



## **CONTACT INFORMATION**

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06/15/94

ARIZONA DEPARTMENT OF MINES AND MINERAL RESOURCES FILE DATA

PRIMARY NAME: QUAIL PLACER CLAIMS

ALTERNATE NAMES:

HAVASU GOLD  
CALZONE

MOHAVE COUNTY MILS NUMBER: 721

LOCATION: TOWNSHIP 15 N RANGE 18 W SECTION 30 QUARTER N2  
LATITUDE: N 34DEG 36MIN 55SEC LONGITUDE: W 114DEG 11MIN 04SEC  
TOPO MAP NAME: CROSSMAN PEAK - 7.5 MIN

CURRENT STATUS: UNKNOWN

COMMODITY:

GOLD PLACER

BIBLIOGRAPHY:

ADMMR QUAIL PLACER CLAIMS FILE  
GEO FILE-LIGHT, THOMAS. CROSSMAN PEAK WILDER-  
NESS STUDY AREA.

11/12/86

ARIZONA DEPARTMENT OF MINES AND MINERAL RESOURCES FILE DATA

PRIMARY NAME: QUAIL PLACER CLAIMS

ALTERNATE NAMES:

HAVASU GOLD

MOHAVE COUNTY MILS NUMBER: 721

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NESS STUDY AREA.

Date Printed: 10/29/93

ARIZONA DEPARTMENT OF MINES AND MINERAL RESOURCES

VERBAL INFORMATION SUMMARY

Information from: **Steve Nolte and Larry Toppenberg**

Company: Desert Wide Properties  
Address: 3330 N. Dobson Road # 8  
City, State ZIP: Chandler, Arizona 85224  
Phone: 602-838-6631

**MINE:** Quail Placer Claims

ADMMR Mine File: Quail Placer Claims file  
County: Mohave  
AzMILS Number: 721

SUMMARY

Steve Nolte and Larry Toppenberg, brokers with Desert Wide Properties, 3330 N. Dobson Road #8, Chandler, Arizona 85224, phone 602-838-6631, represent a client interested in investing in a mine. They have been approached by Steve Tima, Tima Oil and Minerals of Chandler, to invest in his placer gold property in the Chemehuevis District of Mohave County which may be either the Quail Placer or the Oatman One Placer.

Mr. Tima claims that the placer will yield a \$20,000 per ton concentrate in gold and silver by using a Dukes' Bowl and concentrating the placer gravels 20 to 1. The recovery is only successful, and the precious metals are only fire assayable if the concentrates are pretreated by a proprietary roasting method.

Ken A. Phillips, Chief Engineer      Date: October 28, 1993

QUAIL PLACER CLAIMS

MOHAVE COUNTY

RRB WR 3/22/85: Chuck Illes, P O Box 8551, Truckee, California 95737 friend's phone - 916-587-2117, called in regard to the above discussion at Mr. Jefford's suggestion. He said that he has documents to support the feasibility report in Calzone's offering and that Marge Sanerjez, a geologist from Nevada, has corroborated it. He proposes to set up a plant capable of running 100 tons per hour, 10 hours per day consisting of a grizzly, a trommel, a nugget trap and sluices at a total cost of less than \$100,000. He said he could be in operation within two weeks. I suggested that he gather up all his documentation, and his geologist and meet with the investors and their consultant to work out a deal.

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KAP WR 4/26/85: Discussed data in our Quail Placer (file) Mohave County with Richard Wichoski an attorney for the Internal Revenue Service. The IRS is planning for a tax court case regarding leveraged investments in Havasu Gold which involved part of the Quail Placer ground.

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KAP WR 10/3/86: Frank Mutulvic (sp.) New York called wanting to know what he could do about a promoter named Chuck Isles. He explained that Isles has been selling gold "to be produced" and similar scams. A current one involves a friend who has been encouraged to borrow \$11.5 million from an insurance company to develop a gold mine. Mr. Mutulvic originally was going to invest \$300,000 in the Quail Placer Claims (file), Mohave County, through Isles, but his wife talked him out of it. He did however buy 10 ounces of "to be produced" at \$100 per ounce to be delivered in six months. Six months has long passed and he hasn't received the gold. Although he has written the \$1,000 off as a cheap lesson, he would like to put Isles out of business to protect others. Since the deal took place in New York and involved gold to be produced in Arizona, I suggested he contact the consumer fraud offices and the securities regulators in both states and file complaints.

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RRB WR 10/15/82: Visited the Rick Mines Development property in Sections 19, 20, 29 and 30 T15N T18W in Mohave County. Headed south from the Franconia exit from I40 and followed Cal Zone Mining Company signs for about 10 miles. Found a sample pit (?) and 15' x 20' x 6' deep, a sump (?) about 75' in diameter and 10' deep and numerous sample pits about 2' x 3' x 2' scattered about the countryside. Also found some sampling equipment and several piles of segregated rock sizes. A sign was posted about two miles before the sample pits with the message "Warning - Miners working next 36 square miles - Proceed at own risk".

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KAP WR 12/24/82: Pete Chamberlin, U. S. Bureau of Mines Research Center, Minnesota, inquired about the Havasu Gold-Quail Run placers in Mohave County. He has received inquiries from potential investors in Minnesota.

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KAP WR 12/31/82: Based on a number (3-5) of recent calls, all but one of which did not give their names, there is apparently a renewed effort to see "units" of Havasu Gold.

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RRB WR 8/26/83: Bob Hamilton, mining engineer with the Los Angeles office of the IRS (213) 688-4640 called to inquire about "mining" operations in the Chemehuevis District in general and Cal Zone-Rick Mines in particular. Wanted information about water availability and operating costs. He said he was also investigating a placer operation near Wickenburg but did not name it. Earle Rose, Mining engineer and Larry Shores, geologist are also in the L.A. office of IRS.

