



CONTACT INFORMATION
Mining Records Curator
Arizona Geological Survey
416 W. Congress St., Suite 100
Tucson, Arizona 85701
602-771-1601
<http://www.azgs.az.gov>
inquiries@azgs.az.gov

The following file is part of the JABA, Inc. Tombstone Mining Records

ACCESS STATEMENT

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

CONSTRAINTS STATEMENT

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

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

QUALITY STATEMENT

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

Volume 8 ; Book 3

TOMBSTONE

Mining District

Cochise County

ARIZONA

Legal Documentation and Correspondence
9/79 to 6/29/81

1949 (cont)

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA
IN AND FOR THE COUNTY OF PIMA

MARY LITA HEWLETT
Plaintiff
vs
RICHARD FLOYD HEWLETT
Defendant
SOUTHWESTERN EXPLORATION ASSOCIATES
Garnishee

NO. D-16240

WRIT OF GARNISHMENT

Pre-Judgment (non-wages)

Post-Judgment (wages)

Post-Judgment (non-wages)

THE STATE OF ARIZONA to: the Sheriff or any Constable of Pima County, Arizona or any Officer authorized to serve process.

Plaintiff in the above entitled case has obtained Judgment or claims indebtedness against the defendant named above in the sum of \$4353.00 plus interest and costs of suit, and has applied for a Writ of Garnishment against the Garnishee named above.

You are hereby commanded forthwith to summon the garnishee, if found within your county, to appear before this court within ten days after the service of summons, exclusive of the day of service if served within this county, or within twenty days if served outside this county, to answer upon oath what, if anything, the garnishee is indebted to the defendant at the time this writ was served and what effects, if any, of the defendant were in the possession of the garnishee when this writ was served, and what other persons, if any, within the knowledge of the garnishee, are indebted to the defendant or have effects belonging to the defendant in possession, and if the said garnishee is a corporation to answer under oath what number of shares if any, or interest, the defendant owns or has in said corporation or owned or had when writ was served. You are required to make due return as the law directs.

WITNESS my hand and the Seal of the
Superior Court. September 19, 1979.

JAMES N. CORBETT
Clerk of the Superior Court

Jack J. Rappaport
Attorney for Plaintiff
205 N. Bentley Ave.
Address Tucson, Arizona 85716
325-6741
Telephone

By Jon Rappaport
Deputy Clerk

NOTICE AND SUMMONS

TO: The Garnishee named above Southwestern Exploration Associates

You are SUMMONED to appear before the above named court:

- a. Within 10 days after service of this Writ, Notice and Summons, if served within Pima County; or
- b. Within 20 days after service of this Writ, Notice and Summons, if served outside Pima County.

To Answer, under oath:

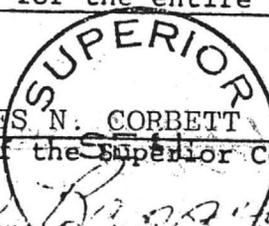
- 1. What, if anything, you are indebted to the defendant and were when this Writ was served; and
- 2. What effects, if any, of defendant, you have in your possession and had when the Writ was served; and
- 3. What other person, if any, within your knowledge is indebted to the defendant or has effects belonging to the defendant in his possession; and
- 4. If you are a corporation what number of shares or what interest, if any, in the corporation, the defendant owns or has and owned or had when the writ was served.

IMPORTANT: If you do not answer within the time stated above, Judgment may, without further notice to you be obtained against you for the entire amount due from defendant to plaintiff.

DATED: September 29, 1979

JAMES N. CORBETT
Clerk of the Superior Court

By Jon Rappaport



ARIZONA)
) ss
OF PIMA)

the undersigned, on _____, 19____, do hereby certify:

1. That I received the within Writ of Garnishment on _____, 19____, at _____ .m., and

2. That as commanded in said Writ, I personally served said Writ and summoned the Garnishee named in said Writ by delivering within the above named county within the State of Arizona, a true copy of said Writ of Garnishment and Summons on _____, 19____, at _____ .m. to:

3. That I am an Officer authorized to serve process in Pima County, Arizona.

Fees \$ _____

Travel _____ miles \$ _____

Total \$ _____

By _____

Title: _____

IMPORTANT NOTICE

FEDERAL WAGE GARNISHMENT LAW

garnishment restrictions of Title III of the Consumer Credit Protection Act (15 U.S.C. 1673) provide that no court of the United States or of any State may make, execute, or enforce any order or process which provides for the garnishment of the aggregate disposable earnings of any individual for any pay period in an amount which is in excess of the following:

THE FOLLOWING RESTRICTIONS ARE IN EFFECT BEGINNING JANUARY 1, 1978 :

<u>Weekly</u>	<u>Biweekly</u>	<u>Semimonthly</u>	<u>Monthly</u>
\$79.50 or less: NONE	\$159 or less: NONE	\$172.25 or less: NONE	\$344.50 or less: NONE
More than \$79.50 but less than \$106 AMOUNT ABOVE \$79.50	More than \$159 but less than \$212: AMOUNT ABOVE \$159	More than \$172.25 but less than \$229.66: AMOUNT ABOVE \$172.25	More than \$344.50 but less than \$459.33 AMOUNT ABOVE \$344.50
\$106 or more MAXIMUM 25%	\$212 or more: MAXIMUM 25%	\$229.66 or more: MAXIMUM 25%	\$459.33 or more: MAXIMUM 25%

These restrictions do not apply in the case of (1) Court orders for the support of any person, (2) Court orders under Chapter XIII of the Bankruptcy Act, and (3) Any debt due for any State or Federal Tax. The amount of disposable earnings exempt from garnishment must be paid to the employee or garnishee on the regular pay day for the pay period in which the wages were earned.

"Disposable earnings" is compensation paid or payable for personal services less any amounts required to be withheld by law.

The law also prohibits an employer from discharging any employee because his earnings have been subjected to garnishment for any one indebtedness. The term "One indebtedness" refers to a single debt, regardless of the number of levies made or creditors seeking satisfaction. Whoever willfully violates the discharge provisions of this law may be prosecuted criminally and fined up to \$1,000, or imprisoned for not more than one year, or both.

A section or provision of the State law that requires a larger amount to be garnished than the Federal law permits is considered preempted by the Federal law. On the other hand, the State law provision is to be applied if it results in a smaller garnishment amount.

Further information regarding the Federal Wage Garnishment Law may be obtained from any office of the Wage and Hour Division, U. S. Department of Labor.

DAY/TIMER
Time-Saver

LETTER
IN REFERENCE TO:

Southern Exploration Associates
4500 E. SPEEDWAY, SUITE 14
TUCSON, ARIZONA 85712
(602) 705-0392

RECEIVED SEP - 5 1979

FIRST CLASS MAIL INTER-OFFICE

FOR *Tom Waldrip*
Southwestern Explor Assoc.
4500 E Speedway Suite 14
TUCSON ARIZ 85712

HOW TO USE THIS

DAY/TIMER
Time-Saver LETTER TO SAVE TIME.
Type or write your reply in the space below. Then mail the white copy to us and keep the pink copy for your files. You'll save time and effort, and we'll have your answer much faster! Thank you.

MESSAGE

FOLD

DATE: *9-3-79*

FOLD

Ran plant 6.5 hrs Had To shut it down as I ran out of preg. I started make up water to late. didnt realize depth of pond. As of 2:45 PM Today. we have run 16-7 Tons Solution through plant

Approx 25.05 oz Ag and .43 oz Au. We have not had late assays. So used 1.25 Ag .026 Au. per Tn. Solution Averaged 10-2 gals Solution per min while running.

We should run sprays 24 hrs / day which will require one more man. Then we can run plant 16 hrs.

As per previous message running plant manually does not allow operator to check heap or preg feed without shutting down plant.

FOLD

FOLD

BY *EW (ae) Waldrip*

REPLY

DATE:

DAY/TIMER

Time-Saver

LETTER

IN REFERENCE TO:

Southwestern Exploration Associates
4500 E. SPEEDWAY, SUITE 14
TUCSON, ARIZONA 85712
(307) 795-6097

RECEIVED SEP - 5 1979

FIRST CLASS MAIL INTER-OFFICE

HOW TO USE THIS

DAY/TIMER

Time-Saver LETTER TO SAVE TIME.

Type or write your reply in the space below. Then mail the white copy to us and keep the pink copy for your files. You'll save time and effort, and we'll have your answer much faster! Thank you.

FOR Tom Woldrip

Southwestern Expl. Assoc.
4500 E. Speedway Suite 14
Tucson ARIZ 85712

MESSAGE

FOLD

DATE: 9-3-79

FOLD

9-1-79

Work done to get 65 ton a day plant going

5:00 AM - 9:00 AM. Dusty changed 3 PVC Valves that were leaking on Pond line, Barren line and NACN mix tank line, these were out valves that will have to be worked over, so they will work right. They were used in Dick H operation.

9:00 AM Dusty picked me up to start plant. Decided to put Barren sampling Valve in Barren line so it would be easy to take samples. Cleaned Valve on Preg Sample line.

10:00 AM started plant. Dusty showed me start up Routine to refresh my memory. Plant operating at 11:00 AM 21" VAC. 10:10 VAC pump drawing water drew water from VAC tank with preg pump.

FOLD

Started plant again. Probes still not working properly. Pulled probes out to see if they were clogged or dirty. They were in good shape.

REPLY

Tried plant again probes still not working properly. Worked probes manually to see if we could get them working. 12 noon shut plant down went to lunch. 12:30 decided to check relays. Took relays apart cleaned and filed down points. started plant up at 2:30 PM. Probes worked fine and on sometimes good, then quit again 5:00 PM VAC pump got hot and cut off automatically due to too much water in pump. Pump motor had to cool down. Started pump up again at 4:00 PM. Still getting water in pumps probes not working. 4:30 PM shut plant down for day. will see Charlie or Ernie to see if they can tell whats wrong.

Charlie and Ernie are off for Labor Day weekend so will run plant manually.

DAY/TIMER

Time-Saver

LETTER

Southwestern Exploration Associates
4500 E. SPEEDWAY, SUITE 14
TUCSON, ARIZONA 85712
(602) 795-6097

IN REFERENCE TO: ISSUANCE OF STOCK
FOR THE AUSTIN EXPLORATION & MINING
CORPORATION AND DISTRIBUTION OF STOCK FOR
S.E.A. HYDROMET, INC. FIRST CLASS MAIL INTER-OFFICE

FOR JAB

HOW TO USE THIS

DAY/TIMER

Time-Saver

LETTER TO SAVE TIME.

Type or write your reply in the space below. Then mail the white copy to us and keep the pink copy for your files. You'll save time and effort, and we'll have your answer much faster! Thank you.

MESSAGE

FOLD

DATE: 9/9/79

FOLD

Jay Kittle phoned last week wondering how things had gone with RFH's termination. Since you were out and I had answered the phone, I filled him in. He said that they (Kittle's) are currently in a "constructive stall" in regard to the Austin Corporation. Annual Report needs to be filed by October 15. Stock should be issued and some consideration for which the stock will be issued should be established.

Also, (this for my own information) what is happening with the stock in S.E.A. Hydromet, Inc.? My understanding was that you were holding 51% and RFH was holding 49% (see attached correspondence). The State Compensation Fund requested that, if there was any change in the ownership, we should alert them a.s.a.p. -- What is the status on this?

Also, on The Austin Exploration and Mining Corporation, if you'll let me know what you have in mind, I can whip out a quick letter to Jay.

FOLD

Thanks!

FOLD

BY

Chris
Chris

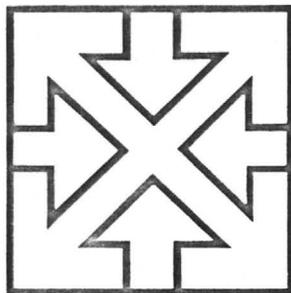
REPLY

DATE:

9/17/79

Chris; Lets see if Jay thinks there's any way we can exclude RFH from the Austin Mining Co., since he's been terminated before issuance of any stock & since he put up no capital, and his ideas, originally thought to be worth stock, were worthless. See if you can contact Jay by phone & get us together.

Consultants in:
• Hydrometallurgical recovery
• Heap and conventional leaching
• Precious and base metals
• Uranium/Vanadium
• Tungsten
Worldwide Mobilization



File: P-418

Division of
Southwestern Exploration Associates

4500 E. Speedway, Suite 14
Tucson, Arizona 85712
(602) 795-6097

S.E.A. Hydromet, Inc.

September 10, 1979

Office of State Mine Inspector
705 West Wing, Capitol Building
Phoenix, AZ 85007

Re: Notice to Arizona State Mine Inspector
to Start Mining Operation in Tombstone, Arizona

Dear Sir:

Enclosed is a form which one of your representatives left with our firm. This form was sent to our office in Tombstone with the request that they complete the information. It seems that our office there is unclear as to whether the form was ever submitted to your office.

Therefore, we are submitting this copy for safety's sake. If this form was submitted earlier, please note that additions have been made to this form and this form should replace the previous one.

Our apologies for the delay and/or confusion on this matter.

Thank you.

Sincerely,


Christine M. Dodson
Mgr., Business Services

/cmd
P-14

PLEASE SEND ALL FUTURE INFORMATION TO OUR TUCSON ADDRESS, ABOVE.
THANK YOU.



Office of State Mine Inspector

705 West Wing, Capitol Building
Phoenix, Arizona 85007
602-255-5971

NOTICE TO ARIZONA STATE MINE INSPECTOR

In compliance with Arizona Revised Statute Section 27-303, we are submitting this written notice to the Arizona State Mine Inspector (705 West Wing, Capitol Building, Phoenix, Arizona 85007) of our intent to start/~~stop~~ (please circle one) a mining operation.

COMPANY NAME S.E.A. HYDROMET, INC.

CHIEF OFFICER James A. Briscoe, President

COMPANY ADDRESS 4500 E. Speedway, Suite 14, Tucson, AZ 85712

COMPANY TELEPHONE NUMBER (602) 795-6097

MINE OR PLANT NAME Tombstone Heap Leach Operation

MINE OR PLANT LOCATION (including county and nearest town, as well as directions for locating by vehicle)

Nellie Cashman Apartments, Cottage # C , 121 E. 5th

Tombstone, AZ 85638 (office) --- Old 71 Minerals

Building, 750 Skyline Drive, Tombstone, AZ 85638 (plant)

TYPE OF OPERATION Surface Mining PRINCIPAL PRODUCT Gold/Silver

STARTING DATE March, 1979 CLOSING DATE Open

DURATION OF OPERATION Open-ended

PERSON SENDING THIS NOTICE Thomas E. Waldrip, Jr./Christine M. Dodson

TITLE OF PERSON SENDING THIS NOTICE Program Manager

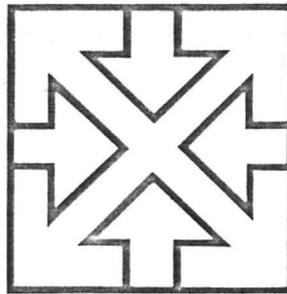
DATE NOTICE SENT TO STATE MINE INSPECTOR August 20, 1979

I would like assistance from your office in writing the lesson plan for my mining company as required under Part 48 of Public Law 95-164.

WE CURRENTLY HAVE INFORMATION AND ARE REVIEWING IT.

Consultants in:

- base & precious metals • uranium
 - coal • geothermal • environment
 - remote sensing • color aerial photography
 - interpretation-image processing
- Worldwide Mobilization



4500 E. Speedway Suite 14
Tucson, Arizona 85712
(602) 795-6097

James A. Briscoe, President
Registered Professional
Geologist

Southwestern Exploration Associates, Inc.

September 11, 1979

Mr. Pat Farrell
Corey & Kittle, P.C.
509 Transamerica Bldg.
Tucson, AZ 85701

Re: Notice and Summons to Southwestern Exploration
Associates, Inc. -- Writ of Garnishment for
Richard F. Hewlett

Dear Pat,

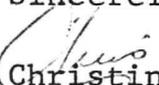
Enclosed is a copy of a Notice and Summons of Writ of Garnishment, served to S.E.A., Inc. on Friday, September 7, 1979 naming Mary L. Hewlett as plaintiff against Richard F. Hewlett, defendant.

Jim Briscoe spoke with Mr. Jack J. Rappeport who told him that if we do not take action within 10 days, we could be held responsible for the entire amount of \$4,353.00. Our answers to the four questions asked are as follows:

1. We do not believe that we are at all indebted to Dick Hewlett; rather, we feel that he owes us a couple hundred dollars. We are currently getting his expenses in shape to get an exact amount.
2. None.
3. Unknown.
4. At present, Dick Hewlett owns 49% of the shares of stock in S.E.A. Hydromet, Inc.

We are in need of some guidance from you in regard to what action we must take. Jim would like to discuss this situation with you as soon as possible. He will be out of the office tomorrow, (9/12) but will return on Thursday (9/13). Thanks for your help!

Sincerely,


Christine M. Dodson
Mgr., Business Services

/cmd
encl.
P-14

Southwestern Exploration Associates
4500 E. SPEEDWAY, SUITE 14
TUCSON, ARIZONA 85712

(602) 795-6097

LETTER

IN REFERENCE TO:

RFH & AUSTIN CORPORATION

FIRST CLASS MAIL INTER-OFFICE

FOR JAB

HOW TO USE THIS

DAY/TIMER

Time-Saver

LETTER TO SAVE TIME.

Type or write your reply in the space below. Then mail the white copy to us and keep the pink copy for your files. You'll save time and effort, and we'll have your answer much faster! Thank you.

MESSAGE

DATE 9/26/79

phoned Pat Farrell at Jay Kittle's office re:
your request to exclude RFH from Austin Mining Co.
since stock has not been issued yet. Pat feels
this is very possible through the same procedure
we used for RFH with Hydromet, (i.e. remove him
from the board of directors). Pat wondered if
RFH would go along voluntarily -- we decided to
try it this way first and then, if he does not
go along voluntarily, Pat alluded to another
approach that could be used (but gave no details).

He'll send us all the necessary paperwork within
a few days.

P-10

SIGNED

Chris

REPLY

DATE 9/26/79 FOLD

Thanks Chris

SIGNED

ATTENTION

This notice is to inform you that, effective Saturday, October 20, 1979, you are no longer an employee of S.E.A. Hydromet, Inc. or Southwestern Exploration Associates, Inc. It is our understanding that Tombstone Exploration Company, a Delaware Corporation headquartered in New York, has taken you into their employ, effective Sunday, October 21, 1979. If you have any questions about this changeover, please contact either Dusty Escapule, (602)457-3834, or Tom Schloss (212)247-0428.

We at S.E.A. Hydromet, Inc. and Southwestern Exploration Associates, Inc. would like to thank you for the fine job you have done while in our employ. If we can be of help at any time in the future, please let us know.

Sincerely,

James A. Briscoe
President, Southwestern
Exploration Associates, Inc.

P07 6205165

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

(See Reverse)

SENT TO		Arizona State Fund	
STREET AND NO.		1624 W. Adams West.	
P.O., STATE AND ZIP CODE		Phoenix, Az 85007	
POSTAGE		\$.54	
CONSULT POSTMASTER FOR FEES	OPTIONAL SERVICES	CERTIFIED FEE	.80 ^c
		SPECIAL DELIVERY	^c
		RESTRICTED DELIVERY	^c
	RETURN RECEIPT SERVICE	SHOW TO WHOM AND DATE DELIVERED	.45 ^c
		SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	^c
		SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	^c
	SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	^c	
TOTAL POSTAGE AND FEES		\$ 1.79	
POSTMARK OR DATE			

PS Form 3800, Apr. 19

**STICK POSTAGE STAMPS TO ARTICLE COVER FIRST CLASS POSTAGE,
CERTIFIED MAIL FEE, AND CHARGES FOR ANY SELECTED OPTIONAL SERVICES. (see front)**

1. If you want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, **leaving the receipt attached**, and present the article at a post office service window or hand it to your rural carrier. (no extra charge)
2. If you do not want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, date, detach and retain the receipt, and mail the article.
3. If you want a return receipt, write the certified-mail number and your name and address on a return receipt card, Form 3811, and attach it to the front of the article by means of the gummed ends if space permits. Otherwise, affix to back of article. Endorse front of article **RETURN RECEIPT REQUESTED** adjacent to the number.
4. If you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse **RESTRICTED DELIVERY** on the front of the article.
5. Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in Item 1 of Form 3811.
6. Save this receipt and present it if you make inquiry.

Form 3811, Jan. 1979
RETURN TO SENDER
REGISTERED MAIL
INSURED AND CERTIFIED MAIL

SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space
reverse.

1. The following service is requested (check one.)

- Show to whom and date delivered..... 45¢
 Show to whom, date and address of delivery... ___¢
 RESTRICTED DELIVERY
Show to whom and date delivered..... ___¢
 RESTRICTED DELIVERY.
Show to whom, date, and address of delivery. \$ ___

(CONSULT POSTMASTER FOR FEES)

2. **ARTICLE ADDRESSED TO:**

Arizona State Yard Dept.
1624 West Adams
Phoenix Az. 8 5007

3. **ARTICLE DESCRIPTION:**

REGISTERED NO. | CERTIFIED NO. | INSURED NO.

6205165

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE Addressee Authorized agent

J. M.

4. **DATE OF DELIVERY**

OCT 23 1979

POSTMARK

PHOENIX, AZ
OCT 23 1979
CLERK'S INITIALS
U.S. POST OFFICE

5. **ADDRESS (Complete only if requested)**

6. **UNABLE TO DELIVER BECAUSE:**

UNITED STATES POSTAL SERVICE

OFFICIAL BUSINESS

SENDER INSTRUCTIONS

Print your name, address, and ZIP Code in the space below.

- Complete items 1, 2, and 3 on the reverse.
- Attach to front of article if space permits, otherwise affix to back of article.
- Endorse article "Return Receipt Requested" adjacent to number.

PENALTY FOR PRIVATE
USE TO AVOID PAYMENT
OF POSTAGE, \$300



RETURN
TO



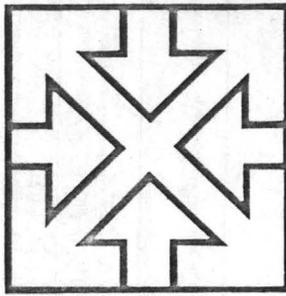
Southwestern Exploration Assoc.
(Name of Sender)

4500 E Speedway Suite #14
(Street or P.O. Box)

Tucson Az. 85712
(City, State, and ZIP Code)

Consultants in:

- base & precious metals • uranium
 - coal • geothermal • environment
 - remote sensing • color aerial photography
 - interpretation-image processing
- Worldwide Mobilization



4500 E. Speedway, Suite 14
Tucson, Arizona 85712
(602) 795-6097

James A. Briscoe, President
Registered Professional
Geologist

**Southwestern
Exploration Associates, Inc.**

October 22, 1979

Arizona State Land Department
1624 West Adams
Phoenix, AZ 85007

ATTENTION: BARBARA ANN BURG
LAND CASE EXAMINER

Dear Ms. Burg:

Please find enclosed the Arizona State Land
Prospecting Permit Nos. 76160 and 76164 for
Tombstone, Sections 18 & 30, each in dupli-
cate.

Sincerely,

Clark D. Green mfh

Clark D. Green
Geologist/Landman

/mfh
P-418

Enclosures

10/24/79

Dear Tom,

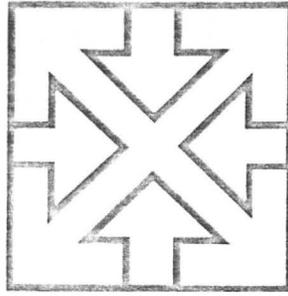
Enclosed is a copy of the termination notice which we included with the paychecks for the week ending October 20, 1979 for the Tombstone folks.

Dusty should be able to handle most of the questions about the changeover but you may get one or two.


Chris

Consultants in:-

- base & precious metals • uranium
 - coal • geothermal • environment
 - remote sensing • color aerial photography
 - interpretation-image processing
- Worldwide Mobilization



*Prai fill
P-90*

4500 E. Speedway, Suite 14
Tucson, Arizona 85712
(602) 795-6097

James A. Briscoe, President
Registered Professional
Geologist

**Southwestern
Exploration Associates, Inc.**

November 15, 1979

Dusty Escupule
Tombstone Exploration Inc.
P.O. Box 610
Tombstone, AZ 85638

Dear Dusty:

Please find enclosed six (6) Invoices from the State of Maine Mining Company, of which, I eluded to on our telephone conversation of Tuesday afternoon, November 13, 1979 (numbers 17364, 17371, 17376, 17378, 17380 & 17381). I hope this doesn't cause any problems in payment as several are nearing one month past-due and need to be paid shortly.

I have written a letter to Charlie and Louie explaining the situation, but you might let them know a little more about SEA's situation.

Glad to hear everything is coming along well down at Tombstone. Hope to get down shortly after Christmas. I'll try and bring some citrus back after Christmas from Yuma for everyone down there.

Respectfully Submitted,
Thomas E. Waldrip Jr.
Thomas E. Waldrip

TW/bjg

Enclosure:
State of Maine Mining Co. Invoices
P-418 Tombstone

*Make the total 7 invoices, I have also received
and additional Invoice # 307 on Nov 14th, 1979.
Tom*

RECEIVED NOV 14 1979

0307

STATE OF MAINE MINING CO.
 P. O. BOX 459
 TOMBSTONE, ARIZONA 85638

CUSTOMER'S ORDER NO.	DEPT.	DATE 11-12-79
NAME SOUTHWESTERN EXPLORATION ASSOCIATES		
ADDRESS 4500 E. SPEEDWAY, SUITE 14, TUCSON, AZ 85712		

SOLD BY	CASH	C.O.D.	CHARGE	ON ACCT.	MOSE RETD.	PAID OUT
---------	------	--------	--------	----------	------------	----------

QUAN		DESCRIPTION	PRICE	AMOUNT
18	1	ATOMIC ASSEMBLY ASMS 11-6	1.75	31 50
9	2	" " " 11-7	1.75	15 75
38	3	" " " 11-8	1.75	49 00
3	4	" " " 11-8	1.75	5 25
25	5	" " " 11-9	1.75	43 75
73	6	" " " 11-12	1.75	127 75
156	7	TOTAL		273 00
	8	PREVIOUS BALANCE		476 50
	9	BALANCE DUE		749 50
	10			
	11			
	12			
	13			
	14			
	15			
	16			
	17			
	18			

REC'D BY

Rediform
5H 320

KEEP THIS SLIP
FOR REFERENCE

17380

RECEIVED NOV 6 1979

TRACER ELECTRONIC SYSTEMS CO.
TUCSON, ARIZONA 85788

Customer's Order No. _____ Date 11-5 1979

Name SOUTH WESTERN EXPLORATION ASSOCIATES

Address 4500 E. SPEEDWAY, SUITE 14

TUCSON, AZ 85712

SOLD BY	CASH	C. O. D.	CHARGE	ON ACCT.	MDSE. RETD.	PAID OUT

QUAN.	DESCRIPTION	PRICE	AMOUNT
21	ATOMIC ABSORPTION ASSMYS ¹⁰⁻³¹	1.75	36.75
22	" " " 11-1	1.75	38.50
18	" " " 11-2	1.75	31.50
99	" " " 11-5	1.75	173.25

160	TOTAL		280.00
	PREVIOUS BALANCE		196.50
	TOTAL BALANCE DUE		476.50

ALL claims and returned goods MUST be accompanied by this bill.

Rec'd By _____

17378

UNIVERSITY MICROFILMS
SERIALS ACQUISITION
300 N. ZEEB RD.
ANN ARBOR, MICHIGAN 48106

Customer's Order No. _____ Date 10-29 1979

Name SOUTHWESTERN EXPLORATION ASSOC.

Address 4500 E. SPEEDWAY, SUITE 14

TUCSON, AZ 85712

SOLD BY	CASH	C. O. D.	CHARGE	ON ACCT.	MDSE. RETD.	PAID OUT	
QUAN.	DESCRIPTION				PRICE	AMOUNT	
106	ATOMIC ABSORPTION ASSAYS				1.75	185	50
	PREVIOUS BALANCE DUE					11	00
	TOTAL BALANCE DUE					196	50
RECEIVED OCT 30 1979							

ALL claims and returned goods MUST be accompanied by this bill.

Rec'd By _____

17376

418

STATE OF ARIZONA
TOMBSTONE ARIZONA

Customer's Order No. _____ Date OCT 24 19 79
Name SOUTHWESTERN EXPLORATION ASSOC
Address 4500 E. SPEEDWAY, SUITE 14
TUCSON AZ 85712

SOLD BY	CASH	C. O. D.	CHARGE	ON ACCT.	MDSE. RETD.	PAID OUT
QUAN.	DESCRIPTION				PRICE	AMOUNT
16.25	EXCAVATOR 3964				30.00	487.50
	9-22823-79					
	LESS CREDIT BALANCE					1920.00
	PO # 5658					
	CREDIT BALANCE					1432.50
THANK YOU FOR YOUR PAYMENTS 9-18.						
COULD YOU PLEASE CHECK YOUR RECORDS?						
WE DON'T SHOW PAYMENT FOR INVOICE						
#17992 IN THE AMOUNT OF \$415.02 FOR						
1/2 HP. PUMP, 500 GAL TANK & BALL						
VALUE. (8-29)						
THANKS						

ALL claims and returned goods MUST be accompanied by this bill.

Rec'd By _____

P07 6185804

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO		Apache Power Co.	
STREET AND NO.		P.O. Box 700	
P.O., STATE AND ZIP CODE		Benson, Az 85702	
POSTAGE		\$.15	
CONSULT POSTMASTER FOR FEES	CERTIFIED FEE		.80 ¢
	OPTIONAL SERVICES	SPECIAL DELIVERY	¢
		RESTRICTED DELIVERY	¢
		RETURN RECEIPT SERVICE	
		SHOW TO WHOM AND DATE DELIVERED	.45 ¢
		SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	¢
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	¢		
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	¢		
TOTAL POSTAGE AND FEES		\$ 1.40	
POSTMARK OR DATE			

P Form 3800, Apr. 1977

**STICK POSTAGE STAMPS TO ARTICLE COVER FIRST CLASS POSTAGE,
CERTIFIED MAIL FEE, AND CHARGES FOR ANY SELECTED OPTIONAL SERVICES. (see front)**

1. If you want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, **leaving the receipt attached**, and present the article at a post office service window or hand it to your rural carrier. (no extra charge)
2. If you do not want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, date, detach and retain the receipt, and mail the article.
3. If you want a return receipt, write the certified-mail number and your name and address on a return receipt card, Form 3811, and attach it to the front of the article by means of the gummed ends if space permits. Otherwise, affix to back of article. Endorse front of article **RETURN RECEIPT REQUESTED** adjacent to the number.
4. If you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse **RESTRICTED DELIVERY** on the front of the article.
5. Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in Item 1 of Form 3811.
6. Save this receipt and present it if you make inquiry.

SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
- Show to whom and date delivered 45¢
- Show to whom, date, and address of delivery ¢
- RESTRICTED DELIVERY
- Show to whom and date delivered ¢
- RESTRICTED DELIVERY.
- Show to whom, date, and address of delivery . \$
- (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:

Apache Power Co.
P.O. Box 700
Benson, Az 85702

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	6185804	

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE Addressee Authorized agent

D. W. Silvestro

4. DATE OF DELIVERY
NOV. 21 1979

POSTMARK

NOV 21 1979
MUSKOGEE

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

PS Form 3849, 11 Aug 1978
RETURN RECEIVED BY REGISTERED MAIL

NOV 21 1979
MUSKOGEE
PM

UNITED STATES POSTAL SERVICE
OFFICIAL BUSINESS

SENDER INSTRUCTIONS

Print your name, address, and ZIP Code in the space below.

- Complete items 1, 2, and 3 on the reverse.
- Attach to front of article if space permits. Otherwise affix to back of article.
- Endorse article "Return Receipt Requested" adjacent to number.

PENALTY FOR PRIVATE
USE TO AVOID PAYMENT
OF POSTAGE, \$300



RETURN
TO



RECEIVED NOV 23 1979

Southwestern Exploration Assoc.
(Name of Sender)

4500 E Speedway Suite 14
(Street or P. O. Box)

Tucson, Az 85712
(City, State, and ZIP Code)

Consultants in:

- base & precious metals • uranium
 - coal • geothermal • environment
 - remote sensing • color aerial photography
 - interpretation-image processing
- Worldwide Mobilization



4500 E. Speedway, Suite 14
Tucson, Arizona 85712
(602) 795-6097

James A. Briscoe, President
Registered Professional
Geologist

**Southwestern
Exploration Associates, Inc.**

November 16, 1979

Apache Powder Company
P. O. Box 700
Benson, AZ 85702

Re: Termination and transfer of S.E.A. Hydromet's management responsibilities at Tombstone, Arizona heap-leaching operations to Tombstone Exploration, Inc.

Attn: Accounts Receivable

This letter is being written to inform you and your company that Southwestern Exploration Associates, Inc., subsidiaries and other related corporations, have not had, nor will in the future accept, any obligations, or responsibility for debts incurred by the present Tombstone Arizona Heap Leach operators, Tombstone Exploration, Inc., a Delaware Corporation.

We would, therefore, like it to be made perfectly clear that as such S.E.A., Inc., its identities, other subsidiaries and employees have had no responsibilities toward rental or purchase of equipment, supplies, or services from your company for use at or on the Tombstone Project. All past, present and future obligations, commitments, agreements, contracts, and understandings are between your firm and Tombstone Exploration, Inc., and are not to be construed, implied or suggested to be supported by, made by or under guise of Southwestern Exploration Associates, Inc., its subsidiaries, related identities, or its employees.

We would, therefore, request that future invoices for services, labor, rental merchandise, or equipment be addressed to: Tombstone Exploration, Inc., P.O. Box 610,, Tombstone, Arizona 85638. Should it become necessary to change or alter previous agreements or services, we respectfully request this be done at your or your company's earliest convenience and addressed to Dustin Escapule or Eldridge (Al) Watterson at the Tombstone address or telephone (602) 457-3834, if problems should arise.

Apache Powder Company
November 16, 1979
Page 2

In closing, we would like to express our gratitude and appreciation for all the help, comments, and services provided during our stay at Tombstone, and understanding during this period of change over.

At the request of
James A. Briscoe, President S.E.A., Inc.

Sincerely submitted,

Thomas E. Waldrip, Jr.

Thomas E. Waldrip, Jr.
S.E.A. Land Division Manager

P-418
03-020/17

P07 6185801

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

(See Reverse)

SENT TO		<i>Arizona Dept. of Economic Security</i>		
STREET AND NO.		<i>Box 6123</i>		
P.O., STATE AND ZIP CODE		<i>Phoenix, Az 85005</i>		
POSTAGE		<i>3</i>	\$ <i>.15</i>	
CONSULT POSTMASTER FOR FEES	OPTIONAL SERVICES	CERTIFIED FEE	<i>.80</i> €	
		SPECIAL DELIVERY	€	
	RESTRICTED DELIVERY	€		
	RETURN RECEIPT SERVICE	SHOW TO WHOM AND DATE DELIVERED	<i>.45</i>	€
		SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY		€
		SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY		€
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY			€	
TOTAL POSTAGE AND FEES			\$ <i>1.40</i>	
POSTMARK OR DATE				

**STICK POSTAGE STAMPS TO ARTICLE TO COVER FIRST CLASS POSTAGE,
CERTIFIED MAIL FEE, AND CHARGES FOR ANY SELECTED OPTIONAL SERVICES. (see front)**

1. If you want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, **leaving the receipt attached**, and present the article at a post office service window or hand it to your rural carrier. (no extra charge)
2. If you do not want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, date, detach and retain the receipt, and mail the article.
3. If you want a return receipt, write the certified-mail number and your name and address on a return receipt card, Form 3811, and attach it to the front of the article by means of the gummed ends if space permits. Otherwise, affix to back of article. Endorse front of article **RETURN RECEIPT REQUESTED** adjacent to the number.
4. If you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse **RESTRICTED DELIVERY** on the front of the article.
5. Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in Item 1 of Form 3811.
6. Save this receipt and present it if you make inquiry.

FORM 3811, Jan. 1979
RETURN TO SENDER
REGISTERED MAIL
INSURED AND CERTIFIED MAIL

SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one.)

- Show to whom and date delivered..... 45¢
- Show to whom, date and address of delivery... ___¢
- RESTRICTED DELIVERY
Show to whom and date delivered..... ___¢
- RESTRICTED DELIVERY.
Show to whom, date, and address of delivery..\$ ___

(CONSULT POSTMASTER FOR FEES)

2. **ARTICLE ADDRESSED TO:**

Arizona Dept. of Economic Security
P.O. Box 6123
Phoenix, Az. 85005

3. **ARTICLE DESCRIPTION:**

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	6185801	

(Always obtain signature of addressee or agent)

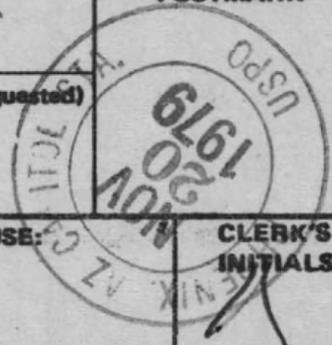
I have received the article described above.

SIGNATURE Addressee Authorized agent

J. Lowery

4. **DATE OF DELIVERY** POSTMARK

5. **ADDRESS** (Complete only if requested)



6. **UNABLE TO DELIVER BECAUSE:** CLERK'S INITIALS

UNITED STATES POSTAL SERVICE
OFFICIAL BUSINESS

SENDER INSTRUCTIONS

Print your name, address, and ZIP Code in the space below.

