

STATEMENT

NM Mine File No. 184

Silver City, New Mexico,
October 8, 1944.

The following are notes which Ira Wright gave me on the Bearup mine, Mogollon District, Catron County, New Mexico, under lease and option to the Silver Creek Mining Company, a partnership.

Property consists of 29 mining claims and time ten years, with ten-year renewal clause. No minimum royalties. The royalty is 10% of NSR after deduction of truck, transportation to railroad. 100 shifts of work per month. *RL*

Development: Property is opened by more than 2,000 feet of tunnels. Production to date has come from stopes 325 feet in length and 35 feet high. Shipments of ore to smelter from this stope have been 3860 tons, which shows an average stoping width of approximately 4.5 feet. Average grade of ore on basis of \$35 per ounce gold, 71 $\frac{1}{2}$ silver, is \$40. per ton. This includes one high grade car assaying 2.5 Oz. gold, 205 Oz. silver. Also includes five cars of very low-grade ore stoped when former lessees were working off the vein. Only ore of sufficient high grade to stand shipment to the El Paso smelter has been mined, which necessitated a large amount of milling ore, probably as much or more as was shipped. No ore under \$20 valuation has been shipped by present lessees. It is believed the milling ore left will run between \$10 and \$20 value per ton. The face of the stope is now approximately 2500 feet from boundary line and it is believed vein will extend to the north through the boundary line. *7000 ft beyond?*

Purchase price is \$200,000. Royalty applies on purchase price. Silver Creek is committed to pay M. L. Brown former lessee 2% of NSR until a total of \$25,000 has been paid.

(Sgd) Ira Wright.

NEW MEXICO MINE FIRM ORGANIZES

Articles of incorporation have been filed with the State Corporation Commission of New Mexico by Silver Creek Mining Company, Inc., which has been operating properties in Mogollon district, New Mex., for some time. The company's capitalization is \$500,000 with par value of \$1.00 per share. Amount of capital stock actually issued, with which the corporation commences business is \$1,000.

Incorporators are A. G. Skero, Glenwood, New Mex.; Ira L. Wright, Silver City, New Mex.; D. W. Boise, Hurley, New Mex.; Earl Strong, Vanadium, New Mex., and J. F. Woodbury, Silver City, New Mex.

Mr. Wright is resident agent of the corporation and Mr. Skero has been acting as superintendent. Company has been operating Bear-up group near Mogollon.

Silver Creek

(COPY)

Silver City, N. M.
October 10, 1944.

Mr. T. W. Carter,
2717 Louisville St.,
El Paso, Texas.

Dear Mr. Carter:

The Silver Creek Mining Company, a general partnership, consisting of Skero, Boise, Woodbury, myself and others, is the owner of that certain option agreement of Feb. 16, 1943 by the terms of which E. J. Bearup and others, holders of the Eureka and other claims, known as the Bearup Group, in Mogollon Mining District, Catron County, New Mexico, have optioned said claims. Said partnership proposes to enter into a formal agreement signed by all of the partners with yourself or your principals providing for the sale to you or your principals of the 51% interest in and to the rights of said partnership in said agreement on the following terms:

1. The partnership shall agree to sell to purchaser a 51% interest in and to all of its interest in said agreement with the Bearups.

2. The purchase price of said 51% interest shall be \$500,000 payable as follows:

Dec. 30, 1944	\$50,000
Dec. 30, 1945	100,000
Dec. 30, 1946	150,000
Dec. 30, 1947	200,000

3. The aforesaid table of payments shall be minimum payments. Purchaser shall pay to partners 75% of the net operating profit and said payments shall apply upon said purchase price and go to reduce the next succeeding payment or payments falling due according to said table. Net operating profit shall be determined by the books of the purchaser, after deduction of all operation expenses, payment of royalties to owners under the agreement of February 16, 1943, and overhead salaries at the mine only. Said net operating profit shall be calculated provisionally at the end of each calendar quarter and the corresponding payment made to partners and a final settlement made at the end of each calendar year.

4. After purchaser has paid said sum of \$500,000 he shall become the owner of 51% interest in the Bearup option or in the claims covered thereby, whether said sum is paid as minimum payments or by payment of 75% of the net operating profit as aforesaid. After purchaser has acquired said 51% interest by the full payment of the purchase price therefor, purchaser shall receive 75% of the net operating profit of the mine until such a time as said 75% shall equal the amount of \$500,000. Thereafter profits shall be divided on the basis of 51% to the purchaser and 49% to the partners.

5. In the formal agreement between purchaser and partners the conventional clauses will be inserted calling for compliance by purchaser with all mining laws, the payment of all Federal and state taxes, the protecting of the property against liens and encumbrances, etc.

6. Purchaser shall have the right to abandon agreement with partners at his election at any time, being obligated only to comply currently with his obligations under said agreement.

7. Said final option will provide that purchaser will comply with all the obligations of partners contained in said agreement of February 16, 1943, with E. J. Bearup and others.

8. Upon the execution of said formal agreement and the concurrent payment of \$50,000 as stipulated above for December 30, 1944, purchaser shall have the right to the exclusive possession and operation of said mining properties with the right to buy, ship and otherwise dispose of the ores therefrom.

9. This proposed agreement is made by the undersigned as the partner and manager, subject to approval of all partners by their execution of the formal agreement.

Yours very truly,

(Sgd) Ira L. Wright.

October 8, 1944

Notes on the Bearup Mine, Mogollon District, Catron County, New Mexico under lease and option to the Silver Creek Mining Company, a partnership:

Property: Consists of 29 mining claims.

Time : 10 years with 10 year renewal clause.

No minimum royalty; royalty 10% net smelter returns after deduction of truck transportation to railroad. 100 shifts work per month required.

Development: The property is opened by more than 2,000' of adit

tunnels. Production to date has come from stope 325 feet in length and an average height of 35 feet. Shipments of ore to smelter from this stope has been 3860 tons which shows an average stoping width of approximately 4.5' (13 cubic feet allowed per ton of ore in place) Average grade of ore on basis of \$35.00 per ounce gold and 71¢ per ounce silver is \$40.00 per ton. This includes one High grade car assaying 2.5 oz. gold, 205 oz. silver per ton but it also included five cars of very low grade ore stoped when former lessee was working off the vein. Only ore of sufficiently high grade to stand shipment to the El Paso Smelter has been mined which necessitated a large amount of milling ore probably as much more as was shipped. No ore under \$20.00 valuation has been shipped by present lessees. It is believe the milling ore left will run between \$10-\$20 value per ton. The face of stope is now approximately 2500 feet from boundary line and it is believed vein will extend to the north through the boundary line.

Purchase price is \$200,000 (royalty applies on purchase price)

The Silver Creek is committed to pay N. L. Brown, former lessee, 2% of net smelter returns until a total of \$25,000 has been paid.

Bearup - Comm. Agt.

Silver City, New Mexico
October 10, 1944

Mr. T. W. Carter,
2717 Louisville Street,
El Paso, Texas.

Dear Mr. Carter:

The undersigned has this day by letter agreement given you a provisional option upon a fifty-one per cent (51%) interest of the interest of Silver Creek Mining Company, a general partnership, in the Bearup option of February 16, 1943, for a total price of Five Hundred Thousand Dollars (\$500,000.00). Said letter agreement calls for payments to begin on December 30, 1944, under the provisions of a formal agreement to be drawn between all partners and you or your principals.

At the time of the execution of said formal agreement between all of the partners and yourself or your principals the partners will also execute in your favor a commission agreement, agreeing to pay to you a commission of five per cent (5%) of any and all sums, when, as, and if received by partners from your principals, under the terms of said agreement.

Said commission agreement shall apply only to said proposed agreement with you or your principals, and shall terminate on December 30, 1944, unless at that time active negotiations are under way between partners and your principals toward consummation of the agreement contemplated by the said letter agreement of like date herewith. In any event partners shall not be bound to you under the commission agreement if an agreement is not consummated with your principals before the end of January, 1945, unless by subsequent agreement.

Yours very truly,

Charles Knight

NOTES ON AGREEMENT BETWEEN

BEARUP ESTATE

and the

SILVER CREEK MINING CO.

Purchase price for the twenty-nine claims is \$200,000.00. 10% royalty on crude ore after deducting railroad freight, truck haulage, mill and smelter charges. If the ore is treated at Company mill, 8% royalty upon return from the proceeds of ore treated after deducting freight, trucking, and smelter charges. No deduction for mill charges. There is a work obligation of 100 shifts per month for life of agreement. Company pays all taxes, including severance. At end of 10 year period, if 50 ton mill is operating, period of agreement will be extended for an additional 10 years.

(COPY)

Silver City, New Mexico,
October 10, 1944.

Mr. T. W. Carter,
2717 Louisville St.,
El Paso, Texas.

Dear Mr. Carter:

The undersigned has this day by letter agreement given you a provisional option upon a 51% interest in the interest of Silver Creek Mining Company, a general partnership, in the Bearup option of February 16, 1943, for a total price of \$500,000. Said letter agreement calls for payment to begin on December 30, 1944 under the provisions of a formal agreement to be drawn between all partners and you or your principals.

At the time of the execution of said formal agreement between all of the partners and yourself or your principals the partners will also execute in your favor a commission agreement agreeing to pay to you a commission of 5% of any and all sums when, as and if received by the partners from your principals under the terms of said agreement.

Said commission agreement shall apply only to said proposed agreement with you or your principals, and shall terminate on Dec. 30, 1944, unless at that time active negotiations are underway between partners and your principals, toward consummation of the agreement contemplated by the said letter agreement of like date herewith. In any event, partners shall not be bound to you under the commission agreement if an agreement is not consummated with your principals before the end of January, 1945, unless by subsequent agreement.

Yours very truly,

(Sgd) Ira L. Wright.

MEMORANDUM - by R. N. Hunt

December 14, 1944.

Re: Bearup Property, Mogollon District, Catron
Co., N. M.

This property was presented by long-distance telephone by Mr. Theo. W. Carter, 2717 Louisville St., El Paso, Texas, on November 27th. Mr. Carter holds an option upon the property in the form of two letters which he read and which we took down by telephone on the following day. Subsequently Mr. Carter supplied us with photostatic copies of these letters. These letters are signed by Ira Wright who is manager for a group of "partners" organized as the Silver Creek Mining Company and consisting for the most part of men well known to us identified with mining companies and enterprises in the Silver City area, nine altogether as follows:

- Al Skero (formerly night foreman at Bullfrog under Knaebel). Holds 20% interest, the largest of any individual.
- D. W. Boise (Cashier at Hurley for local Kennecott operations).
- Ira Wright, Secretary and Treasurer, Silver Creek Mining Company.
- J. F. Woodbury, Attorney at Silver City.
- Earl Strong (Handles most of the trucking business in Grant County. Trucks our Shingle Canyon ore to mill).
- Steve Harris (a partner of Earl Strong in trucking business).
- A Mr. Weiser, of California. (A mill man in some way identified with the Howe Sound Co.)
- Aleck Munroe (a friend of Weiser and son-in-law of Mr. Woodbury's former law partner, Mr. Wilson, formerly Hanover Bessemer's agent).
- Ava Grisson, Mt. Pleasant, Tenn.

Mr. Carter's option which orally he has conveyed to us without change offers a 51% interest in a bond and lease from E. J. Bearup, owner of the property, running for ten years at a purchase price of \$200,000 payable if and as when in royalties of 10% of net smelter or net mint return to the mine after transportation charges and renewable for ten years. This Bearup agreement comes to the partners through an intermediary, Mr. N. L. Brown, who adds a commission of \$25,000 payable in over-riding royalty of 2%.

The 51% interest in the above contracts, copies of which we do not as yet have, is offered to us under Carter's option on the following terms of sale:

\$50,000 December 30, 1944
\$100,000 December 30, 1945
\$150,000 December 30, 1946
\$200,000 December 30, 1947

75% of net proceeds after royalties on the Bearup and Brown contracts and all normal operating charges to be applied upon the above payments, settlements to be made quarterly with an annual accounting and adjustment.

When partners have received \$500,000 then 75% of such net proceeds to be applied to our account until we have received \$500,000, the partners receiving only 25%.

Subsequent discussion myself, our attorneys, Messrs. Cheney and Holbrook, with Mr. Woodbury, (one of the partners) first in Salt Lake City (Mr. Woodbury was here on Kennecott business), and in long-distance telephone conversation with Mr. Holbrook, indicates that we may have an extension of time for the first payment until January 29th, 1945, and that subsequent payments may be spread over a longer period, possibly as much as 9 years, the partners to receive a minimum royalty payments (or however they be styled) not more than \$50,000 in any one year.

At the moment, however, I have nothing from Mr. Carter agreeing to such changes in the original agreement and procedure is not too clear. We are at present relying upon Mr. Woodbury's assurance of such extension and his further statement to me that the partners would be just as well pleased if the option to Mr. Carter lapsed and they might deal directly with the Company. In that event Mr. Woodbury indicated the partners would probably still be obligated to Mr. Carter. It is clear and definite that Mr. Carter's compensation comes from the partners and not from the Company.

To cast the above terms or anything approximating them in our latest approved minimum royalty lease form will require considerable study and probably definition if not modification of some terms through negotiations with the partners. The job can of course be done, but will require our concentrated attention since the time for it may be limited. I have discussed certain ways and means with Messrs. Holbrook and Cheney which it may be well to pass on now as a matter of taking time by the forelock, but the examination work is far from complete and unfavorable or too doubtful results may eliminate all need of such labors. If, however, results are encouraging it will be necessary to work on the matter with considerable expedition. In the accompanying memorandum is a brief word concerning the property itself.

R. N. Hunt.

RNH/G
Encls.

MEMORANDUM

December 14, 1944

Re: Preliminary Information Regarding
Bearup Property, Mogollon District,
New Mexico.

My information is confined to a few notes in pencil from Mr. Neuman and several telephone conversations with him. Mr. Neuman took a small crew of samplers and with Mr. Tuck went to the property about the 2nd of December. He also has a light diamond drill on the job.

First lists of assays from Neuman indicate wide variations from low values to as much as 8.4 Oz. gold accompanied by 391.6 Oz. silver which was across a width of 3 feet. There were several assays of better than an ounce gold and better than over 100 Oz. silver across appreciable widths. There are no base metal values. At this writing I do not have plated assay results in front of me, but I do have a list of first assays. Since Neuman is sampling walls wherever possible as well as veins, the relative number of good assays in this list means nothing. Of 140 assays, however, 50 indicate better than \$10 per ton in gold and silver.

The Bearup property is some 75 miles northwest from Silver City on the edge of the Mogollon district, a small silver-gold camp having a total past production I judge in the magnitude of possibly \$30,000,000. The Bearup property has been in one family for the better part of two generations and never, I am told, until recently available for purchase. It consists of 29 claims, I do not know whether or not patented, probably so in part at least. In addition the partners have purchased an adjacent ranch which I am advised provides an excellent site for mill and tailings disposal. There is no power nearer than Silver City. The road to Silver City is excellent. Current truckage costs \$4.00 a ton and freight, Silver City to El Paso, \$1.25 I believe.

The mine consists of three principal adits totalling less than 2,000 feet. These workings have developed what appear to be two veins, known locally as the Eureka, a high-grade vein, and the Great Western. These two veins dip westerly, the Eureka at 50-60°, the Great Western about 30°, and should meet, intersect or fault one another, whatever the relation, at comparatively short distance below present developments. Such meeting, however, would be along a downward raking line, hence the depth would increase in one direction. The surface immediately above present developments is covered with slide rock and we are therefore without benefit of outcrop. The veins strike, however, into the mountain side which a short distance ahead of present faces rises very rapidly and would give backs of many hundreds of feet should the veins persist 500 feet or more ahead of present faces.

While Mr. Neuman is handling the sampling and underground work Mr. Tuck is attempting to map the surface. My last word from him was to the effect that the surface is astonishingly blind even beyond the

limits of talus or slide rock and that he had not in the first few days at least located anything which he felt like correlating with the veins disclosed underground.

It is already apparent that present developments will not permit the assumption of any considerable tonnage even should sampling results be satisfactory and that the project will necessarily be one of speculative development. It is quite possible that enough high grade shipping ore may be in sight to cover the initial payment of \$50,000. The question will be whether or not the apparent opportunity of extension is sufficiently good to justify entering into a deal calling for substantial payments and necessitating possibly a considerable expenditure in development at a time when available men will be few.

Past production, tabulated by Mr. Neuman, is as follows:

4148.1 Tons, 0.505 Oz. Au., 27.13 Oz. Ag.

Of this the present partners, the Silver Creek Mining Company, during the past couple of years have taken out 2112.3 tons of 0.62 Oz. Au., and 39.4 Oz. Silver.

Because of the silver content and the flux value of the ore the operation of the mine has been permitted under gold mining restriction orders.

Neuman reports the veins to be practically unoxidized and the gold values in the form of tellurides or some obscure highly divided yellow sulphide. The silver is in gray, finely divided minerals embedded in quartz which he assumes to be a complex of silver sulphides. In a few days we should have samples for metallurgical study.

The property was recently examined by the local AS&R crowd under the management and guidance of Mr. Loerpabel of Tucson. Mr. Harrison Schmitt rendered a report declining the property on the basis of terms. Al Skero, one of the partners (formerly our night foreman at the Bullfrog under Knaebel) has been friendly to us. He independently confirmed in conversation with Neuman what Mr. Carter has previously told me that after declining the property on present terms Loerpabel had attempted to negotiate. Skero says he was party with Ira Wright to long-distance telephone conversations with Loerpabel in the last of which he reported Loerpabel to have offered to take up the option on present terms with only the one modification, that after the initial payment of \$50,000 there would be no further payment other than royalties from production until the end of the three-year optional period. In other words, he proposed to pay \$50,000 for three years during which to develop or work out the property.

In the light of what I have learned thus far by telephone from our examination I have serious doubt if the property be a good gamble on the terms of the Carter option. The hope is that if finally the

property is of sufficient interest that the indicated willingness of the partners to modify their terms may make negotiation of other and more satisfactory terms possible. If later results of the examination are favorable I hope to negotiate other terms within the option period rather than after.

R. N. Hunt.

RNH/G

THEO. W. CARTER
MINING ENGINEER

U. S. CIVIL SERVICE COMMISSION'S
RATING: SR. MINING \$4600

2717 LOUISVILLE ST.
PHONE: EAST 2175
EL PASO, TEXAS

Murray Hotel
Silver City, New Mexico
December 14, 1944.

Mr. R. M. Hall, Gen'l Manager
U.S. Smelting, Refining & Mining Co.,
New House Building
Salt Lake City, Utah

Dear Mr. Hall:

Wrote you on the 10th, re: My visit to the Bearup-Eureka mine. While I was there, I took a grab, tram-car general sample, coming out from the main tunnel face, and sent it on to El Paso and just got the certificate on this noon-day's train. Inclose it. I like RR-car lots for my money.

Mr. Skero came in yesterday. He told me that he shot out that 4' hole he had drilled towards the H.W. and then blasted the whole tunnel face, about 14' and then drilled in another hole, same as before, towards H.W. and still all ore and no H.W. in sight...then he quit the wide tunnel face and is now only carrying it about 8' wide. He ordered 4 more trucks from Roy Henry, trucker here, to go out, today.

Hope I can very soon, now, receive some instructions or advice...as our TIME is precious.

Sincerely yours,

Theo. W. Carter
Theo. W. Carter

RECEIVED
12/16/44
EL PASO, TEXAS

El Paso, Texas Dec 13 1944 194

This certifies that samples assayed for Theo. W. Carter contain:

LOT	Ounces per Ton		PER CENT									
	Gold	Silver	Lead	Copper	Silica	Iron	Manganese	Lime	Zinc	Sulphur	Arsenic	Antimony
Our Assays	1.06	51.2										
Our Repeats												
Smelter Assays												
Smelter Repeats												
Umpire Assays												
Final Settlement												

CHARGES \$ 1.00

CRITCHETT & FERGUSON

Carl
CHEMIST AND ASST

UNITED STATES SMELTING REFINING AND MINING COMPANY

BAYARD DEPARTMENT
BAYARD, NEW MEXICO

December 20, 1944

12/21/44
RECEIVED
SILVER CREEK MINING CO.
121

Mr. Richard N. Hunt
United States Smelting Refining and Mining Company
Box 1980
Salt Lake City 13, Utah

Dear Dick:

I am sending by air express today the following maps of the property of the Silver Creek Mining Co:

1. 1 print Surface Geology, 40 Scale
2. 1 print Tunnels No. 4 and 5, 40 Scale.
3. 1 print Old Upper Tunnels, 40 scale.
4. 2 cross sections through workings.

Tomorrow, I will send a 200 scale print showing the property boundaries as well as additional geology. You will note on the 40 scale surface map that I have not shown any claim boundaries. As all of the Bearup claims are very old locations, the corners are not known except by Ed Bearup. I have shown no detail on the Eureka vein, as Neuman mapped it, and you can obtain it from his assay map.

You will note on the surface geology map that probably the entire area is covered by slide rock which comes from cliffs in the Northeast part of the area. The sequence of formations here is as follows:

The oldest formation exposed is red sandstone, tuff, and andesitic lavas. It is probable that the Eureka vein occurs in this formation. This formation you will find in the U.S.G.S. Bulletin termed, "The Cranktown Formation." Overlying the Cranktown formation is a series of trachytic lavas and tuffs. These in turn are overlain by andesitic lavas and tuffs. The youngest formation in the area is a series of thick rhyolite flows.

All of these formations dip on an average of about fifteen degrees to the West. They are cut by a series of North-South faults as well as some traverse which I will show on the 200 scale print. Directly west of the area shown on the 40 scale surface print, there is a strong recent fault which brings down the Gila conglomerate, a recent partly consolidated gravel, against the rhyolite. In addition there seems to be some recent faults in No. 4 and the Upper Tunnels, as, here, blocks of slide rock and gravel are faulted into the lavas.

The Eureka vein maybe cut off by the Great Western fault. The picture is obscure, but on No. 4 level it could split from the Great Western, whereas, on No. 5 level it appears to be cut by the Great Western fault. The Great Western fault is low angle, and, there is a possibility that it is a reverse fault. If it is a reverse fault, the displacement of the Eureka vein may be between 90 and 160

feet as shown by Section B. The Great Western fault is a local name and this structure is not related to the Great Western fault shown in the Geological Survey Bulletin.

West of the Great Western fault there are probably two other strong North-South faults, between which lie a slightly mineralized block of volcanic rocks. The possibility is that one of these faults off sets the Great Western fault above the No. 4 level, and they also brought down the rhyolite shown on the surface geology map at triangulation stations "C" and "E", and also in the extreme Northern part of the area.

