



CONTACT INFORMATION

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ARIZONA DEPARTMENT OF MINES AND MINERAL RESOURCES AZMILS DATA

PRIMARY NAME: KELLWEBB PROPERTY

ALTERNATE NAMES:
WEBB PERMIT

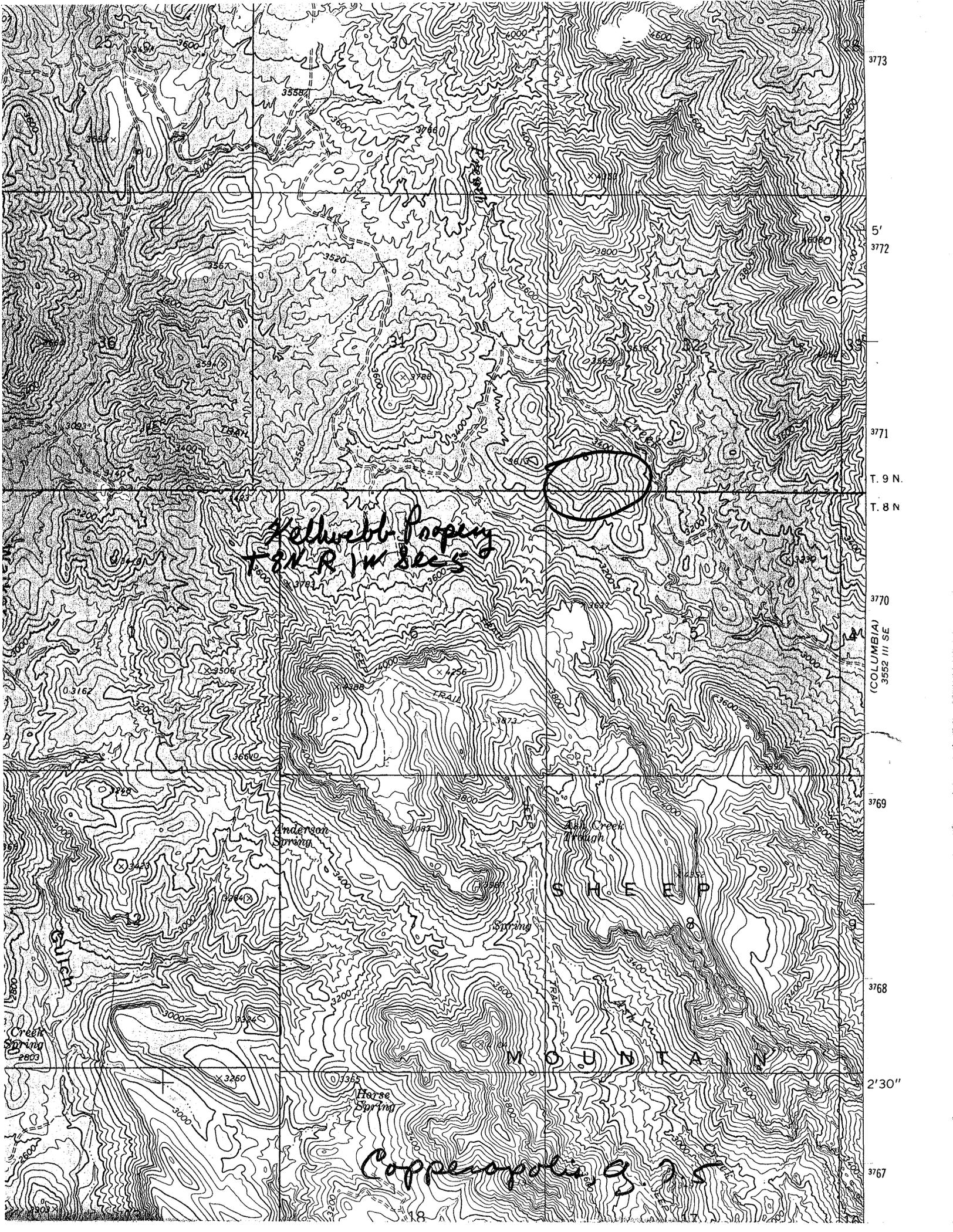
YAVAPAI COUNTY MILS NUMBER: 895

LOCATION: TOWNSHIP 9 N RANGE 1 W SECTION 32 QUARTER S2
LATITUDE: N 34DEG 04MIN 25SEC LONGITUDE: W 112DEG 22MIN 50SEC
TOPO MAP NAME: COPPEROPOLIS - 7.5 MIN

