DMA Form 1

DEFENSE MINERALS ADMINISTRATION
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DMEA ~~DMAX~~ Docket No. 2308

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Routing Slip
(ONE COPY TO. U.S.G.S. & ONE TO U.S.B.M.)

To: CODE 700 Rm. 4070-A Date 12-29-51

To: (1) Mr. Johnson Rm. 3621 Date

To: (2) Mr. McKnight Rm. 4204 Date

To: (3) Operating Com. 4624 Date 5-5-52

To: Date

To: Date

To: Date

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To: Date

To: Date

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CONTROLLED DOCUMENT

April 22, 1952

For re-assignment to engineer (previously assigned to Mr. Rutledge.)

Copies of Field Team report were forwarded to Mr. McKnight and Miss H.M.Meyer by Operating Committee. Copies of Revised Application MF-103 dated March 21, 1952, were sent by me to each of them today, to be commented upon together with Field Team report.

Mrs. Ault

DMEA-2308

UNITED STATES 13771

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REFERENCE SLIP

DATE 4-15-52

REFERRED TO:

1. ~~Mrs. Byrne, Rm. 4624~~
2. ~~Miss Lee, Rm. 4453~~
3. CODE 700-RM 4640
4.

FOR:

.....Action	.....Recommendation
.....Approval	.....Record of.....
.....Comment	
.....Conference	.....Referring to.....
.....Consideration	
.....Filing	.....Ready for signature of.....
.....Instructions	
.....Investigation	.....Rewriting
.....Initials	.....Signature
.....Mailing	.....Suggestions
.....Previous correspondence	.....Your informtion

REMARKS:

Check (X) before the items needing attention.

Adams (Ad)

Initial of sender

INT.-DUP. SEC., WASH., D.C.

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700

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

MAY 6 1952

Mr. James Tobar
Panoche Valley Mines
47 Winfield Street
San Francisco 10, California

Re: Docket No. DMA-2308 (Mercury)
Panoche Valley Quicksilver Mines
San Benito, California

Dear Mr. Tobar:

After a careful study of the data you furnished with your original and revised applications, and in the light of other data available to this agency, we regret to advise you that your application has been denied.

The engineers and geologists who have studied the subject application, are of the general opinion, that the chances of finding significant ore bodies is too limited to justify the expenditure of public funds. The known ore occurrences are so low grade and so limited at the fault intersections that it is doubtful that any appreciable tonnage of ore could be discovered by the proposed exploration project.

We appreciate your interest in the National Defense Program and wish to thank you for your cooperation in giving us the opportunity to study your proposal.

Sincerely yours,

C. O. Mittendorf (for) 5/6

Acting Administrator
Defense Minerals Exploration
Administration

HFKeller/jem
4/29/52
cc to: Adm. Reading File
Docket
Messrs. H.M.Meyer, Rm. 3623
E.T.McKnight, Rm. 4204 GS
Ellis Keller
Field Team, Reg. III (2)

4/30/52 gla

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

April 30, 1952

Memorandum

To: E. W. Ellis, DMEA

From: Helena M. Meyer, Base Metals Branch

Subject: DMEA 2308 (revised), Panoche Valley Mines, exploration loan ($13,800), and Field Team report.

I have reviewed the revised application and the field team report on the revised application.

The field team recommends approval of the driving of 2 adits and denial of the third. The last paragraph on page 1 of the summary of the report, however, appears to base this recommendation on the following: "If the need for quicksilver justifies a loan ....." From the report, prospects do not appear bright for developing much more than enough mercury* to cover the size of the loan, without any allowance for costs. I do not believe that the purposes of the Defense Production Act would be served by the granting of the proposed loan, and as a consequence I recommend denial of the proposal in its entirety.

*value of prod.

Helena M. Meyer
HELENA M. MEYER

Copy to Minerals Division
Base Metals Branch
Mr. Ellis, Field Team Copy
Mr. McKnight - Rm. 4204 - G.S. Bldg.
H. M. Meyer
F I L E S

UNITED STATES
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BUREAU OF MINES
WASHINGTON 25, D. C.

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Helena M. Meyer

HELENA M. MEYER

HMMEYER/mec

Copy to Minerals Division
Base Metals Branch
Mr. Ellis, Field Team Copy
Mr. McKnight - Rm. 4204 - G.S. Bldg.
H. M. Meyer
F I L E S

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

April 25, 1952

Memorandum

Re: DMEA-2308
Panoche Valley Mines
San Benito County, Calif.
Exploration - $13,800
Quicksilver

To: Mr. E. W. Ellis

From: Edwin T. McKnight

Subject: Geologic appraisal

The field team examination has resulted in a revised application that gives details lacking in the first application as to what the operator proposed to do.

The Franciscan rocks are cut by several low angle thrust faults whose outcrops can be traced on the surface by the presence of silicified and brecciated sandstone and brecciated quartz. Minor thrusts split off from the main thrusts at steeper angles, and it is along the line of intersection of these minor faults with the main faults that the ore "pipes" are localized. Most of the intersections plunge at a low angle.

Applicant's proposal is in 3 parts. At A, he proposes to drift 400 feet northwest on one of the main faults to its intersection with one of the subsidiary thrusts. The intersection has been previously explored from the outcrop by a 70-foot adit and the ore from this 70-foot length of the ore pipe yielded 7 flasks of quicksilver. The proposed new adit will intersect the ore pipe 80 feet lower than the outcrop, and considering the low plunge of the ore pipe, possibly 200 feet of the pipe will be available for mining above the level of the new adit. It seems reasonable that the grade of mineral will be comparable to that previously mined near the outcrop (about 4-5 lbs. of mercury per ton of ore). The field team has allowed a 50% increase in yield and shows that about the maximum yield that could be expected above the level of the new adit would be 42 flasks.

At point B, applicant proposes to drive a 300-foot adit northerly to crosscut 2 faults known to be mineralized on the surface. The field team report implies that some modification of the plan may be necessary in order to test the intersection of the two faults. At best, assuming an ore grade comparable to that previously mined, possibly 25-30 flasks of mercury could be recovered from the ore pipe above the level of the B adit.

At point C, the applicant proposes to drive a 100-foot crosscut to intersect a mineralized fault followed by a nearby inclined shaft. Within the shaft, the showing of ore had so pinched in depth

that it could no longer be profitably worked through the shaft, hence a crosscut to intercept it at no great depth below the bottom of the shaft in the hope that the ore will have increased in tenor would appear to be a poor exploration bet. The field team has therefore recommended against proposal C.

It appears probable that proposals A and B have a good chance of finding ore of the low grade indicated. A higher grade cannot be reasonably expected, both on the basis of previous exploration of the ore pipe at A and on the basis of the very low grade of ore ($1\frac{1}{2}$ lbs. of mercury per ton) produced from the Valley View mine which was developed on the same main thrust as the A ore pipe but at a lower level. The field team recommends approval of the A and B proposals "if the need for quicksilver justifies a loan", but there is no great enthusiasm in the recommendation.

The relation of the costs of this proposal to the quantity and value of the ore that can be expected, as pointed out by the field team, appears to me to cast strong doubt on the feasibility of this proposal from the Government's standpoint. Proposal A will cost $7,400 and proposal B $4,800. If the reasonably expected recovery of quicksilver amounts to only 70 flasks at most, the value of the production is only slightly more than the cost of the exploration, and with repayment to the Government of at most 5% of the sales price, the Government can expect to be repaid only a small fraction of the exploration cost, even if the exploration is successful. The Government contribution would become, in effect, a subsidy to the company. There is no geologic justification for any hope of better grade ore than that mined from the same type of geologic occurrence in the past. If the operator cannot successfully winze down on the ore pipe at A from the present 70-foot drift from the outcrop, it cannot be expected that ore below the level of the proposed new adit at A can be mined from the exploration workings. In fact, the proposed exploration at both A and B could be interpreted as a scheme for getting the Government to furnish development workings so that the ore pipes can be mined more cheaply above the development drifts rather than winzing down the ore pipes from above.

In view of the considerations discussed in the last paragraph, I believe that this proposal should be denied on the basis that the chances of finding a significant quantity of new ore by the exploration proposed are not favorable enough to warrant an expenditure of public funds under the Defense Production Act of 1950.

Edwin T. McKnight

Edwin T. McKnight
Geologist

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

April 25, 1952

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Edwin T. McKnight

Edwin T. McKnight
Geologist

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Bldg.
870 Market St.
San Francisco 2, Calif.

April 11, 1952

Memorandum

To: Frank E. Johnson, Chairman, Operating Committee, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-2308 (Mercury)
Panoche Valley Quicksilver Mines, San Benito County, Calif.

Reference is to your subject letter to me, dated February 15, requesting a field examination of the Panoche Valley Mines and our recommendations.

The property was examined on March 11, 1952, by Robert F. Johnson, Geologist, U.S.Geological Survey, and four copies of his report, "DMEA-2308, Panoche Valley Mines, San Benito County, California (Quicksilver),"dated April 7, 1952, are attached.

Attached also are four copies of a revised application (Form MF-103), dated March 21, 1952, for a project costing $13,800, of which the Government's share would be $10,350.

The original application, with enclosure, submitted with your letter of February 15, is returned herewith.

H. C. Miller
Executive Officer, DMEA Field Team
Region III

Attachments

CC E. H. Bailey, U.S.G.S.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 15 1952

COPY

1012 Flood Bldg.
870 Market Street
San Francisco 2, Calif.

April 11, 1952

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(Signed) H. C. Miller
Executive Officer, DMEA Field Team
Region III

Attachments

CC E. H. Bailey, U.S.G.S.

AIR MAIL

Mr. James Tobey
Panoche Valley Mines
47 Winfield Street
San Francisco 10, California

Re: Docket No. [illegible]-7308 (Mercury)
Panoche Valley Quicksilver Mines
San Benito County, California

Dear Mr. Tobey:

Your application for assistance in exploring your property in San Benito County, California, Docket No. [illegible]-230, has been reviewed by the Rare and Miscellaneous Metals Division of the Defense Minerals Exploration Administration and has been referred to Mr. H. L. Miller, Executive Officer, DMEA Field Team, Region III, 1012 Flood Building, 870 Market Street, San Francisco, California for a field examination.

The regional office will contact you at the earliest opportunity in regard to your project.

Sincerely yours,

T. U. Rittenhouse

Acting Administrator
Defense Minerals Exploration
Administration

FARutledge/jem
2/14/52
cc to: Adm. Reading File
Docket
Messrs. Johnson, Gen. Ins. 3521
McKnight, Gen. Ins. 4204 G
Ellis
Rutledge
Field Team, Reg. III (2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
OSCAR L. CHAPMAN, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

DMEA 2308, Panoche Valley Mines

San Benito County, California

(Quicksilver)

DEPARTMENT OF THE INTERIOR
Division of Mineral Resources
APR 1 8 1952

Robert F. Johnson
Geologist, U. S. Geological Survey

April 7, 1952

Reviewed by
DMEA OPERATING COMMITTEE
4-18-52
(NB) (date)

Summary

Following a suggestion made in a letter from E. T. McKnight to E. W. Ellis, dated February 8, 1952, a field team examination was made of the Panoche Valley Mines property on which an application for an exploration loan had been filed. The examination was made on March 11, 1952. Following the examination, a revised application was submitted by the applicants, Mr. J. Tobar and Mr. C. J. Vance, as the original application was inadequate.

The revised application proposes to drive 3 adits at points "A", "B" and "C", shown on the accompanying map, in an attempt to explore at depth, mineralized fault intersections found on the surface. Total cost of this work would be $13,800 of which the Government's share would be 75 percent or $10,350.

Quicksilver minerals, metacinnabar and cinnabar, are found along silicified thrust fault in sandstone and shale of the Franciscan group of Jurassic (?) age. Ore is localized at fault intersections between the main fault and branches that extend upward from it. Increased brecciation at these intersections resulted in permeable passageways for the mineral bearing solutions. The grade of ore recently mined from a fault intersection 600 feet west of point "A" was 4-5 pounds per ton.

If the structures sought for in the proposed exploration are found, it seems likely that enough tons of ore of 4-5 pound grade can be mined above the proposed adits to produce 60-70 flasks of quicksilver; and the ore may extend below the adits. At present prices the value of the quicksilver in the ore above the adits would equal the total cost of the work, but the Government would get back only a small fraction of its investment.

The work proposed at "A" is to drive an adit northwesterly, along the silicified fault breccia, to the projected intersection of the main fault with a subsidiary fault. This intersection is exposed at the surface 600 feet west of "A".

At "B" it is proposed to drive an adit northerly to crosscut two mineralized faults found on the surface. Here, as at "A", it may be better to drive the adit along the silicified fault breccia. A shallow shaft at the fault intersection northwest of "B" may be justified as a preliminary phase to determine the plunge of the intersection in order to start the "B" adit at the most favorable location.

If the need for quicksilver justifies a loan it is recommended that the adits at "A" and "B" be approved, with the work at "B" modified as suggested above.

The "C" adit is not recommended. It may not qualify as exploration since the proposed work will cut the possible extension of a mined ore body. In addition, the mined ore body has nearly pinched out both laterally and vertically, and it is doubtful if it will increase in size at greater depth.

INTRODUCTION

This report accompanies a revised application for an exploration loan (DMEA Docket 2308) for $13,800 to explore 3 areas at the Panoche Valley Mines, San Benito County, California. The application is submitted by Mr. James Tobar and Mr. C. J. Vance, and is dated March 21, 1952.

The original application was submitted by Mr. Tobar on December 26, 1951, but it was not specific as to the proposed work, and the costs totalling $38,199.35, included items not allowed on DMEA exploration loans. The application was returned to the Field Team, Region III, on February 21, 1952, with the suggestion that a field examination be made, to determine the work that Mr. Tobar wants to do and the geologic advisability of such work.

A. J. Bodenlos and R. F. Johnson of the U. S. Geological Survey examined the property on March 11, 1952.

Mr. Tobar and Mr. Rios met the field party at the property and pointed out the locations of the proposed adits, "A", "B" and "C", shown on figure 1.

That part of the Panoche Valley Mines property with which this report is concerned is located in Central Benito County, California, 45 miles southeast of Hollister, in section 7; T. 15 S., R. 10 E., and section 12, T. 15 S. R. 9 E. A road log from Hollister is as follows:

Miles	
0	Hollister, center of town, go south on road to Pinnacles National Monument
12	Paicines, Turn left.
40.2	Turn left on road to Mercy Hot Springs
41.8	Turn left on dirt road
44	Valley View mine
45	Lone Oak Mine

HISTORY AND PRODUCTION

The Panoche Valley Mines lease the land on which the proposed exploration is to be done, and in addition, control several properties in the Panoche Valley area. Mines in the area covered by this application include the Valley View Mine and the Lone Oak mine, shown on figure 1.

The Valley View Mine was discoverd in 1938 according to a report by Yates and Hilpert 1/, and by 1947 had a recorded production of 325 flasks of quicksilver. Of this total, 316 flasks were produced in the

1/ Yates, R. G., and Hilpert, L. S., Quicksilver deposits of Central San Benitro and northwestern Fresno Counties, California; California Jour. Mines and Geology, vol. 41, no. 1, pp.29-30, 1945.

period 1940-43, from 15,000 tons of ore, giving an average grade of about 1½ pounds of quicksilver per ton. The ore was furnaced in a 4x64 rotary furnace. The operation stopped in 1943 and the furnace was removed. Subsequently, Mr. Rios has produced 6 flasks of quicksilver by retorting ore found in the old workings. Mr. Tobar does not plan to do any work in the Valley View mine but plans to explore ground adjacent to it on the west. The mine itself is not on the property mentioned in his lease, although he stated that it was actually part of the lease.

The Lone Oak mine has a production record of 51 flasks, produced in 1940-41. Mr. Tobar is installing a 20-ton rotary furnace at the Lone Oak mine. The mine is not included in the exploration program.

Recent production has totalled 9 flasks of quicksilver, of which 7 were obtained in retorting ore from the adit 600 feet west of "A", and 2 flasks from Lone Oak ore.

Additional production of a few flasks has come from a shallow shaft near point "B". Production figures are not available as the recorded production includes quicksilver from other locations.

Development

Development associated with the proposed exploration consists of a 70 foot adit west of point "A", and a 40 foot shaft near point "C".

The adit apparently follows the intersection of the main thrust fault with a subsidiary fault. At the face of the adit the mineralized zone is plunging to the northeast and it would be necessary to sink to follow the ore.

The 40 foot shaft near "C" follows a narrow high grade streak in sandstone on a low dipping fault.

Geology and Ore Deposits

As described by Yates and Hilpert 2/, the rocks exposed in the area under discussion are argillized sandstone and shales of the Franciscan group of probable Jurassic age. These rocks are cut by a number of low angle thrust faults which can be traced on the surface by the presence of silicified and brecciated sandstone and brecciated quartz. Many of the fault planes are grooved and polished.

The main ore body and most other ore occurrences are found where minor thrusts split off from the larger faults. Greater brecciation at these splits, permitting better circulation of mineral bearing solutions, seems to have localized the ore bodies.

2/ Yates, R. G. and Hilpert, L. S., Op. cit.

Metacinnabar is the most important ore mineral at the Valley View mine and in the adits west of "A", and at "B". Cinnabar is present in minor amounts in these areas, and was the only quicksilver mineral seen in the high grade streak in the "C" area. Some pyrite or marcasite was noted associated with the metacinnabar.

Reserves

The samples taken for assay by Mr. Tobar were selected rock specimens, so the assay returns, sent in with the original application, have little value. The following locations are given for these samples:

Sample No.	Grade %	Location
1	1.82	Outcrop of adit 600 feet west of point "A".
2	2.23	Outcrop at proposed adit location "B"
3	0.72	Ridge crest northwest of "B"
4	0.58	Ridge crest north of "B"
5	2.74	Shaft near "C"

Mr. Tobar stated that all the material taken from the adit west of "A" was retorted, with the exception of about 75 tons left on the dump, and that he recovered 7 flasks of quicksilver from the ore. Assuming a 5x7 foot adit 70 feet long, and using 12 cubic feet of ore per ton, the grade of ore in the adit would be 4-5 pounds per ton. This method of grade estimation was thought by the writer to be fairly satisfactory so no samples were taken.

