period.

The employers share of social security taxes is 3-5/8 percent of wages paid. This comes to $6742.50 based on the estimated labor

Costs and assuming there is no increase in the social security tax rate. (This will have to be increased now that the new social security law has been approved.)

7-h) SUMMARY

Although we have broken down the exploration cost into the various categories as requested, we have done so with the idea of arriving at a total estimated cost for the complete project, and have used this total to verify and support a separate estimate which we have made on a unit basis.

It is our desire, if the exploration project is approved, to negotiate the contract on a basis of so many dollars per foot for each kind of work. This will simplify our reporting, bookkeeping, and accounting tremendously.

On this basis the total cost per foot for each of the three types of effort is shown belows:

Drilling	6.50 per foot
Trenching	40.00 per linear foot
Shaft digging	40.00 per vertical foot

(high) 6' wide + 10' deep $8.00 per cu yd

low

The unit cost shown includes all preparatory effort, surveying, road building, analytical work*, bookkeeping, etc.

*Except for the special work such as spectographic or X-ray analysis, etc.

Western Exploration Corp.
551 W. Greenwood Drive
Brigham City, Utah
August 5, 1965

Manager
Bear River State Bank
Tremonton, Utah

Dear Sir:

The Western Exploration Corp. is planning to do extensive exploration work on their silver properties in Western Box Elder County. The total cost for the planned work will be approximately $332,000. The Company will be able to cover approximately one-fourth of this amount or $83,000, but will require an additional $249,000 to complete the proposed work.

Application is hereby made to the Bear River State Bank for this $249,000 on the following terms:

1. Loan to be amortized over a period of thirteen years.

2. Interest to be 6-½% or less, if possible.

The proposed loan will be used by the Company for core drilling, trenching and shaft sinking for the purpose of mineral exploration only.

Collateral for this loan will be the mining properties on which the work is to be performed.

Your prompt consideration of this loan application would be appreciated.

Yours truly,

Blair Sorensen

Blair Sorensen, President
Western Exploration Corp.

Steve Anderson, Secretary
Western Exploration Corporation

BEAR RIVER STATE BANK

TREMONTON, UTAH

RUSSELL B. WEBB
Executive Vice President

August 6, 1965

Western Exploration Corporation
551 West Greenwood Drive
Brigham City, Utah

Attention: Mr. Sorensen:

Dear Mr. Sorensen:

I refer to your letter of July 26, 1965, regarding a loan for the purpose of developeing silver properties in Western Box Elder County.

We regret that we are unable to consider this application at this time. Our policy will not allow us to approve a loan of this type.

Very truly yours,

Russell B. Webb
Executive Vice President

RBW:la

Western Exploration Corp.
551 W. Greenwood Drive
Brigham City, Utah
August 5, 1965

Manager,
First Security Bank
Brigham City, Utah

Dear Sir:

The Western Exploration Corp. is planning to do extensive exploration work on their silver properties in Western Box Elder County. The total cost for the planned work will be approximately $332,000. The Company will be able to cover approximately one-fourth of this amount or $83,000, but will require an additional $249,000 to complete the proposed work.

Application is hereby made to the First Security Bank for this $249,000 on the following terms:

1. Loan to be amortized over a period of thirteen years.

2. Interest to be 6-½% or less, if possible.

The proposed loan will be used by the Company for core drilling, trenching and shaft sinking for the purpose of mineral exploration only.

Collateral for this loan will be the mining properties on which the work is to be performed.

Your prompt consideration of this loan application would be appreciated.

Yours truly,

Blair Sorensen

Blair Sorensen, President
Western Exploration Corp.

Steve Anderson, Secretary
Western Exploration Corp.

First Security Bank of Utah
NATIONAL ASSOCIATION
BRIGHAM CITY OFFICE

BRIGHAM CITY, UTAH
September 7, 1965

Mr. Steve H. Anderson
206 North 6th East
Brigham City, Utah

Dear Steve:

We have your application for a loan for $249,000 to be amortized over a period of thirteen years at 6 ½ percent but at this time would not care to take on such a loan.

It is our hope, however, that you will be able to get financing elsewhere necessary for the work you propose.

Kindest regards.

Very truly yours,

Morris Glover

Morris Glover
Vice President and Manager

MG:ls

APPENDIX A

Equipment to be furnished	Fair Rental Value	
TD 9 International Crawler with Dozer and Loader Attachments	450.00/month	28,000
1 1/2 ton truck with flat bed dump	120.00/month	1,500
3/4 ton 4x4 International Truck	150.00/month	2,800
Compressor with Jack Hammer	250.00/month	10,000
Core Drill Outfit (complete)	600.00/month	5,000
Assayer Outfit (complete) with lab facilities	400.00/month	1,000
Welder, D.C. Portable, Trailer Mounted	45.00/month	1,000
Water tanks w/pump, trailer mounted (culinary water)	40.00/month	500
Water truck (drill water)	150.00/month	1,500
Portable grease gun with air compressor	40.00/month	200
Cabin or house trailer for 6 men, sleeping and cooking facilities	200.00/month	1,000
Power unit, electric	50.00/month	5,000
Electric Light Plant	50.00/month	5,000
Trailer Mounted Fuel Tanks (Gas & Diesel)	80.00/month	800
Mechanics Tools and Maintenance Stand	90.00/month	250
Air Tugger	40.00/month	940
Office equipment including		
Electric typewriter (IBM)	25.00/month	500
Adding Machine	15.00/month	300
Filing Cabinet	10.00/month	75
Office Desk (double pedestal)	15.00/month	100
Office Desk (typewriter)	12.00/month	75
Misc. Office supplies (pens, table, lights, etc)	23.00/month	50
Total Equipment Rental	2855.00/month	

11/29/65 8-ton dbl drum hoist 3,000

68,090 × ½
= 34,045 ÷ 60
= 567.40/mo.

APPENDIX B

Estimated Labor Costs (See also Item 7b)

This estimate is based on a period of twenty seven (27) months to complete the work.

1.	Consulting Geologist (part time) 50.00 day plus expenses ($16.00) estimated	500.00/month
2.	Driller, blaster, dozer operator (full time)	1000.00/month
3.	Drillers and mechanic helper and dozer operator (full time)	700.00/month
4.	Bookkeeper and supply chaser	500.00/month
5.	Handyman, cook, welder, etc.	600.00/month
6.	Assayer	1200.00/month
7.	General Supervisor	1500.00/month
8.	Driver (for water truck)	500.00/month
	TOTAL COST FOR PERSONAL SERVICES	6500.00/month

APPENDIX D

THE STATE OF UTAH

STATE LAND BOARD

SALT LAKE CITY, UTAH 84114

MAX C. GARDNER
DIRECTOR

BOARD MEMBERS
BRYANT H. CROFT
CHAIRMAN
T. H. BELL
M. V. HATCH
C. R. HENDERSON
J. HAROLD REESE
C. S. THOMSON

August 31, 1965

Mr. Blair Sorensen
551 West Greenwood
Brigham City, Utah

Dear Mr. Sorensen:

This will acknowledge your letter of August 23, 1965, wherein you submitted a request that the State of Utah execute a subordination agreement covering the lands included in ML 20862 The staff of this office has examined the proposed agreement and discussed this matter with Mr. Ronald N. Boyce of the Attorney Generals office. Mr. Boyce has advised us that it is not legally possible for the Land Board to execute this agreement since state law requires that royalties be paid on minerals produced under State of Utah leases and no officer of the State has the authority to take any action contrary to state law.

I am enclosing the forms which you submitted and a copy of ML20862 as you requested. As to your application for lease on the remainder of the SW¼ of Section 16, T. 10 N., R. 16 W.,SLM we cannot hold it awaiting the outcome of your loan application. Please let us know if you wish this application acted upon or returned to you.

Very truly yours,

Donald G. Prince

DONALD G. PRINCE
ECONOMIC GEOGRAPHER

DGP:lr

Appendix E

General Geology of the Mogul Claims & The State School Lease

The "Mogual Claims" and "State School Lease" are located in the southern and eastern portions of the Grouse Creek mountains. The Grouse Creek mountains are a generally north-south trending range of fault block mountains with a number of east-west trending outliers on the east side of the range. The outliers are apparently separated from the main range of mountains by a north- south trending fault that is covered by aluvium and is nowhere evidenced except by the attitude of the outliers.

The Grouse Creek mountains are composed mainly of paleozoic sediments.

The mountain range is bordered on the south and east by quaternary aluvium and lake deposits and on the west by volcanics of a rhyolitic nature. The Grouse Creek mountains are bordered on the north by the Raft River range.

Tectonic activity within the area is expressed by numerous faults and by two large intrusions of a granitic nature. The faults have generally north-south and east-west trends and appear to be normal faults. Where the intrusions have contacted carbonate sediments, there has occured mineralization and some commercial deposits of tungsten have been mined.

The "Mogul" claims are located along the east-north east trending fault. This fault has brought a heavy, dense, dark gray limestone on the north side in contact with a dark brown silt stone on the south side. The fault is distinguished by the distinct lithiologic differences of the two

formations. Prospect pits near the western limit of the claims have followed the fault trace and reveal characteristic fault evidences of slicken-sides, fault gouge and mineralization. The fault has an essentially vertical attitude. The main ore of interest is a silver sulphide, probably pyrargeryte. Ores of copper and lead are also found but in minor amounts. Deposits of barite are also found in close association with the fault.

