

BEAR CREEK MINING COMPANY  
SOUTHWEST DISTRICT

REPORT OF THE  
MINERALS EXPLORATION COMPANY OPTION  
COURTLAND-GLEESON AREA  
COCHISE COUNTY, ARIZONA

by

O. M. McRae

April 8, 1963

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Claim Map	In Pocket
Geologic Map	In Pocket
Geochemical Map	In Pocket
Cross Section (A-A')	In Pocket
Cross Section (B-B')	In Pocket
Drill Logs	In Pocket
T.D. - 965.0' CG-DDH 4	<i>sub marginal</i>
" 1201.3' CG-DDH 11	"
" 629.7' CG-DDH 12	"
" 1014.6' CG-DDH 15	"
" 746.1' CG-DDH 26	<i>2 zones - 20' @ 0.5% ± (242' @ 0.24%)</i>
" 773.0' CG-DDH 28	<i>1 zone - 10' @ 0.2% ± (100' @ 0.13%)</i>
Claim Map with I.P. Lines	<i>0.002% to 1.46%</i> In Pocket
Claim Map with Gravity	<i>Mo. - Mo.</i> In Pocket
I.P. Profile Sheets	In Pocket

## INTRODUCTION

During the period of option (September 1, 1960, to December 26, 1962) those claims in the Courtland-Gleeson area held by Bear Creek Mining Company under option from Minerals Exploration Company (see accompanying claim map) were investigated by the following methods: surface geologic mapping on aerial photographs, diamond core drilling, geochemical rock chip sampling and Induced Polarization surveying.

## GENERAL GEOLOGY

Rocks exposed on the claim group or found by drilling include Precambrian Pinal schist, Cambrian Bolsa quartzite and Abrigo limestone, Devonian Martin limestone, Mississippian Escabrosa limestone, Pennsylvanian Morquilla limestone, Permian(?) Colina limestone, and Cretaceous sedimentary and associated volcanic rocks. Also present are the Jura-Triassic intrusions of Copper Belle monzonite porphyry and the Turquoise granite. Tertiary igneous rocks are represented by felsite sill-like and dike-like intrusive masses.

Detailed descriptions of the principal rock types are provided in U.S.G.S. Professional Paper 281, a report (dated 1956) by James Gilluly titled "General Geology of Central Cochise County, Arizona". Additions to the above descriptions follow.

The Tertiary felsite intrusions are white to grey, silicious, quartz and feldspar bearing felsite porphyry, probably related to the Sugarloaf quartz latite.

## STRUCTURAL GEOLOGY

Gilluly (1956) reports that 90 percent of the bedrock contacts in the Courtland-Gleeson area are at least, in part, mechanical, involving thrusting, normal faults, bedding

faults, faulted igneous contacts and glide thrusts. This is to a large degree correct. See geologic map accompanying this report.

#### COURTLAND THRUST FAULT

Although nowhere exposed on the claim group this fault is undoubtedly the most important single structural element affecting the property. It was intersected at 581 feet in CG-DDH 12 and at 821 feet in CG-DDH 15. These intersections and one from elsewhere in the Courtland-Gleeson area demonstrate that the fault strikes N46W and dips to the southwest at 15°. The exact horizontal displacement is not known; however, CG-DDH 15 and the exposure of the thrust in the northeast part of the Courtland-Gleeson area show that the minimum possible heave can be no less than 6,000 feet. The exact heave is undoubtedly considerably more.

#### TURQUOISE RIDGE THRUST FAULT

This fault appears to strike N35W and dips to the southwest at 23°. It is an overthrust sheet relative to the Courtland Thrust Plate which it overlies. Differential overthrusting in the area west of the MEXCO drill area is probably on the order of only about 100 feet or less.

#### RAT CANYON THRUST FAULT

The trace of this fault extends all along the south wall of Rat Canyon, approximately 200 feet above the canyon floor where it locally dips 60° to the south and separates Turquoise granite from overlying Copper Belle monzonite porphyry. The fault contact is characterized by a gouge zone that attains a maximum thickness of 10 feet. Like the other major thrust faults in the area the Rat Canyon Thrust probably strikes northwest and dips to the southwest at a very low angle. The Rat Canyon Thrust Plate is an underthrust sheet relative to

the Gleeson Ridge Thrust Plate which overlies it. Similarly, the underlying Courtland Thrust Plate is an underthrust sheet.

#### GLEESON RIDGE THRUST FAULT

The exposure of this fault is characterized by a three to six foot gouge zone that, on the east flank of Gleeson Ridge, was locally observed to dip  $24^{\circ}$  to the west. The overall attitude of the thrust is undoubtedly much like that of the other thrusts in the area.

#### NORTH COURTLAND GLIDE THRUST

By glide thrust faulting it is meant that lateral and downward movement of rock masses along planes of structural weakness (i.e., shear zones, bedding planes or igneous-sedimentary contacts) has occurred under the influence of gravity alone. In other words, regional compressional forces are not directly involved. Within these fault plates, characteristic extension of younger beds beyond older beds has occurred as a result of differential movement along bedding planes. This displacement along the bedding parallels the direction of glide thrusting.

The most obvious example of glide thrusting in the Courtland-Gleeson area is the North Courtland Glide Thrust located, in part, in the extreme northwest portion of the subject claim group. Here a glide thrust plate of Precambrian Pinal schist, Cambrian Bolsa quartzite and Abrigo limestone overlies the Mississippian Escabrosa and Pennsylvanian Horquilla limestones, as well as the Copper Belle monzonite porphyry. The thrust plate is separated from the younger rocks by a fault breccia-alluvial gravel mixture that averages 15 feet in thickness (Wilson, 1927). The presence of the alluvial gravels below the thrust demonstrates that this faulting has taken place at the surface, and after the present topography was formed. Movement has been in an easterly direction and the heave appears to be about 2,500 feet.

## BROWNS GLIDE THRUST

The Browns Glide Thrust is a minor structure low on the east flank at Browns Peak. It is a small thin plate of eastward dipping Bolsa quartzite which has overridden quartz bearing feldspar felsite porphyry which has intruded the Abrigo limestone.

As in the case with the other glide thrusts in the area, movement has been in an easterly direction, but the heave is probably no more than a few hundred feet.

## NORMAL FAULTS

Normal faults are common throughout the Courtland-Gleeson area, but particularly in the northeast part of the area and on Gleeson Ridge. The North Courtland Glide Thrust is cut by several of these faults. For this reason, it is believed that at least part of the normal faults are considerably younger than the Early Tertiary period of deformation (i.e., the period of thrust faulting) and are thought to be related to the Late Tertiary regional block faulting.

## MINERALIZATION AND ALTERATION

The area indicated on the geologic map as the "major surface hydrothermal alteration and mineralization zone" is a part of a very large zone of obvious and intense sericitization, silicification, and clay alteration. Drilling and geophysical work has also shown it to be an area of intense sulfide (predominantly pyrite) mineralization.

## AGE OF MINERALIZATION

The altered and mineralized Tertiary felsites show that

a period of alteration and mineralization took place during the Tertiary. Highly altered fragments of Turquoise granite as well as pyritized fragments of Bolsa quartzite have been found in the unaltered and unmineralized Cretaceous volcanics. Therefore, an earlier period of alteration and mineralization took place in pre-Cretaceous time, probably Nevadan time.