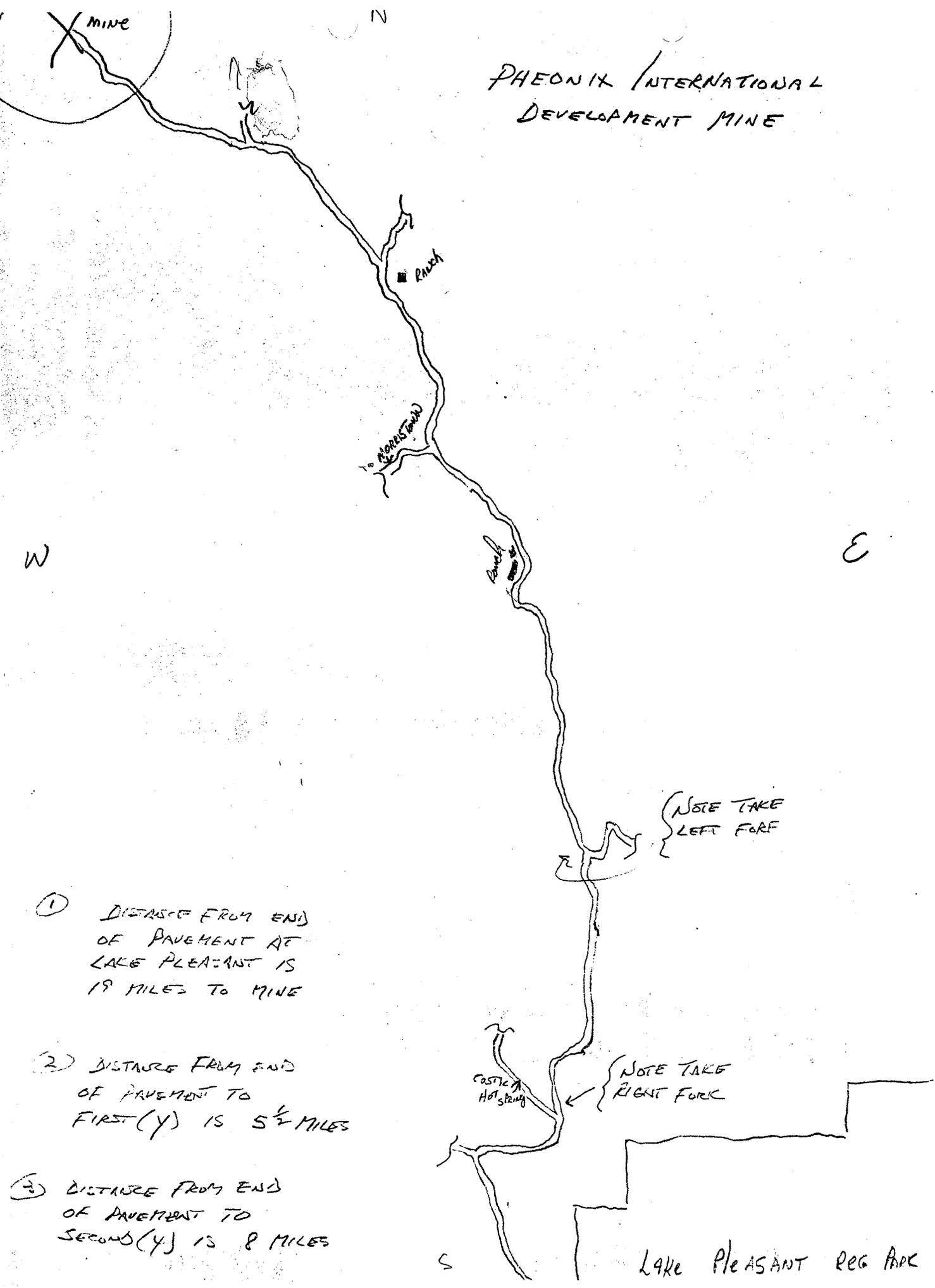
CURRENT STATUS: EXP PROSPECT

COMMODITY:
GOLD
SILVER
URANIUM

BIBLIOGRAPHY:
STATE OF AZ LAND DEPTS PERMITS 6009700 &
7837100
ADMMR KELLWEBB PROPERTY FILE



PHOENIX INTERNATIONAL DEVELOPMENT MINE



① DISTANCE FROM END
OF PAVEMENT AT
LAKE PLEASANT IS
19 MILES TO MINE

② DISTANCE FROM END
OF PAVEMENT TO
FIRST (Y) IS 5 1/2 MILES

③ DISTANCE FROM END
OF PAVEMENT TO
SECOND (Y) IS 8 MILES

NOTE TAKE
LEFT FORK

NOTE TAKE
RIGHT FORK

COSTLEA
Hot Springs

LAKE PLEASANT REG PARK

KELLWEBB PROPERTY

YAVAPAI COUNTY

NJN WR 3/22/85: Jim Mott of the State Mine Inspectors office called seeking the current owner of the Kellwebb Property (f) Yavapai County. He reported ranchers in the area have complained to the mine inspectors office about chemicals and a general mess left at the sight of a heap leach operation. Mr. Mott and someone from the Health Department visited the site and found abandoned barrels of NaCN and NaOH and open ponds of unknown solutions. Research of the BLM records indicates the property is now covered by the New Orphan Boy #1-66 claims centered on T8N R1W Sec 5 and belonging to Phoenix International Development Corp (c) with new local address 4242 N. Winfield Scott Plaza, Scottsdale, Az 85251.

2

MG WR 1/30/81: Gave information concerning startup of a new mine to Robert Campbell, P.O. Box 2168, Prescott, Arizona 86302, phone 778-3700. He hopes to begin working the Kellwebb Mine in Yavapai County.

KAP WR 2/20/81: Bob Hudson, phone 895-9212 (a Chandler area cotton farmer) reported he has some interest in investing in the Kell Webb Property (Phoenix Electric Refinery Ltd. Canada). He reported he visited the property and the rock appeared mineralized and a lot of work has been done. However, he admitted he is not knowledgeable about mining. He does not think much about the company's recent announcement which reported on a large upgrading of precious metals assays after treatment by a secret process.

