N O T E

"This partial copy of INITIAL REPORT acquired from J. Wm Hasler - Chief of Minerals Exploration, Bldge 25, Room 2502, Federal Center - Denver."

John T. Oxley dba
Oxley Petroleum Company
800-A Enterprise Building
Tulsa, Oklahoma 74103

3. Physical Description:

(a) The Capital Prize Mine has not been productive since about 1948, and even then it was operated in a limited way. Major operations ceased at the mine in 1918 and no important exploration has been done since then. Efforts to reopen and explore the main part of the mine were undertaken by this applicant starting in April 1965, a study was commenced in 1964. Since then a considerable amount of underground rehabilitation work has been done, and equipment and facilities have been added.

Initially the mine was productive as the Aetna Mine in 1869 to 1882 by means of short adits and shafts at high elevation in the bluff-like Griffith Mountain directly above Georgetown. Accessibility was by pack animal and foot trail. There are no roads to the surface vein exposures and old workings at 1600 and 1700 feet above the elevation of the base of the mountain at Georgetown.

In 1905 and 1906 a long adit was run from the edge of the Georgetown Townsite to intersect the Aetna Vein at about 3,100 feet in from the portal. Between 1905 and 1918 the crosscut adit was run a total distance of 3,900 feet, and a total of 6,800 feet of drifting was done in the Aetna Vein zone at the adit level (the Capital Prize Tunnel Level). During that same period the vein was explored upward to 450 feet above the Capital Prize Tunnel Level at 1,100 and 1,200 feet below the productive surface workings. Exploration and stoping of ore was done between the Capital Prize Tunnel Level and the Plus 450 Level. During that period there was a joint effort by the Capital Prize people and the property holders to the northeast (the Comet-Onondaga properties which are now part of the present lease and ownership) to develop ventilation and exit to the surface above the Plus 450 Level. The Kane Adit was run about 1,500 feet along a fault and vein zone at 700 feet above the Plus 450 Level, and a vertical raise was run up about 400 feet from the 450 Level. Then a winze was sunk vertically 300 feet from the end of the Kane Adit Level to connect to the raise. Ventilation and exit-way were established. None of that exit-way--Kane Adit, No. 9 Raise and No. 9 Winze were on the Aetna Vein.

The Kane Adit became closed by caving prior to 1912 and an 8" diameter drill hole was run down from the surface in 1912 and a connection made to an upward extension of the No. 9 Raise.

John T. Oxley dba
Oxley Petroleum Company
300-A Enterprise Building
Tulsa, Oklahoma 74103

World War I problems and the owner's health problems caused problems at the mine. Along with average low-grade ore from the stoping operations below the 450 Level the problems were too much and the mine workings were not kept in repair. The owner of the mine and its operating facilities died in 1920. Lessees operated with poor ventilation in the partially developed zone below the 450 Level until about 1923. Then intermittent lessee work was carried on. In 1939 major efforts were made to produce but no work was done above the 300 Level. No important work has been done at the mine until rehabilitation work was started under the present lease in 1964.

The maps submitted with this application show the extent of the workings. The 400 scale Surface Map (Map No. 1) shows the full extent of the cross cutting and drifting done at the Capital Prize Tunnel Level. Map No. 2, the 400 scale Longitudinal Projection, also shows the full extent of the workings and the proposed exploration area. Map No. 3, the 200 scale Vertical Longitudinal Projection, shows the main part of the Capital Prize Mine, the proposed exploration zone and workings, and notes about production history. Map No. 4, the 100 scale Plan Map shows the plan of the workings as well as is known. Plan map or survey data is not available for part of the 300 and 450 Levels, and for the Kane Adit and the very old upper workings near the surface. Map Cross Section A, at 200 feet to 1 inch, is a slightly generalized section made to show the relationship of the lower stopes to the old high-grade production near the surface, and the position of the unexplored vein relative to the No. 9 Raise.

A report by E. C. Bauman, the mine superintendent from 1904 to 1918, states that no crosscuts were run to the vein from the No. 9 Raise above the 450 Level, and that the vein has not been seen from the 450 Level to the Kane Adit Level, a vertical distance of 700 feet.

The mine is presently accessible through the workings marked in orange color on Maps No. 3 and No. 4. None of the stopes or raises under the "heart" of the mine are accessible. The winze workings at 50 and 100 feet below the Capital Prize Level are underwater, the winze 100 Level was examined by applicant's staff when it was pumped out in 1965.

John T. Caley dba
Caley Petroleum Company
600-A Enterprise Building
Tulsa, Oklahoma 74103

A new raise was started upward from the Capital Prize Tunnel Level main crosscut at about 100 feet in the footwall of the Aetna Vein in an effort to raise up to connect with the southwest end of the 450 Level so as to gain access to an area where major exploration in the vein zone could be done. That work was stopped in January, 1966, because of the unusually hard rock and slow progress in the tough hard unfissured granitic gneiss. That raise is about 75 feet up.

A new raise was run up 100 feet and a sub-level established between the old No.10½ Raise and the stopes at No. 11 and 12 E Raises; this No. 10-3/4 Raise workings encountered some narrow gold and lead ore at 100 feet up, and at the sublevel near the old stope. It was hoped that the No. 12 Raise might be found to be accessible above the 100 Level and be used in some way for access to the 300 and 450 Levels, or that ore could be found in the 10-3/4 Raise block for following upward to the 300 Level and on to the 450 Level to the main target area. The timber in the No. 12 E Raise is in bad condition.

The No. 3D Vertical Raise to the 300 Level, at 1,600 feet northeast of the main crosscut tunnel, has been reconditioned and equipped with ladders, the 300 Level has been reconditioned to the No. 1 Raise, the No. 1 Raise has been equipped with ladders up to the 450 Level from the 300 Level, and below the 300 Level for 100 feet. The No. 1 Raise is now being reconditioned upward from the Capital Prize Tunnel Level by advancing a new compartment (drilling and blasting) at the southwest side of the old No. 1 Raise. When completed the No. 1 Raise will be 4 compartments from the tunnel level to the 450 Level. At the present time the new work is up 140 feet, the last 50 feet having been advanced through an old filled stope as shown on Map No. 3. Presently the upper part of No. 1 Raise has been made accessible from the 300 Level to the 450 Level for examination of the 450 Level, but not sufficiently for use for exploration operations above the 450 Level.

