



CONTACT INFORMATION

Mining Records Curator
Arizona Geological Survey
1520 West Adams St.
Phoenix, AZ 85007
602-771-1601
<http://www.azgs.az.gov>
inquiries@azgs.az.gov

The following file is part of the

Arizona Department of Mines and Mineral Resources Mining Collection

ACCESS STATEMENT

These digitized collections are accessible for purposes of education and research. We have indicated what we know about copyright and rights of privacy, publicity, or trademark. Due to the nature of archival collections, we are not always able to identify this information. We are eager to hear from any rights owners, so that we may obtain accurate information. Upon request, we will remove material from public view while we address a rights issue.

CONSTRAINTS STATEMENT

The Arizona Geological Survey does not claim to control all rights for all materials in its collection. These rights include, but are not limited to: copyright, privacy rights, and cultural protection rights. The User hereby assumes all responsibility for obtaining any rights to use the material in excess of "fair use."

The Survey makes no intellectual property claims to the products created by individual authors in the manuscript collections, except when the author deeded those rights to the Survey or when those authors were employed by the State of Arizona and created intellectual products as a function of their official duties. The Survey does maintain property rights to the physical and digital representations of the works.

QUALITY STATEMENT

The Arizona Geological Survey is not responsible for the accuracy of the records, information, or opinions that may be contained in the files. The Survey collects, catalogs, and archives data on mineral properties regardless of its views of the veracity or accuracy of those data.

SUMMARY REPORT OF MINERALS EXAMINATION

Cave Creek Mining District

State ARIZONA County Maricopa Mineral Products Cu, Au, Ag, SiO₂Name of property or deposit Rackensack GroupDate examined 12/5/76 Engineer Vernon B. Dale Date of this report 12/8/76Reason for examination Personal requestEngineer accompanied R.B. Crist Address Tucson, Az.Extent of property Four unpatented lode claimsOwner George Edeline & Mabel Steinegger Address Box 743, Carefree, Az. 85331Leased or optioned to Unknown Address _____Location of property (be specific) Sec. 4, T. 6N., R. 5E and
SW 1/4 Sec. 33, T. 7N., R. 5E. GVS RB + M.Type of deposit and mineralogy (brief description) Quartz veins in Yavapai
Schist and probable Laramide granites. Intersections of vein
shears, faults, etc. have caused

Known dimensions of the deposit

Length ± 500 Ft Width ± 200 Ft Depth ± 150-200 FtAttitude of the deposit (strike, dip, etc.) N 38° W dip 70° NEintersected by small qtz veins striking essentially EW with
north dip, all in a large shear zone. strikes & dips are variable.

Possible extensions; correlation of known showings

There is considerable faulting, both pre and post mineral.Considerable parallel quartz veins and other parallel
joints, fractures, fissures etc exist. These conditionssame shear zone conditions exist elsewhere in Cave Creek district

Mine workings (brief description or attach map or sketch) (indicate whether accessible).....

Three drifts from ± 100 Ft to 350 Ft in length,
one shift of unknown length and numerous shallow
cuts and trenches, and one ~~very~~ small open
cast cut.
(over)

RECEIVED

DEC 10 1976

DEPT. MINERAL RESOURCES
PHOENIX, ARIZONA

Mining and milling equipment on property None

Past production (if any) Several thousand dollars of gold - silver - copper ores.

Present rate of production (if any) Small amounts of specimen gold material

Sampling (describe briefly, or attach sketch) I cut one sample 1-5" across vein which assayed over 5 ounces gold and over 4 ounces of silver.

Tentative Estimate of Reserves

(Subject to revision when assays are received or after engineering calculations)

Measurable	<u>1000</u>	tons	Grade <u>+10% Au and +85% SiO₂</u>
Indicated	<u>5000</u>	tons	Grade <u>+10% Au and +85% SiO₂</u>
Inferred		tons	Grade

Mining method (actual or suggested) Selective mining, resquing method.

Milling or processing method (actual or suggested) Smelter flux and gravity concentration of low grade ores.

Processing tests suggested

Tentative conclusion and decision a smelter shop are operation along with specimen gold will yield profit to operator. Property is worthy of geologic examination for deep-seated ore deposit.

To be accompanied by brief letter giving examining engineer's general impression of the deposit, his impression of the owner, and any other confidential information he may care to submit. Refer to any known prior examinations and reports. May be executed in pencil. Should be mailed within 24 hours after examination is completed.

~~Send original and one copy to Washington Office.~~

This property has produced some of the most spectacular gold specimens that I have seen in Arizona. Smelter flux are contains less than 2% Al₂O₃ less than 1% S, and less than 1% CaO



STATE OF ARIZONA
DEPARTMENT OF MINERAL RESOURCES

MINERAL BUILDING, FAIRGROUNDS
PHOENIX, ARIZONA 85007

602/271-3791

To: John H. Jett, Director
From: Vernon B. Dale, Mining Engineer
Subject: Weekly Report for Week Ending December 11, 1976
Date: December 15, 1976

Sunday, December 5 - I accompanied Bob Crist to examine the Rackensack lode gold claims about 50 miles north of Phoenix in the Cave Creek Mining District. Lands around the group have been withdrawn for inclusion in a land exchange between the Tonto National Forest and a Real Estate development firm near the area.

Bob and I made independent and separate examinations. See summary report filed separately.

Monday, December 6 - Bob Crist copied Rackensack mine reports for me and I studied them about 4 hours. I updated my "expertise" for qualification as an expert to offer sworn testimony in the Rackensack mine validity hearing in Phoenix at 9:00 a.m., Tuesday, December 7.

Tuesday, December 7 - I appeared as a witness for the mine owners of the Rackensack group of claims in a contest proceeding (the third one on the same claims) involving the Rackensack group of lode claims in the Cave Creek Mining District. A Real Estate Developer had intervened in the previous two contests, but their counsel did not appear this time, which appeared to upset the Hearing Examiner. This area should not have been withdrawn from mineral entry because it is very favorable for both surface and deep-seated ore deposits. Apparently the large exploration companies have overlooked a sleeper. The claims in contest produce some of the most spectacular gold specimens that I have seen in Arizona.

AMENDED NOTICE OF MINING LOCATION

KNOW ALL MEN BY THESE PRESENTS:*

That I, L.E. Hewins, of

Phoenix, Arizona, do hereby make and file this my AMENDED CERTIFICATE OF LOCATION upon the "EDWARDS" Lode Mining Claim situated in the Cave Creek Mining District, County of Maricopa, Territory of Arizona, about one and one-half (1 1/2) miles in a North-easterly direction from Gold Hill.

The length of this claim is fifteen hundred (1500) feet and I claim one thousand (1,000) feet in a westerly direction and five hundred (500) feet in an Easterly direction from the center of Discovery Shaft, at which this notice is posted, lengthwise of the claim, together with three hundred (300) feet in width of the surface grounds on each side of the center of said claim. The general course of the lode deposit and premises is from West to East

The surface boundaries of the claim are marked upon the ground as follows:-

Beginning at a stone monument at a point in a Westerly direction one thousand (1,000) feet from the Discovery Shaft (at which this notice is posted) being in the center of the West end line of said claim; thence in a Northerly direction three hundred (300) feet to a stone monument being the North-west corner of said claim; Thence east seven hundred fifty (750) feet to a stone monument at the center of the North side line of said claim; Thence East seven hundred fifty (750) feet to a stone monument, being at the North-east corner of said claim; Thence three hundred (300) feet in a Southerly direction to a stone monument at the center of the East end line of said claim; Thence South three hundred (300) feet to a stone monument, being at the South-east corner of said claim; Thence West seven hundred fifty (750) feet to a stone monument at the South-west corner of said claim; Thence three hundred (300) feet in a Northerly direction to the place of beginning.

This claim was originally located on the ground by D.J. Edwards and J. A. Moore and is now owned by the undersigned L.E. Hewins, being the same lode of which the original location certificate is filed in Book 7 of "Mines" on page 482 in the office of County Recorder of Maricopa County. This Amended location Certificate is filed without waiver, by The said L. E. Hewins, of any previous right for the purpose of correcting and making more specific the boundaries and description of said lode as originally located upon the ground, taking advantage of all laws now in force, and intended to more correctly establish the boundaries of said claim.

Date of original location first day of January, 1897.
Date of this Certificate 20th day of March 1902

E.E. Hewins

Mr. J. E. Busch, Office Engineer,
Department of Mineral Resources,
Mineral Building, Fair Grounds,
Phoenix, Arizona.

✓ 26 West Broadway
Phoenix, Arizona
Dec. 17, 1947

Dear Mr. Busch:

In reply to your letter of December 9th,
it is with pleasure that I give you information
regarding the Gold mine, that you visited some
time ago.

The name of the mine is the Rackensack
Mine. It is incorporated as follows -

John J. Lambert, President
Robt. C. Brownlie, Vice-President
Leo L. Farrington, Secretary-Treasurer.

We three own the mine exclusively. There are five
claims; 3 original locations and 2 additional claims
recently staked to cover the continuation of the
vein. Enclosed are copies of the original data,
for your files.

I would appreciate your visiting the mine
again, when convenient for you, as I would like
to have you spend more time looking over the
property, than you were able to spare on your last
visit.

Wishing you a very Happy Xmas. and a pros-
perous New Year.

Sincerely yours,
Leo L. Farrington

(Telephone - #34577)

COPY

LIST OF ASSAYS FROM EDWARDS' GROUP OF GOLD
MINES KNOWN AS THE OLD RACKENSACK PROPERTY,
LOCATED ON RACKENSACK CANYON, MARICOPA
COUNTY, PHOENIX, ARIZONA

Gold values 2. oz. 20/100 - total value per ton \$ 44 from
Verkoost Winz 16 inches.
Gold values 2. oz. 78/100 - total value per ton \$ 55.60 from
contact Vein in drift 2 ft.
Gold values 1 oz. 58/100 - total value per ton \$31.60 from
sample of concentrates taken from
table on mill run, from lower veins.
Gold values 1 oz. 94/100 - total value per ton \$22.40 from Winz
in Verkroost tunnel 16 inches.
Gold values 1 oz. 21/100 - total value per ton \$38.80 from Kile
tunnel, 10 inches.
Gold values 32 oz. Amalgam containing 10 $\frac{1}{2}$ ounces of Troy gold
from mill run 8 ton of ore.
Gold values - 3 oz. 61/100 total value per ton \$72.00 this is
concentrates from mill run-ore from
different parts of mine.
Gold values - 2 oz. 86/100 total value per ton \$57.20 from Kile
tunnel, 10 inches.
Gold values - 1 oz. 1/100 total value per ton \$20.20 from Verk-
roost Winz, 16 inches.
Gold values - 1 oz. 51/100 total value per ton \$30.20 lower
drift from 1 ft to 30 inches.

Gold values - 2 oz. 31/1000 total value per ton \$47.54 from
drift on contact tunnel, 2 ft.
Gold value - 1 oz. 31.100 total value per ton \$26.87, from
drift on contact tunnel, 2 ft.
The above assays show samples taken from the property since 1921.

Report on Rackensack mine by Albert Verkoost, Lessee

The ore occurs in a manzenite dike contacting with Porphyry
and shist dike, this is a different vein running from 2 ft to
10 ft, running from several hundred feet. Three claims and a
mill site constitute the group. We have three more claims
located adjoining this group which we can put in with them,
we have a vein from 50 feet to 100 feet, low grade in them

(NOTE)

1/10/33 Jim, I do not have the original Assay, Receipts,
showing the dates, but you have a sheet showing dates, that I
sent you with the other papers, and you can insert the date
on each of the above.

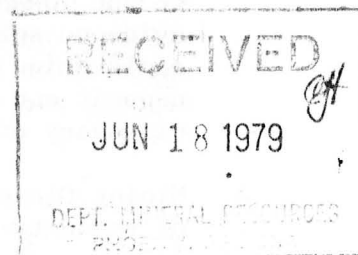


United States Department of the Interior

OFFICE OF HEARINGS AND APPEALS

INTERIOR BOARD OF LAND APPEALS

4015 WILSON BOULEVARD
ARLINGTON, VIRGINIA 22203



UNITED STATES
v.
GEORGE R. EDELINE ET AL.

IBLA 78-36

Decided February 13, 1979

Appeal from decision of Administrative Law Judge Robert W. Mesch declaring the Cerro de Oro No. 1 and the Rackensack Nos. 1, 2, and 3 lode mining claims null and void (Arizona 5320-7 and 5320-15).

Affirmed.

