UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

~~Terminated (or~~ cancelled) without certification. DMEA No. 1353

This is the official contract file containing all official records of the project. Duplicate material has been removed. The records contained in the files are checked and are arranged in this manner:

Left Side

Certificate of Audit (Final).

Interim Audit(s).

Report of Review.

Termination Notice or Agreement.

✓ Recision Notice.

✓ Assignment of Contract.

✓ Contract Amendments (latest on top).

✓ Contract with all exhibits and annexes.

Owner's Consent to Lien.

Subordination Agreement.

✓ Leases and assignments of leases.

✓ Application and attachments.

✓ Schedule of Collections.

✓ Operator's monthly reports and all attachments (latest on top).

Right Side

✓ Project summary. (2)

✓ Work completed analysis.

All other material is filed in chronological order with correspondence including the following reports as checked:

✓ Final Field Team Report. (Tab)

Operator's Final Report.

✓ Interim Reports.

✓ On-site Exam Report(s). (Tab)

Settlement Sheets.

If additional folders are required because of volume of records, show folder numbers and contents below:

Maps in folder number_____

Operator's Monthly Reports in folder number _____

S. Z. M. ✓✓
Reviewer's Initials

7973

Government's copy

RESCISSION AGREEMENT

It is agreed this 15th day of November, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration (hereinafter called the "Government"), and Phantom Creek Copper, Inc., Assignee (hereinafter called the "Operator"), parties to that certain Amended Exploration Project Contract Idm-E172 (Docket No. DMEA-1353), dated April 9, 1952, as amended (hereinafter called the "Contract"), that:

1. The Operator shall repay to the Government the full amount contributed by the Government under the subject Contract, $675.58 (subject to audit).

2. Upon compliance of the Operator with the condition set forth in paragraph 1, the Contract shall be rescinded as of the date of the Contract the same as if it had never been entered into.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By O. Mittendorf
Administrator, Defense Minerals Exploration Administration

PHANTOM CREEK COPPER, INC.

By S. J. Holden
Secretary Treasurer

Government's Copy

ASSIGNMENT OF CONTRACT
ASSIGNEES' ACCEPTANCE
GOVERNMENT'S CONSENT

WHEREAS, the S. J. Holden and Associates, a partnership composed of S. J. Holden, A. C. Campbell, Valentine Sontag and Frank Funkhouser, of Cle Elum, Washington (hereinafter called the "Operator"), entered into an Exploration Project Contract dated October 4, 1951, Contract No. Idm-E172, Docket No. DMEA-1353, with the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration (hereinafter called the "Government"); and

WHEREAS, the said contract was amended as of April 9, 1952, to restate the work to be performed and executed on Form MF-200 (Revised February 1952); and

WHEREAS, the Operator duly quitclaimed all interest in and to the Arame Grandia, Funkhouser, Billey, Shorty, Campbell and Charlie mining claims, the subject of the prior contract to the Phantom Creek Copper, Inc., (hereinafter called the "Assignee"), by an instrument dated April 10, 1952; and

WHEREAS, the Assignee is a corporation duly organized and existing under and by virtue of the laws of the State of Washington, having an office located at 221 West 4th St Cle Elum Washington.

NOW THEREFORE, the Operator in consideration of the sum of One Dollar ($1.00) lawful money of the United States and other good and valuable consideration received from the Assignee, does hereby assign, transfer, and convey to the Assignee all its right, title, and interest in and to the aforesaid Exploration Project Contract including any and all property purchased for, and the right to use any and all property devoted to the exploration work under this Exploration Project Contract, and hereby consents to any and all future amendments to the said contract. The Operator hereby releases the Government from any and all claims, past, present, or future arising out of the said Exploration Project Contract.

This Assignment is subject (1) to the written consent of the Government; (2) to written acceptance by the Assignee; and (3) assumption by the Assignee of the terms, provisions, and conditions of said Exploration Project Contract binding upon the Operator.

Dated October 16, 1953.

S. J. HOLDEN AND ASSOCIATES

By S. J. Holden Partner

By Valentin Dontay Partner

By A C Campbell Partner

By Frank Funkhouser Partner

The Assignee, this 16th day of October, 1953, hereby accepts the above Assignment, and assumes and agrees to be bound by the terms, provisions, and conditions of said Exploration Project Contract that are binding on the Operator.

PHANTOM CREEK COPPER, INC.

By S. J. Holden Sec. + Manager

On this 16th day of October, 1953, before me Frank Funkhouser, the undersigned officer, personally appeared S. J. Holden who acknowledged himself to be the Secretary of the Phantom Creek Copper, Inc., a corporation, and that he as Secretary, being duly authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as Secretary.

IN WITNESS WHEREOF, I have hereunto set my hand and seal.

Frank Funkhouser
Notary Public

The Government this 30th day of September, 1953, without releasing the Operator from any of the terms, provisions, and conditions of the said Exploration Project Contract, hereby consents to the above Assignment.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
ACTING Administrator, Defense
Minerals Exploration
Administration

ASSIGNMENT OF EXPLORATION PROJECT CONTRACT

I, S. J. Holden and on behalf of my associates, for whom I have authority to sign for in my name for and in consideration of One ($1.00) Dollar now paid, and other valuable consideration, do hereby grant and assign, subject to Government approval, to PHANTOM CREEK COPPER, INC., all our interest in a certain Exploration Project Contract, No. E-172, dated October 4, 1951, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the Government, and ourselves, as operator.

By acceptance of this Assignment, the assignee agrees to assume and perform all of the reservations, terms, conditions, agreements and covenants in said contract contained.

The post office address of the grantee and assignee is as follows:

S. J. Holden, Sec.-Treas.,
321 West Fourth Street,
Cle Elum, Washington.

IN WITNESS WHEREOF, I have hereunto set my hand this 4th day of June, 1953.

S. J. Holden Grantor & Assignor.
S. J. Holden, Gen. Mgr.,- by authority for
S. J. Holden and Associates.

STATE OF WASHINGTON)
(S.S.
COUNTY OF KITTITAS.)

I, the undersigned, a notary public in and for the State of Washington, hereby certify that on this 4th day of June, 1953, personally appeared before me S. J. Holden, who acknowledged to me that he had full authority to use his signature on behalf of his associates as described in the foregoing instrument, described in and who executed the foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes herein mentioned.

WINTESS my hand and official seal this 4th day of June, 1953.

John J. Kashevnikov
Notary Public in and for the State of
Washington, residing at Cle Elum.

In consideration of the foregoing Assignment, the undersigned hereby accepts the same and agrees to assume and perform all of the reservations, terms, agreements, and covenants contained in the contract above described.

Dated this 4th day of June, 1953.

PHANTOM CREEK COPPER, INC.,
By S. J. Holden
Secretary-Treasurer.

APPROVAL BY THE GOVERNMENT
Signed _____ Date _____
Title Acting Administrator, Defense Minerals Explorations Administration

RECEIVED
JUN 8 1953
U. S. G. S.
SPOKANE, WASH.

Government's copy

AMENDED
EXPLORATION PROJECT CONTRACT
PHANTOM CREEK COPPER, INC.
DOCKET NO. DMEA-1353

AMENDMENT NO. 1

It is agreed this 18th day of December, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Phantom Creek Copper, Inc., Assignee of S. J. Holden, A. C. Campbell, Valentine Sontag and Frank Funkhouser, partners, doing business as S. J. Holden and Associates, the Operator named in Amended Exploration Project Contract No. Idm-E172, Docket No. DMEA-1353, dated April 9, 1952, each acting in consideration of the agreement of the other to the terms hereinafter set forth, that effective December 15, 1953, said Amended Exploration Project Contract be further amended as follows:

1. In Article 3 of the contract form, the words "prior to February 1, 1954," are deleted and the words "prior to November 1, 1954," are substituted therefor.

2. During the period from December 15, 1953, to May 1, 1954: (a) The project work shall be recessed; (b) the Government shall not contribute to any costs of operation or maintenance incurred by the Operator; and (c) the Operator shall save the Government harmless from any and all claims, and preserve and protect the project work and any property in which the Government has an interest.

3. Annex II is amended by adding the following words: "The period 'eleven years' is substituted for the period 'ten years'."

4. In Article 10, the words "10 years" are deleted, and the words "11 years" are substituted therefor.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total

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amount which the Government may be required to contribute, nor the amount of any item designated as "allowable maximum."

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C J Mittendorf
Administrator, Defense Minerals
Exploration Administration

PHANTOM CREEK COPPER, INC.

By C. J. Holden Sec & Treas

MF-200
(June 1951)
(Revised Feb. 1952)

DOCKET NO. EA 1353

COMMODITY Copper

Government's Copy

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR

IDM- E-172

DEFENSE MINERALS EXPLORATION ADMINISTRATION

AMENDED

EXPLORATION PROJECT CONTRACT [1]

IT IS AGREED this 9th day of April, 1952 between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] S. J. Holden, A. C. Campbell, Valentine Sontag and Frank Funkhouser, Partners, doing business as S. J. Holden and Associates, at 321 West Fourth Street Cle Elum, Washington and as set forth in Annexes I and II, attached hereto and made a part hereof hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority for contract.*—This agreement is entered into under the authority of the Defense Production Act of 1950, as amended, pursuant to DMEA Order 1 entitled "Government Aid in Defense Exploration Projects."

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Washington, County of Chelan, described as ~~XXXX~~: [3] set forth in Appendix A, attached to the prior contract

the Operator represents and undertakes: [4]

(*a*) That the Operator is the owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached: None

~~XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX~~d.

The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof.

ARTICLE 3. *Exploration project.*—The Operator, ~~XXXX~~ ~~XXXXXXXXXXXXXXXXXX~~ shall ~~XXXXXX~~ continue work on a project of exploration for [5] Copper in or upon the described land; and shall bring the project to completion ~~XXXXXXXXXXX~~ prior to February 1, 1954, ~~XXXXX~~ ~~XXXXXXXXXXXX~~. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided.

ARTICLE 4. *Performance of the work.*—(*a*) *Operator's responsibility.* The work shall be performed efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmens' compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. To the extent specified in Exhibit "A," attached hereto, the work may be performed by independent contractor or contractors; and work not specified in Exhibit "A" for performance by independent contractor may nevertheless be so performed upon amendment of Exhibit "A," as agreed to by the parties, to state the work to be so performed and the estimated unit costs thereof, as provided hereafter.

(*b*) *Independent contracts.*—Any independent contract for the performance of work shall be on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved), or on some basis that will indicate the amount due for work performed at any stage of the work to be performed under such independent contract. The Government shall not be nor be considered to be a party to any such independent contract, and the Government's right to terminate the exploration project contract under any of its provisions shall not in any manner be affected by reason of any such independent contract. If the reference in Exhibit "A" to any such independent contract states that the Government's approval thereof is required, the Government may refuse to participate in the cost thereof unless and until it has given its written approval of the independent contract.

(*c*) *Government may inspect.*—The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 5. *Estimated costs of the project.*—A statement of the estimated cost of the project is set forth in Exhibit "A," attached hereto. Except insofar as any item of requirement or the estimated cost thereof set forth in Exhibit "A" is there or elsewhere designated as an "allowable maximum," such items of requirement and of related cost are estimates only, and may be exceeded to the extent that the Government may from time to time approve for the most economic and beneficial performance of the work within the limitation of the total aggregate estimate of costs. The Government's approval of any such excess over the estimate for an item of requirement or related cost will be signified by its approval and payment of any invoice or voucher for payment which expressly calls attention to such excess. Items expressly designated in Exhibit "A" or elsewhere as "allowable maximum," and the total aggregate estimated cost are limitations, and any excess therein will be for the sole account of the Operator in which the Government will not participate.

ARTICLE 6. *Allowable costs of the project.*—(*a*) The costs of the project in which the Government will participate are limited to the following:

(1) *Independent contracts.*—Payments to independent contractors under independent contracts listed in Exhibit "A." The estimated cost of any work to be performed under an independent contract is or shall be included in the estimate of costs in Exhibit "A" in terms of the estimated numbers of units of work to be performed, the estimated amount to be paid per unit, and the estimated total amount to be paid to the independent contractor, and such estimates shall be allowable maximums above which the Government will not contribute. Regardless of the provisions of any such independent contract, the Government will participate in the payments to the independent contractor only on account of work actually performed and that conforms with the provisions of the exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable and necessary. No such independent contract shall have the effect of increasing the estimated total cost of the exploration project contract nor the maximum amount which the Government will pay as provided in the exploration project contract.

(2) *Labor, supervision, consultants.*—Labor, supervision and technical services (including engineering and geological consultants), a schedule of which is included in the estimate of costs set forth in Exhibit "A." The requirements and related estimated costs for supervision and technical services are allowable maximums.

(3) *Operating materials and supplies.*—Necessary materials and supplies including items of equipment costing less than $50.00 each, and power, water, and fuel, a schedule of which is included in the estimate of costs in Exhibit "A."

(4) *Operating equipment.*—Any operating equipment to be rented or purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or the allowable depreciation, as the case may be, a schedule of which is included in Exhibit "A." Any items listed as owned and to be furnished by the Operator, and related ~~initial~~ allowable depreciation, are allowable maximums.

(5) *Rehabilitation and repairs.*—Any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and to be devoted to the purposes of the exploration contract, a schedule of which is included in the estimate of costs set forth in Exhibit "A." These items are allowable maximums.

(6) *New buildings, improvements, installations.*—Any necessary buildings, fixed improvements, or installations to be purchased, installed, or constructed for the purposes of the exploration work, with the estimated cost of each, a schedule of which is included in the estimate of costs in Exhibit "A." All of these items are allowable maximums.

(7) *Miscellaneous.*—Repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance and payroll taxes.

(8) *Contingencies.*—Such other necessary, reasonable direct costs of performing the exploration work, within the limit of the total aggregate estimate of costs, whether or not included in any schedule of costs in Exhibit "A," as may be approved by the Government in the course of the work, as indicated by its approval and payment of invoices and vouchers.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property, particularly excluding any land or interest therein to which the Government's lien is not to attach or the production from which is not to be subject to the Government's percentage royalty.
[4] Strike out the provision not applicable.
[5] Name of mineral or minerals.

16—6632

(*b*) The Government's payment in all cases will be based on actual, necessary costs (including contract unit prices) incurred not in excess of any "allowable maximum," and not in excess of the fixed percentage of the total aggregate estimated cost. Costs will be considered to be incurred only as they are or become due and payable.

(*c*) No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes) or any other indirect costs, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

ARTICLE 7. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operators shall provide the Government with monthly reports of work performed and costs (including contract unit prices) incurred under the contract, in quintuplicate (five copies), upon forms provided by the Government. These progress reports shall be certified by the Operator, and shall constitute both the Operator's invoice of costs incurred on the project during the period covered by the report and his voucher for repayment by the Government, unless the Government requires the use of a standard voucher form with invoice attached. Progress reports shall include surface and/or underground engineering-geological maps or sketches showing the progress of the exploration, with assay-reports on samples taken concurrently with the advance in mineralized ground.

(*b*) *Final report.*—Upon completion of the exploration work or termination of the contract the Operator shall provide the Government with an adequate geological and engineering report, in quintuplicate (five copies), including an estimate of ore reserves resulting from the exploration work.

(*c*) Compliance with requirements.—If, in the opinion of the Government, any of the Operator's reports are insufficient or incomplete, the Government may procure the making or completion of such reports and attachments as an expense of the exploration work; and the Government may withhold approval and payment of any vouchers depending upon insufficient or incomplete reports.

(*d*) *Accounts and audits.*—The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract. Upon the completion of the project or termination of the contract the Operator shall render a final account as provided in Article 12.

ARTICLE 8. *Payments by the Government.*—(*a*) The Government will pay 50 percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $3,800.00, which is 50 percent of $7,600.00, the agreed, estimated total cost of the project in which the Government will participate; *Provided,* that until the Operator's final report and final accounting have been rendered to the Government, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract.

(*b*) The Government may make any payment or payments direct to independent contractors and to suppliers, for the account of the Operator, rather than to the Operator.

ARTICLE 9. *Repayment by Operator.*—(*a*) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than 6 months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows: See Annex II, substituted for that part of 9(a) preceding the colon.

(1) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) percent of any such net amounts, plus one-half (½) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

(For instance: The percentage royalty on a net amount of five dollars ($5.00) per ton would be one and one-half (1½) percent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(*b*) As here used, "net smelter returns," "net concentrator returns," and "other net amounts realized from the sale or other disposition," mean gross revenue from sales; or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income-tax determination.

(*c*) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(*d*) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

ARTICLE 10. *Assignment, transfer, or loss of Operator's interest.*—Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder. The Operator shall not make any voluntary nor permit any involuntary transfer or conveyance of the Operator's rights in the land described in Article 2, without making suitable provision for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof; *Provided,* that mere failure by the Operator to maintain the Operator's rights in the land, without any consideration running to the Operator other than relief from the cost of maintaining such rights (as by surrender of a leasehold, failure to perform assessment work, or failure to exercise an option), coupled with complete abandonment by the Operator of all interest in or operations on the land for a period of 10 years from the date of this contract, shall not constitute such a transfer or conveyance. Should the Operator make or permit any transfer or conveyance in violation of this provision, the Operator shall be and remain liable for payment to the Government of the same amounts, at the same times, as would have been paid under the terms of the percentage royalty on production. If for any reason the net smelter returns, net concentrator returns, or other net amounts realized from the sale or other disposition of such production are not available as a means of measuring the amount of the Operator's liability, the amount thereof shall be estimated as well as may be, and in the event of dispute as to such estimates, the determination thereof by the Administrator of Defense Minerals Exploration Administration or by his successor shall be final and binding upon the Operator.

ARTICLE 11. *Title to and disposition of property.*—All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

ARTICLE 12. *Termination and completion.*—The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worth while discovery and in the opinion of the Government further operations are not justified. Upon the completion of the project or any termination of the contract the Operator shall dispose of any remaining materials, supplies, facilities, buildings, fixtures, and equipment in which the Government has an interest, for the joint account of the Operator and the Government in the proportion of their respective interests; shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; and shall pay to the Government its pro rata share of any money remaining.

ARTICLE 13. *Changes and added provisions.* ----------

Executed in sextuplicate the day and year first above written.

S. J. HOLDEN AND ASSOCIATES

By S. J. Holden Partner

By Valentine Sontag Partner

By A. C. Campbell Partner

By Frank Turnbow Partner

THE UNITED STATES OF AMERICA

By Frank E. Johnson

ACTING Administrator, Defense Minerals Exploration Administration

I, S. J. Holden, certify that I am the secretary of the corporation named as Operator herein; that , who signed this contract on behalf of the Operator, was then of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—66328-1

AMENDED
EXPLORATION PROJECT CONTRACT
S. J. HOLDEN AND ASSOCIATES
DOCKET NO. DMEA-1353

ANNEX I

WHEREAS, the parties to this amended agreement are also parties to Contract Idm-E172, Docket No. DMEA-1353, dated October 4, 1951, executed on Form MF-200 (June 1951), as amended, hereinafter called the "Prior Contract"; and

WHEREAS, the parties desire to restate and add to the work provided for in the Prior Contract, and to restate their agreement on the new contract form, MF-200 (revised February 1952);

NOW THEREFORE, it is mutually agreed as follows:

1. Effective as of April 9, 1952, the Prior Contract is amended and superseded by this Amended Contract executed on Form MF-200 (revised February 1952), which shall control the Government's claim and lien for a percentage royalty, and in which the rights and obligations of both parties are merged, except that vouchers and claims for the Government's contribution for the work described in and performed under the Prior Contract and payment thereof shall be as therein provided.

2. The Operator hereby releases and agrees to save harmless the Government from all claims and demands arising out of the Prior Contract except as otherwise herein provided.

3. The description of the work and the costs thereof and the costs of the entire project and the Government's participation therein shall be as stated in Exhibit "A" attached hereto and made a part hereof.

AMENDED
EXPLORATION PROJECT CONTRACT
S. J. HOLDEN AND ASSOCIATES
DOCKET NO. DMEA-1353

ANNEX II

The following provisions are in lieu of all of paragraph (a) of Article 9 which precedes the colon:

If the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after a sufficient, complete, final report and final account referred to in the contract has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development, The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2, as follows: (1) Regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production (including any bonuses), in whatever form disposed of, including ore, concentrates, or metal, as follows:

AMENDED
EXPLORATION PROJECT CONTRACT
S. J. HOLDEN AND ASSOCIATES
DOCKET NO. DMEA-1353

EXHIBIT "A"

Description of the Work

The work shall consist of the following:

1. Construct 4.3 miles of access road to property.

2. With a D-4 Caterpillar dozer, or equivalent, cut a minimum of three trenches in the vicinity of the shaft (shown on sketch of Pickwick mine attached to the Prior Contract), to expose the vein system. The location, direction and extent of the cuts shall be subject to Government approval.

3. Rehabilitate 2500 feet of the Van Epps crosscut (shown on cited sketch) for examination.

4. Sample and make a geologic examination of the Pickwick mine.

Estimated Costs of the Project
(*Indicates allowable maximum)

(1)	Independent Contracts		
	Construction of access road	$1,200.00*	
	Bulldozing trenches - 120 hours @ $12.00/hr.* 1/	1,440.00*	
	Rehabilitation of Van Epps crosscut	2,010.00*	$ 4,650.00*
(2)	Labor, Supervision, Consultants		
	Engineer-Supervisor - 3 months @ $500.00/mo. 2/	1,500.00*	
	Geologist - 10 days @ $50.00/day 2/	500.00*	2,000.00*

1/ This includes the cost of Operator, repairs, supplies, transportation to and from site and all other costs.

2/ Includes transportation, room and board.

(3)	Operating materials and supplies		
	Miscellaneous tools and supplies	$ 500.00	
	Tent and tent frame with board floor	200.00	$ 700.00
(4)	Operating equipment		
	None		
(5)	Rehabilitation and repairs		
	Repair of log cabin	100.00	100.00
(6)	New buildings, improvements, installations		
	None		
(7)	Miscellaneous		
	Assays of 100 samples @ $1.50/each	150.00	150.00
(8)	Contingencies		
	None		

* * * *

Total Estimated Cost of the Project	$7,600.00*
Government Participation @ 50%	$3,800.00*

RECEIVED
OCT 26 1953

Cle Elum, Washington
October 20, 1953

Mr. A. E. Weissenborn,
Executive Officer, Region 11,
Defense Minerals Administration,
South 157 Howard Street,
Spokane, Washington.

Re:DMA Docket 1353X- Copper Exploration
S. J. Holden & Associates,
321 W. Fourth Street, Cle Elum, Wn.

Dear Mr. Weissenborn:

Confirming our telephone conversation this morning, and submitting to you the information requested:

Under oath, I, S. J. Holden, submit the following:

THE BILLEY CLAIM- Starting at discovery, thence 1250 feet in a northerly direction to post No. 5 N.E. Center end, thence 300 feet in an easterly direction to Post 5 N.E. Corner, thence 1500 southerly to Post # 4, thence 600 feet westerly to S. W. Post #3, thence 1500 feet northerly to N. W. corner Post # 2. This claim's east side line joins Arame Grandie claim's west side line, and is a relocation of the abandoned Pickwick Claim No. 6.

THE ARME GRANDIE CLAIM- Beginning at discovery post, thence 700 feet in a northerly direction to N. center end, thence 300 feet westerly to Post #2 marked N.W. Corner, thence 1500 feet southerly to Post # 3, marked S. W. Corner, thence 600 feet easterly to Post #3, marked S. E. corner, thence 1500 feet northerly to post marked N. E. corner, thence 300 feet westerly to N. center end. This is a relocation of the original abandoned Eureka Claim, revised location made for Pickwick Mining and development Co., 1901.

THE CAMPBELL CLAIM:* Starting at discovery, thence 700 feet northerly to North Center end, thence 300 feet westerly to N. W. Post No. 2, thence 1500 feet Southerly to S. W. Corner Post #3, thence 600 feet easterly to S. E. Corner Post #3, thence 1500 feet northerly to Post #4. This claim joins the Arme Grandia Claim on the east side of line, and is a relocation of the abandoned Pickwick Claim No. 2. This discovery post is 600 feet easterly from the Arme Grandia location.

SHORTY CLAIM:- Starting at discovery, thence 50 feet in a northerly direction to North Center End, thence 300 feet in a westerly direction to Post marked N.W. #2, thence 1500 feet in a sourherly direction to Post marked S. W. #3, thence 600 feet in an easterly direction to post marked N. E. #4, thence 1500 feet northerly to post marked N. E. No. 5. This is a relocation of the abandoned Pickwick #7 claim, and is a southerly extension of the Billey on Van Epps Creek.

FUNKHOUSER CLAIM:- Beginning at discovery, thence 100 feet northerly to N. Center end, thence 300 feet westerly to N. W. Corner #2, thence 1500 feet southerly to S. W. Corner #3, thence 600 feet easterly to Post S. E. Corner #4, thence 1500 feet northerly to Post N. E. #5, thence 300 feet westerly to N. Center end. This is a relocation of the old abandoned "Sontag Claim" ans is a south extension to Arme Grandia Claim and joins the east side line of the Shorty Claim on the west side line of the Charlie Claim.

CHARLIE CLAIM:- Starting at discovery, thence 900 feet in a northerly direction to North Center End, thence 300 feet in a westerly direction to N. W. Post #2, thence 1500 feet southerly to S. W. Post #3, thence 600 feet easterly to Post S. E. #4,

thence 1500 feet northerly to N. E. Post #5, thence 300 feet to E. Center End. This claim is a south extension to the Campbell Claim and its west side line joins joins the east side line of the Funkhouser Claim and is a relocation of the old abandoned Pickwick Claim #8.

All this group of claims is located in the easterly part and the westerly part of Sections 9 and 10 respectively, in Township 23 N., Range 15, E.W.M., all in Chelan County, Washington, and I certify that these are the same claims described Expolration Project Contract-Idn- 172 and in Exhibit "A"

A sketch of the lay of claims inclosed.

Respectfully submitted,

S. J. Holden

S. J. Holden.

Subscribed and sworn to before me this 20th day of October, 1953.

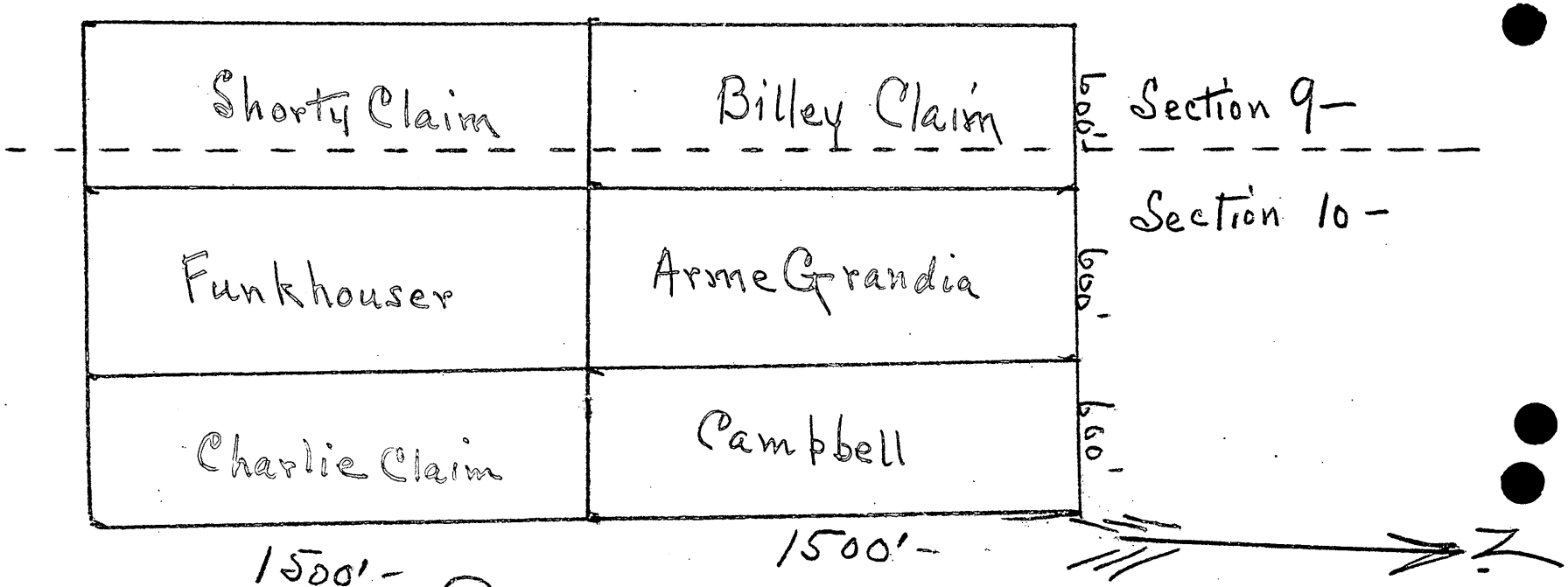
John J. Kashevnikov,

NORATY PUBLIC, in and for the State of Washington, residing at Cle Elum.

RECEIVED

OCT 21 1953

U. S. G. S.
SPOKANE, WASH.



In Section 9 & 10 -
Township 23 N.
Range 15-E.W.M
Chelan County,
Wash, —

GOVERNMENT'S COPY

(Amendment to Change Starting and Completion Dates)

Docket No. 1353X (copper)

AMENDMENT NO. 3

It is agreed this 11th day of March 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration and S. J. Holden and Associates, 321 West Fourth Street, Cle Elum, Washington

each acting in consideration of the agreement to the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E172 of October 4, 1951 between the parties hereto be modified and amended to change ~~the starting date from~~ _____ ~~to within~~ _____ ~~No. of day~~ ~~No. of days~~ ~~of the date of the contract and~~ the completion period from 14 (No. of months) to 24 (No. of months) from the date of the contract. The effective date of this amendment shall be December 4, 1952.

This amendment is made by authority granted the Executive Office, DMA Field Team, Region II in Order No. 2684 by the Acting Secretary of the Interior.

This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "Allowable Maximum".

Executed in sextuplicate the day and year first above written.

S. J. HOLDEN & ASSOCIATES
(Operator)
By S. J. Holden

The United States of America
By A. E. Weissenborn
A.E.Weissenborn, Exec. Officer
DMEA Field Team, Region II

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 1 1 1953

S. J. HOLDEN & ASSOCIATES

EXPLORATION PROJECT CONTRACT IDM-E172

Justification of Amendment No. 3

Amendment No. 3 allows an extension of the completion date of the contract from December 4, 1952 to October 4, 1953. This is necessary to allow the Operator to complete the project. The field season at the mine is about 5 months duration. The major portion of the 1952 season was used in construction of a road to the property.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 11 1953

Government Copy

(Amendment to Change Starting and Completion Dates)

AMENDMENT NO. 2

It is agreed this 30th day of June 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration and S. J. Holden & Associates, Cle Elum, Washington (Docket No. DMEA 1353X - copper)

each acting in consideration of the agreement to the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E172 of October 4 1951 between the parties hereto be modified and amended to change the starting date from 7/1/52 ~~to within~~ to ~~No. of day~~ 10 months No. of days of the date of the contract and the completion period from twelve (12) No. of months to fourteen No. of months from the date of the contract. The effective date of this amendment shall be June 30 1952.

This amendment is made by authority granted the Executive Office, DMA Field Team, Region II in Order No. 2684 by the Acting Secretary of the Interior.

This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "Allowable Maximum".

Executed in sextuplicate the day and year first above written.

S. J. HOLDEN & ASSOCIATES
(Operator)
By S. J. Holden

The United States of America
By A. E. Weissenborn
A.E.Weissenborn, Exec. Officer
DMEA Field Team, Region II

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

So. 157 Howard Street
Spokane 4, Washington

August 12, 1952

Mr. Frank E. Johnson
Chairman, Operating Committee
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Re: S. J. Holden & Associates
Docket No. DMEA-1355X (Copper)
Contract Idm-E1/2
Amendment No. 2

Dear Mr. Johnson:

We are forwarding herewith the original and two copies of Amendment No. 2 to the subject contract extending the starting and completion dates.

These changes were requested because of illness on the part of the applicant, which prevented him from completing the necessary arrangements preparatory to starting work.

Very truly yours,

S. Warren Hobbs
Acting Member, DMEA
Field Team, Region II

Enclosure 1

cc: USBM, Spokane (2) w/encl. in dup.
USBM, Albany (1) w/encl.
W. P. Puffett (1) w/encl.

Wash

Dmea 1353

AMENDMENT NO. 1

It is agreed this 20th day of February 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration and S. J. Holden and Associates, Cle Elum, Washington

each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E172 of October 4 1951 between the parties hereto be modified and amended as described in Exhibit "F", attached hereto, which, with any maps or drawings attached therto, is made a part of this aggrement. The effective date of this amendment shall be October 4 1951.

