DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE Idm-E NO._____ DMEA NO. 5040

Application
- [ ] Denied
- [ ] Withdrawn

Contract
- [ ] Terminated - Not Certified
- [ ] Terminated - Certified
- [ ] Cancelled
- [ ] Royalty Agreement

The records contained in this file are marked (x) and arranged in this order:

Folder No. 1:

Left Side

- [ ] Royalty Audits
- [ ] Certification of Discovery
- [ ] Closing Letter
- [ ] Cost Audits
- [ ] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [ ] Contract Amendments
- [ ] Contract with all exhibits and annexes
- [ ] Owner's Consent to Lien and Subordination Agreement
- [x] Application and attachments

Right Side

- [ ] Project summary (final)
- [ ] Work Completed analysis (final)

All other material filed in chronological order including the following reports if checked:

- [ ] Field Team Semi-Annual Report for Certified Project
- [ ] Final Field Team Report (Tab)
- [ ] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [ ] On-site Exam Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No._____: Reports
- [ ] Analysis of Semi-Annual Inspection Reports
- [ ] Project Summary (Interim) by DMEA Engineers

Right Side

- [ ] Field Team Semi-Annual Report for Certified Project
- [ ] Field Team Interim Reports
- [ ] Operator's Monthly Reports with transmittal, narrative and maps.

Folders No._____: Maps (Use pocket folder or envelope)

Folders No._____: Settlement Sheets

Folders No._____: Drill Logs

Folders No._____: Royalty material

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
1605 Evans Avenue
Reno, Nevada

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 2 1958
DATE INITIAL CODE

May 29, 1958

Memorandum

To: Operating Committee, DMEA, Interior Building
Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region II

Subject: Loan Application (Mercury)
Panco Mining Corporation
Panco No. 1 (Edward Bros. Mine)
Marin County, California

Enclosed are three sets of MF-103, Application for Aid forms, relative to above subject. The fourth set has been retained in our files.

/for/ S. Ricker

Attachments

Form MF—103
Revised Feb. 1957

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42—R1035.3
Approval expires June 30, 1958

APPLICATION FOR AID IN AN EXPLORATION PROJECT

PURSUANT TO DMEA ORDER I, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

NAME OF APPLICANT (Full legal name and mailing address as it should appear on contract if one is executed)

PANCO MINING CORPORATION.
5813 FREMONT STREET.
OAKLAND 8, CALIF.

RECEIVED JUN 2

APPLICANT NOT TO USE THIS BLOCK

Docket Number: DMEA-5040
Date Received: 6-2-58
Government Participation %:
Region: II
Division Code: 400

BUSINESS ORGANIZATION (Check one)

- Individual [ ]
- Corporation [X]
- Partnership [ ]
- Other (Specify) [ ]

State in which firm is organized: CALIFORNIA

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

Name	Address	Title
HARRY O. SHERWOOD.	33 KAREN LANE. WALNUT CREEK.	PRES.
SIDNEY H. SMYTH.	663 THE ALAMEDA, BERKELEY.	VICE PRES.
FRANK W. WILCOX.	2515 MONTICELLO. AVE, OAKLAND.	SEC TREASURE.

Mineral(s) for which you wish to explore: MERCURY.

Estimated Cost of Project: $ 37,352.13

LOCATION OF PROPERTY

Name	County	State
NOW PANCO. NO. 1. WAS. EDWARDS BROS.	MARIN	CALIF.

GENERAL INSTRUCTIONS

Before filling out this application, please read DMEA Order—I, Amended, "Government Aid in Defense Exploration Projects." To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit four copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 1, existing mine workings and geology in item 2, and the proposed exploration project in item 4. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 2(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals*, of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest DMEA Field Office.*

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief.

May 27, 1958
Dated

Panco Mining Corporation
BY (Signature)

H. O. Sherwood, Pres.
Title

A wilfully false statement or certification to any Department or Agency of the United States Government is a criminal offense. U. S. Code, Title 18, Sec. 1001.

INFORMATION REQUIRED WITH THIS APPLICATION

1. *Applicant's Property Rights:*

(a) State the legal description (section, township, and range; metes and bounds; patent number of claims) of the land upon which you wish to explore and all land adjacent to the proposed project area which you own or control. Describe any part of the project land or workings which should not be subject to Government lien for royalty payments. If the land consists of unpatented claims, state the book and page number for each recorded location notice, including amended locations, and the place where recorded (courthouse, recorder's office, county, and state).

(b) State all the names by which you know the property.

(c) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise. If you are not the owner, submit with this application one exact copy of the lease, contract, or other document (with address of owner) under which you control the property.

(d) Describe all liens, mortgages, or other encumbrances on the property.

2. *Physical Description:*

(a) Describe in detail and illustrate with maps or sketches all mining or exploration operations which you know have been or are being conducted upon the lands, including existing mine workings. Describe all production facilities.

(b) State your interest, if any, in operations stated in 2*(a)*.

(c) State, as far as you know, the past and current production, supporting your statement with copies of settlement sheets, mine records, or published data if available.

(d) Describe known ore reserves on the property giving quantities and grades and sampling methods used, supporting your statement with copies of assay certificates and assay maps if available.

(e) Describe by narrative and maps or sketches the geologic features of the property, including ore minerals, geologic formations if known, and type of deposit (vein, bedded, etc.).

(f) State your reasons for expecting to find ore, and if you have sampled the area you propose to explore, show where the samples were taken, describe sampling methods used, and provide copies of assay certificates.

(g) Send with your application at least *two* copies of all geologic or engineering reports, assay maps, or technologic information which you may have, indicating on each whether you require its return to you.

3. *Accessibility of Project:*

(a) To aid DMEA representatives who may be required to examine the property, state the name and address of the person who will meet the DMEA representative; give directions for reaching the property; and describe accessibility of the property including the mine workings.

(b) Name the shipping and supply points and places where employees reside and state the distances between them and the property.

4. *The Exploration Project:*

(a) Describe fully the proposed exploration project giving individual footages and sizes of openings *for each item of work.* Use narrative, maps, plans, and longitudinal and cross sections as necessary. Show the location of the proposed work as related to geologic features such as veins, ore-bearing beds, contacts of rock formations, etc. Show also the relation of the proposed work to any existing mine workings and to *property boundaries* or to the closest identifiable corner.

(b) If an access road to the project must be built, show the location on the property map and state the length, type, and construction methods proposed.

(c) In the event that an exploration contract with DMEA is executed, how soon will the work start and how many months will be required to complete it? State your anticipated average daily or monthly rate of progress for each type of work.

5. *Experience:*

State your operating experience and background with relation to your ability to carry out this exploration project, and also that of the person or persons who will supervise the operations.

6. *Estimate of Costs:*

Furnish detailed estimates of the costs *for each item of the work proposed in 4(a)* under the headings listed below with a total for each heading and the estimated total cost of the project. Costs for any work to be performed by an independent contractor should be shown separately under category *(a)* below. Costs for any work that is not to be performed by an independent contractor should be given in detail under categories *(b)* through *(g)*.

(a) Independent contracts. State the cost of any proposed independent contract for the performance of all or any part of the work, expressed in units of work, such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved. Cost estimates should be supported by bids from three contractors if possible. (*Note* – If none of the work is to be contracted, write "none" after this item.)

(b) Personal services. For necessary supervision, engineering and geological services, and labor, include an itemized schedule of numbers, classes, rates of wages, salaries or fees, and periods of employment. State whether these technicians and employees are available.

(c) Operating materials and supplies. List items of material and supplies with their cost. Include under this heading power, water, and fuel, and units of equipment and tools costing less than $50 each.

(d) Operating equipment. List items of operating equipment to be used giving specifications and indicating how each item is to be acquired – i.e., rented, purchased, or provided by the applicant. If it is rented or purchased, state the estimated rental or purchase price. If it is to be furnished by the applicant, give its present fair market value.

(e) Initial rehabilitation and repairs. Describe the type and the cost of necessary *initial* rehabilitation or repair of existing buildings, fixtures, installations (exclusive of mine workings), and movable operating equipment now owned by the applicant, which will be used on the exploration project.

(f) New buildings, fixtures, installations. Describe each building, fixed improvement, and installation to be purchased, constructed, or installed for the exploration project stating specifications and cost including labor, materials and supervision.

(g) Miscellaneous. For the operating equipment listed in 6*(d)*, describe the type and estimate the cost of repairs and maintenance expected during project operations. Do not repeat initial repairs listed in 6*(e)*. Show also the costs of analytical work, accounting, workmen's compensation and employees' liability insurance, payroll taxes, and other required costs that do not fall within the previous categories.

Note – No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes), or any other indirect costs, or work performed or costs incurred before the date of the contract, should be included in the estimate of costs.

7. *(a)* State whether you are prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation stated in Sec. 7 of DMEA Order–I, Amended.

(b) Explain to what extent you propose to furnish your share of the costs by providing money, by use of equipment owned by you, or otherwise.

* * * * *

PANCO MINING CORPORATION
5813 FREMONT STREET
OAKLAND 8, CALIF.