At present the only access to the upper 450 Level is via the No. 3 Vertical Raise at 400 feet beyond No. 1 Raise and thence via the 300 Level to No. 1 Raise, and thence up the No. 1 Raise. It is planned that the No. 1 Raise become the main access for further exploration (until such time as a better way can be found or developed by examination and work downward from the 450 Level).

John T. Oxley dba
Oxley Petroleum Company
800-A Enterprise Building
Tulsa, Oklahoma 74103

The 450 Level is blocked by a caved condition at 200 feet southwest of No. 1 Raise.

The main tunnel level (Capital Prize) is equipped with 30 pound rail from the No. 1 raise to the rock dump outside the portal, a total distance of 4,500 feet. Most of the stoped sections of the Aetna vein are caved at the Capital Prize Tunnel Level; considerable reconditioning of old drifts has recently been necessary to gain access to the upper part of the mine. A new 250 foot long bypass was run around the old drift at the 11 E and 12 E Raises between survey stations 5 and 9.

Applicant has equipped the mine with the following equipment and facilities:

A 40 horsepower positive pressure ventilation blower and two air driven booster fans send air through 16 inch diameter metal pipe for the first 1,000 feet, and then through 12 inch diameter pipe to the No. 1 Raise. Eleven and 12 inch air line will supply ventilation to the exploration area. A 6 ton Atlas electric storage battery trammer hauling a train of six 2 ton cars is used in the Capital Prize Tunnel for haulage; 30 pound rail at 24" gauge is used on the haulage level. Presently twelve 2 ton cars are in use at the adit level. A 150 HP electric driven compressor capable of delivering 700 cu. feet per minute is in use. Compressed air line in the mine is 4" diameter pipe to 2,800 feet in, then 2½" air pipe to the No. 1 Raise and in the raise. A receiver tank will be placed at the 450 Level, and then 2 inch line to the exploration project.

Two Eimco mucking machines have been purchased for use at the mine.

The old shop and compressor house have been reconditioned, a new change house with showers and toilet has been built near the portal of the Capital Prize Tunnel, and a new office and laboratory building has also been built.

Electric power is supplied to the buildings and equipment by a public utility power company.

Electric miner's lights are used at the mine.

John T. Oxley dba
Oxley Petroleum Company
800-A Enterprise Building
Tulsa, Oklahoma 74103

(b) Applicant has financed the entire examination, rehabilitation, and exploration since November, 1964, and is the owner of the venture, the supplies and equipment, the facilities at the property, and is the owner of the lease on the mining property. Applicant's expenditures to date on the Capital Prize project exceed $250,000, with most of the expenditure made in attempts to reopen the mine and to get to the main mineralized block which is now thought to be the block well above the lower mine workings and under the productive zone near the surface.

(c) Production records are not complete. It has been estimated that production from the Aetna Vein in the property proposed for exploration and to be subject to OME royalties, totals about $1,500,000 in gold and silver when calculated at present prices. Estimate for production from the lower zone from 1905 to 1939 is $500,000 at the prices then prevailing for gold and silver.

The surface zone was very high-grade silver ore, packed out by trail in the period from 1869 to 1882 or so.

After 1905 production was entirely via the Capital Prize Tunnel Level and was limited to the block below the 450 Level at 450 feet above the tunnel level. The 450 Level is 1,100 and 1,200 feet below the surface workings. Apparently the ore from the lower zone was lower in silver content and lower in total value per ton as compared to the high elevation ore.

The following list of production statistics and assay reports on ore shipments and samples was taken from various sources which include old operating company records, USGS Professional Paper 63 (1908), smelter reports, samples and assays by applicant's staff. Some of the data relates to the Comet Mine on the same vein at 3,000 feet northeast of the Aetna Mine and are shown to show the character of the ore in the surface and upper zone as compared to that in the deeper zone explored by the lower Capital Prize (Aetna Mine) workings. It is thought that production of the Comet Mine exceeded $1,000,000. (There is a devious and steep road to the Comet Mine at elevation 10,900 feet.)

John T. Oxley dba
Oxley Petroleum Company
800-A Enterprise Building
Tulsa, Oklahoma 74103

Assay and Production from Near Surface Zone

Aetna Mine

"Small shipments" 35 to 300 ounces silver per ton (USGS Prof. Paper 63, page 281)

"Assays as high as" 1,600 ounces silver per ton (USGS Prof. Paper 63, page 281) (galena, sphalerite, pyrite, chalcopyrite, quartz in the ore)

Fred C. Carstarphen report of 1934 reports 10 assay certificates of 1872 to 1873 ranging from 131 ounces silver to 2,219 ounces silver per ton, average of the 10 certificates is 890 ounces silver per ton.

Total production unknown, but was several thousands of dollars of high-grade silver ore.

Comet Mine on Aetna Vein

USGS Prof. Paper 63, page 278 (1908): "Undoubtedly a great deal of ore was taken from the old shafts near the crest of the slope (11,000 feet elevation) in the early days of mining about Georgetown. It is said that $60,000 was taken from a shoot of ore from one of the shafts at a point 275 feet above the tunnel level (Hawkes Level)." (That would be at 175 feet below the collar of the Comet shaft.)

Old private reports estimate Comet Mine to have produced about $1,000,000 of high-grade ore.

Assays and Production from Lower Zone

The Comet Mine has not been explored at depth.

The Aetna Mine has been developed at depth as the Capital Prize Mine. Available production data shows

John T. Oxley dba
Oxley Petroleum Company
800-A Enterprise Building
Tulsa, Oklahoma 74103

that the lower levels have produced in excess of 22,550 ounces of gold, and in excess of 131,100 ounces silver, a much lower silver to gold ratio than indicated for the upper workings.

The following table shows the production record from a report of 1934 by Mr. Fred C. Carstarphen, plus some additional data from various sources since 1934. The record is not complete. It is quite likely that a considerable amount of gold and silver bullion is not represented in the available statistics. Metal content shown is the recovered metal into concentrates at the time, plus crude ore shipments and some of the bullion. Mill recoveries were low at that time.

Metal Content of Shipments Reported for Some Periods
From Lower Part of Vein
Includes Crude Ore, Some Bullion, and Metal Recovered into Concentrates

Period	Tons of Ore	Gold Ounces	Silver Ounces	Lead Pounds	Copper Pounds
1907-1917	115,000	21,350	120,500	1,500,000	123,000
1907-1917*	4,500	550	2,280	120,000	7,000
1934-1936	68	60	800	10,000	2,200
1938-1939	3,300	580	7,300	97,000	19,800
1947-1951	22	10	220	2,000	400
1907-1951	122,890	22,550	131,100	1,729,000	152,400

*Largely from development work in NE part of mine (Onondaga operations).

