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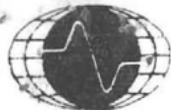
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I.P. RECEIVER NOTES

PAGE



HEINRICH'S GEOEXPLORATION CO.

PROJECT

GREEN CREEK 653

LINE 95 NBEARING E-WHALF W SP. 1DATE 8-17-71

1

SEND	CAL	3-4	4-5	5-6	4-5	5-6	5-6	S.P.	S.P.	Z-3
RECEIVE	2-3	1-2	→	→	2-3	→	3-4	95-91	91-87	87-83
MULT.	1.0	1.0	1.0	1.0	1.0	1.0	1.0			1.0
PFE	0.0	0.6	0.9	1.1	0.8	0.9	0.7			1.0
CAL	1.06401									
len		1.2	4.8	12	1.2	4.8	1.2			1.2
I	1000	1500	→	→	→	→	→			1500
Pa		161	241	240	251	285	127			484
MCF		3.7	3.7	4.6	3.2	3.2	5.5			2.1
PFE Avg.	0.0	0.6	0.9	1.1	0.8	0.9	0.7			1.0
AC	99.6	201.	74.9	29.9	313.	88.7	158.			603.
DRIFT	-	-	-	-	-	-	-			-
S.P.								-13.0	+15.3	+34.8
AC NOISE										
POT RES.								12K	50K	140K

I.P. RECEIVER NOTES

PAGE

2



HEINRICH'S GEOEXPLORATION CO.

PROJECT

GREEN R. 653

LINE 95N

BEARING E-W

HALF W SP. 1 DATE 8-12-22

SEND	3-4	4-5	5-6	1-2	2-3	3-4	4-5	5-6	1-2	2-3
RECEIVE				83-79					79-75	
MULT.	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.1	1.0	1.0
PFE	1.0	1.0	1.2	1.0	1.0	0.9	1.0	0.9	1.3	1.2
CA ₂	1,00401									
KA	4.8	12	24	1.2	4.8	12	24	42	4.8	12
I	1500			250	1500				250	1500
Pa	168	323	337	346	475	157	260	257	542	627
MCF	6.0	3.1	3.6	2.9	2.1	5.7	3.8	3.5	2.4	1.9
PFE Avg.	1.0	1.0	1.2	1.0	1.0	0.9	1.0	0.9	1.3	1.2
AC	52.4	40.2	21.0	71.8	148.	19.5	16.2	9.15	28.1	78.1
DRIFT	-	-	-	-	-	-	-	-	-	-
S.P.				-20.2					+10.0	
AC NOISE										
POT RES.				11 K					10 K	

I.P. RECEIVER NOTES

PAGE

3



HEINRICH'S GEOEXPLORATION CO.

PROJECT

GREEN Cr. ^A 653LINE 95NBEARING E-WHALF W SP. 1 DATE 8-12-71

SEND	3-4	4-5	5-6	1-2	2-3	3-4	4-5	1-2	2-3	3-4
RECEIVE	→	→	→	75-71	→	→	→	71-67	→	→
MULT.	1.0	1.0	0.1	0.1	1.0	0.1	0.1	0.1	0.1	6.1
PFE	1.1	1.2	1.3	1.0	1.1	0.7	1.1	1.1	1.1	1.0
CAL				PYRITE, CuO ₂ , Fe ₂ O ₃	@ 5M	75				
Km	24	42	67.2	42	24	42	67.2	24	42	67.2
I	1500	→	→	1300	1000	1500	→	250	1500	→
Pa	199	377	378	381	439	143	227	279	302	103
MCF	5.5	3.2	3.4	2.6	2.5	4.9	4.8	3.9	3.6	9.7
PFE Avg.	1.1	1.2	1.3	1.0	1.1	0.7	1.1	1.1	1.1	1.0
AC	12.4	13.4	8.40	9.48	18.2	5.08	5.04	2.89	10.73	2.30
DRIFT	-	-	-	-	-	-	-	-	-	-
S.P.				-38.2	→	-48.4	→	-63.0		
AC NOISE										
POT RES.				40k				12k		

I.P. RECEIVER NOTES

PAGE

4



HEINRICH'S GEOEXPLORATION CO.

PROJECT

GREEN CK # 653

LINE 95NBEARING E-WHALF E SP. 1 DATE 8-17-11

SEND	CAL	S.P.	S.P.	S.P.	4-5	3-4	2-3	1-2	5-6	4-5
RECEIVE	2-3	95-99	99-103	103-107	107-111	→	→	→	111-115	→
MULT.	1.0				1.0	1.0	1.0	0.1	1.0	1.0
PFE	0.0				0.9	0.9	1.0	0.9	1.1	0.8
CAL										
km					1.2	4.8	12	24	1.2	4.8
I	1000				→ 1500	→	→	→ 250	1750	→
Pa					84	92	196	166	60	51
MCF					11	9.8	5.1	5.4	18	16
PFE Avg.					0.9	0.9	1.0	0.9	1.1	0.8
AC	99.8				105.	28.6	24.5	1.73	87.5	18.6
DRIFT	—				—	—	—	—	—	—
S.P.		-30.1	-41.1	+55.6	+8.1				-2.4	
AC NOISE										
POT RES.		11K	15K	12K	3K				6K	



G. Fence @ $119^{+20'}$ $4 \approx 45^\circ$ I.P. RECEIVER NOTES

PAGE
5

HEINRICHS GEOEXPLORATION CO.

PROJECT

Green Cr. 653

LINE 95N

BEARING E+W

HALF 6

SP. 1

DATE 8-18-71

SEND	3-4	2-3	1-2	5-6	4-5	3-4	2-3	1-2	5-6	4-5
RECEIVE	111-115	→	→	115-119	→	→	→	→	119-123	→
MULT.	0.1	0.1	0.01	1.0	0.1	0.1	0.1	0.01	0.1	0.1
PFE	0.7	0.8	1.0	0.8	0.6	0.9	0.6	0.9	0.9	0.9
								0-1.3		
CAL										
kn	12	24	42	4.8	12	24	42	67.2	12	24
I	1750	1000	225	1500	→	→	→	200	1500	→
Pa	48	125	86	35	36	30	71	73	39	39
MCF	15	6.4	12	23	17	30	8.5	12	23	23
PFE Avg.	0.7	0.8	1.0	0.8	0.6	0.9	0.6	0.9	0.9	0.9
AC	7.04	5.20	0.461	10.8	4.48	1.87	2.53	0.217	4.82	2.44
DRIFT	-	-	-	-	-	-	-	-	-	-
S.P.				+7.0					-22.3	
AC NOISE										
POT RES.				11K					15K	

I.P. RECEIVER NOTES

PAGE
6

HEINRICH'S GEOEXPLORATION CO.

PROJECT

Green ck 653LINE 95NBEARING E-WHALF E SP. 1 DATE 8-18-71

SEND	3-4	2-3	5-6	4-5	3-4					
RECEIVE	119-127	→	123-127	→	→					
MULT.	0.1	0.1	0.1	0.1	0.01					
PFE	1.0	0.9	1.1	0.7	0.7					
CAD										
KN	42	67.2	24	42	67.2					
I	1500	→	→	1500	→					
P _a	31	70	50	50	38					
MCF	32	13	22	14	18					
PFE Avg.	1.0	0.9	1.1	0.7	0.7					
AC	1.10	1.56	3.08	1.77	0.845					
DRIFT	-	-	-	-	-					
S.P.			+41.6							
AC NOISE										
POT RES.			15K							



HEINRICHS GEOEXPLORATION CO.
I. P. SENDER NOTES

PROJECT GREEN Creek #653
LINE 95 HALF W SP. 1 DATE 8-17-11

PAGE

1

SEND	CAC	3-4	4-5	5-6	4-5	5-6	5-6	S.P.	S.P.	2-3
RECEIVE	2-3	1-2	→	→	2-3	→	3-4	95-91	91-87	87-83
RANGE	5X200	5X300	5X300	5X300	5X300	5X300	5X300	X	X	5X300
VOLTAGE	1760	420	600	560	600	560	560	X	X	1000
CURRENT	1A	1.5A	1 1/2 A			1 1/2 A				
SEND	3-4	4-5	5-6	1-2	2-3	3-4	4-5	5-6	1-2	2-3
RECEIVE	→	→	→	83-79	→	→	→	→	79-75	→
RANGE	5X300	5X300	5X300	1X250	5X300	5X300	5X300	5X300	1X250	5X300
VOLTAGE	420	600	560	700	1000	420	600	560	720	1000
CURRENT	1 1/2 A	1 1/2 A	1 1/2 A	250MA	1 1/2 A	1 1/2 A	1 1/2 A	1 1/2 A	250MA	1 1/2 A

FREQUENCIES 3 0.3

SENDER NO. 23766 S

OPERATOR JAWANSON 56

RECEIVER NO. 18691 R

OPERATOR FREEMAN 26

COMMENTS: Center @ 95 N; 95 E

sta #1 = 87, sta #2 = 91, etc.

2-3

1-2



HEINRICHS GEOEXPLORATION CO.
I. P. SENDER NOTES

PROJECT Green Creek # 653
LINE 95 HALF W SP. 1 DATE 8-11-71

SEND	3-4	4-5	5-6	1-2	2-3	3-4	4-5	1-2	2-3	3-4
RECEIVE			→	75-71		→		71-67		→
RANGE	5X300	5X300	5X300	1X300	5X200	5X300	5X300	1X250	5X300	5X300
VOLTAGE	420	580	560	800	1740	420	580	620	1000	420
CURRENT	1 1/2 A	1 1/2 A	1 1/2 A	300mA	1A	1 1/2 A	1 1/2 A	250mA	1 1/2 A	1 1/2 A
SEND										
RECEIVE										
RANGE										
VOLTAGE										
CURRENT										

FREQUENCIES 3 0.3
 SENDER NO. 23706 S
 OPERATOR SWANSON 56
 RECEIVER NO. 18691 R
 OPERATOR FREEMAN 26

COMMENTS :



HEINRICHS GEOEXPLORATION CO.
I. P. SENDER NOTES

PROJECT GREEN CK. 653
LINE 95 N HALF E SP. 1 DATE 8-17-71

PAGE
3

95 99 103 107 111 S 115 S 119 & 123 127
↑

SEND	CAL	4-5	3-4	2-3	1-2	5-6	4-5	3-4	2-3	1-2
RECEIVE	2-3	107-111	→	→	→	111-115	→	→	→	→
RANGE	5X200	5X300	5X300	5X300	1X250	5X350	5X350	5X350	5X250	1X225
VOLTAGE	720	560	420	1000	760	600	640	460	880	780
CURRENT	1A	1 1/2 A	1 1/2 A	1 1/2 A	250MA	1 3/4 A	1 3/4 A	1 3/4 A	1 A	225MA
SEND	5-6	4-5	3-4	2-3	1-2	5-6	4-5	3-4	2-3	5-6
RECEIVE	115-119	→	→	→	→	119-123	→	→	→	123-127
RANGE	5X300	5X300	5X300	5X300	1X200	5X300	5X300	5X300	5X300	5X300
VOLTAGE	540	560	420	1000	640	540	580	420	1000	520
CURRENT	1 1/2 A	1 1/2 A	1 1/2 A	1 1/2 A	200MA	1 1/2 A				

FREQUENCIES 3 Q3
SENDER NO. 23706 S
OPERATOR SWANSON 56
RECEIVER NO. 18691 R
OPERATOR FREEMAN 26

COMMENTS :



HEINRICHS GEOEXPLORATION CO.
I. P. SENDER NOTES

PROJECT GREEN CK # 653
LINE 95N HALF E SP. 1 DATE 8-18-71

PAGE
4

SEND	4-5	3-4								
RECEIVE	123-127	→								
RANGE	5X300	5X300								
VOLTAGE	560	420								
CURRENT	1 1/2 A	1 1/2 A								
SEND										
RECEIVE										
RANGE										
VOLTAGE										
CURRENT										

FREQUENCIES	<u>3</u>	<u>0.3</u>
SENDER NO.	<u>23706</u>	<u>5</u>
OPERATOR	<u>SWANSON</u>	<u>56</u>
RECEIVER NO.	<u>18691</u>	<u>R</u>
OPERATOR	<u>FREEMAN</u>	<u>26</u>

COMMENTS :



I.P. RECEIVER NOTES

PAGE

1

HEINRICH'S GEOEXPLORATION CO.

PROJECT

GREEN CH 653

LINE 95E

BEARING N-5

HALF S SP. 1 DATE 8-18-71

SEND	CAL	3-4	4-5	5-6	4-5	5-6	5-6	2-3	3-4	4-5
RECEIVE	1-2	1-2	—	—	2-3	1-2	3-4	85-79	79-83	—
MULT.	1.0	10	1.0	1.0	10	1.0	10	10	1.0	1.0
PFE	0.0	0.7	0.7	0.8	0.8	1.0	0.7	1.0	0.9	0.8
CAL	.999	—	—	—	—	—	—	WATCH	Pot	stations
kn		1.200	4.8	12	1.2	4.8	1.2	1.2	4.8	12
I	1000	1500	—	—	—	—	—	—	—	—
P.		106	115	100	160	176	226	117	172	157
PFE		0.7	0.7	0.8	0.8	1.0	0.7	1.0	0.9	0.8
MCF		6.6	6.1	8.0	5.0	5.7	3.1	8.5	5.2	5.1
PFE Avg.										
AC	100.1	133.	36.0	12.5	200.	55.2	283.	147.	53.9	19.6
DRIFT		—	—	—	—	—	—	—	—	—
S.P.								-7.3		
AC NOISE										
POT RES.								150K		

I.P. RECEIVER NOTES

PAGE

2



HEINRICH'S GEOEXPLORATION CO.

PROJECT

GREEN CK 653

LINE 95EBEARING N-SHALF 5 SP. 1DATE 8-18-71

SEND	5-6	1-2	2-3	3-4	4-5	5-6	1-2	2-3	3-4	4-5
RECEIVE	→	75-79	75-79	→	→	→	75-71	→	→	→
MULT.	0.1	10.0	1.0	1.0	0.1	0.1	1.0	1.0	1.0	0.1
PFE	0.5	2.4	2.3	2.0	0.8	0.7	2.4	2.3	2.0	#8
		0.7	1.0	0.7			1.0	1.0	1.0	0.8
CHL	1999						Slight delay			
K ₁	24	1.2	4.8	12	24	42	14.8	12.7	24.1	42
I	1500						Receiver Took	1700		→
							Tape 25/150			
P _a	116	210	117	188	150	103	157	110	193	146
PFE	0.5	0.7	1.0	0.7	0.8	0.7	1.0	1.0	1.0	0.8
MCF	4.3	3.3	8.5	3.7	5.3	6.8	6.4	9.1	5.2	5.5
PFE Avg.		263.	36.7	23.5			49.2		12.1	5.21
AC	7.25	48.3	11.5	11.9	9.38	3.68	48.3	13.8	11.9	5.13
DRIFT	-	-	-	-	-	-	-	-	-	-
S.P.		+4.0					-4.6			
AC NOISE										
POT RES.		10 K					90 K			

I.P. RECEIVER NOTES

PAGE

3



HEINRICH'S GEOEXPLORATION CO.

PROJECT

GREEN CREEK 653

LINE 9SE

BEARING N-5

HALF 5 SP. 1

DATE 8-18-72

SEND	5-6	1-2	2-3	3-4	4-5	1-2	2-3	3-4	S.P.	S.P.
RECEIVE	75-71	71-67	—	—	→	67-63	—	→	83-87	87-91
MULT.	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1		
PFE	0.7	0.9	1.1	1.0	1.4	1.0	1.1	1.3		-10.6
										70K
CAZ	.999	—	—	—	—	—	—	—	—	→
kn	67.2	12	24	42	67.2	24	42	67.2	12.	
I	1500	—	—	—	—	—	—	→		S.P.
										91-95
Pa	96	71	75	144	114	50.1	77	157		
PFE	0.7	0.9	1.1	1.0	1.4	1.0	1.1	1.3		+42.8
MCF	7.3	13	15	6.9	12	20	14	8.2		33K
PFE AVG.	2.15	8.85	4.68	5.16	2.55	3.14	2.77	3.51		
AC	+23	—	—	—	—	—	—	—		
DRIFT	—									
S.P.		33K	+6.9			-197.5	—	→	+2.6	
AC NOISE						Re-checked!				
POT RES.		23K				30K	—	→	60K	

I.P. RECEIVER NOTES

PAGE

4



HEINRICH'S GEOEXPLORATION CO.

PROJECT

GREEN Creek

653

LINE 95EBEARING N-5HALF N SP. 1 DATE 8-19-71

SEND	CAL	S.P.	S.P.	4-5	3-7	2-3	1-2	5-6	4-5	3-7
RECEIVE	2-3	95-99N	99-103	103-107	—————→			107-111	—————→	
MULT.	1.0			1.0	1.0	1.0	0.1	1.0	1.0	1.0
PFE	0.0			0.8	0.9	1.1	0.6	0.8	0.9	0.9
EA	999	—————→								
Kn				1.2	4.8	12	24	1.2	4.8	12
I	1500	—————→								
Pa				218	321	213	106	181	202	265
PFE				0.8	0.9	1.1	0.6	0.8	0.9	0.9
MCF				3.7	2.8	5.2	5.7	4.4	4.5	3.4
PFE Avg.										
AC	100.1			273.	100.5	26.6	6.63	227.	63.1	33.1
DRIFT	—			—	—	—	—	—	—	—
S.P.		+6.5	-8.5	+22.2				+10.8		
AC NOISE										
POT RES.		10k	3k	20k				14k		

I.P. RECEIVER NOTES

PAGE

5



HEINRICH'S GEOEXPLORATION CO.

PROJECT

GREEN CK 653

LINE 95E

BEARING N-5

HALF N SP. 1 DATE 8-19-71

SEND	2-3	1-2	5-6	4-5	3-4	2-3	1-2	5-6	4-5	3-4
RECEIVE	107-111	→	111-115	—	—	—	→	115-119	—	→
MULT.	1.0	0.1	1.0	1.0	1.0	1.0	0.1	1.0	1.0	1.0
PFE	1.2	0.6	0.8	1.1	1.1	1.4	0.7	1.1	1.1	1.0
CAL	.999	—	—	—	—	—	—	—	—	→
len	24	42	48	12	24	42	67.2	12	24	42
T	1500	—	—	—	—	—	—	—	—	→
Pa	163	77	419	499	651	392	177	355	424	548
PFE	1.2	0.6	0.8	1.1	1.1	1.4	0.7	1.1	1.1	1.0
TCF	7.4	7.8	1.9	2.2	1.7	3.6	4.0	3.1	2.6	1.8
PFE Avg.										
AC	10.2	2.74	131.	62.4	40.7	14.0	3.95	44.4	26.5	19.6
DRIFT	—	—	—	—	—	—	—	—	—	—
S.P.			-2.0					+18.1		
AC NOISE										
POT RES.			25K					20K		

I.P. RECEIVER NOTES

PAGE

6



HEINRICHS GEOEXPLORATION CO.

PROJECT

Green Ck. 653

LINE 95EBEARING N-SHALF 1/4 SP. 1 DATE 8-18-71

SEND	2-3	5-6	7-5	3-4				4-5	5-6	
RECEIVE	19-182	19-182	19-182	19-182				87-91	→	
MULT.								10	1.0	
PFE								1.0	1.1	
cm								.999	→	
Kn								1.2	9.8	
I								1500	→	
Pa								157	173	
PFE								1.0	1.1	
PICF								6.4	6.4	
PFE AVG.								197.	54.1	
AC								-	-	
DRIFT										
S. P.										
AC NOISE										
POT RES.										

REPEAT



HEINRICH'S GEOEXPLORATION CO.
I. P. SENDER NOTES

PROJECT Green creek # 653
LINE 956 HALF 5 SP. 1 DATE 8-18-71

PAGE
1

SEND	CAL	3-4	4-5	5-6	4-5	5-6	5-6	2-3	3-4	4-5
RECEIVE	1-2	1-2	→	→	2-3	→	3-4	83-79		
RANGE	5X200	5X300								
VOLTAGE	520	640	540	1000	540	1000	1000	460	620	520
CURRENT	1A	1 1/2 A								
SEND	5-6	1-2	2-3	3-4	4-5	5-6	1-2	2-3	3-4	4-5
RECEIVE	83-79	79-75	→	→	→	→	75-71	→	→	→
RANGE	5X300									
VOLTAGE	960	700	460	620	480	960	700	460	620	520
CURRENT	1 1/2 A									

FREQUENCIES 3 0.3
SENDER NO. 23706 5
OPERATOR SWANSON # 56
RECEIVER NO. 18691 R
OPERATOR FREEMAN 26

COMMENTS: | 87-91 |
| 4-5 550V 1 1/2 A |
| 5-6 940V 1 1/2 A |
| - - - - - |



HEINRICHS GEOEXPLORATION CO.
I. P. SENDER NOTES

PROJECT Green Creek #653
LINE 95E HALF S SP. 1 DATE 8-18-71

SEND	5-6	1-2	2-3	3-4	4-5	1-2	2-3	3-4		
RECEIVE	75-71	71-67				67-63				
RANGE	5X300									
VOLTAGE	960	700	460	620	520	700	460	620		
CURRENT	1 1/2 A									
SEND										
RECEIVE										
RANGE										
VOLTAGE										
CURRENT										

FREQUENCIES 3 93
SENDER NO. 23706 S
OPERATOR SWANSON #56
RECEIVER NO. 18691 R
OPERATOR FREEMAN #26

COMMENTS :



HEINRICH'S GEOEXPLORATION CO.
I. P. SENDER NOTES

PROJECT GREEN cr. # 653
LINE 9SE HALF N SP. 1 DATE 8-19-71

SEND	CAL	4-5	3-4	2-3	1-2	5-6	4-5	3-4	2-3	1-2
RECEIVE	2-3	103-107	—	—	→	107-111	N	—	—	→
RANGE	5X200	5X300								
VOLTAGE	320	520	620	460	700	940	520	620	460	700
CURRENT	1A	1 1/2 A								
SEND	5-6	4-5	3-4	2-3	1-2	5-6	4-5	3-4	2-3	5-6
RECEIVE	111-115	N	—	—	→	115-119	—	—	→	119-123
RANGE	5X300									
VOLTAGE	940	520	620	460	700	940	520	620	460	940
CURRENT	1 1/2 A									

FREQUENCIES 3 0.3

SENDER NO. 23706 S

OPERATOR SWANSON #56

RECEIVER NO. 18691 R

OPERATOR FREEMAN #26

COMMENTS:



HEINRICHS GEOEXPLORATION CO.
I. P. SENDER NOTES

PROJECT

GREEN CR. # 653

LINE 956 HALF N SP. 1 DATE 8-19-71

PAGE

4

SEND	4-5	3-4								
RECEIVE	119-122	→								
RANGE	5X300	5X300								
VOLTAGE	520	620								
CURRENT	1 1/2 A	1 1/2 A								
SEND										
RECEIVE										
RANGE										
VOLTAGE										
CURRENT										

FREQUENCIES 3 0.3

SENDER NO. 23706 S

OPERATOR SWANSON #56

RECEIVER NO. 18691 R

OPERATOR FREEMAN #26

COMMENTS :

I.P. RECEIVER NOTES

PAGE

1



HEINRICHS GEOEXPLORATION CO.

PROJECT

GREEN CK #653

LINE 110

BEARING E-W

HALF E SP. 1 DATE 8-19-72

SEND	CAL	3-4	4-5	5-6	4-5	5-6	S.P.	S.P.	S.P.	4-5
RECEIVE	2-3	1-2	→	→	2-3	→	109-113	113-117	117-121	121-125
MULT.	1.0	1.0	1.0	0.1	1.0	1.0				10
PFE	0.0	0.8	0.7	0.7	0.7	0.5				0.7
CAL	.999	→	→	→	→	→	→	→	→	→
K _n		1.2	4.8	12	1.2	4.8				1.2
I	1000	1500	→	→	→	→				1500
P _a		75	69	64	55	51				229
MCF		11	10	11	13	9.8				2.1
PFE Avg.		0.8	0.7	0.7	0.7	0.5				0.7
AC	100.1	94.0	21.5	8.02	68.7	15.8				287.
DRIFT	-	-	-	-	-	-				-
S.P.							+45.4	+3.3	+10.2	-13.6
AC NOISE										
POT RES.							200K	10K	8K	8K



I.P. RECEIVER NOTES

PAGE
2

HEINRICHS GEOEXPLORATION CO.

PROJECT

GREEN CK 653

LINE 110BEARING E-WHALF E SP. 1 DATE 8-19-71

SEND	3-4	2-3	1-2	5-6	4-5	3-4	2-3	1-2	5-6	4-5
RECEIVE	—	—	→	125-129	—	—	—	→	127-133	→
MULT.	1.0	1.0	0.1	1.0	1.0	0.1	0.1	0.01	1.0	0.1
PFE	0.8	0.5	0.7	0.8	0.7	0.6	0.7	0.7	0.9	0.4
CAL	1.999	—	—	—	—	—	—	—	—	→
K ₁	4.8	12	24	1.2	4.8	12	24	42	4.8	12
F	1500	→	600	1500	→	→	→	600	1500	→
P _a	99	89	110	63	71	25	27	35	56	53
MCF	8	5.6	6.4	13	9.9	24	26	20	16	7.5
PFE Avg.	0.8	0.5	0.7	0.8	0.7	0.6	0.7	0.7	0.9	0.4
AC	30.9	11.1	2.76	78.8	22.1	3.18	1.69	0.503	17.5	6.60
DRIFT	—	—	—	—	—	—	—	—	—	—
S.P.				+24.7					+9.9	
AC NOISE										
POT RES.				7K					5K	

I.P. RECEIVER NOTES

PAGE

3



HEINRICH'S GEOEXPLORATION CO.

PROJECT

GREEN CK. 653

LINE 110BEARING E-WHALF E SP. 1 DATE 8-19-71

SEND	3-4	2-3	1-2	5-6	4-5	3-4	2-3	5-6	4-5	3-4
RECEIVE	129-133	→	→	133-137	→	→	→	129-133	→	→
MULT.	0.1	0.1	0.01	0.1	0.1	0.01	0.01			
PFE	0.6	0.8	0.7	0.7	0.7	0.6	0.6			
CM	.999	→	→	→	→	→	→			
Kn	24	42	67.2	12	24	42	67.2			
F	1500	→	600	1500	→	→	→			
Ka	21	30	41	57	46	22	38			
MCF	29	27	17	12	15	27	16			
PFE Avg.	0.6	0.8	0.7	0.7	0.7	0.6	0.6			
AC	1.31	1.07	0.364	7.08	2.88	0.794	0.847			
DRIFT	-	-	-	-	-	-	-			
S.P.				+2.1						
AC NOISE										
POT RES.				7K						

I.P. RECEIVER NOTES

PAGE

1



HEINRICH'S GEOEXPLORATION CO.

PROJECT

GREEN CK 653

LINE 110BEARING E-WHALF W SP. 1 DATE 8-20-71

SEND	CAL	S.P.	S.P.	2-3	3-4	4-5	5-6	1-2	2-3	3-4
RECEIVE	3-4	109-105	105-101	101-97	—	—	—	97-93	W	—
MULT.	1.0			1.0	1.0	0.1	0.1	1.0	1.0	1.0
PFE	0.0			0.6	0.5	0.4	0.4	0.8	0.7	0.7
cmh				.998	—	—	—	—	—	B
kn				1.2	4.8	12	24	1.2	4.8	12
I	1000			1500	—	—	—	600	1500	—
Pa				118	86	67	59	291	143	93
MCF				5.1	5.8	6.0	6.8	2.7	4.9	7.5
PFE Avg.				0.6	0.5	0.4	0.4	0.8	0.7	0.7
AC	1002			148.	26.8	8.39	3.71	146.	44.8	11.7
DRIFT	—			—	—	—	—	—	—	—
S.P.		+27.9	+21.3	-19.1				+7.6		
AC NOISE										
POT RES.		65 K	28K	20 K				7 K		

I.P. RECEIVER NOTES

PAGE

2



HEINRICH'S GEOEXPLORATION CO.

PROJECT

GREEN CK.

LINE No. BEARING E-WHALF W SP. 1DATE 8-20-71

SEND	4-5	5-6	1-2	2-3	3-4	4-5	5-6			
RECEIVE	97.93	→	93.89	W	→	→	→			
MULT.	0.1	0.1	1.0	1.0	0.1	0.1	0.1			
PFE	0.5	0.5	0.9	0.8	0.6	0.4	0.4			
CM										
K _h	24	42	4.8	12	24	42	67.2			
I	1500	→	600	1500	→	→	→			
P _a	70	60	30.3	19.1	11.6	8.5	6.9			
MCF	7.1	8.3	3.0	4.2	5.2	4.7	5.8			
PFE Avg.	0.5	0.5	0.9	0.8	0.6	0.4	0.4			
AC	4.38	2.14	38.0	23.9	7.28	3.03	1.55			
DRIFT	-	→	-	-	-	-				
S.P.			-15.0							
AC NOISE										
POT RES.			20k							



HEINRICH'S GEOEXPLORATION CO.
I. P. SENDER NOTES

PROJECT GREEN Creek 653
LINE 110 HALF E SP. 1 DATE 8-19-71

PAGE

1

SEND	CAL	3-4	4-5	5-6	4-5	5-6	5-6	4-5	3-4	2-3
RECEIVE	2-3	1-2	→	→	2-3	→	3-4	121-125	→	→
RANGE	5X200	5X300	5X300	5X300	5X300	5X300	5X300	5X300	5X300	5X300
VOLTAGE	560	700	600	560	600	560	560	590	700	780
CURRENT	1A	1 1/2 A	1 1/2 A	1 1/2 A	1 1/2 A	1 1/2 A	1 1/2 A	1 1/2 A	1 1/2 A	1 1/2 A
SEND	1-2	5-6	4-5	3-4	2-3	1-2	5-6	4-5	3-4	2-3
RECEIVE	→	125-129 E	→	→	→	→	127-133	→	→	→
RANGE	2X300	5X300	5X300	5X300	5X300	2X300	5X300	5X300	5X300	5X300
VOLTAGE	880	540	580	680	780	880	540	560	680	760
CURRENT	600MA	1 1/2 A	1 1/2 A	1 1/2 A	1 1/2 A	600MA	1 1/2 A	1 1/2 A	1 1/2 A	1 1/2 A

FREQUENCIES 3 0.3
SENDER NO. 23706 S
OPERATOR SWANSON 56
RECEIVER NO. 18691 R
OPERATOR FREEMAN 26

COMMENTS :



HEINRICH'S GEOEXPLORATION CO.
I. P. SENDER NOTES

PROJECT

GREEN Creek 653

LINE 110 HALF E SP. 1 DATE 8-19-71

PAGE
2

SEND	1-2	5-6	4-5	3-4	2-3	5-6	4-5	3-4		
RECEIVE	129-133	133-137	→			137-141	→			
RANGE	2X300	5X300	5X300	5X300	5X300					
VOLTAGE	880	540	560	660	760					
CURRENT	600 mA	1 1/2 A	1 1/2 A	1 1/2 A	1 1/2 A					
SEND										
RECEIVE										
RANGE										
VOLTAGE										
CURRENT										

FREQUENCIES 3 0.3
 SENDER NO. 23706-S
 OPERATOR SWANSON SE
 RECEIVER NO. 18691-R
 OPERATOR FREEMAN RG

COMMENTS :



HEINRICHS GEOEXPLORATION CO.
I. P. SENDER NOTES

PROJECT GREEN CK. 653
LINE 110 HALF W SP. 1 DATE 8-20-11

PAGE
1

SEND	CAL	2-3	3-4	4-5	5-6	1-2	2-3	3-4	4-5	5-6
RECEIVE	3-4	101-97	—	—	→	97-93	—	—	—	→
RANGE	5X200	5X300	5X300	5X300	5X300	2X300	5X300	5X300	5X300	5X300
VOLTAGE	440	720	620	540	560	820	740	620	540	540
CURRENT	1A	1 1/2 A	1 1/2 A	1 1/2 A	1 1/2 A	600MA	1 1/2 A	1 1/2 A	1 1/2 A	1 1/2 A
SEND	1-2	2-3	3-4	4-5	5-6	1-2	2-3	3-4	4-5	
RECEIVE	93-89	—	—	—	→	89-85	—	—	→	
RANGE	2X300	5X300	5X300	5X300	5X300					
VOLTAGE	820	740	620	540	540					
CURRENT	600MA	1 1/2 A	1 1/2 A	1 1/2 A	1 1/2 A					

FREQUENCIES 3 0.3

SENDER NO. 23706 S

OPERATOR SWANSON 56

RECEIVER NO. 18691 R

OPERATOR FREEMAN 26

COMMENTS :