1. Mining Claims: DISCOVERY--Nature of Requirement--determination of validity--marketability requirement--prospective profitability--prudent man test; LODE LOCATIONS.

There has been no discovery of a valuable mineral deposit within a lode mining claim unless there has been physically exposed within the limits of the claim the vein or lode-bearing mineral of such quality and quantity as to justify the expenditure of money for the development of a mine and the extraction of the mineral.

2. Mining Claims: LOCATABLE PUBLIC LANDS--Exchange Lands; PRACTICE AND PROCEDURE--Contests--burden of proof--determination of validity--evidence--prima facie case--Determination of Validity--burden of proof--Private Contests.

A Government contest against a mining claim does not lose its public character and become a private contest because the land involved may ultimately be conveyed to a private entity in a land exchange, nor does that possibility warrant the application of any different standard for determining whether there has been a discovery of a valuable mineral deposit within the claim, or a different burden of proof.

3. Mining Claims: DISCOVERY--Nature of Requirement--determination of validity--extent of deposit--prudent man test--Proof--determination of validity; PRACTICE AND PROCEDURE--Contests--determination of validity--evidence--Determination of Validity.

INDEX CODE: None

to be applied because this is really a contest between individuals. This contention is wrong for several reasons. First, this is a Government contest, not a contest between individuals. This contest does not lose its public character because the land involved may ultimately be conveyed to a private entity in exchange for other lands. The public purpose in acquiring land by exchange is complemented by the public purpose in clearing the Government's title to the land to be offered in exchange. Second, the stated standard for discovery which applies in Government contests does not differ from the standard applied in private contests. Both use the "prudent man" concept of Castle v. Womble, *supra*. See, e.g., Thomas v. Morton, *supra*. Although there is a suggestion in Converse v. Udall, 399 F.2d 616 (9th Cir. 1968), *cert. denied*, 393 U.S. 1025 (1969),^e of some difference in the standard, a full reading of the opinion in that case indicates that what the court there was concerned about was how carefully this Department and the courts will review the evidence depending upon the circumstances of the parties, and will evaluate the evidence to determine whether the burden of proof has been met. As this is a Government contest, there is no question but that once the Government has made its *prima facie* case of lack of a discovery, the ultimate burden to show a discovery of a valuable mineral deposit is upon the mining claimant. United States v. Taylor, 19 IBLA 9, 82 I.D. 68 (1975).^f Whatever the reasons of the Government are in bringing a contest, they do not affect the standards to be applied nor the burden of proof. See, United States v. Howard, 15 IBLA 139 (1974);^g United States v. Gunn, 7 IBLA 237, 79 I.D. 588 (1972).^h

[3] Appellants challenge the validity of the distinction made by Judge Mesch in determining whether there has been a discovery between evidence warranting further exploration and evidence warranting development of a mine. We agree with appellants to the extent that they argue a witness' mere characterization of the work that has been done as exploration or development should not be controlling without our specifically considering all the evidence, including the work which has been done and what work may be prudently undertaken in the future. We cannot agree, however, that the distinction should not be made and has no use in evaluating mining claims, nor that the opinion evidence should be disregarded. Appellants refer to a commentator's emphasis on a statement by the court in Converse v. Udall, *supra*, at 399 F.2d 621, that the real question in the case there "is not whether there is such a distinction, but whether Converse's exploration had resulted in a legal discovery." It is, however, the remarks of the court preceding this conclusion that are more illuminating on the concepts. In answering some arguments similar to those made here, the court stated, at 620-621:

Converse attacks the Secretary for drawing a distinction between "exploration," "discovery," and "development." But the authorities we have cited show that there is a difference between "exploration" and "discovery." (See, e.g.,

e) GFS(MIN) JD-4(1968)

f) GFS(MIN) 13(1975)

g) GFS(MIN) 30(1974)

h) GFS(MIN) 53(1972)

Cole v. Ralph, supra, 252 U.S. at 294, 296, 307, 40 S.Ct. 321.) If the latter word were taken literally, then the finding of any mineral would be a "discovery." Webster, 2d Ed., defines "discover" as "to make known the identity of, * * * by laying open to view, as a thing hidden or covered, to expose; to disclose; to bring to light." But, as we have seen, that alone is not enough. On the other hand, Webster defines "explore" as "to seek for or after, to strive to attain by search." This is exactly what a prospector does, both before he finds the first "indications * * * of the existence of lodes or veins" (United States v. Iron Silver Mining Co., supra, 128 U.S. at 683, 9 S.Ct. at 199) and thereafter until he finds enough mineralization to meet the legal test of a discovery. It is true that some of the cited cases say that "development" and "exploration" mean the same thing (Charlton v. Kelly, supra, 156 F. at 436), or speak of "exploration" after discovery (Lange v. Robinson, supra, 148 F. at 804). But in each of these cases, the court was talking about further work to be done after a sufficient discovery had been made, work which could be called "exploration" or "further exploration," or could also be called "development." They do not support the attack here made upon the distinction between the exploration work which must necessarily be done before a discovery, and the discovery itself, which is what the Secretary talks about when he distinguishes between "exploration" and "discovery."

The application by this Department of these distinctions is illustrated in a case which resembles the instant appeal in many respects in the nature of the deposition of the minerals, United States v. Watkins, A-30659 (October 19, 1967),¹ where, at pages 9 and 10, it was stated:

In a long line of decisions the Department has distinguished between "exploration" and "development" as they relate to "discovery" under the mining laws. The Department has held that the showing of mineralization which will justify further exploration may not be adequate to warrant development of a mining claim and that it is only when it can be said that a prudent man would be justified in expending his means in the development of a mineral deposit that a discovery has been made. See United States v. Laura Duvall and Clifford F. Russell, 65 I.D. 458 (1959); United States v. Clyde R. Altman and Charles M. Russell, 68 I.D. 235 (1961);^j United States v. Edgecumbe Exploration Company, Inc., A-29908 (May 25, 1964);^k United States v. Ford M. Converse, 72 I.D. 141 (1965);^l sustained in Converse v. Udall, Civil No. 65-581, in the United States District Court for the District of Oregon (September 14, 1966),

1) GFS(MIN) SO-30(1967)

j) GFS Mining Supp. No. 18

k) GFS(MIN) SO-27(1964)

l) GFS(MIN) SO-11(1965)

Morton, 498 F.2d 288 (9th Cir.), cert. denied, 419 U.S. 1021 (1974). There, as here, the mineralization was discontinuously distributed along veins in ore chutes and in enriched zones. There was exposed some mineralization of gold, silver, and other metals along veins. The claimant in Barton argued that the veins constituted the required mineral deposit and they were only searching for further zones of enrichment within the veins which have already been "discovered." In analyzing the appellant's argument the court said, at 291:

Appellant contends that tunneling or sinking into veins on these claims, as uniformly recommended by the witnesses, would not be "exploration" to "discover" a "valuable mineral deposit," but would be "development" of an already discovered deposit into a paying mine.

But a mineralized vein is not the equivalent of a deposit of mineable ore. Such a vein may not contain material of substantial value. In this case, as the Department pointed out, "[i]t is nowhere suggested that any quantity of material of the quality of the vein material thus far disclosed would constitute a mineable body of ore. The evidence does not, in fact, establish any mineral quality of any consistent extent. Although appellants have found ore samples with indicated values exceeding \$70 per ton, the record does not support a finding that they have found a deposit yielding ore of that quality, or of any other quality, the exploitation of which may be contemplated. * * *

The Department held, and we agree, that there is "no difference between the showing of isolated mineral values, not occurring in a vein, which only suggests the existence of a valuable mineral deposit within the limits of the claim and the showing of isolated values occurring in a vein which only suggests the possible existence of a valuable mineral deposit in the course of the vein. That which is called for in either case is further exploration to find the deposit supposed to exist."

The essence of this holding is that a mineable body of ore may not be inferred merely because some mineralization has been found in a vein; instead, a sufficient delineation of the existence of an ore body must be made to establish the deposit. Basically, the same kind of holding was reached by the Administrative Law Judge in the case before us. The major question here is whether the evidence is adequate to show the discovery of a mineable body of ore within the ambit of the principles discussed above.

We first note the extensive evidence produced on the discovery issue. The testimony taken in the three hearings covered more than

Even contestees' own witnesses recognize the lack of information about the claim makes further exploration the only course to be prudently undertaken. Brooks' opinions are too thinly substantiated to support a finding of validity. Judge Mesch properly held the claim invalid.

A similar analysis applies to the Rackensack No. 3 claim. Judge Mesch summarized the evidence respecting that claim as follows:

Insofar as the Rackensack No. 3 claim is concerned, the lineup of witnesses is the same. Out of the five experts who examined this claim, only Mr. Brooks expressed the opinions that there was economic mineralization on the claim and a person of ordinary prudence would be warranted in commencing a mining operation on the claim. Mr. Brooks based his opinions--that the Rackensack vein should return a profit in excess of \$1,000,000 and there was economic mineralization on each of the three Rackensack claims--on five composite samples taken from the vein structure exposed on the Rackensack Nos. 1 and 2 which showed an average grade, according to his figures, of 1.25 ounces of gold per ton. Inasmuch as Mr. Brooks took only one sample from the Rackensack No. 3 which showed values of 0.04 ounces of gold per ton, and in view of uncontradicted testimony at the last hearing, it now appears that he reached his conclusions concerning the Rackensack No. 3 by inferring or assuming that the principal vein exposed on the Rackensack Nos. 1 and 2 extended into the Rackensack No. 3.

(Decision p. 15).

Inasmuch as Brooks' testimony was based on geologic inference rather than a discovery of a valuable deposit through physical exposure, Judge Mesch properly disregarded his opinion. Barton v. Morton, supra; Henault Mining Co. v. Tysk, supra. Judge Mesch cites the testimony of the other experts to support his conclusion that more exploration work is needed to yield sufficient information on which to conclude whether or not the claim is valuable:

Mr. Daniel testified that the vein structure found on the Rackensack Nos. 1 and 2 is not exposed on the Rackensack No. 3. He stated that he took a sample from the only working he found on the claim and the sample showed negligible values. Dr. Pye testified that the main vein on the Rackensack Nos. 1 and 2 is headed straight for the Rackensack No. 3 "and it could pass on to the Rackensack No. 3 claim" (Tr. 113). He also stated that the claim "does need some additional drilling to evaluate it unless

Judge Mesch, summarized the evidence and stated his conclusions as follows:

The history of past activities suggests that the mineralization is not such as to warrant any production efforts. The mineralization within the two claims has been the subject of investigations since at least the early 1900's. There are numerous pits, shafts, cuts, tunnels, adits and other workings on the claims. Dr. Pye reported that "over 1,000 feet of underground workings are present in the main mined area" (Ex. C, p. 16). Old records indicate some production in the past. The amount and value of the production is not disclosed by the evidence. The contestees have been interested in the claims since 1966. During the 10-year period prior to the third hearing, they made one shipment of 10 tons. This was in 1971 and only for informational purposes. Tonto Mining and Milling Company, allegedly as a result of Mr. Brooks' findings and conclusions, spent over \$80,000 on the property. They did not produce any ore.

The testimony of four witnesses supports the conclusion that the claims do not, at the present time, merit consideration from a mining standpoint. Mr. Matthews and Mr. Daniel expressed the opinions that the claims are not even worthy of further exploration work. They thought the claims had been adequately explored in the past and there were sufficient workings to make an evaluation of the mineralization. Based upon their investigations and the results of sampling, they would not recommend the expenditure of further money on the property. Mr. Reed expressed the opinions that the property is a unique and very promising prospect and the extent of the mineralization should be determined by additional exploratory work. He characterized the claims as being in an exploration rather than development stage and stated that it would be impossible to state or estimate what the average value per ton of the ore might be without additional and extensive work. He thought it would be foolish to spend money for a mill only to find that there was not enough ore to amortize its cost. Dr. Pye testified there was not enough data available at the present time to arrive at a reliable estimate of the number of tons of ore or the value of the ore that might be available for extraction. He indicated the high grade or rich pockets of mineralization are relatively limited in occurrence and extent. He stated you might go 1 foot, 100 feet or 1,000 feet before you hit another rich pocket. He stated a first-class evaluation of the property would require additional investigation and exploration work and as a

extent and their removal such a short-term matter that it would not constitute the development of a mine. As Dr. Pye's testimony indicates, the purpose of mining these exposed deposits would be only to provide sufficient working capital to finance further exploration to expose the other deposits on which a reasonable prospect of success depends.

In short, the activity appellants would characterize as "development work" is merely a substitute for exploration which would establish the value of the deposit and determine whether or not a discovery had been made. As we shall explain below, the failure to physically expose or delineate the deposits vitiates appellants' other objections to Judge Mesch's decision.

