



CONTACT INFORMATION
Mining Records Curator
Arizona Geological Survey
3550 N. Central Ave, 2nd floor
Phoenix, AZ, 85012
602-771-1601
<http://www.azgs.az.gov>
inquiries@azgs.az.gov

The following file is part of the Walter E. Heinrichs, Jr. Mining Collection

ACCESS STATEMENT

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

CONSTRAINTS STATEMENT

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

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

QUALITY STATEMENT

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

June 12, 1975

Mr. Pete Saccuci
Apartment D - 102
2344 West Devonshire
Phoenix, AZ 85105

Re: Proposed GEOEX Job #1025
Payson, Arizona, Vicinity

Dear Mr. Saccuci:

Podesta's Copper Cloud 1973 report is herewith returned. Many thanks. It was most helpful.

Based on these data and the recent phone conversations with you, we generally concur with your thoughts, that induced polarization (I.P.) geophysics done in a preliminary reconnaissance manner is technically in order as a logical next step in making an appraisal of the economic mineral producing potential of the property. The I.P. method will indicate the volume quantity sulfide present in the subsurface in a most sensitive "bulk-sampling" manner, as well as gross rock type changes and structure. If sulfide mineralization is sparse, the method will quite categorically indicate this as a rule. If significant sulfide concentrations exist, the most logical drill hole sites to test such concentrations will usually be suggested.

In lieu of a geophysical approach, the other next alternative would be a fairly comprehensive and carefully representative sampling program of drilling and/or trenching to confirm size, shape, position and continuity of tonnage and grade estimates. Thus, a \$2000.00 order of magnitude preliminary I.P. geophysical survey would seem prudent at this point.

With the foregoing in mind, GEOEX proposes two parallel or sub-parallel lines of I.P. across the zone of interest using one 500 foot dipole - seven sending electrode set up on each line. This will give optimum possible drill target discrimination and resolvable penetration to approximately 1000 feet below the surface and roughly about 500 feet laterally out beyond the sides of each line. This will then roughly cover two zones about 1000 feet deep, 1000 feet wide and 3500 feet long. The trouble with one deeper line along the zone, is that we would be unable to ascertain any strike trends in the subsurface or possibly more subtle effects of crucial exploratory significance.

June 12, 1975
Page Two

Crew availability is ordinarily from one to three weeks notice. At this instant we could start as early as 23 June, but we understand your necessary considerations may not allow the work to start until after the first of July. For a job of this scope, our crew will consist of three men and one four wheel drive vehicle and will require at least three full field days in this kind of terrain and accessibility. Although we can position ourselves alone on the ground satisfactorily according to the maps in the Podesta report, it may save time for someone familiar with the property to meet our crew. Also, we should make motel reservations for the crew as soon as a definite date is established.

GEOEX agrees to provide complete equipment and three man induced polarization crew, subject to prior commitments, on or about 1 July 1975.

Our charges are based on schedules which include crew days, expenses and Tucson office involvement, thusly:

Three man crew plus equipment - \$300.00/work day.

Expenses: 4 wheel drive vehicle at \$15.00/day plus \$0.20/mile.

Crew living costs at \$65.00 per day.

Directly incidental job expenses (communications, reproductions, special fees, permits, insurance, taxes, expendable field and drafting supplies, routine sub-contracting, assays, and analyses, etc.), at cost plus 15% of our invoiced costs.

Property permits, line preparation liability and trespass-liability, and related costs incurred on projects are chargeable as expenses at our cost plus 15%.

Positioning time between Tucson and job sites at one half the applicable daily rate plus the expenses as above.

Standby time due to inclement weather or client request at one half the applicable daily base rate plus the expenses as above.

Tucson office - Final data compilation, computation and drafting at \$12.50/hour.

Final interpretation and written report preparation at \$18.75/hour.

Our straight time work schedule is based on a five day week and an eight hour work day. Travel time up to one hour per day each way between job site and crew base is not charged. Overtime is sometimes desirable or necessary to expedite the job, and can in fact result in a saving for the client. Such overtime is charged at the rate of \$45.00 per hour, for the three man crew.

Rough field plots and preliminary field interpretations are available any time during the project as needed, but final interpretation and report are only available after appropriate analysis and compilation done at our Tucson office by our Tucson staff.

Mr. Pete Saccuci
June 12, 1975
Page Three

GEOEX will hold the client harmless from all Workmen's Compensation liability, public liability and property damage liability incurred by GEOEX employees.