The Eureka vein does not outcrop at the surface and for this reason it owes its recent discovery. On the surface geology map I have shown the approximate position if it outcropped at the surface. North of this projected line it probably swings to the East of the rhyolite point I have shown, and in this direction slide rock continues for almost one mile.

From conversations with Al Skero, it seems that the Bearup family prospected the area for many years as a result of having found highgrade float. It is probable that the old upper tunnels, which are principally in slide rock, were driven for the purpose of finding the vein. About in 1935, Ed Bearup crosscutted in No. 4 tunnel over to the Great Western Fault, which had previously been found in one of the upper tunnels. He drifted North along the Great Western fault and finally came to the junction of the Eureka vein.

In 1937, N. L. Brown took a lease from the Bearups and for a period of several years stoped from the No. 4 level. He also sunk a winze from No. 4 to the present sublevel. In February, 1943, Al Skero and partners took over Brown's lease and renegotiated a new agreement with the Bearup Estate. Since then Skero has extended No. 5 tunnel 350 feet to the Eureka vein and this tunnel is at present the main haulage way.

The Silver Creek Mining Company has an agreement with N.L. Brown from whom they obtained the lease and option. According to Skero they have already paid Brown about \$5,000.00 and there is still due him about \$18,000.00 more. This \$18,000.00 is payable from production on the basis of a 2% royalty.

I am also enclosing some notes on the agreement between the Bearup Estate and the Silver Creek Mining Company which I have obtained from Skero.

Very truly yours,

Ralph Tuck

Ralph Tuck

RT/alh
Encl.

UNITED STATES SMELTING REFINING AND MINING COMPANY

BAYARD DEPARTMENT

BAYARD, NEW MEXICO

December 21, 1944

Mr. R. N. Hunt
United States Smelting Refining and Mining Co.
Box 1980
Salt Lake City 13, Utah

Dear Dick:

By air express I am sending a 200 scale print of a portion of the Bearup property. The eastern boundary of the property is taken from a survey made by Wilbur Wright, a brother of Ira Wright. The area covered by the Red Rock claim is in dispute by Bearups and W. J. Weatherby of Mogollon. Weatherby owns and controls considerable property in the Mogollon district. The Red Rock, which is the name of Weatherby's claim, is said to be the prior location, but apparently the Bearups claim that it was abandoned and the assessment work was not done. Al Skero says he has talked with Weatherby, and Weatherby says he will be reasonable. Skero says he has a verbal option from Weatherby on the Susie, Amador, and Amador Jr. claims for \$15,000, payable in five years, but he hopes to get the Red Rock included in the deal and the time extended to seven years.

The sequence of the formations is shown in the legend. I am not certain of my terminology in all cases, as microscopic work is necessary on these fine grained volcanics. The prevailing dip of the formations is about fifteen degrees to the west.

Fault A is probably a strong recent fault of 11,000 feet displacement which brings the partly consolidated Gila conglomerate down against the volcanics and forms the front of the mountain range. Actual exposures of this fault can not be seen.

The position of Fault B is not certain, but it is the gouge and sheared zone exposed in the tunnels west of the quartz stringers zone (see 40 scale maps and sections). It is probably a normal fault.

Fault C is the probable position of the strong fault zone lying east of the quartz stringer zone and which terminates the trachyte in Tunnels 4, 5, and the overlying old tunnels. It probably joins Fault B on the south, is a normal fault and may be low angle as suggested by the red volcanics at the surface on Section A-A' (40 scale.). This fault may have some recent movement as indicated by a downfaulted block of slide rock and gravel in Tunnel No. 4. If Fault C is low angle it will intercept the Great Western Fault and the Eureka vein between Tunnel 4 and the surface. For this reason I have not shown the Great western or the Eureka at the surface on the 200 scale print. Fault C is a normal fault and has dropped the rhyolite 200-400 feet on the west. In Tunnel No. 5 the timbered gouge zone of volcanics includes both Faults B and C.

Fault D is well exposed on the south side of Silver Creek and shows 116 feet displacement measured on the top of the Cranktown formation. Its position on the north side of the creek is not clear.

Fault E, a transverse fault, probably occurs in the creek bed. It may be exposed at one point shown on the 200 scale print. It is certain that this fault is present as the rhyolite flow in the Cranktown formation is 115 feet lower on the north side of the creek than on the south side. Faults D and E cross each other, but their relative ages are unknown.

Faults F and G are mineralized faults on the Susie claim. Fault F is normal and may have a displacement of about 100 feet, and, if not offset appreciably by Fault D, should intersect the Eureka vein within 100 feet north of the face of the sublevel. The mineralization on Fault F becomes progressively weaker toward the Eureka vein. At Samples 219 and 227, it shows about 2 feet of vein material. At 220, it is about 6 inches and at 221 it is only two inches.

Fault H is a strong normal fault of several hundred feet displacement which drops the overlying rhyolite down to Silver Creek.

Data on scattered surface samples is as follows: Samples 219 and 227 are characteristic of the vein quartz on the dumps of the upper and middle cuts on the Susie vein (Fault F).

Sample 220 is across 6 inches of quartz.

Sample 221 is across 2 inches of quartz.

Sample 222 is across 2 feet of sheared trachyte which is on the projection of the Great Western.

Sample 226 is across a 3 foot quartz vein in an old pit. The exact location is uncertain and it is shown only approximately on the Johnson claims.

Sample 406 is from 4 pieces of quartz float probably from the rhyolite cliffs to the east.

Sample 407 is several pieces of mineralized rhyolite float.

I hope to check these assays with additional samples next week.

Very truly yours,

Ralph Tuck
Ralph Tuck

C. R. ALTMAN
SILVER CITY, NEW MEXICO

December 21, 1944

Mr. R. N. Hunt
United States Smelting Refining and Mining Co.
Box 1980
Salt Lake City 13, Utah

Re: Mogollon Properties

Dear Mr. Hunt:

After a talk with Jim Neuman yesterday, I visited the town of Reserve which is the county seat of Catron County, New Mexico. At the courthouse I went over the records in order to find information concerning a judgment believed to exist against the property of the General Mining, Milling and Power Company.

On November 28 Mr. W. A. Cochrane wrote to me, "The Chance group is not tied up--other than a judgment--and I am quite sure a real proposition by responsible parties would receive sympathetic consideration." I am sure that Mr. Cochrane, who is an official of the Dewar Manufacturing Company, would not have mentioned a judgment unless one existed; however, in the courthouse at Reserve there is no record of any judgment or any lien either by state court or a Federal court. It is true that the taxes have not yet been paid this year, but they amount to only \$48.00 and it is not possible that Mr. Cochrane referred to this small debt. It is obvious that if a judgment exists and it is in any large amount, it will have some bearing upon the kind of a deal possible with this company. Mr. Cochrane appears to control the General Mining, Milling and Power Company. He also states that he has about 10% interest in the Deadwood Mining Company. I am aware that he has a substantial interest in the so called Confidence Group. The latter is the property of the Whiterwater Power and Mining Company, Room 528 - 1100 King Street, Wilmington, Delaware.

While it seems certain that there is a judgment as mentioned above, it is not on record in the courthouse at Reserve. Whether or not there could be such a judgment in the home office of the company in some other state I have not yet found out, but think that I can get reliable information as to that before very long.

While in the courthouse I copied most of the important information concerning different properties in Mogollon as it appears upon the tax

Mr. R. N. Hunt

-2-

December 21, 1944

roll. I enclose a copy showing the property owned by the General Mining, Milling and Power Company, The Whitewater Power and Mining Company, and the Deadwood Mining Company. I took occasion to get the M.S. numbers as it will sooner or later be important to have them.

Very truly yours,

C. R. Altman

C. R. Altman

CRA/alh

Encl.

cc: Mr. James V. Neuman, Jr.

FROM TAX ROLL, CATRON COUNTY COURTHOUSE, RESERVE, NEW MEXICO

General Mining, Milling and Power Co.
c/o W. A. Cochrane
Dewar Mfg. Co.
34-35th St.
Brooklyn, New York

	Mineral Survey Number	Acres
Top	939-A	13.404
Last Chance	980-A	17.430
Boise City	980-B	1.581
Settle	980-C	16.280
Frieda 2	1551-A	20.615
Anna E	1551-B	20.615
Hub 1	1551-C	20.292
Jack Pot	1552	20.319
Cross	970-A	20.661
Boise City Millsite	970-B	1.003
Lime Kiln	1553	20.661
Frieda No. 2 Millsite		4.970
Humming Bird		.351
	Total Acres	173.182

Tax due - \$48.00

Whitewater Power and Mining Co.
Room 528 - 1100 King St.
Wilmington, Delaware

Confidence	873-A	
Blackbird	877-A	
South Alpine	876-A	
Bluebird	882	
North Alpine	883	
Dutch Boy	1045	
Red Bird	881	
Confidence Millsite	873-B	
S. Alpine Millsite	876-B	
Blackbird Millsite	877-B	
Tax due - \$23.10	Total Acres	- 114.59

Deadwood Mining Co.
Mogollon, N.M. (Weatherby Property) ✓

Deadwood Claim	1265	14	S-33, Twp-10S, R-19W
Sunburst Claim	1265	19	" " "

Assessed at - \$5300.00

	Mineral Survey Numbers	Acres	Taxes Due	
Cleary and Mullally 503 Merchants' Exchange St. Louis, Mo.				
Only (two mining claims) Mines and millsite mineral Certificate No. 237, Lot 490-A and mineral certificate 491-B. All these (3) Lots adjoin		23	\$230.00	S-23, Twp-10S, R-19W
Eberle Estate 824 H.W. Hellman Bldg. Los Angeles, Calif				
Eberle	842			
Bratton	1008	35.89	1360.00	
Wiley Lucy (Estate) Mogollon, N.M.				
Mascot Lode	1840	18.76		
H. R. Heyne Mogollon, N.M. Unpatented Claims				
Silver Creek Mining Co. - Ira. L. Wright Unpatented Claims				
Eureka				
Gracie				
Gracie No. 2				
Federman				
Vine and 23 others			194.69	
H. O. Bursum Socorro, New Mex. Non-producing mines				
Last Attempt	E ¹ 967	6.6		
Horace	1343	17		
Deep Down	944	5.92		
Thurman	944	17.50	520.00	Total acres - 47.02
(Elmer W. Hale) Chas. S. Clark Box 25 Tyrone, N.M.				
Galveston Consolidated	167	20	2.02	
John W. Hoover Mogollon, N.M.				
"Queen" Group	171			

Mineral Survey
Numbers

Acres

Taxes
Due

John W. Hoover (Cont.)

Copper Queen	170		
Silver Twig	172		
Apache	2045		
Victoria	2045		
Geronimo	2045	60.81	
Pacific Group			
Pacific	890		
Atlantic	1622		
Hustler	1622		
Hustler No. 2	1622	34.5	27.40

Mrs. F. I. Leach
Bin V
Lordsburg, N.M.

Golden Link	1901-A	20	
Gold Bar	1901-A	20	
Golden Link Millsite	1901-B	5	9.08

Total Acres - 45

Lehigh Metals Co.
814 Scranton Nat'l Bk. Bldg.
Scranton, Pa.

Little Fanny	840
Champion	1392
Johnson	1365
Little Charlie	1689
Maudie "S"	912-A
Silver Link	912-B
Wilson	912-C
Silver Fountain	304
Old Strike	524
Silver Bar	305
Leap Year	1070
Socorro 1,2,3,4,5,	1392
Andrew Jackson	1392
Consolidated	1392
Lexington	1392
Contention	1392
Lexington Gunboat	1656
Virginia	1392
Clifton	1689
Lena	1689
Little Grant	1689
Sandy	1689
Homestake	1689
Ironhat 1689	1689
Waldorf	1547

FROM TAX ROLLS, CATRON COUNTY COURTHOUSE, RESERVE, NEW MEXICO

Christian F. Leng Estate
c/o Jerome L. Leng
21 E 40th Street
New York, New York

<u>Claim Names</u>	<u>Mineral Survey Numbers</u>	<u>Acres</u>	<u>Taxes Due</u>
Perseverance Old Tom	1929	17.05	\$ 9.08

A. L. Marshall
Box 351
Silver City, N.M.

Lucky Guss	163		
Lone Star	164		
Tip Top	162 (Total)	57.25	3.44

Anna E. McKay (Estate)
1005 Liberty Ave.
Pittsburg, Pa.

Alberta Group			
Ida May	1372		
Good Hope	1383		
Independence	1558		
Anaconda	1558		
Comet	1558		
Union	1558		
Don't Care	1558		
New Chum	1558		
Cresent	1558		
Thursday	1558		
Wolfton	1558		
Good Hope No. 2			
Wolfton Millsite			
Isabelle (Unpatented)	(Total)	208.31	41.96

J. A. Moreland
945 19th St.
Douglas, Arizona

Newbold	SE $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, Survey A-B	20.2 Acres S-16, Twp-10S, R-19W
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Lode Claim pat. #025076	1980 (Total) 70.84	N $\frac{1}{2}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$, S-27, Twp-10S, R-19W
-------------------------	--------------------	--

Ho. O. Bursum &
Kirkpatrick heirs
Socorro, N.M.

Trichly	1985	
Trichly Ex. 2	1985	
Trichly Ex. 3	1985	
Hoosier		58.19

Mineral Survey <u>Numbers</u>	<u>Acres</u>	<u>Taxes</u> <u>Due</u>
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Lehigh Metals Co. (Cont.)

Johnson 2,3,4,5,6,10,11,13, 12,14,15,16,18,20,21,25,26,	1625	
The First Attempt	1652	
Slayback	560-A	
Free Milling	561-A	
Little Fanny Millsite	1567	
Water Supply Ranch	Total-872.398	\$559.12
Homestead Grant		S1,Twp-11S, R-19W

George R. Newbold
Address Unknown

Millsite Patent #025075	1907		S-1, Twp-10S, R-19W
Lode Claim Pat.02577	1906	492	Survey A & B S-8, Twp-10S, R-19W

134130'34

UNITED STATES SMELTING, REFINING AND MINING COMPANY

COPY

FOR Boston Office

AIRMAIL.

January 6, 1945.

Mr. O. J. Egleston, Vice Pres. & Cons. Engr.,
United States Smelting, Refining and Mining Co.,
P. O. Box 2137, Boston 6, Mass.

Dear Mr. Egleston:

In order to get it in the mail this week-end I have had to hurry somewhat in writing the enclosed presentation of a 51% interest in the Silver Creek Mining Company's business in the Torgellon District, New Mexico. This presentation is not final but for the purpose of acquainting you all there with the nature of the business in the hope that I may have from you by the end of next week an expression of opinion whether or not you would care to have us press negotiations further. My own recommendation is that we do so and I will have an opportunity when in Silver City the week of January 15th-20th.

If I can assure Messrs. Wright and Goodbury of the Silver Creek Mining Company of Boston's interest in the business they will be reasonable as to the time required to work out a satisfactory written agreement, at the conclusion of which a substantial commitment, possibly \$50,000, will be required. At the present such a payment would be required on the 29th of this month, a fact which I find I omitted from the resume. I will be available by wire or telephone at the Mayflower Hotel, Los Angeles, from the evening of Thursday, January 11th, until Saturday evening, the 13th, and at the Murray Hotel, Silver City, January 15th-20th. I would appreciate your comment before or on the day of my arrival at Silver City.

Yours very truly,

R. N. Hunt

R. N. Hunt.

RNH/G

Incls.

Extra cc - Boston office

cc - Mr. F. S. Bullock

- Mr. T. F. Billings.

*Mr. Egleston - I have not yet
returned to my office and I will be
away from the 11th until the 13th. I
will be in Silver City the week of
January 15th-20th. I will be in
Silver City the week of January 15th-20th.*

UNITED STATES SMELTING REFINING AND MINING COMPANY
NEWHOUSE BUILDING
SALT LAKE CITY 13, UTAH

January 6, 1945.

Mr. M. H. Kuryla, Vice President,
United States Smelting Refining and Mining Co.,
P. O. Box 2137, Boston 6, Massachusetts.

RE: BEARUP OR SILVER CREEK MINING COMPANY PROPERTY,
MOGOLLON DISTRICT, CATRON CO., N. M.

Dear Sir:

Our sampling and study of the Bearup or Silver Creek Mining Company property itself is as nearly complete as it will be at this stage. Mr. Tuck will visit certain other properties in the district, particularly ground adjoining the Bearup on the north controlled by one W. T. Weatherby, a resident of the district, and upon which Mr. Theo. W. Carter (through whom we have the option upon an interest in the Bearup), now holds an option upon a lease on favorable royalty terms.

I would appreciate an expression of opinion upon this business as presented below. If you gentlemen consider you will turn it down later, could I be advised of that probability now so that I may promptly release the option? On the other hand, if you agree the business is of interest, or would be with any reasonable modification of terms, I will visit the property and if I find no change in the picture as we have it from Messrs. Neuman and Tuck, I will press negotiations while in Silver City, January 15th-20th.

If I could have your views before arriving in Silver City, it would facilitate negotiations and might save me some embarrassment. I will be in Los Angeles at the Mayflower Hotel from the evening of Thursday, January 11th, to Sunday morning January 14th, possibly until the afternoon of the 14th, depending upon which train I am able to obtain a reservation thence to Deming, New Mexico.

Going by air-express with this letter is a roll of maps and sections on 200- and 40-scale prepared by Messrs. Neuman and Tuck. Attached is a small scale and somewhat diagrammatic, longitudinal section made along the Eureka Vein, which brings together most of the underground information pertinent to the business and the development job.

PROPERTIES:

The Bearup property consists of 29 unpatented lode locations in a group about 3000 feet wide (east and west) and 6500 feet long (north and south). The Eureka Vein, with which we are concerned, is centrally located within this area and should traverse the entire group longitudinally if it continues on its present average course. The Weatherby Lease, it appears, might cover approximately 1200 to 2500 feet of additional strike length. The length depends upon whether or not the vein at its apex falls without or within the Red Rock claim owned by Weatherby. There is no outcrop. Slide rock covers the surface. The situation is wholly blind.

DEVELOPMENT - GRADE - TONNAGE:

The owners and their successors, the Silver Creek Mining Company, have done a few thousand feet of work, chiefly in the two adits: Nos. 4 and 5, which unfortunately are only 40 feet apart vertically, and an intermediate stoping level between them. Our sampling has indicated that beneath the floor and above the back of stopes in these workings, the Eureka Vein contains a probable 7800 tons of silver-gold ore carrying 0.458 Oz. gold and 26.26 Oz. silver. Mr. Neuman's results compare favorably with the average production to date: 4148 tons at 0.504 Oz. gold and 27.128 Oz. silver. Measuring stopes and workings on the vein, Mr. Neuman computed a volume equal to that of 4746 tons. Of this, the tonnage shipped (4148) would be 90%, a check which suggests that there was little sorting of the ore shipped.

NOT A GOLD MINE - SAME PRIORITY AS BASE METAL MINES.

46% of the above value is gold and 54% is silver, and the high silica content makes the ore extremely desirable flux material at the El Paso smelter. As a consequence, the Silver Creek Mining Company obtained a permanent rating without tonnage limitation with a Serial Number under F-56 (47-141?) and the same priority as base metal mines. We are advised and believe the only restriction upon shipments are those imposed by development and manpower available to the mine, which in 1945 would probably be limited to 20-25 wage earners.

Messrs. Neuman and Tuck give us 7800 tons of probable ore such as the above with some additional in sight to a depth of 80 feet below present tunnel floors to raise this total to about 10,000 tons. This probable ore is indicated by solid color on the attached longitudinal section.

NET SMELTER RETURN ON PRESENT SILVER CREEK MINING COMPANY'S CONTRACT:

Ore of the grade indicated by our sampling shipped as crude ore to El Paso on the smelter schedule of the Silver Creek Mining Company is worth \$32.05 per ton before smelter deductions and transportation charges amounting to \$10.90 (assuming 5% moisture), or a Net Smelter Return to the mine of \$21.15. Deducting a 10% royalty of \$2.11 payable to the owners by the Silver Creek Mining Company or its successor, and 2%, or 42¢ (up to a total of \$25,000) to one Brown, and an assumed mining cost of \$6.00, would leave a net operating profit to the mine of \$12.62 per dry ton.

Under terms proposed by the Silver Creek Mining Company, 25% of this profit would go to ourselves and the balance to the Silver Creek Mining Company to be credited upon the next annual payment of \$62,500, or, assuming 10,000 tons mined during the first year of operations:

\$31,500 to United States Smelting Refining and
Mining Company, and
\$94,650 to the Silver Creek Mining Company.

Under present proposals, should we make a down-payment and take up the business, we would be permitted to mine and develop entirely as we see fit. The proposed terms and those of a counter-proposal will be covered in later paragraphs.

The grade as indicated by our sampling confirms representations by the owners. The structural picture, however, is doubtful and somewhat discouraging from the standpoint of a large tonnage. The vein is narrow (4-1/2 feet on the average) though it has bulges up to two and three times that width. It dips 50-60° easterly. Walls are good. Workings are untimbered and almost dry. A small flow of 10-15 gpm. issues from the solid rock portion of the No. 5 Tunnel, but is reduced by seepage into the slide rock near the portal to 1-2 gpm. This flow is the present supply for camp and mine plant.

CUT-OFF OR FAULTING BY GREAT WESTERN FISSURE:

The Eureka Vein dips 50-60° to the east. About 100 feet ^{from it} westerly/ and parallel in strike is the Great Western fault with a dip of about 30° easterly. (Tuck says this is not the long structure shown on the U.S.G.S. maps). The flatter dip of this parallel structure indicates pretty definitely that it would intersect the Eureka Vein beneath present workings at a distance down-dip of not much greater than 80 to 100 feet. The two structures are not strictly parallel since the Eureka Vein varies considerably in strike - so much so that it is doubtful whether they will converge or diverge north of present faces. In plan these two structures meet in Nos. 4 and 5 tunnels. As mapped and construed by Messrs. Tuck and Neuman, the Eureka Vein appears to terminate against the Great Western structure. If it does not terminate it is faulted in some fashion beyond present workings. In Mr. Tuck's study of the surface

he has developed the idea that the Great Western may have a moderate displacement only, something in the range of 100-300 feet, and that it may be a reverse fault. His idea is only a "hunch" based on surface relations which he cannot definitely carry underground, though there is nothing in the underground picture adverse to such theory. The attached section through our Drill Hole No. 14, and two on 200-scale described as "R" and "S", show this possibility suggested by Mr. Tuck.

Here then is the first problem in any development: To ascertain, probably by diamond drilling, whether or not there be a faulted, downward extension of the Eureka Vein. I suppose we can assume that the vein once had a downward extension. It is a question of the amount and direction of any faulting.

