



CONTACT INFORMATION  
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J. H. C.

OCT 24 1967

AMERICAN SMELTING AND REFINING COMPANY  
Tucson Arizona

October 23, 1967

Registered  
Return Receipt Requested

Mr. H. E. Kelshaw, General Auditor  
American Smelting and Refining Company  
120 Broadway  
New York, New York 10005

Dear Sir:

Enclosed for safekeeping are the following Tucson  
Miscellaneous documents which have been given Document  
Book numbers as shown.

- Doc. 8-A Letter from C. P. Pollock  
dated October 13, 1967, cancelling  
mining option between Knox-Arizona  
Copper Mining Corporation and  
Asarco, covering the Ajo Butte #1  
and other unpatented lode mining  
claims.
- Doc. 8-B Letter dated October 18, 1967,  
from Knox-Arizona Copper Corporation  
to Asarco confirming that they do  
not wish to have Asarco convey to  
it the 103 claims in the Copper Moun-  
tain area, south of Ajo, which are  
referred to in the second paragraph  
of Article 6 of our Option Agreement.

Very truly yours,

S. I. Bowditch

SIB:kc

Enclosures

cc: HMBrindle, w/enc.  
KvdSteinen, w/enc.  
RRichter, w/enc.

JHC ✓



AMERICAN SMELTING AND REFINING COMPANY  
EXPLORATION DEPARTMENT

120 BROADWAY, NEW YORK, N. Y. 10005

TUCSON MISCELLANEOUS  
DOCUMENT 8-A

C. P. POLLOCK  
VICE PRESIDENT

October 13, 1967

Knox-Arizona Copper Mining Corporation  
8967 Ladue Road  
St. Louis, Missouri 63129

Gentlemen:

This refers to the Mining Option dated August 4, 1967 between you and the undersigned American Smelting and Refining Company covering the Ajo Butte #1 and numerous other unpatented lode mining claims located in the Myers Mining District, Pima County, Arizona, and particularly to Article 13 thereof.

Please be advised that the undersigned American Smelting and Refining Company hereby cancels and terminates said Mining Option, such cancellation to be effective as of the date hereof.

For your information, we have not recorded the Memorandum of Mining Option referred to Article 18 of the option, nor the option itself.

Very truly yours,

AMERICAN SMELTING AND REFINING COMPANY

By   
C. P. Pollock, Vice President

Attest:   
Assistant Secretary

Knox Arizona Copper Mining Corp.  
8967 Ladue Road  
St. Louis, Missouri 83129  
October 18 , 1967

Mr. J. H. Courtright  
American Smelting and Refining Co.  
P. O. Box 5795  
Tucson, Arizona 85703

Dear Sir:

This will confirm my verbal statement that Knox Arizona Copper Corporation does not wish to have Asarco convey to it the 103 claims you have located west of our claims in the Copper Mountain area, south of Ajo, and which are referred to in the second paragraph of Article 6 of our Option Agreement of August 4, 1967.

Yours very truly,



President

October 13, 1967

AIR MAIL

Mr. J. H. Courtright, Supervisor  
American Smelting and Refining Company  
P. O. Box 5795  
Tucson, Arizona

Copper Mountain Project - Pima County, Arizona

Dear Mr. Courtright:

I note that due to the negative drilling results you have recommended abandoning the Copper Mountain Project.

Therefore, in accordance with your letter of October 10th, I am attaching two copies of a release addressed to Knox-Arizona Copper Mining Corporation which I have executed on behalf of Asarco.

Very truly yours,

C. P. Pollock

Enc.

CC-SIBowditch  
WESaegart

HLGoodenough  
RRichter  
HEKelshaw, Jr.

October 13, 1967

Knox-Arizona Copper Mining Corporation  
8967 Ladue Road  
St. Louis, Missouri 63129

Gentlemen:

This refers to the Mining Option dated August 4, 1967 between you and the undersigned American Smelting and Refining Company covering the Ajo Butte #1 and numerous other unpatented lode mining claims located in the Myers Mining District, Pima County, Arizona, and particularly to Article 13 thereof.

Please be advised that the undersigned American Smelting and Refining Company hereby cancels and terminates said Mining Option, such cancellation to be effective as of the date hereof.

For your information, we have not recorded the Memorandum of Mining Option referred to Article 18 of the option, nor the option itself.

Very truly yours,

AMERICAN SMELTING AND REFINING COMPANY

By (sld.) C. P. Pollock  
C. P. Pollock, Vice President

Attest: (sgd.) A. J. Gillespie, Jr.  
Asst. Secretary

Bld. CC-HL Goodenough  
RRichter  
HEKelshaw, Jr.

Copper Mt.  
(The Ariz. Co., Corp)

OCT 10 1967

October 10, 1967

Mr. A. S. Kingman  
P. O. Box 338  
Monticello, Utah

Dear Al:

I am enclosing herewith six copies of a revised lease form for use in your area. This revision changes the conditions for extension beyond the primary ten year period to allow us three months free suspension of operations, and to suspend operations for a longer period by paying increased rental. It also provides for an alternative damage clause using the \$50.00 per grill location formula, which appears to be so popular that it will probably become standard.

Please destroy any copies you may have of the old form.

By his copy of this letter I am sending Roger four copies of the revised form.

Yours very truly,

S. I. Bowditch

SIE:kc

Enclosure

cc: JHCourtright, w/enc. ✓  
RKKirkpatrick, w/enc.

MINING LEASE

THIS MINING LEASE, made and entered into the \_\_\_\_\_ day of \_\_\_\_\_, 1967, between \_\_\_\_\_, hereinafter called Lessors, and AMERICAN SMELTING AND REFINING COMPANY, a New Jersey Corporation, hereinafter called Lessee

W I T N E S S E T H:

Article 1. The lessors represent that they are the owners of the following described property, (hereinafter designated the "MINING PROPERTIES) situated in \_\_\_\_\_ County, State of \_\_\_\_\_.

containing \_\_\_\_\_ acres, more or less.

Article 2. Grant of Lease. The lessors, in consideration of the royalties herein reserved and the covenants herein to be performed by the lessee, and the further consideration of Ten Dollars (\$10.00) paid by lessee to lessors, receipt of which is hereby acknowledged, hereby do lease, let and demise, unto the lessee, its successors and assigns, all ores and minerals except oil and gas, situated in, upon or under the Mining Properties, together with the right to use so much of the surface of the Mining Properties as is necessary or desirable to mine and remove such ores and minerals, together with the right to mine, remove and sell any and all ores or minerals except oil and gas, situated in, upon, or under the Mining

Properties, and together with all rights of way, easements, water and water rights of every kind and nature which are useful, convenient or necessary for the lessee in the exploration, development and mining of all or any of the lands covered by the Mining Properties and this Mining Lease, and the milling, processing, concentrating or refining of ores and minerals mined or extracted from said Mining Properties.

Article 3. Term of Lease. The term of this lease shall be Ten (10) years and as long thereafter as lessee shall continuously prosecute exploration mining or mining development work on the Mining Properties, unless sooner terminated in the manner hereinafter provided. A suspension of operations after the end of the primary ten year period for a period of up to three months shall not be a cause for forfeiture of this lease. If operations after the primary ten year term are suspended for more than three months, and lessee wishes to keep this lease in force and effect, it shall increase the rental provided for in Article 6 (b) hereof to Ten Dollars (\$10.00) per acre for the lease year in which such suspension occurs.

Article 4. Possession and Control. The lessee shall have and it is hereby given and granted, the right to enter into the whole and every part of the Mineral Properties, and to investigate, measure, sample, examine, test, develop, work, mine, operate, and use the same, and the water and water rights appurtenant thereto, and to mine, extract and remove

from the Mineral Properties the ores and minerals, except oil and gas, therein and appurtenant and belonging thereto, and to treat, mill, ship, sell or otherwise dispose of the same and receive the full proceeds therefrom; and to erect, construct, maintain, use and operate thereon and therein buildings, structures, machinery and equipment. The time, nature, location and extent of such or any or all mining or mining operations and cessation and resumption thereof shall be at the sole discretion of the lessee.

Article 5. Title. Lessors agree that, promptly following the execution and delivery of this lease, they will deliver to lessee such abstracts of title covering the Mining Properties as are in their possession and control. Lessee shall, at its own expense, promptly cause such abstracts to be brought up to date, and shall have 30 days after all said abstracts are brought up to date within which to examine the same and determine if the title of lessors is acceptable to lessee. Within said 30 day period lessee shall advise lessors in writing as to whether lessor's title is acceptable to lessee. Such notice shall designate those portions of the mining properties, title to which is acceptable to lessee and those portions of the Mining Properties, title to which is not acceptable to lessee. Concurrently with delivery of said notice, lessee shall deliver to lessors a release releasing all rights of lessee under this Mining Lease with relation to those portions of the Mining Properties, the title to which has been designated as not acceptable to lessee. Upon delivery of such release this Mining Lease shall be deemed terminated with relation to the portion of the Mining Properties covered by said release.

Article 6. Rental. a) Simultaneously with the delivery of the notice referred to in Article 5 above, lessee shall pay lessors the sum of \$ \_\_\_\_\_ times the number of acres contained in the portion of the Mining Properties, the title to which is acceptable to lessee. Such payment shall constitute rental for the first year of this Mining Lease.

(b) As long as this lease is in force and effect lessee shall, on or before the first anniversary date of this Mining Lease, and on or before each subsequent anniversary date, pay to lessors a rental payment equal to One Dollar multiplied by the number of acres of Mining Property which are on said anniversary date subject to the terms of this agreement.

Article 7. Royalties. a) Lessee agrees to pay lessors a royalty equal to \_\_\_\_\_% of the "gross value" of all ore extracted and sold from the Mining Properties. If the ore is sold in its crude state, the "gross value" shall be the gross proceeds from the sale of the ore, less cost of transportation costs to market. If the crude ore is processed by lessee, the "gross value" shall be the market value at the mine of uranium and/or vanadium ores of equal quality.

b) The amounts paid as rentals, as provided in Article 6 hereof, shall be deemed advances against royalties payable during the Lease year for which such rental payment is made. Lessee shall be entitled during each Lease year to retain all amounts payable as royalties hereunder until such time as lessee has retained an amount equal to the amount which has been paid lessee as rental hereunder for said Lease year. For purposes hereof a Lease year shall be deemed to be the twelve month period commencing on the date of this lease and the twelve month period commencing on the same date each year thereafter.

c) In the event lessors own less than the entire undivided fee interest in the above described property, the rentals and royalties due hereunder shall be proportionally reduced.

d) All ores shall be sold in the name of the lessee, with duplicate settlement sheets furnished to the lessors, and royalty settlements shall be made by the lessee on or before the 25th day of each and every calendar month during the term of this lease for all ores milled by the lessee and for all mill or ore buying returns received during the preceeding calendar month. Each settlement shall be accompanied by a duplicate liquidation or settlement sheet for each lot of ore milled or sold.

Article 8. Damages. Lessee agrees that should it, in the course of the operation of the Mining Properties, destroy any cultivated growing crops, it will compensate lessors for the then reasonable value of said crops. Lessee shall have no obligation to compensate lessors for damage to natural grass, brush or other natural growth nor shall lessee have any obligation to compensate lessors for usage of areas of the Mining Property for roadways or drill sites which may deprive lessors of the right to use the same, it being intended that the rental herein reserved shall be deemed compensation to lessors in that event.

OR Alternative Article 8. Lessee agrees to pay lessors Fifty Dollars (\$50.00) for each drill hole location made by lessee, which lessors agree to accept as full and complete payment for all damages done by lessee to the surface of the lands and crops growing thereon, including damage caused by ingress and egress to such drill hole sites. Lessee agrees to notify lessors of any water found in such drill holes, and lessors shall have the right to use such water, subject to the first right of lessee to use such water in its

drilling and mining operations and PROVIDED, HOWEVER, that the use of such water by lessors will not interfere with lessee's mining operations. Lessee agrees to keep all gates closed, or install cattle guards, at lessee's discretion.

Article 9. Manner of Work. The lessee agrees to cause all work, development and mining to be done in a careful and minerlike manner and to conform in all respects with the mining laws and regulations of the State of \_\_\_\_\_.

Article 10. Use of Adjacent Properties. The lessee shall have the right to remove ores, waste, water and other materials from the demised premises and to carry on general mining operations pertaining to the demised premises by means of shafts and workings

on other properties controlled by lessee and to remove ores, waste, water and other materials from such other properties and to carry on general mining operations pertaining to such other properties on the surface of or through shafts and workings on the demised premises, but until weighed and sampled, all ores extracted and removed from the demised premises shall be kept separate from ores extracted and removed from any other properties.

Article 11. Records and Inspection. Lessee's maps and records of all mining operations upon the demised premises pertinent to the computation of royalties, shall be available for lessor's inspection upon request, but not more often than once each month; and the lessor may enter said property at all reasonable times for the purpose of inspecting the same, and lessee shall facilitate such inspection in every reasonable way, but lessor shall enter upon said demised property at lessor's own risk and so as not to hinder unreasonably the operations of lessee; and the lessor shall indemnify and hold harmless the lessee from any damage, claim or demand by reason of injury to or the presence of the lessor or the lessor's agents, representatives, licensees, or guests or any of them on the demised premises or approaches thereto.

Lessee agrees that it will, at all reasonable times during the term of this agreement, make available for examination and copying by lessors, or their duly authorized representatives, any survey maps, drill hole logs and assay reports relating to the Mining Properties, and any diagrams of mine workings and shafts upon the Mining Properties which lessee has in its possession.

Article 12. State and Federal Laws. Lessee shall comply with the Workman's Compensation Laws of \_\_\_\_\_ and with Social Security, Unemployment Insurance and all other state and federal laws relating to lessee's operations and shall save lessor harmless from any claim for damages or liability by reason thereof.

Article 13. Protection from Liens and Damages. The lessee shall keep the demised premises and the whole and every part thereof free and clear of liens for labor done or work performed upon the demised premises or materials furnished to it for the development or operation thereof under this lease while the same is in force and effect, and will save and keep harmless the lessor from all costs, loss or damage which may arise by reason of injury to any persons employed by the lessee in or upon the demised premises or any part thereof, or, except as provided in Article 11 hereof, which may arise by reason of injury to any persons or damage to any property as the result of any work or operations of the lessee or of its possession and occupancy of the demised premises. A lien upon the property shall not constitute a default if the lessee in good faith disputes the validity of the claim, in which event the existence of the lien shall constitute a default only from and after the validity of the lien has been adjudicated adverse to lessee.

Article 14. Taxes. a) Lessee shall pay before they are delinquent all taxes levied or assessed against any and all personal property, machinery and equipment placed upon the Mining Property by the lessee during the term of this lease.

b) Lessee agrees to pay \_\_\_\_\_% of all mine occupation taxes, net proceeds taxes, production or severance taxes, and all ad valorem taxes assessed against the valuation or increased valuation on the Mining Properties, and all other taxes or assessments (other than Federal or Estate Income or franchise taxes) resulting from or attributable to the production and/or sale by lessee of ores or minerals from the Mining Properties, and the balance of the tax is to be paid by lessors. The parties hereto shall have the obligation to pay their respective share of the taxes herein provided irrespective of the time the same are levied or assessed. Lessors shall pay all other real estate taxes. In order to establish a reserve fund for the payment of taxes it is hereby agreed that the lessee shall deposit with the \_\_\_\_\_ Band of \_\_\_\_\_, a sum equal to 2% of the gross value (as defined in Art. 7a hereof), of the ores mined and sold, of which \_\_\_\_\_% shall be chargeable to lessee and \_\_\_\_\_% chargeable to lessors, and deduct the same from the payments to lessee and lessors. The same shall be used by said bank, as escrow holder, for the payment of all taxes based upon the extraction or production of ore, upon the mutual agreement of the parties hereto so directing the bank. If it is determined that such fund is too much or too little, then the amount set up as a reserve fund

remaining after payment of taxes shall be refunded to the parties hereto in proportion to their liability for the payment of taxes.