(d) Reserves of Ore:

There are no known reserves of ore. All of the mine workings in the main ore zone are inaccessible and there are no old maps showing reserves.

Based on the history of the mine, the geology of the mine, and the geologic knowledge of other mines in the general district it is believed that there should be a substantial reserve of high silver content ore above the low-grade block exploited in the lower levels.

The block of interest could be over 1,000 feet in length along the Aetna Vein, and probably 1,000 feet in vertical extent from near the surface to some position in depth above the old 450 Level which is 1,250 to 1,050 feet

John T. Oxley dba
Oxley Petroleum Company
800-A Enterprise Building
Tulsa, Oklahoma 74103

below the surface outcrop of the vein where high-grade ore was produced.

Vein thickness for mill grade ore is estimated to range between 4 feet and 10 feet, possibly averaging 5 feet minable width.

A block 5 feet thick by 1,000 feet depth and 1,000 feet length calculates to approximately 400,000 tons. If such a block of ore exists in the favorable part of the Aetna Vein its metal content could average more than 1/2 ounce gold and 20 ounces silver per ton plus some lead, zinc, and copper. If only half that area of 1,000 by 1,000 feet is ore bearing the target is a worthy one.

Reasons for the above estimates are given in items 3(e) and 3(f) below.

(e) Geologic Features:

The general geologic features of the district and property are described in USGS Prof. Paper 63 (1908), Economic Geology of the Georgetown Quadrangle.

The wall rocks of the Comet-Aetna Vein at the Comet and Aetna Mines consist of altered pegmatite, granite, and gneiss. The vein is a strong fracture containing quartz, clayey materials, and wall rock inclusions cemented by quartz. The vein strikes northeasterly and dips steeply northwest. Ore minerals in the vein are gold, silver in tennantite or tetrahedrite, galena, sphalerite, chalcopyrite, and pyrite. Other high-grade silver minerals such as polybasite, proustite, pyrargyrite, argentite, and native silver have been reported from other nearby mines and may exist in the Aetna Vein.

The Comet-Aetna Vein may be on a vein fissure related to veins at the Colorado Central and Wide West Mines about one mile and one and one-half miles southwest of the Aetna Mine, and to the Lamartine Mine about three miles northeast of the Comet Mine. Many highly productive veins in the district have strikes and dips almost the same as the Comet-Aetna Vein.

John T. Oxley dba
Oxley Petroleum Company
600-A Enterprise Building
Tulsa, Oklahoma 74103

Production from the Colorado Central Mine prior to 1905 was about $3,000,000 and mainly from above a level at 1,050 feet below the surface. Ore shoots were up to 1,000 feet long, lessening in length and metal content below the 1,000 foot level. Some stoping was done at 1,500 feet depth. Silver content of the vein decreased in the lower levels. Some of the shipping ore contained 175 ounces silver per ton, 0.02 ounce gold per ton, and 12% lead, silver content of the ore ranged from 10 ounces to 1,000 ounces per ton. Sphalerite, galena, polybasite, and pyrargyrite were always present in the pay-ore. Wall rocks are similar to the Aetna vein--granite, pegmatite, and gneiss. Mining widths ranged from 1 to 15 feet with the high-grade shipping ore being generally 1 to 3 feet thickness.

The Wide West Mine at about 1 mile southwest of the Aetna Mine has been mined to a depth greater than 600 feet and had produced several hundred thousand dollars prior to 1905. Mill ore from the upper levels has carried 1,000 and 2,000 ounces silver per ton of ore. The best ore was between the 3rd and 5th levels, and good mill ore at 200 to 400 ounces silver per ton has been taken from depths of more than 600 feet below the surface. Ore minerals are galena, sphalerite, polybasite, tetrahedrite, chalcopyrite, and pyrite with quartz, ankerite, siderite, and barite vein material.

The mines at Silver Plume, southwest of the Aetna Mine, and westerly from the Colorado Central Mine, produced high-grade silver at the upper levels dropping to low-grade in the lower levels.

The Pelican-Bismark Mine at Silver Plume produced ore containing 150 ounces silver, 0.1 ounce gold, 14% lead, and 20% zinc. The best ore was at 300 feet depth below the surface, and although good ore extended to 1,800 feet depth there was a decrease in silver content of the ore as depth increased to 1,800 feet.

The Frostberg Mine at Silver Plume produced silver ore containing 200 to 400 ounces per ton at the upper levels, at the middle levels the ore contained 40 to 50 ounces per ton, and in the lowest levels the ore contained only 10 to 15 ounces silver per ton.

John T. Oxley dba
Oxley Petroleum Company
800-A Enterprise Building
Tulsa, Oklahoma 74103

The Lamartine Mine about 3 miles northeast of the Comet Mine and possibly on the same vein system, had produced $1,500,000 by 1901. Ore produced up to that time averaged 1.15 ounces gold, 79 ounces silver, and 4.7% lead. The mine produced for several years after 1902 and after a shut-down period was reopened in about 1936 and equipped with a modern flotation plant operated until 1943.

Other nearby mines in the area (Silver Plume, Georgetown, and Lamartine-Freeland Districts) shipped crude ore, or milled ore with high silver to gold ratio. Most of the successful mines produced ore from depths closer to the surface and with higher silver to gold ratios than the lower mine workings of the Capital Prize-Aetna Mine.

The following tabulation shows statistics regarding some of the nearby mines.

Mine	Gold Oz/Ton	Silver Oz/Ton	Lead %	Copper %	Zinc %	Total Production To 1905
Santiago	1.06	27.3	6.3	6.3		
Waldorf	0.71	28.5	15.0	4.6		
Colorado Central	0.02	175.0	12.0	Tr		8,000,000
Wide West						
Upper Levels		500 to 2,000				
Below 600'		200 to 400	8.00		4.00	400,000
Lamartine	1.15	79.0	4.7			2,361,000
Freeland	1.35	9.0		2.8		4,600,000
Stanley	1.50	30.00	27.0	2.5		3,600,000
Pelican-Bismark	0.1	150.0	14.0		20.0	
Frostberg						
Upper Levels	0.2	300.0	30.0			
Middle Levels	0.1	45.0	20.0			
Lowest Levels	0.05	12.0	10.0			
Capital Prize-Aetna						
Near Surface (estimated)						
Shipping ore	0.5 to 2.0	30 to 500				
1,200' to 1,600 Depth (general examples)						
Shipping ore	7.+	13	23			
" "	2.5+	15	25	2.0		
Mill ore	0.24	2.4	1.2	0.5	1.6	
" "	0.40	1.6	5.4	1.3	1.7	

John T. Oxley dba
Oxley Petroleum Company
300-A Enterprise Building
Tulsa, Oklahoma 74103

None of the mines of the general area had high silver ore at depth, silver content dropped off as depth was attained. At many mines the drop-off was pronounced at 800 to 1,000 feet below the surface. The Comet-Aetna Vein of the Capital Prize Mine shows a similar behavior. There is not much information on the Aetna surface workings area because of the lack of intensive exploration at that rugged and relatively inaccessible location. Early day production is known to have been high-grade and the amount of exploration was limited to about four adits in a vertical range of about 200 feet.