There is no merit to appellants' objection that Judge Mesch drew improper inferences from the lack of development of the claims. The Judge explained the reasonableness of such inferences by quoting United States v. Flurry, A-30887 (March 5, 1968),^o in his decision. See also Meluzzo v. Morton, 534 F.2d 860 (9th Cir. 1976). Even if appellants' explanations for the lack of development were deemed adequate to rebut these inferences, the invalidity of the claims must still be sustained because the existence of the deposits necessary to validate the claims has not been physically established.

Although appellants have further observed that the prudent man rule protects claims where minerals are shown to exist but which have not yet been remunerative, citing Castle v. Womble, *supra*, this observation affords a claimant no relief where there is insufficient physical exposure of the deposits upon which the validity of the claim depends. See Barton v. Morton, *supra* at 291-92. United States v. Wells, 30 IBLA 333 (1977); United States v. Arizona Mining and Refining Co., 27 IBLA 99, 105 (1976).⁴ The latter cases emphasize there must be proof of continuous mineralization along the course of a vein and the mere showing of disconnected pods of mineral concentration even of high values is not sufficient.

Although appellants attack the competence and credibility of the Government's witnesses and offer the testimony of their own witnesses as more accurate, our decision that the claims are not valid is based on a finding of fact concerning which the record shows little disagreement: the existence of the deposits necessary to validate the claims had not been physically established. 1/ Judge Mesch expressly

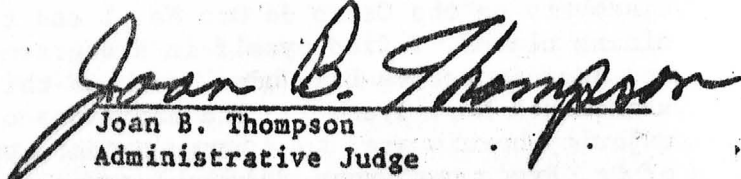
1/ Appellants fault the Government for not having made as rigorous an examination of the claims as a private mineral examiner would be expected to do. This objection may arise in part from a misconception of the Government's responsibility in bringing a contest against a mining claim. As we have indicated, the Government only bears the burden of making a prima facie case against the validity of the claim.

o) GFS(MIN) SO-20(1968)

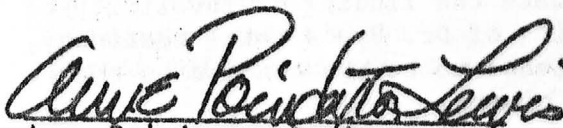
p) GFS(MIN) 29(1977)

q) GFS(MIN) 66(1976)

Therefore, pursuant to the authority delegated to the Board of Land Appeals by the Secretary of the Interior, 43 CFR 4.1, the decision appealed from is affirmed.


Joan B. Thompson
Administrative Judge

I concur:


Anne Poindexter Lewis
Administrative Judge

ADMINISTRATIVE JUDGE BURSKI DISSENTING IN PART:

While I agree with the majority that appellants have not met their burden of preponderation on the issue of the existence of a discovery on the Cerro de Oro No. 1 and the Rackensack No. 3 lode mining claims, I find myself in disagreement with both the majority and Administrative Law Judge Mesch as this issue relates to the Rackensack Nos. 1 and 2. The decisions of both Judge Mesch and the majority herein are, to a large extent, premised on their analyses of Dr. Pye's testimony. While I agree that Dr. Pye's testimony is deserving of great weight, I disagree with the use of Dr. Pye's testimony as a basis upon which to predicate the finding of invalidity of the Rackensack Nos. 1 and 2. A reading of Dr. Pye's total testimony, when applied to the applicable law, leads me to the conclusion that a discovery has been made on these two claims.

Before analyzing Dr. Pye's testimony, however, I wish to underline a basic problem which I perceive emanating from United States v. Watkins, A-30659 (October 19, 1967)^s and its affirmation by the Ninth Circuit in Barton v. Morton, 498 F.2d 288 (9th Cir. 1974). In short, the controlling principle of these two decisions is that where a vein carrying spotty and discontinuous mineralized areas has been exposed but the exposed mineralization does not constitute a mineral deposit capable of development and the existence of such a deposit can only be inferred through geologic inference, a discovery has not been made, within the meaning of the mining laws. 1/ When this standard is examined in vacuo it clearly accords with recent perceptions of the

1/ There is one notable facet of the circuit court's decision in Barton which is not reflected in the Department's decision in Watkins. At the end of its opinion affirming the Watkins decision, the circuit court opined:

"The reason for accepting less than demonstrated profitability as a condition to patentability is to encourage the investment of capital in the development of mineral resources. No doubt it would further that purpose to offer the incentive of patentability to "prudent" prospectors as well as "prudent" mine developers. But there are other considerations. A patent passes ownership of public lands into private hands. So irrevocable a diminution of the public domain should be attended by substantial assurance that there will be a compensating public gain in one form of an increased supply of available mineral resources. The requirement that actual discovery of a valuable mineral deposit be demonstrated gives weight to this consideration.

Denial of a patent does not bar a claimant from continuing the search for a valuable mineral deposit; it only withholds passage of title until that discovery is made." 498 F.2d at 292 (Footnote omitted).

The court, thus, seemed to place great emphasis on the fact that the case involved a patent application. Such is not true in the instant appeal.

s) GFS(MIN) SO-30(1967)

requirements for a discovery. It is only when this standard is applied to various factual constructs that an inherent inconsistency is made apparent.

Assume, for example, a mineral deposit similar to the one at issue where it is obvious to all parties that high values can be obtained at intermittent areas, normally just below or above the intersections of two veins. If no work has been done in extracting the mineral showings there seems to be no difficulty in applying the Barton rule. But let us suppose that the claim is being mined and a profit is being obtained. Is there then a discovery? Not within the confines of the Barton rule. This is so because the essential element of the Barton test, the exposure of a mineral deposit which would justify a prudent man in the expenditure of his labors and means with a reasonable prospect of success in developing a paying mine, can still

fn. 1 (continued)

While the Department has long adhered to the view that the standard to be applied in determining whether a discovery exists is not dependent upon whether or not a patent application has been filed, recent Board decisions have, to some extent, recognized a functional difference between these two situations. Thus, in United States v. Taylor, 19 IBLA 9, 82 I.D. 68 (1975),^t the Board noted that a dismissal of a contest would be proper if the only issue raised and joined was that of marketability as of July 23, 1955, and the contestee had clearly prepondered on that question, in spite of unresolved questions going to other facets of a claim's validity. The decision continued:

"The foregoing paragraph assumes that a patent application has not been filed. If a patent application has been filed, it is essential for this Department to determine whether all the requisites of the law have been met before patent may issue. If there has not been evidence presented on an essential issue, or issues, dismissal of the contest will not fulfill this Department's obligation to act 'to the end that valid claims may be recognized, invalid ones eliminated, and the rights of the public preserved.' Cameron v. United States, 252 U.S. 450, 460 (1920). Therefore, in a patent proceeding, it would be essential to order a further hearing to make a proper determination on the essential issue." 19 IBLA at 26, 82 I.D. at 74.

It is true that the Board has yet to apply a different standard of proof in a case involving a patent application vis-a-vis a simple mining contest. But I do not think that the Board can ignore the clear emphasis which the court in Barton placed on the pendency of the patent application when the Board is applying the Barton precedent to a simple contest proceeding. To the extent to which the animating consideration of the Barton court was the "diminution of the public domain," we must recognize that this rationale is not necessarily applicable in the fact situation of the present appeal.

t) GFS(MIN) 13(1975)

leads me to the opposite conclusion. I think it would be useful to review the evidence cited by the majority as it relates to Rackensack Nos. 1 and 2.

The majority and Judge Mesch noted that Dr. Pye stated that there was not enough data available at the present time to arrive at a reliable estimate of the number of tons of ore or the value of the ore that might be available. Further, both the majority and Judge Mesch noted that Dr. Pye "indicated the high grade or rich pockets of mineralization are relatively limited in occurrence and extent," and that he had stated that "you might go 1 foot, 100 feet or 1,000 feet before you hit another rich pocket." Finally, it was stated that Dr. Pye had declared that "a first-class evaluation of the property would require additional investigation and exploration work and as a result of that work a decision would be made to mine or not to mine" (Dec. at 17-18).

I believe that these observations must be read in conjunction with other statements made by Dr. Pye if we are to give real focus to the testimony which he clearly sought to provide. Thus, Dr. Pye expressly noted: "Well, I think on this, based on the sampling and knowing where the samples were taken, if the mining claimant went in to the high grade spots, the areas of high grade gold as reported in the samples and mine out that portion of the vein, he could make a profit, I think" (Tr. III at 125). After this statement, the following colloquy ensued:

Q. [Mr. Elsing] And in your opinion, would a prudent man be justified in spending time and money with a reasonable expectation of developing a mine?

A. That comes into the definition of a prudent man. If he had the resources so he could afford to "gamble" a certain amount of money, and might not get a return on it. In other words, he would take a certain amount of risk, yes, I believe he might go in and invest his money.

Q. Reasonably, you think there is a marketable product on these claims?

A. For a small operation, I believe a profit could be made.

(Tr. III at 125).

I believe that two facts can be fairly discerned from this testimony. First, Dr. Pye disagreed with the optimistic assessment of Warren Brooks, a geologist who had been contestees' witness at the second hearing, as to the amount of profit that could reasonably be anticipated from the known data. Second, it seems equally clear that

null and void, and reverse his similar findings as to the Rackensack Nos. 1 and 2. 5/

James L. Burski

James L. Burski
Administrative Judge

5/ The Forest Service has pressed an issue not discussed by the majority that might bear on my conclusion. It contends that an application for a private exchange filed by the Forest Service on May 18, 1970, segregated certain lands from the mining laws. Included was all of the Rackensack No. 1 and part of the Rackensack No. 2. Judge Mesch rejected this argument in his decision of March 5, 1974. He noted that under the regulations in existence in 1970, there was no reference to the effect of an exchange application, and the filing of the application in the instant case did not effectuate a withdrawal under 43 CFR 2091.2-5 and Subpart 2351. Additionally, while he also recognized that the regulations had been amended in November 1971 to expressly segregate lands upon the filing of a formal application of exchange "under Group 2200" he felt that for various reasons of regulatory construction, this would not apply to exchanges of Forest Service administered lands for other lands which were to be administered by the Forest Service.

While I feel that Judge Mesch was certainly correct as to his analysis of the regulations prior to their amendment in November 1971, I am less convinced of the correctness of his analysis of the effect of that amendment. The majority, inasmuch as it has found the mining claims null and void regardless of any segregative effect of the application for an exchange, has not addressed this question. For different reasons, I also find this issue irrelevant within the confines of this case.

First of all, the Forest Service failed to present any evidence which would delineate the existence or absence of a discovery in November 1971, which could serve as a predicate for a finding of invalidity as of that date. Secondly, under the rule enunciated in United States v. Foresyth, 15 IBLA 43 (1974)^w a mineral claimant may sample an existing deposit to confirm a discovery made prior to a withdrawal. Cf. United States v. Porter, 37 IBLA 313, 316 (1978).^x Considering the nature of the deposition of mineralization in the instant case, all actions taken since 1971 seem to clearly fit into the confines of the Foresyth rule.

w) GFS(MIN) 27(1974)

x) GFS(MIN) 114(1978)



United States Department of the Interior

OFFICE OF HEARINGS AND APPEALS

INTERIOR BOARD OF LAND APPEALS

4015 WILSON BOULEVARD

ARLINGTON, VIRGINIA 22203

UNITED STATES

v.

GEORGE R. EDELINE ET AL.

IBLA 74-262

Decided February 17, 1976

Appeal from a decision by Administrative Law Judge Robert W. Mesch finding four mining claims valid.

Remanded.

1. Mining Claims: DISCOVERY-Nature of Requirement-extent of deposit-prudent man test.
To constitute a discovery of a valuable mineral deposit under the mining laws, there must be sufficient mineralization shown to warrant a prudent man to invest his time and money with the reasonable expectation of developing a valuable mine.
2. Mining Claims: PRACTICE AND PROCEDURE-Appeal-evidence outside of record-new evidence.

Evidence offered on appeal from an initial decision by an Administrative Law Judge after a hearing in a mining contest may not be considered or relied upon in making a final decision but may only be considered to determine if there should be a further hearing.

