

INTERNATIONAL SMELTING CO.
TOOELE VALLEY RAILWAY CO.
UTAH-DELAWARE MINING CO.
NORTH LILY MINING CO.

INTER DEPARTMENTAL CORRESPONDENCE
ACCOUNTING DEPARTMENT

WALKER MINING CO.
EAST TINTIC COALITION MINING CO.
PELLEYRE MINING & MILLING CO.

SALT LAKE CITY, UTAH

September 15, 1927

Mr. H. A. Geisendorfer, Manager
Walker Mining Company
Spring Garden, California.

Dear Sir:

Mr. Elton has handed me your letters of September 7, 8 and 9, together with attachments.

Our records show that the draft for \$4,475.00 is still outstanding.

We find that Walker Mine draft no. 3088 in the amount of \$273.75 was issued to Plumas National Bulletin in payment of their invoice of November 21, 1924 (Copy enclosed), covering publication of application for patent and that the invoice bears notation "Affidavit of Publication delivered to H. B. Wolfe, Attorney, Quincy, California".

We can not find where any payment has been made covering fees for filing application.

We have a copy of the clipping referred to in your letters, and note that it states that application for patent was made by I. L. Greninger as attorney-in-fact for Walker Mining Company through H. B. Wolfe as attorney for applicant, and that application bears signature of Erle B. Coffin, Register, date of first publication September 25, 1924. It was about this time that Mr. Greninger left the company and the duplicate voucher (for \$4,475.00) was approved by R. B. Van Buskirk as acting manager. Further negotiations in connection with this application were carried on by Mr. Tunnell.

From the above it would appear that this entire matter had been handled through Mr. Wolfe, and no doubt the draft for \$4,475.00 was handed to Mr. Wolfe. The fact that it has never been presented for payment by the Register and Receiver, U. S. Land Office would indicate that it must still be in possession of Wolfe. Possibly Mr. Hanrahan can recall to whom this was sent.

Under date of June 26, 1926, Van Cott, Riter & Farnsworth, our Salt Lake attorneys, wrote Mr. Tunnell regarding status of applications for patent, and Mr. Tunnell under date of June 29, 1926, advised that the status of application for patent was that they were waiting to hear from the Department of the Interior upon their receipt of Friedhoff's report.

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H. A. Geisendorfer - 2

You no doubt have gone over the correspondence between Mr. Elton, Mr. Greninger and Mr. Tunnell with reference to patents, and the fact that Mr. Friedhoff has made examinations of the claims would in our opinion indicate that application had been filed.

Mr. Ing's letter of September 3, 1927, would indicate that survey had been made under Mineral Survey no. 5582 A. & B. and that plats of survey were filed in the Susarville Land Office on June 4, 1923, and that since that time no formal application for patent had been made. If possible to get in touch with Mr. E. B. Coffin as suggested by Mr. Ing, you might be able to secure further information from him.

The whole matter should be again taken up with Mr. Wolfe personally, showing him copy of bill of Plumas National Bulletin which shows that affidavit of publication was delivered to him, also giving him such information as you may be able to secure from Mr. Hanrahan regarding delivery of draft for \$4,475.00. If it is found that draft was delivered to Mr. Wolfe, and it can be located, please secure same and return to this office for cancellation.

If it is then impossible to clear this up through Mr. Wolfe, and after seeing Mr. Coffin and if possible Mr. Friedhoff, it is the opinion of our attorneys that the whole matter should be taken up by you with some land attorney whom we will select in California, and application be made for patent.

In connection with the above, our attorneys advise that if application has not been made, claims should at once be protected.

We find copy of proof of labor for year ending June 30, 1927, in Mr. Elton's file. This proof of labor covers all claims as shown in the printed list as published. However, we find on page 2 of letter which Mr. Tunnell wrote to Mr. Howell under date of June 29, 1926, the following paragraph:

"The new mill and surface works have been built on the Dolly Gulch Placer, which was unfavorably reported. Mr. Sales' recommendation will be carried out by the exchange of land with the Forest Service. Mr. Sales' instructions to make enough lode locations to cover the mill and all buildings or other surface improvements not included in the original mill site locations have been carried out, and a Proof of Labor covering Plumas, Plumas Extension, Plumas No. 1, Plumas No. 2, Plumas No. 3 has been filed at Quincy".

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H. A. Geisendorfer - 3

You will note that Mr. Tunnell states that proof of labor was filed covering Plumas, Plumas Extension, Plumas No. 1, Plumas No. 2, and Plumas No. 3 for the year 1926. As these were not covered in your proof of labor for 1927, Mr. Elton believes that you should at once file proof of labor covering these claims.

Yours very truly,

A. D. Hunter,
Cashier.

ADD:B

Please advise Mr. Elton as to the outcome of your investigations as soon as possible.

June 10, 1927.

Mr. H. A. Geisendorfer, Manager,
Walker Mining Company,
Spring Garden, California.

Dear Geisendorfer:

Replying to your letter of the 6th, will say that I took up with our Salt Lake attorneys the matter of the assessment work on the unpatented claims of the Walker. They advise as follows:

"Application for patent does not relieve the owner of the location from doing the assessment work. The obligation to perform the annual labor ceases only when final entry and payment is made and the certificate of purchase issued, and even then the obligation to do the labor may be revived by either a cancellation or a suspension of the entry. The cancellation, however, will not be given retroactive effect to the detriment of the entryman. We take it from Mr. Geisendorfer's letter that final entry and payment have not been made and certificate not issued and therefore we think that the annual labor ought to be performed on all unpatented claims upon which such final entry and payment have not been made and certificate not issued."

Evidently Mr. Wolfe, being a California attorney, is more conversant with the mining laws of California than our Salt Lake attorneys. However, I believe it would be a good thing to make the usual affidavit covering the assessment work. In case these unpatented claims adjoin the claims on which we are doing work, it will not be necessary to do work on the individual claims. In case the claims are detached, it will be well to have the work done and not take any chances on losing them.