Article 15. Forfeiture Clause. The failure of the lessee to make or cause to be made any of the payments herein provided for or to keep or perform any agreement on its part to be kept or performed according to the terms and provisions of this agreement, shall, at the election of the lessor, work a forfeiture hereof; provided, however, that in the event of a default on the part of the lessee, and the election of the lessor to terminate this agreement on account thereof, the lessor shall give to the lessee a written notice of its intention to declare a forfeiture of this agreement and to terminate the same on account thereof, specifying the particular default or defaults relied upon by it and the lessee shall have sixty (60) days after receipt of such notice in which to make good such default or defaults, in which event, there shall be no forfeiture therefor. Waiver or failure to give notice of a particular default or defaults shall not be construed as condoning any subsequent default.

Article 16. Cancellation. Lessee may surrender all or any part of the demised premises by giving lessors thirty (30) days notice, in writing, of its intention to so surrender, and upon such surrender lessee shall be relieved of all obligations under this lease in respect to such surrendered land, and to pay any rental thereon, except for the making of payments which have already accrued at the date of such surrender.

Article 17. Removal of Equipment. The lessee shall have and it is hereby given and granted 3 months after a valid forfeiture, cancellation or other termination of this agreement to remove from said property, all warehouse stocks, merchandise, materials, tools, hoists, compressors, engines, motors, pumps, transformers, electrical accessories, metal or wooden tanks, pipes and connections, mine cars and any and all machinery, trade fixtures, and equipment erected or placed in or upon said property by it, provided that such right of removal shall not extend to machinery foundations, and underground tracks, and mine timbers in place unless lessor shall have given its previous written consent thereto. If lessee is hampered by snowdrifts, washouts, inclement weather, or other climatic conditions, from lessor agrees to extend the time by a reasonable period if requested by the lessee.

Article 18. Notices. Any notices required or permitted to be given to the lessor hereunder shall be considered as delivered forty-eight (48) hours after the same shall have been deposited in the United States mail, duly certified, with postage thereon prepaid. All notices given hereunder shall be addressed to the respective addresses given below:

If to lessor,

and if to lessee,

Attention Exploration Department  
120 Broadway  
New York, N. Y. 10005

and

P. O. Box 5795  
Tucson, Arizona 85703

Said addresses for receiving notices may be changed by either party upon two (2) days previous written notice to the other party.

Article 19. Inurement. These presents shall inure to the benefit of and be binding upon the respective successors and assigns of the parties hereto.

Article 20. Construction. Titles to the respective articles hereof shall not be deemed a part of this lease but shall be regarded as having been used for convenience only.

IN WITNESS WHEREOF the parties hereto have executed this agreement as of the day and year first above written.

\_\_\_\_\_  
\_\_\_\_\_

LESSORS

AMERICAN SMELTING AND REFINING COMPANY

By \_\_\_\_\_  
Vice President

LESSEE

Attest

\_\_\_\_\_  
Secretary

J. H. C

OCT 10 1967

AMERICAN SMELTING AND REFINING COMPANY  
Tucson Arizona

October 10, 1967

Mr. H. M. Brindle  
120 Broadway  
New York, New York 10005

Dear Sir:

Enclosed in page 9 of the Mining Option of August 4, 1967 from Knox Arizona Copper Mining Corporation, Tucson Miscellaneous Document No. 8, which was inadvertently omitted when your copy of the document was sent to you on September 11.

Yours very truly,

S. I. Bowditch

SIB:kc  
Enclosure  
cc: JHCourtright ✓  
KvdSteinen

AMERICAN SMELTING AND REFINING COMPANY  
Tucson Arizona

October 10, 1967

Mr. C. P. Pollock, Vice President  
ASARCO - New York Office

Copper Mountain Project  
Pima County, Arizona

Dear Sir:

As stated in my report for the month of September, the results on the Copper Mountain drilling were negative and we have recommended abandonment of the project.

Mr. Knox of the Knox Arizona Mining Corporation has requested a release so that he might deal with others on his claims. The additional claims which we staked were not recorded and were allowed to lapse.

Since we see no reason for holding the Knox ground which contains only sub-marginal mineralization, we recommend that he be given the release which has been prepared and is attached herewith. If you are in agreement, please sign and return two copies to this office.

Yours very truly,

JHC:imi  
encl.

J. H. Courtright

cc: SIBowditch  
WESaegart

To be rewritten on Company letterhead

Knox-Arizona Copper Mining Corporation  
8967 Ladue Road  
St. Louis, Missouri 63129

Gentlemen:

This refers to the Mining Option dated August 4, 1967 between you and the undersigned American Smelting and Refining Company covering the Ajo Butte #1 and numerous other unpatented lode mining claims located in the Myers Mining District, Pima County, Arizona, and particularly to Article 13 thereof.

Please be advised that the undersigned American Smelting and Refining Company hereby cancels and terminates said Mining Option, such cancellation to being effective as of the date hereof.

For your information, we have not recorded the Memorandum of Mining Option referred to Article 18 of the option, nor the option itself.

Yours very truly,

AMERICAN SMELTING AND REFINING CO.

by \_\_\_\_\_  
Vice President

Attest \_\_\_\_\_  
Secretary

SIB:kc

J. H. C.  
OCT 10 1967

October 9, 1967

Mr. William Knox  
8967 Ladue Road  
St. Louis, Missouri 63194

Dear Mr. Knox:

As Mr. Saegart has told you, we are having our New York office sign a cancellation notice for our option from you on your Copper Mountain claims. You will be receiving this in a short time.

To clear our records, would you please sign the enclosed letter, confirming that you do not wish us to convey the claims we located and on which we did our drilling. A carbon copy is enclosed for your record.

Yours very truly,

S. I. Bowditch

SIB:kc  
Enclosure  
cc: WESaegart

JHC ✓

J. H. C

OCT 10 1967

Knox Arizona Copper Mining Corp.  
8967 Ladue Road  
St. Louis, Missouri 83129  
October , 1967

Mr. J. H. Courtright  
American Smelting and Refining Co.  
P. O. Box 5795  
Tucson, Arizona 85703

Dear Sir:

This will confirm my verbal statement that Knox Arizona Copper Corporation does not wish to have Asarco convey to it the 103 claims you have located west of our claims in the Copper Mountain area, south of Ajo, and which are referred to in the second paragraph of Article 6 of our Option Agreement of August 4, 1967.

Yours very truly,

President

JHC ✓

AMERICAN SMELTING AND REFINING COMPANY  
Tucson Arizona

October 9, 1967

TO: K. v. d. Steinen

FROM: J. H. Courtright

Attached is Mr. J. R. Wojcik's recommendations regarding additional charges by Barnes Drilling Company not covered in their original contract for the drilling at Copper Mountain.

I agree with Mr. Wojcik's recommendations and accordingly, Barnes should be paid an additional \$1.25/ft. for hammer drilling plus one-half of the cost of the bits.

J. H. Courtright

JHC:lmf  
encl.

cc: JRWojcik

Aa 16.1.3J  
JHC

AMERICAN SMELTING AND REFINING COMPANY  
Tucson Arizona

October 6, 1967

J.H.C.  
OCT 6-1967

TO: J. H. Courtright

FROM: J. R. Wojcik

In the original purchase order for drilling at Copper Mountain no rate was established for using a down-the-hole hammer. Since these tools are expensive to maintain it is customary to add a footage charge to the hourly rate to cover the maintenance cost. Barnes has agreed to a rate of \$1.25/ft. In addition, since the bits used were not run to destruction he has agreed that the hammer bits will be changed to ASARCO at one-half cost. These changes should be incorporated as an amendment to the original order.

J. R. Wojcik

JRW:1mi

S. I. B.

SEP 18 1967

~~J. B. N.~~  
~~W. E. S. S. H.~~  
aa-16.1.3g

New York, N. Y., September 13, 1967

W.E.S.

J. H. C.

SEP 18 1967

SEP 18 1967

Mr. C. D. Pollock

J. R. W.

The following is an extract from the minutes of the meeting of the Advisory Committee held today:

SEP 18 1967

Mining Authorization No. 74-67  
Copper Mountain Prospect  
Pima County, Arizona

At the meeting of the Advisory Committee held on July 19, 1967, there was approved an expenditure of \$53,000 for drilling three holes at the Copper Mountain Prospect, Ajo Valley, Pima County, Arizona.

It was reported that Company geologists recommend an additional expenditure of \$18,000 to continue the original three-hole drilling project at the Copper Mountain Prospect in order to secure positive information on the westerly projection of copper mineralization.

There was approved an expenditure of \$18,000 for additional drilling at the Copper Mountain Prospect, Pima County, Arizona.

Harold Howe

FGHarrick  
RLGoodenough-2  
TASnedden  
MBHeen  
JJCourtright  
RJJLacy

~~WES~~ ~~JRC~~

J.H.C.

SEP 14 1967

J.

SEP 18 1967

W.E.S.  
SEP 18 1967

ASARCO TUC

ASARCO NYK

J H COURTRIGHT

ADVISORY COMMITTEE APPROVED YOUR REQUEST FOR ADDITIONAL \$18,000  
FOR COPPER MOUNTAIN PIMA COUNTY DRILLING  
COLLINS

\*3+  
ASARCO TUC

9/13/67 10:30 AM  
mgj

AMERICAN SMELTING AND REFINING COMPANY  
Tucson Arizona

JHC  
Aa 16.1.3J

September 8, 1967

Mr. J. J. Collins, Chief Geologist  
ASARCO - New York Office

COPPER MOUNTAIN PROSPECT  
Pima County, Arizona

Dear Sir:

By my letter of July 14, 1967, a mining authorization in the amount of \$53,000 was recommended for the purpose of drilling 3 holes on the Copper Mountain prospect 23 miles SSE of Ajo. This authorization was approved and the work was started during August.

The first hole went down at a fairly good rate to a depth of 2000' where very hard volcanic rock was encountered and the drilling became slow and expensive. The hole was abandoned at 2684' without reaching pre-mineral rock. We have started a second hole one-half mile to the west in an attempt to find pre-mineral bedrock at a shallower depth; however, the first hole consumed well over half of the authorization and additional funds will be required to make a satisfactory test with the second hole. Mr. Wojcik estimates that from \$16,000 to \$18,000 may be required to extend this hole to a depth of 3000'.

It is my recommendation that the project be continued in an attempt to secure positive information on the westerly projection of copper mineralization. If you are in agreement, please request a mining authorization in the amount of \$18,000.

Yours very truly,

JHC:Imi  
cc: WESaegart  
JRWojcik  
JEKinnison

J. H. Courtright

encl.

AMERICAN SMELTING AND REFINING COMPANY  
Tucson Arizona

J. H. C.  
SEP 6 1967

September 6, 1967

TO: J. H. Courtright

FROM: J. R. Wojcik

Copper Mountain  
August 1967

Drill hole CM-1 was stopped August 28 at a depth of 2689'. The hole was still in the "post porphyry copper" volcanic sequence. By the end of August the drill had been moved to location CM-2 approximately 3500' west of CM-1 and casing was being set through the overburden to 80'.

Total direct expenditure for August is approximately \$28,000.

*J. R. Wojcik*  
J. R. Wojcik

JRW:Imi

Copper Mtn. Drill Hole  
CM-1

Mobilization	\$650.00
Rig time, bits, mud (direct) to 2683'	24,876.58
Sampling, Salaries, Pits, etc.	<u>6,823.04</u>

Total CM-1 \$ 32,349.62

CM-2

Rig time, bits, mud, casing through overburden to 382' approx.	<del>\$ 6072.00</del>
Sampling, salaries, Pits.	approx. <u>1200.00</u>

Total CM-2 to 9/7/67 \$ 7272.00

Total 2 drill holes to date	\$ 39,621.62
Approx expense to stake claims	<u>2300.00</u>
	\$ 41,921.62

Initial appropriation	<u>\$ 50,000.00</u>
Remaining (sufficient to ± 1200')	\$ 8,000.00

Necessary to drill to 3000' @ \$9.00/ft \$ 16,200.00

JRW

J. H. C.  
AUG 30 1967

August 29, 1967

Certified Mail  
Return Receipt Requested  
Mr. William A. Knox, President  
Knox Arizona Copper Mining Corporation  
8967 Ladue Road  
St. Louis, Mo. 63124

Dear Mr. Knox:

I am enclosing herewith two fully executed copies of the Mining Option of August 4, one executed copy of the Memorandum, and our check for \$3000, as consideration, as provided in Article 2.

The reason for sending two copies of the option is that we have corrected an obvious omission in Article 12, on page 7, and have initialled it. Will you please also initial this, and return one initialled copy to me.

We wish to thank you for your prompt attention to this agreement, and would have sent you the fully executed documents sooner, only I just returned from vacation last night.

Yours very truly,

S. I. Bowditch

SIB:bam  
Enclosures  
cc: JHCourtright ✓  
WESaegart  
JEKinnison  
KvdSteinen

SIB  
9a 16.1.34  
J. H. C.  
AUG 24 1967  
S. I. B.  
AUG 29 1967

August 21, 1967

AIR MAIL - REGISTERED - RETURN RECEIPT REQUESTED

Mr. W. E. Saegart  
American Smelting and Refining Company  
P. O. Box 5795  
Tucson, Arizona 85703

Copper Mountain Prospect - Pima County, Arizona

Dear Mr. Saegart:

In accordance with your letter of August 11th, I am returning herewith two fully executed copies of Option Agreement and Memorandum of Mining Option with Knox-Arizona Copper Mining Corporation. At Mr. R. W. Vaughan's suggestion, please note the word "not" has been inserted in article 12, page 7. This change should be initialed by Mr. Knox. With copy of this letter to Mr. H. E. Kelshaw, Jr., I am enclosing copies of the above documents bearing the Legal Department stamp of approval as to form.

Very truly yours,

C. P. Pollock

Enc.

- CC-HL Goodenough - with enclosure
- RRichter " "
- RBMeen " "
- JHCourtright ✓ without enclosure
- HEKelshaw, Jr. - with enclosure

CERTIFIED COPY OF RESOLUTION

Unanimously adopted by the Board of Directors of Knox Arizona Copper Mining Corporation at a meeting of the Board of Directors, it was moved and seconded that Knox Arizona Copper Mining Corp., an Arizona Corporation, enter into an option agreement whereby the American Smelting and Refining Co., a New Jersey Corporation, will explore the Knox Arizona property.

RESOLVED that William A. Knox be and he is hereby empowered by the Board of Directors to sign and execute for the Knox Arizona Copper Mining Corp. any agreements pertaining thereto.

Dated at St. Louis, Missouri this Fourth day of August, 1967.