BEAR CREEK MINING COMPANY  
SOUTHWEST DISTRICT

SUMMARY REPORT  
OF THE  
HOPE MINING AND MILLING COMPANY OPTION  
COURTLAND-GLEESON AREA  
COCHISE COUNTY, ARIZONA

1

by

O. M. McRae

April 4, 1963

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Drill Logs	In Pocket
CG-DDH 8	
CG-DDH 10	
CG-DDH 19	
CG-DDH 23	
CG-DDH 24	
CG-DDH 25	
CG-DDH 26	
Mame Mine Map	In Pocket
Mame Mine Assay Map	In Pocket
Mame Mine Alteration Map	In Pocket
Mame Mine Mineralization Map	In Pocket
Claim Map with I.P. Lines	In Pocket
Claim Map with Gravity	In Pocket
I.P. Profile Sheets	In Pocket

## INTRODUCTION

During the period of option (December 7, 1960, to December 20, 1962) those claims in the Courtland-Gleeson area held by Bear Creek Mining Company under option from Hope Mining and Milling Company (see accompanying claim map) were investigated by the following methods: surface geologic mapping on aerial photographs, diamond core drilling, mine mapping, geochemical rock chip sampling and Induced Polarization surveying.

## GENERAL GEOLOGY

Rocks exposed on the claim group or found by drilling include Precambrian Pinal schist, Cambrian Bolsa quartzite and Abrigo limestone, Devonian Martin limestone, Mississippian Escabrosa limestone, Pennsylvanian Horquilla limestone, and Cretaceous sedimentary and associated volcanic rocks. Also present are the Jura-Triassic Copper Belle monzonite porphyry, and the Turquoise granite. Tertiary igneous rocks include felsite sill-like and dike-like intrusive masses and the Pick quartz felsite porphyry.

Detailed descriptions of the principal rock-types are provided in U.S.G.S. Professional Paper 281, a report (dated 1956) by James Gilluly titled "General Geology of Central Cochise County, Arizona". Additions to the above descriptions follow.

The Tertiary felsite intrusives are white to grey, silicious, quartz and feldspar bearing felsite porphyry, probably related to the Sugarloaf quartz latite.

The Pick porphyry is a quartz felsite porphyry consisting of "eyes" of anhedral to subhedral quartz crystals in a white or yellowish white silicious aphanitic, but sometimes granular, groundmass.

## STRUCTURAL GEOLOGY

Gilluly (1956) reports that 90 percent of the bedrock contacts in the Courtland-Gleeson area are at least in part mechanical, involving thrusting, normal faults, bedding faults, faulted igneous contacts, and glide thrusts. This is to a large degree correct. See geologic map accompanying this report.

### COURTLAND THRUST FAULT

Although nowhere exposed on the claim group this fault is undoubtedly the most important single structural element affecting the property. It was intersected at 732.7 feet in CG-DDH 23. This intersection plus drilling data from elsewhere in the area demonstrate that the fault strikes N46W and dips to the southwest at 15°. The exact horizontal displacement is not known; however, a drill hole immediately adjacent to the subject area and the exposure at the thrust in the northeast part of the Courtland-Gleeson area show that the minimum possible heave can be no less than 6,000 feet. The exact heave is undoubtedly considerably more. Cretaceous rocks underlie the thrust where drilled.

### TURQUOISE RIDGE THRUST FAULT

This fault appears to strike N35W and dips to the southwest at 23°. It is an overthrust sheet relative to the Courtland Thrust Plate which it overlies. In the vicinity of CG-DDH 19 differential overthrusting is about 300 feet, but about 1,000 feet north of the drill hole it appears to be about 800 feet.

### NORTH COURTLAND GLIDE THRUST

By glide thrusting we mean lateral and downward movement

of rock masses along planes of structural weakness (i.e., shear zones, bedding planes, or igneous-sedimentary contacts) has occurred under the influence of gravity alone. In other words, regional compressional forces are not directly involved. Within the fault plates, characteristic extension of younger beds beyond older beds has occurred as a result of differential movement along bedding planes. This displacement along the bedding parallels the direction of glide thrusting.

The most striking example of glide thrusting in the Courtland-Gleeson area is the North Courtland Glide Thrust located, in part, in the extreme northeast part of the subject claim group. Here a glide thrust plate of Precambrian Pinal schist, Cambrian Bolsa quartzite and Abrigo limestone overlies the Mississippian Escabrosa and Pennsylvanian Horquilla limestones, as well as the Copper Belle monzonite porphyry. The thrust plate is separated from the younger rocks by a fault breccia-alluvial gravel mixture that averages 15 feet in thickness (Wilson, 1927). The presence of the alluvial gravel below the thrust demonstrates that this faulting has taken place at the surface, and since the present topography was formed. Movement has been in an easterly direction and the heave appear to be about 2,500 feet.

#### HERGET GLIDE THRUST

The Herget Glide Thrust includes a segment or slice of the Turquoise Ridge Thrust Fault. It occurs in the central part of the subject area and is a relatively thin plate, only a few hundred feet thick. The plate consists of steeply eastward dipping Bolsa quartzite and Abrigo limestone with associated intrusions of felsite and Copper Belle monzonite porphyry. Locally the sediments are overturned to the west. The configuration of the plate has been somewhat modified by subsequent east and north-trending normal faults; indeed, the eastern edge of the plate is terminated by such a fault. The plate overlies the steeply eastward dipping Abrigo limestones and associated intrusives of the Courtland Thrust Plate. The heave of this glide thrust appear to be somewhat less than 1,000 feet and the direction of movement is to the east.

## NORMAL FAULTS

Normal faults are common throughout the Courtland-Gleeson area, but particularly in the northeast part of the area and on Gleeson Ridge. The North Courtland Glide Thrust is cut by several of these faults. For this reason, it is believed that at least part of the normal faults are considerably younger than the Early Tertiary period of deformation (i.e., the period of thrust faulting) and are thought to be related to the Late Tertiary region block faulting.

## MINERALIZATION AND ALTERATION

The area indicated on the geologic map as the "major surface hydrothermal alteration and mineralization zone" is a part of a very large zone of obvious and intense sericitization, silicification, and clay alteration. Drilling and geophysical work has also shown it to be an area of intense sulfide (predominantly pyrite) mineralization.

## AGE OF MINERALIZATION

The altered and mineralized Tertiary felsites show that a period of alteration and mineralization took place during the Tertiary. Highly altered fragments of Turquoise granite as well as pyritized fragments of Bolsa quartzite have been found in the unaltered and unmineralized Cretaceous volcanics. Therefore, an earlier period of alteration and mineralization took place in pre-Cretaceous time, probably during Nevadan time.

**BEAR CREEK MINING COMPANY**

SOUTHWEST DISTRICT

2601 NORTH FIRST AVENUE

TUCSON, ARIZONA

MAIN 4-5547

April 16, 1963

Mr. Keith Martin, Agent for  
Hope Mining and Milling Company  
2643 North Park Avenue  
Tucson, Arizona

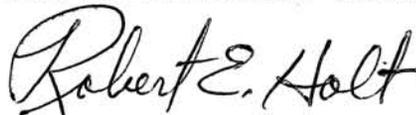
Dear Keith:

Enclosed please find one copy of "Summary Report of the Hope Mining and Milling Company Option, Courtland-Gleeson Area, Cochise County, Arizona", and accompanying geological, geochemical and geophysical maps.

Should you have any questions concerning these data, please do not hesitate to contact this office.

Sincerely yours,

BEAR CREEK MINING COMPANY



Robert E. Holt

REH  
bcs

CC: Mrs. Fournier  
O. McRae

# MEMORANDUM

From

P. W. NEWBURY

County Recorder

Bisbee

Arizona

10-24-60

to: Heinrichs Geoeexploration Co.

The fee for recording a three page instrument is \$3.25. Your check for recording Affidavit of Labor is in the amount of \$2.50. If you will please forward your check for the balance of 75¢, we will record the affidavit and return it to you.

Thank you for your attention to this matter.

Check # 1741 in the amount of  
75¢ as requested--  
herewith enclosed.

After 5 days, return to  
P. W. NEWBURY  
COUNTY RECORDER  
Box 1195  
BISBEE, ARIZONA

October 21, 1960

Recorder  
Cochise County Courthouse  
Bisbee, Arizona

Dear Sir:

Enclosed please find the following:

one AFFIDAVIT OF LABOR PERFORMED AND IMPROVEMENTS  
MADE

one Check # 1718 in the amount of \$2.50

Please record and return to:

HEINRICHS GEOEXPLORATION COMPANY  
P. O. Box 5671  
Tucson, Arizona

Very truly yours,

Walter E. Heinrichs, Jr.

