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October 5, 1960

Mrs. Ben F. Griffith
115 Gold Road Avenue
Kingman, Arizona

Dear Mrs. Griffith:

To date I have not been successful in getting anyone interested in your McCracken Mountain property. However, I am now presenting it to American Metal Climax and feel confident that they will give it an examination. I shall keep you advised of any progress.

With kind regards,

Yours sincerely

E. N. Pennebaker

ENP:mc

August 3, 1961

Mrs. Dorris M. Griffith
1503 Jefferson
Kingman, Arizona

Dear Mrs. Griffith:

Thank you for your recent letter concerning your wish to sell the McCracken mining property.

I am bringing your letter to the attention of Mr. Howard A. Twitty, who is an old friend of Mr. Griffith. Mr. Twitty is attorney for several mining companies, and I am hoping that some of his clients will take an interest in your property.

With kind regards,

Yours sincerely

E. N. Pennebaker

ENP:mc

cc - Howard A. Twitty
414 Title & Trust
Phoenix, Arizona

E. N. PENNEBAKER
CONSULTING GEOLOGIST
P. O. BOX 817
SCOTTSDALE, ARIZONA

October 5, 1960

Mr. John Payne, Jr.
Vice President
American Metal Climax, Inc.
1270 Avenue of the Americas
New York 20, N. Y.

Dear John:

You will recall that when we parted at the Phoenix airport some weeks ago I mentioned the matter of my bringing to your attention worthwhile properties in return for a finder's fee for those that might develop into successful mines. Such fee presumably would be in the form of a small percentage interest in the net income derived from the project. You indicated that you might be interested in such an arrangement, and with this in mind I am presenting herewith certain properties in the McCracken district, Mohave County, Arizona, where there is a strong display of epithermal silver-lead veins.

I briefly examined this ground in 1957 on behalf of National Lead Company and recommended that detailed geological studies be undertaken. This was approved by Gloyd Wiles and an option agreement was drawn up by Guynn and Twitty. National's board of directors, however, turned the deal down and the matter was dropped. The property was then taken over by some California (?) people who mined shallow niggerheads of galena and milled them on the ground. In the meantime the owner, Ben F. Griffith, died on July 11, 1959, and the property passed to his widow, Dorris M. Griffith. On July 21, 1960, Mrs. Griffith advised me that the California (?) people had cancelled the lease, and the property was open for a deal. On that day I phoned Gloyd Wiles, who told me that National had no further interest in the property and that I was free to present it to others who might be interested.

I am enclosing two copies of my original memo, based on one day's inspection. To this I might add that past production was of two kinds of ore. The old bonanza stopes were apparently of rich silver chloride at shallow depth. More recent production has come from lenses of galena marooned near the surface. These are minerals that have lagged behind in the oxidized zone in small shoots. Considering the depth of oxidation, there could be a zone of silver sulfide enrichment at depth.

Rich past production has been from pocket hunting, whereas any substantial future production must come from throughout the vein system at depth. This is extensive and some of the veins are thick.

COPY

As pointed out in my memo there is a deep shaft near the north end of the property, and the recent leasers may have made it accessible. Results here may have an important bearing on the north of the property but would not necessarily condemn it if structural relations are favorable.

Our purchase price was $150,000 spread over 4 years for 4 patented and 18 unpatented lode mining claims. Mr. Griffith had borrowed money against the property from his friends, but these loans were subordinated to National's contract and Howard Twitty felt that we had a sound, workable agreement. McPherson, mentioned in my memo, is no longer in the picture, as far as I am aware.

I have a considerable file on the McCracken property, which I shall be glad to lend to your representative. This includes claim maps, areal photos, and the option agreement.

As you will note, my examination was brief and my recommendation was only that the district deserved careful mapping and study. Because of its size and the strength of the vein pattern I am still of this opinion and reaffirm that it deserves more than a casual inspection. Some geologists will not be impressed because it is an epithermal type of deposit, but we both are aware that Pachuca survived this handicap for over four centuries.

I shall look forward to your reply with much interest and shall be glad to arrange a meeting with your representative and Mrs. Griffith, who now lives in Kingman.

With best regards,

Yours sincerely

E. N. P.

E. N. Pennebaker

ENP:mc

August 19, 1960

Mrs. Ben F. Griffith
115 Gold Road Avenue
Kingman, Arizona

Dear Mrs. Griffith:

Just to let you know that I have presented your McCracken Mountain property to one mining company for their consideration, but they have declined because of the depressed condition of the lead market.

I shall now try another company and hope for better success.