3. Mining Claims: PRACTICE AND PROCEDURE-Appeals-new evidence-Hearings-evidence-remand.

A further hearing may be ordered in a mining contest where the record is

unsatisfactorily confusing and conflicting on the issue of quantity of minerals to satisfy the discovery test, a request for the rehearing has been made with an offer of proof which tends to show a new hearing might result in a different finding, and there has been no objection to the request.

APPEARANCES: W. T. Elsing, Esq., Phoenix, Arizona, for George R. Edeline and Mabel Steinegger; Robert J. Welliever, Esq., Phoenix, Arizona, for Tonto Mining and Milling Company; Dan M. Durant, Esq., Streich, Lang, Weeks, Cardon & French, Phoenix, Arizona, for Carefree Ranches; Richard L. Fowler, Esq., and Demetrie L. Augustinos, Esq., Office of the General Counsel, U.S. Department of Agriculture, for the United States.

OPINION BY ADMINISTRATIVE JUDGE THOMPSON

The Forest Service, United States Department of Agriculture, appeals from that part of the decision by Administrative Law Judge Robert W. Mesch, dated March 5, 1974, which found the Cerro de Oro No. 1 and the Rackensack Nos. 1-3 lode mining claims to be valid because there was a discovery of a valuable mineral deposit.

Two contest proceedings were initiated in 1970 at the request of the Forest Service challenging the validity of the Cerro de Oro Nos. 1-4 lode mining claims (Contest No. A-5320-7) and the Rackensack Nos. 1-3 lode mining claims (Contest No. A-5320-15), charging, as pertinent to this appeal, that the claims were invalid by reason of a lack of discovery of a valuable mineral deposit. The contests were consolidated for hearing and decision. Mable Steinegger and George R. Edeline are the claim holders of record of the Rackensack claims, and Edeline is the holder of record of the Cerro de Oro claims. Both of their interests are subject to a lease which has an option to purchase agreement with Tonto Mining and Milling Company. All three parties were considered contestees in the hearing proceedings. Judge Mesch permitted Carefree Ranches, a limited partnership, to intervene in the proceedings to protect its interest in a proposed land exchange with the Forest Service (A-5320) involving land within the boundaries of all the claims.

Following a hearing held in 1971, Judge Mesch ordered a further hearing in 1973 to develop the facts. In his decision, issued after the second hearing, the Judge found a lack of discovery of a valuable mineral deposit within the Cerro de Oro Nos. 2-4 claims and declared them invalid. The contestees did not appeal from his decision pertaining to those claims. Therefore, the Judge's decision has become final as to the Cerro de Oro Nos. 2-4 claims. The

contestees, however, have answered the Forest Service's appeal pertaining to the Cerro de Oro No. 1 and the Rackensack Nos. 1-3 claims. During the pendency of the appeal, on October 24, 1975, the Forest Service filed a "Motion to Remand for Further Hearing," dated October 21, 1975. Proof of service of the motion on the attorneys of record for the contestees and intervenor has been shown, but no objection or other response has been made to the motion.

Allegedly, the four claims involved in this appeal are valuable principally for gold and also for other minerals including copper and silver. The Judge found that the Forest Service had made a prima facie case of lack of discovery on the Cerro de Oro No. 1 claim, but that the contestees overcame that case. He relied primarily on the testimony and other evidence presented by a geologist for the contestees. The Judge found the evidence on the Rackensack claims "not only conflicting but also confusing." Basically, the confusion and conflict go to the issue of the quantity of mineral which a prudent man could expect to mine from the claims. The Judge relied heavily upon the opinion of the contestees' geologist that there might be sufficient tonnage of ore of a minable quality to return a profit in excess of \$1,000,000 and accepted his opinion over that of the mining engineers who testified. ^{1/} He concluded that there was nothing developed on cross-examination that in any way casts any doubt on the validity of the geologist's findings, opinions and conclusions.

It is evident, even from the geologist's testimony and report upon which the Judge relies, that the mineral occurrences are spotty and irregular. The witnesses differ in their opinions of whether the mineral occurrences would be sufficiently continuous to warrant a prudent man to expect to develop a valuable mine.

In its motion for a further hearing the appellant indicates that new information has become available since the date of the last hearing. It has offered a report by its principal witness to

^{1/} The mining engineers whose testimony was discredited by the Judge included a mining engineer testifying in behalf of the contestees as well as one testifying for the Forest Service. The contestees' mining engineer considered the claims to be a "very unique and very promising prospect" with the "potential to become a very profitable producer" (Ex. M, pp. 5-6), but recommended that before any expenditure for milling equipment is made 15,000 to 20,000 tons should be blocked out. He stated that the cost of this work would be about \$20,000 and that it "would be foolish to spend \$30,000 for a mill, only to find that there was not enough ore to amortize its cost" (Ex. M, p. 8).

support its request. It contends that the Judge relied exclusively on the testimony of the contestees' geologist and was apparently impressed by the stated intention of the Tonto Mining and Milling Company to be in production on the Rackensack claims in a few months. Appellant asserts that subsequent to the hearing Tonto, presumably pursuant to the advice of the geologist, had engaged in blasting operations on one of the claims, but all operations on the claims have since been abandoned. It contends that if the optimistic opinion of the geologist, as to the value and extent of the deposit, had been borne out, the operations would not have ceased.

[1] There is no doubt in this case that there are some minerals within the claims. The problem is whether there is satisfactory evidence of sufficient minerals to constitute a discovery of a "valuable mineral deposit" under the mining laws, 30 U.S.C. § 21 et seq. (1970). It is basic that a finding of some minerals is not enough for a discovery; to meet the discovery test there must be sufficient mineralization to warrant a prudent man to invest his time and money with a reasonable expectation of developing a valuable mine. United States v. Coleman, 390 U.S. 599 (1968)^a; Chrisman v. Miller, 197 U.S. 313, 322 (1905), approving Castle v. Womble, 19 L.D. 455, 457 (1894)^b. A further hearing might be productive of new evidence which could clarify some of the "conflict and confusion" in the record on this vital issue of probable quantity of mineral.

[2] We have considered appellant's offer of proof solely to determine whether a further hearing should be ordered. Evidence offered on appeal from an initial decision by an Administrative Law Judge after a hearing in a mining contest may not be considered or relied upon in making a final decision but may only be considered to determine if there should be a further hearing. United States v. McKenzie, 20 IBLA 38, 44 (1975)^c; United States v. Gunn, 7 IBLA 237, 79 I.D. 588 (1972)^d. If, as appellant proposes, further evidence could establish that mining operations ceased upon the claims because the estimate of contestees' geologist on the quantity of minerals was not borne out, this would discredit his opinion and the primary basis for the Judge's finding of discovery within the claims.

[3] We are mindful of the added costs in ordering yet a third hearing in this case. However, this Department has ordered additional hearings where it has been deemed necessary to make a more informed determination. E.g., United States v. McKenzie, supra; United States v. Kosanke Sand Corp. (On Reconsideration), 12 IBLA 282, 80 I.D. 538 (1973)^e; United States v. Wells, 11 IBLA 253 (1973)^f. See also the discussion in United States v. Taylor, 19 IBLA 9, 82 I.D. 68 (1975)^g. We conclude a further hearing is warranted in this case

a) GFS(MIN) JD-1(1968)

b) GFS(MIN) MIN. SUPP. NO. 1

c) GFS(MIN) 27(1975)

d) GFS(MIN) 53(1972)

e) GFS(MIN) 79(1973)

f) GFS(MIN) 67(1973)

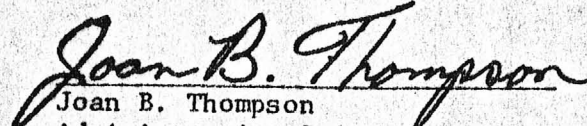
g) GFS(MIN) 13(1975)

because: (1) the record is unsatisfactorily confusing and conflicting on the most vital issue of quantity of minerals to satisfy the discovery test; (2) appellant's offer of proof tends to show there is a likelihood that a new hearing might result in a finding different from the Judge's decision; and (3) there has been no objection to granting the hearing.

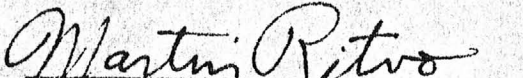
In view of this conclusion, we deem it inappropriate to discuss or decide any of the issues raised in appellant's appeal at this time or to comment further on the Judge's decision.


During the rehearing, relevant evidence may be presented by the parties on the material issues pertaining to the claims' validity.

Accordingly, pursuant to the authority delegated to the Board of Land Appeals by the Secretary of the Interior, 43 CFR 4.1, the case is remanded to the Administrative Law Judge for a further hearing and decision.


Joan B. Thompson
Administrative Judge

We concur:


Martin Ritvo
Administrative Judge


Anne Poindexter Lewis
Administrative Judge

To Carefree

PATENTED
CLAIM

RACKENSACK

No. 2

Schist

Adit

Contact

Trench

Spring

Shaft

Adits

Alaskite

native gold

Contact

Schist

pyrite, native
gold, minor
malachite

RACKENSACK No. 1

Steep
Slope

Gulch

RACKENSACK No. 3

Rackensack

CERRO
DE
ORO
No. 1



RACKENSACK PROSPECT
MARICOPA CTY., ARIZONA, U.S.A.

CLAIM SKETCH

SCALE IN FEET

0 400 800 1200

March 26, 1947.

Leo L. Farrington,
Rt. 5, Box 716,
Phoenix, Ariz.

Dear Mr. Farrington;-

I will defer making any memorandum for the files until I have had another talk with you.

It will be better for our records, and of more help to you, if we can make the file more complete than my present notes will permit. That is, something of the early-day ownership, history, and production, would serve as a background, and, in addition, be an argument for expectations of other ore bodies and production.

Then it is quite important that you get the loan of the map. As it is now, you are not sure of the lines of your claims, or, indeed just how they lie --- that is, how they adjoin. Any prospective miner or investor would want to know that as one of the first things.

The map is important too in helping to make a sketch of the underground workings, the strike of the veins, and such other information.

I suggest, therefore, that you borrow the map until we can have a photostat copy made. In addition, borrow all the old settlement sheets the widow has, and any reports on the mine -- no matter how old they may be.

Very truly,

J. E. Busch.

AL. LEWIS
DEAR AL:-

Can you tell me anything about the old Verkreest mine in the Camp Creek region? Or where I may obtain information? The present contract-purchaser, Farrington, does not seem to know much about it. Any maps or reports you may have and can loan me I will of course return in good shape. Best regards.

Dec. 9, 1947.

Leo L. Farrington,
Rt. 5, Box 716,
Phoenix, Arizona.

Dear Mr. Farrington:-

I am wondering if you have ever gotten the information about the location of and title to the mining property in the Camp Creek region ?

It may be of some help to you at some future time to have the file in this office complete. As it is now, we cannot make any definite statements as to ownership, or even the number of claims.

I hope you have continued to find good ore.

Very truly,

J.E.Busch,
Office Engineer.

~~Antelope~~
Larington
bloked

200' x 600 x 2'

26⁰⁰

Rackensack.
48 miles

34577

600200
120020
240000
20000

2450
5
32250

UNITED STATES
DEPARTMENT OF AGRICULTURE
FOREST SERVICE
Southwestern Region
Albuquerque, New Mexico

2810 - **TOMTO**
Edgar, Milton, et al.

MINERAL REPORT
(For Administrative Use Only)

**November 29, 30; December 1, 2, 1965;
March 15, 16, 1966; September 19, 1968;
and July 21, 1970**

Date of Examination

**Gilbert J. Matthews
and**

Harve L. Ashby

Mineral Examiner

December 7, 1970

Date of Report

Category: **Validity**

Claim Names: **Rackensack Nos. 1, 2 and 3 LMC's.**
(file)

Land Office and Serial No.: **Phoenix, Arizona**

Brief of Conclusions:

**That adverse proceedings be directed against all three of the
subject mining claims.**

Approved: Jack McK. Pardee 1/4/71
Chief Mineral Examiner Date

Approved: Fred J. White 12/4/70
Forest Supervisor Date

Approved: D. D. Cutler 1/12/71
Assistant Regional Forester Date

LANDS INVOLVED:

T. 7 N., R. 5 E.
Section 33, Part of S $\frac{1}{2}$ S $\frac{1}{2}$ SW $\frac{1}{4}$
T. 6 N., R. 5 E.
Section 4, Part of N $\frac{1}{2}$
G&SRB&M, Maricopa County, Arizona

Involving the Rackensack Nos. 1, 2 and 3 lode mining claims, recorded as full sized lode claims of 20.66 acres each, aggregating a total of 61.98 acres.