POSSIBILITIES UP-DIP AND ON STRIKE:

The second problem is the obvious one of extent on strike. The wavering strike of the vein in less than 500 feet of present development makes it difficult to project northerly beyond present faces. Though present faces are at present in low-grade ore, excellent values occur so close behind that we may have confidence that average values of good grade will continue some distance, at least, beyond present faces. But they may go a short or a long distance. The matter is entirely dependent upon the structural relation of the Eureka Vein to the Great Western fault and the natural length of the oreshoot as originally it grew in the vein.

The surface above these workings is wholly blind. Mr. Tuck has searched carefully and found no outcrop that he can correlate with the Eureka Vein. A collection of 20-30 pieces of float found on the Red Rock claim (see 200-scale surface map) assayed 0.49 Oz. gold; but Tuck considers it came from some source higher and to the east. Bedrock surface is buried beneath a mantle of slide rock and since the strike of these structures parallels for a considerable distance north and south

cliffs of rhyolite of considerable height, there is little prospect of learning much of their extent on the surface except by tunnels or drill holes.

The longitudinal section attached indicates the possibility above the Great Western fault and below slide rock (using an allowance of approximately 100 feet for a depth of slide rock) of 300 feet of backs. Such backs, plus 80 feet below No. 5 adit, in 1000 feet of strike length north of present faces could contain 160,000 tons of ore in a 5-foot vein if the entire extent of the vein be ore, or proportionately less depending upon the proportion of waste to ore assumed. I think there would be a chance of 75,000-100,000 tons. The situation is so hopelessly blind that it is less than usually helpful to try to forecast potential tonnage within any assumed geometry. The development job on strike would be that of pushing the face of No. 5 north as far as it might seem advisable to go in the light of results obtained. Vertical development could be by short cross-cuts and preliminary drill holes or raises, or both.

DEVELOPMENT, EXPENSE AND CREDITS FROM ORES:

At the outset development would have the two obvious objectives of determining the extent of values on strike north of present faces, and whether there be a sub-fault segment of the Eureka Vein.

The face of No. 5 adit would be continued northward in ore beneath the sill of the stoping on the Intermediate level. A 125-foot cross-cut would be driven into the footwall at the north end of either the #5 adit or the Intermediate level and from it two drill holes of 600-700 feet each put down beneath the Great Western fault to check the position of any possible sub-fault segment of the Eureka Vein such as that shown by Tuck in Section "S" herewith. The up-dip and down-dip extent of values in the Eureka Vein could also be tested by 150-250 foot holes from this same cross-cut. Cross-cutting and drilling on the Intermediate level

would interfere less with advancing of No. 5 adit level and would be better placed on strike. Interesting values in the sub-fault holes would immediately shift emphasis to possibilities down dip, probably additional down-dip drilling from either surface or underground set-ups, and with continued success to a sinking operation.

To reduce matters to figures I have assumed the development indicated in dashed lines on the longitudinal section to be about the amount of work we might reasonably expect to do with a small crew in about one year's time at a cost of \$98,000, apart from payments to Silver Creek Mining Company and credits from shipments of ore. On a separate sheet (Page 8) inserted here is an outline of a development set-up and the cost. If, at the same time, whether from development or by mining of the estimated ore, we mined 10,000 tons of ore like that shipped to date, there would result a credit in net smelter returns to the mine of \$126,000 to be applied on our expenditures in work and an initial payment of \$50,000 to Silver Creek Mining Company. Our net out-of-pocket expense for the year or just prior to any second payment to Silver Creek Mining Company might therefore be:

Initial Payment	\$50,000
In work	98,000
Total	\$148,000
Credit	\$126,000
Balance	\$22,000.

Whether we made a second payment would depend upon results at the time.

SUMMARY OF DEVELOPMENT EXPENSE (ONE YEAR):

Equipment:

Compressors (500 Cu.Ft. and 227 Cu. Ft.)
 Mucking machine, scraper, Tugger hoists (4), etc.
 Drills, cars, etc.
 Shop and hand tools
 (Assume purchase of Gold Hill equipment
 @ \$22,000, freight and haulage both ways
 Utah to mine @ \$1920, and fifth of cost
 charged to job if equipment returned to
 Utah).

\$6500.

Construction:

Renovation of existing bunk and cook
 houses: \$2500.
 Road work 1000.
 100-ton bin 2000.
 Shop quarters in existing mill building 500.
 Dry 1500.
 Installation of Equipment 2500.
 Underground water supply and storage 500.

\$10500.

Operating Expense:

Supplies:

Steel, explosives, timber, carbide,
 fuel oil, etc. \$14000.

Supervision and Labor (Average number of
 men employed: 19.7).

Staff: Supt., 1 clerk, 2 shifters

Crew: All figured as miners @ \$8/day
 except shaftmen @ \$10) \$48,000.

Camp Expense: (Boarding house loss, etc.)

5413 man days @ 50¢ per man per day

\$2700.

Travelling expense & misc'l 1300. 4000.

Diamond Drilling, 4200'

15000.

\$81000.

TOTAL (3000+' of workings, 4200' drilling)

\$98000.

Total 98,000
Equipment 6,500
Construction 10,500
Operating 81,000
Total for 3,000' workings 98,000
How about storing?

METALLURGY:

The metallurgy of other operations in the district is apparently encouraging in that recoveries of 88-90% of values in gold and silver by cyanidization have been obtained. Herewith are photostats of tabulations of five years' operation (1937-1942) of the Lehigh Metals Company mill by Ira Wright and associates.

ROADS, TRANSPORTATION CHARGES:

The mine is approximately 75 miles from the railroad at Silver City, from which point freight on \$30 ore to El Paso is \$1.25 plus 3% Federal tax. Present operators pay \$4.00 per ton for truck haulage mine to Silver City. The road is excellent to within 6 miles of the camp. The last 6 miles is fairly good road but, I am told that a bulldozer at an expense of less than \$1000 could put a one-half mile stretch into good shape for heavy trucking, and that some such expenditure would be advisable.

POWER:

There is no power nearer than Silver City at the present time. But Mr. Ira Wright, Manager, Silver Creek Mining Company, states that a rural electrification project has been approved and supplies even ordered, but that it is held up at present by priorities. This power project entails a 33,000-volt line as far as Gila, 44 miles distance from the mine, and a 11,000-volt line to Glenwood, 6 miles distant. This power would be the same as that we now use at Bayard.

WATER, TAILINGS DISPOSAL:

Though the matter is subject to further investigation, water for milling purposes is presumed to be available in a nearby creek known as Mineral Creek between which and the mine (on land held by Silver Creek Mining Company and covered by any deal) may be found a convenient mill-site and adequate opportunity to dispose of tailings in a situation beyond the reach of floods which might carry them to farming areas downstream.

CONTRACTS AND TERMS:

Option from Owners to Silver Creek Mining Company:

The Silver Creek Mining Company is an association of partners, the names of most of whom I have supplied in a previous memorandum. Among them are: Mr. Ira Wright and our own attorney, Mr. J. F. Woodbury. Wright acts as spokesman and manager for the group. The Silver Creek Mining Company holds a 10-year option to buy the ground in question from its owners for \$250,000 on which some few thousand dollars have been paid. Payments are in royalties only, at the rate of 10% of net smelter returns

on crude ore after smelter and transportation charges, and 8% on net returns to the mine from ores milled. This presumably would be 8% of the net mint return. This option is renewable for an additional period of ten years if a mill of at least 50 tons capacity be in operation at the end of the ten-year period.

Agreement Covering Commission, Silver Creek Mining Company to Brown:

The Silver Creek Mining Company obtained this option through an intermediary by the name of Brown, and has an agreement whereby they pay him \$25,000 commission (if and when) in the form of an over-riding royalty of 2%. Possibly, a third to one-half of this sum has been paid.

Agreements Covering Option and Commission to Theo. W. Carter:

The Silver Creek Mining Company has given a Mr. Theo. W. Carter of El Paso an option to dispose of a 51% interest in these agreements for a commission of 5% of \$500,000 asked in stated payments or out of profits. This commission to be paid by the Silver Creek Mining Company. Mr. Carter first took the property to the American Smelting & Refining Company who sampled and studied the situation and declined the business, we understand, on terms. In fact, we followed on the heels of A. S. & R. Co. engineers by a matter of scarcely two weeks' time.

The Carter option, as it first came to me, called for the purchase of the 51% interest by the payment to the partners of \$500,000, in stated minimum payments, or royalties, as follows:

On execution of agreement between
Silver Creek Mining Co. and United
States Smelting Refining and Mining
Company

+	Jan. 29, 1945	\$ 50,000.
"	Jan. 29, 1946	100,000.
"	Jan. 29, 1947	150,000.
"	Jan. 29, 1948	200,000.

During this three-year period we to have possession and full direction of any operation and be free to quit at any time. We would be permitted

to mine and ship ore now in sight or any developed, or hold it in reserve for a future mill. Until the Silver Creek Mining Company has received \$500,000 any net profit after all costs of operation would be divided between the Silver Creek Mining Company and United States Smelting Refining and Mining Company, respectively, 75-25%. After the Silver Creek Mining Company has received \$500,000 our positions to be reversed and we to receive 75% of profits until our total profit from the operation amounted to \$500,000; and profits to be divided 51-49 thereafter.

The above terms have been modified already in telephone conversation between myself and Mr. Holbrook here in Salt Lake and Messrs. Wright, Carter and Woodbury, in Silver City. In that conversation Mr. Wright stated that he and his associates would insist upon three points:

1. A down payment of \$50,000.
2. They to retain a free and protected 49% interest in the Bearup property.
3. And a similar interest in any other properties taken up in the district.

I did not think it expedient to debate the first two, which are fundamental, but I did object to the third as being too broad. In the last analysis I would compromise on properties within some limited distance of Bearup holdings such as 2500-3000 feet. Mr. Wright indicated further that the period of payment might be extended to as much as eight years and payments reduced to \$62,500 annually. He indicated also that the 75-25 split of profits might be limited to the first couple years or some such period. Mr. Wright did not care to negotiate at length over the phone but indicated that he and his partners would be glad to compromise other points if we were sincerely interested in going ahead in developing a permanent operation.

In presenting the matter I assume the above set-up is not satisfactory and the business on such terms probably would not be acceptable;

and that in further negotiations I might obtain terms such as the following, - on the basis of which, rather than the foregoing terms, I ask you to consider and comment upon the business:

1. Lease-option upon 51% interest in above Bearup-Brown agreements for a period of 8 years, whereby with success USSR&MCO would acquire a 51% equity in the properties.
2. Minimum Payments:
On execution of agreements, February, 1945, \$50,000; February 1946, \$62,500; February 1947, \$30,000; and on each February of six succeeding years, \$59,916. Net profits to be divided, 60% to the Silver Creek Company, 40% to USSR&MCO. USSR&MCO. in first and second years to do 250 man-shifts work per month. Profits to apply on payments, and be split 51/49 after S. Ck. Ing. Co. receives \$500,000. If at any time USSR&MCO. commit itself to the construction of a mill of a capacity in excess of 100 tons, all obligation for payments to cease - but profits from the operation of such mill to be divided 60-40 basis until the total received by owners from the operation, exclusive of initial payment of \$50,000, amount to \$250,000, and on a 51-49 basis thereafter.

Profits to be net after all normal and legitimate costs, but exclusive of overhead items for management apart from actual salaries of men employed in the business - or, if possible, in lieu of a direct profit sharing plan, a royalty set-up a la Block advance royalty-lease plan.
3. On making initial payment we to take full possession and be free to mine and develop as we see fit.
4. Should any of the partners in the Silver Creek Mining Company wish to sell his interest, he to give an option, upon terms as favorable as any offered by other parties, to USSR&MCO. Similarly, USSR&MCO. to be obligated to sell out to the Silver Creek Mining Company, or its partners, in the event it wished to dispose of its interest.
5. Any other properties taken up by either USSR&MCO. or Silver Creek Mining Company or any of its partners as individuals, to be included in the deal, insofar as they may lie within 3000 feet of the exterior boundaries of the present Bearup property (in northerly and southerly directions ?).

Total = \$501,496.

13 12 11 10 9 8 7 6 5 4 3 2 1

POSSIBLE PICTURE:

If potentialities be assumed to be 500,000 tons of \$15.00 ore in sight after two years' work, the following would be the result:

Assume:

500,000 Tons @ \$15 or @ 90% Rec. \$13.50:	\$6,750,000.
Direct Operating Cost of \$7/ Ton:	3,500,000.
Profit before amortization of property & plant:	<u>\$3,250,000.</u>

Property:	\$225,000.	
Development:	225,000.	
Plant and Facilities:	125,000.	
250-Ton Cyanide Mill:	<u>325,000.</u>	\$ 900,000.

Balance:		\$2,350,000.
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To Silver Creek
Mining Company

To USSR&MCO.

Initial Payment	\$50,000	
@ 60% Net profits:	250,000	
@ 40% " " to US Co.		\$ 166,700.
49% of \$1,884,300:	923,307	
51% of \$1,884,300:	<u></u>	<u>\$ 960,993.</u>

Total on 500,000 tons:	\$1,223,307 - 51%	\$1,127,693. - 48%
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Assume USSR&MCO's Own Investment as follows:

Payments before decision to build mill:
(See second paragraph under "2", "Minimum payments," p. 12.)

Initial, Feb. 1945:	\$50,000.	
Feb. 1946:	<u>62,500.</u>	\$ 112,500.

Development work, two years:		<u>200,000.</u>
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Total		\$ 312,500.
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Credit from 10,000 Tons ore shipped, assuming no mining after prospect of mill seems good:		<u>\$ 126,000.</u>
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Net Expense to USSR&MCO. prior to Mill Const.:		\$ 186,500.
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Plant and Mill:		<u>\$ 450,000.</u>
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TOTAL:		\$ 636, 500.
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If there be no metallurgical difficulties or underground mining problems, and we anticipate none, the real risk in the above is limited to \$136,500. It would probably be less for we would likely not go that far unless the first year's work disclosed additional ore. Therefore, in the event of our failure to develop enough ore for a mill, some additional shipments of higher grade ore would likely provide credits reducing this figure. With adequate ore for a mill we would probably not regard further investment in mine plant and mill as a serious risk.

The fact of a small initial reserve of high-grade ore in this prospect and the right to mine it and apply the proceeds as credits make the offer of a 51% interest only appear far more attractive than it would in the usual case where we are asked to assume the full risk and expense of development and equipment.

The business on these terms and as an easily handled adjunct to our Bayard operation appeals to me. The prospect is wholly blind. It could develop, and the district might afford other resources tributary to such a mill, which would be below the elevation of the old mines.

TITLES:

Messrs. Cheney, Holbrook and myself at this stage are relying on Mr. Woodbury's statement to us that titles are satisfactory and that certain inconsistencies in the several existing agreements can be readily corrected.

ACQUISITION OF ADDITIONAL INTEREST:

We do not know whether or not any individual's interest in the Silver Creek Mining Company is available. We assume none is likely to be at the moment, but might possibly be in the course of two years, when all future returns after the second payment become directly con-

tingent upon profitable production.

Yours very truly,

A handwritten signature in cursive script, appearing to read "R. N. Hunt".

R. N. Hunt.

RNH/G

Extra cc to Boston (without sections).

cc - Mr. F. S. Mulock,
- Mr. T. P. Billings.

RESUME

Letter-Report on Bearup or Silver Creek Mining Company
Property, Mogollon District, Catron County, New Mexico,
January 6, 1945

by
R. N. Hunt.

Through an intermediary and agent for the Silver Creek Mining Company we are offered an opportunity to acquire a 51% interest in a ten-year option to buy through royalty payments only for \$225,000 twenty-nine unpatented mining claims owned by the Bearup family in the Mogollon district, Catron County, New Mexico.

I can also obtain a very satisfactory long-term lease upon the Weatherby ground adjoining to the north on the strike of the known veins.

Centrally located within these properties a few thousand feet of adit work has discovered a vein which is otherwise blind, unknown and without surface expression, the surface being almost altogether covered by talus and wash.

These adits according to our sampling in a vein length of 325 feet disclose a probable 7,800-10,000 tons of ore carrying:

0.458 Oz. Au
26.26 Oz. Ag
No other paying values.
Width: 74' @ 6.0'; 246' @ 4.6'

This compares with 4,148 tons mined prior to December, 1944 from these workings averaging according to smelter settlement sheets:

0.504 Oz. Au
27.13 Oz. Ag.

Ore of the above grade of our samples under the Silver Creek Mining Company's smelter schedule (AS&R - El Paso) would net the mine before royalty payments: \$21.15 per dry ton, or after royalties of \$2.53 applicable on the above purchase price, \$18.62.

There appears no limit in one direction on strike to these values. They may be cut off or at least displaced by a parallel fault structure at a dip-length distance of 80-100 feet. To prove whether there may be little or much additional ore would require one to two years' development by drifting, raising, sinking and diamond drilling with a small crew of 15-20 wage earners at an estimated cost of about \$100,000 a year before credits for ores shipped and payments to Silver Creek Mining Company. There will be no electric power for the development period, but electric power may be available six miles distant within a short time after priorities are relaxed.

The terms on which this business is offered are to some extent subject to negotiation, but will probably require:

- (1) A commitment for \$50,000 upon execution of any agreement.
- (2) A minimum by or at end of first year of \$62,500.
- (3) Until Silver Creek Mining Company has received a sum probably of not less than \$300,000 (\$500,000 asked) 60% of profit, or equivalent under some royalty arrangement, to go to Silver Creek Mining Company and be applied upon substantial annual minimum payments to be stipulated. (\$62,500 asked.)
- (4) After \$300,000 (or \$500,000) received by Silver Creek Mining Company, profits to be divided on 51/49 basis.
- (5) We to have possession and entire discretion as to the operation after initial payment, and may mine and sell ore now in sight or any developed.
- (6) I would propose that if and when we commit ourselves to build a mill of 100 tons or more all annual minimum payments cease and profits thereafter be divided on 51/49 basis.

Assuming the more favorable terms and figures above to be obtainable, it appears that one year's development with a small crew at a cost of \$98,000 in the work itself plus an initial payment of \$50,000, but less a credit of \$126,000 possible from the sale of ore, would mean only a small net out-of-pocket expense, even though we abandoned the project then.

With sufficient success in the first year, a second year's work at a cost of \$100,000 plus a payment of \$62,500 should bring us to a decision as regards a mill. If favorable, minimum payments would cease and all further investment would be limited to work, mine plant and mill.

Therefore, we might:

- (1) Disprove chances in one year for a matter and risk of \$22,000-\$50,000.
- (2) Prove up a milling operation in two years' work at a total net risk in work and payments of \$135,000. (No ore credit in 2nd year's work)
- (3) When the necessary tonnage is proven finance mine and mill, say \$450,000. (250-ton cyanide plant).

If we assume two years' work has sufficiently proven a reserve of 500,000 tons of \$15.00 ore (we must assume that with further development the grade will decrease), 90% recovery of values, the above investment in mine plant and mill, a total of \$225,000 net in development, -after \$225,000 covering purchase of the properties, and a direct operating charge of \$7.00 per ton, there would be a distributable balance of \$2,350,000, of which under the above terms the Silver Creek Mining Com-

pany would have received \$1,223,000 and USSR&MCO \$1,123,000.

To recapitulate:

- (1) One year's development at a risk of \$50,000.
- (2) Two years' development at total risk of \$135,000.
- (3) Investment in mine plant and mill: \$450,000.
(Don't know, might be advance repayable
in part or all by percentage of subse-
quent profits before any distribution).
- (4) Distributable profits from 500,000 tons of
\$15 ore:
To USSR&MCO: \$1,123,000.
after allowing for amortization of
\$900,000 in property purchase, devel-
opment, mine and mill plants, of which the
balance after property purchase, \$775,000, would
be a distributable cash reserve.

The operation would be conveniently looked after by our Bayard management.

The mill in elevation would be below the older parts of the district, should there be ore in other properties which could be made available to it. I have gossip only regarding other properties of the district.

PROCEDURE:

If the prospect as described is of interest on the terms offered and modified here by me, please wire or telephone me at the Mayflower Hotel, Los Angeles, California, between late Thursday afternoon January 11th and Saturday night January 13th; or at the Murray Hotel, Silver City, New Mexico, Monday the 15th.

It would facilitate negotiations if I could have your comment on or before my arrival in Silver City. If it be favorable I plan to visit these properties accompanied by Mr. Duriez and either Mr. Billings or Mr. Knaebel; and then, if satisfied with what we see and learn, I will press negotiations while in Silver City, January 15th-20th.


R. N. Hunt.

RNH/G

Salt Lake City, Utah,
January 6, 1945.

PRESIDENT'S OFFICE COPY

January 11, 1945

M E M O R A N D U M

Bearup Property

1. Main objection to deal with is that U.S.Co. would have only 51% interest.
2. On account of L-208 order, if shipments stopped under present conditions no work could be done on property without permission from W.P.B. Any violation of L-208 might jeopardize permission to operate in Alaska. If permission now granted to operate Bearup after we cease shipping obligation to make payments might be very burdensome.
3. We have no information as to amount of ore A.S.& R. would take. As it is used for flux, shipments might be stopped anytime.
4. No electric power available until priorities are lifted.
5. Hunt asks we consider deal as follows:-
 1. Lease-option upon 51% interest in Bearup-Brown agreements (of which we have no copies) for period of eight years.
 2. Minimum payments Feb. 1945 - \$50,000, Feb. 1946 - \$62,500, Feb. 1947 - \$30,000 and in Feb. each succeeding 6 years \$59,916 - total \$501,996. Net profits to be divided 60% to Silver Creek - 40% to U.S.Co. to apply on payments and after Silver Creek receives \$500,000 to be split 51% to U.S. and 49% to Silver Creek.Net profits not clearly defined, nor is explanation made as to how payments of royalty to Bearup is to be taken care of. Whether U.S.Co. would stand 51% or all of payments to Bearup. If mill is decided on, with capacity in excess of 100 tons,

Profit to be 60-40 until total received by owners (probably means Silver Creek Co.) amounts to \$250,000 over and above the \$50,000 initial payment. Profits to be net after all normal and legitimate costs, or in lieu of profit sharing a royalty setup such as recently included in recent Bayard leases.

Such a proposed agreement would be difficult to handle and there would be chances for disagreements and difficulties where nine partners are involved, some of whom are associated with companies with whom we are in competition.

I would not favor going further with negotiations unless we could get an option on the whole property with reasonable payments to be made only if we are allowed to do development work under L-208 while no shipments are made.

O. J. Egleston
O. J. Egleston

OJE:HIB

Mr. Karyla:

K

1/16/45

The follow are averages of Ant-leuc sample assays of the Bearup Mine.

Newman assay: Length = 246' Width = 4.56' Au = .347 Ag = 20.43

Dividing the length, 246' into three Equal sections of 82' each and weighting the assays as best I can for sample width, the following show results of my calculations.