APPLICATION FOR AID IN AN EXPLORATION PROJECT.

Applicant's Property Rights:
County of Marin, State of California:

1-A Commencing at post "McB, at Northeast corner of land of Gambonini, being a portion of which was known as the"Bracket Ranch"; thence South 34° 45' West 27 chains to post in southwesterly line of Rancho Nicasio; thence along said line North 64° West 65.30 chains to southerly corner of land conveyed by D. F. Frasier to Elisha Light by Deed recorded in Liber "J" of Deeds, at page 426, said lands now being owned by Casarotti; thence along the line of said lands North 14' 45' East 27.3 chains and thence South 64° East 75 chains to the point of beginning, containing 188 acres more or less.

1-B Bentley and Schultz Ranch. Edwards Bros. Mine. Now.Panco Mining Corp.

1-C Lease. On Royalty Basis.

1-D None.

2. Physical Description:

2- The Panco Mining Corporation has driven all tunnels as shown on prints as furnished with this request. The Panco Mining Corporation has a complete recovery plant on the property with a 25 ton rotary kiln, ore bins, conveyors, fans, condensors, retort, crushers, and all equipment that is necessary to operate the recovery of Mercury. Operated six months in 1957. Recovery of 154 flasks of Mercury.

2-B Panco Mining Corporation owns all equipment and operates the property.

2-C Copy of sale sheets sold by Panco Co. and Panco Mining Corporation enclosed. This property is new and first opened in March 15, 1955. Understand Edwards Brothers sold $5,500.00 in 1955.

2-D At top of bank where elevation shows EL 65 there is a vein exposed which extends 300' each way. This vein is pitching down on a 50° angle and was cut into by a raise at the Y of the left hand tunnel. Also was opened up again at the end of the left hand tunnel where the cross cut is shown on map. In right hand tunnel two small veins were cut through. The surface bank over the right hand tunnel shows ore connecting with the vein that is over the left hand tunnel. The tonnage from inside of tunnels and surface showing could run into several million tons. All sampling of surface was with a two-inch auger about three feet down. Tunnel sampling with pick and pan on side walls over a ten foot space.

2-E See maps enclosed.

2-F As of 2-D

2-G All enclosed.

3 Accessibility of Property.

3-A H. O. Sherwood, 5813 Fremont Street, Oakland 8, Calif.
Telephone OL 2-8949
H. O. Sherwood, 33 Karen Lane, Walnut Creek, Calif.
Telephone Yellowstone 5-4188
Out of Petaluma take Western Avenue to the Two Rock Road; turn left here, go to Chileno Valley Road; turn right on Chileno Valley Road. Four miles on this road will come to a drive in with cattle guards and three posts sticking about 8' high; turn in here. Drive to aluminum barn; turn in at gate crossing lake dam. Follow this road and it will take you to the mine property. The distance from the mine from Chileno Valley Road is approximately 1½ miles

3-B Shipping and supply points Petaluma, Calif. Men reside in the nearby vicinity.

4 The Exploration Project:

4-A The ore body that has been opened up shows that it is going down on a 50° angle. To get under this ore body and away from water we want to go down the Canyon and drive a tunnel under this ore body 100' below our present tunnel. We propose to make this tunnel 4' x 7' inside of timbers, and approximately 725' long. See map for other details

4-B Road already built.

4-C As soon as DMEA makes the loan, approximately 120 working days. Drive and timber 6' tunnel per day of 8 hours.

5 Experience: H. O. Sherwood will supervise the driving of the tunnel and oversee all work and working conditions. He was with the Pan American Engineering Company for 18 years, manufacturing mining equipment and supervising installations. He operated the Harrison Quicksilver Mine in 1943 and 1944, has operated the Panco Mining Corporation property since starting in March 1956.

6 Estimate of Cost:

6-A Bulldozer work, 20 days at the rate of $12.00 per hour, 8 hour day $96.00, 20 days $ 1,920.00

6-B Personal services.

Supervision 4½ months at $750.00 per month	3,375.00
Engineering & Geological services	2,350.00
Labor - 5 miners & muckers, @ $18. per 8 hour 720 man days	12,960.00
	$20,605.00

All men are available.

6-C Operating material and supplies:

Timbers, 15 M, @ $50.00 M	$ 750.00
Rails and fittings. 10 tons @ $120. per ton	1,200.00
Powder fuses and caps. 200 cases	2,200.00
Drill steel and bits	1,450.00
Wiring and switches	261.00
Ventilation piping and blower	1,180.00
Two end dump mine cars @ $260.00 each	520.00
Picks, shovels, etc.	320.00
	$ 7,881.00

Carried forward	$ 7,881.00
Slick sheets, two	187.00
Fuels, gas, diesel & greases	2,748.00
Air Compressor 165 CF	1,268.00
	$ 12,084.00

6-D Operating equipment to be furnished by Applicant.

Caterpillar Diesel Generator Unit 35KW, 220 or 440 Volt	$ 1,800.00
Worthing Gas driven air compressor, 105 CF	450.00
Lab Rock Crusher, 2 HP. 3P.60 CY.Driven	165.00
Two Drifters, one Stoper, one Jack Hammer	475.00
Water pump, One HP, 3P.60CY, Motor Driven with Piping	468.00
Water pump, 7½ HP, 3P.60CY, Motor Driven	360.00
Air receiver	80.00
1¼" and 3/4" Galvanized pipe	320.00
1000' 1" Hose, water and air. .32¢ ft.	300.00
Misc. tools on job	460.00
Tool room and supplies	620.00
Panco Jig for testing ore	380.00
Studebaker truck, 52. Flat bed dump	1,400.00
One 3000 gallon water tank	300.00
Three 1000 Gallon diesel oil tanks, $125. each	375.00
Blacksmith tools and equipment	260.00
Cutting torches, gauges and hose	96.00
Electric Welder, 300 kw. AC.	300.00
We have on the job 1160' Mine rails. If we take them out of the present tunnels, cost us	1,392.00
	$ 9,969.00

In addition to the equipment listed in 6-D, we have a complete processing plant for recovering Mercury, including Kiln, Condensors, Storage Bins, Conveyors, Oil Burner, Retort, Redwood tank, Cyclone, Exhaust fan - which cost us installed, $ 22,000.00

6-E None.

6-F Change house for tunnel project. Men. 8' x 8' x 12' $ 416.00

6-G Miscellaneous:

Mechanic Part time and repair parts	$ 1,268.00
Accounting work. Four months at $200. per mo.	800.00
Miners and muckers, superintendent $16,335.00 @ .11%	1,796.85
Unemployment & old age Inc. 3½% $16,335.00	471.72
Accounting tax & inc.	28.00
Calif. Sales Tax on $12,084.00 @ 4%	482.56
	$ 4,847.13

7-A We are not prepared to furnish our share in cash, refer to 7-B.

7-B We feel that we have enough equipment on the mining property, with the recovery plant, storage bins, rails, if used, and the equipment that is listed, to cover our share of the project.

Panco Mining Corporation
5813 Fremont Street
Oakland 8, California

ITEM 1-C

ASSIGNMENT OF AGREEMENTS

WHEREAS, on the 15th day of March, 1955, FREDERICK BENTLEY and LAURA GERTRUDE BENTLEY, his wife, and RAY C. SCHULTZ and VERA L. SCHULTZ, his wife, as Grantors, granted to FLOYD EDWARDS, as Grantee, certain mining and prospecting rights in and to a certain portion of the real property owned by said Grantors in Marin County, California, which agreement was recorded on the 5th day of July, 1955, in Book 953, Page 452, Official Records of Marin County, California; and

WHEREAS, on the 10th day of March, 1956, by an agreement in writing, said FLOYD EDWARDS did assign and transfer all of his rights under said agreement of March 15, 1955, to FRANK WILCOX, SIDNEY SMYTH and H. O. SHERWOOD:

NOW THEREFORE, WITNESSETH:

1. That the said FRANK WILCOX, SIDNEY SMYTH and H. O. SHERWOOD do hereby sell, assign, set over and transfer unto PANCO MINING CORPORATION, a corporation, its successors and assigns, said agreement of March 15, 1955, and said agreement of March 10, 1956, and all of their rights thereunder;

2. That PANCO MINING CORPORATION, a corporation, shall perform all of the conditions, obligations and provisions required to be performed by the assignors herein and agrees to hold said FLOYD EDWARDS and the assignors herein harmless of and from any default or breach of such agreements.

3. In the event that PANCO MINING CORPORATION, a corporation, shall fail to perform any term, provision or condition of the said agreements and shall remain in default for a period of [illegible]enty (20) days after receipt of written demand from the assignors

ITEM 1-C

herein, then this assignment may, at the option of the assignors herein, be cancelled upon further written notice to said corporation. In the event of a default by said corporation, in addition to such other remedies as they shall have, said assignors herein shall have the right to enter upon the property and use any or all of the equipment of said corporation as they may deem necessary to protect their rights under said agreements. In the event, however, that said assignors shall exercise this right to enter upon the property and use the machinery and equipment of said corporation, they shall do so in a careful workmanlike manner and shall be liable for any breakage or damage caused by negligence on their part or on the part of any servant or employee of theirs.

