

FRONCKES MINERALS CORP  
 BEACOCK MINE

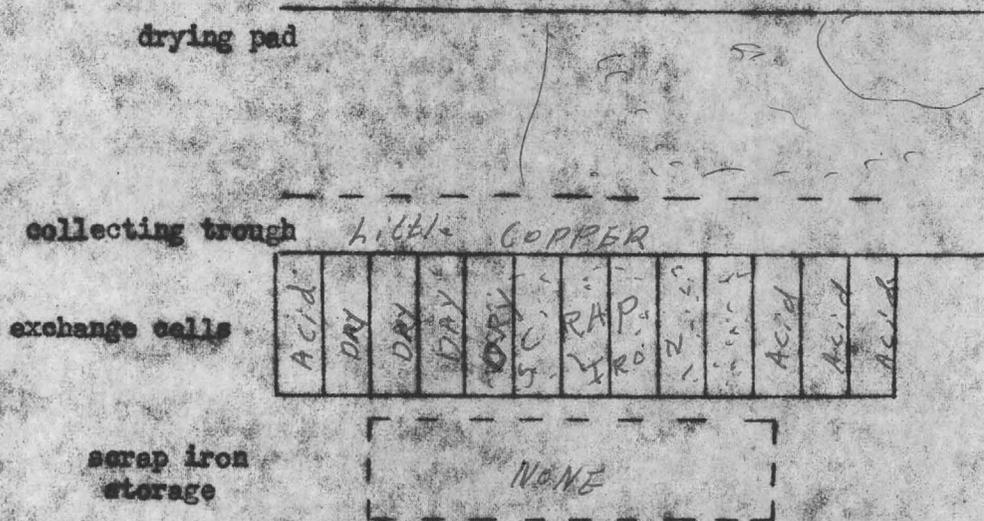
Safford, Arizona

- 1) Is the circulation pump running? YES
- 2) Is acid being distributed on main leach dump? YES
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? YES
- 4) Where are the acid trucks dumping? SAME PLACE
- 5) Is acid circulating through exchange cells?
- 6) Is there cement copper on drying pad? YES  
 In collection trough below cells?
- 7) Is there scrap iron in the cells? YES
- 8) Has any scrap iron been added to cells since previous inspection? NO
- 9) Is there any new scrap iron on the ground? NO
- 10) List date, time, and license number of acid trucks on or near the property,

11) Describe any changes in routine or unusual activity on the property.

MR BOSS FOLLOWED ME AROUND TODAY UNTIL I LEFT.

On the diagram indicate the location of scrap iron and cement copper.



Observer Joe M. ...

Date June 29 1973

FRONZIGERS MINERALS CO.  
PEASOCK MINE

Superior, Arizona

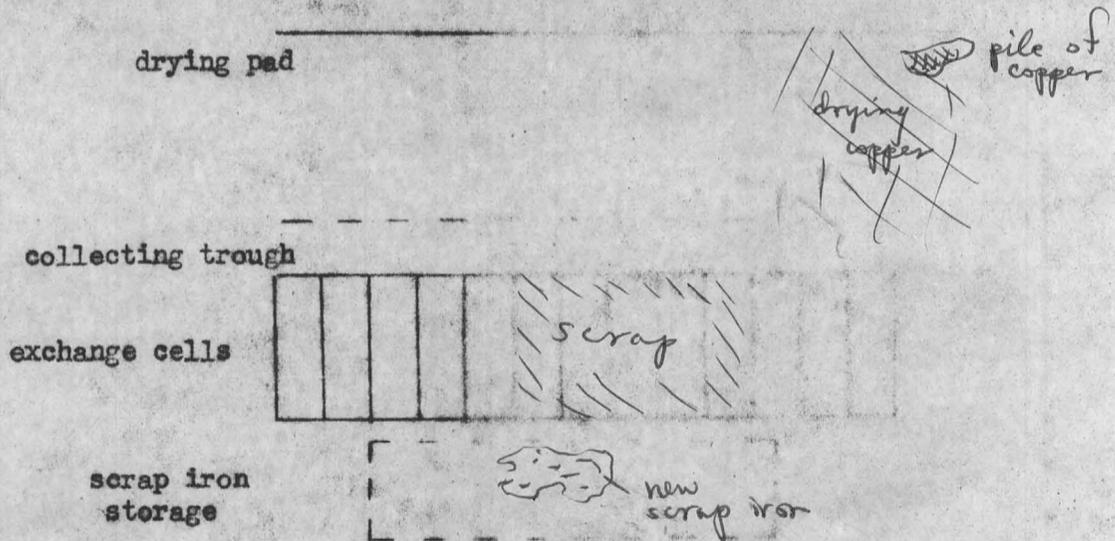
- 1) Is the circulation pump running? *yes*
- 2) Is acid being distributed on each dump? *yes - east end*
- 3) Is acid being pumped onto mine rock and fine leach heap? *yes*
- 4) Where are the acid trucks dumped? *same place*
- 5) Is acid circulating through exchange cells? *yes*
- 6) Is there cement copper on drying pad? *yes*  
In collection trough below cells? *no?*
- 7) Is there scrap iron in the cells? *yes*
- 8) Has any scrap iron been added since previous inspection? *no*
- 9) Is there any new scrap iron on the property? *yes - come in Friday PM*
- 10) List date, time, and license number of any trucks on or near the property.

10 AM *Ryder rental tractor*  
*Texas R50-942*

- 11) Describe any changes in routine activity on the property.

*broken line below fine leach heap is repaired, they stuck a six inch pipe inside the 12 inch line*

On the diagram indicate the location of scrap iron and cement copper.



Observer *Bob Hebrning*

*June 30, 1973*

*7:30 AM*

*Still no water being added to circulating acid.*

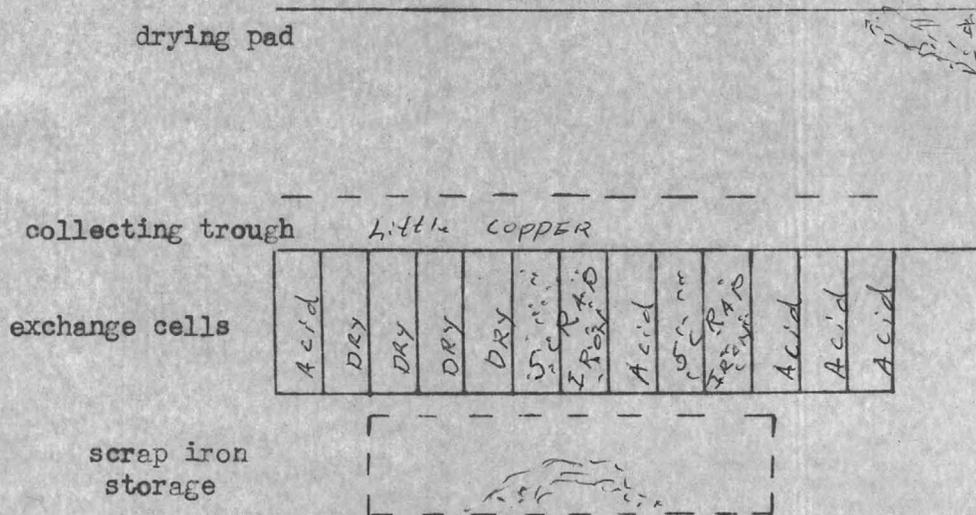
PRODUCERS MINERALS CORP  
PEACOCK MINE

Safford, Arizona

- 1) Is the circulation pump running? *YES*
- 2) Is acid being distributed on main leach dump? *YES*
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap?
- 4) Where are the acid trucks dumping? *SAME PLACE*
- 5) Is acid circulating through exchange cells? *YES*
- 6) Is there cement copper on drying pad? *YES*  
In collection trough below cells?
- 7) Is there scrap iron in the cells? *YES*
- 8) Has any scrap iron been added to cells since previous inspection? *YES*
- 9) Is there any new scrap iron on the ground? *YES*
- 10) List date, time, and license number of acid trucks on or near the property.
- 11) Describe any changes in routine or unusual activity on the property.

*ONE PAD RUNNING ON THE EAST SIDE.  
ALSO THEY GOT A NEW LOAD OF SCRAP IRON.*

On the diagram indicate the location of scrap iron and cement copper.



Observer *Joe Morales Jr*

Date *7-5-73*

PRODUCERS MINERALS CORP  
PEACOCK MINE

Safford, Arizona

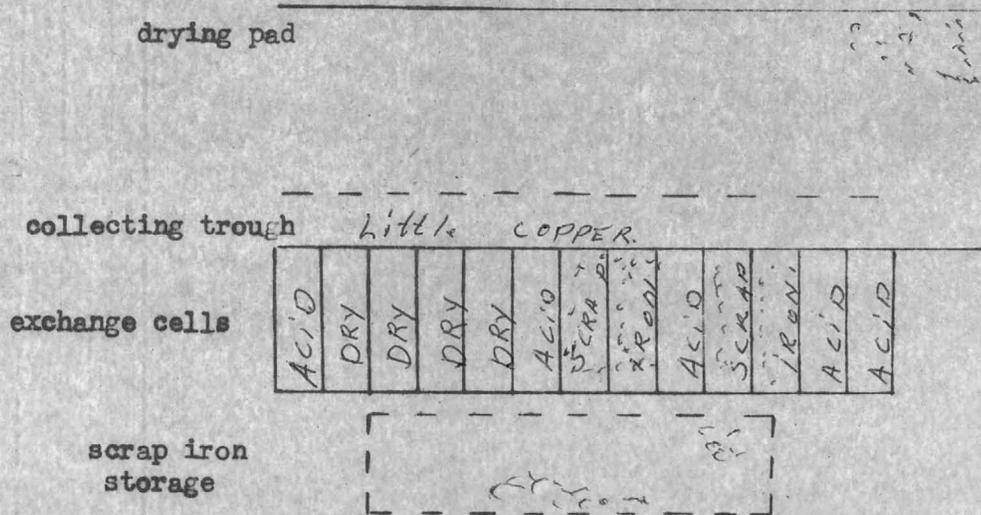
- 1) Is the circulation pump running? YES
- 2) Is acid being distributed on main leach dump? YES
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? YES
- 4) Where are the acid trucks dumping? SAME - Place
- 5) Is acid circulating through exchange cells?
- 6) Is there cement copper on drying pad? YES  
In collection trough below cells?
- 7) Is there scrap iron in the cells? YES
- 8) Has any scrap iron been added to cells since NO  
previous inspection?
- 9) Is there any new scrap iron on the ground? NO
- 10) List date, time, and license number of acid trucks on or near the property.

ACID TRUCKS } TIME - 1:55 PM - R-3584  
                  } TIME - 2:25 PM - R-3586

- 11) Describe any changes in routine or unusual activity on the property.

TWO PADS RUNNING ON THE EAST SIDE  
VERY LOW.

On the diagram indicate the location of scrap iron and cement copper.



Observer Joe Morales Jr. Date 7-7-73

PRODUCERS MINERALS CORP  
PEACOCK MINE

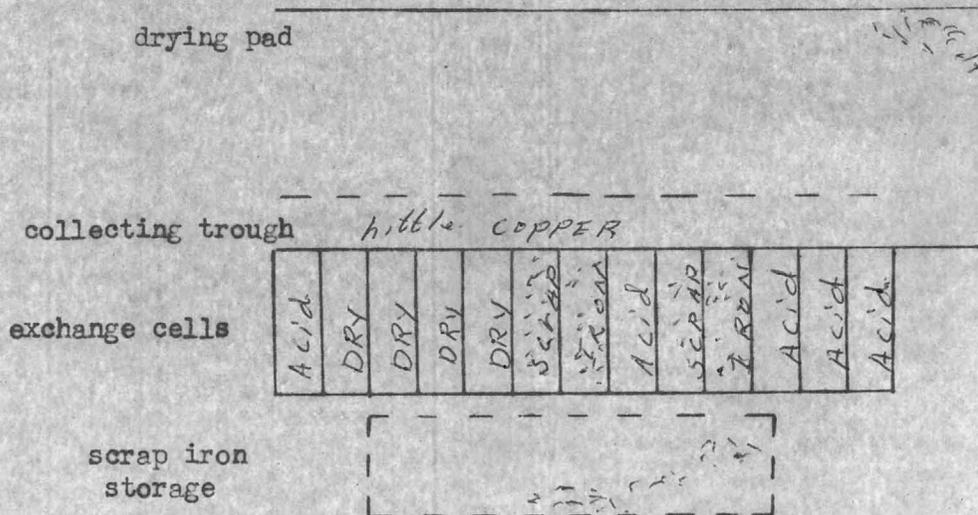
Safford, Arizona

- 1) Is the circulation pump running? *YES*
- 2) Is acid being distributed on main leach dump? *YES*
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? *YES*
- 4) Where are the acid trucks dumping? *SAME PLACE*
- 5) Is acid circulating through exchange cells?
- 6) Is there cement copper on drying pad? *YES*  
In collection trough below cells?
- 7) Is there scrap iron in the cells? *YES*
- 8) Has any scrap iron been added to cells since *NO* previous inspection?
- 9) Is there any new scrap iron on the ground? *NO*
- 10) List date, time, and license number of acid trucks on or near the property.

Acid Truck } Time *5:45 AM* - License *R-3584* - Date *7-9-73*

- 11) Describe any changes in routine or unusual activity on the property.

On the diagram indicate the location of scrap iron and cement copper.



Observer *Joe Morales Jr*

Date *7-9-73*

PRODUCERS MINERALS CORP  
PEACOCK MINE

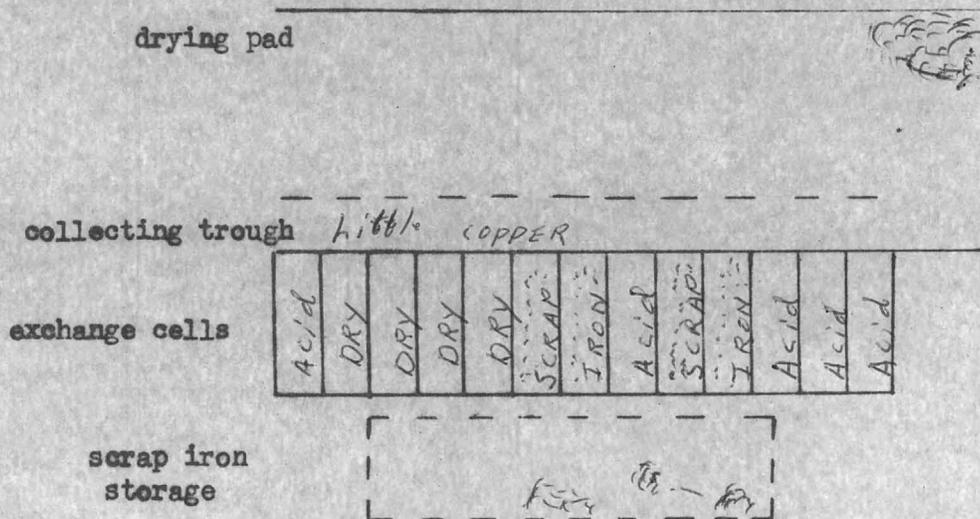
Safford, Arizona

- 1) Is the circulation pump running? YES
- 2) Is acid being distributed on main leach dump? YES
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? YES
- 4) Where are the acid trucks dumping? SAME PLACE
- 5) Is acid circulating through exchange cells?
- 6) Is there cement copper on drying pad? YES  
In collection trough below cells?
- 7) Is there scrap iron in the cells? YES
- 8) Has any scrap iron been added to cells since previous inspection? NO
- 9) Is there any new scrap iron on the ground? NO
- 10) List date, time, and license number of acid trucks on or near the property.

- 11) Describe any changes in routine or unusual activity on the property.

TWO PADS RUNNING ON THE EAST SIDE, ALSO THREE PADS RUNNING ON THE WEST SIDE, STILL ADDING WATER TO ACID.

On the diagram indicate the location of scrap iron and cement copper.



Observer Joe Marks Jr.

Date 7-10-73

PRODUCERS MINERALS CORP  
PEACOCK MINE

Safford, Arizona

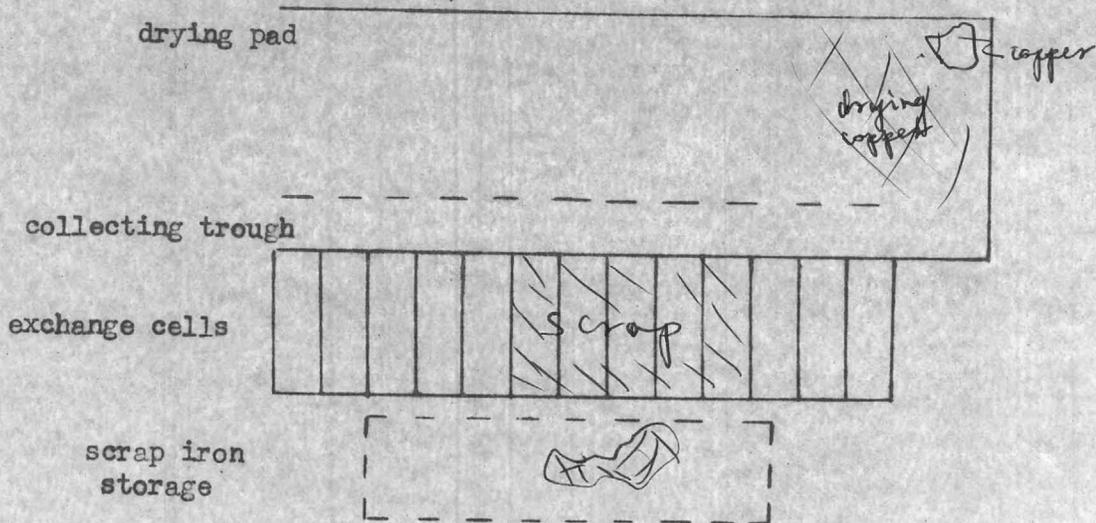
- 1) Is the circulation pump running? *yes*
- 2) Is acid being distributed on main leach dump? *yes part of both sides*
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? *yes*
- 4) Where are the acid trucks dumping? *same place*
- 5) Is acid circulating through exchange cells? *yes — water being added*
- 6) Is there cement copper on drying pad? *yes*  
In collection trough below cells? *a little*
- 7) Is there scrap iron in the cells? *yes*
- 8) Has any scrap iron been added to cells since previous inspection? *no*
- 9) Is there any new scrap iron on the ground? *no*
- 10) List date, time, and license number of acid trucks on or near the property.

1:15 PM tractor R-3586

7:30 PM " R-3584

- 11) Describe any changes in routine or unusual activity on the property.

A new pump + diesel were being positioned. Art Partin and Ira Couch were on the property. Partin said a third pump would be installed later and the acid lines improved as part of a program of general upgrading. Partin said other improvements were scheduled but declined to specify. He further said PMC was willing to work with Essex in developing the property, presumably if the lawsuit were dropped.



Observer Bob Helms

Date July 11, 1973

*1 PM*  
First noted large tension fractures, up to 2 inches, developing on surface N-NE 400 feet from steady head tank. (see large airphoto). Photographed same. They indicate slumping of fill in the area.

PRODUCERS MINERALS CORP  
PEACOCK MINE

Safford, Arizona

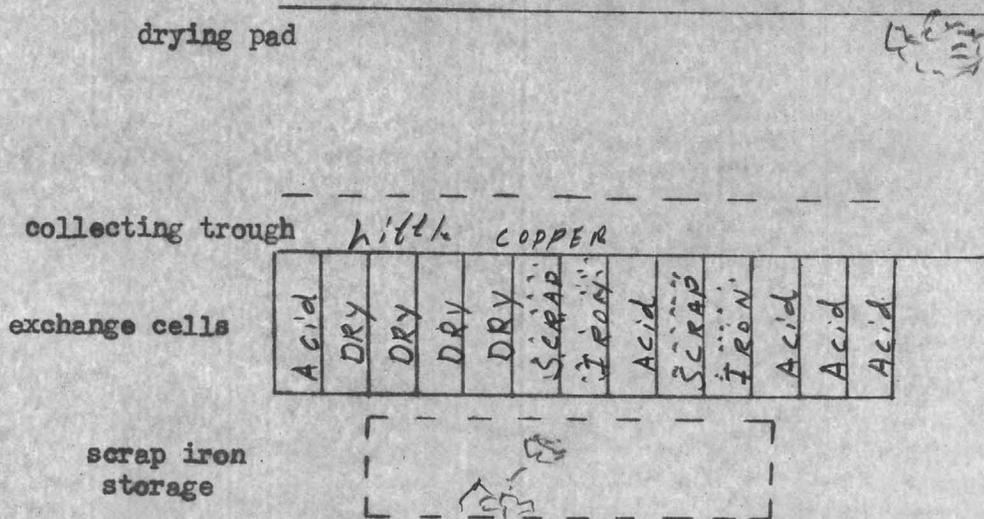
- 1) Is the circulation pump running? *YES*
- 2) Is acid being distributed on main leach dump? *YES*
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? *YES*
- 4) Where are the acid trucks dumping? *SAME PLACE*
- 5) Is acid circulating through exchange cells? *YES - water being added*
- 6) Is there cement copper on drying pad? *YES*  
In collection trough below cells? *YES*
- 7) Is there scrap iron in the cells? *YES*
- 8) Has any scrap iron been added to cells since previous inspection? *NO*
- 9) Is there any new scrap iron on the ground? *NO*
- 10) List date, time, and license number of acid trucks on or near the property.

*TIME - 8:15 AM - R-3584*

- 11) Describe any changes in routine or unusual activity on the property.

*ACID RUNNING ON ALL PADS. BUT VERY LOW.*

On the diagram indicate the location of scrap iron and cement copper.