(seal)

  
Secretary

KNOX-ARIZONA COPPER MINING CORP.  
8967 LADUE ROAD  
ST. LOUIS, MO. 63124

MEMORANDUM OF MINING OPTION

KNOW ALL MEN BY THESE PRESENTS:

That by that certain mining option dated 4<sup>th</sup> day of August, 1967, KNOX ARIZONA COPPER MINING CORPORATION, an Arizona corporation, therein referred to as Optionor, gave and granted to AMERICAN SMELTING & REFINING COMPANY, a New Jersey corporation, therein referred to as Optionee, for a term of three (3) years from date thereof, an option to purchase the following described unpatented lode mining claims, location notices of which are recorded in the office of the County Recorder of Pima County, Arizona, as follows:

<u>Name of Claim</u>	<u>Book of Mines</u>	<u>Page</u>
Ajo Butte #1	JJJ	236
Ajo Butte #2	JJJ	237

<u>Name of Claim</u>	<u>Docket</u>	<u>Page</u>	<u>Name of Claim</u>	<u>Docket</u>	<u>Page</u>
Virginia No. 1	1985	513	Virginia No. 2	1985	514
Virginia No. 3	1985	515	Virginia No. 4	1985	516
Virginia No. 5	1985	517	Virginia No. 6	1985	518
Virginia No. 7	1992	372	Virginia No. 8	1992	373
April Fool No. 3	77	423	April Fool No. 4	77	424
April Fool No. 5	77	425	April Fool No. 6	77	426
April Fool No. 7	77	427	April Fool No. 8	461	564
April Fool No. 9	461	565	April Fool No. 10	461	566
April Fool No. 11	461	567	April Fool No. 12	461	568
April Fool No. 13	461	569	April Fool No. 14	461	570
April Fool No. 15	461	571	April Fool No. 16	461	572
April Fool No. 17	461	573	April Fool No. 18	461	574
April Fool No. 19	461	576	April Fool No. 20	461	575
April Fool No. 21	837	443	April Fool No. 22	837	444
April Fool No. 23	837	445	April Fool No. 24	1413	538
April Fool No. 25	837	447	April Fool No. 26	837	448
April Fool No. 27	837	449	April Fool No. 28	837	450
April Fool No. 29	837	451	April Fool No. 30	837	452
April Fool No. 31	837	453	April Fool No. 32	837	454
April Fool No. 33	1393	487	April Fool No. 34	1393	488

April Fool No. 35	1393	489	April Fool No. 36	1393	490
April Fool No. 37	1393	491	April Fool No. 38	1368	61
April Fool No. 39	1368	62	April Fool No. 40	1368	63
April Fool No. 41	1368	64	April Fool No. 42	1368	65
April Fool No. 43	1368	66	April Fool No. 44	1368	67
April Fool No. 45	1368	68	April Fool No. 46	1368	69
April Fool No. 47	1368	70	April Fool No. 48	1368	71
April Fool No. 49	1368	72	April Fool No. 50	1372	436
April Fool No. 51	1372	437	April Fool No. 52	1372	438
April Fool No. 53	1372	439	April Fool No. 54	1372	440
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April Fool No. 67	1393	501	April Fool No. 68	1862	386
April Fool No. 69	1862	387	April Fool No. 70	1862	388
April Fool No. 71	1862	389	April Fool No. 72	1862	390
April Fool No. 73	1862	391	April Fool No. 74	1881	588
April Fool No. 75	1881	590	April Fool No. 76	1881	589
April Fool No. 77	1896	268	April Fool No. 78	1896	269
April Fool No. 79	1896	270	April Fool No. 80	1896	271
April Fool No. 81	1896	272	April Fool No. 82	1896	273
April Fool No. 83	1896	274	April Fool No. 84	1896	275
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Alice #1	1188	572	Alice #2	1188	573
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Alice #7	1188	578	Alice #8	1188	579
Alice #9	1188	580	Alice #10	1188	581
Alice #11	1188	582	Alice #12	1188	583
Alice #13	1188	584	Alice #14	1188	585
Alice #15	1188	586	Alice #16	1188	587
Alice #17	1188	588	Alice #18	1188	589
Alice #19	1188	590	Alice #20	1188	591
Alice #21	1188	592	Alice #22	1188	593
Alice #23	1188	594	Alice #24	1188	595

together with all water and water rights pertaining thereto.

The consideration for such option and the purchase price to be paid by Optionee to Optionor if said option is exercised and the terms, covenants and conditions to be performed by Optionor and the Optionee with respect to said option are all set forth in said option agreement dated as above stated, all of which terms and conditions are hereby made a part hereof as though fully set forth herein. It is the intention of the parties hereto to confirm said mining option as a matter of public notice and record and nothing herein contained shall in any way affect, modify or alter the terms of said mining options.

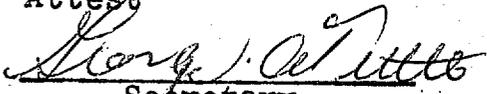
IN WITNESS WHEREOF the parties hereto have executed this agreement as of the day and year first above written.

KNOX ARIZONA COPPER MINING CORPORATION

By

  
\_\_\_\_\_  
President

Attest

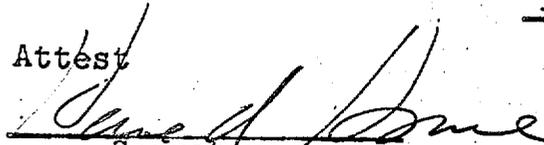
  
\_\_\_\_\_  
Secretary

AMERICAN SMELTING & REFINING COMPANY

By

  
\_\_\_\_\_  
Vice President

Attest

  
\_\_\_\_\_  
Secretary

Approved as to form

LEGAL DEPARTMENT

BY

RMV 8/14/67

STATE OF Missouri )  
~~ARIZONA~~ )  
County of ST Louis ) : SS

The foregoing instrument was acknowledged before me  
this 4th day of August, 1967, by William A. Knox  
as President of KNOX ARIZONA  
COPPER MINING CORPORATION, an Arizona corporation.

Thomas J. Ryan  
Notary Public

~~NOTARY PUBLIC, STATE OF MISSOURI~~  
MY COMMISSION EXPIRES JULY 20, 1971  
ISSUED THRU MISSOURI NOTARY ASSOCIATION

STATE OF NEW YORK )  
~~ARIZONA~~ )  
County of NEW YORK ) : SS  
~~Pima~~

The foregoing instrument was acknowledged before me  
this 18th day of August, 1967, by \_\_\_\_\_  
C. P. Pollock as Vice President  
of AMERICAN SMELTING & REFINING COMPANY, a New Jersey corporation.

Clare A. Baione  
Notary Public

My Commission expires:  
CLARE A. BAIONE  
Notary Public, State of New York  
No. 24 0133975 Qualified in Kings Co.  
Cert. Filed in New York Co.  
Commission Expires March 30, 1969

MINING OPTION

THIS MINING OPTION, made and entered into this 4 day of August, 1967, by and between KNOX ARIZONA COPPER MINING CORPORATION, an Arizona corporation, herein referred to as Optionor, and AMERICAN SMELTING AND REFINING COMPANY, a New Jersey corporation, hereinafter referred to as Optionee,

W I T N E S S E T H:

Article 1. Description of Property. The Optionor represents that it is the owner of the following unpatented lode mining claims in the Myers Mining District, Pima County, Arizona, the location notices of which are of record in the office of the recorder of Pima County as follows:

<u>Name of Claim</u>	<u>Book of Mines</u>	<u>Page</u>
Ajo Butte #1	JJJ	236
Ajo Butte #2	JJJ	237

<u>Name of Claim</u>	<u>Docket</u>	<u>Page</u>	<u>Name of Claim</u>	<u>Docket</u>	<u>Page</u>
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Alice #21	1188	592	Alice #22	1188	593
Alice #23	1188	594	Alice #24	1188	595

together with all water and water rights pertaining thereto.

Article 2. Grant of Option. For and in consideration of the sum of \$3000.00 paid by the optionee to the optionor,

receipt of which is hereby acknowledged, the expenses incurred and to be incurred in the examination of the property, and the covenants and agreements of the optionee hereinafter set forth, the optionor hereby gives and grants to the optionee, its successors and assigns, the sole and exclusive right privilege and option to purchase for the price and upon the terms and conditions hereinafter set forth, free and clear of encumbrances except for the paramount title of the United States of America, all the above described property.

Article 3. Term of Option. The term of this option shall be three (3) years from the date hereof, unless sooner terminated in the manner hereinafter provided.

Article 4. Option Payment. If this agreement is in force and effect two years from the date hereof, optionee shall pay optionor the sum of \$2000.00 on or before the second anniversary date of this agreement.

Article 5. Purchase Price. The price for which optionor agrees to sell the above described property is One Million Five Hundred Thousand Dollars (\$1,500,000.00) payable as described below. The amount paid as consideration for this agreement and the amounts paid in accordance with Article 4 hereof shall apply upon and be credited against the purchase price.

In the event optionee should elect to exercise this option, it shall pay the purchase price in seven (7) equal annual install-

ments. No interest shall be due on any unpaid balance of the purchase price.

Article 6. Additional Claims. Any claims located by either party within a distance of three miles of the external perimeter of the above described property shall automatically become subject to the terms of this agreement. In the event that optionee has located claims within the herein described area, and shall later elect to cancel this agreement, it shall then offer to deed such claims to optionor, and optionor shall have sixty (60) days after the making of such offer within which to elect to accept such conveyance. If optionor does not accept such conveyance within such 60 day period, optionee shall have no further obligation to optionor in respect to such claims.

Optionee has, on or about July 9, 1967, located approximately 103 claims in the herein described area, and it is agreed that these claims shall be subject to the term of this article.

Article 7. Possession and Control of Property. The optionee shall have, and it is hereby given and granted, the right to enter into and take over immediately the sole and exclusive possession and control of said property and the whole and every part thereof, and, during the term of this agreement, to remain in the sole and exclusive possession and control thereof, and to investigate, measure, sample,

examine and test the ores and minerals therein contained. Optionee may remove a reasonable quantity of ore for metallurgical testing, but it may not mine and sell any ore until after it has exercised the herein granted option.

Article 8. Manner of Work. The Optionee agrees to cause all work, development and mining to be done in a careful and minerlike manner and to conform in all respects with the mining laws and regulations of the State of Arizona.

Article 9. Assessment Work. Optionor represents that the assessment work for the annual labor year ending September 1, 1967, has been performed and an affidavit to that effect recorded. The optionee shall, beginning September 2, 1967 and thereafter, during the period this agreement is in effect, do and perform within the time required by law the annual labor or assessment work on or for the benefit of the unpatented mining claims hereinbefore described necessary to comply with the laws of the United States and the State of Arizona, and upon the completion of the annual labor for any particular year, the optionee shall record within the requisite statutory period, an affidavit showing said work to have been performed. Provided, however, that if this agreement is terminated, forfeited or canceled at any time prior to three (3) months previous to the expiration of the then existing annual labor year, the optionee shall be relieved from doing the assessment work for that annual labor year.

Article 10. Inspection. Optionor may enter said property at all reasonable times for the purpose of inspecting the same, and optionee shall facilitate such inspection in every reasonable way but optionor shall enter upon said demised property at optionor's own risk and so as not to hinder unreasonably the operations of optionee; and the optionor shall indemnify and hold harmless the optionee from any damage, claim or demand by reason of injury to or the presence of the optionor or the optionor's agents, representatives, licensees, or guests or any of them on the demised premises or approaches thereto.

If this agreement is terminated for any reason except by payment of the purchase price, optionee shall, at optionor's request, within 3 months following such termination, furnish optionor with copies of all factual geologic, engineering and assay maps and sections of the above described premises, which shall include the location, direction and attitude of all exploratory drill holes drilled by optionee. Optionee shall also furnish copies of geologic and assay logs of any exploratory drill holes drilled by optionee on the above described premises.

Article 11. State and Federal Laws. Optionee shall comply with the Workman's Compensation Laws of Arizona and with Social Security, Unemployment Insurance and all other state and federal laws relating to optionee's operations and shall save optionor harmless from any claim for damages or liability by reason thereof.

Article 12. Protection from Liens and Damages. The optionee shall keep the demised premises and the whole and every part thereof free and clear of liens for labor done or work performed upon the demised premises or materials furnished to it for the development or operation thereof under this lease while the same is in force and effect, and will save and keep harmless the optionor from all costs, loss or damage which may arise by reason of injury to any persons employed by the optionee in or upon the demised premises or any part thereof, or, except as provided in Article 10 hereof, which may arise by reason of injury to any persons or damage to any property as the result of any work or operations of the optionee or of its possession and occupancy of the demised premises. A lien upon the property shall <sup>not</sup> constitute a default if the optionee in good faith disputes the validity of the claim, in which event the existence of the lien shall constitute a default only from and after the validity of the lien has been adjudicated adverse to optionee.

Article 13. Cancellation. Notwithstanding any provision herein to the contrary, optionee may at any time upon written notice to optionor, cancel and terminate this agreement. Upon such cancellation and termination, optionee shall be under no further obligation of whatsoever kind or nature to optionor except to offer to convey the claims referred to in Article 6 hereof. If notice of cancellation is given before the \$2000.00 payment mentioned in Article 4 hereof is due and payable, optionee shall be relieved of making such payment.

Article 14. Surrender of Property. In the event of a valid forfeiture, cancellation, or other termination of this option the optionee shall surrender to the optionor peaceable possession of the demised premises and at the written request of optionor shall deliver to the optionor a written relinquishment hereof.

Article 15. Title. Optionor covenants that optionor now holds title and possession of the demised premises free and clear from all former grants, sales, liens, or encumbrances of any kind, except for the paramount title of the United States of America, and that there are no delinquent taxes; and agrees to furnish optionee such abstracts, deeds, or other evidences of title as may be in the optionor's possession and control, and to allow and cooperate with the optionee, at optionee's option and initial expense, to have abstracts brought to date and to take such steps and proceedings to perfect title as optionee shall deem advisable. All reasonable expense so incurred by optionee shall apply as a credit against purchase price.

Article 16. Conveyance. Optionor agrees that upon the election of optionee to exercise the option hereinabove granted and upon payment by optionee of the first installment of the purchase price, as set forth in Article 5 hereof, it will execute and deliver to optionee its good and sufficient deed, conveying to Optionee the above described premises free and clear of all liens and encumbrances, except the paramount title of the United



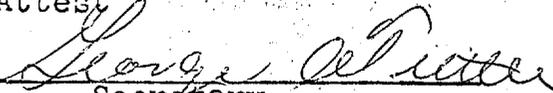
Article 20. Construction. Titles to the respective articles hereof shall not be deemed a part of this option but shall be regarded as having been used for convenience only.

IN WITNESS WHEREOF the parties hereto have executed this agreement as of the day and year first above written.

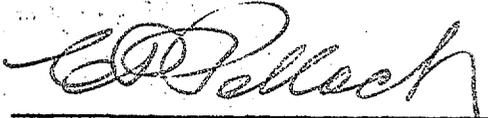
KNOX ARIZONA COPPER MINING CORPORATION

By   
President

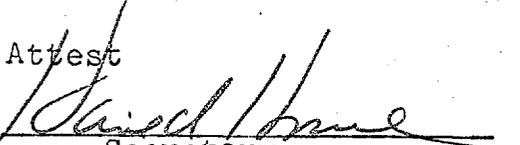
OPTIONOR

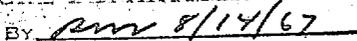
Attest  
  
Secretary

AMERICAN SMELTING AND REFINING COMPANY

By   
Vice President

OPTIONEE

Attest  
  
Secretary

Approved as to form  
LEGAL DEPARTMENT  
By  8/14/67

STATE OF MISSOURI }  
County of  } ss.