This amendment is made by authority granted the Executive Office, DMA Field Team, Region II in Order No. 2653 by the Acting Secretary of the Interior.

This amendment shall not be constued to increase the estimated total cost of the project, the aggregate total amount which the Government may be obligated to pay, or the percentage of costs which the Government may be obligated to pay, under the provisions of Article 13 of the contract form.

Executed in sextuplicate the day and year first above written.

S. J. HOLDEN AND ASSOCIATES
(Operator)

By S. J. Holden

The United States of America

By A. E. Weissenborn
A. E. Weissenborn, Exec. Officer
DMEA Field Team, Region II

Defense Minerals Administration
MAR 24 1952

S. J. HOLDEN AND ASSOCIATES
Exploration Project Contract Idm-E172

Amendment No. 1

EXHIBIT "F"

Changes and modifications

1. The starting time as specified in Paragraph 3 of the Exploration Project Contract is to be changed from "Thirty (30) days from the date of this contract," to "not later than July 1, 1952".

MF-200
(June 1951)

Docket No. DMA 1353X
Commodity Copper
Idm-E 172

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

RECEIVED
NOV 8 1951
G. A. O.

EXPLORATION PROJECT CONTRACT [1]

It is agreed this 4th day of October, 1951, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] S. J. Holden and Associates; a partnership composed of S. J. Holden, A. C. Campbell, Valentine Sontag and Frank Funkhouser, 321 West Fourth Street, Cle Elum, Washington

hereinafter called the "Operator," as follows:

1. *Authority for contract.* This agreement is entered into under the authority of the Defense Production Act of 1950, pursuant to Mineral Order 5, entitled "Regulations Governing Government Aid in Defense Exploration Projects."

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of Washington, County of Chelan described as follows: [3]

See description in Appendix "A"

with respect to which the Operator represents and undertakes: [4]

(*a*) That he is the sole owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached:

None

(*b*) ~~That he is a lessee, in possession and entitled to possession, and the subordination agreement of the lessor is attached.~~

3. *Exploration project.* The Operator, within Thirty (30) days from the date of this contract shall commence work on a project of exploration for [5] Copper; shall prosecute the work efficiently, expertly, in a workmanlike manner, in accordance with good mining standards, with suitable and adequate equipment, materials, and labor, all properly designed to bring the project to completion within a period of [6] Twelve (12) months* from the date of this contract. The exploration project and the work to be performed are more fully described on Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, is made a part of this contract.

4. *Performance of the work.* The work shall be performed by the Operator, under his sole direction and control: *Provided,* That with the consent of the Government and its written approval of the contract or contracts, all or any part of the work may be performed by the Operator through contract or contracts with independent contractors. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

5. *Fixtures and improvements.* The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof. Any additional facilities, buildings, and fixtures, to be purchased, installed, or erected by the Operator, with the estimated cost of each, to which the Government will contribute currently its agreed pro rata share, are listed in Exhibit "A" attached hereto. The difference between the cost of such additional facilities, buildings, or fixtures, and the salvage value thereof at the conclusion of the work, shall be charged as a cost of the project to which the Government has contributed its pro rata share.

6. *Operating equipment.* Any operating equipment to be rented, purchased, or furnished by the Operator, with the allowable rental, purchase price, or depreciation, as the case may be, is listed under appropriate headings in Exhibit "A" attached hereto. As to equipment purchased for the project, the Government will contribute its agreed pro rata share of the cost thereof, and the difference between the cost and the salvage value at the conclusion of the work shall be charged as a cost of the project to which the Government has contributed its pro rata share.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property.
[4] Strike out the provision not applicable.
[5] Name of mineral.
[6] Not in excess of 2 years.

*Allowance for delay if weather prohibits continuous work - 5 months actual working time required for the project.

16—64066-2

7. *Title to and disposition of property.* All facilities, buildings, fixtures, equipment, or other items costing more than $50 each, paid for or purchased with funds contributed jointly by the Operator and the Government, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the termination of the contract, if they have any salvage value, shall be disposed of for their joint account unless the Government, in writing, waives its interest in any such items. The Government may require the dismantling, severance from land, and removal of any such items in order to realize its interest in the salvage value thereof, and the cost of any such removal and of the disposal of the items shall be for the joint account of the parties in proportion to their respective interests.

8. *Labor and supervision.* An itemized schedule of labor, by numbers and classes (miners, muckers, millmen, etc.), and of supervisors, by numbers and positions, with the maximum wages or salaries that may be paid to each as an allowable cost of the project is set forth in Exhibit "A" attached hereto.

9. *Rehabilitation and repairs.* A statement of the cost of any necessary rehabilitation or repairs to put existing facilities, buildings, installations, and fixtures into useful and operable condition and which are to be allowed as costs of the project is included in Exhibit "A."

10. *Allowable costs of the project.* The costs of the project in which the Government will participate are limited to the necessary, reasonable, direct costs of performing the exploration work, including the costs of materials, supplies, engineering, power, water, analytical work, accounting, and utilities, including items of equipment costing less than $50 each; and the costs referred to in Articles 5, 6, 8, and 9, and the exhibits annexed to and referred to in this contract. Although the Government may pay part of the cost of new or additional facilities, structures, buildings, and equipment, only the depreciation on such items, computed as indicated in Articles 5 and 6, will be charged as a cost of the project. No items of general overhead, corporate management, interest, taxes, or any other indirect costs not expressly allowed by these provisions, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

11. *Accounts and audits.* The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract.

12. *Progress reports.* The Operator shall provide the Government with monthly reports of work performed under the contract upon forms to be provided by the Government. Each monthly progress report shall bear the certification of the Operator and shall constitute the Operator's invoice of costs incurred on the project during the period covered by the report.

13. *Payment to the Operator.* The monthly progress report (invoice), to the extent approved by the Government, shall be processed for payment by the Government. Payment shall be made in the amount of 50 percent of the approved costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $3,800.00, which is 50 percent of the agreed estimated total cost of this project, $7,600.00.

14. *Final reports by Operator.* Upon completion of the project or termination of this contract, the Operator shall provide the Government with a comprehensive geologic and engineering report, including an estimate of ore reserves, to the best of his ability. Four copies of all reports shall be furnished to the Government.

15. *Repayment by Operator.* If, upon the completion of the exploration project or termination of the contract, the Government considers that a discovery or development has resulted from the work from which commercial production of ore may be made, the Government, within 6 months thereafter, shall so certify to the Operator, particularly describing and delimiting its estimate of the discovery or the development. Thereafter, if and as ore is produced as a result of such discovery or development, the Operator and his successor in interest shall be and become obligated to pay to the Government a percentage royalty on the net smelter returns or other net proceeds realized from such ore, concentrates, or metal produced within ten (10) years from the date of this contract, until the total amount contributed by the Government, without interest, is fully repaid or said 10 years have elapsed, whichever occurs first, as follows:

Of net smelter returns or other net proceeds not in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent.

Of net smelter returns or other net proceeds in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent, plus one-half (½) percent for each additional full fifty cents ($0.50) in excess of eight dollars ($8.00) per ton of ore, but not in excess of a maximum of five (5) percent.

This obligation to repay from net returns or proceeds shall be and remain a claim and lien upon the mineral deposit which is the subject of the exploration project and upon any production resulting from such discovery or development, in favor of the Government, until fully paid, or until said 10-year period has elapsed; and this claim and lien and the Government's right to repayment shall survive any termination of the contract, whether by completion of the exploration project or otherwise. This article is not to be construed as imposing any obligation on the Operator or his successor in interest to produce ore from any such discovery or development.

16. *No assignment of contract.* Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder.

17. *Termination and completion.* The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worthwhile discovery and in the opinion of the Government further operations are not justified. Upon the completion of the project or any termination of the contract the Operator shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; shall dispose of any unused materials, supplies, and equipment for the joint account of the Operator and the Government in the proportion of their respective interests; and shall pay to the Government its pro-rata share of any money remaining.

Executed in sextuplicate the day and year first above written.

S. J. Holden and Associates

By S. J. Holden

S. J. Holden, ~~President~~ Partner

By A. C. Campbell

A. C. Campbell, Partner

By Valentine Sontag

Valentine Sontag, Partner

By Frank Funkhouser

Frank Funkhouser, Partner

THE UNITED STATES OF AMERICA

By C. D. Mitenbergs

Director, Production Expansion Division

Defense Minerals Administration

U.S. GOVERNMENT PRINTING OFFICE 16—64066-2

APPENDIX "A"

Description of Property

(a) In the Levenworth Mining District, Chelan County, Washington:

Starting at discovery, thence 900 feet in a northly direction to north CenterEnd, thence 300 feet in a westerly direction to N.W. Post #2, thence 1500 feet southerly to S.W. Post #3, thence 600 feet easterly to Post S.E. #4, thence 1500 northerly to N.E. Post #5, thence 300 feet to N. Center end. This claim is a south extension of the Campbell and its west side line joins the east side line of the Funkhouser and is a relocation of the old abandoned Pickwick Claim #8. All this group is located near the head of Van Epps Creek on S.W. side of King Solomon Mountain.

Beginning at discovery, thence 100 feet northerly to N. Center end, thence 300 feet westerly to N.W. Corner #2, thence 1500 feet southerly to S.W. Corner #3, thence 600 feet easterly to Post S.E. Corner #4, thence 1500 feet northerly to Post N.E. #5, thence 300 westerly to N. Center end. This is a relocation of the old abandoned "Sontag Claim" and is a south extension of Arame Grande Claim and joins the east side line of the Shorty Claim on the west side line of the Charlie Claims.

Starting at discovery, thence 700 feet northerly to North Center end, thence 300 feet westerly to N.W. Post No. 2, thence 1500 feet Southerly to S.W. corner Post #3, thence 600 feet easterly to S.E. Corner Post #3, thence 1500 feet northerly to Post #4. This claim joins the Arame Grande Claim on its east side line, and is a relocation of the abandoned Pickwick Claim No. 2. This discovery post is 600 feet easterly from the Arame Grande location.

Beginning at discovery post, thence 700 feet in a northerly direction to N. Center End, thence 300 feet westerly to Post #2, marked N.W. Corner, thence 1500 feet southerly to Post #3, marked S.W. Corner, thence 600 feet easterly to Post #3, marked S.E. corner, thence 1500 northerly to post marked N.E. corner, thence 300 westerly to N. Center End. This is a relocation of the original abandoned Eureka claim, revised location made for Pickwick Mining and Development Co. in 1901.

Starting at discovery, thence 1250 feet in a northerly direction to Post #5 N.E. Center end, thence 300 feet in an easterly direction to Post 5 N.E. Corner, thence 1500 feet southerly Post #4, thence 600 feet westerly to S.W. Post #3, thence 1500 northerly to N.W. corner Post 2. This claim's east side line joins Arame Grand Claim's west side line, and is a relocation of the abandoned Pickwick Claim #6.

Starting at discovery, thence 50 feet in a northerly direction to North Center End, thence 300 feet in a westerly direction to Post marked N.W. #2, thence 1500 feet in a southerly direction to Post marked S.W. #3, thence 600 feet in an easterly direction to post marked N.E. #4, thence 1500 feet northerly to post marked N.E. #5. This is a relocation of the abandoned Pickwick #7 claim, and is a southerly extension of the Billey Boy claim on Van Epps Creek.

All the above relocated, unpatented mining claims are situated in Sec. 9 and Sec. 10, T 23 N, R 15 E, Washington P.M.

Re: Docket No. IMA - 1353X
S.J.Holden, A.C.Campbell,
Valentine Sontag, Frank Funkhouser,
Partners
Exploration Project Contract Idm-E172

EXHIBIT "A"

The purpose of this exploration program is to prepare the Pickwick mine for a thorough sampling and geologic examination.

Exploration Project:

1. Rehabilitate shaft to old 50-foot level crosscut.

2. Rehabilitate 175 feet of crosscut and 80 feet of drift on 50-foot level for examination and sampling.

3. Rehabilitate 2,500 feet of Van Epps crosscut for examination.

Estimated cost of project:

1.	Rehabilitation of 50 feet of shaft @ $20/ft.	$1,000.00
2.	Rehabilitate 175 feet crosscut and 80 feet drift for sampling and examination - 255 feet at $10/ft.	2,550.00
3.	Rehabilitate 2,500 feet of Van Epps crosscut for sampling and examination	1,000.00
4.	Additional equipment to be purchased	500.00
5.	Rehabilitation of existing facilities	100.00
6.	Sampling, engineering and geologic services	2,000.00
7.	Additional facilities	450.00
		$7,600.00

Per foot costs are to include labor, supervision, transportation and all operating costs.

Additional Facilities, Buildings and Fixtures:

Tent and tent frame with board floor	$ 200.00
Construction of temporary headframe	250.00
Total	$ 450.00

To be rented:	Est. monthly rental
1 Gasoline powered jackhammer	$ 50.00
2 Horses at $25.00 per month each*	50.00
1 Saw, chain, gasoline powered	75.00
1 Fan, gasoline engine driven	100.00
500 feet vent tube at $0.20/ft. per month**	100.00
1 Hoist, gasoline engine driven, with 100 ft. cable	50.00
	Est. hourly rental
1 Bulldozer D-Z or equivalent, not to exceed 160 hours operation	$ 7.50***

*These 2 pack or saddle horses are to be kept at mine.
**Existing vent pipe is to be used to fullest extent possible.
***To include operator and all operating expenses.

NOTE: It is optional whether a bulldozer or pack horses are used to bring in supplies or equipment. If pack horses are used, the bulldozer will not be used.

To be purchased:

Miscellaneous tools and equipment	$500.00

To be furnished by operator:

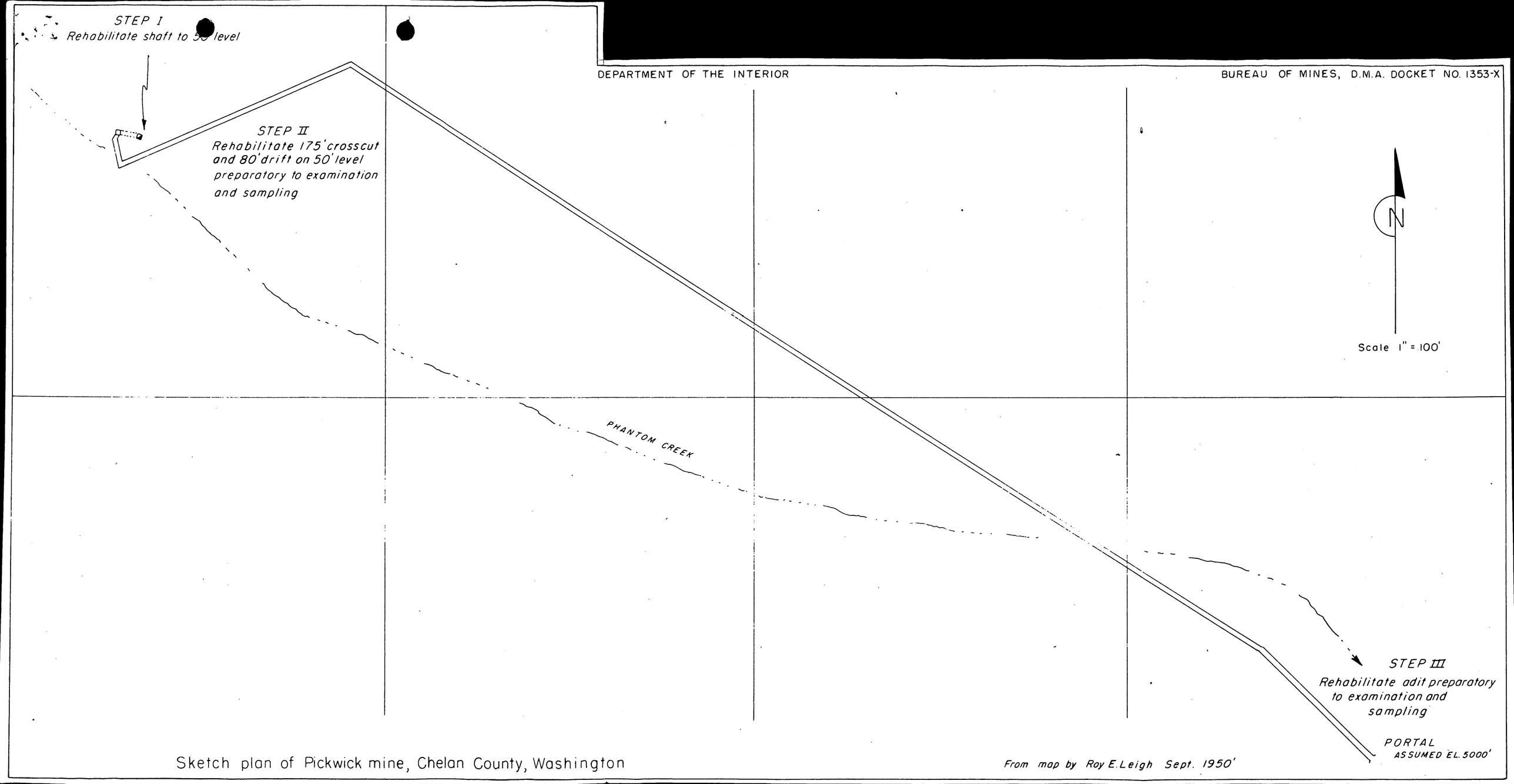
None

Schedule of labor:

Classification	Rate per 8-hr. shift
2 Miners	$15.00 plus board
or	
2 Surface labor	$14.00 plus board
1 Cook	$14.00 plus board
	Rate per month
1 Superintendent	$450.00 plus board

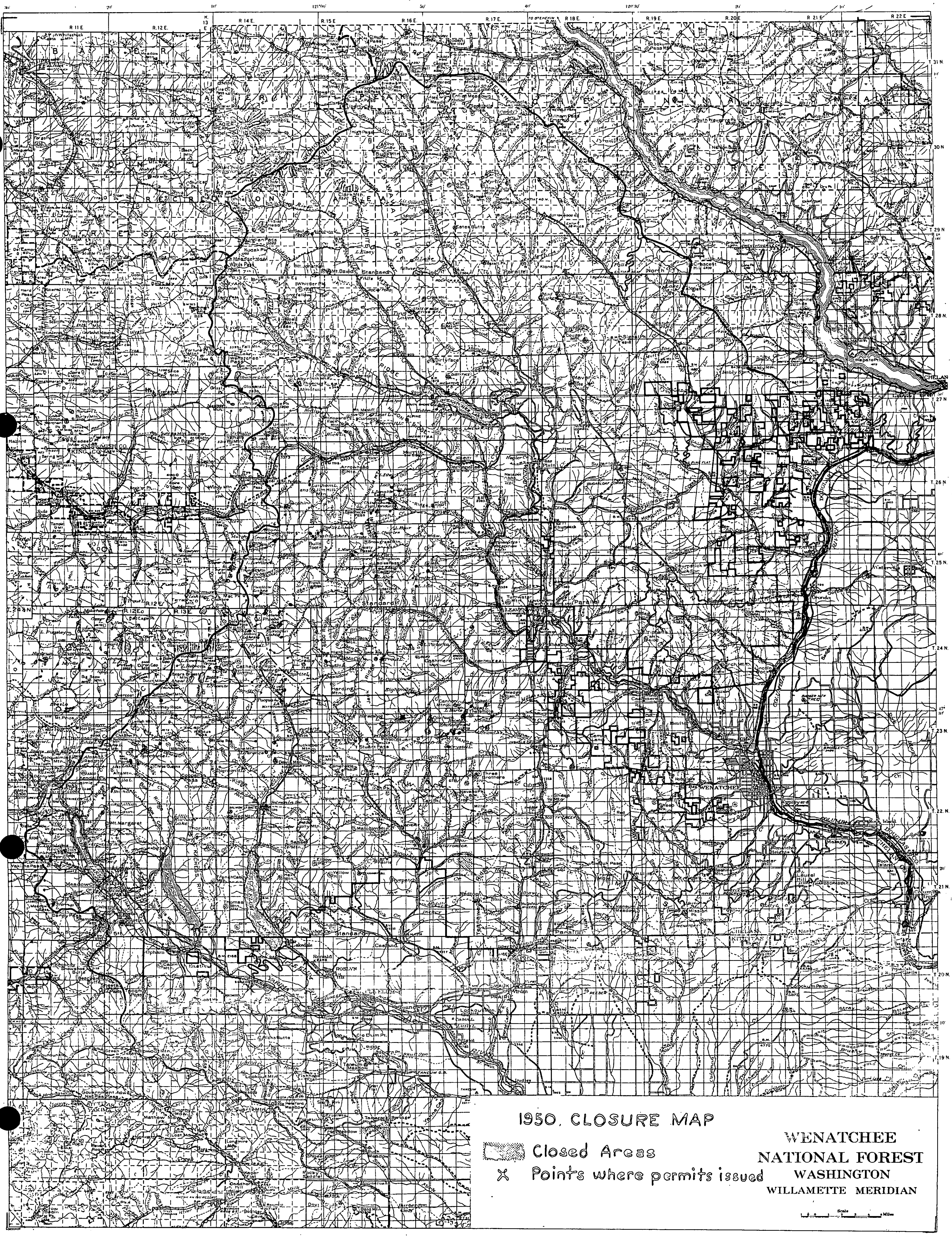
Rehabilitation and Repairs:

Repair of log cabin	$100.00



Sketch plan of Pickwick mine, Chelan County, Washington

From map by Roy E. Leigh Sept. 1950'


1950. CLOSURE MAP
Closed Areas
X Points where permits issued
WENATCHEE
NATIONAL FOREST
WASHINGTON
WILLAMETTE MERIDIAN

Block 7.

Magnie

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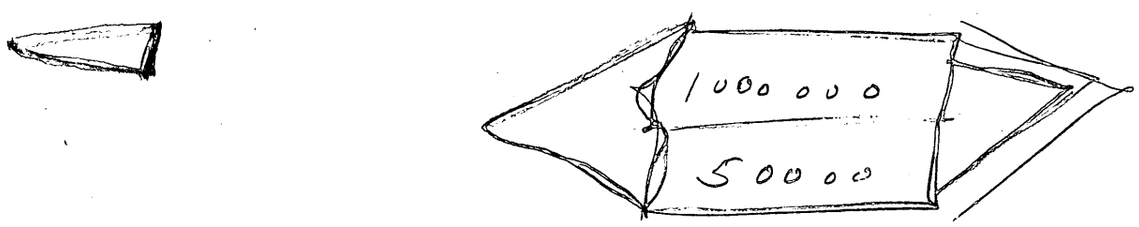

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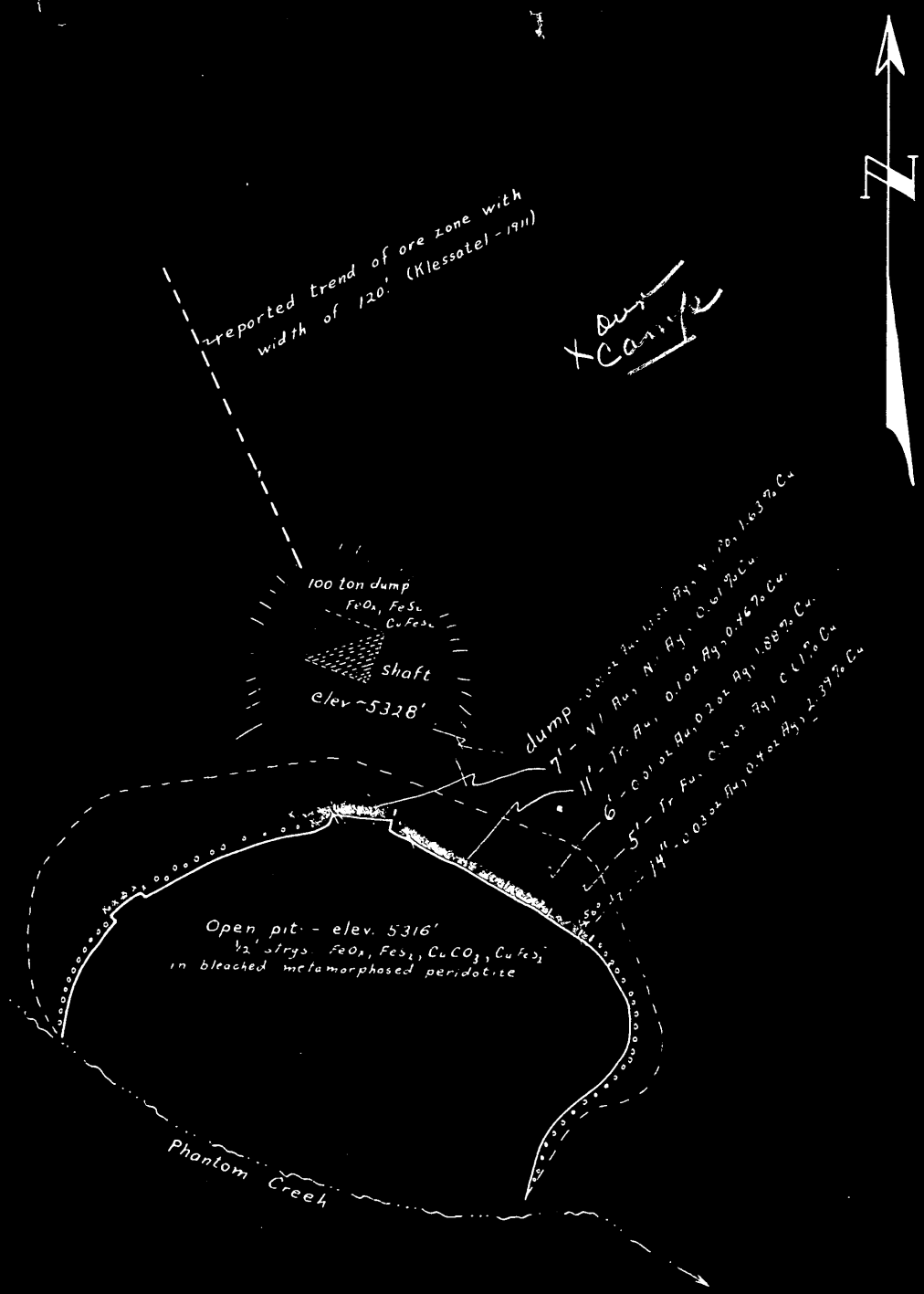
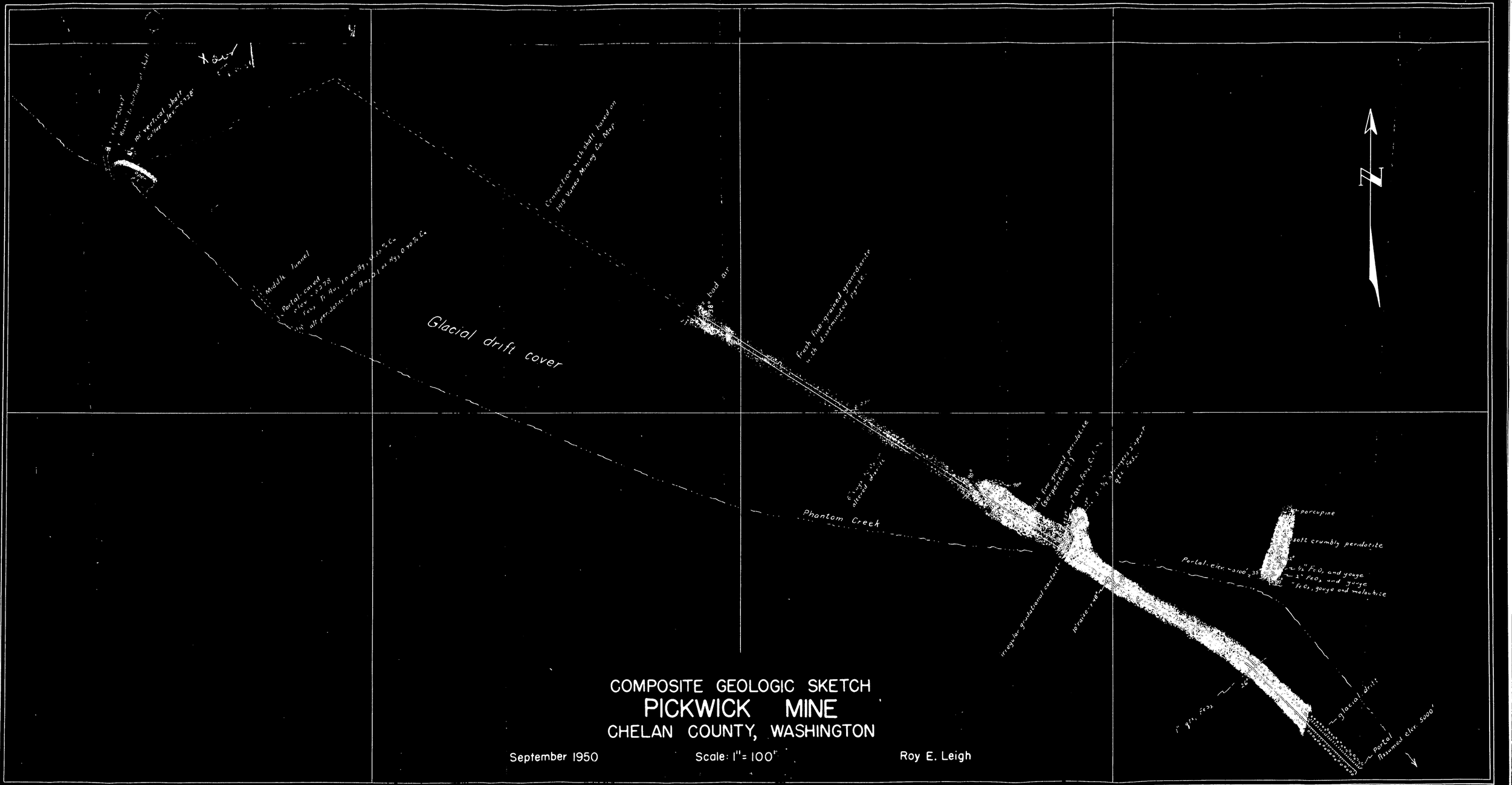


OPEN PIT ASSAY MAP
PICKWICK MINE
CHELAN COUNTY, WASHINGTON

September 1950 | Scale: 1" = 20' | Roy E. Leigh



COMPOSITE GEOLOGIC SKETCH

PICKWICK MINE

CHELAN COUNTY, WASHINGTON

September 1950 Scale: 1" = 100' Roy E. Leigh

MINING DEED.

This Indenture, *Made this* 10th *day of* April, *A. D. 1952*
between S. J. HOLDEN & ASSOCIATES, consisting of S. J. HOLDEN, A. C. CAMPBELL, VALENTINE SONTAG and FRANK FUNKHOUSER,

of the County of ..... *and State of* Washington
parties of the first part, and PHANTOM CREEK COPPER, INC.

of the County of Chelan *and State of* Washington
party of the second part,

WITNESSETH, That the said parties of the first part, for and in consideration of the sum of One Dollar ($1.00) and other valuable consideration----------~~DOLLARS~~, *Gold Coin of the United States, to them in hand paid by the said party of the second part, the receipt whereof is hereby acknowledged, hath Granted, Bargained, Sold, Remised, Released, and forever Quit-Claimed, and by these presents, do Grant, Bargain, Sell, Remise, Release, and forever Quit-Claim, unto the said party of the second part, heirs and assigns, the* ARAME GRANDIA, FUNKHOUSER, BILLEY, SHORTY, CAMPBELL and CHARLIE mining claims

as located, surveyed, recorded and held by said parties of the first part, situated in Leavenworth

Mining District Chelan *County, State of* Washington
Sections 9 and 10, T. 23 N., R. 15 E.W.M.

together with all the dips, spurs and angles, and also all the metals, ores, gold and silver-bearing quartz, rock and earth therein, and all the rights, privileges and franchises thereto incident, appendant and appurtenant, or therewith usually had or enjoyed; and also all and singular the tenements, hereditaments, and appurtenances thereunto belonging, or in anywise appertaining, and the rents, issues and profits thereof; and also all the estate, right, title, interest, property, possession, claim and demand whatsoever, as well in law as in equity, of the said part of the first part, of, in or to the said premises, and every part and parcel thereof, with the appurtenances.

TO HAVE AND TO HOLD, All and singular, the said premises, together with the appurtenances and privileges thereto incident, unto the said party of the second part, its *heirs and assigns forever.*

IN TESTIMONY WHEREOF, The said parties of the first part have hereunto set their *hands and seals the day and year first above written.*

Signed, Sealed and Delivered in the Presence of

Chas. O'Keary
Chas. O'Keary

Frank Funkhouser [SEAL]
A. C. Campbell [SEAL]
Valentine Sontag [SEAL]
S. J. Holden [SEAL]

State of WASHINGTON }
County of Spokane } ss.

I, J K Cheadle, a Notary Public in and for said County and State, do hereby certify that on this 10th day of April, A. D. 1952, personally appeared before me FRANK FUNKHOUSER

to me known to be the individual described in and who executed the within instrument, and acknowledged that he signed and sealed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal, this 10th day of April, A. D. 1952.