Observer *Joe Morales Jr*

Date *7-12-73*

PRODUCERS MINERALS CORP  
PEACOCK MINE

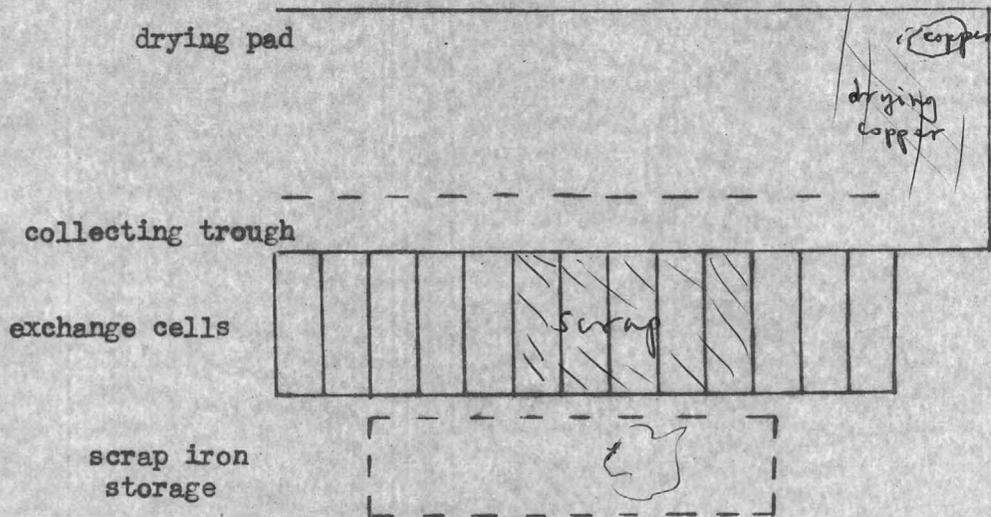
Safford, Arizona

- 1) Is the circulation pump running? *yes*
- 2) Is acid being distributed on main leach dump? *yes*
- 3) Is acid being pumped onto run-of-the-mine rock *yes*  
and fine leach heap?
- 4) Where are the acid trucks dumping? *same place*
- 5) Is acid circulating through exchange cells? *yes*
- 6) Is there cement copper on drying pad? *yes*  
In collection trough below cells? *some*
- 7) Is there scrap iron in the cells? *yes*
- 8) Has any scrap iron been added to cells since  
previous inspection? *no*
- 9) Is there any new scrap iron on the ground? *no*
- 10) List date, time, and license number of acid trucks  
on or near the property.

*5:20 PM tractor R-3584*

- 11) Describe any changes in routine or unusual  
activity on the property.

On the diagram indicate the location of scrap iron and cement copper.



Observer

*Bob Helming*

Date

*9:30 AM*

*July 13, 1973*

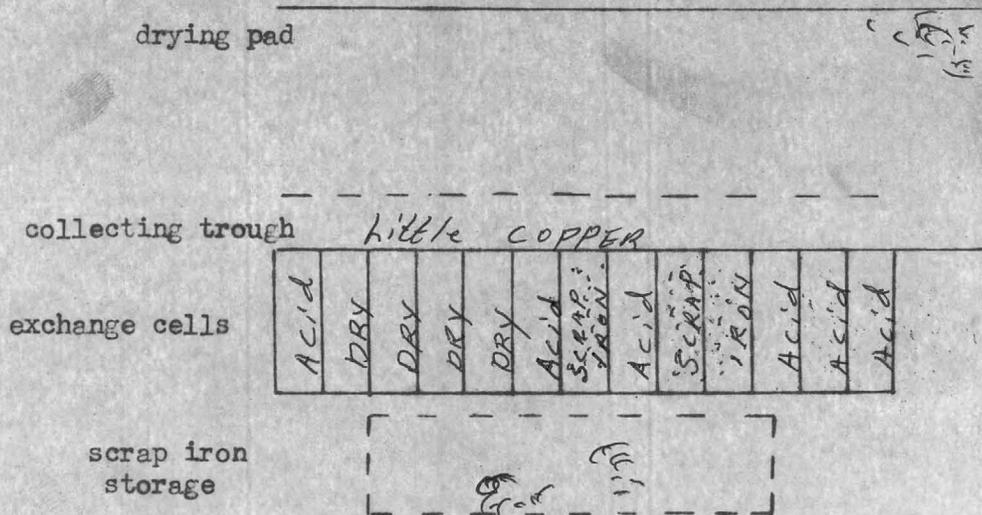
PRODUCERS MINERALS CORP  
PEACOCK MINE

Safford, Arizona

- 1) Is the circulation pump running? *YES*
- 2) Is acid being distributed on main leach dump? *YES*
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? *YES*
- 4) Where are the acid trucks dumping? *SAME PLACE*
- 5) Is acid circulating through exchange cells? *YES*
- 6) Is there cement copper on drying pad? *YES*  
In collection trough below cells? *YES*
- 7) Is there scrap iron in the cells? *YES*
- 8) Has any scrap iron been added to cells since previous inspection? *YES*
- 9) Is there any new scrap iron on the ground? *NO*
- 10) List date, time, and license number of acid trucks on or near the property.
- 11) Describe any changes in routine or unusual activity on the property.

*Acid RUNNING ON ALL PAD, but very low.*

On the diagram indicate the location of scrap iron and cement copper.



Observer *Joe Morales Jr* Date *7-14-77*

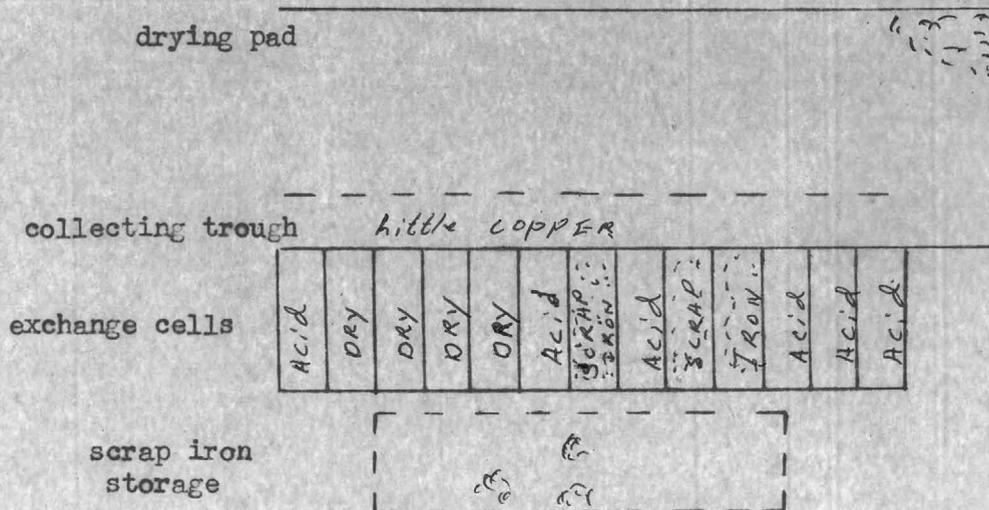
PRODUCERS MINERALS CORP  
PEACOCK MINE

Safford, Arizona

- 1) Is the circulation pump running? *YES*
- 2) Is acid being distributed on main leach dump? *YES*
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? *YES*
- 4) Where are the acid trucks dumping? *SAME PLACE*
- 5) Is acid circulating through exchange cells? *YES*
- 6) Is there cement copper on drying pad? *YES*  
In collection trough below cells? *YES*
- 7) Is there scrap iron in the cells? *YES*
- 8) Has any scrap iron been added to cells since previous inspection? *NO*
- 9) Is there any new scrap iron on the ground? *NO*
- 10) List date, time, and license number of acid trucks on or near the property.  
*TIME - 11:0 PM DATE 7-15-73 LN-R-3583*  
*TIME - 1:55 PM DATE 7-15-73 LN-R-3586*
- 11) Describe any changes in routine or unusual activity on the property.

*Acid RUNNING ON ALL PADS but VERY LOW.*

On the diagram indicate the location of scrap iron and cement copper.



Observer *Joe Morales Jr.*

Date *7-15-73*

**PRODUCERS MINERALS CORP  
PEACOCK MINE**

Safford, Arizona

- 1) Is the circulation pump running? *YES*
- 2) Is acid being distributed on main leach dump? *YES*
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? *YES*
- 4) Where are the acid trucks dumping? *SAME PLACE*
- 5) Is acid circulating through exchange cells? *YES*
- 6) Is there cement copper on drying pad? *YES*  
In collection trough below cells? *YES*
- 7) Is there scrap iron in the cells? *YES*
- 8) Has any scrap iron been added to cells since previous inspection? *YES*
- 9) Is there any new scrap iron on the ground? *NO*
- 10) List date, time, and license number of acid trucks on or near the property.

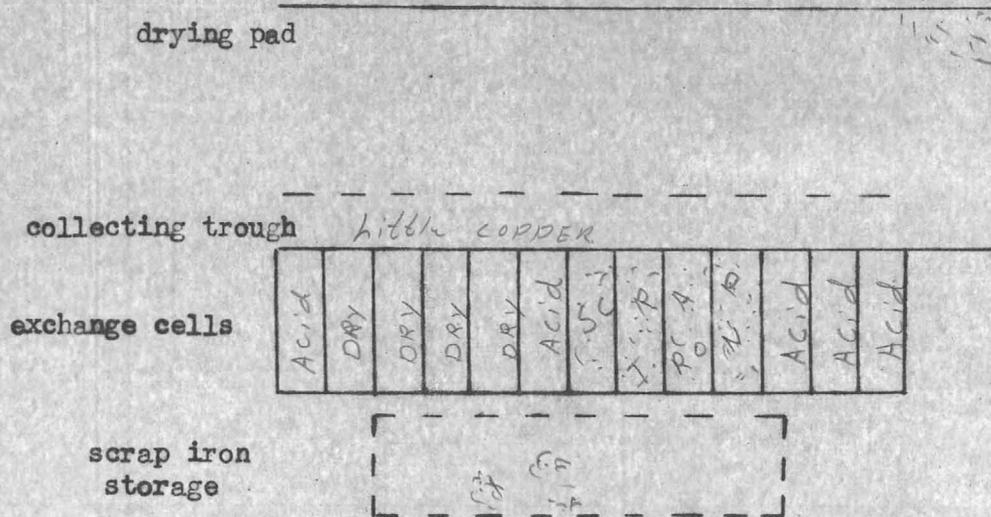
- 11) Describe any changes in routine or unusual activity on the property.

*Acid RUNNING ON FOUR PADS. TO THE EAST*

*Also They ARE CLEANING COPPER,*

*4 PM tractor R-3583 going west through Safford*

On the diagram indicate the location of scrap iron and cement copper.



Observer *Joe Morales Jr.*

Date *7-16-73*

PRODUCERS MINERALS CORP  
PEACOCK MINE

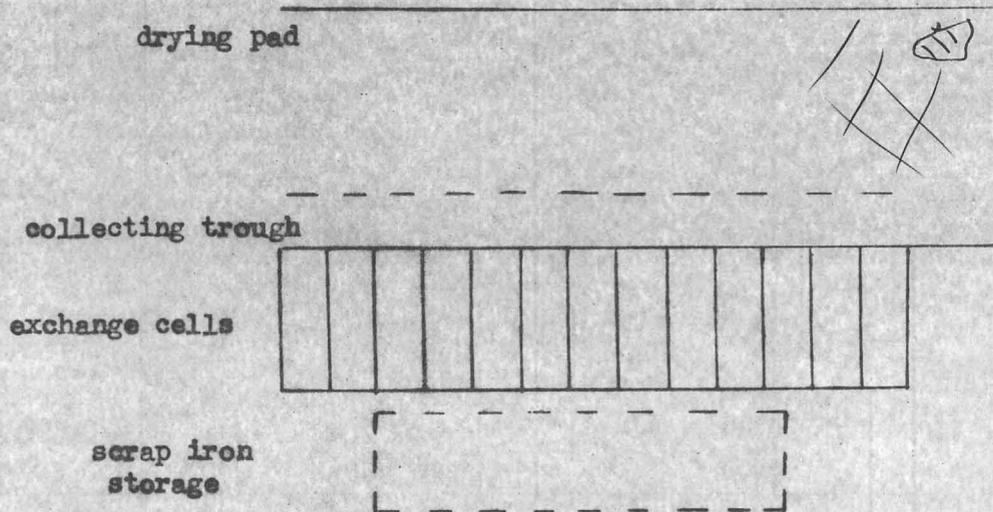
Safford, Arizona

- 1) Is the circulation pump running? *yes*
- 2) Is acid being distributed on main leach dump? *yes*
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? *yes*
- 4) Where are the acid trucks dumping? *same place*
- 5) Is acid circulating through exchange cells? *yes*
- 6) Is there cement copper on drying pad? *yes*  
In collection trough below cells? *some*
- 7) Is there scrap iron in the cells? *yes*
- 8) Has any scrap iron been added to cells since previous inspection? *adding at time of inspection*
- 9) Is there any new scrap iron on the ground? *no*
- 10) List date, time, and license number of acid trucks on or near the property.  
*12:15 tractor R 51-021 (rental) enroute to San Juan*  
*4:45 tractor R-3583*

- 11) Describe any changes in routine or unusual activity on the property.

*Numerous unidentified men on property, some were mechanics working on pumps*

On the diagram indicate the location of scrap iron and cement copper.



Observer

*Bob Helming*

Date

*July 17, 1973*

*4:30 PM*

*casual inspection*

**PRODUCERS MINERALS CORP  
PEACOCK MINE**

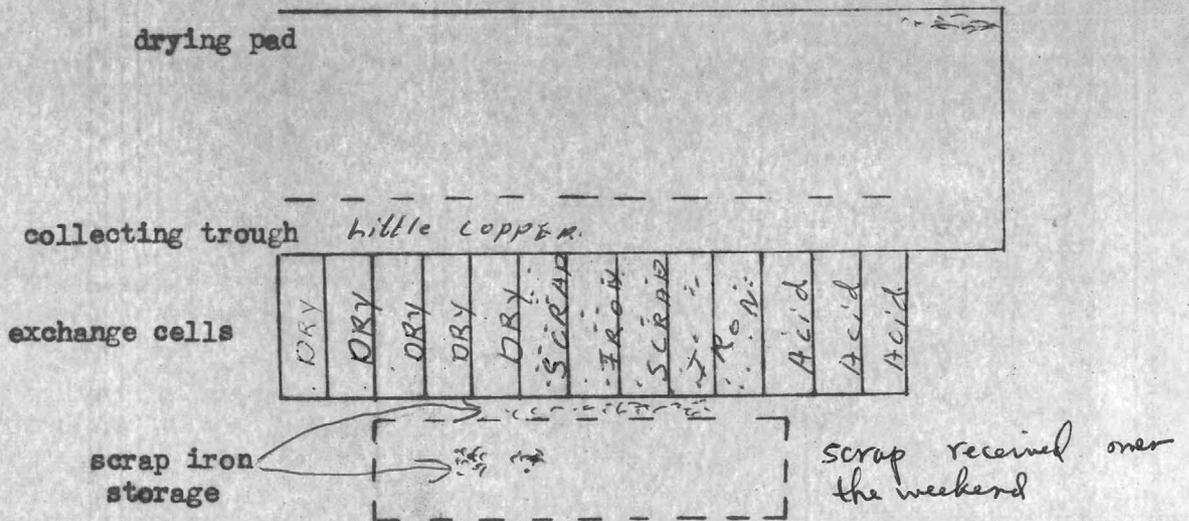
**Safford, Arizona**

- 1) Is the circulation pump running? *YES*
- 2) Is acid being distributed on main leach dump? *YES*
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? *YES*
- 4) Where are the acid trucks dumping? *SAME PLACE*
- 5) Is acid circulating through exchange cells? *YES*
- 6) Is there cement copper on drying pad? *YES*  
In collection trough below cells? *YES*
- 7) Is there scrap iron in the cells? *YES*
- 8) Has any scrap iron been added to cells since previous inspection? *NO*
- 9) Is there any new scrap iron on the ground? *YES*
- 10) List date, time, and license number of acid trucks on or near the property.

11) Describe any changes in routine or unusual activity on the property.

*Acid Running ON ALL PADS. VERY LOW*

On the diagram indicate the location of scrap iron and cement copper.



Observer *Joe Morales Jr.*

Date *7-30-73*

PRODUCERS MINERALS CORP  
PEACOCK MINE

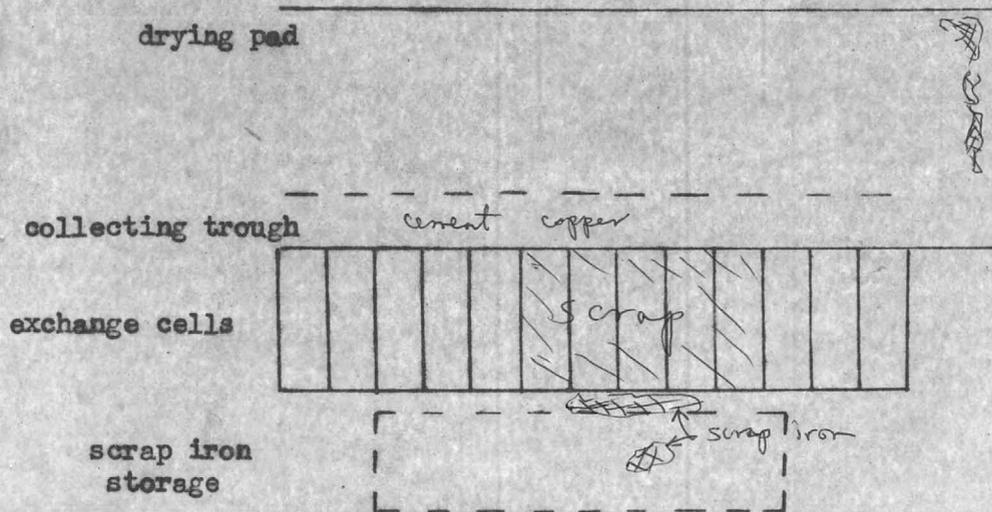
Safford, Arizona

- 1) Is the circulation pump running? *yes*
- 2) Is acid being distributed on main leach dump? *yes - all parts*
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? *yes*
- 4) Where are the acid trucks dumping? *same place*
- 5) Is acid circulating through exchange cells? *no - P-plant is by-passed*
- 6) Is there cement copper on drying pad? *yes*  
In collection trough below cells? *some*
- 7) Is there scrap iron in the cells? *yes*
- 8) Has any scrap iron been added to cells since previous inspection? *yes*
- 9) Is there any new scrap iron on the ground? *no*
- 10) List date, time, and license number of acid trucks on or near the property.

11) Describe any changes in routine or unusual activity on the property.

*Main line from leach heap is by-passing precipitation cells.  
Workers were cleaning cells w/ crane and hose  
No water added to solutions.  
Art Parton on property.*

On the diagram indicate the location of scrap iron and cement copper.



Observer

*Bob Helming*

Date

*July 31, 1973  
2 PM*

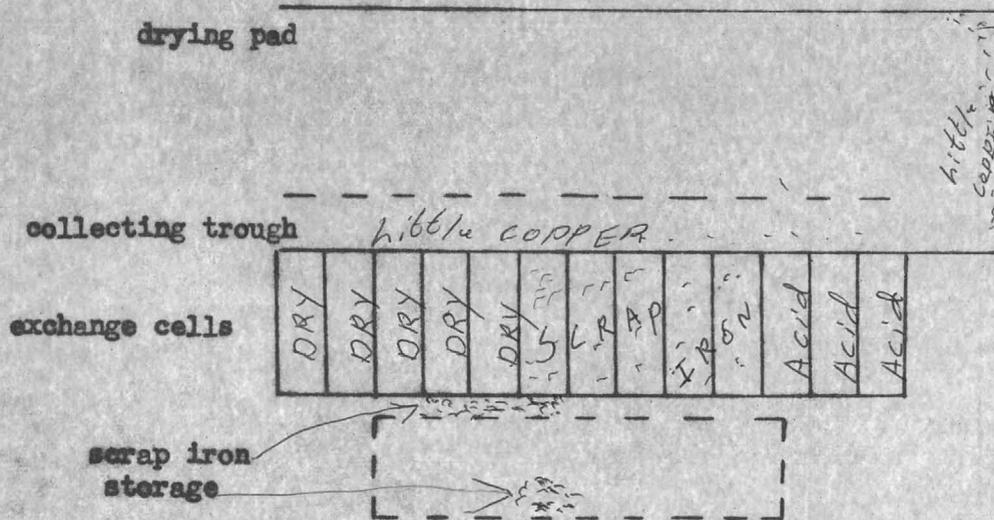
**PRODUCERS MINERALS CORP  
PEACOCK MINE**

Safford, Arizona

- 1) Is the circulation pump running? *YES*
- 2) Is acid being distributed on main leach dump? *YES*
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? *YES*
- 4) Where are the acid trucks dumping? *SAME PLACE*
- 5) Is acid circulating through exchange cells? *- water being added*
- 6) Is there cement copper on drying pad? *YES*  
In collection trough below cells?
- 7) Is there scrap iron in the cells? *YES*
- 8) Has any scrap iron been added to cells since previous inspection? *NO*
- 9) Is there any new scrap iron on the ground? *NO*
- 10) List date, time, and license number of acid trucks on or near the property.
- 11) Describe any changes in routine or unusual activity on the property.

*All PADS RUNNING ~~ON~~ VERY LOW.*

On the diagram indicate the location of scrap iron and cement copper.



Observer Joe Morales Jr.

Date 8-1-73

**PRODUCERS MINERALS CORP  
PEACOCK MINE**

Safford, Arizona

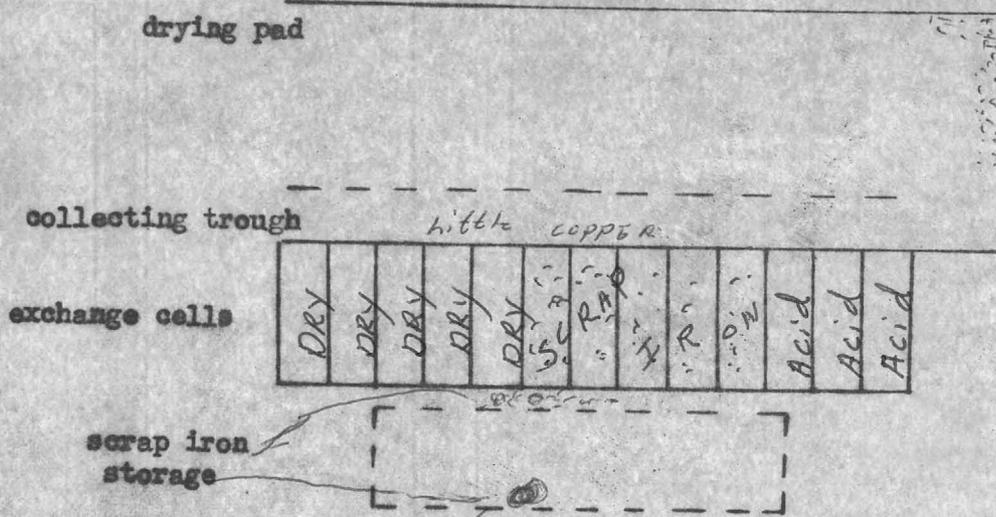
- 1) Is the circulation pump running? *YES*
- 2) Is acid being distributed on main leach dump? *YES*
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? *YES*
- 4) Where are the acid trucks dumping? *SAME PLACE*
- 5) Is acid circulating through exchange cells? *yes - water added*
- 6) Is there cement copper on drying pad? *YES*  
In collection trough below cells?
- 7) Is there scrap iron in the cells? *YES*
- 8) Has any scrap iron been added to cells since previous inspection? *YES*
- 9) Is there any new scrap iron on the ground? *NO*
- 10) List date, time, and license number of acid trucks on or near the property.