Reserves estimated based on the limited information available are subject to large error, but the following may give some idea as to the potential of the proposed work.

If the adit proposed at "A" encounters ore at the projected fault intersection, of comparable grade to that found in the adit to the west (80 feet vertically above "A"), and the fault intersection plunges 20 degrees N.70°E., as indicated on the surface, there could be 28 flasks of quicksilver in a block 5x7x200 feet. Metacinnabar was seen in the walls of the adit, but no work has been done to determine the mineable width of the ore; possibly half again as much can be assumed, giving a total of 42 flasks for the "A" area above the "A" adit.

The plunge of the fault intersection northwest of "B" was not determined but seems steeper than that west of "A". If so, the length of the intersection between the "B" adit and the surface would be less than at "A", so possibly 25-30 flasks could be recovered in the "B" area.

No estimate is possible at "C" as the known ore pinches down to a ½ inch seam at the bottom and sides of the shaft.

A minimum of 60-70 flasks of quicksilver can be expected from ground explored by the "A" and "B" adits. The faults can be traced on the surface to below the elevation of the proposed work, indicating that the fault intersections are continuous. In addition, the proposed work

is above the Valley View mine so the rapid decrease in grade with depth that was found there should not be found in the proposed work, unless the mineralization is related to the present land surface.

Proposed Exploration and Costs

The work proposed at "A" is to drive an adit northwesterly along the main silicified fault breccia to an intersection with a subsidiary fault. This intersection is exposed on the surface about 600 feet west of "A". This adit will have a maximum lenght of 400 feet and will cost $6400 or $16 per foot. In addition, the cost of a road to the point will be $1000 giving a total of $7400 to be spent at "A". A shorter adit could be driven from the gully on the north side of the ridge 350 feet northwest of "A", but from an exploration standpoint the proposed work has the advantage of following a known structure and has the possibility of finding other fault intersections. The cost of a road to this alternate location would, according to Mr. Tobar, be twice that of the proposed road. This proposal seems to be the most promising of the three.

At "B" Mr. Tobar proposed to drive an adit northerly to crosscut 2 faults known to be mineralized on the surface. Length of the adit would be 300 feet, and the cost $4,800. Here again it may be advisable to follow the silicified fault breccia from "B" to look for the intersection seen on the surface to the northwest. The plunge of this intersection is unknown, so a preliminary phase could be to sink a 30-40 foot shaft on the fault intersection to determine the best place for an adit at a lower level, if one is justified. It is possible that an adit starting on the north side of the ridge may be better.

At "C" the proposal is to drive an adit northerly to intersect the fault followed by a nearby shaft. Length of the adit would be 100 feet and it would intersect the fault about 80 feet down dip from the ottom of the shaft. The cost of this adit would be $1,600. This proposal is the least favorable of the three and may not qualify as exploration. The ore followed in the shaft has pinched to a thin seam both laterally and vertically, and while the seam is rich it was never more than 6 inches wide according to reports. The adit is proposed on the supposition that the seam will get thicker, but there is no evidence to support this. On the other hand, the fault is a prominent structure, so there is no reason to suppose the ground at depth will not be mineralized.

Total cost of the project is $13,800. Subtracting the $1000 needed for the road, this amounts to $15 per foot of underground work. The detailed cost statement submitted by Mr. Tobar in the revised application seems reasonable and adequate.

Conclusions and Recommendations

Quicksilver minerals, metacinnabar and cinnabar, are found on the Panoche Valley Mines property in amounts that warrant further exploration. No large amount of quicksilver can be expected from the area,

but the numerous small showings may sustain the 20-ton rotary furnace that is being installed. The operators seem to have had considerable experience in quicksilver mining, and seem competent to do the work.

Of the 3 proposals in the application the adits at "A" and "B" are recommended, and it may be advisable to sink a shallow shaft on the fault intersection northwest of "B" before driving this adit to determine the plunge of the intersection and the best location for the adit.

The adit proposed at "C" may not qualify as exploration since considerable work has been done in the shaft to the west. Work was stopped in the shaft because the ore pinched out, and there is little reason to believe it will increase in width at greater depth.

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA 2308
QUICKSILVER

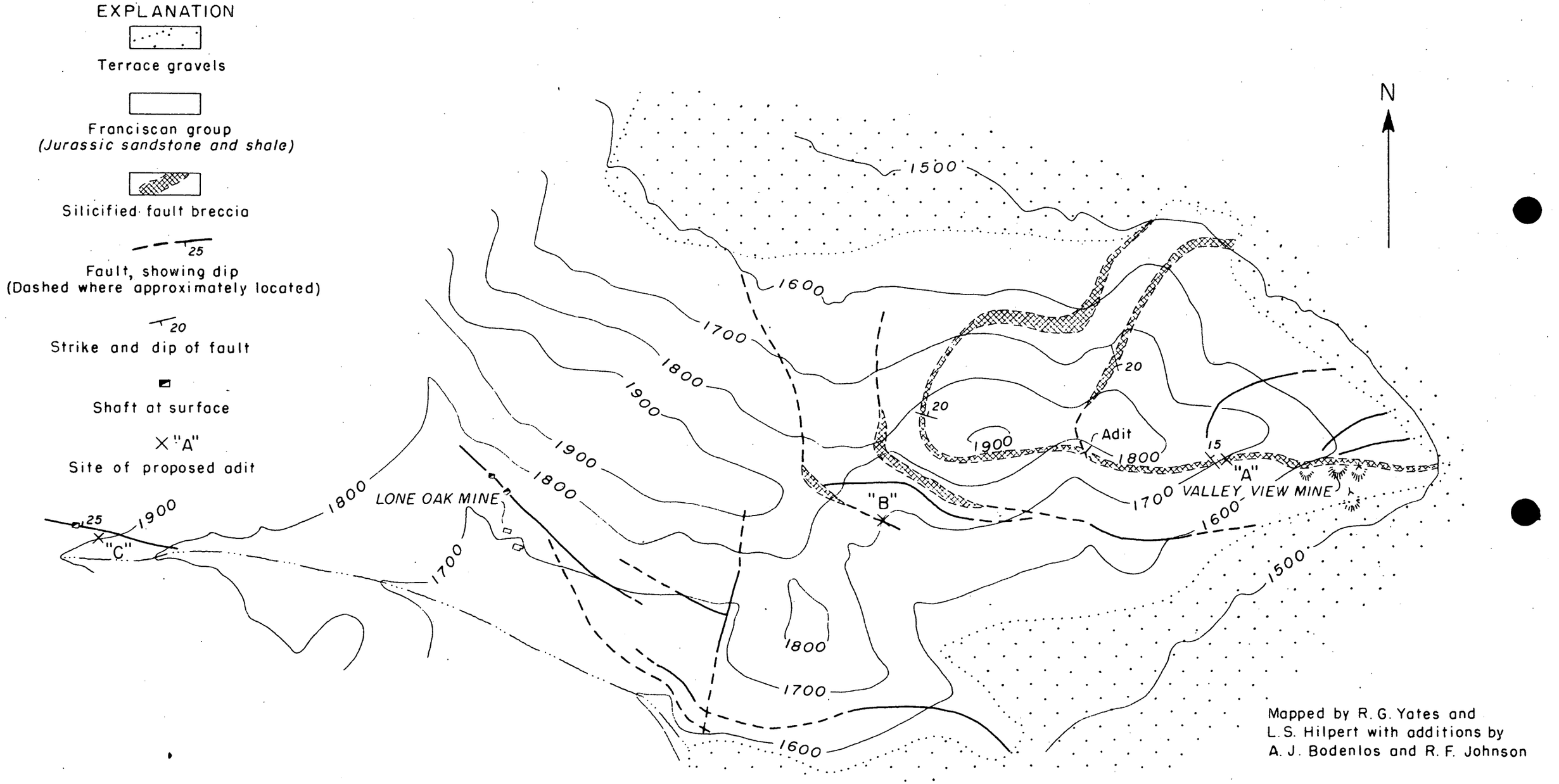

FIGURE 1- MAP OF A PART OF THE PANOCHE VALLEY QUICKSILVER PROPERTY, SAN BENITO COUNTY, CALIFORNIA, SHOWING LOCATION OF PROPOSED WORK

500 0 500 1000 Feet

Form MF-103
(Revised June 1951)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.1.

MF-103 Should Be Filed With General Technical Data Form MF-100

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

Not To Be Filled in by Applicant

Docket No. DMEA 2308 Revised
Metal or Mineral
Date Received 4-15-52
Amount $
Participation (Government %)

JAMES TOBAR and CHARLES J. VANCE
d.b.a. PANOCHE VALLEY MINES
47 Winfield Street
San Francisco 10, California

Name and address of applicant

Date March 21, 1952

If you have already filed MF-100, give date filed December 26, 1951, type of assistance requested Exploration Loan

DMA Docket Number (if available) M.S. 1915 Docket # 2097
DMEA-~~2038~~
2308

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four copies each, of the signed application form, General Technical Data Form MF-100, and answers to questions as specified, to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive office thereof, with your name and address on each sheet of the application and all accompanying papers. If you have previously filed MF-100, it is not necessary to file it again. However, you should indicate in space provided above the type of assistance previously applied for (loans, procurement contracts, etc.) and DMA Docket Number, if available. *When a question is inapplicable it should be so stated in the form.* Additional sheets should be attached in answering any questions or in supplying additional information. IF YOU CANNOT ANSWER A QUESTION, SO STATE.

1. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.

   (*b*) If you are not the owner of the property, submit a copy of the lease, purchase option, or other agreements under which you are authorized to operate the property with each copy of your application.

   (*c*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

   NOTE: (1) If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*c*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

   (2) If applicant is not the owner of the property or if there are any liens or encumbrances against the property, copy of agreements of claimants, lienors, encumbrances, and lessors subordinating their interests in the property to the interest of the Government under the Exploration Project Contract will be required for attachment to the Contract.

2. (*a*) What metals or minerals do you expect to find?

   (*b*) Furnish statement of the geologic features of your property, giving type of ore deposit and reasons for expecting to find commercial ore bodies. Illustrate with maps or sketches. If you have a geologic or engineering report, or assay maps showing width and grade, please send them with application, stating whether or not you wish to have them returned.

The information requested in questions 3, 4, 5, 6, 7, 8, and 9 below should be answered specifically and in detail, as this information will be attached to and incorporated as part of the Exploration Project Contract, if such contract is entered into with you by the Government.

ANSWER EACH QUESTION ON SEPARATE SHEETS OF PAPER AND SUBMIT A COPY OF EACH ANSWER FOR EACH COPY OF YOUR APPLICATION.

3. (*a*) Describe fully the proposed work and give the total cost of the project.

   (*b*) State the time required to start the project and to complete it.

4. Submit a map or sketch of the property involved showing a plan (and cross section, if needed) of the present mine workings and the *location of the proposed exploration work* as related to geologic features, such as contacts, veins, ore-bearing beds, etc.

5. Furnish an itemized list of existing facilities, buildings, installations, and fixtures with a statement of the cost of any necessary rehabilitation or repairs to put into useful and operable condition.

6. Furnish a detailed list of additional facilities, buildings, and fixtures to be purchased, installed, or erected by you, with the estimated cost of each item.

7. Furnish a detailed list of operating equipment, separated into items to be—

   (*a*) Rented

   (*b*) Purchased

   (*c*) Furnished by you

   with the rental, purchase price, or depreciation of each item, as the case may be, to be charged as a cost of the project.

8. Furnish an itemized schedule of labor, by numbers and classes (miners, muckers, etc.) and of supervisors by numbers and positions, with the maximum wages or salaries to be paid to each.

9. Furnish a detailed list with estimated cost of each item for materials, supplies, engineering, assaying, accounting, power, water, utilities, and any other items not provided for above.

10. (*a*) How much are you prepared to invest in the proposed project?

    (*b*) Is this amount sufficient to pay your part of the cost of the project, in accordance with the regulations on Government participation (Sec. 9 of MO–5)?

11. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

PANOCHE VALLEY QUICKSILVER MINES (Name of company) By JAMES TOBAR (Signature of authorized official)

March 21, 1952. (Date) PRESIDENT (Title)

Title 18, U. S. Code (Crimes), Section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

U. S. GOVERNMENT PRINTING OFFICE 16—64067-2

1. (a) See attached lease.
In addition the remainder of the S.E. quarter of Section 12 T 155; R 9 E is held under lease, copy of which has been submitted in a separate application DMA-M.S. 1915 Docket No. 2097

(b) Copy of lease submitted in original application.

(c) Proposed work will be in S.E. quarter of Section 7 T 155; R 10 E and S.E. quarter of S.E. quarter of Section 12, T 155; R 9 E.

2. (a) Mercury ore.

(b) Geology of the deposit is described in the enclosed report by R. G. Yates and L.S. Hilpert on, "Quicksilver deposits of Central San Benito and northwestern Fresno Counties, California. This report is published in the California Journal of Mines and Geology; Vol. 41, No. 1, pp 29-30, 1945
Assay report submitted in original application.

3.(a)"A" - "B"
The proposal is to drive three (3) adits, (2) two at points "A" and "B" on the enclosed map and the third at a point 1950 feet west of the Lone Oak Mine at an elevation of about 2,000 feet, shown as "C" on Plate 1 of the published report.

At "A" an adit will be driven along the vein, in a northwesterly direction, to the junction of a subsidiary vein. This junction is shown at the starred point west of "A", shown on Plate 4 of the published report. Maximum length of this adit will be about 400 feet and the cost will be $6,400.-

At"B" an adit 300 feet long driven northerly will crosscut two (2) or more veins known to be mineralized on the surface. The cost of this adit would be $4,800.-

At "C" an adit will be driven northerly to crosscut at depth an ore zone that was mined by a 40 foot inclined shaft at the outcrop. Length of the adit will be 100 feet and cost will be $1,600. This adit should cut the ore zone about 80 feet down dip from the bottom of the shaft.

In addition the following expenses will be necessary:-

Access road to "A"	$1,000.00

Total cost of project would be $ 13,800.-

3. (b) The project could be started within a week after signing the contract, and could be completed in one (1) year.

4. See Plates 1 and 4 of the ~~enclosed~~ published report, or see report of DMEA field team.

5. Necessary facilities have been constructed at the Lone Oak Mine and will be available for the proposed work. List of fixtures and equipment already purchased is shown on original application.

6. None

7. (a) RENTED EQUIPMENT:

Contract for buldozer for roadwork		$1,000.00

(b) PURCHASED:

Compressor		$3,500.00
Jackhammer with hoses		385.00
Hand tools		75.00
Drill steel and bits		100.00
Timber		175.00
Pipe		230.00

(c) FURNISHED BY OPERATOR:

Track	depreciation	18.00
Ore Car		27.00
8. (1) Miner - Wage $1.55/hr 40 hr. week - 40 weeks		2,480.00
(1) Mucker- wage $1.35/hr 40 hr. week - 40 weeks		2,160.00
(1) Supervisor wage $1.55/hr - part time 10/hr week 40 weeks		620.00
Insurance		675.00
9. Powder, fuse, caps	cost	300.00
Carbide	"	20.00
Track ties and spikes	"	40.00
Fuel oil or gasoline	"	500.00
Engineering Assaying		200.00
Accounting		500.00
Stretcher and medical kit		90.00
Contingency fund for emergencies		~~800.00~~ 710.00
		$ 13,805.00

10. (a) $3,500.00

(b) Yes.

Form MF-103
(Revised June 1951)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.1.

MF-103 Should Be Filed With General Technical Data Form MF-100

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

Not To Be Filled in by Applicant

Docket No. DMEA 2308 Received
Metal or Mineral
Date Received 4-15-52
Amount $
Participation (Government %)

Name and address of applicant

JAMES TOBAR and CHARLES J. VANCE
d.b.a. PANOCHE VALLEY MINES
47 Winfield Street
San Francisco 10, California

Date March 21, 1952

If you have already filed MF-100, give date filed December 26, 1951, type of assistance requested Exploration Loan

DMA Docket Number (if available) M.S. 1915 Docket # 2097
DMEA-2308

INSTRUCTIONS

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11. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

PANOCHE VALLEY QUICKSILVER MINES (Name of company) By JAMES TOBAR (Signature of authorized official) James Tobar

March 21, 1952. (Date) PRESIDENT (Title)

Title 18, U. S. Code (Crimes), Section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

U. S. GOVERNMENT PRINTING OFFICE 16—64067-2

1. (a) See attached lease.
In addition the remainder of the S.E. quarter of Section 12 T 15S; R 9 E is held under lease, copy of which has been submitted in a separate application DMA-M.S. 1915 Docket No. 2097

(b) Copy of lease submitted in original application.

(c) Proposed work will be in S.E. quarter of Section 7 T 15S; R 10 E and S.E. quarter of S.E. quarter of Section 12, T 15S; R 9 E.

2. (a) Mercury ore.

(b) Geology of the deposit is described in ~~the enclosed~~ a report by R. G. Yates and L.S. Hilpert on, "Quicksilver deposits of Central San Benito and northwestern Fresno Counties, California. This report is published in the California Journal of Mines and Geology, Vol. 41, no. 1, pp. 29-30, 1945. Assay report submitted in original application.

3.(a) "A" - "E"
The proposal is to drive three (3) adits, (2) two at points "A" and "B" on the enclosed map and the third at a point 1950 feet west of the Lone Oak Mine at an elevation of about 2,800 feet, shown as "C" on Plate 1 of the published report.

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Total cost of project would be $ 13,800.-

3. (b) The project could be started within a week after signing the contract, and could be completed in one (1) year.

4. See Plates 1 and 4 of the ~~enclosed~~ published report, or see report of DMEA field team.

5. Necessary facilities have been constructed at the Lone Oak Mine and will be available for the proposed work. List of fixtures and equipment already purchased is shown on original application.