J K Cheadle
Notary Public.

Residing at Spokane

J. K. CHEADLE NOTARY PUBLIC STATE OF WASHINGTON COMMISSION EXPIRES FEB. 22, 1955

MINING DEED.

L. J. Hilley, et al.

TO

Phantom Creek Copper Inc.

STATE OF Washington }
COUNTY OF Kittitas } SS.

FILED FOR RECORD AT REQUEST OF
L. J. Hilley

on the 27 day of May, 1952
at 25 Minutes past 1 P. M.,
and recorded in volume 8
of Mines Page 41
Records of County.
James M. Snowden
County Auditor.
By R. Smith
Deputy.

Return to THE OFFICE OF
L. J. Hilley
321 N. 4th
Ellensburg, Wn.

$2.00

RECORDED
COMPARED

FOR SALE BY SHAW & BORDEN CO., SPOKANE, WASH.

STATE OF WASHINGTON,
County of King } ss.

I, the undersigned, a Notary Public in and for the above named County and State, do hereby certify that on this 24th day of ~~April~~ May, 19 52, personally appeared before me

S. J. HOLDEN

to me known to be the individual described in and who executed the within instrument, and acknowledged that he signed and sealed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal the day and year last above written.

Chas. V. Henry

Notary Public for State of Washington,
Residing at Cle Elum

Filed for Record
By S. J. Snedden
Date 5-27-52 at 1:25 P.M.
James M. Snowden, County Auditor

CHAS. V. HENRY
NOTARY PUBLIC
STATE OF WASHINGTON

INDIVIDUAL ACKNOWLEDGMENT

STATE OF WASHINGTON,
County of Chelan } ss.

SPOKANE TITLE COMPANY

I, the undersigned, a Notary Public in and for the above named County and State, do hereby certify that on this ..... day of April, 19 52, personally appeared before me A. C. CAMPBELL

to me known to be the individual described in and who executed the within instrument, and acknowledged that he signed and sealed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand [illegible] day and year last above written.

W. Kenneth Kingman

Notary Public for State of Washington,
Residing at Chelan

INDIVIDUAL ACKNOWLEDGMENT

STATE OF WASHINGTON,

County of King } ss.

I, the undersigned, a Notary Public in and for the above named County and State, do hereby certify that on this 24th day of ~~April~~ May, 1952, personally appeared before me

VALENTINE SONTAG

to me known to be the individual described in and who executed the within instrument, and acknowledged that he signed and sealed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal the day and year last above written.

Chas. F. Henry

Notary Public for State of Washington,

Residing at Seattle

CHAS. F. HENRY NOTARY PUBLIC STATE OF WASHINGTON

INDIVIDUAL ACKNOWLEDGMENT

SPOKANE LITHO COMPANY

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. DMA-1353X

Date received 5/31/51

Participation

G. J. Holden and Associates
321 West Fourth Street,
Cle Elum, Washington

Name and address of applicant

Date

FILL IN THIS BLOCK

Date of application May 19, 1951

Estimated cost 99,000

Mineral or metal Copper (silver and gold)

Percentage of Government participation 50%

Location of mine Sections 9 and 10, Township 23 North, Range 19 West, Chelan and Okanogan Counties, Washington

Date of filing MF-100 None filed

DMA Docket Number, if available DMA-1353X

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation? Partnership

*2. If a partnership, state names and addresses of partners. See attached sheet

*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders. Not applicable

*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project.

*5. Are you the owner or the lessee of the property? Validated claims only, recorded Washington ok 129, pages 451-5 incl.

6. If owner, state what claims, liens, or encumbrances, if any, are against the property. None

7. If lessee, attach a copy of the lease and state if it is in good standing. Not applicable.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement. See attached sheet

9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)? $49,500. Yes.

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property. See attached sheet.

(*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any. Pickwick Mining and Development Co.

*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads. See attached sheet.

*13. State source and quantity of water available for operations and its sufficiency at all seasons. State amount of power to be used, rate per hour or other cost, and source. See attached sheet.

*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work. None above ground.

15. State in detail how the ore could be shipped and how and where milled. See attached sheet.

*16. History:

(*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.

(*b*) State briefly the known history and production of adjoining and neighboring properties.

(*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations. See attachment sheet

*17. Production:

(*a*) If mine is in production, furnish the following information: Not applicable.

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining				
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.) Not applicable.

(*a*) Describe the ore or mineral deposits briefly.

(*b*) Submit available maps and assay data.

(*c*) Give estimated tonnage and grade of each class of ore reserves.

19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions. Not Applicable.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted? Copper, silver and gold.

21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it. See 23.

NOTE.—The Government will not participate in a project that will require more than 2 years to complete.

22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data. See 16.

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:

(*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each. See attached sheet

(*b*) Supervisors, by numbers and positions, with salaries of each.

(*c*) Cost of necessary repairs to existing facilities, structures, and buildings.

(*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.

(*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.

(*f*) Cost of rental for equipment which the operator proposes to rent.

(*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.

(*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.

(*i*) Cost of power, water, utilities, and any other items not provided for above.

24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent. The entire project should be completed within six months.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

J. Holden and Associates	By Slankolovic
(Name of company)	(Signature of authorized official)
May 29, 1951	Attorney
(Date)	(Title)

Title 18, U. S. Code (Crimes), Section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

ANSWER TO ITEM NO. 2

Applicant is an informal partnership. There are four owners of the claims: S. J. Holden, 321 West Fourth Street, Cle Elum, Washington; A. C. Campbell, Campbell Hotel, Chelan, Washington; Valentine Sontag, 138-39 Eighth Avenue South, Seattle, Washington; Frank Funkhouser, Old National Bank Building, Spokane, Washington.

ANSWER TO ITEM NO. 4

All four of the partners have been active in mining, and related affairs, for many years. Mr. Holden, who will manage the property, has been in the mining business all his life. His family discovered the rich Holden claim located north of the subject claims. Mr. Funkhouser is an attorney who has long been active in the mining business.

ANSWER TO ITEM NO. 8

This partnership, as such, has no assets other than the property. The individuals, however, are solvent and will contribute to the development of the claims as required. Individual statements will be furnished if desired.

ANSWER TO ITEM NO. 10

(a) In the Levenworth Mining District, Chelan County, Washington:

Starting at discovery, thence 900 feet in a northly direction to north CenterEnd, thence 300 feet in a westerly direction to N.W. Post #2, thence 1500 feet southerly to S.W. Post #3, thence 600 feet easterly to Post S.E. #4, thence 1500 northerly to N.E. Post #5, thence 300 feet to N. Center end. This claim is a south extension of the Campbell and its west side line joins the east side line of the Funkhouser and is a relocation of the old abandoned Pickwick Claim #8. All this group is located near the head of Van Epps Creek on S.W. side of King Solomon Mountain.

Beginning at discovery, thence 100 feet northerly to N. Center end, thence 300 feet westerly to N.W. Corner #2, thence 1500 feet southerly to S.W. Corner #3, thence 600 feet easterly to Post S.E. Corner #4, thence 1500 feet northerly to Post N.E. #5, thence 300 westerly to N. Center end. This is a relocation of the old abandoned "Sontag Claim" and is a south extension of Arame Grande Claim and joins the east side line of the Shorty Claim on the west side line of the Charlie Claims.

Starting at discovery, thence 700 feet northerly to North Center end, thence 300 feet westerly to N.W. Post No. 2, thence 1500 feet Southerly to S.W. corner Post #3, thence 600 feet easterly to S.E. Corner Post #3, thence 1500 feet northerly to Post #4. This claim joins the Arame Grande Claim on its east side line, and is a relocation of the abandoned Pickwick Claim No. 2. This discovery post is 600 feet easterly from the Arame Grande location.

Beginning at discovery post, thence 700 feet in a northerly direction to N. Center End, thence 300 feet westerly to Post #2, marked N.W. Corner, thence 1500 feet southerly to Post #3, marked S.W. Corner, thence 600 feet easterly to Post #3, marked S.E. corner, thence 1500 northerly to post marked N.E. corner, thence 300 westerly to N. Center End. This is a relocation of the original abandoned Eureka claim, revised location made for Pickwick Mining and Development Co. in 1901.

ANSWER TO ITEM NO. 10 continued:

Starting at discovery, thence 1250 feet in a northerly direction to Post #5 N.E. Center end, thence 300 feet in an easterly direction to Post 5 N.E. Corner, thence 1500 feet southerly Post #4, thence 600 feet westerly to S.W. Post #3, thence 1500 northerly to N.W. corner Post 2. This claim's east side line joins Arame Grand Claim's west side line, and is a relocation of the abandoned Pickwick Claim #6.

Starting at discovery, thence 50 feet in a northerly direction to North Center End, thence 300 feet in a westerly direction to Post marked N.W. #2, thence 1500 feet in a southerly direction to Post marked .S.W #3, thence 600 feet in an easterly direction to post marked N.E. #4, thence 1500 feet northerly to post marked N.E. #5. This is a relocation of the abandoned Pickwick #7 claim, and is a southerly extension of the Billey Boy claim on Van Epps Creek.

ANSWER TO ITEM NO. 12

The site is within a few miles of the ~~said~~ rail center at Leavenworth, Washington. County roads are in up to approximately four miles of the property, and the partners are now negotiating with the county to continue this road. (Note: Developments costs herewith submitted include extending this road without county aid.)

ANSWER TO ITEM NO. 13

Water is plentiful in the area. Power must initially be supplied for development purposes by portable generators.

ANSWER TO ITEM NO. 15

The ore should be milled on the site; shipped down the county road to the railroad at Leavenworth.

ANSWER TO #16

The Property was discovered in the early 1880's and was owned by N. B. NELSON. Mr. Nelsonlater with Andrew Chilberg, D.E. Frederick, T. Bowes and J. C. Peterson formed a corporation known as The Pickwick Mining and Development Company and started the development of the property.

In 1897 and 98 Mr. L. K. Hodges made a report known as MINING IN THE PACIFIC NORTHWEST and has this to say about the property "The greatest discovery, and the one having the most development on is the Pickwick group of thirteen claims. This is a great deposit of decomposed quarts carrying copper carbonite which cover a great but undefined area in the basin at the head of Phantom Creek, an affluent of the Icicle near its source. It has been traced over a space 6,000 x 145 feet and its branches were not found. From an open cut 30 feet long a shaft was sunk 40 feet and cross-cuts made 75 feet one way and 45 feet the other and all the rock cut through had the mineral already mentioned disseminated through it. A mill test of this rock showed 15% copper, $14.00 gold and $5.40 silver. At another point a tunnel was driven 100 feet and cross-cut 45 each way, and all this work was on ore carrying a smaller percentage of copper, but more gold than taken from the shaft."

The Pickwick Company sunk what is known as The Tom Bowes Shaft and Mr. Nelson made a trip to Sweden and took several tons of ore with him to be tested and assayed in his native land. On the return trip to this country Mr. Nelson died and as he was the head man and the mainstay of the Pickwick company the company dwindled

after his death and was finally leased to The Vanno Mining Company.

The Vanno Company operated the property until July 1921.

This company caused over 6,000 feet development to be done and found that Mr. Hodges' early report was not exaggerated.

There were several tons of ore packed out on horseback and shipped to various smelters. The only record available is the one from the Tacoma Smelter. See copy of letter attached as Exhibit A.

For further description of the property as to the work done see - EXCERPTS from a report by RICHARD KLESSATEL E. M. Pickwick Mining Claims in Chelan County Washington, attached as Exhibit B. See also "C"

ANSWER TO ITEM NO. 23

The portal of the tunnel is not caved, but needs protection sets put in along the 100 feet of timbering at $10 per foot - $1000.

The next 1800 feet of tunnel is in good shape with the exception of a few places that sloughed in also the air pipe dropped in places and needs to be re-hung estimated at $20. per foot - $36,000.

The cross-cut to the bottom of the shaft in this same tunnel is 350 feet, has a considerable lot of ore that was washed down the shaft by the creek due to some one diverting the creek this will run $60 per foot to clean out - $21,000.

The 327 foot shaft will need new timbers and cleaning out. By doing this the 50 foot, the 80 foot, and 110 foot level drifts on the hi-grade vein can be explored and ore from same can be shipped to the smelter, also the 175 foot cross-cut of the entire sheared zone from the 50 foot level, and connecting this shaft with cross-cut tunnel below will prove this large ore body below the surface. Cost per foot $60 - - - - - - - - - - - $19,620.

Total $77,620.

A Bulldozer will be needed to open the road to get material to the mine and to trench the surface of this vein to get the real length and width of the vein also to clean out large open cut and prepare same to expose a large body of commercial ore. Timber will have to be skidded for Timbering in the mine and building purposes. 30 days at $100 per day - - - - - - - - - - - $3,000.

Mining machinery, tools, etc. - - - - - - - - - - - $10,000.

Cookhouse, Bunkhouse, Powder Magazine and Shop - $ 9,000.

Total - - - $99,620.

The work will be supervised by Mr. Holden, who will be in charge of a relatively small crew of men. Labor, skilled and unskilled, is available in the area.

TACOMA SMELTER
American Smelting and Refining Co.
Tacoma 1, Washington

August 26, 1947

Mr. Harvey F. Stone
405 Realty Bldg.
Spokane 8, Washington

Dear Sir:

In reply to your letter of August 23rd, I find that the Vanco Mining Company shipped 13 tons of ore to this plant in November, 1917. The assay was 1.13 ounces gold and 4.22% copper.

We have no record of any shipment made by the Pickwick Mining Company.

I trust this gives you the information you desire.

Yours truly,

E. R. Marble
Manager

ERM:A

EXHIBIT "A"

PICKWICK MINING PROPERTY Exhibit "B"

EXCERPTS from the report of Richard Klessatel, E. M., pertaining to the Pickwick Min. Company Property on Solomon Mountain:

The Veins with a few exceptions, do not crop out, but are covered by detritus. On the Eureka claim, where a vertical shaft was sunk, following the deposit, the vein has a strike N 25 W. The intrusive dikes have the same trend.

A cross-cut S 50 W was worked towards the vein, intersecting same 50' from the surface, and by subsequent drifting on the vein, the drift was connected with the shaft. This cross-cut was worked throughout in the Peridotite, with the exception of a few feet which cut across a Diorite Dike dipping at an angle of about 50 westerly with a strike identical to the vein, namely N 25 W. The intrusion of the dike in this cross-cut occurred 175' northeasterly from the main vein, and by cross-cutting through the diorite, the country rock, perioditite, was sheared, showing copper impregnated for almost this entire distance. This furnishes the key in regard to the vein and ore deposition in depth.

The Company worked a long tunnel of approximately 2500' intending to cross-cut the vertical vein at a depth of 430' from the surface. When the point was reached where it was supposed the vein would be intersected, no ledge of any description was encountered. The rock here is Peridotite. Whereupon the cross-cut was continued 175' further, but instead of encountering the vein, a Diortic Dike identical with the one at the 50' cross-cut was found, however, here much larger in width than above. The breast of the long cross-cut tunnel is in Diorite at present.

The solution is simple, the diorite is a later intrusion into the Peridotite, shearing one side. The diorite dips at an angle of about 50. In its ascending course it came to a point of least resistance, probably about 200' below the surface, and fissured this portion vertically. In the subsequent making of the vein the mineral bearing solution found their way through the opening and deposited their contents. With depth the Diorite Dike will for the foot wall of the deposit, which will probably be changed from vertical to 50 dip. The width of the Diorite Dike at the 430' level is unknown, but indications are that a short distance of from 50' to 100' will cross-cut this Dike and encounter the ore body.

GEOLOGY:

The district in which the mine of this company is situated is a volcanic area amid the granite known as the Wenatchee Range

in the Cascade Mountains. The volcanic complex which consists of breccias and tuffs is penetrated by an extensive system of dikes and intrusive masses.

Judging from the development of the property under examination, the ore deposition occurs in the shear zone. Mineral bearing solutions have entered these weak places, decomposed the zone, silicified it, and have deposited ore matter. Several small veins of from four inches to eighteen inches in width, consisting of high grade ore occur in this sheared zone, which measured at the 50' level more than 100' across.

Sheared zone may result from very slight displacement, but is decidedly favorable for the deposition of ore bodies. The predominating rock in the district is Peridotite, a granteid rock consisting of Olivine and Pyroxene, with a little feldspar. At this particular property, the peridotite was sheared, and a subsequent intrusion of a diortic dike took place at an angle of about 50 ascending from the Southwest, and in its upward course caused great stresses, and created a sheared zone in the Perioditite on the hanging-wall side of the Diorite dike. This was followed by a long period of solfataric action (by heated waters after the volcanic energies have declined, accompanied by steam and gasses carrying mineral matter, decomposed the rock and deposited the ore in any weak place, which was previously disturbed.

The mineral bearing zones of fissure veins in the Butte Mining District were the result of shearage. The ores were primarily deposited along a series of small fissures, or "sheared zones" which were gradually replaced, forming wide veins.

A vertical shaft of 110' was sunk on one of the small veins probably one and a half feet in width, having a trend of N 25 W . This vein carries high grade copper ore, viz: Bornite, Malacite, Chalcopyrite, etc., as well as some gold and silver.

WORKINGS:

This property has been opened by shafts, cross-cuts and drifts, aggregating a total approximately 6000'. Principal work was done on the Sontag, Pickwick Nos. 1, 2, 4, and Eureka.

A vertical shaft of 110' depth was sunk on the vein at the Eureka claim. At the 50' to 65' in southerly direction were worked following the deposit, and the ore from the 80' level was mostly stopped. The breast of the 50' level and 110' level are in good ore. A cave-in in the cross-cut at the 50' level as well as in the drifts at the drifts at the 80' level prevented examination at these places. Practically all the ore taken from the workings are stored at the ore house, or on the dump.

On the Sontag claim a cross-cut tunnel of approximately 2500' was worked to intersect the vein exposed by the shaft. According to a survey available 430' of vertical backs was obtained.

ASSAYS:	GOLD	SILVER	COPPER	TOTAL VAL.
No. 1, 50' level average sample of 23' across sheared zone apart from veins.	tr.	tr.	1-6%	$ 4.00
No. 2, level stringer sheared zone, 110' level	0.40	1.30	15-8%	41.30
No. 3, 110' level vein in sheared zone 10'	.20	4.10	10-8%	31.40

RECOMMENDATIONS:

The geological condition of this property in regard to ore deposition in the shearage zone, and we know from the records that many of our big veins have been so formed. The ear marks of a big deposit are in evidence (see assays), and the alteration and silicifying process in the sheared zone under examination may progress with depth, so far as to obliterate all the protions of the country rock, and reduce the whole, or at least a greater part of the sheared zone, to one wide so-called vein. It is impossible to state whether or not the ore will permit a favorable extraction of the precious metals as depth is obtained, or to state the size and the richness of the ore body will at depth, but it is reasonable to assume that a substantial ore body will be found when the longerosscut tunnel intersects the vein 430' vertically below the surface.

Richard Klessatel, E. M.

November 1911

TACOMA SMELTER
A. S. & R. Co.
Tacoma 1, Wash.

Sept. 26, 1946

E.A. White, Mgr.
E.R. Marble, Gen. Supt.

Mr. S. J. Holden
321 West 4th St.
Cle Elum, Wash.

Exhibit "C"

Dear Sir:

The analysis on the 100 lb sack of ore which you left at the Tacoma Smelter on Sept. 13, 1946 follows:

Ounces per ton		For cent					
Au	Ag	Pb	Cu	Zn	As	Sb	Ni
.10	.62	No	16.1	No	No	No	.03

We will be pleased to accept ore having a similar analysis under the terms of the following schedule:

GOLD No pay for gold if under 0.03 troy ounces per dry ton of ore contained.

If 0.03 troy ounce or over per net dry ton contained, pay for all of the gold at $19.00 per troy ounce.

To the above payment for gold will be added 90% of the premium in excess of $20.67 per troy ounce realized by us on gold originating in mines in the United States during the month of arrival. So long as the United States Mint continues to pay $34.9125 per troy ounce of refined gold ($35 less ¼%), the premium will be paid immediately assays are available.

SILVER Pay for 95% of the silver content, minimum deduction one-half troy ounce per net dry ton.

Settlement for silver will be made on the basis of the domestic quotation unless the Handy and Harmon quotation on the arrival date is higher, in which event, settlement will be made at such higher quotation provided notice is received from the shipper at the time of making shipment.

In order to obtain coinage price, it will be necessary to forward to us properly executed affidavits as required by the U. S. Treasury Department.

In the absence of these properly executed affidavits, the silver will be settled for at the Handy and Harman quotation for foreign silver prevailing on the date on which the product arrives at the Tacoma Smelter.

The above pricing is subject to changes in governmental regulations.

COPPER Pay for 100% of the copper on the wet assay, less a deduction of 20 lbs of copper per net dry ton of ore, at the net refinery quotation for electrolytic wire bars as published in the Engineering and Mining Journal Metal and Minerals Market for the date of arrival of the ore at the Tacoma Smelter, less a deduction of 2½¢ per pound of copper accounted for.

No payment will be made for any metal or content except as above specified.

Base Charge $5.50 per net dry ton f.o.b. cars at Tacoma Smelter.

SETTLEMENT Immediately upon receipt of all necessary information.

PENALTIES Zinc: 5% free; 30¢ a unit will be charged for any excess; fractions in proportion.

Arsenic: 1% free; 25¢ a unit will be charged for any excess; fractions in proportion.

Antimony: 1% free; 50¢ a unit will be charged for any excess, fractions in proportion.

Nickel: ½% free; $3.00 a unit will be charged for any excess; fractions in proportion.

GENERAL CLAUSES: Please note clauses 4 and 8, to which special attention is called.

We wish to draw your special attention to Clause Number 9 of the General Clauses which is a general rule that the freight charge on a first shipment must be either prepaid or guaranteed by the shipper, as any deviation from the terms of this clause would delay the acceptance, sampling and settlement for a car unless this clause was adhered to.

For ore having the above analysis, the return would be about $33.00 per net dry ton f.o.b. cars at the Tacoma Smelter, from which you would have to deduct your mining and transportation costs.

According to Clause 4 of the General Clauses, you will note that this letter quotation is open for 30 days only, but in this case we will keep it open for 90 days to allow you time to start shipment of this ore. If, on the other hand, you cannot make the first shipment within the period of 90 days, will you please write us to confirm the above treatment schedule.

Very truly yours,
(signed) D.A. Somerville
D. A. SOMERVILLE

DAS:AS

E-172

For Certificate of Deposit No. 180, dated November 18, 1954, giving refunds of $675.50 and $.08, see E-133.

Form DMEA F-104 (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.
Defense Minerals Administration
RECEIVED
NOV 23 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June 28 through July 31, 1953 Docket No. DMEA 1353x Contract No. R 172

Operator's Name Phantom Creek Copper Inc. Minerals COPPER

Address 321 West 4th St., Clo Ellum, Washington.

Contract Amount, $ 7,600.00 Government Participation: 50% Amount, $ 3,800.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing	1,200.00		1,200.00	1200.00		1200.00
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision				132.52		132.52
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives	18.64		18.64	18.64		18.64
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
GROCERIES	132.52		132.52	-0-		
(8) Contingencies (specify):						
TOTALS	1,351.14		1,351.14	1351.16		1351.16

I certify that the above bill is correct and just and that payment therefor has not been received.

Date August 21 1953 *Name Phantom Creek Copper Inc.

Per [signature] Title Gen. Manager

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 675.58

Signature [signature]
(Authorized Certifying Officer)

Date 11/18/53 Vou. No. 973
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E172 in accordance with the terms of the contract.

Signature /S/ Elwin a Magill Title Mining Engr Date 9-1-53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Thomas E Howard Title Mining Engr Date 11-9-53

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 23 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 23 through July 31 1953 Docket No. DMEA 1353X Contract No. E 172

Operator's Name Phantom Creek Copper Inc. Minerals COPPER

Address 321 West 4th St., Cle Elum, Washington.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching 300' 400'								
Test Pits 4.6miles		1,200.00	3.25	1,200.00	3.25			
Roads and Trails Dynamite powder		151.16		151.16				
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1,351.14		1,351.14				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date August 21 1953 Operator Phantom Creek Copper Inc.

Per S. J. Holden Title Sec.& Manager.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

REMARKS: 4.6 miles of truck road was completed to the mine 1.6 miles of this was new road. 300' of trenching was done north of the pit exposing the veins. In the old pit with the aid of powder and dozer 4' more depth was obtained exposing 5 new veins of higgade across 200' of this large shear zone.

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE ELECTRIC POWER ADMINISTRATION
WASHINGTON 25, D. C.

OFFICIAL BUSINESS

UNITED STATES
DEPARTMENT OF THE INTERIOR 500
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

PROJECT SUMMARY REPORT

By: W. P. Klugescheid September 14, 1955

1. Docket No. DMEA-1353 (Copper)
Contract No. Idm-E172
Property: Pickwick Mine
Chelan County, Washington

Operator: Phantom Creek Copper, Inc. (Assignee of S. J. Holden & Asso.)
321 West 4th Street
Cle Elum, Washington

Operator's Property Rights: Six unpatented lode mining claims owned by the Holden Associates

2. Contract dated October 4, 1951. Completion time 12 months.

Work Authorized

1.	Rehabilitate 50 feet of shaft @ $20.00/ft.	$1,000.00
2.	Rehabilitate 175 feet of crosscut and 80 feet of drift @ $10.00/ft.	2,550.00
3.	Rehabilitate 2,500 feet of Van Epps crosscut	1,000.00
4.	Equipment purchase	500.00
5.	Rehabilitate log cabin	100.00
6.	Sampling, engineering and geologic services	2,000.00
7.	Temporary headframe, tent,frame and floor	450.00
	Total estimated cost of project	$7,600.00

Amendments

No. 1 Dated February 20, 1952.

Extended starting date from 30 days to not later than July 1, 1952.

No. 2 Dated June 30, 1952.

Extended starting date from July 1, 1952 to August 4, 1952.

No. 3 Dated March 3, 1953.

Extended completion date from December 4, 1952 to October 4, 1953.

Amended Contract dated April 9, 1952.

Extended completion dated to February 1, 1954.

Work Authorized

(1) Independent Contracts.

Construction of access road	$1,200.00*
Bulldozing trenches - 120 hrs. @ $12.00/hr.	1,440.00*
Rehabilitation of Van Epps crosscut	2,010.00*

(2) Labor, Supervision, Consultants

Engineer- Supervisor - 3 months @ $500.00/mo.	1,500.00*
Geologist - 10 days @ $50.00/day	500.00*

(3) Operating materials and supplies

Miscellaneous tools and supplies	500.00
Tent and tent frame with board floor	500.00

(5) Rehabilitation and repairs

Repair of log cabin	100.00

(7) Miscellaneous

Assays of 100 samples @ $1.50 eac	150.00
Total estimated cost of the project	$7,600.00*

* Indicates maximum allowable cost.

Assignment dated October 16, 1953.

Assigned the contract to Phantom Creek Copper, Inc. Some of the partners of this company are the same ones who formed the S. J. Holden Associates.

Amendments to Amended Contract

No. 1 Dated December 18, 1953.

Permitted recess until May 1, 1954, and extended completion date to November 1, 1954.

Recision Agreement

Dated November 15, 1954.

Specified that the Operator would return to the Government the amount of it's participation in the project - $675.58.

Work Completed

4.6 miles of truck road and 300 ft. of trenching with tractor and various test pits	$1,351.16
Government's participation @ 50%	$ 675.58

This money was returned to the Government.

3. Audit

As all the money paid out was returned there was no cause for an audit.

4. Certification of Discovery - None issued as all money was returned to the Government. Some indications of mineralization were found however.

5. Comments:

The contract work was carried on in an unsatisfactory and dilatory manner.

The purpose of this project was to sample and make a geologic examination of the property. Because of financial and other reasons the project was not completed. The property was taken over in 1954 by the McPhail Engineering Company of Tacoma, Washington. This company intends to carry out an exploration project essentially the same as outlined in this project but they do not need the assistance of the Government.

This property was first located back in the 1880's but little work was done until 1897.

S. J. Holden acquired the interests of the owners in 1951 and relocated the present claims. There are a number of old workings on the property but some of them are caved.

The Pickwick mine is near the northwest edge of the Mount Stuart batholith. The predominant rock type of the area is peridotite which loccally has been altered to serpentine. The peridotite has been intruded by dikes of diorite from the Mount Stuart batholith.

One minerals at the Pickwick mine consist of disseminated chalcopyrite, pyrite, and pyrrhotite which are found both in the peridotite and the diorite dikes. There are higher concentrations of these minerals together with bornite and covellite in several gashlike veins exposed in a trench near the shaft. This mineralization was apparently closely related to the intrusion of a large mass of diorite which forms a ridge a few hundred yards to the east of the shaft workings and is believed to extend beneath the shaft area.

Reportedly, there are much larger concentrations of sulphides in the shaft along the peridotite-diorite contact. Some ore, believed to have been mined from this area, has been stockpiled near the shaft collar. This ore is mainly massive pyrite containing only a small percentage of copper.

At the time that the contract was rescinded, not enough work had been completed on the project to permit examination of the underground workings.

Three hundred feet of trenching exposed five gashlike veins in the peridotite containing disseminated copper sulphides and oxides. Samples of the mineralized zones ranged from 0.23 percent copper across a width of 18 feet, to 7.69 percent copper across a width of 4 feet.

The material in the trench that is of sufficient grade to be called ore is lenslike in character and probably limited in extent. However, there remains the possibility that a large lens of higher grade ore may be found along the peridotite-diorite contact which is believed to underlie the trench area.

The exploration possibilities at the Pickwick mine remain essentially the same as before the exploration project was undertaken.

The results of any work carried out by the McPhail Engineering Co. are unknown to this office.

W. P. Klugescheid

W. P. Klugescheid

Copy to: Docket
Base Metals
Chron.

☐ Audited

WO[illegible] ANALYSIS SHEET - DMEA PROJECT [illegible] ☒ Actual Cost

☐ Certified

Analysis as of 9/14/55.
Incl. Voucher for July 31, 1953.

☐ Agreed Unit Costs

Name PHANTOM CREEK COPPER, INC. (Assignee of S.J. Holden & Associates.) Docket No. 1,353

State WASHINGTON Commodity COPPER Idm-E No. 172

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting					
Raising					
Shafts					
Winzes					
~~Drilling (Specify)~~ Supplies etc.		700.00			
Surface Excavation Bulldozing & Trenching		2,640.00		1,351.16	
Underground Excavation					
~~Roads and Trails~~ Supervision		2,000.00			
Operating Equipment Purchased					
Surface Rehabilitation & Repairs Log Cabin		100.00			
Underground Rehabilitation Elev. Sppo Crosscut		2,010.00			
New Building, Improvements, etc.					
Other (Specify) 100 assays @ 1.50		150.00			
Totals		$7,600.00		$1,351.16	

Recission Agreement dated November 15, 1954 under this the operator paid back the $675.58 which he had been paid.
There has been no audit
No certification was warranted after all the money had been returned to the government.
Final Field Team report received.

Prepared by W.F. Klugescheid

Recission

71626

(1) Rehabilitate 50' of Shaft @ $20/ft. $1,000.00

(2) Rehab. 175' Crosscut + 80' Shaft @ $10/ft. $2,650.00

(3) Rehab. 2,500' Van Epps crosscut for Examination 1,000.00

(4) Equipment Purchases (Bobcats) 500.00

(5) Rehab. of existing facilities (Repair log cabin) 100.00

(6) Sampling, engineering + geologic services 2,000.00

(7) Headframe temporary $250.00, Tent + frame + floor 200.00 450.00

$7,600.00

Amended Contract.

Independent contracts

(1) Access Road construction	✓	$1,200.00*
Bulldozing trenches - 120 hrs @ 12.00	✓	1,440.00*
Rehab. of Jaw Epps crosscut	✓	2,010.00*
(2) Engineer - Supervisor 3 mos @ 500.00	✓	1,500.00*
Geologist 10 days @ 50.00	✓	500.00*
(3) Tools + Supplies 500.00, Tent, frame + floor 200.00	✓	700.00
(5) Rehab of log cabin	✓	100.00
(7) 100 samples assayed @ 1.50	✓	150.00
		$7,600.00*

DOCKET COPY

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

Project Summary Report

By: F. L. Knouse January 21, 1955

1. Docket No. DMEA-1353 (Copper)
Contract No. Idm-E172

Operator - Phantom Creek Copper, Inc.
Assignee of S. J. Holden and Associates
321 West Fourth Street
Cle Elum, Washington

Property - Six unpatented lode mining claims, Arame Grande, Funkhouser, Billey, Shorty, Campbell and Charlie, all located in Sections 9 and 10, T. 23 N., R. 15 E., Willamette Base and Meridian, Pickwick Property, Chelan County, Washington.