If this proposal is agreeable, you may so indicate and we will schedule definitely, upon receipt of your advance in the amount of \$2,000.00, together with the extra copy of this letter executed as provided below and returned to us.

Very truly yours,

Heinrichs GEOEXploration Co.

Walter E. Heinrichs, Jr.
President & General Manager

Accepted: _____ (Date)

For: Copper Cloud Mining Company

By: _____

Title: _____

WEH:mt
Enclosure

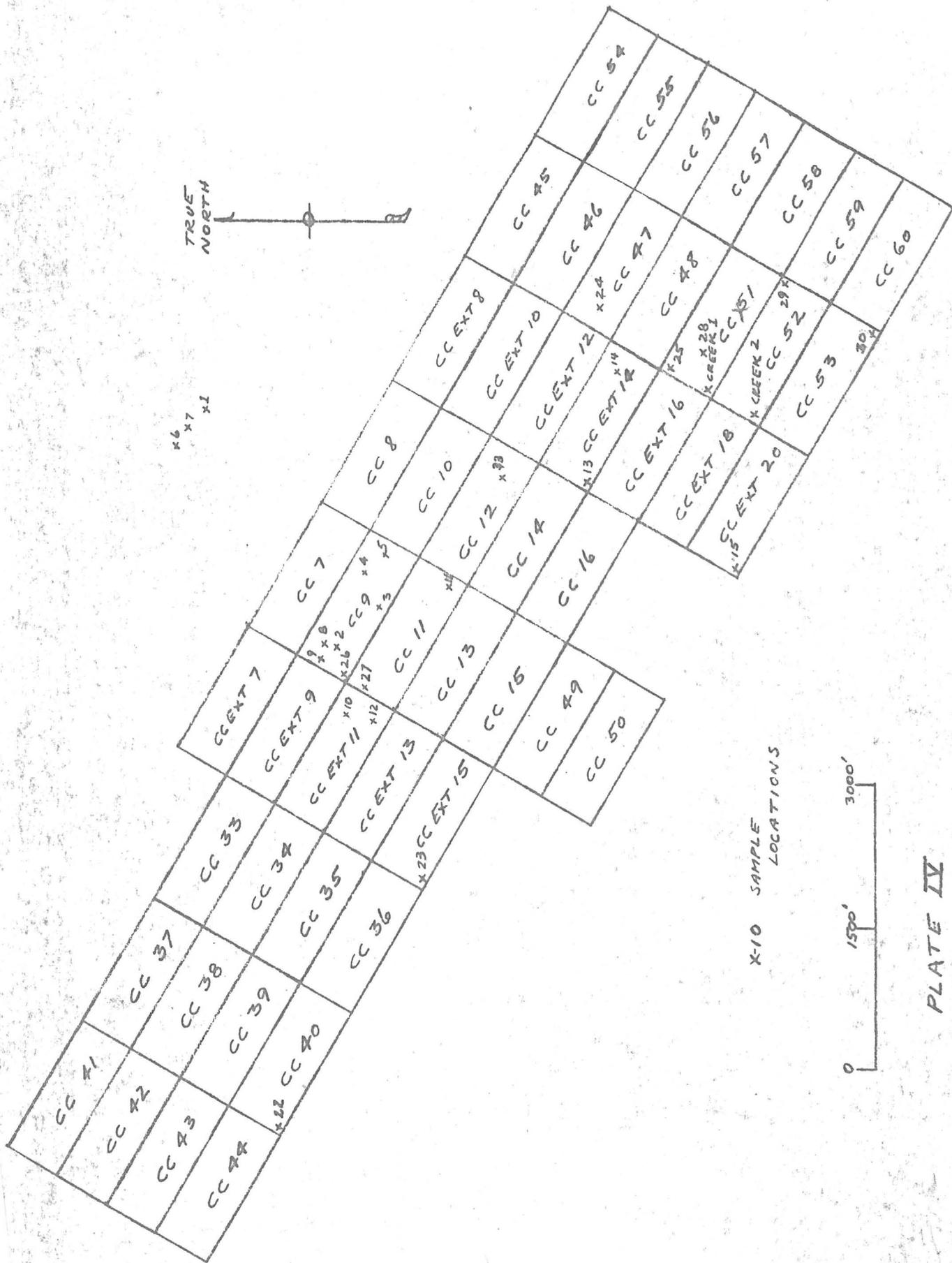


PLATE IV

ARIZONA
PAYSON QUADRANGLE

(Provisionary Boundaries)

