



INTERNAL CORRESPONDENCE

PLAINTIFF'S EXHIBIT

UC-3701

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

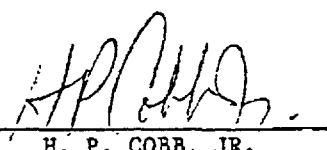
Date February 14, 1975
Originating Dept. Financial Control
Floor Number

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

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.

HPC/amd

Att.

UCC 006237

UNION CARBIDE CORPORATION
ASBESTOS MINE AND MILL OPERATION

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

2/14/75

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.

2/14/75

UNION CARBIDE CORPORATION

SUMMARY OF ASBESTOS MINING AGREEMENTS

FRESNO 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.