In the event of the termination of this assignment, said corporation will promptly pay all bills, charges, claims, liens, rentals, royalties and other obligations of any kind or character incurred in connection with its operation under this agreement and upon the satisfactory settlement of all such obligations it shall have sixty (60) days from and after the date of termination of this agreement within which to remove its machinery and equipment from the property.

IN WITNESS WHEREOF, the parties have signed this agreement this 19th day of September, 1956.

Frank Wilcox
Frank Wilcox

Sidney Smyth
Sidney Smyth

H. O. Sherwood
H. O. Sherwood

PANCO MINING CORPORATION, a corporation

By H. O. Sherwood
President

By Frank Wilcox
Secretary

STATE OF CALIFORNIA)
COUNTY OF ALAMEDA) SS.

On this 19th day of September, 1956, before me, Harold Huovinen, a Notary Public in and for the County of Alameda, State of California, residing therein, duly commissioned and sworn, personally appeared FRANK WILCOX, SIDNEY SMYTH and H. O. SHERWOOD, as individuals known to me to be the persons described in and whose names they subscribed to the within 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, the day and year in this certificate first above written.

Harold Huovinen (SEAL)
Notary Public in and for the County
of Alameda, State of California
My commission expires Jan. 30, 1957

STATE OF CALIFORNIA)
COUNTY OF ALAMEDA) SS.

On this 19th day of September, 1956, before me, Harold Huovinen, a Notary Public in and for the County of Alameda, State of California, residing therein, duly commissioned and sworn, personally appeared H. O. SHERWOOD, known to me to be the President and FRANK WILCOX, known to me to be the Secretary of the Corporation that executed the within instrument and the officers who executed the within instrument on behalf of the Corporation therein named, and acknowledged to me that such Corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal, the day andyear in this certificate first above written.

Harold Huovinen (SEAL)
Notary Public in and for the County
of Alameda, State of California
My commission expires Jan. 30, 1957

Mr. Floyd Edwards

Re: Transfer of Grantees' Interest Under Mining Agreement with Frederick Bentley, Laura Gertrude Bentley, Ray Schultz and Vera L. Schulta 2

Dear Mr. Edwards:

Pursuant to paragraph 13 of the above designated agreement heretofore entered into by the Bentleys and the Schultz' with you, we hereby consent to your subletting your interest in the above designated mining agreement to Messrs. Frank Wilcox of Oakland, Sidney Smyth of Berkeley and H. O. Sherwood of Oakland, provided that the terms and conditions of the agreement dated March 10, 1956 between you and the Sublessees are complied with.

You understand, of course, that by our consenting to this sublease, we are not in any way waiving, modifying or limiting our rights or the conditions and provisions of our original agreement and we expect and will require that you and your subtenant perform in full compliance with that agreement.

Very truly yours,

Frederick Bentley

Ray C. Schultz

AGREEMENT

THIS AGREEMENT, made this 10th day of March, 1956, is by and between FLOYD EDWARDS, hereinafter referred to as "EDWARDS" and FRANK WILCOX, SIDNEY SMYTH AND H. O. SHERWOOD, hereinafter referred to as "OPERATORS".

RECITALS :

1. EDWARDS is the owner of certain mining and prospecting rights in and to a certain portion of the real property owned by FREDERICK BENTLEY, LAURA BENTLEY, RAY SCHULTZ and VERA SCHULTZ, in Marin County, California, pursuant to an agreement dated March 15th, 1955.

2. OPERATORS desire to acquire from EDWARDS and EDWARDS is willing to transfer to OPERATORS, the rights now held by EDWARDS pursuant to the above designated agreement.

AGREEMENTS :

1. EDWARDS hereby transfers and sets over to OPERATORS the right to enter upon the lands of BENTLEY and SCHULTZ and explore, prospect and search for metals, minerals, ores and other things of value and to mine, take, extract and remove from said property any and all such valuable metals,minerals, ores and other things of value, for the time and subject to the conditions set forth in the above designated agreement between EDWARDS and BENTLEY and SCHULTZ, and also subject to the further terms and conditions hereinafter set forth. EDWARDS hereby reserves an over-writing royalty in the amount of five percent (5%) of the gross value of all metals, minerals, ores and other things of value extracted, recovered or taken from said property, and in addition the OPERATORS will pay to EDWARDS the sum of Ten

Thousand and no/100 ($10,000.00) Dollars at the rate of Ten and no/100 ($10.00) Dollars for each seventy-six pounds (76 lbs.) of quicksilver mined and processed so long as the price of quicksilver equals or exceeds Two Hundred Fifty and no/100 ($250.00) Dollars per seventy-six pounds (76 lbs.) and only Five and no/100 ($5.00) Dollars for each seventy-six pounds (76 lbs.) of quicksilver mined and processed during such time as the price of quicksilver is less than Two Hundred Fifty and no/100 ($250.00) Dollars for seventy-six pounds (76 lbs.).

2. OPERATORS agree to perform all of the conditions, obligations and provisions required to be performed by EDWARDS under the terms of the agreement between EDWARDS and BENTLEY and SCHULTZ and further agrees to hold EDWARDS harmless of and from any default or breach of such agreement.

3. OPERATORS will commence development work on the property within Ten (10) days from the date of this agreement and will put in not less than forty (40) eight (8) hour shifts in each and every calendar month until not less than one hundred (100) feet of exploratory tunneling is completed. The OPERATORS will continue to diligently explore, mine and operate the property in a good workmanlike and mininglike manner for the production of the maximum amount of quicksilver from the property.

4. In the event that OPERATORS shall fail to perform any term, provision or condition of this agreement or of the agreement between EDWARDS and BENTLEY and SCHULTZ and shall remain in default for a period of twenty (20) days after receipt of written demand from EDWARDS to perform, then this agreement may, at the option of EDWARDS, be cancelled upon further written notice to the OPERATORS. In the event of a default by OPERATORS, EDWARDS, in addition to such other remedies as he shall have

shall have the right to enter upon the property and use any or all of the equipment of OPERATORS as he may deem necessary to protect his rights under this agreement and under the agreement with BENTLEY and SCHULTZ. In the event, however, that EDWARDS shall exercise this right to enter upon the property and use the machinery and equipment of OPERATORS, he shall do so in a careful, workmanlike manner and shall be liable for any breakage or damage caused by negligence on his part or on the part of any servant or employee of his.

In the event of the termination of this agreement, Operators will promptly pay all bills, charges, claims, liens, rentals, royalties and other obligation of any kind or character incurred in connection with their operation under this agreement and upon the satisfactory settlement of all such obligations they shall have sixty (60) days from and after the date of termination of this agreement within which to remove their machinery and equipment from the property.

IN WITNESS WHEREOF, the parties have signed this agreement.

Floyd Edwards
FLOYD EDWARDS

Frank W. Wilcox
FRANK WILCOX

Sidney Smyth
SIDNEY SMYTH

H. O. Sherwood
H. O. SHERWOOD

Book 953 Page 452

16056

AGREEMENT

THIS AGREEMENT, made this 14th day of March, 1955, is by and between FREDERICK BENTLEY and LAURA GERTRUDE BENTLEY, his wife, and RAY C. SCHULTZ and VERA L. SCHULTZ, his wife, hereinafter referred to as Grantors, and FLOYD EDWARDS, hereinafter referred to as Grantee.

WHEREAS, Grantors are the owners of that certain real property situated in the County of Marin, State of California, more particularly described as follows:

16056
Recorded at Request of
Floyd Edwards
At 6 min. Past 4 P.M.
Jul - 5 1955
Official Records of
Marin County, Calif.
N.T.Giacomini
Fee $4.20 Recorder

Book 953 Page 452

COMMENCING at post "McB, at Northeast corner of land of Gambonini, being a portion of which was known as the "Brackett Ranch"; thence South 34° 45' West 27 chains to post in southwesterly line of Rancho Nicasio; thence along said line North 64° West 65.30 chains to southerly corner of land conveyed by D. F. Frasier to Elisha Light by Deed recorded in Liber "J" of Deeds, at page 426, said lands now being owned by Casarotti; thence along the line of said lands North 14° 45' East 27.3 chains and thence South 64° East 75 chains to the point of beginning, containing 188 Acres more or less.

and

WHEREAS, Grantee desires to obtain the right to prospect and explore for and develop, mine, extract and recover from the property, metals, minerals, ores and other things of value;

NOW, THEREFORE, the parties hereby agree as follows:

1. Grant of right. Grantors hereby give, grant, assign, set over and transfer to Grantee, and Grantee hereby takes and accepts from Grantors the exclusive right to enter

upon the above described property of Grantors and explore, prospect and search for metals, minerals, ores and other things of value and to mine, take, extract and remove from said property any and all such valuable metals, minerals, ores and other things of value for the term and subject to the conditions hereinafter set forth.

2. Term. The term of the right and interest hereby granted shall be ten (10) years from the date hereof, unless said right shall be sooner terminated as hereinafter provided.