WEH: jh  
Encl: 2

Cochise County  
Arizona

Date Recorded 10/26/60

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Docket 259

No. 16258

**AFFIDAVIT OF LABOR PERFORMED AND IMPROVEMENTS MADE**

STATE OF ARIZONA

SS.

COUNTY OF PIMA

Walter E. Heinrichs, Jr., Pres. & Gen. Mgr., Heinrichs Geoexploration Co.  
Agents for

MINERALS EXPLORATION COMPANY, a California corporation authorized to do

business in the State of Arizona, whose local address is P.O. Box 5671,

808 W. Grant Road, Tucson, Pima County, Arizona, being duly sworn, deposes

and states that MINERALS EXPLORATION COMPANY has performed labor on the

following mining claims as listed below:

<u>Claim Name</u>	<u>Location</u>	<u>Date Recorded</u>	<u>Book</u>	<u>Page</u>
	All in T 19S R 25 E G&SRB&M			
TAT 1	Sec. 21 & 28	8-6-57	173	265
TAT 2	Sec. 28	8-6-57	173	266
TAT 3	Sec. 21 & 28	8-6-57	173	314
TAT 4	Sec. 28	8-6-57	173	267
TAT 5	Sec. 21 & 28	8-6-57	173	268
TAT 6	Sec. 28	8-6-57	173	269
TAT 7	Sec. 21 & 28	8-6-57	173	270
TAT 8	Sec. 28	8-6-57	173	271
TAT 9	Sec. 21 & 28	8-6-57	173	272
TAT 10	Sec. 28	8-6-57	173	273
TAT 11	Sec. 21 & 28	8-6-57	173	274
TAT 12	Sec. 28	8-6-57	173	275
TAT 14	Sec. 21	8-6-57	173	277
TAT 15	Sec. 21	8-6-57	173	278
TAT 16	Sec. 21 & 28	8-6-57	173	279
TAT 17	Sec. 28	8-6-57	173	280
TAT 18	Sec. 28	8-6-57	173	281
TAT 19	Sec. 28	8-6-57	173	282
TAT 20	Sec. 28	8-6-57	173	283
TAT 21	Sec. 28	8-6-57	173	284
TAT 22	Sec. 28	8-6-57	173	285
TAT 23	Sec. 28	8-6-57	173	286
TAT 24	Sec. 28	8-6-57	173	287
TAT 25	Sec. 28	8-6-57	173	288
TAT 26	Sec. 27 & 28	8-6-57	173	289
TAT 28	Sec. 28 & 33	8-6-57	173	290
TAT 29	Sec. 28 & 33	8-6-57	173	291
TAT 30	Sec. 28 & 33	8-6-57	173	292
TAT 31	Sec. 29	8-6-57	173	293
TAT 32	Sec. 29	8-6-57	173	294
TAT 33	Sec. 29	8-6-57	173	295
TAT 34	Sec. 29	8-6-57	173	296
TAT 35	Sec. 29	8-6-57	173	297
TAT 38	Sec. 21	8-6-57	173	299
TAT 39	Sec. 21	8-6-57	173	300
TAT 40	Sec. 16 & 21	8-6-57	173	301
TAT 41	Sec. 16 & 21	8-6-57	173	302
TAT 42	Sec. 21	8-6-57	173	303
TAT 44	Sec. 21	8-6-57	173	304

Performed  
Copy

<u>Claim Name</u>	<u>Location</u>	<u>Date Recorded</u>	<u>Book</u>	<u>Page</u>
TAT 46	Sec. 21	8-6-57	173	306
TAT 48	Sec. 21	8-6-57	173	307
TAT 49	Sec. 21	8-6-57	173	308
TAT 50	Sec. 21	8-6-57	173	309
TAT 51	Sec. 21	8-6-57	173	310
TAT 52	Sec. 21	8-6-57	173	311
TAT 53	Sec. 21	8-6-57	173	312
TAT 54	Sec. 21	8-6-57	173	313
TAT 70	Sec. 28	12-18-57	180	309
TAT 71	Sec. 28 & 33	12-18-57	180	310
TAT 72	Sec. 21	1-23-58	182	542
TAT 73	Sec. 21	1-23-58	182	543
TAT 74	Sec. 21	1-23-58	182	544
TAT 75	Sec. 15,16,21,22	1-23-58	182	545
TAT 76	Sec. 21 & 22	1-23-58	182	546
TAT 77	Sec. 21 & 22	1-23-58	182	547
TAT 78	Sec. 21 & 22	1-23-58	182	548
TAT 79	Sec. 21	1-23-58	182	549
TAT 80	Sec. 21	1-23-58	182	550
Natcha	Sec. 28	4-19-52	10 & 67	422 & 596
Pete	Sec. 28	4-9-52	10 & 67	423 & 597
Buckeye	Sec. 21	4-18-56	144	470
Roy 4	Sec. 21 & 28	4-9-57	169	77

situated in the Turquoise Mining District, County of Cochise, State of Arizona, the location notices of which are recorded in the office of the County Recorder of said County in books and pages as stated above; that between the 1st day of Sept., A.D. 1959 and the 12th day of Oct., A.D. 1960, at least \$6,200.00 (Six thousand and two hundred dollars) worth of work and improvements were done and performed upon said claims, not including the location work of said claims. Such work and improvements were made by and at the expense of Minerals Exploration Company, owner of said claims, for the purposes of complying with the laws of the State of Arizona and the United States of America pertaining to assessment or annual work. Joy Drilling Company (Phil Lustig, drill foreman), Bear Creek Mining Company, and Heinrichs Geoexploration Company were the companies, & Ed Trappman of Elfrida, Arizona, Harold Mars, Jack Cowan, Ignacio Valdez and Ascencion Moreno of Gleeson, Arizona, were the individuals who labored on said claims, did said work and improvements, the same being as follows, to wit: Trenching, enlarging and deepening pits, drill site preparation

and diamond core drilling.

HEINRICHS GEOEXPLORATION COMPANY  
Agents for MINERALS EXPLORATION COMPANY

by: *W. E. Heinrichs, Jr.*  
Walter E. Heinrichs, Jr., President  
and General Manager

Subscribed and sworn to before me this 21 day of Oct A.D. 1960.

*Merion D. Losch*  
Notary Public

My Commission Expires:

My Commission Expires Dec. 29, 1968

Original: D.C. Gugg.  
C.C.: V. H. Jarity  
Bear Creek  
+ Files

October 19, 1960

Mr. Douglas C. Gregg, Assistant Counsel  
Union Oil Company of California  
Union Oil Center  
Los Angeles 17, California

Re: Minerals Exploration Company - Bear  
Creek Mining Company Option Agreement

Dear Doug:

This will acknowledge your letter of 7 October 1960  
and the above reference.

My comments have been made in pencil on the margin  
of your letter and will be found on the attached thermofax  
copy. This, together with similar notations of 4 October  
1960 made on Mr. Verity's letter to me of 3 October 1960,  
thermofax copy of which you have, and Mr. Verity's letter  
to you of 16 October 1960 with which I fully concur, I hope  
will satisfactorily answer all the questions you have  
raised.

Regarding taxes, the Reinartz & Pack agreement calls  
for them to pay the taxes. The Roscoe & Pryor agreement  
requires that Minerals Exploration Company pay the taxes.  
However, I am not certain whether the notices are sent  
direct to Minerals or whether they are forwarded via Col.  
Roscoe; Mr. B. J. Taylor, in your Land Department should  
know which. The Key Lode Claim, being owned outright, tax  
notices are sent directly to Minerals Exploration Company  
at this address and, as requested by the Land Department  
for proper handling and accounting purposes, are forwarded  
immediately to them for payment. As to the last two items,  
the full 1960 taxes, just recently assessed, were paid by  
the Land Department in the total amount of \$141.86. Thus,  
according to the proposed provisions in the Bear Creek  
Option Agreement, we will only be able to bill Bear Creek

Mr. Douglas C. Gregg

- 2 -

October 19, 1960

for their pro rata share of one-half this amount or \$70.93 until the first Monday of March 1961 at which time the second half installment becomes due. As mentioned by Mr. Verity, it might be just as well, in the future, to pay these taxes on a half-year basis. Enclosed are machine copies of data from the land department on this matter.