STANFIELD

T65-R4E

CASA GRANDE WEST

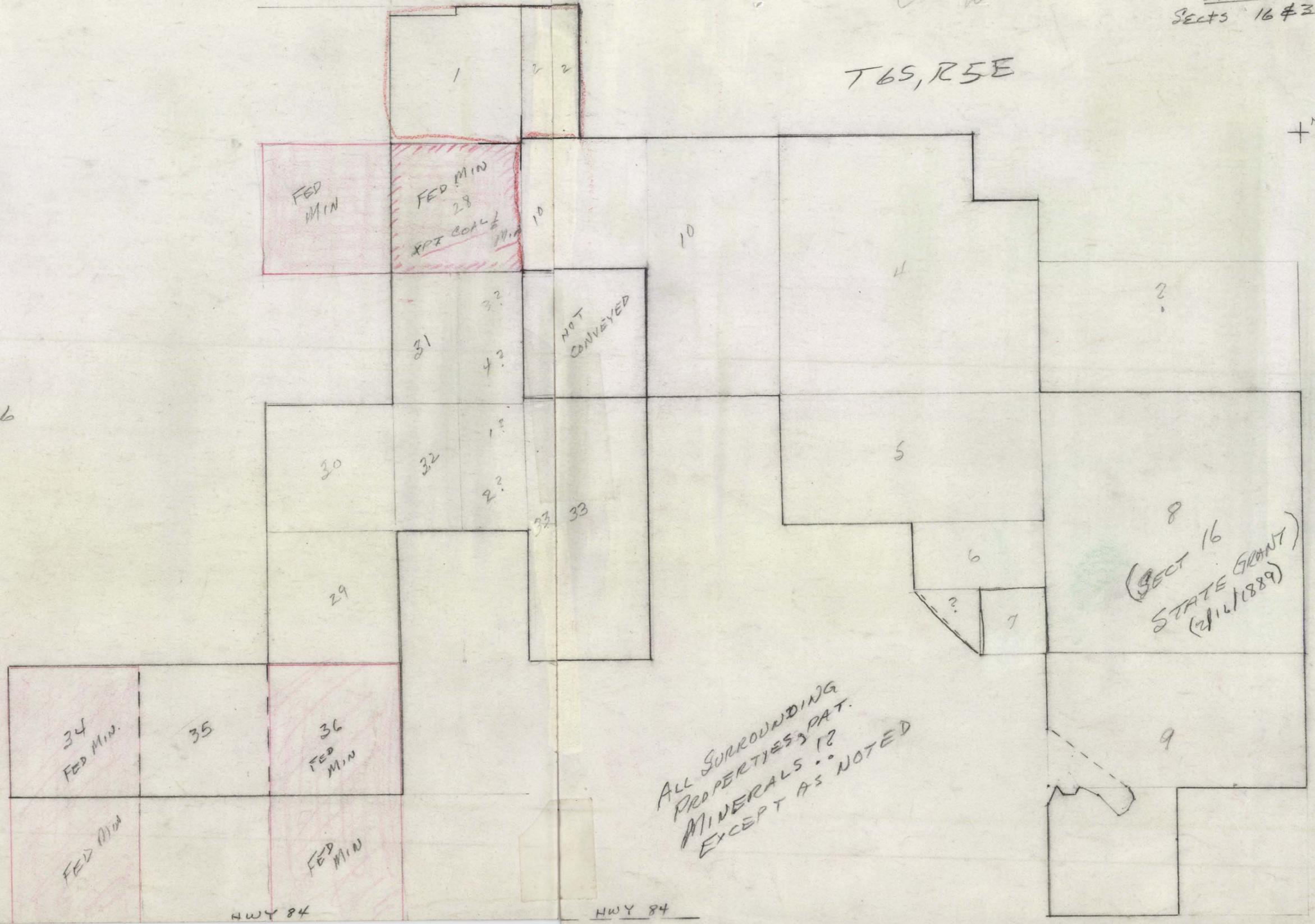
FED MIN
SECT 11, NW 1/4
" 12 " STATE GRANT
SECTS 16 & 36

+ NE COR
SECT 9-
6S-5E

FED MIN
SECT 4, W 1/2 SE 1/4
SECT 3, S 1/2
SECT 23, W 1/2
" 24, W 1/2
" 12, N 1/2
" 29, NW 1/4 NW 1/4
" " S 1/2 " 1/4
" " SW 1/4
" " SW 1/4 SE 1/4

STATE GRANT
SECT 2, 16, 32 & 36

T6S, R5E



ALL SURROUNDING
PROPERTIES, PAT.
MINERALS...?
EXCEPT AS NOTED

HWY 84

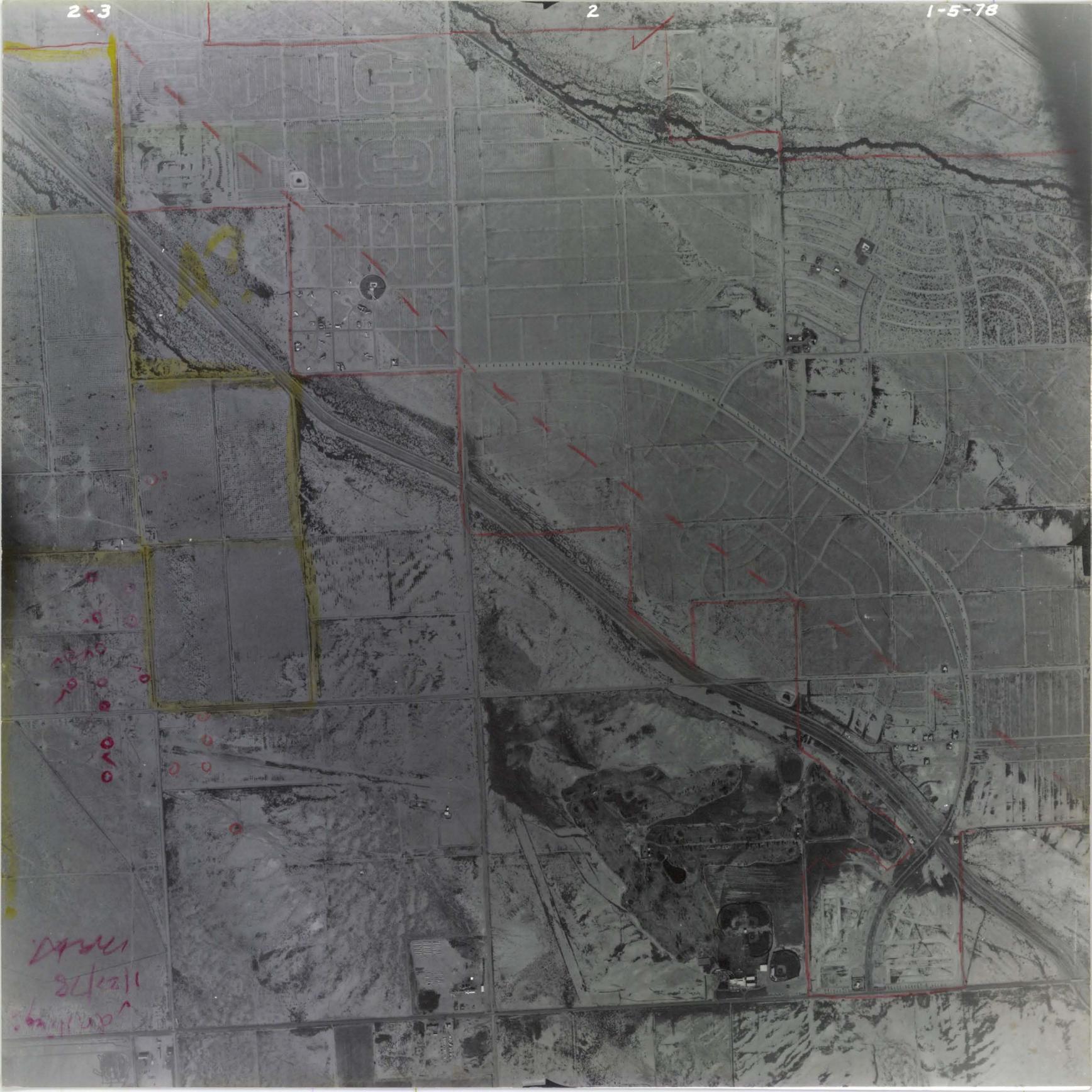
HWY 84

JOB 1215

2-3

2

1-5-78

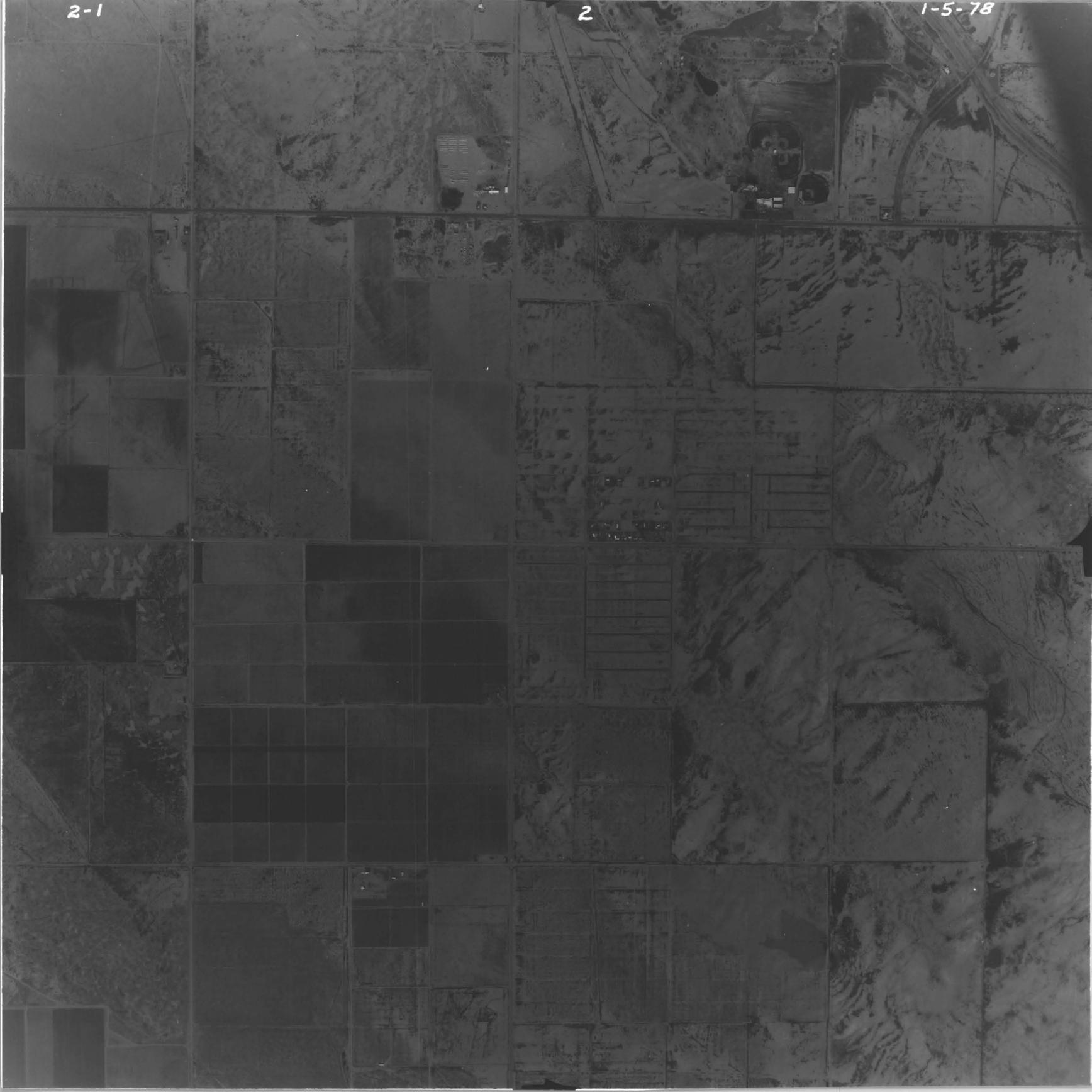


various
112078
112078

2-1

2

1-5-78



1-3

2

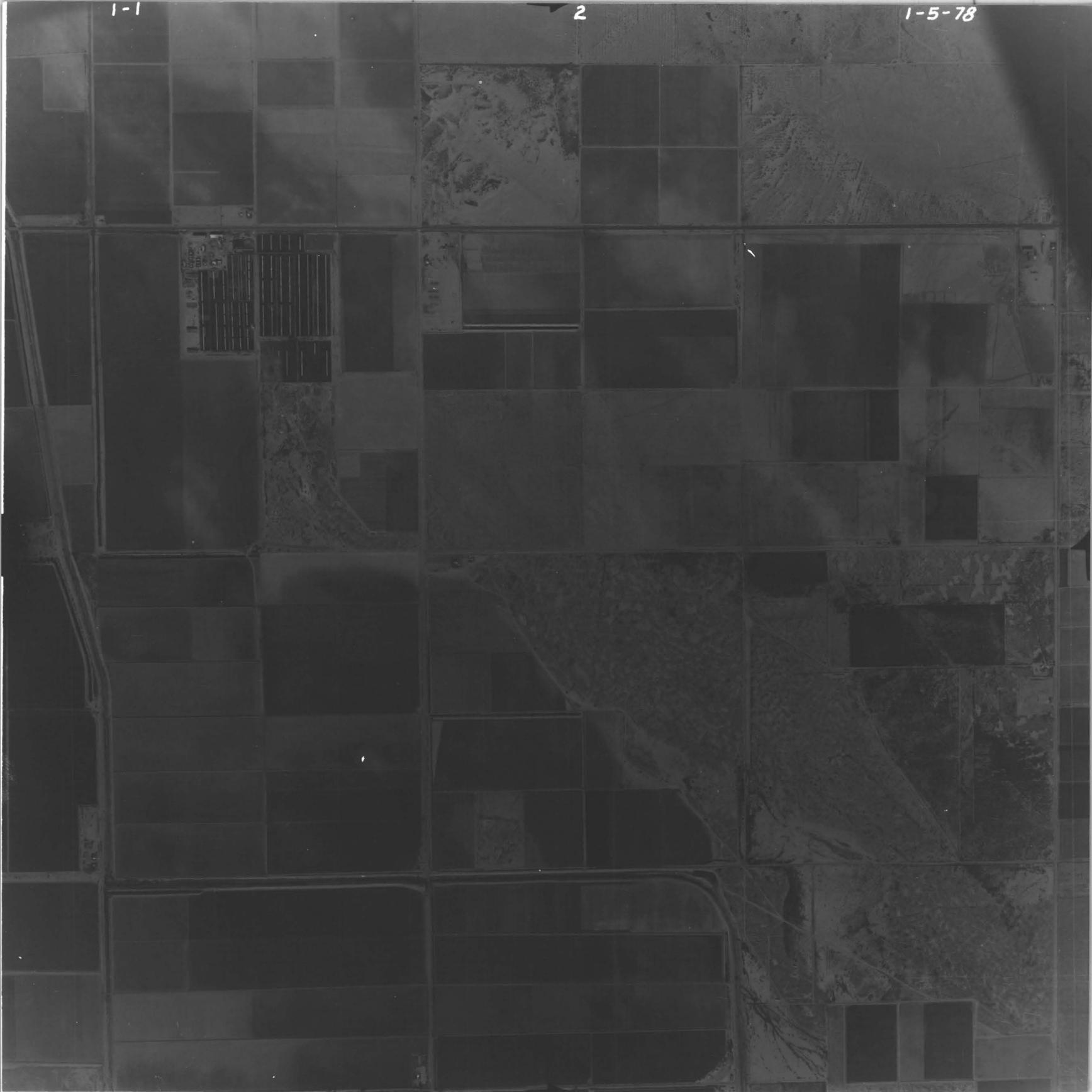
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1-1

2

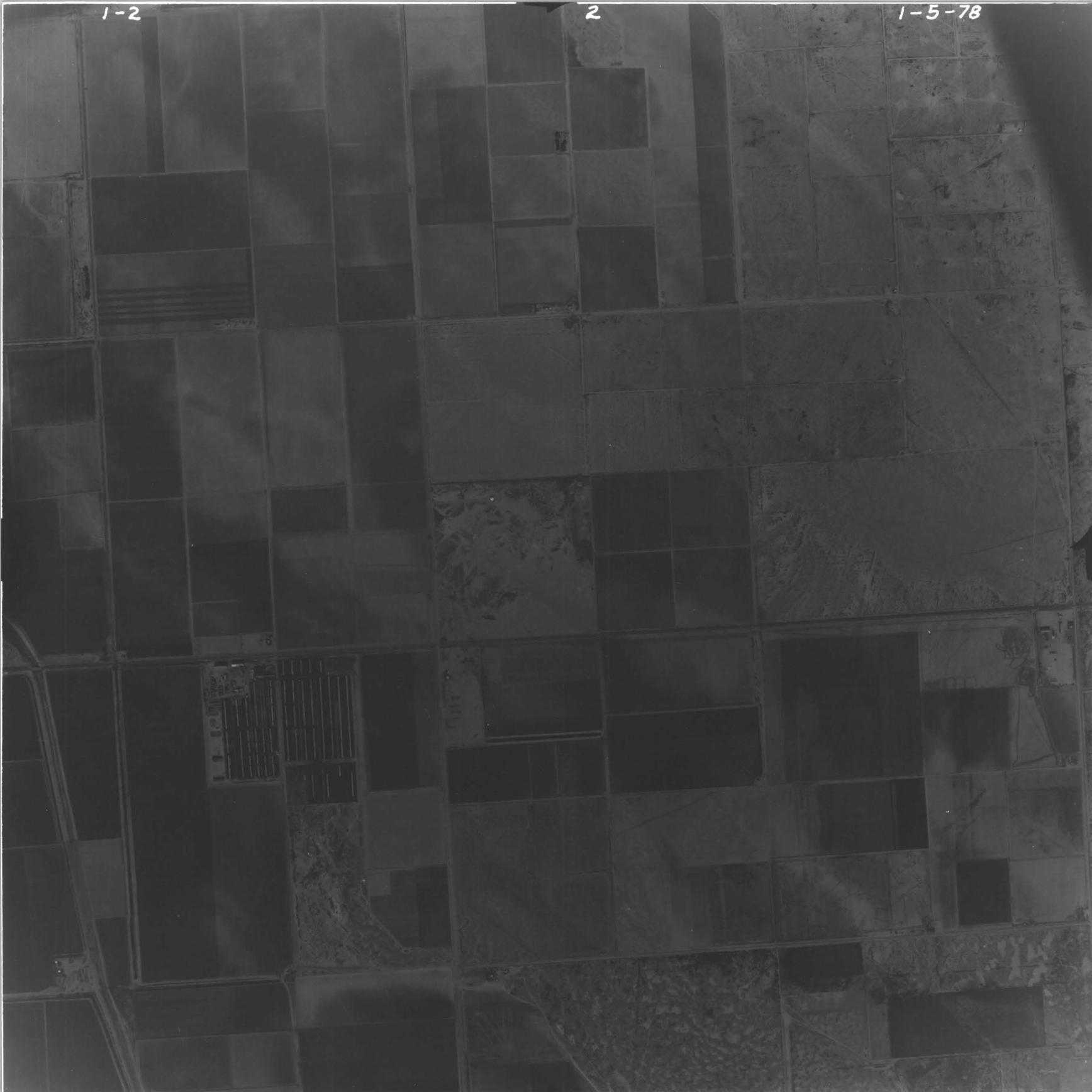
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1-2

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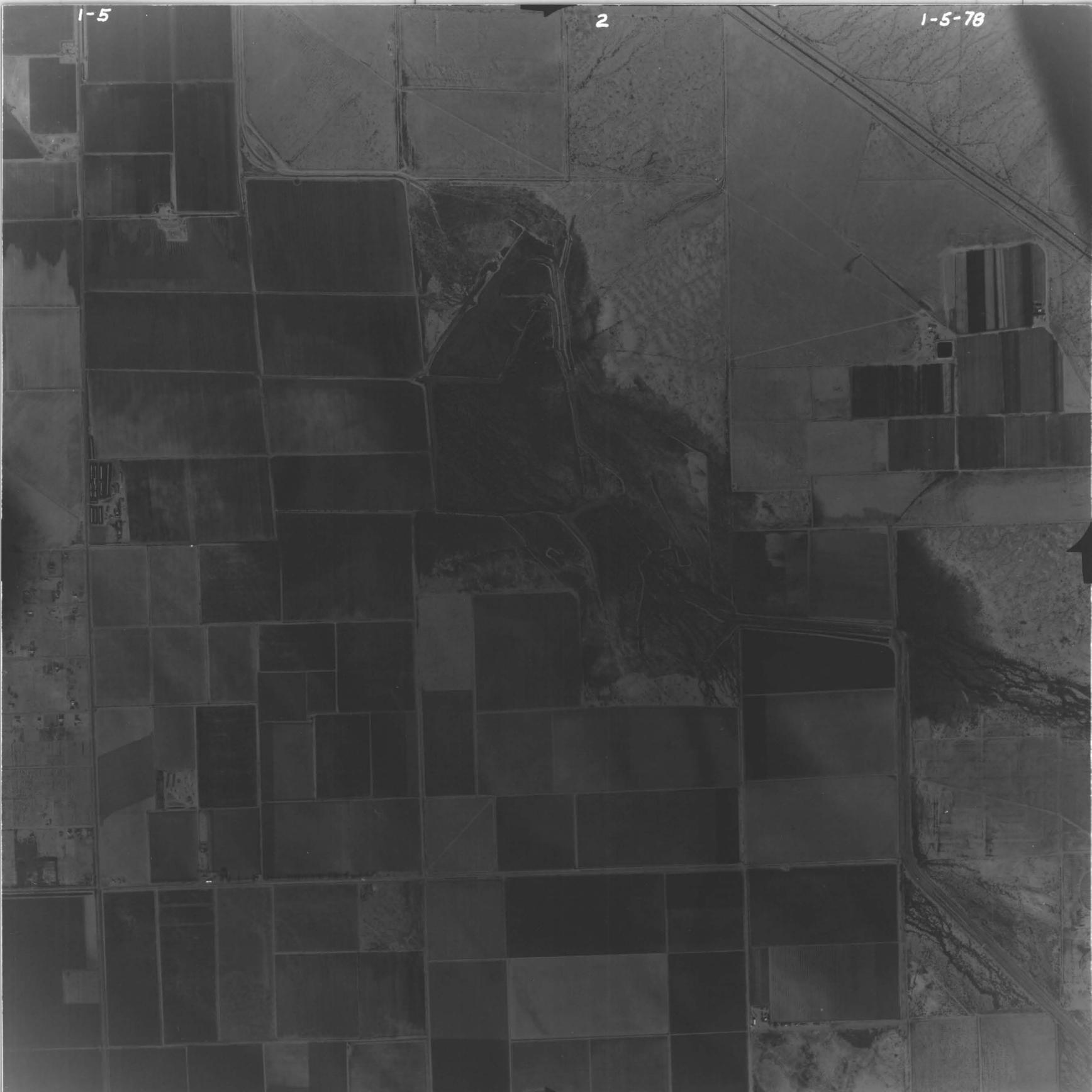
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1-5

2

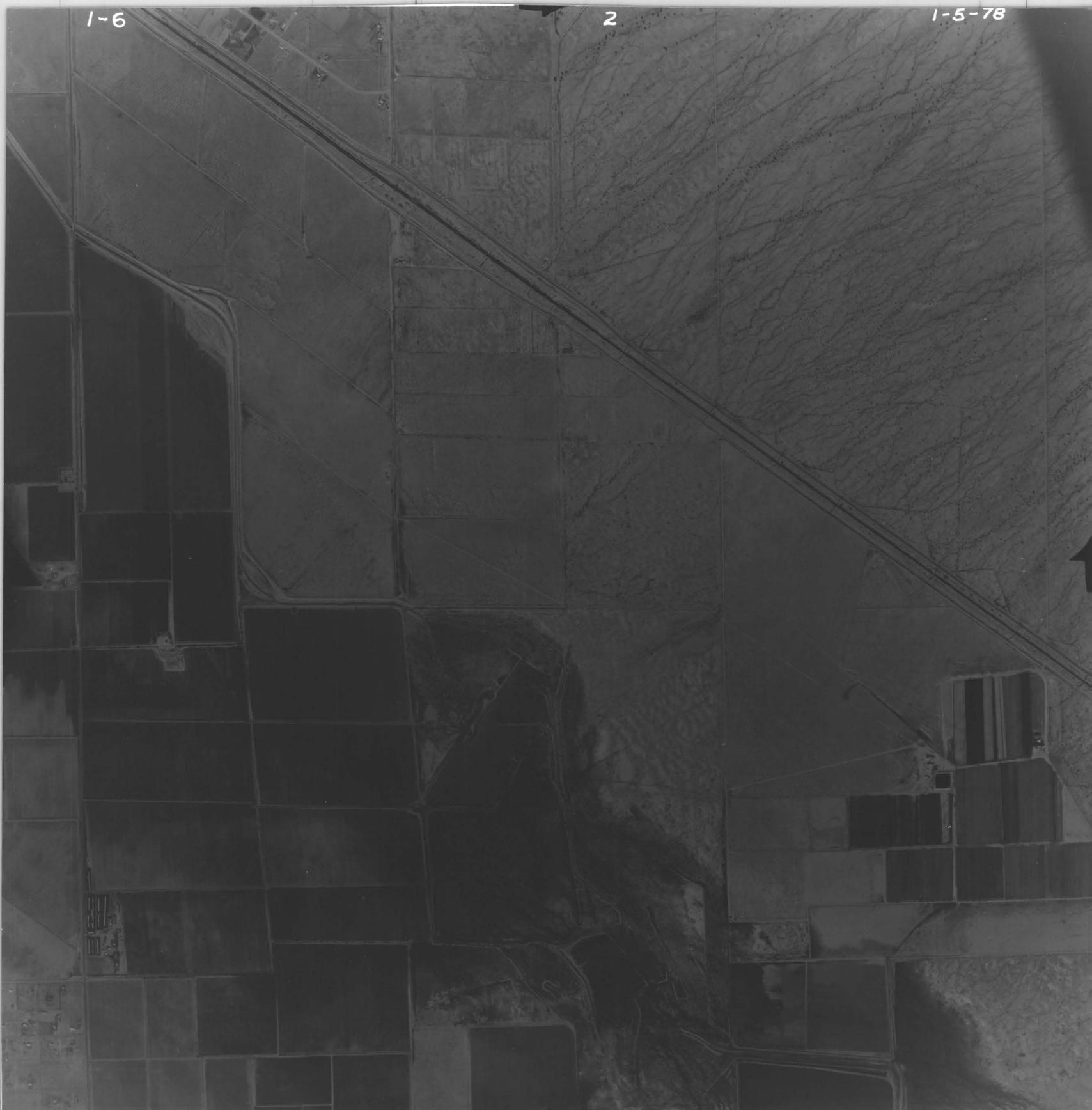
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1-6

2

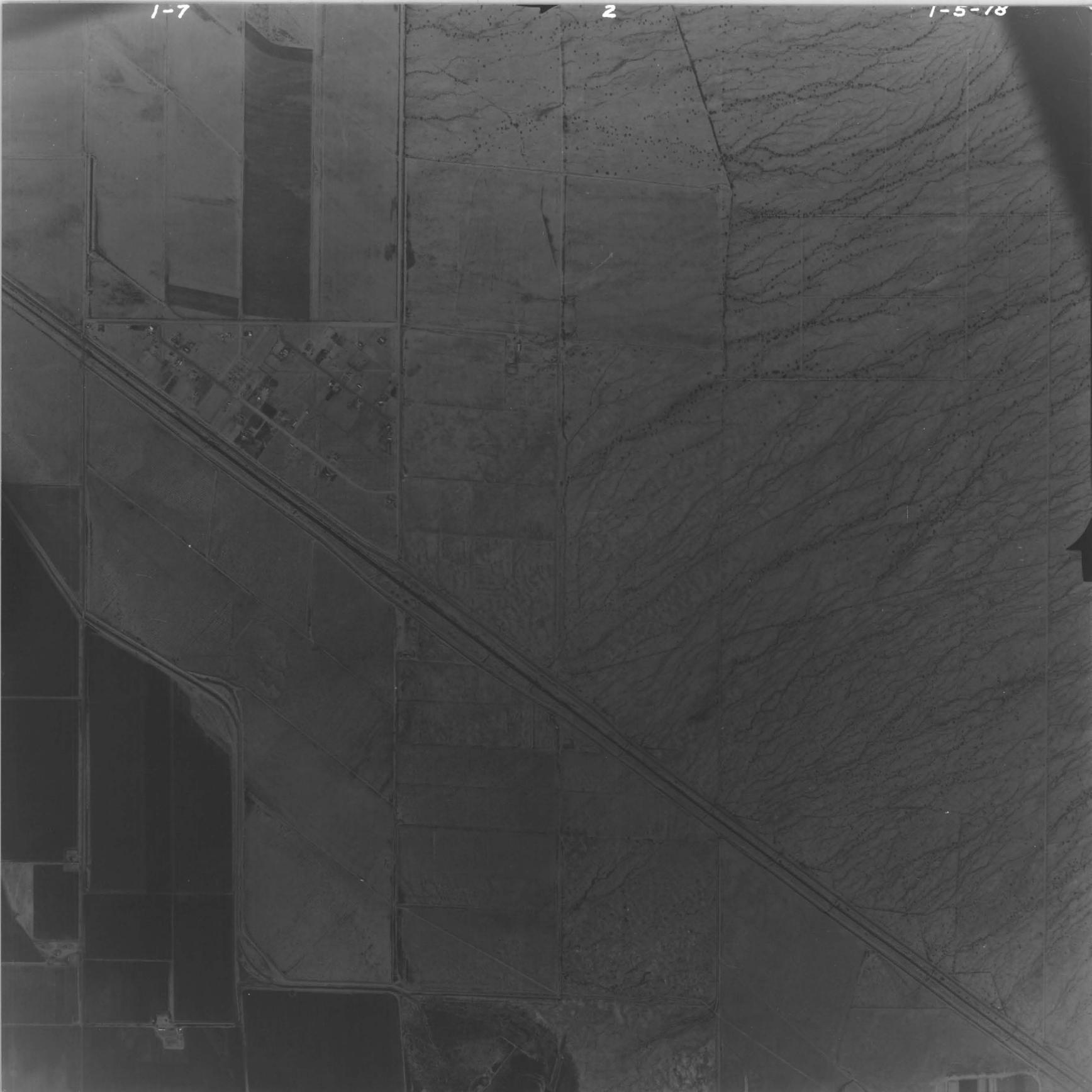
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1-7