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KAP WR 3/20/84: A reporter with the Kingman Daily Miner reported the Internal Revenue Service is investigating the Quail Placer for possibility of it being an abusive tax shelter. (Mohave County)

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RRB WR 3/22/85: Keith Jeffords, Commercial Loan Specialist with Coury Financial Services, Inc., 835-9201, Mesa was in to inquire about the Quail Placers, Chemehuevis Mining District, Mohave County. He reports that Chuck Illes and partner have purchased the claims from John F. Pasak and are trying to raise money to operate. They want to borrow \$150,000 to be repaid at the rate of \$25,000 per month for five years. Total pay back \$1.5 million. I suggested that Jeffords should hire a consultant to examine all of the reports and do some sampling to check the results.

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12'30"

757

3153 II NW  
(BUCK MOUNTAINS)

10 MI. TO U.S. 66

10'

760

24

19

20

R19 W  
R18 W

25

30

*Luail Places  
Claims  
T15N R18W  
Sec 30 N2*

36

31

32

T15N

T14N

CROSSMAN PEAK QUAD

Water Tank

Blacksmith Canyon Well

Water Tank

Arresta Well

TRAIL

Blacksmith Canyon

1

6

5

TRAIL

Prospect

TRAIL

7723

TO: John H. Jett, Director

FROM: Ken A. Phillips

SUBJECT: U.S. Tax Court Involving Havasu Gold

ADMMR File: Quail Placers, Mohave County

On Monday May 13, 1985 through Thursday May 16, 1985 I appeared as a witness for the Internal Revenue Service in St. Louis. The case involved the petition by taxpayers Kenneth J. and Vickie L. Horn and others against the IRS for disallowing their deductions of \$10,000 cash paid and a \$40,000 note for development costs to mine a 60x60x60 foot deposit of placer gravel in Sec. 30, T15N, R18W, Mohave County, Arizona. The purpose of my testimony was to provide the court with an explanation of the purpose of the Arizona Department of Mines and Mineral Resources and explain what information and advice we would give possible investors in a mining venture located in Arizona.

As I understand, Havasu Gold was to have been a placer mining venture in the Chemehuevis District of Mohave County, Arizona. A portion of the "deposit" had been divided into over 1000 parcels, each 60 feet by 60 feet and 60 feet deep. An investor could purchase the contained gold in a specific 60 foot cube for \$400 and was encouraged to hire Calzone Mining Company to develop and mine the cube. Calzone's fee was to be \$50,000 of which \$10,000 was to be paid in cash and \$40,000 secured by a promissory note. Reportedly under some provision of the Federal Tax laws, the entire \$50,000 development fee can be deducted in the first year thus providing a savings on income taxes as high as \$25,000 for a \$10,000 cash outlay in the current tax year. The \$40,000 promissory note is to be paid from gold recovered from the 60 foot cube.

It was the Internal Revenue Services contention that the taxpayers who made investments in Havasu Gold did so solely to shelter taxes, without regard to the business merits of the proposed mining venture and fully realizing they were not going to be held liable for the promissory note.

During the trial the attorney for the petitioners (that is the taxpayers) called on 4 or 5 of the investors; a tax accountant, a business venture broker and Henri Berger, president of Calzone Mining Company. The investor's testimony was to the affect that they made the purchases and signed the notes knowing they were getting into the gold mining business as a legitimate venture. However, none of them had any mining experience, none of them visited the property and sought any expertise or advice as to the merits of the mining venture. They strickly relied on either their tax accountants advice or the advice of a business venture broker named Emil Wachter of the St. Louis area. The \$10,000 payments (that is, the part which remained after substantial commissions were paid) along with the promissory note went to Calzone Mining Company which has gone bankrupt. The bankruptcy trustee apparently still holds the notes which were never used to secure additional funds. Calzone only did a little work on the property consisting of "show and tell parties" for broker-dealers, sinking water wells and acquiring a placer gravel plant.

The Havasu Gold venture along with Calzone Mining and the entire framework of the promotion was alleged by the IRS to have been architected by an Allen

Russell of San Diego who has annually created similar tax dodge ventures sold by many of the same accountants and brokers. All of the placer gold ventures used the same ore grades, mining costs, etc. whether they were in Alaska, Arizona, or Africa.

According to the IRS 330 units or 60x60x60 cubes were sold, most unsampled and some with no placer gravels (bedrock outcrops instead). Therefore, approximately \$3,300,000 was raised and \$16,500,000 was written off taxpayers income. Assuming an average tax bracket of 40% for the income level of most of the investors, the U.S. Treasury lost out on \$6,600,000.

The IRS called C.W. Johnson, a placer consultant from Wrightwood, California; Harvey W. Smith; Bob Hamilton, who is the IRS mining engineer from Los Angeles; and myself. Mr. Johnson had evaluated a portion (the best portion, he said) of the property for a broker who had previously sold a number of the units and was now worried because no gold was being produced. Mr. Johnson had hoped to verify the high grade of placer gravel alleged and be retained to operate the property. However, his best test sample only ran 3½ cents per cubic yard and the average was much lower.

Harvey W. Smith had evaluated the prospectus, "engineers" reports, and promotional data on the Havasu Gold venture for the Securities and Exchange Commission and had determined the data was inadequate to support the conclusion that the property justified development with the expectation of profits as outlined.

Bob Hamilton visited the property on 2 or 3 occasions when it was supposed to be in operation. He never encountered any operation.

I, along with other engineers in the Department's Phoenix office had received numerous calls regarding potential investment in Havasu Gold. We had received the data package, visited the property and advised callers to obtain extensive additional data and to hire a competent mining engineer to evaluate the offering in their own behalf. This was explained to the court.

The petitioner's attorney seemed to take alternating approaches through the trial. Sometimes he was trying to prove the investments were valid and the write off valid, and at other times it appeared his approach was to show that his clients had been "had".

If the case comes out in favor of the IRS it will likely effect tax sheltered write offs for other ventures such as Gila Mines and Wellenton Resources.

OLSEN, SNELLING & CHRISTENSEN, P.A.