The "State School Lease" claims are located along a north east-south west trending fault. This fault has brought a dense, heavy, dark gray limestone in contact with a dark brown, brittle silt stone. The fault is evidenced by its linear appearance in the aerial photo and the mineralization along its trace. The fault is further evidenced by the formation of ravines along its trace. At the junction of the fault ravine to the north with the main east west ravine, the fault is evidenced by twisted and metamorphosed silt stone.

The mineralization has occured in a trend following the fault and is evidenced by the altering of the dark gray limestone to a light gray to almost white color. The main ore of interest once again is a silver sulphide, probably pyrargeryte. This ore is commonly associated with white quartz. Minor amounts of copper and lead are also evident.

Russell Rasmussen

Russell Rasmussen
Geologist.

APPENDIX C-1

Proof Read MS L[illegible] Mineral Lease No. 20862

Mineral Lease Application No. 20862 Grant: School

UTAH STATE LEASE FOR METALLIFEROUS MINERALS

THIS INDENTURE OF LEASE AND AGREEMENT entered into in duplicate this 28th day of August, 19 63 by and between the STATE LAND BOARD, acting in behalf of the State of Utah, hereinafter called the LESSOR. and BLAIR SORENSEN and STEVE ANDERSON
Rt. 2, P. O. Box 156
Tremonton, Utah

party of the second part, hereinafter called the LESSEE, under and pursuant to Title 65, Utah Code Annotated, 1953.

WITNESSETH: That the Lessor, in consideration of the rents and royalties to be paid and the covenants to be observed by the Lessee, as hereinafter set forth, does hereby grant and lease to the Lessee the exclusive right and privilege to explore for, mine, remove, and dispose of all the metalliferous minerals in, upon or under the following described tract of land situated in Box Elder County, State of Utah, to-wit:

SW¼ SW¼
~~Southwest Quarter (SW¼)~~ of Section Sixteen (16), Township Ten (10) North, Range Sixteen (16) West, Salt Lake Meridian,

containing a total of ~~160.00~~ 40.00 acres, more or less, together with the right to use and occupy so much of the surface of said land as may be required for all purposes reasonably incident to the exploration for, mining, removal, and disposal of said minerals, according to the provisions of this lease, for a primary term ending ten years after the first day of January next succeeding the date hereof and as long thereafter as said minerals may be produced in commercial quantities from said lands, or Lessee shall continue to make the payments required by Article IV hereof provided that Lessor, at any time after the expiration of the primary term hereof, may, by written notice, require that Lessee begin commercial production from the leased premises within two years and may cancel this lease upon Lessee's failure to do so, and upon condition that at the end of each twenty (20) year period succeeding the first day of the year in which this lease is issued, such readjustment of terms and conditions may be made as the Lessor may determine to be necessary in the interest of the State.

ARTICLE I

Metalliferous Minerals are defined to include any ore containing any of the following minerals: Aluminum Antimony Arsenic, Beryllium, Bismuth, Chromium, Cecium, Columbium, Cobalt, Copper, Gallium, Gold, Germanium, Hafnium, Iron, Indium, Lead, Mercury, Manganese, Molybdenium, Nickle, Platinum Group Metals, Radium, Silver, Selenium, Scandium, Rare Earth Metals, Rhenium, Tantalium, Tin Thorium, Tungsten, Thallium, Tellurium, Vanadium, Uranium, Ytterium, Zinc, together with other minerals which are found in association with specified minerals in such a manner that they cannot be mined separately.

ARTICLE II

This lease is granted subject in all respects to and under the conditions of the laws of the State of Utah and existing rules and regulations and such operating rules and regulations as may be hereafter approved and adopted by the State Land Board.

ARTICLE III

This lease covers only the exploration for, mining, removal, and disposal of metalliferous minerals as defined in this lease, but the Lessee shall promptly notify the Lessor of the discovery of any minerals excepting those enumerated herein.

ARTICLE IV

The Lessee, in consideration of the granting of the rights and privileges aforesaid, hereby covenants and agrees as follows:

FIRST: To pay to the Lessor as rental for the land covered by this lease the sum of fifty (50) cents per acre per annum. All such annual payments of rental shall be made in advance on the 2nd day of January of each year, except the 1963 rental which is payable on the execution of this lease. All rentals shall be credited against royalties for the year in which they accrue.

SECOND: To pay to Lessor on all minerals mined and shipped or sold hereunder a royalty determined and computed in accordance with and at the rate set out in Schedule "A" attached hereto and by reference made a part hereof: which royalty, beginning the January 1 following two years from date hereof, shall not be less than the minimum royalty provided in said Schedule "A". Actual royalty payable hereunder shall be due and payable on the 30th day of the month next succeeding the calendar year quarter during which the minerals shall have been shipped or sold. Said minimum royalty shall be due and payable on the dates specified in said Schedule "A".

THIRD: To prepare and forward to the State Land Office, within 30 days next succeeding the calendar year quarter in which minerals are shipped or sold hereunder, a certified statement of the amount of production of all the leased substances disposed of from said lands, and such other additional information as the State Land Board may from time to time require.

FOURTH: To keep at the mine office clear, accurate and detailed maps on tracing cloth, on a scale not more than 50 feet to the inch, of the workings in each section of the leased lands and on the lands adjacent, said maps to be coordinated with reference to a public land corner so that they can be readily and correctly superimposed, and to furnish to the Lessor annually, or upon demand, certified copies of such maps and such written statements of operations as may be called for. All surveys shall be made by a licensed engineer and all maps certified to by him.

FIFTH: Not to fence or otherwise make inaccessible to stock any watering place on the premises without first obtaining the written consent of Lessor, nor to permit or contribute to the pollution of any surface or subsurface water available or capable of being made available for domestic or irrigation use.

SIXTH: Not to assign this lease or any interest therein, nor sublet any portion of the leased premises, or any of the rights and privileges herein granted, without the written consent of the Lessor being first had and obtained.

ARTICLE V

The Lessor hereby excepts and reserves from the operation of this lease:

FIRST: The right to permit for joint or several use such easements or rights-of-way upon, through, or in the land hereby leased as may be necessary or appropriate to the working of these or other lands belonging to or administered by the Lessor containing mineral deposits or for other use.

SECOND: The right to use, lease, sell, or otherwise dispose of the surface of said lands or any part thereof, under existing State laws or laws hereafter enacted, insofar as said surface is not necessary for the Lessee in the exploration for, mining, removal, or disposal of the leased substances therein, and to lease mineral deposits, other than those leased hereby, which may be contained in said lands so long as the recovery of such deposits does not unreasonably interfere with Lessee's rights herein granted.

ARTICLE VI

Upon failure or refusal of the Lessee to accept the readjustment of terms and conditions demanded by the Lessor at the end of any twenty-year period, such failure or refusal shall work a forfeiture of the lease and the same shall be canceled.

ARTICLE VII

In case of expiration, forfeiture, surrender, or other termination of this lease, all underground timbering supports, shaft linings, rails and other installations necessary for the support of underground workings of any mines, and all rails or head frames and all installations which cannot be removed without permanent injury to the premises and all construction and equipment (excluding motor driven machinery) installed underground to provide ventilation for any mines, upon or in the said lands shall be and remain a part of the realty and shall revert to the Lessor without further consideration or compensation and shall be left by the Lessee in the lands.

All personal property of Lessee located within or upon the said lands, and all buildings, machinery, equipment and tools (other than the installations to become the property of Lessor as above provided), shall be and remain the property of Lessee and Lessee shall be entitled to and may, within six (6) months after such expiration, forfeiture, surrender or other termination of said lease, or within such extension of time as may be granted by Lessor, remove from the said lands such personal property and improvements, other than those items which are to remain the property of the Lessor as above provided.

Lessee shall, upon termination of this lease or abandonment of the leased premise for any reason, seal to Lessor's satisfaction all or such part of the mine openings on the premises as Lessor shall request be sealed.

ARTICLE VIII

It shall be the responsibility of the Lessee to slope the sides of all operations of a surface nature to an angle of not less than 45° or to erect a barrier around such operation as the State Land Board may require. Such sloping or fencing shall become a normal part of the operation of the lease so as to keep pace with such operation to the extent that such operation shall not constitute a hazard.

ARTICLE IX

Lessee shall not, during the life of this lease, sell or otherwise dispose of any water rights acquired for use upon the leased premises except with Lessor's written permission. Upon termination of this lease for any reason, all such rights acquired by application to the Utah State Engineer shall revert to the Lessor as an appurtenance to the leased premises, and all such rights acquired by other means shall be offered to Lessor in writing for purchase at Lessee's acquisition costs, provided that Lessor shall be deemed to have rejected such offer if it does not accept the same within thirty days after receipt thereof.

ARTICLE X

All of the terms, covenants, conditions, and obligations in this lease contained, shall be binding upon the heirs, executors, administrators, and assigns of the Lessee.

ARTICLE XI

Lessee may terminate this lease at any time upon giving three (3) months' notice in writing to the Lessor and upon payment of all rents and royalties and other sums due and payable to the Lessor, and upon complying with the terms of this lease with respect to the preservation of the workings in such order and condition as to permit of the continued operation of the leased premises, as provided in Article VII hereof.