6. None

7. (a) **RENT D EQUIPMENT:**

Contract for bulldozer for roadwork	$1,000.00

(b) **PURCHASED:**

Compressor	$3,500.00
Jackhammer with hoses	385.00
Hand tools	75.00
Drill steel and bits	100.00
Timber	175.00
Pipe	230.00

(c) **RUNNING BY OR RENT:**

Truck	depreciation	16.00
Ore Car		27.00
8. (1) Miner - Wage $1.35/hr 40 hr. week - 40 weeks		2,480.00
(1) Mucker- wage $1.35/hr 40 hr. week - 40 weeks		2,160.00
(2) Supervisor wage $1.35/hr - part time 10/hr week 40 weeks		620.00
Insurance		675.00
9. Powder, fuse, caps	cost	300.00
Carbide	"	20.00
Track ties and spikes	"	40.00
Diesel oil or gasoline	"	500.00
Engineering Assaying		200.00
Accounting		500.00
stretcher and medical kit		90.00
Contingency fund for emergencies		~~800.00~~ 710.00
		$ 13,805.00

10. (a) $3,500.00

(b) Yes.

REGISTERED AIR MAIL

OMEA-2308

DMA-1915

PANOCHE VALLEY QUICKSILVER MINES
47 Winfield Street
San Francisco 10, California

DMA-2097 Docket

December 26, 1951

United States Department of the Interior
Defense Minerals Administration
Washington 25, D.C.

Attention: ROBERT E. ADAMS, Chief
Reports and Records Unit.

Dear Mr. Adams:

Re: DMA -2097- Loan
Hard Rock Mine

Sir I want to know the meaning of this program as set up by the Government, where the Prospector or the Miner is to find assistance as I understand that this aid was to help the Miner in search of this critical commodity. What is then meant by a "Certificate of Essentiality"?

I am in need of immediate assistance as I have been taxed to the limit in order to keep this operation going. The Lone Oak Mine and the Valley View Mine are now a consolidated operation, but, yet a separate operation, of which I James Tobar am the operator and lessee.

I would like very much to know if I am to receive any assistance or at least an explanation of the cause for this delay. Since the filing of my first application dated July 30, 1951, I have not received any information regarding this loan, other than the letter dated November 1, 1951, from Mr. J. S. McCullough, Jr, Manager of the San Francisco Reconstruction Finance Corporation, stating that I must have a "Certificate of Essentiality", copy of my letter dated November 5th, 1951 enclosed.

I am submitting my "Exploration Loan" on the Valley View Mine, application in quadruplicate enclosed.

Trusting you will give this your immediate attention, I remain

Yours very truly,

PANOCHE VALLEY QUICKSILVER MINE

By James Tobar
Operator and Lessee

JT;epb

C
O
P
Y

PANOCHE VALLEY QUICKSILVER MINES
47 Winfield Street
San Francisco 10, California

DMA-1915
Docket No. -2097

November 5, 1951

United States Department of the Interior
Defense Minerals Administration
Washington 25, D.C.

Attention: Mr ROBERT E. ADAMS, Chief
Reports and Records Unit.

Dear Mr Adams:

Re: DMA -2097 - Loan
Hard Rock Mine

I am in receipt of letter dated San Francisco, November 1, 1951, from the Reconstruction Finance Corporation, Loan Agency, copy enclosed, which is self explanatory.

I note that they shall take no final action on my application until such time as they are in receipt of advice that a "Certificate of Essentiality" has been issued relative to my application for a loan.

The original agreement with the Government in the application would help the Prospector and the Miner in search of this critical mineral.

I have gone all out in good faith that this program set by the Government would help me in this obligation, that I have undertaken far above the estimated cost applied for in my Loan, with the understanding that the Government would meet me with their share of the obligation, as set forth in their Research Program for this critic al mineral.

I hope that I have made myself clear and not mis-interperted the Program set out by the Government.

Please explain what is meant by an "Certificate of Essentiality" and give this your immediate attention and your honest opinion in this urgent matter.

Yours sincerely,

PANOCHE VALLEY QUICKSILVER MINES,

/signed/ By JAMES TOBAR
James Tobar

JT:epb

Encl.

MF-103
(June 1951)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.1.

MF-103 Should Be Filed With General Technical Data Form MF-100

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

Not To Be Filled in by Applicant

Docket No. DMEA-2308
Metal or Mineral
Date Received 12-28-51
Amount $
Participation (Government %)

DEC 28 1951

Name and address of applicant

JAMES TOBAR and CHARLES J. VANCE
d.b.a. PANOCHE VALLEY MINES
47 Winfield Street,
San Francisco 10, California

Date December 26, 1951

If you have already filed MF-100, give date filed _____, type of assistance requested Exploration Loan,

DMA Docket Number (if available) DMA - MS 1915 Docket # 2097

INSTRUCTIONS

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   with the rental, purchase price, or depreciation of each item, as the case may be, to be charged as a cost of the project.

8. Furnish an itemized schedule of labor, by numbers and classes (miners, muckers, etc.) and of supervisors by numbers and positions, with the maximum wages or salaries to be paid to each.

9. Furnish a detailed list with estimated cost of each item for materials, supplies, engineering, assaying, accounting, power, water, utilities, and any other items not provided for above.

10. (*a*) How much are you prepared to invest in the proposed project?

    (*b*) Is this amount sufficient to pay your part of the cost of the project, in accordance with the regulations on Government participation (Sec. 9 of MO–5)?

11. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

PARADISE VALLEY URANIUM LTD.
(Name of company)

By JAMES TOBAR James Tobar
(Signature of authorized official)

December 26, 1951
(Date)

PRESIDENT
(Title)

Title 18, U. S. Code (Crimes), Section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

U. S. GOVERNMENT PRINTING OFFICE 16—64067-2

QUESTION NO. 1.

(a) ROSE GARCIA formally known as the VALLEY VIEW MINE - Map and Chart No.1 (as furnished by Division of Mines with marking of property) attached.

(b) Copy of Lease attached

(c) Map No. 2 attached

Question No. 2

(a) Mercury Ore

(b) Assay report attached. Maps attached - No. We do not wish them returned.

Question No. 3

(a) Describe fully the proposed work and give the total cost of the project

Road Labor - Tractor Work	$ 3,000.-
Five (5) prospects (5) Five projects opening up	5,000.-
Including timber, materials, plus Labor	3,000.-

(b) State the time required to start the project and to complete it.

Approximately one hundred twenty (120) days.

Question No. 4

Submit a map or sketch of the property involved showing a plan (and cross section, if needed) of the present mine workins and the location of the proposed exploration work as related to geologic features, such as contacts, veins, ore-bearing beds, etc.,

Map # 2 attached.

Question No. 5

Furnish an itemized list of existing facilities, buildings, and fixtures with a statement of the cost of any necessary rehabilitation or repairs to put into useful and operable conditions.

Itemized list attached.

Question No. 6

Furnish an itemized detailed list of additional facilities, buildings, and fixtures to be purchased, installed, or erected by you, with the estimated cost of each item.

Detailed list attached

Question No. 7

Furnish a detailed list of operating equipment, separated into items to be -

(a) Rented - None

(b) Purchased - Herschoff Furnace estimated cost f.o.b. San Francisco, $10,000.-

(c) As per list attached

Question No. 8

Furnish an itemized schedule of labor, by numbers and classes (miners, Muckers, etc) and of supervisors by numbers and positions, with the maximum wages or salaries to be paid to each.

Itemized schedule attached.

Question No. 9

Furnish a detailed list with estimated cost of each item for materials, supplies, engineering, assaying, accounting, power, water, utilities, and any other items not provided for above.

Detailed list with estimated cost attached.

Question No. 10

(a) How much are you prepared to invest in the proposed project?

Estimated approximately $25,000.-

(b) Is this amount sufficient to pay your part of the cost of the project, in accordance with the regulations on Government participation.

Yes.

Question No. 11

State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

This is absolutely a new operation and has nothing to do with any of the old operations of the Valley View Mine. The operation is based solely onthe outcroping [redacted] newly prospected claims as the assaying warrants such an operation.

Question No. 5 - Material, etc. list.

LUMBER		
Mine Timber		$ 900.00
	Hauling	150.00
	Transportation Tax	4.51
Lumber 50,000' @ $30.00 per 1,000'		1,500.00
	Hauling	645.00
	Transportation Tax	19.35
COMPRESSOR		2,250.00
Hose and couplings		250.00
1941 INTERNATIONAL 2½ Ton TRUCK		1,500.00
JACK HAMMER DRILLING MACHINE		385.00
Drill steel		100.00
JACK LATHE		191.00
(2) POWDER MAGAZINES		300.00
BUNKERS AND BUILDINGS, INSTALLATIONS including LABOR		3,000.00

Question No. 6 - No. 7 - No. 8 and No. 9 - Equipment, supplies, labor, etc., list.

ROCK CRUSHING PLANT		2,500.00
Ore Car		175.00
Mining Track 200' @ $1.00 per Ft.		200.00
Ties		100.00
Buildings		1,000.00
Lumber, nails, steel miscellaneous, etc.,		500.00
Labor		750.00
(2) Hoisting machines		1,300.00
100' shaft @ $30.00 per Ft. and 2 estimated tunnels of 400 ' of work each		3,000.00
Labor for four (4) men $240.00 per week Insurance for (4) men 33.60 per week (6) weeks including Insurance and Labor		1,641.60
Powder		200.00
Caps	(3) boxes	9.00
Fuse		30.00
Carbide	100 lbs.	20.00
First Aid Kit, etc. and medical supplies		100.00
Gasoline,		520.00
Butane		300.00
Oil and grease		50.00
Engineering and Assaying		1,600.00
Accounting		500.00
Delco Plant	(estimated)	1,500.00
Water (Sinking well & timbering) 100 ft. @ $10.-per Ft.		1,000.00
Herschoff Furnace estimated cost f.o.b. S.F.		10,000.00
		$ 36,199.35

Form MF-103
(Revised June 1951)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.1.

MF-103 Should Be Filed With General Technical Data Form MF-100

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

Not To Be Filled in by Applicant

Docket No. DMEA-2308
Metal or Mineral
Date Received 12-28-51
Amount $
Participation (Government %)

DEC 28 1951
Defense Minerals Administration
RECEIVED

JAMES SODAR and CHARLES J. VANCE
d.b.a. PACOIMA VALLEY MINING
47 Winfield Street,
San Francisco 10, California

Name and address of applicant

Date December 25, 1951

If you have already filed MF-100, give date filed ....., type of assistance requested Exploration Loan.,

DMA Docket Number (if available) DMA - MR 1915 Docket # 2307

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four copies each, of the signed application form, General Technical Data Form MF-100, and answers to questions as specified, to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive office thereof, with your name and address on each sheet of the application and all accompanying papers. If you have previously filed MF-100, it is not necessary to file it again. However, you should indicate in space provided above the type of assistance previously applied for (loans, procurement contracts, etc.) and DMA Docket Number, if available. *When a question is inapplicable it should be so stated in the form.* Additional sheets should be attached in answering any questions or in supplying additional information. IF YOU CANNOT ANSWER A QUESTION, SO STATE.

1. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.

   (*b*) If you are not the owner of the property, submit a copy of the lease, purchase option, or other agreements under which you are authorized to operate the property with each copy of your application.

   (*c*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

   NOTE: (1) If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*c*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

   (2) If applicant is not the owner of the property or if there are any liens or encumbrances against the property, copy of agreements of claimants, lienors, encumbrances, and lessors subordinating their interests in the property to the interest of the Government under the Exploration Project Contract will be required for attachment to the Contract.

2. (*a*) What metals or minerals do you expect to find?

   (*b*) Furnish statement of the geologic features of your property, giving type of ore deposit and reasons for expecting to find commercial ore bodies. Illustrate with maps or sketches. If you have a geologic or engineering report, or assay maps showing width and grade, please send them with application, stating whether or not you wish to have them returned.

The information requested in questions 3, 4, 5, 6, 7, 8, and 9 below should be answered specifically and in detail, as this information will be attached to and incorporated as part of the Exploration Project Contract, if such contract is entered into with you by the Government.

ANSWER EACH QUESTION ON SEPARATE SHEETS OF PAPER AND SUBMIT A COPY OF EACH ANSWER FOR EACH COPY OF YOUR APPLICATION.

3. (*a*) Describe fully the proposed work and give the total cost of the project.

   (*b*) State the time required to start the project and to complete it.

4. Submit a map or sketch of the property involved showing a plan (and cross section, if needed) of the present mine workings and the *location of the proposed exploration work* as related to geologic features, such as contacts, veins, ore-bearing beds, etc.

5. Furnish an itemized list of existing facilities, buildings, installations, and fixtures with a statement of the cost of any necessary rehabilitation or repairs to put into useful and operable condition.

6. Furnish a detailed list of additional facilities, buildings, and fixtures to be purchased, installed, or erected by you, with the estimated cost of each item.

7. Furnish a detailed list of operating equipment, separated into items to be—

   (*a*) Rented

   (*b*) Purchased

   (*c*) Furnished by you

   with the rental, purchase price, or depreciation of each item, as the case may be, to be charged as a cost of the project.

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11. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

[illegible] VALLEY [illegible] INC.
(Name of company)

By JAMES TOBAR James Tobar
(Signature of authorized official)

December 26, 1951
(Date)

PRESIDENT
(Title)

Title 18, U. S. Code (Crimes), Section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

U. S. GOVERNMENT PRINTING OFFICE 16—64067-2

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Accounting		500.00
Delco Plant	(estimated)	1,500.00
Water (Sinking well & timbering) 100 ft. @ $10.-per Ft.		1,000.00
Horschoff Furnace estimated cost f.o.b. S.F.		10,000.00
		$ 38,199.35

COPY of LEASE

THIS AGREEMENT, Made and entered into this 4th day of October, 1951, by and between ROSE D. GARCIA, formerly Rose D. Hill, party of the first part and lessor, and JAMES TOBAR of the County of San Francisco, State of California and CHARLES J. VANCE of Yreka, California parties of the second part and lessees,

WITNESSETH: That the party of the first part, for and in consideration of the royalties, covenants and agreements hereinafter contained on the part and behalf of the parties of the second part to be paid, kept and performed, does hereby lease unto the parties of the second part the following described premises situated in the County of San Benito, State of California, to-wit:

> The Southeast quarter of the Southeast quarter of Section Twelve in Township fifteen south of Range nine East, M.D.M., and Lots three and four and the North-east one quarter of the Southwest quarter and the South-east one quarter of Section seven, Township fifteen south of Range ten East, M.D.M., containing 322.95 acres,

together with all minerals in, on or under said ground, hereby giving to said second parties the exclusive right and privilege of mining the said land, operating the same as a mine and of extracting the mineral therefrom, constructing works, buildings, tunnels, pipe lines and roads, and doing all other things reasonably required to properly mine the said property.

Reserving unto the said lessor, however, the use for agricultural and grazing purposes such portions of said premises as are suitable therefor.

The term of this agreement and lease shall be ten years, from and after the 3rd day of October, 1951, and ending onthe 2nd day of October, 1961.

The parties of the second part do hereby accept this lease, and they do hereby agree that they will from the beginning of the term, diligently and in good faith mine the said property, primarily for quick-silver or cinnabar and diligently operate the same as a quicksilver mine, procuring, installing and using such equipment and employing such labor, as is reasonably necessary to extract the ore from the earth, process the ore and reduce it to a marketable product, and sell and deliver the same

as mined, in the ordinary course of the trade and without withholding the same from market, all to be done expeditiously and in a miner-like manner, and without delay, except such as may be caused by strikes, catastrophe, act of God or causes beyond the control of second party.

For the privileges and rights herein given the lessees, the latter agree to pay a royalty of fifteen (15%) percent of the gross selling price of all quicksilber and other mineral taken from the premises during the term; two-thirds (2/3) of said royalties to be paid directly to the said Rose D. Garcia, party of the first part, at Hollister, California, and the remaining one-third (1/3) shall be paid to Joseph Rios at Hollister, California, by the purchaser or purchasers of the mineral without deduction, the royalty payments to be made at least once a month, and if settlement for the minerals is made by the purchasers thereof more often than once a month, then the royalties shall be paid on such settlement dates. Statements of the quantity of the quicksilber sold shall be furnished the first party monthly and statements of the quantity produced by the second parties shall be furnished first party upon demand therefor; the royalty payable to the said Joseph Rios is for work and development on the property heretofore performed and done by him.

It is understood and agreed that in mining the property the operations of second parties shall be diligently and in good faith pursued without interruption, except such as may be caused by strikes, calamity or act of God, or want of ore in paying quantities, and that the magnitude of operations shall correspond to the size of the ore deposits known to exist on or in the said premises or which, with the use of reasonable diligence, could be ascertained to exist therein, with the view and intent of extracting the quicksilver from the area and the ore mined expeditiously; explorations shall be made from time to time to discover and develop new ore bodies and provide uninterrupted operations.

Second parties shall at all times have in charge of the mining operations a competent superintendent or manager well versed in the operation of quicksilver mines capable of extracting the quicksilver from the ore without undue loss or waste.

It is agreed that the first party, her agents and representatives

may, at all reasonable times, go upon the premises without hindrance, molestation or annoyance for the purpose of inspecting and examining the work done or being performed and to ascertain if the terms of this lease and agreement are being properly carried out by the second parties; that the first party may also prospect the premises for new ore bodies, disclosing their finding to the second parties; also first party jointly with second parties may have samples of ore from the premises processed or assayed to discover its mineral content and if second parties refuse to cooperate therein, first party may alone have said samples assayed; any such prospecting, sampling and examinations by the party of the first part shall be done so as not to interfere with the mining operations of second parties, but any defective or inadequate operations by second parties disclosed by said inspections, examinations, prospecting or assaying or other means shall be forthwith corrected by second parties.

Said mining operations shall be carried on so as to interfere no more than reasonably necessary with the use of the surface of the land for grazing or agricultural purposes.