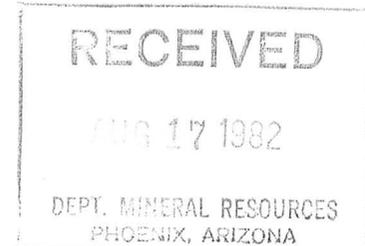
STANLEY C. OLSEN, JR.  
RONALD L. SNELLING  
JOSEPH J. CHRISTENSEN

ATTORNEYS AT LAW  
SUITE 307  
5200 WILLSON ROAD  
MINNEAPOLIS, MINNESOTA 55424  
TELEPHONE (612) 927-8855

WILLIAM L. LIBBY  
PARALEGAL / I.C.C. PRACTITIONER

August 13, 1982

Mr. John Jett  
Department of Mineral Resources  
Mineral Building  
Fair Grounds  
Phoenix, AZ 85000



Re: Mining Operation in Lake Habasu, Arizona

Dear Mr. Jett:

I wish to take this opportunity to thank you for taking the time to discuss the proposed investment in the mining operation near Lake Habasu, Arizona, with me. After much consideration and discussions with the fine people I was fortunate enough to locate, such as Tom Magarvin and David Rabb as well as yourself, we have decided not to go ahead with the investment in this operation.

In my discussions with you you requested that I send the materials which were given to me along to you in the event I no longer needed them. Since that is now the case I am herein enclosing the packet of information which was supplied to me by a Mr. Ron Algers, a local business adviser who is apparently associated with the gold mining people in an effort to help them sell these packages.

In looking at the prospectus that was supplied to us with the other materials, you will note that there is a lengthy opinion from an attorney named James Geffner, located in Los Angeles, California, included near the end of the booklet. The bottom line of Mr. Geffner's opinion is that the mining and development agreement between proposed investors and Calzone Mining Company is not a security. From this information, as well as other statements made in the prospectus, it appears clear that this program has not been registered with either the Securities and Exchange Commission, the State of California or the State of Arizona. I have not contacted any of the Security Departments for these entities in regard to this program but I would surmise that they may come to a different conclusion with respect to the necessity of registering this offering as a security.

Mr. John Jett  
August 13, 1982  
Page 2

I would appreciate your keeping me abreast of any developments of which you may become aware in connection with this program. My brother has a close friend and associate who has, possibly unfortunately, invested in the program and my brother is concerned for his friend's welfare.

Again, I thank you for the attention and cooperation you afforded me in my efforts to check out this offering.

Very truly yours,

OLSEN, SNELLING & CHRISTENSEN, P.A.



Joseph J. Christensen  
Attorney at Law

JJC:cp

cc: Bob Christensen



STATE OF ARIZONA  
DEPARTMENT OF MINERAL RESOURCES  
MINERAL BUILDING, FAIRGROUNDS  
PHOENIX, ARIZONA 85007

602/255-3791

June 16, 1981

*Ron  
MWS  
no cards  
or file*

Tipton Corporation  
P.O. Box 157  
Hays, Kansas 67601

Dear Mr. Tipton:

Thank you very much for the report by the Mountain States Research & Development on your placer property. It is very considerate of you to provide us with a copy. We learn and our file is enlarged. Hope you can stop by again in the near future.

Best Regards,

*John H. Jett*  
John H. Jett  
Director

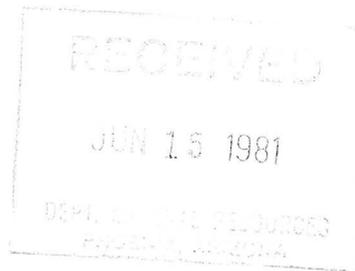
JHJ:ss



# Alvin E. Tipton

OIL PROPERTIES

June 8, 1981



John Jett  
Mineral Building-----Fairgrounds  
Phoenix, Arizona 85007

Dear Mr. Jett

This report has cost me ten ounces, so thought you might possibly enjoy seeing a copy.

Wanted to thank you and Mr. Phillips for your time and help.

It appears I am still looking for some property.

Best Regards

*Al Tipton*  
Al Tipton

*Circulate after Agnes letter*

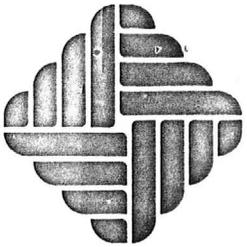
*Tom*

*Dear Mr Tipton*

*Thank you very much for the report ~~on~~ by the Mountain States Research and development on your placer property. It is very considered if you to provide us with a copy. We learn are our file are enlarged. Hope you can stop by again in the near future*

*Best Regards*

*10*



June 3, 1981

Tipton Corporation  
Post Office Box 157  
Hays, Kansas 67601

Attention: Mr. Al Tipton, President

Dear Mr. Tipton:

This letter report contains the metallurgical results obtained on a 400-pound placer concentrate sample received from Tipton Corporation.

The sample was run through a magnetic separator, giving magnetic and non-magnetic products. The magnetic product was then passed through the magnetic separator a second time. The magnetic portion was then dried, riffle mixed and two 1,000-gram assay samples were split out. These samples were then pulverized and rolled 100 times and sent as duplicate samples to the fire assay lab for gold and silver analysis.

The two non-magnetic products were combined and passed over a wiffley shaker table. The table tail was dried, riffle mixed and two 1,000-gram assay samples were split out. The samples were then pulverized and rolled 100 times and sent as duplicate samples to fire assay for gold and silver.

The table concentrate contained a large quantity of metallic copper. Metallic copper would have interfered with gold amalgamation, so it was acid leached for approximately 40 hours at 35% solids with 500 ml  $\text{HNO}_3$ . The sample was then filtered and a pregnant volume of 1675 ml recorded. The filter cake was then washed with a pH 2.0  $\text{HNO}_3$  solution, followed by two 500 ml water washes. Since metallic copper was still visible in the filter cake, the sample was again leached under the same conditions as the first leach for 24 hours. The sample was filtered and washed, using the same method. The total preg. and wash solution from both leaches was 8385 ml. The preg. and wash solution was sampled and assayed for Cu and Ag.

The leached residue was placed in a Winchester Bottle at 50% solids, with 12.3 grams of sodium hydroxide to attain a pH of 10.2. The sample was then amalgamated with 208.93 grams of mercury for 20 minutes. The sample was then hand panned and 205.99 grams of mercury were recovered. The amalgam contained 541.24 mg of gold and 15.55 mg of silver.

The attached page gives the overall metallurgical results.