Regarding the September Morn group, we have been unable to get anything further from Mr. Wolfe. Mr. Hunter wired him reminding him of his promise to send copies of his letters in which he made application for the survey of this group. Failing to hear from Mr. Wolfe, Mr. Hunter then wrote to the land office asking if the application had been filed. He has not had time to hear from the land office. As soon as he hears, I will advise you further.

Very truly yours,

JOE:H

J. O. Elton,

Vice-President.

SUITE 1311
WALKER BANK BUILDING
SALT LAKE CITY, UTAH

WALDEMAR VAN COTT
P. T. FARNSWORTH, JR.
B. R. HOWELL
W. Q. VAN COTT
GRANT H. BAGLEY

June 9, 1927

Attention Mr. J. O. Elton

Walker Mining Company
818 Kearns Building
Salt Lake City, Utah

Gentlemen:

This date you handed our Mr. Howell Mr. Geisendorfer's letter of June 6 relative to assessment work and requested our advice. The pertinent portion of Mr. Geisendorfer's letter is as follows:

"Supplementing my letter of recent date; while in Quincy recently, I spoke to Mr. Wolfe regarding assessment work on the unpatented claims, most of which patents have been applied for. Mr. Wolfe was of the opinion that we would not have to do title work on these claims.

"However, I would rather have the opinion of your attorneys or yourself, as the time is getting short, as we should begin work by the First of July. I wish you would let me know what your opinion is on this matter."

// Application for patent does not relieve the owner of the location from doing the assessment work. The obligation to perform the annual labor ceases only when final entry and payment is made and the certificate of purchase issued, and even then the obligation to do the labor may be revived by either a cancellation or a suspension of the entry. The cancellation, however, will not be given retroactive effect to the detriment of the entryman. We take it from Mr. Geisendorfer's letter that final entry and payment have not been made and certificate not issued and therefore we think that the annual labor ought to be performed on all unpatented claims upon which such final entry and payment have not been made and certificate not issued. //

Yours very truly,

Van Cott, Riter & Farnsworth

*Mr. Howell
Please advise*

WALKER MINING COMPANY
SPRING GARDEN
PLUMAS COUNTY, CALIFORNIA

H. A. GEISENDORFER, MANAGER

June 6, 1927.

Mr. J. O. Elton, Vice President,
Walker Mining Company,
818 Kearns Building,
Salt Lake City, Utah.

Dear Mr. Elton:

Supplementing my letter of recent date; while in Quincy recently, I spoke to Mr. Wolfe regarding assessment work on the unpatented claims, most of which patents have been applied for. Mr. Wolfe was of the opinion that we would not have to do title work on these claims.

However, I would rather have the opinion of your attorneys or yourself, as the time is getting short, as we should begin work by the First of July. I wish you would let me know what your opinion is on this matter.

Also, what are your findings regarding the September Morn group, regarding which Mr. Hunter, no doubt, has discussed with you.

I will notify the California Metal and Mineral Producer's association that we are tendering our resignation.

Very truly yours,

WALKER MINING COMPANY,

H. A. Geisendorfer

Manager.

HAC: JT

Sept. 25, 1926.

Mr. J. R. Hobbins, V. P.,
Anaconda Copper Mining Company,
Butte, Montana.

Dear Sir:-

Replying to your letter of the 17th will say that J. R. Walker caused the ground north of and adjoining the Walker Mining Company's holdings to be located in the name of his son, W. R. Walker, who deeded it to a third party. He did this after knowing the result of our discovery in the diamond drill hole (C). Mr. Daly told him about this on the 6th of July, and the locations were made on the 12th, 13th, and 14th.

J. R. Walker's story is that he did this as a matter of accommodation to a personal friend, not knowing that the Walker Mining Company was interested in the ground. He showed me letters and telegrams written and received in June, showing that he had agreed to tend to the relocation of this ground before he knew about the diamond drilling.

W. R. Walker's name was used without his consent. Our attorneys think that it will be impossible to recover from J. R. Walker, and that it would be unwise to attempt it. They are of the opinion that the locations are not valid and will not stand because the claims are overflowed with lava with no mineral showing on the surface, so that no discovery is possible at the place the locations were made. They advised that the Walker Mining Company locate the ground in case real discoveries could be made. Billingsley and I went to the mine with this in view. Mr. Geisendorfer, the manager, had already found a record of the diamond drilling done by the old Plumas Company. He also found the diamond drill cores in order and we checked these cores against the drilling log and found them to agree. Three holes cut the vein after going through approximately 500 feet of lava. Copper minerals show in the cores, and the record shows that these ran from traces to 4% in copper. We made three locations using these diamond drill holes as the point of discovery and placed the notices vertically over where the mineral was cut in the holes. On the advice of our attorneys we are having a patent survey made, and will at once apply for patent, using the work now being done in the drift on the vein on the 700 level to prove up. There is no doubt about these drill holes having cut the extension of the Walker vein beneath the lava. Both the strike and the dip of the vein

Mr. J. R. Hobbins -2.

agree.

On the advice of our attorneys, we are withholding all this information from both J. R. Walker and W. R. Walker on the ground that we are saving them embarrassment because they might feel called upon to advise Mr. McQuatters of the Plumas Company, what was going on.

We are pushing work on the north drift so as to extend it under these new claims. At the present rate of progress, we should be under them in approximately ten months. It is our intention to follow the vein on this strike and protect the Walker Company with new locations as fast as discoveries can be made.

This gives you the situation up to the present time.

Very truly yours,

JOE:H

J. O. Elton,

Vice-President.

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SALT LAKE CITY, UTAH

WALDEMAR VAN COTT
P. T. FARNSWORTH, JR.
E. R. HOWELL
W. Q. VAN COTT
GRANT H. BAGLEY

September 20, 1926

Attention Manager J. O. Elton

International Smelting Company
Kearns Building
Salt Lake City, Utah

Gentlemen:

In re: J. R. Walker, Witcher Walker and newly located
claims, Plumas County, California.