NJN WR 7/3/81: Dr. Bhappu of Mountain States Engineering reported he was doing some tests for the Kellwebb Au+Ag leaching project, Yavapai County, north of Lake Pleasant.

RRB WR 8/21/81: Visited the Kell-Webb property of Phoenix International. A separate report will be written.

KAP WR 7/31/81: A report was received from a usually reliable source (that visited the property) that at the Kell-Webb property, Phoenix International is trying to heap leach gold. There are numerous trailers for workers' housing on the sight.

NJN WR 7/31/81: It was reported that Phoenix Electric has drilled some dry wells on their Kell-Webb Property, (Yavapai County. This will delay start up of their heap leach operation.

NJN WR 9/24/82: John Challinor reported there is a new canadian group active at the Kell Webb Property, Yavapai County, Arizona.

MEMORANDUM FOR FILE

FROM: JOHN H. JETT, DIRECTOR

JUNE 10, 1981

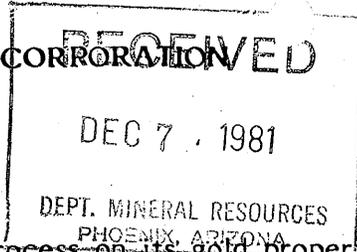
Jim Matt of the State Mine Inspector's Office reported that Phoenix International Development Company, Inc. has an office in Prescott. Tom Webb functions as manager and lives at the Sheraton Greenway at this time. There are approximately 50 employees building pads now for leaching. Should be in operation by middle of July.

Kell-Webb (file) Yavapai County

PHOENIX INTERNATIONAL ENERGY CORPORATION

KELL-WEBB

INFORMATION BULLETIN



JLV
on
RECEIVED
NOV 5 1981
VANCOUVER
STOCK EXCHANGE
RMS

Plans to "fine-tune" the production process ~~on its gold property~~ in Yavapai County, Arizona, have been announced by Phoenix International Energy Corporation.