2. Contract dated October 4, 1951.

Work authorized -

1.	Rehabilitate 50 feet of shaft @ $20/ft.	$1,000.00
2.	Rehabilitate 175 feet of crosscut and 80 feet of drift @ $10/ft.	2,550.00
3.	Rehabilitate 2500 feet of Van Epps crosscut	1,000.00
4.	Equipment purchase	500.00
5.	Rehabilitate facilities	100.00
6.	Sampling, engineering and geologic services	2,000.00
7.	Additional facilities	450.00
	Total	$7,600.00

Amendments, Assignment and Rescission -

Amendment No. 1, February 20, 1952, extended starting date from 30 days to not later than July 1, 1952.

Amendment No. 2, June 30, 1952, extended starting date from July 1, 1952, to August 4, 1953.

Amendment No. 3, March 3, 1953, extended completion date from December 4, 1952, to October 4, 1953.

Amended Contract dated April 9, 1952, extended completion date to February 1, 1954. Also permitted a change in the work, allowing $1,200.00 for road construction and $1,440.00 for surface trenching with a tractor.

Assignment, dated October 16, 1953, assigned interests to Phantom Creek Copper, Inc.

Amendment No. 1 to Amended Contract, dated December 18, 1953, permitted recess until May 1, 1954, and extended completion date to November 1, 1954.

Rescission Agreement, dated November 15, 1954, permitted Operator to repay to the Government the amount of its participation - $675.58.

Work completed -

4.6 miles of truck road 400' of trenching w/tractor and various test pits	$1,351.14

Reported on Operator's MF-104 for July 1953.

Comments:

The contract work accomplished was in an unsatisfactory and dilatory manner.

The surface trenching exposed some copper, silver and gold mineralization as reported by the Operator and Field Team engineers. The general description indicates mineralization occurs along a shear zone as unoxidized sulfides in nodules up to 6 inches or more in diameter containing bornite chalcopyrite and pyrite. Sulfides (mainly pyrite) mineralization was also exposed along the road about a mile from the mine. One of these samples showed 0.14% nickel over a width of 1.0 feet.

Additional exploration of this mine and surrounding area appears justified.

F. L. Knouse

F. L. Knouse

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

September 21, 1955

Memorandum

To: W. R. Griswold, Defense Minerals Exploration Administration

From: J. W. Pennington, Branch of Base Metals

Subject: Review of Final Field Team Report, DMEA Docket No. 1353; Contract Idm-E 172 (copper), Phantom Creek Copper, Inc., Pickwick Mine, Chelan County, Washington

The Field Team's final report on the Pickwick mine states that the amount ($675.58) the Government paid to the operator under the contract was repaid in full by the operator. Later the contract was terminated by a rescission agreement between the Government and the operator. Exploration work was insufficient to define any ore reserves and none can be assigned to the property.

As the Government's participation has been repaid in full and no ore reserves resulted from the exploration, a Certificate of Discovery or Development is not necessary.

J. W. Pennington

Copy to: Division of Minerals
Branch of Base Metals
H. M. Meyer
Thor Kilsgaard, U.S.G.S.
F i l e s

IN REPLY REFER TO:

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

RECEIVED
SEP 1 3 1955

September 15, 1955

Memorandum

To: W. R. Griswold, Defense Minerals Exploration Administration

From: W. P. Williams, U. S. Geological Survey

Subject: Review of Final Field Team Report, DMEA Docket No. 1353, Contract Idm-E172 (copper), Phantom Creek Copper, Inc., Pickwick Mine, Chelan County, Washington.

After review of the subject Final Field Team Report, I note that:

1) The Government spent $675.58 for road building and trenching.

2) The contract was terminated by a Rescission Agreement between the Government and the Operator.

3) The Government's participation expenditures of $675.58 were repaid by the Operator.

No minable ore deposits were discovered; hence, no Certificate of Discovery or Development need be issued by the Government.

W P Williams

W. P. Williams

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

May 19, 1955

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-1353 (copper)
Phantom Creek Copper, Inc.
Assignee of S. J. Holden & Associates,
A Partnership
Pickwick Mine
Chelan County, Washington
Contract Idm-E172 (Amended)

Dear Mr. Selfridge:

Enclosed are four copies of a Field Team final report by E. A. Magill, mining engineer, Bureau of Mines, and Willard P. Puffett, geologist, Geological Survey, on the above-cited contract to explore for copper ore at the Pickwick mine.

The authors recommend that no Certification of Discovery or Development be issued inasmuch as the Government's contribution has been repaid in full. No ore reserves were discovered by the program.

The Field Team concurs with the recommendation of the authors.

By Field Team, Region I, NW District

A. E. Weissenborn
A. E. Weissenborn, Exec. Officer
(U. S. Geological Survey)

Wing G. Agnew
Wing G. Agnew, Member
(U. S. Bureau of Mines)

Enclosures
cc: USBM(2)
Puffett

Reviewed by
DMEA OPERATING COMMITTEE
5-27-55
(date)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 24 1955

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD TEAM, REGION I
Northwest District

FINAL REPORT

Amended Contract Idm-E172

by

E. A. Magill
Mining Engineer
U. S. Bureau of Mines

Willard P. Puffett
Geologist
U. S. Geological Survey

PHANTOM CREEK COPPER, INC.
(ASSIGNEE OF S. J. HOLDEN & ASSOCIATES, A PARTNERSHIP)
321 West Fourth Street
Cle Elum, Washington

Docket No.:	DMEA-1353
Commodity:	Copper
Original contract date:	October 4, 1951
Amended contract date:	April 9, 1952
Rescission date:	November 15, 1954

PICKWICK MINE
Leavenworth Mining District
Chelan County, Washington

Spokane, Washington

Reviewed by
DMEA OPERATING COMMITTEE
5-27-55
(date)

May 1955

FINAL F.T. REPORT

FINAL REPORT

PHANTOM CREEK COPPER, INC.
(ASSIGNEE OF S. J. HOLDEN & ASSOCIATES, A PARTNERSHIP)
Pickwick Mine
Leavenworth Mining District
Chelan County, Washington

Amended Contract Idm-E172

* * * * *

INTRODUCTION

This report describes an exploration project for copper ore at the Pickwick mine, Chelan County, Washington. The project was conducted jointly by Phantom Creek Copper, Inc., and by the Defense Minerals Exploration Administration.

Summary

The exploration project contract on the Pickwick mine was undertaken to sample and make a geologic examination of the property. Because of financial and other reasons the project was not completed under the DMEA contract. The property was taken over in 1954 by the McPhail Engineering Company of Tacoma, Washington. On November 8, 1954, the Operator repaid to the Government the full amount contributed by the Government under the contract. This company intends to carry out on its own an exploration program essentially the same as outlined in the exploration project contract.

Recommendations

A Certification of Discovery or Development should not be issued on the property inasmuch as the Government's contribution has been repaid in full. No ore reserves were discovered by the program.

It is believed that completion of an exploration program such as was proposed in the exploration project contract is warranted.

The McPhail Engineering Company, present lessee of the property, is capable of exploring the property at its own expense and at the present time is not interested in Government assistance.

LOCATION AND ACCESSIBILITY

The Pickwick property is in secs. 9 and 10, T. 23 N., R. 15 E., W.M., Chelan County, Washington. Cle Elum is the nearest supply point. The Pickwick property is reached from Cle Elum as follows: 9 miles north from Cle Elum to the end of Cle Elum Lake on State Highway 2E; 17.5 miles to Fortune Creek by way of the Cle Elum River road; 2.2 miles up the Fortune Creek road to the access road; 4.7 miles from the Fortune Creek road to the shaft.

The topography in the vicinity of the prospect is of sharp relief characterized by precipitous slopes and sharp crested divides, a result of glacial action.

The area has heavy winter snows which cover the ground from November to May, the drifts lasting until July. The altitude at the shaft is about 5,400 feet, but to reach the property, it is necessary to cross over Van Epps Pass at an altitude of 6,000 feet.

PROPERTY

The exploration project contract included six unpatented lode mining claims: the Billey, Arame Grandia, Campbell, Shorty, Funkhouser, and Charlie. These claims are relocations of old claims which have been held by various owners.

Claims were first located in the area early in the 1880's. Apparently little work was done until 1896 when the property was purchased by D. E. Frederick and N. B. Nelson who, together with Andrew Chilberg, T. Bowes, and J. C. Petersen, incorporated The Pickwick Mining and Development Company. Development work started in 1897 and consisted of a shaft 110 feet deep with 50-to 100-foot drifts to the south from the 50-, 80-, and 100-foot levels. A crosscut was driven 175 feet northeasterly from the shaft. The shaft is located on what is now called the Arame Grandia claim.

Early in 1900 a majority interest in the property was acquired by The Vanno Mining Company of which a Mr. Van Epps was manager. This company drove an adit approximately 2,000 feet long, known as the Van Epps adit, for the purpose of intersecting the mineralized zone found in the shaft sunk by The Pickwick Company. A raise was driven to connect with the shaft, and reportedly 13 tons of ore was shipped to the American Smelting and Refining Company at Tacoma, Washington, in November 1917. This shipment assayed 1.13 ounces of gold per ton and 4.22 percent copper.

No further work was done at the property until 1951 when S. J. Holden acquired the interests of the owners and relocated the present claims. In 1952 Mr. Holden, A. C. Campbell, Valentine Sontag, and Frank Funkhouser obtained a DMEA exploration project contract on

the property. During 1953 they constructed a road to the property and cut several bulldozer trenches. In 1954 the property was leased by the McPhail Engineering Company of Tacoma, Washington.

All old workings in the vicinity of the shaft are probably caved. The shaft which was open to a depth of 40 feet was bulldozed full of earth in the fall of 1954. The 2,500-foot Van Epps crosscut is open for 1,850 feet, but a drift off the crosscut is blocked by a caved area which has dammed considerable water. The air is very poor beyond a point about 1,500 feet in the crosscut due to insufficient oxygen. Artificial ventilation would be required for any work in the Van Epps adit.

The ground generally stands very well except for local areas. The Van Epps adit is timbered only near the portal.

The one facility on the property is a small cabin in poor condition near the portal of the Van Epps adit.

GEOLOGY

The Pickwick mine is near the northwest edge of the Mount Stuart batholith. The predominant rock type in the area is peridotite which locally has been altered to serpentine. The peridotite has been intruded by dikes of diorite from the Mount Stuart batholith. (For a detailed description of the geology in the area see the Mount Stuart Folio by Smith 1/.)

Ore minerals at the Pickwick mine consist of disseminated chalcopyrite, pyrite, and pyrrhotite which are found both in the peridotite and in the diorite dikes. There are higher concentrations of these minerals together with bornite and covellite in several gashlike veins exposed in a trench near the shaft (see map). This mineralization was apparently closely related to the intrusion of a large mass of diorite which forms a ridge a few hundred yards to the east of the shaft workings and is believed to extend beneath the shaft area.

In the trenches alteration is localized in the immediate area of the gashlike or lenslike vein structures. Near the surface the copper sulfides have been oxidized.

Reportedly, there are much larger concentrations of sulfides in the shaft along the peridotite-diorite contact. Some ore, believed to have been mined from this area, has been stockpiled near the shaft collar. This ore is mainly massive pyrite containing only a small percentage of copper.

1/ Smith, George Otis, Geologic Atlas of the United States, Mount Stuart Folio: Washington USGS Folio 106, 1904.

At the time the contract was rescinded, insufficient work had been completed on the project to permit examination of the underground workings.

THE PROJECT

On October 4, 1951, an exploration project contract for work on the Pickwick property in Chelan County, Washington, was granted to S. J. Holden and Associates, a partnership composed of S. J. Holden, A. C. Campbell, Valentine Sontag, and Frank Funkhouser. The total amount of the exploration program was $7,600.00 of which 50 percent or $3,800.00 was to be furnished by the Government. Work was to commence within 30 days and was to be completed in 12 months.

The purpose of the exploration project was to prepare the old Pickwick mine for thorough sampling and a geologic examination. To facilitate this program of sampling and geologic mapping, it was proposed to rehabilitate portions of the underground workings. The workings to be rehabilitated included the upper 50 feet of the old 300-foot shaft, 175 feet of crosscut, and 50 feet of drift on the 50 level and 2,500 feet of the Van Epps crosscut. At the Operator's request he was given an option in the contract to use either pack horses or a bulldozer to transport supplies to the property. Cost of transportation of supplies by either method was not to exceed $1,200.00.

In a letter dated October 26, 1951, the Operator requested that the contract be amended to permit him to commence work not later than June 15, 1952. This was a reasonable request because the property usually is snowed in by November 1. Amendment No. 1 dated February 20, 1952 (effective October 4, 1951) changed the starting date to not later than July 1, 1952. A further extension of the starting date was requested due to the illness of S. J. Holden. Amendment No. 2 dated June 30, 1952, extended the starting date to not later than August 4, 1952, and the completion date to December 4, 1952.

A jeep road, 4½ miles in length, was constructed to the property during the summer of 1952, and several trenches were bulldozed near the shaft. The road construction and bulldozer work was performed by Arthur W. Leahmann of Bingen, Washington, and J. M. Holden of White Salmon, Washington, in return for shares of stock in a company called Phantom Creek Copper, Inc., which had been formed in March 1952. An amended contract was issued April 9, 1952, and assigned to Phantom Creek Copper, Inc., on September 30, 1953. Under the terms of the amended contract the Government would participate in at least some of the bulldozing which had been completed in 1952.

On November 18, 1953, the Government paid Phantom Creek Copper, Inc., a total of $675.58 for road construction and bulldozer

trenching. This was the total amount the Government paid to the Operator under the contract. The contract was terminated by a Rescission Agreement dated November 15, 1954, signed by Phantom Creek Copper, Inc., and the DMEA Administrator.

In 1954 the McPhail Engineering Company of Tacoma, Washington, leased the property. On November 8, 1954, the Operator paid the Government $675.58, which represents the total amount the Government had contributed to the project.

Work completed under the contract consisted of construction of a 4½-mile jeep road to the property and a trench 300 feet long near the shaft. The trench (see attached map) exposed five gashlike veins in the peridotite containing disseminated copper sulfides and oxides. Samples of the mineralized zones ranged from 0.23 percent copper across 18 feet to 7.69 percent copper across 4 feet. The location of samples and additional assay data are shown on the map.

Exploration work has not progressed far enough to delimit any ore reserves. Values within the trench area are sporadic, and the higher grade portions are very limited in extent; therefore, in its present stage of development no ore reserves can be assigned the property.

Exploitation Possibilities

At the present time the Pickwick mine cannot be credited with any ore reserves. The attached map shows the sample and geologic data in the trench completed under the project. The material in the trench that is of sufficient grade to be called ore is lenslike in character and probably limited in extent. However, there remains the possibility that a larger lens of higher grade ore may be found along the peridotite-diorite contact which is believed to underlie the trench area.

Summary of Factual Data

The only work completed under the exploration project contract was the construction of 4½ miles of jeep road and two trenches in the vicinity of the shaft.

Total money paid to the Operator by the Government was $675.58. This was repaid in full by the Operator on November 8, 1954.

There was no production during the time of the project, and no equipment was purchased under the contract.

Discussion of Conclusions

The work program outlined in the exploration project contract was only partially completed. This was due to a number of factors, the major ones being the lack of adequate financing and the remote location of the property. The short working season (snow off the ground for only about 4 months) was also another critical factor in the exploration program.

The construction of a road was not absolutely necessary to the work outlined in the contract. The Operator spent a full summer season on construction of the road and at the same time dissipated his own funds which might better have been used in completing the contract work.

The exploration possibilities at the Pickwick mine remain essentially the same as before the exploration project was undertak . .

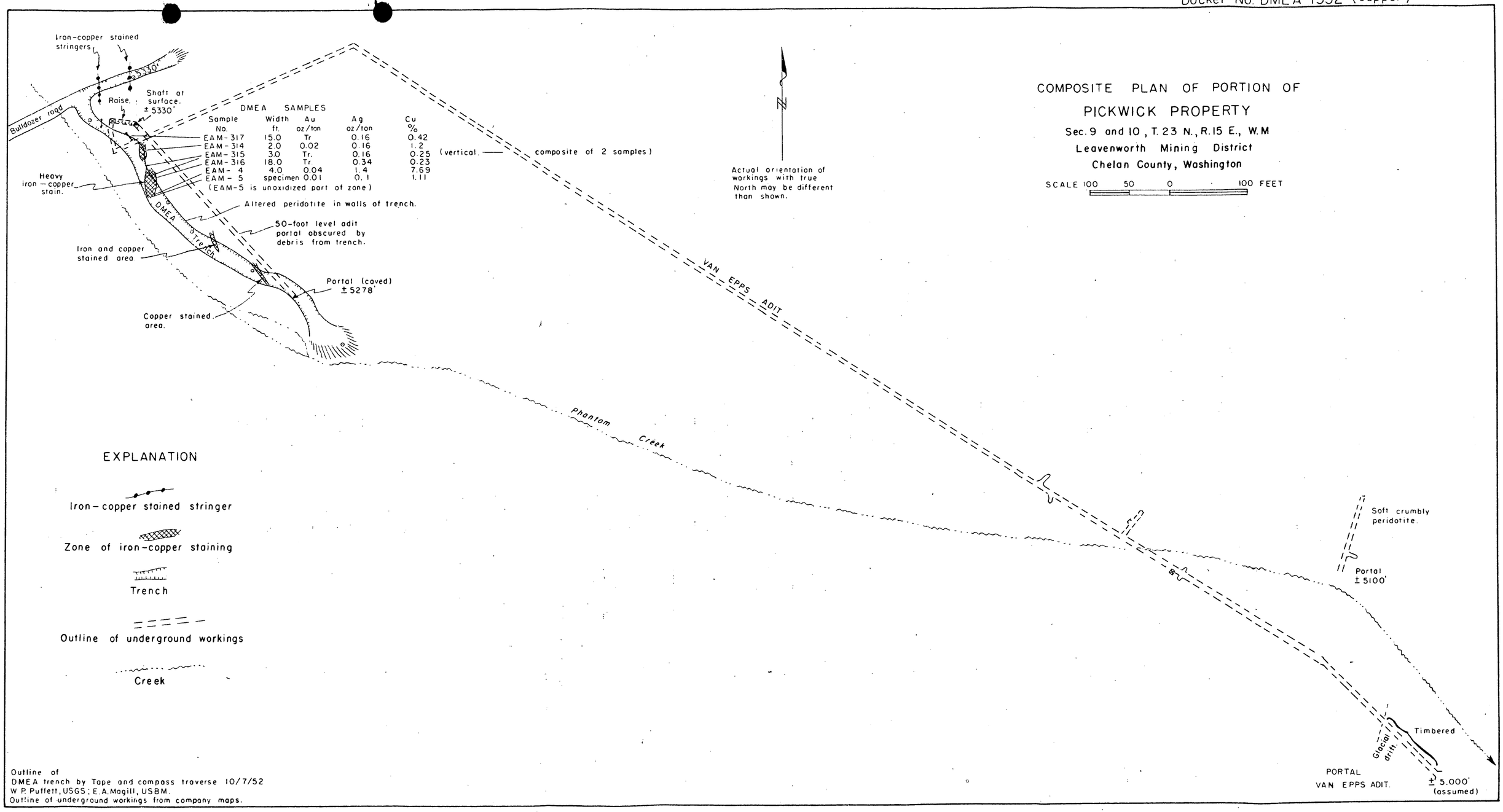
It is understood that the McPhail Engineering Company of Tacoma, Washington, plans to conduct an exploration program on the property this summer (1955) which will be essentially the same as that proposed in the DMEA program. They intend to rehabilitate the Van Epps adit for examination and diamond drill several holes to explore for the ore which is reported to be in the vicinity of the shaft.

Enclosure
Distribution:
DMEA(4)✓
USBM(5)
USGS(SRO)
Docket
Puffett

COMPOSITE PLAN OF PORTION OF PICKWICK PROPERTY

Sec. 9 and 10, T. 23 N., R. 15 E., W.M
Leavenworth Mining District
Chelan County, Washington

SCALE 100 50 0 100 FEET



DMEA SAMPLES

Sample No.	Width ft.	Au oz/ton	Ag oz/ton	Cu %
EAM-317	15.0	Tr	0.16	0.42
EAM-314	2.0	0.02	0.16	1.2
EAM-315	3.0	Tr.	0.16	0.25
EAM-316	18.0	Tr	0.34	0.23
EAM-4	4.0	0.04	1.4	7.69
EAM-5	specimen	0.01	0.1	1.11

(EAM-5 is unoxidized part of zone)

Outline of DMEA trench by Tape and compass traverse 10/7/52
W. P. Puffett, USGS; E. A. Magill, USBM.
Outline of underground workings from company maps.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

January 13, 1955

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-1353 (copper)
Phantom Creek Copper, Inc.
Pickwick Claims
Chelan County, Washington
Contract No. Idm-E172

Dear Mr. Selfridge:

Enclosed are the Government, Docket, and Division copies of a Rescission Agreement to the above-cited contract.

In your letter of November 15, 1954, transmitting the Rescission Agreement to the field, you point out that the agreement should not be presented to the Operator for signature before the Operator repays the Government the full amount contributed by the Government under the subject contract. On November 8, 1954, we received monies in the amount of $675.58 which is the amount the Government contributed. Our letter of November 17, 1954, to Mr. S. J. Holden, Secretary-Treasurer of Phantom Creek Copper, Inc., describes the transaction.

Sincerely yours,

A. E. Weissenborn

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosures
cc: USBM(2)
USBM(AD) w/cy of Rescission Agreement
Puffett

XXXXXXXXXXXXXXXX
No. 157 Howard Street
Spokane 4, Washington

December 6, 1954

Mr. S. J. Holden
Secretary and Treasurer
Phantom Creek Copper, Inc.
321 West Fourth Street
Cle Elum, Washington

Re: Docket No. DMEA-1353 (copper)
Phantom Creek Copper, Inc.
Pickwick Claims
Chelan County, Washington
Contract No. Idm-E172

Dear Mr. Holden:

Reference is made to previous correspondence concerning the closing out of Contract Idm-E172.

Enclosed are the original and six copies of a Rescission Agreement, signed by the Administrator for the Government. If the terms and conditions of this agreement meet with your approval, please sign all copies, retain that copy marked for the Operator, and return the remaining copies to this office.

Since the amount that the Government contributed to the exploration project has been repaid (see our letter to you of November 17, 1954), your obligation has been met and the agreement can be signed.

Sincerely yours,

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

cc: Frank Punkhauser

DMEA (2)
USBM (2)
USBM (AD)
Puffett

11/3/54 gla

xxxxxxxxxxxxxxxxx
So. 157 Howard Street
Spokane 4, Washington

November 17, 1954

Mr. E. J. Holden
Secretary and Treasurer
Phantom Creek Copper, Inc.
321 West Fourth Street
Cle Elum, Washington

Re: Docket No. DME -2353 (copper)
Phantom Creek Copper, Inc., assignee
of E. J. Holden and associates
Pickwick Claims
Chelan County, Washington
Contract No. Ism-a172

Dear Mr. Holden:

Reference is made to our letter of August 27, 1954, discussing the closing out of your contract so that your obligations to the Government would be satisfied in order that there would be no encumbrances to the lessee of your property. In this connection, on November 8, 1954, we received from Mr. Frank Funkhouser 8 cents in cash and $675.50 by check No. 998, dated November 6, 1954, drawn on The Bank of California, Tacoma, Washington, and issued to "Frank Funkhouser and United States Government" by Goodwin and Hicks, Attorneys, 916 Washington Building, Tacoma 2, Washington. The total of $675.50 represents the amount the Government contributed to an exploration project at the above-cited property.

We have taken up the matter of termination with our Washington office and will communicate with you further when we hear from them.

Sincerely yours,

[illegible] Weissenborn
Executive Officer, [illegible]
Field Team, Region II

cc: Frank Funkhouser
Spokane, Washington

DME (2)
USBM (2)
USBM (AD)w/ck. and 8 cents
[illegible]ptt

Received attachments _____
date
Myrtle Purdy

Region's ack. of refund of money by Opr.

140

Rubin
Ellis
Chandler
Selfridge
Johnson

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

NOV 15 1954

Mr. A. E. Weissenborn
Executive Officer
DMEA Field Team, Region II
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-1353 (Copper)
Contract No. Idm-E172
Phantom Creek Copper, Inc.
Chelan County, Washington

Dear Mr. Weissenborn:

In response to your teletype dated November 8 concerning the procedure to be followed in terminating the subject project, a rescission agreement, executed by the Administrator, is enclosed for your use in winding-up the contract.

The agreement should not be presented to the Operator for signature before the Operator repays the Government the full amount contributed by the Government under the subject contract, which we understand to be the sum of $675.58.

HCRubin/emd 11/10/54
Copy to: DMEA Docket
Solicitor's Docket
Adm. Reading File
Operating Committee
C. H. Johnson, USBM
Mr. Kiilsgaard, USGS

Enclosures 6

Approved:

J. H. Hedges by EST
Member, Bureau of Mines

E. L. Newcomb by EST
Member, Geological Survey

Sincerely yours,

George C. Selfridge by EST
Chairman, Operating Committee

E. W. Ellis (2)
J. L. Hofflund
H. C. Rubin
chron.
pending

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

INTERIOR DEPT.
NOV 10 1954
SOLICITOR

Ellis

T E L E T Y P E EWEllis/gla

DMEA - Department of the Interior

1h.E1.01(01) Revolving Fund, Defense Production Act, Interior (Allocated Working Fund to the Office of the Secy.)

A. E. WEISSENBORN, EXECUTIVE OFFICER
SOUTH 157 HOWARD STREET
SPOKANE 1, WASHINGTON

REURTT NOVEMBER 8 DOCKET DMEA-1353 PHANTOM CREEK COPPER, I C. IF YOU AGREE IT IS TO GOVERNMENT'S INTEREST TO TERMINATE YOU MAY ACCEPT SUM CONTRIBUTED BY GOVERNMENT IN FULL AND NOTIFY US WHEN RECEIVED. WE WILL DRAW UP TERMINATION AGREEMENT HERE.

GEORGE C. SELFRIDGE,
CHAIRMAN, OPERATING COMMITTEE

11/9/54
cc to: Admr. Reading File
Operating Committee
Docket
Messrs. C. H. Johnson, Rm. 3621
E. L. Newcomb, Rm. 5224
Code 700

AXXXXXXX-085K

AXXXXXXX-117K

XDXXXXXX-118K

YWA173 WA SP 19 I-GS-G

SPOKANE WN 11-8-54 300P

GEO. C SELFRIDGE CHAIRMAN OPERATING COMM DMEA DEPT OF INTERIOR

WA

RE DOCKET NUMBER DMEA-1353, PHANTOM CREEK COPPER, INC., ASSIGNEE OF S J HOLDEN AND ASSOCIATES, CONTRACT IDM-E172. OPERATOR HAS SOLD PICKWICK PROPERTY TO ANOTHER CONCERN AND OFFERS TO REIMBURSE US BY CHECK FROM PURCHASER FOR FULL SUM CONTRIBUTED BY GOVERNEMNT WHICH AMOUNTS TO $675.58. PLEASE ADVISE WHAT IS CORRECT LEGAL PROKEDURE TO TERMINATE.

REFER TO OUR LETTER OF AUGUST 27.

A E WEISSENBORN SP

1353 IDM-E172 $675.58 27

MH 305P

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 9 = 1954

Nov 9 8 51 AM '54
BUREAU OF MINES
MAIL ROOM
WASHINGTON D. C.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

August 27, 1954

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-1353 (copper)
Phantom Creek Copper, Inc.
Chelan County, Washington
Contract No. Idm-E172

Dear Mr. Selfridge:

Please refer to your letter of August 13, 1954, wherein you call our attention to the expiration date of the recess period on the above-cited contract.

Attached are copies of a letter dated August 27 which we have sent to the operator. E. A. Magill reported the situation in his routine report of August 13, copies of which should be in your files. Just as soon as we hear from Mr. Holden, we will inform you of the situation.

Yours very truly,

A. E. Weissenborn

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosure

cc: USBM (2)
Certifying Officer
Puffett

xxxxxxxxxxxxxxxxxx
So. 157 Howard Street
Spokane 4, Washington

August 27, 1954

Mr. S. J. Holden
321 West Fourth Street
Cle Elum, Washington

Re: Docket No. DMEA-1353 (copper)
Phantom Creek Copper, Inc.
Chelan County, Washington
Contract No. Ium-E172

Dear Mr. Holden:

We are informed by Mr. Magill that the Phantom Creek property has been leased to Mr. Charles McPhail. We understand that Mr. McPhail is not interested in assuming the DMEA contract but proposes to carry out an exploration program on the property for his own account. In order to relieve yourself of the obligations under the DMEA contract, two courses of action are open to you. The contract could be terminated by mutual agreement with the provision that you will assume the responsibility for the repayment by royalty from any production from the property for ten years from the date of the contract up to the amount of the Government's contribution to work done under the contract, just the same as though a discovery had been made. Perhaps a simpler method would be for you to return the full amount of the Government's contribution to work done under the contract, which amounts to $675.58, after which the contract could be rescinded the same as though it had never existed.

If you will advise us of your wishes, we will refer the matter to our Washington office so that the necessary documents can be drawn up.

By Field Team, Region II

A. E. Weissenborn, Executive Officer
U. S. Geological Survey

Wing G. Agnew, Member
U. S. Bureau of Mines

cc: USBM (2)
DMEA (2)
Certifying Officer
Puffett

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~

North 1201 Division Street
Spokane 2, Washington
August 13, 1954

Memorandum

To: DMEA Field Team, Region II

From: E. A. Magill, Mining Engineer

Subject: Docket No. DMEA 1353 (copper)
Phantom Creek Copper, Inc., Chelan County,
Washington, Contract Idm-E172

A visit was made to the subject property on August 10, 1954. Mr. S. J. Holden of Phantom Creek Copper and Mr. C. Phillip Purdy, Jr. of the Washington State Division of Mines and Geology accompanyed me on the visit. This was the first trip made to the property in 1954.

The property has been leased to Mr. Charles McPhail of Tacoma, Washington. Mr. McPhail is apparently not interested in assuming the DMEA contract and reportedly proposes to carry out an exploration program for his own account.

At the time of the visit a TD 14 angle dozer had just completed opening up the access road from Fortune Creek and had started to doze out the snow from the open pit near the shaft. The snow in the open pit appeared to be between 5 and 10 feet deep.

Mr. McPhail plans to cut a series of trenches in the shaft area to further explore the veins exposed by the previous work. Also to strip parts of the diorite-peridotite contact which should outcrop a few hundred feet east of the shaft area. Plans also call for sufficient rehabilitation of the Van Epps crosscut for sampling and examination.

E. A. Magill

Docket surname copy

700

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

F. L. Knouse
Ellis
Martin
Johnson
Mittendorf

Mr. A. E. Weissenborn
Executive Officer
DMEA Field Team, Region II
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-1353 (Copper)
Contract No. Idm-1172
Phantom Creek Copper, Inc., Assignee
of S. J. Holden and Associates
Pickwick Property
Chelan County, Washington

Dear Mr. Weissenborn:

Reference is made to Mr. E. A. Magill's memorandum dated June 29, 1954, to the DMEA Field Team, Region II, concerning the inability of the captioned Operator to resume work by the end of the recess period because of deep snow.

Amendment No. 1 to this contract permitted a recess only until May 1, 1954, and if you approve of continuing the recess period after that date an amendment should be executed that will permit the extension.

Sincerely yours,

W. S. Martin

ACTING Chairman, Operating Committee (SHB)

APPROVED:

J. H. Hedges

Member, Bureau of Mines (SHB)

Philip W. Guild

Member, Geological Survey (SHB)

FLKnouse/gla
8-12-54
cc to: Admr. Reading File
Operating Committee
Docket
Messrs. C. H. Johnson, Rm. 3621
E. L. Newcomb, Rm. 5227
Code 700
F. L. Knouse

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

August 3, 1954

Memorandum

To: DMEA Field Team, Region II

From: Willard P. Puffett, Geologist, U. S. Geological Survey

Subject: Docket No. DMEA 1353 (copper), Phantom Creek Copper, Inc., S. J. Holden and Associates, Chelan County, Washington, Contract No. Idm-E172 (Amended).

On Tuesday, July 20, 1954, Mr. Don Kellum, geologist, Geological Survey, and I contacted Mr. S. J. Holden at his home in Cle Elum, Washington, to inquire concerning progress on the exploration project at the Phantom Creek property.

Mr. Holden reported that although the snow was gone at the property, heavy snows blocked the pass on the jeep road to the property. He reported that he planned to have the road opened soon with a bulldozer and work would soon be resumed.

Apparently the operators are experiencing difficulty in obtaining clearance from the State for issuing stock to finance the exploration. If this difficulty is solved, Mr. Holden believes that the contract can soon be completed.