Manager Elton has requested our opinion on three ques-
tions he has asked regarding above matters:

As to first question: Manager Elton requests our opinion
as to whether J. R. Walker should be requested to resign as Presi-
dent and Director of Walker Mining Company, and in case of his re-
fusal so to do, whether he should be voted out of office.

We understand the facts in substance to be as follows:

J. R. Walker is President and Director of Walker Mining Company. His son, Witcher Walker, is Director of the same company. There are a number of claims in Plumas County adjacent or near to the properties of the Walker Mining Company and our company desired these claims to be located for it; and one of our employes was given directions to make such location, but he neglected to do so until the claims were located as hereinafter mentioned. The Plumas Mines Company had a number of times heretofore located the claims above mentioned. There is a California statute that provides that after a location is made that the same prop-erty cannot be relocated by the same parties under three years. There is a question, however, as to whether this statute was reenacted by a later statute, and therefore some question as to whether it is in force. Some of the offi- cials of the Plumas Mines Company requested J. R. Walker to relocate these claims for them; that is, in the interest of the Plumas Mines Company; and accordingly, J. R. Walker had these claims located in the name of his son, Witcher Walker. Witcher did not know that such locations had been made in his name. J. R. Walker only made the locations on the re- quest above mentioned and as a courtesy to such officials. Later Witcher Walker deeded the newly located claims to the Plumas Mines Company. Neither Witcher nor his father re- ceived any compensation for the locating of the claims or

for the deeding or conveying of the claims. Witcher has no interest in the Plumas Mines Company. J. R. Walker has a small interest in the Plumas Mines Company, but nothing comparable with his interest in the Walker Mining Company. The Walker Mining Company had never located or owned these newly located claims.

From the above it is apparent that J. R. Walker did not cause any new locations to be made either for his own interest or for the interest of his son. He merely discharged a courtesy that was requested of him. Had Witcher, for instance, conveyed the newly located claims to any other company or to any person other than the Plumas Mines Company it is our opinion that he would have been guilty of a breach of trust. These claims were not located in the name of Witcher Walker on his own initiative, and the Walker Mining Company, in our opinion, had no right to request or to expect that Witcher Walker would convey such claims to it.

We recognize that the law is that an officer or agent of a corporation owes a fiduciary duty to it and that he cannot compete with his corporation in the acquisition of property which it desires to obtain and if he does so compete that he may be held to be a trustee and required to convey by being reimbursed.

For instance, this principle is applied when an agent of a corporation does assessment work for himself when the company believes that he is doing the assessment work for it. Argentine Mining Co. v. Benedict, 18 Utah 193. Again, a corporation was required to obtain certain patents in order to prosecute its business. One of its directors secured these patents and it was held that such director must convey to the company. Averill v. Barber, 6 N.Y.W.255.

Again, the President of a corporation bought up debts at

discount against his company. It was held that the corporation was entitled to obtain the benefit of the purchase. *Bramblet v. Land & Improvement Co.*, 83 S. W. 599.

The same principle is illustrated where an officer of a corporation secures a renewal of a lease for himself which his corporation has enjoyed. *McCourt v. Singers Viggers*, 145 Fed.103.

Again, two of the directors of a railroad company obtained land which they knew the railroad company desired. It was decided that they held the property in trust. *Black v. Buffalo Creek R.R.Co.*, 56 N. Y. 485.

An interesting case is *Lagarde v. Anniston Lime & Stone Co.*, 28 So. 199. See also the following cases as illustrating the principle:

De Bardeleben v. Land & Improvement Co. 37 So. 511.
Thompson on Corporations, 2d Ed., Sec. 1246.
Cook on Corporations, 6th Ed., Sec. 660.
Trenton Banking Co. v. McKelway, 8 N.J.Eq.84.
Loewer v. Lonoke Rice Milling Co., 161 S.W.(Ark.) 1042.
Pikes Peak Co. v. Pfuntner, 123 N.W. (Mass.) 19.
Nebraska Power Co. v. Koenig, 139 N.W.(Nebr.) 839.
Miller v. Consolidated Co., 110 Fed. 480.
Higgins v. Lansingh, 40 N.E. 362.
Marr v. Marr, 70 Atl. 375.
Robinson v. Jewett, 22 N.E. (N.Y.) 224.
Buckhorn Plaster Co. v. Consolidated Plaster Co.,
 108 Pac. (Colo.) 27.
Collins v. Hoffman, 113 Pac. (Wash.)625.

From the above it follows that we are of the opinion that neither J. R. Walker nor his son did anything that was wrong or in any way reprehensible.

Accordingly, our opinion is that neither J. R. Walker nor his son, Witcher Walker, should be requested to resign as officials of the Walker Mining Company.

As to question 2: Manager Elton requests our opinion as to whether, if the Walker Mining Company makes a discovery on these newly located claims and proceeds with patent and finally obtains patent, as to whether the Plumas Mines Company could succeed in any litigation to compel such claims to be conveyed to the Plumas Mines Company.

We are informed that the Plumas Mines Company has never made any discovery on the newly located mining claims; that they are all covered with lava approximately thirty feet ^{to 50'} in depth and that nothing in the way of mineral has ever been found on the surface or any work on the surface that would justify any miner in doing work with the expectation of finding mineral there. On the contrary, the Walker Mining Company has done work so that it has made a discovery beneath the lava. We are clearly of the opinion that if the Walker Mining Company obtains patent that the Plumas Mines Company could not succeed in any litigation to recover such claims.

As to question 3: Manager Elton requests our opinion as to whether J. R. Walker should be given information to the effect that the Walker Mining Company has made a discovery and that it intends to proceed so as finally to obtain patents to the newly located mining claims. Our advice is not to give Mr. Walker any such information. Our reason is that if Mr. Walker was so informed he might feel conscience bound to inform the Plumas Mines Company officials to the effect that the Walker Mining Company was seeking to patent the newly located mining claims. If Mr. Walker is not given any such information, then of course he is entirely in the clear so

far as his conscience is concerned or so far as he might think that duty required him to convey the information to the Plumas Mines Company. If Mr. Walker has no information on the subject then he need not feel hereafter embarrassed in the least if he should be asked by the Plumas Mines Company officials as to the patenting of the newly located mining claims.