President Leonard Udell says that test tonnages on the leaching pads of the Phoenix project have shown that fine clays present in the material have demonstrated a tendency to compact, causing the leaching chemicals to channel through the material rather than permeate evenly - thus reducing the recovery of the values of gold and silver which laboratory leach tests have shown to be present in the Phoenix material.

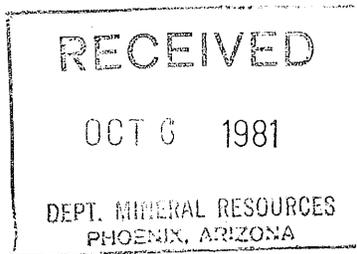
Udell indicated that a number of authorities on the leaching process had been consulted by Phoenix management - including George M. Potter of Tucson, Arizona, formerly with the U.S. Bureau of Mines and now widely recognized in the U.S. for his expertise in the field of gold leaching. All have recommended that agglomeration equipment be added to the production process. This involves the addition of very small quantities of cement and moisture to bind the fines to coarser material before leaching chemicals are applied. Bulk samples of representative material were shipped to Nevada to test the effectiveness of the agglomeration process, and the positive results achieved with the Phoenix material led consultants to their recommendation, he said.

Udell indicated the company would seek additional financing, subject to the approval of regulatory authorities, to facilitate the implementation of the agglomeration process - plus certain other adjustments to the original production facilities which consultants feel will enhance the overall effectiveness of the operation. Monies raised would also provide additional working capital.

Consulting geologist A.R. Grant of Langley, Washington, has also recommended that Phoenix embark upon a program of exploration and reserve development on the Kellwebb section of its Arizona property. Part of this involves establishment of a 29-hole drilling grid to determine the geometry and thickness of the primary gold structure. Mr. Udell said that the drilling program has started, using a reverse-circulation percussion drill to ensure the proper recovery of the heavily-oxidized material.

November 5, 1981

David P. Brown



*File
Phoenix International
Kell-Webb*

502-625 Howe Street,
Vancouver, British Columbia
V6C 2T6
Telephone (604) 681-1917

October 1, 1981.

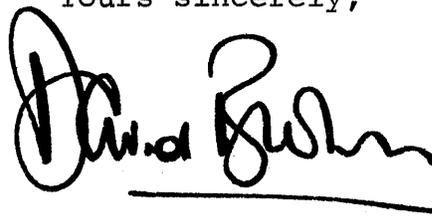
Ann Turney,
Administrative Assistant,
Dept. of Mineral Resources,
State of Arizona,
Mineral Building, Fairgrounds,
Phoenix, Arizona,
U.S.A. 85007

Dear Ann:

My sincere thanks for your assistance
yesterday with publications relating to the history
of gold exploration in your state.

As I promised, I have added you to our
mailing list in order that the Department is aware
of information released by Phoenix International
concerning its property in Yavapai County.

Yours sincerely,



David P. Brown

DPB:pd

c.c. Mr. L.N. Udell,
President,
Phoenix International.

ABE

7 2/2 3/2

25 44

56 63

THE FOLLOWING WAS RELEASED ON PHEONIX ELECTRIC OIL ON JAN 19/81

NEW ASSAY RESULTS AND TONNAGE PROJECTIONS REPORTED FROM KELLWEBB GOLD PROPERTY ARIZONA

246-9573

PHOENIX ELECTRIC OIL REFINERS (CANADA) LTD. HAS PROVIDED A PROGRESS REPORT ON THE SAMPLING PROGRAM CARRIED OUT IN DECEMBER 1980, ON THE KELLWEBB GOLD PROPERTY LOCATED 58 MILES NORTH OF PHOENIX, ARIZONA. THE REPORT IS DATED JAN 6/81 AND WAS PREPARED BY J.B.P. SAWYER, P.ENG, IT CONTAINS THE TABLE OF ASSAYS TO THE LEFT AND STATES IN PART THE MINERALIZATION OCCURS IN THREE DISTINCT ZONES WHICH ARE ALIGNED IN A ROUGHLY NORTH-SOUTH DIRECTION. IN REPORTING TONNAGE CALCULATIONS THE CONSULTANT STATES, IN PART, "OUT KNOWLEDGE OF THE GEOLOGY AND DISTRIBUTION OF MINERALIZATION IN THIS ZONE INDICATES..... THESE DIMENSIONS ARE REASONABLE IF NOT CONSERVATIVE. HE CALCULATES: 4,000,000 TONS OF 0.35 OZ GOLD/T; PLUS 8,000,000 TONS OF 0.103 OZ. GOLD/T AND THAT THERE ARE 1,500,000 OZ OF RECOVERABLE GOLD IN THE TWO ZONES. IT CAN BE SEEN FROM THIS THAT THE KELLWEBB PROPERTY IS AN IMPORTANT GOLD PROSPECT WITH VERY SIGNIFICANT AMOUNTS OF CONTAINED GOLD."