*8-2-73 - TIME - 9:15 AM - LICENSE - R-3584*

- 11) Describe any changes in routine or unusual activity on the property.

*All Pads Running High.*

On the diagram indicate the location of scrap iron and cement copper.



Observer *Joe M. ...*

Date *8-2-73*

PRODUCERS MINERALS CORP  
PEACOCK MINE

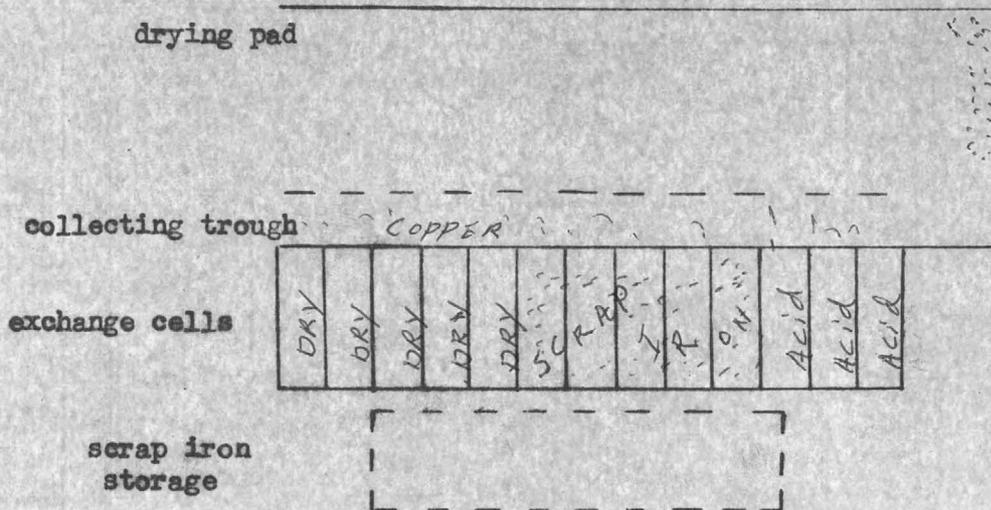
Safford, Arizona

- 1) Is the circulation pump running? *YES*
- 2) Is acid being distributed on main leach dump? *YES*
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? *YES*
- 4) Where are the acid trucks dumping? *SAME PLACE*
- 5) Is acid circulating through exchange cells? *yes - ~~acid~~ water being added*
- 6) Is there cement copper on drying pad? *yes*  
In collection trough below cells? *yes*
- 7) Is there scrap iron in the cells? *yes*
- 8) Has any scrap iron been added to cells since previous inspection? *yes*
- 9) Is there any new scrap iron on the ground? *NO*
- 10) List date, time, and license number of acid trucks on or near the property.

- 11) Describe any changes in routine or unusual activity on the property.

*All pads running High. COPPER still in SHUMR.*

On the diagram indicate the location of scrap iron and cement copper.



Observer *Joe Morales Jr.*

Date *8-6-73*

PRODUCERS MINERALS CORP  
PEACOCK MINE

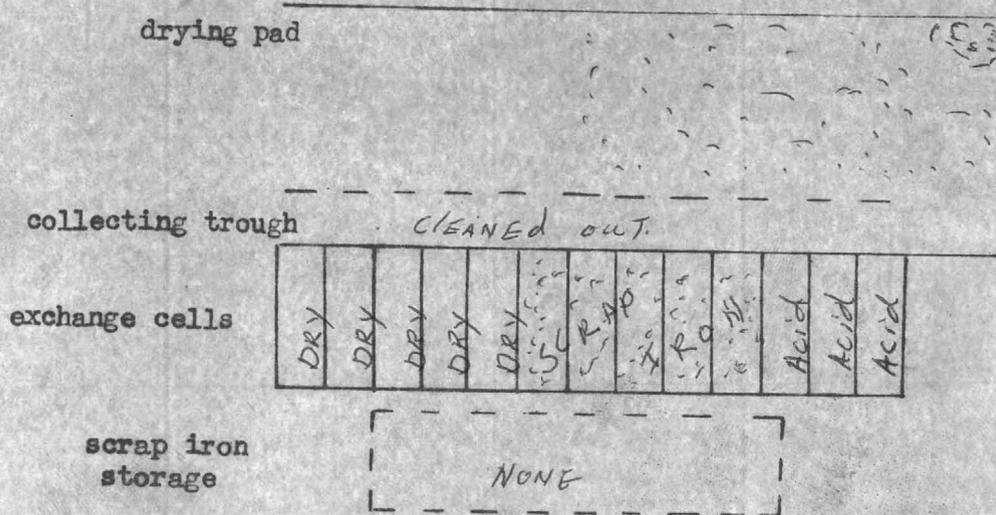
Safford, Arizona

- 1) Is the circulation pump running? *YES*
- 2) Is acid being distributed on main leach dump? *YES*
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? *YES*
- 4) Where are the acid trucks dumping? *SAME PLACE*
- 5) Is acid circulating through exchange cells? *YES - water being added*
- 6) Is there cement copper on drying pad? *yes*  
In collection trough below cells? *yes*
- 7) Is there scrap iron in the cells? *yes*
- 8) Has any scrap iron been added to cells since previous inspection? *NO*
- 9) Is there any new scrap iron on the ground? *NO*
- 10) List date, time, and license number of acid trucks on or near the property.

11) Describe any changes in routine or unusual activity on the property.

*All PADS RUNNING High. Also NEW MEN WORKING FOR THEM  
NAME. HERMEN GARCIA. They got LOAD OF COPPER  
ON PAD.*

On the diagram indicate the location of scrap iron and cement copper.



Observer *Joe Morales Jr*

Date *8-7-73*

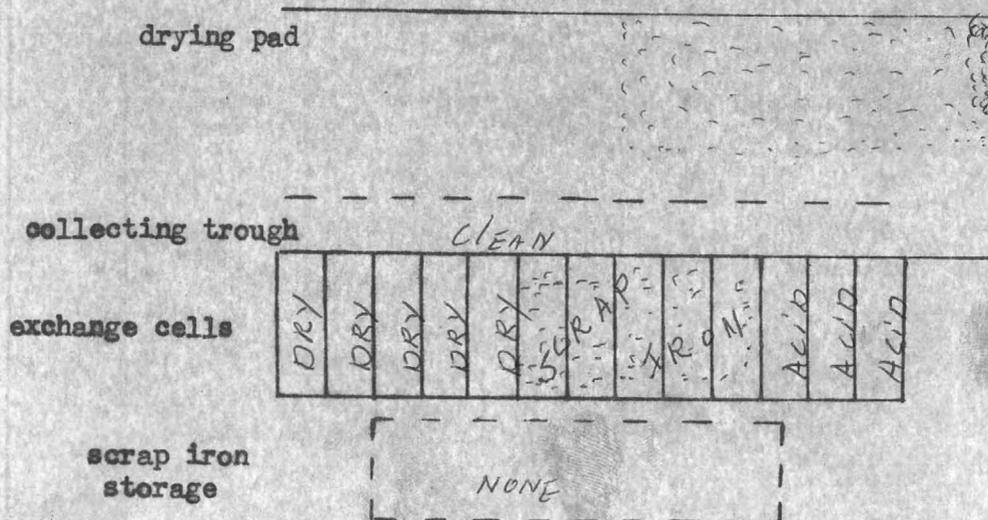
**PRODUCERS MINERALS CORP  
PEACOCK MINE**

**Safford, Arizona**

- 1) Is the circulation pump running? *YES*
- 2) Is acid being distributed on main leach dump? *YES*
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? *YES*
- 4) Where are the acid trucks dumping? *SAME PLACE*
- 5) Is acid circulating through exchange cells? *YES - water being added*
- 6) Is there cement copper on drying pad? *YES*  
In collection trough below cells? *YES*
- 7) Is there scrap iron in the cells? *YES*
- 8) Has any scrap iron been added to cells since previous inspection? *NO*
- 9) Is there any new scrap iron on the ground? *NO*
- 10) List date, time, and license number of acid trucks on or near the property.
- 11) Describe any changes in routine or unusual activity on the property.

*All PADS RUNNING High*

On the diagram indicate the location of scrap iron and cement copper.



Observer *Joe Morales Jr.*

Date *8-8-73*

PRODUCERS MINERALS CORP  
PEACOCK MINE

Safford, Arizona

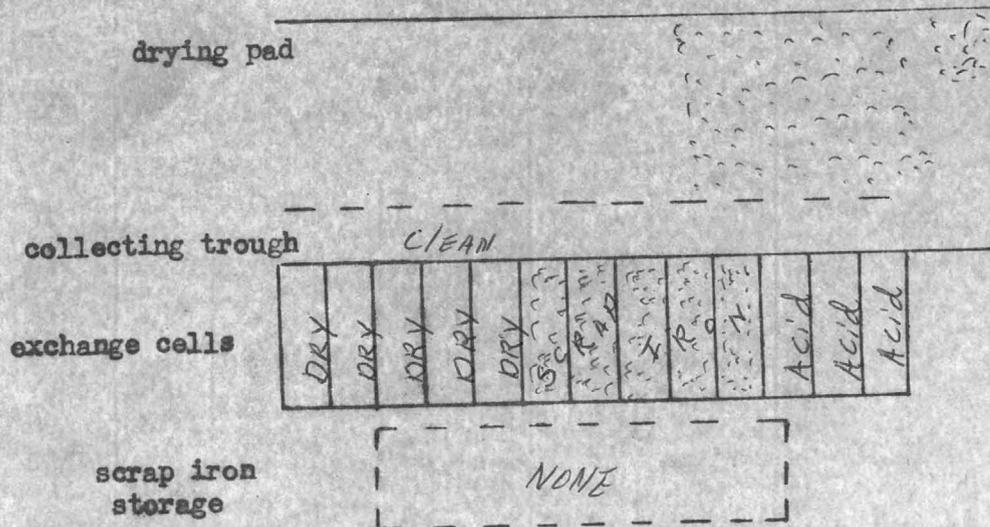
- 1) Is the circulation pump running? *YES*
- 2) Is acid being distributed on main leach dump? *YES*
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? *YES*
- 4) Where are the acid trucks dumping? *SAME PLACE*
- 5) Is acid circulating through exchange cells? *YES - water being added*
- 6) Is there cement copper on drying pad? *YES*  
In collection trough below cells? *YES*
- 7) Is there scrap iron in the cells? *YES*
- 8) Has any scrap iron been added to cells since previous inspection? *NO*
- 9) Is there any new scrap iron on the ground? *NO*
- 10) List date, time, and license number of acid trucks on or near the property.

TIME *9:10 AM*  
DATE *8-9-73* } license number - *R-3583*

- 11) Describe any changes in routine or unusual activity on the property.

*All PADS Running High.*

On the diagram indicate the location of scrap iron and cement copper.



Observer *Joe Morales Jr.* Date *8-9-73*

PRODUCERS MINERALS CORP  
PEACOCK MINE

Safford, Arizona

- 1) Is the circulation pump running? *YES*
- 2) Is acid being distributed on main leach dump? *YES*
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? *YES*
- 4) Where are the acid trucks dumping? *SAME PLACE*
- 5) Is acid circulating through exchange cells? *YES - water being added*
- 6) Is there cement copper on drying pad? *YES*  
In collection trough below cells? *YES*
- 7) Is there scrap iron in the cells? *YES*
- 8) Has any scrap iron been added to cells since previous inspection? *NO*
- 9) Is there any new scrap iron on the ground? *NO*
- 10) List date, time, and license number of acid trucks on or near the property.

*TIME - 10:00 AM } License Number R-3583*  
*DATE - 8-10-73*

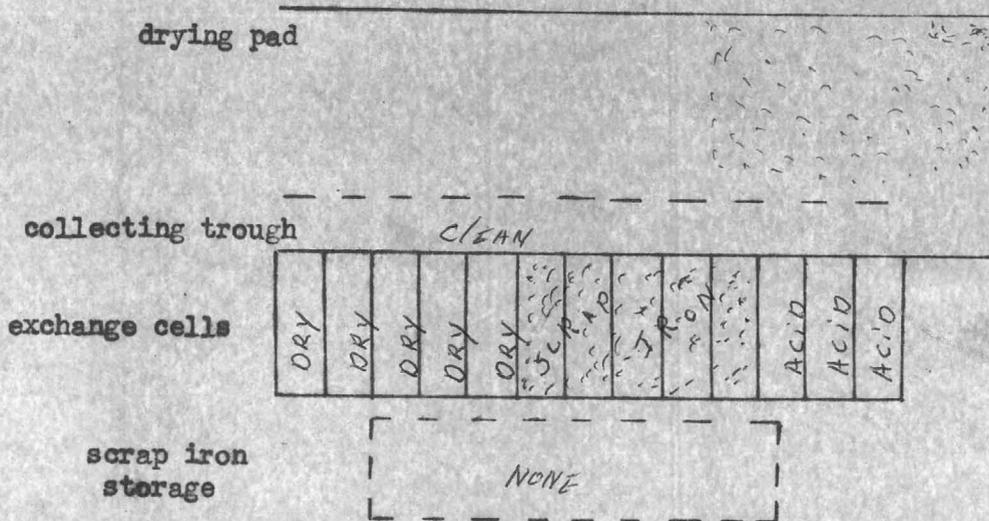
- 11) Describe any changes in routine or unusual activity on the property.

*COPPER TRUCK CAME FOR A LOAD OF COPPER, THURSDAY AT 2: PM*  
*DATE - 8-9-73.*

*ALL PADS RUNNING HIGH.*

*ALSO THEY ARE BUILDING ~~THE~~ A NEW PINE LEACH PAD ON THE EAST*  
*SIDE.*

On the diagram indicate the location of scrap iron and cement copper.



Observer *JOE MORAN*

Date *8-10-73*

**PRODUCERS MINERALS CORP  
PEACOCK MINE**

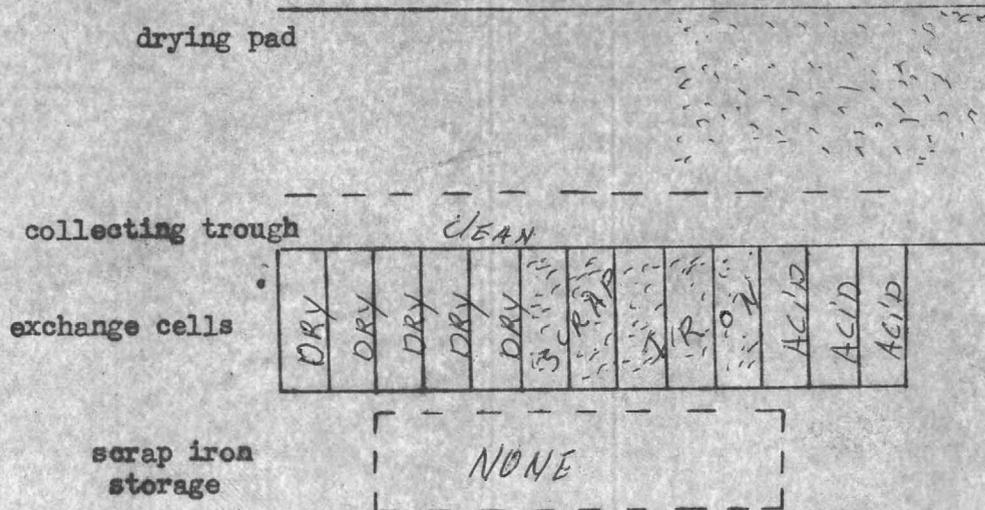
Safford, Arizona

- 1) Is the circulation pump running? *YES*
- 2) Is acid being distributed on main leach dump? *YES*
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? *YES*
- 4) Where are the acid trucks dumping? *SAME PLACE*
- 5) Is acid circulating through exchange cells? *YES - water being added*
- 6) Is there cement copper on drying pad? *YES*  
In collection trough below cells? *YES*
- 7) Is there scrap iron in the cells? *YES*
- 8) Has any scrap iron been added to cells since previous inspection? *NO*
- 9) Is there any new scrap iron on the ground? *NO*
- 10) List date, time, and license number of acid trucks on or near the property.

11) Describe any changes in routine or unusual activity on the property.

*All PADS RUNNING High.*

On the diagram indicate the location of scrap iron and cement copper.



Observer *Joe Morales Jr*

Date *8-10-73*

**PRODUCERS MINERALS CORP  
PEACOCK MINE**

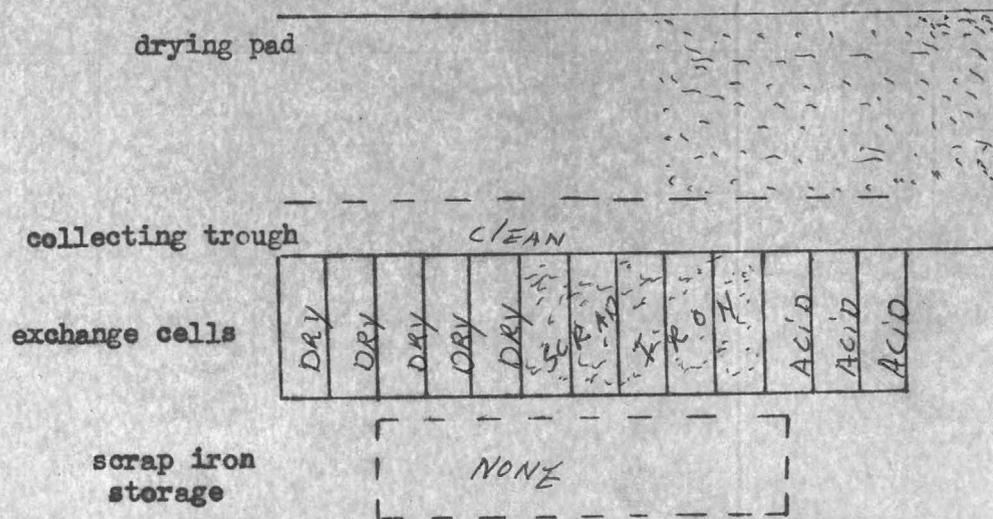
**Safford, Arizona**

- 1) Is the circulation pump running? *YES*
- 2) Is acid being distributed on main leach dump? *YES*
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? *YES*
- 4) Where are the acid trucks dumping? *SAME PLACE*
- 5) Is acid circulating through exchange cells? *YES - water being added*
- 6) Is there cement copper on drying pad? *YES*  
In collection trough below cells? *YES*
- 7) Is there scrap iron in the cells? *YES*
- 8) Has any scrap iron been added to cells since previous inspection? *NO*
- 9) Is there any new scrap iron on the ground? *NO*
- 10) List date, time, and license number of acid trucks on or near the property.

11) Describe any changes in routine or unusual activity on the property.

*PRODUCERS MEN NAMED Willie Told ME TO STAY ON THE MAINROAD SO THEY COULD KEEP AN EYE ON US, BECAUSE THERE WAS ALOT OF THINGS BEING MISSING. ALSO DAVE BOLIN WAS WITH ME AT THE TIME, ALL THIS HAPPEN ABOUT 2:00AM THE 8-13-93. ALL PADS RUNNING HIGH.*

On the diagram indicate the location of scrap iron and cement copper.



Observer *Joe Morales Jr*

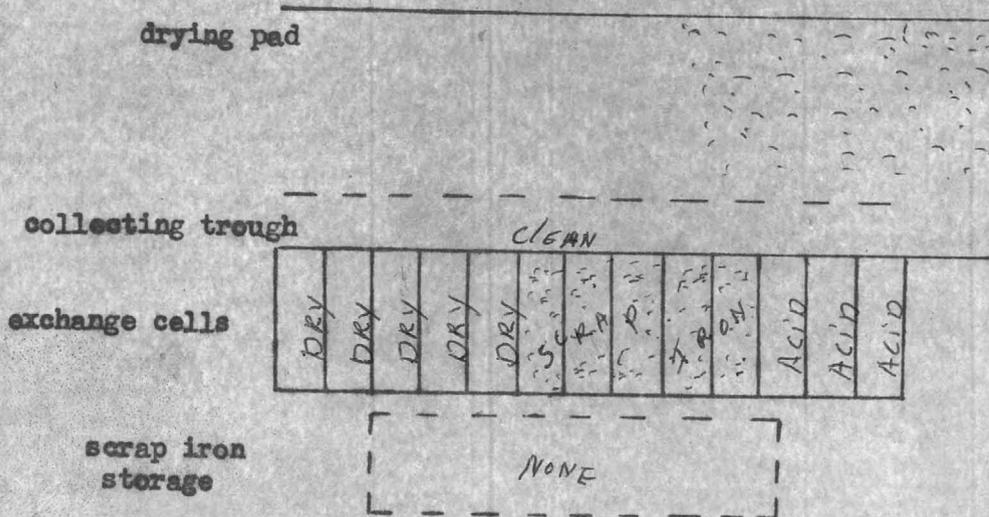
Date *8-13-93*

**PRODUCERS MINERALS CORP  
PEACOCK MINE**

Safford, Arizona

- 1) Is the circulation pump running? *YES*
- 2) Is acid being distributed on main leach dump? *YES*
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? *YES*
- 4) Where are the acid trucks dumping? *SAME PLACE*
- 5) Is acid circulating through exchange cells? *YES, water being added*
- 6) Is there cement copper on drying pad? *YES*  
In collection trough below cells? *YES*
- 7) Is there scrap iron in the cells? *YES*
- 8) Has any scrap iron been added to cells since previous inspection? *NO*
- 9) Is there any new scrap iron on the ground? *NO*
- 10) List date, time, and license number of acid trucks on or near the property.  
*LICENSE NUMBER - R-2502*  
*DATE - 8-14-73 - TIME 9:30 AM.*  
*NEW TRUCKS - NAME - Whitfield TANK LINES, EL PASO TEXAS.*
- 11) Describe any changes in routine or unusual activity on the property.  
*ALL PADS RUNNING LOW, NEW FINE LEACH PAD ON THE EAST SIDE.*

On the diagram indicate the location of scrap iron and cement copper.



Observer Joe M. ...