Not weighted for distances between samples			
	W	Au	Ag
1st Section	2.6'	.377	23.9
2nd Section	2.5'	.568	36.0
3rd Section	5.0'	.220	9.31
Average	3.4'	.346	19.6

Weighted for distances between samples			
	W	Au	Ag
1st Section	2.7'	.442	27.8
2nd Section	3.7'	.444	27.8
3rd Section	5.7'	.322	11.8
Average	4.0	.377	20.2

Face Section

Sample cut in north face assayed. W 4.6' Au .072 Ag 3.85

Note: The 1st + 2nd Section Each contain a sample with high gold assay.

L. F. C.

POSSIBLE EXPLORATION ON BEARUP AND OAKS CLAIMS

Bearup Claims

Prospecting on the Bearup claims has the following objectives:

- Fault.
Crack.
- A. Possible faulted segment of Eureka vein on footwall of Great Western
 - B. Possible faulted segment or continuation of Eureka vein south of Silver
 - C. Continuation of Eureka vein to north.

These three possibilities are discussed in the following paragraphs:

A. There is a good possibility, based on stratigraphic evidence, that the Great Western is a reverse fault. If the Eureka vein is cut by the Great Western then the faulted segment of the Eureka vein would be found in the footwall block of the Great Western and displaced between 80 and 170 feet on the fault surface. Such a condition would make it an excellent prospecting venture. However, it is not clear underground, whether the Eureka is cut or swings in and joins the Great Western structure. If the latter is true then no faulted segment could be expected below. The underground evidence to me favors the latter very slightly. This condition is common in the district, and strong east-west veins such as the Fanney and Last Chance swing in and join the north-south Queen vein. Conditions at the Bearup, however, differ as the Queen vein is a normal high-angle fault, whereas, the Great Western is low angle and reverse, and, therefore, probably of a different origin. The Great Western quartz, although usually barren, is also cut by the Great Western fault, which is a later movement. Even if the Eureka and Great Western quartz are the same, then the Great Western quartz may be a barren shoot of the same vein system, and, as it is probably faulted, it still remains a reasonable prospecting venture. I recommend that if the property can be obtained on reasonable terms that we explore by drilling for the possibility of a faulted segment below the Great Western Fault.

For this drilling there are two possible means of attack - underground or from the surface. Surface drilling should call for three holes, the first under the known ore shoot and the other two spaced 200 to 300 feet respectively to the north. The total depth of these three holes would be 3200 feet.

Three holes would also be necessary underground, spaced at intervals similar to the surface holes. These holes would be collared in the footwall and would parallel the Great Western Fault down to depths of about 600 feet. The logical point to drill one of these holes would be on the No. 5 level. This hole would have to be flared to the north to avoid the Creek Fault. The other two holes could be drilled from a crosscut beyond the present sublevel face. Such a crosscut to penetrate the Great Western footwall would have to be 100 feet long.

Cost of Surface Drilling 3200 feet - \$3.50 per foot	\$10,850
Cost of Underground Drilling 200 ft. at \$3.00 per foot	6,000
Cost of Underground Drilling Station on lower level	200
Cost of Underground Drilling 100 foot crosscut	1,500
	\$18,550

The cost of the underground drilling would be \$3,150 cheaper than that on the surface and would have the advantage of not missing the vein if the fault movement was greater than anticipated. The surface holes have the advantage of crosscutting a greater area including the Great Western zone, but could miss the vein if the movement was greater than anticipated.

B. The possibility of a faulted segment of the Lureka vein south of Silver Creek could only be tested by a surface hole. If the Great Western Fault had considerable horizontal movement then there could be a fault gap south of the intersection of the Great Western and Lureka. A surface hole 350 feet deep would explore this possibility. Probable cost would be about \$1225.

C. The continuation of the Lureka vein to the north will be best explored by drifting on the sub-level. The amount of such drifting cannot be anticipated. In addition several exploratory surface holes on the Red Rock claim, intersecting the projection of the Lureka vein to the north could be planned. Such holes would be at least 600 feet in depth each, and considerable casing through slide rock would be necessary. The twenty-five to thirty degree angle of such holes would also make them difficult.

Oaks Claims

The surface over the projected Oaks tunnel has not been mapped, but merely examined in a superficial manner. The Oaks tunnel is now in approximately 675 feet. On the surface a few hundred feet ahead of the face, there are several intersecting faults which make difficult the projection of several mineralized zones. It is probable, however that a flat 1000 foot drill hole ahead of the face would intersect the projection of several mineralized surface showings. Detailed mapping will be necessary before a final decision.

Ralph Tuck

January 17, 1945

**AMERICAN SMELTING AND REFINING COMPANY
EL PASO SMELTING WORKS**

ORE SETTLEMENT

El Paso, Texas 7-1-42
Smelter Lot 1623
Shipper's Lot _____
Classification Ore

Bought Of N.L. Brown Bearup Mine
Address Silver City, N.M.
Shipping Point Silver City, N.M.

O.	CAP		WEIGHT IN ASSAYED DIS MOUNTS					N.Y. METAL DEDUCTIONS		
	Initial	Gross	Sacks No.	Weight	Net Weight	Moisture %	Dry Weight	Settlement Date	B/L Date	
72072	AT				117720	4.7	112187	6-24-42	6-24-42	
								Silver .70325	Cts. per	
								Flt Silver		
								Lead \$6.50	Per 100	
								E.&M.J.		
								Copper .11650	Cts. per	

PAYMENTS FOR METALS					VALUE				
Assay Per Ton	2000 Lbs.	Deducted	Net Assay	Equiv. In Lbs	Percent Pd. For	Net Pd. For	Rate	Ant. Per Ton	Ant. Total
Gold	.27 oz.					.27 oz.	\$31.825	8.73	
Silver	12.0 oz.				95	11.4 oz.	.69125	7.88	
Lead	.04 %								
Copper	.04 %								
TOTAL PAYMENTS FOR METALS									10.61

DEDUCTIONS		Debits	Credits
ARE CHARGES: F.O.B. El Paso, for Metal Payments, not exceeding \$15.00 per ton		\$5.50	
2% of \$1.61 excess over \$15.00 per ton		.16	
Smelter's			
Copper Deficiency			

Analysis		Deduction	Net	Rate	
Insoluble	58.8 %				Cts.
Alumina	57.4 %				Cts.
SiO ₂	2.1 %				Cts.
Fe	%				Cts.
Mn	14.4 %				Cts.
Ca	.1 %				Cts.
Mg	.4 %				Cts.
Alphur	4.4 %				Cts.
Carbon	.10 %				Cts.
S	.10 %				Cts.
P	%				Cts.
TOTAL DEDUCTIONS		2.66			8.66
NET VALUE PER TON					12.95

		Debits	Credits
Total Value on	56.0935		
Less Freight on	58.860		
Less Demurrage			
Less Representation			
Less Duty and Brokerage			
Amount withheld pending receipt of Silver Affidavit			
Quality 10% 4/5% 31.92 1/5% 8.22			
BALANCE DUE SHIPPER		79.46	729.41
Amount for freight per net ton \$12.95		255.42	
		41.15	
		370.76	
		726.41	726.41

Done By _____ Checked _____ Correct _____ R.L.R. Approved _____

SMELTER RETURNS ON ORE SHIPPED

from

BEAUF NINE

by

N. L. BROWN

December 1, 1941 - January 11, 1942, Inclusive

DATE	SMELTER LOT NO.	DRY WEIGHT	AN. OZ.	AG. OZ.	AN \$	AG \$	VALUE/TON	AMOUNT PAID SHIPPER
12-1-41	5227	79261 lbs.	0.412	9.3	13.32	6.03	19.40	\$ 587.32
12-10-41	5543	112939 "	0.39	7.76	12.00	4.75	17.54	768.55
12-27-41	5574	113682 "	0.35	12.0	11.31	7.88	19.13	867.96
1-12-42	3633	111342 "	0.56	25.5	18.10	16.75	24.85	1661.78
1-26-42	104	116951 "	0.325	11.5	10.50	10.84	21.34	1009.16
2-5-42	280	118677 "	0.5575	31.65	18.02	20.78	38.80	2005.64
2-10-42	328	111810 "	0.565	15.3	11.80	10.05	21.85	987.28
2-25-42	507	118498 "	0.34	21.0	10.99	13.79	24.78	1202.75
3-9-42	467	115053 "	0.21	5.1	6.79	3.18	9.97	372.21
4-1-42	711	118061 "	0.14	7.7	4.52	4.98	9.50	354.18
4-13-42	945	97947 "	0.14	3.4	4.52	2.00	6.52	147.90
4-13-42	899	102394 "	0.085	3.2	2.75	1.87	4.62	72.00
5/4/42	1	42.109 tons	0.16	5.16	5.600	3.669	9.269	61.76
5/4/42	2	55.656 "	0.32	10.55	11.200	7.502	18.702	437.35
5/16/42	3	51.216 "	0.567	12.70	12.845	9.031	21.376	510.34
6-8-42	1406	105516 lbs.	0.555	33.15	17.94	21.77	39.71	1851.23
6-27-42	1538	115723 "	0.32	15.0	10.34	9.85	20.19	935.66
7-1-42	1623	112187 "	0.27	12.0	8.73	7.88	16.61	726.41
7-15-42	1733	111518 "	0.32	14.3	10.34	9.39	19.73	878.76
7-27-42	1842	102265 "	0.37	13.6	11.96	8.93	20.89	859.03
7-28-42	1880	106083 "	0.71	11.3	22.95	7.42	30.37	1345.73
8-12-42	1930	106609 "	0.73	19.7	23.59	12.94	36.53	1680.69
8-12-42	2001	116356 "	0.565	12.55	18.26	8.24	26.50	1271.19
8-15-42	2054	119444 "	0.41	15.4	13.25	10.11	23.36	1135.91
8-26-42	2099	100285 "	0.455	11.65	14.70	7.65	22.75	908.08
8-26-42	2141	104207 "	0.435	14.75	14.06	9.69	23.75	1009.24
9-1-42	2192	104159 "	0.49	16.35	15.84	10.74	24.58	1141.57
9-7-42	2099	100285 "	0.484	11.65	15.64	7.65	23.29	950.70
9-8-42	2223	100562 "	0.435	17.9	14.06	9.13	23.19	946.98

Smelter Returns - Bearup Mine

-2-

<u>DATE</u>	<u>SMELTER LOT NO.</u>	<u>DRY WEIGHT</u>	<u>AN. OZ.</u>	<u>AS. OZ.</u>	<u>AN. %</u>	<u>AS. %</u>	<u>VALUE/TON</u>	<u>AMOUNT PD. SHIPPED</u>
9-12-42	2688	97870 lbs.	0.305	13.9	9.96	9.13	18.93	736.17
9-24-42	2751	102227 "	0.33	14.6	9.37	9.53	13.96	770.00
11-9-42	2703	103754 "	0.18	7.0	5.92	4.43	10.51	398.95
11-20-42	2821	103.84 "	0.17	7.5	5.49	4.70	10.19	349.19
11-23-42	2945	110427 "	0.42	18.0	13.57	11.82	25.33	1151.20
12-15-42	3122	103501 "	0.455	16.1	14.70	10.57	25.27	1125.16
12-23-42	3029	107899 "	0.54	11.6	17.45	7.62	25.07	1102.20
12-23-42	3220	103405 "	0.48	20.4	15.51	13.40	28.31	1241.89
1-11-43	3280	110366 "	0.43	32.0	15.51	21.01	36.52	1737.79

SILVER CREEK

1943

*Original
Surrender*

LOT.	DRY WEIGHT	ASSAY PER TON AU. OZ.	ASSAY PER TON AG. OZ.	ASSAY PER TON CU. %	TOTAL AU. OZ.	TOTAL AG. OZ.	TOTAL CU. LB.	TOTAL VALUE	FREIGHT	TRUCK	ROYALTY	NET
617	64.9905	.34	21.1	.03	22	1371	39	1323.21	93.09	275.83	95.43	958.86
897	57.773	.59	42.87	.06	34	2477	69	1387.02	83.68	247.94	210.34	1893.10
1142	55.4515	.60	15.1	.08	33	937	33	1351.91	82.29	243.82	102.58	923.22
1504	59.192	.5575	41.2	.055	33	2439	65	2372.42	79.74	257.40	207.53	1831.75
1792	59.929	.405	28.5	.04	24	1703	48	1606.70	80.24	252.72	127.37	1146.37
1931	60.6665	.37	32.8	.05	22	1930	61	1729.00	82.75	265.22	138.11	1242.92
2099	62.985	.22	19.5	.03	14	1223	38	1007.13	84.50	266.15	65.65	590.83
2499	62.4555	2.5065	205.175	.21	156	12814	262	13162.50	85.46	275.23	1280.13	11511.58
2800	54.8285	1.23	108.2	.10	71	5332	110	5907.22	73.71	233.28	559.52	5035.71
3035	60.540	1.082	95.65	.085	36	5135	103	5219.73	82.75	260.63	487.24	4388.74
	598.8115				475	35381	828	35566.87	828.21	2533.27	3270.35	28985.04

$$\frac{28,855}{598.8} = \text{2 per day ton.}$$

$$\frac{475}{598.8} = \text{gals per ton.}$$

$$\frac{359.81}{598.8} = \text{gals per ton}$$

$$\frac{228}{598.8} = \text{4 cu per ton}$$

$$\frac{828.21}{598.8} = \text{Freight per day ton.}$$

1744

LOT	DRY	ASSAY PER TON		TOTAL	TOTAL	TOTAL	FREIGHT	HAULING	ROYALTY	UNPIPED	NET
	WEIGHT	AM. OZ.	AG. OZ.	AM. OZ.	AG. OZ.	VALUE					
67	63.9700	.54	45.0	35	2879	2683.74	85.82	270.31	232.55	5.12	2092.94
211	63.2980	1.125	91.3	71	5811	5800.63	86.78	273.38	544.05		4896.43
431	60.0525	1.245	94.35	75	5666	5837.10	81.92	257.99	543.72		4947.47
437	62.1065	.675	52.115	42	3237	3169.29	83.49	262.98	231.36	7.24	2534.02
589	60.4250	.4675	27.220	28	1644	1690.09	82.60	260.14	135.71	10.4	1303.40
655	60.5320	.59	28.75	36	1740	1994.53	81.55	256.84	165.62		1490.52
735	66.4620	.665	37.35	44	2516	2743.20	83.91	283.17	137.52		2137.60
821	61.4240	.625	31.96	38	1963	2222.25	85.78	267.89	136.80	7.24	1681.22
943	59.7680	.3675	16.75	22	1001	1111.09	81.10	255.44	76.33	6.24	631.48
1077	58.4445	.435	25.5	25	1490	1508.45	78.73	247.98	113.13		1063.56
1232	66.0460	.36	13.0	24	1139	1281.43	80.34	231.40	88.45	6.24	796.05
1453	64.6930	.49	26.0	31	1332	1305.58	88.45	278.51	14.87		1394.77
1654	66.1635	.46	38.15	30	2524	2310.43	89.32	281.31	193.37	6.12	1740.51
1832	60.4565	.465	22.55	28	1363	1502.25	82.30	259.13	116.14		1045.32
1931	53.1560	.64	31.5	27	1331	2115.13	79.19	246.25	178.74	10.24	120.41
2079	60.2355	.4195	17.55	25	1057	1239.04	81.65	257.17	89.40	6.24	804.58
2273	59.4220	.355	14.39	21	855	1000.07	80.38	253.17	65.47	12.24	598.85
2415	56.3145	.675	21.30	38	1304	1745.91	77.33	243.57	141.48	10.24	1373.63
2476	63.0825	.5375	17.3	33	1091	1483.85	84.64	266.56	117.06	5.06	1017.53
2513	59.9930	.65	27.1	39	1323	2008.53	80.82	253.57	168.30	5.11	1519.22
2551	57.3285	.4305	18.72	28	1073	1337.47	77.15	243.00	101.12	6.12	910.08
2623	57.7120	.29	11.75	17	673	772.13	76.35	241.33	44.66	6.24	401.36
2684	55.6090	.2625	9.3	15	517	615.04	74.91	235.95	20.42		273.76
2761	57.7560	.37	11.5	21	664	898.68	78.62	247.61	57.25		515.20
2834	53.5760	.53	24.27	28	1300	1563.88	73.32	229.69	119.11	7.24	1074.62

[illegible]

Silver Creek

SUMMARY

<u>BLOCK</u>	<u>LENGTH</u>	<u>WIDTH</u>	12 Cu.Ft./Ton Tons/Ft. <u>Height</u>	<u>Au</u>	<u>Ag.</u>	<u>Poss. Tons</u>
			<i>Tons per ft of height in plane of vein</i>			
<u>Back of Stone</u>						
No. 1	105	3.0	26.2	0.22	11.09	455
No. 2	47	2.5	waste	0.024	2.12	
No. 3	39	2.29	7.4	0.214	15.84	185
No. 4	66	4.08	waste	0.04	2.03	
No. 5	90	3.4	25.5	0.31	11.4	638
Lower Drift	74	6.04	37.2	0.89	50.70	1860
Sublevel	246	4.56	93.5	0.34	20.45	4675

	<u>Tons</u>	<u>Au</u>	<u>Ag</u>	<u>Au Tons</u>	<u>Ag Tons</u>
No. 1	455	0.22	11.09	100.10	5045.95
No. 3	185	0.214	15.84	39.59	2930.40
No. 5	638	0.31	11.4	197.78	7273.20
Lower Drift	1860	0.89	50.70	1655.40	94302.00
Sublevel	<u>4675</u>	<u>0.34</u>	<u>20.45</u>	<u>1589.50</u>	<u>9560375</u>
	7813			3582.37	205155.30
TOTAL	* 7813 tons	0.458 Au	26.26 Ag.		

* Tonnage based on a 50 foot interval beneath the sublevel and the lower drift. 10,500 tons if an 80 ft. interval is used

J. V. Newman

[Signature]

BEARUP MINE

RECAP OF WEIGHTED AVERAGES

	<u>DRY WEIGHT</u> <u>TONS</u>	<u>OZ AU</u> <u>PER TON</u>	<u>TONS X OZ</u>	<u>OZ AG</u> <u>PER TON</u>	<u>TONS X OZ</u>
N.L. Brown	2035.78	0.5952	784182.46	14.415	293457.69
Silver Creek					
Mining Company	<u>2112.345</u>	<u>0.6199</u>	<u>1309441.11</u>	<u>39.3805</u>	<u>851951.04</u>
TOTALS	4148.1225		2093623.67		1125408.73
Averages		0.5947		27.1281	
		Oz Au		Oz Ag	
		Per Ton		Per Ton	

ASSAY RESULTS OF SAMPLES CUT AT SILVER CREEK MINE

	Gold Oz/Ton	Silver Oz/Ton		Gold Oz/Ton	Silver Oz/Ton
EC- 1	.01	0.54	E- 48	.01	0.9
2	tr	0.30	49	.01	0.8
3	tr	0.35	50	.01	0.8
4	tr	0.37	51	.01	3.9
5	tr	0.32	52	.01	1.5
6	tr	0.35	53	.01	0.4
7	tr	0.32	54	.01	2.9
8	tr	0.24	55	.01	1.9
			56	.01	3.5
E-210	.24 ✓	23.5	57	.34 ✓	25.3
211	.48 ✓	31.5	58	.30 ✓	19.4
212	.02	4.1	59	.01	0.9
213	.68 ✓	32.1	60	.63 ✓	42.4
214	.01	1.0	61	.02	1.6
215	.31 ✓	11.1	62	.17 ✓	6.5
216	.08	4.8	63	.02	0.1
217	.06	4.6	64	.01	0.1
218	.45 ✓	16.8	65	.03	1.9
219	.25 ✓	22.7	66	.01	0.7
			67	.01	0.6

	Au	Ag
E79	0.03	1.8
80	0.02	1.4
81	0.22 ✓	4.0 *10.5
82	0.21 ✓	9.8
83	0.24 ✓	11.1
84	0.08	3.4
85	0.20 ✓	9.2
86	0.15 ✓	6.0 - 9.5
87	0.04	1.7
88	0.07	3.0

BEARUP MINE
CATRON COUNTY, N. M.
MILL AND SMELTER REMAINS

WEIGHTED AVERAGE

TO N. L. BROWN

DRY WEIGHT LBS	OZ AU PER TON	LBS X OZ AU	OZ AG PER TON	LBS X OZ AG
72261	0.412	52655.53	2.7	7710.73
118939	330	44046.21	7.36	83125.10
118932	750	39788.70	12.0	146418.40
111842	560	66351.52	25.5	283928.10
116051	325	38009.08	10.5	192069.15
118677	5575	66182.43	31.65	775610.71
111310	365	40810.65	15.3	171069.50
118493	340	40292.32	21.0	248345.80
115058	210	2418.18	5.1	58672.58
118091	140	16528.54	7.7	90306.97
97247	140	13712.58	3.4	33301.98
102724	085	8703.49	3.2	32786.08
84218	160	15474.88	5.16	43456.49
111312	320	35619.84	10.55	117434.16
102432	367	37592.54	12.70	130083.64
105516	555	58561.38	33.15	343785.54
115723	320	37032.96	15.0	173532.00
112187	270	30290.49	12.0	134624.40
111518	320	35685.76	14.3	159470.74
102265	370	37838.05	13.0	179080.40
106038	710	75322.48	11.3	119879.44
106609	730	77824.57	13.7	210013.73
113756	565	65741.14	10.55	146026.78
119444	410	48972.04	15.4	183943.76
100085	455	45629.67	11.65	116832.03
104207	435	45330.04	14.75	153705.32
104158	490	51037.42	16.35	170298.35
100285	484	48537.94	11.65	116832.02
100369	435	43660.52	13.9	139512.91
97570	305	29758.85	13.9	135622.30
102257	290	29654.53	14.6	142295.22
108354	180	19503.72	7.0	75347.80
103234	170	17558.28	7.3	75397.32
110427	420	46379.34	18.0	138768.60
108501	455	43367.96	14.70	153496.47
107399	540	58265.46	11.6	125162.84
103405	480	40634.40	20.4	210946.20
110266	480	52927.68	32.0	752851.20

4071580

1568422

5869287

Average

0.3352
Oz Au
Per Ton

14.415
Oz Ag
Per Ton

20007

BEAUF MINE
CATRON COUNTY, N. M.