Very truly yours,

Walter E. Heinrichs, Jr.

WEH:jh

Encl: 3

cc: (w/o enclosures)  
D. Tower  
V. Verity  
U.O.Co. Land Dept.

September 14, 1960

Mr. Douglas C. Gregg  
Assistant Counsel  
Union Oil Company of California  
Union Oil Center  
Los Angeles 17, California

Re: Minerals Exploration Company  
Bear Creek Mining Company  
Assessment agreement

Dear Mr. Gregg:

Enclosed is the properly executed copy of the Mexco, Bear Creek agreement, returned to you as requested in your letter to Mr. Heinrichs of September 6, 1960.

Mr. Heinrichs is out of the office for a few days and asked me to take care of this matter in his absence.

Very truly yours,

M. Jean Heinrichs

j  
Encl: 1

September 14, 1960

Mr. Douglas C. Gregg  
Assistant Counsel  
Union Oil Company of California  
Union Oil Center  
Los Angeles 17, California

Re: Minerals Exploration Company  
Bear Creek Mining Company  
Assessment agreement

Dear Mr. Gregg:

Enclosed is the properly executed copy of the Mexco, Bear Creek agreement, returned to you as requested in your letter to Mr. Heinrichs of September 6, 1960.

Mr. Heinrichs is out of the office for a few days and asked me to take care of this matter in his absence.

Very truly yours,

M. Jean Heinrichs

j  
Encl: 1

*Confirmed Copy*

MINERALS EXPLORATION COMPANY

TUCSON, ARIZONA

RECEIVED SEP 14 1960

AGREEMENT DATED AUGUST 29, 1960, BETWEEN

BEAR CREEK MINING COMPANY, A DELAWARE

CORPORATION, AND MINERALS EXPLORATION

COMPANY A CALIFORNIA CORPORATION, BOTH

AUTHORIZED TO DO BUSINESS IN ARIZONA

The Parties Hereto Agree As Follows:

- 1) BEAR CREEK agrees to enter into and upon certain unpatented mining claims belonging to MINERALS EXPLORATION COMPANY, for the purpose of doing annual assessment work. The said unpatented mining claims listed as follows:

The following described unpatented lode mining claims situated in the Turquoise Mining District, Cochise County, Arizona, location notices of which are of record in the office of the County Recorder of Cochise County, as follows:

<u>Name of Claim</u>	<u>Docket</u>	<u>Page</u>
TAT 1	173	265
TAT 2	173	266
TAT 3	173	314
TAT 4	173	267
TAT 5	173	268
TAT 6	173	269
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TAT 8	173	271
TAT 9	173	272
TAT 10	173	273
TAT 11	173	274
TAT 12	173	275
TAT 14	173	277
TAT 15	173	278
TAT 16	173	279
TAT 17	173	280
TAT 18	173	281
TAT 19	173	282
TAT 20	173	283

<u>Name of Claim</u>	<u>Docket</u>	<u>Page</u>
TAT 21	173	284
TAT 22	173	285
TAT 23	173	286
TAT 24	173	287
TAT 25	173	288
TAT 26	173	289
TAT 28	173	290
TAT 29	173	291
TAT 30	173	292
TAT 31	173	293
TAT 32	173	294
TAT 33	173	295
TAT 34	173	296
TAT 35	173	297
TAT 38	173	299
TAT 39	173	300
TAT 40	173	301
TAT 41	173	302
TAT 42	173	303
TAT 44	173	304
TAT 46	173	306
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TAT 52	173	311
TAT 53	173	312
TAT 54	173	313
TAT 70	180	309
TAT 71	180	310
TAT 72	182	542
TAT 73	182	543
TAT 74	182	544
TAT 75	182	545
TAT 76	182	546
TAT 77	182	547
TAT 78	182	548
TAT 79	182	549
TAT 80	182	550
Hockeys	144	470
Hatcha	10	422
(Amended)	67	596
Pete	10	423
(Amended)	67	597
Ray No. 4	169	77

- 2) BEAR CREEK agrees to commence work thereon not later than August 31, 1960 and to prosecute diligently and continuously, until the minimum sum of \$6,200.00 and type of work as provided in paragraph 3 herein is expended and done or until negotiations are terminated as provided in paragraph 4 herein.
- 3) The work to be performed will consist of one or more of the following and in any event be no less than the equivalent of 2 (two) men, each working (8) eight hours per day and (6) six days per week, without interruption or cessation, except for Sundays and/or legal holidays; digging, road building, drill-site preparation, drilling, trenching, or pitting as BEAR CREEK in its sole discretion shall determine as appropriate, provided however, that BEAR CREEK will have a drill on the above listed MINERALS EXPLORATION COMPANY claims on or before September 12, 1960, and it will operate (6) six days per week until a minimum of \$6,200.00 is spent by BEAR CREEK on said claims. BEAR CREEK agrees that a minimum of \$6,200.00 will be spent on work specified in this paragraph by November 15, 1960, and within (10) ten days following completion of such expenditure, to furnish MINERALS EXPLORATION COMPANY, all information necessary to prepare an affidavit of labor performed and improvements made.
- 4) Should negotiations for an option by BEAR CREEK and MINERALS EXPLORATION COMPANY on the property that is part of this agreement be terminated by either party without a formal option agreement having been signed, MINERALS EXPLORATION COMPANY will reimburse BEAR CREEK for BEAR CREEK'S expenditures on the above listed MINERALS EXPLORATION COMPANY'S claims up to a maximum of \$6,200.00, upon receipt by MINERALS EXPLORATION COMPANY from BEAR CREEK, copies of all data and results, including drill core, cuttings samples, drill logs, assays, etc., obtained by BEAR CREEK in the said work as described in paragraph 3 above, done by BEAR CREEK to that time, on the above listed MINERALS EXPLORATION COMPANY claims. If MINERALS EXPLORATION COMPANY terminates the negotiations for an option then BEAR CREEK is relieved of any further obligation under this letter of agreement. It is expressly understood however that the parties are in basic agreement as to the principal provisions of said option. If BEAR CREEK terminates the negotiations for an option on the MINERALS EXPLORATION COMPANY property which is a part of this agreement, BEAR CREEK shall give (7) seven days advance written notice to MINERALS EXPLORATION COMPANY, addressed to Union Oil Center, Los Angeles 17, California and P. O. Box 5671, Tucson Arizona that the work is to be stopped, during which (7) seven days BEAR CREEK will continue the work as provided for in paragraph 3 herein, and thereafter all work obligations of this letter agreement cease.

5) BEAR CREEK makes no representation to MINERALS EXPLORATION COMPANY that the work to be performed hereunder by BEAR CREEK is proper or sufficient to meet the requirements for annual assessment work on the unpatented mining claims referred to above and MINERALS EXPLORATION COMPANY, or its successors, will not hold BEAR CREEK liable for any claims that may arise as a result of any determination that such work does not constitute proper or adequate assessment work for the purpose of preserving title to the unpatented mining claims listed above, providing such work is performed as stated in paragraph 3 herein.

IN WITNESS WHEREOF, the parties hereto have hereunder set their hands and seals this 12<sup>th</sup> day of September 1960.