EARLIER, THE COMPANY ANNOUNCED THAT A PILOT LEACH PAD WAS TO BE CONSTRUCTED AND THAT THE RESULTS OF THAT WORK WILL DETERMINE THE SCALE OF FUTURE EXPLORATION AND DEVELOPMENT. WORK TOWARD THE TEST LEACH PAD IS CONTINUING WITH FIRST RESULTS EXPECTED IN A FEW MONTHS. (SEE GCNL NO. 219 AND NO. 205 FOR PREVIOUS REPORTS ON THIS PROPERTY).

IN PRESENTING THE WEIGHTED AVERAGES FOR SOME OF THE SAMPLES THE CONSULTANT STATES: WEIGHTED AVERAGE OF FIVE SAMPLES 0.35 PZ GOLD/T, OVER A MINIMUM WIDTH IN THE ORDER OF 250 FT. WEIGHTED AVERAGE OF THREE SAMPLES OVER AN AGREGATE WIDTH OF 195 FEET 0.21 OZ GOLD/T. WEIGHTED AVERAGE OF THREE SAMPLES OVER AN AGGREGATE WIDTH OF 63 FEET 0.083 OZ GOLD/T.

JACK MORIN TR

*Sample - Det 9 mass
11/12/81 Zinkl*

*600
3
180.0/Ton*

File

RECEIVED
JAN 28 1981
RESOURCES
ARIZONA

STEPHEN S. CHRISTENSEN



DEAN WITTER REYNOLDS INC.
3033 North Central Ave., Phoenix, AZ 85012
(602) 264-9661

ENGINEERS
MANAGERS
CONTRACTORS



J. S. REDPATH CORPORATION

P.O. BOX 27328

TEMPE, ARIZONA 85282

TELEPHONE: 602-968-3192

TELEX 669447

RECEIVED

DEC 17 1980

DEPT. MINERAL RESOURCES
PHOENIX, ARIZONA

15 December 1980

Mr. John Jett, Director
Arizona Department of Mineral Resources
1826 W. McDowell Road
Phoenix, Arizona

Dear John:

Enclosed you will find a copy of the press release regarding the gold property which you and I discussed. Although I can see that it is intended to be promotional, they appear to have presented it in a slightly different manner in which you normally would expect. The information is for your files to do as you see fit. I appreciate your efforts to help me out.

In case I do not see you before the holidays, have a very Merry Christmas and a Happy New Year.

Sincerely,

Gordon M. Miner
Vice President - Engineering

GMM:p1

make file

Phillip P. Parkam

MEB

PHOENIX ELECTRIC OIL REFINERS CANADA LTD.

2050 - 200 GRANVILLE STREET • VANCOUVER, B.C. V6C 1S4

TELEPHONE (604) 687-1444

+ PRESS RELEASE +

file
The Kellwebb Property, Yavapai County, Arizona U.S.A.

Gold Potential Evaluated-More Work Recommended

In a report dated August 8, 1980, Sawyer Consultants Inc., Vancouver, B.C. recommend a more complete evaluation of the gold mineralization on the Company's total claim holdings on the Kellwebb property.

Over the past two years, the Company has carried out a considerable amount of work including geological mapping, geophysical surveys (magnetometer and radiometer) and percussion drilling aimed primarily at investigating the uranium potential of the property. The results of this work have been encouraging and the property holds considerable potential for development as a source for uranium ore. However, the area in which the property is located also has a significant history as a gold producing area and the existence of former producing gold properties on ground adjoining the Kellwebb property and the possibility, not to say probability, that gold bearing structures on adjacent ground extend onto the Kellwebb ground, has been kept "in mind".