ARTICLE XII

Rock, tailings, and waste materials resulting from the operations of the Lessee on said lands or other lands shall be the absolute property of the Lessee whether stored on said lands or on other lands, until such time as title thereto is renounced in writing by the Lessee; provided, however, that title to any such rock, tailings and waste material stored on the said lands which were produced from said lands or other State lands shall vest in the Lessor upon the expiration, surrender or termination of this lease. If at any time any of such rock, tailings or waste materials or any products thereof, which were produced from said lands or other State lands, are sold by Lessee, the royalty thereon shall be paid by Lessee to Lessor.

ARTICLE XIII

Ores mined from said lands may be raised through shafts or inclines located on said lands or on other lands in the area, and may be milled and prepared for market in mills or other facilities located on said lands or on other lands, all as the Lessee may from time to time elect. Ores mined from this or other lands may be carried through drifts or other underground workings in the said lands to shafts or inclines located on other lands, all as the Lessee may from time to time elect. Ores mined from other lands may be milled and prepared for market in mills or other facilities located on the subject lands as the Lessee may from time to time elect. The Lessee shall determine accurately the weight or quantity and quality of all leased deposits mined, and shall enter accurately the weight or quantity and quality thereof in due form in books to be kept and preserved by the Lessee for such purposes, and may thereafter freely commingle ores from said deposits with ores from other lands. The obligation of Lessee to maintain accurate records of production from the leased premises is of the essence of the agreement and Lessee shall adopt such procedures for determining and accounting for production from the leased premises as Lessor may from time to time require.

ARTICLE XV

Lessor, its officers and agents, shall have the right at all times to go in and upon the leased lands and premises, during the term of said lease to inspect the work done and the progress thereof on said lands and the products obtained therefrom, and to post any notices on the said land that it may deem fit and proper; and also shall permit any authorized representatives of the Lessor to examine all books and records pertaining to operations under this lease, and to make copies of and extracts from the same, if desired.

ARTICLE XVI

This lease is issued only under such title as the State of Utah may now hold, and that in the event the State's title is determined to be deficient in any way, the Lessor shall not be liable for any damages sustained by the Lessee, nor shall the Lessee be entitled to or claim any refund or rentals or royalties or other monies theretofore paid to the Lessor.

ARTICLE XVII

Any notice contemplated herein to be served upon Lessee shall be in writing and shall be sufficiently given if deposited in the United States mail, postage prepaid and registered, and addressed as follows:

Blair Sorensen - Steve Anderson
Rt. 2, P. O. Box 156
Tremonton, Utah

or at such other address as Lessee may from time to time in writing designate by written notice to Lessor.

ARTICLE XVIII

Said lease and this agreement are made upon the condition that Lessee shall perform all the covenants and agreements herein set forth to be performed by it, and if at any time there shall be any default on the part of Lessee hereunder, and if such default shall continue for a period of sixty (60) days after written notice of such default being given by Lessor to Lessee, then and in such event said lease and this agreement shall, at the option of Lessor, be terminated by written notice to Lessee, and the demised premises shall revert to Lessor.

IN WITNESS WHEREOF, the parties have hereunto subscribed their names the day and year first above written.

STATE OF UTAH
STATE LAND BOARD

By [signature]
Director

Lessor

[signature]
[signature]

Lessee

STATE OF UTAH }
COUNTY OF } ss. LESSEE'S INDIVIDUAL ACKNOWLEDGEMENT Steve Anderson &

On the 3rd day of Oct, 1963, personally appeared before me Blair Sorensen, the signers of the above instrument, who duly acknowledged to me that they executed the same.

Given under my hand and seal this 3rd day of Oct 1963

My commission expires: 6

[signature]
Notary Public, residing at: Tremonton

STATE OF UTAH }
COUNTY OF } ss. LESSEE'S CORPORATE ACKNOWLEDGEMENT

On the..... day of....., 19....., personally appeared before me....., who being duly sworn did say that he is an officer of..... and that said instrument was signed in behalf of said corporation by resolution of its Board of Directors, and said..... acknowledged to me that said corporation executed the same.

Given under my hand and seal this..... day of....., 19.....

My commission expires:

Notary Public, residing at:

STATE OF UTAH }
COUNTY OF SALT LAKE } ss.

On the 14th day of Oct, 1963, personally appeared before me, Max C. Gardner, who being by me duly sworn did say that he is the Director of the State Land Board of the State of Utah and that said instrument was signed in behalf of said Board by resolution of the Board, and said Max C. Gardner acknowledged to me that said Board executed the same in behalf of the state of Utah.

Given under my hand and seal this 14th day of Oct, 1963

My commission expires: 11/9/63

[signature]
Notary Public, residing at:

Appendix C #2

ARTICLE XVI

LESSEE'S PARTICULAR ATTENTION IS CALLED TO ~~SECTION 15~~ OF THIS LEASE.

Mineral Lease No. 23 052

Mineral Lease Application No. -205-

Grant: School

UTAH STATE LEASE FOR METALLIFEROUS MINERALS

THIS INDENTURE OF LEASE AND AGREEMENT entered into in duplicate this 20th day of September, 19 65 by and between the STATE LAND BOARD, acting in behalf of the State of Utah, hereinafter called the LESSOR. and

WESTERN EXPLORATION CORPORATION
551 West Greenwood, 206 North 6th East
Brigham City, Utah

party of the second part, hereinafter called the LESSEE, under and pursuant to Title 65, Utah Code Annotated, 1953.

WITNESSETH That the Lessor in consideration of the rents and royalties to be paid and the covenants to be observed by the Lessee, as hereinafter set forth, does hereby grant and lease to the Lessee the exclusive right and privilege to explore for, mine, remove, and dispose of all the metalliferous minerals in, upon or under the following described tract of land situated in Box Elder County, State of Utah, to-wit:

North Half (N½) of Southwest Quarter (SW¼) and the Southeast Quarter (SE¼) of Southwest Quarter (SW¼) of Section Sixteen (16), Township Ten (10) North, Range Sixteen (16) West, Salt Lake Meridian,

containing a total of 120.00 acres, more or less, together with the right to use and occupy so much of the surface of said land as may be required for all purposes reasonably incident to the exploration for, mining, removal, and disposal of said minerals, according to the provisions of this lease, for a primary term ending ten years after the first day of January next succeeding the date hereof and as long thereafter as said minerals may be produced in commercial quantities from said lands, or Lessee shall continue to make the payments required by Article IV hereof provided that Lessor, at any time after the expiration of the primary term hereof, may, by written notice, require that Lessee begin commercial production from the leased premises within two years and may cancel this lease upon Lessee's failure to do so, and upon condition that at the end of each twenty (20) year period succeeding the first day of the year in which this lease is issued, such readjustment of terms and conditions may be made as the Lessor may determine to be necessary in the interest of the State.

ARTICLE I

Metalliferous Minerals are defined to include any ore containing any of the following minerals: Aluminum, Antimony, Arsenic, Beryllium, Bismuth, Chromium, Cecium, Columbium, Cobalt, Copper, Gallium, Gold, Germanium, Hafaium, Iron, Indium, Lead, Mercury, Manganese, Molybdenium, Nickle, Platinum Group Metals, Radium, Silver, Selenium, Scandium, Rare Earth Metals, Rhenium, Tantalium, Tin Thorium, Tungsten, Thallium, Tellurium, Vanadium, Uranium, Ytterium, Zinc, together with other minerals which are found in association with specified minerals in such a manner that they cannot be mined separately.

ARTICLE II

This lease is granted subject in all respects to and under the conditions of the laws of the State of Utah and existing rules and regulations and such operating rules and regulations as may be hereafter approved and adopted by the State Land Board.

ARTICLE III

This lease covers only the exploration for, mining, removal, and disposal of metalliferous minerals as defined in this lease, but the Lessee shall promptly notify the Lessor of the discovery of any minerals excepting those enumerated herein.

ARTICLE IV

The Lessee, in consideration of the granting of the rights and privileges aforesaid, hereby covenants and agrees as follows:

FIRST: To pay to the Lessor as rental for the land covered by this lease the sum of fifty (50) cents per acre per annum. All such annual payments of rental shall be made in advance on the 2nd day of January of each year, except the 1965 rental which is payable on the execution of this lease. All rentals shall be credited against royalties for the year in which they accrue.

SECOND: To pay to Lessor on all minerals mined and shipped or sold hereunder a royalty determined and computed in accordance with and at the rate set out in Schedule "A" attached hereto and by reference made a part hereof: which royalty, beginning the January 1 following two years from date hereof, shall not be less than the minimum royalty provided in said Schedule "A". Actual royalty payable hereunder shall be due and payable on the 30th day of the month next succeeding the calendar year quarter during which the minerals shall have been shipped or sold. Said minimum royalty shall be due and payable on the dates specified in said Schedule "A".

THIRD: To prepare and forward to the State Land Office, within 30 days next succeeding the calendar year quarter in which minerals are shipped or sold hereunder, a certified statement of the amount of production of all the leased substances disposed of from said lands, and such other additional information as the State Land Board may from time to time require.

FOURTH: To keep at the mine office clear, accurate and detailed maps on tracing cloth, on a scale not more than 50 feet to the inch, of the workings in each section of the leased lands and on the lands adjacent, said maps to be coordinated with reference to a public land corner so that they can be readily and correctly superimposed, and to furnish to the Lessor annually, or upon demand, certified copies of such maps and such written statements of operations as may be called for. All surveys shall be made by a licensed engineer and all maps certified to by him.

FIFTH: Not to fence or otherwise make inaccessible to stock any watering place on the premises without first obtaining the written consent of Lessor, nor to permit or contribute to the pollution of any surface or subsurface water available or capable of being made available for domestic or irrigation use.