- Complete items 1, 2, and 3 on the reverse.
- Attach to front of article if space permits, otherwise affix to back of article.
- Endorse article "Return Receipt Requested" adjacent to number.

PENALTY FOR PRIVATE
USE TO AVOID PAYMENT
OF POSTAGE. \$300



RECEIVED NOV 23 1979

**RETURN
TO**



Southwestern Exploration Assoc.
(Name of Sender)

ZIP CODE

ALWAYS USE

4500 E. Speedway Suite #14
(Street or P.O. Box)

Tucson, AZ 85712
City, State, and ZIP Code



Consultants in:

- base & precious metals • uranium
- coal • geothermal • environment
- remote sensing • color aerial photography
- interpretation-image processing

Worldwide Mobilization



**Southwestern
Exploration Associates, Inc.**

November 16, 1979

4500 E. Speedway, Suite 14
Tucson, Arizona 85712
(602) 795-6097

James A. Briscoe, President
Registered Professional
Geologist

Arizona Dept of Economic Security
Unemployment Contributions 911 B
P. O. Box 6123
Phoenix, AZ 85005

Re: Termination and transfer of S.E.A. Hydromet's management responsibilities at Tombstone, Arizona heap-leaching operations to Tombstone Exploration, Inc.

Attn: Accounts Receivable

This letter is being written to inform you and your company that Southwestern Exploration Associates, Inc., subsidiaries and other related corporations, have not had, nor will in the future accept, any obligations, or responsibility for debts incurred by the present Tombstone Arizona Heap Leach operators, Tombstone Exploration, Inc., a Delaware Corporation.

We would, therefore, like it to be made perfectly clear that as such S.E.A., Inc., its identities, other subsidiaries and employees have had no responsibilities toward rental or purchase of equipment, supplies, or services from your company for use at or on the Tombstone Project. All past, present and future obligations, commitments, agreements, contracts, and understandings are between your firm and Tombstone Exploration, Inc., and are not to be construed, implied or suggested to be supported by, made by or under guise of Southwestern Exploration Associates, Inc., its subsidiaries, related identities, or its employees.

We would, therefore, request that future invoices for services, labor, rental merchandise, or equipment be addressed to: Tombstone Exploration, Inc., P.O. Box 610,, Tombstone, Arizona 85638. Should it become necessary to change or alter previous agreements or services, we respectfully request this be done at your or your company's earliest convenience and addressed to Dustin Escapule or Eldridge (Al) Watterson at the Tombstone address or telephone (602) 457-3834, if problems should arise.

Arizona Dept of Economic Security
November 16, 1979
Page 2

In closing, we would like to express our gratitude and appreciation for all the help, comments, and services provided during our stay at Tombstone, and understanding during this period of change over.

At the request of
James A. Briscoe, President S.E.A., Inc.

Sincerely submitted,

Thomas E. Waldrip, Jr.

Thomas E. Waldrip, Jr.
S.E.A. Land Division Manager

P-418
03-020/17

P07 6185803

RECEIPT FOR CERTIFIED MAIL

**NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL**

(See Reverse)

SENT TO		<i>Arizona Public Serv.</i>	
STREET AND NO.		<i>P.O. Drawer J</i>	
P.O., STATE AND ZIP CODE		<i>Bisbee, Az</i>	
POSTAGE		<i>.15</i>	
CONSULT POSTMASTER OPTIONAL SERVICES	CERTIFIED FEE	<i>.80</i>	€
	SPECIAL DELIVERY		€
	RESTRICTED DELIVERY		€
	RETURN RECEIPT SERVICE	<i>.45</i>	€
	SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY		€
	SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY		€
	SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY		€
TOTAL POSTAGE AND FEES		<i>\$ 1.40</i>	
POSTMARK OR DATE			

**STICK POSTAGE STAMPS TO ARTICLE TO COVER FIRST CLASS POSTAGE,
CERTIFIED MAIL FEE, AND CHARGES FOR SELECTED OPTIONAL SERVICES. (see front)**

1. If you want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, **leaving the receipt attached**, and present the article at a post office service window or hand it to your rural carrier. (no extra charge)
2. If you do not want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, date, detach and retain the receipt, and mail the article.
3. If you want a return receipt, write the certified-mail number and your name and address on a return receipt card, Form 3811, and attach it to the front of the article by means of the gummed ends if space permits. Otherwise, affix to back of article. Endorse front of article **RETURN RECEIPT REQUESTED** adjacent to the number.
4. If you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse **RESTRICTED DELIVERY** on the front of the article.
5. Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in Item 1 of Form 3811.
6. Save this receipt and present it if you make inquiry.

Form 3811, Jan. 1979

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one.)

Show to whom and date delivered..... 45¢

Show to whom, date and address of delivery... —¢

RESTRICTED DELIVERY

 Show to whom and date delivered..... —¢

RESTRICTED DELIVERY.

 Show to whom, date, and address of delivery.\$ —

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:

Arizona Public Service
P.O. Drawer "J"
Bisbee, AZ

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	6185803	

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE Addressee Authorized agent

4. *DC Hab...*

DATE OF DELIVERY
 NOV 21 1979

POSTMARK
 NOV 21 1979
 BISBEE, ARIZ
 COPPER QUEEN STA
 USPO

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS
[Signature]

UNITED STATES POSTAL SERVICE
OFFICIAL BUSINESS

SENDER INSTRUCTIONS

Print your name, address, and ZIP Code in the space below.

- Complete items 1, 2, and 3 on the reverse.
- Attach to front of article if space permits, otherwise affix to back of article.
- Endorse article "Return Receipt Requested" adjacent to number.

PENALTY FOR PRIVATE
USE TO AVOID PAYMENT
OF POSTAGE. \$300



RECEIVED NOV 23 1979

**RETURN
TO**



Southwestern Exploration Associates
(Name of Sender)

4500 E. Speedway, Suite #14
(Street or P.O. Box)

Tucson, AZ 85712
(City, State, and ZIP Code)

Consultants in:

- base & precious metals • uranium
- coal • geothermal • environment
- remote sensing • color aerial photography
- interpretation-image processing

Worldwide Mobilization



2) *urco*
4500 E. Speedway, Suite 14
Tucson, Arizona 85712
(602) 795-6097

James A. Briscoe, President
Registered Professional
Geologist

Southwestern Exploration Associates, Inc.

November 16, 1979

Arizona Public Service
P. O. Drawer J
Bisbee, AZ

Re: Termination and transfer of S.E.A. Hydromet's management responsibilities at Tombstone, Arizona heap-leaching operations to Tombstone Exploration, Inc.

Attn: Accounts Receivable

This letter is being written to inform you and your company that Southwestern Exploration Associates, Inc., subsidiaries and other related corporations, have not had, nor will in the future accept, any obligations, or responsibility for debts incurred by the present Tombstone Arizona Heap Leach operators, Tombstone Exploration, Inc., a Delaware Corporation.

We would, therefore, like it to be made perfectly clear that as such S.E.A., Inc., its identities, other subsidiaries and employees have had no responsibilities toward rental or purchase of equipment, supplies, or services from your company for use at or on the Tombstone Project. All past, present and future obligations, commitments, agreements, contracts, and understandings are between your firm and Tombstone Exploration, Inc., and are not to be construed, implied or suggested to be supported by, made by or under guise of Southwestern Exploration Associates, Inc., its subsidiaries, related identities, or its employees.

We would, therefore, request that future invoices for services, labor, rental merchandise, or equipment be addressed to: Tombstone Exploration, Inc., P.O. Box 610,, Tombstone, Arizona 85638. Should it become necessary to change or alter previous agreements or services, we respectfully request this be done at your or your company's earliest convenience and addressed to Dustin Escapule or Eldridge (Al) Watterson at the Tombstone address or telephone (602) 457-3834, if problems should arise.

Arizona Public Service
November 16, 1979
Page 2

In closing, we would like to express our gratitude and appreciation for all the help, comments, and services provided during our stay at Tombstone, and understanding during this period of change over.

At the request of
James A. Briscoe, President S.E.A., Inc.

Sincerely submitted,

Thomas E. Waldrip, Jr.

Thomas E. Waldrip, Jr.
S.E.A. Land Division Manager

P-418
03-020/17

P07 6185802

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO		<i>Arizona Public Serv.</i>	
STREET AND NO.		<i>P. O. Box 2907</i>	
P.O., STATE AND ZIP CODE		<i>Phoenix, Az 85062</i>	
POSTAGE		<i>\$.15</i>	
CONSULT POSTMASTER FOR FEES	OPTIONAL SERVICES	CERTIFIED FEE	<i>.80</i> ¢
		SPECIAL DELIVERY	¢
	RESTRICTED DELIVERY	¢	
	RETURN RECEIPT SERVICE	SHOW TO WHOM AND DATE DELIVERED	<i>.45</i> ¢
		SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	¢
		SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	¢
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY		¢	
TOTAL POSTAGE AND FEES		<i>\$ 1.40</i>	
POSTMARK OR DATE			

PS 3800, Apr. 1976

**STICK POSTAGE STAMPS TO ARTICLE TO COVER FIRST CLASS POSTAGE,
CERTIFIED MAIL FEE, AND CHARGES FOR ANY SELECTED OPTIONAL SERVICES. (see front)**

1. If you want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, **leaving the receipt attached**, and present the article at a post office service window or hand it to your rural carrier. (no extra charge)
2. If you do not want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, date, detach and retain the receipt, and mail the article.
3. If you want a return receipt, write the certified-mail number and your name and address on a return receipt card, Form 3811, and attach it to the front of the article by means of the gummed ends if space permits. Otherwise, affix to back of article. Endorse front of article **RETURN RECEIPT REQUESTED** adjacent to the number.
4. If you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse **RESTRICTED DELIVERY** on the front of the article.
5. Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in Item 1 of Form 3811.
6. Save this receipt and present it if you make inquiry.

PS Form 3811, Jan. 1978

SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one.)
- Show to whom and date delivered..... 45¢
 - Show to whom, date and address of delivery... ¢
 - RESTRICTED DELIVERY
Show to whom and date delivered..... ¢
 - RESTRICTED DELIVERY.
Show to whom, date, and address of delivery. \$

(CONSULT POSTMASTER FOR FEES) 90

2. **ARTICLE ADDRESSED TO:**
Arizona Public Service
P.O. Box 2907
Phoenix AZ 85062

3. **ARTICLE DESCRIPTION:**

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	<u>6185802</u>	

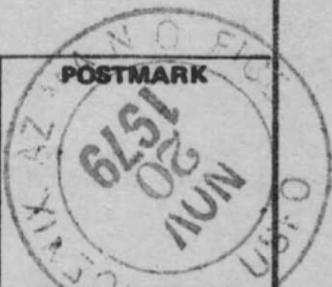
(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE Addressee Authorized agent

[Handwritten Signature]

4. **DATE OF DELIVERY** NOV 20 1979 ^{LB} _{CS}



5. **ADDRESS** (Complete only if requested)

6. **UNABLE TO DELIVER BECAUSE:**

CLERK'S INITIALS

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

UNITED STATES POSTAL SERVICE

OFFICIAL BUSINESS

SENDER INSTRUCTIONS

Print your name, address, and ZIP Code in the space below.

- Complete items 1, 2, and 3 on the reverse.
- Attach to front of article if space permits, otherwise affix to back of article.
- Endorse article "Return Receipt Requested" adjacent to number.

PENALTY FOR PRIVATE
USE TO AVOID PAYMENT
OF POSTAGE. \$300



**RETURN
TO**



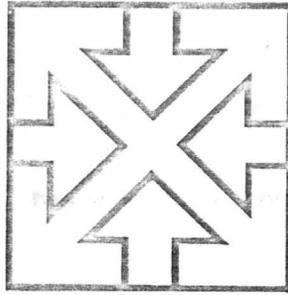
Southwestern Exploration Associates
(Name of Sender)

4500 E. Speedway, Suite #14
(Street or P.O. Box)

Tucson, Ar. 85712
(City, State, and ZIP Code)

Consultants in:

- base & precious metals • uranium
 - coal • geothermal • environment
 - remote sensing • color aerial photography
 - interpretation-image processing
- Worldwide Mobilization



4500 E. Speedway, Suite 14
Tucson, Arizona 85712
(602) 795-6097

James A. Briscoe, President
Registered Professional
Geologist

**Southwestern
Exploration Associates, Inc.**

November 16, 1979

Arizona Public Service
P. O. Box 2907
Phoenix, AZ 85062

Re: Termination and transfer of S.E.A. Hydromet's management responsibilities at Tombstone, Arizona heap-leaching operations to Tombstone Exploration, Inc.

Attn: Accounts Receivable

This letter is being written to inform you and your company that Southwestern Exploration Associates, Inc., subsidiaries and other related corporations, have not had, nor will in the future accept, any obligations, or responsibility for debts incurred by the present Tombstone Arizona Heap Leach operators, Tombstone Exploration, Inc., a Delaware Corporation.

We would, therefore, like it to be made perfectly clear that as such S.E.A., Inc., its identities, other subsidiaries and employees have had no responsibilities toward rental or purchase of equipment, supplies, or services from your company for use at or on the Tombstone Project. All past, present and future obligations, commitments, agreements, contracts, and understandings are between your firm and Tombstone Exploration, Inc., and are not to be construed, implied or suggested to be supported by, made by or under guise of Southwestern Exploration Associates, Inc., its subsidiaries, related identities, or its employees.

We would, therefore, request that future invoices for services, labor, rental merchandise, or equipment be addressed to: Tombstone Exploration, Inc., P.O. Box 610,, Tombstone, Arizona 85638. Should it become necessary to change or alter previous agreements or services, we respectfully request this be done at your or your company's earliest convenience and addressed to Dustin Escapule or Eldridge (Al) Watterson at the Tombstone address or telephone (602) 457-3834, if problems should arise.

Arizona Public Service
November 16, 1979
Page 2

In closing, we would like to express our gratitude and appreciation for all the help, comments, and services provided during our stay at Tombstone, and understanding during this period of change over.

At the request of
James A. Briscoe, President S.E.A., Inc.

Sincerely submitted,

Thomas E. Waldrip, Jr.

Thomas E. Waldrip, Jr.
S.E.A. Land Division Manager

P-418
03-020/17

P07 6185811

RECEIPT FOR CERTIFIED MAIL

**NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL**

(See Reverse)

SENT TO				
City of Tombstone				
STREET AND NO.				
Water				
P.O., STATE AND ZIP CODE				
Tombstone G				
POSTAGE			\$.15	
CONSULT POSTMASTER FOR FEES	CERTIFIED FEE		.80 c	
	OPTIONAL SERVICES	SPECIAL DELIVERY	c	
		RESTRICTED DELIVERY	c	
		RETURN RECEIPT SERVICE	SHOW TO WHOM AND DATE DELIVERED	.45 c
			SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	c
			SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	c
			SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	c
TOTAL POSTAGE AND FEES			\$ 1.40	
POSTMARK OR DATE				

PS Form 3800, Apr. 1976

**STICK POSTAGE STAMPS TO ARTICLE TO COVER FIRST CLASS POSTAGE,
CERTIFIED MAIL FEE, AND CHARGES FOR ANY SELECTED OPTIONAL SERVICES. (see front)**

1. If you want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, **leaving the receipt attached**, and present the article at a post office service window or hand it to your rural carrier. (no extra charge)
2. If you do not want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, date, detach and retain the receipt, and mail the article.
3. If you want a return receipt, write the certified-mail number and your name and address on a return receipt card, Form 3811, and attach it to the front of the article by means of the gummed ends if space permits. Otherwise, affix to back of article. Endorse front of article **RETURN RECEIPT REQUESTED** adjacent to the number.
4. If you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse **RESTRICTED DELIVERY** on the front of the article.
5. Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in Item 1 of Form 3811.
6. Save this receipt and present it if you make inquiry.

Form 3811, Jan. 1979

RETURN RECEIPT, REGISTERED AND CERTIFIED MAIL

SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one.)
- Show to whom and date delivered..... 45¢
 - Show to whom, date and address of delivery..... ¢
 - RESTRICTED DELIVERY**
Show to whom and date delivered..... ¢
 - RESTRICTED DELIVERY.**
Show to whom, date, and address of delivery. \$ _____

(CONSULT POSTMASTER FOR FEES)

2. **ARTICLE ADDRESSED TO:**
*City of Tombstone
 Water
 Tombstone, AZ*

3. **ARTICLE DESCRIPTION:**

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	<i>6185811</i>	

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE Addressee Authorized agent

4. *Brenda Detamiano*

DATE OF DELIVERY <i>11-20-79</i>	POSTMARK <i>NOV 20 1979</i>
-------------------------------------	--------------------------------

5. **ADDRESS (Complete only if requested)**

6. **UNABLE TO DELIVER BECAUSE:**

CLERK'S INITIALS
MY

UNITED STATES POSTAL SERVICE

OFFICIAL BUSINESS

SENDER INSTRUCTIONS

Print your name, address, and ZIP Code in the space below.

- Complete items 1, 2, and 3 on the reverse.
- Attach to front of article if space permits, otherwise affix to back of article.
- Endorse article "Return Receipt Requested" adjacent to number.

PENALTY FOR PRIVATE
USE TO AVOID PAYMENT
OF POSTAGE, \$300



RECEIVED NOV 23 1979

RETURN
TO



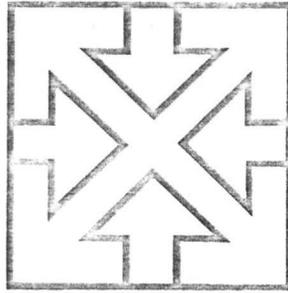
Southwestern Exploration Assoc.
(Name of Sender)

4500 E. Speedway Suite #14
(Street or P.O. Box)

Tucson, AZ 85712
(City, State, and ZIP Code)

Consultants in:

- base & precious metals • uranium
 - coal • geothermal • environment
 - remote sensing • color aerial photography
 - interpretation-image processing
- Worldwide Mobilization



4500 E. Speedway, Suite 14
Tucson, Arizona 85712
(602) 795-6097

James A. Briscoe, President
Registered Professional
Geologist

**Southwestern
Exploration Associates, Inc.**

November 16, 1979

City of Tombstone
Water
Tombstone, AZ

Re: Termination and transfer of S.E.A. Hydromet's management responsibilities at Tombstone, Arizona heap-leaching operations to Tombstone Exploration, Inc.

This letter is being written to inform you and your company that Southwestern Exploration Associates, Inc., subsidiaries and other related corporations, have not had, nor will in the future accept, any obligations, or responsibility for debts incurred by the present Tombstone Arizona Heap Leach operators, Tombstone Exploration, Inc., a Delaware Corporation.

We would, therefore, like it to be made perfectly clear that as such S.E.A., Inc., its identities, other subsidiaries and employees have had no responsibilities toward rental or purchase of equipment, supplies, or services from your company for use at or on the Tombstone Project. All past, present and future obligations, commitments, agreements, contracts, and understandings are between your firm and Tombstone Exploration, Inc., and are not to be construed, implied or suggested to be supported by, made by or under guise of Southwestern Exploration Associates, Inc., its subsidiaries, related identities, or its employees.

We would, therefore, request that future invoices for services, labor, rental merchandise, or equipment be addressed to: Tombstone Exploration, Inc., P.O. Box 610,, Tombstone, Arizona 85638. Should it become necessary to change or alter previous agreements or services, we respectfully request this be done at your or your company's earliest convenience and addressed to Dustin Escapule or Eldridge (Al) Watterson at the Tombstone address or telephone (602) 457-3834, if problems should arise.

City of Tombstone
November 16, 1979
Page 2

In closing, we would like to express our gratitude and appreciation for all the help, comments, and services provided during our stay at Tombstone, and understanding during this period of change over.

At the request of
James A. Briscoe, President S.E.A., Inc.

Sincerely submitted,

Thomas E. Waldrip, Jr.

Thomas E. Waldrip, Jr.
S.E.A. Land Division Manager

P-418
03-020/17

P07 6185794

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

(See Reverse)

SENT TO		<i>Copper State Chemical Co.</i>		
STREET AND NO.		<i>P.O. Box 1110</i>		
P.O., STATE AND ZIP CODE		<i>Tucson, Az 85702</i>		
POSTAGE		<i>0</i>	<i>\$.15</i>	
CONSULT POSTMASTER FOR FEES	OPTIONAL SERVICES	CERTIFIED FEE	<i>.80</i> ¢	
		SPECIAL DELIVERY	¢	
		RESTRICTED DELIVERY	¢	
	RETURN RECEIPT SERVICE	SHOW TO WHOM AND DATE DELIVERED	<i>.45</i>	¢
		SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY		¢
		SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY		¢
	SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY		¢	
TOTAL POSTAGE AND FEES			<i>\$ 1.40</i>	
POSTMARK OR DATE				

Form 3800, Apr. 1975

**STICK POSTAGE STAMPS TO ARTICLE COVER FIRST CLASS POSTAGE,
CERTIFIED MAIL FEE, AND CHARGES FOR ANY SELECTED OPTIONAL SERVICES. (see front)**

1. If you want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, **leaving the receipt attached**, and present the article at a post office service window or hand it to your rural carrier. (no extra charge)
2. If you do not want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, date, detach and retain the receipt, and mail the article.
3. If you want a return receipt, write the certified-mail number and your name and address on a return receipt card, Form 3811, and attach it to the front of the article by means of the gummed ends if space permits. Otherwise, affix to back of article. Endorse front of article **RETURN RECEIPT REQUESTED** adjacent to the number.
4. If you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse **RESTRICTED DELIVERY** on the front of the article.
5. Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in Item 1 of Form 3811.
6. Save this receipt and present it if you make inquiry.

POSTFORM 3811, Jan. 1979

RETURN RECEIPT, REGISTERED MAIL, REGISTERED AND CERTIFIED MAIL

SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space reverse.

1. The following service is requested (check one.)

- Show to whom and date delivered.....45¢
- Show to whom, date and address of delivery... ___¢
- RESTRICTED DELIVERY
Show to whom and date delivered..... ___¢
- RESTRICTED DELIVERY.
Show to whom, date, and address of delivery.\$ ___

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:

*Copper State Chemical Co.
P.O. Box 1110
Tucson AZ 85702*

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	<i>6185794</i>	

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE Addressee Authorized agent

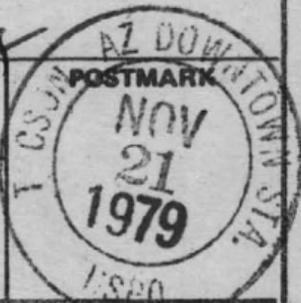
4. DATE OF DELIVERY

William J. Skoug
NOV 21 1979

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS



UNITED STATES POSTAL SERVICE RECEIVED NOV 23 1979

OFFICIAL BUSINESS

SENDER INSTRUCTIONS

Print your name, address, and ZIP Code in the space below.

- Complete items 1, 2, and 3 on the reverse.
- Attach to front of article if space permits, otherwise affix to back of article.
- Endorse article "Return Receipt Requested" adjacent to number.

PENALTY FOR PRIVATE
USE TO AVOID PAYMENT
OF POSTAGE. \$300



**RETURN
TO**



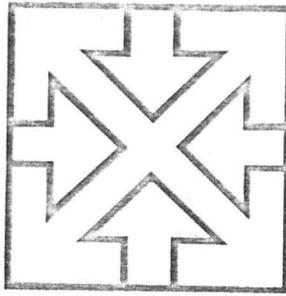
Southwestern Exploration Assoc.
(Name of Sender)

4500 E. Speedway, Suite #14
(Street or P.O. Box)

Tucson Az. 85712
(City, State, and ZIP Code)

Consultants in:

- base & precious metals • uranium
 - coal • geothermal • environment
 - remote sensing • color aerial photography
 - interpretation-image processing
- Worldwide Mobilization



4500 E. Speedway, Suite 14
Tucson, Arizona 85712
(602) 795-6097

James A. Briscoe, President
Registered Professional
Geologist

**Southwestern
Exploration Associates, Inc.**

November 16, 1979

Copper State Chemical Co.
P. O. Box 1110
Tucson, Arizona 85702

Re: Termination and transfer of S.E.A. Hydromet's management responsibilities at Tombstone, Arizona heap-leaching operations to Tombstone Exploration, Inc.

Attn: Accounts Receivable

This letter is being written to inform you and your company that Southwestern Exploration Associates, Inc., subsidiaries and other related corporations, have not had, nor will in the future accept, any obligations, or responsibility for debts incurred by the present Tombstone Arizona Heap Leach operators, Tombstone Exploration, Inc., a Delaware Corporation.

We would, therefore, like it to be made perfectly clear that as such S.E.A., Inc., its identities, other subsidiaries and employees have had no responsibilities toward rental or purchase of equipment, supplies, or services from your company for use at or on the Tombstone Project. All past, present and future obligations, commitments, agreements, contracts, and understandings are between your firm and Tombstone Exploration, Inc., and are not to be construed, implied or suggested to be supported by, made by or under guise of Southwestern Exploration Associates, Inc., its subsidiaries, related identities, or its employees.

We would, therefore, request that future invoices for services, labor, rental merchandise, or equipment be addressed to: Tombstone Exploration, Inc., P.O. Box 610,, Tombstone, Arizona 85638. Should it become necessary to change or alter previous agreements or services, we respectfully request this be done at your or your company's earliest convenience and addressed to Dustin Escapule or Eldridge (Al) Watterson at the Tombstone address or telephone (602) 457-3834, if problems should arise.

Copper State Chemical Co.
November 16, 1979
Page 2

In closing, we would like to express our gratitude and appreciation for all the help, comments, and services provided during our stay at Tombstone, and understanding during this period of change over.

At the request of
James A. Briscoe, President S.E.A., Inc.

Sincerely submitted,

Thomas E. Waldrip Jr.

Thomas E. Waldrip, Jr.
S.E.A. Land Division Manager

P-418
03-020/17

P07 6185806

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

(See Reverse)

SENT TO		Mr. Robert Cowan		
STREET AND NO.		P.O. Box 309		
P.O., STATE AND ZIP CODE		Tombstone, Az 85638		
POSTAGE		\$.15		
CONSULT POSTMASTER FOR FEES	OPTIONAL SERVICES	CERTIFIED FEE		
		.80 c		
		SPECIAL DELIVERY		
	RESTRICTED DELIVERY		c	
	RETURN RECEIPT SERVICE	SHOW TO WHOM AND DATE DELIVERED		.45 c
		SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY		c
		SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY		c
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY		c		
TOTAL POSTAGE AND FEES		\$ 1.40		
POSTMARK OR DATE				

**STICK POSTAGE STAMPS TO ARTICLE TO COVER FIRST CLASS POSTAGE,
CERTIFIED MAIL FEE, AND CHARGES FOR ANY SELECTED OPTIONAL SERVICES. (see front)**

1. If you want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, **leaving the receipt attached**, and present the article at a post office service window or hand it to your rural carrier. (no extra charge)
2. If you do not want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, date, detach and retain the receipt, and mail the article.
3. If you want a return receipt, write the certified-mail number and your name and address on a return receipt card, Form 3811, and attach it to the front of the article by means of the gummed ends if space permits. Otherwise, affix to back of article. Endorse front of article **RETURN RECEIPT REQUESTED** adjacent to the number.
4. If you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse **RESTRICTED DELIVERY** on the front of the article.
5. Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in Item 1 of Form 3811.
6. Save this receipt and present it if you make inquiry.

PS N 3611, Jan. 1979
RETURN REGISTERED, REGISTERED, INSURED AND CERTIFIED MAIL

● **SENDER:** Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one.)
- Show to whom and date delivered. 45¢
 - Show to whom, date and address of delivery. ¢
 - RESTRICTED DELIVERY**
Show to whom and date delivered. ¢
 - RESTRICTED DELIVERY.**
Show to whom, date, and address of delivery. \$ _____

(CONSULT POSTMASTER FOR FEES)

2. **ARTICLE ADDRESSED TO:**

Mr. Robert Cowan
P.O. Box 309
Tombstone Az 85638

ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	<i>6185806</i>	

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE Addressee Authorized agent

Robert Cowan

DATE OF DELIVERY

11-21-79

5. **ADDRESS** (Complete only if requested)

UNABLE TO DELIVER BECAUSE:

POSTMARK



CLERK'S INITIALS

MJ

UNITED STATES POSTAL SERVICE

OFFICIAL BUSINESS

SENDER INSTRUCTIONS

Print your name, address, and ZIP Code in the space below.

- Complete items 1, 2, and 3 on the reverse.
- Attach to front of article if space permits, otherwise affix to back of article.
- Endorse article "Return Receipt Requested" adjacent to number.

PENALTY FOR PRIVATE
USE TO AVOID PAYMENT
OF POSTAGE, \$300



RECEIVED NOV 23 1979

RETURN
TO



Southwestern Exploration Assoc.
(Name of Sender)

4500 E. Speedway, Suite #14
(Street or P.O. Box)

Tucson, AZ 85712
(City, State, and ZIP Code)

Consultants in:

- base & precious metals • uranium
 - coal • geothermal • environment
 - remote sensing • color aerial photography
 - interpretation-image processing
- Worldwide Mobilization



4500 E. Speedway, Suite 14
Tucson, Arizona 85712
(602) 795-6097

James A. Briscoe, President
Registered Professional
Geologist

Southwestern Exploration Associates, Inc.

November 16, 1979

Mr. Robert Cowan
P. O. Box 309
Tombstone, AZ 85638

Re: Termination and transfer of S.E.A. Hydromet's management responsibilities at Tombstone, Arizona heap-leaching operations to Tombstone Exploration, Inc.

Dear Mr. Cowan,

This letter is being written to inform you and your company that Southwestern Exploration Associates, Inc., subsidiaries and other related corporations, have not had, nor will in the future accept, any obligations, or responsibility for debts incurred by the present Tombstone Arizona Heap Leach operators, Tombstone Exploration, Inc., a Delaware Corporation.

We would, therefore, like it to be made perfectly clear that as such S.E.A., Inc., its identities, other subsidiaries and employees have had no responsibilities toward rental or purchase of equipment, supplies, or services from your company for use at or on the Tombstone Project. All past, present and future obligations, commitments, agreements, contracts, and understandings are between your firm and Tombstone Exploration, Inc., and are not to be construed, implied or suggested to be supported by, made by or under guise of Southwestern Exploration Associates, Inc., its subsidiaries, related identities, or its employees.

We would, therefore, request that future invoices for services, labor, rental merchandise, or equipment be addressed to: Tombstone Exploration, Inc., P.O. Box 610,, Tombstone, Arizona 85638. Should it become necessary to change or alter previous agreements or services, we respectfully request this be done at your or your company's earliest convenience and addressed to Dustin Escapule or Eldridge (Al) Watterson at the Tombstone address or telephone (602) 457-3834, if problems should arise.

Mr. Robert Cowan
November 16, 1979
Page 2

In closing, we would like to express our gratitude and appreciation for all the help, comments, and services provided during our stay at Tombstone, and understanding during this period of change over.

At the request of
James A. Briscoe, President S.E.A., Inc.

Sincerely submitted,

Thomas E. Waldrip, Jr.

Thomas E. Waldrip, Jr.
S.E.A. Land Division Manager

P-418
03-020/17

P07 6185791

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

(See Reverse)

SENT TO		Dr. John Llean	
STREET AND NO.		Elmdale Rd P.O. Box 230 RR2	
P.O., STATE AND ZIP CODE		North Scituate, R.I. 02805	
POSTAGE		\$.15 7	
CONSULT POSTMASTER FOR FEES	OPTIONAL SERVICES	CERTIFIED FEE	.80 c
		SPECIAL DELIVERY	c
	RESTRICTED DELIVERY	c	
	RETURN RECEIPT SERVICE	SHOW TO WHOM AND DATE DELIVERED	.45 c
		SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	c
		SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	c
		SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	c
TOTAL POSTAGE AND FEES		\$ 1.40	
POSTMARK OR DATE			

PS Form 3800, Apr. 1976

**STICK POSTAGE STAMPS TO ARTICLE TO COVER FIRST CLASS POSTAGE,
CERTIFIED MAIL FEE, AND CHARGES FOR ANY SELECTED OPTIONAL SERVICES. (see front)**

1. If you want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, **leaving the receipt attached**, and present the article at a post office service window or hand it to your rural carrier. (no extra charge)
2. If you do not want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, date, detach and retain the receipt, and mail the article.
3. If you want a return receipt, write the certified-mail number and your name and address on a return receipt card, Form 3811, and attach it to the front of the article by means of the gummed ends if space permits. Otherwise, affix to back of article. Endorse front of article **RETURN RECEIPT REQUESTED** adjacent to the number.
4. If you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse **RESTRICTED DELIVERY** on the front of the article.
5. Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in Item 1 of Form 3811.
6. Save this receipt and present it if you make inquiry.

RECEIVED NOV 23 1979

SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one.)

Show to whom and date delivered.....45¢

Show to whom, date and address of delivery...—¢

RESTRICTED DELIVERY

Show to whom and date delivered.....—¢

RESTRICTED DELIVERY.

Show to whom, date, and address of delivery.\$—

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:

Dr. John W. Hear
Elmdale Rd. P.O. Box 230, R.P. 2
North Scituate, RI 02857

ARTICLE DESCRIPTION:

REGISTERED NO.

CERTIFIED NO.

INSURED NO.

6185791

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE

Addressee

Authorized agent

4. DATE OF DELIVERY

11/21/79

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

RG



Form 3811, Jan. 1979

RETURN

REGISTERED MAIL

REGISTERED MAIL

REGISTERED MAIL

UNITED STATES POSTAL SERVICE
OFFICIAL BUSINESS

SENDER INSTRUCTIONS

Print your name, address, and ZIP Code in the space below.

- Complete items 1, 2, and 3 on the reverse.
- Attach to front of article if space permits, otherwise affix to back of article.
- Endorse article "Return Receipt Requested" adjacent to number.

PENALTY FOR PRIVATE
USE TO AVOID PAYMENT
OF POSTAGE. \$300



**RETURN
TO**



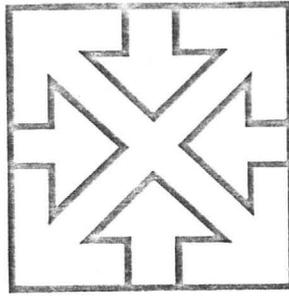
Southwestern Exploration Assoc.
(Name of Sender)

4500 E Speedway Suite #14
(Street or P.O. Box)

Tucson AZ 85712
(City, State, and ZIP Code)

Consultants in:

- base & precious metals • uranium
 - coal • geothermal • environment
 - remote sensing • color aerial photography
 - interpretation-image processing
- Worldwide Mobilization



4500 E. Speedway, Suite 14
Tucson, Arizona 85712
(602) 795-6097

James A. Briscoe, President
Registered Professional
Geologist

**Southwestern
Exploration Associates, Inc.**

November 16, 1979

Dr. John Dean
Elmdale Road
Box 230, Route 2
North Scituate, R.I. 028057

Re: Termination and transfer of S.E.A. Hydromet's management responsibilities at Tombstone, Arizona heap-leaching operations to Tombstone Exploration, Inc.

Dear Dr. Dean,

This letter is being written to inform you and your company that Southwestern Exploration Associates, Inc., subsidiaries and other related corporations, have not had, nor will in the future accept, any obligations, or responsibility for debts incurred by the present Tombstone Arizona Heap Leach operators, Tombstone Exploration, Inc., a Delaware Corporation.

We would, therefore, like it to be made perfectly clear that as such S.E.A., Inc., its identities, other subsidiaries and employees have had no responsibilities toward rental or purchase of equipment, supplies, or services from your company for use at or on the Tombstone Project. All past, present and future obligations, commitments, agreements, contracts, and understandings are between your firm and Tombstone Exploration, Inc., and are not to be construed, implied or suggested to be supported by, made by or under guise of Southwestern Exploration Associates, Inc., its subsidiaries, related identities, or its employees.

We would, therefore, request that future invoices for services, labor, rental merchandise, or equipment be addressed to: Tombstone Exploration, Inc., P.O. Box 610,, Tombstone, Arizona 85638. Should it become necessary to change or alter previous agreements or services, we respectfully request this be done at your or your company's earliest convenience and addressed to Dustin Escapule or Eldridge (Al) Watterson at the Tombstone address or telephone (602) 457-3834, if problems should arise.

Dr. John Dean
November 16, 1979
Page 2

In closing, we would like to express our gratitude and appreciation for all the help, comments, and services provided during our stay at Tombstone, and understanding during this period of change over.

At the request of
James A. Briscoe, President S.E.A., Inc.

Sincerely submitted,

Thomas E. Waldrip Jr.