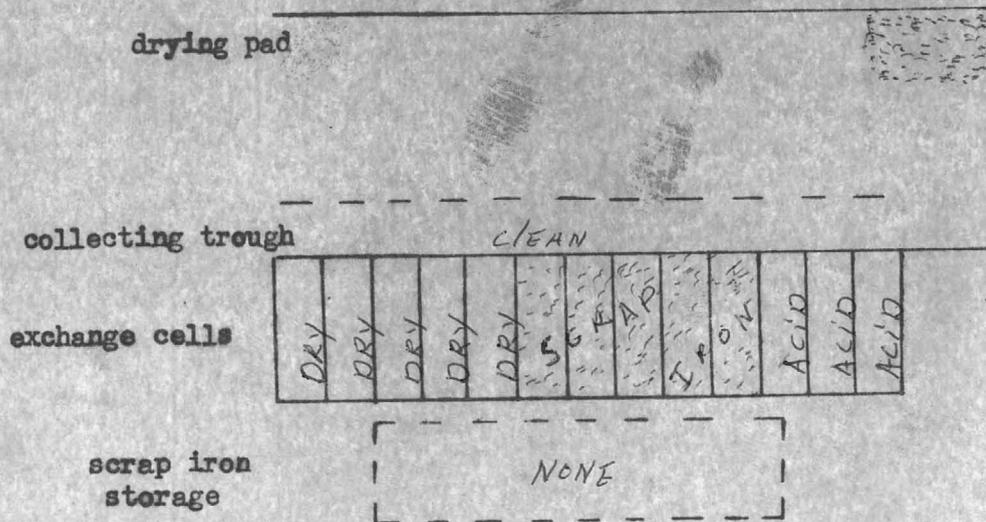
Date 8-14-73

PRODUCERS MINERALS CORP  
PEACOCK MINE

Safford, Arizona

- 1) Is the circulation pump running? *YES*
- 2) Is acid being distributed on main leach dump? *YES*
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? *YES*
- 4) Where are the acid trucks dumping? *SAME PLACE*
- 5) Is acid circulating through exchange cells? *YES - water being added*
- 6) Is there cement copper on drying pad? *YES*  
In collection trough below cells? *YES*
- 7) Is there scrap iron in the cells? *YES*
- 8) Has any scrap iron been added to cells since previous inspection? *NO*
- 9) Is there any new scrap iron on the ground? *NO*
- 10) List date, time, and license number of acid trucks on or near the property.  
*TIME - 8:00 AM*  
*DATE - 8-15-73*  
*LICENSE NUMBER - R-3584*
- 11) Describe any changes in routine or unusual activity on the property.  
*ALL PADS RUNNING HIGH. LEACH AND PINE PADS.*

On the diagram indicate the location of scrap iron and cement copper.



Observer *Joe Morales Jr.*

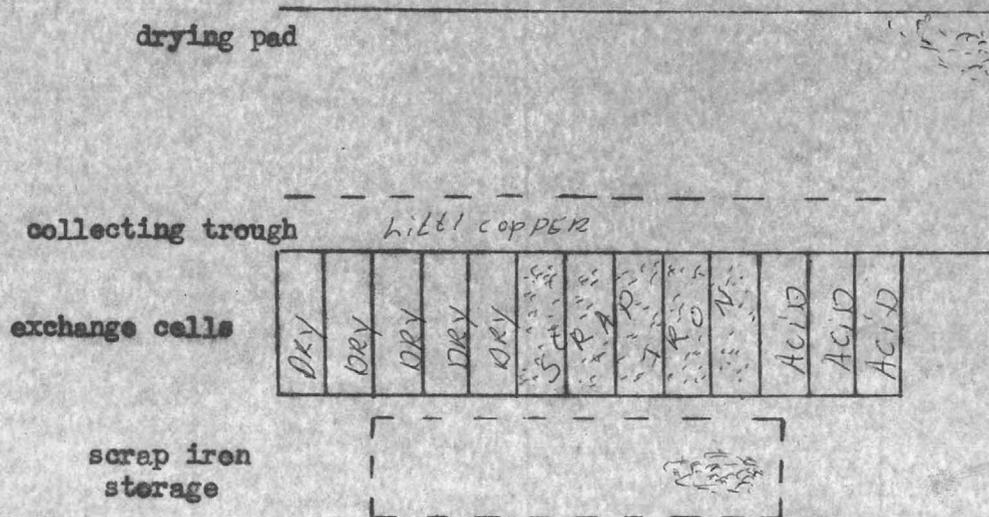
Date *8-15-73*

PRODUCERS MINERALS CORP  
FEACOCK MINE

Safford, Arizona

- 1) Is the circulation pump running? *YES*
- 2) Is acid being distributed on main leach dump? *YES*
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? *YES*
- 4) Where are the acid trucks dumping? *SAME PLACE*
- 5) Is acid circulating through exchange cells? *YES, water being added*
- 6) Is there cement copper on drying pad? *YES*  
In collection trough below cells? *YES*
- 7) Is there scrap iron in the cells?
- 8) Has any scrap iron been added to cells since previous inspection? *NO*
- 9) Is there any new scrap iron on the ground? *YES*
- 10) List date, time, and license number of acid trucks on or near the property.
  
- 11) Describe any changes in routine or unusual activity on the property.  
*ALL PADS RUNNING HIGH*

On the diagram indicate the location of scrap iron and cement copper.



Observer *Joe Morales Jr.*

Date *8-16-73*

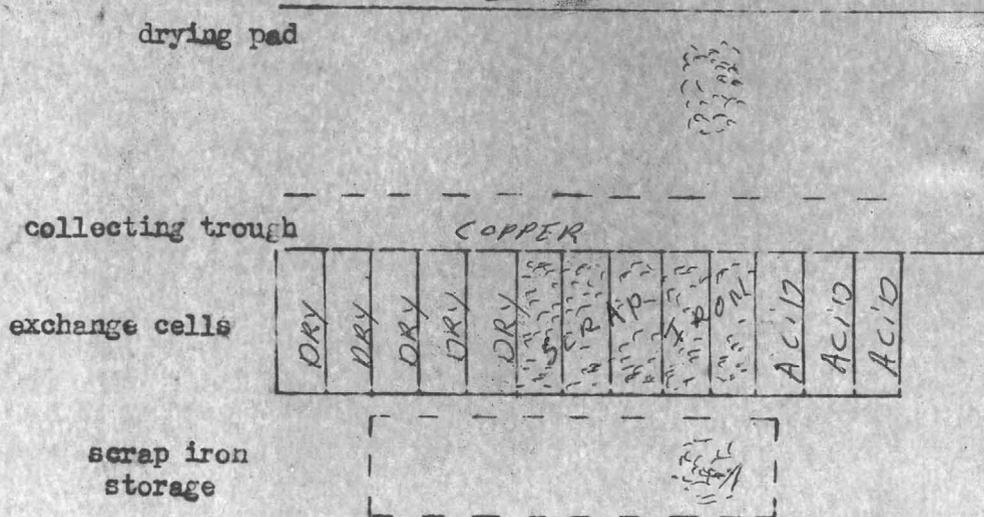
PRODUCERS MINERALS CORP  
PEACOCK MINE

Safford, Arizona

- 1) Is the circulation pump running? YES
- 2) Is acid being distributed on main leach dump? YES
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? YES
- 4) Where are the acid trucks dumping? SAME PLACE
- 5) Is acid circulating through exchange cells? YES - water being added
- 6) Is there cement copper or drying pad? YES  
In collection trough below cells? YES
- 7) Is there scrap iron in the cells? YES
- 8) Has any scrap iron been added to cells since previous inspection? NO
- 9) Is there any new scrap iron on the ground? NO
- 10) List date, time, and license number of acid trucks on or near the property.  
LICENSE NUMBER - R-3583  
TIME - 4:20 AM  
DATE - 8-17-73
- 11) Describe any changes in routine or unusual activity on the property.  
All Pads Running High.

ALSO They WERE CLEANING COPPER Today.

On the diagram indicate the location of scrap iron and cement copper.



Observer Joe Morales Jr.

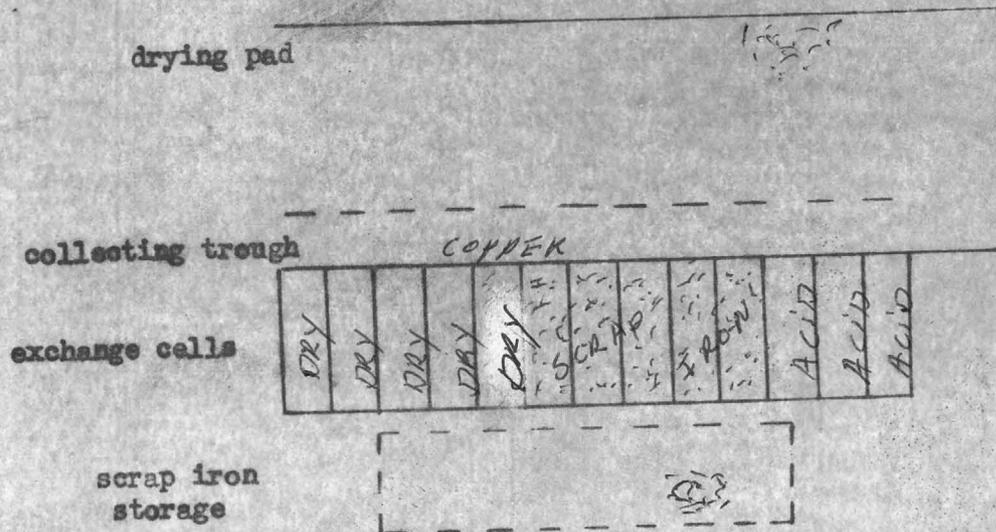
Date 8-17-73

PRODUCERS MINERALS CORP  
PEACOCK MINE

Safford, Arizona

- 1) Is the circulation pump running? *YES*
- 2) Is acid being distributed on main leach dump? *YES*
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? *YES*
- 4) Where are the acid trucks dumping? *SAME PLACE*
- 5) Is acid circulating through exchange cells? *YES water being added*
- 6) Is there cement copper on drying pad? *YES*  
In collection trough below cells? *YES*
- 7) Is there scrap iron in the cells? *YES*
- 8) Has any scrap iron been added to cells since previous inspection? *NO*
- 9) Is there any new scrap iron on the ground? *NO*
- 10) List date, time, and license number of acid trucks on or near the property.
- 11) Describe any changes in routine or unusual activity on the property.  
*ALL PADS RUNNING HIGH*

On the diagram indicate the location of scrap iron and cement copper.



Observer Joe M. Mohr Jr.

Date 8-18-73

**PRODUCERS MINERALS CORP  
HEACOCK MINE**

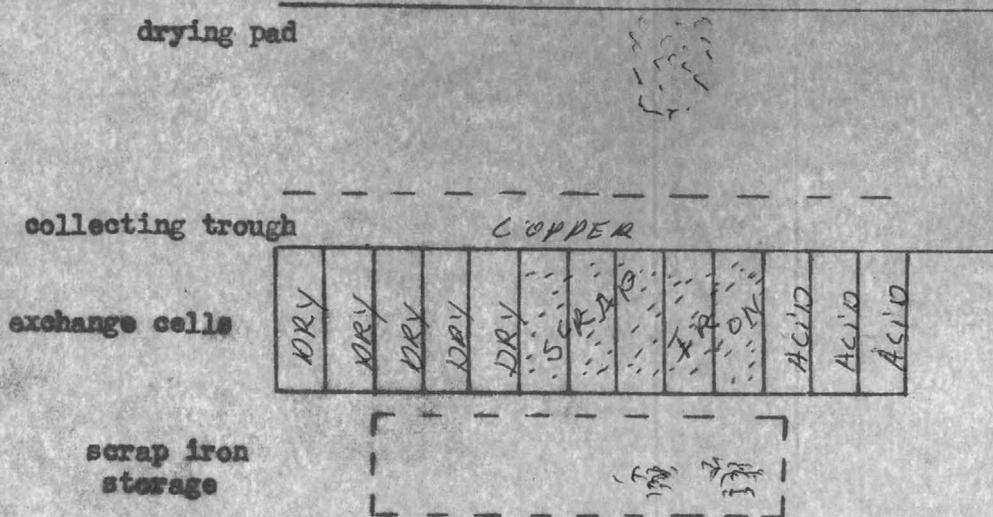
Safford, Arizona

- 1) Is the circulation pump running? *NO*
- 2) Is acid being distributed on main leach dump? *NO*
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? *NO*
- 4) Where are the acid trucks dumping? *SAME PLACE*
- 5) Is acid circulating through exchange cells? *NO*
- 6) Is there cement copper on drying pad? *YES*  
In collection trough below cells?
- 7) Is there scrap iron in the cells? *YES*
- 8) Has any scrap iron been added to cells since previous inspection? *YES*
- 9) Is there any new scrap iron on the ground? *YES*
- 10) List date, time, and license number of acid trucks on or near the property.

- 11) Describe any changes in routine or unusual activity on the property.

*NO PADS RUNNING; CIRCULATION PUMP BEARING WENT OUT, TWO NEW MEN WORKING AT THE MINE, NAMES ARE - PETE RODRIGUEZ AND RONNIE GATAES, RONNIE GATAES WORKED UP THERE BEFORE.*

On the diagram indicate the location of scrap iron and cement copper.



Observer *Joe Morales Jr.*

Date *8-20-73*

**PRODUCERS MINERALS CORP  
PEACOCK MINE**

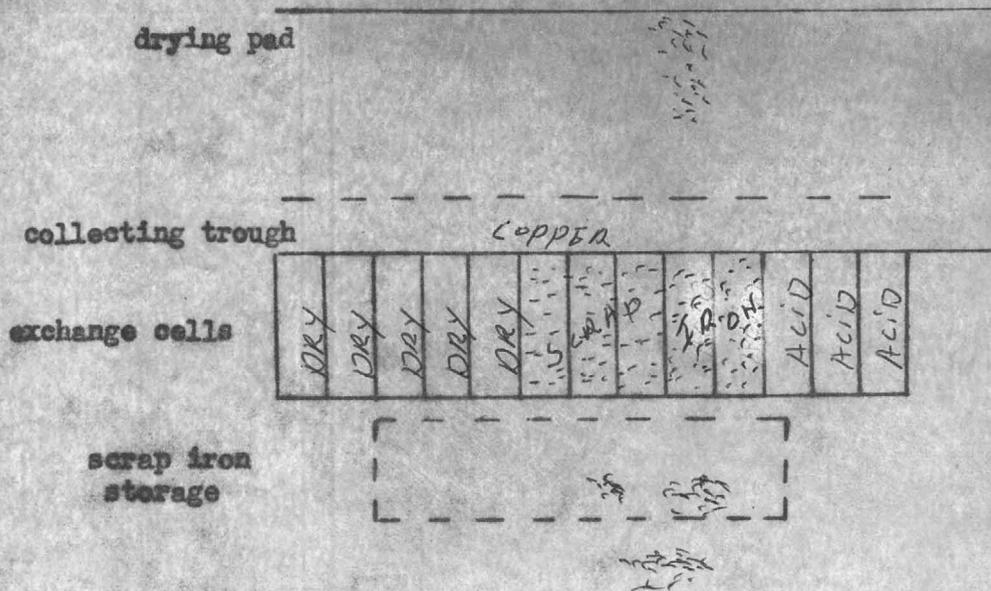
Safford, Arizona

- 1) Is the circulation pump running? *YES*
- 2) Is acid being distributed on main leach dump? *YES*
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? *YES*
- 4) Where are the acid trucks dumping? *SAME PLACE*
- 5) Is acid circulating through exchange cells? *YES - water being added*
- 6) Is there cement copper on drying pad? *YES*  
In collection trough below cells? *YES*
- 7) Is there scrap iron in the cells? *YES*
- 8) Has any scrap iron been added to cells since previous inspection? *NO*
- 9) Is there any new scrap iron on the ground? *NO*
- 10) List date, time, and license number of acid trucks on or near the property.

- 11) Describe any changes in routine or unusual activity on the property.

*All PADS RUNNING LOW. ALSO THEY ARE STILL CLEANING COPPER. THEY ALSO HAVE A LOAD OF COPPER READY TO SHIP OUT.*

On the diagram indicate the location of scrap iron and cement copper.



Observer *Joe Morales Jr.*

Date *8-21-73*

PRODUCERS MINERALS CORP  
PEACOCK MINE

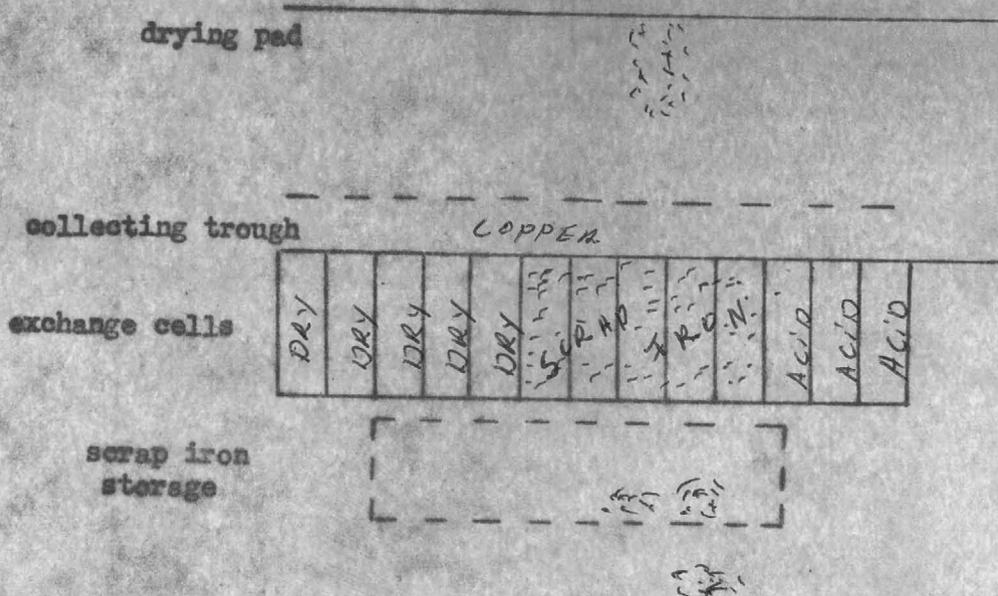
Safford, Arizona

- 1) Is the circulation pump running? *YES*
- 2) Is acid being distributed on main leach dump? *YES*
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? *YES*
- 4) Where are the acid trucks dumping? *SAME PLACE*
- 5) Is acid circulating through exchange cells? *YES. water being added*
- 6) Is there cement copper on drying pad? *YES*  
In collection trough below cells? *YES*
- 7) Is there scrap iron in the cells? *YES*
- 8) Has any scrap iron been added to cells since previous inspection? *YES*
- 9) Is there any new scrap iron on the ground? *NO*
- 10) List date, time, and license number of acid trucks on or near the property.

- 11) Describe any changes in routine or unusual activity on the property.

*FIVE PADS RUNNING ON THE EAST SIDE VERY LOW.  
ALSO THEY ARE STILL REMOLDING ONE TO FIVE CELLS*

On the diagram indicate the location of scrap iron and cement copper.



Observer Joe Morales Jr.

Date 8-22-73

**PROCESSED MINERALS CORP  
FRASER MINE**

**Safford, Arizona**

- 1) Is the circulation pump running? *YES*
- 2) Is acid being distributed on main leach dump? *YES*
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? *YES*
- 4) Where are the acid trucks dumping? *SAME PLACE*
- 5) Is acid circulating through exchange cells? *YES - water being added*
- 6) Is there cement copper on drying pad? *YES*  
In collection trough below cells? *YES*
- 7) Is there scrap iron in the cells? *YES*
- 8) Has any scrap iron been added to cells since previous inspection? *NO*
- 9) Is there any new scrap iron on the ground?
- 10) List date, time, and license number of acid trucks on or near the property.

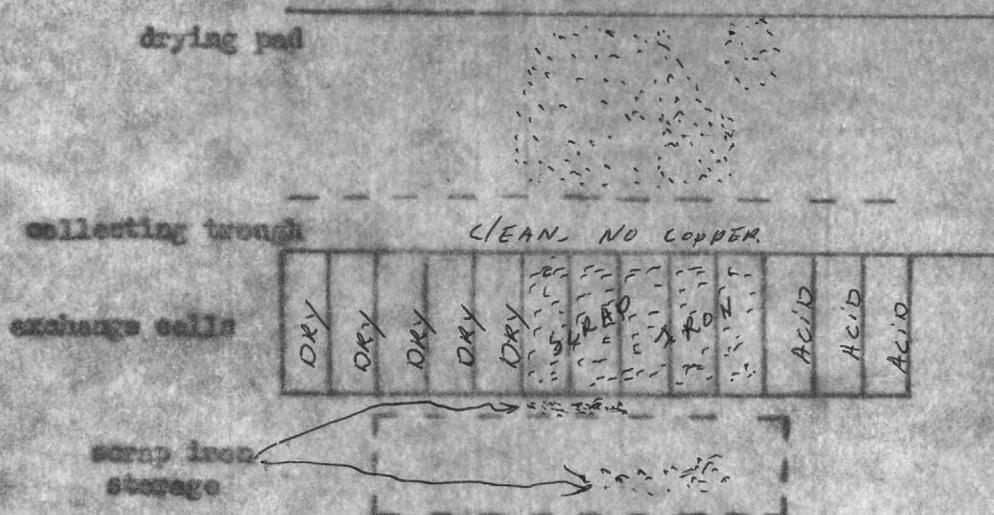
11) Describe any changes in routine or unusual activity on the property.

*Four pads running on the East side.*

*Running very low.*

*They also got more copper on the drying pad.*

On the diagram indicate the location of scrap iron and cement copper.



Observer Joe Morales Jr.

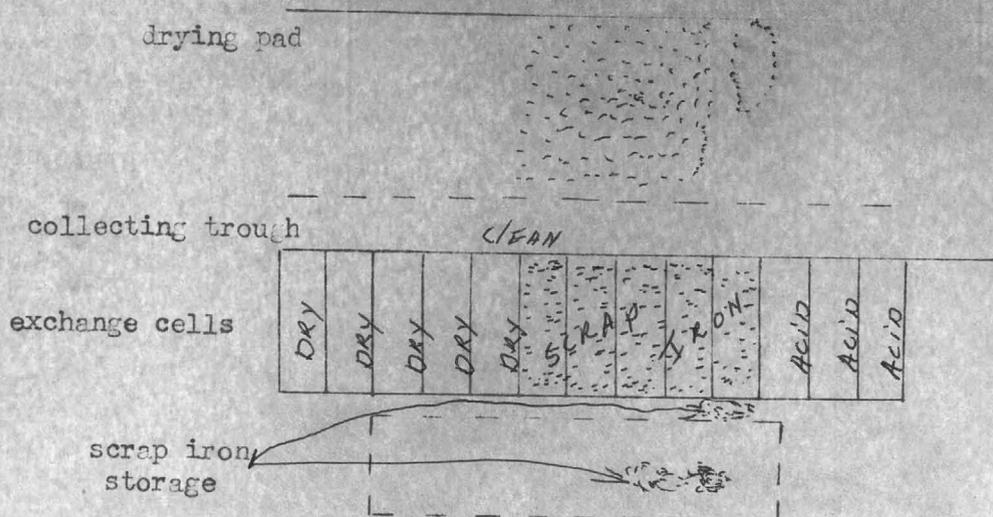
Date 9-23-73

PRODUCERS MINERALS CORP  
PEACOCK MINE

Safford, Arizona

- 1) Is the circulation pump running? *YES*
- 2) Is acid being distributed on main leach dump? *YES*
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? *YES*
- 4) Where are the acid trucks dumping? *SAME PLACE*
- 5) Is acid circulating through exchange cells? *YES. water being added.*
- 6) Is there cement copper on drying pad? *YES*  
In collection trough below cells? *YES*
- 7) Is there scrap iron in the cells? *YES*
- 8) Has any scrap iron been added to cells since previous inspection? *NO*
- 9) Is there any new scrap iron on the ground? *NO*
- 10) List date, time, and license number of acid trucks on or near the property.
- 11) Describe any changes in routine or unusual activity on the property.  
*5-PADS RUNNING ON THE WEST SIDE.*

On the diagram indicate the location of scrap iron and cement copper.