The Aetna Vein strikes N 45°E to N 65° E and dips 65° NW to vertically. The favorable positions for ore appear to be the parts of the vein that strike N 50° E to N 65° E, especially when the vein makes a right turn or swing in its strike. The main ore shoot zone of the mine with a favorable strike is seen readily on the 100 scale Plan Map which shows the stoped sections at the Capital Prize Tunnel Level. The long stoped section from Raise 7 W to Raise 7 E, a length of 750 feet, has an average strike of N 55° E. The stoped length embracing that part of the vein is 1,050 feet long. The unstoped left turned part of 200 feet length between No. 9 Raise and 11 E Raise is almost barren of vein matter. The long stoped zone is seen on Map No. 3, the 200 scale Vertical Longitudinal Projection, to extend from No. 9 E Raise to 8 W Raise or 9 W Raise, a length of about 1,000 feet. That coincides closely with the position of favorable strike, allowing for a few minor warpings in the vein course, and is almost directly below the favorable mined zone high above at the surface.

The richest parts of the main vein in Colorado Central Mine also appears to be in the parts of the vein with the right hand turn or the more northeasterly strike. The richest ore body in the mine was at the 400 foot level (Marshall Tunnel Level) at elevation 9,460 feet. Good ore was mined to 600 feet below that level in the Colorado Central Mine.

(f) Reasons for expecting to find ore have been partly covered by information stated in items 3(d) and 3(e) above. Additional reasons are given below. This section overlaps with 3(e) so there are also some geologic data or conclusions under this item 3(f).

John T. Oxley dba
Oxley Petroleum Company
800-A Enterprise Building
Tulsa, Oklahoma 74103

USGS Professional Paper 63 considers the ore mineralization in the general area to be of Tertiary Age. In 1905 it was the beneral belief that secondary or supergene enrichment was often responsible for the high-grade silver ores composed of any of the following: Polybasite, tetrahedrite, argentite, pyrargyrite, proustite, and wire silver. It is now accepted that none of those minerals are supergene, and that many rich silver deposits of primary minerals are localized and limited to short vertical ranges of 600 to 1,500 feet. Such deposits show generally decreasing silver content at depths anywhere below 600 to 1,000 feet from the surface. Secondary enrichment may take place close to the surface and involve such minerals as silver halides or flakey native silver.

The Aetna Vein is almost certain to carry richer ores above the deep lower mine workings if the structural conditions (strikes, dips, and host rock) do not drastically change between the deep Capital Prize Tunnel Level and the old surface workings.

Several productive silver mines in the area show very little commercial mineralization near and at the surface--for depths to 100 and 200 feet. The Aetna Vein could be very rich in shoots to be found above the lower workings and yet not be very extensive at the surface. .

It has been reported by Capital Prize Mine operators of 1910 to 1920 that the Aetna Vein has not been seen between the 450 Level (450 feet above the Capital Prize Tunnel Level) and the workings above the Kane Tunnel Level--a vertical range of approximately 1,000 feet. The Kane Tunnel was run primarily to connect with the No. 9 E ventilation raise; it was run on a fault and vein zone most of the way to allow for rapid advance in the softer ground, rather than in the very hard, tough gneiss and schistose granitic rocks away from the shear zones. Unfortunately it turned out that the tunnel was not on the Aetna Vein proper, and due to abundant timber requirements the tunnel stood open only a year or two after the ventilation connection was made. An 8" cased vertical drill hole was put down some 400 feet from the surface in 1912 and connected to the Kane Level by a raise to re-establish ventilation for the deep mine then working below the 450 Level which is at 700 feet below the Kane Level, and some 1,100 feet below the productive shallow surface workings.

John T. Oxley dba
Oxley Petroleum Company
800-A Enterprise Building
Tulsa, Oklahoma 74103

Raise No. 9 was run vertically in granitic rocks from the 450 Level to 400 feet below the Kane Tunnel Level, then a winze was sunk 300 feet from the Kane Level to connect to the No. 9 Raise. Station had been cut at 100 feet intervals above the 450 Level to the 850 Level when the raise was run but no cross cutting was done to get to the vein.

Work at the 450 Level ceased in 1918 when the owner of the property became ill and had other problems regarding shortage of funds and termination of industrial contracts with the U.S. Government at the end of the war in 1918.

The recent work done by applicant's crew has been in an effort to get to the favorable structural block at the favorable elevation or depth from the surface. Having failed to get to the goal physically we have attempted to "sample the project" by obtaining historical and geologic data pertinent to the problem.

(g) Geologic and Engineering Reports:

Having no complete formal report to submit, all the data is submitted in this application under the item numbers. Applicant's consulting mining geologist, Francis H. Frederick, has prepared most of the data and maps for this application.

John T. Oxley dba
Oxley Petroleum Company
500-A Enterprise Building
Tulsa, Oklahoma 74103

4. Accessibility of Property:

(a) The resident superintendet at the property is William D. Bessler, P.O. Box 293, Georgetown, Colorado. The telephone number at the mine office is also connected to Mr. Bessler's residence: 303-569-2830 at Georgetown, Colorado.

The mine office is at the portal of the Capital Prize Tunnel at the east edge of Georgetown, at the base of Griffith Mountain, approximately at Biddle Street and Tenth Street.

The office and portal area is accessible all year to passenger automobiles, and the recently rehabilitated mine workings are also accessible all year. The surface workings on the vein high up on Griffith Mountain are all caved and are inaccessible. The surface area is accessible by trail in the summer and fall seasons of the year.

(b) Truck freight service operates all year to the mine portal at Georgetown. Georgetown is on U.S. Highway 6, about 50 miles from Denver, Colorado.