Thomas E. Waldrip, Jr.
S.E.A. Land Division Manager

P-418
03-020/17

P07 6185795

RECEIPT FOR CERTIFIED MAIL

**NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL**

(See Reverse)

SENT TO		<i>Mr. Walter Dunn</i>		
STREET AND NO.		<i>P.O. Box 842</i>		
P.O., STATE AND ZIP CODE		<i>Tombstone, Az 85630</i>		
POSTAGE		<i>0</i>	\$ <i>.15</i>	
CONSULT POSTMASTER FOR FEES	OPTIONAL SERVICES	CERTIFIED FEE		<i>.80</i> ¢
		SPECIAL DELIVERY		¢
		RESTRICTED DELIVERY		¢
	RETURN RECEIPT SERVICE	SHOW TO WHOM AND DATE DELIVERED		<i>.45</i> ¢
		SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY		¢
		SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY		¢
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY		¢		
TOTAL POSTAGE AND FEES			\$ <i>1.40</i>	

POSTMARK OR DATE

PS Form 3800, Apr. 1976

**STICK POSTAGE STAMPS TO ARTICLE TO COVER FIRST CLASS POSTAGE,
CERTIFIED MAIL FEE, AND CHARGES FOR ANY SELECTED OPTIONAL SERVICES. (see front)**

1. If you want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, **leaving the receipt attached**, and present the article at a post office service window or hand it to your rural carrier. (no extra charge)
2. If you do not want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, date, detach and retain the receipt, and mail the article.
3. If you want a return receipt, write the certified-mail number and your name and address on a return receipt card, Form 3811, and attach it to the front of the article by means of the gummed ends if space permits. Otherwise, affix to back of article. Endorse front of article **RETURN RECEIPT REQUESTED** adjacent to the number.
4. If you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse **RESTRICTED DELIVERY** on the front of the article.
5. Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in Item 1 of Form 3811.
6. Save this receipt and present it if you make inquiry.

Form 3811, Jan. 1979

SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one.)
- Show to whom and date delivered..... 45¢
 - Show to whom, date and address of delivery... —¢
 - RESTRICTED DELIVERY
Show to whom and date delivered..... —¢
 - RESTRICTED DELIVERY.
Show to whom, date, and address of delivery. \$ —

(CONSULT POSTMASTER FOR FEES)

2. **ARTICLE ADDRESSED TO:**
 Mr. Walter Runn
 P.O. Box 842
 Tombstone, Az 85630

3. **ARTICLE DESCRIPTION:**

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	6185795	

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE Addressee Authorized agent

4. **DATE OF DELIVERY**
 11-21-79



5. **ADDRESS** (Complete only if requested)

6. **UNABLE TO DELIVER BECAUSE:**

CLERK'S INITIALS
[Handwritten initials]

RETURN RECEIPT, REGISTERED AND CERTIFIED MAIL

UNITED STATES POSTAL SERVICE

OFFICIAL BUSINESS

SENDER INSTRUCTIONS

Print your name, address, and ZIP Code in the space below.

- Complete items 1, 2, and 3 on the reverse.
- Attach to front of article if space permits, otherwise affix to back of article.
- Endorse article "Return Receipt Requested" adjacent to number.

PENALTY FOR PRIVATE
USE TO AVOID PAYMENT
OF POSTAGE. \$300



RECEIVED NOV 23 1979

**RETURN
TO**



Southwestern Exploration Assoc.
(Name of Sender)

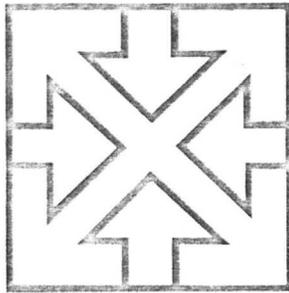
4500 E Speedway Suite #14
(Street or P.O. Box)

Tucson AZ 85712
(City, State, and ZIP Code)

Consultants in:

- base & precious metals • uranium
- coal • geothermal • environment
- remote sensing • color aerial photography
- interpretation-image processing

Worldwide Mobilization



4500 E. Speedway, Suite 14
Tucson, Arizona 85712
(602) 795-6097

James A. Briscoe, President
Registered Professional
Geologist

**Southwestern
Exploration Associates, Inc.**

November 16, 1979

Mr. Walter Dunn
P. O. Box 842
Tombstone, AZ 85630

Re: Termination and transfer of S.E.A. Hydromet's management responsibilities at Tombstone, Arizona heap-leaching operations to Tombstone Exploration, Inc.

Dear Mr. Dunn,

This letter is being written to inform you and your company that Southwestern Exploration Associates, Inc., subsidiaries and other related corporations, have not had, nor will in the future accept, any obligations, or responsibility for debts incurred by the present Tombstone Arizona Heap Leach operators, Tombstone Exploration, Inc., a Delaware Corporation.

We would, therefore, like it to be made perfectly clear that as such S.E.A., Inc., its identities, other subsidiaries and employees have had no responsibilities toward rental or purchase of equipment, supplies, or services from your company for use at or on the Tombstone Project. All past, present and future obligations, commitments, agreements, contracts, and understandings are between your firm and Tombstone Exploration, Inc., and are not to be construed, implied or suggested to be supported by, made by or under guise of Southwestern Exploration Associates, Inc., its subsidiaries, related identities, or its employees.

We would, therefore, request that future invoices for services, labor, rental merchandise, or equipment be addressed to: Tombstone Exploration, Inc., P.O. Box 610,, Tombstone, Arizona 85638. Should it become necessary to change or alter previous agreements or services, we respectfully request this be done at your or your company's earliest convenience and addressed to Dustin Escapule or Eldridge (Al) Watterson at the Tombstone address or telephone (602) 457-3834, if problems should arise.

Mr. Walter Dunn
November 16, 1979
Page 2

In closing, we would like to express our gratitude and appreciation for all the help, comments, and services provided during our stay at Tombstone, and understanding during this period of change over.

At the request of
James A. Briscoe, President S.E.A., Inc.

Sincerely submitted,

Thomas E. Waldrip, Jr.

Thomas E. Waldrip, Jr.
S.E.A. Land Division Manager

P-418
03-020/17

P07 6185796

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
 NOT FOR INTERNATIONAL MAIL
 (See Reverse)

SENT TO		<i>Ernie Escapule</i>		
STREET AND NO.		<i>P.O. Box 193</i>		
P.O., STATE AND ZIP CODE		<i>Tombstone, Az 85638</i>		
POSTAGE		<i>y</i>	\$ <i>.15</i>	
CONSULT POSTMASTER FOR FEES	OPTIONAL SERVICES	CERTIFIED FEE		<i>.80</i> ¢
		SPECIAL DELIVERY		¢
	RESTRICTED DELIVERY		¢	
	RETURN RECEIPT SERVICE	SHOW TO WHOM AND DATE DELIVERED		<i>.45</i> ¢
		SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY		¢
		SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY		¢
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY		¢		
TOTAL POSTAGE AND FEES			\$ <i>1.40</i>	
POSTMARK OR DATE				

PS Form 3800, Apr. 1976

**STICK POSTAGE STAMPS TO ARTICLE TO COVER FIRST CLASS POSTAGE,
CERTIFIED MAIL FEE, AND CHARGES FOR ANY SELECTED OPTIONAL SERVICES. (see front)**

1. If you want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, **leaving the receipt attached**, and present the article at a post office service window or hand it to your rural carrier. (no extra charge)
2. If you do not want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, date, detach and retain the receipt, and mail the article.
3. If you want a return receipt, write the certified-mail number and your name and address on a return receipt card, Form 3811, and attach it to the front of the article by means of the gummed ends if space permits. Otherwise, affix to back of article. Endorse front of article **RETURN RECEIPT REQUESTED** adjacent to the number.
4. If you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse **RESTRICTED DELIVERY** on the front of the article.
5. Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in Item 1 of Form 3811.
6. Save this receipt and present it if you make inquiry.

RM 3811, Jan. 1979
RETURN TO SENDER, REGISTERED, INSURED AND CERTIFIED MAIL

SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one.)
- Show to whom and date delivered.....45¢
 - Show to whom, date and address of delivery... ___¢
 - RESTRICTED DELIVERY
Show to whom and date delivered..... ___¢
 - RESTRICTED DELIVERY.
Show to whom, date, and address of delivery..\$ ___

(CONSULT POSTMASTER FOR FEES)

2. **ARTICLE ADDRESSED TO:**
Ernie Escapule
P.O. Box 193
Tombstone Az 85638

ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	<i>10185796</i>	

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE Addressee Authorized agent

4. *Ernie Escapule*
DATE OF DELIVERY
11-26-79

POSTMARK
 NOV 26 1979
 TOMBSTONE AZ

5. **ADDRESS (Complete only if requested)**

UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS
da

UNITED STATES POSTAL SERVICE

OFFICIAL BUSINESS

SENDER INSTRUCTIONS

Print your name, address, and ZIP Code in the space below.

- Complete items 1, 2, and 3 on the reverse.
- Attach to front of article if space permits, otherwise affix to back of article.
- Endorse article "Return Receipt Requested" adjacent to number.

PENALTY FOR PRIVATE
USE TO AVOID PAYMENT
OF POSTAGE, \$300



**RETURN
TO**



Southwestern Exploration Assoc
(Name of Sender)

4500 E Speedway Suite # 14
(Street or P.O. Box)

Tucson AZ 85712
(City, State, and ZIP Code)

Consultants in:

- base & precious metals • uranium
- coal • geothermal • environment
- remote sensing • color aerial photography
- interpretation-image processing

Worldwide Mobilization



**Southwestern
Exploration Associates, Inc.**

November 16, 1979

4500 E. Speedway, Suite 14
Tucson, Arizona 85712
(602) 795-6097

James A. Briscoe, President
Registered Professional
Geologist

Ernie Escapule
P. O. Box 193
Tombstone, AZ 85638

Re: Termination and transfer of S.E.A. Hydromet's management responsibilities at Tombstone, Arizona heap-leaching operations to Tombstone Exploration, Inc.

Dear Mr. Escapule,

This letter is being written to inform you and your company that Southwestern Exploration Associates, Inc., subsidiaries and other related corporations, have not had, nor will in the future accept, any obligations, or responsibility for debts incurred by the present Tombstone Arizona Heap Leach operators, Tombstone Exploration, Inc., a Delaware Corporation.

We would, therefore, like it to be made perfectly clear that as such S.E.A., Inc., its identities, other subsidiaries and employees have had no responsibilities toward rental or purchase of equipment, supplies, or services from your company for use at or on the Tombstone Project. All past, present and future obligations, commitments, agreements, contracts, and understandings are between your firm and Tombstone Exploration, Inc., and are not to be construed, implied or suggested to be supported by, made by or under guise of Southwestern Exploration Associates, Inc., its subsidiaries, related identities, or its employees.

We would, therefore, request that future invoices for services, labor, rental merchandise, or equipment be addressed to: Tombstone Exploration, Inc., P.O. Box 610,, Tombstone, Arizona 85638. Should it become necessary to change or alter previous agreements or services, we respectfully request this be done at your or your company's earliest convenience and addressed to Dustin Escapule or Eldridge (Al) Watterson at the Tombstone address or telephone (602) 457-3834, if problems should arise.

Ernie Escapule
November 16, 1979
Page 2

In closing, we would like to express our gratitude and appreciation for all the help, comments, and services provided during our stay at Tombstone, and understanding during this period of change over.

At the request of
James A. Briscoe, President S.E.A., Inc.

Sincerely submitted,

Thomas E. Waldrip, Jr.

Thomas E. Waldrip, Jr.
S.E.A. Land Division Manager

P-418
03-020/17

P07 6185797

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

(See Reverse)

SENT TO		<i>Charlie & Janie Escapule</i>	
STREET AND NO.		<i>P.O. Box 453</i>	
P.O., STATE AND ZIP CODE		<i>Tombstone, Az 85638</i>	
POSTAGE		\$ <i>.15</i>	
CONSULT POSTMASTER FOR FEES	OPTIONAL SERVICES	CERTIFIED FEE	<i>.80</i> €
		SPECIAL DELIVERY	€
		RESTRICTED DELIVERY	€
	RETURN RECEIPT SERVICE	SHOW TO WHOM AND DATE DELIVERED	<i>.45</i> €
		SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	€
		SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	€
		SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	€
TOTAL POSTAGE AND FEES		\$ <i>1.40</i>	
POSTMARK OR DATE			

Form 3800, Apr 66

**STICK POSTAGE STAMPS TO ARTICLE TO COVER FIRST CLASS POSTAGE,
CERTIFIED MAIL FEE, AND CHARGES FOR ANY SELECTED OPTIONAL SERVICES. (see front)**

1. If you want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, **leaving the receipt attached**, and present the article at a post office service window or hand it to your rural carrier. (no extra charge)
2. If you do not want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, date, detach and retain the receipt, and mail the article.
3. If you want a return receipt, write the certified-mail number and your name and address on a return receipt card, Form 3811, and attach it to the front of the article by means of the gummed ends if space permits. Otherwise, affix to back of article. Endorse front of article **RETURN RECEIPT REQUESTED** adjacent to the number.
4. If you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse **RESTRICTED DELIVERY** on the front of the article.
5. Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in Item 1 of Form 3811.
6. Save this receipt and present it if you make inquiry.

PS Form 3811, Jan. 1979
RETURN RECEIVED, REGISTERED MAIL

● SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one.)
- Show to whom and date delivered..... 45¢
 - Show to whom, date and address of delivery... —¢
 - RESTRICTED DELIVERY
Show to whom and date delivered..... —¢
 - RESTRICTED DELIVERY.
Show to whom, date, and address of delivery.\$ —

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Charlie & Louise Escapule
P.O. Box 453
Tombstone Az 85638

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	<i>6185797</i>	

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE Addressee Authorized agent

4. *Charlie B. Escapule*

DATE OF DELIVERY	POSTMARK
<i>11-20-79</i>	

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS <i>MY</i>

UNITED STATES POSTAL SERVICE

OFFICIAL BUSINESS

SENDER INSTRUCTIONS

Print your name, address, and ZIP Code in the space below.

- Complete items 1, 2, and 3 on the reverse.
- Attach to front of article if space permits, otherwise affix to back of article.
- Endorse article "Return Receipt Requested" adjacent to number.

PENALTY FOR PRIVATE
USE TO AVOID PAYMENT
OF POSTAGE, \$300



**RETURN
TO**



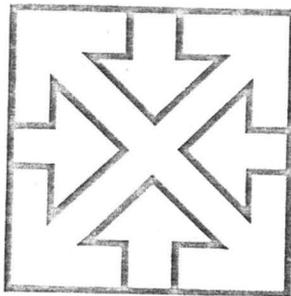
Southwestern Exploration Assoc.
(Name of Sender)

4500 E Speedway, Suite #14
(Street or P.O. Box)

Tucson Az 85712
(City, State, and ZIP Code)

Consultants in:

- base & precious metals • uranium
 - coal • geothermal • environment
 - remote sensing • color aerial photography
 - interpretation-image processing
- Worldwide Mobilization



4500 E. Speedway, Suite 14
Tucson, Arizona 85712
(602) 795-6097

James A. Briscoe, President
Registered Professional
Geologist

Southwestern Exploration Associates, Inc.

November 16, 1979

Charlie and Louie Escapule
State of Maine Mine
P. O. Box 453
Tombstone, AZ 85638

Re: Termination and transfer of S.E.A. Hydromet's management responsibilities at Tombstone, Arizona heap-leaching operations to Tombstone Exploration, Inc.

Dear Mssrs. Escapule,

This letter is being written to inform you and your company that Southwestern Exploration Associates, Inc., subsidiaries and other related corporations, have not had, nor will in the future accept, any obligations, or responsibility for debts incurred by the present Tombstone Arizona Heap Leach operators, Tombstone Exploration, Inc., a Delaware Corporation.

We would, therefore, like it to be made perfectly clear that as such S.E.A., Inc., its identities, other subsidiaries and employees have had no responsibilities toward rental or purchase of equipment, supplies, or services from your company for use at or on the Tombstone Project. All past, present and future obligations, commitments, agreements, contracts, and understandings are between your firm and Tombstone Exploration, Inc., and are not to be construed, implied or suggested to be supported by, made by or under guise of Southwestern Exploration Associates, Inc., its subsidiaries, related identities, or its employees.

We would, therefore, request that future invoices for services, labor, rental merchandise, or equipment be addressed to: Tombstone Exploration, Inc., P.O. Box 610,, Tombstone, Arizona 85638. Should it become necessary to change or alter previous agreements or services, we respectfully request this be done at your or your company's earliest convenience and addressed to Dustin Escapule or Eldridge (Al) Watterson at the Tombstone address or telephone (602) 457-3834, if problems should arise.

Charlie and Louie Escapule
State of Maine Mine
November 16, 1979
Page 2

In closing, we would like to express our gratitude and appreciation for all the help, comments, and services provided during our stay at Tombstone, and understanding during this period of change over.

At the request of
James A. Briscoe, President S.E.A., Inc.

Sincerely submitted,

Thomas E. Waldrip, Jr.

Thomas E. Waldrip, Jr.
S.E.A. Land Division Manager

P-418
03-020/17

P07 6185798

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

(See Reverse)

SENT TO		<i>Frontier Equipment Co.</i>		
STREET AND NO.		<i>P.O. box 908</i>		
P.O., STATE AND ZIP CODE		<i>Tombstone, Az 85638</i>		
POSTAGE		<i>0</i>	<i>\$.15</i>	
CONSULT POSTMASTER FOR FEES	OPTIONAL SERVICES	CERTIFIED FEE	<i>1.80</i> c	
		SPECIAL DELIVERY	c	
		RESTRICTED DELIVERY	c	
	RETURN RECEIPT SERVICE	SHOW TO WHOM AND DATE DELIVERED	<i>.45</i>	c
		SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY		c
		SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY		c
		SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY		c
TOTAL POSTAGE AND FEES			<i>\$ 1.40</i>	
POSTMARK OR DATE				

Form 3800, Apr. 1976

**STICK POSTAGE STAMPS TO ARTICLE COVER FIRST CLASS POSTAGE,
CERTIFIED MAIL FEE, AND CHARGES FOR ANY SELECTED OPTIONAL SERVICES. (see front)**

1. If you want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, **leaving the receipt attached**, and present the article at a post office service window or hand it to your rural carrier. (no extra charge)
2. If you do not want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, date, detach and retain the receipt, and mail the article.
3. If you want a return receipt, write the certified-mail number and your name and address on a return receipt card, Form 3811, and attach it to the front of the article by means of the gummed ends if space permits. Otherwise, affix to back of article. Endorse front of article **RETURN RECEIPT REQUESTED** adjacent to the number.
4. If you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse **RESTRICTED DELIVERY** on the front of the article.
5. Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in Item 1 of Form 3811.
6. Save this receipt and present it if you make inquiry.

FORM 3811, Jan. 1979
RETURN TO SENDER
REGISTERED MAIL

SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one.)
- Show to whom and date delivered..... 45¢
 - Show to whom, date and address of delivery... ¢
 - RESTRICTED DELIVERY**
Show to whom and date delivered..... ¢
 - RESTRICTED DELIVERY.**
Show to whom, date, and address of delivery. \$

(CONSULT POSTMASTER FOR FEES)

2. **ARTICLE ADDRESSED TO:**
Frontier Equipment Co.
P.O. Box 908
Tombstone Az 85638

3. **ARTICLE DESCRIPTION:**

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	<i>6185798</i>	

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE Addressee Authorized agent

4. *Merle Cowan*

DATE OF DELIVERY

11-20-79

POSTMARK



5. **ADDRESS** (Complete only if requested)

6. **UNABLE TO DELIVER BECAUSE:**

CLERK'S INITIALS

my

UNITED STATES POSTAL SERVICE

OFFICIAL BUSINESS

SENDER INSTRUCTIONS

Print your name, address, and ZIP Code in the space below.

- Complete items 1, 2, and 3 on the reverse.
- Attach to front of article if space permits, otherwise affix to back of article.
- Endorse article "Return Receipt Requested" adjacent to number.

**PENALTY FOR PRIVATE
USE TO AVOID PAYMENT
OF POSTAGE. \$300**



**RETURN
TO**



Southwestern Exploration Assoc
(Name of Sender)

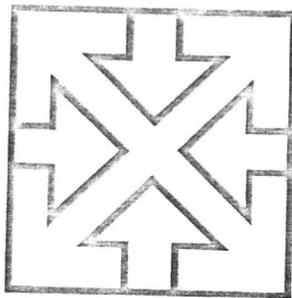
4500 E Speedway Suite #14
(Street or P.O. Box)

TUCSON AZ 85712
(City, State, and ZIP Code)

Consultants in:

- base & precious metals • uranium
- coal • geothermal • environment
- mote sensing • color aerial photography
- interpretation-image processing

Worldwide Mobilization



**Southwestern
Exploration Associates, Inc.**

November 16, 1979

4500 E. Speedway, Suite 14
Tucson, Arizona 85712
(602) 795-6097

James A. Briscoe, President
Registered Professional
Geologist

Frontier Equipment Co.
P. O. Box 908
Tombstone, AZ 85638

Re: Termination and transfer of S.E.A. Hydromet's management responsibilities at Tombstone, Arizona heap-leaching operations to Tombstone Exploration, Inc.

Attn: Accounts Receivable

This letter is being written to inform you and your company that Southwestern Exploration Associates, Inc., subsidiaries and other related corporations, have not had, nor will in the future accept, any obligations, or responsibility for debts incurred by the present Tombstone Arizona Heap Leach operators, Tombstone Exploration, Inc., a Delaware Corporation.

We would, therefore, like it to be made perfectly clear that as such S.E.A., Inc., its identities, other subsidiaries and employees have had no responsibilities toward rental or purchase of equipment, supplies, or services from your company for use at or on the Tombstone Project. All past, present and future obligations, commitments, agreements, contracts, and understandings are between your firm and Tombstone Exploration, Inc., and are not to be construed, implied or suggested to be supported by, made by or under guise of Southwestern Exploration Associates, Inc., its subsidiaries, related identities, or its employees.

We would, therefore, request that future invoices for services, labor, rental merchandise, or equipment be addressed to: Tombstone Exploration, Inc., P.O. Box 610,, Tombstone, Arizona 85638. Should it become necessary to change or alter previous agreements or services, we respectfully request this be done at your or your company's earliest convenience and addressed to Dustin Escapule or Eldridge (Al) Watterson at the Tombstone address or telephone (602) 457-3834, if problems should arise.

Frontier Equipment Co.
November 16, 1979
Page 2

In closing, we would like to express our gratitude and appreciation for all the help, comments, and services provided during our stay at Tombstone, and understanding during this period of change over.

At the request of
James A. Briscoe, President S.E.A., Inc.

Sincerely submitted,

Thomas E. Waldrip, Jr.

Thomas E. Waldrip, Jr.
S.E.A. Land Division Manager

P-418
03-020/17

P07 6185799

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO		<i>Jacobs Assay Office</i>		
STREET AND NO.		<i>1435 S 10th Avenue</i>		
P.O., STATE AND ZIP CODE		<i>Tucson, Az</i>		
POSTAGE		<i>0</i>	<i>\$.15</i>	
CONSULT POSTMASTER FOR FEES	OPTIONAL SERVICES	CERTIFIED FEE		<i>.80</i> ¢
		SPECIAL DELIVERY		¢
	RESTRICTED DELIVERY		¢	
	RETURN RECEIPT SERVICE	SHOW TO WHOM AND DATE DELIVERED		<i>.45</i> ¢
		SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY		¢
		SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY		¢
		SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY		¢
TOTAL POSTAGE AND FEES			<i>\$ 1.40</i>	
POSTMARK OR DATE				

PS Form 3800, Apr. 1976

**STICK POSTAGE STAMPS TO ARTICLE TO COVER FIRST CLASS POSTAGE,
CERTIFIED MAIL FEE, AND CHARGES FOR ANY SELECTED OPTIONAL SERVICES. (see front)**

1. If you want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, **leaving the receipt attached**, and present the article at a post office service window or hand it to your rural carrier. (no extra charge)
2. If you do not want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, date, detach and retain the receipt, and mail the article.
3. If you want a return receipt, write the certified-mail number and your name and address on a return receipt card, Form 3811, and attach it to the front of the article by means of the gummed ends if space permits. Otherwise, affix to back of article. Endorse front of article **RETURN RECEIPT REQUESTED** adjacent to the number.
4. If you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse **RESTRICTED DELIVERY** on the front of the article.
5. Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in Item 1 of Form 3811.
6. Save this receipt and present it if you make inquiry.

Form 3811, Jan. 1979

RETURN TO SENDER IF NOT REGISTERED AND CERTIFIED MAIL

SENDER: Complete Items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one.)
- Show to whom and date delivered..... *45*¢
 - Show to whom, date and address of delivery... ___¢
 - RESTRICTED DELIVERY
Show to whom and date delivered..... ___¢
 - RESTRICTED DELIVERY.
Show to whom, date, and address of delivery. \$ ___

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:

*Jacobs Assay Office
1435 S. 10th Avenue
Tucson, Az*

ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	<i>6185799</i>	

(Always obtain signature of addressee or agent)

I have received the article described above.

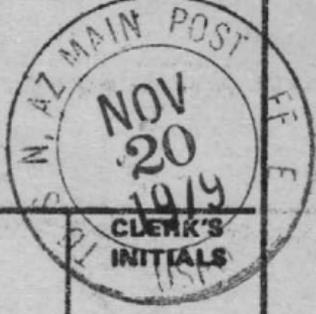
SIGNATURE Addressee Authorized agent

B P Jacob

4. DATE OF DELIVERY

11-20-79

POSTMARK



5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

UNITED STATES POSTAL SERVICE

OFFICIAL BUSINESS

SENDER INSTRUCTIONS

Print your name, address, and ZIP Code in the space below.

- Complete items 1, 2, and 3 on the reverse.
- Attach to front of article if space permits, otherwise affix to back of article.
- Endorse article "Return Receipt Requested" adjacent to number.

PENALTY FOR PRIVATE
USE TO AVOID PAYMENT
OF POSTAGE. \$300



**RETURN
TO**



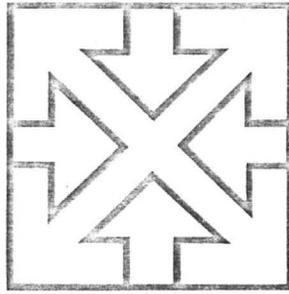
Southwestern Exploration Assoc
(Name of Sender)

4500 E Speedway Suite #14
(Street or P.O. Box)

Tucson AZ 85712
(City, State, and ZIP Code)

Consultants in:

- base & precious metals • uranium
 - coal • geothermal • environment
 - remote sensing • color aerial photography
 - interpretation-image processing
- Worldwide Mobilization



4500 E. Speedway, Suite 14
Tucson, Arizona 85712
(602) 795-6097

James A. Briscoe, President
Registered Professional
Geologist

**Southwestern
Exploration Associates, Inc.**

November 16, 1979

Jacobs Assay Office
1435 S. 10th Avenue
Tucson, AZ

Re: Termination and transfer of S.E.A. Hydromet's management responsibilities at Tombstone, Arizona heap-leaching operations to Tombstone Exploration, Inc.

Attn: Accounts Receivable

This letter is being written to inform you and your company that Southwestern Exploration Associates, Inc., subsidiaries and other related corporations, have not had, nor will in the future accept, any obligations, or responsibility for debts incurred by the present Tombstone Arizona Heap Leach operators, Tombstone Exploration, Inc., a Delaware Corporation.

We would, therefore, like it to be made perfectly clear that as such S.E.A., Inc., its identities, other subsidiaries and employees have had no responsibilities toward rental or purchase of equipment, supplies, or services from your company for use at or on the Tombstone Project. All past, present and future obligations, commitments, agreements, contracts, and understandings are between your firm and Tombstone Exploration, Inc., and are not to be construed, implied or suggested to be supported by, made by or under guise of Southwestern Exploration Associates, Inc., its subsidiaries, related identities, or its employees.

We would, therefore, request that future invoices for services, labor, rental merchandise, or equipment be addressed to: Tombstone Exploration, Inc., P.O. Box 610,, Tombstone, Arizona 85638. Should it become necessary to change or alter previous agreements or services, we respectfully request this be done at your or your company's earliest convenience and addressed to Dustin Escapule or Eldridge (Al) Watterson at the Tombstone address or telephone (602) 457-3834, if problems should arise.

Jacobs Assay Office
November 16, 1979
Page 2

In closing, we would like to express our gratitude and appreciation for all the help, comments, and services provided during our stay at Tombstone, and understanding during this period of change over.

At the request of
James A. Briscoe, President S.E.A., Inc.

Sincerely submitted,

Thomas E. Waldrip, Jr.

Thomas E. Waldrip, Jr.
S.E.A. Land Division Manager

P-418
03-020/17

P07 6185812

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

(See Reverse)

SENT TO		<i>McKesson Chemical Co.</i>		
STREET AND NO.		<i>2875 N. Howing Wells</i>		
P.O., STATE AND ZIP CODE		<i>Tucson, Az 85703</i>		
POSTAGE		\$ <i>.15</i>		
CONSULT POSTMASTER FOR FEES	OPTIONAL SERVICES	CERTIFIED FEE		
		<i>.80</i> €		
		SPECIAL DELIVERY		
	RESTRICTED DELIVERY		€	
	RETURN RECEIPT SERVICE	SHOW TO WHOM AND DATE DELIVERED		<i>.45</i> €
		SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY		€
		SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY		€
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY		€		
TOTAL POSTAGE AND FEES		\$ <i>.80</i>		
POSTMARK OR DATE				

PS Form 3800, Apr. 1976

**STICK POSTAGE STAMPS TO ARTICLE TO COVER FIRST CLASS POSTAGE,
CERTIFIED MAIL FEE, AND CHARGES FOR ANY SELECTED OPTIONAL SERVICES. (see front)**

1. If you want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, **leaving the receipt attached**, and present the article at a post office service window or hand it to your rural carrier. (no extra charge)
2. If you do not want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, date, detach and retain the receipt, and mail the article.
3. If you want a return receipt, write the certified-mail number and your name and address on a return receipt card, Form 3811, and attach it to the front of the article by means of the gummed ends if space permits. Otherwise, affix to back of article. Endorse front of article **RETURN RECEIPT REQUESTED** adjacent to the number.
4. If you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse **RESTRICTED DELIVERY** on the front of the article.
5. Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in Item 1 of Form 3811.
6. Save this receipt and present it if you make inquiry.

Form 3811, Jan. 1979
RETURN RECEIPT, REGISTERED AND CERTIFIED MAIL

SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one.)
- Show to whom and date delivered..... 45¢
 - Show to whom, date and address of delivery.....¢
 - RESTRICTED DELIVERY
Show to whom and date delivered.....¢
 - RESTRICTED DELIVERY.
Show to whom, date, and address of delivery.\$_____

(CONSULT POSTMASTER FOR FEES)

2. **ARTICLE ADDRESSED TO:**
 McKesson Chemical Co.
 2875 N. Flowering Wells.
 Tucson Az 85703

3. **ARTICLE DESCRIPTION:**

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	6185812	

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE Addressee Authorized agent

N. L. Buff

4. **DATE OF DELIVERY**
 NOV 21 1979

5. **ADDRESS** (Complete only if requested)



6. **UNABLE TO DELIVER BECAUSE:**

CLERK'S INITIALS

[Handwritten initials]

UNITED STATES POSTAL SERVICE

OFFICIAL BUSINESS

SENDER INSTRUCTIONS

Print your name, address, and ZIP Code in the space below.

- Complete items 1, 2, and 3 on the reverse.
- Attach to front of article if space permits, otherwise affix to back of article.
- Endorse article "Return Receipt Requested" adjacent to number.

PENALTY FOR PRIVATE
USE TO AVOID PAYMENT
OF POSTAGE. \$300



RECEIVED NOV 23 1979

RETURN
TO



Southwestern Exploration Assoc
(Name of Sender)

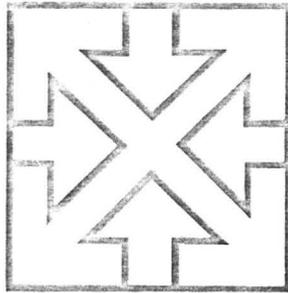
4300 E Speedway Suite # 14
(Street or P.O. Box)

Tucson AZ 85712
(City, State, and ZIP Code)

Consultants in:

- base & precious metals • uranium
- coal • geothermal • environment
- remote sensing • color aerial photography
- interpretation-image processing

Worldwide Mobilization



**Southwestern
Exploration Associates, Inc.**

November 16, 1979

4500 E. Speedway, Suite 14
Tucson, Arizona 85712
(602) 795-6097

James A. Briscoe, President
Registered Professional
Geologist

McKesson Chemical Co.
2875 N. Flowing Wells
Tucson, AZ 85703

Re: Termination and transfer of S.E.A. Hydromet's management responsibilities at Tombstone, Arizona heap-leaching operations to Tombstone Exploration, Inc.

Attn: Accounts Receivable

This letter is being written to inform you and your company that Southwestern Exploration Associates, Inc., subsidiaries and other related corporations, have not had, nor will in the future accept, any obligations, or responsibility for debts incurred by the present Tombstone Arizona Heap Leach operators, Tombstone Exploration, Inc., a Delaware Corporation.

We would, therefore, like it to be made perfectly clear that as such S.E.A., Inc., its identities, other subsidiaries and employees have had no responsibilities toward rental or purchase of equipment, supplies, or services from your company for use at or on the Tombstone Project. All past, present and future obligations, commitments, agreements, contracts, and understandings are between your firm and Tombstone Exploration, Inc., and are not to be construed, implied or suggested to be supported by, made by or under guise of Southwestern Exploration Associates, Inc., its subsidiaries, related identities, or its employees.

We would, therefore, request that future invoices for services, labor, rental merchandise, or equipment be addressed to: Tombstone Exploration, Inc., P.O. Box 610,, Tombstone, Arizona 85638. Should it become necessary to change or alter previous agreements or services, we respectfully request this be done at your or your company's earliest convenience and addressed to Dustin Escapule or Eldridge (Al) Watterson at the Tombstone address or telephone (602) 457-3834, if problems should arise.

McKesson Chemical Co.
November 16, 1979
Page 2

In closing, we would like to express our gratitude and appreciation for all the help, comments, and services provided during our stay at Tombstone, and understanding during this period of change over.

At the request of
James A. Briscoe, President S.E.A., Inc.

Sincerely submitted,

Thomas E. Waldrip, Jr.

Thomas E. Waldrip, Jr.
S.E.A. Land Division Manager

P-418
03-020/17

P07 6185807

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

(See Reverse)

SENT TO		<i>Mountain Bell</i>		
STREET AND NO.		<i>11 Bishue Road</i>		
P.O., STATE AND ZIP CODE		<i>Bishue, Az 85603</i>		
POSTAGE		<i>2</i>	<i>\$.15</i>	
CONSULT POSTMASTER FOR FEES	CERTIFIED FEE		<i>.80</i> ¢	
	OPTIONAL SERVICES	SPECIAL DELIVERY	¢	
		RESTRICTED DELIVERY	¢	
		RETURN RECEIPT SERVICE	SHOW TO WHOM AND DATE DELIVERED	<i>.45</i> ¢
			SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	¢
			SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	¢
	SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY		¢	
TOTAL POSTAGE AND FEES			<i>\$ 1.40</i>	
POSTMARK OR DATE				

PS Form 3800, Apr. 1976

**STICK POSTAGE STAMPS TO ARTICLES TO COVER FIRST CLASS POSTAGE,
CERTIFIED MAIL FEE, AND CHARGES FOR ANY SELECTED OPTIONAL SERVICES. (see front)**

1. If you want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, **leaving the receipt attached**, and present the article at a post office service window or hand it to your rural carrier. (no extra charge)
2. If you do not want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, date, detach and retain the receipt, and mail the article.
3. If you want a return receipt, write the certified-mail number and your name and address on a return receipt card, Form 3811, and attach it to the front of the article by means of the gummed ends if space permits. Otherwise, affix to back of article. Endorse front of article **RETURN RECEIPT REQUESTED** adjacent to the number.
4. If you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse **RESTRICTED DELIVERY** on the front of the article.
5. Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in Item 1 of Form 3811.
6. Save this receipt and present it if you make inquiry.

Form 3811, Jan. 1979
RETURN RECEIPT, REGISTERED AND CERTIFIED MAIL

SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one.)
- Show to whom and date delivered.....45¢
 - Show to whom, date and address of delivery.....¢
 - RESTRICTED DELIVERY**
Show to whom and date delivered.....¢
 - RESTRICTED DELIVERY.**
Show to whom, date, and address of delivery.\$_____

(CONSULT POSTMASTER FOR FEES)

2. **ARTICLE ADDRESSED TO:**
Mountain Bell
11 Bisbee Road
Bisbee Az 85603

3. **ARTICLE DESCRIPTION:**

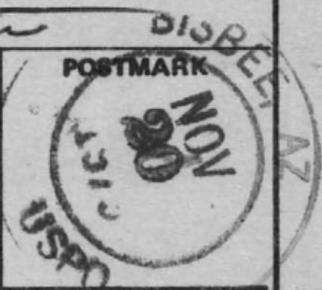
REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	6185807	

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE Addressee Authorized agent

4. *Sally Taylor*
 DATE OF DELIVERY
11-20-79



5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS
JH

UNITED STATES POSTAL SERVICE

OFFICIAL BUSINESS

SENDER INSTRUCTIONS

Print your name, address, and ZIP Code in the space below.

- Complete items 1, 2, and 3 on the reverse.
- Attach to front of article if space permits, otherwise affix to back of article.
- Endorse article "Return Receipt Requested" adjacent to number.