Yours truly,

Van Cott, Riter & Farnsworth

4-5

*Miss H. R. Tunnell
Please ack with
thanks.*

WALKER MINING COMPANY
SPRING GARDEN
PLUMAS COUNTY, CALIFORNIA

June 29th, 1926

H. R. TUNNELL, MANAGER

Van Cott, Riter, and Farnsworth
Attorneys at Law
Walker Bank Building
Salt Lake City, Utah.

Gentlemen: Attention: Mr. B. R. Howell.

Your letter of June 26th, 1926 referring again to the Walker application for patent was duly received. Mr. Elton wrote on the 22nd instant asking me to advise Mr. Wolfe to give you everything asked for as promptly as possible. On the 25th instant I wrote Mr. Wolfe to that effect. I will endeavor to clear up certain misunderstandings on your part, and will forward copies of this correspondence to Mr. Wolfe so that he will be in a position to make a statement if he so desires.

Taking up your questions in detail:

What is the status of the applications for patent?

We are waiting to hear from the Department of the Interior upon their receipt of Friedhoff's report.

Has notice of rejection of certain claims been received from the Department?

A copy of Mr. Friedhoff's report has not been received either by Mr. Wolfe or by the Mine office.

Mr. Friedhoff visited the Mine Wednesday, June 23rd, and went over the situation with Mr. Paul Billingsley, Chief Geologist for the International Smelting Company, and the writer. He took the matter of the three claims (Panama No. 3, Panama No. 4, and Panama No. 5) under advisement, and I understand will amend his report to allow a discovery on these claims on the basis of new information from the diamond drill hole as described in Mr. Wolfe's letter of June 3rd.

We are still waiting the action to be taken by the Department of the Interior through the Forest Service on all the claims in our original applications. When we are notified that certain claims have been rejected we can decide what action to take in the matter, although we are practically committed to the program as outlined on the enclosed list of claims.

In regard to your letter to Mr. Elton, which is a compilation of details of this matter:

Mr. Sales' recommendation that the following claims:

Grizzly No. 1
Grizzly No. 2

Grizzly No. 11
Grizzly No. 12

Cont.

Grizzly No. 3	Panama No. 3
Grizzly No. 4	Panama No. 4
Grizzly No. 5	Panama No. 5 Standard Extension
Grizzly No. 6	Standard Extension
Grizzly No. 7	Reliable
Grizzly No. 8	Pacific No. 3
Grizzly No. 9	Pacific No. 11
Grizzly No. 10	

be withdrawn from the application to patent but that they should be held by assessment as in the past was in line with Mr. Friedhoff's opinion and followed an interview between these gentlemen.

We have benefitted by the delay in that Mr. Friedhoff is now inclined to allow discovery on Panama No. 3, Panama No. 4, and Panama No. 5.

Mr. Sales' second recommendation that we abandon:

Summit No. 1	Summit No. 4
Summit No. 2	Summit No. 5
Summit No. 3	Summit No. 6
Summit No. 7	

has been carried out. We are paying stumpage on this year's cut.

Mr. Sales' third recommendation covers the necessity of acquiring title to the claims covering 1350 feet of the main adit nearest the portal which include:

Grizzly
Pacific No. 10
Pacific No. 12
Pacific No. 13

and Pacific No. 9, which was omitted from his report. Mr. Sales also suggested that these claims could be abandoned as lode claims and covered by tunnel site locations. The third course open and the one which we are following is to acquire full title by an exchange of land with the Forest Service. Negotiations are now under way to make this exchange with every chance of success.

(1) The new mill and surface works have been built on the Dolly Gulch Placer, which was unfavorably reported. Mr. Sales' recommendation will be carried out by the exchange of land with the Forest Service. Mr. Sales' instructions to make enough lode locations to cover the mill and all buildings or other surface improvements not included in the original mill site locations have been carried out, and a Proof of Labor covering Plumas, Plumas Extension, Plumas No. 1, Plumas No. 2, Plumas No. 3 has been filed at Quincy. ✓

You evidently failed to read Mr. Wolfe's letter to the Mineral Examiner, W. H. Friedhoff, with sufficient care to get its correct meaning. Mr. Wolfe says, "a diamond drill hole has been driven - - - at a depth of about 900 feet vertically from the surface - - - crossing the Panama No. 4 claim and the Panama No. 5 claim and demonstrating the existence of the mineralized schist underlying the lava.

Cont.

June 29th, 1926

To the north from Panama No. 5 lie Panama No. 3 and Panama No. 2 in the order named. As Panama No. 2 has already been approved and the existence of mineral bearing schist in Panama No. 5 was proven by the diamond drill, it is logical to assume that the same schist underlies the lava capping on Panama No. 3. We therefore ask for an amended report in favor of these claims.

Mr. Wolfe then points out that the same conditions may hold on the other claims "to the south and east, including Grizzly No. 5, Standard Extension, Reliable, and Pacific No. 11", but does not ask for a favorable report on claims other than Panama No. 3, Panama No. 4, and Panama No. 5.

He then states that the Walker Mining Company would be willing to amend its application to exclude certain claims, which are those listed by Mr. Sales in his first recommendation.

To help you to obtain a clearer understanding of the matter, a complete list of claims is enclosed.

Very truly yours,


Manager.

HRT: CEF

Encl. 1 ✓

CC to Mr. Wm. B. Daly
Mr. J. O. Elton ✓
Mr. H. B. Wolfe.

WALKER MINING COMPANY.