SIXTH: Not to assign this lease or any interest therein, nor sublet any portion of the leased premises, or any of the rights and privileges herein granted, without the written consent of the Lessor being first had and obtained.

ARTICLE V

The Lessor hereby excepts and reserves from the operation of this lease:

FIRST: The right to permit for joint or several use such easements or rights-of-way upon, through, or in the land hereby leased as may be necessary or appropriate to the working of these or other lands belonging to or administered by the Lessor containing mineral deposits or for other use.

SECOND: The right to use, lease, sell, or otherwise dispose of the surface of said lands or any part thereof, under existing State laws or laws hereafter enacted, insofar as said surface is not necessary for the Lessee in the exploration for, mining, removal, or disposal of the leased substances therein, and to lease mineral deposits, other than those leased hereby, which may be contained in said lands so long as the recovery of such deposits does not unreasonably interfere with Lessee's rights herein granted.

ARTICLE VI

Upon failure or refusal of the Lessee to accept the readjustment of terms and conditions demanded by the Lessor at the end of any twenty-year period, such failure or refusal shall work a forfeiture of the lease and the same shall be canceled.

ARTICLE VII

In case of expiration, forfeiture, surrender, or other termination of this lease, all underground timbering supports, shaft linings, rails and other installations necessary for the support of underground workings of any mines, and all rails or head frames and all installations which cannot be removed without permanent injury to the premises and all construction and equipment (excluding motor driven machinery) installed underground to provide ventilation for any mines, upon or in the said lands shall be and remain a part of the realty and shall revert to the Lessor without further consideration or compensation and shall be left by the Lessee in the lands.

All personal property of Lessee located within or upon the said lands, and all buildings, machinery, equipment and tools (other than the installations to become the property of Lessor as above provided), shall be and remain the property of Lessee and Lessee shall be entitled to and may, within six (6) months after such expiration, forfeiture, surrender or other temination of said lease, or within such extension of time as may be granted by Lessor, remove from the said lands such personal property and improvements, other than those items which are to remain the property of the Lessor as above provided.

Lessee shall, upon termination of this lease or abandonment of the leased premise for any reason, seal to Lessor's satisfaction all or such part of the mine openings on the premises as Lessor shall request be sealed.

ARTICLE VIII

It shall be the responsibility of the Lessee to slope the sides of all operations of a surface nature to an angle of not less than 45° or to erect a barrier around such operation as the State Land Board may require. Such sloping or fencing shall become a normal part of the operation of the lease so as to keep pace with such operation to the extent that such operation shall not constitute a hazard.

ARTICLE IX

Lessee shall not, during the life of this lease, sell or otherwise dispose of any water rights acquired for use upon the leased premises except with Lessor's written permission. Upon termination of this lease for any reason, all such rights acquired by application to the Utah State Engineer shall revert to the Lessor as an appurtenance to the leased premises, and all such rights acquired by other means shall be offered to Lessor in writing for purchase at Lessee's acquisition costs, provided that Lessor shall be deemed to have rejected such offer if it does not accept the same within thirty days after receipt thereof.

ARTICLE X

All of the terms, covenants, conditions, and obligations in this lease contained, shall be binding upon the heirs, executors, administrators, and assigns of the Lessee.

ARTICLE XI

Lessee may terminate this lease at any time upon giving three (3) months' notice in writing to the Lessor and upon payment of all rents and royalties and other sums due and payable to the Lessor, and upon complying with the terms of this lease with respect to the preservation of the workings in such order and condition as to permit of the continued operation of the leased premises, as provided in Article VII hereof.

ARTICLE XII

Rock, tailings, and waste materials resulting from the operations of the Lessee on said lands or other lands shall be the absolute property of the Lessee whether stored on said lands or on other lands, until such time as title thereto is renounced in writing by the Lessee; provided, however, that title to any such rock, tailings and waste material stored on the said lands which were produced from said lands or other State lands shall vest in the Lessor upon the expiration, surrender or termination of this lease. If at any time any of such rock, tailings or waste materials or any products thereof, which were produced from said lands or other State lands, are sold by Lessee, the royalty thereon shall be paid by Lessee to Lessor.

ARTICLE XIII

Ores mined from said lands may be raised through shafts or inclines located on said lands or on other lands in the area, and may be milled and prepared for market in mills or other facilities located on said lands or on other lands, all as the Lessee may from time to time elect. Ores mined from this or other lands may be carried through drifts or other underground workings in the said lands to shafts or inclines located on other lands, all as the Lessee may from time to time elect. Ores mined from other lands may be milled and prepared for market in mills or other facilities located on the subject lands as the Lessee may from time to time elect. The Lessee shall determine accurately the weight or quantity and quality of all leased deposits mined, and shall enter accurately the weight or quantity and quality thereof in due form in books to be kept and preserved by the Lessee for such purposes, and may thereafter freely commingle ores from said deposits with ores from other lands. The obligation of Lessee to maintain accurate records of production from the leased premises is of the essence of the agreement and Lessee shall adopt such procedures for determining and accounting for production from the leased premises as Lessor may from time to time require.

ARTICLE XIV

If the Lessee shall initiate or establish any water right on the leased premises, such right shall become an appurtenance of the leased premises, and, upon the termination of the lease, the Lessee shall convey the right to the Lessor.

tenance of the leased premises, and, upon the termination of the lease, the Lessee shall convey the right to the Lessor.

ARTICLE XV

Lessor, its officers and agents, shall have the right at all times to go in and upon the leased lands and premises, during the term of said lease to inspect the work done and the progress thereof on said lands and the products obtained therefrom, and to post any notices on the said land that it may deem fit and proper; and also shall permit any authorized representatives of the Lessor to examine all books and records pertaining to operations under this lease, and to make copies of and extracts from the same, if desired.

ARTICLE XVI

This lease is issued only under such title as the State of Utah may now hold, and that in the event the State's title is determined to be deficient in any way, the Lessor shall not be liable for any damages sustained by the Lessee, nor shall the Lessee be entitled to or claim any refund or rentals or royalties or other monies theretofore paid to the Lessor.

ARTICLE XVII

Any notice contemplated herein to be served upon Lessee shall be in writing and shall be sufficiently given if deposited in the United States mail, postage prepaid and registered, and addressed as follows:

Western Exploration Corporation
551 West Greenwood, 206 North 6th East
Brigham City, Utah

or at such other address as Lessee may from time to time in writing designate by written notice to Lessor.

ARTICLE XVIII

Said lease and this agreement are made upon the condition that Lessee shall perform all the covenants and agreements herein set forth to be performed by it, and if at any time there shall be any default on the part of Lessee hereunder, and if such default shall continue for a period of sixty (60) days after written notice of such default being given by Lessor to Lessee, then and in such event said lease and this agreement shall, at the option of Lessor, be terminated by written notice to Lessee, and the demised premises shall revert to Lessor.

IN WITNESS WHEREOF, the parties have hereunto subscribed their names the day and year first above written.

STATE OF UTAH
STATE LAND BOARD
By Max C. Gardner
Director
Lessor

Blair Sorensen Pres
Western Exploration Corp.
Lessee

STATE OF UTAH
COUNTY OF } ss. LESSEE'S INDIVIDUAL ACKNOWLEDGEMENT

On the..... day of....., 19....., personally appeared before me....., the signer of the above instrument, who duly acknowledged to me that....., executed the same.

Given under my hand and seal this..... day of....., 19.....

My commission expires: Notary Public, residing at:

STATE OF UTAH
COUNTY OF } ss. LESSEE'S CORPORATE ACKNOWLEDGEMENT

On the 1 day of October, 1965, personally appeared before me Blair Sorensen who being duly sworn did say that he is an officer of Western Exploration Corp and that said instrument was signed in behalf of said corporation by resolution of its Board of Directors, and said Blair acknowledged to me that said corporation executed the same.

Given under my hand and seal this 8 day of October, 1965

My commission expires: 23 June 1968 M. Lou Sorensen
Notary Public, residing at:

STATE OF UTAH
COUNTY OF SALT LAKE } ss.

On the..... day of....., 19....., personally appeared before me, Max C. Gardner, who being by me duly sworn did say that he is the Director of the State Land Board of the State of Utah and that said instrument was signed in behalf of said Board by resolution of the Board, and said Max C. Gardner acknowledged to me that said Board executed the same in behalf of the state of Utah.

Given under my hand and seal this..... day of....., 19.....

