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01/26/95

ARIZONA DEPARTMENT OF MINES AND MINERAL RESOURCES FILE DATA

PRIMARY NAME: SUNNYSIDE WATER COMPANY PROP.

ALTERNATE NAMES:

PINAL COUNTY MILS NUMBER: 613

LOCATION: TOWNSHIP 8 S RANGE 11 E SECTION 31 QUARTER ALL  
LATITUDE: N 32DEG 41MIN 35SEC LONGITUDE: W 111DEG 14MIN 51SEC  
TOPO MAP NAME: TORTOLITA MTS - 15 MIN

CURRENT STATUS: DEVEL DEPOSIT

COMMODITY:

IRON HEMA-MAGNE

BIBLIOGRAPHY:

ADMMR SUNNYSIDE WATER COMPANY FILE

Page 4 Section A ARIZ. DAILY STAR WED JUNE 22 54



STATE OF ARIZONA  
DEPARTMENT OF MINERAL RESOURCES  
MINERAL BUILDING, FAIRGROUNDS  
PHOENIX 7, ARIZONA



Tucson, Arizona,  
June 28, 1963

MEMORANDUM

To: Frank P. Knight, Director  
From: Axel L. Johnson, Field Engineer  
Re: Sovereign Resources

The following information was received by the field engineer from the following persons:  
(1) S. L. Kelly, Kelco Enterprises, P. O. Box 343, Carlsbad, Calif. in a telephone conversation on April 22, 1963.

(2) Jack G. Marks, Commissioner, County Court House, Tucson, Ariz. in a telephone conversation June 28, 1963 (Mr. Marks replaced Morris Udall as secretary of Sunnyside Water Co., while this company was still in existence)

(3) Odin Sundness, Santa Rita Hotel, 109 S. Scott in a telephone conversation on June 28, 1963.

References ---- Report of Sunnyside Water Co. under date of Feb. 23, 1960.

Mr. Marks informed me that the Sunnyside Water Co. was sold some time ago to the Sovereign Resources, and also that he understands that Arizona Steel (referred to in my report of Sunnyside Water Co.) was sold or absorbed by Sovereign Resources. Consequently, there is no more 'Sunnyside Water Co.' and no more 'Arizona Steel'. It is all 'Sovereign Resources'.

Mr. Kelly informed me that Sovereign Resources, which he is now connected with, owns 24 sections of Federal land, and have State leases on 4 sections of State land, located in T 8 S - R 11 E and T 9 S - R 11 E. He stated that ~~he~~ they had recently drilled a well in Sec. 31 - T 8 S - R 11 E, which is almost 1,000 ft. deep and produces 1,500 gal. per min. of water. He remarked "that iron deal is to go". Note that the 28 sections mentioned by Mr. Kelly are ~~the same~~ 28 sections that were leased to Arizona Steel (See report of Sunnyside Water Co. 2/23/60) 17920A

Mr. Sundness stated that C. M. (Mickie) Wood of New York City <sup>is</sup> ~~was~~ now the President of Sovereign Resources and that S. Y. Guthrie is out. He said that Sovereign Resources has a low grade iron deposit in the eastern part of Texas, which they plan to develop and treat in a plant in Texas. After they get a good start on that enterprise, they plan on doing something with the magnetite in the Florence ~~Oracle~~ - Oracle Jct. area.

RN

April 11, 1960  
News Memo

Sunnyside Water Co.  
Information from S. L. Kelly

At a meeting and reorganization of the Sunnyside Water Co., the following officers were elected:

President ---- S. Y. Guthrie  
Vice Pres. --- Elzie M. Moore  
Secretary ---- to be announced  
later

It was reported also that S. Y. Guthrie bought out most of the stock owned by the Moore Bros., Elzie and Fred, and also that S. L. Kelly bought out the stock held by Morris Udall, and that Morris Udall resigned as Secretary.

Further changes are being considered.

A regular report will be submitted later.