SMELTER PATTERNS

1943 WEIGHTED AVERAGES TO SILVER CREEK MINING CO.

DRY WEIGHT TONS	OZ AU PER TON	TONS X OZ AU	OZ AG PER TON	TONS X OZ AG
64.8205	0.34	22096.77	21.10	137129.95
57.773	59	34086.07	42.87	247672.85
55.4515	60	33270.90	15.10	83731.76
59.192	5575	32999.54	41.20	243871.04
59.229	405	24271.25	28.50	170797.65
60.6665	370	22446.60	22.80	132386.12
62.985	220	13859.70	12.50	122820.75
62.4555	2.5065	156544.71	205.175	1281430.72
54.8285	1.290	70728.76	103.20	593244.37
60.540	1.092	65504.28	35.65	578525.10

total 598.9115
1943

0.7345

475807

61.091

7653911

1944

57.970	0.540	34543.90	45.00	287865.00
65.293	1.125	71210.25	91.80	581075.64
60.0595	1.245	74765.36	94.35	566595.34
62.1065	675	41921.88	52.115	325668.02
69.425	4675	28248.68	27.20	164556.00
62.522	590	35713.88	28.75	174029.50
66.402	665	44197.23	37.85	251558.67
61.424	625	39390.00	31.96	196311.10
59.768	3675	21964.74	16.75	100111.40
58.4445	435	25423.35	25.50	149033.47
66.046	360	23776.56	18.00	118892.80
64.695	490	31699.57	26.00	163201.80
66.1635	460	30435.21	28.15	252413.75
30.4565	465	28112.27	22.55	136329.41
59.156	640	37219.84	31.50	183191.40
60.2355	4195	25268.79	17.55	105713.30
59.422	355	21094.81	14.33	85508.26
56.8145	675	38349.79	21.20	120446.74
64.0825	5275	33276.02	12.30	109132.72
59.898	650	38998.70	27.10	162594.53
57.3385	4905	28119.63	18.72	107318.95
57.712	290	16736.48	11.75	67311.60
55.609	2625	14597.36	9.30	51716.37
57.756	370	21369.72	11.50	66419.40
52.576	530	28395.28	24.27	130028.95

total 2112.3415

0.6199

1309637

33.3805

8318524

ASSAY RESULTS OF SAMPLES CUT AT SILVER CREEK MINE

	Gold Oz/Ton	Silver Oz/Ton		Gold Oz/Ton	Silver Oz/Ton		Gold Oz/Ton	Silver Oz/Ton
E- 1	.33	17.5	E- 75	.15 ✓	11.5	ES- 1	.01	.20
2	.12	11.9	76	.02	1.4	2	.01	.50
3	.14	8.7	77	.18 ✓	14.4	3	.12 ✓	11.5
4	1.58 ✓	129.1	78	.06	3.2	4	.01	0.3
5	1.70 ✓	130.4				5	tr	0.3
6	.05	2.4	101	.04	1.4	6	.01	0.2
7	.14	10.1	102	.23 ✓	8.0	7	.015	1.0
8	1.40	90.7	103	.02	1.2	8	.04	2.0
9	2.42 ✓	198.4	104	tr	0.3	9	.05	2.0
10	.07	3.9	105	.02	0.7			
11	.07	6.6	106	.10	4.3			
12	.28 ✓	20.0	107	.12 ✓	7.0			
13	.28 ✓	23.2	108	.02	1.6			
14	8.40 ✓	391.6	109	.18 ✓	7.0			
15	.32	19.7						
16	.40	4.5	201	.04	2.5			
17	.01	1.1	202	.03	1.4			
18	✓.18 7.3	3.2	203	.14	4.5			
19	.24 ✓	8.7	204	.21	3.3			
20	.23 ✓	17.8	205 & 206	.10	0.9			
21	.86 ✓	53.1	207	.01	1.7			
22	.03	2.2						
23	.02	3.6	212	.14 ✓	8.0			
24	.02	3.3	213	.14	7.2			
25	.01	2.1						
26	.13	3.0	220	.04	2.2			
27	.19 ✓	5.6	221	.02	1.5			
28	.39 ✓	29.0	222	.00	tr			
29	.13 ✓	11.4	223	.04	1.3			
30	.01	2.5	224	.13	5.7			
31	.21 ✓	22.0	225	.12	4.8			
32	.01	0.4	226	.21 ✓	3.0			
33	tr	0.2	227	.04	3.0			
34	.05	4.0	228	.02	0.6			
35	.01	1.4						
36	.01	2.3						
37	.03	4.7						
38	.18 ✓	8.2						
39	.25 ✓	21.6						
40	.05	3.8						
41	.06	3.4						
42	.01	0.5						
43	.01	0.6						
44	.20 ✓	7.2						
45	.56	19.4						
46	.10	4.2						
47	.18	5.4						
68	.01	1.2						
69	.09	3.1						
70	.07	5.3						
71	.22 ✓	12.6						
72	.02	1.9						
73	.03	6.6						
74	.015	1.7						

check - duplicate number
reported from assay office
see next page

78
9
6
9
2
9
2
14
28

ASSAY RESULTS OF SAMPLES CUT AT SILVER CREEK MINE

	Gold Oz/Ton	Silver Oz/Ton
2- 1	.33	17.5
2	.12	11.9
3	.14	8.7
4	1.53	129.1
5	1.70	130.4
6	.05	2.4
7	.14	10.1
8	1.40	90.7
9	2.42	199.4
10	.07	3.9
11	.07	6.6
12	.28	20.0
13	.28	23.2
14	8.40	231.6
15	.32	19.7
16	.40	4.5
17	.01	1.1
18	.18	3.2
19	.24	2.7
20	.29	17.3
21	.86	53.1
22	.03	1.2
23	.02	3.6
24	.02	3.3
25	.01	2.1
26	.13	3.0
27	.19	5.3
28	.39	29.0
29	.15	11.4
30	.01	2.5
31	.31	22.0
32	.01	0.4
33	tr	0.2
34	.05	4.0
35	.01	1.4
36	.01	2.3
37	.03	4.7
38	.18	3.2
39	.25	21.6
40	.05	3.3
41	.06	3.4
42	.01	0.5
43	.01	0.6
44	.20	7.2
45	.56	19.4
46	.10	4.2
47	.13	5.4

	<u>Gold</u> <u>Oz/Ton</u>	<u>Silver</u> <u>Oz/Ton</u>
E- 48	.01	0.9
49	.01	0.8
50	.01	0.8
51	.01	5.9
52	.01	1.5
53	.01	0.4
54	.01	2.9
55	.01	1.9
56	.01	3.5
57	.32	25.3
58	.30	19.4
59	.01	0.9
60	.63	42.4
61	.02	1.6
62	.17	6.5
63	.01	0.1
64	.01	0.1
65	.03	1.9
66	.01	0.7
67	.01	0.6
68	.01	1.2
69	.09	3.1
70	.07	5.3
71	.22	12.6
72	.02	1.9
73	.03	6.6
74	.015	1.7
75	.15	11.5
76	.02	1.4
77	.18	14.4
78	.06	3.2
79	.03	1.8
80	.02	1.4
81	.22	4.0
82	.21	9.8
83	.24	11.1
84	.08	3.4
85	.20	9.2
86	.15	6.0
87	.04	1.7
88	.07	3.0
89	tr	0.2
90	.36	21.2
91	.11	3.6
92	.08	5.7
93	1.40	37.1
94	tr	0.4
95	tr	0.4
96	.08	3.4
97	.09	6.3

	<u>Gold</u> <u>Oz/Ton</u>	<u>Silver</u> <u>Oz/Ton</u>
E- 98	.05	1.8
99	.09	4.8
100	.35	10.5
101	.85	35.0
102	.14	5.0
103	.12	5.2
104	.08	3.3
105	1.00	33.4
106	1.66	105.0
107	.01	1.3
108	.12	11.9
109	.20	18.0
110	.06	4.8
111	.09	4.5
112	1.70	80.0
113	.80	28.0
114	.71	4.2
115	.01	0.6
116	.34	17.5
117	.05	3.6
118	.01	0.3
119	.00	0.2
120	.01	0.7
121	.01	0.8
122	.01	1.8
123	.03	1.1
124	.06	4.4
125	.16	8.8
126	.02	0.6
127	tr	0.3
128	.015	1.2
129	.03	2.0
130	.02	1.5
131	.04	2.1
132	.02	1.6
133	.015	0.8
134	.01	0.4
135	.07	0.6
136	.05	2.1
137	tr	0.9
138	.05	4.7
139	.02	2.3
140	.36	18.4
141	.01	0.8
142	.09	3.6
143	.03	1.5
144	.02	1.0
145	.10	2.0
146	.18	5.3
147	.14	11.4
148	.03	3.0
149	.01	1.0
150	.54	6.2

	<u>Gold</u> <u>Oz/Ton</u>	<u>Silver</u> <u>Oz/Ton</u>
E-151	1.29	62.2
152	..05	2.6
153	.19	6.0
154	.01	1.2
155	tr	0.4
156	tr	0.2
157	tr	0.4
158	.04	1.0
159	.00	0.0
160	.00	0.0
161	.00	0.0
162	.00	0.0
163	.00	tr
164	.00	0.0
165	.00	tr
166	.00	0.06
167	.00	tr
168	.00	tr
169	.01	0.2
170	.00	0.0
171	.13	4.0
172	.00	tr
173	.00	tr
174	.00	tr
175	.00	tr
176	.18	8.8
177	.00	tr
178	.17	10.0
179	.12	6.3
180	.10	5.0
181		
182		
183		
184		
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199		
200		

	<u>Gold</u> <u>Oz/Ton</u>	<u>Silver</u> <u>Oz/Ton</u>
E-201	0.04	2.5
202	0.03	1.4
203	0.14	4.5
204	0.21	3.3
205		
206		
207	0.01	1.7
208		
209		
210	0.24	23.5
211	0.43	31.5
212	0.02	4.1
213	0.68	32.1
214	0.01	1.0
215	0.31	11.1
216	0.03	4.8
217	0.06	4.6
218	0.43	16.8
219	0.25	22.7
220	0.04	2.2
221	0.02	1.5
222	0.00	tr
223	0.04	1.3
224	0.13	5.7
225	0.12	4.3
226	0.21	8.0
227	0.04	3.0
228	0.02	0.6
229	0.01	0.6

SILVER CREEK ASSAY RESULTS

	<u>Gold</u> <u>Oz./Ton</u>	<u>Silver</u> <u>Oz./Ton</u>
N- 101	0.04	1.4
102	0.38	8.0
103	0.02	1.2
104	tr	0.3
105	0.02	0.7
106	0.10	4.3
107	0.12	7.0
108	0.02	1.6
109	0.18	7.0

E- 401	.20	17.0
402	5.00	381.0
403	.06	4.4
404	5.32	203.1
405	1.86	115.70
406	.42	27.00
407	.04	2.50
408	Not Cut	
409	Not Cut	
41	.02	0.9
411	.22	6.1
412	.49	15.4
413	.tr	0.1
414	.00	0.0
415	.17	3.80
416	.01	0.38
417	.01	0.27
418	.12	5.50
419	.02	1.70
420	.25	9.00
421	.01	1.20
422	.10	4.00
423	.09	3.10

SILVER CREEK ASSAY RESULTS

	<u>Gold</u> <u>Oz/Ton</u>	<u>Silver</u> <u>Oz/Ton</u>
N- 101	0.04	1.4
102	0.28	8.0
103	0.02	1.2
104	tr	0.3
105	0.02	0.7
106	0.10	4.3
107	0.12	7.0
108	0.02	1.6
109	0.18	7.0

SILVER CREEK

DIAMOND DRILL CORE ASSAYS

	<u>Gold</u> <u>Oz./Ton</u>	<u>Silver</u> <u>Oz./Ton</u>			
EC 1	0.01	0.54	Hole No. 1	0	- 1.0
2	tr	0.30	Hole No. 1	1.0	- 2.0
3	tr	0.35	Hole No. 1	2.0	- 3.0
4	tr	0.37	Hole No. 1	3.0	- 5.0
5	tr	0.32	Hole No. 1	5.0	- 6.0
6	tr	0.35	Hole No. 1	6.0	- 8.0
7	tr	0.32	Hole No. 1	8.0	- 10.0
8	tr	0.24	Hole No. 1	10.0	- 12.0
9	0.01	0.95	Hole No. 2	0	- 1.0
10	tr	0.94	Hole No. 2	1.0	- 1.7
11	0.07	4.80	Hole No. 2	1.7	- 3.5
12	0.21	22.00	Hole No. 2	3.5	- 4.0
13	0.34	20.00	Hole No. 2	4.0	- 5.0
14	0.01	2.10	Hole No. 2	5.0	- 5.5
15	tr	0.38	Hole No. 2	5.5	- 7.9
16	tr	0.46	Hole No. 2	7.9	- 10.0
17	tr	0.10	Hole No. 2	10.0	- 11.5
18	tr	0.05	Hole No. 2	11.5	- 12.0
19	tr	0.72	Hole No. 3	0	- 2.5
20	0.04	1.50	Hole No. 3	2.5	- 4.0
21	0.01	0.90	Hole No. 3	4.0	- 4.5
22	0.00	0.40	Hole No. 3	4.5	- 6.7
23	0.00	0.90	Hole No. 3	6.7	- 9.0
24	tr	1.10	Hole No. 4	0	- 1.2
25	0.00	0.10	Hole No. 4	1.2	- 4.0
26	0.00	0.25	Hole No. 4	4.0	- 5.0
27	0.00	0.10	Hole No. 4	5.0	- 7.5
28	tr	0.16	Hole No. 4	7.5	- 10.0
EC 29	.00	0.10	Hole No. 5	0	- 1.2
30	.00	0.10	Hole No. 5	1.2	- 4.0
31	tr	0.90	Hole No. 5	4.0	- 6.5
32	.01	0.34	Hole No. 5	6.4	- 9.0
33	tr	0.30	Hole No. 6	0	- 1.5
34	.00	0.0	Hole No. 6	1.5	- 4.8
35	.00	0.0	Hole No. 6	4.8	- 6.0
36	.00	0.0	Hole No. 6	6.0	- 9.0
37	.00	0.0	Hole No. 6	9.0	- 11.0
38	tr	0.50	Hole No. 7	0	- 0.7
39	.01	0.34	Hole No. 7	0.7	- 1.5
40	.01	0.45	Hole No. 7	1.5	- 2.0
41	.00	0.43	Hole No. 7	2.0	- 2.5
42	.00	0.40	Hole No. 7	2.5	- 4.5
43	.01	0.34	Hole No. 7	4.5	- 6.0
44	.00	0.57	Hole No. 7	6.0	- 7.0
45	.09	4.20	Hole No. 8A	0	- 1.0
46	.00	0.70	Hole No. 8	0	- 2.0
47	.00	0.0	Hole No. 8	2.0	- 4.5
48	.02	6.00	Hole No. 8	4.5	- 5.0
49	.16	12.60	Hole No. 8	5.0	- 6.7
50	.03	8.20	Hole No. 8	6.7	- 7.5

		Gold Oz./Ton	Silver Oz./Ton		
EC- 51	.00	0.28	Hole No. 8	7.5 - 10.6	
52	.00	0.14	Hole No. 8	10.6 - 13.5	
53	tr	0.70	Hole No. 9	0 - 1.0	
54	.00	0.50	Hole No. 9	1.0 - 2.0	
55	.06	10.00	Hole No. 9	2.0 - 2.9	
56	.00	0.80	Hole No. 9	2.9 - 3.7	
57	.00	0.60	Hole No. 9	3.9 - 7.4	
58	.01	0.26	Hole No. 9	7.4 - 8.4	
59	.00	0.70	Hole No. 9	8.4 - 10.6	
60	tr	0.12	Hole No. 9	10.6 - 12.7	
61	.00	0.10	Hole No. 9	13.7 - 16.0	
62	.00	0.30	Hole No. 9	16.0 - 18.0	
63	.00	0.56	Hole No. 9	18.0 - 21.5	
64	.00	tr	Hole No. 9	21.5 - 23.5	
65	.00	0.0	Hole No. 9	23.5 - 26.5	
66	tr	1.00	Hole No. 10	0 - 1.0	
67	.02	0.20	Hole No. 10	1.0 - 2.6	
68	.02	1.20	Hole No. 10	2.6 - 4.0	
69	.06	2.00	Hole No. 10	4.0 - 5.5	
70	.01	0.60	Hole No. 10	5.5 - 6.6	
71	.00	0.25	Hole No. 10	6.6 - 8.0	
72	.01	0.20	Hole No. 10	8.0 - 9.5	
73	.00	0.0	Hole No. 10	9.0 - 14.0	
74	.00	0.25	Hole No. 10	14.0 - 15.0	
75	.00	0.0	Hole No. 10	15.0 - 16.0	
76	.00	tr	Hole No. 10	16.0 - 17.1	
77	.00	tr	Hole No. 10	17.1 - 17.9	
78	.00	0.20	Hole No. 10	17.9 - 20.0	
79	.00	tr	Hole No. 10	20.0 - 25.0	
80	tr	1.20	Hole No. 11	0 - 1.0	
81	.00	0.14	Hole No. 11	1.0 - 2.5	
82	.00	0.0	Hole No. 11	2.5 - 4.3	
83	.04	5.20	Hole No. 11	4.3 - 6.6	
84	.02	1.30	Hole No. 11	6.6 - 9.7	
85	.00	0.0	Hole No. 11	9.7 - 11.5	
86	.00	0.0	Hole No. 11	11.0 - 13.0	
87	.00	0.0	Hole No. 11	13.5 - 15.3	
88	.00	0.0	Hole No. 11	15.3 - 18.2	
89	.00	0.0	Hole No. 11	18.2 - 20.7	
90	.00	0.0	Hole No. 11	20.7 - 23.5	
91	.00	0.0	Hole No. 11	23.5 - 24.2	
92	.00	tr	Hole No. 12	0 - 1.0	
93	tr	0.32	Hole No. 12	1.0 - 2.5	
94	.00	0.36	Hole No. 12	2.0 - 4.5	
95	.00	0.33	Hole No. 12	4.5 - 6.0	
96	.00	0.42	Hole No. 12	6.0 - 7.0	
97	.01	0.25	Hole No. 12	7.0 - 9.1	
98	.01	0.20	Hole No. 12	9.1 - 11.0	
99	.00	0.45	Hole No. 12	11.0 - 13.5	
100	.03	2.80	Hole No. 12	12.5 - 14.9	

	<u>Gold</u> <u>Oz./Ton</u>	<u>Silver</u> <u>Oz./Ton</u>		
101	1.33	62.00	Hole No. 12	14.2 - 15.2
102	.08	16.00	Hole No. 12	15.2 - 17.3
103	.01	0.33	Hole No. 12	17.3 - 17.5
104	.00	tr	Hole No. 12	19.5 - 22.0
105	.00	tr	Hole No. 12	22.0 - 24.5
106	tr	0.22	Hole No. 12	24.5 - 26.5
107	.00	tr	Hole No. 12	26.5 - 28.0
108	.07	0.20	Hole No. 12	28.0 - 30.0
109	.00	0.0	Hole No. 12	30.0 - 31.5
110	.00	tr	Hole No. 12	31.5 - 35.0
111	.00	0.0	Hole No. 12	35.0 - 37.5
112	.00	tr	Hole No. 12	36.5 - 39.5
113	.00	0.0	Hole No. 12	39.5 - 42.5
114	.02	1.07	Hole No. 13	0 - 3.0
115	.01	0.18	Hole No. 13	3.0 - 5.3
116	.00	tr	Hole No. 13	5.3 - 7.4
117	.00	0.0	Hole No. 13	7.4 - 11.0
118	.00	0.0	Hole No. 13	11.0 - 11.7
119	.00	0.0	Hole No. 13	11.7 - 15.0
120	.00	0.0	Hole No. 13	15.0 - 17.4
121	.00	0.0	Hole No. 13	17.4 - 17.4
122	.00	0.0	Hole No. 13	17.4 - 18.2
123	.00	0.0	Hole No. 13	18.2 - 20.2
124	.00	0.0	Hole No. 13	20.2 - 24.0
125	.00	0.0	Hole No. 13	24.0 - 28.0
126	.00	tr	Hole No. 13	28.0 - 31.7
127	.00	0.0	Hole No. 13	31.8 - 37.5
128	.02	tr	Hole No. 13	38.5 - 38.5
129	.00	0.10	Hole No. 13	38.5 - 40.7
130	.00	tr	Hole No. 13	40.7 - 44.0
131	tr	0.26	Hole No. 13	44.0 - 46.3
132	tr	0.26	Hole No. 13	46.3 - 49.0
133	tr	0.54	Hole No. 13	49.0 - 50.6
134	.00	tr	Hole No. 13	50.6 - 53.0
135	.00	0.0	Hole No. 13	53.0 - 58.3
136	.00	0.0	Hole No. 13	58.3 - 63.0

SILVER CREEK

DIAMOND DRILL FLUIDS ANALYSIS

	<u>Gold</u> <u>Oz./Ton</u>	<u>Silver</u> <u>Oz./Ton</u>		
1	0.01	0.20	Hole No. 1	11-12
2	0.01	0.50	Hole No. 2	0 - 2
3	0.12	11.50	Hole No. 2	2 - 7
4	0.01	0.30	Hole No. 2	7 -12
5	tr	0.30	Hole No. 4	0 - 5
6	0.01	0.20	Hole No. 4	5 -10
7	0.015	1.00	Hole No. 3	0 - 9
8	0.04	2.00	Hole No. 5	0 - 5
9	0.05	2.00	Hole No. 5	5 - 9
10	tr	0.92	Hole No. 8	0 - 5
11	1.34	121.00	Hole No. 8	5 - 7
12	0.025	1.80	Hole No. 9	7 -13
13	0.02	1.13	Hole No. 9	0 - 5
14	0.01	2.00	Hole No. 9	5 -10
15	0.01	0.30	Hole No. 9	10-16
16	0.04	3.60	Hole No. 6	0 - 5
17	.06	1.7	Hole No. 6	5 - 7
18	.09	3.3	Hole No. 7	0 - 5
19	0.01	1.10	Hole No. 7	5 - 7
20	.015	1.10	Hole No. 10	0 - 5
21	.02	1.10	Hole No. 10	5 -10
22	.01	0.50	Hole No. 10	10-15
23	.01	0.83	Hole No. 10	15--20
24	.01	0.37	Hole No. 10	20 -25
25	.01	0.64	Hole No. 11	0 - 5
26	.04	4.76	Hole No. 11	5 -10
27	.01	0.38	Hole No. 11	10 -15
28	.015	0.76	Hole No. 12	0 - 5
29	.01	1.24	Hole No. 12	5 -10

Silver Creek

SUMMARY

<u>BLOCK</u>	<u>LENGTH</u>	<u>WIDTH</u>	12 Cu.Ft./Ton Tons/Ft. <u>Height</u>	<u>Au</u>	<u>Ag.</u>	<u>Pounds. Tons</u>
<i>Tons per ft. of height in plane of vein</i>						
<u>Back of Slope</u>						
No. 1	105	3.0	26.2	0.22	11.09	455
No. 2	47	2.5	waste	0.024	2.12	
No. 3	39	2.29	7.4	0.214	15.84	185
No. 4	66	4.08	waste	0.04	2.03	
No. 5	90	3.4	25.5	0.31	11.4	638
Lower Drift	74	6.04	37.2	0.89	50.70	1860
Sublevel	246	4.56	93.5	0.34	20.45	4675

	<u>Tons</u>	<u>Au</u>	<u>Ag</u>	<u>41 Tons</u>	<u>Ag Tons</u>
No. 1	455	0.22	11.09	100.10	5045.95
No. 3	185	0.214	15.84	39.59	2930.40
No. 5	638	0.31	11.4	197.78	7273.20
Lower Drift	1860	0.89	50.70	1655.40	94302.00
Sublevel	4675	0.34	20.45	1589.50	95603.75
	7813			3582.37	205155.30
TOTAL	* 7813 tons	0.458 Au	26.26 Ag.		