John T. Oxley dba
Oxley Petroleum Company
600-A Enterprise Building
Tulsa, Oklahoma 74103

5. Exploration Work:

(a) Map No. 3, the Vertical Longitudinal Projection at a scale of 200 feet to 1 inch shows by green lines the essential nature of the exploration work and its relation to the northeast boundary for OME rights.

Map Cross Section A, also at 200 scale, shows the same proposed work in cross section.

Map No. 2 is similar to No. 3 except it is at a scale of 400 feet to 1 inch and shows the relative position of the Comet Mine outside the project area, and is the same scale as the property map.

Map No. 1, the Surface and Property Map, at 400 feet to 1 inch, shows the general area of the proposed exploration work and the total property held by applicant, and the property proposed for commitment to OME.

Map No. 4, the 100 scale Plan Map of the mine workings, shows in green the general plan of the proposed exploration work at one of the three proposed levels. It also shows the accessible workings in orange color, and shows the proposed rehabilitation and reopening work on the 450 Level in single dashed green line.

The proposed exploration is selected or designed to explore the Aetna Vein at the zone most favorable for ore in the mountain, namely at the zone known to be best along the strike, and the vertical zone indicated by other nearby mines to be the most favorable.

The first level above the old workings is proposed at 100 feet up, and to be a relatively short level 500 feet long, mainly to give information about the true position and structure of the vein as near as possible or reasonable to the low-grade stoped and explored area below. The second level up at 200 feet higher in elevation (at 300 feet above the old 450 Level) is proposed to be 800 feet long along the vein in what is now considered to be the most favorable length of strike, and at a favorable depth below the surface (or at a favorable elevation). The third level up is proposed to be at 500 feet in elevation above the old workings and at 200 feet above the 2nd Level, and also at a favorable elevation position; 800 feet of drifting is proposed at the 3rd Level.

John T. Oxley dba
Oxley Petroleum Company
800-A Enterprise Building
Tulsa, Oklahoma 74103

The proposed drifting on each level is shown on the map at what appears now to be the most favorable section of length along the vein. However, as work progresses, if it appears that drifting would be more favorable by extending one end and leaving off some of the work on the other end, such would be done. Also if it becomes indicated that one level should be shortened and another lengthened in order to do the most favorable exploration, such should also be done.

Crosscuts are also proposed at each level to completely explore necessary geologic information. Cross Section A shows the cross cutting needed at each level to get to the vein from the No. 9 Raise; those crosscuts should be long enough to pass through the vein and see the footwall rock. The other cross cutting off the drifts should be at intervals of 125 to 200 feet and be a total of 25 feet of cross section at each crosscut section--the amount into each wall should be determined at each crosscut at the time of the work. Sometimes more of the cross cutting might be done on one side or the other at different sections.

It is also proposed that long-hole percussion drilling be done at a number of places in the crosscuts and drifts.

In order to get to the starting points for the exploration work some reopening and rehabilitation of old mine workings is necessary. It is anticipated that the work underway now will have advanced to the caved place on the 450 Level, or beyond, by the time an OME contract can be prepared. The 450 Level needs reopening at a caved place in the drift, as indicated on the maps at approximately 200 feet southwest of No. 1 Raise. To get to No. 9 Raise it will be necessary to clean out the caved and filled condition described above, and then recondition the drift for 500 feet to the No. 9 Raise (this location is shown on Map No. 3). The reconditioning, in addition to some timbering will include installing compressed air pipe, ventilation air pipe, and 18 inch gauge track.

The No. 9 Raise will need retimbering to the three levels planned for exploration at 100, 300, and 500 feet up the raise from the 450 Level.

John T. Oxley dba
Oxley Petroleum Company
500-A Enterprise Building
Tulsa, Oklahoma 74103

Short crosscuts from the No. 9 Raise will be necessary at each of the three proposed levels to get to the vein for drifting.

The new lateral work in the drifts and crosscuts will be 6 feet wide by 6 feet high in the clear. If timbering is necessary the laterals will be slightly smaller in the clear inside the timber. Some of the drifting may require timbering; the crosscuts will require little or no timbering.

(b) No access roads are necessary. The access problem involves reconditioning old underground mine workings, much of such work has recently been done by applicant's crew at the mine property.

(c) Work under an OME contract would start within one week of the execution of a contract, if the contract includes reopening and reconditioning the 450 Level.

Reopening work will probably advance in laterals at the rate of 4 feet per shift including retimbering. Reconditioning work in the 450 drift should advance at the rate of 5 feet per shift on the average in sections where the drift is not caved shut but where timbering is necessary--this includes installing compressed air pipe, ventilation pipe, and track of 20 pound rail at 18 inch gauge. Where no timbering is necessary advance could be at the rate of 30 feet per shift.

Retimbering No. 9 Raise as a three compartment raise, (a rock pass or chute way, a skipway, and a manway) could advance at the rate of 2½ feet per shift.

Cross cutting and drifting should advance at an average rate of 4 feet per shift except where timbering is required, then the rate could average 3 feet per shift.

Long hole drilling with 7/8 inch steel with Jack leg drilling to 50 feet depth could be at the rate of 120 feet per shift.

The following tabulation shows the work proposed and the timing on the work. Work will be on a two shift or two heading per day basis.

Final Report

Exploration Contract - OME 6588

Capital Prize Mine, Georgetown, Colorado

Oxley Petroleum Company, Tulsa, Oklahoma

By

W. D. Bessler, Resident Superdintendent and Engineer

T. P. Anderson, Consulting Mining Engineer and Geologist

September 1970

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Introduction

The Capital Prize Mine is located at Georgetown, Colorado about 50 miles east of Denver on Highway 40 or Interstate 70. The dumps and portal of the mine are within the city limits on the east side of about the middle of town.

Active operation of the mine was prior to the start of World War I, so precise information on the underground geology of the vein and formations was not available at the time the company started to open the property. The men who worked in the property when it was operating were for the most part deceased, and the geologist who made reports on the district was handicapped because the workings were caved. The Oxley Petroleum Company worked for three years rehabilitating drifts, raises and shafts before starting on the OME project.

OME Exploration Project

Docket No. OME 6588 was started April 26, 1968. The first phase of the work was to rehabilitate the 450' Level (Onondaga) of the Capital Prize Mine for a distance of 525'. Prior to starting on the contract about 400' of this drift had been cleared out at company expense.