2

1-5-78



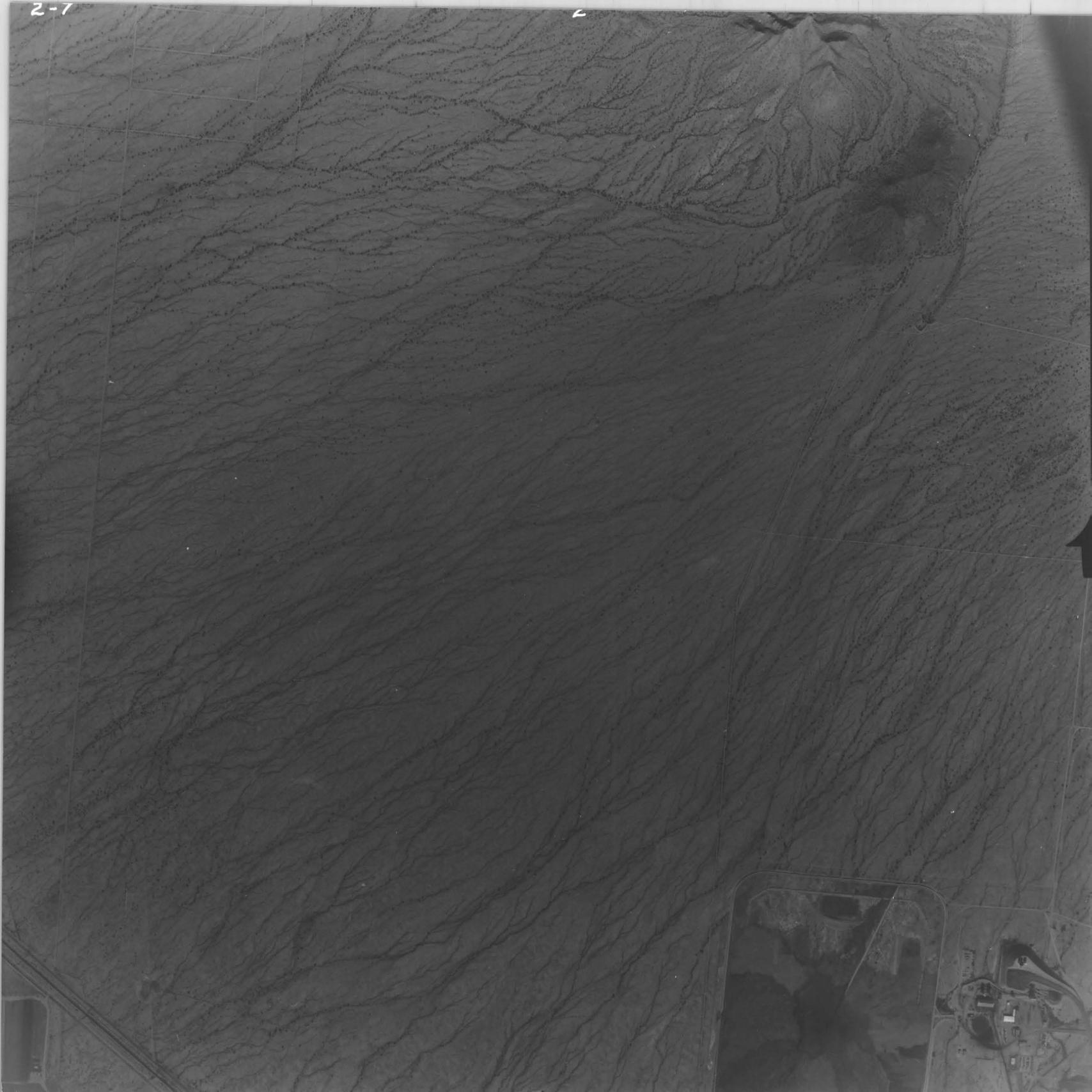
2-5

2

1-5-78



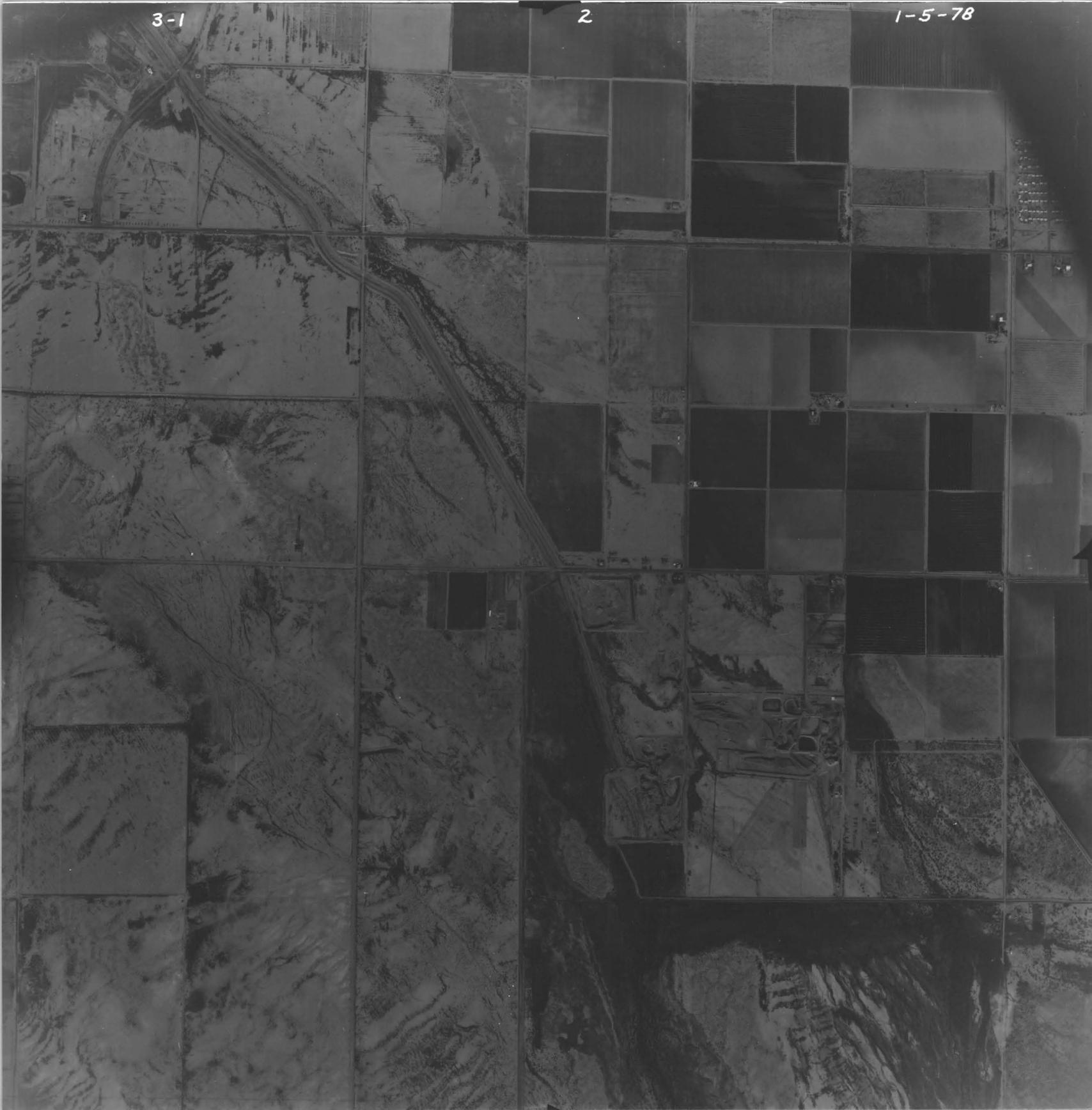
2-7



3-1

2

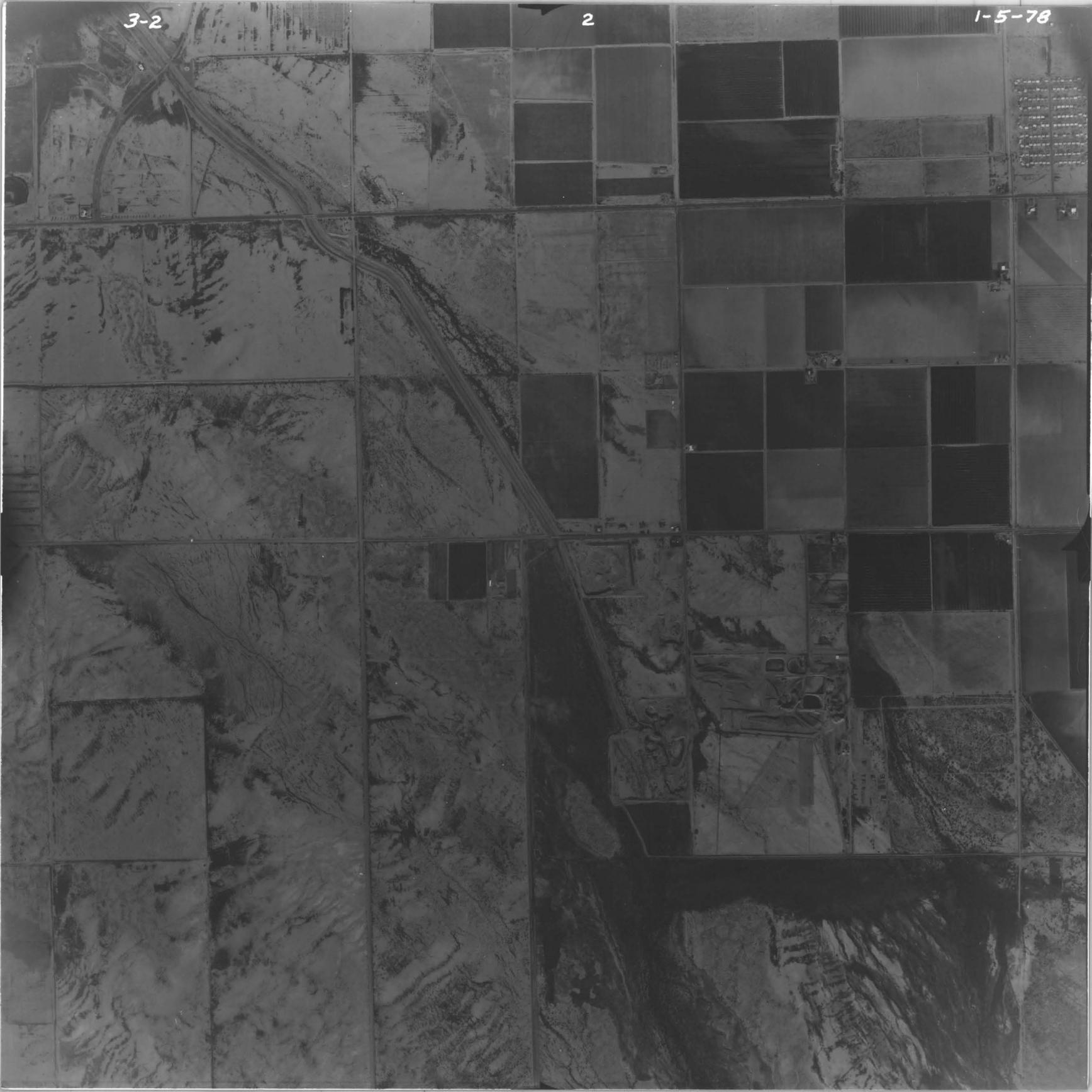
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3-2

2

1-5-78



3-3

2

1-5-78



3-4

2

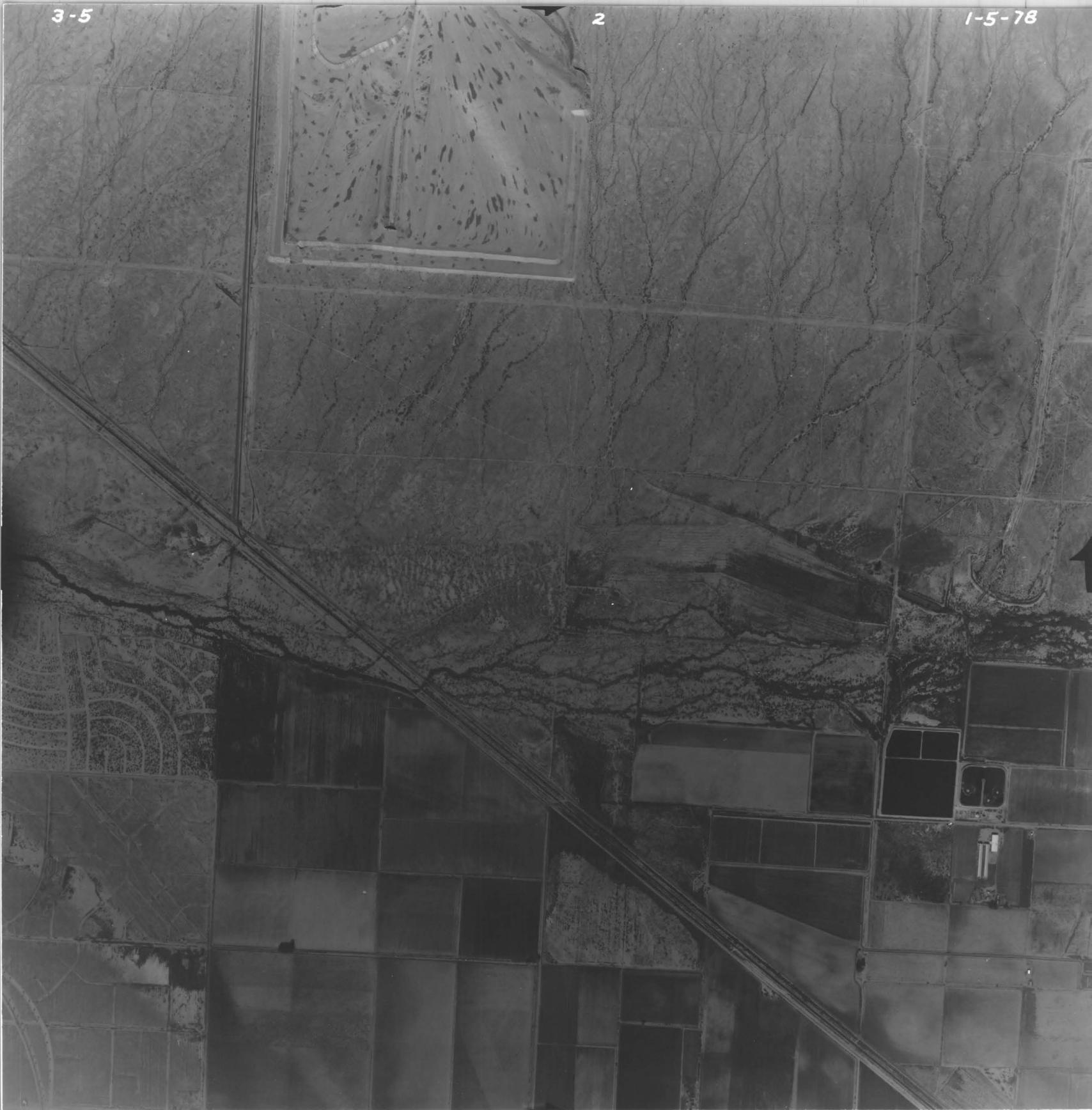
1-5-78



3-5

2

1-5-78



3-6

2

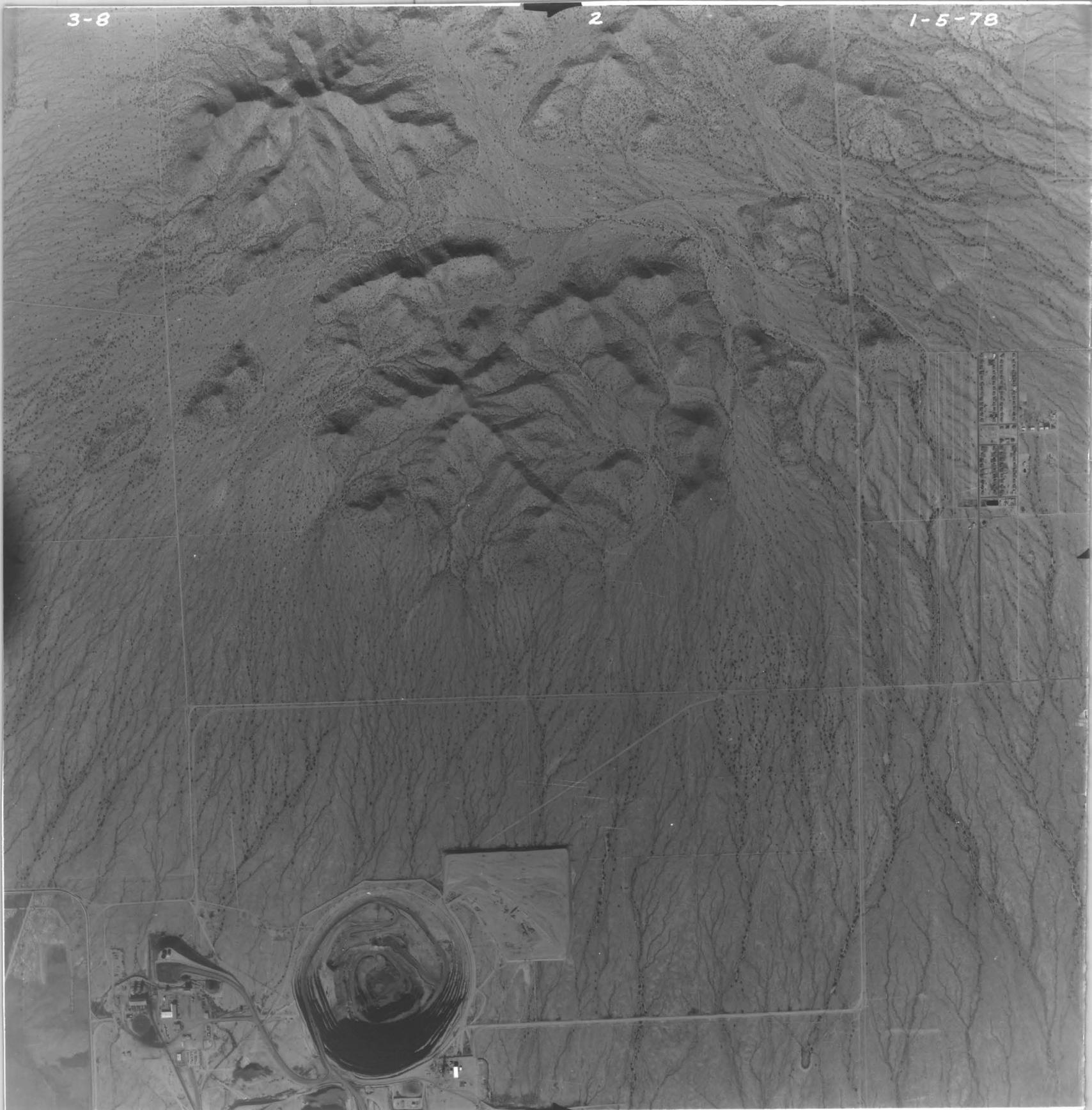
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3-8

2

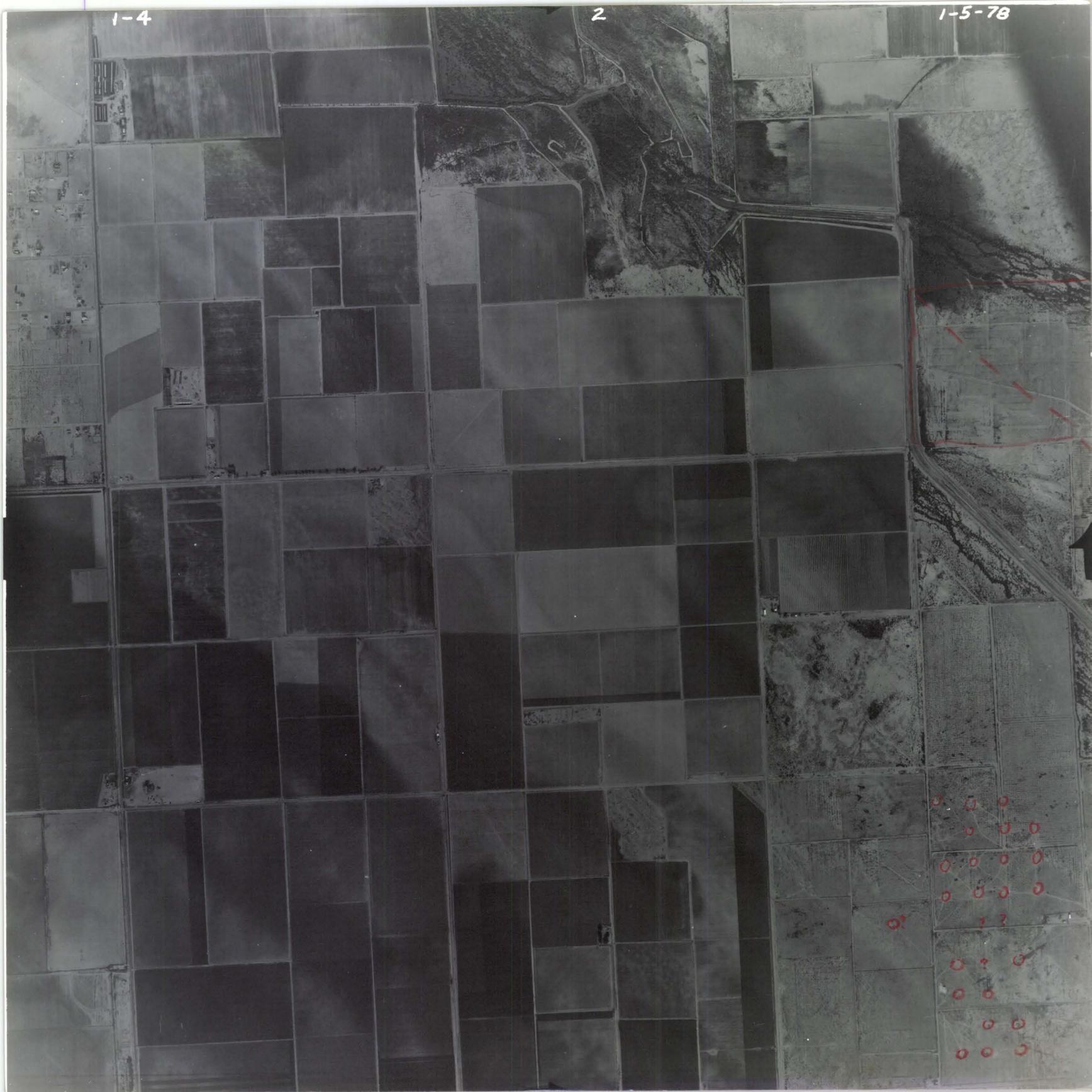
1-5-78



1-4

2

1-5-78



2-2

2

1-5-78



3-7

2

1-5-74



2-6

2

1-5-78



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TUCSON, ARIZONA 85703
Phone: (AREA 602) 623-0578

December 2, 1977

BOX 5964 TUCSON, ARIZONA 85703
Phone: (AREA 602) 623-0578

Mr. Walter E. Heinrichs, Jr.
Heinrichs Geosurveying Co.
P. O. Box 5964
Tucson, Arizona 85703

Re: Desert Carmel, Arizona

Dear Mr. Heinrichs:

I enclose a complete copy of the geophysical survey maps that were sent to me by Mr. Fredrick L. Smith of Amoco Minerals Co.

The enclosed letter states that Mr. Smith has asked Mining Geophysical Surveys to furnish me the narrative portion of the subject survey; however, to date, I have not received it. Perhaps you are familiar with this company and if so, you have our permission to contact them directly for any information they may have that could be beneficial to you.

In the meantime, I shall forward a copy of the narrative to you as soon as it is received at this office.

Very truly yours,

DELFAF FINANCIAL CORPORATION

R. R. Bennett
R. R. Bennett
Asst. Vice President

RRB/cp

Enclosures

cc: W. G. Hays, Jr.

February 8, 1978

Mr. W. G. Hays, Jr.
Financial Consultant to the Trustee
and Chief Executive Officer
North American Acceptance Corporation
1720 Peachtree Road, N.W.
Atlanta, GA 30309

Re: Desert Carmel
GEOEX #1215

Dear Bill:

Transmitted to you in duplicate are this summarizing letter report and accompanying updated Composite Information Plan. These, together with my letter to you of January 20, 1978, and Chris Ludwig's Technical Comments on AMOCO Minerals Company IP line 5, consolidate all of the information and ideas we have acquired along with some initial recommendations for your consideration.

As already pointed out by Mr. W. G. Hays in his letter of January 24, 1978, it is extremely difficult to evaluate and compare the ASARCO offer with the other offers. ASARCO's vested interest as a neighbor already producing copper from a sizeable capital investment in the area, plus other major success and experience in Arizona, and their ownership of much adjacent or nearby quantitative subsurface information, all dictates that they have to be serious. In fact, it is older ASARCO drilling done during the 1960s toward the southwest from Sacaton, that originally encouraged Getty to try their initial efforts in the area to begin with. Obviously, ASARCO now wishes that they had continued to follow the courage of their original convictions. The same comment would probably also apply to Newmont Mining Corporation who were once partners with Getty and Hanna in the joint venture. ASARCO's offer, and the various other actions evidenced by them in the area, definitely reflect their degree of interest, however, their type of offer seems to suggest sort of a "back door" approach or idea from their point of view of how to simultaneously and collectively address all of the various factors involved within one agreement.

AMOCO's \$9500 sample contract and option to purchase individual lots from vendees, is of course, not necessarily an indication of what they might offer N.A.A.C. for its remaining total holdings. One possible reason for that is

Mr. W. G. Hays, Jr.
February 8, 1978
Page Two

they may have had in mind at one point (or may still have in mind, depending on current legal, strategic and public relation feasibility considerations) the possibility of using a few strategically located lots as potential drilling sites. This type of thinking is not uncommon to both the term and the terminology of the option as written when compared to the form often used in the mineral exploration industry where future course of action is uncertain and automatic escape at minimum cost may suddenly become desirable. AMOCO has since pulled out the two drill rigs which were still working just northeast of the railroad on 5 January 1978 and they are conducting no other visible activity at the present time.

Getty offers \$2000/acre, for any and all ultimately delivered lots and other land - estimated to comprise approximately 1105 acres in total or \$2,210,000 for roughly 2746 lots which equal in area about 825 acres total, plus an additional 280 acres which Desert Carmel Subdivision Section T4 and the recreation area north of Carmel Subdivision N are estimated to contain.

Oxy offers \$4,200,000 for roughly similar total acreage as Getty's offer, but all to be within the western "area of mineral interest" and subject to moving the individual lot vendees to an eastern "area of non-mineral or vendee relocation interest". Oxy's apparent "area of mineral interest" includes the recreational area north of Desert Carmel Subdivision Section N, Desert Carmel Subdivisions sections T1, T2, T3, T4, R, N and F, and excludes Desert Carmel Subdivision Sections A, C, D, G, GP1, GP2, & GP3, H, I, J, K, L & M, all of which lie within the extreme eastern, north-south oriented, one mile wide strip of Desert Carmel property. The Oxy proposal is silent with respect to Desert Carmel Subdivision Section E. Thus, it remains unallocated as to Oxy's intentions regarding its mineral interest or its lot vendee relocation interest.

Reportedly, as is to be expected, some lot owners now envision obtaining windfall prices for their lots and/or rich production royalties, "a la" some past major oil discoveries of classical note. Of course, it is theoretically conceivable to get the vendees to exchange lots and to move for some price but, on a practical basis, and especially when contingent on essential success of such a proposed exchange program, the ultimate ramifications of the Oxy offer are too hypothetical for realistic or recommended consideration. Unquestionably, the ultimate problems of unitizing ownership or control of the numerous lots for effective mineral development of the land already sold to lot contract vendees, are many fold, rather complex and not entirely predictable. Invariably, the high political and emotional aspects of the small homeowner versus big industry and/or the large corporation, will tend to become enmeshed with the numerous legal details inevitably involved.

Thus, the Getty offer is definitely the most viable as to conditions tenable to N.A.A.C. As to price, several aspects are to be considered. The first question pertains to mineral rights value, if any, and to the surface and associated ground water rights value. The Getty offer seems to be considering

Mr. W. G. Hays, Jr.
February 8, 1978
Page Three

mainly the surface value, with perhaps a thought that the possible mineral rights value would be offset against the anticipated difficulties and costs associated with acquiring effective mineral and surface rights from individual lot vendees, and/or that the possible mineral rights value is slim. The latter possibility also seems to be recognized by ASARCO in their type of offer, whereas the Oxy type of offer definitely places a comparatively greater value on the mineral potential than does the Getty offer.

Assuming for the moment that there may be mineral of value (ore) somewhere under Desert Carmel property, then as to where it most likely would lie can be geologically theorized. From present indirect indications a greater possibility exists: first, in the east half of Federally subdivided legal section 7 and similarly the west half of section 8, both T.6S., R.5E., (under Desert Carmel Subdivision sections R, T1, T2, T3 & N); second, in the east half of Federally subdivided legal section 8 ("Carmel" Subdivision N) and the northwest quarter of Federally subdivided legal section 7 ("Carmel" Subdivision R; third, in Federal subdivided legal sections 1 and 6 (unsubdivided "Carmel" Subdivision T4) and Federal designated section 17 ("Carmel" Subdivision E and F); and fourth, in the remainder of Federally designated sections 9, 16, & 21 ("Carmel" Subdivisions A, D, E, G, GP1, GP2, GP3, H, I, J, K, L, M); all located in T.6S., R.5E.

This rationale, seemingly similar to that evidenced by Oxy, is based mainly on the relative geographic position of Desert Carmel property with respect to a line drawn between the present center of Getty drilling, i.e., the center of the SE 1/4 of Federally subdivided section 13, T.6S., R.4E., and the center of ASARCO's Sacaton pit. This theorizing is somewhat reinforced by known, but economically unevaluated or quantified, mineralization which exists on the same trend extending in a northeast direction from the Sacaton pit. This obvious physical trend also coincides with the inferred subsurface geomagnetic trend and Mining Geophysical Survey's induced polarization anomaly (see appended Technical Comments by Chris Ludwig), both as indicated on our Composite Information Plan map.

Altogether, these signs are encouraging, but they are far from a definite indication of the location or existence of probable ore. Unfortunately, an industry consensus, or definitely established known direct or indirect relationship between these particular geological and geophysical indications and ore, at either the Sacaton pit or in the main area of Getty drilling, are either completely lacking or considered quite controversial. Therefore, the evaluation of the significance of these factors in relation to potential ore under Desert Carmel property, must include the possibility of being a pure coincidental relationship and not necessarily indicative of economically producible mineral.

Professional experience and statistics dictate, regardless of the existence of some technically favorable indications, that the odds against finding

Mr. W. G. Hays, Jr.
February 8, 1978
Page Four

ore under Desert Carmel are considerable. Even though indications are favorable, they are quite theoretical and very indirect. Therefore, it is difficult for us to make categorical recommendations that you should unilaterally consider a high risk venture capital investment in a program of subsurface mineral exploration of Desert Carmel. On the other hand, if it is assumed, or determined, by methods as outlined in our previous letter or, by any other means, that a typical Arizona type of porphyry copper orebody does exist under Desert Carmel property, then the value of the land will depend on the amount and grade of that ore and a number of technical factors related to the cost of production and marketing. Total per pound mining, smelting and refining costs of copper, as generally produced and sold in the U.S., began in 1977, to reach or exceed the present average U.S. quoted price of \$0.635 per pound. Last year, for the first time since the Depression this resulted in several copper mine shut-downs in the U.S. and Arizona for economic and not strike reasons. U.S. mine production costs are ordinarily not publicly divulged, but are typically estimated in the range of \$0.20 to \$0.35 per pound of copper mined and concentrated. Smelting and refining costs are considered to typically average something in the neighborhood of \$0.25 to \$0.38 per pound, or more. Since 1970, inflation and environmental factors have escalated, and are still continuing to escalate these costs very rapidly, while poor demand, cheaper foreign production and a good world supply, keep the sales price down.

Based on a typical U.S. situation, economically minable copper (ore) in the ground unmined, might be considered worth roughly \$0.05 to \$0.10 per pound of contained copper. Extending such figures to the Getty orebody yields a present estimated hypothetical value of \$250,000,000 to \$500,000,000. About 5000 acres is roughly the minimum order of total acreage Getty might get by with to operate initially and that should all be contiguous acreage. A more comfortable figure for them would be nearer 10,000 acres and up. On that basis, present Getty acreage worth could be construed at roughly \$25,000 to \$100,000 per acre averaged over their whole property. Similar per acre figures would apply if a similar orebody were proven to exist on Desert Carmel property, but until that were an established fact, none of the property will sell at anywhere near such rates per acre.

As another example, strategically located 20 acre unpatented mining claims, without proven ore, have commonly sold from \$1000 to several thousand dollars or more per acre, depending on the individual circumstances and especially where the claim was located with respect to the orebody. When compared with prime local cultivatable farm land at \$3000.00 per acre in 640 acre size parcels, this begins to get into a similar ball-park figure per acre with the Getty and Oxy offers.

As a further example similar to the Getty orebody but considerably shallower, larger (800,000,000 tons) and lower grade (about 0.5% copper), is a deposit located at Poston Butte and recently developed by CONOCO Oil Corporation about thirty miles northeast of Desert Carmel, near Florence, Arizona, within the Gila River drainage. Since discovery in 1970, CONOCO has spent well over

\$30,000,000 in land, environmental and hydrological studies, drilling and underground mining for sampling and metallurgical testing purposes and still have no announced plans for building a plant and going into production. Comparatively, CONOCO's apparent water problems are different than Getty's, partly in that open pit mining is contemplated. Historically, open pit mining costs have usually been considerably less than underground mining costs, but under overall circumstances, CONOCO still feels the present risks and uncertainties are too great to proceed under present economic conditions. Reason for mentioning this here is to give you added background of possible relevance and to further illustrate the range of possibilities.

Most likely any typical copper ore found under Desert Carmel property would have to be mined by underground methods because of the inferred depth of 2000 to 2500 feet to any possibly mineralized host rocks in place. Conceivably, in place leaching through drill holes, something like the way sulfur is produced in the Frasch process, might eventually be perfected and applied as an alternative copper extraction method. But this technique is still quite experimental for copper even though it is presently being used routinely in a few cases for uranium and potash.

Ideally, to operate best, Getty will probably prefer to keep their land holdings consolidated north of State Highway 84, but the possibility of their acquiring holdings south of Highway 84 certainly shouldn't be ruled out. Getty's reported optioning or purchase of Francisco Grande was at least a public relations imperative, if not an absolute operational necessity. Such consideration by Getty relative to Desert Carmel property does not hold quite the same because the Desert Carmel type of development is not quite as intense and, for the most part, is a little farther removed from the presently anticipated center of Getty operations.

A notable exception to this relative generalization, is the presence of the Santa Cruz (river) drainage. Since the Getty reported operation will require mining by underground methods, they must be cautious to completely protect the potentially affected block caved area from flood hazard. In order for Getty to do this safely and most effectively, owning the Desert Carmel land could prove of considerable strategic value to them, regardless of any mineral potential. More comprehensive study might be able to yield a more absolute appraisal of this potential hazard and, from an insurance or protection point of view, the related value of the land to Getty. Meanwhile, of course, it will depend to what extent Getty recognizes this aspect and what degree of importance they assign to it in their planning efforts. ASARCO's holding, if made available to Getty, would help alleviate this concern for Getty considerably, but that alone may still be insufficient for complete safety. Matters will partly depend on the eventual ore body shape and position and the resulting mining plan details chosen by Getty which are still at least a year or two from initial completion.

Mr. W. G. Hays, Jr.
February 8, 1978
Page Six

In summary, the Getty offer is comparatively most realistic and viable, but least potentially remunerative and it tends to represent about the minimum present local open market amount of \$2000.00 per acre. The possibility that more might be obtained from other interested parties should be considered. Consideration should also be given as to making counter proposals to Oxy and/or especially to ASARCO, of getting a definite offer from AMOCO and/or perhaps soliciting offers from others. Included in these considerations should also be the matter of a joint venture exploration program of Desert Carmel under the general principle of risk sharing and the acquisition by N.A.A.C. of association with highly qualified venture capital, production and marketing capability. All the parties mentioned above qualify in that regard, but each represents a different situation which in turn may provide a particular advantage to you if approached on a different tack. In this regard, with your permission and guidance, it may be appropriate to consider having us tentatively feel out one or more of the above parties, and perhaps some others, for an updated appraisal and expression of their interest. In any event, before we offer any final recommendations, it is agreed that a visit and discussion with you in person is definitely recommended. Meanwhile, of course, your questions and ideas are always solicited.

Sincerely,

Heinrichs GEOEXploration Co.



Walter E. Heinrichs, Jr.
P.E. & C.P.G.S. #688

WEH:mt

Enclosures: Extra carbon copy
Composite Information Plan
2/8/78 Revision



DESERT CARMEL ARIZONA

Technical Comments

AMOCO MINERALS COMPANY IP SURVEY Line 5 (run across Desert Carmel)

The AMOCO survey consists of a single traverse (Line 5) of induced polarization (IP) - resistivity coverage apparently run along rights-of-way through the Desert Carmel Subdivision. The traverse generally arcs north to northwest to west centrally through the subdivision as shown on the GEOEX Composite Information Plan. Mining Geophysical Surveys (MGS) of Tucson was the geophysical contractor involved.

Information made available to GEOEX consists of the industry standard "pseudosectional" IP-resistivity data plot of Line 5, a "pseudosectional" plot of two pipeline interference tests and the interpretational plan map. No narrative text was supplied.

The time domain IP technique was used with an approximate 1000 foot dipole length and data ranging from one to six receiver-transmitter dipole separations, i.e., "n" intervals of 1 to 6. Data quality appears reasonably good from "n" = 1 to 3. However, due to the relatively low apparent resistivities present and the resulting low signal levels and probably proximity to cultural electrical noise, the deeper data, "n" = 4 to 6, becomes progressively poorer, with about one-half of the deeper readings being questioned by the contractor. The fair degree of data consistency nevertheless suggests that the deeper data may still be reasonably reliable on a gross overall interpretive basis at least on the southeastern two thirds of the line.

MGS's interpretive plan map indicates three zones: The southeastern third of the line from station C9 to at least station C14 is indicated as having a 20 to 23 millisecond (ms) apparent IP response (chargeability) and about a 200 ohm-meter resistivity below 1000 to 1700 feet in depth. Not mentioned is the approximate 20 ohm-meter resistivity material lying above the 200 ohm-meter substratum, also with about a 20 to 23 ms IP response. This degree of IP response and its associated 20 ohm-meter resistivity would be considered fairly typical of clayey high background response alluvial valley fill. The higher resistivity material interpreted below 1000 to 1700 feet is probably relatively unmineralized bedrock - perhaps granitic in composition.