WITNESS:

MINERALS EXPLORATION COMPANY

(S) Douglas G. Pegg

by: (S) Dudley Tower

Title: President

WITNESS:

BEAR CREEK MINING COMPANY

(S) Karen R. Williams

by: (S) Thos N. Walthier

Title: District Geologist

AGREEMENT DATED AUGUST 29, 1960, BETWEEN  
BEAR CREEK MINING COMPANY, A DELAWARE  
CORPORATION, AND MINERALS EXPLORATION  
COMPANY A CALIFORNIA CORPORATION, BOTH  
AUTHORIZED TO DO BUSINESS IN ARIZONA

The Parties Hereto Agree As Follows:

- 1) BEAR CREEK agrees to enter into and upon certain unpatented mining claims belonging to MINERALS EXPLORATION COMPANY, for the purpose of doing annual assessment work. The said unpatented mining claims listed as follows:

The following described unpatented lode mining claims situated in the Turquoise Mining District, Cochise County, Arizona, location notices of which are of record in the office of the County Recorder of Cochise County, as follows:

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- 3) The work to be performed will consist of one or more of the following and in any event be no less than the equivalent of 2 (two) men, each working (8) eight hours per day and (6) six days per week, without interruption or cessation, except for Sundays and/or legal holidays; digging, road building, drill-site preparation, drilling, trenching, or pitting as BEAR CREEK in its sole discretion shall determine as appropriate, provided however, that BEAR CREEK will have a drill on the above listed MINERALS EXPLORATION COMPANY claims on or before September 12, 1960, and it will operate (6) six days per week until a minimum of \$6,200.00 is spent by BEAR CREEK on said claims. BEAR CREEK agrees that a minimum of \$6,200.00 will be spent on work specified in this paragraph by November 15, 1960, and within (10) ten days following completion of such expenditure, to furnish MINERALS EXPLORATION COMPANY, all information necessary to prepare an affidavit of labor performed and improvements made.
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5) BEAR CREEK makes no representation to MINERALS EXPLORATION COMPANY that the work to be performed hereunder by BEAR CREEK is proper or sufficient to meet the requirements for annual assessment work on the unpatented mining claims referred to above and MINERALS EXPLORATION COMPANY, or its successors, will not hold BEAR CREEK liable for any claims that may arise as a result of any determination that such work does not constitute proper or adequate assessment work for the purpose of preserving title to the unpatented mining claims listed above, providing such work is performed as stated in paragraph 3 herein.

IN WITNESS WHEREOF, the parties hereto have hereunder set their hands and seals this \_\_\_\_\_ day of \_\_\_\_\_ 1960.

WITNESS:

MINERALS EXPLORATION COMPANY

by: \_\_\_\_\_

Title: \_\_\_\_\_

WITNESS:

BEAR CREEK MINING COMPANY

by: \_\_\_\_\_

Title: \_\_\_\_\_

AGREEMENT DATED AUGUST 29, 1960, BETWEEN  
BEAR CREEK MINING COMPANY, A DELAWARE  
CORPORATION, AND MINERALS EXPLORATION  
COMPANY A CALIFORNIA CORPORATION, BOTH  
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(Amended)	67	596
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Roy No. 4	169	77

- 2) BEAR CREEK agrees to commence work thereon not later than August 31, 1960 and to prosecute diligently and continuously, until the minimum sum of \$6,200.00 and type of work as provided in paragraph 3 herein is expended and done or until negotiations are terminated as provided in paragraph 4 herein.
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IN WITNESS WHEREOF, the parties hereto have hereunder set their hands and seals this \_\_\_\_\_ day of \_\_\_\_\_ 1960.

WITNESS: MINERALS EXPLORATION COMPANY

\_\_\_\_\_ by: \_\_\_\_\_  
Title: \_\_\_\_\_

WITNESS: BEAR CREEK MINING COMPANY

\_\_\_\_\_ by: \_\_\_\_\_  
Title: \_\_\_\_\_

**AGREEMENT DATED AUGUST 29, 1960, BETWEEN  
BEAR CREEK MINING COMPANY, A DELAWARE  
CORPORATION, AND MINERALS EXPLORATION  
COMPANY A CALIFORNIA CORPORATION, BOTH  
AUTHORIZED TO DO BUSINESS IN ARIZONA**

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IN WITNESS WHEREOF, the parties hereto have hereunder set their hands and seals this \_\_\_\_\_ day of \_\_\_\_\_ 1960.

WITNESS:

MINERALS EXPLORATION COMPANY

\_\_\_\_\_ by: \_\_\_\_\_

Title: \_\_\_\_\_

WITNESS:

BEAR CREEK MINING COMPANY

\_\_\_\_\_ by: \_\_\_\_\_

Title: \_\_\_\_\_

September 2, 1960

Mr. Douglas C. Gregg, Counsel  
Union Oil Company of California  
Union Oil Center  
Los Angeles 17, California

Re: Bear Creek - Minerals Exploration Co.  
Courtland-Gleeson Assessment Agreement

Dear Doug:

Enclosed are five copies of the latest letter agreement draft. I understand the wording is supposed to have been cleared verbally by Bear Creek clear back to New York City.

Bear Creek needs three executed copies. If everything is in order, please return four of these to me and I will immediately deliver them to Bear Creek's local office, presumably to be executed in their behalf by Tom Walthier and a completely executed copy returned to you. They expect Walthier to be back here on Wednesday, September 7th, then possibly be gone again for a few days.

Meanwhile, in addition to what Bear Creek has already done or will continue doing, we are temporarily keeping our own two men working independently until such time as Vic Verity agrees it is safe to let them go. This is in answer to your letter of 29 August 1960.

Sincerely yours,

Walter E. Heinrichs, Jr.

WEH:jh  
cc: D. Tower  
V. Verity

September 2, 1960

Mr. Douglas C. Gregg, Counsel  
Union Oil Company of California  
Union Oil Center  
Los Angeles 17, California

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Sincerely yours,

Walter E. Heinrichs, Jr.

WEH:jh  
cc: D. Tower  
V. Verity

Mr. Dudley Tower

August 26, 1960

Page - 2 -

Mr. Ed Eisenbray of Bear Creek has been handling things for Bear Creek in the absence of Tom Walthier, and Bear Creek has stated that a bulldozer will be on the ground tomorrow and two men will commence trenching Monday, August 29, 1960.

I will keep you advised of further developments.

Very truly yours,

HEINRICHS GEOEXPLORATION COMPANY

E. Grover Heinrichs  
Vice-President

Enc: 1

EGH/pr

cc: Mr. D. Gregg  
Mr. V. Verity

**SUGGESTED AGREEMENT BETWEEN BEAR CREEK MINING COMPANY AND UNION OIL  
PERTAINING TO ASSESSMENT WORK ON MINERALS EXPLORATION CLAIMS**

Bear Creek agrees to enter into and upon these certain unpatented mining claims <sup>listed as follows: —</sup> belonging to Minerals Exploration Company in the Turquoise Mining District, Cochise County, Arizona, on or before August 31, 1960, for the purpose of doing annual assessment work.

The work will consist of any or all of the following:

road building, drill site preparation, trenching, pitting and/or drilling. Bear Creek will employ or contract ~~for two men per day~~ <sup>& machinery</sup> in the amount of not less than \$5900.<sup>00</sup> five days per week or the equivalent dollar value (~~\$100.00~~) of work per week to be performed by <sup>men &</sup> machinery on said ground, <sup>& such work performed</sup> Bear Creek <sup>to be completed not later Oct. 31, 1960.</sup> also agrees to perform this assessment work continuously from the commencement date until such time as the necessary work is completed for the year or the negotiations with Union Oil (Minerals Exploration Company) are suspended. In the latter case, if negotiations are suspended, Bear Creek will give Union Oil a minimum of seven (7) days notice that the assessment work is to be stopped during which seven (7) days Bear Creek will continue the assessment work at the rate previously stated in this agreement.