Tipton Corporation  
Hays, Kansas  
June 3, 1981

Page Two

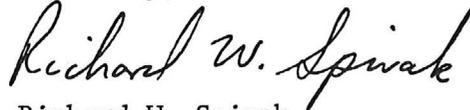
Test results indicate that 97.7% of the gold and 95.7% of the silver was recovered in the non-magnetic portion of the original concentrate that was sent to us. Only 38.5% of the gold and 61.3% of the silver was recovered in the acid leach plus amalgamation.

When these metallurgical results are calculated back to the ore feed, a recovery of 13.5% of the gold and 1.0% of the silver was realized from a material containing 0.007 oz/Ton gold and 0.02 oz/Ton silver.

This placer does not appear to be very promising and the presence of metallic copper in the concentrate should be seriously questioned. It is possible that the sample sent to Mountain States Research and Development was contaminated, but metallic copper does not normally occur in a placer deposit.

If you have any questions please do not hesitate to call us.

Sincerely,



Richard W. Spivak  
Acting Laboratory Supervisor

RWS/gfk  
Attachment

OVERALL METALLURGICAL RESULTS  
Project No. 2373

<u>Product</u>	<u>Volume ml or Weight g</u>	<u>Wt.%</u>	<u>Assays oz/Ton</u>		<u>Content oz/Ton</u>		<u>% Distribution</u>	
			<u>Au</u>	<u>Ag</u>	<u>Au</u>	<u>Ag</u>	<u>Au</u>	<u>Ag</u>
Amalgam	--	--	541.24*	15.5*	0.00098	0.0000	13.5	0.0
Amalgam Tail	1931.9	0.01	10.332	9.91	0.00103	0.0010	14.1	4.4
HNO <sub>3</sub> Leach Solution**	8385.0 ml	0.05	--	0.34	--	0.0002	--	0.9
Cleaner Table Tail	136624.3	0.84	0.032	0.18	0.00027	0.0015	3.7	6.6
Magnetics	55717.0	0.34	0.017	0.04	0.00006	0.0001	0.8	0.4
Bulk Table Tail***	16135326.8	98.81	0.005	0.02	0.00494	0.0198	67.9	87.7
Calc. Head on Ore Feed	16329600.0	100.00	0.007	0.02	0.00728	0.0226	100.0	100.0
Cleaner Table Conc.	1931.9	0.01	20.1	12.0	0.00201	0.0012	27.6	5.3
Non-Magnetics	138556.2	0.85	0.268	0.32	0.00228	0.0027	31.3	11.9
Bulk Table Conc.	194273.2	1.19	0.197	0.24	0.00234	0.0028	32.1	12.3

\*\* Miligrams contained  
 \*\* 116.3 g copper leached from cleaner table concentrate  
 \*\*\* Wt. estimated by Jack Pierce

TEST PROGRAM METALLURGICAL RESULTS  
Project No. 2373

<u>Product</u>	<u>Volume ml or Weight g</u>	<u>Wt. %</u>	<u>Assay oz/Ton</u>		<u>Content oz/Ton</u>		<u>% Distribution</u>	
			<u>Au</u>	<u>Ag</u>	<u>Au</u>	<u>Ag</u>	<u>Au</u>	<u>Ag</u>
Amalgam	--	--	541.24*	15.5*	0.0813	0.002	38.5	0.8
Amalgam Tail	1931.9 g	0.99	10.332	9.91	0.1023	0.098	48.5	38.7
HNO <sub>3</sub> Leach Solution**	8385 ml	4.32	--	0.34	--	0.015	--	5.9
Cleaner Table Tail	136624.3 g	70.33	0.032	0.18	0.0225	0.127	10.7	50.3
Magnetics	55717.0 g	28.68	0.017	0.04	0.0049	0.011	2.3	4.3
Calc. Head or Bulk Table Conc.	194273.2 g	100.00	0.211	0.25	0.2110	0.253	100.0	100.0
Cleaner Table Conc.	1931.9	0.99	18.545	11.62	0.1836	0.115	87.0	45.4
Non-Magnetics	138556.2	71.32	0.289	0.34	0.2061	0.242	97.7	95.7

\* Milligrams contained

\*\* 116.3 g copper leached from cleaner table concentrate

\*\*\* Wt. estimated by Jack Pierce

United States Tax Court

WASHINGTON, D.C. 20217

QUAIL PLACER (file)

KENNETH J. HORN and VICKIE L. HORN, et al.,

Petitioners,

v.

Docket No. 25579-84

COMMISSIONER OF INTERNAL REVENUE, Respondent.

SUBPOENA

To Kenneth Phillips, Arizona Department of Mines and Mineral Resources, Mineral Building, Fairgrounds, Phoenix, Arizona 85007

YOU ARE HEREBY COMMANDED to appear before the United States Tax Court

(or the name and official title of a person authorized to take depositions)

at 10:00 AM on the 6th day of May, 1985

at Room 829, U.S. Court & Custom House, 1114 Market Street, St. Louis, Missouri 63101

then and there to testify on behalf of Respondent in the above-entitled case,

and to bring with you

(Use reverse if necessary)

and not to depart without leave of the Court.

Date April 29, 1985

Richard A. Witkowski (314) 425-4747 Attorney for (Petitioner) (Respondent)

C. Pace (Name)



TRIAL CLERK (Title)

RETURN ON SERVICE

The above-named witness was summoned on the ... day of ..., 19... at ... by delivering a copy of this subpoena to h... and, if a witness for the petitioner, by tendering fees and mileage to h... pursuant to Rule 148 of the Rules of Practice of the Tax Court.

Dated ... Signed ...

Subscribed and sworn to before me this ... day of ..., 19...

DISTRICT COUNSEL  
Internal Revenue Service

MIDWEST REGION  
P. O. Box 1146 Central Station  
St. Louis, Missouri  
63188

CC:STL-TL  
RAWitkowski

APR 29 1985

QUAIL PLACER (file)

Kenneth Phillips  
Arizona Department of Mines  
and Mineral Resources  
Mineral Building, Fairgrounds  
Phoenix, Arizona 85007

In re: Kenneth J. Horn and  
Vickie L. Horn, et al.  
Docket No. 25579-84

Dear Mr. Phillips:

The above case(s) will be called at the trial session commencing on the date and at the place shown in the subpoena served on you. At that time, it is expected that the Court will fix the specific date for trial.