Central portion of the traverse from about C4 to C9, MGS interprets as having 15 to 18 ms IP response and about 100 ohm-meter resistivity below 1000 feet. Not mentioned is the low resistivity (10 to 20 ohm-meter) overlying material. Again, this likely represents relatively unmineralized, perhaps granitic bedrock overlain by alluvial valley fill.

Northwestern portion of the traverse from C4 to at least station -1 is interpreted as having a 60 ms IP response at 2000 - 2500 feet depth. No mention is made of the associated resistivity or the overlying material IP response. The interpreted 60 ms IP response at depth is anomalous and compatible with disseminated "porphyry-type" sulfide mineralization and is the sort of response that would be expected over the Coastal Mining deposit about two miles to the southwest. In addition this "anomaly" is on trend with the Coastal sulfide body and the Sacaton Mine making a neat, coherent, easily rationalized picture if taken at face value.

However, this anomaly interpretation is based on the most suspect data shown on the pseudosection and on a data pattern scatter and contractor-questioned basis. In our opinion, based solely on the data provided and within the apparent statistical scatter of that data, a background IP response could just as well be interpreted at similar depths. Possibly AMOCO had other supporting information such as additional IP coverage just outside the Desert Carmel boundary which made the Line 5 high-IP-response-at-depth interpretation more likely as it can be reasonably assumed that the traverse in question is the fifth line of a series.

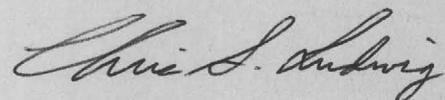
Perhaps the best way to consider this information is that sulfides at depth in the northwestern portion of the Subdivision have not been ruled out as a reasonable possibility. A deeper penetrating IP traverse run in a similar position would likely more definitively resolve the question. If a more definite sulfide response at depth were to result, then drill holes could be logically sited for more precise assessment. Of course, additional IP coverage could be useful to better delineate the geometry of any anomalous zone detected as well as determining which areas show less mineralized potential, i.e.: sulfide concentration.

An alternate but less methodical approach, would be to accept the AMOCO "anomaly" as a guide to a preliminary drill test without further geophysical support.

The northwestern "anomalous" portion of the line shows a rather complex resistivity pattern not allowing a bedrock depth interpretation to be made. This complexity may be due to variation in alluvial resistivity, sharp bends in the line or grounded cultural interference such as pipelines or fences.

A 6" and a 12" diameter pipeline apparently crossed between stations C7 and C8 were tested by two short test traverses to determine how much spurious IP-resistivity response they might contribute. Neither pipeline gave an appreciable response so it can be inferred that they have not adversely affected the Line 5 data.

Heinrichs GEOEXploration Co.



Chris S. Ludwig
Chief Geophysicist



NORTH AMERICAN ACCEPTANCE CORPORATION

1720 PEACHTREE ROAD, N.W., ATLANTA, GEORGIA 30309 • PHONE 404 • 873-3921

January 24, 1978

GEOEX
Cable: GEOEX



JAN 27 1978

BOX 5964 TUCSON, ARIZONA 85703

Phone: (AREA 602) 623-0578

Mr. Walter E. Heinrichs, Jr.
P.E. & C.P.G.S. #688
Heinrichs Geoexploration Company
P. O. Box 5964
Tucson, Arizona 85703

Dear Walter:

I appreciate your letter of January 20 and the composite information map that was enclosed. From your letter and a study of the map, I concur with your assessment that there exists a probability of ASARCO and Getty eventually forming some type of a joint effort.

The offer of Covington Land Company (ASARCO's offer) is difficult to evaluate because the offer is for the purchase of the Common Stock of NAAC of Arizona and the mortgage position owned by NAAC (Parent Company of NAAC of Arizona). It is entirely unrealistic that NAAC can be in a position of selling the stock on the basis outlined in the Covington Land Company proposal. The proposal would assure Covington Land Company of ownership of the Common Stock of NAAC of Arizona, with NAAC of Arizona owning clear title to the property, while at the same time being fully responsible for all of the debts that now exist, plus any future development obligations that may be successfully asserted. I, therefore, do not know any way in which you may equate the Covington Land Company proposal with the other proposals. It would be extremely technical and difficult to analyze the indebtedness of the Company and reach a position where the offer could be stated in terms of dollars per acre. I, therefore, think that the offer should be disregarded insofar as your analysis is concerned, and only indicate a keen degree of interest by ASARCO.

Subdivision development completion etc?

The Getty offer is clear and easy to understand, for it offers an established dollar price per acre for land owned free and clear by NAAC of Arizona. NAAC of Arizona owns, at this time, approximately 2,700 lots free and clear of any liens or encumbrances. The lots constitute previously unsold lots or lots resulting from defaulted contracts. In addition, NAAC of Arizona owns in fee simple approximately 280 acres consisting of Sections T4 and the recreational area north of Section N, as shown on the Subdivision Plats previously forwarded to you. The lots are scattered throughout the Subdivision and range between lots of a minimum size of one-quarter acre to lots of one acre each. Getty's offer was to buy any and all such lots and acreage at a fixed price per aggregate acre and, additionally, would acquire any additional acreage that NAAC of Arizona acquired as a result of defaulted contracts or by any other means.

*\$2000/acre
for ~1105
acres =
\$2,210,000*

The Oxy offer was for a set dollar amount, but required NAAC of Arizona to successfully cause the lot contract vendees in the "area of interest" to move to other

\$4,200,000 for 1000-1200 acres = \$4200 to \$ / acre

Mr. Walter E. Heinrichs, Jr.
January 24, 1978
Page Two

Sections of the project east of the "area of interest". It would be extremely difficult to effect an exchange program whereby the lot contract vendees would accept a similar lot in the eastern part of the Subdivision. Nevertheless, the offer does clearly indicate the amount of money for which they are willing to purchase the real property.

I, therefore, think that for the purpose of your analysis, you should consider the property in which NAAC of Arizona has fee simple title because there are many problems involved in the land underlying contracts sold to lot contract vendees. I, therefore, believe that what we are seeking is an assessment of the value of land in the Subdivision and perhaps broken down by Sections which would indicate your thoughts in regard to mineralization.

I, therefore, do not think that the ASARCO offer can provide you with an indication of the value placed upon the land by ASARCO; however, the Occidental and Getty offers can provide you with such a figure, and it appears that you should not necessarily become involved in the question of title, but rather reflect the value of the land in the project as discussed above.

Amoco has not made a firm offer, but rather has made numerous calls and indicated that they are interested in buying the land and to please let them know prior to any formal future acceptance of bids. They have engaged an Atlanta attorney and are seriously interested; however, no formal offer has been submitted.

The individual Lease and Option Agreements which I forwarded to you were for the optioning of individual lots. The Exhibits to the Options were simply contracts of individual customers to purchase individual lots. I didn't think that the land contract would be of any particular interest to you, and it was for that reason that it wasn't enclosed. I do not know the reason that some of the Companies have tried to purchase individual lots from land contract vendees, but nevertheless they have, and it was for that reason that I forwarded the information to you.

The Getty offer provides for the purchase of all of the property presently owned by NAAC of Arizona and all future property that NAAC of Arizona will acquire or may acquire because of defaulted contracts. It is estimated that the 2,746 lots owned by NAAC of Arizona and the 280 acres owned by NAAC of Arizona constitute approximately 1,105 acres which NAAC of Arizona can presently deliver, thus producing an initial bid of approximately \$2,210,000.

The offer by Oxy is to purchase for a price of \$4,200,000 all of the NAAC of Arizona owned lots and acreage in the "area of interest", plus the land that is being purchased by land contract vendees in the "area of interest". As noted above, it would be necessary for NAAC of Arizona to provide for the land contract vendees to purchase land in the eastern section of Desert Carmel rather than in the "area of interest". It is important to note that Getty's offer is for all lots and acreage owned by NAAC of Arizona regardless of location, and Oxy's offer is for land only in the "area of interest". Getty, therefore, would purchase land in areas in which the mineral companies have not shown an interest in an effort to make the offer attractive. The Oxy offer would encompass approximately the same number of acres as in the Getty offer, but in a different location. In other words, the amount of acres for sale would be identical; it would simply be

Mr. Walter E. Heinrichs, Jr.
January 24, 1978
Page Three

in different locations. Therefore, in summary, Oxy is offering approximately twice the per acre price as Getty subject to making the land available by the land swap.

I trust that the above has answered your questions; however, if I may be of any further assistance, please do not hesitate to call.

After you have finished most of your analytical work, it may be appropriate for us to visit with you again to review your findings and provide you with any additional information that you may require.

I greatly appreciate the fact that you are keeping me informed of your progress.

Best regards.

Very truly yours,

A handwritten signature in cursive script that reads "Bill". A horizontal line is drawn underneath the signature.

W. G. Hays, Jr.
Financial Consultant to the Trustee
& Chief Executive Officer

WGH/hp
cc: Maurice N. Maloof, Esq.

January 20, 1978

Mr. W. G. Hays, Jr.
Financial Consultant to the Trustee
and Chief Executive Officer
North American Acceptance Corporation
1720 Peachtree Road, N.W.
Atlanta, GA 30309

Re: Desert Carmel
GEOEX #1215

Dear Bill:

Most of the readily available facts have been acquired, assimilated, and composited. Included is mainly surface information from observations made in the field, from freshly procured aerial photography, from the records and data sent by you and your associates, and a brief preliminary examination of records at the Pinal County recorders office in Florence and the U.S. Geological Survey ground water well records here in Tucson.

The enclosed Composite Information Map shows the surface situation in some detail and to scale. Concentration of drill hole sites shown both north of, south of, and within the SE 1/4 of Section 13, T.6S., R.4E., is obviously the area of primary mineral interest and apparently includes the discovery announced publicly in 1976 by the Hanna - Getty joint venture, of which Coastal Mining Company, a Hanna subsidiary, is the joint venture operator.

Such "pattern type drilling" as this, on centers as close as from 200 to 500 feet apart, definitely indicates "proving up" activity of the kind which occurs during the transition phases from mineral discovery to mine feasibility study and/or pre-mine development, provided that favorable enough drilling results and economic conditions continue to prevail as the work goes along. Apparent irregular gaps in the otherwise regular drilling pattern may be caused by obliterated drill hole evidence - dozing clean up etc., or it may relate to legal access and/or property ownership problems. Geologic factors at depth could also cause such gaps in the drilling pattern.

Full significance of the square pattern drilled on 500 foot centers in the NE 1/4 of Sec. 13 (apparently done by ASARCO), is slightly more difficult to interpret, but it appears very likely that they have at least a small piece of the ore body if not a rather large portion of it - say up to as much as one third.

Mr. W. G. Hays, Jr.
January 20, 1978
Page Two

Exactly why ASARCO's drilling activity has been stopped may or may not be of particular significance to anyone but themselves, but I can't help but wonder if your specific position in the matter could have had any special bearing on their decision? Allowing for some adverse boundary constraints affecting an otherwise "normal" drilling pattern influenced mainly by subsurface geologic factors, there appears to be a slightly west of North and east of South trend to the main area of drill concentration at present. But, given no property constraints of any kind whatsoever as to where drilling sites might be chosen, such a trend might disappear and some other trend become apparent.

Unfortunately, practically no clear or definite subsurface economic-~~economic~~ geological information showed up in the aerial photography. However, examination of published U.S. Geological Survey aerial magnetic data of the area - U.S.G.S. 1965 Geophysical Investigations Map GP 548, does indicate an inferred geologic trend striking roughly N45°E through the middle of the SE 1/4 of Sec. 13, T.6S., R.4E., across Desert Carmel property and through ASARCO's Sacaton pit area. This trend could have some influence on the present location of AMOCO drilling. It also correlates with the strongest response detected by Mining Geophysical Survey's induced polarization (IP) line 5 on either side of Montgomery Road on Desert Carmel property. Possible relation of that response to sulfide mineralization within the alluvial covered bedrock beneath Desert Carmel property is encouraging. But concentration of iron sulfide (pyrite) is relatively quite common, whereas concentrations of copper sulfide are not. This is especially true of ore-grade or commercial concentrations of copper sulfide.

Ultimate resolution of these possibilities one way or the other can only begin to be really indicated by drilling. Drilling costs for the kind of drilling required may vary from less than \$5.00 per foot to over \$25.00 per foot, depending partly on subsurface conditions and certain calculated risk factors which might or might not be tolerated. Perhaps at this point, \$15.00 per foot would be a useful working figure. Based on nearby Hanna - Getty reported copper mineralization depths of 1600 to 3300 feet, initial drilling would have to be programmed from a minimum of 2000 feet to a maximum of 4000 feet, or from \$30,000 to \$60,000 per hole or roughly \$45,000 average per hole budgeted.

Ideally, a minimum initial program of three holes should be considered if drilling is decided to be done, or a total of \$135,000.00. In addition, and prior to any drilling, added geophysical coverage may be warranted to help guide the exact positioning of any initial drill hole sites at an approximate cost range of \$5,000 to \$10,000. Conceivably, such added geophysical coverage, if results were favorable enough, could enhance the present mineral interest in Desert Carmel. On the other hand, if results were entirely negative, the opposite effect is not as likely because the geographic proximity value for plant space, dump space, ground water right^s, etc., is still there, regardless

Mr. W. G. Hays, Jr.
January 20, 1978
Page Three

of the indicated mineral production potential. Moreover, the nature of most geophysical data is such that it may guide or enhance things, but rarely does it categorically rule out everything. In any case, geophysical evidence ~~is~~ is indirect and the appraisal of it must be interpretational.

On the other hand, drilling results, though they still must also be interpreted, are generally done so as to be as factual as possible and unlike geophysics they directly represent a sample of the subsurface material in question. Thus, prior to actual drilling, the mineral potential appraisal must remain essentially qualitative and only after drilling results begin to become available can the appraisal start to become at all quantitative.

With the foregoing as a preamble, it should be obvious that no before-the-fact approach to maximize correctness of any trust decisions made, is going to be absolutely risk free. For example, one extreme possibility is for economic conditions to force Hanna - Getty and ASARCO to completely abandon their plans and holdings and thereby for you to have lost not only their offers, but also the offers of the others currently interested in the area. Meanwhile, of course, ~~nothing~~ better transpired with respect to the appreciation of Desert Carmel's value, then having missed the acceptance of the best "outside" offer would be considered regrettable. The likelihood of this possibility is extremely remote. Aside from the adverse effects of continuing title conflicts, etc., most probably, Desert Carmel value will appreciate with time and especially so in the mineral sense, and at least for a year or more. As ~~for~~ solely the pure real estate value, you probably already have advice more qualified than ours, but of course that aspect also should be factored into any decisions made.

Unless there are certain time factors unknown to us here, time appears to be mostly in your favor except possibly for the JV offer from Oxy, or other "outsider" offers such as AMOCO might make or has made. "Outsider" groups like those, other than ASARCO & Getty - Hanna, would be gambling that their proposed investment in exploration expenditure on Desert Carmel could perfect more than just a nuisance position. In order to evaluate all the proposals we need a better quantitative feeling regarding the various conditional factors mentioned such as conveyance of clear title etc., and/or potential time and cost factors related to correcting title imperfections, if any. Can you assist us a little more along these lines?

Similarly, ASARCO's offer is difficult to fully evaluate without complete understanding of the precise terms and status of the various outstanding notes, etc. Aside from these types of factors, and any associated or other time relationships unknown to us, your decisions would not appear to require any immediate hurry. Of course this situation could change suddenly by some development that we cannot anticipate now.

Mr. W. G. Hays, Jr.
January 20, 1978
Page Four

You should be aware that if our orebody location and property ownership information are at all accurate, even though Hanna - Getty may have the lion's share of the orebody, they will be very hard put to mine it economically if at all without adversely and seriously infringing on ASARCO interests and vice versa. This means a better than even chance at this point that they will eventually get together in some way, if in fact they haven't already.

As far as Oxy etal and AMOCO are concerned, they are simply working on what may be the best of what's left and available, while hoping to establish a worthwhile although somewhat more tardy position. Certainly a deal with Desert Carmel could enhance this possibility considerably for them, but not necessarily for you depending on their type of deal. We have the copy of the lease and option agreement which accompanied your letter of 4 January 1978, but this appears to be a sample of what they are offering individual lot owners, with descriptions referenced to Exhibit A which was not included with the material received from you. Have AMOCO made any specific offers to you regarding the whole rest of Desert Carmel and if so may we get the particulars of any such offer made?

This preliminary letter report is being sent together with the accompanying Composite Information Map previously mentioned and both in duplicate.

We will look forward to your response.

Sincerely,

Heinrichs GEOEXploration Co.



Walter E. Heinrichs, Jr.
P.E. & C.P.G.S. #688

WEH:mt
Enclosure: 1



January 6, 1978

Mr. W. G. Hays, Jr.
Financial Consultant to the Trustee
and Chief Executive Officer
North American Acceptance Corporation
1720 Peachtree Road, N.W.
Atlanta, GA 30309

Re: Desert Carmel
GEOEX #1215

Dear Bill:

Your letters and respective enclosures of 30 December 1977 and 4 January 1978 are in hand and are most appreciated. These clear up at least the one main question we had regarding title to the parcel sold to ASARCO (shown in red on the sketch accompanying your letter of 4 January 1978). Incidentally, I learned today that Freeport Mining Corporation reportedly is involved with ASARCO, alone or with others, as joint venture partners in the area. Apparently that particular parcel would be included in that joint venture, but what else in addition, or if actually something else is included, is not clear.

Aerial photos have been flown. We reviewed the first prints today and I believe they will help depict the surface situation quite well and in considerable detail. Enlargements will be available late next week. Ultimately, we probably will have a composite photo-mosaic made of the area. In any event, we will use the photos for preparing our base illustration and geologic and economic analysis - along with the offer details you have provided to us and any other relevant ownership details available. In connection with the latter, it may become desirable to plot the precise current ownership of each separately owned parcel, including each individual lot etc., but we will hold that in abeyance for now.

Regarding the offers, please rest assured that the confidential nature of them will be protected by us as professionals in your behalf entirely. As soon as they are completely assimilated we will doubtless have comments for you.

Faithfully,

WEH:mt
Extra carbon copy enclosed

Walter E. Heinrichs, Jr.
P.E. & C.P.G.S. #688



NORTH AMERICAN ACCEPTANCE CORPORATION

1720 PEACHTREE ROAD, N.W., ATLANTA, GEORGIA 30309 • PHONE 404 • 873-3921

January 4, 1978

Mr. Walter E. Heinrichs, Jr.
P.E. & C.P.G.S. #688
Heinrichs Geoexploration Company
P. O. Box 5964
Tucson, Arizona 85703

GEOEX
Cable: GEOEX



REC'D JAN 6 1978 REC'D

BOX 5964 TUCSON, ARIZONA 85703

Phone: (AREA 602) 623-0578

RE: Desert Carmel, AZ
GEOEX #1215

Dear Walter:

Your letter of December 27, 1977 had attached thereto a sketch map of the Desert Carmel Subdivision with indicated areas where ASARCO had drilled. In reviewing the sketch map, it became apparent that the map included land formerly owned by NAAC known as Desert Carmel West, which was subsequently sold to ASARCO. The drilling sites that you indicated are located on the Desert Carmel West tract. For your information, there is enclosed a copy of your sketch map, with the present Desert Carmel property delineated in blue, and the Desert Carmel West property, which was sold to ASARCO, outlined in red. The square in the center of the drawing, which you have designated "ASARCO?", is not a part of the present Desert Carmel property, nor was it a part of the Desert Carmel West property sold to ASARCO. Therefore, I do not know the ownership of the property.

In view of the foregoing and the attached information, it appears clear that ASARCO did not trespass upon Desert Carmel property, nor has it drilled upon present Desert Carmel property. Apparently, the plat maps that we previously forwarded to you did not eliminate the sold portion of the property.

You requested information concerning the purchase of options by various mineral companies and in that connection, attached are the following:

- (1) A copy of a letter dated July 6, 1977 from Occidental Minerals Corporation (OXY), together with an Option Contract with land contract vendees, Harold G. Hokanson and Anne L. Hokanson. Attached to the Option Contract is a copy of the Contract for the Sale of Real Estate between Desert Carmel Development Corporation and the Hokansons.

- (2) A copy of a letter from O'Malley Realty & Development Company to Desert Carmel lot contract vendees, Mr. & Mrs. Storr.

*#3000
"Vendees interest"*

*#4500 cash
of 6346.80 over*

120/105

*\$1075 for
"position as purchaser"*

Mr. Walter E. Heinrichs, Jr.
January 4, 1978

- (3) A copy of a letter dated March 8, 1977 from O'Malley Realty & Development Company to a Desert Carmel lot contract vendee by the name of C. A. Morsey.
- (4) A copy of a form letter of OXY used in the solicitation of options in the Desert Carmel Subdivision.
- (5) A copy of a Lease and Option Agreement of Amoco Minerals Company.

Also attached is a plat of the Desert Carmel West land that NAAC originally acquired from Wendell-West and sold to certain mining interests. The land was sold to an undisclosed buyer, and only recently was it determined that the buyer is apparently ASARCO. Previously, we were not aware of any mining interests in the property. Wendell-West originally purchased the land from four individuals as indicated on the attached plat. The Desert Carmel West land is colored in yellow.

I trust that the above information answers all of the questions raised in your letter of December 27. Please let me know if I may be of further assistance.

Best regards.

Very truly yours,


W. G. Hays, Jr.
Financial Consultant to the Trustee
& Chief Executive Officer

WGH/hp
Enclosures
cc: (with enclosure)
Maurice N. Maloof, Esq.

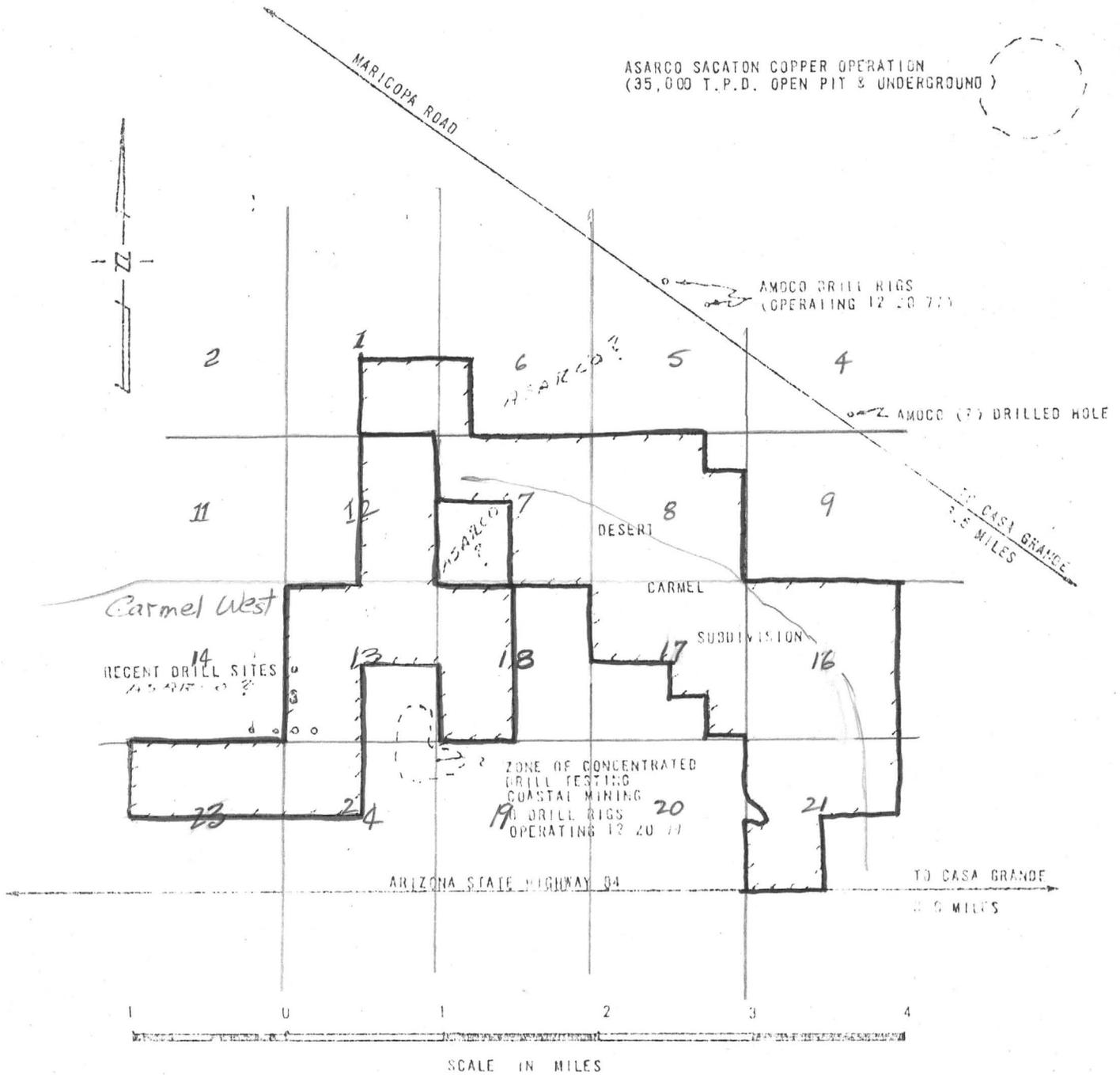
\$9500⁰⁰

#650 "position as purchaser"
5/10 equity position
cash down
1/2 12 mos payments
to "Seller"
renewable for 3yrs
total + taxes & assessments.

DESERT CARMEL SUBDIVISION AND VICINITY
PINAL COUNTY, ARIZONA

by
HEINRICH'S GEOEXPLORATION COMPANY
P.O. BOX 5904, TUCSON, AZ. 85709
Job number 1215 22 December 1977

ASARCO SACATON COPPER OPERATION
(35,000 T.P.D. OPEN PIT & UNDERGROUND)



Red - Desert Carmel West - Sold to ASARCO

Blue - Desert Carmel - NAAC has an interest

OCCIDENTAL MINERALS CORPORATION

A SUBSIDIARY OF OCCIDENTAL PETROLEUM CORPORATION

IRONGATE BUILDING 4
777 SOUTH WADSWORTH BOULEVARD
LAKEWOOD, COLORADO 80226 U.S.A.



TELEPHONE (303) 988-2200
TELEX 45-819 OXYMIN DVR
CABLE: OXYMIN DENVER, COLO.
DEX 580

June 8, 1977

Re: Lot # _____ Section _____ Desert Carmel

Occidental Minerals Corporation, a wholly owned affiliate of Occidental Petroleum Corporation, is presently engaged in a copper exploration program in the Casa Grande, Arizona region. The area of our current interest includes part of the Desert Carmel Subdivision and, specifically, we are interested in the possibility of obtaining an option to purchase your equity position in the land sales contract on the above-referenced Desert Carmel property. To this end, one of our people will be telephoning you in the near future to discuss, in more detail, the provisions of our proposal.

I would like to take a moment to explain what is involved in an option to purchase. Basically, in exchange for a cash payment and other considerations to you, you (the property owner) will give Occidental the right to buy your equity and position in the land sales contract covering the above-referenced Desert Carmel property. Specifically, we are seeking an option to purchase, at any time during the next 3-year period, your equity position and to assume your rights and obligations under your land sales contract after we exercise the option at a price equal to your equity position in the property. Upon signing the agreement, Occidental will give you an amount equal to 5% of your equity position and will pay to the property seller, on your behalf, a sum covering your next 12 months' payments on the property. At the beginning of the second year, unless we have previously terminated the option, we will again make a single lump sum payment equal to your payment obligation for the ensuing 12-month period, and similarly for the third year. Also, during the term of this option, Occidental will pay property taxes and any other assessment made on the property. In the event we do not exercise the option to purchase your equity position during the 3-year option period, you keep the cash payment and the property payments made on your behalf have reduced the amount you owe the property sellers.

As you are probably aware, North American Acceptance Corporation, the owner of Desert Carmel, is in bankruptcy. A Federal District Court Judge has appointed a trustee to liquidate the assets of the Corporation, which includes Desert Carmel, and to pay off the creditors to the maximum extent possible. It appears that North American will not undertake further development

or installation of amenities at Desert Carmel, but to verify this I suggest you call the trustee, Robert E. Hicks, in Atlanta, Georgia, (404) 588-1100.

There is no need to reply to this letter as one of our landmen will be telephoning you in the near future, but I will, of course, be pleased to answer any questions you may have regarding this transaction. I hope you will be available to talk with our landman and that you will view this proposal as fair and equitable.

Thank you for your time and consideration.

Sincerely yours,

OCCIDENTAL MINERALS CORPORATION

Frederick B. Park
Vice President - U. S. Exploration

FBP:jmb



NORTH AMERICAN ACCEPTANCE CORPORATION

1720 PEACHTREE ROAD, N.W., ATLANTA, GEORGIA 30309 • PHONE 404 • 873-3921

December 30, 1977

Mr. Walter E. Heinrichs, Jr.
P.E. & C.P.G.S. #688
Heinrichs Geoexploration Company
P. O. Box 5964
Tucson, Arizona 85703



RE: DESERT CARMEL

Dear Walter:

In reference to our conversation yesterday concerning your letter of December 27, I will forward to you the additional information requested during the week of January 3.

In the meantime, it occurred to me that you should be aware of the three offers submitted by Occidental Minerals Corporation, Getty Oil Company, and Covington Land Company. The offers are intended to acquire the Desert Carmel property, and copies of the offers are attached. The Covington Land Company offer is on behalf of ASARCO. The offers are confidential and are forwarded to you as Consultant of the Trustee of NAAC. You should, therefore, treat the information in a confidential manner and not provide the information to others. The offers have not been accepted by the Trustee.

I will send you additional information next week.

Best regards.

Very truly yours,

W. G. Hays, Jr.
Financial Consultant to the Trustee
& Chief Executive Officer

WGH/hp
Enclosures
cc: Maurice N. Maloof, Esq.

May 23, 1977

BY HAND

Robert E. Hicks, Esq.
Trustee in Reorganization
of North American Acceptance
Corporation and North American
Acceptance Corporation of Arizona, Inc.
1720 Peachtree Road, N. E.
Atlanta, Georgia 30303

RE: Desert Carmel, Arizona

Dear Mr. Hicks:

We understand that you wish to entertain offers for acquisition of the Desert Carmel properties.

This letter will constitute the offer of Occidental Minerals Corporation, The Superior Oil Company, Noranda Exploration, Inc. and Chelsea Corporation (hereafter collectively "Offerors"). It is understood that this offer is binding, if accepted, on each of the named entities constituting Offerors, but that each entity shall itself be responsible to the Offerees herein only to the extent of one-fourth of the obligations hereunder imposed upon Offerors.

"Offerees" when used herein shall mean Robert E. Hicks, as Trustee in Reorganization of North American Acceptance Corporation (hereafter "NAAC") and as Trustee in Reorganization of North American Acceptance Corporation of Arizona, Inc. (hereafter "NAAC of Arizona").

"Court" when used herein shall mean the United States District Court for the Northern District of Georgia, Atlanta Division.

"Proceedings" when used herein shall mean the proceedings for reorganization of a corporation under Chapter X of the Bankruptcy Act respecting NAAC and NAAC of Arizona, pending in the United States District Court for the Northern District of Georgia, File Nos. B74-290A and B74-631A, and any subsequent proceedings into which they may be converted by Order of Court.

"Offerees' Desert Carmel Properties" or "Properties" when used herein shall mean all right, title and interest, including, without limitation to the foregoing, all mineral rights which Offerees have now and at the time of the conveyance contemplated hereunder (together with any rights which may thereafter be acquired by Offerees) in and to the real property in Pinal County, Arizona commonly known as "Desert Carmel", including all streets, alleys, drainageways, easements and common areas in each of the subdivisions constituting "Desert Carmel", together with any interests, real or personal, which Offerees' or either of them, or Arizona Title and Trust Company of Pinal County or any other subdivision trustee may have in or with respect to Desert Carmel as to which trusts Offerees, or either of them, have beneficial interests, including such trusts as to which Offerees or either of them have assigned such beneficial interests to third parties.

Offerors will pay \$4,200,000.00 to the designee of Offerees upon conveyance by Offerees of Offerees' Desert Carmel Properties to

Occidental Minerals Corporation, as designee of Offerors to hold record title to such Properties for the benefit of Offerors in accordance with the separate agreement entered into by Offerors ("Occidental"), subject to and only upon complete fulfillment of all of the following conditions:

1.

All of the Offerees' Desert Carmel Properties shall be conveyed to Occidental by Offerees or their designee free of all mortgages, liens, claims or other encumbrances; other than mortgages, liens, claims or other encumbrances:

- (a) resulting from existing covenants, conditions and restric-
tions governing use of the Properties or any subdivision contained therein and which are effective and filed with respect thereto ("CCRs"); however, Offerees shall have certain responsibilities to convey and assign to Occidental certain of such rights as provided hereafter; or
- (b) existing in favor of land sales contract vendees resulting from the payment under or existence of land sales contracts outstanding at the time of conveyance hereunder with respect to Offerees' Desert Carmel Properties; pro-

vided, however, that the number of lots or parcels affected by such mortgages, liens, claims or encumbrances shall not exceed ten (10%) percent of the number of lots which were subject to land sales contracts outstanding at the time of this offer with respect to each separate subdivision (other than subdivisions M, L, J, K, I, D, C, H, GP1, GP2, GP3, G and A which subdivisions will be the only ones used by Offerees for purposes of relocating vendees) forming a part of such Properties. The number of lots or parcels in subdivisions M, L, J, K, I, D, C, H, GP1, GP2, GP3, G and A as to which vendees have not waived the rights they might otherwise have under CCRs to prohibit Offerors from conducting surface test drilling for mineral exploration purposes and who have not granted to Offerees assignable easements for entry and access to such lots for such test drilling purposes and who have not granted mineral rights and a right to conduct mining activities more than 500 feet below the surface shall not exceed ten (10%) percent of the number of lots in each of such subdivisions which were subject to land sales contracts outstanding at the time of this offer.