On this 4 day of August, 1967, before me the undersigned officer, personally appeared William A. Knox who acknowledged himself to be the President of KNOX ARIZONA COPPER MINING CORPORATION, an Arizona Corporation, and that he, as such officer, being authorized to do so, executed the fore-

going instrument for the purpose therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

*John Messick*  
\_\_\_\_\_  
Notary Public  
*May 4, 1969*

My commission expires:

STATE OF NEW YORK    }  
County of New York    }    ss.

On this 18th day of August, 1967, before me, the undersigned officer, personally appeared C. P. Pollock who acknowledged himself to be the Vice President of AMERICAN SMELTING AND REFINING COMPANY, a New Jersey Corporation, and that he, as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

*Clare A. Baione*  
\_\_\_\_\_  
Notary Public

My commission expires:

CLARE A. BAIONE  
Notary Public, State of New York  
No. 24-0133975 Qualified in Kings Co.  
Cert. filed in New York Co.  
Commission Expires March 30, 1969

aa 16.13. J

New York, N. Y., August 16, 1967

J. H. C.  
AUG 21 1967

Mr. C. P. Pollock

The following is an extract from the minutes of the meeting of the Advisory Committee held today:

Copper Mountain Prospect  
Pima County, Arizona

The Advisory Committee at the meeting of July 19, 1967, approved in principle an agreement under which Knox-Arizona Copper Mining Corporation grants Aarco an option to examine property at the Copper Mountain Prospect, Ajo Valley, Pima County, Arizona, and in connection therewith there was approved an expenditure of \$25,000 for the initial option payment and drilling.

The finalized agreement between Knox-Arizona and Aarco was submitted to the meeting and approved, the terms of which are included in the July 19, 1967 minutes of the Advisory Committee.

Harold Howe

- FCBarrick
- HLGoodenough
- TASnedden
- RMKeen
- JHCourtright
- BJLacey

J. H. C

JUL 14 1967

August 11, 1967

Mr. C. P. Pollock, Vice President  
American Smelting and Refining Company  
120 Broadway  
New York, N. Y. 10005

Dear Sir:

I am enclosing for your signature three copies of our Option Agreement with the Knox-Arizona Copper Mining Corporation and three copies of Memorandum of Mining Option. Also enclosed is a Certified Copy of Resolution by the Board of Directors of Knox-Arizona Copper Mining Corporation authorizing the signature of William A. Knox on these documents.

Following complete execution, I suggest you return two copies of the Mining Option and Memorandum of Mining Option to this office. We will then forward one copy of each together with our check in the amount of \$3,000 to the Knox-Arizona Copper Mining Corporation in St. Louis, Missouri.

Yours very truly,

W. E. Saegart

WES:mc

Enc.

cc: JH Courtright  
SI Bowditch



AMERICAN SMELTING AND REFINING COMPANY  
SOUTHWESTERN EXPLORATION DEPARTMENT  
P. O. BOX 5795, TUCSON, ARIZONA 85703

J. H. C.

JUL 3 1967

August 3, 1967

1150 NORTH 7TH AVENUE  
TELEPHONE 602-792-3010

Air Mail

Mr. William Knox  
8967 Ladue Road  
St. Louis, Missouri 63124

Dear Mr. Knox:

Our attorney returned to his office earlier than he had expected, and has sent me the proposed Memorandum of Mining Option. Accordingly I am including four copies, of which we wish you would execute three. The fourth copy is for your files, as is the fourth copy of the option which I sent you yesterday.

Yours very truly,

A handwritten signature in cursive script that reads "S. I. Bowditch".

S. I. Bowditch

SIB:bam  
Enclosures  
cc: JHCourtright ✓  
WESaegart

JHC  
file

J.H.C.  
JUL 2 1967

August 2, 1967

Airmail

Mr. William Knox  
8967 Ladue Road  
St. Louis, Missouri 63124

Copper Mountain Prospect  
Myers District  
Pima County, Arizona

Dear Mr. Knox:

I am enclosing herewith four copies of a proposed option agreement between Knox Arizona Copper Mining Corporation and Asarco, covering 122 unpatented lode mining claims in the Copper Mountain area.

I believe that this draft incorporates all the points you and Mr. Saegart discussed, but if you have any suggestions, we will be glad to consider them. Mr. Saegart said that you were concerned that we might hold the claims almost to the end of the assessment year and then turn them back to you without having done the assessment work, and for this reason you asked for 90 days notice of cancellation. You will note that Art. 9, the article on assessment work, provides that we are obligated to do the work unless the agreement is terminated at least three months before the end of the assessment year. This gives you the protection you require, and accordingly the cancellation clause does not contain any notice period.

If this agreement meets with your approval, will you please have three copies each of the agreement executed by your company and returned here. We will then send it on to New York for execution by our company.

At the same time you should furnish us with a copy of a resolution of your board of directors authorizing the agreement.

Our attorney is preparing a "Memorandum of Option" which we would record, rather than recording the full agreement, but he is now out of town till the end of the week, so, as you said you were anxious to get the agreement, I am sending it to you now. The "Memorandum" can be signed at any convenient time later.

Mr. Knox  
Page 2

I will be away on vacation until the end of August, so please address any correspondence to Mr. Saegart.

Yours very truly,

S. I. Bowditch

SIB:bam  
cc: JHCourtright  
WESaegart

Bl. note on company copies: Mr. B. G. Thompson, Sr. is the attorney who has been handling this.

S.I.B.

August 1, 1967

Copper Mt.

Mr. J. O. Barnes  
J. O. Barnes Drilling Service, Inc.  
P.O. Box 141  
Casa Grande, Arizona 85222

Dear Mr. Barnes:

This will advise that you may proceed with the drilling in the Organ Pipe Cactus National Monument on the terms set forth in your letter of July 29, 1967 to Mr. Joe Wojcik.

Yours very truly,

J. H. Courtright  
Chief Geologist

JHC:lmi

cc: KvdSteinen, w/copy of J.O. Barnes ltr. of 6/29/67  
JRwojcik " " " "

J. O. BARNES DRILLING SERVICE, INC.  
1312 North Park Avenue  
P. O. Box 141  
Casa Grande, Arizona, 85222  
Phone 836-8061

W.E.S.  
JUL 31 1967

July 29, 1967

J. H. C.  
JUL 31 1967

Mr. Joe Wojcik  
American Smelting and Refining Company  
Exploration Department  
P. O. Box 5795  
Tucson, Arizona, 85703

RE: Drilling site in Organ Pipe Cactus National Monument

Dear Joe:

After discussing the drilling job with you on Wednesday, July 26, 1967 at the above mentioned location, I wish to confirm our agreement relative to same.

We will move from our existing location southwest of Tucson to subject location, set up and be ready to drill. This Mobilization charge is \$650.00.

We will supply drilling rig, equipment, fuel and manpower at the rate of \$32.50 per hour. We will haul water to location at the rate of \$1.00 per loaded mile.

All drilling bits, mud and chemicals will be supplied to us by American Smelting and Refining Company.

Yours very truly,



J. O. Barnes

1110  
BY LIONNE

FOR

Doc. Bh  
Cap. ?

11  
11  
11

AMERICAN SMELTING AND REFINING COMPANY  
Tucson Arizona

J.H.C.

July 28, 1967

MR. JAB

JUL 28 1967

READ AND RETURN \_\_\_\_\_

S. I. B.

TO: J. H. COURTRIGHT

PREPARE ANSWERS \_\_\_\_\_ HANDLE \_\_\_\_\_

FROM: W. E. SAEGART

FILE  INITIALS \_\_\_\_\_

JUL 28 1967

COPPER MOUNTAIN PROSPECT  
AJO VALLEY  
PIMA COUNTY, ARIZONA

Yesterday Messrs. J. R. Wojcik, R. H. Luning and I met with Mr. J. O. Barnes at the subject prospect to discuss our proposed drilling program. Three drill sites were located in the field. Each of these will be accessible without any advance bulldozer work.

Mr. Barnes was taken to the siliceous tuff outcrops through which the Lukeville Highway passes near the southern portion of our CM claim group. We explained that the proposed drill holes would be expected to penetrate this tuff and an underlying basalt porphyry beneath the base of the alluvium.

Two alternative drilling methods were discussed in the field. The first would be conventional rotary drilling through the complete post-mineral sequence. The second alternative would be to rotary drill through the gravels, set casing and advance through the volcanic sequence with hammer drilling. It was decided that we would initiate the project using conventional rotary equipment. If we find that progress is too slow through the siliceous volcanics, Barnes will be agreeable to converting to hammer drill equipment.

Barnes did not feel that he could submit a bid on a footage basis without some drilling experience in this environment. Wojcik and I have agreed to a cost plus contract for the initial three holes. If the results are such that additional drilling is warranted, Barnes will then submit a proposal on a footage basis determined from the cost experience of these first three holes.

Barnes will mail us a letter by July 30 specifying the terms of cost plus drilling from which you can prepare a purchase order.

Our claims are located within the Organ Pipe Cactus National Monument. Our surface exploration is subject to the regulations which were incorporated with the establishment of this National Monument. We have obtained a Special Use Permit from Mr. Richard L. Cunningham, Acting Superintendent of the Organ Pipe Cactus National Monument. This Use Permit entitles us to construct two new roads in connection with our proposed drilling program. Our copy of the Use Permit is attached.

*may need to make  
a second copy of  
this.*

If we plan to do additional drilling which would require more road construction, we should amend the Use Permit accordingly.



W. E. SAEGART

WES/pjc

Attachment: Special Use Permit

cc: KAvdSteinen, w/ attachment

JRWojcik, w/ attachment



## CONDITIONS OF THIS PERMIT

1. **Regulations.**—The permittee shall exercise this privilege subject to the supervision of the Superintendent, and shall comply with the regulations of the Secretary of the Interior, or other authorized officer of the Government, governing the area.
2. **Definition.**—The term "Director, National Park Service" as used herein shall include the appropriate Regional Director, or Superintendent as the representative of the Director.
3. **Rights of the Director.**—Use by the permittee of the land covered hereby is subject to the right of the Director, National Park Service, to establish trails, roads, and other improvements and betterments over, upon, or through said premises, and further to the use by travelers and others of such roads and trails as well as of those already existing. If it is necessary to exercise such right, every effort will be made by the National Park Service to refrain from unduly interfering or preventing use of the land by the permittee for the purpose intended under this permit.
4. **Non-discrimination.**—If use of the land covered by the permit will involve the employment by the permittee of a person or persons, the permittee agrees to observe the following non-discrimination provisions in connection with the use to which the land covered by this permit may be devoted:

In connection with the performance of work under this contract, the contractor agrees not to discriminate against any employee or applicant for employment because of race, religion, color, or national origin. The aforesaid provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rate of pay; other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post hereafter in conspicuous places, available for employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of the non-discrimination clause.
5. **Damages.**—The permittee shall pay the United States for any damage resulting from this use which would not reasonably be inherent in the use which the permittee is authorized to make of the land described in this permit.
6. **Construction.**—No building or other structure shall be erected under this permit except upon prior approval of the Director, National Park Service, and all appurtenances thereto be kept in a safe, sanitary, and slightly condition.
7. **Removal of structures and improvements.**—Upon the expiration of this permit by limitation of time or its termination for any reason prior to its expiration hereunder permittee, if all charges due the Government hereunder have been paid, shall remove within such reasonable period as is determined by the Superintendent, but not to exceed 90 days unless otherwise stipulated in this permit, all structures and improvements placed on the premises by him, and shall restore the site to its former condition under the direction of the Superintendent. If the permittee fails to remove all such structures and improvements within the aforesaid period, they shall become the property of the United States, but that will not relieve the permittee of liability for the cost of their removal and the restoration of the site.
8. **Water Rights.**—The United States reserves the rights to perfect title to all rights for water which may be developed or used in connection with this permit and shall furnish water to the permittee, when available, at reasonable rates to be approved by the Director, National Park Service. Should such water service be unavailable or inadequate, the permittee may, with prior approval of the Director, provide the same at his own expense, subject to such special requirements as may be prescribed.
9. **Disposal of refuse.**—The permittee shall dispose of brush and other refuse as required by the Superintendent.
10. **Timber cutting.**—No timber may be cut or destroyed without first obtaining a permit therefor from the Director, National Park Service.
11. **Fire prevention and suppression.**—The permittee and his employees shall take all reasonable precautions to prevent forest, brush, grass, and structural fires and also shall assist the Superintendent in extinguishing such fires in the vicinity of any tract which may be used hereunder.
12. **Soil erosion.**—The permittee shall take adequate measures, as directed and approved by the Superintendent to restrict and prevent soil erosion on the lands covered hereby and shall so utilize such lands as not to contribute to erosion on adjoining lands.
13. **Benefit.**—Neither Members of, nor Delegates to Congress, or Resident Commissioners shall be admitted to any share or part of this permit or derive, either directly or indirectly, any pecuniary benefit to arise therefrom: *Provided*, however, that nothing herein contained shall be construed to extend to any incorporated company, if the permit be for the benefit of such corporation.
14. **Assignment.**—This permit may not be transferred or assigned without the consent of the Director, National Park Service, in writing.
15. **Revocation.**—This permit may be terminated upon breach of any of the conditions herein or at the discretion of the Director, National Park Service.

1. **Regulations.**—The permittee shall exercise this privilege subject to the supervision of the Superintendent, and shall comply with the regulations of the Secretary of the Interior, or other authorized officer of the Government, governing the area.

2. **Definition.**—The term "Director, National Park Service" as used herein shall include the appropriate Regional Director, or Superintendent as the representative of the Director.

3. **Rights of the Director.**—Use by the permittee of the land covered hereby is subject to the right of the Director, National Park Service, to establish trails, roads, and other improvements and betterments over, upon, or through said premises, and further to the use by travelers and others of such roads and trails as well as of those already existing. If it is necessary to exercise such right, every effort will be made by the National Park Service to refrain from unduly interfering or preventing use of the land by the permittee for the purpose intended under this permit.

4. **Non-discrimination.**—If use of the land covered by the permit will involve the employment by the permittee of a person or persons, the permittee agrees to observe the following non-discrimination provisions in connection with the use to which the land covered by this permit may be devoted:

In connection with the performance of work under this contract, the contractor agrees not to discriminate against any employee or applicant for employment because of race, religion, color, or national origin. The aforesaid provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rate of pay; other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post hereafter in conspicuous places, available for employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of the non-discrimination clause.

The contractor further agrees to insert the foregoing provisions in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials. (Executive Order 10557; September 3, 1954.)

5. **Damages.**—The permittee shall pay the United States for any damage resulting from this use which would not reasonably be inherent in the use which the permittee is authorized to make of the land described in this permit.

6. **Construction.**—No building or other structure shall be erected under this permit except upon prior approval of the Director, National Park Service, and all appurtenances thereto be kept in a safe, sanitary, and slightly condition.

