April 10, 1958

Magdalena District:

The claims which are presently under consideration for a contract, (Barrett-Christensen) in Section 15, T2S, R4W, carry quite strong requirement of payments and work to be performed. As can be seen from the map, the so-called Barrett vein extends across the Bell #1, N85W, into the State School Section 16, which is now held under lease by Sabre-Pinon Corp., 103 Bokum Building, Santa Fe, New Mexico. This section was being included in the property group being lined up by Bunker Hill, and it was stated by personal communication from Barrett that the sub-lease from Sabre-Pinon was for 10% royalty. No mention was made of any cash payments, but likely there would be required cash payments equal to those required under New Mexico law of \$1.00 or \$2.00 per acre (estimate).

The Barrett vein is a strong vein between well-defined wells dipping N at 65°, striking N85W, 6' wide where seen in 2 shafts approximately 700 apart, and in 3 or 4 pits in between. In one pit just east of the line fence, where the fault cuts andesite, the vein was sparsely mineralized. All other places where seen the vein was well mineralized with much more barite content at the Barrett shaft and much more lead content at Dugger Shaft.

The Dugger shaft is sunk to 138' depth at 69 with the water level standing at about 100'. No waste is visible on the dump. A small mill had been installed at this shaft at one time. According to "Shorty" Johnson, an old resident of Magdalena, this property had shipped very good lead ore, but the quantity was unknown. The shaft is timbered and appears to be in good repair.

It is possible that a deal might be made with Sabre-Pinon under favorable conditions and exploration work started underground with less expense than that required for the Barrett Mine. It is further possible that in the event the exploration work should prove favorable, that a working lease might be secured to mine into the Barrett property on the same vein. Approximately the same conditions and circumstances exist in this situation as those enumerated in the report just prepared on the Barrett-Christensen group.

Earl F. Elstone