Claims patented under Survey #4365:

Rob ✓	Valley View Extension ✓
Rob Extension ✓	Bullion ✓
Walker ✓	Bullion Extension ✓
Walker Extension ✓	Copper Center ✓
Valley View ✓	Copper Center Extension ✓

Claims favorably reported by Mineral Examiner:

Panama No. 1 ✓ x	Pacific No. 1 ✓ x
Panama No. 2 ✓ x	Pacific No. 2 ✓ x
Digger ✓ x	Pacific No. 4 ✓ x
Piute No. 1 ✓ x	Pacific No. 5 ✓ x
Piute No. 2 ✓ x	Pacific No. 6 ✓ x
Piute No. 3 ✓ x	Pacific No. 7 ✓ x
Standard ✓ x	Pacific No. 8 ✓ x
Reliable Extension ✓ x	

Claim omitted from application but included in survey; separate application has been initiated through Mr. Wm. Watson, Mineral Surveyor:

Sioux ✓

Claims proved by diamond drilling from sixth sub-level:

Panama No. 3 ✓ x
Panama No. 4 ✓ x
Panama No. 5 ✓ x

Tunnel site and camp site ground will be taken care of by a land exchange as recommended by the Forest Service. The ground consists of little under 120 acres and comprises the necessary ground in the following claims:

Pacific No. 9 ✓ x	Grizzly No. 1 ✓ x
Pacific No. 10 ✓ x	Grizzly No. 12 ✓ x
Pacific No. 11 ✓ x	Plumas
Pacific No. 12 ✓ x	Plumas Extension
Pacific No. 13 ✓ x	Plumas No. 1
Grizzly ✓ x	Plumas No. 3

Claims to be dropped entirely as recommended by Mr. Sales:

Summit No. 1	Grizzly No. 5 ✓ x
Summit No. 2	Grizzly No. 6 ✓ x
Summit No. 3	Grizzly No. 7 ✓ x
Summit No. 4	Grizzly No. 8 ✓ x
Summit No. 5	Grizzly No. 9 ✓ x
Summit No. 6	Grizzly No. 10 ✓ x
Summit No. 7	Grizzly No. 11 ✓ x
Grizzly No. 3 ✓ x	Standard Extension ✓ x
Grizzly No. 4 ✓ x	Reliable ✓ x
Pacific No. 3 ✓ x	Plumas No. 2

also Dolly Gulch Placer claim. x

3. Grizzly # 2 ✓ x
Bullion millsite ✓ x

ROOM 1825
25 BROADWAY
NEW YORK

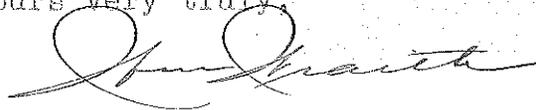
July 13, 1925.

Mr. J. O. Elton, Vice President,
Walker Mining Company,
Kearns Building,
Salt Lake City, Utah.

Dear Sir:-

I am in receipt of a letter from Mr. Sales on the subject of the adverse report of Forest Ranger W. H. Friedhoff on some of the claims included in the application of the Walker Mining Company for patent, and wherein Mr. Sales makes certain recommendations on the rejected area of the Dolly Gulch Location places us in a rather serious condition, as far as ownership is concerned, although I assume that you can hold these claims on assessment as well as the rejected mining claims. I would appreciate it if you would take hold of this entire matter with Mr. Tunnell and get it straightened out, particularly in reference to the claims on which our townsite, mill buildings and tunnel are located. Kindly consult our attorneys in reference to this, in order to get their advice as to the best procedure to follow. I wish to leave the entire matter in your hands. I do not know whether or not you have a copy of Mr. Sales' report and I am therefore sending you a copy.

Yours very truly,



WmWraith/M

CC: Mr. Tunnell

C O P Y

ANACONDA COPPER MINING COMPANY.

BUTTE, MONTANA.

SALT LAKE CITY, UTAH.

July, 6, 1925.

Mr. Wm. Wraith
25 Broadway,
New York, N. Y.

Dear Sir:

At the request of J.O. Elton I visited the Walker mine on June 29th and 30th in connection with the expected adverse report of Forest Ranger W.H. Friedhoff on some of the claims included in the application of the Walker Mining company for patent.

On July 1st I saw Mr. Friedhoff at Yerington and talked over the situation fully. Friedhoff had, however, already sent in his report and recommendations on the Walker claims to the District Forester's office at Quincy so that it was impossible to do anything more than to get first hand knowledge of Friedhoff's attitude regarding the Walker claims.

I found that Friedhoff had a good knowledge of the geological conditions surrounding the Walker mine. He impressed me as holding a friendly feeling toward mining companies, particularly those actively engaged in mine development. Friedhoff has had many years experience in forestry work and particularly in connection with location and patenting of mining claims within the National Forest boundaries covering Plumas County, California and surrounding territory.

I learned from Friedhoff that the patenting of the Walker claims, included in the present application for patent, had been the subject of much discussion between himself and MR. V. A. Hart, former

Mr. Wm. Wraith.

July 6, 1925.

manager of the Walker Mining Company, and that he Friedhoff had at all times held an adverse opinion as to certain ones of the group. The views he expressed to^{me} may be better understood after I have explained the geology in the situation.

I am enclosing herewith a geological map for your guidance. It also shows the claims held by the Walker Mining Company. Included within the violet colored boundary are claims already patented. Surrounding these patented claims, and lying within the blue boundary, are the claims included in the present application for patent and which have^{been} approved for patent by Mr. Friedhoff. Claims included in the present application for patent, but which have been reported upon adversely by Friedhoff are bounded in red. Certain additional claims, namely the Summit 1 to 7 respectively, are recent locations made by the Walker Mining Company.

The geology of the situation is well shown on the map, The Walker veins and ore body occur in the schist. The course or trend of these ore bodies, as shown by the Mine workings, is a northwest southeast direction, generally parallel to the strike of the rather indistinct bedding of the schist.

The schist is intruded by an irregular body of granite which appears also to be later in age than the ore bodies. The area of granite exposed at the surface is shown in green color. That its actual volume is much larger than this is shown by the main adit tunnel which discloses granite beneath the lava.

Both schist and granite have been covered in the southerly and easterly portions of the Walker group by a late flow of andesitic, colored brown on the map. There is no question but that these lava flows are relatively recent and that they appeared long after the Walker vein in the schist had been exposed by erosion

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and considerably oxidized.