*S. Y. Guthrie  
Elzie M. Moore  
S. L. Kelly*

As per Tempe 9-17-59 News Advertisement

Inc. in Arizona as a Dover, Delaware Corp.

Standard Magnetite Co. is a New York firm - organized August 1959.

They have tied up 22 sections of magnetite sands between Tucson & Florence (tis doubtful if they have the pilot-plant reported earlier).

Board of Directors are: Lloyd Cropp of Chicago (the gentleman who came to Arizona and apparently established bank credit. A Frank Rackley of Chicago; Stanley Kaplan of Chicago; Frank L. Howard of Chicago area and Henry P. Nelson of Los Angeles.

The head of the outfit is apparently a Dr. David L. Hill of 515 Madison Avenue, New York.

Have interests in Peru and are interested in sintering, etc.

(Above from Mr. Olson of the ARC laboratory). 2-19-60

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*222 N. Court Ave.*

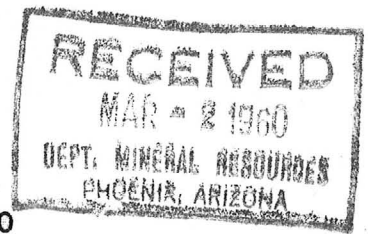
Area sold by Sunnyside Water Co., ~~33 W. Walker Place~~, Tucson, Ariz. 20 sections in the S 1/2 of T 7 S - R 11 E were sold to the Standard Magnetite, besides an additional 1 3/4 sections on which there is a conflict of title. Mr. Kelly reports that Dr. David L. Hill, 515 Madison Ave., New York City is the President of the Standard Magnetite. Associated with him, are a number of other individuals, one of which, as reported from another source, is Mr. Rachley, President of Jessup Steel, Washington, Pa.

From -

AXEL L. JOHNSON Report on SUNNYSIDE WATER COMPANY (file) Feb. 23, 1960

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DEPARTMENT OF MINERAL RESOURCES  
STATE OF ARIZONA  
FIELD ENGINEERS REPORT



Mine Sunnyside Water Company

Date Feb. 23, 1960

District Black Mountain District, Pinal Co.

Engineer Axel L. Johnson

Subject: Field Engineers Report. Information from S. L. Kelly.

Location About 1/4 miles NW of Tucson, on SW side of Highway # 80  
S 1/2 of T 7 S - R 11 E  
Most of T 8 S - R 11 E All on Federal lands --- No state leases.  
N 1/3 of T 9 S - R 11 E

Number of Claims About 48 sections of association placer claims on Federal ~~land~~ lands were acquired by this company. About 20 sections of this has been sold, and the remaining 28 sections have been leased out.

222 N. Court Ave.  
Owners Sunnyside Water Co., ~~33-W.-Walker-Place~~, Tucson, Ariz.  
S. L. Kelly, 2426 N. Castro, Tucson, Ariz.  
Fred Moore, ~~L.-G.-Moore~~, Peter O'Crotty, Elzie M. Moore  
Morris Udall, 222 N. Court Ave., Tucson --- Secretary.

A Board of Directors meeting will be held on March 3, at which time it is expected that S. L. Kelly will be elected as President to replace Fred Moore, who is resigning from the position.

Area sold 20 sections in the S 1/2 of T 7 S - R 11 E were sold to the Standard Magnetite, besides an additional 1 3/4 sections on which there is a conflict of title. Mr. Kelly reports that Dr. David L. Hill, 515 Madison Ave., New York City is the President of the Standard Magnetite. Associated with him, are a number of other individuals, one of which, as reported from another source, is Mr. Rachley, President of Jessup Steel, Washington, Pa.

Area leased 28 sections (most of T 8 S - R 11 E & the N 1/3 of T 9 S - R 11 E) west of the Omega placers, were leased to S. Y. Guthrie, who formed a corporation, called Arizona Steel. This is reported to be a Texas corporation. The lease provides for an expenditure of \$ 50,000 on the property annually before July 1st of each year. The lessees are reported by Mr. Kelly to be considering using the Udy process for reducing the magnetite.