

associated with quartz, with some other minerals present. Arsenic isn't a problem. About 15 people are involved in the current program and the work revolves around the vein only, even though there are at least three other veins with potential, he adds.

At the moment we are "interested in seeing whether drifting and raising confirms previous drilling," he says. Drilling has already indicated reserves of 313,000 tons grading 0.35 oz. gold and 3.21 oz. silver.

A group of private investors from Dallas will finance a \$US1.5-million 24-well drilling program by **Excalibur Energy** on the Exoil E-2 lease in Osage County, Oklahoma. Drilling is scheduled to start this month and wells will be drilled at a rate of four a month.

Excalibur holds an 80% working interest, 64% net revenue interest in the 960-acre lease. After commitments to its partners are fulfilled, the company will have a 20.5% net revenue interest before payout and 25.5% after payout.

The company also reported results from seven wells on the second phase of its 20-well drilling program in Brown County, Texas. Production rates ranged from four bbl. oil per day on the Thompson No. 8 to 10 bbl. on the Madison E-3. and 40,000 cu. ft. of gas per day on the Madison A-2 to 620,000 cu. ft. on the Madison C-4.

Watson International Resources reports its Howard C. Lee No. 1 well in Washington County, Texas, has been put on production.

The well is flowing at 2.7 million cu. ft. per day through a 9/64-in. choke. Condensate production is estimated at 20 bbl. oil per day.

Watson has a 7.75% net revenue interest in the project that is estimated to yield the company \$20,000 a month.

Also, the Mexican national oil company, Pemex, reports 10 Watson pump kits have been operating for 30 days with top rate performance. Arrangements are under way to purchase and install additional units.

In addition, an agreement has been reached to distribute Watson pumps and pump kits in the Far East.

Inca Resources reports the discovery of a new gold zone on its Rich Gulch property in Plumas County, California. Two diamond drill holes, 200 ft. apart, intersected an auriferous lens approximately 300 ft. below surface.

In the first hole, a 35-ft. width returned values of 0.187 oz. gold and

properties around Alt., B.C., and elsewhere in Western Canada.

Subject to regulatory approval, Terramar will be entitled to an interest in these placer properties plus 750,000 shares of Anglo stock.

The company is scheduled to advance \$250,000 before Sept. 30 and another \$750,000 by year-end.

Terramar has widespread interests in mining properties in B.C., Arizona and Mexico. And R. B. Stokes, president of Anglo Canadian, is a recognized placer expert who has been involved in mineral exploration in Western Canada and abroad for many years.

Island Mining & Explorations has received results from three diamond drill holes completed on its Ericksen-Ashby property in the Tulsequah area of northwestern B.C. The company describes the sulphide prospect as volcanogenic in origin.

The holes, which were fanned out from the same setup, returned silver values ranging from 16.54 oz. over 30 ft. to 2.10 oz. over 25 ft. Base metal values were also reported. Zinc ranged from 7.58% (over 8.0 ft.) to 1.99% (25 ft.), and lead from 4.94% (30 ft.) to 1.16% (25 ft.)

In addition, hole 81-3, which had the high silver value mentioned earlier, had a 15-ft. section in the 30-ft. intersection running 25.04 oz. silver, 2.59% zinc and 5.94% lead.

Anglo Canadian Mining (VSE) has the option to retain a 20% carried interest in the property.

Ruth Vermont Mines will use a \$4-million financing from the Royal Bank of Canada to assist in putting its silver-lead-zinc mine at Golden B.C., into production. The loan consists of a \$3.6-million line of credit and a \$400,000 overrun loan.

The company has acquired a 75% working interest in a 3-well program on 127 acres of leases in Jones County, Texas. Ruth Vermont's dryhole costs will be \$144,000.

Ruth's president Mel Pardek also announced the company's agreement with Bluesky Oil and Gas to explore about 30,000 acres of mineral claims near the Golden area. It will earn a 25% working interest in the claims by spending \$50,000 a year from 1981-83.

Falmouth Petroleum's wholly-owned subsidiary, Falmouth Petroleum Inc., reports two oil discoveries in Ellis County, Kansas, in which it has a 16% working interest, and four oil discoveries in Toole County, Montana, in which it carries a 4% interest.

The Kansas Kohl No. 1 well tested

Oklahoma, to earn a 17.5% working interest.

President David B. Crabbe said these initial wells are scheduled to be drilled this August.

Moly Mite Mines has arranged a private placement of 180,000 shares of the company to be purchased at \$1 per share.

Each share has one non-transferable warrant attached entitling the purchaser to a further share at \$2 per share on or before July 15, 1982, or six months from the approval by regulatory authorities.

The company, along with Ronald B. Stokes, has also entered into an agreement granting **Cominco** an option to acquire up to 100% interest in Moly's Lem and Nova claims in the Highland Valley area of B.C.

In the first stage of the option, Cominco may obtain a 50% interest in the property by spending \$500,000 on exploration and making payments to the owners of \$80,000 until December, 1985.

Moly Mite has also entered a lease on the Red Cross Mine properties in Nevada County, California, for exploring gold. The lease is for a period of five years.

The president of **General Energy** says the company is negotiating a \$3-million loan to accelerate and expand its Texas and New Mexico oil and gas programs with **Ark Energy**, of Houston, Tex.

Robert Hughes said the company is budgeting \$1.5 million to participate in two more programs in Texas, in addition to \$US15 million already being spent on a 16-well program with Ark Energy.

Mr. Hughes said General has cancelled the uncompleted portion of its 10-well Aspen oil project in Kansas.

Ark is currently drilling beyond the 9,500-ft. mark in the first of its 16-well program, the Southeast Garwood project, and has encountered two potential pay zones. Total depth is 13,000 ft.

David Minerals and Semper Resources have agreed to amalgamate in an effort to supply a stronger base for financing as well as provide economic advantages by using milling facilities and technical and administrative staff already assembled by David.

The amalgamated company, to be called David Minerals, will issue one treasury share for each outstanding share of David and Semper on a one-for-one basis.

The amalgamation is planned for

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