* Tonnage based on a 50 foot interval beneath the sublevel and the lower drift. 10,500 tons if an 80 ft interval is used

J.V. Newman

CYANIDATION TEST ON S. V. REUBEN JR. ORE AND TAILING NO. 1
(Silver Creek Mine)

Gravimetric

	ASSAY									
	Au	Ag	Cu	Pb	Insol	Fe	Zn	S	CaO	Other
Assayed Head	0.20	18.4	0.05	0.10	80.4	2.2	0.5	0.3	5.5	
Assayed Tailing	0.02	1.6								
Pregnant Solution	0.18	16.8								
Tailing	0.02	1.6								

DISTRIBUTION

In Pregnant Solution	90.0	91.3
In Tailing	10.0	8.7

CYANIDATION DATA

Cyanide Added 30.0 pounds per ton of ore
Cyanide Consumed 4.2 pounds per ton of ore
Lime Added 60.0 pounds per ton of ore
Lime Consumed 57.0 pounds per ton of ore

Cyanide solution strength 0.5 %.
Agitation time 72 hours. 25 % solids.

Ore ground to 98 % -200 mesh.

TEST No. 7 by GIG.

GTG 1-17-45

Silver Creek Mine

CYANIDATION TEST OF J. V. NEUMAN JR. ORE HAND SAMPLE NO. 2
(Silver Creek Mine)

	<u>WEIGHT</u>		<u>ASSAY</u>								
	Grams	%	Au	Ag	Cu	Pb	Insol	Fe	Zn	S	Cd
Assayed Head			0.120	6.3	None	0.10	78.2	1.3	Tr	0.2	7.2
Assayed Tail			0.002	0.6							
Pregnant Solution			0.118	5.7							
Tailing			0.002	0.6							

DISTRIBUTION

In Pregnant Solution	99.3	90.5
In Tailing	1.7	9.5

CYANIDATION DATA

Cyanide Added 30.0 pounds per ton of ore
 Cyanide Consumed 3.9 pounds per ton of ore
 Lime Added 60.0 pounds per ton of ore
 Lime Consumed 57.0 pounds per ton of ore

Cyanide solution strength 0.5 %.
 Agitation time 72 hours. 25 % solids.

Ore ground to 98 % -200 mesh.

TEST No. 8 by GTG.

GTG 1-18-45

CYANIDATION TEST ON J. V. NEUMAN SR. ORE HAND SAMPLE NO. 8
(Silver Creek Mine)

	ASSAY									
	Au	Ag	Cu	Pb	Insol	Fe	Zn	S	CaO	UxPb
Assayed Head	0.40	28.8	0.05	0.10	67.4	2.6	Tr	1.5	10.2	
Assayed Tailing	0.002	0.5								
Pregnant Solution	0.398	28.3								
Tailing	0.002	0.5								

DISTRIBUTION

In Pregnant Solution	99.5	93.3
In Tailing	0.5	1.7

CYANIDATION DATA

Cyanide Added 30.0 pounds per ton of ore
 Cyanide Consumed 7.8 pounds per ton of ore
 Lime Added 60.0 pounds per ton of ore
 Lime Consumed 56.7 pounds per ton of ore

Cyanide solution strength 0.5 %.
 Agitation time 72 hours. 25 % solids.

Ore ground to 98 % -200 mesh.

TEST No. 9 by GTG.

GTG 1-18-45

FLOTATION TEST ON J. V. NEUMAN JR. ORE COMPOSITE
(Composite consists of equal parts of Hand Samples Nos. 1, 2, and 3)
(Silver Creek Mine)

	<u>WEIGHT</u>		<u>ASSAY</u>								
	Grams	%	Au	Ag	Cu	Pb	Insol	Fe	Zn	S	CaO
Assay H. S. No. 1			0.20	18.4	0.05	0.10	80.4	2.2	0.5	0.3	5.5
Assay H. S. No. 2			0.12	6.3	None	0.10	78.2	1.3	Tr	0.2	7.2
Assay H. S. No. 3			0.40	28.8	0.05	0.10	67.4	2.6	Tr	1.5	10.2
Average Composite Assay			0.24	17.83	0.03	0.10	75.33	2.03	0.17	0.66	7.63
Calculated Head			0.231	18.22				1.93			
Flotation Concentrate	73	2.45	8.48	661.5	0.50	7.0	36.9	14.2	3.5		
Table Concentrate	67	2.25	0.20	5.4	0.05	None	45.3	3.0	1.3		
Tailing	2835	95.30	0.02	2.0	None	None		1.6	0.15		

DISTRIBUTION

In Flotation Conct.	89.9	88.9	18.0
In Table Conct.	1.9	0.7	3.5
In Tailing	8.2	10.4	78.5

TEST DATA

REAGENTS--POUNDS PER TON OF ORE

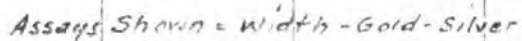
TIME

To Ball Mill	0.10 Aerofloat 31	25 Min.
To Flotation	0.12 Pentasol Xanthate 0.05 Pine Oil	10 "
Sieve analysis of 25 minute grind.	+ 65 mesh 1.4%	
	+200 " 38.6"	
	-200 " 60.0"	

ONE CYCLE

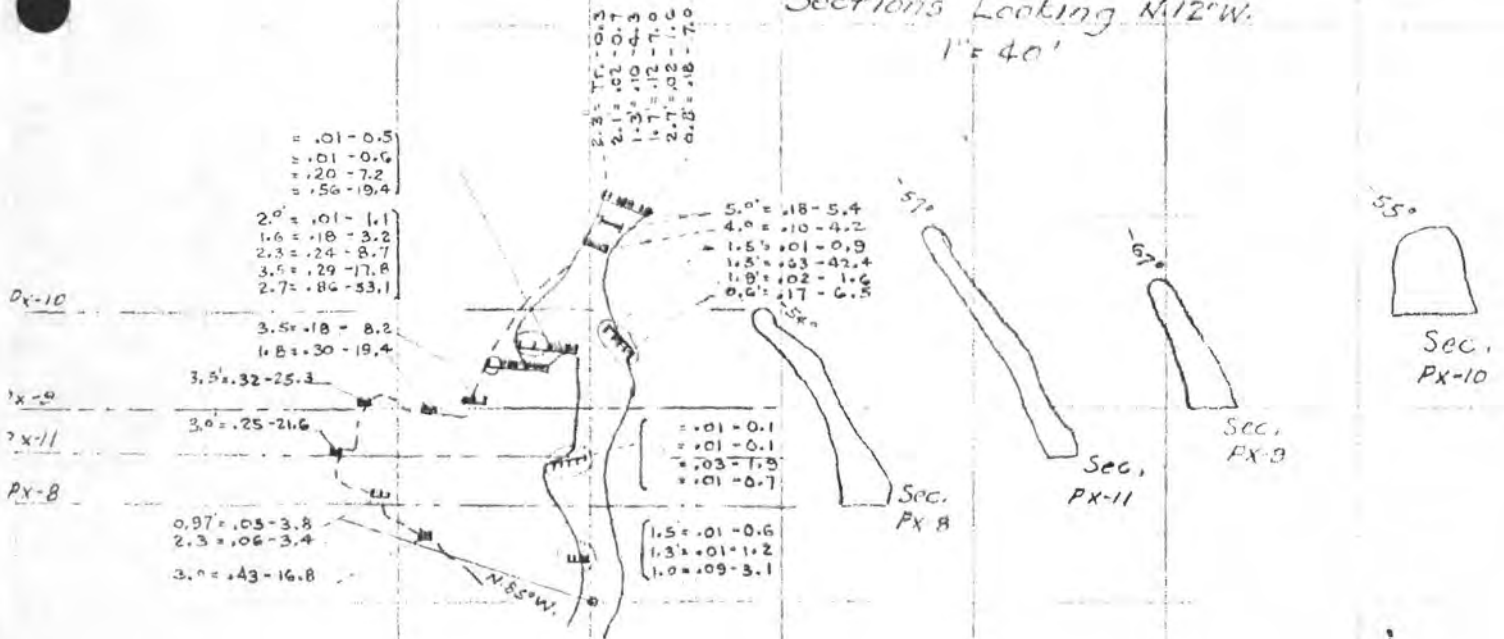
TEST NO. 10 by RW.

GTG 1-17-45

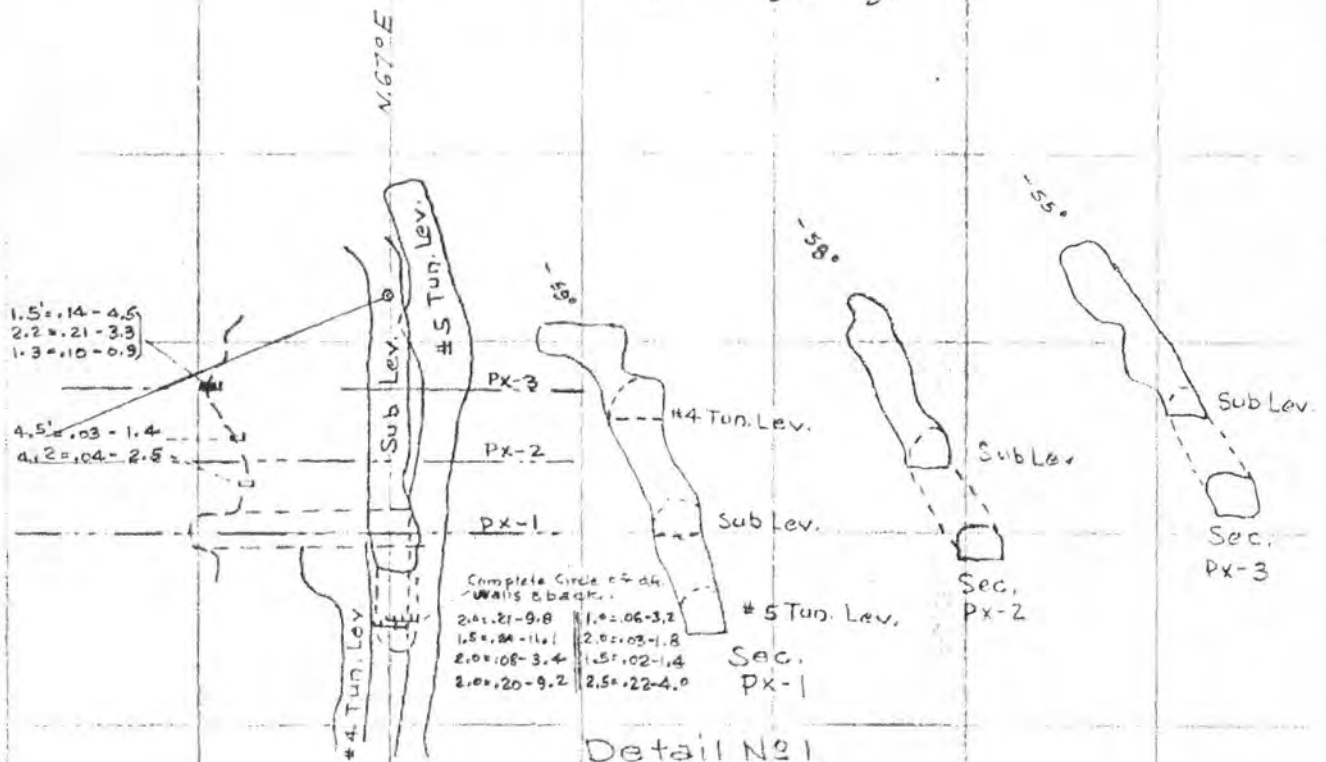
$1'' = 90'$ 

Detail No 3

Plan on Plane of Vein
Sections Looking N12°W.
1" = 40'

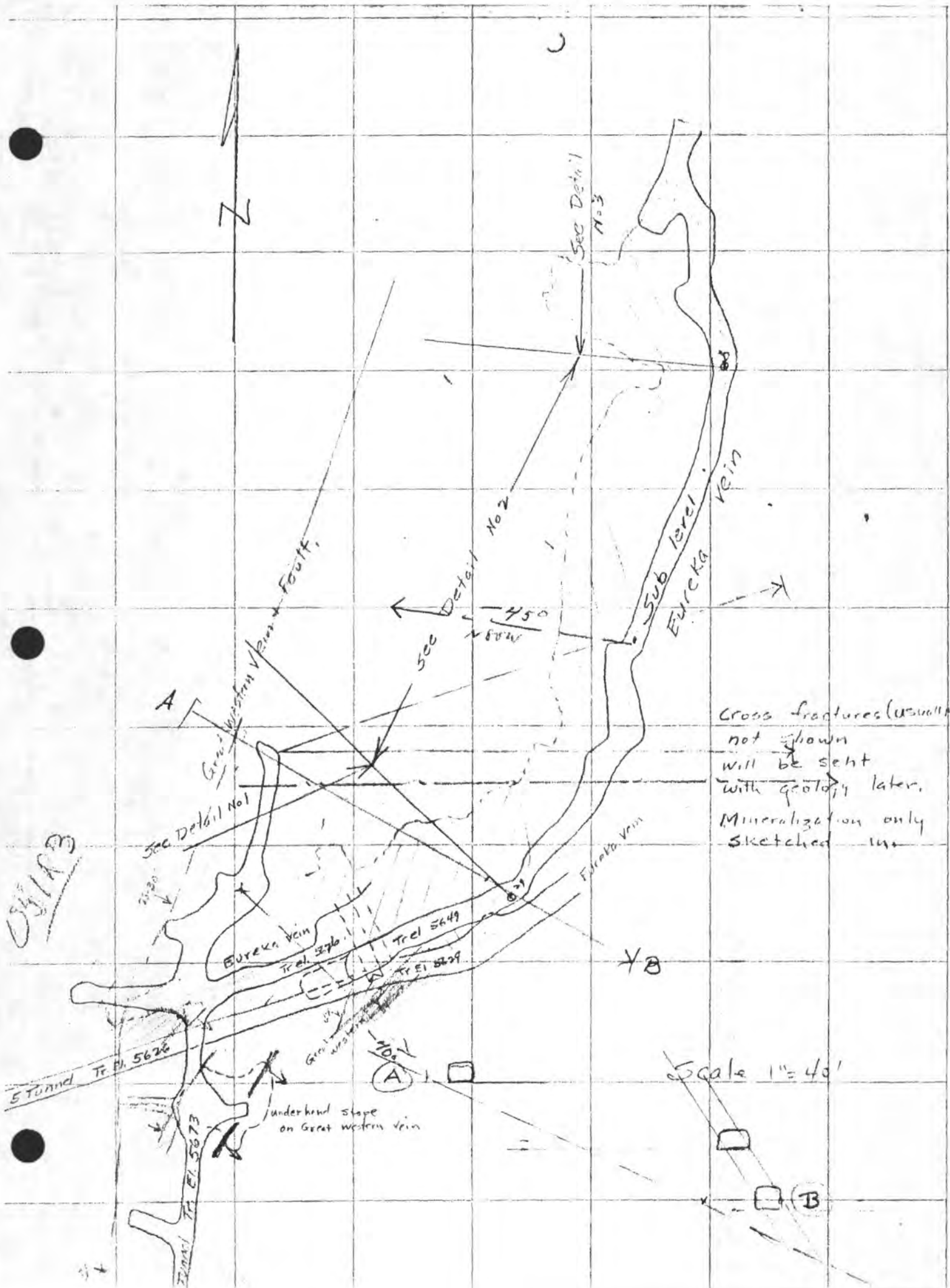


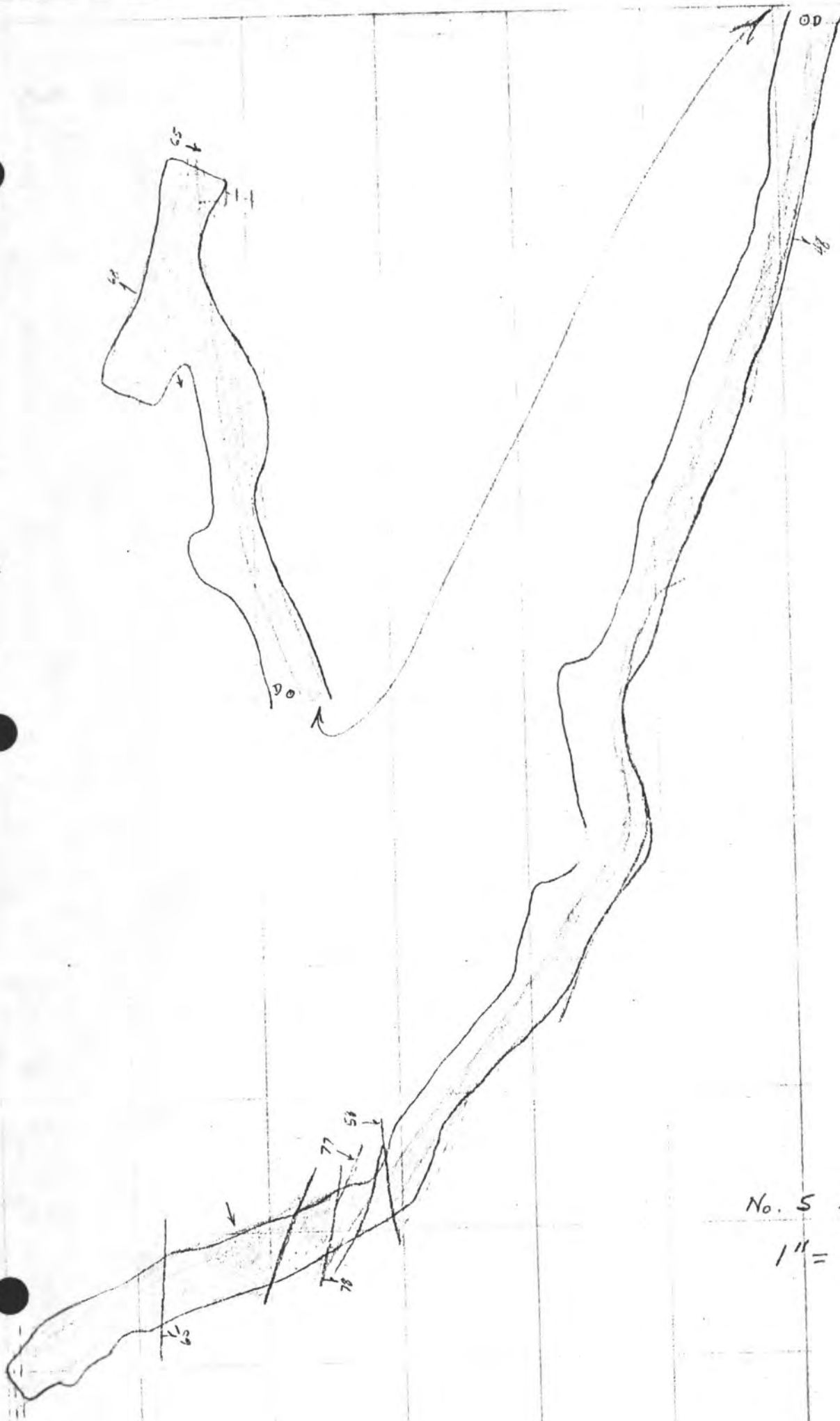
Assays Shown: Width - Gold - Silver
Ft. 03. 05.



Detail No 1

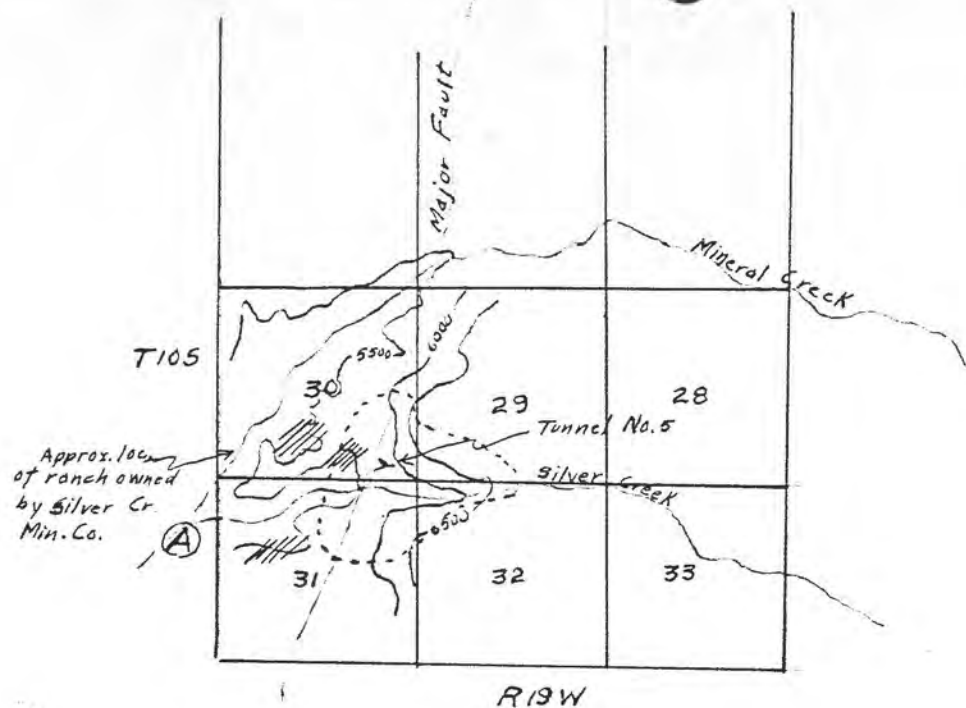
Plan on Plane of Vein

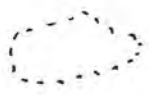


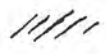


No. 5 Sublevel

1" = 20'

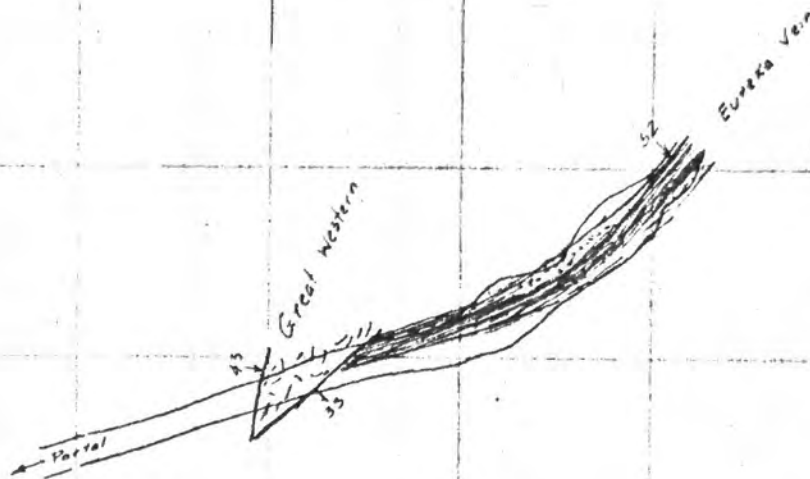


 Rough boundary of claims of Silver Cr. Min. Co.