With kind regards,

Yours sincerely

E. N. Pennebaker

ENP:mc

115 Gold Road Ave
Kingman Arizona
July 21, 1960

Dear Mr Pennebaker -

I have just received a letter from Mr Gammon telling me of the cancellation of the Air-Vada lease -

You told me our lease when this happened let you know - I am looking for leasers or a buyer -

Would like to hear from you in regard to the MC Croken Mt.

Sincerely

Mrs Ben F Griffith

July 25, 1960

Mrs. Ben F. Griffith
115 Gold Road Avenue
Kingman, Arizona

Dear Mrs. Griffith:

Thank you so much for your letter advising me that the Ari-Vada people have recently cancelled their lease on your properties at McCracken Mountain.

I shall bring this to the attention of some of my clients to see if they will make an examination of the area. I shall keep you advised and shall hope to get in touch with you again soon.

Cordially yours

E. N. Pennebaker

ENP:mc

Box 74
Yucca, Arizona
5-21-59

Dear Mr Pennetaker:

Thanks very much for your recent letter.

I too hope you may come by soon and visit me. I rather think you will be quite surprised with the improvements I can show you.

We now have the mill (entirely flotation) operating at about 125 tons (per 24 hour day), can make 150 tons, and will not take too much addition to increase it to 200 tons, and the mines have been opened satisfactorily in several new places; the 600 ft shaft being rehabilitated; and the Oswego (the one mine I do not own) acquired on bond and lease.

All we seem to lack is sufficient capital investment to advance as fast as we would like and now feel justified in doing.

I forgot to add that we have a large and very modern laboratory which we are quite proud of.

P.H. Ramsden is the General Manager, and Rif V. Thompson Mill and Geological ~~Sup~~ Supt. You probably know both of them.

Thank Mr Twitty for his appreciated regards, which are returned in kind.

Will be looking for you soon.

Yours very truly

Ben F. Griffith

E. N. PENNEBAKER
CONSULTING GEOLOGIST
P. O. BOX 817
SCOTTSDALE, ARIZONA

August 3, 1959

Mrs. Dorris M. Griffith
129 Oak Street
Kingman, Arizona

Dear Mrs. Griffith:

Thank you for your kind letter of July 30. I am most sorry to hear of Mr. Griffith's passing away. He was a fine person for whom I cherished a sincere regard.

Two years ago I examined Mr. Griffith's McCracken mining property and recommended it to National Lead Company for purchase, but, because of the impending recession, this company did not act on my recommendation.

I then suggested to Mr. Griffith that he permit me to bring the property to the attention of some other clients of mine. However, he preferred to deal with those who are presently operating the property, because, as he told me, they would make a substantial down-payment, which would alleviate his financial burdens. This would be to his advantage, because, as you may know, the large mining companies usually require a "free period" of a year or so in which to test a property before making any substantial cash payment.

I heard no more from Mr. Griffith until a few months ago. He then intimated that the present operators were behind in their property payments to him. I told him that should the present operators drop out, and should his property be free of them and open for a deal, I again would like to bring this

COPY

mine to the attention of my present clients.

I also told him that I would like to visit the property to see what developments had taken place and to renew our acquaintance. I had hoped to make this visit in June or July, but business has kept me tied down in Scottsdale and I was unable to make the trip.

Once again, I would like to direct the attention of my clients to this property. However, they would only be interested if the present operators drop their option and leave the property. And, of course, I cannot guarantee that my clients would decide to option the mine. This would depend on the results of their own examination.

I am sure that the executor of Mr. Griffith's estate will go into the sufficiency of the present operator's payments to Mr. Griffith and will demand an accounting. Should these operators drop out, I hope the executor will get in touch with me.

Please feel free to write me if I can be of any further assistance.

Yours sincerely

E. N. Pennebaker

ENP:mc

129 Oak St
Kingman Arizona
July 30, 1959

Dear Mr Pennebaker

This is to inform you my beloved husband Ben F. Griffith passed away suddenly on July 11, 1959.

I know he regarded you as a personal friend and also tried several times to see you - Why? I know it had something to do with the mine & Mr Ramsden, the manager

I plan to carry on as he wanted to do. So if you can help or offer any suggestions I will listen as if it were Ben.

We were in Wickenburg early this month and he called you He was going to introduce us, you were busy. So we will have to carry on with out him.

Sincerely yours
Mrs Doris M Griffith

May 7, 1959

Mr. Ben F. Griffith
P. O. Box 74
Yucca, Arizona

Dear Mr. Griffith:

I was happy to receive your letter not long ago and to learn of the success of the McCracken operation.

In the course of the next few weeks I hope to drop in on you and see how things are going.

I was talking to Mr. Twitty a few days ago and he said to send you his kind regards.

Yours very truly

E. N. Pennebaker

ENP:mc

March 21, 1959

Mr. Ben F. Griffith
P. O. Box 74
Yucca, Arizona

Dear Mr. Griffith:

Drove past the turnout to Signal not long ago on my way to Kingman, and I wondered how you and the McCracken property were doing these days.