SPECIAL USE PERMIT CONTINUATION SHEET

AREA	Organ Pipe Cactus National Monument, Ajo, Arizona	PERMIT NO. 3:157:0007	PAGE NO. 3
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16. Road surfacing to be of low standard, suitable for truck travel with no surfacing.
17. The use of bulldozers, graders or other similar heavy equipment or the use of explosives for the construction and/or maintenance of roads, must be approved by the Superintendent prior to their use on Monument lands.
18. This permit is for the construction of roads only within the mining claims and does not give the permittee permission to explore for or develop water.
19. Location of the roads shall be as designated by the Superintendent or his authorized representative. They shall be restricted to the present confines of the mining claims and access roads thereto. See attached map.
20. These roads shall be improved in such a manner as to avoid the destruction of vegetation, except that overhanging branches, limbs and protruding stems and branches of low lying shrubs may be removed.
21. All structures, bridges, closures, culverts, etc., used to improve the existing roads or in construction of new roads shall become the property of the United States upon completion of the road work and shall not be removed, except by direction of the Superintendent.
22. Use of these roads shall not be exclusive, but shall be available to Monument personnel, miners and prospectors.
23. "Nondiscrimination. See Attachment A."

Special Use Permit for American Smelting & Refining Company --  
Box 5795, Tucson, Arizona -- NO FEE -- No. 3:157:0007 --

CONTINUATION OF CONDITIONS OF THIS PERMIT (Form 10-114)

United States Department of the Interior  
National Park Service

The following provisions constitute Condition 4 in accordance with Executive Order No. 11246 of September 24, 1965.

Nondiscrimination. If use of the land covered by the permit will involve the employment by the permittee of a person or persons, the permittee agrees as follows:

(1) The Permittee will not discriminate against any employee or applicant for employment because of race, creed, color, ancestry, or national origin. The Permittee will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, creed, color, ancestry or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Permittee agrees to post on conspicuous places, available to employees and applicants for employment, notices to be provided by the Superintendent setting forth the provisions of this nondiscrimination clause.

(2) The Permittee will, in all solicitations or advertisements for employees placed by or on behalf of the Permittee, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin.

(3) The Permittee will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the Superintendent, advising the labor union or workers' representative of the Permittee's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The Permittee will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

Organ Pipe Cactus National Monument

Area: Organ Pipe Cactus National Monument  
 P.O. Box 38, Ajo, Arizona 85321  
 Permittee: American Smelting & Refining  
 Company, Box 5795, Tucson, Arizona  
 Permit Number: 3:157:0007 -- NO PERM --

(5) The Permittee will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the Superintendent and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the Permittee's noncompliance with the nondiscrimination clauses of this permit or with any of such rules, regulations, or orders, this permit may be cancelled, terminated or suspended in whole or in part and the Permittee may be declared ineligible for further Government contracts or permits in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The Permittee will include the provisions of Paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Permittee will take such action with respect to any subcontract or purchase order as the Superintendent may direct as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, that in the event the Permittee becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Superintendent, the Permittee may request the United States to enter into such litigation to protect the interests of the United States.

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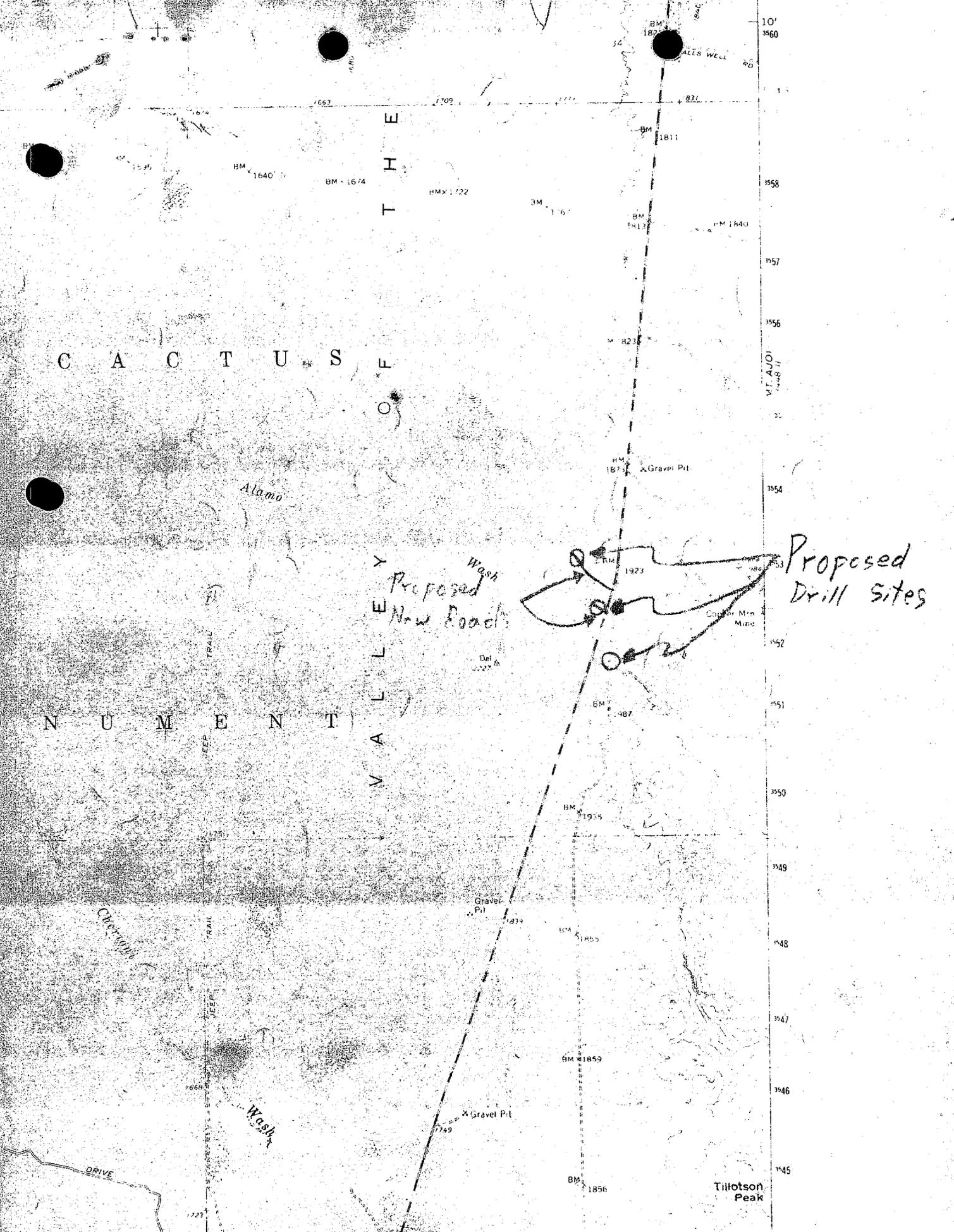
N U M E N T

Alamo

Wash  
Proposed  
New Road

Proposed  
Drill sites

Tiltson  
Peak



J.H.C.  
JUL 28 1967

S. I. B.  
JUL 28 1967

July 27, 1967

Mr. S. A. Bowditch  
American Smelting & Refining Co.  
Tucson, Arizona  
Dear Mr. Bowditch:

In answer to your letter received to-day and as per  
our telephone conversation. Yes Mr. Saegart's letter of  
July 10<sup>th</sup> 1967 is what we agreed on if a contract was  
written regarding the Knof-Arizona Copper Mining Corp.  
(Copper Mountain) property.

I related to Mr. Saegart by phone I would appreciate  
if the agreement would contain the following.

"If ASARCO should terminate the agreement Knof-  
Arizona Copper Mining Corp. would receive the core, maps  
and any other information that would be important  
to Knof-Arizona.

Knof-Arizona is an Arizona corporation and I  
have full authority to sign as its president for the corporate  
Mr. Roland McLean our attorney can verify this.

Very truly yours,  
*William Knof* President  
Knof-Arizona Copper Mining Corp.

210 main

cc made 7-28-67

JHC ✓  
WRS  
JEK

518  
7068 9a 16.1.38  
READ AND RETURN ~~New York, N. Y., July 10, 1967~~

PREPARE ANSWERS \_\_\_\_\_ HANDLE \_\_\_\_\_

Mr. C. P. Follock

FILE  INITIALS \_\_\_\_\_

J. H. C.

JUL 27 1967

The following is an extract from the minutes of the meeting of the Advisory Committee held today:

Mining Authorization No. 58-67  
Copper Mountain Prospect  
Ajo Valley, Pima County, Arizona

S. I. B.

JUL 27 1967

It was reported that recent geological mapping and geophysical work have indicated a potential western projection of copper mineralization from the Copper Mountain area, Ajo Valley, Pima County, Arizona. It was further reported that certain lands comprising 122 claims in this zone of possible mineralization are owned by the Knox Arizona Copper Mining Corporation, and preliminary option terms have been discussed on the following bases:

- (1) Acquisition by Amarco of a three-year option to purchase the Ajo Butte and other claim groups for a total price of \$1,500,000, with a \$3,000 initial option payment to Knox Arizona upon execution of the agreement, and an additional option payment of \$2,000 payable at the beginning of the third year of the option period - option payments to apply against purchase price.
- (2) Amarco would be obligated to perform annual assessment work on all claims covered by the agreement as long as the agreement is in effect.
- (3) Any claims located within a distance of three miles of the external perimeter of the present 122 claims would be subject to the terms of the agreement.
- (4) Amarco could terminate the agreement at any time following 90 days' written notice.

The Company's geologists recommend drilling three holes totaling 7,000 feet to test the western projection of the zone. There was approved an expenditure of \$33,000 for the initial option payment and drilling of three holes at the Copper Mountain prospect, Ajo Valley, Pima County, Arizona.

Harold Howe

WJHaurick  
HJGoodenough-R  
YASnedden  
RBMoon  
JHCourtright  
RJLacey

AMERICAN SMELTING AND REFINING COMPANY  
Tucson Arizona

July 14, 1967

Mr. K. E. Richard, Chief Geologist  
American Smelting and Refining Company  
120 Broadway  
New York, N. Y. 10005

Dear Sir:

Enclosed is Mr. Saegart's report on the Copper Mountain Prospect, also Mr. Kinnison's report of July, 1966.

There are various reasons for the delay, but these have no bearing on the problem so they will not be enumerated here.

An extensive zone (over a mile wide) of weak copper mineralization in granitoid rocks is cut off on the west by a post-mineral fault having a vertical displacement of over 1500'. There is a gradual increase in copper from east to west as determined by drill holes --- from nil up to .15% Cu. Alteration consists mainly of scattered crystals of introduced feldspar --- similar to Ajo, but not as intense.

Geological mapping and geophysical work indicate the existence of a graben, or trough 1/2 mile wide with probable shallower pre-mineral bed-rock on a westward projection of the Copper Mt. Zone <sup>(west of the graben)</sup>. Messrs. Saegart and Kinnison recommend testing this projection with three holes at a cost of \$53,000. This is the same zone previously proposed as a drill target by Mr. Morrison.

Although this involves a real long-shot gamble based on the probability of ore grade mineralization occurring a mile to the west in a horst, or high block, I concur with their recommendations. If you are in agreement, please request an authorization in the amount of \$53,000.

Very truly yours,

J. H. COURTRIGHT

JHC/mcg

cc: RJLacy  
BCMorrison  
WESaegart  
JEKinnison

*Copy of memo & copy of J. Kinnison's Report enclosed 7-14-67 lmi*

AMERICAN SMELTING AND REFINING COMPANY  
Tucson Arizona

J. H. C.  
JUL 19 1967

July 14, 1967

MEMORANDUM TO J. H. COURTRIGHT

COPPER MOUNTAIN PROSPECT  
AJO VALLEY  
PIMA COUNTY, ARIZONA

This memo refers to and should be incorporated with Mr. J. E. Kinnison's exploration proposal of July 26, 1966 concerning the subject prospect.

At your request, I talked to Mr. William Knox, President of the Knox Arizona Copper Mining Corporation on June 15. The purpose of that meeting was to assess the significance of recent geophysical surveys conducted in the Copper Mountain area.

Mr. Knox showed me a claim map of the district displaying several red colored areas located on and to the north of his claims. These red zones were represented to be electromagnetic anomalies developed by Mr. Weldon C. Humphrey, Jr. owner of Airborne Geophysical Systems Company, Tucson, Arizona. Mr. Humphrey and certain associates have located a large (200-300) group of claims north of Knox's Copper Mountain Property.

The electromagnetic anomalies resulted from both airborne and ground surveys. Most of the colored zones shown on the map occur in an area of thick alluvial cover on the down thrown side of a range front fault (indicated by Asarco gravity survey). Since the electromagnetic methods are not noted for depth penetration, these anomalies are of questionable significance. Of greater importance, however, is the validity of the methods and instrumentation employed by Mr. Humphrey. This man was formerly employed in the Geophysical Department of Phelps Dodge Corporation (at the same time I worked for P.D.) Among legitimate earth scientists, Mr. Humphrey is considered to be a "crackpot". His e.m.(?) anomalies north of Copper Mountain can be safely dismissed from further consideration.

Mr. Knox also advised me that American Zinc recently drilled 2 holes on his Copper Mountain property and 2 or 3 holes on Mr. Humphrey's property about 5 miles to the north. American Zinc obtained an option on Knox's property on November 7, 1966. The option was terminated in February of this year. With the expectation that new information was available and in order to better appriase Mr. J. E. Kinnison's exploration proposal, I scheduled a visit to the property.

Mr. Kinnison and I met Mr. Knox at the property on June 19. We found that the American Zinc core was not there, and were advised that it was in Mr. Humphrey's office in Tucson. However, Knox was able to provide

us with some information concerning these holes. They are located about 1500' north of Copper Mountain approximately on the side line of the Virginia 17 and 18 claims. A copy of the assays from one of the holes (AZ-8) is attached. With the exception of one significant assay from the oxide zone (5' of 1.4% Cu), the assays were very poor. Mr. Knox indicated that the interval from 247' to 585' had not been assayed. Presumably this interval contained little to no visible copper. The other American Zinc hole was stopped or lost at or near bedrock. The results of American Zinc's drilling do not encourage further exploration to the north of Copper Mountain. We made no effort to contact Mr. Humphrey in order to examine that particular core .

While at Copper Mountain on June 19 we looked at various intervals of core from several holes drilled by Phelps Dodge Corp. and Hidden Splendor Mining Co. The core from a single hole drilled by New Jersey Zinc is stored at another of Knox's properties, the Indiana-Arizona Mine, adjacent to Silver Bell. We looked at that core later the same week. Descriptive logs of all holes and intervals examined were prepared by Mr. Kinnison and myself. A copy of these logs is attached.

Clearly, the best hole, from a standpoint of copper content and alteration intensity, was K-2 drilled by Phelps Dodge. This hole averaged 0.15% Cu in the sulfide zone (928'-1502'). Along the E-W line of holes which includes Knox DDH, HS-1, HS-2, and K-2 there is a steady improvement in copper mineralization, progressing from east to west.

The core from K-6 was never turned over to Knox after P.D. abandoned the property. This hole had a relatively high pyrite content, but the copper assays were disappointing. The New Jersey Zinc hole (KA-1) was not as good as the assays imply. It appears that only the best visibly mineralized intercepts were assayed. Core from the intervening intervals contained only traces of mineralization.

The best exploration potential lies west of K-2 along the projection of the corridor bounded on the north by K-6 and on the south by the New Jersey Zinc hole. I believe this represents a valid exploration gamble justifying 2 or 3 holes. These holes should be collared within the elevated fault block which is located west of the deep trough where P.D. drilled K-1 and K-3.

The Star Claim Group shown on Attachment B of Mr. Kinnison's report was located by Phelps Dodge in 1957. Since assessment work has not been recorded for the last several years, the ground is open to location.