My commission expires: Notary Public, residing at:

Filed

1965 Oct 11 PM 1 48

State of Utah
Land Office

Assay #1 prospect Hole No. 3

School land Sec 16

CO-980
10M 3-63

ASSAY CERTIFICATE

4050

UNITED STATES SMELTING REFINING AND MINING COMPANY

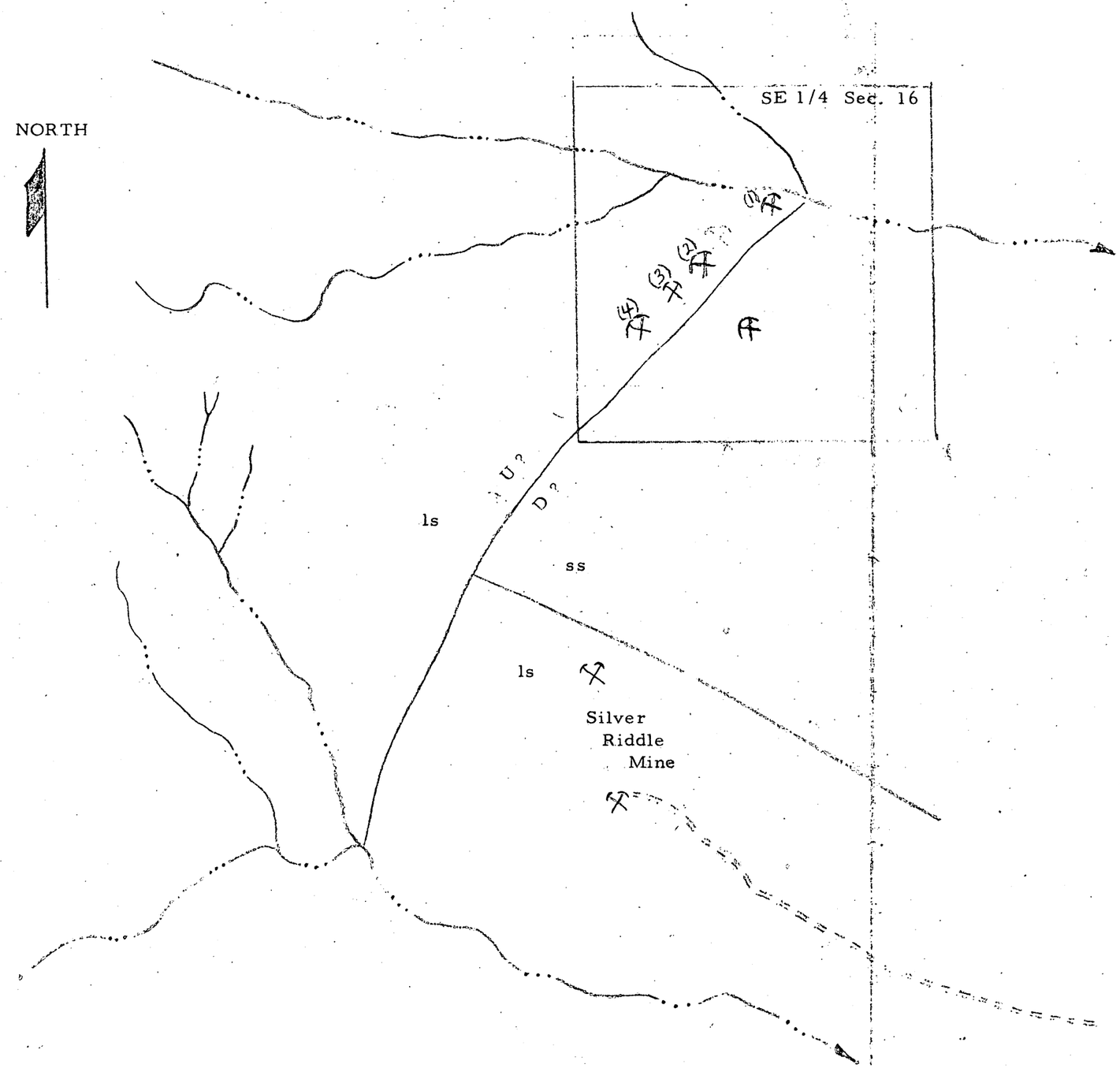
Name Blair Sorensen

Rt 2, Box 156, Tremonton, Utah

Midvale, Utah, August 16, 1963

LOT NO.	Oz. Gold Per Ton	Oz. Silver Per Ton	Per Cent Copper	Per Cent Lead	Per Cent Silica	Per Cent Iron	Per Cent Zinc	Per Cent Sulphur	Per Cent Lime	Per Cent Antimony	Per Cent Bismuth	Per Cent Arsenic	Per Cent Cadmium	Per Cent ox Pb	Per Cent ox Zn
HS	None	6.6		1.8							.04				

F. J. Marshall
Chief Chemist



LEGEND

Road

Intermittent Stream

ls Limestone

ss Silt Stone

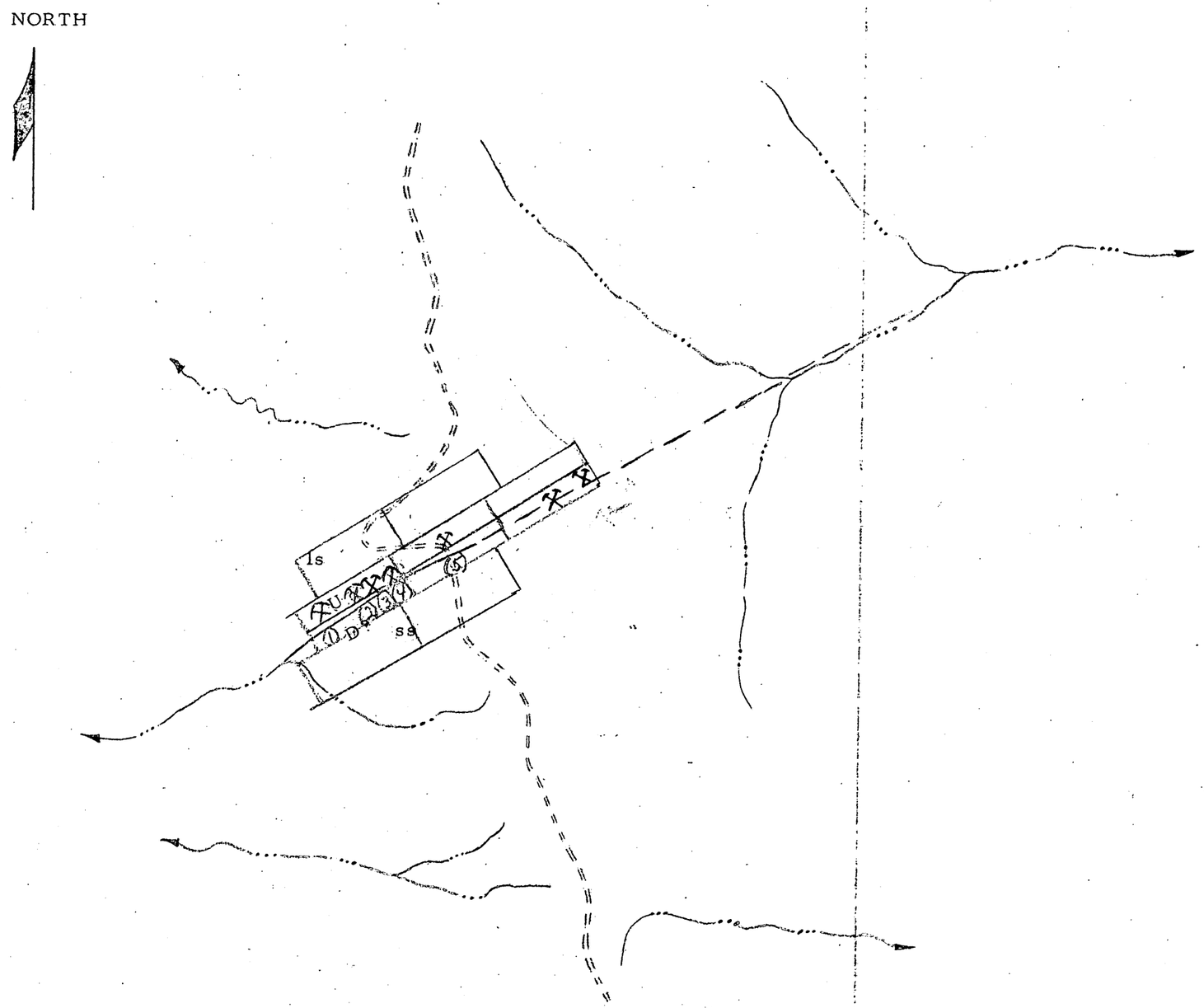
Up? Fault.
Down?

Prospect Hole or
Mine Shaft

GEOLOGIC MAP
of
SCHOOL LEASE LAND

OFFICIAL
COPY
O. M. E.
RECEIVED
1 1955
INITIAL DATE

Figure 1



LEGEND

Road

Intermittent Stream

ls Limestone

ss Silt Stone

Up ?
Fault
Down ?

Prospect Hole or
Mine Shaft

GEOLOGIC MAP
of
MOGUL CLAIM

OFFICIAL COPY

Figure 2

Assay #2

P. M. CRISMON, PRES.

CRISMON & NICHOLS

ASSAYERS AND CHEMISTS

229-231 SOUTH WEST TEMPLE STREET

PHONE EM 3-7417

P. O. BOX 1708

REPORT OF ASSAY

SALT LAKE CITY, UTAH October 30, 1964

Steve Anderson

WE HAVE ASSAYED YOUR four SAMPLES AND FIND them TO CONTAIN AS FOLLOWS:

DESCRIPTION	NO.	OZS. GOLD PER TON	OZS. SILVER PER TON	PER CENT LEAD	PER CENT COPPER	PER CENT ZINC	PER CENT INSOL.	PER CENT IRON	PER CENT	VALUE OF GOLD PER TON
~~Red from S. side of Cut~~ at Grazers	1	0.03	Trace		~~0.95~~					$ 1.05
~~Green Rock N. side of cut~~	2	~~0.02~~	~~Trace~~		~~2.45~~					70¢
~~Black powder - Center of Cut~~	3	~~Trace~~	~~Trace~~		~~0.25~~					
Mogul Upper Hole	4	Trace	17.40	8.75		See 12				
Prospect Hole No. 4 Mogul #1 claim.										