Notwithstanding anything to the contrary hereinbefore set forth, second parties shall not be required to operate or process ore which is not available in paying quantities, but in the event second parties cease to mine ore or process the same because ore is not available in aying quantities, they shall forthwith notify the first party of such claim and this lease and agreement shall thereupon terminate unless second parties forthwith diligently and in good faith prospect and explore for new ore bodies using at least thirty (30) shifts per month therein, and if after sixty (60) days of such prospecting and exploration no ore in paying quantities is found then the lease shall terminate.

The term "ore not available in paying quantities", or similar expressions, as herein used shall mean ore that cannot be mined or processed at a profit by the use of any of the methods ordinarily used in mining quicksilver.

In the mining operations of second parties no water supply on the premises for cattle shall be polluted or interfered with.

It is agreed that the parties of the second part shall not sell or assign this lease or any interest therein, or sublet any part of the leased premised either voluntarily or involuntarily without the written consent of the part of the first part being first obtained, nor shall any of the second parties sell or assign his interest in said lease without such consent.

The second parties agree that they will not dor or omit to do anything which may result in any liens being placed against the premises.

The second parties agree that they will pay prior to delinquency all taxes which may be assessed against their equipment and property brought upon the leased premises and the first party likewise agrees to pay prior to delinquency all taxes which may be assessed against her interest in the leased property.

It is agreed that in the event the second parties default in the performance of any agreement, covenant or payment herein contained binding upon them, that the first party may, at her option, cancel this agreement and all the interest of the second parties arising therefrom, and may take possession of the property and remove all persons therefrom, time being of the essence of this agreement.

Upon the termination of this lease and agreement, the latter may remove all their machinery and equipment from the leased premises, providing they are not in default in the performance of any of the provisions, terms or conditions of this agreement binding upon them.

In the event any action is instituted by the first party against the second parties for any breach of this agreement, the second parties agree to pay a reasonable attorney fee to be fixed by the Court therein and included in the judgment.

While this agreement contemplates use of the leased premises primarily for quicksilver mining, if other minerals are found therein, in paying quantities, the same shall be mined by methods ordinarily employed, due regard being had to the size of the deposits found, and the same shall be mined and processed and the mineral sold and royalties paid thereon, in accordance with the usual practices of first class miners of the minerals.

It is also understood and agreed that t e lessees shall have and are hereby given the option of extending the term of this lease for an additional period of ten years from and after t e expiration date under the same terms and conditions herein contained.

It is agreed that the waiver by the first party of the breach of any provision of this agreement by the second parties shall not be construed to be a continuing waiver or a waiver of any further breach of the same provision or a waiver of any other provision of this agreement.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands the day and year herein first written.

/signed/ ROSE D. GARCIA.

/signed/ JAMES TOBAR

/signed/ CHARLES J. VANCE

STATE OF CALIFORNIA,)
COUNTY OF SANTA CLARA,) ss.

ON THIS 3rd day of October, in the year One Thousand Nine Hundred and fifty-one before me, SYDNEY S.JOHNSON, a Notary Public in and for said County of Santa Clara, residing therein, duly commissioned and sworn personally appeared ROSE D. GARCIA and JAMES TOBAR and CHARLES J. VANCE

known to me to be the persons described in, whose names are subscribed to, and who executed the annexed instrument, and they acknowledged to me that they executed the same

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal, at my office in the County of Santa Clara, the day and year first above written.

/signed/ SYDNEY S. JOHNSON
Notary Public
in and for the County of Santa Clara, State of California

My commission expires March 7, 19~~51~~ 52

Form MF-103
(Revised June 1951)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.1.

MF-103 Should Be Filed With General Technical Data Form MF-100

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

Not To Be Filled in by Applicant

Docket No. DMEA/2308 Revised
Metal or Mineral
Date Received 4-15-52
Amount $
Participation (Government %)

Name and address of applicant

JAMES TOBAR and CHARLES J. VANCE
d.b.a. PANOCHE VALLEY MINES
47 Winfield Street
San Francisco 10, California

Date March 21, 1952

If you have already filed MF-100, give date filed December 26, 1951, type of assistance requested Exploration Loan

DMA Docket Number (if available) M.S. 1915 Docket # 2097
DMEA-~~2038~~ 2308

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four copies each, of the signed application form, General Technical Data Form MF-100, and answers to questions as specified, to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive office thereof, with your name and address on each sheet of the application and all accompanying papers. If you have previously filed MF-100, it is not necessary to file it again. However, you should indicate in space provided above the type of assistance previously applied for (loans, procurement contracts, etc.) and DMA Docket Number, if available. *When a question is inapplicable it should be so stated in the form.* Additional sheets should be attached in answering any questions or in supplying additional information. IF YOU CANNOT ANSWER A QUESTION, SO STATE.

1. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.

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2. (*a*) What metals or minerals do you expect to find?

   (*b*) Furnish statement of the geologic features of your property, giving type of ore deposit and reasons for expecting to find commercial ore bodies. Illustrate with maps or sketches. If you have a geologic or engineering report, or assay maps showing width and grade, please send them with application, stating whether or not you wish to have them returned.

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CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

PANOCHE VALLEY QUICKSILVER MINES
(Name of company)

By JAMES TOBAR James Tobar
(Signature of authorized official)

March 21, 1952.
(Date)

PRESIDENT
(Title)

Title 18, U. S. Code (Crimes), Section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

U. S. GOVERNMENT PRINTING OFFICE 16—64067-2

1. (a) See attached lease.
In addition the remainder of the S.E. quarter of Section 12 T 155; R 9 E is held under lease, copy of which has been submitted in a separate application DMA-M.S. 1915 Docket No. 2097

(b) Copy of lease submitted in original application.

(c) Proposed work will be in S.E. quarter of Section 7 T 155; R 10 E and S.E. quarter of S.E. quarter of Section 12, T 155; R 9 E.

2. (a) Mercury ore.

(b) Geology of the deposit is described in ~~the enclosed~~ a report by R. G. Yates and L.S. Hilpert on, "Quicksilver deposits of Central San Benito and northwestern Fresno Counties, California. This report is published in the California Journal of Mines and Geology Vol. 41, No. 1, pp 29-30, 1945
Assay report submitted in original application.

3.(a)"A" - "B"
The proposal is to drive three (3) adits, (2) two at points "A" and "B" on the enclosed map and the third at a point 1950 feet west of the Lone Oak Mine at an elevation of about 2,000 feet, shown as "C" on Plate 1 of the published report.

At "A" an adit will be driven along the vein, in a northwesterly direction, to the junction of a subsidiary vein. This junction is shown at the starred point west of "A", shown on Plate 4 of the published report. Maximum length of this adit will be about 400 feet and the cost will be $6,400.-

At"B" an adit 300 feet long driven northerly will crosscut two (2) or more veins known to be mineralized on the surface. The cost of this adit would be $4,800.-

At "C" an adit will be driven northerly to crosscut at depth an ore zone that was mined by a 40 foot inclined shaft at the outcrop. Length of the adit will be 100 feet and cost will be $1,600. This adit should cut the ore zone about 80 feet down dip from the bottom of the shaft.

In addition the following expenses will be necessary:-

Access road to "A"	$1,000.00

Total cost of project would be $ 13,800.-

3. (b) The project could be started within a week after signing the contract, and could be completed in one (1) year.

4. See Plates 1 and 4 of the ~~enclosed~~ published report, or see report of DMEA field team.

5. Necessary facilities have been constructed at the Lone Oak Mine and will be available for the proposed work. List of fixtures and equipment already purchased is shown on original application.

6. None

7. (a) RENTED EQUIPMENT:

Contract for buldozer for roadwork		$1,000.00

(b) PURCHASED:

Compressor		$3,500.00
Jackhammer with hoses		385.00
Hand tools		75.00
Drill steel and bits		100.00
Timber		175.00
Pipe		230.00

(c) FURNISHED BY OPERATOR:

Track	depreciation	18.00
Ore Car		27.00
8. (1) Miner - Wage $1.55/hr 40 hr. week - 40 weeks		2,480.00
(1) Mucker- wage $1.35/hr 40 hr. week - 40 weeks		2,160.00
(1) Supervisor wage $1.55/hr - part time 10/hr week 40 weeks		620.00
Insurance		675.00
9. Powder, fuse, caps	cost	300.00
Carbide	"	20.00
Track ties and spikes	"	40.00
Fuel oil or gasoline	"	500.00
Engineering Assaying		200.00
Accounting		500.00
stretcher and medical kit		90.00
Contingency fund for emergencies		~~800.00~~ 710.00
		$ 13,805.00

10. (a) $3,500.00

(b) Yes.

2/15/52 jen

700

AIR MAIL

Mr. H. C. Miller
Executive Officer, Field Team III
1012 Flood Building
870 Market Street
San Francisco 2, California

Re: Docket No. DMEA-2308 (Mercury)
Panoche Valley Quicksilver Mines
San Benito County, California

Dear Mr. Miller:

The captioned application is being referred to you for a field examination and your recommendations. A copy of memorandum by Edwin T. McKnight, USGS, which outlines the major points in question is enclosed for consideration by the Field Team. Also, ownership of the site of the proposed work should be checked. The location of the Valley View mine is shown on the line between sections 7 and 8; T. 15 S.; R. 10 E.; on plate 1, California State Mineralogist's Report XLI, January 1945. However, the copy of lease makes no mention of section 8.

In addition, the location and method of taking the samples reported by the owner should be ascertained.

Sincerely yours,

(signed) FRANK E. JOHNSON

Chairman, Operating Committee
Defense Minerals Exploration
Administration

Enclosures 4

APPROVED:

J. H. Hedges
For Bureau of Mines

L. P. Thayer
For Geological Survey

FARutledge/gla 2-12-52
cc to: Adm. Reading File
Docket
Messrs. Johnson, C.H. Rm. 3621
McKnight, E.T. Rm. 4204 GS
Ellis
Rutledge

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

Memorandum

To: Mr. E. Wm. Ellis

From: Mr. E. T. McKnight

Subject: Geologic appraisal of subject docket

February 8, 1952
Re: DMEA-2308
Panoche Valley Mines
(formerly Valley View Mine)
San Benito County, Calif.
Exploration loan, uncertain amount, maybe $11,000 maybe $100,000
Quicksilver

The application is confused and gives little or no pertinent information as to what is to be done, where, and at what cost. Items apparently included are a rock crushing plant at $2,500, and a Herschoff furnace at $10,000, which are not legitimate exploration items.

The property involved has yielded a modest production of quicksilver from very low grade ore. A Geological Survey report on the property has pointed out where further prospecting might be profitable. The applicant states that the proposed "operation" (exploration?) will be on new outcrops rather than in the old Valley View mine. However, his geologic maps are essentially unmarked copies of the published geologic maps and give no indication as to where or how he expects to carry on exploration.

This proposal cannot be approved on the basis of the meager information presented. Applicant could be written for more data, but his handling of the first application suggests that he does not understand the exploration program nor what information is needed by this office to justify approval of an exploration loan, so it is doubtful if a satisfactory proposal can be obtained by further correspondence. On the other hand, his property may very well have some favorable exploration possibilities. If an acceptable application could be extracted from him by long and tedious correspondence, it would have to be sent to the field for appraisal and would probably have to be extensively revised or rewritten. I therefore suggest that, the docket be sent to the field at the present stage with instructions for the field team to find out what the applicant wants to do, make an appraisal as to feasibility under the exploration program, and prepare a report, giving recommendations and containing enough pertinent information to substantiate and facilitate the carrying out of recommendations made.

Edwin T. McKnight
Geologist

700

FILE COPY
SURNAME:

Rutledge
Ellis
Thayer
McKnight

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

AIR MAIL

FEB 15 1952

Mr. H. C. Miller
Executive Officer, Field Team III
1012 Flood Building
870 Market Street
San Francisco 2, California

Re: Docket No. DMEA-2308 (Mercury)
Panoche Valley Quicksilver Mines
San Benito County, California

Dear Mr. Miller:

The captioned application is being referred to you for a field examination and your recommendations. A copy of memorandum by Edwin T. McKnight, USGS, which outlines the major points in question is enclosed for consideration by the Field Team. Also, ownership of the site of the proposed work should be checked. The location of the Valley View mine is shown on the line between sections 7 and 8; T. 15 S.; R. 10 E.; on plate 1, California State Mineralogist's Report XLI, January 1945. However, the copy of lease makes no mention of section 8.

In addition, the location and method of taking the samples reported by the owner should be ascertained.

Sincerely yours,

(signed) FRANK E. JOHNSON (JHB)

Chairman, Operating Committee
Defense Minerals Exploration
Administration

Enclosures 4

FARutledge/gla 2-12-52
cc to: Adm. Reading File
Docket
Messrs. Johnson, C.H. Rm. 3621
McKnight, E.T. Rm. 4204 GS
Ellis
Rutledge

APPROVED:

J. E. Dodge (JHB)
For Bureau of Mines

L. P. Thayer JHB
For Geological Survey

FILE COPY
700 SURNAME:

Rutledge
Ellis

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

AIR MAIL

FEB 15 1952

Mr. James Tobar
Panoche Valley Mines
47 Winfield Street
San Francisco 16, California

Re: Docket No. [illegible]-2300 (Mercury)
Panoche Valley Quicksilver Mines
San Benito County, California

Dear Mr. Tobar:

Your application for assistance in exploring your property in San Benito County, California, Docket No. [illegible]-230[illegible], has been reviewed by the Rare and Miscellaneous Metals Division of the Defense Minerals Exploration Administration and has been referred to Mr. H. L. Miller, Executive Officer, DMEA Field Team, Region III, 1042 Flood Building, 870 Market Street, San Francisco, California for a field examination.

The regional office will contact you at the earliest opportunity in regard to your project.

Sincerely yours,

C. O. Mittendorf (fw) 2/15

C. O. Mittendorf
Acting Administrator
Defense Minerals Exploration
Administration

F.A.Rutledge/jem
2/14/52
cc to: Adm. Reading File
Docket
Messrs. Johnson, C.H. Rm. 3621
McKnight, E.T. Rm. 4204 CO
Ellis
Rutledge
Field Team, Reg. III (2)

DMFA-2308

DMA-1915 U.S. Thompson Min. Co.

paid 10/11

102 to R.J.C.

1/5/52 to Field Loan Report ~~[illegible]~~

$30,000.00

Trafi: Bailey, Colorado

James A. Barr Rm 3538 Cert 5273

DMA-2097 Panoche Valley, Gamboilan Min.

Hard Rock Min.

9-17-51 affidavit filed

10/19 forms to R.J.C.

$16,116.40

denied 1-30-52 Jim Lyon.

Weston D. Bonnet m 3628 Cert 3318

Mr. Allen

glu 1/23/52

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

January 22, 1952

Memorandum

To: E. W. Ellis, DMEA

From: Helena M. Meyer

Subject: DMEA Docket No. 2308, James Tobar and Charles J. Vance, Panoche Valley Mines, (formerly known as Valley View), exploration loan (size not given but implied to be $100,000), (Mercury)

The Valley View (or Panoche) mine is on the west edge of Panoche Valley, about 2 miles from Llanada. It was located in 1938. Production of 319 flasks to the end of 1943 was from ore averaging less than 1 1/2 pounds of mercury per ton, or considerably below the average grades of ore produced in the United States. Yates and Hilpert of the United States Geological Survey, in California Journal of Mines and Geology, Report XLI of the State Mineralogist, January 1945, stated:

"The one exploited orebody of the Valley View mine decreased in grade at a shallow depth to such an extent that the operators could not mine it. Although there is no intrinsic reason for believing that the grade should increase with depth, there is, likewise, no apparent reason for believing it should decrease and pinch completely out. Further exploration for ore of comparable grade to that already mined should continue northeastward down the pitch of the orebody for 50 to 100 feet farther, as the grade may again improve. Surface outcrops of orebearing rock should at least be explored by prospect pits. Possibly drilling to the northeast of each metallized outcrop would be a practical method of exploration, although the ground is blocky. There is reason to believe that the mineralized ground extends for some distance to the east under the terrace gravels. The extension of the silicified rib could be proved, and possible splits from it could be hunted by digging trenches or by sinking shallow shafts. Geophysical methods might also be of use in mapping the structures under the alluvium."

On basis of former knowledge the property would not seem to justify proposed expenditure. Lessees claim present operation however, is on new outcropping. Thus, it is recommended that a field team investigation be made.

The itemized costs cover $10,000 for a furnace. This is a production item.

It is recommended that the field team suggest the deletion of any production items that are included, such as the furnace. It likewise seems desirable that the entire proposal be cut unless results of the field examination are most promising.

Helena M. Meyer

HELENA M. MEYER

Copy to Minerals Division
Base Metals Branch
Mr. McKnight
H. M. Meyer
F I L E S

IN REPLY REFER TO:
2/8/52 - gla

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

Memorandum

To: Mr. E. Wm. Ellis

From: Mr. E. T. McKnight

Subject: Geologic appraisal of subject docket

February 8, 1952
Re: DMEA-2308
Panoche Valley Mines
(formerly Valley View Mine)
San Benito County, Calif.
Exploration loan, uncertain amount, maybe $11,000 maybe $100,000
Quicksilver

The application is confused and gives little or no pertinent information as to what is to be done, where, and at what cost. Items apparently included are a rock crushing plant at $2,500, and a Herschoff furnace at $10,000, which are not legitimate exploration items.

The property involved has yielded a modest production of quicksilver from very low grade ore. A Geological Survey report on the property has pointed out where further prospecting might be profitable. The applicant states that the proposed "operation" (exploration?) will be on new outcrops rather than in the old Valley View mine. However, his geologic maps are essentially unmarked copies of the published geologic maps and give no indication as to where or how he expects to carry on exploration.