It is further mutually understood and agreed between the parties hereto that the assessment work by Bear Creek upon and for the benefit of the mining claims shall be the type of work selected by Bear Creek in its discretion as stated in this agreement, and that Bear Creek is hereby expressly relieved of any and all lia-

bilities of any nature whatsoever on account of holdings that the effects of the work so elected and performed by Bear Creek are inadequate for, or do not constitute the required annual assessment work for the purposes of preserving title to the unpatented lode mining claims previously described; provided, however, that the work so done as annual assessment work is of the kind generally accepted as assessment work.

1 SUGGESTED AGREEMENT BETWEEN BEAR CREEK MINING COMPANY AND UNION OIL  
2 PERTAINING TO ASSESSMENT WORK ON MINERALS EXPLORATION CLAIMS  
3

4 Bear Creek agrees to enter into and upon these certain  
5 unpatented mining claims belonging to Minerals Exploration Company  
6 in the Turquoise Mining District, Cochise County, Arizona, on or  
7 before August 31, 1960, for the purpose of doing annual assessment  
8 work.

9 The work will consist of any or all of the following:  
10 road building, drill site preparation, trenching, pitting and/or  
11 drilling. Bear Creek will employ or contract for two men per day  
12 five days per week or the equivalent dollar value (\$100.00) of work  
13 per week to be performed by machinery on said ground. Bear Creek  
14 also agrees to perform this assessment work continuously from the  
15 commencement date until such time as the necessary work is com-  
16 pleted for the year or the negotiations with Union Oil (Minerals  
17 Exploration Company) are suspended. In the latter case, if nego-  
18 tiations are suspended, Bear Creek will give Union Oil a minimum  
19 of seven (7) days notice that the assessment work is to be stopped  
20 during which seven (7) days Bear Creek will continue the assessment  
21 work at the rate previously stated in this agreement.  
22  
23  
24

25 It is further mutually understood and agreed between the  
26 parties hereto that the assessment work by Bear Creek upon and for  
27 the benefit of the mining claims shall be the type of work selected  
28 by Bear Creek in its discretion as stated in this agreement, and  
29 that Bear Creek is hereby expressly relieved of any and all lia-  
30 bilities of any nature whatsoever on account of holdings that the  
31 effects of the work so elected and performed by Bear Creek are  
32 inadequate for, or do not constitute the required annual assessment

*Total expenses  
Time of \$100.00*

*Change*

1 work for the purposes of preserving title to the unpatented lode  
2 mining claims previously described; provided, however, that the  
3 work so done as annual assessment work is of the kind generally  
4 accepted as assessment work.  
5  
6  
7  
8  
9

10 Reference to total number of  
11 claims = total ~~number of claims~~  
12 amount of work  
13  
14  
15  
16  
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August 9, 1960

Mr. Dudley Tower, Executive Vice President  
Union Oil Company of California  
Union Oil Center  
Los Angeles 17, California

Dear Dud:

I received a copy of Tom Walthier's of Bear Creek Mining Company communication to you dated 29 July 1960 regarding the Courtland Gleeson area negotiations.

Taking items in order, my comments are as follows:

Item #1: O. K.

Item #2: O. K.

Item #3: Consideration of whether or not Bear Creek should assume Minerals Exploration Co.'s obligations for the rest of this year regardless of effective date of option. This would be based partly on principle and the fact that Bear Creek has had for their use, for approximately 2 years, copies of all Mexso's results and data representing almost a \$200,000.00 investment and in addition effectively had an exclusive verbal option during negotiations which have been under way for almost a year now.

Item #4: O. K.

Item #5a: I notice in Cy Rubel's letter of 13 January 1960 he had suggested a 60 day notice of termination. On the basis of general principles I think it might be well to have at least some notice, say 30 days minimum.

Item #5b: Since I was not in attendance, I have no feeling regarding the tone of conversations in your office that were mentioned. Certainly the \$800,000.00 offer is probably the cheapest they will pay for any known or suspected potentially mineralized property in the district of this size and relative strategic location. This is equivalent to about \$10,000.00 per nominal 20 acre claim for the approximate equivalent of 75 claims, or roughly \$500.00 per acre.

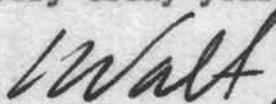
August 9, 1960

Item #5c: O. K.

Item #5d, 5e, & 5f: This is the same bugaboo that we have had to contend with Bear Creek all along and which seems particularly obnoxious to me as I have said before. This is mainly because it is a very unusual stand to take with regard to mining property and in my experience the first time ever encountered in mining negotiations. Ordinarily the purchaser assumes all such obligations and not the seller. Even though this may be somewhat contrary to standard pure real estate practice. Furthermore, I believe Mr. Victor Verity will concur in this. Regardless, my feeling is that \$800,000.00 should be the minimum potential gross profit that Mexco should accept including any and all such litigation expenses. It is extremely difficult to anticipate the potential maximum cost of such expenses should an extremely valuable discovery be made and highly economic operation result. As a pure guess, it could conceivably amount to several hundred thousand dollars if it ever occurred, which at this point seems relatively unlikely, but one never knows. In any event, I feel that justification for any such expenses can only be appraised by the operator based on his knowledge of his problems and possibilities and that such expenses should be borne against net profits of the operation and not gross sales profit of the seller of a lease and option. In other words if they wish to insist on this type of wording, then I would insist on <sup>at least</sup> an additional \$250,000.00 cushion in the purchase price as anticipation to defray any such potential expenses. Also if such wording is included, some specific mention should be made regarding a time limit during which such expenses would be reimbursable to Bear Creek.

Copies of this and the Bear Creek proposal have been forewarded to Mr. Verity for his written opinion.

Very truly yours,



Walter E. Heinrichs, Jr.

WEH: jh

cc: Doug Gregg  
V. H. Verity

Mr. Dudley Tower

- 3 -

August 9, 1960

P. S. Since a bird in the hand is usually worth many in the bush in this business and, as an added incentive to speed up their decision to take up the option, some sort of formula for reducing the purchase price in the interest of time, might be considered. Solely as such an example, the purchase price might be reduced, say: 10% if consummated during the first year, 8% if during the second year and so on down to no reduction if the option goes full term, or any other similar type procedure, which would seem mutually desirable.

W. E. H.

C O O P

Courtland - Gleeson

Assessment work \$5900.00 / year '60

Total required on <sup>rentals,</sup> options \$1240.00 / year '60

Taxes Total .28

Taxes Roscoe \$389.92 / yr.

" Key (Lode) 3.36 / yr.

Harry Christensen 240.00 / yr rental

Options payment Roscoe \$1000.00 12/17/60 \$3000.00 12/17/61

194.96  
2  
389.92

1960

Assessments \$5900.00 8/31/60 5900.00

Rentals H. Christensen 240.00 / yr. 12/5/60 240.00

Options R & P \$1000.00 9/12/60 3000.00

Options Roscoe 12/17/60 1000.00

Taxes R & P (pd. by lessor)  
Roscoe 389.92

Key Lode 3.36

Total — 10,533.28

1961

Assessments \$5900.00 5900.00

Rentals H. Christensen 240. 240.00

Options R & P \$3000.00 3000.00

Roscoe 2000.00 (Final) 2000.00

Taxes Roscoe 389.92

" Key lode 3.36

Total 11,533.28

1962

64, 65, 66, 67, 68, 69, 70, 71, 72 → Total 9533.28

Southern Ariz Titles

Trust -

P.O. Box 700

Bisbee, Ariz.

---

M.

Tucson Title Ins Co

Po Box 5714.

md 48631

<sup>SE</sup> Mr. Pailla Treasurer

---

Ann Marie Cody.

Pioneer Call from Doug Gregg: 5/13/60

Re: Meeting with A. Tucson Title Abstract  
w/ BC. people.

Parcel 2

" 3 Surface & Mineral areas. ✓

" 4 except surface only.

" 5

Min + someh/page

Abstract — 500<sup>00</sup>

" + opinion — 1000<sup>00</sup>

No Problems.

Min \$75<sup>00</sup>  
10<sup>00</sup>/hr.