PENALTY FOR PRIVATE
USE TO AVOID PAYMENT
OF POSTAGE \$300

NOV 30
P.M.
1979



**RETURN
TO**



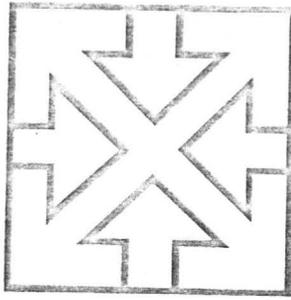
Southwestern Exploration Assoc
(Name of Sender)

4500 E Speedway Suite # K
(Street or P.O. Box)

Tucson, AZ 85712
(City, State, and ZIP Code)

Consultants in:

- base & precious metals • uranium
 - coal • geothermal • environment
 - remote sensing • color aerial photography
 - interpretation-image processing
- Worldwide Mobilization



4500 E. Speedway, Suite 14
Tucson, Arizona 85712
(602) 795-6097

James A. Briscoe, President
Registered Professional
Geologist

**Southwestern
Exploration Associates, Inc.**

November 16, 1979

Mountain Bell
11 Bisbee Road
Bisbee, AZ 85603

Re: Termination and transfer of S.E.A. Hydromet's management responsibilities at Tombstone, Arizona heap-leaching operations to Tombstone Exploration, Inc.

Attn: Accounts Receivable

This letter is being written to inform you and your company that Southwestern Exploration Associates, Inc., subsidiaries and other related corporations, have not had, nor will in the future accept, any obligations, or responsibility for debts incurred by the present Tombstone Arizona Heap Leach operators, Tombstone Exploration, Inc., a Delaware Corporation.

We would, therefore, like it to be made perfectly clear that as such S.E.A., Inc., its identities, other subsidiaries and employees have had no responsibilities toward rental or purchase of equipment, supplies, or services from your company for use at or on the Tombstone Project. All past, present and future obligations, commitments, agreements, contracts, and understandings are between your firm and Tombstone Exploration, Inc., and are not to be construed, implied or suggested to be supported by, made by or under guise of Southwestern Exploration Associates, Inc., its subsidiaries, related identities, or its employees.

We would, therefore, request that future invoices for services, labor, rental merchandise, or equipment be addressed to: Tombstone Exploration, Inc., P.O. Box 610,, Tombstone, Arizona 85638. Should it become necessary to change or alter previous agreements or services, we respectfully request this be done at your or your company's earliest convenience and addressed to Dustin Escapule or Eldridge (Al) Watterson at the Tombstone address or telephone (602) 457-3834, if problems should arise.

Mountain Bell
November 16, 1979
Page 2

In closing, we would like to express our gratitude and appreciation for all the help, comments, and services provided during our stay at Tombstone, and understanding during this period of change over.

At the request of
James A. Briscoe, President S.E.A., Inc.

Sincerely submitted,

Thomas E. Waldrip, Jr.

Thomas E. Waldrip, Jr.
S.E.A. Land Division Manager

P-418
03-020/17

P07 6185793

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

(See Reverse)

SENT TO		<i>Bureau of Geology Mineral Tech.</i>
<i>Mr. David W. Ralbe</i>		
STREET AND NO.		
<i>U. B. A.</i>		
P.O., STATE AND ZIP CODE		
<i>Tucson, Ar 85721</i>		
POSTAGE		\$ <i>.15</i>
CONSULT POSTMASTER FOR FEES	CERTIFIED FEE	<i>.80</i> ¢
	SPECIAL DELIVERY	¢
	RESTRICTED DELIVERY	¢
	OPTIONAL SERVICES	
	RETURN RECEIPT SERVICE	
	SHOW TO WHOM AND DATE DELIVERED	<i>.45</i> ¢
SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	¢	
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	¢	
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	¢	
TOTAL POSTAGE AND FEES		\$ <i>1.40</i>
POSTMARK OR DATE		

**STICK POSTAGE STAMPS TO ARTICLE TO COVER FIRST CLASS POSTAGE,
CERTIFIED MAIL FEE, AND CHARGES FOR ANY SELECTED OPTIONAL SERVICES. (see front)**

1. If you want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, **leaving the receipt attached**, and present the article at a post office service window or hand it to your rural carrier. (no extra charge)
2. If you do not want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, date, detach and retain the receipt, and mail the article.
3. If you want a return receipt, write the certified-mail number and your name and address on a return receipt card, Form 3811, and attach it to the front of the article by means of the gummed ends if space permits. Otherwise, affix to back of article. Endorse front of article **RETURN RECEIPT REQUESTED** adjacent to the number.
4. If you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse **RESTRICTED DELIVERY** on the front of the article.
5. Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in Item 1 of Form 3811.
6. Save this receipt and present it if you make inquiry.

FORM 3811, Jan. 1979
RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one.)
- Show to whom and date delivered..... *45¢*
 - Show to whom, date and address of delivery... ___¢
 - RESTRICTED DELIVERY
Show to whom and date delivered..... ___¢
 - RESTRICTED DELIVERY.
Show to whom, date, and address of delivery. \$ ___

(CONSULT POSTMASTER FOR FEES)

2. **ARTICLE ADDRESSED TO:**
Mr. David W. Kubit
Bureau of Geology & Mineral Tech.
University of Arizona
Tucson AZ 85721

ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	<i>6185793</i>	

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE Addressee Authorized agent

4. *R. [Signature]*

DATE OF DELIVERY
11-20-79

POSTMARK
NOV 20 1979
 REGISTRY S.C.

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

UNITED STATES POSTAL SERVICE

OFFICIAL BUSINESS

SENDER INSTRUCTIONS

Print your name, address, and ZIP Code in the space below.

- Complete items 1, 2, and 3 on the reverse.
- Attach to front of article if space permits, otherwise affix to back of article.
- Endorse article "Return Receipt Requested" adjacent to number.

PENALTY FOR PRIVATE
USE TO AVOID PAYMENT
OF POSTAGE. \$300



**RETURN
TO**



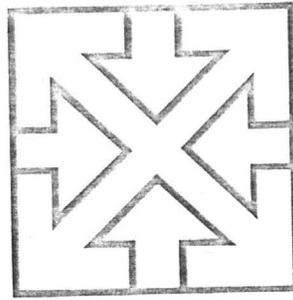
Southwestern Exploration Assoc.
(Name of Sender)

4500 E. Speedway Suite #14
(Street or P.O. Box)

Tucson AZ 85712
(City, State, and ZIP Code)

Consultants in:

- base & precious metals • uranium
 - coal • geothermal • environment
 - remote sensing • color aerial photography
 - interpretation-image processing
- Worldwide Mobilization



4500 E. Speedway, Suite 14
Tucson, Arizona 85712
(602) 795-6097

James A. Briscoe, President
Registered Professional
Geologist

**Southwestern
Exploration Associates, Inc.**

November 16, 1979

Mr. David D. Rabb
Mineral Technology Branch
State of Arizona
Bureau of Geology & Mineral Technology
University of Arizona
Tucson, AZ 85721

Re: Termination and transfer of S.E.A. Hydromet's management responsibilities at Tombstone, Arizona heap-leaching operations to Tombstone Exploration, Inc.

Dear Mr. Rabb,

This letter is being written to inform you and your company that Southwestern Exploration Associates, Inc., subsidiaries and other related corporations, have not had, nor will in the future accept, any obligations, or responsibility for debts incurred by the present Tombstone Arizona Heap Leach operators, Tombstone Exploration, Inc., a Delaware Corporation.

We would, therefore, like it to be made perfectly clear that as such S.E.A., Inc., its identities, other subsidiaries and employees have had no responsibilities toward rental or purchase of equipment, supplies, or services from your company for use at or on the Tombstone Project. All past, present and future obligations, commitments, agreements, contracts, and understandings are between your firm and Tombstone Exploration, Inc., and are not to be construed, implied or suggested to be supported by, made by or under guise of Southwestern Exploration Associates, Inc., its subsidiaries, related identities, or its employees.

We would, therefore, request that future invoices for services, labor, rental merchandise, or equipment be addressed to: Tombstone Exploration, Inc., P.O. Box 610,, Tombstone, Arizona 85638. Should it become necessary to change or alter previous agreements or services, we respectfully request this be done at your or your company's earliest convenience and addressed to Dustin Escapule or Eldridge (Al) Watterson at the Tombstone address or telephone (602) 457-3834, if problems should arise.

Mr. David D. Rabb
November 16, 1979
Page 2

In closing, we would like to express our gratitude and appreciation for all the help, comments, and services provided during our stay at Tombstone, and understanding during this period of change over.

At the request of
James A. Briscoe, President S.E.A., Inc.

Sincerely submitted,

Thomas E. Waldrip Jr.

Thomas E. Waldrip, Jr.
S.E.A. Land Division Manager

P-418
03-020/17

P07 6185792

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

(See Reverse)

SENT TO		Skyline Jaks - Hawley's	
STREET AND NO.		Hawley	
P.O. Box 50106			
P.O., STATE AND ZIP CODE		Tucson, Ar 85703	
POSTAGE		\$ 1.15	
CONSULT POSTMASTER FOR FEES	OPTIONAL SERVICES	CERTIFIED FEE	.80 ¢
		SPECIAL DELIVERY	¢
		RESTRICTED DELIVERY	¢
	RETURN RECEIPT SERVICE	SHOW TO WHOM AND DATE DELIVERED	.45 ¢
		SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	¢
		SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	¢
		SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	¢
TOTAL POSTAGE AND FEES		\$ 1.40	
POSTMARK OR DATE			

PS Form 3800, Apr. 1976

**STICK POSTAGE STAMPS TO ARTICLES TO COVER FIRST CLASS POSTAGE,
CERTIFIED MAIL FEE, AND CHARGES FOR ALL SELECTED OPTIONAL SERVICES. (see front)**

1. If you want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, **leaving the receipt attached**, and present the article at a post office service window or hand it to your rural carrier. (no extra charge)
2. If you do not want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, date, detach and retain the receipt, and mail the article.
3. If you want a return receipt, write the certified-mail number and your name and address on a return receipt card, Form 3811, and attach it to the front of the article by means of the gummed ends if space permits. Otherwise, affix to back of article. Endorse front of article **RETURN RECEIPT REQUESTED** adjacent to the number.
4. If you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse **RESTRICTED DELIVERY** on the front of the article.
5. Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in Item 1 of Form 3811.
6. Save this receipt and present it if you make inquiry.

Form 3811, Jan. 1979

RETURN RECEIPT, REGISTERED MAIL, INSURED AND CERTIFIED MAIL

SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space reverse.

1. The following service is requested (check one.)

Show to whom and date delivered.....*45*¢

Show to whom, date and address of delivery...—¢

RESTRICTED DELIVERY

Show to whom and date delivered.....—¢

RESTRICTED DELIVERY.

Show to whom, date, and address of delivery.\$—

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:

*Skylines Labels
Hawley, Hawley
P.O. Box 50106
Tucson, AZ 85703*

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	<i>6185792</i>	

(Always obtain signature of addressee or agent)

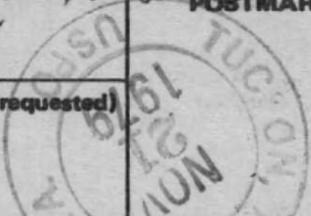
I have received the article described above.

SIGNATURE Addressee Authorized agent

4. DATE OF DELIVERY

11-21

POSTMARK



5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

UNITED STATES POSTAL SERVICE

OFFICIAL BUSINESS

SENDER INSTRUCTIONS

Print your name, address, and ZIP Code in the space below.

- Complete items 1, 2, and 3 on the reverse.
- Attach to front of article if space permits, otherwise affix to back of article.
- Endorse article "Return Receipt Requested" adjacent to number.

PENALTY FOR PRIVATE
USE TO AVOID PAYMENT
OF POSTAGE. \$300



RECEIVED NOV 23 1979

RETURN
TO



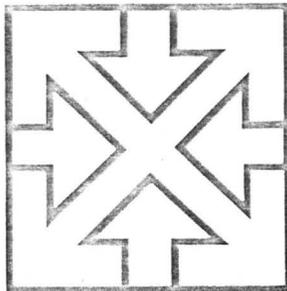
Southwestern Exploration Assoc.
(Name of Sender)

4500 E Speedway Suite #14
(Street or P.O. Box)

Tucson Az 85712
(City, State, and ZIP Code)

Consultants in:

- base & precious metals • uranium
 - coal • geothermal • environment
 - remote sensing • color aerial photography
 - interpretation-image processing
- Worldwide Mobilization



4500 E. Speedway, Suite 14
Tucson, Arizona 85712
(602) 795-6097

James A. Briscoe, President
Registered Professional
Geologist

Southwestern Exploration Associates, Inc.

November 16, 1979

Skyline Labs
Hawley & Hawley
P. O. Box 50106
Tucson, AZ 85703

Re: Termination and transfer of S.E.A. Hydromet's management responsibilities at Tombstone, Arizona heap-leaching operations to Tombstone Exploration, Inc.

Attn: Accounts Receivable

This letter is being written to inform you and your company that Southwestern Exploration Associates, Inc., subsidiaries and other related corporations, have not had, nor will in the future accept, any obligations, or responsibility for debts incurred by the present Tombstone Arizona Heap Leach operators, Tombstone Exploration, Inc., a Delaware Corporation.

We would, therefore, like it to be made perfectly clear that as such S.E.A., Inc., its identities, other subsidiaries and employees have had no responsibilities toward rental or purchase of equipment, supplies, or services from your company for use at or on the Tombstone Project. All past, present and future obligations, commitments, agreements, contracts, and understandings are between your firm and Tombstone Exploration, Inc., and are not to be construed, implied or suggested to be supported by, made by or under guise of Southwestern Exploration Associates, Inc., its subsidiaries, related identities, or its employees.

We would, therefore, request that future invoices for services, labor, rental merchandise, or equipment be addressed to: Tombstone Exploration, Inc., P.O. Box 610,, Tombstone, Arizona 85638. Should it become necessary to change or alter previous agreements or services, we respectfully request this be done at your or your company's earliest convenience and addressed to Dustin Escapule or Eldridge (Al) Watterson at the Tombstone address or telephone (602) 457-3834, if problems should arise.

Skyline Labs
November 16, 1979
Page 2

In closing, we would like to express our gratitude and appreciation for all the help, comments, and services provided during our stay at Tombstone, and understanding during this period of change over.

At the request of
James A. Briscoe, President S.E.A., Inc.

Sincerely submitted,

Thomas E. Waldrip, Jr.

Thomas E. Waldrip, Jr.
S.E.A. Land Division Manager

P-418
03-020/17

P07 6185808

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

(See Reverse)

SENT TO		<i>Southwest Salt Co.</i>		
STREET AND NO.				
P.O., STATE AND ZIP CODE		<i>P.O. Box 1237</i>		
		<i>Fitchfield Park, Az 85340</i>		
POSTAGE		\$ <i>0.13</i>		
CONSULT POSTMASTER FOR FEES	OPTIONAL SERVICES	CERTIFIED FEE	<i>.80</i> ¢	
		SPECIAL DELIVERY	¢	
		RESTRICTED DELIVERY	¢	
	RETURN RECEIPT SERVICE	SHOW TO WHOM AND DATE DELIVERED	<i>.45</i>	¢
		SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY		¢
		SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY		¢
		SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY		¢
TOTAL POSTAGE AND FEES		\$ <i>1.40</i>		
POSTMARK OR DATE				

PS Form 3800, Apr. 1976

**STICK POSTAGE STAMPS TO ARTICLE TO COVER FIRST CLASS POSTAGE,
CERTIFIED MAIL FEE, AND CHARGES FOR ANY SELECTED OPTIONAL SERVICES. (see front)**

1. If you want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, **leaving the receipt attached**, and present the article at a post office service window or hand it to your rural carrier. (no extra charge)
2. If you do not want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, date, detach and retain the receipt, and mail the article.
3. If you want a return receipt, write the certified-mail number and your name and address on a return receipt card, Form 3811, and attach it to the front of the article by means of the gummed ends if space permits. Otherwise, affix to back of article. Endorse front of article **RETURN RECEIPT REQUESTED** adjacent to the number.
4. If you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse **RESTRICTED DELIVERY** on the front of the article.
5. Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in Item 1 of Form 3811.
6. Save this receipt and present it if you make inquiry.

PS Form 3811, Jan. 1979
RETURN RECEIPT, REGISTERED AND CERTIFIED MAIL

SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one.)
- Show to whom and date delivered..... 45¢
 - Show to whom, date and address of delivery..... ¢
 - RESTRICTED DELIVERY
Show to whom and date delivered..... ¢
 - RESTRICTED DELIVERY.
Show to whom, date, and address of delivery. \$ _____

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
 Southwest Salt Co.
 P.O. Box 1237
 Litchfield Park, AZ 85340

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	6185808	

{Always obtain signature of addressee or agent}

I have received the article described above.

SIGNATURE Addressee Authorized agent

4. Edna M. Guetz

DATE OF DELIVERY

11-21-79

5. ADDRESS (Complete only if requested)



6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

RD

UNITED STATES POSTAL SERVICE
OFFICIAL BUSINESS



PENALTY FOR PRIVATE
USE TO AVOID PAYMENT
OF POSTAGE. \$300



SENDER INSTRUCTIONS

Print your name, address, and ZIP Code in the space below.

- Complete items 1, 2, and 3 on the reverse.
- Attach to front of article if space permits, otherwise affix to back of article.
- Endorse article "Return Receipt Requested" adjacent to number.

RECEIVED NOV 23 1979

**RETURN
TO**



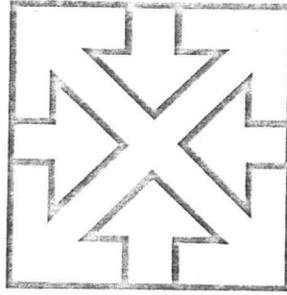
Southwestern Exploration Assoc.
(Name of Sender)

4300 E. Speedway, Suite #121
(Street or P.O. Box)

Tucson, AZ 85712
(City, State, and ZIP Code)

Consultants in:

- base & precious metals • uranium
 - coal • geothermal • environment
 - remote sensing • color aerial photography
 - interpretation-image processing
- Worldwide Mobilization



**Southwestern
Exploration Associates, Inc.**

November 16, 1979

4500 E. Speedway, Suite 14
Tucson, Arizona 85712
(602) 795-6097

James A. Briscoe, President
Registered Professional
Geologist

Southwest Salt Company
P. O. Box 1237
Litchfield Park, AZ 85340

Re: Termination and transfer of S.E.A. Hydromet's management responsibilities at Tombstone, Arizona heap-leaching operations to Tombstone Exploration, Inc.

Attn: Accounts Receivable

This letter is being written to inform you and your company that Southwestern Exploration Associates, Inc., subsidiaries and other related corporations, have not had, nor will in the future accept, any obligations, or responsibility for debts incurred by the present Tombstone Arizona Heap Leach operators, Tombstone Exploration, Inc., a Delaware Corporation.

We would, therefore, like it to be made perfectly clear that as such S.E.A., Inc., its identities, other subsidiaries and employees have had no responsibilities toward rental or purchase of equipment, supplies, or services from your company for use at or on the Tombstone Project. All past, present and future obligations, commitments, agreements, contracts, and understandings are between your firm and Tombstone Exploration, Inc., and are not to be construed, implied or suggested to be supported by, made by or under guise of Southwestern Exploration Associates, Inc., its subsidiaries, related identities, or its employees.

We would, therefore, request that future invoices for services, labor, rental merchandise, or equipment be addressed to: Tombstone Exploration, Inc., P.O. Box 610,, Tombstone, Arizona 85638. Should it become necessary to change or alter previous agreements or services, we respectfully request this be done at your or your company's earliest convenience and addressed to Dustin Escapule or Eldridge (Al) Watterson at the Tombstone address or telephone (602) 457-3834, if problems should arise.

Southwest Salt Company

November 16, 1979

Page 2

In closing, we would like to express our gratitude and appreciation for all the help, comments, and services provided during our stay at Tombstone, and understanding during this period of change over.

At the request of
James A. Briscoe, President S.E.A., Inc.

Sincerely submitted,

Thomas E. Waldrip, Jr.

Thomas E. Waldrip, Jr.
S.E.A. Land Division Manager

P-418
03-020/17

P07 6185809

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

(See Reverse)

SENT TO		<i>Sylbron Laboratories - Lorac</i>	
STREET AND NO.		<i>Chem. Co.</i>	
P.O., STATE AND ZIP CODE		<i>Div. of Sylbron Corp.</i>	
		<i>Birmingham, NJ 08011</i>	
POSTAGE		\$.15	
CONSULT POSTMASTER FOR FEES	OPTIONAL SERVICES	CERTIFIED FEE	.80 ¢
		SPECIAL DELIVERY	¢
		RESTRICTED DELIVERY	¢
	RETURN RECEIPT SERVICE	SHOW TO WHOM AND DATE DELIVERED	.45 ¢
		SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	¢
		SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	¢
		SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	¢
TOTAL POSTAGE AND FEES		\$ 1.40	
POSTMARK OR DATE			

**STICK POSTAGE STAMPS TO ARTICLE TO COVER FIRST CLASS POSTAGE,
CERTIFIED MAIL FEE, AND CHARGES FOR ANY SELECTED OPTIONAL SERVICES. (see front)**

1. If you want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, **leaving the receipt attached**, and present the article at a post office service window or hand it to your rural carrier. (no extra charge)
2. If you do not want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, date, detach and retain the receipt, and mail the article.
3. If you want a return receipt, write the certified-mail number and your name and address on a return receipt card, Form 3811, and attach it to the front of the article by means of the gummed ends if space permits. Otherwise, affix to back of article. Endorse front of article **RETURN RECEIPT REQUESTED** adjacent to the number.
4. If you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse **RESTRICTED DELIVERY** on the front of the article.
5. Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in Item 1 of Form 3811.
6. Save this receipt and present it if you make inquiry.

PS 3811, Jan. 1979
RETURN REGISTERED, REGISTERED, REGISTERED AND CERTIFIED MAIL

SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one.)
- Show to whom and date delivered.....45¢
 - Show to whom, date and address of delivery...—¢
 - RESTRICTED DELIVERY
Show to whom and date delivered.....—¢
 - RESTRICTED DELIVERY.
Show to whom, date, and address of delivery.\$—

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:

*Sybron/Lonac
Lonac Chemical Co.
Division of Sybron Corp.
Birmingham, NJ 08011*

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	<i>6185809</i>	

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE Addressee Authorized agent

G. P. Simon

DATE OF DELIVERY

11/26/79

5. ADDRESS (Complete only if requested)



UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

ds

UNITED STATES POSTAL SERVICE
OFFICIAL BUSINESS

SENDER INSTRUCTIONS

Print your name, address, and ZIP Code in the space below.

- Complete items 1, 2, and 3 on the reverse.
- Attach to front of article if space permits, otherwise affix to back of article.
- Endorse article "Return Receipt Requested" adjacent to number.

**RETURN
TO**



Southwestern Exploration Assoc.
(Name of Sender)

4500 E. Speedway Suite #14
(Street or P.O. Box)

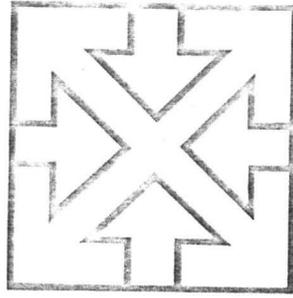
Tucson @ 85712
(City, State, and ZIP Code)

PERALTY FOR PRIVATE
USE TO AVOID PAYMENT
OF POSTAGE \$300



Consultants in:

- base & precious metals • uranium
 - coal • geothermal • environment
 - remote sensing • color aerial photography
 - interpretation-image processing
- Worldwide Mobilization



4500 E. Speedway, Suite 14
Tucson, Arizona 85712
(602) 795-6097

James A. Briscoe, President
Registered Professional
Geologist

**Southwestern
Exploration Associates, Inc.**

November 16, 1979

Sybron/Ionac
Ionac Chemical Co.
Division of Sybron Corp.
Birmingham, N.J. 08011

Re: Termination and transfer of S.E.A. Hydromet's management responsibilities at Tombstone, Arizona heap-leaching operations to Tombstone Exploration, Inc.

Attn: Accounts Receivable

This letter is being written to inform you and your company that Southwestern Exploration Associates, Inc., subsidiaries and other related corporations, have not had, nor will in the future accept, any obligations, or responsibility for debts incurred by the present Tombstone Arizona Heap Leach operators, Tombstone Exploration, Inc., a Delaware Corporation.

We would, therefore, like it to be made perfectly clear that as such S.E.A., Inc., its identities, other subsidiaries and employees have had no responsibilities toward rental or purchase of equipment, supplies, or services from your company for use at or on the Tombstone Project. All past, present and future obligations, commitments, agreements, contracts, and understandings are between your firm and Tombstone Exploration, Inc., and are not to be construed, implied or suggested to be supported by, made by or under guise of Southwestern Exploration Associates, Inc., its subsidiaries, related identities, or its employees.

We would, therefore, request that future invoices for services, labor, rental merchandise, or equipment be addressed to: Tombstone Exploration, Inc., P.O. Box 610,, Tombstone, Arizona 85638. Should it become necessary to change or alter previous agreements or services, we respectfully request this be done at your or your company's earliest convenience and addressed to Dustin Escapule or Eldridge (Al) Watterson at the Tombstone address or telephone (602) 457-3834, if problems should arise.

Sybron/Ionac
November 16, 1979
Page 2

In closing, we would like to express our gratitude and appreciation for all the help, comments, and services provided during our stay at Tombstone, and understanding during this period of change over.

At the request of
James A. Briscoe, President S.E.A., Inc.

Sincerely submitted,

Thomas E. Waldrip, Jr.

Thomas E. Waldrip, Jr.
S.E.A. Land Division Manager

P-418
03-020/17

P07 6185800

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

_(See Reverse)

SENT TO		<i>United Fire Equipment</i>		
STREET AND NO.		<i>335 N. Fourth Avenue</i>		
P.O., STATE AND ZIP CODE		<i>Tucson, Az 85705</i>		
POSTAGE		<i>0</i>	\$ <i>.15</i>	
CONSULT POSTMASTER FOR FEES	CERTIFIED FEE		<i>.80</i> ¢	
	OPTIONAL SERVICES	SPECIAL DELIVERY	¢	
		RESTRICTED DELIVERY	¢	
		RETURN RECEIPT SERVICE	SHOW TO WHOM AND DATE DELIVERED	<i>.45</i> ¢
			SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	¢
			SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	¢
	SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY		¢	
TOTAL POSTAGE AND FEES			\$ <i>.80</i>	

POSTMARK OR DATE

PS Form 3800, Apr. 1976

**STICK POSTAGE STAMPS TO ARTICLE, COVER FIRST CLASS STAGE,
CERTIFIED MAIL FEE, AND CHARGES FOR ANY SELECTED OPTIONAL SERVICES. (see front)**

1. If you want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, **leaving the receipt attached**, and present the article at a post office service window or hand it to your rural carrier. (no extra charge)
2. If you do not want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, date, detach and retain the receipt, and mail the article.
3. If you want a return receipt, write the certified-mail number and your name and address on a return receipt card, Form 3811, and attach it to the front of the article by means of the gummed ends if space permits. Otherwise, affix to back of article. Endorse front of article **RETURN RECEIPT REQUESTED** adjacent to the number.
4. If you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse **RESTRICTED DELIVERY** on the front of the article.
5. Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in Item 1 of Form 3811.
6. Save this receipt and present it if you make inquiry.

FORM 3811, Jan. 1979
RETURN TO SENDER, REGISTERED MAIL, INSURED AND CERTIFIED MAIL

SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one.)
- Show to whom and date delivered..... 45¢
 - Show to whom, date and address of delivery... ___¢
 - RESTRICTED DELIVERY
Show to whom and date delivered..... ___¢
 - RESTRICTED DELIVERY.
Show to whom, date, and address of delivery. \$ ___

(CONSULT POSTMASTER FOR FEES)

2. **ARTICLE ADDRESSED TO:**
United Fire Equipment
385 N. 4th Avenue
Tucson, Az 85705

3. **ARTICLE DESCRIPTION**

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	<i>6185800</i>	

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE Addressee Authorized agent

4. *[Signature]*
DATE OF DELIVERY *11/20/79* **POSTMARK**
TUCSON, AZ KING STA.

5. **ADDRESS** (Complete only if requested)

6. **UNABLE TO DELIVER BECAUSE:** _____ **CLERK'S INITIALS**
[Signature]

UNITED STATES POSTAL SERVICE

OFFICIAL BUSINESS

SENDER INSTRUCTIONS

Print your name, address, and ZIP Code in the space below.

- Complete items 1, 2, and 3 on the reverse.
- Attach to front of article if space permits, otherwise affix to back of article.
- Endorse article "Return Receipt Requested" adjacent to number.

PENALTY FOR PRIVATE
USE TO AVOID PAYMENT
OF POSTAGE. \$300



RECEIVED NOV 23 1979

RETURN
TO



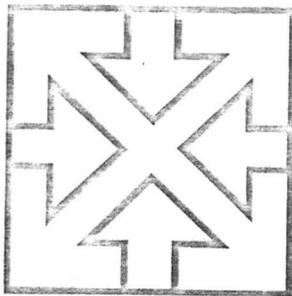
Southwestern Exploration Assoc
(Name of Sender)

4500 E. Speedway, Suite # 14
(Street or P.O. Box)

Tucson Ar 85712
(City, State, and ZIP Code)

Consultants in:

- base & precious metals • uranium
 - coal • geothermal • environment
 - remote sensing • color aerial photography
 - interpretation-image processing
- Worldwide Mobilization



4500 E. Speedway, Suite 14
Tucson, Arizona 85712
(602) 795-6097

James A. Briscoe, President
Registered Professional
Geologist

**Southwestern
Exploration Associates, Inc.**

November 16, 1979

United Fire Equipment
335 N. Fourth Avenue
Tucson, AZ 85705

Re: Termination and transfer of S.E.A. Hydromet's management responsibilities at Tombstone, Arizona heap-leaching operations to Tombstone Exploration, Inc.

Attn: Accounts Receivable

This letter is being written to inform you and your company that Southwestern Exploration Associates, Inc., subsidiaries and other related corporations, have not had, nor will in the future accept, any obligations, or responsibility for debts incurred by the present Tombstone Arizona Heap Leach operators, Tombstone Exploration, Inc., a Delaware Corporation.

We would, therefore, like it to be made perfectly clear that as such S.E.A., Inc., its identities, other subsidiaries and employees have had no responsibilities toward rental or purchase of equipment, supplies, or services from your company for use at or on the Tombstone Project. All past, present and future obligations, commitments, agreements, contracts, and understandings are between your firm and Tombstone Exploration, Inc., and are not to be construed, implied or suggested to be supported by, made by or under guise of Southwestern Exploration Associates, Inc., its subsidiaries, related identities, or its employees.

We would, therefore, request that future invoices for services, labor, rental merchandise, or equipment be addressed to: Tombstone Exploration, Inc., P.O. Box 610,, Tombstone, Arizona 85638. Should it become necessary to change or alter previous agreements or services, we respectfully request this be done at your or your company's earliest convenience and addressed to Dustin Escapule or Eldridge (Al) Watterson at the Tombstone address or telephone (602) 457-3834, if problems should arise.

United Fire Equipment
November 16, 1979
Page 2

In closing, we would like to express our gratitude and appreciation for all the help, comments, and services provided during our stay at Tombstone, and understanding during this period of change over.

At the request of
James A. Briscoe, President S.E.A., Inc.

Sincerely submitted,

Thomas E. Waldrip Jr.

Thomas E. Waldrip, Jr.
S.E.A. Land Division Manager

P-418
03-020/17

Consultants in:

- base & precious metals • uranium
- coal • geothermal • environment
- remote sensing • color aerial photography
- interpretation-image processing

Worldwide Mobilization



**Southwestern
Exploration Associates, Inc.**

December 6, 1979

P-418
P418

4500 E. Speedway, Suite 14
Tucson, Arizona 85712
(602) 795-6097

James A. Briscoe, President
Registered Professional
Geologist

Mine Safety & Health Administration
522 North Central Avenue
Phoenix, AZ 85004

Re: Termination and transfer of S.E.A. Hydromet's management responsibilities at Tombstone, Arizona heap-leaching operations to Tombstone Exploration, Inc.

Attn: Accounts Receivable

This letter is being written to inform you and your company that Southwestern Exploration Associates, Inc., subsidiaries and other related corporations, have not had, nor will in the future accept, any obligations, or responsibility for debts incurred by the present Tombstone Arizona Heap Leach operators, Tombstone Exploration, Inc., a Delaware Corporation.

We would, therefore, like it to be made perfectly clear that as such S.E.A., Inc., its identities, other subsidiaries and employees have had no responsibilities toward rental or purchase of equipment, supplies, or services from your company for use at or on the Tombstone Project. All past, present and future obligations, commitments, agreements, contracts, and understandings are between your firm and Tombstone Exploration, Inc., and are not to be construed, implied or suggested to be supported by, made by or under guise of Southwestern Exploration Associates, Inc., its subsidiaries, related identities, or its employees.

We would, therefore, request that future invoices for services, labor, rental merchandise, or equipment be addressed to: Tombstone Exploration, Inc., P.O. Box 610,, Tombstone, Arizona 85638. Should it become necessary to change or alter previous agreements or services, we respectfully request this be done at your or your company's earliest convenience and addressed to Dustin Escapule or Eldridge (Al) Watterson at the Tombstone address or telephone (602) 457-3834, if problems should arise.

Mine Safety & Health Administration
December 6, 1979
Page 2

In closing, we would like to express our gratitude and appreciation for all the help, comments, and services provided during our stay at Tombstone, and understanding during this period of change over.

At the request of
James A. Briscoe, President S.E.A., Inc.

Sincerely submitted,

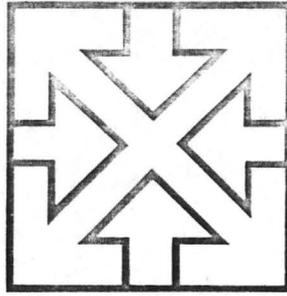
Thomas E. Waldrip, Jr.
S.E.A. Land Division Manager

P-418
Ø3-Ø2Ø/17

Consultants in:

- base & precious metals • uranium
- coal • geothermal • environment
- remote sensing • color aerial photography
- interpretation-image processing

Worldwide Mobilization



**Southwestern
Exploration Associates, Inc.**

December 14, 1979

4500 E. Speedway, Suite
Tucson, Arizona 85711
(602) 795-609

James A. Briscoe, President
Registered Professional
Geologist

Mr. Bill Hight
Tombstone Development Company
P.O. Box 1445
Grand Island, Nebraska 68801

Dear Mr. Hight,

My sincere apologies for not getting the requested materials to you sooner, but my work and thoughts on Tombstone have digressed to other project areas with little time left for catching up on past work.

Information from Tombstone has been very fragmental. Last I heard, before Thanksgiving, things were progressing well. They were about to take delivery of a 300 ton per day precipitation plant and were getting ready to install a crusher to do some test crushing and leaching. Most of this information is second hand, from the Escapules. To my knowledge only two conversations with Tom Schloss have been carried out since our last telephone conversation, and these were both very uninformative and short. Secrecy seems to be the order of the day.

In regards to the materials requested, I'm including all materials pertinent to 1979 assessment recordings with Cochise County. To date we have not received a reply back from the Bureau of Land Management (B.L.M.), which is normally customary, for acknowledgement of receipt of yearly assessment records and recordings of Claims. Often, though, the owner of record will receive this acknowledgement and agents, such as ourselves, never receive necessary paper work. To this end, my assistants have been in contact with the Bureau of Land Management in Phoenix, and have assured me all necessary materials are filed and in order. You will please note that we have annotated B.L.M. serial numbers to our Attachment 1 or Master Claim List. In the future, you may wish to use this as an attachment to the proof of labor, as it is required by the B.L.M. Should it be necessary to contact the B.L.M. in regards to the T.D.C. claim group, you will need to reference the serial numbers also. (B.L.M. - Phoenix, Arizona, telephone number (602) 261-3706, Land Records Division Open 10:00 A.M. to 4:00 P.M. weekdays).

Bill Hight
Tombstone Devl. Co.

Dec. 14, 1979
Page 2

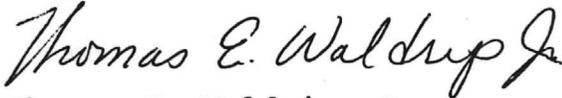
Other materials included are:

1. Xerox copies of location notices for T.D.C. One through 18 claim papers with annotated information about owners of records and location by quarter section as required by the B.L.M. and not found on the original claim paper.
2. Original copy of recorded assessment document for year 1979, recorded in Cochise County and transmitted to B.L.M.
3. Master Claim List
4. County recorded copy of map and claim list as required by Revised Arizona Statutes, October 1978.

All requirements have thus been met, both federal and state, for the 1979 Assessment Year and Organic Act Regulation deadlines. The claims are valid for another year.

Our best regards are transmitted during the Holiday Season, with a wish for a fruitful and prosperous New Year for yourself and your family.

Sincerely,



Thomas E. Waldrip, Jr.
Land Division Manager

TEW/db
P-418
03-020/19

TOMBSTONE EXPLORATION, INC.

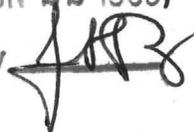
FINANCIAL STATEMENTS

DECEMBER 31, 1979

REVIEWED

JUN 22 1983

By

A handwritten signature in black ink, appearing to be 'JRB', written over a horizontal line.

TOMBSTONE EXPLORATION, INC.

TABLE OF CONTENTS

	PAGE
BALANCE SHEET	2 - 3
STAEMENT OF OPERATIONS	4

Tombstone Exploration, Inc.

BALANCE SHEET

December 31, 1979

ASSETS

CURRENT ASSETS:

Cash	\$ (6,284)
Inventory	28,680
Loans receivable	500

Total current assets	22,896

PROPERTY PLANT & EQUIPMENT - at cost

Plant and equipment	273,644
Leasehold improvements	1

	273,645
Accumulated depreciation	7,381

	266,264

OTHER ASSETS:

Deposits	98

	\$ 289,258
	=====

Tombstone Exploration, Inc.

