PLAINTIFF'S EXHIBIT

UC-3701

INTERNAL CORRESPONDENCE

MINING AND METALS DIVISION • 270 PARK AVENUE, NEW YORK, NEW YORK 10017

To (Name) Mr. J. A. Johnson
Division State & Local Tax Dept.
Location 42nd Floor
Floor Number

Copy to Messrs. D. E. Clarke
W. N. Johnson
W. C. Thurber

Date February 14, 1975

Originating Dept. Financial Control

Floor Number

Answering letter date

Subject KING CITY

In accordance with your request, we enclose summaries of Asbestos Mining Agreements for the counties of San Benito and Fresno, California, as well as a Financial Performance Summary for the Asbestos business for the years 1971 through 1974.

H. P. COBB, JR.

RECEIVED

HPC/amd

Att.

UCC 006237

UNION CARBIDE CORPORATION

ASBESTOS MINE AND MILL OPERATION

	1971	1972	1973	1974
Net Income from Sales	$2,376,000	$2,630,000	$3,802,000	$3,761,000
Cost of Sales	1,632,000	1,802,000	2,414,000	2,604,000
Gross Margin	744,000	828,000	1,388,000	1,157,000
Research, Selling & Administrative Exp.	556,000	555,000	844,000	871,000
Operating Income	188,000	273,000	544,000	286,000
Depreciation	185,000	168,000	167,000	204,000
Income Before Federal Taxes	$ 3,000	$ 105,000	$ 377,000	$ 82,000

UCC 006238

Union Carbide trial exhibit UC-3701: H. P. Cobb, Jr. to J. A. Johnson Transmitting King City Mining Agreement Sum...
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UNION CARBIDE CORPORATION

SUMMARY OF ASBESTOS MINING AGREEMENTS

SAN BENITO COUNTY, CALIFORNIA

CONDOR SYNDICATE #334:

7 Unpatented lode and placer claims in two parcels, in Fresno and San Benito Counties. All mining to date in San Benito County.
Royalty: 25¢ per dry short ton of ore removed from the property, $10,000 annual minimum royalty is due each August 1st and is applicable only to ore removed in that year. Royalties cease when $500,000 aggregate has been paid. At minimum royalty rate, payout year will be 2010.
This is UCC's only "active" asbestos mining agreement.
Termination: Union Carbide Corporation may terminate on timely written notice and recording quit claim deed.

KIRK & OYSTER #336:

11 Unpatented lode claims in San Benito County. Mining deed recorded April 20, 1960 - Volume 261, Page 101 and Volume 261, Page 132. Purchase by UCC completed in 1964. Total payments were $18,700 plus $1,700 for a twelfth lode claim, "Brushy No. 4".

H. P. Cobb, Jr.

UCC 006239

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UNION CARBIDE CORPORATION

SUMMARY OF ASBESTOS MINING AGREEMENTS

FRESCO COUNTY, CALIFORNIA

CONDOR SYNDICATE #334:

7 Unpatented lode and placer claims in two parcels in Fresno and San Benito Counties.
All mining to date to San Benito County.
Royalty: 25¢ per dry short ton of ore removed from the property, $10,000 annual minimum royalty is due each August 1st and is applicable only to ore removed in that year. Royalties cease when $500,000 aggregate has been paid. At minimum royalty rate, payout year will be 2010.
This is UCC's only "active" asbestos mining agreement.
Termination: Union Carbide Corporation may terminate on timely written notice and recording quit claim deed.

KOSKI (1) #335:

7 Unpatented lode and placer claims in Fresno County.
Sales Price: $30,050, payable in various annual installments. Final payment made 12/31/67.
Recorded Book 5514 - Page #486 - 488 - December, 1967 - Fresno County.

KOSKI (2) #344:

5 Lode mining claims in two parcels, in Fresno County.
Royalty: 5,000, on execution of agreements.
25¢ per ton of ore mined and removed.
$2,500, minimum royalty August 1, 1961 through August 1, 1968;
$5,000, minimum royalty August 1, 1967 and August 1st thereafter until terminated or $50,000 has been paid in total.
Last $5,000 payment made in 1973.

H. P. Cobb, Jr.

UCC 006240

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