Where the OME work started, as indicated on Plate 1, the drift was caved overhead and this was cleared out for about 70' ahead where it was found that the drift was also caving below the track level either because of old Capital Prize stopes or the Capital Prize 450' Level which apparently was driven an estimated 20' below the Onondaga 450' Level. Finding the drift caved above and below the track level, it was decided to come back about 30' from the drift face and run a bypass drift in the footwall or southeast wall of the old drift. The bypass drift was run parallel to the old drift and crosscuts were driven to the old drift at intervals for inspection of the vein and in the hope it would be possible to proceed along the vein.

The CME footage allocated for rehabilitating the 450' Level was soon expen... and drifting was done for several months at company cost to get to the area that had been decided on for the location of the raise to the upper area.

In December 1968 a three compartment raise, termed the CME Raise, was started and carried upward for 110' where transfer chutes were installed and then carried on to 192' where a station was cut into the northwest or hanging wall side of the raise. The 650' Station was cut out in the last half of April 1969. A split occurred in the vein about 50' up the raise, and the raise followed the footwall or split segment, termed the Raise Vein, as its dip conformed with what was expected to be the normal dip of the vein. The three compartment raise was timbered so that the center section was used as a hoist and manway with each end section of the raise as an ore or waste passage.

Drifting was started on the 650' Level in May 1969 and was first driven to the northwest far enough to be clear of the raise and station area and then a crosscut, called A-Crosscut, was driven into the footwall or southeast wall and also into the northwest wall to determine the strongest vein structure to drift on. The vein structure, called the Main Vein, in the northwest crosscut was much stronger and was drifted on northeasterly until it intercepted the old 650' Station on the Capital Prize No. 9E Raise. It should be noted here that the old mine reports on the property (cited in CME Application, dated Dec. 20, 1966, page 13, paragraph 3) state that "no crosscuts were run to the vein from the No. 9E Raise above the 450' Level, and that the vein has not been seen from the 450' Level to the Kane Adit Level, a vertical distance of 700 feet." When the old 650' Station was recovered it showed that the Main Vein had been exposed in the station cut-out at about 20' from the No. 9E Raise. The poor showing of mineralization on this part of the vein caused us to transfer the drift work to the area on the vein to the southwest of the 650' Station.

The vein to the southwest was also lacking in values, so B-Crosscut was driven into the southeast area. Diamond drill stations were then excavated in the southeast headings of both A and B-Crosscuts.

The first diamond drill hole was drilled to a depth of 100' and was drilled as an extention of the 650' Crosscut south of the raise. The core recovery was good and the hole showed the absence of a parallel vein to the southeast of the Main Vein within a distance of 200' of the vein. The second, third and fourth holes were drilled from Station B at 45°, 66° and 76° respectively through the vein. The fifth hole was drilled from the face of the northwest crosscut on the 650' Level north of the CME Raise for a distance of 121' and does not show any vein parallel to the Main Vein for at least 160' to the northwest. The sixth, seventh and eighth holes were drilled from Station A at angles of 45°, 60° and 70° respectively at distances

well through the vein system.

Geology:

Introductory Statement: When geologic mapping was started by Thomas F. [illegible] Consulting Mining Geologist, Golden, Colorado, the 450' Level Southwest Drift was probing for the location of the old No. 9E Raise. In order to assist in the location of the No. 9E Raise a Brunton-tape survey was run from the 450' Level Station of the Onondaga No. 1 Raise to the current faces. In order to minimize interferences from local magnetic disturbances, such as magnetite in the wall rocks and rail, pipe and vent tubing in the small drift section of the old Onondaga workings, a back sight and fore sight was observed at each Brunton tripod setup and only the computed angle plotted to establish the fore sight bearing. This proceedure was followed throughout in the mapping. After confirming the location of the old No. 9E Raise position, geologic mapping was continued on the 450' Level. It should be noted that the only mapping outside of the area covered by the CME Contract was confined to the 450' Level from Station 0 to Station 9.

Lithology: The wall rocks are essentially biotite-quartz-feldspar gneisses of the Idaho Springs Formation of Pre-Cambrian age. They vary in texture from fine to coarse and are well foliated. The feldspar, as revealed in the fresh coarse grained varieties, is usually orthoclase but some plagioclase was observed. Rarely thin zones, not in mappable units, contained fair amounts of microcline, sillimanite magnetite, amphiboles and pyroxenes. In addition to the gneiss, mapping revealed small irregular masses of pegmatite of orthoclase and/or microcline (?)-quartz-biotite, and/or muscovite composition and occasionally carrying magnetite or rarely ilmenite. The orthoclase and microcline (?) are frequently much in excess of the quartz. The pegmatites are possibly related to the Silver Plume granite.

Irregular zones of the gneiss are injected by granitic material of quartz-feldspar composition forming lit-par-lit gneiss or migmatite. The only zone of migmatite of map unit size was cut in the B-Crosscut, 650' Level. The lit-par-lit injection of granitic material is doubtlessly earlier than the Silver Plume granite.

Old reports cited by F. H. Frederick stated that the No. 9E Raise was in solid granite from the 300' Station to the Mane Level. However, the only granite body of mappable size encountered in the mapping was in the northeast extension of the 650' Level, as indicated on Plate 2, where granite is in fault contact (the Main Vein) with biotite-quartz-feldspar gneiss. The granite is pinkish gray, medium to coarse grained, granular to slightly porphyritic rock and composed of quartz, orthoclase, and biotite or small amounts of muscovite. Much of the muscovite observed appeared to be a replacement of biotite. Irregular areas of the granite mapped in the 650' Level and considerable amounts of the granite encountered in drilling above the 650' Level contain notable amounts of plagioclase, thus

compositional changes to quartz monzonite or granodiorite are encountered in the granite. Though not entirely similar it is probably a phase of the Silver Plume granite. Where observed on the 650' Level, it is strongly altered from hydrothermal effects associated with the Main Vein.

Alteration and Mineralization: During mine mapping and logging of the drill core the following sequence of alteration phases were observed: (1) fresh rock; (2) weakly argillized rock, less than 50% of pyriboles replaced by clay minerals, feldspars beginning to be cloudy but twinning visible in good light; (3) moderately argillized rock, pyriboles replaced by clay but outlines still visible, feldspars cloudy, twinning difficult or absent, magnetite alters to hematite-limonite; (4) strongly argillized rock, pyribole (pyroxene-amphibole) outlines completely gone, feldspars altered completely to clay minerals, mostly montmorillonite-illite type with some chlorite and kaolinite; (5) sericitized rock (adjacent to the structure controlling the alteration) which also contains irregular silicification. Alteration effects are observed as much as 20' from the controlling structure. The above alteration phases were recorded on all mine map field sheets and recorded in logs of drill holes but have not been transferred to Plates 1 and 2 due to density of other details.