RECORD DATA:

The following data on the three subject lode mining claims were found in the official records of Maricopa County Recorder's Office, 111 South Third Avenue, Phoenix, Arizona:

<u>Name of Claim</u>	<u>Date of Location</u>	<u>Recorded in Maricopa County, Arizona</u>	<u>Docket</u>	<u>Page</u>
		<u>Date</u>		
Rackensack No. 1	11/26/57	11/26/57	2334	17
Rackensack No. 2	11/26/57	11/26/57	2334	18
Rackensack No. 3	11/26/57	11/26/57	2334	19

The above listed claims were located by Glen Martin and G. C. Jones.

By mining deed recorded November 15, 1960, in Docket 3488 on Pages 269-271, G. C. Jones quitclaimed to Milton A. Edgar his undivided one half interest in the three subject Rackensack claims.

A mine lease and option recorded November 15, 1960, on Pages 271 and 272 of Docket 3488, by and between Glen Martin, party of the first part, and Milton A. Edgar, party of the second part, gives the termination date November 15, 1965. Obviously by leasing Martin's half interest, Edgar gained full operational control of the three subject claims.

Milton Edgar and Glen Martin had amended location notices for the Rackensack Nos. 1, 2 and 3 lode claims recorded February 21, 1961 in Docket 3596 on Pages 323, 325, and 327 respectively.

Affidavits of annual assessment work have been regularly recorded in the official records of Maricopa County since 1961 in Docket 4266 on Pages 179, 180 and 181; Docket 4722 on Page 403; Docket 5199 on Page 090; Docket 5659 on Page 41 - Milton A. Edgar being the affiant in each instance.

Milton A. Edgar resides at 1409 West Cheryl Drive, Phoenix, Arizona 85021.

By mining deed recorded in Maricopa County Recorder's Office December 29, 1966, in Docket 6370 on Page 9, Glen Martin and Cecilia Martin, husband and wife, quitclaimed their undivided one-half interest in the subject claims to George R. Edeline and Mabel S. Steinegger.

Both Mr. Edeline and Mrs. Steinegger receive their mail at 701 N. 7th Street, Phoenix, Arizona.

In a telephone conversation on October 7, 1970, Mr. Edgar told Harve L. Ashby, corroborating U. S. Forest Service Mineral Examiner, that he had sold his interest in the subject claims to Mr. John B. Thompson who resides at 8013 E. Palm Lane, Scottsdale, Arizona 85257. However, no evidence of this transaction was found as having been recorded in the official records of Maricopa County, Arizona.

On July 21, 1970, Harve L. Ashby, accompanied by Barry Peterson, Cave Creek District Ranger, made a reconnaissance examination of subject claims.

The reason for examination is that that part of the area embracing the subject claims which is situated in sec. 4, T. 6 N., R. 5 E., is included as part of the selected lands in a Forest exchange designated A-5320, Arizona Title Insurance and Trust Co.

LOCATION, ACCESS AND IDENTIFICATION:

The subject lode mining claims are situated in the Cave Creek Mining District, Maricopa County, Arizona, and the Cave Creek Ranger District of the Tonto National Forest near the head of Rackensack Canyon, about 14 miles road distance from the Cave Creek Ranger Station.

To reach the subject claims from the Cave Creek Ranger Station, take the Seven Springs road and drive 11.3 miles to a side road entering from the left. Turn left onto this Rackensack Canyon road and proceed 2.7 miles to the dwelling shown in Photos "A" and "B" of Attachment No. 2.1 near the road's end. As of the date of this report, these houses have been removed, but vestiges of their foundations can still be seen.

The claims are situated on lands mapped within the Humbolt Mountain Quadrangle, Maricopa County, Arizona, 7.5-minute series, U.S.G.S.'s Topographic Map, and U.S.F.S.'s Aerial Planimetric Map, Quad. No. 270.

The land was identified by finding the common corner of Sections 4 and 5, T. 6 N., R. 5 E., and Sections 32 and 33, T. 7 N., R. 5 E., and Corner No. 1 of the Fort Worth Patented lode mining claims, Pat. No. 378850, to which land survey corners the subject claim's monuments and improvements found were tied by pace-compass survey.

The principal improvements on the Rackensack No. 2 claim were identified November 20, 1965, by Milton A. Edgar when he and his part time employee, Mr. James O'Neal, accompanied Mineral Examiner Matthews to the claim area. Because of physical impairments, Edgar was unable to walk over much of the steep terrain, but he did point out places to take representative samples of the quartz vein exposed in the main or No. 4 adit. He also instructed O'Neal, who he said was quite familiar with the subject claims, to accompany Matthews on subsequent dates to point out boundary markers and other improvements. The claim sketch furnished by Edgar, a copy of which is Attachment No. 4, aided in determining the relative positions of the three subject claims.

Edgar told Matthews the Rackensack No. 2 claim occupied the same position as the abandoned Edwards Claim, which he said was surveyed for, but never attained patent. The stone monument and redwood post identified by O'Neal as being the northwest corner of the Rackensack No. 2 claim, was later identified from the barely legible scribe to be the west end center of the old Edwards Claim. A reasonably careful search to the northward from this old Edwards claim marker, picked up only two fairly new monuments with white 4" x 4" x 4' high posts which were identified by small metal plates nailed to them marked: "E. V. Graham."

TOPOGRAPHY, CLIMATE AND VEGETATION:

The three subject claims are situated in an area of quite steep and rugged relief as exemplified by the attached photos.

The mean elevation of the claims is about 4200 feet above sea level as interpolated from contours shown on U.S.G.S. 's Humbolt Mountain Quadrangle Topographic Map.

The climate is mild and dry. Mean temperatures as interpolated from U.S. Weather Bureau's "Climatology of the United States No. 60-2" indicates mean maximum and minimum temperatures (°F) of 62° and 30° for January, and 96° and 66° for July respectively. Mean annual precipitation is about 14 inches.

The claim area is drained by eastward coursing Rackensack Canyon Creek, a tributary to southeastward flowing Camp Creek, a tributary of the Verde River.

The soil coverage is for the most part thin and rocky, but does support a fair stand of chaparral type of vegetation, native grasses, agave, and some varieties of cacti.

GEOLOGY AND MINERALIZATION:

The rock exposures in the general area embracing the subject claims are predominately Precambrian schist as is shown mapped on the Arizona Bureau of Mine's Geologic Map of Maricopa County. This relatively large mass of schist was intruded by a stock of late Cretaceous and/or early Tertiary granite in the vicinity of Continental Mountain, some two miles southwest from the claims, during the Laramide Revolution, a period of mountain-making deformation, uplift and igneous activity.

In the immediate subject claim area, a pegmatitic granite dike which is perhaps an offshoot from the granite stock, supra, appears to have been injected into the schist, with the schist-granite contacts about as sketched in on claim sketches, Attachments Nos. 1.1 and 1.2.

A few generally northwest striking and northeast dipping barren appearing quartz veins with some sporadic limonite staining can be found outcropping the granite and adjacent schist. Many of these quartz occurrences are short and irregular as exemplified in Photos "J" and "K" of Attachment No. 2.3, but the quartz vein on which the bulk of the exploration work has been accomplished by adits Nos. 1 through 4, while quite narrow, has reasonably good continuity.

IMPROVEMENTS, DEVELOPMENT WORK AND SAMPLING:

The approximate relative positions of the principal mine workings on the subject claims are designated by red arrows on Photo "C" of Attachment No. 2.1. Claim Sketches Nos. 1.1 and 1.2 also show the relative positions of these workings, and on Attachment No. 1.2, a rough plan outline of these underground workings are shown in different colors so as to aid in their identification.

The following samples were delivered by the undersigned March 17, 1966, to the Arizona Assay Office, 815 North 1st Street, Phoenix, Arizona, Registration No. 682. The monetary evaluations are based on the current metal price of \$1.85 per oz. for silver and \$36.50 per oz. for gold and \$0.60 per pound for the copper, as quoted in the Engineering and Mining Journal market statistics for September, 1970.

RACKENSACK NO. 1 CLAIM

A monument of stone lying near the center of a shallow pit or disturbed surface area, designated "Disturbed Area #1 on Attachment No. 1.2," contained two pocket tobacco cans, one can containing a location notice for the Nap Sack #2 lode claim, located by a Coy S. Barger, June 26, 1953, and the other can containing Edgar's and Martin's amended location notice dated January 29, 1961, for the Rackensack No. 1 claim.

The about 50 feet diameter disturbed area or shallow pit, which appears to be an area from which a flat dipping quartz outcrop has been stripped, surrounding the location monument and the about 8 feet wide and 10 feet deep open end cut lying 36 feet S. 8° W. from the location monument at the southern edge of the disturbed area, were excavated in schist showing some irregular and sporadic rusty quartz occurrences. The principal schistosity was checked at S 50° E. and -40° S.W.

Sample No. 3518 - Weight $4\frac{1}{4}$ pounds, was a 1.77 foot vertical chip sample of the full width of a rusty S. 70° E. striking and -32° N. 20° E. dipping quartz exposed as a small bench of quartz in schist. This was the best-appearing quartz in place exposure noted in this shallow pit and/or the contiguous open end cut. From the considerable quartz boulders lying scattered about in this shallow pit and piled in the location monument, it is reasonable to assume that whoever did this work was aware the quartz carries little metal value.

Assay Certificate, Attachment No. 3, shows this quartz contained 0.2 oz. silver and 0.03 oz. gold per ton, for a per ton value of \$0.37 for the silver and \$1.10 for the gold content for a total per ton value of \$1.47.

Top Adit - This adit, highest in elevation of the workings examined, consists of a 16 foot long cut to the portal of a S. 28° W. crosscut in schist, running 34 feet to a face of schist, 8 feet beyond an intersection with a generally S.E. coursing drift. This drift, driven on an irregular quartz occurrence under a generally S. 50° E. striking and -22° S.W. dipping gouge zone, runs S. 60° E. for 13 feet to a right turn at about a 5 foot long N.E. stub crosscut. Beyond the stub crosscut the drift runs S. 10° W. for 10 feet to an elevated or 5 foot higher portion of drift. Obviously this elevated portion of drift, which runs S. 40° E. for 20 feet to a face of massive quartz in schist, was necessitated to hold the quartz in the face and the gouge zone at the back of the drift due to the fact the quartz, although irregular, appears to hold to the rake of the gouge zone.

Sample No. 3517 - Weight 4 pounds, was a 5.10 foot long vertical chip sample of massive and slightly rusty quartz exposed in the face of the elevated portion of the Top Adit drift. This sample of the full thickness of quartz taken 0 to 5.10 feet above the drift's floor, was from the right hand or south side of the face where the irregular quartz mass showed the greatest thickness. The attached assay certificate shows this quartz ran 0.2 oz. silver and 0.01 oz. gold per ton for a per ton value of \$0.37 for the silver and \$0.37 for the gold for a total per ton value of \$.0.74.

No. 1 Adit - This adit, also referred to as the "Rattler", was driven on a fairly persistent, but somewhat meandering, quartz vein in granite. This about one foot thick quartz vein has an average strike of about S. 50° E. and a -54° N.E. dip. The portal cut shown in Photo "D" of Attachment No. 2.1 is about 21 feet long. From the portal the drift runs S. 75° E. for 21 feet, and about 8 feet beyond the center of a 6 foot long by 6 foot wide by 7 foot deep winze. The drift then bears to the right to a course of S. 50° E. for 49 feet to a second slight right bend at a 10 foot high raise. The drift then bears further to the right to a course of S. 30° E. for 24 feet to a left bend at the beginning of about a 50 foot long depressed section of drift, about 8 feet beyond a 6 foot by 8 foot by about 30 feet deep winze in the drift's bottom. It is noteworthy that the quartz vein pinches out in the back of the drift at the brow of the depressed drift, referred to on the claim sketch, Attachment No. 1.2, as "Sump Drift." No doubt this sump drift, driven on about a 3 foot lower elevation and partially full of water at the time of the examination, was driven at this lower level in an attempt to stay with the quartz vein which apparently was pinching out up its dip in this vicinity. Because of this pinching out of the vein and because Edgar did not designate samples to be taken in this working, none were taken.

No. 2 Adit - This adit runs N. 60° W. to an open 15± feet deep winze in its bottom, then an additional 25± feet to a bend to the right. The open winze in the bottom of the drift 10 feet in from the portal, made the drift inaccessible for sampling without first making preparations for a crossing. This adit was begun on about a 1 foot wide N. 70° W. striking and -60° N.E. dipping rusty quartz vein in granite showing some displacement at the back of the drift on a westward striking and -30° north dipping fault. It was noted that the direction in which the drift was driven left but little apparent back. Undoubtedly the quite extensive disturbed area or shallow pit, designated "Disturbed Area #2" on Attachment No. 1.2, just northwest from this adit's portal, is an area from where the outcrop of this quartz vein has been stripped. Here again the considerable quartz left in piles obviously attest to its lack of economic value.