Distribution:
DMEA (orig & 3)
USBM (2)
Docket
Puffett

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

1201 N. Division St.
Spokane 2, Washington
June 29, 1954

MEMORANDUM

To: DMEA Field Team, Region II

From: E. A. Magill, Mining Engineer, Bureau of Mines

Subject: Docket No. DMEA 1353 (copper), Phantom Creek Copper, Inc., S. J. Holden and Associates, Chelan County, Washington, Contract Idm-E172.

Mr. S. J. Holden of the subject company called on me in Seattle on May 22, 1954. He stated that he had been unable to commence work on the property because of the 5 to 6 feet of snow at the mine. Reportedly, the snow conditions were the worst in the last 50 years.

As soon as snow conditions allow access to the property he plans to carry on the program as outlined under the exploration project contract. He is especially anxious to get back in the long Van Epps crosscut. From talking to several old timers who drove the raise near the end of the crosscut he found out that the raise had been driven with offsets about every 15 feet. Also, that ore had been shipped from the raise.

Mr. Holden estimates that the property will be accessible by about July 15.

E. A. Magill

Orig. & 3 cys - Wash.
USGS (2)
DMEA
M/D
AD
EAM/he

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

RECEIVED

January 4, 1954

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-1353 (Copper)
Contract No. Idm-E172 (Amended)
Phantom Creek Copper, Inc., Assignee of
S. J. Holden and Associates
Pickwick Property
Chelan County, Washington

Dear Mr. Selfridge:

Attached are the original and two signed copies of Amendment No. 1 to the subject contract.

Distribution of this amendment is being made in the usual manner.

Sincerely yours,

A. E. Weissenborn

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Attachment

cc: Finance Office w/encl.
USBM (2)
Puffett

1/7/53 file

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D.C.
~~XXXXXXXXXXXXXXXXXX~~
No. 15, Howard Street
Spokane 4, Washington

December 29, 1953

Phantom Creek Copper, Inc.
311 West Fourth Street
Ole Olympia, Washington

Re: Docket No. DMEA-1353 (Copper)
Phantom Creek Copper, Inc.
Chelan County, Washington
Contract No. DMA-192

Gentlemen:

Enclosed are several copies of Amendment No. 1 to the subject contract which will allow the project to be recessed until May 1, 1954, and extend the contract completion date to November 1, 1954.

If the terms and conditions of this amendment meet with your approval, please see that all copies are signed by an officer of the company, retain that copy marked for the Operator and return the remaining copies to this office.

If any part of this amendment does not meet with your approval, please return all copies to this office with your comments.

Sincerely yours,

A. M. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosures

cc: DMEA (2)
USBM (2)
Puffett

MBK

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

12-20
F.L. Knouse
Ellis
Selfridge
J.H. Johnson

Mr. [illegible] Eisenhower
Executive Officer
DMEA [illegible], Region IV
North 192 [illegible] Street
Spokane 8, Washington

DEC 21 1953

Re: Docket No. [illegible]-1313 (Copper)
Contract No. [illegible]- 1/5 (Amended)
Stanley Steel Corp., Inc., Purchase of
[illegible] and Associates
Richards Property
Chelan County, Washington

Dear Mr. Eisenhower:

I recommend in my letter of December 9, there are enclosed the original and five copies of Amendment No. 1 to the captioned amended exploration incentive contract signed by the Administrator for the Government.

Please have the original and five copies of the amendment signed by the company official and return to me with this document after the usual distribution has been completed.

Sincerely yours,

George C. Selfridge (JHB)
Chairman, Operating Committee

Enclosure 6

Concur:

J. H. Hedges (JHB)
Director, Bureau of Mines

T. P. Thayer (JHB)
Director, Geological Survey

FLKnouse/db
12/16/53
cc to: Adm. Reading File
Operating Committee
Docket
Messrs: C.H.Johnson, Rm. 3621
A.R.Kinkel, Rm. D-242A, GSA
Ellis
Knouse

R.C.G.
12-21-53

cc
7447

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

1201 N. Division St.
Spokane 2, Washington
December 4, 1953

Mr. George C. Selfridge, Chairman
DMEA Operating Committee
Department of the Interior
Washington 25, D. C.

Subject: Docket No. DMEA 1353 (copper)
Phantom Creek Copper, Inc.
Chelan County, Washington
Contract Idm-E172 (Amended)

Dear Mr. Selfridge:

The subject Operators have verbally requested a recess in operations for the winter and an extension of time to complete the work under the exploration project contract.

The property at present is inaccessible due to winter weather conditions, and it will be about the 1st of June before work can be recommenced. The season was too far advanced by the time the amended contract was signed for the Operator to complete the work.

Taking these factors into consideration it is recommended that the Operator be given a recess until May 1, 1954 and an extension of time to complete the contract until November 1, 1954.

By Field Team, Region II

A. E. Weissenborn, D.H.K.
A. E. Weissenborn, Executive Officer
U. S. Geological Survey

M. E. Volin
M. E. Volin, Member
U. S. Bureau of Mines

cc: USGS (2)

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

1201 N. Division St.
Spokane 2, Washington
December 4, 1953

Mr. S. J. Holden, Secretary
Phantom Creek Copper, Inc.
321 West Fourth Street
Cle Elum, Washington

Subject: Docket No. DMEA 1353 (copper)
Contract No. Idm-K172
Phantom Creek Copper, Inc.
Chelan County, Washington

Dear Mr. Holden:

Your request that the project work be recessed until May 1, 1954 with an extension of time to complete the contract until November 1, 1954 has been forwarded to Washington, D.C. with a recommendation that your request be granted.

To keep our records current please submit your last month's Operator's Monthly Progress Report and Voucher, on which payment will be withheld until work is resumed in the spring.

By Field Team, Region II

A. E. Weissenborn, Executive Officer
U. S. Geological Survey

M. E. Velin, Member
U. S. Bureau of Mines

cc: DMEA, Wash. (2)
USGS (2)
Certifying Officer

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Bureau of Mines Washington
RECEIVED
OCT 30 1953

October 27, 1953

Mr. S. J. Holden, Secretary
Phantom Creek Copper, Inc.
321 West Fourth Street
Cle Elum, Washington

Re: Docket No. DMEA-1353 (Copper)
S. J. Holden and Associates
Phantom Creek Copper, Inc. (Assignee)
Chelan County, Washington
Contract No. Idm-E172 (Amended)

Dear Mr. Holden:

Reference is made to the "Assignment of Contract" executed by S. J. Holden and Associates and Phantom Creek Copper, Inc.

On the last page of this document, the insertion of the date was inadvertently omitted. Would you please insert September 30th to make the document official.

Sincerely yours,

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

cc: USBM (2)
DMEA (2)
Puffett

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

October 22, 1953

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-1353 (Copper)
S. J. Holden and Associates
Phantom Creek Copper, Inc. (Assignee)
Cle Elum, Washington
Contract No. Idm-E172 (Amended)

Dear Mr. Selfridge:

Enclosed are the following documents:

(1) Original and two signed copies of subject amended contract.

(2) Original and two signed copies of assignment of subject amended contract to Phantom Creek Copper, Inc.

(3) Original and two ozalid copies of notarized statement by S. J. Holden describing the claims under the contract.

Distribution of the amended contract and assignment is being made in the usual manner.

It is apparent from Mr. Holden's notarized statement that the property described in the contract is the same as that described in the "Grant Deed" dated April 10, 1952. We trust that in obtaining this statement we have satisfactorily complied with the provisions of the third paragraph of your letter of September 30, 1953, requesting that we ascertain that the "Grant Deed" covers the property described in the contract.

Sincerely yours,

James J. Guinlan
James J. Guinlan
Acting Member, DMEA
Field Team, Region II

cal 10-26

Enclosures
cc: Finance Officer w/encls.
USBM (2)
Puffett

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

1201 N. Division St.
Spokane 2, Washington
October 13, 1953

MEMORANDUM

To: DMEA Field Team, Region II

From: E. A. Magill, Mining Engineer, Bureau of Mines

Subject: Assay results, Pickwick Property, S. J. Holden and Asso., Chelan County, Wash., Contract No. Idm-E172, Docket No. DMEA 1353 (copper)

The assay results have been received on the samples taken at the subject property on August 21, 1953. The samples and results are as follows:

Sample EAM-1 Along road cut just south of first serpentine dike (about 1000 feet north of Kittitas-Chelan County line). Chip sample over 50 feet of pyrite in a siliceous diorite.

Nickel - none
Copper - 0.09 %
Gold - 0.01 oz. per ton
Silver - 0.06 oz. per ton

Sample EAM-2 Select sample of green earthy material filling fractures in first serpentine dike along road (about 1000 feet north of Kittitas-Chelan County line).

Spectrographic Analysis

Over 10% - Mg, Fe, Si
1% to 5% - Al
0.1% to 1% - Zinc, Cr, Co, Ni
0.01% to 0.1% - Bi, Cu, Mn, Ti
0.001% to 0.01% - V

Sample EAM-3 1.0 foot channel sample across pyrite lens on road 50 feet north of SE fork of Van Epps Creek (first creek north of Kittitas-Chelan County line). Solid pyrite.

Ni 0.14%
Cu < .03%
Au < .01 oz. per ton
Ag 0.16 oz. per ton

Sample EAM-4 A channel sample 4.0 feet in length, cut in bottom of trench (main trench to west of Pickwick shaft) across vein, about 20 feet southeast of point 5126 on the map dated 10/7/52 by W. D. Puffett, USGS. This sample contained iron and copper oxides and nodules of sulfides containing pyrite and chalcopyrite along with bornite and chalcocite.

Cu	7.69%
Au	0.04 oz. per ton
Ag	1.4 oz. per ton

Sample EAM-5 This sample was taken from the same general location as Sample EAM-4. It is made up of the nodules of sulfides and vein quartz and possibly represents what could be expected in the unoxidized portions of the vein.

Cu	1.11%
Au	0.01 oz. per ton
Ag	0.1 oz. per ton

(Note: The copper assay results on this sample appear to be low compared with a megascopic examination of the sample.)

Samples 1, 2 and 3 were run by the U. S. Bureau of Mines at Albany, Oregon; Samples 4 and 5 by Union Assay Office, Salt Lake City, Utah.

E. A. Magill

Orig. & 3 cys - Wash.
USGS (2)
DMEA
M/D
EAM/he

FILE COPY
SURNAME:

140

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

SEP 30 1953

Mr. A. E. Weissenborn, Executive Officer
DMEA Field Team, Region II
South 157 Howard Street
Spokane 4, Washington

Re: S. J. Holden and Associates
Cle Elum, Washington
Docket No. DMEA-1353
(Copper)
Contract No. Idm-E172 (Amended)

Dear Mr. Weissenborn:

Reference is made to your letter of September 9, to Mr. Ernest W. Ellis, Acting Chairman of the Operating Committee, asking our advice regarding the Amendment and Assignment of the subject contract.

For execution by the Operator, S. J. Holden and Associates, there are enclosed duly signed by the Administrator, and dated as of April 9, 1952 (which is one day prior to the Operator's transfer of the property to the Phantom Creek Copper, Inc.) (1) an Amended Exploration Project Contract, and (2) an Assignment of this contract to the Phantom Creek Copper, Inc. The Assignee's acceptance should be signed by Phantom Creek Copper, Inc., and the Operator should be advised that it has not been released from the obligations of the contract. When the signatures are complete on all documents, they may be distributed in the usual manner.

It should also be ascertained that the property which was transferred by the Operator to Phantom Creek Copper, Inc., under the "Grant Deed" dated April 10, 1952, is the same property as that described in the contract. Because of the brevity of the Grant Deed, it is impossible in this office to know this. As the contract is being assigned, all the property referred to in the contract should either be transferred or leased to the assignee.

We shall be glad to consider any suggested changes if there is anything in these documents with which you are not in accord.

Sincerely yours,

George C. Selfridge (2/B)
Chairman, Operating Committee

Approved:

J. H. Hedges (2/B)
Member, Bureau of Mines

A. R. Kinkel, Jr. (2/B)
Member, Geological Survey

R.C.S. 9-30-53

J. L. Hofflund
A. E. Kane
Chron.
Pending

Mr. Thayer
Mr. Hedges
E. W. Ellis

AEKane/ema 9/25/53
cc: Mails & Files
Adm. R. File
Op. Comm.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
SEP 10 1953

September 9, 1953

Mr. Ernest W. Ellis, Acting Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMA-1353X(Copper)
S. J. Holden & Company
Pickwick property
Chelan County, Wash.
Contract Idm-E1732

Dear Mr. Ellis:

Reference is made to a letter from the Operating Committee dated August 3, 1953, regarding the subject contract in which it is noted that the contract may be amended to allow for changes in proposed work if DMEA can have assurance that project work will be completed before the end of the calendar year. Following receipt of this letter, Mr. E. A. Magill, U. S. Bureau of Mines, visited the property and discussed the proposed work and the proposed transaction of the contract with the Operator. As a result of this visit, Mr. Magill has recommended an amendment to the contract and also an assignment of the contract from the Operator to the Phantom Creek Copper, Inc.

Mr. Magill notes that the Operator has done considerable road work and dozing on the property since the contract was signed, which was not charged to the contract. He notes also that dozing would be a good way to explore the outcrop and that dozing was considered when the initial field examination was made but discounted because of the difficulty of getting a dozer on the property. Mr. Magill states that the shaft is open to a depth of about 40 feet but that he believes the 50-foot level, leading from the shaft, is caved and would cost more to rehabilitate than is allowable in the contract. He reasons, therefore, that exploration could best be done by testing the outcrop by dozing and by making the Van Epps crosscut accessible to mapping and sampling, as called for in the contract.

The Field Team concurs with Mr. Magill and recommends assignment of the contract to the Phantom Creek Copper, Inc., and that the enclosed amendment be approved. As the season is growing short, we

suggest the Field Team be immediately informed of the Operating Committee's decision on this matter so we can inform the Operator as soon as possible. Project work will have to commence immediately if it is to be completed before winter sets in.

The following are enclosed:

(1) Four copies of report by Magill with attached proposed Amendment No. 4.

(2) Five copies of Assignment of Contract.

(3) Four copies of a Quit-Claim Deed granting the interests of the partners (Operator) to Phantom Creek Copper, Inc.

By DMEA Field Team, Region II

A. E. Weissenborn, Exec. Officer
(U. S. Geological Survey)

M. E. Volin, Member
(U. S. Bureau of Mines)

Enclosures as above
cc: USBM(2)
Puffett

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

1201 N. Division St.
Spokane 2, Washington
August 28, 1953

MEMORANDUM

To: DMEA Field Team, Region II

From: E. A. Magill, Mining Engineer, Bureau of Mines

Subject: Docket No. DMEA 1353 (copper), S. J. Holden & Associates, (Pickwick property), Chelan County, Washington, Contract No. Idm-E172

A visit was made to the subject property on August 21, 1953. Mr. Holden accompanied me to the property. There was no one working at the time of the visit.

Travel to the project from Fortune Creek was in a jeep over the relocated road constructed by the Operator. This new road 4.3 miles in length (from Fortune Creek to mine) eliminates a number of the steep grades in the old road. The Operator stated that a total of $6,000 had been spent on constructing the road and cutting the bulldozer trench at the mine.

Work completed at the mine since the previous visit on October 7, 1952 consists of deepening the north end of the bulldozer trench in the vicinity of the old shaft about 5 feet. This makes a depth of about 20 feet below the collar of the old shaft. Bedrock is now exposed almost the entire length of the cut. During the winter Phantom Creek broke into the cut, washing away the alluvium for about three quarters of its length. The bulldozer work this year has exposed the remainder of the bedrock. The oxidized veins which were previously exposed in the walls of the cut now show in the bottom where they are only partially oxidized, the unoxidized sulfides appearing as nodules up to 6 inches or more in diameter surrounded by oxides. In some instances the nodules contain bornite along with pyrite and chalcopyrite.

Two samples were taken in the bulldozer trench:

Sample EAM-4. A channel sample 4.0 feet in length cut in bottom of trench across vein, about 20 feet southeast of point 5126 on the map dated 10/7/52 by W. D. Puffett, USGS. This sample contained iron and copper oxides and nodules of sulfides containing pyrite and chalcopyrite along with bornite and chalcocite.

Sample EAM-5. This sample was taken from the same general location as EAM-4. It is made up of the nodules of sulfides and possibly represents more what might be expected in the unoxidized portions of the vein.

Old timbers were encountered in the open cut, giving rise to the thought that possibly the veins had been stoped on from the 50-foot level.

Three samples were cut along the road coming into the property. Sulfide mineralization (mainly pyrite) is quite prevalent in the country rock from the ridge separating Kittitas and Chelan Counties to the mine, a distance of about one mile.

The Operator would like to complete the exploration program this season; however, the work has been held up to a certain extent pending assignment of the contract. The Operator would like to do the work as called for in the Van Epps crosscut. In the vicinity of the shaft he would like to cut three bulldozer trenches to determine the extent of the veins already exposed.

It is recommended that the assignment of the contract to Phantom Creek Copper, Inc. be expedited and an amendment to the contract be made to allow for:

1. Construction of road to property at a cost not to exceed $1200.00.

2. A total of 120 hours of bulldozing in at least three trenches in the vicinity of the shaft.

(See attached proposed amendment.)

It is believed that the above items are reasonable and to the advantage of the Government. When the original exploration program was set up, construction of a road was not considered as it was believed that its cost would be excessive for a small exploration program. It was estimated that it would cost about $1200.00 to transport supplies and equipment to the property. The Operator has expended almost $6,000 on the construction of a road, which will expedite and allow exploration work to be carried out much cheaper at the mine.

Trenching was not proposed in the original contract because of the difficulty of getting a bulldozer onto the property. Now that the access problem has been taken care of, largely at the Operator's own expense, it is believed that a trenching program would give similar information as would opening up the old 50-foot level.

E. A. Magill

Orig. & 3 cys - Wash.
USGS (2)
DMEA
M/D EAM/he

PHANTOM CREEK COPPER, INC.
Chelan County, Washington
Docket No. DMEA 1353 (copper)
Contract Idm-E172

PROPOSED

AMENDMENT NO. 4

Delete Exhibit "A" of the contract.

Substitute the following:

Exhibit "A"

The purpose of this exploration program is to prepare the Pickwick mine for a thorough sampling and geologic examination.

Description of the Work

1. Construct access road to property at a total cost of not to exceed $1200.00.

2. Cut a minimum of three trenches in the vicinity of old shaft to expose vein system.

3. Rehabilitate 2500 feet of Van Epps crosscut for examination.

Estimated Costs of Project (* Indicates allowable maximums)

1. Independent Contracts

Construction of access road	$1200.00*
Bulldozing - 120 hours @ $12/hr. (Per hour bulldozer costs are to include operator and all operating costs.)	1440.00

2. Labor, Supervision and Consultants

Miners	$ 15.00	per 8-hr. shift plus board
Surface labor	14.00	" " " " "
Cook	14.00	" " " " "
Superintendent	450.00	per month plus board
Engineer or Geologist	25.00	per day plus board

3. Operating materials and supplies

Included under other items.

4. Operating equipment

To be purchased

Miscellaneous tools and equipment	$500.00*

To be rented	Est. Monthly Rental
1 gasoline-powered jackhammer	$ 50.00
1 fan, gasoline engine powered	75.00
500 feet vent tube @ $0.20/ft./mo.	100.00

To be purchased

None

5. Rehabilitation and repairs

Repair of log cabin	$100.00

6. New buildings, improvements, installations

Tent and tent frame with board floor	$200.00

7. Miscellaneous

Sampling, engineering, and geologic services	$2000.00
Rehabilitation of Van Epps crosscut	1000.00
Contingency	1160.00
Total estimated cost	$7600.00*
Government's participation @ 50%	$3800.00*

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
1201 N. Division St.
Spokane 2, Washington
August 21, 1953

MEMORANDUM

To: DMEA Field Team, Region II

From: E. A. Magill, Mining Engineer, Bureau of Mines

Subject: S. J. Holden and Assoc. (Pickwick Mine) Chelan County, Wash. Contract No. Idm-E172, Docket No. DMEA 1353 (copper)

Mr. S. J. Holden was contacted by telephone on August 16, 1953 to inquire as to what work was being carried out on the subject property.

He stated that the road to the property had been partially relocated with the grade improved so that trucks could use it. The bulldozer cut near the shaft had been deepened and the veins which were completely oxidized in the original cut, were beginning to show sulfides. Construction of an ore bunker has been commenced so that the ore uncovered in the exploration work may be shipped to the Tacoma smelter.

During the relocation of the road several veins were cut which expose ore, according to Mr. Holden.

Future plans call for the use of a dragline shovel to deepen the bulldozer cut at the shaft to the old 50 foot level.

Arrangements were made to meet Mr. Holden in Cle Elum on Thursday night (August 20) and visit the property on Friday, August 21.

E. A. Magill

FILE COPY
SURNAME:

Docket.
F. E. Krause
A. E. Kane
Hotland
Selfridge
Johnson
Weissenborn

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

AUG 3 1953

Mr. A. . Weissenborn
Executive Officer
DMA Field Team, Region II
South 157 Howard Street
Spokane 1, Washington

Re: Docket No. DMA-1353X (Copper)
Contract No. Idm-[illegible]172
S. J. Holden and Associates
Pickwick Property
Chelan County, Washington

Dear Mr. Weissenborn:

This is with reference to the Field Team's letter dated July 9, 1953, and the memorandum from Mr. . . A. Nagill, Mining Engineer, U. S. Bureau of Mines dated July 8, 1953. These communications concern an assignment of the subject contract to Phantom Creek Copper, Inc., and a proposed amendment which will allow partial payment for a road that was constructed to the property in lieu of transportation costs allowed in the contract.

As this contract has been in force approximately 22 months and none of the work under the terms of the contract has been completed, the contract should be terminated, or we should have definite assurance this exploration program will be completed before the end of the calendar year. If, however, the Operator can complete the program of work, then the contract could be amended to allow - say $200.00 monthly of the $1200.00 allowed in the contract for transportation as a partial cost of the road construction. The remaining work should be restricted to the rehabilitation and sampling of the 50' level and the rehabilitation and sampling of the lower main crosscut. Otherwise, the attached 6 copies of form 10262-2 "[illegible] EXPLORATION PROJECT CONTRACT, [illegible] THE TERMS OF THE CONTRACT, [illegible] COMPLETION OF THE WORK" [illegible] be executed by you and transmitted to the Operator.

We are enclosing two copies of the Chief Counsel's memorandum to the Administrator, dated July 21, 1953, on these subjects, which is self-explanatory.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

A. R. Kinkel, Jr.

Director, Geological Survey (ARK)

Enclosures 6

Concur:

J. H. Hedges

Director, Bureau of Mines (JHH)

Messrs: C. H. Johnson, Rm. 3621
A. R. Kinkel, Rm. P-242A, GSA
Ellis
Knowse

FLKnowse/db
7-29-53
cc to: Adm. Reading File
Operating Committee
Docket

R. C. G. 8-3-53

FILE COPY
SURNAME:

140

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

Hoffland
DeRand

N.S. in R. & R.

July 21, 1953

Memorandum

To: The Administrator

Through: Mr. E. W. Ellis

From: Chief Counsel

Subject: S. J. Holden and Associates, Docket No. DMEA-1353 (Copper), Contract Idm-E172

A letter dated July 9 from Mr. Weissenborn, Executive Officer, Field Team, Region II, has been referred to this office for reply. The letter makes inquiry regarding an assignment of the contract to a corporation, and an amendment of the contract to allow certain road work as a cost of exploration. I suggest that a copy of this memorandum be sent to Mr. Weissenborn for his information.

The contract is dated October 4, 1951, and has been amended three times to extend the time for performance, the last extension allowing full two years from the date of the contract or until October 4, 1953. The work described in the contract is limited to rehabilitation of a shaft and of certain crosscuts and drifts. No new work is provided for.

None of the work described in the contract has been performed. However, the operator did build an access road at his own cost, and also made an open cut with a bulldozer, apparently by virtue of some sort of informal authorization by the Field Team.

It is my understanding that the operator now desires to perform the exploration work described in the contract, and wishes to be allowed all or some part of the cost of the road work as a necessary cost of the project. The operator has filed vouchers for the Government's contribution, apparently for the cost of this trenching by bulldozer which is not expressly provided for in the contract.

It appears that the road work and trenching were not actually performed by the operator, but by Phantom Creek Copper, Inc.; and that under date of June 4, 1953, the

operator, without the consent of the Government, assigned the exploration contract to this corporation.

The exploration contract is defective in that it does not show with certainty whether the operator owns the property or leases it, but presumably the operator is the owner.

1. With respect to the assignment of the contract.—The operator is in default by reason of having assigned the contract without the consent of the Government, and the Government could terminate the contract on this account, particularly so in view of the fact that none of the work described in the contract has been performed and no costs incurred have been contributed to by the Government. In any case, the Government should make no contribution to costs incurred until a proper assignment of the contract has been submitted to the Government for its approval. The assignment should contain an express assumption by the assignee of all of the obligations of the operator under the contract. We should also be furnished with evidence of the transfer by the operator to the assignee of all rights in the subject land. The assignment need not be made retroactive (as suggested in Mr. Magill's letter to Mr. Weissenborn).

2. With regard to amending the contract.—After the matter of the assignment has been taken care of as above specified, the contract could be amended to cover the trenching as an element of the exploration work, and to make some allowance for the cost of the access road. The original contract gives the operator the choice of using either horses or bulldozer to bring in supplies, and it appears that the access road eliminates some or all of the necessity for this cost. Therefore, it is my opinion that a suitable amendment could be made to include all or a suitable part of the cost of the access road as a cost of the project.

J. L. Hofflund

J. L. Hofflund
Chief Counsel

AEK:
JLHofflund:ep

Copy to: Mails & Files
DMEA Field Team, Reg. II (2)
Mr. Ellis
Mr. Hofflund
Mr. Kane
Chron

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

1201 N. Division St.
Spokane 2, Washington
July 15, 1953

MEMORANDUM

To: DMEA Field Team, Region II

From: E. A. Magill, Mining Engineer, Bureau of Mines

Subject: S. J. Holden and Associates (Pickwick property), Chelan County, Washington, Contract Idm-E172, Docket No. DMEA 1353 (copper)

An attempt was made to contact Mr. Holden in Cle Elum, Washington, on July 13, 1953. His wife stated that he had left for the mine earlier that morning. She stated that he was in the process of moving a bulldozer onto the property. Several steep sections of the road were being improved on the way in. It was expected that the bulldozer would be in the shaft area within a few days.

A progress examination of the property will be scheduled in the near future.

E. A. Magill

E. A. Magill

Orig. & 3 cys - Wash.
USGS (2)
DMEA
M/D
EAM/he

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

1201 N. Division St.
Spokane 2, Washington
July 9, 1953

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Subject: Docket No. DMEA 1353 (copper)
S. J. Holden and Associates
Pickwick Property
Chelan County, Washington
Contract Idm-E172

Dear Mr. Selfridge:

Enclosed are the original and three copies of a memorandum from E. A. Magill, Mining Engineer, U. S. Bureau of Mines, summarizing the history of the subject project. As Magill points out, if the project is to be continued a retroactive assignment of the contract might be necessary. We are not certain as to the legality of such actions and would like a ruling from your office on the matter.

The contract has been in effect since October 4, 1951, and to date none of the work specified has been done. All of the 1952 working season was spent building a bulldozer road to the property. The Operator has claimed part of the cost of building the road as equivalent to transporting supplies by bulldozer. Though no supplies were transported the road was for that purpose and there is probably some justification for his claim as the road is not elaborate and could be considered only a jeep trail. However, the work was paid for with stock in Phantom Creek Copper, Inc., so it appears that the property must have been assigned to the corporation without our knowledge or approval prior to the building of the road. Therefore, the claim was not allowed.

Had the Field Team been aware of the complex invoicing problems it is doubtful if we would have approved Amendment 3 extending the contract to October 4, 1953. However, having granted this extension we presumably have some obligation to see it through to completion, which actually would require only a small amount of work. The problem then is how can payment be made for the road construction which has undoubtedly benefited the project. Until this has been accomplished no further work can be done, and, therefore, we will appreciate your instructions. We trust an early solution can be worked out because if the project is to be continued it would be started quickly to the advantage of the short working season.

If the contract is to be continued we will specifically point out to the company that no future payments will be made unless the terms of the contract are strictly adhered to.

By Field Team, Region II

A. E. Weissenborn

A. E. Weissenborn, Exec. Officer
(U. S. Geological Survey)

Thomas E. Howard

Thomas E. Howard, Acting Member
(U. S. Bureau of Mines)

Enclosure

cc: USGS (2)

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

1201 N. Division St.
Spokane 2, Washington
July 8, 1953

MEMORANDUM

To: DMEA Field Team, Region II

From: E. A. Magill, Mining Engineer, Bureau of Mines

Subject: S. J. Holden and Associates (Pickwick property), Chelan County, Washington, Contract No. Idm-E172, Docket No. DMEA 1353 (copper)

This memorandum has been prepared to summarize the activities which have taken place under the subject contract.

An exploration project contract for the Pickwick property in Chelan County, Washington, was let on October 4, 1951 to S. J. Holden and Associates, a partnership composed of S. J. Holden, A. C. Campbell, Valentine Sontag, and Frank Funkhouser. The total amount of the exploration program was $7,600.00 with $3,800.00 to be furnished by the Operators. Work was to commence within 30 days and to be completed in 12 months. The 12-months period for completion was qualified by a statement on the contract as follows: "Allowance for delay if weather prohibits continuous work - 5 months actual working time required for the project."

The purpose of the exploration project was to prepare the old Pickwick mine for a thorough sampling and geologic examination. In order to carry out this work it was proposed to rehabilitate the old 300-foot shaft to the 50-foot level, along with 175 feet of crosscut and 80 feet of drift on the 50-foot level; also, to rehabilitate the 2500-foot Van Epps crosscut for examination. Access to the property was by trail so it was proposed that pack horses would be used to transport supplies and equipment. At the Operator's request he was given an option in the contract as to whether he wished to use pack horses or a bulldozer to transport supplies to the property. Cost of either bulldozer or horses was not to exceed $1,200.00 for transportation of supplies.

In a letter dated October 26, 1951 the Operator requested that the contract be amended to allow him to commence work not later than June 15, 1952. This was a reasonable request inasmuch as the property is usually snowed in by November 1. Amendment No. 1, dated

February 20, 1952, was prepared allowing the starting date to be not later than July 1, 1952. A further extension of the starting date was requested due to the illness of S. J. Holden. This extension was granted in Amendment No. 2 dated June 30, 1952, extending the starting date to not later than August 4, 1952, and completion date to December 4, 1952.

On July 31, 1952, Mr. Warren Hobbs, U. S. Geological Survey, received a telephone call from Mr. Holden in which he stated that he was starting work with a bulldozer.

On August 7, 1952, Mr. Willard Puffett, U. S. Geological Survey, contacted Mr. Holden by telephone to inquire as to the progress under the project. Mr. Holden replied that he was building a road into the property and that as soon as this was finished the rehabilitation as called for under the contract would be undertaken. He also stated that he would like to do a certain amount of surface trenching in lieu of shaft rehabilitation as he believed the surface work would accomplish the same results with an economy of costs and possibly time.

On August 29, 1952, the Operator was contacted in Cle Elum, Washington, by Willard Puffett, U. S. Geological Survey, and E. A. Magill, U. S. Bureau of Mines. He stated that the road to the property had not been completed because the bulldozer had broken down. He expected to have another bulldozer on the job by September 2.

On September 5, 1952, the Operator was again contacted in Cle Elum by Messrs. Magill and Puffett to arrange for inspection of the project. It was learned that the new bulldozer had not yet arrived but was expected on September 6. Mr. Holden stated that the road should be completed during the following week. The property inspection was therefore delayed until such time as the Operator had completed the road to the property.

The DMEA was informed by Mr. Frank Funkhouser on September 22, 1952, that a jeep road had been completed to the property and that a number of bulldozer trenches had been cut in the vicinity of the old shaft. A letter was written to Mr. Holden on the same date tentatively proposing a visit by the examining team on October 3, 1952.

A progress examination was made of the property on October 7, 1952, by E. A. Magill, USBM, and Willard Puffett, USGS. Mr. Holden drove the examining team to the property over the 3-1/4 miles of jeep road which he had constructed. At the property the Operator had cut a bulldozer trench about 300 feet in length. This

trench crosscut the vein structures in the vicinity of the old shaft. The Operator asked if it would be permissible to use a bulldozer to clear the portal of the crosscut which led into the 50-foot level of the shaft. He was informed that this work would be permissible as the contract called for opening the level for examination and did not state specifically how it should be done. Invoicing procedure was discussed with Mr. Holden, and he was given copies of form MF-104 and shown how to prepare them for submission.