This proposal cannot be approved on the basis of the meager information presented. Applicant could be written for more data, but his handling of the first application suggests that he does not understand the exploration program nor what information is needed by this office to justify approval of an exploration loan, so it is doubtful if a satisfactory proposal can be obtained by further correspondence. On the other hand, his property may very well have some favorable exploration possibilities. If an acceptable application could be extracted from him by long and tedious correspondence, it would have to be sent to the field for appraisal and would probably have to be extensively revised or rewritten. I therefore suggest that, the docket be sent to the field at the present stage with instructions for the field team to find out what the applicant wants to do, make an appraisal as to feasibility under the exploration program, and prepare a report, giving recommendations and containing enough pertinent information to substantiate and facilitate the carrying out of recommendations made.

Edwin T. McKnight

Edwin T. McKnight
Geologist

EXPLORATION

Subject: DMEA-2308
Re: Exploration Loan
Rose Garcia

Mr. James Tobar
Panoche Valley Mines
47 Winfield Street
San Francisco 10, California

My dear Mr. Tobar:

This will acknowledge receipt of your application dated December 26, 1951 for a loan under the Defense Production Act of 1950.

Your application was assigned Docket Number DMEA-2308 and referred to the Rare & Miscellaneous Metals Division.

Kindly refer to DMEA-2308 in any future correspondence relating to your application.

Sincerely yours,

ROBERT E. ADAMS

Robert E. Adams
Acting Administrative Officer

7862

REGISTERED AIR MAIL

DMEA-308

DMA-1915

PANOCHE VALLEY QUICKSILVER MINES
47 Winfield Street
San Francisco 10, California

DMA-2097 Docket

December 26, 1951

United States Department of the Interior
Defense Minerals Administration
Washington 25, D.C.

Attention: ROBERT E. ADAMS, Chief
Reports and Records Unit.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 28 1951

Dear Mr. Adams:

Re: DMA -2097- Loan
Hard Rock Mine

Sir I want to know the meaning of this program as set up by the Government, where the Prospector or the Miner is to find assistance as I understand that this aid was to help the Miner in search of this critical commodity. What is then meant by a "Certificate of Essentiality"?

I am in need of immediate assistance as I have been taxed to the limit in order to keep this operation going. The Lone Oak Mine and the Valley View Mine are new a consolidated operation, but, yet a separate operation, of which I James Tobar am the operator and lessee.

I would like very much to know if I am to receive any assistance or at least an explanation of the cause for this delay. Since the filing of my first application dated July 30, 1951, I have not received any information regarding this loan, other than the letter dated November 1, 1951, from Mr. J. S. McCullough, Jr, Manager of the San Francisco Reconstruction Finance Corporation, stating that I must have a "Certificate of Essentiality", copy of my letter dated November 5th, 1951 enclosed.

I am submitting my "Exploration Loan" on the Valley View Mine, application in quadruplicate enclosed.

Trusting you will give this your immediate attention, I remain

Yours very truly,

PANOCHE VALLEY QUICKSILVER MINE

By James Tobar
Operator and Lessee

JT;epb

C
O
P
Y

PANOCHE VALLEY QUICKSILVER MINES
47 Winfield Street
San Francisco 10, California

DMA-1915
Docket No. -2097

DMEA-230

November 5, 1951

United States Department of the Interior
Defense Minerals Administration
Washington 25, D.C.

Attention: Mr ROBERT E. ADAMS, Chief
Reports and Records Unit.

Dear Mr Adams:

Re: DMA -2097 - Loan
Hard Rock Mine

I am in receipt of letter dated San Francisco, November 1, 1951, from the Reconstruction Finance Corporation, Loan Agency, copy enclosed, which is self explanatory.

I note that they shall take no final action on my application until such time as they are in receipt of advice that a "Certificate of Essentiality" has been issued relative to my application for a loan.

The original agreement with the Government in the application would help the Prospector and the Miner in search of this critical mineral.

I have gone all out in good faith that this program set by the Government would help me in this obligation, that I have undertaken far above the estimated cost applied for in my Loan, with the understanding that the Government would meet me with their share of the obligation, as set forth in their Research Program for this critic al mineral.

I hope that I have made myself clear and not mis-interperted the Program set out by the Government.

Please explain what is meant by an "Certificate of Essentiality" and give this your immediate attention and your honest opinion in this urgent matter.

Yours sincerely,

PANOCHE VALLEY QUICKSILVER MINES,

/signed/ By JAMES TOBAR
James Tobar

JT:epb

Encl.

Form MF-103
(Revised June 1951)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.1.

MF-103 Should Be Filed With General Technical Data Form MF-100

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

Not To Be Filled in by Applicant

Docket No. DMEA-2308
Metal or Mineral
Date Received 12-28-51
Amount $
Participation (Government %)

Name and address of applicant

JAMES TOBAR and CHARLES J. VANCE
d.b.a. PANOCHE VALLEY MINES
47 Winfield Street,
San Francisco 10, California

Date December 26, 1951

If you have already filed MF-100, give date filed ....., type of assistance requested Exploration Loan,

DMA Docket Number (if available) DMA - MS 1915 Docket # 2097

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four copies each, of the signed application form, General Technical Data Form MF-100, and answers to questions as specified, to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive office thereof, with your name and address on each sheet of the application and all accompanying papers. If you have previously filed MF-100, it is not necessary to file it again. However, you should indicate in space provided above the type of assistance previously applied for (loans, procurement contracts, etc.) and DMA Docket Number, if available. *When a question is inapplicable it should be so stated in the form.* Additional sheets should be attached in answering any questions or in supplying additional information. IF YOU CANNOT ANSWER A QUESTION, SO STATE.

1. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.

   (*b*) If you are not the owner of the property, submit a copy of the lease, purchase option, or other agreements under which you are authorized to operate the property with each copy of your application.

   (*c*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

   NOTE: (1) If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*c*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

   (2) If applicant is not the owner of the property or if there are any liens or encumbrances against the property, copy of agreements of claimants, lienors, encumbrances, and lessors subordinating their interests in the property to the interest of the Government under the Exploration Project Contract will be required for attachment to the Contract.

2. (*a*) What metals or minerals do you expect to find?

   (*b*) Furnish statement of the geologic features of your property, giving type of ore deposit and reasons for expecting to find commercial ore bodies. Illustrate with maps or sketches. If you have a geologic or engineering report, or assay maps showing width and grade, please send them with application, stating whether or not you wish to have them returned.

The information requested in questions 3, 4, 5, 6, 7, 8, and 9 below should be answered specifically and in detail, as this information will be attached to and incorporated as part of the Exploration Project Contract, if such contract is entered into with you by the Government.

ANSWER EACH QUESTION ON SEPARATE SHEETS OF PAPER AND SUBMIT A COPY OF EACH ANSWER FOR EACH COPY OF YOUR APPLICATION.

3. (*a*) Describe fully the proposed work and give the total cost of the project.

   (*b*) State the time required to start the project and to complete it.

4. Submit a map or sketch of the property involved showing a plan (and cross section, if needed) of the present mine workings and the *location of the proposed exploration work* as related to geologic features, such as contacts, veins, ore-bearing beds, etc.

5. Furnish an itemized list of existing facilities, buildings, installations, and fixtures with a statement of the cost of any necessary rehabilitation or repairs to put into useful and operable condition.

6. Furnish a detailed list of additional facilities, buildings, and fixtures to be purchased, installed, or erected by you, with the estimated cost of each item.

7. Furnish a detailed list of operating equipment, separated into items to be—

   (*a*) Rented

   (*b*) Purchased

   (*c*) Furnished by you

   with the rental, purchase price, or depreciation of each item, as the case may be, to be charged as a cost of the project.

8. Furnish an itemized schedule of labor, by numbers and classes (miners, muckers, etc.) and of supervisors by numbers and positions, with the maximum wages or salaries to be paid to each.

9. Furnish a detailed list with estimated cost of each item for materials, supplies, engineering, assaying, accounting, power, water, utilities, and any other items not provided for above.

10. (*a*) How much are you prepared to invest in the proposed project?

    (*b*) Is this amount sufficient to pay your part of the cost of the project, in accordance with the regulations on Government participation (Sec. 9 of MO–5)?

11. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

PANOCHE VALLEY QUICKSILVER MINES
(Name of company)

By JAMES TOBAR James Tobar
(Signature of authorized official)

December 26, 1951
(Date)

PRESIDENT
(Title)

Title 18, U. S. Code (Crimes), Section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

U. S. GOVERNMENT PRINTING OFFICE 16—64067-2

QUESTION NO. 1.

(a) ROSE GARCIA formally known as the VALLEY VIEW MINE - Map and Chart No.1 (as furnished by Division of Mines with marking of property) attached.

(b) Copy of Lease attached

(c) Map No. 2 attached

Question No. 2

(a) Mercury Ore

(b) Assay report attached. Maps attached - No. We do not wish them returned.

Question No. 3

(a) Describe fully the proposed work and give the total cost of the project

Road Labor - Tractor Work	$ 3,000.-
Five (5)prospects (5) Five projects opening up	5,000.-
Including timber, materials, plus Labor	3,000.-

(b) State the time required to start the project and to complete it.

Approximately one hundred twenty (120) days.

Question No. 4

Submit a map or sketch of the property involved showing a plan (and cross section, if needed) of the present mine workins and the location of the proposed exploration work as related to geologic features, such as contacts, veins, ore-bearing beds, etc.,

Map # 2 attached.

Question No. 5

Furnish an itemized list of existing facilities, buildings, and fixtures with a statement of the cost of any necessary rehabilitation or repairs to put into useful and operable conditions.

Itemized list attached.

Q uestion No. 6

Furnish an itemized detailed list of additional facilities, buildings, and fixtures to be purchased, installed, or erected by you, with the estimated cost of each item.

Detailed list attached

Question No. 7

Furnish a detailed list of operating equipment, separated into items to be -

(a) Rented - None

(b) Purchased - Herschoff Furnace estimated cost f.o.b. San Francisco, $10,000.-

(c) As per list attached

Question No. 8

Furnish an itemized schedule of labor, by numbers and classes (miners,Muckers, etc) and of supervisors by numbers and positions, with the maximum wages or salaries to be paid to each.

Itemized schedule attached.

Question No. 9

Furnish a detailed list with estimated cost of each item for materials, supplies, engineering, assaying, accounting, power, water, utilities, and any other items not provided for above.

Detailed list with estimated cost attached.

Question No. 10

(a) How much are you prepared to invest in the proposed project?

Estimated approximately $25,000.-

(b) Is this amount sufficient to pay your part of the cost of the project, in accordance with the regulations on Government participation.

Yes.

Question No. 11

State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

This is absolutely a new operation and has nothing to do with any of the old operations of the Valley View Mine. The operation is based solely onthe outcroping of newly prospected claims as the assaying warrants such an operation.

Question No. 5 - Material, etc. list.

LUMBER		
Mine Timber		$ 900.00
	Hauling	150.00
	Transportation Tax	4.51
Lumber 50,000' @ $30.00 per 1,000'		1,500.00
	Hauling	645.00
	Transportation Tax	19.35
COMPRESSOR		2,250.00
Hose and couplings		250.00
1941 INTERNATIONAL 2½ Ton TRUCK		1,500.00
JACK HAMMER DRILLING MACHINE		385.00
Drill steel		100.00
JACK LATHE		191.00
(2) POWDER MAGAZINES		300.00
BUNKERS AND BUILDINGS, INSTALLATIONS including LABOR		3,000.00

Question No. 6 - No. 7 - No. 8 and No. 9 - Equipment, supplies, labor, etc., list.

ROCK CRUSHING PLANT		2,500.00
Ore Car		175.00
Mining Track 200' @ $1.00 per Ft.		200.00
Ties		100.00
Buildings		1,000.00
Lumber, nails, steel miscellaneous, etc.,		500.00
Labor		750.00
(2) Hoisting machines		1,300.00
100' shaft @ $30.00 per Ft. and 2 estimated tunnels of 400 ' of work each		3,000.00
Labor for four (4) men $240.00 per week Insurance for (4) men 33.60 per week (6) weeks including Insurance and Labor		1,641.60
Powder		200.00
Caps	(3) boxes	9.00
Fuse		30.00
Carbide	100 lbs.	20.00
First Aid Kit, etc. and medical supplies		100.00
Gasoline,		520.00
Butane		300.00
Oil and grease		50.00
Engineering and Assaying		1,600.00
Accounting		500.00
Delco Plant	(estimated)	1,500.00
Water (Sinking well & timbering) 100 ft. @ $10.-per Ft.		1,000.00
Herschoff Furnace estimated cost f.o.b. S.F.		10,000.00
		$ 38,199.35

THIS AGREEMENT, Made and entered into this 4th day of October, 1951, by and between ROSE D. GARCIA, formerly Rose D. Hill, party of the first part and lessor, and JAMES TOBAR of the County of San Francisco, State of California and CHARLES J. VANCE of Yreka, California, parties of the second part and lessees,

WITNESSETH: That the party of the first part, for and in consideration of the royalties, covenants and agreements hereinafter contained on the part and behalf of the parties of the second part to be paid, kept and performed, does hereby lease unto the parties of the second part the following described premises situated in the County of San Benito, State of California, to-wit:

> The Southeast quarter of the Southeast quarter of Section Twelve in Township fifteen south of Range nine East, M.D.M., and Lots three and four and the North-east one quarter of the Southwest quarter and the South-east one quarter of Section seven, Township fifteen south of Range ten East, M.D. M., containing 322.95 acres,

together with all minerals in, on or under said ground, hereby giving to said second parties the exclusive right and privilege of mining the said land, operating the same as a mine and of extracting the mineral therefrom, constructing works, buildings, tunnels, pipe lines and roads, and doing all other things reasonably required to properly mine the said property.

Reserving unto the said lessor, however, the use for agricultural and grazing purposes such portions of said premises as are suitable therefor.

The term of this agreement and lease shall be ten years, from and after the 3rd day of October, 1951, and ending on the 2nd day of October, 1961.

The parties of the second part do hereby accept this lease, and they do hereby agree that they will from the beginning of the term, diligently and in good faith mine the said property, primarily for quick-silver or cinnabar and diligently operate the same as a quicksilver mine, procuring, installing and using such equipment and employing such labor, as is reasonably necessary to extract the ore from the earth, process the ore and reduce it to a marketable product, and sell and deliver the same

as mined, in the ordinary course of the trade and without withholding the same from market, all to be done expeditiously and in a miner-like manner, and without delay, except such as may be caused by strikes, catastrophe, act of God or causes beyond the control of second party,

For the privileges and rights herein given the lessees, the latter agree to pay a royalty of fifteen (15%) percent of the gross selling price of all quicksilver and other mineral taken from the premises during the term; two-thirds (2/3) of said royalties to be paid directly to the said Rose D. Garcia,party of the first part, at Hollister, California, and the remaining one-third (1/3) shall be paid to Joseph Rios at Hollister, California, by the purchaser or purchasers of the mineral without deduction , the royalty payments to be made at least once a month, and if settlement for the minerals is made by the purchasers thereof more often than once a month, then the royalties shall be paid on such settlement dates. Statements of the quantity of the quicksilver sold shall be furnished the first party monthly and statements of the quantity produced by the second parties shall be furnished first party upon demand therefor; the royalty payable to the said Joseph Rios is for work and development on the property heretofore performed and done by him.

It is understood and agreed that in mining the property the operations of second parties shall be diligently and in good faith pursued without interruption, except such as may be caused by strikes, calamity or act of God, or want of ore in paying quantities, and that the magnitude of operations shall correspond to the size of the ore deposits known to exist on or in the said premises or which, with the use of reasonable diligence, could be ascertained to exist therein, with the view and intent of extracting the quicksilver from the area and the ore mined expeditiously; explorations shall be made from time to time to discover and develop new ore bodies and provide uninterrupted operations.

Second parties shall at all times have in charge of the mining operations a competent superintendent or manager well versed in the operation of quicksilver mines capable of extracting the quicksilver from the ore without undue loss or waste.

It is agreed that the first party, her agents and representatives

may, at all reasonable times, go upon the premises without hindrance, molestation or annoyance for the purpose of inspecting and examining the work done or being performed and to ascertain if the terms of this lease and agreement are being properly carried out by the second parties; that the first party may also prospect the premises for new ore bodies, disclosing their finding to the second parties; also first party jointly with second parties may have samples of ore from the premises processed or assayed to discover its mineral content and if second parties refuse to cooperate therein, first party may alone have said samples assayed; any such prospecting, sampling and examinations by the party of the first part shall be done so as not to interfere with the mining operations of second parties, but any defective or inadequate operations by second parties disclosed by said inspections, examinations, prospecting or assaying or other means shall be forthwith corrected by second parties.

Said mining operations shall be carried on so as to interfere no more than reasonably necessary with the use of the surface of the land for grazing or agricultural purposes.

Notwithstanding anything to the contrary hereinbefore set forth, second parties shall not be required to operate or process ore which is not available in paying quantities, but in the event second parties cease to mine ore or process the same because ore is not available in paying quantities, they shall forthwith notify the first party of such claim and this lease and agreement shall thereupon terminate unless second parties forthwith diligently and in good faith prospect and explore for new ore bodies using at least thirty (30) shifts per month therein, and if after sixty (60) days of such prospecting and exploration no ore in paying quantities is found then the lease shall terminate.

The term "ore not available in paying quantities", or similar expressions, as herein used shall mean ore that cannot be mined and processed at a profit by the use of any of the methods ordinarily used in mining quicksilver.

In the mining operations of second parties no water supply on the premises for cattle shall be polluted or interfered with.

It is agreed that the parties of the second part shall not sell or assign this lease or any interest therein, or sublet any part of the leased premises either voluntarily or involuntarily without the written consent of the party of the first part being first obtained, nor shall any of the second parties sell or assign his interest in said lease without such consent.

The second parties agree that they will not do or omit to do anything which may result in any liens being placed against the premises.

The second parties agree that they will pay prior to delinquency all taxes which may be assessed against their equipment and property brought upon the leased premises and the first party likewise agrees to pay prior to delinquency all taxes which may be assessed against her interest in the leased property.

It is agreed that in the event the second parties default in the performance of any agreement, covenant or payment herein contained binding upon them, that the first party may, at her option, cancel this agreement and all the interest of the second parties arising therefrom, and may take possession of the property and remove all persons therefrom, time being of the essence of this agreement.