The three small open end cuts shown sketched in on Attachment Nos. 1.1 and 1.2, lying eastward from the "Top Adit" portal, were badly sloughed and not considered worthy of sampling.

The 18 feet long open end cut lying some 75 feet north from the portal of No. 1 Adit was mineralogically unimpressive and not sampled.

The slide on the upper side of the road, shown platted immediately north from Adit No. 1 portal on Attachments Nos. 1 and 2 is of frame and light metal construction, and was obviously built for loading rock material into trucks. From the little apparent wear to this slide, and the lack of any stopping in Adit No. 1, it is assumed that only token lots of quartz might have been loaded for test or other purposes from this exploration working.

RACKENSACK NO. 2 CLAIM

If the west end center marker of the older Edwards claim location is taken as the west end center of the Rackensack No. 2 claim in accordance with Edgar's statement that the subject claim covered the same ground as the older abandoned Edwards claim, then the dwelling, shed and privy described earlier in this report, are within the boundary limits of the subject claim as platted on Attachments Nos. 1.1 and 1.2. However, if O'Neal correctly identified this Edwards claim end center post as being the northwest corner of the Rackensack No. 2 claim, and there is the yellow painted claim marker found and shown as "Yellow Top Post" at the lower left hand portion of Attachment No. 1.1 to substantiate O'Neal's identification, then the non-mining improvements, supra, lie outside the subject claim boundary. It is noteworthy that most of the subject claims marker posts found had yellow painted tops, and that a reasonably careful search of the area north of the west end center of the Edwards claim revealed nothing but the two E. V. Graham posts.

The relatively small hopper behind the retaining wall appearing near the center of Photo "C" of Attachment No. 2.1 and identified as "Loading chute" on the attached Photo "C" and the attached claim sketches, perhaps served as a coarse bin during the period in the early 1960's when Edgar tried to mill the quartz, using portable jaw crusher, rolls, and a dry concentrator, which undertaking he readily admits was a dismal economic failure.

No. 3 Adit - This working, the portal of which may be viewed in Photo "F" of Attachment N. 3, consists of a crosscut in granite running S. 68° W. for 39 feet to a face of granite, about 6 feet beyond its interception of a S. 40° E. average striking and -60° N.E. dipping 1 foot average width quartz vein, on which a drift was driven N. 38° W. for 39 feet to a face under a 6 foot high raise, 31 feet beyond a connecting raise from the No. 4 Adit workings below. Also, a drift was driven on this quartz vein S. 40° E. for 13 feet to a face under a 6 foot high raise on this vein. Because Edgar did not designate this working as a place to sample, none were taken.

No. 4 Adit - Photo "G" of Attachment No. 2.2 is a view of the portal of this, the principal working on the group of three subject claims. This adit consists of a crosscut in granite running about S. 45° W. for 65 feet to a junction with a heading entering from the left at a vertical N. 20° W. fracture in granite. From this first junction, the crosscut continues S. 70° W. for 13 feet to a second junction with a drift entering from the right. This drift will hereafter be referred to as the "northwest drift." From this second junction, the crosscut, hereinafter referred to as the "footwall crosscut," runs S. 60° W. for 21 feet, then bears slightly to the right and continues about due west for 29 feet to

about a 5 foot wide and 6 foot high face of pegmatitic granite. Throughout this footwall crosscut, the walls and the face show a series of generally northwest trending narrow stringers of a reddish-colored translucent mineral having a vitreous luster, thought to be microcline, a variety of feldspar, with some quartz interspersed and a few flecks of metallic minerals in evidence. From the first junction mentioned above, a heading bears S. 12° W. for 15 feet to intersect a 0.9 foot wide S. 30° E. striking and 43° northeast dipping rusty quartz vein at the bottom of a raise connecting the No. 3 adit above. From this connecting raise, the heading, hereinafter referred to as the "Southeast Drift", follows the narrow well-defined quartz vein, having an average strike of about S. 50° E. and an average dip of about -60° northeast, for about 200 feet to a fairly abrupt turn to the right, some 100 feet beyond a 3 foot high raise on the vein in the drift's back. From the center of this curve right, the drift continues S. 21° E. for 13 feet to a junction, 13 feet short of the drift's face where the vein can be observed to have pinched out completely in the back of the drift a few feet back from the face. From the junction a crosscut runs S. 30° W. for 24 feet to a face, all in barren granite.

From the second junction in from the portal of the main crosscut, the northwest drift follows the northwest extension of the narrow well-defined quartz vein at N. 45° W. for 21 feet, 5 feet beyond a 3 foot high raise on the vein over a shallow water-filled winze or sump. From that point the drift bears N. 35° W. for 40 feet to a partially collapsed and inaccessible N. 65° W. section of drift, 22 feet beyond a ladderless S. 40° W. and +40° raise.

The following samples were taken at points in this main working designated by Milton Edgar as places to sample and their relative positions can be identified on Attachment No. 1.2 by their respective numbers.

Sample No. 3519 - Weight 3 pounds, was a 0.56 foot long chip sample taken normal to and across the full width of the quartz vein exposed in the center of the back of the southeast drift at its junction with the southwest crosscut, 13 feet back from the drift's face. The attached assay certificate shows this sample ran 0.2 oz. silver and 0.01 oz. gold per ton for a per ton gross value of \$0.37 for silver and \$0.37 for gold, aggregating a total per ton value of only \$0.74.

Sample No. 3520 - Weight $4\frac{1}{2}$ pounds, was a 0.98 foot long chip sample taken normal to and across the full width of the quartz vein exposed in the western portion of the drift's back at the southeast brow of the 3 feet high raise which is about 115 feet southeast of the main crosscut - southeast drift junction. The attached assay certificate shows this sample ran 0.2 oz. silver and 0.03 oz. per ton gold for a per ton gross value of \$0.37 for the silver and \$1.10 for the gold, aggregating a total per ton gross value of \$1.47.

Sample No. 3521 - Weight $10\frac{1}{4}$ pounds, was a chip sample taken at about waist height along the south wall of the footwall crosscut at from 0 to 33 feet from the face. The attached assay certificate shows this sample ran 0.4 oz. per ton silver, 0.01 oz. gold and 0.03% copper having a total per ton gross value of \$0.74 for silver, \$0.37 for gold and \$0.36 for copper, aggregating a per ton gross value of \$1.47.

Sample No. 3522 - Weight $3\frac{3}{4}$ pounds, was a 0.92 foot long chip sample taken normal to and across the full width of rusty quartz vein exposed in the southwest wall of the northwest drift, 4.8 feet to 5.7 feet above the floor of the drift, 20 feet northwest of the drift's juncture with the main crosscut. Edgar requested the quartz vein at this point be checked for tin and nickel content, as well as for gold, silver and copper. The attached assay certificate shows this sample ran 0.4 oz. per ton silver, 0.01 oz. gold, 0.03% copper, nil tin, and nil nickel having a per ton value of \$0.74 for silver, \$0.37 for gold, \$0.36 for copper, nil for tin and nickel, aggregating a per ton gross value of \$1.47.

No. 5 Adit - Also referred to as the "Toothpick" adit by O'Neal who says it was so named because of the closely spaced light sets of timber framed from 4 inch by 4 inch timber. This working consists of an average 20 feet wide cut running S. 68° W. for about 18 feet to the portal. From the portal, which lies just outside the right edge of attached Photo "C" the adit was driven on a long radius curve to the left, checked by a 29 foot long chord at S. 50° W., and then a 37 foot long chord at S. 25° W. to a face of limonite streaked gouge, probably on the contact between the granite and the schist. Except for about the last 5 feet, this adit was driven wholly in schist, crosscutting the schists folia which was checked in the portal cut as having a westerly trend and about -60° S. dip. A few discontinuous and sparse streaks of Cinnabar were recognized in the schist at the portal, which obviously would not approach ore grade and was therefore not sampled. The timber precludes a good inspection of the back and walls of the adit throughout most of its length. The schist can be seen contacting the gouge fault zone about 5 feet from adits face on a contact checked at N. 60° W. strike and -51° southwest dip. Because Edgar did not designate this working as a place to sample, none were taken.

The location monument lying but a short distance north from the No. 5 adit portal contained the Rackensack No. 2 location notice dated November 26, 1957, signed Glen Martin and G. C. Jones, and the notice of amendment to this location dated January 29, 1961, which was signed by Milton Edgar and Glen Martin.

Caved Adit - This working which lies just outside the right edge of attached Photo "C" is the lowermost working found on the Rackensack No. 2 claim. Its collapsed condition made it inaccessible.

Incline Shaft - This raw shaft, located some 150 feet east of the southwest corner of the Rackensack No. 2 claim, was collared on a bench of pegmatitic granite and sunk on about a -60° incline at N. 35° E. It was inaccessible but its bottom was visible some 20 feet below the collar. Just north of the shaft's collar is an escarpment, at the base of which there is evidence that some gouging has in the past been done on a narrow flat lying mineralized seam or streak. A short distance westward, a small partially caved adit with considerable water backed up behind a pile of slough material at its portal, was noted but not entered. Mr. Edgar made no mention of this adit or the incline shaft and it was therefore felt he placed little or no importance to these workings, and as a consequence the undersigned paid them but little attention and no samples were taken of the apparent meager mineral showings.

Well - This small boxed-in excavation, located a relatively short distance south-southwest from the dwelling near creek bottom, was overflowing water when observed November 30, 1965. The unburied pipe line lying between the spring development and the dwelling indicates this has in the past served as the domestic water supply.

RACKENSACK NO. 3 LMC

The shaft, pit and cut, shown platted just to the north of the Rackensack No. 3 claims location monument on the claim sketch, Attachment No. 1.1, were the only mine workings found or pointed to by O'Neal. These workings were excavated in a somewhat darker colored phase of the granitic rock, perhaps a diorite.

The location monument of stone was found to have two notices of location posted in it; one the Rackensack No. 3 lode mining claim location notice dated November 26, 1957, signed by Glen Martin and E. C. Jones; and the amendment to this location dated January 29, 1961, signed by Milton A. Edgar and Glen Martin.

Shaft - This 4 feet wide by 6 feet long by about 12 feet deep working, lying about 8 feet N. 50° E. from the location monument was excavated on a 2 foot wide limonite stained structure in diorite having a N. 85° E. strike and a dip of about -79° to the south.

Cut - The entrance to this 4 feet average width cut, which runs S. 64° E. for 11 feet to a 3 foot thick rib separating it from the 6 feet wide by 6 feet long and 5 feet average depth pit, where sample No. 3516 was taken, lies 44 feet N. 20° W. from the location monument. From the amount of quartz in the dump material, it is assumed this open end cut was excavated on sporadic quartz occurrences having a generally west-northwest trend in diorite similar to those showing in the rib separating the pit and the shaft, photographed and showing in attached Photo "K". The sides and face of the cut were considerably sloughed and there were no quartz in place exposures apparent in this working for sampling at the time of the examination.

Pit - The quartz exposure, in the western end of this pit described supra, near the pit's bottom, was selected as the most representative exposure of quartz in place to sample in the three workings found on the Rackensack No. 3 claim.

Sample No. 3516 - Weight $3\frac{1}{2}$ pounds, was a 1.65 foot long chip sample taken 7.0 feet below the projected surface on and normal to the about -40° north dipping and N. 55° W. striking pair of quartz veins exposed in the northwestern wall or end of the pit. This sample, which included 0 to 0.65 feet of hanging wall quartz, 0.65- to 1.40 feet of intervening diorite, and 1.40- to 1.65 feet of footwall quartz, ran 0.2 oz. silver and 0.01 oz. of gold per ton, having a per ton gross value of \$0.37 for the silver and \$0.37 for the gold content, for a total gross per ton value of \$0.74. The white ribbon showing near the lower right hand corner of attached Photo "J" shows the position and limits of this sample.

A 0.2 foot wide, S. 85° E. striking and -41° north dipping barren appearing quartz vein found outcropping on the surface a short distance southeast from the location monument was not considered worthy of sampling.

September 19, 1968, Mineral Examiner Matthews, accompanied by Messrs. Larry Lincoln, Forestry Aid, and George R. Edeline, co-claimant, drove to the subject lode mining claims in a four-wheel drive pickup where new roads and a dozer sidehill cut excavated since Matthews' last previous visit to the claims, were tied in by pace-compass traverse, and five additional samples which will be reported later in this report, were taken.