We want to avoid your spending unnecessary time in Court waiting for the trial to commence, but we do not know the exact day and hour which the Court will select to start the trial, since several other cases are also set for trial on this session. If you will agree to be ready and respond immediately when notified of the exact date and time of trial, you will be excused from responding on the earlier return date shown on the subpoena. If you do not agree to this condition, you will be required to appear in Court on the date specified and will not be allowed to depart without leave of the Court.

If you do agree to appear when called, please sign the agreement to appear on the bottom of the copy of this letter and give the copy to the person serving the subpoena. We will try to notify you at least 24 hours in advance of the time your presence in the courtroom will be needed.

Your mileage and witness fees will be reimbursed if you sign a claim therefor. The claim form will be furnished following your Court appearance.

Department of the Treasury

Attorney Richard Witkowski is in charge of the case(s) and if you wish to incur the necessary expense, you may telephone him/her at (314) 425-4747 or address a letter to me for his/her attention.

Very truly yours,

(signed) William J. McNamara /RAW  
William J. McNamara  
District Counsel

I agree to appear when notified of the date and time of trial.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Date

Please sign the above agreement to appear and return it to our office in the enclosed envelope.

  
4-29-85



IN REPLY REFER TO:

# United States Department of the Interior

OFFICE OF HEARINGS AND APPEALS  
INTERIOR BOARD OF LAND APPEALS  
4015 WILSON BOULEVARD  
ARLINGTON, VIRGINIA 22203

*Quail Placers*  
*Ex 6, 8 & 9*  
*copy put in Quail*  
*Placers (file)*

JOHN F. PASAK ET AL.

IBLA 82-634

Decided March 28, 1983

Appeal from decision of Arizona State Office, Bureau of Land Management, declaring placer mining claims null and void ab initio. A MC 114843, et al.

Affirmed.

1. Mining Claims: Lands Subject To

Where land has been reconveyed to the United States and the reconveyance reserves the minerals to the grantor, the United States has no authority to recognize a claim for the minerals under the mining laws, 30 U.S.C. § 22 (1976), because the minerals are not owned by the United States. Such a claim is properly declared null and void ab initio.

APPEARANCES: Gordon J. O'Brien, Esq., Lake Havasu City, Arizona, for appellant.

OPINION BY ADMINISTRATIVE JUDGE BURSKI

John F. Pasak and others have appealed from a decision of the Arizona State Office, Bureau of Land Management (BLM), dated February 22, 1982, declaring certain placer mining claims null and void ab initio because the mineral estate was not in Federal ownership. 1/

Appellant's mining claims were located October 1, 1980, and recorded with BLM on November 7, 1980, pursuant to sec. 314 of the Federal Land Policy and Management Act of 1976 (FLPMA), 43 U.S.C. § 1744 (1976). The claims are situated in the S 1/2 sec. 19 and the W 1/2 sec. 29, T. 15 N., R. 18 W., Gila and Salt River meridian, Mohave County, Arizona. In its February 1982 decision, BLM declared the mining claims null and void ab

1/ The claims are the Quail Placer's Ex 5 (A MC 114843), Quail Placer's Ex 6 (A MC 114844), Quail Placer's Ex 8 (A MC 114846) and Quail Placer's Ex 9 (A MC 114847). The appellants are listed in the February 1982 decision as John F. Pasak, John J. Pasak, Charles J. Pasak, John F. Pasak, Jr., Emma Jean Pasak, Tina Marie Pasak, Pete T. Rose, Art Lindzy, Dave Stopke, and J. Wilson.

INDEX CODE:

None

### More On Mohave Mountains Area

In the June issue was reported the Malach's visit with Duane Whimpey, BLM archaeologist, as guide, to the placer gold locations at the foothills of Mohave Mountains.

Now more information is added about those mining gold locations from the letter of Duane Whimpey to Roman Malach:

Dave Taelour is presently conducting placer testing and mineral assessment in portions of the NW $\frac{1}{4}$  of Section 28.

John F. Pasak has several claims in the foothills of Mohave Mountains, and he leased two to the Rick Mine Development in Section 30, and to Calzone Mining Company in NE $\frac{1}{4}$  of Section 30. These two operations were mentioned in the June issue.

Additional mining operations currently active in that area are: (1) Milton G. Full, portions of Section 6, T11N, R16W, where hard rock mining-exploratory drilling and mineral assessment work are in progress; (2) Standard Metal Corp. is doing similar work in portions of the NW $\frac{1}{4}$  of Sec. 21 and in portions of the NE $\frac{1}{2}$  of Sec. 20 in T10W, R18W, and (3) G.A.B.B. Mining is conducting mineral testing of existing tailings in Sec. 24, T14N, R19W.

All these mentioned operations are in the exploring-testing phase, and no actual production of gold took place.

### Actual Mining Production

Malach listens to the people comments that "here or there mining is in progress", but, as yet, he has to find those mining locations, where gold or silver is actually produced.

Malach reported that the Tyro Mine-Mill are operational, but the mill encountered difficulties and modifications.

The Midnight Mine near Oatman is producing marketable ore and the owners are in progress of enlarging their mining operations.

At the Pinkham Mine by the foothills of the Cerbat Range, an experimental milling and processing work is in progress, but the management was not ready to disclose the details of their work at the Malach's last visit.

Reworking and re-milling of the Tennessee-Schuykill Mine dumps is in progress. The processed dump material is taken to the nearby mill. (PAC Mill 1111)

Malach continues to report about those mining operations in Mohave County, and he was doing such work for a number of years.