3. Scope and extent of right granted. The right hereby granted is in the nature of a profit a prende. It is a non-possessory right. The Grantors therefore retain the right to use the property in any and all ways and manners which do not unreasonably interfere with the mining rights herein granted to Grantee. Specifically and by way of illustration and without limiting the scope of Grantors' rights, Grantors retain all hunting rights over and upon said property and all rights to use the surface of said property for the grazing of stock and otherwise. Likewise Grantors retain all timber rights over and upon said property except that Grantors specifically agree that Grantee shall be allowed to cut and use all timber necessary to be used in connection with the prospecting and mining operations which Grantee shall conduct on the premises.

4. Royalties. Grantee shall pay to Grantors a royalty in the amount of ten percent (10%) of the gross value of all metals, minerals, ores and other things of value extracted, recovered or taken from said property. The payment of such royalties shall be made not less frequently than once each month and the amount owing as of the

end of each calendar month shall be paid not later than the fifteenth (15th) day of the next succeeding month.

Grantee shall at all times keep full, true and accurate records and accounts of all metals, minerals, ores and other things of value extracted, recovered or taken from said property and said records shall at all reasonable times be open to the inspection of Grantors.

5. Working requirements. Grantee shall promptly upon the execution of this Agreement commence and continue exploring, prospecting, mining or developing for mining the said property. In such work Grantee shall perform or have performed, a minimum of ten (10) eight (8) hour shifts in each and every calendar month. All work done by said Grantee upon said property shall be done in a good workmanlike manner and in accordance with the best mining practices. Grantee shall not commit waste upon said property.

6. Grantee to hold Grantors harmless. Grantee shall hold Grantors harmless of and from any and all claims, liabilities and damage of any and every kind arising out of or resulting from Grantee's work or activity upon the said property. Grantee shall take the following steps to further protect Grantors:

(a) Liens. Grantee shall keep said property free and clear of any and all liens for labor or materials furnished to Grantee in connection with the operation upon the property and shall post and keep posted, notice of Grantors' non-responsibility for all such work done on said property by Grantee.

(b) Workmens compensation insurance. Grantee shall

carry adequate Workmens compensation insurance for all employees of Grantee engaged in work on said property.

(c) Public liability and property damage insurance. Grantee shall promptly obtain and maintain in effect public liability and property damage insurance coverage covering Grantors, such public liability being in the amounts of Fifty Thousand and no/100 ($50,000.00) Dollars and One Hundred Thousand and no/100 ($100,000.00) Dollars, and property damage being in the amount of Twenty Five Thousand and no/100 ($25,000.00) Dollars.

(d) Protection of stock. Grantee shall so conduct his operations on said property as to avoid injuring any of Grantors' stock grazing on said property and shall reimburse Grantors for any loss or damage occasioned by injury to such stock resulting from Grantee's operation.

7. Taxes. Grantee shall pay before delinquency any and all taxes levied upon the equipment, machinery and other personal property of Grantee located upon the above described real property; and Grantee shall also pay before delinquency so much of the taxes upon the real property, the subject of this grant, as shall become due during the term of the grant and as shall be attributable to the increase in assessed valuation resulting from improvements placed by Grantee upon the real property and also resulting from discoveries made and mining developments brought about by Grantee's operation.

8. Easement. Grantors hereby grant to Grantee

an easement of ingress and egress to said real property over and across all existing roads on adjoining lands of Grantors. Grantors shall have no obligation to maintain or keep up said existing roads. Grantors reserve the right to change and relocate any existing road, so long as such change or relocationmdoes not materially impair Grantee's access to said property. The easement hereby granted shall terminate upon the termination of the mining right hereinabove granted.

9. Circumstances excusing Grantee's performance. The failure by Grantee to perform any term, provision or condition of this Agreement shall be excused to such extent as such failure shall be caused by fire, flood, act of God, strike, unavoidable accident or other reason beyond the control of Grantee.

10. Termination by Grantors upon Grantee's unexcused failure of performance. In the event that Grantee shall fail to perform any term, provision or condition required by him to be performed under the terms of this Agreement, which failure shall not be excused pursuant to the terms of paragraph 9 hereof, then if Grantee shall continue inexcusably to fail in such performance for a period of twenty (20) days after receipt of written demand to perform from Grantors, then all right and interest of Grantee herein shall thereupon terminate.

11. Termination by Grantee. The interest and right herein granted to Grantee may be terminated by Grantee upon the giving of thirty (30) days notice in writing by Grantee to Grantors. In the event of such termination, Grantee's obligation for performance under this Agreement shall be limited to such obligations as have accrued as of the date of termination.

Such extension shall be under and pursuant to the same terms, conditions and provisions as are herein set forth for the original term (together with option to further extend for a single additional term such that the maximum possible length of the term of this grant shall be the original term, plus two (2) extensions and no more), save and except as to the provision for the rate of royalty. In any extension of the term of this grant the rate of royalty shall be opened and in the event the parties shall not agree to the rate for the extended period, such rate shall be determined by arbitration. In no event shall the rate during the extended term be less than ten percent (10%) nor more than twenty percent (20%) of the gross value of all metals, minerals, ores and other things of value extracted, recovered or taken from said property.

F.B.
L.B.
R.C.S.
V.L.S.
F.E.

12. Sixty (60) days right of removal. Grantee shall have sixty (60) days from and after the date of termination within which to remove all of Grantee's movable machinery, equipment and supplies. All fixtures and permanent improvements constructed or brought upon the property shall be and become the property of Grantors and all movable machinery, equipment and supplies not removed within sixty (60) days after termination shall thereupon become and be the property of Grantors.

13. Limitation on right of assignment and transfer. The interest and right herein granted to Grantee shall not be assigned or transferred in whole or in part without the written consent of Grantors first having been obtained; provided however, that Grantors shall not arbitrarily refuse to give their written consent but instead shall give such written consent where the reputation, character and financial responsibility of the proposed transferee is sound.

14. Option to extend term. If, at the end of the term of the grant hereby made, the Grantee shall not be in default or breach of any term or condition or provision of this agreement, then Grantee shall have the option to extend the term of this grant for the further period of ten (10) years from and after the end of the existing term ~~extension shall be under and pursuant to the same tersm, conditions and provisions as are herein set forth for the original term, together with option to further extend for a single additional term, such that the maximum possible length of the term of this grant shall be the original term, plus two (2) extensions and no more.~~ If Grantee should choose to exercise this option he shall do so by giving

F.E.

written notice to Grantors, not less than ninety (90) days nor more than six (6) months prior to the end of the original term of this grant and in the event of election to exercise the second option such notice shall be given not less than ninety (90) days nor more than six (6) months prior to the end of the extended term.

15. Arbitration. In the event that any dispute or controversy shall arise between the parties relating to the interpretation of or performance of any term, provision or condition of this Agreement, then such dispute or controversy shall be settled by arbitration. The arbitrator shall be appointed by the presiding judge of the Superior Court of the State of California, in and for the County of Marin, and the decision of the single arbitrator shall be final and binding on both parties. The fees of the arbitrator and the costs of the arbitration (not including the costs of preparation and presentation of the respective cases of each of the parties hereto) shall be shared equally by the parties.

16. Agreement binding on successors. This Agreement shall inure to and be binding upon the heirs, successors and assigns of the parties hereto and in the event of the death or incapacity of either of the parties hereto prior to the accomplishment of the purpose of this Agreement, then said Agreement shall be by the heirs and the survivors carried out to completion in the same manner as hereinabove provided as though said death or incapacity had not incurred.

17. Notices. All notices required or permitted to be given under this Agreement shall be in writing and shall be considered as having been delivered to the parties to

State of California)
) SS.
County of MARIN)

On this 15th day of March A.D. 1955, before me JOHN L. ROCKWELL a Notary Public in and for the said County and State, residing therein, duly commissioned and sworn, personally appeared FREDERICK BENTLEY, LAURA GERTRUDE BENTLEY, RAY C. SCHULTZ, VERA L. SCHULTZ and FLOYD EDWARDS known to me to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

(SEAL)

JOHN L. ROCKWELL
Notary Public in and for said County and State

My Commission expires 1/3/57

whom addressed within twenty-four (24) hours after the same have been deposited in the United States mail in the Counties of Marin or Sonoma, with postage prepaid and addressed to Grantors at :

1031 C Street
San Rafael, California

and to Grantee at :

1808 Fulton Road
Santa Rosa, California

18. Water rights. Grantors expressly reserve and retain the right to take the water from the existing spring on the said premises from which water supplying the remaining lands of Grantors is presently taken. Grantee shall so conduct his mining operations as to in no way interfere with or adversely affect the existing flow of water supplying the spring from which Grantors' water is taken, and in this connection Grantee shal refrain from carrying on mining operations near said spring and specifically will conduct no operations within a distance of 100 feet of said spring. If Grantee should in any way damage said spring he shall indemnify Grantors in full for any and all such damage.

Grantee shall have the right to use in his mining operations any water that he may develop on the said premises.

IN WITNESS WHEREOF, the parties have executed this Agreement.