Observer Joe Morabito

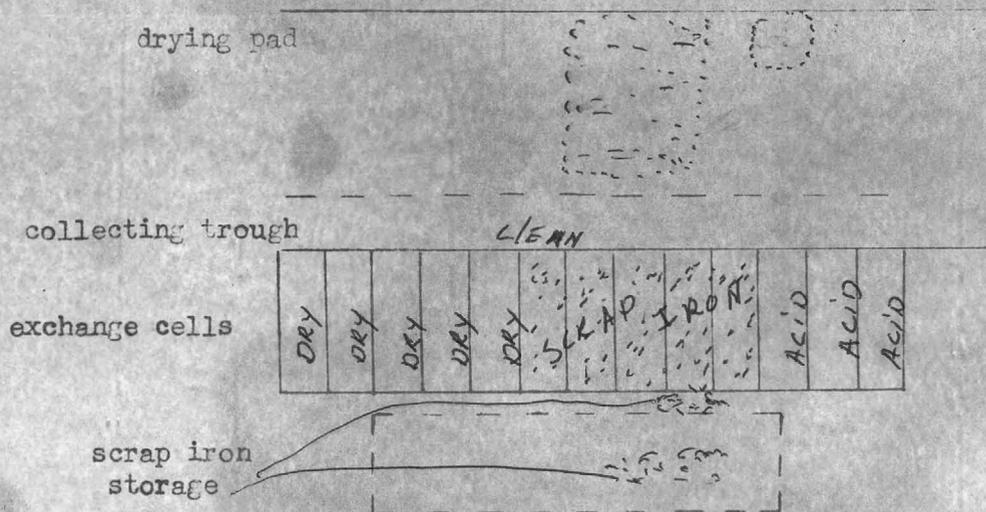
Date 8-24-73

PRODUCERS MINERALS CORP  
PEACOCK MINE

Safford, Arizona

- 1) Is the circulation pump running? *YE*
- 2) Is acid being distributed on main leach dump? *YES*
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? *YES*
- 4) Where are the acid trucks dumping? *SAME PLACE*
- 5) Is acid circulating through exchange cells? *YES - water being added*
- 6) Is there cement copper on drying pad? *YES*  
In collection trough below cells? *YES*
- 7) Is there scrap iron in the cells? *YES*
- 8) Has any scrap iron been added to cells since previous inspection? *NO*
- 9) Is there any new scrap iron on the ground? *NO*
- 10) List date, time, and license number of acid trucks on or near the property.
- 11) Describe any changes in routine or unusual activity on the property.  
*All RAD Running Low*

On the diagram indicate the location of scrap iron and cement copper.



Observer *W. Morales Jr.*

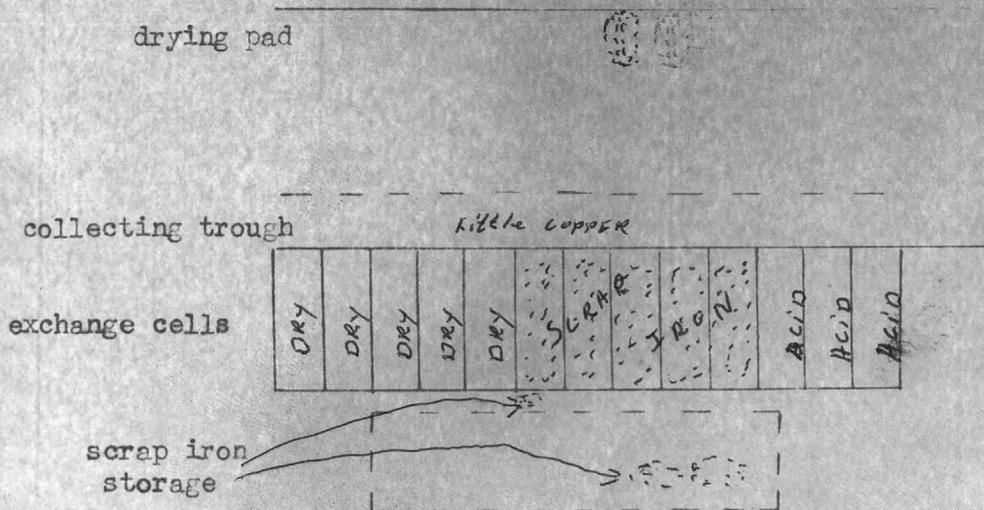
Date *8-25-73*

PRODUCERS MINERALS CORP  
PEACOCK MINE

Safford, Arizona

- 1) Is the circulation pump running? *YES*
- 2) Is acid being distributed on main leach dump? *YES*
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? *YES*
- 4) Where are the acid trucks dumping? *SAME PLACE*
- 5) Is acid circulating through exchange cells? *YES - water being added*
- 6) Is there cement copper on drying pad? *YES*  
In collection trough below cells? *YES*
- 7) Is there scrap iron in the cells? *YES*
- 8) Has any scrap iron been added to cells since previous inspection? *NO*
- 9) Is there any new scrap iron on the ground? *NO*
- 10) List date, time, and license number of acid trucks on or near the property.  
*TIME - 10:30 AM - DATE - 8-27-73 - License Number - 9274-R*  
*TIME - 11:00 AM - DATE - 8-27-73 - License Number - R3586*
- 11) Describe any changes in routine or unusual activity on the property.  
*All RADS RUNNING NOW - LOAD OF COPPER WENT OUT SUNDAY 8-26-73 IN THE AFTERNOON. RONNIE GATAES TOLD ME THIS MORNING THE 8-27-73.*

On the diagram indicate the location of scrap iron and cement copper.



Observer *Joe Morales Jr* Date *8-27-73*

PRODUCERS MINERALS CORP  
PEACOCK MINE

Safford, Arizona

- 1) Is the circulation pump running? *YES*
- 2) Is acid being distributed on main leach dump? *YES*
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? *YES*
- 4) Where are the acid trucks dumping? *SAME PLACE*
- 5) Is acid circulating through exchange cells? *YES - water being added*
- 6) Is there cement copper on drying pad? *YES*  
In collection trough below cells? *YES*
- 7) Is there scrap iron in the cells? *YES*
- 8) Has any scrap iron been added to cells since previous inspection? *NO*
- 9) Is there any new scrap iron on the ground? *NO*
- 10) List date, time, and license number of acid trucks on or near the property.

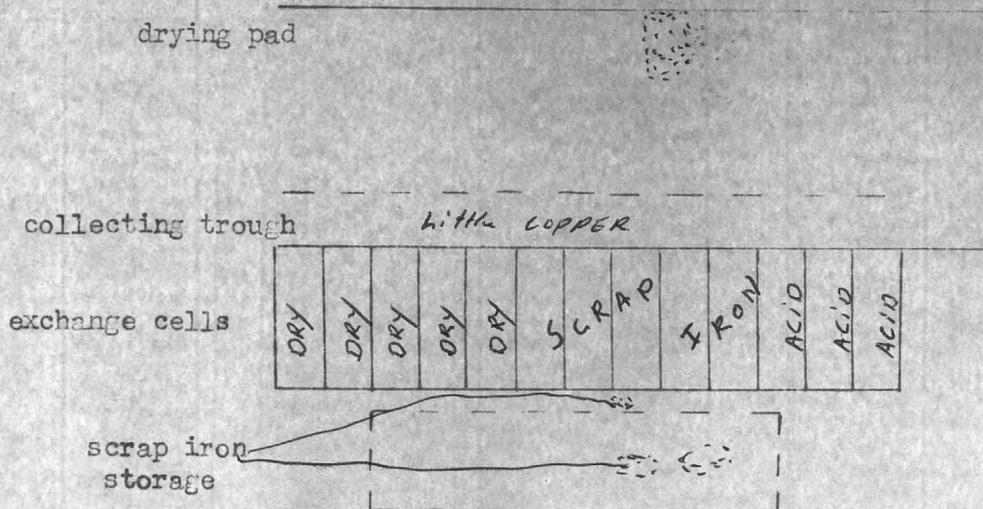
11) Describe any changes in routine or unusual activity on the property.

*ALL PADS RUNNING LOW.*

*Load of copper shipped out Sunday, Aug 26.*

*Ron Gietz says Ira Couch is now in charge of operations*

On the diagram indicate the location of scrap iron and cement copper.



Observer *Joe Morales Jr.*

Date *8-28-73*

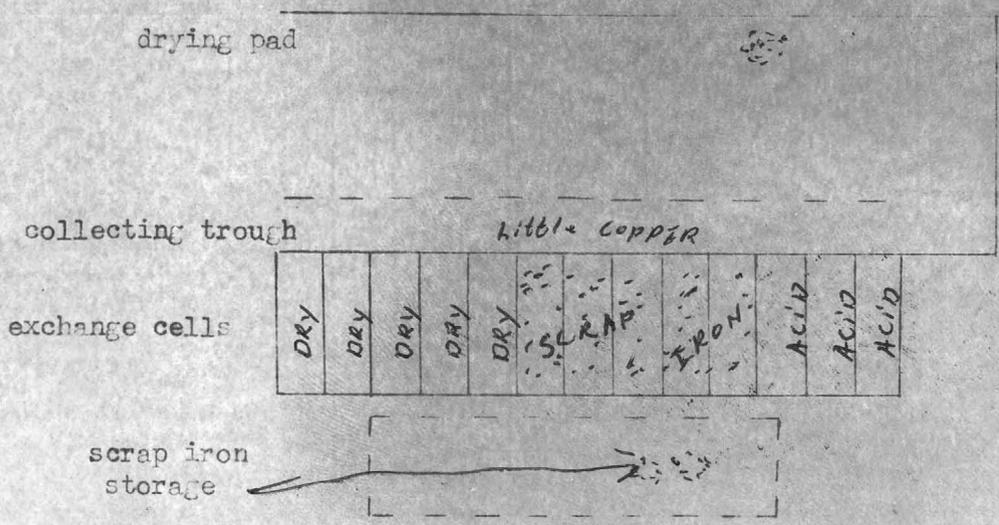
PRODUCERS MINERALS CORP  
PEACOCK MINE

Safford, Arizona

- 1) Is the circulation pump running? *NO*
- 2) Is acid being distributed on main leach dump? *NO*
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? *NO*
- 4) Where are the acid trucks dumping? *ON THE NORTH SIDE*
- 5) Is acid circulating through exchange cells? *NO*
- 6) Is there cement copper on drying pad? *YES*  
In collection trough below cells? *NO*
- 7) Is there scrap iron in the cells? *YES*
- 8) Has any scrap iron been added to cells since previous inspection? *NO*
- 9) Is there any new scrap iron on the ground? *NO*
- 10) List date, time, and license number of acid trucks on or near the property.

11) Describe any changes in routine or unusual activity on the property.  
*NO PADS RUNNING. CHANGING OIL AND FILTERS ON CIRCULATION PUMP. They ALSO MOVED THE AIR COMPRESSOR TO THE NORTH SIDE OF DUMP PILE AND THATS LOW GRADE. ALSO THE BIG BOSS FROM PRODUCERS WAS THERE. (Art Portion) ALSO THEY WAS CLEANING COPPER TODAY.*

On the diagram indicate the location of scrap iron and cement copper.



Observer *Joe Morales Jr.* Date *8-29-73*

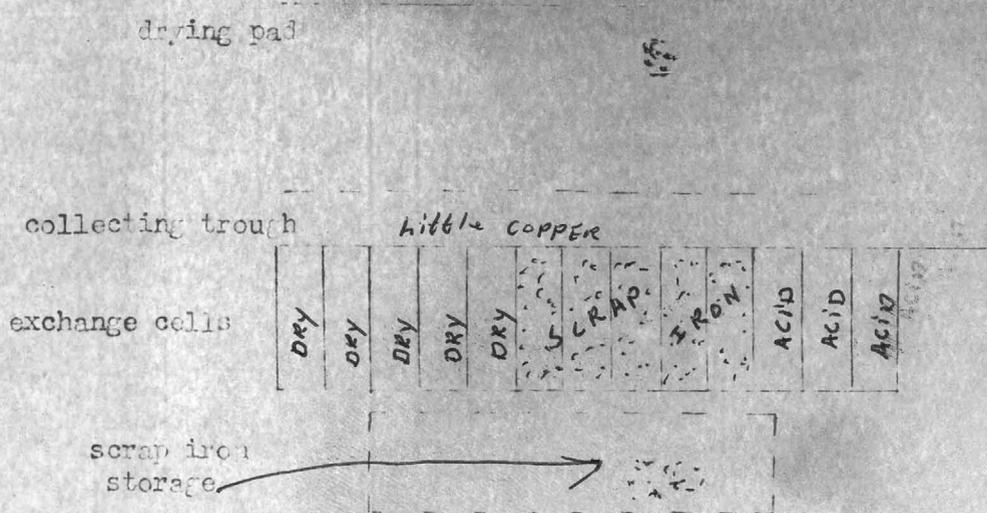
PRODUCERS MINERALS CORP  
PEACOCK MINE

Safford, Arizona

- 1) Is the circulation pump running? *YES - Two of THEM*
- 2) Is acid being distributed on the leach dump? *YES*
- 3) Is acid being pumped to the run-of-the-line rock and fine leach heap? *YES*
- 4) Where are the acid trucks dumping? *NORTH SIDE*
- 5) Is acid circulating through exchange cells? *YES - NO water being added*
- 6) Is there cement copper on drying pad? *YES*  
In collection trough below cells? *YES*
- 7) Is there scrap iron in the cells? *YES*
- 8) Has any scrap iron been added to cells since previous inspection? *NO*
- 9) Is there any new scrap iron on the ground? *NO*
- 10) List date, time, and license number of acid trucks on or near the property.  
*TIME - MID PM - DATE - 8-30-73 - LICENSE NUMBER, R51-103 - NEW TRUCK.*

- 11) Describe any changes in routine or unusual activity on the property.  
*ALL PADS RUNNING NOW. THEY ALSO HAVE TWO CIRCULATION PUMPS RUNNING NOW. THEY ARE STILL CLEANING COPPER.*

On the diagram indicate the location of scrap iron and cement copper.



Observer Joe Morales Jr. Date 8-30-73

PRODUCERS MINERALS CORP  
PEACOCK MINE

Safford, Arizona

- 1) Is the circulation pump running? *YES - Two of them*
- 2) Is acid being distributed on main leach dump? *YES*
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? *YES*
- 4) Where are the acid trucks dumping? *North side.*
- 5) Is acid circulating through exchange cells? *YES - water being added.*
- 6) Is there cement copper on drying pad? *YES*  
In collection trough below cells? *YES*
- 7) Is there scrap iron in the cells? *YES*
- 8) Has any scrap iron been added to cells since previous inspection? *NO*
- 9) Is there any new scrap iron on the ground? *NO*
- 10) List date, time, and license number of acid trucks on or near the property.

*Time - 9:15 AM. DATE - 8-31-73 - License number - R51-105 - NEW TRUCK*

- 11) Describe any changes in routine or unusual activity on the property.

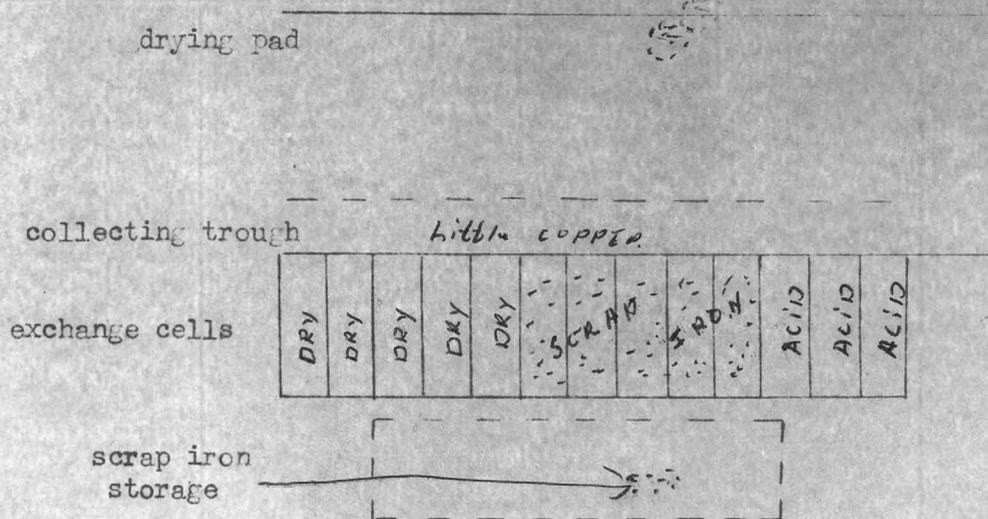
*All pads running high, still cleaning copper*

*They are also running a new pad on the east side.*

*Where the compressor used to be.*

*It seems Producers has been getting more acid this last two weeks than before.*

On the diagram indicate the location of scrap iron and cement copper.



Observer Joe Morales Jr

Date 8-31-73

PRODUCERS MINERALS CORP  
PEACOCK MINE

Safford, Arizona

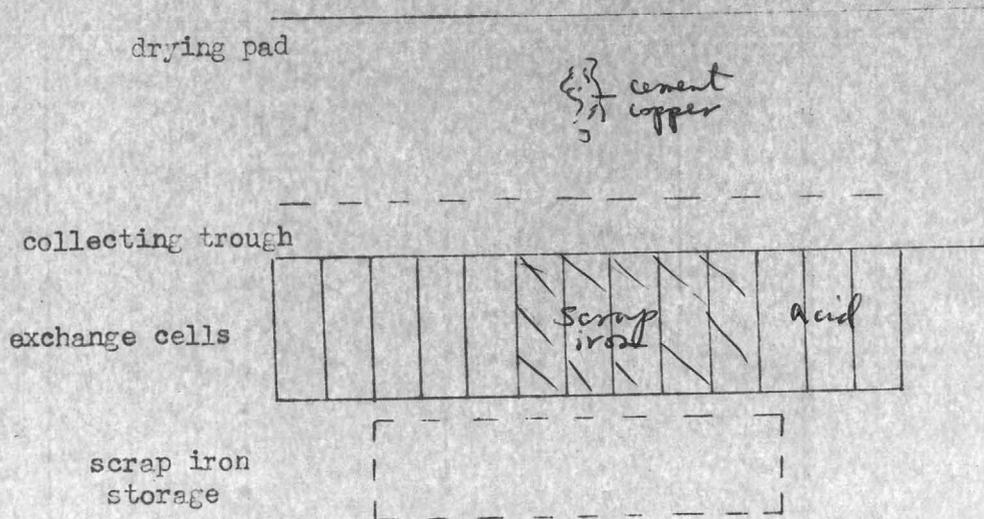
- 1) Is the circulation pump running? *yes - one*
- 2) Is acid being distributed on main leach dump? *yes - all parts*
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? *yes*
- 4) Where are the acid trucks dumping? *same place*
- 5) Is acid circulating through exchange cells? *yes*
- 6) Is there cement copper on drying pad? *yes*  
In collection trough below cells? *no*
- 7) Is there scrap iron in the cells? *yes*
- 8) Has any scrap iron been added to cells since previous inspection? *yes*
- 9) Is there any new scrap iron on the ground? *no*
- 10) List date, time, and license number of acid trucks on or near the property.

- 11) Describe any changes in routine or unusual activity on the property.

*doing some cut work building small holding pond in middle area of fine leach heap*

*Probably 1 load of copper was shipped between Sept 6 and Sept 11.*

On the diagram indicate the location of scrap iron and cement copper.



Observer Bob Helming

Date Sept 11, 1973

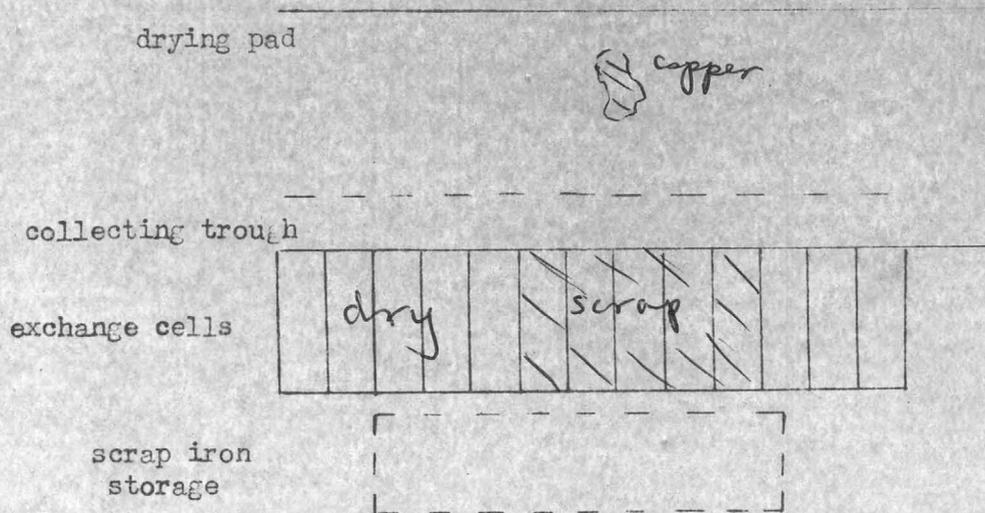
8:30 AM to 3 PM

PRODUCERS MINERALS CORP  
PEACOCK MINE

Safford, Arizona

- 1) Is the circulation pump running? *yes - one*
- 2) Is acid being distributed on main leach dump? *yes - all parts*
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? *yes*
- 4) Where are the acid trucks dumping? *same place*
- 5) Is acid circulating through exchange cells? *yes*
- 6) Is there cement copper on drying pad? *yes*  
In collection trough below cells? *no*
- 7) Is there scrap iron in the cells? *yes*
- 8) Has any scrap iron been added to cells since previous inspection? *no*
- 9) Is there any new scrap iron on the ground? *no*
- 10) List date, time, and license number of acid trucks on or near the property.  
*10 AM tractor R51-103*  
*12 noon tractor R51-102*
- 11) Describe any changes in routine or unusual activity on the property.

On the diagram indicate the location of scrap iron and cement copper.