We therefore have three geological formations occupying the area under consideration. Of these three the schist is known to be mineral bearing. The granite has not been shown to contain ore bodies. In the mine workings of the Walker mine a small dike, undoubtedly an off-shoot of the main granite mass, cuts through the Walker vein ore indicating the granite to be of later age than the Walker ore bodies. In the Main Adit, however, there are many fissures which cut granite, but which are mineralized only slightly if at all. In the larger area exposed to the south and west of the Walker Mill extending down into Grizzly Valley no veins have been discovered within the granite. The evidence as to mineralization in the granite, while general^{ly} negative in character is not conclusive.

The andesitic lava flows in the vicinity of the Walker mine form a part of an extensive flow covering a large area lying to the east and northeast of the Walker property. These rocks upon weathering change to a dark red brown color with a resulting soil of a similar color. These flows are relatively recent geologically and show absolutely no evidence of mineralization.

Referring now to a patentability of these claims, Friedhoff rejects the claims outlined in red upon the ground of lack of mineral discovery. By reference to the map it will be seen that the great majority of the lode claims rejected lie within the area occupied by lava. The Pacific No. 12, Pacific No. 13, Grizzly, and Grizzly No. 1, lie partly within lava and partly within granite. The Pacific No. 3, appears to be largely^{within} lava although it is probable that schist might^{be} disclosed near its north end line by a small

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amount of trenching.

The Dolly Gulch Placer covering the basin-like area upon which the mill and town have been built, contains a small area of schist near its western boundary. The remaining area is occupied by lava and granite, but the deep covering of wash prevents an accurate tracing of their respective boundaries.

I examined carefully a large part of the ground covered by these claims. I inspected the 25' tunnel on the Grizzly No. 9 claim, also the small shaft on Grizzly No. 10 and the small pit on Summit No. 1.

I was compelled to conclude from my own personal examination that there is no possibility of a mineral discovery within the lava itself. In the large block of claims covered by lava therefore the only mineral discovery possible is in the rocks underlying the lava flow. Where schist is present mineral indications sufficient for discovery undoubtedly can be found. But in the granite areas beneath the lava, the hunt for a sufficient mineral showing to support a valid lode location might prove costly or even entirely unsuccessful. The depth of the lava is too great, and the possibilities of mineral too slight, to justify sinking shafts on these locations for the purpose of making a mineral discovery.

In the case of The Dolly Gulch Placer location which Friedhoff also rejects, on the grounds of non-discovery of placer gold, the situation is rather peculiar. Within the Dolly Gulch Placer location there is included a Mill Site location made by the Walker Mining Company. Friedhoff's statement is that a mill site location requires from the locator under oath the statement that the ground is non-mineral in character. If this be true there is an apparent lack

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of consistency on the part of Walker Mining Company to ask for a mineral patent on the Dolly Gulch Placer and a patent on the Mill Site as non-mineral ground.

Some recent panning tests for gold in a pit sunk along the creek below the mill^{and}/within the Dolly Gulch Placer claim, failed to show any gold colors. This work is being carried on in other pits in the hopes of meeting with favorable results.

The situation confronting the Walker Mining Company may be summarized as follows:

1.- Of the 40 lode claims included in the recent Patent Application seventeen (17) have been^{passed} and recommended for Patent by Friedhoff. These seventeen claims, together with the ten claims already patented protect the Walker on strike for a distance of approximately 9000 feet, or 1500 feet south of the most southerly workings on the tunnel level, and 3500 feet beyond the most northerly drift on the 600 level.

2. The original Mill Site has been recommended by Friedhoff for patent, but the new Walker mill is not on this mill site claim.

3. Twenty-three lode claims have been rejected for patent by Friedhoff on the ground of non-discovery of mineral. Of these twenty-three claims, seventeen lie wholly within the lava area and there is no possibility, in my judgment, that a mineral discovery can be made by trenching or by shallow shafts. Of the remaining six claims, granite is disclosed on the surface or in the Main Adit, within five of them, and on the sixth claim, which is the Pacific No. 3, the surface area is largely lava but a small amount of surface trench-

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ing might disclose schist but not necessarily any mineral showing.

4. The Dolly Gulch Placer upon which the new mill and most of the town surface works have been built, is rejected by Friedhoff on similar grounds, that is, of non-mineral discovery.

It remains for the Walker Mining Company to decide upon a course of action in the face of these rejections. My personal views may be summarized as follows:

1. - Claims lying wholly within the lava without mineral showing on surface or in underground workings should be withdrawn from the Patent Application but should be held by assessment as in the past. These include the following:

Grizzly	No. 1
"	" 2
"	" 3
"	" 4
"	" 5
"	" 6
"	" 7
"	" 8
"	" 9
"	" 10
"	" 11
"	" 12
Panama	No. 3
"	" 4
"	" 5
Standard Extension	
Reliable	
Pacific	No. 3
"	" 11

2. - Recent locations made wholly within the lava should be abandoned. These include:

Summit	No. 1
"	" 2
"	" 3
"	" 4
"	" 5
"	" 6
"	" 7

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Timber is now being cut from these locations. No doubt the government will require the Walker Mining Company to pay for any and all timber cut from such abandoned locations.

3. In the case of the following claims, namely, the Grizzly, Pacific No. 10, Pacific No. 12 and Pacific No. 13 which cover the 1350 feet of the Main Adit nearest its portal, the Walker Mining Company should ask for patents, on the ground that the small fissures in the granite disclosed within these claims constitute a sufficient mineral showing, and that adequate assessment work for patent has been performed through the construction of the Main Adit which passes through portions of these claims. These claims stand exactly upon the same footing as the Pacific No. 9 claim which has received the approval of Friedhoff.

This same ground can be secured by abandoning the claims as lode locations and covering it by Tunnel Site locations following the line of the tunnel, and patents for same can be secured without mineral discovery. As tunnel site locations they carry mineral rights but not surface rights. This would mean additional expense to the Walker Company sufficient to pay the cost of making re-locations and the mineral surveys for patent.