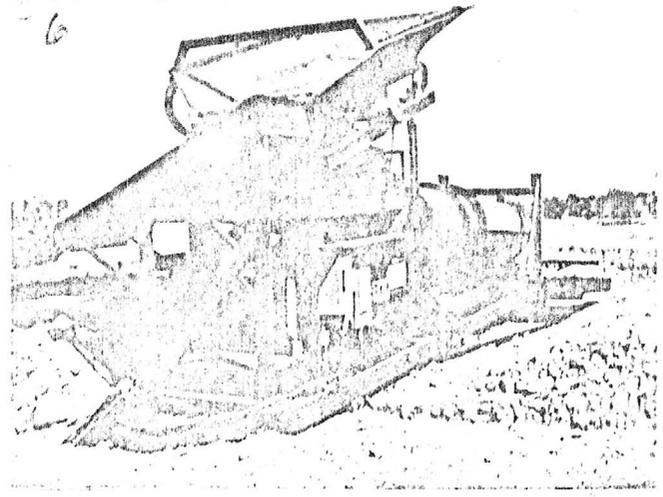
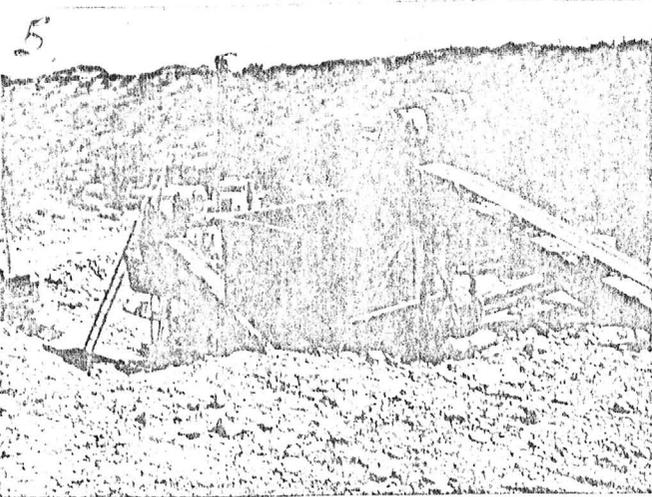
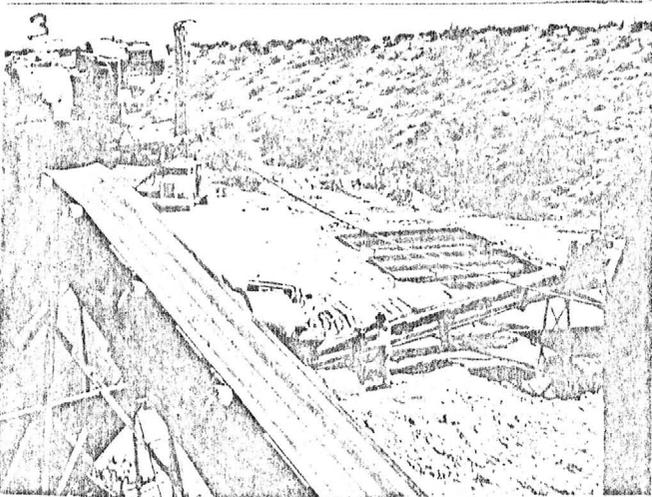
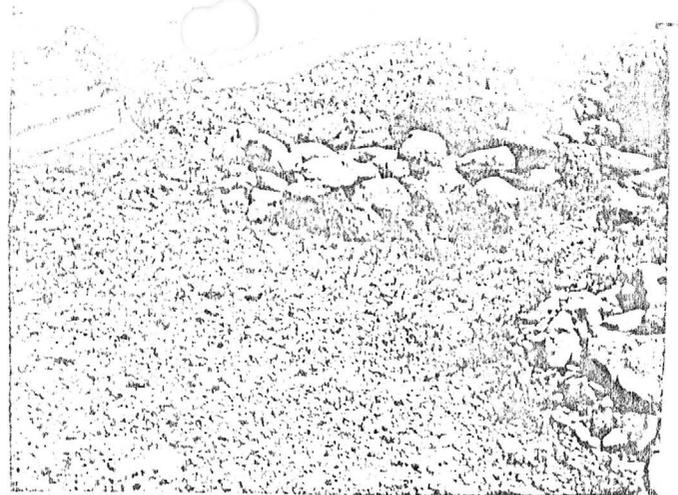
Anyone interested in the Mohave County mines or mining, by mail, by telephone or in person makes contact with Malach for the needed information. Often Malach has to go with those people into the field, show the actual mining site, and help then in any other way.

This "mine and mining information center" work done for the past years made Malach, could be, most knowledgeable person on the Mohave County mining history.