BALANCE SHEET

December 31, 1979

LIABILITIES AND STOCKHOLDERS' DEFICIENCY

CURRENT LIABILITIES:

Accrued taxes and expenses 7,654

Total current liabilities 7,654

LONG TERM LIABILITIES:

Equipment notes payable 211,465

Notes payable - stockholders' 220,270

Total long term liabilities 431,735

STOCKHOLDERS' EQUITY:

Capital stock: 79,000

Additional paid in capital 21,000

Accumulated deficit (250,131)

Total stockholders' deficiency (150,131)

TOTAL LIABILITIES AND STOCKHOLDERS
DEFICIENCY

\$ 258,258

Tombstone Exploration, Inc.
INCOME STATEMENT
Year ended December 31, 1979

Revenue:	
Net sales	\$ 9,000
Total revenue	<u>9,000</u>
Costs and expenses:	
Material processing	10,381
General and administrative	7,379
Royalties	68,600
Research and development	166,712
Office and administrative salaries	3,716
Taxes	2,343
Total costs and expenses	<u>259,131</u>
NET INCOME	<u>(\$ 250,131)</u> =====

1980
0861

TOMBSTONE EXPLORATION, INC
1700 BROADWAY
NEW YORK, NEW YORK 10019

January 25, 1980

Mr. James Briscoe
Southwestern Exploration
Associates, Inc.
4500 East Speedway, Suite 14
Tucson, Arizona 85712

Dear Jim:

I found our telephone conversation last week most disturbing, particularly in light of your reluctance to recognize our earlier understandings. Our principal interest now is in clarifying our relationship with you without a prolonged and expensive dispute, and I am certain that yours is the same. As we discussed in our telephone conversation, I am writing this letter to propose a reasonable compromise of our differences. This letter is not intended to be construed as an admission of any facts and will not become evidence in any litigation between us.

Our initial agreement with you contemplated that we would invest a total of \$200,000. for a 60 percent interest in the project. Southwestern Exploration Associates, Inc. ("SEA") was to operate the project, and we were all relying on the apparent expertise and advice of Dick Hewlett, an SEA employee.

As you will recall, the project had encountered numerous difficulties by summer, 1979. Most of these problems resulted from Dick Hewlett's mismanagement, his misleading information, and his inability to deliver on any production estimates with his various processing methodologies. For example, in your letter of June 22 to Dick Hewlett, you cited his unsatisfactory performance and observed that the project was four weeks behind his projections and 400 percent over budget. As we pointed out at that time, supervision of Dick Hewlett's activities was your responsibility. Your failure to adequately monitor his methods and performance severely aggravated the problems. Even after we brought specific deficiencies in Dick Hewlett's performance to your attention and made available the advice provided by other experts hired by us, the results did not improve.

In our discussions in late July, we mutually agreed to remove Dick Hewlett from the project. You and members of your staff were to operate the project from that point forward for your customary fees. Despite billings from SEA in August and September totalling approximately \$34,000, negligible progress was made during those months. We received none of the information you were to gather. In fact, we learned little more about the Contention Area than we knew last March. As a result, at your request we agreed in October that Tombstone Exploration, Inc. ("TEI") or an affiliate of TEI would replace SEA as operator and you would have nothing to do with the organization. Judging from the letter you apparently sent to all creditors, you have now completely disassociated yourself and SEA from the project. In this regard, we are puzzled by the monthly bills we continue to receive from you for undefined and unauthorized services.

Mr. James Briscoe

Page 2

January 25, 1980

As you know, our investment in the project has far exceeded the original \$200,000 contemplated. Our total cash investment is now in excess of \$400,000. This does not include Tom's and my time for the 1979 year and the staff and consultants we have had to hire in order to replace the contribution SEA had agreed to make. You were aware that we were continuing to fund the project, and in recognition of the need for increased funding and the problems experienced during SEA's operation, you agreed in late July to an increase in our percentage interest in the project to 81%. As you know, this was before our significant additional cash investment and our increased management responsibilities as outlined above. Actually, if we adjusted our respective interests pursuant to the original formula for our investment, your present interest would be zero.

However, in hopes of resolving our differences without costly and time consuming litigation, TEI now offers to pay \$37,000. of your \$57,000 in outstanding bills from March 3, 1979 to November 30, 1979 in full satisfaction of SEA's outstanding bill and to grant you or the entity you designate a 5 percent net profits interest in the project. While we believe that both of these figures are significantly in excess of what you are entitled to, we hope this offer will result in a quick clarification of our relationship. We prefer to devote our energies and resources to moving the project forward rather than paying huge attorney's fees to litigate over past problems. Please let us have your response to this offer by February 8, 1980.

Yours very truly,



Dwight E. Lee
President

DEL/

P.S. As to the technical details you requested, we have asked Dr. John Dean to prepare a technical progress report which will be forthcoming.

COREY & KITTLE, P. C.

ATTORNEYS AT LAW

BARRY M. COREY
JAY S. KITTLE
PATRICK J. FARRELL
THOMAS A. STOOPS

March 4, 1980

SUITE 509 TRANSAMERICA BUILDING
177 NORTH CHURCH AVENUE
TUCSON, ARIZONA 85701
(602) 882-4994

Southwestern Exploration Associates
4500 East Speedway
Tucson, AZ 85712

Attention: Jim Briscoe

RE: Tombstone Heap Leach Project

Dear Jim:

The following are some of the points I think we will wish to make in a letter we anticipate sending to Tom Schloss's attorney in Denver:

- A) We suggest a meeting in Tombstone, between Schloss, Briscoe and their respective attorneys to discuss concerns that each has concerning the operation of the Tombstone Heap Leach Project.
- B) We propose that prior to the meeting Briscoe and Schloss each submit to the other a written list of concerns he would like to see resolved, together with a proposed resolution of each difficulty mentioned.
- C) We suggest that the meeting take place on a mutually convenient date (perhaps a Saturday) to commence some time around 10:00 in the morning. The day could begin with a tour of the facilities to see what is being done and how it is being done, since a lack of information has been a concern in this project. Luncheon could follow a tour of the facilities and a conference to deal with the concerns of each party could start around 1:30. Hopefully, an effort would be made to conclude the meeting by 5:00 in the afternoon so that available meeting time would be used economically.

REVIEWED

MAR 5 1980

By 

RECEIVED MAR 5 1980

- D) Following a meeting in Tombstone, one of the attorneys present might summarize areas of agreement, and submit them to the other party for approval.

Although the foregoing approach probably would not resolve in an immediate resolution of all areas of concern, it should be well calculated to narrow the differences between the parties and improve the likelihood of resolving other differences without resort to expensive litigation.

- E) In our letter to Schloss's attorney, we can also indicate that the place of our luncheon meeting and the following conference can be anywhere they like, but we might suggest some definite place for consideration. We might also suggest that consideration be given to arranging for Dusty Escapol to accompany us during the morning tour of the facilities, as well as have Mr. Dean present both during the morning and the afternoon meetings.

- F) Our letter to Schloss's attorney, as well as the tone of our negotiations, should also suggest that unless reports of activities from the Tombstone Heap Leach Project are substantially increased and improved, the group may find itself in breach under the lease with the Tombstone Development Corporation, and could lose its leasehold rights to operate the project. This risk is substantial since the Tombstone Development Corporation, which is the lessor, is entitled to a percentage override on the production, as well as fixed monthly lease payments, and presently they are not being given adequate information to know whether or not they should be receiving the override payments.

After you have had an opportunity to review the contents of this letter, please give me a call. In the meantime, I will look forward to receiving from you a draft copy of the concerns you have with the performance of Tom Schloss, as well as the solutions you would like to propose for such areas of concern.

Sincerely yours,



Jay S. Kittle

JSK:en

PARCEL, TALESNICK, MEYER & SCHWARTZ

ATTORNEYS AT LAW

2250 ENERGY CENTER ONE
717 SEVENTEENTH STREET
DENVER, COLORADO 80202
(303)825-6400

RECEIVED MAR 23 1980

CHESTER P. SCHWARTZ
JOSEPH E. MEYER III
ALAN L. TALESNICK
RANDY L. PARCEL
PAUL T. RUTTUM

BONNIE STARR MANDELL

March 21, 1980

Jay S. Kittle, Esq.
Corey & Kittle, P.C.
Suite 509 Transamerica Bldg.
177 North Church Avenue
Tucson, Arizona 85701

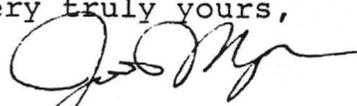
Re: Tombstone Exploration, Inc.

Dear Mr. Kittle:

Pursuant to your request in our telephone conversation on March 20, 1980, I am enclosing a copy of Dwight Lee's letter to Jim Briscoe dated January 25, 1980 containing Tombstone's specific settlement proposal. As I mentioned, I certainly concur in your suggestion that our respective clients should do everything possible to resolve their differences and avoid litigation, whether through a joint meeting in Tombstone or otherwise. However, before we can evaluate the worth of a meeting or other steps, we need Mr. Briscoe's response to the offer contained in Dwight Lee's letter. Specifically, we need a firm statement of Mr. Briscoe's present position as to the percentage interest and dollars he would accept in order to clarify the relationship.

Our clients are most anxious to proceed to a resolution. I will look forward to hearing from you at your very earliest convenience.

Very truly yours,


Joseph E. Meyer III

JEM/nat
Enclosure

P-418

COREY & KITTLE, P.C.

ATTORNEYS AT LAW

BARRY M. COREY
JAY S. KITTLE
PATRICK J. FARRELL
THOMAS A. STOOPS

SUITE 509 TRANSAMERICA BUILDING
177 NORTH CHURCH AVENUE
TUCSON, ARIZONA 85701
(602) 862-4994

March 31, 1980

Southwestern Exploration Associates, Inc.
4500 E. Speedway, Suite 14
Tucson, Arizona 85712

ATTENTION: James A. Briscoe

RE: Tombstone Exploration, Inc.

Dear Jim:

Enclosed herewith is a copy of the letter dated March 21, 1980, which I received from Joseph E. Meyer, III, together with a copy of Dwight Lee's letter to you dated January 25, 1980.

When your time permits, let's review what kind of response you would like to make to Mr. Meyer's letter. By telephone, I told him that payment of your outstanding fees in full was a non-negotiable item. After indicating that I had no authority from you to say so, I hazarded a guess that you would settle your claims for 20% interest in the project.

Sincerely yours,

COREY & KITTLE, P.C.



Jay S. Kittle

JSK:jr

Enclosures

RECEIVED APR 1 1980

WAIVER OF NOTICE OF ANNUAL MEETING

of

SHAREHOLDERS

of

SEA HYDROMET, INC.

WE, the undersigned, being all of the Shareholders of the Corporation, hereby agree and consent that the annual meeting of the Shareholders of the Corporation be held on the date and at the time and place designated hereunder, and do hereby waive all notice whatsoever of such meeting and of any adjournment or adjournments thereof.

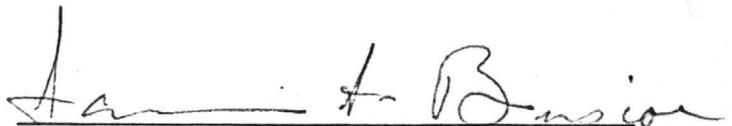
We do further agree and consent that any and all lawful business may be transacted at such meeting or at any adjournment or adjournments thereof as may be deemed advisable by the Shareholders present thereat. Any business transacted at such meeting or at any adjournment or adjournments thereof shall be as valid and legal and of the same force and effect as if such meeting or adjourned meeting were held after notice.

Place of Meeting: 4500 East Speedway Boulevard
Suite 14
Tucson, Arizona

Date of Meeting: April 15, 1980

Time of Meeting: 10:00 a.m.

DATED: 4/28/80


James A. Briscoe

MINUTES OF ANNUAL MEETING

of

SHAREHOLDERS

of

SEA HYDROMET, INC.

The annual meeting of the Shareholders of the Corporation was held on the date and at the time and place set forth in the written Waiver of Notice, signed by all the Shareholders, fixing such time and place, and prefixed to the Minutes of this meeting.

There was present James A. Briscoe, the sole Shareholder of the Corporation. Mr. Briscoe presided and acted as Chairman. He called the meeting to order, noting the presence of a quorum, and recorded the minutes of the meeting himself.

The only order of business dealt with the election of Directors for the ensuing year. Upon motion duly made, seconded and unanimously carried, it was:

RESOLVED that the Board of Directors of the Corporation shall consist of James A. Briscoe, whose term of office shall continue until the Annual Meeting of the Shareholders, which is scheduled for April 14, 1981.

There being no further business to come before the meeting, it was, on motion duly made, seconded and unanimously carried, adjourned.

DATED: 4/28/80


James A. Briscoe

WAIVER OF NOTICE OF ANNUAL MEETING

of

BOARD OF DIRECTORS

of

SEA HYDROMET, INC.

WE, the undersigned, being all of the Directors of the Corporation, hereby agree and consent that the annual meeting of the Board of Directors of the Corporation be held on the date and at the time and place designated hereunder, and do hereby waive all notice whatsoever of such meeting and of any adjournment or adjournments thereof.

We do further agree and consent that any and all lawful business may be transacted at such meeting or at any adjournment or adjournments thereof as may be deemed advisable by the Directors present thereat. Any business transacted at such meeting or at any adjournment or adjournments thereof shall be as valid and legal and of the same force and effect as if such meeting or adjourned meeting were held after notice.

Place of Meeting: 4500 East Speedway Boulevard
Suite 14
Tucson, Arizona

Date of Meeting: April 15, 1980

Time of Meeting: 10:00 a.m.

DATED: 4/28/80


James A. Briscoe

MINUTES OF ANNUAL MEETING

of

BOARD OF DIRECTORS

of

SEA HYDROMET, INC.

The annual meeting of the Board of Directors of the Corporation was held on the date and at the time and place set forth in the written Waiver of Notice, signed by all the Directors, fixing such time and place, and prefixed to the Minutes of this meeting.

There was present James A. Briscoe, the sole Director of the Corporation. Mr. Briscoe presided and acted as Chairman. He called the meeting to order, noting the presence of a quorum, and recorded the minutes of the meeting himself.

The first order of business dealt with the amendment of Article IV, Section 9 of the Bylaws of the Corporation relating to the delegation of Officers' powers and duties. After deliberation and discussion, upon motion duly made, seconded and unanimously carried, it was:

RESOLVED that pursuant to Article XII of the Bylaws of the Corporation, Article IV, Section 9 of the Bylaws is hereby amended to read as follows:

"In case of the temporary absence of any officer of the Corporation or for any other reason that the Board of Directors may deem sufficient, the Board of Directors may delegate the powers and duties of such officer to any other officer or agent of the Corporation or to any Director of the Corporation

for the time specified, provided a majority of the entire Board of Directors concur therein."

The next order of business dealt with the formal authorization by the Board of Directors permitting the President of the Corporation to execute a Power of Attorney with regard to certain business affairs of the Corporation. After deliberation and discussion, upon motion duly made, seconded and unanimously carried, it was:

RESOLVED that pursuant to Article IV, Section 9 of the Bylaws of the Corporation, the Board of Directors hereby authorizes James A. Briscoe, in his capacity as President of the Corporation, to delegate the powers and duties held by him as President of the Corporation in accordance with the terms and provisions of that certain General Power of Attorney, dated April 28, 1980, executed by him, and to the persons designated therein.

The next order of business dealt with the formal authorization by the Board of Directors permitting the delegation of certain powers and duties of the President of the Corporation in the event of the death, disability or inaccessibility of the President of the Corporation. After deliberation and discussion, upon motion duly made, seconded and unanimously carried, it was:

RESOLVED that pursuant to Article IV, Section 9 of the Bylaws of the Corporation, the Board of Directors hereby formally authorizes and approves the delegation of certain powers and duties of the President of the Corporation as set forth below to the designated Officers and agents of the Corporation:

1. Commitment to render services to clients:
 - (a) Continuing projects: these projects should be continued in the normal course

of business by those personnel who would normally perform the Geological consulting functions usually performed by James A. Briscoe, i.e. Vernon D. DeRuyter or other Company personnel selected by Vernon D. DeRuyter.

If it appears likely that budget overruns greater than the lesser of \$15,000 or 10% on a particular project will occur, then the remaining work to be performed for completion must be approved by both Vernon D. DeRuyter and Richard J. Lease.

(b) Commitment of the Company to new Contracts:

(1) Projections of manpower, equipment and financial requirements shall be prepared.

(2) Contracts of \$15,000 or less will require the approval of both Vernon D. DeRuyter and Richard J. Lease.

(3) In the case of contracts greater than \$15,000, the contract documents relating thereto shall be reviewed by legal counsel, and appropriate consideration shall be given to the recommendations of legal counsel with regard thereto. Such contracts and projects shall be approved by both Vernon D. DeRuyter and Richard J. Lease.

(4) All budgets shall be approved by Richard J. Lease.

2. Commitment on loan contracts and other agreements.

(a) With regard to equipment leases less than \$10,000 and loan commitments less than \$10,000, documents relating thereto shall be signed by Christine M. Dodson or Jane E. Talley and authorized by Richard J. Lease.

(b) Loan agreements to borrow more than \$10,000 shall be approved by both Vernon D. DeRuyter and Richard J. Lease.

3. Commitment of the company to acquire fixed assets, discharge liabilities prior to due date or to future expenditures of funds for promotion and other purposes:

(a) The normal purchase order approval system shall be applicable to ordinary commitments less than \$10,000 made in the normal course of business.

(b) All such commitments of \$10,000 or more shall be approved by Vernon D. DeRuyter and Richard J. Lease.

4. Provision for disagreement between Vernon D. DeRuyter and Richard J. Lease: If either Vernon D. DeRuyter or Richard J. Lease believes that the interest of the Company will be significantly impaired as a result of the refusal of either party to approve a certain corporate action, the following procedure for arbitration shall be used: Both parties shall present their reasons for approval or disapproval of the particular corporate action to legal counsel for the Corporation. Such legal counsel shall serve as Arbitrator in such case in order to make a decision with regard to the particular corporate action concerning the approval or disapproval thereof.

It is understood and agreed that in the event of the death of James A. Briscoe, a search for a new President of the Corporation shall begin immediately.

The next order of business dealt with the formal approval and ratification by the Board of Directors of all actions of the Officers of the Corporation taken in the preceding year. After deliberation and discussion, upon motion duly made, seconded and unanimously carried, it was:

RESOLVED that the Board of Directors of the Corporation hereby formally approves and ratifies all actions taken by the Officers of the Corporation with respect to the conduct of its business for the preceding year.

The final order of business dealt with the election of the Officers of the Corporation for the ensuing year. After deliberation and discussion, upon motion duly made, seconded and unanimously carried, it was:

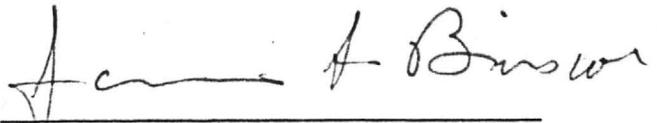
RESOLVED that James A. Briscoe be and the same is hereby elected President of SEA HYDROMET, INC., to serve until the next Annual Meeting of the Board of Directors; and

FURTHER RESOLVED that Jane E. Talley be and the same is hereby elected Treasurer of SEA HYDROMET, INC., to serve until the next Annual Meeting of the Board of Directors; and

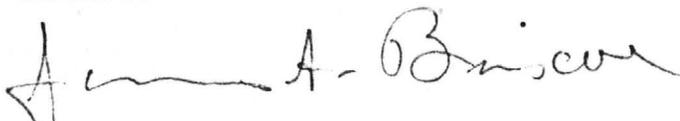
FURTHER RESOLVED that Christine M. Dodson be and the same is hereby elected Secretary of SEA HYDROMET, INC., to serve until the next Annual Meeting of the Board of Directors.

There being no further business to come before the meeting, it was, on motion duly made, seconded and unanimously carried, adjourned.

DATED: 4/28/80


James A. Briscoe

ATTEST:


James A. Briscoe

(b) Commitment of the Company to new Contracts:

(1) Projections of manpower, equipment and financial requirements shall be prepared.

(2) Contracts of \$15,000 or less will require the approval of both Vernon D. DeRuyter and Richard J. Lease.

(3) In the case of contracts greater than \$15,000, the contract documents relating thereto shall be reviewed by legal counsel, and appropriate consideration shall be given to the recommendations of legal counsel with regard thereto. Such contracts and projects shall be approved by both Vernon D. De Ruyter and Richard J. Lease.

(4) All budgets shall be approved by Richard J. Lease.

2. Commitment on loan contracts and other agreements.

(a) With regard to equipment leases less than \$10,000 and loan commitments less than \$10,000, documents relating thereto shall be signed by Christine M. Dodson or Jane E. Talley and authorized by Richard J. Lease.

(b) Loan agreements to borrow more than \$10,000 shall be approved by both Vernon D. DeRuyter and Richard J. Lease.

3. Commitment of the company to acquire fixed assets, discharge liabilities prior to due date or to future expenditures of funds for promotion and other purposes:

(a) The normal purchase order approval system shall be applicable to ordinary commitments less than \$10,000 made in the normal course of business.

(b) All such commitments of \$10,000 or more shall be approved by Vernon D. DeRuyter and Richard J. Lease.

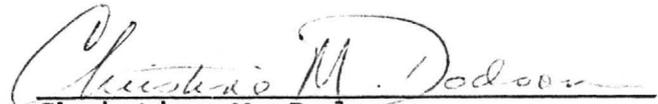
4. Provision for disagreement between Vernon D. DeRuyter and Richard J. Lease: If either

Vernon D. DeRuyter or Richard J. Lease believes that the interest of the Company will be significantly impaired as a result of the refusal of either party to approve a certain corporate action, the following procedure for arbitration shall be used:

Both parties shall present their reasons for approval or disapproval of the particular corporate action to legal counsel for the Corporation. Such legal counsel shall serve as Arbitrator in such case in order to make a decision with regard to the particular corporate action concerning the approval or disapproval thereof.

It is understood and agreed that in the event of the death of James A. Briscoe, a search for a new President of the Corporation shall begin immediately.

I further certify that as of this date I am Secretary of said Corporation and that James A. Briscoe is President of said Corporation.


Christine M. Dodson

SUBSCRIBED AND SWORN to before me this 30th day of April, 1980, by Christine M. Dodson.


Notary Public

My Commission Expires:

My Commission Expires Nov. 23, 1983

(b) Commitment of the Company to new Contracts:

(1) Projections of manpower, equipment and financial requirements shall be prepared.

(2) Contracts of \$15,000 or less will require the approval of both Vernon D. DeRuyter and Richard J. Lease.

(3) In the case of contracts greater than \$15,000, the contract documents relating thereto shall be reviewed by legal counsel, and appropriate consideration shall be given to the recommendations of legal counsel with regard thereto. Such contracts and projects shall be approved by both Vernon D. De Ruyter and Richard J. Lease.

(4) All budgets shall be approved by Richard J. Lease.

2. Commitment on loan contracts and other agreements.

(a) With regard to equipment leases less than \$10,000 and loan commitments less than \$10,000, documents relating thereto shall be signed by Christine M. Dodson or Jane E. Talley and authorized by Richard J. Lease.

(b) Loan agreements to borrow more than \$10,000 shall be approved by both Vernon D. DeRuyter and Richard J. Lease.

3. Commitment of the company to acquire fixed assets, discharge liabilities prior to due date or to future expenditures of funds for promotion and other purposes:

(a) The normal purchase order approval system shall be applicable to ordinary commitments less than \$10,000 made in the normal course of business.

(b) All such commitments of \$10,000 or more shall be approved by Vernon D. DeRuyter and Richard J. Lease.

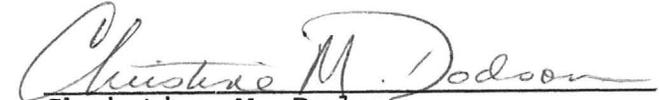
4. Provision for disagreement between Vernon D. DeRuyter and Richard J. Lease: If either

Vernon D. DeRuyter or Richard J. Lease believes that the interest of the Company will be significantly impaired as a result of the refusal of either party to approve a certain corporate action, the following procedure for arbitration shall be used:

Both parties shall present their reasons for approval or disapproval of the particular corporate action to legal counsel for the Corporation. Such legal counsel shall serve as Arbitrator in such case in order to make a decision with regard to the particular corporate action concerning the approval or disapproval thereof.

It is understood and agreed that in the event of the death of James A. Briscoe, a search for a new President of the Corporation shall begin immediately.

I further certify that as of this date I am Secretary of said Corporation and that James A. Briscoe is President of said Corporation.


Christine M. Dodson

SUBSCRIBED AND SWORN to before me this 30th day of April, 1980, by Christine M. Dodson.


Notary Public

My Commission Expires:

My Commission Expires Nov. 23, 1983

COREY & KITTLE, P. C.

ATTORNEYS AT LAW

BARRY M. COREY
JAY S. KITTLE
PATRICK J. FARRELL
THOMAS A. STOOPS

June 18, 1980

SUITE 509 TRANSAMERICA BUILDING
177 NORTH CHURCH AVENUE
TUCSON, ARIZONA 85701
(602) 882-4994

Southwestern Exploration Associates, Inc.
4500 East Speedway Boulevard, Suite 14
Tucson, Arizona 85712

ATTENTION: Christine M. Dodson

RE: Issuance of Common Stock of SEA Hydromet, Inc. and The
Austin Exploration and Mining Corporation

Dear Chris:

This is a reminder to let you know that the common stock of SEA Hydromet and The Austin Exploration and Mining Corporation has not yet been issued.

Although we have been treating these Corporations as if there are shares outstanding from each of them, no stock has yet been formally issued. I think it would be a good idea to do this some time in the near future. I also realize that these Corporations are probably not very active at this time. However, if the necessary accounting information is available with regard to the initial capitalization of these Corporations, I believe it would be advisable to issue the stock in the near future.

I am looking forward to hearing from you soon. Should you have any questions concerning the foregoing, please feel free to contact me.

Sincerely yours,

COREY & KITTLE, P.C.



Patrick J. Farrell

PJF:jr

RECEIVED JUN 19 1980



BRUCE BABBITT
GOVERNOR

Arizona
State Land Department

1624 WEST ADAMS
PHOENIX, ARIZONA 85007
602 - 255 - 4635



OFFICE OF
STATE LAND COMMISSIONER

June 30, 1980

S E A Hydromet Inc.
4500 E. Speedway S-14
Tucson, AZ 85712

Re: Prospecting Permit No. 76164

Dear Sir:

The records of this Department indicate that the above permit terminates on
September 12, _____, 19 80 .

If you wish to renew the referenced permit, the enclosed application is to be completed and filed with this department prior to 5:00 P.M. September 12, 1980. The enclosed statement indicates the amount to accompany the application.

It is important that the instructions on the application be strictly adhered to in order to prevent any loss of rights granted by above permit.

STATE LAND DEPARTMENT

31-72

RECEIVED 11 1 1980

RECEIVED NO 1 2 1980

OFFICIAL NOTICE FROM
ARIZONA CORPORATION COMMISSION

2222 W. Encanto Blvd., Suite 210-D
Phoenix, Arizona 85009

DELINQUENT NOTICE

YOUR CORPORATIONS ANNUAL REPORT FOR
YOUR FISCAL YEAR ENDING 06/30/80 IS
PAST DUE. A PENALTY OF 20% OF THE
BASE FEE PER MONTH ACCRUES AFTER THE
FIFTEENTH DAY OF THE FOURTH MONTH
FOLLOWING YOUR FISCAL YEAR ENDING
DATE

Upon your failure to comply before 01/10/81,
THE COMMISSION WILL REVOKE THE FILING OF
YOUR ARTICLES OF INCORPORATION pursuant to
A.R.S. 10-095 502374-0
No further notice will be sent to you relative to this
matter.

DOMESTIC- A.R.S. 10-095- Annual Report Section
7/76-D

RESORTED
FIRST CLASS MAIL
U.S. POSTAGE PAID
PHOENIX, AZ
Permit No. 621

FIRST CLASS MAIL

166

SEA HYDROMET, INC.

4500 E SPEEDWAY BLVD #14

TUCSON

AZ 85712

OFFICERS ADDRESS _____
 CITY _____ STATE _____ ZIP _____
 TELEPHONE _____
 BUSINESS MAILING
 CHARGES OF ADDRESS _____
 CITY _____ STATE _____ ZIP _____
 TELEPHONE _____

4500 E. Speedway #14
 CIT San Diego STATE CA ZIP 92108
 TELEPHONE 795-6097

TYPE OF ORGANIZATION _____
 DATE OF INCORPORATION _____ STATE _____
 REFERENCE OR OTHER INFO _____
 PERSON TO BE CONTACTED _____ PHONE _____
 BANK OF AMERICA NATIONAL BANK & TRUST COMPANY OF CALIF. (CARD) NO YES
 BANK NAME _____
 CNO _____

CARD RECEIVED BY BANK	REFERENCE CARD DATED	REFERENCE CARD DATED

RESOLUTION
 Adopted by the members of the FIRST NATIONAL BANK OF ARIZONA, a corporation organized under the laws of the State of Arizona, at a meeting held on the _____ day of _____, 1979, at _____, Arizona, and that such resolution is hereby adopted and that each member of this organization is hereby bound by the same.

- RESOLVED, that the FIRST NATIONAL BANK OF ARIZONA shall act as the depository of funds of this organization and shall accept and deposit all checks, drafts, notes, and certificates of deposit, or other instruments payable or held by this organization for the purpose of this resolution, and shall be bound by such instrument, by such number of officers or agents designated from time to time by the officers of this organization.
- RESOLVED, that the officers of this organization shall sign all checks, drafts, notes, and certificates of deposit, or other instruments payable or held by this organization for the purpose of this resolution, and shall be bound by such instrument, by such number of officers or agents designated from time to time by the officers of this organization.
- RESOLVED, that all checks, drafts, notes, and certificates of deposit, or other instruments payable or held by this organization for the purpose of this resolution, shall be payable to the order of any person signing the same or tendered by such person for cashing or payment of the individual obligation of such person or for deposit into the personal account of such person, and Bank shall not be required, or be deemed to be required, to inquire as to the validity of the signature, or the use of any instrument signed in accordance with this resolution, or the application or deposit of such instrument, or the proceeds thereof.
- RESOLVED, that the secretary shall certify to Bank the names of the officers and qualified officers of this organization and shall from time to time register the names of the officers and qualified officers, and shall be indemnified and saved harmless from any claims, demands, expenses, losses or damages of any kind from providing or not providing the signature of any officer so certified, or refusing to honor any signature not so certified.
- RESOLVED, that the foregoing resolutions shall remain in full force and effect until written notice of their amendment or rescission shall have been received by Bank, and receipt of such notice shall not affect any action taken by Bank prior thereto, and that the secretary of this organization is hereby authorized and directed to deliver to FIRST NATIONAL BANK OF ARIZONA a copy of these resolutions properly certified by him, and that said Bank may act in reliance thereon until written notice of rescission is received by it.

I hereby certify that the names appearing on the above described signature card are true and correctly listed and acting officers of this organization.

DATE _____ SIGNATURE Christine M. Dodson SECRETARY

REFERENCE N.O. S.E.A. - Other Accts Here

ACCOUNT HISTORY (if opened by telephone, review by Officer required) VALUED CUSTOMER SINCE _____

ACCOUNT NUMBER	DATE OPENED	AMOUNT	OPENED BY	REVIEW ED BY	DATE CLOSED	AMOUNT	REASON
5-16344	7/3/79	10 ⁰⁰	<i>[Signature]</i>				

CROSS REFERENCE CARD IN FILE - PLEASE REMOVE IF CLOSING.

In consideration of FIRST NATIONAL BANK OF ARIZONA opening accounts, as indicated herein, the undersigned Depositor(s) agree(s) to the terms and conditions printed on this card, and to the Rules and Regulations of the Bank, including all future amendments thereof or additions thereto, AND ACKNOWLEDGES RECEIPT OF A COPY OF SUCH RULES AND REGULATIONS IN EFFECT AT THE TIME OF THIS AGREEMENT.

At Bank's option, telephone requests reviewed and confirmed by an Officer of the bank or written requests for opening additional or alternative accounts will be honored.

The undersigned persons have authority to sign checks, drafts and orders for the payment of money and to renew, negotiate and endorse time certificates of deposit.

NAME OF ORGANIZATION: TOMBSTONE EXPLORATION - MAIN ACCT

CORPORATION UNINCORPORATED ASSOCIATION
 NON-PROFIT ORGANIZATION NON-U.S. ORGANIZATION
Complete SIG 18

* The combined balances of all term savings accounts at First National Bank of Arizona open for this profit-making organization will not exceed \$100,000.

CERTIFICATE NUMBERS	DATE PURCHASED	AMOUNT	MATURITY

ACCOUNT NUMBERS

CHECKING 955-16344

SAVINGS _____

TDOA _____

CREDIT RESERVE

DATE CR RES LINE OPENED _____

DEP. AUTOMATIC ADV.
 NON-DEPOSITORS ADV.
 AM. EXP. EXEC CREDIT ADV.

AMOUNT OF LINE _____

DATE CANCELLED _____

Jane Talley SIGNED TITLE _____
July M. Was SIGNED TITLE Asst. Cashier
Christine M. Dodson SIGNED TITLE Mgr.

TAXPAYER I.D. NO. _____

RECEIVED AUG 4 1980

FILE

SEA Hydromet.



ARIZONA DEPARTMENT OF ECONOMIC SECURITY
Unemployment Insurance Appeals Board
34 West Monroe, Suite 203
Phoenix, Arizona 85003
Telephone (602) 255-3841

REVIEWED

AUG 8 1980

BY

Bill Jamieson, Jr.
DIRECTOR

Bruce Babbitt
GOVERNOR

Claimant

Employer

Edward Rice
P.O. Box 956
Tombstone, AZ 85638

SEA Hydromet Inc.
4500 E. Speedway, Ste 14
Tucson, AZ 85712

Claimant's Social Security No. 374-26-0433 Date July 24, 1980

Appeals Board No. B-725-80

Appeal Tribunal No. 3793-80

Enclosed is a copy of the claimant's petition for review of the Tribunal decision in this matter.

A transcript of the hearing is being prepared for use by the Appeals Board; thereafter, the entire record in this case will be reviewed before a decision is issued or further action taken, pursuant to ARS Sec. 23-672 C, which provides:

In any case in which a petition for review of an appeal tribunal decision has been filed by an interested party or by the deputy whose determination has been overruled or modified, the appeals board may affirm, reverse, modify or set aside the decision of the appeal tribunal on the basis of the record in the case or may order the taking of additional evidence.

No further action or response is required of you.

Evidentiary statements contained in the petition as well as any response made thereto will not be considered by the Board in reviewing this case, unless such statements are already in the record as evidence at the hearing.

UNEMPLOYMENT INSURANCE APPEALS BOARD

MARY A. BASS, CHAIRMAN
FOR THE BOARD

FILE

REVIEWED

AUG 8 1990

7-17-80

Interested Parties

I feel that this judgement most unfair. Mr Logan has personally turned me down twice, which left me to feel that he couldn't be bothered with me, and is making damned sure that Jim Bruce and SEA Hydromet aren't charged, why I should be charged because of big business manipulation is beyond me. Logan states that I quit because I was afraid of being layed off, wrong, mainly because of Pay Period, states that SEA is still in operation, well there not in tombstone they are out to. I understand New York money's have control, also I was not hired on as a foreman, was made foreman the last two months. I cannot work for an outfit unless they think you a slave and pay you when they get around to it

Thank you

Edward Rick

RECEIVED

JUL 21 1980

APPEALS BUREAU

avoid payment of penalty and interest this payment must
 IN the OFFICE OF the State Land Department ON or
 FORE the DUE DATE. Date of POSTAL STAMP will not
 accepted as time of payment.

STATE OF ARIZONA
 STATE LAND DEPARTMENT
 1624 WEST ADAMS - 4TH FLOOR
 PHOENIX, ARIZONA 85007

08	7616400
KIND ENTRY	LEASE OR C. P. REFERENCE NO

S E A HYDROMET INC
 4500 E SPEEDWAY S-14
 TUCSON AZ 85712

06-0175

STATEMENT

SEC	TOWNSHIP	RANGE

ACCOUNT NO NT ID	SUB	CARRYING CAPACITY	BILLING DESCRIPTION	RATE	ACRES	\$	AMOUNT
10	300	35	APP FEE PROSPECTING PERMITS				25 00

CERTIFICATE OF PURCHASE
\$ UNPAID BALANCE

BILLING PERIOD					
FROM			TO		
MO	DAY	YR	MO	DAY	YR

DATE BILLED		
MO	DAY	YR
06	30	80

DATE DUE		
MO	DAY	YR
09	13	80

TOTAL ACRES
00

TOTAL AMOUNT
\$ 25 00

IF PAYMENT IS MADE ON OR BEFORE THIS DATE → PAY THIS AMOUNT

SEE OTHER SIDE FOR { INTEREST CHARGE ON DELINQUENT CERTIFICATE OF PURCHASE PAYMENTS LAW PERTAINING TO PENALTY AND INTEREST ON RENTAL - A.R.S. SEC. 37-288	\$	
AMOUNT SUBJECT TO ADDITIONAL CHARGES IF NOT PAID ON OR BEFORE DUE DATE	\$	
5% PENALTY OF RENTAL	\$	
TOTAL RENTAL AMOUNT PLUS PENALTY	\$	
10% INTEREST PER ANNUM ON RENTAL AMOUNT	\$	
AND PENALTY — NUMBER OF DAYS DELINQUENT () \$	\$	
TOTAL AMOUNT DUE INCLUDING PENALTY AND INTEREST	\$	
CASH RECEIVED	\$	
BALANCE DUE OR OVERPAYMENT	\$	
TOTAL PENALTY & INTEREST		\$

PENALTY & INTEREST	DISTRIBUTION
\$	

STATE LAND COMMISSIONER'S ORDER IS DATE
 BILLED PER THIS STATEMENT. APPEAL PERIOD
 IS 30 DAYS FROM DATE BILLED.
 JOE T. FALLINI, STATE LAND COMMISSIONER

Hydromet

UA-797 (9-79)

ARIZONA DEPARTMENT OF ECONOMIC SECURITY
Office of Appeals - 211 N. 1st Ave. - Phoenix, Arizona 85003
TRANSMITTAL OF DECISION OF APPEAL TRIBUNAL

Claimant:

Employer Account No.:

Edward Rice
PO Box 956
Tombstone, Az 85638

SEA Hydromet Inc.
4500 E Speedway, Ste 14
Tucson, Az 85712

SSN: 374-26-0433 Appeal No. 3793-80 Mailing Date 7-3-80

VEA EL REVERSO PARA EXPLICACION EN ESPANOL.