Offerors shall have been satisfied that:

- (a) fee simple title, including, without limitation, mineral rights, is in the Trustee of NAAC of Arizona with respect to all those portions of Offerees' Desert Carmel Properties not subdivided, designated as Tract No. T4 (including Tract C (school site)) and the Tract bearing the legend "Reserved for Outdoor Recreation" on the map of Desert Carmel which has been supplied to Offerors by the Trustee of NAAC of Arizona and with respect to the lots described in the attached Exhibit "A"; and that fee simple title including, without limitation, mineral rights is in the Trustee of NAAC of Arizona with respect to all of the streets, alleys, drainageways, easements and common areas in each of the subdivisions constituting "Desert Carmel",
- (b) that fee simple title, including without limitation, mineral rights, is in the Trustee of NAAC of Arizona with respect to all of the lots described in Exhibit "B" subject only to such equitable lien rights, easement rights or other interests in said property which may exist in the vendees of such lots as a result of the payment by vendees under the land sales contracts or the rejection of land sales contracts pertaining to such lots by said Trustee in the Plan of Reorganization; provided, however, that such equitable lien rights,

easement rights or other interests of such vendees shall exist as to no more than ten (10%) percent of all lots listed on Exhibit "B";

- (c) that fee simple title, including, without limitation, mineral rights, is in the Trustee of NAAC of Arizona as to all of the lots described in Exhibit "C", except those that are conveyed by him to third persons as part of the Plan of Reorganization of NAAC of Arizona; and as to each of such lots described in Exhibit "C" that the said Trustee conveys to third persons as part of such Plan of Reorganization, that in making such conveyances he has reserved all mineral rights and an assignable easement sufficient to allow entry and access to such lots for mineral exploration and other related activities as well as the right to conduct surface test drilling; and
- (d) that the Trustee of NAAC of Arizona owns as to at least ninety (90%) percent of the lots described in Exhibit "D" all mineral rights, an assignable easement sufficient to allow entry and access to each of such lots for mineral exploration and other related activities

as well as the right to conduct surface test drilling; and further that the Trustee of NAAC of Arizona has obtained from the land sales contract vendees of at least ninety (90%) percent of the lots described in Exhibit "D" waivers or conveyances of any lien rights, easement rights or other rights which may exist under CCR's or otherwise, which could interfere with or prevent surface test drilling or the conduct of mining activities more than 500 feet below the surface.

3.

Offerees shall have caused to be entered final orders of the Court in the Proceedings, no longer subject to appeal:

- (a) Approving the acceptance by Offerees of this offer and the written agreement contemplated hereunder;
- (b) Confirming a Plan of Reorganization of NAAC of Arizona which (i) provides for conveyance of Offerees' Desert Carmel Properties to Occidental, including, without limitation, the rights obtained by Offerees under the Plan of Reorganization in mineral rights, easements for surface drilling purposes and waivers respecting CCRs; (ii) provides for rejection by the Trustee of NAAC of Arizona of any obligation to the land sales contract

vendees to develop any portion of the Properties or to deliver deeds to them with respect thereto as might be required under the land sales contracts;

(iii) is conditioned upon and produces: (a) an express and binding release and waiver from vendees of at least ninety (90%) percent of the lots in each subdivision in the Properties included and described in the attached Exhibit "B", in a form satisfactory to Offerors, of all liens, claims or rights such land sales contract vendees may have in or with respect to said lots; (b) an express and binding conveyance by land sales contract vendees of at least ninety (90%) percent of the lots in each subdivision included and described in Exhibit "D" to the NAAC of Arizona Trustee of all mineral rights and a right and easement for entry and access to such lots to conduct test drilling for mineral exploration purposes with respect to such lots, together with a release and waiver of any rights or easements they might have under the CCRs to prevent surface test drilling or the conduct of mining activities more than 500 feet below the surface; and (c) an express conveyance of the mineral rights, the easement for entry and access and for test drilling purposes

and a release and waiver of any rights or easements under the CCRs to prevent surface test drilling or the conduct of mining activities more than 500 feet below the surface from at least ninety (90%) percent of those land contract vendees with respect to lots from which they relocate under the Plan of Reorganization who are, under said Plan, relocated into one of the lots listed in Exhibit "C" or "D"; and

- (c) Finding that Offerors do not by consummation of this transaction or acceptance or taking of the conveyance contemplated hereunder, become responsible for development of the subject property or otherwise have duties with respect to land sale contract vendees.

4.

Offerees shall have conveyed to Occidental the Properties described in paragraph 1 of these conditions, together with the mineral rights and easements described in paragraph 3 hereof and shall have delivered to Occidental the waivers and releases contemplated to be obtained from the vendees in paragraph 3 hereof.

5.

Offerees shall not be required to convey to Offerors the rights of the Offerees to receive payments under the land sales con-

tracts owned by Offerees. Offerees shall not, however, enforce payment of the outstanding balance of any land sales contract with respect to any lot as to which the vendee's rights are acquired by Offerors.

6.

Offerors and Offerees shall have entered into a written agreement respecting such disposition generally embodying terms consistent with the provisions of this offer.

7.

Offerees shall have made available for inspection and copying by Offerors books, records and writings, including computer printouts, respecting interests relating to Desert Carmel and other information reasonably required by Offerors.

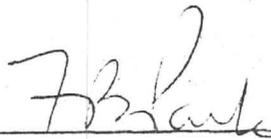
8.

Offerees shall not have conveyed any of the Desert Carmel Properties in which they have an interest at the time of this offer to any persons other than conveyances of lots required to be made to land contract vendees, or conveyances necessary for relocation of vendees as to the relocation areas under the Plan of Reorganization.

This offer expires at five o'clock, Post Meridiem
on June 23, 1977 and must be accepted in writing, delivered

to Oscar N. Persons, Alston, Miller & Gaines, 35 Broad Street,
Atlanta, Georgia 30303.

OCCIDENTAL MINERALS CORPORATION

By: 
Frederick B. Park
Vice President

ATTEST:


Assistant Secretary

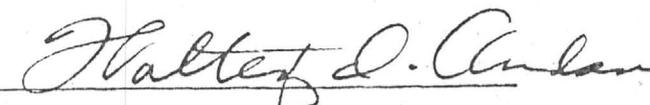
THE SUPERIOR OIL COMPANY

By: 
Senior Vice President

NORANDA EXPLORATION, INC.

By: 
VICE PRESIDENT

CHELSEA CORPORATION

By: 
Pres.



Getty Oil Company | 3810 Wilshire Boulevard, Los Angeles, California 90010 • Telephone: (213) 381-7151

Minerals Exploration Department

May 19, 1977

Mr. W. G. Hays, Jr.
North American Acceptance Corporation
1770 Peachtree Road, N.W.
Atlanta, Georgia 30309

Dear Mr. Hays:

Re: North American Acceptance Corporation of Arizona, Inc.
Desert Carmel Twp. 6 South, Ranges 4 and 5 East,
Pinal County, Arizona

In response to your letter dated February 22, 1977, this letter will confirm our continued interest in the available Desert Carmel acreage.

It is our understanding that North American Acceptance Corporation of Arizona, Inc. will be able to convey the surface and mineral estates to somewhere between 960 and 1600 acres, free and clear of all liens and encumbrances including, but not limited to, any covenants and obligations with respect to the following:

1. The other purchasers in Desert Carmel.
2. The "declaration of establishment of conditions and restrictions for Desert Carmel."
3. Membership, dues and assessments with respect to Desert Carmel Country Club, Inc.

Assuming North American Acceptance Corporation of Arizona, Inc. can perform in accordance with the understanding stated in the immediately preceding paragraph, or some other mutually acceptable understanding, we are prepared to make an offer of Two Thousand Dollars (\$2,000.00) per acre. The total purchase price would be payable in cash upon acceptance of title to the mineral and surface estates for all such acreage North American Acceptance Corporation controls in the Desert Carmel development and confirmation of the sale by the judge in bankruptcy.

Our evaluation to date has been rather cursory in that we have been trying to develop a picture as to what are the rights and obligations applicable to each category of Desert Carmel acreage. For example, we have problems evaluating the value of the right North American has to trade out the various existing lot owners as well as the value of the existing improvements. The net effect of this evaluation suggests that additional discussions should occur so that we will be able to make a full and complete offer.

-2-

May 19, 1977

Mr. W. G. Hays, Jr.

North American Acceptance Corporation

At your earliest convenience, please advise us as to how you desire to proceed further with this proposal. We would be most pleased to enter into private negotiations, participate in public auction or submit a sealed bid. Of course, participation would be dependent upon the commitment that North American Acceptance Corporation of Arizona, Inc. intends to dispose of the acreage.

We look forward to your reply.

Cordially,

GETTY OIL COMPANY

By 

DAN:jj

cc: Mr. W. P. Weber, Hanna Mining Company

COVINGTON LAND COMPANY
c/o Jones, Bird & Howell
Haas-Howell Building
Atlanta, Georgia 30303
Attn: Ralph Williams

May 23, 1977

North American Acceptance Corporation
1720 Peachtree Road, N.W.
Atlanta, Georgia 30309

Re: North American Acceptance Corporation
of Arizona, Inc.

Gentlemen:

Covington Land Company (COVINGTON) herewith responds to the letter dated February 22, 1977, from North American Acceptance Corporation (NAAC) soliciting offers to purchase the Desert Carmel development near Casa Grande, Arizona, which is owned by North American Acceptance Corporation of Arizona, Inc. (NAAC-A).

Subject to the execution and delivery of written contract documents setting forth the provisions of this letter, and the final approval of such documents by the United States District Court for the Northern District of Georgia (the COURT), COVINGTON herewith offers to purchase from NAAC, at a price and on the terms herein set forth, the assets (the ASSETS TO BE PURCHASED) listed in ARTICLE 1. COVINGTON agrees to meet with NAAC within 10 days after acceptance by NAAC of this offer to prepare the requisite contract documents in accordance with this letter and thereafter to forthwith execute and deliver such documents.

1.

ASSETS TO BE PURCHASED

1.1 INDEBTEDNESS. COVINGTON will purchase from NAAC all indebtedness owed by NAAC-A to NAAC, including, but not limited to:

- (i) \$7,000,000, 22% promissory note made by Desert Carmel Development Corporation payable to NAAC, dated September 30, 1969.
- (ii) \$1,716,364.86, 22% promissory note made by Desert Carmel Development Corporation, payable to NAAC, dated September 30, 1969.

The purchase of such indebtedness shall include the purchase of all security and collateral for such indebtedness, including but not limited to:

- (x) Realty Mortgage made by Desert Carmel Development Corporation in favor of NAAC, dated September 30, 1969, recorded in Docket 580, page 909, Pinal County, Arizona Records, conveying certain real property to secure the \$7,000,000 promissory note referred to above, as amended by Agreement Amending Realty Mortgage between the same parties, dated February 20, 1970, recorded in Docket 593, page 474, aforesaid records.
- (y) Realty Mortgage made by Desert Carmel Development Corporation in favor of NAAC, dated March 5, 1970, recorded in Docket 594, page 943, Pinal County, Arizona Records, conveying certain real property to secure a \$5,000,000 obligation.

1.2 STOCK. COVINGTON will purchase from NAAC all of the issued and outstanding capital stock of NAAC-A.

1.3 LOTS. COVINGTON will purchase from NAAC all of the lots in the Desert Carmel development now owned by NAAC or hereafter acquired by NAAC pursuant to 3.6.

1.4 OTHER PROPERTY OR ASSETS. COVINGTON will purchase from NAAC any contracts for the sale of any lot in the Desert Carmel development or any other property or assets of NAAC which are in any way related to NAAC-A or the Desert Carmel development.

2.

PURCHASE PRICE

2.1 PURCHASE PRICE. The purchase price (PURCHASE PRICE) for the ASSETS TO BE PURCHASED is:

(i)	For the indebtedness described in 1.1 and the mortgages and other security securing such indebtedness	\$ 1,200,000.00
(ii)	For the stock described in 1.2.....	\$ 1.00
(iii)	For the lots purchased from NAAC described in 1.3.....	\$ 1.00
(iv)	For the other property and assets described in 1.4.....	\$ 1.00
	TOTAL	\$1,200,003.00

2.2 PAYMENT. On the execution and delivery of the contract documents, COVINGTON shall pay to NAAC the sum of \$100,000 as earnest money to be applied to the PURCHASE PRICE. On the CLOSING DATE upon the consummation of the purchase and sale of the ASSETS TO BE PURCHASED, the PURCHASE PRICE less the earnest money deposit, shall be paid by Bank Cashiers or Bank Certified Check drawn on a National bank located in New York City or Atlanta, Georgia.

2.3 FREE FROM LIENS AND LIABILITIES. On the CLOSING DATE the ASSETS TO BE PURCHASED shall be transferred to COVINGTON free from all liens, encumbrances, security interests, mortgages, deeds of trust, and liabilities.

3.

CONDITIONS PRECEDENT TO
SEEKING COURT APPROVAL

3.1 CONDITIONS PRECEDENT. Prior to seeking COURT approval of the sale of the ASSETS TO BE PURCHASED, and as a condition thereto, each of the conditions of this Article 3 must be met, unless waived in writing by COVINGTON.

3.2 PURCHASE REVIEW. COVINGTON shall, at COVINGTON's expense, with the permission and full assistance and cooperation of NAAC and NAAC-A, cause the accounting firm of COOPERS & LYBRAND to make a prepurchase review of the books, records and accounts of NAAC-A, and COOPERS & LYBRAND must without exception or reservation, certify to COVINGTON:

- (i) That the amount owed on the promissory note described in 1.1(i) is not less than \$5,000,000;
- (ii) That the amount owed on the promissory note described in 1.1(ii) is not less than \$1,716,364.86;
- (iii) That the total liabilities of NAAC-A do not exceed those listed in the Statement of Financial Position dated January 31, 1977, prepared by Robert E. Hicks, Trustee;
- (iv) That the total authorized capital stock of NAAC-A consist of 250,000 shares of common stock and that the total number of shares issued and outstanding is 250,000 shares, which stock is registered on the books of NAAC-A in the name of NAAC;
- (v) That the total number of unsold lots in the Desert Carmel development owned by NAAC-A is not less than 2700 and the total unsubdivided acreage owned by NAAC-A is not less than 370 acres;

- (vi) That COOPERS & LYBRAND has uncovered no condition of NAAC-A which is materially adverse to the condition of NAAC-A set forth in Pro-Forma-A, attached hereto (except for the value of land inventory which is recognized to be less than stated in Pro-Forma-A).

3.3 COMMITMENT FOR MORTGAGEE TITLE INSURANCE. Lawyers Title of Arizona has issued its commitment (on American Land Title Association Commitment Form 91-88) to insure that upon the purchase of the promissory notes described in 1.1 and the assignment of the mortgages described in 1.1(x) and (y), COVINGTON will have a first mortgage and senior lien on not less than 2700 lots and not less than 370 unsubdivided acres in the Desert Carmel development.

3.4 COMMITMENT FOR OWNERS TITLE INSURANCE. Lawyers Title of Arizona has issued its commitment (on American Land Title Association Commitment Form 1004-2(8-731)) to insure that NAAC-A owns not less than 2700 lots and not less than 370 unsubdivided acres in the Desert Carmel development subject only to the mortgages described in 1.1(x) and (y) and the lien for unpaid taxes.

3.5 TAX CLOSING. NAAC-A has entered into a "Closing Agreement" with the Commissioner of Internal Revenue pursuant to Section 7121 of the Internal Revenue Code of 1954 providing that NAAC-A owes no federal income tax for any period prior to 1977 and that NAAC-A has received a certificate of good standing from the State of Arizona providing that NAAC-A owes no Arizona state income tax for any period prior to 1973.

3.6 UNENCUMBERED LOTS. NAAC has acquired from NAAC-A all of the lots in the Desert Carmel development which are owned by NAAC-A and are not subject to the realty mortgages described in 1.1(x) and (y).

3.7 SECURED CLAIM. NAAC-A has settled and/or satisfied all secured claims against NAAC-A except for the claim of NAAC and has obtained the release of all collateral for such claims.

4.

COURT APPROVAL

4.1 COURT APPROVAL. After each of the conditions set forth in Article 3 are satisfied, or waived in writing by COVINGTON, NAAC as a condition to the closing of the purchase and sale of the ASSETS TO BE PURCHASED, must obtain an order of the COURT, in form and substance satisfactory to COVINGTON, authorizing the Trustee of NAAC to sell and transfer the ASSETS TO BE PURCHASED, to COVINGTON on the terms and conditions of the contract documents. The order must state that the Court has, as a finding of fact and conclusion of law, determined that the debts created by the promissory notes described in 1.1(i) and (ii) and the mortgages described in 1.1(x) and (y) are valid and perfected, and such order must further state that the secured claim of NAAC pursuant to said notes and mortgages is proved and allowed in an amount not less than the amount advanced thereunder, which amount is at least \$1,200,000. As a condition to closing such order must be obtained, the time for filing an appeal from such order must have expired without an appeal being filed, or if an appeal was filed the order must be affirmed and the time for further appeal expired.

5.

DEVELOPMENT OBLIGATION

5.1 REJECTION OF DEVELOPMENT OBLIGATION. As a condition precedent to closing, the Court, in the proceedings involving NAAC-A, must have, upon application of the Trustee for NAAC-A issued a final order rejecting as executory contracts, any obligation on the part of NAAC-A to provide streets, water, sewer (storm and sanitary) and other utilities and amenities to lot owners or persons purchasing lots or having contracts to purchase lots in the Desert Carmel development and the time for filing for an appeal from such order must have expired without an appeal being filed or if an appeal was filed the finding of the Court rejecting such obligation must have been affirmed and the time for further appeal must have expired.

6.

REPRESENTATIONS, WARRANTIES AND COVENANTS

6.1 STATUS. NAAC represents and warrants that it has full power and authority to accept this letter.

6.2 OWNERSHIP. NAAC represents and warrants that it owns the promissory notes described in 1.1(i) and (ii) and 225,000 shares of the common stock of NAAC-A, both free and clear of any mortgage, security interest, pledge or other encumbrance.

6.3 COURT PROCEEDINGS. NAAC agrees that it will file or cause to be filed all applications and related and supportive documents necessary to obtain the Court orders and approvals required by 4.1 and 5.1 and that it will use all reasonable efforts to obtain such orders and approvals.

6.4 OTHER ASSETS. NAAC represents and warrants that to the best of its knowledge neither NAAC nor any subsidiary of NAAC other than NAAC-A owns any asset pertaining to the Desert Carmel development which is not covered by this offer.

7.

CLOSING

7.1 CLOSING. The closing of the purchase and sale of the ASSETS TO BE PURCHASED shall be held in the offices of Jones, Bird & Howell, Atlanta, Georgia 30303, at 10:00 A.M. on the third Monday (the CLOSING DATE) following the satisfaction of all conditions set forth in Articles 3, 4, and 5 and Section 7.3.

7.2. TERMINATION. If the closing has not been consummated on or before the 31st day of December, 1977, COVINGTON may, on such date, or at any

time thereafter, before the closing is consummated, terminate the contract documents, and in such event, NAAC will immediately refund the earnest money to COVINGTON and COVINGTON and NAAC will be released of all obligations under the contract documents. If the closing has not been consummated before December 31, 1980, the obligations of COVINGTON and NAAC under the contract documents will automatically terminate, the earnest money will be refunded and COVINGTON and NAAC will be released from the contract document.

7.3 CONDITIONS TO CLOSING. In addition to all other conditions herein contained, the obligation of COVINGTON to consummate the purchase and sale of the ASSETS TO BE PURCHASED is expressly subject to and conditioned upon the following:

- (i) That the representations and warranties set forth in Article 6 are true and correct on the CLOSING DATE and reaffirmed at the closing;
- (ii) That each condition set forth in Articles 3, 4 and 5 has been fulfilled or waived in writing by COVINGTON;
- (iii) That NAAC-A has transferred and conveyed to NAAC each lot owned by NAAC-A in the Desert Carmel development which is not encumbered by the mortgages described in 1.1(x) and (y);
- (iv) That the title insurance company described in 3.3 issue a policy of title insurance pursuant to the commitment described in 3.3 and that the premium on such policy be paid by NAAC;
- (v) That the title insurance company described in 3.4 issue a policy of title insurance pursuant to the commitment described in 3.4 and that the premium on such policy be paid by NAAC;
- (vi) That the title insurance company described in 3.4 issue a policy of title insurance insuring without exception other than the printed exception and an exception for the lien for unpaid taxes, any lots obtained by COVINGTON from NAAC pursuant to 1.3;
- (vii) That NAAC delivers each and every document required by 7.4.
- (viii) That the sums collected by the Trustee for NAAC-A since the date of the filing with the Court of the Petition for Reorganization under Chapter 10 for NAAC-A from lot purchases be retained by the Trustee of NAAC-A and be available for use in any plan of reorganization of NAAC-A, which sums must equal or exceed \$1,226,000.

- (ix) That all fees for the Trustee, Attorney for the Trustee and Attorney for debtor, administrative cost, and Referee's expense fund allocations in the NAAC-A proceeding, accrued through the CLOSING DATE, be determined and approved by the Court in an amount acceptable to COVINGTON.

7.4 DOCUMENTS DELIVERED BY NAAC. On the CLOSING DATE, NAAC shall deliver to COVINGTON or COVINGTON's nominee:

- (i) The promissory notes described in 1.1(i) and (ii) endorsed as directed by COVINGTON, but without recourse;
- (ii) An assignment, in recordable form, with all requisite transfer taxes paid, conveying the realty mortgages described in 1.1(x) and (y) to the assignee of the promissory notes;
- (iii) A transfer of the stock described in 1.2 to the parties selected by COVINGTON in such form as is required by the secretary or transfer agent of NAAC-A;
- (iv) A trustee's deed, or deeds, to the parties designated by COVINGTON, conveying the lots described in 1.3;
- (v) A bill of sale or trustee's deed or both to the parties designated by COVINGTON conveying the property described in 1.4;
- (vi) Such other and further documents as counsel for COVINGTON may reasonably require in order to effect the consummation of the purchase and sale of the ASSETS TO BE PURCHASED.

7.5 POSSESSION. Possession of the ASSETS TO BE PURCHASED shall be delivered to COVINGTON or its designees on the CLOSING DATE.

8.

DEFAULT

8.1 DEFAULT. If the purchase and sale pursuant to the contract documents is not consummated through default of NAAC, COVINGTON's earnest money shall be promptly refunded to COVINGTON. If such sale is not consummated because of COVINGTON's default, then NAAC shall retain the earnest money as full liquidated damages for such default and COVINGTON shall be released and relieved of any and all liability or obligation whatsoever under the terms of the contract documents. It is understood and agreed that the right of NAAC to receive and retain the earnest money as full liquidated damages shall be the sole remedy of NAAC in the event of default by COVINGTON.

PLAN OF REORGANIZATION

9.1 PLAN. COVINGTON will, within a reasonable time, after the consummation of the purchase and sale of the ASSETS TO BE PURCHASED offer to the COURT a plan of reorganization in bankruptcy for NAAC-A.

10.

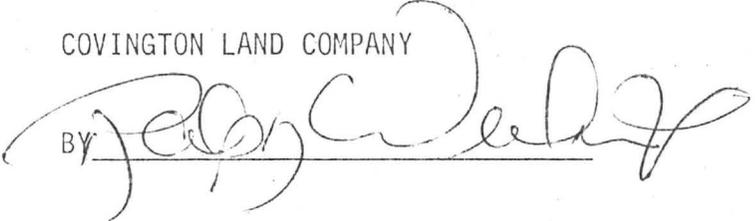
GENERAL

10.1 GENERAL. The contract documents shall contain such other and further provisions and agreements as are customary in contracts for the purchase and sale of debt obligations and capital stock.

10.2 NOT SEVERABLE. This offer is an offer to purchase all of the ASSETS TO BE PURCHASED and it is not severable. If any of the ASSETS TO BE PURCHASED are eliminated from the acceptance or from the contract documents, then this offer is void.

10.3 TERM OF OFFER. This offer shall, unless extended in writing by COVINGTON, terminate on May 31, 1977. This offer can be accepted only by written notice delivered to COVINGTON.

COVINGTON LAND COMPANY

BY 

NAAC-ARIZONA

PRO-FORMA A

(\$000)

<u>Schedule No.</u>		<u>1-31-77</u>	<u>Adjustments</u>	<u>Pro-Forma A</u>
1	Cash	1,628	(402)	1,226
2	A/R - Land Contracts	817	3,146	3,963
3	A/R - Other	457	(457)	0
4	Land Inventory	5,471	685	6,156
5	Other Assets	495	(5)	490
	Total Assets	8,868	2,967	11,835
6	A/P	784	(9)	775
	Reserve for Asset Valuation	2,139	(2,139)	0
	Due Affiliated Companies	6	(6)	0
	Priority Property Taxes	259		259
	Pacific Security	155		155
	Unsecured Liabilities	107		107
	Estimate to Complete Development	879	(879)	0
	SMI Settlement Note	400	(400)	0
	Liabilities	4,729	(3,433)	1,296
	Due NAAC-Georgia	7,210	(7,210)	0
	Total Liabilities	11,939		1,296
	Net Worth	(3,071)		10,539

Schedule

1	Unrestricted Cash	537
	Less SMI Settlement	<u>402</u>
	Restricted Cash	1,091
	Total Cash	1,226
2	New Land Contract A/R	817
	Add AMCA/Colonial Note	452
	Add Deferred Income	<u>667</u>
	Total NAAC A/R	1,936
	Add SMI Settlement EX "D" Accounts of \$445	<u>2,027</u>
		3,963
3	Due from Affiliated Companies)	80
	in Chapter X Proceedings)	359
	Miscellaneous Other A/R	<u>18</u>
		457
	These A/R have no value.	
4	NAAC Land Inventory	5,471
	Add SMI "D" Accounts at Original Sales Price	<u>685</u>
		6,156
5	Other Assets	495
	Less Livestock	(1)
	Less Net PP&E	<u>(4)</u>
		490
6	A/P	784
	Less SMI Advance	<u>9</u>
		775

December 27, 1977

Mr. W. G. Hays, Jr., Chief Executive Officer
North American Acceptance Corporation
1720 Peachtree Road, N.W.
Atlanta, GA 30309

Re: Desert Carmel, AZ
GEOEX #1215

Dear Bill:

This letter will serve to update you on the status of matters upon your return from the holidays.

The situation in the field remains essentially as was back in September. Enclosed rough sketch depicts some of the major factors to scale and with respect to the Desert Carmel surface boundaries as provided by Mr. R. R. Bennett.

Foremost of the continuing activity is still that being carried out by Coastal Mining with six rigs operating in the one relatively small area as shown. As you probably already know, Coastal Mining represents an exploration subsidiary of Hanna Mining Company and in this case, they were the original managers of a joint venture with Getty Oil Corporation and perhaps others (?). Evidence indicates the type of concentrated effort which is commonly involved in drilling-out and attempting to prove economic copper mineral deposition. In order to provide us with a better quantitative basis for additional evaluation and you with a more clear and detailed illustration of the situation, we have arranged to obtain some new aerial photography of the area. This will be done as soon as our local weather conditions permit - hopefully late this week. If so the initial prints should be available early in January 1978.

Other confirmed activity, of probable lesser order of importance, is drilling, apparently done by ASARCO, immediately west of the Coastal Mining concentrated zone. At least seven fairly recent sites were found in this area and five of these appear to have been drilled on Desert Carmel property. This latter point requires further investigation in order to gain full benefit on your behalf. First, was permission ever given to ASARCO to do this work on Desert Carmel property? If not, does that mean ASARCO trespassed, or are the mineral and surface rights separated and/or in some question as to who has title to them?

Mr. W. G. Hays, Jr.
December 27, 1977
Page Two

Two other areas of interest to ASARCO adjacent to Desert Carmel property are shown on the sketch. These are in addition to their major Sacaton Mine area situated toward the northeast. These other areas show considerably less evidence of drilling and especially recent drilling. Reportedly, ASARCO has curtailed all drilling activity in the immediate area.

Besides Coastal and ASARCO, AMOCO Minerals has two rigs working as shown on the NE side of Maricopa Road between Desert Carmel and ASARCO's Sacaton mine. AMOCO reportedly has optioned several Desert Carmel lots.

Freeport Minerals Corporation apparently is or was active joint venture partners with someone in the area, but we do not have any other specifics on that.

We will be interested to learn any details you may be able to provide regarding the above questions we asked about ASARCO and we will try to check it out also from this end as well. Also, can you provide us with any specifics relative to offers made and by whom to option or purchase Desert Carmel property that you are aware of?

We will be looking forward to hearing from you after you get back to your office in January.

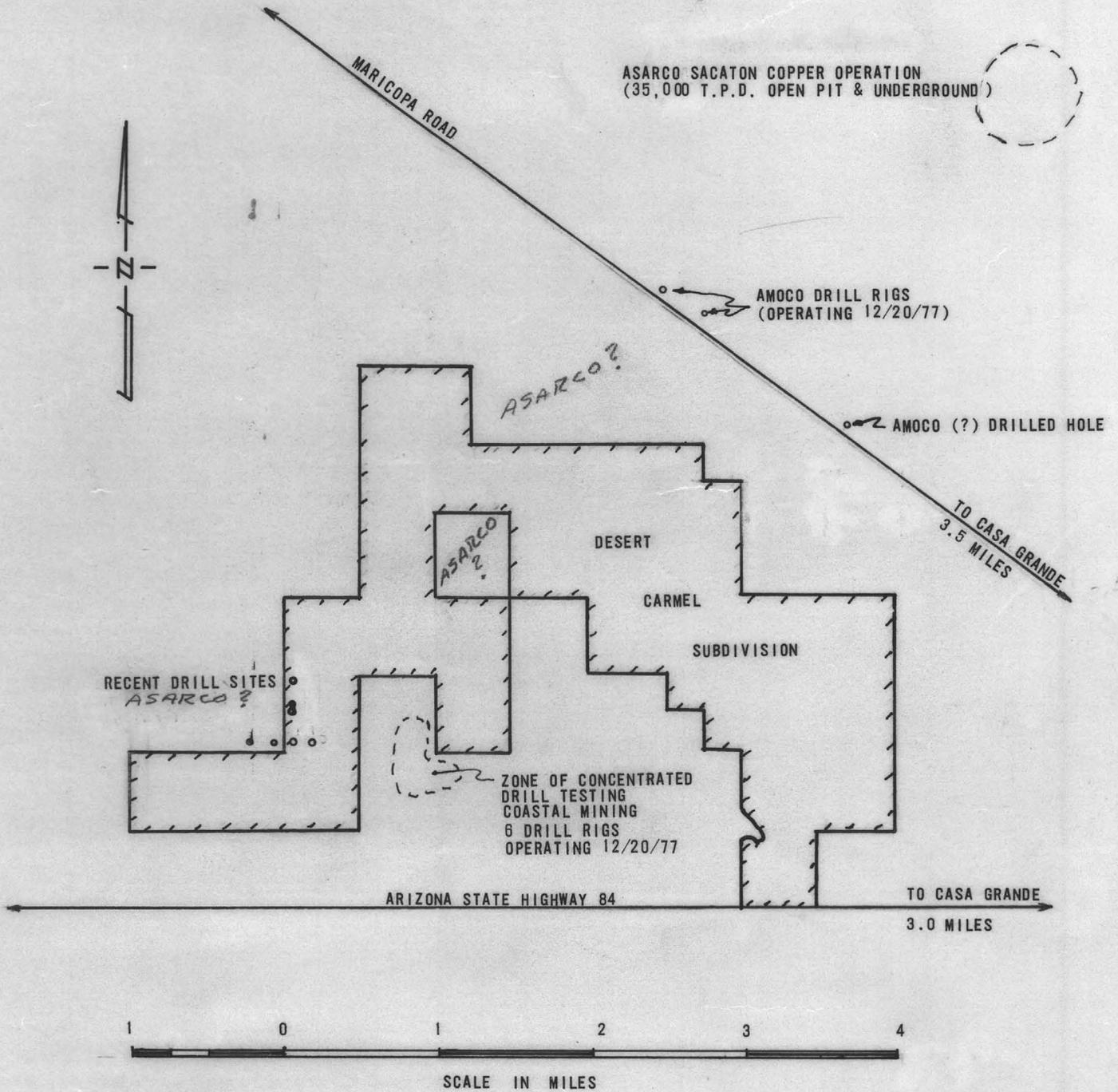
Faithfully,

Heinrichs GEOEXploration Co.

Walter E. Heinrichs, Jr.
P.E. & C.P.G.S. #688

WEH:mt
cc: Enclosed
Enclosed: 2 Copies of Rough Sketch

SKETCH MAP
of
DESERT CARMEL SUBDIVISION AND VICINITY
PINAL COUNTY, ARIZONA
by
HEINRICHS GEOEXPLORATION COMPANY
P.O. BOX 5964, TUCSON, AZ. 85709
Job number 1215 22 December 1977





Amoco Minerals Company

First National Bank Building
333 West Hampden, Suite 508
Englewood, Colorado 80110
303/761-5921

November 22, 1977

Mr. Ralph Bennett
North American Acceptance Corporation
1720 Peachtree Road, N.W.
Atlanta, Georgia 30309

Dear Ralph:

In accordance with your recent request I enclose herewith maps resulting from our induced polarization and resistivity survey conducted on roads traversing a portion of the N.A.A.C. controlled property formerly known as Desert Carmel.

Our contractor, Mining Geophysical Surveys, has been asked to provide you with the narrative portion of the subject report under separate cover.

If there is any other way we can be of help to you please do not hesitate to ask.