5/10/60

Title

No Mexico obligation

Title of <sup>Mexico indep</sup> ~~pro~~. If Bear Creek wants a better title they should pay their own money to get it. No a Mexico liability legal decision.

---

March 23, 1960

Mr. Tom Walthier  
Bear Creek Mining Company  
Southwest District  
719 East Copper  
Tucson, Arizona

Re: Letter of 15 March 1960, from Mr. R. M. Fennemore of the firm of Fennemore, Craig, Allen & McClennen, Lawyers, copy of which was furnished to us by your Mr. Isenbrey.

Dear Tom:

We herewith supply the following information and comments:

Parcel #1: A field and courthouse study was made on behalf of Minerals Exploration Company that this land was open to mineral location at the time the locations were made. Prior valid locations which were encountered were only the Buckeye, Natcha, Pete and Kern County Roy groups which have been covered by supplemental agreements in favor of Minerals Exploration Company. Other than this, much of the same ground had been previously located and later abandoned by A. S. & R., and United Geophysical Co. Inc.

An appropriate check of this situation on behalf of Bearcreek's current interest may be justified, the extent of which, can only be determined by Bear Creek.

Copies of instruments related to these, except claim notices (Minerals Exploration Co.) are attached.

Parcel #2: Reinartz & Pack, Turquoise #2, Astic, Parsia & Gift. Mr. Fennemore's comments here would equally apply to virtually every patented mining claim in this district. This is the first time we have ever heard of a Treasurer's Deed as specifically opposed to a Sheriff's Deed. In any event present ownership title is via a court deed of some sort issued on behalf of Cochise County as grantee in lieu of unpaid taxes which have since been paid each consecutive year by the present owners. We agree with Mr. Fennemore that ultimately the simplest procedure to absolutely and finally quiet title would be via quiet title action.

Parcel #3: Christiansen's divorce proceedings were checked to Minerals satisfaction, but it may be in order to re-check to Bear Creek's satisfaction. Copy of Minerals-Christiansen agreement enclosed.

March 23, 1960

Parcel #4: Contrary to the statement "It is not clear that Roscoe purports to own all of the 13 claims", it is definitely clear that he does not and Minerals" agreement in regard to these claims is only for that portion which Roscoe does own, subject of course to final resolution of the prior agreement between Roscoe and Steve Pryor, which may be invalid, or other agreements, if any---and there are none to my personal knowledge or showing in the record. Copy of Minerals agreement with Roscoe and Roscoe's with Pryor are attached. Incidentally, in order to partially quiet Roscoe's title, we did supervise and pay for the successful probate of his late wife's estate in which he was the sole beneficiary.

Parcel #5: Here again, our understanding from the record is that sale was conducted by the Sheriff, (possibly on behalf of the Treasurer?) followed by a court deed, (Treasurer's Deed?). The deed on the records of the Bureau of Land Management in Phoenix is the original U. S. A. Patent, or deed, from the Federal Government to the original patentee. The fact that the original patentee apparently did not record his patent at Bisbee is not at all unusual, particularly in the case of mining claims. In any event, the original patent is not of record at the Cochise County Courthouse, however, it was eventually picked up on the tax rolls and later sold by the Cochise County Board of Supervisors to Richard S. Stearns via a Tax Sale (Sheriff's, Treasurer's Court or what have you) as recorded in deeds of Mines Book 35, pp 155. No further deeds involving this claim were found in a search of the records prior to Mr. Stearn's death. His estate was probated 9/25/53, probate #6592 and this claim is not mentioned in decree of distribution of the estate but the decree does contain a "shot-gun clause" which includes all other things owned, whether or not mentioned, with Fred Telles and/or Carol Telles as beneficiary of all "shot-gun" items. Thus the justification for quit claim deed on the Key Claim from Telles to Minerals. Copy attached together with a pertinent memo of some of the details from E. Grover Heinrichs to Minerals dated 1958.

Now, it should be explained that the attached papers are those currently in force and effect. Intervening items such as option agreements with Morris and Valdez which have been superseded by quit claim deeds, etc., only the deeds are provided. In order to practically expedite matters now we have purposely avoided making this any form of title abstract, because to do so would involve excessive volumes of work and material not necessarily justified at this stage. At such time as substantial capital investment is being contemplated as a result of favorable exploration results, would be the first point to really seriously consider detailed abstracts and any quiet title actions. This is our joint opinion as the result of constant counsel in all of these matters with our attorney, Mr. Victor H. Verity of Tucson, and I believe, fairly represents his formal opinion in the aggregate. To assemble all of the numerous

Mr. Tom Walthier

- 3 -

March 23, 1960

separate bits and pieces of each of Mr. Verity's formal opinions on the various items involved would be a very tedious task because the work covered over 3 years of continual effort.

Legally, the situation is very typical of mining properties everywhere and as such, some things have to be taken at face value and the timing or when and where to draw the line on the extent of legal effort, eventually becomes at least partly a business or technical decision.

Let us know if further details are desired.

Sincerely yours,

HEINRICHS GEOEXPLORATION CO.

Walter E. Heinrichs, Jr.  
President & General Manager

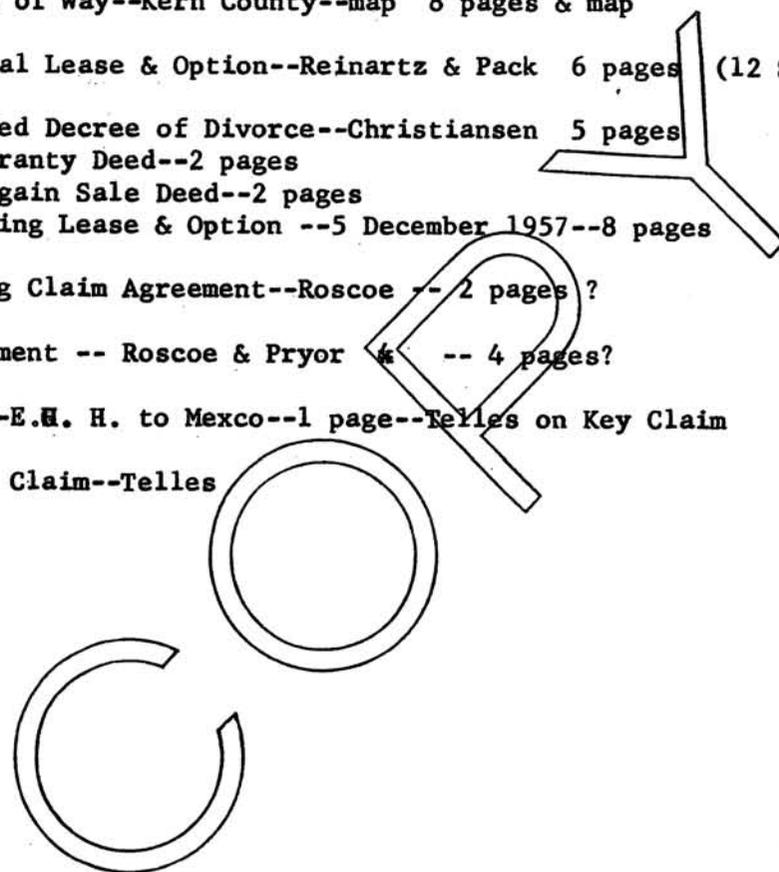
WEH:jh

Encl: 10

cc: V. H. Verity (w/o enclosures)  
Minerals Exploration Co. (w/o encl)