REMARKS:

CHARGES $ 16.00 Paid

CRISMON & NICHOLS

BY P. M. Crismon

With Application AME-6513

INSTRUCTIONS FOR USE

1. Void Previously Used Block
2. Identify Agency of Addressee
3. Write Clearly
4. Send Sealed Envelope

U.S. Government Messenger Envelope

Standard Form No. 65
November 1961
General Services Administration
General Regulation No. 27

65 - 106

NAME (OR TITLE) OF ADDRESSEE, AGENCY, ORGANIZATIONAL UNIT, ADDRESS, AND ROOM		NAME (OR TITLE) OF ADDRESSEE, AGENCY, ORGANIZATIONAL UNIT, ADDRESS, AND ROOM	
Miss Price c/o Sec. Mail Room	STOP		STOP
~~Mr. Robinson GSA~~	STOP	~~Mr. Hansen Rm. 5226 Interior Bldg.~~	STOP
Mrs. Mrs. Lyon Room 5226 GSA Bldg	STOP	P. Killeen ~~5012 Interior~~	STOP
Mrs. Morris Room 4206 GSA	STOP	P. L. Killeen 5012 Int	STOP
Mr. Anderson Room 4243 - GSA	STOP	Mr. Harold Kirkemo Rm. 4457 Interior	STOP
~~Dick Wilmarth Rm 4214 GSA~~	STOP		STOP
~~R. W. Washington GSA~~	STOP		STOP
~~BB Jones B. Lee GSA~~	STOP		STOP
~~[illegible] GSA~~	STOP		STOP
~~[illegible] Interior~~	STOP		STOP

Use other side

Use STOP only when messenger service between Government buildings in Washington, D.C., is required or wherever a STOP system is used. Your mail room has STOP information.

Send Surplus Envelo

Supply Room for Reissue

NAME (OR TITLE) OF ADDRESSEE, AGENCY, ORGANIZATIONAL UNIT, ADDRESS, AND ROOM		NAME (OR TITLE) OF ADDRESSEE, AGENCY, ORGANIZATIONAL UNIT, ADDRESS, AND ROOM	
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	STOP		STOP

Use other side first

☆ U.S. GOVERNMENT PRINTING OFFICE: 1954—O-723-679

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
8/11/66	Kirkham	120
		110
		220

August 11, 1966

Memorandum

To: The File

From: Chief, Office of Minerals Exploration

Subject: OME-6513 (Silver)
Western Exploration Corporation
State School Lease and Mogul Claims
Box Elder County, Utah

The Applicant has not replied to our letter of July 12, 1966.

Accordingly, the subject docket is referred to the inactive file and considered as having been withdrawn.

Frank E. Johnson

Frank E. Johnson

MMerrithew/mm
cc: Director's Reading File
Division File
Economic Geology File
OME Reading File
Region III
120M

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
7/12/66	Shibemo	120
		140
7/12	cal	220
		120m

Mr. Blair Sorensen
Western Exploration Corporation
551 West Greenwood Drive
Brigham City, Utah

JUL 12 1966

Re: OME-6513 (Silver)
Western Exploration Corporation
State School Lease and Mogul Claims
Box Elder County, Utah

Dear Mr. Sorensen:

We have not heard from you since your letter of May 22, 1966. Will you please advise us when we may expect to receive your amended application.

As we wrote you in our letter of May 27, 1966, we will be glad to give prompt attention to an amended application. However, we cannot hold an application indefinitely. Therefore, if we do not receive your amended application within thirty days from the date of this letter, we shall consider it as having been withdrawn.

If the application is withdrawn and you wish to reopen this case sometime in the future, you may do so by submitting new application forms (MME Form 40), new bank letters dated within the preceding 90 days, referring to this OME docket number, and furnishing the information previously requested together with any new information that you think might be helpful.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
Region III

MMerrithew/mm (7/11/66)

23263

MME Form 7
(2/63)

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Date	Surname	Code
5/27/66	Kirkemo	120
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1/2	Cal	220
		120 m

MAY 27 1966

Mr. Blair Sorensen
Western Exploration Corporation
551 West Greenwood Drive
Brigham City, Utah

Re: OME-6513 (Silver)
Western Exploration Corporation
State School Lease and Mogul Claims
Box Elder County, Utah

Dear Mr. Sorensen:

This is to acknowledge receipt of your letter of May 22, 1966, informing us that you will re-evaluate your properties in Box Elder County and may submit an amended application for OME financial assistance.

As requested, we are returning herewith the material submitted with your original application.

We urge you to note the deficiencies we called to your attention in our review of your original application, and that you submit enough additional and up-to-date information to meet all of the requirements necessary to complete an application.

We will be glad to receive an amended application and will give it prompt attention.

Sincerely yours,

FRANK E. JOHNSON (gfc)

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosures

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
OME Region III w/cy incoming letter
Kirkemo

HKirkemo/mm (5/27/66)

23263

Western Exploration Corporation
551 West Greenwood Drive
Brigham City, Utah
22 May 1966

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 25 1966

INITIALS	CODE
	170
	110
	120 K

Mr. Frank E. Johnson, Chief
Office of Minerals Exploration
Washington 25, D.C.

RE: OME-6513 (Silver)

Dear Mr. Johnson:

Thank you for your letter of May 9th regarding our application for an exploration loan.

We are very much interested in continuing with our exploration for silver and have definitely planned to do so at a later date. However the government (particularly the State of Utah) had seemed so disinterested in the exploration effort that we had decided to wait for a more favorable time while we concentrated on other mining developments.

We have been participating in the construction of a benefaction mill at Owl Springs (Western Box Elder County) which can concentrate the minerals from the subject properties as well as others. This mill will be completed by 1 June 1966.

We can then re-evaluate the properties and re-submit the application for exploration assistance.

Would you please return the papers which we have previously submitted so that the effort required for resubmittal will be minimized?

Yours truly,

Blair Sorensen

Blair Sorensen
Western Exploration Corporation

BS/ls

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
5/9/66	Kiberne	120K
		100
5/9	CBL	220
		120M

MAY 9 1966

Western Exploration Corporation
551 West Greenwood Drive
Brigham City, Utah

Re: OME-6513 (Silver)
Western Exploration Corporation
State School Lease and Mogul Claims
Box Elder County, Utah

Gentlemen:

To date, we have not received an answer to our letters of December 9, 1965, and February 14, 1966, to you. Will you please inform us what your plans are regarding the subject application.

If we do not receive a reply from you within thirty days from the date of this letter, we must assume that you are no longer interested in proceeding with your application and we shall consider it as having been withdrawn.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
Region III

MMerrithew/mm (5/6/66)

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
2/11/66	Mirhamo	120
	Selfridge	120
		110
2/15	COC	220
		120 m

Western Exploration Corporation
551 West Greenwood Drive
Brigham City, Utah

Ref: OME-6513 (Silver)
Western Exploration Corporation
State School Lease and Mogul Claims
Box Elder County, Utah

Gentlemen:

We have not had a reply to our letter of December 9, 1965. Will you please inform us of your plans regarding the application. If you have decided not to pursue it further, will you please so inform us.

Sincerely yours,

(signed) FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
Region III

MMerrithew/mm (2/11/66)

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
12/6	Kirkeeng	120
	Hodge	120
12/9	Johnson	110
12/9	Cole	120
		120

DEC 9 1965

Western Exploration Corporation
551 West Greenwood Drive
Brigham City, Utah

Re: OME-6513 (Silver)
Western Exploration Corporation
State School Lease and Mogul Claims
Box Elder County, Utah

Gentlemen:

Thank you for your letter of November 29, 1965, with additional information for your application. Perhaps the most important point to discuss is the financing of a contract, especially during the first two or three months of operation.

We mentioned in our letter of November 12, 1965, that your application indicated monthly costs would total about $9,100 not including reduced salaries, and the cost of a tool shelter, head frame and winch. Now that you have acquired the last two items and dropped the school lease property from consideration, this estimate would be lower. Credit for equipment owned by the operator is calculated in an OME contract by allowing depreciation to the extent of 1/60 of its fair market value or its book value, whichever is less, for each month the equipment is used on the contract. You have not listed the present fair market value or the book value of your equipment as required under Item 7(d) of the application so we cannot calculate the depreciation allowance for you. You can determine this allowance for your proposal by making the calculation as outlined, and thereby judge whether your cash funds are sufficient to make up the balance of your share of the total expenses. If the equipment is to be rented, copies of the rental agreement should be furnished. Rental is allowable under an OME contract only for the time the equipment is in actual use.

If you decide that your financial resources are adequate to undertake an exploration program, we look forward to receiving the additional information mentioned in your letter.

It is suggested that you recast your proposed exploration for the property held under lease and submit new cost estimates for each category of work you propose.

23263

You should include in these estimates the amount, number or extent of work units required, time required to complete them, and the cost of labor, supplies, equipment, and supervision for each category.

On an exploration program we question the need for sinking a shaft unless you intend to explore the vein structure by drifting from the shaft.

We recommend that you rely on a reputable commercial firm for the assay work instead of establishing your own assay office because the total cost would be less.

If an exploration contract is granted, Lien and Subordination Agreements will be required for the leased land.

Submittal of the requested information should not be construed as committing the Government to a contract.