Observer Bob Helming

Date Sept 12, 1973  
9-11:30 AM

PRODUCERS MINERALS CORP  
PEACOCK MINE

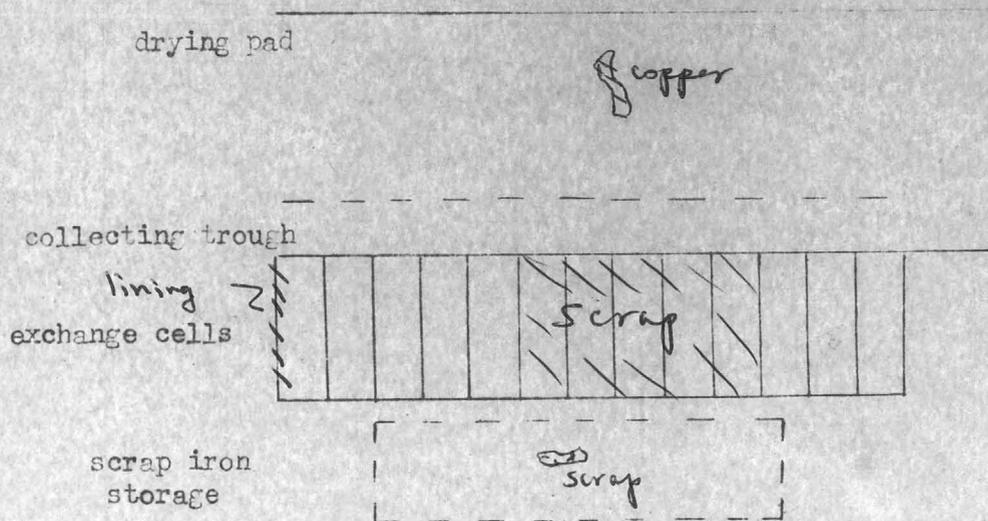
Safford, Arizona

- 1) Is the circulation pump running? *yes - one*
- 2) Is acid being distributed on main leach dump? *yes*
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? *yes*
- 4) Where are the acid trucks dumping? *same place*
- 5) Is acid circulating through exchange cells? *very little*
- 6) Is there cement copper on drying pad? *yes*  
In collection trough below cells? *yes*
- 7) Is there scrap iron in the cells? *yes*
- 8) Has any scrap iron been added to cells since previous inspection? *no*
- 9) Is there any new scrap iron on the ground? *no*
- 10) List date, time, and license number of acid trucks on or near the property.

11) Describe any changes in routine or unusual activity on the property.

*cleaning cell #6  
painting inside of cell #1 with asphalt liner*

On the diagram indicate the location of scrap iron and cement copper.



Observer Bob Helming

Date Sept 13, 1973  
9:30 AM

PRODUCERS MINERALS CORP  
PEACOCK MINE

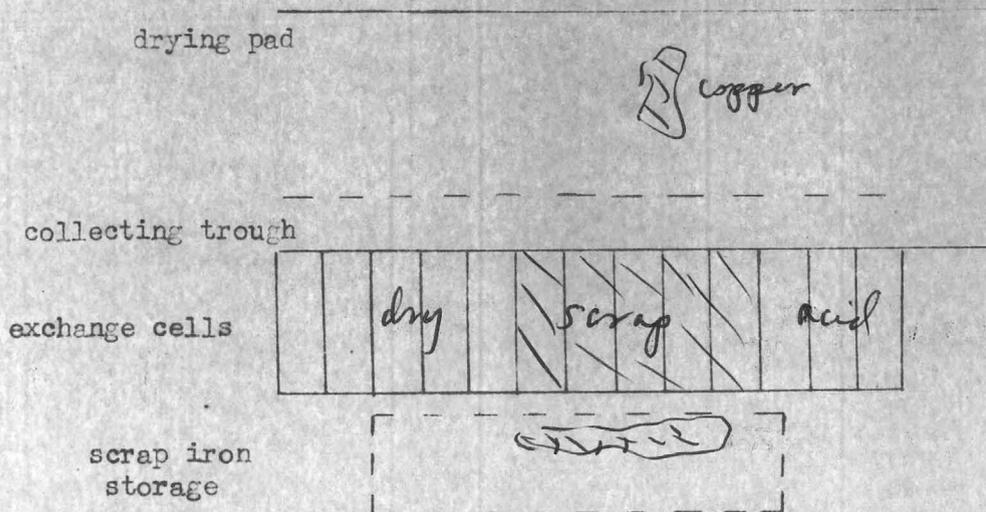
Safford, Arizona

- 1) Is the circulation pump running? *yes one*
- 2) Is acid being distributed on main leach dump? *yes*
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? *yes*
- 4) Where are the acid trucks dumping? *some*
- 5) Is acid circulating through exchange cells? *yes - water added*
- 6) Is there cement copper on drying pad? *yes*  
In collection trough below cells? *no*
- 7) Is there scrap iron in the cells? *yes*
- 8) Has any scrap iron been added to cells since previous inspection? *no*
- 9) Is there any new scrap iron on the ground? *no*
- 10) List date, time, and license number of acid trucks on or near the property.

- 11) Describe any changes in routine or unusual activity on the property.

*Art Paston was on property with at least 5 unknown visitors. Three were later identified as Frank Kuhlbaugh (sp?), George Ward, Shannon*

On the diagram indicate the location of scrap iron and cement copper.



Observer *Bob Helming*

Date *Sept 18, 1973*

*8:30 AM*

PRODUCERS MINERALS CORP  
PEACOCK MINE

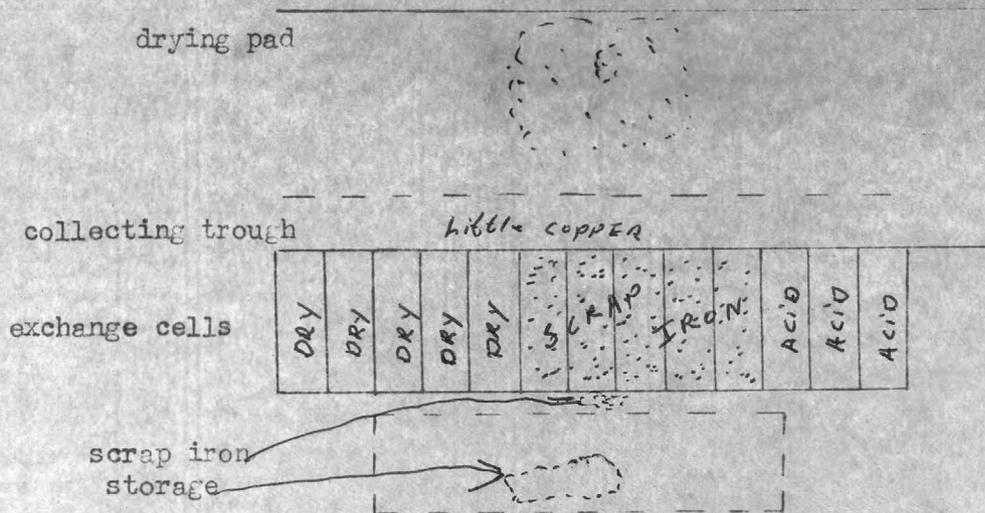
Safford, Arizona

- 1) Is the circulation pump running? *YES - TWO OF THEM*
- 2) Is acid being distributed on main leach dump? *YES*
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? *YES*
- 4) Where are the acid trucks dumping? *SAME - PLACE*
- 5) Is acid circulating through exchange cells? *YES - water being added.*
- 6) Is there cement copper on drying pad? *YES*  
In collection trough below cells? *YES*
- 7) Is there scrap iron in the cells? *YES*
- 8) Has any scrap iron been added to cells since previous inspection? *YES*
- 9) Is there any new scrap iron on the ground? *YES*
- 10) List date, time, and license number of acid trucks on or near the property.

11) Describe any changes in routine or unusual activity on the property.

*P.D. put out two NEW CLAIMS ON KIM Again four - SCORPION # 3 & 4  
Aug. 16, 1973. Two Trucks of SCRAP IRON CAME IN. DATE - 9-4-73.  
ALL PADS RUNNING HIGH.*

On the diagram indicate the location of scrap iron and cement copper.



Observer Joe Morales Jr.

Date 9-4-73

PRODUCERS MINERALS CORP  
PEACOCK MINE

Safford, Arizona

- 1) Is the circulation pump running? YES - ~~ONE~~ <sup>ONE</sup> of them
- 2) Is acid being distributed on main leach dump? YES
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? YES
- 4) Where are the acid trucks dumping? SAME PLACE
- 5) Is acid circulating through exchange cells? YES - water being added
- 6) Is there cement copper on drying pad? YES  
In collection trough below cells? YES
- 7) Is there scrap iron in the cells? YES
- 8) Has any scrap iron been added to cells since previous inspection? YES
- 9) Is there any new scrap iron on the ground? YES
- 10) List date, time, and license number of acid trucks on or near the property.

11) Describe any changes in routine or unusual activity on the property.

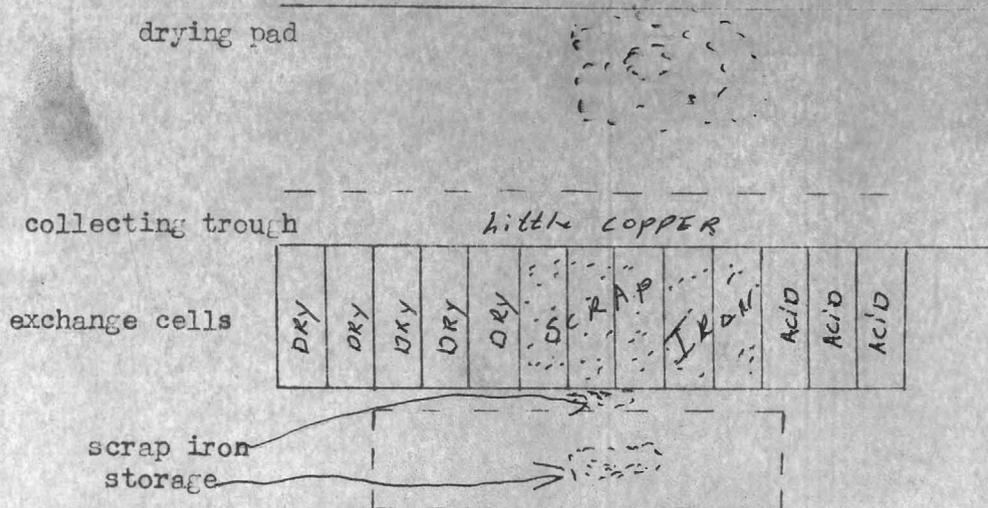
They ARE STILL REbuilding ACID CELLS FROM 1-5.

ALSO A PRODUCERS MEN STOPED ME AND ASKED FOR MY NAME AND LICENSE NUMBER OF MY TRUCK. HIS NAME IS J.W. WEIKER.

ALSO PADS ARE RUNNING NOW, ALL OF THEM.

(Walker) BAA

On the diagram indicate the location of scrap iron and cement copper.



Observer Joe Morales Jr.

Date 9-5-73

J.W. WEIKER'S ASSISTANT MANGER OF EL PASO REFINERY  
 FOR PRODUCERS MINERALS CORP. HE ALSO SAID THAT THE PRODUCERS  
 MINE WAS GOING TO OPEN JANUARY 1974. THAT THEY HAD LOTS OF MONEY NOW.

PRODUCERS MINERALS CORP  
PEACOCK MINE

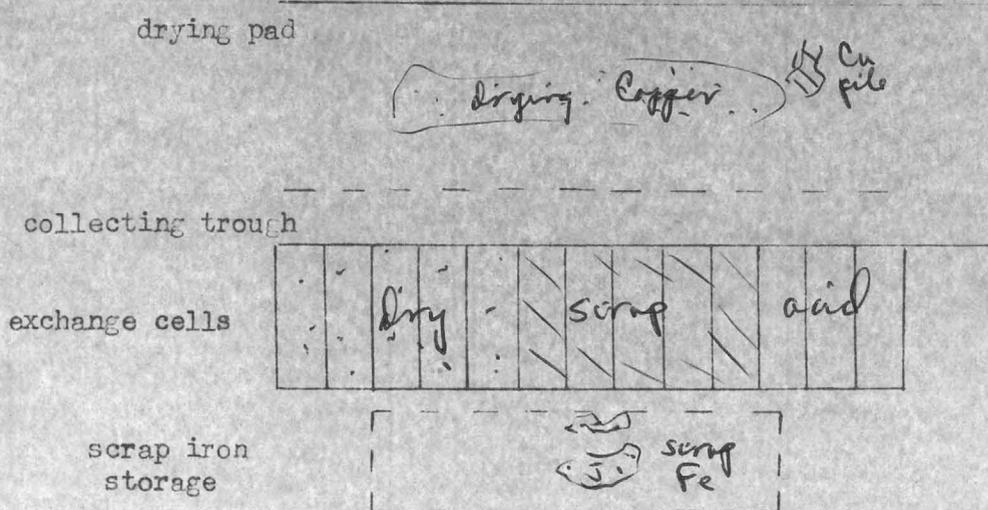
Safford, Arizona

- 1) Is the circulation pump running? *yes - one*
- 2) Is acid being distributed on main leach dump? *yes - all lines*
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? *only one area where used to dump the trucks*
- 4) Where are the acid trucks dumping? *same place - extreme north end*
- 5) Is acid circulating through exchange cells? *yes*
- 6) Is there cement copper on drying pad? *yes - one load or more*  
In collection trough below cells? *no*
- 7) Is there scrap iron in the cells? *yes*
- 8) Has any scrap iron been added to cells since previous inspection? *no*
- 9) Is there any new scrap iron on the ground? *yes*
- 10) List date, time, and license number of acid trucks on or near the property.

11) Describe any changes in routine or unusual activity on the property.

*Sometime overnight sudden rise in acid level in two ponds below main leach heap caused some tar residue overflow on sides of ponds and across roadway. See airphoto!*

On the diagram indicate the location of scrap iron and cement copper.



Observer Bob Hedding

Date 9-6-73  
9 AM

PRODUCERS MINERALS CORP  
PEACOCK MINE

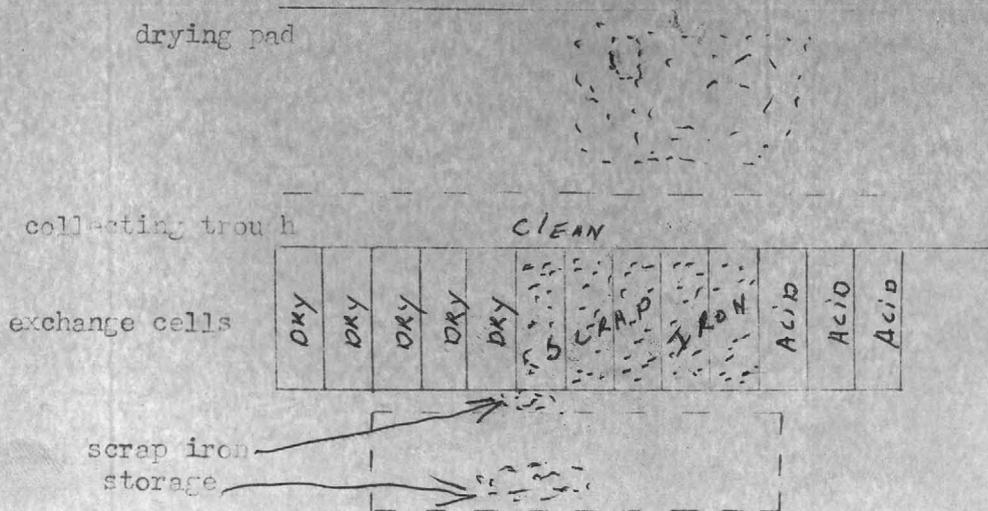
Safford, Arizona

- 1) Is the circulation pump running? *YES - ONE.*
- 2) Is acid being distributed on main leach dump? *YES*
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? *YES*
- 4) Where are the acid trucks dumping? *SAME PLACE*
- 5) Is acid circulating through exchange cells? *YES*
- 6) Is there cement copper on drying pad? *YES*  
In collection trough below cells? *YES*
- 7) Is there scrap iron in the cells? *YES*
- 8) Has any scrap iron been added to cells since previous inspection? *NO*
- 9) Is there any new scrap iron on the ground? *NO*
- 10) List date, time, and license number of acid trucks on or near the property.

- 11) Describe any changes in routine or unusual activity on the property.

*ALL PADS RUNNING LOW.*

On the diagram indicate the location of scrap iron and cement copper.



Observer JOE Morales Jr

Date 9-6-73

PRODUCERS MINERALS CORP  
PEACOCK MINE

Safford, Arizona

- 1) Is the circulation pump running? *YES*
- 2) Is acid being distributed on main leach dump? *YES*
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? *YES*
- 4) Where are the acid trucks dumping? *SAME PLACE*
- 5) Is acid circulating through exchange cells? *YES - water being added*
- 6) Is there cement copper on drying pad? *YES*  
In collection trough below cells? *YES*
- 7) Is there scrap iron in the cells? *YES*
- 8) Has any scrap iron been added to cells since previous inspection? *YES*
- 9) Is there any new scrap iron on the ground? *YES*
- 10) List date, time, and license number of acid trucks on or near the property.

*TIME - 10:25 AM - LICENSE - R51-105 - DATE - 9-17-73*

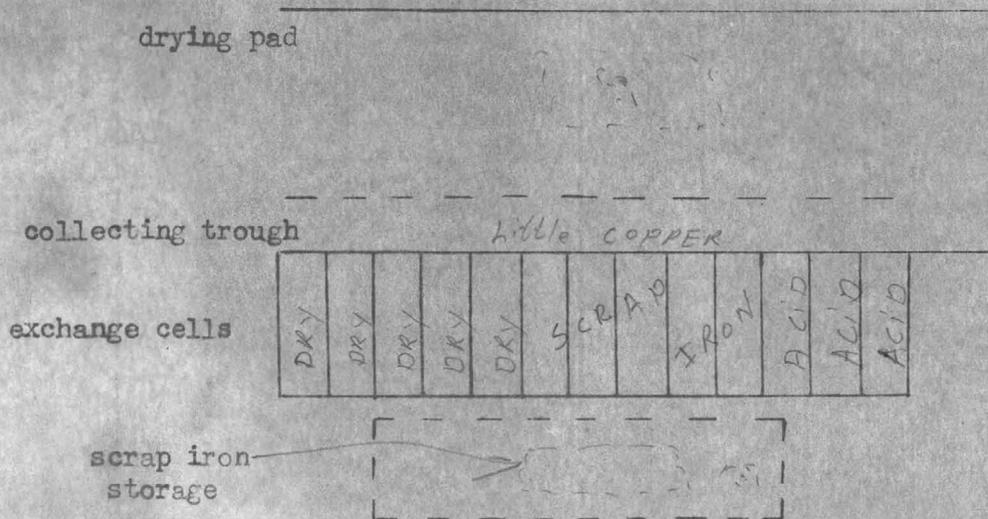
*TIME - 11:00 AM - LICENSE - R51-102 - DATE - 9-17-73*

- 11) Describe any changes in routine or unusual activity on the property.

*All Pads Running Now.*

*We observed several well dressed visitors*

On the diagram indicate the location of scrap iron and cement copper.



Observer *Joe Marshall*

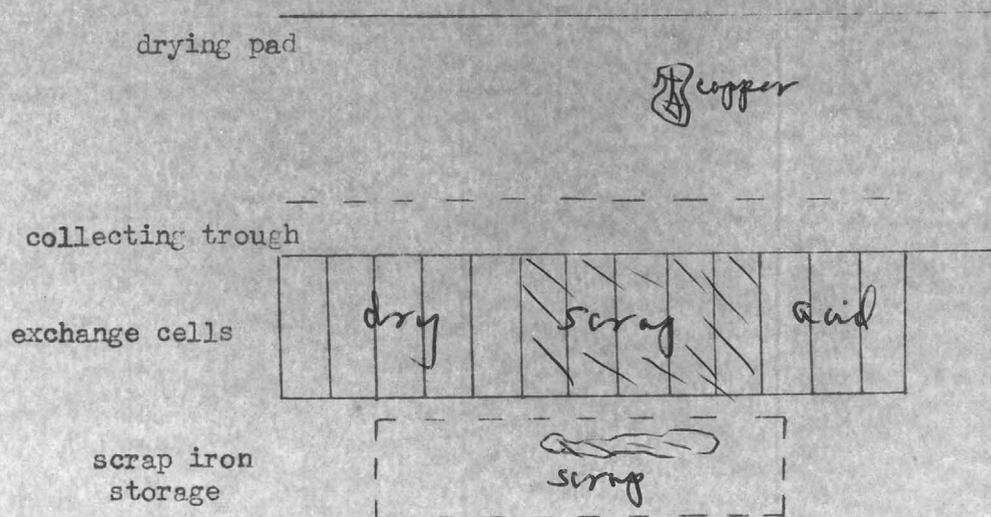
Date *9-17-73*

PRODUCERS MINERALS CORP  
PEACOCK MINE

Safford, Arizona

- 1) Is the circulation pump running? *yes - one*
- 2) Is acid being distributed on main leach dump? *yes*
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? *yes*
- 4) Where are the acid trucks dumping? *some place*
- 5) Is acid circulating through exchange cells? *yes - water added*
- 6) Is there cement copper on drying pad? *yes*  
In collection trough below cells? *no*
- 7) Is there scrap iron in the cells? *yes*
- 8) Has any scrap iron been added to cells since previous inspection? *no*
- 9) Is there any new scrap iron on the ground? *no*
- 10) List date, time, and license number of acid trucks on or near the property.
  
- 11) Describe any changes in routine or unusual activity on the property.  
*none*

On the diagram indicate the location of scrap iron and cement copper.