To All Interested Parties:

Attached is a copy of the decision of the Appeal Tribunal in the above case.

The decision of the Appeal Tribunal will become final unless an interested party initiates a further appeal by filing written request for review with the Arizona Department of Economic Security within fifteen days after the above mailing date.

The hearing will be reopened if within the 15-day appeal period after the date shown above as the mailing date an interested party files a written application requesting reopening of the hearing, and establishes good cause for failure to appear at the scheduled hearing.

Request for review may be filed in person at any public employment office in the United States or Canada or by letter to the Arizona Department of Economic Security, Office of Appeals, 211 N. 1st Avenue, Suite 201, Phoenix, Arizona 85003. The request should contain a statement setting forth the reasons for the appeal, and must be signed.

By George Logan
Claimant Chief, Office of Appeals cr

Employer
LO 75
Parmley LO 75
control unit
File

ARIZONA DEPARTMENT OF ECONOMIC SECURITY
Decision of Appeal Tribunal

Arizona Appeal No. 3793-80 A
4-26-81
SD 8-15-79

ISSUE:

Voluntary Quit (Section 23-775)
Chargeability of Benefits (Section 23-727)

CASE HISTORY:

The claimant filed his new claim for benefits effective April 27, 1980 in Sierra Vista, Arizona stating he last worked on August 15, 1979 for "X" Exploration, Tucson, Arizona and quit.

A deputy determined on May 14, 1980 the claimant left work voluntarily without good cause in connection with the work, assessed the statutory disqualification and non-charged the employer's account. The claimant appealed on May 19, 1980.

An Appeal Tribunal hearing was held in Sierra Vista, on June 25, 1980 at which the claimant and a deputy testified. The employer was advised that if their testimony was necessary a hearing would be scheduled in Tucson.

FINDINGS OF FACT:

The claimant was employed by X Exploration, Tucson, Arizona at a Tombstone, Arizona mine as a foreman for about six months until he quit on August 15, 1979.

About two weeks prior to the claimant's leaving a management employee discharged the supervisor and shut down the plant. This left the claimant with two employees to do sampling work. The two employees were laid off within a week. The claimant quit because he believed the company was going to discontinue operation and "fold". The claimant, while working for two other companies, was laid off in similar circumstances with the companies owing unpaid wages. He was not about to have this happen a third time.

The claimant also indicated that paychecks were from three to ten days late, nine out of 10 paydays. The company was still in operation as of the date of the hearing.

REASONING AND CONCLUSIONS OF LAW:

The claimant has contested a determination which held he left work voluntarily without good cause in connection with the work. The issue involves the application of Section 23-775 and Section 23-727 of the Employment Security Law of Arizona (Copy Attached).

Benefit Policy Rule R6-3-50135 provides that when a claimant interprets actions or remarks of fellow employees or supervisors to mean he is to be discharged he must take steps prior to leaving to find out if he is in fact to be discharged. If he fails to do so and was not to be discharged he leaves work voluntarily without good cause in connection with the work.

The claimant quit because of repeated late receipt of paychecks and because he believed the company was about to cease operations. The late paydays had continued for some time and the event triggering his leaving was the employer's action in laying off other employees. The claimant feared he would again be left with unpaid wages. There is no evidence the claimant attempted to find out if he was to be discharged. The Tribunal finds the claimant left work voluntarily without good cause.

DECISION:

1. The determination of the deputy is affirmed. The claimant left work voluntarily without good cause in connection with the work. He is disqualified from August 12, 1979 until he is reemployed and earns wages totaling \$450, five times his weekly benefit amount.
2. The employer's experience rating account will not be subject to charges for benefits paid the claimant as a result of this employment.

D. I. Dunbar
Appeal Tribunal

DECISION RELEASED: 7-3-80

Section 23-775 of the Arizona Revised Statutes provides in part:

"An individual shall be disqualified for benefits:

"1. For the week in which he has left work voluntarily without good cause in connection with his employment, if so found by the department, and in addition to the waiting week, for the duration of his unemployment and until he has earned wages in an amount equivalent to five times his weekly benefit amount otherwise payable."

CHARGEABILITY OF BENEFITS

Section 23-727 of the Arizona Revised Statutes provides in part:

"C. Except as otherwise provided in subsections D, E, and F, and sections 23-773 and 23-777, benefits paid to an individual shall be charged against the accounts of his base-period employers. The amount of benefits so chargeable against each base-period employer's account shall bear the same ratio to the total benefits paid to an individual as the base-period wages paid to the individual by the employer bear to the total amount of base-period wages paid to the individual by all his base-period employers.

"D. Benefits paid to an individual whose separation from work with any employer occurs under conditions found by the commission to be within the provisions of paragraph 1 or 2 of section 23-775, or for compelling personal reasons not attributable to the employer and not warranting disqualification for benefits, shall not be used as a factor in determining the future contribution rate of the employer from whose employment the individual so separated. . . ."

TOMBSTONE EXPLORATION, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 1980

REVIEWED

JUN 22 1984

By

JTB

TOMBSTONE EXPLORATION, INC.

TABLE OF CONTENTS

	<u>PAGE</u>
BALANCE SHEET	2 - 3
STAEMENT OF OPERATIONS	4

Tombstone Exploration, Inc.

BALANCE SHEET

December 31, 1980

ASSETS

CURRENT ASSETS:

Cash	\$ 35,887
Inventory	120,116
Composite Heap	1
Contention Mine	1
Loans receivable	181,605
Prepaid expenses	9,474

Total current assets	347,084

PROPERTY PLANT & EQUIPMENT - at cost

Plant and equipment	1,147,761
Accumulated depreciation	68,497

Total plant and equipment	1,079,264

OTHER ASSETS:

Mine development	293,819
Deposits	25,892

	\$ 1,746,059
	=====

Tombstone Exploration, Inc.

BALANCE SHEET

December 31, 1980

LIABILITIES AND STOCKHOLDERS' DEFICIENCY

CURRENT LIABILITIES:

Accounts payable	\$ 27,165
Accrued taxes and expenses	5,819
Note payable - current portion	245,487

Total current liabilities	278,471

LONG TERM LIABILITIES:

Equipment notes payable	394,926
Notes payable - stockholders'	1,549,411
Loans payable - other	100,000

Total long term liabilities	2,044,337

STOCKHOLDERS' EQUITY:

Capital stock:	79,000
Additional paid in capital	21,000
Accumulated deficit	(676,749)

Total stockholders' deficiency	(576,749)

TOTAL LIABILITIES AND STOCKHOLDERS
DEFICIENCY

\$ 1,746,059
=====

Tombstone Exploration, Inc.

INCOME STATEMENT

Year ended December 31, 1980

Revenue:	
Net sales	\$ 421,495

Total revenue	421,495

Costs and expenses:	
Material processing	180,560
Plant division	171,197
Smelt division	73,473
Testing division	44,354
General and administrative	187,276
Royalties	92,100
Office and administrative salaries	40,478
Taxes	39,235
Insurance	19,441

Total costs and expenses	848,114

NET INCOME	(\$ 426,619)
	=====

1981

RECEIVED JAN 28 1981

SEA
Hydromet

COREY & KITTLE, P.C.

ATTORNEYS AT LAW

BARRY M. COREY
JAY S. KITTLE
PATRICK J. FARRELL

SUITE 509 TRANSAMERICA BUILDING
177 NORTH CHURCH AVENUE
TUCSON, ARIZONA 85701
(602) 882-4994

January 27, 1981

James A. Briscoe
4500 E. Speedway Blvd., Suite 14
Tucson, Arizona 85712

Re: Northern Nevada Exploration Proposal/Miscellaneous
Accounts of Southwestern Exploration Associates, Inc.

Dear Jim:

I am enclosing for your records statements for legal services performed by our office for you, S.E.A. and some of its entities relating to the following matters:

- (a) Northern Nevada Exploration Proposal
- (b) S.E.A./Tombstone
- (c) S.E.A. Hydromet
- (d) S.E.A./Austin
- (e) The Austin Exploration and Mining Corp.

We received a check yesterday from Stewart Title and Trust of Tucson in the amount of \$15,285.00 in accordance with the Assignment of Interest which you executed in favor of our firm last October. I am enclosing the lower portion of that check for your records.

In accordance with the Agreement for Legal Services entered into between you, S.E.A. and our firm on October 1, 1980, we have applied the proceeds from the Stewart Title check as set forth in the enclosed statements. First, the amount of \$10,000.00 was applied toward the statement relating to the Northern Nevada Exploration Proposal, which included the tax work performed by Gerry Hawley. Second, the amount outstanding for the Tombstone litigation was paid off. Next, the amounts outstanding for S.E.A. Hydromet and S.E.A./Austin were paid off, and finally, the remaining portion was used to reduce the balance owed by The Austin Exploration and Mining Corporation.

Both Jay and I very much appreciate your kind cooperation and assistance in connection with this matter. Please do not hesitate to contact me should you have any questions concerning the foregoing.

Sincerely yours,

COREY & KITTLE, P.C.


Patrick J. Farrell

PJF:mad
enclosures

COREY & KITTLE, P.C.

ATTORNEYS AT LAW

BARRY M. COREY
JAY S. KITTLE
PATRICK J. FARRELL
THOMAS A. STOOPS

SUITE 509 TRANSAMERICA BUILDING
177 NORTH CHURCH AVENUE
TUCSON, ARIZONA 85701
(602) 882-4994

January 27, 1981

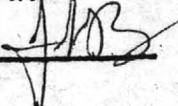
S.E.A. Hydromet
4500 E. Speedway, Suite 14
Tucson, Arizona 85712

FOR PROFESSIONAL SERVICES: through January 23, 1981:

Past due balance per statement rendered May 12, 1980	\$538.11
LESS: Payment received from Corey & Kittle, P.C. Trust Account from payment received by Stewart Title and Trust	<u>[538.11]</u>
BALANCE	\$ - 0 -

APPROVED

JAN 28 1981

By 

ALL AMOUNTS DUE ARE PAYABLE WITHIN 30 DAYS.

*copy
sent
Pat
Pat
Hydromet*
RECEIVED FEB 3 1981

COREY & KITTLE, P. C.

ATTORNEYS AT LAW

BARRY M. COREY
JAY S. KITTLE
PATRICK J. FARRELL
ALLAN D. BOGUTZ

SUITE 509 TRANSAMERICA BUILDING
177 NORTH CHURCH AVENUE
TUCSON, ARIZONA 85701
(602) 882-4994

February 2, 1981

REVIEWED

FEB 3 1981

By _____

Southwestern Exploration Associates, Inc.
4500 East Speedway Boulevard, Suite 14
Tucson, Arizona 85712

Attention: James A. Briscoe

Dear Jim:

Enclosed is a copy of our letter dated June 18, 1980, commenting on the need to file an Annual Report for the various Corporations no later than October 15, 1980.

At the moment, Pat Farrell is looking into whether a revocation of Articles of Incorporation can be set aside with a retroactive filing. We will advise you as soon as we have additional information.

Sincerely yours,

COREY & KITTLE, P. C.

Jay

Jay S. Kittle

JSK:gg
Encl.

June 18, 1980

Southwestern Exploration Associates, Inc.
4500 East Speedway Boulevard, Suite 14
Tucson, Arizona 85712

ATTENTION: Christine M. Dodson

RE: Annual Reports of Southwestern Exploration Associates, Inc.,
SEA Photography, Inc., SEA Hydromet, Inc. and The Austin
Exploration and Mining Corporation

Dear Chris:

This is a reminder to let you know that the fiscal years
of the captioned Corporations end on June 30, 1980.

It is necessary to file an Annual Report for each Corpora-
tion with the Corporation Commission by no later than October
15, 1980. In addition, a filing fee of \$30 must also be sub-
mitted to the Commission with each Annual Report. I would be
more than happy to provide you with any assistance you may
desire in filing the Annual Reports upon your request.

Should you have any questions concerning the foregoing,
please feel free to contact me.

Sincerely yours,

COREY & KITTLE, P.C.

Patrick J. Farrell

PJF:jr

REVIEWED

FEB 3 1981

BY *[Signature]*

*1st time I've seen
this letter - I was out
of the country when
it was mailed*

Internal Revenue Service
District Director

Department of the Treasury

Date: April 2, 1981

Social Security or Employer

Identification Number:

86-0362915

Person to Contact:

8046-14

Contact Telephone Number:

261-3461

▷ Sea Hydromet Inc.
% Jay S. Kittle
509 Transamerica Bldg
177 N. Church
Tucson, AZ 85701

We have no record of receiving the tax returns listed on the back of this letter. If you have filed, or if you are not required to file, please give us the information requested beneath the list of returns.

If you are required to file, please attach the returns to this letter and send them to us within the next few days. Include your payment for any tax due, plus interest as provided by law (see enclosed Notice 394).

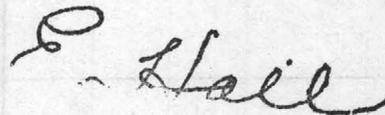
The law also provides for penalty charges for filing returns late, paying taxes late, and making deposits late, unless there is reasonable cause for delay. If you believe you have reasonable cause for not filing and paying on time, please explain in a separate statement attached to each return. It will help us determine whether you can be excused from paying penalties.

If your address as shown above is incorrect, please change it so we can update our records. We have enclosed a self-addressed envelope for your convenience and a copy of this letter for your records.

If you have any questions, please contact the person whose name and telephone number are shown above.

Thank you for your cooperation.

Sincerely yours,



Enclosures:

Notice 394

Envelope

~~Copy of this letter~~

(over)

Return Number	Form Number	Form Title	Tax Period Ended
1.	1120	US Corporation Income Tax Return	6-30-79
2.			
3.			
4.			
5.			
6.			
7.			
8.			

If you have filed the returns listed, please give us the name, address, and employer identification or social security number shown on each return filed. Also, please tell us the date each was filed, and the amount paid with each.

If you are not required to file the returns, please give us the reason and the date you were no longer liable. If you are required to file these returns, please tell us so we can continue sending them to you.

Return No. 1

Return No. 5

Return No. 2

Return No. 6

Return No. 3

Return No. 7

Return No. 4

Return No. 8

Signature and Title of Taxpayer

Date

Telephone Number

File: Tombstone
REVIEWED
APR 23 1981
By: [Signature]
4/6/81

#46436
JACK J. RAPPEPORT
ATTORNEY AT LAW
205 NORTH BENTLEY AVENUE
TUCSON, ARIZONA 85716
TELEPHONE 798-3676

and

CHRIS O'CONNELL

Attorneys for Defendants, HEWLETT

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA

IN AND FOR THE COUNTY OF PIMA

TOMBSTONE EXPLORATION, INC.,
a Delaware corporation; et al.,

Plaintiffs,

vs.

SOUTHWEST EXPLORATION ASSOCIATES,
INC., an Arizona corporation, et al.,

Defendants.

No. 188423

ANSWER
AND
COUNTERCLAIM

COME NOW the defendants, RICHARD F. HEWLETT and JANE
DOE HEWLETT (hereinafter Hewlett), and for their Answer to
plaintiffs' Complaint, admit, deny and allege as follows:

I

JURISDICTION

- 1. Hewlett admits Paragraphs 1 through 5 inclusive of the Complaint.
- 2. Hewlett denies Paragraphs 6 and 7 of the Complaint.

II

ANSWER TO FIRST CLAIM FOR RELIEF (Fraud)

- 3. Hewlett incorporates by reference herein, the admissions and denials contained in Paragraphs 1 and 2 above.
- 4. Hewlett admits Paragraphs 9(A) and (E), but denies Paragraphs 9(B), (C), (D), (F) and (G) of the Complaint. With regard to Paragraph 9(B), Hewlett alleges that plaintiff, SCHLOSS, visited the site many times and knew precisely what usable facilities existed on the property. He also knew from budgets that had been prepared at his request what additional facilities and

JACK J. RAFFERTY
Attorney at Law
205 North Bentley Avenue
Tucson, Arizona 85716
TELEPHONE 325-6741 or 795-3676

1 equipment would be required in order to enable production to
2 commence.

3 5. Hewlett denies Paragraphs 10(A) through (G)
4 inclusive, 11, 12, 13(A) through (C) inclusive, 14 (A) through
5 (C) inclusive, 15, 16, 17, 18, 19 and 20.

6 6. With regard to the first claim for relief,
7 Paragraphs 8 through 20 inclusive, Hewlett denies each and every
8 allegation not hereinbefore expressly admitted.

9 7. Hewlett alleges that defendants, Hewlett, are
10 entitled to attorneys' fees pursuant to A.R.S. §12-341.01 for
11 the defense of this action and for their counterclaim hereinafter
12 set forth.

13 III

14 ANSWER TO SECOND CLAIM FOR RELIEF (Negligent Misrepresentation)

15 8. Defendant, Hewlett, incorporates by reference all
16 of the admissions, denials and allegations contained in Paragraphs
17 1 through 7 above of this Answer as though fully set forth in
18 haec verba.

19 9. Hewlett denies Paragraphs 22 and 23 of the Com-
20 plaint and each and every allegation therein contained not here-
21 inbefore expressly admitted.

22 IV

23 ANSWER TO THIRD CLAIM FOR RELIEF (Breach of Contract)

24 10. Defendant, Hewlett, incorporates by reference all
25 of the admissions, denials and allegations contained in Paragraphs
26 1 through 9 above of this Answer as though fully set forth in
27 haec verba.

28 11. Hewlett has insufficient knowledge of the matters
29 contained in Paragraphs 25, 26, 27, 28 and 29 of the Complaint
30 and therefore denies same.

31 12. Hewlett denies each and every allegation therein
32 contained not hereinbefore expressly admitted.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32

V

ANSWER TO FOURTH CLAIM FOR RELIEF (Breach of Management Agreement)

13. Defendant, Hewlett, incorporates by reference all of the admissions, denials and allegations contained in Paragraphs 1 through 12 above of this Answer as though fully set forth in haec verba.

14. Hewlett denies Paragraphs 31, 32, 33 and 34 of the Complaint.

15. Hewlett denies each and every allegation therein contained not hereinbefore expressly admitted.

VI

ANSWER TO FIFTH CLAIM FOR RELIEF (Conspiracy to Violate Securities Laws)

16. Defendant, Hewlett, incorporates by reference all of the admissions, denials and allegations contained in Paragraphs 1 through 15 above of this Answer as though fully set forth in haec verba.

17. Hewlett denies Paragraphs 36, 37, 38 and 39 of the Complaint.

18. Hewlett denies each and every allegation therein contained not hereinbefore expressly admitted.

WHEREFORE, defendants, Hewlett, pray as follows:

1. For judgment in their favor and against the plaintiffs and that plaintiffs take nothing by their Complaint.

2. For a judicial determination of the respective shares of plaintiffs and defendants in the project.

3. As to all defenses to all claims for relief, an award of attorneys' fees pursuant to A.R.S. §12-341.01 and for their costs of suit herein incurred.

4. For such other and further relief as the Court and jury may deem just and proper.

JACK J. HAPPELONI
Attorney at Law
205 North Bentley Avenue
Tucson, Arizona 85716
TELEPHONE 325-8741 or 795-3676

COUNTERCLAIM

COUNT ONE - FRAUD

I

Defendants/counterclaimants, by this reference, incorporate herein, as though set forth in haec verba, all of the allegations in Paragraphs 1 through 4 of plaintiffs' Complaint.

II

That plaintiffs/counterdefendants, SCHLOSS and LEE (hereinafter Schloss and Lee), acting together and as conspirators, represented to defendants/counterclaimants, BRISCOE and HEWLETT (hereinafter Briscoe and Hewlett), that they would provide financing sufficient to create a successful heap leaching operation in Tombstone, Arizona.

III

That Schloss and Lee knew or had reason to know that the creation of such an operation would require funding on the order of \$500,000.00.

IV

That the Schloss and Lee conspiracy knew that certain extremely valuable mining property leases in the Tombstone area were available to Briscoe and Hewlett through the good offices of Hewlett.

V

That Schloss and Lee knew that a heap leaching operation could be successfully established through the processes developed, and expertise possessed by Richard Hewlett.

VI

That Schloss and Lee conspired together to entice Briscoe and Hewlett into a joint venture wherein Schloss and Lee as investors could develop an interest in the heap leaching operation as set forth in Exhibit B to their Complaint.

JACK V. MAFFEFUHI
Attorney at Law
205 North Bentley Avenue
Tucson, Arizona 85716
TELEPHONE 325-8741 or 795-3876

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32

VII

That in entering such agreement, Schloss and Lee intended to create a failure in such a manner that their joint venturers, Briscoe and Hewlett, would be forced to abandon the project thus leaving the conspirators in control, so it was hoped, of the valuable leases, experimental results and extraction processes, all as obtained, developed and labored over by Richard Hewlett.

VIII

That Schloss and Lee were successful in driving Hewlett away from the project by the simple expedient of starving the project for cash while attempting to assign responsibility for the resulting lack of progress to Briscoe and Hewlett.

IX

That all of the above acts were done pursuant to a fraudulent scheme and conspiracy which had its starting point in the representations referred to above which were known by the makers to be false when made; intended to induce reliance which reliance, reasonably, was then forthcoming; made maliciously and with intent to defraud and resulting in great harm to the defendants/counterclaimants.

X

That such acts were done in a manner so outrageous as to support an award of punitive damages in the amount of \$50,000,000.00.

COUNT TWO - BREACH OF CONTRACT

XI

Defendants/counterclaimants, by this reference, incorporate herein, all of the allegations in Count One of this Counterclaim, as though fully set forth in haec verba.

/ / /
/ / /

Attorney at Law
205 North Bentley Avenue
Tucson, Arizona 85716
TELEPHONE 325-8741 or 795-3676

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32

XII

That Schloss and Lee, designated "investors" in the agreement of March 7, 1979, referred to in their Complaint, had breached that agreement in not supplying funds necessary to prove out and/or establish the heap leaching process as planned by Richard F. Hewlett.

XIII

That due to this material breach, the performance of Hewlett was rendered impossible since the project could not go forward without the agreed-upon funding.

XIV

That as a direct result of this breach, Richard Hewlett was forced to abandon the project he had created and sustained severe damages thereby, the amounts of which are not yet precisely known but will be proven at the trial herein.

XV

That the refusal to perform their agreement was a malicious outgrowth of the conspiracy between Schloss and Lee and was done intentionally with the object of forcing Briscoe and Hewlett to abandon their own project so that Schloss and Lee could come in subsequently and by doing what they had obligated themselves to do previously, put the project on a sound footing and make a profit free of the interest of their erstwhile joint venturers.

XVI

That the material breach of Schloss and Lee interrupted and made impossible the good faith efforts of Richard Hewlett to perform effectively his part of the agreement, which he had been performing, thereby wasting the efforts of Richard Hewlett up to that time.

/ / /

/ / /

JACK J. HAPPEPORT
Attorney at Law
205 North Bentley Avenue
Tucson, Arizona 85716
TELEPHONE 325-8741 or 795-3676

XVII

1
2 Defendants/counterclaimants, Hewlett, have had to
3 retain counsel in defense of this lawsuit and prosecution of their
4 counterclaim and are entitled to attorneys' fees pursuant to A.R.S.
5 §12-341.01 and for their costs of suit herein incurred.

6 WHEREFORE, defendants/counterclaimants pray for
7 judgment in their favor and against the plaintiffs/counterdefen-
8 dants as follows:

9 1. Compensatory damages, counterclaimants actual
10 damages, but in no case less than \$10,000,000.00 under all claims
11 for relief.

12 2. For a judicial determination establishing that
13 defendants/counterclaimants have an interest in the Tombstone
14 heap leaching project pursuant to Count Two of defendants'
15 Counterclaim or alternatively, defendants/counterclaimants pray
16 that the Court find that the contract had been rescinded by the
17 actions of plaintiffs/counterdefendants and require plaintiffs
18 to disgorge such part of their ill-gotten gains as to make whole
19 the defendants and a declaration that the plaintiffs/counterdefen-
20 dants have no further interest in the Tombstone heap leaching
21 project.

22 3. Punitive damages of no less than \$50,000,000.00
23 pursuant to Count One (Fraud).

24 4. As to all claims for relief both in defense of
25 the lawsuit and prosecution of the counterclaim, reasonable attor-
26 neys' fees pursuant to A.R.S. §12-341.01 and costs of the suit
27 incurred herein.

28 5. For such other and further relief as the Court
29 may deem just and proper.

30 DATED this 6th day of April, 1981.

31 CHRIS O'CONNELL and
32 JACK J. RAPPEPORT

By Jack J. Rappoport
Jack J. Rappoport
Attorneys for Defendants Hewlett

COREY & KITTLE, P.C.
ATTORNEYS AT LAW

Tombstone

BARRY M. COREY
JAY S. KITTLE
PATRICK J. FARRELL
ALLAN D. BOGUTZ

SUITE 509 TRANSAMERICA BUILDING
177 NORTH CHURCH AVENUE
TUCSON, ARIZONA 85701
(602) 882-4994

REVIEWED

April 7, 1981

MAY 8 1981

By *JS*

REVIEWED

Southwestern Exploration Associates, Inc.
4500 E. Speedway, Suite 14
Tucson, Arizona 85712

MAY 6 1981

Attention: James A. Briscoe

RE.: Tombstone Exploration Inc. v. SEA et al.

Dear Jim:

Enclosed herewith for your files is a copy of the Answer and Counterclaim filed on behalf of Richard S. Hewlett and Jane Doe Hewlett.

You will be much interested to see that Hewlett makes no claim against either you or SEA, but makes substantial counterclaim against Schloss and his "conspiracy". At the very least, it should be quite interesting to have Hewlett and his attorney, Jack Rappeport, in the case.

Please give me a call if you have any questions.

Sincerely yours,

COREY & KITTLE, P.C.

Jay

Jay S. Kittle

JSK:gg
Encl.

Hydromet

COREY & KITTLE, P.C.
ATTORNEYS AT LAW

BARRY M. COREY
JAY S. KITTLE
PATRICK J. FARRELL
ALLAN D. BOGUTZ

REVIEWED

SUITE 509 TRANSAMERICA BUILDING
177 NORTH CHURCH AVENUE
TUCSON, ARIZONA 85701
(602) 882-4994

APR 20 1981
By *JJK*

April 13, 1981

SEA Hydromet, Inc.
4500 E. Speedway, Suite 14
Tucson, Arizona 85712

Attn: Jim Briscoe

Dear Jim:

Enclosed herewith is a communication from the Internal Revenue Service indicating that they have no record of receiving a SEA Hydromet Corporate Tax Return for the fiscal year ending June 30, 1979.

I would suggest that you write them a brief letter explaining that the Company had no earnings. If you have questions or if we can be of assistance, please don't hesitate to call.

Sincerely yours,
COREY & KITTLE, P.C.

JJK

Jay S. Kittle

JSK:mad
enclosure

4/20/81 *Wardle can you make out this letter*
JJK
letter sent 5/5/81

File: Tombstone

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32

LAW OFFICES OF KENNETH L. ALLEN, P.C.
239 NORTH CHURCH AVENUE
TUCSON, ARIZONA 85701
TELEPHONE (602) 624-1757

REVIEWED
APR 20 1981
By AKB

Attorney for Plaintiff.

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA

IN AND FOR THE COUNTY OF PIMA

TOMBSTONE EXPLORATION, INC.,)
a Delaware corporation; et al,)
)
Plaintiffs,)
)
vs.)
)
SOUTHWEST EXPLORATION ASSO-)
CIATES, INC., an Arizona corpo-)
ration, et al,)
)
Defendants.)
)
)

NO. 188423

REPLY TO DEFENDANT HEWLETT'S
COUNTERCLAIM

COME NOW the Plaintiffs, by and through their counsel under-
signed, and reply to the Defendant Hewlett's Counterclaim as
follows:

1. As to Defendant Hewlett's Counts One and Two of his
Counterclaim filed herein, Plaintiff DENY same in their entirety.

WHEREFORE, having responded to said Counterclaim, Plaintiffs
request that this Court dismiss Defendant Hewlett's Counterclaim
herein and that Plaintiffs be awarded their attorney's fees for
the filing of this Response.

DATED, April 15, 1981.

LAW OFFICES OF KENNETH L. ALLEN, P.C.

By KENNETH L. ALLEN
KENNETH L. ALLEN
239 North Church Avenue
Tucson, AZ 85701
Attorney for Plaintiffs

COPIES of the foregoing mailed, this
15th day of April, 1981, to:

- 1 JACK J. RAPPEPORT, ESQ.
- 2 205 North Bentley Avenue
- 3 Tucson, AZ 85716
- 4 Attorney for Defendant HEWLETT;
- 5
- 6 JAY KITTLE, ESQ.
- 7 509 Transamerica Building
- 8 Tucson, AZ 85701
- 9 Attorney for AUSTIN, S.E.A.
- 10 and SOUTHWEST EXPLORATION;
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28
- 29
- 30
- 31
- 32

MR. JAMES A. BRISCOE
4500 E. Speedway, Suite 15
Tucson, AZ 85712

Jean Janesch, CLA
Mrs. Jean Janesch, CLA

COREY & KITTLE, P.C.

ATTORNEYS AT LAW

BARRY M. COREY
JAY S. KITTLE
PATRICK J. FARRELL
ALLAN D. BOGUTZ

SUITE 509 TRANSAMERICA BUILDING
177 NORTH CHURCH AVENUE
TUCSON, ARIZONA 85701
(602) 882-4994

April 20, 1981

Southwestern Exploration Associates, Inc.
4500 East Speedway, Suite 14
Tucson, Arizona 85712

Att: Mr. James A. Briscoe

Re: Tombstone Exploration, Inc. vs.
Southwestern Exploration Associates, Inc.

Dear Jim:

Enclosed herewith for your files is a copy of
Plaintiff's reply to Defendant Hewlett's counter claim.

Please call me if you have any questions.

Sincerely yours,

COREY & KITTLE, P.C.


Jay S. Kittle

REVIEWED

APR 27 1981



JSK/emr

Enclosure

RECEIVED APR 16 1981

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32

LAW OFFICES OF KENNETH L. ALLEN, P.C.
239 NORTH CHURCH AVENUE
TUCSON, ARIZONA 85701
TELEPHONE (602) 624-1757

Attorney for Plaintiff.

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA

IN AND FOR THE COUNTY OF PIMA

TOMBSTONE EXPLORATION, INC.,)
a Delaware corporation; et al,)

Plaintiffs,)

vs.)

SOUTHWEST EXPLORATION ASSO-)
CIATES, INC., an Arizona corpo-)
ration, et al,)

Defendants.)

NO. 188423

REPLY TO DEFENDANT HEWLETT'S
COUNTERCLAIM

COME NOW the Plaintiffs, by and through their counsel under-
signed, and reply to the Defendant Hewlett's Counterclaim as
follows:

1. As to Defendant Hewlett's Counts One and Two of his
Counterclaim filed herein, Plaintiff DENY same in their entirety.

WHEREFORE, having responded to said Counterclaim, Plaintiff:
request that this Court dismiss Defendant Hewlett's Counterclaim
herein and that Plaintiffs be awarded their attorney's fees for
the filing of this Response.

DATED, April 15, 1981.

LAW OFFICES OF KENNETH L. ALLEN, P.C.

By KENNETH L. ALLEN
KENNETH L. ALLEN
239 North Church Avenue
Tucson, AZ 85701
Attorney for Plaintiffs

COPIES of the foregoing mailed, this
15th day of April, 1981, to:

REVIEWED
APR 27 1981
[Signature]

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32

JACK J. RAPPEPORT, ESQ.
205 North Bentley Avenue
Tucson, AZ 85716
Attorney for Defendant HEWLETT;

JAY KITTLE, ESQ.
509 Transamerica Building
Tucson, AZ 85701
Attorney for AUSTIN, S.E.A.
and SOUTHWEST EXPLORATION;

MR. JAMES A. BRISCOE
4500 E. Speedway, Suite 15
Tucson, AZ 85712

Jean Janesch, CLA
Mrs. Jean Janesch, CLA

File Tombstone

RECEIVED MAY 4 1981

REVIEWED

MAY 4 1981

By

[Signature]

LAW OFFICES OF KENNETH L. ALLEN, P.C.
239 NORTH CHURCH AVENUE
TUCSON, ARIZONA 85701
TELEPHONE (602) 624-1757

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32

Attorney for Plaintiffs.

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA
IN AND FOR THE COUNTY OF PIMA

TOMBSTONE EXPLORATION, INC.,)
a Delaware corporation, et al,)

Plaintiffs,)

NO. 188423

vs.)

NOTICE OF TAKING DEPOSITION

SOUTHWEST EXPLORATION ASSO-)
CIATES, INC., an Arizona Cor-)
poration, et al,)

Defendants.)

TO: Defendants and their counsel of record.

YOU WILL PLEASE TAKE NOTICE that the Plaintiffs will take the deposition of RICHARD F. HEWLETT, on Tuesday, the 2nd day of June, 1981, at the hour of 10:00 a.m., at the LAW OFFICES OF KENNETH L. ALLEN, P.C., 239 North Church Avenue, Tucson, Arizona, 85701, and that said deposition will be taken by oral interrogatories of adverse party before a Notary Public qualified to administer oaths according to law.

DATED, April 28, 1981.

LAW OFFICES OF KENNETH L. ALLEN, P.C.

By KENNETH L. ALLEN
KENNETH L. ALLEN
239 North Church Avenue
Tucson, AZ 85701
Attorney for Plaintiffs

COPIES of the foregoing mailed, this
~~29th~~ day of April, 1981, to:

30th

1 JACK J. RAPPEPORT, ESQ.
2 205 North Bentley Avenue
3 Tucson, AZ 85716
4 Attorney for Dfdt. HEWLETT;

5 JAY KITTLE, ESQ.
6 509 Transamerica Building
7 Tucson, AZ 85701
8 Attorney for Dfdt. SEA and
9 SOUTHWEST EXPLORATION;

10 MR. JAMES A. BRISCOE
11 4500 E. Speedway, Suite 15
12 Tucson, AZ 85712

13 ARIZONA COURT REPORTING
14 614 Transamerica Building
15 Tucson, AZ 85701

16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32

Jean Janesch, CLA
Mrs. Jean Janesch, CLA

Index

April 1981 From: Corey & Kittle, April 13, 1981
 To: James A. Briscoe
 Re: Transmittal of communication from IRS requesting corporate tax return for year ended June 30, 1979

From: Internal Revenue Service, April 2, 1981
 To: Corey & Kittle
 Re: No record of receiving tax return from Hydromet

November 1980 Delinquent notice from IRS for Annual Report ending June 30, 1980

July 1980 From: Arizona Department of Economic Security, July 24, 1980
 To: SEA Hydromet
 Re: Edward Rice as claimant

From: Edward Rice, July 17, 1980
 To: Appeals Bureau
 Re: His feeling on judgment

September 1979 From: Chris Dodson, September 26, 1979
 To: James A. Briscoe
 Re: Memo - conversation with Pat Farrell regarding removal of Richard Hewlett from Austin Mining & Hydromet

From: Chris Dodson, September 11, 1979
 To: Corey & Kittle
 Re: Notice and Summons to SEA, Inc. - Writ of garnishment for Richard F. Hewlett, Mary Hewlett as plaintiff

Writ of Garnishment, Mary Hewlett as Plaintiff, Richard Hewlett as defendant

From: Chris Dodson, September 9, 1979
 To: James A. Briscoe
 Re: Memo - conversation with Jay Kittle re: stock issues

August 1979 To: Richard Hewlett
 From: James A. Briscoe
 Re: Draft letter to RFH regarding termination with attachment of Notice of Special Meeting of Shareholders of SEA Hydromet

Minutes of Special Meeting of Shareholders of SEA Hydromet, August 17, 1979

Waiver of Notice of Special Meeting of Board of Directors of SEA Hydromet, August 17, 1979

Minutes of Special Meeting of Board of Directors of SEA Hydromet, August 17, 1979

From: Mary Hewlett, August 13, 1979
 To: JAB
 Re: Her asking Mr. Rappeport to talk with JAB regarding Dick's situation

From: Chris, August 17, 1979
 To: JAB
 Re: Memo - Transmitting copy of notice to RFH on Shareholders Meeting & RFH's notice of termination

From: Chris, August 9, 1979
 To: JAB
 RE: Memo - TEW requesting payment to Robert Cowan for Cat rental - Jab reply to request capital from FAMCO

From: JAB, August 9, 1979
 To: Richard Cowan
 Re: Apology for late payment

From: JAB, August 9, 1979
 To: SEA Staff
 Re: Resignation of Richard Hewlett

From: James A. Briscoe, August 9, 1979
 To: Tom Schloss, Dwight Lee, FAMCO
 Re: Daily progress report, Tombstone, August 8, 1979, JAB
 trip to site, conference with Dusty Escapule,
 reorganization following termination of RFH

Record of checks written from account following receipt of
 \$5,000 from D. Lee

From: James A. Briscoe, August 8, 1979
 To: Tom Schloss, Dwight Lee & Dr. John Dean
 Re: Memo - transmittal of July summary report, project
 schedule, RFH termination, hiring of Al Waterson

Project Itinerary, Equipment Inventory, Man Hours on Escapule
 Geodesic Equipment, Man Hours on Tom Colvins Equipment from
 Dusty Escapule, August 8, 1979

From: James A. Briscoe, August 7, 1979
 To: RFH
 RE: Memo - receipt of keys etc.