I would be most interested in hearing about how things are going at the mine, and I hope that whenever you are in town that you will drop in for a chat.

Cordially yours

E. N. Pennebaker

ENP:mc

P.O. Box 74
Yuma, Arizona
4-17-59

Dear Mr Pennebaker:

Thanks very much for remembering me and McCracken Mountain.

I should have answered your appreciated letter sooner but have been very busy trying to regain good health and doing my best, in a very limited way, helping to put our new 150 ton mill on the road.

The mill is near my abode on the "Big Sandy" and started producing concentrates last Thursday, April 16. It is entirely flotation, and aside from the normal few "bugs" that had to be ironed out is very satisfactory. We also have a laboratory which we are quite proud of. and have developed quite a block of unexpectedly good ore which we are mining by open pit.

I sure wish you could come by soon and visit us. It might be beneficial too.

I will sure drop in for a chat on my first opportunity

Very truly yours
Ben F. Griffith

August 3, 1959

Mrs. Dorris M. Griffith
129 Oak Street
Kingman, Arizona

Dear Mrs. Griffith:

Thank you for your kind letter of July 30. I am most sorry to hear of Mr. Griffith's passing away. He was a fine person for whom I cherished a sincere regard.

Two years ago I examined Mr. Griffith's McCracken mining property and recommended it to National Lead Company for purchase, but, because of the impending recession, this company did not act on my recommendation.

I then suggested to Mr. Griffith that he permit me to bring the property to the attention of some other clients of mine. However, he preferred to deal with those who are presently operating the property, because, as he told me, they would make a substantial down-payment, which would alleviate his financial burdens. This would be to his advantage, because, as you may know, the large mining companies usually require a "free period" of a year or so in which to test a property before making any substantial cash payment.

I heard no more from Mr. Griffith until a few months ago. He then intimated that the present operators were behind in their property payments to him. I told him that should the present operators drop out, and should his property be free of them and open for a deal, I again would like to bring this

mine to the attention of my present clients.

I also told him that I would like to visit the property to see what developments had taken place and to renew our acquaintance. I had hoped to make this visit in June or July, but business has kept me tied down in Scottsdale and I was unable to make the trip.

Once again, I would like to direct the attention of my clients to this property. However, they would only be interested if the present operators drop their option and leave the property. And, of course, I cannot guarantee that my clients would decide to option the mine. This would depend on the results of their own examination.

I am sure that the executor of Mr. Griffith's estate will go into the sufficiency of the present operator's payments to Mr. Griffith and will demand an accounting. Should these operators drop out, I hope the executor will get in touch with me.

Please feel free to write me if I can be of any further assistance.

Yours sincerely

E. N. Pennebaker

ENP:mc

February 24, 1958

Mr. Ben F. Griffith
P.O. Box 74
Yucca, Arizona

Dear Mr. Griffith:

Delighted to have your letter of February 21 and to learn that you have made a satisfactory deal on your McCracken property.

Mr. Twitty and I both hope that you are now recovered from your recent illness and that you continue to improve in health.

In the event that the present buyers do not continue with their contract, I am sure that I can put the property in good hands.

Drop in for a chat whenever you come to Phoenix.

Cordially yours

E. N. Pennebaker

ENP:mc

RECEIVED
FEB 24 1958
E. N. PENNEBAKER

~~KINGMAN~~, ARIZONA

Box 74
Yucca, Arizona.
2-21-58

Pennebaker:

Please forgive me for not reporting to you sooner about conditions at McCracken Mt. My only alibi is: I have just served three weeks time at the Kingman Hospital due to a rather severe attack of pneumonia. and now out on a thirty day probationary period under doctor's care etc. am doing fine, and hope to go back to the mines by March 1.

As I advised you (I hope), I made a satisfactory contract on ~~Feb~~ January 6. Should be able to pay half my obligations on or about March 6, and clean them up entirely on or about May 6. After that all will be much easier and better for all concerned. All, of course, depending upon how the contract is being lived up to for the next ninety days.

Although I have been entirely out of circulation since about Jan 16. I am advised the new buyers are very well satisfied with the property and everything except lead prices due to foreign imports. They hope to be able to meet conditions until betterments can be worked out - if it doesn't take too long. Am advised they now have the mill nearly in condition to start concentrate production, and have done considerable development work at the mines with which they are pleased.

I will advise you further when I know more. The above is meant to be confidential between you & me.

Thanking you very much for your most appreciated cooperation. and may I be favored with much more of it in the future. With kindest regards I am

Sincerely yours
Ben F. Griffith

Dear Mr Pennebaker:

Thanks very much for yours of 12-14-57. Just received. Sorry for the cancellation but that's O.K.