Upon the termination of this lease and agreement, the latter may remove all their machinery and equipment from the leased premises, providing they are not in default in the performance of any of the provisions, terms or conditions of this agreement binding upon them.

In the event any action is instituted by the first party against the second parties for any breach of this agreement, the second parties agree to pay a reasonable attorney fee to be fixed by the Court therein and included in the judgment.

While this agreement contemplates use of the leased premises primarily for quicksilver mining, if other minerals are found therein, in paying quantities, the same shall be mined by methods ordinarily employed, due regard being had to the size of the deposits found, and the same shall be mined and processed and the mineral sold and royalties paid thereon, in accordance with the usual practices of first class miners of the minerals.

It is also understood and agreed that the lessees shall have and are hereby given the option of extending the term of this lease for an additional period of ten years from and after the expiration date under the same terms and conditions herein contained.

It is agreed that the waiver by the first party of the breach of any provision of this agreement by the second parties shall not be construed to be a continuing waiver or a waiver of any further breach of the same provision or a waiver of any other provision of this agreement.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands the day and year herein first written.

Rose D. Garcia

James Tobar

Charles J Vance

State of California,
County of Santa Clara, } ss.

ON THIS 3rd day of October, in the year One Thousand Nine Hundred and ~~forty~~ fifty-one before me, SYDNEY S. JOHNSON, a Notary Public in and for said County of Santa Clara, residing therein, duly commissioned and sworn personally appeared

ROSE D. GARCIA and JAMES TOBAR and Charles J Vance (SEAL)

known to me to be the person s described in, whose name s are subscribed to, and who executed the annexed instrument, and the y acknowledged to me that the y executed the same

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal, at my office in the County of Santa Clara, the day and year first above written.

Sydney S. Johnson
NOTARY PUBLIC
in and for the County of Santa Clara, State of California.

My commission expires March 7, 1952

LEASE

ROSE D. GARCIA

to

JAMES TOBAR and

CHARLES J. VANCE

Dated: October 3, 1951

LAW OFFICES
of
SYDNEY S. JOHNSON
Gilroy, California

C O P Y of L E A S E

THIS AGREEMENT, Made and entered into this 4th day of October, 1951, by and between ROSE D. GARCIA, formerly Rose D. Hill, party of the first part and lessor, and JAMES TOBAR of the County of San Francisco, State of California and CHARLES J. VANCE of Yreka, California parties of the second part and lessees,

WITNESSETH: That the party of the first part, for and in consideration of the royalties, covenants and agreements hereinafter contained on the part and behalf of the parties of the second part to be paid, kept and performed, does hereby lease unto the parties of the second part the following described premises situated in the County of San Benito, State of California, to-wit:

> The Southeast quarter of the Southeast quarter of Section Twelve in Township fifteen south of Range nine East, M.D.M., and Lots three and four and the North-east one quarter of the Southwest quarter and the South-east one quarter of Section seven, Township fifteen south of Range ten East, M.D.M., containing 322.95 acres,

together with all minerals in, on or under said ground, hereby giving to said second parties the exclusive right and privilege of mining the said land, operating the same as a mine and of extracting the mineral therefrom, constructing works, buildings, tunnels, pipe lines and roads, and doing all other things reasonably required to properly mine the said property.

Reserving unto the said lessor, however, the use for agricultural and grazing purposes such portions of said premises as are suitable therefor.

The term of this agreement and lease shall be ten years, from and after the 3rd day of October, 1951, and ending onthe 2nd day of October, 1961.

The parties of the second part do hereby accept this lease, and they do hereby agree that they will from the beginning of the term, diligently and in good faith mine the said property primarily for quick-silver or cinnabar and diligently operate the same as a quicksilver mine, procuring, installing and using such equipment and employing such labor, as is reasonably necessary to extract the ore from the earth, process the ore and reduce it to a marketable product, and sell and deliver the same

as mined, in the ordinary course of the trade and without withholding the same from market, all to be done expeditiously and in a miner-like manner, and without delay, except such as may be caused by strikes, catastrophe, act of God or causes beyond the control of second party.

For the privileges and rights herein given the lessees, the latter agree to pay a royalty of fifteen (15%) percent of the gross selling price of all quicksilber and other mineral taken from the premises during the term; two-thirds (2/3) of said royalties to be paid directly to the said Rose D. Garcia, party of the first part, at Hollister, California, and the remaining one-third (1/3) shall be paid to Joseph Rios at Hollister, California, by the purchaser or purchasers of the mineral without deduction, the royalty payments to be made at least once a month, and if settlement for the minerals is made by the purchasers thereof more often than once a month, then the royalties shall be paid on such settlement dates. Statements of the quantity of the quicksilber sold shall be furnished the first party monthly and statements of the quantity produced by the second parties shall be furnished first party upon demand therefor; the royalty payable to the said Joseph Rios is for work and development on the property heretofore performed and done by him.

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Second parties shall at all times have in charge of the mining operations a competent superintendent or manager well versed in the operation of quicksilver mines capable of extracting the quicksilver from the ore without undue loss or waste.

It is agreed that the first party, her agents and representatives

may, at all reasonable times, go upon the premises without hindrance, molestation or annoyance for the purpose of inspecting and examining the work done or being performed and to ascertain if the terms of this lease and agreement are being properly carried out by the second parties; that the first party may also prospect the premises for new ore bodies, disclosing their finding to the second parties; also first party jointly with second parties may have samples of ore from the premises processed or assayed to discover its mineral content and if second parties refuse to cooperate therein, first party may alone have said samples assayed; any such prospecting, sampling and examinations by the party of the first part shall be done so as not to interfere with the mining operations of second parties, but any defective or inadequate operations by second parties disclosed by said inspections, examinations, prospecting or assaying or other means shall be forthwith corrected by second parties.

Said mining operations shall be carried on so as to interfere no more than reasonably necessary with the use of the surface of the land for grazing or agricultural purposes.

Notwithstanding anything to the contrary hereinbefore set forth, second parties shall not be required to operate or process ore which is not available in paying quantities, but in the event second parties cease to mine ore or process the same because ore is not available in paying quantities, they shall forthwith notify the first party of such claim and this lease and agreement shall thereupon terminate unless second parties forthwith diligently and in good faith prospect and explore for new ore bodies using at least thirty (30) shifts per month therein, and if after sixty (60) days of such prospecting and exploration no ore in paying quantities is found then the lease shall terminate.

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The second parties agree that they will pay prior to delinquency all taxes which may be assessed against their equipment and property brought upon the leased premises and the first party likewise agrees to pay prior to delinquency all taxes which may be assessed against her interest in the leased property.

It is agreed that in the event the second parties default in the performance of any agreement, covenant or payment herein contained binding upon them, that the first party may, at her option, cancel this agreement and all the interest of the second parties arising therefrom, and may take possession of the property and remove all persons therefrom, time being of the essence of this agreement.

Upon the termination of this lease and agreement, the latter may remove all their machinery and equipment from the leased premises, providing they are not in default in the performance of any of the provisions, terms or conditions of this agreement binding upon them.

In the event any action is instituted by the first party against the second parties for any breach of this agreement, the second parties agree to pay a reasonable attorney fee to be fixed by the Court therein and included in the judgment.

While this agreement contemplates use of the leased premises primarily for quicksilver mining, if other minerals are found therein, in paying quantities, the same shall be mined by methods ordinarily employed, due regard being had to the size of the deposits found, and the same shall be mined and processed and the mineral sold and royalties paid thereon, in accordance with the usual practices of first class miners of the minerals.

It is also understood and agreed that the lessees shall have and are hereby given the option of extending the term of this lease for an additional period of ten years from and after the expiration date under the same terms and conditions herein contained.

It is agreed that the waiver by the first party of the breach of any provision of this agreement by the second parties shall not be construed to be a continuing waiver or a waiver of any further breach of the same provision or a waiver of any other provision of this agreement.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands the day and year herein first written.

/signed/ ROSE D. GARCIA.

/signed/ JAMES TOBAR

/signed/ CHARLES J. VANCE

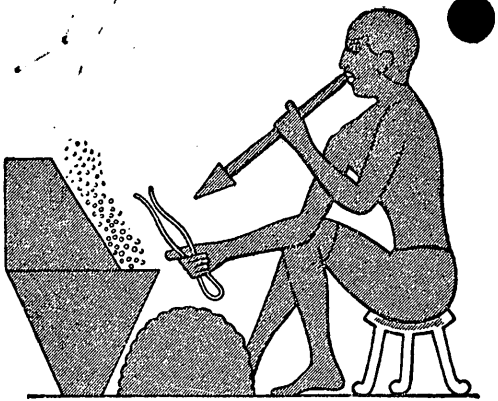
STATE OF CALIFORNIA,)
) ss.
COUNTY OF SANTA CLARA,)

ON THIS 3rd day of October, in the year One Thousand Nine Hundred and fifty-one before me, SYDNEY S.JOHNSON, a Notaey Public in and for said County of Santa Clara, residing therein, duly commissioned and sworn personally appeared ROSE D. GARCIA and JAMES TOBAR and CHARLES J. VANCE known to me to be the persons described in, whose names are subscribed to, and who executed the annexed instrument, and they acknowledged to me that they executed the same

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal, at my office in the County of Santa Clara, the day and year first above written.

/signed/ SYDNEY S. JOHNSON
Notary Public
in and for the County of Santa Clara, State of California

My commission expires March 7, 1952



Trade Mark

CAREFUL ANALYSES OF ORES AND MINERALS

San Fran[illegible] October 18, 1951

James Tobar
47 Windfield Street
San Francisco, California

ABBOT A. HANKS, INC.

Assayers • Chemists • Engineers

Control and Umpire Assays, Supervision of Sampling at Smelters, Ore Tests

624 SACRAMENTO STREET

Telephone GArfield 1-1697

35722-26	(5961)		
5 Mercury Determinations @ $3.00			$15.00

ABBOT A. HANKS, Inc.

PAID 11/2/51 P.F.

pf

REPORT OF ASSAY

ABBOT A. HANKS, INC.

ASSAYERS, CHEMISTS, ENGINEERS
624 SACRAMENTO STREET
SAN FRANCISCO.

October 18, 1951

DEPOSITED BY James Tobar
47 Windfield Street
San Francisco, California

SAMPLE OF ORE

Labty. No.	Mark	GOLD, per ton of 2,000 lbs. Troy Ounces	GOLD, per ton of 2,000 lbs. Value @ $35.00 oz.	SILVER, per ton of 2,000 lbs. Troy Ounces	SILVER, per ton of 2,000 lbs. Value @	Percentages	
	Panoche Valley Quicksilver Mines				$		
35722	Sample # 1					Mercury	1.82
23	" # 2					"	2.23
24	" # 3					"	0.72
25	" # 4					"	0.58
26	" # 5					"	2.74

ABBOT A. HANKS, INC.
Original Signed by
P. T. BEE

pf

TRIPLICATE

Shipping Order and Freight Bill

CHARLES J. VANCE

TRUCKING

PHONE 640 R

224 E. MINER YREKA, CALIF.

4001

BE. 67845

Permit No.

Name of Carrier (Name of carrier must be same as shown on permit)

Point of Origin _____ Date Nov 2 19 57

Shipper: Mumm Mill

Street Address: Box 31

City: Etna Calif.

Consignee: Quincy Valley Quick Sales Mills

Street Address: Gazaniza Calif.

City:

Pkgs.-Kind	Description of Commodities	**Weight	Rate	Charges
1 lot	Douglas fir lumber C 35 per M			
10,000 ft		35000	43	150 50

SHIPPER By _____ (SHOW NAME IN FULL)	CHECK HERE: Origin Terminal ✓; Destination Terminal ✓; Origin Store Door ✓; Destination Store Door ✓	C.O.D.		
Received by Carrier in Good Condition Except as Noted By Otto Schulke DRIVER (SHOW NAME IN FULL)	Truck Tar 37	C.O.D. Fee		
		* Advances		
		*Other Charges	4	51
		Prepaid		
Received by Consignee in good Condition except as noted By _____ (SHOW NAME IN FULL)		TOTAL TO COLLECT	154	01

*Show each charge separately and what it represents.
**If other unit of charge, show per box, crate, bundle, bag, head, etc.

PUC 82 Rediform

All Claims for Loss or Damage must be filed in writing within 10 days from date of shipment and be accompanied by the original paid freight bill and certified copy of invoice of Merchandise lost or damaged.

TRIPLICATE

Shipping Order ● Freight Bill

CHARLES J. VANCE

TRUCKING
PHONE 640 R
224 E. MINER YREKA, CALIF.

4003

BE. 67845
Permit No.

Name of Carrier (Name of carrier must be same as shown on permit)

Point of Origin _____ Date Nov 10 1951

Shipper: Mumson Mill
Street Address: Chna
City: Calif

Consignee: Panoche Valley Quicksilver Mine
Street Address: P.O. Box 31
City: Pasumo Calif

Pkgs.-Kind	Description of Commodities	**Weight	Rate	Charges
1 to ft	fed fuel			
15000 ft	wood			
	2500 Board M	37500	43	163.50

SHIPPER
By _____
(SHOW NAME IN FULL)

Received by Carrier in Good Condition Except as Noted
By Otto Schulle
DRIVER (SHOW NAME IN FULL)

Received by Consignee in good Condition except as noted
By _____
(SHOW NAME IN FULL)

CHECK HERE		C.O.D.	
Origin	Destination		
Terminal ✓	Terminal ✓	C.O.D. Fee	
Store Door ✓	Store Door ✓	* Advances	
Truck Yd		*Other Charges	4 90
		Prepaid	
		TOTAL TO COLLECT	168 15

*Show each charge separately and what it represents.
**If other unit of charge, show per box, crate, bundle, bag, head, etc.

PUC 82 Moore Rediform

All Claims for Loss or Damage must be filed in writing within 10 days from date of shipment and be accompanied by the original paid freight bill and certified copy of invoice of Merchandise lost or damaged.

TRIPLICATE

Shipping Order and Freight Bill

CHARLES J. VANCE

TRUCKING

PHONE 640 R

224 E. MINER YREKA, CALIF.

4004

BE. 67845

Permit No.

Name of Carrier (Name of carrier must be same as shown on permit)

Point of Origin _____ Date Nov 29 19 57

Shipper: Mummer Mill

Consignee: Panoche Valley Lumber Co

Street Address: Box 31

City: Olema Calif

Street Address: Mine

City: Pacheco Calif

Pkgs.-Kind	Description of Commodities	**Weight	Rate	Charges
1 Pkg	Redwood lumber			
	15000 ft 4x4			
	@ 2500 + per M	37500	43	163.25

SHIPPER

By _____ (SHOW NAME IN FULL)

Received by Carrier in Good Condition Except as Noted

By Russell DRIVER (SHOW NAME IN FULL)

Received by Consignee in good Condition except as noted

By _____ (SHOW NAME IN FULL)

CHECK HERE		C.O.D.		
Origin	Destination			
Terminal ✓	Terminal ✓	C.O.D. Fee		
Store Door ✓	Store Door ✓	* Advances		
From Tel		*Other Charges	4	90
		Prepaid		
		TOTAL TO COLLECT	168	15

*Show each charge separately and what it represents.
**If other unit of charge, show per box, crate, bundle, bag, head, etc.

PUC 82 Rediform

All Claims for Loss or Damage must be filed in writing within 10 days from date of shipment and be accompanied by the original paid freight bill and certified copy of invoice of Merchandise lost or damaged.

TRIPLICATE

Shipping Order Freight Bill

CHARLES J. VANCE

TRUCKING

PHONE 640 R

224 E. MINER YREKA, CALIF.

4005

BE. 67845

Permit No.

Name of Carrier (Name of carrier must be same as shown on permit)

Point of Origin _____ Date Dec 5 19 57

Shipper: Pat Lee Mill

Consignee: Carmichael Valley Ranch

Street Address: Box 31

City: Fort Jones

Street Address: Clear Creek

City: Calif

Pkgs.-Kind	Description of Commodities	**Weight	Rate	Charges
1 Ty + 21 load lumber				
15000 ft approx.				
@ 2500 per M		37500	43	163.25

	CHECK HERE		C.O.D.	
SHIPPER	Origin	Destination		
By _____ (SHOW NAME IN FULL)	Terminal ✓	Terminal ✓	C.O.D. Fee	
	Store Door ✓	Store Door ✓	* Advances	
Received by Carrier in Good Condition Except as Noted			*Other Charges	4.90
By Vernel DRIVER (SHOW NAME IN FULL)	From Tel		Prepaid	
Received by Consignee in good Condition except as noted			TOTAL TO COLLECT	168.15
By _____ (SHOW NAME IN FULL)				

*Show each charge separately and what it represents.
**If other unit of charge, show per box, crate, bundle, bag, head, etc.

PUC 82 Rediform

All Claims for Loss or Damage must be filed in writing within 10 days from date of shipment and be accompanied by the original paid freight bill and certified copy of invoice of Merchandise lost or damaged.

ORIGINAL

Shipping Order and Freight Bill

CHARLES J. VANCE

TRUCKING

PHONE 640 R

224 E. MINER YREKA, CALIF.

4004

BE. 67845

Permit No.

Name of Carrier (Name of carrier must be same as shown on permit)

Point of Origin _____ Date Nov 29 19 51

Shipper: [illegible]

Consignee: Panoche Water Products Co

Street Address: [illegible]

Street Address: P.O. Box 31 Firebaugh

City: Yreka Calif.

City: Firebaugh Calif.