4. Friedhoff suggests a way out of the difficulty with the Dolly Gulch Placer.

There is now in force what is known at the "exchange grant" ruling of the Interior Department. I do not know at this time whether this ruling is in effect through an Act of Congress or merely a Land Office ruling, but I presume it is the former.

Friedhoff suggests that the Walker Mining Company acquire from a fee owner somewhere in Plumas County, title to a tract of equal acreage of cut-over land, and exchange such acquired acreage with the Govern-

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ment for the ground covered by the Dolly Gulch Placer. He is positive that such a plan is feasible and practical and legal, and in fact, he knows of no other way by which the Walker Mining Company can acquire full title to this ground if it is decided to be non-mineral in character, since it is within the Forest Reserve. He says cut-over lands can be had for \$2.50 to \$5.00 per acre.

It is apparent that the Walker Mining Company requires, for housing and other purposes, slightly more land than is included within the Dolly Placer. The exact amount needed should be determined so that ample acreage of cut-over land will be secured for exchange.

One element of danger has occurred to me in this situation as it affects the new mill and all surface structures built on ground outside the original mill site location. If as Friedhoff claims, the Dolly Gulch Placer has no merit or standing as a placer location it certainly would not hold the ground as against a lode claimant who might enter upon the placer, and, finding sufficient mineral showing within the small schist area shown on the map, he could locate a lode claim in such a manner as to include the new mill, and other valuable buildings.

To forestall this possibility I have written Tunnell to make one or more lode locations, placing them on the ground in such a manner as to cover the mill and all buildings or other surface improvements not included in the original Mill Site location.

From Mr. Tunnell's letter of a former date you can figure what the Walker Mining Company will owe the Government for timber already cut from claims rejected by Friedhoff. It amounts to about \$7,000 in round figures.

I should add here that I am entirely unfamiliar with any past

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history of Walker Group of claims. I know nothing of the how, when or why of the location of these claims in the lava area. Friedhoff states that in the past the Walker Mining Company has set its Main Adit tunnel work against the whole group as constituting annual assessment work. He flatly states that this tunnel does not tend to develop the Grizzly claims and therefore is not acceptable as assessment work. My own opinion is that the Adit tunnel does tend to develop all of the group because it is actually the proper method to develop that whole area.

Very truly Yours,

Reno H. Sales.

February 29, 1928.

Mr. H. A. Geisendorfer,
Manager Walker Mining Co.,
Spring Garden, Plumas County, Calif.

Dear Mr. Geisendorfer:

Herewith, for your information, copy of letter to Dozier & Kimball, attorneys for the California Fruit Exchange. From it you will see that we are not finally passing upon the title, although it is generally satisfactory. Likewise the deed submitted is generally satisfactory. We are not, however, ready to close the matter, at least until we hear again both from the attorneys and from you.

TAXES.

One installment of 1927 taxes on the land proposed to be bought will be due in April of this year, as we understand it. Who is to pay such taxes? Was anything said as to that feature? If not some arrangement ought to be made unless the Mining Company is willing to assume the taxes.

CLOSING.

When the time comes to close this matter there are several things that you should look out for:

(a) Have the abstractor, Mr. L. L. Clough of Quincy, California, give you a letter or certificate to the effect that there are no changes in the title since the date of his last certificate, which is February 10, 1928. If there are any changes you will of course have to defer closing until the matter is referred here or you are satisfied that the changes are immaterial so far as the Mining Company is concerned.

(b) Is it understood that the Fruit Exchange will give us the abstract

when we acquire the property? We shall have to have an abstract of title to submit to the Government, and it is customary in this state for the seller to furnish abstract of title to the purchaser. It is common practice in California to take a contract of title insurance when real property is purchased. Was that considered in reference to this property? Do you know whether such insurance can be obtained, and if so how much it would cost.

(c) On closing you might as well ask Mr. Clough to look over the title to this land on the records and advise whether everything in the title is satisfactory and regular.

DEAL WITH THE FOREST SERVICE.

It is not at all clear to us exactly what assurances we have from the Forest Service that the trade proposed is acceptable to the Forest Service. I understand that it is awaiting approval in Washington and that such approval includes the approval of the Secretaries of Agriculture and of the Interior, though I presume that their approval is more or less a matter of form and that they rely upon the recommendation of some subordinate. I infer from your letter that you have assurances satisfactory to you that the trade of the Fruit Exchange 600 acres for the camp site as laid out on the map sent me is agreeable to all the local Forest officials, including Barrett of San Francisco. This assumption, however, is inconsistent with the statement in your letter of the 24th inst. that "The hitch may lay with the local Forest people who are very anxious to secure the two and a half acre ranger site at Blairsden and on which the original exchange was proposed." I would like to know whether or not you have received assurances from all ^{preferably in writing} of the Forestry Service officials in California who have anything to do with this matter that the trade of this particular 600 acres for the camp site is satisfactory to them and that they have recommended it to Washington. If

such is not the case, I do not think we ought to pay the money and acquire the 600 acres until we are reasonably certain that it will be acceptable to the Forest Service.

As I understand it, we are to pay \$3.50 per acre for the 600 acres, or a total of \$2100.00. The Government takes it over on the basis of a \$2.50 per acre valuation, or a total of \$1500.00. This includes \$250. for survey, which you say is unnecessary on account of the camp site being laid off in government subdivisions. Why, then, do we have to acquire the 600 acres? Why will the Government not accept 500 acres of this land? Probably this is all perfectly all right, but I cannot quite figure it out.

It is quite clear to me that, unless we are absolutely certain that the Government will accept this Fruit Exchange land in return for the camp site, we ought not to acquire and pay for it if it is not absolutely necessary for us to do so. It represents an investment of \$2100.00 for something for which the Mining Company has no use and upon which it will have to pay taxes. What are the probabilities of the Mining Company's being able to sell it so as to get out whole if the Government does not take it? It seems to me that if we can get an option for a year to purchase this land upon the terms now proposed we ought to do so, and if not for a year then for the longest term obtainable. I question, however, whether we ought to make the proposition for an option to the attorneys for the Fruit Exchange. It seems to me that it would be better for such proposition to come from whoever made the original proposition to purchase. Does the Fruit Exchange know the purpose for which we are acquiring this land? It might be that if that were explained to them the reasonableness and good faith of our desire for an option might appeal to them.