Between July 5 and July 12, 102 federal claims were located to the west of and adjoining the Knox Arizona Copper Mining Corporation property. These claims, known as the CM Group, were located by a contractor in the name of American Smelting and Refining Company. They cover the potential westward projection of mineralization which constitutes our exploration objective.

July 14, 1967

The claims owned by Knox-Arizona are not of prime importance at this time. We are, however, morally obligated to deal with Knox since our interest in the district was developed through data which he provided. I have, therefore, obtained from Mr. Knox, the terms of acquisition for the 122 claims which his corporation controls at Copper Mountain. These are as follows:

ASARCO can acquire a three year option to purchase the Ajo Butte, Virginia, Alice and April Fool claim groups for a total price of \$1,500,000. A \$3,000 initial option payment would be payable to Knox-Arizona Copper Mining Corporation upon execution of the agreement. An additional option payment in the amount of \$2,000 would be payable at the beginning of the third year of the option period.

If exercised the purchase price would be paid in (7) seven equal annual installments beginning with the 4th year following execution. The two option payments would apply toward the purchase if ASARCO should exercise the option.

ASARCO would be obligated to perform the annual assessment work on all claims covered by the option agreement as long as the agreement is in effect.

Any claims located by either party to this agreement within a distance of three miles of the external perimeter of the present 122 claims would be subject to the terms of the agreement.

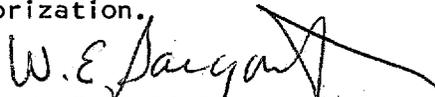
ASARCO could terminate the agreement at any time following 90 days written notice.

I wrote to Mr. Knox on July 10, advising him that we were in the process of locating the adjacent ground to the west and that these new claims would be subject to and part of any agreement between Asarco and Knox-Arizona covering his existing claims (as per the 3 mile clause).

Up to three holes aggregating 7000 ft. are recommended to test the open western projection of the zone of copper mineralization. These holes are plotted on the attached 1" = 1 mile sketch map which also shows the perimeter of our new claims. An authorization in the amount of \$53,000 will be necessary to cover the cost of this preliminary drilling and to pay the initial option for the Knox property. This is broken down as follows:

5000' of rotary drilling @ \$6.00	=	\$30,000
2000' of diamond drilling @ \$10.00	=	20,000
Drilling total		<u>\$50,000</u>
Option payment		<u>3,000</u>
Total authorization requirement		<u>\$53,000</u>

I recommend you request this authorization.

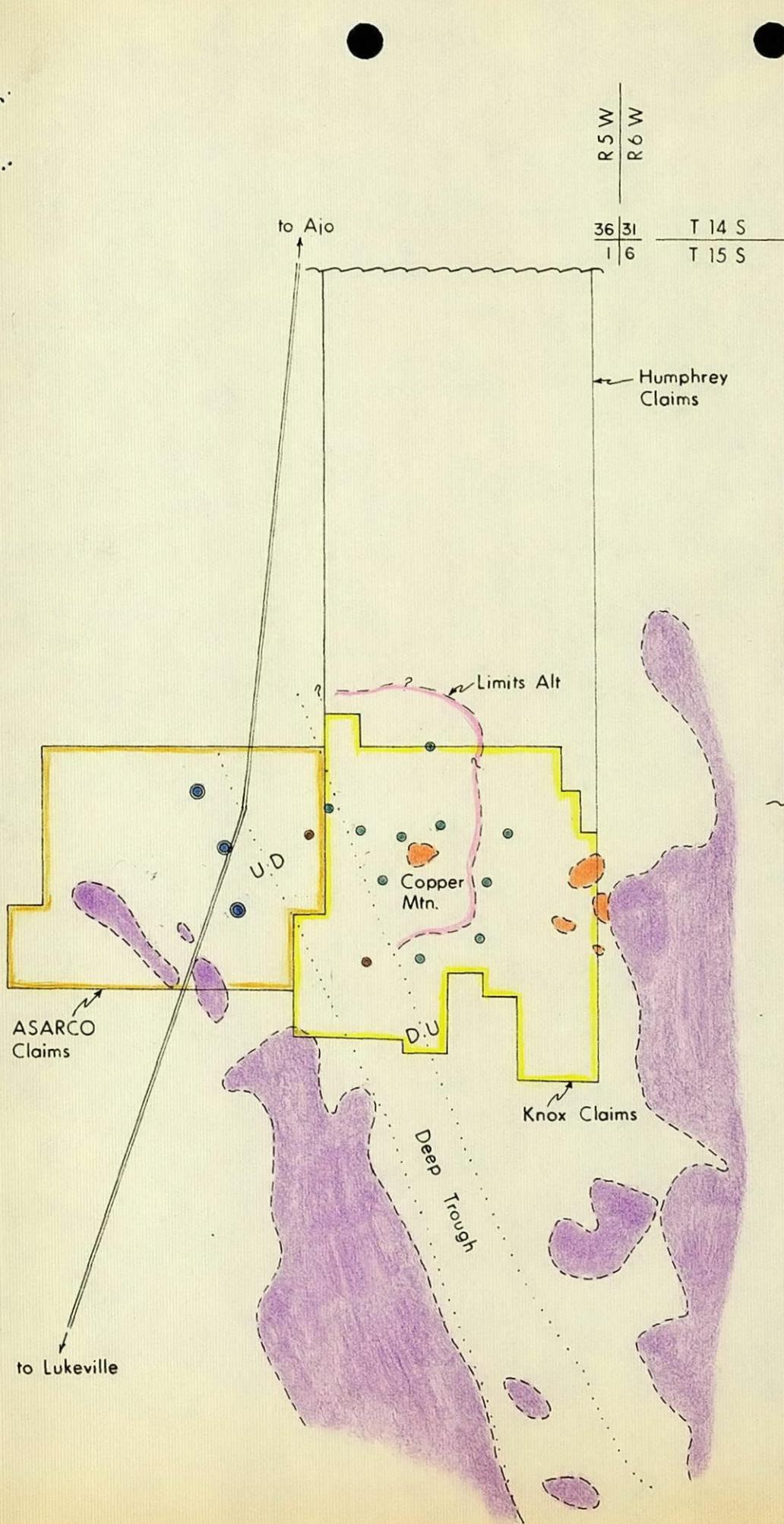
  
W. E. SAEGART

WES/pjc

Attachments: 1" = 1 mile sketch map  
descriptive logs  
assay certificate (American Zinc)

cc: JHCourtright, IX

JEKinnjson  
RD [unclear]



**OWNERSHIP**

- Knox Arizona Copper Mining Corp.
- ASARCO
- Humphrey

**ROCKS**

- Post Mineral
- Pre Mineral

**DRILL HOLES**

- in Pre Ore Rock
- in Post Ore Rock only
- Proposed

**DRILLING PROPOSAL  
COPPER MOUNTAIN CLAIMS  
Pima County, Ariz.**

Scale 1"=1 mile

July 1967

RECEIVED

JAN 2 1967

# SOUTHWESTERN ASSAYERS & CHEMISTS

REGISTERED ASSAYERS

FELIX K. DURAZO  
WIL WRIGHT  
ARIZONA REG. NO. 5875

P. O. BOX 7517  
TUCSON, ARIZONA 85713

R.L.B.  
710 E. EVANS BLVD.  
PHONE 602-294-5811

American Zinc Company  
P. O. Box 8873  
St. Louis, Missouri 63102

JOB# 000807  
RECEIVED 1-20-67  
REPORTED 1-24-67

SAMPLE NUMBER	GOLD OZ.	SILVER OZ.	LEAD %	ZINC %	COPPER %	Iron %	MOLYBDENUM %
AZ-5							
<i>Core</i> 237-242					.21	4.54	
<i>Core</i> 242-247					1.40 <i>oxide</i>	3.72	



CHARGE \$13.00

# SOUTHWESTERN ASSAYERS & CHEMISTS

RECEIVED  
FEB 3 1967

REGISTERED ASSAYERS

FELIX K. DURAZO  
WIL WRIGHT  
ARIZONA REG. NO. 5875

P. O. BOX 7517  
TUCSON, ARIZONA 85713

710 E. EVANS BLVD. **R.L.B.**  
PHONE 602-294-5811

American Zinc Company  
P. O. Box 8873  
St. Louis, Missouri 63102

JOB# 000835  
RECEIVED 1-30-67  
REPORTED 1-31-67

Core  
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SAMPLE NUMBER	GOLD OZ.	SILVER OZ.	LEAD %	ZINC %	COPPER %	Iron	MOLYBDENUM %
AZ-5							
585-590		.16	.30	.012	.10	3.59	
621-626					.05	4.38	
631					.57	3.43	
636					.43	3.67	
641					.09	3.19	
646					.06	3.39	
651					.04	3.78	
656					.02	2.38	
661					.04	2.79	
666					.03	3.56	
671					.04	4.19	
676					.09	6.58	
681					.10	6.79	
686					.07	6.39	
691					.05	6.49	
696					.05	5.29	

*5" intervals*



CHARGE \$7.50

COPPER MOUNTAIN - AJO

<u>Hole #</u>	<u>Depth</u>	<u>Description of Rock</u>	<u>Description of Mineral</u>	<u>% Cu</u>
K-4	1246-59 1259-69 1269-78	Med xline gr. rexl salmon pink feld & flesh large ortho- clase xls. (second) shredded bio part chlor & epidote	numerous specularite vnlets no boxworks after sulf. minor Cu stn w/ specularite	0x
K-2	1057-85	Med xline gr. mod-str chlor of bio (Fe mags constitute 15% of rock) wk silicification vg wk kaolin of felds	mod epidote in vnlets and blobs and flakes. Py & cpy -- poor to fair py/cpy = 2.5/1 cpy affinity for epidote (1) biotite - chlorite (2) minor specularite as diss & vnlets	Tot sulf 2%
K-2	1235-1263	Med xline gr. 25% chloritized biotite No salmon secondary felds thin epidote vnlets w/ fine xline biotite halos cut by andesitic pre min dikes minor kaolinization of felds.	diss cpy & py - Sulfides favor epidote vnlets and adj. walls Minor specularite vnlets fair CuFeS <sub>2</sub>	Tot sulf 3%
HS-1	1444-1471	Med xline gr. 30% Femags as clotted and sl. shredded and <u>wk</u> chlor biot. Felds are near fresh very few fract.	Minor diss py & cpy conc on thin fract. minor spec vnlets. No epidote	Total sulf 1% or less
HS-1	507-535	Med xline gr. 10%-15% biot (clotted) mod altered to chlorite mod kaolin alt of felds pre-mineral basic dike some flesh colored med-large secondary orthoclase, wk. silicif.	Minor py and tr cpy no epidote tr MoS <sub>2</sub> ?	Tot sulf 1/2%
HS-2	1348-72	med xline gr. 20-25% biot in clots only minor chlorite develop. only local kaolin alt and sec. feld development is local - overall is only weakly altered.	minor to fair diss py and tr to minor cpy py/cpy = 5/1 wk, thin epidote venlets minor magnetite mod spec veinlets	Tot sulf 1%

<u>Hole #</u>	<u>Depth</u>	<u>Description of Rock</u>	<u>Description of Mineral</u>	<u>% Cu</u>
HS-2	394-422	aplite granite w/only minor Fe mags (< 5%), chloritized introduced + chlorite along fract's and as vnlet filling degree of alt uncertain	laced w/ spec hair vnlets and some thicker vnlets of spec wk py; wk cpy py/cpy 1:1 tr galena	Tot sulf 1%
KA-1 (NJZ)	1077-90	med xline gr. fresh numerous fract's w/ py and epidote very minor kaolin	1% py tr spec No cu	
	1090-92	feld por large feld xls in green matrix of femags & small feld xls. No quartz - fresh	Tr py	
	1094-1104	med xline gr. wk alt incl. wk silic and clay femags bleached	wk cpy wk py py/cpy = 1:1	0.30
	1049-1063	30% biotgr (qtz by NJZ) near fresh minor chlor.	few thin epidote vnlets wk py and tr cpy spec vnlets py favors fract's.	1% sulf
	838-851	bx gr vry wk alt. wk chlor, wk clay	wk py on fract's and on qtz vnlets	<1%

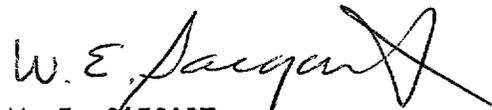
J. H. C.  
JUL 19 1967AMERICAN SMELTING AND REFINING COMPANY  
Tucson Arizona

July 14, 1967

TO: J. H. COURTRIGHT  
FROM: W. E. SAEGART

file

Enclosed is a list of the claims controlled by the Knox-Arizona Copper Mining Corporation in the Copper Mountain area south of Ajo, Pima County, Arizona. This list which includes the docket and page numbers as recorded in the office of the Pima County Recorder should be utilized in drafting any purchase option agreement with the Knox-Arizona Copper Mining Corporation.

  
W. E. SAEGART

WES/pjc  
Enclosurecc: SIBowditch, w/ encl.  
JEKinnison, w/ encl.

EXHIBIT A

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

<u>Name of Claim</u>	<u>Book of Mines</u>	<u>Page</u>
Ajo Butte #1	JJJ	236
Ajo Butte #2	JJJ	237

<u>Name of Claim</u>	<u>Docket</u>	<u>Page</u>	<u>Name of Claim</u>	<u>Docket</u>	<u>Page</u>
Virginia No. 1	1985	513	Virginia No. 2	1985	514
Virginia No. 3	1985	515	Virginia No. 4	1985	516
Virginia No. 5	1985	517	Virginia No. 6	1985	518
Virginia No. 7	1992	372	Virginia No. 8	1992	373
April Fool No. 3	77	423	April Fool No. 4	77	424
April Fool No. 5	77	425	April Fool No. 6	77	426
April Fool No. 7	77	427	April Fool No. 8	461	564
April Fool No. 9	461	565	April Fool No. 10	461	566
April Fool No. 11	461	567	April Fool No. 12	461	568
April Fool No. 13	461	569	April Fool No. 14	461	570
April Fool No. 15	461	571	April Fool No. 16	461	572
April Fool No. 17	461	573	April Fool No. 18	461	574
April Fool No. 19	461	576	April Fool No. 20	461	575
April Fool No. 21	837	443	April Fool No. 22	837	444
April Fool No. 23	837	445	April Fool No. 24	1413	538
April Fool No. 25	837	447	April Fool No. 26	837	448
April Fool No. 27	837	449	April Fool No. 28	837	450
April Fool No. 29	837	451	April Fool No. 30	837	452
April Fool No. 31	837	453	April Fool No. 32	837	454
April Fool No. 33	1393	487	April Fool No. 34	1393	488
April Fool No. 35	1393	489	April Fool No. 36	1393	490
April Fool No. 37	1393	491	April Fool No. 38	1368	61
April Fool No. 39	1368	62	April Fool No. 40	1368	63
April Fool No. 41	1368	64	April Fool No. 42	1368	65
April Fool No. 43	1368	66	April Fool No. 44	1368	67
April Fool No. 45	1368	68	April Fool No. 46	1368	69
April Fool No. 47	1368	70	April Fool No. 48	1368	71
April Fool No. 49	1368	72	April Fool No. 50	1372	436
April Fool No. 51	1372	437	April Fool No. 52	1372	438
April Fool No. 53	1372	439	April Fool No. 54	1372	440
April Fool No. 55	1372	441	April Fool No. 56	1372	442
April Fool No. 57	1372	443	April Fool No. 58	1393	492
April Fool No. 59	1393	493	April Fool No. 60	1393	494
April Fool No. 61	1393	495	April Fool No. 62	1393	496
April Fool No. 63	1393	497	April Fool No. 64	1393	498
April Fool No. 65	1393	499	April Fool No. 66	1393	500
April Fool No. 67	1393	501	April Fool No. 68	1862	386
April Fool No. 69	1862	387	April Fool No. 70	1862	388
April Fool No. 71	1862	389	April Fool No. 72	1862	390