Frederick Bentley

Laura Bentley

Ray C. Schultz

Vera L. Schultz

Grantors

Floyd Edwards Grantee

Panco Mining Corporation
5813 Fremont Street
Oakland 8, California

ITEM 2-C

MERCURY SOLD BY PANCO MINING CORP. 1957
TO: QUICKSILVER PRODUCTS, INC.
407 SANSOME STREET, SAN FRANCISCO 11, CALIF

COPIES: OF SALES.

MAY 10 - 1957 -	8 - 76# FLASKS @	$ 244.75 per flask				
MAY 17 - 1957 -	8 - 76# FLASKS @	$ 242.50 per flask				
JUNE 4 - 1957 -	10 - 76# FLASKS @	$ 242.50 per flask				
JUNE 22 - 1957 -	6 - 76# FLASKS @	$ 242.50 per flask				
JULY 2 - 1957 -	10 - 76# FLASKS @	$ 242.50 per flask				
JULY 17 - 1957 -	9 - 76# FLASKS @	$ 240.00 per flask				
JULY 30 - 1957 -	12 - 76# FLASKS @	$ 240.00 per flask				
AUG. 16 - 1957 -	10 - 76# FLASKS @	$ 235.00 per flask				
AUG. 28 - 1957 -	12 - 76# FLASKS @	$ 235.00 per flask				
SEPT.10 - 1957 -	12 - 76# FLASKS @	$ 230.00 per flask				
SEPT.17 - 1957 -	8 - 76# FLASKS @	$ 221.00 per flask				
OCT. 2 - 1957 -	9 - 76# FLASKS @	$ 221.00 per flask				
OCT. 17 - 1957 -	10 - 76# FLASKS @	$ 212.50 per flask				
NOV. 13 - 1957 -	10 - 76# FLASKS @	$ 213.75 per flask	GOLDSMITH BROS. CHICAGO, ILL			
DEC. 16 - 1957 -	11 - 76# FLASKS @	$ 212.50 per flask				
FEB. 4 - 1958 -	4 - 76# FLASKS @	$ 212.50 per flask				
MAR. 13 - 1958 -	4 - 76# FLASKS @	$ 212.50 per flask				
MAY 6 - 1958 -	5 - 76# FLASKS @	$ 220.00 per flask				

ONE SHIPMENT TO GOLDSMITH BROS., CHICAGO, ILLINOIS: ALL OF THE OTHER LISTINGS ARE QUICKSILVER PRODUCTS, OF SAN FRANCISCO.

THIS IS A TRUE COPY OF OUR SALES.

PANCO MINING CORPORATION
5813 Fremont Street, Oakland 8,
California

By H. O. SHERWOOD, President and
General Manager

H. O. Sherwood

ITEM 2-F

PHONE AShberry 3-5854.

911 UNIVERSITY AVE.
BERKELEY 2,CALIFORNIA.

COPY

ASSAY CERTIFICATE.

C.M.BALL.

ASSAYER CHEMIST.

JULY 6.1956.

OUR NUMBER.	YOUR DESCRIPTION OF SAMPLES.	% HG	% LBS/TON.
25895	OCT.10.1955 JIG TEST MATERIAL.	0.41	8.2
25919	OCT.20.1955 CELL NO 1.	1.05	21.0
25920	" " " " " 2.	0.35	7.0
25921	" " " TAILS	0.07	1.4
26095	DEC 19.1955 101A	0.02	0.4
26096	" " " 102B	0.03	0.6
26097	" " " 103C	0.025	0.5
26426	FEB 1 1956 # 1 LOWER TUNNEL	0.04	0.8
26427	" " " ABOVE LOWER TUNNEL	0.22	4.4
26428	" " " upar tunnel side walls	0.83	16.6
26429	" " " #4.SHAFT 1st LEVEL	1.26	25.2
26430	" " " #5.SURFACE AT SLIDE.	0.07	1.4
26431	" " " #6.CON #3	0.20	4.0
26432	" " " #7. CON # 2.	0.15	3.0
26433	" " " #8. CON #1	0.25	5.0
26434	" " " #9. TAILS.	0.27	5.4
26840	APRIL 18.56	0.13	2.6
27085	JUNE 27, 56 #1	0.07	1.4
27086	" " " #2	0.14	2.8
27087	" " " #3	0.09	1.8
27088	" " " #4	0.02	0.4
27089	" " " #1 SOUTH	0.07	1.4
27090	" " " #2 "	0.05	1.0
27091	" " " #3 "	0.2	0.2

SIGNED. C.M.BALL.

WITH SEAL.

Panco Mining Corporation
5813 Fremont Street
Oakland 8, California

ITEM 2-F

F

Panco Mining Corporation
5813 Fremont Street
Oakland 8, California

ITEM 2-G

Bentley Ranch
XXX

	19	4N	projected 8W	Marin Mercury

OPERATOR
XXXXXXXX Panco Company, 5813 Fremont Street, Oakland 8, Calif.
Phone: Olympic 2-8949

Harry O. Sherwood, President and Superintendent
Frank Wilcox, Secretary-Treasurer, 2515 Monticello Avenue, Oakland. Phone: Ke 2-0281

History: This property was first worked in February 1955 by Floyd Edwards of Petaluma who discovered the deposit by panning the creeks and tracing the panned cinnabar to its source in a ravine in the hills on the south side of Chileno Valley. Following a stringer of cinnabar, Edwards ran an adit westward about 40 feet, then sank a winze on it for 30 feet and at the 20 foot point, ran a return crosscut toward the surface for an additional 15 feet. On the east side of the ravine, Edwards drove another adit 80 feet following a cinnabar stringer.

The cinnabar occurred in a zone of fractured and kaolinized sandstone of the Franciscan formation of Jurassic age. The cinnabar began as a stringer ½-inch wide, widened to 3 inches, and then tapered off again. The ore produced in this exploration work was treated in a small, single-tube retort, fired by local wood. By June 1955 Edwards had recovered at least 10 flasks of mercury from the mine. About May 1956, Edwards subleased the property to the Panco Mining Company.

Visit to Property — Fenelon F. Davis

S.J. Rice and F.F. Davis — 9-6-57 — SF

The next visit to the mine was made in May 1957. The Panco Company was operating the mine under the direction of Mr. Sherwood. The western adit had been extended an additional 80 feet. Off this adit some ore had been stoped to the surface (50 feet). The eastern adit had been extended an additional 20 feet. Short crosscut drifts had been run at a number of points and a short raise had been run to the surface. Some low-grade surface ore also had been exposed by bulldozer cuts.

By this time a 20-ton counter current rotary furnace had been installed to treat the ore produced by the exploration work. Mine cars from the adits were hoisted on an inclined track to the 100-ton ore bin. The ore passed by chute, over a grizzly of rails with 1-inch spacing, to the 12 by 9-inch jaw crusher for reduction to furnace feed of minus $1\frac{1}{4}$-inch size. The crushed ore was discharged to a belt conveyor and delivered to the screw-feeder at the upper end of the furnace.

The furnace (18" i.d. by 28 feet long) is rated at 20 tons per day. It is equipped with Panco oil-fired burners, a cyclone dust collector, an exhaust fan, a set of 16 - 10 inch condenser pipes 14 feet high, an 8 by 16-foot cylindrical redwood settling tank and a 12-inch exhaust pipe terminating at the stock.

The plant was powered by a 35KW generator. Ten men were employed at the mine. It was stated that the mine had produced 7 flasks of mercury in April and 17 in May 1957.