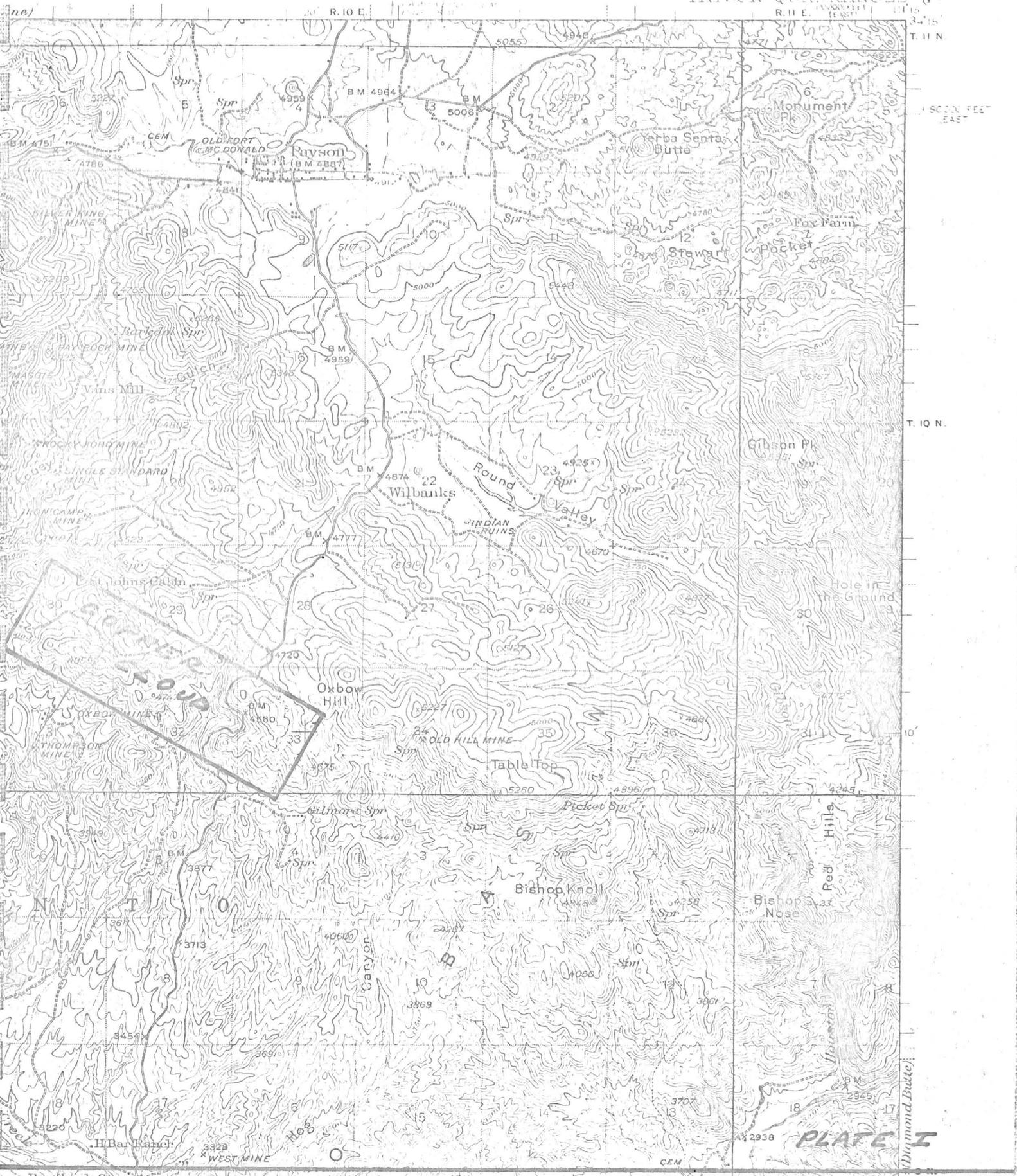


PLATE I

(Diamond Butte)

Rye Creek Store B.M. 3155

4014

B.M.