<u>Name of Claim</u>	<u>Docket</u>	<u>Page</u>	<u>Name of Claim</u>	<u>Docket</u>	<u>Page</u>
April Fool No. 73	1862	391	April Fool No. 74	1881	588
April Fool No. 75	1881	590	April Fool No. 76	1881	589
April Fool No. 77	1896	268	April Fool No. 78	1896	269
April Fool No. 79	1896	270	April Fool No. 80	1896	271
April Fool No. 81	1896	272	April Fool No. 82	1896	273
April Fool No. 83	1896	274	April Fool No. 84	1896	275
April Fool No. 85	1896	276	April Fool No. 86	1896	277
April Fool No. 87	1902	255	April Fool No. 88	1902	256
April Fool No. 89	1902	257	April Fool No. 90	1902	258
Alice #1	1188	572	Alice #2	1188	573
Alice #3	1413	539	Alice #4	1188	575
Alice #5	1188	576	Alice #6	1188	577
Alice #7	1188	578	Alice #8	1188	579
Alice #9	1188	580	Alice #10	1188	581
Alice #11	1188	582	Alice #12	1188	583
Alice #13	1188	584	Alice #14	1188	585
Alice #15	1188	586	Alice #16	1188	587
Alice #17	1188	588	Alice #18	1188	589
Alice #19	1188	590	Alice #20	1188	591
Alice #21	1188	592	Alice #22	1188	593
Alice #23	1188	594	Alice #24	1188	595



AMERICAN SMELTING AND REFINING COMPANY  
SOUTHWESTERN EXPLORATION DEPARTMENT  
P. O. BOX 5795, TUCSON, ARIZONA 85703  
July 10, 1967

J. H. C.  
JUL 10 1967

J. H. COURTRIGHT  
CHIEF GEOLOGIST  
L. P. ENTWISTLE  
ASSISTANT CHIEF GEOLOGIST  
W. E. SAEGART  
ASSISTANT CHIEF GEOLOGIST

1150 NORTH 7TH AVENUE  
TELEPHONE 602-792-3010

Mr. William Knox  
8967 Ladue Road  
St. Louis, Missouri 63124

Dear Mr. Knox:

The following sets forth my understanding of the acquisition terms on the 122 claims held by the Knox Arizona Copper Mining Corporation in the Copper Mountain District, south of Ajo, Pima County, Arizona.

ASARCO can acquire a three year option to purchase the Ajo Butte, Virginia, Alice and April Fool claim groups for a total price of \$1,500,000. A \$3,000 initial option payment would be payable to Knox Arizona Copper Mining Corporation upon execution of the agreement. An additional option payment in the amount of \$2,000 would be payable at the beginning of the third year of the option period.

If exercised the purchase price would be paid in (7) seven equal annual installments beginning with the 4th year following execution. The two option payments would apply toward the purchase if ASARCO should exercise the option.

ASARCO would be obligated to perform the annual assessment work on all claims covered by the option agreement as long as the agreement is in effect.

Any claims located by either party to this agreement within a distance of three miles of the external perimeter of the present 122 claims would be subject to the terms of the agreement.

ASARCO could terminate the agreement at any time following 90 days written notice.

We are presently locating approximately 125 new claims along the western margin of your Copper Mountain Property. This will serve as a letter of intent to the affect that these new claims will be included in any agreement executed between ASARCO and the Knox Arizona Copper Mining Corporation for the Ajo Butte, Virginia, Alice and April Fool claim groups.

Mr. William Knox

July 10, 1967  
Page 2

Your acquisition terms will be submitted to our New York office for their consideration.

Thank you for your co-operation in making available all of the data from previous exploration on this property.

Very truly yours,

W. E. SAEGART

WES/mcg

bcc: JHCourtright ✓  
SIBowditch  
JEKinnison

*please copy for WES  
-67  
Jinnis*

Aa-16.1.3J

AMERICAN SMELTING AND REFINING COMPANY  
Tucson Arizona

J. H. C

July 5, 1967

JUL 6 1967

TO: J. H. COURTRIGHT

FROM: J. E. KINNISON

COPPER MOUNTAIN CLAIMS

Mr. H. A. Kinnison and myself checked west end lines of the Knox group. His claims are probably subject to surveying errors and will not agree with the map we have.

Survey crews started 1:00 P.M. this date to run westerly lines according to the xerox copy which I left on Mr. Bowditch's desk this morning. They are instructed to set short surveying stakes only, and to leave the longer location stakes in an inconspicuous location.

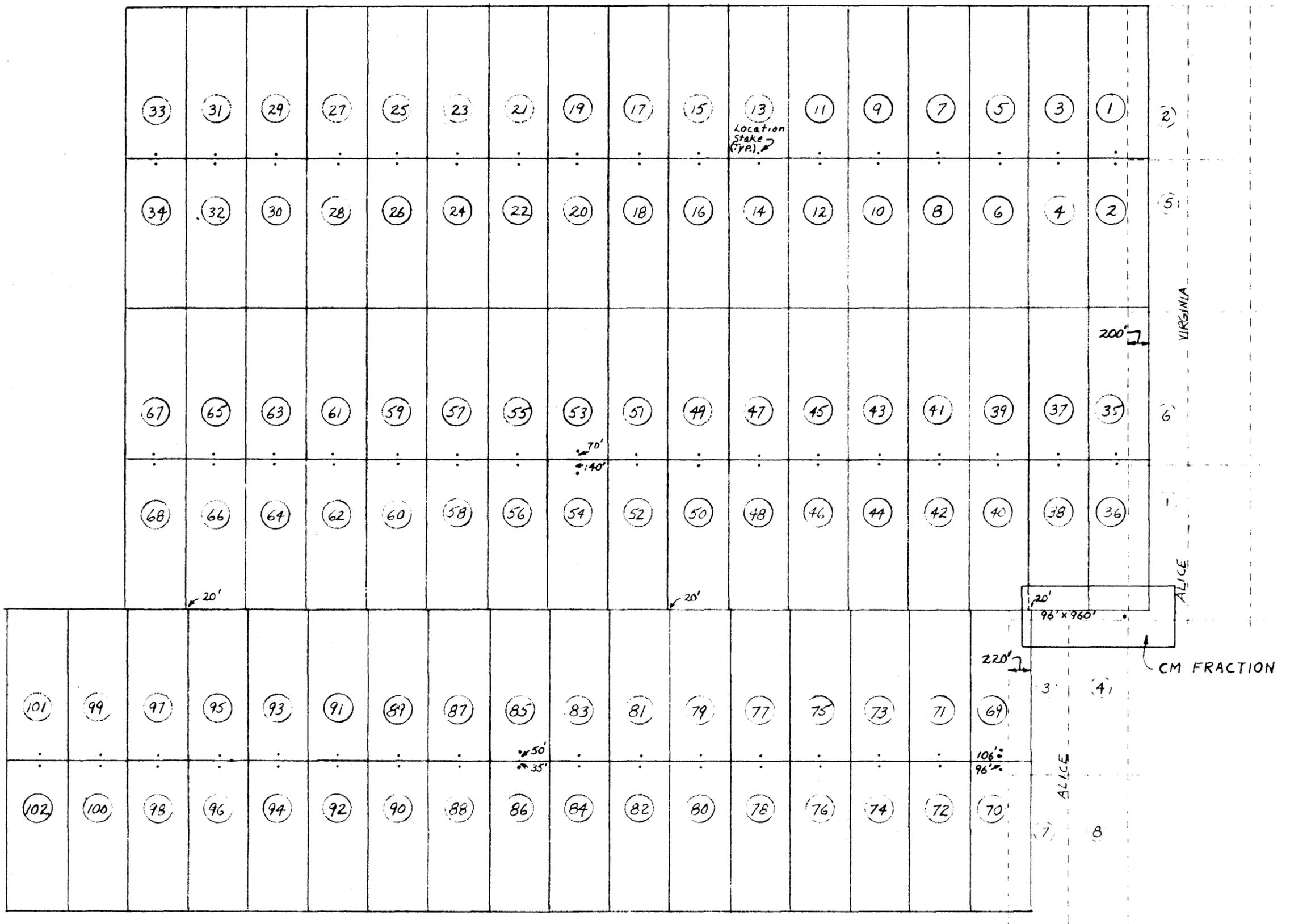
They will run westerly 10,000 feet guided by corner posts as they appear on Knox's ground. Our lines will be parallel. Approximately 125 claims according to my estimate.

We need to arrange location notices as soon as possible but following first notice of actual position of lines on ground.

No competition was observed or new claims were observed. I have ordered enough plastic viles for 150 claims to be available tomorrow morning.

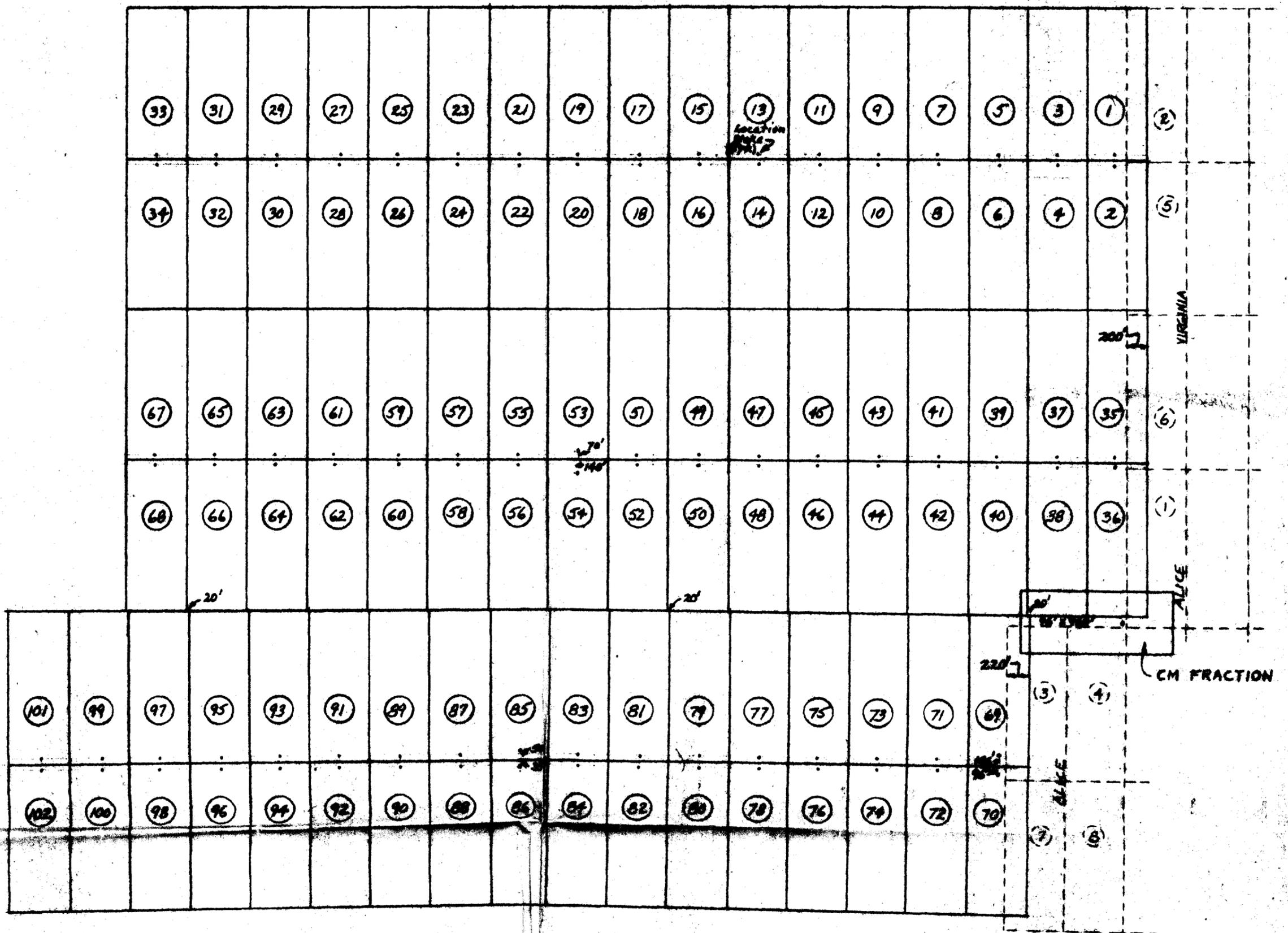
*John E. Kinnison*  
pjc  
JOHN E. KINNISON

JEK/pjc  
cc: SIBowditch



STAKES SET FOR RECTANGLES 590' x 1480'  
 CLAIMS MADE FOR 600' x 1500'  
 LOCATION STAKES, AS SHOWN, ON CLAIM CENTERLINE, 50' OFF END  
 EXCEPT WHERE SHOWN OTHERWISE (53, 54, 69, 70, 86, FRACTION)

HA KINNISON  
 27 July 1967



STAKES SET FOR RECTANGLES 590' x 1480'  
 CLAIMS MADE FOR 600' x 1500'  
 LOCATION STAKES, AS SHOWN, ON CLAIM CENTERLINE, 50' OFF END  
 EXCEPT WHERE SHOWN OTHERWISE (53, 54, 69, 70, 86, FRACTION)

HA KINNISON  
 27 July 1967

AMERICAN SMELTING AND REFINING COMPANY  
Tucson Arizona

J. H. C.

JUN 28 1967

June 27, 1967

TO: J. H. COURTRIGHT

FROM: J. E. KINNISON

COPPER MOUNTAIN EXPLORATION

Following a discussion with Mr. Knox, owner of the Copper Mountain group of claims, Friday, June 23, Mr. Saegart asked that I do several things as follows. These are in anticipation that a recommendation to explore by drilling to the west will be forthcoming and that a mining authorization will be made in New York. Mr. Saegart states to me that he will make a report with his observations and recommendations upon his return from Mexico.

I have done or am in the process of doing the following:

1. I reached Mr. J. O. Barnes by telephone the evening of 6-26-67 at his home in Casa Grande. (836-8061). I stated that in approximately 1-1-1/2 months we will want to place a large rotary drill for about three holes in the Ajo vicinity. He assures me that a drill suitable for this purpose will be available--probably he will move the Howard-Turner drill following completion of the drilling near Ryan field directly to the Copper Mountain area. If there should be a short wait between the two projects, he would be willing to keep the rig available. On the other hand, if the Ryan drilling is still in progress he has other drills which could be furnished.
2. In regard to the matter of claim staking, Mr. Saegart suggests that this be contracted and done prior to approval of a mining authorization so that we may be protected in the intervening time. I suppose that Mr. Lenon is an able surveyor but that he is probably slow in action. I have not had personal contact with other contracting firms to the extent that I can place complete trust in them. Mr. H. Aylmer Kinnison, a relative of mine who lives in Tucson, (cousin), is a highly competent civil engineer whom I do know personally to be discrete and trustworthy states that he can subcontract a surveying party of two crews for this work beginning the middle of next week. Both surveyors, who operate generally as a partnership, are registered civil engineers. I explained the conditions which would be involved and the necessity for rapid work with enough accuracy to avoid open fractions. I feel that this arrangement will be highly satisfactory. Mr. H. A. Kinnison will supervise the work and take responsibility for it.