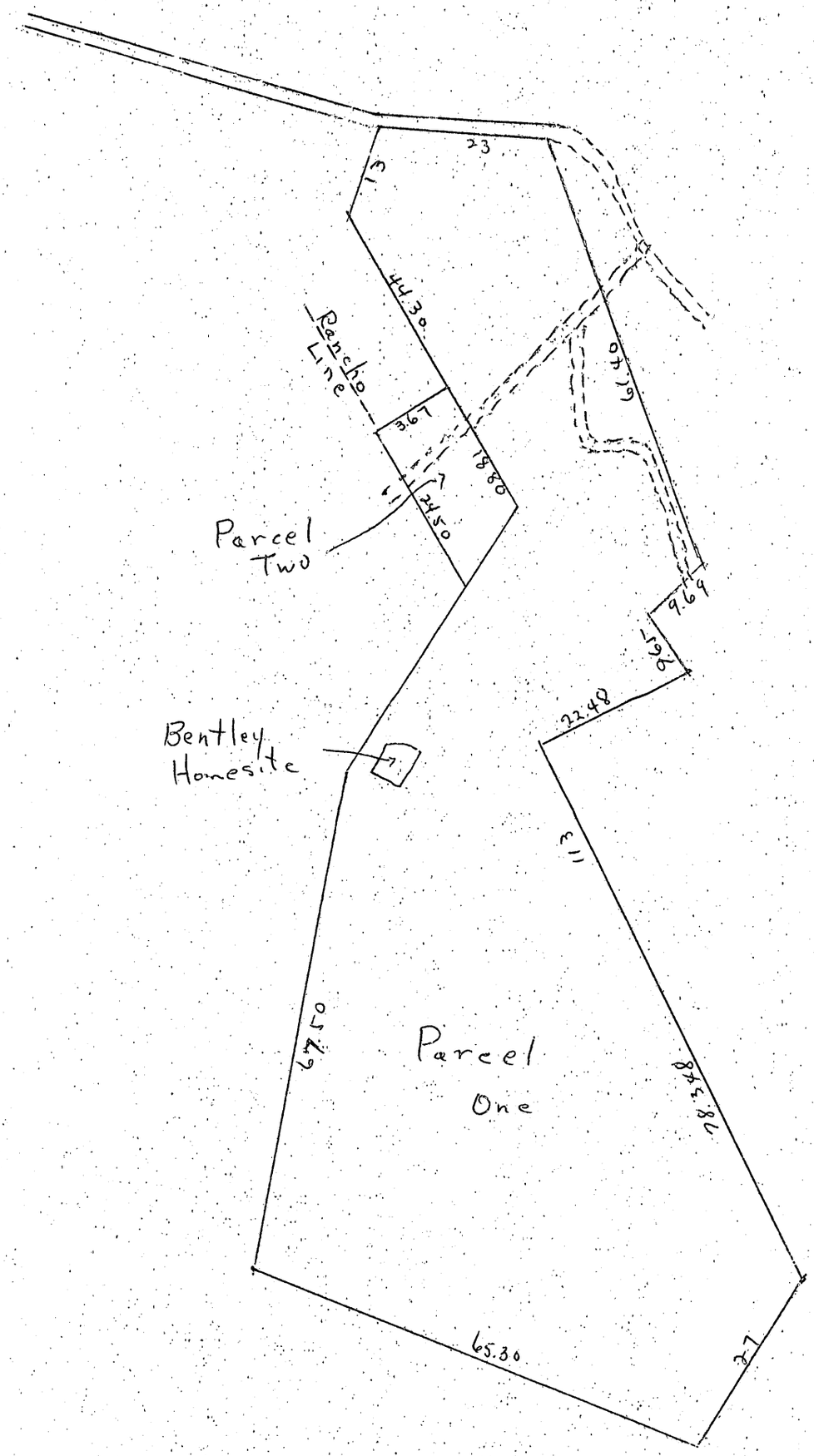
DMEA
RECEIVED JUN 2 1958

The mine was again visited in September 1957 by Salem J. Rice and F.F. Davis at the request of the Company. By this time sufficient additional surface work had been done to expose a shear zone in the brecciated and kaolinized Franciscan sandstone, striking north 10° east and dipping 60° eastward. The zone was about 10 feet wide and was exposed along the strike for about 150 feet. THroughout this zone, cinnabar was found as grains and coatings in cavities and fracture planes in the sandstone. One small kidney of cinnabar was seen in place at the south end of the zone. It was an irregular mass about 6 inches wide and 18 inches long in maximum dimensions.

It was suggested to the company that the eastern adit be extended in an attempt to encounter the shear zone at the lower level. If encountered in the underground workings, the ore could then be stoped to the surface along the strike. Production in June, July and August totaled 70 flasks, approx.

Panco Mining Corporation
5813 Fremont Street
Oakland 8, California

ITEM 4-A



ITEM 4-A

NAME OR TITLE OF PERSON, DEPARTMENT, ADDRESS

	RUN
	STOP
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Use other side first

TITLE OF PERSON, DEPARTMENT, ADDRESS, AND ROOM

	RUN
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	RUN
	STOP

☆ U. S. GOVERNMENT PRINTING OFFICE : 1951 16—38949a-2

U. S. Government Messenger Envelope

Standard Form No. 65 (Rev. 1/46)

1. Use blocks consecutively, one at a time.
2. Void previous block.
3. Write clearly.

NAME OR TITLE OF PERSON, DEPARTMENT, ADDRESS, AND ROOM		NAME OR TITLE OF PERSON, DEPARTMENT, ADDRESS, AND ROOM	
Mineral Deposits 4612-GSA	RUN / STOP		RUN / STOP
[illegible]	RUN / STOP		RUN / STOP
E. W. Ellis D. M. E. A. 4449 Interior	RUN / STOP		RUN / STOP
	RUN / STOP		RUN / STOP
	RUN / STOP		RUN / STOP
	RUN / STOP		RUN / STOP
	RUN / STOP		RUN / STOP
	RUN / STOP		RUN / STOP
	RUN / STOP		RUN / STOP
	RUN / STOP		RUN / STOP
	RUN / STOP		RUN / STOP

Send surplus envelopes to supply room for reissue.

Use other side

10—38949a-2

Use RUN and STOP only when messenger service between Government buildings in Washington is required.
Your mail room has RUN and STOP information.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF INTERNAL ADMINISTRATION
Washington 25, D. C.

January 31, 1959

Memorandum for Docket

Subject: Withdrawal of Pending DMEA Applications

Effective this date, this pending DMEA application is considered withdrawn for statistical purposes.

If, at a later date, the applicant requests reconsideration under the OMI program, all pertinent material in the DMEA file should be transferred to the new OMI docket.

Frank E. Johnson
Frank E. Johnson
Acting Director

4/21/59: No answer to our letter of March 9, 1959. Docket sent to Mail & Files.

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
3/6	Hoff	400
3/6	Martin	400
3/6	Selfridge	120
		110
3/9	C	225
		400

MAR 9 1959

Panco Mining Corporation
5813 Fremont Street
Oakland 8, California

Re: Docket No. DMEA 5040 - Mercury
Panco Mining Corporation
Panco No. 1 (Edwards Bros.) Mine
Marin County, California

Gentlemen:

Reference is made to our letter of January 29, 1959, regarding action required to make your DMEA application eligible for consideration under the OME regulations.

We wish to cooperate with you in allowing ample time to complete such action; but, if we do not hear from you within 30 days from the date of this letter, we will assume that you are no longer interested in proceeding with your application, and we will consider it as having been withdrawn.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

WSMARTIN:foc
3-6-59
cc to: Code 400
Director's Read. File
FT. REG. II
J. W. Pennington, USBM
T. H. Kiilsgaard, USGS

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
1-15	Martin	400
1/22	Jeffreds	420
		~~410~~
		~~400~~
1/29	—	225
		400

JAN 29 1959

Panco Mining Corporation
5813 Fremont Street
Oakland 8, California

Re: Docket No. DMEA 5040 - Mercury
Panco No. 1 (Edwards Bros.) Mine
Marin County, California

Gentlemen:

Enclosed is a copy of the new Office of Minerals Exploration regulations prescribing the manner for obtaining and conditions governing Federal assistance in financing mineral exploration.

If you wish to have your partly-processed DMEA application considered under the OME regulations, you should complete and return four copies of the attached application, MME Form 40.

Under the new program the Government would not contribute more than fifty (50) percent of the total allowable costs of the exploration specified in a contract if one should be approved.

Please note that your signature on the new form certifies that you would not ordinarily undertake the proposed exploration at your sole expense under current conditions or circumstances. The information requested in Item 1(a) - and 1(c) if applicable - is used to determine your financial eligibility under the new exploration program. Data submitted with your DMEA application need not be repeated in the OME application, but should be revised or supplemented as necessary.

Also enclosed are 21 copies of the Lien and Subordination Agreement, MME Form 52, referred to in Item 2(c) of the application. In case you apply for exploration assistance under the OME program and a contract is granted, time will be saved if three sets of five of these are made out and returned to us signed respectively by:

1) Frederick and Laura Gertrude Bentley and Ray C. Schults and Vera L. Schults;

2) Floyd Edwards; and

3) Frank Wilcox, Sidney Smyth and H. O. Sherwood

43683

Two extra copies of each set are intended for your files and the signers'.

The following paragraph from the DMEA letter to you of June 18, 1958, is equally true of the OME program:

"In your application, you state that you are not prepared to furnish your share of the cost in cash but have enough equipment if used to cover your share. If a project is approved, any equipment allowance would not be sufficient to cover your share. You would also need sufficient cash to cover the entire cost for approximately 3 months, as the Government pays for its share at the end of each month for the work completed during the month after you submit a voucher and the work is inspected."

If you do not wish to participate in the OME program, we shall appreciate being so informed.

Sincerely yours,

Frank E. Johnson

Acting Director

Enclosures

WSMARTIN:foc
1-15-59
cc to: Code 400
Director's Read. File
FT. REG. II
Messrs. J. W. Pennington, USBM
T. H. Kiilsgaard, USGS

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
1605 Evans Avenue
Reno, Nevada

Sept. 17, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED 1958

DATE		CODE
9-22	C	220
9/23	WSM	400
		225

Pending
You have this Pending file

Memorandum

To: Operating Committee, DMEA, Interior Building
Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-5040 (Mercury)
Panco Mining Corporation
Panco No. 1 (Edward Bros.) Mine
Marin County, California
(Your letter, September 8, 1958)

A field examination was never made on this property. We had consulted with E. H. Bailey of the Geological Survey regarding its possible merit. Mr. Bailey thought that we would possibly find it an attractive exploration project. Since the office review, further action has not been taken.