Will appreciate all my papers left at my Twitty's office for my disposal - particularly the contract signed by me in favor of N.L. Co.

Appreciate your offer of submission to others, but may I please wait a few days until come down again or until I write you further.

Thanks a million for your most appreciated cooperation with kindest personal regards

Sincerely yours

Ben F. Griffith

RECEIVED
DEC 23 1957
E. N. PENNEBAKER

Box 74
Yucca, Arizona
12-20-57

Dear Mr Pennebaker:

I feel I owe you more cooperation and appreciation than I probably expressed in my hasty reply mailed you on 12-17-57.

I do sincerely appreciate your favorable impressions as to my property, and know that guided by you those impressions can be made to become realities. As to the same terms as recently set up, O.K.

But there are a few matters connected therewith that I would like to discuss with you. These matters would not affect or cause any changes in the contract, but might add to our personal understandings.

Due to our villainous methods of communication, may I suggest that, if you do not find it convenient to drive out here before Christmas, that I come down to Scottsdale either Dec. 26, 27 or 28th. Which date I can use depends upon my personal transportation problem. My car is on the elderly side, and although the No. 93 and over to Signal road is now good, I am a little afraid to use it for the longer and faster drives. I have the benefit of the use of Mr Blank's new ford. If course, subject to his convenience. Am not in a position to invest in a new car - altho badly needed - until I have my own plans more definitely settled. Am sure you understand.

Time will not permit my receiving an answer to the above, so will wait here until the 25th, and if you do not come by then, I will drive down as soon thereafter as I possibly can, and hope that such will be agreeable to you.

Wishing you and yours a very Merry Christmas and a most Happy and Prosperous New year, I am

Sincerely yours

Ben F. Griffith

December 26, 1957

Mr. James L. McPherson
192 First Street
Wickenburg, Arizona

Dear Mr. McPherson:

I returned from Mexico just before Christmas and until now have not had the opportunity to advise you that National Lead Company has turned down the Griffith property. We are all very much disappointed but both Mr. Wiles and I wish to thank you for your help during our negotiations.

Although the Executive Committee turned down this particular project, National Lead Company is still in the market for mining properties and we shall be happy if you can bring others to our attention.

With kindest personal regards and best wishes for the coming year,

Yours sincerely

E. N. Pennebaker

ENP:mc

December 26, 1957

Mr. Kenneth W. Hammes
P. O. Box 501
Globe, Arizona

Dear Ken:

Much to our disappointment National Lead Company has turned down the proposed project in Southern Mohave County about which we talked.

The first information we had from New York was that it had been given a favorable reception, and you will recall that I telephoned you to this effect. Unfortunately, we are now advised that they are not going ahead with it and consequently we shall not be in the market for the surveying work which we discussed.

I hope to present this property to other people and perhaps we may be able to get it going in the future, in which case I shall hope to call for your services.

With kindest personal regards and best wishes for a Happy New Year,

Yours sincerely

E. N. Pennebaker

ENP:mc

NATIONAL LEAD COMPANY
111 Broadway
New York 6, N. Y.

GLOYD M. WILES
MANAGER
MINING DEPARTMENT

RECEIVED
DEC 16 1957
E. N. PENNEBAKER

December 13, 1957

Mr. Howard A. Twitty
Guynn & Twitty
Title & Trust Building
Phoenix, Arizona

COPY

Dear Mr. Twitty:

RE: BEN F. GRIFFITH - NATIONAL LEAD Option

Since it has been decided that National Lead Company does not wish to continue negotiations with Mr. Griffith and Mr. James L. McPherson in regard to the purchase of the Griffith mining claims at this time, we return herewith the following documents:

1. Four copies of Option Agreement between Ben F. Griffith and National, each of which has been signed by Mr.Griffith;

2. Four copies of Memorandum of Option Agreement between Ben F. Griffith and National, each of which has been signed by Mr. Griffith;

3. Three copies of an Agreement between National and James L. McPherson, each of which has been signed by Mr. McPherson; and

4. Copy of a letter of instructions to Phoenix Title and Trust Company from Mr. Griffith.

The above make up the total of the papers in our possession which had been signed by either of the interested parties evidencing our negotiations.

Thank you very much for your assistance in this matter, and it is regretted that circumstances have prevented our bringing it to a conclusion.

Yours very truly,

G.M.W.

GMW:WCH:ACB
Encs.