The trench was mapped by Mr. Puffett and a number of samples cut. The assays of these samples showed a rather wide zone which contained from 0.23 to 1.2 percent copper in the oxide zone. It looked sufficiently encouraging to warrant at least the work called for in the contract so that its possible extent might be determined.

On November 18, 1952 Mr. Holden was contacted by telephone. He stated that no work had been done at the property since the visit by the examining team on October 7. Weather conditions had made the road impassable and operations had been shut down for the winter.

On March 9, 1953, Mr. Holden was contacted in Cle Elum regarding his plans for the coming season. He stated that he planned to do additional bulldozer work in an attempt to open the 50-foot level crosscut; also, to install a fan and rehabilitate the Van Epps crosscut for examination. As the contract expired on December 4, 1952, Amendment No. 3 was prepared to extend the completion date to October 4, 1953.

On May 4, 1953, vouchers covering costs incurred on the project during August and September 1952 were received. These were the first forms MF-104 which had been received from the Operator. The vouchers were made out in the name of S. J. Holden but the supporting papers showed that the work had been carried out in the name of Phantom Creek Copper, Inc. Consequently, the vouchers were unacceptable to the Fiscal Officer.

On May 29, 1953, Mr. Holden was contacted in Cle Elum regarding the invoices which he had submitted, and they were returned to him so that they might be properly completed and resubmitted. It was learned that S. J. Holden and Associates had formed Phantom Creek Copper, Inc. in March 1952. Stock in the amount of 250,000 shares or one-fourth of the capital stock of the company was given to Arthur W. Lehmann of Bingen, Wash. and J. M. Holden of White Salmon, Wash. for constructing the road to the property and carrying out the bulldozer work on the property in 1952. Mr. Holden was advised that it would be necessary to assign the contract to Phantom Creek Copper, Inc., with the assignment subject to Washington's approval.

Early in June 1953, an assignment of the contract from S. J. Holden to Phantom Creek Copper, Inc. was received. However, the date of the assignment was June 4, 1953, which was after the work on the property was done.

Recommendations

In order that the project can be completed and information obtained as to the potential of the property, the following recommendations are made:

1. Allow the Operator to assign the contract to Phantom Creek Copper, Inc., making the assignment date retroactive to March 21, 1952, the date of the agreement with J. M. Holden and Arthur W. Lehman.

2. Allow the $1200.00 for transporting supplies to be credited against construction of the road.

3. Let the Operator use whatever equipment or means he desires to open the 50-foot shaft, 175-foot crosscut, and 80-foot drift as long as the estimated unit costs are not exceeded. It must be remembered that the $1200.00 for transportation is chargeable against these unit costs.

4. If in the opinion of the Government it is impractical to rehabilitate the shaft or 50-foot level workings after an attempt has been made to do so, allow the money allotted for this rehabilitation work to be used in bulldozer trenching provided that such trenching is able to reach the sulfide zone.

E. A. Magill

Orig. & 3 cys - Wash.
USGS (2)
DMEA
M/D
EAM/he

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D. C.~~

1201 North Division Street
Spokane 2, Washington

June 4, 1953

MEMORANDUM

To: DMEA Field Team, Region II

From: E. A. Magill, Mining Engineer, Bureau of Mines

Subject: S. J. Holden & Associates (Pickwick Property), Chelan County, Washington, Contract Idm-E172, Docket No. DMEA 1353X (copper)

Mr. S. J. Holden was contacted in Cle Elum, Washington, on May 29, 1953. The Forms 104 which he had submitted were returned to him so that they might be properly completed and resubmitted.

It appeared from the invoices submitted that all the work on the property has been for the account of Phantom Creek, Inc., rather than for S. J. Holden. Apparently S. J. Holden & Associates formed Phantom Creek, Inc., in March 1952. They have never requested that the contract be assigned, consequently a copy of suggested form of assignment was given to Mr. Holden and he was told to request an assignment of the contract. He was told that no payments on the contract could be made pending Washington's approval of the assignment.

Mr. Holden said that he would probably bring the contract assignment to Spokane and discuss it personally with either Mr. Volin or Mr. Weissenborn.

E. A. Magill

Orig. & 3 - Wash.
USGS - 2
DMEA
M/D
EAM/vf

RECEIVED
JUN 10 1953
U. S. G. S.
SPOKANE, WASH.

May 19, 1953

Memorandum

To: Hazel Berry, Operating Committee

From: Grace L. Ault, Rare & Misc.Metals Division

Subject: Amendment to contract
Docket No. DMEA-1353 (Copper)
Idm-P172
S. J. Holden

Mr. Ellis reviewed Amendment No. 3, dated March 11, 1953, to the above-named contract, and approves it.

Grace L. Ault

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

May 4, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 11 1953

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-1353 (Copper)
S. J. Holden and Associates
Chelan County, Washington
Contract No. Idm-E172

Dear Mr. Selfridge:

Attached are the original and two signed copies of Amendment No. 3 to the subject contract, with attached justification.

Distribution of this amendment is being made in the usual manner.

Sincerely yours,

A. E. Weissenborn

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

cc 5/11

Attachment

cc: Finance Officer w/encl.
USBM (2)
Puffett

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~XXXXXXXXXXXXXXXXXX~~
So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 23 1953

March 18, 1953

S. J. Holden and Associates
321 West Fourth Street
Cle Elum, Washington

Re: Docket DMEA-1353X (Copper)
Pickwick Property
Chelan County, Washington
Contract Idm-E172

Gentlemen:

Enclosed are several copies of Amendment No. 3 to your Exploration Project Contract Idm-E172. If the terms and conditions of this amendment meet with your approval, please have an authorized official of your company sign all copies, retain that copy marked "Operator's Copy", and return the remaining copies to this office for further distribution.

We have been disappointed that work to date has progressed so slowly and have had difficulty justifying an extension of the contract. Unless the work specified in the contract can be prosecuted with some show of vigor, this is the last extension that can be made.

Sincerely yours,

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosure

cc: DMEA (2)
USBM (2)
Puffett

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D. C.~~

1201 North Division Street
Spokane 2, Washington

March 13, 1953

MEMORANDUM

To: DMEA Field Team, Region II

From: E. A. Magill

Subject: S. J. Holden & Associates (Pickwick Property), Chelan County, Wash., Contract Idm-E172, Docket No. DMEA 1353X (copper)

Mr. S. J. Holden was contacted in Cle Elum, Washington, on March 9, 1953. He was questioned concerning his future plans for the property and for work under the subject contract.

Present plans call for additional bulldozer trenching in the vicinity of the shaft. The trench which was cut last year is to be deepened. An attempt will be made to open the 50 foot level by dozing out the portal. A trench is also proposed a few hundred feet to the west of the shaft where pieces of high-grade sphalerite and chalcopyrite were found on the dump of some old trenches. The Operator also plans to make the Van Epps crosscut accessible for examination by installation of a fan and repairing the existing vent pipe to improve the lack of oxygen near the face.

These proposals are logical and fall within the purpose of the contract as originally proposed. However, it is to be noted that the expiration date of the contract was December 4, 1952, therefore, an amendment has been prepared for the Field Team Executive Officer's signature allowing an extension to October 4, 1953. It is believed that this amendment is warranted inasmuch as the Operator spent the major portion of the 1952 field season in construction on a road to the property which left him very little time to carry out the explorative program. This road, 3-1/4 miles in length, was constructed largely at the Operator's own expense as the exploration contract only allows bulldozer rental in the amount of $1200.

The Operator believes that the weather will allow access to the property by the first of June.

The Operator has presented no vouchers for work carried out to date.

E. A. Magill

Orig. & 3 - Wash.
USGS - 2
DMEA M/D EAM/vf

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D. C.~~
1201 North Division St.
Spokane 2, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Adm.
NOV 24 1952

November 20, 1952

MEMORANDUM

To: DMEA Field Team, Region II

From: E. A. Magill, Mining Engineer, Bureau of Mines

Subject: S. J. Holden (Pickwick Property), Chelan County, Washington, Contract Idm-E172, Docket No. DMEA 1353X (Copper)

Mr. S. J. Holden was contacted by phone on November 18, 1952, in regard to the subject contract.

He stated that no work had been done at the property since Mr. Puffett's and my visit on October 7, 1952. He had, however, taken a number of samples from the bulldozer trenches since our visit. Weather conditions have now made the jeep road to the property impassable and no further attempt will be made to work the property until next year.

The assay results of the samples taken on the October 7th visit have been received and are as follows:

Sample No.	Width	Percent Copper	Ounces per ton Gold	Ounces per ton Silver	Type
EAM 31-4	2.0'	1.2	0.02	0.16	Channel
-5	3.0'	0.25	Tr.	0.16	Channel
-6	18.0'	0.23	Tr.	0.34	Channel
-7	15.0'	0.42	Tr.	0.16	Channel
-8	25.0'	0.25	N.D.	0.30	Chip
-9	125.0'	0.40	N.D.	0.24	Chip

(Assays by USBM, Albany, Oregon)

EAM 31-4 Altered vein material with copper oxides (see Puffett's map of October 7, 1952 for location).

EAM 31-5 Altered vein material with copper oxides (see Puffett's map for location).

EAM 31-6 Oxidized and altered vein material channel sample parallel with vein (see Puffett's map for location).

EAM 31-7 Horizontal channel sample on northwest wall of trench 20' southwest of shaft, altered serpentine.

EAM 31-8 Chip sample of altered granite with iron oxide about one quarter mile south of mine on road. Between 2 small creeks and above slide area.

EAM 31-9 Chip sample across green dike 150 feet in width on road about three-fourths mile south of mine.

The Operator would like to have the completion date of the contract extended so that he may complete the project next year. To date we have received no invoices from the Operator for the costs incurred this last season.

E. A. Magill

E. A. Magill

Orig. & 3 - Wash.
USGS (2)
DMEA
M/D
EAM/vf

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 27 1952

1201 N. Division St.
Spokane 2, Washington

October 16, 1952

MEMORANDUM

To: DMEA Field Team, Region II

From: E. A. Magill, Mining Engineer, Mining Division

Subject: Progress examination, S. J. Holden (Pickwick Property) Chelan County, Washington, Contract Idm-E172, Docket DMEA 1353X (copper)

A progress examination of the subject property was made on October 7, 1952, in company with Willard Poffett, USGS. Mr. S. J. Holden drove us to the property in a jeep over the new road which he has constructed from the Fortune Creek road to the mine.

To gain access to the property the Operator has constructed a jeep road 3-1/4 miles in length from the existing Fortune Creek road to the mine. At the present time it is passable only to four wheel drive vehicles due to the steepness of some sections.

At the mine the Operator has cut a trench about 300 feet in length along the east side of Phantom Creek. This trench has deepened the old open pit and exposed bed rock intermittently between the pit and the old portal of the 50-foot level adit. In this distance a number of veins (see Puffett's map) have been exposed. Four samples across the larger of the veins were taken for assay.

A trip was made into the Van Epps crosscut to see it was open and what rehabilitation work is necessary. To date the Operator has made no attempt to rehabilitate it. It is possible to go back to the face of the main crosscut an estimated distance of 2200 feet. The air past about the 1700-foot point will not support a candle flame. About 200 feet from the face a crosscut takes off to the west from the main crosscut heading toward the the bottom of the old shaft. This crosscut is sloughed in at a point about 150 feet from the main crosscut. Water is backed up so that it is about four feet deep. It does not appear that it would take too much work to clear it out. I believe that under

the right climatic conditions and with proper precautions the Van Epps workings may be sampled and mapped without special provisions being made for ventilation.

The operator was advised that it would be permissible to use a bulldozer in an attempt to clear the portal of the old 50-foot level so that the 50-foot level workings in the shaft might be examined. He was also advised that several more trenches could be cut on the extensions of the veins as long as the total additional bulldozer time did not exceed 40 hours.

Along the road coming into the property several well oxidized zones were cut by the bulldozer work. Samples were taken in two of these zones to determine if they contained commercial mineralization.

E. A. Magill

CC: 3-Wash.
2-USGS
DMEA
EAM
M/D
D/F

EAM:kt

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 27 1952

October 14, 1952

Memorandum

To: A. E. Weissenborn, Executive Officer, DMEA Field Team Region II

From: Willard P. Puffett, USGS

Subject: Routine inspection of progress at S. J. Holden Pickwick property Chelan and Kittitas Counties, Washington, under DMEA contract Idm-E172. Docket No. DMEA 1353x(copper)

A routine inspection was made of the Pickwick property on Tuesday, October 7, 1952. I was accompanied on this inspection by E. A. Magill, USBM, and we were taken to the property by S. J. Holden, supervisor of operations. Access was gained to the property via a jeep road three miles long from Fortune Creek.

Work done under terms of the contract included bulldozing part of the access road and trenching an area between the shaft collar and the portal of the 50-foot level adit. A sketch of this trench accompanies this report. This sketch was made and samples were taken to check the grade of the mineralized zones exposed.

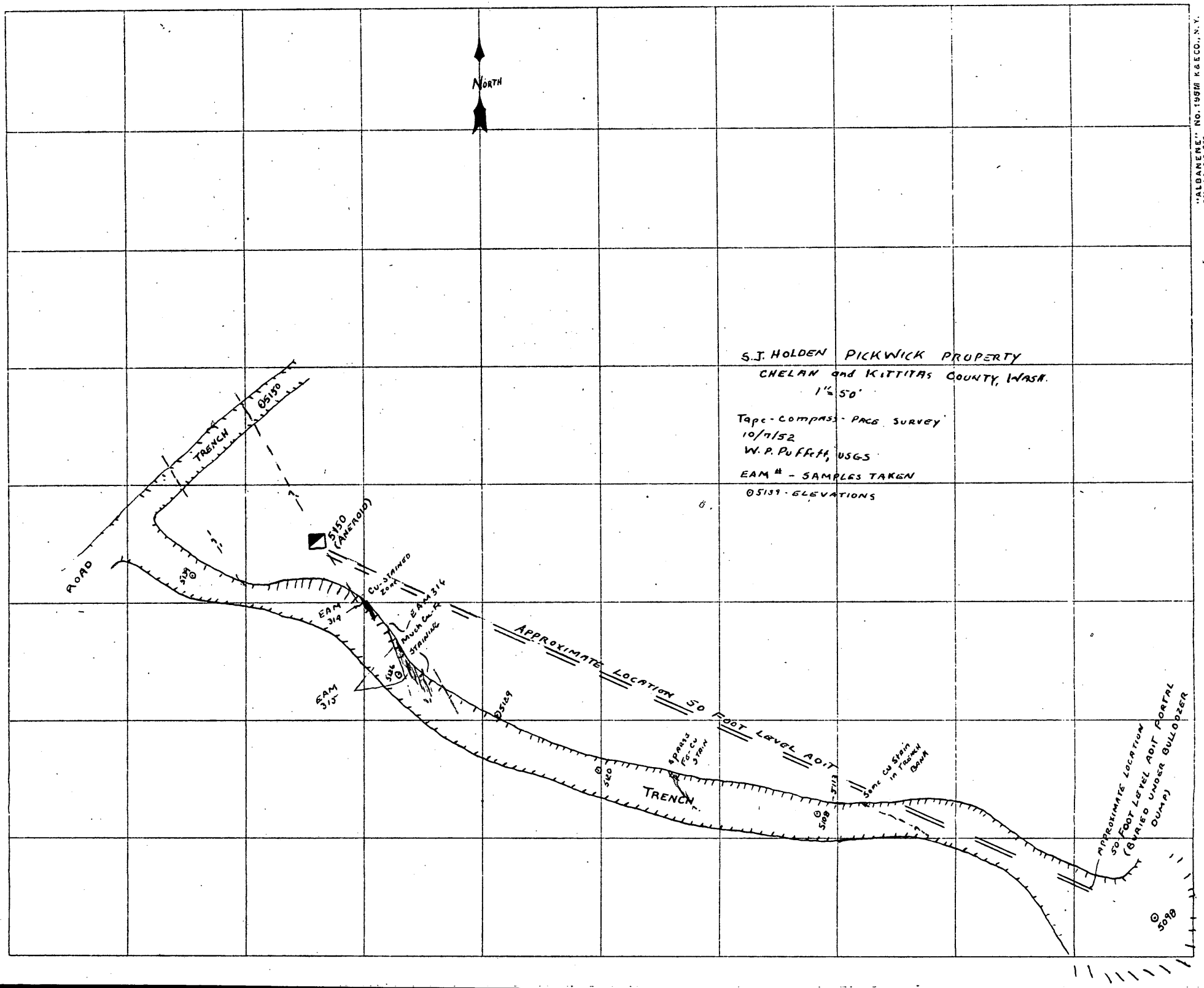
It is hoped by Mr. Holden that he will be able to widen his trench so as to intersect the shaft and in this way more easily gain access to the shaft to get down to the 50-foot level.

Mr. Magill and I examined a portion of the long 2500-foot crosscut, and Mr. Magill traversed it to the face although he reports the air being bad near the face. Inasmuch as Mr. Holden had reported to me that no underground workings were available for inspection, I was not equipped with a lamp to make any examination.

Very little bedrock is exposed in the trench, that exposed being altered peridotite. Some distinct zones of copper staining were in evidence but there do not appear to indicate the presence of any high grade zones or veins.

Willard P. Puffett

Enclosure
Distribution: DMEA (4)
USBM (2)
Puffett



"ALBANENE" No. 195M K&E CO., N.Y.
REG. U.S. PAT. OFF.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

1201 N. Division St.
Spokane 2, Wash.
September 22, 1952

Mr. S. J. Holden
321 W. Fourth St.
Cle Elum, Wash.

Subject: Progress examination, Contract Idm-E172,
Docket No. DMEA 1353X (copper)
S. J. Holden & Asso., Chelan County, Wash.

Dear Mr. Holden:

We are informed by Mr. Frank Funkhouser that you have completed a jeep road to your property and cut a number of bulldozer trenches in the vicinity of the old shaft.

Representatives of the Bureau of Mines and the Geological Survey tentatively propose to visit your property on October 3rd. If this date will hold up your work too long, it may be possible to make arrangements to have someone at your property sooner. Please inform us if this might be the case. In any event you will be contacted as soon as a definite date can be set for the visit.

Sincerely yours,

M. E. Volin, Member
DMEA Field Team
Region II

EAM/MEV/he

cc: DMEA, Wash. (2)
USGS (2)
DMEA
EAM
DF

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 1 1952

No. 157 Howard Street
Spokane 4, Washington

September 16, 1952

Memorandum

To: [illegible] Field Team, Region II

From: [illegible] Hill, U. S. Bureau of Mines
[illegible] Affett, U. S. Geological Survey

Subject: Routine inspection of progress at S. J. Holden Mclarick Property, Chelan County, Washington, under Contract No. 14h-172. Docket DMA 1353X (copper).

Mr. Holden was contacted in Chelan, Washington, on August 27 and 31, at which times he stated that because of mechanical difficulties, the road to the Mclarick property had not been finished. Apparently the bulldozer had broken down and was being repaired. Mr. Holden expected to have another bulldozer to continue construction of the road on September 2.

On Friday, September 5, the operator was again contacted to arrange for an inspection of the property on the main tour. At this time he was learning that the new bulldozer had not as yet arrived, but it was anticipated that it would be here the next day. The operator also stated the road to the mine would be completed during the next week. Consequently the initial routine inspection of the Mclarick property has again been delayed.

[illegible] Hill

[illegible] Affett

cc: [illegible]
[illegible]
[illegible]

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane 4, Washington

Res

August 12, 1952

Memorandum

To: A. E. Weissenborn, Executive Officer, DMEA Field Team, Region II

From: Willard P. Puffett, Geologist, U. S. Geological Survey

Subject: S. J. Holden and Associates (Pickwick), Chelan County, Washington, Docket DMEA 1353X, Contract Idm-E172 (Copper).

I contacted Mr. Holden by telephone on August 7, 1952, to inquire what his plans were regarding initiating work at the Pickwick property under terms of the above captioned DMEA exploration project contract. This call was made inasmuch as two amendments for extensions of starting time had been attached to the original contract and as yet we had received no word that work was started.

Mr. Holden stated that a road was being made into the property and that as soon as this road was finished, work under terms of the contract would begin. He also stated he wanted to do a certain amount of surface trenching in lieu of shaft rehabilitation as he believed the surface work would accomplish the same results with an economy of costs and probably time. I told Mr. Holden that his property would first have to be visited by DMEA personnel before positive approval could be given to this change in the original project.

I have contacted Mr. Magill of the U. S. Bureau of Mines and we plan on visiting the property soon since we understand from a note from the operator that the road was to be completed during the week of August 11th.

Willard P. Puffett

cc: DMEA (2)
USBM (2)
Puffett

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

So. 157 Howard Street
Spokane 4, Washington

August 12, 1952

Mr. Frank E. Johnson
Chairman, Operating Committee
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Re: S. J. Holden & Associates
Docket No. DMEA-1353X (Copper)
Contract Idm-E172
Amendment No. 2

Dear Mr. Johnson:

We are forwarding herewith the original and two copies of Amendment No. 2 to the subject contract extending the starting and completion dates.

These changes were requested because of illness on the part of the applicant, which prevented him from completing the necessary arrangements preparatory to starting work.

Very truly yours,

S. Warren Hobbs

S. Warren Hobbs
Acting Member, DMEA
Field Team, Region II

Enclosure 1

cc: USBM, Spokane (2) w/encl. in dup.
USBM, Albany (1) w/encl.
W. P. Puffett (1) w/encl.

RECEIVED
AUG 20 1952
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

M. E. Volin, Member, DMEA Field Team, Region II July 22, 1952

E. A. Magill, Mining Engineer, Bureau of Mines

Amendment No. 2, S. J. Holden, Chelan County, Washington
Docket No. DMEA 1353X (copper) Contract Idm-E172

Mr. Holden has requested an extension of time on the starting date of the subject contract. This extension has been requested due to illness.

Amendment No. 2 has been prepared allowing until August 4, 1952, for a starting date and extending the completion date until December 4, 1952.

E. A. Magill

cc: Wash. (4)
USGS (1)
EAM (1)

1353

WASHINGTON

CHELAN COUNTY

February 1, 1952

S. J. Holden and Associates, Idm-E172, Cu

50-50 of $7,600.00

One year

The work of this project includes rehabilitating an old shaft to 50 level, rehabilitating 175 feet of crosscut and 80 feet of drift on 50 level, and rehabilitating 2,500 feet of Van Epps crosscut. All workings are to be examined and sampled. These workings are reported to explore a disseminated copper deposit.

Work will commence in the spring.

FILE COPY
SURNAME:

410

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

FLKnouse
FE Johnson

NOV 7 1951

Contract Service Section
General Accounting Office
Fourth Floor - New GAO Building
Washington 25, D. C.

Re: Docket No. DMA - 1353X
S.J. Holden, A.C. Campbell,
Valentine Sontag, Frank Funkhouser,
Partners
Exploration Project Contract Idm-E172

Gentlemen:

Enclosed for recording in your office is the original, signed copy of an Exploration Project Contract executed between the Operators named in the above reference and the Government of the United States.

Sincerely yours,

(signed) FRANK E. JOHNSON (for) F.J. 11-7

Acting Director
Production Expansion Division

Enclosure

10/31/51
FLKnouse/meb

cc to: Admr's Reading Files
Reports and Records
Messrs. Mittendorf/Olund
Mr. Knouse
Docket

DEFENSE MINERALS
ADMINISTRATION
WASHINGTON, D. C.
OCT 29 3 52 PM '51

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
RECEIVED
OCT 30 1951
Defense Minerals Administration,
Production Expansion Division.

October 26, 1951

Mr. C. O. Mittendorf, Director
Production Expansion Division
Defense Minerals Administration
Department of Interior
Washington 25, D. C.

Dear Mr. Mittendorf:

Enclosed are the original and three signed copies of Exploration Project Contract 1353x, contract Idm-E172. One copy has been retained by the applicant and one copy for our file.

Attached to the contracts is a letter from S. J. Holden and associates stating that they will be unable to commence work on the project until on or before June 15, 1952 owing to winter conditions.

The Field Team has advised the applicants that it will be alright to delay commencing operations until June, and for them to notify DMA at the time they start work.

Very truly yours,

Thor H. Kiilsgaard

Thor H. Kiilsgaard
For: A. E. Weissenborn
Executive Officer, DMA
Field Team, Region II

Enclosures

FRANK FUNKHOUSER
ATTORNEY AT LAW
1329 OLD NATIONAL BANK BUILDING
SPOKANE 8, WASHINGTON

October 26, 1951

Mr. A. E. Weissenborn
Executive Officer
Region II
Defense Minerals Administration
South 157 Howard Street
Spokane, Washington

Re: DMA Docket 1353X
Copper
Exploration Contract
S. J. Holden and Associates
321 W. Fourth St., Cle Elum, Wash.

Dear Mr. Weissenborn:

We are returning herewith the contract in the above captioned case. The property is now covered with snow. It is impossible to get to it. We, therefore, are asking that the contract be so amended that we will have an extension of time to begin work. The last two years have been unusually bad; we could not have gotten to our property before June 15th. It is hoped that you will allow us an extension of time as of June 15, 1952 to begin work under the terms of this contract. If for any reason weather conditions permit us to get on the property sooner, we will notify you promptly.

Trusting that this request will be granted, we are

Respectfully,

S. J. HOLDEN AND ASSOCIATES

BY S. J. Holden

FILE COPY
SURNAME:

410

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

Moulds
Mittendorf (7)

A.E.C.

Mr. A. E. Weissenborn
Executive Officer
Region II
South 157 Howard Street
Spokane 8, Washington

Re: Docket No. DMA 1353X
S. J. Holden and Associates
Exploration Project Contract Idm-K172

Dear Mr. Weissenborn:

We are enclosing the original and five copies of the above-referenced Exploration Contract, signed by this office for the Government, together with Appendix "A" (2 pages), Exhibit "A" (2 pages), and one map.

If the terms and conditions of this contract are approved by the Operators, all six copies should be signed by all the parties, one copy should be given to the Operators, one copy retained by your office and the original and three copies returned to this office. If any part of this contract does not have the approval of the Operators, the original and all copies of the contract are to be returned to this office together with the proposed changes for consideration.

The copy of the contract required by the Regional Finance Office will be forwarded directly by the Washington Finance Section.

Sincerely yours,

C. O. Mittendorf (7,7,)

C. O. Mittendorf, Director
Production Expansion Division

10-12

Enclosures

APPROVED:

Chairman, Coordinating Committee
Olaf N. Rove

Member, Geological Survey
Lowell B. Moon

Member, Bureau of Mines

DEMoulds/meb
10/4/51
cc to: Admr's Reading Files
Reports & Records
Messrs. Mittendorf/Olund
Gowen C.H.Johnson
McKnight Collins
Moon Moulds
Docket

FILE COPY
SURNAME:

140

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

October 2, 1951

Memorandum

To: Director, Production Expansion Division

From: General Counsel

Subject: S. J. Holden and Associates, exploration project contract — Docket No. DMA-1353X

The proposed exploration contract in this case, submitted to us on October 1, 1951, is approved as to legal form and sufficiency for signature by the Government, subject to:

1. The addition of the partnership name, "S. J. Holden and Associates" to the signature at the end of the contract.

2. Correction of typographical error in the last line of Appendix "A". The word "PISF" should be instead the abbreviation "P. 15 F."

4. Proper signature by the applicant.

5. Proper dating prior to delivery.

Your file is returned herewith.

J. L. Hofflund

J. L. Hofflund
General Counsel

not stripped in R+R.

Attachment

RRGuthrie/bjl

Copy to: R. R. Guthrie
J. L. Hofflund
Repts. & Records
Chron.

a. e. p.

310 FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

Waugh
Bowen
Johnson

SEP 18 1951

Memorandum:

To: Director, Production Expansion Division

From: Director, Supply Division

Subject: Application for Exploration Aid, S. J. Holden and Associates, Docket DMA-1353X, Government Participation ~~- $9,000.00~~

Transmitted herewith are: one copy of the subject application, six copies of a contract with exhibits attached and one copy of a field team report.

This project is recommended for approval by the DMA Field Team Region II. The Supply Division concurs in the recommendation.

Very truly yours,

Tom Lyon

got stopped in R.R.

Tom Lyon, Director
Supply Division

Attachments

RVWaugh:ez
9/14/51
Copy to: Administrator's Reading File
Executive Officer, Region II
Copper Branch
Files-DMA Docket

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
1201 N. Division St.
Spokane 2, Wash.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 2 8 1951

August 28, 1951

MEMORANDUM

To: Chief, Copper Commodity Branch, Defense Minerals Administration, Washington 25, D. C.

From: DMA Field Team, Region II Through L. F. Strobel

Subject: Pickwick Mine (S. J. Holden & Associates, Chelan, Wash.) DMA Docket 1353X

Herewith the following in connection with the subject application for an exploration project contract:

Form MF-103, 1 copy
Form MF-200, 6 copies
Report to Field Team, Region II, by E. A. Magill, USBM, 5 copies

The Pickwick property is in an isolated location in a mountainous area where the working season is short. There is no road all the way into the property at the present time.

Although discovered in the early 1880's the property has been developed only by a 100-foot shaft and a 2500-foot crosscut 350 feet below the shaft collar, and subsequently by a raise from the crosscut to the bottom of the shaft. Only the first 1,200 feet of the crosscut now is accessible. The only recorded production was 13 tons shipped to the Tacoma smelter containing 4.22 percent copper and 1.13 ounces gold per ton.

Mineralization as observed on the surface consists of a number of small stringers ranging from less than an inch to several inches in width, containing oxidized copper minerals in pyrite and occasional replacement bunches of these minerals. The mineralization is in peridotite near a contact with granodiorite.

S. J. Holden and Associates originally proposed an extensive program involving access road and camp construction, bulldozer trenching, and rehabilitation of the underground workings, estimated to cost $99,600. Available evidence does not justify such an expenditure. Magill recommends a modest program for the rehabilitation of the shaft

to the 50-foot level and workings of limited extent from that level to give access for mapping and sampling; also, rehabilitation of the 2500-foot crosscut for the same purposes. The program is estimated to cost $7,600. Further investigation or construction of an access road would be contingent upon results of this work.

The applicant is capable of directing a small program, but his health probably would not allow him to undertake an extensive one.

The Field Team recommends the revised program in the amount of $7,600 for approval.

By Field Team, Region II

for: Thor K. Tulsgaard
A. E. Weissenborn, Exec. Officer
(U. S. Geological Survey)

M E Volin
M. E. Volin, Member
(U. S. Bureau of Mines)

Enclosures

UNITED STATES
DEPARTMENT OF INTERIOR
OSCAR L. CHAPMAN-SECRETARY

DEFENSE MINERALS ADMINISTRATION

Report by Examination Team
Region II

DMA-1353X--Pickwick Mine
(S. J. Holden and Associates)

Chelan County, Wash.

Elwin A. Magill, Mining Engineer
U. S. Bureau of Mines

August 23, 1951

ON-SITE REPORT

Pickwick Mine
Chelan County, Wash.

DMA Docket No. 1353X

By Elwin A. Magill (U.S.B.M.)

RECOMMENDATIONS

It is recommended that the application of S. J. Holden and Associates for an exploration loan in the amount of $99,620 be denied.

An exploration program described herein in the amount of $7,600 is recommended for approval.

APPLICANT

The applicant is S. J. Holden and Associates, 321 West Fourth Street, Cle Elum, Wash. Mr. Holden's associates are: A. C. Campbell, Chelan, Wash.; Valentine Sontag, Seattle, Wash.; and Frank Funkhauser, Spokane, Wash.

The applicant is considering incorporation if the proposed program is approved.

LOCATION OF DEPOSIT

The Pickwick property, consisting of seven unpatented claims, is in secs. 9 and 10, T. 23 N., R. 15 E., W.M., Chelan County, Wash. This property may be reached by either of the following routes:

1. From Cle Elum via North Fork of Teanaway River and Le Roux camp ground over 33 miles of road, 16 of which is paved; the last 2.8 miles is jeep road. From the end of the jeep road, a trail about 5 miles long leads to the mine, located on Phantom Creek, a tributary of Van Epps Creek.

2. From Cle Elum 27 miles up the Clealum River to Fortune Creek, thence about 3 miles up Fortune Creek to the end of the road. There is 3-1/2 miles of trail from the end of the road to the mine.

3. From Leavenworth about 18 miles of road up Icicle Creek to Jack Creek, then by trail 7 miles up Jack Creek to Van Epps Creek, 2 miles up Van Epps Creek to Phantom Creek, and 1 mile up Phantom Creek to the mine.

OWNERSHIP

These claims, formerly a part of the old Pickwick Mining Co. holdings, were relocated by the applicant with a quit-claim deed being obtained from Valentine Sontag.