The applicant has been advised by telephone that further action will be delayed until the revised exploration program under the O.M.E. becomes effective.

S. Ricker

S. Ricker

Ans to our question
No reply necessary
WSM

DMEA FORM 6 REFERENCE SLIP
REV. 12-56 DEFENSE MINERALS EXPLORATION ADMINISTRATION

TO:	INITIALS	DATE
1. Code 120		
2. " 110		
3.		
4.		
5.		
FROM: W. S. MARTIN		1/15

FOR: Check items for action desired

____ Action ____ Reply for signature of ____
____ Approval ____ Investigate ____ Surname
____ Comment ____ Recommendations ____ Signature
____ Conference ____ Rewrite ____ File
____ Instructions ____ Your information

REMARKS:

The attached letter follows generally the suggested model, but please note the paragraph quoted on p. 2

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

M8278

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
9-19	Martin	400
		~~100~~
		~~110~~
4	[illegible]	100
9-22	C	220

SEP 19 1958

Panco Mining Corporation
5813 Fremont Street
Oakland 8, California

Re: Docket No. DMEA 5040 - Mercury
Panco No. 1 (Edwards Bros.) Mine
Marin County, California

Gentlemen:

As you have an application for exploration aid pending in our office, perhaps you may wish to study the proposed OME regulations and comment on them before October 17 as provided in the first paragraph of the enclosed notice reprinted from the Federal Register of September 17.

Some time after October 17 when the final regulations become effective, we will send you the new application form so you may furnish any additional information necessary to process your application for aid under the new program.

Sincerely yours,

C. O. Mittendorf

ACTING Director

Enclosure

WSMartin:foc
9-19-58
cc to: Admr. R. File
Oper. Comm.
FT. REG. III

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
9-4	Martin	400
9-4	Chapman	400
9/5	GCS	130
"	Johnson	110
	Westerdahl	00
9/9	C	320
		400

SEP 8 1958

Mr. Spangler Ricker, Executive Officer
DMEA Field Team, Region II
1605 Evans Avenue
Reno, Nevada

Re: Docket No. DMEA 5040 - Mercury
Panco Mining Corporation
Panco No. 1 (Edwards Bros.) Mine
Marin County, California

Dear Mr. Ricker:

On June 18, 1958, we sent you the above-noted application for review. From the Region II report for July 1958, we note that field examination of the property was not completed by June 30, 1958. Please advise us if we can expect any further information from you on this application.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

APPROVED:

P. F. Yopes (GCS)
Member, Bureau of Mines

Thor H. Kiilsgaard (GCS)
Member, Geological Survey

TLCHAPMAN/dlm 9-4-58 dlm
cc to: Code 400
Admr. R. File
Oper. Comm.
FT. REG. II
Messrs. J. W. Pennington, USBM
T. H. Kiilsgaard, USGS

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
7-18	Martin	400
	Martin	120
7/21	Johnson	110
21	Mittendorf	100
7/22	W.S.	220
		400
	Kiilsgaard	
	Yager	

JUL 21 1958

Panco Mining Corporation
5813 Fremont Street
Oakland 8, California

Re: Docket No. DMEA 5040 - Mercury
Panco No. 1 (Edwards Bros.) mine
Marin County, California

Gentlemen:

We regret to inform you that, as we indicated was likely in our letter of June 18, 1958, your application identified above could not be completely processed before June 30th.

However, we will be glad to hold it until the Congress acts on pending Legislation to continue the exploration aid program. If the aid is continued, we will then ask you to state whether you wish us to consider your application under the regulations established for the new program.

Sincerely yours,

C. O. Mittendorf

Administrator

WSMARTIN/dl
7-18-58
cc to: Code 400
Admr. R. File
Oper. Comm.
FT. REG. II
Messrs: J. W. Pennington, USBM
T. H. Kiilsgaard, USGS

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
7/16	Martin	400
		200
7-16-58		

Allen S. Dakan, Director, Div, of Oper. Control
and Stastics

Division of Iron and Ferro-Alloys

Docket No. DMEA 5040 - Mercury
Panco Mining Corporation
Panco No. 1 (Edwards Bros.) Mine
Marin County, California

The subject application is being transmitted to you for custody. You may agree that it should be filed with the others for which we have offered to advise the applicants if a new exploration program is approved by the Congress.

W. S. MARTIN

W. S. Martin, Director
Div. Iron and Ferro-Alloys

not used

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
6/18	Chapman	400
	Martin	400
6/18	Selbredge	130
6/18	Lamb	130
6/18	Ridgeway	130
"	Johnson	110
"	Mittendorf	100
6/19	C O	220
		400

JUN 18 1958

Panco Mining Corporation
5813 Fremont Street
Oakland 8, California

Re: Docket No. DMEA 5040 - Mercury
Panco No. 1 (Edwards Bros.) mine
Marin County, California

Gentlemen:

Your application for assistance in exploring the subject property under the captioned docket number has been reviewed by the Washington office of the Defense Minerals Exploration Administration and has been referred to Mr. Spangler Ricker, Executive Officer, DMEA Field Team, Region II, 1605 Evans Avenue, Reno, Nevada, for review.

As you will note from the enclosed press release (P. N. 37682-1) of June 6, 1958, we are processing all applications now on hand and will continue to do so until June 30, 1958.

In your application, you state that you are not prepared to furnish your share of the cost in cash but have enough equipment if used to cover your share. If a project is approved, any equipment allowance would not be sufficient to cover your share. You would also need sufficient cash to cover the entire cost for approximately 3 months, as the Government pays for its share at the end of each month for the work completed during the month after you submit a voucher and the work is inspected.

It appears unlikely that your application can be processed to completion before June 30, 1958. You will also note in the Press Release that legislation has been introduced in the Congress to continue the DMEA type of program. If the proposed legislation is enacted your application, upon written request, will be processed under the rules and regulations established for the new program.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

FEJohnson
TLCHAPMAN:foc
cc to: Code 400
Admr. R. File
Oper. Comm.
FT. REG. II

Enclosure

J. W. Pennington, USBM
T. H. Kiilsgaard, USGS

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
6-13	Chapman	400
6-13	Martin	400
6/18	[illegible]	130
"	Johnson	110
"	Brotherton	100
		220

JUN 18 1958

Mr. Spangler Ricker, Executive
DMEA Field Team, Region II
1605 Evans Avenue
Reno, Nevada

Re: Docket No. DMEA 5040 - Mercury
Panco Mining Corporation
Panco No. 1 (Edwards Bros.) Mine
Marin County, California

Dear Mr. Ricker:

The above docketed application for exploration assistance is being referred to your office for review as a matter of record.

Copies of memoranda dated June 6 and 9, 1958, by N. P. Williams, Geological Survey, and J. W. Pennington, Bureau of Mines, respectively, relating to the project are enclosed. Also enclosed is an extra copy of the application for the use of the Field Team.

Sincerely yours,

Enclosure

George C. Selfridge

APPROVED:

Chairman, Operating Committee (JLB)

Frank D. Lamb (JLB)
Member, Bureau of Mines

TLCHAPMAN/dlm 6-13-58
cc to: Code 400
Admr. R. File
Oper. Comm.
FT. REG. II
Messrs. J. W. Pennington, USBM
T. H. Kiilsgaard, USGS

Thor H. Kiilsgaard (JLB)
Member, Geological Survey

8623

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 10 1958

DATE	INITIALS	CODE
6/10	H.g	223
	WSM	400

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

June 9, 1958

Memorandum

To: W. S. Martin, Defense Minerals Exploration Administration

From: Assistant Chief, Branch of Base Metals

Subject: Review of application, Docket No. DMEA-5040 (Mercury), Panco Mining Corp., Panco No. 1 (formerly Edwards Bros.), Marin County, California $37,352.13.

The applicant proposes to explore the downward extension of a mercury mineralized zone by about 725 feet of drifting.

Bureau of Mines records show that about 175 flasks of mercury has been produced from this property since it began operation in 1955. Virtually all of the output was during 1957.

It is recommended that the application be referred to the Field Team for appropiate action.

The application is returned herewith.

J. W. Pennington

J. W. Pennington

Attachment

Copy to: Division of Minerals
Branch of Base Metals (2)
Files
Thor Kiilsgaard, U.S.G.S.
F. D. Lamb

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

IN REPLY REFER TO:

DMEA
RECEIVED JUN 9 1958
6/10/ H.G. 225
WSM 400

June 6, 1958

Memorandum

To: W. S. Martin, Defense Minerals Exploration Administration

From: W. P. Williams, U. S. Geological Survey

Subject: Review of application, DMEA 5040 (Mercury) Panco Mining Corporation, Panco No. 1, Marin County, California

The applicant proposes to explore for mercury ore deposits on a leasehold consisting of 188 acres. The property includes the Panco No. 1 mine. The mine is equipped, a mill and retorts are in good condition, and 158 flasks of mercury have been produced.

The applicant wishes to explore a mineralized shear zone in the favorable Franciscan formation. The objective of the work would be to explore the shear zone at depth under some old workings. The proposed project would consist of 725' of adit drift and crosscut. Total estimated cost is $37,352.