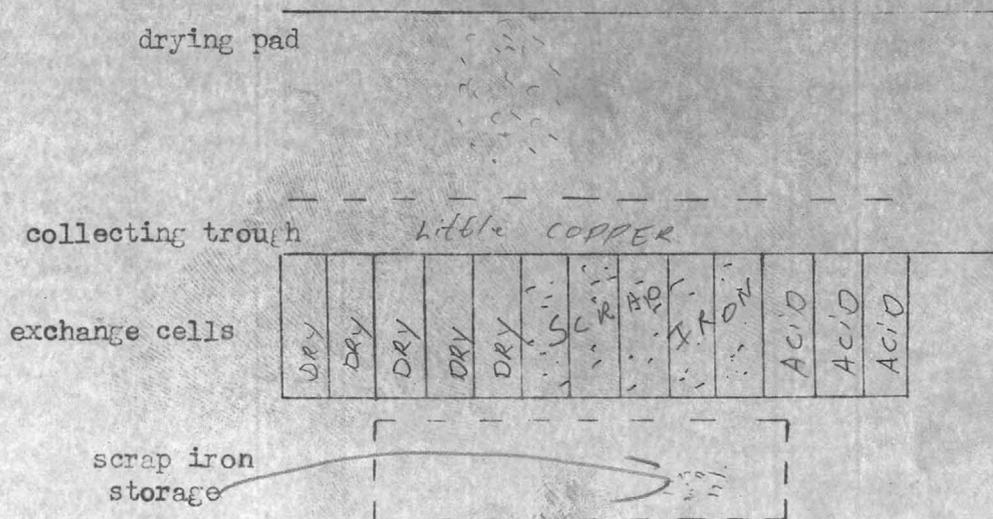
Observer *Bob Helming* Date *9-21-73*  
*1 PM*

PRODUCERS MINERALS CORP  
PEACOCK MINE

Safford, Arizona

- 1) Is the circulation pump running? *YES*
- 2) Is acid being distributed on main leach dump? *YES*
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? *YES*
- 4) Where are the acid trucks dumping? *SAME PLACE*
- 5) Is acid circulating through exchange cells? *YES - water being added*
- 6) Is there cement copper on drying pad? *YES*  
In collection trough below cells? *YES*
- 7) Is there scrap iron in the cells? *YES*
- 8) Has any scrap iron been added to cells since previous inspection? *NO*
- 9) Is there any new scrap iron on the ground? *NO*
- 10) List date, time, and license number of acid trucks on or near the property.  
*TIME - 9:25 AM - DATE - 9-24-73 - LICENSE NUMBER - R 51-102.*
- 11) Describe any changes in routine or unusual activity on the property.  
*ALL PADS RUNNING LOW.*

On the diagram indicate the location of scrap iron and cement copper.



Observer *Joe Morales Jr.*

Date *9-24-73*

PRODUCERS MINERALS CORP  
PEACOCK MINE

Safford, Arizona

- 1) Is the circulation pump running? YES
- 2) Is acid being distributed on main leach dump? YES
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? YES
- 4) Where are the acid trucks dumping? SAME PLACE
- 5) Is acid circulating through exchange cells? YES
- 6) Is there cement copper on drying pad? YES  
In collection trough below cells? YES
- 7) Is there scrap iron in the cells? YES
- 8) Has any scrap iron been added to cells since previous inspection? NO
- 9) Is there any new scrap iron on the ground? YES
- 10) List date, time, and license number of acid trucks on or near the property.

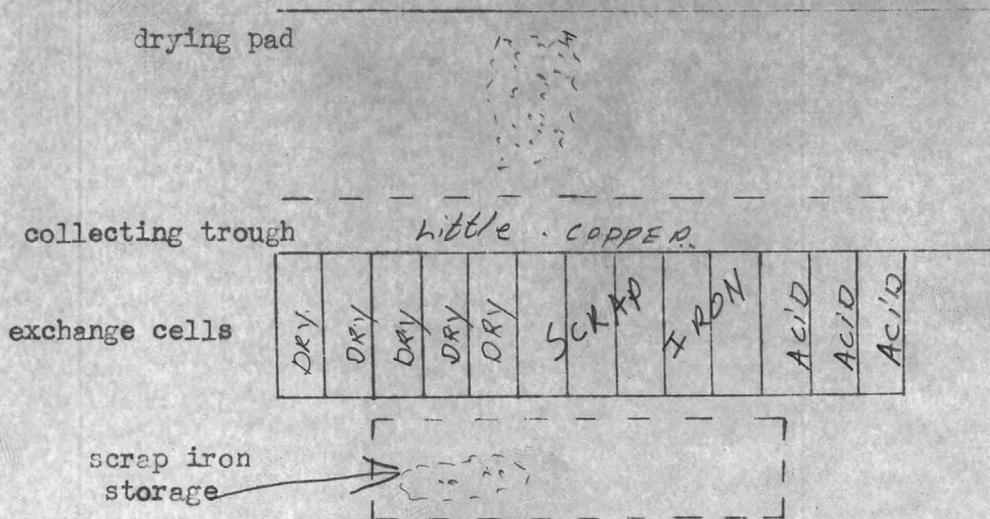
11) Describe any changes in routine or unusual activity on the property.

TIME - 9:30 AM - DATE - 9-25-73 - LICENSE NUMBER R-2504.

BOSS TOLD ME THIS MORNING THAT I COULD NOT COME IN TO THE SAN JUAN ANYMORE. BUT, I STILL WENT IN.

ALL PADS RUNNING LOW.

On the diagram indicate the location of scrap iron and cement copper.



Observer Joe Marks Jr.

Date 9-25-73

PRODUCERS MINERALS CORP  
PEACOCK MINE

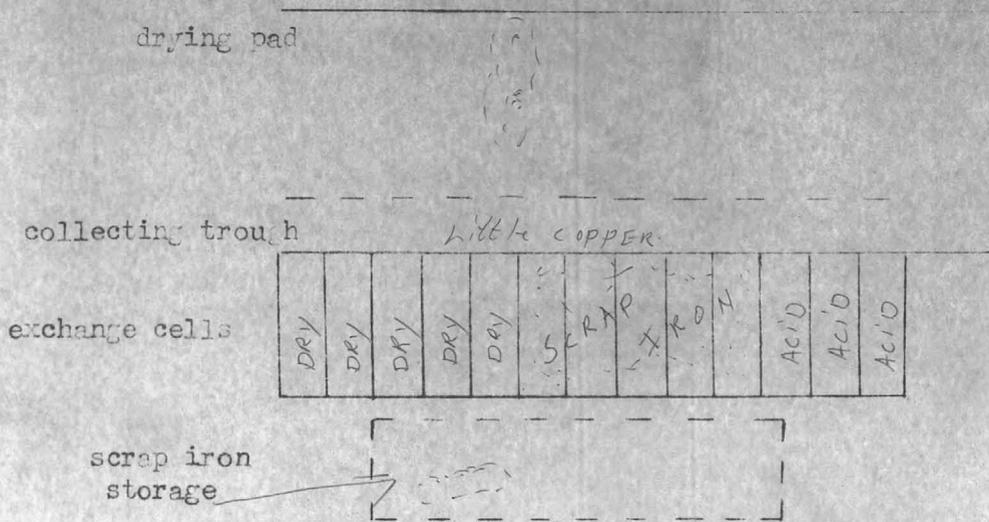
Safford, Arizona

- 1) Is the circulation pump running? *YES*
- 2) Is acid being distributed on main leach dump? *YES*
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? *YES*
- 4) Where are the acid trucks dumping? *SAME PLACE*
- 5) Is acid circulating through exchange cells? *YES.*
- 6) Is there cement copper on drying pad? *YES*  
In collection trough below cells? *YES*
- 7) Is there scrap iron in the cells? *YES*
- 8) Has any scrap iron been added to cells since previous inspection? *NO*
- 9) Is there any new scrap iron on the ground? *NO*
- 10) List date, time, and license number of acid trucks on or near the property.

*TIME - 2:30 PM - DATE - 9-26-23 - LICENSE NUMBER R 51-103*

- 11) Describe any changes in routine or unusual activity on the property.  
*ALL PADS RUNNING LOW.*

On the diagram indicate the location of scrap iron and cement copper.



Observer *Joe Morales Jr.*

Date *9-26-23*

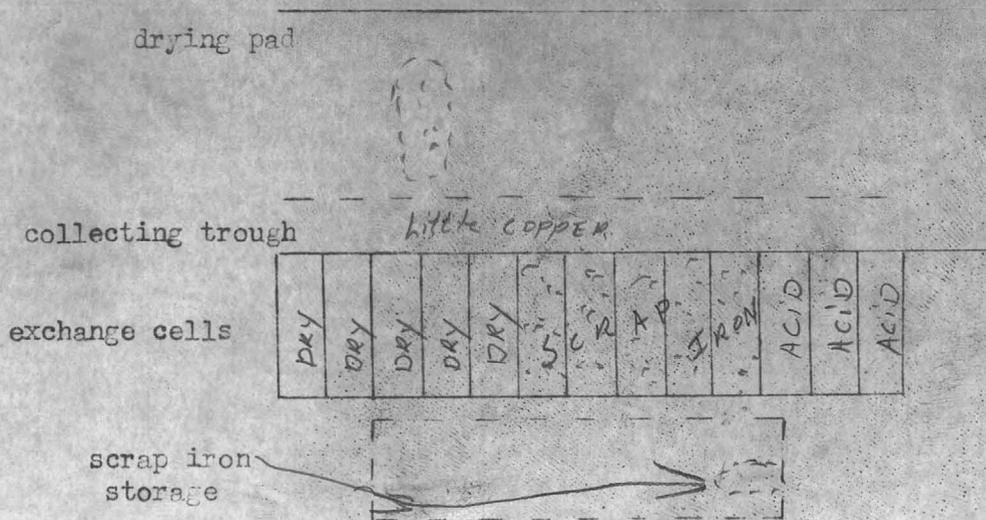
PRODUCERS MINERALS CORP  
PEACOCK MINE

Safford, Arizona

- 1) Is the circulation pump running? *YES*
- 2) Is acid being distributed on main leach dump? *YES*
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? *YES*
- 4) Where are the acid trucks dumping? *SAME-PLACE*
- 5) Is acid circulating through exchange cells? *YES*
- 6) Is there cement copper on drying pad? *YES*  
In collection trough below cells? *YES*
- 7) Is there scrap iron in the cells? *YES*
- 8) Has any scrap iron been added to cells since previous inspection? *NO*
- 9) Is there any new scrap iron on the ground? *NO*
- 10) List date, time, and license number of acid trucks on or near the property.  
*TIME - 12:30 PM - DATE - 9-27-73 - License - Number - R51-102*  
*TIME - 8:30 AM - DATE - 9-28-73 - License - Number - R51-102*  
*TIME - 2:10 PM - DATE - 9-28-73 - License - Number - R51-105*
- 11) Describe any changes in routine or unusual activity on the property.

*ALL PADS RUNNING LOW. ALSO THEY ARE CLEANING COPPER.*

On the diagram indicate the location of scrap iron and cement copper.



Observer *Joe Morales Jr.*

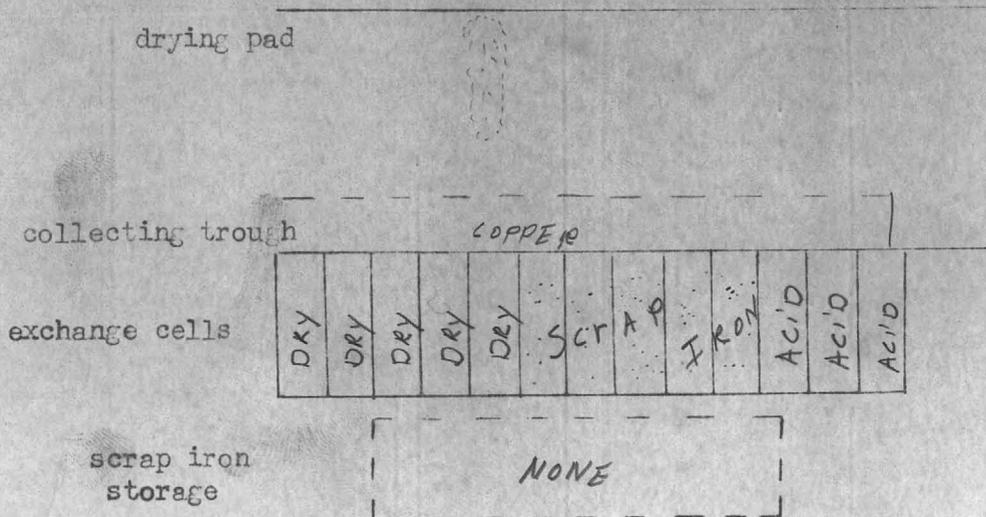
Date *9-28-73*

PRODUCERS MINERALS CORP  
PEACOCK MINE

Safford, Arizona

- 1) Is the circulation pump running? *YES*
- 2) Is acid being distributed on main leach dump? *YES*
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? *YES*
- 4) Where are the acid trucks dumping? *SAME-PLACE*
- 5) Is acid circulating through exchange cells? *YES*
- 6) Is there cement copper on drying pad? *YES*  
In collection trough below cells? *YES*
- 7) Is there scrap iron in the cells? *YES*
- 8) Has any scrap iron been added to cells since previous inspection? *NO*
- 9) Is there any new scrap iron on the ground? *NO*
- 10) List date, time, and license number of acid trucks on or near the property.  
*TIME - 9:15 AM - DATE - 10-1-73 - license number - R51-105*  
*TIME - 10:15 AM - DATE - 10-1-73 - license number - R51-103*
- 11) Describe any changes in routine or unusual activity on the property.  
*ALL PADS RUNNING LOW.*

On the diagram indicate the location of scrap iron and cement copper.



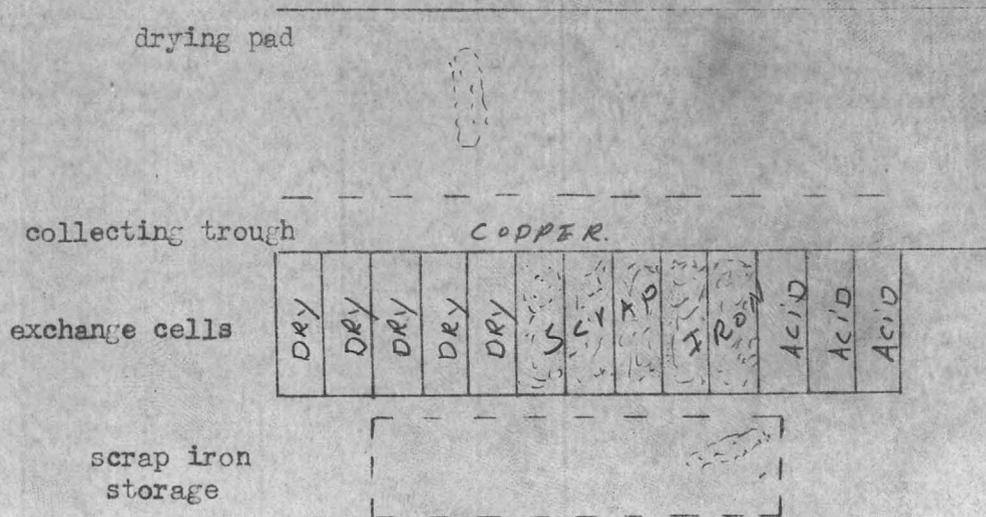
Observer Joe Morales Jr Date 10-1-73

PRODUCERS MINERALS CORP  
PEACOCK MINE

Safford, Arizona

- 1) Is the circulation pump running? *YES*
- 2) Is acid being distributed on main leach dump? *YES*
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? *YES*
- 4) Where are the acid trucks dumping? *SAME PLACE*
- 5) Is acid circulating through exchange cells? *YES*
- 6) Is there cement copper on drying pad? *YES*  
In collection trough below cells? *YES*
- 7) Is there scrap iron in the cells? *YES*
- 8) Has any scrap iron been added to cells since previous inspection? *NO*
- 9) Is there any new scrap iron on the ground? *YES*
- 10) List date, time, and license number of acid trucks on or near the property.
  
- 11) Describe any changes in routine or unusual activity on the property.  
*ALL PADS RUNNING LOW.*

On the diagram indicate the location of scrap iron and cement copper.



Observer *Joe Morales Jr.*

Date *10-2-73*

PRODUCERS MINERALS CORP  
PEACOCK MINE

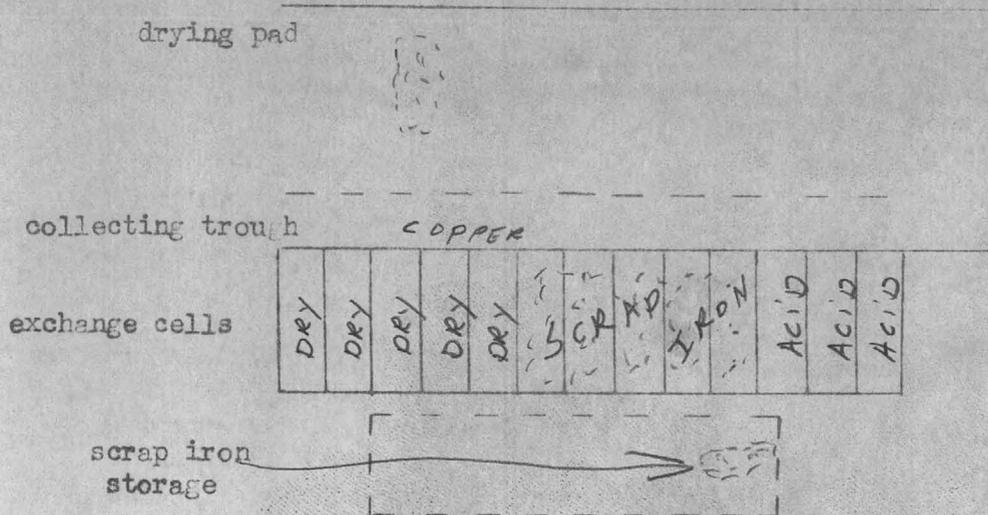
Safford, Arizona

- 1) Is the circulation pump running? *YES*
- 2) Is acid being distributed on main leach dump? *YES*
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? *YES*
- 4) Where are the acid trucks dumping? *SAME PLACE*
- 5) Is acid circulating through exchange cells? *YES*
- 6) Is there cement copper on drying pad? *YES*  
In collection trough below cells? *YES*
- 7) Is there scrap iron in the cells? *YES*
- 8) Has any scrap iron been added to cells since previous inspection? *YES*
- 9) Is there any new scrap iron on the ground? *NO*
- 10) List date, time, and license number of acid trucks on or near the property.

- 11) Describe any changes in routine or unusual activity on the property.

*All PADS RUNNING NOW. PRODUCERS MINERALS BROUGHT A D-8-CAT IN TO THE MINE. IT'S AN OLD ONE. IT CAME FROM EL PASO.*

On the diagram indicate the location of scrap iron and cement copper.



Observer Joe Morales Jr

Date 10-3-73

PRODUCERS MINERALS CORP  
PEACOCK MINE

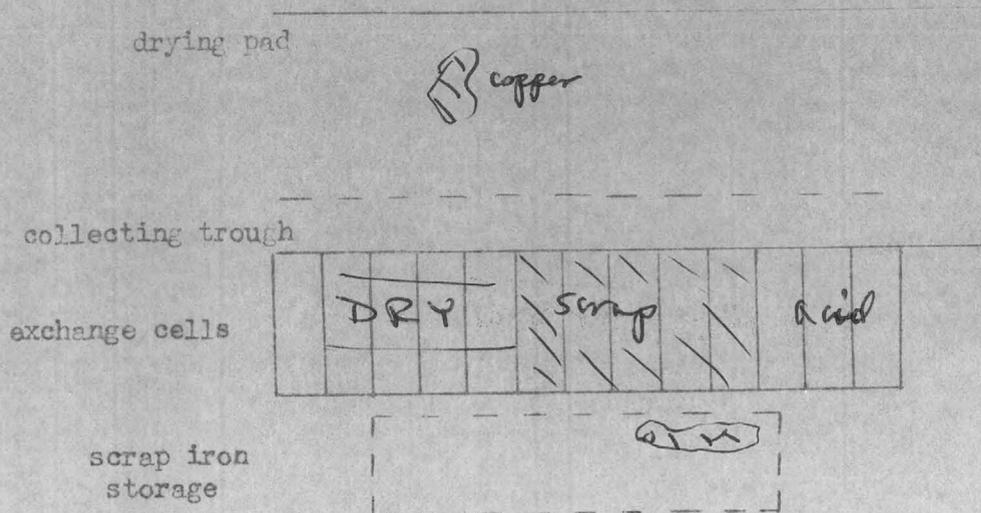
Safford, Arizona

- 1) Is the circulation pump running? *yes - one water being added*
- 2) Is acid being distributed on main leach dump? *yes*
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? *yes*
- 4) Where are the acid trucks dumping? *same place*
- 5) Is acid circulating through exchange cells? *yes*
- 6) Is there cement copper on drying pad? *yes*  
In collection trough below cells? *yes*
- 7) Is there scrap iron in the cells? *yes*
- 8) Has any scrap iron been added to cells since previous inspection? *no*
- 9) Is there any new scrap iron on the ground? *no*
- 10) List date, time, and license number of acid trucks on or near the property.

11) Describe any changes in routine or unusual activity on the property.

*Ira Couch said bulldozer will be used to tear up leach heap.*

On the diagram indicate the location of scrap iron and cement copper.



Observer Bob Helming

Date Oct 4, 1973  
7:30 AM

PRODUCERS MINERALS CORP  
PEACOCK MINE

Safford, Arizona

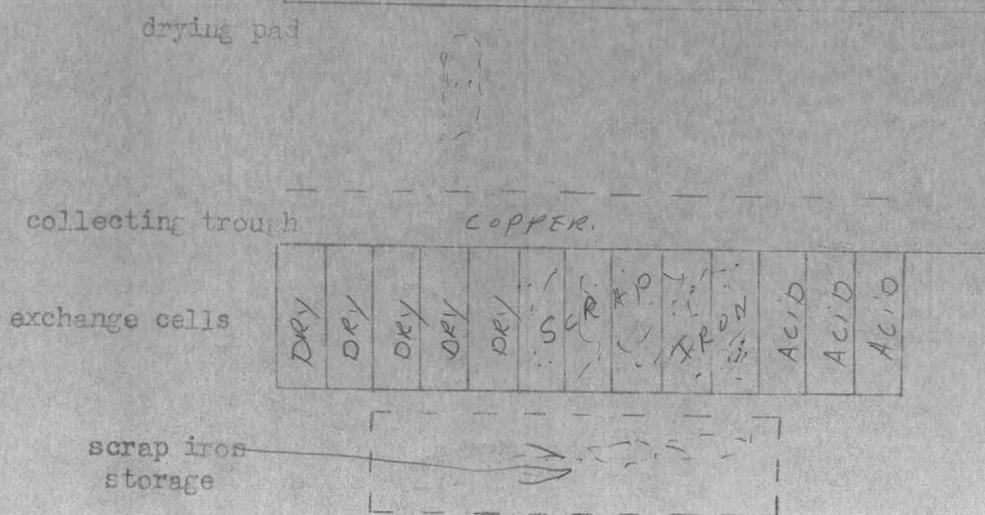
- 1) Is the circulation pump running? *YES*
- 2) Is acid being distributed on main leach dump? *YES*
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? *YES*
- 4) Where are the acid trucks dumping? *SAME PLACE*
- 5) Is acid circulating through exchange cells? *YES*
- 6) Is there cement copper on drying pad? *YES*  
In collection trough below cells? *YES*
- 7) Is there scrap iron in the cells? *YES*
- 8) Has any scrap iron been added to cells since previous inspection? *NO*
- 9) Is there any new scrap iron on the ground? *YES*
- 10) List date, time, and license number of acid trucks on or near the property.