HISTORY

The property was discovered in the early 1880's and exploited by the Pickwick Mining and Development Co. This company sank the Tom Bowes shaft to a depth of 110 feet. Subsequently, the property was leased to the Vanno Mining Co. until July 1921. During the term of this lease, a 2,500-foot crosscut was driven to intersect the ore body about 350 feet below the shaft collar. A connecting raise from the crosscut was driven to the shaft bottom. In November 1917 the Vanno Co. shipped 13 tons of ore to the A. S. & R. smelter at Tacoma, Wash. This shipment contained 4.22 percent copper and 1.13 ounces gold per ton. An unconfirmed shipment made to a San Francisco smelter reportedly returned $28,000 to the Vanno Co.

The property remained dormant from July 1921 until several years ago when the applicant relocated the claims. Up to date his work has consisted of only the necessary assessment work.

DESCRIPTION OF PROPOSAL

The originally proposed program involved access road and camp construction, bulldozer trenching, and the rehabilitation of the 2,500-foot crosscut and 327-foot shaft. The cost of this program was estimated at $99,600.

After examination a modified exploration program costing $7,600 was worked out with the applicant. This program is designed to make the property accessible for detailed geologic examination and sampling. If results of this investigation are encouraging, it will be necessary to construct an access road, build a camp, and do a substantial amount of development work to bring the mine into production.

The essential points of the preliminary program are:

1. Rehabilitation of shaft to the old 50-foot level to give access to the 175-foot crosscut and 80-foot drift on that level.

2. Rehabilitation of the above-mentioned drift and crosscut to permit safe access for geologic mapping and sampling.

3. Rehabilitation of the 2,500-foot Van Epps crosscut for geologic mapping and sampling.

TECHNICAL FEASIBILITY

Geologic Setting

The Pickwick mine is near the contact between pre-Tertiary peridotite and the Mount Stuart granodiorite. An open pit adjacent to the shaft exposes a leached peridotite. The wall of this pit contains a number of small oxidized stringers of copper minerals ranging from less than an inch to several inches in width. These stringers strike about N. 25° W. and generally are vertical. At some places masses of pyrite and copper minerals up to 6 inches or more in diameter lay along the stringers.

Three samples taken in the face of the pit checked samples taken in 1950 by Roy Leigh. This sampling is shown on map 3 accompanying the application.

About 25 tons of pyritic ore has been dumped at the collar of the shaft just above the open pit. A grab sample of this material was assayed as follows: gold - trace, silver - 0.84 ounce per ton, and copper - 2.81 percent.

The geology of the deposit is discussed by Klessatel in a report accompanying the application. Verification of statements presented in this report is impossible inasmuch as the workings described are inaccessible.

Mine Workings

The mine workings consist of a 327-foot shaft, a 2,500-foot crosscut, and several short adits.

Levels have been driven from the shaft at 50, 80, and 110 feet. A 2,500-foot crosscut has been driven to intersect the shaft and provide low-level haulage. A raise from the crosscut, required to effect connection, was driven off line and resulted in an offset at the 110-foot level.

The crosscut is currently accessible only for a distance of 1,200 feet due to imperfect ventilation.

Reserves

The Pickwick mine has no measurable ore reserves.

Milling Methods

It probably will be necessary to erect a flotation concentrator on the property if sufficient reserves can be developed. It is doubtful that any appreciable tonnage of direct shipping ore can be developed.

Rate of Production

The property is not in production at the present time.

Time Schedule

Because of severe climatic conditions, it will be necessary to complete any work or geologic examination by the latter part of October, Consequently,

it may be considered advisable that action on the proposed program be deferred until the summer of 1952.

Marketing Facilities

Ore or concentrates can be marketed at the A. S. & R. smelter at Tacoma, Wash., about 150 miles from the mine.

EQUIPMENT AND FACILITIES

Installed

The only equipment on the property that appears usable is the galvanized pipe in the 2500-foot crosscut.

A 10- by 14-foot log cabin on the property can be repaired and utilized for living quarters.

Required

Equipment requirements to carry out the revised program are small. The main items required are a gasoline-driven fan, a gasoline hoist, and a compliment of hand tools.

A tent will suffice for additional housing.

LABOR SUPPLY

The skilled labor required for this work is available although at least $15 per day plus board will probably have to be paid because of the location and living conditions.

The current average scale for coal miners in the nearby Roslyn district is $18.75 per shift.

POWER

All power will have to be generated by gas or Diesel equipment.

TRANSPORTATION

Two different supply points possibly might be used depending upon access road construction. The route from Cle Elum is over 30 miles of road and 3-1/2 miles of trail. Cle Elum is about 110 miles by road from the smelter at Tacoma, Wash.

The route from Leavenworth, the other possible supply point, is over 18 miles of road and 9-1/2 miles of trail. Leavenworth is about 160 miles from Tacoma, Wash., by road.

Access road construction is not required for the proposed investigation. The applicant intends to use either a small bulldozer or pack animals to equip and supply the project.

If future operations are carried out from Cle Elum, it will be necessary to construct about 5 miles of access road from the end of the present road on Fortune Creek. If the Leavenworth route is used, about 10 miles of access road construction will be required on Jack and Van Epps Creeks.

COMPETENCE OF APPLICANT

The applicant is considered capable of directing the proposed program. However, the condition of his health probably would not allow him to take direct charge of any extensive development program.

DISCUSSION OF PROPOSAL

Present knowledge concerning the property is inadequate to warrant an expenditure of $99,600. The applicant's original program, therefore, cannot be recommended. Its costs estimates are very unrealistic.

The revised program is intended primarily to prepare the mine for a geologic examination and sampling campaign. Further investigation or construction of an access road should be contingent upon the findings of the revised program.

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

Gowen
Mae Bowen
Lyon
McLaughlin for Rose
Wyoon

July 3, 1951

JUL 5 1951

Mr. S. F. Holden and Associates
321 West Fourth Street
Ile Elum, Washington

Re: Docket No. DMA-1753F

Dear Mr. Holden:

not stripped in R. R.

Your application for aid for an Exploration Project has been reviewed by the Copper Branch of the Defense Minerals Administration and is being referred to the Field Team for further investigation.

It may be advisable to revise your application along lines suggested in a conference between Messrs. Davidson, Schmiedigen, Dunkhauser and Gowen held in Mr. Gowen's office on June 28, 1951. It is believed that a further study of the project may suggest alternate methods or plans which may give more satisfactory results in case they are approved for your project. Any such plans should be worked out in cooperation with the Field Engineers.

You should hear from Mr. A. S. Weissenborn, Executive Officer, DMA Field Team, Region II in the near future.

Very truly yours,

Tom Lyon

Tom Lyon, Director
Supply Division

Copy to: Executive Secretary
Tom Lyon
J. B. Gowen
Files
Executive Officer, Region II

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
~~WASHINGTON 25, D.C.~~
College Park, Maryland

June 19, 1951

Memorandum

To: J. B. Gowen, Chief
Copper Branch, Supply Division

From: Executive Officer
Field Team, Region VIII

Subject: Review of Docket DMA 1353X.

Attached is Docket DMA 1353X, S. J. Holden and Associates, Cle Elum, Washington, together with a review in duplicate of the application for exploration and development. It is recommended that the application be denied.

McHenry Mosier

Attachments

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 20 1951
LANDON F. STROBEL
Executive Secretary

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

June 15, 1951

Mr. S. J. Holden
321 West Fourth Street
Cle Elum, Washington

Subject: DMA-1353X
Re: Exploration Loan -
Pickwick Mining Claims

My dear Mr. Holden:

Receipt is acknowledged of your application and attachments of May 29, 1951 for an exploration loan under the Defense Production Act of 1950.

The application was assigned Docket Number DMA-1353X and referred to Mr. J. B. Gowen, Chief, Copper Branch on May 31, 1951.

In any future correspondence relating to your application, kindly refer to DMA-1353X.

Sincerely yours,

LANDON F. STROBEL

Landon F. Strobel
Executive Secretary

L. F. Strobel:jc
cc: Strobel
File
Gowen
Lyon

DMA - 1353X

REVIEW OF APPLICATION FOR ASSISTANCE IN EXPLORATION

This application is for cleaning up drifts, cross-cuts and a shaft. None of it applies to exploration, nor does a production loan seem advisable.

10.-(a) and (b) are apparently the same but not so stated.

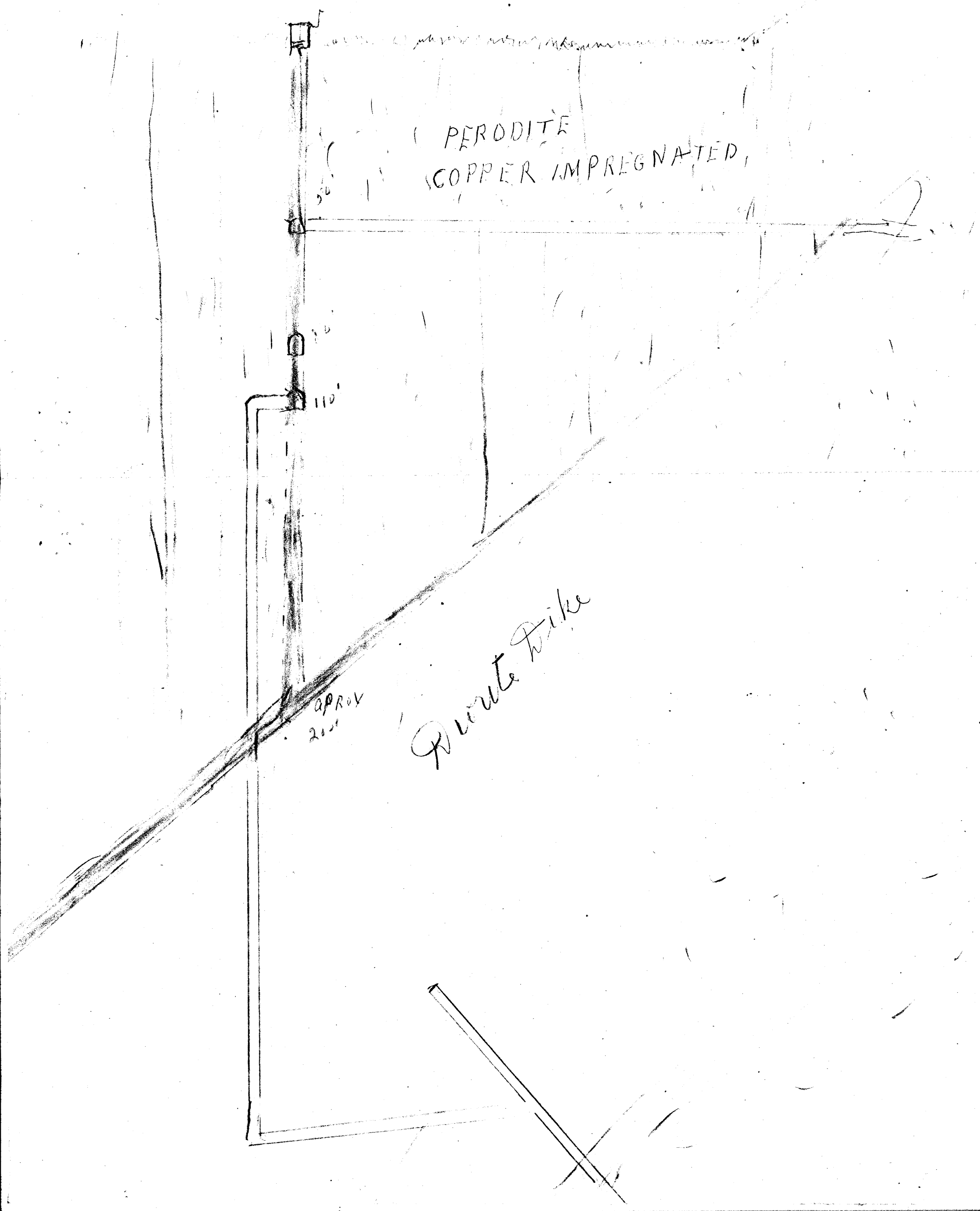
12.- Distance to railroad given as a few miles; county road is four miles from the property. For access road form MF-105 must be filed.

13.-Source of water and power is not stated.

16.-It is stated that from 1917 to 1921 the Vanno Company did 6000 feet of development work and succeeded in shipping several tons of ore.

(Signed) H. L. Burmeister (USBM)

H. R. Cornwall (USGS)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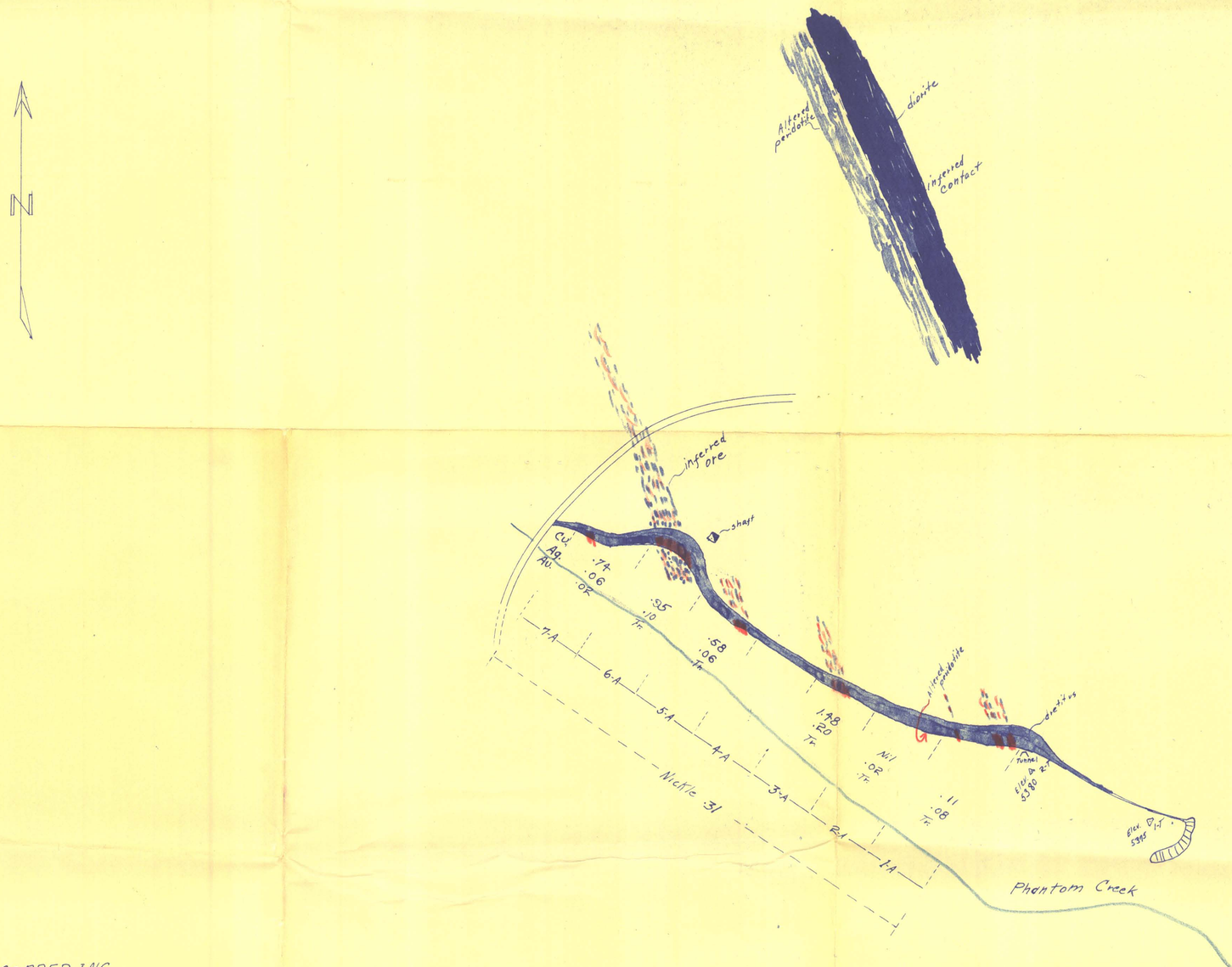


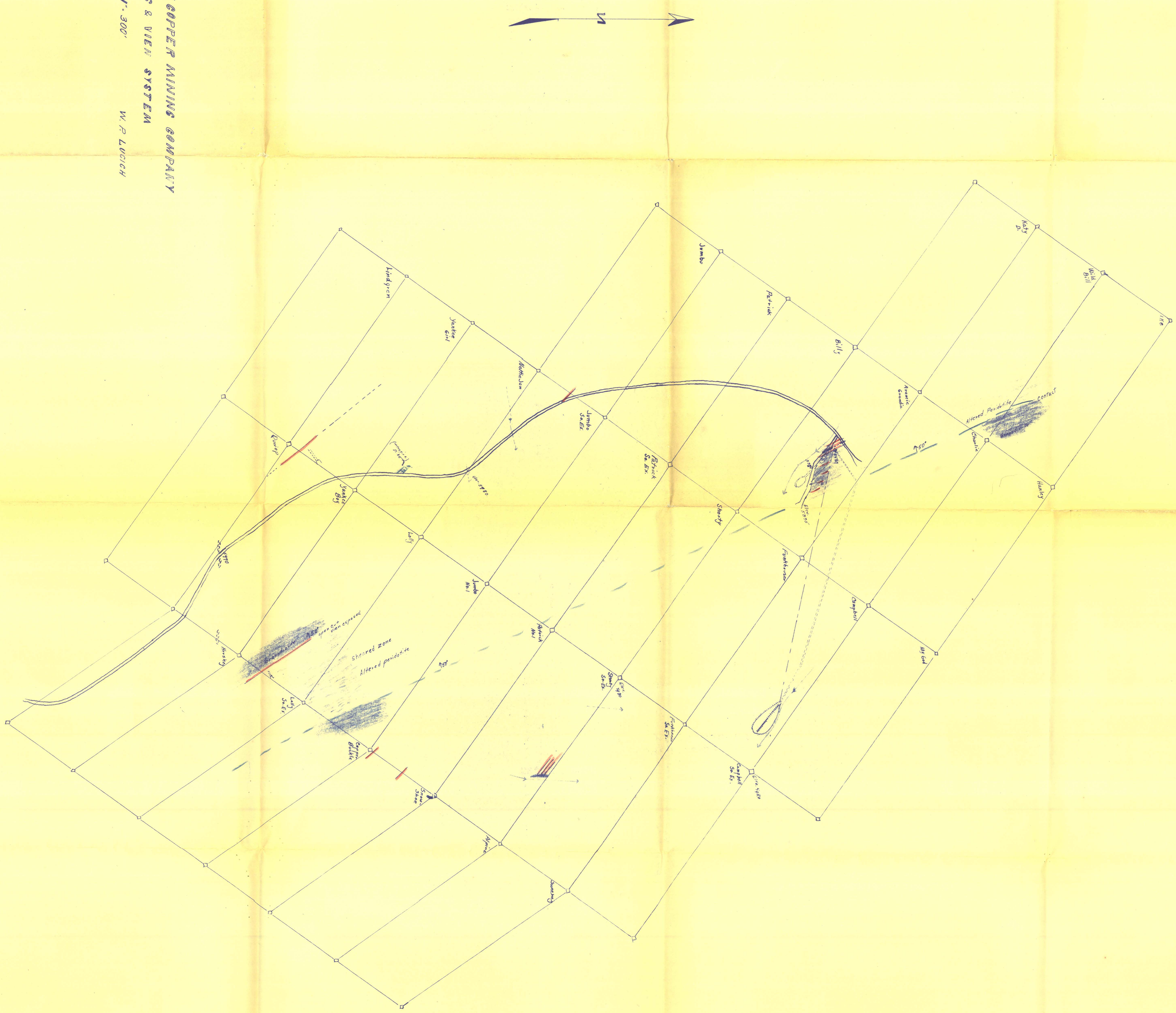
PHANTOM CREEK COPPER, INC.

Channel Samples

Scale 1" = 50'

Jan. 1, 1953

By W.P. Lucich



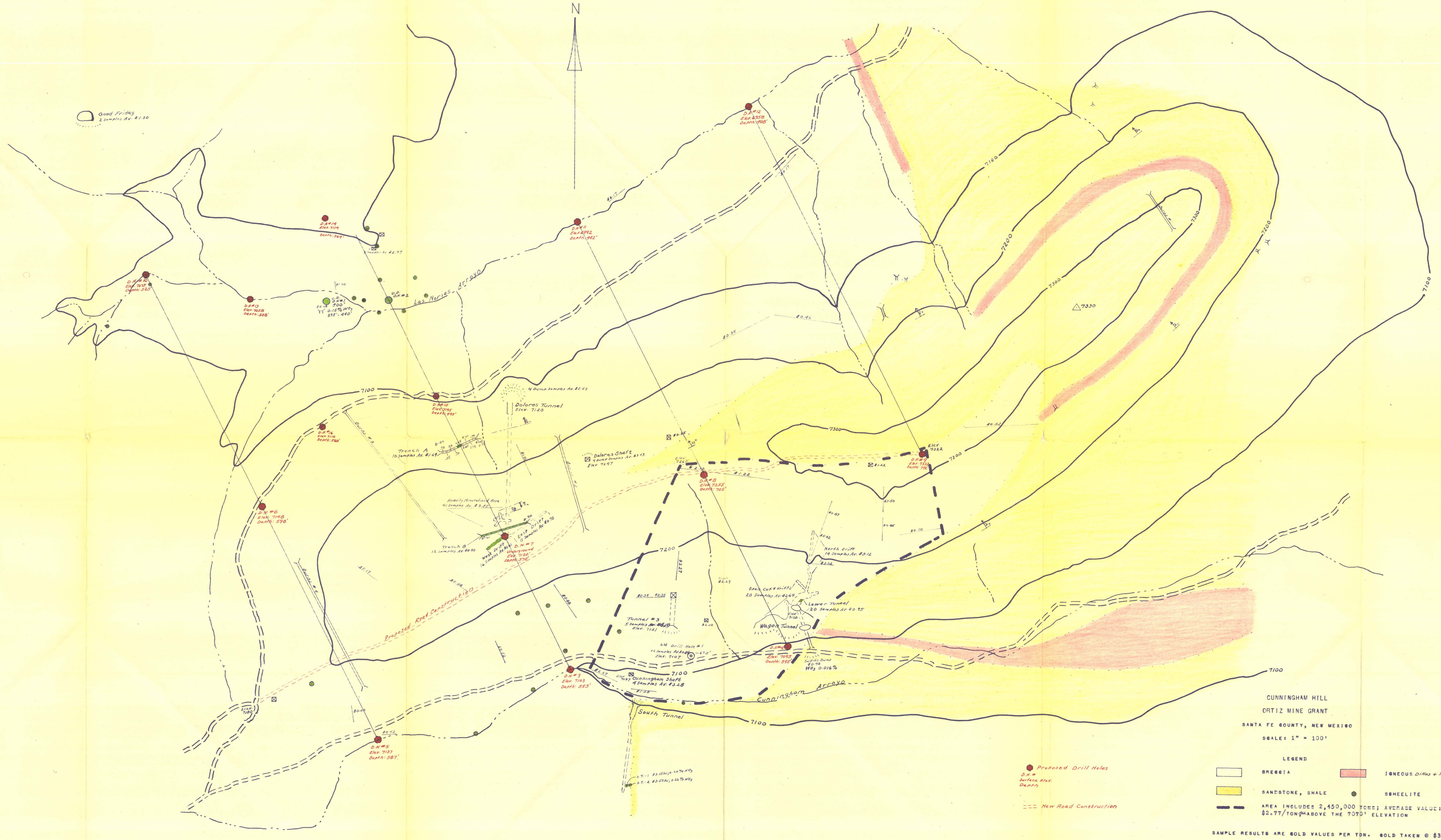
PHANTOM CREEK COPPER MINING COMPANY

BOUNDARIES & VIEW SYSTEM

JANUARY 1953 1" = 300' W. P. LUCICH

SAMPLING DETAIL

	SILAS WASON COMPANY		PERRY & MOEHLMAN		MCKINNIS & BRANE	
	Au	% MnO_2				
DOLORES TUNNEL HEAVILY MINERALIZED AREA	P-1	$6.30 0.07	#458	$0.35	#1	$3.50
	P-2	(645 0.06	459	0.35	2	11.90
	B-13	0.35	460	0.00	4	5.25
	B-12	2.45	461	0.70	5	2.10
	B-14	5.25	462	4.20	6	2.45
	B-31	1.05	463	4.55	7	1.40
	B-32	5.95	464	4.20	8	6.65
	B-33	4.20	465	8.40	B-1	3.15
	B-34	0.70	466	2.10		
	B-35	3.50	467	1.05		
	B-36	6.30	468	4.20		
	B-37	3.85	469	0.70		
	B-38	1.40	470	0.35		
	B-39	5.25	471	0.35		
	B-40	1.35	472	4.20		
	B-41	4.90	473	0.70		
	B-42	3.85				
		$73.10 / 19		$36.40 / 16		$36.40 / 8
		= $4.30		= $2.27		= $4.55
		$145.90 / 43		= $3.55 Average Value		
DOLORES TUNNEL EAST DRIFT	P-1	$0.35			#6	$7.45
	B-1	0.35			7	1.40
	B-2	0.35				
	B-4	0.70				
	B-5	0.35				
	B-6	0.35				
	B-7	0.35				
	B-8	0.35				
	B-9	0.00				
	B-10	0.70				
	B-11	0.70				
		$3.85 / 11				$8.85 / 2
		= $0.48				= $1.97
		$9.10 / 13		= $0.70 Average Value		
DOLORES TUNNEL WEST DRIFT	B-15	$0.35				
	B-16	0.70				
	B-17	0.70				
	B-18	0.35				
	B-19	0.35				
	B-20	1.05				
	B-21	0.70				
	B-22	0.35				
	B-23	0.70 0.07				
	B-24	0.35 0.02				
	B-25	0.35				
	B-26	0.70				
	B-27	1.05				
	B-28	1.05				
	B-29	0.70				
	B-30	0.35				
		$8.80 / 16				
		= $0.61 Average Value				
DOLORES TUNNEL DUMP	P-4	$3.85 0.08			B-2	$0.70
	P-5	1.05 0.10			B-3	4.55
		$4.90 / 2				$5.25 / 2
		= $2.45				= $2.62
		$10.15 / 4		= $2.53 Average Value		
TRENCH A	D-75	$1.05				
	D-76	0.70				
	D-77	1.75				
	D-78	3.60				
	D-79	3.85	0.045% MnO_2			
	D-80	1.05				
	D-81	0.70				
	D-82	0.70				
	D-83	0.35	0.055% MnO_2			
	D-84	0.00				
		$16.45 / 10				
		= $1.64 Average Value				
TRENCH B	D-90	$1.05				
	D-91	0.35				
	D-92	1.40	0.016% MnO_2			
	D-93	3.50	0.065% "			
	D-94	0.70	0.03% "			
	D-95	2.80				
	D-96	0.00				
	D-97	0.00				
	D-98	0.35				
	D-99	1.40				
	D-100	1.40				
	D-101	0.70				
		$10.88 / 12				
		= $0.90 Average Value				



SAMPLING DETAIL

	MCKINNIS & BRANE		PERRY & MOEHLMAN			GRISWOLD	
WAGON TUNNEL NORTH DRIFT	#14	$1.05	#445	$0.70			
	15	4.20	446	0.70			
	16	14.70	447	3.15			
	17	1.40	448	2.10			
	18	0.00					
	19	4.20					
	20	1.05					
	21	6.30					
	22	2.10					
	23	2.10					
		$37.10 / 10		$6.65 / 4			
		= $3.71		= $1.66			
		$43.75 / 14		= $3.12 Average Value			
WAGON TUNNEL OPEN CUT AND DRIFTS	11 SAMPLES		#449	$1.05			
	90%	= $2.81	450	0.35			
	10%	= 33.96	451	3.85			
			452	3.35			
			453	2.10			
			454	5.95			
			455	0.70			
			456	3.70			
			457	1.05			
		$36.77 / 10		$16.10 / 9			
		= $3.68		= $1.78			
		$52.87 / 20		= $2.64 Average Value			
WAGON TUNNEL OXIDIZED AREA - 7120' ELEVATION						$37.10	
						4.45	
						36.77	
						16.10	
						1.75 (GRISWOLD SAMPLE)	
						$95.37 / 35	
						= $2.81 Average Value	
WAGON TUNNEL LOWER TUNNEL	#13	$3.50	#430	$0.70			
			431	0.70			
			432	1.05			
			433	0.35			
			434	1.05			
			435	0.70			
			436	0.35			
			437	1.05			
			438	3.50			
			439	0.00			
			440	0.00			
			441	7.70			
			442	0.00			
			443	0.00			
			444	0.00			
			477	0.18			
			478	0.18			
			479	0.00			
			480	0.88			
		$3.50		$15.59 / 19			
				= $0.82			
				$19.09 / 20		= $0.95 Average Value	
TUNNEL #3			#474	$0.35		GRISWOLD #102	$17.85
			475	2.10		114	7.52
			476	3.15			
				$5.60 / 3			$25.37 / 2
				= $1.86			= $12.68
				$30.97 / 5		= $6.19 Average Value	
CUNNINGHAM SHAFT	$4.20		RICHARDS $5.25			#151-A	$2.62
						151-B	1.05
							$3.67 / 2
							= $1.83
				$13.12 / 4		= $3.28 Average Value	
DOLORES SHAFT DUMP	$3.85		RICHARDS $5.25	VICELAND $4.20		#111	$0.42
				$13.70 / 4		= $3.43 Average Value	
DRILL HOLE #1						#172-183	$0.84

POTTER AND SIMS
1500 LAS LOMAS ROAD N.E.
ALBUQUERQUE, NEW MEXICO

CUNNINGHAM HILL AREA, ORTIZ MINE GRANT, SANTA FE COUNTY, NEW MEXICO

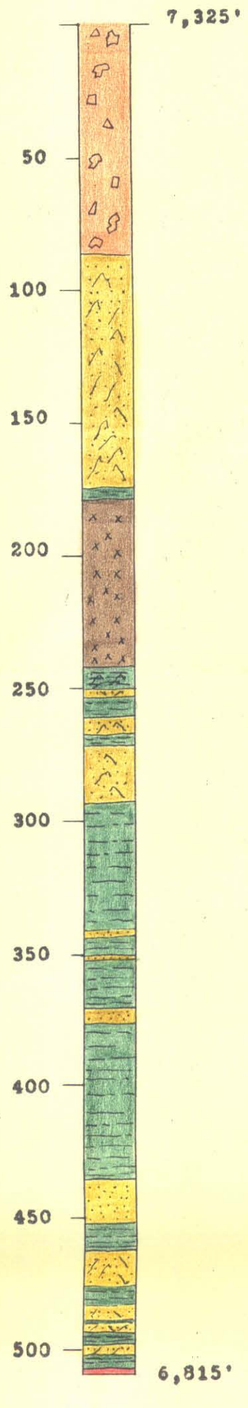
CONTRACT: IDM-E-310
DMEA DOCKET: 1387

LOG OF DIAMOND DRILL HOLE NO. 7

ELEVATION COLLAR OF HOLE: 7,325'
TOTAL DEPTH: 510'