Sincerely yours,

(signed) FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

HKirkemo/mm
12/9/65
cc: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
Region III w/cy of incoming ltr
Kirkemo

Western Exploration Corporation
551 West Greenwood Drive
Brigham City, Utah
November 29, 1965

OFFICIAL
COPY
O. M. E.
RECEIVED
DEC 2 1965
INITIALS | CODE
120 M
120
120 K

Mr. Frank E. Johnson
U. S. Dept. of the Interior
Office of Minerals Exploration
Washington, D. C. 20240

Re: OME-6513 (Silver)

Dear Mr. Johnson:

Thank you for your letter of November 12, 1965. Your comments and suggestions are appreciated. It will not be possible to give a complete answer to all of your questions at this time but as soon as the information can be obtained it will be forwarded to you.

1) We realized our proposed program was rather ambitious, but we had the two properties which we believed to have good silver potential. Since the government had indicated their need for the silver we thought it was to the best interest of ourselves as well as the government to include them both in the one application. However, we were disappointed at the attitude of the State of Utah in not signing the subordination agreement and gave some thought to deleting the school lease property from our application.

We decided to keep it in the application at that time because of its location. It is more favorably located for winter exploration work and we felt we could be drilling and/or excavating on that property while we were cut off from the mogul claims. (It may be worth mentioning here that there is now light snow on the Mogul Claims which may interfer somewhat with immediate exploration on that property.)

2) In line with your suggestion for a more modest exploration program and because of the difficulties imposed by the refusal on the part of the State of Utah to sign the subordination agreement, we have decided to delete the State School lease from the application. At a later date we may find it desireable to resubmit an application for assistance in this area.

3) We will investigate further the costs of both drilling and shaft sinking. We based our estimates on figures from two contractorswho do this type of work but who have not seen either property. Additional estimates will be solicited from other contractors and an ammended application submitted. This will be done as quickly as possible but may take several weeks to have them inspect the property.

4) We originally made an estimate of cost for assaying based on commercial assay figures. However we felt the cost of transportation to the assay office as well as the time delay in awaiting results made it more desireable to set up a portable labratory. However we are not opposed to using a commercial assay office although we believe the cost will be somewhat greater when all things are considered. This depends to a great extent on the number of metals which we will want to report.

We will give this point additional study if your office is not adamant in your recommendation.

How much??

5) The work on the road outside the property should not be expensive. If we delete the State School property from the application, that leaves approximately two miles of road exterior to the Mogul Claims that should be improved. The road building on the property itself will be quite crude and will be limited to that necessary for movement of drill rig, compressor, water truck and other equipment to the drill hole or shaft site.

6) We have recently acquired an 8 ton double drum winch and are in the process of building a head frame which we can use in the exploration work. That will eliminate the requirement for purchasing this equipment and we will add that to the list of equipment to be leased.

7) Regarding the need for cash to cover the first three months of operation we believe that we can borrow this from the local bank if we are granted the exploration loan.

8) There is one other point regarding finances that should be mentioned here to avoid wasting your time and ours if it will preclude the possibility of the loan being granted. We have already expended three years in labor, assays, and prospecting and preliminary tests in preparation for mining. We do not have any appreciable cash reserves and have submitted this application only because we believed (based on our estimate of costs, equipment rental charges and salaries) that we could cover our 25% of the total cost by furnishing our equipment at fair rental value (based on equipment rental fees in Salt Lake City) and some of our labor as required to cover the balance. After reviewing the figures again it would appear that this conclusion is still justified. However your estimates may not completely agree with ours and if this conclusion is not justified in the light of your figures, then we may as well go no further.

Your comments would be appreciated.

Rental at Lowest available rate to reflect

Yours truly,

Blair Sorensen

Blair Sorensen, President
Western Exploration Corp.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
11/12/65	Kirkham	120
11/12	Owlsane	130
"	Johnson	110
11/15	Cole	120
		120

Western Exploration Corporation
551 West Greenwood Drive
Brigham City, Utah

NOV 1 2 1965

Re: OMK-6513 (Silver)
Western Exploration Corporation
State School Lease and Mogul Claims
Box Elder County, Utah

Gentlemen:

Preliminary review of your application indicates that additional information is needed before we can proceed further with the review.

We note that your share of the contract costs would be contributed by furnishing certain equipment and facilities and by working at reduced wages. We find that allowance for these items usually is not sufficient to cover the Operator's share of the costs. The Government pays its share of the costs at the end of each month after a voucher for the costs incurred has been submitted and approved. It usually takes two or three weeks to process such a voucher. An applicant, therefore, should have sufficient funds on hand to pay for all the costs of the exploration for the first two or three months. Your application indicates that monthly costs would total about $9,100 not including reduced salaries for the company members engaged in the project and the cost of the tool shelter, head frame, and power winch.

In the event of an exploration contract and because the State of Utah cannot execute a subordination agreement covering the land included in Utah State Lease 20862, you would have to guarantee performance of contract by posting a performance bond and possibly an affidavit of individual surety to protect the Government's interest in exploration on the state-owned land.

We will need assurance that you could meet the above financial responsibilities in the event of a contract; and we suggest that you consider a more modest program of exploration because your proposed program appears to be too ambitious considering the equipment, labor, and operating services available to you.

23263

You indicate no experience with diamond drill exploration, yet you propose a program requiring an average daily drill footage of about 58 feet. This exceeds the average daily footage attained by experienced drillers. Also, reliance on one drill rig for the whole program is impractical considering repair, maintenance, and the footage proposed for the 27 months of drilling.

The monthly rate of advance estimated for shaft sinking appears to be impractical because it exceeds the average rate expected even from an experienced crew.

The expense of equipping an assay office at the property and employing an assayer would far exceed the cost of analysis by commercial assaying firms and transportation of samples to the laboratories.

The possible cost of work on 12 miles of road may be far in excess of an allowable expense on an OME contract, particularly for work outside the boundaries of the properties involved.

Submittal of additional information in response to the above comments should not be construed as a commitment by the Government to grant an exploration contract.

Sincerely yours,

(signed) FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

HKirkemo/mm (11/12/65)
cc: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
OME Region III
Mr. Kirkemo

November 1, 1965

Western Exploration Corporation
551 West Greenwood Drive
Brigham City, Utah

Subject: OME-6513

Gentlemen:

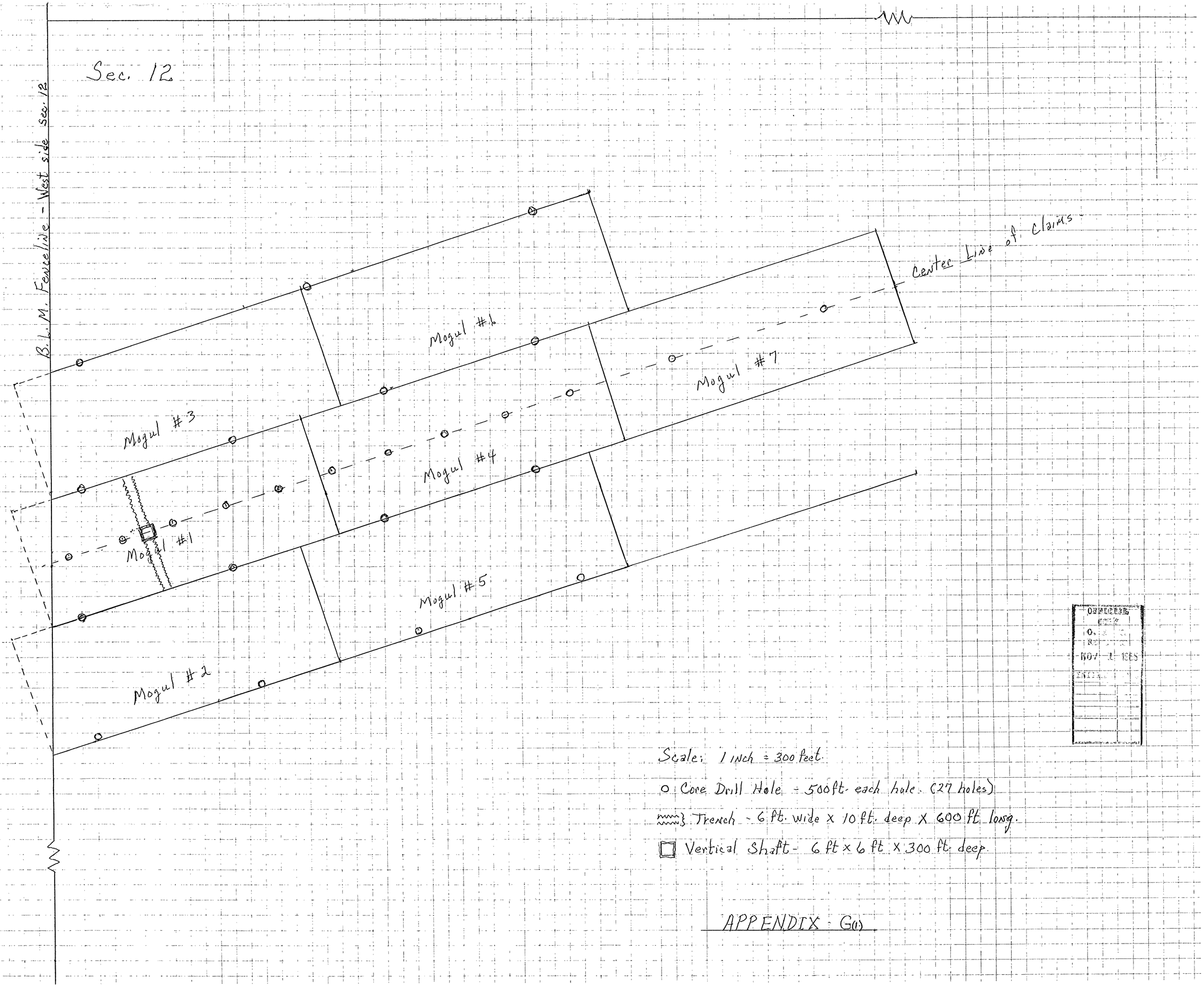
Your application for exploration assistance, dated October 27, 1965, submitted to our office at Washington, D. C., has been assigned Docket No. OME-6513.