From: James A. Briscoe, August 7, 1979
 To: RFH
 RE: Effective date of termination

Notice of Special Meeting of Shareholders of SEA Hydromet,
 August 7, 1979

From: James A. Briscoe, August 7, 1979
 To: Perry Durning, Fischer Watt Mining Co.
 Re: Apology for RFH metallurgical testing report

From: Perry Durning, August 6, 1979
 To: JAB
 Re: Dissatisfaction with RFH metallurgical testing report

Tombstone Daily Progress Report by RFH, August 7, 1979

From: RFH, August 6, 1979
 To: JAB
 Re: Denial of consultation contacts

From: RFH, August 6, 1979
 To: JAB
 Re: Durning report

Tombstone Daily Progress Report, by RFH, August 6, 1979

Tombstone Daily Progress Report, by RFH, August 4,5, 1979

Tombstone Daily Progress Report, by RFH, August 3, 1979

Tombstone Daily Progress Report, by RFH, August 2, 1979

Tombstone Daily Progress Report, by RFH, August 1, 1979

July 1979

Tombstone July Summary Report by RFH

From: Chris
 To: JAB
 Re: Reminder to decide on how to divide shares of stock

June 1979

From: JAB, June 23, 1979
 To: RFH
 Re: Conversation with Perry Durning re: lack of report,
 RFH's instructions to bookkeeping to bill him for \$1,000
 regardless of not having report

April 1979

From: Mary Hewlett, April 20, 1979
 To: JAB
 Re: Thank you letter for conversation

From: Corey & Kittle, April 17, 1979
 To: JAB
 Re: Issuance of common stock of SEA Hydromet

March 1979

Outer-office memo, March, 1979 - reminders

State Land Lease proposal, Clark Green, March 13, 1979

February 1979

From: Corey & Kittle, February 14, 1979
To: Arizona Corporation Commission
Re: Certificate of Disclosure for SEA Hydromet

From: Chris, February 14, 1979
To: JAB
Re: Acquiring telephone for SEA Hydromet

January 1979

From: Corey & Kittle, January 30, 1979
To: Arizona Corporation Commission
Re: Filing of Articles of Incorporation

From: Corey & Kittle, January 30, 1979
To: Chris
Re: Certificate of Disclosure to be signed by Jane Talley and Chris

Articles of Incorporation of SEA Hydromet, January 29, 1979

From: JAB, January 24, 1979
To: RFH
Re: Draft Agreement for formation of SEA Hydromet and signed Agreement

From: JAB, January 23, 1979
To: RFH
Re: Agreement with Dr. A. J. Greenbaum

From: RFH, January 22, 1979
To: Bill Hight, Tombstone Development Company
Re: Obtaining data from 71 Minerals via Ed Speer

JAB personal notes regarding deal with RFH

November 1978

Work application from RFH to James A. Briscoe

BYLAWS
of
SEA HYDROMET, INC.

ARTICLE I
OFFICES AND RECORDS

The principal office of the Corporation in the State of Arizona shall be located in the City of Tucson, County of Pima, in which place the Corporation shall keep its books, documents and records. The Corporation may have such other offices either within or without the State of Arizona as the Board of Directors may designate or as the business of the Corporation may require from time to time, and in such case, the Corporation may keep its books, documents and records at such designated offices.

ARTICLE II
SHAREHOLDERS

Section 1. Persons Constituting. The shareholders of this Corporation shall be the holders of one or more shares of the Corporation as shown by entry on the books of the Corporation.

Section 2. Place of Shareholders Meetings. All meetings of the shareholders shall be held at the place of business of the Corporation at Tucson, Pima County, Arizona, or at such other location as may be designated by the Board of Directors. The place at which any given meeting is to be held shall be specified in the notice of such meeting.

Section 3. Annual Meeting. The annual meeting of the shareholders of the Corporation shall be held at 10:00 a.m. on the third Tuesday of April of each year, if not a legal holiday, and if a legal holiday, on the next succeeding day not a legal holiday. The shareholders shall elect the directors of the Corporation and conduct such other business as they are authorized to transact at the annual meeting. Notice of the annual meeting shall be mailed to each shareholder as his address shall appear on the books of the Corporation, or at such address as shall have been given to the Corporation for the purpose of notice, not less than ten (10) nor more than fifty (50) days before the date of the meeting. A full statement of the condition of the Corporation shall be made by the president at the annual meeting of the shareholders.

Section 4. Special Meetings. Special meetings of the shareholders of the Corporation may be called by the President of the Corporation or by a majority of the members of the Board of Directors, and shall be called by the President on the written

request of the holders of not fewer than one-tenth of all the shares entitled to vote at the meeting. Notice of each special meeting, indicating briefly the purpose or purposes therefor, shall be given in the same manner as the notice of annual meetings. Special meetings may be held either at the principal office of the Corporation or at any other place within or without the State of Arizona which may be designated by the Board of Directors, or which shall be agreed to, before or after such meeting.

Section 5. Fixing Date for Determination of Shareholders of Record. For the purpose of determining shareholders entitled to notice of or to vote at any meeting of the shareholders or any adjournment thereof, or shareholders entitled to receive payment for any dividend, or in order to make a determination of shareholders for any other proper purpose, the Board of Directors of the Corporation may fix, in advance, a record date, which shall not be more than sixty nor less than ten days before the date of such meeting, nor more than sixty days prior to any other action. If no record date is so fixed, then the record date for determining shareholders entitled to notice of or to vote at a meeting of shareholders shall be at 4:00 in the afternoon on the day before the day on which notice is given, or if notice is waived, at the commencement of the meeting.

Section 6. Voting Record. The officer or agent having charge of the stock transfer books for shares of the Corporation shall make, at least ten days before each meeting of shareholders, a complete record of the shareholders entitled to vote at such meeting or any adjournment thereof, arranged in alphabetical order, with the address of and the number of shares held by each. Such record shall be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any shareholder during the whole time of the meeting for the purposes thereof.

Section 7. Quorum. A majority of the shares entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders. All shares represented and entitled to vote on any single subject matter which may be brought before the meeting shall be counted for the purposes of a quorum. Only those shares entitled to vote on a particular subject matter shall be counted for the purposes of voting on that subject matter. If the holders of an amount of shares necessary to constitute a quorum shall fail to attend a meeting, in person or by proxy, a majority in interest of the shareholders present, in person or by proxy, may adjourn the meeting until holders of the amount of shares requisite to constitute a quorum shall attend. At such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally called. In the case of adjournment for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, notice of the adjourned meeting shall be given to each shareholder of record entitled to vote at the meeting.

Section 8. Voting of Shares. At all meetings of the shareholders, a shareholder may vote either in person or by proxy executed in writing by the shareholder or by his duly

authorized attorney-in-fact. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy. Subject to the provisions of Section 9 of this Article II, each outstanding share entitled to vote shall be entitled to one vote upon each matter submitted to a vote at a meeting of shareholders.

Section 9. Cumulative Voting. At each election for directors, every shareholder entitled to vote at such election shall have the right to vote, in person or by proxy, the number of shares owned by him for as many persons as there are directors to be elected and for whose election he has a right to vote, or to cumulate his votes by giving one candidate as many votes as the number of such directors multiplied by the number of his shares shall equal, or by distributing such votes on the same principal among any number of candidates.

Section 10. Informal Action by Shareholders. Any action required to be taken at a meeting of the shareholders, or any other action which may be taken at a meeting of the shareholders, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the shareholders entitled to vote with respect to the subject matter thereof. Such consent shall have the same effect as a unanimous vote of shareholders.

Section 11. Waiver of Notice. Whenever, under the provisions of these Bylaws, any notice is required to be given, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE III

BOARD OF DIRECTORS

Section 1. Powers, Number, Qualifications and Election. The business and affairs of the Corporation shall be conducted by the Board of Directors who shall number no less than one (1) nor more than ten (10) and until changed at an annual or special meeting of the shareholders, shall number two (2). The directors need not be residents of the State of Arizona nor shareholders of the Corporation and shall be elected at the annual meeting of the shareholders to serve until the next annual meeting of shareholders and until their successors have been elected and qualified.

Section 2. Regular Meetings. Immediately following each annual meeting of the shareholders, the Board of Directors shall hold a regular meeting for the election of officers, and such other business as they deem appropriate. No notice of such meeting need be given.

Section 3. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any director. The person or persons authorized

to call a special meeting of the Board of Directors may fix any place, either within or without the State of Arizona, as the place for holding any special meeting of the Board of Directors called by them. Notice of any special meeting shall be given at least five (5) days previously thereto by written notice delivered personally or mailed to each director at his business address, or by telegram. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

Section 4. Quorum. A majority of the number of directors then serving shall constitute a quorum for the transaction of business. In no case shall less than one-third of the number of directors then serving nor less than two directors constitute a quorum, except that when a Board of one Director is authorized, then one Director shall constitute a quorum. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. If less than a majority of directors is present at a meeting, a majority of the directors then present may adjourn the meeting from time to time without further notice.

Section 5. Resignation of Director. Any director may resign his office at any time, such resignation to be made in writing and to take effect from the time of its receipt by the Corporation, unless the time be fixed in the resignation, and in such case it will take effect from said date. The acceptance of the resignation shall not be required to make it effective.

Section 6. Removal of Directors. At a meeting of shareholders called expressly for that purpose, any director or the entire Board of Directors may be removed, with or without cause, by a vote of the holders of a majority of the shares then entitled to vote at any election of directors.

Section 7. Vacancies. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors, though not less than a quorum, or by a sole remaining director, and any director so chosen shall hold office until the next election of directors when his successor is elected and qualified. Any newly created directorship shall be deemed a vacancy. If the Board of Directors accepts the resignation of a director to take effect at a future time, it shall have the power to elect a successor to take office when the resignation becomes effective. In such case, the director so resigning shall not vote regarding the election of such successor director. No reduction in the authorized number of directors shall have the effect of removing a director prior to the expiration of his term of office.

Section 8. Compensation. By Resolution of the Board of Directors, the directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors, and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as director. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

Section 9. Informal Action by Directors. Any action required to be taken at a meeting of the directors, or any action which may be taken at a meeting of the directors, may be taken without a meeting if all directors consent thereto in writing, setting forth the action so taken. Any action so taken shall be deemed taken by Resolution of the Board of Directors by a unanimous vote.

Section 10. Waiver of Notice. Whenever, under the provisions of these Bylaws, any notice is required to be given, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE IV

OFFICERS

Section 1. Number. The officers of the Corporation shall consist of a President, one or more Vice-Presidents, the number thereof to be determined by Resolution of the Board of Directors, a Secretary, and a Treasurer, each of whom shall be elected by the Board of Directors at such time and in such manner as may be prescribed by these Bylaws. Such other officers and assistant officers and agents as may be deemed necessary may be elected or appointed by the Board of Directors or chosen in such other manner as may be prescribed by the Bylaws. Any two or more offices may be held by the same person, except the offices of President and Secretary.

Section 2. Election and Term of Office. The officers of the Corporation shall be elected annually by the Board of Directors at the first meeting of the Board of Directors after each annual meeting of shareholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be possible. Each officer shall hold office until his successor shall have been duly elected and shall have qualified or until his death, resignation or removal in the manner prescribed in these Bylaws.

Section 3. Removal of Officer. Any officer or agent of the Corporation may be removed by the Board of Directors whenever in its judgment the best interests of the Corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

Section 4. Resignation of Officer. Any officer may resign his office at any time, such resignation to be made in writing and to take effect from the time of its receipt by the Corporation, unless a time be fixed in the resignation, in which case said resignation shall take effect from that date. The acceptance of the resignation shall not be required to make it effective.

Section 5. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, shall be filled by the Board of Directors for the unexpired portion of the term.

Section 6. President. The President shall preside at all meetings of the shareholders and of the directors of the Corporation. The President may sign and execute all authorized contracts, checks, or other instruments or obligations in the name of the Corporation and, with the Secretary or an Assistant Secretary, may sign all certificates of stock of the Corporation. Subject to the decision of the Board of Directors, the President shall be in general charge of the property, business and affairs of the Corporation, and shall perform such additional duties and have such additional powers as may be assigned to him by the Board of Directors.

Section 7. Vice-President. Each Vice-President of the Corporation shall have such powers and perform such duties as may be assigned to him from time to time by the Board of Directors or as may be delegated to him by the President, including signing certificates of stock of the Corporation. Each Vice-President shall possess the powers, and may perform the duties, of the President in his absence or disability unless otherwise proscribed by the Board of Directors. In the event there may be more than one Vice-President, the Vice-President in the order of the election thereof shall possess the powers, and may perform the duties, of the President in his absence.

Section 8. Secretary. The Secretary shall keep a record in due form of the proceedings of all meetings of the shareholders, the directors and of all committees of the Board of Directors. The Secretary shall give all notices of the Corporation. All books, papers, stock registers and correspondence shall be kept in the office of the Corporation and except as the same may be specifically placed in the custody of the Treasurer, shall be in the Secretary's charge and kept available for inspection by any member of the Board of Directors. The Secretary and/or Assistant Secretary, with the President or a Vice-President, may sign all certificates of stock and sign in the name of the Corporation such contracts as shall be authorized by the Board of Directors. The Secretary shall have such other duties and powers as may be assigned from time to time by the Board of Directors. The Board of Directors may appoint one or more Assistant Secretaries, each of whom shall have such powers and shall perform such duties as shall be assigned by the Board of Directors or the President of the Corporation.

Section 9. Treasurer. The Treasurer shall keep a record of all monies received and paid out and all vouchers and receipts of the Corporation. The Treasurer shall be in general charge of all valuables, checks, and papers belonging to the Corporation except those under the control of the Secretary. The Treasurer shall have such other duties and powers as may be assigned from time to time by the Board of Directors. The Board of Directors may appoint one or more Assistant Treasurers, each of whom shall have such powers and perform such duties as may be assigned by the Board of Directors or the President of the Corporation.

Section 10. Delegation of Officers' Powers and Duties. In case of the temporary absence of any officer of the Corporation or for any other reason that the Board of Directors may deem sufficient, the Board of Directors may delegate the powers and

duties of such officer to any other officer or to any director for the time specified, provided a majority of the entire Board of Directors concur therein.

Section 11. Salaries. The salaries of the officers, employees and agents of the Corporation, who are elected or appointed by the Board of Directors, shall be fixed from time to time by the Board of Directors and no officer, employee or agent shall be prevented from receiving such salary by virtue of the fact that he is also a director of the Corporation.

ARTICLE V

FISCAL YEAR

The fiscal year of the Corporation shall be as fixed by the Board of Directors.

ARTICLE VI

DEPOSITORIES

The Board of Directors, from time to time, may select one or more banks or other financial institutions as depositories of the funds of the Corporation and may direct withdrawals at its pleasure.

ARTICLE VII

CERTIFICATES OF STOCK

Certificates of the Shares of the Corporation shall be numbered consecutively and a record of each shall be made as issued. Each certificate shall set forth the holder's name, the number of shares and shall be signed by the President or a Vice-President and countersigned by the Secretary or Assistant Secretary. Transfer of shares shall be made only on the books of the Corporation and the possession of a certificate of stock (as between the holder and the Corporation) shall not be regarded as vesting any ownership in any person other than the registered owner until transfer thereof is duly made on the books of the Corporation by the holder in person or by his attorney-in-fact. The Board of Directors shall have the power and authority to make such rules and regulations as it may deem expedient, concerning the issue and transfer of certificates of shares of the Corporation.

ARTICLE VIII

STOCK TRANSFER LEDGER

The stock transfer ledger of the Corporation shall close for ten (10) days previous to any regular meeting of the shareholders and for ten (10) days previous to the date of payment of any dividend, the allotment of rights or the exchange or

conversion of Stock. During such period, no shares shall be transferable and the list of the shareholders, as shown by the books of the Corporation at the time of the closing of the books, shall determine who shall be entitled to notice, to vote, or to receive dividends or other rights or distributions.

ARTICLE IX

DIVIDENDS

The Board of Directors of the Corporation may, from time to time, declare and the Corporation may pay dividends in cash, property, or its own shares, except when the Corporation is insolvent or when the payment thereof would render the Corporation insolvent or when the declaration or payment thereof would be contrary to any restriction contained in the Articles of Incorporation.

ARTICLE X

CORPORATE SEAL

The Board of Directors shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Corporation, the state of incorporation, the words "Corporate Seal" and the year of incorporation.

ARTICLE XI

INDEMNIFICATION

Indemnification of any person who incurs expenses by reason of the fact that he or she is or was an officer, director, employee or agent of the corporation shall occur in the manner provided for indemnification in the Arizona Business Corporation Act.

ARTICLE XII

AMENDMENTS

Subject to the Articles of Incorporation, the Board of Directors shall have the power to make, alter, amend, or repeal the Bylaws of the Corporation by a vote of a majority thereof. A majority of the shareholders of the Corporation may make, alter, amend and repeal the Bylaws of the Corporation at any annual or special meeting called for such purpose and all Bylaws made by the directors may be altered or repealed by the shareholders at such meeting.

File: Tombstone TEI vs SEA Note Book

Secret objectives List

- 1. ~~Get~~ Get quit claim deed for all current state land held by SEA Tomb: S. I, or other entities.
- Will remove that portion of the monies from bill.

2.

Strategy

1. France

A. Counter sue for failure to perform on Escudon - FOD Ranch

& Robbers

B. Failure to Act on RR or F.R. indicates France on this part.

2. They haven't kept their share of the operation begin as operators

A. no proposed operating plans
Development

B. no budget

C. no monthly reports

COPY

June 1, 1981

McKesson Chemical Company
2875 N Flowing Wells
Tucson, AZ 85703

Attn: Shirley

RE: Invoice #00249
Invoice Date 2/18/81
Amount \$12.63
Account L4-79062

Dear Shirley:

Have tried to call you a couple of times regarding this bill.

The transaction date for the invoice is supposedly 2/18/81. The problem is that SEA Hydromet has transacted no business for almost two years so we are at a loss as to just what "merchandise" this invoice is for.

Back in 1979, SEA Hydromet was an active corporation working with the Tombstone Exploration Company but that relationship was terminated in October of 1979.

If you would, please, when you get a chance, let me know what you can dig up on this. If it was, in fact, merchandise maybe we can clear it up by determining what was charged and where it went.

Thanks much for your help.

I will look forward to hearing from you.

Sincerely,

Mardee A. Stewart



McKesson Chemical Company
Foremost-McKesson
Chemical Group

Statement of Account

L4-79062

Date

APRIL 30, 1981

MCKESSON CHEMICAL COMPANY
2875 N FLOWING WELLS
TUCSON ARIZ 85703

PLEASE REMIT TO --
MCKESSON CHEMICAL CO.
LOCK BOX 80129
LOS ANGELES CA 90080

SEA HYDROMET THL
4500 E SPEEDWAY
SUITE 14
TUCSON AZ 85712

Transaction Date	Purchase Order or Check Number	Description	Amount
02/18/81		INV. 00249 MERCHANDISE	12.63

RECEIVED MAY 28 1981 REVIEWED

MAY 28 1981

By

Current Balance

0.00

Past Due Balance

12.63

Total Balance Due

12.63

REFER TO ACCOUNT L4-79062 ON YOUR REMITTANCE.

PAGE 1 OF 1

Attach duplicate copies of invoices and/or credit memos to your remittance

FOREMOST
MCKESSON

MCKESSON CHEMICAL COMPANY
TUCSON ARIZ 85703

2875 N FLOWING WELLS

McKesson Chemical Company

Foremost-McKesson
Chemical Group
PHONE 602 622-3613

APRIL 24, 1981

ACCOUNT NO. L4-79062



SEA HYDROMET THL
4500 E SPEEDWAY
SUITE 14
TUCSON AZ 85712

ACCOUNTS PAYABLE DEPARTMENT,

YOUR ACCOUNT REFLECTS THE FOLLOWING OVERDUE TOTAL AS OF
THIS WRITING,

INVOICE DATE	PURCHASE ORDER	INVOICE NO.	AMOUNT
02/18/81		00249	\$12.63

IT IS TO OUR MUTUAL ADVANTAGE TO HAVE YOUR ACCOUNT ON A
CURRENT BASIS IN LINE WITH TERMS OF PAYMENT. WILL YOU
REMIT NOW FOR THE OVERDUE AMOUNT.

PLEASE SEND YOUR REMITTANCE TO THE LOCKBOX SHOWN ON YOUR
STATEMENT/INVOICE AND PLEASE BE SURE TO INCLUDE YOUR
ACCOUNT NUMBER AND THE INVOICE NUMBER ON YOUR REMITTANCE.

IF YOUR CHECK FOR THE ITEMS LISTED ABOVE IS IN THE MAIL,
PLEASE DISREGARD THIS NOTICE.

BRANCH CREDIT DEPARTMENT

MCKESSON CHEMICAL COMPANY
TUCSON ARIZ 85703

2875 N FLOWING WELLS

McKesson Chemical Company

Foremost-McKesson
Chemical Group
PHONE 602 622-3613

MAY 11, 1981

Del. 1979

ACCOUNT NO. L4-79062

RECEIVED MAY 14 1981



**MCKESSON
CHEMICAL**

SEA HYDROMET THL
4500 E SPEEDWAY
SUITE 14
TUCSON AZ 85712

ACCOUNTS PAYABLE DEPARTMENT,

YOU WILL RECALL OUR RECENT REMINDER THAT YOUR ACCOUNT WAS
PAST DUE. PERHAPS YOUR CHECK IS ALREADY ENROUTE.

IF NOT, DUE TO THE AGE OF THIS INDEBTEDNESS, PROMPT PAYMENT
IS ESSENTIAL. YOUR COOPERATION IN REMITTING NOW FOR THE
FOLLOWING OVERDUE ITEM S WILL BE APPRECIATED.

INVOICE DATE	PURCHASE ORDER	INVOICE NO.	AMOUNT
02/18/81		00249	\$12.63

SEND YOUR REMITTANCE TO MCKESSON CHEMICAL COMPANY TO THE
LOCKBOX SHOWN ON YOUR STATEMENT OR INVOICE.

BE SURE TO LIST YOUR ACCOUNT NUMBER AND INVOICES BEING
PAID ON YOUR CHECK SO THAT YOU WILL RECEIVE PROPER CREDIT
FOR YOUR PAYMENT.

BRANCH CREDIT DEPARTMENT

Arizona Court Reporting

RONALD L. LUNSFORD

177 NORTH CHURCH AVENUE
TRANSAMERICA BUILDING
TUCSON, ARIZONA 85701
TELEPHONE (602) 623-3375

DEPOSITIONS
STATEMENTS
GENERAL REPORTING

REVIEWED

JUL 6 1981

By AP very briefly

June 12, 1981

Re: Tombstone Exploration, Inc. -v-
Southwest Exploration Ass., Inc.
Case No. 188423
DEPOSITION OF: RICHARD F.
HEWLETT Taken June 2, 1981

Dear Mr. Rappeport,

The deposition in the above-captioned case, taken on June 2, 1981, is prepared and available to be read and signed in our office by your client.

We are located at 177 North Church Avenue and are open Monday through Friday between the hours of 8:30 a.m. and 5:00 p.m.

We would appreciate it if you would take care of this as soon as possible since the original transcript must be filed with the Court. If the deposition is not signed by your client within 32 days from the date of your receipt of this letter, we are required to file it with the Court along with a statement as to the reason, if any, that you did not sign it.

Any changes in the form or substance which your client desires to make on this deposition can be made at our office and they will be entered upon the deposition along with a statement of the reasons given by them for making such changes.

Very truly yours,

TOMBSTONE
LEGAL

COREY & KITTLE, P. C.
ATTORNEYS AT LAW

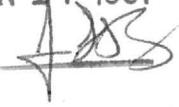
BARRY M. COREY
JAY S. KITTLE
PATRICK J. FARRELL
ALLAN D. BOGUTZ

SUITE 509 TRANSAMERICA BUILDING
177 NORTH CHURCH AVENUE
TUCSON, ARIZONA 85701
(602) 882-4994

June 12, 1981

REVIEWED

JUN 17 1981

By 

Mr. James A. Briscoe
Rincon Country Trailer Village #398
8989 East Escalante Road
Tucson, Arizona 85730

Re: Tombstone Exploration, Inc., v.
Southwestern Exploration
Associates, Inc.

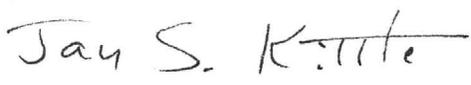
Dear Jim:

Enclosed herewith is a copy of a letter dated June 9, 1981,
we received from Ken Allen setting forth the "settlement offer"
from his client.

Unless you have changed your thinking completely, I believe you
will find this offer has no attractive features whatsoever.

Sincerely yours,

COREY & KITTLE, P. C.

 (SR)
Jay S. Kittle

JSK:SR

Enclosure

RECEIVED JUN 11 1981

LAW OFFICES OF KENNETH L. ALLEN, P.C.

KENNETH L. ALLEN
XXXXXXXXXXXXXXXXXX

239 NORTH CHURCH AVENUE
TUCSON, ARIZONA 85701

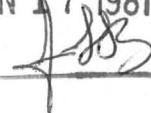
AREA CODE 602
TELEPHONE 624-1757

June 9, 1981

Mr. Jay S. Kittle
Attorney at Law
509 Transamerica Building
Tucson, AZ 85701

REVIEWED

JUN 17 1981

By 

Mr. Jack J. Rappeport
Attorney at Law
205 North Bently Avenue
Tucson, AZ 85716

Re: T.E.I. v. S.E.A.

Gentlemen:

In light of the discovery which has been done in this case, it has become painfully apparent to me that neither S.E.A., Briscoe or Hewlett have any financial means by which I could collect on behalf of my client any damages in the above-referenced case. It is apparent that the only item left to be resolved by litigation in this case is the determination of interests in the property of the respective parties.

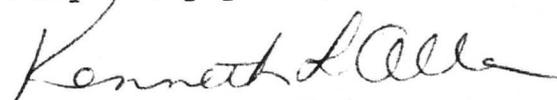
In an attempt to settle this litigation without further costs or expenses to anyone, I have been authorized to offer both defendants the following:

The interest, if any, of Hewlett, Briscoe and S.E.A. and any of the S.E.A. sub-corporations in and to the property involved in this litigation owned by Tombstone Enterprises Corporation be conveyed to T.E.I. in exchange for complete mutual releases from each party to the other.

A mutually executed dismissal of all lawsuits and claims against the respective parties, each party to bear their own costs and attorneys' fees.

This offer will remain open for thirty (30) days and expire by its own terms on July 6, 1981. If this offer is not accepted by said time, I assure you that my client will proceed on this matter vigorously and through all avenues to its conclusion.

Very truly yours,


KENNETH L. ALLEN

KLA:jj

James A. Briscoe & Associates

Exploration Consultants:
Base and Precious Metals
Uranium, Oil, Gas & Coal

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist - Landman

June 19, 1981

Jay S. Kittle, Esq.
Corey & Kittle, P.C.
Suite 509 Transamerica Bldg.
177 North Church Avenue
Tucson, AZ 85701

Re: Tombstone Exploration, Inc., vs. Southwestern Exploration
Associates, Inc.

Dear Jay:

As you suspected in your letter transmitted June 12, regarding
the offer settlement from T.S.I., their offer "has no attractive
features whatsoever".

Please transmit to them that the period of thirty days is
excessive. My negative decision was reached in the thirty
seconds it took to scan the letter.

Sincerely,

James A. Briscoe

JAB:mas

COREY & KITTLE, P. C.

ATTORNEYS AT LAW

BARRY M. COREY
JAY S. KITTLE
PATRICK J. FARRELL
ALLAN D. BOGUTZ

SUITE 509 TRANSAMERICA BUILDING
177 NORTH CHURCH AVENUE
TUCSON, ARIZONA 85701
(602) 882-4994

June 23, 1981

Mr. James A. Briscoe
Rincon Country Trailer Village #398
8989 East Escalante Road
Tucson, Arizona 85730

Re: Tombstone Exploration, Inc., vs.
Southwestern Exploration
Associates, et al.

Dear Jim:

Enclosed herewith for your files is a copy of Dick Hewlett's deposition taken on June 2, 1981.

As in the past, I would suggest that you keep this in a notebook with the other litigation materials we are assembling. At this point in time, I think it would be a bad mistake for us to follow any other approach than preparing for protracted litigation.

Please give me a call if you have any questions.

Sincerely yours,

COREY & KITTLE, P. C.



Jay S. Kittle

JSK:SR

Enclosure



First Interstate Bank of Arizona, N.A.
STATEMENT OF ACCOUNT

If you have any questions about pre-authorized credits, or if you have any questions, or problems with your statement, please notify Bookkeeping at

UNIVERSITY MEDICAL OFFICE
P O BOX 41960 TUCSON AZ

792-5084
85717

0 ENCLOSURES

095
S E A HYDROMET INC
4500 E SPEEDWAY SUITE 14
TUCSON AZ

ACCOUNT NO 952-06818

85712

⑆555525250⑆

25

PLEASE DETACH AND RETURN THIS PORTION OF THE STATEMENT WHEN MAKING CREDIT RESERVE PAYMENT

CHECKING ACCOUNT SUMMARY 952-06818

PREVIOUS BALANCE	MAR 16, 1981	.00
0 DEPOSITS (+)		.00
0 CHECKS (-)		.00
0 OTHER DEDUCTIONS (-)		.00
SERVICE CHARGE (-)		.00
ENDING BALANCE	JUNE 24, 1981	.00

COREY & KITTLE, P.C.

ATTORNEYS AT LAW

BARRY M. COREY
JAY S. KITTLE
PATRICK J. FARRELL
ALLAN D. BOGUTZ

SUITE 509 TRANSAMERICA BUILDING
177 NORTH CHURCH AVENUE
TUCSON, ARIZONA 85701
(602) 882-4994

June 29, 1981

REVIEWED

JUL 2 1981

By 

Kenneth L. Allen
Attorney at Law
239 North Church Avenue
Tucson, Arizona 85701

Re: Tombstone Exploration, Inc.,
vs. Southwestern Exploration
Associates, Inc.

Dear Ken:

I have been advised by Jim Briscoe that the terms of settlement set forth in your letter of June 9, 1981, are not acceptable.

Sincerely yours,

COREY & KITTLE, P. C.

Jay S. Kittle

JSK:SR

cc: James A. Briscoe

TOMBSTONE EXPLORATION, INC.
AND AFFILIATED COMPANY

COMBINED FINANCIAL STATEMENTS
with
REPORT OF CERTIFIED PUBLIC ACCOUNTANTS
YEAR ENDED DECEMBER 31, 1981

REVIEWED

JUN 22 1983

By

[Handwritten Signature]

CONTENTS

	<u>Page</u>
Report of Certified Public Accountants	1
Financial statements:	
Combined balance sheet	2
Combined statement of:	
Operations	3
Changes in stockholders' equity	4
Changes in financial position	5
Notes to combined financial statements	6

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
Tombstone Exploration, Inc. and
Chrysaor Laboratories, Inc.
New York, New York

We have examined the combined balance sheet of Tombstone Exploration, Inc. and Chrysaor Laboratories, Inc. (the Company) as of December 31, 1981 and the related statements of operations, changes in stockholders' equity (deficit) and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The aforementioned financial statements have been prepared on the basis of the continuation of the Company as a going concern. The Company has operated at a loss since incorporation. The realization of assets and the continuation of the Company as a going concern are dependent upon future profitable operations or, in the event profitable operations are not achieved, upon the Company's ability to obtain additional financing.

In our opinion, subject to the matters referred to in the preceding paragraph, the aforementioned financial statements present fairly the financial position of the Company as of December 31, 1981, and the results of its operations and changes in its stockholders' equity (deficit) and financial position for the year then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

New York, New York
August 13, 1982, except for
Note 8(b) which is as of
October 1, 1982

Fox & Company

TOMBSTONE EXPLORATION, INC.
AND AFFILIATED COMPANY

COMBINED BALANCE SHEET

December 31, 1981

ASSETS

Current assets:

Cash	\$ 80,217
Accounts receivable	8,030
Inventories (Note 2)	311,712
Other	<u>27,559</u>

Total current assets 427,518

Property and equipment, at cost (Notes 1 and 3):

Mining equipment	1,497,564
Leasehold	1
Building	34,173
Leasehold improvements	40,466
Equipment	72,707
Equipment under capital lease	<u>476,185</u>

Less accumulated depreciation and amortization 2,121,096
273,450

1,847,646

Other assets:

Deferred mine development costs (Note 1)	260,966
Reprocessible material (Note 1)	1
Deposits	<u>7,378</u>

268,345

\$2,543,509

The accompanying notes are an integral part
of the financial statements.

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:	
Accounts payable	\$ 157,157
Accrued expenses	357,766
Current portion of long-term debt (Note 4)	283,704
Notes payable - other	50,000
Current portion of capitalized lease obligation (Note 3)	<u>49,914</u>
Total current liabilities	<u>898,541</u>
Long-term debt (Note 4)	<u>451,673</u>
Capitalized lease obligation (Note 3)	<u>321,201</u>
Notes payable - stockholders (Note 5)	<u>3,700,190</u>
Notes payable - other (Note 5)	<u>215,000</u>
Commitments and contingencies (Note 6)	<u>-</u>
Stockholders' equity (deficit):	
Tombstone Exploration, Inc.:	
Common stock, \$.001 par value (Note 7):	
Authorized - 4,000,000 shares	
Issued - 1,199,525 shares	1,199
Chrysaor Laboratories, Inc.:	
Common stock, no par value:	
Authorized - 200 shares	
Issued - 100 shares	10,000
Capital in excess of par value	132,639
Deficit	<u>(3,186,934)</u>
	<u>(3,043,096)</u>
	<u>\$ 2,543,509</u>

TOMBSTONE EXPLORATION, INC.
AND AFFILIATED COMPANY

3

COMBINED STATEMENT OF OPERATIONS

Year ended December 31, 1981

Revenue:	
Net sales	\$ 2,220,031
Other income	<u>36,768</u>
	<u>2,256,799</u>
Costs and expenses:	
Divisional:	
Crushing	360,436
Mining	1,507,207
Plant	374,329
Smelting	149,884
Testing	128,588
Depreciation and amortization	212,377
Interest expense, including \$541,733 relative to stockholder notes payable	748,426
Royalty expense	90,000
General and administrative	<u>872,383</u>
	<u>4,443,630</u>
Net loss	<u><u>\$(2,186,831)</u></u>

The accompanying notes are an integral part
of the financial statements.

TOMBSTONE EXPLORATION, INC.
AND AFFILIATED COMPANY

COMBINED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

	Common Stock		Capital in excess of par value	Accumulated deficit
	<u>\$.01 par value Shares</u>	<u>\$.001 par value Value</u>		
Balance at January 1, 1981	4,800	\$48	\$ 99,952	\$(1,000,103)
Net loss for the year ended December 31, 1981				(2,186,831)
Recapitalization - exchange of one share of \$.01 par value common stock for one share of \$.001 par value common stock	(4,800)	(48)	4,800 \$ 5 43	
Recapitalization - 3 for 1 stock split			9,600 10 (10)	
Issuance of common stock in connection with stock- holder notes payable and guarantees (Note 5)			1,177,625 1,177	
Sale of common stock			7,500 7 29,993	
Capitalization of debt to principal stockholder				2,661
	<u>-</u>	<u>\$ -</u>	<u>1,199,525</u> <u>\$1,199</u>	<u>\$132,639</u> <u>\$(3,186,934)</u>

The accompanying notes are an integral part
of the financial statements.