CC: Mr. E.N.Pennebaker

REGISTERED - RETURN
RECEIPT REQUESTED

E. N. PENNEBAKER
CONSULTING GEOLOGIST
P. O. BOX 817
SCOTTSDALE, ARIZONA

Dec. 14-1957

Dear Mr. Griffith:

Much to the disappointment of Mr. Wiles and myself, National Lead Company's Executive committee turned down our proposed exploration project at McCracken Mountain. All of the papers that you signed are being returned to Mr. Twitty's office for such disposal as you direct. They should be there about the 20th.

I am still favorably impressed regarding the possibilities of your property, and, if you are agreeable, I should like to draw it to

E. N. PENNEBAKER
CONSULTING GEOLOGIST
P. O. BOX 817
SCOTTSDALE, ARIZONA

the attention of another one of my clients under the same terms as those recently set up.

I am planning to drive out to Signal to see you, but may have to delay doing so because of a possible examination in Mexico between December 16 and 22. So please drop me a line giving your reaction to the above suggestion.

With kind & personal regards.

Yours sincerely,

E. N. Pennebaker

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P. O. BOX 817
SCOTTSDALE, ARIZONA

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I am planning to drive out to Signal to see you, but may have to delay doing so because of a possible examination in Mexico between December 16 and 22. So please drop me a line giving your reaction to the above suggestion.

With kindest personal regards.

Yours sincerely,

E. N. Pennebaker

December 6, 1957

Mr. Ben F. Griffith
P. O. Box 74
Yucca, Arizona

Dear Mr. Griffith:

When I talked to New York on last Wednesday afternoon, I was told that National Lead's executive committee was in session and that the McCracken option was going through. This I reported to you when we talked together over the telephone about 5 P.M.

The next morning New York called me to advise that the committee had postponed action on the Griffith option and had requested certain additional information. This additional information I am mailing to New York today, and the committee will meet again on Wednesday, the 11th of December.

I sincerely regret that the good news that I received was premature and that it was passed on to you and then turned out to be incorrect. We all hope for favorable action next week, and as soon as it is verified to me I shall let you know.

With kindest regards,

Yours sincerely

E. N. Pennebaker

ENP:mc

December 6, 1957

Mr. G. M. Wiles
Manager, Mining Department
National Lead Company
111 Broadway
New York 6, N. Y.

Dear Gloyd:

The following discusses probable reasons for the McCracken veins remaining mostly undeveloped up to the present. As you know, only fragments of the history of the camp are known but I believe the following to be essentially true:

1. The veins were discovered in 1874 and the period of extraction of bonanza silver ore lasted until about 1880. These bonanza shoots were near the surface, very rich and pockety. During this period from $1 to $4 million was produced. Evidently the rich pockets bottomed in oxidized lead-bearing material.

Because of the isolation of the district, in the old days only very rich silver ore could be handled at a profit, and the coming in of lead at depth caused metallurgical difficulties. Therefore there was no incentive at this time for deeper exploration. Thus the McCracken district remained dormant until about 1920. From 1897 to 1915, lead averaged about 4 to 5 cents per pound with silver around 55 cents per ounce.

2. Beginning in about 1920, attempts were made to develop the principal vein in the north end of the district, where a shaft was sunk to moderate depth and several levels were driven. A mill of small capacity was constructed and concentrates were produced and shipped.

These operations were small-scale, and in those days the concentration of oxidized lead-silver ores was unsatisfactory. Furthermore, there were difficulties in getting water to the mill, and the freight rates on concentrates and supplies were high. Nevertheless, we have records of the production and shipment of 3,078 tons of concentrates that yielded net smelter returns of $460,158 during 1922, 1923, and 1924 when lead was selling between 6 and 7 cents per pound and silver at around 65 cents per ounce. Metal prices remained low and the district apparently remained dormant until World

War II. It is my impression that the various properties were not amalgamated into one group until in the nineteen-forties.

3. The various claims were brought together to form one dominant group by California Spray-Chemical Corporation during World War II. It is reported that this company's lead requirements were curtailed during the War and that it undertook to reopen and examine the deeper workings on the north. Then, it is said, the company was again able to obtain necessary lead supplies on the open market and abandoned its interest in the McCracken district without completing its exploration program.

4. In November 1944, Mr. Griffith acquired the property from California Spray-Chemical and has sat on it for 13 years. The reason that he has not developed the property is that he has been inadequately financed and is not a mining man by profession. Nevertheless he held on and tried to do the job himself, and, to the best of my knowledge, did not try to peddle the property. Leasers under Griffith shipped 670 tons that yielded net smelter returns of about $33,000. This production, I believe, came from shallow workings distributed over much of the property.

In summary, the reasons for lack of exploration and development during these four periods are believed to be about as follows:

1. Period from 1874 to 1920. Playing out of bonanza ores and coming in of lead-bearing material.

2. Period from 1920 to 1942. Small scale operations, difficult metallurgy, and low metal prices.

3. Period from 1942 to 1945. California Spray-Chemical's need for lead was satisfied on the open market and they ceased trying to find a mine.