Pkgs.-Kind	Description of Commodities	**Weight	Rate	Charges
15 Pkgs. Cantaloupe				
25000 Melons				
25000 lbs M		37500	43	163.25

	CHECK HERE		C.O.D.		
SHIPPER	Origin	Destination			
By _____ (SHOW NAME IN FULL)	Terminal ✓	Terminal ✓	C.O.D. Fee		
	Store Door ✓	Store Door ✓	* Advances		
Received by Carrier in Good Condition Except as Noted			*Other Charges	4	90
By [illegible] DRIVER (SHOW NAME IN FULL)			Prepaid		
Received by Consignee in good Condition except as noted			TOTAL TO COLLECT	168	15
By [illegible] (SHOW NAME IN FULL)					

*Show each charge separately and what it represents.
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PUC 82 Rediform

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ORIGINAL

Shipping Order ● Freight Bill

CHARLES J. VANCE

TRUCKING

PHONE 640 R

224 E. MINER YREKA, CALIF.

4005

BE. 67845

Permit No.

Name of Carrier (Name of carrier must be same as shown on permit)

Point of Origin _____ Date Dec 5 19 57

Shipper: Cal-Pacific Trucks

Street Address: 37 Jackson

City: _____

Consignee: Cascade Valley Bank, FOB of 31 Slow Trucks

*Street Address: Cascade, Calif.

City: _____

Pkgs.-Kind	Description of Commodities	**Weight	Rate	Charges
1 Pkg	4 ea Load Boards			
	150 ea Sft-Ch-ms			
C	2 ea Ch-M	37500	43	163.25

SHIPPER

By _____ (SHOW NAME IN FULL)

Received by Carrier in Good Condition Except as Noted

By Vance DRIVER (SHOW NAME IN FULL)

Received by Consignee in good Condition except as noted

By Cascade Valley Bank (SHOW NAME IN FULL)

CHECK HERE		C.O.D.	
Origin	Destination		
Terminal ✓	Terminal ✓	C.O.D. Fee	
Store Door ✓	Store Door ✓	* Advances	
		*Other Charges	4.90
		Prepaid	
		TOTAL TO COLLECT	168.15

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**If other unit of charge, show per box, crate, bundle, bag, head, etc.

PUC 82 Rediform

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ORIGINAL

Shipping Order and Freight Bill

CHARLES J. VANCE

TRUCKING

PHONE 640 R

224 E. MINER YREKA, CALIF.

4003

BE. 67845

Permit No.

Name of Carrier (Name of carrier must be same as shown on permit)

Point of Origin _____ Date Nov 10 1951

Shipper: Weaver Mill

Street Address: Etna

City: Calif

Consignee: Panache Valley Co-Op Sales

Street Address: P.O. Box 37

City: Paonia Calif

Pkgs.-Kind	Description of Commodities	**Weight	Rate	Charges
1 ts	Wood Shavings			
15000 lt	approx.			
	2500 Per M	37500	4.3	163.25

	CHECK HERE		C.O.D.		
SHIPPER	Origin	Destination			
By _____	Terminal ✓	Terminal ✓	C.O.D. Fee		
(SHOW NAME IN FULL)	Store Door ✓	Store Door ✓	* Advances		
Received by Carrier in Good Condition Except as Noted			*Other Charges	4.90	
By [illegible]	Van Top		Prepaid		
DRIVER (SHOW NAME IN FULL)					
Received by Consignee in good Condition except as noted			TOTAL TO COLLECT	168.15	
By Panache Valley Co-Op Sales Paonia					
(SHOW NAME IN FULL)					

*Show each charge separately and what it represents.
**If other unit of charge, show per box, crate, bundle, bag, head, etc.

PUC 82 Rediform

All Claims for Loss or Damage must be filed in writing within 10 days from date of shipment and be accompanied by the original paid freight bill and certified copy of invoice of Merchandise lost or damaged.

ORIGINAL

Shipping Order and Freight Bill

CHARLES J. VANCE

TRUCKING

PHONE 640 R

224 E. MINER YREKA, CALIF.

4001

BE. 67845

Permit No.

Name of Carrier (Name of carrier must be same as shown on permit)

Point of Origin _____ Date Nov 2, 19 51

Shipper: Munson Mill

Street Address: _____

City: Chs Calif

Consignee: Pamoche Valley Lumber Co

Street Address: Box 81

City: Fairmes Calif

Pkgs.-Kind	Description of Commodities	**Weight	Rate	Charges
1 Pk	4 Ft Short Shooks			
	C 35 per M			
10,000 ft		35000	43	150 50

SHIPPER

By _____

(SHOW NAME IN FULL)

Received by Carrier in Good Condition Except as Noted

By Otto Schwabe

DRIVER (SHOW NAME IN FULL)

Received by Consignee in good Condition except as noted

By Pamoche Valley Lumber Silver Spruce

(SHOW NAME IN FULL)

CHECK HERE		C.O.D.	
Origin	Destination		
Terminal ✓	Terminal ✓	C.O.D. Fee	
Store Door ✓	Store Door ✓	* Advances	
Truns Tax 3%		*Other Charges	4 51
		Prepaid	
		TOTAL TO COLLECT	154 01

*Show each charge separately and what it represents.
**If other unit of charge, show per box, crate, bundle, bag, head, etc.

PUC 82 Rediform

All Claims for Loss or Damage must be filed in writing within 10 days from date of shipment and be accompanied by the original paid freight bill and certified copy of invoice of Merchandise lost or damaged.

REPORT OF ASSAY

ABBOT A. HANKS, INC.

ASSAYERS, CHEMISTS, ENGINEERS
624 SACRAMENTO STREET
SAN FRANCISCO. October 18, 1951

DEPOSITED BY James Tobar
47 Windfield Street
San Francisco, California

SAMPLE OF ORE

Labty. No.	Mark	GOLD, per ton of 2,000 lbs. Troy Ounces	GOLD, per ton of 2,000 lbs. Value @ $35.00 oz.	SILVER, per ton of 2,000 lbs. Troy Ounces	SILVER, per ton of 2,000 lbs. Value @ $	Percentages	
	Panoche Valley Quicksilver Mines						
35722	Sample # 1					Mercury	1.82
23	" # 2					"	2.23
24	" # 3					"	0.72
25	" # 4					"	0.58
26	" # 5					"	2.74

ABBOT A. HANKS, INC.
R. T. Beel.

pf

REPORT OF ASSAY

ABBOT A. HANKS, INC.

ASSAYERS, CHEMISTS, ENGINEERS
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25	" # 4					"	0.58
26	" # 5					"	2.74

ABBOT A. HANKS, INC.
Original Signed by
R. T. BEE

pf

C O P Y of L E A S E

THIS AGREEMENT, Made and entered into this 4th day of October, 1951, by and between ROSE D. GARCIA, formerly Rose D. Hill, party of the first part and lessor, and JAMES TOBAR of the County of San Francisco, State of California and CHARLES J. VANCE of Yreka, California parties of the second part and lessees,

WITNESSETH: That the party of the first part, for and in consideration of the royalties, covenants and agreements hereinafter contained on the part and behalf of the parties of the second part to be paid, kept and performed, does hereby lease unto the parties of the second part the following described premises situated in the County of San Benito, State of California, to-wit:

> The Southeast quarter of the Southeast quarter of Section Twelve in Township fifteen south of Range nine East, M.D.M., and Lots three and four and the North-east one quarter of the Southwest quarter and the South-east one quarter of Section seven, Township fifteen south of Range ten East, M.D.M., containing 322.95 acres,

together with all minerals in, on or under said ground, hereby giving to said second parties the exclusive right and privilege of mining the said land, operating the same as a mine and of extracting the mineral therefrom, constructing works, buildings, tunnels, pipe lines and roads, and doing all other things reasonably required to properly mine the said property.

Reserving unto the said lessor, however, the use for agricultural and grazing purposes such portions of said premises as are suitable therefor.

The term of this agreement and lease shall be ten years, from and after the 3rd day of October, 1951, and ending onthe 2nd day of October, 1961.

The parties of the second part do hereby accept this lease, and they do hereby agree that they will from the beginning of the term, diligently and in good faith mine the said property, primarily for quick-silver or cinnabar and diligently operate the same as a quicksilver mine, procuring, installing and using such equipment and employing such labor, as is reasonably necessary to extract the ore from the earth, process the ore and reduce it to a marketable product, and sell and deliver the same

as mined, in the ordinary course of the trade and without withholding the same from market, all to be done expeditiously and in a miner-like manner, and without delay, except such as may be caused by strikes, catastrophe, act of God or causes beyond the control of second party.

For the privileges and rights herein given the lessees, the latter agree to pay a royalty of fifteen (15%) percent of the gross selling price of all quicksilber and other mineral taken from the premises during the term; two-thirds (2/3) of said royalties to be paid directly to the said Rose D. Garcia, party of the first part, at Hollister, California, and the remaining one-third (1/3) shall be paid to Joseph Rios at Hollister, California, by the purchaser or purchasers of the mineral without deduction, the royalty payments to be made at least once a month, and if settlement for the minerals is made by the purchasers thereof more often than once a month, then the royalties shall be paid on such settlement dates. Statements of the quantity of the quicksilber sold shall be furnished the first party monthly and statements of the quantity produced by the second parties shall be furnished first party upon demand therefor; the royalty payable to the said Joseph Ries is for work and development on the property heretofore performed and done by him.

It is understood and agreed that in mining the property the operations of second parties shall be diligently and in good faith pursued without interruption, except such as may be caused by strikes, calamity or act of God, or want of ore in paying quantities, and that the magnitude of operations shall correspond to the size of the ore deposits known to exist on or in the said premises or which, with the use of reasonable diligence, could be ascertained to exist therein, with the view and intent of extracting the quicksilver from the area and the ore mined expeditiously; explorations shall be made from time to time to discover and develop new ore bodies and provide uninterrupted operations.

Second parties shall at all times have in charge of the mining operations a competent superintendent or manager well versed in the operation of quicksilver mines capable of extracting the quicksilver from the ore without undue loss or waste.

It is agreed that the first party, her agents and representatives

may, at all reasonable times, go upon the premises without hindrance, molestation or annoyance for the purpose of inspecting and examining the work done or being performed and to ascertain if the terms of this lease and agreement are being properly carried out by the second parties; that the first party may also prospect the premises for new ore bodies, disclosing their finding to the second parties; also first party jointly with second parties may have samples of ore from the premises processed or assayed to discover its mineral content and if second parties refuse to cooperate therein, first party may alone have said samples assayed; any such prospecting, sampling and examinations by the party of the first part shall be done so as not to interfere with the mining operations of second parties, but any defective or inadequate operations by second parties disclosed by said inspections, examinations, prospecting or assaying or other means shall be forthwith corrected by second parties.

Said mining operations shall be carried on so as to interfere no more than reasonably necessary with the use of the surface of the land for grazing or agricultural purposes.

Notwithstanding anything to the contrary hereinbefore set forth, second parties shall not be required to operate or process ore which is not available in paying quantities, but in the event second parties cease to mine ore or process the same because ore is not available in paying quantities, they shall forthwith notify the first party of such claim and this lease and agreement shall thereupon terminate unless second parties forthwith diligently and in good faith prospect and explore for new ore bodies using at least thirty (30) shifts per month therein, and if after sixty (60) days of such prospecting and exploration no ore in paying quantities is found then the lease shall terminate.

The term "ore not available in paying quantities", or similar expressions, as herein used shall mean ore that cannot be mined or processed at a profit by the use of any of the methods ordinarily used in mining quicksilver.

In the mining operations of second parties no water supply on the premises for cattle shall be polluted or interfered with.

It is agreed that the parties of the second part shall not sell or assign this lease or any interest therein, or sublet any part of the leased premised either voluntarily or involuntarily without the written consent of the part of the first part being first obtained, nor shall any of the second parties sell or assign his interest in said lease without such consent.

The second parties agree that they will not dor or omit to do anything which may result in any liens being placed against the premises.

The second parties agree that they will pay prior to delinquency all taxes which may be assessed against their equipment and propetty brought upon the leased premises and the first party likewise agrees to pay prior to delinquency all taxes which may be assessed against her interest in the leased property.

It is agreed that in the event the second parties default in the performance of any agreement, covenant or payment herein contained binding upon them, that the first party may, at her option, cancel this agreement and all the interest of the second parties arising therefrom, and may take possession of the property and remove all persons therefrom, time being of the essence of this agreement.

Upon the termination of this lease and agreement, the latter may remove all their machinery and equipment from the leased premises, providing they are not in default in the performance of any of the provisions, terms or conditions of this agreement binding upon them.

In the event any action is instituted by the first party against the second parties for any breach of this agreement, the second parties agree to pay a reasonable attorney fee to be fixed by the Court therein and included in the judgment.

While this agreement contemplates use of the leased premises primarily for quicksilver mining, if other minerals are found therein, in paying quantities, the same shall be mined by methods ordinarily employed, due regard being had to the size of the deposits found, and the same shall be mined and processed and the mineral sold and royalties paid thereon, in accordance with the usual practices of first class miners of the minerals.

COPY of LEASE

THIS AGREEMENT, Made and entered into this 4th day of October, 1951, by and between ROSE D. GARCIA, formerly Rose D. Hill, party of the first part and lessor, and JAMES TOBAR of the County of San Francisco, State of California and CHARLES J. VANCE of Yreka, California parties of the second part and lessees,

WITNESSETH: That the party of the first part, for and in consideration of the royalties, covenants and agreements hereinafter contained on the part and behalf of the parties of the second part to be paid, kept and performed, does hereby lease unto the parties of the second part the following described premises situated in the County of San Benito, State of California, to-wit:

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together with all minerals in, on or under said ground, hereby giving to said second parties the exclusive right and privilege of mining the said land, operating the same as a mine and of extracting the mineral therefrom, constructing works, buildings, tunnels, pipe lines and roads, and doing all other things reasonably required to properly mine the said property.

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The term of this agreement and lease shall be ten years, from and after the 3rd day of October, 1951, and ending onthe 2nd day of October, 1961.

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It is agreed that in the event the second parties default in the performance of any agreement, covenant or payment herein contained binding upon them, that the first party may, at her option, cancel this agreement and all the interest of the second parties arising therefrom, and may take possession of the property and remove all persons therefrom, time being of the essence of this agreement.

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In the event any action is instituted by the first party against the second parties for any breach of this agreement, the second parties agree to pay a reasonable attorney fee to be fixed by the Court therein and included in the judgment.

While this agreement contemplates use of the leased premises primarily for quicksilver mining, if other minerals are found therein, in paying quantities, the same shall be mined by methods ordinarily employed, due regard being had to the size of the deposits found, and the same shall be mined and processed and the mineral sold and royalties paid thereon, in accordance with the usual practices of first class miners of the minerals.

It is also understood and agreed that t e lessees shall have and are hereby given the option of extending the term of this lease for an additional period of ten years from and after t e expiration date under the same terms and conditions herein contained.

It is agreed that the waiver by the first party of the breach of any provision of this agreement by the second parties shall not be construed to be a continuing waiver or a waiver of any further breach of the same provision or a waiver of any other provision of this agreement.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands the day and year herein first written.

/signed/ ROSE D. GARCIA.

/signed/ JAMES TOBAR

/signed/ CHARLES J. VANCE

STATE OF CALIFORNIA,)
) ss.
COUNTY OF SANTA CLARA,)

ON THIS 3rd day of October, in the year One Thousand Nine Hundred and fifty-one before me, SYDNEY S.JOHNSON, a Notaey Public in and for said County of Santa Clara, residing therein, duly commissioned and sworn personally appeared ROSE D. GARCIA and JAMES TOBAR and CHARLES J. VANCE

known to me to be the persons described in, whose names are subscribed to, and who executed the annexed instrument, and they acknowledged to me that they executed the same

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal, at my office in the County of Santa Clara, the day and year first above written.

/signed/ SYDNEY S. JOHNSON
Notary Public
in and for the County of Santa Clara, State of California

My commission expires March 7, 1952

REPORT OF ASSAY

ABBOT A. HANKS, INC.

ASSAYERS, CHEMISTS, ENGINEERS
624 Sacramento Street

San Francisco October 18, 1951

Deposited by: James Tobar
47 Winfield Street
San Francisco, California

Sample of ORE

Labty.No.	Mark		Percentage	#/ton (?)	$
	Panoche Valley Quicksilver Mines				
35722	Sample # 1	Mercury	1.82		5.08
23	" # 2	"	2.23		6.22
24	" # 3	"	0.72		2.00
25	" # 4	"	0.58		1.62
26	" # 5	"	2.74		7.64

ABBOT A. HANKS, INC.

/signed/ P. T. BEE

pf

- -

San Francisco October 18, 1951

James Tobar
47 Winfield Street
San Francisco, California

ABBOT A. HANKS, INC.

Assayers - Chemists - Engineers

Control and Umpire Assays, Supervision of Sampling at Smelters, Ore Tests

- - - - oOo - - - -

624 SACRAMENTO STREET - Telephone GArfield 1-1697

Trade Mark
CAREFUL ANALYSES OF ORES AND MINERALS

35722 - 26 (5961)

5 Mercury Determinations @ $ 3.00 $15.00

Paid 11/2/51 pf

REPORT OF ASSAY

ABBOT A. HANKS, INC.

ASSAYERS, CHEMISTS, ENGINEERS
624 Sacramento Street

San Francisco October 18, 1951

Deposited by: James Tobar
47 Winfield Street
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Sample of ORE

Labty.No.	Mark		Percentage	
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ABBOT A. HANKS, INC.