Mineralization consists essentially of the pyritic type with only very minor amounts of galena, sphalerite and extremely sparse and questionable chalcopyrite. The sparse galena-sphalerite mineralization is confined to thin discontinuous streaks rarely more than one inch in width. The gangue in the better mineralized portions of the vein is principally a gray or blue-gray chalcodenic quartz. The best mineralization, though none of it of ore grade, appears to be in gash or feather (tension) fractures developed along the main shear. It is also apparent from a study of the old mine maps that the better stopes were in that section of the fault-fissure that had the more easterly strike or flatter dip. The mapping on the 450' Level revealed that better mineralization correlated with the rocks higher in quartz and feldspar rather than the rocks consisting of gneiss high in biotite. This, no doubt, is a physical or structural control rather than chemical control. The high quartz-feldspar rocks tend to yield by fracture and brecciation rather than by the development of heavy gouge and schistose pseudo-mylonite in the case of the high biotite rocks. Where the Main Vein cut the granitic rock at the northeast end of the 650' Level the fault-fissure was in a reversed attitude, i.e., dipping to the southeast, and consequently was too compressed or tight to be amenable to other than very sparse mineralization.

Structure: The main structural feature involved in that portion of the property concerned in the OME exploration program is the Main Vein. This is the fault-fissure originally cut at about 3,100' from the Capital Price Adit portal

and along which the old drifting and stoping was done in the Onondaga and Capital Prize workings from the adit level. The CME exploration program was predicated on the theory that the structure on which the Onondaga and Capital Prize drifting and stoping was done was the downward continuation of the Comet-Aetna Vein mined at surface in the pre-1880 period.

The Main Vein is a fault-fissure of variable attitude. Where encountered on the 450' Level, it varies from N. 40 E. at the northeast extension of the structure to N. 50 E. at the southwest end of the 450' Level and has a dip varying from 80° NW, a normal direction (based on information obtained from a study of old maps, cross sections, reports of the property, and a few spot inspections at accessible locations in the old workings) to 88° SE, a reversed attitude at the southwest end of the 450' Level.

In the CME Raise at about 50' above the 450' Level, the Main Vein abruptly departed from the raise section at a reverse dip of 78° SE, as indicated in Fig. 11. A minor split, termed the Raise Vein, continued upward, within the raise section, at a normal dip of 88° NW. A 25' long-hole into the northwest wall of the raise at 112' confirmed the 78° SE dip and permitted projection of the structure to within one foot of where it was later intersected in the A-Crosscut NW.

On the 650' Level the strike of the Main Vein varies from N. 47 E. to N. 55 E., and the dip varies from 82° SE, (i.e., reversed) at the northeast end of the drift to 88° NW (i.e., normal) at the southwest end of the 650' Level drift, a distance of 445'. The Raise Vein strikes N. 60 E. where intersected in the southeast extension of the A-Crosscut 50' from the 650' Level Station. The Raise Vein is again cut about 200' to the southwest from the station where it intersects the Main Vein at a very acute angle and causes a stretch of extremely heavy, fractured ground at the junction with the Main Vein. The junction of the Main Vein and the Raise Vein plunges about 30° NE to the junction observed at 50' in the CME Raise, as mentioned above.

The Main Vein is a fault-fissure varying from 1 to 6 feet in width and characterized by gouge and brecciation and is encased in a fracture and alteration zone varying to 20 feet. The Raise Vein is a weak fracture zone varying from a few inches to 18 inches in width and characterized by slip planes and fracture surfaces rather than extensive gouge and brecciation. The current mapping, spot inspection of accessible exposures in old workings and a study of the old mine maps suggest that the Main Vein is a reverse fault structure on which the hanging wall moved up and to the northeast.

<u>Analysis of Exploration Work</u>: As indicated above the drifting and crosscutting on the 450' Level, the 650' Level and the CME Raise have proved that the Main Vein is in a reversed or overturned attitude producing a tightly compressed

structure, and as a result the mineralization is sparse and far below ore grade. The diamond drilling conducted upward from the 650' Level proved similar structural conditions and similar weak mineralization of no commercial value.

The drilling consisted of 8 diamond drill holes, varying from 100 to 320 feet in depth and totalling 1,552 feet. The Main Vein was intersected in Drill Holes No. 2, 3, 4, 6, 7 and 8 and the Raise Vein was intersected in Drill Holes No. 4, 6, 7, 8 and possibly in DH No. 3.

Drilling at the A-Drill Station, shown in Fig. 1, reveals that the Main Vein assumes a normal 85° NW dip at about 100' above the 650' Level, but contains little or no mineralization other than disseminated pyrite and some alteration. The Main Vein in the DH No. 4 intersection appears to be splitting-up or horse-tailing (anastomosing) in its upward projection. Due to serious caving, DH No. 3 was not completed to design depth, i.e., well into the hanging (NW) wall. The hole encountered a heavy water flow at 121' to 126' which necessitated piping the flow down to the old No. 9E Raise on the 450' Level in order to prevent the possible loss of the 650' Level Southwest Drift and the OME Raise. On drilling ahead to 186', after intersecting the Main Vein at 175' - 182', the hole caved back to the water course at 121'. After repeated efforts, the hole could only be reopened to 130' where the caved material recovered correlated with the Main Vein section intersected at 175' - 182', thus indicating that the caving occurred from near the bottom of the drill hole. Subsequent drilling in DH No. 4 revealed a weak vein structure at 230' to 236' in the footwall of the Main Vein intersected at 272' - 274'. The footwall structure appears to correlate with the Raise Vein split and its downward continuation projects to an intersection with the Main Vein in the vicinity of the caving encountered in DH No. 3. The junction of the Main Vein and the Raise Vein caused extremely fractured and heavy ground, necessitating excessive timbering, where encountered in the OME Raise and in the 650' Level Southwest Drift. Therefore, tentative plans to again try to reopen DH No. 3 were abandoned. DH No. 1, the flat lateral hole in the foot (SE) wall, encountered no vein structures, mineralization or alteration.