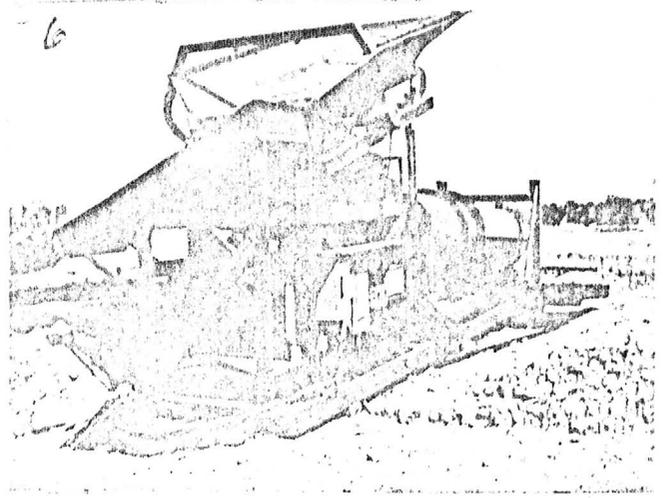
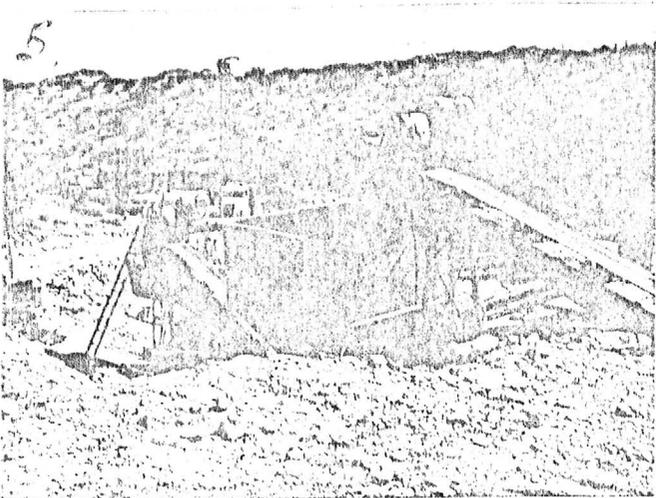
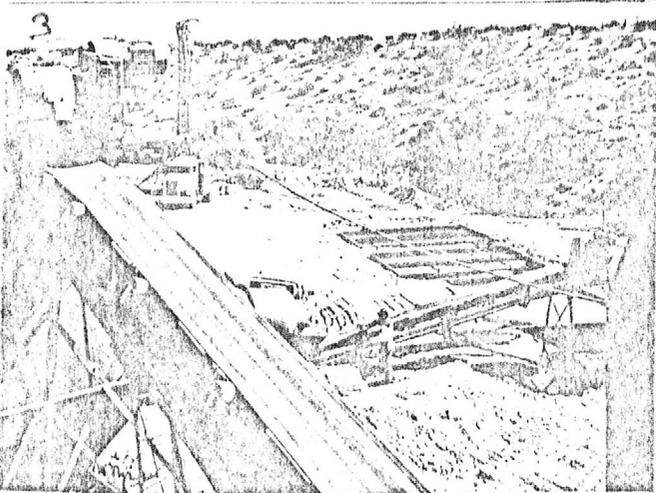
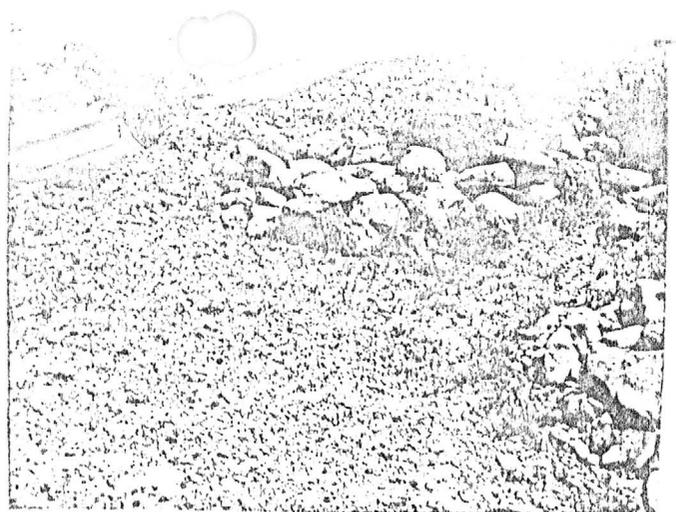
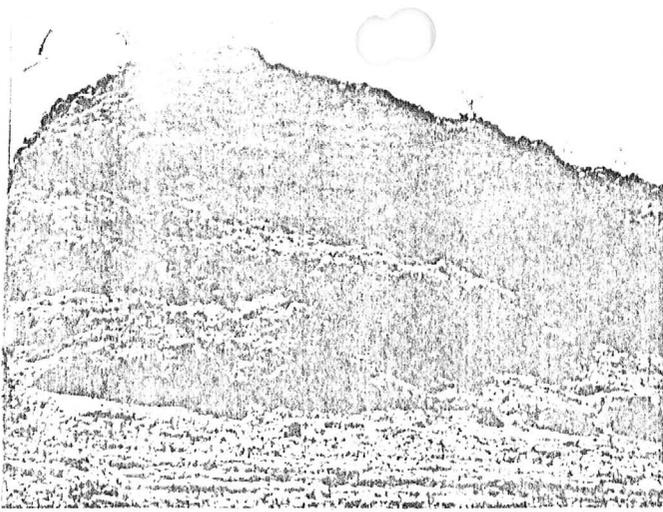
### Need For New Courthouse

After the turn of the century, the need for a new courthouse building was entirely different from the need of today. Here is that need explained in the May 11, 1912 issue of the "Miner":

"Mohave County is badly in need of a courthouse, the grand juries for many sessions past recommending the erection of commodious building and condemning the present structure. At the present time there is no safeguarding of the records of the county, which records are among the most important of any county in the State. These records date from the organization of the county in the early sixties and in perfect order (not any more, much of is lost). It would be a great loss to the people to have these records destroyed.



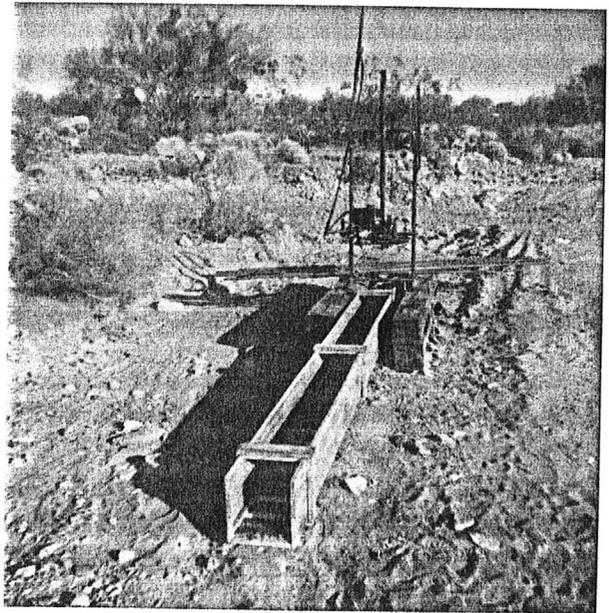
From Roman Malach Photograph Collection: (1) Higher half of the steep slope of the Hardyville Cemetary facing Highway 95 composed of rocks and gravel badly eroded. The lower part in light color is clay. (2) One of two graves less than two feet from the edge of the crumbling slope. (3) Placer gold operations at Calzone claim in Chemehuevi placers, near Mohave Mts. (4) Another scene at Calzone placer gold. (5) Heavy machinery at Calzone placer gold operation. (6) Idle heavy machinery at the Rick placer gold operations.