The property may have mercury potentialities. Considering the past mining that has been done on the property the proposed project should be evaluated through field examination. Referral to the Field Team is recommended.

The applicant states he has no money but wishes to contribute use of his equipment as his share of the costs. It should be explained to him that Government funds will not be advanced before the work starts, should DMEA participate in exploration.

W. P. Williams

W. P. Williams

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

June 3, 1958

Panco Mining Corporation
5813 Fremont Street
Oakland 8, California

Subject: DMEA-5040

Gentlemen:

Your application for exploration assistance, dated May 27, 1958 submitted to our office at Reno, Nevada has been assigned Docket Number DMEA-5040 and referred to the Iron and Ferro-Alloys Division in the Washington office. Kindly identify all future correspondence relating to your application by this Docket Number.

Sincerely yours,

Allen S. Dakan, Director
Operations Control and
Statistics Division

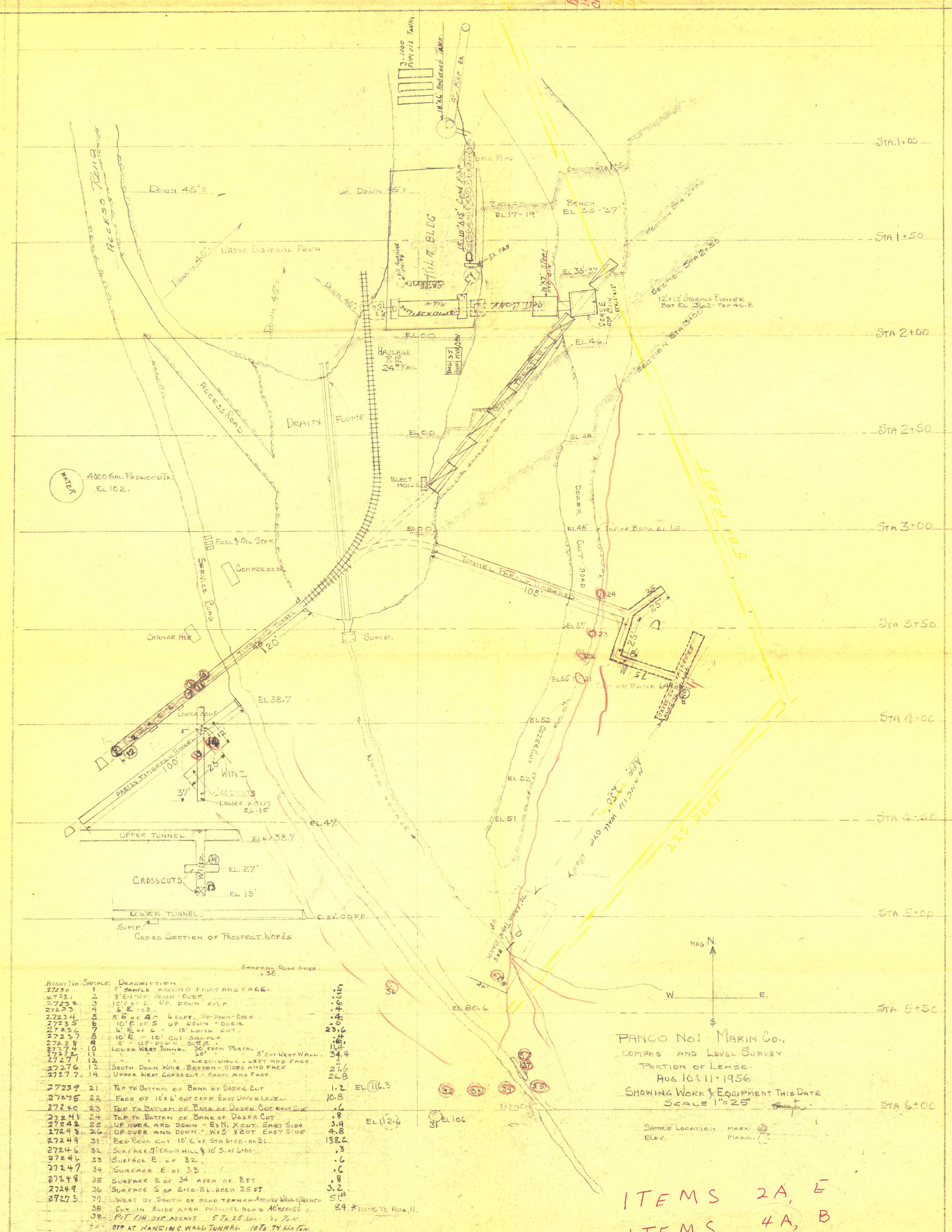
Copy to: Region II.

Panco Mining Corporation
c/o Harold Huovinen
1105 Easton Building
Oakland 12, California

ITEMS 2A, E
ITEMS 4A, B

RED MARKINGS INDICATE VEINLET CINNABAR SHOWINGS

YELLOW MARKINGS INDICATE PROPOSED NEW TUNNEL



Assay No.	Sample	Description	
27230	1	8' Sample around fault and face.	.5
27231	2	8' E of 1 - Up - Down - Over	.5
27232	3	10' E of 2. Up. Down Over	.6
27233	4	6' E of 3.	.4
27234	5	5' E of 4 - 6 cu ft. Up - Down - Over	.4
27235	6	10' E of 5 Up Down - Over	.5
27236	7	6' E of 6 - 10' long cut.	23.6
27237	8	10' E - 10' cut sample	.4
27238	9	9' - Up - Down Over.	.6
27274	10	Lower West Tunnel 30' from Portal	11.4
27272	11	" " " 60' " " 5' cut West Wall.	34.4
27271	12	" " " West Wall - Left and Face	2
27276	13	South Down Winz. Bottom - Sides and Face	21.4
27277	14	Upper West Crosscut - Shaft and Face	26.8
27239	21	Top to Bottom of Bank of Dozer Cut	1.2
27275	22	Face of 10'x6' cut crop East Upper Level.	10.8
27240	23	Top to Bottom of Bank of Dozer Cut East Side	.6
27241	24	Top to Bottom of Bank of Dozer Cut	.8
27242	25	Up over and down - Ex N. X cut. East Side	3.4
27243	26	Up over and down - W x S X cut East Side	4.8
27244	31	Bed Rock cut 10' E of Sta 6+00 on BL.	138.2
27245	32	Surface 7' down hill & 10' S. of 6+00	.3
27246	33	Surface E of 32.	.6
27247	34	Surface E of 33.	.6
27248	35	Surface E of 34 area of 8 ft	.8
27249	36	Surface S of 5+00 - BL. Area 25 ft	3.2
27273	37	West by South of road trench - Around wall of trench	51.#
-	38	Cut in slide area parallel road 40' across	8.4 * Price to Aug. 11.
-	39 -	Pit fill ore assays 5 to 25 lbs. per ton	
-	40 -	Ore at hanging wall tunnel 10 to 94 lbs per ton	

ITEMS 2A, E
ITEMS 4A, B

Panco Mining Corporation
c/o Harold Huovinen
1105 Easton Building
Oakland 12, California

ITEM 2E

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

POINT REYES NE QUADRANGLE
CALIFORNIA
7.5 MINUTE SERIES (TOPOGRAPHIC)
NE/4 POINT REYES 15' QUADRANGLE

Mapped, edited, and published by the Geological Survey

Control by USGS, USC&GS, and USCE

Topography from aerial photographs by multiplex methods
Aerial photographs taken 1952. Field check 1954

Polyconic projection. 1927 North American datum
10,000-foot grids based on California coordinate system, zones 2 and 3

Hydrography compiled from USC&GS Chart 5603

Dashed land lines indicate approximate locations

Unchecked elevations are shown in brown

TRUE NORTH
MAGNETIC NORTH
18°
APPROXIMATE MEAN DECLINATION, 1954

SCALE 1:24 000

1 ½ 0 1 MILE

1000 0 1000 2000 3000 4000 5000 6000 7000 FEET

1 .5 0 1 KILOMETER

CONTOUR INTERVAL 40 FEET
DATUM IS MEAN SEA LEVEL
DEPTH CURVES IN FEET—DATUM IS MEAN LOWER LOW WATER
SHORELINE SHOWN REPRESENTS THE APPROXIMATE LINE OF MEAN HIGH WATER
THE AVERAGE RANGE OF TIDE IS APPROXIMATELY 4 FEET

CALIF.
QUADRANGLE LOCATION

ROAD CLASSIFICATION
Heavy-duty — Light-duty
Medium-duty — Unimproved dirt
U. S. Route — State Route

POINT REYES NE, CALIF.
NE/4 POINT REYES 15' QUADRANGLE
N3807.5—W12245/7.5

1954

THIS MAP COMPLIES WITH NATIONAL MAP ACCURACY STANDARDS
FOR SALE BY U. S. GEOLOGICAL SURVEY, FEDERAL CENTER, DENVER, COLORADO OR WASHINGTON 25, D. C.
A FOLDER DESCRIBING TOPOGRAPHIC MAPS AND SYMBOLS IS AVAILABLE ON REQUEST

ITEM 2E