Items included in letter to Walthier

23 March 1960

1. Mining Deed----Morris 17802
  2. Valdez deed (4 pages) 13165
  3. Quit claim--Kern County Land Co. 615 2 pages
  4. Right of Way--Kern County--map 8 pages & map
  5. Mineral Lease & Option--Reinartz & Pack 6 pages (12 Sept 1957)
  6. Amended Decree of Divorce--Christiansen 5 pages  
Warranty Deed--2 pages  
Bargain Sale Deed--2 pages  
Mining Lease & Option --5 December 1957--8 pages
  7. Mining Claim Agreement--Roscoe -- 2 pages ?
  8. Agreement -- Roscoe & Pryor \* -- 4 pages?
  9. Memo--E.H. H. to Mexco--1 page--Telles on Key Claim
  10. Quit Claim--Telles
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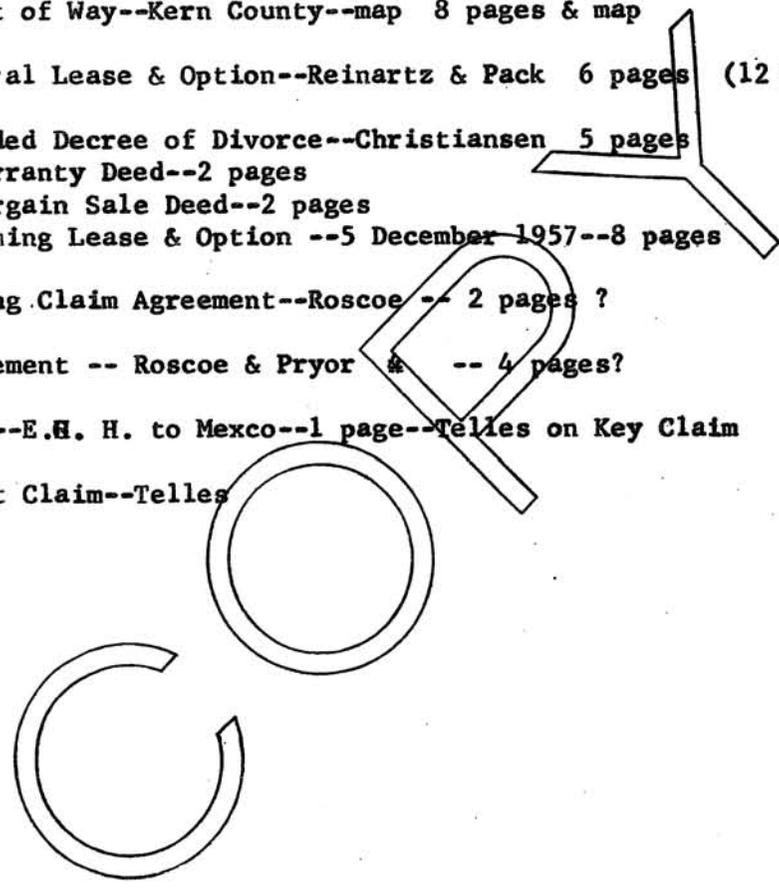
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January 22, 1960

Mr. Douglas C. Gregg  
Assistant Counsel  
Union Oil Company of California  
Union Oil Center  
Los Angeles 17, California

Re: Courtland-Gleeson Area, Cochise County, Arizona  
Minerals Exploration Company P.F.378  
and yours & Mr. Taylors letters of 11 January 1960

Dear Doug:

Listed below are several suggestions and comments regarding the proposed option agreement between Minerals Exploration Company and Bear Creek Mining Company. (See attached copy of Victor Verity letter of 1/19/60).

The property list as prepared by Mr. Taylor is essentially adequate but the following suggested amendments are offered:

- Parcel 1:
- a) Add unpatented mining claim Roy 4 located by Kern County Land Company Docket 169, pp 77 quit claimed to Mexco Docket 191 pp 615-616.  
For location see SE 1/4 of SE 1/4 of Sec. 21 T19S, R25E. A small fraction exists parallel to the Oneida and North of County road which this claim would cover. Any future affidavits of labor filed should include the Roy 4. The Roy 4 fraction was not discovered until lately and the above steps will maintain proper chain of title and further establish the validity of Mexco's ownership of the fraction.
  - b) Include reference to transfer of title from Morris to Mexco (Docket 231 pp 472)
  - c) Include reference to transfer of title from Valdez to Mexco (Docket 225 pp 122)

Parcel 2: O.K.

- Parcel 3:
- a) Change "Christransen" to Christiansen"
  - b) Change "covered by" to "included in" on 4th line as there may be other properties involved in Pat. # 426410 other than the described property.
  - c) Insert "surface" on the third line page 3 before "rights" and insert "included" after and leave in "the following described property;" on lines 4 and 5 page 3. This, together with the agreement and its recorded memorandum refers to the rights granted, whereas Grazing Lease #233 may refer to other properties than that described in our agreement with Christiansen.

January 22, 1960

Use of the words "in part", as was changed in ink on Mr. Taylor's statement, must have been meant to refer to Minerals option to purchase all or any part of the described parcels. It would seem best to let reference to this detail come via reference to the original Christiansen agreement, as Bear Creek will eventually wish to review each separate Mexco agreement anyway.

Parcel 4: O. K.

Parcel 5: Add: Telles, quit claim deed to Mexco, recorded in office of the County Recorder of Cochise County, Arizona in Docket 190 pp 30-31.

I definitely agree with your suggestion as does Vic. Verity that if Bear Creek insists on a reduction in the consideration in the event of adverse settlements on any quiet title actions that a maximum amount or, preferably an exact amount, of reduction be agreed to in advance. This could involve any or all of the patented claims and not just Roscoe's.

Referring to Vic Verity's letter by paragraph number:

Paragraph #2--covered above under parcel 1--a), b), c).

Paragraph #3-- " " " " 1--a), b), c).

and Parcel 5

Paragraph #4-- " " under Parcel 3--b), & c).

Paragraph #5-- Wording I used in letters to Bear Creek stated that:  
"the unpatented lode claims were located in a bona fide legal manner, with all required posts and location pits no less than 8' deep, with mineral in place on most of the claims, either on the surface, in the pits, or in core drill holes.

Paragraph #6--Up to Bear Creek, when, as, and if they feel expense is warranted. Not justified at this stage.

Paragraph #7--Federal deed not of record at Cochise County Court House, or specifically mentioned in will to Telles. Last deed known in hands of Telles<sup>n</sup> antecedent.

Paragraph #8--Yes, as mentioned above.

Paragraph #9--Makes no material difference, Mexco via Roscoe or Mexco via Christiansen. Same could apply on part of Banner claim for which we did not deal separately from Christiansen.

Paragraph #10--Yes.

Paragraph #11--Bargaining point, ask for definition of NSR, but let Bear Creek define.

Let us know if we can assist further.

Very truly yours,

HEINRICHS GEOEXPLORATION CO.

Walter E. Heinrichs, Jr.

WEH:jh

Encl: 1

cc: Mr. B.J. Taylor  
w/o encl.

January 22, 1960

Mr. Douglas C. Gregg  
Assistant Counsel  
Union Oil Company of California  
Union Oil Center  
Los Angeles 17, California

Re: Courtland-Gleeson Area, Cochise County, Arizona  
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Walter E. Heinrichs, Jr.

WEH:jh  
Encl: 1  
cc: Mr. B.J.Taylor  
w/o encl.

+ Verity

January 22, 1960

F  
Mr. Thomas Walthier, District Geologist  
Bear Creek Mining Company  
719-721 East Copper Street  
Tucson, Arizona

*mevco* ✓

Dear Tom:

This is in reference to Mr. Rubel's letter to you of 13 January, copy of which I received.

As mentioned in my phone call to you today, it occurred to me that a rough "unofficial" property listing in lieu of the "official" one alluded to in paragraph 5 of Mr. Rubel's letter which will be submitted to you "shortly", might be helpful to you in the meantime and might expedite the matter all around. Such a list is herewith enclosed for your informal use.

If we can be of further aid to you or your lawyers on the property status angle, or any other, do not hesitate to call.

Sincerely,

HEINRICHS GEOEXPLORATION COMPANY

Walter E. Heinrichs, Jr., President

WEH: jh

Encl: 1

January 22, 1960

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719-721 East Copper Street  
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