4. Period from 1945 to date. Griffith inadequately financed and unskilled in mining development. He has simply sat on the property.

That mining districts with strong showings escape attention and are not developed is unusual, but this situation is not unique. Tsumeb was pretty much neglected and was picked up at public sale from the alien property custodian in 1947.

With best Holiday wishes,

Yours sincerely

E. N. Pennebaker

ENP:mc

9-57 25M

NATIONAL LEAD COMPANY

111 BROADWAY

NEW YORK 6, N. Y.

RECEIVED
NOV 29 1957
E. N. PENNEBAKER

November 22, 1957

COPY

Mr. Charles G. Hub
The Corporation Trust Company
120 Broadway
New York 5, New York

Dear Mr. Hub:

We are enclosing herewith the original and one photostatic copy of the Appointment of Agent form appointing R. H. Lesher of Kingman, Arizona as National Lead Company's statutory agent in the County of Mohave, Arizona.

Very truly yours,

(signed) J. J. Lawlor

GD
Encs.

2 cc: Mr. G. M. Wiles

MINING DEPT.
Log No. W-2987
Date 11/25/57

Nov. 25/57 -- FOR: Mr. E. N. Pennebaker
FROM: G. M. Wiles

Sent photo copy to Howard Twitty on 11/29/57

RECEIVED
NOV 25 1957
E. N. PENNEBAKER

NATIONAL LEAD COMPANY
MINING DEPARTMENT
111 BROADWAY
NEW YORK 6, N.Y.

NOVEMBER 22, 1957

MR. E. N. PENNEBAKER
P. O. BOX 817
SCOTTSDALE, ARIZONA

DEAR PENNY:

IN RESPONSE TO YOUR LETTER OF NOVEMBER 16TH TO GLOYD, WE HAVE TAKEN THE NECESSARY STEPS TO HAVE A STATUTORY AGENT APPOINTED FOR MOHAVE COUNTY AND I AM ENCLOSING A PHOTOCOPY OF THE RESOLUTION PERTAINING THERETO.

WE ARE LOOKING FORWARD TO RECEIPT OF THE AGREEMENTS FROM MR. GRIFFITHS.

WITH BEST REGARDS.

YOURS VERY TRULY,

Jack

JOHN S. HOLLAND

JSH:DS
ENC.

P.S. Griffith papers arrived this afternoon should have answer next week
JSH

E. N. PENNEBAKER
CONSULTING GEOLOGIST
P.O. BOX 817
SCOTTSDALE, ARIZONA

Nov. 16, 1957

Mr. F. M. Wiles
Mgr. Mining Dept.
National Lead Co.
111 Broadway
New York 6, N.Y.

Dear Floyd:

I am driving to California tomorrow, but expect to be back in my office on Wednesday morning, November 20.

The McCracken contract with Griffith is going along okay. Griffith is now engaged in getting the subordination of mortgages agreement by and by his various creditors.

E. N. PENNEBAKER
CONSULTING GEOLOGIST
P. O. BOX 817
SCOTTSDALE, ARIZONA

We hope to have everything signed and on its way to New York by the end of next week.

On October 20, 1957, I wrote you about the requirement of the State Corporation Commission that we have a statutory agent appointed for Mohave County. To the best of our knowledge out here, this has not yet been done. Counsel advises that such an agent should be appointed before National

E. N. PENNEBAKER
CONSULTING GEOLOGIST
P. O. BOX 817
SCOTTSDALE, ARIZONA

sign the McCracken agreements. Please advise us if and when the agent has been appointed.

With best regards,

E. N. Pennebaker

Photocopy To
Mr. Twitty.

October 31, 1957

Mr. G. Gregory Bryan
Mining Department
National Lead Company
111 Broadway
New York 6, N. Y.

Dear Greg:

In my letter to you on October 30 concerning modifications of the Option Agreement with Griffith, I neglected to state the following:

We propose to insert a paragraph saying that in the event of forfeiture or termination we shall deed to Griffith all of the mining claims that we may have staked within one mile of any of his claims mentioned in the agreement. We realize that we can agree to do this with only one person in a district, but believe that Griffith is that person in the present case.

With best regards,

Yours sincerely

E. N. Pennebaker

ENP:mc

cc - Mr. G. M. Wiles
Mr. Howard A. Twitty

October 30, 1957

Mr. G. Gregory Bryan
Mining Department
National Lead Company
111 Broadway
New York 6, N. Y.

Dear Greg:

This will confirm the information that I conveyed to you yesterday over long distance telephone concerning the Hammes Engineering Company of Globe, Arizona, their charges, etc.