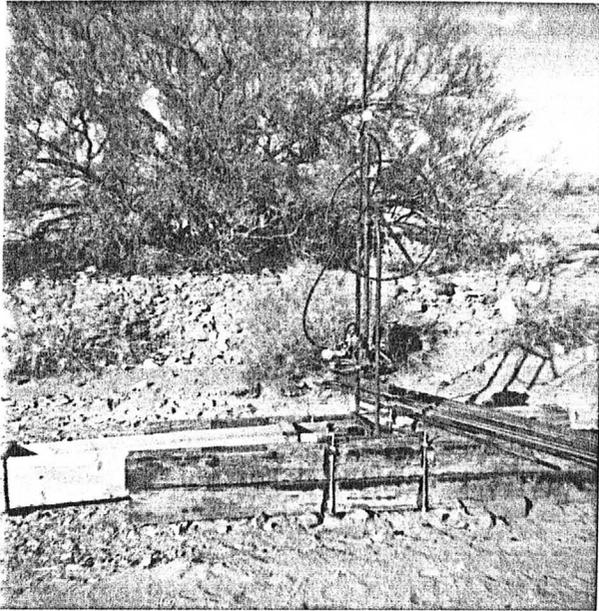
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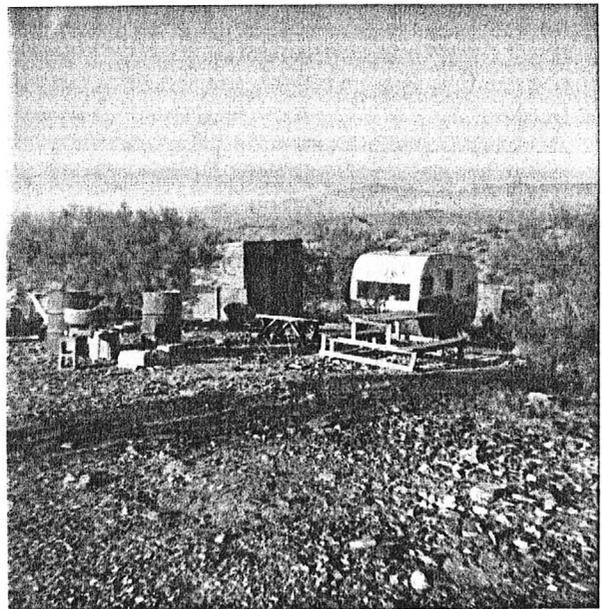
Calzone  
11/15/52



Calzone  
- Haven's Gun, 11/15/52



Wellhead at ...  
10/5/37



Wellhead at ...  
10/5/37









Kingman

Information for files from John H. Jett.

Telephone call on 8/10/82

Received call from a Mr. Christensen (sp) from Minneapolis. He is an attorney investigating a proposition for a client.

Rick Mine Development Company, (officers of company are Rick Carling of Lake Havasu City and a Wendy Stevanuf), are offering participation in Quail Placer Claims - land holdings are all of Sec. 30, S $\frac{1}{2}$  of 19, W $\frac{1}{2}$  of Sec. 29, SW $\frac{1}{4}$  of Sec. 20, all, R18W T15N (1440 acres). They claim they have this property leased from the federal government for gold mining.

The investor is to buy in for \$50,000. Of this \$10,000 will be in cash and \$40,000 in promissary note. This will get the purchaser the right to a certain tonnage of material. The investor will then have it processed by Calzone Mining Company Inc. in Los Angeles. The ore runs \$35 per yard.

Mr. Christensen (sp) admitted this was a "tax write-off" situation where one could deduct \$50,000 on their taxes this year for a \$10,000 outlay. He did state they would be in trouble in the future if the mine did not pay off.

*From Phone Book*

*Richard A Carling, 2768 Indian Pipe Ln, Lake Havasu City - 855-8742*

*Paul A Stevanus, 2365 Catamaran Dr., " " " 855-2752*

*BLM Surface-Minerals Management Status map - Needles, Calif. - Ariz.  
shows no federal minerals in Secs. 19 + 29 (BLM surface)*

*BLM Microfische shows 9 association placers covering area  
in names of Pasak, John; John J; Charles; John Jr; Emma; Tim;  
Ross, Pete; Lindzy, Art; Stopke, Dave; Wilson, J.*

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QUAIL PLACER CLAIMS

MOHAVE COUNTY

Chemehuevis District

T15N R18W Sec. 30,

S $\frac{1}{2}$  19, W $\frac{1}{2}$  29, SW $\frac{1}{4}$  20

KAP WR 4/30/82: A gentleman who explained he is a tax expert called from Hawaii for information on Rick Mines Development's Quail Placer Claims. We have no information. He said Rick Mines is pushing investments in the claims.

**RONALD A. ALGER**

PRESIDENT

ALCO FINANCIAL CONSULTANTS, INC.  
DIV. OF ALCO DEVELOPERS, INC.

"SINCE 1970"

5140 WEST 96TH STREET • BLOOMINGTON, MN 55437  
(612) 831-5164

## HAVASU GOLD

1982

### Tax Advantaged Gold Purchase Program

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Qualified persons ("Purchasers") are being offered the opportunity to purchase a share of the gold that may be found within a specified 8,000 cubic yards of aggregate ("Unit") from Rick-Mine Development Corporation, (the "Mine Owner"), who has the right to extract precious metals from mining claims located in Mohave County, Arizona (approximately 13 miles Northeast of Lake Havasu). The Purchaser may mine the aggregate himself or may contract with any reputable mining company of his/her choice. The Purchaser will find information on various mining companies to guide his/her choice.

\*

THIS PURCHASE PROGRAM HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION NOR HAS ANY SUCH COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PURCHASE PROGRAM WHICH HAS BEEN PREPARED IN RELIANCE UPON AN OPINION OF QUALIFIED COUNSEL WHICH IS INCLUDED HEREIN.

\*

<u>Mine Owners Fees (1)</u>	<u>Development Fees (2) (3)</u>
\$400/per unit	\$50,000/per unit

(See Footnotes on following page)

THIS PURCHASE PROGRAM INVOLVES SPECIAL RISKS CONCERNING MINING VENTURES. (FOR INFORMATION CONCERNING SUCH RISKS SEE, "RISKS AND OTHER IMPORTANT FACTORS").

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