Yours very truly,

Frederick L. Smith
Staff Landman

FLS/cp
Enclosure

INDUCED POLARIZATION AND

RESISTIVITY SURVEY

TARGET S-6

PINAL COUNTY, ARIZONA

FOR

AMOCO MINERALS COMPANY

PROJECT 0715

mining
geophysical surveys



INDUCED POLARIZATION AND
RESISTIVITY SURVEY
TARGET S-6
PINAL COUNTY, ARIZONA
FOR
AMOCO MINERALS COMPANY

TIME DOMAIN INDUCED POLARIZATION AND RESISTIVITY SURVEY

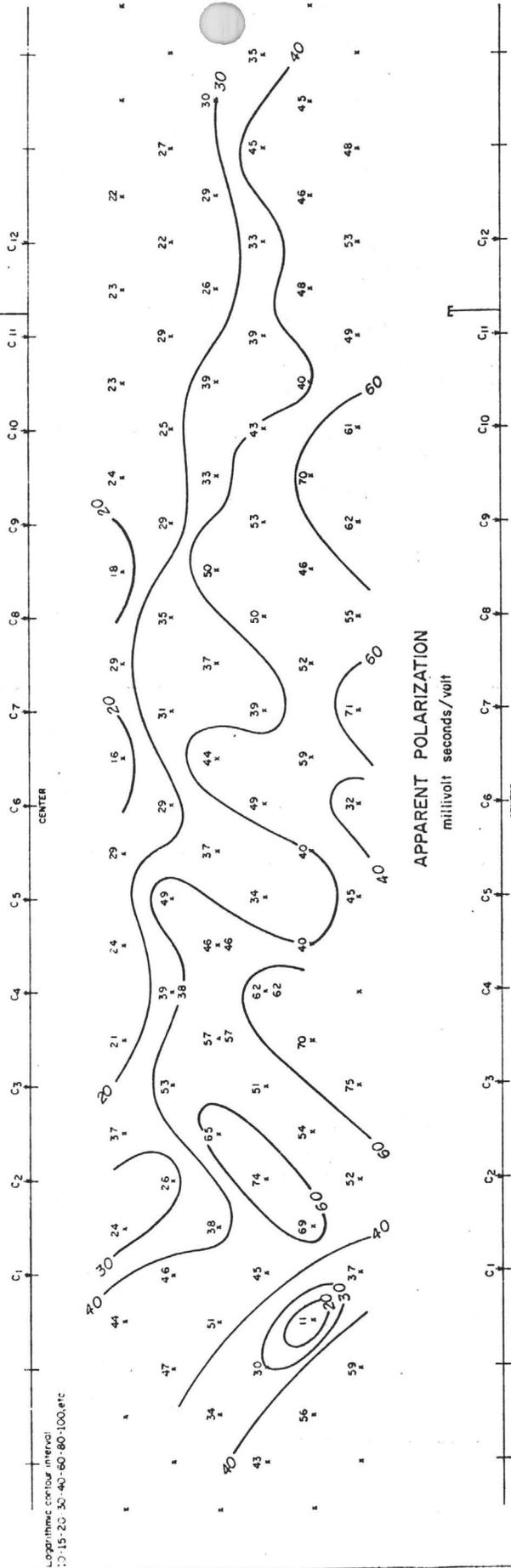
TARGET S-6- PINAL COUNTY, ARIZONA

F C R

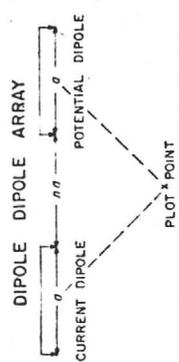
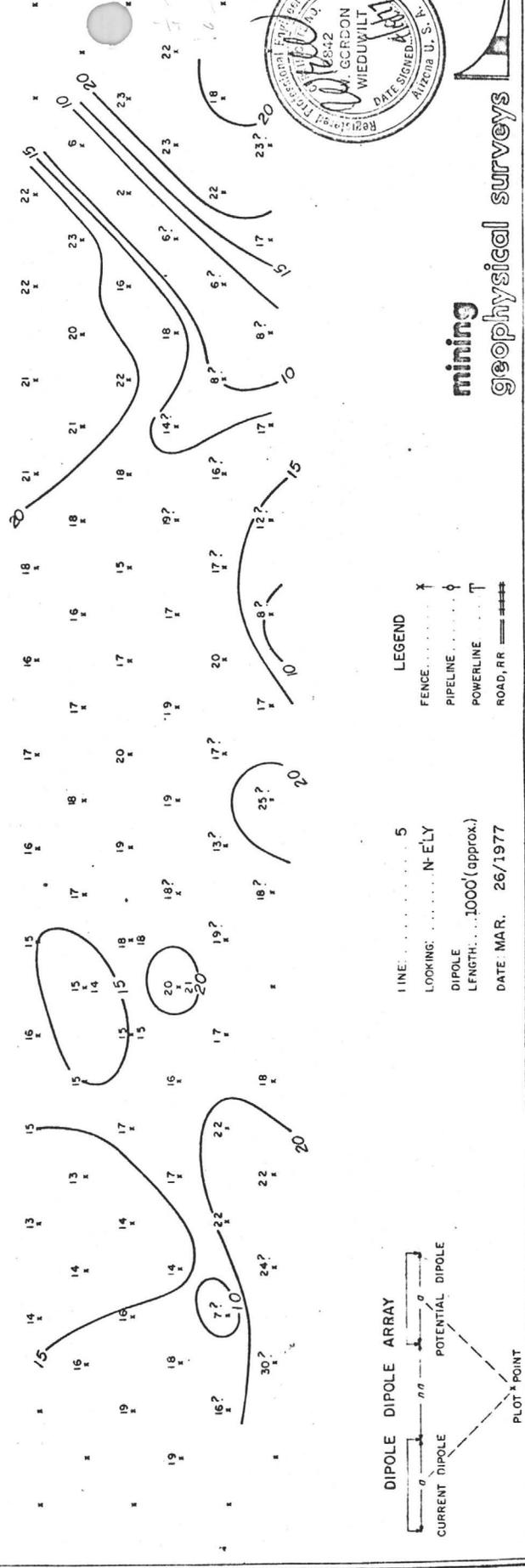
AMOCO MINERALS COMPANY

APPARENT RESISTIVITY

ohm meters



Logarithmic contour interval:
10-15-20 30-40-60-80-100, etc



DIPOLE DIPOLE ARRAY

LINE: 5

LOOKING: N-Ely

DIPOLE LENGTH: 1000' (approx)

DATE: MAR. 26/1977

LEGEND

FENCE: x

PIPELINE: o

POWERLINE: T

ROAD, RR: #



mining
geophysical surveys

TIME DOMAIN INDUCED POLARIZATION AND RESISTIVITY SURVEY

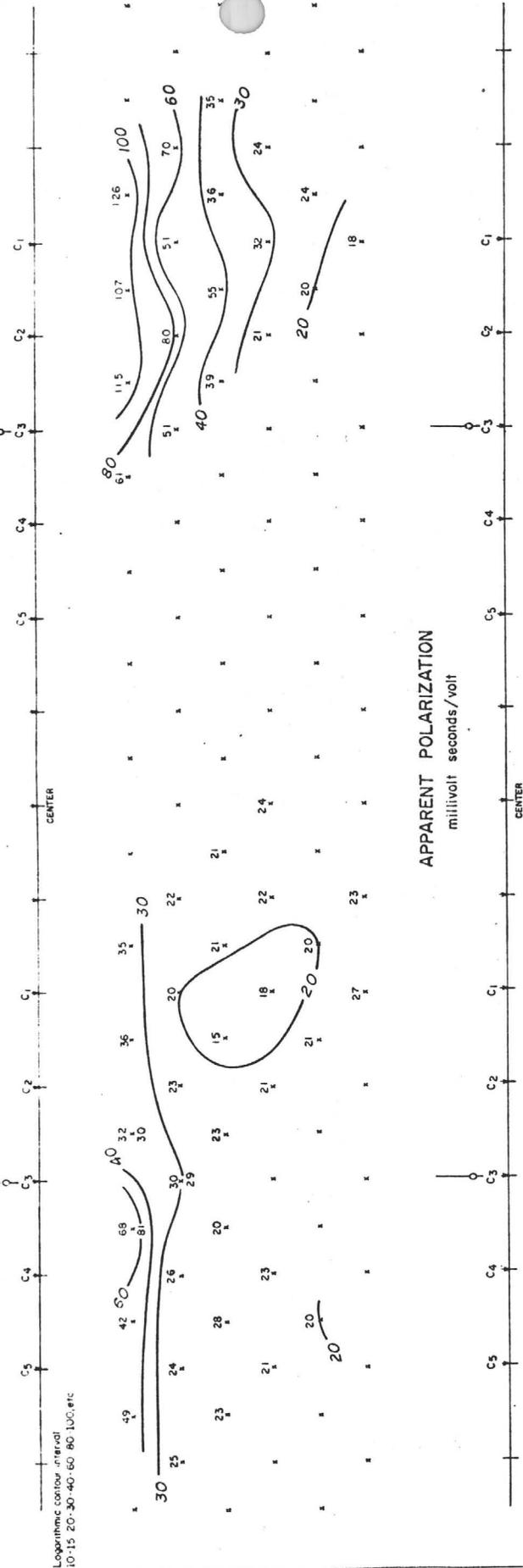
TARGET S-6.- PINAL COUNTY, ARIZONA

FOR

AMOCO MINERALS COMPANY

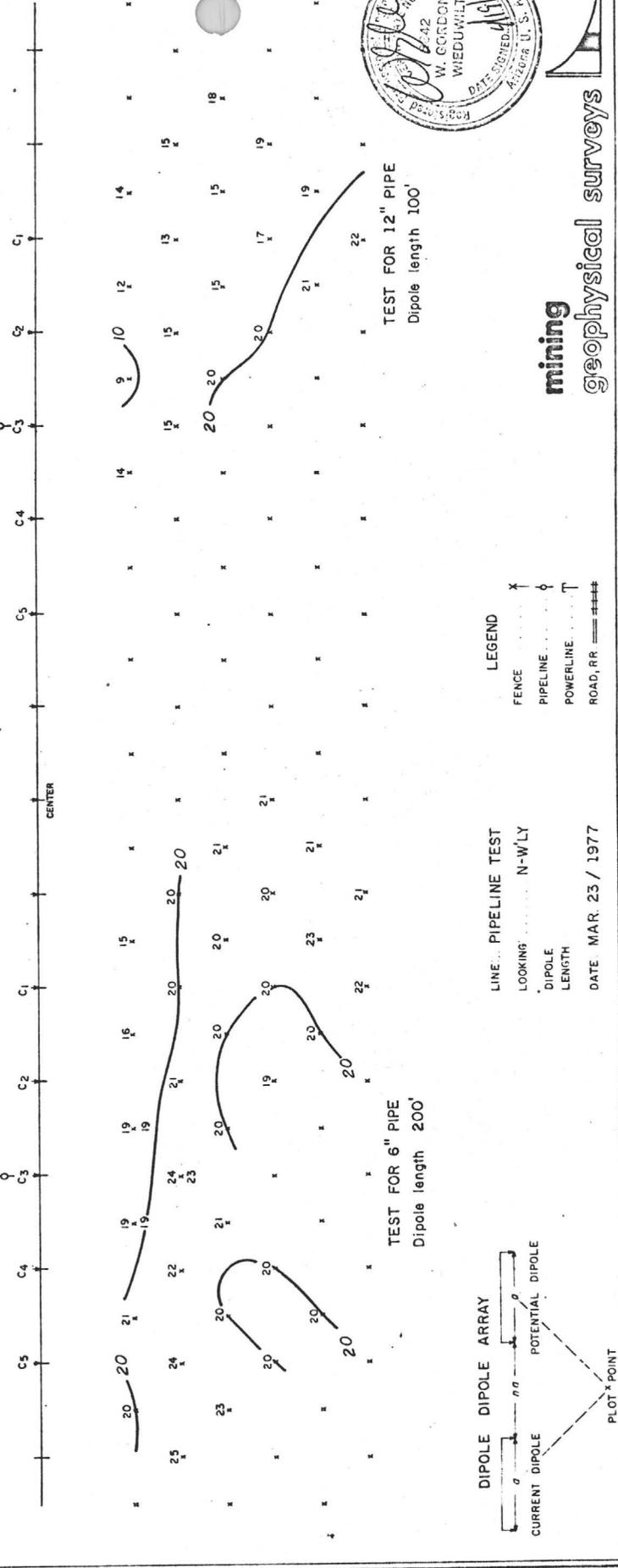
APPARENT RESISTIVITY

ohm meters



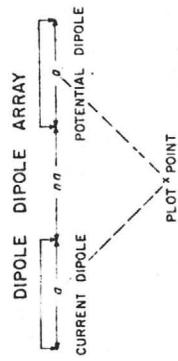
APPARENT POLARIZATION

millivolt seconds/volt



TEST FOR 6" PIPE
Dipole length 200'

TEST FOR 12" PIPE
Dipole length 100'



- LEGEND
- LINE PIPELINE TEST
 - LOOKING N-W'LY
 - DIPOLE
 - LENGTH
 - DATE MAR. 23 / 1977
 - FEENCE
 - PIPELINE
 - POWERLINE
 - ROAD, RR



mining
geophysical surveys

STATE OF ARIZONA
COUNTY OF PINAL

ss.

I hereby certify that the within
instrument was filed for record
in Pinal County, State of Arizona.

Witness my hand and official seal.

WILLIAM S. TRUMAN
Pinal County Recorder

No.: 546846
Date: SEP 3 1976 9:45
DOCKET 836 PAGE 230
Docket and Page
Request of: Coastal Min. Co. 200

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By: Anne S. Snabes Deputy

AFFIDAVIT OF LABOR PERFORMED AND
IMPROVEMENTS MADE

DOCKET 836 PAGE 230

STATE OF UTAH)

ss.

County of Salt Lake)

Ernest L. Ohle being duly sworn, deposes

and says that he is a citizen of the United States and more than twenty-
one years of age, and resides at Salt Lake City in Salt Lake

County, State of Utah, and is personally acquainted with

the mining claim known as "Nik" Lode Claims 37-41, 50-54 and Chavo

Lode Claims 42-49, 55 Section 12, T 6 S, R 4 E

mining claim, situate in Sacaton

Mining District, County of Pinal, State of Arizona, the

location notice of which is recorded in the office of the County Recorder

of said County, in Book * of Records of Mines, at page(s) *

 ; that between the 1st day of January,

A. D. 19 76, and the 31st day of August A. D. 19 76,

at least (\$1,900) Nineteen hundred

dollars worth of work and improvements were done and performed upon

said claim, not including the location work of said claim. Such work

and improvements were made by and at the expense of Coastal Mining

Company owner of said claim for the purpose of complying

with the laws of the United States pertaining to assessment of annual work,

and Zonge Engineering and Research Organization of Tucson.

were the men employed by said owner and who labored upon said

claim, did said work and improvements, the same being as follows, to-wit:

Geophysical survey, i. p. /complex resistivity. See attachment for description

of geophysical work performed.

*Nik 37-41 Book 761 Page 163-167

*Chavo 42-49 Book 785 Page 415-422

*Nik 50 (Amended) Book 785 Page 413

*Chavo 55 Book 785 Page 414

*Nik 51-54 Book 761 Page 177-180

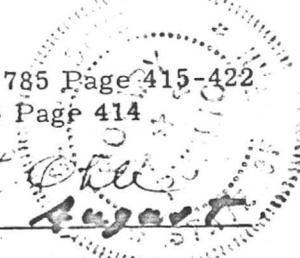
Subscribed and sworn to before me this 31 day of August

A. D. 19 76.

My Commission Expires:

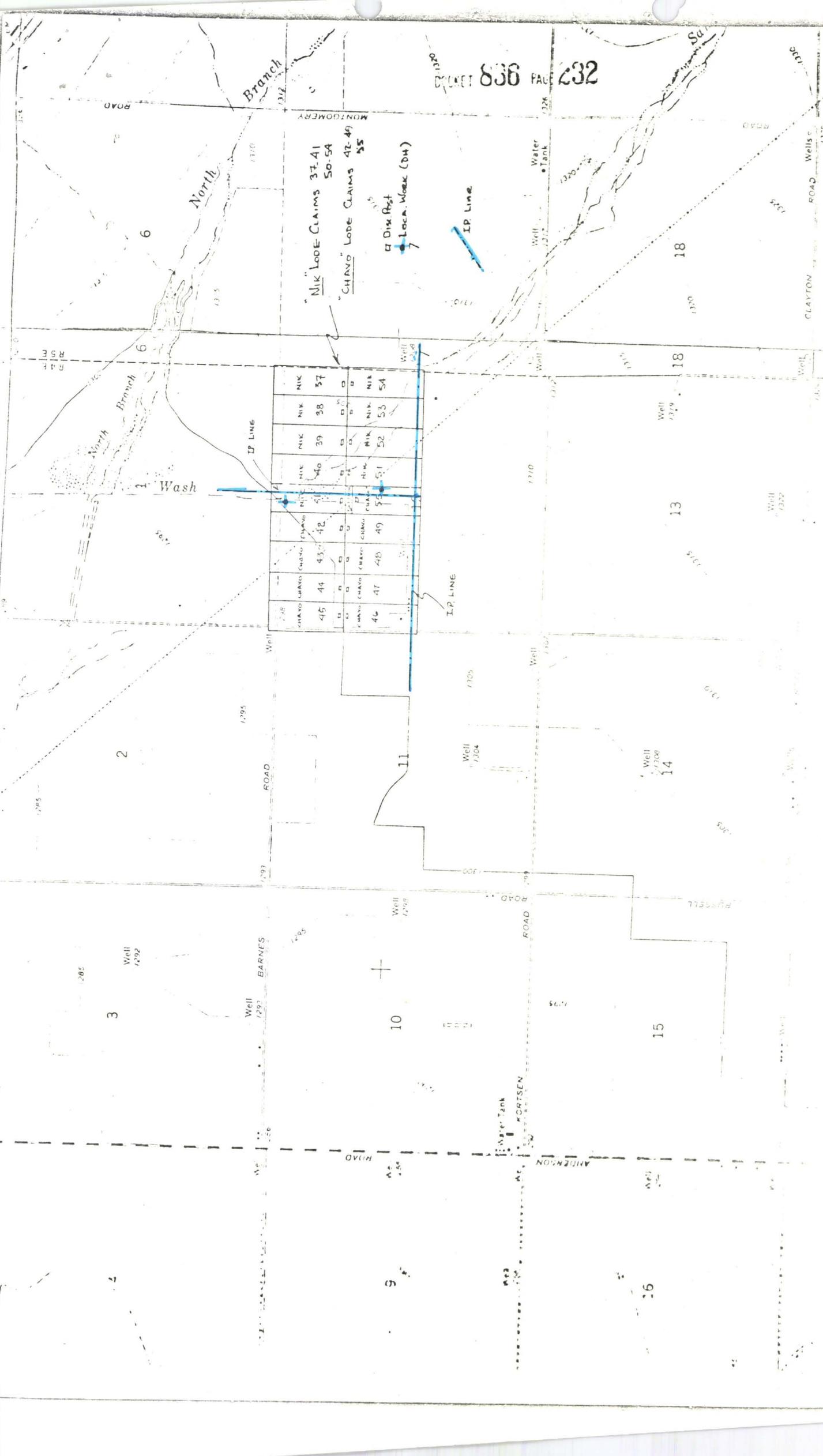
9/12/77

C. A. Ward
Notary Public



A. Geophysical Surveys:

1. Location of Work: See attached map.
2. Nature, Extent and Cost: IP survey to outline areas of potential mineralization costing \$5600.
3. Basic Findings: IP/complex resistivity survey showed depth to bedrock decreasing to the west with background type responses.
4. Qualifications of Persons Conducting Work: Zonge Engineering and Research Organization (Ken Zonge, etc.), Tucson, Az. did complex resistivity survey.



"Nik Lode Claims 37-41
50-54
"CHANG" Lode Claims 42-49
55

□ Dix Post
+ Loc. Work (OH)

37	NIK	37	NIK
38	NIK	38	NIK
39	NIK	39	NIK
40	NIK	40	NIK
41	NIK	41	NIK
42	CHANG	42	CHANG
43	CHANG	43	CHANG
44	CHANG	44	CHANG
45	CHANG	45	CHANG
46	CHANG	46	CHANG
47	CHANG	47	CHANG
48	CHANG	48	CHANG
49	CHANG	49	CHANG
50	NIK	50	NIK
51	NIK	51	NIK
52	NIK	52	NIK
53	NIK	53	NIK
54	NIK	54	NIK

North Branch

Wash

2

3

4

Branch

BARNES ROAD

ROAD

9

10

11

16

IP LINE

IP LINE

ROAD

ANDERSON ROAD

16

Water Tank

Well

Well

Well

Well

Well

Well

Well

Well

Well

18

18

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STATE OF ARIZONA
COUNTY OF PINAL

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<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

I hereby certify that the within instrument was filed for record in Pinal County, State of Arizona.

Witness my hand and official seal.

WILLIAM S. TRUMAN
Pinal County Recorder

By: Ernest L. Ohle Deputy

No.: 546844

Date: SEP 3 1976 9:45

Docket and Page DOCKET 836 PAGE 224

Request of: Coastal Min. Co.

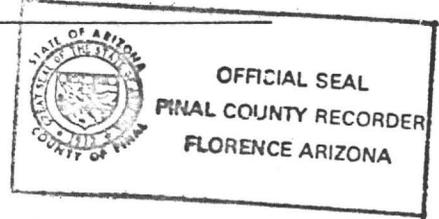
AFFIDAVIT OF LABOR PERFORMED AND IMPROVEMENTS MADE

DOCKET 836 PAGE 224

STATE OF Utah)

SS.

County of Salt Lake)



Ernest L. Ohle being duly sworn, deposes

and says that he is a citizen of the United States and more than twenty-one years of age, and resides at Salt Lake City in Salt Lake County, State of Utah, and is personally acquainted with the mining claim known as Nik Lode Claims 19-36

mining claim, situate in Sacaton

Mining District, County of Pinal, State of Arizona, the location notice of which is recorded in the office of the County Recorder

of said County, in Book 761 of Records of Mines, at page(s) 145-162

; that between the 1st day of January,

A. D. 19 76, and the 31st day of August A. D. 19 76,

at least (\$1,800) Eighteen hundred

dollars worth of work and improvements were done and performed upon

said claim, not including the location work of said claim. Such work

and improvements were made by and at the expense of Coastal Mining

Company owner of said claim for the purpose of complying

with the laws of the United States pertaining to assessment of annual work,

and mining geophysical surveys of Tucson, Geoterrex Ltd. of Tucson,

M. S. Reford of Toronto, Pillar, Lowell and Associates of Tucson,

and Al Wilson Drilling Company of Casa Grande.

were the men employed by said owner and who labored upon said

claim, did said work and improvements, the same being as follows, to-wit:

Geophysical surveys, gravity and magnetics, and rotary drilling. See

attachment for description of geophysical work performed.

Ernest L. Ohle

Subscribed and sworn to before me this 31 day of August

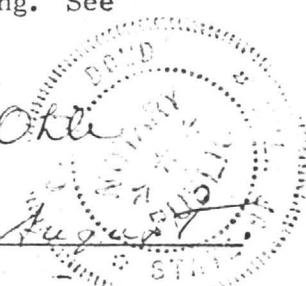
A. D. 19 76.

My Commission Expires:

9/13/77

C. O. Douse

Notary Public



Report of Assessment Work

Nik Lode Claims 19-36

A. Geophysical Survey -- ~~Gravity~~

1. Location of Work: See attached map.
2. Nature, Extent and Cost: Gravity survey to determine depth to bedrock costing \$3800. Magnetic survey to determine depth to bedrock and structural trands costing \$1500.
3. Basic Findings: Buried bedrock surface is sloping to the south-west with depths of gravel increasing in that direction.

A ^{buried} ~~buried~~ ridge possibly extends into the north-

west corner of the claim block. Structures are trending north-south.

4. Qualifications of Persons Conducting Work:

Mining Geophysical Surveys

W. Gordon Wieduwilt, Ph.D. Geophysics

Robert E. West, Ph.D. Geophysics

Mark Krieski, Qualified Technician

Grant Avenue, Tucson, Arizona

Geoterrex Ltd. of

Tucson, Arizona did aeromagnetic survey with interpretation made by M.S. Reford of Toronto, Canada.



"Nik Lode Claims 19-26"
 □ Disc Post
 ● Loc. Work (DH)
 X GRAVITY STATION
 X MAGNETIC LINES

21	0	28
24	0	24
25	0	30
24	0	31
23	0	32
22	0	33
21	0	34
20	0	35
19	0	36

STATE OF ARIZONA
COUNTY OF PINAL

ss.

I hereby certify that the within instrument was filed for record in Pinal County, State of Arizona.

Witness my hand and official seal.

WILLIAM S. TRUMAN
Pinal County Recorder

Blotted	Paged	Indexed
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

By: Anne S. Snabey Deputy

546815

No.:

Date: SEP 3 1976 8:45

Docket and Page DOCKET 836 PAGE 227

Request of: Coastal Min. Co.

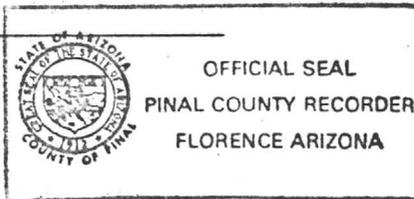
DOCKET 836 PAGE 227 209

AFFIDAVIT OF LABOR PERFORMED AND IMPROVEMENTS MADE

STATE OF UTAH)

ss.

County of Salt Lake)



Ernest L. Ohle being duly sworn, deposes

and says that he is a citizen of the United States and more than twenty-

one years of age, and resides at Salt Lake City in Salt Lake

County, State of Utah, and is personally acquainted with

the mining claim known as Nik Lode Claims 1-18

W 1/2 Section 23, T 6 S, R 4 E

mining claim, situate in Sacaton

Mining District, County of Pinal, State of Arizona, the

location notice of which is recorded in the office of the County Recorder

of said County, in Book 761 of Records of Mines, at page(s) 127-144

; that between the 1st day of January,

A. D. 19 76, and the 31st day of August A. D. 19 76,

at least (\$1,800) Eighteen hundred

dollars worth of work and improvements were done and performed upon

said claim, not including the location work of said claim. Such work

and improvements were made by and at the expense of Coastal Mining

Company owner of said claim for the purpose of complying

with the laws of the United States pertaining to assessment of annual work,

and Mining Geophysical Surveys of Tucson, Geoterrrex Inc. of Tucson, M. S.

Reford of Toronto, Pillar, Lowell and Associates of Tucson, Joy Manufacturing Company of Tucson, and O. J. Barnes Drilling Company of Casa Grande.

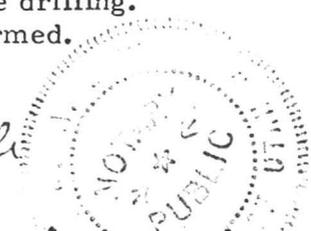
were the men employed by said owner and who labored upon said

claim, did said work and improvements, the same being as follows, to-wit:

Geophysical surveys, gravity and magnetics, and rotary/core drilling.

See attachment for description of the geophysical work performed.

Ernest L. Ohle



Subscribed and sworn to before me this 31 day of August.

A. D. 19 76.

My Commission Expires:

9/13/77

C. A. Dard
Notary Public

Report of Assessment Work

Nik Lode Claims 1-18

A. Geophysical Surveys ~~Survey~~

1. Location of Work: See attached map.
2. Nature, Extent and Cost: Gravity survey to determine depth to bedrock costing \$3800. Magnetic survey to determine depth to bedrock and structural trends costing \$1500.
3. Basic Findings: Gravity survey shows buried bedrock surface is sloping to southwest with depth of gravels becoming deeper. Aeromagnetic survey indicates depth to bedrock is increasing to the southwest with numerous complex structures trending NW-SE.
4. Qualifications of Persons Conducting Work:

Mining Geophysical Surveys *did gravity work.*

W. Gordon Wieduwilt, Ph.D. Geophysics

Robert E. West, Ph.D. Geophysics

Mark Krieski, Qualified Technician

Grant Avenue, Tucson, Arizona

Geoterrex Ltd.

of Tucson, Arizona did aeromagnetic survey with interpretation made by M.S. Reford of Toronto, Canada.

December 8, 1977

Mr. R. R. Bennett
Assistant Vice President
Delfax Financial Corporation
1720 Peachtree Road, N.W.,
Atlanta, GA 30309

Re: Desert Carmel, Arizona
GEOEX #1215

Dear Mr. Bennett:

Thank you for your letter of December 2, 1977, and enclosed data.

We called Mining Geophysical Surveys and as a result of that we heard from Mr. Arthur Humphreys this morning regarding the narrative portion of the subject survey. Inasmuch as this is essentially interpretive information as opposed to factual data there is some question in their minds as to whether or not they should relinquish it but in any event they will let us know within a week or so.

We do not feel that this is particularly critical to your interests but simply want you to have it if it can be made available.

Our studies are continuing and we will keep you informed.

Yours very truly,

Heinrichs GEOEXploration Co.

Walter E. Heinrichs, Jr.
P.E. & C.P.G.S. #688

WEH:mt
cc: W. G. Hays, Jr.

Delfax Financial Corporation
Mortgage Servicing

1720 PEACHTREE ROAD, N.W., ATLANTA, GEORGIA 30309 • PHONE (404) 873-3921

#1215
GEOEX
Cable: GEOEX



DEC 5 1977

December 2, 1977

BOX 5964 TUCSON, ARIZONA 85703
Phone: (AREA 602) 623-0578

Mr. Walter E. Heinrichs, Jr.
Heinrichs Geosurveying Co.
P. O. Box 5964
Tucson, Arizona 85703

Re: Desert Carmel, Arizona

Dear Mr. Heinrichs:

I enclose a complete copy of the geophysical survey maps that were sent to me by Mr. Fredrick L. Smith of Amoco Minerals Co.

The enclosed letter states that Mr. Smith has asked Mining Geophysical Surveys to furnish me the narrative portion of the subject survey; however, to date, I have not received it. Perhaps you are familiar with this company and if so, you have our permission to contact them directly for any information they may have that could be beneficial to you.

In the meantime, I shall forward a copy of the narrative to you as soon as it is received at this office.

Very truly yours,

DELFAF FINANCIAL CORPORATION

R. R. Bennett
Asst. Vice President

RRB/cp

Enclosures
cc: W. G. Hays, Jr.

November 29, 1977

Mr. R. R. Bennett
Assistant Vice President
Delfax Financial Corporation
1720 Peachtree Road, N.W.,
Atlanta, GA 30309

Re: Desert Carmel, Arizona
GEOEX #1215

Dear Mr. Bennett:

Receipt of your letter of 21 November 1977 and the accompanying data consisting of two maps, a metes and bounds legal description and three ATL Testing Laboratories of Phoenix, Arizona, hole and sample log sheet copies, is acknowledged. These are important to help expedite our initial investigations which are now under way.

We will look forward to receipt of Amoco Minerals geophysical survey results. I hope they get these on their way promptly. Whether they do or not, we may still need to contact them directly anyway. Thus we do appreciate having the specific name, address, and phone number references for the particular personnel involved, i.e.: Messieurs Mathias, Humphrey and Smith.

We will be in touch whenever we next need your further assistance. Meanwhile, many thanks for your help to date.

Sincerely,

Heinrichs GEOEXploration Co.

Walter E. Heinrichs, Jr.
P.E. & C.P.G.S. #688

WEH:mt
cc: W. G. Hays, Jr.

Delfax Financial Corporation
Mortgage Servicing

1720 PEACHTREE ROAD, N.W., ATLANTA, GEORGIA 30309 • PHONE (404) 873-3921

November 21, 1977

Mr. Walter Heinrichs
Heinrichs Geoexploration Co.
P. O. Box 5964
Tucson, Arizona 85703



Dear Mr. Heinrichs:

In response to the request of Mr. W. G. Hays, Jr., I have enclosed what little information we have available on the Desert Carmel development.

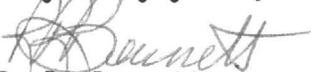
I have sketched the development on the enclosed Geological Survey map which should give you an idea of the location of the development. There is also enclosed the legal description of the development along with a plat map that lists some of the meets and bounds.

We are very short on engineering information as most of the work had been done on the water system prior to our involvement in the project. I have, however, enclosed a copy of a log sheet on samples taken from some of the wells. Hopefully, you will be able to learn more by contacting the A.T.L. Testing Laboratories.

Back during the summer, I gave Amoco Minerals permission to conduct ground geophysical surveys at Desert Carmel and at present, the results of those tests are enroute to me. I will forward same to you as soon as it is received. In the meantime, should you find it advantageous to contact Amoco directly, you may contact either William Mathias, Senior Geologist; A. G. (Art) Humphrey, Division Manager; or Rick Smith, Land Acquisition Manager. Any of the three can be contacted by writing them at 333 West Hampden, Suite 508, Englewood, Colorado, 80110 or by phone at 303-761-5921.

If I can be of further assistance to you, please contact me at the above number.