UP-DATED ECONOMICS
OF
COPPER CLOUD MINING PROPERTY

PARAMETERS ASSUMED

Length of ore body	13,500 feet	
Average width	400 feet	
Average thickness	500 feet	
Weight per cu. ft.	160 lbs.	
Possible ore reserves	200,000,000 tons	
Average grade copper (est.)	.70%	
Recovery factor copper	85% - 12 lbs/ton	
Price of copper	\$0.60 lb.	.68
Average grade gold (est.)	0.01 oz/ton	
Price of gold	\$100.00 oz.	
Average grade silver (est.)	0.50 oz/ton	
Price of silver	\$2.00 oz.	3.00
Value - copper	\$7.20 ton	8.16
Value - gold	1.00 ton	1.00
Value - silver	1.00 ton	1.50
Total value per ton ore	\$9.20 ton	3.66

Operating costs

Mining	\$0.75 ton
Crushing and grinding	\$1.50 ton
Extraction	\$1.75 ton
Total cost	\$4.00 ton

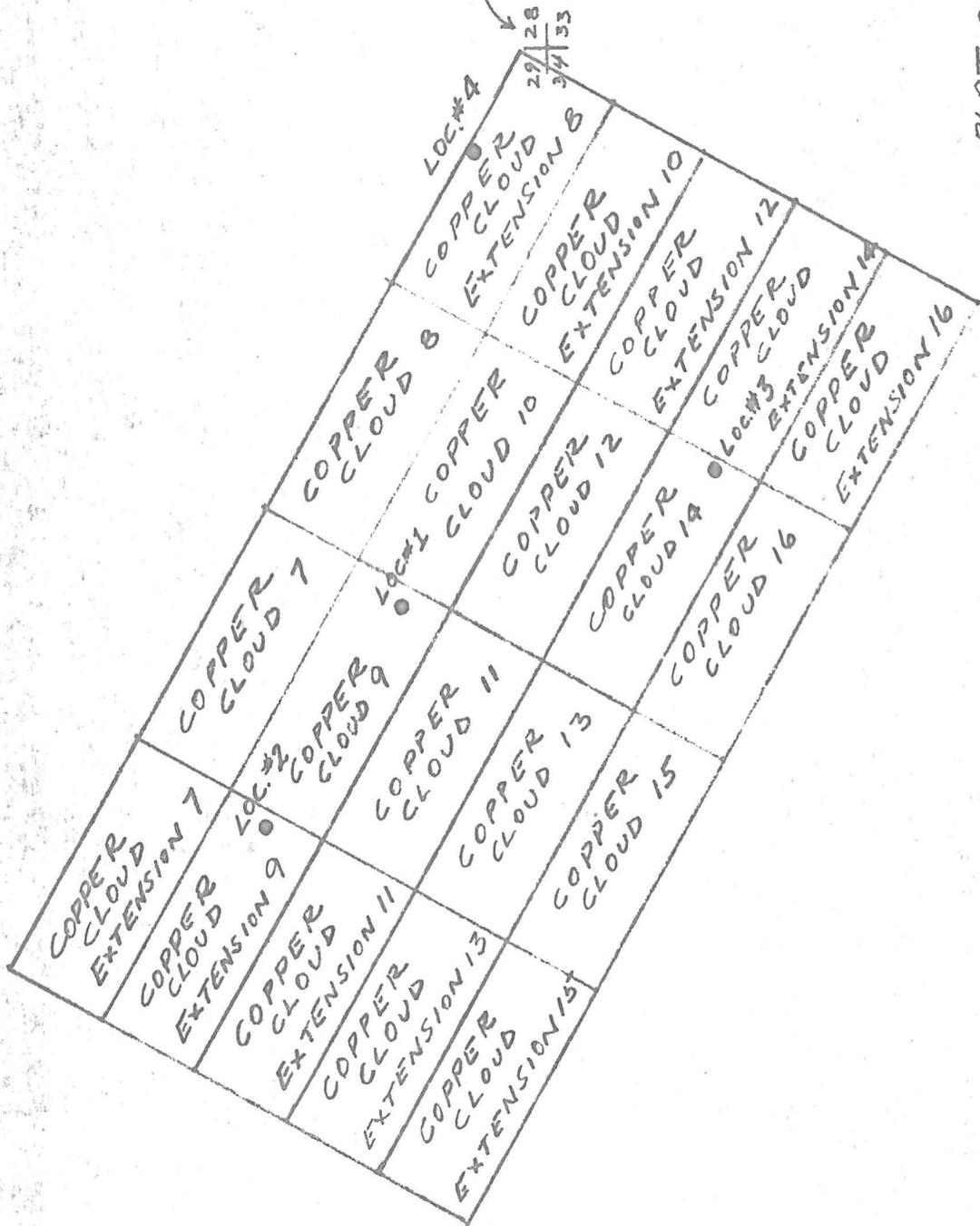
Calculations based on these numbers show a profit of ~~\$5.20~~ per ton of ore for a total net profit over the life of the mine of approximately \$1,000,000,000 (one billion) excluding development and plant costs, royalty payments, taxes and depletion allowance.