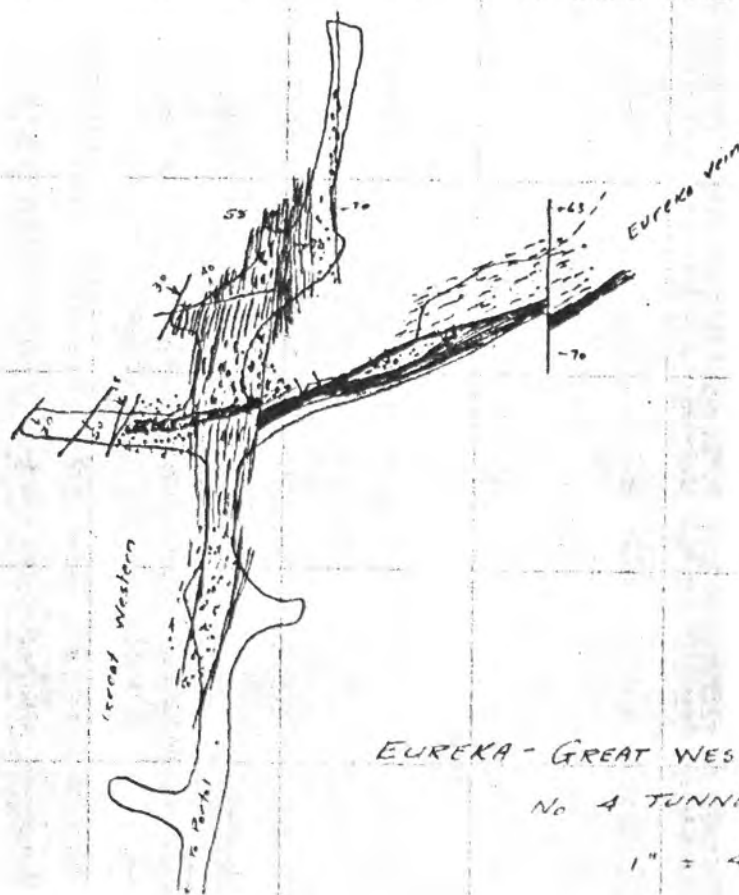
 Possible tailing disposal area

Sketch from U.S. G.S. Map

1" = 1 mile



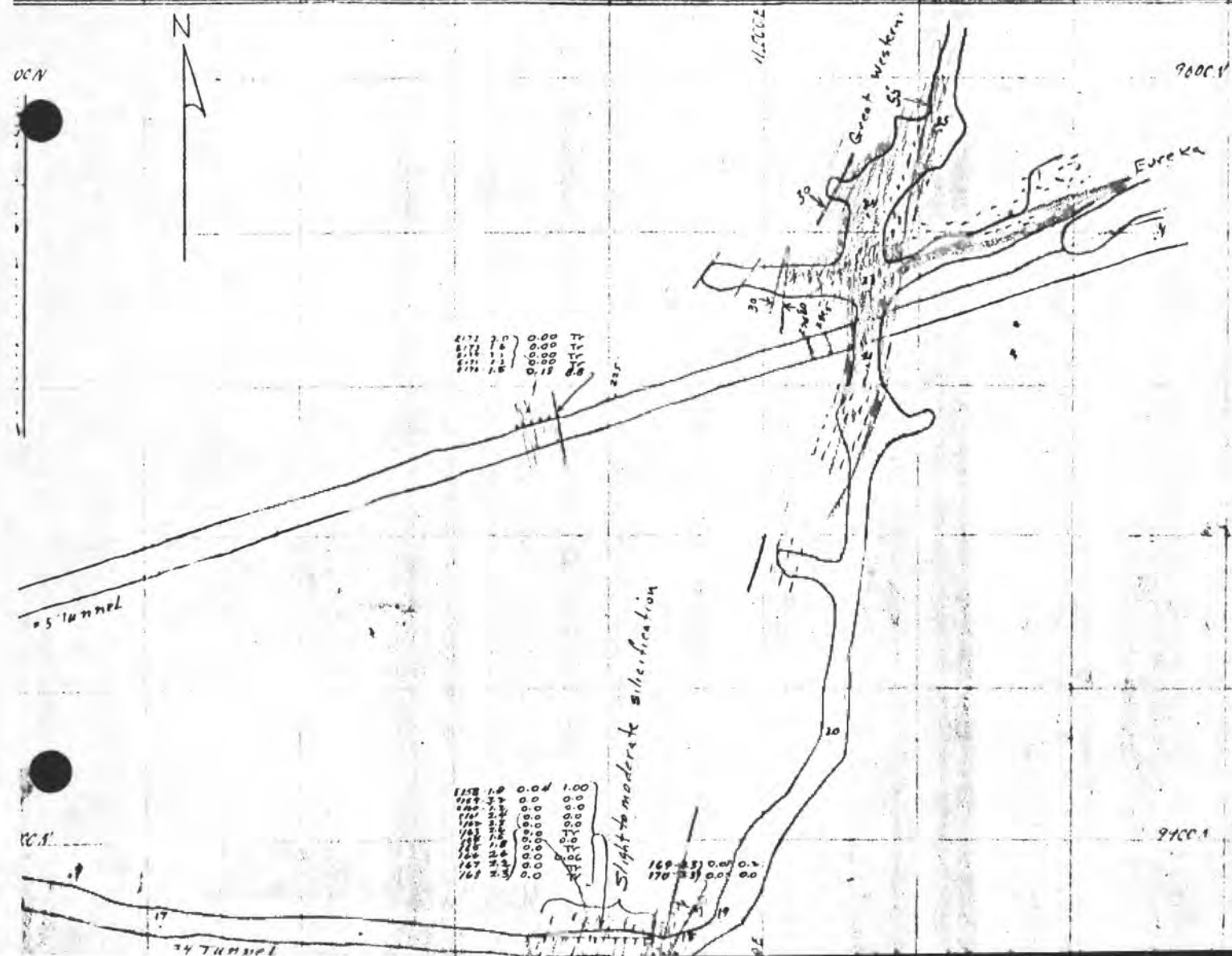
PLAN SHOWING EUREKA VEIN
ON
NO 5 TUNNEL
Scale 1" = 40'



EUREKA - GREAT WESTERN INTERSECTION
NO 4 TUNNEL LEVEL

1" = 40'

Base Loc. Cont'd
A-12-W



3:46.0 v. 17 Sample 2

A-23-A

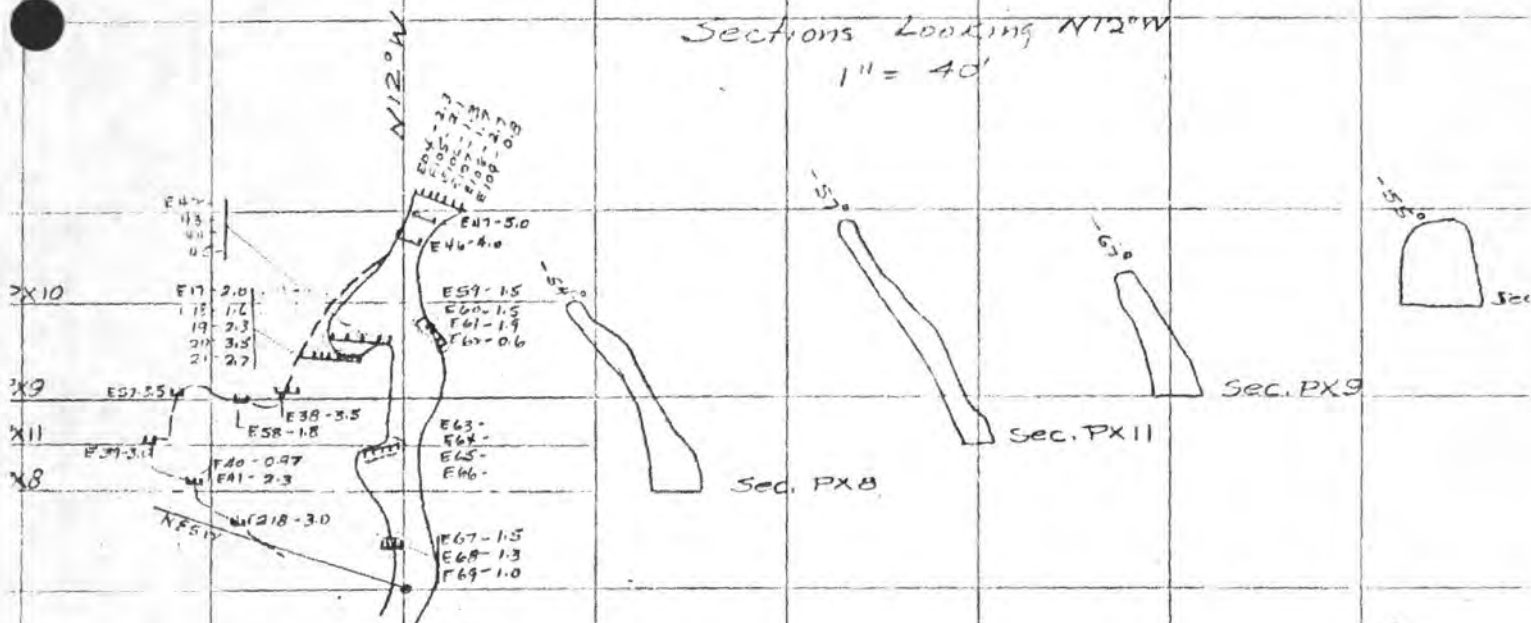


Detail No 3

PLAN ON PLANE OF VEIN

Sections Looking N12°W

1" = 40'

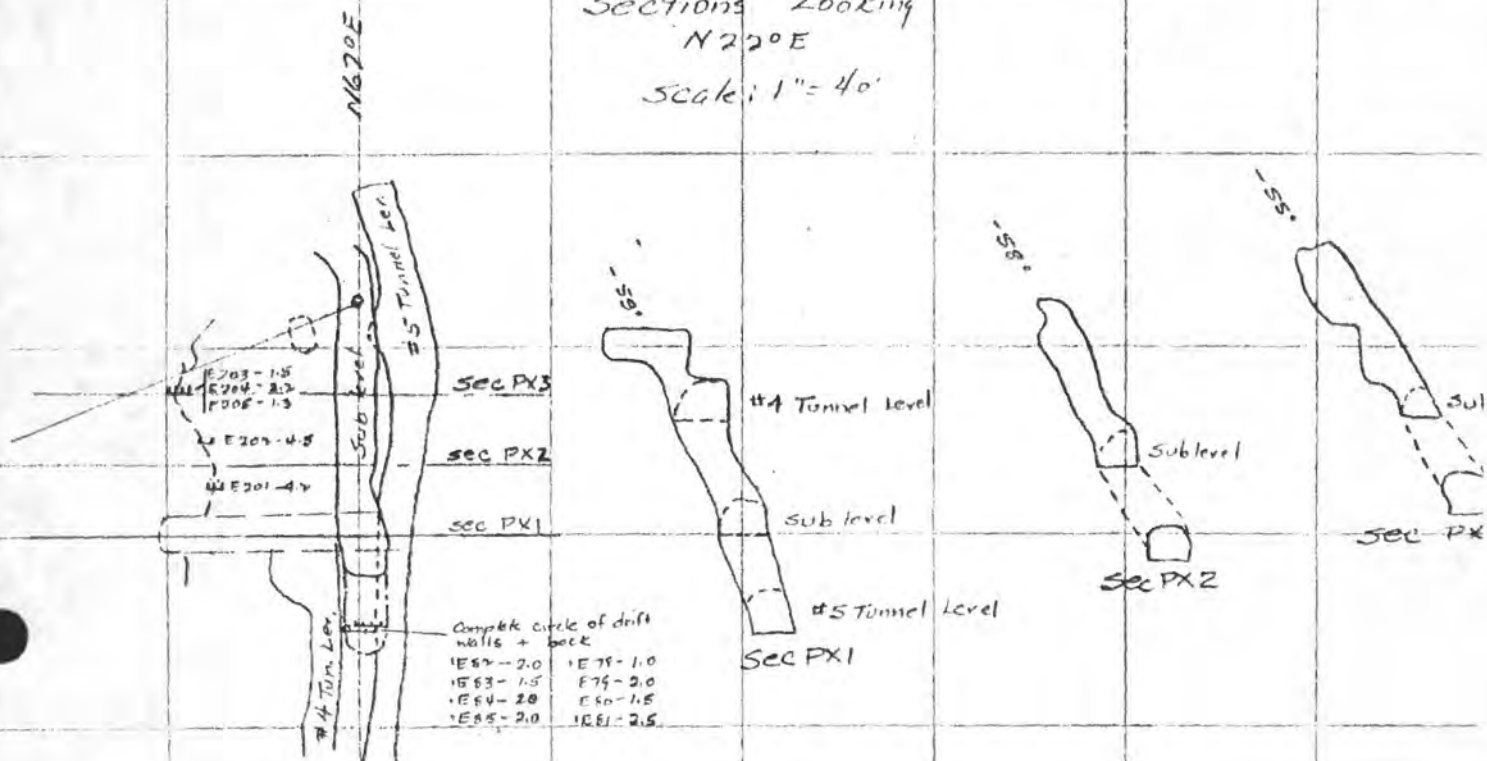


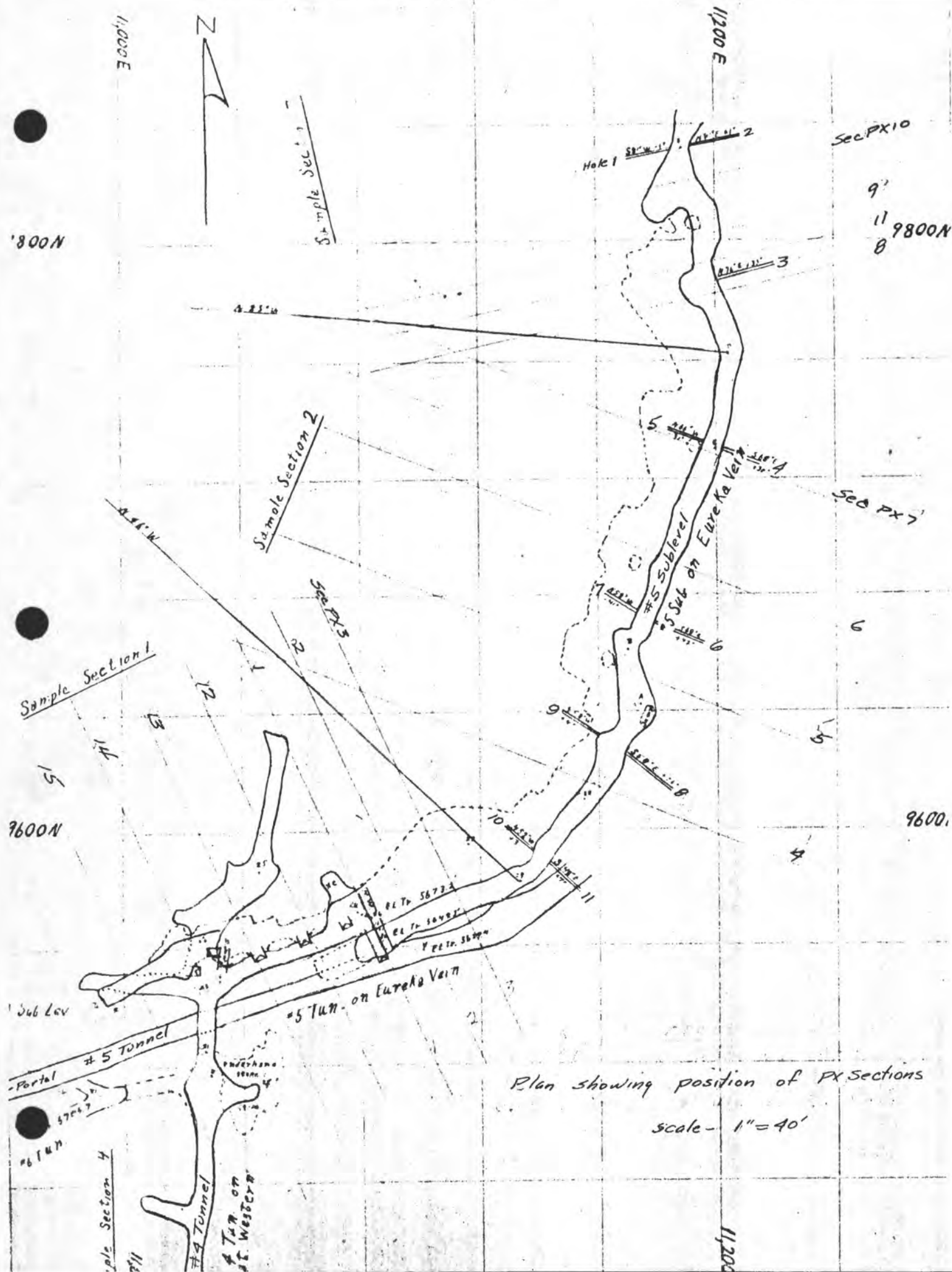
Detail No 1

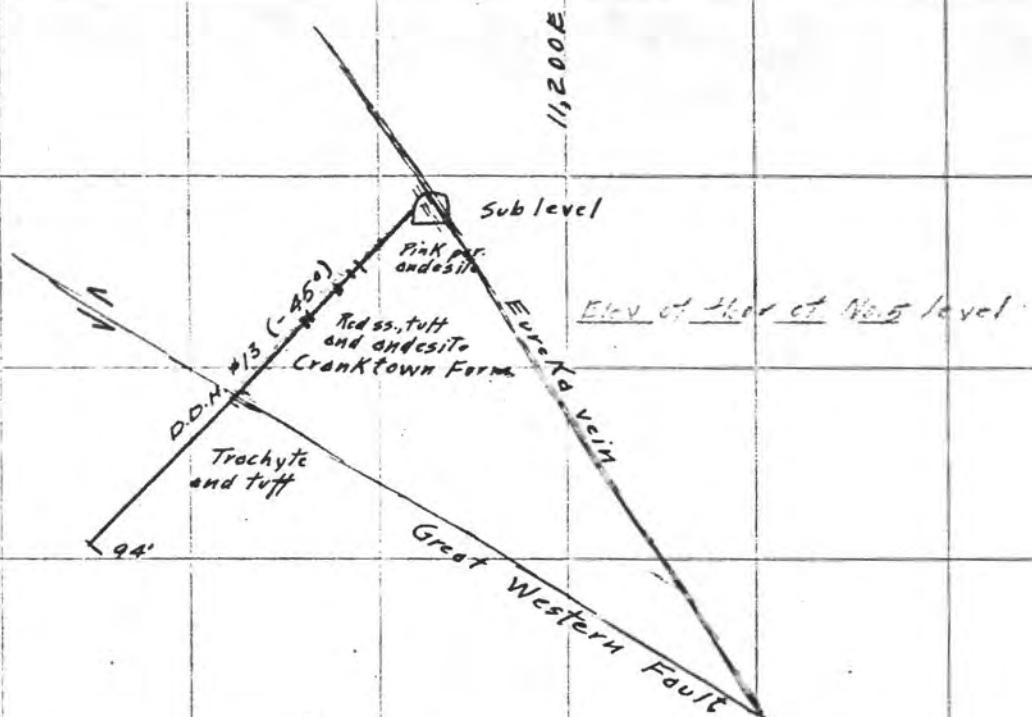
PLAN ON PLANE OF VEIN

Sections Looking N22°E

Scale: 1" = 40'