Very truly yours,


R. R. Bennett
Asst. Vice President

RRB/cp
Enclosures
cc: W. G. Hays, Jr.
Forest Fleming

817 West Madison Street
Phoenix, Arizona 85007

Pit-Serial-No. -

FOR: Highway North American Acceptance CorporationProject No. S-027246Sampled by ATL/JacksonDate March 24, 1972Location of Pit - Desert Carmel - Section "S"Material Prospected for Subgrade

Designated as Source for _____

No.	Station	R-L	Dpth	From	Description	Sampled
19	Intersection Saguaro & Sierra		0-2'		Silty Clay - Brown	
20	∅ Saguaro		0-2'		Silty Clay - Brown	
21	Intersection Saguaro & S. Bend		0-2'		Silty Clay - Brown	
22	∅ S. Bend				Sandy Clay - Reddish Brown	
23	∅ Semiole		0-3'		Sandy Silty Clay with some Caliche - Reddish Brown	
24	∅ Semiole		0-3'		Sandy Silty Clay & Caliche - Reddish Brown	
25	∅ Semiole		0-2'		Sandy Clay - Light Brown	
26	∅ Semiole		0-2'		Sandy Clay - Reddish Brown	
27	∅ Semiole		0-2'		Silty Clay - Brown	
28	∅ S. Bend		0-2'		Silty Sandy Clay - Reddish Brown	
29	∅ Seneca		0-2'		Sandy Clay - Reddish Brown	
30	∅ Seneca		0-2'		Silty Sandy Clay - Reddish Brown	
31	∅ Seneca		0-2'		Silty Sandy Clay - Reddish Brown	
32	∅ Seneca		0-3'		Silty Sandy Clay & Caliche - Reddish Brown	
33	∅ Seneca		0-2' 6"		Silty Sandy Clay - Reddish Brown	
34	∅ Sunset Circle		0-2' 6"		Silty Clay & Caliche - Light Brown	
35	∅ Sunset Circle		0-3'		Silty Sandy Clay - Reddish Brown	
36	∅ Sunset Circle		0-2' 6"		Silty Clay - Reddish Brown	
37	∅ Sunset Circle		0-2' 6"		Silty Sandy Clay - Reddish Brown	
38	∅ Sioux		0-3'		Silty Clay & Caliche - Reddish Brown	
39	∅ S. Bend		0-3' 6"		Silty Clay - Reddish Brown	
40	∅ S. Bend		0-2'		Sandy Silty Clay - Reddish Brown	

LAW OFFICES

HICKS, MALOOF & CAMPBELL

SUITE 2401, 101 MARIETTA TOWER

ATLANTA, GEORGIA 30303

(404) 588-1100

ROBERT E. HICKS
MAURICE N. MALOOF
CHARLES E. CAMPBELL
ROBERT A. BARTLETT
CHARLES E. WILSON III
ROBERT E. TRITT

November 15, 1977

REC'D
GEOEX
Cable: GEOEX
NOV 17 1977
REC'D
BOX 5964 TUCSON, ARIZONA 85703
Phone: (AREA 602) 623-0578

Mr. Walter E. Heinrichs, Jr.
Heinrichs Geoexploration Company
Post Office Box 5964
Tucson, Arizona 85703

Dear Mr. Heinrichs:

Judge A. D. Kahn entered an Order authorizing Robert E. Hicks, as Trustee of North American Acceptance Corporation of Arizona, Inc., to employ you on the basis outlined in your letter of September 28, 1977. Accordingly, a check in the amount of \$2500 is enclosed. We would appreciate it if you would commence work immediately and proceed to furnish the Trustee with the written report as outlined in your letter.

Please contact me or Bill Hays for any information you need.

Very truly yours,

Ted Maloof

MAURICE N. MALOOF

MM/jp

Copies: Bill Hays
Bob Hicks

September 28, 1977

Mr. Robert E. Hicks, Trustee
North American Acceptance Corporation of Arizona, Inc.
Hicks, Maloof & Campbell
Suite 2401, 101 Marietta Tower
Atlanta, GA 30303

Re: Desert Carmel
Subdivision
Pinal County, Arizona
GEOEX Proposal #1215

Dear Mr. Hicks:

Recent reported mineral exploration interest and activity by several large firms near by, on or adjacent to the Desert Carmel Subdivision, and ASARCO's Sacaton mine not too far away indicates possibilities for new development of major economic importance. The certainty, exact location, magnitude and timing of such development and its potential effect on the most beneficial utilization and value of the subdivision on behalf of the Trust, will depend on a combination of technical and economic factors. Included are facts, estimates and projections regarding economic geology, production feasibility and capital costs and market. The degree toward which such factors are accurately quantified, will proportionately benefit the validity of any decisions made.

In the ultimate sense, such data only begin to depart from the educated guess category when actually based on comprehensive, representative, subsurface sampling in bulk, subjected to comprehensive cost and feasibility tests and analysis. Present reported claim staking, drilling, and other mineral land rights acquisition activities are the customary preludes which, when successful enough, eventually are followed by such comprehensive procedures. When not successful enough, they may continue intermittently or indefinitely for up to decades until successful or until abandoned.

That such a comprehensive program might ever be recommended to the Trust to finance alone, is one extreme possibility, but more likely would be a sale with retained interest or perhaps a joint venture endeavor. Conceivably, the other extreme would be to do nothing, but that seems quite remote at this point. In any event, a logical, step-by-step means by which decisions can and should be made is recommended.

Mr. Robert E. Hicks
Page Two
September 28, 1977

First, an inventory of all pertinent and available factual data should be prepared, and the data assembled and briefly reviewed on a confidential professional basis. This should include, but not be limited to, such items as offers made to date, terms, and by whom etc., property maps, showing location and boundaries to scale by metes and bounds or by legal subdivision, basic title information particularly that relevant to the mineral estate or separations thereof from surface rights involving the same property, drill logs and hydrological engineering reports having to do with water supply development, results of any geological, geophysical or geochemical work done on or near to subdivision property, including any and all known drilling and sampling. Also included would be an outside review of published data and any available private data on the area that we could acquire.

Following this, time would be spent in field and courthouse examinations made to estimate the approximate number and location of holes drilled in the area, claims staked, adjacent property ownership, status, location and any other worthwhile relevant information obtainable.

Depending on the results of initial investigation, and examination of the associated general surrounding situation, an immediate pause may be indicated, or further investigation warranted. This will depend largely on how much quantitative versus speculative information was obtained or was deemed apparently obtainable on what time and cost basis and the various mutually perceived alternatives which were presented.

At this point the total amount of time which could be required or justified, is pretty hard to guess until we get into it. However, subject to whatever prior commitments we may have when we receive your authorization to proceed, an initial elapsed period of the order of three to six weeks is visualized right now, and roughly a cost of about \$5,000.00 including written report. That cost is based on estimated professional time at \$25.00 per man hour, out of town transportation and overnight living expenses at about \$75.00 per day, and any other directly related expenses such as reproductions, communications, etc. at our invoice cost plus 15%. Drafting or any sub-professional assistance, if required, will be charged at \$12.50 per man hour plus direct expenses at our cost plus 15%.

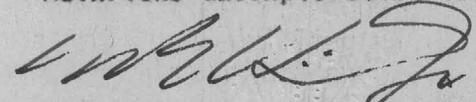
In order to save time we will be glad to review, in house, as soon as we can after receipt of same, any data forwarded by you and to agree that such time only be charged on the receipt of Court authorization. However, prior to scheduling and initiating any field work, it is customary for us to receive an advance on account of half the initial job estimate, in this case \$2500.00. This amount would be balanced against detailed statements of charges submitted periodically as work progressed.

Mr. Robert Hicks
September 28, 1977
Page Three

This proposal in triplicate is being sent in care of Mr. Maurice N. Maloof. We look forward to this opportunity to be of service. Meanwhile, any questions that anyone may have will be most welcome.

Very truly yours,

Heinrichs GEOEXploration Co.



Walter E. Heinrichs, Jr.
P.E. & C.P.G.S.#688

WEH:mt
cc: 2 enclosed

LAW OFFICES
HICKS, MALOOF & CAMPBELL
SUITE 2401, 101 MARIETTA TOWER
ATLANTA, GEORGIA 30303
(404) 588-1100

ROBERT E. HICKS
MAURICE N. MALOOF
CHARLES E. CAMPBELL
ROBERT A. BARTLETT
CHARLES E. WILSON III
ROBERT E. TRITT

GEORGE
Cable: GEDEX
SEP 22 1977
BOX 5964 TUCSON, ARIZONA 85703
Phone: (AREA 602) 623-8578

September 19, 1977

Mr. Walter E. Heinrichs, C.P.G.S., 688
Heinrichs Geoexploration Company
806 West Grant Road
Post Office Box 5964
Tucson, Arizona 85703

Dear Mr. Heinrichs:

Bill Hays and myself enjoyed meeting with you on September 15th. We found our discussion very enlightening. As I mentioned to you, I represent Robert E. Hicks, Trustee of North American Acceptance Corporation of Arizona, Inc., the owner of Desert Carmel Subdivision in Pinal County, Arizona.

We are very much interested in retaining you as a consultant on behalf of North American Acceptance Corporation of Arizona, Inc. and Robert E. Hicks, Trustee, to advise us with respect to the deposits of copper that may exist on the Desert Carmel property. Specifically, we need advice as to the potential value of the property, how to negotiate for the best price, what procedures to follow in determining the value of what we have to sale, etc.

We would like for you to write a letter addressed to Robert E. Hicks, Trustee of North American Acceptance Corporation of Arizona, Inc., in care of me, outlining your proposal for proceeding in this matter. I understand that your fee will be \$25 per hour, plus out-of-pocket expenses. Your proposal should contain your fee arrangement and estimate as to the total cost of completing your first report.

As I mentioned to you, once we receive your proposal we will be in a position to apply to the Court for an Order authorizing the Estate to retain you and pay your fee.

We are very anxious to proceed. Please let me hear from you at your earliest opportunity.

Very truly yours,

Maurice N. Maloof
MAURICE N. MALOOF

MM/jp
Copies: Robert E. Hicks
W. G. Hays, Jr.

T65R4E

(13) SESESW TD/1470 GRAN 790-800

(14) NESESE W/425 TD/1200 SAND, GRAV. & BLDRS TO BOTTOM

(24) SENENW TD/608 SAND, CL & GRAN TO BOTTOM

SESENW TD/1000 GRAN/935-942

SENESE TD/594 HD DECOMP GRAN 374-421

T65R5E

(7) SWSESE TD/685 GRAN/550-555, 602-605

(16) SESENE TD/200 SAND GRAV & CLAY TO BOT (HILL TOP)

SESENW TD/287 " " " " (MOUNTAIN)

SESESE TD/523 GRAN 485-487

(18) SWSWSW TD/340 (NO LOG) MOSTLY CLAY & SAND. FIN ON HARD PK STR. ✓

SESESE TD/900 SAND GRAV & CLAYS TO BOT.

(19) NWSESW TD/1960 ^{FAIRLY} TIGHT DECOMP GRAN. 1820-1960

NWNESE TD/640 W/162 SAND, GRAV, CLAYS TO BOT.

(20) NWMWSW TD 925 GRAN LEDGE 599-600 DECOMP GRAN 852-868

ROCK
BOT.

SESESE TD/512 SAND GRAV CLAY TO BOT

(D-6-4) 1, 12, 13, 23, 24

(D-6-5) 5, 6, 7, 8, 9, 16, 17, 21

Campbell B-6-5/21add

CLAY-SILT ANALYSIS

All weight in grams

Depth	Raw weight	Washed	Silt-clay loss	Silt-clay Percent	
40	50	47.50	2.50	5	Total silt-clay loss
48	50	47.00	3.00	6	105.40
96	50	47.50	2.50	5	Silt recovered
120-140	50	33.25	16.75	33.50	Clay 42.90
140-150	50	39.30	10.70	21.40	Silt-clay prop. 60-40 _z
150-160	50	40.50	9.50	19	Finest size of clay
160-180	50	43.00	7.00	14	Check sample 140-150
180-195	50	37.15	12.85	25.70	168.3 raw
265-285	50	45.20	4.80	9.60	133.7 washed
285-300	50	37.90	12.10	24.20	34.6 silt-clay
300-305	50	39.00	11.00	22	17.5 silt re-covered
330	50	47.00	3.00	6	17.1 clay
340	50	45.50	4.50	9	Percent silt-clay 20.5
359	50	44.80	5.20	10.40	Silt-clay prop. 50-50 _z
TOTALS	700	594.60	105.40		

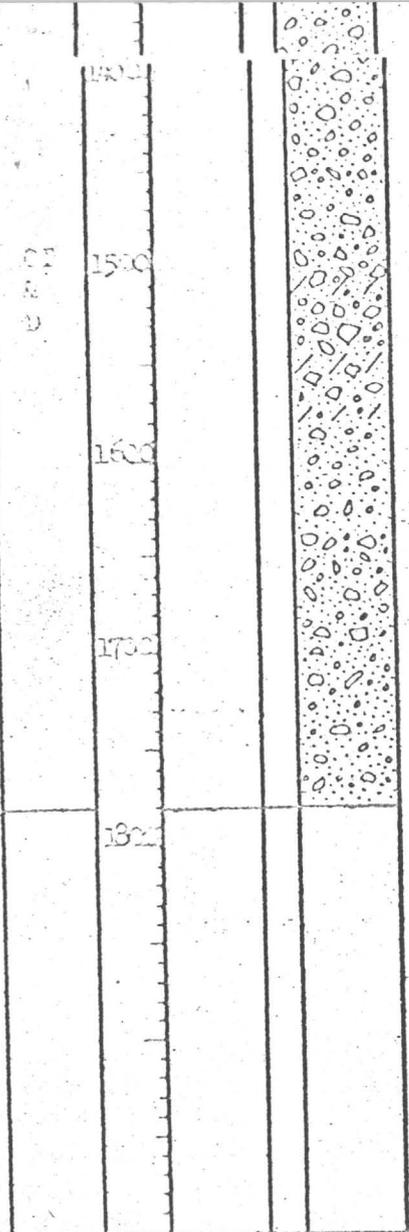
WELL LOG

Depth	
40	Coarse sandy gravel (2-5mm) average
48	Gravelly sand (gravels about 10 mm.)
96	Gravel (3-8 mm) with some sand, very little silt or clay
120-140	Gravel, sand, silt and clay (looks like gravelly clay)
140-150	Medium gravel (5-10 mm) with a little sand and silt
150-160	Sand, gravel with some silt and clay
160-180	Gravelly sand, with some rock fragments
180-195	Gravel and sand, gravels 10-20 mm., some silt-clay
265-285	Gravelly sand, silt and clay (Gravels 5-20 mm.)
285-300	Clayey sand, gravel (gravels 5-10 mm.)
300-305	Clayey sand, gravel (gravels 2-5 mm.)
330	Gravel, little sand (2-10 mm.)
340	Sandy gravel (gravels 5-10 mm. average)
359	Sandy gravel (gravels 5-10 mm average)

CONDENSED GRAPHIC LOG OF GROUND WATER TEST HOLE

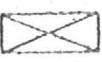
PROJECT Central Arizona Project STATE Arizona
 HOLE NO (D-6-5) 19 dda GROUND ELEVATION. ~~1327~~ 1333
 BEGUN June 1, 1965 FINISHED June 22, 1965 TOTAL DEPTH 170'
 DEPTH OR ELEVATION OF WATER TABLE 327.2 HOLE LOGGED BY G. D. Berk, F. W. Carver

TYPE OF SAMPLE	DEPTH	PIEZO-METER DATA	LOG	CLASSIFICATION AND PHYSICAL CONDITION
			SAMPLES FOR TESTING	
U.S.G.	100		0' - 4'	<u>Sandy Silt</u> --light reddish brown, loose to firm, fine to coarse grains, sub-angular to subrounded, quartzose sand, gives a moderate reaction to acid.
	200		4' - 20'	<u>Sandy Silt</u> --light brown with tan caliche nodules, firm to hard, no apparent bedding, fine to coarse grains, subangular to rounded, quartzose sand intermixed, moderate to locally strong reaction to acid.
U.S.G.	300		20' - 30'	<u>Sand and Gravel</u> --light brown, slightly loose to friable, poorly sorted medium to coarse sand and fine gravel, rounded to angular, mixture of granitic and volcanic rock types, little or no reaction to acid.
	400		30' - 50'	<u>Silty Sand and Gravel</u> --pale reddish brown, friable, poorly sorted fine to coarse sand, silt and fine gravel, rounded to angular, mixture of granitic and volcanic rock types, contains some caliche that gives a weak to moderate reaction to acid.
CP	500		50' - 70'	<u>Sand and Gravel</u> --light brown to pale reddish brown, fairly loose, poorly sorted medium to coarse sand and fine gravel, angular to rounded, mixture of granitic and volcanic rock types, gives little or no reaction to acid.
CP	600		70' - 159'	<u>Silty Sand - Clayey Silt</u> --brown to reddish brown, loose to friable, no apparent bedding, interbedded layers of fairly well sorted fine sand - clayey silt with lenses of fine to coarse sand and fine gravel, subangular to rounded, predominantly granitic with some volcanic rock types. Test contains some and originates; silt and clay contain streaks of black granitic caliche stain.



T.D.

CR = CORE
 CT = CUTTINGS
 D = DRILLERS' LOG



CLAY & CEMENT
 PACKER
 BOTTOM OF PIEZO-
 METER TUBE &
 SUFFIX NUMBER

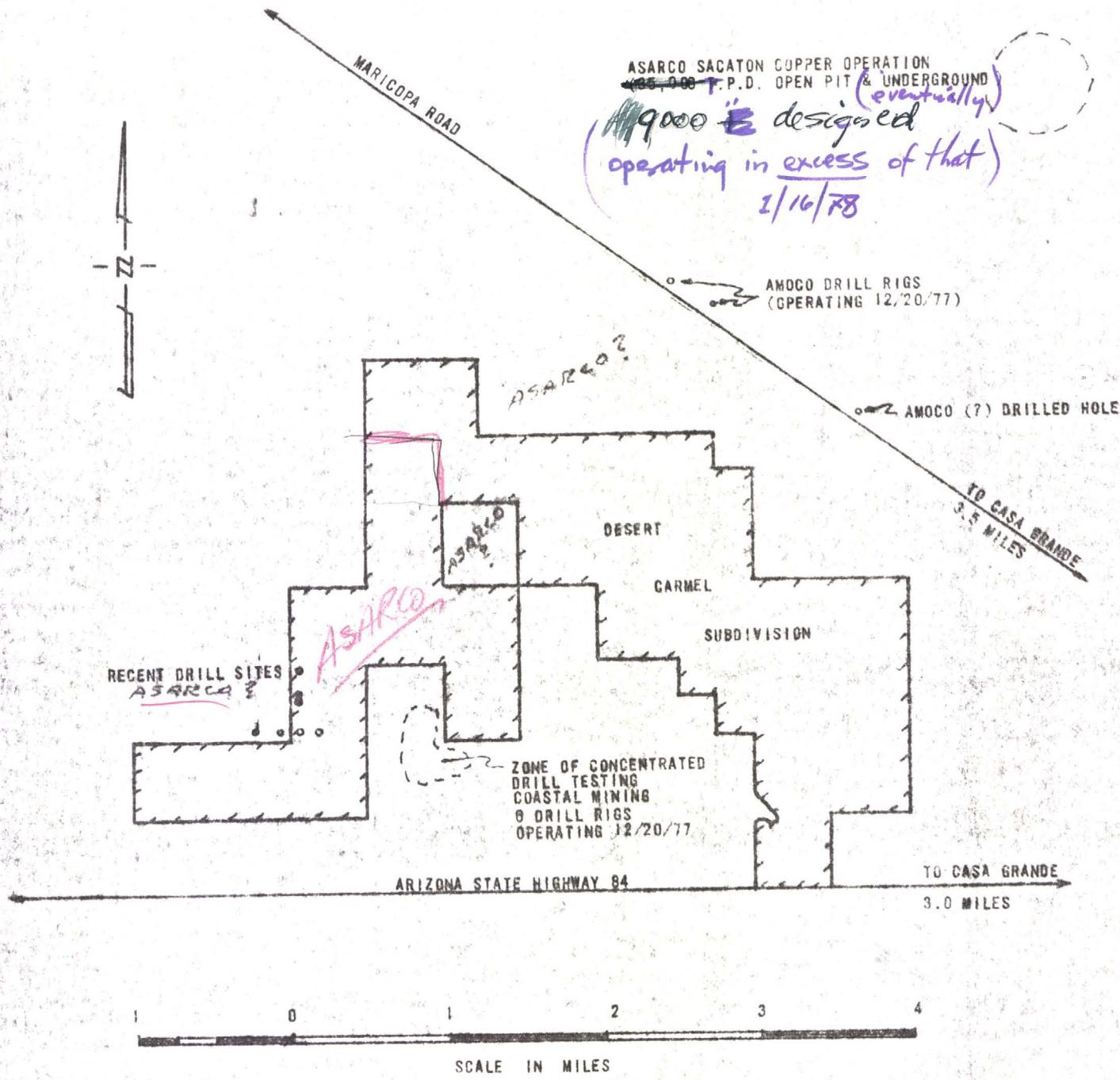
2

← D DENSITY
 SAMPLE
 ← P PERME-
 ABILITY
 SAMPLE
 ← M MOISTURE
 SAMPLE

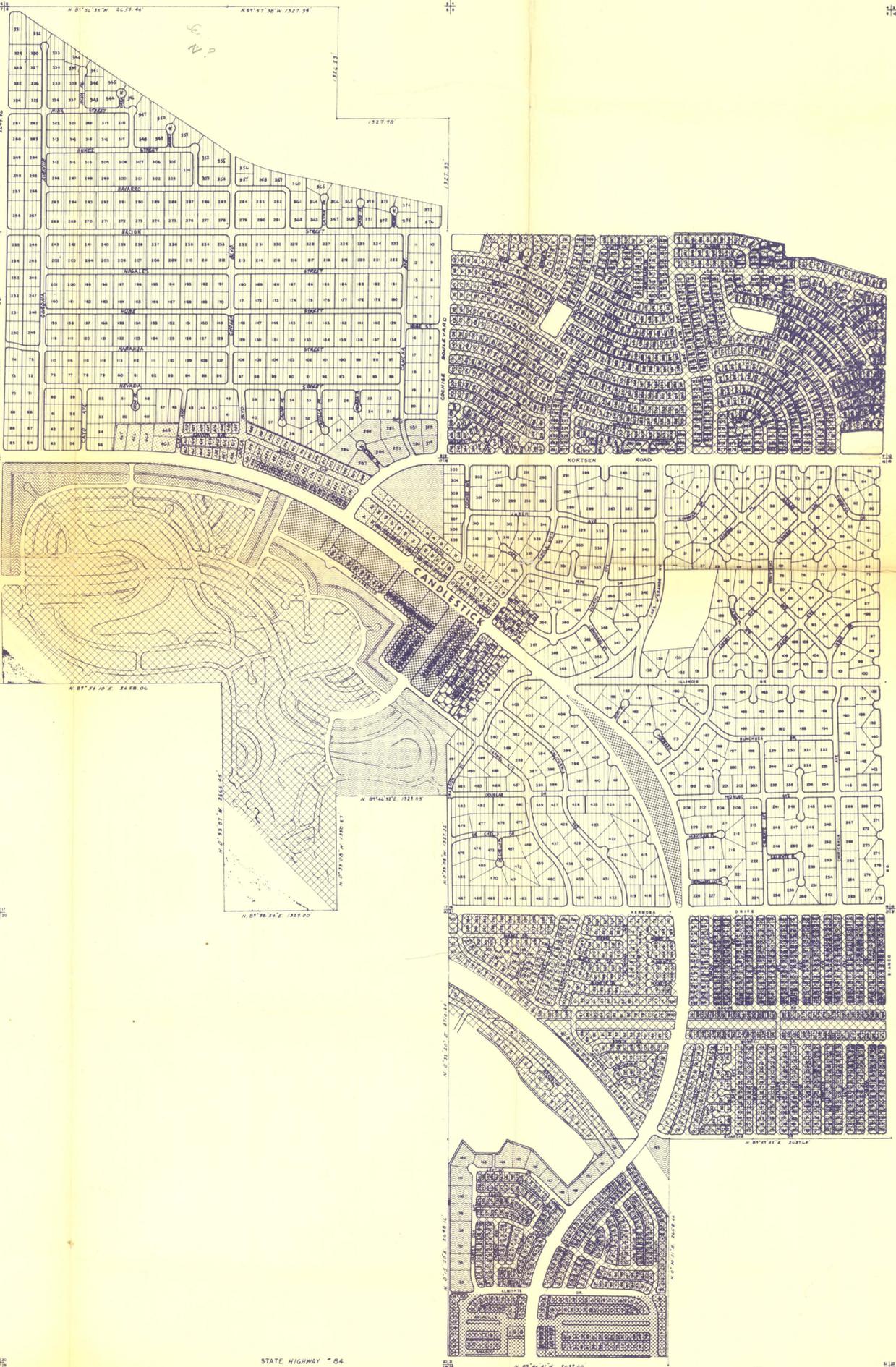
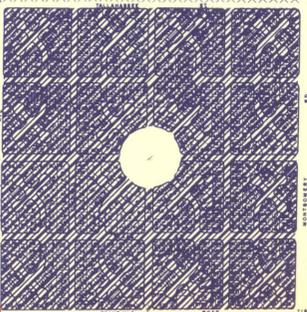
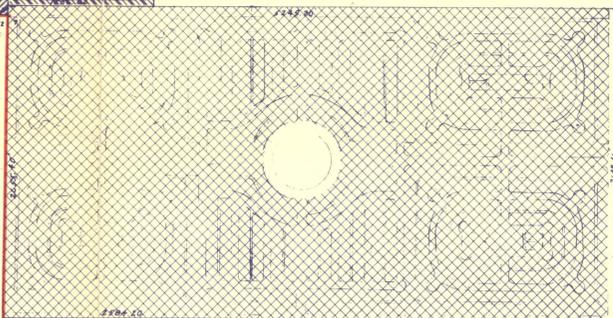
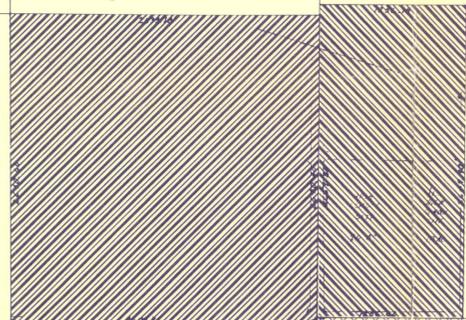
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HOLE NO.

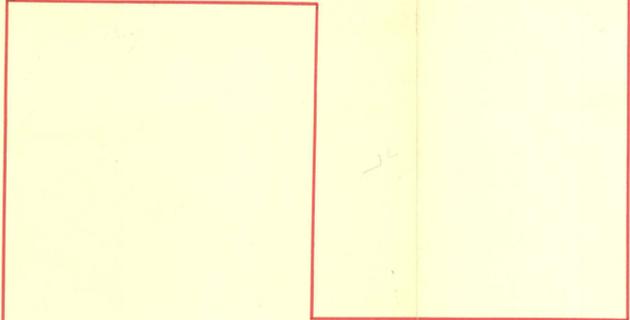
SKEETCH MAP
of
DESERT CARMEL SUBDIVISION AND VICINITY
PINAL COUNTY, ARIZONA
by
HEINRICH'S GEOEXPLORATION COMPANY
P.O. BOX 5964, TUCSON, AZ. 85703
Job number 1215 22 December 1977



60
742



SUBJECT



ZONING **A**

MAP-Z 85-2 & 3

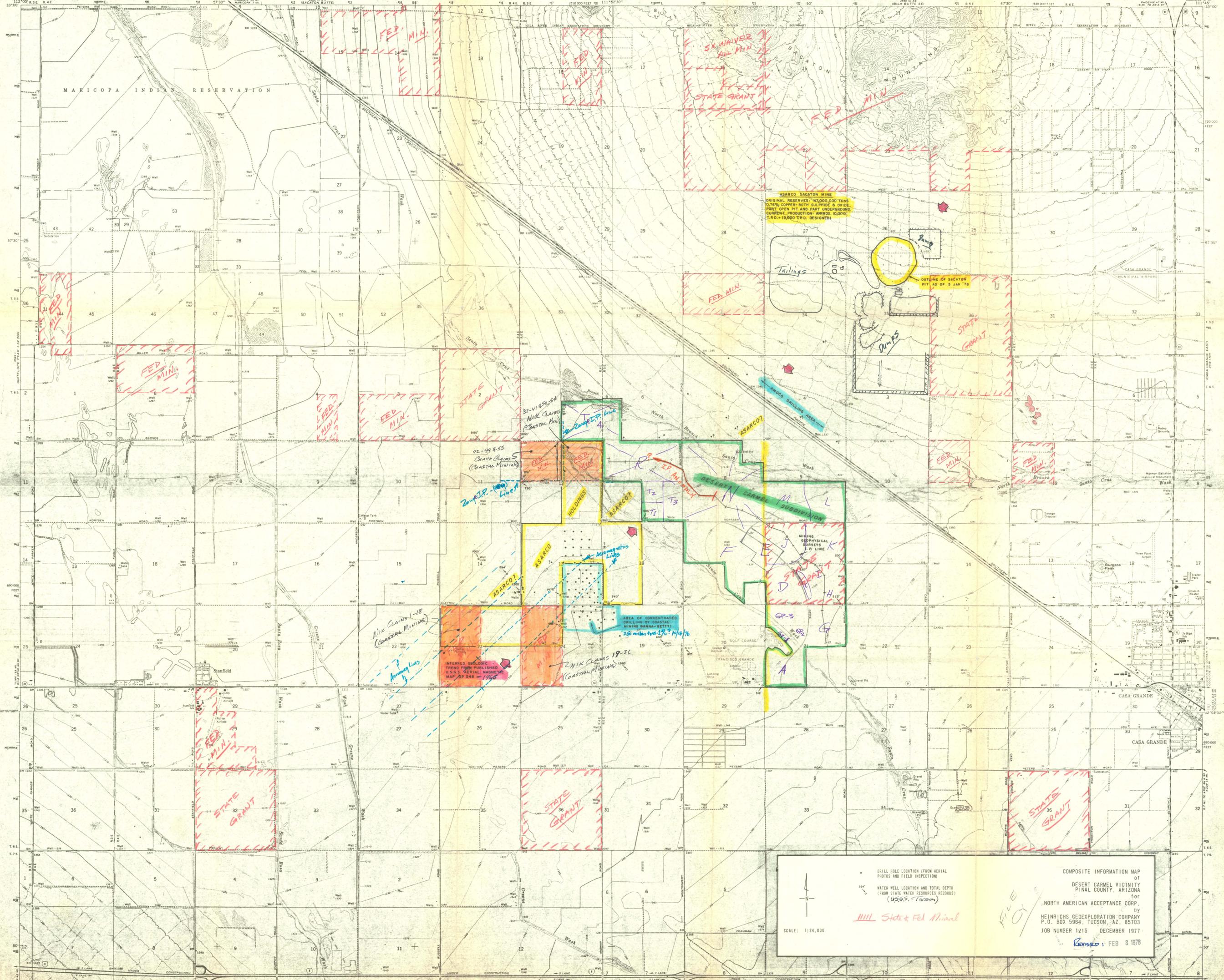


DEVELOPMENT PLAN

DESERT CARMEL

APPROVED BY BOARD OF SUPERVISORS MAY 13 1968

STATE HIGHWAY #84



ASARCO SACATON MINE
ORIGINAL RESERVES 47,000,000 TONS
10.7% COPPER-BOTH SULPHIDE & OXIDE
PART OPEN PIT AND PART UNDERGROUND
CURRENT PRODUCTION APPROX. 10,000
T.P.D. - 19,000 TONS DESIGNED

OUTLINE OF SACATON
MINE AS OF 3 JAN '78

37-4185-55
NIX CLAIMS
(COASTAL MINING)

42-49 & 55
CHAVEZ CLAIMS
(COASTAL MINING)

NIX CLAIMS 1-18
(COASTAL MINING)

INFERRED GEOLOGIC
TRENDS FROM PUBLISHED
U.S.G.S. AERIAL MAGNETIC
MAP GP 548 - 1968

NIX CLAIMS 19-31
(COASTAL MINING)

AREA OF CONCENTRATED
DRILLING BY COASTAL
MINING (NIXAN-BETS)
250 million tons 1965-1976

DRILL HOLE LOCATION (FROM AERIAL
PHOTOS AND FIELD INSPECTION)

WATER WELL LOCATION AND TOTAL DEPTH
(FROM STATE WATER RESOURCES RECORDS)
(U.S.G.S. - TUCSON)

SCALE: 1:24,000

COMPOSITE INFORMATION MAP
OF
DESERT CARMEL VICINITY
PINAL COUNTY, ARIZONA
for
NORTH AMERICAN ACCEPTANCE CORP.
by
HEINRICHS GEOEXPLORATION COMPANY
P.O. BOX 5964, TUCSON, AZ. 85703
JOB NUMBER 1215 DECEMBER 1977
REVISED FEB 8 1978

FILE

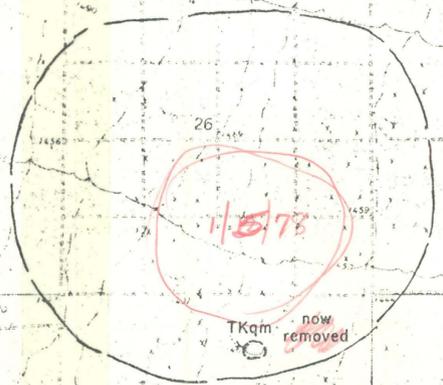
ASARCO'S SACATON COPPER MINE
47 Million Tons of 0.76% Cu (Chalcopyrite)

*O.P. & underground
originally published*

**I.P. RESISTIVITY
PLAN MAP**

PINAL COUNTY, ARIZONA.
Scale: 1"=2000'