TOMBSTONE EXPLORATION, INC.
AND AFFILIATED COMPANY

5

COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION

Year ended December 31, 1981

Financial resources were applied to:

Net loss	\$2,186,831
Items not affecting working capital:	
Depreciation and amortization	(212,377)
Amortization of mine development costs	(58,764)
Gain on insurance recovery	12,918
Loss on sale of fixed assets	<u>(2,686)</u>
Working capital applied to operations	1,925,922
Purchase of equipment	1,017,046
Mine development costs incurred	17,624
Reduction of long-term debt	262,057
Reduction of capitalized lease obligation	69,984
Reduction of notes payable - other	<u>10,000</u>
	<u>3,302,633</u>

Financial resources were provided by:

Proceeds from sale of fixed assets	42,500
Proceeds from insurance recovery on fixed assets destroyed	97,453
Decrease in deposits	22,354
Issuance of long-term debt	312,502
Increase in capitalized lease obligation	391,185
Increase in notes payable - stockholders	2,013,005
Increase in notes payable - other	125,000
Issuance of common stock	31,177
Capitalization of debt to stockholder	2,661
Other, net	<u>2,712</u>
	<u>3,040,549</u>

Decrease in working capital	<u>\$ 262,084</u>
-----------------------------	-------------------

Decrease (increase) in elements of working capital:

Cash	\$ (43,277)
Inventory	(191,596)
Accounts receivable	(8,030)
Other current assets	(12,210)
Accounts payable	81,055
Accrued expenses	298,011
Current portion of long-term debt	38,217
Notes payable - other	50,000
Current portion of capitalized lease obligation	<u>49,914</u>

Decrease in working capital	<u>\$ 262,084</u>
-----------------------------	-------------------

The accompanying notes are an integral part
of the financial statements.

TOMBSTONE EXPLORATION, INC.
AND AFFILIATED COMPANY

6

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 1981

1. Summary of significant accounting policies

This summary of significant accounting policies of Tombstone Exploration, Inc. and an affiliate, Chrysaor Laboratories, Inc. (the "Company") is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management, which is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Business activity

The Company was formed in April 1979 for the purpose of mining and processing precious metals.

Principles of combination

The combined financial statements include the accounts of Tombstone Exploration, Inc. and an affiliated company, Chrysaor Laboratories, Inc. The latter, owned by the principal shareholders of Tombstone, conducts smelting operations and provides administrative services for Tombstone. Intercompany accounts and transactions have been eliminated in combination.

Inventories

Work in process inventories consist of mid-grade ore and slag. Mid-grade ore is valued at the lower of cost, determined on a relative sales value basis, or net realizable value. Slag is valued at net realizable value.

Finished goods inventory, consisting of available gold and silver bullion, is valued at market.

Property and equipment

Property and equipment are carried at cost. Maintenance, repairs and betterments which neither materially add to the value of the property nor appreciably prolong its life are charged to expense as incurred. Gains or losses on dispositions of property and equipment are included in income.

Depreciation and amortization

Depreciation and amortization of property and equipment are provided on the straight-line method over the following estimated useful lives:

	<u>Years</u>
Mining equipment	3-10
Building	10
Leasehold improvements	3- 5
Equipment	3- 5
Equipment under capital lease	15

Leasehold improvements are amortized over the lesser of the useful life of the asset or term of the lease.

Income taxes

The Company has elected to be taxed under the Subchapter S provisions of the Internal Revenue Code. As a result, losses incurred and tax credits generated from inception to December 31, 1981 have been allocated to the stockholders. If the Subchapter S election had not been made, the Company would have had operating loss carryforwards aggregating \$2,980,791 and investment tax credits aggregating \$212,445, both of which would have expired in the years 1994 through 1996.

Deferred mine development costs

Mine developmental activities consisting of road building, construction of leaching pads and solution ponds, and removing of overburden have been deferred and are being amortized over the economic life of the mine, estimated by the Company to be five years.

Reprocessible material

The reprocessible material, consisting of a Composite Heap and washplant ore, has been processed but may be subjected to further processing that will yield additional revenues. It is not practical for the Company to determine the amount or the timing of revenues that may be realized and, accordingly, such amounts are not reflected in the financial statements.

2. Inventories

Inventories at December 31, 1981 consist of the following:

Gold and silver dores	\$141,132
Work in process - slag	31,795
Work in process - mid-grade ore	<u>138,785</u>
	<u>\$311,712</u>

3. Capital lease

Equipment under capital lease as of December 31, 1981 consists of the following:

Mining equipment	\$476,185
Less accumulated amortization	<u>23,810</u>
	<u>\$452,375</u>

The following is a schedule of future minimum rental payments under the capital lease:

Year ending December 31:

1982	\$117,449
1983	117,449
1984	117,449
1985	117,449
1986	<u>99,411</u>
Total minimum lease payments	569,207
Less amounts representing interest	<u>198,092</u>
Present value of minimum lease payments	371,115
Less current portion	<u>49,914</u>
	<u>\$321,201</u>

The lease is guaranteed by certain stockholders.

4. Long-term debt

Long-term debt as of December 31, 1981 consists of the following notes that are collateralized by mining equipment. Certain notes have installments that are past due.

<u>Note due</u>	<u>Interest rate</u>	<u>Monthly installment</u>	<u>Amount due</u>		
			<u>Total</u>	<u>Current</u>	<u>Long-term</u>
1984	13%	\$3,942	\$105,991	\$ 51,835	\$ 54,156
1984	21%	4,427	102,641	41,328	61,313
1986	17.27%	5,301	183,626	37,087	146,539
1984	21.3%	5,835	144,513	47,343	97,170
1984	13.25%	5,175	149,143	73,735	75,408
1982-1984 (a)	13%-14.6%	3,016	<u>49,463</u>	<u>32,376</u>	<u>17,087</u>
			<u>\$735,377</u>	<u>\$283,704</u>	<u>\$451,673</u>

(a) - various notes.

Maturities of long-term debt are as follows:

Year ending December 31:

1982	\$283,704
1983	247,549
1984	148,313
1985	<u>55,811</u>
	<u>\$735,377</u>

5. Notes payable - stockholders and others

The Company is obligated to certain stockholders for notes due in 1990. Interest is payable at 1% above the prime rate. Interest payable at December 31, 1981 of \$548,877 is reflected in notes payable - stockholders because it was subsequently converted to a note payable due in 1990.

Notes payable - other are payable to relatives of certain stockholders, bear interest at the prime rate and become due in late 1983.

6. Commitments and contingencies

On February 7, 1979, the Company and the Austin Exploration & Mining Corporation (Austin) entered into an agreement to lease from Tombstone Development Corp. certain mineral rights in various patented and unpatented mines located in Tombstone, Arizona. The lease provides for a royalty of \$90,000 per annum or, if greater, royalties ranging from 5% to 20% of mineral recoveries. The lease can be terminated by the Company on 30 days notice. Royalty payments made by the Company during 1981 amounted to \$90,000 and were expensed.

On March 7, 1979, the Company entered into an agreement with an affiliate of Austin to exploit the above lease. The agreement provided for the Company and an affiliate to acquire an interest in an exploration and development project related to the aforementioned lease, and also provided for Southwest Exploration Associates, Inc. (Southwest), an affiliate of Austin, to manage the project. The extent of the Company's interest in the project was dependent on the Company's investment. The agreement of March 1979 provided for investments by the Company of up to \$200,000 for an interest of up to 60%. The agreement also states that additional contributions may be made by the Company and that the Company's interest in the project shall not be less than the percentage that its capital contribution bears to the total capital investment in the project.

In August 1979, the Company assumed complete control of the project. In 1980 the Company filed a civil complaint against Austin and its affiliates alleging fraudulent misrepresentations and breach of contract. Austin and affiliates have filed counterclaims denying the Company's allegations, claiming an unpaid bill of \$45,000, mismanagement, various acts of retaining valuable minerals and concentrates, fraud, breach of agreement, and seeking compensatory and punitive damages.

In the opinion of the Company's counsel, the Company's complaint will most probably result in it obtaining complete interest in the project and, at worst, the defendants may receive a small interest of 10% or less, which interest would be paid only upon the recapture by the Company of its capital investment.

Further, in the opinion of the Company's counsel, the defendants' claims lack significant merit or exposure except for the claim of \$45,000 which has some possibility of success. However, the Company believes that a decision in favor of the defendants would not result in any monetary payments by the Company because the latter will be able to offset certain of its expenses against any amount awarded.

The Company leases office space in New York under terms of a lease expiring November 15, 1983. The lease provides for annual rentals of \$21,600.

At December 31, 1981, the Company had entered into commodity future production agreements with a refiner that required the Company to deliver precious metals at fixed selling prices during 1982. All contracts in existence at December 31, 1981 were fulfilled or subsequently covered.

7. Capital stock

Under a stockholders' agreement, the Company is obligated to issue bonus inducement shares at the rate of 250 bonus inducement shares for each \$1,000 of principal amount of loans made available to, or guaranteed for, the Company. In addition, shares are similiarly issued as an inducement to the holders of such debt for their willingness to permit the Company to accrue rather than to pay the interest due. As of December 31, 1981, the Company has issued 1,177,625 shares under such agreements (see Note 8(b)).

On July 15, 1981, the Company initiated a stock option plan providing for the option and sale of up to 250,000 shares of the Company's common stock. The period during which the options may be granted is determined by the Company but may not exceed five years from date of option. The option prices will be determined by the Company but will not be less than fair market value on the date the options are granted. As of December 31, 1981, options for 25,472 shares had been granted to certain employees at a price of 12-1/2¢ per share. The options expire in October 1987.

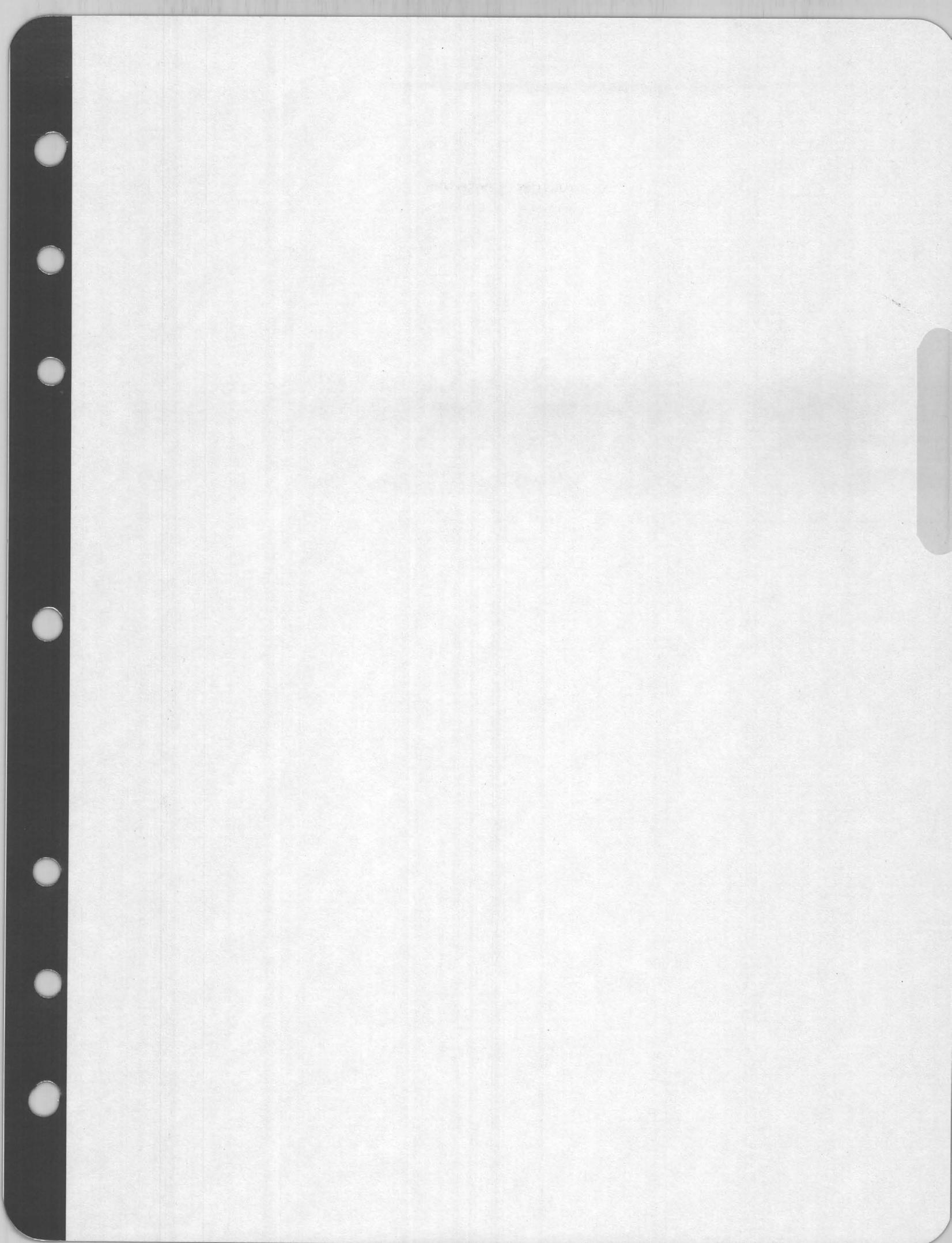
8. Subsequent events

(a) Based on unaudited financial statements, the Company has incurred a net loss during the six months ended June 30, 1982 of approximately \$900,000.

(b) On October 1, 1982, the Board of Directors of Tombstone Exploration, Inc. approved an increase in its authorized common stock to 4,000,000 shares. This action has been reflected in the financial statements as of December 31, 1981.

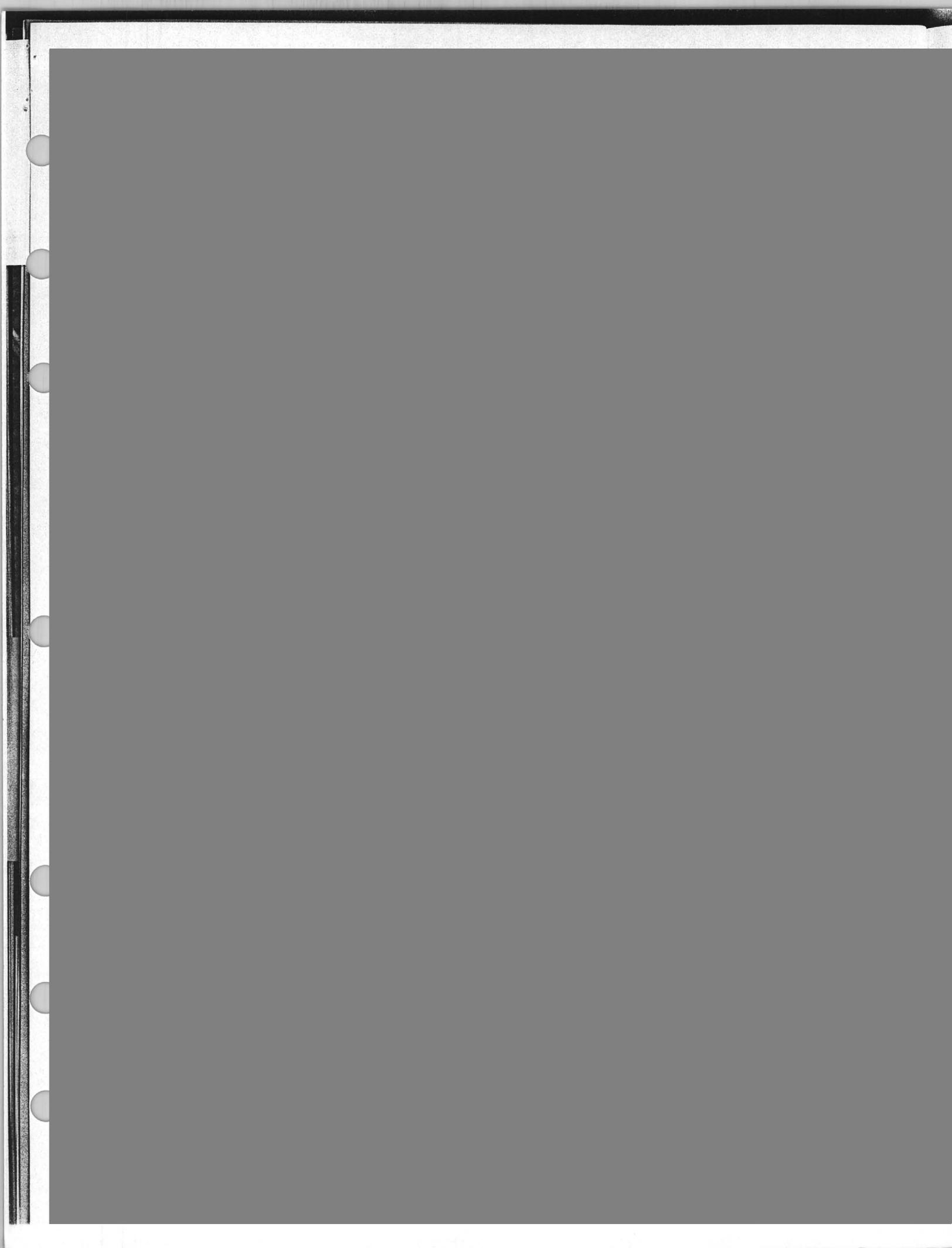
9. Contemplated offering

The Company is conducting an offering of securities that is described in the annexed offering memorandum.



FILE Tombstone litigation N.F.

o-
n-
d-
r-
t-
e-
nt-
r-
y-
r-
f



FILE

Tomb. Legal File

Weather/2C
Public records/10C

Tucson & Arizona

Wednesday, November 30, 1983 •





TOMBSTONE EXPLORATION, INC. AND AFFILIATE
COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 1983 AND 1982
AND
REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

REVIEWED
JUN 22 1984
By JSR

TOMBSTONE EXPLORATION, INC. & AFFILIATE
COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 1983 and 1982
REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

TOMBSTONE EXPLORATION, INC. & AFFILIATE

TABLE OF CONTENTS

	PAGE

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS	1
COMBINED FINANCIAL STATEMENTS	
COMBINED BALANCE SHEET	2 - 3
COMBINED STATEMENT OF INCOME	4
COMBINED STATEMENT OF CHANGES IN STOCKHOLDERS' DEFICIENCY	5
COMBINED STATEMENT OF CHANGES IN FINANCIAL POSTION	6 - 7
NOTES TO COMBINED FINANCIAL STATEMENTS	8 - 13

Board of Directors
Tombstone Exploration, Inc.

We have examined the combined balance sheet of Tombstone Exploration, Inc. & Affiliate as of December 31, 1983 and 1982 and the related combined statements of income and changes in stockholders' deficiency and changes in financial position for the years then ended. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the combined financial statements referred to above present fairly the combined financial position of Tombstone Exploration, Inc. & Affiliate as of December 31, 1983 and 1982 and results of its operations and changes in stockholders' deficiency and changes in its financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.



New York, New York
February 23, 1984

Tombstone Exploration, Inc. & Affiliate

COMBINED BALANCE SHEET

December 31, 1983 and 1982

ASSETS

	1983	1982
CURRENT ASSETS:		
Cash	\$ 293,970	\$ 1,404
Accounts receivable	25,363	16,070
Inventories (Note A-3)	989,258	826,910
Prepaid expenses and other (Note B)	136,975	37,930
	<u>1,445,566</u>	<u>882,314</u>
PROPERTY PLANT AND EQUIPMENT - at cost		
Plant and equipment (Note C)	2,115,288	1,914,172
Equipment under capital lease (Note D)	476,185	476,185
Mining claims (Note A-4)	80,000	-0-
Leasehold	1	1
	<u>2,671,474</u>	<u>2,390,358</u>
Accumulated depreciation (Note A-4)	792,641	520,742
	<u>1,878,833</u>	<u>1,869,616</u>
OTHER ASSETS:		
Deferred mine development (Note A-5)	143,438	201,291
Reprocessable material (Note A-6)	1	1
Investments and other (Note B)	36,518	13,353
	<u>179,957</u>	<u>214,645</u>
TOTAL ASSETS	<u>\$3,504,356</u>	<u>\$2,966,575</u>

The accompanying notes are an integral part of this statement.

Tombstone Exploration, Inc. & Affiliate

COMBINED BALANCE SHEET

December 31, 1983 and 1982

LIABILITIES AND STOCKHOLDERS' DEFICIENCY		
	1983	1982
CURRENT LIABILITIES:		
Current portion of long-term debt (Notes C and D)	\$ 247,330	\$ 442,196
Accounts payable - trade	469,753	716,173
Accrued taxes and expenses	177,638	245,186
Notes payable - other	-0-	115,000
	<u>894,721</u>	<u>1,518,555</u>
LONG TERM LIABILITIES:		
Equipment notes payable, less current portion of \$170,941 and \$382,256 (Note C)	165,808	340,806
Capitalized lease obligation, less current portion of \$76,389 and \$59,940 (Note D)	165,543	300,523
Loans payable - other	43,000	-0-
Notes payable - stockholders (Note E)	5,708,423	5,552,639
	<u>6,082,774</u>	<u>6,193,968</u>
COMMITMENTS AND CONTINGENCIES (Note H)		
STOCKHOLDERS' EQUITY:		
Capital stock: (Notes A1 and I)	11,873	11,740
Additional paid in capital	137,139	133,631
Accumulated deficit	(3,622,151)	(4,891,319)
	<u>(3,473,139)</u>	<u>(4,745,948)</u>
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIENCY	<u>\$3,504,356</u>	<u>\$2,966,575</u>

The accompanying notes are an integral part of this statement.

Tombstone Exploration, Inc. & Affiliate

COMBINED STATEMENT OF INCOME

Years ended December 31, 1983 and 1982

	1983	1982
Revenue:		
Net sales	\$9,201,388	\$4,472,920
Other income	19,025	154,804
	<u>9,220,413</u>	<u>4,627,724</u>
Costs and expenses:		
Divisional		
Mining	2,238,874	1,798,024
Material processing	1,095,080	905,073
Crushing	684,519	592,859
Plant	970,296	670,142
Testing	149,863	158,362
Smelting	270,421	197,649
Wash plant	26,761	10,278
Geology	37,122	-0-
General and administrative	824,668	830,899
Office and administrative salaries	385,137	140,014
Royalties (Note H)	399,516	90,000
Interest (Note F)	868,988	938,809
	<u>7,951,245</u>	<u>6,332,109</u>
NET INCOME (LOSS)	<u>\$1,269,168</u>	<u>\$(1,704,385)</u>

The accompanying notes are an integral part of this statement.

Tombstone Exploration, Inc. & Affiliate
 COMBINED STATEMENT OF CHANGES IN STOCKHOLDERS' DEFICIENCY
 Years ended December 31, 1983 and 1982

	Common Stock				Capital in excess par value	Accumulated deficit
	Tombstone Exploration, Inc.		Chrysaor Laboratories, Inc.			
	Shares	Value	Shares	Value		
Balance-Jan. 1, 1982	1,199,525	\$1,199	100	\$10,000	\$132,639	\$(3,186,934)
Issuance of common stock in connection with stockholders notes payable (Note I)	532,407	533				
Sale of common stock	8,000	8			992	
Net loss for the year ended December 31, 1982						(1,704,385)
Balance-Jan. 1, 1983	1,739,932	\$1,740	100	\$10,000	\$133,631	\$(4,891,319)
Issuance of common stock in connection with stockholders notes payable (Note I)	104,293	105				
Sale of common stock	28,286	28			3,508	
Net income for the year ended December 31, 1983						1,269,168
Balance-Dec. 31, 1983	1,872,511	\$1,873	100	\$10,000	\$137,139	\$(3,622,151)

The accompanying notes are an integral part of this statement.

Tombstone Exploration, Inc. & Affiliate

COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION

Years ended December 31, 1983 and 1982

	1983	1982
Sources of working capital		
Net income (loss)	\$1,269,168	\$(1,704,385)
Charges to operations not using working capital		
Depreciation and amortization	271,900	236,436
Amortization of deferred mine development costs	57,853	58,764
	-----	-----
Working capital provided from operations	1,598,921	(1,409,185)
Proceeds of long-term debt to stockholders	417,116	1,852,449
Proceeds from issuance of common stock	3,641	1,533
Loans payable mining claims	48,000	-0-
	-----	-----
	2,067,678	444,797
	-----	-----
Application of working capital		
Increase to plant and equipment	201,116	258,406
Purchase of mining claims	80,000	-0-
Increase in investments and other	23,166	5,064
Payment of long-term debt	314,978	346,815
Decrease in loans payable - stockholders	261,332	-0-
	-----	-----
	880,592	610,285
	-----	-----
INCREASE (DECREASE) IN WORKING CAPITAL	\$1,187,086	\$ (165,488)
	=====	=====

The accompanying notes are an integral part of this statement.

Tombstone Exploration, Inc. & Affiliate
 COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION

Years ended December 31, 1983 and 1982

	1983	1982
Changes in components of working capital		
Increase (decrease) in current assets		
Cash	\$ 292,566	\$ (78,813)
Accounts receivable	9,293	8,040
Inventories	162,348	515,198
Prepaid expenses and other	99,045	10,371
	563,252	454,796
Increase) decrease in current liabilities		
Current portion of long-term debt	194,866	(58,578)
Accounts payable - trade	246,420	(559,016)
Accrued taxes and expenses	67,548	112,310
Notes payable - other	115,000	(115,000)
	623,834	(620,284)
INCREASE (DECREASE) IN WORKING CAPITAL	\$1,187,086	\$ (165,488)

The accompanying notes are an integral part of this statement.

Tombstone Exploration, Inc. & Affiliate

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 1983 and 1982

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the Company's significant accounting policies consistently applied in the preparation of the accompanying combined financial statements follows:

1. Principles of Combination

The accompanying combined financial statements combine the accounts of Tombstone Exploration, Inc. and an affiliated company, Chrysaor Laboratories, Inc. These corporations are under common control and management. All significant intercompany accounts and transactions have been eliminated. The common stock of the Company and the affiliate are as follows:

Tombstone Exploration, Inc. - authorized 4,000,000 shares, \$.001 par value; issued 1,872,511 and 1,739,932 shares in 1983 and 1982 respectively	1983	1982
	\$ 1,873	\$ 1,740
Chrysaor Laboratories, Inc. - authorized 200 shares, no par value; issued 100 shares	10,000	10,000
	-----	-----
	\$ 11,873	\$ 11,740
	=====	=====

2. Business Activity

Tombstone Exploration, Inc. (incorporated in 1979) mines and processes precious metals. Chrysaor Laboratories, Inc. conducts smelting operations and provides administrative services for Tombstone Exploration, Inc..

3. Inventories

Inventories consist of the following:

Work in process	1983	1982
Midgrade ore-valued at the lower of cost, determined on a relative sales value basis, or net realizable value	\$ 528,840	\$ 507,365
Slag - Valued at net realizable value	275,303	68,420
Inventory in Solution - stated at market	22,987	-0-
Washplant ore carried at a nominal value, which requires further processing to yield additional revenue	1	1
Finished goods		
Gold and silver bullion stated at market	162,127	251,124
	-----	-----
	\$ 989,258	\$ 826,910
	=====	=====

Tombstone Exploration, Inc. & Affiliate

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

DECEMBER 31, 1983 and 1982

Note A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. Depreciation and Amortization

Depreciation and amortization of property and equipment are provided on the straight line method over the following useful lives:

	Years
Plant and equipment	3 - 10
Equipment under capital lease	15
Leasehold improvements	3 - 5

Leasehold improvements are amortized over the lesser of the useful life of the improvement or term of the lease.

Mining claims will be amortized over the estimated life of related claims. In 1983 production has not commenced and therefore no amortization was recorded.

5. Deferred Mine Development Costs

Mine development costs which consist of road building, construction of leaching pads and solution ponds and removing of overburden have been deferred and are being amortized over the economic life of the current operations, estimated by the Company to be five years.

6. Reprocessable Material

This consists of the Composite Heap and Washplant material that has been processed but may be subjected to further processing that will yield additional revenues. It is not practical for the Company to determine the amount or the timing of revenues that may be realized and accordingly, such amounts are reflected in the combined financial statements at a nominal value.

NOTE B - LOANS RECEIVABLE - OFFICER

At December 31, 1983 the company has a loan receivable from an officer amounting to \$49,000, payable in quarterly installments of \$5,000 plus interest at prime. This loan is reflected as follows:

Prepaid expenses and other (current portion)	\$ 20,000
Investments and other (long-term portion)	29,000

	\$ 49,000
	=====

Tombstone Exploration, Inc. & Affiliate

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

DECEMBER 31, 1983 and 1982

NOTE C - EQUIPMENT NOTES PAYABLE

Equipment notes payable at various interest rates are collateralized by mining equipment and mature as follows:

	1983	1982
1983	\$ -0-	\$ 382,256
1984	170,941	172,069
1985	134,323	139,872
1986	31,485	28,865
	<u>336,749</u>	<u>723,062</u>
	=====	=====

The Company has pledged mining equipment of \$1,205,000 (original cost) as collateral for these notes.

NOTE D - CAPITALIZED LEASE OBLIGATIONS

Capitalized lease obligations on mining equipment require future minimum rental payments as follows:

	1983	1982
1983	\$ -0-	\$ 117,449
1984	117,449	117,449
1985	117,449	117,449
1986	73,839	148,956
Total minimum lease payments	<u>308,737</u>	<u>501,303</u>
Less: Amounts representing interest	66,805	140,840
	<u>241,932</u>	<u>360,463</u>
Less: Current portion	76,389	59,940
	<u>165,543</u>	<u>300,523</u>
	=====	=====

This lease is guaranteed by certain Stockholders.

Tombstone Exploration, Inc. & Affiliate

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

DECEMBER 31, 1983 and 1982

NOTE E - LONG-TERM DEBT- STOCKHOLDERS

Long term debt to stockholders consists of notes payable to certain stockholders maturing between 1985 and 1990; interest payable at 1% above prime. At December 31, 1983 and 1982 there are \$5,708,423 and \$5,552,639 respectively, in notes payable.

NOTE F - INTEREST

At December 31, interest expense consist of the following components:

	1983	1982
Interest on stockholders' loans	\$ 675,952	\$ 731,162
Interest on equipment notes and other	193,036	207,647
	<u>\$ 868,988</u>	<u>\$ 938,809</u>
	=====	=====

NOTE G - INCOME TAXES

The company has elected S corporation status under the Subchapter S provision of the Internal Revenue Code. As a result, profits and losses incurred and tax credits generated from inception to December 31, 1983 have been allocated to the stockholders, thereby making the loss carryovers unavailable to the Company.

The Company has elected not to distribute its 1983 profit.

NOTE H - COMMITMENTS AND CONTINGENCIES

On February 7, 1979, the Company and the Austin Exploration and Mining Corporation "Austin" entered into an agreement to lease from Tombstone Development Company (an unrelated third party), certain mineral rights in various patented and unpatented mining claims located in Tombstone, Arizona. The lease provides for a royalty of \$90,000 per annum or, if greater, royalties ranging from 5% to 20% of mineral recoveries. The lease can be terminated by the Company on 30 days notice. Royalty payments made by the Company during 1983 and 1982 amounted to \$399,516 and \$90,0000 respectively and were expensed.

Tombstone Exploration, Inc. & Affiliate

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

DECEMBER 31, 1983 and 1982

NOTE H - COMMITMENTS AND CONTINGENCIES (continued)

On March 7, 1979, the Company entered into an agreement with an affiliate of Austin to exploit the above lease. The agreement provided for the Company and an affiliate to acquire an interest in an exploration and development project related to the aforementioned lease, and also provided for Southwest Exploration Associates, Inc. an affiliate of Austin, to manage the project. The extent of the Company's interest in the project was dependent on the Company's investment. The agreement on March 1979 provided for investments by the Company of up to \$200,000 for an interest of up to 60%. The agreement also stated that additional contributions may be made by the Company and that the Company's interest in the project shall not be less than the percentage that its capital contribution bears to the total capital investment in the project.

In August 1979, the Company assumed complete control of the project. In 1980 the Company filed a civil complaint against Austin and its affiliates alleging fraudulent misrepresentations and breach of contract. Austin and affiliates have filed counterclaims denying the Company's allegations, claiming an unpaid bill of \$45,000, mismanagement, various acts of retaining valuable minerals and concentrates, fraud, breach of agreement, and seeking compensatory and punitive damages.

In the opinion of the Company's counsel, the Company's complaint will most probably result in it obtaining complete interest in the project and, at worst, the defendants may receive a small interest of 10% or less, which interest would be paid only upon the recapture by the Company of its capital investment.

Further, in the opinion of the Company's counsel, the defendants' claims lack significant merit or exposure except for the claim of \$45,000 which has some possibility of success. However, the Company believes that a decision in favor of the defendants would not result in any monetary payments by the Company because the latter will be able to offset certain of its expenses against any amount awarded.

The Company leases office space in New York under terms of a lease expiring October 31, 1984 with an option to extend for an additional year at an annual rental of \$24,000. The lease provides for annual rentals of \$24,000.

At December 31, 1983 the Company had six open positions in the commodity market with a contract value of \$261,000. Subsequent to year end the contracts were closed at a profit.

Tombstone Exploration, Inc. & Affiliate

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

DECEMBER 31, 1983 and 1982

NOTE I - CAPITAL STOCK

Under a stockholders' agreement, the Company is obligated to issue additional inducement shares at the rate of 250 shares for each \$1,000 of principal amount of loans made available to, or guaranteed for, the Company. In addition, shares are similarly issued as an inducement to the holders of such debt for their willingness to permit the Company to accrue rather than to pay the interest due. As of December 31, 1983 and 1982, the Company issued 1,757,224 and 1,710,032 shares respectively, under this agreement.

On July 15, 1981, the Company initiated a stock option plan providing for the option and sale of up to 250,000 shares of the Company's common stock. The period during which the options may be granted is determined by the Company but may not exceed five years from date of option. The option price will be determined by the Company but will not be less than fair market value on the date the options are granted. As of December 31, 1983, all outstanding options were exercised at \$.125 per share resulting in the issuance of 36,286 shares of common stock.

Stock markets/2D
Other markets/6D

Business

Thursday, January 19, 1984 •

Tucson
Citizen **D**

FILE

Tom's show lead



FILE

*Tombstone
legal.*

FILE

T&I Swift file



FILE

TEI Suit



FILE

P-100-42
TET file

Friday, February 1, 1985

Tucson Citizen

Page 5B



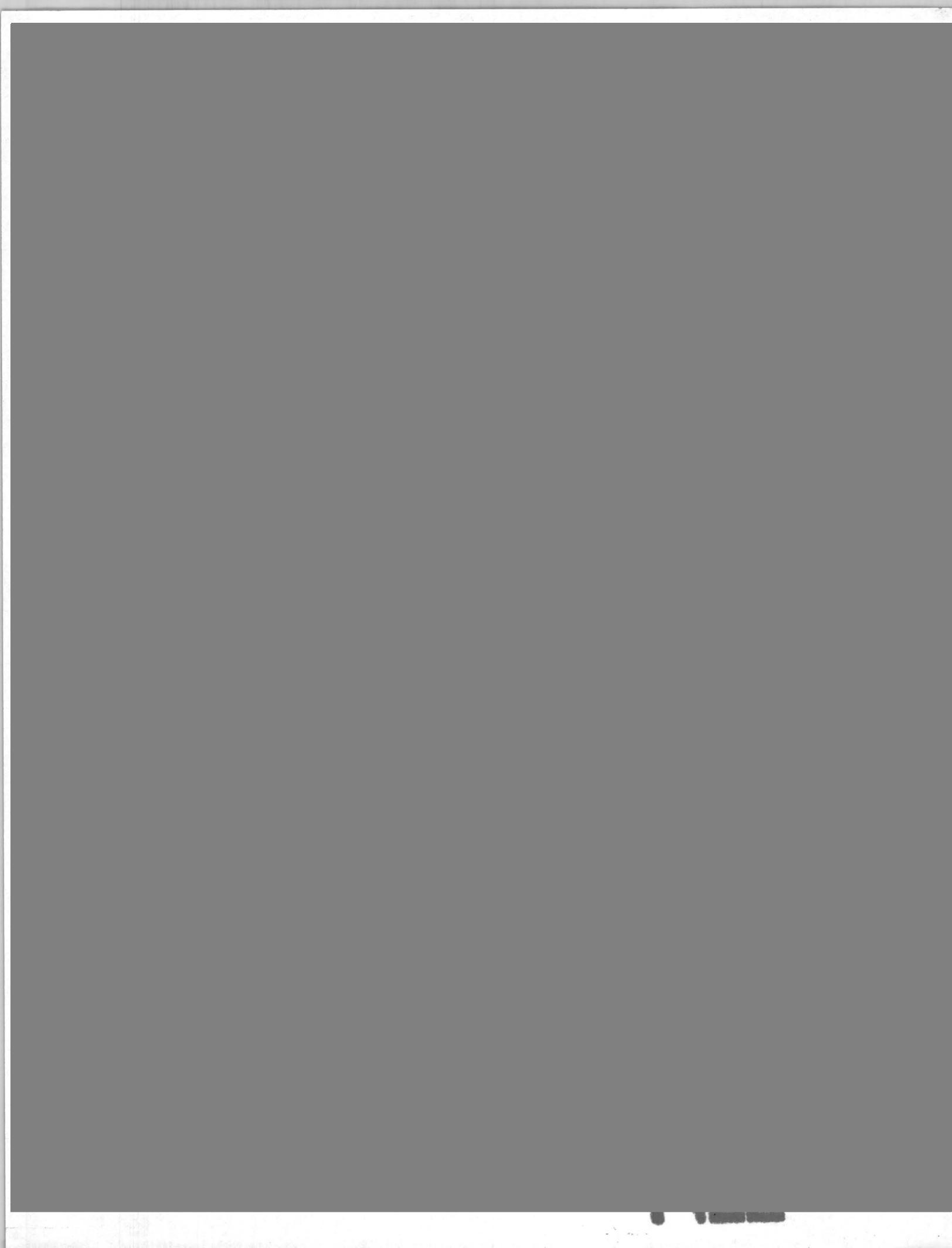
FILE

P-100-42
T&T file

Tucson Citizen

Page 6B • Thursday, January 31, 1985





CUSTOMER'S GUIDE PRINT

Do NOT



Destroy!

File: Tombstone