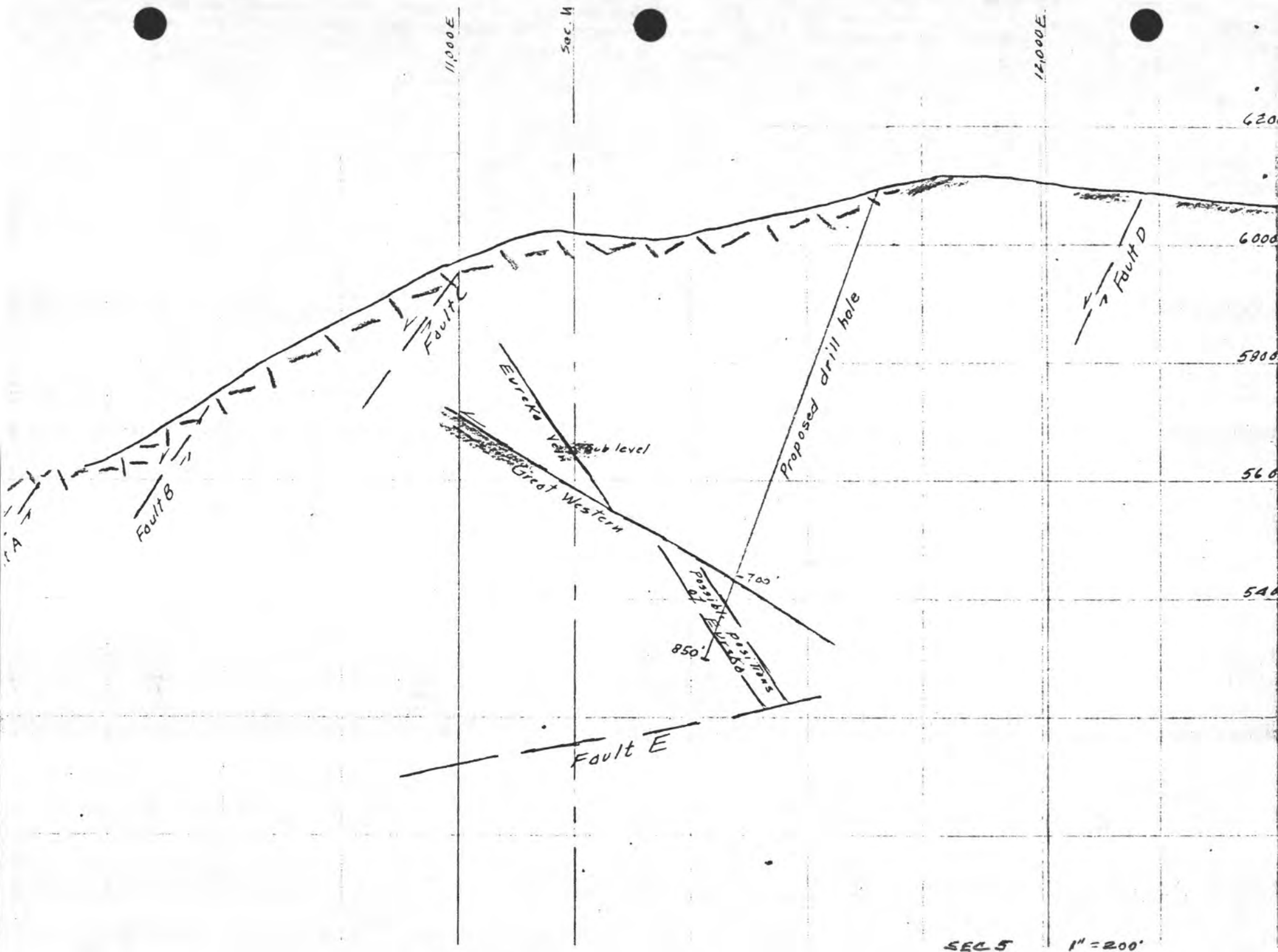


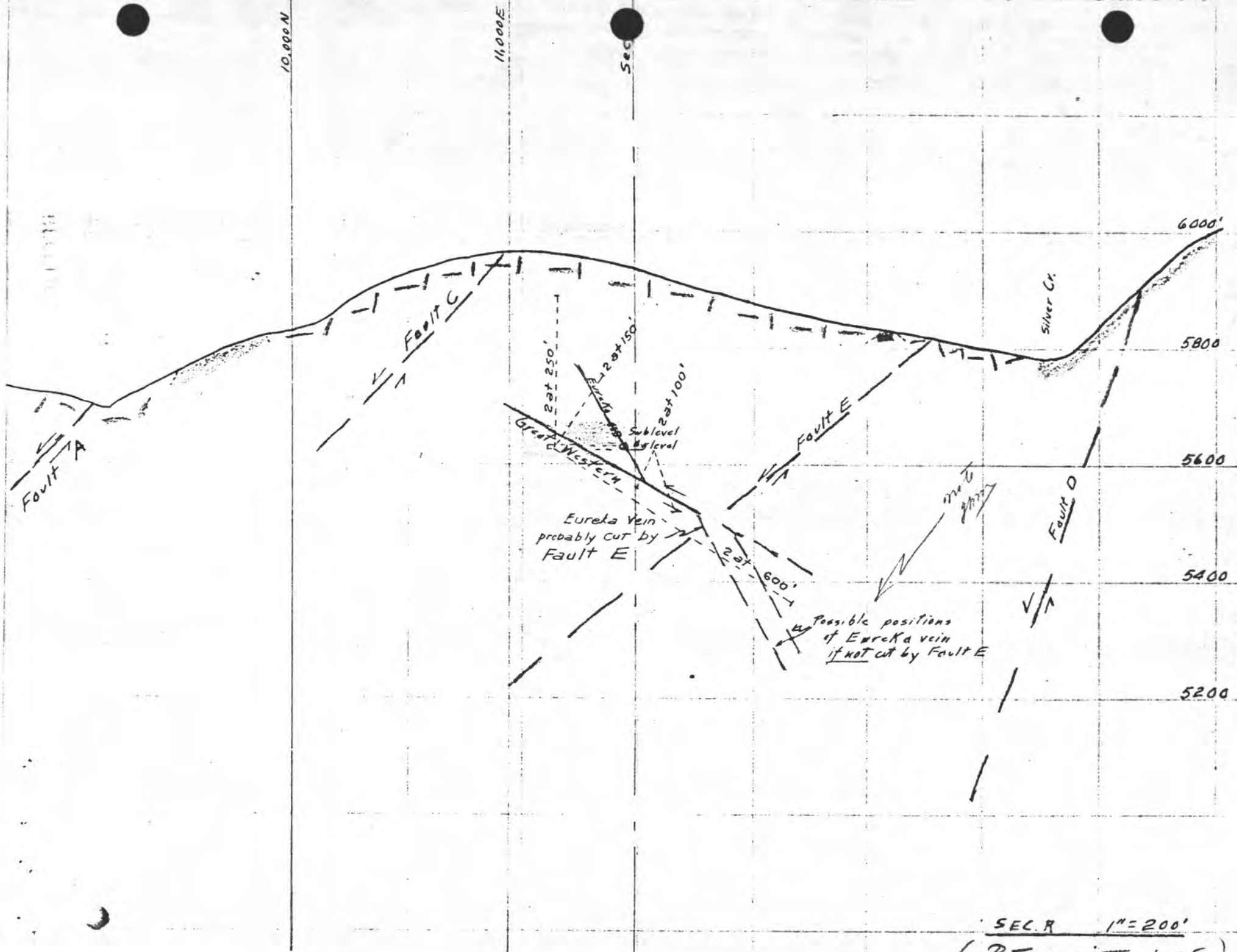


Possible
90°-170° dip of
Eureka vein
on fault

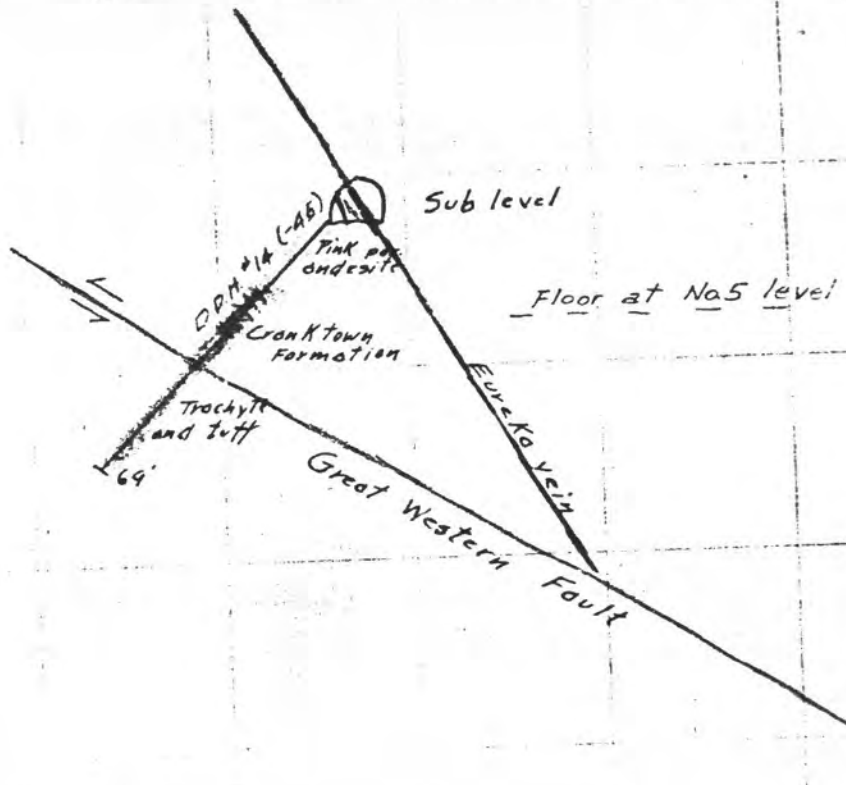
SEC. Thru D.D.M. #13

1" = 40'





11,200 E

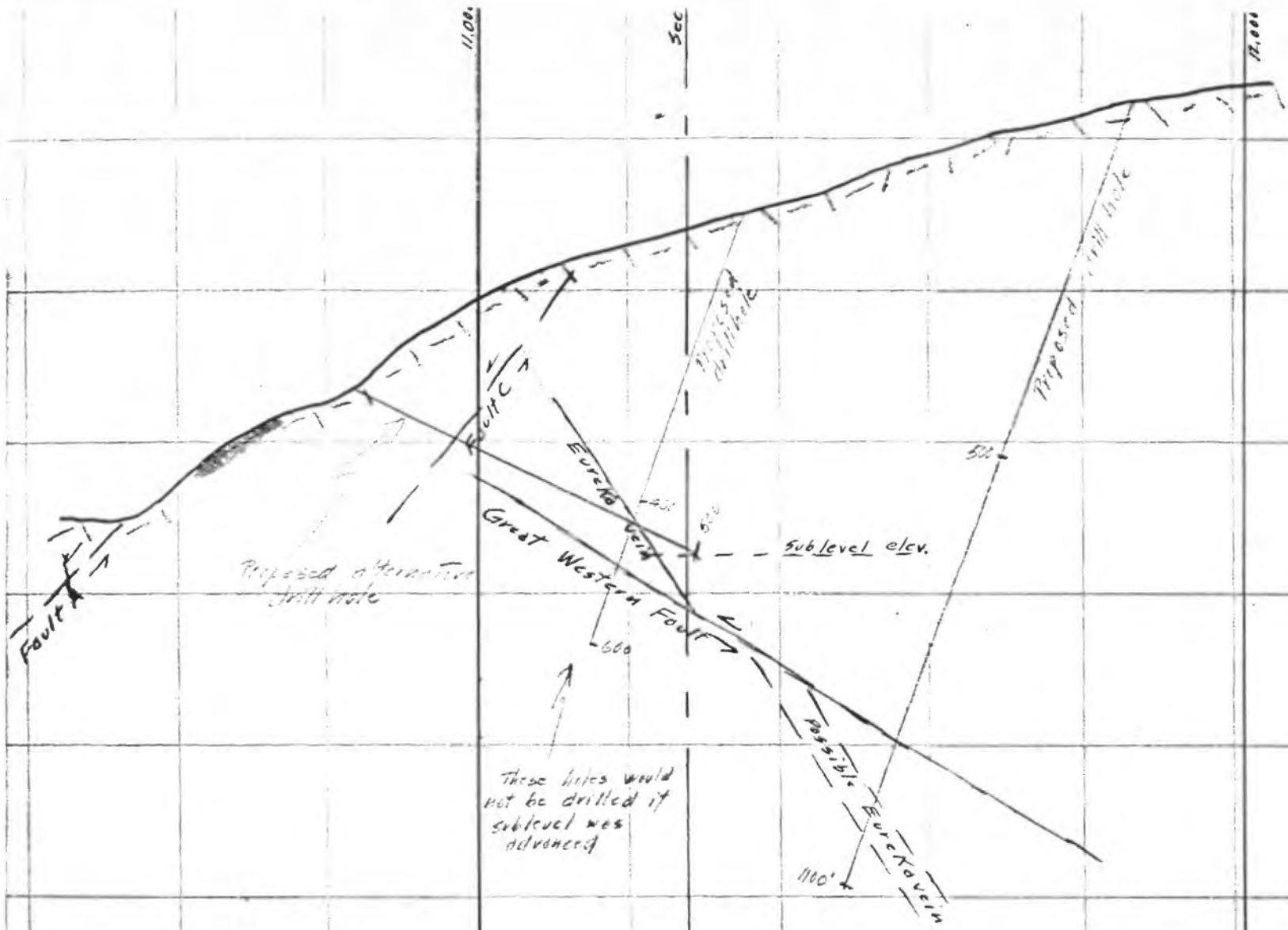


Possible
Eureka Vein
position

SEC. THRU D.D.H. #14

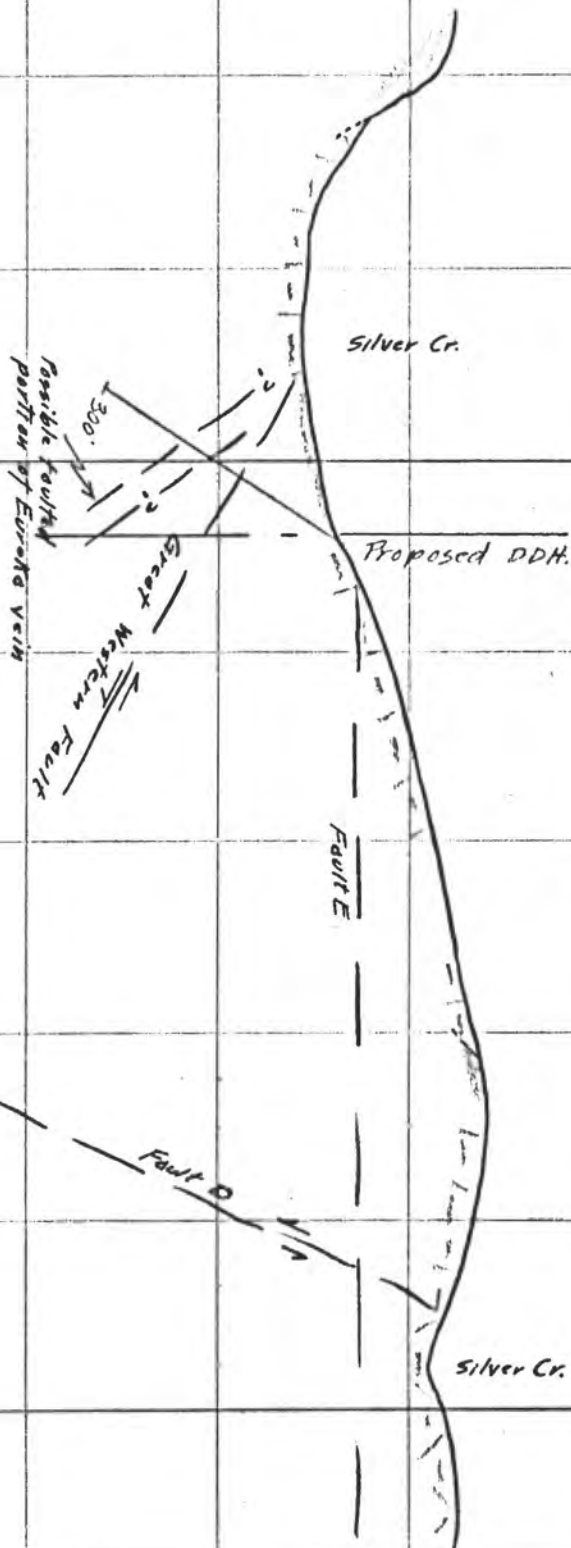
by R. Tuck
1/ Jan. '45

1" = 40'



Fault E

SE 1" = 200'



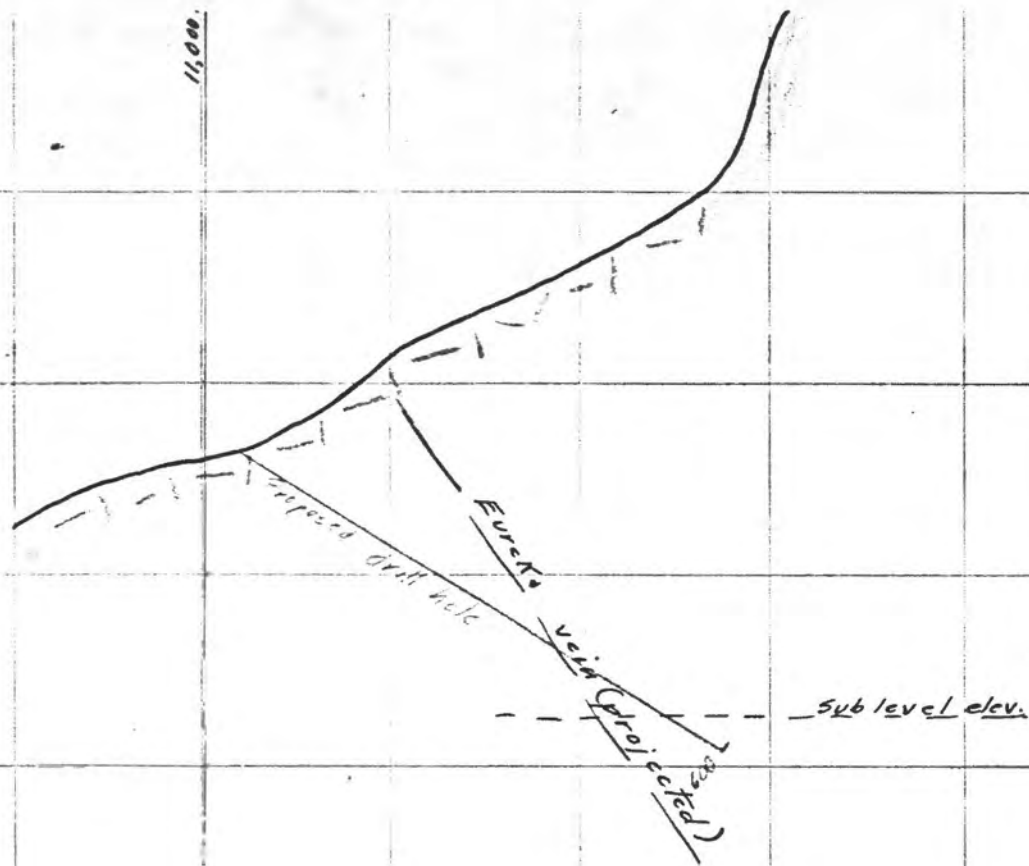
E1104

SEC.

SEC. 14

14

E 12.0



SEC.V

1" = 100'

N 8000
E 11000

Sec. U

Sec. U

Sec. U

N 1000

Sec. U

Silver Creek

Sublevel
0.5 level

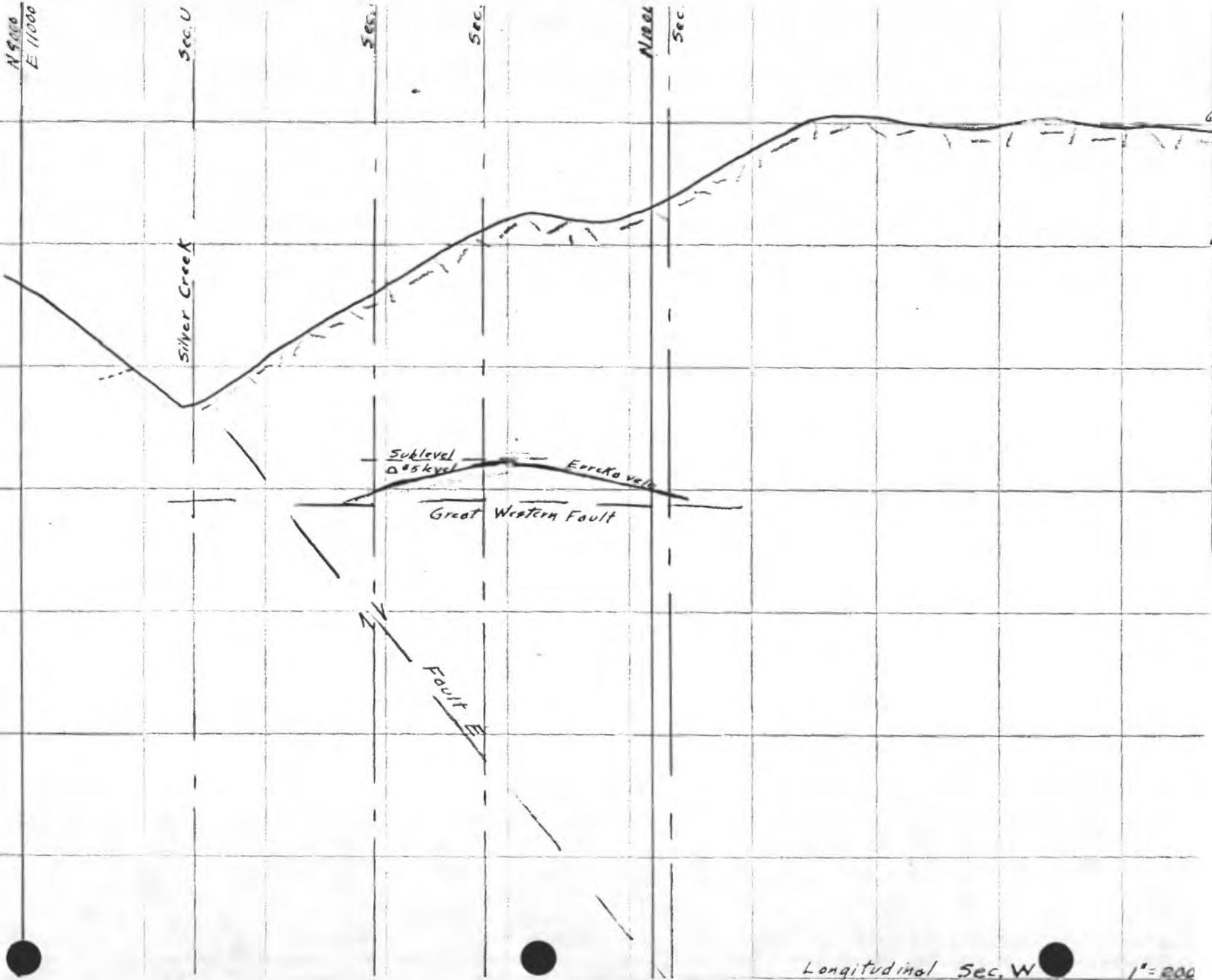
Eureka vein

Great Western Fault

Fault E

Longitudinal Sec. W

1" = 200'



MEMORANDUM - FEBRUARY 26TH, 1951

Re: Bearup Property, Catron Co.,
N. M.

TO: MR. A. G. KIRKLAND

FROM: RALPH TUCK

The Bearup property, sometimes known as Silver Creek mine, was examined late in 1944. We do not have any reports concerning it here in Salt Lake, all the maps, etc. are at Bayard, so that I am quoting from memory.

It is a silver-gold property with a production of probably 5,000 to 10,000 tons of \$40.00 to \$50.00 gross value ore. We sampled and mapped the underground workings and did some short-hole diamond drilling (holes not exceeding 100' in depth) in the walls for possible parallel veins. As a result of our examination there appeared to be a possibility of a faulted segment of the downward extension of the vein or parallel veins which we thought might be determined by more extensive diamond drilling. Mr. Hunt was unable to come to terms with Ira Wright and associates, who held a lease and option on the property at that time, so that we could do this work.

After our examination Wright et al. continued to mine to the downward termination of the oreshoot. I have never seen these lower workings since the last work but have intended sometime to examine them.

Inasmuch as the property might possibly be of some interest to us in the future, although it is only a long-shot exploration bet, I do not believe it would be advisable to turn over any of our maps, etc. to H. M. McQuigg. If possible this should be handled in such a way that we would still have his goodwill and therefore access to the property if he does some work.

RT
Ralph Tuck

RT/G

cc - Mr. R. N. Hunt