*TIME - 9:00 AM.  
DATE - 10-5-73*

*LICENSE NUMBER - R51-103*

- 11) Describe any changes in routine or unusual activity on the property.  
*ALL PADS RUNNING NOW.*

On the diagram indicate the location of scrap iron and cement copper.



Observer Joe Morales Jr.

Date 10-5-73

PRODUCERS MINERALS CORP  
PEACOCK MINE

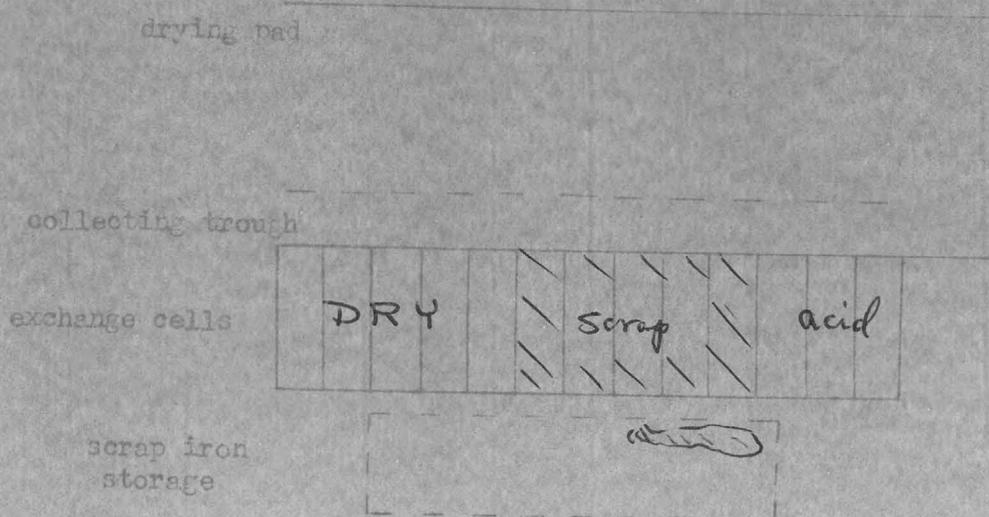
Jefford, Arizona

- 1) Is the circulation pump running? *yes - one*
- 2) Is acid being distributed on main leach dump? *yes*
- 3) Is acid being pumped onto run-of-the-mine rock and fine leach heap? *yes*
- 4) Where are the acid trucks dumping? *same place*
- 5) Is acid circulating through exchange cells? *yes*
- 6) Is there cement copper on drying pad? *yes*  
In collection trough below cells? *no*
- 7) Is there scrap iron in the cells? *yes*
- 8) Has any scrap iron been added to cells since previous inspection? *no*
- 9) Is there any new scrap iron on the ground? *no*
- 10) List date, time, and license number of acid trucks on or near the property.

11) Describe any changes in routine or unusual activity on the property.

*load of copper shipped out at 3 PM*

On the diagram indicate the location of scrap iron and cement copper.



Observer *Bob Helming*

Date *October 8, 1973*

*Flurry*  
File: Safford  
Claridge

665-D

UNITED STATES

v.

ADAM J. FLURRY

A-30887

Decided MAR 5 - 1968

**Mining Claims: Discovery**

To constitute a valid discovery upon a lode mining claim there must be a discovery on the claim of a lode or vein bearing mineral which would warrant a prudent man in the expenditure of his labor and means, with a reasonable prospect of success, in developing a valuable mine; it is not sufficient that there is mineralization exposed, in and of itself valueless for mining purposes, upon which is based a hope that further exploration will disclose a valuable mineral deposit at depth.

**Mining Claims: Contests--Mining Claims: Discovery**

The Government is not obligated to prove affirmatively in a mining contest either that the land claimed is nonmineral or that no discovery of a valuable mineral deposit within the limits of a mining claim has been made; when a Government mineral examiner testifies that he has examined a mining claim and has found no mineralization to sample, a prima facie case of no discovery has been made and, if unrebutted, will warrant a finding that there has been no discovery.

**Mining Claims: Contests--Mining Claims: Determination of Validity**

Where a contest is brought against a mining claim on the ground of lack of discovery, after the Government has made a prima facie showing that there has not been a discovery, the burden of proof is upon the contestee to show by a preponderance of the evidence that a discovery has been made.

**Mining Claims: Special Acts--Mining Claims: Surface Uses--Surface Resources Act: Generally**

In a proceeding under section 5 of the act of July 23, 1955, to determine the rights of a mineral claimant to the surface resources of his mining claims, the claims are properly subjected to the limitations and restrictions of section 4 of that act unless it is shown that a valid discovery within the meaning of the mining laws was made within the limits of each claim prior to the date of the act.

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BUREAU OF LAND MANAGEMENT	
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UNITED STATES  
DEPARTMENT OF THE INTERIOR  
OFFICE OF THE SECRETARY  
WASHINGTON, D.C. 20240

A-30887

United States  
v.  
Adam J. Flurry

: Oregon Contest No. 05554-Q  
: Mining claims declared  
: subject to the act of  
: July 23, 1955  
: Affirmed

APPEAL FROM THE BUREAU OF LAND MANAGEMENT

Adam J. Flurry has appealed to the Secretary of the Interior from a decision dated August 14, 1967, whereby the Office of Appeals and Hearings, Bureau of Land Management, affirmed a decision of a hearing examiner declaring the St. Clair and St. Clair Nos. 1, 2 and 3 mining claims in secs. 29 and 30, T. 15 S., R. 4 E., W. Mer., Oregon, subject to the limitations and restrictions of section 4 of the Surface Resources Act of July 23, 1955, 30 U.S.C. § 612 (1964).

Upon the recommendation of the Forest Service, United States Department of Agriculture, a proceeding was initiated pursuant to section 5 of the act of July 23, 1955, 30 U.S.C. § 613 (1964), to determine the right to the use and control of the surface of the land embraced in the mining claims. A hearing was held at Albany, Oregon, on December 13, 1965, on the charge that minerals have not been found within the limits of the claims in sufficient quantities to constitute a valid discovery.

At the hearing, Harold G. Plog, a mining engineer formerly employed by the Forest Service, testified that he examined the claims in question in connection with his employment with the Forest Service on June 18 and 19 and September 11, 1964 (Tr. 8), 1/ that he took seven mineral samples from the St. Clair No. 1 claim which showed gold and silver values ranging from nothing to \$2.58 per ton (Tr. 14-21, Ex. 9 and 10), 2/ and that he took no samples from the other three

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1/ Plog's employment with the Forest Service terminated between the examination of the claims in 1964 and the commencement of this proceeding in 1965. (See Tr. 7.)

2/ Two of the samples taken by the witness had assay values of \$2.58 per ton in gold and silver, while two samples disclosed no values. The other three samples had indicated values of \$1.53, \$1.29 and \$2.06 per ton, respectively.

claims for the reason that no mineralization was exposed on those claims (Tr. 12). From his examination the witness concluded that there was not a sufficient exposure of mineralization on the claims to constitute a discovery within the meaning of the mining laws. (Tr. 22-23.)

The mining claimant presented no evidence at the hearing. Instead, he requested, and was granted, an opportunity to have the claims examined and to submit a report of the examination with the understanding that the hearing would be continued if considered necessary. (Tr. 60.) Subsequently, he submitted to the hearing examiner assay reports of two samples taken from the St. Clair No. 1 in 1936 which showed values of \$7.07 per ton in gold and silver and \$41.21 per ton in unspecified minerals, but presumably gold and silver, respectively, assay reports of four samples taken from the St. Clair claim in 1958 which showed values ranging from a trace to \$.88 per ton, and of one grab sample taken from the St. Clair No. 2 claim in 1958 which indicated value of \$21.54 per ton, and the assay report of a sample taken from the St. Clair No. 1 in 1958 which disclosed "no metals or minerals \* \* \* of commercial value." The claimant also submitted a report, prepared on July 14, 1966, by Harold E. L. Barton, a mining geologist, who stated that he had examined appellant's mining claims in June 1949, in July 1956, in October 1960, and again in July 1966, just prior to preparation of the report. Barton's report contained assay reports of 11 mineral samples taken from the claims in 1960 and 12 samples taken in 1966. <sup>3/</sup> It also contained qualitative spectrographic analyses of three of the 1966 samples.

Barton's report was centered on data from U.S.G.S. Bulletin No. 893 (1938) which described the geology and the mining history of the Blue River mining district of which appellant's claims are a part. Barton stressed the similarities between the surface showings on appellant's claims and the surface showings on the Lucky Boy mine in the same district, from which production of nearly \$159,000, almost entirely in gold, was recorded between 1900 and 1913. In summarizing his findings, Barton stated as to the St. Clair that the "presence of relatively high gold values where sulfides are found indicates the

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<sup>3/</sup> The 23 samples for which assay reports were submitted included 8 samples from the St. Clair claim with values ranging from \$.35 to \$6.15 per ton, 7 samples from the St. Clair No. 1 with values ranging from \$.87 to \$4.50 per ton, 7 samples from the St. Clair No. 2 with values ranging from zero to \$2.10 per ton, and 1 sample from the St. Clair No. 3 with an indicated value of \$.35 per ton. Only 6 of the 23 samples indicated values of \$2.00 per ton or more.

probability of increasing values with depth," that the "veins on the St. Clair, St. Clair No. 1, and St. Clair No. 2 lode claims, so far as exposed, have essential similarity with other productive veins of the District," <sup>4/</sup> and that "considering the values present in the leached surface zone further exploration and development are warranted with a fair chance of having a paying mine."

By a decision dated January 5, 1967, the hearing examiner found that the evidence of appellant's \$41.21 grab sample taken in 1936, standing alone and without adequate explanation is meaningless, that Barton established that there were isolated bits of minerals on the St. Clair, St. Clair No. 1 and St. Clair No. 2, that there was some basis, through geological inferences, to believe that the St. Clair claims had veins similar to veins which were productive in the district 60 years ago, and that more exploratory work was warranted, but he concluded that the mining claimant had failed to establish that there are sufficient values at the present time to induce further expenditure of labor and means with a reasonable prospect of success in developing a valuable mine, the long-recognized standard for determining whether or not there has been a discovery of a valuable mineral deposit. See Castle v. Womble, 19 L.D. 455 (1894); Chrisman v. Miller, 197 U.S. 313 (1905); Best v. Humboldt Placer Mining Co., 371 U.S. 334 (1963).

In appealing to the Director, Bureau of Land Management, appellant questioned the requirement of the same degree of proof of a discovery in this case as would be required in a patent proceeding. He did not dispute the hearing examiner's conclusions with respect to the St. Clair No. 3 claim, but he denied the correctness of the findings with respect to the other three claims. He argued, inter alia, that the Government's witness found values averaging \$2.32 per ton in the mineral-carrying portion of the vein zone at the face of a 60-foot tunnel, while in an open cut above the tunnel his values averaged \$1.41 per ton. This 65% increase in value with only a few feet of vertical depth, appellant argued, supported the validity of his contention that mineral values will increase at depth.

In its decision of August 14, 1967, the Office of Appeals and Hearings found the test of a discovery and the standard of proof thereof to be the same, whether in a determination of surface rights or in a mineral patent proceeding. It also found that appellant's argument that

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<sup>4/</sup> U.S.G.S. Bulletin No. 893 reported production from only three mines in the Blue River district. Of a total of \$168,389.66 in recorded mineral production in the district from 1896 to 1924, the Lucky Boy mine accounted for nearly \$159,000.00. The Geological Survey bulletin did not report any production from the district after 1924, and none was cited by Barton.

mineral values may be expected to increase at depth was based upon mere theory or geological inference which cannot be substituted for the actual exposure of sufficient minerals.

In his present appeal, the appellant argues that the Office of Appeals and Hearings repeated the errors of the hearing examiner, and he relies upon the arguments raised in his appeal to the Director. He also contends that:

"The Charge that there was no discovery before 1955 was made and Government engineers examination and evaluation were made, on the assumption there were no workings West of the Apex trenches on St. Clair and St. Clair No. 1. Contestees Brief and Evidence show that in fact two veins had been extensively exposed by cuts and tunnels. Though a vein structure was obvious in the cuts on No. 2 and No. 3, and moderate values were shown in Barton's samples, the Government engineer failed to detect any mineralization.

"It cannot be said under these circumstances that the Government presented a prima facie case as to non-discovery and the Contestant therefore did not overcome their burden of proof requirement." (Emphasis in original.)

The point of this contention is not entirely clear. In his appeal to the Director, appellant stated that an "appeal on behalf of St. Clair No. 3 is not being made and that claim is not in issue in this appeal." It appears that he is now attempting to reassert the validity of the St. Clair No. 3 on the basis of the Government's failure to make a prima facie showing of its invalidity. Moreover, it is by no means clear whether appellant is charging that the Government failed to make a prima facie case or whether he is claiming that he has rebutted the Government's prima facie case, Whatever may be his object, we find no merit in the contention.

In explaining his failure to take any samples from the St. Clair, St. Clair No. 2 or St. Clair No. 3, the Government's witness stated at the hearing that:

"The St. Clair claim is the--it perhaps demonstrates the least of the workings. It does have a long dozer cut at the upper end. The claim lies down the slope towards Poorman's Creek. The dozer cut on the claim demonstrated no mineralization whatever. \* \* \*

\* \* \* \* \*

"St. Clair Nos. 2 and 3 demonstrated a discovery cut at the point of--at the notice of location, occurring at the common end line of the two claims. Again, the cut demonstrated no mineralization and no alteration. \* \* \*" (Tr. 12.)

The testimony of the witness does not suggest any "assumption there were no workings." The witness simply testified as to what he saw. From his observations he concluded that no mineralization was exposed on the claims. This testimony was sufficient to establish a prima facie case and, if unrebutted, warrants a finding that no discovery was shown, for the Government is not required, in order to establish a prima facie case, to prove affirmatively in a mining contest either that the land claimed is nonmineral or that no discovery of a valuable mineral deposit within the limits of a particular claim has been made. See United States v. George J. Patee, A-28731 (May 7, 1962); United States v. Thomas C. Wells, A-30805 (January 8, 1968); United States v. Frank Coston, A-30835 (February 23, 1968).

The validity of the observations of the Government's witness is, of course, open to challenge. As we pointed out in the Coston case, supra, the Government mineral examiner's testimony that he found no minerals to sample can be rebutted simply by showing what he missed. However, in order to rebut the Government's case, it is necessary to show not only that the Government's examiner would have found some evidence of mineralization had he sampled in the right place but that such evidence would have been sufficient to demonstrate a discovery, for, after the government has made a prima facie showing of no discovery, the burden is upon the claimant to establish by a preponderance of the evidence that a discovery has been made. Foster v. Seaton, 271 F. 2d 836 (D.C. Cir. 1959). The question here, then, is whether the evidence submitted by the appellant is sufficient to achieve that end. We think it is clear that it is not, for the evidence submitted in support of appellant's position, in our view, confirms, rather than refutes, the findings of the Government's mineral examiner.

Insofar as they may be compared, the results obtained by the Government's examiner and by appellant's consulting geologist Barton are reasonably consistent. Seven samples taken by the Government's examiner from the St. Clair No. 1 claim had an average assay value of \$1.43 per ton. If the two samples which showed no values are excluded, the remaining five samples had values averaging \$2.00. The seven samples taken from the same claim by Barton had values averaging \$2.14 per ton. Barton's samples from the other claims averaged even less. It is not suggested that the difference between \$2.00, or \$1.43, and \$2.14 is the margin which determines the feasibility of a mining operation. It is not, in fact, suggested that a successful operation

can be undertaken to mine ore with a value of \$2.14 per ton or even \$6.15 per ton, the highest value found by Barton. <sup>5/</sup> The substance of appellant's basis for claiming a discovery was set forth in his appeal to the Director when he stated that:

" \* \* \* Surface prospecting in zones of leaching never exposes extensive deposits. What it does do is produce evidence, as in the St. Clair group, showing the feasibility [sic] of further development of the exposed veins with an expectation of producing profitably from (1) enriched secondary deposits and (2) primary base metal deposits. \* \* \* Only in the Lucky Boy mine in this District has there been really deep development on veins which carried similar gold and silver values to that found on the St. Clair Claims, specifically in the oxidized surface ores. While the gold-silver content of the sulphide ores so far encountered in the Lucky Boy mine was not sufficient to encourage extensive development for the gold and silver alone, the value and extractability of the copper, lead and zinc values has encouraged extensive development work in recent years at the Lucky Boy." (Emphasis in original.)

*Question*

In other words, appellant is not relying upon the gold and silver values cited to demonstrate a discovery, but rather, is relying upon the value of enriched gold and silver deposits at depth and of even deeper base metal deposits which he has not found but hopes to find if he explores long enough. This does not constitute a discovery, for, in order to have a discovery, mineral must exist in sufficient quantities to justify the expenditure of money for the development of a mine and the extraction of the mineral. Iron Silver Mining Company v. Mike and Starr Gold Mining Company, 143 U.S. 394, 412 (1892) (dissenting opinion); Chrisman v. Miller, *supra*, at 322. The existence of such mineralization must be demonstrated, in the case of a lode claim, by the exposure within the limits of the claim of a vein or lode of mineral-bearing rock in place, possessing in and of itself, value for mining purposes. East Tintic Consolidated Mining Claim, 40 L.D. 271 (1911); see United States v. Stephen B. Milisich, A-30720 (April 13, 1967); United States v. Lucille Lundy, A-30724 (June 30, 1967); United States v. Kenneth O. Watkins and Harold E. L. Barton, A-30659 (October 19, 1967); United States v. C. T. Fredrickson, A-30848 (January 29, 1968); United States v. Frank Coston, *supra*. Clearly, appellant has not, and does not purport to have, made such a showing. Rather, as we stated in the Watkins, Barton case, *supra*, where the mining claimant advanced the same theory of discovery as that advocated by the claimant here:

<sup>5/</sup> The only evidence in the record as to the cost of mining operations is a statement by the Government's witness that he "wouldn't imagine" the cost would be "under fifteen dollars or so per ton." (Tr. 44.)

"\* \* \*The showing thus far made with respect to the claims in question, allowing maximum credibility to appellants' factual allegations, would require reliance upon inference to establish the existence of an ore body as well as its quantity and quality, and all that appellants have shown is a possibility that valuable mineral deposits may exist within the limits of the claims. \* \* \*"

Ask This

Viewing the facts from a little different, and perhaps more practical, perspective, it may well be asked, "What evidence is there that a man of ordinary prudence would expend his labor and means in an effort to develop a valuable mine on these claims?" We are unable to see that there is any.

Where a mining claim has been recently located, and there has been no opportunity to carry out a program of development, the application of the "prudent man" test is essentially one of conjecture as to what a prudent man would do in the particular circumstances indicated. However, where there has been ample time for the development of a mine, the most persuasive evidence as to what a man of ordinary prudence would do with a particular mining claim is what men have, in fact, done or are doing, not what a witness is willing to state that a prudent man would do. Thus, the court observed in Montana Cen. Ry. Co. v. Migeon, 68 F. 811, 817 (C.C. Mont. 1895), that:

"\* \* \* The Childe Harold has been located for over 13 years. There does not seem to be any claim that more work than that necessary to hold it has been done thereon. The work consists of several shafts, easily and inexpensively made. There is no evidence to satisfy me that any of the work was done with the view of developing a valuable mine. While it is true that poor men, in these times of depressed price of silver, are not likely to do more work than they must, yet it is hardly to be expected that a claim held to be valuable for copper, as this is, would be carried by these defendants from the year 1885--when, as appears by their deed, in evidence, they purchased it for \$75--to the present, practically without any effort to develop it into a valuable property. \* \* \*"

Similarly, in Cameron v. United States, 252 U.S. 450, 452 (1920), the Court accepted the Department's findings that:

"It is not pretended that the applicant has as yet actually disclosed any body of workable ore of commercial value; nor does the evidence reveal such indications and conditions as would warrant the belief or lead to the conclusion that valuable deposits are to be found, save, apparently, in the case of the Magician lode claim. With that possible exception, the probabilities of such deposits occurring are no stronger or more evident at the present time than upon the day the claims were located. The evidence wholly fails to show that there are veins or lodes carrying valuable and workable deposits of gold, silver, or copper, or any other minerals within the limits of the locations. Sufficient time has elapsed since these claims were located for a fair demonstration of their mineral possibilities."

Both of the foregoing rationales are equally appropriate here. The claims in question were located in 1932, nearly 33 years before proceedings were initiated to determine surface rights in the claims. There is no evidence in the record that men, prudent or otherwise, have exhibited any inclination to devote their labor or their means to the development of a mine on the claims during that period of time. The evidence of record indicates that appellant has done no more than hold and prospect the claims, activities which the Court held in Cole v. Ralph, 252 U.S. 286, 307 (1920), to be insufficient to establish rights under the mining laws. <sup>6/</sup> The fact that some mining was accomplished in the same mining district more than half a century ago and thereafter was terminated suggests the exhaustion of, rather than the presence of, promising mineral deposits. In short, appellant has failed altogether to show that these claims "invite the expenditure of time and money for their development," the basic test of a discovery. See Chrisman v. Miller, supra, at 322.

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<sup>6/</sup> The record is void of testimony bearing directly upon appellant's efforts to develop a mine on the claims, appellant having refrained from providing any information relative to that question. From the testimony that was given, it appears that there are two tunnels on the St. Clair No. 1 claim in addition to a number of discovery cuts on the other claims. (See Tr. 12-13.) The record does not disclose whether the tunnels were made by appellant or whether they are evidence of mining activity prior to the location of appellant's claims in 1932. In any event, they do not appear to be the result of recent efforts.

Appellant was required in this proceeding to show that he discovered a valuable mineral deposit prior to July 23, 1955, in order to establish exemption of the surface resources of the claims from use and control by the United States. See United States v. Carlile, 67 I.D. 417, 421 (1960); United States v. Clarence E. Payne, 68 I.D. 250, 253 (1961). The record fully supports the finding of the hearing examiner and of the Office of Appeals and Hearings that he did not make the required showing. Accordingly, the claims were properly held to be subject to the limitations and restrictions of section 4 of the act of July 23, 1955. This finding, it should be emphasized, does not preclude further endeavor on the part of the appellant to establish the value of the claims as mining property. As long as the lands embraced in the claims remain open to mineral entry appellant is free to explore for and to develop any of the locatable minerals which he may find. However, until he is able to demonstrate his right to a patent upon the basis of the discovery of a valuable mineral deposit, his use of the claims is limited to mining activity and to such uses of the surface as are incidental to mining.

Therefore, pursuant to the authority delegated to the Solicitor by the Secretary of the Interior (210 IM 2.2A(4)(a); 24 F.R. 1348), the decision appealed from is affirmed.

  
Ernest F. Horn  
Assistant Solicitor  
Land Appeals