RACKENSACK NO. 2 CLAIM

Dozer Cut - Mr. Edeline, who owns and operates his own heavy equipment, has dozed an "L" -shaped sidehill cut since Matthews' last visit to the subject claims, March 16, 1966. This cut designated "Dozer Cut" on claim sketch, Attachment No. 1.1 and "more Recent Dozer Cut" outlined in green on Attachment No. 1.2, had a dimension of about 40' along the western bank and 30' along the southern bank and measured 44' deep at its deepest place--the face at the crotch of the "L" or the southwest corner of the cut. A somewhat mineralized rusty and jaspidean quartz southeast striking and steep northeast dipping vein is exposed in the southwest corner of the pit. This vein splits to the northwestward with one leg or branch exposed in the bottom of the cut and the westernmost branch apparent in the west wall of the cut. It was near the juncture of these branches of veins that Mr. Edeline alleges he found an occurrence of quite spectacular gold-bearing quartz, showing also some Wulfenite (PbMoO_4), galena (PbS), scheelite (CaWO_4) and bismite (Bi_2O_3). It was in the vicinity of this vein split that Mr. Edeline directed the following samples should be taken. These samples taken 9/19/68 were delivered by Matthews 9/20/68 to the Arizona Assay Office, 815 N. First Street, Phoenix, Arizona.

The source of the metal prices used in computing the value of the following samples has been described earlier with these additions: lead at \$0.145 per pound, molybdenum as molybdic trioxide at \$1.91 per pound.

Sample No. 3701 - Weight 5 pounds, was a 6.3 foot long horizontal S 85° W chip sample taken across the full width of about a N 7° W striking and -85° E dipping slightly rusty quartz vein. The jasper footwall portion of this vein was included in the sample. Photo "L", Attachment No. 2.4 is a view of the situs of this sample, the west end of which was measured to be 15 ft. -N 5° W from the southwest corner of the dozer cut. Copy of the Assay Certificates, Attachments Nos. 3.2 and 3.3, shows this sample assayed 0.40 oz. silver and 0.08 oz. gold per ton, 0.20% lead, 0.06% molybdenum trioxide, nil tungsten trioxide, and nil bismuth, having a gross per ton value \$0.74 for silver, \$2.92 for gold, \$0.58 for lead, \$2.29 for molybdenum, nil for tungsten and nil for bismuth, for a total gross per ton value of \$6.53.

Sample No. 3702 - Weight 29 pounds, was a grab sample taken by Mr. Larry Lincoln under the direction of Mineral Examiner Matthews of the broken material in the dozer cut which Mr. Edeline alleged would carry enough gold values to make this material an economic mill feed. Attachment No. 3.2 shows this material assayed 0.01 oz. gold per ton for a total gross per ton value of \$0.37 for its gold content.

Sample No. 3703 - Weight 5½ pounds, was a 3.62' horizontal chip sample across the full width of the jaspideous and slightly rusty quartz exposure in the southwest corner of this more recent dozer cut. This sample cut, viewed by Photo "M", Attachment No. 2.4, is at the crotch of the vein split mentioned earlier in this report. Assay Certificate, Attachment No. 3.2, shows this sample assayed 0.40 oz. silver and 0.02 oz. gold per ton, trace lead, 0.03% molybdenum trioxide, nil tungsten trioxide, and nil bismuth, for a gross per ton value of \$0.74 for the silver content, \$0.73 for gold, nil for lead, \$1.15 for molybdenum, nil for tungsten, and nil for bismuth, for a total per ton gross value of \$2.62.

Sample No. 3704 - Weight 4½ pounds, was a composite of a 1.15' long chip sample of about a 1 ft. thick footwall segment and a 1.65' long chip sample of about a 1.5 ft. thick intermediate segment of the about N 60° W striking and -77° NE dipping vein exposed in the western wall of the dozer cut. The two white ribbons bracketed and designated by the respective sample number in red ink shown in the left half of Photo "N", Attachment No. 2.4, delimits this sample which was taken an average of about

8 ft. northward from the southwest corner of the dozer cut and 30.5 ft. below the surface. Assay Certificates, Attachments Nos. 3.2 and 3.3, show this sample assayed 0.40 oz. silver and 3.42 oz. gold per ton, nil lead, 0.05% MoO_3 , nil W_2O_3 , and nil bismuth for a gross value of \$0.74 for the silver content, \$124.83 for gold, nil for lead, \$1.91 for MoO_3 , nil for W_2O_3 , and nil for bismuth, for a total gross per ton value of \$127.48.

Sample No. 3705 - Weight $2\frac{1}{2}$ pounds, was a 1.94 ft. long chip sample of about a 1.7 ft. thick brecciated quartz hanging wall segment of the vein described under Sample No. 3704 above. This sample, taken about 9 ft. northward from the southwest corner of the dozer cut and 30.5 ft. below the surface, is delimited by the white ribbon appearing at the right hand side of Photo "N", which is designated by its respective sample number in red ink. Assay Certificates, Attachments Nos. 3.2 and 3.3 show this hanging wall portion of the vein assayed 0.40 oz. silver and 0.01 oz. gold per ton, nil lead, 0.03 MoO_3 , and nil bismuth for a gross value of \$0.74 for silver, \$0.37 for gold, nil lead, \$1.15 for MoO_3 , nil W_2O_3 , and nil bismuth for a total gross per ton value of \$2.26.

The new cuts just west-northwest from the principal dozer cut:

These two sidehill cuts, shown in green on Claim Sketch, Attachment No. 1.2, dozed in talus, expose no rock in place and were therefore not sampled.

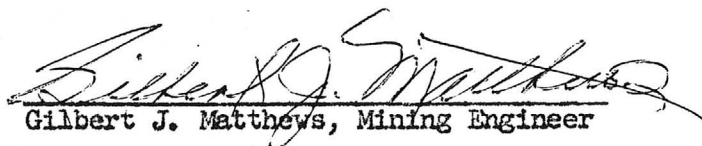
CONCLUSIONS AND RECOMMENDATIONS:

While the quartz exposures on the subject claims are somewhat impressive in appearance, and would no doubt justify some of the considerable exploration work that has in the past been done on them, it is the opinion of the undersigned that these quartz occurrences have been adequately explored to disqualify them as having any present economic importance. Of the ten samples taken by Examiner Matthews, only one contained values that would support a mining operation. It seems apparent that this sample represents only an isolated small pod of ore and is of no economic significance. Even further prospecting in the immediate vicinity seems hardly to be justified, since the other samples taken in the same cut at the same time showed little or no value. The negative results of Matthews' sampling along with the apparent considerable amount of unrewarded past endeavor, establishes quite well, in the opinion of both mineral examiners, the fact that the claimants cannot now show a discovery of ore in place such as would justify a prudent man to spend further of his time and money on these claims in an effort to develop a paying mine.

During Mineral Examiner Ashby's July 21, 1970 reconnaissance of the claims, he took no samples, but did examine geologic features and most of the workings that have been reported on above by Examiner Matthews, and states he concurs completely with Matthews' appraisal of these claims and values appearing thereon.

It is therefore recommended that the Government initiate a contest against the Rackensack Nos. 1, 2, and 3 lode mining claims on the following charges:

1. That the land embraced within the subject claims is not chiefly valuable for mineral.
2. That a discovery of mineral in sufficient quantity and quality to constitute a valid discovery does not now exist within the limits of the three subject claims.


Gilbert J. Matthews, Mining Engineer

Harve L. Ashby, Mining Engineer

Attachments:

- No. 1.1 - Claim Sketch, Scale 1" = 400'.
- No. 1.2 - Claim Sketch, Scale 1" = 100'.
- No. 2.1 - Photos "A", "B", "C", and "D".
- No. 2.2 - Photos "E", "F", "G" and "H".
- No. 2.3 - Photos "I", "J" and "K".
- No. 2.4 - Photos "L", "M", "N", "O".
- No. 3 - Assay Certificate
- No. 3.2 - Assay Certificate
- No. 3.3 - Assay Certificate
- No. 4 - Milton Edgar's sketch showing the relative positions of the Ft. Worth and the Rackensack lode claims.



PHOTO "A" - View northeasterly showing dwelling, storage shed and privy. 3/15/66 - G.J.M.



PHOTO "B" - View westerly from Corner No. 1 of Fort Worth patented L.M.C. showing Edgar's and Martin's dwelling, type terrain and vegetation. 3/15/66 - G.J.M.



PHOTO "C" - View S. 60° W. from Corner No. 1 of Fort Worth patented L.M.C. showing loading pocket just below No. 4 adit portal, part of access road to No. 1 adit, and type terrain where principal mine workings are located. 3/15/66 - G.J.M.

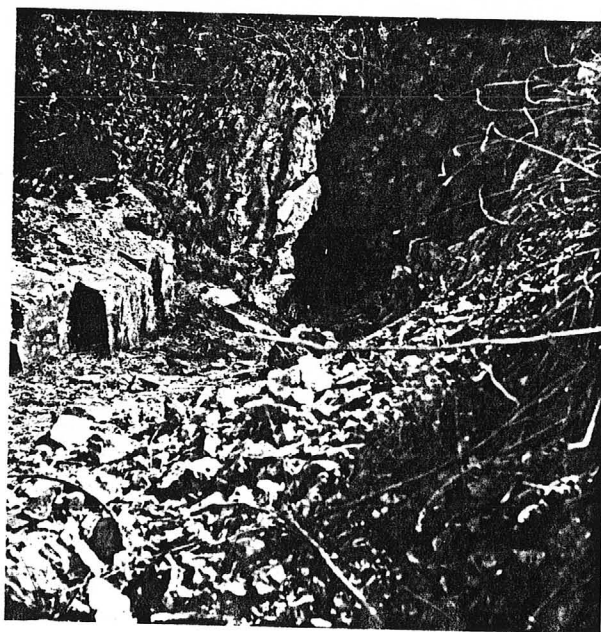
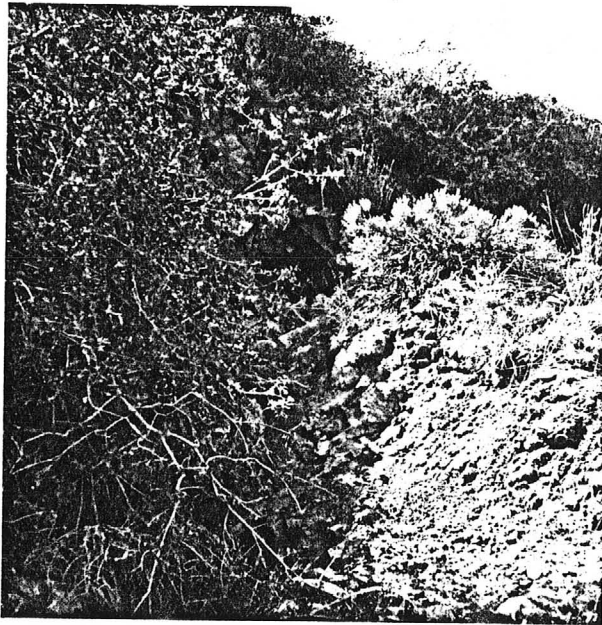
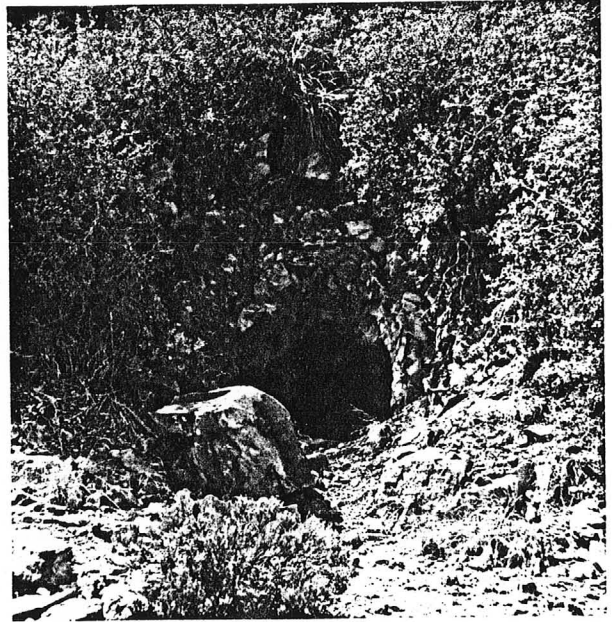


PHOTO "D" - View southeasterly of No. 1 or Rattler adit portal. 3/15/66 - G.J.M.