1,694,000,000

TRUE NORTH



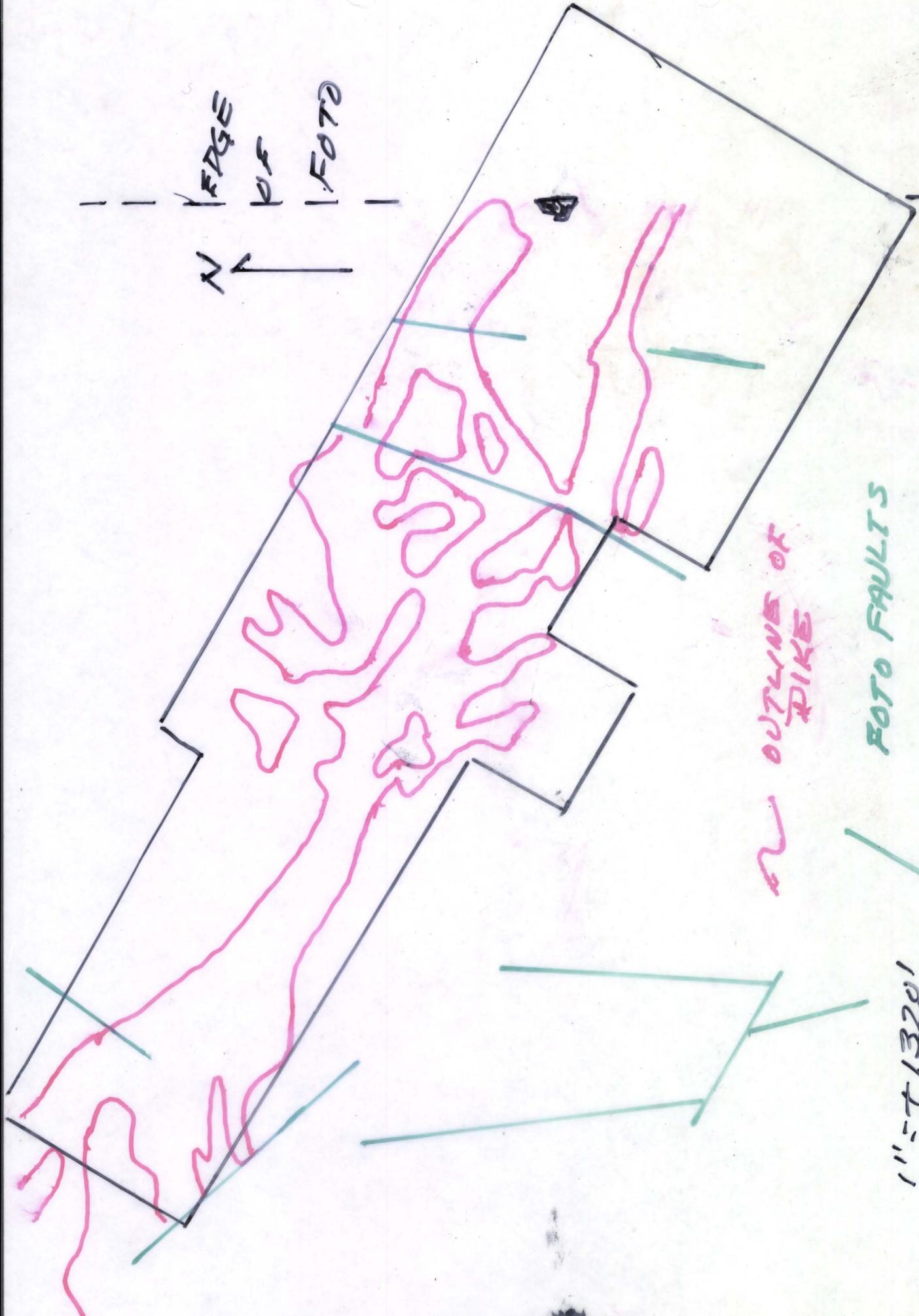
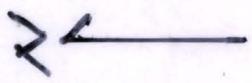
SECTION CORNER
TION; RIDE
SECTIONS 28, 29, 33, 34
PAYSON
QUADRANGLE
GILA COUNTY
ARIZONA



PLAT OF COPPER CLOUD
CLAIMS SHOWING HOLES
DRILLED FOR LOCATION
WORK DEC. 14-15, 1972



EDGE
OF
FOTO



OUTLINE OF
DIKE

FOTO FAULTS

PERIMETER
OF CLAIMS



1" = 1/4 1320'

PLATE III