We would furnish a layout of claims and certain tie-ins to section corners for the surveyors. If you approve, I will give him authorization to proceed.

- 3. I am currently preparing a claim layout for a group of some 100 or slightly more claims.
- 4. Mr. Saegart requested that the status of assessment work for this year be checked. Mr. Bowditch is more familiar with this routine at the court house than I am and I would prefer that he did this if possible.

*John E. Kinnison*  
 JOHN E. KINNISON

JEK/pjc  
 cc: WESaegart

*JEK estimates cost of staking under \$1000.00*

*JK*



~~FKK, WES~~  
J. H. C.

MAR 1 1967

GEOPHYSICAL DIVISION  
3422 South 700 West  
Salt Lake City, Utah

JFK 3/1/67

February 27, 1967

W.E.S.  
MAR 23 1967

MEMORANDUM TO R. J. LACY:

aa-16.1.38

MAGNETIC SURVEY  
VALLEY OF THE AJO  
PIMA COUNTY, ARIZONA

On February 20, 1967, Mr. J. M. Panek and I ran check surveys over several anomalies in the title area. As a result, I can now say that anomalies "E" and "F" are erratics apparently caused by noise during our previous survey (see report of Feb. 8, 1967).

Four north-south lines, about 3/4 miles apart, were flown over anomaly "D" at 2200 feet M.S.L. This elevation is 500 feet lower than the first survey and therefore only about half the distance above the ground. The attached overlay confirms that anomaly "D" is a bedrock high and not the result of near surface volcanics. Therefore, if Asarco goes into this area, I would strongly suggest that this anomaly be tested for it gives the appearance of an intrusive.

No attempt was made to correct the datum on the check survey.

BCM:ao  
Enc.

B. C. MORRISON

cc: CFPollock & KERichard, w/enc.  
✓ JHCourtright & WESaegart, w/enc.  
J. M. Panek, w/enc.

AMERICAN SMELTING AND REFINING COMPANY  
Tucson Arizona

November 2, 1966

J. H. C.

NOV 3 1966

TO: R. J. LACY  
FROM: W. G. FARLEY

RELATIVE GRAVITY  
COPPER MTN. AND  
VALLEY OF THE AJO  
PIMA COUNTY, ARIZONA

During a period of 15 field days in the months of August and September, 1966, approximately fifty line miles of gravity was run on the Organ Pipe Cactus National Monument in the vicinity of a copper prospect at Copper Mountain. This survey was initiated in hope of outlining shallow areas of pre-mineral rock west of Copper Mountain which could be tested for mineralization by I. P. or drilling.

Drilling to date has shown faulting north and west of Copper Mountain which has dropped post-ore volcanics to a depth of 2200 feet plus. This faulting is indicated on the gravity map by steep gravity gradients northwest, west, and southwest of Copper Mountain.

Mr. John Kinnison in a report on Copper Mountain dated July 26, 1966, states that the valley west of Copper Mountain appears to be an erosional feature superimposed on a parallel fault system which formed troughs and high areas. It has been theorized by Mr. Kinnison that the down dropped block cutting off the Copper Mountain alteration zone on the west is narrow and that farther to the west could be a relatively shallow area. Gravity does suggest shallower pre-mineral rock 1-1/2 miles (High A) southwest of Copper Mountain and 3 miles (High B) northwest of Copper Mountain. The area west of Copper Mountain between highs A and B appears to be a deeper saddle. West of highs A and B gravity indicates a single deep valley. Gravity high C indicates the shallow pre-mineral rock pediment known from outcrops and drill holes.

Depth estimates to pre-mineral rock on gravity highs A and B can only be rough estimates as no distinct density contrast exist between the overlying formations and the pre-mineral rock. Density measurement on local drill hole core gives a density of 1.9 to 2.3 gm/cc for the upper acid flows and tuffs and 2.4 to 2.6 gm/cc for the lower basalt porphyry. The quartz monzonite of Copper Mountain has a density of about 2.63. Therefore any calculations on depths to bodies causing gravity highs could be indicating the top of the basalt porphyry as well as pre-mineral rock. Using the "half width" equation from Introduction to Geophysical Prospecting - Milton B. Dobrin and a density contrast of 0.4 gm/cc, the maximum depth to pre-mineral rock or basalt porphyry on gravity high A is about 900 feet and the maximum depth on gravity high B about 2000 feet. A pocket magnet shows the basalt porphyry to

be quite magnetic which would suggest a magnetic survey to distinguish whether the gravity highs A and B are coming from pre-mineral rock or basalt porphyry.

Gravity high A is possibly within the reach of an I. P. - resistivity investigation using a 2000 foot electrode separation and high power. At this time two I. P. - resistivity traverses have already been run over gravity high A (along highway 85) using a Wenner 800 foot "a" and a 400 foot "a". The results are shown on the attached sheet. There is a weak I. P. kick over the gravity high and very high resistivity response. It is possible that the high resistivity is coming from a buried, narrow ridge of pre-mineral rock beneath the exposed volcanic ridge. On the 400 foot "a" the maximum resistivity of 980 ohm.feet is much too high to be coming from volcanics. If the high resistivity does represent pre-mineral rock, the depth could be only several hundred feet. More work remains to be done to determine this.

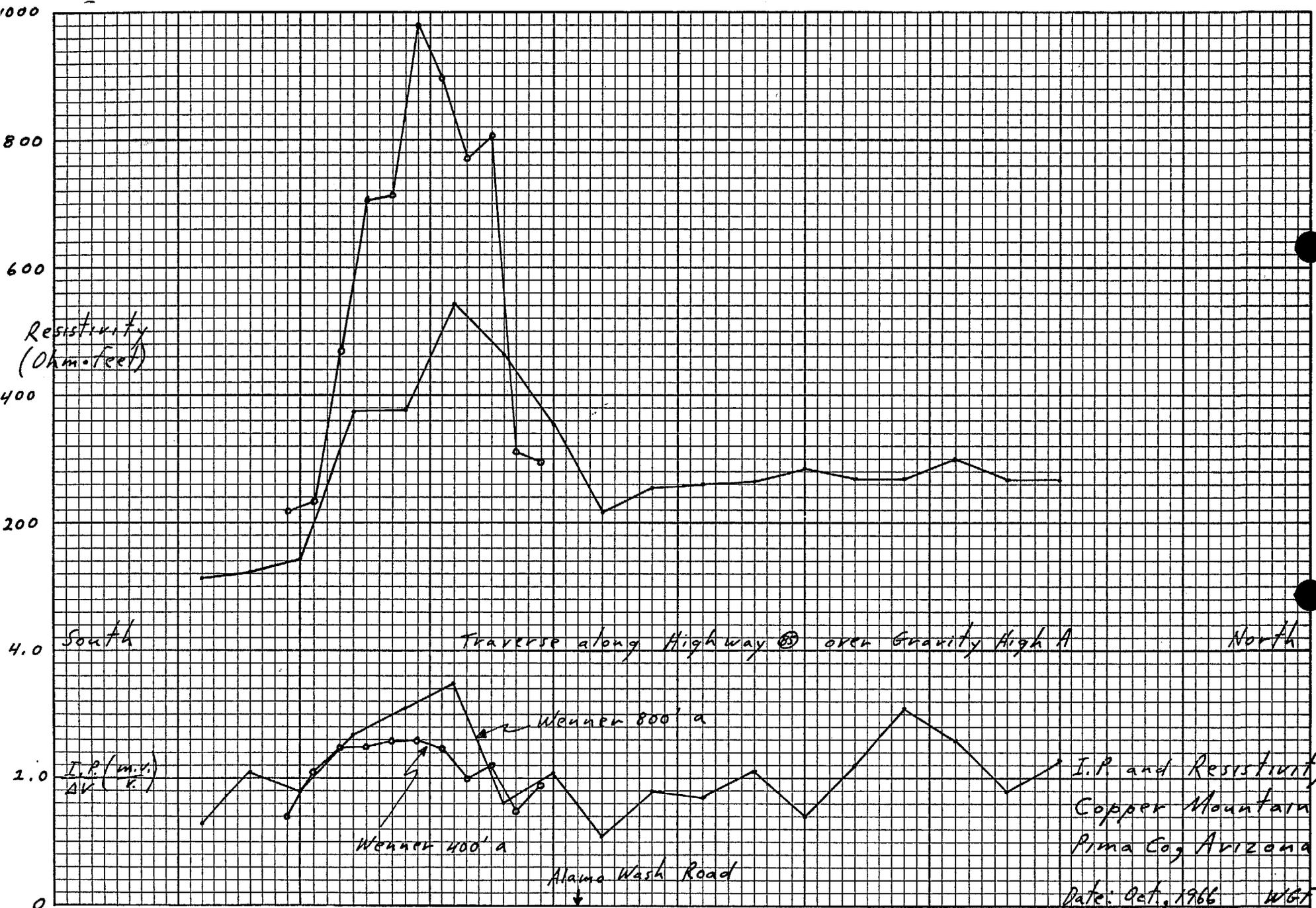
It is recommended that an aeromagnetic survey be conducted over the area proposed by Mr. Saegart in his letter to you dated August 25, 1966, additional I. P. - resistivity be conducted on gravity high A and possibly one I. P. - resistivity over gravity high B.

WAYNE G. FARLEY

WGF:pjc

Attachment

cc: JHCourtright)   
WESaegart ) all with attachment  
JEKinnison )



I.P. and Resistivity  
 Copper Mountain  
 Pima Co., Arizona  
 Date: Oct., 1966 WGT

Scale: 1" = 2000'



J. H. C.

AUG 25 1966

AMERICAN SMELTING AND REFINING COMPANY  
Tucson Arizona

August 25, 1966

Mr. R. J. Lacy, Chief Geophysicist  
American Smelting and Refining Company  
Geophysical Division  
3422 South 700 West  
Salt Lake City, Utah 84119

Copper Mountain and  
Valley of the Ajo  
Pima County, Arizona

Dear Sir:

Enclosed is a copy of Mr. J. E. Kinnison's memorandum of July 26 concerning the subject area. Drilling has failed to locate economic concentrations of copper, but the limits of mineralization have not been determined to the west and north.

The discovery and exploitation of any mineral deposit occurring beneath the Valley of the Ajo is related to the depth of pre-mineral bedrock. We would like to apply aeromagnetics and gravity with the expectation of determining the thickness of valley fill in the area west of Copper Mountain. The combination of the two methods may also provide interpretations concerning the thickness of post-ore volcanics.

In respect to the last sentence above, we can anticipate the following physical property relationships:

1. The tuffaceous volcanics (blue on Kinnison's map) are non-welded to slightly welded and are generally porous. These rocks may have a specific gravity which is only slightly greater than that of the alluvium. Consequently, gravity highs would probably be related only to the basalt porphyry and older rocks. I would expect the magnetic susceptibility of the tuffaceous volcanics to be relatively low.
2. The basalt porphyry (purple on Kinnison's map) will almost certainly exhibit a high magnetic susceptibility. Its thickness (up to 800 feet) should produce interpretable aeromagnetic anomalies if the mean ground clearance is maintained between 300-500 feet.

The objective of aeromagnetic and gravity surveys is to define areas where the basalt porphyry or older rocks sub-outcrop at shallow depths beneath alluvium. Such areas, if they occur in close enough proximity to the known mineralized zone, would constitute I. P. and/or drilling targets.

August 25, 1966

I have plotted the proposed limits of geophysical surveys on an enclosure. This enclosure is an overlay for Attachment A of Mr. Kinnison's report. Mr. Farley will initiate the gravity survey on August 26. We would like to have the aeromagnetic survey, utilizing Asarco aircraft and instrumentation, conducted as soon as possible.

You will note that the east and west proposed limits of aeromagnetic coverage extend well into the mountains on either side of the valley. This situation may introduce physical complications in low level flying. These east and west portions of aeromagnetic coverage would, however, provide valuable correlations over the exposed volcanic rocks.

This work can be charged to the Tucson Office for our general exploration account. I would appreciate your providing an estimate as to the date the aeromagnetic survey could be initiated.

Very truly yours,



W. E. SAEGART

WES:pjc

Enclosures: JEK's report  
Attach. A Overlay

cc: JHCourtright   
JEKinnison, w/ Attach. A Overlay  
WGFarley, w/ Attach. A Overlay

J. H. C.

AUG 19 1966

W.E.S.

JUL 15 1966

July 14, 1966

Mr. William E. Knox  
8967 Ladue Road  
St. Louis, Missouri 63124

Blind Subject  
COPPER MOUNTAIN  
MYERS DISTRICT  
PIMA CO., ARIZONA

Dear Bill:

Thank you for your telephone call to me last Saturday night-- I had been planning to keep in touch with you myself but had not done so. I am glad to hear that you will be out toward the end of July and look forward to seeing you then.

At our last meeting here in Tucson in March, when we discussed terms on your Copper Mountain property, it was my understanding that you wished the property to receive a thorough test from the next company who might take an option there. I believe you stated your dissatisfaction when 1 or 2 holes had been drilled, and the company had then pulled out. We all know that this sort of thing, which results in one or more incomplete exploration programs and subsequent rejections, will give a property a bad name. The terms you gave to me, according to notes which I have and make reference to now, are as follows:

1. \$1,250,000 total price which may be spread over a maximum of 10 years.
2. \$3,000 initial payment to the Knox Arizona Corporation as a nominal down payment.
3. After concluding an option containing the above terms, we would have 1 year in which there is no obligation to do anything other than keep up assessment work. If we are drilling at the end of this year, you would extend for another year the period under which we have no financial obligation to you. Work after 2 years would require payment to be applied on the total price, as stated above.

The above was my impression from our conversation, but by your recent telephone call you suggested that you would be satisfied with something less in the way of a commitment on the property. It will probably not be to your advantage or ours either to make an incomplete investigation. Therefore, I have proceeded in an orderly manner which I believe to be in the best interest of exploration. This work has spanned a longer period of time than I originally indicated to you, and I believe that I would be leading you astray to give an estimate of future time requirements. As I stated over the phone, we may do some

Mr. Knox

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July 14, 1966

relatively simple geophysical work in the near future, coupled with additional geologic reconnaissance. I recognize that we have no option on the property at this time and that you now owe no obligation to us and are ethically free to turn to another company. This latter point was discussed during our conversation last March.

We will be able to discuss the project again when you arrive here in Tucson in the next few weeks.

Very truly yours,

JOHN E. KINNISON

JEK/pjc

bicc: JHCourtright ✓

January 13, 1964

Mr. Hale C. Tognoni  
1525 W. Northern Avenue  
Phoenix, Arizona 85021

*Copper mt.,  
Gunsight Hills  
Pima Co.*

Dear Mr. Tognoni:

As I mentioned during our recent conversation, the Copper Mountain prospect in the Gunsight Hills area was drilled in 1916.

We have a record of two holes as follows:

"Hole No. 1 drilled to 420' depth, assays range from .03% to .51% copper (the latter for 4.6 feet at 100' depth.) Hole No. 2 drilled to 475' depth, assays range from .02% to .72% copper (.54 to .72 copper at depths of 145 to 160'.)"

I have been unable to find a map or drill logs. However, perhaps the foregoing information will be of some use.

Yours very truly,

Original signed by  
J. H. Courtright

J. H. COURTRIGHT 

JHC/jk