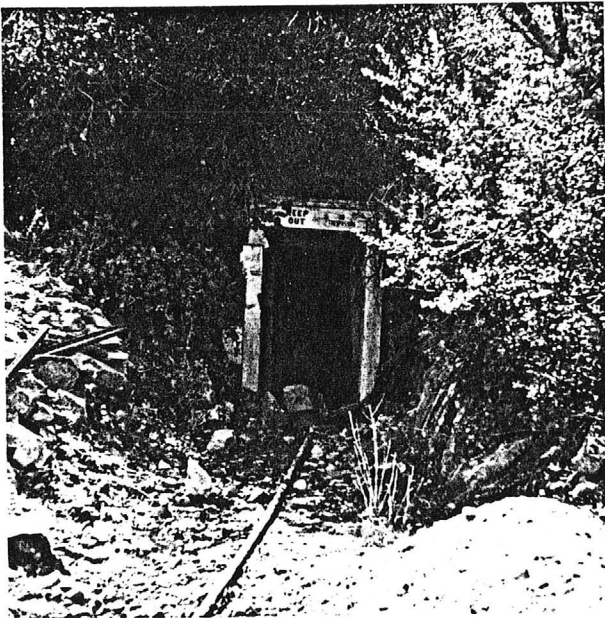
NOV . 70

PHOTO "E" - View northwesterly of No. 2 adit portal. 3/15/66 - G.J.M.



NOV . 70

PHOTO "F" - Southerly view of No. 3 adit portal. 3/15/66 - G.J.M.



NOV . 70

PHOTO "G" - Southerly view of No. 4 adit portal. 3/15/66 - G.J.M.



NOV . 70

PHOTO "H" - Southwesterly view of No. 5 or Toothpick adit portal. 3/15/66 G.J.M.

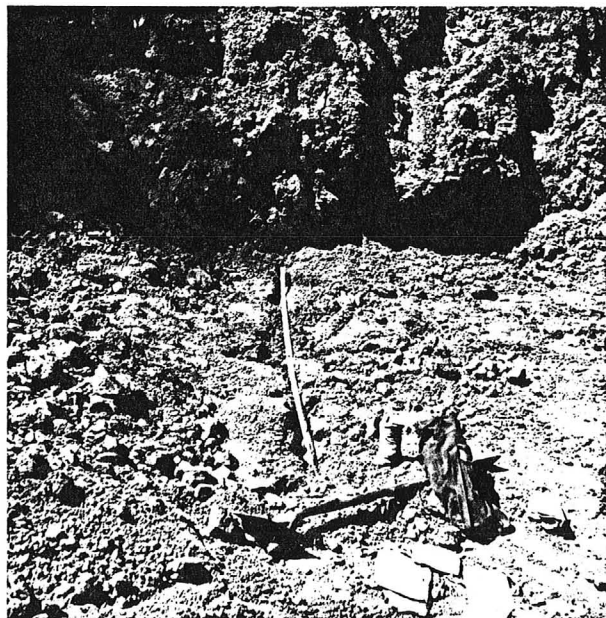


PHOTO "L" - View westerly of a portion of the bottom of the new dozer cut where the white ribbon delimits Sample No. 3701. 9/19/68 - G.J.M.



PHOTO "M" - View southerly of quartz and red jasper vein exposure in the southwest corner of the new dozer cut where the white ribbon delimits Sample No. 3703. 9/19/68 - G.J.M.



PHOTO "N" - View westerly of quartz vein exposure on the southwest wall of the new dozer cut where white ribbon delimits Sample Nos. 3704 and 3705, identified by their respective numbers in red ink. 9/19/68



PHOTO "O" - View north-northeasterly of part of equipment at the Steinegger home place on Camp Creek that Mr. Edeline says is his or available to him. 9/19/68 - G.J.M.

ATTACHMENT NO. 2.4
Gilbert J. Matthews

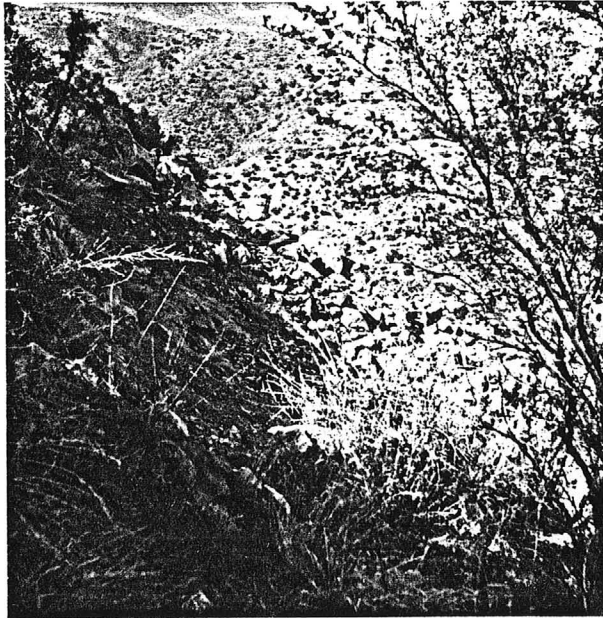


PHOTO "I" - View northwesterly over a portion of the disturbed area which lies just west-northwest from portal of Adit No. 2.
3/15/66 - G.J.M.



PHOTO "J" - Looking northerly into pit lying immediately north of Rackensack No. 3 L.M.C.'s location monument. White ribbon marks the position and limits of Sample No. 3516.
12/2/65 - G.J.M.



PHOTO "K" - Southeasterly view at rib dividing the Rackensack No. 3 L.M.C.'s discovery shaft and pit. Note the sporadic quartz occurrences 12/2/65 - G.J.M.

ATTACHMENT No. 2.3
Gilbert J. Matthews

2610 - Tonto
Edgar, Milton, et al.

Shop No. 3516-22
File No. 810 USES

Date 18 MARCH 1968

VALUES
Latest Quotation

1 oz. Gold.....
1 oz. Silver.....
1 lb. Copper.....
1 lb. Lead.....
1 lb. Zinc.....

THIS CERTIFIES
Samples submitted for assay
contain as follows:

Arizona Assay Office

815 NORTH FIRST STREET

Phone: 253-4001

U.S. FOREST SERVICE (TONTA)
ROOM 6426
FEDERAL BUILDING
230 N. 1st AVE
Phoenix, Arizona 85025

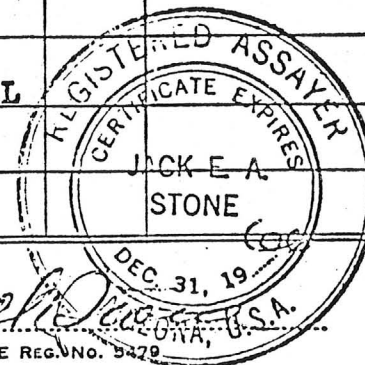
Phoenix, Arizona 85001
P. O. BOX 1148

Short Ton 2000 Lbs.
Short Ton Unit 20 Lbs.
Long Ton 2240 Lbs.
Long Ton Unit 22.4 Lbs.

MARKS	SILVER PER TON		VALUE PER TON	GOLD PER TON		VALUE PER TON	TOTAL VALUE PER TON of Gold & Silver	MR. GILBERT M. STONE'S PERCENTAGE			REMARKS
	Ozs.	Tenths		Ozs.	100ths			COPPER	TIN	NICKEL	
3516		.2	\$.25	.01		\$.35					
3517		.2	\$.25	.01		\$.35					
3518		.2	\$.25	.03		\$1.05					
3519		.2	\$.25	.01		\$.35					
3520		.2	\$.25	.03		\$1.05					
3521		.4	\$.50	.01		\$.35		0.03			
3522		.4	\$.50	.01		\$.35		0.03	NIL	NIL	

Charges \$ 31.00

Assayer



Shop No. **3701-05**.....
File No. **A-1021 USES**

VALUES
Latest Quotation

1 oz. Gold.....	\$35
1 oz. Silver.....	\$2.00
1 lb. Copper.....	
1 lb. Lead.....	
1 lb. Zinc.....	

THIS CERTIFIES
Samples submitted for assay
contain as follows:

Arizona Assay Office

815 NORTH FIRST STREET

Phone: 253-4001

U.S. FOREST SERVICE (TONTON)
230 N. 1st Ave
Phoenix Arizona 85025

P.O.# 12-5009

Phoenix, Arizona 85001

P. O. BOX 1148

Short Ton	2000 Lbs.
Short Ton Unit	20 Lbs.
Long Ton	2240 Lbs.
Long Ton Unit	22.4 Lbs.

MR. GILBERT MATTHEWS

[illegible]Charges \$ 135.00

ANDY CHUKA, PRINT

Assayer.....

JACK STONE REG. NO. 5479

ARC LABORATORIES

Division of Arizona Research Consultants, Inc.

9236 NORTH 10TH AVE.

PHOENIX, ARIZONA 85021

943-3573

FOR: Arizona Assay Office
Box 1148
Phoenix, Arizona

DATE 9/25/68

LAB No. 10148

3701-05
A-1021 USFS

U.S. FOREST SERVICE (TONTA)
330 N. 1st AVE
Phoenix Az. 85025

MR. GILBERT MATTHEWS.

RESULTS

P.O. # 12-5009

Sample #	Tungstic oxide	Molybdenum trioxide	Bismuth
3701	nil	0.06 %	nil
3703	nil	0.03	nil
3704	nil	0.05	nil
3705	nil	0.03	nil

\$96.00

Respectfully submitted,
ARC LABORATORIES


John T. Long, Jr.



Attachment 3.3

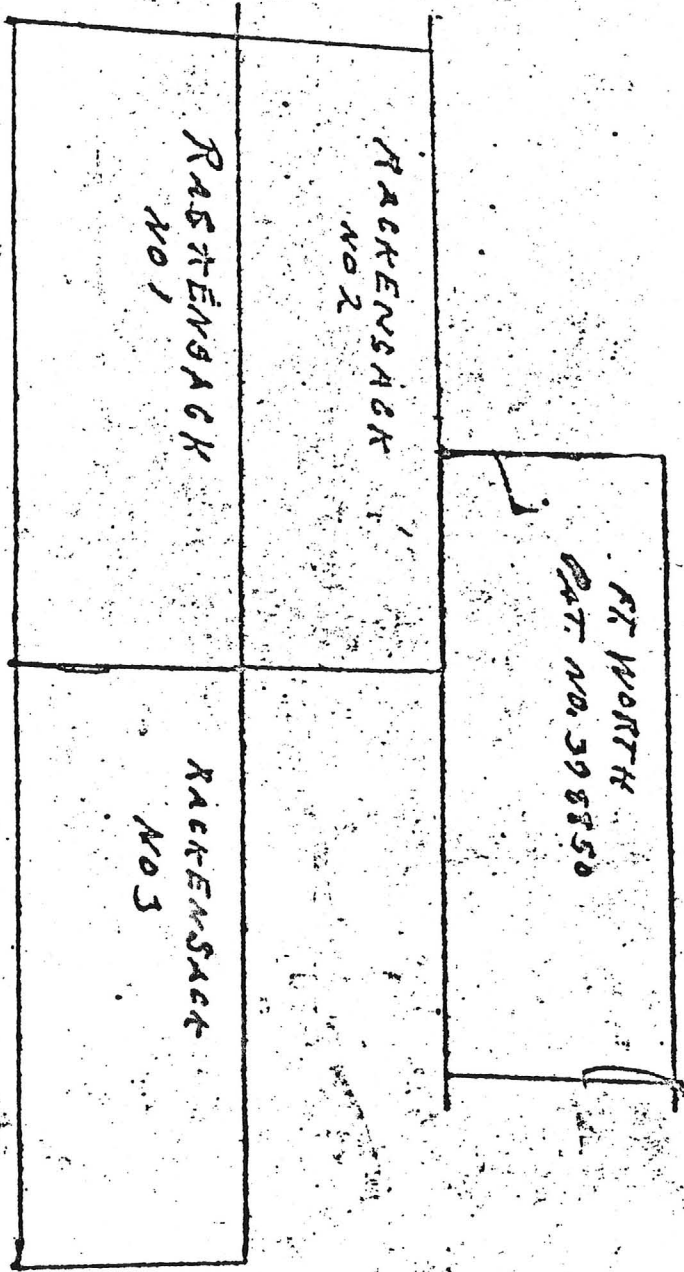
MILTON A. EDGAR

1000 10TH AVENUE
PHOENIX ARIZONA 85001

N

SITE TO N.

77N RSE SEC 33, 34



S