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pf

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CAREFUL ANALYSES OF ORES AND MINERALS

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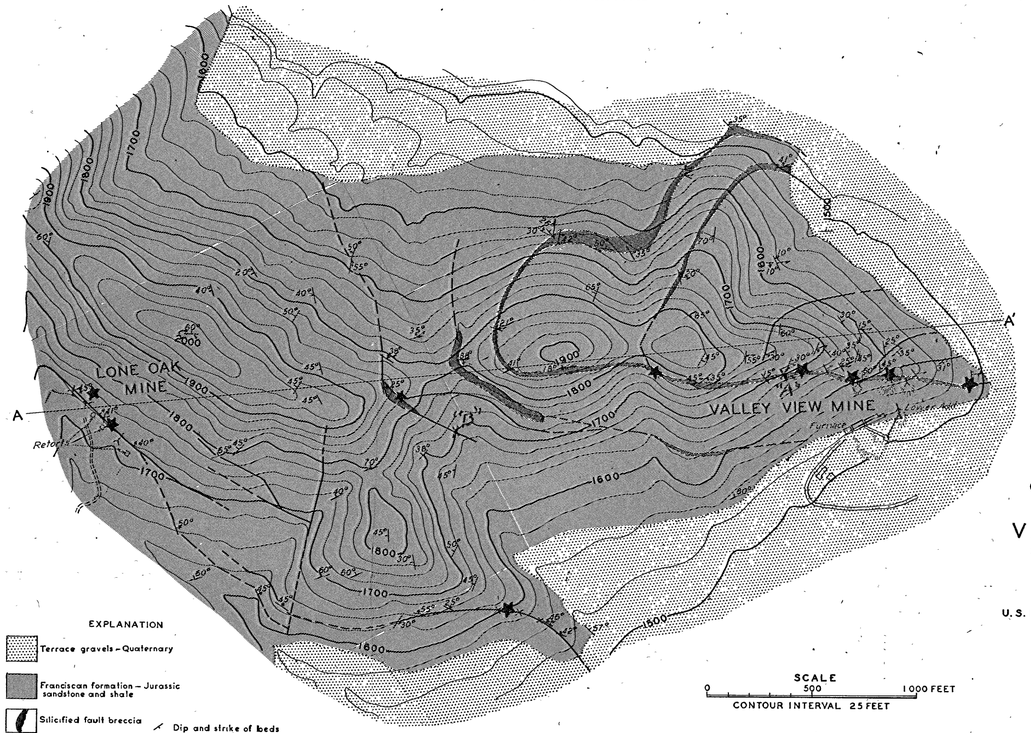
GEOLOGIC MAPS AND SECTIONS OF THE VALLEY VIEW MINE

SAN BENITO COUNTY, CALIFORNIA

BY
R.G. YATES AND L.S. HILPERT
U.S. DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY

JUNE 1941

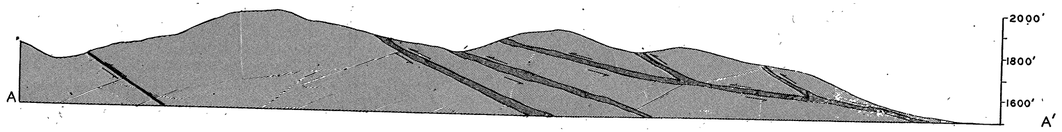
GEOLOGIC MAP OF THE VALLEY VIEW MINE



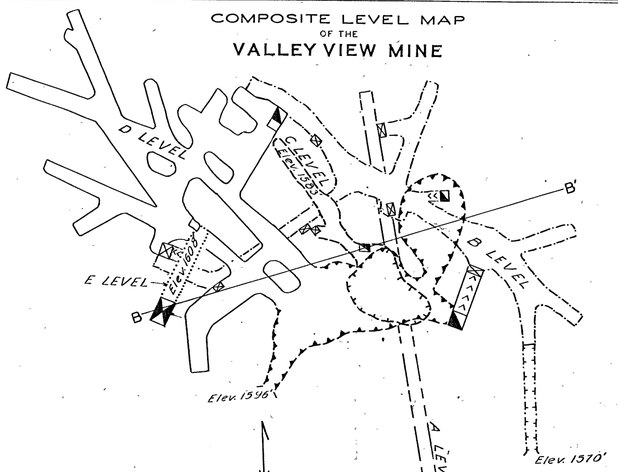
EXPLANATION

- Terrace gravels – Quaternary
- Franciscan formation – Jurassic sandstone and shale
- Silicified fault breccia
- Presence of cinnabar or metacinnabar
- Dip and strike of fault
- Dip and strike of fault showing direction of slickensides
- Dip and strike of beds
- Adit
- Buildings etc.
- Shallow prospect pits

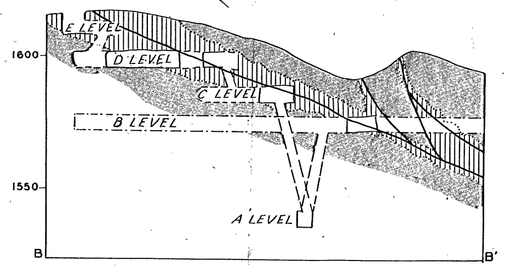
GEOLOGIC SECTION A–A'



COMPOSITE LEVEL MAP OF THE VALLEY VIEW MINE



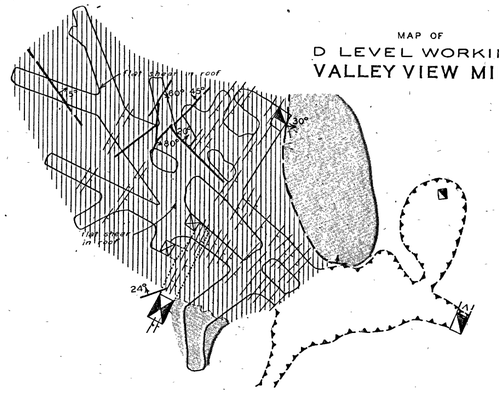
SECTION B–B'



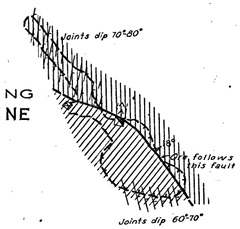
EXPLANATION

- Contacts
- Faults
- Faults, inferred
- Dip and strike of joints
- Adit portal
- Open cut, D level
- Open cut, C level
- Incline, chevrons point down
- Shaft
- Raise
- Winze
- Kaolinized
- Silicified and brecciated
- Partly silicified
- Silicified

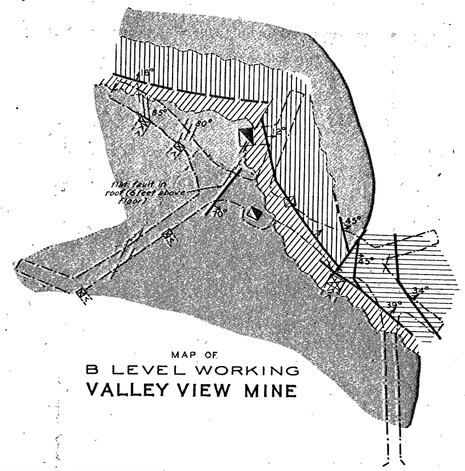
MAP OF D LEVEL WORKING VALLEY VIEW MINE

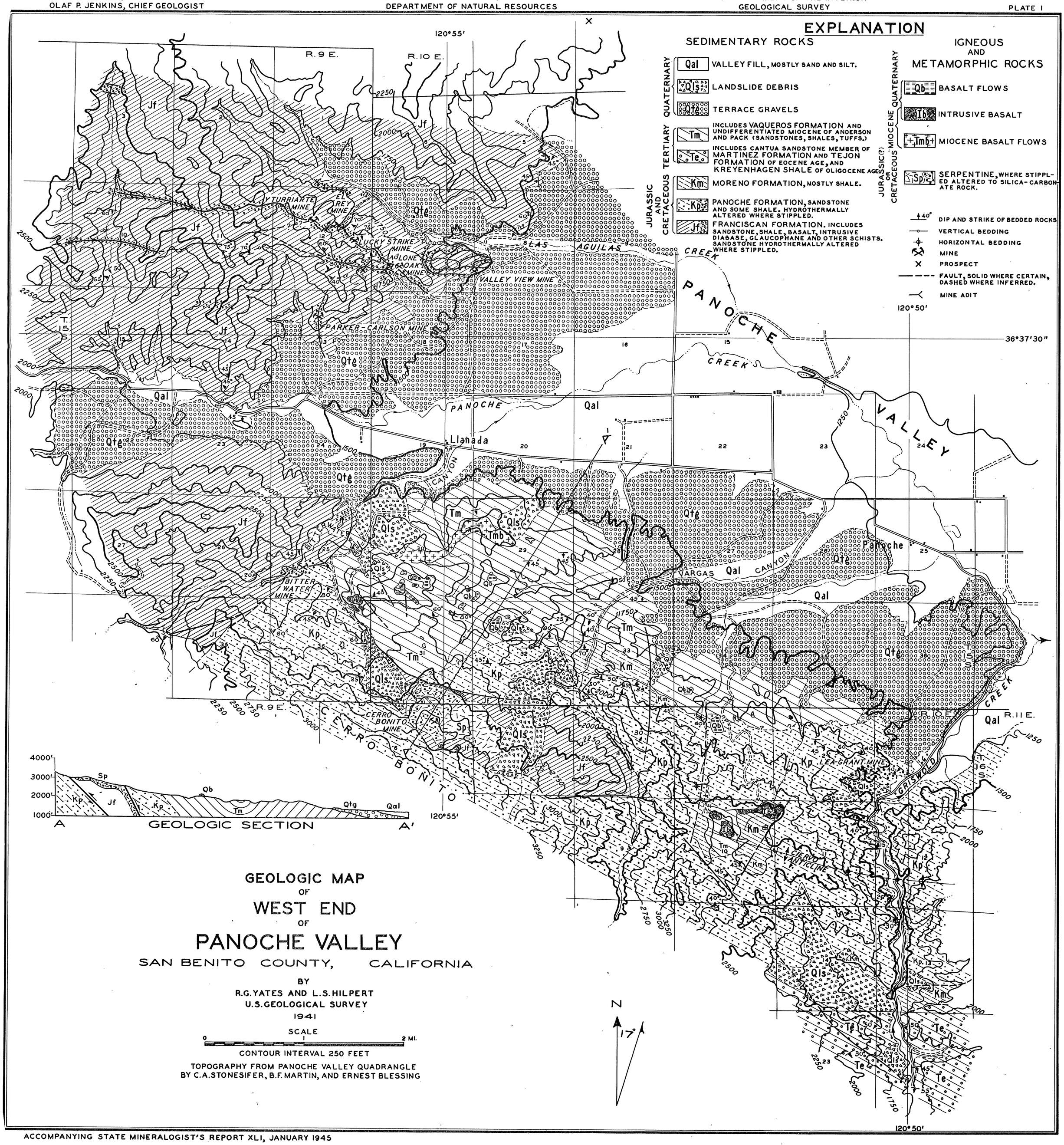


MAP OF C LEVEL WORKING VALLEY VIEW MINE



MAP OF B LEVEL WORKING VALLEY VIEW MINE





GEOLOGIC MAP OF WEST END OF PANOCHE VALLEY

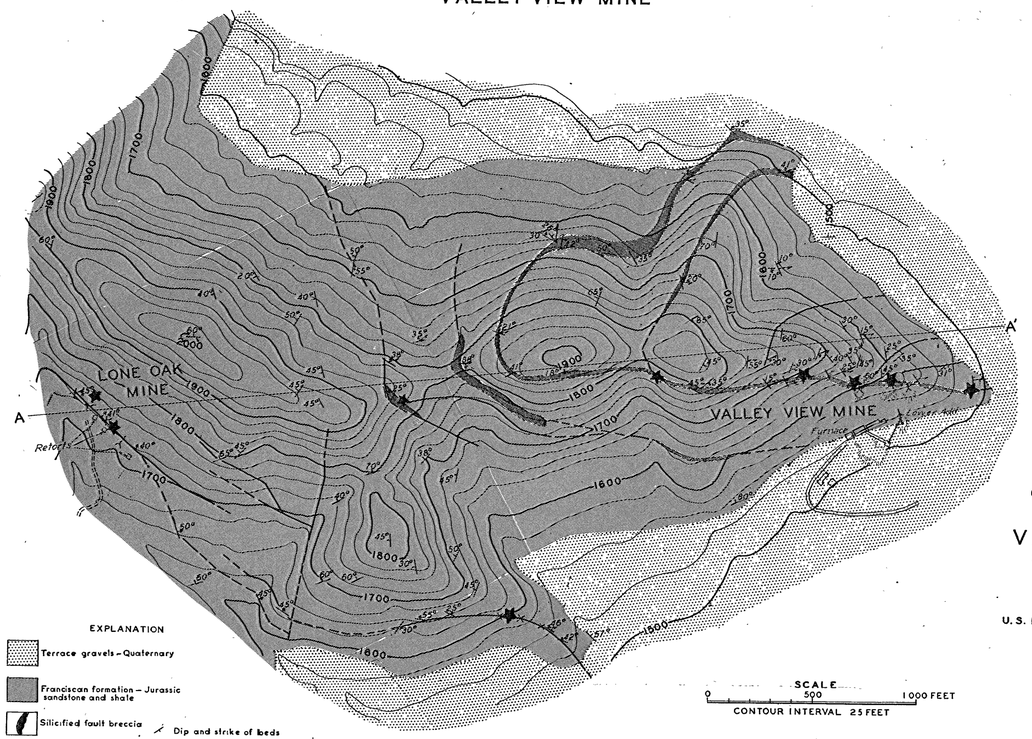
SAN BENITO COUNTY, CALIFORNIA

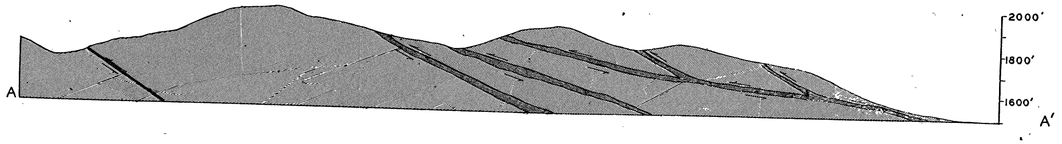
BY
R.G. YATES AND L.S. HILPERT
U.S. GEOLOGICAL SURVEY
1941

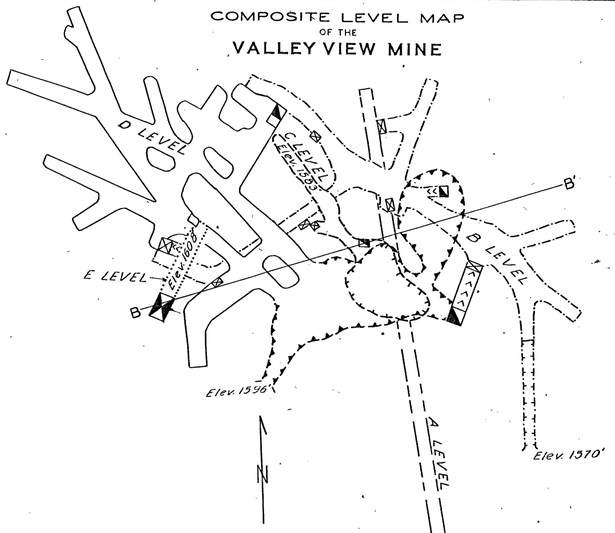
SCALE
0 1 2 MI.

CONTOUR INTERVAL 250 FEET

TOPOGRAPHY FROM PANOCHE VALLEY QUADRANGLE
BY C.A. STONESIFER, B.F. MARTIN, AND ERNEST BLESSING







GEOLOGIC MAPS AND SECTIONS
OF THE

VALLEY VIEW MINE

SAN BENITO COUNTY, CALIFORNIA

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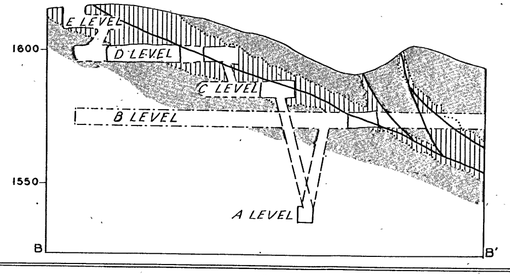
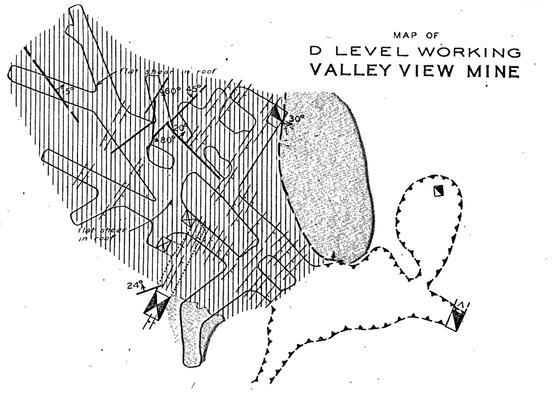
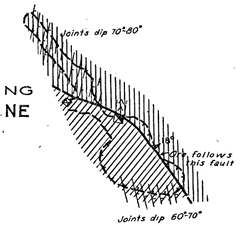
U.S. DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY

JUNE 1941

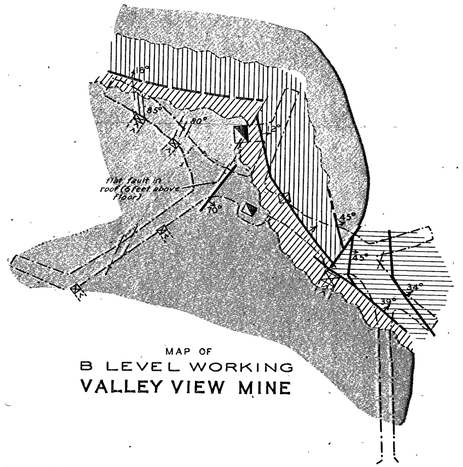






EXPLANATION

- Contacts
- Faults
- Faults, inferred
- Dip and strike of joints
- Adit portal
- Open cut, D level
- Open cut, C level
- Incline, chevrons point down
- Shaft
- Raise
- Winze
- Kaolinized
- Silicified and brecciated
- Partly silicified
- Silicified



OMEA- 2308
JAMES TODAR

GEOLOGIC MAP OF WEST END OF PANOCHE VALLEY

SAN BENITO COUNTY, CALIFORNIA

BY
R.G. YATES AND L.S. HILPERT
U.S. GEOLOGICAL SURVEY
1941

SCALE
0 1 2 MI.

CONTOUR INTERVAL 250 FEET

TOPOGRAPHY FROM PANOCHE VALLEY QUADRANGLE
BY C.A. STONESIFER, B.F. MARTIN, AND ERNEST BLESSING