Drilling in the A-Crosscut is summarized in Fig. 2, and detailed in Fig. 7 through 10. The Main Vein here remains in a reversed position, i.e., dipping 87° SE and reveals only weak disseminated pyritic mineralization. The Raise Vein continues upward at about the same attitude as it had throughout the OME Raise. Pyritic mineralization and alteration is sparse in all intersections. The upward projection of both the Main Vein and the Raise Vein appear to be splitting and horse-tailing structurally and weakening in mineralization and intensity of alteration. The lateral hole, DH No. 5, drilled to further check the northwest wall, revealed several weak fracture zones with very sparse disseminated pyrite

and thin alteration zones.

Core recovery varied from 75% to 98% and yielded a weighted average of 88%. All drill holes were completed to target depths except one which was lost due to severe caving after intersecting the primary objective. Sludge samples were taken in sections where core loss was serious. After completion of all drilling and logging of core, selected lengths of the core were removed for assay. The small diameter (7/8") of the EX core and the foliated and altered character of the rock prevented proper splitting of the core. Therefore, the entire core of the sample length, except for representative specimens retained for future reference, was submitted for assay. The reject portion of the core samples and the assay pulps have also been retained for future reference. The essential intersections and correlations obtained as a result of the drilling are summarized in Fig. 1 and Fig. 2, scale 1" - 40', appended to this report. Details of the geologic section transected by the individual holes are contained in Fig. 3 to 10, at a scale of 1" - 20'.

As indicated above the OME Exploration Project was based on the belief that the Comet-Aetna surface workings and the Capital Prize Adit Level workings were on the same structure and the intervening unexplored ground therefore should be worthy of prospecting. The work accomplished to date indicates that if stopes at surface and at depth are on the same vein, the steeply overturned attitude of the structure virtually precludes chances for large ore bodies in the target area of the project due to the reverse fault nature of the structure.

An alternate explanation is possible and reasonable. The old reports state that the Kane Adit was driven on a fault some 80' in the hanging wall of the Aetna Vein. This is the adit driven to a point over the No. 9E Raise where a winze was sunk to the raise at 877' in order to establish ventilation in the Onondaga-Capital Prize workings. It is possible that the Onondaga-Capital Prize workings are on a structure that correlates with the Kane Adit structure stated to be in the hanging wall of the Comet-Aetna Vein. Thus the Capital Prize and the Comet-Aetna Vein are en echelon vertically; the Comet-Aetna ore terminating downward and the Capital Prize ore terminating upward. This explanation is in part reinforced by the contrasting types of mineralization found in the two veins. The Comet-Aetna ores are described as high silver base metals ores while the Capital Prize ores were essentially pyritic gold ores, low in base metal.

Assaying and Reserves

Assays of samples taken on the 450' Level are recorded on Plate 3 and assays of samples taken on the 650' Level are recorded on Plate 4. Assay results on sludge and drill core are recorded on the various drill logs, Fig. 3 to Fig. 10.

No ore reserve resulted in the exploration work undertaken.

Summary of Costs

The total CME Project costs are summarized on the Operator's Voucher Sheet appended here as Page 9. The breakdown of Oxley Petroleum Company actual costs in comparison to CME Project cost figures are contained in Fig. 12, Cost Comparison Sheet. It should be noted that the figures for assaying are not comparable as many assays were performed on company account and costs are included in Payroll, Supplies, etc.

Submitted by:

Wm D Bessler

W. D. Bessler, Georgetown, Colorado

T. P. Anderson

T. P. Anderson, Golden, Colorado

FORM 5-[illegible]
MARCH 1968

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OPERATOR'S MONTHLY VOUCHER

For Month of _____

Docket No OME- [illegible]
Contract 14-08-0001 [illegible]
Contract Amount $ [illegible]
Gov't. Participation %62.5 $ [illegible]

Operator's Name: Oxley Petroleum Company
Address: Georgetown, Colorado 80444

FOR OPERATOR'S USE					FOR GOVERNMENT USE ONLY			
COST ITEMS (FROM EXHIBIT A)	THIS MONTH		TO DATE		THIS MONTH		TO DATE	
	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS	UNITS	COST
Rehabilitation 450' Level @ $26.00/ft.		$	525	$ 13,650.00		$		$
Assays @ 06.00			142	852.00				
Raise @ $105.00/ft.			192	20,160.00				
650' Station @ $1,300.00			1	1,300.00				
650' Level Drift & x-cut @ $66.00/ft.			693	45,738.00				
Dia. Drilling 650' Sta. A @ $10.10/ft.			1,552	15,675.20				
TOTALS —		$		$ 97,375.20		$		$

I certify that the above bill is correct and just and that payment therefor has not been received.

Date _____ *Payee _____

Per _____ Title _____

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name as well as the capacity in which he signs must appear. For example: "Jane Doe Company, per John Smith, Secretary" or "Treasurer" as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U. S. Code Title 18 Sec. 1001).

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature _____
OME Field Officer

Approved for: $ _____
(Subject to Audit)

Signature _____

Date _____ Vou. No _____

(SEE OTHER SIDE)

Figure 12

Cost Comparison Sheet

	Payroll $	Utilities $	Rentals $	Mine Supplies $
Rehabilitation 450' Level 525' April 26,68 thru Sept. 30,68	39,646.19	3,160.91	303.85	7,333.1
Rehabilitation 450' Level (Company work) Oct. 1,68 thru Nov. 30,68	17,102.67	1,153.39		4,955.
CME Raise 192' Dec. 1,68 thru April 15,69	32,555.02	2,574.16	4,207.50	12,086.9
650' Level Station April 16,69 thru May 1,69	3,257.91	354.58	175.00	1,035.1
650' Level Drift & x-cuts May 1,69 thru Dec. 31,69	56,094.93	4,457.48	358.90	10,773.0
Diamond Drilling - Jan. 1,70 thru May 10,70	21,205.46	3,650.17	3,500.00	8,270.
Total	$169,862.18	$15,350.69	$8,545.25	$44,463.

Overhead $	Equip. Deprec. $	Prof. Serv. $	Taxes $	Total $	OME Costs $
5,133.32	2,061.86			57,639.29	13,650.00
2,000.00	803.32			26,014.58	(None)
4,500.00	1,807.47	1,630.78	229.98 1,800.93	61,392.82	20,160.00
500.00	200.83			5,523.50	1,300.00
8,000.00	3,213.28	1,407.30		85,031.98	45,738.00
4,333.33	1,739.19	295.88 5,550.00	1,744.64 (Assaying)	45,182.07 786.00	15,675.00 852.00
$24,466.65	$9,825.95	$8,883.96	$3,775.55	$285,959.24	$97,375.20