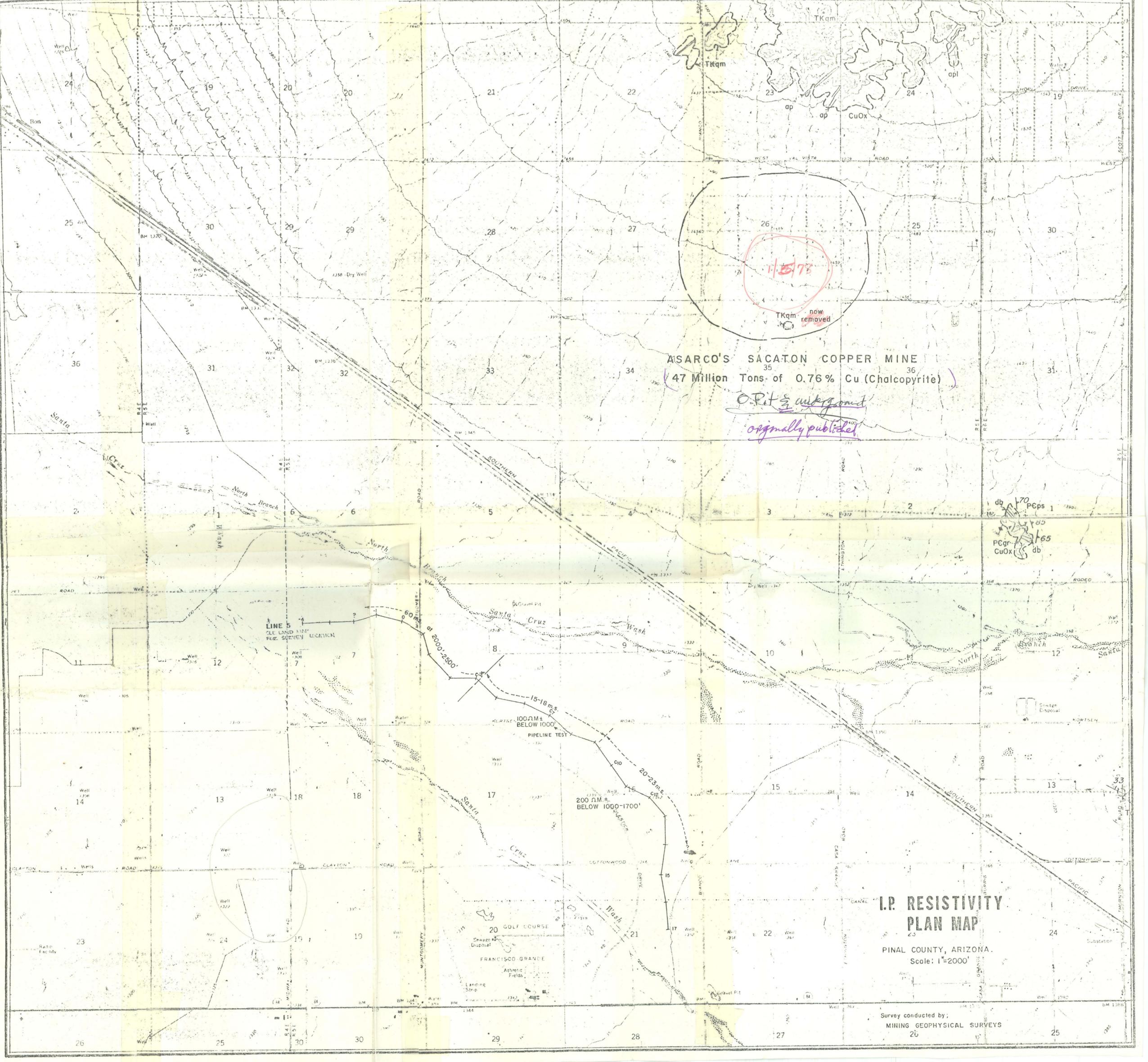
Survey conducted by;
MINING GEOPHYSICAL SURVEYS

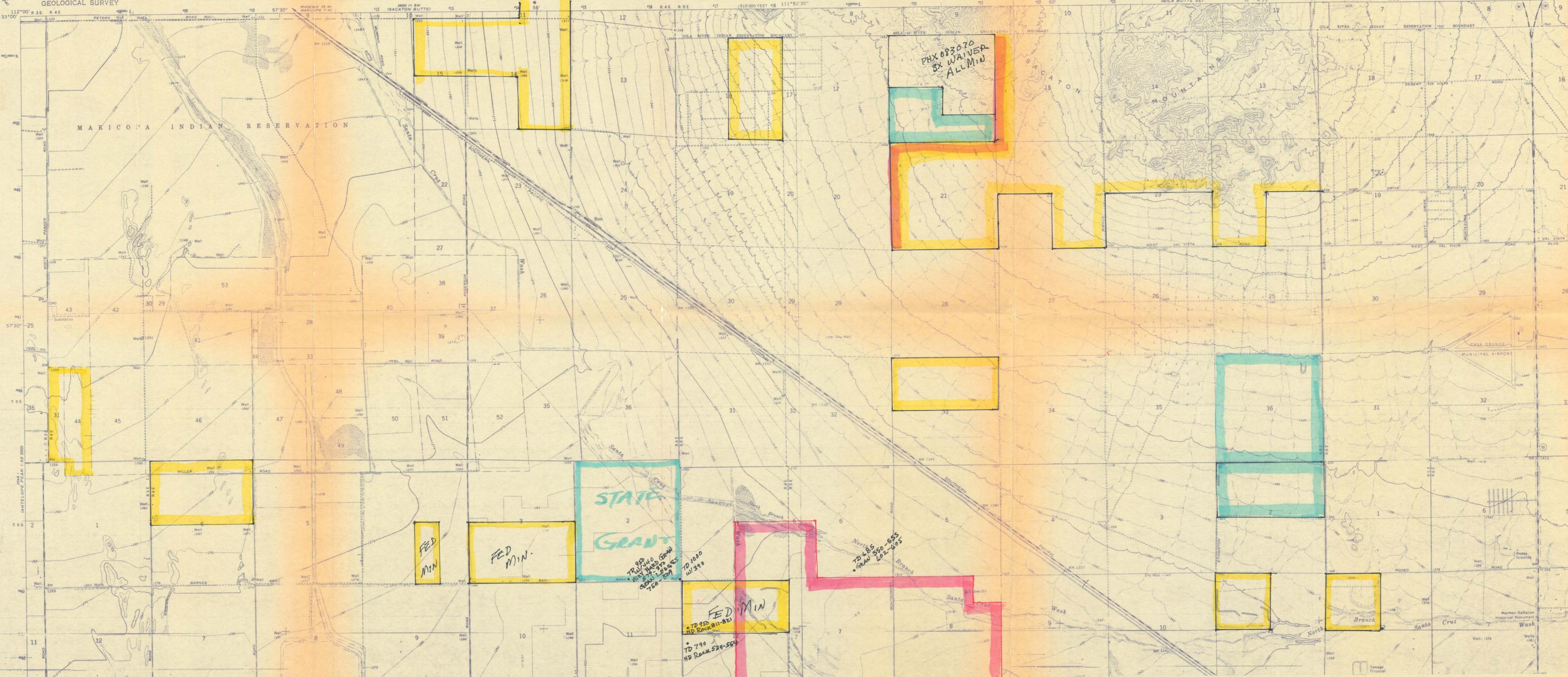


LINE 5
S.E. LAND MINE
FEED SURVEY LOCATION

100 DM ±
BELOW 1000'

200 DM ±
BELOW 1000-1700'





- FED. MIN.
- ST. GRANT
- PAT. MIN.
& SURFACE

ROUTINE (DESBET CARMEL)

500
2/10/09

TO 950
HD Rock 811-821

TO 1000
W/3/90

TO 605
GRAN 602-605

PHX 083070
SX WAIVER
ALL MIN

STATE
GRANT

FED
MIN.

FED
MIN.

FED MIN

Sewage Disposal

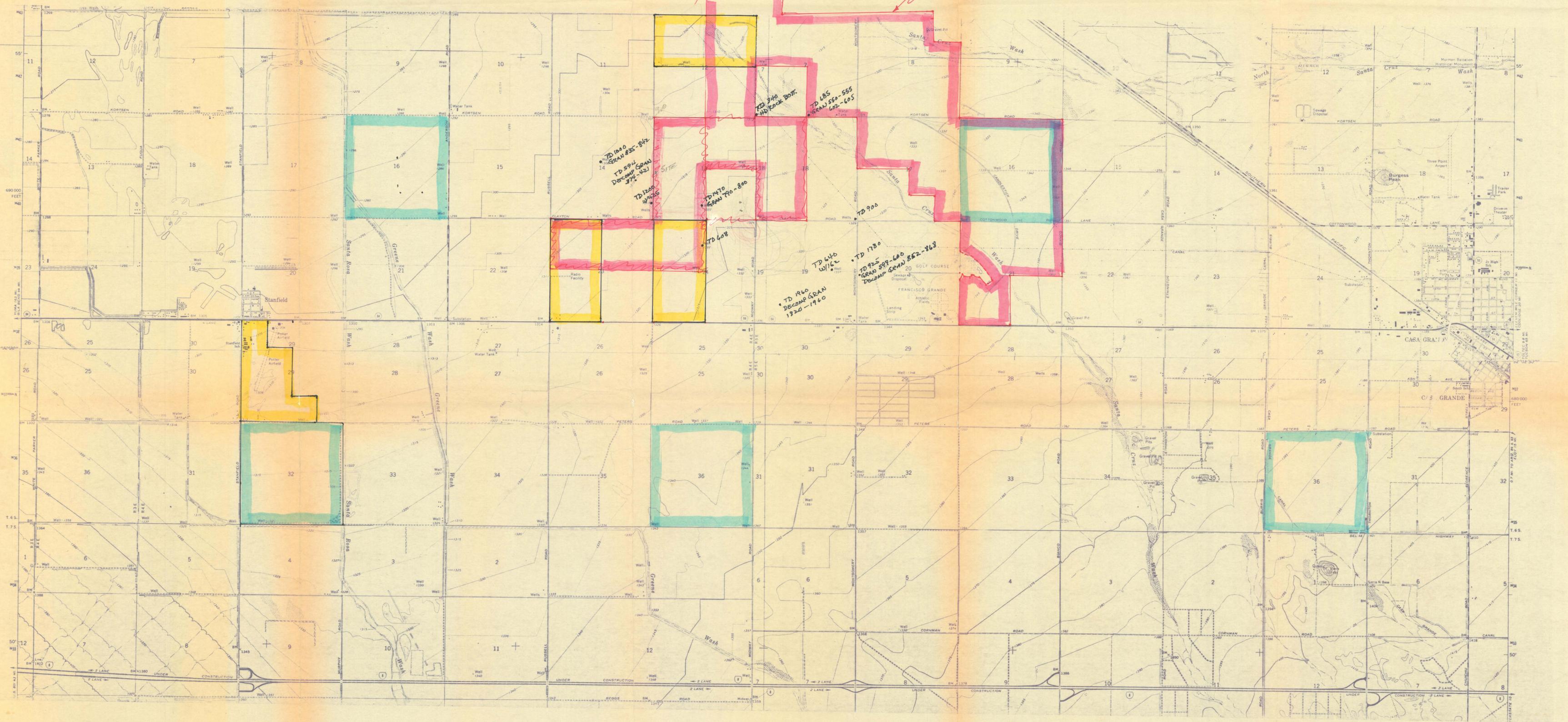
FED. MIN.

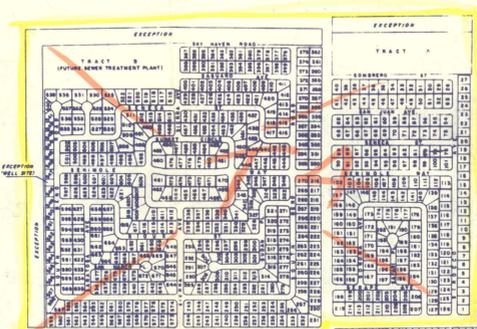
ST. GRANT

PAT. SURF. MIN.

Steel Canyon

ROUTINE (DESERT CARMEL)

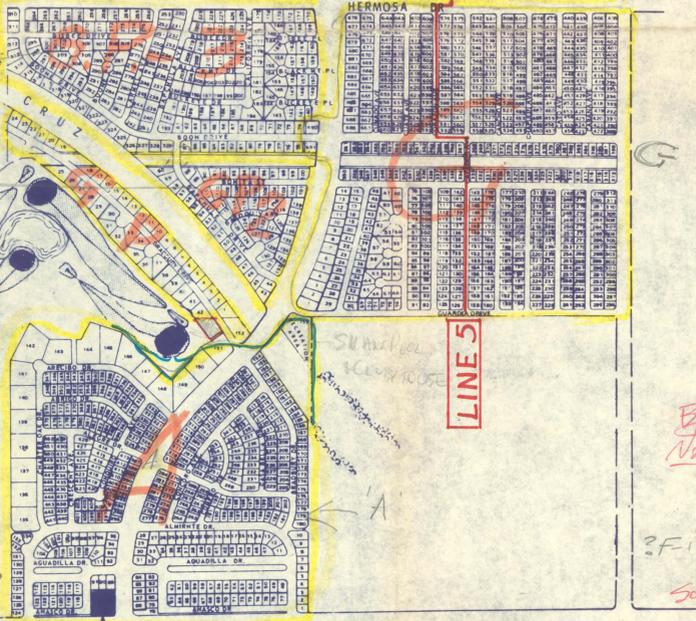
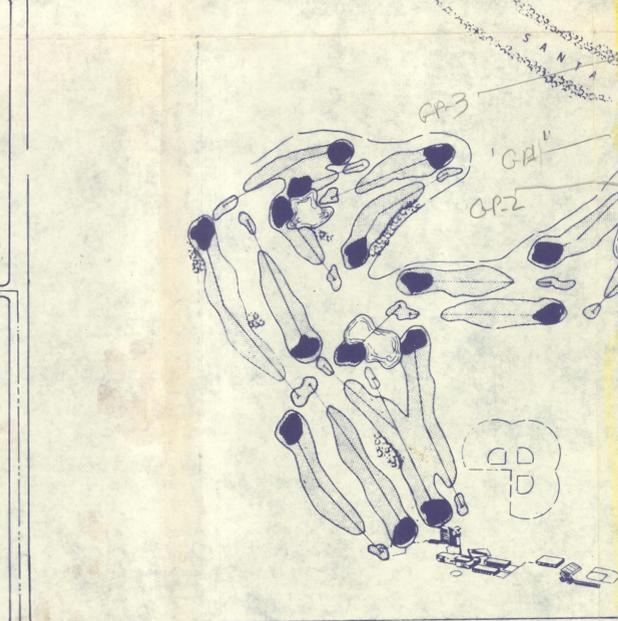
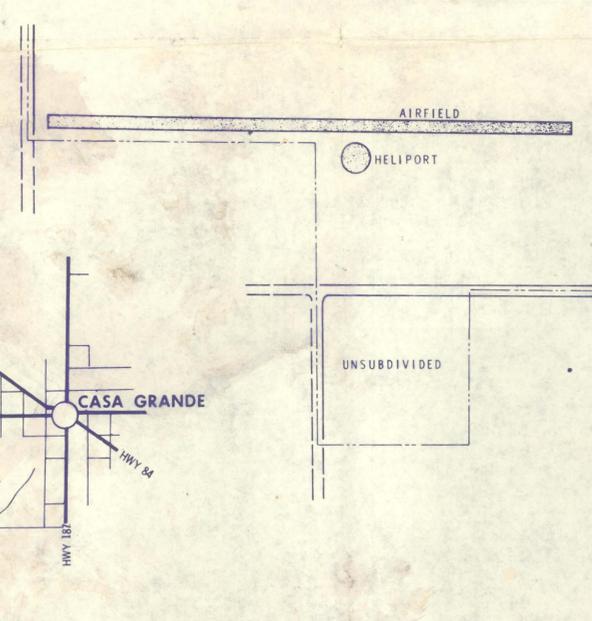
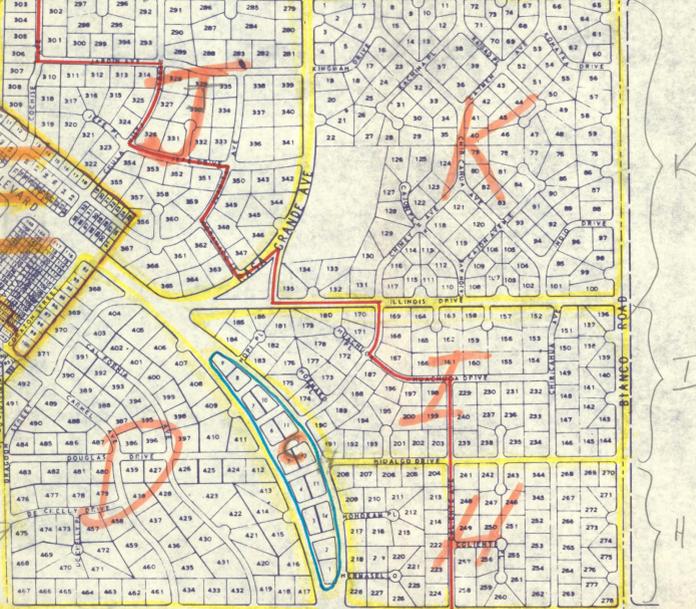
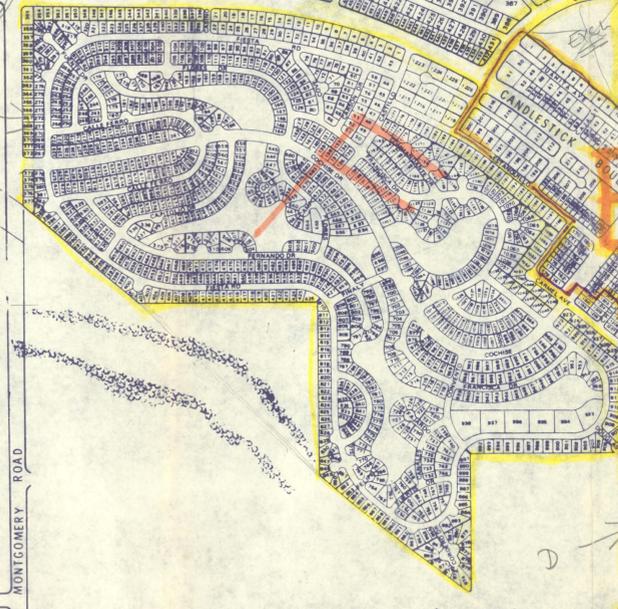
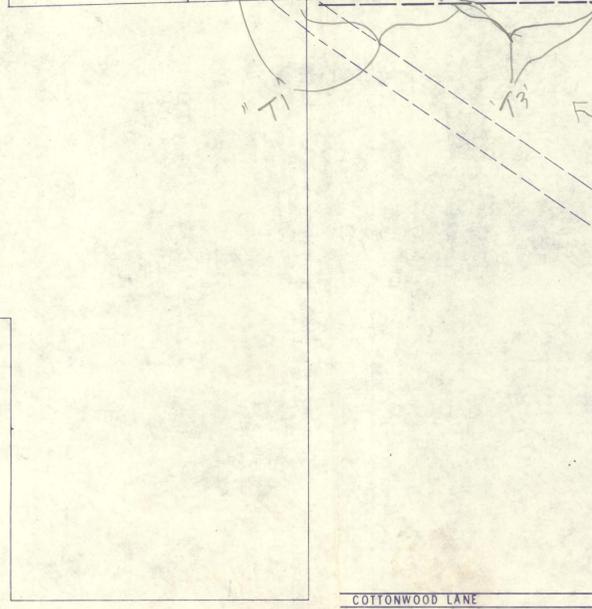
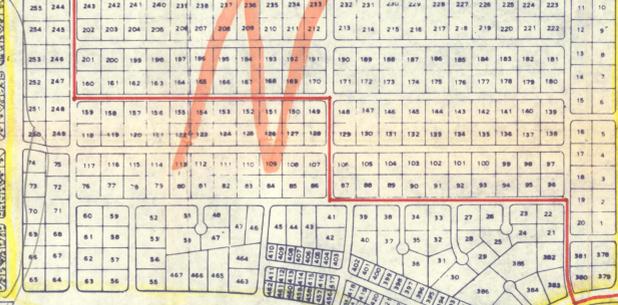
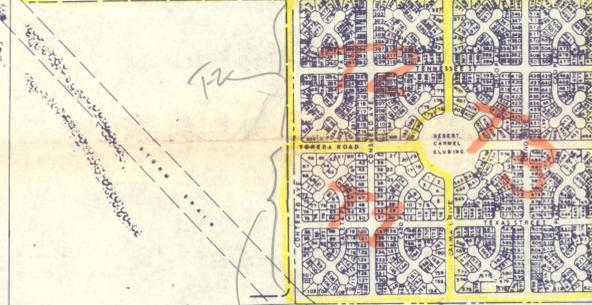
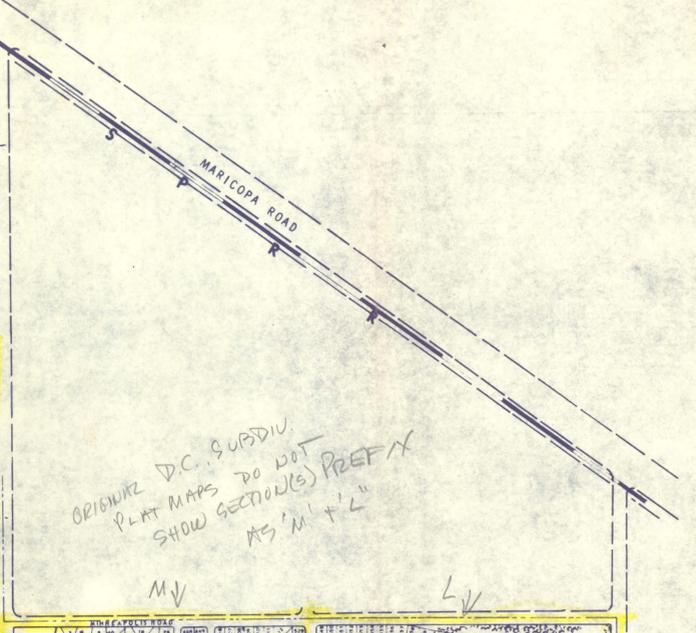
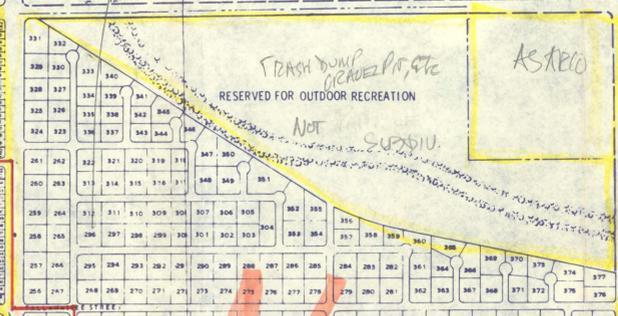
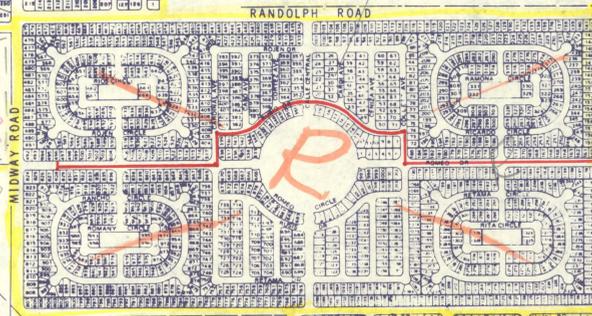




PLATTED AS
T-4
PLOT THAT ABANDONED
12/19/73
+ REVERTED TO AGRICULTURE

WAC vs ?
SCHOOL DISTRICT
R

WAS
D.C. WEST
Purch. BY ASARCO
10/17/74
COUNT APPROVED
SALE



NORTH AMERICAN ACCEPTANCE CORP. OF ARIZONA
OF
DESERT CARMEL

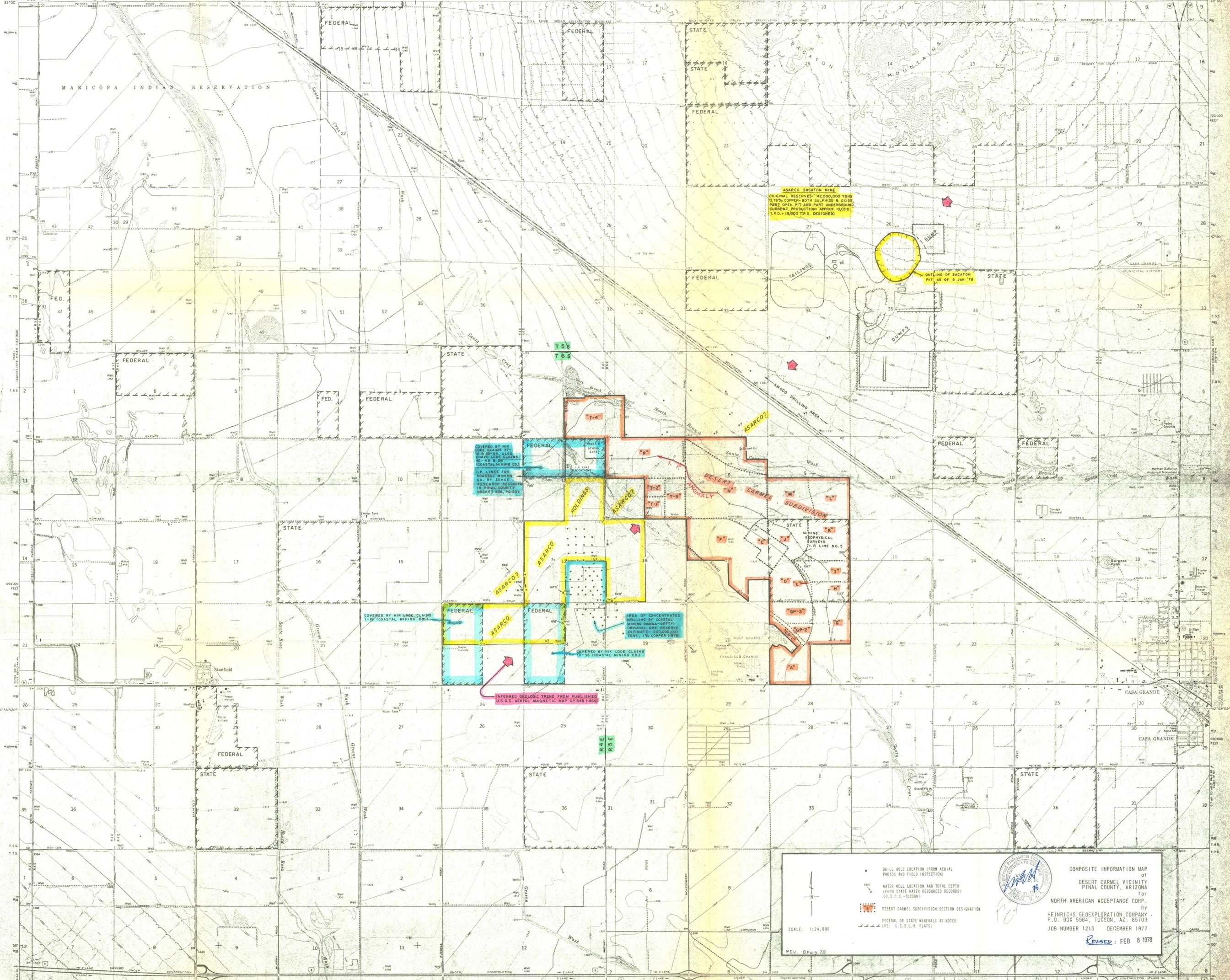


LINE 5

Estimated
No. of Lots
452
452
209
489
423
? F.I. 200
120
120
Sold - 4,140 ±

LAND MAP

Johnson



ASARCO SACATON MINE
ORIGINAL RESERVES - 41,000,000 TONS
0.76% COPPER-BOTH SULPHIDE & OXIDE
PIT OPEN PIT AND PART UNDERGROUND
CURRENT PRODUCTION APPROX 10,000
T.P.D. (3,000 T.P.D. DESIGNED)

OUTLINE OF SACATON
PIT AS OF 5 JAN '78

COVERED BY MIN
LODE CLAIMS 37-
43 & 45 ALSO
SHAWO LODE CLAIMS
NO. 49 & 50
COASTAL MINING CO.
I.P. LINES FOR
COASTAL MINING
CO. BY ZONING
RESEARCH RECORDED
IN PINAL COUNTY
DOCKET 656, PG 232

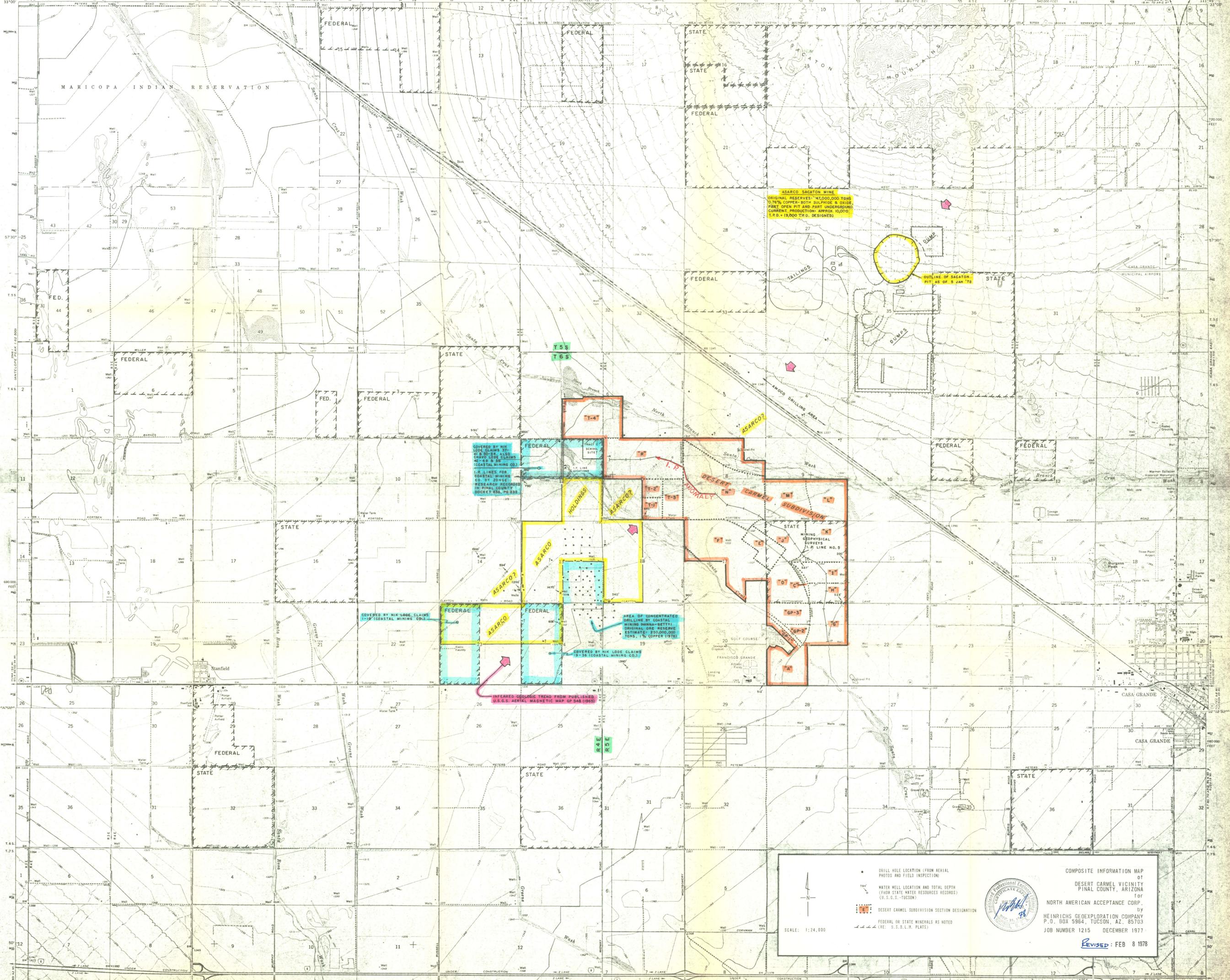
AREA OF CONCENTRATED
DRILLING BY COASTAL
MINING (MORNA-BETTY)
ORIGINAL ONE RESERVE
ESTIMATE - 250,000,000
TONS, 1.4% COPPER (1978)

INFERRED GEOLOGIC TREND FROM PUBLISHED
U.S.G.S. AERIAL MAGNETIC MAP OF 24B (1964)

COMPOSITE INFORMATION MAP
OF
DESERT CARMEL VICINITY
PINAL COUNTY, ARIZONA
for
NORTH AMERICAN ACCEPTANCE CORP.
by
HEINRICHS GEODEXPLORATION COMPANY
P.O. BOX 5964 TUCSON, AZ 85703
JOB NUMBER 1215 DECEMBER 1977
REVISED: FEB 8 1978

SCALE: 1:24,000
REV. 8Feb 78

LEGEND:
• DRILL HOLE LOCATION (FROM AERIAL PHOTOS AND FIELD INSPECTION)
○ WATER WELL LOCATION AND TOTAL DEPTH (FROM STATE WATER RESOURCES RECORDS) (U.S.G.S.-TUCSON)
□ DESERT CARMEL SUBDIVISION SECTION DESIGNATION
--- FEDERAL OR STATE MINERALS AS NOTED (RE: U.S.B.L.H. PLATS)



ASARCO SAGATON MINE
 ORIGINAL RESERVES 47,000,000 TONS
 0.76% COPPER-BOTH SULPHIDE & OXIDE
 PART OPEN PIT AND PART UNDERGROUND
 CURRENT PRODUCTION APPROX 10,000 T.P.D. (19,000 T.P.D. DESIGNED)

COVERED BY MIN. LOSE CLAIMS 37-42 & 43-48 ALSO CHAVO LOSE CLAIMS 42-43 & 44-45 (COASTAL MINING CO.)
 I.R. LINES FOR COASTAL MINING CO. BY JONES RESEARCH RECORDED IN PINAL COUNTY SOCKET 654, PG 232

COVERED BY MIN. LOSE CLAIMS (COASTAL MINING CO.)

AREA OF CONCENTRATED DRILLING BY COASTAL MINING COMPANY (BETTY) ORIGINAL ONE RESERVE ESTIMATE 250,000,000 TONS, 1% COPPER (1978)

INFERRED GEOLIC TREND FROM PUBLISHED U.S.G.S. AERIAL MAGNETIC MAP GP 548 (1959)

COMPOSITE INFORMATION MAP
 91
 DESERT CARMEL VICINITY
 PINAL COUNTY, ARIZONA
 for
 NORTH AMERICAN ACCEPTANCE CORP.
 by
 HEINRICHS GEODEXPLORATION COMPANY
 P.O. BOX 5964, TUCSON, AZ. 85703
 JOB NUMBER 1215 DECEMBER 1977
 Revised: FEB 8 1978

• DRILL HOLE LOCATION (FROM AERIAL PHOTOS AND FIELD INSPECTION)
 WATER WELL LOCATION AND TOTAL DEPTH (FROM STATE WATER RESOURCES RECORDS) (U.S.G.S.-TUCSON)
 DESERT CARMEL SUBDIVISION SECTION DESIGNATION
 FEDERAL OR STATE MINERALS AS NOTED (REF. U.S.G.S. L.M. PLATS)

SCALE: 1:24,000