Kenneth Hammes was formerly chief surface engineer for Miami Copper Company. About ten years ago he went into business for himself and since then has done work for a number of the big copper companies, including Miami, Inspiration, Kennecott, etc. He is skilled at straightening out the messes that prospectors get into when locating a flock of overlapping mining claims, which is probably the situation we shall find at McCracken.

It was very difficult to estimate the time required for surveying needed at McCracken, and the following estimate is a very approximate one.

The necessary surveying will fall into three categories:

1. A claim survey; laying out of amended locations, if needed; and location of fractions.

2. Survey control points for geological mapping, probably to include putting in ridge and gulch lines.

3. Surveying and plotting of tunnels.

Hammes' rates are $85.00 per day for a party of two men, and he furnishes everything except claim posts. In other words, he furnishes living expenses for his men, their transportation, a trailer for living accommodations, industrial insurance, payroll taxes, survey stakes, etc. He says that he can put a crew on the job immediately.

We think that the claim survey will at the same time furnish most of the control points needed for geological mapping.

We estimate, and this is very rough, that the claim survey will take about 70 working days, at a cost of about $6,000.

We think that about 5 additional days will be needed for control points for the geologist - say, about $500.

It is exceedingly difficult to estimate the time needed to survey the tunnels because we do not know how many there are and their lengths. We have assumed about 10 days, or roughly say another $1,000.

This all amounts to about 3 months' work to cost $7,500, and we should probably add 10% for contingencies.

Please note that we are not planning a precise triangulation survey, and that no surveying of mine workings leading out from shafts is included.

Also please note that if the surveying is done on a contract basis we shall need a sample boss after about three months.

Hammes will want a settlement at the end of each month amounting to 80% of the amount due him for that month, with final settlement at the end of the three months' job.

With best regards,

Yours sincerely

E. N. Pennebaker

ENP:mc

cc - Mr. G. M. Wiles

October 29, 1957

Mr. Ben F. Griffith
P. O. Box 74
Yucca, Arizona

Dear Mr. Griffith:

In order to expedite matters, we have arranged for photostatic copies of the recorded mortgages to be sent us directly from Kingman. Therefore you will not need to bother with this matter.

However, we are most anxious to have you furnish us with copies of the location notices of the unpatented mining claims just as soon as possible.

Our attorneys tell me that it will be the end of this week before revised copies of the agreements can be prepared, because of needing to wait for the copies of the mortgages. Consequently the documents will not reach you at Yucca on Friday, November 1, as we had planned, but they will be there just as soon as we can prepare them, say about the 5th of November.

New York advises me that their customary procedure is to have the contracts signed first at this end of the line. Then they go up to National Lead Company's committee for approval. Then they are signed by National and your check sent out here to the escrow agent. Consequently, if you approve of the revised draft of the Option Agreement which you will soon receive, we suggest that you come to Phoenix and sign the various copies at our attorney's office. Their address is:

Guyn and Twitty
414 Title & Trust Building
First Avenue at Adams
Phoenix, Arizona

Mr. Howard A. Twitty is looking after this matter for us.

It will help if we know ahead of time that you are coming so that we can be sure that Mr. Twitty is in town.

I expect to be in Denver and away from my office on November 3, 4 and 5.

We shall also be pleased when you can find time to negotiate on our behalf with the owners of the Otsego (patented) mining claim. You will recall that our maximum price is $25,000 to be paid out of royalties @ 10% over a four-year period, or $25,000 will be paid at the end of the fourth year, less royalties already paid.

With kind personal regards,

Yours sincerely

E. N. Pennebaker

ENP:mc

cc - Mr. G. M. Wiles
Mr. G. G. Bryan
Mr. Howard A. Twitty

October 29, 1957

Mr. G. Gregory Bryan
Mining Department
National Lead Company
111 Broadway
New York 6, N. Y.

Dear Greg:

Mr. Griffith was in my office on October 24 to discuss various revisions in the option draft covering McCracken mining claims. He agreed to all of the major provisions. The following changes were made and are now being incorporated by Mr. Twitty in a revised draft that we hope can be executed without further modification.

Please refer to the Option Agreement:

Page 3. Change Swastika No. 2 to Swastika No. 3

Page 3. Assignment of commercial lease may be somewhat complicated, but no real problem.

Page 3 Advancing dates 15 days

Pages 4 & 5. Two recorded chattel mortgages on machinery. Four recorded chattel mortgages on mining claims.

Page 5 (last paragraph). Two first mortgages, one second mortgage, and one third mortgage on mining claims.

Page 7 (line 12). Delete the words "patented and".

Page 11. Add to last line, "and perform assessment work".

Page 12. Fifth line up from bottom, insert "and also for broken ore shipped after such termination date".