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

Sincerely yours,

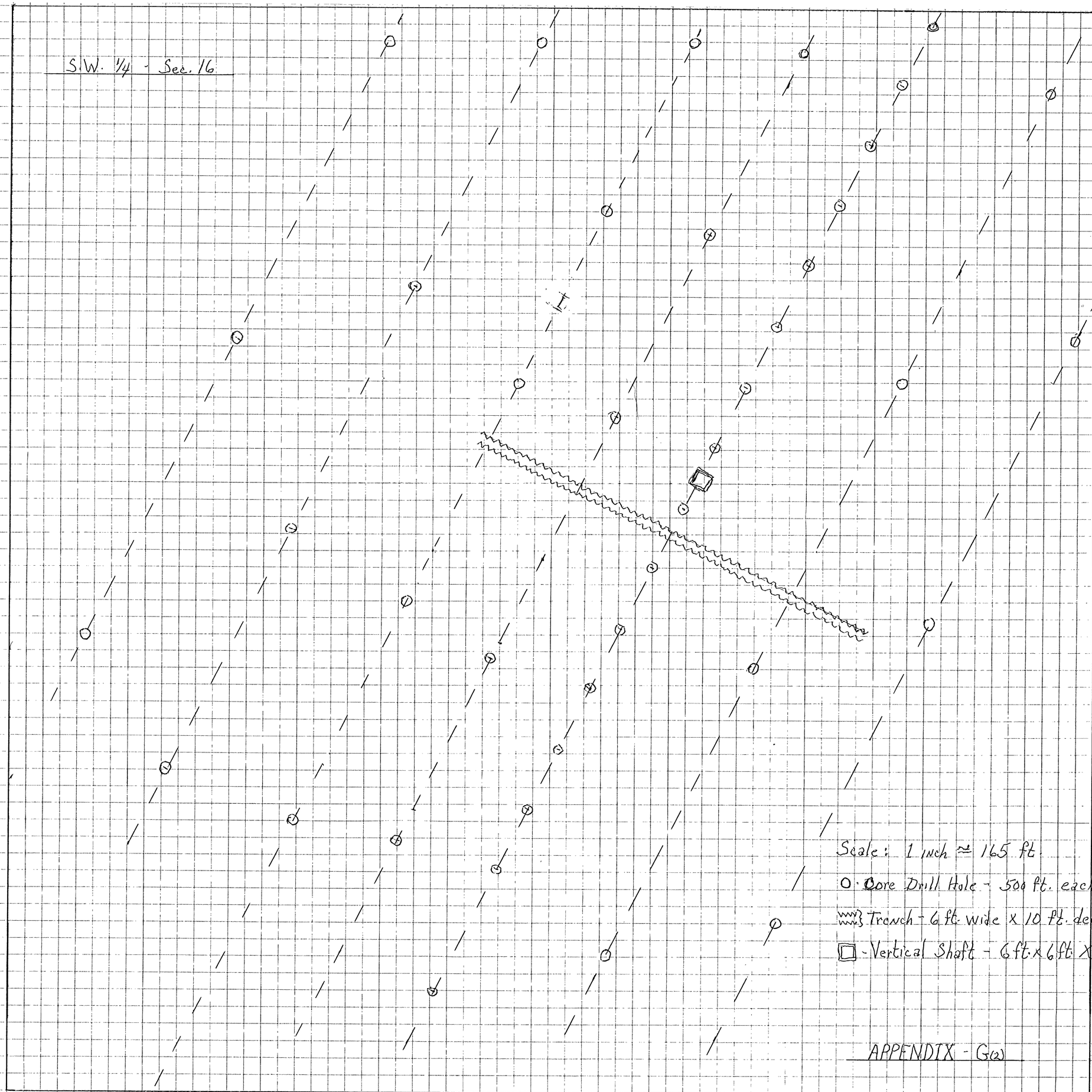
Frank E. Johnson
Chief, Office of
Minerals Exploration

Copy of application
to Region III


Sec. 12
B.L.M. Fenceline - West side Sec. 12
Center Line of Claims
Mogul #1
Mogul #2
Mogul #3
Mogul #4
Mogul #5
Mogul #6
Mogul #7
Scale: 1 inch = 300 feet.
o Core Drill Hole - 500 ft. each hole. (27 holes)
Trench - 6 ft. wide x 10 ft. deep x 600 ft. long.
Vertical Shaft - 6 ft x 6 ft x 300 ft. deep.

APPENDIX : G(1)

S.W. 1/4 - Sec. 16



Scale: 1 inch ≃ 165 ft.

O - Core Drill Hole - 500 ft. each hole (40 holes)

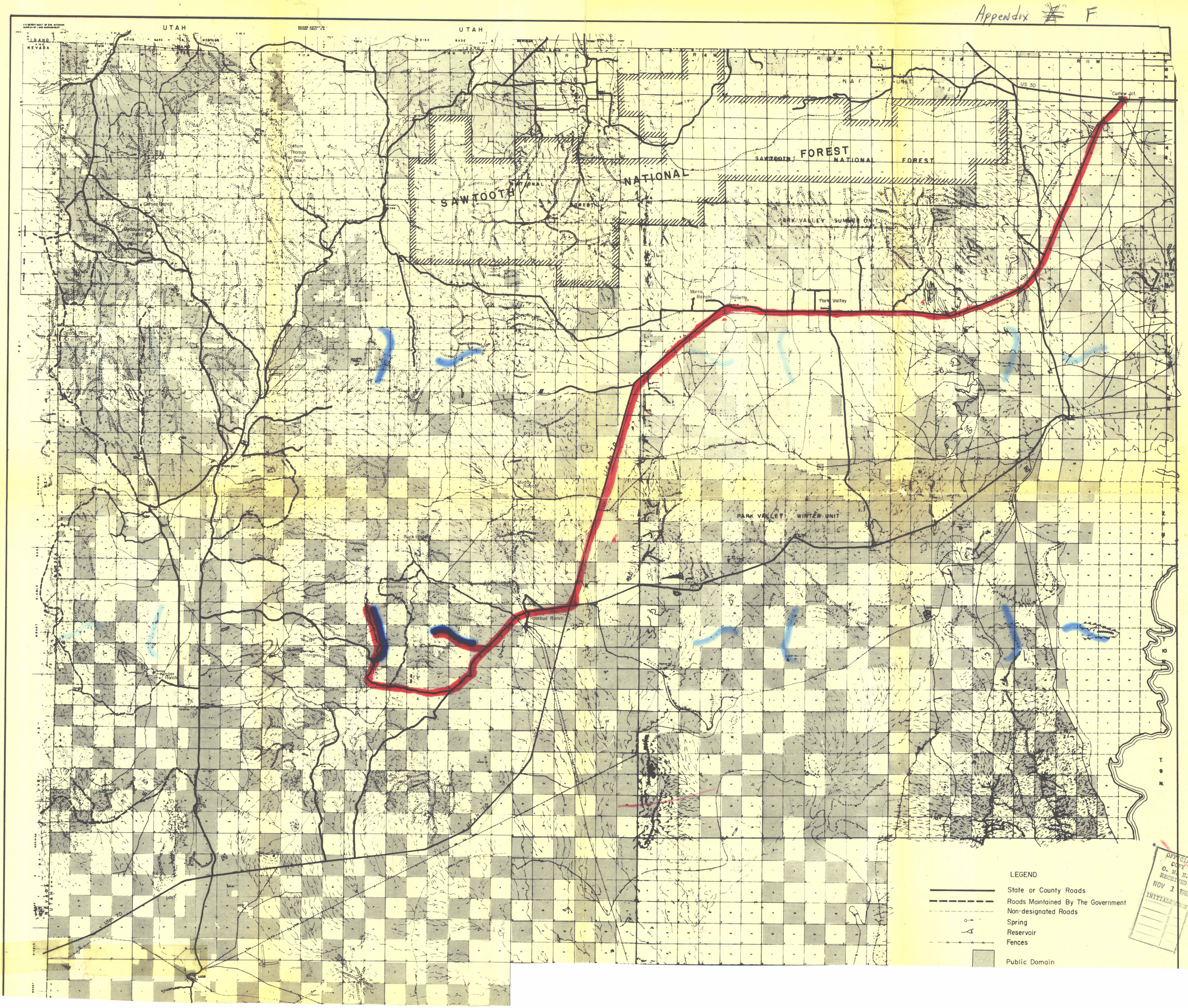
Trench - 6 ft. wide x 10 ft. deep x 1200 ft long.

□ - Vertical Shaft - 6 ft. x 6 ft. x 300 ft. deep

APPENDIX - G(2)

State Lease

Appendix ~~A~~ F



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