The controversy surrounding nuclear generating facilities over the past year have led to abandonment or at least temporary shelving of a number of nuclear power generating plants.

Consideration of these factors plus the rise in the price of gold have led the management of Phoenix Electric Oil Refiners (Canada) Ltd. to change the emphasis of their continuing exploration on the Kellwebb property and adjacent areas from uranium to gold.

The Consultants recommend that a fairly comprehensive exploration and mine development program be started on the Kellwebb property as early as practicable. Equipment is presently being assembled on site for a pilot plant, control grid, geological mapping to proceed with bulk sampling etc.

Oil and Gas, Ohio, U.S.A.

In their report to the Company dated August 14, 1980, independent petroleum consultant J. P. Sigler, Inc., Cambridge, Ohio state:

RE: Status Report on Monroe Wells, Tostenson Wells and Rio Grande Well

The Monroe #1 well (6½% W.I.) was scheduled to be turned into the line August 18. The Monroe #2 (6½% W.I.) was turned on August 6th and is producing at the approximate rate of 350 MCF/day. In addition it has been making one to three barrels of oil per day. The natural gas is being sold to the East Ohio Gas Co. at a price of \$1.97/MCF. The oil is currently being stored in tanks and will be hauled to various refiners on a tank load basis; it will be sold to Devco Oil, a trucking company and oil broker, at a price of \$38.00/Bbl.

Both the Tostenson #1 and #2 (30% W.I. reducing to 26¼% Net Rev.) were turned on Thursday, August 7th, with the gas being sold to the East Ohio Gas Co. at \$1.97/MCF. The Tostenson #1 is currently making approximately 110 MCF and 8 barrels of oil per day. The oil is being sold to Devco Oil Co. at a price of \$38.00/Bbl. The Tostenson #2 was turned-on at an approximate rate of 350 MCF/day; however, very little of the frac water has been pumped off this well, and thus, a definite estimate of oil and gas production cannot be derived at this time. Furthermore, the low-land field which the Tostenson #2 well is located is currently flooded, which has shorted out the electric lines to this well, and these lines cannot be repaired until the flood conditions have dissipated.

The Rio Grand College #1 well (30% W.I. reducing to 26¼% Net Rev.) was perforated on 6-16-80. After perforation a good show of oil was noted. It was fraced on 6-17-80 and went in production on 6-21-80. We are currently still pumping frac water with oil. As more and more of the frac water is pumped off the oil ratio increases. Hopefully this well should have most of the frac water pumped off by the first week of September, and should at this time be making mostly oil. This oil will be sold to Devco Oil Co. at a price of \$38.00/Bbl.

ON BEHALF OF THE BOARD OF DIRECTORS

L. N. Udell.

L.N. UDELL

President

September 4, 1980

PHOENIX ELECTRIC OIL REFINERS CANADA LTD.

2050 - 200 GRANVILLE STREET • VANCOUVER, B.C. V6C 1S4

TELEPHONE (604) 687-1444

October 21, 1980

Dear Shareholder:

It is my pleasure to enclose your copy of the report dated October 9th from our consulting engineers, Sawyer Consultants Inc. of Vancouver. It outlines in detailed fashion the results of studies commissioned to develop an extraction process which will maximize the gold recovery values from the company's Kellwebb property in Arizona and establish reliable techniques for the handling and analysis of ore samples.

Such a study had been recommended in an earlier report by Sawyer, and as a result a large bulk sample was shipped from the Kellwebb property, 58 miles from the city of Phoenix, to the Carol Laboratory in Portland, Oregon.

The successful outcome of the research is testified to by the fact that earlier assays, conducted by other methods, were upgraded by a mean factor of 21.43 — and by the fact that your company is now acting on the recommendation that it ready the property for production and build a pilot plant employing the new processing techniques developed in the laboratory.

As work on this and other Phoenix properties proceeds, every effort will be made to keep you fully and accurately informed of the progress made.

On behalf of the Board,

Leonard N. Udell,
President