CORE RECOVERY: 62%

DATE STARTED: 9/12/52
DATE COMPLETED: 9/29/52



BOX NO.	DEPTH	DESCRIPTION	BRECCIATION %QTZ.	BRECCIATION %MONZ.	MINERALIZATION	SCHEELITE RATING	ASSAYS AU OZ/TON	ASSAYS CU %	ASSAYS WO_3 %	SAMPLE NO.	AND DEPTH
1	0'- 9' NX	MONZONITE BRECCIA	95	GOOD 5	FAIR, HEMATITE, LIMONITE	0	0.01		0.03	7-1	0'-9'
2	9'- 16' "	" "	95	FAIR 5	FAIR, " "	0	0.03		0.04	7-2	9'-16'
3	16'- 27' NX-21'	" "	85	GOOD 15	FAIR, HEMATITE, LIMONITE, PYRITE AT 21'	0	0.005		0.04	7-3	16'-27'
4	27'- 43' BX	" "	70	FAIR 30	FAIR " " LEACHED MONZ. AT 39'	0	0.01		0.04	7-4	27'-43'
5	43'- 53'	" "	20	POOR 80	POOR " " PYRITE	0	0.01		0.03	7-5	43'-53'
6	53'- 63'	" "	95	FAIR 5	FAIR " "	0	0.005		0.03	7-6	53'-63'
7	63'- 74'	" " SHALE 5%	90	FAIR 5	FAIR " " PYRITE	0	0.025		0.03	7-7	63'-74'
8	74'- 87'	" "	95	FAIR 5	FAIR " " "	0	0.005		0.03	7-8	74'-87'
9	87'- 117'	BRECCIATED QUARTZITE	99	FAIR 1	POOR " " CAVED GROUND, SAND	0	0.005		0.04	7-9	87'-117'
10	117'- 146'	" "	99	POOR 1	POOR " "	0	TRACE		0.02	7-10	117'-146'
11	146'- 171'	QUARTZITE	100	POOR	POOR " "	0	TRACE		0.02	7-11	146'-171'
12	171'- 183'	QUARTZITE TO 175', SHALE 20%	30	POOR 50 DIOR.	NONE GRAY SHALE TO 179', DIORITE TO 183'	0	TRACE		0.05	7-12	171'-183'
13	183'- 199'	DIORITE PORPHYRY (?)		NONE	FAIR SPECULAR HEMATITE, PYRITE, SERICITE	0	0.04		0.04	7-13	183'-199'
14	199'- 211'	DIORITE PORPHYRY (?)		NONE	FAIR " " " "	0	0.02		0.05	7-14	199'-211'
15	211'- 220'	" "		NONE	FAIR " " " "	0	TRACE		0.02	7-15	211'-220'
16	220'- 232'	" "		NONE	POOR " " " "	0	0.01		0.02	7-16	220'-232'
17	232'- 250'	DIORITE POR ? TO 242;		NONE	POOR " " " BLACK SHALE TO 250'	0	0.005		0.02	7-17	232'-250'
18	250'- 267'	GRAY QUARTZITE TO 253', BLACK SHALE TO 261'			POOR GRAY QUARTZITE TO 267&, PYRITE	0	0.005		0.02	7-18	250'-267'
19	267'- 278'	WHITE QUARTZITE, SHALE AT 272'		POOR	POOR PYRITE IN QUARTZITE	0	TRACE		0.03	7-19	267'-278'
20	278'- 292'	GRAY QUARTZITE?		NONE	POOR PYRITE. SOFTER WHITE MINERAL FILLING	0	NIL		0.02	7-20	278'-292'
21	292'- 320'	GRAY QTZITE TO 294' THEN GRAY SHALE			POOR LITTLE PYRITE IN FRACTURES	0	NIL		0.03	7-21	292'-320'
22	320'- 338'	GRAY AND BLACK SHALE			POOR VERY LITTLE PYRITE IN FRACTURES	0	NIL		0.02	7-22	320'-338'
23	338'- 359'	SHALE TO 342', WHITE SANDSTONE TO 344', SHALE TO 350', SANDSTONE TO 351', GRAY SHALE.			POOR VERY LITTLE PYRITE IN FRACTURES	0	TRACE		0.03	7-23	338'-359'
24	359'- 385'	GRAY SHALE TO 371', WHITE SANDSTONE TO 377', THEN GRAY SHALE.			POOR LITTLE PYRITE IN FRACTURES IN SANDSTONE	0	NIL		0.02	7-24	359'-385'
25	385'- 406'	GRAY SHALE			POOR LITTLE PYRITE	0	TRACE		0.01	7-25	385'-406'
26	406'- 443'	GRAY SHALE TO 436' THEN WHITE SANDSTONE			NONE	0	NIL		0.01	7-26	406'-443'
27	443'- 462'	GRAY, WHITE SANDSTONE TO 453', GRAY SHALE TO 457' THEN JET BLACK SHALE.			POOR LITTLE PYRITE	0	NIL		0.01	7-27	443'-462'
28	462'- 473'	BLACK SHALE TO 463', THEN GRAY QUARTZITE			POOR LITTLE PYRITE	0	NIL		0.02	7-28	462'-473'
29	473'- 487'	GRAY QUARTZITE TO 477' THEN BLACK SHALE AND ALTERNATE GRAY QUARTZITE			NONE	0	NIL		0.03	7-29	473'-487'
30	487'- 499'	GRAY QUARTZITE TO 495' THEN BLACK SHALE			NONE	0	TRACE		0.02	7-30	487'-499'
31	499'- 510'	GRAY QUARTZITE TO 503'4", BLACK GRAY VARIEGATED SHALE TO 509', POROUS BLACK SHALE TO 509'6", KAOLINIZED MONZONITE PORPHYRY?			POOR LITTLE PYRITE IN PORPHYRY	0	TRACE		0.02	7-31	499'-509'6"
							0.005		0.04	7-31A	509'6"-510'
					SLUDGE SAMPLES		0.02		0.06	7-S1	0'-130'
							0.01		0.03	7-S2	130'-338'
							0.005		0.04	7-S3	370'-510'
					ARITHMETIC AVERAGE		0.006 AU		0.027 WO_3		

LEGEND

- MONZONITE BRECCIA
- SANDSTONE OR QUARTZITE
- MONZONITE PORPHYRY
- SHALE
- DIORITE OR DACITE

ESTIMATED COMPOSITION OF SECTION
21% MONZONITE, DIORITE AND OR DACITE
79% QUARTZITE, SANDSTONE AND SHALE

POTTER AND SIMS
1500 LAS LOMAS ROAD N.E.
ALBUQUERQUE, NEW MEXICO

CUNNINGHAM HILL AREA, ORTIZ MINE GRANT, SANTA FE COUNTY, NEW MEXICO

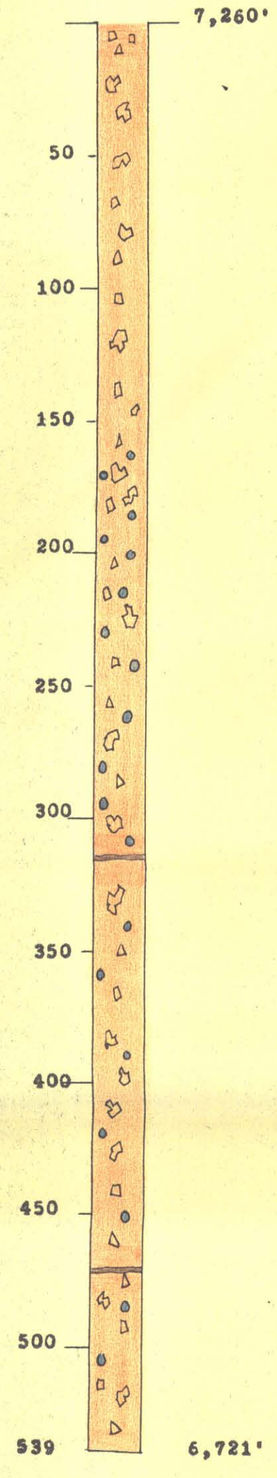
CONTRACT: IDM-E-310
DMEA DOCKET: 1387

LOG OF DIAMOND DRILL HOLE NO. 3

ELEVATION COLLAR OF HOLE: 7,260'
TOTAL DEPTH: 539'

CORE RECOVERY: 89%

DATE STARTED: 7/27/52
DATE COMPLETED: 8/14/52



BOX NO.	DEPTH	DESCRIPTION	BRECCIATION %QTZ.		%MONZ.	MINERALIZATION	SCHEELITE RATING	AU OZ/TON	WO_3 %	SAMPLE NO. AND DEPTH
1	0'- 21'	NX TO 11' MONZONITE BRECCIA	20	GOOD	80	HEMATITE, LIMONITE	0	NIL	0.09	3-1 0'-21'
2	21'- 33'	BX MONZONITE BRECCIA	60	GOOD	40	GOOD, HEMATITE,LIMONITE. QUARTZ CRYSTALS IN VUGS AT 23'	0	0.01	0.04	3-2 21'-33'
3	33'- 49'	MONZONITE BRECCIA	25	GOOD	75	GOOD " "	0	TRACE	0.05	3-3 33'-49'
4	49'- 58'	" "	5	FAIR	95	" " " RUSTY	0	TRACE	0.04	c-18 49'-58'
5	58'- 68'	" "KAOLINIZED	5	FAIR	95	" " " "	0	NIL	0.03	3-5 58'-68'
6	68'- 77'	" " "	5	FAIR	95	" " " " MAGNETITE	0	NIL	0.03	3-6 68'-77'
7	77'- 87'	" " "	5	FAIR	95	" " " " QUARTZ IN VUGS AT 81'	0	TRACE	0.03	3-7 77'-87'
8	87'- 96'	" " "	5	FAIR	95	" " "	0	NIL	0.02	3-8 87'-96'
9	96'- 108'	" " "	5	FAIR	95	" " " " PYRITE AT 104', MN STAIN	0	TRACE	0.02	c-19 96'-108'
10	108'- 117'	" GRAY " "	10	FAIR	90	" " " " PSILOMELANE	0	NIL	0.03	3-10 108'-117'
11	117'- 131	" " "	5	FAIR	95	" " " " "	0	NIL	0.02	3-11 117'-131'
12	131'- 142'	" " "	5	FAIR	95	" " " "	0	TRACE	0.02	3-12 131'-142'
13	142'-151'	" " "	5	FAIR	95	" " " "	0	TRACE	0.02	c-20 142'-151'
14	151'- 163'	" " "	5	FAIR	95	" " " "	0	TRACE	TRACE	3-14 151'-163'
15	163'- 172'	" " "	5	POOR	95	" " " "	1-	NIL	0.02	3-15 163'-172'
16	172'- 182'	" " "	5	POOR	95	POOR " " "	0	TRACE	0.02	3-16 172'-182'
17	182'- 192'	" " "	5	FAIR	95	FAIR " " "	1-	NIL	0.03	3-17 182'-192'
18	192'- 202'	" " "	5	FAIR	95	GOOD " " "	0	NIL	0.02	3-18 192'-202'
19	202'- 213'	" " "	10	GOOD	90	" " " "	1-	0.005	0.05	c-21 202'-213'
20	213'- 227'	" " "	60	GOOD	40	" " " " SCHEELITE AT 219'	1	TRACE	0.03	3-20 213'-227'
21	227'- 237'	" " "	30	GOOD	70	" " " "	1-	0.02	0.05	3-21 227'-237'
22	237'- 247'	" " "	15	FAIR	85	FAIR " "	0	0.01	0.03	3-22 237'-247'
23	247'- 256	" " "	10	FAIR	90	POOR " " SYENITE PORPHYRY 255'-256'6"	0	TRACE	TRACE	c-22 247'-256'
24	256'- 266'	" " "	20	GOOD	80	FAIR " " " TO 259'4". MUD SEAM 265'	1	TRACE	0.08	3-24 256'-266'
25	266'- 277'	" " "	25	GOOD	75	FAIR " " CALCITE IN VUGS	0	0.01	0.08	3-25 266'-277'
26	277'- 288'	" " "	20	GOOD	80	FAIR " "	1	TRACE	0.07	3-26 277'-288'
27	288'- 298'	" GRAY " "	70	GOOD	30	POOR " "	2	TRACE	0.07	3-27 288'-298'
28	298'- 309'	" " "	10	FAIR	90	FAIR " "	0	TRACE	0.06	3-28 298'-308
29	309'- 319'	" " "10AND	20	GOOD	70	GOOD RED" "	1-	NIL	0.02	3-29 308'-319'
29A	319'- 328'	" " "	60	GOOD	40	GOOD " " "	0	NIL	0.02	3-29A 319'-328'
30	328'-338'	" " "	60	GOOD	40	GOOD " "	1-	0.005	0.03	3-30 328'-338'
31	338'- 349'	" " "	30	GOOD	70	GOOD " PYRITE HEAVY AT 342'	1-	0.005	0.03	3-31 338'-349'
32	349'- 359'	" " "	30	FAIR	70	FAIR " "	1-	TRACE	0.06	3-32 349'-359'
33	359'- 373	" " "	40	GOOD	60	GOOD " "	1-	0.01	0.03	3-33 359'-373'
34	373'- 381'	" " "	50	GOOD	50	POOR " " CAVITIES,VUGS W CALCITE	1-	TRACE	0.03	3-34 373'-381'
35	381'-394'	" " "	20	FAIR	80	FAIR " " SYENITE POR. AT 381'	1-	NIL	0.03	3-35 381'-394'
36	394'- 404'	" " "	40	FAIR	60	POOR " " CAVITIES CALCITE	1-	TRACE	NONE	3-36 394'-404'
37	404'- 418'	" " "	65	FAIR	35	POOR " " " "	0	TRACE	0.02	3-37 404'-418'
38	418'-431'	" " "	30	FAIR	70	FAIR " " SHALE? 429' " CAVITIES	1-	0.005	0.02	3-38 418'-431'
39	431'- 441'	" " "	10	GOOD	90	GOOD " CAVITIES "	0	TRACE	0.04	3-39 431'-441'
40	441'- 454'	" " "	20	GOOD	80	GOOD " FRACTURED " CAVITIES	1-	TRACE	0.02	3-40 441'-454'
41	454'- 464'	" " "	30	GOOD	70	GOOD SERICITE " SLICKENSIDES AT " 463	1-	0.02	TRACE	3-41 454'-464'
42	464'- 473'	" " "	30	GOOD	70	GOOD " " CAVITIES "	0	0.01	0.02	3-42 464'-473'
43	473'- 484'	" " "10AND	10	GOOD	80	GOOD " " "	0	0.015	0.02	3-43 473'-484'
44	484'- 494'	" " "	20	GOOD	80	FAIR " " "	0	TRACE	0.01	3-44 484'-494'
45	494'- 503'	" " "	50	FAIR	50	FAIR COARSE PYRITE "	1-	0.04	NONE	3-45 494'-503'
46	503'- 514'	" " "	40	FAIR	60	FAIR " "	1-	0.005	0.02	3-46 503'-514'
47	514'- 527'	" " "	10	GOOD	90	GOOD " "	1-	0.005	0.02	3-47 514'-527'
48	526'- 537'	" " "	95	POOR	5	POOR "	1-	0.005	NONE	3-48 527'-539'
49	537'- 539'	" " "	10	POOR	90	POOR "	0			

ARITHMETIC AVERAGE: 0.0036 AU 0.031 WO_3

LEGEND

- MONZONITE BRECCIA
- MONZONITE PORPHYRY
- ANDESITE
- SCHEELITE

ESTIMATED COMPOSITION OF SECTION
75% MONZONITE
24% QUARTZITE
1% ANDESITE

POTTER AND SIMS
1500 LAS LOMAD ROAD, N.E.
ALBUQUERQUE, NEW MEXICO

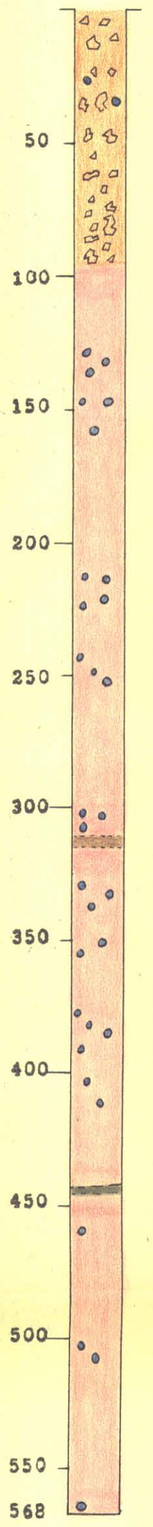
CUNNINGHAM HILL AREA, ORTIZ MINE GRANT, SANTA FE COUNTY, NEW MEXICO

CONTRACT: IDM-E-310
DMEA DOCKET: 1387

LOG OF DIAMOND DRILL HOLE NO. 1

ELEVATION COLLAR OF HOLE: 7,114'
CORE RECOVERY: 98%

TOTAL DEPTH: 568'
DATE STARTED: 7/7/52 DATE COMPLETED: 7/21/52



BOX NO.	DEPTH	DESCRIPTION	BRECCIATION	MINERALIZATION	IRON	COPPER	SCHEELITE RATING	ASSAYS AU oz/TON	CU %	WO_3 %	SAMPLE NO.
1	4'-14'NX	MONZONITE BRECCIA	GOOD	GOOD	HEM,LIM,MAG.	MALACHITE	0				
2	14'- 23' BX	" "	"	"	" " "	"	0	0.04	0.99	NIL	C-1 4'-35'
3	23'- 35'	" "	"	FAIR	" PYRITE	"	1-				
4	35'- 45'	" "	"	GOOD	" "	"	0	0.02	0.19	NIL	C-2 35'-50'
5	45'- 55'	" "	"	"	" "	CHALCOPYRITE	0				
6	55'- 65'	" WATER "TABLE AT 56'	FAIR	FAIR	SPEC.HEM,PYRITE,MAG.		0	0.02	0.02	TRACE	C-3 50'-75'
7	65'- 75'	" "	"	POOR	" " " "		0				
8	75'-88'	" "	"	FAIR	" " " "	"	0				
9	88'- 98'	" " KAOLINIZED	"	"	" " SIDERITE " "		0	0.01	0.10	TRACE	C-4 75'-100'
10	98'- 108'	MONZONITE PORPHYRY "	POOR	POOR	" " " " "	SERICITE	0				
11	108'- 119'	" " "	"	"	" " " " "		0	0.03		0.04	C-5 100'-125'
12	119'- 128'	" " COARSE "	"	"	" " " " "	"	0				
13	128'- 137'	" " "	" QTZ. IN VUGS	"	" " " " "	"	1-				
14	137'-147'	" " "	"	"	" " PYRITE,MAG.	"	0	0.025		TRACE	C-6 125'-150'
15	147'- 157'	" " "	"	"	" " " "	"	1-	TRACE		0.06	1-15 147'-157'
16	157'- 166'	" " "	"	"	" " " "	"	0	0.01		0.03	1-16 157'-166'
17	166'- 175'	" " "	"	"	" " " "	"	0	0.005		0.02	1-17 166'-175'
18	175'- 185'	" " "	"	"	" " " "	"	0	TRACE		0.02	1-18 175'-185'
19	185'- 194'	" " GRAYER"COLOR "	"	FAIR	" MORE PYRITE	MORE SERICITE	0	TRACE		0.02	1-19 185'-194'
20	194'- 204'	" " " " "	"	"	" " "	"	0	TRACE		0.02	1-20 194'-204'
21	204'- 213'	" " LIGHTER COLOR"	"	POOR	" " "	"	0	TRACE		0.03	1-21 204'-213'
22	213'- 223'	" " GRAYER" COLOR"	"	FAIR	" " "	"	1-	TRACE		0.02	1-22 213'-223'
23	223'- 233'	" GRAY " & LIGHT "	"	"	" " "	"	0	TRACE		0.02	1-23 223'-233'
24	233'- 242'	" " LIGHTER COLOR"	"	"	" " "	HEAVY SERICITE	0	TRACE		0.01	1-24 233'-242'
25	242'- 252'	" LIGHT& " GRAY "	"	"	" " "	"	1-	0.005		0.02	1-25 242'-252'
26	252'- 260'	" LIGHT " "	"DARK INCLUSIONS	"	" " "	"	0	TRACE		0.01	1-26 252'-260'
27	260'- 271'	" LIGHT " "BLACK "	" SOFT MINERAL AT	" 267' "	" " "	"	0	TRACE		0.01	1-27 260'-271'
28	271'- 280'	" " " " "	"	"	MORE SPEC.HEM." "	"	0	TRACE		0.02	1-28 271'-280'
29	280'-290'	" " " " "	"	"	" " " " "	"	0	TRACE		0.02	1-29 280'-290'
30	290'- 300'	" " " " "	"	"	" " " " "	"	0	TRACE		0.01	1-30 290'-300'
31	300'- 309'	" LIGHT &" DARK "	"	"	" " " " "	"	1-	TRACE		0.06	C-7 300'-309'
32	309'- 319'	" ANDESITE" 312-314'HARD"	"	POOR	" " " "	"	0	TRACE		0.03	1-32 309'-319'
33	319'- 328	" HARD & " GRAY	"	"	" " " "BLACK CALCITE	"	0	TRACE		0.02	1-33 319'-328'
34	328'- 338'	" " " " "	"	"	" " " " "	"	1-	0.005		0.02	1-34 328'-338'
35	338'- 348'	" LIGHT " GRAY ANDESITE" 343'-348'		"	" " " " "	"	1-	TRACE		0.08	1-35 338'-348'
36	348'- 357'	" " "	"	FAIR	" " MORE PYRITE 350-356'	"	1-	0.01		0.04	1-36 348'-357'
37	357'- 366'	" LIGHT " GRAY COLOR "	"	"	" " " "	"	0	TRACE		0.03	1-37 357'-366'
38	366'- 376'	" " " " " "	"	POOR	" " " "	"	0	0.01		0.04	1-38 366'-376'
39	376'- 384'	" " " KAOLINIZED "	"	"	" " " "	"	1-	TRACE		0.03	1-39 376'-384'
40	384'- 394'	" " " " "	"	"	" " " "	"	1-	TRACE		0.04	1-40 384'-394'
41	394'- 403'	" " " " "	"	"	" " " "	"	1-	TRACE		TRACE	C-8 394'-403'
42	403'- 413'	" " " " "	"	FAIR	BEST SCHEELITE,PYRITE, COARSE	"	1	0.005		0.04	1-42 403'-413'
43	413'- 422'	" " " " "	"	"	SPEC.HEM.PYRITE,MAG.	"	1-	0.005		0.04	1-43 413'-422'
44	422'- 432'	" " " " "	"	"	" " " " 423'&429'SCHEEL	1- ITE		0.01		0.04	1-44 422'-432'
45	432'- 442'	" " " " "	"	POOR	" " " " SERICITE		0	TRACE		0.03	1-45 432'-442'
46	442'- 451'	" " " "DIORITE INCL. AT 443'	"	"	" " " " "	"	0	TRACE		0.03	1-46 442'-451'
47	451'- 461'	" " " " POOR	"	"	" " " " "	"	0	TRACE		0.02	1-47 451'-461'
48	461'- 470'	" " " " "	"	"	" " " " SCHEELITE AT 459'6"		1-	TRACE		0.03	1-48 461'-470'
49	470'- 480'	" " " " "	"	"	" " " " SERICITE		0	TRACE		0.05	1-49 470'-480'
50	480'- 490'	" " " " "	"	"	" " " " "	"	0	0.005		0.04	1-50 480'-490'
51	490'- 499'	" " " " "	"	"	" " " " "	"	0	0.005		0.03	1-51 490'-499'
52	499'- 509'	" " " " "	"	"	" " " " "	"	1-	TRACE		0.03	C-9 499'-509'
53	509'- 518'	" " " " "	"	"	" " " " "	"	0	0.003		0.02	1-53 509'-518'
54	518'- 527'	" DARKER " GRAY "	"	"	" " " " "	"	0	TRACE		0.02	1-54 518'-527'
55	527'- 537'	" " " " " "	"	"	" " " " "	"	0	TRACE		0.01	1-55 527'-537'
56	537'- 547'	" " " " " "	"	"	" " " " "	"	0	TRACE		0.01	1-56 537'-547'
57	547'- 557'	" " " " " "	"	"	" " " " "	"	0	TRACE		0.03	1-57 547'-557'
58	557'- 566'	" " " " " "	"	"	" " " " SCHEELITE AT 565'		0	TRACE		0.04	1-58 557'-568'
59	566'- 568'	" " " " " "	"	"	" " " " SERICITE		0				

ARITHMETICAL AVERAGE 0.004 AU 0.025 WO_3

LEGEND

- MONZONITE BRECCIA
- ANDESITE
- DIORITE
- MONZONITE PORPHYRY
- SCHEELITE

ESTIMATED COMPOSITION OF SECTION
90% MONZONITE
9% SHALE, QUARTZITE INCLUSIONS
1% ANDESITE

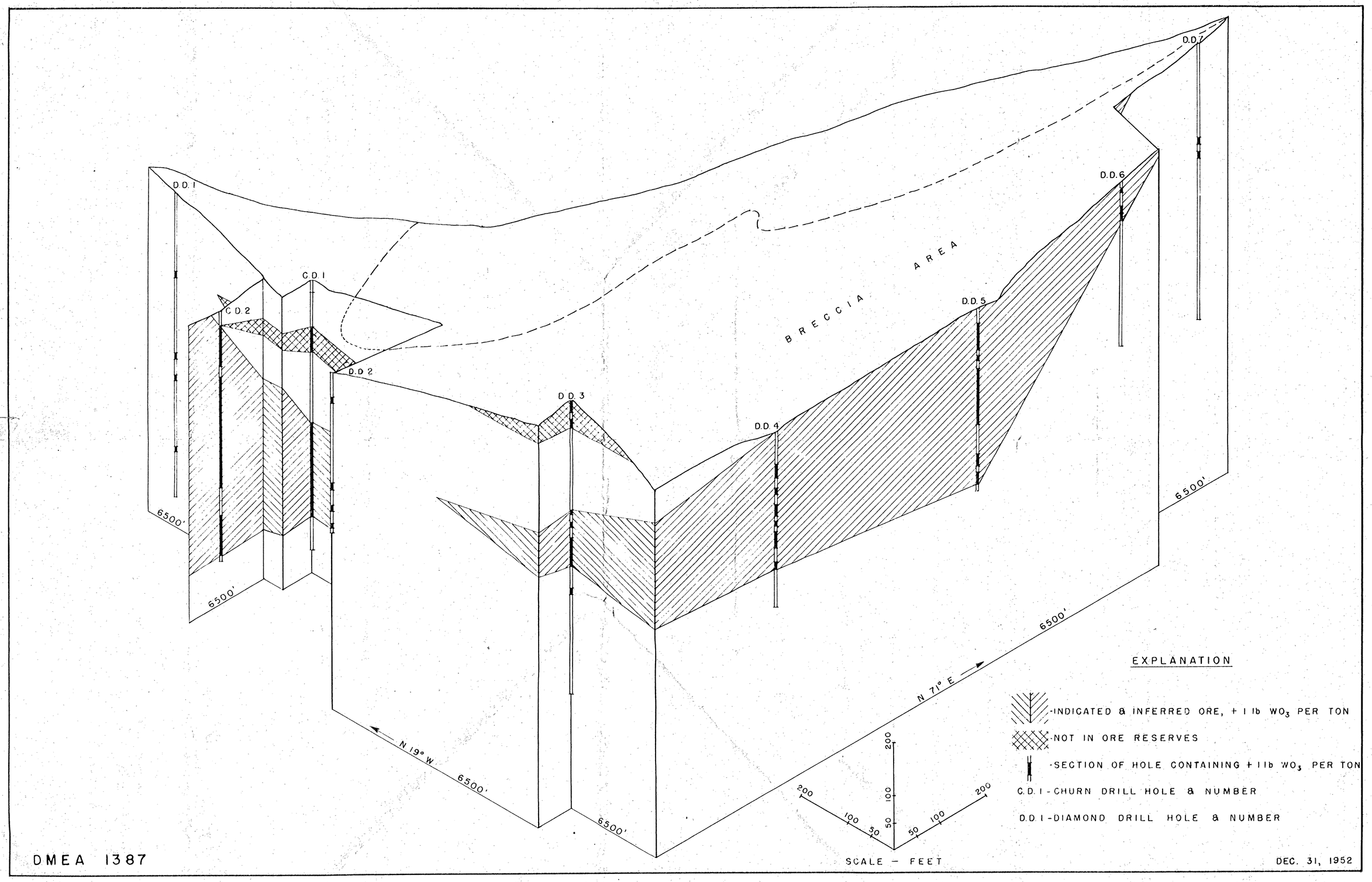


FIGURE 5. - ISOMETRIC DIAGRAM OF TUNGSTEN CONCENTRATIONS CONTAINING PLUS 1 POUND WO_3 PER TON

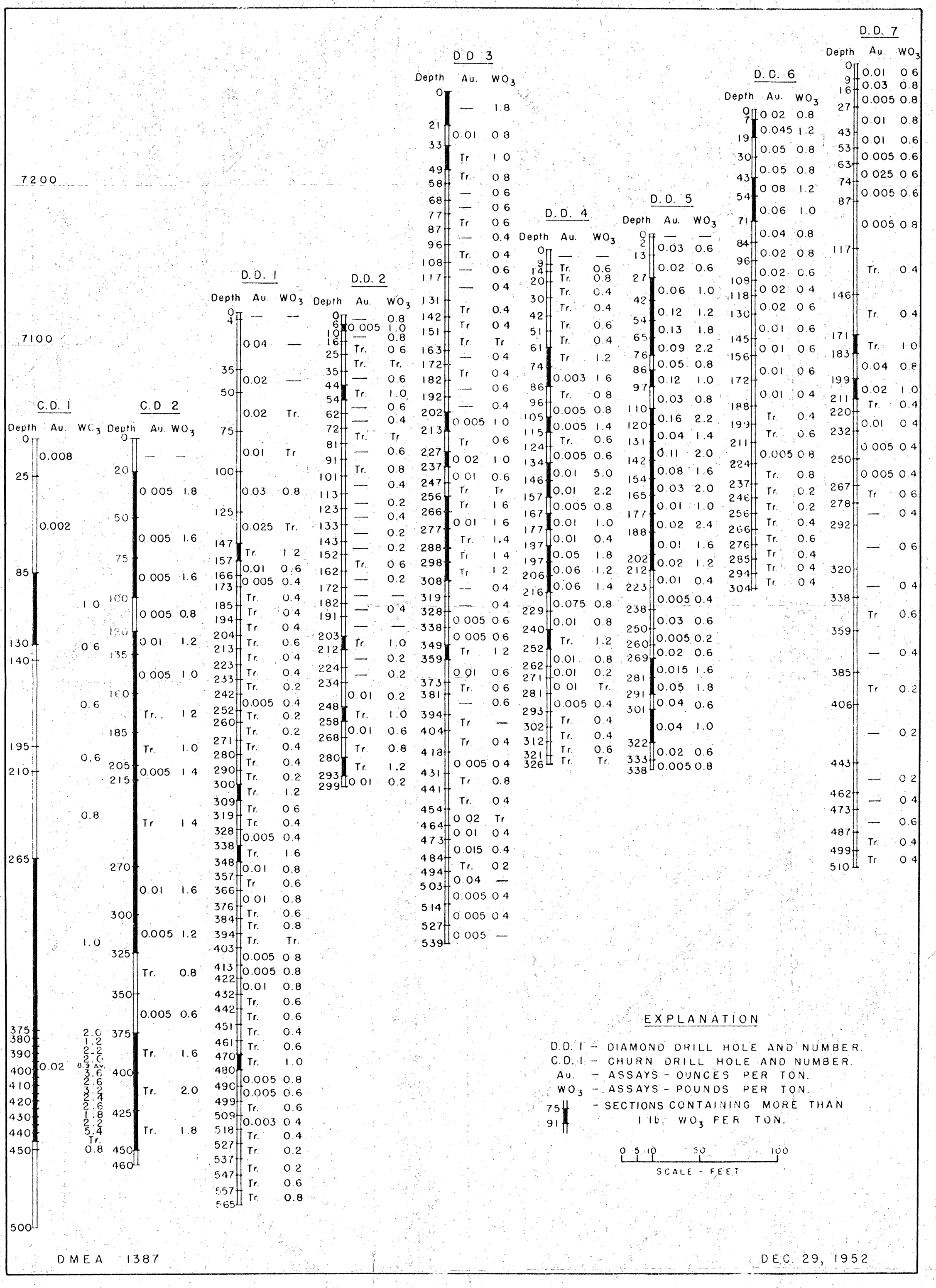


FIGURE 3. - ASSAY LOGS OF DRILL HOLES

Good Friday
D.H. #14
Elev. 7114
Depth: 564'
D.H. #13
Elev. 7058
Depth: 508'
U.D. DH #1
140'
0.52% WO3
375'-440'
U.D. DH #2
Las Norias Arroyo
D.H. #12
Elev. 6388
Depth: 408'
D.H. #11
Elev. 6492
Depth: 442'
D.H. #7
Elev. 7075
Depth: 25'
D.H. #16
Elev. 7110
Depth: 360'
D.H. #6
Elev. 7118
Depth: 398'
Elev. 7180
D.H. #5
Elev. 7137
Depth: 587'
D.H. #3
Elev. 7103
Depth: 583'
Cunningham Shaft
Elev. 7097
9 samples Au $3.28
D.H. #9
Elev. 7120
Depth: 545'
Trench A
Trench B
Burro #1
Burro #2
Burro #3
3.6# WO3/ton
3.4# WO3/ton
2.0# WO3 per ton
1.8# WO3 per ton
Dolores Tunnel
Elev. 7120
Surface and low grade WO3
Dolores Shaft
Elev. 7247
9 Samples
Au $3.75
D.H. #8
Elev. 7255
Depth: 700'
D.H. #10
Elev. 7250
Depth: 770'
Tunnel #3
Elev. 7121
Old Drill Hole
Wagon Tunnel
D.H. #4
Elev. 7093
Depth: 603'
Surface Quarry
South Tunnel
Cunningham Arroyo
Proposed Road Construction
4.0# WO3 per ton
6.9# WO3 per ton
7100
7200
7300
7330
Legend
Churn Drill Holes
Proposed Drill Holes
Scheelite
New Road Construction
BRECCIA
SANDSTONE, SHALE
IGNEOUS, Dikes & Sills
AREA INCLUDES 2,450,000 TONS of Au. @ $2.77/TON
TRACED FROM MAP FURNISHED BY G. R. GRISWOLD
GEOLOGY BY G. T. GRISWOLD
CUNNINGHAM HILL
ORTIZ MINE GRANT
SANTA FE COUNTY, NEW MEXICO
SCALE: 1" = 100'
D. M. A. 1387 X
Figure 2