It is my understanding that Mr. Elton will return here about March 10 and as soon as possible thereafter I will discuss this matter with him and get his views and instructions. In the meantime I wish you would advise me relative to the matters discussed in this letter. It is difficult to handle these matters satisfactorily by correspondence. If you were here we probably could dispose of all of my inquiries and determine what to do in a few minutes' conversation. Dozier and Kimball will be answering my letter in a few days and I would like to have your reply to this letter as promptly as convenient so that I can take up the whole matter with Mr. Elton and dispose of it as soon as possible after his return.

Yours very truly,

February 29, 1938.

Messrs. Dozier & Kimball,
Attorneys at Law,
1103 Crocker 1st Natl. Bank Bldg.,
San Francisco, California.

Gentlemen:

CALIFORNIA FRUIT EXCHANGE SALE TO WALKER MINING COMPANY.

We have examined the three abstracts of title to all of Sec. 6, T. 22 North, Range 12 East, N.D.B. & M., except the SE $\frac{1}{4}$ of the SE $\frac{1}{4}$ thereof and also draft of proposed deed and have returned the abstracts to the Continental National Bank. The deed is satisfactory as to form and execution.

We feel rather timid about attempting to pass upon any matters governed by the laws, decisions and customs of other states with which we are not thoroughly familiar. In a general way the laws of Utah, as you are doubtless aware, are founded upon those of California. There are, however, many differences, particularly regarding the law of real property. In a general way the titles appear to be satisfactory, but there are several things about the abstracts and titles that it occurs to us probably ought to be cured. We will state them briefly.

1. In Abstract 1 the first abstractor's certificate is dated November 27, 1914. The next continuation, which we have marked with lead pencil "1A", is from the 28th day of November, 1914. We note that in every other continuation in these three abstracts the continuation begins with the day of the last certificate and it seems to us that this should do likewise.
2. United States patent to Edward C. Kelsey for the SE $\frac{1}{4}$ of the NW $\frac{1}{4}$, the W $\frac{1}{2}$ of the SW $\frac{1}{4}$ and the SE $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Section 6 is abstracted

at page 2 of Abstract 1. At page 6 of Abstract 1A Edward C. Felsey and wife convey Lots 5, 6, 7 and the SE $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Section 6 to Chester L. Hovey. The plat at the end of Abstract 2 shows the SW $\frac{1}{4}$ of the NW $\frac{1}{4}$ of Section 6 to be Lot 5 and the W $\frac{1}{2}$ of the SW $\frac{1}{4}$ to be Lots 6 and 7. Ordinarily the government patent is conclusive as to such matters. There is nothing in the abstract except the abstractor's plat to show that the forty acre subdivisions referred to are identical with Lots 5, 6 and 7. It seems to us that if they are identical the abstract ought to show it.

3. In the patents from the State of California abstracted at page 24 of Abstract 2 and at page 7 of Abstract 3 we note that there is reserved to the people the absolute right to fish on the land described therein as provided by the Constitution of California. The abstractor has apparently omitted this provision in the state patent abstracted at page 13 of Abstract 2. Do you know whether there is any stream on this land in which fishing could be done? We are wondering whether this reservation (a) has any practical importance in this title, and (b) whether this reservation is regarded in California as affecting the marketability of land titles.

4. The certificate to Abstract 2 on page 33 contains a recital "that there are no judgments, liens or taxes of record in said county, existing against said above described property except as herein noted." None of the three certificates in Abstract 1 contains such recital as to judgments, liens, and taxes, nor does the certificate to Abstract 3 contain such recital. Should not a certificate be inserted at the end of Abstract 3 to the effect that there are no judgments or taxes whatsoever that are all liens on this property as shown by the county records of Plumas County to the date of the certificate? This would be done as a matter of course by an abstractor in this state.

5. Page 16 of Abstract 3 shows that Inland Investment Company is a corporation of California and that a certified copy of its articles has been duly filed in the office of the County Clerk of Plumas County, California. We do not find that there has been a similar filing by the California Fruit Exchange and are wondering, since it owns lands in Plumas County, whether, under Section 299, Civil Code of California, as amended by Chapter 130 of the 1921 Laws, the California Fruit Exchange ought not to file its articles in Plumas County if it has not already done so.

6. We assume that California Fruit Exchange is in good corporate standing in California. Will you please advise.

7. Probably we ought also to be furnished with certified copy of resolution or bylaw of California Fruit Exchange authorizing execution of the deed.

8. At pages 27 and 28 of Abstract 3, F. G. Harper conveyed to Inland Investment Company by "grant, bargain and sell" deed dated November 28, 1919, the S $\frac{1}{2}$ of the SE $\frac{1}{4}$, the NE $\frac{1}{4}$ of the SW $\frac{1}{4}$ and the SE $\frac{1}{4}$ of the NW $\frac{1}{4}$ (with other land) of said Section 6. At page 7 of Abstract 3 it appears that state selection of this land was not approved by the Secretary of the Interior until April 15, 1920, and state patent to Harper for these three forty acre tracts was not issued until June 7, 1920. The question, therefore, is whether Harper's deed to the Inland Investment Company conveyed the subsequently acquired title. We take it that under Sections 1105 and 1106 of the California Civil Code the word "grant" in the deed passes a fee simple title and that under such a deed subsequently acquired title passes. We shall appreciate it if you will advise us whether this is correct under your statutes.

D. & K. -4-

We shall appreciate your advice upon these matters.

With kind regards,

Yours truly,

Van Cott, Riter and Farnsworth

P.S. We assume that the second installment of 1927 taxes is unpaid on this land. Please advise us what your understanding is relative to who is to pay such taxes and also taxes for that portion of 1928 prior to time deed passes.

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