Page 13. (Section 19). We had quite an argument here, the outcome being:

> Ninety (90) days to remove equipment. We take everything including pipe and rails, except headframes and ore bins. Broken ore to be removed in 45 days.

Page 14 (Section 24). Griffith agrees, but we have already ordered photostats of recorded mortgages in order to expedite preparation of second draft of Option Agreement. These photostats have been ordered from the title company in Kingman.

Page 16 (last paragraph). Of the first payment, Griffith takes $1000. Of the following payments Griffith takes 25%; creditors get 75%, allocated on the ratio that the indebtedness owed to an individual creditor bears to the total recorded debt.

Page 17 (upper ½ of page). Delete (c) and (d).

Page 19. Add to fourth line: "provided owner is advised of name and address of assignee within 15 days".

Page 19 (Section 30-A). Delete. This is too severe, the lease being a relatively minor asset, and the machinery being probably a bunch of junk. Retain Section 30-B, this being exceedingly important.

We are assuming that the documents will be signed for National by its vice president and are changing Page 20 (and other documents) accordingly.

Mr. Griffith will negotiate the Subordination of Mortgage agreements with his creditors. We are furnishing him with necessary copies of these agreements. Revised editions will be drawn when we receive copies of the mortgages. (They should be here in a few days).

With kind regards,

Yours sincerely

E. N. Pennebaker

ENP:mc

cc - Mr. G. M. Wiles
Mr. Howard A. Twitty

October 29, 1957

Mr. Gregory Bryan
Mining Department
National Lead Company
111 Broadway
New York 6, N. Y.

Dear Greg:

With reference to your telegram of October 22, Mr. Griffith advises me as follows:

1. Swastika No. 2 claim is improperly designated in the contract. It has been corrected to read "Swastika No. 3".

2. Galena claims Nos. 1, 2, 3 and 4 are dead, and he believes this ground is approximately covered by South Otsego, McCracken Hills No. 2, and Galena claims. Pues, quien sabe?

With reference to your letter of October 25:

> Otsego (patented) claim is owned by friends of Mr. Griffith. During our conference held at Signal on September 23, 1957, Mr. Wiles and I placed the negotiations for this claim in Mr. Griffith's hands. Terms were $25,000 maximum, to be paid out of royalties @ 10% over a four-year period, or $25,000 would be paid at end of fourth year, less royalties already paid. When Mr. Griffith was in my office on October 24 we were so occupied in revising the main option that I forgot to inquire about Otsego negotiations. I am writing him today, copy of which ~~is enclosed.~~ will be sent you tomorrow.

With kind regards,

Yours sincerely

E. N. Pennebaker

ENP:mc
encl.
cc - Mr. G. M. Wiles

CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION TELEGRAM

W. P. MARSHALL, PRESIDENT

1201

SYMBOLS

DL=Day Letter

NL=Night Letter

LT=International Letter Telegram

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

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1957 OCT 22 PM 2 22

E N PENNEBAKER=

PO BOX 817 SCOTTSDALE ARIZ=

RE MCCRACKEN BELIEVE SWASTIKA NUMBER TWO CLAIM OF CONTRACT SHOWN ON MAP AS NUMBER THREE PERIOD PLEASE CHECK PERIOD MAP ALSO SHOWS GALENAS ONE THROUGH FOUR PERIOD SHOULD THEY BE INCLUDED=

NATIONAL LEAD CO BRYAN=

WH 58352

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RECEIVED
OCT 23 1957
E. N. PENNEBAKER

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THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

NATIONAL LEAD COMPANY
MINING DEPARTMENT
111 BROADWAY
NEW YORK 6, N.Y.

OCTOBER 25, 1957

MR. E. N. PENNEBAKER
P. O. BOX 817
SCOTTSDALE, ARIZONA

RE: MCCRACKEN DISTRICT

DEAR PENNY:

IN YOUR LETTER OF SEPTEMBER 8TH TO MR. WILES YOU MENTIONED ADDITIONAL CLAIMS TO THE SOUTH OF THOSE HELD BY GRIFFITHS, AND THAT YOU WOULD INVESTIGATE THE POSSIBILITY OF OBTAINING THESE CLAIMS. THESE, I BELIEVE, INCLUDE THE OTSEGO PATENTED CLAIM, WHICH FROM THE MAPS AND DESCRIPTIONS WE HAVE WOULD APPEAR TO BE OF CONSIDERABLE IMPORTANCE.

WILL YOU PLEASE ADVISE WHAT ACTION HAS BEEN TAKEN AND WHAT THE PROSPECTS APPEAR TO BE.

WITH BEST REGARDS,

SINCERELY YOURS,

G. GREGORY BRYAN

GGB:DS
CC: MR. G.M. WILES